

A REPORT ON THE FINANCIAL CONDITION OF THE IL STATE RETIREMENT SYSTEMS



FINANCIAL CONDITION AS OF JUNE 30, 2011

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prepared by:

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TABLE OF CONTENTS

Report on the Financial Condition of the State Retirement Systems FY 2011

	<u>Page</u>
Executive Summary	i
I. Public Act 96-0889 (SB 1946) and Public Act 96-1495 (SB 3538)	1
II. Pension Legislation History	7
III. Current Combined Financial Condition of the State Retirement Systems	21
IV. The Teachers' Retirement System	31
V. The State Employees' Retirement System	43
VI. The State Universities Retirement System	57
VII. The Judges' Retirement System	69
VIII. The General Assembly Retirement System	81

INDEX TO CHARTS, TABLES AND APPENDICES

Chart 1	State Retirement Systems Unfunded Liabilities FY1998 – FY2011	26
Chart 2	State Retirement Systems Change in Unfunded Liabilities FY 2011	27
Chart 3	State Retirement Systems Changes in Unfunded Liabilities FY1996 - FY2011	28
Chart 4	State Retirement Systems Funded Ratio	28
Chart 5	Projected Total State Pension Costs FY2012 – FY2017	29
Chart 6	Teachers' Retirement System Change in Unfunded Liabilities	34
Chart 7	Teachers' Retirement System Funded Ratio	34
Chart 8	Teachers' Retirement System Active Member Headcount	35
Chart 9	Teachers' Retirement System Average Salaries	35
Chart 10	Teachers' Retirement System Total Retirees	36
Chart 11	Teachers' Retirement System Average Annuities	36
Chart 12	Teachers' Retirement System Unfunded Liability History	37
Chart 13	Teachers' Retirement System Rate of Return on Investments	37
Chart 14	Teacher's Retirement System Investment Revenues	38
Chart 15	Teachers' Retirement System Total Payouts	38
Chart 16	State Employees' Retirement System Change in Unfunded Liabilities	47
Chart 17	State Employees' Retirement System Funded Ratio	47
Chart 18	State Employees' Retirement System Active Member Headcount	48

Chart 19	State Employees' Retirement System Average Salaries	48
Chart 20	State Employees' Retirement System Total Retirees	49
Chart 21	State Employees' Retirement System Average Annuities	49
Chart 22	State Employees' Retirement System Unfunded Liability History	50
Chart 23	State Employees' Retirement System Rate of Return on Investments	50
Chart 24	State Employees' Retirement System Investment Revenues	51
Chart 25	State Employees' Retirement System Total Payouts	51
Chart 26	State Universities Retirement System Change in Unfunded Liabilities	60
Chart 27	State Universities Retirement System Funded Ratio	60
Chart 28	State Universities Retirement System Active Member Headcount	61
Chart 29	State Universities Retirement System Average Salaries	61
Chart 30	State Universities Retirement System Total Retirees	62
Chart 31	State Universities Retirement System Average Annuities	62
Chart 32	State Universities Retirement System Unfunded Liability History	63
Chart 33	State Universities Retirement System Rate of Return on Investments	63
Chart 34	State Universities Retirement System Investment Revenues	64
Chart 35	State Universities Retirement System Total Payouts	64
Chart 36	Judges' Retirement System Change in Unfunded Liabilities	72
Chart 37	Judges' Retirement System Funded Ratio	72
Chart 38	Judges' Retirement System Active Member Headcount	73
Chart 39	Judges' Retirement System Average Salaries	73
Chart 40	Judges' Retirement System Total Retirees	74
Chart 41	Judges' Retirement System Average Annuities	74
Chart 42	Judges' Retirement System Unfunded Liability History	75
Chart 43	Judges' Retirement System Rate of Return on Investments	75
Chart 44	Judges' Retirement System Investment Revenues	76
Chart 45	Judges' Retirement System Total Payouts	76
Chart 46	General Assembly Retirement System Change in Unfunded Liabilities	84
Chart 47	General Assembly Retirement System Funded Ratio	84
Chart 48	General Assembly Retirement System Active Member Headcount	85
Chart 49	General Assembly Retirement System Average Salaries	85
Chart 50	General Assembly Retirement System Total Retirees	86
Chart 51	General Assembly Retirement System Average Annuities	86
Chart 52	General Assembly Retirement System Unfunded Liability History	87
Chart 53	General Assembly Retirement System Rate of Return on Investments	87
Chart 54	General Assembly Retirement System Investment Revenues	88
Chart 55	General Assembly Retirement System Total Payouts	88
Table 1	Public Act 88-0593 vs. Public Act 94-0004 Contributions	11
Table 2	Summary of Appropriations Authorized State Retirement Systems	23
Table 3	Summary of Financial Condition State Retirement Systems Actuarial Value	24
Table 4	Summary of Financial Condition State Retirement Systems Market Value	25
Table 5	Teachers' Retirement System Annual Unfunded Changes, 1996-2011	39
Table 6	Teachers' Retirement System Changes in Net Assets	39
Table 7	Teachers' Retirement System Investment Return History	40
Table 8	Teachers' Retirement System Historic Underfunding	40
Table 9	Teachers' Retirement System Projected Underfunding	41
Table 10	Teachers' Retirement System Tier 1 & Tier 2 Projections	42
Table 11	State Employees' Retirement System Annual Unfunded Changes, 1996-2011	52

Table 12	State Employees' Retirement System Changes in Net Assets	52
Table 13	State Employees' Retirement System Investment Return History	53
Table 14	State Employees' Retirement System Historic Underfunding	53
Table 15	State Employees' Retirement System Projected Underfunding	54
Table 16	State Employees' Retirement System Tier 1 & Tier 2 Projections	55
Table 17	State Universities Retirement System Annual Unfunded Changes, 1996-2011	65
Table 18	State Universities Retirement System Changes in Net Assets	65
Table 19	State Universities Retirement System Investment Return History	66
Table 20	State Universities Retirement System Historic Underfunding	66
Table 21	State Universities Retirement System Projected Underfunding	67
Table 22	State Universities Retirement System Tier 1 & Tier 2 Projections	68
Table 23	Judges' Retirement System Annual Unfunded Changes 1996-2011	77
Table 24	Judges' Retirement System Changes in Net Assets	77
Table 25	Judges' Retirement System Investment Return History	78
Table 26	Judges' Retirement System Historic Underfunding	78
Table 27	Judges' Retirement System Projected Underfunding	79
Table 28	Judges' Retirement System Tier 1 & Tier 2 Projections	80
Table 29	General Assembly Retirement System Annual Unfunded Changes, 1996-2011	89
Table 30	General Assembly Retirement System Changes in Net Assets	89
Table 31	General Assembly Retirement System Investment Return History	90
Table 32	General Assembly Retirement System Historic Underfunding	90
Table 33	General Assembly Retirement System Projected Underfunding	91
Table 34	General Assembly Retirement System Tier 1 & Tier 2 Projection	92
Appendix A	System Projections for Combined State Retirement Systems	95
Appendix B	System Projections for Teachers' Retirement System	96
Appendix C	System Projections for State Employees' Retirement System	97
Appendix D	System Projections for State Universities Retirement System	98
Appendix E	System Projections for Judges' Retirement System	99
Appendix F	System Projections for General Assembly Retirement System	100
Appendix G	CGFA Projections for Combined State Retirement Systems	101
Appendix H	CGFA Projections for Teachers' Retirement System	102
Appendix I	CGFA Projections for State Employees' Retirement System	103
Appendix J	CGFA Projections for State Universities Retirement System	104
Appendix K	CGFA Projections for Judges' Retirement System	105
Appendix L	CGFA Projections for General Assembly Retirement System	106
Appendix M	State Systems Changes in Unfunded Liability	107
Appendix N	Pension Obligation Bonds: Debt Service Schedule and Allocation	109
Appendix O	Past Financial Condition of the State Funded Retirement Systems	110
Appendix P	FY2004-FY2011 Pension Obligation Bonds & Notes Total Debt Service	112
Appendix Q	Summary of TRS Appropriations FY1996 – FY 2011	113
Appendix R	Summary of SURS Appropriations FY1996 – FY2011	114
Appendix S	Summary of SERS Appropriations FY1996 – FY2011	115
Appendix T	Summary of JRS Appropriations FY1996 – FY2011	116
Appendix U	Summary of GARS Appropriations FY1996 – FY2011	117
Appendix V	FY 2013 Teachers' Retirement System Recertification Letter	118
Appendix W	FY 2013 State Universities Retirement System Recertification Letter	119
Appendix X	FY 2013 State Employees' Retirement System Recertification Letter	120
Appendix Y	FY 2013 Judges' Retirement System Recertification Letter	121
Appendix Z	FY 2013 General Assembly Retirement System Recertification Letter	122

Executive Summary

This report examines the financial status of the five State-funded retirement systems. The following is a summary of the findings:

- Public Act 88-0593 requires the State to make contributions to the State retirement systems such that the total assets of the systems will equal 90% of their total actuarial liabilities by Fiscal Year 2045. The contributions are required to be made at a level percent of payroll in Fiscal Years 2011 through 2045, following a phase-in period that began in Fiscal Year 1996.
- From FY 2001 through FY 2011, the combined unfunded liabilities of the systems increased by \$58.1 billion based upon the market value of assets. The main factors for this increase in unfunded liabilities were actuarially insufficient employer contributions, lower-than-assumed investment returns in 5 years, and benefit increases, along with other miscellaneous actuarial factors.
- The discussion of the financial condition of the State retirement systems centers on the funded ratio, or net assets divided by accrued liabilities. A system with a 100% funded ratio is fully funded because its assets are sufficient to pay all benefits earned by employees. Based upon the market value of assets, the funded ratio of the State retirement systems combined was 43.3% as of June 30, 2011.
- Projections of the future financial condition of the State retirement systems provide valuable information on the effect that past funding has had on the retirement systems' financial position. The funding projections shown in the appendices of this report were prepared by the systems' actuaries and by CGFA's actuary based on the laws currently in effect.
- If the State continues funding according to current law, the accrued liabilities of the State retirement systems will increase from approximately \$146.5 billion at the end of FY 2011 to an estimated \$327.4 billion at the end of FY 2045. At the same time, assets without asset smoothing are projected to increase from \$63.4 billion to \$294.7 billion. Consequently, the unfunded liabilities are projected to decrease from \$83.1 billion at the end of FY 2011 to \$32.7 billion at the end of FY 2045, and the funded ratio is expected to increase from 43.3% in FY 2011 to 90.0% by the end of FY 2045. All of the projected figures in this paragraph come from the various systems' actuaries and are based upon asset market values.
- Each of the 5 state retirement systems provided a certification of the required state contribution for FY 2013 reflecting the impact of P.A. 96-0889. These certification letters are displayed in the appendices.
- The first section in this report discusses in detail the characteristics of the 2 tier retirement system enacted by P.A. 96-0889. The various projections contained elsewhere in this report all reflect the changes established by this act.

**I. Public Act 96-0889
(SB 1946) and Public Act
96-1495 (SB 3538)**



Two-Tier Pension Reform for the State Systems, IMRF, and Chicago Funds
Public Act 96-0889
Senate Bill 1946 – Cullerton (Madigan)

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

Effective Date

- January 1, 2011

Systems Impacted

- IMRF, Chicago Municipal, Cook County, Cook County Forest Preserve, Chicago Laborers, Chicago Park District, Metropolitan Water, SERS, SURS, TRS, Chicago Teachers (Judges and GA separate; CTA, Police, and Fire excluded)

Retirement Eligibility – Except State Policemen, Firefighters, and Correctional Guards

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

Retirement Eligibility – State Policemen, Firefighters, and Correctional Guards

- Normal Retirement: 60 years old with 20 years of service
- State Policemen, Firefighters, DOC Guards are still eligible for Alternative Formula

Annual Increases in Annuity

- Increases begin at the later of the first anniversary of retirement or at age 67
- Increases equal to the lesser of 3% or one-half the annual increase in the CPI-U during the preceding 12-month calendar year; if increase in CPI is zero or if there is a decrease in CPI, then no COLA is payable
- Increase not compounded

Survivor Benefits

- 66.7% of the earned retirement benefit at death
- Increased by the lesser of 3% or one-half of the annual increase in the CPI-U during the preceding 12-month calendar year
- Increases not compounded

“Double Dipping” Prohibited

- Prohibition on simultaneously collecting a pension and a salary with public employer.

Chicago Teachers' Extension of Funding Plan

- Contributions specified in Fiscal Years 2011 – 2014
- New Goal: CTPF must reach 90% by 2059 (currently 2045)

Retirement Eligibility – Judges and General Assembly

- Normal Retirement: 67 years old with 8 years of service
- Early Retirement: 62 years old with 8 years of service

Change in Benefit Formula – Judges and General Assembly

- 3% of Final Average Salary for each year of service
- Maximum annuity 60% of Final Average Salary
- Retirement annuity based on highest 8 out of final 10 years of service

Annual Increase in Annuity – Judges and General Assembly

- Increases begin after attainment of age 67
- Increases equal to the lesser of 3% or one-half of the annual increase in the CPIU during the preceding 12-month calendar year
- Increases compounded

Annual Increase in Survivor's Annuity – Judges and General Assembly

- 66.7% of the earned retirement benefit at death
- Increased by the lesser of 3% or one-half of the annual increase in the CPI-U during the preceding 12-month calendar year
- Increases compounded

**Police and Fire Pension Reform - Downstate, IMRF, and Chicago
P.A. 96-1495
SB 3538 - Link (McCarthy)**

Effective Date

- January 1, 2011

Systems Impacted

- Downstate Police, Downstate Fire, Chicago Police, Chicago Fire, IMRF (SLEP)

Creation of a Two Tier System for Firefighters and Police Officers

- Benefits for current police officers and firefighters have not changed.
- Changes only apply to police officers and firefighters hired on or after January 1, 2011.
- Normal Retirement: 55 years old with 10 years of service.
- Early Retirement: 50 years old with 10 years of service, but penalty of ½% for each month that the police officer or firefighter is younger than 55 years.
- Retirement Pension based upon 2.5% of Final Average Salary for a maximum of 75%.
- Annuity based on highest 8 years out of last 10 years of service.
- Annual Final Average Salary may not exceed \$106,800, as automatically increased by the lesser of 3% or one-half of the annual increase in the CPI-U during the preceding 12-month calendar year.

Annual Increases in Annuity

- Increases begin at age 60 either on the January 1st after police officer/firefighter retires or the first anniversary of pension starting date, whichever is later.
- Increases equal to the lesser of 3% or one-half the annual increase in the CPI-U during the preceding 12-month calendar year; if increase in CPI is zero or if there is a decrease in CPI, then no COLA is payable.
- Increase not compounded

Survivor Benefits

- 66.7% of the earned retirement benefit at death
- Increased by the lesser of 3% or one-half of the annual increase in the CPI-U during the preceding 12-month calendar year
- Increases not compounded

Municipal Funding Provisions

- Pension funds must be 90% funded by Fiscal Year 2040
- Annual Municipal contributions will be calculated as level percentage of payroll under “Projected Unit Credit Actuarial Cost Method.”
- Comptroller is authorized to redirect municipal monies directly to pension funds if municipal contributions are insufficient.
- Future pension fund studies are authorized to review the condition of pension funds and potential investment pooling.

II. Pension Legislation History



88th General Assembly (1993 – 1994)

Funding Plan for State-Funded Retirement Systems (P. A. 88-0593)

Public Act 88-0593 implemented a funding plan for the five State retirement systems that requires the State to make contributions as a level percent of payroll in fiscal years 2011 through 2045, following a phase in which began in fiscal year 1996. The contributions are required to be sufficient, when added to employee contributions, investment income, and other income, to bring the total assets of the systems to 90% of the actuarial liabilities by fiscal year 2045. Each system is required to certify the amount necessary for the next fiscal year by November 15 of the current fiscal year, for inclusion in the Governor's budget.

90th General Assembly (1997 – 1998)

SERS Formula Increase (P.A. 90-0065)

P.A. 90-0065 (HB 0110) implemented a flat rate formula for SERS Regular Formula members covered by Social Security of 1.67% for all years of service. Regular Formula members not covered by Social Security moved to a flat rate formula of 2.2% for all years of service. The Act applied to all members retiring on or after January 1, 1998.

TRS Formula Increase (P.A. 90-0582)

P.A. 90-0582 implemented a retirement formula increase for members of the Teachers' Retirement System. The Act provided that active teachers would earn creditable service on or after July 1, 1998 at a rate of 2.2% of final average salary for each year of service. The Act also allowed teachers to make contributions to TRS in order to upgrade past service earned prior to the implementation of the flat-rate formula.

Creation of Self-Managed Plan in SURS (P.A. 90-0448)

P.A. 90-0448 gave members of the State Universities Retirement System the option to enroll in a Self-Managed Plan in which participants are able to choose from a variety of investment options ranging from mutual funds to annuity contracts. Members who choose the SMP become vested after earning 5 years of service credit.

91st General Assembly (1999 – 2000)

"Rule of 85" for SERS (P.A. 91-0927)

P.A. 91-0927 created a "Rule of 85" for the State Employees' Retirement System, wherein an employee is eligible to retire when the employee's age plus service credit equals 85 years.

92nd General Assembly (2001 – 2002)

SERS Alternative Formula Increase (P.A. 92-0014)

P.A. 92-0014 (HB 0250) changed the retirement formula for alternative formula employees to 2.5% for each year of service for members coordinated with Social Security and 3.0% for each year of service for non-coordinated members. The Act increased the maximum retirement annuity for alternative formula employees to 80% of final average salary.

Addition of Highway Maintenance Workers to the SERS Alternative Formula (P.A. 92-0257)

P.A. 92-0257 added state highway maintenance workers to the alternative formula under SERS. Specifically, the Act included persons employed on a full-time basis by the Illinois Department of Transportation in the position of highway maintainer, highway maintenance lead worker, heavy construction equipment operator, and other job titles. The Act also added several positions within the Illinois State Toll Highway Authority such as equipment operator/laborer, welders, sign makers/hangers, and other job titles.

SERS Early Retirement Incentive (Public Act 92-0566)

Public Act 92-0566 created the 2002 Early Retirement Incentive for certain SERS and TRS members. The ERI allowed members to purchase up to five years of service credit and age enhancement. Eligible members were then required to leave employment between July 1, 2002 and December 31, 2002. Over 11,000 members took advantage of the ERI, and a majority of the participants were eligible to receive benefits immediately following termination.

93rd General Assembly (2003 – 2004)

Pension Obligation Bond (P.A. 93-0002)

Public Act 93-0002 amended the General Obligation Bond Act to increase bond authorization by \$10 billion. These general obligation bonds were designated as a pension funding series. The State used a portion of the bond proceeds to pay part of the FY 2003 State contribution and all of the FY 2004 State contributions to the retirement systems. Of the \$10 billion, \$7.3 billion was used to reduce the unfunded liabilities of the State-funded retirement systems.

Along with the \$10 billion increase in bond authorization, Public Act 93-0002 included a provision requiring State contributions to the retirement systems to be reduced by the amount of the debt service (the amount of principal and interest payments) on the bonds. The legislation set the maximum annual employer contribution to each system at the amount that would have been contributed without the bond issuance, minus the total debt service payments for the fiscal year. Effectively, the reduction in retirement contributions is used to pay the debt service on the bonds.

94th General Assembly (2005 – 2006)

Change in Funding Provisions for State Systems (P.A. 94-0004)

Public Act 94-0004 changed the funding plan created in 1994 by Public Act 88-0593. The Act set the State contribution levels for FY 2006 and FY 2007, rather than requiring the State to make contributions based on actuarial calculations contained in the pension funding plan under P.A. 88-0593. In addition, the separate funding of the liability created by the 2002 SERS Early Retirement Incentive was eliminated. The following table provides a comparison of the FY 2006 certified contributions and FY 2007 contributions with the State contributions that were required by Public Act 94-0004. The actual appropriations to the Systems were contained in SB 1548 (P.A. 94-0015).

TABLE 1

Public Act 88-0593 Contributions vs. Public Act 94-0004 Contributions (in Millions \$)						
	FY 2006			FY 2007		
System	PA 88-0593	PA 94-0004	Difference	PA 88-0593	PA 94-0004	Difference
TRS	\$1,058.5	\$534.6	\$523.9	\$1,233.1	\$735.5	\$497.6
SERS	690.3	203.8	486.5	832.0	344.2	487.8
SURS	324.9	166.6	158.3	391.9	252.1	139.8
JRS	38.0	29.2	8.8	44.5	35.2	9.3
GARS	5.5	4.2	1.3	6.3	5.2	1.1
Total	\$2,117.2	\$938.4	\$1,178.8	\$2,507.8	\$1,372.3	\$1,135.6

SERS Alternative Formula Changes (P.A. 94-0004)

Prior to the enactment of P.A. 94-0004, all employees of the Department of Corrections were covered by the SERS alternative formula. Public Act 94-0004 provides that for employees entering service after July 1, 2005, only Department of Corrections employees who are headquartered at a correctional facility, parole officers, members of an apprehension unit, members of an intelligence unit, and DOC investigators will be covered by the alternative formula. New employees included in other groups currently covered by the alternative formula will continue to be eligible for the SERS alternative formula.

SURS Money Purchase Retirement Option Changes (P.A. 94-0004)

Public Act 94-0004 eliminated the money purchase formula for employees who became members of SURS after July 1, 2005. Beginning in FY 2006, the Act requires the Comptroller (rather than the SURS Board of Trustees) to determine the interest rate to be used when crediting interest to the accounts of current employees.

Salary Increase Payments For Teachers and State University Personnel (P.A. 94-0004)

Public Act 94-0004 provided a mechanism by which the liability associated with salary increases above a certain level may be shifted to the employer (school districts and universities) providing those salary increases. The Act provides that during the years used to determine final average salary, the employer must pay to TRS or SURS an amount equal to the present value of the increase in benefits resulting from salary increases above 6%. The employer contribution required by Public Act 94-0004 must be paid in a lump sum within 30 days of the receipt of the bill from the retirement system. The Act specifies that the retirement system must calculate the contribution amount using the same actuarial assumptions and tables used for the most recent actuarial valuation.

The salary increase payment provision for TRS and SURS contained in Public Act 94-0004 does not apply to salaries paid under contracts or collective bargaining agreements entered into, amended, or renewed before the effective date of the Act (June 1, 2005).

Teacher Sick Leave Service Credit (P.A. 94-0004)

Prior to the enactment of P.A. 94-0004, members of TRS could establish up to 2 years of service credit for unused and uncompensated sick leave without making contributions. Public Act 94-0004 provides that if days granted by an employer are in excess of the normal annual sick leave allotment, the employer is required to contribute to TRS the normal cost of the benefits associated with this excess sick leave.

Retention of "Pipeline" Early Retirement Option in TRS (P.A. 94-0004)

An Early Retirement Option for members of TRS was created in 1980 and, prior to 2005, had been extended every 5 years since its inception. (Public Act 91-0017 extended the TRS ERO option until June 30, 2005). If an employee exercised the ERO option (i.e. retired before age 60 with less than 34 years of service) employee and employer contributions were required to avoid a discounted annuity. The employee contribution was 7% of salary for each year less than age 60 or 35 years of service (whichever is less) and the employer contribution was 20% of salary for each year less than age 60. Public Act 92-0582 removed the employee contribution for members with 34 years of service and Public Act 91-0017 removed the employer contribution requirement for employees who retire with 34 years of service.

Public Act 94-0004 allowed TRS members to participate in the "pipeline" ERO if the member retired between June 30, 2005 and July 1, 2007.

New Early Retirement Option in TRS (P.A. 94-0004)

Public Act 94-0004 created a new ERO effective July 1, 2005. If an employee exercises the new ERO option (retires before age 60) employee and employer contributions are required to avoid discount. The employee contribution is 11.5% of salary for each year less than age 60 or 35 years of service (whichever is less) and the employer contribution is 23.5% of salary for each year less than age 60. In addition, all active TRS members are required to contribute 0.4% of salary towards the cost of ERO. This contribution would be refunded, without interest, if the member does not utilize the ERO, if the member takes a refund from TRS, if the member dies, or if the ERO is terminated.

By June 30, 2012 (and every 5 years thereafter), TRS is required to review the System's ERO experience to determine if the required contributions adequately fund the ERO. The TRS Board of Trustees must submit the results to the Commission on Government Forecasting and Accountability, who must then recommend to the General Assembly (by February 1, 2013) if the required ERO contributions should be adjusted. If the General Assembly does not adjust the required contributions as recommended, the ERO would be terminated at the end of that fiscal year.

Extension of Early Retirement Option for Chicago teachers (P.A. 94-0004)

Public Act 91-0017 extended the Early Retirement Option in the Chicago Teachers' Pension Fund until June 30, 2005. If an employee exercises that option by retiring before age 60 with less than 34 years of service, employee and employer contributions are required to avoid a reduction in annuity. The employee contribution is 7% of salary for each month less than age 60 or 35 years of service (whichever is less), and the employer contribution is 20% of salary for each year less than age 60. No employee or employer contributions are required for

members with 34 years of service. Currently, each employer has the authority to determine whether it should provide an ERO for its employees.

Public Act 94-0004 extends the ERO option to June 30, 2010. The Act also specifies that the employer may not limit the number of ERO participants to less than 200 (rather than 30% of eligible members). The Act also allows the employer and collective bargaining agent to agree to set the limit higher than 200 and to base the allocation for participation on a basis other than seniority.

Application of New Benefits (P.A. 94-0004)

Public Act 94-0004 requires every new benefit increase to identify and provide for additional funding at least sufficient to fund the resulting annual increase in cost as it accrues to the System. Unless the funding inadequacy is corrected by the General Assembly, the benefit increase would expire at the end of the fiscal year in which certification of inadequate funding is made. In addition, Public Act 94-0004 provides that all benefit increases will expire 5 years after the effective date of the increase, unless an earlier date is specified in the legislation that provides the benefit increase. This provision does not apply to the Chicago Teachers' Pension Fund.

Exemptions to 6% End-of-Career Salary Increase Cap (P.A. 94-1057)

P.A. 94-1057 amended both the Downstate Teachers' and State Universities' Articles of the Pension Code to exempt the employer (the university or the school district) from paying the increased contribution associated with certain salary increases above 6% granted during the employee's final average salary period. The Act applies to specifically enumerated salary increases granted between June 1, 2005 and July 1, 2011 as follows:

- Salary increases paid to teachers or university employees who are ten or more years away from retirement.
- Salary increases that result when a teacher is transferred from one employer to another as a result of school consolidation.
- Salary increases paid to teachers or university employees that are earned as a result of summer school or overload work. (Overload work must be for the sole purpose of academic instruction in excess of the standard number of instruction hours, and the overload pay must be necessary for the educational mission).
- Salary increases due to promotion for which a teacher is required to hold a certificate or supervisory endorsement issued by the State Teacher Certification Board. The certification must be different than what was required for the teacher's previous position, and the position must have existed and been filled by a member for no less than one complete academic year.
- Salary increase due to promotion for which a university employee moves to a higher classification under the State Universities Civil Service System, promotion to a tenure-track faculty position, or promotion to a position recommended on a promotional list created by the Illinois Community College Board.
- Payments to a teacher from the State Board of Education or the State of Illinois over which the school district does not have discretion.

- Salary increases granted to teachers or university employees under the aforementioned conditions after July 1, 2011, but before July 1, 2014, pursuant to a contract or collective bargaining agreement entered into on or after June 1, 2005, but before July 1, 2011.

P.A. 94-1057 also requires both SURS and TRS to file a report with the Governor and General Assembly by January 1, 2007 outlining the number of recalculations performed by school districts or universities, the dollar amount by which each school district or university's contribution was changed due to the recalculation, and the total amount received from each school district or university as a result of P.A. 94-0004. The Act also requires both SURS and TRS to provide an estimate of the increase in state contributions resulting from the aforementioned end-of-career salary increase exemptions.

96th General Assembly (2009 – 2010)

Issuance of Pension Obligation Notes (P.A. 96-0043)

P.A. 96-0043 mandates the issuance of new pension bonds totaling \$3.466 billion. The bond sale proceeds, net of sales expenses, will be used as a portion of the FY 2010 State contributions to the various State pension systems. Specifically, the Act establishes the FY 2010 State pension contributions as follows: (1) TRS - \$2,089,268,000, (2) SERS - \$723,703,100, (3) SURS - \$702,514,000, (4) JRS - \$78,832,000, (5) GARS - \$10,454,000. The FY 2010 total inflows into each of the 5 systems from all sources will be equal to the GRF portion of the certified amounts for each system.

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

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

Calculation of Final Average Salary for Annuity Purposes - General Assembly Retirement System (P.A. 96-0207)

P.A. 96-0207 provides that for participants who become a member of GARS on or after August 10th, 2009 (the effective date of the Act), retirement annuities will be based on the 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or by dividing the total period of service, if less than 48 months, by the number of months of service in that period.

Calculation of Final Average Salary for Annuity Purposes - Judges Retirement System (P.A. 96-0207)

P.A. 96-0207 provides that for participants who become members of JRS on or after August 10th, 2009 (the effective date of the Act), retirement annuities will be calculated by dividing the total salary of the participant during the period of the 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or the

total period of service, if less than 48 months, by the number of months of service in that period.

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

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

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

Public Act 096-0006 amends the State Treasurer Act to add a new Section titled, “working group; peer cost comparison.” The Treasurer shall convene a working group consisting of representatives from the retirement systems, pension funds, and investment board created under the Illinois Pension Code, persons that provide investment services, and members of the financial industry. The working group shall review the performance of investment managers and consultants providing investment services for the retirement systems, pension funds, and investment board created under the Illinois Pension Code. The group shall develop uniform standards for comparing the costs of investment services and make recommendations to the retirement systems, pension funds, and investment board. The working group shall draft a report, and the Treasurer must submit such report to the Governor and the General Assembly by January 1, 2011.

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

Currently, the Illinois Pension Code defines a fiduciary as someone who exercises discretionary authority or discretionary control respecting management of the pension fund or retirement system. Those who render investment advice for a fee or other compensation are acting in a fiduciary capacity pursuant to current law. Public Act 096-0006 amends the Illinois Pension Code to stipulate that rendering advice with respect to the selection of fiduciaries in and of itself constitutes a fiduciary duty.

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

Public Act 096-0006 amends the Illinois Pension Code to add a new Section concerning consultants. The new Section states that “consultant” means any person or entity retained or employed by the board of a retirement system, pension fund, or investment board to make recommendations in developing an investment strategy, assist with finding appropriate investment advisers, or monitoring the board’s investments.

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

Public Act 096-0006 requires that each retirement system, pension fund, and investment board, except for Downstate Police and Downstate Fire pension funds, shall submit a report to the Governor and the General Assembly by January 1 of each year. The report shall include all of the adopted policies, including the names and addresses of the emerging investment managers used, percentage of the assets under the investment control of emerging investment managers, the actions it has undertaken to increase the use of emerging investment managers, including encouraging other investment managers to use emerging investment managers as subcontractors when the opportunity arises, and also including specific actions undertaken to increase the use of minority broker-dealers.

Prohibited Transactions (P.A. 96-0006)

Public Act 096-0006 amends the Pension Code to require that a board member, employee, or consultant with respect to a retirement system, pension fund, or investment board shall not knowingly cause or advise the system, fund, or board to engage in an investment transaction with an investment adviser when the board member, employee, consultant, or their spouse (i) has any direct interest in the income, gains, or profits of the investment adviser through which the investment transaction is made or (ii) has a relationship with that investment adviser that would result in a pecuniary benefit to the board member, employee, consultant, or spouse of such board member, employee, or consultant as a result of the investment transaction. Public Act 096-0006 clarifies that a consultant includes an employee or agent of a consulting firm who has greater than 7.5% ownership of the consulting firm. Any violation of this provision constitutes a Class 4 felony.

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

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

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

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

Public Act 096-0006 creates a new section in the Pension Code concerning investment services for all retirement systems, pension funds, and investment boards, except Downstate Police and Fire pension funds. Pursuant to this new Section, all contracts for investment services shall be awarded by the board using a competitive process that is substantially similar to the process required for the procurement of professional and artistic services under Article 35 of the Illinois Procurement Code. The Act states that each board of trustees shall implement this policy by June 2, 2009.

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

Public Act 096-0006 states that notwithstanding any other provision of law, a retirement system, pension fund, or investment board shall not enter into a contract with a consultant that exceeds 5 years in duration. The Act provides that no contract to provide consulting services may be renewed or extended. At the end of the term of a contract, however, the consultant is eligible to compete for a new contract. No retirement system, pension fund, or investment board shall attempt to avoid or contravene these restrictions by any means.

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

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

the provision of those services and shall update that disclosure promptly after a modification of those payments or an additional payment.

Investment Transparency (P.A. 96-0006)

Public Act 096-0006 amends the Illinois Pension Code to create an additional section concerning investment transparency. The purpose of this new section is to provide for transparency in the investment of retirement or pension fund assets and require the reporting of full and complete information regarding investments by pension funds, retirement systems, and investment boards. A retirement system, pension fund, or investment board subject to the Pension Code and any committees established by such system, fund, or board must comply with the Open Meetings Act.

Ethics Training (P.A. 96-0006)

Public Act 096-0006 amends the Illinois Pension Code to create a new Section concerning ethics training. All board members of a retirement system, pension fund, or investment board created under this Code must attend ethics training of at least 8 hours per year. The training shall incorporate the following areas: ethics, fiduciary duty, and investment issues and any other curriculum that the board of the retirement system, pension fund, or investment board establishes as being important.

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

Public Act 096-0006 amends the Illinois Pension Code to clarify that no trustee or employee of a retirement system, pension fund, or investment board created under the Illinois Pension Code shall intentionally solicit or accept any gift from any prohibited source.

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

Public Act 096-0006 amends the Illinois Pension Code to create a new section stating that no member or employee of the board of trustees of any retirement system, pension fund, or investment board or any spouse of such member or employee shall knowingly have any direct interest in the income, gains, or profits of any investments made on behalf of a retirement system, pension fund, or investment board for which such person is a member or employee, nor receive any pay or emolument for services in connection with any investment.

Fraud (P.A. 96-0006)

Public Act 096-0006 amends the Illinois Pension Code to create a new Section concerning fraud. Any person who knowingly makes any false statement or falsifies or permits to be falsified any record of a retirement system or pension fund created under this Code or the Illinois State Board of Investment in an attempt to defraud the retirement system, pension fund, or the Illinois State Board of Investment is guilty of a Class 3 felony.

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

Public Act 096-0006 amends the Illinois Pension Code to create a new section concerning the prohibiting of contingent and placement fees. No person or entity shall retain a person or entity to attempt to influence the outcome of an investment decision of or the procurement of investment advice or services of a retirement system, pension fund, or investment board for compensation, contingent in whole or in part upon the decision or procurement. Any person who violates this provision is guilty of a business offense and shall be fined not more than \$10,000. In addition, any person convicted of a violation of this provision is prohibited for a period of 3 years from conducting such activities.

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

Public Act 096-0006 creates a new Section concerning travel and educational missions. The expenses for travel or educational missions of a board member of a retirement system, pension fund, or investment board must be approved by a majority of the board prior to the travel or educational mission.

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

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

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

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

Public Act 096-0006 amends the Illinois Pension Code to add that the terms of all trustees holding office on the effective date of this Act (April 3, 2009) shall terminate on that effective date. The Governor shall make nominations for appointment within 60 days after the effective date of this Act (June 2, 2009). A trustee sitting on the board on April 3, 2009 may not hold over in office for more than 90 days after that effective date. In addition to this, Public Act 096-0006 states that beginning on the 90th day after the effective date of this Act (July 2, 2009), the Board of Trustees shall be constituted as follows:

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

of 6 years, except that the terms of the initial electees shall be 1 for a term of 3 years and 1 for a term of 6 years.

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

Public Act 096-0006 amends the Illinois Pension Code to add that the secretary and chief executive officer of the Teachers' Retirement System, known as the Executive Director, holding that position on April 1, 2009 is terminated on July 1, 2009, by operation of law, and shall thereafter no longer hold that position or any other employment with the system. The board is directed to take whatever action is necessary to effectuate this termination.

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

Public Act 096-0006 amends the Pension Code to change the composition of the TRS board of trustees. The board shall consist of 13 members, 6 of whom shall be appointed by the governor; 4 active teachers elected by the contributing members, and 2 annuitant members elected by the annuitants of the system. The Superintendent of Education is an ex-officio member who serves as president of the board.

Issuance of Pension Obligation Bonds for FY 2011 (P.A. 96-1497)

Public Act 96-1497 mandated the issuance of new pension bonds totaling \$4.096 billion. The bond sale proceeds, net of expenses, were used as a portion of the FY 2011 State contributions to the five State systems. The actual bond sale proceeds, net of expenses, were \$3.7 billion. Public Act 96-1497 also required the Boards of Trustees of the State Systems to recertify to the Governor the amount of required State contributions for FY 2011 using the assumption that the second tier of benefits implemented by P.A. 96-0889 had been in effect on June 30, 2009.

Two Tier Pension Reform for the State Systems, IMRF and Chicago Funds (P.A. 96-0889)

For a detailed discussion of this Act, please see section I of this report.

Police and Fire Pension Fund Reform Downstate, IMRF and Chicago Funds (P.A. 96-1495)

For a detailed discussion of this Act, please see section I of this report.

97th General Assembly (2011 – 2010)

Anti-Fraud Provisions (P.A. 97-0651)

P.A. 97-0651 provides that any reasonable suspicion of a false statement by any appointed or elected commissioners, trustees, directors, board members, or employees of a retirement system or pension fund governed by the Pension Code or the State Board of Investment shall be immediately referred to the board of trustees of the pension fund or the State Board of Investment. The Act also states that the board shall immediately notify the State's Attorney of the jurisdiction where any alleged fraudulent activity occurred.

Pension Credit for Employees of Statewide Teacher Organizations – SURS and TRS (P.A. 97-0651)

Prior to the passage of P.A. 97-0651, members of SURS and TRS were allowed to earn pensionable service credit while working for a statewide teacher organization or national teacher organization under certain conditions. P.A. 97-0651 specifies that such service credit can only be earned if the individual first became a full-time employee of the teacher organization and becomes a participant before the effective date of this amendatory Act. This

provision effectively prohibits members of SURS and TRS from earning this type of service credit after the effective date of this amendatory Act.

Repeal of Optional TRS Service Credit Provision of P.A. 94-1111 (P.A. 97-0651)

P.A. 94-1111, which became effective on February 27th, 2007, allowed certain employees of statewide teacher organizations to establish service credit in TRS for periods of employment prior to becoming certified as a teacher if certain conditions were met before the effective date of the Act. P.A. 97-0651 repeals this provision.

III. Current Combined Financial Condition Of The State Retirement Systems



STATE RETIREMENT SYSTEMS, COMBINED

The following section of the report looks at historical information regarding the financial condition of the State funded retirement systems. These systems include the Teachers' Retirement System, State Employees' Retirement System, State Universities' Retirement System, Judges' Retirement System, and General Assembly Retirement System. We will begin by examining the five systems together and then take a snapshot of each system's position and outlook as of June 30, 2011. This section of the report covers the period from FY 1996 to FY 2011.

Over the last 16 years, the State of Illinois has appropriated \$35.2 billion to the five retirement systems. Of that amount, \$7.3 billion was from the sale of \$10 billion in pension obligation bonds. The Teachers' Retirement System has received by far the largest amount of contributions, totaling \$19.2 billion. The Judges' and General Assembly Retirement Systems have received the smallest amount of contributions, as they have far fewer participants. The effect these appropriations have had on the unfunded liabilities of the five systems is discussed in greater detail in the following section.

TABLE 2

Summary of Appropriations Authorized							
State Retirement Systems							
FY 1996 - FY 2011							
(\$ in Millions)							
Fiscal Years	TRS	SURS	SERS	JRS	GARS	Total	
1996	\$ 330.8	\$ 123.9	\$ 144.0	\$ 13.0	\$ 2.6	\$ 614.3	
1997	386.1	159.5	159.1	14.6	3.0	722.3	
1998	467.9	201.6	168.1	16.7	3.4	857.7	
1999	573.5	215.4	305.9	20.5	4.0	1,119.3	
2000	640.1	224.6	325.7	23.5	4.4	1,218.3	
2001	724.9	232.6	341.9	26.4	4.8	1,330.6	
2002	815.4	240.4	364.7	29.8	5.2	1,455.5	
2003	930.1	269.6	405.5	33.6	5.6	1,644.4	
*2004	5,362.0	1,743.7	1,864.7	178.5	32.9	9,181.8	
2005	907.0	270.0	498.6	32.0	4.7	1,712.3	
2006	534.6	166.6	203.8	29.2	4.2	938.4	
2007	738.0	252.0	344.1	35.2	5.2	1,374.5	
2008	1,041.3	340.3	551.6	46.9	6.8	1,986.9	
2009	1,451.8	450.2	757.2	60.0	8.8	2,728.0	
2010	2,080.7	700.2	1,169.0	78.5	10.4	4,038.8	
2011	2,170.9	776.5	1,219.7	62.7	11.4	4,241.2	
Totals	\$ 19,155.1	\$ 6,367.1	\$ 8,823.6	\$ 701.1	\$ 117.4	\$ 35,164.3	
<i>*FY 2004 State appropriations authorized include \$7.3 Billion in proceeds from the sale of pension obligation bonds.</i>							

Based upon the actuarial value of assets, the total unfunded liabilities of the State systems totaled \$82.9 billion on June 30, 2011, led by the Teachers' Retirement System (TRS) whose unfunded liabilities amounted to \$43.5 billion. As the largest of the State systems, TRS accounts for over half of the total assets and liabilities of the five State systems combined. Table 3 below provides a summary of the financial condition of each of the five State retirement systems, showing their respective liabilities and assets as well as their accumulated unfunded liabilities and funded ratios.

TABLE 3

Summary of Financial Condition				
State Retirement Systems Combined				
Assets at Actuarial Value / With Asset Smoothing				
Public Act 96-0043				
FY 2011				
(\$ in Millions)				
System	Accrued Liability	Actuarial Assets	Unfunded Liability	Funded Ratio
TRS	\$81,299.7	\$37,769.8	\$43,529.9	46.5%
SERS	\$31,395.0	\$11,159.8	\$20,235.2	35.5%
SURS	\$31,514.3	\$13,945.7	\$17,568.6	44.3%
JRS	\$1,952.5	\$614.6	\$1,337.9	31.5%
GARS	\$298.4	\$63.2	\$235.2	21.2%
TOTAL	\$146,459.9	\$63,553.1	\$82,906.8	43.4%

However, a much more realistic valuation of the true financial position of the various retirement systems would be based upon the MARKET value of the assets, as shown in Table 4 on the following page. Based upon this more realistic value of the assets, the unfunded liabilities of the State systems totaled \$83.1 billion on June 30, 2011. Teachers' Retirement System (TRS), whose unfunded liabilities amounted to \$43.8 billion, would again represent over 50% of the combined total unfunded balance. Table 4 on the following page provides a summary of the financial condition of each of the five State retirement systems, showing their respective liabilities and assets as well as their accumulated unfunded liabilities and funded ratios.

TABLE 4

Summary of Financial Condition					
State Retirement Systems Combined					
Assets at Market Value / Without Asset Smoothing					
FY 2011					
(\$ in Millions)					
System	Accrued Liability	Net Assets	Unfunded Liability	Funded Ratio	
TRS	\$81,299.7	\$37,471.3	\$43,828.4	46.1%	
SERS	\$31,395.0	\$10,970.8	\$20,424.2	34.9%	
SURS	\$31,514.3	\$14,274.0	\$17,240.3	45.3%	
JRS	\$1,952.5	\$606.0	\$1,346.5	31.0%	
GARS	\$298.4	\$60.4	\$238.0	20.2%	
TOTAL	\$146,459.9	\$63,382.5	\$83,077.4	43.3%	

The funded ratios for each of the five State retirement systems may be compared to the aggregate funded ratio of 43.3% for the five systems. Although the Judges' Retirement System and the General Assembly Retirement System have the poorest funded ratios, these two systems are much smaller and their unfunded liabilities are thus more manageable than the three larger systems.

CHART 1

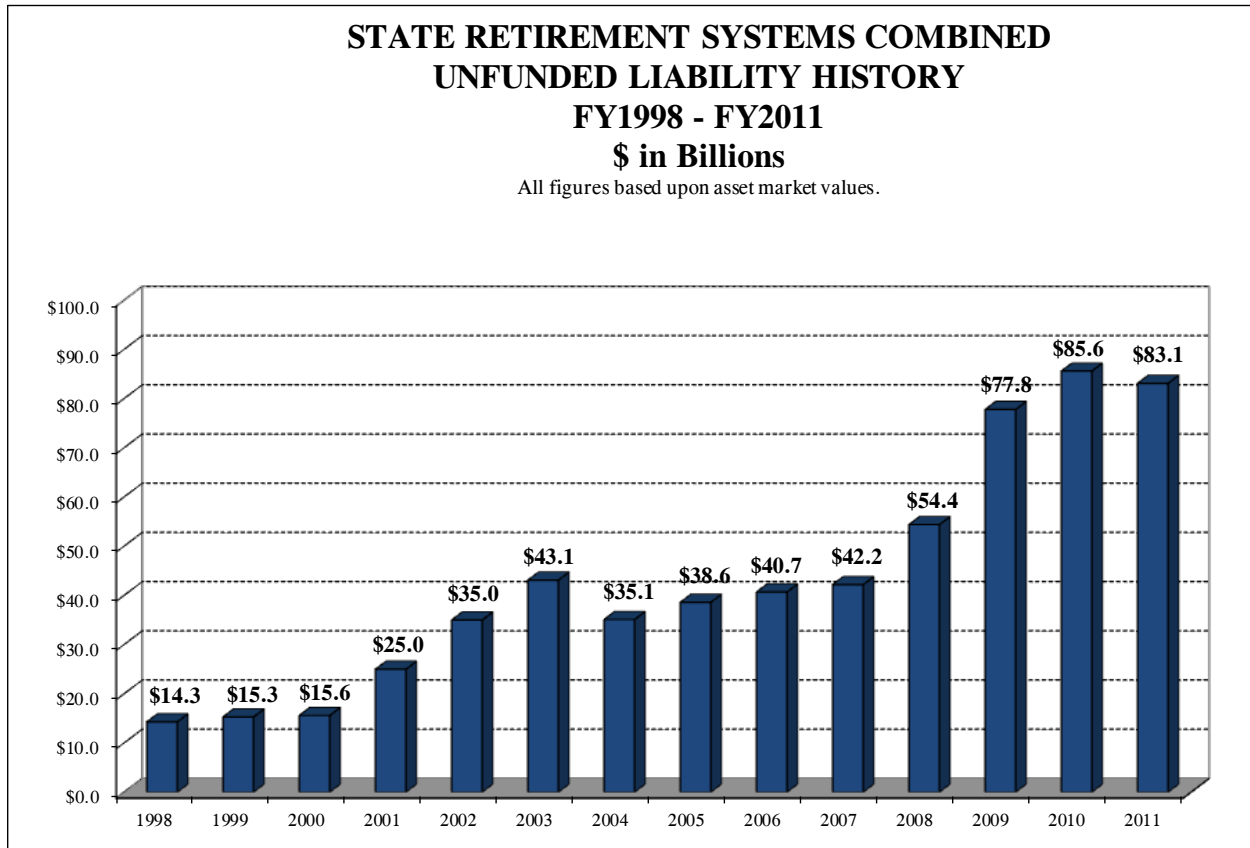
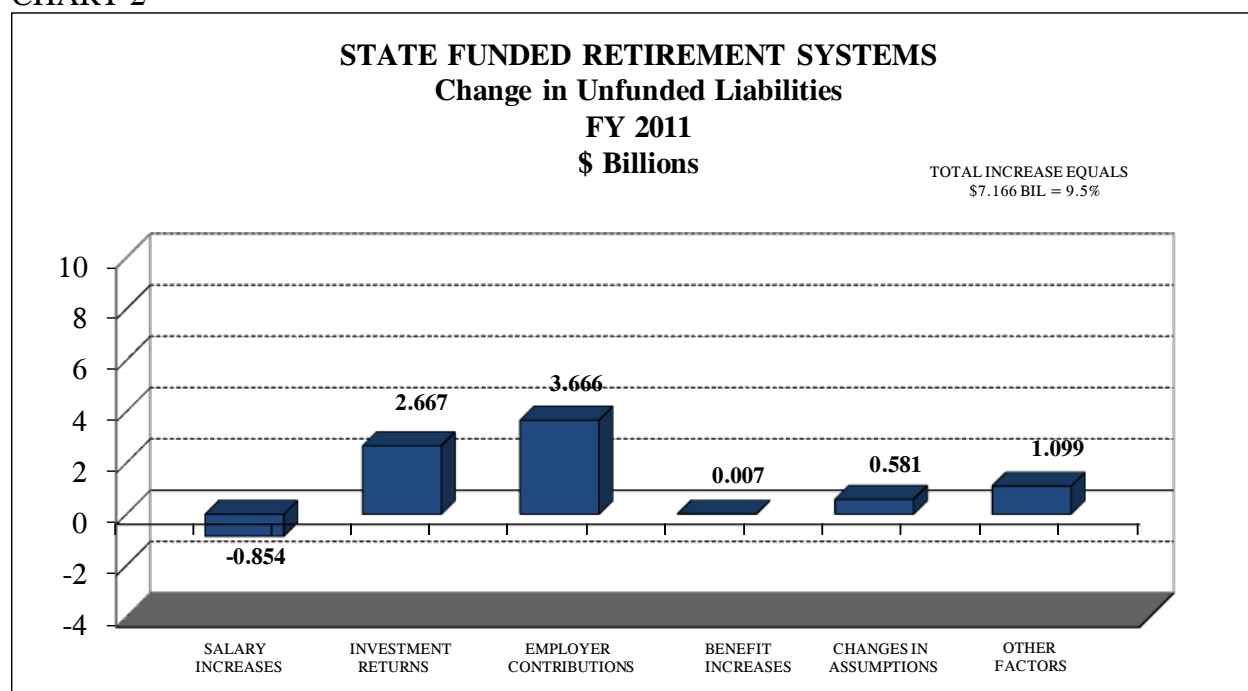


Chart 1 is based upon calculations using the market value of assets for all years, including FY 2011. The full effects of the large investment losses during FY 2009 and investment gains for FY 2011 are therefore reflected in the bars for these years. These extremely large investment losses are the main reason for the significant jump in unfunded liabilities during FY 2009. The asset smoothing approach, required by Public Act 96-0043, only recognizes 20% of the FY 2009 investment losses during the current year. Chart 1 above recognizes 100% of the FY 2009 investment losses in the current year and is therefore a much more realistic representation of the retirement systems' true financial condition.

