

**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS**

**ACTUARIAL VALUATION
JUNE 30, 2006**



December 13, 2006

Board of Trustees
Teachers' Retirement System
of The State of Illinois
2815 West Washington Street
Springfield, Illinois 62702

Ladies and Gentlemen:

We have completed the valuation of the System as of June 30, 2006 and the principal results are set forth on Pages 1 and 2 of this report.

The contributions to the System, which are shown in the Summary of Principal Results, are based on the provisions of Public Act 94-0004, as amended by Public Act 94-1057. Modified ERO retirements are recognized commencing with the June 30, 2005 actuarial accrued liability, while FY 2006 and FY 2007 Pipeline ERO retirements are first recognized in the June 30, 2006 and June 30, 2007 accrued liabilities.

The member contribution rate is 9.4% of covered payroll, which includes a 0.4% of pay "Career ERO contribution" that became effective July 1, 2005. An additional member contribution has been required since July 1, 1995 to finance retiree health insurance through a state agency other than TRS. School Districts are required to contribute 0.58% of payroll toward the cost of the 2.2% formula. School Districts also pay the cost of pension benefits resulting from salary increases over 6% used in the final average salary calculation, although PA 94-1057 provides permanent and temporary exemptions from some of these payments for retirements occurring on or after July 31, 2006. The School District rate for Modified ERO lump sum payments at retirement is 23.5%, and School Districts make lump sum payments at retirement for excessive annual sick leave accruals.

In total, employer contributions to the System must be sufficient to "meet the cost of maintaining and administering the system on a 90% funded basis in accordance with actuarial recommendations." The statute specifies that this objective is to be met by June 30, 2045 through annual appropriations that are a level percentage of payroll – before reduction for the maximum State contribution limitations of the statute – for fiscal years 2011 through 2045.

Under Section 7.2(d) of the General Obligation Bond Act (GOBA), TRS deposited \$4,330,374,000 on July 2, 2003. Commencing with fiscal year 2005, the maximum State contribution under the Act equals the State contribution that would have been required if this \$4.33 billion contribution had not been made, reduced – but not below zero – by the State's debt service on the TRS portion of the full \$10 billion of Pension Obligation Bonds issued under Section 7.2 of the GOBA.

Under PA 94-0004 the FY 2006 State contribution to the Benefit Trust Reserve equals \$531,827,700, and the FY 2007 contribution equals \$735,514,500. Gross appropriations, as a percentage of payroll, for fiscal years 2008 through 2010 are to increase in level annual increments over the prior year's gross appropriation until the required level percentage of payroll is achieved in fiscal year 2010. In fiscal years 1999 through 2004, minimum state contributions were specified.

At the direction of the board, and commencing with the contribution due for fiscal year 2006, the Federal Funds contribution rate is the same as the certified State rate.


Based on these specifications, we calculate that the employer's contribution rate to the Benefit Trust Reserve of the System for fiscal year 2008 is 13.69% of membership payroll. The rate is expected to level off at 21.02% in fiscal year 2010.

The recommended total employer contribution for fiscal year 2008 to the Benefit Trust Reserve under PA 94-0004 is \$1,135,127,000. Subtracting estimated Federal Funds and School District contributions and adding a contribution to the Guaranteed Minimum Annuity Reserve results in a total State Contribution for fiscal year 2008 of \$1,041,295,000. This figure represents an increase of \$303,280,500 or 41.1% from the total State Contribution in fiscal year 2007 of \$738,014,500, as specified by PA 94-0004.

The unfunded pension benefit obligation of the System as of June 30, 2006 is \$22,412,024,000, which may be compared with the unfunded obligation of \$21,989,811,000 as of June 30, 2005.

The funded status of the System as of June 30, 2006 is 62.0% based on the market value of assets, which may be compared with the System's funded status of 60.8% based on the market value of assets, as of June 30, 2005.

Sincerely,



Kim M. Nicholl
Principal, Consulting Actuary

KMN/SLH:pl



S. Lynn Hill
Director, Retirement Consulting

**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS**

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**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS**

**ACTUARIAL VALUATION
JUNE 30, 2006**

SECTION I — PRINCIPAL RESULTS

1. We have summarized below the principal results of this year's valuation along with a comparison with last year's valuation results. The schedule also includes the significant membership data and asset data used in the valuations.

SUMMARY OF PRINCIPAL RESULTS

Item	Year Ended June 30	
	2006	2005
Benefit Trust Reserve		
• Active members reported to the actuary:		
– Number	155,946	157,643
– Annual salaries (adjusted for data lag)	\$ 7,580,080,000	\$ 7,375,554,000
– Average age (2005 adjusted)	42.0 years	42.0 years
– Average service (2005 adjusted)	10.4 years	10.3 years
• Number of inactives	94,594	88,282
• Retirees and beneficiaries in receipt of benefits:		
– Number	85,153	82,491
– Annual annuities (at June 30)	\$ 3,016,863,000	\$ 2,796,717,000
• Assets		
– Net Market value	\$ 36,584,889,000	\$ 34,085,218,000
• Pension benefit obligation*	\$ 58,996,913,000	\$ 56,075,029,000
• Unfunded pension benefit obligation	\$ 22,412,024,000	\$ 21,989,811,000
• Funded ratio:		
– Market value	62.0%	60.8%

- * The above PBOs include liability for expected retirements under the Modified ERO, and the 6/30/2006 PBO includes liability for fiscal year 2006 Pipeline ERO retirees reported to the actuary. In this report the liability for fiscal year 2007 Pipeline ERO retirements is included in the projected June 30, 2007 liability.

**SUMMARY OF PRINCIPAL RESULTS
(Continued)**

Item	Year Ended June 30	
	2006	2005
Benefit Trust Reserve (continued)	Fiscal Year <u>2008</u>	Fiscal Year <u>2007</u>
	PA 94-0004	PA 94-0004
• Employer cost under:		
– Percentage Rate (includes Federal and School Districts)	13.69%	10.36%
– Employer Contribution	\$ 1,135,127,000	\$ 822,890,500
– Less School Districts for 2.2% formula	(48,103,000)	(46,048,000)
– Less Federal Funds Contribution	<u>(47,829,000)</u>	<u>(41,328,000)</u>
– State Contribution	\$ 1,039,195,000	\$ 735,514,500
Guaranteed Minimum Annuity Reserve*		
• Retirees and disabilitants in receipt of benefits:		
– Number	2,084	2,300
– Annual annuities	\$ 2,284,000	\$ 2,595,000
– Pension benefit obligation	\$ 11,238,000	\$ 12,870,000
• State Contribution	\$ 2,100,000	\$ 2,500,000
Total State Contribution:		
• Benefit Trust Reserve	\$ 1,039,195,000	\$ 735,514,500
• Guaranteed Minimum Annuity Reserve	<u>2,100,000</u>	<u>2,500,000</u>
• Total State Contribution	\$ 1,041,295,000	\$ 738,014,500

Notes:

- * As the benefits from the Guaranteed Minimum Annuity Reserve are paid to members who are much older, on average, than the general pensioner population, and as separate mortality studies have not been performed for this special group, the fiscal year 2007 and 2008 State Contributions were adjusted to ensure payment of all required benefits as required by Statute.

Employer's contribution to Benefit Trust Reserve in fiscal year 2007, as shown in Schedules XIIA and XIII:

	<u>Certified Contribution**</u>
Common School Fund	\$ 735,514,500
School Districts for 2.2%	46,048,000
Federal Funds	<u>41,328,000</u>
Total	\$ 822,890,500

- ** State contribution amounts shown are those contained in the final fiscal year 2007 State budget. Future Federal Funds and School Districts contributions are estimated.

2. The June 30, 2006 actuarial valuation was based on the latest membership data available, which were submitted by the System for (i) active and inactive members as of June 30, 2005, and (ii) retirees and beneficiaries in receipt of benefits as of June 30, 2006. Membership data for active and inactive members as of June 30, 2004, and for retirees and beneficiaries as of June 30, 2005 were used as the basis for the June 30, 2005 actuarial valuation. As part of the valuation procedure, actual salaries and member account balances reported for active members were increased by 4% to adjust for the one-year lag in the census information for active members.
3. The State contribution amount of \$1,041,295,000 shown as of June 30, 2006 is based on the provisions of PA 94-0004, as amended by PA 94-1057. This amount represents a Benefit Trust Reserve Contribution of \$1,039,195,000 and a Guaranteed Minimum Annuity Reserve Contribution of \$2,100,000 for a total contribution of \$1,041,295,000.
4. As stated above, at June 30, 2006 and June 30, 2005, we adjusted for the one year lag in reporting of the active membership by assuming that the population was stationary with regard to age and service and we increased by 4% reported payroll and member account balances. No further adjustments were made to the active membership data at June 30, 2006. However, even with the above adjustments, the reported June 30, 2004 active membership data was not a good proxy for the data at June 30, 2005 because the number of members retiring from active service in fiscal year 2005 exceeded those retiring from active service in fiscal year 2004 by a count of 1,823. This large difference in retirement experience between the two fiscal years meant that without further adjustments the active data that would normally be used for the June 30, 2005 valuation would hold too many older, high service teachers who are already included in the retiree liability, and including them in the active liability would overstate the total June 30, 2005 actuarial liability. As a result, we reviewed the actual fiscal year 2005 retirements, removed 1,823 retirement-eligible records from the active data and replaced these records with an equivalent number of new hire records. No further adjustments were made to the active membership data at June 30, 2005.

5. The statistics for full-time, substitute, part-time, and hourly paid teachers for purposes of the June 30, 2006 valuation, based on the census information for active members as of June 30, 2005, (after salaries were increased to adjust for the one year lag in the census information) are as follows:

Active Member Statistics

Item	Full-time and Regular Part-Time	Substitutes, Part-Time, Hourly Paid on a Flexible or Limited Work Schedule	Total
Number	126,798	29,148	155,946
Annual salaries	\$ 7,444,943,000	\$ 135,137,000	\$ 7,580,080,000
Average age	42.2 years	41.3 years	42.0 years
Average service	12.4 years	1.6 years	10.4 years

SECTION II — FINANCING OBJECTIVE
AND EMPLOYER'S CONTRIBUTION RATE

The financing objective of the System under Section 16-158 of the Pension Code is to:

- (a) meet the cost of maintaining and administering the Benefit Trust Reserve on a 90% funded basis in accordance with actuarial recommendations; and
- (b) meet this objective by June 30, 2045 through annual appropriations that are a level percentage of payroll – before reduction for the maximum state contribution limitations of the statute – for fiscal years 2011 through 2045. Gross appropriations, as a percentage of payroll, for fiscal years 1996 through 2010 are to increase in level annual increments over the prior year's gross appropriation until the required level percentage of payroll is achieved in fiscal year 2010. In fiscal years 1999 through 2004, the statute specifies minimum state contributions as a percentage of applicable member payroll. In fiscal years 2006 and 2007 the statute specifies the dollar amount of the state contribution. Contributions for fiscal years 2008 through 2010 are to ramp up from the fiscal year 2007 contribution.

In addition to the contributions to the Benefit Trust Reserve required by section 16-158, the State must make contributions to the Guaranteed Minimum Annuity Reserve in an amount sufficient to ensure that TRS can make the required benefit payments.

On the basis of the current valuation and the funded policy of Section 16-158, the total fiscal year 2008 contribution rate payable to the Benefit Trust Reserve by all employers is equal to 13.69% of membership payroll. This is the required employer rate, including state contributions, federal funds contributions, and school district contributions for the 2.2% formula change.

On the basis of the funding policy described above, a projection of the contribution rates which are payable by the employer to the Benefit Trust Reserve indicates that the required rate is expected to level off at 21.02% in fiscal year 2010.

Schedule IA of the report shows the required contributions to the Benefit Trust Reserve and the Guaranteed Minimum Annuity Reserve for fiscal year 2008. Schedule IB shows the development of the 13.69% required employer contribution rate for the Benefit Trust Reserve for fiscal year 2008.

Schedule XIV shows a projection of the Gross Employer Rate for the Benefit Trust Reserve before application of the State Maximum, while Schedules XIIA and XIII provide detailed projections of required employer rates and amounts. The chart below summarizes the projected gross and required employer contribution rates to the Benefit Trust Reserve.

Fiscal Year	Gross Employer Rate (Before State Maximum)	Required Employer Rate (After State Maximum)	State Rate
2008	17.58%	13.69%	13.34%
2009	21.11	17.37	16.89
2010	24.63	21.02	20.44
2011 - 2045	24.63	21.02	20.44

The above employer rates include the 0.58% of payroll School District contributions for the 2.2% formula change as required by section 16-158(e). In addition, the statute requires School Districts to make the following contributions:

- (a) Sec. 16-128(d-10) payments for excessive sick leave service credit
- (b) Sec. 16-133.2 ERO lump sum payments when members retire with ERO benefits
- (c) Sec. 16-158(f) lump sum payments at retirement for the cost of pension benefits arising from salary increases over 6% used in the final average salary calculation. PA 94-1057 provides permanent and temporary exemptions from some of these payments for retirements occurring on or after July 31, 2006.

Although these additional types of contributions are not shown in Schedules IA, IB, XIIA, XIII, or XIV, they are all – with the exception of Sec. 16-128(d-10) payments – taken into account in the actuarial projection of the assets and funded status of the system, and the calculation of the Gross and Required employer rates is performed only *after* the above contributions have been taken into account. (There is currently no assumption for excessive sick leave service credit.) A projection of School District contributions under sections 16-133.2 and 16-158(f) can be found in Schedule XIIB.

SECTION III — CURRENT FINANCIAL POSITION

The current financial position of the System may be measured by comparing the assets of the System to the pension benefit obligation of the System where the latter represents the value of pensions currently in payment and pensions earned through the valuation date by the active membership. In the ideal, fully-funded state, the assets would be equal to the pension benefit obligation. A comparison of the current financial position, or funded status, as of the current valuation date, with that as of the previous valuation date is summarized in the table below.

COMPARISON OF FUNDED STATUS

(dollars in millions)

Valuation Date	Assets at Net Market Value	Pension Benefit Obligation	Funded Status
June 30, 2006	\$ 36,585	\$ 58,997	62.0%
June 30, 2005	34,085	56,075	60.8%

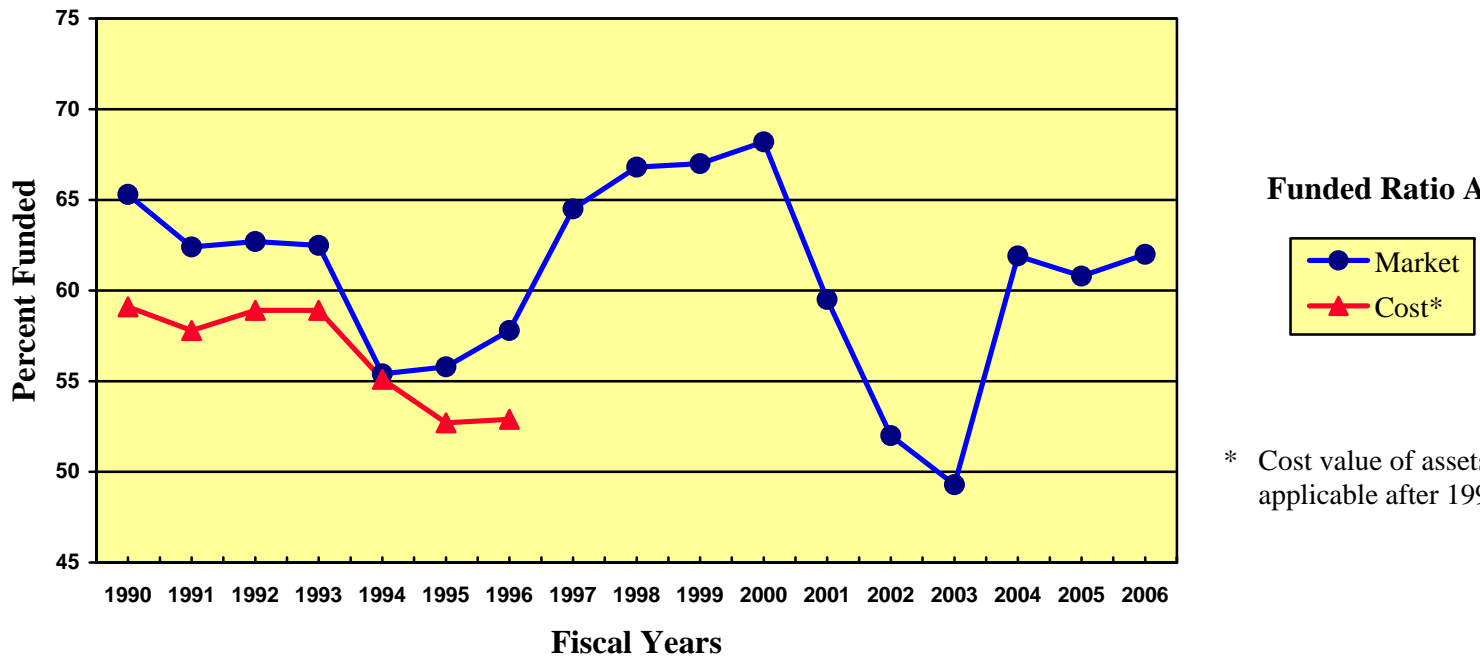
As can be seen from the table, the current funded status of the System is 62.0% as measured by the net market value of assets. The funded status on a market value basis has increased 1.2 percentage points from the previous valuation.

In assessing the financial position of the System, it is important to review annually the trend line of the funded status. As can be seen from the chart on page 8, the funded status based on either book value or market value of assets declined significantly from 1990 to 1996. The major portion of the decline was due to the failure of the State to adhere to the prior funding provisions of Senate Bill 95 (Public Act 86-0273). In fact, the decline in the funded ratio of the System would have been greater had it not been for the average investment return of the System, which was greater than the 8% return expected during this period of underfunding by the State. The decline in the funded ratio that occurred during fiscal years 2001 through 2003 is due to the rate of return of the market value of investments being less than the 8.5% expected.

The funding provisions of Section 16-158 are designed to attain a 90% funded ratio in fiscal year 2045. A projection of the future funded status of the System is shown in Schedule XV on pages 36 and 37.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

FUNDED RATIO FISCAL YEARS 1990 – 2006



* Cost value of assets not applicable after 1996.

