A Report on the Financial Condition of the IL State Retirement Systems

Financial condition as of June 30, 2010

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 2001 through FY 2010, the combined unfunded liabilities of the systems increased by $60.6 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 38.2% as of June 30, 2010.

- 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 $138.8 billion at the end of FY 2010 to an estimated $324.5 billion at the end of FY 2045. At the same time, assets are projected to increase from $53.2 billion to $292.0 billion. Consequently, the unfunded liabilities are projected to decrease from $85.6 billion at the end of FY 2010 to $32.4 billion at the end of FY 2045, and the funded ratio is expected to increase from 38.3% in FY 2010 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.

- Each of the 5 state retirement systems provided a recertification of the required state contribution for FY 2011 reflecting the impact of P.A. 96-0889. These recertification letters are displayed in the appendices.

- The first section in this report discusses in detail the characteristics of the 2 tier retirement system enacted by P.A. 96-0889. The various projections contained elsewhere in this report all reflect the changes established by this act.

- The historical normal cost for all 5 systems for the period FY1971 through FY 2010 will be added to the on-line copy of this report when each of the systems can provide COGFA with all of the required very old data.

I. Public Act 96-0889
(SB 1946)

Public Act 96-0889
<u>Senate Bill 1946 – Cullerton (Madigan)</u>

Passed House 92-17-7
Passed Senate 48-6-3

Overview of Key Provisions of Public Act 96-0889 (SB 1946)

Effective Date:
- January 1, 2011

Systems Impacted:
- Teachers' Retirement System, State Employees' Retirement System, State Universities Retirement System, Judges' Retirement System, General Assembly Retirement System, Many smaller retirement systems in Illinois.

Retirement Eligibility:
- Normal retirement: 67 years old with 10 years of service.
- Early Retirement: 62 years old with 10 years of service with a 6% per year reduction in benefits for each year age is under 67.
- Annuity based on highest salary 8 years out of last 10 years of service.
- Annual final Average Salary may not exceed $106,800, as automatically increased by the lesser of 3% or one-half of the annual increase in the CPI-U during the preceding 12 month calendar year.

Annual Increases In Annuity:
- Increases begin the latter of the first anniversary of retirement or age 67.
- Increases equal the lesser of 3% or one-half of the annual increase in the CPI-U during the preceding 12 month calendar year. No COLA is payable if the increase in the CPI-U is zero or less.
- Increases not compounded.

Survivor Benefits:
- Survivors earn 66.7% of the annuitant's earned retirement benefit at death.
- Increased annually by the lesser of 3% or one-half the annual increase in the CPI-U during the preceding 12 month calendar year.
- Increases not compounded.

Double Dipping Prohibited:
- Prohibition on simultaneously collecting a pension and a salary with a public employer.

II. 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 $)

	FY 2006			FY 2007		
System	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.

96th 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 3rd, 2009). Beginning on the 90th 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 90th 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.

Two Tier Pension Systems (P.A. 96-0889)

Public Act 96-0889 establishes a new second tier of pension benefits for employees beginning State of Illinois employment on or after January 1, 2011. Normal retirement age is increased to age 67. Retirement annuities are based upon the highest 8 annual salaries during the last 10 years of employment. Annual salaries used in the calculation of retirement annuities may not exceed $106,800. This maximum is increased annually by one half of the increase in the CPI-U up to 3%. Annual increases in retirement annuities are established at one half of the increase in the CPI-U up to 3%, and are not compounded. Survivors' benefits are 66.67% of the annuitant's earned retirement benefits at death. No individual is allowed to collect a pension and a salary with a public employer.

Issuance of Pension Bonds (P.A. 96-1497)

Public Act 96-1497 mandates the issuance of new pension bonds totaling $4.096 billion. The bond sale proceeds, net of sales expenses, will be used as a portion of the FY 2011 State contributions to the various State pension systems. Specifically, SB 3514, House Amendment #3, establishes the FY2011 State pension contributions from bond sales as follows: (1) TRS - $2,117,812,100, (2) SERS - $1,146,977,500, (3) SURS - $757,824,400, (4) JRS - $61,445,200, (5) GARS - $12,289,100. The actual bond sale proceeds were $3.7 Billion, and it will be distributed to each retirement system in identical proportion to the distribution detailed in the prior sentence.

Recertification By Retirement Systems (96-1497)

Public Act 96-1497 requires all 5 State of Illinois retirement systems to recertify their required FY 2011 state contributions by June 15, 2010. These recertifications are to be calculated applying the changes made by P.A. 96-0889 to the System's assets and liabilities as of June 30, 2009 as though P.A. 96-0889 was approved on that date.

Required Date for Completion of Recertification (96-1511)

Public Act 96-1511 changes the due date for any recertification prescribed in Public Act 96-0889 from June 15, 2010 to April 1, 2011.

III. 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, 2010. This section of the report covers the period from FY 1996 to FY 2010.

Over the last 15 years, the State of Illinois has contributed $31.0 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 $17.0 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 2010
($ in Millions)

Fiscal Years	TRS	SURS	SERS	JRS	GARS	Total
1996	$ 330.8	$ 123.9	$ 144.0	$ 13.0	$ 2.6	$ 614.3
1997	386.1	159.5	159.1	14.6	3.0	722.3
1998	467.9	201.6	168.1	16.7	3.4	857.7
1999	573.5	215.4	305.9	20.5	4.0	1,119.3
2000	640.1	224.6	325.7	23.5	4.4	1,218.3
2001	724.9	232.6	341.9	26.4	4.8	1,330.6
2002	815.4	240.4	364.7	29.8	5.2	1,455.5
2003	930.1	269.6	405.5	33.6	5.6	1,644.4
*2004	5,362.0	1,743.7	1,864.7	178.5	32.9	9,181.8
2005	907.0	270.0	498.6	32.0	4.7	1,712.3
2006	534.6	166.6	203.8	29.2	4.2	938.4
2007	738.0	252.0	344.1	35.2	5.2	1,374.5
2008	1,041.3	340.3	551.6	46.9	6.8	1,986.9
2009	1,451.8	450.2	757.2	60.0	8.8	2,728.0
2010	2,080.7	700.2	1,169.0	78.5	10.4	4,038.8
Totals	$ 16,984.2	$ 5,590.6	$ 7,603.9	$ 638.4	$ 106.0	$ 30,923.1

**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 $75.7 billion on June 30, 2010, led by the Teachers' Retirement System (TRS) whose unfunded liabilities amounted to $39.9 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 2010
($ in Millions)

System	Accrued Liability	Actuarial Assets	Unfunded Liability	Funded Ratio
TRS	$77,293.2	$37,439.1	$39,854.1	48.4%
SERS	$29,309.5	$10,961.5	$18,347.9	37.4%
SURS	$30,120.4	$13,966.6	$16,153.8	46.4%
JRS	$1,819.4	$619.9	$1,199.5	34.1%
GARS	$251.8	$66.2	$185.6	26.3%
TOTAL	$138,794.3	$63,053.4	$75,740.9	45.4%

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 $85.6 billion on June 30, 2010. Teachers' Retirement System (TRS), whose unfunded liabilities amounted to $46.0 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 2010
($ in Millions)

System	Accrued Liability	Net Assets	Unfunded Liability	Funded Ratio
TRS	$77,293.2	$31,323.8	$45,969.4	40.5%
SERS	$29,309.5	$9,201.8	$20,107.6	31.4%
SURS	$30,120.4	$12,121.5	$17,998.9	40.2%
JRS	$1,819.4	$523.3	$1,296.2	28.8%
GARS	$251.8	$54.7	$197.1	21.7%
TOTAL	$138,794.3	$53,225.1	$85,569.2	38.3%

The funded ratios for each of the five State retirement systems may be compared to the aggregate funded ratio of 38.3% for the five systems. Although the Judges' Retirement System and the General Assembly Retirement System have the poorest funded ratios, these two systems are much smaller and their unfunded liabilities are thus more manageable than the three larger systems.

CHART 1

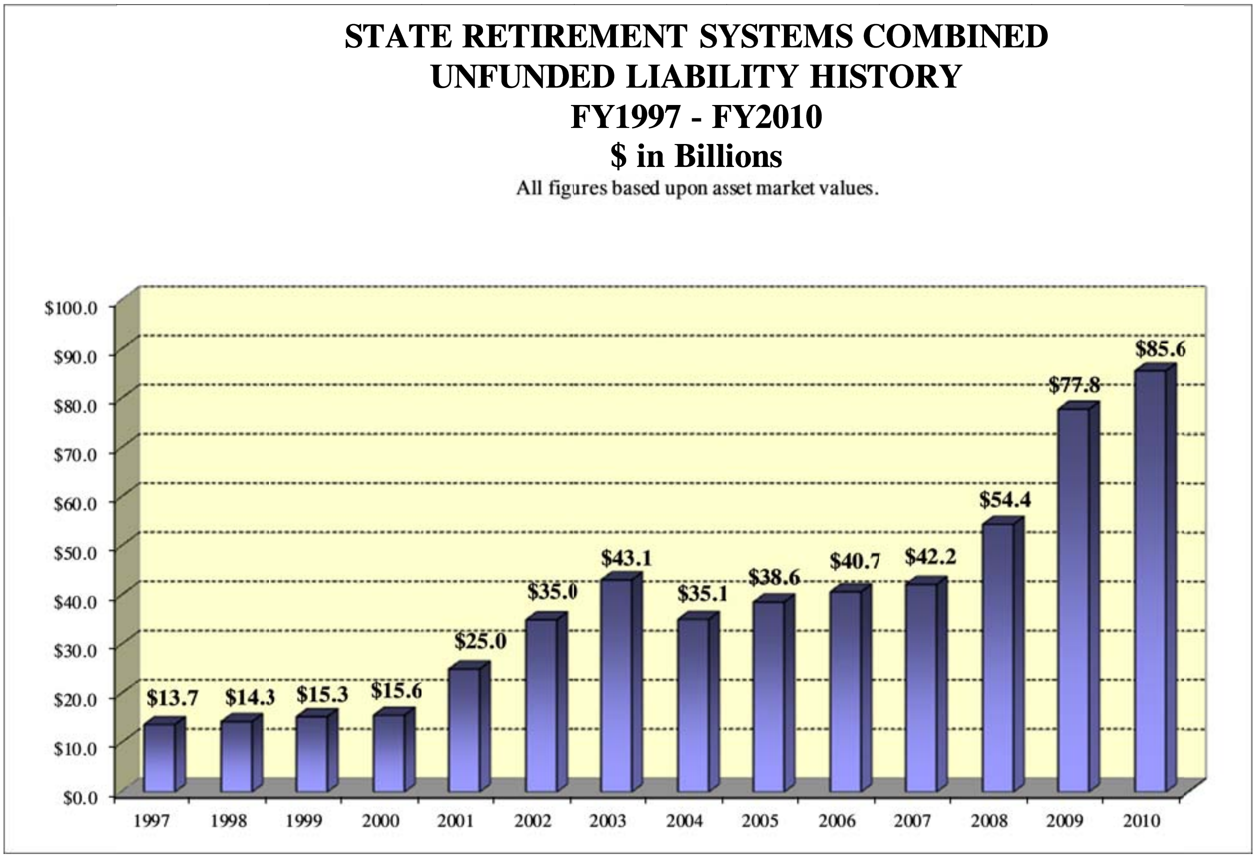
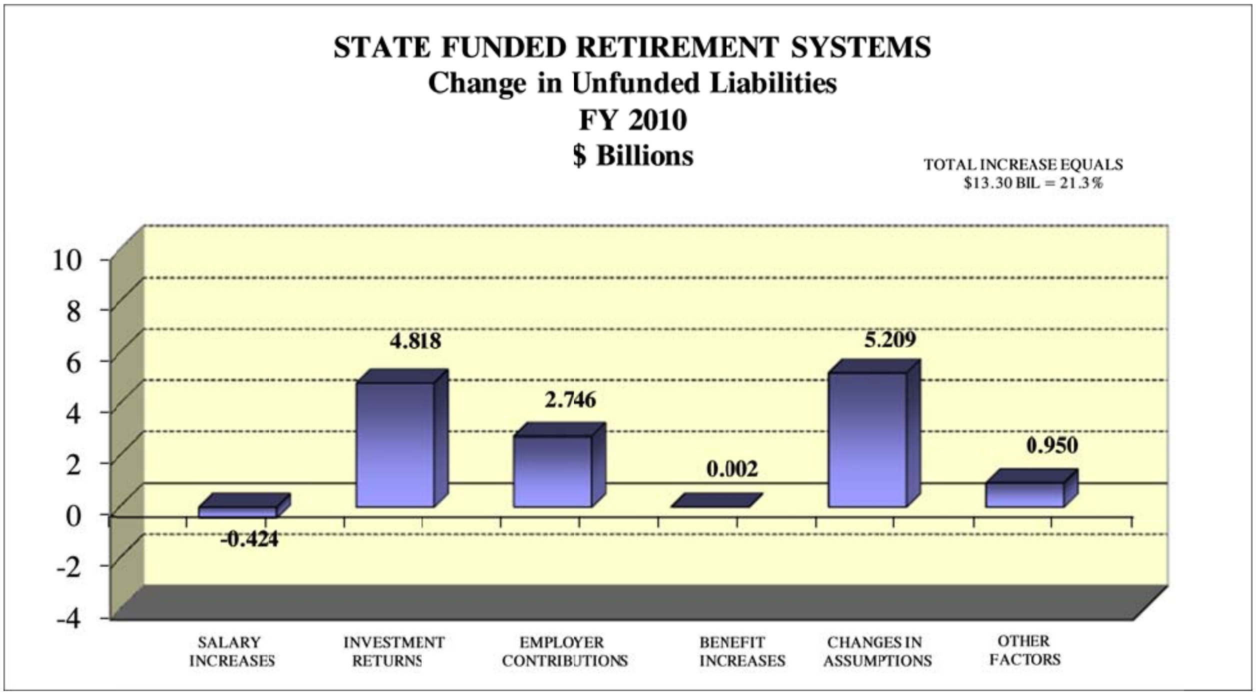


Chart 1 is based upon calculations using the market value of assets for all years, including FY 2010. The full effects of the large investment losses during FY 2009 and investment gains for FY 2010 are therefore reflected in the bars for these years. These extremely large investment losses are the main reason for the significant jump in unfunded liabilities during FY 2009. These bars, based upon asset market values are significantly different from the 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, unless otherwise noted, 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 2010. All of the factors shown as positive amounts represent increases in the unfunded liability total.

CHART 2

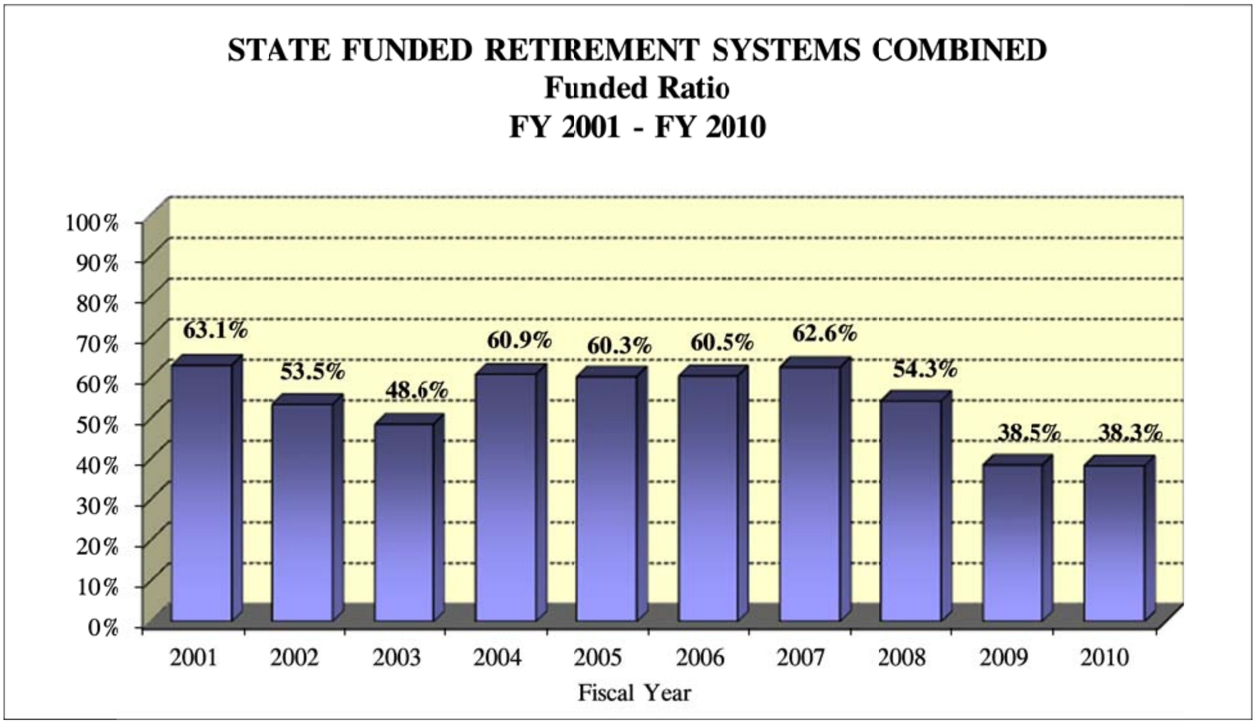


NOTE: This chart is based upon asset market values.

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 have increased to $77.8 billion, or 42.7% above the FY 2008 level. Finally, as of June 30, 2010, total unfunded liabilities based upon asset market values have increased to $85.6 billion, or 10.0% above the FY 2010 level. As the above chart shows, the primary cause of this increase was the changes in actuarial assumptions. Specifically, several retirement systems significantly lowered the assumed interest rate on investments. 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



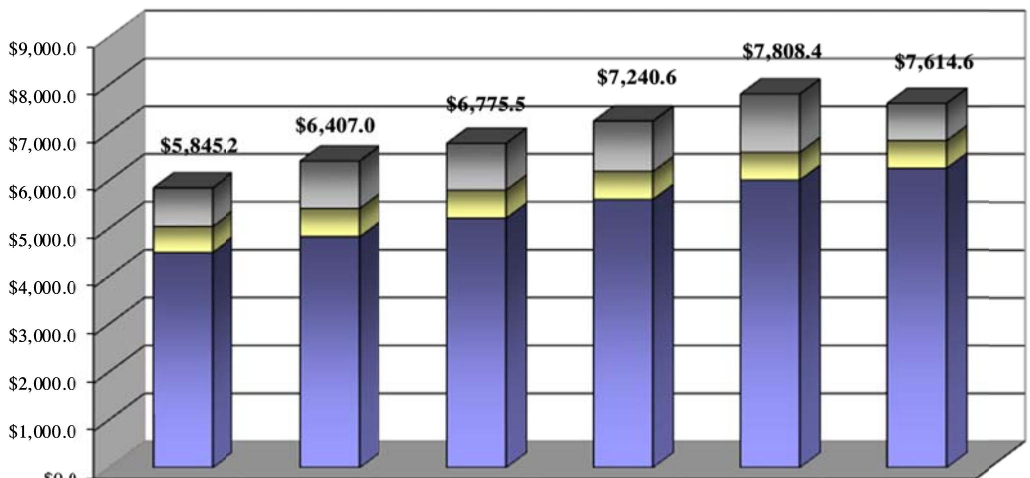
NOTE: The above FY2010 figure is based upon asset market value without asset smoothing.

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 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. The funded ratio remained essentially unchanged during FY 2010.

CHART 4

STATE RETIREMENT SYSTEMS
Projected Total State Pension Cost
Based on Laws in Effect on June 30, 2010
FY 2011 - FY 2016

($ in Millions)



	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
2010/11 PON Debt Service	$802.5	$988.8	$974.6	$1,051.6	$1,219.3	$781.9
2003 POB Debt Service	$541.9	$590.1	$586.4	$582.5	$578.6	$574.5
Regular Contribution	$4,500.8	$4,828.1	$5,214.5	$5,606.5	$6,010.5	$6,258.2

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 increase to $7.61 Billion in FY 2016.

Pubic 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. Public Act 96-1497 authorized the 2011 issuance of additional pension obligation notes and the actual proceeds established the resulting debt service requirements shown in Appendix P.

IV. 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
- Total Payout
- Annual Changes in Unfunded
- Changes in Net Assets
- Investment Return History
- Historical Underfunding
- Projected Underfunding

Teachers Retirement System
Defined Benefit Plan Summary

Retirement Age

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

Retirement Formula

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

Maximum Annuity

- 75% of final average salary.

Salary Used to Calculate Pension

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

Annual COLA

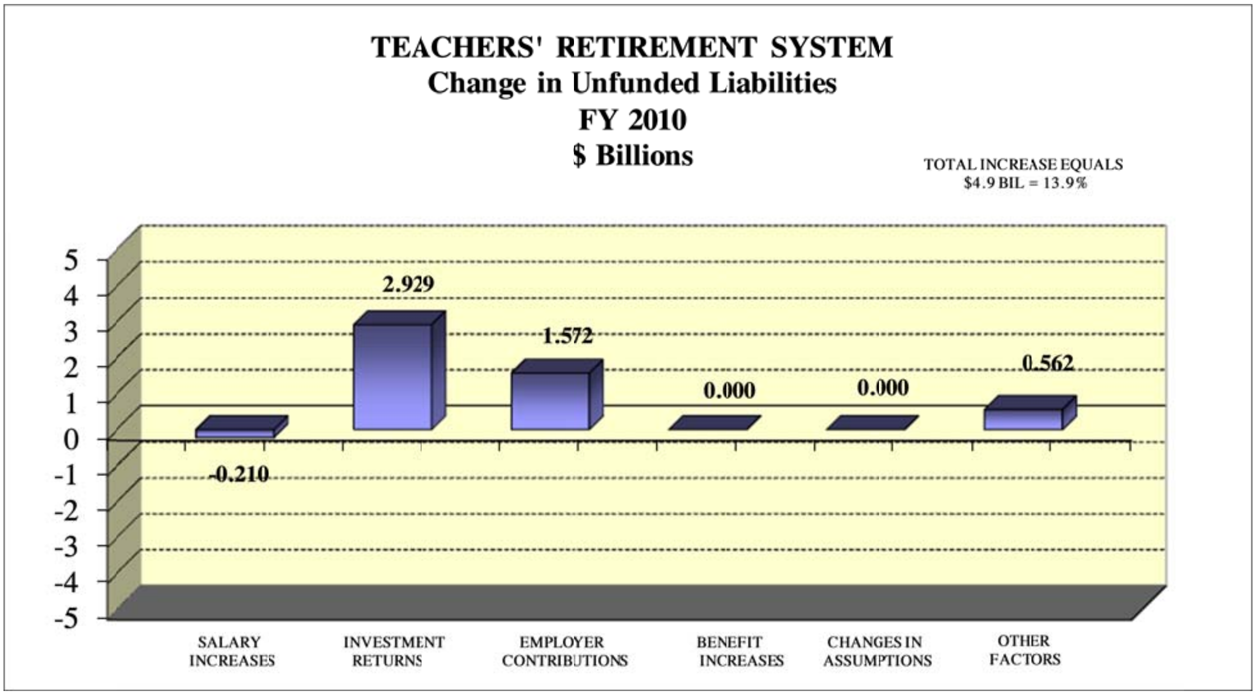
- 3% compounded.

Employee Contributions

- 9.4% of salary.

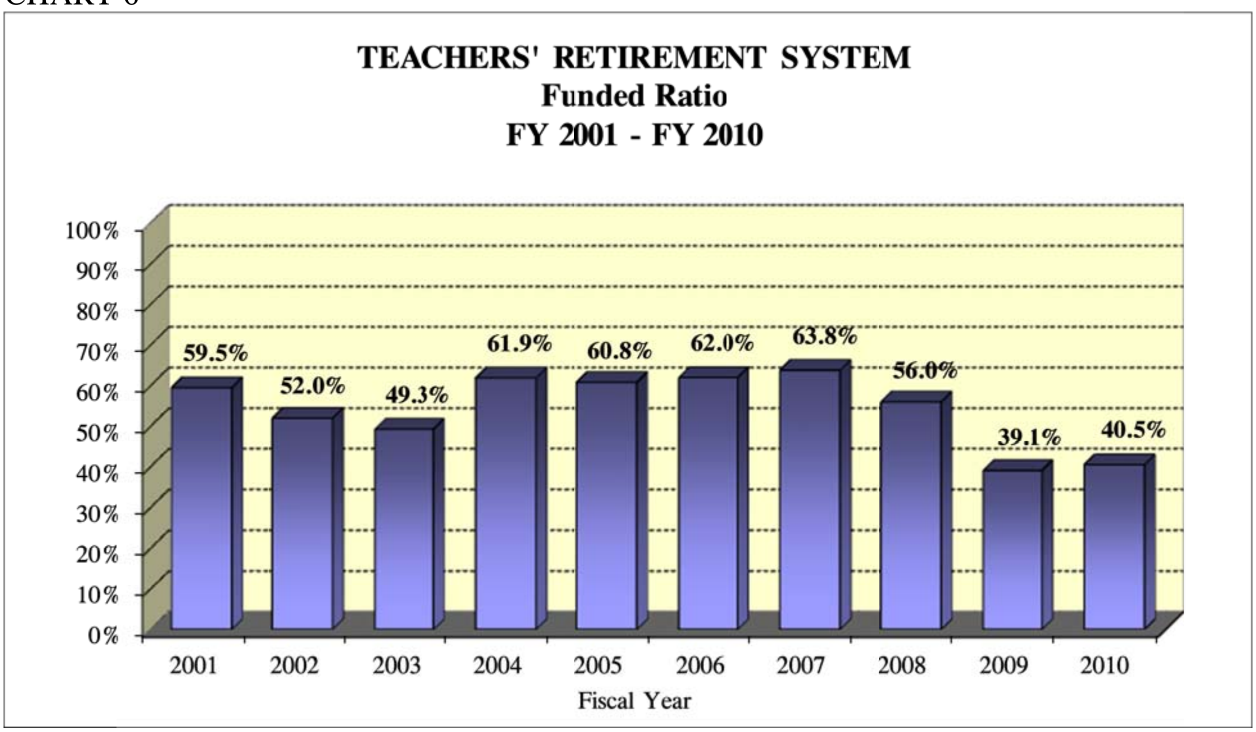
For details of retirement plans applicable to personnel beginning employment on or after January 1, 2011, please refer to Section I earlier in this report.

CHART 5



NOTES: (1) The above chart is based upon asset actuarial values, (2) The assumed interest rate used for investment earnings remained at 8.5% for FY 2010.

CHART 6



NOTE: The above FY2010 figure is based upon asset market values without asset smoothing.

