

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

**ACTUARIAL VALUATION
JUNE 30, 2004**



December 20, 2004

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, 2004 and the principal results are set forth on Pages 1 and 2 of this report.

The recommended contributions to the System, which are summarized in the principal results, were determined by the current valuation for fiscal year 2006 and are based on the provisions of Public Act 93-0002. The actuarial assumptions used to determine the contribution are unchanged from last year.

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 will increase from 0.75% to 0.80% effective July 1, 2005. School Districts are required to contribute 0.58% of payroll toward the cost of the 2.2% formula.

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 – before reduction for the maximum State contribution limitations of the Act – for fiscal years 2011 through 2045. Gross appropriations, as a percentage of payroll, for fiscal years 1996 through 2010 are to increase in level annual increments over the prior year's gross appropriation until the required level percentage of payroll is achieved in fiscal year 2010. In fiscal years 1999 through 2004, minimum state contributions were specified.

Under Section 7.2(d) of the General Obligation Bond Act (GOBA), TRS received \$4,330,374,000 on July 2, 2003. Commencing with fiscal year 2005, the maximum State contribution under Public Act 93-0002 equals the State contribution that would have been required if this \$4.33 billion contribution had not been made, reduced – but not below zero – by the State's debt service on the TRS portion of the full \$10 billion of Pension Obligation Bonds issued under Section 7.2 of the GOBA.

Under this financing objective, we recommend that the employer's required contribution rate to the Benefit Trust Reserve of the System for fiscal year 2006 be 14.58% of membership payroll. The required rate is expected to level off at 21.53% in fiscal year 2014.

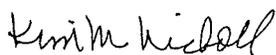
At its August 2004 meeting the TRS Board changed the methodology used to determine contributions due from Federal Funds. Under the old methodology the Federal Funds contribution for fiscal year 2006 would have been 10.5% of salaries paid from Federal Funds (an estimated contribution of \$35,789,000). Under the new methodology the Federal Funds contribution rate is the same as the required State rate under PA 93-0002. As the total employer contribution is not affected by the methodology used to determine the Federal Funds contribution, this change has increased the estimated fiscal year 2006 Federal Funds contribution by \$11,928,000, and decreased the required State contribution by the same amount.

The total recommended employer contribution to the Benefit Trust Reserve under PA 93-0002 is \$1,147,664,000. Subtracting estimated Federal Funds and School District contributions and adding a contribution for the State ERI under PA 93-0839 and a contribution to the Guaranteed Minimum Annuity Reserve results in a total recommended State Contribution for fiscal year 2006 of \$1,058,537,000. This figure represents an increase of \$151,509,000 or 16.7% from the required State Contribution in fiscal year 2005 of \$907,028,000.

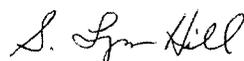
The unfunded pension benefit obligation of the System as of June 30, 2004 is \$19,402,722,000, which may be compared with the unfunded obligation of \$23,808,609,000 as of June 30, 2003.

The funded status of the System as of June 30, 2004 is 61.9% based on the market value of assets, which may be compared with the System's funded status of 49.3% based on the market value of assets, as of June 30, 2003.

Sincerely,



Kim M. Nicholl
Principal, Consulting Actuary



S. Lynn Hill
Director, Retirement Consulting

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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, 2004**

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	
	2004	2003
Benefit Trust Reserve		
• Active members reported to the actuary:		
– Number	157,785	154,690
– Annual salaries (adjusted to valuation date)	\$ 7,243,444,000	\$ 6,883,046,000
– Average age	42.3 years	42.5 years
– Average service	10.7 years	10.9 years
• Number of inactives	81,425	75,983
• Retirees and beneficiaries in receipt of benefits:		
– Number	77,165	73,336
– Annual annuities (at June 30)	\$ 2,432,794,000	\$ 2,176,418,000
• Assets		
– Market value	\$ 31,544,729,000	\$ 23,124,823,000
• Pension benefit obligation	\$ 50,947,451,000	\$ 46,933,432,000
• Unfunded pension benefit obligation	\$ 19,402,722,000	\$ 23,808,609,000
• Funded ratio:		
– Market value	61.9%	49.3%

SUMMARY OF PRINCIPAL RESULTS
(Continued)

Item	Year Ended June 30	
	2004	2003
Benefit Trust Reserve (continued)	Fiscal Year <u>2006</u>	Fiscal Year <u>2005</u>
	PA 93-0002	PA 93-0002
• Employer cost under:		
– Percentage Rate (includes Federal and School Districts)	14.58%	12.84%
– Employer Contribution	\$ 1,147,664,000	\$ 984,585,000
– Less School Districts	(45,657,000)	(44,481,000)
– Less Federal Funds Contribution	(47,717,000)	(37,860,000)
– State Contribution	<u>\$ 1,054,290,000</u>	<u>\$ 902,244,000</u>
– State ERI Contribution under:		
	PA 93-0839	PA 92-0566
	\$ 1,447,000	\$ 1,684,000
Guaranteed Minimum Annuity Reserve		
• Retirees in receipt of benefits:		
– Number	2,549	2,787
– Annual annuities	\$ 3,015,000	\$ 3,424,000
– Pension benefit obligation	\$ 14,936,000	\$ 17,320,000
• State Contribution	\$ 2,800,000	\$ 3,100,000
Total State Contribution:		
• Benefit Trust Reserve	\$ 1,055,737,000	\$ 903,928,000
• Guaranteed Minimum Annuity Reserve	<u>2,800,000</u>	<u>3,100,000</u>
• Total State Contribution	<u>\$ 1,058,537,000</u>	<u>\$ 907,028,000</u>

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 2005 and 2006 State Contributions were adjusted to ensure payment of all required benefits as required by Statute.

Employer's contribution to System in fiscal year 2005:

	<u>Certified Contribution*</u>
Common School Fund	\$ 422,763,000
Educational Assistance Fund	300,000,000
General Revenue Fund	181,165,000
School Districts for 2.2%	44,481,000
Federal Funds	<u>37,860,000</u>
Total	\$ 986,269,000

* State contribution amounts shown are those contained in the final FY 2005 State budget (Public Act 93-0842). Different state contributions were included in the temporary state budget (Public Act 93-0681). Future Federal Funds and School Districts contributions are estimated.

2. The June 30, 2004 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, 2003, and (ii) retirees and beneficiaries in receipt of benefits as of June 30, 2004. Membership data for active and inactive members as of June 30, 2002, and for retirees and beneficiaries as of June 30, 2003 were used as the basis for the June 30, 2003 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 \$1,058,537,000 shown as of June 30, 2004 is the recommended State contribution for fiscal year 2006 under the pension funding provisions of Public Acts 93-0002 and 93-0839. This amount represents a Benefit Trust Reserve Contribution of \$1,055,737,000 and a Guaranteed Minimum Annuity Reserve Contribution of \$2,800,000 for a total contribution of \$1,058,537,000.
4. As stated above, at June 30, 2004 and June 30, 2003, we adjusted for the one year lag in reporting of the active membership by assuming that the population was stationary with regard to age and service and we increased by 4% reported payroll and member account balances. No further adjustments were made to the active membership data at June 30, 2004 or June 30, 2003.

5. The statistics for full-time, substitute, part-time, and hourly paid teachers for purposes of the June 30, 2004 valuation, based on the census information for active members as of June 30, 2003, (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	128,140	29,645	157,785
Annual salaries	\$ 7,107,459,000	\$ 135,985,000	\$ 7,243,444,000
Average age	42.7 years	40.8 years	42.3 years
Average service	12.9 years	1.4 years	10.7 years

SECTION II — FINANCING OBJECTIVE
AND EMPLOYER'S CONTRIBUTION RATE

The financing objective of the System under State funding law 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 through annual appropriations that are a level percentage of payroll – before reduction for the maximum state contribution limitations as required by Public Act 93-0002 – for fiscal years 2011 through 2045. Gross appropriations, as a percentage of payroll, for fiscal years 1996 through 2010 are to increase in level annual increments over the prior year's gross appropriation until the required level percentage of payroll is achieved in fiscal year 2010. In fiscal years 1999 through 2004, the 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 2006, using the funding policy established under Public Act 93-0002, is equal to 14.58% of membership payroll. This is the required employer contribution rate, including state contributions, federal and trust funds contributions, 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 required rate is expected to level off at 21.53% in fiscal year 2014.

Public Act 93-0839 requires TRS to recertify their portions of the actuarial cost of the 2002-2003 state employee early retirement incentive. The amount TRS certified last year, which was a \$10,850,000 increase in the June 30, 2003 unfunded liability, is being recertified this year, without bringing it forward to the June 30, 2004 valuation date. Also, the Act requires certification of the "present value of future benefits." TRS staff estimated a \$10,000,000 increase in the unfunded liability at June 30, 2002, an amount that the actuaries rolled forward at 8.5 percent interest to get \$10,850,000 at June 30, 2003. Staff believes the difference in the unfunded liability and present value of future benefits is negligible considering the small number

of TRS members who elected early retirement. PA 93-0839 also extends the amortization period by two years.

The State ERI contribution for fiscal year 2004 is \$1,000,000. The State ERI contribution for fiscal year 2005 is \$1,684,000. For fiscal years 2006 through 2015, PA 93-0839 specifies that the State ERI contribution shall be a level dollar amount. The State ERI contribution for fiscal years 2006 through 2015 is \$1,447,000 per annum.

In addition to the contributions to the Benefit Trust Reserve required by Public Acts 93-0002 and 93-0839, 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.

Schedules IA and IB of the report on Pages 15-17 show the required contribution for fiscal year 2006 under the financing objectives described above. As indicated in Schedule IA, there is a total state contribution of \$1,058,537,000 payable to two reserves for fiscal year 2006. Schedule IB shows the derivation of the State's contribution to the Benefit Trust Reserve under the provisions outlined in Public Act 93-0002.

The chart below summarizes projected contribution rates to the Benefit Trust Reserve under Public Act 93-0002.

Fiscal Year	Gross Employer Rate (Before State Maximum)	Required Employer Rate (After State Maximum)	State Rate
2006	18.31%	14.58%	14.00%
2007	19.95	16.36	15.78
2008	21.59	17.78	17.20
2009	23.24	19.56	18.98
2010	24.88	21.34	20.76
2011	24.88	21.47	20.89
2012	24.88	21.30	20.72
2013	24.88	21.45	20.87
2014	24.88	21.53	20.95
2015	24.88	21.53	20.95
2016	24.88	21.53	20.95
2017	24.88	21.53	20.95
2018	24.88	21.53	20.95
2019	24.88	21.53	20.95
2020	24.88	21.53	20.95
2021	24.88	21.53	20.95
2022	24.88	21.53	20.95
2023	24.88	21.53	20.95
2024	24.88	21.53	20.95
2025	24.88	21.53	20.95
2026	24.88	21.53	20.95
2027	24.88	21.53	20.95
2028	24.88	21.53	20.95
2029	24.88	21.53	20.95
2030	24.88	21.53	20.95
2031	24.88	21.53	20.95
2032	24.88	21.53	20.95
2033	24.88	21.53	20.95
2034 – 2045	24.88	21.53	20.95

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, 2004	\$ 31,545 M	\$ 50,947 M	61.9%
June 30, 2003	23,125 M	46,933 M	49.3%

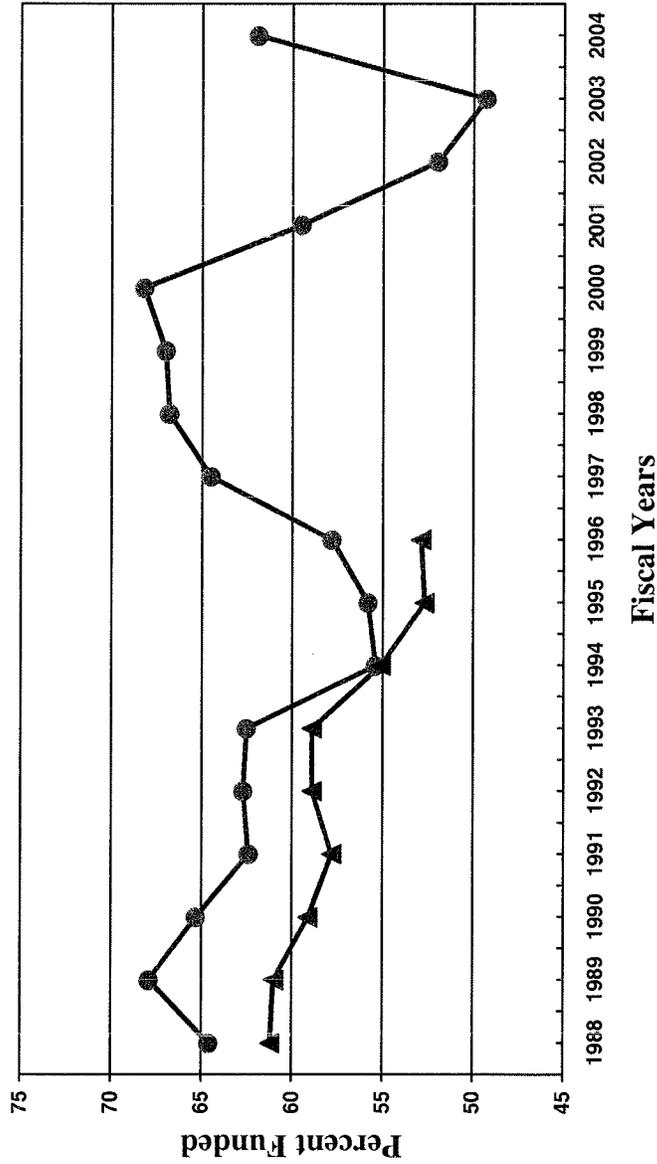
As can be seen from the table, the current funded status of the System is 61.9% as measured by the market value of assets. The funded status on a market value basis has increased 12.6 percentage points from the previous valuation.