SECTION IV — GAINS AND LOSSES DURING YEAR

The gain and loss analysis provides a measure of the impact of the demographic and economic factors on the results of the actuarial valuation, when compared to the actuarial assumptions used to anticipate these factors. The analysis is significant in providing a test of the adequacy of these assumptions over a period of time. A detailed reconciliation of the changes in the unfunded pension benefit obligation, including actuarial gains and losses, can be found in Schedule III on page 19.

The demographic factors affecting the gain and loss analysis include the following:

- (a) withdrawal from active membership;
- (b) mortality during active membership;
- (c) disability retirement;
- (d) service retirement; and
- (e) mortality after retirement.

The economic factors affecting the gain and loss analysis include the following:

- (a) investment rate of return; and
- (b) active members' salary increases.

During the fiscal year ended June 30, 2006, there was a net actuarial gain of \$1,491 million incurred by the System due to demographic and economic experience when compared to the actuarial assumptions used to anticipate these factors.

The significant factors contributing to this net gain included the following:

(1) Losses due to salary increases greater than expected	\$ 68 million
(2) Gains due to investment income over that expected	(1,160)
(3) Losses due to new entrants, for which no allowance is made in the assumptions	22
(4) Losses due to lower than expected mortality	17
(5) Losses due to fewer terminations than expected	20
(6) Losses due to repayments of refunded member contributions	29
(7) Losses due to ERO costs waived for those with 34 years of service	199
(8) Losses due to delayed reporting of retirements (effect on assets)	12
(9) Gains due to all other causes	<u>(698)</u>
Total net gains	\$(1,491) million

The gain from item 2 is the difference between the actuarial expected earnings of \$2.833 billion and the actual investment return of \$3.993 billion. The actuarial gain is equal to the expected earnings minus the actual investment return.

The loss from item 6 is due to restoration of the employer-paid portion of the benefit when members repaid previously refunded contributions.

The cost shown in item 7 is for 1,348 new retirements under the Early Retirement Option (ERO). Under the ERO the early retirement reduction is eliminated in exchange for one-time member and employer payments. The cost equals the excess of the increase in liability over the ERO payments received. The majority of the cost is for members who retired with 34 years of service, for which all ERO payments were waived.

The loss from item 8 is due to 390 retirements that occurred prior to July 1, 2005 and were not reported to the actuary until June 30, 2006 due to TRS processing constraints. The actuarial loss is equal to the value of benefits paid prior to July 1, 2006 to these late reported retirees.

The "other cause" category (item 9) is the balancing item needed to complete the reconciliation of the June 30, 2005 and June 30, 2006 unfunded PBOs and is mainly due to 1,500 fewer retirements than expected.

SECTION V — MEMBERSHIP DATA

The June 30, 2006 actuarial valuation was based on the latest membership data available, which were submitted by the System for (i) active and inactive members as of June 30, 2005, and (ii) annuitants and survivor annuitants in receipt of benefits as of June 30, 2006. As part of the valuation procedure, annualized salaries and member account balances reported for active members were increased by 4% to adjust for the one year lag in the census information reported for active members.

While the actuary did not verify the data at their source, the actuary did perform tests for internal consistency and reasonableness in relation to the data submitted for the previous valuation.

A comparison of the data for the current and previous valuations is as follows:

Comparison of Membership Data

Data Item	Valuation June 30, 2006	Valuation June 30, 2005	Percentage Change
Active membership:			
• Full-time and regular part-time:			
➤ Number	126,798	127,405	(0.5)
➤ Annual Compensation	\$ 7,444,943,148	\$ 7,245,699,232	2.7
➤ Average Compensation	\$ 58,715	\$ 56,871	3.2
• Substitute, part-time, hourly paid (limited schedule)			
➤ Number	29,148	30,238	(3.6)
➤ Annual Compensation	\$ 135,137,045	\$ 129,854,313	4.1
➤ Average Compensation	\$ 4,636	\$ 4,294	8.0
• Total Number	155,946	157,643	(1.1)
Inactive Membership:			
• Eligible for deferred annuities	14,729	14,204	3.7
• Eligible for refunds or single sum benefits only	79,865	74,078	7.8
Annuitants (retirees, disabilitants and survivors):			
• Number	85,153	82,491	3.2
• Annual annuities	\$ 3,016,863,293	\$ 2,796,716,671	7.9
• Average annual annuities	\$ 35,429	\$ 33,903	4.5

Notes:

1. Rates of pay for individual teachers who were on full-time or regular part-time status at both June 30, 2005 and June 30, 2006 increased on average 6.83%, compared to the expected average increase of 6.57%.
2. The 7.8% increase in the number of inactive members eligible for refunds or single sum benefits only is due primarily to experience among substitutes and other members on a limited or flexible schedule.

SECTION VI — ASSETS

For valuation purposes, the actuarial value of assets is set equal to the market value of assets reported by the System. The actuarial value of assets as of June 30, 2006 amounted to \$36,584,889,000. This amount includes \$51,724,000 receivable from members for future payroll deduction contributions.

Assets are expected to earn 8.5% of market value. The actuarial gain on account of investment income for the fiscal year ended June 30, 2006 is the difference between the actuarially expected earnings and the actual investment return. In fiscal year 2006, actuarially expected earnings of \$2.833 billion combined with the actual asset gain of \$3.993 billion equals the reported actuarial gain of \$1.160 billion.

During the fiscal year ended June 30, 2006, the actuarial investment rate of return was equal to 11.98%, based on market value. This may be compared to the actuarial investment rate of return of 10.69% during the fiscal year ended June 30, 2005, also based on market value.

SECTION VII — ACTUARIAL ASSUMPTIONS AND METHODS

Effective with the June 30, 2002 actuarial valuation, new assumptions regarding rates of separation, salary increase, mortality, optional service purchases, sick leave service credit and severance pay at retirement were adopted. The new member profiles necessary for the 50-year projection required by State funding law were also updated.

The actuarial cost method utilized is the projected unit credit cost method, which became effective with the June 30, 1989 valuation. Administrative expenses have been a component of the normal cost rate since the June 30, 1994 valuation. The financing objectives of the System specified by Public Act 94-0004, enacted in June 2005, were first effective for the recertified fiscal year 2006 contribution. The objective of the Act is to meet the cost of maintaining and administering the System on a 90% funded basis by June 30, 2045, while specifying the dollar amount of the State contribution for fiscal years 2006 and 2007, and placing upper limits on State contributions commencing with the contribution due for fiscal year 2008.

The rate of contribution determined under the funding method for fiscal years subsequent to 2007, according to the financing objective first established under Public Act 88-0593, as amended by Public Acts 90-00582, 93-0002, 94-0004 and 94-1057, is based on a projection of the liabilities, assets, expenses and payroll of the System for current and future members of the System for the period July 1, 2005 through June 30, 2045, and on the State's debt service on the System's portion of the full \$10 billion of Pension Obligation Bonds that were issued under Public Act 93-0002. The Governor's Office of Management and Budget provided the debt service schedule.

SECTION VIII — FINANCIAL RESULTS AND MEMBERSHIP DATA -
DETAILED SUMMARIES

Detailed summaries of the financial results of the valuation and membership data used in preparing the valuation are shown in the schedules that follow.

SCHEDULE IA
EMPLOYER'S CONTRIBUTION RATES AND AMOUNTS
FISCAL YEAR 2008
(Based on June 30, 2006 Actuarial Valuation)

Reserve Fund	Year Ended June 30, 2008
• Benefit Trust Reserve:	
> Employer's Cost	\$ 1,135,127,000
> Less School Districts for 2.2% formula	(48,103,000)
> Less Federal Funds	<u>(47,829,000)</u>
> State Contribution	\$ 1,039,195,000
• Guaranteed Minimum Annuity Reserve	
> State Contribution	\$ 2,100,000
Total State Contribution	\$ 1,041,295,000

Notes:**(1) Benefit Trust Reserve**

- (a) Employer's cost of \$1,135,127,000 is equivalent to a contribution rate of 13.69% of payroll based on an estimated membership payroll for fiscal year 2008 of \$8.294 billion.
- (b) Employer's cost is based on projection required by Section 16-158 summarized as follows:
- (i) Meet the cost of maintaining and administering the System on a 90% funded basis by June 30, 2045, with level percentage of payroll contributions after a 15 year phase-in beginning in fiscal year 1996.
 - (ii) Phase-in period requires employer's contribution rate to increase in equal annual increments to attain level percentage schedule in fiscal year 2010, except in the following State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll: 10.02% in FY1999; 10.77% in FY2000; 11.47% in FY2001; 12.16% in FY2002; 12.86% in FY2003; 13.56% in FY2004.
 - (iii) Commencing in FY2005, there are upper limits on the State contribution.
 - (iv) PA 94-0004 specifies the FY 2006 and FY 2007 State contribution amounts to TRS.
- (c) The FY 2008 state contribution rate is 13.11% of the estimated \$7.929 billion state payroll.

(2) Guaranteed Minimum Annuity Reserve

Above State contribution for fiscal year 2008 of \$2,100,000 for the Guaranteed Minimum Annuity Reserve is based on projection of benefit outgo from reserve funds in fiscal year 2008. As separate mortality studies have not been performed for the pensioners covered by this special reserve, the contribution has been adjusted to ensure payment of all benefits as required by Statute.

(3) Base Data

Base data used for 50-year projection under the Act is as follows:

- (a) June 30, 2006 valuation data. New entrant profile per actuarial assumptions.
- (b) Employer's contribution to Benefit Trust Reserve in fiscal year 2007 as shown in Schedules XIA and XIII:

	<u>Certified Contribution</u>
Common School Fund	\$ 735,514,500
School Districts for 2.2%	46,048,000
Federal Funds	<u>41,328,000</u>
Total	\$ 822,890,500

- (c) Funds deposited July 2, 2003 under section 7.2(d) of the General Obligation Bond Act: \$4,330,374,000, and debt service schedule provided by the Office of Management and Budget.
- (4) State contribution amounts shown in (3) are those contained in the final FY 2007 State budget. Federal Funds and School Districts contributions are estimated.

SCHEDULE IB

**DETERMINATION OF EMPLOYER CONTRIBUTION UNDER PUBLIC ACT 94-0004
FISCAL YEAR 2008
(Based on June 30, 2006 Actuarial Valuation)**

Benefit Trust Reserve	Year Ended June 30, 2008	Percentage of Payroll (State, Federal, Total)	
(1) Assumed Payrolls			
➤ Total Payroll	\$ 8,293,518,000		
➤ Less Federal Funds Payroll	<u>(364,915,000)</u>		
➤ State Payroll	\$ 7,928,603,000		
(2) Employer contribution that would have been required without funds provided by Sec. 7.2(d) of General Obligation Bond Act			
➤ Employer's Cost	\$ 1,458,368,000	17.58%	Total
➤ Less School Districts under Sec. 16-158(e)	<u>(48,103,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	\$ 1,410,265,000	17.00%	Total
➤ Less State Debt Service for TRS portion of all funds provided under Sec. 7.2 of General Obligation Bond Act	<u>(323,241,000)</u>	<u>(3.90)</u>	Total
➤ Maximum State and Federal Funds Contribution under PA 94-0004	\$ 1,087,024,000	13.11%	Total
(3) Employer contribution recognizing all system assets, before limiting State and Federal Funds contribution			
➤ Employer's Cost	\$ 1,154,119,000	13.92%	Total
➤ Less School Districts under Sec. 16-158(e)	<u>(48,103,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	\$ 1,106,016,000	13.34%	Total
(4) State and Federal Funds Contribution under PA 94-0004			
➤ Lesser of amounts under (2) and (3)	\$ 1,087,024,000	13.11%	Total
(5) Employer contribution under PA 94-0004			
➤ State Portion of (4), based on State Payroll	\$ 1,039,195,000	13.11%	State
➤ Plus Federal Portion of (4), based on Federal Payroll	<u>47,829,000</u>	13.11	Federal
➤ State and Federal Funds Contribution	\$ 1,087,024,000	13.11%	Total
➤ Plus School Districts under Sec. 16-158(e)	<u>48,103,000</u>	<u>0.58</u>	Total
➤ Employer's Cost	\$ 1,135,127,000	13.69%	Total

Notes:**(1) Assumed Payrolls**

The administrative staff of the System estimated Federal Funds payroll for the fiscal year ending June 30, 2008 would be 4.4% of total payroll. Federal Funds payroll was then projected to increase at the same rate as Total payroll for all subsequent fiscal years.

(2) Determination of Maximum State and Federal Funds Contribution under Public Act 94-0004

Under Section 7.2(d) of the General Obligation Bond Act (GOBA), TRS deposited \$4.33 billion on July 2, 2003. Commencing with fiscal year 2005, the maximum State contribution under the Act equals the State contribution that would have been required if this \$4.33 billion contribution had not been made, reduced, but not below zero, by the State's debt service on the TRS portion of the full \$10 billion of Pension Obligation Bonds issued under Section 7.2 of the GOBA. Commencing with fiscal year 2006 the Federal Funds contribute at the same rate as the State, and so a Combined State and Federal Funds contribution must be determined.

(3) Employer Contribution Recognizing \$4.33 Billion Deposited July 2, 2003

A gross employer contribution is determined that recognizes all system assets, and that meets the cost of maintaining and administering the System on a 90% funded basis by June 30, 2045, with level percentage of payroll contributions after a 15 year phase-in beginning in fiscal year 1996 (as described in Schedule IA).

(4) State and Federal Funds Contribution under Public Act 94-0004

The State and Federal Funds contribution is the lesser of the maximum contribution determined under (2) or the contribution determined under (3).

(5) Employer Contribution under Public Act 94-0004

The contribution determined under (4) is allocated to the State and to Federal Funds in proportion to their respective payrolls (shown in (1)). The employer contribution under PA 94-0004 equals the sum of these contributions, plus the expected 0.58% of payroll School District contributions for the 2.2% formula made under the provisions of Sec. 16-158(e).

(6) State Contribution Amount for FY 2006 and FY 2007 under PA 94-0004

PA 94-0004 specified actual contribution amounts for fiscal years 2006 and 2007 made by the State to the Benefit Trust Reserve.

Additional Information:

The following contributions made to the Benefit Trust Reserve are not shown in Schedule IB:

(a) From Members:

1. Sec. 16-128 payments for the purchase of optional service credit.
2. Sec. 16-133.2 ERO lump sum payments upon retirement with ERO benefits
3. Sec. 16-152 career contributions of 9.0% of salary, plus – commencing July 1, 2005 – an additional 0.4% toward the ERO program.

(b) From School Districts:

4. Sec. 16-128(d-10) payments for excessive sick leave service credit
5. Sec. 16-133.2 ERO lump sum payments when members retire with ERO benefits
6. Sec. 16-158(f) lump sum payments at retirement for the cost of pension benefits arising from salary increases over 6% used in the final average salary calculation.

Although these types of contributions are not shown in Schedule IB (or in Schedules XIIA, XIII, or XIV), they are all – with the exception of Sec. 16-128(d-10) payments – taken into account in the actuarial projection of the assets and funded status of the system, and the Schedule IB calculation is performed only *after* the above contributions have been taken into account.

An assumption for optional service purchases has been included in the projections since the June 30, 1994 valuation, and payments under Sec. 16-158(f) have been included since the recertified June 30, 2004 valuation. The career ERO contributions and lump sum payments toward ERO benefits were first recognized in the June 30, 2005 actuarial valuation. Finally, there is no assumption for excessive sick leave service credit, and so the projections do not currently include payments under Sec. 16-128(d-10).

SCHEDULE II**GASB 25 — REQUIRED SUPPLEMENTARY INFORMATION**

(\$ Thousands)

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/1997*	\$ 17,393,108	\$ 26,951,585	\$ 9,558,477	64.5%	\$ 5,013,583	190.7%
6/30/1998	19,965,887	29,908,241	9,942,354	66.8	5,323,403	186.8
6/30/1999	22,237,709	33,205,513	10,967,804	67.0	5,698,117	192.5
6/30/2000	24,481,413	35,886,404	11,404,991	68.2	6,062,884	188.1
6/30/2001	23,315,646	39,166,697	15,851,051	59.5	6,430,612	246.5
6/30/2002*	22,366,285	43,047,674	20,681,389	52.0	6,785,236	304.8
6/30/2003	23,124,823	46,933,432	23,808,609	49.3	7,059,032	337.3
6/30/2004	31,544,729	50,947,451	19,402,722	61.9	7,280,795	266.5
6/30/2005	34,085,218	56,075,029	21,989,811	60.8	7,550,510	291.2
6/30/2006	36,584,889	58,996,913	22,412,024	62.0	7,765,752	288.6

Schedule of Employer Contributions			
Total Employer Contributions (State, Federal Funds, and School Districts)			
Actuarial Valuation Date	Funding Year Ended June 30	Annual Required Contribution	Percentage Contributed
6/30/1995	1997	\$ 927,842	42.6%
6/30/1996	1998	983,312	48.6
6/30/1997 *	1999	932,909	64.7
6/30/1998	2000	1,003,612	68.6
6/30/1999	2001	1,102,441	70.6
6/30/2000	2002	1,163,262	74.1
6/30/2001	2003	1,427,519	68.0
6/30/2002 *	2004	1,716,977	64.3
6/30/2003	2005	1,683,212	58.7
6/30/2004	2006	1,679,524	35.8

The Government Accounting Standards Board (GASB) requires disclosure of the Annual Required Contribution (ARC) under a standard funding methodology. Amounts shown as the ARCs for each year are different from the contributions required by state statute. The information here was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date: 6/30/2006
 Actuarial Cost Method: Projected Unit Credit
 Amortization Method (for GASB disclosure): Level Percent Open
 Remaining Amortization Period (for GASB disclosure): 30 years
 Asset Valuation Method: Market

Actuarial Assumptions:

Investment Rate of Return: 8.5%
 Projected Salary Increases: 5.9 – 10.2% composite approximates 6.5%
 Includes Inflation at: 3.5%
 Cost-of-Living Adjustments: 3%

* Revised economic and noneconomic assumptions due to experience review.

