



TO: Members of the Legislative Commission on Pensions and Retirement

FROM: Lawrence A. Martin, Executive Director *JAM*

RE: Materials Comparing Selected Benefit and Related Provisions of Statewide Teacher and General Employee Retirement Plans Nationwide

DATE: December 15, 2008

Introduction

Laws 2008, Chapter 349, Article 1, Section 7, mandated that the Legislative Commission on Pensions and Retirement study the adequacy of the Minnesota teacher retirement plans. The Commission set the scope of its study to include retirement plans beyond teacher retirement plans and instructed the Commission staff to undertake a comparison of selected benefit provisions among representative statewide retirement plans nationwide.

The two attachments to this memorandum present the results of that Commission staff undertaking. **Attachment A** presents information on 12 retirement plan features (normal retirement age, early retirement age, early retirement reduction factor or amount, taxation of retirement benefits, coverage by Social Security, retirement benefit accrual rates, final average salary definition, special early normal retirement incentives, post-retirement adjustments, member and employer contribution rates, most recent funded condition and actuarial costs, and retirement fund and account structure) for the statewide retirement plan in each of the 50 states covering teachers and, if that retirement plan does not also cover general employees, a statewide retirement plan in about half of the 50 states, sorted alphabetically by state name. **Attachment B** presents a portion of the gathered information, ten items (normal retirement age, early retirement age, early retirement reduction factor or amount, taxation of retirement benefits, coverage by Social Security, retirement benefit accrual rates, final average salary definition, special early normal retirement incentives, post-retirement adjustments, member and employer contribution rates) for the same retirement plans, separating out each item and then sorting alphabetically by state name.

Note on the Data Assembling Process

In assembling the attached comparisons of selected benefits and related provisions for statewide teacher and general employee retirement plans in the 50 states, the Commission staff attempted to obtain as accurate a summary of the benefit provisions of the applicable retirement plan as possible, including identifying the governing provisions of law or regulation for each benefit element summarized for a majority of the retirement plans in the comparison.

Despite the extent of labor and care involved in the summarization process, there is no certainty that the various retirement plan summaries are totally accurate. Not all retirement plans appear to value a high level of disclosure, making the summarization process more difficult. Some retirement plans utilize obscure, uncommon, or idiosyncratic terminology, making the summarization process more difficult. Some retirement plans utilize numerous benefit tiers with various differences, which are difficult to disentangle.

Note on Comparing Benefit Provisions to Ascertain Benefit Adequacy

The comparability of retirement plan coverage can be a measure of benefit adequacy if the employer populations involved all function in a national market, where substandard practice can place an employer at a competitive disadvantage or if the prevalence of practice creates an expectation against which the employer's retirement plan coverage can be measured.

The comparability of only a selected number of benefit provisions makes any conclusions about benefit adequacy more fragile because of the nature of the omitted benefit provisions. A set of benefit provisions work within the overall context of the entire retirement coverage arrangement, with unconsidered benefit elements potentially compensating for perceived deficiencies in considered benefit elements, and the retirement coverage works within the broader context of the entire employment compensation and benefit package. For example, the attached benefit comparison of the Teachers Retirement Association (TRA) may not capture the totality of the retirement value obtained by Minnesota teachers if for no other reason than the comparison does not factor in the existing retirement savings programs, including collectively bargained employer matching contributions to tax-sheltered annuity or deferred compensation programs up to potentially \$17,000 annually for older employees.

Conclusion

The Commission staff hopes that the attached 50-state statewide teacher and general employee retirement plan benefit comparison adequately responds to the Commission's directive and provides the Commission with useful information on the differences between Minnesota general employees retirement plan practice and retirement practices in other states.

Statewide Teacher and General Retirement Plans:
Comparison of Selected Benefit and Related Provisions

Index

	<u>Page</u>
Attachment A:	
Statewide Teacher and General Retirement Plans: Comparison of Selected Benefit and Related Provisions.....	1
Attachment B:	
Normal Retirement Age Comparison	55
Early Retirement Age Comparison	59
Reduction Factor/Amount Comparison.....	62
Benefit Taxation Comparison	67
Social Security Coverage Comparison	72
Benefit Accrual Rate Comparison.....	75
Final Average Salary Comparison	81
Special Early Normal Retirement Incentives Comparison	88
Post-Retirement Adjustments Comparison.....	92
Member and Employer Contribution Comparison.....	98

Attachment A

**Statewide Teacher and General Retirement Plans:
Comparison of Selected Benefit and Related Provisions**

Alabama Teachers Retirement System (Retirement Systems of Alabama)

<u>Normal Retirement Age:</u>	Age 60 with ten years of service credit; any age with 25 years of service credit. <i>(Ala. Code § 16-25-14, Para. (a); 2005 CAFR Plan Provision Summary, p. 69)</i>																																																
<u>Early Retirement Age:</u>	Not applicable.																																																
<u>Reduction Factor/Amount:</u>	Not applicable.																																																
<u>Benefit Taxation:</u>	Public defined benefit retirement plan benefit exempt from state income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>																																																
<u>Social Security Coverage:</u>	Social Security coverage in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>																																																
<u>Benefit Accrual Rates:</u>	2.0125% of average final compensation per year of service or, if membership began before October 1, 1971, \$72 annually per year of service if higher amount. <i>(Member Handbook, p. 21)</i>																																																
<u>Final Average Salary:</u>	Average of highest three July 1-June 30 years out of the last ten years, including partial years if beneficial, or entire period of creditable service where service is less than three years. If compensation includes maintenance, Board of Control fixes value of compensation not paid in money. <i>(Ala. Code § 16-25-1, Clauses (17) & (18))</i>																																																
<u>Special Early Normal Retirement Incentives:</u>	No current special early normal retirement incentive program.																																																
<u>Post-Retirement Adjustments:</u>	Ad hoc post-retirement adjustments based on legislative enactments. Adjustments have been granted on average every two years during the past 30 years. 2005 post-retirement adjustment was 4% increase and was funded by a charge on current employers based on proportional covered payroll. 2006 post-retirement adjustment was 7% for pre-10/1/2005 retirees, with \$25 minimum increase (Act 2006-310). <i>(RSA Website; Ala. Code § 16-25-190)</i>																																																
<u>Member & Employer Contribution Rates:</u>	5% of covered salary member contribution rate; 6.56% of covered salary employer contribution rate. <i>(2005 CAFR Plan Provision Summary, pp. 24 & 71; Public Fund Survey Summary)</i>																																																
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td colspan="2">2005:</td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$20,886,190,000</td> <td>NC.....</td> <td>Undisclosed</td> </tr> <tr> <td>Assets.....</td> <td>18,704,009,000</td> <td>Exp.....</td> <td>0.23%\$10,372,000</td> </tr> <tr> <td>UAL.....</td> <td>\$2,182,181,000</td> <td>Amortization.....</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>87.15%</td> <td>Total Req.</td> <td>Undisclosed</td> </tr> <tr> <td colspan="4"><i>(Public Fund Survey Summary; 2005 CAFR Financial Section, p. 21; 2005 CAFR Actuarial Section, pp. 66 & 68)</i></td> </tr> <tr> <td colspan="2">2006:</td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$23,945,100,000</td> <td>NC.....</td> <td>11.62%\$593,571,412</td> </tr> <tr> <td>Assets.....</td> <td>19,821,133,000</td> <td>Exp.....</td> <td>0.21%10,727,200</td> </tr> <tr> <td>UAL.....</td> <td>\$4,123,967,000</td> <td>Amortization.....</td> <td>5.24%267,669,038</td> </tr> <tr> <td>Ratio.....</td> <td>82.8%</td> <td>Total Req.</td> <td>17.07%\$871,967,650</td> </tr> <tr> <td colspan="4"><i>(2006 TRA Actuarial Assumption)</i></td> </tr> </table>	2005:				AL.....	\$20,886,190,000	NC.....	Undisclosed	Assets.....	18,704,009,000	Exp.....	0.23%\$10,372,000	UAL.....	\$2,182,181,000	Amortization.....	Undisclosed	Ratio.....	87.15%	Total Req.	Undisclosed	<i>(Public Fund Survey Summary; 2005 CAFR Financial Section, p. 21; 2005 CAFR Actuarial Section, pp. 66 & 68)</i>				2006:				AL.....	\$23,945,100,000	NC.....	11.62%\$593,571,412	Assets.....	19,821,133,000	Exp.....	0.21%10,727,200	UAL.....	\$4,123,967,000	Amortization.....	5.24%267,669,038	Ratio.....	82.8%	Total Req.	17.07%\$871,967,650	<i>(2006 TRA Actuarial Assumption)</i>			
2005:																																																	
AL.....	\$20,886,190,000	NC.....	Undisclosed																																														
Assets.....	18,704,009,000	Exp.....	0.23%\$10,372,000																																														
UAL.....	\$2,182,181,000	Amortization.....	Undisclosed																																														
Ratio.....	87.15%	Total Req.	Undisclosed																																														
<i>(Public Fund Survey Summary; 2005 CAFR Financial Section, p. 21; 2005 CAFR Actuarial Section, pp. 66 & 68)</i>																																																	
2006:																																																	
AL.....	\$23,945,100,000	NC.....	11.62%\$593,571,412																																														
Assets.....	19,821,133,000	Exp.....	0.21%10,727,200																																														
UAL.....	\$4,123,967,000	Amortization.....	5.24%267,669,038																																														
Ratio.....	82.8%	Total Req.	17.07%\$871,967,650																																														
<i>(2006 TRA Actuarial Assumption)</i>																																																	
<u>Retirement Fund and Account Structure:</u>	Statutory funds are the annuity savings fund, the teacher retirement system expense fund, and the term life insurance fund. The annuity savings fund is credited with member contributions. The pension accumulation fund is credited with all other pension benefit reserves other than the annuity savings fund. The expense fund is credited with turnover gains. The term life insurance fund is credited with special employer contributions for this purpose. Additional funds are the pre-retirement death benefit account and deferred retirement option plan reserve. <i>(2005 CAFR Financial Section, pp. 25-26; Ala. Code § 16-25-21)</i>																																																

Alabama Employees Retirement System (Retirement Systems of Alabama)

<u>Normal Retirement Age:</u>	Age 60 with ten years of service credit; any age with 25 years of service credit. <i>(2006 Actuarial Valuation, p. 32)</i>
<u>Early Retirement Age:</u>	Not applicable.
<u>Reduction Factor/Amount:</u>	Not applicable.
<u>Benefit Taxation:</u>	Public defined benefit retirement plan benefit exempt from state income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
<u>Social Security Coverage:</u>	Social Security coverage in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
<u>Benefit Accrual Rates:</u>	2.0125% of final average salary per year of service. <i>(2006 Actuarial Valuation, p. 33)</i>
<u>Final Average Salary:</u>	Average compensation of member for the three highest years in the last ten years. <i>(2006 Actuarial Valuation, p. 32)</i>
<u>Special Early Normal Retirement Incentives:</u>	No current early normal retirement incentive program.
<u>Post-Retirement Adjustments:</u>	Ad hoc post-retirement adjustments based on legislative enactments. <i>(2008 Member Handbook, p. 36)</i>
<u>Member & Employer Contribution Rates:</u>	5% of covered salary member contribution rate; 11.37% of covered salary employer contribution rate. <i>(2006 Actuarial Valuation, p. 1)</i>

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2006: AL.....\$5,884,306,739 Assets 4,765,293,756 UAL.....\$1,119,012,983 Ratio.....81.0%	NC 10.17%\$121,898,121 Exp. 0.18%2,157,489 Amortization 6.02%72,156,016 Total Req. 16.37%\$196,211,626	<u>Actuarial Method:</u> Modified entry age normal method <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 7.66% (age 20) to 5.05% (age 65). (2006 Actual Valuation, pp. 1 & 32)
--	--	---	--

Retirement Fund and Account Structure: Funds are the Annuity Savings Account, the Pension Accumulation Account, the Pre-Retirement Death Benefit Account, the Expense Fund, and the Deferred Retirement Option Plan Fund. (2006 Actuarial Valuation)

Alaska Teachers Retirement System (Alaska Division of Retirement and Benefits)

<u>Normal Retirement Age:</u>	Post-6/30/2006 hire, any age (Defined Contribution Plan); 7/1/1990-6/30/2006 hire, age 60 with eight years of service credit; 7/1/1955-6/30/1990 hire, age 55 with eight years of service credit; any age with 20 years of service credit. (Alaska Stat. § 14.25.110; TRS Handbook, pp. 37-38)
<u>Early Retirement Age:</u>	Age 50 with eight years of service credit if employed before July 2, 1990; age 55 with eight years of service credit if employed after June 29, 1990. (Alaska Stat. §§ 14.25.110; 14.25.125; TRS Handbook, pp. 37-38 & 40)
<u>Reduction Factor/Amount:</u>	Indicated as actuarial reduction factor: 89.9% at age 59; 81.0% at age 58; 73.2% at age 57; 66.1% at age 56; 59.9% at age 55. (2005 TRS Actuarial Valuation Benefit Plan Summary, pp. 42-43)
<u>Benefit Taxation:</u>	No individual state income tax. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. (Public Fund Survey Summary)
<u>Benefit Accrual Rates:</u>	2% of average base salary per year of service for initial 20 years and all years prior to July 1, 1990, and 2.5% thereafter for hires before July 1, 1990; 2% of average base salary for initial 20 years and 2.5% thereafter for hires after June 30, 1991 and before July 1, 2006; defined contribution account for hires after June 30, 2006. (Alaska Stat. § 14.25.110)
<u>Final Average Salary:</u>	Average of the highest three contract salaries, including addenda, for years in which at least 115 days were worked and compensated, either full time or part time. Base salary for part-time teachers calculated at the full-time equivalent rate. Termination bonuses are not includable. (Alaska Stat. § 14.25.220)
<u>Special Early Normal Retirement Incentives:</u>	No current special early normal retirement incentive program.
<u>Post-Retirement Adjustments:</u>	Automatic adjustment based on the CPI-Urban Wage Earners for Anchorage, payable to recipients age 60 or older or in receipt for at least eight years. Adjustment is 75% of the CPI increase over preceding year or 9%, whichever is less for age 65 recipients and 50% of the CPI increase or 6%, whichever is less, for recipients age 60 or 8-year receipt. (TRS Website; 2005 TRS Actuarial Valuation Benefit Plan Summary, pp. 46-47)
<u>Member & Employer Contribution Rates:</u>	8.65% of covered salary member contribution rate; 26% of covered salary employer contribution rate. (2007 TRS Actuarial Valuation Benefit Plan Summary, p. 41; 2007 CAFR Financial Statement Notes, p. 15)

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2005: AL.....\$6,498,556,000 Assets 3,958,939,000 UAL.....\$2,539,617,000 Ratio..... 60.9%	NC 22.41%\$120,081,000 Exp. 0.37%2,029,000 Amortization 31.09%166,618,000 Total Req. 53.87%\$288,728,000	<u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 5.5% initial five years to 5.0% for balance (2005 TRS Actuarial Valuation, pp. 1, 3, 8, 11, 14-15, & 17)
--	---	---	---

2007: AL.....\$5,043,448,000 Assets 3,441,867,000 UAL.....\$1,601,581,000 Ratio..... 68.2%	NC 15.84%\$97,055,000 Exp. 0.39%2,394,000 Amortization 31.94%195,775,000 Total Req. 48.17%\$295,213,000	<u>Actuarial Method:</u> Entry age normal (adopted in 2006) <u>Interest Assumption:</u> 8.25% (4.5% for short-term investments) <u>Salary Assumption:</u> Range of 5.5% for initial five years of employment to 3.5% after 15 years (2007 TRS Actuarial Valuation)
---	--	---

Retirement Fund and Account Structure: Single teacher retirement trust fund. (2005 CAFR Financial Statement Notes, p. 12)

Alaska Public Employee Retirement System (Alaska Division of Retirement and Benefits)

<u>Normal Retirement Age:</u>	Post-6/30/2006 hires, any age (Defined Contribution Plan); 7/1/1986-6/30/2006 hires, age 60 with five years of service or any age with 30 years of service; 1/1/1961-6/30/1986 hires, age 55 with five years of service or any age with 30 years of service. (2/20/2008 Alaska PERS Summary)
<u>Early Retirement Age:</u>	7/1/1986-6/30/2006 hires, age 55 with five years of service; 1/1/1961-6/30/1986 hires, age 50 with five years of service. (2/20/2008 Alaska PERS Summary)
<u>Reduction Factor/Amount:</u>	0.5% per month under required normal retirement age. (2/20/2008 Alaska PERS Summary)
<u>Benefit Taxation:</u>	No individual state income tax. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)

Social Security Coverage: No Social Security coverage by virtue of public employment. (*Public Fund Survey Summary*)

Benefit Accrual Rates: For 1/1/1961-6/30/2006 hires, 2% per year for first ten years of service, 2.25% per year for second ten years of service, 2.5% per year thereafter. (*2/20/2008 Alaska PERS Summary*)

Final Average Salary: For 7/1/1996-6/30/2006 hires, average of highest five consecutive years' salary; for 1/1/1961-6/30/1996 hires, average of highest three consecutive years' salary. (*2/20/2008 Alaska PERS Summary*)

Special Early Normal Retirement Incentives: No current special early normal retirement incentive program.

Post-Retirement Adjustments: For 7/1/1986-6/30/2006 hires, 10% of base benefit or \$50 per month, whichever is greater, annually to service retirees over age 65 or disabilitants at any age domiciled in Alaska; for 1/1/1961-6/30/1986 hires, 10% of base benefit or \$50 per month, whichever is greater, annually to any to any benefit recipient domiciled in Alaska. Also inflation-based automatic adjustment based on the CPI-Urban Wage Earners for Anchorage, payable to recipients age 60 or older or in receipt for at least five years. Adjustment is 75% of the CPI increase over preceding year or 9%, whichever is less, for age 65 recipients and 50% of the CPI increase or 6%, whichever is less, for recipients age 60 or five-year receipt. (*2007 PERS Actuarial Valuation, pp. 53-54*)

Member & Employer Contribution Rates: 6.75% member contribution; 27.65% employer contribution based on most recent actuarial valuation. (*2007 PERS Actuarial Valuation, p. 28*)

Most Recent Funded Condition and Actuarial Costs: **2007:**

AL.....\$14,570,933,000	NC.....	15.88%.....	\$286,681,322	<u>Actuarial Method:</u> Entry age normal
Assets.....9,900,960,000	Exp.....	0.35%.....	6,246,000	<u>Interest Assumption:</u> 8.25%
UAL.....\$4,669,973,000	Amortization....	18.19%.....	328,383,706	<u>Salary Assumption:</u> Range of 5.5%
Ratio.....68.0%	Total Req.	34.42%.....	\$621,311,028	for first five years grading to 0.5% eventually

(*2007 Alaska PERS Actuarial Valuation*)

Retirement Fund and Account Structure: Single PERS retirement trust fund. (*2007 PERS CAFR, p. 18*)

Arizona State Retirement System

Normal Retirement Age: Age 65; age 62 with ten years of service credit; Rule of 80 (first day of month next following date on which sum of age and service credit equals 80). (*Arizona Rev. Stat. § 38-711, Clauses 26 & 27*)

Early Retirement Age: Age 50 with five years of service credit. (*Arizona Rev. Stat. § 38-758*)

Reduction Factor/Amount: Non-actuarial scaled reduction factor of 94% at age 63 with nine years of service credit; 91% at age 62 with nine years of service credit; 88% at age 61 with nine years of service credit; 85% at age 60 with nine years of service credit; 80% at age 59 with nine years of service credit; 75% at age 58 with nine years of service credit; 70% at age 57 with nine years of service credit; 65% at age 56 with nine years of service credit; and 60% at age 55 with nine years of service credit. (*Arizona Rev. Stat. § 38-758*)

Benefit Taxation: \$2,500 annual state income tax exemption for Arizona public retirement plan benefit, but other state and local government retirement plan benefits are taxable. (*NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison*)

Social Security Coverage: Social Security coverage in addition to public pension plan coverage. (*Public Fund Survey Summary*)

Benefit Accrual Rates: 2.10% of average monthly compensation per year of service for initial 20 years of service, 2.15% per year of service for 21-25 years of service, 2.20% per year of service for 25-30 years of service, and 2.30% per year of service for 30 or more years of service. (*Arizona Rev. Stat. § 38-757*)

Final Average Salary: Average of highest 36 consecutive months of salary within final 120 months of service, but excluding termination of service payments, if hired after December 31, 1983; average of highest 60 consecutive months of salary within final 120 months of service, including base salary, additional contracts, other compensation, sick pay, vacation pay, compensatory payments, retirement incentive pay, and termination payments if hired before January 1, 1984, unless highest three-year average produces a higher benefit. (*Arizona Rev. Stat. §§ 38-711, Clauses 5, 7, & 10; 38-746*)

Special Early Normal Retirement Incentives: No current special early normal retirement incentive program.

Post-Retirement Adjustments: Automatic adjustment based on investment in excess of 8% interest assumption earnings that is credited to excess investment earnings account over a ten-year period. Adjustment is allocated primarily based on years of service of retirees, is allocated additionally based on the years of benefit receipt, and may not exceed 4% annually in aggregate. Unused excess investment performance carries forward, as do negative amounts. Over the past decade, the total average increase to retirees has been 35%. Adjustment is a permanent increase. (*Arizona Rev. Stat. § 38-767*)

Member & Employer Contribution Rates: 8.7% of covered salary member contribution rate; 8.7% of covered salary employer contribution rate. (*2005 ASRP Actuarial Valuation, p. 23*)

Most Recent Funded Condition and Actuarial Costs: **2005:**

AL.....\$27,942,601,285	NC.....	13.16%.....	\$1,057,011,000	<u>Actuarial Method:</u> Projected unit credit
Assets.....23,836,519,123	Exp.....	0.28%.....	22,200,000	<u>Interest Assumption:</u> 8%
UAL.....\$4,106,082,162	Amortization....	4.29%.....	337,344,000	<u>Salary Assumption:</u> Range of 9.5%
Ratio.....85.3%	Total Req.	17.64%.....	\$1,416,555,000	(initial year of service) to 4.5% (20 or more years of service)

(*2005 ASRP Actuarial Valuation, pp. 3-5, 8, 20-21, & 23-25*)

Retirement Fund and Account Structure: Single retirement system trust fund, with an ASRS depository separate from any other state monies or funds. Subsidiary accounts exist for administration, retirement, and investment. A long-term disability trust fund also exists and a health insurance premium benefits account also exists. (*Arizona Rev. Stat. §§ 38-712; 38-720*)

Arkansas Teacher Retirement System

Normal Retirement Age: Age 60 with five years of service credit; any age with 28 years of service credit. (*Ark. Code Ann. § 24-7-701*)

Early Retirement Age: Any age with 25 years of service credit. (*Ark. Code Ann. § 24-7-702*)

Reduction Factor/Amount: Non-actuarial reduction factor of the lesser of 5% per year under 28 years of service credit or 5% per year under age 60. (*Ark. Code Ann. § 24-7-702*)

Benefit Taxation: \$6,000 annual state income tax exemption for public retirement plan benefits. (*NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison*)

Social Security Coverage: Social Security coverage in addition to public pension plan coverage. (*Public Fund Survey Summary*)

Benefit Accrual Rates: 2.15% of final average salary per year of service and 1.39% for service rendered after July 30, 1986, for which no member contributions were made, plus \$900 annual additional amount for members with five years of service credit retiring after July 1, 1999. (*Ark. Code Ann. § 24-7-705*)

Final Average Salary: Average of highest three years of covered salary, but salary utilized for any year may not exceed the prior year's salary by more than 10% unless directly caused by promotion, position change, salary schedule incremental increase, or school revenue increases. (*Ark. Code Ann. §§ 24-7-202, Paras. (13) & (24); 24-7-726*)

Special Early Normal Retirement Incentives: Early retirement incentive for teachers to transfer service credit to Arkansas Public Employees Retirement system was enacted in 1987 and has expired. (*Ark. Code Ann. §§ 24-7-101; Sec. 24-7-102*)

Post-Retirement Adjustments: Annual automatic 3% of the original benefit amount, not compounded, payable to recipients who have received an annuity or benefit for at least one year. (*Ark. Code Ann. § 24-7-727*)

Member & Employer Contribution Rates: Members as of June 30, 1999, could elect to eliminate future member contributions, and members after July 1, 1999, are required to contribute. Member contribution rate is 6% of covered salary. Employer contribution rate is 14.7% of covered salary. (*Ark. Code Ann. § 24-7-406; CAFR, p. 49*)

Most Recent Funded Condition and Actuarial Costs:

2005:				
AL.....	\$10,972,543,729	NC.....	12.75%.....	\$250,155,000
Assets.....	8,817,254,313	Exp.....	0.33%.....	6,454,762
UAL.....	\$2,155,289,416	Amortization.....	5.94%.....	116,542,800
Ratio.....	80.36%	Total Req.	19.02%.....	\$373,152,562
<i>(2005 Arkansas TRS CAFR, pp. 12, 48-49, 52-53, & 57)</i>				
2007:				
AL.....	\$12,328,635,003	NC.....	12.77%.....	\$280,678,858
Assets.....	10,519,229,198	Exp.....	0.27%.....	5,854,557
UAL.....	\$1,809,405,805	Amortization.....	5.67%.....	124,624,050
Ratio.....	85.3%	Total Req.	18.71%.....	\$411,157,465
<i>(2007 Arkansas TRS CAFR, pp. 13, 48-49, 52-53, 57, & 62)</i>				

Retirement Fund and Account Structure: Statutory accounts within the retirement fund are the member deposit account, the employer accumulation account, the retirement reserve account, the survivor benefit account, and the income expense account. The member deposit account is credited with member contributions. The employer accumulation account is credited with employer contributions. The retirement reserve account is credited with the reserves for a retirement benefit. The survivor benefit account is credited with the reserves for a survivor benefit. The income expense account is credited with all investment income and with employer administrative expense contributions. (*Ark. Code Ann. §§ 24-7-405 through 24-7-410*)

Arkansas Public Employees Retirement System

Normal Retirement Age: Age 65 with five years of service credit or at any age with at least 28 years of service credit. (*2007 Arkansas PERS CAFR, p. 62*)

Early Retirement Age: Age 55 with five years of service credit or at any age with at least 25 years of service credit. (*2007 Arkansas PERS CAFR, p. 62*)

Reduction Factor/Amount: The reduction is either 1% per month under 28 years of service if that produces the smallest reduction or 0.5% per month under age 65 if that produces the smallest reduction. (*2007 Arkansas PERS CAFR, p. 62*)

Benefit Taxation: \$6,000 annual state income tax exemption for public retirement plan benefits. (*NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison*)

Social Security Coverage: Social Security coverage in addition to public pension plan coverage. (*Public Fund Survey Summary*)

Benefit Accrual Rates: For post-1/1/1978 to pre-7/1/2005 hires, 1.75% of final average salary per year of service for service rendered before 7/1/2007 and 1.72% of final average salary per year of service for service rendered after 6/30/2007, plus an additional 0.33% of final average salary per year of service from retirement until age 62 for retirements before age 62. For post-7/1/2005 hires, 2% of final average salary per year of service for service rendered before 7/1/2007 and 2.03% of final average salary per year of service for service rendered after 6/30/2007. Minimum monthly single life benefit of \$150. (*2007 Arkansas PERS CAFR, p. 63*)

Final Average Salary: Final average salary is the average of the highest three years of covered compensation. (*2007 Arkansas PERS CAFR, p. 63*)