CHART 7

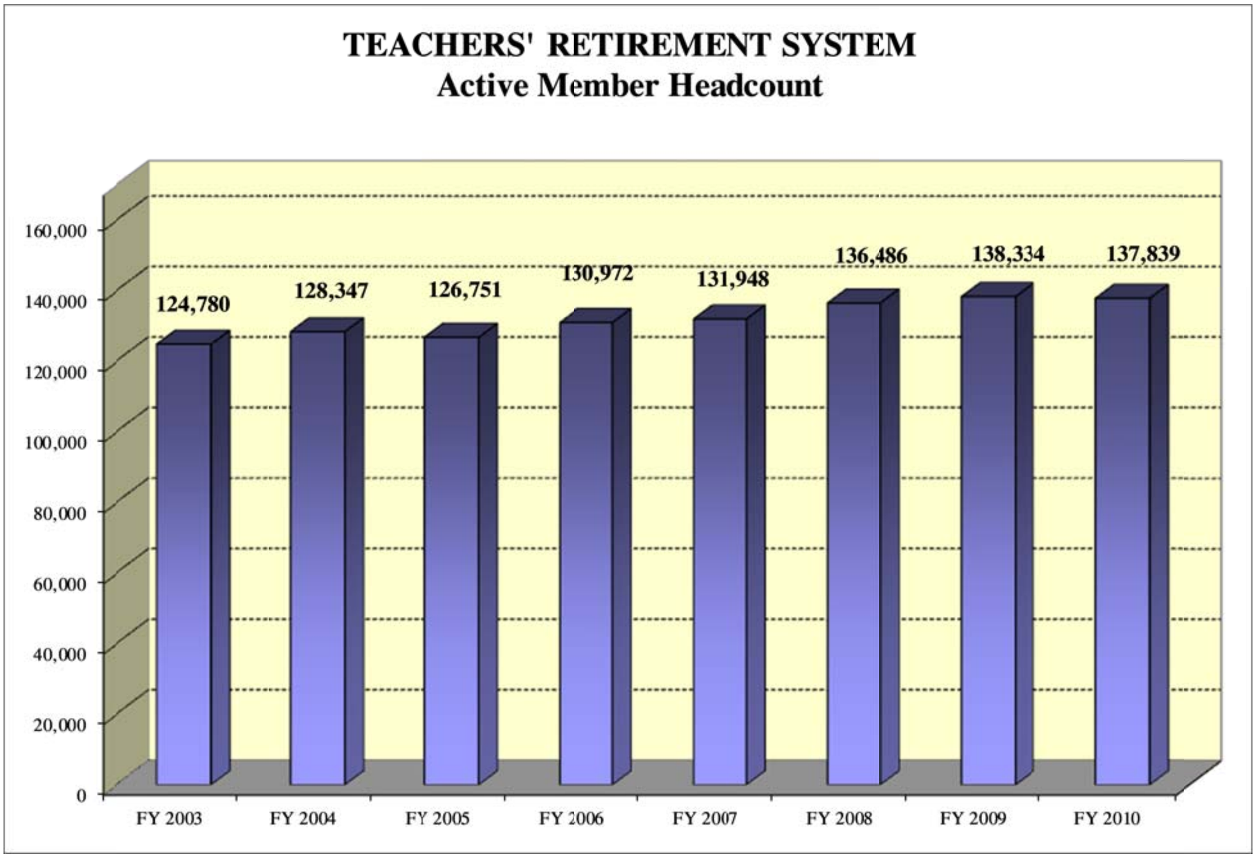


CHART8

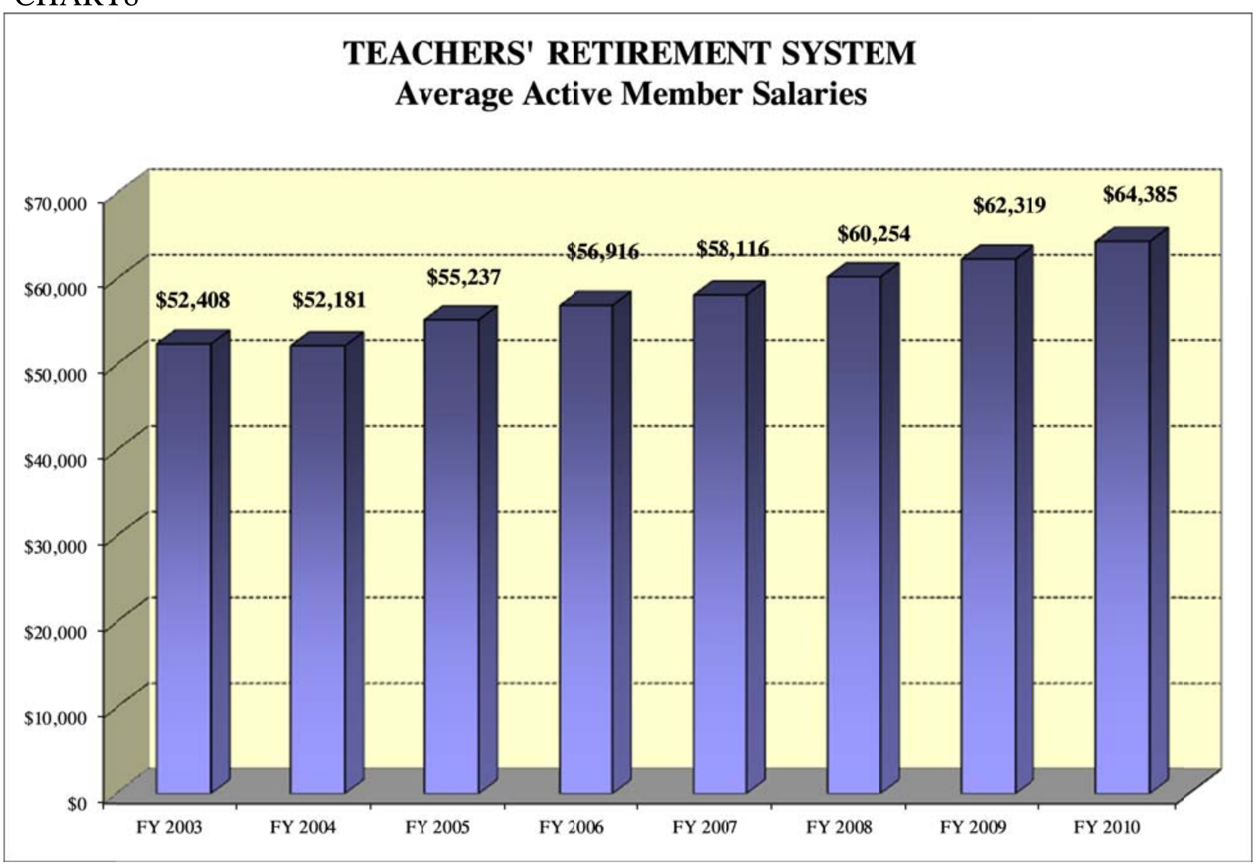


CHART 9

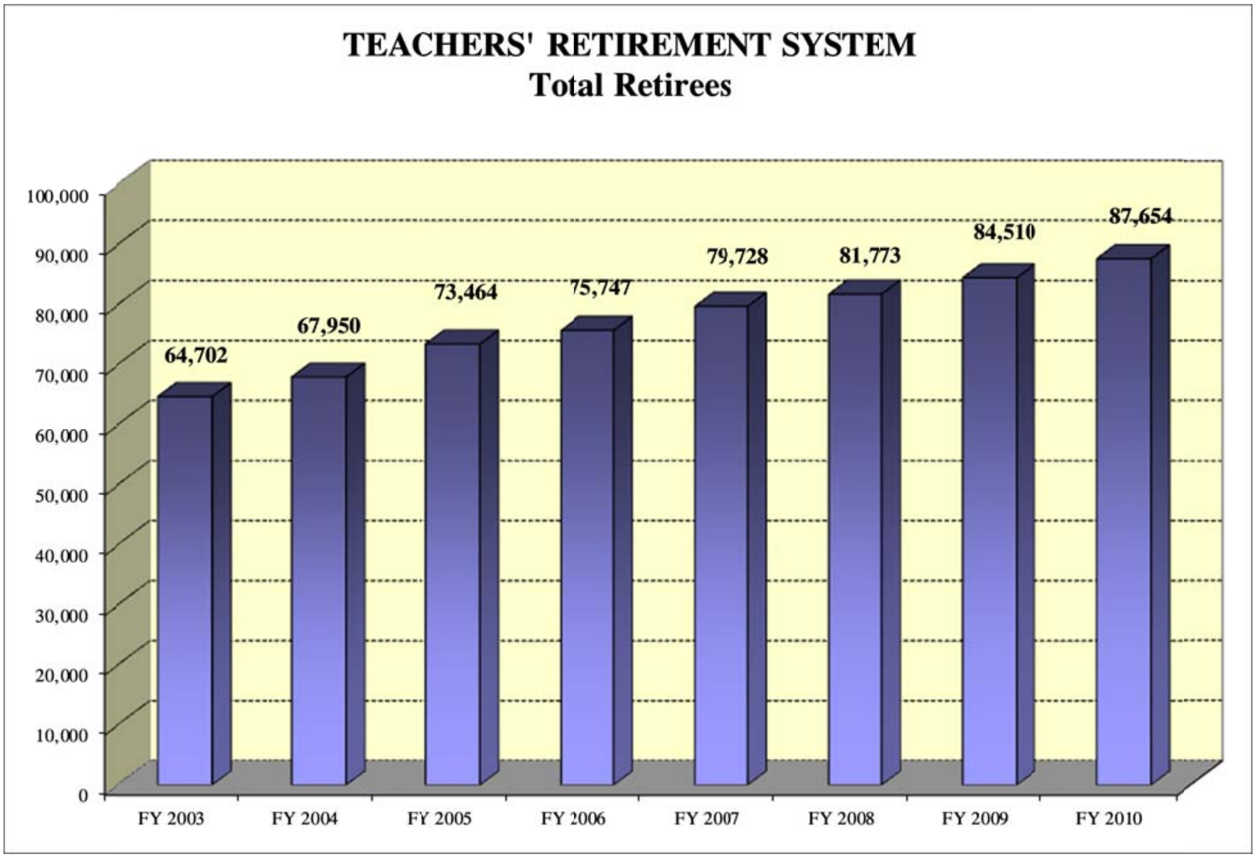


CHART 10

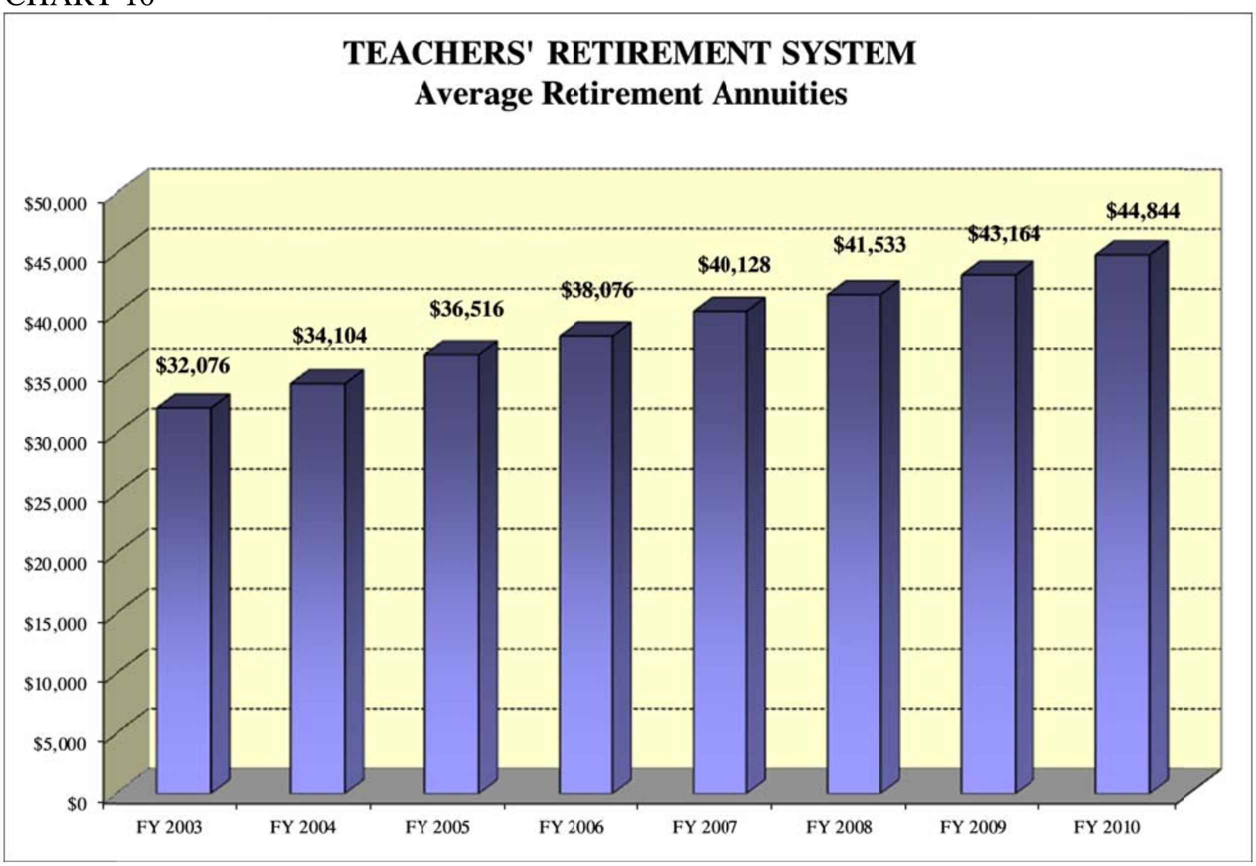


CHART 11

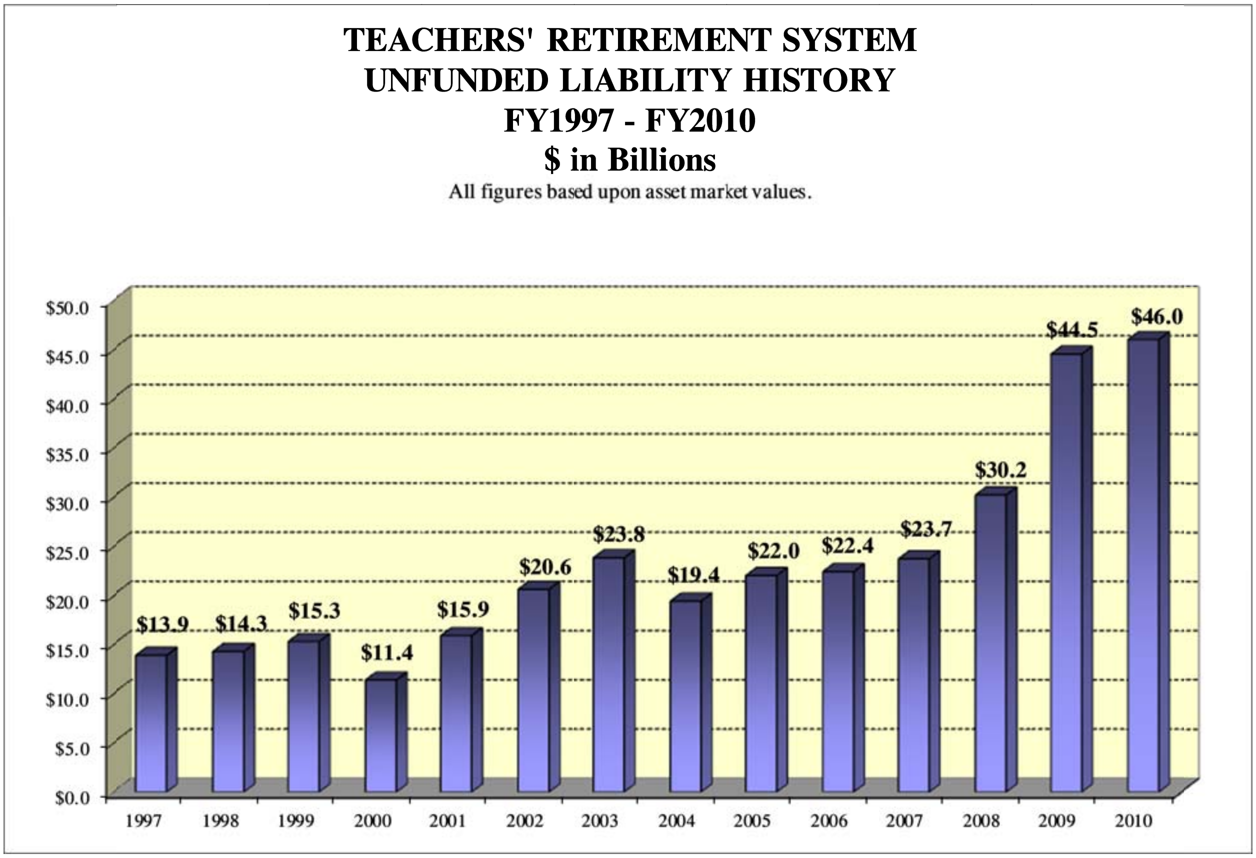


CHART 12

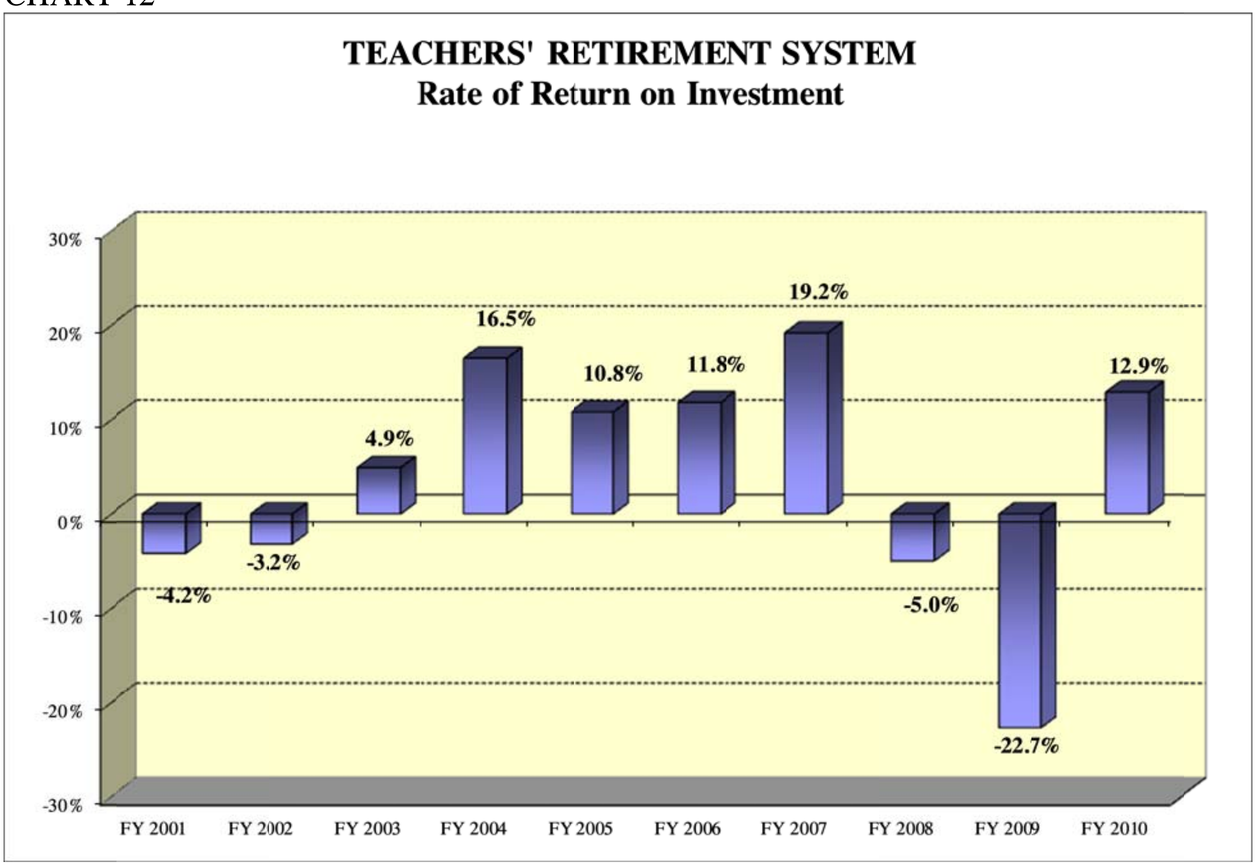


CHART 13

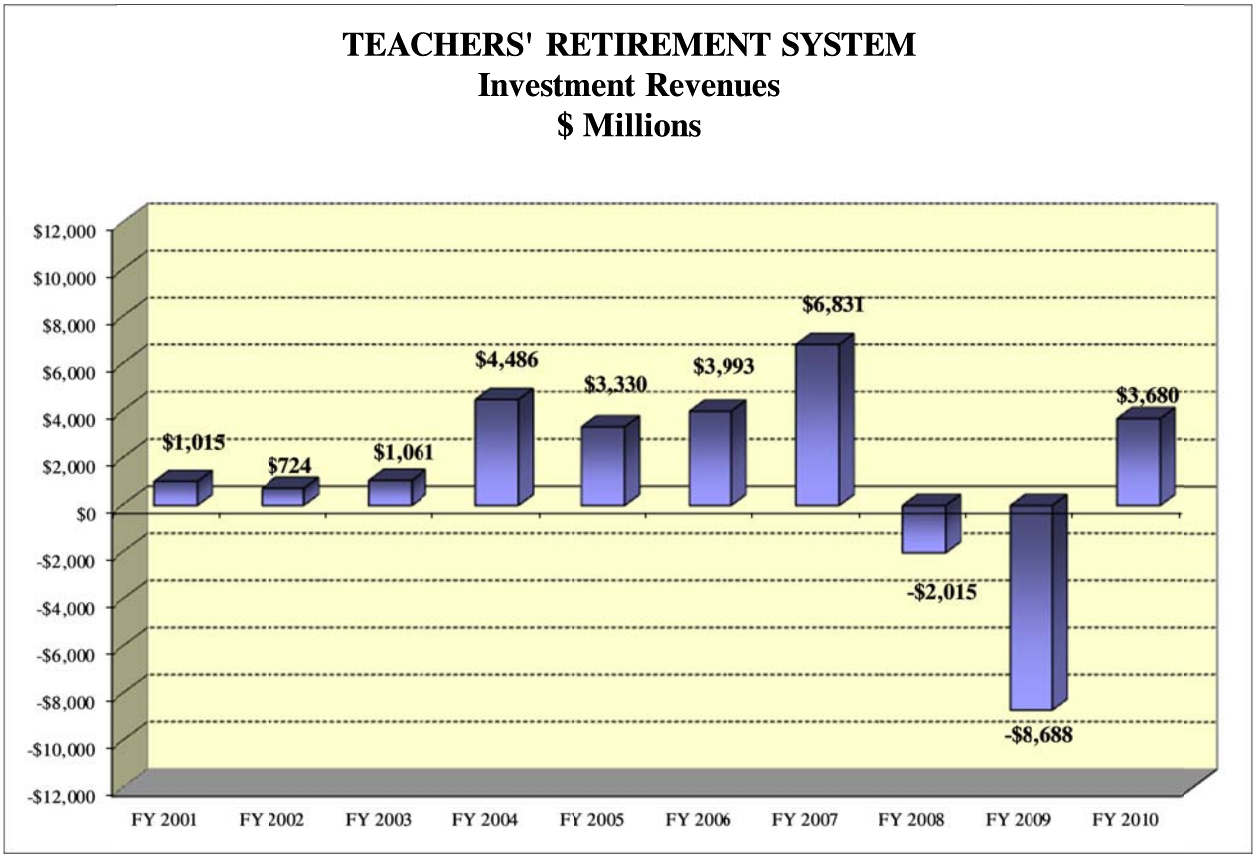


CHART 14

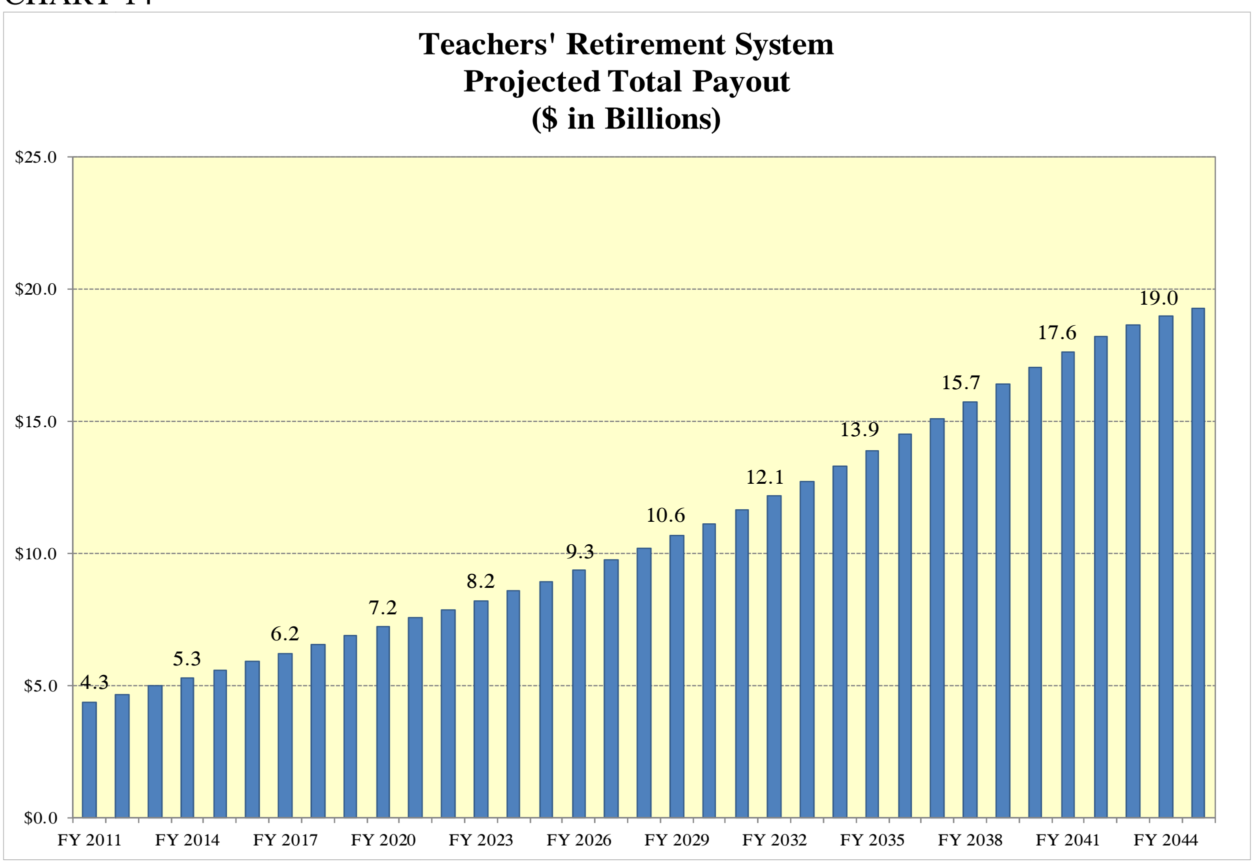


TABLE 5

TEACHERS' RETIREMENT SYSTEM
CHANGES IN UNFUNDED LIABILITY
FY 1996 - FY 2010

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
6/30/2010	(210,220,000)	2,929,300,000	1,572,250,000	0	0	561,570,000	4,852,900,000
TOTALS	$751,026,000	$5,969,682,000	$14,385,148,000	$1,105,792,000	$312,369,000	$5,991,337,000	$28,515,354,000

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

TABLE 6

TEACHERS' RETIREMENT SYSTEM
Changes in Net Assets
($ in millions)

Fiscal Years	2010	2009	2008	2007	2006	2005	2004	2003
Additions to Assets								
State of Illinois	2,080.7	1,451.6	1,041.1	737.7	534.3	906.8	1,031.5	929.7
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	4,330.4	0.0
Employees	899.4	876.2	865.4	826.2	799.0	761.8	768.6	732.0
School Districts	97.1	99.4	88.3	83.4	99.3	109.0	93.9	58.2
Federal	74.4	52.9	42.4	32.5	24.3	39.8	33.7	33.3
Net Investment Income	3,679.6	-8,688.3	-2,015.0	6,831.3	3,993.3	3,330.0	4,485.7	1,060.9
Total Asset Additions (A)	6,831.2	-6,208.2	22.2	8,511.1	5,450.2	5,147.4	10,743.8	2,814.1
Deductions from Assets								
Benefits	3,927.8	3,653.7	3,424.0	3,111.8	2,877.2	2,533.1	2,262.3	1,998.6
Refunds	60.3	53.7	60.3	59.7	58.0	59.4	48.0	43.1
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	17.0	17.4	16.6	15.2	15.3	14.4	13.6	13.9
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	4,005.1	3,724.8	3,500.8	3,186.7	2,950.5	2,606.9	2,323.9	2,055.6
Change in Net Assets (A-B=C)	2,826.1	-9,933.0	-3,478.6	5,324.4	2,499.7	2,540.5	8,419.9	758.5

TABLE 7

TEACHERS RETIREMENT SYSTEM Historical Investment Revenues ($ in millions)			
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned
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	28,961.4	-8,688.3	-22.7%
2010	31,323.8	3,679.6	12.9%

2001 - 2010 Asset Values are Market Values.

TABLE 8

TEACHERS' RETIREMENT SYSTEM Historical Underfunding ($ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions*	Historical Underfunding
2001	542.8	969.4	1,512.2	724.9	787.3
2002	589.0	1,347.3	1,936.3	815.4	1,120.9
2003	628.5	1,757.9	2,386.4	930.0	1,456.4
2004	598.5	2,023.6	2,622.1	5,362.0	-2,739.9
2005	638.0	1,649.2	2,287.2	907.0	1,380.2
2006	645.7	1,869.1	2,514.8	534.6	1,980.2
2007	650.9	1,905.0	2,555.9	738.0	1,817.9
2008	681.7	2,017.8	2,699.5	1,041.3	1,658.2
2009	817.3	2,567.1	3,384.4	1,451.8	1,932.6
2010	846.9	2,975.1	3,822.0	2,080.7	1,741.3

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

TABLE 9

TEACHERS RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2010
($ in millions)

Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total State Contributions	Projected Underfunding
2011	849.7	4,086.3	4,936.0	2,357.0	2,579.0
2012	842.5	4,273.8	5,116.3	2,405.2	2,711.1
2013	840.0	4,454.7	5,294.7	2,655.2	2,639.4
2014	839.0	4,627.6	5,466.6	2,912.7	2,553.9
2015	839.9	4,791.2	5,631.1	3,178.9	2,452.3
2016	841.9	4,955.4	5,797.4	3,325.8	2,471.5
2017	843.6	5,118.8	5,962.3	3,482.6	2,479.8
2018	843.0	5,279.7	6,122.7	3,648.0	2,474.7
2019	839.9	5,437.3	6,277.1	3,822.3	2,454.8
2020	835.4	5,591.6	6,427.0	3,992.3	2,434.8
2021	828.9	5,741.1	6,570.0	4,173.4	2,396.6
2022	818.5	5,883.7	6,702.2	4,365.8	2,336.4
2023	804.5	6,017.0	6,821.5	4,569.6	2,252.0
2024	784.6	6,139.4	6,924.0	4,768.8	2,155.2
2025	756.3	6,248.7	7,005.1	4,978.4	2,026.7
2026	719.2	6,340.9	7,060.1	5,208.1	1,852.0
2027	672.7	6,413.2	7,085.9	5,435.5	1,650.4
2028	619.3	6,465.9	7,085.2	5,642.6	1,442.6
2029	561.8	6,499.5	7,061.3	5,848.2	1,213.2
2030	499.1	6,512.4	7,011.4	6,033.6	977.8
2031	430.2	6,502.7	6,932.9	6,210.8	722.1
2032	354.5	6,466.8	6,821.3	6,394.7	426.6
2033	272.1	6,402.6	6,674.7	6,579.1	95.6
2034	183.4	6,250.3	6,433.7	7,391.1	(957.3)
2035	89.2	6,063.0	6,152.1	7,543.3	(1,391.2)
2036	(7.8)	5,838.3	5,830.5	7,683.0	(1,852.5)
2037	(108.2)	5,575.3	5,467.1	7,808.6	(2,341.5)
2038	(212.6)	5,270.3	5,057.8	7,917.1	(2,859.4)
2039	(319.1)	4,922.6	4,603.6	8,007.8	(3,404.2)
2040	(423.5)	4,530.9	4,107.3	8,090.1	(3,982.8)
2041	(547.3)	4,082.7	3,535.5	8,251.2	(4,715.7)
2042	(671.6)	3,586.7	2,915.1	8,313.0	(5,397.8)
2043	(759.4)	3,041.6	2,282.3	8,403.0	(6,120.7)
2044	(824.6)	2,434.0	1,609.4	8,512.9	(6,903.5)
2045	(875.8)	1,758.5	882.8	8,635.2	(7,752.4)

V. 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
- Total Payout
- 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.

For details of retirement plans applicable to personnel beginning employment on or after January 1, 2011, please refer to Section I earlier in this report.

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

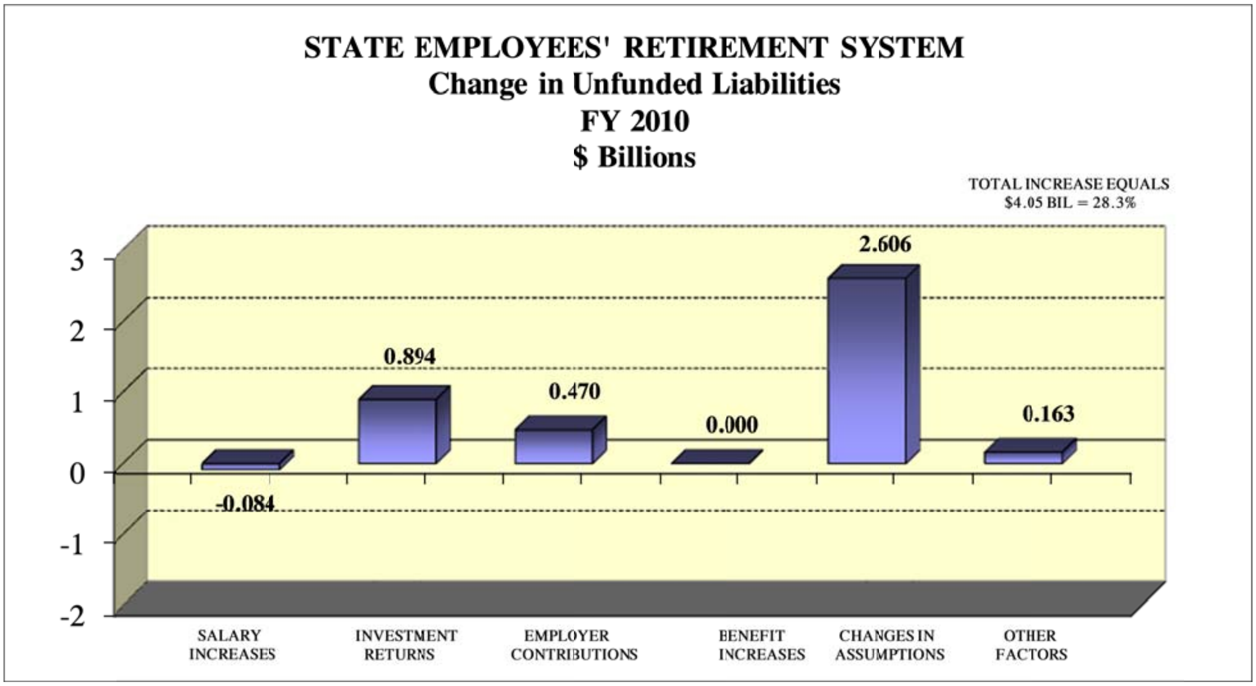
- 3% compounded.

Employee Contributions

- 8.5% of salary for members covered by Social Security. Applies to Security Employees of the Department of Corrections and Department of Human Services, Air Pilots and State Highway Maintenance Workers.
- 12.5% of salary for members not covered by Social Security. Applies to State Police, Special Agents, Firefighters, Secretary of State Investigators, Conservation Police Officers, Department of Revenue Investigators, Central Management Services Police Officers, Mental Health Police Officers, Dangerous Drug Investigators, Attorney General Investigators, Controlled Substance Inspectors, States Attorneys Appellate Prosecutors Investigators, Commerce Commission Police Officers and Arson Investigators.

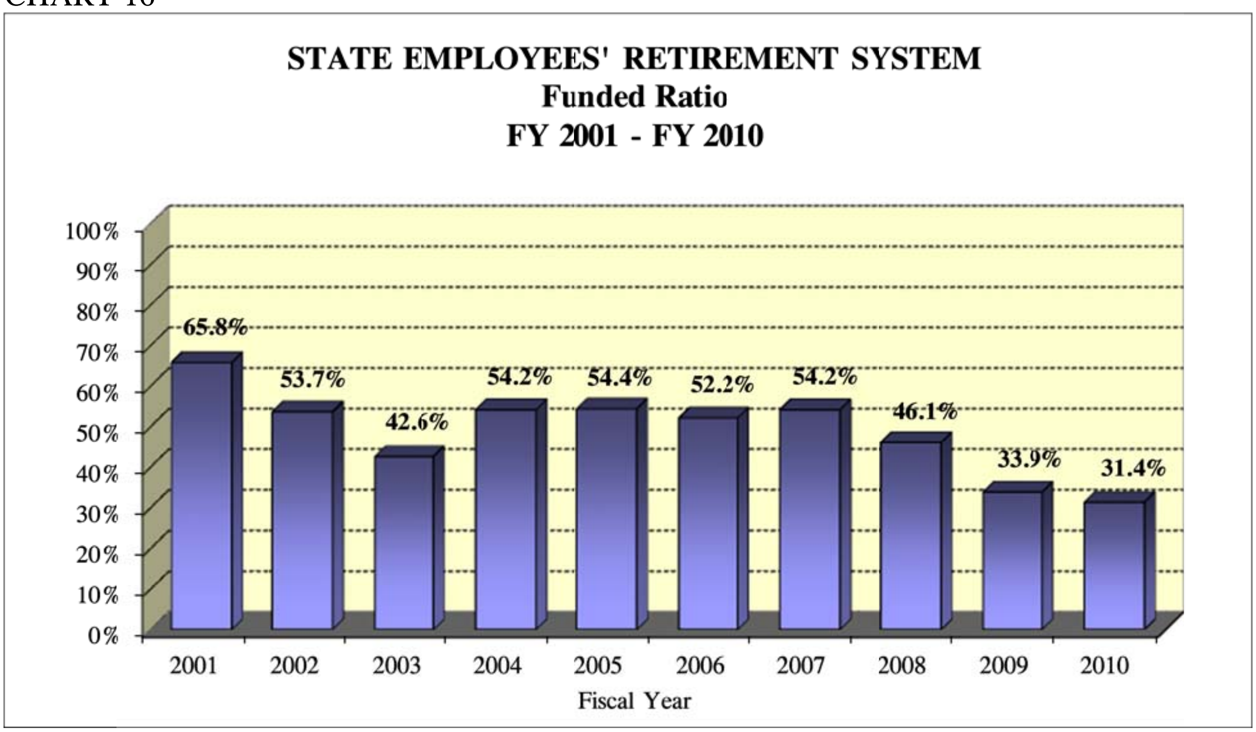
For details of retirement plans applicable to personnel beginning employment on or after January 1, 2011, please refer to Section I earlier in this report.

CHART 15



NOTES: (1)The above chart is based upon asset actuarial values, (2) The assumed interest rate used for investment earnings was changed from 8.5% to 7.75% in FY 2010.

CHART 16



NOTE: The above FY2010 figure is based upon asset market values without asset smoothing.