SCHEDULE III
RECONCILIATION OF UNFUNDED PENSION BENEFIT OBLIGATION
(\$ Thousands)

Item	Year Ended June 30	
	2006	2005
Unfunded pension benefit obligation at beginning of year	\$ 21,989,811	\$ 19,402,722
Additions (deductions)		
Employer cost in excess of contributions	1,913,368	1,299,840
Amendments:		
Modified ERO under PA 94-0004 ¹	--	771,248
Change in actuarial assumptions:		
Change in retirement rates FY 2006 – FY 2007	--	<u>26,425</u>
Net additions (deductions)	1,913,368	2,097,513
Actuarial losses (gains) compared to assumptions		
Salary increases for continuing active members	68,398	236,687
Investment income ²	(1,159,525)	(682,294)
New entrant loss	21,735	23,509
Mortality other than expected	16,811	19,022
Terminations other than expected	20,116	18,830
Repayments of refunded member contributions ³	28,543	23,459
ERO costs waived for those with 34 years of service ⁴	198,867	487,173
Delayed reporting of retirements (effect on assets) ⁵	12,190	8,779
Other ⁶	<u>(698,290)</u>	<u>354,411</u>
Net actuarial losses (gains)	<u>(1,491,155)</u>	<u>489,576</u>
Unfunded pension benefit obligation at end of year	<u>\$ 22,412,024</u>	<u>\$ 21,989,811</u>

¹ The cost of the Modified ERO Program will be covered by member and employer ERO contributions and an additional active member contribution of 0.4% of pay.

² Assets are expected to earn 8.5% of market value. This item is the difference between the expected investment return and the actual investment return. For example, in fiscal year 2006, the expected earnings of \$2.833 billion was less than the \$3.993 billion actual return on assets, resulting in an actuarial gain which reduced the unfunded pension benefit obligation by \$1.160 billion. In fiscal year 2005, the expected earnings of \$2.648 billion was less than the \$3.330 billion actual return on assets, resulting in an actuarial gain which reduced the unfunded pension benefit obligation by \$0.682 billion.

³ This includes the employer-paid portion of the benefit that was restored when members repaid previously refunded contributions.

⁴ The 2005 ERO costs included accelerated retirements during FY 2005 by teachers who decided to retire by June 30, 2005 because ERO had originally been scheduled to sunset.

⁵ 401 retirements that occurred prior to 7/1/2004 were not reported to the actuary until 6/30/2005.
390 retirements that occurred prior to 7/1/2005 were not reported to the actuary until 6/30/2006.

⁶ Other includes items such as:

- (a) Retroactive benefit payments for individuals who delayed applying for retirement.
- (b) Differences between actual cost of benefits earned during the year and projected cost.
- (c) Retirements with reciprocal service credits.
- (d) Disablements and service retirements other than expected.
- (e) Delayed reporting of retirements (effect on PBO).

SCHEDULE IV
EMPLOYER COST IN EXCESS OF CONTRIBUTIONS
(\$ Thousands)

Item	Year Ended June 30	
	2006	2005
• Employer normal cost	\$ 645,706	\$ 637,971
• Interest on unfunded pension benefit obligation at beginning of year	<u>1,869,134</u>	<u>1,649,231</u>
Total employer cost	\$ 2,514,840	\$ 2,287,202
• Employer contributions toward normal cost and interest on unfunded pension benefit obligation		
— State (excluding Minimum Benefit)	\$ 531,827	\$ 903,928
— School Districts for 2.2% and Salary Increase Cap	45,314	43,593
— Federal Funds	<u>24,331</u>	<u>39,841</u>
Total employer credits	\$ 601,472	\$ 987,362
• Employer cost in excess of contributions	\$ 1,913,368	\$ 1,299,840

SCHEDULE V**10-YEAR HISTORY OF UNFUNDED
PENSION BENEFIT OBLIGATION**

Year Ended June 30	Pension Benefit Obligation	Net Assets* (Actuarial)	Unfunded Pension Benefit Obligation	Percentage Change in Unfunded
1997	\$ 26,951,585,000	\$ 17,393,108,000	\$ 9,558,477,000	(22.37)%
1998	29,908,241,000	19,965,887,000	9,942,354,000	4.02
1999	33,205,513,000	22,237,709,000	10,967,804,000	10.31
2000	35,886,404,000	24,481,413,000	11,404,991,000	3.99
2001	39,166,697,000	23,315,646,000	15,851,051,000	38.98
2002	43,047,674,000	22,366,285,000	20,681,389,000	30.47
2003	46,933,432,000	23,124,823,000	23,808,609,000	15.12
2004	50,947,451,000	31,544,729,000	19,402,722,000	(18.51)
2005	56,075,029,000	34,085,218,000	21,989,811,000	13.33
2006	58,996,913,000	36,584,889,000	22,412,024,000	1.92
Average Annual Change				7.73%

*Net assets are at fair market value.

SCHEDULE VI**10-YEAR HISTORY OF FUNDED STATUS**

Year Ended June 30	Pension Benefit Obligation	Net Assets* (Actuarial)	Funded Ratio
1997	\$ 26,951,585,000	\$ 17,393,108,000	64.5%
1998	29,908,241,000	19,965,887,000	66.8
1999	33,205,513,000	22,237,709,000	67.0
2000	35,886,404,000	24,481,413,000	68.2
2001	39,166,697,000	23,315,646,000	59.5
2002	43,047,674,000	22,366,285,000	52.0
2003	46,933,432,000	23,124,823,000	49.3
2004	50,947,451,000	31,544,729,000	61.9
2005	56,075,029,000	34,085,218,000	60.8
2006	58,996,913,000	36,584,889,000	62.0

* Net assets are at fair market value.

SCHEDULE VII**10-YEAR HISTORY OF SYSTEM REVENUE AND EXPENSES**

Year Ended June 30	Beginning of Year Market Value of Assets	Contributions		Market Value Income	Benefits and Expenses	End of Year Market Value of Assets
		Member	Employer			
1997	\$ 15,103,927,000	\$ 416,739,000	\$ 421,180,000	\$ 2,643,774,000	\$ 1,192,512,000	\$ 17,393,108,000
1998	17,393,108,000	441,016,000	502,934,000	2,873,101,000	1,244,272,000	19,965,887,000
1999	19,965,887,000	866,376,000	636,596,000	2,089,661,000	1,320,811,000	22,237,709,000
2000	22,237,709,000	619,623,000	730,597,000	2,336,218,000	1,442,734,000	24,481,413,000
2001	24,481,413,000	643,563,000	821,625,000	(1,015,254,000)	1,615,701,000	23,315,646,000
2002	23,315,646,000	681,152,000	907,358,000	(723,987,000)	1,813,884,000	22,366,285,000
2003	22,366,285,000	732,020,000	1,021,263,000	1,060,852,000	2,055,597,000	23,124,823,000
2004	23,124,823,000	768,661,000	5,489,426,000*	4,485,729,000	2,323,910,000	31,544,729,000
2005	31,544,729,000	761,790,000	1,055,562,000	3,330,039,000	2,606,902,000	34,085,218,000
2006	34,085,218,000	799,034,000	657,848,000	3,993,290,000	2,950,501,000	36,584,889,000

Notes: Market Value Income represents the net appreciation/(depreciation) in the market value of assets after adjusting for contributions received and benefits and expenses paid.

When calculating the actuarial gain or loss due to investment experience, for fiscal years 1995-2001, a portion of the employer contribution was treated as interest on the discounted employer ERI receivable reported by the System.

* The amount shown as the employer contribution for FY 2004 also includes \$4,330,374,000 which TRS deposited on July 2, 2003 as required under Section 7.2(d) of the General Obligation Bond Act.

SCHEDULE VIII**MEMBERSHIP DATA****ACTIVE AND INACTIVE MEMBERSHIP OF SYSTEM
AS OF JUNE 30, 2005
USED IN JUNE 30, 2006 VALUATION**

Group	Number	Annual Salaries (Adjusted to Valuation Date)
Active members:		
Reported full-time and regular part-time*	126,798	\$ 7,444,943,138
Reported substitutes and hourly paid	<u>29,148</u>	<u>135,137,045</u>
Total	155,946	\$ 7,580,080,183
Inactives:	94,594	N/A

*Age and service also adjusted for 2006 valuation as explained on page 4.

**ANNUITANTS, DISABILITY BENEFIT RECIPIENTS,
AND SURVIVOR ANNUITANTS OF THE SYSTEM
AS OF JUNE 30, 2006
(Excluding Guaranteed Minimum Annuities)**

Class	Number	Annual Annuities at June 30
Retired on account of service:		
Regular	42,041	\$ 1,353,271,703
ERI	11,183	481,322,340
ERO	<u>22,523</u>	<u>1,046,268,573</u>
Total	75,747	\$ 2,880,862,616
Disability benefit recipients:		
Retirement allowance	784	\$ 16,303,032
Occupational	6	231,022
Temporary	<u>299</u>	<u>6,992,149</u>
Total	1,089	\$ 23,526,203
Survivor benefit recipients:		
Children	93	\$ 688,314
Survivor annuitants	8,043	107,823,507
Reversionary annuitants	<u>181</u>	<u>3,962,653</u>
Total	8,317	\$ 112,474,474
Grand Total	85,153	\$ 3,016,863,293

SCHEDULE IX**HISTORY OF ACTIVE MEMBERSHIP DATA
FOR LAST 10 YEARS****Full-Time and Regular Part-Time**

Census Date June 30	Number of Active Members	Percentage Change in Membership	Average Annual Salary	Percentage Change in Salary
1996	110,939	2.55%	\$ 44,265	3.51%
1997	113,431	2.25	45,891	3.67
1998	116,358	2.58	47,375	3.23
1999	119,324	2.55	48,877	3.17
2000	122,598	2.74	50,195	2.70
2001	125,044	2.00	51,720	3.04
2002	126,738	1.35	53,319	3.09
2003	128,140	1.11	55,466	4.03
2004	127,405	(0.57)	56,871	2.53
2005	126,798	(0.48)	58,715	3.24

Substitutes, Part-Time and Hourly-Paid

Census Date June 30	Number of Active Members	Percentage Change in Membership	Average Annual Salary	Percentage Change in Salary
1996	21,668	4.68%	\$ 3,440	2.35%
1997	22,983	6.07	3,569	3.75
1998	22,949	(0.15)	3,874	8.55
1999	23,573	2.72	4,072	5.11
2000	24,235	2.81	4,306	5.75
2001	24,778	2.24	4,532	5.25
2002	27,952	12.81	4,488	(0.97)
2003	29,645	6.06	4,587	2.21
2004	30,238	2.00	4,294	(6.39)
2005	29,148	-3.60	4,636	7.96

SCHEDULE X**HISTORY OF ANNUITANT AND SURVIVOR
ANNUITANT MEMBERSHIP FOR LAST 10 YEARS**

Year Ended June 30	Number on Roll	Percentage Change in Membership
1997	59,342	(0.49)%
1998	59,127	(0.36)
1999	60,308	2.00
2000	62,107	2.98
2001	64,874	4.46
2002*	69,472	7.09
2003	73,336	5.56
2004	77,165	5.22
2005	82,491	6.90
2006	85,153	3.23

* Includes 1,519 additional annuitants on account of change in methodology of reporting recent retirements: In prior years only retirements processed on or before the valuation date were reported to the actuary. Commencing with the 2002 valuation, retirements effective on or before the valuation date that are processed after the valuation date are also reported to the actuary.

SCHEDULE XI**BENEFIT STREAMS FOR GUARANTEED MINIMUM ANNUITY RESERVE**

Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum
2007	\$ 2,171,970
2008	1,952,470
2009	1,748,260
2010	1,559,040
2011	1,384,440
2012	1,224,100
2013	1,077,570
2014	944,380
2015	823,950
2016	715,640
2017	618,740
2018	532,510
2019	456,170
2020	388,950
2021	330,060
2022	278,780
2023	234,330
2024	196,040
2025	163,230
2026	135,290
2027	111,610
2028	91,660
2029	74,940
2030	60,980

Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum
2031	\$ 49,390
2032	39,800
2033	31,900
2034	25,410
2035	20,100
2036	15,780
2037	12,280
2038	9,470
2039	7,220
2040	5,430
2041	4,030
2042	2,940
2043	2,100
2044	1,470
2045	1,000
2046	670
2047	430
2048	270
2049	160
2050	100
2051	50
2052	30
2053	20
2054	10

Notes:

- (1) Above benefit payment amounts were projected based on the mortality assumptions for the general pensioner population.
- (2) As separate mortality studies have not been performed for this special group, the fiscal 2008 State Contribution shown on the Summary of Principal Results has been adjusted to ensure payment of all required benefit amounts, as required by Statute.

SCHEDULE XIII

ITEMIZATION OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE

Year Ended June 30	Assumed Payrolls			(A) School District Sec. 16-158(e) Contribution	Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution
	Total	Federal Funds	State		Calculations Required by PA 94-0004			Required Amount	Required Rate		
					Formula Amount	Formula Rate	Maximum Amount				
1995	\$4,633,650,000				\$279,364,800	6.03%				\$16,500,000	\$262,864,800
1996	4,863,544,432				341,276,242	7.02%				17,000,000	324,276,242
1997	4,903,151,093				395,268,984	8.06%				17,300,000	377,968,984
1998	5,264,732,966				478,439,267	9.09%				18,000,000	460,439,267
1999	5,558,349,721			16,675,000	543,855,776	9.78%				18,500,000	567,067,600
2000	5,887,080,405			34,145,066	617,359,480	10.49%				18,200,000	634,038,560
2001	6,271,637,672			36,375,498	731,839,141	11.67%				20,000,000	719,356,841
2002	6,666,272,399			38,664,380	821,265,118	12.32%				23,000,000	810,618,724
2003	7,115,762,553			12,808,373	951,049,918	13.37%				25,000,000	926,049,918
2004	7,345,674,585			42,604,912	1,056,658,994	14.38%				29,400,000	1,027,258,994
2005	7,669,150,690			44,481,074	1,199,246,349	15.64%	940,103,532	940,103,532	12.26%	37,860,000	902,243,532
2006	7,871,835,902	340,850,495	7,530,985,407	45,656,648	555,898,087	7.06%	555,898,087	555,898,087	7.06%	24,070,387	531,827,700
2007	7,939,262,146	422,368,746	7,516,893,399	46,047,720	776,842,522	9.78%	776,842,522	776,842,522	9.78%	41,328,022	735,514,500
2008	8,293,518,065	364,914,795	7,928,603,270	48,102,405	1,106,016,254	13.34%	1,087,024,046	1,087,024,046	13.11%	47,829,058	1,039,194,988
2009	8,642,164,137	380,255,222	8,261,908,915	50,124,552	1,459,402,580	16.89%	1,451,329,971	1,451,329,971	16.79%	63,858,519	1,387,471,453
2010	8,997,605,662	395,894,649	8,601,711,013	52,186,113	1,838,939,252	20.44%	1,841,909,590	1,838,939,252	20.44%	80,913,327	1,758,025,925
2011	9,360,625,359	411,867,516	8,948,757,844	54,291,627	1,913,133,566	20.44%	1,930,178,511	1,913,133,566	20.44%	84,177,877	1,828,955,689
2012	9,731,990,820	428,207,596	9,303,783,224	56,445,547	1,989,033,593	20.44%	1,990,938,247	1,989,033,593	20.44%	87,517,478	1,901,516,115
2013	10,115,597,447	445,086,288	9,670,511,159	58,670,465	2,067,435,483	20.44%	2,085,400,324	2,067,435,483	20.44%	90,967,161	1,976,468,322
2014	10,517,544,589	462,771,962	10,054,772,627	61,001,759	2,149,585,824	20.44%	2,184,331,777	2,149,585,824	20.44%	94,581,776	2,055,004,048
2015	10,941,943,004	481,445,492	10,460,497,511	63,463,269	2,236,324,779	20.44%	2,288,721,090	2,236,324,779	20.44%	98,398,290	2,137,926,489
2016	11,390,369,435	501,176,255	10,889,193,180	66,064,143	2,327,974,601	20.44%	2,398,947,407	2,327,974,601	20.44%	102,430,882	2,225,543,719
2017	11,863,834,400	522,008,714	11,341,825,686	68,810,240	2,424,741,823	20.44%	2,500,577,081	2,424,741,823	20.44%	106,688,640	2,318,053,183
2018	12,363,823,514	544,008,235	11,819,815,279	71,710,176	2,526,930,078	20.44%	2,609,228,389	2,526,930,078	20.44%	111,184,923	2,415,745,154
2019	12,892,740,833	567,280,597	12,325,460,237	74,777,897	2,635,030,705	20.44%	2,725,479,414	2,635,030,705	20.44%	115,941,351	2,519,089,354
2020	13,453,728,942	591,964,074	12,861,764,869	78,031,628	2,749,685,991	20.44%	2,835,912,218	2,749,685,991	20.44%	120,986,184	2,628,699,808

Notes:

- The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006. Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Funds payrolls. Federal Funds payrolls for 2006 and 2007 were estimated to be 4.33% and 5.32%, respectively, of total payrolls for those years. For 2008 the estimate is 4.4% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2008.
- School District contributions in this schedule for years subsequent to 2005 are expected to be .58% of total payroll. Schedule excludes School District payments required by Sec. 16-128(d-10); 16-133.2; and 16-158(f). See Schedules IB (Note 5 and Additional Information) and XIIB for further discussion of the School District contributions.
- Federal Funds and State contributions for years subsequent to 2005 are equal to each group's respective payroll multiplied by the Combined State and Federal Funds Required Rate.
- Schedule excludes State ERI contributions made in fiscal years 2004 - 2005 under Public Act 92-0056, as amended. State ERI contributions equal \$1,000,000 for 2004, and \$1,684,000 for 2005.
- The sum of the amounts in columns (A), (B), and (C) equals the Total Amount of Employer Contribution shown on Schedule XIII.