<u>Special Early Normal Retirement Incentives:</u>	Early retirement incentive for teachers to transfer service credit to Arkansas Public Employees Retirement system was enacted in 1987 and has expired. <i>(Ark. Code Ann. §§ 24-7-101; 24-7-102)</i>																
<u>Post-Retirement Adjustments:</u>	Annual automatic 3% of current benefit amount increase payable to retirees in receipt of benefits for at least one year. <i>(2007 Arkansas PERS CAFR, p. 63)</i>																
<u>Member & Employer Contribution Rates:</u>	No member contribution after 1/1/1978 for post-1/1/1978, pre-7/1/2005 hires, 5% of covered compensation member contribution for post-6/30/2005 hires. The employer contribution rate for most plan divisions is 12.54% of covered compensation in 2007. <i>(2007 Arkansas PERS CAFR, p. 23)</i>																
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2007:</p> <table border="0"> <tr> <td>AL.....\$6,165,900,000</td> <td>NC.....</td> <td>Undisclosed</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets.....5,489,300,000</td> <td>Exp.....0.36%</td> <td>\$4,747,840</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL.....\$676,600,000</td> <td>Amortization.....</td> <td>Undisclosed</td> <td><u>Salary Assumption:</u> Range of 9.8%</td> </tr> <tr> <td>Ratio.....89.0%</td> <td>Total Req.</td> <td>n/a</td> <td>to 4.7%</td> </tr> </table> <p style="text-align: right;"><i>(2007 Arkansas PERS CAFR, pp. 21, 54, 57, & 60)</i></p>	AL.....\$6,165,900,000	NC.....	Undisclosed	<u>Actuarial Method:</u> Entry age normal	Assets.....5,489,300,000	Exp.....0.36%	\$4,747,840	<u>Interest Assumption:</u> 8%	UAL.....\$676,600,000	Amortization.....	Undisclosed	<u>Salary Assumption:</u> Range of 9.8%	Ratio.....89.0%	Total Req.	n/a	to 4.7%
AL.....\$6,165,900,000	NC.....	Undisclosed	<u>Actuarial Method:</u> Entry age normal														
Assets.....5,489,300,000	Exp.....0.36%	\$4,747,840	<u>Interest Assumption:</u> 8%														
UAL.....\$676,600,000	Amortization.....	Undisclosed	<u>Salary Assumption:</u> Range of 9.8%														
Ratio.....89.0%	Total Req.	n/a	to 4.7%														
<u>Retirement Fund and Account Structure:</u>	Statutory accounts within the retirement fund are member's deposit account, member's deposit account interest reserve account, employer's accumulation account, retirement reserve account, and deferred annuity account. <i>(2007 Arkansas PERS CAFR, p. 30)</i>																

California State Teachers Retirement System

<u>Normal Retirement Age:</u>	Age 60 with five years of service credit. <i>(Cal. Education Code § 24201; 2005 CalSTRS Actuarial Valuation, p. 40)</i>
<u>Early Retirement Age:</u>	Age 55 with five years of service credit; age 50 with 30 years of service credit. <i>(Cal. Education Code § 24201; 2005 CalSTRS Actuarial Valuation, p. 41)</i>
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of one-half of 1% reduction per month under age 60 and one-quarter of 1% reduction per month under age 55. <i>(Cal. Education Code § 24201; 2005 CalSTRS Actuarial Valuation, p. 41)</i>
<u>Benefit Taxation:</u>	Public retirement plan benefits fully taxable under state income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
<u>Benefit Accrual Rates:</u>	An age-related percentage of final compensation per year of service of 2% at age 60; 2.033% at age 60¼; 2.067% at age 60½; 2.10% at age 60¾; 2.133% at age 61; 2.167% at age 61¼; 2.20% at age 61½; 2.233% at age 61¾; 2.267% at age 62; 2.30% at age 62¼; 2.333% at age 62½; 2.367% at age 62¾; 2.40% at age 63 or later, plus 0.2% of final compensation per year of service credit if the retiree has 30 years of service credit and is at least age 50, but combined with the age-related factor may not exceed 2.4% per year of service, plus a longevity bonus for retirees with 30 years of service of \$200 per month, with 31 years of service of \$300 per month, and with 32 years of service of \$400 per month, plus an annuity that is the actuarial equivalent of the annuity deposit contributions to the credit of the retiree. <i>(Cal. Education Code §§ 25011; 24203; 24203.5; 24203.6; 24206; 2005 CalSTRS Actuarial Valuation, pp. 40-41)</i>
<u>Final Average Salary:</u>	Highest average earnable compensation during any 36 consecutive months of service credit, unless there was a salary reduction due to a school fund reduction, when nonconsecutive months may be used, if the retiring member has less than 25 years of service, or the highest one-year final compensation if the retiring member has at least 25 years of service or if shorter period is collectively bargained with the associated costs paid from local sources. Compensation is a full-time equivalent basis amount. Compensation does not include job expense reimbursements, severance payments, and non-cash remuneration. <i>(Cal. Education Code §§ 22119.2; 22134; 22134.5; 22135; 24214)</i>
<u>Special Early Normal Retirement Incentives:</u>	In 2004, school districts were authorized to offer an early retirement incentive, where teachers eligible to retire receive an additional two years of service credit or receive an additional two years of age and two years of service credit, with the cost borne by the school district. Early retirement limited term reduction program also exists, for teachers at least age 55 and under age 60, with a benefit equal to one-half of the amount calculated as if age 60, with the reduction continuing after age 60 for as many months as the retiree received benefits before age 60. <i>(California Code 2003, Ch. 313)</i>
<u>Post-Retirement Adjustments:</u>	Annual percentage increase of 2%, non-compounding, paid to persons receiving benefits for at least one year. The retirement board is also required to report to the governor and to the legislature annually on the affect of inflation on retiree purchasing power and the supplementary increases needed to preserve benefit purchasing power. Various ad hoc post-retirement adjustments also have been granted, generally funded from the state general fund. <i>(Cal. Education Code §§ 24400 through 24417)</i>
<u>Member & Employer Contribution Rates:</u>	8% of covered salary member contribution rate; 8.25% of covered salary employer contribution rate. <i>(Cal. Education Code §§ 22950; 22951; 22951.5; 22954)</i>

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2005:			
	AL.....	\$142,193,000,000	NC	16.829%....\$3,920,000,000
	Assets	121,882,000,000	Exp.....	0.237%.....93,000,000
	UAL.....	\$20,311,000,000	Amortization ..	4.491%.....1,046,100,000
	Ratio.....	85.72%	Total Req.	21.557%.....\$5,059,100,000
				(2005 CalSTRS Actuarial Valuation, pp. 1-2, 5, 9-12, 14, 19, 24, 35, 44-46, & 52)

2006:				
AL.....	\$150,872,000,000	NC	16.82%....\$4,077,168,000	
Assets	131,237,000,000	Exp.....	0.44%.....105,895,000	
UAL.....	\$19,635,000,000	Amortization	4.17%.....1,010,808,000	
	Ratio.....	87%	Total Req.	21.43%.....\$5,193,871,000
				(2007 CalSTRS Financial Report; 2006 CalSTRS Actuarial Valuation)

Retirement Fund and Account Structure: In addition to a defined benefit program, there is a defined benefit supplement program, a cash balance benefit program, a voluntary investment program, a teacher's health benefit fund, and a teacher's replacement benefits program fund. Additionally, there is a tax-sheltered annuity fund and a supplemental benefit maintenance account. The defined benefit supplement program is funded from a portion of the regular member contributions and the full member contribution on service in excess of one year during any fiscal year. The cash balance benefit program is for "less than half-time" school employees. The voluntary investment program is a tax-deferred defined contribution program. The teachers' health benefit fund is a Medicare premium payment program. The teachers' replacement benefits program fund is a means to provide benefits in excess of Section 415 of the federal Internal Revenue Code. The supplemental benefit maintenance account funds an additional post-retirement adjustment if 80% of a retiree's purchasing power is not replaced by the other post-retirement adjustment mechanism. (2005 CAFR Financial Statement Notes, pp. 23-25; Cal. Education Code §§ 22951.5; 22954)

California Public Employee Retirement System

- Normal Retirement Age: Age 63 with five years of service credit. (CalPERS Member Booklet, pp. 5 & 22)
- Early Retirement Age: Age 50 with five years of service credit. (CalPERS Member Booklet, pp. 5 & 22)
- Reduction Factor/Amount: Reduced benefit accrual rate for each quarter year under age 63, with a 44% smaller accrued rate for each quarter year under age 63, and with a 44% smaller accrued rate at age 50 compared to age 63. (CalPERS Member Booklet, p. 22)
- Benefit Taxation: Public retirement plan benefits fully taxable under state income tax. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)
- Social Security Coverage: No Social Security coverage by virtue of public employment. (Public Fund Survey Summary)
- Benefit Accrual Rates: An age-related percentage of final average salary as follows:
- | Age | Exact Year | ¼ Year | ½ Year | ¾ Year |
|------------|------------|--------|--------|--------|
| 50 | 1.100% | 1.146% | 1.190% | 1.236% |
| 51 | 1.280% | 1.326% | 1.370% | 1.416% |
| 52 | 1.460% | 1.506% | 1.550% | 1.596% |
| 53 | 1.640% | 1.686% | 1.730% | 1.776% |
| 54 | 1.820% | 1.866% | 1.910% | 1.956% |
| 55 | 2.000% | 2.016% | 2.032% | 2.048% |
| 56 | 2.064% | 2.080% | 2.096% | 2.110% |
| 57 | 2.126% | 2.142% | 2.158% | 2.172% |
| 58 | 2.188% | 2.204% | 2.220% | 2.236% |
| 59 | 2.250% | 2.268% | 2.282% | 2.298% |
| 60 | 2.314% | 2.330% | 2.346% | 2.360% |
| 61 | 2.376% | 2.392% | 2.406% | 2.422% |
| 62 | 2.438% | 2.454% | 2.470% | 2.486% |
| 63 & older | 2.500% | 2.500% | 2.500% | 2.500% |
- (CalPERS Member Booklet, pp. 21-22)
- Final Average Salary: Average full-time monthly pay rate for the last 12 consecutive months of employment. (CalPERS Member Booklet, p. 8)
- Special Early Normal Retirement Incentives: No current early retirement incentive program in force.
- Post-Retirement Adjustments: Cost of living increases based on the Consumer Price Index increase, with a 2% annual maximum, is provided to retirees in receipt of benefits for at least one year. If a retiree's benefit falls below 75% of its original purchasing power level, the retiree receives Purchasing Power Protection Account supplemental payments to the extent of funds available in the Purchasing Power Protection Account. (CalPERS Member Booklet, p. 19)
- Member & Employer Contribution Rates: Variable member and employer contribution rates, dependent on specific plan coverage and particular employing unit's actuarial results. (CalPERS Member Booklet, p. 7)

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2006: AL.....\$448,293,718,000 Assets 357,122,200,000 UAL.....\$91,171,518,000 Ratio.....79.7%	NC..... Undisclosed Exp.....\$115,309,000 Amortization..... Undisclosed Total Req..... Undisclosed	<u>Actuarial Method:</u> Combination of term insurance, unit credit, and aggregate <u>Interest Assumption:</u> Combination of 7%, 7.25%, and 7.5% <u>Salary Assumption:</u> Varied range (2006 CalPERS CAFR, pp. 100-108)
<u>Retirement Fund and Account Structure:</u>	Public Employee Retirement Fund and Reserve Against Deficiencies. (Cal. Government Code §§ 20170: 20175)		

Colorado Public Employees Retirement Association

<u>Normal Retirement Age:</u>	Age 65 with five years of service credit; age 55 if sum of age and service credit totals 80; age 50 with 30 years of service credit if employed before July 1, 2005; age 55 with 30 years of service credit if employed after June 30, 2005; any age with 35 years of service credit; age 55 if sum of age and service credit totals 85 if employed after December 31, 2006. (Colo. Rev. Stat. § 24-51-602)		
<u>Early Retirement Age:</u>	Age 60 with five years of service credit; age 55 with 20 years of service credit; age 50 with 25 years of service credit. (Colo. Rev. Stat. §§ 24-51-602; 24-51-604)		
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 4% per year (0.333 % per month) under age 65 if the member retired at or after age 60 and of 3% per year under age 65 if the member retired on or after age 55. (Colo. Rev. Stat. § 24-51-605)		
<u>Benefit Taxation:</u>	Annual exemption from state income tax per person for any pension income of \$20,000 between age 55 and age 64 and of \$24,000 above age 64. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)		
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. (Public Fund Survey Summary)		
<u>Benefit Accrual Rates:</u>	2.5% of highest average salary per year of service credit, not to exceed 100%. An alternative money purchase annuity based on member contributions, a guaranteed annual compound interest rate, and a matching amount representing employer contributions and interest. (Colo. Rev. Stat. §§ 24-51-603; 24-51-605)		
<u>Final Average Salary:</u>	Average of the highest annual salaries on which contributions were made for three periods of 12 consecutive months of service. Any salary used in the calculation from the three years prior to retirement may not have an increase over the prior year by more than 15%. Salary does not include commissions, converted unused sick leave or other leave, uniform allowances, expense reimbursements, automobile usage, honorariums, bonuses, or severance pay. (Active Member Handbook, pp. 8- 9; Colo. Rev. Stat. § 24-51-101(42)(a))		
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.		
<u>Post-Retirement Adjustments:</u>	Annual automatic adjustment of 3.5%, compounding, payable to a retiree in receipt of benefits for at least three months, unless the retiree was not an active or retired member on June 30, 2005, when the adjustment is 3% or the CPI increase, whichever is less. An annual increase reserve also exists, funded from a 1% of pay deduction from the employer contribution for members who were not members on December 31, 2006, some service credit purchase amounts, and proportionate investment income, and the reserve supports an adjustment for members who were not a member on December 31, 2006, of the lesser of 3% or the CPI increase. (Colo. Rev. Stat. §§ 24-51-1001; 24-51-1002; 24-51-1003; 24-51-1009; 24-51-1010)		
<u>Member & Employer Contribution Rates:</u>	8% of covered salary member contribution rate; 9.3% of covered salary employer contribution rate. (2007 CAFR Benefit Plan Summary, p. 79)		
<u>Most Recent Funded Condition and Actuarial Costs:</u>	2005: AL.....\$46,752,296,440 Assets 34,273,165,233 UAL.....\$12,479,131,207 Ratio.....73.30%	NC 14.53%..... \$470,948,368 Exp 0.19%..... 6,158,307 Amortization.... 3.60% 116,683,697 Total Req. 18.32%..... \$593,790,372	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 10.7% (age 20) to 4.5% (age 60) (2005 Colorado PERA CAFR Actuarial Section, pp. 81-82, 90-91, & 94-96)
	2007: AL.....\$52,459,132,971 Assets 39,415,525,136 UAL.....\$13,043,607,835 Ratio.....75.1%	NC 13.67%..... \$305,731,983 Exp..... 0.31%..... 6,963,000 Amortization 6.29% 140,676,970 Total Req. 20.17%..... \$453,371,953	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 10.7% (age 20) to 4.5% (age 60) (2007 Colorado PERA CAFR, pp. 20-24, 32-33, 88, 90, 98-99, & 101)
<u>Retirement Fund and Account Structure:</u>	The system has division (state and school, municipal, and judicial) trust funds, a health care trust fund, a life insurance reserve trust fund and a voluntary investment program. The health care trust fund relates to a monthly medical insurance premium subsidy program. The voluntary investment program is an Internal Revenue Code Section 401(k) retirement savings program. There is also a common operating fund, which is credited with proportional shares of the system budget. Within each division trust fund, there exists a member contribution reserve, an employer contribution reserve, a survivor benefit reserve, and an annual increase reserve. (Colo. Rev. Stat. § 24-51-208)		

Connecticut Teachers Retirement System

<u>Normal Retirement Age:</u>	Age 60 with 20 years of service credit; any age with 35 years of service credit. (Conn. Gen. Stat. § 10-183f(a))
-------------------------------	--

<u>Early Retirement Age:</u>	Age 55 with 20 years of service credit; any age with 25 years of service credit; any age with ten years of service credit. (<i>Conn. Gen. Stat. § 10-183f (b) & (c)</i>)																																										
<u>Reduction Factor/Amount:</u>	Non-actuarial downsizing of the benefit accrual rate by 0.12% per year of service for each year under normal retirement with less than 30 years of service credit and by 0.06% per year of service for each year under normal retirement with at least 30 years of service credit. (<i>Conn. Gen. Stat. § 10-183g(b) & (c)</i>)																																										
<u>Benefit Taxation:</u>	Public retirement plan benefits fully taxable under state income tax. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)																																										
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. (<i>Public Fund Survey Summary</i>)																																										
<u>Benefit Accrual Rates:</u>	2.0% of average annual salary per year of service, not to exceed 75% of average annual salary. (<i>Conn. Gen. Stat. §§ 10-183b, Clause (4); 10-183g(a)</i>)																																										
<u>Final Average Salary:</u>	Average of highest annual salaries for three years of teaching service. Salary does not include compensation for extra duty assignments, coaching, unused sick leave, terminal pay, or severance pay. (<i>Conn. Gen. Stat. § 10-183b, Clauses (3) & (4)</i>)																																										
<u>Special Early Normal Retirement Incentives:</u>	As early retirement incentive, school districts are permitted to purchase up to five years of additional service credit for teachers at age 50 or older, is eligible to retire with the additional service credit, and agrees to retire by the end of the applicable school year. The service credit purchase is at full actuarial value over a period of years. (<i>Conn. Gen. Stat. § 10-183j</i>)																																										
<u>Post-Retirement Adjustments:</u>	For pre-September 1, 1992, retirees, annual automatic adjustment on benefit other than "1% contribution" benefit or voluntary contribution benefit of 3% minimum and 5% maximum, compounded. For post-August 31, 1992, retirees, with receipt of at least nine months, annual adjustment on benefit other than "1% contribution" benefit or voluntary contribution benefit equal to Social Security increase, not to exceed 6%, and not to exceed 1.5% of the plan's total investment return was less than 8.5%, and proportionately further reduced if the cost of living adjustment reserve account is actuarially insufficient. Reserve account is funded with total rate of investment return in excess of 11.5%. Ad hoc adjustments in 1988, 1991, and 1999. (<i>Conn. Gen. Stat. § 10-183g(j), (k), (l), (m), (n), (o), (p), & (q)</i>)																																										
<u>Member & Employer Contribution Rates:</u>	7% of covered salary member contribution rate; 9.2% of covered salary employer contribution rate. (<i>2004 CSTRS Actuarial Valuation, p. B-2</i>)																																										
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td>2004:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$16,530,678,148</td> <td>NC.....</td> <td>9.01%.....\$264,068,081</td> </tr> <tr> <td>Assets.....</td> <td><u>11,306,878,529</u></td> <td>Exp.....</td> <td>n/a</td> </tr> <tr> <td>UAL.....</td> <td>\$5,223,799,619</td> <td>Amortization....</td> <td>9.49%.....<u>278,136,081</u></td> </tr> <tr> <td>Ratio.....</td> <td>68.40%</td> <td>Total Req.</td> <td>18.50%.....\$542,204,162</td> </tr> </table> <p style="text-align: right;"><i>(2004 CSTRS Actuarial Valuation, pp. 1, B-1, B-2, B-3, B-8, C-6, F-1, F-2, & F-8)</i></p> <table border="0"> <tr> <td>2006:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$18,703,792,895</td> <td>NC.....</td> <td>8.89%.....\$278,940,132</td> </tr> <tr> <td>Assets.....</td> <td><u>11,781,338,002</u></td> <td>Exp.....</td> <td>---</td> </tr> <tr> <td>UAL.....</td> <td>\$6,922,454,893</td> <td>Amortization..</td> <td>12.39%.....<u>388,759,082</u></td> </tr> <tr> <td>Ratio.....</td> <td>63.0%</td> <td>Total Req.</td> <td>21.28%.....\$667,699,214</td> </tr> </table> <p style="text-align: right;"><i>(2006 CSTRS Actuarial Valuation, pp. 1, B-2, B-3, C-1, & F-11 to F-17)</i></p>			2004:				AL.....	\$16,530,678,148	NC.....	9.01%.....\$264,068,081	Assets.....	<u>11,306,878,529</u>	Exp.....	n/a	UAL.....	\$5,223,799,619	Amortization....	9.49%..... <u>278,136,081</u>	Ratio.....	68.40%	Total Req.	18.50%.....\$542,204,162	2006:				AL.....	\$18,703,792,895	NC.....	8.89%.....\$278,940,132	Assets.....	<u>11,781,338,002</u>	Exp.....	---	UAL.....	\$6,922,454,893	Amortization..	12.39%..... <u>388,759,082</u>	Ratio.....	63.0%	Total Req.	21.28%.....\$667,699,214
2004:																																											
AL.....	\$16,530,678,148	NC.....	9.01%.....\$264,068,081																																								
Assets.....	<u>11,306,878,529</u>	Exp.....	n/a																																								
UAL.....	\$5,223,799,619	Amortization....	9.49%..... <u>278,136,081</u>																																								
Ratio.....	68.40%	Total Req.	18.50%.....\$542,204,162																																								
2006:																																											
AL.....	\$18,703,792,895	NC.....	8.89%.....\$278,940,132																																								
Assets.....	<u>11,781,338,002</u>	Exp.....	---																																								
UAL.....	\$6,922,454,893	Amortization..	12.39%..... <u>388,759,082</u>																																								
Ratio.....	63.0%	Total Req.	21.28%.....\$667,699,214																																								
<u>Retirement Fund and Account Structure:</u>	Retirement plan trust fund and health insurance fund exist. (<i>Conn. Gen. Stat. §§ 10-183m; 10-183t</i>)																																										

Delaware State Employees Retirement Plan

<u>Normal Retirement Age:</u>	Age 62 with five years of service credit; age 60 with 15 years of service credit; any age with 30 years of service credit. (<i>Del. Code Ann. § 5522, Para. (a)</i>)
<u>Early Retirement Age:</u>	Age 55 with 15 years of service credit; any age with 25 years of service credit. (<i>Del. Code Ann. § 5522, Para. (c)</i>)
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 0.2% of the benefit for each month under age 60 or under 30 years of service credit, whichever applies. (<i>Del. Code Ann. § 5522, Para. (d)</i>)
<u>Benefit Taxation:</u>	Annual exemption from state income tax per person for any pension income of \$2,000 under age 60 and of \$12,500 over age 59. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)
<u>Social Security Coverage:</u>	Social Security coverage in addition to public pension plan coverage. (<i>Public Fund Survey Summary</i>)
<u>Benefit Accrual Rates:</u>	2.0% of final average compensation per year of service rendered before January 1, 1997, and 1.85% of final average compensation per year of service rendered after December 31, 1996. (<i>Del. Code Ann. § 5527</i>)
<u>Final Average Salary:</u>	Average of the three periods of 12 consecutive months during which compensation was highest. Compensation includes all salary, wages, and fees and includes overtime payments and payments for special duties. (<i>Del. Code Ann. § 5501, Paras. (f) & (h)</i>)
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program.
<u>Post-Retirement Adjustments:</u>	Ad hoc post-retirement adjustments based on legislative enactment. Ad hoc increases are funded through a separate Post-Retirement Increase Fund, with funding of the fund based on monthly contributions using a five-year amortization period. The current contribution rate is 2.6% of covered payroll. (<i>DSERP Website FAQ Question 15</i>)

Member & Employer Contribution Rates: Member contribution rate of 3% of covered salary in excess of \$6,000; employer contribution rate varies based on actuarial work (7.44% of covered salary in 2000, the last reported amount). (*Del. Code Ann. §§ 5543; 5544; DSERP Website FAQ Questions 1 & 2*)

Most Recent Funded Condition and Actuarial Costs: **2005:**
 AL.....\$5,572,719,000 NC Undisclosed Actuarial Method: Aggregate entry age normal
 Assets 6,660,057,000 Exp.....\$4,454,000 Interest Assumption: 8%
 UAL (\$87,338,000) Amortization Undisclosed Salary Assumption: Range of 4.25% to 9.89%
 Ratio.....104% Total Req. Undisclosed
(2005 Del. CAFR, p. 26 and unpaginated actuarial disclosure section)

2007:
 AL.....\$6,208,025,000 NC Undisclosed Actuarial Method: Aggregate entry age normal
 Assets 6,437,916,000 Exp \$5,005,000 Interest Assumption: 8%
 UAL (\$229,891,000) Amortization Undisclosed Salary Assumption: 3.75%
 Ratio.....103.7% Total Req. Undisclosed
(2007 Del. CAFR, pp. 26, 74-75, & 80)

Retirement Fund and Account Structure: A retirement trust fund, a post-retirement benefit fund, and a post-retirement health insurance premium fund exist. (*Del. Code Ann. §§ 5541; 5548; 5550*)

Florida Retirement System

Normal Retirement Age: Age 62 with six years of service credit; any age with 30 years of service credit. (*Fla. Stat. § 121.021, Clause (29)*)

Early Retirement Age: Any age with six years of service credit. (*Fla. Stat. § 121.091, Para. (3)*)

Reduction Factor/Amount: Non-actuarial reduction factor of 5% per year under age 62 or under 30 years of service credit, with age 62 benefit accrual rate less than the benefit accrual rates applicable to age 63 or 31 years of service credit, to age 64 or 32 years of service credit, or to age 65 or 33 years of service credit. (*Fla. Stat. § 121.021, Clause (30)*)

Benefit Taxation: No individual state income tax. (*NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison*)

Social Security Coverage: No Social Security coverage by virtue of public employment. (*Public Fund Survey Summary*)

Benefit Accrual Rates: 2% of average final compensation per year of service credit. Maximum benefit of 100% of average final compensation. (*Fla. Stat. § 121.091, Para. (1)*)

Final Average Salary: Average of the five highest fiscal years of earnings. Covered earnings do not include lump sum sick leave payments, retirement incentive bonuses, annual leave lump sum payments in excess of 500 hours, special services compensation, bonuses, automobile allowances, or housing allowances. (*Fla. Stat. § 121.021, Clauses (22), (23), (24), (25), & (47)*)

Special Early Normal Retirement Incentives: No special early retirement incentive program in force.

