

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

**ACTUARIAL VALUATION
JUNE 30, 2002**



A Mellon Financial CompanySM

One North Dearborn, Suite 1400
Chicago, Illinois 60602-4336

November 13, 2002

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, 2002 and the principal results are set forth on Pages 1 and 2 of this report.

As a result of the five year experience analysis, the June 30, 2002 valuation reflects recommended revisions in actuarial assumptions that are used to anticipate: (1) termination from active employment; (2) disability retirement; (3) regular service retirement; (4) pre- and post-retirement mortality; (5) optional service purchases; (6) sick leave service credit; (7) annual salary increases; (8) severance pay at retirement; and (9) new hires for the period of the funding projection. The effect of these assumption changes was to decrease the pension benefit obligation of the System by \$346 million and to decrease the normal cost rate by .59 percentage points.

The valuation also reflects a change in the methodology of reporting recent retirements to the actuary. In prior years only retirements that were processed on or before the valuation date were reported to the actuary. Retirements effective on or before the valuation date that are processed after the valuation date are now also reported to the actuary. The effect of this reporting change was to increase the pension benefit obligation of the System by \$1 billion.

The recommended contributions to the System, which are summarized in the principal results, were determined by the current valuation for fiscal year 2004 and are based on the provisions of Public Act 90-0582. The actuarial assumptions used to determine the contribution reflect the recommended revisions discussed above.

Member contribution rates are 9.0% of covered payroll. An additional member contribution has been required since July 1, 1995 to finance retiree health insurance through a state agency other than TRS. The member health insurance rate increased from .5% to .65% on January 1, 2002, and increases from .65% to .75% effective July 1, 2003. School districts are required to contribute 0.58% of TRS payroll toward the cost of the 2.2% formula. Last fall the General Assembly gave final approval to legislation to keep the Teachers' Retirement Insurance Program (TRIP) financially stable through June 30, 2004. Public Act 92-505 grants school districts a dollar-for-dollar credit for TRIP contributions against the existing .58% employer retirement contribution for the first 18 months of the program beginning January 1, 2002. For fiscal years

2002 and 2003, this translates into \$13,677,000 and \$28,463,000, respectively, that will not be contributed to the Employer's Contribution Reserve. This change in the contribution requirement is factored into the appropriations determined under the 50-year funding program.

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 Act specifies that this objective is to be met by June 30, 2045 through annual appropriations that are a level percentage of payroll for fiscal years 2011 through 2045. Appropriations, as a percentage of payroll, for fiscal years 1996 through 2010 are to increase in level annual increments over the prior year's appropriation until the required level percentage of payroll is achieved in fiscal year 2010. In fiscal years 1999 through 2010, the Act specifies minimum state contributions as a percentage of applicable employee payroll.

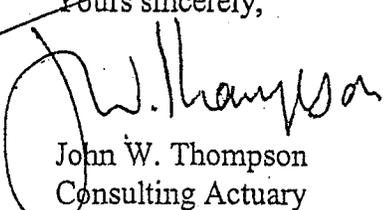
Under this financing objective, we recommend that the employer's contribution rate to the Employer's Contribution Reserve of the System for fiscal year 2004 be 14.96% of membership payroll. Under the projections, the rate is scheduled to increase to an employer contribution rate of 23.48% in fiscal 2010 and thereafter.

The total TRS Board-certified employer contribution to the Employer's Contribution Reserve is \$1,099,264,000. Subtracting estimated Federal and Trust Funds and School District contributions and adding a contribution to the Guaranteed Minimum Annuity Reserve results in a total recommended State Contribution for fiscal year 2004 of \$1,030,659,000. This figure represents an increase of \$100,609,000 or 10.8% over the actual State Contribution in fiscal year 2003 of \$930,050,000. An additional fiscal year 2004 state contribution of \$1,000,000 is required by Public Act 92-0566, the state early retirement incentive, for state employees who are covered by TRS. Under Section 16-133.3(g), the state is to appropriate and pay this amount during fiscal year 2004 in addition to the contributions otherwise specified under Article 16 of the Pension Code.

The unfunded pension benefit obligation of the System as of June 30, 2002 is \$20,681.4 million, which may be compared with the unfunded obligation of \$15,851.1 million as of June 30, 2001.

The funded status of the System as of June 30, 2002 is 52.0% based on the market value of assets, which may be compared with the System's funded status of 59.5% based on the market value of assets, as of June 30, 2001.

Yours sincerely,



John W. Thompson
Consulting Actuary

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

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

**ACTUARIAL VALUATION
JUNE 30, 2002**

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	
	2002	2001
Employer's Contribution Reserve		
• Active members reported to the actuary:		
– Number	149,822	146,833
– Annual salaries (adjusted to valuation date)	\$ 6,579,584,000	\$ 6,258,177,000
– Average age	42.6 years	42.7 years
– Average service	11.4 years	11.6 years
• Number of inactives	70,505	64,909
• Retirees and beneficiaries in receipt of benefits:		
– Number	69,472	64,874
– Annual annuities (at June 30)	\$ 1,925,413,000	\$ 1,639,629,000
• Assets		
– Market value	\$ 22,366,285,000	\$ 23,315,646,000
• Pension benefit obligation	\$ 43,047,674,000	\$ 39,166,697,000
• Unfunded pension benefit obligation	\$ 20,681,389,000	\$ 15,851,051,000
• Funded ratio:		
– Market value	52.0%	59.5%

SUMMARY OF PRINCIPAL RESULTS
(Continued)

Item	Year Ended June 30	
	2002	2001
Employer's Contribution Reserve (continued)	Fiscal Year <u>2004</u>	Fiscal Year <u>2003</u>
• Employer cost:		
– Percentage Rate (includes Federal and School Districts)	14.96%	13.55**%
– Employer Contribution	\$ 1,099,264,000	\$ 963,858,000*
– Less School Districts	42,605,000	12,808,800*
– Less Federal and Trust Funds Contribution	<u>29,400,000</u>	<u>25,000,000</u>
– State Contribution	\$ 1,027,259,000	\$ 926,050,000
		*Lower rate and amounts are due to PA 92-505.
Guaranteed Minimum Annuity Reserve		
• Retirees in receipt of benefits:		
– Number	3,079	3,376
– Annual annuities	\$ 3,893,000	\$ 4,397,000
– Pension benefit obligation	\$ 19,473,000	\$ 22,141,000
• State Contribution	\$ 3,400,000	\$ 4,000,000
Total State Contribution**:		
• Employer's Contribution Reserve	\$ 1,027,259,000	\$ 926,050,000
• Guaranteed Minimum Annuity Reserve	<u>3,400,000</u>	<u>4,000,000</u>
• Total State Contribution	\$ 1,030,659,000	\$ 930,050,000

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 2003 and 2004 State Contributions were adjusted to ensure payment of all required benefits as required by Statute.

Employer's contribution to System in fiscal year 2003:

	<u>Certified Contribution</u>
Common School Fund	\$ 550,000,000
State Pensions Fund	63,455,000
Educational Assistance Fund	300,000,000
General Revenue Fund	12,595,000
School Districts for 2.2%*	12,808,000
Federal and Trust Funds*	<u>25,000,000</u>
Total	\$ 963,858,000

*Future Federal and Trust Funds and School Districts contributions are estimated. School Districts contributions are lower due to PA 92-505.

** An additional fiscal year 2004 state contribution of \$1,000,000 is required by PA 92-0566, the state employee early retirement incentive, for state employees who are covered by TRS.

2. The June 30, 2002 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, 2001, and (ii) retirees and beneficiaries in receipt of benefits as of June 30, 2002. Membership data for active and inactive members as of June 30, 2000, and for retirees and beneficiaries as of June 30, 2001 were used as the basis for the June 30, 2001 actuarial valuation. As part of the valuation procedure, actual salaries 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 \$1,030,659,000 shown as of June 30, 2002 is the recommended State contribution for fiscal year 2004 under the pension funding provisions of Public Act 90-0582. This amount represents an Employer's Contribution Reserve Contribution of \$1,027,259,000 and a Guaranteed Minimum Annuity Reserve Contribution of \$3,400,000 for a total contribution of \$1,030,659,000.
4. As stated above, at June 30, 2002 and June 30, 2001, 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 reported payroll and member account balances by a 4% inflation assumption. No further adjustments were made to the active membership data at June 30, 2002 or June 30, 2001.
5. The June 30, 2002 valuation reflects recommended revisions in actuarial assumptions that are used to anticipate (1) termination from active employment; (2) disability retirement; (3) regular service retirement; (4) pre- and post-retirement mortality; (5) optional service purchases; (6) sick leave service credit; (7) annual salary increases; (8) severance pay at retirement; and (9) new hires for the period of the funding projection. The effect of these assumption changes was to decrease the pension benefit obligation of the System by \$346 million and to decrease the normal cost rate by .59 percentage points.

6. The valuation also reflects a change in the methodology of reporting recent retirements to the actuary. In prior years only retirements that were processed on or before the valuation date were reported to the actuary. Retirements effective on or before the valuation date that are processed after the valuation date are now also reported to the actuary. The effect of this reporting change was to increase the pension benefit obligation of the System by \$1 billion.
7. The statistics for full-time, substitute, part-time, and hourly paid teachers for purposes of the June 30, 2002 valuation, based on the census information for active members as of June 30, 2001, (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	125,044	24,778	149,822
Annual salaries	\$ 6,467,301,000	\$ 112,283,000	\$ 6,579,584,000
Average age	43.0 years	40.9 years	42.6 years
Average service	13.3 years	1.5 years	11.4 years

SECTION II — FINANCING OBJECTIVE
AND EMPLOYER'S CONTRIBUTION RATE

The financing objective of the System under Public Act 90-0582 is to:

- (a) meet the cost of maintaining and administering the System on a 90% funded basis in accordance with actuarial recommendations; and
- (b) meet this objective by June 30, 2045 based on a contribution rate payable by the employer which increases in equal annual increments for fiscal years 1996 through 2010, and remains level for fiscal years 2011 through 2045. In fiscal years 1999 through 2010, the Act specifies minimum state contributions as a percentage of applicable employee payroll.

On the basis of the current valuation, the contribution rate payable by the employer for fiscal year 2004, using the funding policy established under Public Act 90-0582, is equal to 14.96% of membership payroll. This is the total employer contribution rate, including state contributions, federal and trust funds, and school district contributions for the 2.2 formula change.