SCHEDULE XIII

**ITEMIZATION OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE
(Continued)**

Year Ended June 30	Assumed Payrolls			(A) School District Sec. 16-158(e) Contribution	Combined State and Federal Funds					(B) Required Federal Funds Contribution	(C) Required State Contribution
	Total	Federal Funds	State		Calculations Required by PA 94-0004			Required Amount	Required Rate		
					Formula Amount	Formula Rate	Maximum Amount				
2021	14,046,300,344	618,037,215	13,428,263,128	81,468,542	2,870,796,301	20.44%	2,955,404,310	2,870,796,301	20.44%	126,315,037	2,744,481,264
2022	14,670,787,064	645,514,631	14,025,272,434	85,090,565	2,998,429,495	20.44%	3,084,035,529	2,998,429,495	20.44%	131,930,898	2,866,498,597
2023	15,326,864,236	674,382,026	14,652,482,210	88,895,813	3,132,519,174	20.44%	3,221,727,757	3,132,519,174	20.44%	137,830,844	2,994,688,331
2024	16,016,031,853	704,705,402	15,311,326,452	92,892,985	3,273,371,911	20.44%	3,354,046,685	3,273,371,911	20.44%	144,028,364	3,129,343,547
2025	16,739,089,466	736,519,937	16,002,569,530	97,086,719	3,421,151,118	20.44%	3,497,111,393	3,421,151,118	20.44%	150,530,649	3,270,620,469
2026	17,494,430,653	769,754,949	16,724,675,704	101,467,698	3,575,528,472	20.44%	3,664,997,710	3,575,528,472	20.44%	157,323,253	3,418,205,219
2027	18,282,253,139	804,419,138	17,477,834,001	106,037,068	3,736,544,386	20.44%	3,842,203,636	3,736,544,386	20.44%	164,407,953	3,572,136,433
2028	19,104,697,612	840,606,695	18,264,090,917	110,807,246	3,904,636,374	20.44%	4,014,448,924	3,904,636,374	20.44%	171,804,000	3,732,832,374
2029	19,963,471,417	878,392,742	19,085,078,675	115,788,134	4,080,153,386	20.44%	4,197,693,673	4,080,153,386	20.44%	179,526,749	3,900,626,637
2030	20,860,639,040	917,868,118	19,942,770,923	120,991,706	4,263,517,363	20.44%	4,377,639,311	4,263,517,363	20.44%	187,594,764	4,075,922,599
2031	21,797,624,774	959,095,490	20,838,529,284	126,426,224	4,455,019,403	20.44%	4,570,177,873	4,455,019,403	20.44%	196,020,854	4,258,998,549
2032	22,777,728,895	1,002,220,071	21,775,508,824	132,110,828	4,655,334,021	20.44%	4,790,897,950	4,655,334,021	20.44%	204,834,697	4,450,499,324
2033	23,802,450,700	1,047,307,831	22,755,142,869	138,054,214	4,864,767,644	20.44%	5,039,405,521	4,864,767,644	20.44%	214,049,776	4,650,717,868
2034	24,874,073,703	1,094,459,243	23,779,614,460	144,269,627	5,083,786,979	20.44%	5,981,270,138	5,083,786,979	20.44%	223,686,627	4,860,100,352
2035	25,996,201,320	1,143,832,858	24,852,368,462	150,777,968	5,313,128,494	20.44%	6,251,099,217	5,313,128,494	20.44%	233,777,654	5,079,350,840
2036	27,171,806,088	1,195,559,468	25,976,246,620	157,596,475	5,553,399,722	20.44%	6,533,787,521	5,553,399,722	20.44%	244,349,588	5,309,050,134
2037	28,406,942,221	1,249,905,458	27,157,036,764	164,760,265	5,805,838,026	20.44%	6,830,790,857	5,805,838,026	20.44%	255,456,873	5,550,381,153
2038	29,706,469,008	1,307,084,636	28,399,384,372	172,297,520	6,071,436,554	20.44%	7,143,277,700	6,071,436,554	20.44%	267,143,208	5,804,293,346
2039	31,077,435,761	1,367,407,174	29,710,028,587	180,249,127	6,351,636,051	20.44%	7,472,943,142	6,351,636,051	20.44%	279,471,986	6,072,164,064
2040	32,521,365,644	1,430,940,088	31,090,425,556	188,623,921	6,646,747,821	20.44%	7,820,153,445	6,646,747,821	20.44%	292,456,904	6,354,290,917
2041	34,040,133,995	1,497,765,896	32,542,368,099	197,432,777	6,957,155,150	20.44%	8,185,359,559	6,957,155,150	20.44%	306,114,827	6,651,040,323
2042	35,635,034,725	1,567,941,528	34,067,093,197	206,683,201	7,283,122,487	20.44%	8,568,872,619	7,283,122,487	20.44%	320,457,389	6,962,665,097
2043	37,308,573,284	1,641,577,225	35,666,996,059	216,389,725	7,625,161,898	20.44%	8,971,295,090	7,625,161,898	20.44%	335,507,124	7,289,654,774
2044	39,064,024,603	1,718,817,083	37,345,207,521	226,571,343	7,983,942,718	20.44%	9,393,414,469	7,983,942,718	20.44%	351,293,480	7,632,649,238
2045	40,902,706,255	1,799,719,075	39,102,987,179	237,235,696	8,359,734,233	20.44%	9,835,547,583	8,359,734,233	20.44%	367,828,306	7,991,905,927
2046	42,827,936,882	1,884,429,223	40,943,507,660	248,402,034	3,330,048,632	7.78%	3,330,048,632	3,330,048,632	7.78%	146,522,140	3,183,526,492

Notes:

- (1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006. Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Funds payrolls. Federal Funds payrolls for 2006 and 2007 were estimated to be 4.33% and 5.32%, respectively, of total payrolls for those years. For 2008 the estimate is 4.4% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2008.
- (2) School District contributions in this schedule for years subsequent to 2005 are expected to be .58% of total payroll. Schedule excludes School District payments required by Sec. 16-128(d-10); 16-133.2; and 16-158(f). See Schedules IB (Note 5 and Additional Information) and XIIB for further discussion of the School District contributions.
- (3) Federal Funds and State contributions for years subsequent to 2005 are equal to each group's respective payroll multiplied by the Combined State and Federal Funds Required Rate.
- (4) Schedule excludes State ERI contributions made in fiscal years 2004 - 2005 under Public Act 92-0056, as amended. State ERI contributions equal \$1,000,000 for 2004, and \$1,684,000 for 2005.
- (5) The sum of the amounts in columns (A), (B), and (C) equals the Total Amount of Employer Contribution shown on Schedule XIII.

SCHEDULE XIIB

ADDITIONAL DETAIL OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE

	Year Ended June 30	School District Contributions			Required Federal Funds Contribution	Required State Contribution	Total All Employers
		Sec.16-158(e) (2.2 Formula)	Sec.16-158(f) (Pay Increases)	Sec.16-133.2 (ERO)			
FROM PRE-2006 VALUATIONS	1995				\$16,500,000	\$262,864,800	\$279,364,800
	1996				17,000,000	324,276,242	341,276,242
	1997				17,300,000	377,968,984	395,268,984
	1998				18,000,000	460,439,267	478,439,267
	1999	16,675,000			18,500,000	567,067,600	602,242,600
	2000	34,145,066			18,200,000	634,038,560	686,383,626
	2001	36,375,498			20,000,000	719,356,841	775,732,339
	2002	38,664,380			23,000,000	810,618,724	872,283,104
	2003	12,808,373			25,000,000	926,049,918	963,858,291
	2004	42,604,912			29,400,000	1,028,258,994	1,100,263,906
	2005	44,481,074			37,860,000	903,927,532	986,268,606
	2006	45,656,648	14,974,781	See note(3)	24,070,387	531,827,700	616,529,516
	2007	46,047,720	19,353,893	160,339,640	225,741,253	735,514,500	1,002,583,775
	2008	48,102,405	0	83,137,070	131,239,475	47,829,058	1,039,194,988
PROJECTED	2009	50,124,552	2,000,000	87,549,820	139,674,372	63,858,519	1,387,471,453
	2010	52,186,113	2,000,000	83,171,020	137,357,133	1,758,025,925	1,976,296,385
	2011	54,291,627	2,000,000	78,905,900	135,197,527	84,177,877	1,828,955,689
	2012	56,445,547	5,000,000	75,709,220	137,154,767	87,517,478	1,901,516,115
	2013	58,670,465	5,000,000	71,656,400	135,326,865	90,967,161	1,976,468,322
	2014	61,001,759	7,000,000	67,960,580	135,962,339	94,581,776	2,055,004,048
	2015	63,463,269	56,182,580	66,545,700	186,191,549	98,398,290	2,137,926,489
	2016	66,064,143	54,884,070	66,084,920	187,033,133	102,430,882	2,225,543,719
	2017	68,810,240	53,102,470	68,709,300	190,622,010	106,688,640	2,318,053,183
	2018	71,710,176	52,103,160	73,155,960	196,969,296	111,184,923	2,415,745,154
	2019	74,777,897	51,570,500	77,641,490	203,989,887	115,941,351	2,519,089,354
	2020	78,031,628	51,437,580	81,182,400	210,651,608	120,986,184	2,628,699,808

Notes:

- (1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006.
- (2) Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Fund payrolls, and the required contribution rate for Federal Funds is calculated to be the same as the State contribution rate.
- (3) Post FY 2006 School District contributions under Sec. 16-158(e) in this schedule are projected at .58% of total payroll. Commencing with the contribution for fiscal 2007, School District Sec. 133.2 contributions are included in this schedule. School District contributions under Sec. 16-128(d-10) are projected to be zero in the valuation (and in this schedule). Note (5) and the Additional Information following Schedule IB discuss the School District contributions.
- (4) State ERI contributions of \$1,000,000 for 2004, and \$1,684,000 for 2005 (under PA 92-0056, as amended) are included above.
- (5) The sum of the School District Sec. 16-158(e) contributions and the required State and Federal Funds contributions, minus the State ERI contributions in note (4), is equal to the Total Amount of Employer Contribution shown on Schedule XIII.

SCHEDULE XIIB

**ADDITIONAL DETAIL OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE
(Continued)**

Year Ended June 30	School District Contributions				Required Federal Funds Contribution	Required State Contribution	Total All Employers
	Sec.16-158(e) (2.2 Formula)	Sec.16-158(f) (Pay Increases)	Sec.16-133.2 (ERO)	Total			
2021	81,468,542	52,522,320	85,521,370	219,512,232	126,315,037	2,744,481,264	3,090,308,533
2022	85,090,565	54,431,270	91,527,320	231,049,155	131,930,898	2,866,498,597	3,229,478,650
2023	88,895,813	57,076,180	99,777,660	245,749,653	137,830,844	2,994,688,331	3,378,268,827
2024	92,892,985	60,267,980	109,863,720	263,024,685	144,028,364	3,129,343,547	3,536,396,596
2025	97,086,719	63,915,550	120,604,660	281,606,929	150,530,649	3,270,620,469	3,702,758,047
2026	101,467,698	68,877,420	135,438,620	305,783,738	157,323,253	3,418,205,219	3,881,312,210
2027	106,037,068	73,024,010	147,179,280	326,240,358	164,407,953	3,572,136,433	4,062,784,744
2028	110,807,246	78,026,320	153,449,840	342,283,406	171,804,000	3,732,832,374	4,246,919,780
2029	115,788,134	82,375,600	154,748,900	352,912,634	179,526,749	3,900,626,637	4,433,066,020
2030	120,991,706	88,449,220	159,952,600	369,393,526	187,594,764	4,075,922,599	4,632,910,889
2031	126,426,224	95,076,880	175,831,320	397,334,424	196,020,854	4,258,998,549	4,852,353,827
2032	132,110,828	99,915,520	185,676,050	417,702,398	204,834,697	4,450,499,324	5,073,036,419
2033	138,054,214	104,726,130	189,646,080	432,426,424	214,049,776	4,650,717,868	5,297,194,068
2034	144,269,627	107,891,620	186,442,420	438,603,667	223,686,627	4,860,100,352	5,522,390,646
2035	150,777,968	113,420,590	192,830,520	457,029,078	233,777,654	5,079,350,840	5,770,157,572
2036	157,596,475	119,988,680	212,420,780	490,005,935	244,349,588	5,309,050,134	6,043,405,657
2037	164,760,265	121,550,400	216,085,370	502,396,035	255,456,873	5,550,381,153	6,308,234,061
2038	172,297,520	121,339,210	209,718,050	503,354,780	267,143,208	5,804,293,346	6,574,791,334
2039	180,249,127	118,256,330	198,775,570	497,281,027	279,471,986	6,072,164,064	6,848,917,078
2040	188,623,921	121,165,110	202,245,020	512,034,051	292,456,904	6,354,290,917	7,158,781,872
2041	197,432,777	126,296,590	210,897,620	534,626,987	306,114,827	6,651,040,323	7,491,782,137
2042	206,683,201	131,663,500	222,040,780	560,387,481	320,457,389	6,962,665,097	7,843,509,968
2043	216,389,725	137,971,300	232,782,780	587,143,805	335,507,124	7,289,654,774	8,212,305,703
2044	226,571,343	146,760,380	243,425,660	616,757,383	351,293,480	7,632,649,238	8,600,700,101
2045	237,235,696	162,521,530	254,294,240	654,051,466	367,828,306	7,991,905,927	9,013,785,699
2046	248,402,034	177,843,560	265,472,180	691,717,774	146,522,140	3,183,526,492	4,021,766,406

Notes:

- (1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006.
- (2) Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Fund payrolls, and the required contribution rate for Federal Funds is calculated to be the same as the State contribution rate.
- (3) Post FY 2006 School District contributions under Sec. 16-158(e) in this schedule are projected at .58% of total payroll. Commencing with the contribution for fiscal 2007, School District Sec. 133.2 contributions are included in this schedule. School District contributions under Sec. 16-128(d-10) are projected to be zero in the valuation (and in this schedule). Note (5) and the Additional Information following Schedule IB discuss the School District contributions.
- (4) State ERI contributions of \$1,000,000 for 2004, and \$1,684,000 for 2005 (under PA 92-0056, as amended) are included above.
- (5) The sum of the School District Sec. 16-158(e) contributions and the required State and Federal Funds contributions, minus the State ERI contributions in note (4), is equal to the Total Amount of Employer Contribution shown on Schedule XIII.

SCHEDULE XIII

**FISCAL YEAR 2008 EMPLOYER CONTRIBUTION BASED ON
50-YEAR PROJECTION FOR BENEFIT TRUST RESERVE
(50-YEAR AMORTIZATION WITH 15 YEAR PHASE-IN BEGINNING FISCAL YEAR 1996)**

	Year Ended June 30	Amort. Year	End of Year		Employer Rate (see notes)			Amount of Employer Contribution (see notes)			Assumed Payroll
			Funded Ratio	Unfunded Pension Benefit Obligation	Total	Normal Cost	Amortization	Total	Normal Cost	Amortization	
CERTIFIED	1995	0	52.7%	\$11,338,701,000	6.03%	8.12%	-2.09%	\$279,364,800	\$376,122,700	(\$96,757,900)	\$4,633,650,000
	1996	1	52.9%	12,312,083,000	7.02%	8.23%	-1.21%	341,276,242	400,134,055	(58,857,812)	4,863,544,432
	1997	2	64.5%	9,558,477,000	8.06%	8.21%	-0.15%	395,268,984	402,771,457	(7,502,473)	4,903,151,093
	1998	3	66.8%	9,942,354,000	9.09%	8.38%	0.70%	478,439,267	441,403,004	37,036,263	5,264,732,966
	1999	4	67.0%	10,967,804,000	10.83%	7.84%	2.99%	602,242,600	435,910,961	166,331,639	5,558,349,721
	2000	5	68.2%	11,404,991,000	11.66%	8.15%	3.51%	686,383,626	479,928,856	206,454,770	5,887,080,405
	2001	6	59.5%	15,851,051,000	12.37%	8.65%	3.71%	775,732,339	542,794,806	232,937,533	6,271,637,672
	2002	7	52.0%	20,681,389,000	13.09%	8.84%	4.25%	872,283,104	588,971,933	283,311,171	6,666,272,399
	2003	8	49.3%	23,808,609,000	13.55%	8.83%	4.71%	963,858,291	628,536,783	335,321,507	7,115,762,553
	2004	9	61.9%	19,402,722,000	14.96%	8.15%	6.82%	1,099,263,906	598,462,925	500,800,982	7,345,674,585
	2005	10	60.8%	21,989,811,000	12.84%	8.32%	4.52%	984,584,606	637,971,250	346,613,356	7,669,150,690
	2006	11	62.0%	22,412,024,000	7.64%	8.20%	-0.57%	601,554,735	645,705,698	(44,644,896)	7,871,835,902
	2007	12	61.1%	24,365,691,559	10.36%	8.20%	2.17%	822,890,242	650,835,074	172,055,146	7,939,262,146
PROJECTED	2008	13	60.8%	25,849,937,997	13.69%	8.22%	5.47%	1,135,126,451	681,651,502	453,474,949	8,293,518,065
	2009	14	60.9%	27,094,371,319	17.37%	8.13%	9.24%	1,501,454,523	702,529,080	798,925,444	8,642,164,137
	2010	15	61.5%	28,064,157,452	21.02%	8.01%	13.01%	1,891,125,365	720,626,105	1,170,499,260	8,997,605,662
	2011	16	62.0%	29,060,479,793	21.02%	7.87%	13.15%	1,967,425,193	736,595,795	1,230,829,398	9,360,625,359
	2012	17	62.5%	30,078,301,615	21.02%	7.72%	13.30%	2,045,479,140	751,220,881	1,294,258,259	9,731,990,820
	2013	18	62.9%	31,119,770,270	21.02%	7.56%	13.46%	2,126,105,948	764,646,857	1,361,459,092	10,115,597,447
	2014	19	63.4%	32,181,841,173	21.02%	7.42%	13.60%	2,210,587,583	780,305,830	1,430,281,753	10,517,544,589
	2015	20	63.8%	33,210,150,800	21.02%	7.29%	13.73%	2,299,788,048	797,567,794	1,502,220,254	10,941,943,004
	2016	21	64.2%	34,251,104,400	21.02%	7.18%	13.84%	2,394,038,744	817,724,582	1,576,314,162	11,390,369,435
	2017	22	64.6%	35,300,238,296	21.02%	7.09%	13.93%	2,493,552,063	841,037,595	1,652,514,468	11,863,834,400
	2018	23	65.0%	36,353,025,028	21.02%	7.02%	14.00%	2,598,640,254	867,827,584	1,730,812,670	12,363,823,514
	2019	24	65.5%	37,406,804,985	21.02%	6.97%	14.05%	2,709,808,602	898,506,383	1,811,302,219	12,892,740,833
	2020	25	65.9%	38,459,579,310	21.02%	6.94%	14.08%	2,827,717,619	933,566,016	1,894,151,603	13,453,728,942

Notes:

- Above contributions to the Benefit Trust Reserve represent the sum of State and Federal Funds Contributions, as well as School District Contributions for the 2.2% formula (commencing in 1999). A breakdown of the total amounts by source is shown on Schedule XI.A. Sec. 16-158 requires calculations of State contribution amounts as shown in Schedule IB beginning in FY 2005.
- The following employer contributions to the Benefit Trust Reserve were taken into account when determining the above schedule, but are not included in this schedule: (a) State ERI contributions of \$1,000,000 for fiscal year 2004 and \$1,684,000 for fiscal year 2005, which were made under a separate funding plan. (Beginning in fiscal year 2006, the cost of ERI is part of the 50-year funding plan, and included in this schedule); (b) School District Contributions to the Benefit Trust Reserve under Sec. 16-133.2 and 16-158(f), which are shown in Schedule XI.B; and (c) for FY 1999, additional State funding due to PA 90-0582, and \$9,695,600 in additional State Pensions Fund appropriations. No School District contributions are anticipated under Sec. 16-128(d-10).
- Amortization rate in fiscal years 1995-1997 and 2006 is negative on account of the fact that contributions do not cover normal cost.
- Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 - 2007 are based on the June 30, 1993 - June 30, 2005 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. Items shown for fiscal years subsequent to 2007 are based on the June 30, 2006 actuarial valuation and are projected rates and amounts.
- Modified ERO retirements are recognized commencing with the June 30, 2005 actuarial liability, while FY 2006 and FY 2007 Pipeline ERO retirements are first recognized in the June 30, 2006, and projected June 30, 2007 accrued liabilities.
- For calculation purposes, Employer Rates include 15 decimal places. For ease of presentation, only 2 decimal places are shown.
- Assumptions and methodology:
 - Prior to 1997: Return on Investment = 8.00%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.00%. Assets at cost value.
 - For 1997 and after: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. Assets at market value.