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 expected during this period of underfunding by the State. The decline in the funded ratio that occurred during fiscal years 2001 through 2003 is due to the rate of return of the market value of investments being less than the 8.5% expected.

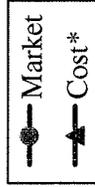
The funding provisions of PA 93-0002 are designed to attain a 90% funded ratio in fiscal year 2045. A projection of the future funded status of the System is shown in Schedule XV on Pages 34 and 35.

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

FUNDED RATIO FISCAL YEARS 1988 - 2004



Funded Ratio At:



* Cost value of assets not applicable after 1996.

SECTION IV — GAINS AND LOSSES DURING YEAR

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

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

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

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

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

During the fiscal year ended June 30, 2004, there was a net actuarial gain of \$1.594 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 gain included the following:

(1) Losses due to salary increases greater than expected	\$ 0.217 billion
(2) Gains due to investment income over that expected	(2.169)
(3) Losses due to new entrants, for which no allowance is made in the assumptions	0.019
(4) Gains due to lower than expected mortality	(0.042)
(5) Fewer terminations than expected	0.019
(6) Repayments of refunded member contributions	0.007
(7) ERO costs waived for those with 34 years of service	0.350
(8) Losses due to delayed reporting of retirements (effect on assets)	0.004
(9) Losses due to all other causes	<u>0.001</u>
Total net gain	\$ (1.594) billion

The gain from item 2 is the difference between the actuarial expected earnings of \$2.317 billion and the actual investment return of \$4.486 billion. The actuarial gain is equal to the expected earnings minus the actual investment return.

The cost shown in item 7 is for 2,548 new retirements under the Early Retirement Option (ERO). Under the ERO the early retirement reduction is eliminated in exchange for one-time member and employer payments. The cost equals the excess of the increase in liability over the ERO payments received. The majority of the cost is for members who retired with 34 years of service, for which all ERO payments are currently waived.

The loss from item 8 is due to 316 retirements that occurred prior to July 1, 2003 and were not reported to the actuary until June 30, 2004 due to TRS processing constraints. The actuarial loss is equal to the value of benefits paid prior to July 1, 2004 to these late reported retirees.

The "other cause" category (item 9) is the balancing item needed to complete the reconciliation of the June 30, 2003 and June 30, 2004 unfunded PBOs.

SECTION V — MEMBERSHIP DATA

The June 30, 2004 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, 2003, and (ii) annuitants and survivor annuitants in receipt of benefits as of June 30, 2004. 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, the actuary did perform tests for internal consistency and reasonableness in relation to the data submitted for the previous valuation.

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

Comparison of Membership Data

Data Item	Valuation June 30, 2004	Valuation June 30, 2003	Percentage Change
Active membership:			
• Full-time and regular part time:			
> Number	128,140	126,738	1.1
> Annual Compensation	\$ 7,107,458,498	\$ 6,757,604,523	5.2
> Average Compensation	\$ 55,466	\$ 53,319	4.0
• Substitutes, part-time, and hourly paid on a limited schedule			
> Number	29,645	27,952	6.1
> Annual Compensation	\$ 135,985,068	\$ 125,441,751	8.4
> Average Compensation	\$ 4,587	\$ 4,488	2.2
• Total Number	157,785	154,690	2.0
Inactive Membership:			
• Eligible for deferred annuities	13,838	13,681	1.1
• Eligible for refunds or single sum benefits only	67,587	62,302	8.5
Annuitants (retirees, disabilitants and survivors):			
• Number	77,165	73,336	5.2
• Annual annuities	\$ 2,435,813,672	\$ 2,176,418,219	11.9
• Average annual annuities	\$ 31,574	\$ 29,677	6.4

Notes:

1. Rates of pay for individual teachers who were on full-time or regular part-time status at both June 30, 2003 and June 30, 2004 increased on average 7.54%, compared to the expected average increase of 6.52%.
2. The 8.5% 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, 2004 amounted to \$31,544,729,000. This amount includes \$69,326,000 receivable from members for future payroll deduction contributions.

Assets are expected to earn 8.5% of market value. The actuarial gain on account of investment income for fiscal year ended June 30, 2004 is the expected earnings minus the actual investment return. In fiscal year 2004, actuarial assumed earnings of \$2.317 billion combined with the actual asset gain of \$4.486 billion equals the reported actuarial gain of \$2.169 billion.

During the fiscal year ended June 30, 2004, the actuarial investment rate of return was equal to 16.46%, based on market value. This may be compared to the actuarial investment rate of return of 4.78% during the fiscal year ended June 30, 2003, based on market value.

SECTION VII — ACTUARIAL ASSUMPTIONS AND METHODS

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

The actuarial cost method utilized is the projected unit credit cost method, which became effective with the June 30, 1989 valuation. Administrative expenses have been a component of the normal cost rate since the June 30, 1994 valuation. The financing objectives of the System specified by Public Act 93-0002, enacted in April of 2003, were first effective for the 2005 fiscal year and have been reflected in this current June 30, 2004 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, while placing upper limits on State contributions commencing with the contribution due for fiscal year 2005.

The rate of contribution determined under the funding method, according to the financing objective first established under Public Act 88-0593, as amended by Public Act 90-0582 and further amended by Public Act 93-0002, 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, 2004 through June 30, 2045, and on the State's debt service on the System's portion of the full \$10 billion of Pension Obligation Bonds that were issued under Public Act 93-0002. The Governor's Office of Management and Budget provided the debt service schedule. 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 2006 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 that follow.

SCHEDULE IA
EMPLOYER'S CONTRIBUTION RATES AND AMOUNTS
FISCAL YEAR 2006
(Based on June 30, 2004 Actuarial Valuation)

Reserve Fund	Year Ended June 30, 2006
• Benefit Trust Reserve:	
> Employer's Cost	\$ 1,147,664,000
> Less School Districts	(45,657,000)
> Less Federal Funds	(47,717,000)
> State Contribution	\$ 1,054,290,000
> State ERI Contribution under PA 93-0839	\$ 1,447,000
• Guaranteed Minimum Annuity Reserve	
> State Contribution	\$ 2,800,000
Total State Contribution	\$ 1,058,537,000

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

- (a) Employer's cost of \$1,147,664,000 is equivalent to a contribution rate of 14.58% of payroll based on an estimated membership payroll for fiscal year 2006 of \$7.872 billion.
- (b) Employer's cost is based on projection required by Public Act 93-0002 summarized as follows:
- (i) Meet the cost of maintaining and administering the System on a 90% funded basis by June 30, 2045, with level percentage of payroll contributions after a 15 year phase-in beginning in fiscal year 1996.
 - (ii) Phase-in period requires employer's contribution rate to increase in equal annual increments to attain level percentage schedule in fiscal year 2010, except in the following State fiscal years, the State contribution to the System shall not be less than the following indicated percentages of the applicable employee payroll: 10.02% in FY1999; 10.77% in FY2000; 11.47% in FY2001; 12.16% in FY2002; 12.86% in FY2003; 13.56% in FY2004.
 - (iii) Commencing in FY2005, the provisions of PA 93-0002 place upper limits on the State contribution.
 - (iv) State ERI Contributions equal \$1,000,000 in 2004, \$1,684,000 in 2005, and \$1,447,000 per annum for 2006-2015.
- (c) The recommended FY 2006 state contribution rate is 14.00% of the estimated \$7.531 billion state payroll.

(2) Guaranteed Minimum Annuity Reserve

Above State contribution for fiscal year 2006 of \$2,800,000 for the Guaranteed Minimum Annuity Reserve is based on projection of benefit outgo from reserve funds in fiscal year 2006. 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 93-0002 is as follows:

- (a) June 30, 2004 valuation data. New entrant profile per actuarial assumptions.

- (b) Employer's total contribution to Benefit Trust Reserve of the System in fiscal year 2005:

	<u>Certified Contribution</u>
Common School Fund	\$ 422,763,000
Educational Assistance Fund	300,000,000
General Revenue Fund	181,165,000
School Districts for 2.2%	44,481,000
Federal Funds	37,860,000
Total	\$ 986,269,000

- (c) Funds provided July 2, 2003 under section 7.2(d) of the General Obligation Bond Act: \$4,330,374,000, and debt service schedule provided by the Office of Management and Budget.
- (4) State contribution amounts shown in (3) are those contained in the final FY 2005 State budget (Public Act 93-0842). Different state contributions were included in the temporary state budget (Public Act 93-0681). Federal Funds and School Districts contributions are estimated.

SCHEDULE IB

**DETERMINATION OF EMPLOYER CONTRIBUTION UNDER PUBLIC ACT 93-0002
FISCAL YEAR 2006
(Based on June 30, 2004 Actuarial Valuation)**

Benefit Trust Reserve	Year Ended June 30, 2006	Percentage of Payroll (State, Federal, Total)	
(1) Assumed Payrolls			
➤ Total Payroll	\$ 7,871,836,000		
➤ Less Federal Funds Payroll	<u>(340,851,000)</u>		
➤ State Payroll	\$ 7,530,985,000		
(2) Employer contribution that would have been required without funds provided by sec. 7.2(d) of General Obligation Bond Act			
➤ Employer's Cost	\$ 1,441,315,000	18.31%	Total
➤ Less School Districts	<u>(45,657,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	\$ 1,395,658,000	17.73%	Total
➤ Less State Debt Service for TRS portion of all funds provided under sec. 7.2 of General Obligation Bond Act	<u>(293,651,000)</u>	<u>(3.73%)</u>	Total
➤ Maximum State and Federal Funds Contribution under PA 93-0002	\$ 1,102,007,000	14.00%	Total
(3) Employer contribution recognizing all system assets, before limiting State and Federal Funds contribution			
➤ Employer's Cost	\$ 1,360,306,000	17.28%	Total
➤ Less School Districts	<u>(45,657,000)</u>	<u>(0.58)</u>	Total
➤ State and Federal Funds Contribution	\$ 1,314,649,000	16.70%	Total
(4) State and Federal Funds Contribution under PA 93-0002			
➤ Lesser of amounts under (2) and (3)	\$ 1,102,007,000	14.00%	Total
(5) Employer contribution under PA 93-0002			
➤ State Portion of (4), based on State Payroll	\$ 1,054,290,000	14.00%	State
➤ Plus Federal Portion of (4), based on Federal Payroll	<u>47,717,000</u>	14.00	Federal
➤ State and Federal Funds Contribution	\$ 1,102,007,000	14.00	Total
➤ Plus School Districts	<u>45,657,000</u>	<u>0.58</u>	Total
➤ Employer's Cost	\$ 1,147,664,000	14.58%	Total

Notes:**(1) Assumed Payrolls**

The administrative staff of the System estimated Federal Funds payroll for the fiscal year ending June 30, 2005 would be 4.33% of total payroll. Federal Funds payroll was then projected to increase at the same rate as Total payroll for all subsequent fiscal years.