Post-Retirement Adjustments: Annual automatic adjustment of 3% to members retired for 12 months, prorated for shorter service, compounded. (*Fla. Stat. § 121.101*)

Member & Employer Contribution Rates: No member contribution; 11.61% of covered salary employer contribution. (*2007 CAFR, p. 28*)

Most Recent Funded Condition and Actuarial Costs: **2005:**
 AL.....\$103,917,955,000 NC 11.43%.....\$2,264,558,879 Actuarial Method: Entry age normal
 Assets 111,539,878,000 Exp..... 0.06%.....15,295,934 Interest Assumption: 7.75%
 UAL (\$7,621,923,000) Amortization.. (1.29%)..... (\$298,000,000) Salary Assumption: 6.25%
 Ratio.....107.33% Total Req. 10.20%.....\$2,351,854,813
(2005 FRS CAFR Financial Statement, p. 19; CAFR Actuarial Section)

2007:
 AL.....\$117,359,375,000 NC 11.52%.....\$3,039,640,000 Actuarial Method: Entry age normal
 Assets 125,584,704,000 Exp 0.06%.....16,093,000 Interest Assumption: 7.75%
 UAL (\$8,225,329,000) Amortization . (0.66%)..... (174,000,000) Salary Assumption: 6.25%
 Ratio.....107.0% Total Req. 10.92%.....\$2,881,733,000
(2007 FRS CAFR pp. 30 & 38-39)

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are the annuity savings trust fund, the pension accumulation trust fund, the expense trust fund, and the survivors' benefit trust fund. Member contributions are required to be credited to the annuity savings trust fund. Transfers from the annuity savings trust fund to the pension accumulation trust fund occur upon retirement. Employer contributions also are credited to the pension accumulation trust fund. A portion of investment return on the annuity savings trust fund is credited to the expense trust fund. The survivors' benefit trust fund is funded by a portion of member contributions and a portion of employer contributions. (*Fla. Stat. §§ 238.09; 238.10*)

Georgia Teachers Retirement System

Normal Retirement Age: Age 60 with ten years of service credit; any age with 30 years of service credit. (*Ga. Code Ann. § 47-3-120(a) & (b)*)

Early Retirement Age: Any age with 25 years of service credit. (*Ga. Code Ann. § 47-3-120(b)*)

<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 0.583% of the benefit amount per month under age 60 or 7% of the benefit amount per year or portion of a year of service credit less than 30 years of service credit. (<i>Ga. Code Ann. § 47-3-120(b)</i>)																																																		
<u>Benefit Taxation:</u>	Annual state income tax exclusion of \$15,000 to individuals over age 61 and disability benefit recipients, with \$4,000 limit on income from earned income. Also a \$1,300 additional standard deduction applies each to taxpayer and spouse over age 61. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)																																																		
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (<i>Pension Fund Survey Summary</i>)																																																		
<u>Benefit Accrual Rates:</u>	2% of average final salary per year of membership service, not to exceed 40 years of membership service. (<i>Ga. Code Ann. § 47-3-120(a)</i>)																																																		
<u>Final Average Salary:</u>	Average of the salary for the two highest consecutive years of membership service. Earnable compensation does not include overtime, travel allowances, or salary for a secondary position, or salary in excess of \$220,000. The salary in any year of the average final salary may not exceed the prior year by more than 8.37% for most teachers employed after July 1, 1984. (<i>Ga. Code Ann. §§ 47-3-1; 47-3-120(d)</i>)																																																		
<u>Special Early Normal Retirement Incentives:</u>	No special early retirement incentive program in force.																																																		
<u>Post-Retirement Adjustments:</u>	Automatic 1.5% compounded adjustment every six months if the CPI does not decrease, payable to retirees receiving benefits for at least six months. 2006 ad hoc adjustment for pre-1987 retirees. (<i>TRS Member Handbook, p. 22; 2007 TRSG Financial Report, p. 44</i>)																																																		
<u>Member & Employer Contribution Rates:</u>	5% of covered salary member contribution rate; 9.24% (2004) and 9.28% (2007) of covered salary employer contribution rate. (<i>2007 TRSG CAFR Financial Statement Notes, pp. 21-22</i>)																																																		
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2004:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$44,230,031,000</td> <td>NC</td> <td>14.66%.....</td> <td>\$1,184,985,100</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>44,617,956,000</td> <td>Exp.....</td> <td>0.15%.....</td> <td>19,558,000</td> <td><u>Interest Assumption:</u> 7.5%</td> </tr> <tr> <td>UAL.....</td> <td>(\$387,925,000)</td> <td>Amortization ..</td> <td>(0.57%).....</td> <td>(46,073,800)</td> <td><u>Salary Assumption:</u> Range of</td> </tr> <tr> <td>Ratio.....</td> <td>100.9%</td> <td>Total Req.</td> <td>14.24%.....</td> <td>\$1,158,469,300</td> <td>3.75% to 8%</td> </tr> </table> <p style="text-align: center;"><i>(2004 TRSG CAFR Financial Statement, p. 20; Financial Statement Notes, pp. 27-29, 35-36, & 38-39)</i></p> <p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$51,059,681,000</td> <td>NC</td> <td>13.15%.....</td> <td>\$1,155,357,000</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>49,263,027,000</td> <td>Exp.....</td> <td>0.25%.....</td> <td>22,073,328</td> <td><u>Interest Assumption:</u> 7.5%</td> </tr> <tr> <td>UAL.....</td> <td>\$1,796,654,000</td> <td>Amortization</td> <td>1.13%.....</td> <td>99,282,000</td> <td><u>Salary Assumption:</u> Range of 3.2%</td> </tr> <tr> <td>Ratio.....</td> <td>91.0%</td> <td>Total Req.</td> <td>14.53%.....</td> <td>\$1,276,714,328</td> <td>to 8.6%</td> </tr> </table> <p style="text-align: center;"><i>(2007 TRSG Financial Report, pp. 17, 20, 28, 30-31, 38, & 40-41)</i></p>			AL.....	\$44,230,031,000	NC	14.66%.....	\$1,184,985,100	<u>Actuarial Method:</u> Entry age normal	Assets	44,617,956,000	Exp.....	0.15%.....	19,558,000	<u>Interest Assumption:</u> 7.5%	UAL.....	(\$387,925,000)	Amortization ..	(0.57%).....	(46,073,800)	<u>Salary Assumption:</u> Range of	Ratio.....	100.9%	Total Req.	14.24%.....	\$1,158,469,300	3.75% to 8%	AL.....	\$51,059,681,000	NC	13.15%.....	\$1,155,357,000	<u>Actuarial Method:</u> Entry age normal	Assets	49,263,027,000	Exp.....	0.25%.....	22,073,328	<u>Interest Assumption:</u> 7.5%	UAL.....	\$1,796,654,000	Amortization	1.13%.....	99,282,000	<u>Salary Assumption:</u> Range of 3.2%	Ratio.....	91.0%	Total Req.	14.53%.....	\$1,276,714,328	to 8.6%
AL.....	\$44,230,031,000	NC	14.66%.....	\$1,184,985,100	<u>Actuarial Method:</u> Entry age normal																																														
Assets	44,617,956,000	Exp.....	0.15%.....	19,558,000	<u>Interest Assumption:</u> 7.5%																																														
UAL.....	(\$387,925,000)	Amortization ..	(0.57%).....	(46,073,800)	<u>Salary Assumption:</u> Range of																																														
Ratio.....	100.9%	Total Req.	14.24%.....	\$1,158,469,300	3.75% to 8%																																														
AL.....	\$51,059,681,000	NC	13.15%.....	\$1,155,357,000	<u>Actuarial Method:</u> Entry age normal																																														
Assets	49,263,027,000	Exp.....	0.25%.....	22,073,328	<u>Interest Assumption:</u> 7.5%																																														
UAL.....	\$1,796,654,000	Amortization	1.13%.....	99,282,000	<u>Salary Assumption:</u> Range of 3.2%																																														
Ratio.....	91.0%	Total Req.	14.53%.....	\$1,276,714,328	to 8.6%																																														
<u>Retirement Fund and Account Structure:</u>	In addition to the retirement trust fund, there is a statutory requirement for an expense fund, to which a portion of state appropriations are creditable. (<i>Ga. Code Ann. § 47-4-29</i>)																																																		

Georgia Employees Retirement System

<u>Normal Retirement Age:</u>	Age 60, any age with 30 years of service, or any age with 34 years of service with additional service credit as if service continued to age 65 for pre-7/1/1982 hires; age 60 or any age with 30 years of service for post-7/1/1982 hires. (<i>ERS Benefit Handbook, p. 6</i>)																									
<u>Early Retirement Age:</u>	Any age with at least 25 years of service and less than 30 years of service. (<i>ERS Benefit Handbook, p. 6</i>)																									
<u>Reduction Factor/Amount:</u>	7% account reduction per year under 30 years of service or age 60, whichever is less, with maximum 35% reduction. (<i>ERS Benefit Handbook, p. 6</i>)																									
<u>Benefit Taxation:</u>	Annual state income tax exclusion of \$15,000 to individuals over age 61 and disability benefit recipients, with \$4,000 limit on income from earned income. Also a \$1,300 additional standard deduction applies each to taxpayer and spouse over age 61. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)																									
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (<i>Pension Fund Survey Summary</i>)																									
<u>Benefit Accrual Rates:</u>	For pre-7/1/1982 hires, the accrual rate is 2% for years 1-28 of service; 2.02% for year 29; 2.05% for year 30; 2.08% for year 31; 2.11% for year 32; 2.142% for year 33; 2.17% for year 34; and 2.20% for years in excess of 34, with a maximum of 90%. For post-7/1/1982 hires, the accrual rate is 2% per year of service for all service, to a maximum of 90%. (<i>ERS Benefit Handbook, pp. 12-13 & 15</i>)																									
<u>Final Average Salary:</u>	Average of the highest 24 consecutive months of covered employment. (<i>ERS Benefit Handbook, p. 12</i>)																									
<u>Special Early Normal Retirement Incentives:</u>	No special early retirement incentive program in force.																									
<u>Post-Retirement Adjustments:</u>	If sufficient funds are available, semi-annual post-retirement adjustments based on the cost of living are granted to benefit recipients over age 45 and in receipt for at least seven months (or at age 60 if retirement occurred under age 60 with between 25 and 30 years of service). (<i>ERS Benefit Handbook, p. 19</i>)																									
<u>Member & Employer Contribution Rates:</u>	6.5%, less \$7 monthly, member contribution rate for pre-7/1/1982 hires and 1.5% member contribution rate for post-7/1/1982 hires. 10.41% employer contribution. (<i>ERS Benefit Handbook, p. 3; and ERS 2007 CAFR, p. 40</i>)																									
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$14,242,845,000</td> <td>NC</td> <td>Undisclosed</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>13,461,132,000</td> <td>Exp.....</td> <td>0.68%</td> <td>\$18,311,000</td> <td><u>Interest Assumption:</u> 7.5%</td> </tr> <tr> <td>UAL.....</td> <td>\$781,713,000</td> <td>Amortization</td> <td>1.33%</td> <td>35,656,928</td> <td><u>Salary Assumption:</u> Range of</td> </tr> <tr> <td>Ratio.....</td> <td>94.5%</td> <td>Total Req.</td> <td>---</td> <td>---</td> <td>5.45% to 9.25%</td> </tr> </table> <p style="text-align: center;"><i>(2007 ERS Actuarial Valuation, pp. 11-12; 2007 ERS CAFR, p. 55)</i></p>			AL.....	\$14,242,845,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal	Assets	13,461,132,000	Exp.....	0.68%	\$18,311,000	<u>Interest Assumption:</u> 7.5%	UAL.....	\$781,713,000	Amortization	1.33%	35,656,928	<u>Salary Assumption:</u> Range of	Ratio.....	94.5%	Total Req.	---	---	5.45% to 9.25%
AL.....	\$14,242,845,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal																						
Assets	13,461,132,000	Exp.....	0.68%	\$18,311,000	<u>Interest Assumption:</u> 7.5%																					
UAL.....	\$781,713,000	Amortization	1.33%	35,656,928	<u>Salary Assumption:</u> Range of																					
Ratio.....	94.5%	Total Req.	---	---	5.45% to 9.25%																					

Retirement Fund and Account Structure: Statutory funds are the annuity savings fund, the pension accumulation fund, and the expenses fund. (*Ga. Code Ann. §§ 47-2-51; 47-2-55; and 47-2-60*)

Hawaii Employees Retirement System

Normal Retirement Age: Age 55 with five years of service credit for contributory plan (pre-July 1, 1984, employees); age 62 with ten years of service credit; age 55 with 30 years of service credit for non-contributory plan (post-June 30, 1984, employees). (*Haw. Rev. Stat. § 88-73*)

Early Retirement Age: Any age with five years of service credit for contributory plan; age 55 with 20 years of service credit for non-contributory plan. (*Haw. Rev. Stat. § 88-73*)

Reduction Factor/Amount: Non-actuarial reduction factor of 5% per year under age 55; 4% per year under age 50; 3% per year under age 45; and 2% per year under age 40 for contributory plan. Non-actuarial reduction factor of 6% per year under age 62. (*HERS Website FAQs*)

Benefit Taxation: Public retirement plan benefits exempt from state individual income tax. Death benefits are taxable under state inheritance/estate tax. (*NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison*)

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. (*Public Fund Survey Summary*)

Benefit Accrual Rates: 2% of average final compensation per year of service credit. (*Haw. Rev. Stat. § 88-74*)

Final Average Salary: Average of three highest years of earnings, excluding any lump sum vacation pay, if first employed after December 31, 1970, and higher of the average of the three highest years of earnings, excluding lump sum vacation pay, or average of five highest years of earnings, including lump sum vacation pay if employed before January 1, 1971. (*Haw. Rev. Stat. §§ 88-21; 88-81*)

Special Early Normal Retirement Incentives: No special early retirement incentive program in force.

Post-Retirement Adjustments: Annual automatic post-retirement adjustment of 2.5% not compounded. (*Haw. Rev. Stat. § 88-90*)

Member & Employer Contribution Rates: No member contribution; 13.75% of covered salary employer contribution rate before July 1, 2008; 15% of covered salary employer contribution rate after June 30, 2008. (*2007 Active Member Newsletter, p. 2*)

Most Recent Funded Condition and Actuarial Costs:

2005:				
AL.....	\$12,985,988,505	NC	7.32%	\$214,073,400
Assets	8,914,839,263	Exp.....	0.24%	7,259,906
UAL	\$4,071,149,242	Amortization	8.41%	245,950,450
Ratio.....	68.65%	Total Req.	15.97%	\$467,283,756
<i>(2005 CAFR Financial Section, p. 32; CAFR Actuarial Section, pp. 52-53, 57, 74-75, 77-81, & 86-88)</i>				
2007:				
AL.....	\$15,696,600,000	NC	12.49%	\$417,228,450
Assets	10,589,800,000	Exp.....	0.31%	9,601,756
UAL	\$5,106,800,000	Amortization	2.97%	99,212,850
Ratio.....	67.5%	Total Req.	15.77%	\$526,043,056
<i>(2007 Hawaii ERS CAFR, pp. 36, 79, & 88-89)</i>				

Retirement Fund and Account Structure: Statutory funds and accounts are the annuity savings fund, the pension accumulation fund, and the expense fund. Member contributions are required to be credited to the annuity savings fund, with the accumulated contributions transferred to the pension accumulation fund upon retirement. Employer contributions are required to be credited to the pension accumulation fund. The expense fund is required to be credited with the amount the board estimates necessary to fund the expense of the system, charged against the investment earnings of the system when reviewed by the legislature and approved by the governor. (*Haw. Rev. Stat. §§ 88-109; 88-112; 88-113; 88-114; 88-116*)

Idaho Public Employee Retirement System

Normal Retirement Age: Age 65 with five years of service credit; any age with Rule of 90 (sum of age and service credit totals 90). (*PERSI Website, General Benefit Summary*)

Early Retirement Age: Any age with five years of service credit. (*PERSI Early Retirement Brochure*)

Reduction Factor/Amount: Non-actuarial reduction factor of 3% per year under age 65 or under the Rule of 90 for the initial five years under age 65 or under the Rule of 90; and 5.75% per year under age 60 or under the sum of age and service credit of 85. (*PERSI Early Retirement Brochure*)

Benefit Taxation: Annual state individual income tax exemption of \$21,900 for single filer or \$32,850 married joint filers over age 61, with exemption reduced by Social Security or Railroad Retirement benefit amounts. (*NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison*)

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. (*Public Fund Survey Summary*)

Benefit Accrual Rates: 2% of final average salary per year of service credit, not to exceed 100% of highest three years average salary. (*PERSI Early Retirement Brochure*)

Final Average Salary: Average of highest 3.5 consecutive years of service. Salary increments that are inconsistent with usual compensation patterns can be disallowed by the retirement board. Salary includes remuneration other than cash, but does not include payments to employee medical savings accounts or severance payments, early retirement incentives and bonuses. (*Idaho Code § 59-1302(5c) & (31)*)

Special Early Normal Retirement Incentives: No special early retirement incentive program in force.

Post-Retirement Adjustments: Subject to amendment or rejection by the state legislature, compounding increase equal to the CPI percentage increase rate, with 1.0% minimum and 6.0% maximum, if the plan is more than fully funded, including the liability for the adjustment. The adjustment is prorated for retirees in receipt of a benefit for less than one year. If there are extraordinary gains (assets in excess of accrued liability plus the amount necessary to absorb one standard deviation market event) and if the board determines they are to be allocated, the gains are allocated to retirees as an additional lump sum payment in proportion to each monthly benefit bears to all monthly benefits, to active members as a deposit in a supplemental retirement account to provide a supplemental defined contribution benefit, and to employers as a credit toward future contributions. (*Idaho Code §§ 59-1309; 59-1355*)

Member & Employer Contribution Rates: 6.23% of covered salary member contribution rate; 10.39% of covered salary employer contribution rate. (*2007 CAFR Financial Section, pp. 42-43*)

Most Recent Funded Condition and Actuarial Costs: **2005:**
 AL.....\$8,840,000,000 NC 14.03%\$305,292,800 Actuarial Method: Entry age normal
 Assets8,208,800,000 Exp..... 0.33%7,169,254 Interest Assumption: 7.75%
 UAL.....\$508,600,000 Amortization 4.79%104,230,400 Salary Assumption: Range of 9%
 Ratio.....94.2% Total Req. 19.15%\$416,692,454 (female teachers with 5 years of service) to 5.3% (teachers with 20 years of service)

(*2005 CAFR Financial Section, pp. 28 & 42-43; Actuarial Section, pp. 81-82, 84, 86-87, 90-91, & 93*)

2007:
 AL.....\$10,431,900,000 NC 14.56%\$352,497,600 Actuarial Method: Entry age normal
 Assets10,945,800,000 Exp..... 0.25%6,257,877 Interest Assumption: 7.75%
 UAL..... (\$513,900,000) Amortization --- --- Salary Assumption: Range of 7.5%
 Ratio.....104.9% Total Req. 14.81%\$358,755,477 to 5%

(*2007 CAFR Financial Section, pp. 31-32; Actuarial Section 86-89, 91, 93, & 96-97*)

Retirement Fund and Account Structure: There is a special retirement fund in the state treasury, with additional reserves in the form of a clearing account, a portfolio investment expense account, an administrative account, and a supplemental retirement account. The clearing account is the general body of plan assets. The investment expense account is dedicated to the payment of investment expenses. The administration account is dedicated for the payment of non-investment system expenses. The supplemental retirement account is credited with extraordinary gains on the investment portfolio that fund an additional post-retirement adjustment. (*Idaho Code § 59-1311*)

Illinois Teachers Retirement System

Normal Retirement Age: Age 62 with five years of service credit; age 60 with ten years of service credit; age 55 with 35 years of service credit. (*III. Comp. Stat. § 40 ILCS 5/16-132*)

Early Retirement Age: Age 55 with 20 years of service credit. (*III. Comp. Stat. § 40 ILCS 5/16-132*)

Reduction Factor/Amount: Non-actuarial reduction factor of 0.5% per month under age 60. (*III. Comp. Stat. § 40 ILCS 5/16-133(a)(B)*)

Benefit Taxation: Public retirement plan benefits exempt from state individual income tax. (*NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison*)

Social Security Coverage: No Social Security coverage by virtue of public employment. (*Public Fund Survey Summary*)

Benefit Accrual Rates: Unless upgraded to post-June 30, 1998, accrual rate by the payment of 1.0% of highest annual salary of four years before the upgrade per year of pre-July 1, 1998, service, for pre-July 1, 1998, service, 1.67% per year for each of the first ten years of service, 1.90% for each of the second ten years of service, 2.10% for each of the third ten years of service, and 2.30% per year of service in excess of 30 years, and for post-June 30, 1998, service, 2.2% per year of service credit, applied to final average salary, but not to exceed 75% of final average salary. (*III. Comp. Stat. §§ 40 ILCS 5/16-133; 40 ILCS 5/16-133.2*)

Final Average Salary: Average of the highest four consecutive years of salary within the last ten years of creditable service. (*III. Comp. Stat. § 40 ILCS 5/16-133(b)*)

Special Early Normal Retirement Incentives: An early retirement option was offered in 1993 and has expired. Under 2004 legislation, two early retirement option programs were authorized. The Pipeline Early Retirement Option allows teachers who notified their employer of their retirement before June 1, 2005, and retires before July 1, 2007, retires with a full benefit with no additional member or employer contribution with 34 years of service credit or a 7% additional member contribution and a 20% additional employer contribution. The Modified Early Retirement Option provides an unreduced retirement annuity with an additional member contribution of 11.5% of the highest salary of the final average salary multiplied by the number of years under age 60 or the number of years under 35 years of service credit, whichever is less, and an additional employer contribution of 23.5% of the highest salary multiplied by the number of years the teacher is under age 60. (*III. Comp. Stat. §§ 40 ILCS 5/16-133.3; 40 ILCS 5/16-133.4; 40 ILCS 5/16-133.5*)

Post-Retirement Adjustments: Automatic annual adjustment of 3%, which compounds. Retiree must be over age 65 or in receipt for at least one year to be eligible for the adjustment. (*III. Comp. Stat. § 40 ILCS 5/16-133.1*)

Member & Employer Contribution Rates: 9% of covered salary member contribution rate; 13.1% of covered salary employer contribution rate. (*III. Comp. Stat. § 40 ILCS 5/16-152; Public Fund Survey Summary*)

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2005:			
	AL.....	\$56,075,029,000	NC	Undisclosed
	Assets	<u>34,085,218,000</u>	Exp.	Undisclosed
	UAL.....	\$21,989,811,000	Amortization	Undisclosed
Ratio.....	60.8%	Total Req.	Undisclosed	

Actuarial Method: Projected unit credit
Interest Assumption: 8.5%
Salary Assumption: Undisclosed
(Public Fund Survey Summary)

	2007:			
	AL.....	\$65,648,395,000	NC	Undisclosed
	Assets	<u>41,909,318,000</u>	Exp.	\$15,246,203
	UAL.....	\$23,739,077,000	Amortization	Undisclosed
Ratio.....	63.8%	Total Req.	Undisclosed	

Actuarial Method: Projected unit credit
Interest Assumption: 8.5%
Salary Assumption: Range of 10.2% to 6%
(2007 ILL TRS CFR, pp. 25, 76, 79, & 88)

Retirement Fund and Account Structure: The system has three funds or accounts. The benefit trust reserve is credited with most member and employer contributions and functions as the general clearing account for the retirement plan. The retirement annuity reserve is funded by contributions from annuitants electing the coverage of a minimum retirement annuity amount and sufficient state funding and is dedicated to minimum retirement annuity amounts. The teachers' health insurance fund is credited with a portion of member and employer contributions and funds the Teacher Retirement Insurance Program. *(III. Comp. Stat. §§ 40 ILCS 5/16-182; 40 ILCS 5/16-184; 40 ILCS 5/16-185; 40 ILCS 5/16-186.3; 40 ILCS 5/16-187)*

Illinois State Retirement System

- Normal Retirement Age: Age 60 with eight years of service or any age if sum of age and service equals 85. *(SRS Member Booklet, p. 18)*
 - Early Retirement Age: Age 55 with 25 years of service. *(SRS Member Booklet, p. 18)*
 - Reduction Factor/Amount: Non-actuarial reduction factor of one-half of 1% per month under age 60. *(SRS Member Booklet, p. 18)*
 - Benefit Taxation: Public retirement plan benefits exempt from state individual income tax. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*
 - Social Security Coverage: Unless employee is public safety employee, Social Security coverage is in addition to public pension plan coverage. *(SRS Member Booklet, pp. 20-21)*
 - Benefit Accrual Rates: 1.67% of final average compensation per year of service credit, with maximum benefit of 75% of final average compensation. *(SRS Member Booklet, pp. 18-19)*
 - Final Average Salary: Average of the highest 48 consecutive months of service within the last 120 months of service. *(SRS Member Booklet, p. 19)*
 - Special Early Normal Retirement Incentives: No special early retirement incentive program is in force.
 - Post-Retirement Adjustments: An annual 3% increase payable January 1 after benefit receipt for at least one full year, but not subject to the 75% benefit maximum. *(SRS Member Booklet, p. 19)*
 - Member & Employer Contribution Rates: 4% of covered payroll member contribution rate; 21.049% of covered payroll employer contribution rate (FY 2009). *(2007 SERS CAFR, p. 36; SRS Member Booklet, p. 9)*
- | | | | | |
|--|--------------|-----------------------|--------------------|------------------------|
| <u>Most Recent Funded Condition and Actuarial Costs:</u> | 2007: | | | |
| | AL..... | \$22,280,916,665 | NC | Not disclosed |
| | Assets | <u>12,078,908,954</u> | Exp..... | 0.23%\$8,807,627 |
| | UAL..... | \$10,202,007,711 | Amortization | Not disclosed |
| Ratio..... | 54.21% | Total Req. | Not disclosed | |
- Actuarial Method: Projected unit credit
Interest Assumption: 8.5%
Salary Assumption: Range of 4% (age 70) to 8.35% (ages 25-29)
(2007 SERS CAFR, pp. 15, 36, 39-40, & 42)
- Retirement Fund and Account Structure: The retirement plan has a single retirement fund and no statutory internal funds or sub-accounts. *(III. Comp. Stat., Title 40, Section 14-131)*

Indiana Teachers Retirement Fund

- Normal Retirement Age: Age 65 with ten years of service credit; age 60 with 15 years of service credit; age 55 if the sum of age and years of service credit totals 85. *(2005 ISTRF Actuarial Valuation Benefit Summary)*
- Early Retirement Age: Age 50 with 15 years of service credit. *(2005 ISTRF Actuarial Valuation Benefit Summary)*
- Reduction Factor/Amount: Non-actuarial reduction factors of 11% for the year under age 60 and of 5% for each year under age 59. *(Ind. Code § 5-10.2-4-5)*
- Benefit Taxation: Public retirement plan benefits subject to state individual income tax. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*
- Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. *(Public Fund Survey Summary)*
- Benefit Accrual Rates: 1.1% of final average salary per year of service credit, plus benefit derived from the person's annuity savings account balance. *(Ind. Code § 5-10.2-4-4)*
- Final Average Salary: Average of the five highest years of annual compensation during a career. Compensation may not include more than \$2,000 of payments in contemplation of retirement. *(Ind. Code § 5-10.2-4-3)*
- Special Early Normal Retirement Incentives: No special early retirement incentive program is in force.