SCHEDULE XIII

**FISCAL YEAR 2008 EMPLOYER CONTRIBUTION BASED ON
50-YEAR PROJECTION FOR BENEFIT TRUST RESERVE
(50-YEAR AMORTIZATION WITH 15 YEAR PHASE-IN BEGINNING FISCAL YEAR 1996)
(Continued)**

Year Ended June 30	Amort. Year	End of Year		Employer Rate (see notes)			Amount of Employer Contribution (see notes)			Assumed Payroll
		Funded Ratio	Unfunded Pension Benefit Obligation	Total	Normal Cost	Amortization	Total	Normal Cost	Amortization	
2021	26	66.3%	39,505,285,599	21.02%	6.92%	14.10%	2,952,264,843	971,875,804	1,980,389,040	14,046,300,344
2022	27	66.8%	40,535,241,456	21.02%	6.90%	14.12%	3,083,520,060	1,012,150,428	2,071,369,631	14,670,787,064
2023	28	67.3%	41,541,245,956	21.02%	6.89%	14.13%	3,221,414,987	1,055,881,080	2,165,533,907	15,326,864,236
2024	29	67.8%	42,514,950,433	21.02%	6.89%	14.13%	3,366,264,896	1,103,358,440	2,262,906,457	16,016,031,853
2025	30	68.4%	43,449,158,952	21.02%	6.90%	14.12%	3,518,237,837	1,154,844,420	2,363,393,417	16,739,089,466
2026	31	69.0%	44,325,093,520	21.02%	6.89%	14.13%	3,676,996,170	1,205,206,626	2,471,789,545	17,494,430,653
2027	32	69.6%	45,139,175,671	21.02%	6.88%	14.14%	3,842,581,454	1,257,652,180	2,584,929,274	18,282,253,139
2028	33	70.3%	45,888,054,084	21.02%	6.87%	14.15%	4,015,443,620	1,312,318,385	2,703,125,235	19,104,697,612
2029	34	71.0%	46,567,820,021	21.02%	6.86%	14.16%	4,195,941,520	1,369,311,962	2,826,629,558	19,963,471,417
2030	35	71.8%	47,156,401,190	21.02%	6.84%	14.18%	4,384,509,069	1,426,677,346	2,957,831,724	20,860,639,040
2031	36	72.6%	47,623,285,231	21.02%	6.81%	14.21%	4,581,445,627	1,484,219,332	3,097,226,295	21,797,624,774
2032	37	73.5%	47,962,698,843	21.02%	6.78%	14.24%	4,787,444,849	1,544,122,160	3,243,322,689	22,777,728,895
2033	38	74.4%	48,165,589,533	21.02%	6.75%	14.27%	5,002,821,858	1,606,448,212	3,396,373,646	23,802,450,700
2034	39	75.4%	48,224,157,856	21.02%	6.72%	14.30%	5,228,056,606	1,671,310,763	3,556,745,843	24,874,073,703
2035	40	76.4%	48,099,037,096	21.02%	6.69%	14.33%	5,463,906,462	1,738,908,639	3,724,997,823	25,996,201,320
2036	41	77.5%	47,746,836,670	21.02%	6.66%	14.36%	5,710,996,197	1,809,394,328	3,901,601,869	27,171,806,088
2037	42	78.6%	47,161,809,652	21.02%	6.62%	14.40%	5,970,598,291	1,880,280,346	4,090,317,945	28,406,942,221
2038	43	79.8%	46,337,938,724	21.02%	6.62%	14.40%	6,243,734,074	1,966,297,160	4,277,436,914	29,706,469,008
2039	44	81.0%	45,250,725,042	21.02%	6.62%	14.40%	6,531,885,178	2,057,042,649	4,474,842,529	31,077,435,761
2040	45	82.3%	43,843,793,510	21.02%	6.62%	14.40%	6,835,371,742	2,152,617,630	4,682,754,111	32,521,365,644
2041	46	83.7%	42,071,845,788	21.02%	6.62%	14.40%	7,154,587,927	2,253,146,235	4,901,441,691	34,040,133,995
2042	47	85.2%	39,889,888,168	21.02%	6.62%	14.40%	7,489,805,688	2,358,714,109	5,131,091,578	35,635,034,725
2043	48	86.7%	37,250,005,124	21.02%	6.62%	14.40%	7,841,551,623	2,469,487,090	5,372,064,533	37,308,573,284
2044	49	88.3%	34,098,368,937	21.02%	6.62%	14.40%	8,210,514,061	2,585,681,948	5,624,832,113	39,064,024,603
2045	50	90.0%	30,373,326,875	21.02%	6.62%	14.40%	8,596,969,929	2,707,385,894	5,889,584,035	40,902,706,255
2046	51	90.0%	31,662,462,772	8.36%	6.62%	1.74%	3,578,450,666	2,834,818,593	743,632,073	42,827,936,882

PROJECTED

Notes:

- (1) Above contributions to the Benefit Trust Reserve represent the sum of State and Federal Funds Contributions, as well as School District Contributions for the 2.2% formula (commencing in 1999). A breakdown of the total amounts by source is shown on Schedule XIIA. Sec. 16-158 requires calculations of State contribution amounts as shown in Schedule IB beginning in FY 2005.
- (2) The following employer contributions to the Benefit Trust Reserve were taken into account when determining the above schedule, but are not included in this schedule: (a) State ERI contributions of \$1,000,000 for fiscal year 2004 and \$1,684,000 for fiscal year 2005, which were made under a separate funding plan. (Beginning in fiscal year 2006, the cost of ERI is part of the 50-year funding plan, and included in this schedule); (b) School District Contributions to the Benefit Trust Reserve under Sec. 16-133.2 and 16-158(f), which are shown in Schedule XIIB; and (c) for FY 1999, additional State funding due to PA 90-0582, and \$9,695,600 in additional State Pensions Fund appropriations. No School District contributions are anticipated under Sec. 16-128(d-10).
- (3) Amortization rate in fiscal years 1995-1997 and 2006 is negative on account of the fact that contributions do not cover normal cost.
- (4) Employer Rates, Contribution Amounts, and Assumed Payroll shown for fiscal years 1995 - 2007 are based on the June 30, 1993 - June 30, 2005 actuarial valuations (2004 as recertified per PA 94-0004) and are certified amounts. Items shown for fiscal years subsequent to 2007 are based on the June 30, 2006 actuarial valuation and are projected rates and amounts.
- (5) Modified ERO retirements are recognized commencing with the June 30, 2005 actuarial liability, while FY 2006 and FY 2007 Pipeline ERO retirements are first recognized in the June 30, 2006, and projected June 30, 2007 accrued liabilities.
- (6) For calculation purposes, Employer Rates include 15 decimal places. For ease of presentation, only 2 decimal places are shown.
- (7) Assumptions and methodology:
 - Prior to 1997: Return on Investment = 8.00%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.00%. Assets at cost value.
 - For 1997 and after: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. Assets at market value.

SCHEDULE XIV

**PROJECTION OF ASSETS, EMPLOYER, STATE AND FEDERAL FUNDS CONTRIBUTIONS WITHOUT PENSION OBLIGATION BONDS
STATE'S DEBT SERVICE ON PENSION OBLIGATION BONDS, AND STATE AND FEDERAL FUND MAXIMUMS
WITH PENSION OBLIGATION BONDS
JUNE 30, 2006 VALUATION**

Year Ended June 30	End of Year Assets Without POB	Total Assumed Payroll	Without POB				State's Debt Service	With POB
			Required Employer (including Sec. 16-158(e))		Required State and Federal Funds			State and Federal Funds Maximum (Required Amount Minus Debt Service)
			Amount	Rate	Amount	Rate		
2003	23,124,823,000	7,115,762,553	963,858,291	13.55%	951,049,918	13.37%		
2004	26,501,701,000	7,345,674,585	1,099,263,906	14.96%	1,056,658,994	14.38%		
2005	28,812,420,000	7,669,150,690	1,278,235,766	16.67%	1,233,754,692	16.09%	293,651,160	
2006	30,991,751,000	7,871,835,902	895,205,895	11.37%	849,549,247	10.79%	293,651,160	
2007	32,447,476,603	7,939,262,146	1,116,541,402	14.06%	1,070,493,682	13.48%	293,651,160	
2008	34,113,000,722	8,293,518,065	1,458,367,611	17.58%	1,410,265,206	17.00%	323,241,160	
2009	36,129,611,010	8,642,164,137	1,823,955,933	21.11%	1,773,831,381	20.53%	322,501,410	
2010	38,516,146,886	8,997,605,662	2,215,768,593	24.63%	2,163,582,480	24.05%	321,672,890	
2011	40,967,884,004	9,360,625,359	2,305,166,558	24.63%	2,250,874,931	24.05%	320,696,420	
2012	43,479,646,483	9,731,990,820	2,396,619,769	24.63%	2,340,174,222	24.05%	349,235,975	
2013	46,036,225,873	10,115,597,447	2,491,087,514	24.63%	2,432,417,049	24.05%	347,016,725	
2014	48,637,606,390	10,517,544,589	2,590,071,831	24.63%	2,529,070,072	24.05%	344,738,295	
2015	51,343,957,041	10,941,943,004	2,694,585,044	24.63%	2,631,121,775	24.05%	342,400,685	
2016	54,118,288,136	11,390,369,435	2,805,015,445	24.63%	2,738,951,302	24.05%	340,003,895	
2017	56,974,878,104	11,863,834,400	2,921,611,886	24.63%	2,852,801,646	24.05%	352,224,565	
2018	59,929,763,902	12,363,823,514	3,044,740,218	24.63%	2,973,030,042	24.05%	363,801,653	
2019	62,999,641,210	12,892,740,833	3,174,992,468	24.63%	3,100,214,571	24.05%	374,735,158	
2020	66,205,755,634	13,453,728,942	3,313,142,536	24.63%	3,235,110,908	24.05%	399,198,690	

Note: This schedule shows how the maximum state and federal funds contributions under PA 94-0004 are determined. It shows projections of the amounts shown in Schedule IB, item 2: contributions that would have been required if there were no POB program, minus the debt service. Schedule excludes School District payments required by Sec. 16-128(d-10), 16-133.2, and 16-158(f) (because they are not a set percentage of payroll).

SCHEDULE XIV

**PROJECTION OF ASSETS, EMPLOYER, STATE FEDERAL FUNDS CONTRIBUTIONS WITHOUT PENSION OBLIGATION BONDS
STATE'S DEBT SERVICE ON PENSION OBLIGATION BONDS, AND STATE AND FEDERAL FUND MAXIMUMS**

JUNE 30, 2006 VALUATION

(Continued)

Year Ended June 30	End of Year Assets Without POB	Total Assumed Payroll	Without POB				State's Debt Service	With POB
			Required Employer (Including Sec. 16-158(e))		Required State and Federal Funds			State and Federal Funds Maximum
			Amount	Rate	Amount	Rate		(Required Amount Minus Debt Service)
2021	69,571,683,761	14,046,300,344	3,459,070,369	24.63%	3,377,601,827	24.05%	422,197,518	2,955,404,310
2022	73,122,873,335	14,670,787,064	3,612,857,734	24.63%	3,527,767,169	24.05%	443,731,640	3,084,035,529
2023	76,884,300,346	15,326,864,236	3,774,424,627	24.63%	3,685,528,814	24.05%	463,801,058	3,221,727,757
2024	80,883,721,003	16,016,031,853	3,944,140,440	24.63%	3,851,247,455	24.05%	497,200,770	3,354,046,685
2025	85,149,976,519	16,739,089,466	4,122,202,072	24.63%	4,025,115,353	24.05%	528,003,960	3,497,111,393
2026	89,712,977,804	17,494,430,653	4,308,213,923	24.63%	4,206,746,225	24.05%	541,748,515	3,664,997,710
2027	94,588,647,359	18,282,253,139	4,502,224,684	24.63%	4,396,187,616	24.05%	553,983,980	3,842,203,636
2028	99,794,231,620	19,104,697,612	4,704,761,525	24.63%	4,593,954,279	24.05%	579,505,355	4,014,448,924
2029	105,348,931,935	19,963,471,417	4,916,244,902	24.63%	4,800,456,768	24.05%	602,763,095	4,197,693,673
2030	111,285,209,001	20,860,639,040	5,137,183,217	24.63%	5,016,191,511	24.05%	638,552,200	4,377,639,311
2031	117,637,812,786	21,797,624,774	5,367,927,222	24.63%	5,241,500,998	24.05%	671,323,125	4,570,177,873
2032	124,422,931,435	22,777,728,895	5,609,289,648	24.63%	5,477,178,820	24.05%	686,280,870	4,790,897,950
2033	131,664,477,061	23,802,450,700	5,861,639,715	24.63%	5,723,585,501	24.05%	684,179,980	5,039,405,521
2034	139,392,176,760	24,874,073,703	6,125,539,765	24.63%	5,981,270,138	24.05%	-	5,981,270,138
2035	147,665,955,121	25,996,201,320	6,401,877,185	24.63%	6,251,099,217	24.05%	-	6,251,099,217
2036	156,540,625,766	27,171,806,088	6,691,383,996	24.63%	6,533,787,521	24.05%	-	6,533,787,521
2037	166,047,838,472	28,406,942,221	6,995,551,122	24.63%	6,830,790,857	24.05%	-	6,830,790,857
2038	176,221,320,652	29,706,469,008	7,315,575,220	24.63%	7,143,277,700	24.05%	-	7,143,277,700
2039	187,131,444,173	31,077,435,761	7,653,192,269	24.63%	7,472,943,142	24.05%	-	7,472,943,142
2040	198,874,372,861	32,521,365,644	8,008,777,366	24.63%	7,820,153,445	24.05%	-	7,820,153,445
2041	211,530,641,255	34,040,133,995	8,382,792,336	24.63%	8,185,359,559	24.05%	-	8,185,359,559
2042	225,192,932,783	35,635,034,725	8,775,555,820	24.63%	8,568,872,619	24.05%	-	8,568,872,619
2043	239,965,512,959	37,308,573,284	9,187,684,815	24.63%	8,971,295,090	24.05%	-	8,971,295,090
2044	255,979,075,625	39,064,024,603	9,619,985,812	24.63%	9,393,414,469	24.05%	-	9,393,414,469
2045	273,359,941,882	40,902,706,255	10,072,783,279	24.63%	9,835,547,583	24.05%	-	9,835,547,583
2046	284,962,164,952	42,827,936,882	3,578,450,666	8.36%	3,330,048,632	7.78%	-	3,330,048,632

Note: This schedule shows how the maximum state and federal funds contributions under PA 94-0004 are determined. It shows projections of the amounts shown in Schedule IB, item 2: contributions that would have been required if there were no POB program, minus the debt service. Schedule excludes School District payments required by Sec. 16-128(d-10), 16-133.2, and 16-158(f) (because they are not a set percentage of payroll).

SCHEDULE XV
50-YEAR PROJECTION OF FUNDED STATUS
UNDER PUBLIC ACT 94-0004

Year Ended June 30	End of Year			
	Pension Benefit Obligation	Value of Assets	Unfunded Pension Benefit Obligation	Funded Ratio
1995	23,980,566,000	12,641,865,000	11,338,701,000	52.7%
1996	26,141,794,000	13,829,711,000	12,312,083,000	52.9%
1997	26,951,585,000	17,393,108,000	9,558,477,000	64.5%
1998	29,908,241,000	19,965,887,000	9,942,354,000	66.8%
1999	33,205,513,000	22,237,709,000	10,967,804,000	67.0%
2000	35,886,404,000	24,481,413,000	11,404,991,000	68.2%
2001	39,166,697,000	23,315,646,000	15,851,051,000	59.5%
2002	43,047,674,000	22,366,285,000	20,681,389,000	52.0%
2003	46,933,432,000	23,124,823,000	23,808,609,000	49.3%
2004	50,947,451,000	31,544,729,000	19,402,722,000	61.9%
2005	56,075,029,000	34,085,218,000	21,989,811,000	60.8%
2006	58,996,913,000	36,584,889,000	22,412,024,000	62.0%
2007	62,575,846,222	38,210,154,663	24,365,691,559	61.1%
2008	65,878,745,647	40,028,807,650	25,849,937,997	60.8%
2009	69,306,704,627	42,212,333,309	27,094,371,319	60.9%
2010	72,841,898,826	44,777,741,374	28,064,157,452	61.5%
2011	76,470,391,152	47,409,911,359	29,060,479,793	62.0%
2012	80,181,787,995	50,103,486,380	30,078,301,615	62.5%
2013	83,962,685,468	52,842,915,197	31,119,770,270	62.9%
2014	87,809,422,037	55,627,580,864	32,181,841,173	63.4%
2015	91,726,996,434	58,516,845,634	33,210,150,800	63.8%
2016	95,723,889,629	61,472,785,230	34,251,104,400	64.2%
2017	99,808,864,367	64,508,626,071	35,300,238,296	64.6%
2018	103,992,232,881	67,639,207,853	36,353,025,028	65.0%
2019	108,286,641,861	70,879,836,876	37,406,804,985	65.5%
2020	112,709,712,468	74,250,133,158	38,459,579,310	65.9%

Notes: The projection of assets is based upon the assumption that the Employer maintains the funding policy under Public Act 94-0004 that begins with fiscal year 2006.

Projected amounts may not add to the dollar due to rounding.