A projection of the contribution rates which are payable by the employer during the phase-in period on the basis of the funding policy described above indicates that the total contribution rate payable by the employer is scheduled to increase to an ultimate level rate of 23.48% in fiscal year 2010. The chart below presents the total contribution rates to the Employer's Contribution Reserve as well as the State contribution rates.

Fiscal Year	Total Employer Rate	State Rate	Fiscal Year	Total Employer Rate	State Rate
2004	14.96%	13.98%	2008	20.64%	19.66%
2005	16.38	15.40	2009	22.06	21.08
2006	17.80	16.82	2010	23.48	22.50
2007	19.22	18.24			

The State contribution equals the total contribution rate, offset by contributions from federal and trust funds and school districts. In addition to the contributions by the State to the Employer's Contribution Reserve, 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.

Schedule I of the report at Page 15 shows the required contribution for fiscal year 2004 under the financing objectives described above. As indicated in Schedule I, there is a total State contribution amount of \$1,030,659,000 payable to two reserves for fiscal year 2004. An additional fiscal year 2004 state contribution of \$1,000,000 is required by Public Act 92-0566, the state employee early retirement incentive, for state employees who are covered by TRS.

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

Valuation Date	Assets at Market Value	Pension Benefit Obligation	Funded Status
June 30, 2002	\$ 22,366 M	\$ 43,048 M	52.0%
June 30, 2001	23,316 M	39,167 M	59.5%

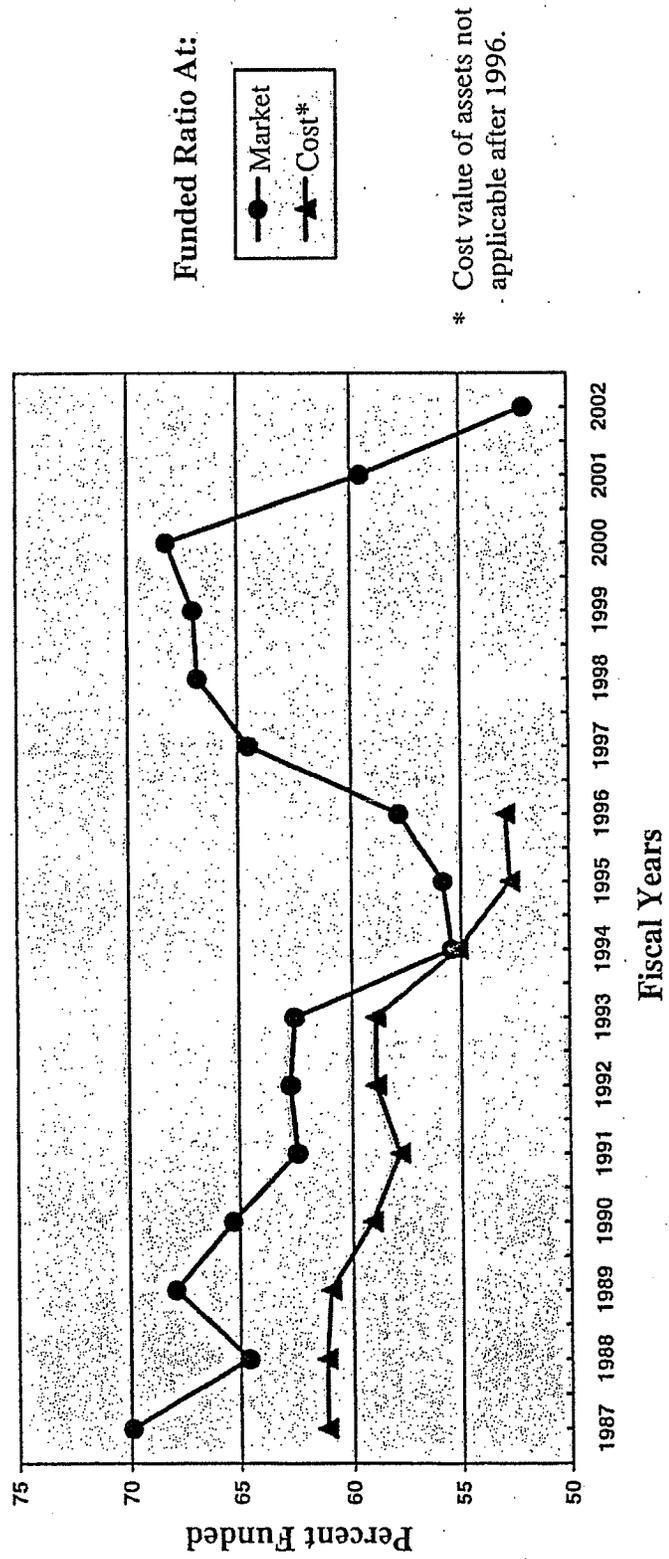
As can be seen from the table, the current funded status of the System is 52.0% as measured by the market value of assets. The funded status on a market value basis has decreased by 7.5 percentage points from the previous valuation.

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 1989 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, which was expected during this period of underfunding by the State. The decline in the funded ratio that occurred during fiscal year 2001 and 2002 is due to a broad decline in the market value of investments.

The funding provisions of PA 90-0582 are designed to attain a 90% funded ratio in fiscal year 2045. Because of the 15-year phase-in period before the full contribution rate is attained, the contribution rates of the System will increase to the ultimate rate in fiscal year 2010 and thereafter. A projection of the future funded status of the System is shown in Schedule XIV at Page 30.

TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS

FUNDED RATIO FISCAL YEARS 1987 - 2002



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 17.

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, 2002, there was a net actuarial loss of \$3.061 billion 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 loss included the following:

(1) Losses due to salary increases greater than expected	\$	(.005) billion
(2) Losses due to investment income below that expected		(2.696)
(3) Losses due to new entrants, for which no allowance is made in the assumptions		(.027)
(4) Gains due to lower than expected mortality		.009
(5) Fewer terminations than expected		(.032)
(6) Repayments of refunded member contributions		(.026)
(7) ERO costs waived for those with 34 years of service		(.273)
(8) Losses due to delayed reporting of retirements (effect on assets)		(.078)
(9) Gains due to all other causes		<u>.067</u>
Total net loss	\$	(3.061) billion

The loss from item 2 is comprised of the actuarial expected earnings of \$1.972 billion combined with the actual asset loss of \$.724 billion. The actuarial loss is equal to the expected earnings minus the actual investment return.

The loss from item 8 is due to 1,851 retirements that occurred prior to July 1, 2001 and were not reported to the actuary until June 30, 2002 due to TRS processing constraints. The actuarial loss is equal to the value of benefits paid prior to July 1, 2002 to these late reported retirees.

The "other cause" category (item 9) is the balancing item needed to complete the reconciliation of the June 30, 2001 and June 30, 2002 unfunded PBOs. Item 9 includes such factors as:

- (a) Retroactive benefit payments to 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 different from those expected.
- (e) Delayed reporting of retirements (effect on PBO).

SECTION V — MEMBERSHIP DATA

The June 30, 2002 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, 2001, and (ii) annuitants and survivor annuitants in receipt of benefits as of June 30, 2002. As part of the valuation procedure, annualized salaries 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, he 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, 2002	Valuation June 30, 2001	Percentage Change
Active membership:			
• Full-time and regular part time:			
> Number	125,044	122,598	2.0
> Annual Compensation	\$ 6,467,301,476	\$ 6,153,819,768	5.1
> Average Compensation	\$ 51,720	\$ 50,195	3.0
• Substitutes, part-time, and hourly paid on a limited schedule			
> Number	24,778	24,235	2.2
> Annual Compensation	\$ 112,282,536	\$ 104,357,189	7.6
> Average Compensation	\$ 4,532	\$ 4,306	5.2
• Total Number	149,822	146,833	2.0
Inactive Membership:			
• Eligible for deferred annuities	12,919	12,065	7.1
• Eligible for refunds or single sum benefits only	57,586	52,844	9.0
Annuitants (retirees, disabilitants and survivors):			
• Number	69,472	64,874	7.1
• Annual annuities	\$ 1,925,413,154	\$ 1,639,629,137	17.4
• Average annual annuities	\$ 27,715	\$ 25,274	9.7

Notes:

1. Rates of pay for individual teachers who were on full-time or regular part-time status at both June 30, 2001 and June 30, 2002 increased on average 6.96%, compared to the expected average increase of 6.75%.
2. The 9% 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, 2002 amounted to \$22,366,285,000. This amount includes \$111,107,000 receivable from members for future payroll deduction contributions.

Assets are expected to earn 8.5% of market value. The actuarial loss on account of investment income for fiscal year ended June 30, 2002 is the expected earnings minus the actual investment return. In fiscal year 2002, actuarial assumed earnings of \$1.972 billion combined with the actual asset loss of \$0.724 billion equals the reported actuarial loss of \$2.696 billion.

During the fiscal year ended June 30, 2002, the actuarial investment rate of return was equal to (3.12)%, based on market value. This may be compared to the actuarial investment rate of return of (4.16)% during the fiscal year ended June 30, 2001, 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 Public Act 90-0582 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 90-0582, adopted in May of 1998, were first effective for the 1999 fiscal year and have been reflected in this current June 30, 2002 valuation. 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.

The rate of contribution determined under the cost method, according to the financing objective first established under Public Act 88-0593 and amended by Public Act 90-0582, 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, 2002 through June 30, 2045. See Section II for a more detailed description of the results of the application of this financing objective to the determination of the fiscal year 2004 contribution requirement.

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 which follow.

SCHEDULE I

**EMPLOYER'S CONTRIBUTION RATES AND AMOUNTS
FISCAL YEAR 2004
(Based on June 30, 2002 Actuarial Valuation)**

Reserve Fund	Year Ended June 30, 2004
• Employer's Contribution Reserve:	
> Employer's Cost	\$ 1,099,264,000
> Less School Districts	(42,605,000)
> Less Federal and Trust Funds	(29,400,000)
> State Contribution	\$ 1,027,259,000
• Guaranteed Minimum Annuity Reserve	
> State Contribution	\$ 3,400,000
Total State Contribution	\$ 1,030,659,000

Notes:**(1) Employer's Contribution Reserve**

- (a) Employer's cost of \$1,099,264,000 is equivalent to a contribution rate of 14.96% of payroll based on an estimated membership payroll for fiscal year 2004 of \$7.346 billion.
- (b) Employer's cost is based on projection required by Public Act 90-0582 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; 14.25% in FY2005; 14.95% in FY2006; 15.65% in FY2007; 16.34% in FY2008; 17.04% in FY2009; and 17.74% in FY2010.
- (c) For FY2004, the recommended state contribution rate is 13.98%. Projection indicates that employer contribution rate will rise from 14.96% in fiscal year 2004 to 23.48% in fiscal year 2010.