All of the numbers appearing in the rest of the report, unless otherwise noted, are based upon asset market values as this approach gives in the most accurate representation of the true financial position of the retirement funds. As mentioned previously, one way of appraising the financial health of a retirement system is by determining its unfunded liabilities. The following chart shows how six factors affected the combined unfunded actuarial liabilities of the five State systems during FY 2011. All of the factors shown as positive amounts represent increases in the unfunded liability total.

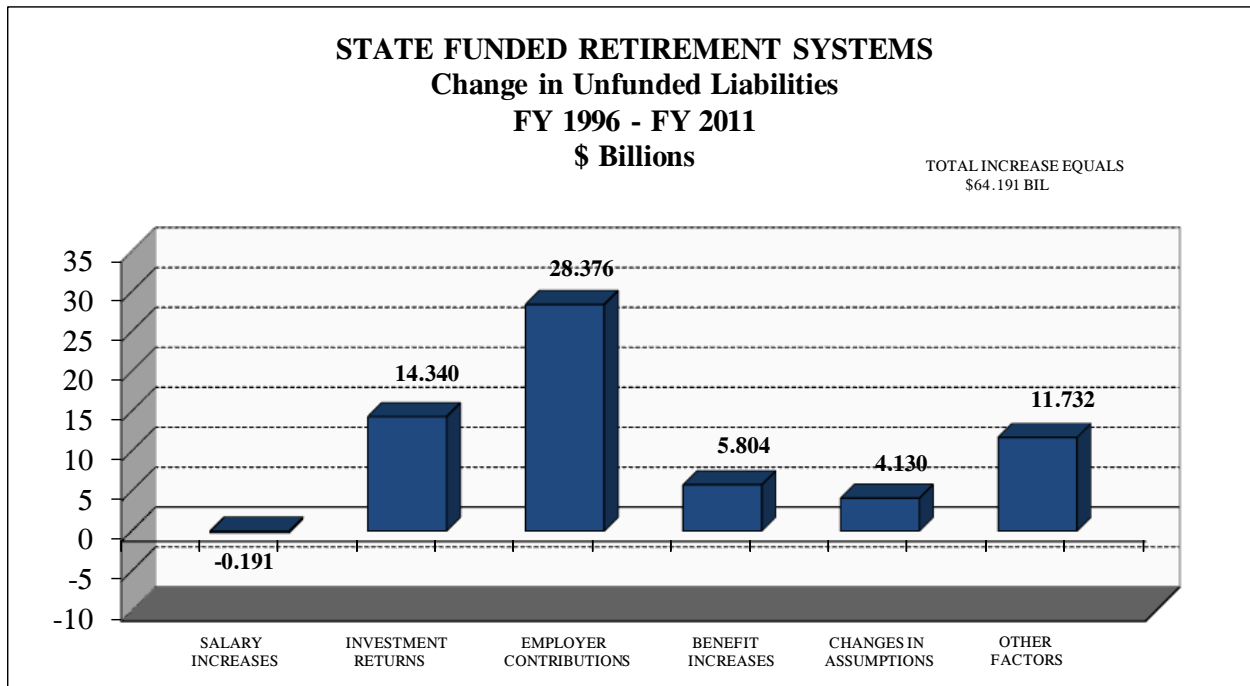
CHART 2



NOTE: This chart is based upon asset actuarial values ,i.e., WITH asset smoothing.

At the end of FY 2006, the systems' total unfunded liabilities were approximately \$40.7 billion. These liabilities stood at \$42.2 billion on June 30, 2007, or 3.5% above the FY 2006 level. At June 30, 2008, total unfunded liabilities had increased to \$54.4 billion, or 28.9% above the FY 2007 level. The primary causes of these increases were insufficient employer contributions (when compared to contributions based on normal cost plus interest), insufficient investment earnings, changes in actuarial assumptions, and other factors. Earlier in the period under review these causes were greatly offset by investment returns which were much higher than forecasts. At June 30, 2009, total unfunded liabilities based upon asset market values have increased to \$77.8 billion, or 42.7% above the FY 2008 level. As of June 30, 2010, total unfunded liabilities based upon asset market values have increased to \$85.6 billion, or 10.0% above the FY 2009 level. On June 30, 2011 total unfunded liabilities based upon asset market values had dropped to \$83.1 billion, mainly due to higher than expected investment returns. In the same time period based upon the actuarial value of assets, total unfunded liabilities had increased by \$7.2 billion as the above chart shows. The primary cause of this increase was the actuarially insufficient employer contributions. More details on the annual changes in unfunded liabilities of the State systems are shown in Appendix M.

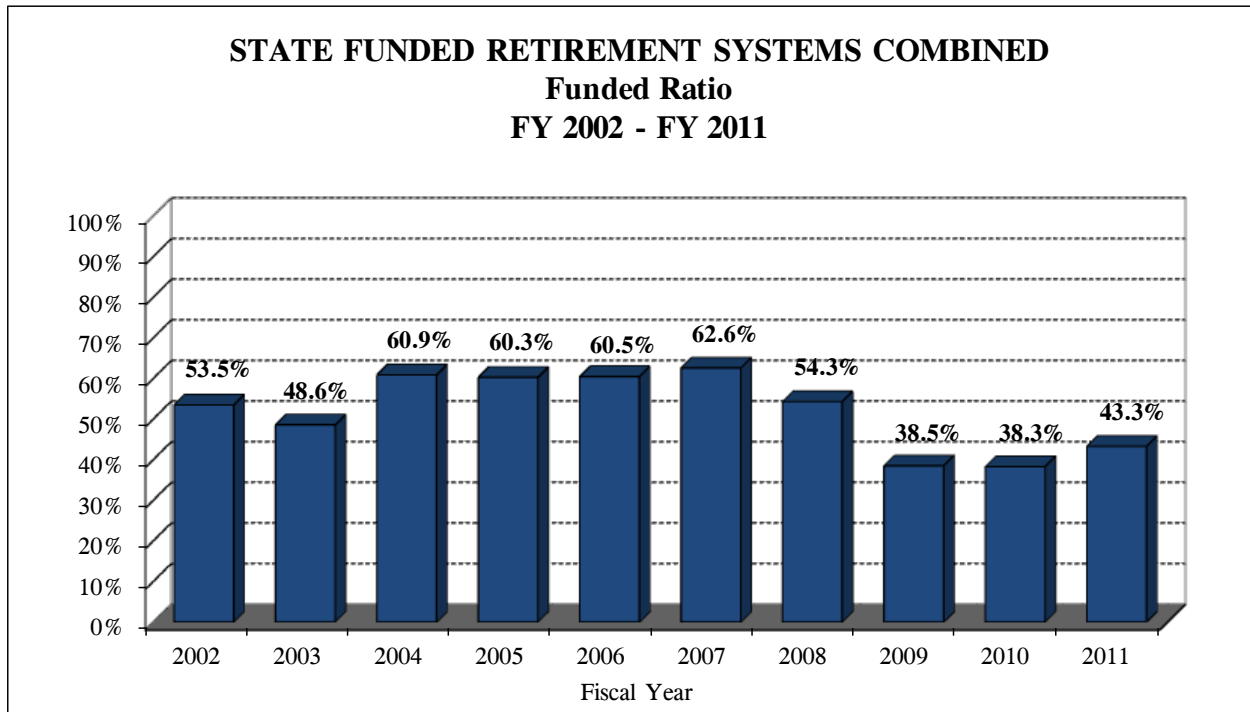
CHART 3



Note: This chart is based upon actuarial asset values, i.e., WITH asset smoothing.

The above chart provides an analysis of the causative factors for the increase in unfunded liabilities since FY 1996. The largest factor was the insufficient employer contributions which caused a \$28.4 billion unfunded increase during the period under review. Investment returns at a rate lower than the actuarial assumption caused an addition increase of \$14.3 billion.

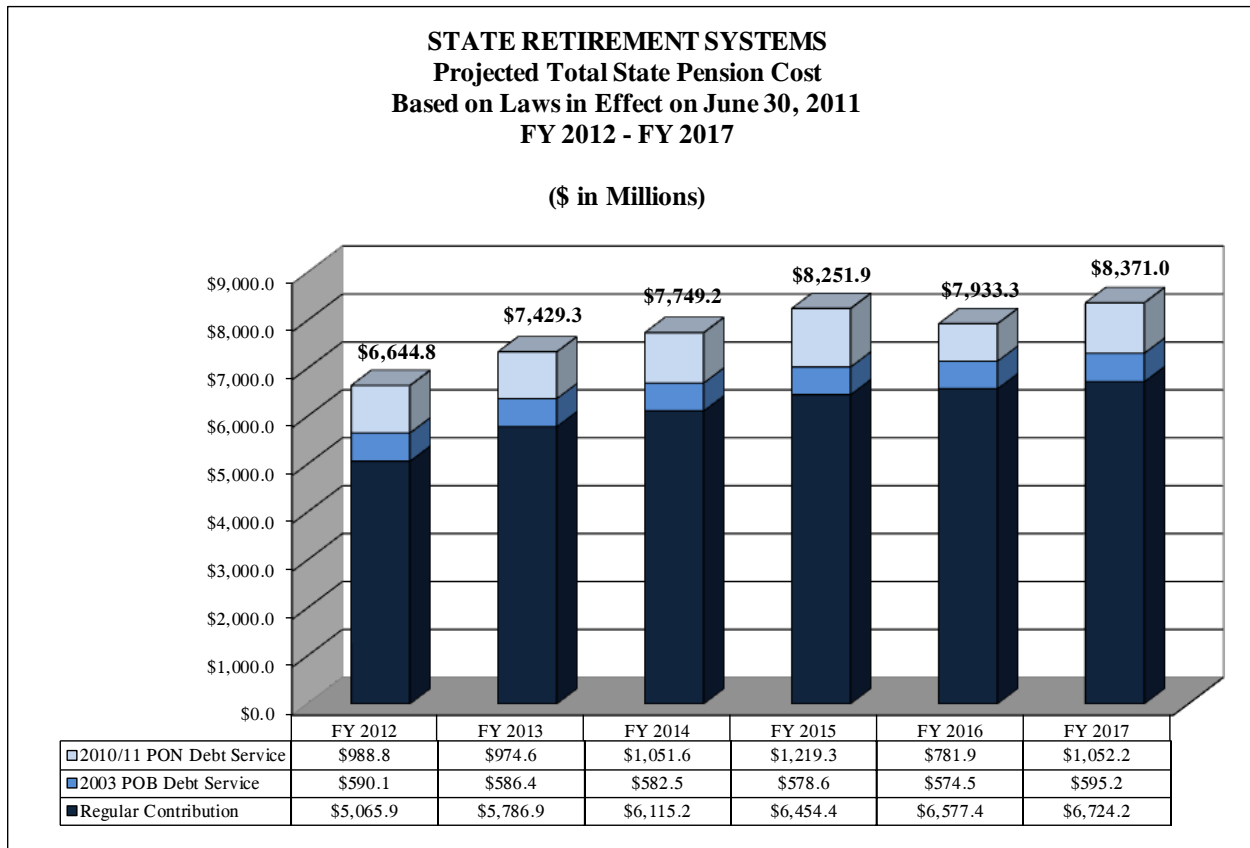
CHART 4



NOTE: The above FY2011 figure is based upon asset market value without asset smoothing.

All of the previously mentioned factors influence the funded ratio, the most commonly recognized measure of a retirement system’s financial health, as illustrated above. The funded ratio at any single point in time is less important than the trend over time. In FY 2003, the funded ratio declined as investment returns continued to be lower-than-assumed (by \$2.1 billion). Investments began to bounce back in FY 2004, helping to increase the funded ratio. In addition, in 2003 the State sold \$10 billion in pension obligation bonds and used part of the proceeds to pay all of the contributions for FY 2004. The bond sale generated \$7.3 billion to reduce unfunded liabilities of the state-funded retirement systems. The funded ratio remained relatively stable through FY 2006 before increasing in FY 2007. Despite insufficient employer contributions, higher-than-expected investment returns led to this improvement. In FY 2008 and FY 2009 the funded ratio fell significantly due to much lower than expected investment revenues and insufficient employer contributions. The funded ratio remained essentially unchanged during FY 2010. In FY 2011 the combined funded ratio improved slightly as a result of improved investment returns.

CHART 5

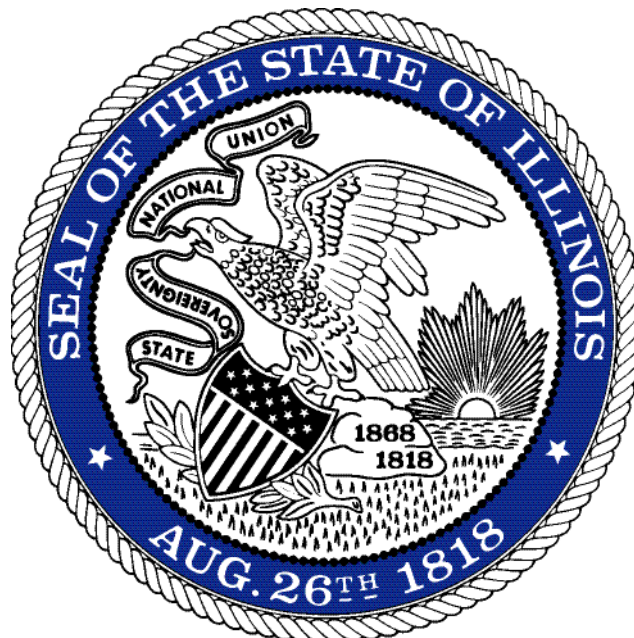


As demonstrated in Chart 5, the pension funding demands on the State of Illinois will not ease during the upcoming 5 year period. This chart reflects the total pension related expenditures by showing regular pension contributions and all related debt service requirements for the period under review. Therefore, this total annual burden on the State Treasury will increase to \$7.35 Billion in FY 2013.

Public Act 93-0002 authorized the 2003 issuance of the pension obligation bonds and established the resulting debt service requirements shown in Appendix N. Public Act 96-0043 authorized the 2010 issuance of the pension obligation notes and established the resulting debt service requirements shown in Appendix P. Public Act 96-1497 authorized the 2011 issuance of additional pension obligation notes and the actual proceeds established the resulting debt service requirements shown in Appendix P.

IV. The Teachers' Retirement System

- Plan Summary
- FY 2011 Change in Unfunded Liabilities
- Funded Ratio History
- Active Member Headcount
- Average Active Member Salaries
- Retiree Headcount
- Average Retirement Annuities
- Unfunded History
- Rate of Return on Investments
- Annual Investment Revenue
- Total Payout
- Annual Changes in Unfunded
- Changes in Net Assets
- Investment Return History
- Historical Underfunding
- Projected Underfunding
- Tier 1 & Tier 2 Projections



Teachers Retirement System

Defined Benefit Plan Summary

Retirement Age

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

Retirement Formula

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

Maximum Annuity

- ❑ 75% of final average salary.

Salary Used to Calculate Pension

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

Annual COLA

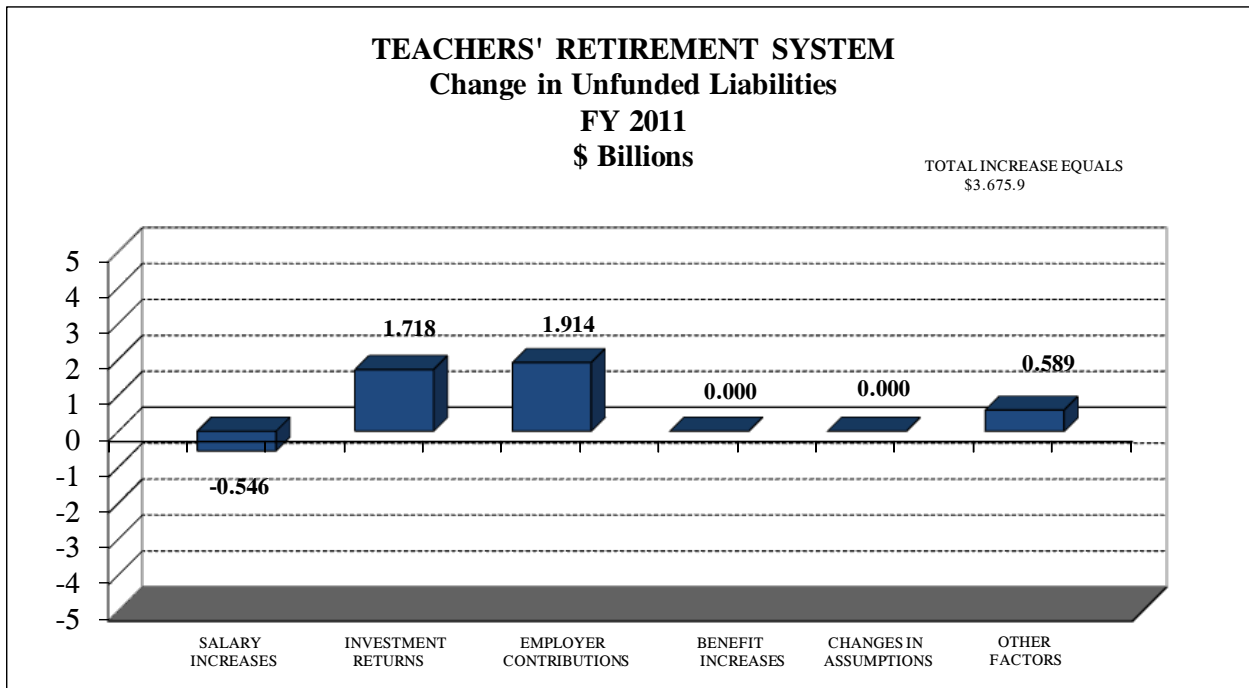
- ❑ 3% compounded.

Employee Contributions

- ❑ 9.4% of salary.

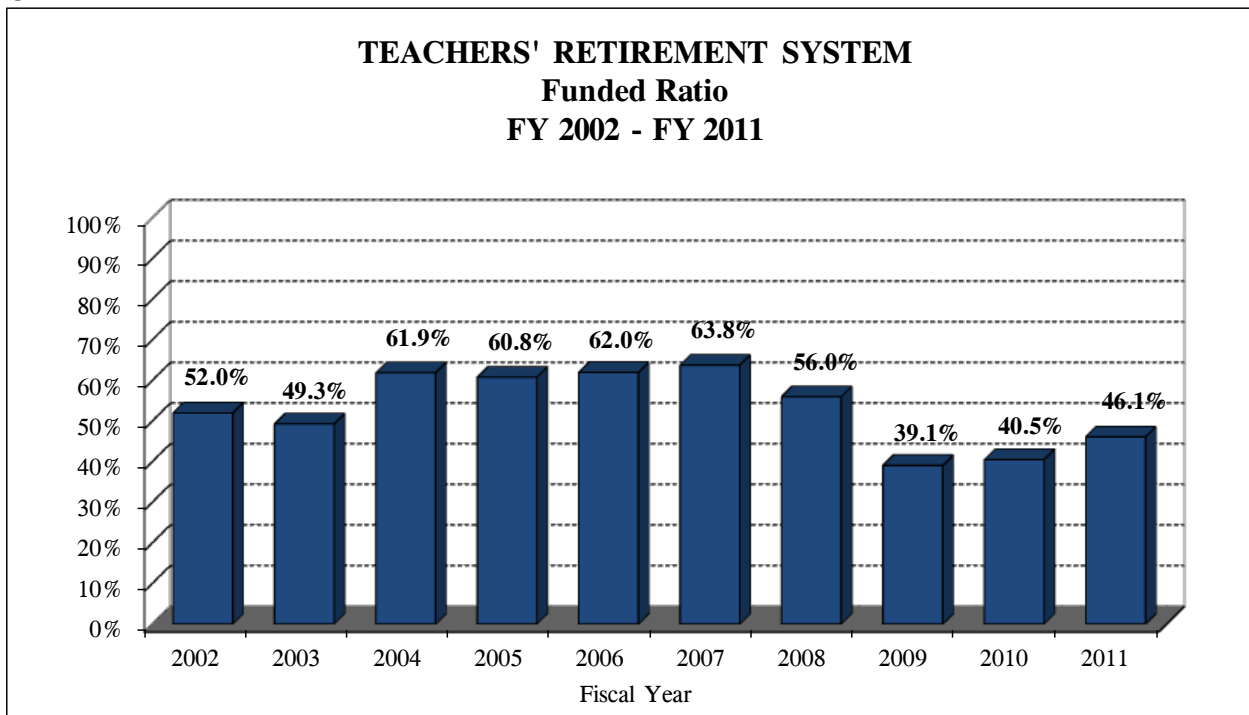
For details of retirement plans applicable to personnel beginning employment on or after January 1, 2011, please refer to Section I earlier in this report.

CHART 6



NOTES: (1) The above chart is based upon asset actuarial values, (2) The assumed interest rate used for investment earnings remained at 8.5% for FY 2011.

CHART 7



NOTE: The above FY2011 figure is based upon asset market values without asset smoothing.

CHART 8

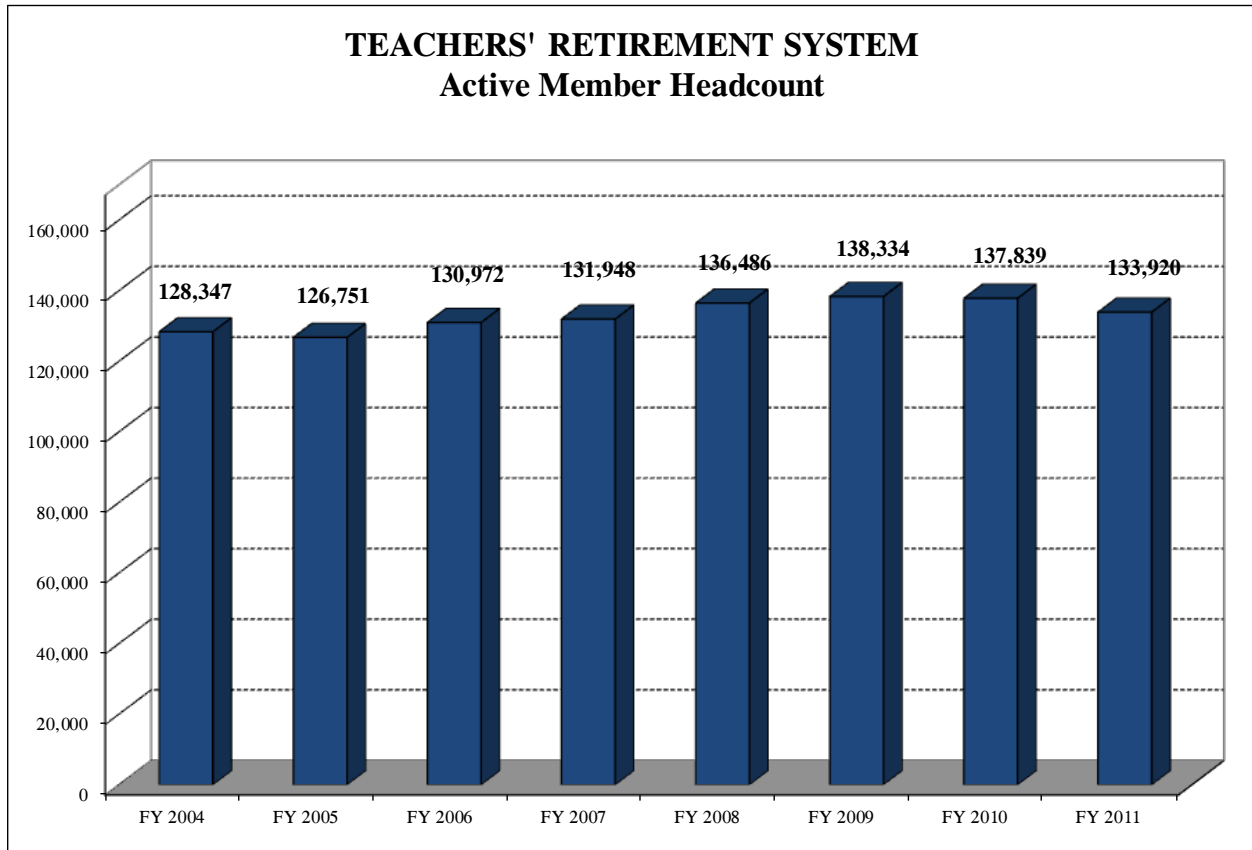


CHART9

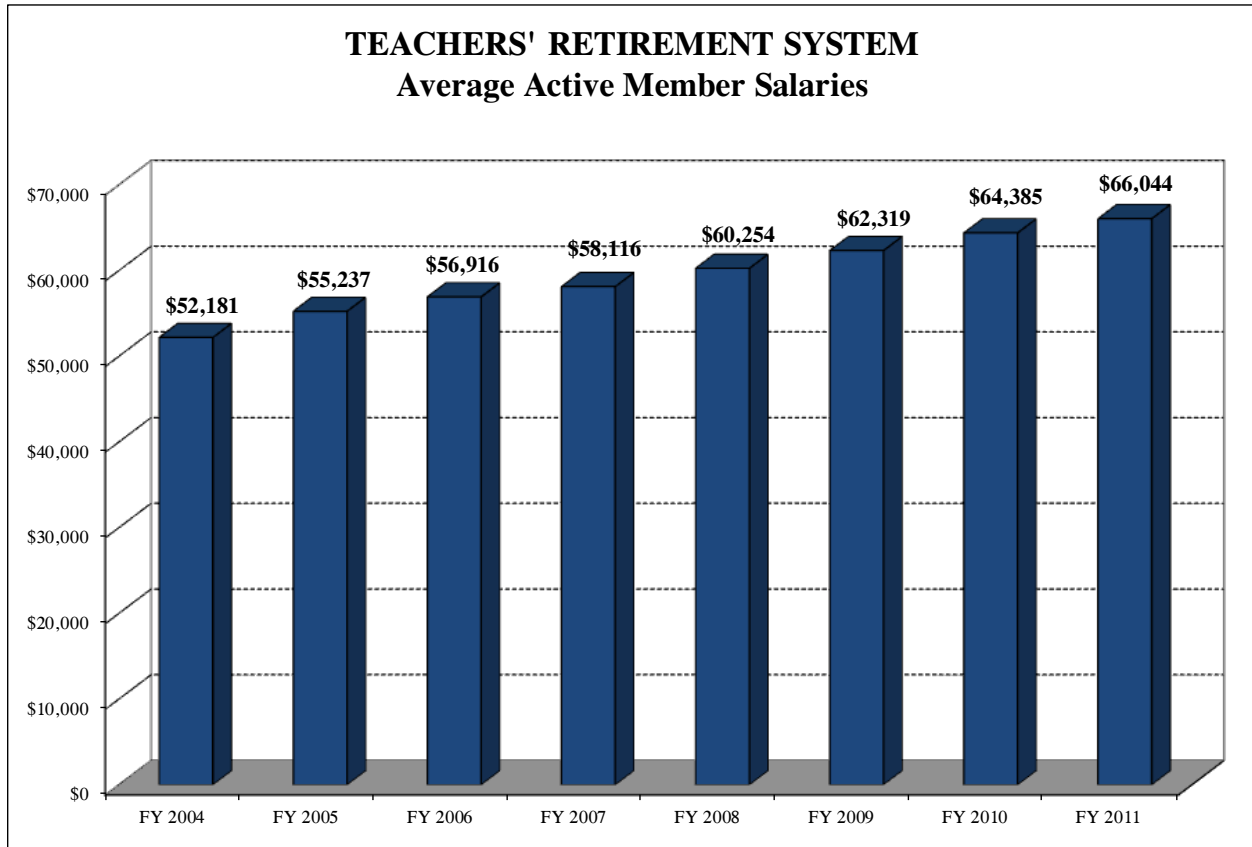


CHART 10

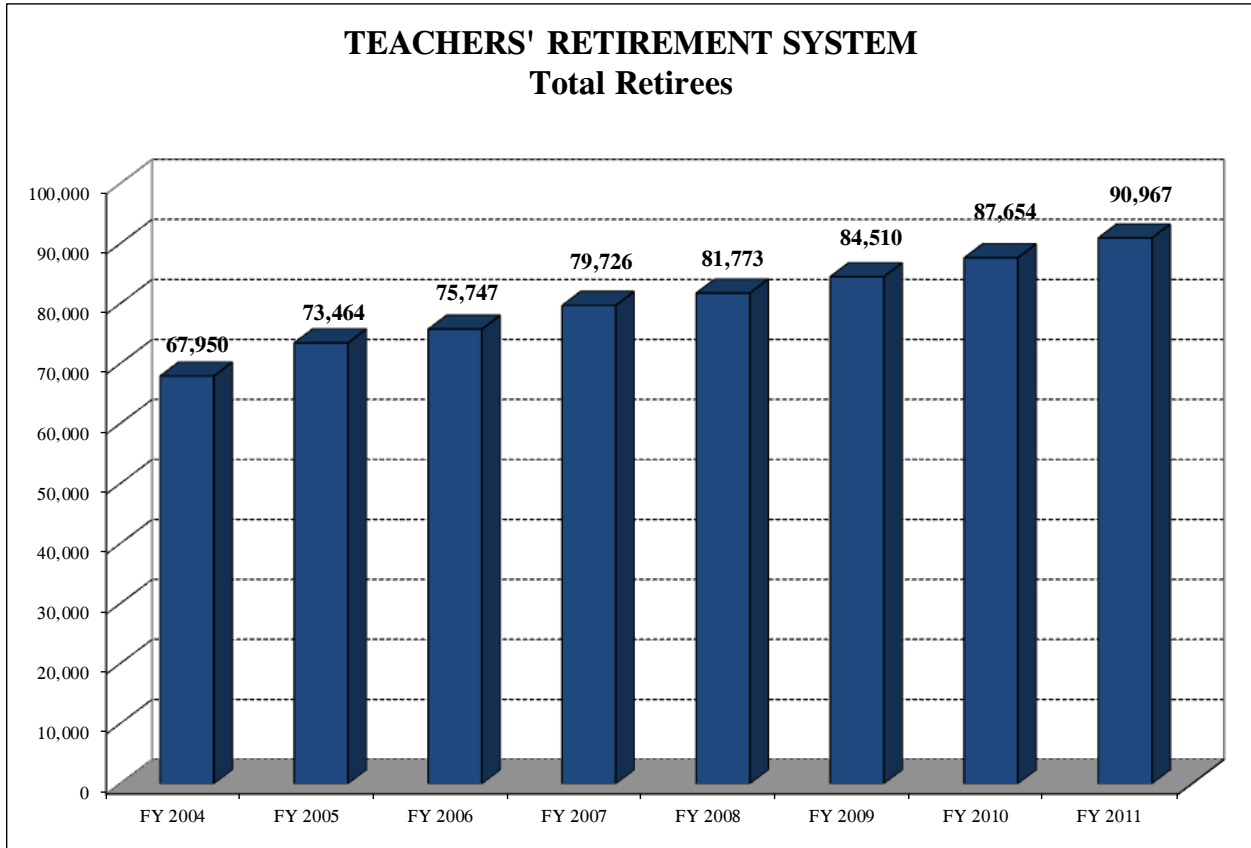


CHART 11

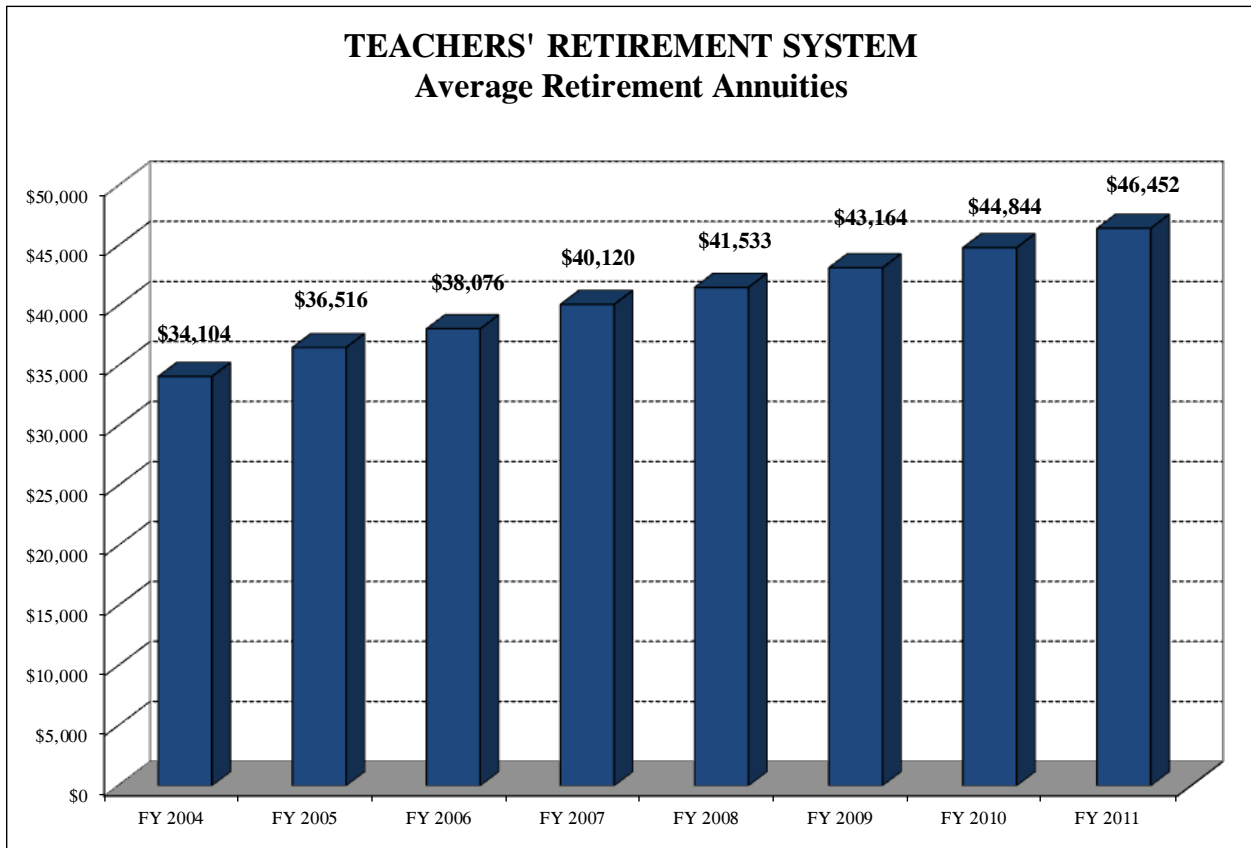


CHART 12

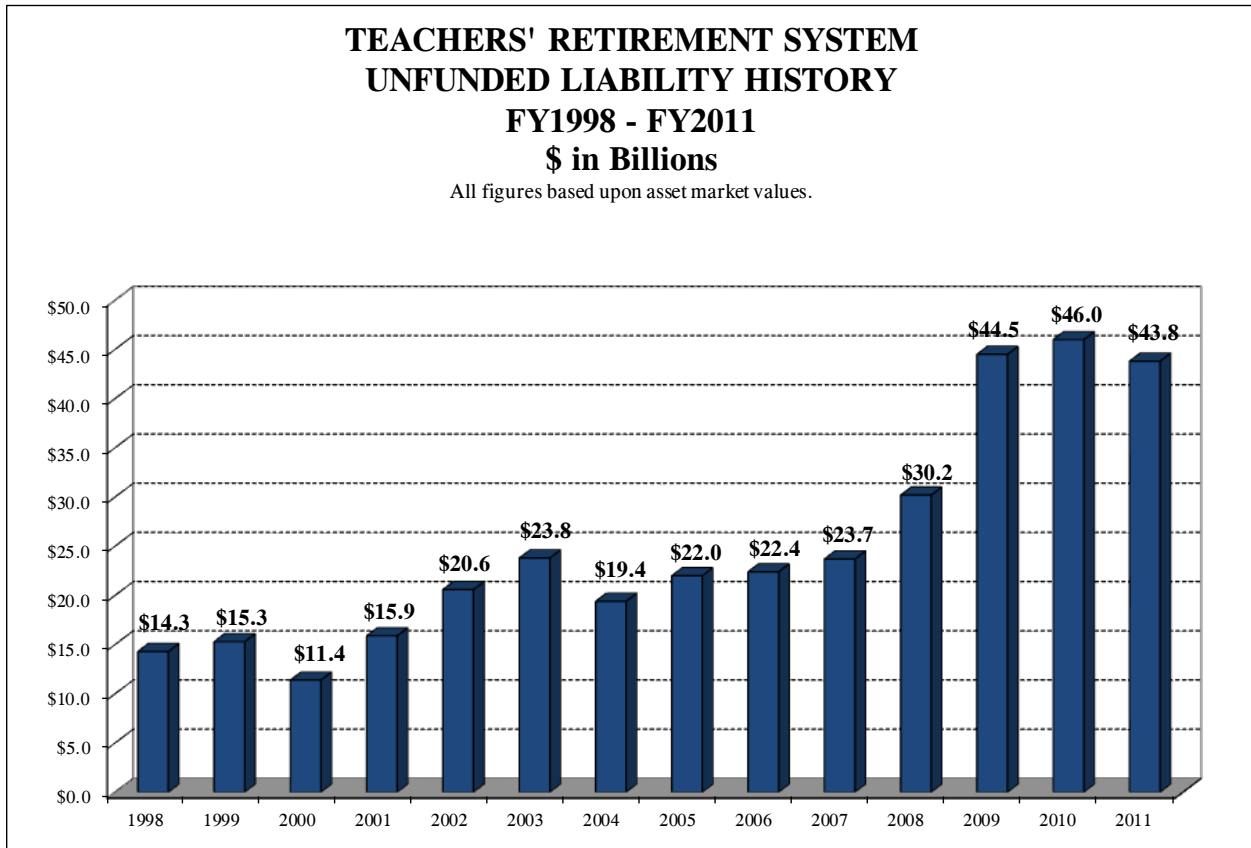


CHART 13

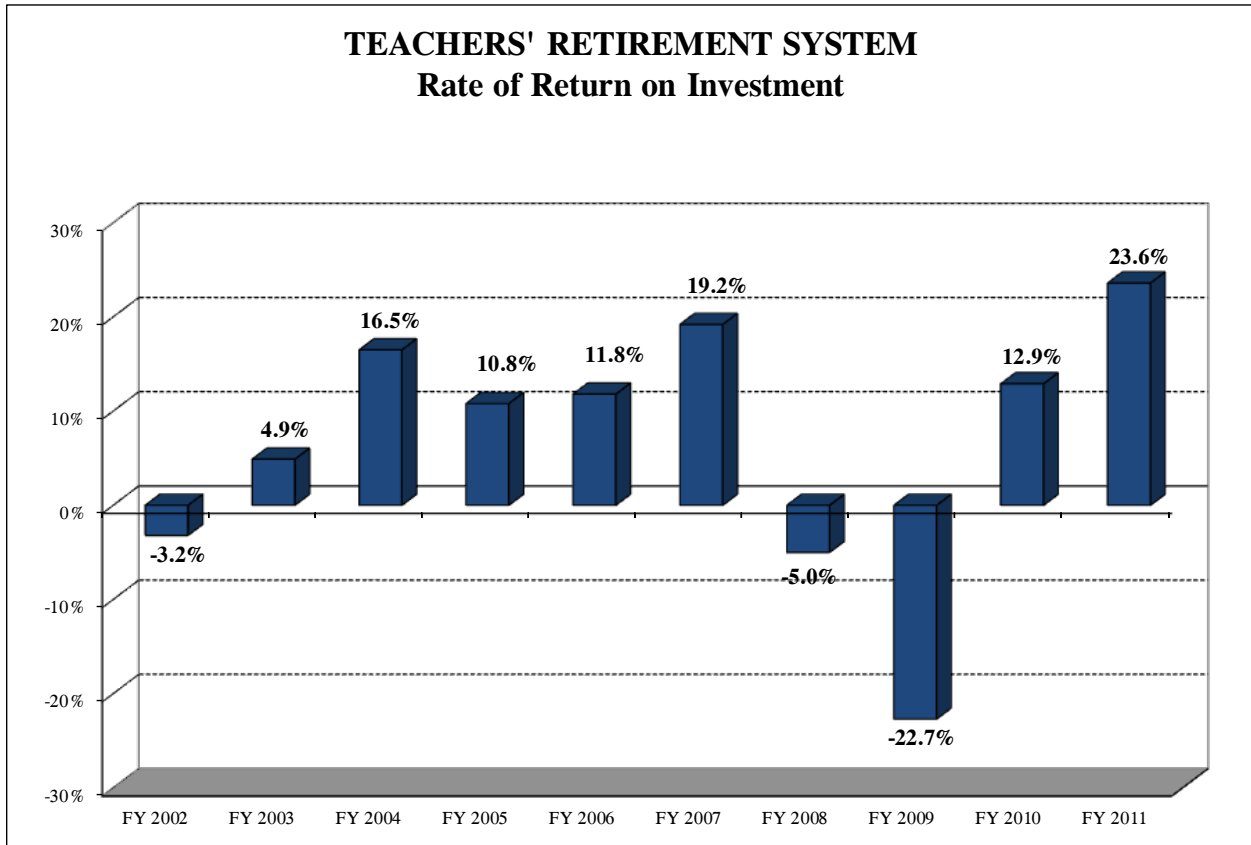


CHART 14

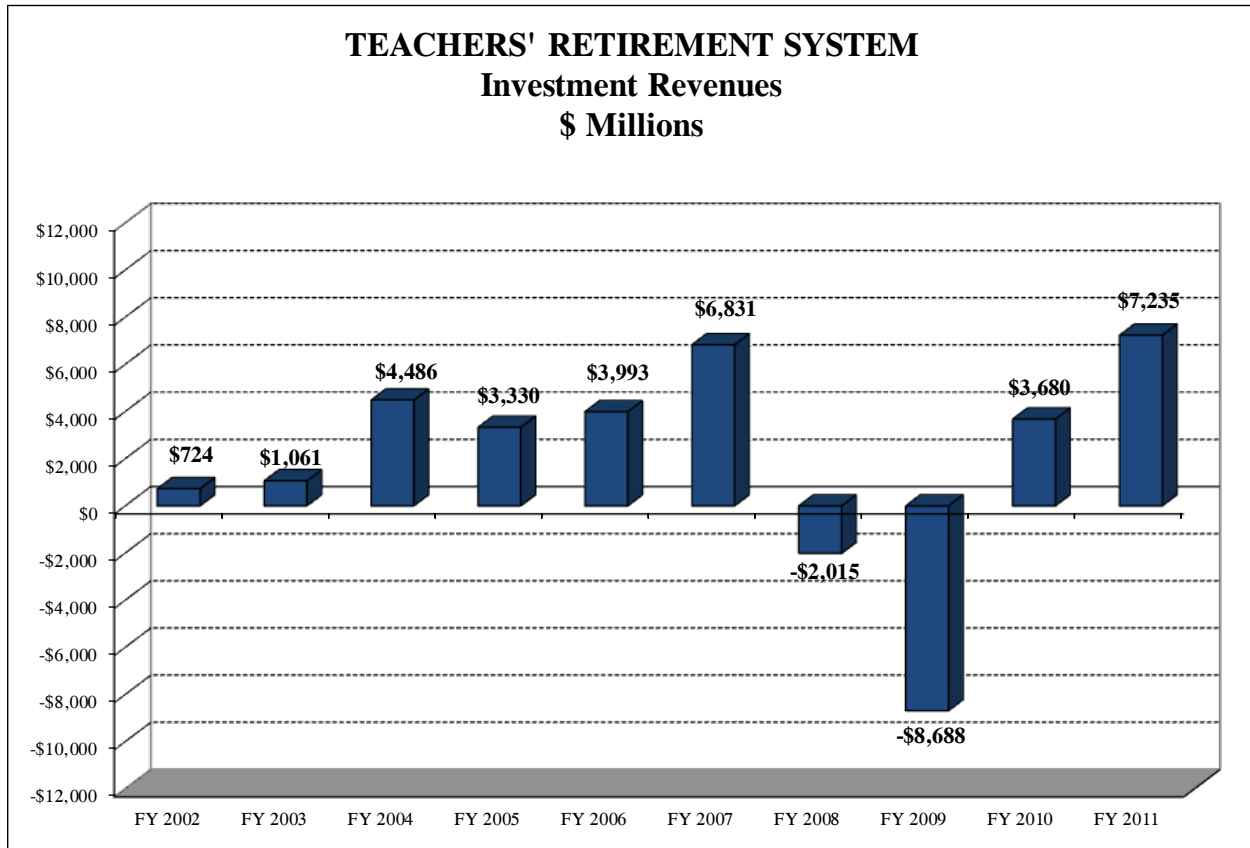


CHART 15

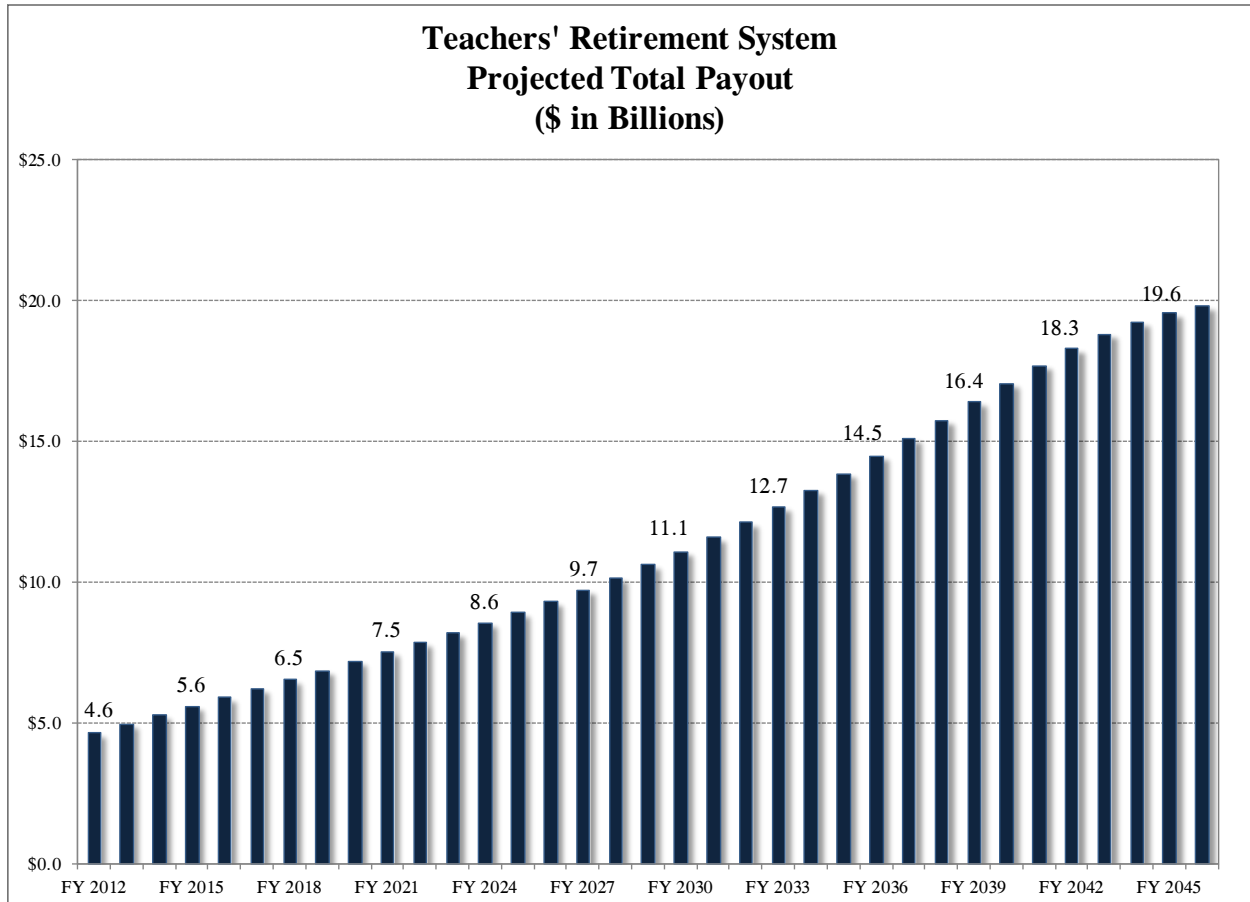


TABLE 5

TEACHERS' RETIREMENT SYSTEM CHANGES IN UNFUNDED LIABILITY FY 1996 - FY 2011							
YEAR ENDED	SALARY INCREASES	INVESTMENT RETURNS (HIGHER)/LOWER THAN ASSUMED	EMPLOYER CONTRIBUTIONS N. C. + INTEREST (HIGHER)/LOWER	BENEFIT INCREASES	CHANGES IN ASSUMPTIONS ACTUARIAL	OTHER FACTORS MISC.	TOTAL CHANGE IN UNFUNDED LIABILITY FROM PREVIOUS YEAR
TEACHERS'							
6/30/1996	\$400,399,000	(\$577,281,000)	\$965,961,000	\$17,772,000	\$0	\$166,531,000	\$973,382,000
6/30/1997	(59,062,000)	(830,936,000)	992,390,000	0	(2,944,771,000)	88,773,000	(2,753,606,000)
6/30/1998	(46,017,000)	(1,417,747,000)	776,189,000	1,000,300,000	0	71,152,000	383,877,000
6/30/1999	44,030,000	(389,014,000)	677,408,000	33,870,000	125,223,000	533,933,000	1,025,450,000
6/30/2000	(33,403,000)	(450,361,000)	723,606,000	0	0	197,345,000	437,187,000
6/30/2001	(10,310,000)	3,089,765,000	733,877,000	0	0	632,729,000	4,446,061,000
6/30/2002	4,934,000	2,696,199,000	1,074,422,000	0	694,736,000	360,047,000	4,830,338,000
6/30/2003	171,802,000	827,434,000	1,415,610,000	53,850,000	0	658,524,000	3,127,220,000
6/30/2004	217,255,000	(2,168,876,000)	(2,811,516,000)	0	0	357,250,000	(4,405,887,000)
6/30/2005	236,687,000	(682,294,000)	1,299,840,000	0	26,425,000	1,706,431,000	2,587,089,000
6/30/2006	68,398,000	(1,159,525,000)	1,913,368,000	0	0	(400,028,000)	422,213,000
6/30/2007	149,682,000	(3,785,653,000)	1,739,187,000	0	2,410,756,000	813,081,000	1,327,053,000
6/30/2008	(153,987,000)	5,514,988,000	1,529,701,000	0	0	(428,135,000)	6,462,567,000
6/30/2009	(29,162,000)	2,373,683,000	1,782,855,000	0	0	672,134,000	4,799,510,000
6/30/2010	(210,220,000)	2,929,300,000	1,572,250,000	0	0	561,570,000	4,852,900,000
6/30/2011	(545,612,000)	1,718,405,000	1,913,647,000	0	0	589,446,000	3,675,886,000
TOTALS	\$205,414,000	\$7,688,087,000	\$16,298,795,000	\$1,105,792,000	\$312,369,000	\$6,580,783,000	32,191,240,000

NOTE: All of the calculations in this table are based upon asset actuarial values, i.e., WITH Asset Smoothing.