(2) Determination of Maximum State and Federal Funds Contribution under Public Act 93-0002

Under Section 7.2(d) of the General Obligation Bond Act (GOBA), TRS received \$4.33 billion on July 2, 2003. Commencing with fiscal year 2005, the maximum State contribution under Public Act 93-0002 equals the State contribution that would have been required if this \$4.33 billion contribution had not been made, reduced, but not below zero, by the State's debt service on the TRS portion of the full \$10 billion of Pension Obligation Bonds issued under Section 7.2 of the GOBA. Commencing with fiscal year 2006 the Federal Funds contribute at the same rate as the State, and so a Combined State and Federal Funds contribution must be determined.

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

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

(4) State and Federal Funds Contribution under Public Act 93-0002

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

(5) Employer Contribution under Public Act 93-0002

The contribution determined under (4) is allocated to the State and to Federal Funds in proportion to their respective payrolls (shown in (1)). The required employer contribution under PA 93-0002 equals the sum of these contributions, plus the expected School District contributions.

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
6/30/03	23,124,823	46,933,432	23,808,609	49.3	7,059,032	337.3
6/30/04	31,544,729	50,947,451	19,402,722	61.9	7,280,795	266.5

Schedule of Employer Contributions			
Total Employer Contributions (State, Federal Funds, and School Districts)			
Actuarial Valuation Date	Funding Year Ended June 30	Annual Required Contribution	Percentage Contributed
6/30/94	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
6/30/01	2003	1,427,519	68.0
6/30/02*	2004	1,716,977	64.3

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: 6/30/2004
 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 – 10.2% composite approximates 6.5%
 Includes Inflation at: 3.5%
 Cost-of-Living Adjustments: 3%

* Revised economic and noneconomic assumptions due to experience review.

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

Item	Year Ended June 30 Actuarial gains are shown in parentheses	
	2004	2003
• Unfunded pension benefit obligation at beginning of year	\$ 23,808,609	\$ 20,681,389
• Additions (deductions)		
— Employer cost in excess of contributions	\$ 1,518,858	\$ 1,415,610
Amendments:		
— Pension Obligation Bond proceeds under PA 93-0002	(4,330,374)	--
— Maximum sick leave credit increased to 2 years	--	37,000
— State ERI	--	10,850
— Extend 24 months benefit reductions for 2.2% upgrades	--	6,000
• Actuarial losses (gains) compared to assumptions:		
— Salary increases for continuing active members	\$ 217,255	\$ 171,802
— Investment income ¹	(2,168,876)	827,434
— New entrant loss	19,078	27,026
— Mortality other than expected	(42,065)	(31,913)
— Terminations other than expected	18,999	17,211
— Repayments of refunded member contributions ²	7,739	28,742
— ERO costs waived for those with 34 years of service	349,622	334,583
— Delayed reporting of retirements (effect on assets) ³	4,621	28,377
— Other ⁴	(744)	254,498
Net Actuarial Losses (Gains)	\$ (1,594,371)	\$ 1,657,760
• Net Additions (Reductions)	\$ (4,405,887)	\$ 3,127,220
• Unfunded pension benefit obligation at end of year	\$ 19,402,722	\$ 23,808,609

¹ Assets are expected to earn 8.5% of market value. This item is the difference between the expected investment return and the actual investment return. For example, in fiscal year 2004, the expected earnings of \$2.317 billion was less than the \$4.486 billion actual return on assets, resulting in an actuarial gain which reduced the unfunded pension benefit obligation by \$2.169 billion. Conversely, in fiscal year 2003, the expected earnings of \$1.888 billion was greater than the \$1.061 billion actual return on assets, resulting in an actuarial loss which increased the unfunded pension benefit obligation by \$827 million.

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

³ 798 retirements that occurred prior to 7/1/2002 were not reported to the actuary until 6/30/2003.
316 retirements that occurred prior to 7/1/2003 were not reported to the actuary until 6/30/2004.

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	
	2004	2003
• Employer Normal Cost	\$ 598,463	\$ 628,537
• Interest on unfunded pension benefit obligation at beginning of year	<u>2,023,732</u>	<u>1,757,918</u>
Total employer cost	\$ 2,622,195	\$ 2,386,455
• Employer contributions		
— State (excluding Minimum Benefit)	\$ 1,028,259	\$ 926,066
— School Districts for 2.2%	41,426	11,424
— Federal Funds	<u>33,652</u>	<u>33,355</u>
Total employer credits	\$ 1,103,337	\$ 970,845
• Employer cost in excess of contributions	\$ 1,518,858	\$ 1,415,610

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
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
2003	46,933,432,000	23,124,823,000	23,808,609,000	15.12
2004	50,947,451,000	31,544,729,000	19,402,722,000	(18.51)
Average Annual Change				8.68%

*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
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
2003	46,933,432,000	N/A	23,124,823,000	N/A	49.3
2004	50,947,451,000	N/A	31,544,729,000	N/A	61.9

*Cost value of assets is 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			
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
2003	22,366,285,000	732,020,000	1,021,263,000	1,060,852,000	2,055,597,000	23,124,823,000
2004	23,124,823,000	768,661,000	5,489,426,000*	4,485,729,000	2,323,910,000	31,544,729,000

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

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

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

SCHEDULE VIII**MEMBERSHIP DATA**

**ACTIVE AND INACTIVE MEMBERSHIP OF SYSTEM
AS OF JUNE 30, 2003
USED IN JUNE 30, 2004 VALUATION**

Group	Number	Annual Salaries (Adjusted to Valuation Date)
Active members:		
Reported full-time and regular part-time	128,140	\$ 7,107,458,498
Reported substitutes and hourly paid	<u>29,645</u>	<u>135,985,068</u>
Total	157,785	\$ 7,243,443,566
Inactives:	81,425	N/A

**ANNUITANTS, DISABILITY BENEFIT RECIPIENTS,
AND SURVIVOR ANNUITANTS OF THE SYSTEM
AS OF JUNE 30, 2004
(Excluding Guaranteed Minimum Annuities)**

Class	Number	Annual Annuities at June 30
Retired on account of service:		
Regular	38,491	\$ 1,073,861,871
ERI	11,436	463,565,716
ERO	<u>18,222</u>	<u>779,672,649</u>
Total	68,149	\$ 2,317,100,236
Disability benefit recipients:		
Retirement allowance	716	\$ 13,375,791
Occupational	7	239,778
Temporary	<u>299</u>	<u>6,427,711</u>
Total	1,022	\$ 20,043,280
Survivor benefit recipients:		
Children	105	\$ 735,407
Survivor annuitants	7,715	91,682,552
Reversionary annuitants	<u>174</u>	<u>3,232,776</u>
Total	7,994	\$ 95,650,735
Grand Total	77,165	\$ 2,432,794,251

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
1994	100,576 ⁽¹⁾	(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
2002	126,738	1.35	53,319	3.09
2003	128,140	1.11	55,466	4.03

⁽¹⁾ 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
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
2002	27,952	12.81	4,488	(.97)
2003	29,645	6.06	4,587	2.21

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

Year Ended June 30	Number on Roll	Percentage Change in Membership
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
2003	73,336	5.56
2004	77,165	5.22

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

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

Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum
2005	\$ 2,868,630
2006	2,581,130
2007	2,313,140
2008	2,064,680
2009	1,835,530
2010	1,625,250
2011	1,433,260
2012	1,258,800
2013	1,101,050
2014	959,070
2015	831,900
2016	718,490
2017	617,850
2018	528,910
2019	450,720
2020	382,280
2021	322,690
2022	271,060
2023	226,560
2024	188,430
2025	155,920
2026	128,390
2027	105,170
2028	85,720

Benefit Payment Stream	
Fiscal Year	Guaranteed Minimum
2029	69,520
2030	56,080
2031	44,990
2032	35,880
2033	28,430
2034	22,370
2035	17,450
2036	13,500
2037	10,330
2038	7,820
2039	5,840
2040	4,290
2041	3,100
2042	2,190
2043	1,510
2044	1,010
2045	660
2046	410
2047	250
2048	140
2049	80
2050	40
2051	20
2052	10

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 this special group, the fiscal 2006 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 BENEFIT TRUST RESERVE

Year Ended June 30	Assumed Payrolls		School District Contribution	Calculations Required by PA 93-0002				Required Rate	Required Amount	Required Federal Funds Contribution	Required State Contribution
	Total	Federal Funds		State	Formula Amount	Formula Rate	Maximum Amount				
	Combined State and Federal Funds										
1995	\$4,633,650,000			\$279,364,800	6.03%				\$16,500,000	\$262,864,800	
1996	4,863,544,432			341,276,242	7.02%				17,000,000	324,276,242	
1997	4,903,151,093			395,268,984	8.06%				17,300,000	377,968,984	
1998	5,264,732,966			478,439,267	9.09%				18,000,000	460,439,267	
1999	5,558,349,721		16,675,000	543,855,776	9.78%				18,500,000	567,067,600	
2000	5,887,080,405		34,145,066	617,359,480	10.49%				18,200,000	634,038,560	
2001	6,271,637,672		36,375,498	731,839,141	11.67%				20,000,000	719,356,841	
2002	6,666,272,399		38,664,380	821,265,118	12.32%				23,000,000	810,618,724	
2003	7,115,762,553		12,808,373	951,049,918	13.37%				25,000,000	926,049,918	
2004	7,345,674,585		42,604,912	1,056,658,994	14.38%				29,400,000	1,027,258,994	
2005	7,669,150,690		44,481,074	1,199,246,349	15.64%	940,103,532	940,103,532	12.26%	37,860,000	902,243,532	
2006	7,871,835,902	340,850,495	7,530,985,407	1,314,649,486	16.70%	1,102,007,341	1,102,007,341	14.00%	47,716,918	1,054,290,423	
2007	8,169,296,132	353,730,523	7,815,565,609	1,451,199,579	17.76%	1,288,929,260	1,288,929,260	15.78%	55,810,637	1,233,118,623	
2008	8,468,414,541	366,682,350	8,101,732,191	1,594,388,247	18.83%	1,456,381,373	1,456,381,373	17.20%	63,061,313	1,393,320,060	
2009	8,772,798,395	379,862,171	8,392,936,224	1,744,985,902	19.89%	1,665,182,447	1,665,182,447	18.98%	72,102,400	1,593,080,047	
2010	9,087,060,591	393,469,724	8,693,590,867	1,904,127,125	20.95%	1,886,471,892	1,886,471,892	20.76%	81,684,233	1,804,787,659	
2011	9,413,737,991	407,614,855	9,006,123,136	1,972,579,986	20.95%	1,966,830,577	1,966,830,577	20.89%	85,163,764	1,881,666,813	
2012	9,754,449,657	422,367,670	9,332,081,987	2,043,973,625	20.95%	2,021,083,546	2,021,083,546	20.72%	87,512,918	1,933,570,628	
2013	10,113,733,823	437,924,675	9,675,809,149	2,119,258,996	20.95%	2,110,608,416	2,110,608,416	20.87%	91,389,344	2,019,219,071	
2014	10,495,737,042	454,465,414	10,041,271,629	2,199,304,978	20.95%	2,205,713,168	2,205,713,168	20.95%	95,229,906	2,104,075,072	
2015	10,903,828,572	472,135,777	10,431,692,795	2,284,817,575	20.95%	2,307,216,528	2,307,216,528	20.95%	98,932,601	2,185,884,974	
2016	11,340,147,166	491,028,372	10,849,118,794	2,376,244,947	20.95%	2,415,638,211	2,415,638,211	20.95%	102,891,406	2,273,353,541	
2017	11,806,256,845	511,210,921	11,295,045,924	2,473,914,823	20.95%	2,516,681,632	2,473,914,823	20.95%	107,120,512	2,366,794,311	
2018	12,303,572,492	532,744,689	11,770,827,803	2,578,123,683	20.95%	2,625,951,648	2,578,123,683	20.95%	111,632,755	2,466,490,927	
2019	12,834,283,410	555,724,472	12,278,558,939	2,689,330,276	20.95%	2,743,980,257	2,689,330,276	20.95%	116,448,001	2,572,882,275	
2020	13,400,196,936	580,228,527	12,819,968,409	2,807,913,319	20.95%	2,857,033,030	2,807,913,319	20.95%	121,582,647	2,686,330,672	

CERTIFIED

PROJECTED

Notes:

- (1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006.
- (2) Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Funds payrolls. Federal Funds payroll for 2006 is estimated to be 4.33% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2006.
- (3) School District contributions for years subsequent to 2005 are expected to equal .58% of total payroll.
- (4) Federal Funds and State contributions for years subsequent to 2005 are equal to each group's respective payroll multiplied by the Combined State and Federal Funds Required Rate.
- (5) Schedule excludes State ERI contributions made in fiscal years 2004 - 2015 under Public Act 92-0056, as amended. State ERI contributions equal \$1,000,000 for 2004, \$1,684,000 for 2005, and \$1,447,000 per annum for 2006 - 2015.