SCHEDULE XV
50-YEAR PROJECTION OF FUNDED STATUS
UNDER PUBLIC ACT 94-0004
(Continued)

Year Ended June 30	End of Year			
	Pension Benefit Obligation	Value of Assets	Unfunded Pension Benefit Obligation	Funded Ratio
2021	117,277,213,444	77,771,927,845	39,505,285,599	66.3%
2022	122,004,003,856	81,468,762,400	40,535,241,456	66.8%
2023	126,904,802,663	85,363,556,707	41,541,245,956	67.3%
2024	131,996,730,159	89,481,779,726	42,514,950,433	67.8%
2025	137,298,919,906	93,849,760,954	43,449,158,952	68.4%
2026	142,819,839,985	98,494,746,465	44,325,093,520	69.0%
2027	148,568,935,652	103,429,759,981	45,139,175,671	69.6%
2028	154,556,876,391	108,668,822,307	45,888,054,084	70.3%
2029	160,795,390,840	114,227,570,819	46,567,820,021	71.0%
2030	167,290,922,898	120,134,521,708	47,156,401,190	71.8%
2031	174,043,376,860	126,420,091,629	47,623,285,231	72.6%
2032	181,058,341,886	133,095,643,042	47,962,698,843	73.5%
2033	188,345,385,382	140,179,795,848	48,165,589,533	74.4%
2034	195,920,607,126	147,696,449,270	48,224,157,856	75.4%
2035	203,798,106,321	155,699,069,224	48,099,037,096	76.4%
2036	211,982,186,626	164,235,349,956	47,746,836,670	77.5%
2037	220,490,798,838	173,328,989,186	47,161,809,652	78.6%
2038	229,342,842,436	183,004,903,712	46,337,938,724	79.8%
2039	238,574,365,992	193,323,640,949	45,250,725,042	81.0%
2040	248,214,441,462	204,370,647,952	43,843,793,510	82.3%
2041	258,286,606,864	216,214,761,075	42,071,845,788	83.7%
2042	268,825,810,761	228,935,922,593	39,889,888,168	85.2%
2043	279,874,484,824	242,624,479,700	37,250,005,124	86.7%
2044	291,494,270,717	257,395,901,780	34,098,368,937	88.3%
2045	303,733,268,758	273,359,941,883	30,373,326,875	90.0%
2046	316,624,627,724	284,962,164,952	31,662,462,772	90.0%

Notes: The projection of assets is based upon the assumption that the Employer maintains the funding policy under Public Act 94-0004 that begins with fiscal year 2006.

Projected amounts may not add to the dollar due to rounding.

SECTION IX**STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS**

(Adopted effective June 30, 2002 except as otherwise noted.)

INTEREST RATE: 8.5% per annum, compounded annually. (Adopted effective June 30, 1997.)
The interest rate assumption includes the following components, which were revised effective June 30, 2002: inflation 3.5%, and real rate of return 5.0%.

SEPARATIONS FROM ACTIVE SERVICE AND SALARY INCREASES: Representative values of the assumed rates of separation and annual rates of salary increase are as follows:

Age	Annual Rates of					
	Termination		Death	Disability	Retirement	Salary Increase
	Nonvested	Vested				
<u>Males</u>						
25	.0880	.0611	.0005	.0003	—	.0920
30	.0880	.0412	.0005	.0004	—	.0770
40	.0880	.0158	.0007	.0005	—	.0650
50	.0880	.0104	.0016	.0011	—	.0590
55	.0880	.0122	.0026	.0018	.1600	.0590
60	.0880	.0186	.0048	.0037	.2600	.0590
65	.0880	.0272	.0093	.0055	.3500	.0590
70	—	—	.0167	—	1.0000	—
<u>Females</u>						
25	.1050	.0900	.0002	.0007	—	.0920
30	.1050	.0800	.0002	.0008	—	.0770
40	.0750	.0250	.0005	.0011	—	.0650
50	.0650	.0165	.0012	.0023	—	.0590
55	.0650	.0197	.0018	.0039	.1350	.0590
60	.0650	.0228	.0027	.0077	.1850	.0590
65	.0650	.0311	.0055	.0116	.3150	.0590
70	—	—	.0115	—	1.0000	—

The retirement rates in the above table are the regular retirement assumptions applied to all post 6/30/2007 retirements, and to members who are not eligible for the Early Retirement Option at the time of their assumed retirement in fiscal year 2007.

The following retirement rates, adopted June 30, 2005, are applied during fiscal year 2007, to project retirements of ERO eligible members during the Pipeline ERO period:

Retirement Rates from Active Service FY 2007						
Service*	Age**					
	54	55	56	57	58	59
19 - 24	6.7%	14.3%	12.5%	12.6%	12.5%	22.6%
25 - 30	8.9%	19.5%	16.6%	18.8%	16.0%	29.7%
31	17.5%	27.4%	25.6%	27.7%	29.5%	34.3%
32	51.0%	56.3%	52.7%	51.2%	55.1%	54.3%
33	62.7%	51.9%	50.4%	55.9%	50.4%	56.4%

The following ERO utilization rates, adopted June 30, 2005, are applied to retirements during fiscal year 2007, to project utilization of the ERO program under Pipeline ERO. 80% of these rates are applied to post-June 30, 2007 retirements to project utilization of the Modified ERO program.

Utilization of ERO among All Active Service Retirees FY 2007						
Service*	Age**					
	54	55	56	57	58	59
19 - 30	94%	97%	95%	91%	86%	38%
31	96%	97%	97%	95%	97%	54%
32	88%	93%	93%	89%	90%	62%
33	61%	64%	70%	73%	69%	56%

Note: * Active member service rounded to nearest year on June 30 prior to retirement

** Age rounded to nearest year on June 30 prior to retirement

Rates of termination for vested males were adopted effective June 30, 1997.

The basic salary increase assumption averages 6.25% per annum plus an additional 0.25% per annum to cover employment type and status changes, for a composite recommended increase that averages approximately 6.5% per annum.

The salary increase assumption includes the following components:

- Inflation: 3.5%
- Real wage growth (productivity): 1.2%
- Merit or seniority (includes employment type and status changes): ranges from 5.4 % at age 20 to 1.2% at age 50 and above.

DEATH AFTER RETIREMENT: For annuitants, 95.6% of the 1995 George B. Buck Mortality Table rates for males and 100% of the George B. Buck Mortality Table rates for females. For beneficiaries, the 1995 George B. Buck Mortality Tables rated forward three years for males and rate forward one year for females. For the period after disability retirement, the Pension Benefit Guaranty Corporation rates for male disabled lives not necessarily receiving Social Security benefits, rated back two years for females and rated forward five years for males, but not less than the rate at age 65 (after the setback).

MARITAL DATA: It is assumed that 85% of members are married and that the female spouse is three years younger than the male spouse. (Adopted effective June 30, 1993.)

VALUATION METHOD: Projected unit credit cost method. Gains and losses are reflected in the unfunded pension benefit obligation. (Adopted effective June 30, 1989.)

ASSET VALUATION METHOD: Market value. (Adopted effective June 30, 1997.)

GROWTH IN ACTIVE MEMBERSHIP: For purposes of the projection required by State funding law, it is assumed that the active membership of the System will remain constant in number, with no change in the size of either the full-time/part-time group or the hourly/substitute group. (Adopted effective June 30, 1994.)

SEVERANCE PAY: The percent of retirees assumed to receive severance payments, and the amount of such severance payments, are assumed to be as follows:

Years of Service at Retirement	Percent of Retirees Who Receive Severance Pay	Severance Pay as a Percent of Other Pensionable Earnings in the Last Year of Employment
Less than 20	0%	0.00%
20-24	51%	12.93%
25-29	65%	14.92%
30 or more	79%	16.90%

OPTIONAL SERVICE PURCHASES: The pension benefit obligation for retirement benefits for active members who have not previously purchased optional service is increased by 1.9% to cover the employer cost of out-of-system service purchased in the last two years prior to retirement. This adjustment is based on the following assumptions and data:

- (a) The overall assumption regarding optional service purchases – an average of 0.969 years per full-time/part-time service retiree – will be used;
- (b) Actual optional service credit for the current active membership was provided by TRS;
- (c) No additional optional service purchases will be assumed for members who currently have optional service credit; and

When optional service is purchased within the last two years prior to retirement, 25% of the cost is covered by member payments and the remaining 75% is the responsibility of the employer. The ERO program was extended and modified by PA 94-0004 and future ERO retirements are recognized for the first time in the current valuation.

UNUSED AND UNCOMPENSATED SICK LEAVE SERVICE AT RETIREMENT: Such sick leave credit equals 2.83% of regular service credit at retirement.

Representative assumed amounts of unused and uncompensated sick leave service are as follows:

Regular Service at Retirement	Sick Leave Service Credit
20 years	.748 years
25 years	.812 years
30 years	.861 years
35 years	.890 years

ADMINISTRATIVE EXPENSES: The administrative staff of the System estimates the expected administrative expenses for the fiscal year following the valuation. Total payroll for the same year is projected based on valuation assumptions and the expected administrative expenses are then expressed as a percent of total payroll. Administrative expenses in future years are then assumed to remain constant as a percent of total payroll. (Adopted effective June 30, 1994.)

2.2 UPGRADE ASSUMPTION: For those active members who have already made a payment to upgrade past service prior to June 30, 1998 or have enrolled in the Payroll Deduction Program (PDP), their benefits are based on their upgrading at the valuation date. For all other active members, they are assumed to upgrade at retirement. (Adopted effective June 30, 1999.)

NEW MEMBER PROFILE

Distribution of New Entrants is as follows:

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20 – 24	5.4%	24.2%	29.6%	6.3%	19.2%	25.5%
25 – 29	7.2%	24.4%	31.6%	6.7%	13.4%	20.1%
30 – 34	2.9%	8.8%	11.7%	2.8%	6.5%	9.3%
35 – 39	1.8%	5.4%	7.2%	2.0%	8.0%	10.0%
40 – 44	1.5%	5.5%	7.0%	2.1%	10.5%	12.7%
45 – 49	1.3%	5.2%	6.5%	2.3%	7.7%	9.9%
50 – 54	1.0%	3.2%	4.2%	2.1%	4.3%	6.4%
55 – 59	0.6%	1.2%	1.8%	1.5%	1.8%	3.3%
60 – 64	0.2%	0.2%	0.4%	0.8%	0.8%	1.6%
65 – 69	0.0%	0.0%	0.0%	0.5%	0.4%	0.9%
70	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.2%</u>	<u>0.2%</u>	<u>0.4%</u>
Total	21.9%	78.1%	100.0%	27.2%	72.8%	100.0%

Service Credit Earned in Each Future Year:

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20 - 24	0.992	0.994	0.994	0.341	0.333	0.335
25 - 29	0.996	0.998	0.997	0.326	0.326	0.326
30 - 34	0.997	0.982	0.986	0.342	0.281	0.297
35 - 39	0.995	0.984	0.987	0.298	0.312	0.309
40 - 44	0.996	0.972	0.978	0.319	0.355	0.350
45 - 49	0.991	0.969	0.974	0.338	0.377	0.371
50 - 54	0.995	0.987	0.989	0.357	0.376	0.373
55 - 59	0.982	0.966	0.971	0.381	0.389	0.387
60 - 64	0.966	0.893	0.931	0.371	0.339	0.347
65 - 69	-	-	-	0.397	0.327	0.354
70	-	-	-	0.364	0.304	0.328
Average	0.994	0.989	0.990	0.344	0.352	0.350

NEW MEMBER PROFILE (continued)

Projected Annual Rate of Pay at 6/30/2006*
(for one year of service credit)

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20-24	\$ 37,414	\$ 35,221	\$ 35,590	\$ 16,871	\$ 15,551	\$ 15,893
25-29	40,379	38,531	38,932	17,112	16,273	16,559
30-34	43,792	40,587	41,454	17,298	15,908	16,275
35-39	48,430	41,374	43,171	16,353	16,094	16,146
40-44	48,125	41,107	42,869	16,239	16,132	16,145
45-49	48,935	42,326	43,811	17,056	16,385	16,488
50-54	54,222	46,689	48,464	16,634	16,325	16,379
55-59	63,758	46,481	52,258	16,839	16,475	16,567
60-64	50,309	56,803	53,259	16,318	16,043	16,113
65-69	-	-	-	17,781	15,929	16,641
70	-	-	-	15,855	15,349	15,548
Average	\$ 43,418	\$ 38,789	\$ 39,801	\$ 16,797	\$ 16,210	\$ 16,334

* The rate of pay profile will increase 4.7% per annum. 3.5% of the increase is attributable to inflation and 1.2% to real wage growth.

PENSION BENEFIT OBLIGATION: The actuarial accrued liability (AAL) of the System was determined using the projected unit-credit actuarial cost method, and the AAL is equivalent to the Government Accounting Standards Board (GASB) Statement No. 5 pension benefit obligation (PBO). PBO is a measure of the actuarial present value (APV) as of the valuation date of credited projected benefits prorated on service, including an adjustment for the effects of projected salary increases estimated to be payable in the future. Significant actuarial assumptions used to determine the PBO as of June 30, 2006 include the following:

- (1) An assumed rate of return on the investment of present and future assets of 8.5% per annum, compounded annually.
- (2) Assumed projected annual salary increases ranging from 10.2% at age 19 to 5.9% at age 69, which reflect an allowance for inflation and merit or seniority increases.
- (3) Automatic annual post-retirement benefit increases equal to 3% of the member's current benefit.

The PBO at 6/30/2006 includes liability for expected retirements under the Modified ERO program, and includes liability for fiscal year 2006 Pipeline ERO retirements reported to the actuary. In this report the liability for fiscal year 2007 Pipeline ERO retirements are included in the projected June 30, 2007 liabilities.

SECTION X — SUMMARY OF
BENEFIT AND CONTRIBUTION PROVISIONS

MEMBERSHIP

Employers of the System include:

- (a) the Illinois public common school districts outside of Chicago,
- (b) certain state agencies employing certificated teachers, and
- (c) the State Board of Education, Illinois School Board Association, statewide and national teacher organizations, educational cooperatives and the retirement system.

Employees covered under the System include:

- Any educational, administrative, professional or other staff employed in the public common schools outside the City of Chicago in a position requiring certification under the teacher certification law, including substitute teachers, part-time teachers, and hourly paid teachers who are on a flexible work schedule;
- Any position requiring teacher certification in certain state agencies;
- Any regional superintendent of schools, assistant regional superintendent of schools, State Superintendent of Education; any person employed by the State Board of Education as an executive; any executive of the boards engaged in the service of public common school education in school districts covered under this system of which the State Superintendent of Education is an ex-officio member;
- Any employee of a school board association who is certificated under the teacher certification law;
- Any person employed by the retirement system who was an employee of and a participant in the system on August 17, 2001 or becomes an employee of the system on or after August 17, 2001;
- Any educational, administrative, professional or other staff employed by and under the supervision and control of a regional superintendent of schools, provided such employment position requires the person to be certificated under the teacher certification law;

- Any educational, administrative, professional or other staff in a certificated position employed by a program serving two or more school districts in accordance with a joint agreement authorized by the School Code or by federal legislation;
- Any officer or employee of a statewide teacher organization or officer of a national teacher organization who is certified under the teacher certification law, provided the member had previously established creditable service under TRS and elects TRS membership, and does not receive credit under any other article of the pension code; and
- Any educational, administrative, professional, or other staff employed in a charter school who is certificated under the teacher certification law.

Employment on a full-time basis covers only teachers whose normal employment schedule consists of working at least four clock hours daily, five days per week. Employment on a part-time basis covers teachers who are employed less than four clock hours daily or less than five days per week. A substitute teacher is employed on a temporary basis to replace another teacher.

Creditable service rendered as an employee for a regular school year in any district, in accordance with the provisions of the Pension Code, is equal to one year of service, and time less than a legal year is counted as such portion of a year as the number of days taught bears to 170 days. Additionally, members may purchase various types of optional service credit.

"Final average salary" means the average salary for the highest 4 consecutive years within the last 10 years of creditable service as determined under the rules of the Board.

BENEFITS

Normal Retirement

Eligibility Age 60 with 10 years of service, or age 62 with 5 years of service.

Amount For a person who first became a teacher before July 1, 2005, the annual benefit amount is the greatest of (i), (ii) and (iii) below. For a person who first became a teacher on or after July 1, 2005, the annual benefit amount is the greater of (i) and (ii) below.

- (i) For service earned before July 1, 1998, 1.67% of final average salary for each of the first 10 years of creditable service, plus 1.90% of final average

salary for each year in excess of 10 but not exceeding 20, plus 2.10% of final average salary for each year in excess of 20 but not exceeding 30, and 2.30% of final average salary for each year in excess of 30. For all other service, 2.2% of final average salary.*

* Service earned before July 1, 1998 can be upgraded to 2.2% through additional member contributions or 1% of the member's highest salary within the last four years for each year of prior service. Maximum payment is 20% of salary, but all years are upgraded. The number of years to be upgraded is reduced by one for each three full years worked under the 2.2% formula. The 2.2% formula upgrade cost is reduced on a sliding scale for members who have more than 34 years of service credit.

(ii) 1½% of final average salary for each year of creditable service, plus \$7.50 per year for each of the first 20 years of creditable service.

(iii) An actuarially equivalent life annuity, resulting from the member's contributions and State-matching contributions (1.4 times member contributions) plus compound interest on both.

Maximum amount under (i) and (ii) above - 75% of final average salary.

Automatic Postretirement
Cost-of-Living Adjustment

Eligibility

Member contributed for at least an equivalent period of one full year of creditable service after July 1, 1969.

Amount

Initial increase of 1½% of base annuity for periods prior to January 1, 1972, 2% for periods from and after January 1, 1972 and prior to January 1, 1978, and 3% for periods thereafter (such periods to exclude any period of retirement that precedes attainment of age 55). Initial increase payable effective with the later of: January 1 following first anniversary of retirement; or January 1 following attainment of age 61.

Following the initial increase, automatic annual increases payable on each January 1 thereafter. Prior to January 1, 1990, annual increases were determined as a percentage of the original retirement annuity. Effective on and after January 1, 1990, automatic annual increases granted to eligible annuitants equal 3% of the total annuity being received, including previous increases granted.

Early Retirement

Eligibility

Age 55 with 20 years of service.

Amount

Equal to the amount computed under normal retirement, reduced by 6% for each year the member is under age 60. There is no reduction for a member who retires prior to age 60 with 35 years of credited service.