TABLE 6

TEACHERS' RETIREMENT SYSTEM Changes in Net Assets (\$ in millions)									
Fiscal Years	2011	2010	2009	2008	2007	2006	2005	2004	
Additions to Assets									
State of Illinois	2,170.9	2,080.7	1,451.6	1,041.1	737.7	534.3	906.8	1,031.5	
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,330.4	
Employees	909.6	899.4	876.2	865.4	826.2	799.0	761.8	768.6	
School Districts	89.1	97.1	99.4	88.3	83.4	99.3	109.0	93.9	
Federal	66.0	74.4	52.9	42.4	32.5	24.3	39.8	33.7	
Net Investment Income	7,234.5	3,679.6	-8,688.3	-2,015.0	6,831.3	3,993.3	3,330.0	4,485.7	
Total Asset Additions (A)	10,470.1	6,831.2	-6,208.2	22.2	8,511.1	5,450.2	5,147.4	10,743.8	
Deductions from Assets									
Benefits	4,228.2	3,927.8	3,653.7	3,424.0	3,111.8	2,877.2	2,533.1	2,262.3	
Refunds	76.6	60.3	53.7	60.3	59.7	58.0	59.4	48.0	
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Administrative Expenses	17.8	17.0	17.4	16.6	15.2	15.3	14.4	13.6	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Asset Deductions (B)	4,322.6	4,005.1	3,724.8	3,500.8	3,186.7	2,950.5	2,606.9	2,323.9	
Change in Net Assets (A-B=C)	6,147.5	2,826.1	-9,933.0	-3,478.6	5,324.4	2,499.7	2,540.5	8,419.9	

TABLE 7

TEACHERS RETIREMENT SYSTEM					
Historical Investment Revenues					
(\$ in millions)					
Fiscal Year	Market Value of Assets at Year End		Net Investment Revenue		Rate of Return Earned
2002	22,366.3		-724.0		-3.2%
2003	23,124.8		1,060.9		4.9%
2004	31,544.7		4,485.7		16.5%
2005	34,085.2		3,330.0		10.8%
2006	36,584.9		3,993.3		11.8%
2007	41,909.3		6,831.3		19.2%
2008	38,430.7		-2,015.0		-5.0%
2009	28,961.4		-8,688.3		-22.7%
2010	31,323.8		3,679.6		12.9%
2011	37,471.3		7,234.5		23.6%
<i>2002 - 2011 Asset Values are Market Values.</i>					

TABLE 8

TEACHERS' RETIREMENT SYSTEM					
Historical Underfunding					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Employer Contributions*	Historical Underfunding
2002	589.0	1,347.3	1,936.3	815.4	1,120.9
2003	628.5	1,757.9	2,386.4	930.0	1,456.4
2004	598.5	2,023.6	2,622.1	5,362.0	-2,739.9
2005	638.0	1,649.2	2,287.2	907.0	1,380.2
2006	645.7	1,869.1	2,514.8	534.6	1,980.2
2007	650.9	1,905.0	2,555.9	738.0	1,817.9
2008	681.7	2,017.8	2,699.5	1,041.3	1,658.2
2009	817.3	2,567.1	3,384.4	1,451.8	1,932.6
2010	846.9	2,975.1	3,822.0	2,079.1	1,742.9
2011	849.7	3,387.6	4,237.3	2,169.5	2,067.8
<i>* Excludes School District Cash Payments for TRS ERI/ERO and Federal Funds</i>					

TABLE 9

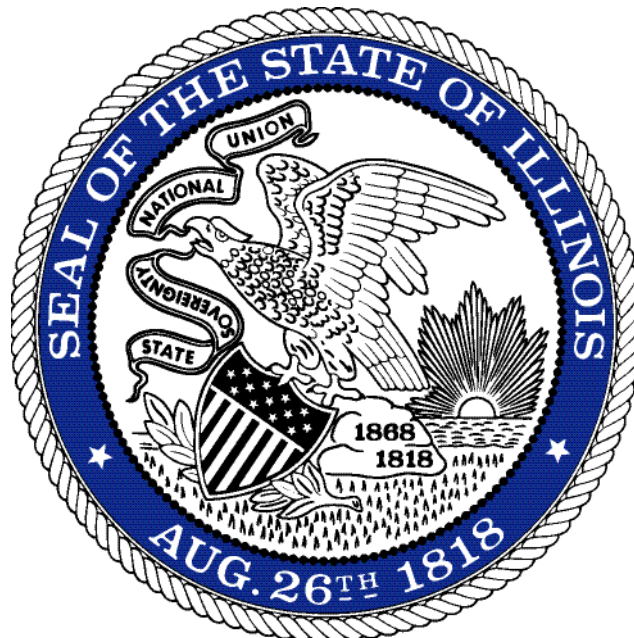
TEACHERS RETIREMENT SYSTEM							
CoGFA Projections Based on Laws in Effect on June 30, 2011							
(\$ in millions)							
Fiscal Year	Total Normal Cost	Employees' Contribution	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total State Contributions	Projected Underfunding
2012	1,892.6	1,009.5	883.1	3,725.4	4,608.5	2,405.2	2,203.3
2013	1,910.5	1,048.7	861.8	3,700.1	4,561.9	2,702.3	1,859.6
2014	1,937.5	1,094.5	843.0	3,977.3	4,820.3	2,957.8	1,862.5
2015	1,974.0	1,145.4	828.6	4,243.3	5,072.0	3,148.7	1,923.3
2016	2,015.8	1,200.7	815.1	4,297.5	5,112.6	3,229.1	1,883.5
2017	2,064.0	1,259.8	804.2	4,367.5	5,171.8	3,316.1	1,855.7
2018	2,118.5	1,322.3	796.2	4,519.7	5,315.9	3,481.5	1,834.4
2019	2,176.8	1,388.3	788.5	4,674.9	5,463.4	3,659.7	1,803.7
2020	2,236.8	1,458.1	778.7	4,827.6	5,606.3	3,835.1	1,771.2
2021	2,296.9	1,531.5	765.4	4,976.3	5,741.6	4,023.5	1,718.1
2022	2,357.4	1,609.2	748.2	5,120.7	5,868.9	4,225.3	1,643.6
2023	2,415.8	1,690.3	725.5	5,258.6	5,984.1	4,440.2	1,543.9
2024	2,469.4	1,772.5	696.9	5,387.8	6,084.7	4,655.3	1,429.4
2025	2,516.1	1,855.3	660.8	5,505.2	6,166.0	4,884.2	1,281.8
2026	2,553.4	1,937.0	616.4	5,609.4	6,225.8	5,133.5	1,092.3
2027	2,581.2	2,015.7	565.5	5,696.9	6,262.4	5,385.8	876.6
2028	2,599.8	2,088.6	511.2	5,764.2	6,275.4	5,658.8	616.6
2029	2,607.4	2,154.9	452.5	5,809.0	6,261.5	5,835.5	426.0
2030	2,605.8	2,216.9	388.9	5,833.4	6,222.3	5,999.6	222.7
2031	2,593.7	2,276.6	317.1	5,838.0	6,155.1	6,157.1	(2.0)
2032	2,571.0	2,332.9	238.1	5,822.0	6,060.1	6,304.5	(244.4)
2033	2,538.6	2,386.2	152.4	5,783.1	5,935.5	6,443.3	(507.8)
2034	2,494.3	2,435.1	59.2	5,720.0	5,779.2	6,949.7	(1,170.5)
2035	2,438.6	2,479.2	(40.6)	5,631.4	5,590.8	7,068.8	(1,478.0)
2036	2,370.0	2,518.0	(148.0)	5,481.4	5,333.4	7,171.5	(1,838.1)
2037	2,289.7	2,550.6	(260.9)	5,299.3	5,038.4	7,255.6	(2,217.2)
2038	2,202.1	2,577.7	(375.6)	5,083.3	4,707.7	7,322.6	(2,614.9)
2039	2,111.1	2,600.3	(489.2)	4,831.8	4,342.6	7,375.8	(3,033.2)
2040	2,023.4	2,618.5	(595.1)	4,544.8	3,949.6	7,415.2	(3,465.6)
2041	1,943.4	2,633.0	(689.6)	4,220.7	3,531.2	7,442.9	(3,911.7)
2042	1,878.0	2,639.9	(761.9)	3,859.0	3,097.1	7,447.7	(4,350.6)
2043	1,833.0	2,644.7	(811.7)	3,477.9	2,666.2	7,445.2	(4,779.0)
2044	1,809.3	2,649.0	(839.7)	3,078.1	2,238.4	7,440.4	(5,202.0)
2045	1,806.1	2,653.3	(847.2)	2,658.1	1,810.9	7,434.3	(5,623.4)

TABLE 10

TEACHERS RETIREMENT SYSTEM						
CoGFA Projections Based on Laws in Effect on June 30, 2011						
(\$ in millions)						
Fiscal Year	Tier 1 Normal Cost	Tier 1 Normal Cost as a % of Payroll	Tier 2 Normal Cost	Tier 2 Normal Cost as a % of Payroll	Total Normal Cost	Total Normal Cost as a % of Payroll
2012	1,892.6	18.9%	0.0	0.0%	1,892.6	18.9%
2013	1,870.4	18.8%	40.1	0.4%	1,910.5	19.2%
2014	1,858.4	18.0%	79.1	0.8%	1,937.5	18.7%
2015	1,855.6	17.2%	118.4	1.1%	1,974.0	18.3%
2016	1,858.6	16.5%	157.2	1.4%	2,015.8	17.9%
2017	1,868.4	15.8%	195.7	1.7%	2,064.0	17.5%
2018	1,883.4	15.3%	235.1	1.9%	2,118.5	17.2%
2019	1,901.3	14.7%	275.6	2.1%	2,176.8	16.9%
2020	1,919.9	14.2%	317.0	2.3%	2,236.8	16.6%
2021	1,938.2	13.7%	358.7	2.5%	2,296.9	16.3%
2022	1,955.8	13.3%	401.6	2.7%	2,357.4	16.0%
2023	1,970.0	12.8%	445.8	2.9%	2,415.8	15.7%
2024	1,978.8	12.3%	490.6	3.0%	2,469.4	15.3%
2025	1,979.6	11.7%	536.5	3.2%	2,516.1	14.9%
2026	1,971.1	11.2%	582.3	3.3%	2,553.4	14.5%
2027	1,951.8	10.7%	629.4	3.4%	2,581.2	14.1%
2028	1,922.0	10.1%	677.8	3.6%	2,599.8	13.7%
2029	1,879.6	9.5%	727.8	3.7%	2,607.4	13.2%
2030	1,826.1	9.0%	779.7	3.8%	2,605.8	12.8%
2031	1,760.3	8.4%	833.4	4.0%	2,593.7	12.4%
2032	1,683.7	7.8%	887.4	4.1%	2,571.0	11.9%
2033	1,596.5	7.2%	942.1	4.3%	2,538.6	11.5%
2034	1,496.4	6.6%	997.9	4.4%	2,494.3	11.1%
2035	1,383.5	6.0%	1,055.1	4.6%	2,438.6	10.6%
2036	1,256.3	5.4%	1,113.7	4.8%	2,370.0	10.1%
2037	1,116.4	4.7%	1,173.2	4.9%	2,289.7	9.6%
2038	968.5	4.0%	1,233.5	5.1%	2,202.1	9.2%
2039	816.3	3.4%	1,294.8	5.3%	2,111.1	8.7%
2040	666.5	2.7%	1,356.9	5.5%	2,023.4	8.3%
2041	523.7	2.1%	1,419.7	5.8%	1,943.4	7.9%
2042	396.5	1.5%	1,481.5	5.7%	1,878.0	7.3%
2043	289.9	1.1%	1,543.1	5.9%	1,833.0	7.0%
2044	204.8	0.8%	1,604.5	6.1%	1,809.3	6.9%
2045	140.7	0.5%	1,665.4	6.2%	1,806.1	6.8%

V. The State Employees' Retirement System

- **Plan Summaries**
- **FY 2011 Change in Unfunded Liabilities**
- **Funded Ratio History**
- **Active Member Headcount**
- **Average Active Member Salaries**
- **Retiree Headcount**
- **Average Retirement Annuities**
- **Unfunded History**
- **Rate of Return on Investments**
- **Annual Investment Revenue**
- **Total Payout**
- **Annual Changes in Unfunded**
- **Changes in Net Assets**
- **Investment Return History**
- **Historical Underfunding**
- **Projected Underfunding**
- **Tier 1 & Tier 2 Projections**



State Employees' Retirement System

Regular Formula - Plan Summary

Retirement Age

- ❑ "Rule of 85" – retirement when member's age plus years of service equals 85.
- ❑ Age 60 with 8 years of service credit.
- ❑ Age 55 with at least 25 years of service (reduced one-half of one percent for each month the member is under age 60).

Retirement Formula

- ❑ 1.67% of final average salary for each year of service for members covered by Social Security.
- ❑ 2.2% of final average salary for each year of service credit for members not covered by Social Security.

Maximum Annuity

- ❑ 75% of final average salary.

Salary Used to Calculate Pension

- ❑ Highest 48 consecutive months of service within the last 120 months of service.

Annual COLA

- ❑ 3% compounded.

Employee Contributions

- ❑ 4.0% of salary for members covered by Social Security.
- ❑ 8.0% of salary for members not covered by Social Security.

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

State Employees' Retirement System

Alternative Formula - Plan Summary

Retirement Age

- ❑ Age 55 with at least 20 years of service.
- ❑ Age 50 with at least 25 years of service.

Retirement Formula

- ❑ 2.5% of final average salary for each year of service for members covered by Social Security.
- ❑ 3.0% of final average salary for each year of service credit for members not covered by Social Security.

Maximum Annuity

- ❑ 80% of final average salary.

Salary Used to Calculate Pension

- ❑ Rate of pay on the last day of employment, or the average of the last 48 months of compensation, whichever is greater.

Annual COLA

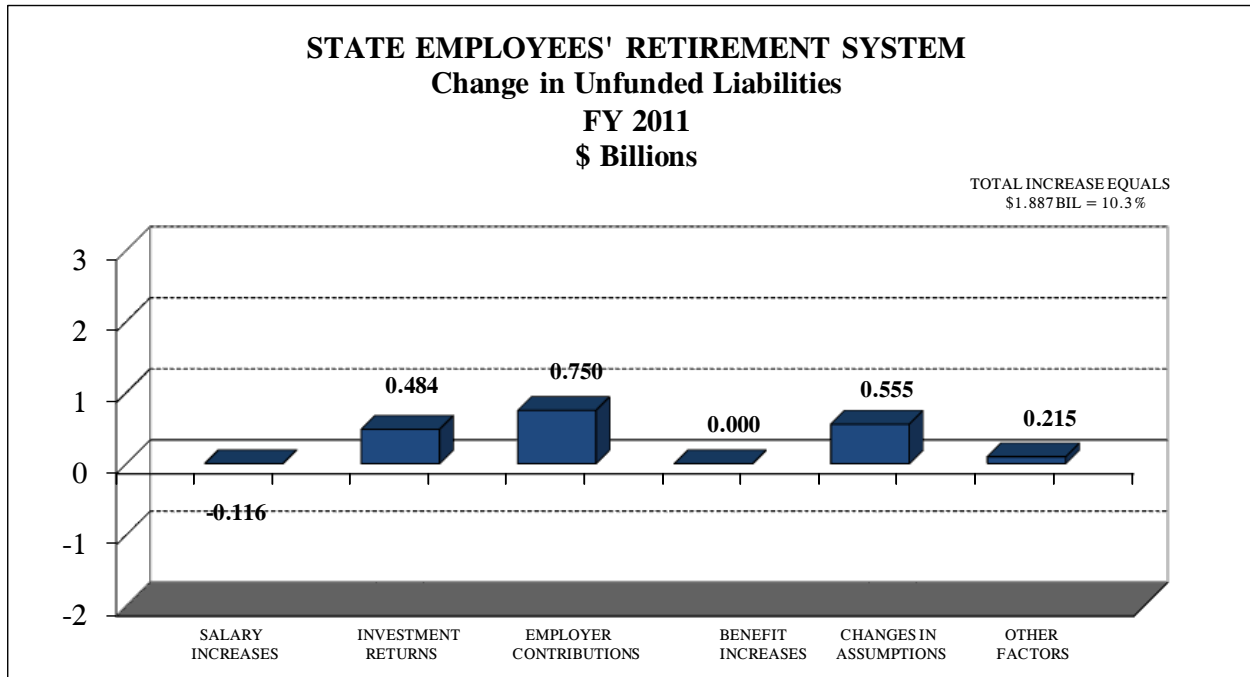
- ❑ 3% compounded.

Employee Contributions

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

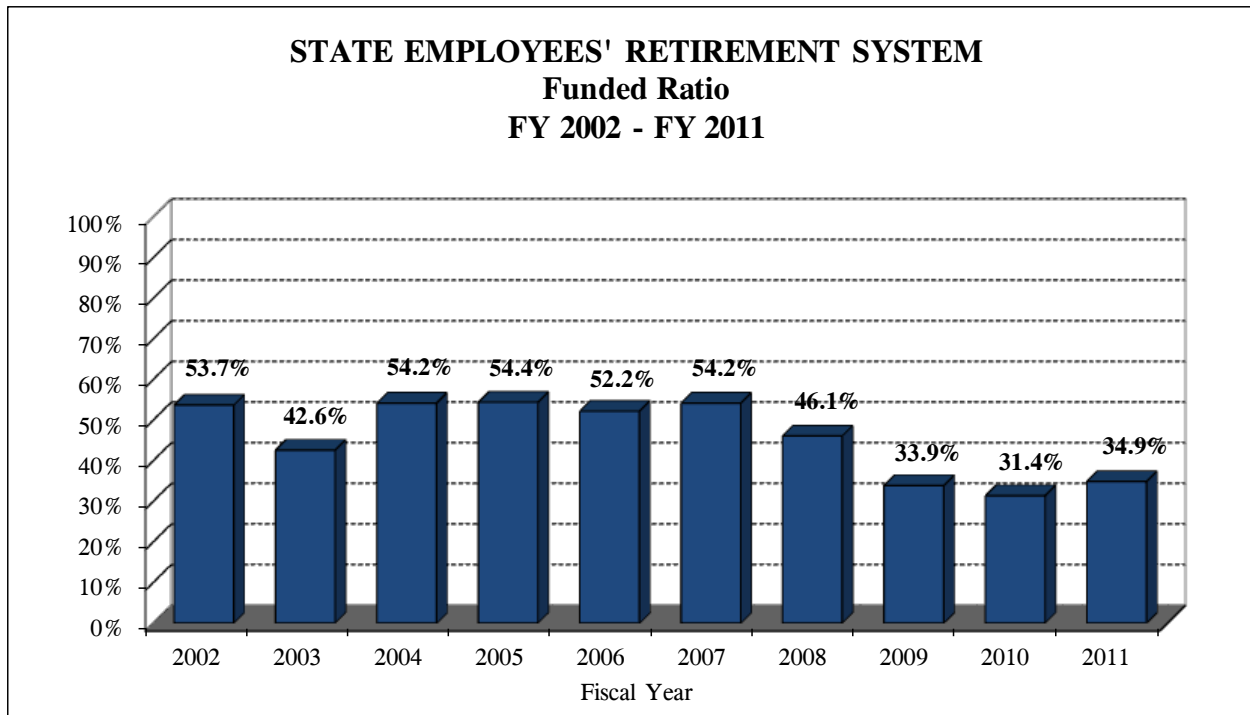
For details of retirement plans applicable to personnel beginning employment on or after January 1, 2011, please refer to Section I earlier in this report.

CHART 16



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

CHART 17



NOTE: The above FY2011 figure is based upon asset market values without asset smoothing.

CHART 18

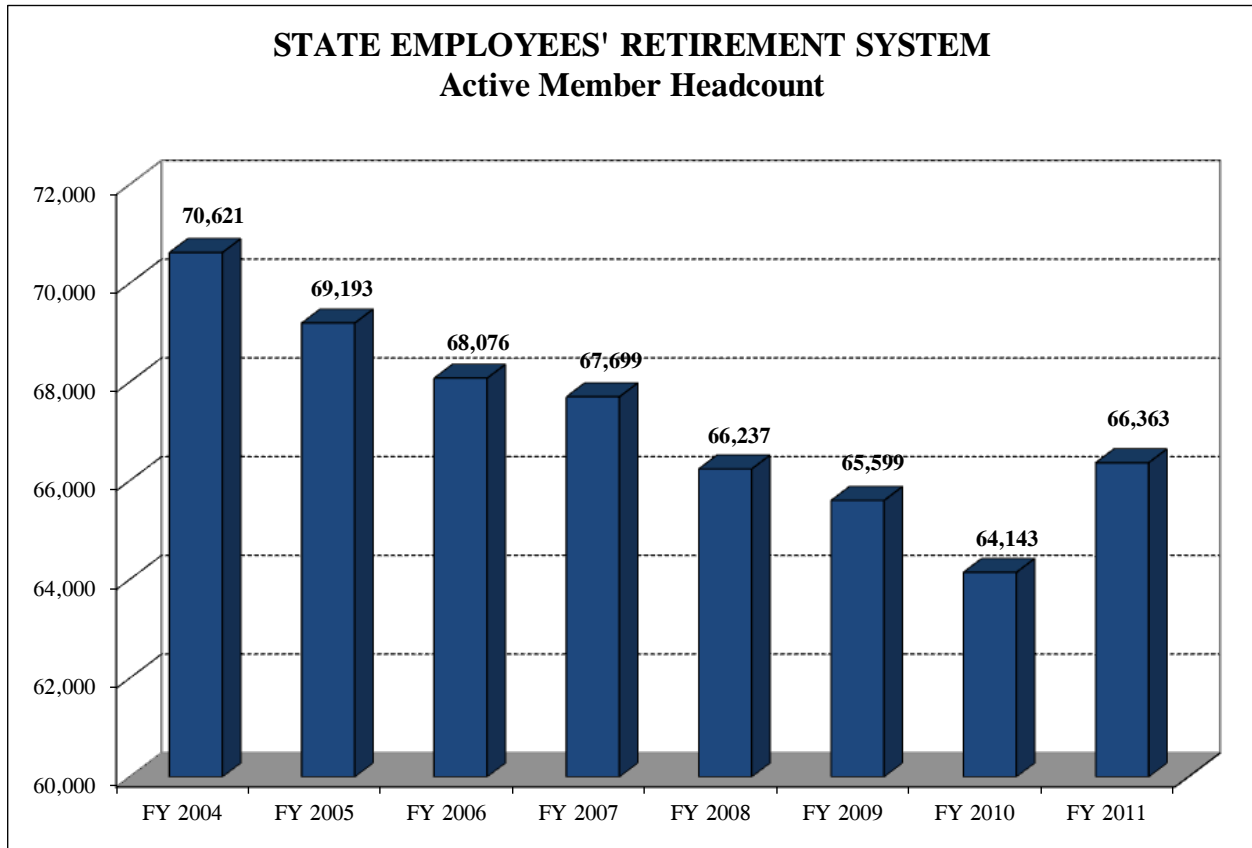


CHART 19

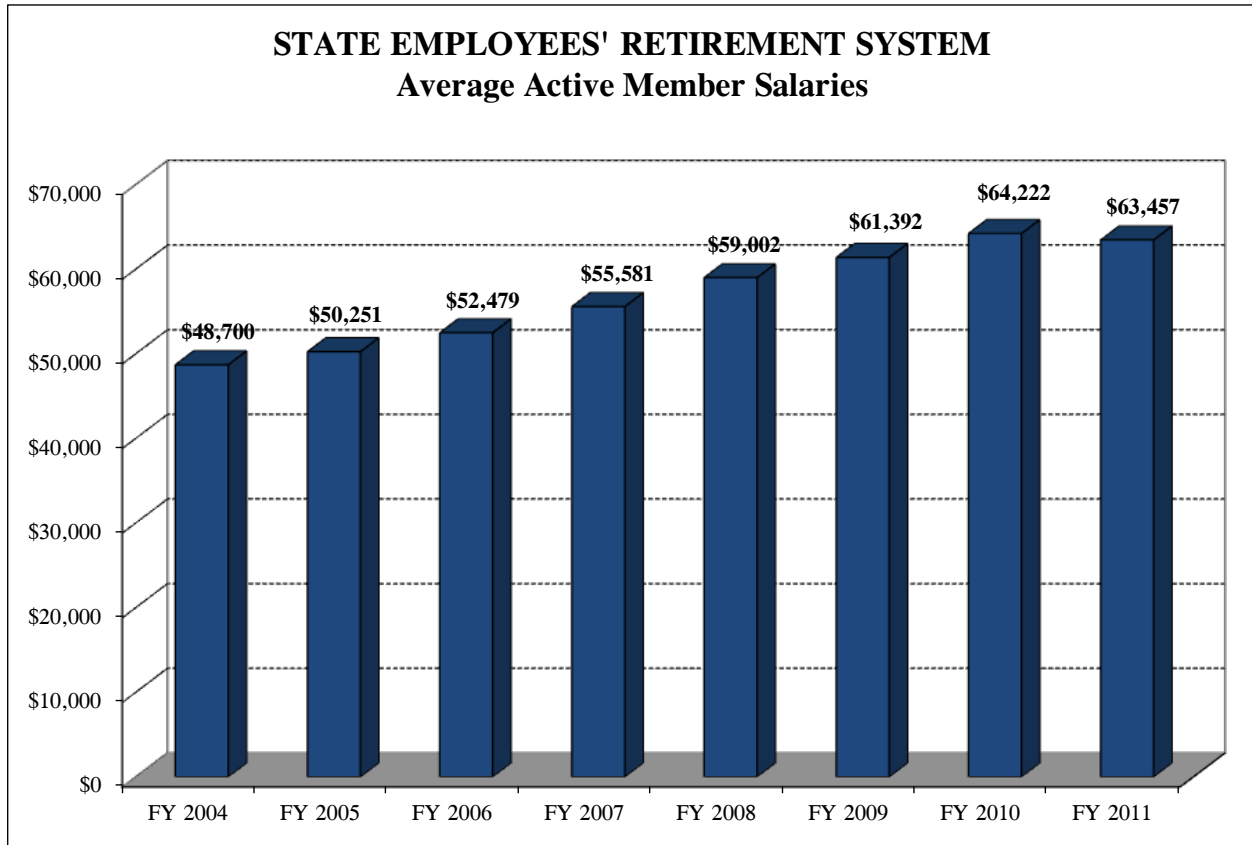


CHART 20

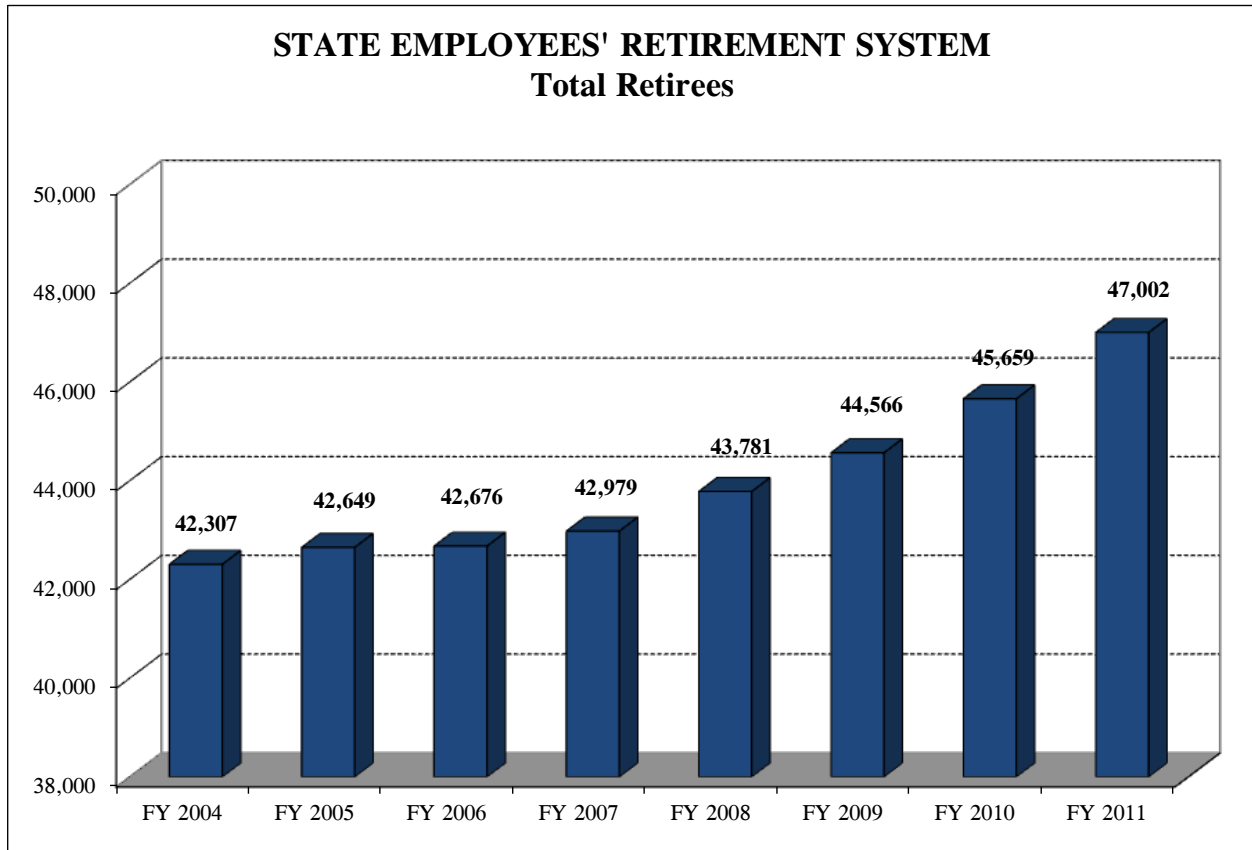


CHART 21

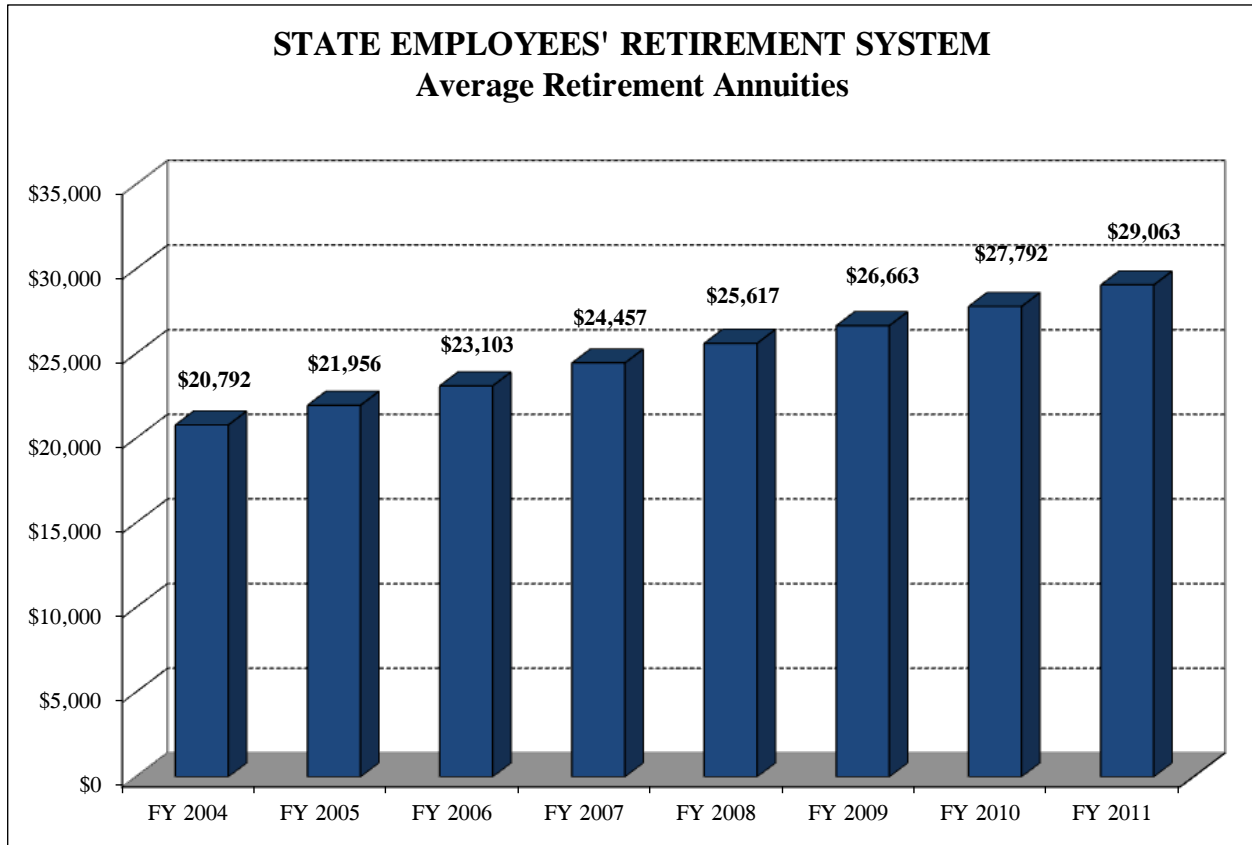


CHART 22

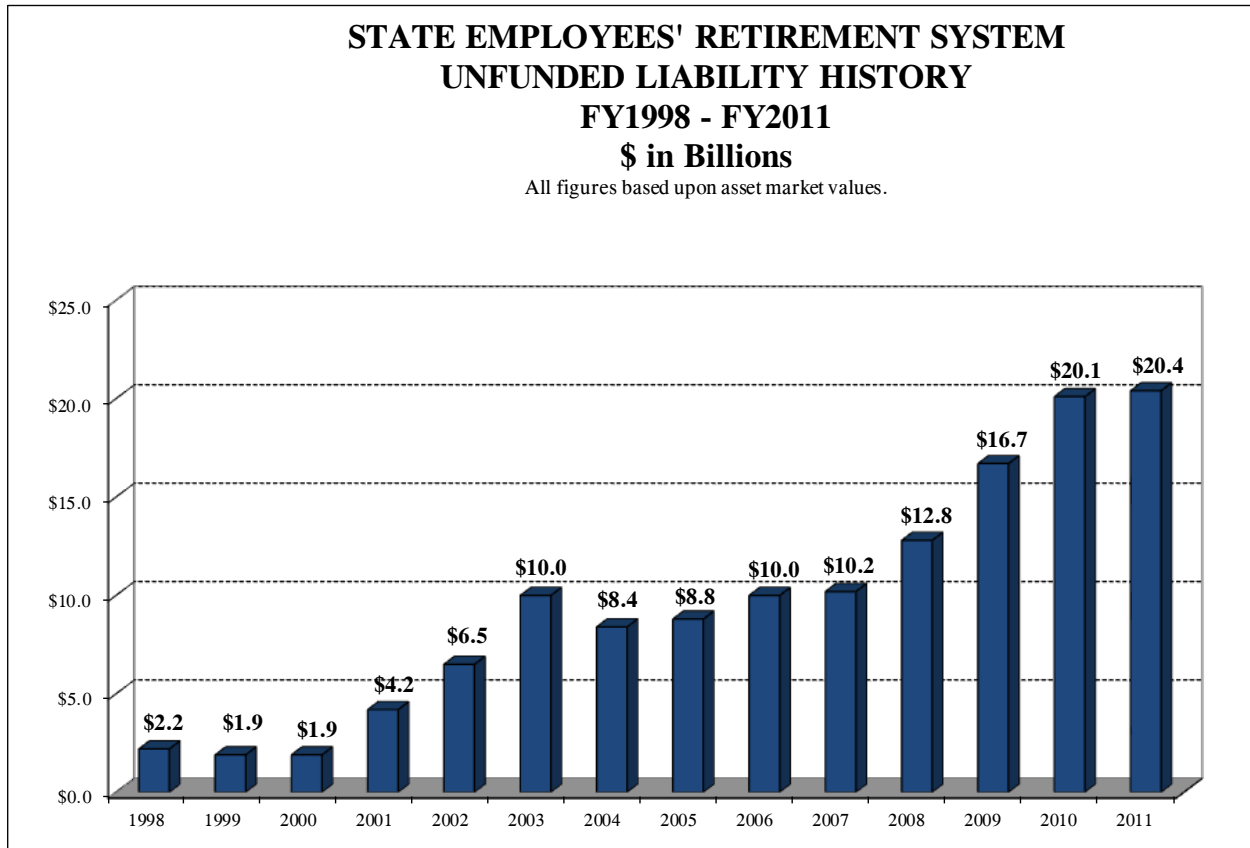


CHART 23

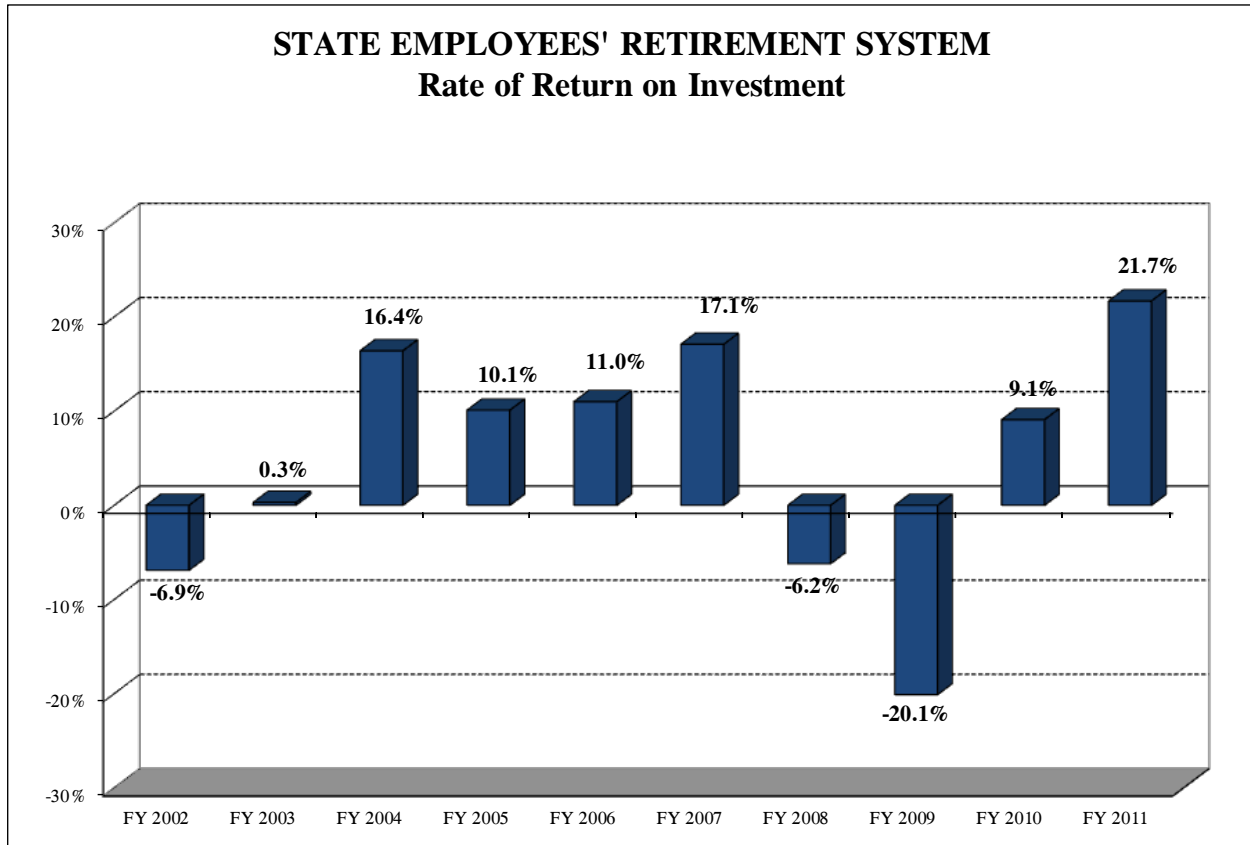


CHART 24

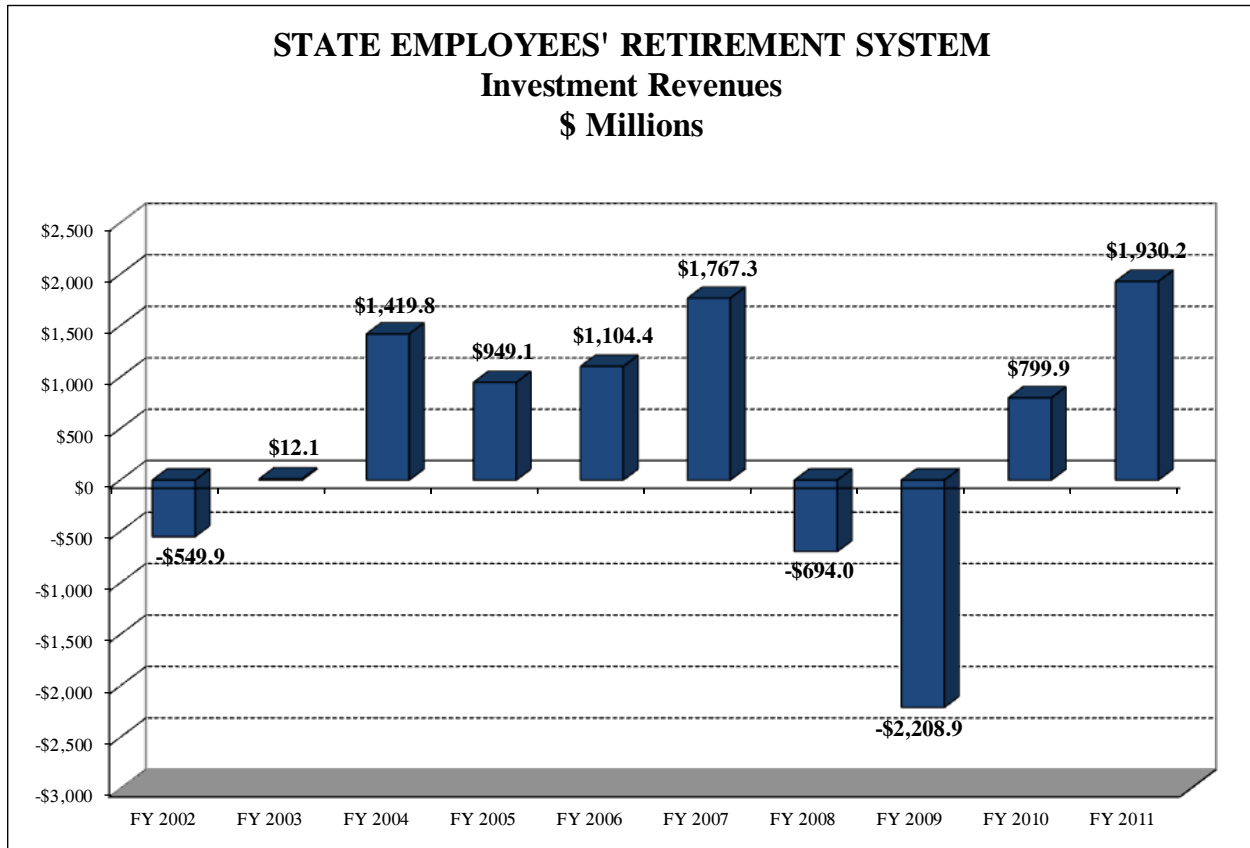


CHART 25

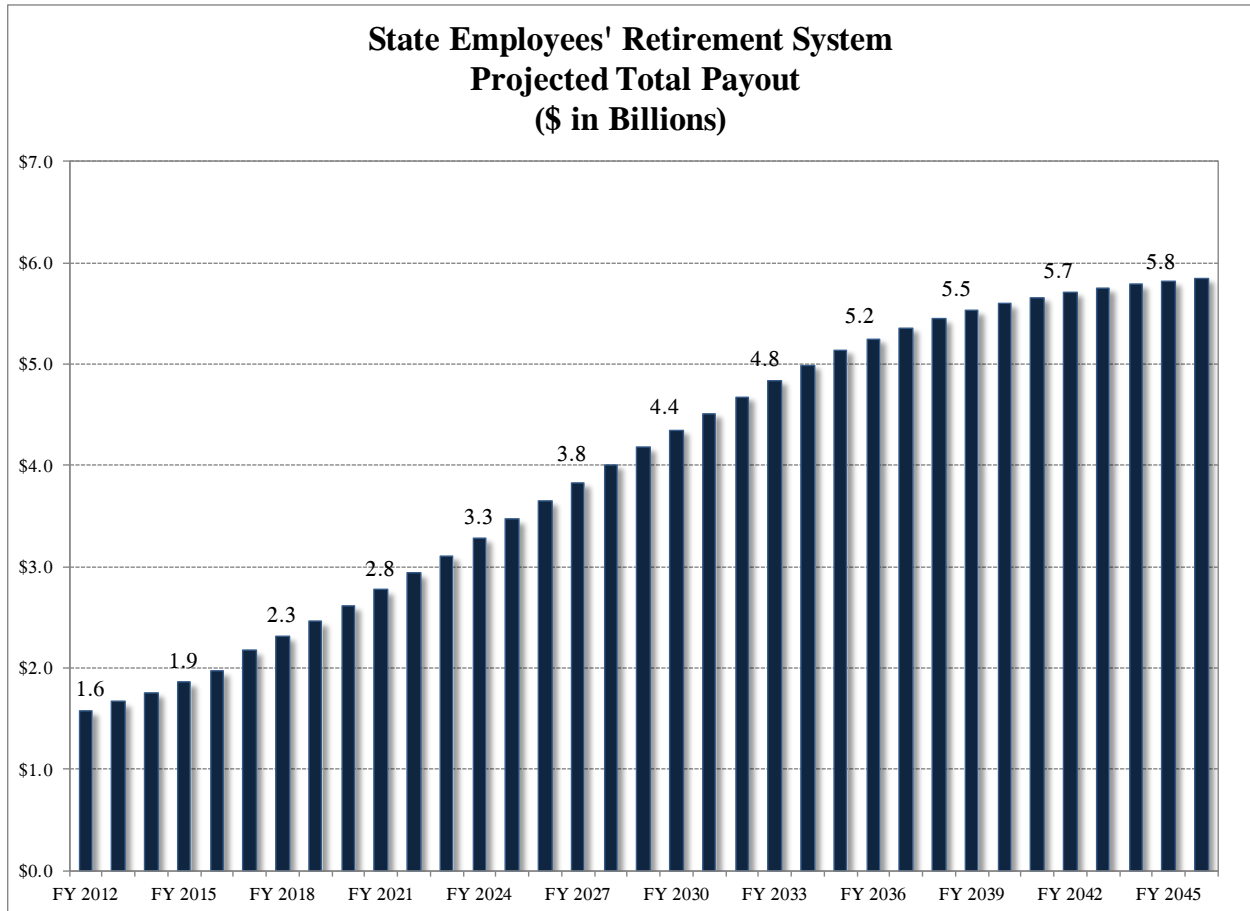


TABLE 11

STATE EMPLOYEES' RETIREMENT SYSTEM							
CHANGES IN UNFUNDED LIABILITY							
FY 1996 - FY 2011							
YEAR ENDED	SALARY INCREASES	INVESTMENT RETURNS (HIGHER)/LOWER THAN ASSUMED	EMPLOYER CONTRIBUTIONS N. C. + INTEREST (HIGHER)/LOWER	BENEFIT INCREASES	CHANGES IN ASSUMPTIONS ACTUARIAL	OTHER FACTORS MISC.	TOTAL CHANGE IN UNFUNDED LIABILITY FROM PREVIOUS YEAR
STATE EMPLOYEES							
6/30/1996	(\$63,804,332)	(\$251,369,719)	\$196,620,212	\$0	\$0	\$47,104,123	(\$71,449,716)
6/30/1997	(65,121,542)	(541,583,072)	121,668,957	0	(379,894,379)	152,898,511	(712,031,525)
6/30/1998	(62,013,427)	(568,807,725)	9,431,057	1,249,883,128	0	148,729,225	777,222,258
6/30/1999	(12,536,220)	(307,064,512)	21,020,544	0	0	32,949,396	(265,630,792)
6/30/2000	14,642,937	(252,699,421)	(21,811,201)	0	0	250,182,926	(9,684,759)
6/30/2001	(8,000,000)	1,368,815,911	(29,398,605)	652,110,224	0	309,964,003	2,293,491,533
6/30/2002	52,000,000	1,247,268,792	186,860,538	171,100,000	168,144,000	496,199,643	2,321,572,973
6/30/2003	(28,282,435)	629,483,966	404,526,925	2,371,173,094	0	97,815,307	3,474,716,857
6/30/2004	(22,316,647)	(679,743,495)	(944,135,304)	0	0	6,804,783	(1,639,390,663)
6/30/2005	(166,479,933)	(123,132,472)	503,532,346	0	0	144,142,000	358,061,941
6/30/2006	33,070,000	(250,686,000)	772,374,000	0	710,976,000	(101,544,000)	1,164,190,000
6/30/2007	98,239,312	(878,435,107)	816,648,269	0	0	190,866,392	227,318,866
6/30/2008	207,247,739	1,690,697,791	615,695,516	0	0	130,264,860	2,643,905,906
6/30/2009	(70,364,604)	608,553,603	662,751,770	0	0	251,538,179	1,452,478,948
6/30/2010	(84,030,000)	894,330,000	470,040,000	0	2,606,330,000	162,930,000	4,049,600,000
6/30/2011	(116,457,671)	483,803,315	749,926,844	0	554,815,304	215,159,241	1,887,247,033
TOTALS	(\$294,206,823)	\$3,069,431,855	\$4,535,751,868	\$4,444,266,446	\$3,660,370,925	\$2,536,004,589	\$17,951,618,860

NOTE: All of the calculations in this table are based upon asset actuarial values, i.e., WITH Asset Smoothing.