CHART 17

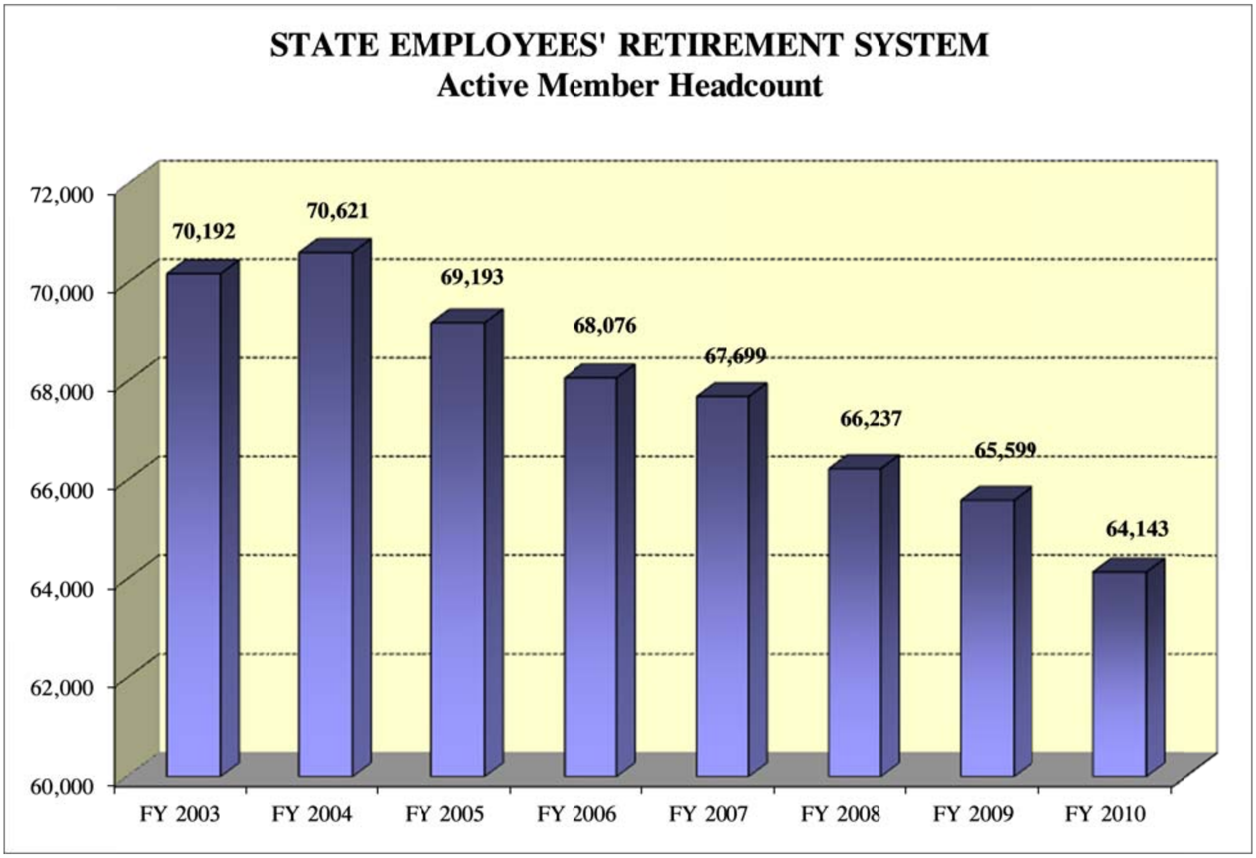


CHART 18

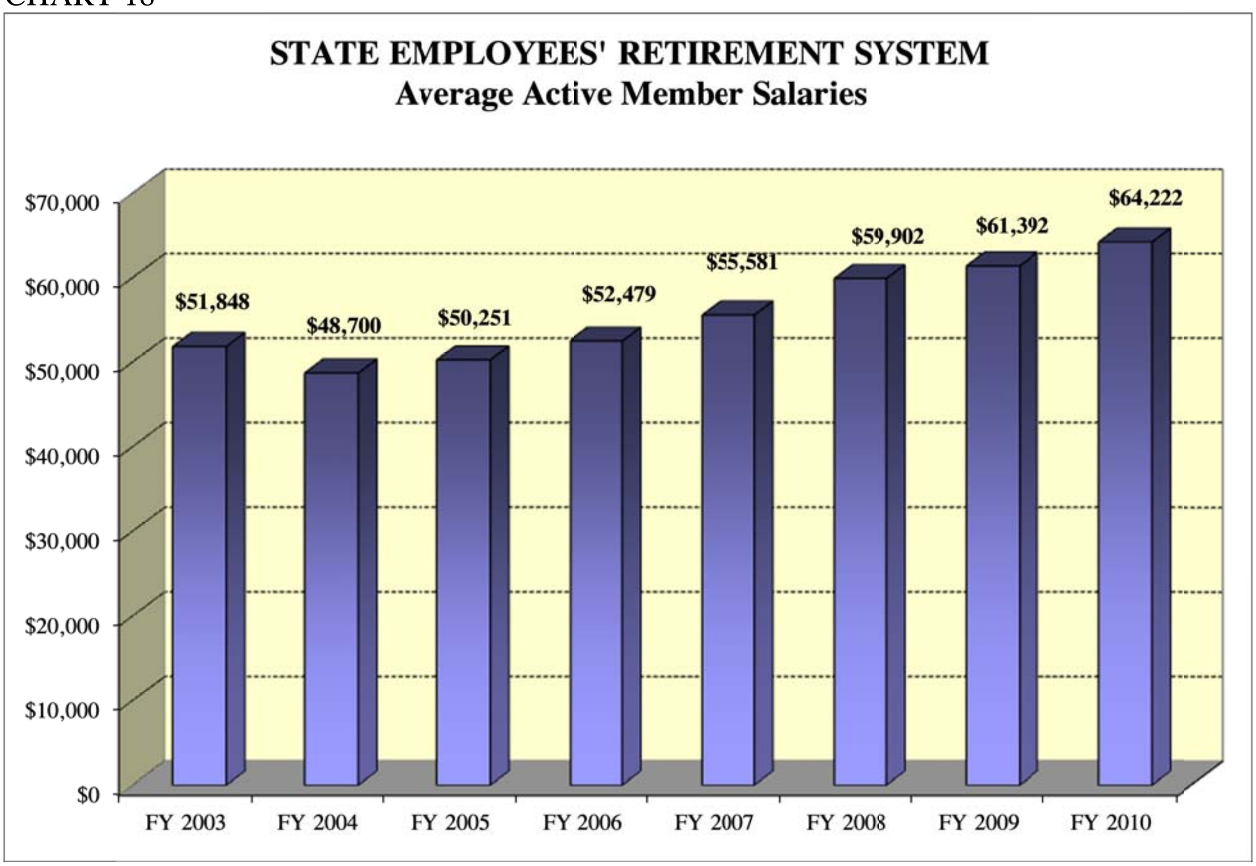


CHART 19

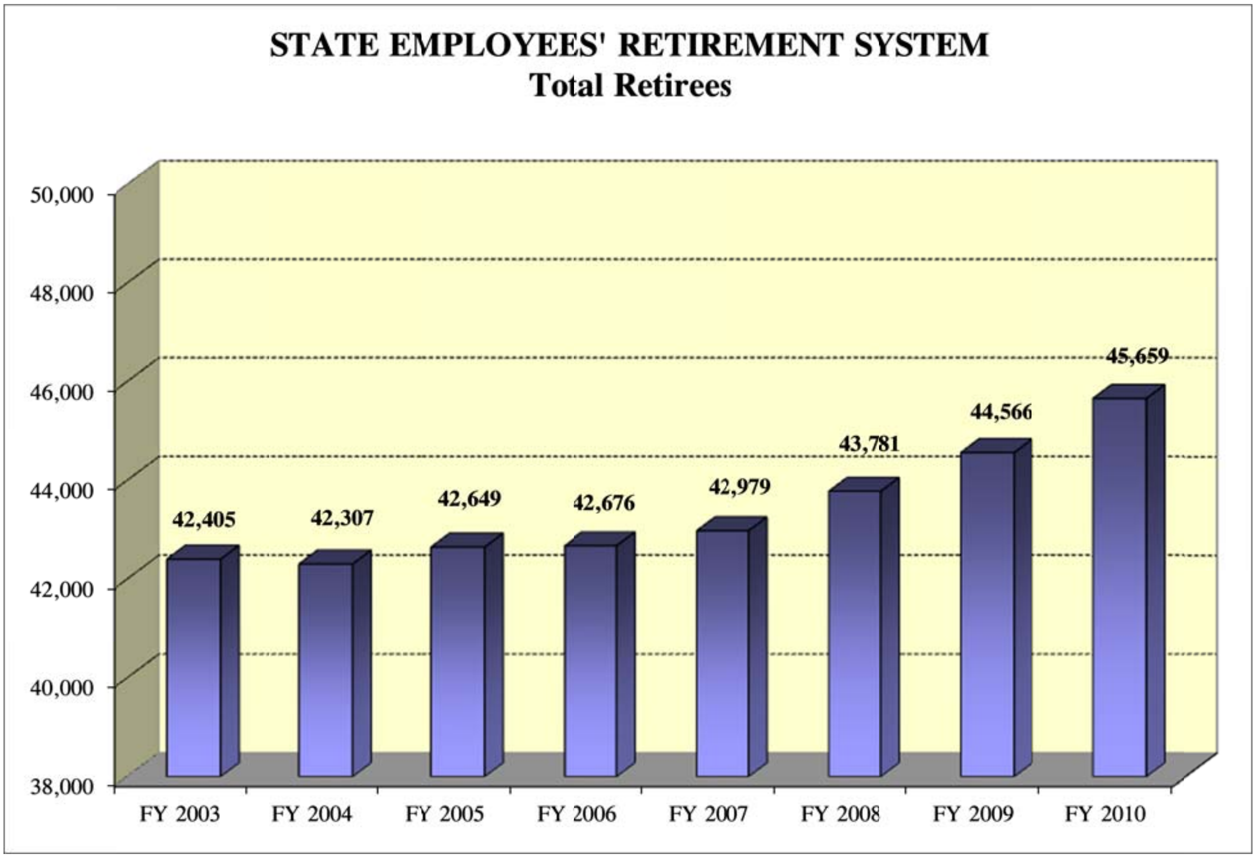


CHART 20

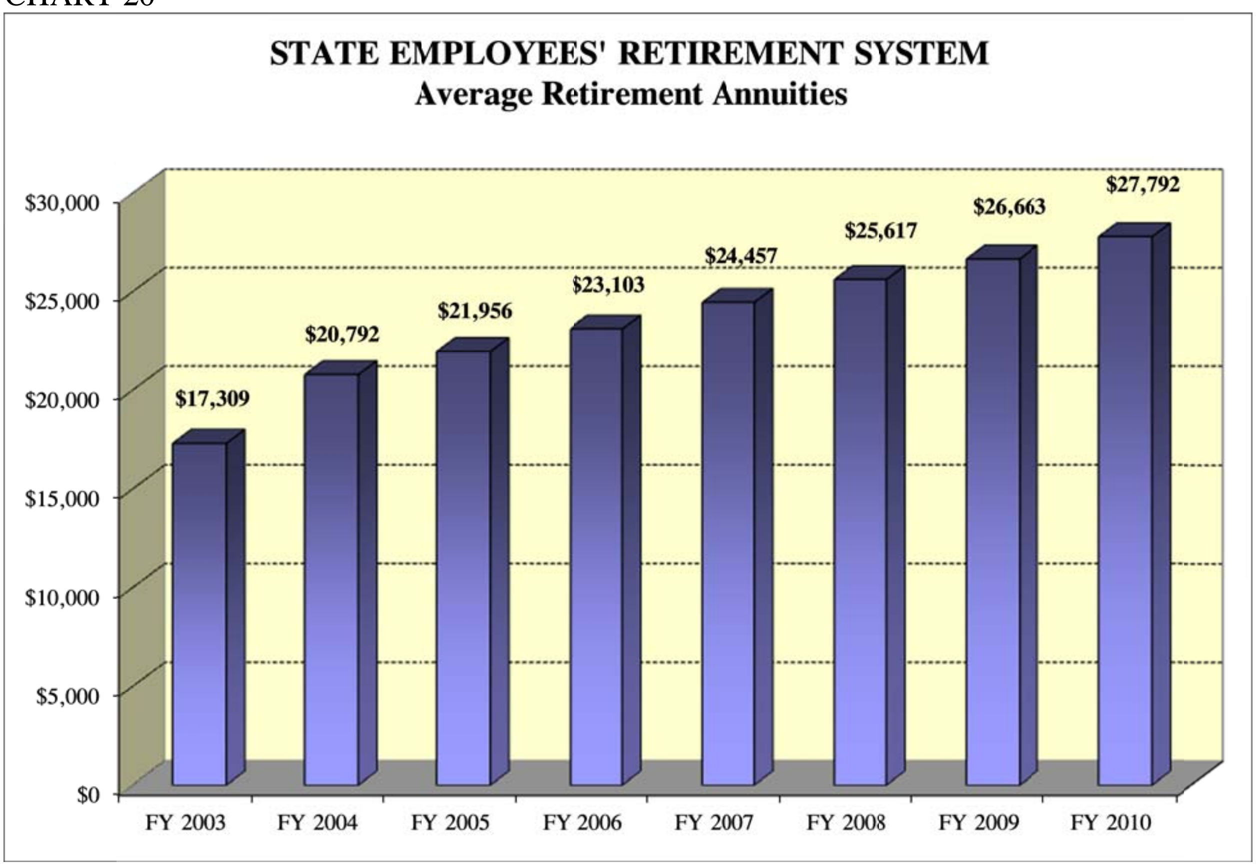


CHART 21

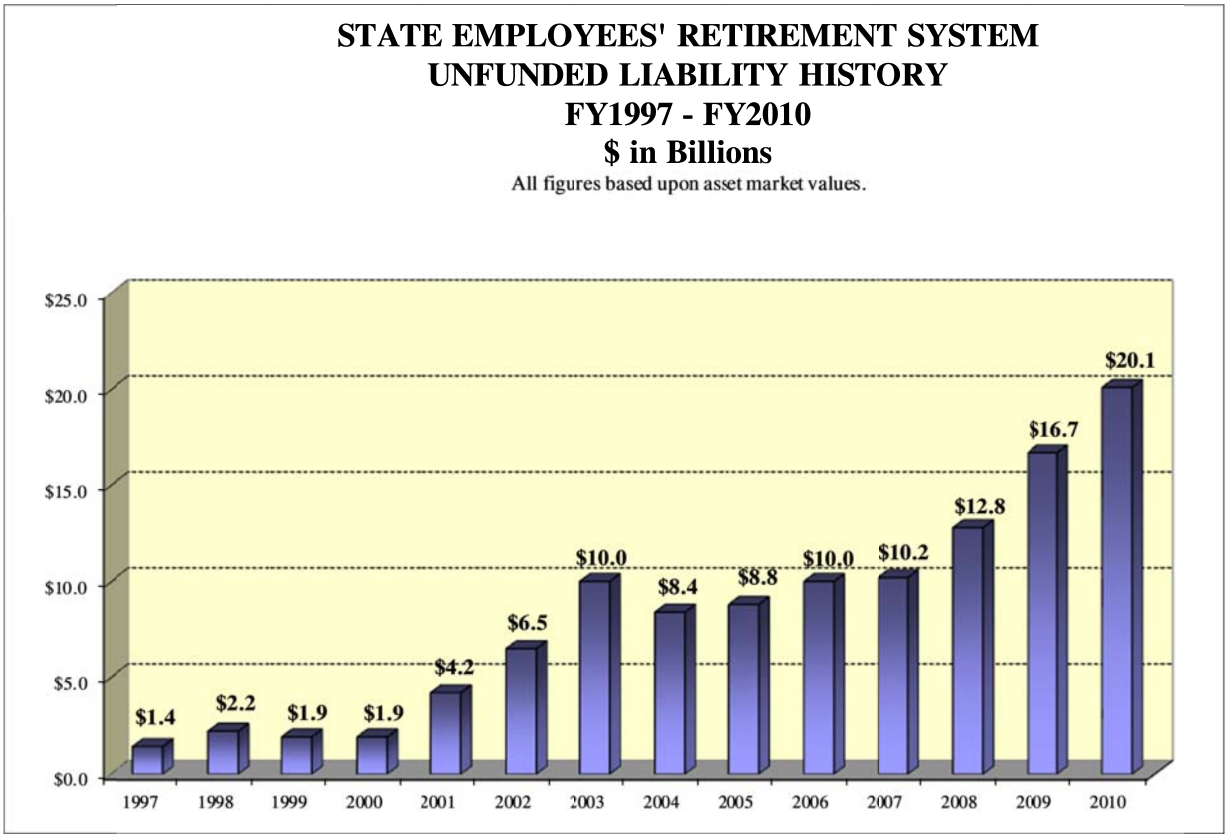


CHART 22

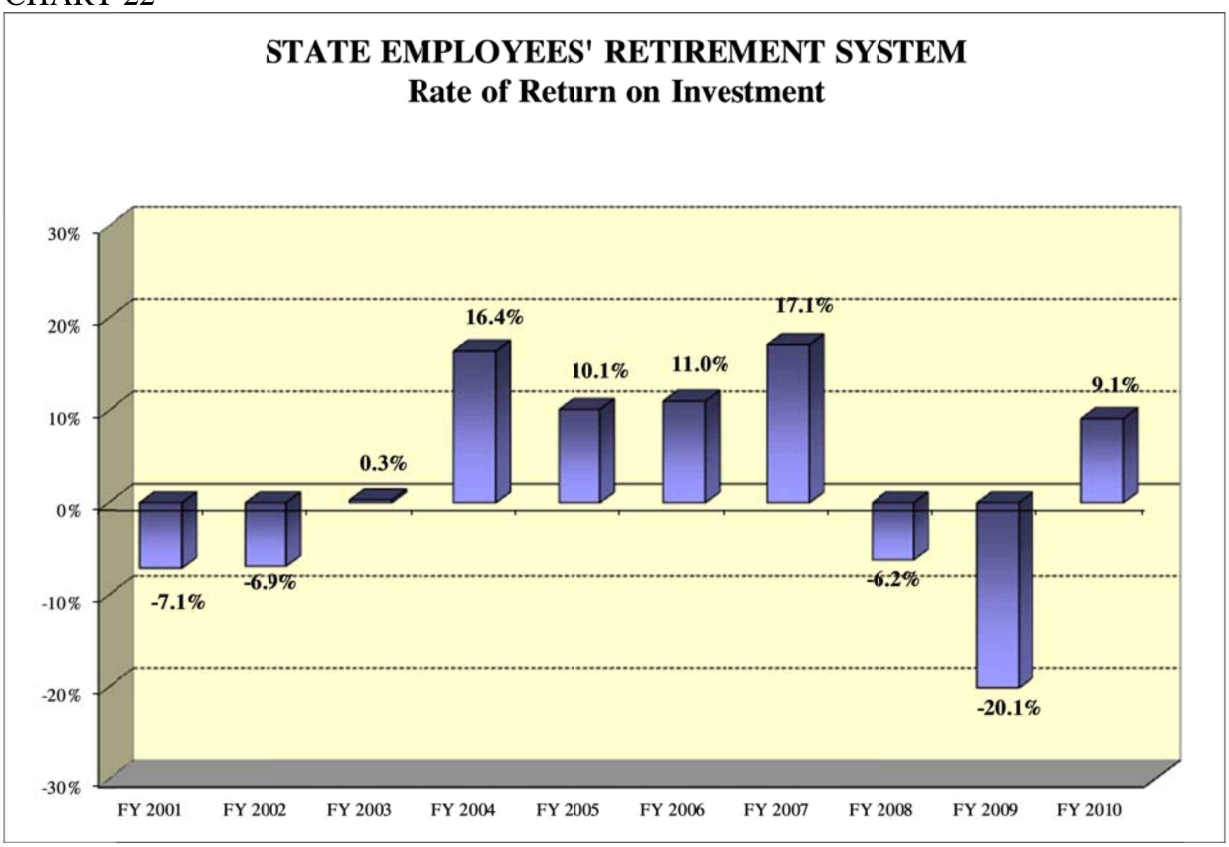


CHART 23

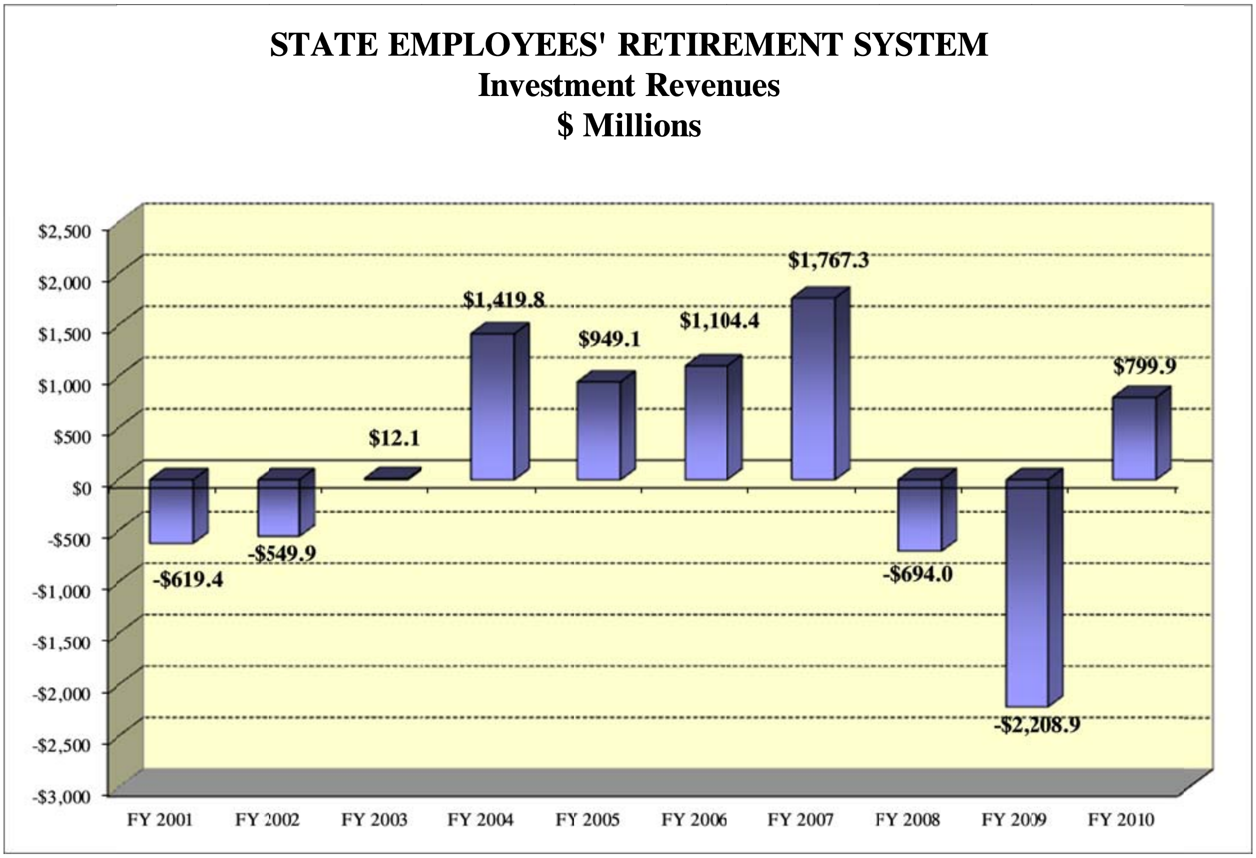


CHART 24

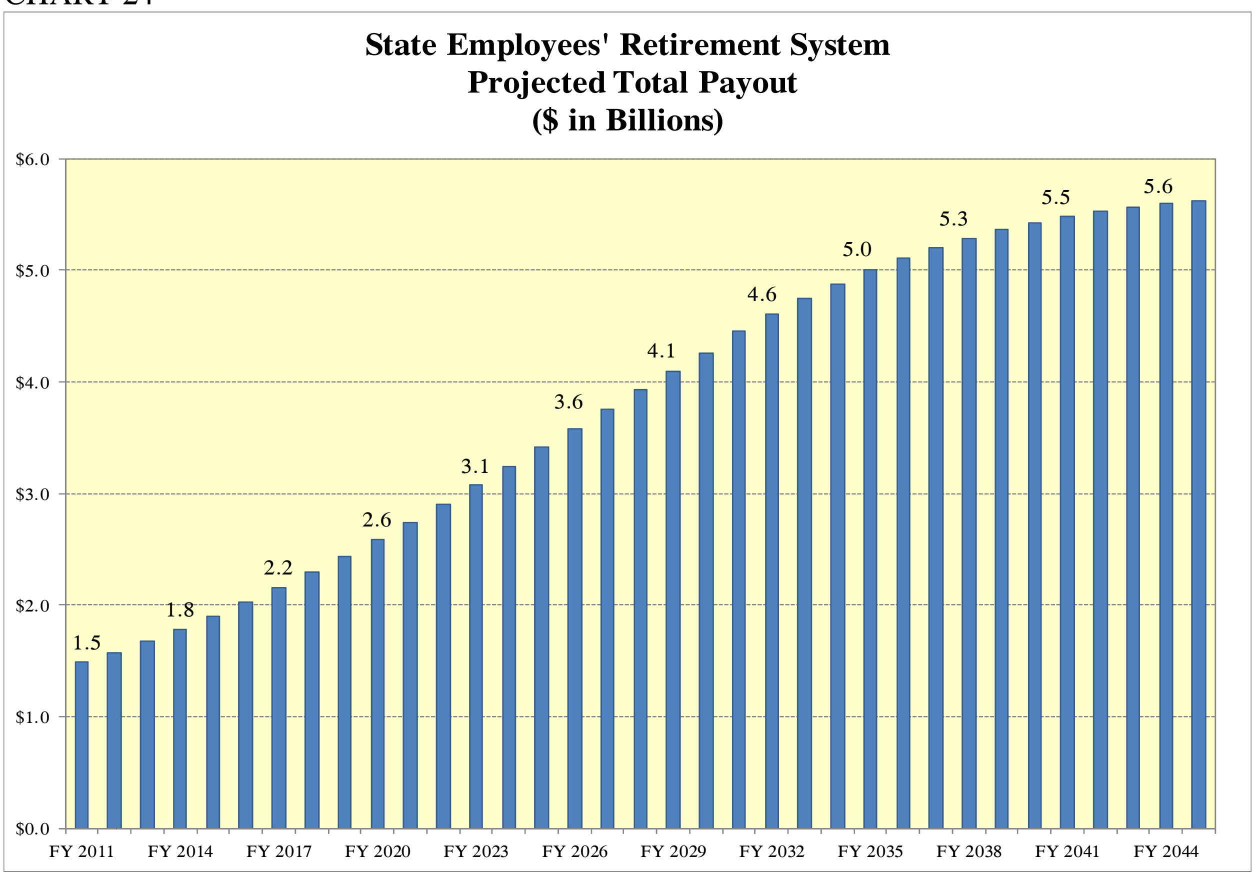


TABLE 10

STATE EMPLOYEES' RETIREMENT SYSTEM
CHANGES IN UNFUNDED LIABILITY
FY 1996 - FY 2010

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
STATE EMPLOYEES							
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
6/30/2010	(84,030,000)	894,330,000	470,040,000	0	2,606,330,000	162,930,000	4,049,600,000
TOTALS	($177,749,152)	$2,585,628,540	$3,785,825,024	$4,444,266,446	$3,105,555,621	$2,320,845,348	$16,064,371,827

TABLE 11

STATE EMPLOYEES' RETIREMENT SYSTEM
Changes in Net Assets
($ in millions)

Fiscal Years	2010	2009	2008	2007	2006	2005	2004	2003
Additions to Assets								
State of Illinois	1,095.5	774.9	587.7	358.8	210.5	427.5	478.7	396.1
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	1,386.0	0.0
Employees	246.2	242.2	250.0	224.7	214.1	209.3	199.8	285.2
School Districts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Investment Income	799.9	-2,208.9	-680.8	1,779.9	1,104.4	949.1	1,419.8	12.1
Total Asset Additions (A)	2,141.6	-1,191.8	156.9	2,363.4	1,529.0	1,585.9	3,484.3	693.4
Deductions from Assets								
Benefits	1,390.6	1,300.2	1,214.1	1,161.5	1,110.6	1,064.0	978.2	831.5
Refunds	15.3	14.8	16.8	14.1	13.4	14.1	12.4	28.4
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	11.7	10.7	9.5	8.8	8.1	8.3	7.7	8.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	1,417.6	1,325.7	1,240.4	1,184.4	1,132.1	1,086.4	998.3	868.1
Change in Net Assets (A-B=C)	724.0	-2,517.5	-1,083.5	1,179.0	396.9	499.5	2,486.0	-174.7

TABLE 12

STATE EMPLOYEES' RETIREMENT SYSTEM Historical Investment Revenues ($ in millions)			
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned
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%
2010	9,201.8	799.9	9.1%
2001 - 2010 Asset Values are Market Values.			

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

TABLE 13

STATE EMPLOYEES' RETIREMENT SYSTEM Historical Underfunding ($ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Historical Underfunding
2001	174.4	162.2	336.6	341.9	-5.3
2002	215.0	358.0	573.0	364.7	208.3
2003	244.4	556.2	800.6	405.5	395.1
2004	192.5	728.1	920.6	1,864.7	-944.1
2005	221.1	709.9	931.0	498.6	432.4
2006	233.0	749.9	982.9	203.8	779.1
2007	328.8	846.6	1,175.4	344.2	831.2
2008	346.3	867.2	1,213.5	551.6	661.9
2009	362.9	1,091.9	1,454.8	757.2	697.6
2010	380.0	1,215.4	1,595.4	1,169.0	426.4

TABLE 14

STATE EMPLOYEES RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2010
($ in millions)

Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding
2011	480.5	1,474.9	1,955.4	1,193.3	762.1
2012	498.5	1,521.7	2,020.2	1,368.6	651.6
2013	508.0	1,568.5	2,076.5	1,422.6	653.9
2014	517.3	1,615.5	2,132.7	1,476.1	656.6
2015	524.7	1,662.3	2,187.1	1,530.7	656.4
2016	530.5	1,708.9	2,239.3	1,586.1	653.2
2017	534.8	1,755.2	2,290.0	1,638.2	651.8
2018	538.4	1,801.1	2,339.5	1,691.8	647.8
2019	540.8	1,846.3	2,387.0	1,747.8	639.3
2020	542.4	1,890.7	2,433.1	1,802.0	631.1
2021	542.2	1,934.0	2,476.2	1,858.8	617.4
2022	539.7	1,975.5	2,515.2	1,918.5	596.8
2023	537.1	2,015.1	2,552.2	1,980.5	571.7
2024	533.7	2,052.5	2,586.2	2,041.2	545.0
2025	527.3	2,087.0	2,614.3	2,106.0	508.3
2026	522.0	2,117.9	2,639.9	2,178.7	461.3
2027	515.5	2,144.4	2,659.9	2,256.0	403.9
2028	509.9	2,166.1	2,676.0	2,333.0	343.0
2029	505.2	2,182.5	2,687.7	2,415.2	272.4
2030	500.6	2,193.0	2,693.5	2,498.2	195.3
2031	475.8	2,195.1	2,670.9	2,587.1	83.8
2032	477.0	2,189.8	2,666.8	2,678.8	(12.0)
2033	475.3	2,175.1	2,650.4	2,788.8	(138.3)
2034	475.8	2,136.8	2,612.5	3,066.9	(454.4)
2035	477.0	2,085.7	2,562.7	3,188.0	(625.3)
2036	481.2	2,020.7	2,501.9	3,315.4	(813.5)
2037	488.1	1,940.3	2,428.3	3,450.3	(1,021.9)
2038	497.4	1,842.8	2,340.2	3,592.4	(1,252.2)
2039	508.8	1,726.7	2,235.5	3,741.7	(1,506.2)
2040	522.6	1,590.0	2,112.6	3,898.3	(1,785.7)
2041	538.4	1,430.7	1,969.1	4,062.2	(2,093.1)
2042	556.3	1,246.6	1,802.9	4,233.8	(2,430.9)
2043	576.2	1,035.3	1,611.5	4,412.9	(2,801.4)
2044	597.7	794.4	1,392.0	4,599.8	(3,207.8)
2045	620.4	520.8	1,141.2	4,794.3	(3,653.1)

VI. 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
- Total Payout
- 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

Retirement Age

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

Retirement Formula

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

Maximum Annuity

- 80% of final average salary.

Salary Used to Calculate Pension

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

Annual COLA

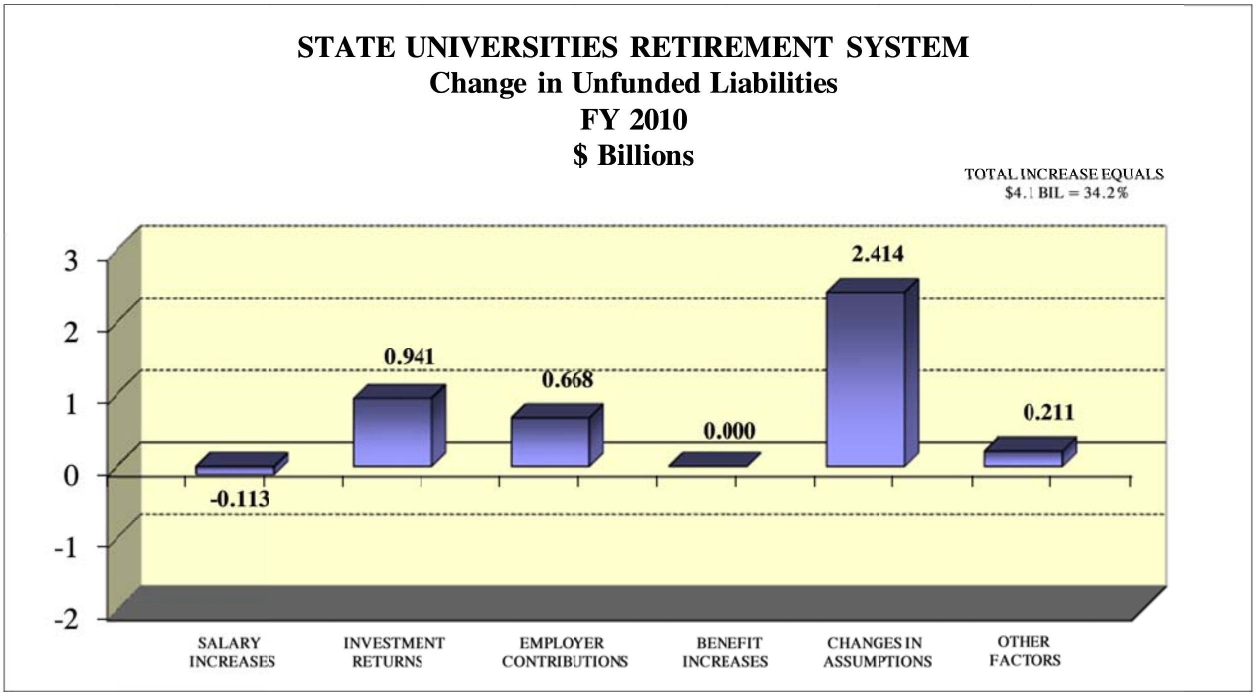
- 3% compounded.

Employee Contributions

- 8.0% of salary.

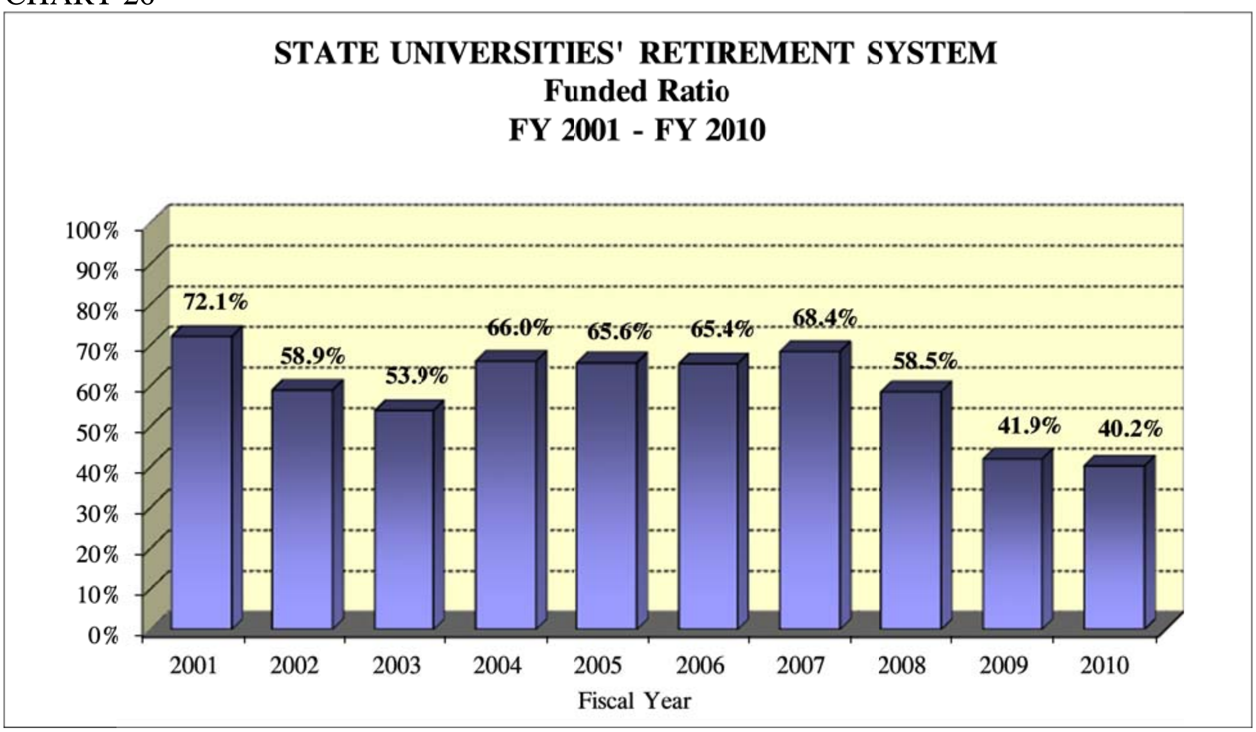
For details of retirement plans applicable to personnel beginning employment on or after January 1, 2011, please refer to Section I earlier in this report.

CHART 25



NOTES: (1)The above chart is based upon asset actuarial values, (2)The assumed interest rate used for investment earnings was changed from 8.5% to 7.75% in FY 2010.

CHART 26



NOTE: The above FY2010 figure is based upon asset market values without asset smoothing,