<u>Post-Retirement Adjustments:</u>	Ad hoc adjustments as approved by legislative enactment. An adjustment was approved for January 2007 of 2% for pre-July 2, 1991 retirees and 1% for July 1, 1991-July 1, 2004, retirees. Adjustment applies only to the defined benefit portion of the total benefit. <i>(May 2006 Member Newsletter)</i>																																																												
<u>Member & Employer Contribution Rates:</u>	3% of covered salary member contribution rate; 13.22% of covered salary employer contribution rate. <i>(2005 ISTRF Actuarial Valuation Benefit Summary; CAFR Financial Statement Notes, p. 25; Public Fund Survey Summary)</i>																																																												
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$16,264,893,444</td> <td>NC</td> <td>9.25%</td> <td>\$345,425,443</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td><u>7,065,299,476</u></td> <td>Exp.....</td> <td>0.17%</td> <td>6,407,378</td> <td><u>Interest Assumption:</u> 7.5%</td> </tr> <tr> <td>UAL.....</td> <td>\$9,199,593,968</td> <td>Amortization</td> <td><u>11.96%</u></td> <td><u>446,625,762</u></td> <td><u>Salary Assumption:</u> Range of</td> </tr> <tr> <td>Ratio.....</td> <td>43.4%</td> <td>Total Req.</td> <td>21.38%</td> <td>\$798,456,583</td> <td>15.5% (with one year of service) to</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>4.75% (with 24 years of service)</td> </tr> </table> <p style="text-align: right;"><i>(2005 ISTRF Actuarial Valuation, pp. 1, A-3, A-7, A-8, A-9, F-1, F-2, F-3, F-4, & G-8)</i></p> <p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$18,815,812,935</td> <td>NC</td> <td>.....</td> <td>Not disclosed</td> <td><u>Actuarial Method:</u> Entry age</td> </tr> <tr> <td>Assets</td> <td><u>8,476,559,086</u></td> <td>Exp.....</td> <td>0.15%</td> <td>\$6,500,503</td> <td>normal actuarial cost method</td> </tr> <tr> <td>UAL.....</td> <td>\$10,339,253,849</td> <td>Amortization</td> <td>.....</td> <td><u>Not disclosed</u></td> <td><u>Interest Assumption:</u> 7.5%</td> </tr> <tr> <td>Ratio.....</td> <td>45.1%</td> <td>Total Req.</td> <td>17.55%</td> <td>\$749,382,505</td> <td><u>Salary Assumption:</u> 4.75% to</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>15.5%</td> </tr> </table> <p style="text-align: right;"><i>(2007 ISTRF Actuarial Valuation, pp. 2, 5, 9-12, 14, 29, & 33)</i></p>	AL.....	\$16,264,893,444	NC	9.25%	\$345,425,443	<u>Actuarial Method:</u> Entry age normal	Assets	<u>7,065,299,476</u>	Exp.....	0.17%	6,407,378	<u>Interest Assumption:</u> 7.5%	UAL.....	\$9,199,593,968	Amortization	<u>11.96%</u>	<u>446,625,762</u>	<u>Salary Assumption:</u> Range of	Ratio.....	43.4%	Total Req.	21.38%	\$798,456,583	15.5% (with one year of service) to						4.75% (with 24 years of service)	AL.....	\$18,815,812,935	NC	Not disclosed	<u>Actuarial Method:</u> Entry age	Assets	<u>8,476,559,086</u>	Exp.....	0.15%	\$6,500,503	normal actuarial cost method	UAL.....	\$10,339,253,849	Amortization	<u>Not disclosed</u>	<u>Interest Assumption:</u> 7.5%	Ratio.....	45.1%	Total Req.	17.55%	\$749,382,505	<u>Salary Assumption:</u> 4.75% to						15.5%
AL.....	\$16,264,893,444	NC	9.25%	\$345,425,443	<u>Actuarial Method:</u> Entry age normal																																																								
Assets	<u>7,065,299,476</u>	Exp.....	0.17%	6,407,378	<u>Interest Assumption:</u> 7.5%																																																								
UAL.....	\$9,199,593,968	Amortization	<u>11.96%</u>	<u>446,625,762</u>	<u>Salary Assumption:</u> Range of																																																								
Ratio.....	43.4%	Total Req.	21.38%	\$798,456,583	15.5% (with one year of service) to																																																								
					4.75% (with 24 years of service)																																																								
AL.....	\$18,815,812,935	NC	Not disclosed	<u>Actuarial Method:</u> Entry age																																																								
Assets	<u>8,476,559,086</u>	Exp.....	0.15%	\$6,500,503	normal actuarial cost method																																																								
UAL.....	\$10,339,253,849	Amortization	<u>Not disclosed</u>	<u>Interest Assumption:</u> 7.5%																																																								
Ratio.....	45.1%	Total Req.	17.55%	\$749,382,505	<u>Salary Assumption:</u> 4.75% to																																																								
					15.5%																																																								
<u>Retirement Fund and Account Structure:</u>	Statutory funds and accounts are a pre-1996 account and a 1996 account, with each account segregated into an annuity savings account and a retirement allowance account. The pre-1996 account also contains a pension stabilization fund to cover cash flow requirements. The Annual Financial Report indicates that there are five established reserves, the member reserve, the benefits in force reserve, the employer reserve, the undistributed investment income reserve, and the unreserved fund balance. The member reserve is credited with member contributions and investment income. The benefits in force reserve is credited with member contributions for annuitants transferred from the member reserve, transfers from the employer reserve, contains the pension stabilization fund, and has an unfunded liability. The employer reserve contains the accumulated employer contributions and investment income and has an unfunded liability. The undistributed investment income reserve is created with all investment earnings, with subsequent transfers. The unreserved fund balance is the unfunded liability for retirees and non-retired members. <i>(Ind. Code §§ 5-10.4-2-1; 5-10.4-2-2; 5-10.4-2-3; 5-10.4-2-4; 5-10.4-2-5; 5-10.4-2-6)</i>																																																												

Indiana Public Employees Retirement Fund

<u>Normal Retirement Age:</u>	Age 65 with at least ten years of service, or age 60 with at least 15 years of service, or at least age 55 when total of age and years of service equal 85. <i>(Indiana Public Employees Retirement Fund Booklet, p. 22)</i>																								
<u>Early Retirement Age:</u>	Age 50 with 15 years of service. <i>(Indiana PERF Booklet, p. 23)</i>																								
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factors of 11% for the year under age 60 and of 5% for each year under age 59. <i>(Indiana PERF Booklet, p. 23)</i>																								
<u>Benefit Taxation:</u>	Public retirement plan benefits subject to state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>																								
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>																								
<u>Benefit Accrual Rates:</u>	1.1% of final average salary per year of service credit, plus annuity derived from the active member's annuity savings account balance. <i>(Indiana PERF Booklet, p. 21)</i>																								
<u>Final Average Salary:</u>	Average of the five highest years of annual compensation during an active member's career. <i>(Indiana PERF Booklet, p. 22)</i>																								
<u>Special Early Normal Retirement Incentives:</u>	No special early retirement incentive program in force.																								
<u>Post-Retirement Adjustments:</u>	Pre-11/1/2000 retirees receive an automatic 2.5% post-retirement adjustment and post-12/31/1999 retirees receive an automatic 2.0% post-retirement adjustment. All retirees also receive a 13 th check each December if they were in benefit status on prior January 1 and November 1, of \$50 with between five and ten years of service, \$100 with between 10 and 20 years of service, \$175 with between 20 and 30 years of service, and \$225 with at least 30 years of service. <i>(Indiana PERF Website)</i>																								
<u>Member & Employer Contribution Rates:</u>	3% member contribution, paid by employer pick-up with salary reduction for state employees and university employees, or subsidized in whole or in part by local government employers; 5.28% (2007) employer contribution, established by actuarial work. <i>(2007 Indiana PERF CAFR, pp. 32 & 38)</i>																								
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$11,450,928,000</td> <td>NC</td> <td>.....</td> <td>Not disclosed</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td><u>11,177,971,000</u></td> <td>Exp.....</td> <td>0.42%</td> <td>\$17,943,000</td> <td><u>Interest Assumption:</u> 7.25%</td> </tr> <tr> <td>UAL.....</td> <td>\$272,957,000</td> <td>Amortization</td> <td>.....</td> <td>Not disclosed</td> <td><u>Salary Assumption:</u> 4%</td> </tr> <tr> <td>Ratio.....</td> <td>97.6%</td> <td>Total Req.</td> <td>.....</td> <td>Not disclosed</td> <td></td> </tr> </table> <p style="text-align: right;"><i>(2007 Indiana PERF CAFR, pp. 32, 74, & 78-79)</i></p>	AL.....	\$11,450,928,000	NC	Not disclosed	<u>Actuarial Method:</u> Entry age normal	Assets	<u>11,177,971,000</u>	Exp.....	0.42%	\$17,943,000	<u>Interest Assumption:</u> 7.25%	UAL.....	\$272,957,000	Amortization	Not disclosed	<u>Salary Assumption:</u> 4%	Ratio.....	97.6%	Total Req.	Not disclosed	
AL.....	\$11,450,928,000	NC	Not disclosed	<u>Actuarial Method:</u> Entry age normal																				
Assets	<u>11,177,971,000</u>	Exp.....	0.42%	\$17,943,000	<u>Interest Assumption:</u> 7.25%																				
UAL.....	\$272,957,000	Amortization	Not disclosed	<u>Salary Assumption:</u> 4%																				
Ratio.....	97.6%	Total Req.	Not disclosed																					
<u>Retirement Fund and Account Structure:</u>	Five statutory reserves, the member reserve, the employer reserve, the benefits in force reserve, the undistributed income reserve, and the administrative expense reserve. <i>(2007 Indiana PERF CAFR, p. 36)</i>																								

Iowa Public Employees Retirement System

<u>Normal Retirement Age:</u>	Age 65 with any service; age 62 with 20 years of service credit; any age if the sum of age and years of service credit totals 88. (<i>Iowa Code § 97B.45</i>)																																																				
<u>Early Retirement Age:</u>	Age 55 with any service. (<i>Iowa Code § 97B.47</i>)																																																				
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 0.25% per month under age 65, under age 62 with 20 years of service, or under the Rule of 88. (<i>Iowa Code § 97B.50</i>)																																																				
<u>Benefit Taxation:</u>	Annual state individual income tax exemption of \$6,000 per taxpayer over age 54. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)																																																				
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (<i>Public Fund Survey Summary</i>)																																																				
<u>Benefit Accrual Rates:</u>	2% of average salary per year of service credit, not to exceed 30 years of service credit. (<i>Iowa Code § 97B.49A</i>)																																																				
<u>Final Average Salary:</u>	For retirements before July 1, 2008, average of covered calendar year wages for the highest three years of service credit. For retirements after June 30, 2008, average of member's highest 12 consecutive quarters of service credit. Covered salary includes compensatory time or banked holiday pay limited to 240 hours and wage equivalents and do not include special lump sum payments and other special payment arrangements. (<i>Iowa Code §§ 97B.1A 24.a.; 97B.1A 26.a.</i>)																																																				
<u>Special Early Normal Retirement Incentives:</u>	No retirement plan early retirement incentive program in force. School districts permitted to implement early retirement incentive programs in the form of a cash payment to retire early. (<i>IPERS Early Retirement Incentive Programs Brochure</i>)																																																				
<u>Post-Retirement Adjustments:</u>	For post-June 30, 1990 retirees, a favorable experience dividend adjustment is paid to retirees in receipt for at least one year. Favorable experience is any net positive actuarial experience gain in any year. The adjustment is a percentage amount, not to exceed 3%, is payable in a lump sum, and does not compound. The actuarial gain amount is credited to a favorable experience dividend reserve account and adjustment payment is subject to actuarial determinations of sufficiency. (<i>Iowa Code § 97B.49F</i>)																																																				
<u>Member & Employer Contribution Rates:</u>	4.1% of covered salary member contribution rate; 7.92% of covered salary employer contribution rate. (<i>2007 Iowa PERS Actuarial Valuation, p. 12</i>)																																																				
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td colspan="4">2005:</td> </tr> <tr> <td>AL.....</td> <td>\$20,240,098,667</td> <td>NC.....</td> <td>9.12%\$473,457,981</td> <td rowspan="5"><u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 7.5% <u>Salary Assumption:</u> Range of 18.5% (age 22 with one year of service) to 4% (age 62 with 21 years of service)</td> </tr> <tr> <td>Assets.....</td> <td>17,951,490,071</td> <td>Exp.....</td> <td>0.16%8,214,903</td> </tr> <tr> <td>UAL.....</td> <td>\$2,288,608,596</td> <td>Amortization.....</td> <td>0.33%16,649,273</td> </tr> <tr> <td>Ratio.....</td> <td>88.69%</td> <td>Total Req.</td> <td>9.61%\$498,322,157</td> </tr> <tr> <td colspan="4" style="text-align: right;"><i>(2005 IPERS Actuarial Valuation, pp. 1, 3-6, 12, 23, 28-29, C-1, C-2, C-4, & C-6)</i></td> </tr> <tr> <td colspan="4">2007:</td> </tr> <tr> <td>AL.....</td> <td>\$23,026,000,000</td> <td>NC.....</td> <td>9.80%\$592,802,000</td> <td rowspan="5"><u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 7.5% <u>Salary Assumption:</u> Range of 4% to 12%</td> </tr> <tr> <td>Assets.....</td> <td>20,760,000,000</td> <td>Exp.....</td> <td>0.15%9,060,968</td> </tr> <tr> <td>UAL.....</td> <td>\$2,266,000,000</td> <td>Amortization.....</td> <td>2.20%133,078,000</td> </tr> <tr> <td>Ratio.....</td> <td>90.2%</td> <td>Total Req.</td> <td>12.15%\$734,940,968</td> </tr> <tr> <td colspan="4" style="text-align: right;"><i>(2007 IPERS CAFR, pp. 12, 40, 60, 104, 109, 113, & 116)</i></td> </tr> </table>			2005:				AL.....	\$20,240,098,667	NC.....	9.12%\$473,457,981	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 7.5% <u>Salary Assumption:</u> Range of 18.5% (age 22 with one year of service) to 4% (age 62 with 21 years of service)	Assets.....	17,951,490,071	Exp.....	0.16%8,214,903	UAL.....	\$2,288,608,596	Amortization.....	0.33%16,649,273	Ratio.....	88.69%	Total Req.	9.61%\$498,322,157	<i>(2005 IPERS Actuarial Valuation, pp. 1, 3-6, 12, 23, 28-29, C-1, C-2, C-4, & C-6)</i>				2007:				AL.....	\$23,026,000,000	NC.....	9.80%\$592,802,000	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 7.5% <u>Salary Assumption:</u> Range of 4% to 12%	Assets.....	20,760,000,000	Exp.....	0.15%9,060,968	UAL.....	\$2,266,000,000	Amortization.....	2.20%133,078,000	Ratio.....	90.2%	Total Req.	12.15%\$734,940,968	<i>(2007 IPERS CAFR, pp. 12, 40, 60, 104, 109, 113, & 116)</i>			
2005:																																																					
AL.....	\$20,240,098,667	NC.....	9.12%\$473,457,981	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 7.5% <u>Salary Assumption:</u> Range of 18.5% (age 22 with one year of service) to 4% (age 62 with 21 years of service)																																																	
Assets.....	17,951,490,071	Exp.....	0.16%8,214,903																																																		
UAL.....	\$2,288,608,596	Amortization.....	0.33%16,649,273																																																		
Ratio.....	88.69%	Total Req.	9.61%\$498,322,157																																																		
<i>(2005 IPERS Actuarial Valuation, pp. 1, 3-6, 12, 23, 28-29, C-1, C-2, C-4, & C-6)</i>																																																					
2007:																																																					
AL.....	\$23,026,000,000	NC.....	9.80%\$592,802,000	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 7.5% <u>Salary Assumption:</u> Range of 4% to 12%																																																	
Assets.....	20,760,000,000	Exp.....	0.15%9,060,968																																																		
UAL.....	\$2,266,000,000	Amortization.....	2.20%133,078,000																																																		
Ratio.....	90.2%	Total Req.	12.15%\$734,940,968																																																		
<i>(2007 IPERS CAFR, pp. 12, 40, 60, 104, 109, 113, & 116)</i>																																																					
<u>Retirement Fund and Account Structure:</u>	The retirement plan has a single retirement fund and no statutory internal funds or sub-accounts. (<i>Iowa Code § 97B.7</i>)																																																				

Kansas Public Employees Retirement System

<u>Normal Retirement Age:</u>	Age 65 with one year of service credit; age 62 with ten years of service credit; any age if the sum of age and years of service credit totals 85. (<i>Kan. Stat. Ann. § 74-4914(1)</i>)		
<u>Early Retirement Age:</u>	Age 55 with ten years of service credit. (<i>Kan. Stat. Ann. § 74-4914(4)</i>)		
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 0.2% per month between age 60 and age 62 and of 0.6% per month between age 55 and age 60. (<i>Kan. Stat. Ann. § 74-4915(2)</i>)		
<u>Benefit Taxation:</u>	Kansas public retirement plan benefits exempt from state individual income tax. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)		
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (<i>Public Fund Survey Summary</i>)		
<u>Benefit Accrual Rates:</u>	1.75% of final average salary per year of participating years of service credit and 1.0% or 0.75% of final average salary per year of prior nonparticipating years of service credit. (<i>Kan. Stat. Ann. § 74-4915(1)</i>)		
<u>Final Average Salary:</u>	Average of highest three years of service. Covered salary excludes additional compensation such as sick leave and annual leave payments. (<i>Kan. Stat. Ann. § 74-4902, Clauses (9), (17), & (33)</i>)		
<u>Special Early Normal Retirement Incentives:</u>	No early retirement incentive program in force.		
<u>Post-Retirement Adjustments:</u>	Ad hoc adjustments as provided through legislative enactments. The last adjustments were granted in 2000 (partial 13 th check), in 1998 (percentage increase), and in 2007 (\$300 lump sum payment). Additionally, each October, retirees receive a lump sum retirant dividend payment determined by the plan board, but not to exceed 8.33% of the retiree's annual benefit. (<i>Winter 2005 Retiree Newsletter; KPERS Website</i>)		
<u>Member & Employer Contribution Rates:</u>	4% of covered salary member contribution rate; 5.47% of covered salary employer contribution rate. (<i>Public Fund Survey Summary</i>)		

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2005: AL..... \$8,928,334,248 Assets <u>5,427,574,148</u> UAL \$3,500,760,100 Ratio..... 60.79%	NC 8.23%\$219,081,756 Exp..... 0.14%3,871,508 Amortization <u>7.65%</u> <u>211,602,656</u> Total Req. 16.02%\$434,555,920	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 9.80% (one year of service) to 4% (25 years of service)
	<i>(2005 KPERS Actuarial Valuation, pp. 3, 5-6, 16, 20, 38, 44, 46, 61, 93, & 100)</i>		

2007: AL..... \$18,984,914,924 Assets <u>13,433,115,014</u> UAL \$5,554,799,910 Ratio..... 70.8%	NC 8.40%\$846,402,055 Exp..... 0.08%8,559,164 Amortization <u>3.00%</u> <u>302,145,433</u> Total Req. 11.48%\$1,157,106,652	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 4% to 12%
	<i>(2007 KPERS Actuarial Valuation, pp. 2, 4-6, 12, 16, 22, 40, 46-48, 67, & 101-102)</i>	

Retirement Fund and Account Structure:

Statutory funds, reserves, and accounts are the members' accumulated contribution reserve, the retirement benefit accumulation reserve, the retirement benefit payment reserve, and the expense reserve. The member's accumulated contribution reserve is credited with member contributions and a portion of investment earnings. The retirement benefit accumulation reserve is credited with a portion of employer contributions and a portion of investment earnings. The retirement benefit payment reserve is credited with transfers from the members' accumulated contribution reserve and the retirement benefit accumulation reserve upon retirement, plus a portion of investment earnings. The expense reserve contains funds to offset the budgeted administrative expenses of the system and a portion of investment earnings. The retirement benefit accumulation reserve contains the unfunded liability of the system. The retirement benefit payment reserve is fully funded. The system administrative budget is subject to legislative approval. Additionally, the financial report indicates that there is an optional term life insurance reserve for accumulating employee contributions for the optional coverage. Also, there is a retirant dividend payment reserve for the payment of an additional post-retirement adjustment. *(Kan. Stat. Ann. §§ 74-4922; 74-4927c; 74-4927; 74-49,110; 74-49,111)*

Kentucky Teachers Retirement System

- Normal Retirement Age: Any age with 27 years of service credit; age 60 with five years of service credit. *(Ky. Rev. Stat. Ann. §§ 161.600)*
- Early Retirement Age: Age 55 with five years of service credit. *(Ky. Rev. Stat. Ann. § 161.600)*
- Reduction Factor/Amount: Non-actuarial reduction factor of 5% per year under age 60 or under 27 years of service credit. *(KTRS Service Retirement Benefit Summary)*
- Benefit Taxation: Portion of Kentucky public retirement plan benefit earned before January 1, 1998, exempt from state individual income tax, with the remainder exempt up to \$40,200. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*
- Social Security Coverage: No Social Security coverage by virtue of public employment. *(Public Fund Survey Summary)*
- Benefit Accrual Rates: 2% of final average salary per year of service credit rendered before June 30, 1983; 2.5% of final average salary per year of service credit rendered after June 29, 1983; and, for retirements after July 1, 2004, 3% per year of service in excess of 30 years of service credit. Minimum annual benefit of \$440 per year of service credit. *(Ky. Rev. Stat. Ann. § 161.620(1))*
- Final Average Salary: Average of five highest years of covered salary or, if at least age 55 with at least 27 years of covered service, average of three highest years of covered salary. Covered salary within the final three years of service is limited to prior year's salary plus highest increase percentage of one rank and step for the school district, excluding accrued annual leave or sick leave payments. *(Ky. Rev. Stat. Ann. § 161.220, Clauses (9), (10), & (23))*
- Special Early Normal Retirement Incentives: No early retirement incentive program in force.
- Post-Retirement Adjustments: Annual compounding adjustment of 1.5% of the benefit to retirees in receipt for at least one year and prorated for receipt of less than one year. *(Ky. Rev. Stat. Ann. § 161.553)*
- Member & Employer Contribution Rates: 9.855% of covered salary member contribution rate; 13.105% of covered salary employer contribution rate. *(2007 CAFR Actuarial Section, p. 63)*

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2005: AL..... \$19,134,870,000 Assets <u>14,598,843,000</u> UAL \$4,536,027,000 Ratio..... 76.29%	NC 19.51%\$495,665,597 Exp..... 0.40%10,162,288 Amortization <u>8.94%</u> <u>227,127,137</u> Total Req. 28.85%\$732,955,032	<u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 7.5% <u>Salary Assumption:</u> Range of 8.10% to 4%
	<i>(2005 CAFR Actuarial Section, pp. 63-64, 66-71, & 74)</i>		

2007: AL..... \$21,254,974,000 Assets <u>15,284,955,000</u> UAL \$5,970,019,000 Ratio..... 71.9%	NC 17.34%\$515,915,113 Exp..... 0.25%7,351,846 Amortization <u>10.69%</u> <u>318,058,394</u> Total Req. 28.28%\$841,325,353	<u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 7.5% <u>Salary Assumption:</u> Range of 4% to 8.2%
	<i>(2007 KTRS Actuarial Valuation, pp. 1, 3, 6, 12, & 14)</i>	

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are the expense fund, the teachers' savings fund, the state accumulation fund, the allowance reserve fund, the medical insurance fund, the guarantee fund, the school employee annuity fund, the supplemental retirement benefit fund, and the life insurance benefit fund. The expense fund is credited with up to 4% of the investment earnings during the prior year and is used to pay administrative expenses. The teachers' savings fund accumulates member contributions and regular interest transferred from the guarantee fund, with turnover gains transferred back to the guarantee fund. The state accumulation fund is credited with state annuity and survivor benefit appropriations, is credited with interest from the guarantee fund and pays transfers to the allowance reserve fund upon retirement or death. The allowance reserve fund is credited with transfers from the teachers' savings fund and the state accumulation fund and pays retirement annuities and benefits. The medical insurance fund is credited with a portion of member and employer contributions and interest, as well as the employer medical insurance fund stabilization contribution and pays medical insurance benefits. The guarantee fund is credited with the plan's investment earnings and pays uniform interest to other funds as well as covering any cash flow shortages. The school employee annuity fund is a voluntary tax-sheltered annuity program under federal Internal Revenue Code Section 403(b). The supplemental retirement benefit fund covers excess benefits under federal Internal Revenue Code Section 403(b). The supplemental retirement benefit fund covers excess benefits under federal Internal Revenue Code Section 415. The life insurance benefit fund accumulates amounts related to the life insurance benefit of the plan. *(Ky. Rev. Stat. Ann. § 161.420)*

Kentucky Employees Retirement System

Normal Retirement Age: Age 65 with any service. *(2007 KERS Actuarial Valuation, p. 37)*

Early Retirement Age: Age 55 with five years of service or any age with 25 years of service. *(2007 KERS Actuarial Valuation, p. 38)*

Reduction Factor/Amount: Non-actuarial reduction factor of 6.5% per year for the first five years under age 65 or under 27 years of service, whichever is the smaller reduction, and 4.5% per year for the next five years under age 65 or under 27 years of service, whichever is the smaller reduction. *(2007 KERS Actuarial Valuation, p. 38)*

Benefit Taxation: Portion of Kentucky public retirement plan benefit earned before January 1, 1998, exempt from state individual income tax, with the remainder exempt up to \$40,200. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. *(Public Fund Survey Summary)*

Benefit Accrual Rates: 1.97% of final average compensation per year of service credit with at least four years of service; 2% of final average compensation per year of service credit for a participant of one of the state-administered retirement plans between 1/1/1998 and 1/1/1999; 2.20% of final average compensation per year of service credit for a participant of one of the state-administered retirement plans between 1/1/1999 and 1/31/2009. *(2007 KERS Actuarial Valuation, p. 37)*

Final Average Salary: Average salary during the five highest-paid fiscal years. If the five highest-paid fiscal years include less than 48 months, one or more additional fiscal years are used. If retiree between 8/1/2001 and 1/1/2009 with at least 27 years of service and sum of age and service is at least 75, average salary during the three highest-paid fiscal years, with additional fiscal years to be used if less than 24 months of service credit are involved. *(2007 KERS Actuarial Valuation, p. 37)*

Special Early Normal Retirement Incentives: Beyond final average salary temporary provision, no early retirement incentive program in force.