TABLE 12

STATE EMPLOYEES' RETIREMENT SYSTEM									
Changes in Net Assets									
(\$ in millions)									
Fiscal Years	2011	2010	2009	2008	2007	2006	2005	2004	
Additions to Assets									
State of Illinois	1,127.9	1,095.5	774.9	587.7	358.8	210.5	427.5	478.7	
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,386.0	
Employees	254.2	246.2	242.2	250.0	224.7	214.1	209.3	199.8	
School Districts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Federal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net Investment Income	1,930.2	799.9	-2,208.9	-680.8	1,779.9	1,104.4	949.1	1,419.8	
Total Asset Additions (A)	3,312.3	2,141.6	-1,191.8	156.9	2,363.4	1,529.0	1,585.9	3,484.3	
Deductions from Assets									
Benefits	1,492.1	1,390.6	1,300.2	1,214.1	1,161.5	1,110.6	1,064.0	978.2	
Refunds	37.6	15.3	14.8	16.8	14.1	13.4	14.1	12.4	
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Administrative Expenses	13.7	11.7	10.7	9.5	8.8	8.1	8.3	7.7	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Asset Deductions (B)	1,543.4	1,417.6	1,325.7	1,240.4	1,184.4	1,132.1	1,086.4	998.3	
Change in Net Assets (A-B=C)	1,768.9	724.0	-2,517.5	-1,083.5	1,179.0	396.9	499.5	2,486.0	

TABLE 13

STATE EMPLOYEES' RETIREMENT SYSTEM					
Historical Investment Revenues					
(\$ in millions)					
Fiscal Year	Market Value of Assets at Year End		Net Investment Revenue		Rate of Return Earned
2002	7,543.7		-549.9		-6.9%
2003	7,436.1		12.1		0.3%
2004	9,840.0		1,419.8		16.4%
2005	10,271.3		949.1		10.1%
2006	10,654.9		1,104.4		11.0%
2007	11,810.1		1,767.3		17.1%
2008	10,654.0		-694.2		-6.2%
2009	8,565.7		-2,208.9		-20.1%
2010	9,201.8		799.9		9.1%
2011	10,970.8		1,930.2		21.7%

2002 - 2011 Asset Values are Market Values.

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

TABLE 14

STATE EMPLOYEES' RETIREMENT SYSTEM					
Historical Underfunding					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Historical Underfunding
2002	215.0	358.0	573.0	364.7	208.3
2003	244.4	556.2	800.6	405.5	395.1
2004	192.5	728.1	920.6	1,864.7	-944.1
2005	221.1	709.9	931.0	498.6	432.4
2006	233.0	749.9	982.9	203.8	779.1
2007	328.8	846.6	1,175.4	344.2	831.2
2008	346.3	867.2	1,213.5	551.6	661.9
2009	362.9	1,091.9	1,454.8	757.2	697.6
2010	380.0	1,215.4	1,595.4	1,169.0	426.4
2011	480.5	1,422.0	1,902.5	1,127.9	774.6

TABLE 15

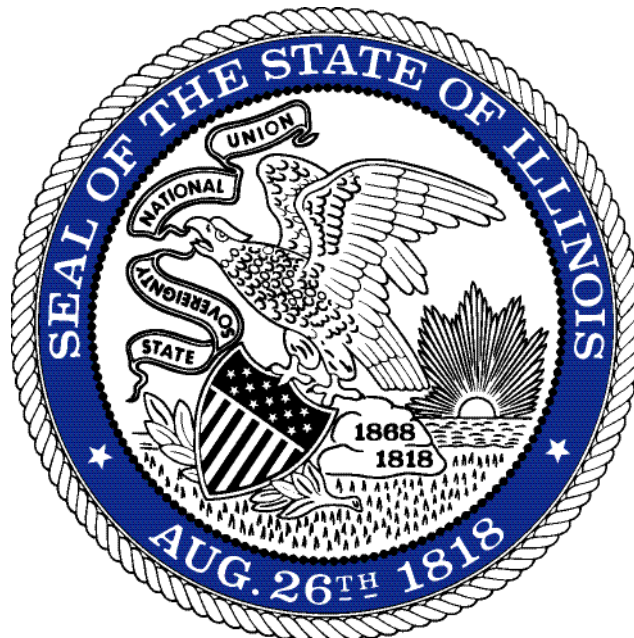
STATE EMPLOYEES RETIREMENT SYSTEM							
CoGFA Projections Based on Laws in Effect on June 30, 2011							
(\$ in millions)							
Fiscal Year	Total Normal Cost	Employees' Contribution	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding
2012	678.3	241.9	436.4	1,582.9	2,019.3	1,368.6	650.7
2013	689.2	249.2	440.0	1,658.4	2,098.4	1,577.8	520.6
2014	698.0	258.0	440.0	1,734.4	2,174.4	1,608.6	565.8
2015	705.4	267.0	438.4	1,762.5	2,200.8	1,687.5	513.3
2016	710.9	276.3	434.6	1,786.9	2,221.5	1,733.4	488.1
2017	717.5	285.6	431.9	1,827.4	2,259.2	1,776.6	482.6
2018	724.0	295.2	428.8	1,872.6	2,301.4	1,836.5	464.9
2019	729.5	305.3	424.2	1,916.0	2,340.2	1,899.4	440.8
2020	735.3	315.5	419.8	1,957.0	2,376.8	1,959.1	417.7
2021	738.9	325.9	413.0	1,995.8	2,408.8	2,020.6	388.2
2022	740.3	336.6	403.7	2,032.0	2,435.8	2,084.2	351.6
2023	741.9	347.4	394.5	2,065.1	2,459.5	2,149.5	310.0
2024	742.0	258.6	483.4	2,094.5	2,577.9	2,213.1	364.8
2025	738.9	370.0	368.9	2,120.2	2,489.1	2,278.5	210.6
2026	736.9	381.2	355.7	2,141.4	2,497.1	2,348.3	148.8
2027	734.2	393.0	341.2	2,157.6	2,498.7	2,422.5	76.2
2028	733.7	404.8	328.9	2,168.1	2,497.0	2,492.0	5.0
2029	736.4	416.9	319.5	2,173.3	2,492.9	2,564.7	(71.8)
2030	738.7	429.3	309.4	2,173.0	2,482.4	2,635.4	(153.0)
2031	743.0	441.8	301.2	2,167.0	2,468.3	2,707.5	(239.2)
2032	746.7	454.6	292.1	2,155.2	2,447.3	2,787.3	(340.0)
2033	751.7	467.3	284.4	2,136.4	2,420.8	2,872.0	(451.2)
2034	758.9	480.2	278.7	2,110.2	2,388.9	3,173.0	(784.1)
2035	765.3	493.2	272.1	2,059.0	2,331.1	3,259.2	(928.1)
2036	766.7	506.1	260.6	1,998.1	2,258.7	3,344.0	(1,085.3)
2037	774.6	518.4	256.2	1,922.7	2,179.0	3,425.2	(1,246.2)
2038	784.1	530.5	253.6	1,834.8	2,088.4	3,505.1	(1,416.7)
2039	796.4	542.5	253.9	1,732.5	1,986.4	3,584.5	(1,598.1)
2040	810.6	554.6	256.0	1,615.5	1,871.4	3,664.2	(1,792.8)
2041	825.7	566.5	259.2	1,482.5	1,741.7	3,743.0	(2,001.3)
2042	844.1	577.9	266.2	1,332.5	1,598.7	3,818.2	(2,219.5)
2043	864.5	589.4	275.1	1,165.3	1,440.4	3,894.5	(2,454.1)
2044	887.0	601.2	285.8	980.5	1,266.3	3,972.4	(2,706.1)
2045	911.0	612.9	298.1	776.1	1,074.2	4,049.9	(2,975.7)

TABLE 16

STATE EMPLOYEES RETIREMENT SYSTEM						
CoGFA Projections Based on Laws in Effect on June 30, 2011						
(\$ in millions)						
Fiscal Year	Tier 1 Normal Cost	Tier 1 Normal Cost as a % of Payroll	Tier 2 Normal Cost	Tier 2 Normal Cost as a % of Payroll	Total Normal Cost	Total Normal Cost as a % of Payroll
2012	661.3	15.6%	17.0	0.4%	678.3	16.0%
2013	659.1	15.1%	30.1	0.7%	689.2	15.8%
2014	656.2	14.5%	41.8	0.9%	698.0	15.4%
2015	651.5	13.9%	53.9	1.2%	705.4	15.1%
2016	644.0	13.3%	66.9	1.4%	710.9	14.7%
2017	636.5	12.7%	81.0	1.6%	717.5	14.3%
2018	627.3	12.1%	96.7	1.9%	724.0	14.0%
2019	615.5	11.5%	114.0	2.1%	729.5	13.7%
2020	602.3	10.9%	133.0	2.4%	735.3	13.3%
2021	586.6	10.3%	152.4	2.7%	738.9	13.0%
2022	568.7	9.7%	171.6	2.9%	740.3	12.6%
2023	548.6	9.1%	193.3	3.2%	741.9	12.2%
2024	526.0	8.4%	216.0	3.5%	742.0	11.9%
2025	498.5	7.7%	240.4	3.7%	738.9	11.5%
2026	470.7	7.1%	266.2	4.0%	736.9	11.1%
2027	440.9	6.5%	293.3	4.3%	734.2	10.8%
2028	412.8	5.9%	320.9	4.6%	733.7	10.4%
2029	387.3	5.4%	349.2	4.8%	736.4	10.2%
2030	360.0	4.8%	378.7	5.1%	738.7	9.9%
2031	333.8	4.4%	409.2	5.3%	743.0	9.7%
2032	306.9	3.9%	439.8	5.6%	746.7	9.5%
2033	280.9	3.5%	470.8	5.8%	751.7	9.3%
2034	256.6	3.1%	502.3	6.1%	758.9	9.2%
2035	230.4	2.7%	534.9	6.3%	765.3	9.0%
2036	198.9	2.3%	567.8	6.5%	766.7	8.8%
2037	173.6	1.9%	601.0	6.7%	774.6	8.6%
2038	150.1	1.8%	634.0	7.7%	784.1	9.5%
2039	128.9	1.4%	667.5	7.1%	796.4	8.4%
2040	109.2	1.1%	701.4	7.2%	810.6	8.4%
2041	91.1	0.9%	734.6	7.4%	825.7	8.3%
2042	75.9	0.7%	768.2	7.5%	844.1	8.3%
2043	63.2	0.6%	801.3	7.7%	864.5	8.3%
2044	52.7	0.5%	834.3	7.8%	887.0	8.3%
2045	43.5	0.4%	867.4	7.9%	911.0	8.3%

VI. The State Universities Retirement System

- **Plan Summary**
- **FY 2011 Change in Unfunded Liabilities**
- **Funded Ratio History**
- **Active Member Headcount**
- **Average Active Member Salaries**
- **Retiree Headcount**
- **Average Retirement Annuities**
- **Unfunded History**
- **Rate of Return on Investments**
- **Annual Investment Revenue**
- **Total Payout**
- **Annual Changes in Unfunded**
- **Changes in Net Assets**
- **Investment Return History**
- **Historical Underfunding**
- **Projected Underfunding**
- **Tier 1 & Tier 2 Projections**



State Universities Retirement System

Traditional Defined Benefit Formula Plan Summary

Retirement Age

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

Retirement Formula

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

Maximum Annuity

- ❑ 80% of final average salary.

Salary Used to Calculate Pension

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

Annual COLA

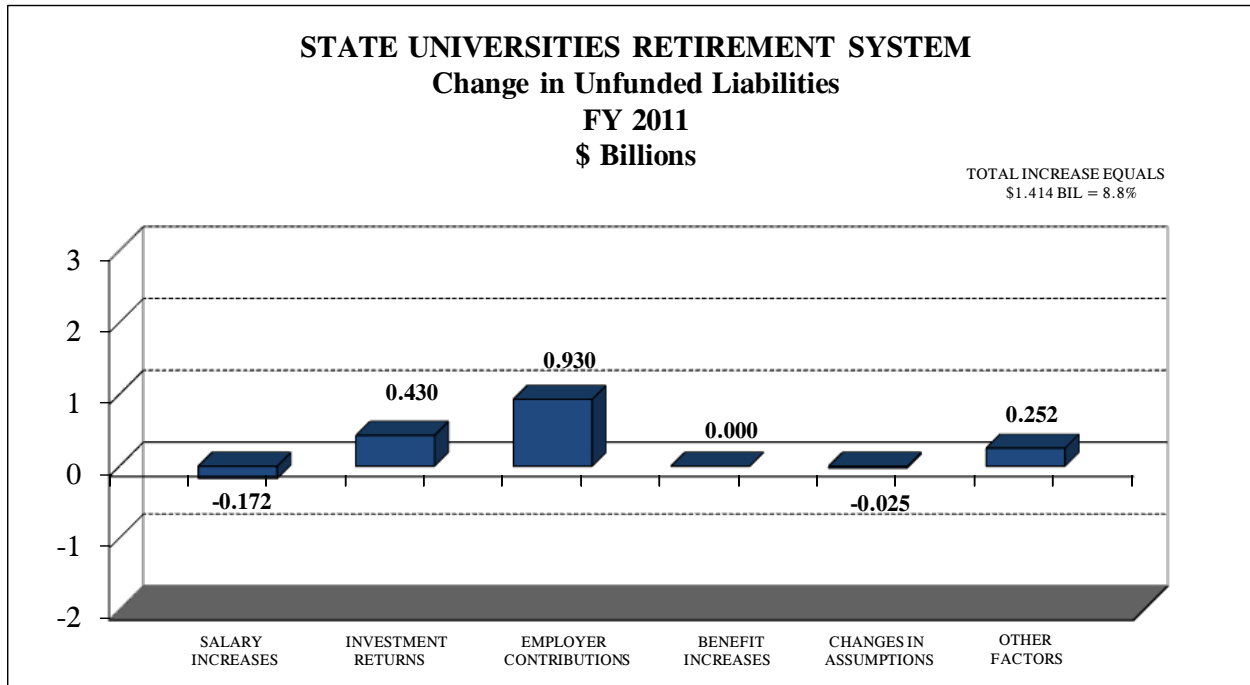
- ❑ 3% compounded.

Employee Contributions

- ❑ 8.0% of salary.

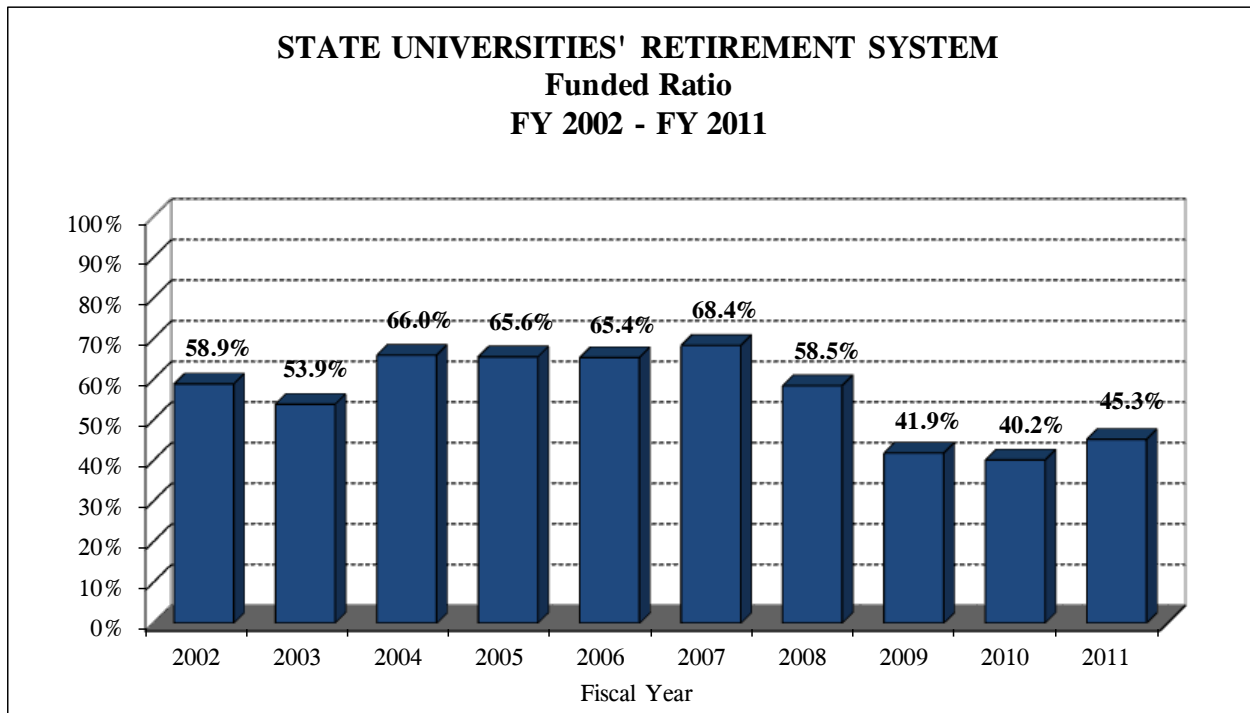
For details of retirement plans applicable to personnel beginning employment on or after January 1, 2011, please refer to Section I earlier in this report.

CHART 26



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

CHART 27



NOTE: The above FY2011 figure is based upon asset market values without asset smoothing,

CHART 28

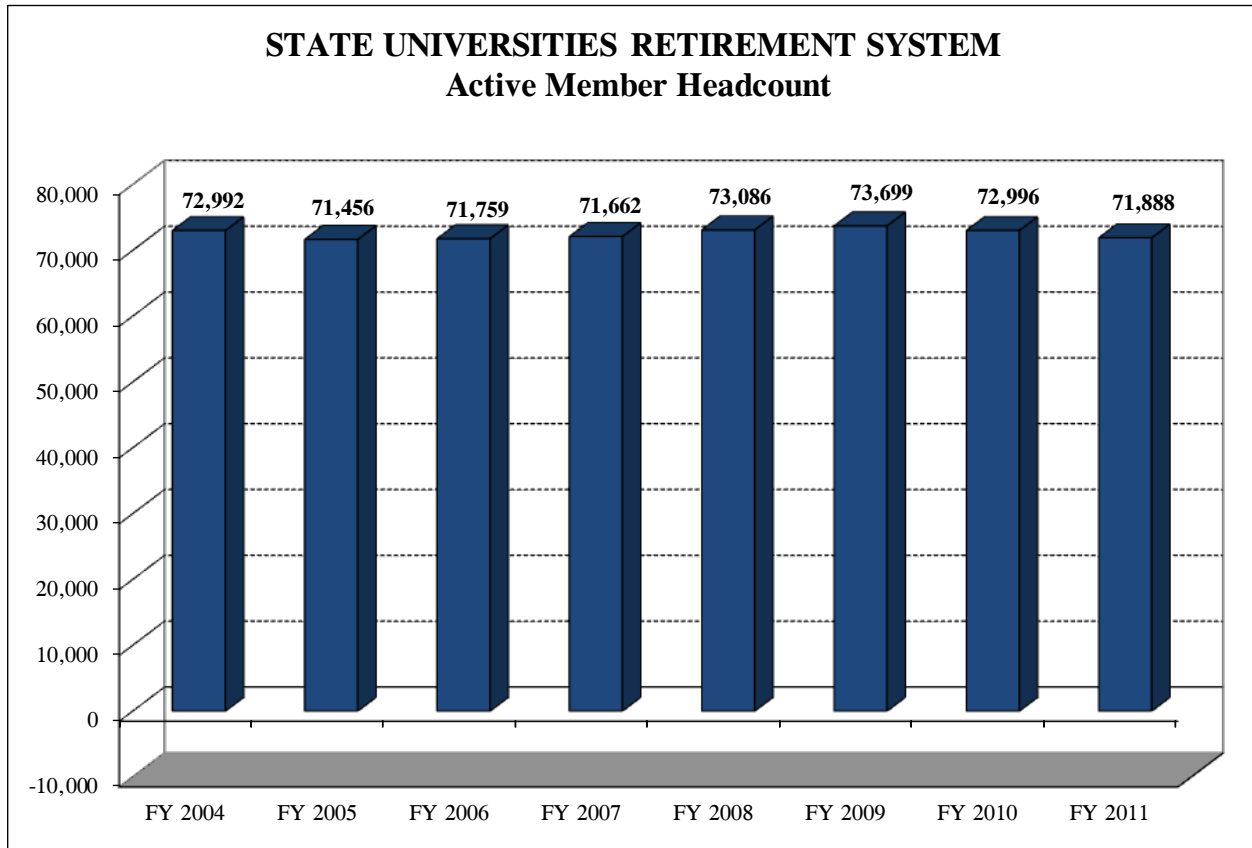


CHART 29

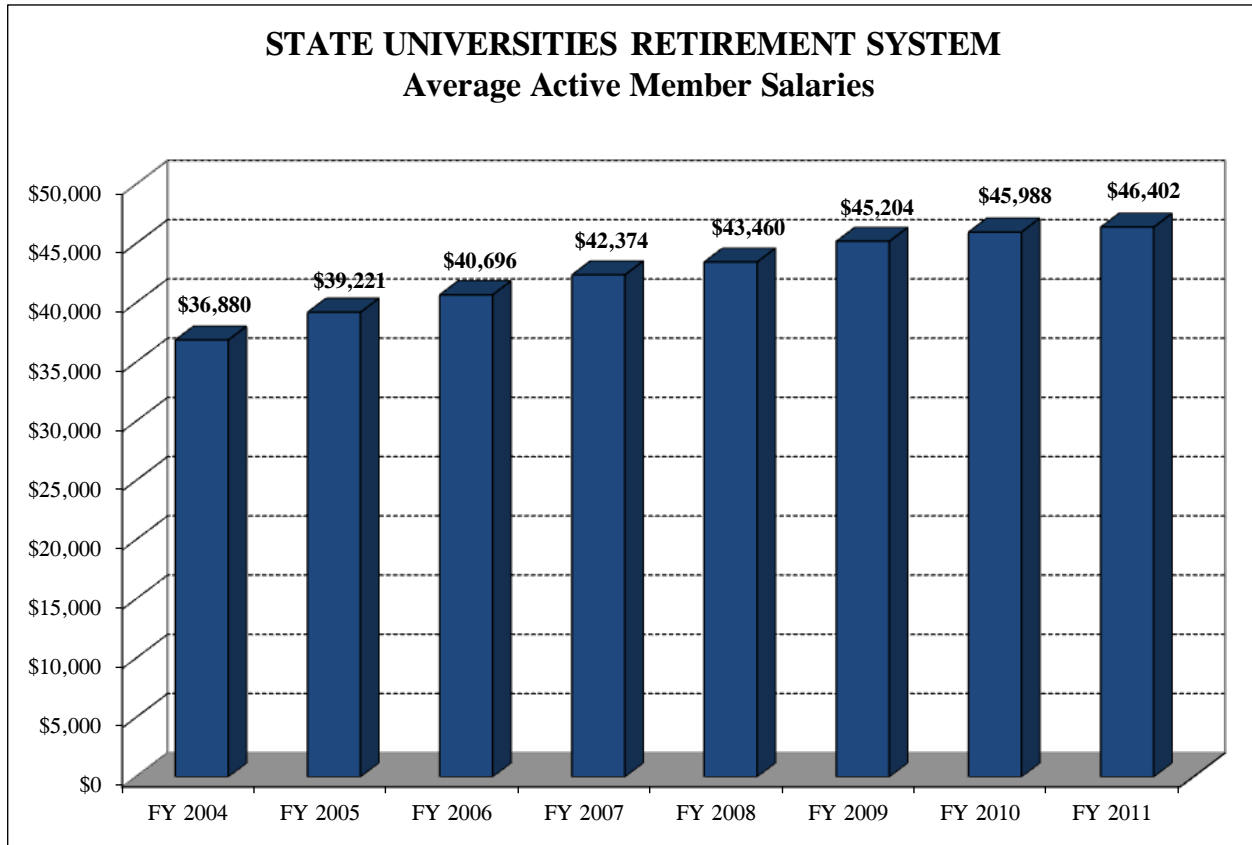


CHART 30

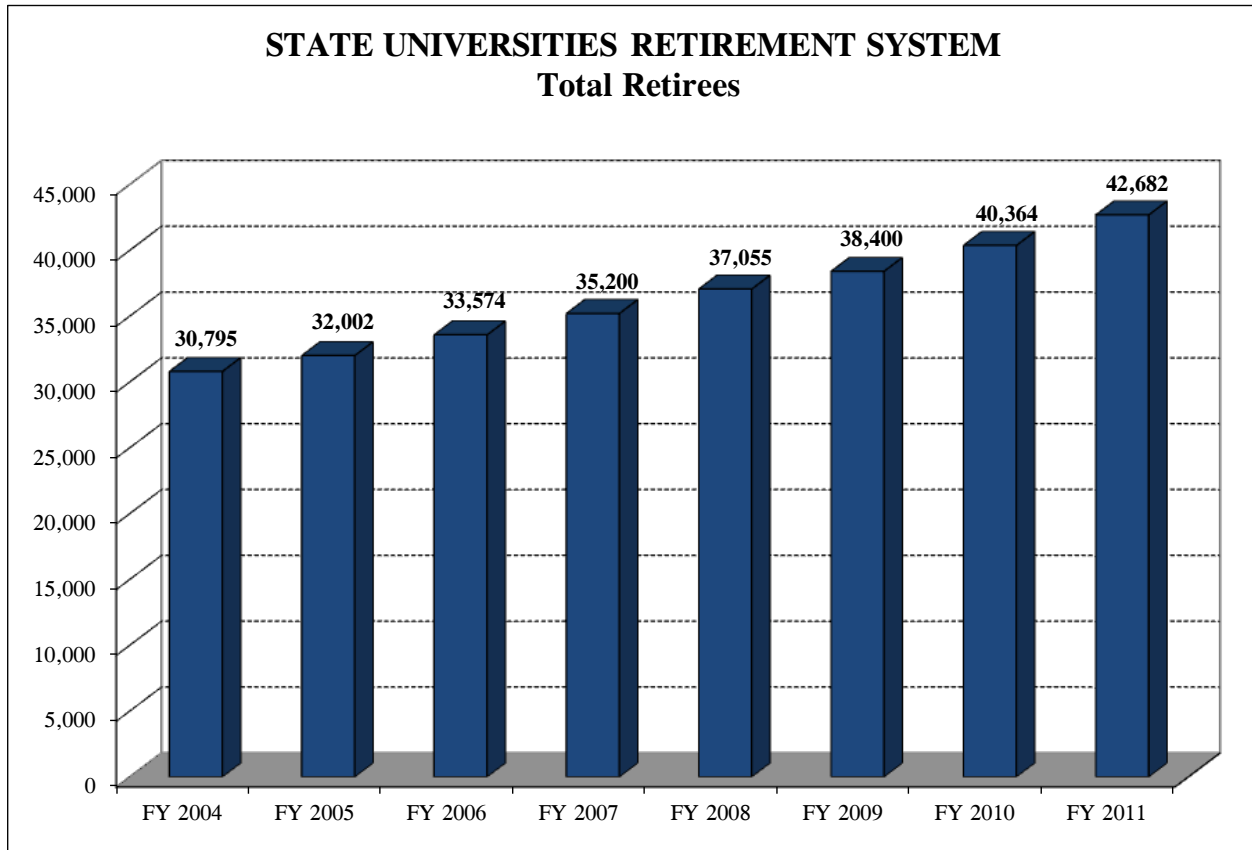


CHART 31

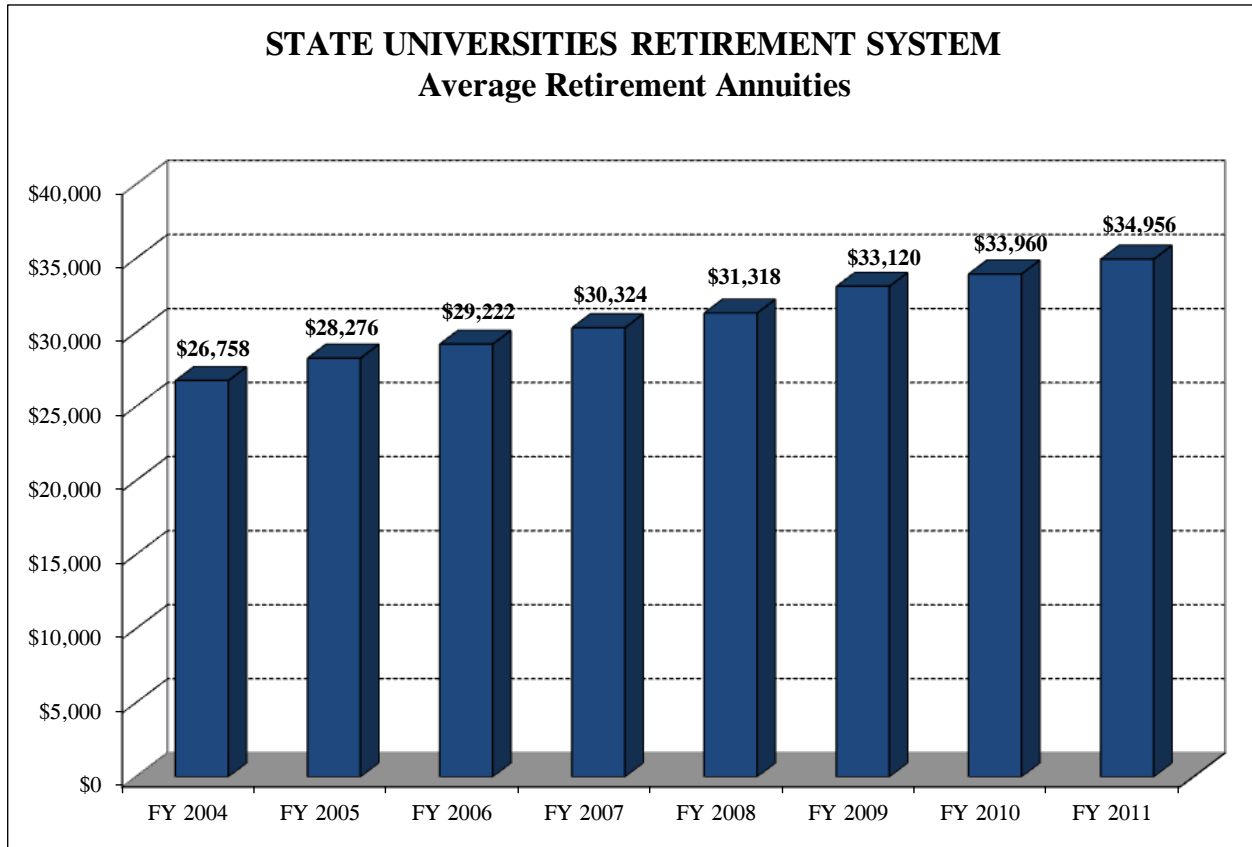


CHART 32

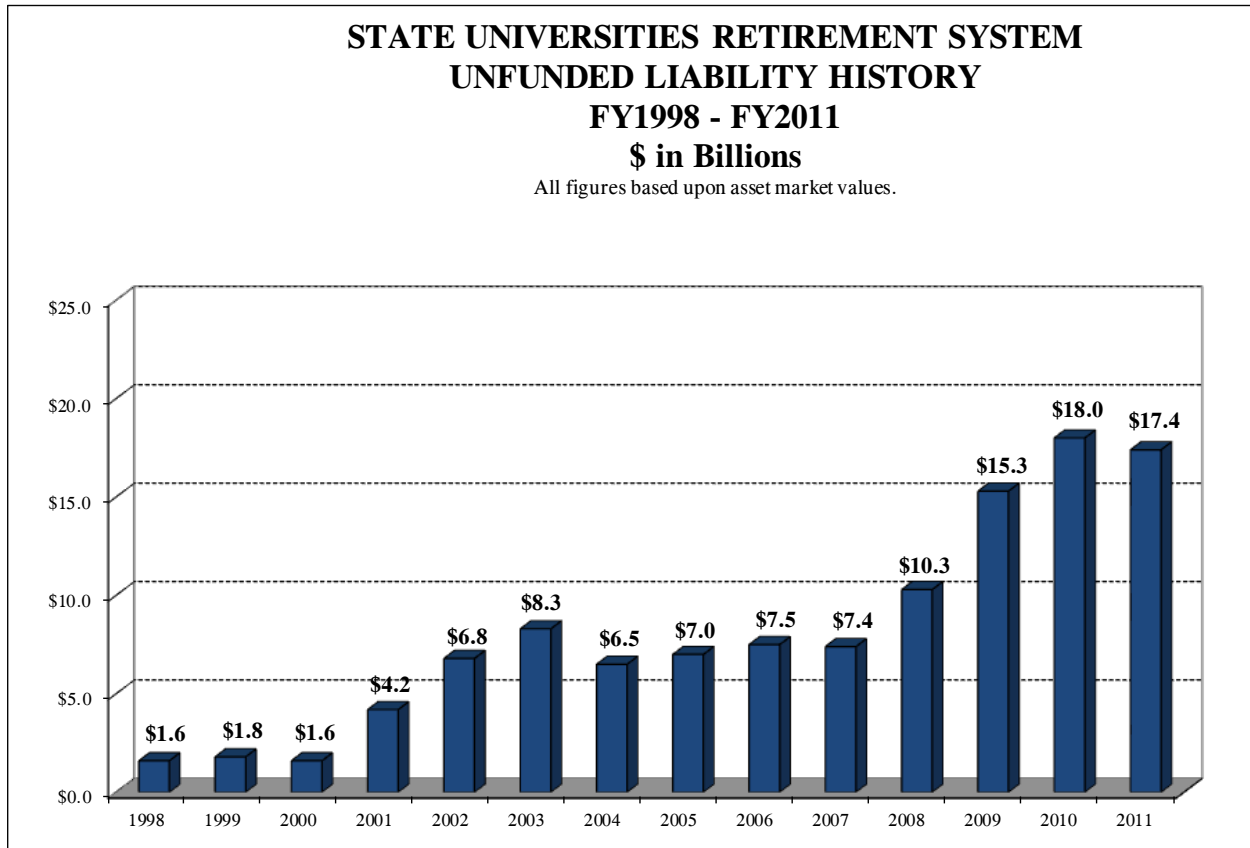


CHART 33

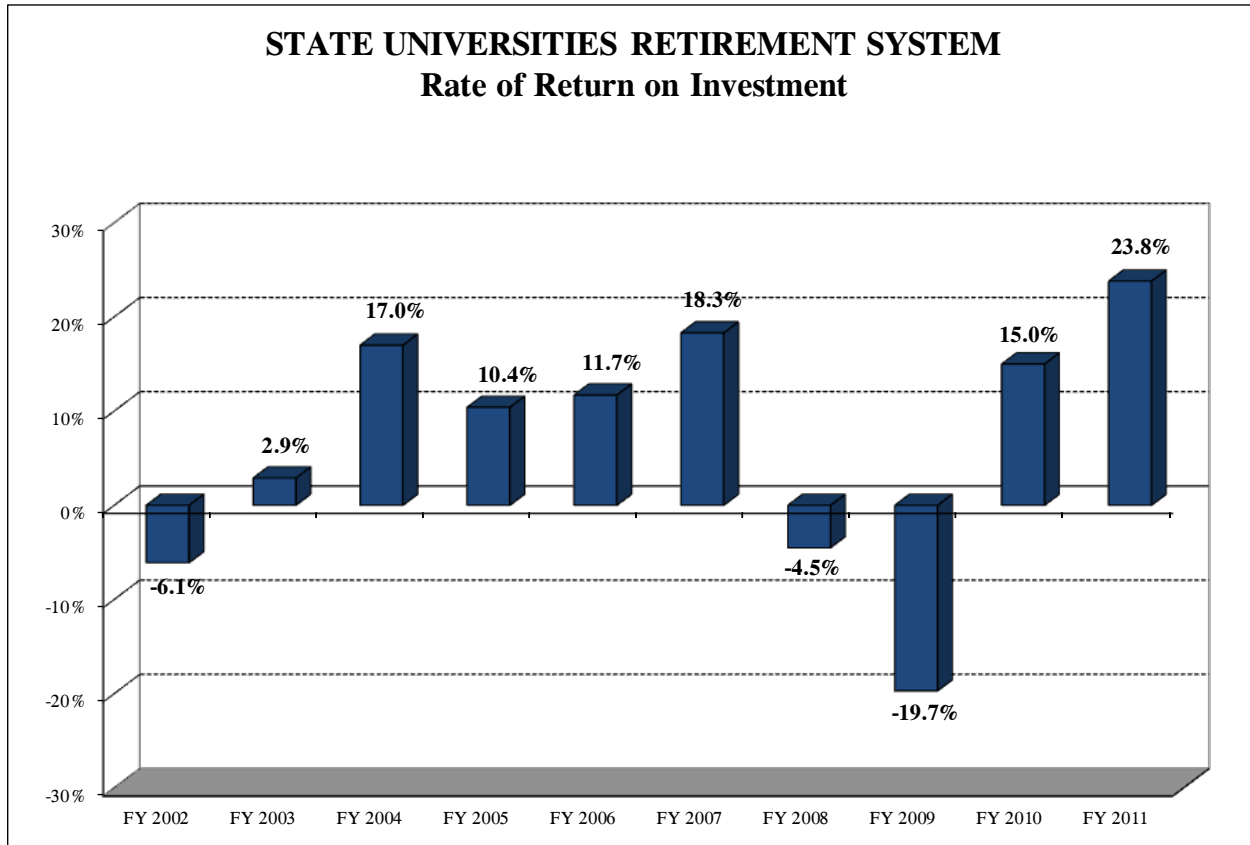


CHART 34

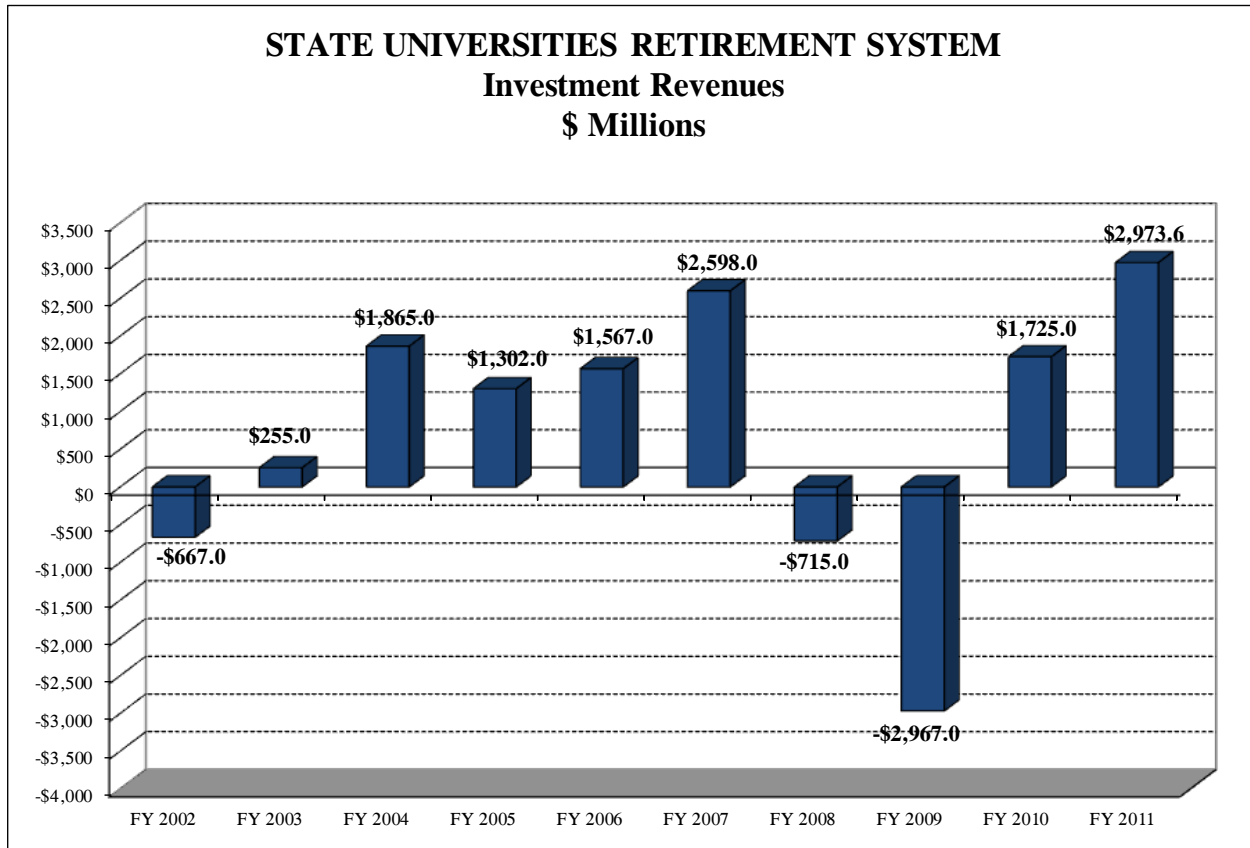


CHART 35

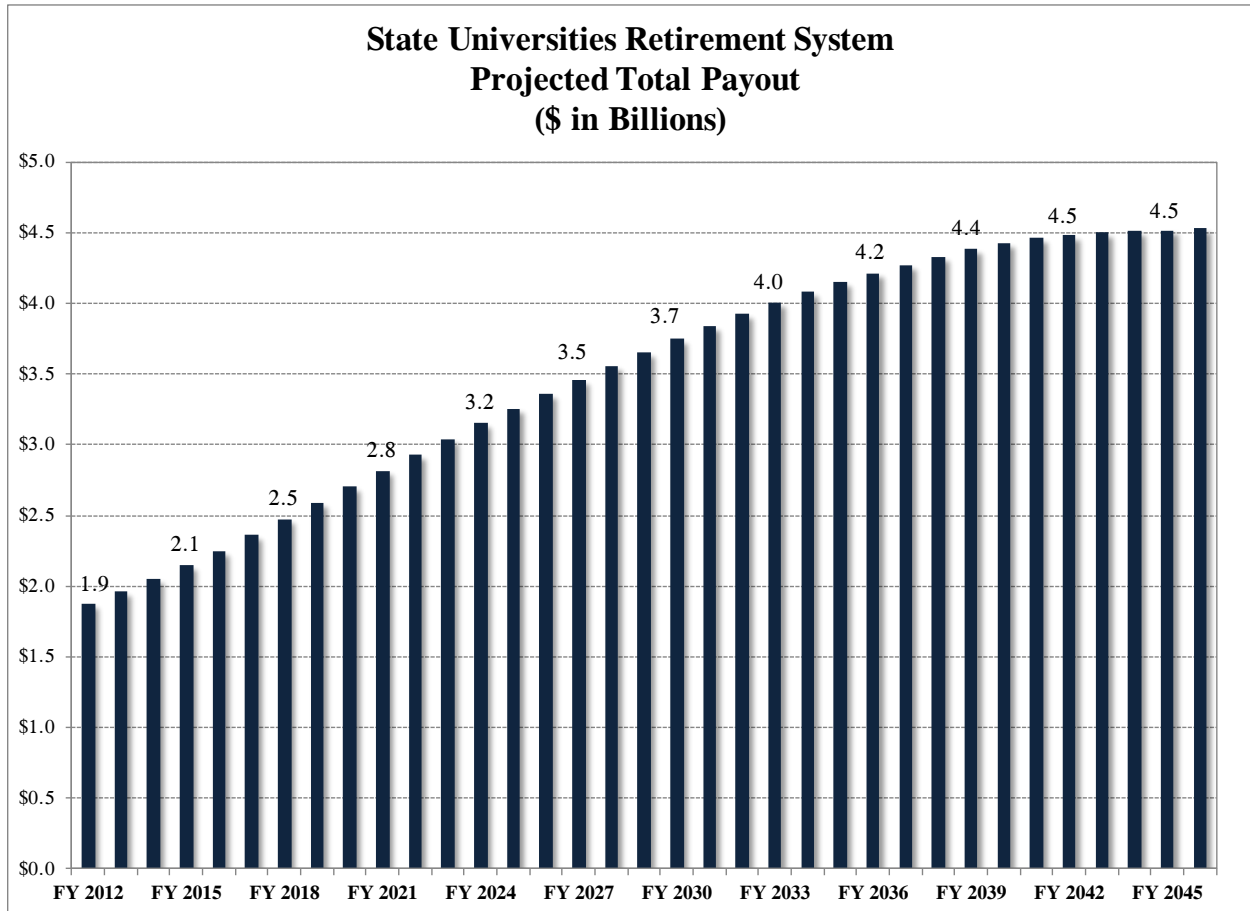


TABLE 17

STATE UNIVERSITIES RETIREMENT SYSTEM							
CHANGES IN UNFUNDED LIABILITY							
FY 1996 - FY 2011							
YEAR ENDED	SALARY INCREASES	INVESTMENT RETURNS (HIGHER)/LOWER THAN ASSUMED	EMPLOYER CONTRIBUTIONS N. C. + INTEREST (HIGHER)/LOWER	BENEFIT INCREASES	CHANGES IN ASSUMPTIONS ACTUARIAL	OTHER FACTORS MISC.	TOTAL CHANGE IN UNFUNDED LIABILITY FROM PREVIOUS YEAR
STATE UNIVERSITIES							
6/30/1996	(\$70,535,000)	(\$105,383,000)	\$456,044,000	\$0	\$0	\$86,823,000	\$366,949,000
6/30/1997	(44,026,000)	(312,322,000)	424,816,000	179,117,000	(3,342,395,000)	198,529,000	(2,896,281,000)
6/30/1998	5,238,000	(765,736,000)	158,840,000	0	0	48,075,000	(553,583,000)
6/30/1999	44,300,000	(273,300,000)	271,300,000	0	0	190,800,000	233,100,000
6/30/2000	171,500,000	(587,500,000)	306,700,000	0	0	(130,949,000)	(240,249,000)
6/30/2001	70,300,000	2,068,500,000	301,000,000	0	0	107,131,000	2,546,931,000
6/30/2002	90,800,000	1,568,700,000	430,800,000	63,000,000	485,300,000	38,744,000	2,677,344,000
6/30/2003	10,300,000	583,000,000	558,500,000	0	0	319,300,000	1,471,100,000
6/30/2004	(62,900,000)	(950,500,000)	(822,700,000)	0	0	17,893,000	(1,818,207,000)
6/30/2005	(19,400,000)	(218,000,000)	574,300,000	0	0	170,520,000	507,420,000
6/30/2006	28,600,000	(414,100,000)	734,900,000	0	0	164,900,000	514,300,000
6/30/2007	67,000,000	(1,342,000,000)	707,200,000	0	324,400,000	105,900,000	(137,500,000)
6/30/2008	30,600,000	2,004,400,000	590,900,000	0	0	329,100,000	2,955,000,000
6/30/2009	(1,300,000)	812,300,000	738,700,000	0	0	153,200,000	1,702,900,000
6/30/2010	(113,100,000)	940,500,000	667,500,000	0	2,413,900,000	210,800,000	4,119,600,000
6/30/2011	(172,300,000)	430,000,000	930,200,000	0	(24,900,000)	251,800,000	1,414,800,000
TOTALS	35,077,000	3,438,559,000	7,029,000,000	242,117,000	(143,695,000)	2,262,566,000	12,863,624,000

NOTE: All of the calculations in this table are based upon asset actuarial values, i.e., WITH Asset Smoothing.