(2) Guaranteed Minimum Annuity Reserve

Above State contribution for fiscal year 2004 of \$3,400,000 for the Guaranteed Minimum Annuity Reserve is based on projection of benefit outgo from reserve funds in fiscal year 2004. 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 Public Act 90-0582 is as follows:

- (a) June 30, 2002 valuation data. New entrant profile per actuarial assumptions.
- (b) Employer's total contribution to Employer's Contribution Reserve of the System in fiscal year 2003:

	<u>Certified Contribution</u>
Common School Fund	\$ 550,000,000
State Pensions Fund	63,455,000
Educational Assistance Fund	300,000,000
General Revenue Fund	12,595,000
School Districts for 2.2%*	12,808,000
Federal and Trust Funds	25,000,000
Total	\$ 963,858,000

*School Districts contributions are lower due to PA 92-505.

- (4) Federal and Trust Funds and School Districts contributions are estimated.

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

(\$ Thousands)

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
6/30/96	\$ 15,103,927	\$ 26,141,794	\$ 11,037,867	57.8%	\$ 4,734,250	233.1%
6/30/97*	17,393,108	26,951,585	9,558,477	64.5	5,013,583	190.7
6/30/98	19,965,887	29,908,241	9,942,354	66.8	5,323,403	186.8
6/30/99	22,237,709	33,205,513	10,967,804	67.0	5,698,117	192.5
6/30/00	24,481,413	35,886,404	11,404,991	68.2	6,062,884	188.1
6/30/01	23,315,646	39,166,697	15,851,051	59.5	6,430,612	246.5
6/30/02*	22,366,285	43,047,674	20,681,389	52.0	6,785,236	304.8

Schedule of Employer Contributions			
Total Employer Contributions (State, Federal and Trust Funds, and School Districts)			
Actuarial Valuation Date	Funding Year Ended June 30	Annual Required Contribution	Percentage Contributed
6/30/94	1996	\$1,350,997	25.3%
6/30/95	1997	927,842	42.6
6/30/96	1998	983,312	48.6
6/30/97*	1999	932,909	64.7
6/30/98	2000	1,003,612	68.6
6/30/99	2001	1,102,441	70.6
6/30/00	2002	1,163,262	74.1

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: 6/30/2002
 Actuarial Cost Method: Projected Unit Credit
 Amortization Method (for GASB disclosure): Level Percent Open
 Remaining Amortization Period (for GASB disclosure): 40 years
 Asset Valuation Method: Market

Actuarial Assumptions:

Investment Rate of Return: 8.5%
 Projected Salary Increases: 5.9 – 10.1% 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	
	2002	2001
• Unfunded pension benefit obligation at beginning of year	\$ 15,851,051	\$ 11,404,991
• Additions (deductions)		
— Employer cost in excess of contributions	\$ 1,074,422	\$ 733,877
— Change in actuarial assumptions	(346,000)	-
— Change in data reporting methodology	1,040,736	-
• Actuarial losses (gains) compared to assumptions:		
— Salary increases for continuing active members	\$ 4,934	\$ (10,310)
— Investment income ¹	2,696,199	3,089,764
— New entrant loss	27,032	22,775
— Mortality other than expected	(8,832)	1,569
— Terminations other than expected	31,991	99,652
— Repayments of refunded member contributions ²	25,698	24,445
— ERO costs waived for those with 34 years of service	273,219	134,951
— Delayed reporting of retirements (effect on assets) ³	77,536	69,559
— Other ⁴	(66,597)	279,778
Net Actuarial Losses (Gains)	\$ 3,061,180	\$ 3,712,183
• Net Additions	\$ 4,830,338	\$ 4,446,060
• Unfunded pension benefit obligation at end of year	\$ 20,681,389	\$ 15,851,051

¹ Assets are expected to earn 8.5% of market value. This item is the expected earnings minus the actual investment return. For example, in fiscal year 2002, actuarial assumed earnings of \$1.972 billion plus the actual asset loss of \$.724 billion equal the reported actuarial loss of \$2.696 billion.

² This includes the employer paid portion of the benefit that was restored when members repaid previously refunded contributions.

³ 1,876 retirements that occurred prior to 7/1/2000 were not reported to the actuary until 6/30/2001.
1,851 retirements that occurred prior to 7/1/2001 were not reported to the actuary until 6/30/2002.

⁴ Other includes items such as:

- (a) Retroactive benefit payments to 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 different from those expected.
- (e) Delayed reporting of retirements (effect on PBO).

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

Item	Year Ended June 30	
	2002	2001
• Employer Normal Cost	\$ 588,972	\$ 542,795
• Interest on unfunded pension benefit obligation at beginning of year	<u>1,347,339</u>	<u>969,424</u>
Total employer cost	\$ 1,936,311	\$ 1,512,219
• Employer contributions		
— State (excluding Minimum and Supplemental)	\$ 810,619	\$ 719,357
— School Districts for 2.2%	24,987	35,809
— Federal and Trust Funds	<u>26,283</u>	<u>23,176</u>
Total employer credits	\$ 861,889	\$ 778,342
• Employer cost in excess of contributions	\$ 1,074,422	\$ 733,877

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
1993	\$ 18,485,890,000	\$ 10,879,590,000	\$ 7,606,300,000	11.08%
1994	21,746,875,000	11,992,224,000	9,754,651,000	28.24
1995	23,980,566,000	12,641,865,000	11,338,701,000	16.24
1996	26,141,794,000	13,829,711,000	12,312,083,000	8.58
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
Average Annual Change				12.95%

*Net assets pre-1997 are on cost value basis. Post 1996 assets are at fair market value.

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

Year Ended June 30	Pension Benefit Obligation	Net Assets*		Funded Ratio	
		Cost	Market	Cost	Market
1993	\$ 18,485,890,000	\$ 10,879,590,000	\$11,544,604,000	58.9%	62.5%
1994	21,746,875,000	11,992,224,000	12,038,688,000	55.1	55.4
1995	23,980,566,000	12,641,865,000	13,374,278,000	52.7	55.8
1996	26,141,794,000	13,829,711,000	15,103,927,000	52.9	57.8
1997	26,951,585,000	N/A	17,393,108,000	N/A	64.5
1998	29,908,241,000	N/A	19,965,887,000	N/A	66.8
1999	33,205,513,000	N/A	22,237,709,000	N/A	67.0
2000	35,886,404,000	N/A	24,481,413,000	N/A	68.2
2001	39,166,697,000	N/A	23,315,646,000	N/A	59.5
2002	43,047,674,000	N/A	22,366,285,000	N/A	52.0

*Cost value of assets are not applicable after 1996.

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			
1993	\$ 10,439,836,000	\$363,334,000	\$ 305,974,000	\$ 1,179,776,000	\$ 744,316,000	\$ 11,544,604,000
1994	11,544,604,000	413,395,000	483,465,000	503,837,000	906,613,000	12,038,688,000
1995	12,038,688,000	430,761,000	598,169,000	1,457,436,000	1,150,776,000	13,374,278,000
1996	13,374,278,000	399,084,000	389,367,000	2,095,915,000	1,154,717,000	15,103,927,000
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

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.

SCHEDULE VIII**MEMBERSHIP DATA**

**ACTIVE AND INACTIVE MEMBERSHIP OF SYSTEM
AS OF JUNE 30, 2001
USED IN JUNE 30, 2002 VALUATION**

Group	Number	Annual Salaries (Adjusted to Valuation Date)
Active members:		
Reported full-time and regular part-time	125,044	\$ 6,467,301,476
Reported substitutes and hourly paid	24,778	112,282,536
Total	<u>149,822</u>	<u>\$ 6,579,584,012</u>
Inactives:	70,505	N/A

**ANNUITANTS, DISABILITY BENEFIT RECIPIENTS,
AND SURVIVOR ANNUITANTS OF THE SYSTEM
AS OF JUNE 30, 2002
(Excluding Guaranteed Minimum Annuities)**

Class	Number	Annual Annuities at June 30
Retired on account of service:		
Regular	36,112	\$ 886,581,339
ERI	11,412	435,652,624
ERO	13,296	503,883,367
Total	<u>60,820</u>	<u>\$ 1,826,117,330</u>
Disability benefit recipients:		
Retirement allowance	662	\$ 10,856,434
Occupational	8	249,137
Temporary	380	7,989,499
Total	<u>1,050</u>	<u>\$ 19,095,070</u>
Survivor benefit recipients:		
Children	116	\$ 688,433
Survivor annuitants	7,254	75,979,302
Reversionary annuitants	168	2,371,974
QILDROs	64	1,161,045
Total	<u>7,602</u>	<u>\$ 80,200,754</u>
Grand Total	69,472	\$ 1,925,413,154

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
1992	104,407	0.14%	\$ 38,561	5.37%
1993	104,271 ⁽¹⁾	(0.13)	41,039	6.43
1994	100,576 ⁽²⁾	(3.54)	41,716	1.65
1995	108,179	7.56	42,766	2.52
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

(1) Includes 2,242 assumed new members to replace ERI program retirees.

(2) Includes 961 assumed new members to replace ERI program retirees.