Post-Retirement Adjustments: Unless reduced, suspended, or eliminated by the Kentucky General Assembly, annual percentage increase each July equal to the increase in the Consumer Price Index for all urban consumers during the preceding calendar year. *(KERS Member Benefit Booklet, p. 34)*

Member & Employer Contribution Rates: 5% of covered salary member contribution rate; 7.75% of covered salary FY 2007 employer contribution rate. *(KERS Member Benefit Booklet, p. 5; 2007 KERS Actuarial Valuation, p. 41)*

Most Recent Funded Condition and Actuarial Costs: **2007:**

AL.....	\$9,485,939,277	NC	8.22%	\$146,334,371	<u>Actuarial Method:</u> Entry age normal
Assets	5,396,782,459	Exp	0.40%	7,070,000	<u>Interest Assumption:</u> 7.75%
UAL	\$4,089,156,818	Amortization ...	12.92%	230,004,875	<u>Salary Assumption:</u> Range of 4%
Ratio.....	56.9%	Total Req.	21.54%	\$383,409,246	to 13.5%

(2007 KERS Actuarial Valuation, pp. 1, 3, 13- 14, & 32)

Retirement Fund and Account Structure: Two statutory accounts in the retirement fund, which are the members' contribution account and the retirement allowance account. *(Ky. Rev. Stat. Ann. § 161.570)*

Louisiana Teachers Retirement System

Normal Retirement Age: Age 60 with five years of service credit; any age with 20 years of service credit if employment began before July 1, 1999; age 65 with 20 years of service credit; age 55 with 25 years of service credit; any age with 30 years of service credit if employment began after June 30, 1999. *(TRSL Webpage, Active Member Summary; 2007 CAFR Introduction)*

Early Retirement Age: If employment began after June 30, 1999, any age with 20 years of service credit or age 60 with five years of service credit. *(TRSL Webpage, Active Member Summary; 2007 CAFR Introduction)*

Reduction Factor/Amount: Actuarial reduction factors scaling from 9.01% if retiring one year early to 59.58% if retiring ten years early with 20 years of service and scaling from 9.61% if retiring one year early to 61.46% if retiring ten years early with five years of service credit. *(TRSL Benefits Handbook, Regular Plan and Plan A, p. 40)*

<u>Benefit Taxation:</u>	Louisiana Teachers Retirement System and Louisiana State Employees Retirement System exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>																																																	
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>																																																	
<u>Benefit Accrual Rates:</u>	2% of final average compensation per year of service credit if employed before July 1, 1999, and 2.50% of final average compensation per year of service credit if employed after June 30, 1999, or if employed before July 1, 1999, with 20 years of service at age 65, with 25 years of service at age 55, or with 30 years of service at any age. Maximum of 40 years of service credit. <i>(TRSL Benefits Handbook, Regular Plan and Plan A, p. 39)</i>																																																	
<u>Final Average Salary:</u>	Average of salary earned during three highest consecutive years of service credit or three highest successive years if there has been a break in service. Salary in each year of average may not increase over prior year by more than 10% unless the increase is system-wide or by more than 25% where there has been a change in employment between parishes. Earnable compensation excludes per diems, payments in kind, payments in lieu of unused sick leave, and retroactive pay increases. <i>(La. Stat. Ann. § 701(5) & (10); TRSL Rule §§ 201; 233; 901)</i>																																																	
<u>Special Early Normal Retirement Incentives:</u>	No early retirement incentive program in force.																																																	
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment to retirees who are age 65 of 2.5% of the amount of the original retirement benefit received, payable from investment earnings in excess of the interest rate actuarial assumption if there are excess investment earnings, plus discretionary board authority to grant a supplemental 0.5% of the amount of the original benefit annually. <i>(La. Stat. Ann. § 242)</i>																																																	
<u>Member & Employer Contribution Rates:</u>	8% of covered salary member contribution rate; 15.5% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>																																																	
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$18,669,800,000</td> <td>NC</td> <td>Undisclosed</td> <td rowspan="5" style="vertical-align: top;"><u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 9% (university professor with one year of service) to 2.5% (school lunch person with 30 years of service)</td> </tr> <tr> <td>Assets</td> <td>12,082,681,682</td> <td>Exp.....</td> <td>0.39%\$12,178,533</td> </tr> <tr> <td>UAL</td> <td>\$6,587,118,318</td> <td>Amortization</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>64.6%</td> <td>Total Req.</td> <td>23.59%\$738,878,667</td> </tr> <tr> <td colspan="4" style="text-align: right;"><i>(Public Fund Survey Summary: 2005 CAFR Actuarial Section, pp. 101-109)</i></td> </tr> <tr> <td colspan="5">2007:</td> </tr> <tr> <td>AL.....</td> <td>\$21,651,821,033</td> <td>NC</td> <td>Undisclosed</td> <td rowspan="5" style="vertical-align: top;"><u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 3.20% to 8.70%</td> </tr> <tr> <td>Assets</td> <td>14,812,707,591</td> <td>Exp.....</td> <td>0.41%\$13,323,547</td> </tr> <tr> <td>UAL</td> <td>\$6,839,113,442</td> <td>Amortization</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>68.4%</td> <td>Total Req.</td> <td>23.01%\$741,920,460</td> </tr> <tr> <td colspan="4" style="text-align: right;"><i>(2007 TRSL CAFR, pp. 30, 98-100, & 102-103)</i></td> </tr> </table>			AL.....	\$18,669,800,000	NC	Undisclosed	<u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 9% (university professor with one year of service) to 2.5% (school lunch person with 30 years of service)	Assets	12,082,681,682	Exp.....	0.39%\$12,178,533	UAL	\$6,587,118,318	Amortization	Undisclosed	Ratio.....	64.6%	Total Req.	23.59%\$738,878,667	<i>(Public Fund Survey Summary: 2005 CAFR Actuarial Section, pp. 101-109)</i>				2007:					AL.....	\$21,651,821,033	NC	Undisclosed	<u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 3.20% to 8.70%	Assets	14,812,707,591	Exp.....	0.41%\$13,323,547	UAL	\$6,839,113,442	Amortization	Undisclosed	Ratio.....	68.4%	Total Req.	23.01%\$741,920,460	<i>(2007 TRSL CAFR, pp. 30, 98-100, & 102-103)</i>			
AL.....	\$18,669,800,000	NC	Undisclosed	<u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 9% (university professor with one year of service) to 2.5% (school lunch person with 30 years of service)																																														
Assets	12,082,681,682	Exp.....	0.39%\$12,178,533																																															
UAL	\$6,587,118,318	Amortization	Undisclosed																																															
Ratio.....	64.6%	Total Req.	23.59%\$738,878,667																																															
<i>(Public Fund Survey Summary: 2005 CAFR Actuarial Section, pp. 101-109)</i>																																																		
2007:																																																		
AL.....	\$21,651,821,033	NC	Undisclosed	<u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 3.20% to 8.70%																																														
Assets	14,812,707,591	Exp.....	0.41%\$13,323,547																																															
UAL	\$6,839,113,442	Amortization	Undisclosed																																															
Ratio.....	68.4%	Total Req.	23.01%\$741,920,460																																															
<i>(2007 TRSL CAFR, pp. 30, 98-100, & 102-103)</i>																																																		
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the annuity savings fund, the employee experience account, the pension accumulation fund, the pension reserve fund, the supplemental benefit fund, and the expense fund. The annuity savings fund accumulates member contributions. The pension accumulation fund accumulates employer pension contributions. The pension reserve fund holds the reserves for benefits transferred from the annuity savings fund and the pension accumulation fund. The supplemental benefit fund is credited with transfers from the pension accumulation fund and is used to pay a supplemental benefit amount. The expense fund is used to pay the administrative expenses of the system and is funded from a board-determined deduction from plan investment earnings. The employee experience account is funded from a plan investment income deduction and is used to fund an automatic post-retirement adjustment annually. <i>(La. Stat. Ann. §§ 873; 875; 879; 880; 882; 883.1)</i>																																																	

Louisiana State Employees Retirement System

<u>Normal Retirement Age:</u>	Age 60 with ten years of service, age 55 with 25 years of service, or any age with 30 years of service for pre-7/1/2006 hires; age 60 with ten years of service for post-6/30/2006 hires. <i>(2006 LASERS Actuarial Valuation, p. 37)</i>
<u>Early Retirement Age:</u>	Any age with at least 20 years of service. <i>(2006 LASERS Actuarial Valuation, p. 38)</i>
<u>Reduction Factor/Amount:</u>	Actuarial reduction from the earliest date of eligibility with employment contribution to the earliest normal retirement date. <i>(2006 LASERS Actuarial Valuation, p. 38)</i>
<u>Benefit Taxation:</u>	Louisiana Teachers Retirement System and Louisiana State Employees Retirement System exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
<u>Benefit Accrual Rates:</u>	2.5% of final average compensation per year of service, plus \$300 supplemental benefit for pre-July 1, 1986, hires. <i>(2006 LASERS Actuarial Valuation, p. 37)</i>
<u>Final Average Salary:</u>	Average compensation for the 36 highest months of successive employment for pre-7/1/2006 hires and average compensation for the 60 highest months of successive employment for post-June 30, 2006, hires. Part-time employee average based on full-time equivalent base pay. Benefit may not exceed 100% of average earnable compensation. <i>(2006 LASERS Actuarial Valuation, p. 38)</i>
<u>Special Early Normal Retirement Incentives:</u>	Eligibility for early retirement at age 50 with ten years of service if retirement occurs before December 31, 2008. <i>(2006 LASERS Actuarial Valuation, p. 38)</i>

<u>Post-Retirement Adjustments:</u>	With legislative approval and if there are sufficient accrued excess investment gains, an increase of the lesser of 3% or the percentage increase in the Consumer Price Index—Urban Consumers for the immediately prior calendar year, payable to retirees at least age 55 and retired for at least one year, and limited to the initial \$70,000 of benefits indexed after 1999. (2006 LASERS Actuarial Valuation, p. 39)																					
<u>Member & Employer Contribution Rates:</u>	7.5% if hired before 7/1/1989 or 8% if hired after 6/30/1989 employee contribution; 11.2% employer contribution. (2006 LASERS Actuarial Valuation, p. 37)																					
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2006:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$12,421,606,730</td> <td>NC</td> <td>15.71%</td> <td>\$341,832,713</td> <td rowspan="5"><u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 5% to 14%</td> </tr> <tr> <td>Assets</td> <td>8,292,218,289</td> <td>Exp.....</td> <td>0.72%</td> <td>15,784,051</td> </tr> <tr> <td>UAL</td> <td>\$4,129,688,441</td> <td>Amortization</td> <td>10.99%</td> <td>239,229,001</td> </tr> <tr> <td>Ratio.....</td> <td>66.8%</td> <td>Total Req.</td> <td>27.42%</td> <td>\$596,845,765</td> </tr> </table> <p>(2006 LASERS CAFR, p. 18; 2006 LASERS Actuarial Valuation, pp. 2, 7, 9-10, 43, & 45-46)</p>	AL.....	\$12,421,606,730	NC	15.71%	\$341,832,713	<u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 5% to 14%	Assets	8,292,218,289	Exp.....	0.72%	15,784,051	UAL	\$4,129,688,441	Amortization	10.99%	239,229,001	Ratio.....	66.8%	Total Req.	27.42%	\$596,845,765
AL.....	\$12,421,606,730	NC	15.71%	\$341,832,713	<u>Actuarial Method:</u> Projected unit credit <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 5% to 14%																	
Assets	8,292,218,289	Exp.....	0.72%	15,784,051																		
UAL	\$4,129,688,441	Amortization	10.99%	239,229,001																		
Ratio.....	66.8%	Total Req.	27.42%	\$596,845,765																		
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the annuity savings fund, the annuity reserve fund, the pension accumulation fund, the member supplemental savings fund, and the expense fund. (La. Stat. Ann. § 2131)																					

Maine State Retirement System

<u>Normal Retirement Age:</u>	Age 62 with ten years of service credit; age 62 with five years of service credit; age 60 with five years of service credit. (Me. Rev. Stat. Ann. § 17851)																																										
<u>Early Retirement Age:</u>	Any age with 25 years of service credit. (Me. Rev. Stat. Ann. § 17851)																																										
<u>Reduction Factor/Amount:</u>	Apparently non-actuarial reduction factor of 6% per year between age 60 and age 62 and of 2.25% per year under age 60. (Me. Rev. Stat. Ann. § 17852, Para. 3)																																										
<u>Benefit Taxation:</u>	Pension plan benefits up to \$6,000 annually exempt from state individual income tax, reduced by any Social Security and Railroad Retirement benefits. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)																																										
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. (Public Fund Survey Summary)																																										
<u>Benefit Accrual Rates:</u>	2.0% of final average compensation per year of service credit. (Me. Rev. Stat. Ann. § 17852)																																										
<u>Final Average Salary:</u>	Average of earnable compensation for highest three years, not necessarily consecutive. Earnable compensation does not include more than 30 days of unused sick leave or vacation leave and does not include payments other than for services rendered. Compensation in any year of the average may not exceed the prior year by more than 5% or by more than 10% in total for the three-year period. (Me. Rev. Stat. Ann. §§ 17001, Paras. 3-A, 4, & 13; 17810)																																										
<u>Special Early Normal Retirement Incentives:</u>	No current retirement plan early retirement incentive program in force. Employers authorized to offer monetary or non-monetary payment or award program to induce early retirements, but early retirement incentive payments are excluded from final average salary computation and the employer is responsible for the additional actuarial cost attributable to the incentive. (Me. Rev. Stat. Ann. § 17159)																																										
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment based on the increase in the CPI, payable as a percentage and compounding, not to exceed 4% in any year, if funded by the legislature in a supplemental budget bill, payable to a retiree in receipt of benefits for at least one year and after attaining the normal retirement age if the person has less than ten years of service credit. (Me. Rev. Stat. Ann. § 17806)																																										
<u>Member & Employer Contribution Rates:</u>	7.65% of covered salary member contribution rate; 14.78% of covered salary employer contribution rate. (Public Fund Survey Summary)																																										
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2004:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$9,442,389,399</td> <td>NC</td> <td>13.82%</td> <td>\$129,875,116</td> <td rowspan="5"><u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 9.5% (age 20) to 5.5% (age 50)</td> </tr> <tr> <td>Assets</td> <td>6,452,570,244</td> <td>Exp.....</td> <td>0.65%</td> <td>6,108,453</td> </tr> <tr> <td>UAL</td> <td>\$2,989,819,155</td> <td>Amortization</td> <td>17.09%</td> <td>160,605,336</td> </tr> <tr> <td>Ratio.....</td> <td>68.34%</td> <td>Total Req.</td> <td>31.56%</td> <td>\$296,588,905</td> </tr> </table> <p>(2004 MSRS Actuarial Valuation, pp. 59-62, 65-66, 72, 74, 76-79, 83, 95, & 98)</p> <p>2006:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$10,547,299,194</td> <td>NC</td> <td>Undisclosed</td> <td></td> <td rowspan="5"><u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 7.75% <u>Salary Assumption:</u> Range of 4.75% to 10%</td> </tr> <tr> <td>Assets</td> <td>7,504,219,546</td> <td>Exp.....</td> <td>0.62%</td> <td>\$9,675,435</td> </tr> <tr> <td>UAL</td> <td>\$3,043,079,648</td> <td>Amortization</td> <td>Undisclosed</td> <td></td> </tr> <tr> <td>Ratio.....</td> <td>71%</td> <td>Total Req.</td> <td>Undisclosed</td> <td></td> </tr> </table> <p>(2006 MSRS CAFR, pp. 30, 76, 79, 81, 84, & 87)</p>	AL.....	\$9,442,389,399	NC	13.82%	\$129,875,116	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 9.5% (age 20) to 5.5% (age 50)	Assets	6,452,570,244	Exp.....	0.65%	6,108,453	UAL	\$2,989,819,155	Amortization	17.09%	160,605,336	Ratio.....	68.34%	Total Req.	31.56%	\$296,588,905	AL.....	\$10,547,299,194	NC	Undisclosed		<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 7.75% <u>Salary Assumption:</u> Range of 4.75% to 10%	Assets	7,504,219,546	Exp.....	0.62%	\$9,675,435	UAL	\$3,043,079,648	Amortization	Undisclosed		Ratio.....	71%	Total Req.	Undisclosed	
AL.....	\$9,442,389,399	NC	13.82%	\$129,875,116	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 9.5% (age 20) to 5.5% (age 50)																																						
Assets	6,452,570,244	Exp.....	0.65%	6,108,453																																							
UAL	\$2,989,819,155	Amortization	17.09%	160,605,336																																							
Ratio.....	68.34%	Total Req.	31.56%	\$296,588,905																																							
AL.....	\$10,547,299,194	NC	Undisclosed			<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 7.75% <u>Salary Assumption:</u> Range of 4.75% to 10%																																					
Assets	7,504,219,546	Exp.....	0.62%	\$9,675,435																																							
UAL	\$3,043,079,648	Amortization	Undisclosed																																								
Ratio.....	71%	Total Req.	Undisclosed																																								
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the member's contribution fund, the retirement allowance fund, the expense fund, the survivors' benefit fund, the state retiree health insurance fund, the state retired teachers' health insurance fund, and the disability retirement benefit fund. The member contribution fund accumulates member contribution deductions, the retirement allowance fund contains all benefit reserves not contained in the member contribution fund, the survivors' benefit fund, and the disability retirement benefit fund. The expense fund is credited with a portion of the employer contribution needed to pay plan administrative expenses. The survivors' benefit fund accumulates reserves for survivor benefits. The state retiree health insurance fund accumulates assets for the payment of health insurance premiums, with new accumulations discontinued in 1995. The state retired teachers' health insurance fund accumulates assets for the payment of teacher health insurance premiums, with new accumulations discontinued in 1995. The disability retirement benefit fund accumulates reserves for disability benefits. (Me. Rev. Stat. Ann. §§ 17152; 17201; 17251; 17301; 17351; 17401; 17411; 17421)																																										

Maryland Employees and Teachers Retirement System

<u>Normal Retirement Age:</u>	Age 62 with five years of service credit; age 63 with four years of service credit; age 64 with three years of service credit; age 65 with two years of service credit; any age with 30 years of service credit. (2007 SRPSM CAFR, p. 23; Md. Ann. Code § 23-401)																																										
<u>Early Retirement Age:</u>	Age 55 with 15 years of service credit. (2007 SRPSM CAFR, p. 24; Md. Ann. Code § 23-402)																																										
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 6% per year under age 62. (2007 SRPSM CAFR, p. 24; Md. Ann. Code § 23-402)																																										
<u>Benefit Taxation:</u>	Exemption from state individual income taxes of pension plan benefits of \$20,700 per person annually for taxpayers over age 64. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)																																										
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (Public Fund Survey Summary)																																										
<u>Benefit Accrual Rates:</u>	1.2% of average final compensation per year of service credit through June 30, 1998, and 1.8% of average final compensation per year of service credit after June 30, 1998. (2007 SRPSM CAFR, p. 23; Md. Ann. Code § 23-401)																																										
<u>Final Average Salary:</u>	Average of the three highest consecutive annual salaries during covered service. Each year of average is limited to an increase of 20% unless approved by the board or by virtue of promotion. (Md. Ann. Code §§ 20-204; 20-205)																																										
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																																										
<u>Post-Retirement Adjustments:</u>	Annual automatic adjustment based on the CPI percentage increase, payable to retirees in receipt of benefits for at least one year, without limit and compounding to members employed before July 1, 1984, who make extra contributions, with 5% limit and compounding to members employed before July 1, 1984, who do not make extra contributions, and limited to 3% and compounding for retirees covered by the Contributory Plan and limited to 3% and non-compounding for retirees covered by the Noncontributory Plan. (Md. Ann. Code §§ 29-401; 29-411; 29-412; 29-417; 29-418; 29-421; 29-422; 29-426; 29-427)																																										
<u>Member & Employer Contribution Rates:</u>	2% of covered salary member contribution rate; 11.17% of covered salary employer contribution rate. (Public Fund Survey Summary)																																										
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td>2005</td> <td></td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$39,133,000,000</td> <td>NC.....</td> <td>Undisclosed</td> </tr> <tr> <td>Assets.....</td> <td><u>34,520,000,000</u></td> <td>Exp.....</td> <td>\$22,386,000</td> </tr> <tr> <td>UAL.....</td> <td>\$4,614,000,000</td> <td>Amortization.....</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>88.2%</td> <td>Total Req.</td> <td>Undisclosed</td> </tr> </table> <p style="text-align: right;">(Public Fund Survey Summary)</p> <table border="0"> <tr> <td>2007:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$49,306,000,000</td> <td>NC.....</td> <td>Undisclosed</td> </tr> <tr> <td>Assets.....</td> <td><u>37,887,000,000</u></td> <td>Exp.....</td> <td>0.40%\$21,271,000</td> </tr> <tr> <td>UAL.....</td> <td>\$11,419,000,000</td> <td>Amortization.....</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>76.8%</td> <td>Total Req.</td> <td>Undisclosed</td> </tr> </table> <p style="text-align: right;">(2007 Maryland SRPS CAFR, pp. 21, 64-66, 68, 70, & 79)</p>			2005				AL.....	\$39,133,000,000	NC.....	Undisclosed	Assets.....	<u>34,520,000,000</u>	Exp.....	\$22,386,000	UAL.....	\$4,614,000,000	Amortization.....	Undisclosed	Ratio.....	88.2%	Total Req.	Undisclosed	2007:				AL.....	\$49,306,000,000	NC.....	Undisclosed	Assets.....	<u>37,887,000,000</u>	Exp.....	0.40%\$21,271,000	UAL.....	\$11,419,000,000	Amortization.....	Undisclosed	Ratio.....	76.8%	Total Req.	Undisclosed
2005																																											
AL.....	\$39,133,000,000	NC.....	Undisclosed																																								
Assets.....	<u>34,520,000,000</u>	Exp.....	\$22,386,000																																								
UAL.....	\$4,614,000,000	Amortization.....	Undisclosed																																								
Ratio.....	88.2%	Total Req.	Undisclosed																																								
2007:																																											
AL.....	\$49,306,000,000	NC.....	Undisclosed																																								
Assets.....	<u>37,887,000,000</u>	Exp.....	0.40%\$21,271,000																																								
UAL.....	\$11,419,000,000	Amortization.....	Undisclosed																																								
Ratio.....	76.8%	Total Req.	Undisclosed																																								
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the accumulation fund, the annuity savings fund, and expense fund. The annuity savings fund accumulates member contributions and associated investment earnings. The accumulation fund is credited with employer contributions and with transfers from the annuity savings fund upon a retiree's retirement. The expense fund is credited with a proportional share of the retirement system's total expense. (Md. Ann. Code §§ 21-123; 21-301; 21-302; 21-303; 21-311; 21-315)																																										

Massachusetts Teacher Retirement System

<u>Normal Retirement Age:</u>	Age 65 with ten years of service credit; any age with 20 years of service credit. (Mass. Gen. Laws, Ch. 32 § 5(1))
<u>Early Retirement Age:</u>	Age 55 with ten years of service credit. (Public Fund Survey Summary)
<u>Reduction Factor/Amount:</u>	Non-actuarial downsizing of retirement annuity benefit accrual rate of 0.1% per year of service credit per year under age 65. (MTRS Website Retirement Allowance Estimation Estimator)
<u>Benefit Taxation:</u>	Massachusetts contributory public retirement plan benefits exempt from state individual income tax. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. (Public Fund Survey Summary)
<u>Benefit Accrual Rates:</u>	2.5% of average annual rate of compensation per year of service credit unless Retirement Plus is elected, with additional contributions, and 30 years of service is rendered, with additional 2.0% of average annual rate of compensation per year of service credit in excess of 24 years of service credit. (Mass. Gen. Laws, Ch. 32 § 5(2))
<u>Final Average Salary:</u>	Average of the three highest annual salaries, not necessarily consecutive, during covered service. Compensation is annual contract salary, plus school lunch program and physical education or athletic contract payments. Compensation does not include overtime payments or bonuses. (Mass. Gen. Laws, Ch. 32 § 1; Board Rule 807 CMR 6.00)
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force. Plan provides a termination retirement benefit if position is eliminated and member has at least 20 years of service credit and position is eliminated involuntarily without comparable position offer. The termination retirement benefit is one-third of final average salary plus annuity on member contributions. (MTRS Benefit Summary, pp. 18-19)

<u>Post-Retirement Adjustments:</u>	Annual adjustment based on the CPI percentage increase, not to exceed 3% of benefits up to \$12,000, compounded, if the legislature approves the adjustment, payable in full for retirees in receipt for at least one year and prorated for retirees in receipt for less than one year. <i>(Mass. Gen. Laws, Ch. 32 § 102)</i>																																								
<u>Member & Employer Contribution Rates:</u>	Varying percentage of covered salary depending on initial hiring date for member contribution: 5% before 1975; 7% 1975-1984*; 8% 1984-1996*; 9% after July 1, 1996*. * Plus additional 2% rate on salary in excess of \$30,000. No available information on employer contributions. <i>(Public Fund Survey Summary)</i>																																								
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td colspan="2">2003:</td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$24,519,000,000</td> <td>NC.....</td> <td>Undisclosed</td> </tr> <tr> <td>Assets</td> <td><u>17,074,000,000</u></td> <td>Exp.....</td> <td>Undisclosed</td> </tr> <tr> <td>UAL</td> <td>\$7,445,000,000</td> <td>Amortization.....</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>69.6%</td> <td>Total Req.</td> <td>Undisclosed</td> </tr> </table> <p style="text-align: right;"><i>(Public Fund Survey Summary)</i></p> <table border="0"> <tr> <td colspan="2">2007:</td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$29,320,714,000</td> <td>NC.....</td> <td>11.89% \$591,002,000</td> </tr> <tr> <td>Assets</td> <td><u>20,820,392,000</u></td> <td>Exp.....</td> <td>Undisclosed</td> </tr> <tr> <td>UAL</td> <td>\$8,500,322,000</td> <td>Amortization.....</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>71.0%</td> <td>Total Req.</td> <td>Undisclosed</td> </tr> </table> <p style="text-align: right;"><i>(2007 MTRS Actuarial Valuation, pp. 2-3, 5, 8, & 17-18)</i></p>	2003:				AL.....	\$24,519,000,000	NC.....	Undisclosed	Assets	<u>17,074,000,000</u>	Exp.....	Undisclosed	UAL	\$7,445,000,000	Amortization.....	Undisclosed	Ratio.....	69.6%	Total Req.	Undisclosed	2007:				AL.....	\$29,320,714,000	NC.....	11.89% \$591,002,000	Assets	<u>20,820,392,000</u>	Exp.....	Undisclosed	UAL	\$8,500,322,000	Amortization.....	Undisclosed	Ratio.....	71.0%	Total Req.	Undisclosed
2003:																																									
AL.....	\$24,519,000,000	NC.....	Undisclosed																																						
Assets	<u>17,074,000,000</u>	Exp.....	Undisclosed																																						
UAL	\$7,445,000,000	Amortization.....	Undisclosed																																						
Ratio.....	69.6%	Total Req.	Undisclosed																																						
2007:																																									
AL.....	\$29,320,714,000	NC.....	11.89% \$591,002,000																																						
Assets	<u>20,820,392,000</u>	Exp.....	Undisclosed																																						
UAL	\$8,500,322,000	Amortization.....	Undisclosed																																						
Ratio.....	71.0%	Total Req.	Undisclosed																																						
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the annuity savings fund, the annuity reserve fund, the pension fund, the special fund for military service credit, the expense fund, the pension reserve fund, and the Commonwealth's pension liability fund. The annuity savings fund accumulates regular and additional member deductions and is credited with regular interest. The annuity reserve fund is the fund to which reserves in the annuity savings fund are transferred upon the retirement of a member and from which benefits are payable. The pension fund accumulates employer contributions and receives transfers from the pension reserve fund or the Commonwealth's pension liability fund. The special fund for military service credit is credited with state appropriations representing regular deductions for members on military leave. The expense fund is credited with an appropriation for the plan's administrative expenses. The pension reserve fund is a reserve for future liabilities to be funded from actuarial investment gains and monies recovered for fringe benefits from federal grants. The Commonwealth's pension liability fund is the assets of the plan other than the annuity savings fund, the annuity reserve fund, and the expense fund. All plan assets are invested through the Pension Reserves Investment Trust Fund by the Pension Reserves Investment Management Board. <i>(Mass. Gen. Laws, Ch. 32 § 22)</i>																																								

Massachusetts State Board of Retirement

<u>Normal Retirement Age:</u>	Age 65 with ten years of service credit. <i>(MA SERS Member Booklet, pp. 7, 11, & 14-15)</i>																				
<u>Early Retirement Age:</u>	Any age with 20 years of service credit or age 55 with ten years of service credit. <i>(MA SERS Member Booklet, p. 7)</i>																				
<u>Reduction Factor/Amount:</u>	Non-actuarial downsizing of the retirement annuity benefit accrual rate of 0.01% per year of service credit for each year under age 65. <i>(MA SERS Member Booklet, p. 15)</i>																				
<u>Benefit Taxation:</u>	Massachusetts contributory public retirement plan benefits exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>																				
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>																				
<u>Benefit Accrual Rates:</u>	2.5% of average annual rate of compensation per year of service credit, to a maximum of 80% of the average annual rate of compensation, plus \$15 annually per year of state service if the member was a veteran, not to exceed \$300 per year. <i>(MA SERS Member Booklet, pp. 11 & 15)</i>																				
<u>Final Average Salary:</u>	Average of the highest 36 consecutive months of regular compensation. <i>(MA SERS Member Booklet, p. 10)</i>																				
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																				
<u>Post-Retirement Adjustments:</u>	Annual adjustment based on the CPI percentage increase, not to exceed 3% of benefits up to \$12,000, compounded, if the legislature approves the adjustment, payable in full for retirees in receipt for at least one year and prorated for retirees in receipt for less than one year. <i>(Mass. Gen. Laws, Ch. 32 § 102)</i>																				
<u>Member & Employer Contribution Rates:</u>	Varying percentage of covered salary depending on initial hiring date for member contribution: 5% before 1975; 7% 1975-1984*; 8% 1984-1996*; 9% after July 1, 1996*. * Plus additional 2% rate on salary in excess of \$30,000. No available information on employer contributions. <i>(MA SERS Member Booklet, p. 3)</i>																				
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td colspan="2">2007:</td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$25,272,747,820</td> <td>NC.....</td> <td>Undisclosed</td> </tr> <tr> <td>Assets</td> <td><u>22,593,836,568</u></td> <td>Exp.....</td> <td>Undisclosed</td> </tr> <tr> <td>UAL</td> <td>\$2,678,911,252</td> <td>Amortization.....</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>89.4%</td> <td>Total Req.</td> <td>Undisclosed</td> </tr> </table> <p style="text-align: right;"><i>(MA SERS Fact Sheet and 2007 PERAC Annual Report, p. 103)</i></p>	2007:				AL.....	\$25,272,747,820	NC.....	Undisclosed	Assets	<u>22,593,836,568</u>	Exp.....	Undisclosed	UAL	\$2,678,911,252	Amortization.....	Undisclosed	Ratio.....	89.4%	Total Req.	Undisclosed
2007:																					
AL.....	\$25,272,747,820	NC.....	Undisclosed																		
Assets	<u>22,593,836,568</u>	Exp.....	Undisclosed																		
UAL	\$2,678,911,252	Amortization.....	Undisclosed																		
Ratio.....	89.4%	Total Req.	Undisclosed																		
<u>Retirement Fund and Account Structure:</u>	Undisclosed.																				