Early Retirement Incentive for State Employees

Some TRS-covered members employed by state agencies were eligible for an early retirement incentive (ERI) during fiscal year 2003. PA 92-566, enacted in June 2002, allowed certain state employees to purchase up to five years of service credit and an equal amount of age enhancement. Retirement must have occurred between August 1, 2002 and December 31, 2002, with deferrals until April 30, 2003, for key employees. Some employees who were not yet eligible to retire could also purchase the age and service enhancements if they terminated state employment.

Early Retirement Option

A member retiring after June 1, 1980 and within six months of the last day of teaching for which retirement contributions were required, may elect to make a one time employee contribution to avoid the early retirement reduction described in the foregoing paragraph. Such employee and employer contributions will be a multiple of the member's last full time annual salary rate as a teacher, the full time equivalent if less than full time, or the highest year's salary used for determining final average salary.

The member lump sum ERO contribution rate for persons who retire under ERO prior to July 1, 2005, or who retire during the "Pipeline ERO" period July 1, 2005 through July 1, 2007 after having properly notified their employer by June 1, 2005 of their intent to retire under ERO during the Pipeline ERO period is 7%, and the employer lump sum ERO contribution rate for such persons is 20%.

The member lump sum ERO contribution rate for other persons is 11.5%, and the employer lump sum ERO contribution rate for such persons is 23.5%. Such other persons are referred to as "Modified ERO" retirees.

The multiple of salary to be contributed by the member equals the member rate times the lesser of the following two periods: (a) the number of years (including fractional years) that the member is less than age 60; or (b) the

number of years (including fractional years) that the member's creditable service is less than 35 years.

The multiple of salary to be contributed by the member's employer equals the employer rate times the number of years (including fractional years) that the member is less than age 60.

Both the member and employer contributions are waived for Pipeline ERO retirees who are at least age 55 with at least 34 years of service. There is no waiver for Modified ERO retirees.

The ERO provisions will not be applicable until the member contributions have been received; however, the date such contributions are received will not be considered in determining the effective date of retirement. The number of employees of a single employer who may retire under this paragraph in any year may be limited at the option of the employer to a specified percentage of those eligible, not lower than 30% for Pipeline ERO retirees, and not lower than 10% for Modified ERO retirees, with the right to participate to be allocated among those applying on the basis of seniority in the service of the employer.

Rule of 85 for State Employees

An employee of a state agency retiring on or after January 1, 2001 is entitled to a nondiscounted annuity if his or her attained age at retirement and total creditable service equal at least 85, provided he or she has (i) earned during the period immediately preceding the last day of service at least one year of contributing creditable service as a state employee and (ii) has earned at least 5 years of contributing creditable service as a state employee.

Single Sum Benefit

Eligibility

Age 65 with fewer than 5 years of creditable service after July 1, 1947.

Amount

Lump sum payment actuarially equivalent to a life annuity consisting of 1.67% of final average salary for each year of service.

Temporary Disability Benefit

Eligibility

3 years of credited service.

Amount

Equal to 40% of the member's most recent annual contract salary at time of disablement. The benefit is payable beginning with the 31st day after disablement and ending at the earlier of (1) cessation of disability, (2) when the member requests termination of the benefit, (3) when the

period for which payments have been made equals one-fourth the period of creditable service, or (4) the member is gainfully employed or able to be gainfully employed.

Disability Retirement Annuity

Eligibility Termination of temporary disability benefit, provided member remains disabled.

Amount The larger of 35% of the member's most recent annual contract salary or (a) if disability commences prior to age 55, the benefit payable as for normal retirement, but reduced by ½% for each month by which the member is less than age 55, or (b) if disability commences after age 55 and the member has 20 years of service, the benefit payable as for normal retirement with no discount.

Other formulas may be applicable if disability retirement occurred prior to July 1, 1971.

Occupational Disability

Eligibility Totally and immediately incapacitated for the performance of duty.

Amount Equal to 60% of salary, if disability is duty-connected or occupational adjudicated by the Illinois Industrial Commission as compensable under either the Workers' Compensation or Occupational Diseases Act. Any amounts payable under these Acts shall be applied as an offset to any occupational disability benefits payable by the Teachers' Retirement System. In general, benefits are payable throughout the period of disability.

Deferred Vested Benefits

Eligibility 5 years of service.

Amount Equal to the amount computed under normal retirement deferred to age 62 if member has less than 10 years of service. With 10 or more years of service the annuity is payable at age 60.

Reversionary Retirement Annuity

Any member entitled to a retirement annuity for age may elect to receive a reduced annuity with the remainder determined on an actuarial basis to become, upon the member's death, an annuity for life to any designated person dependent upon the member at the time of the member's retirement, provided such payment shall not be less than \$10 nor more than the amount of reduced age

retirement monthly annuity to which the member is entitled.

Refund of Contributions

A member who ceases to be a member for any reason other than death or retirement, shall be entitled to a refund of all retirement contributions (other than career ERO contributions) and payments made into the fund by him which have not previously been refunded, without interest thereon.

A member who retires on ERO shall not receive a refund of the 0.4% career ERO contributions; otherwise, the 0.4% career ERO contributions are refunded, without interest, to the member, or the member's beneficiary or Estate (if applicable) if any of the following occur: (1) the ERO program is discontinued under Section 16-176; or (2) the member either retires without ERO, terminates employment and withdraws the member account balance, or dies before retirement.

Death Benefit

Refunds of the deceased member's accumulated contributions are paid to survivors or to the member's estate. Additional lump sum death benefits are also payable.

Survivor Benefit

Types of Beneficiaries

<u>Time of Death</u>	<u>Dependents</u>	<u>Non-dependents</u>
While employed	Lump sum up to last salary or \$1,000 and a monthly benefit generally not less than \$400* or \$600 with minor children**	Lump sum up to last salary
Inactive within 12 months of last day of credit	Lump sum up to last salary or \$1,000 and a monthly benefit generally not less than \$400* or \$600 with minor children**	Lump sum up to last salary
Inactive with 20 or more years of service	Lump sum of \$3,000 or 1/6 of last salary*** or \$1,000 and a monthly benefit generally 1/2 of member's earned benefit at time of death	Lump sum of \$3,000 or 1/6 of last salary***

Annuitant	Lump sum of \$3,000 or 1/6 of last salary*** or \$1,000 and a monthly benefit generally 1/2 of annuitant's earned benefit at time of death	Lump sum of \$3,000 or 1/6 of last salary***
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- * Certain circumstances might provide a monthly annuity less than \$400 per month for an active member.
- ** TRS will pay 50 percent of the member's earned retirement annuity at death if it is greater than the above amounts.
- *** Certain lump sums may be greater if the annuitant or inactive member has been in retirement or out of service for less than five years.

Member Contributions Beginning July 1, 2005, each member contributes an additional 0.4% of pay "career ERO contribution." This contribution requirement shall cease if the Early Retirement Option program ends.

Beginning July 1, 1998, contributions for creditable service are made at the rate of 8% (exclusive of amounts paid toward Survivor Benefits) of salary which is comprised of a rate of 7½% of salary towards the cost of the retirement annuity plus ½% of salary toward the cost of the automatic annual increase in retirement annuity.

Beginning July 24, 1959, each member contributes an additional 1% of salary toward Survivor's Benefits. These contributions are subject to refund if there is no dependent beneficiary at retirement, provided the member elects such refund.

Beginning July 1, 1995, each member not employed by a State agency contributes to the Teachers' Health Insurance Security Fund, administered by the Department of Central Management Services. These contributions are not refundable and do not become part of the System's assets.

Additional contributions as are necessary to receive credit for service during which contributions were not made, such as military service or service outside the System.

New Benefit Increases: The term "new benefit increase" means an increase in the amount of any benefit provided by the statute, or an expansion of the eligibility requirements for any benefit provided by the statute, resulting from an amendment that takes effect on or after June 1, 2005.

Every new benefit increase must have an identified funding source whose adequacy is verified and

periodically confirmed by the Commission on Government Forecasting and Accountability (CGFA).

Every new benefit increase will automatically expire at the earlier of (i) five years after its effective date ; (ii) at an earlier time specified in the amendment creating the benefit; or (iii) at the end of the fiscal year in which CGFA certifies that the identified funding source is inadequate; except that any new benefit increase will continue to apply to persons who applied for and qualified for the increase while it was in effect, and except that any new benefit increase may be extended or recreated by the General Assembly (subject to the adequacy of the funding source).

Sick Leave Service Accruals:

Any unused and uncompensated accumulated sick leave is counted as creditable service provided that each former employer certifies to the System the number of unused and uncompensated accumulated sick leave days upon termination of the member. The service granted is the ratio of the number of unused and uncompensated accumulated sick leave days to 170 days, subject to a maximum of 2 years of service credit. The period of sick leave shall not be considered in determining the effective date of retirement.

SECTION XI — DETAILED TABULATIONS OF DATA

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EXHIBIT

ACTIVE MEMBERSHIP

**NUMBER AS OF JUNE 30, 2005 AND
AVERAGE ANNUAL SALARY PROJECTED TO JUNE 30, 2006**

Age	Full - Time and Regular Part - Time Members										Substitutes	Grand Total	
	Years of Service												
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total			
Under 25	4,842										4,842	3,723	8,565
	\$ 36,949										\$ 36,949	\$ 446	\$ 21,082
25-29	13,527	5,436									18,963	4,153	23,116
	\$ 41,653	\$ 47,987									\$ 43,469	\$ 4,446	\$ 36,458
30-34	5,190	9,973	2,915								18,078	2,481	20,559
	\$ 44,095	\$ 51,171	\$ 58,199								\$ 50,273	\$ 4,303	\$ 44,725
35-39	2,862	4,042	6,302	1,681							14,887	3,170	18,057
	\$ 44,828	\$ 52,379	\$ 60,474	\$ 66,427							\$ 55,940	\$ 4,003	\$ 46,822
40-44	2,403	2,725	2,831	3,924	1,419						13,302	3,850	17,152
	\$ 43,906	\$ 51,392	\$ 61,738	\$ 68,318	\$ 72,543						\$ 59,491	\$ 4,685	\$ 47,189
45-49	2,187	2,768	2,674	2,456	3,402	2,380	1				15,868	3,689	19,557
	\$ 43,689	\$ 51,561	\$ 59,981	\$ 67,918	\$ 73,227	\$ 76,246	\$ 94,883				\$ 62,777	\$ 5,041	\$ 51,886
50-54	1,553	2,663	3,318	3,118	2,720	5,797	4,275				23,444	3,403	26,847
	\$ 47,472	\$ 53,312	\$ 61,833	\$ 67,814	\$ 74,420	\$ 78,600	\$ 83,518				\$ 70,270	\$ 5,082	\$ 62,007
55-59	787	1,352	2,102	2,361	1,806	1,992	2,786	625			13,811	2,668	16,479
	\$ 52,719	\$ 55,637	\$ 62,784	\$ 70,107	\$ 74,010	\$ 78,210	\$ 86,326	\$ 90,989			\$ 72,481	\$ 5,068	\$ 61,567
60-64	219	302	434	492	444	454	379	299	79		3,102	1,253	4,355
	\$ 53,154	\$ 57,116	\$ 63,331	\$ 71,178	\$ 76,422	\$ 80,855	\$ 84,804	\$ 88,495	\$ 86,150		\$ 73,321	\$ 4,765	\$ 53,596
Over 64	36	48	59	64	66	74	56	39	59		501	758	1,259
	\$ 47,277	\$ 52,650	\$ 65,247	\$ 70,025	\$ 74,362	\$ 79,261	\$ 85,592	\$ 90,975	\$ 86,064		\$ 73,358	\$ 4,401	\$ 31,842
Total	33,606	29,309	20,635	14,096	9,857	10,697	7,497	963	138		126,798	29,148	155,946
	\$ 42,525	\$ 51,269	\$ 60,790	\$ 68,318	\$ 73,753	\$ 78,104	\$ 84,644	\$ 90,214	\$ 86,113		\$ 58,715	\$ 4,636	\$ 48,607

The data shown in this exhibit was further adjusted to better represent the true active full-time and part-time membership as of 6/30/2005 as explained in item 2 of Section I - Principal Results.

TABLE 1
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JUNE 30, 2005
WITH SALARIES PROJECTED TO JUNE 30, 2006
(FULL TIME AND REGULAR PART TIME)

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
21	1	27,183	5	144,686	6	171,869
22	50	1,854,947	302	10,436,906	352	12,291,852
23	244	9,229,065	1,486	52,649,107	1,730	61,878,172
24	471	18,604,418	2,283	85,959,713	2,754	104,564,132
25	688	28,420,114	2,894	114,873,405	3,582	143,293,519
26	774	33,756,755	2,889	119,151,309	3,663	152,908,065
27	853	39,049,570	3,086	132,334,196	3,939	171,383,766
28	938	45,434,894	3,116	137,448,697	4,054	182,883,591
29	939	47,549,883	2,786	126,280,012	3,725	173,829,895
30	966	49,419,799	2,990	138,999,186	3,956	188,418,985
31	1,001	53,659,748	2,670	126,237,086	3,671	179,896,834
32	906	51,544,103	2,510	120,762,465	3,416	172,306,568
33	951	55,502,555	2,511	123,983,557	3,462	179,486,112
34	1,004	59,441,296	2,569	129,281,369	3,573	188,722,665
35	944	57,946,762	2,459	125,327,911	3,403	183,274,673
36	944	61,532,385	2,218	114,808,188	3,162	176,340,574
37	833	53,882,983	2,045	107,309,801	2,878	161,192,784
38	783	51,465,880	1,977	106,060,137	2,760	157,526,017
39	754	50,524,766	1,930	103,924,835	2,684	154,449,600
40	688	46,927,310	1,799	99,393,990	2,487	146,321,300
41	665	45,160,324	1,973	109,992,117	2,638	155,152,441
42	693	48,340,385	1,931	108,275,247	2,624	156,615,632
43	668	48,084,883	2,105	117,884,679	2,773	165,969,563
44	661	47,304,246	2,119	119,983,237	2,780	167,287,484
45	589	42,621,465	2,175	123,293,413	2,764	165,914,878
46	623	46,460,506	2,230	129,155,573	2,853	175,616,079
47	667	49,224,852	2,569	150,921,416	3,236	200,146,268
48	696	53,631,697	2,714	163,742,093	3,410	217,373,790
49	786	61,680,385	2,819	175,413,593	3,605	237,093,978
50	843	66,662,913	3,028	191,948,846	3,871	258,611,759
51	900	71,337,258	3,234	209,730,284	4,134	281,067,542
52	1,027	84,131,336	3,701	247,129,533	4,728	331,260,869
53	1,166	98,489,262	4,189	285,253,030	5,355	383,742,292
54	1,200	104,880,565	4,156	287,840,089	5,356	392,720,654
55	885	76,829,626	2,902	195,494,847	3,787	272,324,473
56	760	65,249,161	2,515	169,392,245	3,275	234,641,407
57	568	49,295,613	2,128	145,000,513	2,696	194,296,126
58	594	51,534,804	1,944	137,396,768	2,538	188,931,572
59	344	28,797,700	1,171	82,043,983	1,515	110,841,683

Amounts may not add to the dollar due to rounding.

TABLE 1
(Continued)
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JUNE 30, 2005
WITH SALARIES PROJECTED TO JUNE 30, 2006
(FULL TIME AND REGULAR PART TIME)

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
60	219	19,410,709	801	56,194,005	1,020	75,604,714
61	163	13,005,023	574	40,095,855	737	53,100,878
62	146	12,153,566	505	35,739,036	651	47,892,601
63	99	7,773,641	320	22,698,996	419	30,472,636
64	56	4,372,003	219	15,998,341	275	20,370,344
65	40	3,428,873	105	7,309,738	145	10,738,611
66	20	1,482,050	78	5,691,912	98	7,173,962
67	27	2,368,017	59	4,212,079	86	6,580,096
68	13	1,115,265	49	3,343,090	62	4,458,354
69	7	560,564	33	2,243,308	40	2,803,872
70	4	350,759	18	1,305,456	22	1,656,216
71	1	122,100	12	933,958	13	1,056,057
72	5	477,439	12	768,006	17	1,245,445
73	2	77,782	3	140,492	5	218,274
74			4	210,295	4	210,295
75	1	79,545			1	79,545
76			3	164,153	3	164,153
77			1	47,950	1	47,950
78	2	135,783			2	135,783
79			1	106,501	1	106,501
80						
81						
82						
83						
84			1	77,398	1	77,398
Total	29,872	\$ 2,022,404,517	96,926	\$ 5,422,538,631	126,798	\$ 7,444,943,148

Amounts may not add to the dollar due to rounding.

In addition, there are the following active members:

**SUBSTITUTES, PART-TIME, AND HOURLY-PAID
TEACHERS WHO ARE ON A FLEXIBLE OR
LIMITED WORK SCHEDULE**

Number	29,148
Annual Salaries	\$ 135,137,045
Average Age	41.26 years
Average Service	1.62 years

TABLE 2

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JUNE 30, 2005
WITH SALARIES PROJECTED TO JUNE 30, 2006
(FULL TIME AND REGULAR PART TIME)**

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
0	322	\$ 11,253,286	1,233	\$ 39,162,889	1,555	\$ 50,416,175
1	1,981	84,900,103	6,739	259,132,175	8,720	344,032,277
2	1,724	80,905,548	5,919	243,327,593	7,643	324,233,140
3	1,813	89,131,854	6,178	265,782,071	7,991	354,913,925
4	1,654	83,929,551	6,043	271,583,394	7,697	355,512,946
5	1,632	87,539,156	5,795	270,737,784	7,427	358,276,939
6	1,556	86,454,350	5,253	254,689,794	6,809	341,144,145
7	1,304	75,503,346	4,521	224,807,890	5,825	300,311,236
8	1,174	70,690,332	3,737	191,448,220	4,911	262,138,552
9	1,040	65,570,575	3,297	175,191,333	4,337	240,761,908
10	1,009	67,949,055	3,293	181,549,789	4,302	249,498,844
11	1,386	95,900,176	3,929	223,116,283	5,315	319,016,459
12	974	68,971,563	3,063	176,384,169	4,037	245,355,732
13	709	51,240,560	2,728	162,157,675	3,437	213,398,235
14	761	56,543,909	2,783	170,581,771	3,544	227,125,680
15	667	50,714,281	2,723	171,111,606	3,390	221,825,887
16	545	42,699,649	2,242	144,253,792	2,787	186,953,441
17	510	39,718,322	2,137	141,390,853	2,647	181,109,175
18	526	43,131,448	2,077	139,102,454	2,603	182,233,902
19	558	46,520,370	2,111	144,372,582	2,669	190,892,952
20	503	41,416,943	1,982	137,934,271	2,485	179,351,214
21	479	39,921,995	1,618	114,970,035	2,097	154,892,030
22	371	31,201,889	1,365	95,921,253	1,736	127,123,143
23	340	29,160,982	1,314	94,601,020	1,654	123,762,002
24	402	34,669,945	1,483	107,182,530	1,885	141,852,475
25	497	43,813,028	1,625	118,563,794	2,122	162,376,823
26	554	48,158,349	1,697	124,693,605	2,251	172,851,954
27	624	54,667,968	1,633	121,885,167	2,257	176,553,135
28	627	53,849,753	1,512	115,058,166	2,139	168,907,919
29	576	51,427,805	1,352	103,358,208	1,928	154,786,013
30	683	62,390,940	1,363	104,095,111	2,046	166,486,051
31	766	72,265,649	1,516	118,441,669	2,282	190,707,318
32	727	71,018,293	1,169	94,370,120	1,896	165,388,413
33	312	31,749,610	532	43,170,027	844	74,919,637
34	127	13,055,363	302	24,018,304	429	37,073,667
35	132	12,967,689	236	19,031,218	368	31,998,907
36	119	12,221,325	147	12,481,048	266	24,702,372
37	82	8,694,334	90	7,584,639	172	16,278,974
38	35	3,677,507	57	4,756,075	92	8,433,582

Amounts may not add due to rounding.