CHART 27

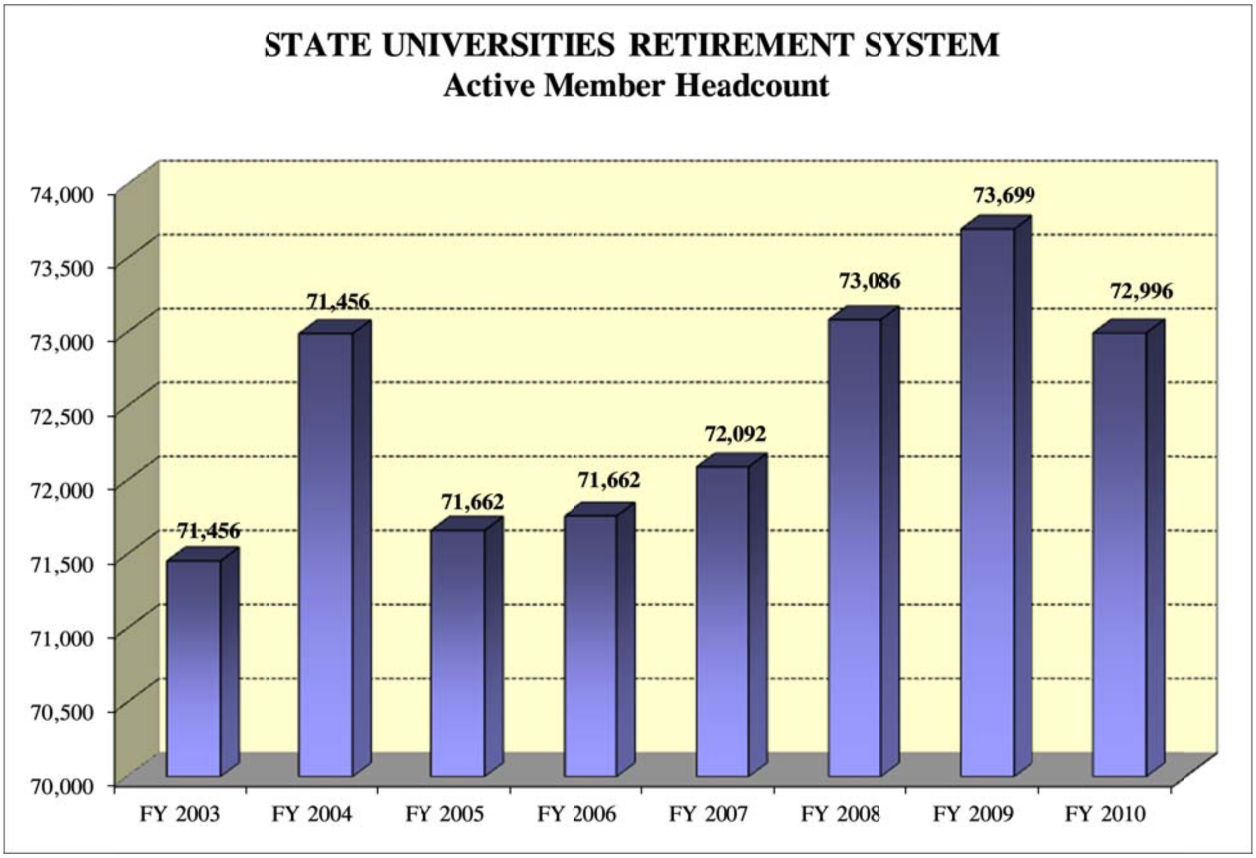


CHART 28

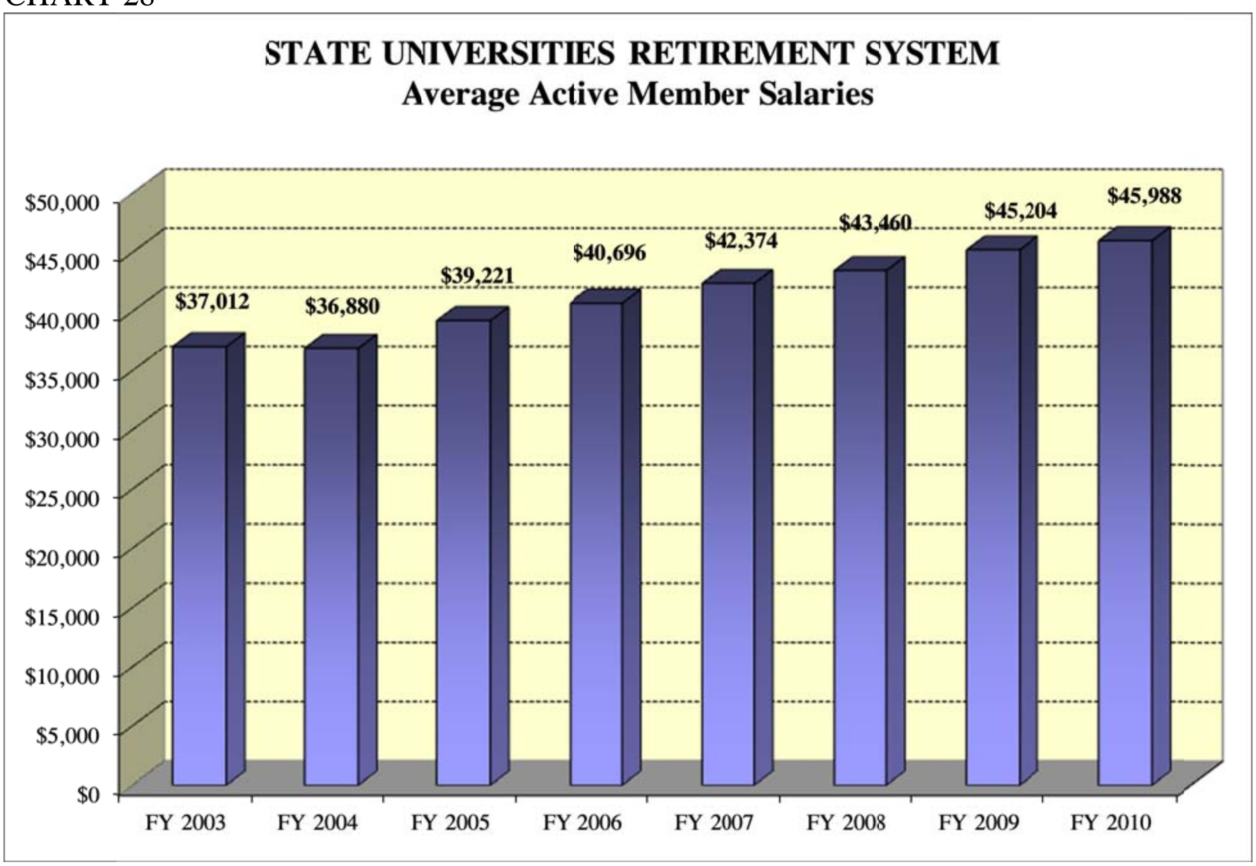


CHART 29

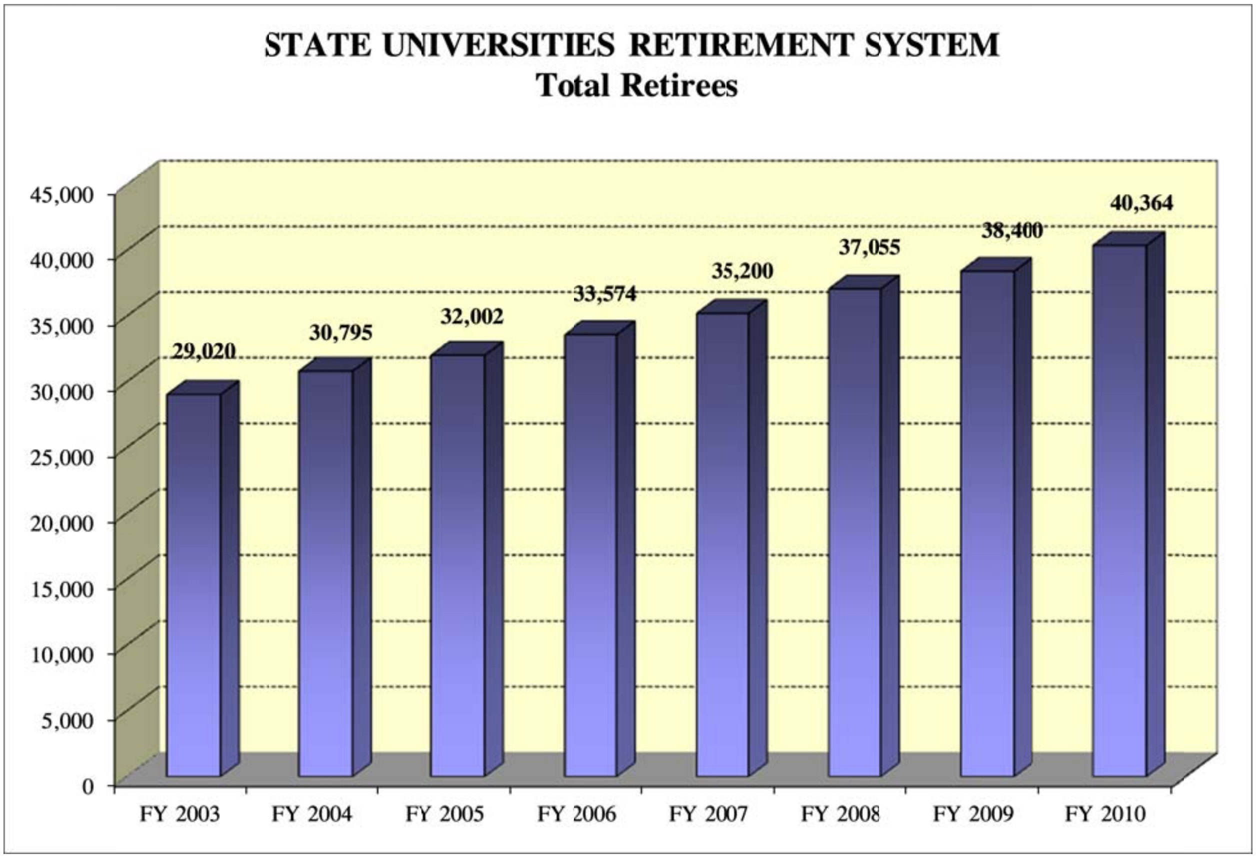


CHART 30

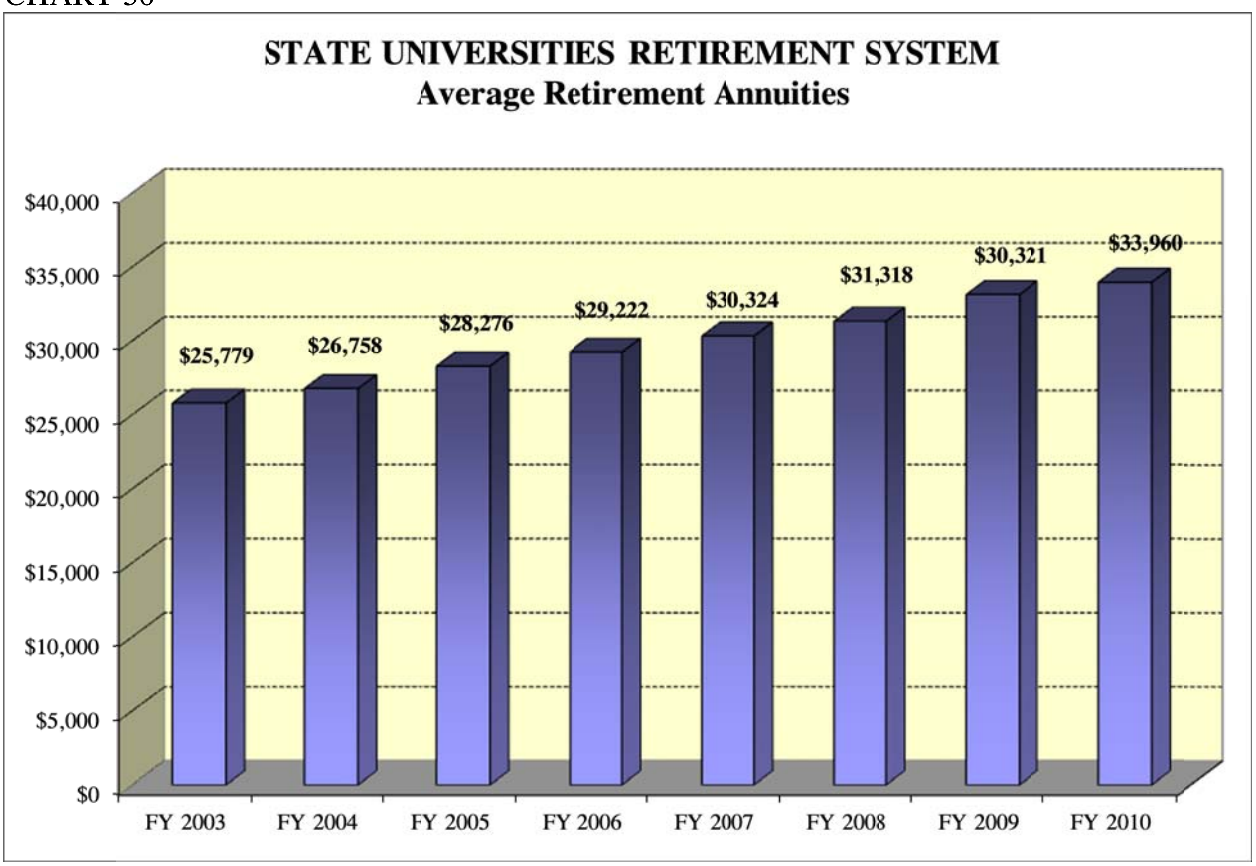
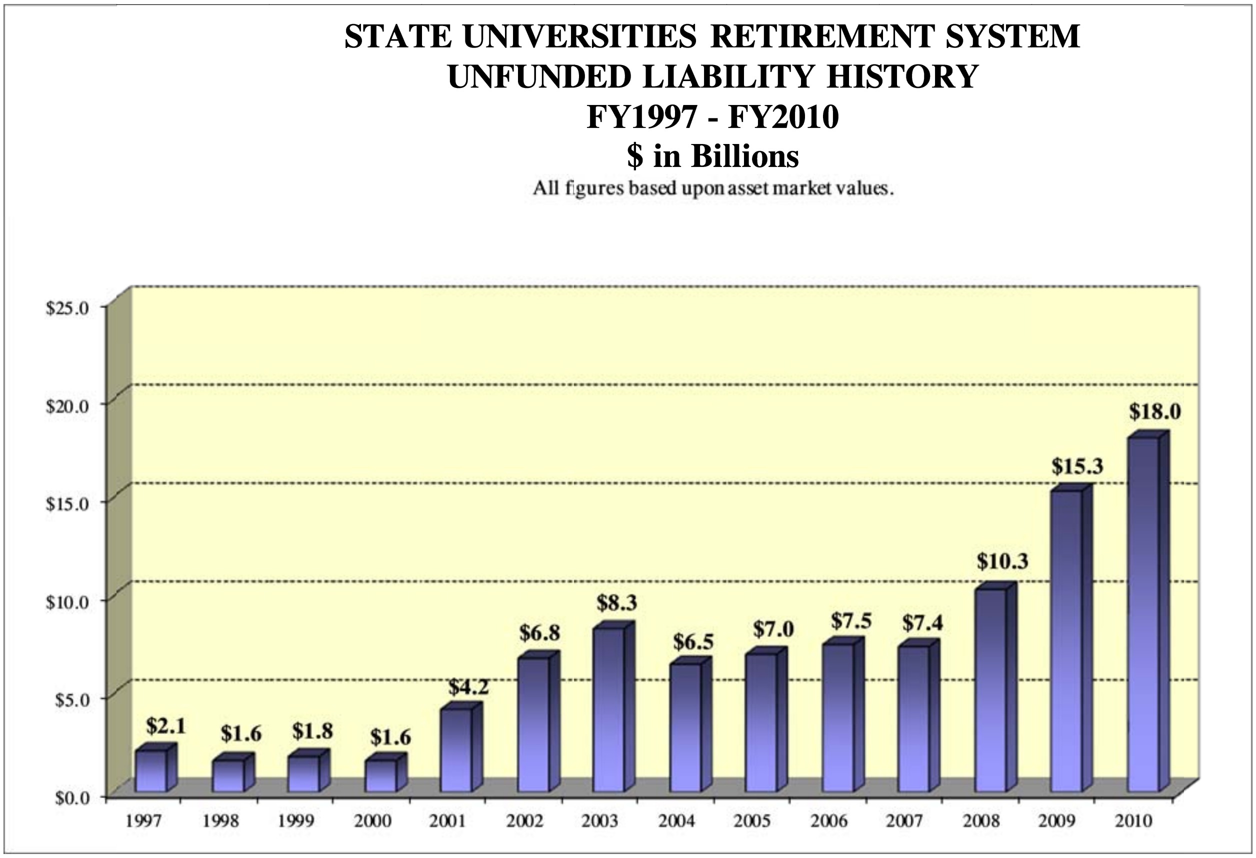


CHART 31



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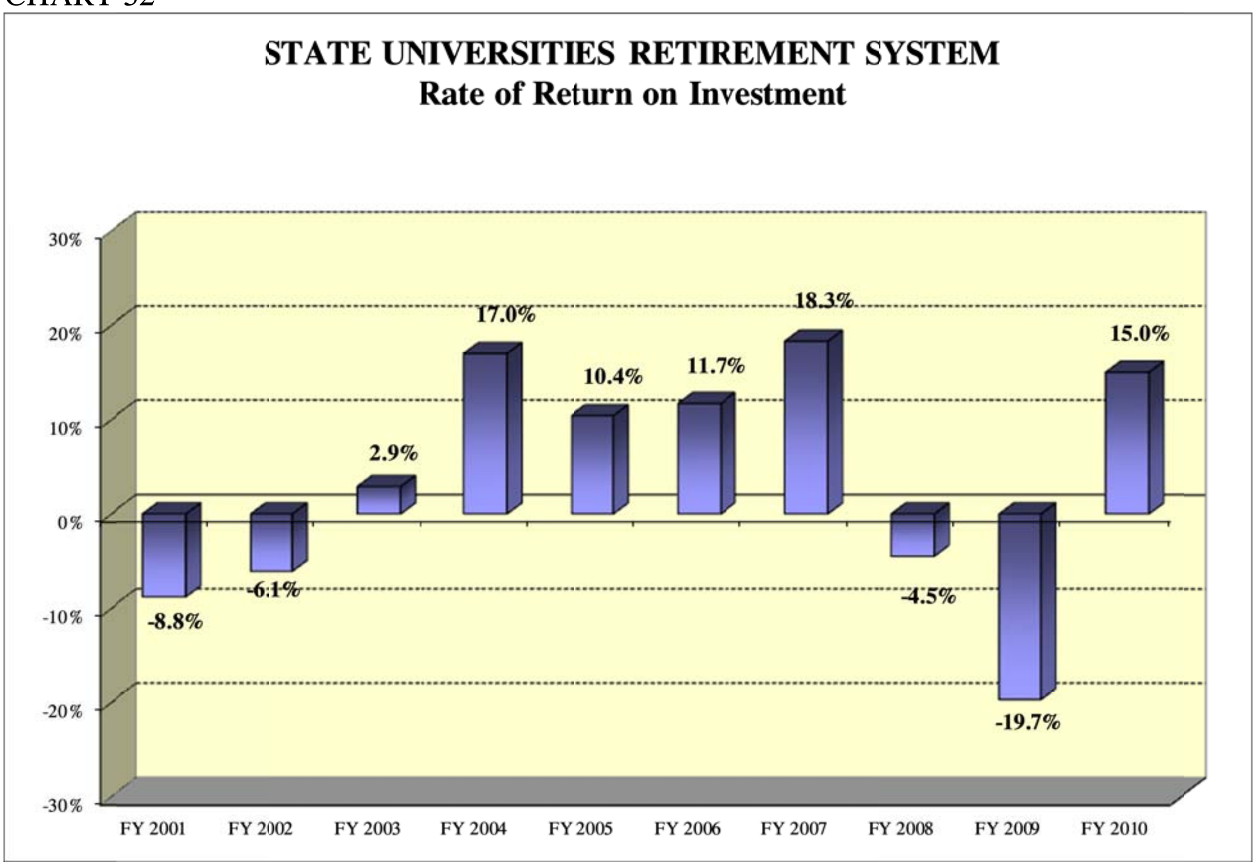

CHART 33

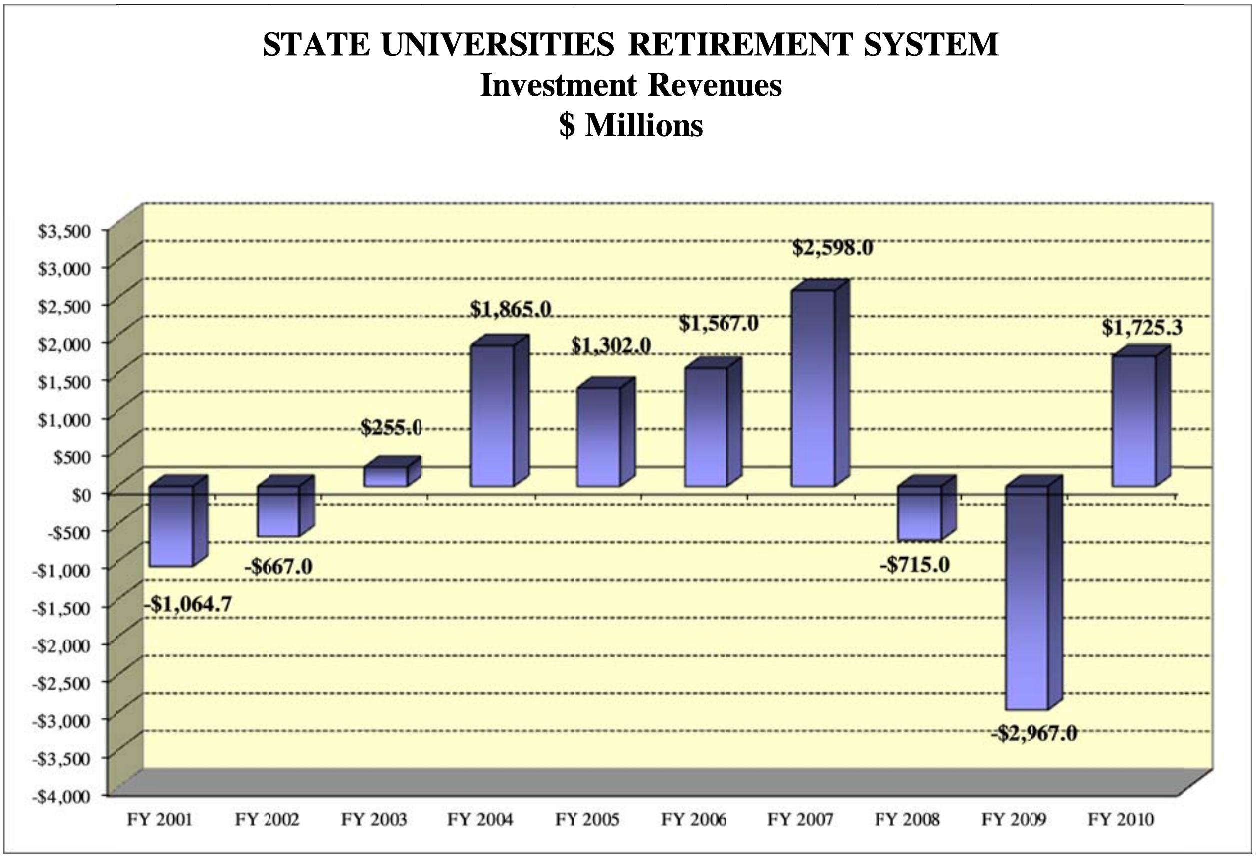

CHART 34

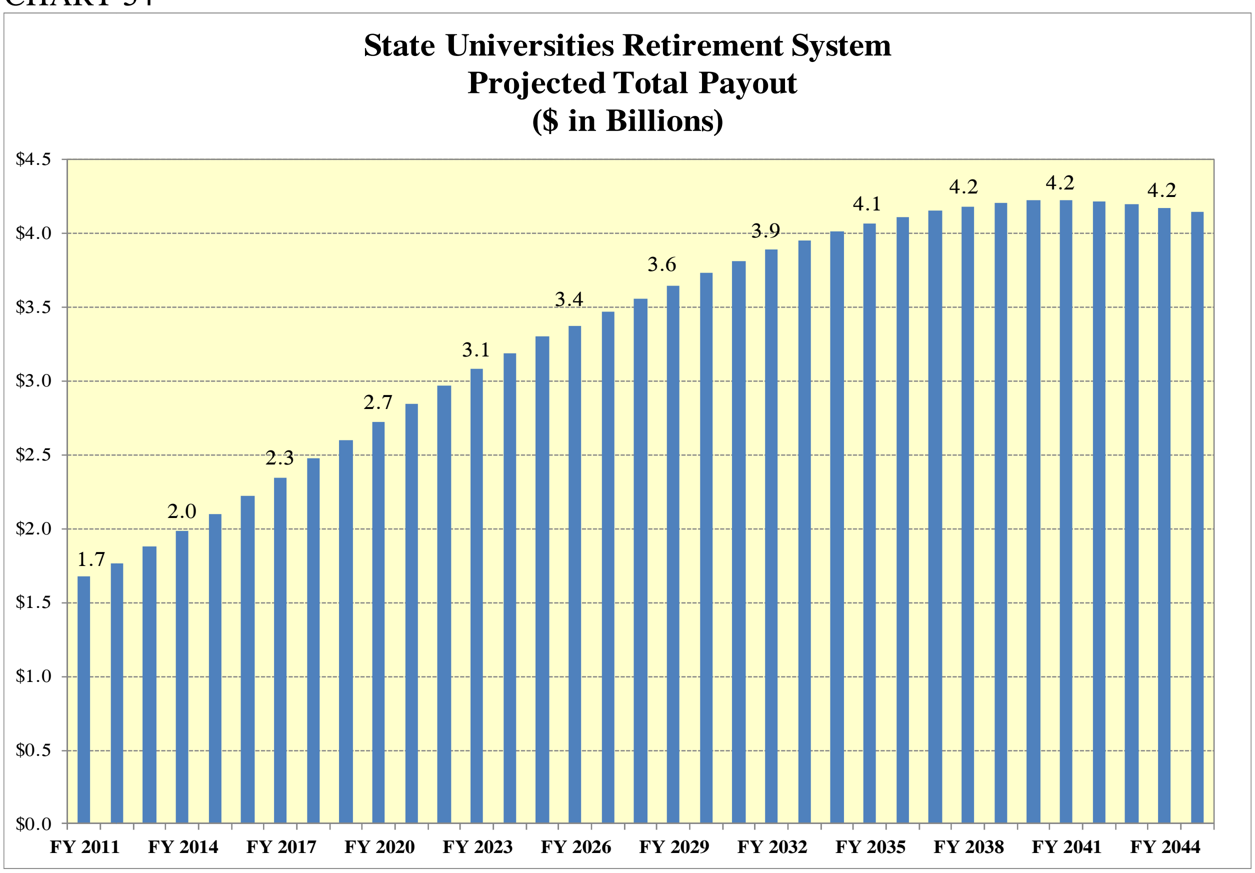

TABLE 15

STATE UNIVERSITIES RETIREMENT SYSTEM
CHANGES IN UNFUNDED LIABILITY
FY 1996 - FY 2010

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
STATE UNIVERSITIES							
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
6/30/2010	(113,100,000)	940,500,000	667,500,000	0	2,413,900,000	210,800,000	4,119,600,000
TOTALS	$207,377,000	$3,008,559,000	$6,098,800,000	$242,117,000	($118,795,000)	$2,010,766,000	$11,448,824,000

TABLE 16

STATE UNIVERSITIES' RETIREMENT SYSTEM
Changes in Net Assets
($ in millions)

Fiscal Years	2010	2009	2008	2007	2006	2005	2004	2003
Additions to Assets								
State of Illinois	700.2	445.6	340.3	252.1	166.7	269.9	311.7	269.6
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	1,432.0	0.0
Employees	323.6	322.1	310.1	304.0	292.4	285.6	275.1	275.9
Federal	39.5	44.2	43.6	42.4	43.0	42.9	39.6	40.4
Net Investment Income	1,725.3	-2,967.1	-714.8	2,597.8	1,566.8	1,302.0	1,865.3	255.4
Total Asset Additions (A)	2,788.6	-2,155.2	-20.8	3,196.3	2,068.9	1,900.4	3,923.7	841.3
Deductions from Assets								
Benefits	1,483.7	1,376.7	1,279.2	1,180.6	1,086.6	1,005.4	915.9	837.3
Refunds	57.5	51.4	54.9	53.4	51.4	43.1	39.1	35.2
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	12.5	12.9	12.1	11.7	12.0	12.1	11.5	11.9
Other	0.0	0.0	0.0	0.0	0.2	0.7	0.8	1.3
Total Asset Deductions (B)	1,553.7	1,441.0	1,346.2	1,245.7	1,150.2	1,061.3	967.3	885.7
Change in Net Assets (A-B=C)	1,235.0	-3,596.2	-1,367.0	1,950.6	918.7	839.1	2,956.3	-44.4

** Includes both the Defined Benefit and Self Managed Plans.*

TABLE 17

STATE UNIVERSITIES' RETIREMENT SYSTEM Historical Investment Revenues ($ in millions)			
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned
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	11,292.0	-2,967.1	-19.7%
2010	12,163.9	1,725.3	15.0%

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

TABLE 18

STATE UNIVERSITIES RETIREMENT SYSTEM Historical Underfunding ($ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions*	Historical Underfunding
2001	247.9	300.2	548.1	232.6	315.5
2002	231.4	455.5	686.9	240.4	446.5
2003	254.5	589.3	843.8	269.6	574.2
2004	267.3	667.5	934.8	1,743.7	-808.9
2005	271.0	588.7	859.7	270.0	589.7
2006	292.3	622.6	914.9	166.6	748.3
2007	301.4	666.9	968.3	252.1	716.2
2008	310.4	671.9	982.3	340.3	642.0
2009	317.9	829.4	1,147.3	450.2	697.1
2010	355.4	922.9	1,278.3	700.2	578.1

** Includes only Defined Benefit Plan contributions.*

TABLE 19

STATE UNIVERSITIES RETIREMENT SYSTEM System Projections Based on Laws in Effect on June 30, 2010 ($ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total State Contributions	Projected Underfunding
2011	397.9	1,342.5	1,740.4	848.1	892.3
2012	394.7	1,457.6	1,852.3	980.3	872.0
2013	384.6	1,570.5	1,955.2	1,057.7	897.5
2014	372.3	1,618.0	1,990.3	1,133.5	856.8
2015	358.6	1,674.0	2,032.6	1,210.9	821.7
2016	345.2	1,729.8	2,075.0	1,251.3	823.7
2017	331.1	1,784.8	2,115.9	1,297.0	818.9
2018	317.3	1,838.7	2,156.1	1,347.2	808.9
2019	304.5	1,891.1	2,195.6	1,401.6	794.0
2020	291.9	1,941.7	2,233.6	1,545.8	687.8
2021	278.9	1,990.4	2,269.2	1,512.3	756.9
2022	265.8	2,036.7	2,302.5	1,574.3	728.2
2023	253.4	2,080.4	2,333.8	1,641.3	692.5
2024	241.5	2,121.3	2,362.8	1,707.9	654.9
2025	229.9	2,158.7	2,388.6	1,779.9	608.7
2026	218.9	2,189.8	2,408.7	1,862.4	546.3
2027	207.5	2,215.6	2,423.1	1,950.1	473.0
2028	195.9	2,235.7	2,431.6	2,038.6	393.0
2029	183.7	2,249.1	2,432.8	2,132.8	300.0
2030	171.0	2,255.3	2,426.4	2,228.5	197.9
2031	157.1	2,253.1	2,410.2	2,331.2	79.0
2032	140.8	2,240.8	2,381.6	2,446.4	(64.8)
2033	123.1	2,216.7	2,339.8	2,574.0	(234.2)
2034	105.1	2,177.0	2,282.1	2,736.3	(454.2)
2035	86.3	2,123.2	2,209.6	2,868.4	(658.8)
2036	66.5	2,053.5	2,120.0	3,007.6	(887.6)
2037	44.2	1,966.2	2,010.3	3,154.7	(1,144.4)
2038	19.7	1,859.2	1,878.8	3,309.8	(1,431.0)
2039	(6.5)	1,730.4	1,723.9	3,473.4	(1,749.5)
2040	(31.6)	1,577.8	1,546.2	3,645.9	(2,099.7)
2041	(54.6)	1,399.0	1,344.3	3,826.5	(2,482.2)
2042	(78.0)	1,191.6	1,113.6	4,016.0	(2,902.4)
2043	(101.4)	952.7	851.3	4,214.5	(3,363.2)
2044	(125.4)	679.3	553.9	4,422.6	(3,868.7)
2045	(150.2)	367.6	217.4	4,640.4	(4,423.0)

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NOTE: SURS was unable to provide a projection of their employer's normal cost. The above projections of employer's normal cost were provided by the CGFA actuary.

VII. 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**
- **Total Payout**
- **Annual Changes in Unfunded**
- **Changes in Net Assets**
- **Investment Return History**
- **Historical Underfunding**
- **Projected Underfunding**

Judges' Retirement System
Plan Summary

Retirement Age

- Age 60 with 10 years of service.
- Age 62 with 6 years of service.
- Age 55 with 10 years of service (reduced ½ of 1% for each month under 60).

Retirement Formula

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

Maximum Annuity

- 85% of final salary.

Salary Used to Calculate Pension

- Salary on last day of service.

Annual COLA

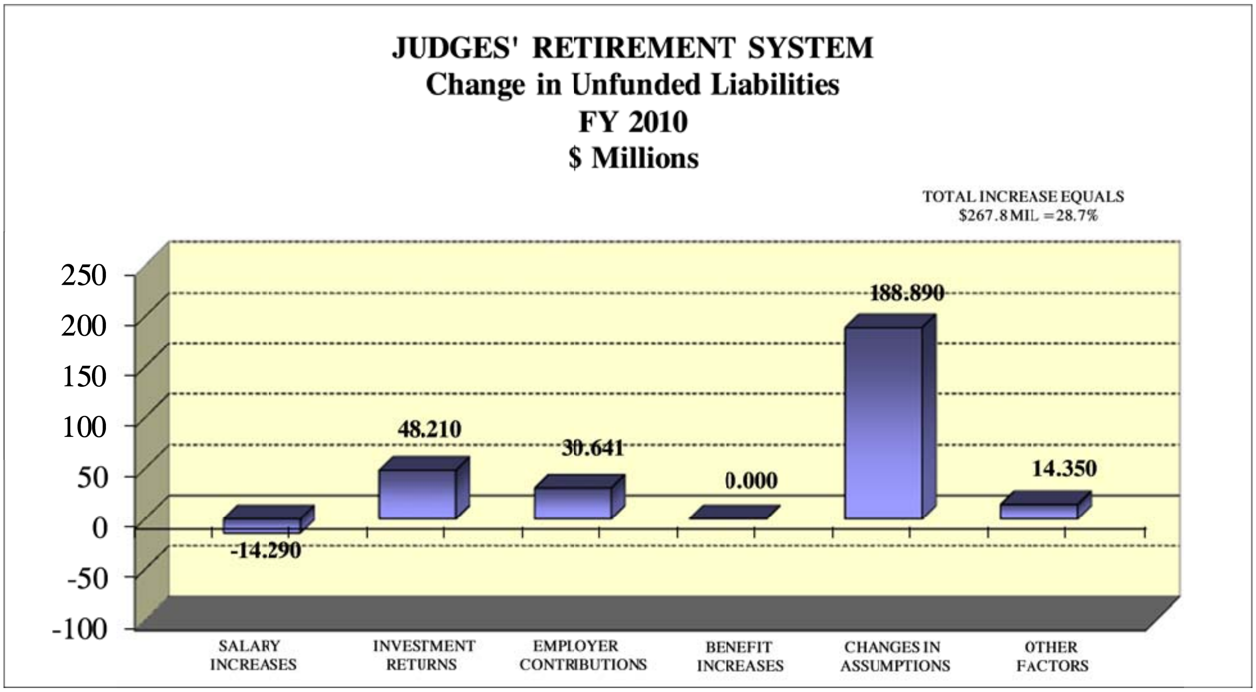
- 3% compounded.

Employee Contributions

- 11.0% of salary.

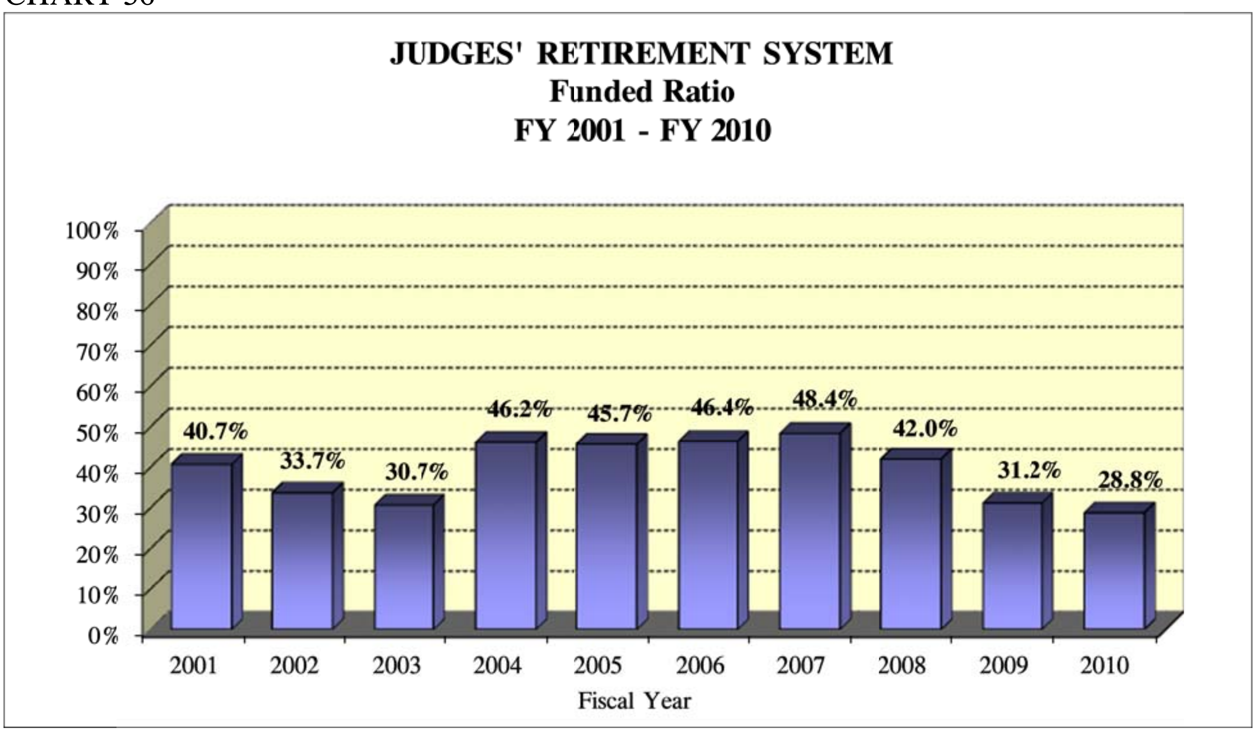
For details of retirement plans applicable to personnel beginning employment on or after January 1, 2011, please refer to Section I earlier in this report.

CHART 35



NOTES: (1) The above chart is based upon asset actuarial values, (2) The assumed interest rate used for investment earnings was changed from 8.0% to 7.0% in FY 2010.

CHART 36



NOTE: The above FY2010 figure is based upon asset market values without asset smoothing.