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
1992	21,363	11.56%	\$ 3,200	5.65%
1993	21,499	0.64	2,967	(7.28)
1994	21,398	(0.47)	3,132	5.56
1995	20,700	(3.26)	3,361	7.31
1996	21,668	4.68	3,440	2.35
1997	22,983	6.09	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

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

Year Ended June 30	Number on Roll	Percentage Change in Membership
1993	49,555	3.23
1994	54,616	10.21
1995	59,611	9.15
1996	59,634	0.04
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

- * 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		Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum	Fiscal Year	Guaranteed Minimum
2003	\$ 3,705,630	2027	\$ 95,660
2004	3,342,060	2028	77,260
2005	3,002,030	2029	62,040
2006	2,685,510	2030	49,530
2007	2,392,380	2031	39,300
2008	2,122,480	2032	30,970
2009	1,875,330	2033	24,230
2010	1,650,260	2034	18,810
2011	1,446,380	2035	14,470
2012	1,262,600	2036	11,030
2013	1,097,750	2037	8,310
2014	950,550	2038	6,180
2015	819,690	2039	4,540
2016	703,880	2040	3,270
2017	601,820	2041	2,320
2018	512,250	2042	1,600
2019	433,990	2043	1,080
2020	365,910	2044	710
2021	306,960	2045	450
2022	256,190	2046	270
2023	212,690	2047	160
2024	175,630	2048	90
2025	144,230	2049	50
2026	117,790	2050	20

Notes:

- (1) Above benefit payment amounts were projected based on the mortality assumptions for the general pensioner population.
- (2) As separate studies have not been performed for these special groups, the fiscal 2004 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 XII
ITEMIZATION OF EMPLOYER CONTRIBUTION TO EMPLOYER'S CONTRIBUTION RESERVE**

Year Ended June 30	Assumed Payroll	Total Employer Contribution	School District Contribution	Federal & Trust Funds Contribution	State Contribution	State Contribution Rate
1995	\$4,633,650,000	\$279,364,800		\$16,500,000	\$262,864,800	5.67%
1996	4,863,544,432	341,276,242		17,000,000	324,276,242	6.67%
1997	4,903,151,093	395,268,984		17,300,000	377,968,984	7.71%
1998	5,264,732,966	478,439,267		18,000,000	460,439,267	8.75%
1999	5,558,349,721	602,242,600	16,675,000	18,500,000	567,067,600	10.20%
2000	5,887,080,405	686,383,626	34,145,066	18,200,000	634,038,560	10.77%
2001	6,271,637,672	775,732,339	36,375,498	20,000,000	719,356,841	11.47%
2002	6,666,272,399	872,283,104	38,664,380	23,000,000	810,618,724	12.16%
2003	7,115,762,553	963,858,291	12,808,373	25,000,000	926,049,918	13.01%
2004	7,345,674,585	1,099,263,906	42,604,913	29,400,000	1,027,258,994	13.98%
2005	7,627,372,743	1,249,680,899	44,238,762	30,527,456	1,174,914,681	15.40%
2006	7,909,877,032	1,408,238,153	45,877,287	31,658,139	1,330,702,727	16.82%
2007	8,191,731,837	1,574,690,181	47,512,045	32,786,222	1,494,391,915	18.24%
2008	8,474,751,842	1,749,383,922	49,153,561	33,918,968	1,666,311,393	19.66%
2009	8,765,678,940	1,933,856,365	50,840,938	35,083,362	1,847,932,066	21.08%
2010	9,069,145,336	2,129,531,898	52,601,043	36,297,942	2,040,632,913	22.50%
2011	9,387,593,199	2,204,306,847	54,448,041	37,572,484	2,112,286,323	22.50%
2012	9,722,423,194	2,282,928,496	56,390,055	38,912,593	2,187,625,849	22.50%
2013	10,077,207,467	2,366,235,621	58,447,803	40,332,565	2,267,455,252	22.50%
2014	10,457,227,874	2,455,468,459	60,651,922	41,853,542	2,352,962,996	22.50%
2015	10,865,997,433	2,551,451,904	63,022,785	43,489,583	2,444,939,536	22.50%
2016	11,305,669,083	2,654,691,490	65,572,881	45,249,305	2,543,869,304	22.50%
2017	11,777,240,176	2,765,421,404	68,307,993	47,136,700	2,649,976,711	22.50%
2018	12,281,665,562	2,883,865,856	71,233,660	49,155,590	2,763,476,606	22.50%
2019	12,820,549,646	3,010,401,577	74,359,188	51,312,396	2,884,729,994	22.50%
2020	13,396,866,981	3,145,727,024	77,701,828	53,619,022	3,014,406,174	22.50%

CERTIFIED

PROJECTED

Notes:

- (1) Federal and Trust Funds contributions for 2003 and 2004 were estimated at \$25,000,000 and \$29,400,000, respectively.
- (2) School District and Federal and Trust Fund contributions for years subsequent to 2004 are projected to increase from the fiscal 2004 amounts at the same rate as the increase in Assumed Payroll.

**SCHEDULE XII
ITEMIZATION OF EMPLOYER CONTRIBUTION TO EMPLOYER'S CONTRIBUTION RESERVE
(Continued)**

Year Ended June 30	Assumed Payroll	Total Employer Contribution	School District Contribution	Federal & Trust Funds Contribution	State Contribution	State Contribution Rate
2021	14,009,522,277	3,289,585,012	81,255,229	56,071,086	3,152,258,696	22.50%
2022	14,657,996,912	3,441,853,761	85,016,382	58,666,512	3,298,170,867	22.50%
2023	15,342,823,796	3,602,658,406	88,988,378	61,407,433	3,452,262,595	22.50%
2024	16,064,242,507	3,772,055,202	93,172,607	64,294,807	3,614,587,788	22.50%
2025	16,821,625,256	3,949,896,736	97,565,426	67,326,122	3,785,005,188	22.50%
2026	17,614,344,734	4,136,035,711	102,163,199	70,498,867	3,963,373,644	22.50%
2027	18,442,956,548	4,330,602,588	106,969,148	73,815,266	4,149,818,174	22.50%
2028	19,309,661,513	4,534,114,143	111,996,037	77,284,127	4,344,833,979	22.50%
2029	20,216,034,214	4,746,940,105	117,252,998	80,911,753	4,548,775,354	22.50%
2030	21,163,922,017	4,969,514,255	122,750,748	84,705,537	4,762,057,970	22.50%
2031	22,154,608,830	5,202,138,068	128,496,731	88,670,617	4,984,970,719	22.50%
2032	23,190,872,249	5,445,463,753	134,507,059	92,818,112	5,218,138,583	22.50%
2033	24,275,463,982	5,700,137,441	140,797,691	97,159,033	5,462,180,717	22.50%
2034	25,412,705,451	5,967,173,849	147,393,692	101,710,678	5,718,069,479	22.50%
2035	26,607,410,617	6,247,703,343	154,322,982	106,492,312	5,986,888,049	22.50%
2036	27,862,088,169	6,542,314,993	161,600,111	111,513,978	6,269,200,904	22.50%
2037	29,177,568,727	6,851,203,836	169,229,899	116,778,998	6,565,194,939	22.50%
2038	30,555,090,527	7,174,660,623	177,219,525	122,292,330	6,875,148,768	22.50%
2039	31,997,436,076	7,513,338,717	185,585,129	128,065,110	7,199,688,478	22.50%
2040	33,506,248,246	7,867,623,881	194,336,240	134,103,912	7,539,183,729	22.50%
2041	35,083,203,497	8,237,909,766	203,482,580	140,415,447	7,894,011,739	22.50%
2042	36,730,971,687	8,624,823,284	213,039,636	147,010,401	8,264,773,247	22.50%
2043	38,453,178,327	9,029,215,742	223,028,434	153,903,284	8,652,284,024	22.50%
2044	40,254,484,186	9,452,181,539	233,476,008	161,112,750	9,057,592,780	22.50%
2045	42,138,852,227	9,894,651,221	244,405,343	168,654,661	9,481,591,217	22.50%
2046	44,109,772,055	4,027,842,682	255,836,678	176,542,982	3,595,463,021	8.15%

PROJECTED

Notes:

- (1) Federal and Trust Funds contributions for 2003 and 2004 were estimated at \$25,000,000 and \$29,400,000, respectively.
- (2) School District and Federal and Trust Fund contributions for years subsequent to 2004 are projected to increase from the fiscal 2004 amounts at the same rate as the increase in Assumed Payroll.

SCHEDULE XIII

FISCAL YEAR 2004 EMPLOYER CONTRIBUTION BASED ON
50-YEAR PROJECTION FOR EMPLOYER'S CONTRIBUTION RESERVE UNDER PUBLIC ACT 90-0582
(50 YEAR AMORTIZATION WITH 15 YEAR PHASE-IN BEGINNING FISCAL YEAR 1996)

Year Ended June 30	End of Year		Employer Rate (see note 2)		Amount of Employer Contribution (see note 2)		Assumed Payroll
	Funded Ratio	Unfunded Pension Benefit Obligation	Total	Normal Cost	Total	Normal Cost	
1995	52.7%	\$11,338,701,000	6.03%	8.12%	\$279,364,800	\$376,122,700	\$4,633,650,000
1996	52.9%	12,312,083,000	7.02%	8.23%	341,276,242	400,134,055	4,863,544,432
1997	64.5%	9,558,477,000	8.06%	8.21%	395,268,984	402,771,457	4,903,151,093
1998	66.8%	9,942,354,000	9.09%	8.38%	478,439,267	441,403,004	5,264,732,966
1999	67.0%	10,967,804,000	10.83%	7.84%	602,242,600	435,910,961	5,558,349,721
2000	68.2%	11,404,991,000	11.66%	8.15%	686,383,626	479,928,856	5,887,080,405
2001	59.5%	15,851,051,000	12.37%	8.65%	775,732,339	542,794,806	6,271,637,672
2002	52.0%	20,681,389,000	13.09%	8.84%	872,283,104	588,971,933	6,666,272,399
2003	52.0%	22,038,155,971	13.55%	8.83%	963,858,291	628,536,783	7,115,762,553
2004	52.1%	23,380,931,413	14.96%	8.15%	1,099,263,906	598,462,925	7,345,674,585
2005	52.5%	24,709,273,715	16.38%	8.20%	1,249,680,899	625,566,693	7,627,372,743
2006	52.9%	26,009,650,682	17.80%	8.21%	1,408,238,153	649,665,803	7,909,877,032
2007	53.5%	27,257,785,561	19.22%	8.07%	1,574,690,181	660,753,486	8,191,731,837
2008	54.1%	28,447,885,990	20.64%	8.00%	1,749,383,922	677,771,171	8,474,751,842
2009	54.9%	29,562,021,639	22.06%	7.90%	1,933,856,365	692,780,794	8,765,678,940
2010	55.8%	30,582,339,968	23.48%	7.80%	2,129,531,898	707,405,856	9,069,145,336
2011	56.6%	31,627,479,249	23.48%	7.69%	2,204,306,847	721,671,034	9,387,593,199
2012	57.3%	32,694,285,663	23.48%	7.57%	2,282,928,496	735,563,669	9,722,423,194
2013	57.9%	33,781,159,520	23.48%	7.45%	2,366,235,621	750,671,944	10,077,207,467
2014	58.5%	34,887,339,171	23.48%	7.34%	2,455,468,459	768,037,089	10,457,227,874
2015	59.0%	36,010,169,964	23.48%	7.26%	2,551,451,904	788,818,063	10,865,997,433
2016	59.5%	37,147,109,448	23.48%	7.19%	2,654,691,490	813,261,750	11,305,669,083
2017	60.0%	38,295,750,470	23.48%	7.14%	2,765,421,404	840,976,266	11,777,240,176
2018	60.5%	39,466,592,990	23.48%	7.22%	2,883,865,856	886,530,505	12,281,665,562
2019	61.0%	40,646,805,315	23.48%	7.22%	3,010,401,577	926,102,759	12,820,549,646
2020	61.6%	41,830,459,526	23.48%	7.22%	3,145,727,024	967,503,443	13,396,866,981