TABLE 18

STATE UNIVERSITIES' RETIREMENT SYSTEM									
Changes in Net Assets									
(\$ in millions)									
Fiscal Years	2011	2010	2009	2008	2007	2006	2005	2004	
Additions to Assets									
State of Illinois	776.6	700.2	445.6	340.3	252.1	166.7	269.9	311.7	
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,432.0	
Employees	309.9	323.6	322.1	310.1	304.0	292.4	285.6	275.1	
Federal	41.9	39.5	44.2	43.6	42.4	43.0	42.9	39.6	
Net Investment Income	2,973.6	1,725.3	-2,967.1	-714.8	2,597.8	1,566.8	1,302.0	1,865.3	
Total Asset Additions (A)	4,102.0	2,788.6	-2,155.2	-20.8	3,196.3	2,068.9	1,900.4	3,923.7	
Deductions from Assets									
Benefits	1,622.5	1,483.7	1,376.7	1,279.2	1,180.6	1,086.6	1,005.4	915.9	
Refunds	73.9	57.5	51.4	54.9	53.4	51.4	43.1	39.1	
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Administrative Expenses	12.6	12.5	12.9	12.1	11.7	12.0	12.1	11.5	
Other	0.0	0.0	0.0	0.0	0.0	0.2	0.7	0.8	
Total Asset Deductions (B)	1,709.0	1,553.7	1,441.0	1,346.2	1,245.7	1,150.2	1,061.3	967.3	
Change in Net Assets (A-B=C)	2,393.0	1,235.0	-3,596.2	-1,367.0	1,950.6	918.7	839.1	2,956.3	
<i>* Includes both the Defined Benefit and Self Managed Plans.</i>									

TABLE 19

STATE UNIVERSITIES' RETIREMENT SYSTEM				
Historical Investment Revenues				
(\$ in millions)				
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned	
2002	9,726.3	-666.5	-6.1%	
2003	9,879.5	255.4	2.9%	
2004	12,839.2	1,865.3	17.0%	
2005	13,280.1	1,302.0	10.4%	
2006	14,045.4	1,566.8	11.7%	
2007	16,283.8	2,597.8	18.3%	
2008	15,202.7	-714.8	-4.5%	
2009	11,292.0	-2,967.1	-19.7%	
2010	12,163.9	1,725.3	15.0%	
2011	14,607.9	2,973.6	23.8%	

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

TABLE 20

STATE UNIVERSITIES RETIREMENT SYSTEM					
Historical Underfunding					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Employer Contributions	Historical Underfunding
2002	231.4	455.5	686.9	256.1	446.5
2003	254.5	589.3	843.8	285.3	574.2
2004	267.3	667.5	934.8	1,757.5	-808.9
2005	271.0	588.7	859.7	285.4	589.7
2006	292.3	622.6	914.9	180.0	748.3
2007	301.4	666.9	968.3	261.1	716.2
2008	310.4	671.9	982.3	344.9	642.0
2009	317.9	829.4	1,147.3	451.6	697.1
2010	355.4	922.9	1,278.3	696.6	578.1
2011	463.6	1055.6	1,519.2	773.6	745.6

TABLE 21

STATE UNIVERSITIES RETIREMENT SYSTEM							
CoGFA Projections Based on Laws in Effect on June 30, 2011							
(\$ in millions)							
Fiscal Year	Total Normal Cost	Employees' Contributions	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total State Contributions	Projected Underfunding
2012	632.2	280.2	352.0	1,206.8	1,558.8	977.1	581.7
2013	639.3	293.0	346.3	1,303.1	1,649.3	1,402.8	246.5
2014	643.9	304.9	339.0	1,349.5	1,688.5	1,366.8	321.7
2015	646.7	316.1	330.6	1,336.7	1,667.4	1,433.9	233.5
2016	649.1	326.6	322.5	1,331.6	1,654.1	1,438.9	215.2
2017	651.2	336.7	314.5	1,354.4	1,668.9	1,453.6	215.3
2018	653.4	346.4	307.0	1,377.7	1,684.7	1,495.2	189.6
2019	656.4	356.0	300.4	1,399.5	1,699.9	1,536.6	163.3
2020	660.5	365.2	295.3	1,419.6	1,714.9	1,576.8	138.1
2021	665.2	374.4	290.8	1,437.7	1,728.5	1,616.2	112.3
2022	670.6	383.4	287.2	1,453.7	1,740.9	1,655.1	85.8
2023	675.6	392.1	283.5	1,467.4	1,750.9	1,692.6	58.3
2024	682.0	400.9	281.1	1,478.5	1,759.6	1,730.8	28.8
2025	689.2	409.9	279.3	1,487.0	1,766.2	1,769.6	(3.4)
2026	697.6	418.9	278.7	1,492.4	1,771.1	1,808.2	(37.1)
2027	706.7	427.4	279.3	1,494.5	1,773.8	1,845.1	(71.3)
2028	714.8	436.0	278.8	1,493.2	1,772.0	1,882.2	(110.1)
2029	723.8	444.7	279.1	1,488.0	1,767.1	1,919.7	(152.5)
2030	733.1	453.4	279.7	1,478.7	1,758.4	1,957.1	(198.7)
2031	742.0	461.8	280.2	1,465.1	1,745.4	1,993.5	(248.2)
2032	750.8	470.1	280.7	1,447.1	1,727.8	2,029.3	(301.5)
2033	757.9	478.2	279.7	1,423.7	1,703.5	2,064.2	(360.7)
2034	766.5	486.4	280.1	1,394.3	1,674.4	2,099.6	(425.2)
2035	775.4	494.5	280.9	1,358.4	1,639.3	2,134.5	(495.2)
2036	784.7	502.6	282.1	1,315.8	1,597.9	2,169.5	(571.6)
2037	794.9	510.5	284.4	1,265.9	1,550.2	2,203.9	(653.6)
2038	802.4	518.4	284.0	1,208.1	1,492.1	2,237.9	(745.9)
2039	810.5	526.3	284.2	1,141.7	1,425.9	2,271.9	(846.1)
2040	820.3	534.1	286.2	1,066.0	1,352.1	2,305.5	(953.4)
2041	833.0	541.9	291.1	980.2	1,271.3	2,339.4	(1,068.1)
2042	850.2	550.1	300.1	883.4	1,183.6	2,374.6	(1,191.0)
2043	867.6	558.3	309.3	775.0	1,084.3	2,410.0	(1,325.8)
2044	887.2	566.4	320.8	654.0	974.8	2,445.0	(1,470.3)
2045	908.4	574.5	333.9	519.4	853.4	2,480.1	(1,626.8)

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

TABLE 22

STATE UNIVERSITIES RETIREMENT SYSTEM						
CoGFA Projections Based on Laws in Effect on June 30, 2011						
(\$ in millions)						
Fiscal Year	Tier 1 Normal Cost	Tier 1 Normal Cost as a % of Payroll	Tier 2 Normal Cost	Tier 2 Normal Cost as a % of Payroll	Total Normal Cost	Total Normal Cost as a % of Payroll
2012	631.2	18.0%	1.0	0.0%	632.2	18.1%
2013	613.7	17.2%	25.6	0.7%	639.3	17.9%
2014	595.7	16.4%	48.2	1.3%	643.9	17.7%
2015	576.9	15.6%	69.8	1.9%	646.7	17.5%
2016	557.8	14.8%	91.3	2.4%	649.1	17.2%
2017	538.4	13.9%	112.8	2.9%	651.2	16.9%
2018	518.9	13.2%	134.5	3.4%	653.4	16.6%
2019	499.5	12.4%	156.9	3.9%	656.4	16.3%
2020	480.2	11.7%	180.3	4.4%	660.5	16.0%
2021	460.6	10.9%	204.6	4.9%	665.2	15.8%
2022	441.7	10.3%	228.9	5.3%	670.6	15.6%
2023	423.0	9.6%	252.6	5.7%	675.6	15.3%
2024	404.8	9.0%	277.2	6.2%	682.0	15.1%
2025	386.7	8.4%	302.5	6.6%	689.2	14.9%
2026	369.1	7.8%	328.5	7.0%	697.6	14.8%
2027	351.2	7.3%	355.5	7.4%	706.7	14.6%
2028	333.3	6.7%	381.5	7.7%	714.8	14.5%
2029	315.4	6.2%	408.4	8.1%	723.8	14.3%
2030	297.3	5.7%	435.9	8.4%	733.1	14.2%
2031	277.9	5.2%	464.1	8.8%	742.0	14.0%
2032	257.5	4.8%	493.4	9.1%	750.8	13.9%
2033	236.7	4.3%	521.2	9.4%	757.9	13.7%
2034	216.6	3.8%	549.9	9.7%	766.5	13.6%
2035	196.2	3.4%	579.2	10.0%	775.4	13.4%
2036	175.6	3.0%	609.1	10.3%	784.7	13.3%
2037	155.0	2.6%	639.9	10.7%	794.9	13.2%
2038	133.9	2.2%	668.5	10.9%	802.4	13.1%
2039	112.6	1.8%	697.9	11.2%	810.5	13.0%
2040	92.6	1.5%	727.7	11.4%	820.3	12.9%
2041	75.1	1.2%	757.9	11.7%	833.0	12.8%
2042	61.7	0.9%	788.5	11.9%	850.2	12.8%
2043	51.2	0.8%	816.4	12.1%	867.6	12.8%
2044	42.6	0.6%	844.5	12.2%	887.2	12.8%
2045	35.7	0.5%	872.8	12.4%	908.4	12.9%

Note: Payroll figures used in these calculations do not include SMP payroll.

VII. The Judges' Retirement System

- **Plan Summary**
- **FY 2011 Change in Unfunded Liabilities**
- **Funded Ratio History**
- **Active Member Headcount**
- **Average Active Member Salaries**
- **Retiree Headcount**
- **Average Retirement Annuities**
- **Unfunded History**
- **Rate of Return on Investments**
- **Annual Investment Revenue**
- **Total Payout**
- **Annual Changes in Unfunded**
- **Changes in Net Assets**
- **Investment Return History**
- **Historical Underfunding**
- **Projected Underfunding**



Judges' Retirement System

Plan Summary

Retirement Age

- ❑ Age 60 with 10 years of service.
- ❑ Age 62 with 6 years of service.
- ❑ Age 55 with 10 years of service (reduced $\frac{1}{2}$ of 1% for each month under 60).

Retirement Formula

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

Maximum Annuity

- ❑ 85% of final salary.

Salary Used to Calculate Pension

- ❑ Salary on last day of service.

Annual COLA

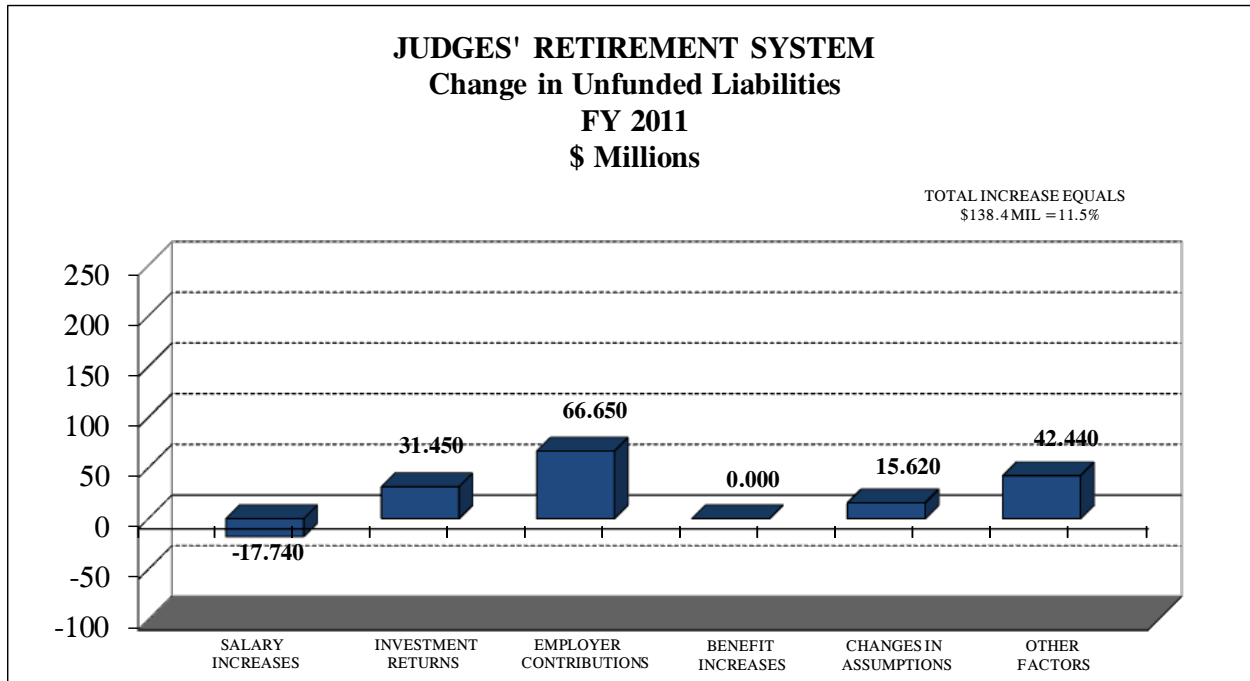
- ❑ 3% compounded.

Employee Contributions

- ❑ 11.0% of salary.

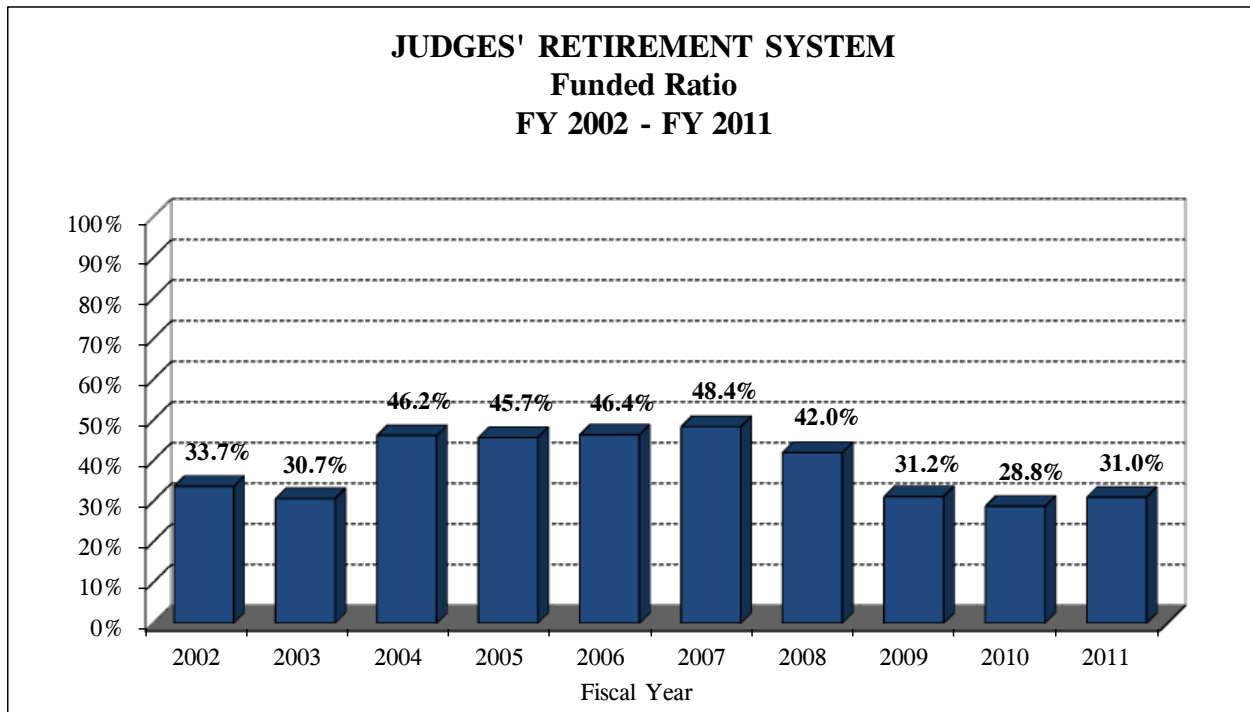
For details of retirement plans applicable to personnel beginning employment on or after January 1, 2011, please refer to Section I earlier in this report.

CHART 36



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

CHART 37



NOTE: The above FY2011 figure is based upon asset market values without asset smoothing.

CHART 38

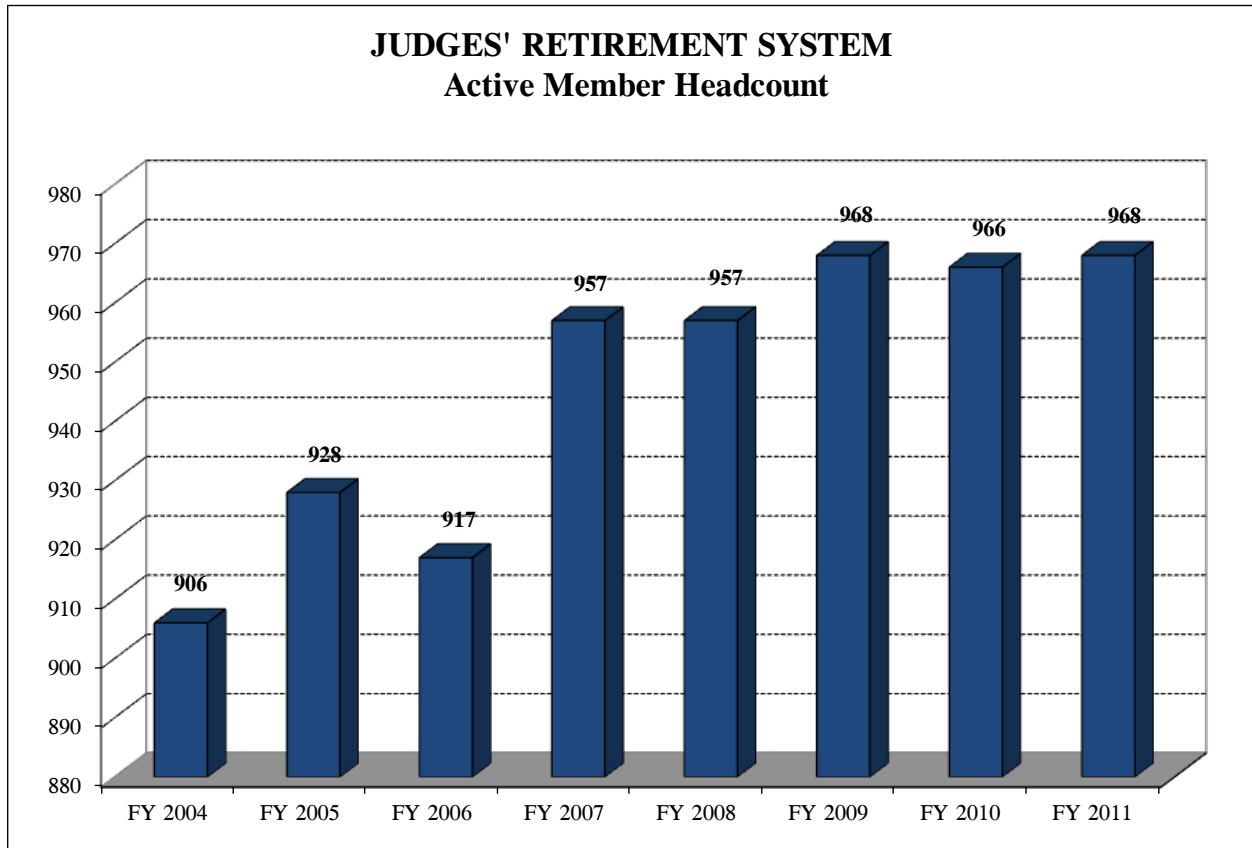


CHART 39

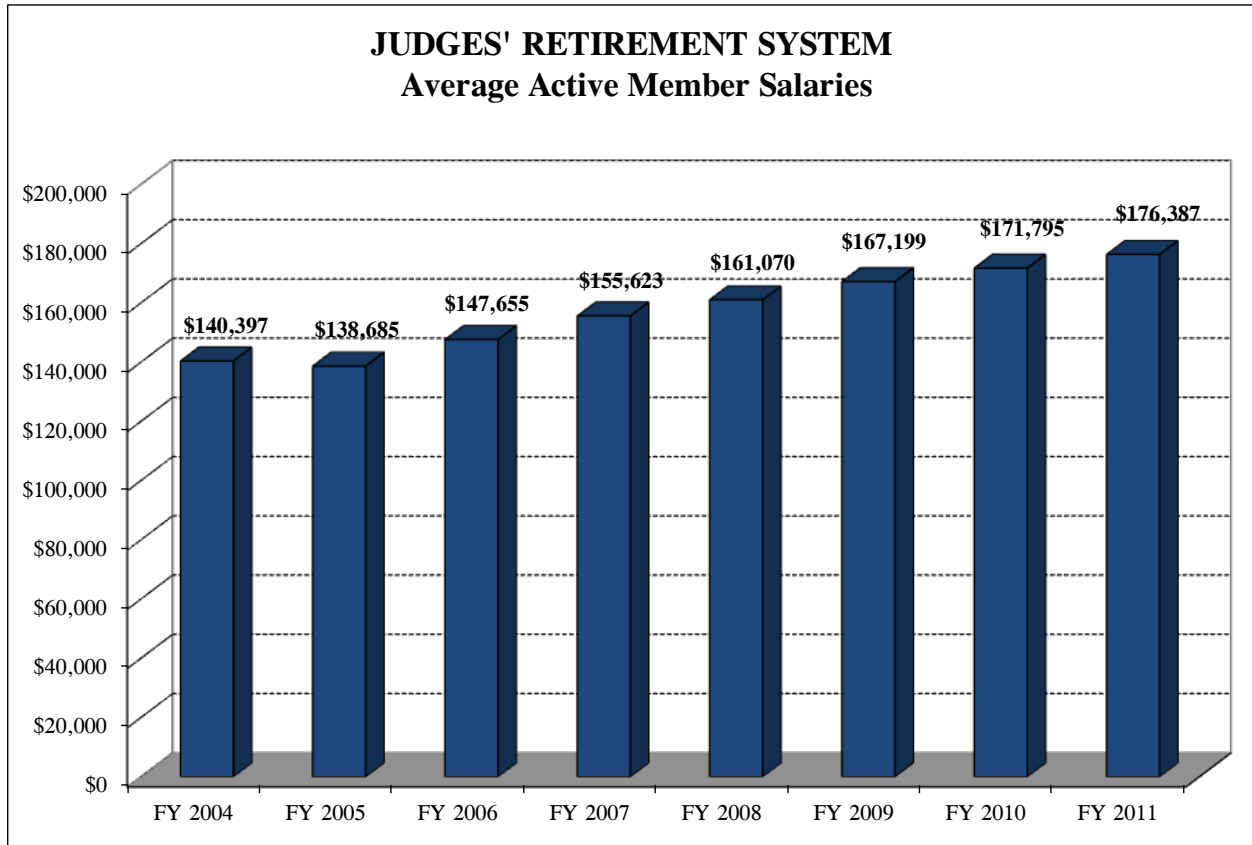


CHART 40

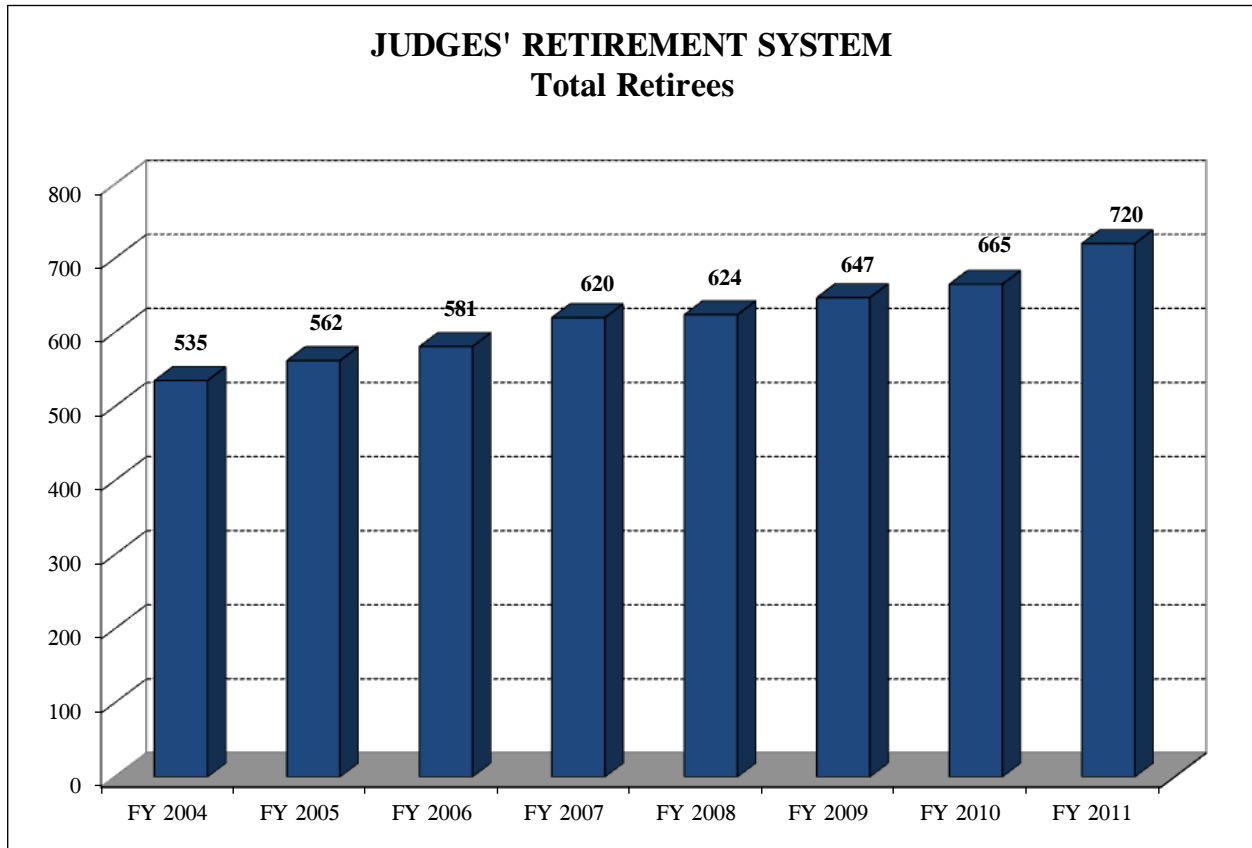


CHART 41

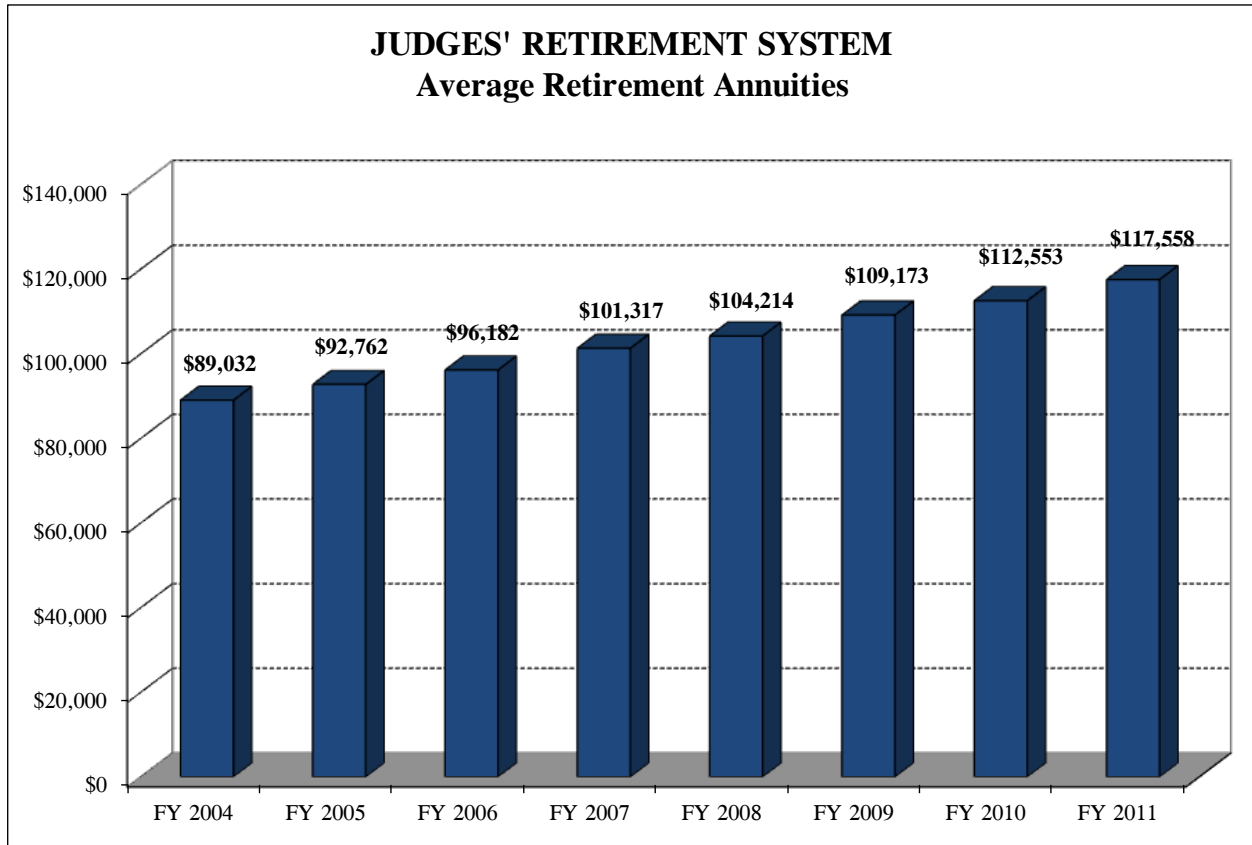


CHART 42

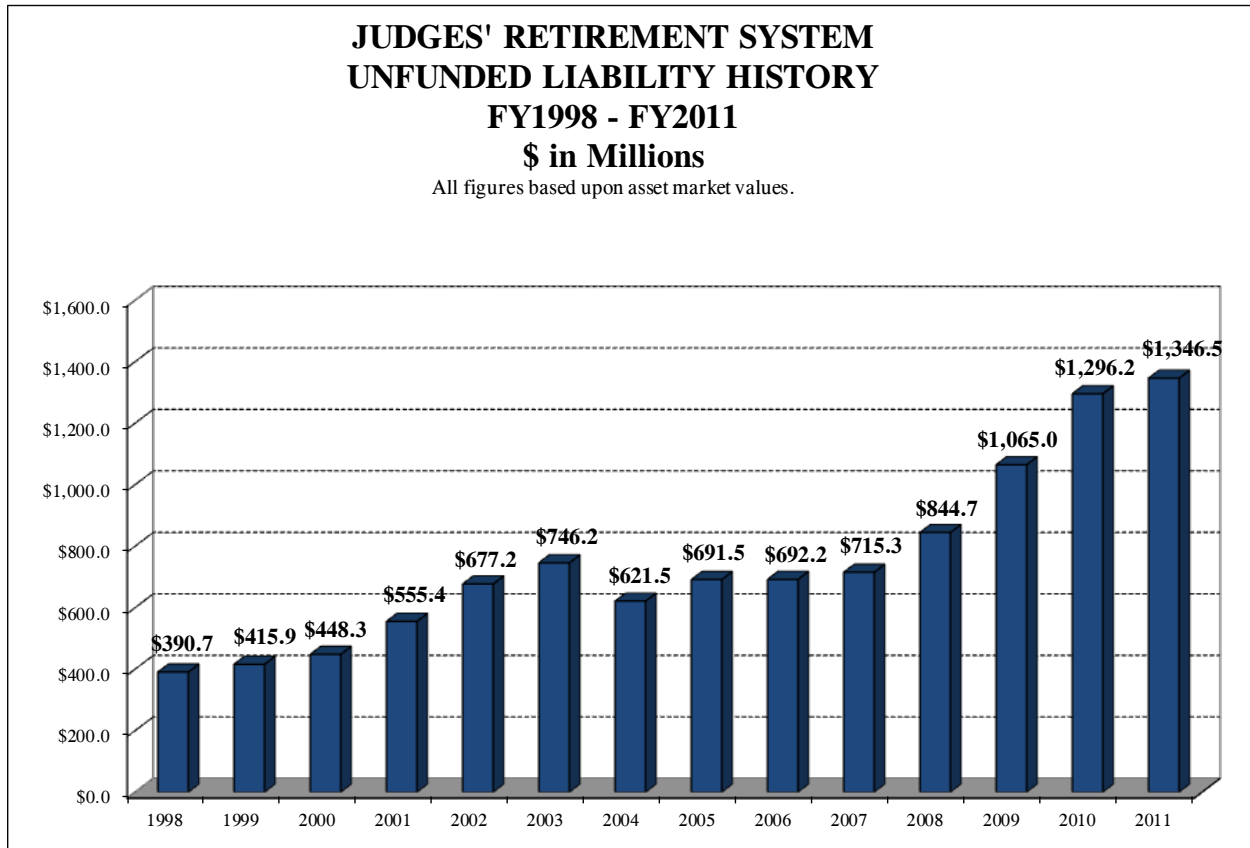


CHART 43

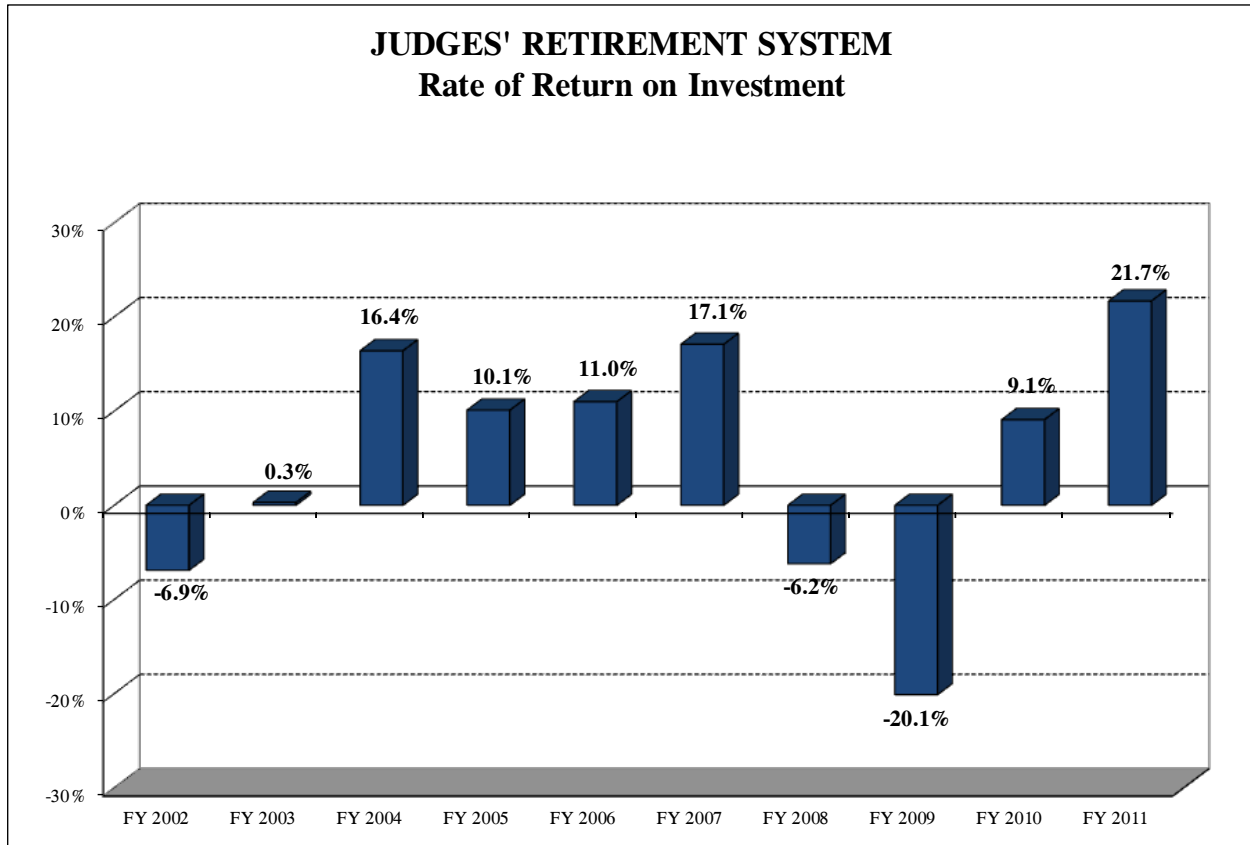


CHART 44

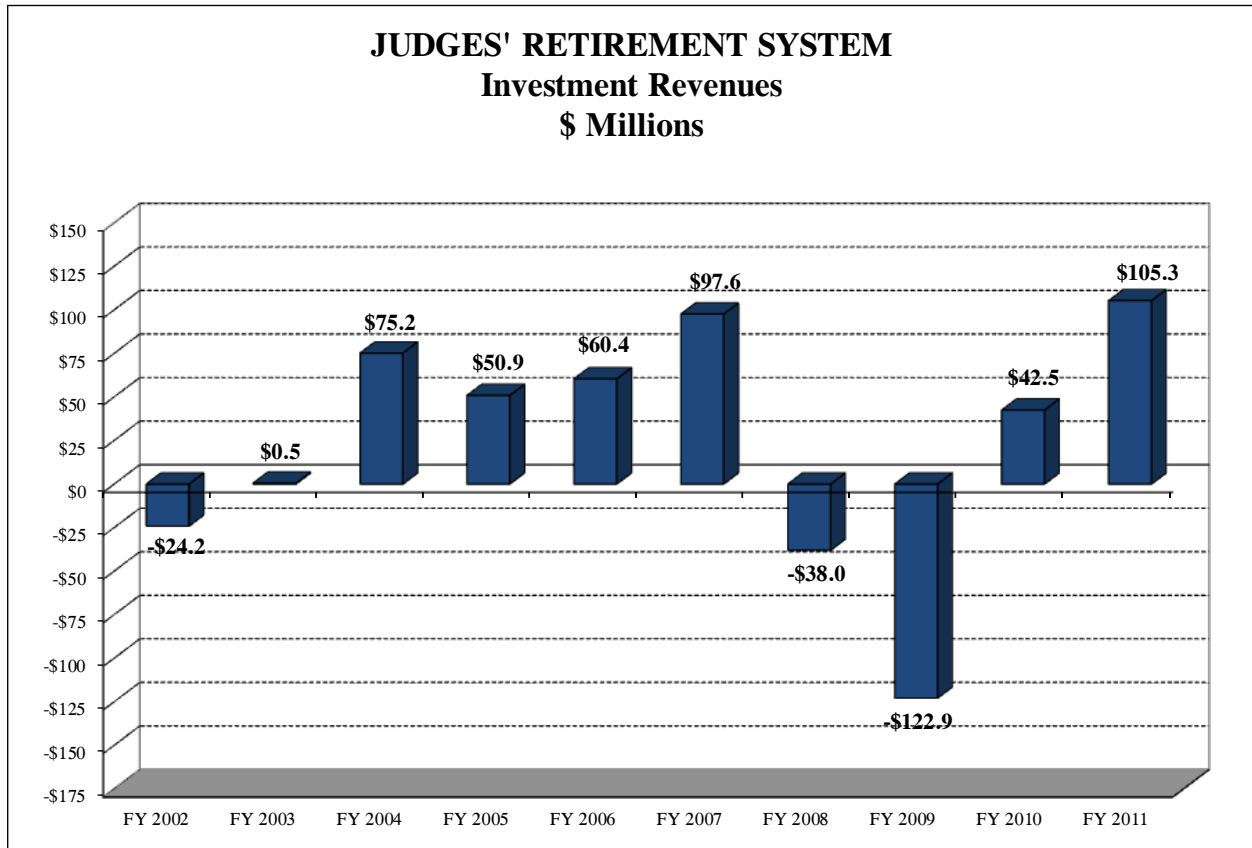


CHART 45

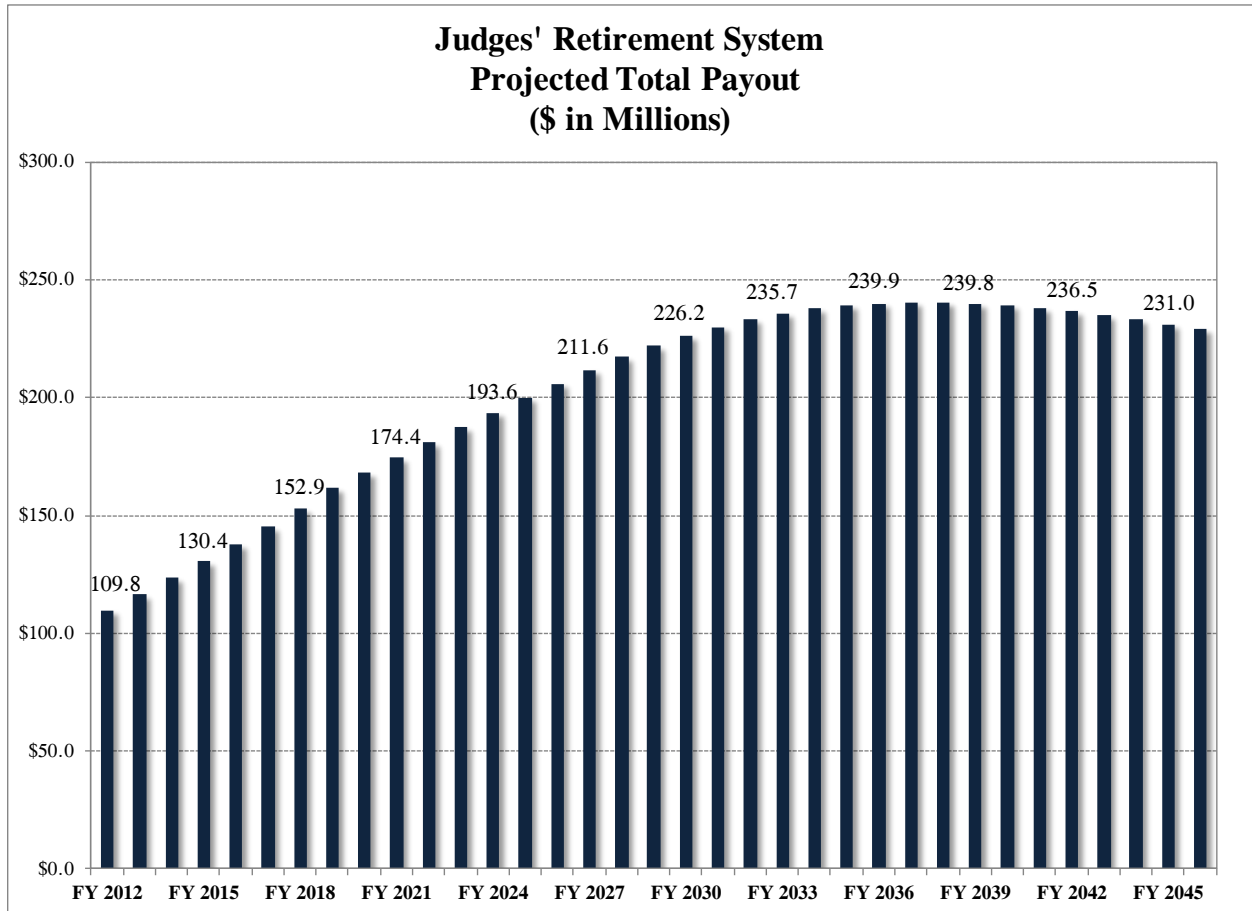


TABLE 23

JUDGES' RETIREMENT SYSTEM							
CHANGES IN UNFUNDED LIABILITY							
FY 1996 - FY 2011							
YEAR ENDED	SALARY INCREASES	INVESTMENT RETURNS (HIGHER)/LOWER THAN ASSUMED	EMPLOYER CONTRIBUTIONS N. C. + INTEREST (HIGHER)/LOWER	BENEFIT INCREASES	CHANGES IN ASSUMPTIONS ACTUARIAL	OTHER FACTORS MISC.	TOTAL CHANGE IN UNFUNDED LIABILITY FROM PREVIOUS YEAR
JUDGES							
6/30/1996	\$9,999,484	(\$13,671,404)	\$24,518,236	\$0	\$0	\$14,931,343	\$35,777,659
6/30/1997	(7,658,092)	(28,145,182)	27,156,529	0	37,922,093	15,264,216	44,539,564
6/30/1998	(10,160,914)	(30,497,137)	34,123,085	0	0	7,218,733	683,767
6/30/1999	456,439	(16,539,663)	32,504,330	0	0	8,821,168	25,242,274
6/30/2000	2,215,672	(14,134,561)	33,196,266	2,848,501	0	8,268,502	32,394,380
6/30/2001	(7,464,258)	61,790,163	35,767,996	0	0	17,044,333	107,138,234
6/30/2002	(11,821,953)	54,489,350	42,170,792	0	28,381,924	8,609,434	121,829,547
6/30/2003	(26,392,926)	27,183,676	49,293,246	0	0	18,906,930	68,990,926
6/30/2004	6,291,883	(36,709,772)	(92,295,242)	0	0	(1,952,146)	(124,665,277)
6/30/2005	(15,087,614)	(8,899,756)	46,427,305	0	0	27,509,646	49,949,581
6/30/2006	(18,612,759)	(17,213,516)	55,344,402	0	(11,189,825)	12,319,701	20,648,003
6/30/2007	(3,952,822)	(51,310,984)	50,305,409	0	0	28,046,308	23,087,911
6/30/2008	(8,834,671)	90,806,378	42,511,153	0	0	4,924,005	129,406,865
6/30/2009	(6,661,210)	33,322,668	40,870,123	0	0	19,481,669	87,013,250
6/30/2010	(14,290,000)	48,210,000	30,640,000	0	188,890,000	14,350,000	267,800,000
6/30/2011	(17,743,557)	31,451,544	66,647,892	0	15,622,518	42,442,760	138,421,157
TOTALS	(\$129,717,298)	\$130,131,804	\$519,181,522	\$2,848,501	\$259,626,710	\$246,186,602	\$1,028,257,841

NOTE: All of the calculations in this table are based upon asset actuarial values, i.e., WITH Asset Smoothing.