TABLE 2
(Continued)
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JUNE 30, 2005
WITH SALARIES PROJECTED TO JUNE 30, 2006
(FULL TIME AND REGULAR PART TIME)

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
39	25	2,465,035	40	2,997,329	65	5,462,364
40	11	965,934	33	2,673,485	44	3,639,419
41	11	1,144,787	25	2,016,286	36	3,161,073
42	7	490,537	13	1,090,624	20	1,581,161
43	6	522,896	7	573,028	13	1,095,925
44	3	300,519	2	135,838	5	436,357
45	4	415,114	3	309,793	7	724,907
46	2	329,884	3	298,102	5	627,986
47	1	93,467	2	161,314	3	254,781
48			2	150,087	2	150,087
49						
50			1	63,653	1	63,653
51	1	79,545	1	68,714	2	148,259
Total	29,872	\$ 2,022,404,517	96,926	\$ 5,422,538,631	126,798	\$ 7,444,943,148

Amounts may not add due to rounding.

In addition, there are the following active members:

SUBSTITUTES, PART-TIME, AND HOURLY-PAID
TEACHERS WHO ARE ON A FLEXIBLE OR
LIMITED WORK SCHEDULE

Number	29,148
Annual Salaries	\$ 135,137,045
Average Age	41.26 years
Average Service	1.62 years

TABLE 3
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2006

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
51	1	\$ 51,871	2	\$ 92,718	3	\$ 144,589
52	1	48,271	2	56,709	3	104,979
53	2	97,962	9	326,043	11	424,005
54	65	4,062,905	143	7,827,792	208	11,890,697
55	399	23,665,101	840	40,291,092	1,239	63,956,193
56	764	45,831,204	1,419	66,833,720	2,183	112,664,924
57	930	55,130,752	1,717	80,075,779	2,647	135,206,531
58	1,248	72,023,790	1,949	92,032,619	3,197	164,056,409
59	1,665	94,812,083	2,359	106,023,231	4,024	200,835,314
60	1,379	73,929,852	2,001	80,224,847	3,380	154,154,699
61	1,374	72,208,755	2,087	86,385,516	3,461	158,594,271
62	1,396	73,750,373	2,253	83,785,640	3,649	157,536,013
63	1,527	78,282,299	2,548	94,780,824	4,075	173,063,123
64	1,252	64,168,149	2,122	77,952,151	3,374	142,120,300
65	1,156	57,065,247	1,905	67,351,618	3,061	124,416,864
66	1,029	50,687,763	1,719	59,660,219	2,748	110,347,982
67	974	47,188,870	1,715	58,155,696	2,689	105,344,566
68	1,019	48,681,311	1,563	52,081,625	2,582	100,762,936
69	891	41,637,750	1,480	47,561,387	2,371	89,199,137
70	947	40,744,547	1,362	44,443,685	2,309	85,188,232
71	913	41,429,062	1,292	40,146,788	2,205	81,575,849
72	785	34,702,198	1,114	33,304,899	1,899	68,007,097
73	804	34,122,970	1,210	35,597,472	2,014	69,720,443
74	741	31,279,070	1,082	30,938,360	1,823	62,217,430
75	770	29,749,216	1,072	29,551,543	1,842	59,300,759
76	691	27,916,323	1,110	29,685,022	1,801	57,601,345
77	604	22,921,387	1,051	26,669,126	1,655	49,590,513
78	587	21,535,660	1,047	25,534,597	1,634	47,070,257
79	536	19,313,579	949	22,107,846	1,485	41,421,425
80	506	18,667,471	810	17,823,138	1,316	36,490,608
81	453	15,594,035	793	17,240,102	1,246	32,834,137
82	388	12,469,682	700	15,100,196	1,088	27,569,878
83	317	9,815,325	787	14,801,720	1,104	24,617,045
84	263	7,338,486	772	14,523,086	1,035	21,861,572
85	205	5,527,873	720	12,797,503	925	18,325,377
86	161	4,103,509	653	11,542,696	814	15,646,205
87	152	3,824,693	598	10,132,559	750	13,957,252
88	112	2,592,467	563	9,284,107	675	11,876,574

Amounts may not add to the dollar due to rounding.

TABLE 3
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2006

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
89	100	2,394,924	448	7,042,404	548	9,437,328
90	77	1,775,891	397	6,291,881	474	8,067,772
91	71	1,841,653	374	5,601,118	445	7,442,771
92	56	1,570,199	348	5,288,934	404	6,859,132
93	38	691,167	299	4,472,998	337	5,164,165
94	31	555,295	198	2,807,971	229	3,363,266
95	17	405,522	211	3,059,032	228	3,464,554
96	18	423,313	145	1,874,984	163	2,298,297
97	12	250,211	117	1,444,131	129	1,694,341
98	5	91,661	79	1,110,321	84	1,201,982
99	7	121,708	70	830,033	77	951,742
100	1	6,062	34	414,169	35	420,231
101	3	47,760	32	402,354	35	450,114
102			16	150,369	16	150,369
103			6	69,064	6	69,064
104			5	58,898	5	58,898
105			4	47,727	4	47,727
106			1	11,691	1	11,691
107			2	13,641	2	13,641
Total	27,443	\$ 1,297,147,227	48,304	\$ 1,583,715,389	75,747	\$ 2,880,862,616

Amounts may not add to the dollar due to rounding.

TABLE 4
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF SURVIVOR ANNUITANTS
AS OF JUNE 30, 2006

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
8	1	\$ 13,473	1	\$ 9,298	2	\$ 22,770
9	1	3,708			1	3,708
10	2	8,088			2	8,088
11			1	9,782	1	9,782
12	2	8,967	1	9,782	3	18,749
13	3	14,657			3	14,657
14	2	9,982	3	35,265	5	45,247
15	4	10,801	1	4,428	5	15,229
16	6	23,397	5	27,139	11	50,535
17	4	31,460	4	24,138	8	55,599
18	4	21,039	9	63,961	13	85,000
19	6	45,315	8	113,683	14	158,999
20	5	79,426	6	61,362	11	140,788
21	9	72,576	6	45,957	15	118,533
22						
23						
24						
25						
26	1	5,220			1	5,220
27						
28						
29						
30	1	7,638	1	7,200	2	14,838
31	1	7,638	1	7,397	2	15,035
32	1	7,416			1	7,416
33	1	7,868	2	14,400	3	22,268
34	2	35,591	1	7,200	3	42,791
35	3	29,501			3	29,501
36	1	7,868	1	7,868	2	15,735
37	1	8,104	1	22,567	2	30,671
38	2	33,046			2	33,046
39	1	7,868	1	10,891	2	18,758
40			4	38,904	4	38,904
41	4	31,434	1	8,597	5	40,031
42	1	9,967	2	18,838	3	28,804
43	2	17,718	5	91,284	7	109,002
44	3	25,134	3	46,696	6	71,831
45	3	23,737	5	89,810	8	113,546

Amounts may not add to the dollar due to rounding.

TABLE 4
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF SURVIVOR ANNUITANTS
AS OF JUNE 30, 2006

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
46	3	27,244	8	111,057	11	138,301
47	7	70,155	3	41,312	10	111,467
48	5	71,189	8	108,694	13	179,883
49	10	85,332	3	25,148	13	110,480
50	11	107,735	13	217,537	24	325,273
51	7	91,377	14	275,707	21	367,084
52	11	149,286	14	217,254	25	366,540
53	16	158,530	36	778,101	52	936,631
54	16	210,209	34	670,203	50	880,412
55	23	246,601	46	914,535	69	1,161,136
56	18	203,709	35	649,136	53	852,845
57	26	313,369	61	1,359,333	87	1,672,702
58	38	515,257	66	1,259,766	104	1,775,023
59	30	496,653	74	1,392,101	104	1,888,755
60	39	533,431	64	1,233,922	103	1,767,353
61	27	316,206	68	1,276,504	95	1,592,710
62	50	804,513	88	1,951,746	138	2,756,259
63	59	819,423	96	2,090,055	155	2,909,477
64	40	560,013	113	2,099,687	153	2,659,700
65	47	638,693	93	1,798,960	140	2,437,653
66	47	687,789	109	2,142,303	156	2,830,092
67	44	720,360	122	2,417,313	166	3,137,673
68	49	695,117	145	2,867,346	194	3,562,462
69	48	618,696	140	2,565,586	188	3,184,282
70	61	813,937	134	2,495,210	195	3,309,147
71	52	729,051	163	2,836,542	215	3,565,593
72	63	977,891	134	2,403,383	197	3,381,274
73	63	725,067	167	2,900,408	230	3,625,475
74	68	779,384	159	2,614,632	227	3,394,016
75	88	1,108,641	223	3,459,880	311	4,568,520
76	84	1,014,506	191	3,021,222	275	4,035,727
77	78	923,970	215	3,435,429	293	4,359,399
78	89	988,249	216	3,173,757	305	4,162,006
79	73	737,410	211	3,131,477	284	3,868,887
80	86	835,659	208	2,864,979	294	3,700,638
81	92	938,589	197	2,609,149	289	3,547,738
82	121	1,305,563	170	2,176,374	291	3,481,937
83	107	992,983	181	2,332,733	288	3,325,716

Amounts may not add to the dollar due to rounding.

TABLE 4
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF SURVIVOR ANNUITANTS
AS OF JUNE 30, 2006

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
84	90	760,101	174	2,088,018	264	2,848,118
85	90	708,143	185	2,106,037	275	2,814,179
86	77	570,857	158	1,595,142	235	2,165,999
87	68	538,046	168	1,751,019	236	2,289,065
88	79	566,069	149	1,381,064	228	1,947,133
89	58	369,017	138	1,364,282	196	1,733,299
90	70	516,753	125	1,166,010	195	1,682,763
91	46	316,541	114	1,104,313	160	1,420,853
92	48	305,850	82	727,434	130	1,033,284
93	28	193,986	74	729,794	102	923,780
94	27	166,718	59	519,075	86	685,792
95	20	123,978	53	376,035	73	500,013
96	20	117,251	37	285,251	57	402,503
97	16	70,998	23	179,017	39	250,015
98	8	39,394	14	103,026	22	142,421
99	7	43,169	23	162,920	30	206,089
100	3	14,106	7	50,417	10	64,523
101	4	15,463	5	28,903	9	44,366
102			1	3,967	1	3,967
103						
104						
105	1	959			1	959
Total	2,633	\$ 28,057,824	5,684	\$ 84,416,650	8,317	\$ 112,474,474

Amounts may not add to the dollar due to rounding.

TABLE 5
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF DISABILITY BENEFIT RECIPIENTS
AS OF JUNE 30, 2006

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
26			3	\$ 46,789	3	\$ 46,789
27			2	29,083	2	29,083
28			2	28,682	2	28,682
29			4	60,243	4	60,243
30			1	17,661	1	17,661
31			4	62,615	4	62,615
32			1	16,508	1	16,508
33	1	13,405	5	72,885	6	86,289
34	1	14,439	2	32,516	3	46,955
35			7	149,087	7	149,087
36			10	140,416	10	140,416
37	1	23,042	8	117,673	9	140,716
38	3	71,919	5	92,143	8	164,061
39			8	126,919	8	126,919
40	1	14,881	8	154,631	9	169,512
41	3	51,364	4	64,870	7	116,235
42	2	33,528	9	187,826	11	221,355
43	2	57,243	4	81,592	6	138,835
44	2	40,179	6	125,655	8	165,835
45	1	12,319	5	82,861	6	95,180
46	2	53,829	7	110,272	9	164,101
47	1	20,360	21	386,273	22	406,633
48	3	46,974	12	254,429	15	301,403
49	2	42,228	17	293,727	19	335,955
50	10	188,229	18	346,695	28	534,924
51	3	46,815	28	552,492	31	599,308
52	5	103,437	28	624,060	33	727,496
53	7	149,666	42	983,055	49	1,132,721
54	9	212,813	45	970,989	54	1,183,802
55	13	342,806	52	1,123,338	65	1,466,145
56	10	275,813	59	1,559,575	69	1,835,388
57	14	456,029	49	1,186,932	63	1,642,962
58	13	411,638	60	1,484,537	73	1,896,175
59	14	445,280	54	1,357,412	68	1,802,692
60	7	202,161	36	1,071,095	43	1,273,256
61	10	344,397	28	692,936	38	1,037,333
62	9	240,432	17	292,313	26	532,745
63	7	209,351	23	521,162	30	730,513

Amounts may not add to the dollar due to rounding.

TABLE 5
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF DISABILITY BENEFIT RECIPIENTS
AS OF JUNE 30, 2006

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
64	4	131,163	15	278,993	19	410,155
65	2	32,465	11	248,203	13	280,668
66	4	84,134	13	244,340	17	328,473
67	1	5,986	7	151,626	8	157,613
68			16	237,839	16	237,839
69	1	31,566	7	71,344	8	102,910
70	5	72,510	11	204,923	16	277,433
71	4	164,083	15	293,915	19	457,998
72	2	44,533	9	144,549	11	189,082
73	1	7,790	9	196,206	10	203,996
74	4	71,958	8	120,450	12	192,409
75	3	39,102	5	52,124	8	91,226
76			4	77,940	4	77,940
77	3	29,748	9	90,813	12	120,561
78	3	35,986	4	53,348	7	89,334
79	2	41,841	8	76,656	10	118,497
80	2	21,551	5	51,239	7	72,790
81	1	23,277	7	86,439	8	109,716
82			3	35,091	3	35,091
83			4	73,340	4	73,340
84			8	78,715	8	78,715
85	1	13,655	3	35,647	4	49,302
86			4	40,583	4	40,583
87			2	15,097	2	15,097
88	1	17,164	3	30,217	4	47,381
89			1	11,206	1	11,206
90			3	23,973	3	23,973
91						
92						
93						
94						
95						
96						
97						
98						
99						
100			1	6,349	1	6,349
Total	200	\$ 4,993,089	889	\$ 18,533,114	1,089	\$ 23,526,203

Amounts may not add to the dollar due to rounding.

TABLE 6

**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE GUARANTEED MINIMUM ANNUITY RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2006**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
61			2	\$ 2,658	2	\$ 2,658
62			2	496	2	496
63	1	32	5	3,319	6	3,351
64			8	2,633	8	2,633
65	1	208	7	8,108	8	8,316
66			9	4,747	9	4,747
67	2	1,231	18	9,501	20	10,731
68			28	14,110	28	14,110
69	3	1,483	28	18,046	31	19,529
70	3	3,368	26	13,276	29	16,644
71	2	584	28	14,271	30	14,855
72	2	968	21	14,559	23	15,527
73	3	810	16	8,935	19	9,745
74	4	2,590	25	19,329	29	21,919
75	4	1,836	47	30,307	51	32,143
76	8	5,025	52	35,645	60	40,670
77	6	4,200	69	44,283	75	48,482
78	11	7,629	61	47,339	72	54,967
79	16	14,690	74	66,340	90	81,030
80	8	6,529	62	52,593	70	59,122
81	12	13,782	70	70,155	82	83,937
82	15	14,520	55	56,576	70	71,096
83	10	10,007	106	112,806	116	122,814
84	14	10,311	93	102,260	107	112,572
85	8	8,762	103	117,008	111	125,770
86	12	16,904	99	115,259	111	132,163
87	12	16,123	78	88,495	90	104,618
88	13	22,248	95	123,145	108	145,393
89	6	6,572	68	91,507	74	98,079
90	7	10,700	57	66,117	64	76,817
91	5	7,741	70	102,361	75	110,102
92	4	7,939	60	85,623	64	93,562
93	6	11,332	53	76,677	59	88,009
94	5	8,602	44	66,652	49	75,254
95	1	2,979	46	68,150	47	71,129
96			50	67,335	50	67,335
97	1	525	38	64,163	39	64,688
98	1	1,256	19	33,539	20	34,795

Amounts may not add to the dollar due to rounding.

TABLE 6
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE GUARANTEED MINIMUM ANNUITY RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2006

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
99	1	2,864	29	48,703	30	51,567
100	1	3,123	14	20,854	15	23,978
101			14	24,061	14	24,061
102			10	17,037	10	17,037
103			3	4,690	3	4,690
104			3	3,560	3	3,560
105			3	5,933	3	5,933
106			1	767	1	767
107			2	4,968	2	4,968
Total	208	\$ 227,469	1,871	\$ 2,048,896	2,079	\$ 2,276,365

Amounts may not add to the dollar due to rounding.

TABLE 7

**THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE GUARANTEED MINIMUM ANNUITY RESERVE
OF DISABILITY BENEFIT RECIPIENTS
AS OF JUNE 30, 2006**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
79			1	\$ 936	1	\$ 936
80						
81			1	696	1	696
82						
83						
84						
85						
86						
87			1	686	1	686
88						
89						
90			1	1,398	1	1,398
91						
92						
93						
94						
95						
96						
97						
98						
99						
100			1	3,488	1	3,488
Total			5	\$ 7,204	5	\$ 7,204

Amounts may not add to the dollar due to rounding.