SCHEDULE XII
ITEMIZATION OF EMPLOYER CONTRIBUTION TO BENEFIT TRUST RESERVE
(Continued)

Year Ended June 30	Assumed Payrolls		State	School District Contribution	Calculations Required by PA 93-0002			Required Rate	Required Amount	Required Federal Funds Contribution	Required State Contribution
	Total	Federal Funds			Formula Amount	Formula Rate	Maximum Amount				
2021	14,000,303,044	606,213,122	13,394,089,922	81,201,758	2,933,661,167	20.95%	2,933,661,167	2,933,661,167	127,027,529	2,806,633,638	
2022	14,635,023,888	633,696,534	14,001,327,354	84,883,139	3,066,662,280	20.95%	3,066,662,280	3,066,662,280	132,786,477	2,933,875,803	
2023	15,305,436,546	662,725,402	14,642,711,143	88,771,532	3,207,142,352	20.95%	3,207,142,352	3,207,142,352	138,869,264	3,068,273,088	
2024	16,011,789,287	693,310,476	15,318,478,811	92,868,378	3,355,153,406	20.95%	3,355,153,406	3,355,153,406	145,278,142	3,209,875,263	
2025	16,753,164,938	725,412,042	16,027,752,896	97,168,357	3,510,503,254	20.95%	3,510,503,254	3,510,503,254	152,004,791	3,358,498,463	
2026	17,528,601,471	758,988,444	16,769,613,027	101,665,889	3,672,990,311	20.95%	3,672,990,311	3,672,990,311	159,040,480	3,513,949,831	
2027	18,338,320,282	794,049,268	17,544,271,013	106,362,258	3,842,660,970	20.95%	3,842,660,970	3,842,660,970	166,387,220	3,676,273,750	
2028	19,184,566,064	830,691,711	18,353,874,353	111,270,483	4,019,985,588	20.95%	4,019,985,588	4,019,985,588	174,065,376	3,845,920,212	
2029	20,069,226,563	868,997,510	19,200,229,053	116,401,514	4,205,359,729	20.95%	4,205,359,729	4,205,359,729	182,092,076	4,023,267,653	
2030	20,994,398,675	909,057,463	20,085,341,212	121,767,512	4,399,222,783	20.95%	4,399,222,783	4,399,222,783	190,486,346	4,208,736,436	
2031	21,961,408,515	950,928,989	21,010,479,527	127,376,169	4,601,852,627	20.95%	4,601,852,627	4,601,852,627	199,260,219	4,402,592,408	
2032	22,972,608,224	994,713,936	21,977,894,288	133,241,128	4,813,742,134	20.95%	4,813,742,134	4,813,742,134	208,435,034	4,605,307,099	
2033	24,029,977,327	1,040,498,018	22,989,479,309	139,373,868	5,035,306,101	20.95%	5,035,306,101	5,035,306,101	218,028,754	4,817,277,347	
2034	25,136,240,584	1,088,399,217	24,047,841,367	145,790,195	5,267,115,480	20.95%	5,267,115,480	5,267,115,480	228,066,100	5,039,049,380	
2035	26,295,050,106	1,138,575,670	25,156,474,437	152,511,291	5,509,935,544	20.95%	5,509,935,544	5,509,935,544	238,580,209	5,271,355,335	
2036	27,510,997,585	1,191,226,195	26,319,771,390	159,563,786	5,764,728,451	20.95%	5,764,728,451	5,764,728,451	249,612,742	5,515,115,709	
2037	28,790,352,256	1,246,622,253	27,543,730,003	166,984,043	6,032,807,871	20.95%	6,032,807,871	6,032,807,871	261,220,581	5,771,587,290	
2038	30,135,805,382	1,304,880,373	28,830,925,009	174,787,671	6,314,737,739	20.95%	6,314,737,739	6,314,737,739	273,428,144	6,041,309,595	
2039	31,548,972,235	1,366,070,498	30,182,901,738	182,984,039	6,610,856,523	20.95%	6,610,856,523	6,610,856,523	286,250,087	6,324,606,436	
2040	33,030,305,318	1,430,212,220	31,600,093,098	191,575,771	6,921,259,042	20.95%	6,921,259,042	6,921,259,042	299,690,517	6,621,568,526	
2041	34,582,631,117	1,497,427,927	33,085,203,190	200,579,260	7,246,537,567	20.95%	7,246,537,567	7,246,537,567	313,775,077	6,932,762,491	
2042	36,208,352,487	1,567,821,663	34,640,530,824	210,008,444	7,587,195,597	20.95%	7,587,195,597	7,587,195,597	328,525,569	7,258,670,028	
2043	37,909,290,779	1,641,472,291	36,267,818,488	219,873,887	7,943,614,782	20.95%	7,943,614,782	7,943,614,782	343,958,520	7,599,656,262	
2044	39,688,614,853	1,718,517,023	37,970,097,830	230,193,966	8,316,459,137	20.95%	8,316,459,137	8,316,459,137	360,102,681	7,956,356,456	
2045	41,549,718,774	1,799,102,823	39,750,615,951	240,988,369	8,706,439,859	20.95%	8,706,439,859	8,706,439,859	376,988,846	8,329,451,013	
2046	43,497,647,333	1,883,448,130	41,614,199,203	252,286,355	9,116,337,578	9.15%	9,116,337,578	9,116,337,578	400,000,000	8,716,337,578	

Notes:
(1) The administrative staff of the System estimated the Federal Funds contribution for fiscal years prior to 2006.
(2) Commencing with the contribution for fiscal 2006, total payroll for the valuation is split into State and Federal Funds payrolls. Federal Funds payroll for 2006 is estimated to be 4.33% of total payroll. All payrolls are assumed to increase at the same rate for years subsequent to 2006.
(3) School District contributions for years subsequent to 2005 are expected to equal .58% of total payroll.
(4) Federal Funds and State contributions for years subsequent to 2005 are equal to each group's respective payroll multiplied by the Combined State and Federal Funds Required Rate.
(5) Schedule excludes State ERI contributions made in fiscal years 2004 - 2015 under Public Act 92-0056, as amended. State ERI contributions equal \$1,000,000 for 2004, \$1,684,000 for 2005, and \$1,447,000 per annum for 2006 - 2015.

SCHEDULE XIII

**FISCAL YEAR 2006 EMPLOYER CONTRIBUTION BASED ON
50 YEAR PROJECTION FOR BENEFIT TRUST RESERVE UNDER PUBLIC ACT 93-0002
(50 YEAR AMORTIZATION WITH 15 YEAR PHASE-IN BEGINNING FISCAL YEAR 1996)**

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	Amortization	Total	Normal Cost	Amortization	
1995	0	52.7%	\$11,338,701,000	6.03%	8.12%	-2.09%	\$279,364,800	\$376,122,700	(\$96,757,900)	\$4,633,650,000
1996	1	52.9%	12,312,083,000	7.02%	8.23%	-1.21%	341,276,242	400,134,055	(58,857,812)	4,863,544,432
1997	2	64.5%	9,558,477,000	8.06%	8.21%	-0.15%	395,268,984	402,771,457	(7,502,473)	4,903,151,093
1998	3	66.8%	9,942,354,000	9.09%	8.38%	0.70%	478,439,267	441,403,004	37,036,263	5,264,732,966
1999	4	67.0%	10,967,804,000	10.83%	7.84%	2.99%	602,242,600	435,910,961	166,331,639	5,558,349,721
2000	5	68.2%	11,404,991,000	11.66%	8.15%	3.51%	686,383,626	479,928,856	206,454,770	5,887,080,405
2001	6	59.5%	15,851,051,000	12.37%	8.65%	3.71%	775,732,339	542,794,806	232,937,533	6,271,637,672
2002	7	52.0%	20,681,389,000	13.09%	8.84%	4.25%	872,283,104	588,971,933	283,311,171	6,666,272,399
2003	8	49.3%	23,808,609,000	13.55%	8.83%	4.71%	963,858,291	628,536,783	335,321,507	7,115,762,553
2004	9	61.9%	19,402,722,000	14.96%	8.15%	6.82%	1,099,263,906	598,462,925	500,800,982	7,345,674,585
2005	10	61.7%	20,672,703,695	12.84%	8.32%	4.52%	984,584,606	637,971,250	346,613,356	7,669,150,690
2006	11	61.7%	21,911,259,617	14.58%	8.27%	6.31%	1,147,663,989	651,215,983	496,448,006	7,871,835,902
2007	12	61.9%	23,086,777,025	16.36%	8.30%	8.05%	1,336,311,178	678,274,863	658,036,315	8,169,296,132
2008	13	62.2%	24,210,969,463	17.78%	8.29%	9.49%	1,505,498,177	702,263,025	803,235,152	8,468,414,541
2009	14	62.6%	25,233,108,792	19.56%	8.24%	11.32%	1,716,064,678	723,118,367	992,946,311	8,772,798,395
2010	15	63.3%	26,130,085,382	21.34%	8.17%	13.17%	1,939,176,843	742,661,219	1,196,515,624	9,087,060,591
2011	16	63.9%	27,037,592,572	21.47%	8.09%	13.38%	2,021,430,257	761,828,701	1,259,601,556	9,413,737,991
2012	17	64.4%	27,982,228,049	21.30%	7.99%	13.31%	2,077,659,354	779,647,137	1,298,012,217	9,754,449,657
2013	18	64.8%	28,932,165,720	21.45%	7.90%	13.55%	2,169,268,072	799,261,402	1,370,006,670	10,113,733,823
2014	19	65.3%	29,889,757,046	21.53%	7.81%	13.72%	2,260,180,253	820,003,934	1,440,176,319	10,495,737,042
2015	20	65.7%	30,861,329,659	21.53%	7.73%	13.80%	2,348,059,781	843,163,973	1,504,895,808	10,903,828,572
2016	21	66.1%	31,847,179,908	21.53%	7.67%	13.86%	2,442,017,801	870,099,238	1,571,918,563	11,340,147,166
2017	22	66.5%	32,844,608,424	21.53%	7.63%	13.90%	2,542,391,113	901,140,087	1,641,251,026	11,806,256,845
2018	23	66.8%	33,850,960,808	21.53%	7.60%	13.93%	2,649,484,403	935,407,792	1,714,076,611	12,303,572,492
2019	24	67.2%	34,863,165,029	21.53%	7.58%	13.95%	2,763,769,120	973,189,470	1,790,579,649	12,834,283,410
2020	25	67.5%	35,879,165,878	21.53%	7.58%	13.95%	2,885,634,461	1,016,101,183	1,869,533,277	13,400,196,936

CERTIFIED

PROJECTED

Notes:

- (1) Above represents contributions to the Employer's Contribution Reserve, excluding State ERI contributions under PA 92-0566 and PA 93-0839, as well as contributions to Guaranteed Minimum Annuity Reserve.
- (2) Above contributions represent the sum of State contributions and Federal Funds Contributions. School District contributions under P.A. 90-0582 are included beginning in fiscal 1999. PA 93-0002 requires calculations of State contribution amounts as shown in Schedule IB beginning in FY 2005.
- (3) Amortization rate in fiscal years 1995-1997 is negative on account of the fact that contributions do not cover normal cost.
- (4) Employer Rates, Contribution Amounts and Assumed Payroll shown for fiscal years 1995 - 2005 are based on the June 30, 1993 - June 30, 2003 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.
- (5) For calculation purposes, Employer Rates include 15 decimal places. For ease of presentation, only 2 decimal places are shown.
- (6) Assumptions and methodology:
 - Prior to 1997: Return on Investment = 8.00%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.00%. Assets at cost value.
 - For 1997 and after: Return on Investment = 8.50%. Payroll Growth based on valuation assumptions. Valuation Interest Rate = 8.50%. Assets at market value.