Michigan Public Schools Employees Retirement System

Normal Retirement Age: Age 46 with 30 years of service credit; age 60 with ten years of service credit; age 60 with five years of service credit if employed after December 31, 1989; age 50 with 30 years of service credit; age 60 with ten years of service credit; age 55 with 15 years of service credit if employed before January 1, 1990. *(Mich. Comp. Laws § 38.1381)*

Early Retirement Age: Age 55 with 15 years of service credit. *(Mich. Comp. Laws § 38.1381)*

Reduction Factor/Amount: Non-actuarial reduction factor of 0.5% per month under age 60. *(Mich. Comp. Laws § 38.1384(2), (3), (4))*

Benefit Taxation: Michigan public retirement plan benefits exempt from state individual income tax. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. *(Public Fund Survey Summary)*

Benefit Accrual Rates: 1.5% of final average compensation per year of service credit. *(Mich. Comp. Laws § 38.1384(1))*

Final Average Salary: Average of the three highest consecutive annual salaries. The final annual salary amount cannot exceed the prior year's salary plus the school's normal salary schedule increase. Compensation includes gross wages, extra work compensation, longevity pay, overtime pay, sick pay, holiday pay, and merit pay and does not include payments of unused sick or vacation time, bonuses, in-kind compensation, termination pay, expense reimbursements, payments in lieu of fringe benefits, or severance pay. *(Mich. Comp. Laws §§ 38.1303a; 38.1304(12); 38.1309)*

Special Early Normal Retirement Incentives: No current early retirement incentive program in force.

Post-Retirement Adjustments: Automatic annual adjustment of 3%, non-compounded, if the retiree was in receipt for at least one year. For members employed before January 1, 1990, if investment return is greater than 8%, any investment return in excess of 8% is allocated on the basis of units, with units derived from the years of service credit and from the years since retirement, payable in a lump sum. *(Mich. Comp. Laws § 38-1404a)*

Member & Employer Contribution Rates: Member contribution rate of 3% of the first \$5,000 of covered salary, plus 3.6% of the next \$10,000 of covered salary, plus 4.3% of covered salary in excess of \$15,000 if employed before 7/1/2008 and 3% of the first \$5,000 of covered salary, plus 3.6% of the next \$10,000 of covered salary, plus 6.4% of the salary in excess of \$15,000 if employed after 6/30/2008; 9.4% of covered salary employer contribution rate. *(2007 CAFR Financial Section, p. 26; Public Fund Survey Summary)*

Most Recent Funded Condition and Actuarial Costs:

2004:			
AL.....	\$46,317,000,000	NC	Undisclosed
Assets	38,784,000,000	Exp.	\$75,517,985
UAL	\$7,533,000,000	Amortization	Undisclosed
Ratio.....	83.7%	Total Req.....	Undisclosed

(Public Fund Survey Summary)

2007:			
AL.....	\$49,136,000,000	NC	Undisclosed
Assets	42,995,000,000	Exp.	0.25%
UAL	\$6,141,000,000	Amortization	Undisclosed
Ratio.....	87.5%	Total Req.....	13.27% ...\$1,301,316,180

(2007 MI PSERS CAFR, pp. 21, 25, 36, 46-47, 84, & 86-87)

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are the reserve for employee contributions, the reserve for employer contributions, the reserve for administrative expenses, the general fund, the reserve for member investment plan, the reserve for health benefits, the health advance funding subaccount, the reserve for retired benefit payments, the reserve for undistributed investment income, and the pension stabilization sub account. The reserve for employee contributions is credited with service credit purchases and refund repayments. The reserve for employer contributions is credited with all employer contributions, except for health benefit payments, plus interest, and unclaimed amounts transferred from the reserve for employee contributions. The reserve for administrative expenses is credited with the administrative expense requirements of the plan transferred from the reserve for undistributed investment income. The general fund is credited with plan revenue not clearly payable to any other fund and is disbursed as directed by the retirement board. The reserve for member investment plan accumulates the member contributions to the optional retirement plan and interest. The reserve for health benefits accumulates employer contributions for the plan health benefits. The health advance funding sub account is credited with employer health contributions once the reserve for health benefits is fully funded. The reserve for retired benefit payments is the source for benefit payments and is funded from transfers from the reserve for employer contributions. The reserve for undistributed investment income is credited with all plan investment earnings and funds interest transfers to other reserves. The pension stabilization sub account is credited with the amount of assets of the plan in excess of full funding. *(Mich. Comp. Laws §§ 38-1329; 38.1330, 38-1331; 38-1332; 38-1333; 38-1334; 38-1335; 38-1336)*

Mississippi Public Employees Retirement System

Normal Retirement Age: Age 60 with four years of service credit; any age with 25 years of service credit. *(Miss. Code Ann. § 25-11-11)*

Early Retirement Age: No early retirement eligibility.

Reduction Factor/Amount: No early retirement reduction factors or amounts.

Benefit Taxation: Pension benefits paid at or after retirement age exempt. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. *(Public Fund Survey Summary)*

<u>Benefit Accrual Rates:</u>	2.0% of final average compensation per year of service credit for each of the first 25 years of service credit and 2.5% of final average compensation per year of service credit for service in excess of 25 years of service. Minimum benefit of \$10 per month per year of service credit. <i>(Miss. Code Ann. § 25-11-111)</i>																																				
<u>Final Average Salary:</u>	Average of four highest annual salaries for fiscal years, calendar years, a combination of fiscal years and calendar years that do not overlap, or final years. Compensation includes non-cash maintenance and up to 30 days of personal leave or medical leave. Compensation does not include employer-paid health or life insurance premiums. Increases within final 24 months are limited to 8% unless there was promotion or job change. <i>(Miss. Code Ann. §§ 25-11-5; 25-11-103; and Board Regulation 33)</i>																																				
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																																				
<u>Post-Retirement Adjustments:</u>	Annual automatic adjustment of 3% per year of receipt, non-compounded, for full fiscal years in receipt before age 55 and of 3% per year of receipt, compounded, for full fiscal years in receipt after age 54, paid in a lump sum. <i>(Miss. Code Ann. § 25-11-112)</i>																																				
<u>Member & Employer Contribution Rates:</u>	7.25% of covered salary member contribution rate; 9.75% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>																																				
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$23,727,098,000</td> <td>NC.....</td> <td>Undisclosed</td> <td rowspan="5"><u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 5.5% (with five years of service) to 7% (with 35 years of service) <i>(Public Fund Survey Summary)</i></td> </tr> <tr> <td>Assets</td> <td>17,180,705,000</td> <td>Exp.....</td> <td>\$10,442,000</td> </tr> <tr> <td>UAL</td> <td>\$6,546,393,000</td> <td>Amortization.....</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>72.40%</td> <td>Total Req</td> <td>Undisclosed</td> </tr> </table> <hr/> <p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$26,862,636,000</td> <td>NC</td> <td>11.77% \$617,001,000</td> <td rowspan="5"><u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 5% to 15% <i>(2007 Miss PERS CAFR, pp. 20, 26, 39-40, 42, 44, 46, & 71-72)</i></td> </tr> <tr> <td>Assets</td> <td>19,791,564,000</td> <td>Exp.....</td> <td>0.19% 9,846,000</td> </tr> <tr> <td>UAL</td> <td>\$7,071,072,000</td> <td>Amortization</td> <td>7.98% 454,501,000</td> </tr> <tr> <td>Ratio.....</td> <td>73.7%</td> <td>Total Req.</td> <td>19.94% ...\$1,013,002,000</td> </tr> </table>			AL.....	\$23,727,098,000	NC.....	Undisclosed	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 5.5% (with five years of service) to 7% (with 35 years of service) <i>(Public Fund Survey Summary)</i>	Assets	17,180,705,000	Exp.....	\$10,442,000	UAL	\$6,546,393,000	Amortization.....	Undisclosed	Ratio.....	72.40%	Total Req	Undisclosed	AL.....	\$26,862,636,000	NC	11.77% \$617,001,000	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 5% to 15% <i>(2007 Miss PERS CAFR, pp. 20, 26, 39-40, 42, 44, 46, & 71-72)</i>	Assets	19,791,564,000	Exp.....	0.19% 9,846,000	UAL	\$7,071,072,000	Amortization	7.98% 454,501,000	Ratio.....	73.7%	Total Req.	19.94% ...\$1,013,002,000
AL.....	\$23,727,098,000	NC.....	Undisclosed	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 5.5% (with five years of service) to 7% (with 35 years of service) <i>(Public Fund Survey Summary)</i>																																	
Assets	17,180,705,000	Exp.....	\$10,442,000																																		
UAL	\$6,546,393,000	Amortization.....	Undisclosed																																		
Ratio.....	72.40%	Total Req	Undisclosed																																		
AL.....	\$26,862,636,000	NC	11.77% \$617,001,000		<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 5% to 15% <i>(2007 Miss PERS CAFR, pp. 20, 26, 39-40, 42, 44, 46, & 71-72)</i>																																
Assets	19,791,564,000	Exp.....	0.19% 9,846,000																																		
UAL	\$7,071,072,000	Amortization	7.98% 454,501,000																																		
Ratio.....	73.7%	Total Req.	19.94% ...\$1,013,002,000																																		
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the annuity savings account, the annuity reserve, the employer's accumulation account, and the expense account. The annuity savings account accumulates member contributions and interest. The annuity reserve is the actuarial value of retirement benefits in force, including transfers from the annuity savings account upon retirement. The employer's accumulation account accumulates employer contributions and funds transfers upon retirement to the annuity reserve. The expense account is credited with legislative appropriations to meet administrative expenses of the system and a portion of employer contributions established for this purpose. <i>(Miss. Code Ann. § 25-11-123)</i>																																				

Missouri Public School Retirement System

<u>Normal Retirement Age:</u>	Age 60 with five years of service credit; any age with 30 years of service credit; any age when sum of age and service credit totals 80. <i>(Mo. Rev. Stat. §§ 169.060.1.; 169.070.1.)</i>
<u>Early Retirement Age:</u>	Any age with 25 years of service credit; age 55 with five years of service credit. <i>(Mo. Rev. Stat. § 169.070.1.)</i>
<u>Reduction Factor/Amount:</u>	With retirement at any age with 25 years of service credit, downsized benefit accrual rate of 1.59% with 29 years of service credit; 1.57% with 28 years of service credit; 1.55% with 27 years of service credit; 1.53% with 26 years of service credit; and 1.51% with 25 years of service credit. With retirement with five years of service credit, actuarial early retirement reduction. <i>(Mo. Rev. Stat. § 169.460.2. & 3.)</i>
<u>Benefit Taxation:</u>	Annual exclusion for pension benefits from state individual income tax of \$6,000, reduced dollar for dollar by federal adjusted gross income, not including taxable Social Security amounts, in excess of \$25,000 for single filers and \$32,000 for married joint filers. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
<u>Benefit Accrual Rates:</u>	2.5% of final average salary per year of service credit for each year up to 31 years of service credit and 2.55% of final average salary per year of service credit for each year in excess of 30 years of service credit. <i>(Mo. Rev. Stat. §§ 169.324.1.; 169.670.1.)</i>
<u>Final Average Salary:</u>	Average of the three highest consecutive annual salaries. Compensation includes employer-paid health, dental, and vision insurance premiums. Any year in final average salary computation limited to increase greater than 20% of the prior year unless a promotion or job change is involved or unless the increase is part of school district-wide salary schedule adjustment. <i>(Mo. Rev. Stat. §§ 169.010 (8) & (15); 169.270 (3) & (9))</i>
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.
<u>Post-Retirement Adjustments:</u>	Annual automatic adjustment based on a determination of the cost of living of at least 2%, not to exceed 5% in any year, compounded, and not to exceed 80% accumulatively, payable when retiree has received benefit for either two years or four years minimum. <i>(Mo. Rev. Stat. § 169.670.2. & 3.)</i>
<u>Member & Employer Contribution Rates:</u>	11% of covered salary member contribution rate; 11% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2005:			
	AL.....	\$27,881,512,965	NC	21.05%.....\$745,306,615
	Assets	<u>23,049,440,502</u>	Exp.	0.16%.....5,566,428
	UAL	\$4,832,072,463	Amortization	<u>6.73%.....238,285,678</u>
	Ratio.....	82.67%	Total Req.	27.94%.....\$751,111,329

(2005 CAFR Actuarial Section, pp. 73, 75, 77, 79-81, & 84)

2007:			
AL.....	\$32,396,722,000	NC	21.60%.....\$859,830,768
Assets	<u>27,049,004,000</u>	Exp.	0.18%.....7,111,060
UAL	\$5,347,718,000	Amortization	<u>6.64%.....264,318,347</u>
Ratio.....	83.5%	Total Req.	28.42%.....\$1,131,260,175

(2007 MO PERS CAFR, pp. 26, 41-43, 83, 85, 87-89, & 91)

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are the employee's contribution fund and the general reserve fund. The employee's contribution fund accumulates member contributions and interest on those amounts. The general reserve fund contains the remainder of plan assets, including transfers from the employee contribution fund upon retirement. (*Mo. Rev. Stat. §§ 169.350; 169.360; 169.370*)

Missouri Public Education Employee Retirement System

<u>Normal Retirement Age:</u>	Age 60 with five years of service, any age with 30 years of service, or any age when the total of age and service credit equals 80. (<i>2007 MO PEERS CAFR, p. 98</i>)			
<u>Early Retirement Age:</u>	Age 55 with five years of service or any age with 25 years of service for post-7/1/2013 retirements. (<i>2007 MO PEERS CAFR, p. 98</i>)			
<u>Reduction Factor/Amount:</u>	Non-actuarial age-based factor of .9056 at age 59 and .8214 at age 58 scaling down to .2552 at age 45. (<i>MO PEERS Member Booklet, p. 43</i>)			
<u>Benefit Taxation:</u>	Annual exclusion for pension benefits from state individual income tax of \$6,000, reduced dollar for dollar by federal adjusted gross income, not including taxable Social Security amounts, in excess of \$25,000 for single filers and \$32,000 for married joint filers. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)			
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (<i>Public Fund Survey Summary</i>)			
<u>Benefit Accrual Rates:</u>	If not under age 62 with 30 years of service or not eligible under the Rule of 80, 1.61% of final average salary for each year of service credit. If under age 62 with 30 years of service or eligible under the Rule of 80, a temporary benefit of 0.80% of final average salary per year of service credit is also payable until attaining age 62. (<i>MO PEERS Member Booklet, p. 41</i>)			
<u>Final Average Salary:</u>	Average of the three highest consecutive annual salaries, including employer-paid health, dental, or vision insurance premiums, but excluding any 20% increase in any year of computation unless the increase results from bona fide job change, from statutory increase, or from employer-wide salary schedule adjustment. (<i>MO PEERS Member Booklet, p. 41</i>)			
<u>Special Early Normal Retirement Incentives:</u>	Until July 1, 2013, with 25 years of service credit, benefit calculated with downsized benefit accrual factor (1.59% with between 29 and 30 years of service, 1.57% with between 28 and 29 years of service, 1.55% with between 27 and 28 years of service, 1.53% with between 26 and 27 years of service, and 1.51% with between 25 and 26 years of service). (<i>MO PEERS Member Booklet, p. 42</i>)			
<u>Post-Retirement Adjustments:</u>	Percentage increase equal to the Consumer Price Index increase, not to exceed 5% in any year and not to exceed 80% in total, paid on compounding basis to current annuity after fourth year of annuity receipt. (<i>MO PEERS Member Booklet, p. 98</i>)			
<u>Member & Employer Contribution Rates:</u>	6% (2007-2008) of covered salary member contribution rate; 6% (2007-2008) of covered salary employer contribution rate. Rates are set by PEERS Board. (<i>MO PEERS Member Booklet, p. 19</i>)			
<u>Most Recent Funded Condition and Actuarial Costs:</u>	2007:			
	AL.....	\$2,982,812,000	NC	11.04% \$140,781,970
	Assets	<u>2,481,562,000</u>	Exp.	0.35% 4,426,688
	UAL	\$501,250,000	Amortization	<u>1.94% 24,738,861</u>
	Ratio.....	83.2%	Total Req.	13.33% \$169,947,519

(2007 MO PEERS CAFR, pp. 41-43, 83, 85, 87-89, & 91)

Retirement Fund and Account Structure: The retirement fund has three statutory reserves, active member contribution reserves, retiree reserves (transferred from operating reserves), and operating reserves (to which employer contributions and investment income are credited). (*MO PEERS Member Booklet, pp. 30-31*)

Montana Teachers Retirement System

<u>Normal Retirement Age:</u>	Age 60 with five years of service credit; any age with 25 years of service credit. (<i>2007 MTRS Actuarial Valuation, p. 33; Mont. Code Ann. § 19-20-801</i>)
<u>Early Retirement Age:</u>	Age 50 with five years of service credit. (<i>2007 MTRS Actuarial Valuation, p. 33; Mont. Code Ann. § 19-20-802</i>)
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factors of 0.5% per month under the normal retirement age during the initial five years under the normal retirement age and of 0.3% per month under the normal retirement age during the second five years under the normal retirement age. (<i>2007 MTRS Actuarial Valuation, p. 33; Mont. Code Ann. § 19-20-802</i>)

<u>Benefit Taxation:</u>	Annual exclusion from state individual income tax for pension benefits of \$3,600 per person, with exclusion reduced by twice the amount of federal adjusted gross income in excess of \$30,000. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>																																																		
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>																																																		
<u>Benefit Accrual Rates:</u>	1.667% of final average compensation. Compensation in each year of the final average compensation computation may not exceed the prior year by more than 10% except for collectively bargained generally applicable increase, summer employment, employer change, or promotion. <i>(2007 MTRS Actuarial Valuation, p. 33; Mont. Code Ann. § 19-20-804)</i>																																																		
<u>Final Average Salary:</u>	Average of highest three consecutive years of earned compensation. Amounts normally excluded from earned compensation that have been converted and reported by the employer for at least five years before retirement are includable in the average. Earned compensation does not include maintenance, employer-paid insurance premiums, employee expense reimbursements, or non-cash benefits. Salary in any year of the final average salary may not exceed the prior year salary by more than 10% unless the salary increase is a result of collective bargaining, part of a general increase to whole class of teachers, a result of summer employment, a result of a change in employer, a result of a return from a break-in-service, or a result of a promotion. <i>(MTRS Benefit Plan Summary, pp. 10, & 16-18; Mont. Code Ann. § 19-20-101(3), (6), & (21))</i>																																																		
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																																																		
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment of 1.5%, compounded, payable to retirees in receipt for at least three years. The adjustment may be increased by the retirement board up to 3% per year compounded if the plan's required amortization period is less than 25 years, sufficient funds are available to fund at least a 0.1% increase and the additional adjustment does not extend the amortization period beyond 25 years. <i>(2007 MTRS Actuarial Valuation Benefit Summary, p. 34; Mont. Code Ann. § 19-20-719)</i>																																																		
<u>Member & Employer Contribution Rates:</u>	7.15% of covered salary member contribution rate; 9.58% of covered salary employer contribution rate before 7/1/2009; 9.96% of covered salary employer contribution rate after 6/30/2009. <i>(2007 MTRS Actuarial Valuation Benefit Summary, p. 34)</i>																																																		
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">AL.....</td> <td style="width: 15%;">\$3,527,000,000</td> <td style="width: 10%;">NC.....</td> <td style="width: 10%;">10.35%</td> <td style="width: 15%;">\$60,640,650</td> <td style="width: 20%;"><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>2,497,500,000</td> <td>Exp.....</td> <td>0.26%</td> <td>1,506,694</td> <td><u>Interest Assumption:</u> 7.75%</td> </tr> <tr> <td>UAL.....</td> <td>\$1,029,500,000</td> <td>Amortization</td> <td>8.44%</td> <td>49,449,960</td> <td><u>Salary Assumption:</u> Range of</td> </tr> <tr> <td>Ratio.....</td> <td>70.81%</td> <td>Total Req.</td> <td>19.05%</td> <td>\$111,597,304</td> <td>9.01% (general members with one</td> </tr> </table> <p style="text-align: right;"><i>(2005 MTRS Actuarial Valuation, pp. 1, 6-7, 14, 16-18, 22, 24, & 26-27)</i></p> <p>2007:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">AL.....</td> <td style="width: 15%;">\$3,775,100,000</td> <td style="width: 10%;">NC.....</td> <td style="width: 10%;">10.40%</td> <td style="width: 15%;">\$65,468,104</td> <td style="width: 20%;"><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>3,006,200,000</td> <td>Exp.....</td> <td>0.21%</td> <td>1,434,103</td> <td><u>Interest Assumption:</u> 7.75%</td> </tr> <tr> <td>UAL.....</td> <td>\$768,900,000</td> <td>Amortization</td> <td>6.71%</td> <td>42,239,517</td> <td><u>Salary Assumption:</u> Range of 4.5%</td> </tr> <tr> <td>Ratio.....</td> <td>79.6%</td> <td>Total Req.</td> <td>17.11%</td> <td>\$109,141,724</td> <td>to 9.01%</td> </tr> </table> <p style="text-align: right;"><i>(2007 MT TRS Actuarial Valuation, pp. 1, 7, 11, 20-22, 28, 32-33, & 40; MT TRS 2007 CAFR, p. 19)</i></p>			AL.....	\$3,527,000,000	NC.....	10.35%	\$60,640,650	<u>Actuarial Method:</u> Entry age normal	Assets	2,497,500,000	Exp.....	0.26%	1,506,694	<u>Interest Assumption:</u> 7.75%	UAL.....	\$1,029,500,000	Amortization	8.44%	49,449,960	<u>Salary Assumption:</u> Range of	Ratio.....	70.81%	Total Req.	19.05%	\$111,597,304	9.01% (general members with one	AL.....	\$3,775,100,000	NC.....	10.40%	\$65,468,104	<u>Actuarial Method:</u> Entry age normal	Assets	3,006,200,000	Exp.....	0.21%	1,434,103	<u>Interest Assumption:</u> 7.75%	UAL.....	\$768,900,000	Amortization	6.71%	42,239,517	<u>Salary Assumption:</u> Range of 4.5%	Ratio.....	79.6%	Total Req.	17.11%	\$109,141,724	to 9.01%
AL.....	\$3,527,000,000	NC.....	10.35%	\$60,640,650	<u>Actuarial Method:</u> Entry age normal																																														
Assets	2,497,500,000	Exp.....	0.26%	1,506,694	<u>Interest Assumption:</u> 7.75%																																														
UAL.....	\$1,029,500,000	Amortization	8.44%	49,449,960	<u>Salary Assumption:</u> Range of																																														
Ratio.....	70.81%	Total Req.	19.05%	\$111,597,304	9.01% (general members with one																																														
AL.....	\$3,775,100,000	NC.....	10.40%	\$65,468,104	<u>Actuarial Method:</u> Entry age normal																																														
Assets	3,006,200,000	Exp.....	0.21%	1,434,103	<u>Interest Assumption:</u> 7.75%																																														
UAL.....	\$768,900,000	Amortization	6.71%	42,239,517	<u>Salary Assumption:</u> Range of 4.5%																																														
Ratio.....	79.6%	Total Req.	17.11%	\$109,141,724	to 9.01%																																														
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the annuity savings fund, the pension accumulation fund, and the expense fund. The annuity savings fund accumulates member contributions and interest. The pension accumulation fund accumulates employer contributions, holds the reserves for all pension benefits, including transfers upon retirement of amounts from the annuity savings fund. The expense fund receives transfers from the pension accumulation fund to defray plan expenses. <i>(Mont. Code Ann. §§ 19-20-501; 19-20-605; 19-20-602)</i>																																																		

Montana Public Employees Retirement System

<u>Normal Retirement Age:</u>	Age 60 with five years of service credit, age 65 with any service credit, or any age with 30 years of service credit. <i>(MPERS Member Handbook, p. 26)</i>
<u>Early Retirement Age:</u>	Age 50 with five years of service credit or any age with 25 years of service credit. <i>(MPERS Member Handbook, p. 27)</i>
<u>Reduction Factor/Amount:</u>	Non-actuarial factor of 6% per year under age 60 or with less than 30 years of service. <i>(MPERS Member Handbook, p. 27)</i>
<u>Benefit Taxation:</u>	Annual exclusion from state individual income tax for pension benefits of \$3,600 per person, with exclusion reduced by twice the amount of federal adjusted gross income in excess of \$30,000. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
<u>Social Security Coverage:</u>	Social Security coverage supplements public employee retirement coverage. <i>(Public Fund Survey Summary)</i>
<u>Benefit Accrual Rates:</u>	1.7857% of the highest average compensation per year of service credit with less than 25 years of service credit and 2% of the highest average compensation per year of service credit with at least 25 years of service credit. <i>(MPERS Member Handbook, p. 26)</i>
<u>Final Average Salary:</u>	Highest average compensation is the average of the highest consecutive 36 months of salary as a member. <i>(MPERS Member Handbook, p. 26)</i>
<u>Special Early Normal Retirement Incentives:</u>	No early retirement incentive program currently in force.