Notes:
 Above represents contributions to the Employer's Contribution Reserve. It does not include contributions to Guaranteed Minimum and Supplemental Annuity Reserves.
 Above contributions represent the sum of State contributions and Federal and Trust Funds Contributions. School District contributions under P.A. 90-0582 are included beginning in fiscal 1999.
 Amortization rate in fiscal years 1995-1997 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 - 2003 are based on the June 30, 1993 - June 30, 2001 actuarial valuations and are certified amounts, with fiscal 1999 including additional funding due to P.A. 90-0582 and \$9,695,600 in additional State Pensions Fund appropriations.
 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 = 8.50%. Assets at market
 • For 1997 and after: Return on Investment = 8.00%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.00%. Assets at cost value.
 TEACHERS' RETIREMENT SYSTEM
 OF THE STATE OF ILLINOIS
 BUCK CONSULTANTS

SCHEDULE XIII

**FISCAL YEAR 2004 EMPLOYER CONTRIBUTION BASED ON
50 YEAR PROJECTION FOR EMPLOYER'S CONTRIBUTION RESERVE UNDER PUBLIC ACT 90-0582
(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 note 2)		Amount of Employer Contribution (see note 2)		Assumed Payroll	
		Funded Ratio	Unfunded Pension Benefit Obligation	Total	Normal Cost	Total	Normal Cost		Amortization
2021	26	62.1%	43,012,459,181	23.48%	7.23%	3,289,585,012	1,012,746,586	2,276,838,426	14,009,522,277
2022	27	62.7%	44,187,297,119	23.48%	7.24%	3,441,853,761	1,061,321,375	2,380,532,387	14,657,996,912
2023	28	63.4%	45,350,499,661	23.48%	7.26%	3,602,658,406	1,114,235,140	2,488,423,266	15,342,823,796
2024	29	64.0%	46,495,722,252	23.48%	7.29%	3,772,055,202	1,171,178,629	2,600,876,573	16,064,242,507
2025	30	64.8%	47,616,170,398	23.48%	7.32%	3,949,896,736	1,231,587,435	2,718,309,301	16,821,625,256
2026	31	65.6%	48,703,384,749	23.48%	7.35%	4,136,035,711	1,294,223,191	2,841,812,520	17,614,344,734
2027	32	66.5%	49,747,260,790	23.48%	7.37%	4,330,602,588	1,358,450,826	2,972,151,762	18,442,956,548
2028	33	67.4%	50,737,647,244	23.48%	7.38%	4,534,114,143	1,425,425,276	3,108,688,867	19,309,661,513
2029	34	68.4%	51,663,267,458	23.48%	7.40%	4,746,940,105	1,495,248,553	3,251,691,552	20,216,034,214
2030	35	69.4%	52,511,766,126	23.48%	7.41%	4,969,514,255	1,568,248,386	3,401,265,869	21,163,922,017
2031	36	70.6%	53,268,230,595	23.48%	7.42%	5,202,138,068	1,643,269,956	3,558,868,112	22,154,608,830
2032	37	71.7%	53,915,672,978	23.48%	7.42%	5,445,463,753	1,720,201,614	3,725,262,139	23,190,872,249
2033	38	73.0%	54,436,880,000	23.48%	7.42%	5,700,137,441	1,800,852,489	3,899,284,953	24,275,463,982
2034	39	74.2%	54,812,113,190	23.48%	7.42%	5,967,173,849	1,885,217,679	4,081,956,170	25,412,705,451
2035	40	75.5%	55,019,350,292	23.48%	7.42%	6,247,703,343	1,973,845,759	4,273,857,584	26,607,410,617
2036	41	76.9%	55,034,277,417	23.48%	7.42%	6,542,314,993	2,066,922,834	4,475,392,159	27,862,088,169
2037	42	78.3%	54,830,375,023	23.48%	7.42%	6,851,203,836	2,164,510,524	4,686,693,312	29,177,568,727
2038	43	79.7%	54,378,662,231	23.48%	7.42%	7,174,660,623	2,266,700,684	4,907,959,939	30,555,090,527
2039	44	81.1%	53,647,229,238	23.48%	7.42%	7,513,338,717	2,373,699,734	5,139,638,983	31,997,436,076
2040	45	82.6%	52,601,179,027	23.48%	7.42%	7,867,623,881	2,485,629,547	5,381,994,334	33,506,248,246
2041	46	84.0%	51,202,367,845	23.48%	7.42%	8,237,909,766	2,602,614,491	5,635,295,276	35,083,203,497
2042	47	85.5%	49,408,963,012	23.48%	7.42%	8,624,823,284	2,724,852,626	5,899,970,658	36,730,971,687
2043	48	87.0%	47,174,969,473	23.48%	7.42%	9,029,215,742	2,852,612,907	6,176,602,835	38,453,178,327
2044	49	88.5%	44,449,702,779	23.48%	7.42%	9,452,181,539	2,986,241,090	6,465,940,449	40,254,484,186
2045	50	90.0%	41,177,507,246	23.48%	7.42%	9,894,651,221	3,126,031,163	6,768,620,058	42,138,852,227
2046	51	90.0%	43,890,536,504	9.13%	7.42%	4,027,842,682	3,272,241,999	755,600,683	44,109,772,055

Notes:
) Above represents contributions to the Employer's Contribution Reserve. It does not include contributions to Guaranteed Minimum and Supplemental Annuity Reserves.
) Above contributions represent the sum of State contributions and Federal and Trust Funds Contributions. School District contributions under P.A. 90-0582 are included beginning in fiscal 1999.
) Amortization rate in fiscal years 1995-1997 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 - 2003 are based on the June 30, 1993 - June 30, 2001 actuarial valuations and are certified amounts, with fiscal 1999 including additional funding due to P.A. 90-0582 and \$9,695,600 in additional State Pensions Fund appropriations.
) 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 XIV
50-YEAR PROJECTION OF FUNDED STATUS
UNDER PUBLIC ACT 90-0582

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	45,876,723,938	23,838,567,967	22,038,155,971	52.0%
2004	48,851,269,091	25,470,337,678	23,380,931,413	52.1%
2005	51,968,743,142	27,259,469,426	24,709,273,715	52.5%
2006	55,221,276,188	29,211,625,506	26,009,650,682	52.9%
2007	58,584,456,614	31,326,671,053	27,257,785,561	53.5%
2008	62,039,037,361	33,591,151,371	28,447,885,990	54.1%
2009	65,570,220,853	36,008,199,214	29,562,021,639	54.9%
2010	69,162,088,658	38,579,748,690	30,582,339,968	55.8%
2011	72,802,637,613	41,175,158,364	31,627,479,249	56.6%
2012	76,494,595,976	43,800,310,314	32,694,285,663	57.3%
2013	80,235,156,988	46,453,997,468	33,781,159,520	57.9%
2014	84,027,851,068	49,140,511,897	34,887,339,171	58.5%
2015	87,884,397,978	51,874,228,015	36,010,169,964	59.0%
2016	91,820,900,156	54,673,790,708	37,147,109,448	59.5%
2017	95,855,770,713	57,560,020,243	38,295,750,470	60.0%
2018	100,025,245,477	60,558,652,486	39,466,592,990	60.5%
2019	104,345,928,211	63,699,122,896	40,646,805,315	61.0%
2020	108,847,005,093	67,016,545,567	41,830,459,526	61.6%

Notes: The projection of assets is based upon the assumption that the Employer maintains the funding policy under Public Act 90-0582 that began with Fiscal Year 1999.

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

SCHEDULE XIV
50-YEAR PROJECTION OF FUNDED STATUS
UNDER PUBLIC ACT 90-0582
(Continued)

Year Ended June 30	End of Year			
	Pension Benefit Obligation	Value of Assets	Unfunded Pension Benefit Obligation	Funded Ratio
2021	\$ 113,559,603,466	\$ 70,547,144,285	\$ 43,012,459,181	62.1%
2022	118,518,027,081	74,330,729,962	44,187,297,119	62.7%
2023	123,760,204,989	78,409,705,329	45,350,499,661	63.4%
2024	129,326,511,128	82,830,788,877	46,495,722,252	64.0%
2025	135,257,166,676	87,640,996,278	47,616,170,398	64.8%
2026	141,591,954,031	92,888,569,282	48,703,384,749	65.6%
2027	148,371,131,638	98,623,870,848	49,747,260,790	66.5%
2028	155,642,851,756	104,905,204,512	50,737,647,244	67.4%
2029	163,456,157,063	111,792,889,605	51,663,267,458	68.4%
2030	171,865,892,688	119,354,126,561	52,511,766,126	69.4%
2031	180,932,791,522	127,664,560,927	53,268,230,595	70.6%
2032	190,725,284,416	136,809,611,438	53,915,672,978	71.7%
2033	201,292,804,814	146,855,924,814	54,436,880,000	73.0%
2034	212,698,421,047	157,886,307,856	54,812,113,190	74.2%
2035	224,965,838,064	169,946,487,772	55,019,350,292	75.5%
2036	238,162,029,480	183,127,752,063	55,034,277,417	76.9%
2037	252,362,435,346	197,532,060,323	54,830,375,023	78.3%
2038	267,646,058,098	213,267,395,867	54,378,662,231	79.7%
2039	284,083,093,978	230,435,864,740	53,647,229,238	81.1%
2040	301,760,483,502	249,159,304,475	52,601,179,027	82.6%
2041	320,760,570,382	269,558,202,537	51,202,367,845	84.0%
2042	341,160,148,569	291,751,185,557	49,408,963,012	85.5%
2043	363,031,521,317	315,856,551,844	47,174,969,473	87.0%
2044	386,497,815,131	342,048,112,353	44,449,702,779	88.5%
2045	411,775,072,455	370,597,565,210	41,177,507,246	90.0%
2046	438,905,365,038	395,014,828,534	43,890,536,504	90.0%

Notes: The projection of assets is based upon the assumption that the Employer maintains the funding policy under Public Act 90-0582 that began with Fiscal Year 1999.