SCHEDULE XIII

**FISCAL YEAR 2006 EMPLOYER CONTRIBUTION BASED ON
50 YEAR PROJECTION FOR BENEFIT TRUST RESERVE UNDER PUBLIC ACT 93-0002
(50 YEAR AMORTIZATION WITH 15 YEAR PHASE-IN BEGINNING FISCAL YEAR 1996)**
(Continued)

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	
2021	67.9%	36,894,317,070	21.53%	7.58%	3,014,862,925	1,061,605,628	14,000,303,044
2022	68.3%	37,905,040,471	21.53%	7.59%	3,151,545,419	1,111,198,319	14,635,023,888
2023	68.8%	38,907,506,778	21.53%	7.61%	3,295,913,884	1,165,162,051	15,305,436,546
2024	69.2%	39,896,089,233	21.53%	7.63%	3,448,021,784	1,222,137,158	16,011,789,287
2025	69.7%	40,864,837,887	21.53%	7.65%	3,607,671,611	1,282,075,017	16,753,164,938
2026	70.3%	41,807,457,835	21.53%	7.67%	3,774,656,200	1,344,922,826	17,528,601,471
2027	70.9%	42,717,108,473	21.53%	7.69%	3,949,023,228	1,410,718,054	18,338,320,282
2028	71.6%	43,584,067,677	21.53%	7.70%	4,131,256,071	1,477,735,941	19,184,566,064
2029	72.3%	44,399,352,413	21.53%	7.71%	4,321,761,243	1,547,885,902	20,069,226,563
2030	73.0%	45,150,739,578	21.53%	7.71%	4,520,990,295	1,619,241,959	20,994,398,675
2031	73.9%	45,826,774,512	21.53%	7.71%	4,729,228,796	1,693,824,848	21,961,408,515
2032	74.7%	46,414,690,271	21.53%	7.71%	4,946,983,262	1,771,815,984	22,972,608,224
2033	75.7%	46,900,349,732	21.53%	7.71%	5,174,679,969	1,853,368,042	24,029,977,327
2034	76.6%	47,262,785,282	21.53%	7.69%	5,412,905,675	1,933,663,927	25,136,240,584
2035	77.7%	47,486,213,975	21.53%	7.68%	5,662,446,835	2,020,178,547	26,295,050,106
2036	78.7%	47,553,194,512	21.53%	7.68%	5,924,292,237	2,113,596,548	27,510,997,585
2037	79.9%	47,441,280,270	21.53%	7.68%	6,199,791,914	2,211,885,954	28,790,352,256
2038	81.0%	47,125,728,361	21.53%	7.68%	6,489,525,410	2,315,253,528	30,135,805,382
2039	82.2%	46,579,459,697	21.53%	7.68%	6,793,840,562	2,423,823,367	31,548,972,235
2040	83.4%	45,773,028,179	21.53%	7.68%	7,112,834,813	2,537,630,236	33,030,305,318
2041	84.7%	44,674,076,978	21.53%	7.68%	7,447,116,827	2,656,891,286	34,582,631,117
2042	86.0%	43,247,152,246	21.53%	7.68%	7,797,204,041	2,781,791,121	36,208,352,487
2043	87.3%	41,453,523,768	21.53%	7.68%	8,163,488,669	2,912,469,672	37,909,290,779
2044	88.6%	39,250,712,053	21.53%	7.68%	8,546,653,103	3,049,170,394	39,688,614,853
2045	90.0%	36,592,137,146	21.53%	7.68%	8,947,428,228	3,192,154,043	41,549,718,774
2046	90.0%	38,773,211,316	9.73%	7.68%	4,233,923,933	3,341,808,197	43,497,647,333

Notes:

- (1) Above represents contributions to the Employer's Contribution Reserve, excluding State ERI contributions under PA 92-0566 and PA 93-0839, as well as contributions to Guaranteed Minimum Annuity Reserve.
- (2) Above contributions represent the sum of State contributions and Federal Funds Contributions. School District contributions under P.A. 90-0582 are included beginning in fiscal 1999. P.A. 93-0002 requires calculations of State contribution amounts as shown in Schedule IB beginning in FY 2005.
- (3) Amortization rate in fiscal years 1995-1997 is negative on account of the fact that contributions do not cover normal cost.
- (4) Employer Rates, Contribution Amounts and Assumed Payroll shown for fiscal years 1995 - 2005 are based on the June 30, 1993 - June 30, 2003 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.
- (5) For calculation purposes, Employer Rates include 15 decimal places. For ease of presentation, only 2 decimal places are shown.
- (6) 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.

PROTECTED

SCHEDULE XIV

**PROJECTION OF ASSETS, EMPLOYER AND STATE CONTRIBUTIONS WITHOUT PENSION OBLIGATION BONDS
STATE'S DEBT SERVICE ON PENSION OBLIGATION BONDS, AND STATE AND FEDERAL FUND MAXIMUMS
WITH PENSION OBLIGATION BONDS
JUNE 30, 2004 VALUATION**

Year Ended June 30	End of Year Assets Without POB	Total Assumed Payroll	Without POB				With POB	
			Required Employer		Required State and Federal Funds		State's Debt Service	State and Federal Funds Maximum (Required Amount Minus Debt Service)
			Amount	Rate	Amount	Rate		
2003	\$ 23,124,823,000	\$ 7,115,762,553	\$ 963,858,291	13.55%	\$ 951,049,918	13.37%		
2004	26,501,701,000	7,345,674,585	1,099,263,906	14.96%	1,056,658,994	14.38%	\$ 293,651,160	\$ 940,103,532
2005	28,169,295,055	7,669,150,690	1,278,235,766	16.67%	1,233,754,692	16.09%	293,651,160	1,102,007,341
2006	30,001,263,281	7,871,835,902	1,441,315,149	18.31%	1,395,658,501	17.73%	293,651,160	1,288,929,260
2007	32,020,211,230	8,169,296,132	1,629,962,338	19.95%	1,582,580,420	19.37%	323,241,160	1,456,381,373
2008	34,219,847,720	8,468,414,541	1,828,739,337	21.59%	1,779,622,533	21.01%	322,501,410	1,665,182,447
2009	36,598,184,492	8,772,798,395	2,038,566,088	23.24%	1,987,683,857	22.66%	321,672,890	1,886,471,892
2010	39,152,321,058	9,087,060,591	2,260,849,733	24.88%	2,208,144,782	24.30%	320,696,420	1,966,830,577
2011	41,744,339,951	9,413,737,991	2,342,126,677	24.88%	2,287,526,997	24.30%	349,235,975	2,021,083,546
2012	44,370,905,990	9,754,449,657	2,426,895,329	24.88%	2,370,319,521	24.30%	347,016,725	2,110,608,416
2013	47,027,180,376	10,113,733,823	2,516,284,797	24.88%	2,457,625,141	24.30%	344,738,295	2,205,713,168
2014	49,713,441,819	10,495,737,042	2,611,326,738	24.88%	2,550,451,463	24.30%	342,400,685	2,307,216,528
2015	52,438,154,037	10,903,828,572	2,712,859,419	24.88%	2,649,617,213	24.30%	340,003,895	2,415,638,211
2016	55,212,298,760	11,340,147,166	2,821,414,960	24.88%	2,755,642,106	24.30%	352,224,565	2,516,681,632
2017	58,053,670,487	11,806,256,845	2,937,382,487	24.88%	2,868,906,197	24.30%	363,801,653	2,625,951,648
2018	60,980,044,011	12,303,572,492	3,061,114,021	24.88%	2,989,753,301	24.30%	374,735,158	2,743,980,257
2019	64,013,345,047	12,834,283,410	3,193,154,258	24.88%	3,118,715,414	24.30%	399,198,690	2,857,033,030
2020	67,178,440,760	13,400,196,936	3,333,952,862	24.88%	3,256,231,720	24.30%		

Note: This schedule shows how the maximum state contributions under PA 93-0002 are determined. It shows projections of the amounts shown in Schedule IB, item 2 on page 16: contributions that would have been required if there were no POB program, minus the debt service.

SCHEDULE XIV
PROJECTION OF ASSETS, EMPLOYER AND STATE CONTRIBUTIONS WITHOUT PENSION OBLIGATION BONDS
STATE'S DEBT SERVICE ON PENSION OBLIGATION BONDS, AND STATE AND FEDERAL FUND MAXIMUMS
JUNE 30, 2004 VALUATION
(Continued)

Year Ended June 30	End of Year Assets Without POB	Total Assumed Payroll	Without POB		State's Debt Service	With POB State and Federal Funds Maximum (Required Amount Minus Debt Service)		
			Required Employer				Required State and Federal Funds	
			Amount	Rate			Amount	Rate
2021	70,500,755,768	14,000,303,044	3,483,258,539	24.88%	3,402,056,781	24.30%	2,979,859,263	
2022	74,008,287,464	14,635,023,888	3,641,176,321	24.88%	3,556,293,182	24.30%	3,112,561,542	
2023	77,729,542,774	15,305,436,546	3,807,974,183	24.88%	3,719,202,651	24.30%	3,255,401,593	
2024	81,719,314,990	16,011,789,287	3,983,713,894	24.88%	3,890,845,516	24.30%	3,393,644,746	
2025	86,032,688,697	16,753,164,938	4,168,167,263	24.88%	4,070,998,906	24.30%	3,542,994,946	
2026	90,709,552,402	17,528,601,471	4,361,094,939	24.88%	4,259,429,050	24.30%	3,717,680,535	
2027	95,792,304,564	18,338,320,282	4,562,552,004	24.88%	4,456,189,746	24.30%	3,902,205,766	
2028	101,330,026,490	19,184,566,064	4,773,096,936	24.88%	4,661,826,453	24.30%	4,082,321,098	
2029	107,370,401,670	20,069,226,563	4,993,199,403	24.88%	4,876,797,889	24.30%	4,274,034,794	
2030	113,967,436,204	20,994,398,675	5,223,381,110	24.88%	5,101,613,598	24.30%	4,463,061,398	
2031	121,180,045,940	21,961,408,515	5,463,971,994	24.88%	5,336,595,825	24.30%	4,665,272,700	
2032	129,078,013,401	22,972,608,224	5,715,557,264	24.88%	5,582,316,136	24.30%	4,896,035,266	
2033	137,740,169,413	24,029,977,327	5,978,629,423	24.88%	5,839,255,555	24.30%	5,155,075,575	
2034	147,227,966,018	25,136,240,584	6,253,866,390	24.88%	6,108,076,195	24.30%	6,108,076,195	
2035	157,616,537,255	26,295,050,106	6,542,176,803	24.88%	6,389,665,512	24.30%	6,389,665,512	
2036	168,947,472,522	27,510,997,585	6,844,703,072	24.88%	6,685,139,286	24.30%	6,685,139,286	
2037	181,307,760,375	28,790,352,256	7,163,004,973	24.88%	6,996,020,930	24.30%	6,996,020,930	
2038	194,789,170,717	30,135,805,382	7,497,752,091	24.88%	7,322,964,420	24.30%	7,322,964,420	
2039	209,490,953,096	31,548,972,235	7,849,346,303	24.88%	7,666,362,264	24.30%	7,666,362,264	
2040	225,507,167,906	33,030,305,318	8,217,900,190	24.88%	8,026,324,419	24.30%	8,026,324,419	
2041	242,949,064,399	34,582,631,117	8,604,116,979	24.88%	8,403,537,719	24.30%	8,403,537,719	
2042	261,936,039,272	36,208,352,487	9,008,594,498	24.88%	8,798,586,054	24.30%	8,798,586,054	
2043	282,582,750,928	37,909,290,779	9,431,785,897	24.88%	9,211,912,010	24.30%	9,211,912,010	
2044	304,995,755,460	39,688,614,853	9,874,479,585	24.88%	9,644,285,619	24.30%	9,644,285,619	
2045	329,329,234,322	41,549,718,774	10,337,519,999	24.88%	10,096,531,630	24.30%	10,096,531,630	
2046	348,958,901,851	43,497,647,333	4,233,923,933	9.73%	3,981,637,578	9.15%	3,981,637,578	

Note: This schedule shows how the maximum state contributions under PA 93-0002 are determined. It shows projections of the amounts shown in Schedule IB, item 2 on page 16: contributions that would have been required if there were no POB program, minus the debt service.