CHART 37

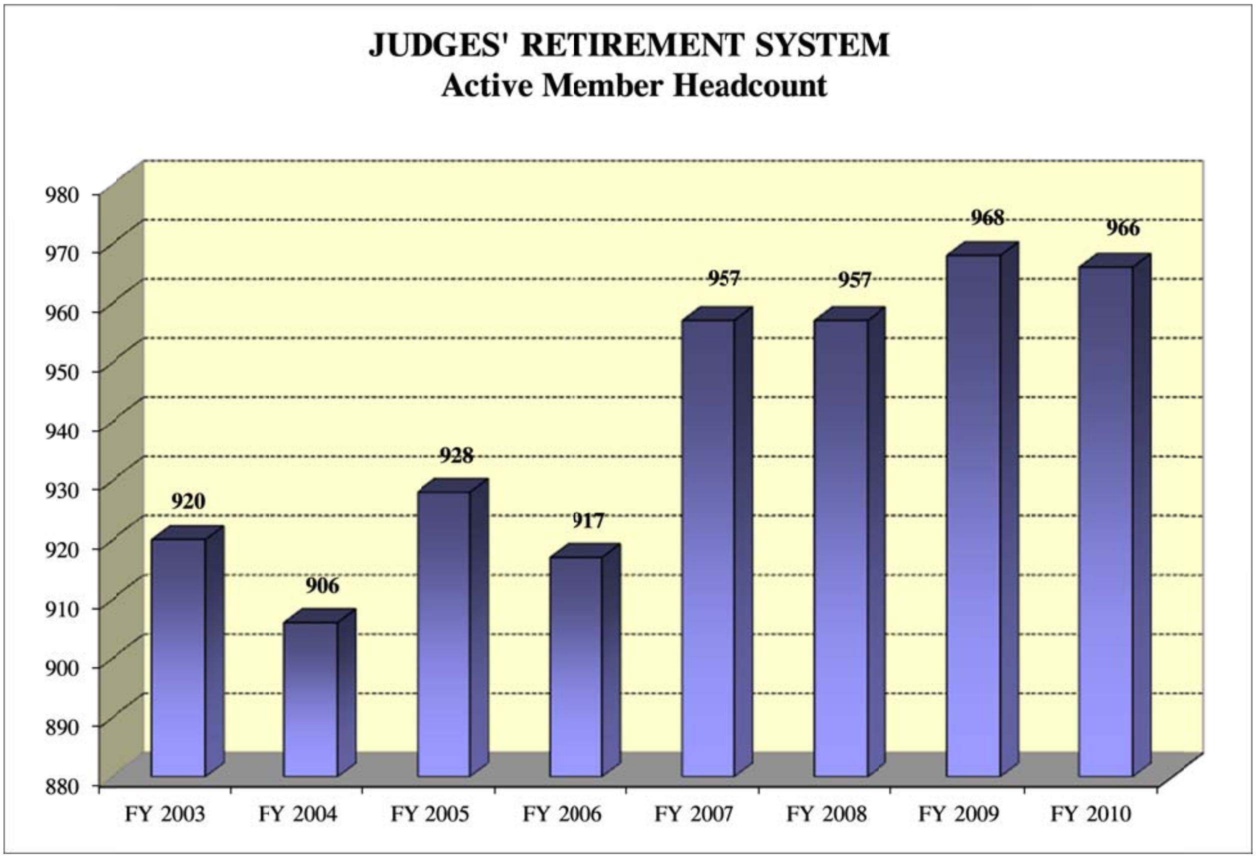
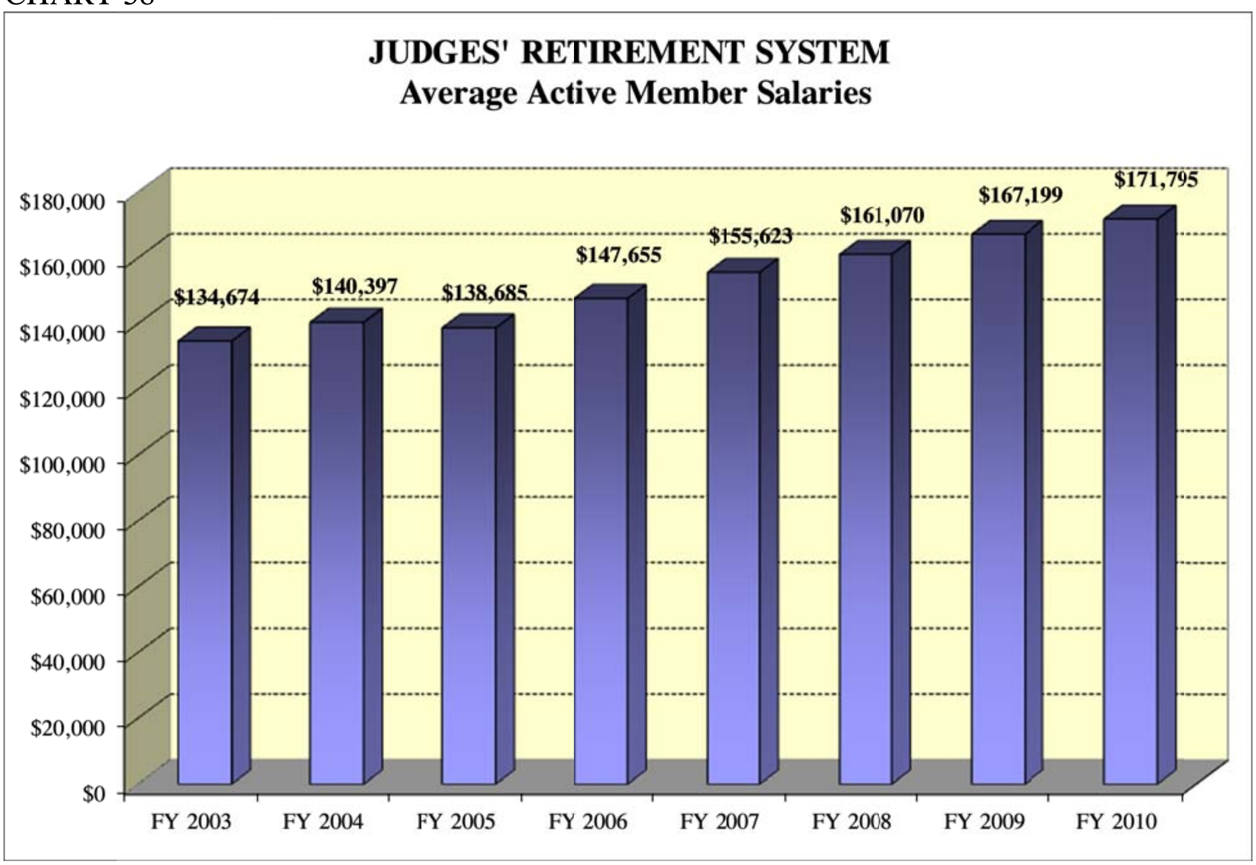


CHART 38



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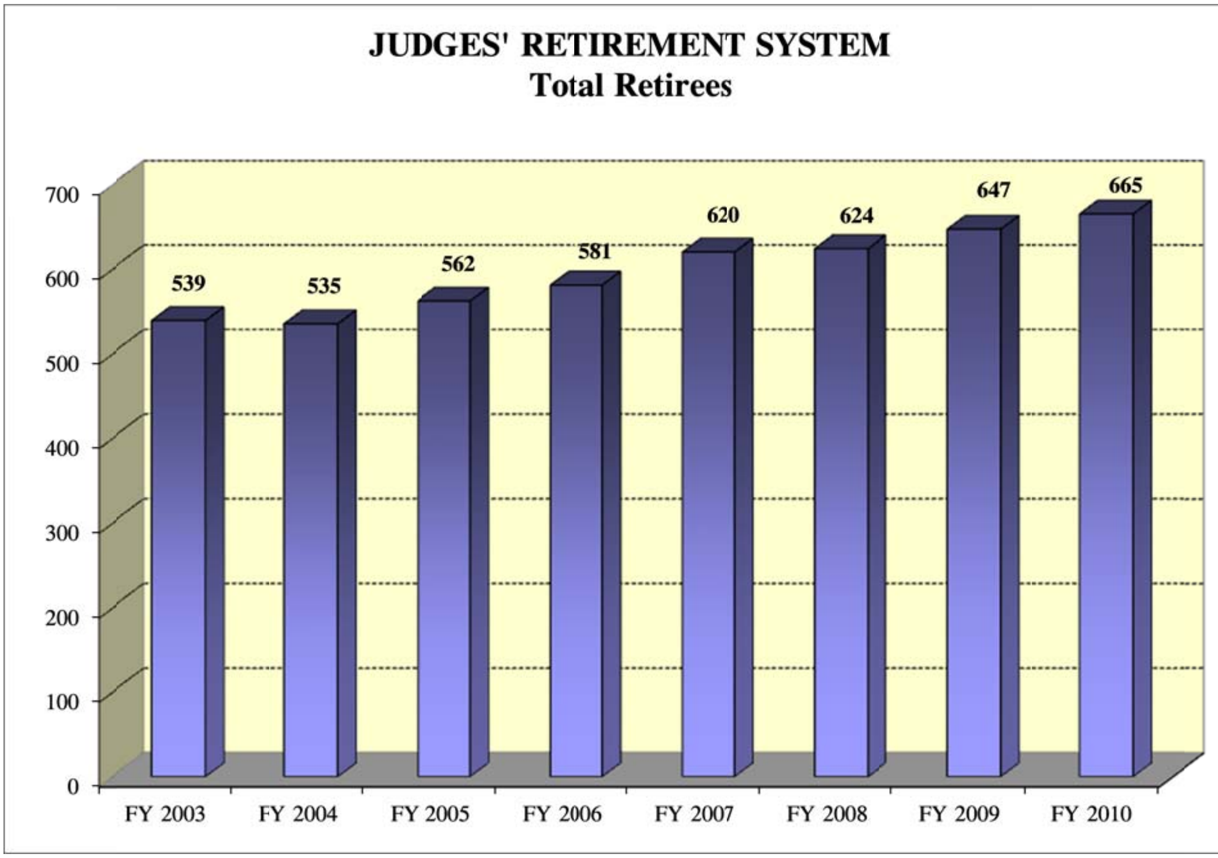


CHART 40

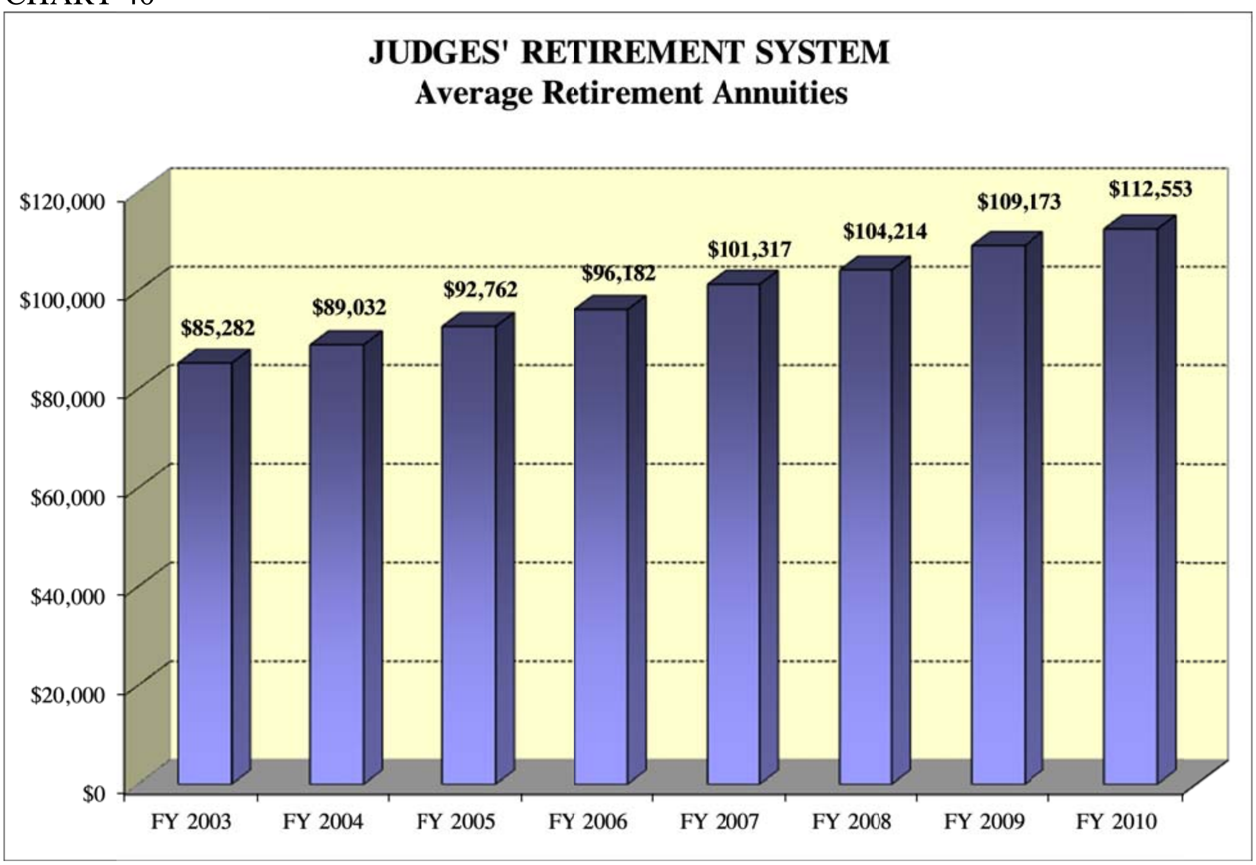


CHART 41

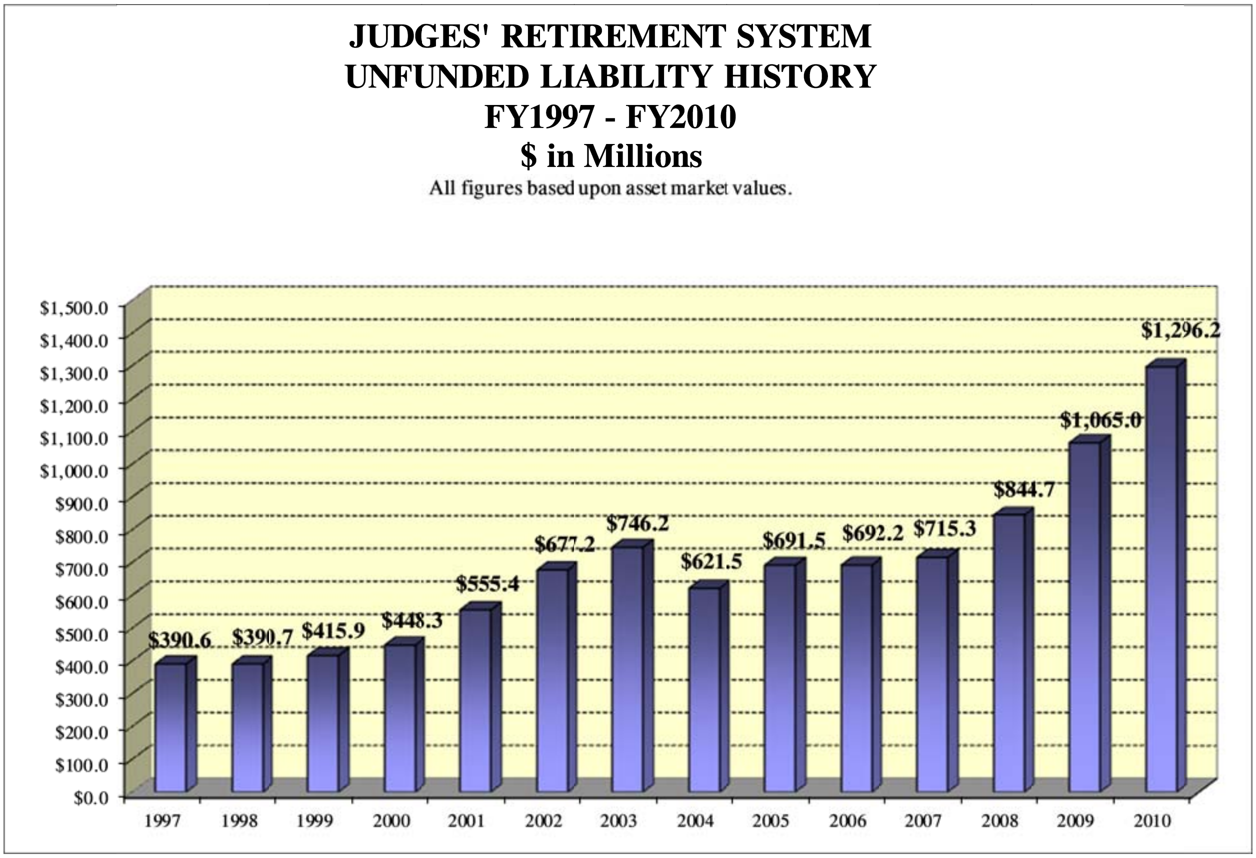


CHART 42

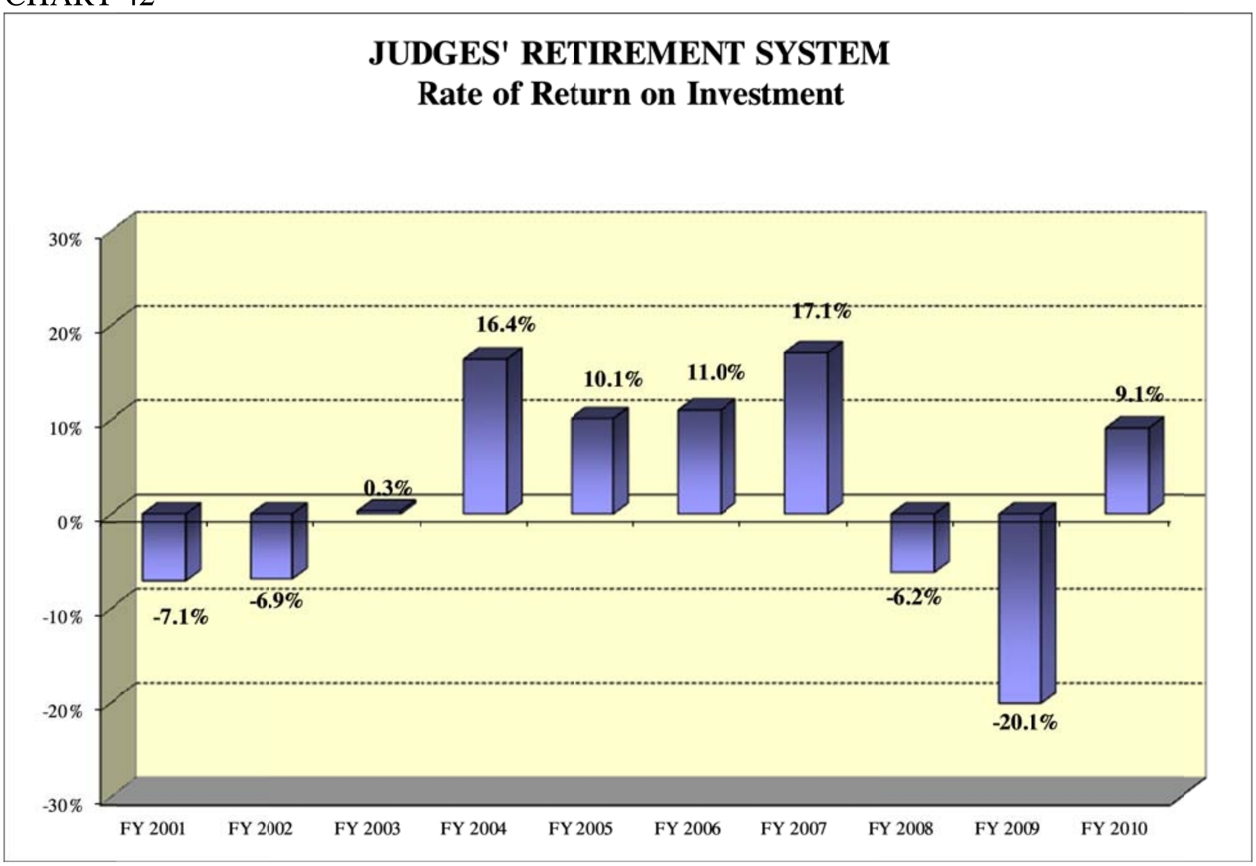


CHART 43

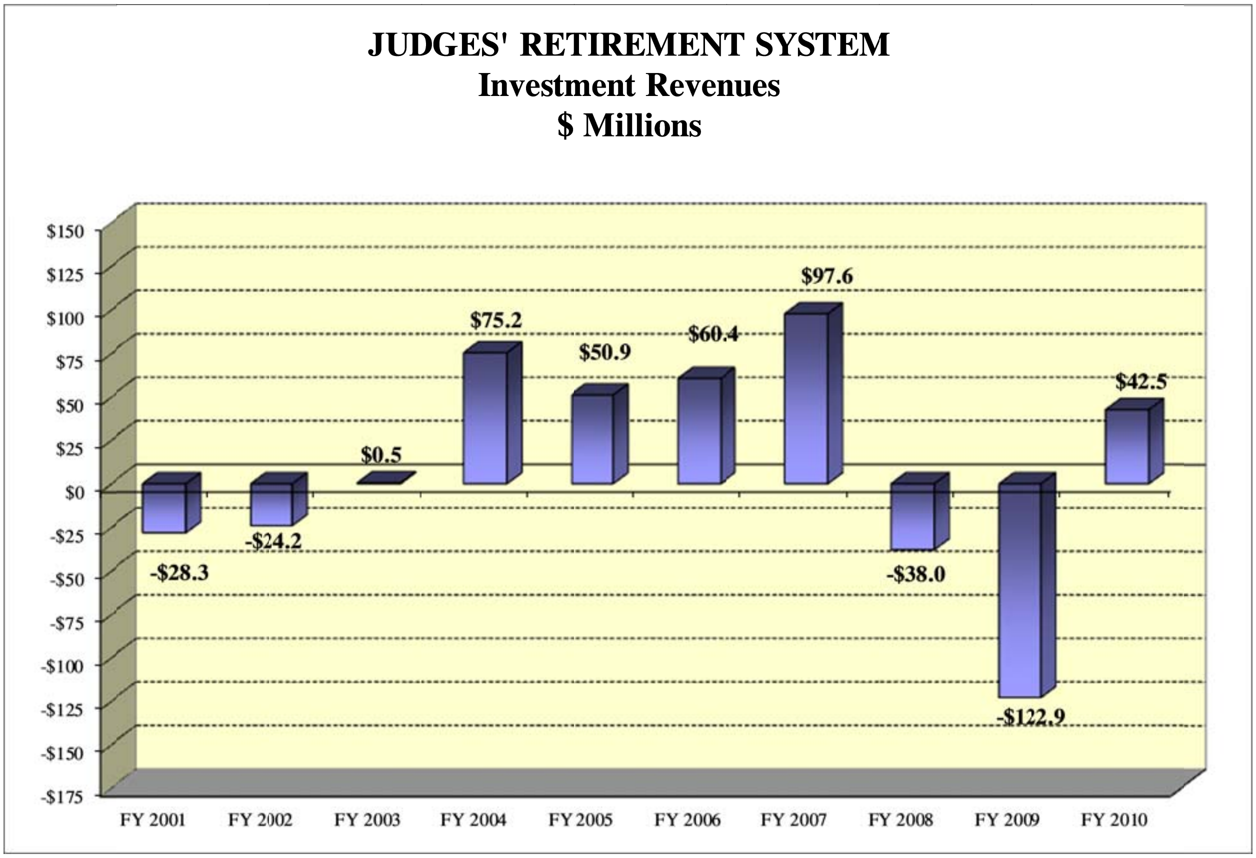


CHART 44

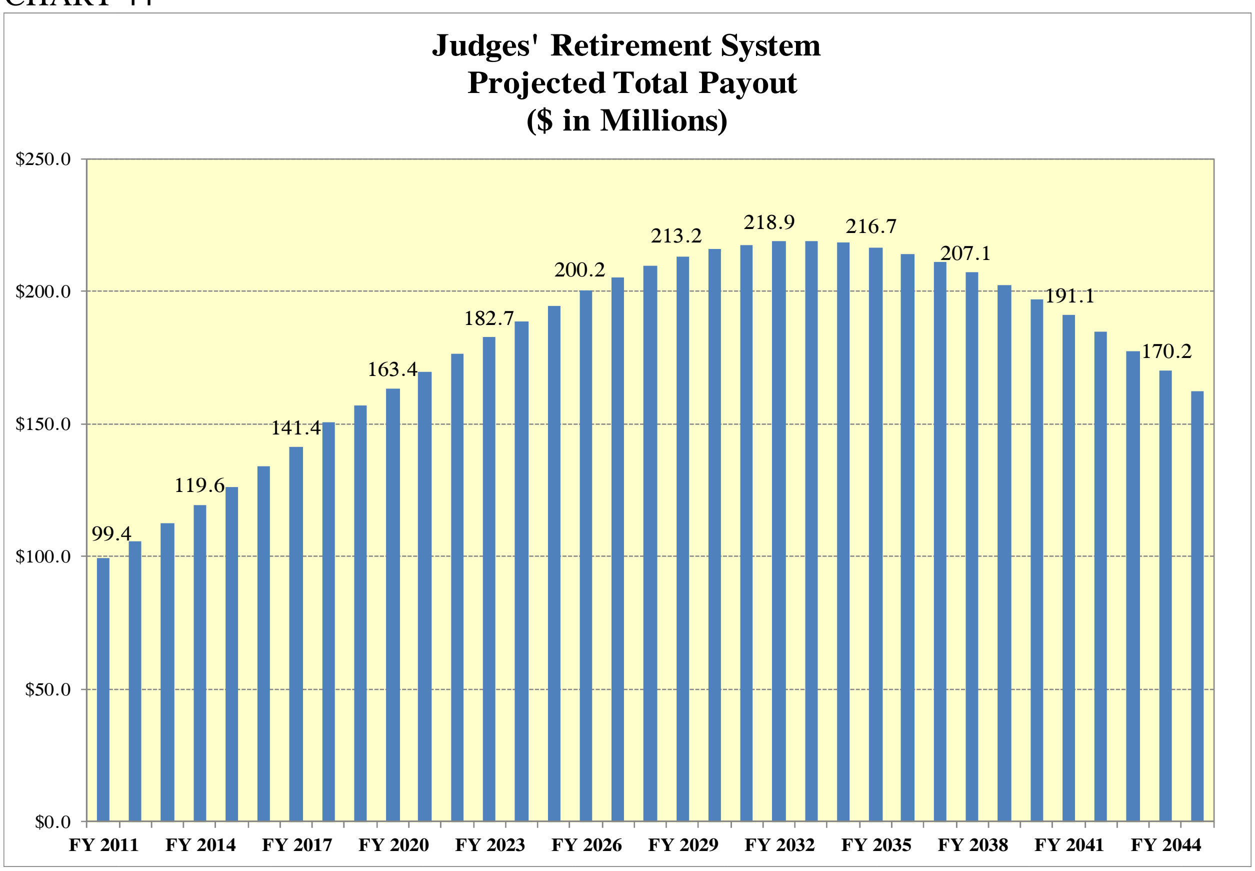


TABLE 20

JUDGES' RETIREMENT SYSTEM
CHANGES IN UNFUNDED LIABILITY
FY 1996 - FY 2010

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
JUDGES							
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
6/30/2010	(14,290,000)	48,210,000	30,640,000	0	188,890,000	14,350,000	267,800,000
TOTALS	($111,973,741)	$98,680,260	$452,533,630	$2,848,501	$244,004,192	$203,743,842	$889,836,684

TABLE 21

JUDGES' RETIREMENT SYSTEM
Changes in Net Assets
($ in millions)

Fiscal Years	2010	2009	2008	2007	2006	2005	2004	2003
Additions to Assets								
State of Illinois	78.5	60.0	47.0	35.2	29.2	32.0	36.5	31.4
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	142.0	0.0
Employees	16.0	15.8	15.4	14.2	13.6	13.3	13.7	12.9
Net Investment Income	42.5	-122.7	-38.0	98.2	60.4	50.9	45.2	0.5
Total Asset Additions (A)	137.0	-46.9	24.4	147.6	103.2	96.2	237.4	44.8
Deductions from Assets								
Benefits	91.6	85.8	80.5	75.6	69.0	64.5	60.9	56.7
Refunds	0.5	0.4	0.8	0.6	0.8	0.7	0.4	0.6
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	0.5	0.6	0.5	0.5	0.4	0.5	0.5	0.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	92.6	86.8	81.8	76.7	70.2	65.7	61.8	57.7
Change in Net Assets (A-B=C)	44.4	-133.7	-57.4	70.9	33.0	30.5	175.6	-12.9

TABLE 22

JUDGES' RETIREMENT SYSTEM Historical Investment Revenues ($ in millions)			
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned
2001	372.6	-28.3	-7.1%
2002	332.4	-24.2	-6.9%
2003	317.5	0.5	0.3%
2004	321.4	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%
2010	523.3	42.5	9.1%
2001 - 2010 Asset Values are Market Values.			

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

TABLE 23

JUDGES' RETIREMENT SYSTEM Historical Underfunding ($ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Historical Underfunding
2001	22.0	35.3	57.3	26.4	30.9
2002	22.5	38.1	60.6	29.8	30.8
2003	23.1	47.2	70.3	33.6	36.7
2004	22.9	57.6	80.5	178.5	-98.0
2005	25.7	63.4	89.1	32.0	57.1
2006	32.2	52.7	84.9	29.2	55.7
2007	34.4	52.4	86.8	35.2	51.6
2008	35.8	51.1	86.9	46.9	40.0
2009	37.4	63.4	100.8	60.0	40.8
2010	48.2	60.9	109.1	78.5	30.6

TABLE 24

JUDGES RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2010
($ in millions)

Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding
2011	48.2	88.6	136.8	90.3	46.5
2012	47.2	95.3	142.5	63.6	78.9
2013	46.2	102.1	148.3	67.7	80.6
2014	44.4	106.5	150.9	72.1	78.8
2015	43.0	110.9	153.9	77.1	76.8
2016	40.7	115.2	155.9	81.2	74.7
2017	38.7	119.5	158.2	84.5	73.7
2018	36.6	123.8	160.4	87.9	72.5
2019	34.7	128.1	162.8	91.6	71.2
2020	32.2	132.2	164.4	94.9	69.5
2021	30.0	136.1	166.1	98.5	67.6
2022	27.5	139.8	167.3	102.3	65.0
2023	25.2	143.2	168.4	106.3	62.1
2024	22.8	146.4	169.2	110.0	59.2
2025	20.5	149.2	169.7	114.1	55.6
2026	18.4	151.6	170.0	118.9	51.1
2027	16.3	153.6	169.9	124.0	45.9
2028	14.2	155.0	169.2	128.8	40.4
2029	12.7	156.0	168.7	134.0	34.7
2030	11.2	156.4	167.6	138.9	28.7
2031	9.9	156.1	166.0	144.3	21.7
2032	8.6	155.2	163.8	150.4	13.4
2033	7.6	153.3	160.9	157.4	3.5
2034	6.7	149.9	156.6	173.8	(17.2)
2035	5.9	145.5	151.4	180.5	(29.1)
2036	5.1	139.9	145.0	187.7	(42.7)
2037	4.3	133.1	137.4	195.3	(57.9)
2038	3.6	125.0	128.6	203.1	(74.6)
2039	2.9	115.3	118.2	211.2	(93.0)
2040	2.3	104.0	106.3	219.6	(113.3)
2041	1.6	91.0	92.6	228.4	(135.8)
2042	0.9	76.1	77.0	237.6	(160.6)
2043	0.3	59.0	59.3	247.1	(187.8)
2044	0.0	39.7	39.7	256.9	(217.2)
2045	0.0	18.0	18.0	267.2	(249.2)

VIII. 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
- Total Payout
- Annual Changes in Unfunded
- Changes in Net Assets
- Investment Return History
- Historical Underfunding
- Projected Underfunding

General Assembly Retirement System
Plan Summary

Retirement Age

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

Retirement Formula

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

Maximum Annuity

- 85% of final salary.

Salary Used to Calculate Pension

- Salary on last day of service.

Annual COLA

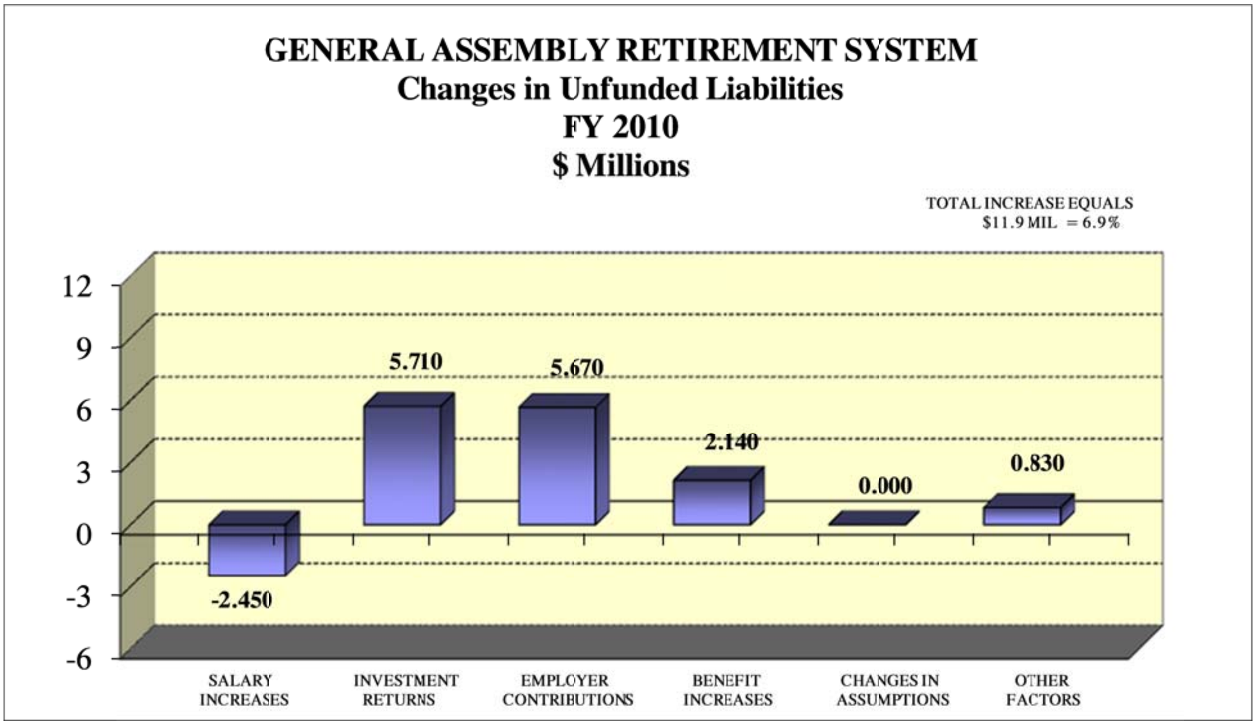
- 3% compounded.

Employee Contributions

- 11.5% of salary.

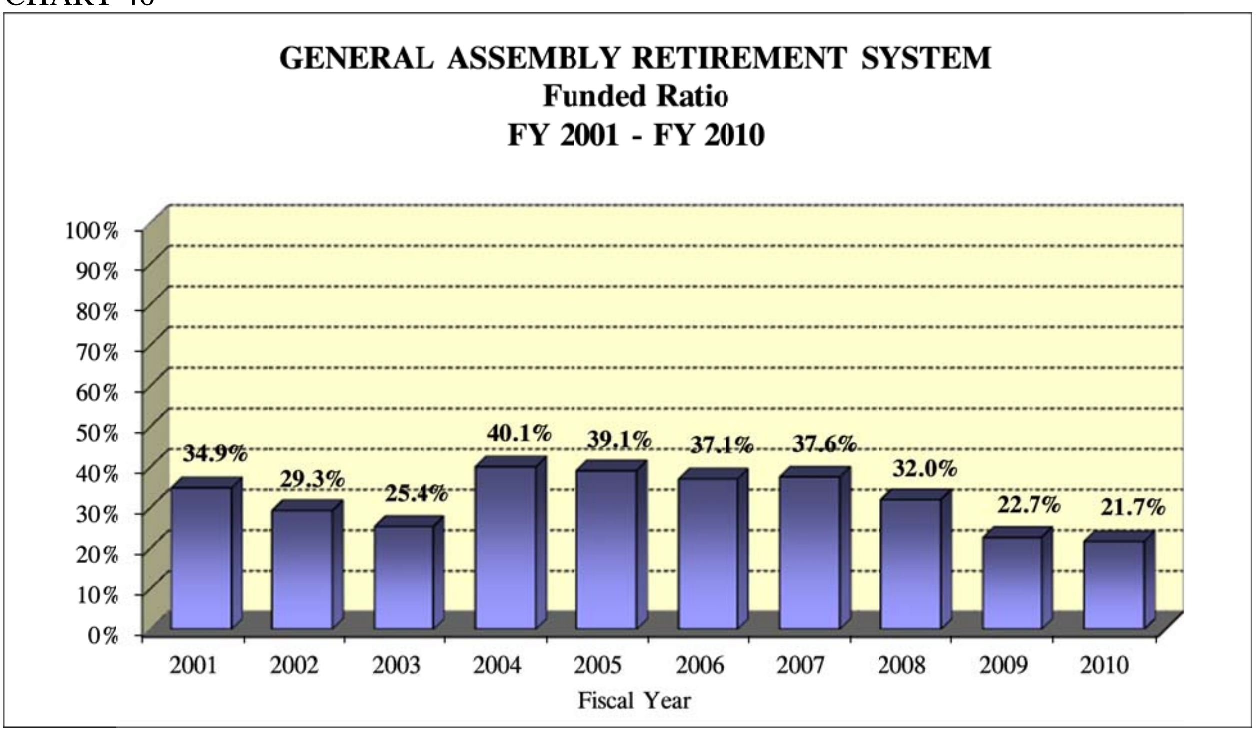
For details of retirement plans applicable to personnel beginning employment on or after January 1, 2011, please refer to Section I earlier in this report.

CHART 45



NOTES: (1) The above chart is based upon asset actuarial values, (2) The assumed interest rate used for investment earnings remained at 8.0% for FY 2010.

CHART 46



NOTE: The above FY 2010 figure is based upon asset market values without asset smoothing.