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				
Males						
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	—
Females						
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	—

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 total recommended average increase of 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 Public Act 90-0582, 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.

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: Expected administrative expenses for the fiscal year following the valuation are estimated by the administrative staff of the System. 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	0.0%	0.0%	0.0%	0.2%	0.2%	0.4%
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 6/30/2002*
(for one year of service credit)

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20 - 24	\$ 32,260	\$ 30,369	\$ 30,687	\$ 14,546	\$ 13,409	\$ 13,703
25 - 29	34,817	33,224	33,569	14,755	14,031	14,278
30 - 34	37,759	34,997	35,743	14,915	13,717	14,033
35 - 39	41,758	35,674	37,224	14,101	13,877	13,922
40 - 44	41,496	35,445	36,963	14,002	13,909	13,921
45 - 49	42,194	36,495	37,766	14,706	14,128	14,216
50 - 54	46,752	40,257	41,788	14,343	14,076	14,123
55 - 59	54,795	40,078	45,059	14,519	14,206	14,285
60 - 64	43,379	48,979	45,922	14,071	13,833	13,894
65 - 69	-	-	-	15,332	13,735	14,349
70	-	-	-	13,671	13,235	13,407
Average	\$ 37,438	\$ 33,446	\$ 34,319	\$ 14,484	\$ 13,977	\$ 14,084

* 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 and includes an adjustment for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to June 30, 2001. Significant actuarial assumptions used to determine the pension benefit obligation as of June 30, 2002 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 10.1% at age 20 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.

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

The greater of:

- (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
Option

A member retiring after June 1, 1980 and on or before June 30, 2005 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 contribution will be a percentage 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 employee contribution shall be at the rate of 7% for the lesser of the following two periods: (a) for each year that the member is less than age 60; or (b) for each year that the member's creditable service is less than 35 years. However, both the member and employer contributions are waived if the member has 34 years of service. The employer contribution shall be at the rate of 20% for each year the member is under age 60. The provisions of this paragraph 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%, 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 $\frac{1}{2}\%$ 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 and payments made into the fund by him which have not previously been refunded, without interest thereon.

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

In addition to a refund of accumulated contributions, dependent beneficiaries receive survivor benefit of \$1,000 plus monthly benefits equal to a percentage of average salary for each dependent beneficiary. The widow's or widower's maximum benefit is \$400 per month; and the maximum family benefit is \$600 per month, or 80% of average salary, whichever is less.

Minimum Benefit - 50% of earned retirement allowance.

Member Contributions

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 ½% of salary 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.

SECTION XI — DETAILED TABULATIONS OF DATA

	<u>Description</u>	<u>Page No.</u>
<u>EXHIBIT</u>	The number and annual salaries of full-time and regular part-time members in active service distributed by five year age and service categories as of June 30, 2001 ----- (Salaries projected to June 30, 2002)	45
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EXHIBIT

ACTIVE MEMBERSHIP

**NUMBER AS OF JUNE 30, 2001 AND
AVERAGE ANNUAL SALARY PROJECTED TO JUNE 30, 2002**

Age	Full - Time and Regular Part - Time Members										Substitutes	Grand Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total			
Under 25	4,997 \$ 31,914	2 \$ 38,656									4,999 \$ 31,917	3,162 \$ 4,214	8,161 \$ 21,184
25-29	12,785 \$ 35,282	3,785 \$ 40,708									16,570 \$ 36,522	3,177 \$ 4,309	19,747 \$ 31,339
30-34	4,913 \$ 37,214	8,154 \$ 43,385	2,175 \$ 48,594								15,242 \$ 42,139	2,373 \$ 3,834	17,615 \$ 36,979
35-39	2,721 \$ 36,890	3,126 \$ 45,171	4,312 \$ 51,149	1,583 \$ 55,996							11,742 \$ 46,907	2,690 \$ 4,127	14,432 \$ 38,933
40-44	2,755 \$ 36,313	2,762 \$ 43,853	2,511 \$ 51,320	3,453 \$ 57,560	2,017 \$ 61,204						13,498 \$ 49,802	3,635 \$ 4,544	17,133 \$ 40,200
45-49	2,748 \$ 37,613	3,418 \$ 45,512	3,142 \$ 52,010	2,703 \$ 59,110	5,489 \$ 63,604	3,652 \$ 66,817					21,152 \$ 55,562	3,605 \$ 4,977	24,757 \$ 48,196
50-54	1,811 \$ 40,125	2,956 \$ 47,841	3,534 \$ 54,422	2,998 \$ 60,014	3,373 \$ 64,249	7,788 \$ 69,335	5,414 \$ 74,775				27,874 \$ 62,706	3,033 \$ 5,088	30,907 \$ 57,052
55-59	586 \$ 43,340	869 \$ 49,644	1,263 \$ 56,328	1,363 \$ 60,916	1,478 \$ 65,272	1,670 \$ 70,148	3,124 \$ 75,856	664 \$ 77,356			11,017 \$ 65,777	1,642 \$ 5,263	12,659 \$ 57,928
60-64	162 \$ 42,907	190 \$ 53,393	254 \$ 55,176	287 \$ 60,532	425 \$ 66,272	394 \$ 67,116	411 \$ 71,346	281 \$ 75,317	69 \$ 81,700		2,473 \$ 64,382	840 \$ 4,429	3,313 \$ 49,181
Over 64	33 \$ 41,682	38 \$ 43,303	45 \$ 53,454	41 \$ 59,296	48 \$ 63,482	87 \$ 67,243	83 \$ 70,460	42 \$ 70,382	60 \$ 79,075		477 \$ 63,529	621 \$ 4,523	1,098 \$ 30,157
Total	33,511 \$ 35,915	25,300 \$ 44,354	17,236 \$ 52,125	12,428 \$ 58,732	12,830 \$ 63,676	13,591 \$ 68,681	9,032 \$ 74,953	987 \$ 76,479	129 \$ 80,479		125,044 \$ 51,720	24,778 \$ 4,532	149,822 \$ 43,916

TABLE 1
THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JUNE 30, 2001
WITH SALARIES PROJECTED TO JUNE 30, 2002
(FULL TIME AND REGULAR PART TIME)

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
20	1	\$ 24,913			1	\$ 24,913
21	4	115,599	13	\$ 400,488	17	516,086
22	39	1,176,038	403	12,061,203	442	13,237,242
23	271	8,814,284	1,481	46,271,417	1,752	55,085,700
24	517	17,883,218	2,270	72,805,996	2,787	90,689,215
25	674	24,169,740	2,352	78,734,803	3,026	102,904,543
26	728	26,674,724	2,750	95,030,429	3,478	121,705,153
27	786	30,299,969	2,579	92,606,427	3,365	122,906,396
28	759	31,228,102	2,553	94,254,696	3,312	125,482,798
29	844	35,398,477	2,545	96,765,888	3,389	132,164,364
30	910	39,404,359	2,679	104,833,435	3,589	144,237,794
31	840	38,124,208	2,493	98,658,681	3,333	136,782,889
32	882	42,005,454	2,193	88,846,701	3,075	130,852,155
33	763	36,705,895	1,962	80,715,061	2,725	117,420,957
34	713	35,981,905	1,807	77,007,926	2,520	112,989,831
35	724	36,533,635	1,734	74,777,414	2,458	111,311,050
36	619	33,073,935	1,603	70,892,158	2,222	103,966,093
37	601	32,224,961	1,722	76,133,198	2,323	108,358,159
38	659	36,474,508	1,650	74,664,066	2,309	111,138,574
39	628	35,711,332	1,802	80,292,058	2,430	116,003,390
40	615	35,476,778	1,831	83,167,842	2,446	118,644,620
41	555	32,331,084	1,902	86,603,140	2,457	118,934,223
42	597	36,429,146	1,962	91,201,479	2,559	127,630,625
43	641	38,850,034	2,294	108,556,721	2,935	147,406,755
44	646	40,945,108	2,455	118,668,206	3,101	159,613,313
45	767	49,570,164	2,622	130,904,668	3,389	180,474,831
46	831	54,043,072	2,872	145,704,745	3,703	199,747,817
47	896	58,306,731	3,158	164,617,109	4,054	222,923,840
48	1,041	69,719,627	3,617	194,084,318	4,658	263,803,946
49	1,179	81,181,417	4,169	227,115,929	5,348	308,297,346
50	1,322	94,518,403	4,388	243,602,618	5,710	338,121,021
51	1,455	105,917,242	4,042	225,903,376	5,497	331,820,618
52	1,512	110,896,134	3,947	225,226,961	5,459	336,123,095
53	1,644	124,764,398	3,817	228,461,443	5,461	353,225,842
54	1,918	152,732,760	3,829	235,837,570	5,747	388,570,330
55	1,040	82,010,152	2,170	131,576,553	3,210	213,586,704
56	776	60,571,798	1,745	105,974,705	2,521	166,546,503
57	577	44,570,769	1,452	87,179,369	2,029	131,750,139
58	514	38,849,735	1,383	84,551,051	1,897	123,400,786
59	349	27,310,264	1,011	62,071,039	1,360	89,381,302

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, 2001
WITH SALARIES PROJECTED TO JUNE 30, 2002
(FULL TIME AND REGULAR PART TIME)