<u>Post-Retirement Adjustments:</u>	3% annual benefit adjustment if employed before July 1, 2007, and 1.5% annual benefit adjustment if employed after June 30, 2007. Adjustment is payable on the January 1 next following benefit receipt for at least 12 months. (<i>MPERS Member Handbook, pp. 51-52</i>)																								
<u>Member & Employer Contribution Rates:</u>	6.9% of covered compensation member contribution rate and 7.035% of covered compensation employer contribution. (<i>MPERS Member Handbook, pp. 14-15</i>)																								
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2007:</p> <table> <tr> <td>AL.....</td> <td>\$4,201,251,000</td> <td>NC</td> <td>12.22%</td> <td>\$115,269,549</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td><u>3,825,234,000</u></td> <td>Exp.....</td> <td>0.28%</td> <td>2,681,173</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL.....</td> <td>\$376,017,000</td> <td>Amortization</td> <td><u>1.675%</u></td> <td><u>15,800,041</u></td> <td><u>Salary Assumption:</u> Range of</td> </tr> <tr> <td>Ratio.....</td> <td>91%</td> <td>Total Req.</td> <td>14.175%</td> <td>\$133,750,763</td> <td>10.25% to 4.25%</td> </tr> </table> <p>(<i>2007 MPERS CAFR pp. 36-37; 2007 Actuarial Valuation, pp. 4-6, 10-11, 13, 26-27, & 29-30</i>)</p>	AL.....	\$4,201,251,000	NC	12.22%	\$115,269,549	<u>Actuarial Method:</u> Entry age normal	Assets	<u>3,825,234,000</u>	Exp.....	0.28%	2,681,173	<u>Interest Assumption:</u> 8%	UAL.....	\$376,017,000	Amortization	<u>1.675%</u>	<u>15,800,041</u>	<u>Salary Assumption:</u> Range of	Ratio.....	91%	Total Req.	14.175%	\$133,750,763	10.25% to 4.25%
AL.....	\$4,201,251,000	NC	12.22%	\$115,269,549	<u>Actuarial Method:</u> Entry age normal																				
Assets	<u>3,825,234,000</u>	Exp.....	0.28%	2,681,173	<u>Interest Assumption:</u> 8%																				
UAL.....	\$376,017,000	Amortization	<u>1.675%</u>	<u>15,800,041</u>	<u>Salary Assumption:</u> Range of																				
Ratio.....	91%	Total Req.	14.175%	\$133,750,763	10.25% to 4.25%																				
<u>Retirement Fund and Account Structure:</u>	A single retirement trust fund exists for the retirement plan. (<i>Mont. Code Ann. § 19-2-303, Paragraph (31)</i>)																								

Nebraska Public Employees Retirement Systems-School System

<u>Normal Retirement Age:</u>	Age 65 with six months of service credit; any age if sum of age and service credit totals 85. (<i>Neb. Rev. Stat. §§ 79-931; 79-934; 2005 Actuarial Valuation Summary of Plan Provisions</i>)																																																
<u>Early Retirement Age:</u>	Age 60 with five years of service credit; age 55 if the sum of age and service credit totals 85; any age with 35 years of service credit. (<i>Neb. Rev. Stat. §§ 79-931; 79-934</i>)																																																
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 3% per year under age 65. Actuarial reduction of benefits payable before age 60, with reduction from age 65. (<i>Neb. Rev. Stat. § 79-934</i>)																																																
<u>Benefit Taxation:</u>	Pensions subject to state individual income tax. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)																																																
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (<i>Public Fund Survey Summary</i>)																																																
<u>Benefit Accrual Rates:</u>	2% of final average earnings per year of service credit for member employed after July 1, 2001, or combination of money purchase annuity based on accumulated member contributions and annuity of \$3.50 per month per year of service credit if it produces a higher benefit. (<i>Neb. Rev. Stat. §§ 79-333; 79-934</i>)																																																
<u>Final Average Salary:</u>	Average of highest three years of pensionable pay after July 1, 1968. Final average earnings do not include Retirement Incentive Plan or Staff Development Assistance payments. Compensation includes gross salaries, overtime pay or retroactive salary payments resulting from litigation, and does not include fraudulently received amounts, leave amounts converted to cash, expense reimbursements, bonuses or early retirement incentives. (<i>Neb. Rev. Stat. § 79-902 (30) & (35)</i>)																																																
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																																																
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment of the percentage change in the CPI with a maximum of 2.5%. If the purchasing power of a retiree's benefit falls below 75% of the initial benefit amount, as measured using the CPI percentage increase, the benefit is adjusted to the 75% amount. (<i>Neb. Rev. Stat. §§ 79-947.01; 79-947.03; 79-947.04; 79-947.05</i>)																																																
<u>Member & Employer Contribution Rates:</u>	7.25% of covered salary member contribution rate; 8.02% of covered salary employer contribution rate. (<i>2005 NPERS Actuarial Valuation Benefit Summary, p. 17</i>)																																																
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005:</p> <table> <tr> <td>AL.....</td> <td>\$6,234,657,830</td> <td>NC</td> <td>11.42%</td> <td>\$138,664,746</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td><u>5,335,197,409</u></td> <td>Exp.....</td> <td>.....</td> <td>Undisclosed</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL.....</td> <td>\$899,460,421</td> <td>Amortization</td> <td><u>6.53%</u></td> <td><u>79,289,036</u></td> <td><u>Salary Assumption:</u> Range of</td> </tr> <tr> <td>Ratio.....</td> <td>85.57%</td> <td>Total Req.</td> <td>17.95%</td> <td>\$217,953,782</td> <td>10.30% (age 20) to 4.5% (age 65)</td> </tr> </table> <p>(<i>2005 NPERS Actuarial Valuation, pp. ii, iii, v, vi, 4-6, 11-12, 22, & 25</i>)</p> <p>2007:</p> <table> <tr> <td>AL.....</td> <td>\$7,070,308,583</td> <td>NC</td> <td>11.48%</td> <td>\$160,613,173</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td><u>6,396,336,863</u></td> <td>Exp.....</td> <td>.....</td> <td>Undisclosed</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL.....</td> <td>\$673,971,720</td> <td>Amortization</td> <td><u>4.16%</u></td> <td><u>58,244,958</u></td> <td><u>Salary Assumption:</u> Range of 4.5%</td> </tr> <tr> <td>Ratio.....</td> <td>90.5%</td> <td>Total Req.</td> <td>15.64%</td> <td>\$218,858,131</td> <td>to 7.46%</td> </tr> </table> <p>(<i>2007 NPERS—School Actuarial Valuation, pp. 4, 11, 13, 22, & 25</i>)</p>	AL.....	\$6,234,657,830	NC	11.42%	\$138,664,746	<u>Actuarial Method:</u> Entry age normal	Assets	<u>5,335,197,409</u>	Exp.....	Undisclosed	<u>Interest Assumption:</u> 8%	UAL.....	\$899,460,421	Amortization	<u>6.53%</u>	<u>79,289,036</u>	<u>Salary Assumption:</u> Range of	Ratio.....	85.57%	Total Req.	17.95%	\$217,953,782	10.30% (age 20) to 4.5% (age 65)	AL.....	\$7,070,308,583	NC	11.48%	\$160,613,173	<u>Actuarial Method:</u> Entry age normal	Assets	<u>6,396,336,863</u>	Exp.....	Undisclosed	<u>Interest Assumption:</u> 8%	UAL.....	\$673,971,720	Amortization	<u>4.16%</u>	<u>58,244,958</u>	<u>Salary Assumption:</u> Range of 4.5%	Ratio.....	90.5%	Total Req.	15.64%	\$218,858,131	to 7.46%
AL.....	\$6,234,657,830	NC	11.42%	\$138,664,746	<u>Actuarial Method:</u> Entry age normal																																												
Assets	<u>5,335,197,409</u>	Exp.....	Undisclosed	<u>Interest Assumption:</u> 8%																																												
UAL.....	\$899,460,421	Amortization	<u>6.53%</u>	<u>79,289,036</u>	<u>Salary Assumption:</u> Range of																																												
Ratio.....	85.57%	Total Req.	17.95%	\$217,953,782	10.30% (age 20) to 4.5% (age 65)																																												
AL.....	\$7,070,308,583	NC	11.48%	\$160,613,173	<u>Actuarial Method:</u> Entry age normal																																												
Assets	<u>6,396,336,863</u>	Exp.....	Undisclosed	<u>Interest Assumption:</u> 8%																																												
UAL.....	\$673,971,720	Amortization	<u>4.16%</u>	<u>58,244,958</u>	<u>Salary Assumption:</u> Range of 4.5%																																												
Ratio.....	90.5%	Total Req.	15.64%	\$218,858,131	to 7.46%																																												
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the service annuity fund, the expense fund, and the contingent account. The service annuity fund is credited with state contributions to fund benefits for members with prior coverage by the Class V School Employees Retirement Act. The expense fund is funded from transfers from the contingent account and is the source for administrative expense payments. The school retirement fund accumulates state, employer, and member contributions and is the source for all retirement plan benefit payments. The contingent account facilitates the crediting of regular interest, to fund adjusted supplemental retirement benefits, and to cover special requirements of the school retirement fund or expense fund and is credited with the investment earnings of the retirement plan. (<i>Neb. Rev. Stat. §§ 79-966; 79-968; 79-971; 79-972.01; 79-973; 79-974</i>)																																																

Nevada Public Employees Retirement System

<u>Normal Retirement Age:</u>	Age 65 with five years of service credit; age 60 with ten years of service credit; any age with 30 years of service credit. (<i>Nev. Rev. Stat. § 286.510, Para. 1</i>)
<u>Early Retirement Age:</u>	Any age with any service. (<i>Nev. Rev. Stat. § 286.510, Para. 6</i>)

Reduction Factor/Amount: Non-actuarial reduction factor of 4% per year under age 65, or under age 60 with ten years of service, or under 30 years of service credit. *(Nev. Rev. Stat. § 286.510, Para. 6)*

Benefit Taxation: No state individual income tax. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*

Social Security Coverage: No Social Security coverage by virtue of public employment. *(Public Fund Survey Summary)*

Benefit Accrual Rates: 2.5% of average compensation per year of service credit before July 1, 2001, and 2.67% of average compensation per year of service credit after June 30, 2001. The benefit may not exceed 90% and service credit may not exceed 36 years for a person first covered by the plan before July 1, 1985, and the benefit may not exceed 75% and service credit may not exceed 30 years for a person first covered by the plan after June 30, 1985. *(Nev. Rev. Stat. § 286.551)*

Final Average Salary: Average of the highest 36 consecutive months of salary certified by the public employer. Compensation is the salary paid by the principal employer, longevity pay, shift differential pay, hazardous duty pay, holiday pay within a normal workweek, on-call pay, and extra assignment pay if it is standard practice. Compensation does not include employer-paid fringe benefit cost, overtime, and irregular additional payments. *(Nev. Rev. Stat. §§ 286.025; 286.535; 286.551, Clause 2)*

Special Early Normal Retirement Incentives: No early retirement incentive program currently in force.

Post-Retirement Adjustments: Automatic annual compounding adjustment of the lesser of the increase in the CPI for the last three years or different index substituted by the board or 2% for retirees in benefit receipt for at least three years, 3% for retirees in benefit receipt for at least six years, 3.50% for retirees in benefit receipt for at least nine years, 4% for retirees in benefit receipt for at least 12 years, and 5% for retirees in benefit receipt for at least 14 years. *(Nev. Rev. Stat. §§ 286.575; 286.5765; 286.577; 286.5775; 286.578; 286.5785; 286.579)*

Member & Employer Contribution Rates: 10.31% of covered salary member contribution rate; 10.31% of covered salary employer contribution rate. Member contributions can be assumed by the employing unit rather than receive pay increases. *(Public Fund Survey Summary)*

Most Recent Funded Condition and Actuarial Costs:

2005:				
AL.....	\$18,744,127,000	NC.....	Undisclosed	Actuarial Method: Entry age normal
Assets.....	14,492,171,000	Exp.....	Undisclosed	Interest Assumption: 8%
UAL.....	\$4,251,956,000	Amortization.....	Undisclosed	Salary Assumption: Undisclosed
Ratio.....	77.3%	Total Req.....	Undisclosed	

(Public Fund Survey Summary)

2007:				
AL.....	\$29,405,906,670	NC.....	Undisclosed	Actuarial Method: Undisclosed
Assets.....	22,701,359,958	Exp.....	Undisclosed	Interest Assumption: Undisclosed
UAL.....	\$6,704,546,712	Amortization.....	Undisclosed	Salary Assumption: Undisclosed
Ratio.....	77.2%	Total Req.....	Undisclosed	

(2007 Nev. Popular Annual Report, pp. 8 & 11)

Retirement Fund and Account Structure: The plan has a retirement fund to which are credited all member and employer contributions and investment earnings and has an administrative fund in which are deposited all administrative fees charged against the various retirement funds managed by the retirement system. The retirement board is authorized to establish a fund to cover benefits in excess of the limitations in the federal Internal Revenue Code, Section 415. *(Nev. Rev. Stat. §§ 286.220; 286.230; 286.241)*

New Hampshire Retirement System

Normal Retirement Age: Age 60 with any service credit. *(N.H. Rev. Stat. Ann. § 100-A:5 I)*

Early Retirement Age: Age 50 with ten years of service credit; any age with 20 years of service credit if the sum of age and service credit totals 70. *(N.H. Rev. Stat. Ann. § 100-A:5 I)*

Reduction Factor/Amount: Non-actuarial reduction factor of 1.5% per year under age 60 with 35 years of service credit; 3% per year under age 60 with 30 years of service credit; 4% per year under age 60 with 25 years of service credit; 5% per year under age 60 with 20 years of service credit; and 6.75% per year under age 60 with less than 20 years of service credit. *(N.H. Rev. Stat. Ann. § 100-A:5 I)*

Benefit Taxation: Earnings on retirement plans are exempt from state tax on interest and dividends. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. *(Public Fund Survey Summary)*

Benefit Accrual Rates: 1.667% of average final compensation per year of service credit for retirements occurring under age 65 and 1.515% of average final compensation per year of service credit for retirements occurring over age 64. For members employed prior to 7/1/2009, the maximum benefit is 100% of highest year of compensation and for members hired after 6/30/2009, the maximum benefit is \$120,000 annually. *(N.H. Rev. Stat. Ann. § 100-A:5 I; 2007 NHRS CAFR, p. 71)*

Final Average Salary: Average of highest three years of creditable service salary. Earnable compensation includes overtime pay, vacation pay, sick pay, longevity pay, severance pay, extracurricular activity pay, and the fair market value of non-cash compensation if subject to federal taxation. Compensation of final 12 months limited to 150% of prior 12 months' compensation. Earnable compensation also excludes payments occurring 120 days after retirement or later. *(N.H. Rev. Stat. Ann. § 100-A:1 XVII & XVIII)*

Special Early Normal Retirement Incentives: No current early retirement incentive program in force.

<u>Post-Retirement Adjustments:</u>	Ad hoc adjustments provided to retirees in receipt of a benefit for at least one year as approved by the fiscal committee of the legislature. Compounding adjustments have been granted every year during the past decade, have averaged 3.28%, and have ranged from 1% (2006) and 2.25% (2007) to 5% (1997). Adjustments generally are funded from a special account that is credited excess investment performance. <i>(NHRS Newsletter, Summer 2006; 2007 NHRS CAFR, p. 71)</i>																																																
<u>Member & Employer Contribution Rates:</u>	5.90% of covered salary member contribution rate; 4.06% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>																																																
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005 (TEACHERS):</p> <table border="0"> <tr> <td>AL.....</td> <td>\$2,404,673,066</td> <td>NC</td> <td>12.79%</td> <td>\$108,927,802</td> <td><u>Actuarial Method:</u> Aggregate</td> </tr> <tr> <td>Assets</td> <td>1,644,557,691</td> <td>Exp</td> <td>0.23%</td> <td>1,958,827</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL</td> <td>\$760,115,375</td> <td>Amortization</td> <td>1.14%</td> <td>9,708,967</td> <td><u>Salary Assumption:</u> Range of 13%</td> </tr> <tr> <td>Ratio.....</td> <td>68.39%</td> <td>Total Req.....</td> <td>14.16%</td> <td>\$120,595,597</td> <td>(at age 25) to 6.25% (over age 39)</td> </tr> </table> <p style="text-align: center;"><i>(2005 NHRS Actuarial Valuation, Sec. 1, & pp. 3, 14-18, 22-23, 25, 37, B-3, B-4, & B-8)</i></p> <p>2007 (ALL GROUPS):</p> <table border="0"> <tr> <td>AL.....</td> <td>\$7,259,715,000</td> <td>NC</td> <td>9.23%</td> <td>\$172,169,287</td> <td><u>Actuarial Method:</u> Individual entry</td> </tr> <tr> <td>Assets</td> <td>4,862,256,000</td> <td>Exp.....</td> <td>0.33%</td> <td>6,100,000</td> <td>age</td> </tr> <tr> <td>UAL</td> <td>\$2,397,459,000</td> <td>Amortization</td> <td>.....</td> <td>Undisclosed</td> <td><u>Interest Assumption:</u> 8.5%</td> </tr> <tr> <td>Ratio.....</td> <td>67.0%</td> <td>Total Req.</td> <td>.....</td> <td>Undisclosed</td> <td><u>Salary Assumption:</u> Range of</td> </tr> </table> <p style="text-align: center;"><i>(2007 NHRS CAFR, pp. 24, 71-75, 79, 81, & 83)</i></p>	AL.....	\$2,404,673,066	NC	12.79%	\$108,927,802	<u>Actuarial Method:</u> Aggregate	Assets	1,644,557,691	Exp	0.23%	1,958,827	<u>Interest Assumption:</u> 8%	UAL	\$760,115,375	Amortization	1.14%	9,708,967	<u>Salary Assumption:</u> Range of 13%	Ratio.....	68.39%	Total Req.....	14.16%	\$120,595,597	(at age 25) to 6.25% (over age 39)	AL.....	\$7,259,715,000	NC	9.23%	\$172,169,287	<u>Actuarial Method:</u> Individual entry	Assets	4,862,256,000	Exp.....	0.33%	6,100,000	age	UAL	\$2,397,459,000	Amortization	Undisclosed	<u>Interest Assumption:</u> 8.5%	Ratio.....	67.0%	Total Req.	Undisclosed	<u>Salary Assumption:</u> Range of
AL.....	\$2,404,673,066	NC	12.79%	\$108,927,802	<u>Actuarial Method:</u> Aggregate																																												
Assets	1,644,557,691	Exp	0.23%	1,958,827	<u>Interest Assumption:</u> 8%																																												
UAL	\$760,115,375	Amortization	1.14%	9,708,967	<u>Salary Assumption:</u> Range of 13%																																												
Ratio.....	68.39%	Total Req.....	14.16%	\$120,595,597	(at age 25) to 6.25% (over age 39)																																												
AL.....	\$7,259,715,000	NC	9.23%	\$172,169,287	<u>Actuarial Method:</u> Individual entry																																												
Assets	4,862,256,000	Exp.....	0.33%	6,100,000	age																																												
UAL	\$2,397,459,000	Amortization	Undisclosed	<u>Interest Assumption:</u> 8.5%																																												
Ratio.....	67.0%	Total Req.	Undisclosed	<u>Salary Assumption:</u> Range of																																												
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the member annuity savings fund, the state annuity accumulation fund, the special account for additional benefits, and the Section 401(h) sub trust medical special account. The member annuity savings fund accumulates member contributions and interest and the appropriate portion of the fund is transferred to the state annuity accumulation fund upon a member's retirement. The state annuity accumulation fund accumulates reserves for state annuities payable from employer contributions. The special account for additional benefits primarily accumulates investment earnings in excess of the assumed rate plus 0.5% and is used to provide supplemental post-retirement adjustments. The Section 401(h) sub trust is credited with a portion of employer contributions and is used to pay post-retirement medical-health insurance benefits. <i>(N.H. Rev. Stat. Ann. §§ 100-A:15; 100-A:16; 100-A:17; 100-A:52-a; 100-A:53b)</i>																																																

New Jersey Teachers Pension and Annuity Fund

<u>Normal Retirement Age:</u>	Age 60 with any service credit; age 55 with 25 years of service credit. <i>(N.J. Stat. Ann. § 18A:66-43; Public Fund Survey Summary; NJTPAF Website Benefit Plan Summary)</i>
<u>Early Retirement Age:</u>	Any age with 25 years of service credit. <i>(NJTPAF Website Benefit Plan Summary)</i>
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 3% per year under age 60 if hired before July 1, 2007; non-actuarial reduction of 1% per year under age 60 and over age 55 and 3% per year under age 55. <i>(NJTPAF Website Benefit Plan Summary; 2007 CAFR, p. 5)</i>
<u>Benefit Taxation:</u>	Exclusion for pension plan benefits, other than exempt military pensions, from state individual income tax of \$20,000 for married joint filers and \$15,000 for single filers over age 61 or if disabled. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
<u>Benefit Accrual Rates:</u>	1.8182% of final average salary per year of service credit. <i>(N.J. Stat. Ann. § 18A:66-44)</i>
<u>Final Average Salary:</u>	Average of highest three years of service credit salary. Compensation is teacher's contractual salary and excludes individual salary adjustments in anticipation of retirement, temporary duty pay, or extracurricular activity pay. Compensation covered by the defined benefit plan is limited to Social Security FICA-covered salary, with contributions on average credited to new defined contribution plan, for post-7/1/2007 hires. <i>(N.J. Stat. Ann. § 18A:66-2, Para. d & Para. f; 2007 CAFR, p. 6)</i>
<u>Special Early Normal Retirement Incentives:</u>	Early retirement incentive programs previously in force in 1991-1992, 1993-1994, and 1997. State law prohibits employers participating in a statewide retirement plan from establishing early retirement incentive programs not authorized by law. Public Laws 1999, Chapter 59, permits local government units entering into joint service provision agreements or consolidating to offer affected full-time employees with cash payments, annuity purchase, employer contributions to deferred compensation, continuation of health insurance coverage, or service credit purchase in retirement plan to induce early retirement. Public Laws 2000, Chapter 126, permitted counties to offer the same incentive even without a joint service agreement. The applicable employing unit is obligated to pay the actuarial cost of an early retirement incentive. <i>(New Jersey Public Laws 1999, Ch. 59; New Jersey Public Laws 2000, Ch. 126)</i>
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment equal to 60% of the percentage increase of the CPI, compounded. The adjustment is payable to retirees in receipt of benefits for at least two years. One-half of the adjustment amount is payable by the employer and one-half by the pension fund, unless the total adjustment is greater than 10%, whereupon the amount payable by the pension fund is limited to 5%. <i>(N.J. Stat. Ann. §§ 18A:66-126.1; 18A:66-126.2; 18A:66-126.3; 18A:66-126.4; 18A:66-126.5; 18A:66-126.6; 18A:66-126.7)</i>
<u>Member & Employer Contribution Rates:</u>	50% of covered salary member contribution rate; calculated equivalent 5.63% of covered salary employer contribution rate, with 90% of the contribution funding post-retirement medical benefits, with estimate derived from plan annual financial report. <i>(2005 CAFR Financial Statement Notes, p. 23; 2007 CAFR, p. 5)</i>

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2004:			
	AL.....	\$40,447,690,339	NC	Undisclosed
	Assets	34,633,790,549	Exp.....	\$5,473,280
	UAL	\$5,813,899,790	Amortization	Undisclosed
	Ratio.....	85.63%	Total Req.	Undisclosed
				(2005 CAFR Actuarial Section, pp. 131, 134-135, & 164)

2006:			
AL.....	\$46,539,868,653	NC	12.40%.....\$1,084,829,275
Assets	35,531,294,790	Exp.	0.14%.....12,343,927
UAL	\$11,008,573,863	Amortization ...	8.01%.....700,917,218
Ratio.....	76.3%	Total Req.....	20.55%.....\$1,798,090,420
			(2007 CAFR, pp. 16, 35-36, & 63; and Section 1-A, pp. 1 & 3-4)

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are the contingent reserve fund, the annuity savings fund, the retirement reserve fund, the pension fund, the special reserve fund, the interest fund, the benefit enhancement fund, the members' death benefit fund, the contributory group insurance premium fund, and the post-retirement medical premium fund. The contingent reserve fund accumulates the state and employer contributions and bears the accrued liability of the plan. The annuity savings fund accumulates member contributions. The retirement reserve fund exists to pay retirement benefits and is funded from transfers from the annuity savings fund upon retirement and from required amounts from the contingent reserve fund. The pension fund relates to pre-1971 teachers and pre-1956 retirees. The interest fund accumulates investment earnings and is used to allocate interest to other funds. The special reserve fund accumulates investment earnings in excess of the regular interest rate up to 1% of the book value of the total retirement plan. The benefit enhancement fund exists to fund the funding requirements of 2001 and was funded from then-existing excess assets. The members' death benefit fund exists to fund additional death benefits. The contributory group insurance premium fund accumulates excess premium amounts. The post-retirement medical fund exists to pay post-retirement medical benefits and is funded from a portion of employer contributions. (N.J. Stat. Ann. §§ 18A:66-16; 18A:66-18; 18A:66-18.1; 18A:66-19; 18A:66-21; 18A:66-22; 18A:66-24; 18A:66-25; 18A:66-26; 18A:66-27; 18A:66-71.3; 18A:66-77)

New Jersey Public Employees Retirement System

- Normal Retirement Age: Age 60 with any service credit. (2007 Actuarial Valuation, p. 45)
- Early Retirement Age: Any age with 25 years of service credit. (2007 Actuarial Valuation, p. 46)
- Reduction Factor/Amount: Non-actuarial reduction factor of 3% per year under age 55 for members hired before 7/1/2007 and non-actuarial factor of 1% per year under age 60 and over age 54 and 3% per year under age 55 for members hired after 6/30/2007. (2007 Actuarial Valuation, p. 46)
- Benefit Taxation: Exclusion for pension plan benefits, other than exempt military pensions, from state individual income tax of \$20,000 for married joint filers and \$15,000 for single filers over age 61 or if disabled. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)
- Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. (Public Fund Survey Summary)
- Benefit Accrual Rates: Money purchase member annuity based on accumulated member deductions plus an employer contribution of 1.5625% of final average compensation per year of allowable service or 1.818% of final average compensation per year of allowable service depending on member contribution rate. (2007 Actuarial Valuation, p. 45)
- Final Average Salary: Final compensation is the average of the three years immediately preceding retirement or the three highest fiscal years of service credit, whichever is higher, based on full salary if hired before July 1, 2007, or based on salary not to exceed the Social Security FICA—covered salary amount for post-June 30, 2007, hires. (2007 Actuarial Valuation, p. 45)
- Special Early Normal Retirement Incentives: Early retirement incentive programs previously in force in 1991-1992, 1993-1994, and 1997. State law prohibits employers participating in a statewide retirement plan from establishing early retirement incentive programs not authorized by law. Public Laws 1999, Chapter 59, permits local government units entering into joint service provision agreements or consolidating to offer affected full-time employees with cash payments, annuity purchase, employer contributions to deferred compensation, continuation of health insurance coverage, or service credit purchase in retirement plan to induce early retirement. Public Laws 2000, Chapter 126, permitted counties to offer the same incentive even without a joint service agreement. The applicable employing unit is obligated to pay the actuarial cost of an early retirement incentive. (New Jersey Public Laws 1999, Ch. 59; New Jersey Public Laws 2000, Ch. 126)
- Post-Retirement Adjustments: Automatic annual adjustment equal to 60% of the percentage increase in the Consumer Price Index, compounded. The adjustment is payable in the 25th month following retirement and every February 1 thereafter. (NJ PERS Member Handbook, pp. 21-22)
- Member & Employer Contribution Rates: 5% of covered salary member contribution if first employed before July 1, 2007, and 5.5% of covered salary member contribution if first employed after June 30, 2007. Employer contribution rates set annually based on the actuarial valuation (11.27% by the state and 7.16% by local government employees in 2007). (2007 Actuarial Valuation, pp. 2 & 51-52)

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2007:			
	AL.....	\$37,793,090,194	NC	9.04%\$992,942,157
	Assets	28,933,194,311	Exp.....	0.17%19,506,750
	UAL	\$8,859,895,883	Amortization	5.24%575,043,973
	Ratio.....	76.6%	Total Req.	14.45% ...\$1,587,492,880
				(2007 CAFR p. 16; 2007 Actuarial Valuation, pp. 2-3, 7, 15-16, 18-19, & 39)

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are the members' annuity savings and accumulative interest fund, contingent reserve fund, retirement reserve fund, special reserve fund, contributory group insurance premium fund, non-contributory group insurance premium fund—local, and the benefit enhancement reserve fund. (2007 CAFR, pp. 34-36)

New Mexico Educational Retirement Plan

Normal Retirement Age: Age 65 with five years of service credit; any age with 25 years of service credit; age 60 if the sum of age and service credit totals 75. (N.M. Stat. Ann. § 22-11-23)

Early Retirement Age: Any age if the sum of age and years of service credit totals 75. (N.M. Stat. Ann. § 22-11-23)

Reduction Factor/Amount: Non-actuarial reduction factor if the retiree is under age 60 and has less than 25 years of service credit of 2.4% per year under age 60 and 7.2% per year under age 55. (NMERP Active Member Handbook)

Benefit Taxation: Pensions subject to state individual income tax. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. (Public Fund Survey Summary)

Benefit Accrual Rates: 2.35% of final average salary per year of service credit. (N.M. Stat. Ann. § 22-11-30)

Final Average Salary: Average of annual earnings for last 20 quarters preceding retirement or last 20 consecutive quarters in which there were covered earnings. Salary is compensation or wages for services rendered and includes annual leave, sick leave, and additional services compensation, but excludes unused sick leave equivalent payments and expense reimbursements. (N.M. Stat. Ann. §§ 22-11-2 X; 22-11-21.2; 22-11-30 H.; 2.82.5.20 D.)

Special Early Normal Retirement Incentives: No current early retirement incentive program in force.