TABLE 24

JUDGES' RETIREMENT SYSTEM								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2011	2010	2009	2008	2007	2006	2005	2004
Additions to Assets								
State of Illinois	62.7	78.5	60.0	47.0	35.2	29.2	32.0	36.5
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	142.0
Employees	16.7	16.0	15.8	15.4	14.2	13.6	13.3	13.7
Net Investment Income	105.3	42.5	-122.7	-38.0	98.2	60.4	50.9	45.2
Total Asset Additions (A)	184.7	137.0	-46.9	24.4	147.6	103.2	96.2	237.4
Deductions from Assets								
Benefits	100.7	91.6	85.8	80.5	75.6	69.0	64.5	60.9
Refunds	0.7	0.5	0.4	0.8	0.6	0.8	0.7	0.4
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	0.6	0.5	0.6	0.5	0.5	0.4	0.5	0.5
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	102.0	92.6	86.8	81.8	76.7	70.2	65.7	61.8
Change in Net Assets (A-B=C)	82.7	44.4	-133.7	-57.4	70.9	33.0	30.5	175.6

TABLE 25

JUDGES' RETIREMENT SYSTEM			
Historical Investment Revenues			
(\$ in millions)			
Fiscal Year	Market Value of Assets at Year End	Net Investment Revenue	Rate of Return Earned
2002	332.4	-24.2	-6.9%
2003	317.5	0.5	0.3%
2004	321.4	75.2	16.4%
2005	550.4	50.9	10.1%
2006	582.6	60.4	11.0%
2007	658.2	97.6	17.1%
2008	589.2	-38.0	-6.2%
2009	483.5	-122.7	-20.1%
2010	523.3	42.5	9.1%
2011	606.0	105.3	21.7%

2002 - 2011 Asset Values are Market Values.

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

TABLE 26

JUDGES' RETIREMENT SYSTEM					
Historical Underfunding					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Historical Underfunding
2002	22.5	38.1	60.6	29.8	30.8
2003	23.1	47.2	70.3	33.6	36.7
2004	22.9	57.6	80.5	178.5	-98.0
2005	25.7	63.4	89.1	32.0	57.1
2006	32.2	52.7	84.9	29.2	55.7
2007	34.4	52.4	86.8	35.2	51.6
2008	35.8	51.1	86.9	46.9	40.0
2009	37.4	63.4	100.8	60.0	40.8
2010	47.2	61.9	109.1	78.5	30.6
2011	45.8	83.5	129.3	62.4	66.9

TABLE 27

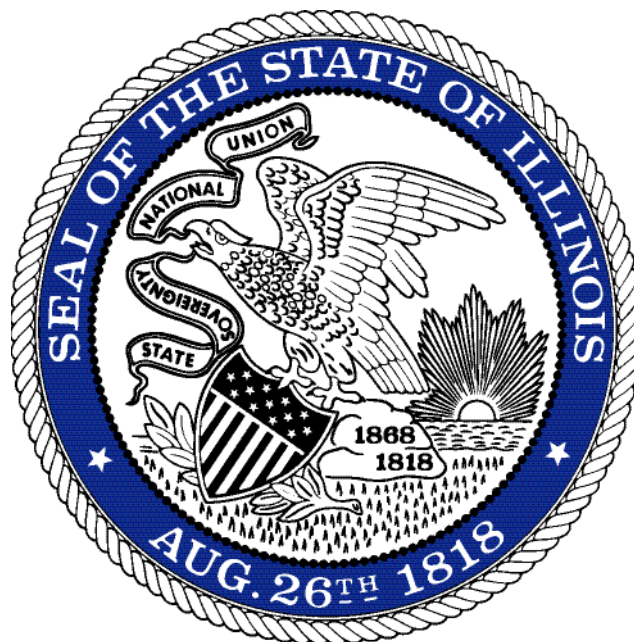
JUDGES RETIREMENT SYSTEM							
CoGFA Projections Based on Laws in Effect on June 30, 2011							
(\$ in millions)							
Fiscal Year	Total Normal Cost	Employees' Contributions	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding
2012	62.3	16.6	45.7	94.3	140.0	109.8	30.2
2013	62.1	17.3	44.8	93.7	138.4	116.4	22.0
2014	61.0	17.9	43.1	99.3	142.4	123.6	18.8
2015	60.4	18.6	41.8	103.5	145.3	130.4	14.9
2016	59.2	19.3	39.9	105.2	145.1	137.8	7.2
2017	58.2	20.0	38.2	106.9	145.1	145.1	(0.1)
2018	56.5	20.7	35.8	109.5	145.3	152.9	(7.6)
2019	55.4	21.5	33.9	112.1	146.0	161.7	(15.7)
2020	54.0	22.2	31.8	114.5	146.3	168.1	(21.7)
2021	52.7	23.0	29.7	117.0	146.7	174.4	(27.7)
2022	51.1	23.7	27.4	119.2	146.6	180.9	(34.4)
2023	49.7	24.5	25.2	121.1	146.3	187.3	(41.0)
2024	48.5	25.3	23.2	122.8	145.9	193.6	(47.7)
2025	47.2	26.2	21.0	124.1	145.1	199.9	(54.8)
2026	46.1	27.0	19.1	125.1	144.2	205.9	(61.7)
2027	45.1	27.8	17.3	125.7	143.1	211.6	(68.6)
2028	44.3	28.7	15.6	126.0	141.7	217.1	(75.5)
2029	43.9	29.6	14.3	125.9	140.3	221.8	(81.6)
2030	43.7	30.5	13.2	125.4	138.5	226.2	(87.7)
2031	43.6	31.5	12.1	124.4	136.5	229.9	(93.4)
2032	43.9	32.4	11.5	122.9	134.4	233.1	(98.7)
2033	44.1	33.4	10.7	121.0	131.7	235.7	(104.0)
2034	44.7	34.5	10.2	118.5	128.8	237.7	(109.0)
2035	45.5	35.5	10.0	115.5	125.5	239.1	(113.5)
2036	46.4	36.6	9.8	111.9	121.7	239.9	(118.2)
2037	47.4	37.7	9.7	107.7	117.3	240.3	(123.0)
2038	48.4	38.8	9.6	102.7	112.4	240.3	(127.9)
2039	49.6	40.0	9.6	97.1	106.7	239.8	(133.2)
2040	50.8	41.2	9.6	90.7	100.3	239.1	(138.8)
2041	52.1	42.5	9.6	83.4	93.0	237.9	(144.9)
2042	53.4	43.7	9.7	75.2	84.9	236.5	(151.6)
2043	54.9	45.1	9.8	66.0	75.8	234.8	(159.0)
2044	56.4	46.4	10.0	55.8	65.7	233.0	(167.3)
2045	57.9	47.8	10.1	44.4	54.5	231.0	(176.5)

TABLE 28

JUDGES RETIREMENT SYSTEM						
CoGFA Projections Based on Laws in Effect on June 30, 2011						
(\$ in millions)						
Fiscal Year	Tier 1 Normal Cost	Tier 1 Normal Cost as a % of Payroll	Tier 2 Normal Cost	Tier 2 Normal Cost as a % of Payroll	Total Normal Cost	Total Normal Cost as a % of Payroll
2012	62.1	36.4%	0.2	0.1%	62.3	36.5%
2013	60.9	34.4%	1.2	0.7%	62.1	35.1%
2014	58.9	32.1%	2.1	1.2%	61.0	33.2%
2015	57.1	30.0%	3.3	1.7%	60.4	31.7%
2016	54.6	27.6%	4.6	2.3%	59.2	29.9%
2017	52.1	25.4%	6.1	3.0%	58.2	28.4%
2018	48.7	22.9%	7.8	3.7%	56.5	26.6%
2019	45.8	20.8%	9.6	4.4%	55.4	25.2%
2020	42.4	18.6%	11.6	5.1%	54.0	23.7%
2021	39.1	16.6%	13.7	5.8%	52.7	22.4%
2022	35.4	14.5%	15.7	6.5%	51.1	21.0%
2023	32.0	12.7%	17.7	7.0%	49.7	19.8%
2024	28.8	11.1%	19.7	7.6%	48.5	18.7%
2025	25.5	9.5%	21.7	8.1%	47.2	17.6%
2026	22.4	8.1%	23.7	8.6%	46.1	16.7%
2027	19.4	6.8%	25.7	9.0%	45.1	15.8%
2028	16.6	5.7%	27.7	9.4%	44.3	15.1%
2029	14.3	4.7%	29.7	9.8%	43.9	14.5%
2030	12.1	3.9%	31.6	10.1%	43.7	14.0%
2031	10.1	3.1%	33.6	10.4%	43.6	13.5%
2032	8.4	2.5%	35.5	10.7%	43.9	13.2%
2033	6.9	2.0%	37.2	10.9%	44.1	12.9%
2034	5.7	1.6%	39.1	11.1%	44.7	12.7%
2035	4.7	1.3%	40.9	11.2%	45.5	12.5%
2036	3.8	1.0%	42.6	11.3%	46.4	12.4%
2037	3.1	0.8%	44.2	11.4%	47.4	12.3%
2038	2.5	0.6%	45.9	11.5%	48.4	12.2%
2039	2.0	0.5%	47.5	11.6%	49.6	12.1%
2040	1.6	0.4%	49.2	11.6%	50.8	12.0%
2041	1.3	0.3%	50.8	11.7%	52.1	12.0%
2042	1.0	0.2%	52.4	11.7%	53.4	11.9%
2043	0.8	0.2%	54.1	11.7%	54.9	11.9%
2044	0.6	0.1%	55.8	11.7%	56.4	11.8%
2045	0.4	0.1%	57.5	11.7%	57.9	11.8%

VIII. The General Assembly Retirement System

- Plan Summary
- FY 2011 Change in Unfunded Liabilities
- Funded Ratio History
- Active Member Headcount
- Average Active Member Salaries
- Retiree Headcount
- Average Retirement Annuities
- Unfunded History
- Rate of Return on Investments
- Annual Investment Revenue
- Total Payout
- Annual Changes in Unfunded
- Changes in Net Assets
- Investment Return History
- Historical Underfunding
- Projected Underfunding
- Tier 1 & Tier 2 Projections



General Assembly Retirement System

Plan Summary

Retirement Age

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

Retirement Formula

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

Maximum Annuity

- ❑ 85% of final salary.

Salary Used to Calculate Pension

- ❑ Salary on last day of service.

Annual COLA

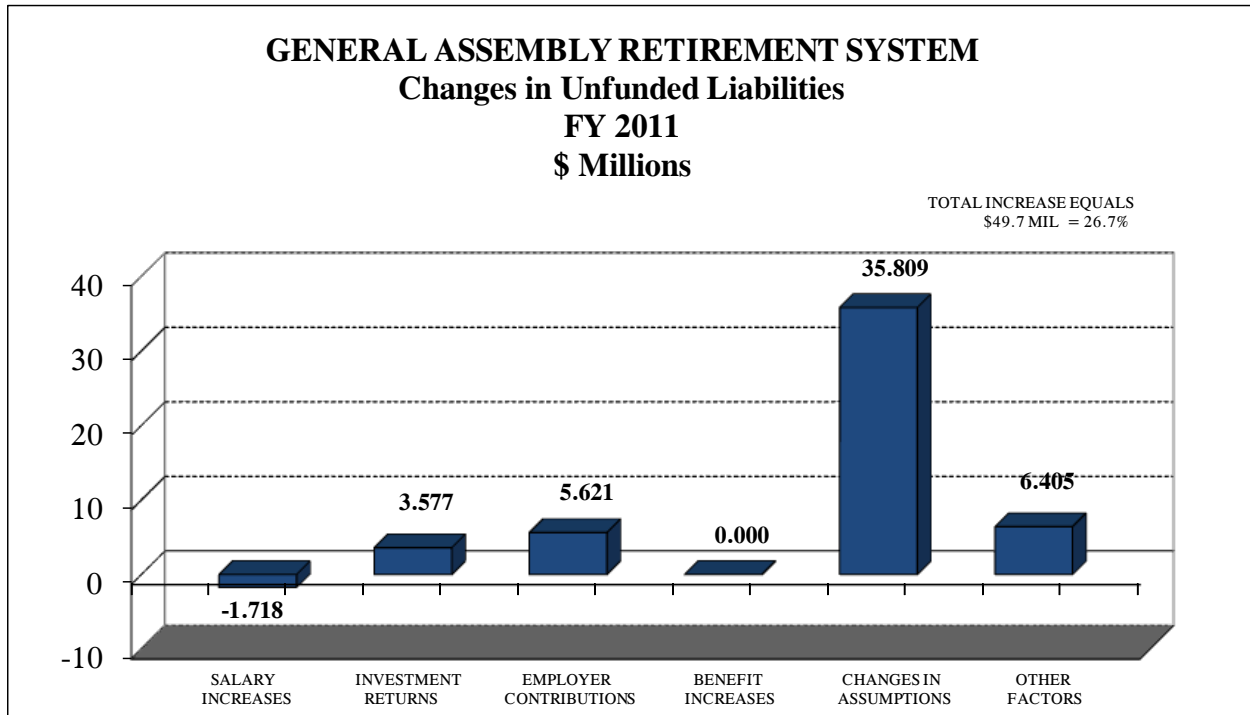
- ❑ 3% compounded.

Employee Contributions

- ❑ 11.5% of salary.

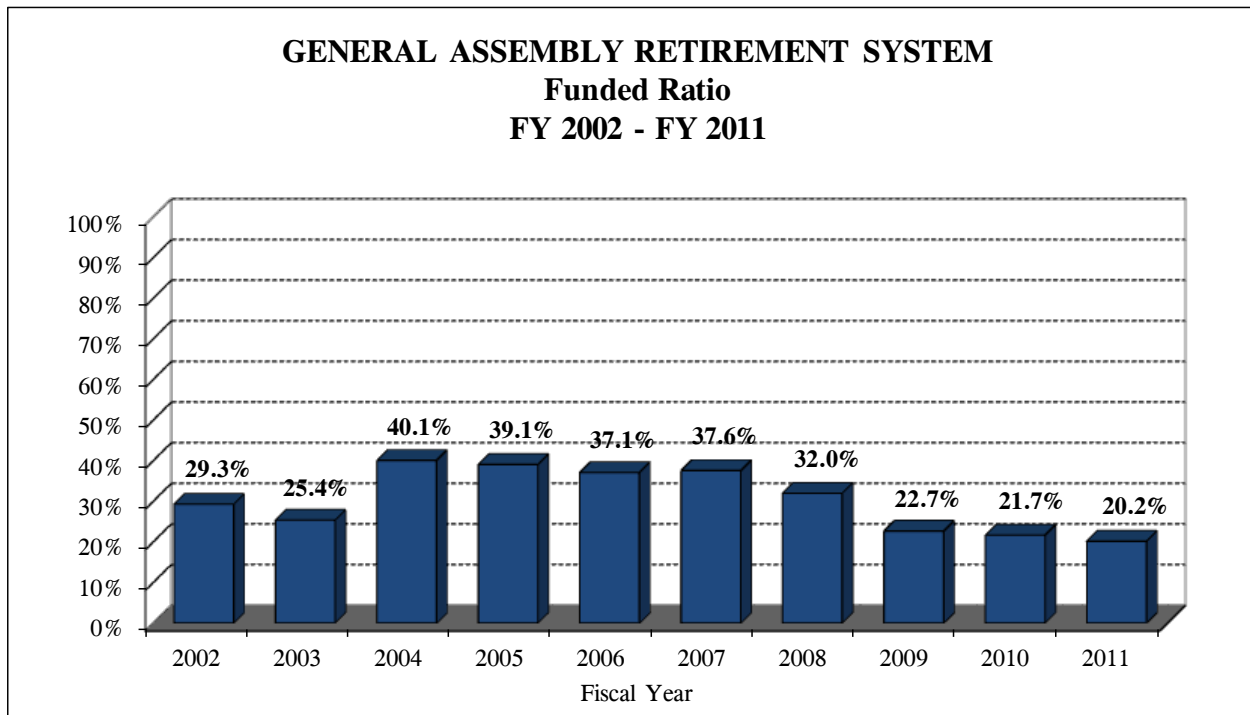
For details of retirement plans applicable to personnel beginning employment on or after January 1, 2011, please refer to Section I earlier in this report.

CHART 46



NOTES: (1) The above chart is based upon asset actuarial values, (2) The assumed interest rate used for investment earnings changed from 8.0% to 7.0% for FY 2011.

CHART 47



NOTE: The above FY 2011 figure is based upon asset market values without asset smoothing.

CHART 48

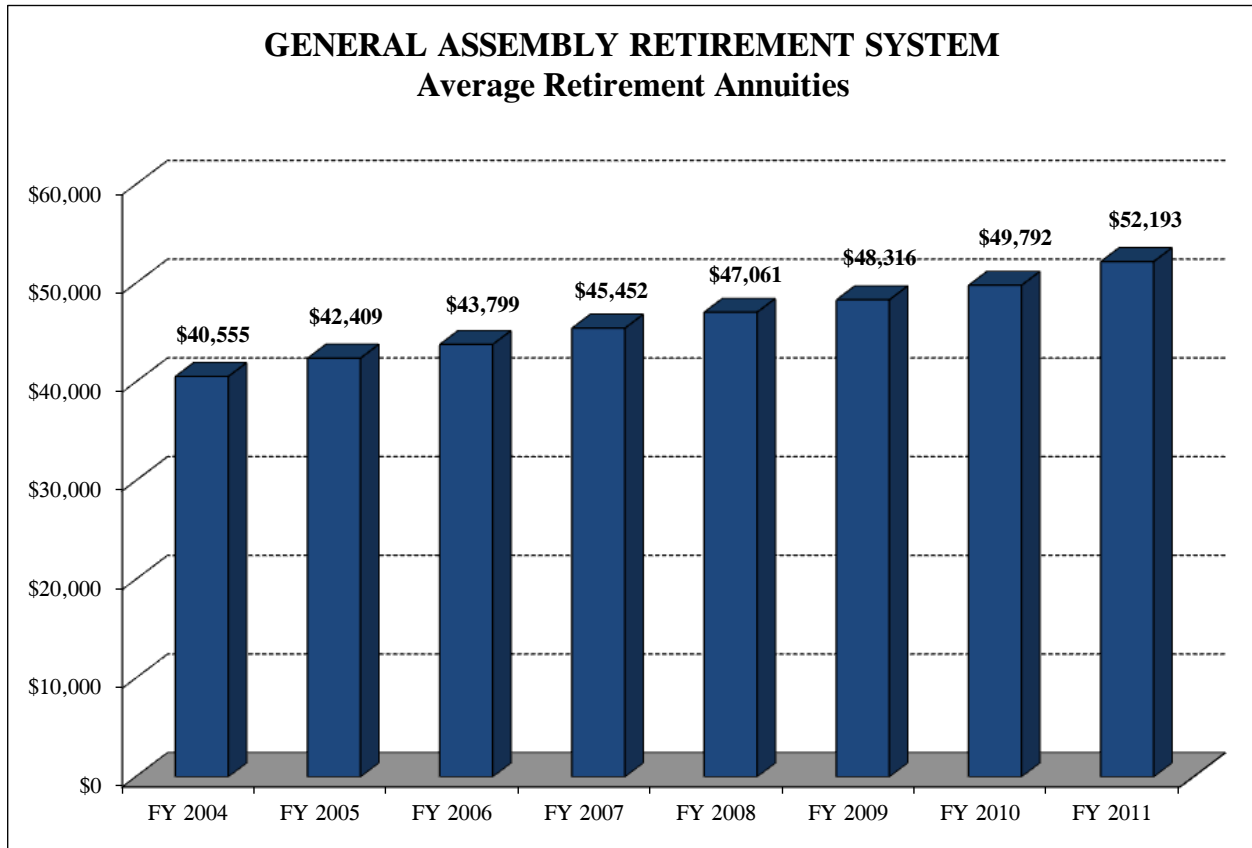


CHART 49

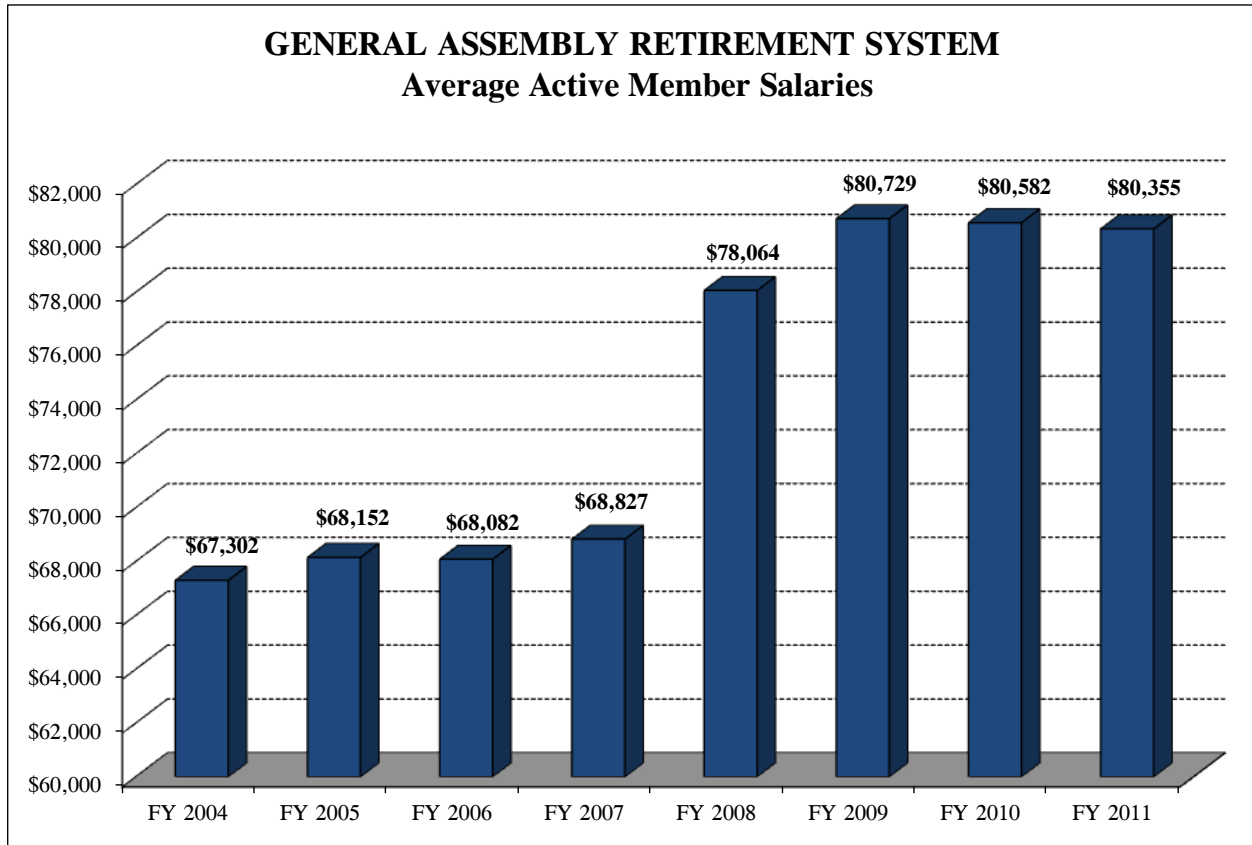


CHART 50

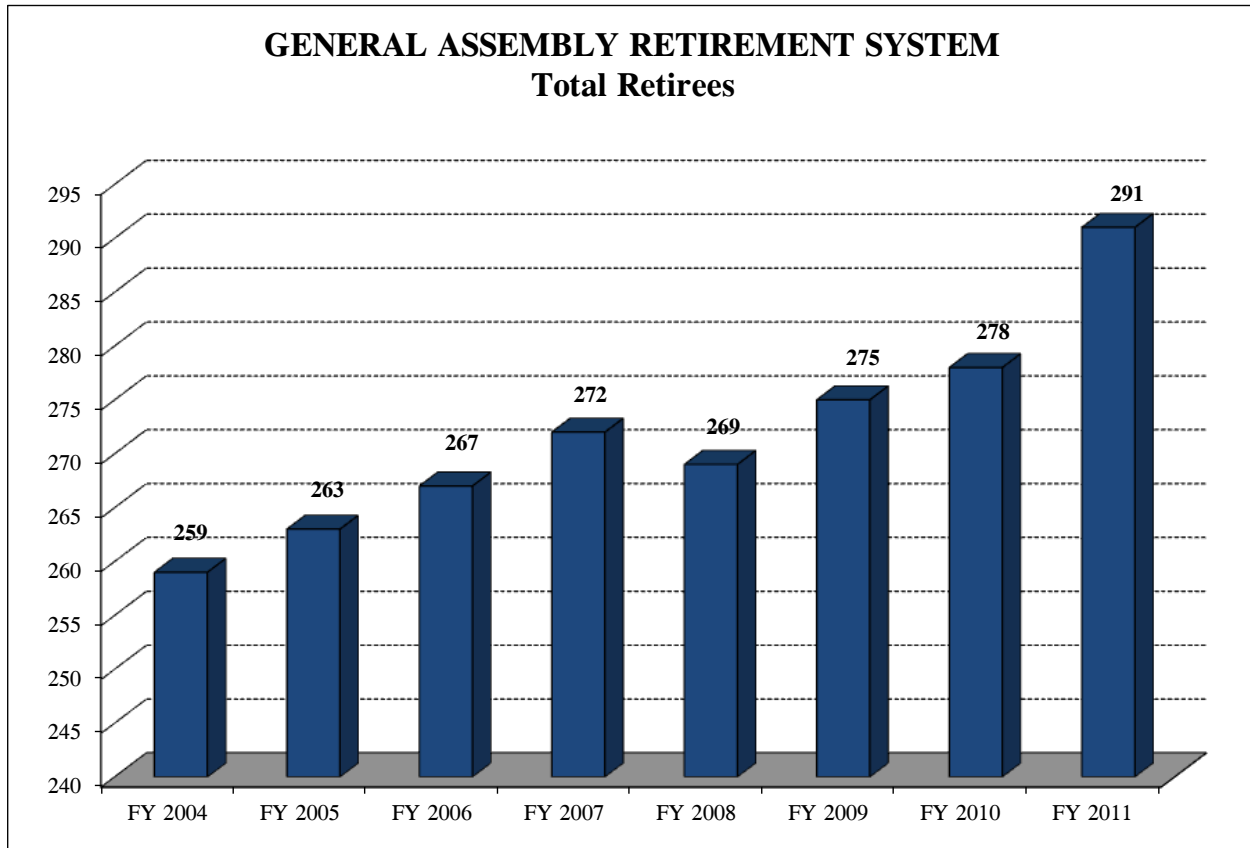


CHART 51

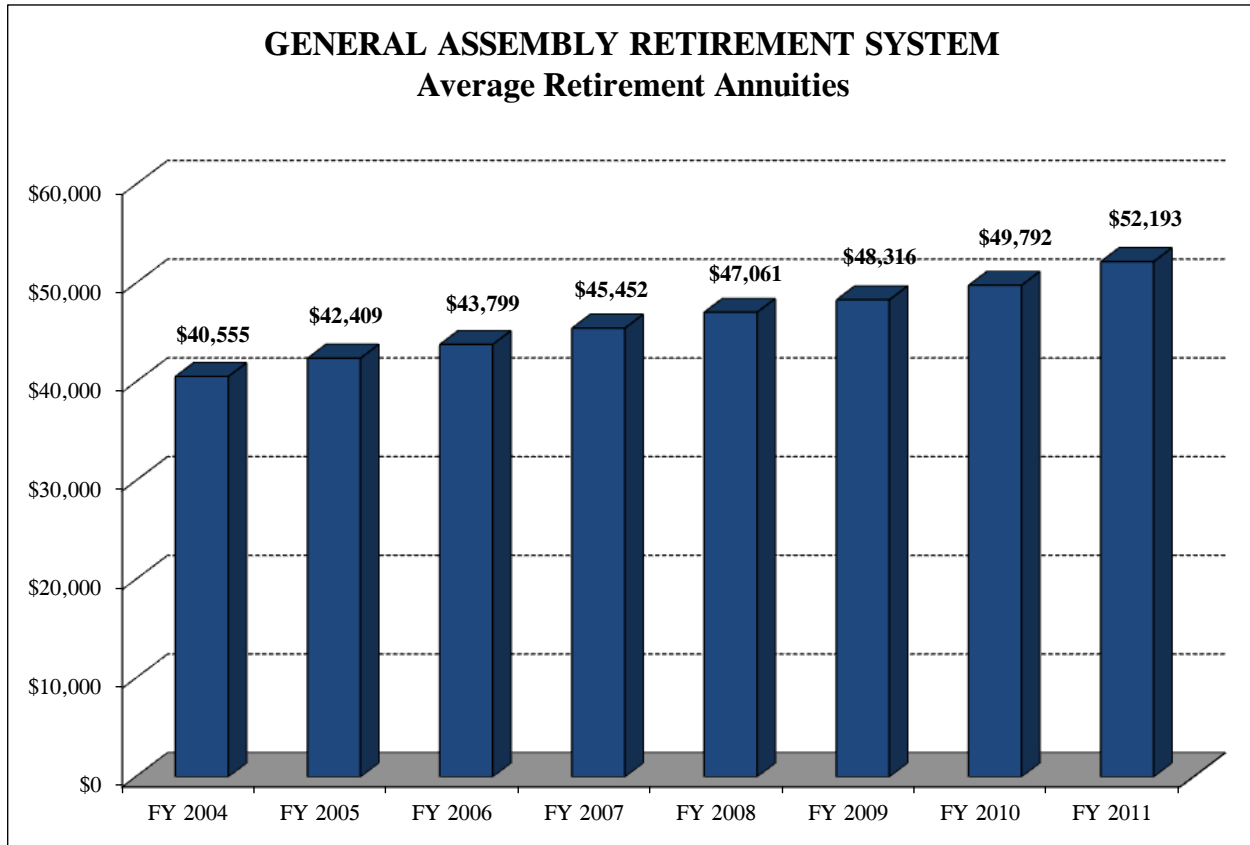


CHART 52

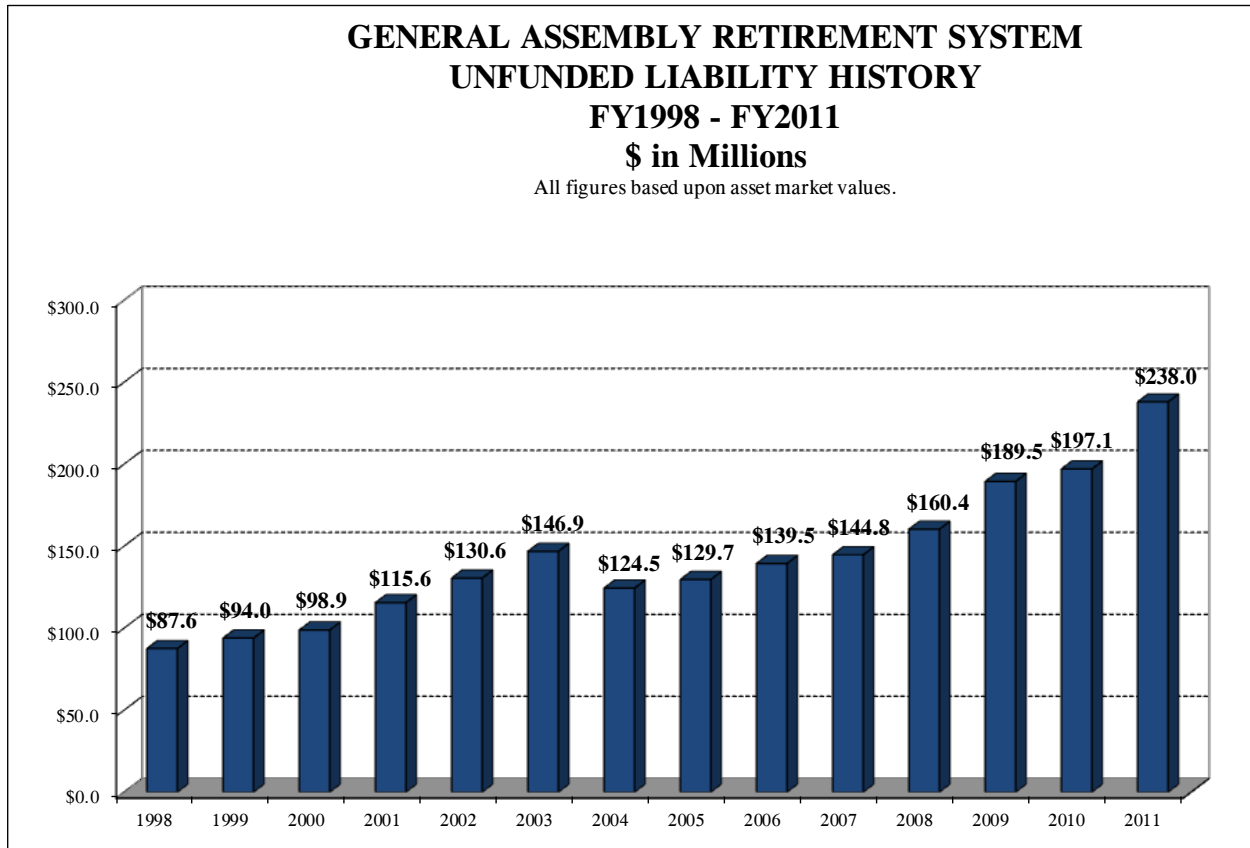


CHART 53

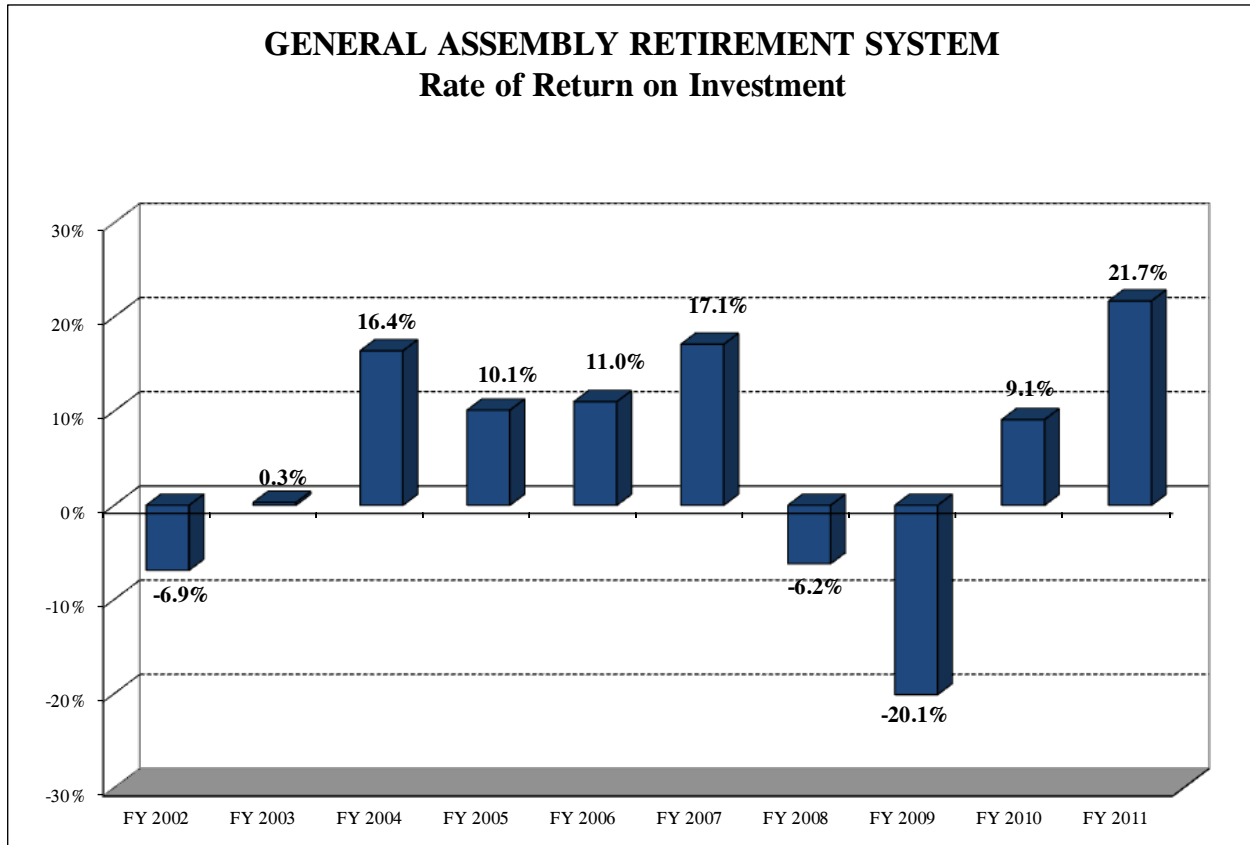


CHART 54

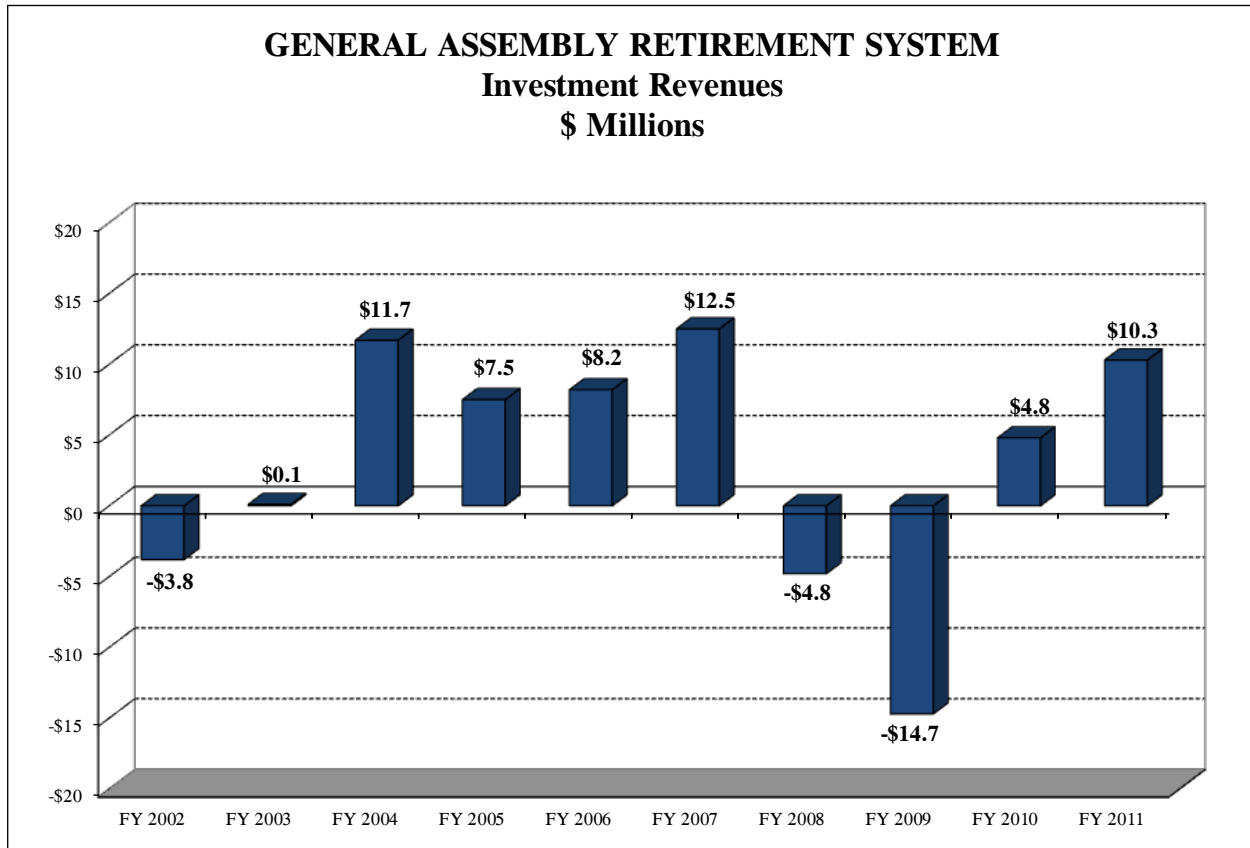


CHART 55

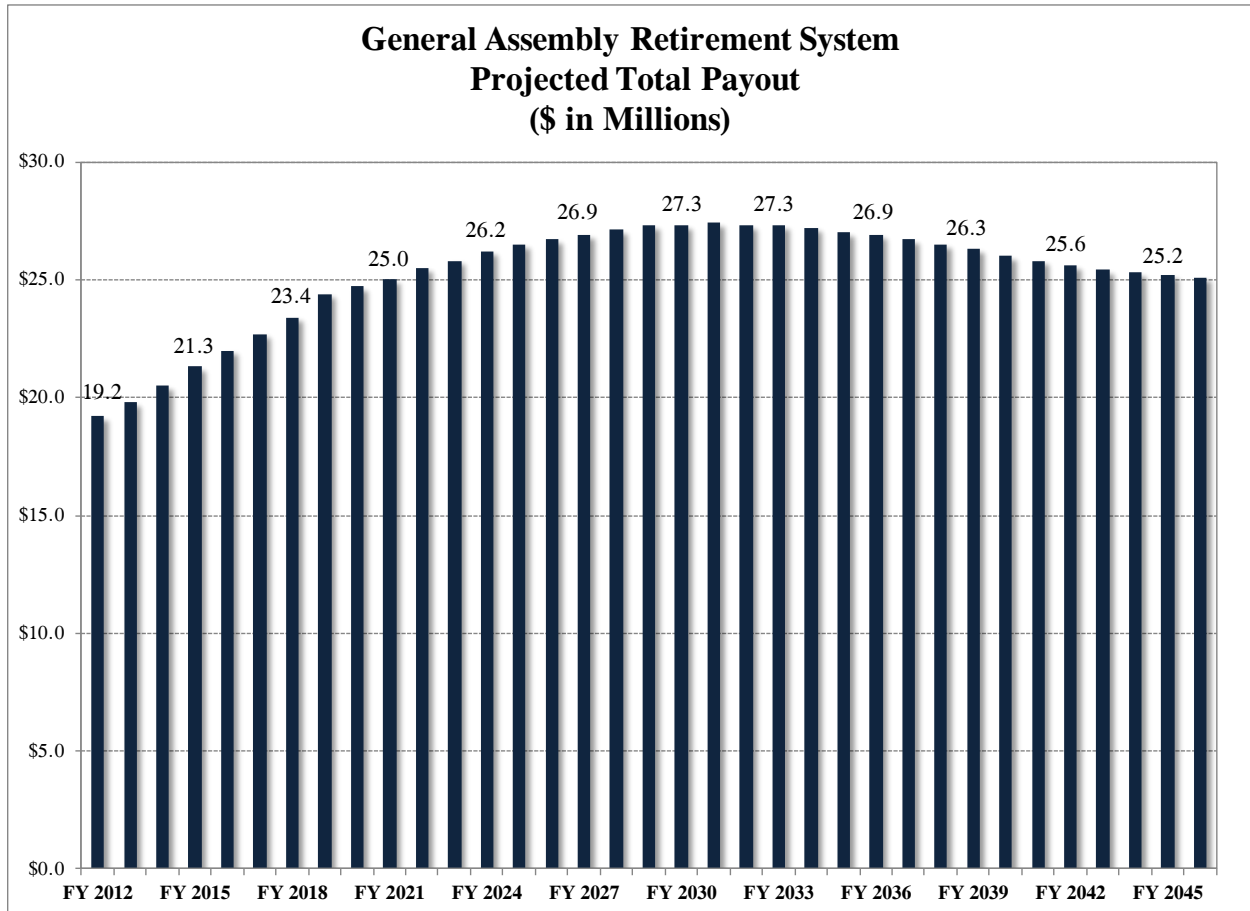


TABLE 29

GENERAL ASSEMBLY RETIREMENT SYSTEM							
CHANGES IN UNFUNDED LIABILITY							
FY 1996 - FY 2011							
YEAR ENDED	SALARY INCREASES	INVESTMENT RETURNS (HIGHER)/LOWER THAN ASSUMED	EMPLOYER CONTRIBUTIONS N. C. + INTEREST (HIGHER)/LOWER	BENEFIT INCREASES	CHANGES IN ASSUMPTIONS ACTUARIAL	OTHER FACTORS MISC.	TOTAL CHANGE IN UNFUNDED LIABILITY FROM PREVIOUS YEAR
GENERAL ASSEMBLY							
6/30/1996	\$1,926,843	(\$2,564,790)	\$5,271,809	\$0	\$0	\$1,441,644	\$6,075,506
6/30/1997	1,298,457	(5,057,646)	5,529,869	0	(136,881)	753,138	2,386,937
6/30/1998	(233,098)	(5,394,158)	5,710,203	0	0	460,957	543,904
6/30/1999	846,137	(2,808,175)	5,298,511	0	0	3,030,916	6,367,389
6/30/2000	(431,214)	(2,371,993)	5,576,440	0	0	2,079,991	4,853,224
6/30/2001	(555,323)	10,135,725	5,803,227	0	0	1,273,197	16,656,826
6/30/2002	(1,520,756)	8,713,370	6,741,725	0	1,211,951	(162,610)	14,983,680
6/30/2003	(1,793,094)	4,391,493	7,217,512	0	0	6,485,877	16,301,788
6/30/2004	(2,633,642)	(5,927,446)	(19,174,182)	0	0	5,286,195	(22,449,075)
6/30/2005	(645,631)	(1,288,918)	7,445,358	0	0	(262,887)	5,247,922
6/30/2006	(3,113,674)	(1,566,794)	8,528,558	0	4,786,991	1,190,775	9,825,856
6/30/2007	3,962,835	(6,733,144)	7,670,304	0	0	373,350	5,273,345
6/30/2008	(2,217,940)	11,400,154	7,073,235	0	0	(613,134)	15,642,315
6/30/2009	1,737,809	3,991,729	6,172,942	0	0	1,380,596	13,283,076
6/30/2010	(2,450,000)	5,710,000	5,670,000	2,140,000	0	830,000	11,900,000
6/30/2011	(1,718,437)	3,577,042	5,621,165	0	35,809,167	6,405,797	49,694,734
TOTALS	(\$7,540,728)	\$14,206,449	\$76,156,676	\$2,140,000	\$41,671,228	\$29,953,802	\$156,587,427

NOTE: All of the calculations in this table are based upon asset actuarial values i.e., WITH Asset Smoothing.