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
60	207	15,053,437	643	38,822,895	850	53,876,332
61	151	11,219,931	455	27,954,523	606	39,174,454
62	77	5,826,566	342	21,394,420	419	27,220,987
63	88	6,707,890	250	15,267,240	338	21,975,130
64	65	4,934,616	195	12,035,443	260	16,970,059
65	38	2,460,842	125	7,875,299	163	10,336,141
66	19	1,492,334	71	4,375,164	90	5,867,497
67	11	751,592	49	2,893,622	60	3,645,214
68	11	728,459	37	2,101,649	48	2,830,108
69	10	861,833	20	1,246,558	30	2,108,390
70	3	173,864	24	1,309,452	27	1,483,316
71	2	188,791	19	1,252,833	21	1,441,623
72	2	90,983	12	731,857	14	822,840
73	3	226,846	7	447,846	10	674,691
74	1	71,032	2	189,684	3	260,715
75	2	181,356	2	171,542	4	352,898
76			1	97,700	1	97,700
77	1	49,954			1	49,954
78			1	61,926	1	61,926
79			1	88,409	1	88,409
80			3	182,133	3	182,133
Total	31,528	\$ 1,932,040,395	93,516	\$ 4,535,261,081	125,044	\$ 6,467,301,476

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	24,778
Annual Salaries	\$ 112,282,536
Average Age	40.92 years
Average Service	1.50 years

TABLE 2

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JUNE 30, 2001
WITH SALARIES PROJECTED TO JUNE 30, 2002
(FULL TIME AND REGULAR PART TIME)**

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
0	306	\$ 10,196,114	1,103	\$ 32,345,019	1,409	\$ 42,541,134
1	2,127	79,084,681	7,811	258,133,020	9,938	337,217,700
2	1,887	73,995,728	6,859	239,212,127	8,746	313,207,855
3	1,571	64,994,937	5,768	209,700,097	7,339	274,695,033
4	1,357	57,959,613	4,722	177,937,865	6,079	235,897,478
5	1,190	53,992,336	3,962	155,733,414	5,152	209,725,750
6	1,131	55,746,230	4,020	165,144,659	5,151	220,890,890
7	1,572	81,273,434	4,824	208,102,609	6,396	289,376,043
8	1,099	58,805,755	3,603	158,510,255	4,702	217,316,009
9	762	42,506,322	3,137	142,338,520	3,899	184,844,842
10	829	46,871,821	3,273	155,356,106	4,102	202,227,927
11	744	43,902,629	3,220	158,458,148	3,964	202,360,777
12	600	36,630,279	2,582	130,237,589	3,182	166,867,868
13	560	34,740,691	2,448	127,018,701	3,008	161,759,393
14	592	38,973,428	2,388	126,228,415	2,980	165,201,843
15	625	41,596,388	2,488	135,833,183	3,113	177,429,571
16	581	38,612,246	2,398	134,419,898	2,979	173,032,144
17	533	35,656,601	1,960	112,331,136	2,493	147,987,737
18	406	27,513,755	1,549	88,782,058	1,955	116,295,814
19	379	26,561,610	1,509	88,616,737	1,888	115,178,347
20	494	34,542,856	1,767	104,104,035	2,261	138,646,891
21	592	42,913,543	1,980	118,362,719	2,572	161,276,262
22	631	44,973,034	2,087	126,455,420	2,718	171,428,454
23	718	51,897,358	1,976	122,931,165	2,694	174,828,523
24	742	53,684,079	1,843	117,101,342	2,585	170,785,421
25	690	51,256,855	1,708	108,377,855	2,398	159,634,710
26	824	62,375,830	1,782	113,158,962	2,606	175,534,792
27	1,049	79,071,169	1,863	120,366,207	2,912	199,437,376
28	1,186	90,248,411	1,709	112,033,569	2,895	202,281,980
29	1,170	91,435,410	1,610	105,115,865	2,780	196,551,275
30	949	76,372,654	1,512	99,897,185	2,461	176,269,839
31	1,116	88,994,397	1,431	97,949,822	2,547	186,944,219
32	1,191	101,193,700	1,166	83,568,889	2,357	184,762,589
33	533	46,390,683	564	39,823,976	1,097	86,214,659
34	256	21,410,215	314	21,373,743	570	42,783,958
35	216	18,556,858	202	13,512,599	418	32,069,456
36	144	11,980,443	145	10,257,656	289	22,238,099
37	58	5,154,400	88	6,150,547	146	11,304,947
38	35	2,580,375	50	3,686,269	85	6,266,644
39	22	1,772,408	27	1,833,037	49	3,605,445

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, 2001
WITH SALARIES PROJECTED TO JUNE 30, 2002
(FULL TIME AND REGULAR PART TIME)

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
40	23	2,052,489	15	978,435	38	3,030,924
41	14	1,453,810	16	1,244,459	30	2,698,269
42	13	1,084,934	10	743,283	23	1,828,217
43	5	407,607	9	632,957	14	1,040,564
44			5	349,913	5	349,913
45	2	203,749	1	47,557	3	251,306
46			4	260,113	4	260,113
47	2	176,662	1	57,598	3	234,260
48			1	57,982	1	57,982
49			2	104,584	2	104,584
50	2	241,870	1	67,909	3	309,779
51			1	96,451	1	96,451
52						
53			1	41,525	1	41,525
54						
55						
56						
57						
58						
59			1	77,895	1	77,895
Total	31,528	\$ 1,932,040,395	93,516	\$ 4,535,261,081	125,044	\$ 6,467,301,476

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	24,778
Annual Salaries	\$ 112,282,536
Average Age	40.92 years
Average Service	1.50 years

TABLE 3

THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE EMPLOYER CONTRIBUTION RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2002

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
52	1	\$ 25,587			1	\$ 25,587
53			1	18,539	1	18,539
54	113	6,565,230	120	6,414,524	233	12,979,754
55	667	35,994,214	820	35,715,912	1,487	71,710,127
56	776	40,472,586	795	32,415,193	1,571	72,887,779
57	861	42,065,192	971	39,362,277	1,832	81,427,469
58	985	45,873,282	1,116	39,670,266	2,101	85,543,548
59	1,175	53,116,054	1,405	49,790,967	2,580	102,907,020
60	1,048	46,376,500	1,441	47,796,823	2,489	94,173,323
61	1,019	45,480,939	1,409	45,102,502	2,428	90,583,441
62	950	42,022,740	1,371	43,535,442	2,321	85,558,182
63	932	41,337,437	1,456	44,152,529	2,388	85,489,966
64	1,002	42,615,134	1,389	41,169,511	2,391	83,784,645
65	892	37,203,430	1,385	39,315,437	2,277	76,518,867
66	961	36,941,738	1,325	37,896,074	2,286	74,837,812
67	933	37,327,335	1,270	35,199,202	2,203	72,526,537
68	822	32,427,154	1,098	29,359,752	1,920	61,786,906
69	854	32,435,143	1,233	32,467,566	2,087	64,902,709
70	793	29,486,383	1,115	28,344,746	1,908	57,831,129
71	839	29,006,939	1,106	27,323,950	1,945	56,330,888
72	751	26,607,854	1,179	28,155,204	1,930	54,763,058
73	682	22,891,098	1,122	25,100,399	1,804	47,991,498
74	676	21,861,928	1,120	24,116,812	1,796	45,978,740
75	619	19,441,239	1,036	21,533,512	1,655	40,974,750
76	591	18,959,794	897	17,492,178	1,488	36,451,971
77	546	16,299,054	894	17,142,654	1,440	33,441,708
78	472	13,356,171	806	15,300,006	1,278	28,656,177
79	409	11,225,578	905	14,947,720	1,314	26,173,299
80	363	9,351,577	899	14,919,425	1,262	24,271,002
81	277	6,893,477	882	14,039,578	1,159	20,933,055
82	231	5,297,459	826	12,881,290	1,057	18,178,749
83	215	4,714,792	781	11,572,029	996	16,286,820
84	178	3,640,042	781	11,251,318	959	14,891,360
85	158	3,501,474	677	9,500,956	835	13,002,430
86	134	2,682,754	622	8,550,837	756	11,233,590
87	126	2,814,306	572	7,473,480	698	10,287,786
88	99	2,130,630	565	7,524,993	664	9,655,623
89	91	1,550,000	518	6,924,193	609	8,474,193

Amounts may not add to the dollar due to rounding.

TABLE 3
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE EMPLOYER CONTRIBUTION RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2002

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
90	74	1,223,555	403	5,169,542	477	6,393,097
91	51	926,373	407	5,141,171	458	6,067,544
92	54	1,032,505	356	4,255,691	410	5,288,196
93	51	987,681	307	3,411,244	358	4,398,925
94	29	521,748	238	2,779,284	267	3,301,031
95	23	274,681	200	2,147,390	223	2,422,070
96	13	194,644	141	1,443,469	154	1,638,114
97	16	157,997	102	1,054,069	118	1,212,066
98	6	97,958	79	741,504	85	839,462
99	1	10,708	43	430,245	44	440,953
100	2	14,268	34	295,509	36	309,777
101			18	143,420	18	143,420
102			14	115,655	14	115,655
103			9	76,983	9	76,983
Total	22,561	\$ 875,434,361	38,259	\$ 950,682,969	60,820	\$ 1,826,117,330

Amounts may not add to the dollar due to rounding.

TABLE 4

THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE EMPLOYER CONTRIBUTION RESERVE
OF SURVIVOR ANNUITANTS
AS OF JUNE 30, 2002

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
6	1	\$ 3,892			1	\$ 3,892
7						
8	1	3,892			1	3,892
9	2	9,986			2	9,986
10	1	12,494	1	5,731	2	18,225
11	1	3,132	1	3,934	2	7,065
12	4	13,300	4	20,223	8	33,523
13	1	3,422	4	21,259	5	24,681
14	4	18,391	8	51,404	12	69,795
15	3	11,392	5	56,895	8	68,286
16	3	13,897	5	20,175	8	34,072
17	9	42,139	8	39,964	17	82,103
18	5	31,761	7	37,974	12	69,735
19	5	59,837	5	34,938	10	94,775
20	8	42,014	8	48,452	16	90,467
21	3	24,923	8	48,374	11	73,297
22	1	4,638			1	4,638
23						
24						
25						
26			1	6,609	1	6,609
27						
28						
29						
30	1	7,638			1	7,638
31	1	11,538			1	11,538
32			1	7,200	1	7,200
33	1	7,200			1	7,200
34						
35			1	9,676	1	9,676
36			3	24,641	3	24,641
37			1	7,638	1	7,638
38	1	8,855	1	7,200	2	16,055
39	2	15,742			2	15,742
40	2	15,742	1	9,121	3	24,863
41	1	8,104	1	8,447	2	16,550
42	1	7,797	3	39,126	4	46,924
43	3	26,752	4	45,589	7	72,341

Amounts may not add to the dollar due to rounding.