SCHEDULE XV
50-YEAR PROJECTION OF FUNDED STATUS
UNDER PUBLIC ACT 93-0002

Year Ended June 30	End of Year			
	Pension Benefit Obligation	Value of Assets	Unfunded Pension Benefit Obligation	Funded Ratio
1995	23,980,566,000	12,641,865,000	11,338,701,000	52.7%
1996	26,141,794,000	13,829,711,000	12,312,083,000	52.9%
1997	26,951,585,000	17,393,108,000	9,558,477,000	64.5%
1998	29,908,241,000	19,965,887,000	9,942,354,000	66.8%
1999	33,205,513,000	22,237,709,000	10,967,804,000	67.0%
2000	35,886,404,000	24,481,413,000	11,404,991,000	68.2%
2001	39,166,697,000	23,315,646,000	15,851,051,000	59.5%
2002	43,047,674,000	22,366,285,000	20,681,389,000	52.0%
2003	46,933,432,000	23,124,823,000	23,808,609,000	49.3%
2004	50,947,451,000	31,544,729,000	19,402,722,000	61.9%
2005	54,007,807,460	33,335,103,765	20,672,703,695	61.7%
2006	57,211,548,512	35,300,288,895	21,911,259,617	61.7%
2007	60,550,554,209	37,463,777,185	23,086,777,025	61.9%
2008	64,000,387,478	39,789,418,015	24,210,969,463	62.2%
2009	67,538,348,834	42,305,240,043	25,233,108,792	62.6%
2010	71,139,496,507	45,009,411,126	26,130,085,382	63.3%
2011	74,802,827,166	47,765,234,594	27,037,592,572	63.9%
2012	78,522,028,894	50,539,800,845	27,982,228,049	64.4%
2013	82,291,132,826	53,358,967,106	28,932,165,720	64.8%
2014	86,107,421,584	56,217,664,538	29,889,757,046	65.3%
2015	89,976,577,883	59,115,248,224	30,861,329,659	65.7%
2016	93,908,933,134	62,061,753,226	31,847,179,908	66.1%
2017	97,918,500,826	65,073,892,402	32,844,608,424	66.5%
2018	102,019,178,465	68,168,217,657	33,850,960,808	66.8%
2019	106,228,416,610	71,365,251,581	34,863,165,029	67.2%
2020	110,567,441,836	74,688,275,958	35,879,165,878	67.5%

Notes: The projection of assets is based upon the assumption that the Employer maintains the funding policy under Public Act 93-0002 that begins with fiscal year 2005.

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

SCHEDULE XV
50-YEAR PROJECTION OF FUNDED STATUS
UNDER PUBLIC ACT 93-0002
(Continued)

Year Ended June 30	End of Year			
	Pension Benefit Obligation	Value of Assets	Unfunded Pension Benefit Obligation	Funded Ratio
2021	115,055,347,544	78,161,030,474	36,894,317,070	67.9%
2022	119,714,710,123	81,809,669,651	37,905,040,471	68.3%
2023	124,568,170,150	85,660,663,372	38,907,506,778	68.8%
2024	129,662,675,314	89,766,586,081	39,896,089,233	69.2%
2025	135,044,984,763	94,180,146,876	40,864,837,887	69.7%
2026	140,746,148,223	98,938,690,388	41,807,457,835	70.3%
2027	146,798,955,729	104,081,847,256	42,717,108,473	70.9%
2028	153,239,685,149	109,655,617,472	43,584,067,677	71.6%
2029	160,103,627,931	115,704,275,517	44,399,352,413	72.3%
2030	167,428,795,222	122,278,055,643	45,150,739,578	73.0%
2031	175,258,509,537	129,431,735,025	45,826,774,512	73.9%
2032	183,645,214,030	137,230,523,759	46,414,690,271	74.7%
2033	192,648,572,334	145,748,222,602	46,900,349,732	75.7%
2034	202,303,516,298	155,040,731,015	47,262,785,282	76.6%
2035	212,663,245,194	165,177,031,219	47,486,213,975	77.7%
2036	223,745,072,379	176,191,877,867	47,553,194,512	78.7%
2037	235,605,905,615	188,164,625,345	47,441,280,270	79.9%
2038	248,304,395,052	201,178,666,692	47,125,728,361	81.0%
2039	261,903,565,962	215,324,106,266	46,579,459,697	82.2%
2040	276,458,094,343	230,685,066,164	45,773,028,179	83.4%
2041	292,035,991,062	247,361,914,085	44,674,076,978	84.7%
2042	308,709,308,747	265,462,156,501	43,247,152,246	86.0%
2043	326,541,011,222	285,087,487,453	41,453,523,768	87.3%
2044	345,580,998,319	306,330,286,267	39,250,712,053	88.6%
2045	365,921,371,469	329,329,234,323	36,592,137,146	90.0%
2046	387,732,113,168	348,958,901,852	38,773,211,316	90.0%

Notes: The projection of assets is based upon the assumption that the Employer maintains the funding policy under Public Act 93-0002 that begins with fiscal year 2005.

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

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

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

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

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

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

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

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

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

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

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

When optional service is purchased within the last two years prior to retirement, 25% of the cost is covered by member payments and the remaining 75% is the responsibility of the employer.

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

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

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

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

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

NEW MEMBER PROFILE

Distribution of New Entrants is as follows:

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20 – 24	5.4%	24.2%	29.6%	6.3%	19.2%	25.5%
25 – 29	7.2%	24.4%	31.6%	6.7%	13.4%	20.1%
30 – 34	2.9%	8.8%	11.7%	2.8%	6.5%	9.3%
35 – 39	1.8%	5.4%	7.2%	2.0%	8.0%	10.0%
40 – 44	1.5%	5.5%	7.0%	2.1%	10.5%	12.7%
45 – 49	1.3%	5.2%	6.5%	2.3%	7.7%	9.9%
50 – 54	1.0%	3.2%	4.2%	2.1%	4.3%	6.4%
55 – 59	0.6%	1.2%	1.8%	1.5%	1.8%	3.3%
60 – 64	0.2%	0.2%	0.4%	0.8%	0.8%	1.6%
65 – 69	0.0%	0.0%	0.0%	0.5%	0.4%	0.9%
70	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 6/30/2004*
(for one year of service credit)

Age Group	Full Time/Part Time			Hourly/Substitute		
	Males	Females	Total	Males	Females	Total
20 - 24	\$ 34,877	\$ 32,833	\$ 33,177	\$ 15,727	\$ 14,497	\$ 14,815
25 - 29	37,641	35,919	36,292	15,952	15,169	15,436
30 - 34	40,823	37,836	38,643	16,125	14,830	15,171
35 - 39	45,146	38,568	40,244	15,244	15,002	15,051
40 - 44	44,862	38,320	39,962	15,138	15,038	15,050
45 - 49	45,617	39,456	40,841	15,899	15,274	15,370
50 - 54	50,545	43,523	45,178	15,506	15,218	15,268
55 - 59	59,435	43,329	48,715	15,697	15,358	15,444
60 - 64	46,898	52,952	49,648	15,212	14,955	15,021
65 - 69	-	-	-	16,576	14,849	15,513
70	-	-	-	14,780	14,308	14,494
Average	\$ 40,475	\$ 36,159	\$ 37,103	\$ 15,659	\$ 15,111	\$ 15,227

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

PENSION BENEFIT OBLIGATION: The actuarial accrued liability (AAL) of the System was determined using the projected unit-credit actuarial cost method, and the AAL is equivalent to the Government Accounting Standards Board (GASB) Statement No. 5 pension benefit obligation (PBO). PBO is a measure of the actuarial present value (APV) as of the valuation date of credited projected benefits prorated on service, including an adjustment for the effects of projected salary increases estimated to be payable in the future. Significant actuarial assumptions used to determine the pension benefit obligation as of June 30, 2004 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.
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Amount	The greater of: <ul style="list-style-type: none"> (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
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excess of 30. For all other service, 2.2% of final average salary.*

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

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

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

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

Automatic Postretirement Cost-of-Living Adjustment

Eligibility

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

Amount

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

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

Early Retirement

Eligibility

Age 55 with 20 years of service.

Amount

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

Early Retirement Incentive for State Employees

Some TRS-covered members employed by state agencies were eligible for an early retirement incentive (ERI) during FY2003. Public Act 92-566, enacted in June 2002, allowed certain state employees to purchase five years of service credit and an equal amount of age enhancement. Retirement must have occurred between August 1, 2002 and December 31, 2002, with deferrals until April 30, 2003, for key employees. Some employees who were not yet eligible to retire could also purchase the age and service enhancements if they terminated state employment.

Early Retirement Option

A member retiring after June 1, 1980 and 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 ½% for each month by which the member is less than age 55, or (b) if disability commences after age 55 and the member has 20 years of service, the benefit payable as for normal retirement with no discount.
	Other formulas may be applicable if disability retirement occurred prior to July 1, 1971.
Occupational Disability	
Eligibility	Totally and immediately incapacitated for the performance of duty.

Amount	Equal to 60% of salary, if disability is duty-connected or occupational adjudicated by the Illinois Industrial Commission as compensable under either the Workers' Compensation or Occupational Diseases Act. Any amounts payable under these Acts shall be applied as an offset to any occupational disability benefits payable by the Teachers' Retirement System. In general, benefits are payable throughout the period of disability.
Deferred Vested Benefits	
Eligibility	5 years of service.
Amount	Equal to the amount computed under normal retirement deferred to age 62 if member has less than 10 years of service. With 10 or more years of service the annuity is payable at age 60.
Reversionary Retirement Annuity	
	Any member entitled to a retirement annuity for age may elect to receive a reduced annuity with the remainder determined on an actuarial basis to become, upon the member's death, an annuity for life to any designated person dependent upon the member at the time of the member's retirement, provided such payment shall not be less than \$10 nor more than the amount of reduced age retirement monthly annuity to which the member is entitled.
Refund of Contributions	
	A member who ceases to be a member for any reason other than death or retirement, shall be entitled to a refund of all retirement contributions 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 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 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

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EXHIBIT

ACTIVE MEMBERSHIP

**NUMBER AS OF JUNE 30, 2003 AND
AVERAGE ANNUAL SALARY PROJECTED TO JUNE 30, 2004**

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	5,146 \$ 35,187	1 \$ 53,577									5,147 \$ 35,190	4,181 \$ 4,323	9,328 \$ 21,355
25-29	13,971 \$ 38,762	4,294 \$ 44,203									18,265 \$ 40,041	3,851 \$ 4,747	22,116 \$ 33,896
30-34	5,372 \$ 41,321	9,132 \$ 47,620	2,460 \$ 53,030								16,964 \$ 46,410	2,806 \$ 4,174	19,770 \$ 40,415
35-39	2,934 \$ 41,231	3,466 \$ 49,248	4,923 \$ 55,462	1,530 \$ 61,794							12,853 \$ 51,291	3,112 \$ 4,223	15,965 \$ 42,117
40-44	2,798 \$ 40,920	2,737 \$ 48,190	2,552 \$ 56,106	3,835 \$ 63,096	1,309 \$ 66,777						13,231 \$ 54,339	3,934 \$ 4,597	17,165 \$ 42,939
45-49	2,577 \$ 42,083	3,003 \$ 49,052	2,841 \$ 55,314	2,497 \$ 63,478	4,203 \$ 68,340	2,804 \$ 71,750					17,925 \$ 59,125	4,017 \$ 4,875	21,942 \$ 49,194
50-54	1,950 \$ 45,120	2,921 \$ 51,385	3,595 \$ 58,268	3,363 \$ 63,523	3,006 \$ 69,218	6,911 \$ 73,453	4,970 \$ 78,429	2 \$ 120,469			26,718 \$ 66,132	3,590 \$ 5,049	30,308 \$ 58,897
55-59	839 \$ 47,621	1,140 \$ 52,617	1,699 \$ 59,532	1,911 \$ 66,873	1,660 \$ 70,015	2,010 \$ 75,907	3,586 \$ 84,459	648 \$ 84,964			13,493 \$ 70,822	2,324 \$ 4,729	15,817 \$ 61,111
60-64	261 \$ 52,048	246 \$ 50,910	352 \$ 61,583	411 \$ 68,139	445 \$ 69,936	424 \$ 75,105	452 \$ 79,676	363 \$ 85,514	57 \$ 82,996		3,011 \$ 69,924	1,097 \$ 4,715	4,108 \$ 52,511
Over 64	48 \$ 47,698	43 \$ 56,697	47 \$ 57,285	60 \$ 62,538	62 \$ 65,847	74 \$ 72,610	73 \$ 77,139	54 \$ 76,717	72 \$ 85,948		533 \$ 68,649	733 \$ 3,840	1,266 \$ 31,125
Total	35,896 \$ 39,902	26,983 \$ 48,166	18,469 \$ 56,246	13,607 \$ 63,806	10,685 \$ 68,708	12,223 \$ 73,518	9,081 \$ 80,862	1,067 \$ 84,800	129 \$ 84,643		128,140 \$ 55,466	29,645 \$ 4,587	157,785 \$ 45,907