TABLE 30

GENERAL ASSEMBLY RETIREMENT SYSTEM								
Changes in Net Assets								
(\$ in millions)								
Fiscal Years	2011	2010	2009	2008	2007	2006	2005	2004
Additions to Assets								
State of Illinois	11.4	10.4	8.9	6.8	5.4	4.2	4.7	5.9
Pension Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27.0
Employees	2.0	1.7	1.7	1.8	1.7	1.4	1.5	1.6
Net Investment Income	10.3	4.8	-14.7	-4.7	13.0	8.2	7.5	11.7
Total Asset Additions (A)	23.7	16.9	-4.1	3.9	20.1	13.8	13.7	46.2
Deductions from Assets								
Benefits	17.6	16.8	15.8	15.3	14.7	14.1	13.4	12.5
Refunds	0.1	0.2	0.1	0.1	0.3	0.2	0.0	0.1
Subsidy Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Expenses	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Asset Deductions (B)	18.0	17.3	16.2	15.7	15.2	14.6	13.7	12.9
Change in Net Assets (A-B=C)	5.7	-0.4	-20.3	-11.8	4.9	-0.8	0.0	33.3

TABLE 31

GENERAL ASSEMBLY RETIREMENT SYSTEM					
Historical Investment Revenues					
(\$ in millions)					
Fiscal Year	Market Value of Assets at Year End		Net Investment Revenue		Rate of Return Earned
2002	52.2		-3.8		-6.9%
2003	47.4		0.1		0.3%
2004	81.3		11.7		16.4%
2005	80.8		7.5		10.1%
2006	79.0		8.2		11.0%
2007	83.9		12.5		17.1%
2008	71.9		-4.8		-6.2%
2009	55.6		-14.7		-20.1%
2010	54.7		4.8		9.1%
2011	60.4		10.3		21.7%

2002 - 2011 Asset Values are Market Values.

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

TABLE 32

GENERAL ASSEMBLY RETIREMENT SYSTEM					
Historical Underfunding					
(\$ in millions)					
Fiscal Year	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Employer Contributions	Historical Underfunding
2002	1.7	9.7	11.4	5.2	6.2
2003	1.6	10.8	12.4	5.6	6.8
2004	1.3	12.4	13.7	32.9	-19.2
2005	1.5	10.6	12.1	4.7	7.4
2006	2.4	10.3	12.7	4.2	8.5
2007	2.6	10.2	12.8	5.2	7.6
2008	2.7	11.6	14.3	6.8	7.5
2009	2.8	12.3	15.1	8.8	6.3
2010	2.8	13.3	16.1	10.4	5.7
2011	3.2	13.9	17.1	11.4	5.7

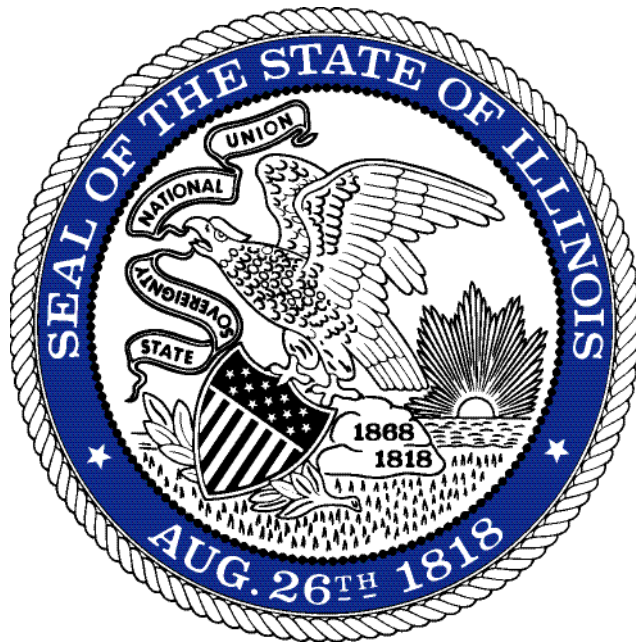
TABLE 33

GENERAL ASSEMBLY RETIREMENT SYSTEM							
CoGFA Projections Based on Laws in Effect on June 30, 2011							
(\$ in millions)							
Fiscal Year	Total Normal Cost	Employees; Contributions	Employer's Normal Cost	Interest on Unfunded Liabilities	Employer's Normal Cost + Interest	Total Employer Contributions	Projected Underfunding
2012	4.9	1.7	3.2	16.7	19.8	10.5	9.3
2013	5.0	1.7	3.3	17.1	20.3	14.2	6.2
2014	5.0	1.8	3.2	17.5	20.7	14.7	6.0
2015	5.0	1.8	3.2	17.6	20.8	15.3	5.5
2016	5.1	1.9	3.2	17.7	20.9	15.7	5.2
2017	5.1	1.9	3.2	18.0	21.1	16.1	5.0
2018	5.1	2.0	3.1	18.2	21.3	16.6	4.7
2019	5.1	2.1	3.0	18.4	21.4	17.1	4.3
2020	5.1	2.1	3.0	18.6	21.6	17.7	4.0
2021	5.1	2.2	2.9	18.8	21.7	18.1	3.6
2022	5.1	2.2	2.9	19.0	21.9	18.7	3.2
2023	5.0	2.3	2.7	19.2	21.9	19.2	2.7
2024	5.0	2.4	2.6	19.3	21.9	19.8	2.1
2025	5.0	2.4	2.6	19.3	21.9	20.2	1.7
2026	5.0	2.5	2.5	19.4	21.9	20.8	1.0
2027	5.0	2.6	2.4	19.4	21.8	21.5	0.3
2028	5.0	2.6	2.4	19.3	21.7	22.1	(0.4)
2029	5.0	2.7	2.3	19.2	21.5	22.7	(1.2)
2030	5.1	2.8	2.3	19.0	21.3	23.3	(2.1)
2031	5.1	2.9	2.2	18.8	21.0	23.9	(2.9)
2032	5.2	3.0	2.2	18.5	20.6	24.6	(4.0)
2033	5.2	3.1	2.1	18.1	20.2	25.5	(5.3)
2034	5.3	3.2	2.1	17.6	19.7	26.4	(6.7)
2035	5.4	3.2	2.2	17.0	19.2	27.2	(8.0)
2036	5.5	3.3	2.2	16.4	18.5	27.9	(9.4)
2037	5.6	3.4	2.2	15.6	17.7	28.8	(11.0)
2038	5.7	3.5	2.2	14.7	16.8	29.7	(12.8)
2039	5.8	3.6	2.2	13.7	15.8	30.5	(14.7)
2040	5.9	3.8	2.1	12.5	14.6	31.5	(16.9)
2041	6.0	3.9	2.1	11.2	13.3	32.4	(19.1)
2042	6.1	4.0	2.1	9.7	11.9	33.3	(21.4)
2043	6.3	4.1	2.2	8.1	10.3	34.3	(24.0)
2044	6.4	4.2	2.2	6.3	8.6	35.3	(26.7)
2045	6.6	4.3	2.3	4.4	6.6	36.3	(29.7)

TABLE 34

GENERAL ASSEMBLY RETIREMENT SYSTEM						
CoGFA Projections Based on Laws in Effect on June 30, 2011						
(\$ in millions)						
Fiscal Year	Tier 1 Normal Cost	Tier 1 Normal Cost as a % of Payroll	Tier 2 Normal Cost	Tier 2 Normal Cost as a % of Payroll	Total Normal Cost	Total Normal Cost as a % of Payroll
2012	4.6	32.1%	0.2	1.5%	4.9	33.6%
2013	4.6	30.6%	0.4	2.7%	5.0	33.3%
2014	4.4	28.9%	0.6	3.7%	5.0	32.6%
2015	4.3	27.2%	0.7	4.7%	5.0	31.9%
2016	4.2	25.5%	0.9	5.6%	5.1	31.1%
2017	4.0	23.9%	1.1	6.4%	5.1	30.3%
2018	3.8	22.2%	1.3	7.3%	5.1	29.5%
2019	3.7	20.6%	1.5	8.2%	5.1	28.8%
2020	3.5	18.9%	1.6	8.9%	5.1	27.8%
2021	3.3	17.4%	1.8	9.7%	5.1	27.1%
2022	3.1	15.7%	2.0	10.5%	5.1	26.2%
2023	2.8	14.2%	2.2	11.1%	5.0	25.3%
2024	2.6	12.7%	2.4	11.7%	5.0	24.4%
2025	2.4	11.2%	2.6	12.5%	5.0	23.7%
2026	2.1	9.9%	2.8	13.1%	5.0	23.0%
2027	1.9	8.7%	3.1	13.7%	5.0	22.3%
2028	1.8	7.6%	3.3	14.1%	5.0	21.8%
2029	1.6	6.6%	3.5	14.7%	5.0	21.3%
2030	1.4	5.7%	3.7	15.0%	5.1	20.8%
2031	1.2	5.0%	3.9	15.4%	5.1	20.4%
2032	1.1	4.4%	4.1	15.7%	5.2	20.1%
2033	1.0	3.8%	4.2	15.9%	5.2	19.7%
2034	0.9	3.3%	4.4	16.1%	5.3	19.3%
2035	0.8	2.8%	4.6	16.3%	5.4	19.1%
2036	0.7	2.4%	4.8	16.4%	5.5	18.8%
2037	0.6	2.1%	4.9	16.5%	5.6	18.6%
2038	0.6	1.8%	5.1	16.5%	5.7	18.3%
2039	0.5	1.5%	5.3	16.6%	5.8	18.1%
2040	0.4	1.3%	5.4	16.6%	5.9	18.0%
2041	0.4	1.1%	5.6	16.7%	6.0	17.8%
2042	0.3	0.9%	5.8	16.8%	6.1	17.7%
2043	0.3	0.8%	6.0	16.8%	6.3	17.6%
2044	0.2	0.6%	6.2	16.9%	6.4	17.5%
2045	0.2	0.5%	6.4	16.9%	6.6	17.4%

Appendices



APPENDIX A

FUNDING PROJECTIONS FOR THE STATE RETIREMENT SYSTEMS

All Five Systems Combined

System Projections Based on Laws in Effect on June 30, 2011*

(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2012	18,518.9	5,065.9	27.4%	1,563.5	153,386.1	65,221.0	88,165.1	42.5%
2013	18,674.4	5,868.3	31.4%	1,567.9	160,345.8	67,611.3	92,734.5	42.2%
2014	19,341.7	6,169.1	31.9%	1,622.1	167,363.9	74,001.1	93,362.8	44.2%
2015	20,052.4	6,454.0	32.2%	1,682.2	174,440.8	80,172.4	94,268.4	46.0%
2016	20,803.3	6,576.9	31.6%	1,745.2	181,576.8	84,766.5	96,810.3	46.7%
2017	21,596.4	6,723.6	31.1%	1,812.9	188,758.8	89,355.2	99,403.6	47.3%
2018	22,417.2	6,979.7	31.1%	1,882.7	195,975.5	94,042.0	101,933.5	48.0%
2019	23,276.1	7,249.0	31.1%	1,956.4	203,219.7	98,831.9	104,387.8	48.6%
2020	24,168.5	7,510.9	31.1%	2,032.1	210,473.7	103,714.9	106,758.8	49.3%
2021	25,098.1	7,786.7	31.0%	2,112.9	217,732.8	108,712.1	109,020.7	49.9%
2022	26,066.9	8,077.5	31.0%	2,196.6	225,008.1	113,871.7	111,136.4	50.6%
2023	27,066.1	8,379.6	31.0%	2,284.1	232,290.0	119,216.4	113,073.6	51.3%
2024	28,099.0	8,674.4	30.9%	2,375.6	239,558.6	124,738.6	114,820.0	52.1%
2025	29,157.6	8,980.9	30.8%	2,468.6	246,788.9	130,453.5	116,335.4	52.9%
2026	30,234.4	9,316.2	30.8%	2,563.4	253,946.0	136,402.6	117,543.4	53.7%
2027	31,307.7	9,652.1	30.8%	2,656.9	261,053.3	142,642.4	118,410.9	54.6%
2028	32,357.5	9,964.7	30.8%	2,746.5	268,030.4	149,063.6	118,966.8	55.6%
2029	33,402.3	10,279.0	30.8%	2,832.7	274,851.9	155,691.1	119,160.8	56.6%
2030	34,425.4	10,568.6	30.7%	2,918.2	281,487.6	162,498.7	118,988.9	57.7%
2031	35,429.0	10,852.5	30.6%	2,999.8	287,864.1	169,469.2	118,394.9	58.9%
2032	36,356.1	11,140.4	30.6%	3,071.7	293,916.8	176,569.0	117,347.8	60.1%
2033	37,258.3	11,451.4	30.7%	3,143.2	299,567.9	183,840.2	115,727.7	61.4%
2034	38,124.9	12,191.2	32.0%	3,209.5	304,792.8	191,734.6	113,058.2	62.9%
2035	38,967.5	12,468.4	32.0%	3,273.6	309,529.6	199,817.0	109,712.6	64.6%
2036	39,760.6	12,730.9	32.0%	3,332.3	313,852.1	208,067.0	105,785.1	66.3%
2037	40,502.4	12,980.5	32.0%	3,385.0	317,641.8	216,504.9	101,136.9	68.2%
2038	40,204.9	13,218.5	32.9%	3,435.3	320,879.3	225,117.4	95,761.9	70.2%
2039	41,873.5	13,447.7	32.1%	3,478.4	323,519.4	233,887.3	89,632.1	72.3%
2040	42,512.3	13,669.7	32.2%	3,518.7	325,532.6	242,833.9	82,698.7	74.6%
2041	43,138.6	13,888.1	32.2%	3,557.8	326,915.4	251,974.7	74,940.7	77.1%
2042	44,735.2	14,386.2	32.2%	3,690.9	327,768.7	261,785.0	65,983.7	79.9%
2043	45,397.2	14,617.1	32.2%	3,735.5	328,049.3	271,995.3	56,054.0	82.9%
2044	46,149.1	14,874.0	32.2%	3,792.8	327,909.2	282,891.8	45,017.4	86.3%
2045	46,964.0	15,147.1	32.3%	3,864.3	327,428.7	294,683.1	32,745.6	90.0%

APPENDIX B

FUNDING PROJECTIONS FOR THE TEACHERS RETIREMENT SYSTEM								
System Projections Based on Laws in Effect on June 30, 2011								
Actuarially Assumed Rate of Return: 8.50%								
(\$ in millions)								
Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2012	9,995.9	2,405.3	24.1%	976.7	85,252.8	38,679.3	46,573.5	45.4%
2013	9,932.8	2,703.5	27.2%	967.9	89,172.4	39,716.3	49,456.1	44.5%
2014	10,345.9	2,893.8	28.0%	1,006.4	93,140.8	43,224.5	49,916.3	46.4%
2015	10,794.0	3,094.7	28.7%	1,049.3	97,176.3	46,616.0	50,560.3	48.0%
2016	11,276.5	3,175.6	28.2%	1,095.8	101,296.8	49,115.3	52,181.5	48.5%
2017	11,790.0	3,266.8	27.7%	1,145.7	105,507.0	51,664.1	53,842.9	49.0%
2018	12,329.6	3,420.7	27.7%	1,198.5	109,811.1	54,329.4	55,481.7	49.5%
2019	12,895.0	3,583.2	27.8%	1,253.3	114,208.5	57,119.2	57,089.3	50.0%
2020	13,488.7	3,741.2	27.7%	1,310.7	118,700.4	60,036.6	58,663.8	50.6%
2021	14,108.5	3,908.5	27.7%	1,371.4	123,290.1	63,101.4	60,188.7	51.2%
2022	14,757.7	4,086.3	27.7%	1,435.3	128,000.3	66,359.1	61,641.2	51.8%
2023	15,435.5	4,274.3	27.7%	1,502.7	132,829.0	69,837.6	62,991.4	52.6%
2024	16,138.3	4,457.0	27.6%	1,572.9	137,768.8	73,533.3	64,235.5	53.4%
2025	16,864.7	4,649.5	27.6%	1,645.3	142,808.3	77,464.6	65,343.7	54.2%
2026	17,601.4	4,861.6	27.6%	1,719.7	147,916.6	81,661.6	66,255.0	55.2%
2027	18,325.4	5,071.3	27.7%	1,792.7	153,064.7	86,114.0	66,950.7	56.3%
2028	19,022.2	5,259.8	27.7%	1,860.6	158,218.1	90,757.0	67,461.1	57.4%
2029	19,702.5	5,445.5	27.6%	1,924.9	163,348.9	95,598.3	67,750.6	58.5%
2030	20,357.4	5,611.2	27.6%	1,988.5	168,429.4	100,610.4	67,819.0	59.7%
2031	20,982.7	5,770.8	27.5%	2,047.9	173,421.5	105,788.8	67,632.7	61.0%
2032	21,567.1	5,935.2	27.5%	2,103.0	178,277.7	111,106.4	67,171.3	62.3%
2033	22,089.8	6,097.2	27.6%	2,151.3	182,873.9	116,526.6	66,347.3	63.7%
2034	22,563.3	6,472.6	28.7%	2,194.6	187,166.6	122,247.6	64,919.0	65.3%
2035	23,007.2	6,600.0	28.7%	2,234.7	191,114.6	128,014.2	63,100.4	67.0%
2036	23,399.1	6,712.4	28.7%	2,269.2	194,701.6	133,780.7	60,920.9	68.7%
2037	23,733.9	6,808.4	28.7%	2,296.8	197,879.9	139,532.1	58,347.8	70.5%
2038	24,020.2	6,890.5	28.7%	2,321.0	200,583.8	145,215.2	55,368.6	72.4%
2039	24,265.4	6,960.9	28.7%	2,338.2	202,750.8	150,770.0	51,980.8	74.4%
2040	24,472.9	7,020.4	28.7%	2,351.1	204,331.3	156,170.3	48,161.0	76.4%
2041	24,658.1	7,073.5	28.7%	2,363.1	205,298.0	161,381.1	43,916.9	78.6%
2042	25,805.1	7,402.6	28.7%	2,467.5	205,720.6	166,821.2	38,899.4	81.1%
2043	26,010.0	7,461.3	28.7%	2,482.5	205,532.1	172,162.3	33,369.8	83.8%
2044	26,298.8	7,544.2	28.7%	2,509.8	204,861.1	177,635.4	27,225.7	86.7%
2045	26,646.7	7,644.0	28.7%	2,550.2	203,771.2	183,394.0	20,377.2	90.0%

APPENDIX C

FUNDING PROJECTIONS FOR THE STATE EMPLOYEES RETIREMENT SYSTEM

System Projections Based on Laws in Effect on June 30, 2011

Actuarially Assumed Rate of Return: 7.75%

(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution*	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2012	4,243.0	1,369.0	32.3%	241.0	33,006.0	11,692.0	21,314.0	35.4%
2013	4,369.0	1,659.6	38.0%	247.0	34,670.0	12,398.0	22,272.0	35.8%
2014	4,524.0	1,658.0	36.6%	255.0	36,360.0	13,764.0	22,596.0	37.9%
2015	4,681.0	1,738.0	37.1%	264.0	38,067.0	15,162.0	22,905.0	39.8%
2016	4,839.0	1,784.0	36.9%	272.0	39,785.0	16,325.0	23,460.0	41.0%
2017	5,005.0	1,829.0	36.5%	281.0	41,509.0	17,491.0	24,018.0	42.1%
2018	5,168.0	1,889.0	36.6%	289.0	43,232.0	18,672.0	24,560.0	43.2%
2019	5,339.0	1,952.0	36.6%	298.0	44,950.0	19,868.0	25,082.0	44.2%
2020	5,512.0	2,011.0	36.5%	307.0	46,650.0	21,065.0	25,585.0	45.2%
2021	5,691.0	2,073.0	36.4%	317.0	48,326.0	22,263.0	26,063.0	46.1%
2022	5,876.0	2,138.0	36.4%	326.0	49,963.0	23,458.0	26,505.0	47.0%
2023	6,059.0	2,203.0	36.4%	335.0	51,554.0	24,642.0	26,912.0	47.8%
2024	6,248.0	2,265.0	36.3%	345.0	53,088.0	25,809.0	27,279.0	48.6%
2025	6,436.0	2,328.0	36.2%	354.0	54,551.0	26,952.0	27,599.0	49.4%
2026	6,629.0	2,399.0	36.2%	363.0	55,939.0	28,078.0	27,861.0	50.2%
2027	6,828.0	2,472.0	36.2%	372.0	57,246.0	29,191.0	28,055.0	51.0%
2028	7,028.0	2,542.0	36.2%	382.0	58,472.0	30,288.0	28,184.0	51.8%
2029	7,238.0	2,616.0	36.1%	392.0	59,620.0	31,382.0	28,238.0	52.6%
2030	7,450.0	2,687.0	36.1%	402.0	60,688.0	32,472.0	28,216.0	53.5%
2031	7,669.0	2,761.0	36.0%	412.0	61,641.0	33,543.0	28,098.0	54.4%
2032	7,850.0	2,827.0	36.0%	416.0	62,458.0	34,572.0	27,886.0	55.4%
2033	8,064.0	2,911.0	36.1%	426.0	63,181.0	35,620.0	27,561.0	56.4%
2034	8,289.0	3,213.0	38.8%	436.0	63,824.0	36,932.0	26,892.0	57.9%
2035	8,518.0	3,302.0	38.8%	447.0	64,363.0	38,319.0	26,044.0	59.5%
2036	8,748.0	3,391.0	38.8%	458.0	64,885.0	39,795.0	25,090.0	61.3%
2037	8,982.0	3,482.0	38.8%	470.0	65,315.0	41,381.0	23,934.0	63.4%
2038	8,220.0	3,574.0	43.5%	482.0	65,696.0	43,103.0	22,593.0	65.6%
2039	9,461.0	3,667.0	38.8%	494.0	66,039.0	44,986.0	21,053.0	68.1%
2040	9,703.0	3,761.0	38.8%	507.0	66,355.0	47,054.0	19,301.0	70.9%
2041	9,946.0	3,855.0	38.8%	519.0	66,654.0	49,333.0	17,321.0	74.0%
2042	10,191.0	3,950.0	38.8%	532.0	66,950.0	51,850.0	15,100.0	77.4%
2043	10,437.0	4,046.0	38.8%	545.0	67,253.0	54,636.0	12,617.0	81.2%
2044	10,685.0	4,142.0	38.8%	558.0	67,575.0	57,719.0	9,856.0	85.4%
2045	10,933.0	4,238.0	38.8%	571.0	67,923.0	61,128.0	6,795.0	90.0%

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

APPENDIX D

FUNDING PROJECTIONS FOR THE STATE UNIVERSITIES RETIREMENT SYSTEM

System Projections Based on Laws in Effect on June 30, 2011

Actuarially Assumed Rate of Return: 7.75%

(\$ in millions)

Fiscal Year	Annual Payroll**	Total State Contribution*	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2012	3,497.6	1,217.5	34.8%	279.8	32,799.7	14,184.4	18,615.3	43.2%
2013	3,562.0	1,402.8	39.4%	285.0	34,100.1	14,821.7	19,278.4	43.5%
2014	3,630.7	1,456.0	40.1%	290.5	35,386.3	16,290.4	19,095.9	46.0%
2015	3,704.0	1,508.9	40.7%	296.3	36,649.2	17,626.4	19,022.8	48.1%
2016	3,780.9	1,501.8	39.7%	302.5	37,878.2	18,530.1	19,348.1	48.9%
2017	3,860.9	1,509.1	39.1%	308.9	39,060.4	19,378.6	19,681.8	49.6%
2018	3,942.5	1,547.1	39.2%	315.4	40,188.8	20,195.9	19,992.9	50.3%
2019	4,028.1	1,586.6	39.4%	322.2	41,260.1	20,980.7	20,279.4	50.8%
2020	4,116.3	1,627.1	39.5%	329.3	42,269.4	21,730.8	20,538.6	51.4%
2021	4,209.1	1,669.3	39.7%	336.7	43,214.7	22,447.5	20,767.2	51.9%
2022	4,305.0	1,712.7	39.8%	344.4	44,100.5	23,137.7	20,962.8	52.5%
2023	4,404.3	1,757.2	39.9%	352.3	44,926.1	23,803.9	21,122.2	53.0%
2024	4,506.3	1,802.6	40.0%	360.5	45,690.2	24,448.0	21,242.2	53.5%
2025	4,611.5	1,849.0	40.1%	368.9	46,393.5	25,073.9	21,319.6	54.0%
2026	4,719.6	1,896.4	40.2%	377.6	47,036.0	25,685.5	21,350.5	54.6%
2027	4,831.0	1,944.6	40.3%	386.5	47,675.9	26,345.0	21,330.9	55.3%
2028	4,945.1	1,993.5	40.3%	395.6	48,267.3	27,010.3	21,257.0	56.0%
2029	5,060.9	2,042.8	40.4%	404.9	48,809.1	27,684.8	21,124.3	56.7%
2030	5,178.0	2,090.4	40.4%	414.2	49,300.1	28,370.0	20,930.1	57.5%
2031	5,295.4	2,135.3	40.3%	423.6	49,739.5	29,067.1	20,672.4	58.4%
2032	5,413.0	2,187.2	40.4%	433.0	50,130.7	29,791.4	20,339.3	59.4%
2033	5,531.9	2,246.1	40.6%	442.6	50,477.6	30,559.5	19,918.1	60.5%
2034	5,651.0	2,302.4	40.7%	452.1	50,784.2	31,378.6	19,405.6	61.8%
2035	5,769.8	2,356.9	40.8%	461.6	51,053.0	32,256.2	18,796.8	63.2%
2036	5,888.3	2,411.9	41.0%	471.1	51,286.6	33,202.7	18,083.9	64.7%
2037	6,006.7	2,467.9	41.1%	480.5	51,488.6	34,230.5	17,258.1	66.5%
2038	6,124.8	2,525.0	41.2%	490.0	51,662.0	35,352.2	16,309.8	68.4%
2039	6,244.5	2,583.9	41.4%	499.6	51,812.2	36,584.0	15,228.2	70.6%
2040	6,368.2	2,645.2	41.5%	509.5	51,948.0	37,945.7	14,002.3	73.0%
2041	6,497.3	2,709.3	41.7%	519.8	52,082.6	39,462.1	12,620.5	75.8%
2042	6,630.7	2,775.8	41.9%	530.5	52,232.7	41,161.1	11,071.6	78.8%
2043	6,766.9	2,844.2	42.0%	541.4	52,411.3	43,068.4	9,342.9	82.2%
2044	6,904.6	2,914.2	42.2%	552.4	52,630.0	45,209.3	7,420.7	85.9%
2045	7,043.2	2,983.4	42.4%	563.5	52,897.7	47,607.9	5,289.8	90.0%

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

** These payroll numbers do not include SMP payroll.

APPENDIX E

FUNDING PROJECTIONS FOR THE JUDGES RETIREMENT SYSTEM

System Projections Based on Laws in Effect on June 30, 2011

Actuarially Assumed Rate of Return: 7.00%

(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2012	170.7	63.6	37.3%	16.5	2,026.0	607.8	1,418.2	30.0%
2013	177.0	88.2	49.8%	16.8	2,098.7	620.6	1,478.1	29.6%
2014	183.6	92.6	50.4%	17.1	2,169.2	666.3	1,502.9	30.7%
2015	190.6	97.1	50.9%	17.4	2,238.1	711.2	1,526.9	31.8%
2016	197.8	99.8	50.5%	17.6	2,304.1	739.9	1,564.2	32.1%
2017	205.1	102.6	50.0%	17.9	2,367.5	766.2	1,601.3	32.4%
2018	212.5	106.3	50.0%	18.1	2,426.7	790.5	1,636.2	32.6%
2019	220.1	110.1	50.0%	18.7	2,482.4	811.4	1,671.0	32.7%
2020	227.6	113.9	50.0%	18.5	2,533.7	831.3	1,702.4	32.8%
2021	235.5	117.8	50.0%	18.8	2,580.6	850.4	1,730.2	33.0%
2022	243.5	121.8	50.0%	19.5	2,622.0	868.4	1,753.6	33.1%
2023	251.6	125.9	50.0%	20.1	2,658.1	885.5	1,772.6	33.3%
2024	259.9	130.0	50.0%	20.8	2,688.7	901.7	1,787.0	33.5%
2025	268.3	134.2	50.0%	21.5	2,713.5	917.2	1,796.3	33.8%
2026	276.6	138.4	50.0%	21.7	2,732.4	932.1	1,800.3	34.1%
2027	285.3	142.7	50.0%	21.9	2,745.5	946.8	1,798.7	34.5%
2028	294.4	147.3	50.0%	22.1	2,752.8	962.0	1,790.8	34.9%
2029	303.7	152.0	50.0%	22.3	2,755.1	978.5	1,776.6	35.5%
2030	313.1	156.7	50.0%	22.5	2,752.7	996.8	1,755.9	36.2%
2031	323.0	161.5	50.0%	22.7	2,746.2	1,018.0	1,728.2	37.1%
2032	332.7	166.4	50.0%	23.3	2,736.0	1,042.9	1,693.1	38.1%
2033	342.9	171.6	50.0%	24.0	2,722.5	1,072.6	1,649.9	39.4%
2034	353.4	176.8	50.0%	24.4	2,706.6	1,108.2	1,598.4	40.9%
2035	364.3	182.3	50.0%	24.7	2,689.0	1,151.1	1,537.9	42.8%
2036	375.2	187.7	50.0%	25.0	2,670.1	1,202.3	1,467.8	45.0%
2037	386.6	193.4	50.0%	25.1	2,650.5	1,263.3	1,387.2	47.7%
2038	398.3	199.3	50.0%	25.9	2,630.6	1,335.2	1,295.4	50.8%
2039	410.5	205.4	50.0%	26.2	2,611.0	1,419.6	1,191.4	54.4%
2040	422.8	211.6	50.0%	26.4	2,592.2	1,517.8	1,074.4	58.6%
2041	435.8	217.9	50.0%	26.6	2,574.6	1,631.5	943.1	63.4%
2042	448.6	224.5	50.0%	26.9	2,558.6	1,762.0	796.6	68.9%
2043	462.5	231.3	50.0%	27.8	2,544.9	1,911.3	633.6	75.1%
2044	476.2	238.3	50.0%	28.6	2,533.6	2,081.0	452.6	82.1%
2045	490.5	245.4	50.0%	30.3	2,525.4	2,272.9	252.5	90.0%

APPENDIX F

FUNDING PROJECTIONS FOR THE GENERAL ASSEMBLY RETIREMENT SYSTEM

System Projections Based on Laws in Effect on June 30, 2011

Actuarially Assumed Rate of Return: 7.00%

(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2012	14.5	10.5	72.4%	1.7	301.6	57.5	244.1	19.1%
2013	14.9	14.2	95.3%	1.7	304.6	54.7	249.9	18.0%
2014	15.3	14.7	96.1%	1.8	307.6	55.9	251.7	18.2%
2015	15.8	15.3	96.8%	1.8	310.2	56.8	253.4	18.3%
2016	16.3	15.7	96.3%	1.9	312.7	56.2	256.5	18.0%
2017	16.7	16.1	96.4%	1.9	314.9	55.3	259.6	17.6%
2018	17.3	16.6	96.0%	2.0	316.9	54.2	262.7	17.1%
2019	17.9	17.1	95.5%	2.1	318.7	52.6	266.1	16.5%
2020	18.4	17.7	96.2%	2.1	320.2	51.2	269.0	16.0%
2021	18.8	18.1	96.3%	2.2	321.4	49.8	271.6	15.5%
2022	19.4	18.7	96.4%	2.2	322.3	48.5	273.8	15.0%
2023	20.0	19.2	96.0%	2.3	322.8	47.4	275.4	14.7%
2024	20.6	19.8	96.1%	2.4	322.9	46.6	276.3	14.4%
2025	21.0	20.2	96.2%	2.4	322.6	45.8	276.8	14.2%
2026	21.7	20.8	95.9%	2.5	322.0	45.4	276.6	14.1%
2027	22.3	21.5	96.4%	2.6	321.2	45.6	275.6	14.2%
2028	23.0	22.1	96.1%	2.6	320.2	46.3	273.9	14.5%
2029	23.6	22.7	96.2%	2.7	318.8	47.5	271.3	14.9%
2030	24.4	23.3	95.5%	2.8	317.4	49.5	267.9	15.6%
2031	25.0	23.9	95.6%	2.9	315.9	52.3	263.6	16.6%
2032	25.8	24.6	95.3%	3.0	314.4	56.3	258.1	17.9%
2033	26.6	25.5	95.9%	3.1	312.9	61.5	251.4	19.7%
2034	27.4	26.4	96.4%	3.2	311.4	68.2	243.2	21.9%
2035	28.2	27.2	96.5%	3.2	310.0	76.5	233.5	24.7%
2036	29.0	27.9	96.2%	3.3	308.8	86.3	222.5	27.9%
2037	29.9	28.8	96.3%	3.4	307.8	98.0	209.8	31.8%
2038	30.9	29.7	96.1%	3.6	306.9	111.8	195.1	36.4%
2039	31.7	30.5	96.2%	3.6	306.4	127.7	178.7	41.7%
2040	32.7	31.5	96.3%	3.8	306.1	146.1	160.0	47.7%
2041	33.6	32.4	96.4%	3.9	306.2	167.0	139.2	54.5%
2042	34.6	33.3	96.2%	4.0	306.8	190.7	116.1	62.2%
2043	35.6	34.3	96.3%	4.1	308.0	217.3	90.7	70.6%
2044	36.7	35.3	96.2%	4.2	309.5	247.1	62.4	79.8%
2045	37.8	36.3	96.0%	4.3	311.4	280.3	31.1	90.0%

APPENDIX G

FUNDING PROJECTIONS FOR THE STATE RETIREMENT SYSTEMS**All Five Systems Combined****CoGFA Projections Based on Laws in Effect on June 30, 2011****(\$ in millions)**

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Assets	Unfunded Liabilities	Funded Ratio
2012	17,922.1	4,871.2	27.2%	1,549.9	152,755.6	64,856.3	87,899.2	42.5%
2013	18,605.3	5,813.4	31.2%	1,609.9	159,621.3	66,935.1	92,686.2	41.9%
2014	19,368.8	6,071.5	31.3%	1,677.1	166,534.2	72,973.3	93,560.9	43.8%
2015	20,178.6	6,415.8	31.8%	1,749.0	173,493.4	78,826.0	94,667.4	45.4%
2016	21,027.1	6,554.9	31.2%	1,824.8	180,491.8	83,150.1	97,341.7	46.1%
2017	21,909.9	6,707.5	30.6%	1,904.1	187,527.6	87,419.6	100,108.0	46.6%
2018	22,825.2	6,982.7	30.6%	1,986.6	194,602.8	91,818.2	102,784.6	47.2%
2019	23,783.1	7,274.5	30.6%	2,073.0	201,717.4	96,367.7	105,349.6	47.8%
2020	24,777.7	7,556.7	30.5%	2,163.2	208,869.9	101,073.7	107,796.2	48.4%
2021	25,809.4	7,852.8	30.4%	2,256.9	216,043.4	105,951.3	110,092.1	49.0%
2022	26,886.3	8,164.2	30.4%	2,355.1	223,223.4	111,020.3	112,203.1	49.7%
2023	27,996.7	8,488.8	30.3%	2,456.6	230,405.3	116,320.7	114,084.6	50.5%
2024	29,127.3	8,812.6	30.3%	2,559.8	237,567.5	121,852.8	115,714.8	51.3%
2025	30,268.1	9,152.4	30.2%	2,663.8	244,678.8	127,639.5	117,039.3	52.2%
2026	31,393.4	9,516.7	30.3%	2,766.5	251,715.0	134,004.3	117,710.7	53.2%
2027	32,496.0	9,886.5	30.4%	2,866.5	258,642.2	140,052.2	118,590.0	54.1%
2028	33,541.3	10,272.2	30.6%	2,960.7	265,428.9	146,626.2	118,802.6	55.2%
2029	34,528.8	10,564.4	30.6%	3,048.8	272,046.1	153,398.1	118,648.0	56.4%
2030	35,478.2	10,841.6	30.6%	3,132.9	278,455.0	160,345.1	118,109.9	57.6%
2031	36,404.9	11,111.9	30.5%	3,214.6	284,621.6	167,465.1	117,156.4	58.8%
2032	37,300.1	11,378.8	30.5%	3,292.9	290,511.2	174,756.9	115,754.3	60.2%
2033	38,163.2	11,640.7	30.5%	3,368.2	296,085.2	182,210.8	113,874.4	61.5%
2034	38,987.6	12,486.4	32.0%	3,439.3	301,310.3	190,448.7	110,861.6	63.2%
2035	39,766.1	12,728.7	32.0%	3,505.7	306,139.6	198,885.3	107,254.4	65.0%
2036	40,488.0	12,952.9	32.0%	3,566.6	310,509.3	207,546.3	102,963.0	66.8%
2037	41,138.2	13,153.8	32.0%	3,620.7	314,394.2	216,407.8	97,986.4	68.8%
2038	41,729.3	13,335.6	32.0%	3,668.9	317,745.7	225,453.6	92,292.1	71.0%
2039	42,275.2	13,502.6	31.9%	3,712.7	320,552.7	234,704.7	85,848.0	73.2%
2040	42,777.8	13,655.4	31.9%	3,752.1	322,825.8	244,200.5	78,625.3	75.6%
2041	43,242.6	13,795.6	31.9%	3,787.8	324,823.6	254,008.8	70,814.7	78.2%
2042	43,626.1	13,910.3	31.9%	3,815.6	326,613.4	274,189.9	52,423.5	83.9%
2043	43,993.0	14,018.8	31.9%	3,841.5	328,260.0	274,844.7	53,415.3	83.7%
2044	44,358.8	14,126.1	31.8%	3,867.2	329,795.3	286,107.6	43,687.7	86.8%
2045	44,724.6	14,231.7	31.8%	3,892.9	331,253.5	298,128.1	33,125.4	90.0%

APPENDIX H

FUNDING PROJECTIONS FOR THE TEACHERS RETIREMENT SYSTEM

CoGFA Projections Based on Laws in Effect on June 30, 2011

Actuarially Assumed Rate of Return: 8.5%

(\$ in millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2012	9,995.9	2,405.2	24.1%	1,009.6	85,165.2	38,373.4	46,791.8	45.1%
2013	10,382.7	2,702.3	26.0%	1,048.7	89,045.8	39,124.1	49,921.7	43.9%
2014	10,837.1	2,957.8	27.3%	1,094.5	92,957.9	42,399.5	50,558.4	45.6%
2015	11,340.7	3,148.7	27.8%	1,145.4	96,919.3	45,536.4	51,382.9	47.0%
2016	11,888.3	3,229.1	27.2%	1,200.7	100,940.6	47,767.7	53,172.9	47.3%
2017	12,473.4	3,316.1	26.6%	1,259.8	105,032.7	50,034.0	54,998.7	47.6%
2018	13,091.7	3,481.5	26.6%	1,322.3	109,210.8	52,416.0	56,794.8	48.0%
2019	13,745.5	3,659.7	26.6%	1,388.3	113,485.1	54,940.5	58,544.6	48.4%
2020	14,436.6	3,835.1	26.6%	1,458.1	117,858.9	57,615.8	60,243.1	48.9%
2021	15,163.7	4,023.5	26.5%	1,531.5	122,330.6	60,464.4	61,866.2	49.4%
2022	15,932.4	4,225.3	26.5%	1,609.2	126,896.1	63,510.2	63,385.9	50.0%
2023	16,735.5	4,440.2	26.5%	1,690.3	131,564.6	66,797.3	64,767.3	50.8%
2024	17,549.4	4,655.3	26.5%	1,772.5	136,324.4	70,331.4	65,993.0	51.6%
2025	18,369.3	4,884.2	26.6%	1,855.3	141,159.1	74,137.0	67,022.1	52.5%
2026	19,177.9	5,133.5	26.8%	1,937.0	146,041.1	78,227.1	67,814.0	53.6%
2027	19,957.2	5,385.8	27.0%	2,015.7	150,942.8	82,602.1	68,340.7	54.7%
2028	20,679.2	5,658.8	27.4%	2,088.6	155,834.3	87,206.1	68,628.2	56.0%
2029	21,335.8	5,835.5	27.4%	2,154.9	160,678.3	91,995.9	68,682.4	57.3%
2030	21,949.1	5,999.6	27.3%	2,216.9	165,439.3	96,945.7	68,493.6	58.6%
2031	22,540.8	6,157.1	27.3%	2,276.6	170,079.1	102,043.1	68,036.0	60.0%
2032	23,097.8	6,304.5	27.3%	2,332.9	174,562.3	107,268.5	67,293.8	61.4%
2033	23,626.0	6,443.3	27.3%	2,386.2	178,848.8	112,597.3	66,251.5	63.0%
2034	24,109.8	6,949.7	28.8%	2,435.1	182,891.3	118,404.2	64,487.1	64.7%
2035	24,547.0	7,068.8	28.8%	2,479.2	186,640.2	124,295.3	62,344.9	66.6%
2036	24,930.7	7,171.5	28.8%	2,518.0	190,042.1	130,238.1	59,804.0	68.5%
2037	25,253.7	7,255.6	28.7%	2,550.6	193,040.6	136,195.7	56,844.9	70.6%
2038	25,521.6	7,322.6	28.7%	2,577.7	195,587.9	142,120.1	53,467.8	72.7%
2039	25,745.2	7,375.8	28.6%	2,600.3	197,655.6	148,000.1	49,655.5	74.9%
2040	25,925.8	7,415.2	28.6%	2,618.5	199,235.9	153,836.1	45,399.8	77.2%
2041	26,069.7	7,442.9	28.6%	2,633.0	200,564.4	159,647.8	40,916.6	79.6%
2042	26,137.8	7,447.7	28.5%	2,639.9	201,671.5	165,458.8	36,212.7	82.0%
2043	26,184.9	7,445.2	28.4%	2,644.7	202,589.8	171,317.8	31,272.0	84.6%
2044	26,227.7	7,440.4	28.4%	2,649.0	203,343.3	177,316.5	26,026.8	87.2%
2045	26,270.6	7,434.3	28.3%	2,653.3	203,948.7	183,553.8	20,394.9	90.0%

APPENDIX I

FUNDING PROJECTIONS FOR THE STATE EMPLOYEES RETIREMENT SYSTEM**CoGFA Projections Based on Laws in Effect on June 30, 2011****Actuarially Assumed Rate of Return: 7.75%****(\$ in millions)**

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2012	4,243.4	1,368.6	32.3%	241.9	33,094.7	11,696.3	21,398.4	35.3%
2013	4,372.3	1,577.8	36.1%	249.2	34,815.1	12,436.0	22,379.1	35.7%
2014	4,526.3	1,608.6	35.5%	258.0	36,554.1	13,812.3	22,741.8	37.8%
2015	4,684.8	1,687.5	36.0%	267.0	38,303.1	15,245.8	23,057.3	39.8%
2016	4,846.9	1,733.4	35.8%	276.3	40,052.2	16,473.1	23,579.1	41.1%
2017	5,011.0	1,776.6	35.5%	285.6	41,801.6	17,638.7	24,162.9	42.2%
2018	5,179.6	1,836.5	35.5%	295.2	43,544.9	18,822.6	24,722.3	43.2%
2019	5,355.8	1,899.4	35.5%	305.3	45,275.3	20,023.8	25,251.5	44.2%
2020	5,535.0	1,959.1	35.4%	315.5	46,986.2	21,233.5	25,752.7	45.2%
2021	5,717.4	2,020.6	35.3%	325.9	48,668.1	22,448.2	26,219.9	46.1%
2022	5,904.4	2,084.2	35.3%	336.6	50,308.5	23,662.7	26,645.8	47.0%
2023	6,094.6	2,149.5	35.3%	347.4	51,900.7	24,874.7	27,026.0	47.9%
2024	6,291.8	2,213.1	35.2%	358.6	53,434.6	26,077.2	27,357.4	48.8%
2025	6,491.8	2,278.5	35.1%	370.0	54,893.8	27,263.4	27,630.4	49.7%
2026	6,688.0	2,348.3	35.1%	381.2	56,278.8	28,739.2	27,539.6	51.1%
2027	6,895.3	2,422.5	35.1%	393.0	57,582.4	29,606.8	27,975.6	51.4%
2028	7,101.4	2,492.0	35.1%	404.8	58,808.0	30,765.3	28,042.7	52.3%
2029	7,314.0	2,564.7	35.1%	416.9	59,963.2	31,924.2	28,039.0	53.2%
2030	7,531.6	2,635.4	35.0%	429.3	61,043.7	33,082.2	27,961.5	54.2%
2031	7,750.9	2,707.5	34.9%	441.8	62,055.7	34,247.2	27,808.5	55.2%
2032	7,975.2	2,787.3	34.9%	454.6	62,995.2	35,428.4	27,566.8	56.2%
2033	8,198.1	2,872.0	35.0%	467.3	63,866.4	36,637.8	27,228.6	57.4%
2034	8,424.9	3,173.0	37.7%	480.2	64,677.0	38,109.7	26,567.3	58.9%
2035	8,653.6	3,259.2	37.7%	493.3	65,425.3	39,643.5	25,781.8	60.6%
2036	8,878.9	3,344.0	37.7%	506.1	66,096.4	41,286.9	24,809.5	62.5%
2037	9,094.5	3,425.2	37.7%	518.4	66,715.8	43,040.6	23,675.2	64.5%
2038	9,306.4	3,505.1	37.7%	530.5	67,289.2	44,933.9	22,355.3	66.8%
2039	9,517.4	3,584.5	37.7%	542.5	67,829.4	46,984.8	20,844.6	69.3%
2040	9,729.0	3,664.2	37.7%	554.6	68,346.9	49,217.8	19,129.1	72.0%
2041	9,938.1	3,743.0	37.7%	566.5	68,849.4	51,655.7	17,193.7	75.0%
2042	10,137.8	3,818.2	37.7%	577.9	69,353.7	64,317.4	5,036.3	92.7%
2043	10,340.4	3,894.5	37.7%	589.4	69,885.9	57,234.1	12,651.8	81.9%
2044	10,547.2	3,972.4	37.7%	601.2	70,446.3	60,431.6	10,014.7	85.8%
2045	10,753.2	4,049.9	37.7%	612.9	71,043.4	63,939.0	7,104.4	90.0%

APPENDIX J

FUNDING PROJECTIONS FOR THE STATE UNIVERSITIES RETIREMENT SYSTEM**CoGFA Projections Based on Laws in Effect on June 30, 2011****Actuarially Assumed Rate of Return: 7.75%****(\$ in millions)**

Fiscal Year	Annual Payroll**	Total State Contribution	State Contribution as a % of Payroll	Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2012	3,497.6	977.1	27.9%	280.2	32,168.1	14,121.4	18,046.7	43.9%
2013	3,658.4	1,402.8	38.3%	293.0	33,357.1	14,699.7	18,657.4	44.1%
2014	3,806.5	1,366.8	35.9%	304.9	34,545.4	16,039.3	18,506.1	46.4%
2015	3,946.8	1,433.9	36.3%	316.1	35,722.7	17,275.8	18,446.9	48.4%
2016	4,077.9	1,438.9	35.3%	326.6	36,882.2	18,113.2	18,769.0	49.1%
2017	4,203.7	1,453.6	34.6%	336.7	38,010.9	18,925.4	19,085.5	49.8%
2018	4,324.1	1,495.2	34.6%	346.4	39,103.5	19,734.9	19,368.6	50.5%
2019	4,443.9	1,536.6	34.6%	356.0	40,155.9	20,539.4	19,616.5	51.1%
2020	4,560.1	1,576.8	34.6%	365.3	41,170.9	21,341.9	19,829.0	51.8%
2021	4,673.9	1,616.2	34.6%	374.4	42,142.7	22,138.5	20,004.2	52.5%
2022	4,786.5	1,655.1	34.6%	383.4	43,074.5	22,930.5	20,144.0	53.2%
2023	4,895.0	1,692.6	34.6%	392.1	43,959.1	23,715.8	20,243.3	53.9%
2024	5,005.6	1,730.8	34.6%	400.9	44,796.9	24,495.9	20,301.0	54.7%
2025	5,117.7	1,769.6	34.6%	409.9	45,589.8	25,276.1	20,313.7	55.4%
2026	5,229.2	1,808.2	34.6%	418.9	46,340.7	26,060.5	20,280.2	56.2%
2027	5,335.9	1,845.1	34.6%	427.4	47,050.3	26,850.9	20,199.4	57.1%
2028	5,443.2	1,882.2	34.6%	436.0	47,713.6	27,646.5	20,067.1	57.9%
2029	5,551.7	1,919.7	34.6%	444.7	48,330.6	28,452.0	19,878.6	58.9%
2030	5,660.0	1,957.1	34.6%	453.4	48,901.8	29,270.8	19,631.0	59.9%
2031	5,765.2	1,993.5	34.6%	461.8	49,424.7	30,104.5	19,320.2	60.9%
2032	5,868.6	2,029.3	34.6%	470.1	49,903.3	30,960.8	18,942.5	62.0%
2033	5,969.6	2,064.2	34.6%	478.2	50,334.6	31,841.6	18,493.0	63.3%
2034	6,072.1	2,099.6	34.6%	486.4	50,724.0	32,758.4	17,965.6	64.6%
2035	6,173.0	2,134.5	34.6%	494.5	51,075.1	33,718.9	17,356.2	66.0%
2036	6,274.2	2,169.5	34.6%	502.6	51,391.9	34,732.7	16,659.2	67.6%
2037	6,373.5	2,203.9	34.6%	510.5	51,679.5	35,810.2	15,869.3	69.3%
2038	6,472.1	2,237.9	34.6%	518.4	51,931.1	36,952.7	14,978.4	71.2%
2039	6,570.4	2,271.9	34.6%	526.3	52,150.3	38,172.5	13,977.8	73.2%
2040	6,667.5	2,305.5	34.6%	534.1	52,344.7	39,482.7	12,862.0	75.4%
2041	6,765.6	2,339.4	34.6%	541.9	52,529.0	40,906.9	11,622.1	77.9%
2042	6,867.2	2,374.6	34.6%	550.1	52,722.7	42,461.0	10,261.7	80.5%
2043	6,969.8	2,410.0	34.6%	558.3	52,931.5	44,164.3	8,767.2	83.4%
2044	7,071.0	2,445.0	34.6%	566.4	53,162.6	46,031.5	7,131.1	86.6%
2045	7,172.5	2,480.1	34.6%	574.5	53,424.6	48,082.2	5,342.4	90.0%