TABLE 4
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE EMPLOYER CONTRIBUTION RESERVE
OF SURVIVOR ANNUITANTS
AS OF JUNE 30, 2002

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
44	2	30,959	4	35,596	6	66,555
45	6	48,423	2	20,082	8	68,505
46	4	45,985	4	39,917	8	85,902
47	4	54,238	6	76,237	10	130,475
48	3	36,371	5	65,883	8	102,253
49	8	66,049	13	208,551	21	274,600
50	7	58,759	13	214,332	20	273,091
51	8	50,448	22	304,542	30	354,990
52	13	122,209	22	269,782	35	391,991
53	12	100,863	34	525,245	46	626,108
54	14	155,727	41	666,918	55	822,644
55	18	187,430	42	669,086	60	856,516
56	22	215,112	45	675,176	67	890,288
57	17	156,916	43	661,953	60	818,868
58	23	310,313	60	1,148,635	83	1,458,948
59	37	414,182	72	1,131,924	109	1,546,106
60	28	294,458	80	1,221,005	108	1,515,462
61	32	346,362	68	1,151,594	100	1,497,956
62	35	429,471	77	1,293,639	112	1,723,110
63	34	375,287	89	1,479,164	123	1,854,450
64	37	477,822	115	1,933,305	152	2,411,127
65	34	395,425	111	1,690,195	145	2,085,620
66	40	461,414	100	1,637,351	140	2,098,765
67	42	482,200	123	1,814,918	165	2,297,118
68	45	609,960	95	1,367,181	140	1,977,141
69	45	444,464	141	2,146,632	186	2,591,096
70	50	521,491	131	1,834,884	181	2,356,375
71	67	760,956	180	2,423,728	247	3,184,684
72	65	687,013	165	2,311,172	230	2,998,186
73	59	597,851	167	2,273,960	226	2,871,810
74	81	726,438	185	2,403,839	266	3,130,276
75	53	446,776	181	2,305,067	234	2,751,843
76	59	534,307	168	1,957,407	227	2,491,714
77	80	673,328	146	1,630,164	226	2,303,493
78	90	842,264	146	1,634,266	236	2,476,531
79	81	662,342	167	1,706,967	248	2,369,309
80	89	622,580	158	1,654,476	247	2,277,056
81	87	610,044	178	1,664,902	265	2,274,946

Amounts may not add to the dollar due to rounding.

TABLE 4
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE EMPLOYER CONTRIBUTION RESERVE
OF SURVIVOR ANNUITANTS
AS OF JUNE 30, 2002

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
82	78	573,578	152	1,322,583	230	1,896,162
83	82	559,275	190	1,617,098	272	2,176,374
84	80	521,346	175	1,387,839	255	1,909,185
85	75	453,599	165	1,409,470	240	1,863,069
86	94	659,634	170	1,309,490	264	1,969,124
87	63	380,328	145	1,263,254	208	1,643,582
88	88	545,713	122	1,016,629	210	1,562,341
89	56	374,704	127	1,049,650	183	1,424,354
90	52	297,641	98	676,777	150	974,419
91	41	197,340	102	680,858	143	878,198
92	41	224,390	76	502,844	117	727,234
93	36	170,539	72	413,785	108	584,324
94	23	104,353	49	271,760	72	376,112
95	14	70,373	40	240,597	54	310,970
96	11	46,172	30	198,310	41	244,482
97	10	41,109	25	137,777	35	178,886
98	5	34,467	20	94,597	25	129,063
99	2	11,483	5	28,513	7	39,997
100	2	7,562	3	9,957	5	17,519
101	1	4,640	2	7,049	3	11,689
102			3	9,607	3	9,607
103			1	5,107	1	5,107
Total	2,350	\$ 19,742,962	5,252	\$ 60,457,791	7,602	\$ 80,200,754

Amounts may not add to the dollar due to rounding.

TABLE 5

THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE EMPLOYER CONTRIBUTION RESERVE
OF DISABILITY BENEFIT RECIPIENTS
AS OF JUNE 30, 2002

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
27			1	\$ 11,671	1	\$ 11,671
28			2	26,474	2	26,474
29						
30	1	13,292	1	16,067	2	29,360
31						
32			7	96,327	7	96,327
33			6	91,319	6	91,319
34	2	33,739	4	55,052	6	88,791
35			4	46,296	4	46,296
36			6	104,454	6	104,454
37			2	41,357	2	41,357
38	2	32,711	5	63,676	7	96,387
39			3	43,297	3	43,297
40	1	9,216	2	21,255	3	30,470
41	2	30,794	6	79,815	8	110,609
42			5	63,057	5	63,057
43	2	48,741	11	155,826	13	204,567
44	3	57,345	6	118,470	9	175,815
45	2	35,115	11	170,246	13	205,362
46	5	68,992	11	159,302	16	228,294
47	2	32,022	18	293,480	20	325,502
48	5	98,042	20	409,382	25	507,423
49	3	52,571	35	662,402	38	714,973
50	4	81,726	31	519,682	35	601,408
51	10	216,493	43	769,083	53	985,576
52	8	164,796	45	871,683	53	1,036,479
53	14	312,438	44	859,947	58	1,172,385
54	11	271,897	52	1,009,973	63	1,281,870
55	19	449,253	47	1,026,723	66	1,475,975
56	9	203,276	43	1,043,544	52	1,246,820
57	16	481,839	43	858,562	59	1,340,401
58	12	305,333	26	464,469	38	769,802
59	9	184,854	32	664,803	41	849,657
60	7	210,121	24	373,661	31	583,782
61	6	197,865	18	351,170	24	549,034
62	5	95,521	18	309,853	23	405,374
63	5	128,299	10	188,601	15	316,900
64	1	27,708	19	245,233	20	272,941

Amounts may not add to the dollar due to rounding.

TABLE 5
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE EMPLOYER CONTRIBUTION RESERVE
OF DISABILITY BENEFIT RECIPIENTS
AS OF JUNE 30, 2002

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
65	3	67,536	9	110,424	12	177,960
66	6	75,309	12	194,739	18	270,048
67	6	240,812	17	286,445	23	527,258
68	3	78,281	9	128,430	12	206,711
69	3	78,168	11	179,949	14	258,117
70	6	77,363	9	113,437	15	190,800
71	2	21,330	7	63,805	9	85,134
72	1	25,525	6	101,519	7	127,044
73	4	41,604	10	99,324	14	140,928
74	4	37,742	5	66,360	9	104,101
75	4	54,599	8	66,763	12	121,362
76	2	19,148	6	56,373	8	75,520
77	1	20,681	8	85,696	9	106,377
78			6	78,737	6	78,737
79			8	96,907	8	96,907
80	1	11,635	13	121,184	14	132,819
81	4	40,626	5	43,229	9	83,855
82			4	36,057	4	36,057
83			2	13,337	2	13,337
84	1	15,250	5	42,956	6	58,206
85			2	16,999	2	16,999
86			6	38,547	6	38,547
87						
88						
89						
90			1	5,999	1	5,999
91						
92						
93						
94						
95						
96	1	2,438	1	5,191	2	7,629
97						
98						
99						
100						
101						
102			1	4,410	1	4,410
Total	218	\$ 4,752,045	832	\$ 14,343,025	1,050	\$ 19,095,070

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, 2002

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
58			1	\$ 321	1	\$ 321
59			2	2,520	2	2,520
60						
61			1	1,251	1	1,251
62			4	3,238	4	3,238
63	1	838	10	6,983	11	7,822
64			24	13,571	24	13,571
65	2	1,077	25	17,499	27	18,576
66	2	2,914	24	12,903	26	15,816
67	1	202	26	13,283	27	13,485
68	2	968	22	14,864	24	15,832
69	4	1,161	16	8,061	20	9,222
70	4	2,590	26	19,085	30	21,675
71	4	1,836	47	30,307	51	32,143
72	11	6,183	55	36,833	66	43,015
73	7	4,535	74	46,792	81	51,327
74	14	8,837	67	51,229	81	60,066
75	18	16,175	78	68,070	96	84,245
76	9	7,000	70	57,724	79	64,724
77	16	18,548	74	74,257	90	92,805
78	18	15,840	64	67,269	82	83,109
79	14	12,973	125	136,166	139	149,139
80	18	14,971	107	120,176	125	135,147
81	11	11,314	120	136,355	131	147,669
82	17	25,652	132	167,388	149	193,040
83	19	22,350	107	125,783	126	148,133
84	21	39,081	133	164,333	154	203,414
85	8	9,563	120	157,847	128	167,410
86	11	16,588	93	120,671	104	137,259
87	9	13,979	107	166,700	116	180,679
88	13	21,208	103	150,980	116	172,188
89	10	15,978	96	136,430	106	152,408
90	11	25,563	82	123,135	93	148,698
91	6	12,905	97	151,205	103	164,110
92	9	13,200	112	183,277	121	196,477
93	11	15,049	106	178,393	117	193,442
94	5	12,082	69	114,318	74	126,399
95	6	11,480	83	140,451	89	151,931

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, 2002

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
96	2	7,048	71	124,619	73	131,667
97	6	9,625	48	85,776	54	95,400
98	1	3,023	46	85,995	47	89,018
99			23	41,479	23	41,479
100	1	2,886	23	48,106	24	50,992
101			14	28,507	14	28,507
102			12	24,997	12	24,997
103			7	14,056	7	14,056
Total	322	\$ 405,222	2,746	\$ 3,473,203	3,068	\$ 3,878,425

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, 2002

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
74	1	\$ 8			1	\$ 8
75			1	936	1	936
76						
77			1	696	1	696
78						
79						
80						
81			1	610	1	610
82						
83			1	686	1	686
84			1	634	1	634
85						
86			2	2,675	2	2,675
87						
88						
89						
90						
91						
92						
93						
94						
95						
96	1	2,665	1	3,488	2	6,153
97						
98						
99						
100						
101						
102			1	2,511	1	2,511
Total	2	\$ 2,673	9	\$ 12,236	11	\$ 14,909

Amounts may not add to the dollar due to rounding.