TABLE 1

THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JUNE 30, 2003
WITH SALARIES PROJECTED TO JUNE 30, 2004
(FULL TIME AND REGULAR PART TIME)

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
20			1	\$ 34,900	1	\$ 34,900
21	1	32,688	15	420,846	16	453,533
22	47	1,660,410	445	14,932,448	492	16,592,858
23	291	10,363,341	1,582	54,328,824	1,873	64,692,165
24	542	20,435,997	2,223	78,913,851	2,765	99,349,848
25	682	26,743,644	2,735	100,659,723	3,417	127,403,367
26	825	33,681,950	2,975	112,892,966	3,800	146,574,916
27	844	35,952,640	2,751	108,073,926	3,595	144,026,567
28	837	36,886,881	2,980	121,088,028	3,817	157,974,908
29	921	42,233,205	2,715	113,144,635	3,636	155,377,840
30	862	41,953,991	2,619	110,731,032	3,481	152,685,024
31	905	45,239,869	2,519	110,765,446	3,424	156,005,316
32	960	49,286,697	2,650	118,105,862	3,610	167,392,558
33	897	47,760,257	2,448	110,975,241	3,345	158,735,498
34	915	51,692,441	2,189	100,787,009	3,104	152,479,450
35	833	46,378,849	1,988	93,133,671	2,821	139,512,520
36	741	43,431,216	1,891	90,403,945	2,632	133,835,161
37	744	43,495,901	1,803	87,389,536	2,547	130,885,436
38	658	39,620,221	1,683	83,377,566	2,341	122,997,787
39	652	39,074,468	1,860	92,942,259	2,512	132,016,727
40	685	42,877,808	1,825	92,099,033	2,510	134,976,842
41	659	42,151,506	1,992	100,227,528	2,651	142,379,034
42	652	42,031,759	2,029	103,439,265	2,681	145,471,025
43	587	38,293,963	2,063	105,390,200	2,650	143,684,164
44	618	41,952,437	2,121	110,494,665	2,739	152,447,102
45	654	44,057,039	2,452	130,438,344	3,106	174,495,383
46	691	48,506,138	2,605	141,692,164	3,296	190,198,303
47	793	56,255,616	2,755	153,831,516	3,548	210,087,133
48	834	59,997,080	2,997	171,021,318	3,831	231,018,398
49	892	64,344,484	3,252	189,679,250	4,144	254,023,735
50	1,037	77,002,113	3,730	223,056,034	4,767	300,058,147
51	1,189	90,159,839	4,200	256,679,274	5,389	346,839,113
52	1,346	105,623,034	4,435	274,745,293	5,781	380,368,326
53	1,455	117,956,193	4,046	255,151,336	5,501	373,107,529
54	1,456	119,951,264	3,824	246,593,902	5,280	366,545,167
55	1,128	96,600,566	3,088	201,208,859	4,216	297,809,425
56	1,084	93,910,502	2,721	179,151,310	3,805	273,061,813
57	623	51,869,712	1,675	109,071,277	2,298	160,940,989
58	445	37,072,095	1,340	88,442,674	1,785	125,514,769

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, 2003
WITH SALARIES PROJECTED TO JUNE 30, 2004
(FULL TIME AND REGULAR PART TIME)

Age	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
59	342	28,559,716	1,047	69,713,762	1,389	98,273,477
60	281	23,340,109	877	58,282,380	1,158	81,622,489
61	180	14,678,623	601	39,614,544	781	54,293,166
62	118	9,150,094	412	27,579,868	530	36,729,962
63	83	6,580,384	240	16,022,084	323	22,602,468
64	45	3,533,145	174	11,761,099	219	15,294,244
65	44	3,947,028	126	8,042,834	170	11,989,862
66	25	1,905,341	87	6,019,035	112	7,924,376
67	19	1,355,852	66	4,289,612	85	5,645,464
68	12	890,822	36	2,386,810	48	3,277,633
69	5	325,524	27	1,816,268	32	2,141,792
70	7	455,310	18	1,099,606	25	1,554,917
71	8	536,176	5	273,847	13	810,023
72	2	136,334	13	738,173	15	874,507
73	1	82,462	8	568,136	9	650,598
74	2	65,491	5	248,283	7	313,773
75	1	128,044	4	327,171	5	455,215
76	2	106,303			2	106,303
77	2	203,969	2	200,849	4	404,818
78	1	32,043	1	111,867	2	143,910
79	1	54,108			1	54,108
80						
81			1	92,678	1	92,678
82			1	71,269	1	71,269
Total	31,166	\$ 2,022,604,694	96,974	\$ 5,084,853,804	128,140	\$ 7,107,458,498

Amounts may not add to the dollar due to rounding.

In addition, there are the following active members:

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

Number	29,645
Annual Salaries	\$ 135,985,068
Average Age	40.83 years
Average Service	1.39 years

TABLE 2

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JUNE 30, 2003
WITH SALARIES PROJECTED TO JUNE 30, 2004
(FULL TIME AND REGULAR PART TIME)**

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
0	314	\$ 11,598,273	1,043	\$ 34,947,855	1,357	\$ 46,546,128
1	2,115	86,666,926	7,076	259,072,907	9,191	345,739,833
2	1,971	84,954,559	7,172	276,038,996	9,143	360,993,554
3	1,847	84,458,755	6,722	268,663,183	8,569	353,121,937
4	1,683	78,783,383	5,953	247,138,187	7,636	325,921,569
5	1,414	69,495,988	5,022	216,046,219	6,436	285,542,208
6	1,244	63,866,719	4,156	184,842,463	5,400	248,709,182
7	1,106	59,765,885	3,591	165,992,632	4,697	225,758,516
8	1,062	61,565,217	3,591	172,929,890	4,653	234,495,107
9	1,487	90,829,105	4,310	214,325,940	5,797	305,155,046
10	1,032	64,043,424	3,342	169,963,551	4,374	234,006,974
11	721	46,259,941	2,910	152,174,447	3,631	198,434,387
12	787	51,313,220	3,041	165,655,169	3,828	216,968,389
13	715	48,460,270	2,957	164,802,937	3,672	213,263,207
14	578	39,897,984	2,386	136,242,333	2,964	176,140,317
15	529	36,898,797	2,310	136,739,117	2,839	173,637,913
16	551	40,440,341	2,215	132,439,693	2,766	172,880,033
17	584	43,340,477	2,303	141,114,629	2,887	184,455,107
18	553	41,286,838	2,219	139,806,436	2,772	181,093,275
19	508	38,135,737	1,835	118,000,245	2,343	156,135,982
20	386	29,603,927	1,503	96,341,301	1,889	125,945,227
21	372	29,249,002	1,457	96,103,568	1,829	125,352,569
22	451	34,885,124	1,625	106,196,330	2,076	141,081,454
23	562	45,275,577	1,819	120,294,211	2,381	165,569,788
24	601	47,470,802	1,909	128,723,585	2,510	176,194,388
25	698	56,071,632	1,816	124,525,383	2,514	180,597,015
26	695	55,096,062	1,706	119,096,479	2,401	174,192,541
27	637	51,595,170	1,565	109,047,005	2,202	160,642,176
28	786	66,055,805	1,629	114,154,648	2,415	180,210,453
29	959	80,388,194	1,732	122,578,333	2,691	202,966,527
30	1,058	88,906,506	1,542	110,948,240	2,600	199,854,746
31	1,046	93,308,678	1,438	104,686,877	2,484	197,995,555
32	772	71,966,930	1,334	100,943,509	2,106	172,910,440
33	486	48,222,371	728	57,107,358	1,214	105,329,728
34	327	31,177,705	350	27,038,456	677	58,216,161
35	212	20,340,772	220	16,367,358	432	36,708,129
36	120	11,308,350	170	12,790,515	290	24,098,865
37	85	9,065,615	99	7,477,863	184	16,543,478
38	35	3,474,920	61	4,579,637	96	8,054,557

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, 2003
WITH SALARIES PROJECTED TO JUNE 30, 2004
(FULL TIME AND REGULAR PART TIME)

Service	Males		Females		Totals	
	Number	Salaries	Number	Salaries	Number	Salaries
39	20	1,868,635	45	3,208,396	65	5,077,031
40	15	1,133,484	25	2,020,587	40	3,154,071
41	10	823,982	14	1,025,369	24	1,849,352
42	12	1,153,487	7	496,437	19	1,649,925
43	7	849,767	8	821,007	15	1,670,773
44	5	516,087	4	365,268	9	881,355
45	4	295,006	5	349,188	9	644,194
46			4	313,900	4	313,900
47			1	50,797	1	50,797
48			2	139,553	2	139,553
49	2	188,557	1	64,563	3	253,119
50			1	61,255	1	61,255
51						
52	2	250,710			2	250,710
Total	31,166	\$ 2,022,604,694	96,974	\$ 5,084,853,804	128,140	\$ 7,107,458,498

Amounts may not add due to rounding.

In addition, there are the following active members:

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

Number	29,645
Annual Salaries	\$ 135,985,068
Average Age	40.83 years
Average Service	1.39 years

TABLE 3
 THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
 THE BENEFIT TRUST RESERVE
 OF RETIRED ANNUITANTS
 AS OF JUNE 30, 2004

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
49	1	\$ 51,871	2	\$ 92,718	3	\$ 144,589
50	1	48,271	2	56,709	3	104,979
51	2	97,962	7	297,981	9	395,943
52	3	111,742	3	122,774	6	234,516
53	7	245,253	12	512,298	19	757,551
54	77	4,333,266	130	6,822,243	207	11,155,509
55	444	24,049,715	847	38,657,906	1,291	62,707,620
56	873	48,087,893	1,277	58,295,591	2,150	106,383,484
57	1,298	71,988,997	1,722	76,057,309	3,020	148,046,306
58	1,097	58,583,119	1,292	54,069,475	2,389	112,652,595
59	1,162	57,968,432	1,423	58,797,894	2,585	116,766,326
60	1,248	59,550,200	1,812	63,508,336	3,060	123,058,536
61	1,413	66,865,352	2,102	74,878,057	3,515	141,743,409
62	1,198	57,505,813	1,855	64,944,879	3,053	122,450,693
63	1,104	51,574,003	1,715	57,706,562	2,819	109,280,565
64	1,010	47,172,738	1,602	53,685,084	2,612	100,857,821
65	968	44,438,466	1,636	52,639,231	2,604	97,077,697
66	1,022	46,059,771	1,514	47,382,402	2,536	93,442,173
67	896	39,592,399	1,463	44,321,877	2,359	83,914,277
68	965	39,398,850	1,359	41,690,717	2,324	81,089,566
69	929	39,584,083	1,287	37,846,983	2,216	77,431,066
70	814	33,975,417	1,109	31,285,114	1,923	65,260,531
71	831	33,180,006	1,222	34,024,858	2,053	67,204,864
72	765	30,241,606	1,112	29,986,396	1,877	60,228,002
73	808	29,470,131	1,100	28,736,776	1,908	58,206,908
74	730	27,579,121	1,157	29,415,928	1,887	56,995,049
75	646	22,896,925	1,100	26,348,555	1,746	49,245,480
76	640	21,929,162	1,089	24,965,327	1,729	46,894,488
77	583	19,617,502	1,002	22,016,846	1,585	41,634,348
78	550	19,015,804	848	17,582,234	1,398	36,598,039
79	506	16,267,935	850	17,434,868	1,356	33,702,802
80	438	13,192,674	749	15,094,910	1,187	28,287,584
81	365	10,517,936	848	14,940,681	1,213	25,458,617
82	319	8,537,861	854	15,074,556	1,173	23,612,417
83	246	6,451,639	811	13,430,980	1,057	19,882,619
84	191	4,649,350	747	12,381,212	938	17,030,561
85	184	4,357,726	699	11,202,312	883	15,560,038
86	141	3,070,558	674	10,297,823	815	13,368,381

Amounts may not add to the dollar due to rounding.