** These payroll figures do not include SMP payroll.

APPENDIX K

FUNDING PROJECTIONS FOR THE JUDGES RETIREMENT SYSTEM**CoGFA Projections Based on Laws in Effect on June 30, 2011****Actuarially Assumed Rate of Return: 7.0%****(\$ in millions)**

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2012	170.7	109.8	64.3%	16.6	2,026.0	607.8	1,418.2	30.0%
2013	177.0	116.4	65.8%	17.3	2,098.7	620.6	1,478.1	29.6%
2014	183.6	123.6	67.3%	17.9	2,169.2	666.3	1,502.9	30.7%
2015	190.6	130.4	68.4%	18.6	2,238.1	711.2	1,526.9	31.8%
2016	197.8	137.8	69.7%	19.3	2,304.1	739.9	1,564.2	32.1%
2017	205.1	145.1	70.8%	20.0	2,367.5	766.2	1,601.2	32.4%
2018	212.5	152.9	71.9%	20.7	2,426.7	790.5	1,636.2	32.6%
2019	220.1	161.7	73.5%	21.5	2,482.4	811.4	1,670.9	32.7%
2020	227.6	168.1	73.8%	22.2	2,533.7	831.3	1,702.4	32.8%
2021	235.5	174.4	74.1%	23.0	2,580.6	850.4	1,730.2	33.0%
2022	243.5	180.9	74.3%	23.7	2,622.0	868.4	1,753.6	33.1%
2023	251.6	187.3	74.4%	24.5	2,658.1	885.5	1,772.7	33.3%
2024	259.9	193.6	74.5%	25.3	2,688.7	901.7	1,787.0	33.5%
2025	268.3	199.9	74.5%	26.2	2,713.5	917.2	1,796.3	33.8%
2026	276.6	205.9	74.4%	27.0	2,732.4	932.1	1,800.3	34.1%
2027	285.3	211.6	74.2%	27.8	2,745.5	946.8	1,798.6	34.5%
2028	294.4	217.1	73.7%	28.7	2,752.8	962.0	1,790.8	34.9%
2029	303.7	221.8	73.0%	29.6	2,755.1	978.5	1,776.7	35.5%
2030	313.1	226.2	72.2%	30.5	2,752.7	996.8	1,755.9	36.2%
2031	323.0	229.9	71.2%	31.5	2,746.2	1,018.0	1,728.2	37.1%
2032	332.7	233.1	70.1%	32.4	2,736.0	1,042.9	1,693.1	38.1%
2033	342.9	235.7	68.7%	33.4	2,722.5	1,072.6	1,649.9	39.4%
2034	353.4	237.7	67.3%	34.5	2,706.6	1,108.2	1,598.4	40.9%
2035	364.3	239.1	65.6%	35.5	2,689.0	1,151.1	1,537.9	42.8%
2036	375.2	239.9	64.0%	36.6	2,670.1	1,202.3	1,467.8	45.0%
2037	386.6	240.3	62.2%	37.7	2,650.5	1,263.3	1,387.2	47.7%
2038	398.3	240.3	60.3%	38.8	2,630.6	1,335.2	1,295.4	50.8%
2039	410.5	239.8	58.4%	40.0	2,611.0	1,419.6	1,191.4	54.4%
2040	422.8	239.1	56.5%	41.2	2,592.2	1,517.8	1,074.3	58.6%
2041	435.6	237.9	54.6%	42.5	2,574.6	1,631.5	943.1	63.4%
2042	448.6	236.5	52.7%	43.7	2,558.6	1,762.0	796.6	68.9%
2043	462.3	234.8	50.8%	45.1	2,544.9	1,911.3	633.6	75.1%
2044	476.2	233.0	48.9%	46.4	2,533.6	2,081.0	452.7	82.1%
2045	490.5	231.0	47.1%	47.8	2,525.4	2,272.9	252.5	90.0%

APPENDIX L

FUNDING PROJECTIONS FOR THE GENERAL ASSEMBLY RETIREMENT SYSTEM**CoGFA Projections Based on Laws in Effect on June 30, 2011****Actuarially Assumed Rate of Return: 7.0%****(\$ in millions)**

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liability	Assets	Unfunded Liabilities	Funded Ratio
2012	14.5	10.5	72.6%	1.7	301.6	57.5	244.1	19.1%
2013	14.9	14.2	95.0%	1.7	304.6	54.7	249.9	18.0%
2014	15.3	14.7	96.1%	1.8	307.6	55.9	251.7	18.2%
2015	15.8	15.3	97.1%	1.8	310.2	56.8	253.5	18.3%
2016	16.3	15.7	96.5%	1.9	312.7	56.2	256.5	18.0%
2017	16.7	16.1	96.0%	1.9	314.9	55.3	259.7	17.5%
2018	17.3	16.6	96.0%	2.0	316.9	54.2	262.7	17.1%
2019	17.9	17.1	96.0%	2.1	318.7	52.6	266.1	16.5%
2020	18.4	17.7	96.0%	2.1	320.2	51.2	269.0	16.0%
2021	18.8	18.1	96.0%	2.2	321.4	49.8	271.6	15.5%
2022	19.4	18.7	96.0%	2.2	322.3	48.5	273.8	15.1%
2023	20.0	19.2	96.0%	2.3	322.8	47.4	275.4	14.7%
2024	20.6	19.8	96.0%	2.4	322.9	46.6	276.3	14.4%
2025	21.0	20.2	96.0%	2.4	322.6	45.8	276.8	14.2%
2026	21.7	20.8	96.0%	2.5	322.0	45.4	276.6	14.1%
2027	22.3	21.5	96.0%	2.6	321.2	45.6	275.6	14.2%
2028	23.0	22.1	96.0%	2.6	320.2	46.3	273.9	14.5%
2029	23.6	22.7	96.0%	2.7	318.8	47.5	271.3	14.9%
2030	24.4	23.3	95.7%	2.8	317.4	49.5	267.9	15.6%
2031	25.0	23.9	95.3%	2.9	315.9	52.3	263.6	16.6%
2032	25.8	24.6	95.4%	3.0	314.4	56.3	258.1	17.9%
2033	26.6	25.5	95.9%	3.1	312.9	61.5	251.4	19.7%
2034	27.4	26.4	96.2%	3.2	311.4	68.2	243.2	21.9%
2035	28.2	27.2	96.2%	3.2	310.0	76.5	233.6	24.7%
2036	29.0	27.9	96.2%	3.3	308.8	86.3	222.5	27.9%
2037	29.9	28.8	96.2%	3.4	307.8	98.0	209.8	31.8%
2038	30.9	29.7	96.2%	3.5	306.9	111.8	195.2	36.4%
2039	31.7	30.5	96.2%	3.6	306.4	127.7	178.7	41.7%
2040	32.7	31.5	96.2%	3.8	306.1	146.1	160.0	47.7%
2041	33.6	32.4	96.2%	3.9	306.2	167.0	139.2	54.5%
2042	34.6	33.3	96.2%	4.0	306.8	190.7	116.2	62.1%
2043	35.6	34.3	96.2%	4.1	308.0	217.3	90.7	70.6%
2044	36.7	35.3	96.2%	4.2	309.5	247.1	62.4	79.8%
2045	37.8	36.3	96.2%	4.3	311.4	280.3	31.1	90.0%

APPENDIX M

STATE RETIREMENT SYSTEMS							
CHANGES IN UNFUNDED LIABILITY							
FY 1999 - FY 2011							
	SALARY INCREASES	INVESTMENT RETURNS (HIGHER)/LOWER THAN ASSUMED	EMPLOYER CONTRIBUTIONS N. C. + INTEREST (HIGHER)/LOWER	BENEFIT INCREASES	CHANGES IN ASSUMPTIONS ACTUARIAL	OTHER FACTORS MISC.	TOTAL CHANGE IN UNFUNDED LIABILITY FROM PREVIOUS YR
TRS							
6/30/1996	400,399,000	(577,281,000)	965,961,000	17,772,000	0	166,531,000	973,382,000
6/30/1997	(59,062,000)	(830,936,000)	992,390,000	0	(2,944,771,000)	88,773,000	(2,753,606,000)
6/30/1998	(46,017,000)	(1,417,747,000)	776,189,000	1,000,300,000	0	71,152,000	383,877,000
6/30/1999	44,030,000	(389,014,000)	677,408,000	33,870,000	125,223,000	533,933,000	1,025,450,000
6/30/2000	(33,403,000)	(450,361,000)	723,606,000	0	0	197,345,000	437,187,000
6/30/2001	(10,310,000)	3,089,765,000	733,877,000	0	0	632,729,000	4,446,061,000
6/30/2002	4,934,000	2,696,199,000	1,074,422,000	0	694,736,000	360,047,000	4,830,338,000
6/30/2003	171,802,000	827,434,000	1,415,610,000	53,850,000	0	658,524,000	3,127,220,000
6/30/2004	217,255,000	(2,168,876,000)	(2,811,516,000)	0	0	357,250,000	(4,405,887,000)
6/30/2005	236,687,000	(682,294,000)	1,299,840,000	0	26,425,000	1,706,431,000	2,587,089,000
6/30/2006	68,398,000	(1,159,525,000)	1,913,368,000	0	0	(400,028,000)	422,213,000
6/30/2007	149,682,000	(3,785,653,000)	1,739,187,000	0	2,410,756,000	813,081,000	1,327,053,000
6/30/2008	(153,987,000)	5,514,988,000	1,529,701,000	0	0	(428,135,000)	6,462,567,000
6/30/2009	(29,162,000)	2,373,683,000	1,782,855,000	0	0	672,134,000	4,799,510,000
6/30/2010	(210,220,000)	2,929,300,000	1,572,250,000	0	0	561,570,000	4,852,900,000
6/30/2011	(543,612,000)	1,718,405,000	1,913,647,000	0	0	589,446,000	3,675,886,000
Total	205,414,000	7,688,087,000	16,298,795,000	1,105,792,000	312,369,000	6,580,783,000	31,217,858,000
SERS							
6/30/1996	(63,804,332)	(251,369,719)	196,620,212	0	0	47,104,123	(71,449,716)
6/30/1997	(65,121,542)	(541,583,072)	121,668,957	0	(379,894,379)	152,898,511	(712,031,525)
6/30/1998	(62,013,427)	(568,807,725)	9,431,057	1,249,883,128	0	148,729,225	777,222,258
6/30/1999	(12,536,220)	(307,064,512)	21,020,544	0	0	32,949,396	(265,630,792)
6/30/2000	14,642,937	(252,699,421)	(21,811,201)	0	0	250,182,926	(9,684,759)
6/30/2001	(8,000,000)	1,368,815,911	(29,398,605)	652,110,224	0	309,964,003	2,293,491,533
6/30/2002	52,000,000	1,247,268,792	186,860,538	171,100,000	168,144,000	496,199,643	2,321,572,973
6/30/2003	(28,282,435)	629,483,966	404,526,925	2,371,173,094	0	97,815,307	3,474,716,857
6/30/2004	(22,316,647)	(679,743,495)	(944,135,304)	0	0	6,804,783	(1,639,390,663)
6/30/2005	(166,479,933)	(123,132,472)	503,532,346	0	0	144,142,000	358,061,941
6/30/2006	33,070,000	(250,686,000)	772,374,000	0	710,976,000	(101,544,000)	1,164,190,000
6/30/2007	98,239,312	(878,435,107)	816,648,269	0	0	190,866,392	227,318,866
6/30/2008	207,247,739	1,690,697,791	615,695,516	0	0	130,264,860	2,643,905,906
6/30/2009	(70,364,604)	608,553,603	662,751,770	0	0	251,538,179	1,452,478,948
6/30/2010	(84,030,000)	894,330,000	470,040,000	0	2,606,330,000	162,930,000	4,049,600,000
6/30/2011	(116,457,671)	483,803,315	749,926,844	0	554,815,304	215,159,241	1,887,247,033
Total	(294,206,823)	3,069,431,855	4,535,751,868	4,444,266,446	3,660,370,925	2,536,004,589	17,951,618,860
SURS							
6/30/1996	(70,535,000)	(105,383,000)	456,044,000	0	0	86,823,000	366,949,000
6/30/1997	(44,026,000)	(312,322,000)	424,816,000	179,117,000	(3,342,395,000)	198,529,000	(2,896,281,000)
6/30/1998	5,238,000	(765,736,000)	158,840,000	0	0	48,075,000	(553,583,000)
6/30/1999	44,300,000	(273,300,000)	271,300,000	0	0	190,800,000	233,100,000
6/30/2000	171,500,000	(587,500,000)	306,700,000	0	0	(130,949,000)	(240,249,000)
6/30/2001	70,300,000	2,068,500,000	301,000,000	0	0	107,131,000	2,546,931,000
6/30/2002	90,800,000	1,568,700,000	430,800,000	63,000,000	485,300,000	38,744,000	2,677,344,000
6/30/2003	10,300,000	583,000,000	558,500,000	0	0	319,300,000	1,471,100,000
6/30/2004	(62,900,000)	(950,500,000)	(822,700,000)	0	0	17,893,000	(1,818,207,000)
6/30/2005	(19,400,000)	(218,000,000)	574,300,000	0	0	170,520,000	507,420,000
6/30/2006	28,600,000	(414,100,000)	734,900,000	0	0	164,900,000	514,300,000
6/30/2007	67,000,000	(1,342,000,000)	624,100,000	0	324,400,000	189,000,000	(137,500,000)
6/30/2008	30,600,000	2,004,400,000	590,900,000	0	0	329,100,000	2,955,000,000
6/30/2009	(1,300,000)	812,300,000	738,700,000	0	0	153,200,000	1,702,900,000
6/30/2010	(113,100,000)	940,500,000	667,500,000	0	2,413,900,000	210,800,000	4,119,600,000
6/30/2011	(172,300,000)	430,000,000	930,200,000	0	(24,900,000)	251,800,000	1,414,800,000
Total	35,077,000	3,438,559,000	6,945,900,000	242,117,000	(143,695,000)	2,345,666,000	12,863,624,000

APPENDIX M

STATE RETIREMENT SYSTEMS							
CHANGES IN UNFUNDED LIABILITY							
FY 1999 - FY 2011							
	SALARY INCREASES	INVESTMENT RETURNS (HIGHER)/LOWER THAN ASSUMED	EMPLOYER CONTRIBUTIONS N. C. + INTEREST (HIGHER)/LOWER	BENEFIT INCREASES	CHANGES IN ASSUMPTIONS ACTUARIAL	OTHER FACTORS MISC.	TOTAL CHANGE IN UNFUNDED LIABILITY FROM PREVIOUS YR
JRS							
6/30/1996	9,999,484	(13,671,404)	24,518,236	0	0	14,931,343	35,777,659
6/30/1997	(7,658,092)	(28,145,182)	27,156,529	0	37,922,093	15,264,216	44,539,564
6/30/1998	(10,160,914)	(30,497,137)	34,123,085	0	0	7,218,733	683,767
6/30/1999	456,439	(16,539,663)	32,504,330	0	0	8,821,168	25,242,274
6/30/2000	2,215,672	(14,134,561)	33,196,266	2,848,501	0	8,268,502	32,394,380
6/30/2001	(7,464,258)	61,790,163	35,767,996	0	0	17,044,333	107,138,234
6/30/2002	(11,821,953)	54,489,350	42,170,792	0	28,381,924	8,609,434	121,829,547
6/30/2003	(26,392,926)	27,183,676	49,293,246	0	0	18,906,930	68,990,926
6/30/2004	6,291,883	(36,709,772)	(92,295,242)	0	0	(1,952,146)	(124,665,277)
6/30/2005	(15,087,614)	(8,899,756)	46,427,305	0	0	27,509,646	49,949,581
6/30/2006	(18,612,759)	(17,213,516)	55,344,402	0	(11,189,825)	12,319,701	20,648,003
6/30/2007	(3,952,822)	(51,310,984)	50,305,409	0	0	28,046,308	23,087,911
6/30/2008	(8,834,671)	90,806,378	42,511,153	0	0	4,924,005	129,406,865
6/30/2009	(6,661,210)	33,322,668	40,870,123	0	0	19,481,669	87,013,250
6/30/2010	(14,290,007)	48,210,010	30,640,985	0	188,890,107	14,350,002	267,801,097
6/30/2011	(17,743,557)	31,451,544	66,647,892	0	15,622,518	42,442,760	138,421,157
Total	(129,717,305)	130,131,814	519,182,507	2,848,501	259,626,817	246,186,604	1,028,258,938
GARS							
6/30/1996	1,926,843	(2,564,790)	5,271,809	0	0	1,441,644	6,075,506
6/30/1997	1,298,457	(5,057,646)	5,529,869	0	(136,881)	753,138	2,386,937
6/30/1998	(233,098)	(5,394,158)	5,710,203	0	0	460,957	543,904
6/30/1999	846,137	(2,808,175)	5,298,511	0	0	3,030,916	6,367,389
6/30/2000	(431,214)	(2,371,993)	5,576,440	0	0	2,079,991	4,853,224
6/30/2001	(555,323)	10,135,725	5,803,227	0	0	1,273,197	16,656,826
6/30/2002	(1,520,756)	8,713,370	6,741,725	0	1,211,951	(162,610)	14,983,680
6/30/2003	(1,793,094)	4,391,493	7,217,512	0	0	6,485,877	16,301,788
6/30/2004	(2,633,642)	(5,927,446)	(19,174,182)	0	0	5,286,195	(22,449,075)
6/30/2005	(645,631)	(1,288,918)	7,445,358	0	0	(262,887)	5,247,922
6/30/2006	(3,113,674)	(1,566,794)	8,528,558	0	4,786,991	1,190,775	9,825,856
6/30/2007	3,962,835	(6,733,144)	7,670,304	0	0	373,350	5,273,345
6/30/2008	(2,217,940)	11,400,154	7,073,235	0	0	(613,134)	15,642,315
6/30/2009	1,737,809	3,991,729	6,172,942	0	0	1,380,596	13,283,076
6/30/2010	(2,450,015)	5,710,003	5,669,975	2,140,009	0	830,022	11,899,994
6/30/2011	(1,718,437)	3,577,042	5,621,165	6,514,624	35,809,167	(108,827)	49,694,734
Total	(7,540,743)	14,206,452	76,156,651	8,654,633	41,671,228	23,439,200	156,587,421
COMBINED							
6/30/1996	277,985,995	(950,269,913)	1,648,415,257	17,772,000	0	316,831,110	1,310,734,449
6/30/1997	(174,569,177)	(1,718,043,900)	1,571,561,355	179,117,000	(6,629,275,167)	456,217,865	(6,314,992,024)
6/30/1998	(113,186,439)	(2,788,182,020)	984,293,345	2,250,183,128	0	275,635,915	608,743,929
6/30/1999	77,096,356	(988,726,350)	1,007,531,385	33,870,000	125,223,000	769,534,480	1,024,528,871
6/30/2000	154,524,395	(1,307,066,975)	1,047,267,505	2,848,501	0	326,927,419	224,500,845
6/30/2001	43,970,419	6,599,006,799	1,047,049,618	652,110,224	0	1,068,141,533	9,410,278,593
6/30/2002	134,391,291	5,575,370,512	1,740,995,055	234,100,000	1,377,773,875	903,437,467	9,966,068,200
6/30/2003	125,633,545	2,071,493,135	2,435,147,683	2,425,023,094	0	1,101,032,114	8,158,329,571
6/30/2004	135,696,594	(3,841,756,713)	(4,689,820,728)	0	0	385,281,842	(8,010,599,005)
6/30/2005	35,073,822	(1,033,615,146)	2,431,545,009	0	26,425,000	2,048,339,759	3,507,768,444
6/30/2006	108,341,567	(1,843,091,310)	3,484,514,960	0	704,573,166	(323,161,524)	2,131,176,859
6/30/2007	314,931,325	(6,064,132,235)	3,237,910,982	0	2,735,156,000	1,221,367,050	1,445,233,122
6/30/2008	72,808,128	9,312,292,323	2,785,880,904	0	0	35,540,731	12,206,522,086
6/30/2009	(105,750,005)	3,831,851,000	3,231,349,835	0	0	1,097,734,444	8,055,185,274
6/30/2010	(424,090,024)	4,818,050,020	2,746,100,970	2,140,009	5,209,120,102	950,480,026	13,301,801,103
6/30/2011	0	2,667,236,901	3,666,042,901	6,514,624	581,346,989	1,098,739,174	7,166,048,924
Total	662,857,792	14,340,416,128	28,375,786,036	5,803,678,580	4,130,342,965	11,732,079,405	64,191,329,241

APPENDIX N

2003 PENSION OBLIGATION BONDS (P.A. 93-0002)								
Debt Service Schedule & Allocation By Retirement System								
(\$ in Millions)								
FY	Principle	Interest	Total Debt Service	Allocation By System				
				TRS	SERS	JRS	GARS	SURS
2004	\$0.0	\$481.1	\$481.1	\$284.7	\$91.1	\$9.3	\$1.8	\$94.2
2005	\$0.0	\$496.2	\$496.2	\$293.6	\$94.0	\$9.6	\$1.8	\$97.1
2006	\$0.0	\$496.2	\$496.2	\$293.6	\$94.0	\$9.6	\$1.8	\$97.1
2007	\$0.0	\$496.2	\$496.2	\$293.6	\$94.0	\$9.6	\$1.8	\$97.1
2008	\$50.0	\$496.2	\$546.2	\$323.2	\$103.5	\$10.6	\$2.0	\$106.9
2009	\$50.0	\$495.0	\$545.0	\$322.5	\$103.2	\$10.6	\$2.0	\$106.7
2010	\$50.0	\$493.6	\$543.6	\$321.7	\$103.0	\$10.5	\$2.0	\$106.4
2011	\$50.0	\$491.9	\$541.9	\$320.7	\$102.6	\$10.5	\$2.0	\$106.1
2012	\$100.0	\$490.1	\$590.1	\$349.2	\$111.8	\$11.5	\$2.2	\$115.5
2013	\$100.0	\$486.4	\$586.4	\$347.0	\$111.1	\$11.4	\$2.2	\$114.8
2014	\$100.0	\$482.5	\$582.5	\$344.7	\$110.3	\$11.3	\$2.1	\$114.0
2015	\$100.0	\$478.6	\$578.6	\$342.4	\$109.6	\$11.2	\$2.1	\$113.2
2016	\$100.0	\$474.5	\$574.5	\$340.0	\$108.8	\$11.1	\$2.1	\$112.4
2017	\$125.0	\$470.2	\$595.2	\$352.2	\$112.7	\$11.6	\$2.2	\$116.5
2018	\$150.0	\$464.7	\$614.7	\$363.8	\$116.4	\$11.9	\$2.3	\$120.3
2019	\$175.0	\$458.2	\$633.2	\$374.7	\$119.9	\$12.3	\$2.3	\$123.9
2020	\$225.0	\$449.6	\$674.6	\$399.2	\$127.8	\$13.1	\$2.5	\$132.0
2021	\$275.0	\$438.4	\$713.4	\$422.2	\$135.1	\$13.8	\$2.6	\$139.6
2022	\$325.0	\$424.8	\$749.8	\$443.7	\$142.0	\$14.6	\$2.8	\$146.7
2023	\$375.0	\$408.7	\$783.7	\$463.8	\$148.4	\$15.2	\$2.9	\$153.4
2024	\$450.0	\$390.2	\$840.2	\$497.2	\$159.2	\$16.3	\$3.1	\$164.4
2025	\$525.0	\$367.2	\$892.2	\$528.0	\$169.0	\$17.3	\$3.3	\$174.6
2026	\$575.0	\$340.4	\$915.4	\$541.7	\$173.4	\$17.8	\$3.4	\$179.2
2027	\$625.0	\$311.1	\$936.1	\$554.0	\$177.3	\$18.2	\$3.5	\$183.2
2028	\$700.0	\$279.2	\$979.2	\$579.5	\$185.5	\$19.0	\$3.6	\$191.6
2029	\$775.0	\$243.5	\$1,018.5	\$602.7	\$192.9	\$19.8	\$3.8	\$199.3
2030	\$875.0	\$204.0	\$1,079.0	\$638.5	\$204.4	\$20.9	\$4.0	\$211.2
2031	\$975.0	\$159.4	\$1,134.4	\$671.3	\$214.9	\$22.0	\$4.2	\$222.0
2032	\$1,050.0	\$109.7	\$1,159.7	\$686.3	\$219.7	\$22.5	\$4.3	\$227.0
2033	\$1,100.0	\$56.1	\$1,156.1	\$684.1	\$219.0	\$22.4	\$4.3	\$226.3
TOTALS	\$10,000.0	\$11,933.9	\$21,933.9	\$12,979.9	\$4,154.8	\$425.7	\$80.9	\$4,292.7

APPENDIX O

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

Fiscal Year	TRS	SERS	SURS	JRS	GARS	Total
Assets @ Market Value						
1996	13,829.7	5,178.7	5,082.9	232.4	42.6	24,366.3
1997	17,393.1	6,048.0	8,376.3	314.6	56.7	32,188.7
1998	19,965.9	7,064.5	9,793.8	356.7	62.7	37,243.6
1999	22,237.7	7,986.4	10,762.2	389.8	66.9	41,443.0
2000	24,481.4	8,910.9	12,063.9	422.9	70.5	45,949.6
2001	23,315.6	8,276.7	10,753.3	381.7	62.0	42,789.3
2002	22,366.3	7,673.9	9,814.7	343.7	54.0	40,252.6
2003	23,124.8	7,502.1	9,714.5	330.1	50.0	40,721.5
2004	31,544.7	9,990.2	12,586.3	534.6	83.2	54,739.0
2005	34,085.2	10,494.1	13,350.3	564.9	83.3	58,577.8
2006	36,584.9	10,899.8	14,175.1	599.2	82.2	62,341.2
2007	41,909.3	12,078.9	15,985.7	670.1	87.2	70,731.2
2008	38,430.7	10,995.4	14,586.3	612.7	75.4	64,700.5
2009	28,531.3	8,565.8	11,033.0	483.5	55.6	48,669.2
2010	31,323.8	9,201.8	12,121.5	523.3	54.7	53,225.1
2011	37,471.3	10,970.8	14,274.0	606.0	60.4	63,382.5
Liabilities						
1996	26,141.8	7,390.9	10,155.0	577.8	127.4	44,392.9
1997	26,951.6	7,548.2	10,552.2	704.5	143.9	45,900.4
1998	29,908.2	9,341.9	11,416.1	747.3	150.4	51,563.9
1999	33,205.5	9,998.2	12,617.5	805.6	160.9	56,787.7
2000	35,886.4	10,912.9	13,679.0	871.2	169.4	61,518.9
2001	39,166.7	12,572.2	14,915.3	937.1	177.5	67,768.8
2002	43,047.7	14,291.0	16,654.0	1,020.8	184.6	75,198.1
2003	46,933.4	17,593.9	18,025.0	1,076.2	196.5	83,825.0
2004	50,947.5	18,442.6	19,078.6	1,156.1	207.6	89,832.4
2005	56,075.0	19,304.6	20,349.9	1,236.5	212.9	97,178.9
2006	58,996.9	20,874.5	21,688.9	1,291.4	221.7	103,073.4
2007	65,648.4	22,280.9	23,362.1	1,385.3	231.9	112,908.6
2008	68,632.4	23,841.3	24,917.7	1,457.3	235.8	119,084.5
2009	73,027.2	25,298.3	26,316.2	1,548.5	245.2	126,435.4
2010	77,293.2	29,309.5	30,120.4	1,819.4	251.8	138,794.3
2011	81,299.7	31,395.0	31,514.3	1,952.5	298.4	146,459.9

APPENDIX O

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

Fiscal Year	TRS	SERS	SURS	JRS	GARS	Total
Unfunded						
1996	12,312.1	2,212.2	5,072.1	345.4	84.8	20,026.6
1997	9,558.5	1,500.2	2,175.9	389.9	87.2	13,711.7
1998	9,942.3	2,277.4	1,622.3	390.6	87.7	14,320.3
1999	10,967.8	2,011.8	1,855.3	415.8	94.0	15,344.7
2000	11,405.0	2,002.0	1,615.1	448.3	98.9	15,569.3
2001	15,851.1	4,295.5	4,162.0	555.4	115.5	24,979.5
2002	20,681.4	6,617.1	6,839.3	677.1	130.6	34,945.5
2003	23,808.6	10,091.8	8,310.5	746.1	146.5	43,103.5
2004	19,402.8	8,452.4	6,492.3	621.5	124.4	35,093.4
2005	21,989.8	8,810.5	6,999.6	671.6	129.6	38,601.1
2006	22,412.0	9,974.7	7,513.8	692.2	139.5	40,732.2
2007	23,739.1	10,202.0	7,376.4	715.2	144.7	42,177.4
2008	30,201.7	12,845.9	10,331.4	844.6	160.4	54,384.0
2009	44,495.9	16,732.5	15,283.2	1,065.0	189.6	77,766.2
2010	45,969.4	20,107.6	17,998.9	1,296.2	197.1	85,569.2
2011	43,828.4	20,424.2	17,240.3	1,346.5	238.0	83,077.4
Funded Ratios						
1996	52.9%	70.1%	50.1%	40.2%	33.4%	54.9%
1997	64.5%	80.1%	79.4%	44.7%	39.4%	70.1%
1998	66.8%	75.6%	85.8%	47.7%	41.7%	72.2%
1999	67.0%	79.9%	85.3%	48.4%	41.6%	73.0%
2000	68.2%	81.7%	88.2%	48.5%	41.6%	74.7%
2001	59.5%	65.8%	72.1%	40.7%	34.9%	63.1%
2002	52.0%	53.7%	58.9%	33.7%	29.3%	53.5%
2003	49.3%	42.6%	53.9%	30.7%	25.4%	48.6%
2004	61.9%	54.2%	66.0%	46.2%	40.1%	60.9%
2005	60.8%	54.4%	65.6%	45.7%	39.1%	60.3%
2006	62.0%	52.2%	65.4%	46.4%	37.1%	60.5%
2007	63.8%	54.2%	68.4%	48.4%	37.6%	62.6%
2008	56.0%	46.1%	58.5%	42.0%	32.0%	54.3%
2009	39.1%	33.9%	41.9%	31.2%	22.7%	38.5%
2010	40.5%	31.4%	40.2%	28.8%	21.7%	38.3%
2011	46.1%	34.9%	45.3%	31.0%	20.2%	43.3%

APPENDIX P

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

APPENDIX Q

SUMMARY OF TRS APPROPRIATIONS BY FUND: FY 1996 - 2011								
Fiscal Year	State Pension Fund	Common School Fund	Education Assistance Fund	General Revenue Fund	Min & Supp Reserves through FY 2000, then Min Only; Min is Approp Available	Pension Notes FY10 and FY11	Total	
1996 *	\$30,958,800	\$293,317,200	-	-	\$6,542,000	-	\$330,818,000	
1997	\$31,403,500	\$346,565,500	-	-	\$8,179,000	-	\$386,148,000	
1998	\$37,868,300	\$422,570,700	-	-	\$7,443,000	-	\$467,882,000	
1999 **	\$54,310,700	\$480,740,900	-	\$32,016,000	\$6,440,000	-	\$573,507,600	
2000	\$55,600,000	\$520,595,100	-	\$57,843,900	\$6,035,000	-	\$640,074,000	
2001	\$57,180,000	\$617,977,000	-	\$44,200,000	\$5,500,000	-	\$724,857,000	
2002	\$58,600,000	\$477,019,000	\$275,000,000	-	\$4,800,000	-	\$815,419,000	
2003	\$63,455,000	\$550,000,000	\$300,000,000	\$12,595,000	\$4,000,000	-	\$930,050,000	
2004	\$47,360,000	\$575,000,000	\$345,000,000	\$60,889,000	\$3,400,000	-	\$1,031,649,000	
2005	-	\$422,763,000	\$300,000,000	\$181,165,000	\$3,100,000	-	\$907,028,000	
2006	-	\$531,827,700	-	-	\$2,800,000	-	\$534,627,700	
2007	-	\$735,514,500	-	-	\$2,500,000	-	\$738,014,500	
2008	-	\$1,039,195,000	-	-	\$2,100,000	-	\$1,041,295,000	
2009	-	\$1,449,889,000	-	-	\$1,900,000	-	\$1,451,789,000	
2010	-	\$834,862,000	-	-	\$0	\$1,245,867,000	\$2,080,729,000	
2011	-	\$110,000,000	-	-	\$0	\$2,060,918,000	\$2,170,918,000	
<p>* 1996 minimum benefit amount includes additional \$2,200,000 due to minimum benefit increase enacted after certification submitted (increase effective January 1, 1996).</p> <p>** 1999 includes \$32,016,000 for state share of 2.2 formula enacted after original certification submitted and additional \$9,695,600 in State Pensions Fund appropriations.</p>								

APPENDIX R

SUMMARY OF SURS APPROPRIATIONS BY FUND: FY 1996 - 2012						
Fiscal Year	State Pension Fund	Common School Fund	Education Assistance Fund	General Revenue Fund	Bond Issue Proceeds	Total
1996	\$13,134,800	-	-	\$110,776,200	-	\$123,911,000
1997	\$13,031,400	-	-	\$146,515,600	-	\$159,547,000
1998	\$15,600,400	-	-	\$186,023,600	-	\$201,624,000
1999	\$10,156,100	-	-	\$205,268,900	-	\$215,425,000
2000	\$9,040,000	-	-	\$215,547,000	-	\$224,587,000
2001	\$9,670,000	-	-	\$222,934,000	-	\$232,604,000
2002	\$8,300,000	-	-	\$232,124,000	-	\$240,424,000
2003	\$16,600,000	-	-	\$252,986,000	-	\$269,586,000
2004	\$15,660,000	-	-	\$296,080,000	\$1,431,994,224	\$1,743,734,224
2005	\$222,630,000	-	-	\$47,352,000	-	\$269,982,000
2006	\$80,000,000	-	-	\$86,641,900	-	\$166,641,900
2007	\$134,235,922	-	\$65,065,395	\$52,762,783	-	\$252,064,100
2008	\$186,998,705	-	\$153,321,295	-	-	\$340,320,000
2009	\$223,890,000	-	\$150,072,000	\$76,254,000	-	\$450,216,000
2010	\$139,000,000	-	\$8,542,833	-	\$552,668,057	\$700,210,890
2011Original *	\$63,000,000	-	-	-	\$785,142,000	\$848,142,000
2011Recertified	\$63,000,000	-	-	-	\$713,478,354	\$776,478,354
2012	\$230,000,000	-	-	\$750,485,000	-	\$980,485,000
* This amount was not appropriated to any specific fund because the State planned to use the bond issue funds.						

APPENDIX S

SUMMARY OF SERS APPROPRIATIONS BY FUND: FY 1996 - 2011							
Fiscal Year		State Pension Fund	Common School Fund	Education Assistance Fund	General Revenue Fund	Other State Funds	Total
1996	*	\$8,823,800	-	-	\$87,871,550	\$47,315,450	\$144,010,800
1997	*	\$8,489,800	-	-	\$97,874,400	\$52,701,600	\$159,065,800
1998	*	\$9,208,400	-	-	\$103,279,322	\$55,611,943	\$168,099,665
1999	*	\$8,523,961	-	-	\$193,289,330	\$104,078,870	\$305,892,161
2000	*	\$12,720,000	-	-	\$203,444,540	\$109,547,060	\$325,711,600
2001	*	\$10,490,000	-	-	\$215,437,325	\$116,004,714	\$341,932,039
2002	*	\$10,290,000	-	-	\$230,360,000	\$124,040,000	\$364,690,000
2003	*	\$17,195,000	-	-	\$252,383,300	\$135,898,700	\$405,477,000
2004	*	\$15,150,000	-	-	\$325,436,800	\$175,235,200	\$515,822,000
2005	*	-	-	-	\$324,057,500	\$174,492,500	\$498,550,000
2006	*	-	-	-	\$132,459,535	\$71,324,365	\$203,783,900
2007	*	-	-	-	\$223,706,860	\$120,457,540	\$344,164,400
2008	*	-	-	-	\$358,558,200	\$193,069,800	\$551,628,000
2009	*	-	-	-	\$492,196,250	\$265,028,750	\$757,225,000
2010	*	-	-	-	\$773,162,687	\$395,788,354	\$1,168,951,041
2011	*	-	-	-	\$772,448,140	\$447,275,486	\$1,219,723,626

APPENDIX T

SUMMARY OF JRS APPROPRIATIONS BY FUND: FY 1996 - 2011						
Fiscal Year	State Pension Fund	Common School Fund	Education Assistance Fund	General Revenue Fund	Other State Funds	Total
1996	\$861,000	-	-	\$12,129,000	-	\$12,990,000
1997	\$857,400	-	-	\$13,747,000	-	\$14,604,400
1998	\$1,062,200	-	-	\$15,664,000	-	\$16,726,200
1999	\$2,215,716	-	-	\$18,293,000	-	\$20,508,716
2000	\$2,160,000	-	-	\$21,388,000	-	\$23,548,000
2001	\$2,170,000	-	-	\$24,218,000	-	\$26,388,000
2002	\$2,300,000	-	-	\$27,532,000	-	\$29,832,000
2003	\$2,225,000	-	-	\$31,373,000	-	\$33,598,000
2004	\$609,769	-	-	\$36,526,000	-	\$37,135,769
2005	-	-	-	\$31,991,000	-	\$31,991,000
2006	-	-	-	\$29,189,400	-	\$29,189,400
2007	-	-	-	\$35,236,800	-	\$35,236,800
2008	-	-	-	\$46,872,500	-	\$46,872,500
2009	-	-	-	\$59,983,000	-	\$59,983,000
2010	-	-	-	\$78,509,810	-	\$78,509,810
2011	-	-	-	\$62,699,460	-	\$62,699,460

APPENDIX U

SUMMARY OF GARS APPROPRIATIONS BY FUND: FY 1996 - 2011						
Fiscal Year	State Pension Fund	Common School Fund	Education Assistance Fund	General Revenue Fund	Other State Funds	Total
1996	\$221,600	-	-	\$2,400,000	-	\$2,621,600
1997	\$217,900	-	-	\$2,738,000	-	\$2,955,900
1998	\$260,700	-	-	\$3,113,000	-	\$3,373,700
1999	\$494,718	-	-	\$3,504,000	-	\$3,998,718
2000	\$480,000	-	-	\$3,951,000	-	\$4,431,000
2001	\$490,000	-	-	\$4,305,000	-	\$4,795,000
2002	\$510,000	-	-	\$4,678,000	-	\$5,188,000
2003	\$465,000	-	-	\$5,163,000	-	\$5,628,000
2004	\$300,000	-	-	\$5,790,000	-	\$6,090,000
2005		-	-	\$4,674,000	-	\$4,674,000
2006	-	-	-	\$4,157,000	-	\$4,157,000
2007	-	-	-	\$5,220,300	-	\$5,220,300
2008	-	-	-	\$6,809,800	-	\$6,809,800
2009	-	-	-	\$8,847,000	-	\$8,847,000
2010	-	-	-	\$10,411,274	-	\$10,411,274
2011	-	-	-	\$11,443,614	-	\$11,443,614

APPENDIX V



Teachers' Retirement System of the State of Illinois

2815 West Washington Street | P.O. Box 19253 | Springfield, Illinois 62794-9253

Richard W. Ingram, Executive Director

<http://trs.illinois.gov>

(800) 877-7896 | for the hearing impaired: (866) 326-0087

November 1, 2011

HAND DELIVERED

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

RE: Certification of FY 2013 TRS Funding Amount

Dear Governor Quinn:

In accordance with 40 ILCS 5/16-158 (a-1), please find with this letter a resolution adopted by the System's Board of Trustees during a regular board meeting on October 28, 2011.

The resolution accepts the results of the June 30, 2011 actuarial valuation and certifies the total normal cost and employer normal cost rates for FY 2013. It also certifies the required FY 2013 state contribution of **\$2,703,478,000**, including \$1,200,000 for reimbursements for minimum benefits.

Please note that the FY 2013 certified contributions are based on the current 8.5 percent investment return assumption. Any change in actuarial assumptions due to the next experience analysis will be reflected in the June 30, 2012 actuarial valuation, first affecting the FY 2014 state contribution requirement.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Richard W. Ingram".

Richard W. Ingram
Executive Director

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

Enc. (2)

- Certification of board resolution
- Actuary's certification letter dated October 19, 2011 & Exhibit A

APPENDIX W



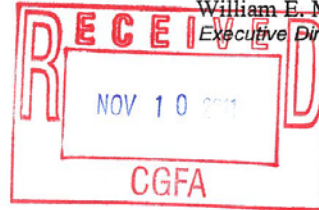
State Universities Retirement System of Illinois

Serving Illinois Community Colleges and Universities

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

William E. Mabe
Executive Director

November 9, 2011



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

Re: Certification of Required Contribution to the State Universities
Retirement System for State fiscal year 2013

Dear Governor Quinn:

As required by Section 15-165 of the Illinois Pension Code, the Board of Trustees of the State Universities Retirement System has certified the required appropriation from State funds for State fiscal year 2013 for the purposes of the system.

The Board has certified that \$ 1,402,800,000 is the total net required contribution for State fiscal year 2013. As required by Section 150-173 an actuarial analyses was conducted by our actuary, Gabriel, Roeder, Smith & Company. As a result of this analysis, several key assumptions were adopted in March 2011 and implemented in the 2011 valuation:

- The assumed payroll growth and wage inflation was reduced from 5.00% to 3.75%.
- The price inflation was reduced from 3.75% to 2.75%.
- The contribution calculation was changed from level percentage of total payroll to reflect the implementation of Tier 2 members as level percentage of pensionable (capped) payroll.

These changes contributed to the increase of the required contribution. An official certification is enclosed. A copy of the actuarial recommendation upon which the certification is based is also enclosed, as required by Section 15-165. Please note that the actuarial valuation continues to recommend a contribution at least equal to the Governmental Accounting Standards Board (GASB) annual required contribution.

Sincerely,


William E. Mabe
Executive Director

Encl: Certification
Actuarial Valuation Report (draft)

Cc: The Honorable Judy Baar Topinka, Comptroller
Mr. David Vaught, Director, Office of Management and Budget
Mr. G.W. Reid, Executive Director, Illinois Board of Higher Education
Mr. Dan R. Long, Executive Director, COGFA
Mr. Daniel A. Hankiewicz, Pension Manager, COGFA
Mr. Andy Munemoto, Senate Democratic Staff
Mr. Erik Dillman, Senate Republican Staff
Mr. Michael Mahoney, House Republican Staff

APPENDIX X



STATE
RETIREMENT
SYSTEMS

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

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

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



October 25, 2011

The Honorable Pat Quinn
Governor
207 Statehouse
Springfield, IL 62706



Dear Governor Quinn:

At the meeting of the Board of Trustees of the State Employees' Retirement System held on October 25, 2011, the Board certified a state contribution for fiscal year 2013 of \$1,659,576,000, or 37.987% of payroll.

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

Very truly yours,

Timothy Blair
Executive Secretary

cc: Governor Pat Quinn, Chicago Office
David Vaught, Director, Governor's Office of Management & Budget
John Frigo, Governor's Office of Management & Budget
Dan Long, Director, Commission on Government Forecasting & Accountability
Dan Hankiewicz, Commission on Government Forecasting & Accountability
Senate President John Cullerton
Republican Leader Christine Radogno
Speaker of the House Michael Madigan
Republican Leader Thomas Cross
Noe Chaimongkol, Office of Senate President
John Lowder, Speaker's Office
Mike Mahoney, House Republican Staff
Kim Fowler, Senate Republican Staff
Andrew Munemoto, Senate Democratic Staff
Jeff Houch, House Democratic Staff
Judy Baar Topinka, Comptroller
Lindsay Anderson, Director of Legislative Affairs, Governor's Office

APPENDIX Y



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

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

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

October 29, 2011



The Honorable Pat Quinn
Governor
207 Statehouse
Springfield, IL 62706



Dear Governor Quinn:

At the meeting of the Board of Trustees of the Judges Retirement System held on October 29, 2011, the Board certified a state contribution for fiscal year 2013 of \$88,210,000, or 49.83% of payroll.

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

Very truly yours,

Timothy Blair
Executive Secretary

cc: Governor Pat Quinn, Chicago Office
David Vaught, Director, Governor's Office of Management & Budget
Cory Burris, Governor's Office of Management & Budget
Dan Long, Director, Commission on Government Forecasting & Accountability
Dan Hankiewicz, Commission on Government Forecasting & Accountability
Senate President John Cullerton
Republican Leader Christine Radogno
Speaker of the House Michael Madigan
Republican Leader Thomas Cross
Noe Chaimongkol, Office of Senate President
John Lowder, Speaker's Office
Mike Mahoney, House Republican Staff
Kim Fowler, Senate Republican Staff
Andrew Munemoto, Senate Democratic Staff
Jeff Houch, House Democratic Staff
Judy Baar Topinka, Comptroller
Lindsay Anderson, Director of Legislative Affairs, Governor's Office

APPENDIX Z



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



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

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

October 26, 2011

The Honorable Pat Quinn
Governor
207 Statehouse
Springfield, IL 62706

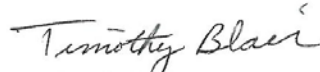


Dear Governor Quinn:

At the meeting of the Board of Trustees of the General Assembly Retirement System held on October 26, 2011, the Board certified a state contribution for fiscal year 2013 of \$14,150,000, or 94.96% of payroll.

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

Very truly yours,


Timothy Blair
Executive Secretary

TB

cc: Governor Pat Quinn, Chicago Office
David Vaught, Director, Governor's Office of Management & Budget
Cory Burris, Governor's Office of Management & Budget
Dan Long, Director, Commission on Government Forecasting & Accountability
Dan Hankiewicz, Commission on Government Forecasting & Accountability
Senate President John Cullerton
Republican Leader Christine Radogno
Speaker of the House Michael Madigan
Republican Leader Thomas Cross
Noe Chaimongkol, Office of Senate President
John Lowder, Speaker's Office
Mike Mahoney, House Republican Staff
Kim Fowler, Senate Republican Staff
Andrew Munemoto, Senate Democratic Staff
Jeff Houch, House Democratic Staff
Judy Baar Topinka, Comptroller
Lindsay Anderson, Director of Legislative Affairs, Governor's Office

BACKGROUND

The Commission on Government Forecasting and Accountability (CGFA), a bipartisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State. The Commission's specific responsibilities include:

- 1) Preparation of annual revenue estimates with periodic updates;
- 2) Analysis of the fiscal impact of revenue bills;
- 3) Preparation of State debt impact notes on legislation which would appropriate bond funds or increase bond authorization;
- 4) Periodic assessment of capital facility plans;
- 5) Annual estimates of public pension funding requirements and preparation of pension impact notes;
- 6) Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
- 7) Administration of the State Facility Closure Act.

The Commission also has a mandate to report to the General Assembly ". . . on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes several reports each year. In addition to a "Monthly Briefing", the Commission publishes the "Revenue Estimate and Economic Outlook" which describes and projects economic conditions and their impact on State revenues. The "Legislative Capital Plan Analysis" examines the State's capital appropriations plan and debt position. "The Financial Conditions of the Illinois Public Retirement Systems" provides an overview of the funding condition of the State's retirement systems. Also published are an Annual Fiscal Year "Budget Summary"; "Report on the Liabilities of the State Employees' Group Insurance Program"; and "Report of the Cost and Savings of the State Employees' Early Retirement Incentive Program". The Commission also publishes each year special topic reports that have or could have an impact on the economic well being of Illinois. All reports are available on the Commission's website.

These reports are available from:

Commission on Government Forecasting and Accountability
703 Stratton Office Building
Springfield, Illinois 62706
(217) 782-5320
(217) 782-3513 (FAX)

http://www.ilga.gov/commission/cgfa/cgfa_home.html