CHART 47

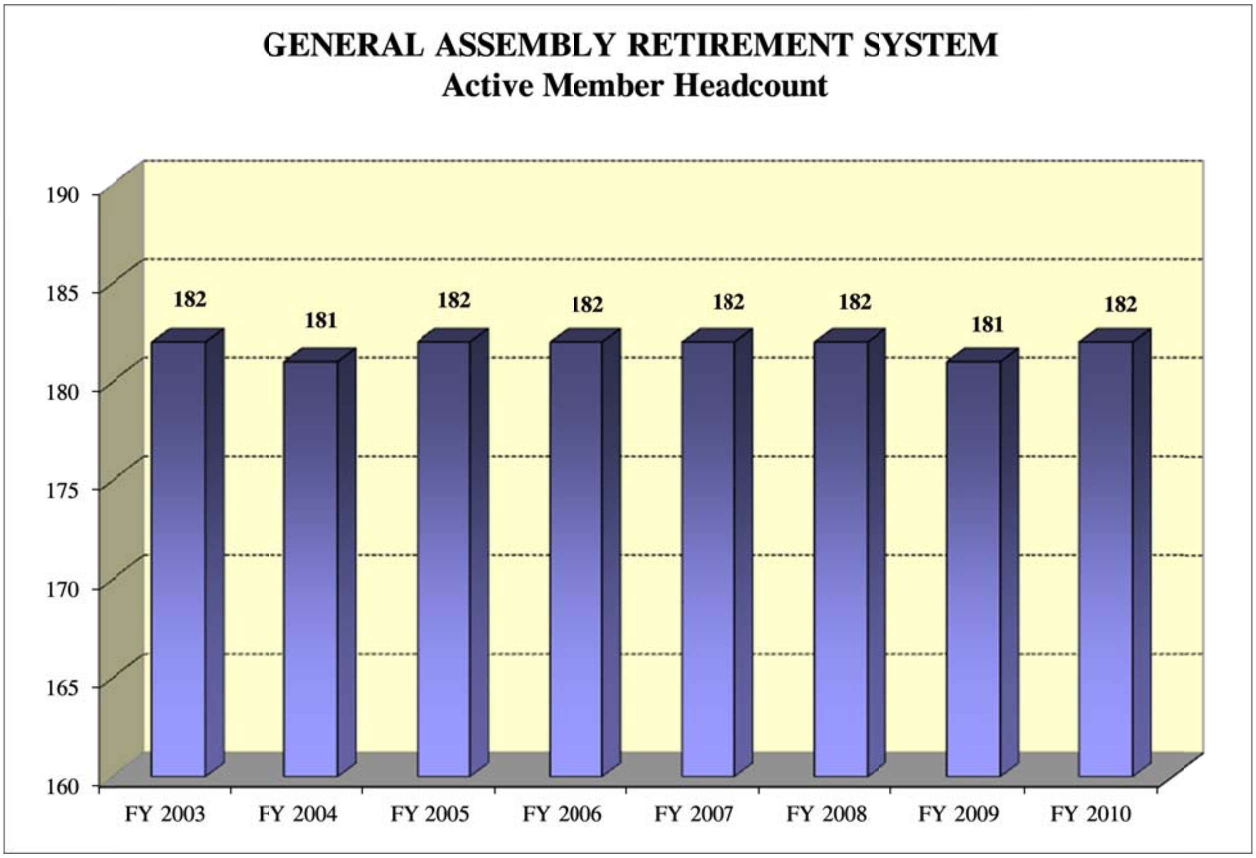


CHART 48

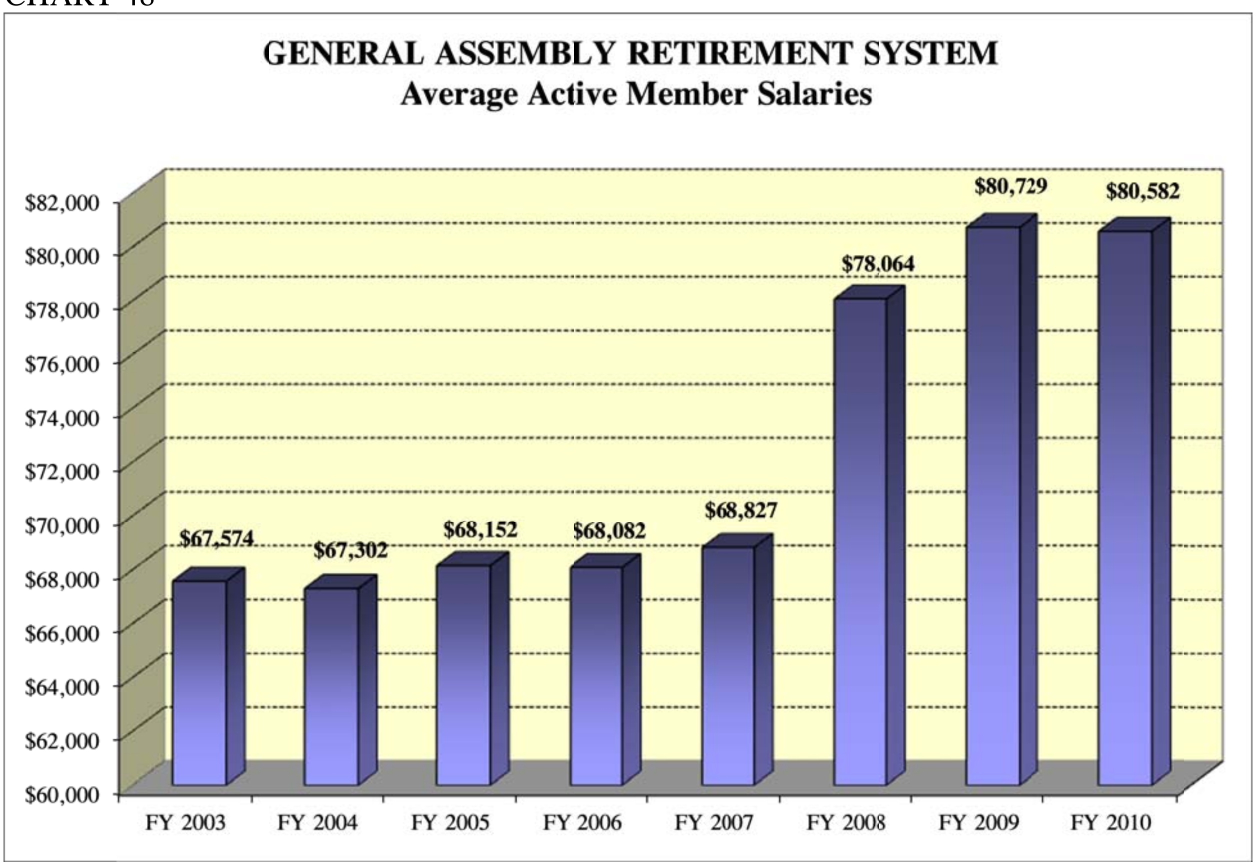


CHART 49

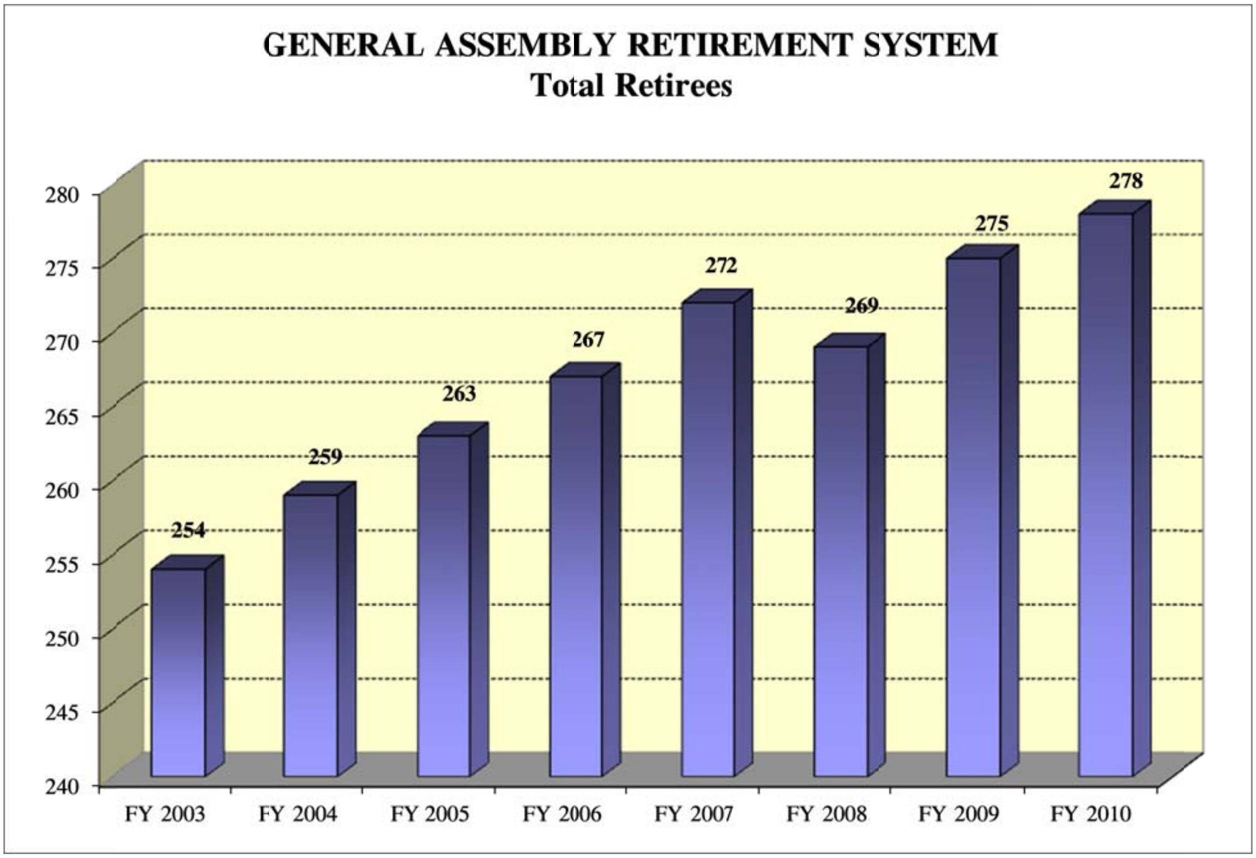


CHART 50

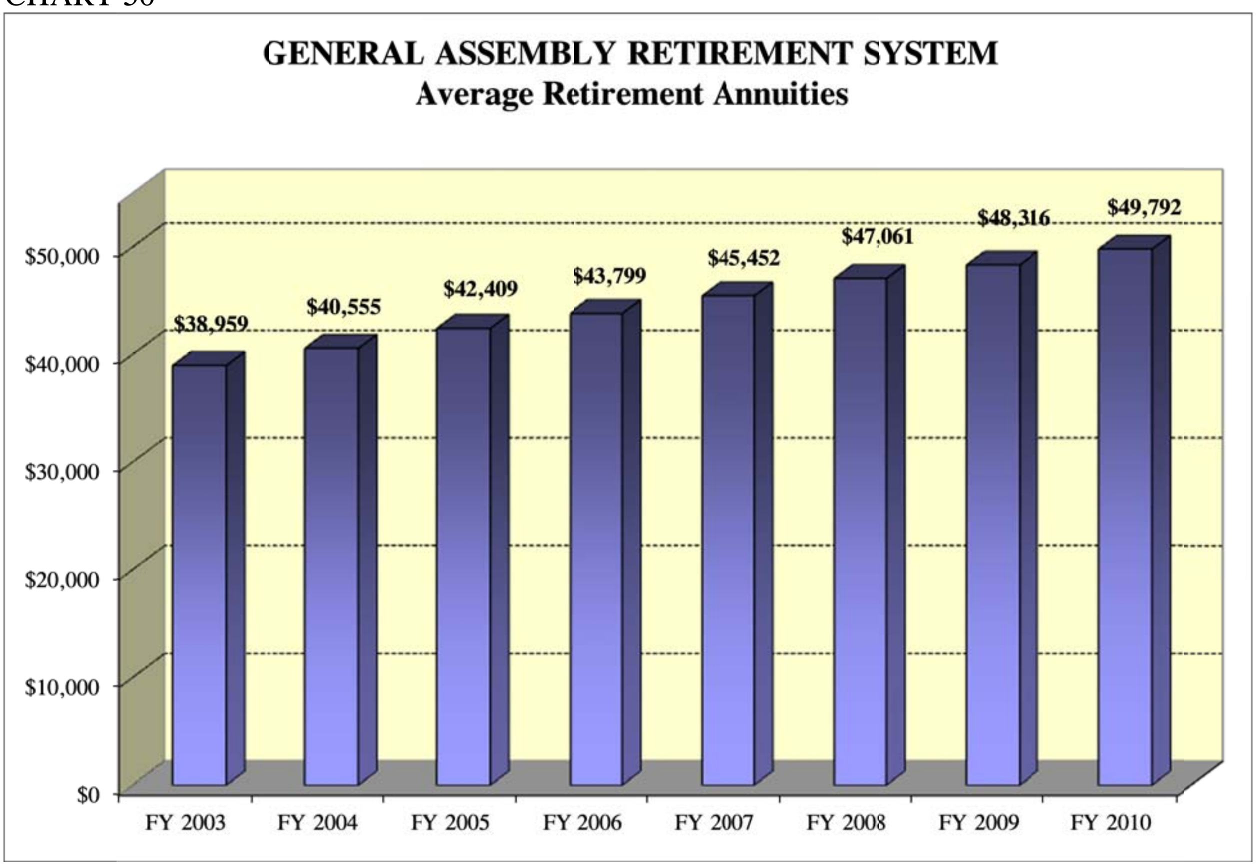


CHART 51

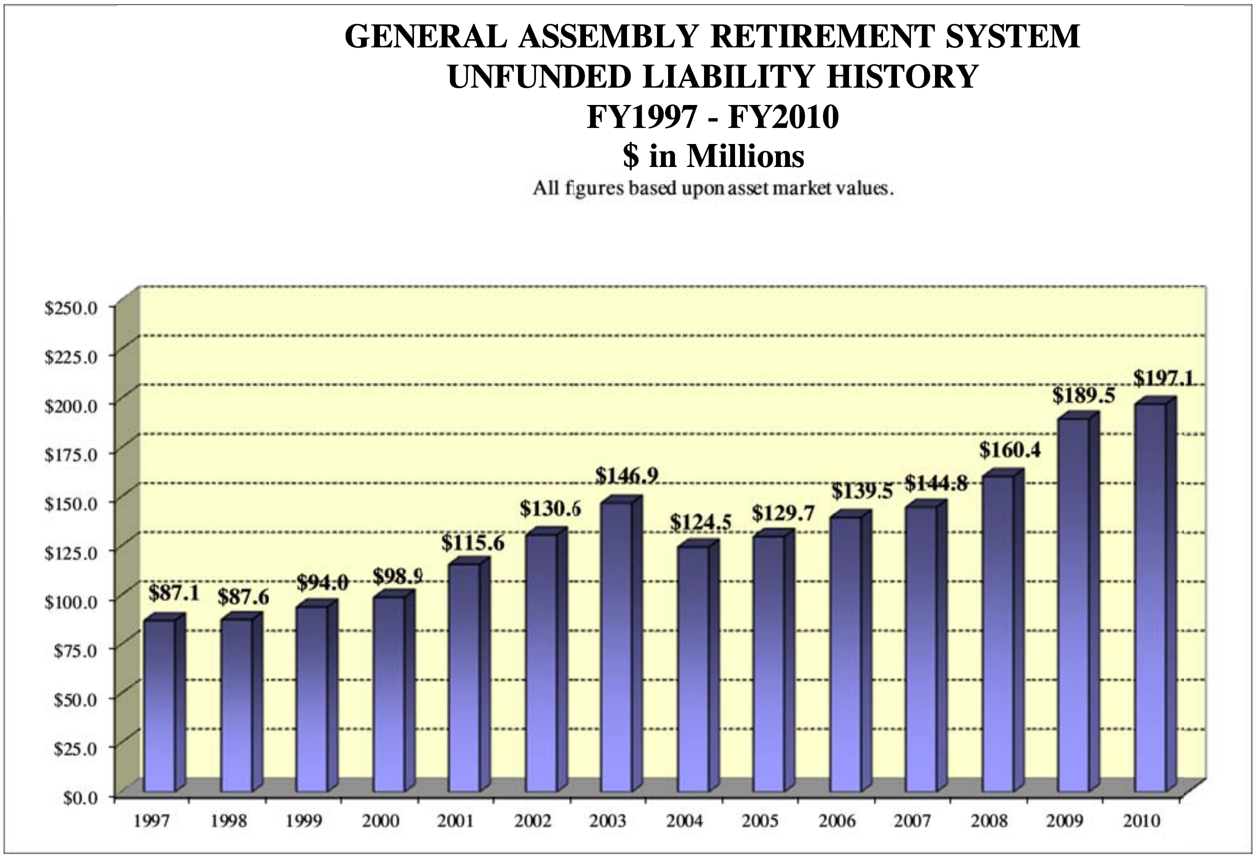


CHART 52

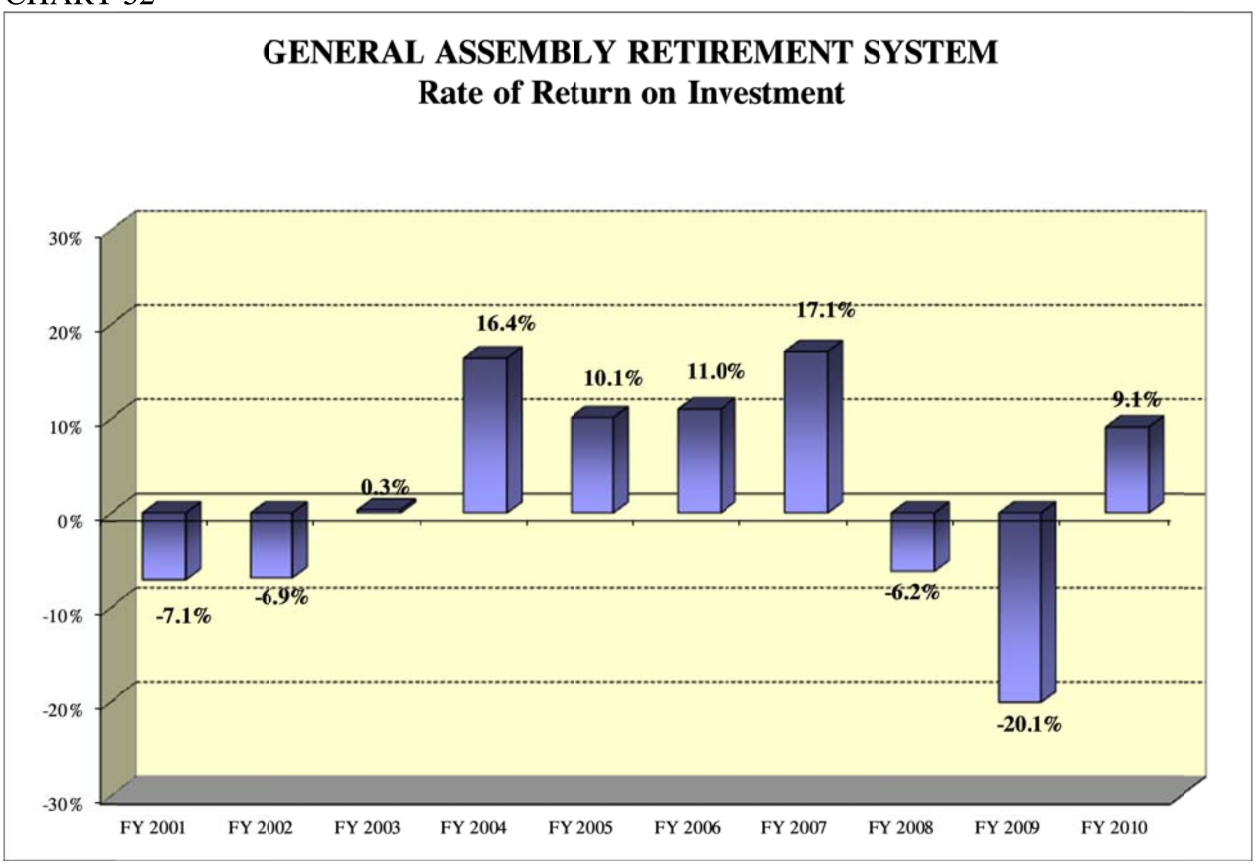


CHART 53

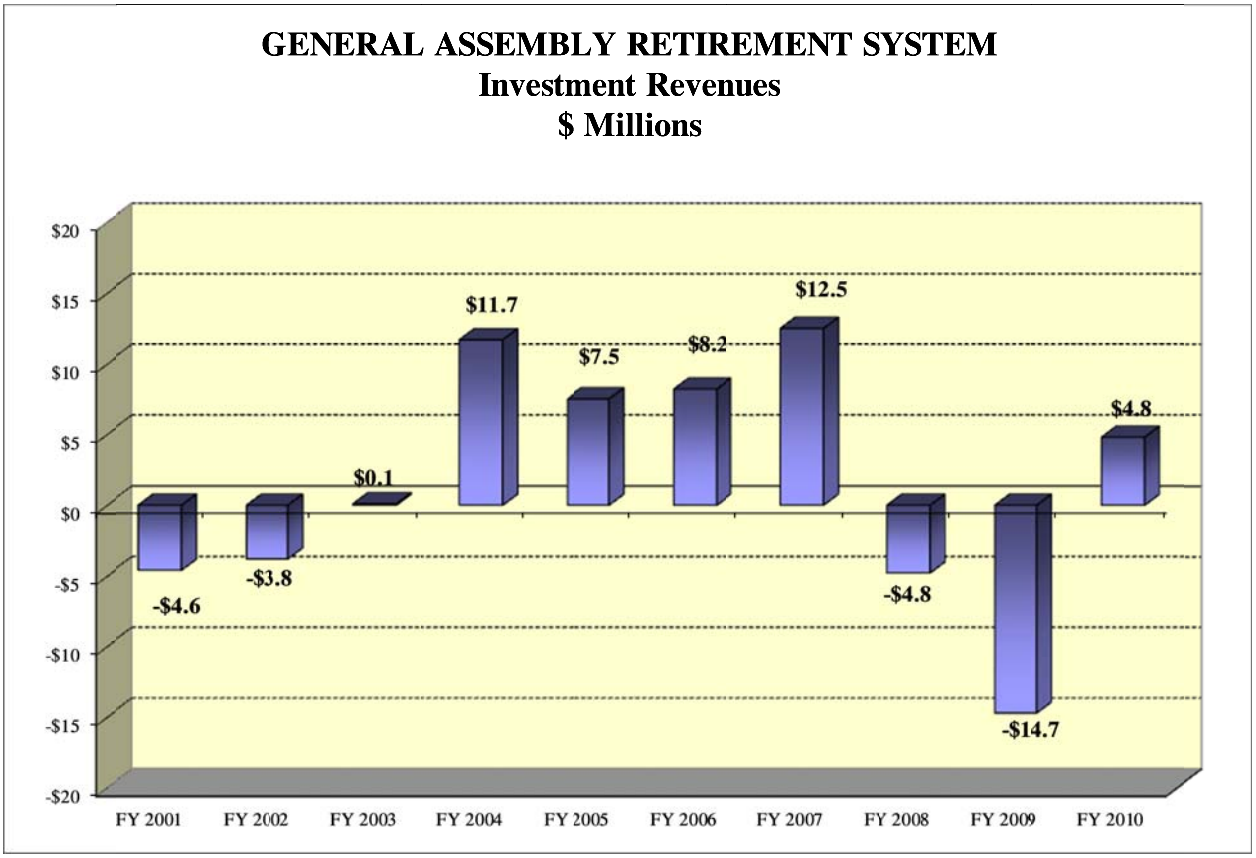


CHART 54

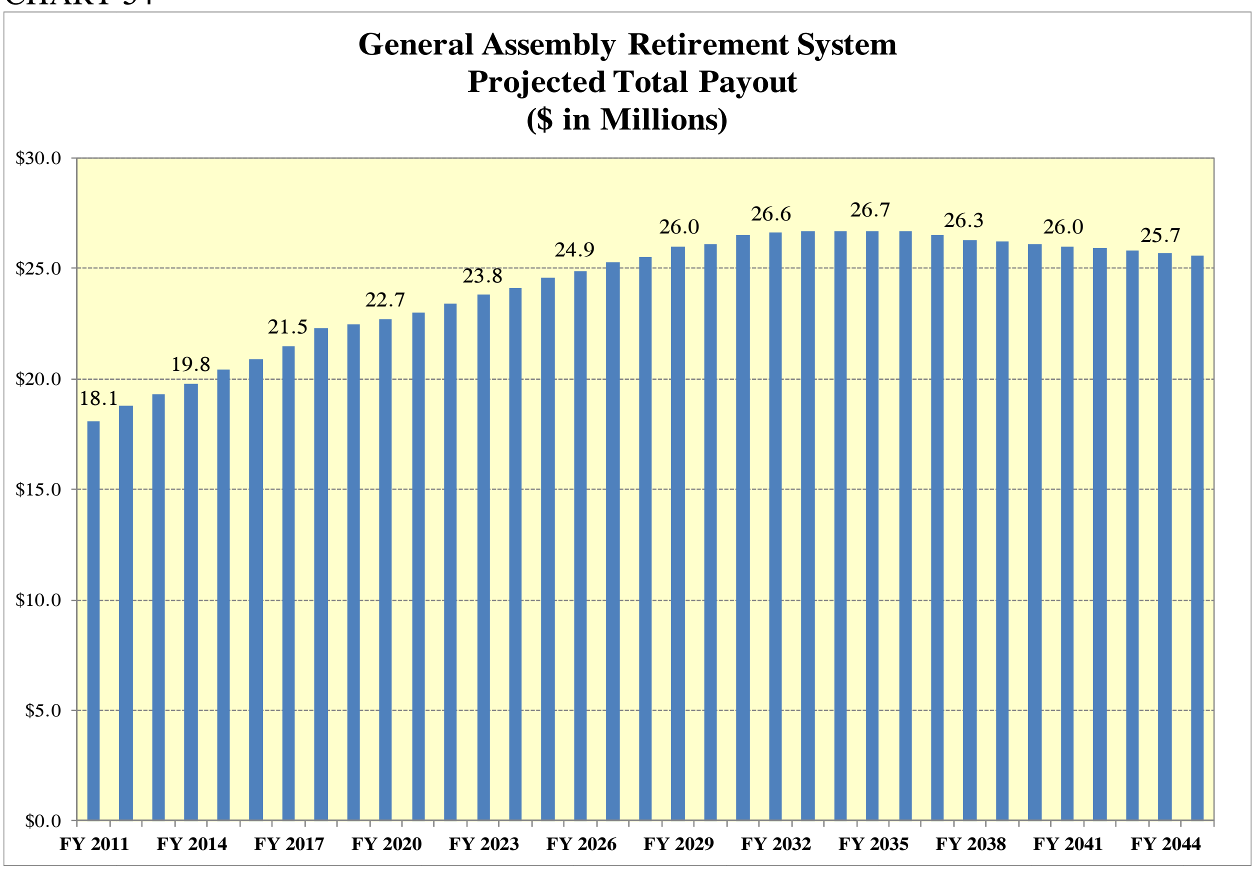


TABLE 25

GENERAL ASSEMBLY RETIREMENT SYSTEM
CHANGES IN UNFUNDED LIABILITY
FY 1996 - FY 2010

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
GENERAL ASSEMBLY							
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
6/30/2010	(2,450,000)	5,710,000	5,670,000	2,140,000	0	830,000	11,900,000
TOTALS	($5,822,291)	$10,629,407	$70,535,511	$2,140,000	$5,862,061	$23,548,005	$106,892,693

TABLE 26

GENERAL ASSEMBLY RETIREMENT SYSTEM
Changes in Net Assets
($ in millions)

Fiscal Years	2010	2009	2008	2007	2006	2005	2004	2003
Additions to Assets								
State of Illinois	10.4	8.9	6.8	5.4	4.2	4.7	5.9	5.1
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	27.0	0.0
Employees	1.7	1.7	1.8	1.7	1.4	1.5	1.6	1.9
Net Investment Income	4.8	-14.7	-4.7	13.0	8.2	7.5	11.7	0.1
Total Asset Additions (A)	16.9	-4.1	3.9	20.1	13.8	13.7	46.2	7.1
Deductions from Assets								
Benefits	16.8	15.8	15.3	14.7	14.1	13.4	12.5	11.1
Refunds	0.2	0.1	0.1	0.3	0.2	0.0	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	0.3	0.2	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)	17.3	16.2	15.7	15.2	14.6	13.7	12.9	11.5
Change in Net Assets (A-B=C)	-0.4	-20.3	-11.8	4.9	-0.8	0.0	33.3	-4.4

TABLE 27

GENERAL ASSEMBLY RETIREMENT SYSTEM Historical Investment Revenues ($ in millions)			
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned
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%
2010	54.7	4.8	9.1%
2001 - 2010 Asset Values are Market Values.			

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

TABLE 28

GENERAL ASSEMBLY RETIREMENT SYSTEM Historical Underfunding ($ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Historical Underfunding
2001	1.7	8.4	10.1	4.8	5.3
2002	1.7	9.7	11.4	5.2	6.2
2003	1.6	10.8	12.4	5.6	6.8
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	14.3	6.8	7.5
2009	2.8	12.3	15.1	8.8	6.3
2010	2.8	13.3	16.1	10.4	5.7

TABLE 29

GENERAL ASSEMBLY RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2010
($ in millions)

Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding
2011	2.8	15.4	18.2	12.1	6.1
2012	2.7	16.2	18.9	10.5	8.4
2013	2.8	16.9	19.7	11.3	8.4
2014	2.7	17.3	20.0	12.1	7.9
2015	2.6	17.7	20.3	13.0	7.3
2016	2.6	18.1	20.7	13.7	7.0
2017	2.5	18.5	21.0	14.2	6.8
2018	2.5	18.9	21.4	14.9	6.5
2019	2.5	19.2	21.7	15.6	6.1
2020	2.4	19.6	22.0	16.2	5.8
2021	2.3	19.9	22.2	16.6	5.6
2022	2.2	20.2	22.4	17.3	5.1
2023	2.1	20.4	22.5	17.9	4.6
2024	2.0	20.6	22.6	18.6	4.0
2025	1.9	20.8	22.7	19.0	3.7
2026	1.8	20.9	22.7	19.7	3.0
2027	1.8	21.0	22.8	20.4	2.4
2028	1.7	21.0	22.7	21.1	1.6
2029	1.7	20.9	22.6	21.7	0.9
2030	1.7	20.7	22.4	22.4	0.0
2031	1.6	20.5	22.1	23.1	(1.0)
2032	1.5	20.1	21.6	24.0	(2.4)
2033	1.6	19.6	21.2	25.0	(3.8)
2034	1.5	19.0	20.5	26.1	(5.6)
2035	1.5	18.2	19.7	27.0	(7.3)
2036	1.5	17.4	18.9	28.0	(9.1)
2037	1.5	16.3	17.8	29.0	(11.2)
2038	1.5	15.1	16.6	30.1	(13.5)
2039	1.5	13.7	15.2	31.2	(16.0)
2040	1.6	12.1	13.7	32.3	(18.6)
2041	1.6	10.2	11.8	33.6	(21.8)
2042	1.6	8.2	9.8	34.8	(25.0)
2043	1.6	5.8	7.4	36.1	(28.7)
2044	1.7	3.1	4.8	27.4	(22.6)
2045	1.7	0.0	1.7	38.8	(37.1)

Appendices


SEAL OF THE STATE OF ILLINOIS
AUG. 26TH 1818
UNION
NATIONAL
SOVEREIGNTY
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APPENDIX A

FUNDING PROJECTIONS FOR THE STATE RETIREMENT SYSTEMS
All Five Systems Combined
System Projections Based on Laws in Effect on June 30, 2010*
($ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2011	$18,152.2	$4,192.3	23.1%	$1,532.1	$145,157.5	$62,714.6	$82,622.9	43.2%
2012	**18,637.4**	**4,911.9**	**26.4%**	**1,573.0**	**152,002.0**	**62,119.7**	**89,882.2**	**40.9%**
2013	19,339.2	5,333.3	27.6%	1,630.2	158,905.9	61,893.1	97,012.8	38.9%
2014	20,083.3	5,761.4	28.7%	1,692.3	165,863.0	65,706.4	100,156.5	39.6%
2015	20,875.5	6,200.7	29.7%	1,759.7	172,874.8	69,338.4	103,536.4	40.1%
2016	21,716.5	6,450.5	29.7%	1,831.3	179,929.3	73,011.3	106,918.1	40.6%
2017	22,600.5	6,715.3	29.7%	1,907.2	187,011.9	76,734.5	110,277.4	41.0%
2018	23,530.7	6,995.3	29.7%	1,987.3	194,118.0	80,526.0	113,592.0	41.5%
2019	24,507.7	7,290.8	29.7%	2,070.9	201,235.1	84,399.8	116,835.3	41.9%
2020	25,532.1	7,582.0	29.7%	2,158.3	208,344.1	88,338.1	120,006.1	42.4%
2021	26,608.0	7,891.0	29.7%	2,250.8	215,463.1	92,384.5	123,078.6	42.9%
2022	27,737.7	8,219.1	29.6%	2,347.8	222,580.6	96,565.0	126,015.6	43.4%
2023	28,891.5	8,565.8	29.6%	2,447.6	229,692.3	100,914.0	128,778.3	43.9%
2024	30,155.9	8,909.3	29.5%	2,556.5	236,782.3	105,437.0	131,345.3	44.5%
2025	31,441.8	9,272.4	29.5%	2,666.6	243,821.9	110,149.7	133,672.2	45.2%
2026	32,764.4	9,671.1	29.5%	2,780.2	250,792.9	115,131.3	135,661.5	45.9%
2027	34,104.8	10,077.7	29.5%	2,894.1	257,661.3	120,376.5	137,284.8	46.7%
2028	35,450.9	10,467.4	29.5%	3,004.7	264,390.9	125,856.3	138,534.6	47.6%
2029	36,816.5	10,866.6	29.5%	3,113.8	270,950.6	131,555.0	139,395.7	48.6%
2030	38,191.0	11,251.0	29.5%	3,223.2	277,315.4	137,482.4	139,833.1	49.6%
2031	39,564.9	11,640.1	29.4%	3,330.6	283,373.9	143,597.0	139,776.9	50.7%
2032	40,921.0	12,047.9	29.4%	3,430.7	289,143.5	149,968.7	139,174.8	51.9%
2033	42,286.0	12,484.7	29.5%	3,531.9	294,583.1	156,635.0	137,948.1	53.2%
2034	43,639.9	13,758.9	31.5%	3,630.2	299,655.0	164,666.2	134,988.7	55.0%
2035	45,002.0	14,186.5	31.5%	3,726.9	304,324.9	173,093.5	131,231.4	56.9%
2036	46,369.4	14,616.1	31.5%	3,821.6	308,561.3	181,955.9	126,605.4	59.0%
2037	47,743.8	15,048.4	31.5%	3,913.4	312,332.5	191,278.9	121,053.6	61.2%
2038	49,114.5	15,479.9	31.5%	4,003.7	315,600.9	201,118.4	114,482.5	63.7%
2039	50,480.6	15,910.4	31.5%	4,089.1	318,328.5	211,501.1	106,827.4	66.4%
2040	51,875.4	16,350.0	31.5%	4,174.4	320,502.7	222,485.7	98,017.0	69.4%
2041	53,578.7	16,885.2	31.5%	4,287.8	322,137.4	234,294.5	87,843.0	72.7%
2042	55,016.1	17,338.8	31.5%	4,371.7	323,226.9	246,886.6	76,340.2	76.4%
2043	56,602.2	17,838.6	31.5%	4,472.3	323,904.9	260,485.5	63,419.3	80.4%
2044	58,312.9	18,376.9	31.5%	4,591.4	324,301.5	275,461.6	48,839.9	84.9%
2045	60,123.8	18,946.2	31.5%	4,715.1	324,491.1	292,042.3	32,448.9	90.0%

* FY 2011 contributions shown reflect the amounts that were re-certified pursuant to P.A. 96-1511 to reflect reforms contained in P.A. 96-0889 (SB 1946). P.A. 96-1511 required the Systems to re-certify the FY 2011 amounts under the assumption that the two-tier benefit reforms implemented by P.A. 96-0889 were already in effect when the 2009 actuarial valuaitons were completed. Contributions for FY 2012 and subsequent years are based upon the Systems' FY 2010 actuarial valuations and reflect the reforms contained in SB 1946.