TABLE 3
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF RETIRED ANNUITANTS
AS OF JUNE 30, 2004

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
87	127	2,971,236	566	8,473,705	693	11,444,941
88	109	2,384,589	525	7,751,363	634	10,135,951
89	96	2,269,357	464	6,465,933	560	8,735,290
90	78	1,917,716	466	6,583,818	544	8,501,535
91	61	1,060,226	413	5,834,225	474	6,894,451
92	50	838,505	303	4,146,069	353	4,984,573
93	30	609,988	316	4,217,892	346	4,827,881
94	34	766,899	244	3,036,596	278	3,803,495
95	23	447,479	196	2,286,268	219	2,733,747
96	11	200,092	146	1,835,066	157	2,035,158
97	8	117,487	124	1,353,690	132	1,471,177
98	8	109,794	77	843,486	85	953,280
99	7	93,727	61	684,066	68	777,793
100	3	43,848	40	394,540	43	438,389
101			19	185,033	19	185,033
102			16	147,371	16	147,371
103			10	80,165	10	80,165
104			6	51,079	6	51,079
105			4	32,979	4	32,979
Total	25,120	\$ 1,076,090,489	43,029	\$ 1,241,009,746	68,149	\$ 2,317,100,236

Amounts may not add to the dollar due to rounding.

TABLE 4
 THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
 THE BENEFIT TRUST RESERVE
 OF SURVIVOR ANNUITANTS
 AS OF JUNE 30, 2004

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
6			1	\$ 8,764	1	\$ 8,764
7	1	3,600			1	3,600
8	2	7,729			2	7,729
9						
10	1	4,129			1	4,129
11	2	10,423			2	10,423
12	1	7,147	3	33,241	4	40,387
13	1	3,322	1	4,173	2	7,496
14	4	14,110	5	25,581	9	39,691
15	4	22,479	4	22,753	8	45,232
16	4	19,511	9	60,289	13	79,800
17	5	39,564	8	106,657	13	146,221
18	4	17,216	6	31,463	10	48,679
19	9	68,410	9	65,340	18	133,750
20	5	28,635	7	44,254	12	72,890
21	4	50,226	4	32,228	8	82,455
22	1	4,161			1	4,161
23						
24	1	4,921			1	4,921
25						
26						
27						
28	1	7,200			1	7,200
29						
30	1	7,200			1	7,200
31	1	7,416			1	7,416
32	1	8,104			1	8,104
33	1	12,241			1	12,241
34	1	7,416	1	7,416	2	14,832
35	1	7,638	1	21,272	2	28,910
36	1	24,363			1	24,363
37	1	7,416	1	10,266	2	17,682
38			3	26,141	3	26,141
39	1	7,200	1	8,104	2	15,304
40	1	9,394	2	17,756	3	27,151
41	2	16,701	1	9,932	3	26,633
42	2	16,701	1	9,676	3	26,377
43	1	8,597	4	77,664	5	86,261

Amounts may not add to the dollar due to rounding.

TABLE 4
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF SURVIVOR ANNUITANTS
AS OF JUNE 30, 2004

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
44	3	29,720	7	86,479	10	116,199
45	4	35,582	4	48,365	8	83,947
46	3	40,717	7	91,491	10	132,208
47	6	51,115	2	21,304	8	72,419
48	5	55,986	5	53,807	10	109,793
49	4	58,564	9	151,612	13	210,176
50	6	71,584	9	138,775	15	210,360
51	11	113,888	26	480,378	37	594,266
52	10	83,905	22	387,999	32	471,904
53	15	163,672	33	508,591	48	672,264
54	18	192,238	26	448,485	44	640,722
55	21	237,066	38	682,009	59	919,075
56	23	249,554	58	1,081,384	81	1,330,938
57	21	252,976	55	996,849	76	1,249,826
58	34	443,324	55	942,420	89	1,385,744
59	22	245,010	55	927,489	77	1,172,499
60	36	524,744	73	1,487,857	109	2,012,601
61	50	668,310	78	1,577,235	128	2,245,545
62	36	463,109	97	1,611,502	133	2,074,611
63	36	433,590	83	1,515,022	119	1,948,612
64	40	543,682	93	1,700,284	133	2,243,967
65	37	497,736	113	2,128,251	150	2,625,987
66	41	536,689	122	2,175,642	163	2,712,332
67	40	477,693	119	1,966,503	159	2,444,196
68	52	617,405	114	1,990,617	166	2,608,022
69	48	620,151	148	2,369,503	196	2,989,654
70	57	797,643	116	1,857,303	173	2,654,946
71	58	643,200	161	2,665,415	219	3,308,614
72	60	648,790	143	2,130,607	203	2,779,397
73	77	903,927	205	2,998,832	282	3,902,759
74	72	794,323	185	2,740,252	257	3,534,575
75	64	717,089	181	2,645,220	245	3,362,310
76	80	809,563	205	2,793,501	285	3,603,064
77	68	579,910	196	2,649,211	264	3,229,121
78	72	690,366	195	2,447,308	267	3,137,674
79	96	902,627	169	2,065,170	265	2,967,797
80	106	1,055,275	162	1,944,867	268	3,000,143
81	97	839,475	177	2,024,129	274	2,863,604
82	91	755,245	164	1,809,993	255	2,565,239

Amounts may not add to the dollar due to rounding.

TABLE 4
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF SURVIVOR ANNUITANTS
AS OF JUNE 30, 2004

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
83	95	749,627	190	1,918,507	285	2,668,134
84	81	594,910	161	1,485,581	242	2,080,491
85	79	550,955	189	1,798,095	268	2,349,050
86	79	554,354	163	1,369,341	242	1,923,695
87	69	427,865	154	1,433,077	223	1,860,942
88	76	559,626	152	1,285,533	228	1,845,160
89	50	347,277	139	1,287,627	189	1,634,904
90	71	435,227	103	906,384	174	1,341,611
91	44	312,648	97	861,486	141	1,174,134
92	41	242,622	85	661,462	126	904,085
93	31	191,391	85	634,408	116	825,799
94	31	176,540	57	400,312	88	576,853
95	22	103,075	46	278,686	68	381,761
96	14	69,257	28	172,645	42	241,903
97	5	30,355	31	217,317	36	247,672
98	9	35,395	17	118,214	26	153,610
99	6	20,029	11	62,142	17	82,170
100	1	11,497	10	58,728	11	70,225
101			1	9,349	1	9,349
102			1	3,040	1	3,040
103			2	7,478	2	7,478
104						
105			1	5,418	1	5,418
Total	2,489	\$ 23,711,268	5,505	\$ 71,939,468	7,994	\$ 95,650,735

Amounts may not add to the dollar due to rounding.

TABLE 5
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF DISABILITY BENEFIT RECIPIENTS
AS OF JUNE 30, 2004

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
27			1	\$ 12,827	1	\$ 12,827
28						
29			3	42,844	3	42,844
30			1	15,667	1	15,667
31	1	15,320			1	15,320
32	1	16,501	2	38,295	3	54,797
33	1	14,383	3	52,340	4	66,723
34			9	133,723	9	133,723
35			7	105,079	7	105,079
36	2	36,544	2	23,127	4	59,671
37	1	14,741	6	66,505	7	81,246
38			6	109,073	6	109,073
39	1	20,249			1	20,249
40	2	32,567	6	114,464	8	147,031
41	2	54,754	6	116,310	8	171,064
42	2	28,917	3	47,833	5	76,750
43	1	12,775	7	131,762	8	144,537
44	1	32,725	5	64,913	6	97,638
45	1	20,658	16	249,150	17	269,808
46	3	45,571	9	193,365	12	238,936
47	3	51,434	14	231,989	17	283,424
48	8	151,773	12	190,022	20	341,795
49	3	51,656	20	329,556	23	381,212
50	5	98,910	21	425,536	26	524,446
51	5	90,683	35	673,611	40	764,294
52	8	182,732	35	636,588	43	819,320
53	13	332,162	43	795,319	56	1,127,481
54	9	213,063	55	1,178,432	64	1,391,495
55	11	281,239	40	913,152	51	1,194,391
56	9	276,613	54	1,206,745	63	1,483,358
57	16	458,932	48	1,140,775	64	1,599,708
58	9	213,361	41	1,049,514	50	1,262,875
59	14	439,541	35	778,500	49	1,218,041
60	14	354,981	27	485,407	41	840,388
61	8	213,726	28	591,966	36	805,692
62	4	123,633	14	222,117	18	345,750
63	3	68,210	11	210,032	14	278,242
64	5	100,074	16	291,262	21	391,335

Amounts may not add to the dollar due to rounding.

TABLE 5
(Continued)
THE NUMBER AND ANNUAL BENEFITS PAYABLE FROM
THE BENEFIT TRUST RESERVE
OF DISABILITY BENEFIT RECIPIENTS
AS OF JUNE 30, 2004

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
65	2	31,039	9	160,656	11	191,695
66	1	27,708	18	242,139	19	269,847
67	1	29,754	8	87,632	9	117,386
68	5	68,348	11	193,159	16	261,508
69	6	252,542	16	289,762	22	542,304
70	2	41,976	9	136,251	11	178,228
71	2	62,830	9	169,231	11	232,060
72	4	67,828	9	120,346	13	188,173
73	2	22,629	7	67,691	9	90,319
74			5	83,367	5	83,367
75	3	28,040	10	105,373	13	133,413
76	3	33,920	4	50,286	7	84,205
77	2	39,439	8	72,202	10	111,641
78	2	20,314	6	59,806	8	80,119
79	1	21,941	7	81,437	8	103,378
80			4	55,221	4	55,221
81			4	69,130	4	69,130
82	1	12,343	10	94,550	11	106,893
83	3	35,266	3	33,601	6	68,867
84			4	38,253	4	38,253
85			2	14,191	2	14,191
86	1	16,178	5	45,611	6	61,789
87			1	10,563	1	10,563
88			4	28,750	4	28,750
89						
90						
91						
92						
93						
94						
95						
96						
97						
98			1	5,753	1	5,753
Total	207	\$ 4,860,521	815	\$ 15,182,759	1,022	\$ 20,043,280

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, 2004

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
60			1	\$ 321	1	\$ 321
61			4	3,261	4	3,261
62			1	145	1	145
63			5	7,109	5	7,109
64			7	4,394	7	4,394
65	2	1,144	16	8,910	18	10,054
66			26	13,670	26	13,670
67	2	1,077	28	18,895	30	19,972
68	2	2,914	26	13,373	28	16,287
69	2	584	27	14,115	29	14,699
70	2	968	22	14,864	24	15,832
71	4	1,161	18	9,240	22	10,401
72	4	2,590	25	19,329	29	21,919
73	4	1,836	47	30,307	51	32,143
74	10	5,848	54	36,332	64	42,180
75	7	4,535	72	45,750	79	50,285
76	13	8,827	65	50,979	78	59,805
77	18	16,175	77	67,179	95	83,354
78	9	7,000	64	53,726	73	60,726
79	15	17,275	73	74,856	88	92,131
80	17	15,294	60	61,774	77	77,068
81	11	10,369	114	123,463	125	133,832
82	16	11,724	101	114,714	117	126,438
83	9	10,075	117	132,189	126	142,263
84	15	21,810	117	146,484	132	168,293
85	14	19,044	93	106,697	107	125,742
86	18	31,280	115	140,999	133	172,279
87	6	6,572	93	121,380	99	127,952
88	9	12,649	75	92,044	84	104,693
89	8	12,227	90	136,173	98	148,400
90	7	12,170	84	124,514	91	136,684
91	7	12,045	73	106,235	80	118,280
92	9	19,843	63	90,259	72	110,102
93	1	2,979	74	119,202	75	122,181
94	3	4,838	76	111,740	79	116,578
95	3	3,079	66	112,602	69	115,681
96	1	1,256	41	69,983	42	71,238
97	2	6,197	51	83,070	53	89,267

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, 2004

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
98	1	3,123	38	68,564	39	71,687
99	2	3,523	30	51,477	32	55,000
100	1	3,023	23	45,985	24	49,007
101			11	14,600	11	14,600
102			10	19,950	10	19,950
103			7	13,538	7	13,538
104			6	11,101	6	11,101
105			3	6,325	3	6,325
Total	254	\$ 295,055	2,289	\$ 2,711,814	2,543	\$ 3,006,868

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, 2004**

Age	Males		Females		Totals	
	Number	Annuities	Number	Annuities	Number	Annuities
77			1	\$ 936	1	\$ 936
78						
79			1	696	1	696
80						
81						
82						
83						
84						
85			1	686	1	686
86			1	634	1	634
87						
88			1	1,398	1	1,398
89						
90						
91						
92						
93						
94						
95						
96						
97						
98			1	3,488	1	3,488
Total			6	\$ 7,838	6	\$ 7,838

Amounts may not add to the dollar due to rounding.