APPENDIX B

FUNDING PROJECTIONS FOR THE TEACHERS RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2010
Actuarially Assumed Rate of Return: 8.50%
($ in millions)

Fiscal Year	Annual Payroll	Total State Contribution*	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2011	$9,684.7	$2,169.2	22.4%	$948.3	$81,225.7	$37,144.4	$44,081.3	45.7%
2012	**9,995.9**	**2,406.5**	**24.1%**	**976.4**	**85,177.6**	**36,768.9**	**48,408.8**	**43.2%**
2013	10,410.2	2,655.2	25.5%	1,014.1	89,173.6	36,514.1	52,659.5	40.9%
2014	10,856.0	2,912.7	26.8%	1,055.9	93,223.3	38,781.1	54,442.2	41.6%
2015	11,337.1	3,178.9	28.0%	1,102.1	97,343.7	40,976.6	56,367.1	42.1%
2016	11,852.0	3,325.8	28.1%	1,151.6	101,540.0	43,240.9	58,299.1	42.6%
2017	12,398.7	3,482.6	28.1%	1,204.6	105,820.7	45,599.8	60,220.9	43.1%
2018	12,971.7	3,648.0	28.1%	1,260.5	110,186.7	48,072.2	62,114.5	43.6%
2019	13,571.2	3,822.3	28.2%	1,318.6	114,635.0	50,667.3	63,967.8	44.2%
2020	14,199.0	3,992.3	28.1%	1,379.4	119,166.5	53,382.9	65,783.6	44.8%
2021	14,858.5	4,173.4	28.1%	1,443.9	123,803.3	56,261.2	67,542.0	45.4%
2022	15,550.1	4,365.8	28.1%	1,511.8	128,547.4	59,327.2	69,220.1	46.2%
2023	16,273.8	4,569.6	28.1%	1,583.6	133,397.7	62,609.5	70,788.2	46.9%
2024	17,024.6	4,768.8	28.0%	1,658.5	138,344.7	66,116.7	72,228.0	47.8%
2025	17,800.9	4,978.4	28.0%	1,735.5	143,373.7	69,859.1	73,514.6	48.7%
2026	18,588.9	5,208.1	28.0%	1,814.8	148,463.8	73,864.9	74,598.9	49.8%
2027	19,364.8	5,435.5	28.1%	1,892.7	153,584.5	78,134.7	75,449.8	50.9%
2028	20,116.5	5,642.6	28.0%	1,965.9	158,700.6	82,631.3	76,069.3	52.1%
2029	20,856.2	5,848.2	28.0%	2,035.9	163,784.9	87,320.0	76,464.9	53.3%
2030	21,569.6	6,033.6	28.0%	2,104.3	168,812.5	92,196.5	76,616.0	54.6%
2031	22,246.9	6,210.8	27.9%	2,168.7	173,745.8	97,243.4	76,502.4	56.0%
2032	22,890.4	6,394.7	27.9%	2,229.5	178,536.5	102,456.7	76,079.7	57.4%
2033	23,482.0	6,579.1	28.0%	2,284.4	183,129.0	107,803.8	75,325.2	58.9%
2034	24,015.5	7,391.1	30.8%	2,333.3	187,468.8	113,935.7	73,533.1	60.8%
2035	24,510.2	7,543.3	30.8%	2,377.8	191,510.7	120,181.5	71,329.2	62.8%
2036	24,963.9	7,683.0	30.8%	2,417.7	195,208.5	126,523.1	68,685.4	64.8%
2037	25,372.3	7,808.6	30.8%	2,452.0	198,513.6	132,922.2	65,591.4	67.0%
2038	25,724.8	7,917.1	30.8%	2,481.9	201,369.8	139,366.2	62,003.6	69.2%
2039	26,019.4	8,007.8	30.8%	2,504.0	203,721.2	145,808.1	57,913.1	71.6%
2040	26,287.0	8,090.1	30.8%	2,523.3	205,527.1	152,222.4	53,304.6	74.1%
2041	26,810.3	8,251.2	30.8%	2,567.9	206,774.9	158,742.7	48,032.2	76.8%
2042	27,011.0	8,313.0	30.8%	2,579.9	207,429.8	165,233.2	42,196.6	79.7%
2043	27,303.4	8,403.0	30.8%	2,605.9	207,602.4	171,818.3	35,784.1	82.8%
2044	27,660.7	8,512.9	30.8%	2,647.4	207,401.4	178,765.8	28,635.6	86.2%
2045	28,058.0	8,635.2	30.8%	2,690.4	206,887.4	186,198.6	20,688.7	90.0%

* Includes FY 2012 Minimum Annuity Reserve Contribution of $1.3 Million

APPENDIX C

FUNDING PROJECTIONS FOR THE STATE EMPLOYEES RETIREMENT SYSTEM System Projections Based on Laws in Effect on June 30, 2010 Actuarially Assumed Rate of Return: 7.75% ($ in millions)								
Fiscal Year	Annual Payroll	Total State Contribution*	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2011	$4,194.2	$1,173.9	28.0%	$238.5	$30,784.2	$11,204.3	$19,759.9	35.8%
2012	**4,243.4**	**1,450.8**	**34.2%**	**241.3**	**32,332.1**	**11,230.3**	**21,101.8**	**34.7%**
2013	4,396.2	1,541.4	35.1%	249.8	33,916.4	11,498.3	22,418.1	33.9%
2014	4,547.6	1,630.9	35.9%	258.2	35,529.9	12,431.2	23,098.7	35.0%
2015	4,701.8	1,720.9	36.6%	266.7	37,164.6	13,400.2	23,764.4	36.1%
2016	4,858.6	1,778.5	36.6%	275.2	38,811.2	14,383.6	24,427.7	37.1%
2017	5,018.9	1,837.1	36.6%	283.6	40,462.2	15,372.8	25,089.4	38.0%
2018	5,183.1	1,897.2	36.6%	292.2	42,110.4	16,363.5	25,746.9	38.9%
2019	5,353.7	1,959.7	36.6%	301.0	43,751.4	17,355.6	26,395.8	39.7%
2020	5,531.6	2,023.9	36.6%	309.9	45,374.2	18,338.6	27,035.5	40.4%
2021	5,715.4	2,090.2	36.6%	319.0	46,970.4	19,309.2	27,661.2	41.1%
2022	5,906.3	2,159.4	36.6%	328.2	48,528.2	20,262.3	28,265.9	41.8%
2023	6,102.5	2,230.7	36.6%	337.2	50,041.1	21,196.1	28,845.0	42.4%
2024	6,307.2	2,304.0	36.5%	346.3	51,502.5	22,105.6	29,396.9	42.9%
2025	6,521.1	2,381.0	36.5%	355.5	52,899.3	22,987.4	29,911.9	43.5%
2026	6,742.1	2,462.0	36.5%	364.5	54,230.1	23,850.5	30,379.6	44.0%
2027	6,975.2	2,547.7	36.5%	373.8	55,487.9	24,697.9	30,790.0	44.5%
2028	7,219.1	2,636.3	36.5%	382.9	56,670.6	25,531.0	31,139.5	45.1%
2029	7,476.1	2,729.9	36.5%	392.2	57,776.6	26,357.9	31,418.7	45.6%
2030	7,746.9	2,827.6	36.5%	401.7	58,804.1	27,183.2	31,620.8	46.2%
2031	8,031.6	2,930.7	36.5%	411.5	59,681.4	27,968.4	31,713.0	46.9%
2032	8,308.4	3,032.4	36.5%	415.6	60,468.6	28,759.9	31,708.7	47.6%
2033	8,621.6	3,149.1	36.5%	424.8	61,178.5	29,599.2	31,579.3	48.4%
2034	8,955.6	3,431.8	38.3%	435.0	61,820.5	30,842.2	30,978.2	49.9%
2035	9,309.2	3,567.3	38.3%	445.7	62,400.0	32,210.0	30,190.0	51.6%
2036	9,681.1	3,709.8	38.3%	456.7	62,927.9	33,732.1	29,195.8	53.6%
2037	10,075.0	3,860.7	38.3%	468.2	63,415.4	35,441.6	27,973.8	55.9%
2038	10,489.9	4,019.7	38.3%	479.9	63,873.8	37,373.1	26,500.6	58.5%
2039	10,925.9	4,186.8	38.3%	491.9	64,313.5	39,562.7	24,750.8	61.5%
2040	11,383.1	4,362.0	38.3%	504.1	64,746.7	42,050.0	22,696.7	65.0%
2041	11,861.9	4,545.5	38.3%	516.5	65,185.0	44,876.5	20,308.5	68.8%
2042	12,362.9	4,737.5	38.3%	528.9	65,639.3	48,085.7	17,553.5	73.3%
2043	12,886.0	4,937.9	38.3%	541.4	66,122.1	51,725.3	14,396.8	78.2%
2044	13,431.7	5,147.0	38.3%	554.0	66,643.4	55,843.6	10,799.8	83.8%
2045	13,999.5	5,364.6	38.3%	566.4	67,211.5	60,490.5	6,720.9	90.0%

*Pursuant to P.A. 93-0589, State Contributions Include a Portion of 2003 POB Debt Service Collected Through Payroll Deduction.

APPENDIX D

FUNDING PROJECTIONS FOR THE STATE UNIVERSITIES RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2010
Actuarially Assumed Rate of Return: 7.75%
($ in millions)

Fiscal Year	Annual Payroll	Total State Contribution*	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2011	$4,092.6	$775.8	19.0%	$327.41	$30,995.3	$13,672.3	$17,323.0	44.1%
2012	**4,211.3**	**980.5**	**23.3%**	**336.9**	**32,260.0**	**13,452.7**	**18,807.3**	**41.7%**
2013	4,339.0	1,057.7	24.4%	347.1	33,504.1	13,239.1	20,265.0	39.5%
2014	4,478.1	1,133.5	25.3%	358.2	34,720.2	13,842.5	20,877.6	39.9%
2015	4,625.9	1,210.9	26.2%	370.1	35,900.8	14,301.1	21,599.7	39.8%
2016	4,785.3	1,251.3	26.1%	382.8	37,039.0	14,718.9	22,320.1	39.7%
2017	4,953.7	1,297.0	26.2%	396.3	38,119.4	15,089.8	23,029.6	39.6%
2018	5,137.3	1,347.2	26.2%	411.0	39,144.4	15,418.6	23,725.8	39.4%
2019	5,334.5	1,401.6	26.3%	426.8	40,108.4	15,707.0	24,401.4	39.2%
2020	5,543.3	1,454.8	26.2%	443.5	41,004.3	15,950.5	25,053.8	38.9%
2021	5,765.9	1,512.3	26.2%	461.3	41,836.2	16,153.9	25,682.2	38.6%
2022	6,002.3	1,574.3	26.2%	480.2	42,603.5	16,323.1	26,280.4	38.3%
2023	6,225.2	1,641.3	26.4%	498.0	43,309.5	16,465.6	26,843.9	38.0%
2024	6,522.5	1,707.9	26.2%	521.8	43,954.4	16,582.8	27,371.6	37.7%
2025	6,806.5	1,779.9	26.2%	544.5	44,538.0	16,683.7	27,854.3	37.5%
2026	7,107.5	1,862.4	26.2%	568.6	45,064.2	16,808.8	28,255.4	37.3%
2027	7,426.2	1,950.1	26.3%	594.1	45,536.5	16,948.2	28,588.4	37.2%
2028	7,763.2	2,038.6	26.3%	621.1	45,956.2	17,108.1	28,848.1	37.2%
2029	8,118.4	2,132.8	26.3%	649.5	46,319.9	17,298.7	29,021.2	37.4%
2030	8,494.2	2,228.5	26.2%	679.5	46,629.1	17,527.9	29,101.2	37.6%
2031	8,891.1	2,331.2	26.2%	711.3	46,880.7	17,808.8	29,071.9	38.0%
2032	9,311.1	2,446.4	26.3%	744.9	47,080.3	18,166.4	28,913.9	38.6%
2033	9,755.0	2,574.0	26.4%	780.4	47,228.6	18,626.4	28,602.2	39.4%
2034	10,224.5	2,736.3	26.8%	818.0	47,331.8	19,241.0	28,090.8	40.7%
2035	10,720.7	2,868.4	26.8%	857.7	47,394.9	19,998.3	27,396.5	42.2%
2036	11,244.1	3,007.6	26.7%	899.5	47,421.2	20,923.8	26,497.4	44.1%
2037	11,797.3	3,154.7	26.7%	943.8	47,415.3	22,045.5	25,369.8	46.5%
2038	12,380.5	3,309.8	26.7%	990.4	47,383.8	23,394.6	23,989.3	49.4%
2039	12,995.6	3,473.4	26.7%	1,039.6	47,333.3	25,005.9	22,327.4	52.8%
2040	13,643.9	3,645.9	26.7%	1,091.5	47,279.3	26,921.2	20,358.1	56.9%
2041	14,322.8	3,826.5	26.7%	1,145.8	47,235.7	29,184.7	18,051.0	61.8%
2042	15,035.3	4,016.0	26.7%	1,202.8	47,220.0	31,844.7	15,375.3	67.4%
2043	15,781.7	4,214.5	26.7%	1,262.5	47,242.1	34,948.9	12,293.3	74.0%
2044	16,564.3	4,422.6	26.7%	1,325.1	47,312.5	38,547.8	8,764.7	81.5%
2045	17,384.1	4,640.4	26.7%	1,390.7	47,436.0	42,692.4	4,743.6	90.0%

* State Contribution Only - Excludes Estimated $39 Million In Federal Funds in All Years Shown

APPENDIX E

FUNDING PROJECTIONS FOR THE JUDGES RETIREMENT SYSTEM
System Projections Based on Laws in Effect on June 30, 2010
Actuarially Assumed Rate of Return: 7.00%
($ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2011	$166.0	$62.4	54.4%	$16.2	$1,897.2	$631.4	$1,265.8	33.3%
2012	**171.5**	**63.6**	**37.1%**	**16.7**	**1,974.2**	**612.1**	**1,362.1**	**31.0%**
2013	177.8	67.7	38.1%	17.4	2,050.7	591.9	1,458.8	28.9%
2014	184.8	72.1	39.0%	18.0	2,125.3	603.8	1,521.5	28.4%
2015	193.0	77.1	39.9%	18.8	2,198.4	614.5	1,583.9	28.0%
2016	201.9	81.2	40.2%	19.7	2,268.7	623.5	1,645.2	27.5%
2017	210.0	84.5	40.2%	20.5	2,336.0	629.4	1,706.6	26.9%
2018	218.4	87.9	40.3%	21.3	2,399.8	630.8	1,769.0	26.3%
2019	227.1	91.6	40.3%	22.2	2,460.2	630.4	1,829.8	25.6%
2020	236.2	94.9	40.2%	23.1	2,515.8	627.5	1,888.3	24.9%
2021	245.7	98.5	40.1%	24.0	2,566.7	622.4	1,944.3	24.2%
2022	255.5	102.3	40.0%	24.9	2,611.9	615.0	1,996.9	23.5%
2023	265.7	106.3	40.0%	25.9	2,651.5	605.8	2,045.7	22.8%
2024	276.3	110.0	39.8%	27.0	2,685.4	594.6	2,090.8	22.1%
2025	287.4	114.1	39.7%	28.1	2,713.0	581.9	2,131.1	21.4%
2026	298.9	118.9	39.8%	29.2	2,734.5	568.7	2,165.8	20.8%
2027	310.8	124.0	39.9%	30.3	2,749.8	556.0	2,193.8	20.2%
2028	323.3	128.8	39.9%	31.6	2,758.8	543.9	2,214.9	19.7%
2029	336.2	134.0	39.8%	32.8	2,762.4	534.0	2,228.4	19.3%
2030	349.6	138.9	39.7%	34.1	2,761.0	527.0	2,234.0	19.1%
2031	363.6	144.3	39.7%	35.5	2,755.3	524.6	2,230.7	19.0%
2032	378.2	150.4	39.8%	36.9	2,745.3	528.6	2,216.7	19.3%
2033	393.3	157.4	40.0%	38.4	2,732.1	541.6	2,190.5	19.8%
2034	409.0	173.6	42.4%	39.9	2,716.3	574.5	2,141.8	21.2%
2035	425.4	180.5	42.4%	41.5	2,698.7	620.3	2,078.4	23.0%
2036	442.4	187.7	42.4%	43.2	2,679.9	681.0	1,998.9	25.4%
2037	460.1	195.3	42.4%	44.9	2,660.4	758.8	1,901.6	28.5%
2038	478.5	203.1	42.4%	46.7	2,641.1	856.1	1,785.0	32.4%
2039	497.6	211.2	42.4%	48.6	2,622.7	975.5	1,647.2	37.2%
2040	517.6	219.6	42.4%	50.5	2,605.7	1,119.4	1,486.3	43.0%
2041	538.3	228.4	42.4%	52.5	2,591.0	1,290.8	1,300.2	49.8%
2042	559.8	237.6	42.4%	54.6	2,579.1	1,492.4	1,086.7	57.9%
2043	582.2	247.1	42.4%	56.8	2,570.8	1,727.5	843.3	67.2%
2044	605.5	256.9	42.4%	59.1	2,566.9	1,999.3	567.6	77.9%
2045	629.7	267.2	42.4%	61.5	2,568.1	2,311.3	256.8	90.0%

APPENDIX F

FUNDING PROJECTIONS FOR THE GENERAL ASSEMBLY RETIREMENT SYSTEM System Projections Based on Laws in Effect on June 30, 2010 Actuarially Assumed Rate of Return: 8.00% ($ in millions)								
Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2011	$14.7	$11.0	82.2%	$1.7	$255.0	$62.2	$192.8	24.4%
2012	**15.3**	**10.5**	**68.8%**	**1.8**	**258.0**	**55.8**	**202.2**	**21.6%**
2013	16.0	11.3	70.5%	1.8	261.1	49.7	211.4	19.0%
2014	16.8	12.1	72.1%	1.9	264.3	47.8	216.5	18.1%
2015	17.7	13.0	73.6%	2.0	267.3	46.0	221.3	17.2%
2016	18.7	13.7	73.5%	2.1	270.4	44.4	226.0	16.4%
2017	19.3	14.2	73.5%	2.2	273.6	42.7	230.9	15.6%
2018	20.2	14.9	73.5%	2.3	276.7	40.9	235.8	14.8%
2019	21.2	15.6	73.5%	2.4	280.0	39.5	240.5	14.1%
2020	22.0	16.2	73.5%	2.5	283.3	38.5	244.8	13.6%
2021	22.6	16.6	73.5%	2.6	286.5	37.7	248.8	13.2%
2022	23.6	17.3	73.5%	2.7	289.6	37.3	252.3	12.9%
2023	24.3	17.9	73.5%	2.8	292.5	37.0	255.5	12.7%
2024	25.3	18.6	73.5%	2.9	295.4	37.3	258.1	12.6%
2025	25.9	19.0	73.2%	3.0	297.9	37.6	260.3	12.6%
2026	26.9	19.7	73.4%	3.1	300.3	38.5	261.8	12.8%
2027	27.8	20.4	73.5%	3.2	302.6	39.8	262.8	13.2%
2028	28.8	21.1	73.4%	3.3	304.8	42.0	262.8	13.8%
2029	29.6	21.7	73.3%	3.4	306.8	44.4	262.4	14.5%
2030	30.7	22.4	73.0%	3.5	308.8	47.8	261.0	15.5%
2031	31.7	23.1	72.7%	3.6	310.7	51.8	258.9	16.7%
2032	32.9	24.0	72.9%	3.8	312.8	57.1	255.7	18.3%
2033	34.1	25.0	73.4%	3.9	315.0	64.1	250.9	20.3%
2034	35.3	26.1	73.9%	4.1	317.6	72.8	244.8	22.9%
2035	36.6	27.0	73.9%	4.2	320.6	83.3	237.3	26.0%
2036	37.9	28.0	73.9%	4.4	323.9	95.9	228.0	29.6%
2037	39.2	29.0	73.9%	4.5	327.8	110.8	217.0	33.8%
2038	40.8	30.1	73.9%	4.7	332.4	128.4	204.0	38.6%
2039	42.2	31.2	73.9%	4.9	337.8	148.9	188.9	44.1%
2040	43.8	32.3	73.9%	5.0	343.9	172.6	171.3	50.2%
2041	45.4	33.6	73.9%	5.2	350.8	199.7	151.1	56.9%
2042	47.1	34.8	73.9%	5.4	358.7	230.6	128.1	64.3%
2043	48.8	36.1	73.9%	5.6	367.5	265.6	101.9	72.3%
2044	50.6	37.4	73.9%	5.8	377.3	305.1	72.2	80.9%
2045	52.5	38.8	73.9%	6.0	388.2	349.4	38.8	90.0%

FUNDING PROJECTIONS FOR THE STATE RETIREMENT SYSTEMS
All Five Systems Combined
CoGFA Projections Based on Laws in Effect on June 30, 2010
($ 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
2011	17,565.7	4,572.4	26.0%	1,515.9	145,104.0	59,209.5	85,894.5	40.8%
2012	**18,272.3**	**4,907.2**	**26.9%**	**1,578.4**	**151,522.2**	**58,291.7**	**93,230.5**	**38.5%**
2013	19,046.2	4,939.5	25.9%	1,646.8	158,030.1	57,113.2	100,916.9	36.1%
2014	19,869.0	5,498.8	27.7%	1,719.8	164,622.4	60,125.3	104,497.1	36.5%
2015	20,737.6	5,929.7	28.6%	1,797.2	171,286.2	62,961.3	108,324.9	36.8%
2016	21,644.2	6,168.4	28.5%	1,878.2	178,007.4	65,782.2	112,225.2	37.0%
2017	22,573.2	6,433.2	28.5%	1,961.5	184,778.9	68,629.0	116,149.9	37.1%
2018	23,553.2	6,712.7	28.5%	2,049.4	191,593.9	71,510.1	120,083.8	37.3%
2019	24,591.4	7,005.7	28.5%	2,142.7	198,463.3	74,452.4	124,010.9	37.5%
2020	25,677.5	7,299.3	28.4%	2,240.4	205,377.5	77,446.6	127,930.9	37.7%
2021	26,826.8	7,611.8	28.4%	2,343.7	212,317.9	80,502.0	131,815.9	37.9%
2022	28,034.8	7,942.9	28.3%	2,452.6	219,286.8	83,653.4	135,633.4	38.1%
2023	29,297.6	8,293.6	28.3%	2,566.5	226,267.4	86,918.5	139,348.9	38.4%
2024	30,626.4	8,650.8	28.2%	2,686.2	233,242.3	90,307.5	142,934.8	38.7%
2025	31,999.4	9,028.0	28.2%	2,810.0	240,185.1	93,834.2	146,350.9	39.1%
2026	33,441.1	9,444.4	28.2%	2,939.8	247,071.1	97,551.2	149,519.9	39.5%
2027	34,940.6	9,880.8	28.3%	3,074.6	253,860.6	101,467.2	152,393.4	40.0%
2028	36,499.5	10,322.4	28.3%	3,214.7	260,521.1	105,581.5	154,939.6	40.5%
2029	38,128.2	10,785.4	28.3%	3,360.9	267,022.1	109,954.9	157,067.2	41.2%
2030	39,825.3	11,253.6	28.3%	3,513.1	273,322.6	114,600.6	158,722.0	41.9%
2031	41,611.2	11,747.9	28.2%	3,673.2	279,388.1	119,564.5	159,823.6	42.8%
2032	43,485.8	12,277.8	28.2%	3,841.1	285,179.4	124,914.1	160,265.3	43.8%
2033	45,432.5	12,861.4	28.3%	4,015.2	290,654.4	130,743.3	159,911.1	45.0%
2034	47,462.9	13,783.3	29.0%	4,196.6	295,791.6	137,502.8	158,288.8	46.5%
2035	49,568.2	15,077.1	30.4%	4,384.6	300,539.2	145,580.9	154,958.3	48.4%
2036	51,766.3	15,740.2	30.4%	4,580.4	304,857.9	154,434.3	150,423.6	50.7%
2037	54,056.6	16,433.6	30.4%	4,784.5	308,687.2	164,142.7	144,544.5	53.2%
2038	56,449.2	17,160.0	30.4%	4,997.8	311,983.7	174,813.4	137,170.3	56.0%
2039	58,955.7	17,921.7	30.4%	5,221.2	314,736.1	186,591.5	128,144.6	59.3%
2040	61,567.7	18,717.7	30.4%	5,454.3	316,943.2	199,638.1	117,305.1	63.0%
2041	64,246.1	19,534.6	30.4%	5,692.5	318,838.6	214,135.7	104,702.9	67.2%
2042	67,050.4	20,391.1	30.4%	5,942.2	320,479.4	230,288.4	90,191.0	71.9%
2043	70,015.6	21,296.4	30.4%	6,206.7	321,912.4	248,395.8	73,516.6	77.2%
2044	73,163.3	22,257.3	30.4%	6,488.2	323,184.1	268,809.6	54,374.5	83.2%
2045	76,480.0	23,273.1	30.4%	6,785.8	324,332.9	291,899.6	32,433.3	90.0%

FUNDING PROJECTIONS FOR THE TEACHERS RETIREMENT SYSTEM
CoGFA Projections Based on Laws in Effect on June 30, 2010
($ 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
2011	9,684.7	2,357.0	24.3%	978.2	81,091.4	33,865.7	47,225.7	41.8%
2012	**10,102.8**	**2,405.2**	**23.8%**	**1,020.4**	**84,934.8**	**32,978.4**	**51,956.4**	**38.8%**
2013	10,564.0	2,418.9	22.9%	1,067.0	88,827.1	31,945.1	56,882.0	36.0%
2014	11,065.3	2,803.3	25.3%	1,117.6	92,778.8	33,534.2	59,244.6	36.1%
2015	11,603.4	3,057.1	26.3%	1,171.9	96,794.6	35,006.3	61,788.3	36.2%
2016	12,172.5	3,199.9	26.3%	1,229.4	100,878.2	36,510.7	64,367.5	36.2%
2017	12,765.1	3,359.8	26.3%	1,289.3	105,042.0	38,059.9	66,982.1	36.2%
2018	13,393.1	3,530.3	26.4%	1,352.7	109,293.4	39,671.3	69,622.1	36.3%
2019	14,060.0	3,708.7	26.4%	1,420.1	113,642.4	41,362.6	72,279.8	36.4%
2020	14,762.1	3,885.0	26.3%	1,491.0	118,091.1	43,135.4	74,955.7	36.5%
2021	15,504.6	4,075.3	26.3%	1,566.0	122,633.1	45,000.5	77,632.6	36.7%
2022	16,291.6	4,278.1	26.3%	1,645.5	127,281.9	46,995.3	80,286.6	36.9%
2023	17,114.7	4,495.5	26.3%	1,728.6	132,031.6	49,139.5	82,892.1	37.2%
2024	17,976.6	4,714.0	26.2%	1,815.6	136,871.5	51,442.8	85,428.7	37.6%
2025	18,870.5	4,946.6	26.2%	1,905.9	141,785.7	53,919.8	87,865.9	38.0%
2026	19,801.7	5,208.8	26.3%	2,000.0	146,748.9	56,603.4	90,145.5	38.6%
2027	20,764.7	5,482.8	26.4%	2,097.2	151,731.0	59,495.3	92,235.7	39.2%
2028	21,761.5	5,755.6	26.4%	2,197.9	156,703.5	62,589.6	94,113.9	39.9%
2029	22,797.7	6,040.7	26.5%	2,302.6	161,634.1	65,895.0	95,739.1	40.8%
2030	23,877.7	6,324.0	26.5%	2,411.6	166,483.5	69,408.9	97,074.6	41.7%
2031	25,007.8	6,622.8	26.5%	2,525.8	171,216.3	73,148.6	98,067.7	42.7%
2032	26,193.2	6,953.4	26.5%	2,645.5	175,795.9	77,149.3	98,646.6	43.9%
2033	27,417.6	7,317.3	26.7%	2,769.2	180,182.8	81,462.2	98,720.6	45.2%
2034	28,687.2	7,839.7	27.3%	2,897.4	184,336.4	86,153.8	98,182.6	46.7%
2035	30,002.1	8,887.0	29.6%	3,030.2	188,205.9	91,886.2	96,319.7	48.8%
2036	31,362.6	9,290.0	29.6%	3,167.6	191,739.9	98,059.5	93,680.4	51.1%
2037	32,778.9	9,709.5	29.6%	3,310.7	194,878.9	104,708.3	90,170.6	53.7%
2038	34,259.7	10,148.1	29.6%	3,460.2	197,572.0	111,883.3	85,688.7	56.6%
2039	35,810.5	10,607.5	29.6%	3,616.9	199,793.8	119,661.4	80,132.4	59.9%
2040	37,434.1	11,088.4	29.6%	3,780.8	201,527.0	128,135.1	73,391.9	63.6%
2041	39,072.4	11,573.7	29.6%	3,946.3	202,976.8	137,397.6	65,579.2	67.7%
2042	40,793.2	12,083.5	29.6%	4,120.1	204,174.5	147,581.0	56,593.5	72.3%
2043	42,629.6	12,627.4	29.6%	4,305.6	205,158.6	158,892.8	46,265.8	77.4%
2044	44,602.2	13,211.7	29.6%	4,504.8	205,960.0	171,588.3	34,371.7	83.3%
2045	46,711.2	13,836.4	29.6%	4,717.8	206,604.9	185,944.4	20,660.5	90.0%

FUNDING PROJECTIONS FOR THE STATE EMPLOYEES RETIREMENT SYSTEM
CoGFA Projections Based on Laws in Effect on June 30, 2010
Actuarially Assumed Rate of Return: 7.75%
($ 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
2011	4,194.2	1,268.9	30.3%	239.1	30,748.2	11,021.7	19,726.5	35.8%
2012	**4,324.1**	**1,450.8**	**33.6%**	**246.5**	**32,230.8**	**11,245.9**	**20,984.9**	**34.9%**
2013	4,469.8	1,541.4	34.5%	254.8	33,747.1	11,464.1	22,283.0	34.0%
2014	4,622.7	1,630.9	35.3%	263.5	35,290.2	12,361.2	22,929.0	35.0%
2015	4,777.8	1,720.9	36.0%	272.3	36,849.9	13,309.6	23,540.3	36.1%
2016	4,938.1	1,778.5	36.0%	281.5	38,417.5	14,227.1	24,190.4	37.0%
2017	5,098.7	1,837.1	36.0%	290.6	39,985.7	15,145.8	24,839.9	37.9%
2018	5,264.8	1,897.2	36.0%	300.1	41,546.6	16,060.4	25,486.2	38.7%
2019	5,438.5	1,959.7	36.0%	310.0	43,095.2	16,968.3	26,126.9	39.4%
2020	5,619.0	2,023.9	36.0%	320.3	44,624.6	17,860.1	26,764.5	40.0%
2021	5,811.2	2,090.2	36.0%	331.2	46,126.7	18,733.2	27,393.5	40.6%
2022	6,006.5	2,159.4	36.0%	342.4	47,591.0	19,579.9	28,011.1	41.1%
2023	6,209.2	2,230.7	35.9%	353.9	49,007.9	20,394.9	28,613.0	41.6%
2024	6,424.2	2,304.0	35.9%	366.2	50,370.1	21,171.8	29,198.3	42.0%
2025	6,643.1	2,381.0	35.8%	378.7	51,666.3	21,903.5	29,762.8	42.4%
2026	6,874.5	2,462.0	35.8%	391.8	52,892.6	22,596.2	30,296.4	42.7%
2027	7,119.2	2,547.7	35.8%	405.8	54,039.9	23,249.1	30,790.8	43.0%
2028	7,373.4	2,636.3	35.8%	420.3	55,106.4	23,859.7	31,246.7	43.3%
2029	7,643.2	2,729.9	35.7%	435.7	56,093.0	24,469.2	31,623.8	43.6%
2030	7,924.5	2,827.6	35.7%	451.7	56,998.4	25,083.1	31,915.3	44.0%
2031	8,225.2	2,930.7	35.6%	468.8	57,825.4	25,718.2	32,107.2	44.5%
2032	8,541.7	3,032.4	35.5%	486.9	58,570.8	26,392.2	32,178.6	45.1%
2033	8,873.9	3,149.1	35.5%	505.8	59,239.3	27,129.4	32,109.9	45.8%
2034	9,225.9	3,431.8	37.2%	525.9	59,836.8	28,284.6	31,552.2	47.3%
2035	9,592.1	3,567.3	37.2%	546.7	60,363.4	29,573.9	30,789.5	49.0%
2036	9,980.6	3,709.8	37.2%	568.9	60,828.5	31,029.1	29,799.4	51.0%
2037	10,384.8	3,860.7	37.2%	591.9	61,236.3	32,677.2	28,559.1	53.4%
2038	10,804.5	4,019.7	37.2%	615.9	61,595.1	34,550.2	27,044.9	56.1%
2039	11,243.7	4,186.8	37.2%	640.9	61,915.1	36,684.6	25,230.5	59.2%
2040	11,696.7	4,362.0	37.3%	666.7	62,204.3	39,116.0	23,088.3	62.9%
2041	12,171.1	4,545.5	37.3%	693.8	62,473.6	41,886.7	20,586.9	67.0%
2042	12,663.2	4,737.5	37.4%	721.8	62,740.4	45,033.0	17,707.4	71.8%
2043	13,176.3	4,937.9	37.5%	751.0	63,005.8	48,602.6	14,403.2	77.1%
2044	13,710.2	5,147.0	37.5%	781.5	63,279.1	52,646.1	10,633.0	83.2%
2045	14,254.9	5,364.6	37.6%	812.5	63,564.8	57,208.3	6,356.5	90.0%

APPENDIX J

FUNDING PROJECTIONS FOR THE STATE UNIVERSITIES RETIREMENT SYSTEM
CoGFA Projections Based on Laws in Effect on June 30, 2010
Actuarially Assumed Rate of Return: 7.75%
($ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2011	3,506.1	844.2	24.1%	280.8	31,112.2	13,628.5	17,483.7	43.8%
2012	**3,658.6**	**977.1**	**26.7%**	**293.1**	**32,124.4**	**13,399.5**	**18,724.9**	**41.7%**
2013	3,818.6	900.2	23.6%	305.9	33,144.1	13,062.4	20,081.7	39.4%
2014	3,979.4	980.4	24.6%	318.7	34,163.8	13,578.3	20,585.5	39.7%
2015	4,145.7	1,061.6	25.6%	332.1	35,176.0	13,984.9	21,191.1	39.8%
2016	4,313.0	1,095.1	25.4%	345.5	36,172.6	14,376.5	21,796.1	39.7%
2017	4,480.1	1,137.6	25.4%	358.9	37,141.6	14,751.2	22,390.4	39.7%
2018	4,656.7	1,182.4	25.4%	373.0	38,077.4	15,106.7	22,970.7	39.7%
2019	4,844.6	1,230.1	25.4%	388.1	38,985.5	15,451.6	23,533.9	39.6%
2020	5,038.2	1,279.3	25.4%	403.6	39,862.7	15,785.1	24,077.6	39.6%
2021	5,242.7	1,331.2	25.4%	419.9	40,704.9	16,108.2	24,596.7	39.6%
2022	5,457.6	1,385.8	25.4%	437.2	41,512.4	16,425.9	25,086.5	39.6%
2023	5,683.7	1,443.2	25.4%	455.3	42,283.9	16,741.3	25,542.6	39.6%
2024	5,924.0	1,504.2	25.4%	474.5	43,019.9	17,061.0	25,958.9	39.7%
2025	6,172.5	1,567.3	25.4%	494.4	43,722.2	17,391.4	26,330.8	39.8%
2026	6,439.1	1,635.0	25.4%	515.8	44,394.8	17,744.4	26,650.4	40.0%
2027	6,718.1	1,705.9	25.4%	538.1	45,037.3	18,127.0	26,910.3	40.2%
2028	7,012.5	1,780.6	25.4%	561.7	45,647.6	18,546.3	27,101.3	40.6%
2029	7,321.5	1,859.1	25.4%	586.5	46,225.8	19,012.3	27,213.5	41.1%
2030	7,642.8	1,940.7	25.4%	612.2	46,770.9	19,533.8	27,237.1	41.8%
2031	7,982.9	2,027.0	25.4%	639.4	47,280.4	20,121.3	27,159.1	42.6%
2032	8,339.8	2,117.6	25.4%	668.0	47,754.6	20,786.9	26,967.7	43.5%
2033	8,713.6	2,212.6	25.4%	698.0	48,185.2	21,546.0	26,639.2	44.7%
2034	9,105.5	2,312.1	25.4%	729.4	48,584.5	22,417.1	26,167.4	46.1%
2035	9,512.0	2,415.3	25.4%	761.9	48,950.6	23,417.2	25,533.4	47.8%
2036	9,942.8	2,524.7	25.4%	796.4	49,285.7	24,568.8	24,716.9	49.8%
2037	10,393.6	2,639.1	25.4%	832.5	49,583.8	25,887.6	23,696.2	52.2%
2038	10,865.7	2,759.0	25.4%	870.3	49,843.1	27,395.4	22,447.7	55.0%
2039	11,361.7	2,885.0	25.4%	910.1	50,066.7	29,121.1	20,945.6	58.2%
2040	11,875.5	3,015.4	25.4%	951.2	50,262.3	31,095.0	19,167.3	61.9%
2041	12,418.9	3,153.4	25.4%	994.8	50,446.4	33,360.9	17,085.5	66.1%
2042	12,987.1	3,297.7	25.4%	1,040.3	50,626.7	35,951.4	14,675.3	71.0%
2043	13,578.7	3,447.9	25.4%	1,087.7	50,809.7	38,907.3	11,902.4	76.6%
2044	14,194.8	3,604.3	25.4%	1,137.0	51,000.8	42,270.8	8,730.0	82.9%
2045	14,831.7	3,766.1	25.4%	1,188.0	51,206.9	46,086.2	5,120.7	90.0%

FUNDING PROJECTIONS FOR THE JUDGES RETIREMENT SYSTEM
CoGFA Projections Based on Laws in Effect on June 30, 2010
($ 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
2011	166.0	90.3	54.4%	16.2	1,897.2	631.4	1265.8	33.3%
2012	**171.5**	**63.6**	**37.1%**	**16.7**	**1,974.2**	**612.1**	**1362.1**	**31.0%**
2013	177.8	67.7	38.1%	17.3	2,050.7	591.9	1458.8	28.9%
2014	184.8	72.1	39.0%	18.0	2,125.3	603.8	1521.5	28.4%
2015	193.0	77.1	39.9%	18.8	2,198.4	614.5	1583.9	28.0%
2016	201.9	81.2	40.2%	19.7	2,268.7	623.5	1645.2	27.5%
2017	210.0	84.5	40.2%	20.5	2,336.0	629.4	1706.6	26.9%
2018	218.4	87.9	40.2%	21.3	2,399.8	630.8	1769.0	26.3%
2019	227.1	91.6	40.3%	22.1	2,460.2	630.4	1829.8	25.6%
2020	236.2	94.9	40.2%	23.0	2,515.8	627.5	1888.3	24.9%
2021	245.7	98.5	40.1%	24.0	2,566.7	622.4	1944.3	24.2%
2022	255.5	102.3	40.0%	24.9	2,611.9	615.0	1996.9	23.5%
2023	265.7	106.3	40.0%	25.9	2,651.5	605.8	2045.7	22.8%
2024	276.3	110.0	39.8%	26.9	2,685.4	594.6	2090.8	22.1%
2025	287.4	114.1	39.7%	28.0	2,713.0	581.9	2131.1	21.4%
2026	298.9	118.9	39.8%	29.1	2,734.5	568.7	2165.8	20.8%
2027	310.8	124.0	39.9%	30.3	2,749.8	556.0	2193.8	20.2%
2028	323.3	128.8	39.8%	31.5	2,758.8	543.9	2214.9	19.7%
2029	336.2	134.0	39.9%	32.8	2,762.4	534.0	2228.4	19.3%
2030	349.6	138.9	39.7%	34.1	2,761.0	527.0	2234.0	19.1%
2031	363.6	144.3	39.7%	35.5	2,755.3	524.6	2230.7	19.0%
2032	378.2	150.4	39.8%	36.9	2,745.3	528.6	2216.7	19.3%
2033	393.3	157.4	40.0%	38.3	2,732.1	541.6	2190.5	19.8%
2034	409.0	173.6	42.4%	39.9	2,716.3	574.5	2141.8	21.2%
2035	425.4	180.5	42.4%	41.5	2,698.7	620.3	2078.4	23.0%
2036	442.4	187.7	42.4%	43.1	2,679.9	681.0	1998.9	25.4%
2037	460.1	195.3	42.4%	44.9	2,660.4	758.8	1901.6	28.5%
2038	478.5	203.1	42.4%	46.7	2,641.1	856.1	1785.0	32.4%
2039	497.6	211.2	42.4%	48.5	2,622.7	975.5	1647.2	37.2%
2040	517.6	219.6	42.4%	50.5	2,605.7	1,119.4	1486.3	43.0%
2041	538.3	228.4	42.4%	52.5	2,591.0	1,290.8	1300.2	49.8%
2042	559.8	237.6	42.4%	54.6	2,579.1	1,492.4	1086.7	57.9%
2043	582.2	247.1	42.4%	56.8	2,570.8	1,727.5	843.3	67.2%
2044	605.5	256.9	42.4%	59.0	2,566.9	1,999.3	567.6	77.9%
2045	629.7	267.2	42.4%	61.4	2,568.1	2,311.3	256.8	90.0%

FUNDING PROJECTIONS FOR THE GENERAL ASSEMBLY RETIREMENT SYSTEM
CoGFA Projections Based on Laws in Effect on June 30, 2010
($ 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
2011	14.7	12.1	82.0%	1.7	255.0	62.2	192.8	24.4%
2012	**15.3**	**10.5**	**68.6%**	**1.8**	**258.0**	**55.8**	**202.2**	**21.6%**
2013	16.0	11.3	70.6%	1.8	261.1	49.7	211.4	19.0%
2014	16.8	12.1	72.0%	1.9	264.3	47.8	216.5	18.1%
2015	17.7	13.0	73.4%	2.0	267.3	46.0	221.3	17.2%
2016	18.7	13.7	73.3%	2.2	270.4	44.4	226.0	16.4%
2017	19.3	14.2	73.6%	2.2	273.6	42.7	230.9	15.6%
2018	20.2	14.9	73.8%	2.3	276.7	40.9	235.8	14.8%
2019	21.2	15.6	73.6%	2.4	280.0	39.5	240.5	14.1%
2020	22.0	16.2	73.6%	2.5	283.3	38.5	244.8	13.6%
2021	22.6	16.6	73.5%	2.6	286.5	37.7	248.8	13.2%
2022	23.6	17.3	73.3%	2.7	289.6	37.3	252.3	12.9%
2023	24.3	17.9	73.7%	2.8	292.5	37.0	255.5	12.6%
2024	25.3	18.6	73.5%	2.9	295.4	37.3	258.1	12.6%
2025	25.9	19.0	73.4%	3.0	297.9	37.6	260.3	12.6%
2026	26.9	19.7	73.2%	3.1	300.3	38.5	261.8	12.8%
2027	27.8	20.4	73.4%	3.2	302.6	39.8	262.8	13.2%
2028	28.8	21.1	73.3%	3.3	304.8	42.0	262.8	13.8%
2029	29.6	21.7	73.3%	3.4	306.8	44.4	262.4	14.5%
2030	30.7	22.4	73.0%	3.5	308.8	47.8	261.0	15.5%
2031	31.7	23.1	72.9%	3.6	310.7	51.8	258.9	16.7%
2032	32.9	24.0	72.9%	3.8	312.8	57.1	255.7	18.3%
2033	34.1	25.0	73.3%	3.9	315.0	64.1	250.9	20.3%
2034	35.3	26.1	73.9%	4.1	317.6	72.8	244.8	22.9%
2035	36.6	27.0	73.8%	4.2	320.6	83.3	237.3	26.0%
2036	37.9	28.0	73.9%	4.4	323.9	95.9	228.0	29.6%
2037	39.2	29.0	74.0%	4.5	327.8	110.8	217.0	33.8%
2038	40.8	30.1	73.8%	4.7	332.4	128.4	204.0	38.6%
2039	42.2	31.2	73.9%	4.9	337.8	148.9	188.9	44.1%
2040	43.8	32.3	73.7%	5.0	343.9	172.6	171.3	50.2%
2041	45.4	33.6	74.0%	5.2	350.8	199.7	151.1	56.9%
2042	47.1	34.8	73.9%	5.4	358.7	230.6	128.1	64.3%
2043	48.8	36.1	74.0%	5.6	367.5	265.6	101.9	72.3%
2044	50.6	37.4	73.9%	5.8	377.3	305.1	72.2	80.9%
2045	52.5	38.8	73.9%	6.0	388.2	349.4	38.8	90.0%

APPENDIX M

STATE RETIREMENT SYSTEMS
CHANGES IN UNFUNDED LIABILITY
FY 1996 - FY 2010

	SALARY INCREASES	INVESTMENT RETURNS (HIGHER)/LOWER THAN ASSUMED	EMPLOYER CONTRIBUTIONS N. C. + INTEREST (HIGHER)/LOWER	BENEFIT INCREASES	CHANGES IN ASSUMPTIONS ACTUARIAL	OTHER FACTORS MISC.	TOTAL CHANGE IN UNFUNDED LIABILITY FROM PREVIOUS YR
TEACHERS'							
6/30/1996	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
6/30/2010	(210,220,000)	2,929,300,000	1,572,250,000	0	0	561,570,000	4,852,900,000
Total	751,026,000	5,969,682,000	14,385,148,000	1,105,792,000	312,369,000	5,991,337,000	28,515,354,000
STATE EMPLOYEES'							
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	6,804,793	(1,639,390,653)
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
6/30/2010	(84,030,002)	894,330,007	470,040,010	0	2,606,329,995	162,930,002	4,049,600,012
Total	(177,749,154)	2,585,628,547	3,785,825,034	4,444,266,446	3,105,555,616	2,320,845,360	16,064,371,849
STATE UNIVERSITIES							
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)	624,100,000	0	324,400,000	189,000,000	(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
6/30/2010	(113,100,000)	940,500,000	667,500,000	0	2,413,900,000	210,800,000	4,119,600,000
Total	207,377,000	3,008,559,000	6,015,700,000	242,117,000	(118,795,000)	2,093,866,000	11,448,824,000

APPENDIX M

STATE RETIREMENT SYSTEMS
CHANGES IN UNFUNDED LIABILITY
FY 1996 - FY 2010

	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
JUDGES'							
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
6/30/2010	(14,290,007)	48,210,010	30,640,985	0	188,890,107	14,350,002	267,801,097
Total	(111,973,748)	98,680,270	452,534,615	2,848,501	244,004,299	203,743,844	889,837,781
GENERAL ASSEMBLY							
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
6/30/2010	(2,450,015)	5,710,003	5,669,975	2,140,009	0	830,022	11,899,994
Total	(5,822,306)	10,629,410	70,535,486	2,140,009	5,862,061	23,548,027	106,892,687
COMBINED'							
6/30/1996	277,985,995	(950,269,913)	1,648,415,257	17,772,000	0	316,831,110	1,310,734,449
6/30/1997	(174,569,177)	(1,718,043,900)	1,571,561,355	179,117,000	(6,629,275,167)	456,217,865	(6,314,992,024)
6/30/1998	(113,186,439)	(2,788,182,020)	984,293,345	2,250,183,128	0	275,635,915	608,743,929
6/30/1999	77,096,356	(988,726,350)	1,007,531,385	33,870,000	125,223,000	769,534,480	1,024,528,871
6/30/2000	154,524,395	(1,307,066,975)	1,047,267,505	2,848,501	0	326,927,419	224,500,845
6/30/2001	43,970,419	6,599,006,799	1,047,049,618	652,110,224	0	1,068,141,533	9,410,278,593
6/30/2002	134,391,291	5,575,370,512	1,740,995,055	234,100,000	1,377,773,875	903,437,467	9,966,068,200
6/30/2003	125,633,545	2,071,493,135	2,435,147,683	2,425,023,094	0	1,101,032,114	8,158,329,571
6/30/2004	135,696,594	(3,841,756,713)	(4,689,820,728)	0	0	385,281,842	(8,010,599,005)
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)	3,237,910,982	0	2,735,156,000	1,221,367,050	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	0	1,097,734,444	8,055,185,274
6/30/2010	(424,090,024)	4,818,050,020	2,746,100,970	2,140,009	5,209,120,102	950,480,026	13,301,801,103
Total	662,857,792	11,673,179,227	24,709,743,135	5,797,163,956	3,548,995,976	10,633,340,231	57,025,280,317

APPENDIX N

PENSION OBLIGATION BONDS
Debt Service Schedule & Allocation By Retirement System

($ in Millions)

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

FINANCIAL CONDITION OF THE STATE RETIREMENT SYSTEMS
($ in millions)

Fiscal Year	TRS	SERS	SURS	JRS	GARS	Total
Assets @ Market Value						
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
2010	31,323.8	9,201.8	12,121.5	523.3	54.7	53,225.1
Liabilities						
1996	26,141.8	7,390.9	10,155.0	577.8	127.4	44,392.9
1997	26,951.6	7,548.2	10,552.2	704.5	143.9	45,900.4
1998	29,908.2	9,341.9	11,416.1	747.3	150.4	51,563.9
1999	33,205.5	9,998.2	12,617.5	805.6	160.9	56,787.7
2000	35,886.4	10,912.9	13,679.0	871.2	169.4	61,518.9
2001	39,166.7	12,572.2	14,915.3	937.1	177.5	67,768.8
2002	43,047.7	14,291.0	16,654.0	1,020.8	184.6	75,198.1
2003	46,933.4	17,593.9	18,025.0	1,076.2	196.5	83,825.0
2004	50,947.5	18,442.6	19,078.6	1,156.1	207.6	89,832.4
2005	56,075.0	19,304.6	20,349.9	1,236.5	212.9	97,178.9
2006	58,996.9	20,874.5	21,688.9	1,291.4	221.7	103,073.4
2007	65,648.4	22,280.9	23,362.1	1,385.3	231.9	112,908.6
2008	68,632.4	23,841.3	24,917.7	1,457.3	235.8	119,084.5
2009	73,027.2	25,298.3	26,316.2	1,548.5	245.2	126,435.4
2010	77,293.2	29,309.5	30,120.4	1,819.4	251.8	138,794.3

APPENDIX O

FINANCIAL CONDITION OF THE STATE RETIREMENT SYSTEMS ($ in millions)						
Fiscal Year	TRS	SERS	SURS	JRS	GARS	Total
Unfunded						
1996	12,312.1	2,212.2	5,072.1	345.4	84.8	20,026.6
1997	9,558.5	1,500.2	2,175.9	389.9	87.2	13,711.7
1998	9,942.3	2,277.4	1,622.3	390.6	87.7	14,320.3
1999	10,967.8	2,011.8	1,855.3	415.8	94.0	15,344.7
2000	11,405.0	2,002.0	1,615.1	448.3	98.9	15,569.3
2001	15,851.1	4,295.5	4,162.0	555.4	115.5	24,979.5
2002	20,681.4	6,617.1	6,839.3	677.1	130.6	34,945.5
2003	23,808.6	10,091.8	8,310.5	746.1	146.5	43,103.5
2004	19,402.8	8,452.4	6,492.3	621.5	124.4	35,093.4
2005	21,989.8	8,810.5	6,999.6	671.6	129.6	38,601.1
2006	22,412.0	9,974.7	7,513.8	692.2	139.5	40,732.2
2007	23,739.1	10,202.0	7,376.4	715.2	144.7	42,177.4
2008	30,201.7	12,845.9	10,331.4	844.6	160.4	54,384.0
2009	44,495.9	16,732.5	15,283.2	1,065.0	189.6	77,766.2
2010	45969.4	20107.6	17998.9	1296.2	197.1	85,569.2
Funded Ratios						
1996	52.9%	70.1%	50.1%	40.2%	33.4%	54.9%
1997	64.5%	80.1%	79.4%	44.7%	39.4%	70.1%
1998	66.8%	75.6%	85.8%	47.7%	41.7%	72.2%
1999	67.0%	79.9%	85.3%	48.4%	41.6%	73.0%
2000	68.2%	81.7%	88.2%	48.5%	41.6%	74.7%
2001	59.5%	65.8%	72.1%	40.7%	34.9%	63.1%
2002	52.0%	53.7%	58.9%	33.7%	29.3%	53.5%
2003	49.3%	42.6%	53.9%	30.7%	25.4%	48.6%
2004	61.9%	54.2%	66.0%	46.2%	40.1%	60.9%
2005	60.8%	54.4%	65.6%	45.7%	39.1%	60.3%
2006	62.0%	52.2%	65.4%	46.4%	37.1%	60.5%
2007	63.8%	54.2%	68.4%	48.4%	37.6%	62.6%
2008	56.0%	46.1%	58.5%	42.0%	32.0%	54.3%
2009	39.1%	33.9%	41.9%	31.2%	22.7%	38.5%
2010	40.5%	31.4%	40.2%	28.8%	21.7%	38.3%

APPENDIX P

COMBINED DEBT SERVICE OF 2003, 2010 and 2011 PENSION OBLIGATION BONDS AND NOTES												
	FY2003 $10 BILLION PENSION OB BONDS			FY 2010 $3.466 BILLION PENSION OB NOTES			FY 2011 $3.7 BILLION PENSION OB BONDS			COMBINED TOTALS		
Fiscal Year	2003 Principal	2003 Interest	2003 POB Total	2010 Principal	2010 Interest	2010 PON Total	2011 Principal	2011 Interest	2011 POB Total	Total Principal	Total Interest	Grand Total
FY 2004	$0	$481,038,333	**$481,038,333**							**$0**	**$481,038,333**	**$481,038,333**
FY 2005	0	496,200,000	**$496,200,000**							**$0**	**$496,200,000**	**$496,200,000**
FY 2006	0	496,200,000	**$496,200,000**							**$0**	**$496,200,000**	**$496,200,000**
FY 2007	0	496,200,000	**$496,200,000**							**$0**	**$496,200,000**	**$496,200,000**
FY 2008	50,000,000	496,200,000	**$546,200,000**							**$50,000,000**	**$496,200,000**	**$546,200,000**
FY 2009	50,000,000	494,950,000	**$544,950,000**							**$50,000,000**	**$494,950,000**	**$544,950,000**
FY 2010	50,000,000	493,550,000	**$543,550,000**							**$50,000,000**	**$493,550,000**	**$543,550,000**
FY 2011	50,000,000	491,900,000	**$541,900,000**	$693,200,000	$109,277,049	**$802,477,049**				**$743,200,000**	**$601,177,049**	**$1,344,377,049**
FY 2012	100,000,000	490,125,000	**$590,125,000**	$693,200,000	$101,061,628	**$794,261,628**		$194,500,800	**$194,500,800**	**$793,200,000**	**$785,687,428**	**$1,578,887,428**
FY 2013	100,000,000	486,375,000	**$586,375,000**	$693,200,000	$81,887,716	**$775,087,716**		$199,488,000	**$199,488,000**	**$793,200,000**	**$767,750,716**	**$1,560,950,716**
FY 2014	100,000,000	482,525,000	**$582,525,000**	$693,200,000	$58,866,544	**$752,066,544**	$100,000,000	$199,488,000	**$299,488,000**	**$893,200,000**	**$740,879,544**	**$1,634,079,544**
FY 2015	100,000,000	478,575,000	**$578,575,000**	$693,200,000	$30,646,372	**$723,846,372**	$300,000,000	$195,462,000	**$495,462,000**	**$1,093,200,000**	**$704,683,372**	**$1,797,883,372**
FY 2016	100,000,000	474,525,000	**$574,525,000**				$600,000,000	$181,929,000	**$781,929,000**	**$700,000,000**	**$656,454,000**	**$1,356,454,000**
FY 2017	125,000,000	470,175,000	**$595,175,000**				$900,000,000	$152,163,000	**$1,052,163,000**	**$1,025,000,000**	**$622,338,000**	**$1,647,338,000**
FY 2018	150,000,000	464,737,500	**$614,737,500**				$900,000,000	$103,878,000	**$1,003,878,000**	**$1,050,000,000**	**$568,615,500**	**$1,618,615,500**
FY 2019	175,000,000	458,212,500	**$633,212,500**				$900,000,000	$52,893,000	**$952,893,000**	**$1,075,000,000**	**$511,105,500**	**$1,586,105,500**
FY 2020	225,000,000	449,550,000	**$674,550,000**							**$225,000,000**	**$449,550,000**	**$674,550,000**
FY 2021	275,000,000	438,412,500	**$713,412,500**							**$275,000,000**	**$438,412,500**	**$713,412,500**
FY 2022	325,000,000	424,800,000	**$749,800,000**							**$325,000,000**	**$424,800,000**	**$749,800,000**
FY 2023	375,000,000	408,712,500	**$783,712,500**							**$375,000,000**	**$408,712,500**	**$783,712,500**
FY 2024	450,000,000	390,150,000	**$840,150,000**							**$450,000,000**	**$390,150,000**	**$840,150,000**
FY 2025	525,000,000	367,200,000	**$892,200,000**							**$525,000,000**	**$367,200,000**	**$892,200,000**
FY 2026	575,000,000	340,425,000	**$915,425,000**							**$575,000,000**	**$340,425,000**	**$915,425,000**
FY 2027	625,000,000	311,100,000	**$936,100,000**							**$625,000,000**	**$311,100,000**	**$936,100,000**
FY 2028	700,000,000	279,225,000	**$979,225,000**							**$700,000,000**	**$279,225,000**	**$979,225,000**
FY 2029	775,000,000	243,525,000	**$1,018,525,000**							**$775,000,000**	**$243,525,000**	**$1,018,525,000**
FY 2030	875,000,000	204,000,000	**$1,079,000,000**							**$875,000,000**	**$204,000,000**	**$1,079,000,000**
FY 2031	975,000,000	159,375,000	**$1,134,375,000**							**$975,000,000**	**$159,375,000**	**$1,134,375,000**
FY 2032	1,050,000,000	109,650,000	**$1,159,650,000**							**$1,050,000,000**	**$109,650,000**	**$1,159,650,000**
FY 2033	1,100,000,000	56,100,000	**$1,156,100,000**							**$1,100,000,000**	**$56,100,000**	**$1,156,100,000**
TOTAL	**$10,000,000,000**	**$11,933,713,333**	**$21,933,713,333**	**$3,466,000,000**	**$381,739,309**	**$3,847,739,309**	**$3,700,000,000**	**$1,279,801,800**	**$4,979,801,800**	**$17,166,000,000**	**$13,595,254,442**	**$30,761,254,442**

APPENDIX Q

SUMMARY OF TRS APPROPRIATIONS BY FUND: FY 1996 - 2010							
Fiscal Year		**State Pension Fund**	**Common School Fund**	**Education Assistance Fund**	**General Revenue Fund**	**General Revenue Fund**	**Total**
				Pension Notes 2010		**Min & Supp Reserves through FY**	
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
2010		-	$834,862,000	$1,245,867,000	-	-	$2,080,729,000

* 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 - 2010						
Fiscal Year	State Pension Fund	Common School Fund Bond Issue - FY 2010	Education Assistance Fund	General Revenue Fund	General Revenue Fund Min & Supp Reserves through FY 2000, then Min Only; Min is Approp Available	Total
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
2010	$139,000,000	$552,668,057	-	$8,542,833	-	$700,210,890

APPENDIX S

SUMMARY OF SERS APPROPRIATIONS BY FUND: FY 1996 - 2010							
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
2010	*	-	-	-	$773,162,687	$395,788,354	$1,168,951,041

*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 - 2010						
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
2010	-	-	-	$78,509,810	-	$78,509,810

APPENDIX U

SUMMARY OF GARS APPROPRIATIONS BY FUND: FY 1996 - 2010						
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
2010	-	-	-	$10,411,274	-	$10,411,274

APPENDIX V

Note: This FY2011 recertification letter reflects P.A. 96-1511.

Teachers' Retirement System of the State of Illinois
2815 West Washington Street | P.O. Box 19253 | Springfield, Illinois 62794-9253
Richard W. Ingram, Executive Director
http://trs.illinois.gov
(800) 877-7896 | for the hearing impaired: (866) 326-0087

January 31, 2011

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

HAND DELIVERED

RE: Recertification of FY 2011 TRS Funding Amount

Dear Governor Quinn:

Please find with this letter a resolution adopted by the System's Board of Trustees during a special board meeting on January 28, 2011. The resolution recertifies the FY 2011 state contribution based on the June 30, 2009 actuarial valuation and assumes that the benefit changes contained in Public Act 96-889 were already in effect when the 2009 valuation was performed. The resolution also recertifies the state/federal contribution rate and the total normal cost rate used in certain purchases of optional service.

The recertified FY 2011 state contribution is $2,169,198,000 which includes $1,400,000 for minimum benefit reimbursements. It is $189,243,000 lower than the originally certified FY 2011 state contribution of $2,358,441,000 submitted in October 2009.

This recertification is submitted pursuant to 40 ILCS 5/16-158 (b-3), as amended by Public Act 96-1511, formerly Senate Bill 1858 (96th General Assembly).

Your staff may direct questions to Kathleen Farney, Director of Research, at (217) 753-0970.

Sincerely,

Richard W. Ingram
Executive Director

cc: House Minority Leader Tom Cross
Senate President John Cullerton
House Speaker Michael J. Madigan
Senate Minority Leader Christine Radogno
John Frigo, Office of Management and Budget
Dan Harkiewicz, Commission on Government Forecasting and Accountability
Alexis Sturm, Illinois Office of the Comptroller
David Vaught, Office of Management and Budget

Enc. (3):
Certification of board resolution
Actuary's recertification letter for fiscal year 2011 and projections based on June 30, 2009 valuation
Actuary's recertification of fiscal year 2011 total normal cost rate & state/federal contribution rate

APPENDIX W

Note: This FY2011 recertification letter reflects P.A. 96-1511.

GRS

Gabriel Roeder Smith & Company
Consultants & Actuaries

20 North Clark Street
Suite 2400
Chicago, IL 60602-5111

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January 18, 2011

Board of Trustees and Executive Secretary
State Employees' Retirement System of Illinois
P. O. Box 19255
2101 S. Veterans Parkway
Springfield, Illinois 62794-9255

CONFIDENTIAL

Re: Amended Actuarial Certification for FYE June 30, 2011 – After SB 1858

At your request, we have amended the annual actuarial valuation of the assets and liabilities of the State Employees' Retirement System of Illinois ("SERS") as of June 30, 2009. This valuation has been performed to measure the funding status of the Fund and determine the employer statutory contribution rate for the year beginning July 1, 2010, and ending June 30, 2011.

The required statutory contribution rate has been determined under the Projected Unit Credit Cost Method, providing for a 90 percent funding of total actuarial liabilities by fiscal year 2045 as required by 40 ILCS Section 5/14-131(e). Contribution rates are determined according to P.A. 93-0589 reflecting the infusion of the proceeds from the sale of general obligation bonds. The total rate includes a portion of the debt service due to the sale of the general obligation bonds per P.A. 93-0589. The applicable portion of the debt service includes the amount necessary to pay all principal and interest for State fiscal year 2010 on the general obligation bonds except portions reserved under Section 7.2(c) of the General Obligation Bond Act. Additionally, this amount is decreased by the amount set aside in the capitalized interest fund on the understanding this was the legislative intent. Pursuant to Senate Bill 1858, the contribution rates reflect the impact of P.A. 96-0889, which created a second tier for future members of SERS hired after December 31, 2010.

The required statutory contribution rates and amounts for fiscal year beginning July 1, 2010, actuarial valuation are shown below.

	Preliminary	Debt Service	Total
Required Rate	26.187%	1.801%	27.988%
Required Contribution	1,098,344,000	75,538,000	1,173,882,000

The system's current funding plan does not meet the requirements for amortizing the unfunded liability provided under GASB Statement No. 25. In all other respects, the assumptions and methods used to develop the normal cost and actuarial accrued liability meet the requirements of GASB Statement No. 25.

Pursuant to P.A. 96-0043, for purposes of determining statutory contribution rates for fiscal year 2011 an actuarial value of the System's assets was used. The actuarial value of assets is assumed to earn a rate of return equal to the System's actuarially assumed rate of return. The liabilities have been valued based on financial and employee data, which is supplied by the administrative staff of the System and verified by the System's auditor. We did not audit this data, but have reviewed the statistical support and concluded that the data is reasonable and consistent with the prior year's data.

The attached Exhibits A and B reflect changes to the valuation under SB 1858 enacted subsequent to the valuation. The changes reflected include the benefit changes under SB 1946, House Amendment 4 for all members hired after December 31, 2010. All other assumptions and methods are the same as those disclosed in the June 30, 2009, valuation originally certified October 20, 2009.

In our opinion, the calculations also comply with the requirements of Illinois state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board except as noted above. All of our work conforms with generally accepted actuarial principles and practices, and to the Actuarial Standards of Practice issued by the Actuarial Standards Board.

We certify that the information presented herein is accurate and fairly portrays the actuarial position of SERS as of June 30, 2009. We prepared the accompanying Summary of Actuarial Cost Method and Major Actuarial Assumptions, but the SERS staff prepared the other supporting schedules in this section and the trend tables in the financial section, based on information supplied in our report.

The undersigned are Members of the American Academy of Actuaries (MAAA) as indicated, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Gabriel, Roeder, Smith & Company

By: Alex Rivera

Alex Rivera, FSA, EA, MAAA
Senior Consultant

By: David T Kausch

David Kausch, FSA, EA, MAAA
Senior Consultant

I:\c3029_sers\2011\impactstatements\01jan13\certification2009_sb1858_electronicletterhead.doc

APPENDIX X

Note: This FY2011 recertification letter reflects P.A. 96-1511.

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)

William E. Mabe
Executive Director

February 8, 2011

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

RE: Recertification of required contribution to the State Universities Retirement System for State fiscal year 2011

Dear Governor Quinn:

As required by Public Act 96-9511, the Board of Trustees of the State Universities Retirement System has recertified the required appropriation from State funds for State fiscal year 2011 for the purposes of the System.

Based upon the revised contribution calculation by Gabriel, Roeder & Smith, the required statutory contribution is as follows:

Original calculation	$888,142,000
Reduction due to impact of PA 96-889	(72,361,000)
Revised calculation	$815,781,000
Less: estimate for Federal/trust fund contributions	(40,000,000)
Net State contribution to be recertified	$775,781,000

The Board has recertified that $775,781,000 is the total required contribution for Sate fiscal year 2011. An official certification is enclosed.

Please be advised that the certified contribution, per Public Act 88-0593, is less than the Annual Required Contribution (ARC) established by GASB for standard pension funding. This difference creates a perpetual underfunding of the plan. We recommend a funding policy that recognizes and funds according to the Annual Required Contribution (ARC) established by GASB for standard pension funding.

Sincerely,

William E. Mabe
William E. Mabe
Executive Director

WEM:ss
cc: The Honorable Judy Baar Topinka, Comptroller

APPENDIX Y

Note: This FY2011 recertification letter reflects P.A. 96-1511.

GOLDSTEIN & ASSOCIATES
Actuaries and Consultants

29 SOUTH LaSALLE STREET SUITE 735
CHICAGO, ILLINOIS 60603
PHONE (312) 726-5877 FAX (312) 726-4323

January 13, 2011

Mr. Tim Blair
Acting Executive Director
Judges' Retirement System of Illinois
2101 South Veterans Parkway
P.O. Box 19255
Springfield, Illinois 62794

Re: Recalculation of State Contribution Requirement For FY 2011

Dear Tim:

Based on the results of the June 30, 2009 actuarial valuation of the Judges' Retirement System, we have previously determined the State contribution requirement for Fiscal Year 2011 based on the funding plan currently in effect.

As requested, we have recalculated the State contribution requirement for Fiscal Year 2011 based on the June 30, 2009 actuarial valuation but taking into account the reduced benefits for persons who become participants on or after January 1, 2011 enacted under Public Act 96-0889. I have enclosed the results of the funding projections on which this revised State contribution requirement is based.

Based on the results of the June 30, 2009 actuarial valuation and taking into account the reduced benefits for persons who become participants on or after January 1, 2011, we have calculated the State contribution requirement for Fiscal Year 2011 under the current funding plan to be $62,377,000.

If you have any questions regarding this revised State contribution requirement For Fiscal Year 2011, please give me a call.

Yours sincerely,

Sandor Goldstein
Consulting Actuary

APPENDIX Z

Note: This FY2011 recertification letter reflects P.A. 96-1511.

GOLDSTEIN & ASSOCIATES
Actuaries and Consultants

29 SOUTH LaSALLE STREET SUITE 735
CHICAGO, ILLINOIS 60603
PHONE (312) 726-5877 FAX (312) 726-4323

January 13, 2011

Mr. Tim Blair
Acting Executive Director
General Assembly Retirement System of Illinois
2101 South Veterans Parkway
P.O. Box 19255
Springfield, Illinois 62794

Re: Recalculation of State Contribution Requirement For FY 2011

Dear Tim:

Based on the results of the June 30, 2009 actuarial valuation of the General Assembly Retirement System, we have previously determined the State contribution requirement for Fiscal Year 2011 based on the funding plan currently in effect.

As requested, we have recalculated the State contribution requirement for Fiscal Year 2011 based on the June 30, 2009 actuarial valuation but taking into account the reduced benefits for persons who become participants on or after January 1, 2011 enacted under Public Act 96-0889. I have enclosed the results of the funding projections on which this revised State contribution requirement is based.

Based on the results of the June 30, 2009 actuarial valuation and taking into account the reduced benefits for persons who become participants on or after January 1, 2011, we have calculated the State contribution requirement for Fiscal Year 2011 under the current funding plan to be $11,039,000.

If you have any questions regarding this revised State contribution requirement For Fiscal Year 2011, please give me a call.

Yours sincerely,

Sandor Goldstein
Consulting Actuary

APPENDIX AA

Teachers' Retirement System of the State of Illinois

2815 West Washington Street | P.O. Box 19253 | Springfield, Illinois 62794-9253
R. Stanley Rupnik, Acting Executive Director
members@trs.illinois.gov | http://trs.illinois.gov
(800) 877-7896 | for the hearing impaired: (866) 326-0087

November 15, 2010

HAND DELIVERED

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

RE: Certification of FY 2012 TRS Funding Amount

Dear Governor Quinn:

In accordance with 40 ILCS 5/16-158 (a-1), please find with this letter resolutions adopted by the System's Board of Trustees during a regular board meeting on October 29, 2010 and during an emergency board meeting on November 15, 2010.

The October 29, 2010 resolution adopts the results of the June 30, 2010 actuarial valuation, including assumptions for new hires under Public Act 96-0889, and the total normal cost and employer normal cost rates for FY 2012.

The November 15, 2010 resolution certifies that the required FY 2012 state contribution is:

- **\$2,406,472,000, including \$1,300,000 for state reimbursements for payments made from the Guaranteed Minimum Annuity Reserve, assuming the full FY 2011 state contribution of \$2,358,441,000 is received during FY 2011,** and
- **\$2,554,618,000, including \$1,300,000 for minimum benefits if state contributions in FY 2011 are \$110,000,000.** As of today, TRS has received \$110,000,000, or five percent of the certified amount for FY 2011.

November 15, 2010

The November 15, 2010 resolution was adopted during an emergency board meeting held today. **The TRS Board of Trustees urges you and the Illinois General Assembly to meet the state's obligations to TRS by complying with statutory funding requirements.** The board has directed me to inform you that the **cost of deferring the $2.2 billion still due in FY 2011 would increase total state contributions from FY 2012 through FY 2045 by an additional $4.4 billion dollars,** for a total cost to repay the FY 2011 shortfall of approximately **$6.6 billion.**

Please note that the FY 2012 certified contributions are based on the current investment return assumption of 8.5 percent. In anticipation of the actuarial experience review due in 2012, the trustees have asked the TRS actuary to begin analyzing the implications of changing the assumption.

Please ask your staff to direct any questions to Kathleen Farney, Director of Research, at (217) 753-0970.

Sincerely,

Stan Rupnik
Acting Executive Director

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

Enc. (3)

- Certification of board resolutions
- Actuary's certification letter dated October 19, 2010 & Exhibit A with FY 2012 funding recommendation of $2, 406,472,000 (assumes full FY 2011 contribution)
- Actuary's certification letter dated November 15, 2010 and Exhibit A with FY 2012 funding recommendation of $2, 554,618,000 (assumes FY 2011 contribution of $110,000,000)

APPENDIX BB

STATE RETIREMENT SYSTEMS

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

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

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

November 15, 2010

RECEIVED
NOV 17 2010
CGFA

The Honorable Pat Quinn
Governor
207 Statehouse
Springfield, IL 62706

Dear Governor Quinn:

At a meeting of the Board of Trustees of the State Employees' Retirement System held on November 10, 2010, the Board certified two separate State contribution rates for fiscal year 2012, as follows:

If the entire fiscal year 2011 employer (State) contribution is made in fiscal year 2011, the fiscal year 2012 certified contribution is $1,450,814,000, or 34.190% of payroll.

If the FY 2011 State contribution amount does not include the employer contribution for payrolls paid from the General Revenue Fund (GRF), the fiscal year 2012 certified contribution is $1,498,468,000, or 35.313% 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,

Timothy B. 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 CC

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)

William E. Mabe
Executive Director

November 11, 2010

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 2012

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 2012 for the purposes of the system.

The Board has certified that \$ 980,485,000 is the total net required contribution for State fiscal year 2012. 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,

William E. Mabe
Executive Director

Encl: Certification
Actuarial recommendation

cc: The Honorable Dan Hynes, Comptroller
Mr. David Vaught, Director, Office of Management & Budget
Mr. Donald Sevener, Interim Executive Director, Illinois Board of Higher Education
Mr. Dan R. Long, Executive Director, COGFA
Mr. Dan Hankiewicz, Pension Manager, COGFA
Ms. Jessica Handy, Senate Democratic Staff
Mr. Erik Dillman, Senate Republican Staff
Mr. Michael Mahoney, House Republican Staff

APPENDIX DD

STATE RETIREMENT SYSTEMS

• Judges' Retirement System of Illinois

Internet: http://www.state.il.us/srs E-Mail: jrs@srs.illinois.gov

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

November 15, 2010

RECEIVED
NOV 17 2010
CGFA

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 22, 2010, the Board certified two separate State contribution rates for fiscal year 2012, as follows:

If the fiscal year 2011 employer (State) contribution is made in fiscal year 2011, the fiscal year 2012 certified contributions is $63,628,000, or 37.10% of payroll.

If the fiscal year 2011 employer (State) contribution is not made, the fiscal year 2012 certified contribution is $67,975,000, or 39.64% 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,

Timothy B. 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 EE

STATE RETIREMENT SYSTEMS

• General Assembly Retirement System

Internet: http://www.state.il.us/srs E-Mail: gars@srs.illinois.gov

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

November 23, 2010

RECEIVED NOV 2 CGFA

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 2012 of $10,502,000, or 68.75% 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,

Timothy B. Blair

Timothy Blair
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
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John Lowder, Speaker's Office
Mike Mahoney, House Republican Staff
Kim Fowler, Senate Republican Staff
Jessica Handy, Senate Democratic Staff
Jeff Houch, House Democratic Staff
Daniel W. Hynes, Comptroller
Sean Vinck, Director of Legislative Affairs, Governor's Office

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 “Legislative Capital Plan Analysis” examines the State's capital appropriations plan and debt position. “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