Post-Retirement Adjustments: Automatic annual adjustment equal to one-half of the percentage increase in the CPI over the preceding year, not to exceed 4%, and not less than 2%, compounded, payable to retirees who are at least age 65 or in receipt of benefits for one year. (N.M. Stat. Ann. §§ 22-11-31; 22-11-32)

Member & Employer Contribution Rates: 7.6% of covered salary member contribution; 8.65% of covered salary employer contribution. (Public Fund Survey Summary)

Most Recent Funded Condition and Actuarial Costs:

2005:				
AL.....	\$10,591,808,489	NC	13.56%	\$299,558,533
Assets	7,457,545,398	Exp.	0.24%	5,320,667
UAL	\$3,134,263,091	Amortization	6.61%	146,023,739
Ratio.....	70.41%	Total Req.	20.41%	\$450,902,939
				13.5% to 5%
(2005 CAFR Actuarial Section, pp. 56-59, 61, 63, 65-67, & 71-72)				
2007:				
AL.....	\$12,190,080,577	NC	13.56%	\$345,620,528
Assets	8,591,417,402	Exp.	0.22%	5,625,343
UAL	\$3,598,663,175	Amortization	8.10%	206,454,740
Ratio.....	70.5%	Total Req.	21.88%	\$557,700,611
				13.5% to 5%
(2007 Actuarial Valuation, pp. 1, 8, 11-12, 16-17, 21, & 38-39)				

Retirement Fund and Account Structure: A single retirement trust fund exists for the retirement plan except for post-employment health insurance benefits, which are provided through the retiree health care fund. (2005 CAFR Financial Section, p. 33)

New Mexico Public Employees Retirement Association

Normal Retirement Age: Any age with 25 years of service credit, age 60 with 20 years of service credit, age 61 with 17 years of service credit, age 62 with 14 years of service credit, age 63 with 11 years of service credit, age 64 with 8 years of service credit, or age 65 with 5 years of service credit. (NM PERA Member Handbook, p. 19)

Early Retirement Age: No early retirement.

Reduction Factor/Amount: No early retirement.

Benefit Taxation: Pensions subject to state individual income tax. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)

Social Security Coverage: Social Security coverage is in addition to public plan coverage. (Public Fund Survey Summary)

Benefit Accrual Rates: 2% of final average salary if hired before October 1987, 2.5% of final average salary if hired after September 1987 and before January 1997, and 3% of final average salary if hired after December 1996. The maximum benefit is 60% of final average salary if hired before October 1987, 75% percent if hired after September 1987 and before January 1997, and 80% if hired after December 1996. (NM PERA Member Handbook, p. 9)

Final Average Salary: Final average salary is the average of the compensation for the highest 36 cumulative months of service. (2007 NM PERA CAFR, p. 92)

Special Early Normal Retirement Incentives: No current early retirement incentive program in force.

Post-Retirement Adjustments: Annual 3% adjustment, compounded, payable after the receipt of benefits for two full calendar years. (NM PERA Member Handbook, p. 28)

<u>Member & Employer Contribution Rates:</u>	Member contribution of 3.83% of covered pay if hired before October 1987; 6.18% of covered pay if hired after September 1987 and before January 1997; and 7.42% of covered pay if hired after December 1996. Employer contribution of 11.48% of covered pay if hired before October 1987; 13.83% of covered pay if hired after September 1987 and before January 1997; and 16.59% of covered pay if hired after December 1996. <i>(NM PERA Member Handbook, p. 8)</i>												
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2007:</p> <table border="0"> <tr> <td>AL.....\$13,139,611,000</td> <td>NC..... Undisclosed</td> <td><u>Actuarial Method:</u> Individual entry age</td> </tr> <tr> <td>Assets<u>12,214,131,000</u></td> <td>Exp..... \$9,116,176</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL.....\$925,480,000</td> <td>Amortization..... Undisclosed</td> <td><u>Salary Assumption:</u> Range of 4% to</td> </tr> <tr> <td>Ratio.....93%</td> <td>Total Req. Undisclosed</td> <td>10%</td> </tr> </table> <p style="text-align: right;"><i>(2007 CAFR, pp. 27, 77, 79, & 88-89)</i></p>	AL.....\$13,139,611,000	NC..... Undisclosed	<u>Actuarial Method:</u> Individual entry age	Assets <u>12,214,131,000</u>	Exp..... \$9,116,176	<u>Interest Assumption:</u> 8%	UAL.....\$925,480,000	Amortization..... Undisclosed	<u>Salary Assumption:</u> Range of 4% to	Ratio.....93%	Total Req. Undisclosed	10%
AL.....\$13,139,611,000	NC..... Undisclosed	<u>Actuarial Method:</u> Individual entry age											
Assets <u>12,214,131,000</u>	Exp..... \$9,116,176	<u>Interest Assumption:</u> 8%											
UAL.....\$925,480,000	Amortization..... Undisclosed	<u>Salary Assumption:</u> Range of 4% to											
Ratio.....93%	Total Req. Undisclosed	10%											
<u>Retirement Fund and Account Structure:</u>	A single retirement trust fund exists for the retirement plan. <i>(2007 CAFR, p. 34)</i>												

New York State Teachers Retirement System

<u>Normal Retirement Age:</u>	Age 55 with five years of service credit; any age with 35 years of service credit if employed before July 1, 1973; age 55 with 30 years of service credit; age 62 with five years of service credit if employed after June 30, 1973. <i>(N.Y. Education Laws § 510; 2007 CAFR Financial Section, p. 34)</i>
<u>Early Retirement Age:</u>	Any age with five years of service credit if employed before July 27, 1976; age 55 with five years of service credit if employed after July 26, 1976. <i>(N.Y. Education Laws § 510; 2007 CAFR Financial Section, p. 34)</i>
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 5% per year that total service is less than 20 years of service if employed before July 1, 1973; non-actuarial reduction factor of 6% per year that age is under age 62 and of 3% per year that age is under age 60 if employed after June 30, 1973. <i>(NYSTRS Website, "Pensions Calculation" Section)</i>
<u>Benefit Taxation:</u>	New York state and local pension plan benefits exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
<u>Benefit Accrual Rates:</u>	If employed before July 26, 1976, 1.8% of final average salary per year of service rendered before 1959, 2% of final average salary per year of service rendered after 1958, and 1% of final average salary per year of prior out-of-state service credit. If employed between July 27, 1976, and August 31, 1983, 1.67% of final average salary per year of service with less than 20 years of service credit or 2.0% of final average salary per year of service with between 20 and 30 years of service. If employed after August 30, 1983, 1.67% of final average salary per year of service with less than 20 years of service credit, 2.0% of final average salary per year of service credit with between 20 and 30 years of service credit, and 1.50% of final average salary per year of service credit in excess of 30 years of service credit. <i>(NYSTRS Website, "Pensions Calculation" Section)</i>
<u>Final Average Salary:</u>	Average of the three highest consecutive years of service salary. Compensation is the regular salary earned by a member and excludes termination payments and non-regular compensation. If employed before July 1, 1973, any salary used may not exceed the prior year by more than 20%. If employed after June 30, 1973, and before July 26, 1976, any salary used may not exceed the average of the prior two years' salaries by more than 20%. If employed after July 25, 1976, any salary used may not exceed the average of the prior two years' salaries by more than 10%. <i>(N.Y. Education Laws § 501, Para. 11; Board Rules §§ 5003.1; 5003.2; 5003.3; 5003.4; 5003.5)</i>
<u>Special Early Normal Retirement Incentives:</u>	Article 19, Benefit Enhancement Additional Service Credit, allows a teacher first employed before July 27, 1976 and has at least 20 days of service credit during any one school year on or after July 1, 1992, to obtain at retirement two additional months of service credit with 2 to 2½ years of service credit, scaling up to two additional years of service credit with more than 22.5 years of service credit. This incentive has no time window and was enacted in 2000. Also, a 2002 early retirement incentive program allowed all teachers hired after June 30, 1973, who are age 55 with 25 years of service credit to retire early without a reduction if an active teacher on February 1, 2002, remaining in active service through the end of the 2002 school year and retires before September 1, 2002. Alternatively, school districts can offer teachers age 50 with ten years of service credit or age 55 with at least five years of service credit, active on February 1, 2002, and teaching through the end of the school year one month of additional service credit for each year of service credit at retirement, to a maximum of three years of service credit. <i>(NYSTRS Website, Article 19, and 2002 Retirement Incentive Sections)</i>
<u>Post-Retirement Adjustments:</u>	Ad hoc adjustments before 2001. Automatic annual adjustment equal to 50% of the CPI percentage increase over the prior year, with a minimum of 1% and a maximum of 3%, payable on a benefit up to \$18,000, and payable to retirees who are at least age 62 and in receipt of benefits for at least five years, or who are at least age 55 and in receipt of benefits for at least ten years, to disabilitants in receipt of benefits for at least five years, and to accidental death benefit recipients in receipt for at least five years. <i>(N.Y. Education Laws §§ 532; 532-a)</i>
<u>Member & Employer Contribution Rates:</u>	No member contribution if employed prior to July 27, 1976; 3% of covered salary member contribution rate if employed after July 26, 1976; 5.63% (2005); and 8.60% (2007) of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2005: AL.....\$72,604,900,000 Assets..... <u>72,044,385,000</u> UAL.....\$560,515,000 Ratio.....99.2%	NC Undisclosed Exp.....\$40,309,000 Amortization Undisclosed Total Req. Undisclosed	Actuarial Method: Aggregate Interest Assumption: 8% Salary Assumption: Range of 11.53% (males at age 25) to 4.38% (males at age 55)
--	--	---	---

(Public Fund Survey Summary; 2005 CAFR Retirement Section, pp. 67-70)

2006-2007: AL.....\$76,353,000,000 Assets..... <u>78,335,800,000</u> UAL.....(\$1,982,800,000) Ratio.....102.6%	NC Undisclosed Exp.....0.25%.....\$43,893,000 Amortization Undisclosed Total Req. Undisclosed	Actuarial Method: Aggregate / entry age normal Interest Assumption: 8% Salary Assumption: Range of 11.3% to 4.32%
--	---	---

(2007 NYSTRS CAFR, pp. 26, 42, 70, & 72-73)

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are the annuity savings fund, the annuity reserve fund, the pension accumulation fund, the pension reserve fund, the supplemental retirement allowance fund, and the expense fund. Administratively established funds or reserves are the group life insurance fund and the CO-ESC member contribution fund. The annuity savings fund accumulates member contributions for members employed before July 26, 1976, with a transfer to the annuity savings fund upon retirement. The annuity reserve fund accumulates reserves for the payment of some pension benefits and bears some of the actuarial liability of the pension plan. The pension accumulation fund contains the reserves for benefits for members employed after 1976 and that are not payable from the supplemental retirement allowance fund or the group life insurance fund. The pension reserve fund is the fund for the payment of benefits from reserves transferred from the pension accumulation fund. The supplemental retirement allowance fund exists to provide the supplemental retirement allowance paid to pre-1994 retirees. The expense fund exists for the payment of plan expenses, with expected investment expenses paid from investment earnings and with expected administrative expenses payable by the commissioner of education. The group life insurance fund provides a group term death benefit. The CO-ESC member contribution fund accumulates the member contributions for some more recent plan entrants. *(N.Y. Education Laws §§ 515; 516; 517; 518; 518-a; 519)*

New York State and Local Retirement System

- Normal Retirement Age: Age 62 with at least five years of service or any age with 30 years of service if employed after June 30, 1973; age 55 with five years of service if employed before July 1, 1973. *(NYSLRS Member Handbook)*
- Early Retirement Age: Age 55 with five years of service. *(NYSLRS Member Handbook)*
- Reduction Factor/Amount: Non-actuarial reduction of 6% per year under age 62 and over age 59 and of 3% per year under age 60 if employed after June 30, 1973; no reduction if employed before July 1, 1973. *(NYSLRS Member Handbook)*
- Benefit Taxation: New York state and local pension plan benefits exempt from state individual income tax. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*
- Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. *(Public Fund Survey Summary)*
- Benefit Accrual Rates: 1.66% of final average salary per year of service for first 19 years of service, 2% of final average salary per year of service for 20 to 30 years of service, and 1.5% of final average salary per year of service in excess of 30 years of service if first hired after July 26, 1976; 1.66% of final average salary per year of service if retiree has less than 20 years of service or 2% of final average salary per year of service if retiree has more than 19 years of service if hired before July 27, 1976. *(NYSLRS Member Handbook)*
- Final Average Salary: Average of three highest consecutive years of service for all retirees. Any year in high three may not exceed any of the previous two years by more than 10% and unused sick leave pay at retirement and termination pay is not included if employed after July 26, 1976. Any year in high three may not exceed the average of the previous two years by more than 20% and unused sick leave, termination pay, and retirement anticipation pay is excluded if employed after June 30, 1973, and before July 27, 1976. Any year in high three may not exceed the prior year by more than 20% if employed after June 16, 1971, and before July 1, 1973. *(NYSLRS Member Handbook)*
- Special Early Normal Retirement Incentives: No current early retirement incentive program in force. *(NYSLRS Member Handbook)*
- Post-Retirement Adjustments: 50% of the annual rate of inflation during the 12 months ending on the prior March 31, measured by the Consumer Price Index, and not less than 1% and not greater than 3%, calculated on the first \$18,000 single life annuity amount. The post-retirement adjustment is first payable at age 62 if retired for five years or age 55 if retired for ten years. *(NYSLRS Member Handbook)*
- Member & Employer Contribution Rates: 3% of covered pay member contribution until member has ten years of service credit if employed after July 26, 1976. No member contribution if employed before July 27, 1976. No member contribution if employed before July 27, 1976. 17% of covered pay employer contribution (2007) and 16.6% of covered pay employer contribution (2008). *(NYSLRS Member Handbook)*

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2006-2007: AL.....\$107,785,000,000 Assets..... <u>112,209,000,000</u> UAL.....(\$4,424,000,000) Ratio.....104.1%	NC Undisclosed Exp.....0.33%.....\$69,893,000 Amortization Undisclosed Total Req.... 18.51%.....\$2,533,217,000	Actuarial Method: Aggregate / entry age normal Interest Assumption: 8% Salary Assumption: Range of 4.75% to 9.24%
--	--	--	---

(2007 NYSLRS CAFR, pp. 34, 45-46, & 85-88)

Retirement Fund and Account Structure: There are two statutory reserves, a pension reserve fund and an annuity reserve fund, and other administrative funds and reserves. (2007 CAFR, p. 44)

North Carolina Teachers and State Employees Retirement System

Normal Retirement Age: Age 65 with five years of service credit; age 60 with 25 years of service credit; any age with 30 years of service credit. (N.C. Gen. Stat. § 135-5)

Early Retirement Age: Age 50 with 20 years of service credit; age 60 with five years of service credit. (N.C. Gen. Stat. § 135-5)

Reduction Factor/Amount: Non-actuarial reduction factor of 3% per year under age 65 with 25 years of service credit or 5% per year under age 60 and per year under 30 years of service credit. (N.C. Gen. Stat. § 135-5)

Benefit Taxation: Annual state individual income tax exclusion for public retirement plan benefits of \$4,000 per person. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. (Public Fund Survey Summary)

Benefit Accrual Rates: 1.82% of average final compensation per year of service credit. (N.C. Gen. Stat. § 135-5)

Final Average Salary: Average of the four highest years of service salary. Compensation means all salaries and wages, performance-based compensation, conversion of benefits to salary, payment of tax consequences for employer-provided benefits, and vacation leave payments. Covered compensation does not include expense reimbursements, terminal payments of unused sick leave, additional benefit supplements, retirement bonuses, early retirement incentives, contract buy-outs, and severance payments. (N.C. Gen. Stat. § 135-1; Paras. (5), (7a), & (9))

Special Early Normal Retirement Incentives: No current early retirement incentive program in force.

Post-Retirement Adjustments: Ad hoc adjustments based on legislative enactments. 2.2% adjustment enacted in 2007. (NCTSERS/No. Car. Treasurer Website, Increases in Your Benefit After Retirement Section; 2007 NC CAFR)

Member & Employer Contribution Rates: 6% of covered salary member contribution rate; 2.34% of covered salary employer contribution rate (2005); 2.66% (2006); and 3.05% (2007). (Public Fund Survey Summary; 2007 NC CAFR, p. 11)

Most Recent Funded Condition and Actuarial Costs:

2005:			
AL.....	\$43,827,854,000	NC.....	Undisclosed
Assets.....	<u>47,383,509,000</u>	Exp.....	Undisclosed
UAL.....	(\$3,555,655,000)	Amortization.....	Undisclosed
Ratio.....	108.11%	Total Req.....	Undisclosed

(Public Fund Survey Summary)

2006:			
AL.....	\$48,275,578,000	NC.....	Undisclosed
Assets.....	<u>51,799,695,000</u>	Exp.....	\$9,040,756
UAL.....	(\$3,524,117,000)	Amortization.....	Undisclosed
Ratio.....	107.3%	Total Req.....	Undisclosed

(2007 NC CAFR, pp. 9-11, T2, & T12)

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are the annuity savings fund, the annuity reserve fund, the pension accumulation fund, the pension reserve fund, and the retiree health benefit fund. The annuity savings fund accumulates the member contributions and is transferred to the pension accumulation fund upon retirement. The pension accumulation fund accumulates all reserves for benefits and employer contributions and the annuity reserve fund and pension reserve fund were merged into the pension accumulation fund in 1959. The retiree health benefit fund accumulates employer contributions for health coverage and investment earnings on those assets. (N.C. Gen. Stat. §§ 135-7; 135-8; 135-39.6)

North Dakota Teachers Fund For Retirement

Normal Retirement Age: Age 65 with three years of service credit; any age when the sum of age and service credit equals 85 if employed before 7/1/2008; age 65 with five years of service credit or any age when the sum of age and service credit totals 90 if employed after June 30, 2008. (N.D. Cent. Code § 15-39.1-10; ND Ret. & Inv. Office 2007 CAFR, p. 130)

Early Retirement Age: Age 55 with three years of service credit if employed before 7/1/2008; age 55 with five years of service credit if employed after 6/30/2008. (N.D. Cent. Code § 15.39.1-12; ND Ret. & Inv. Office 2007 CAFR, p. 130)

Reduction Factor/Amount: Non-actuarial reduction factor of 6% per year under age 65 or under the Rule of 85. (N.D. Cent. Code § 15.39.1-12; NDTFFR Member Handbook, "Eligibility for Benefits" Section)

Benefit Taxation: Annual state individual income tax exclusion for retirees of three North Dakota public pension plans of \$5,000, reduced by the amount of Social Security benefits. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. (Public Fund Survey Summary)

Benefit Accrual Rates: 2% of final average salary per year of service credit. (N.D. Cent. Code § 15-39.1-10, Para. 2)

<u>Final Average Salary:</u>	Average of three highest salary fiscal years of service credit if employed before 7/1/2008; average of five highest salary final years of service credit. Salary is earnings for regular teaching service and extracurricular activities and includes service or performance bonuses other than retirement-related bonuses, employer-paid fringe benefits, unused leave payments, severance pay, early retirement incentive payments, recruitment bonuses, or other payments determined ineligible by the retirement board. (N.D. Cent. Code §§ 15-39.1-04, Clause 9; 15-39.1-10, Para. 2; ND Ret. & Inv. Office 2007 CAFR, p. 130)																																																		
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																																																		
<u>Post-Retirement Adjustments:</u>	Ad hoc adjustments based on legislative enactments. (N.D. Cent. Code §§ 15-39.1-10.1; 15-39.1-10.2; 15-39.1-10.4; 15-39.1-10.5; 15-39.1-10.7)																																																		
<u>Member & Employer Contribution Rates:</u>	7.75% of covered salary member contribution rate; 7.75% of covered salary employer contribution rate if funding ratio is over 90%; 8.25% if funding ratio is under 90%. (2005 CAFR Actuarial Section Benefits Provision Summary, p. 118, 2007 CAFR, p. 130)																																																		
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$1,965,200,000</td> <td>NC</td> <td>11.31%.....</td> <td>\$43,436,378</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>1,469,700,000</td> <td>Exp.</td> <td>0.49%.....</td> <td>1,881,859</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL</td> <td>\$495,500,000</td> <td>Amortization</td> <td>8.56%.....</td> <td>32,874,925</td> <td><u>Salary Assumption:</u> Range of 14%</td> </tr> <tr> <td>Ratio.....</td> <td>74.8%</td> <td>Total Req.....</td> <td>20.36%.....</td> <td>\$78,193,162</td> <td>(under one year of service) to 4.5%</td> </tr> </table> <p style="text-align: right;">(2005 CAFR Actuarial Section, pp. 108-112, 115, & 117)</p> <hr/> <p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$2,209,300,000</td> <td>NC</td> <td>10.26%.....</td> <td>\$41,173,380</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>1,750,100,000</td> <td>Exp.</td> <td>0.39%.....</td> <td>1,592,060</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL</td> <td>\$459,200,000</td> <td>Amortization</td> <td>7.64%.....</td> <td>30,659,320</td> <td><u>Salary Assumption:</u> Range of 4.5%</td> </tr> <tr> <td>Ratio.....</td> <td>79.2%</td> <td>Total Req.....</td> <td>18.29%.....</td> <td>\$73,424,760</td> <td>to 14%</td> </tr> </table> <p style="text-align: right;">(ND Ret. & Inv. Office 2007 CAFR, pp. 22, 40-41, 116-117, 120-123, & 130)</p>			AL.....	\$1,965,200,000	NC	11.31%.....	\$43,436,378	<u>Actuarial Method:</u> Entry age normal	Assets	1,469,700,000	Exp.	0.49%.....	1,881,859	<u>Interest Assumption:</u> 8%	UAL	\$495,500,000	Amortization	8.56%.....	32,874,925	<u>Salary Assumption:</u> Range of 14%	Ratio.....	74.8%	Total Req.....	20.36%.....	\$78,193,162	(under one year of service) to 4.5%	AL.....	\$2,209,300,000	NC	10.26%.....	\$41,173,380	<u>Actuarial Method:</u> Entry age normal	Assets	1,750,100,000	Exp.	0.39%.....	1,592,060	<u>Interest Assumption:</u> 8%	UAL	\$459,200,000	Amortization	7.64%.....	30,659,320	<u>Salary Assumption:</u> Range of 4.5%	Ratio.....	79.2%	Total Req.....	18.29%.....	\$73,424,760	to 14%
AL.....	\$1,965,200,000	NC	11.31%.....	\$43,436,378	<u>Actuarial Method:</u> Entry age normal																																														
Assets	1,469,700,000	Exp.	0.49%.....	1,881,859	<u>Interest Assumption:</u> 8%																																														
UAL	\$495,500,000	Amortization	8.56%.....	32,874,925	<u>Salary Assumption:</u> Range of 14%																																														
Ratio.....	74.8%	Total Req.....	20.36%.....	\$78,193,162	(under one year of service) to 4.5%																																														
AL.....	\$2,209,300,000	NC	10.26%.....	\$41,173,380	<u>Actuarial Method:</u> Entry age normal																																														
Assets	1,750,100,000	Exp.	0.39%.....	1,592,060	<u>Interest Assumption:</u> 8%																																														
UAL	\$459,200,000	Amortization	7.64%.....	30,659,320	<u>Salary Assumption:</u> Range of 4.5%																																														
Ratio.....	79.2%	Total Req.....	18.29%.....	\$73,424,760	to 14%																																														
<u>Retirement Fund and Account Structure:</u>	The retirement plan has a single retirement trust fund. (2005 CAFR Financial Section, pp. 27-28 & 40)																																																		

North Dakota Public Employees Retirement System

<u>Normal Retirement Age:</u>	Age 65 with three years of service or any age if the total of age and service credit equals 85. (NDPERS Active Member Handbook, p. 27)																						
<u>Early Retirement Age:</u>	Age 55 with at least three years of service credit. (NDPERS Active Member Handbook, pp. 27 & 49)																						
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of one-half of 1% per month under age 65 or under the age at which the Rule of 85 would be attained. (NDPERS Active Member Handbook, p. 27)																						
<u>Benefit Taxation:</u>	Annual state individual income tax exclusion for retirees of three North Dakota public pension plans of \$5,000, reduced by the amount of Social Security benefits. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)																						
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (Public Fund Survey Summary)																						
<u>Benefit Accrual Rates:</u>	2% of final average salary per year of service credit. (NDPERS Active Member Handbook, p. 27)																						
<u>Final Average Salary:</u>	Average of the 36 highest salary months during the last 120 months of employment. Salary does not include unused sick leave, personal leave, lump sum leave payments, overtime, housing allowances, severance pay, insurance premiums, or salary in lieu of fringe benefit coverage. (NDPERS Active Member Handbook, pp. 25 & 49)																						
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																						
<u>Post-Retirement Adjustments:</u>	Ad hoc post-retirement adjustments as enacted by the state legislature. (NDPERS Active Member Handbook, p. 13)																						
<u>Member & Employer Contribution Rates:</u>	4% of covered salary member contribution by permanent and full-time employees and 8.12% of covered salary member contributions by part-time and temporary employees; 4.12% of covered salary employer contribution for permanent and full-time employees. (2007 CAFR, p. 38)																						
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$1,610,200,000</td> <td>NC</td> <td>Undisclosed</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>1,503,100,000</td> <td>Exp.</td> <td>0.19%</td> <td>\$1,109,260</td> </tr> <tr> <td>UAL</td> <td>\$107,100,000</td> <td>Amortization</td> <td>Undisclosed</td> <td><u>Salary Assumption:</u> Range of 4.7%</td> </tr> <tr> <td>Ratio.....</td> <td>93.4%</td> <td>Total Req.</td> <td>10.27%</td> <td>\$58,580,100</td> </tr> </table> <p style="text-align: right;">(2007 NDPERS CAFR, pp. 65, 67-68, & 70)</p>			AL.....	\$1,610,200,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal	Assets	1,503,100,000	Exp.	0.19%	\$1,109,260	UAL	\$107,100,000	Amortization	Undisclosed	<u>Salary Assumption:</u> Range of 4.7%	Ratio.....	93.4%	Total Req.	10.27%	\$58,580,100
AL.....	\$1,610,200,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal																			
Assets	1,503,100,000	Exp.	0.19%	\$1,109,260																			
UAL	\$107,100,000	Amortization	Undisclosed	<u>Salary Assumption:</u> Range of 4.7%																			
Ratio.....	93.4%	Total Req.	10.27%	\$58,580,100																			
<u>Retirement Fund and Account Structure:</u>	The retirement plan has a retirement trust fund for the retirement plan and a retiree health insurance credit fund. (2007 NDPERS CAFR, pp. 39-40)																						

Ohio State Teachers Retirement System

<u>Normal Retirement Age:</u>	Age 65 with five years of service credit; any age with 30 years of service credit. (Ohio Rev. Code Ann. § 3307.58)		
<u>Early Retirement Age:</u>	Age 55 with 25 years of service credit; age 60 with five years of service credit. (Ohio Rev. Code Ann. § 3307.58)		

<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factors of 3% between age 64 and age 65; 2% between age 63 and age 64 with 29 years of service credit; 3% between age 63 and age 64 with 28 or fewer years of service credit; 3% between age 62 and age 63 with 28 or fewer years of service credit; 1% between ages 58 and 62 with 28 years of service credit; 3% between age 61 and age 62 with 27 or fewer years of service credit; 3% between age 60 and age 61 with 27 or fewer years of service credit; 5% between age 59 and age 60 with 26 years of service credit; 5% younger than age 59 with 25 or fewer years of service credit. <i>(Ohio Rev. Code Ann. § 3307.58)</i>																																																												
<u>Benefit Taxation:</u>	An annual state individual income tax credit from \$25 to \$200, based on the retirement income received. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>																																																												
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>																																																												
<u>Benefit Accrual Rates:</u>	2.20% of final average salary per year of service credit. <i>(Ohio Rev. Code Ann. § 3307.58)</i>																																																												
<u>Final Average Salary:</u>	Average of the three highest years of compensation during service credit rendered. Salary in the highest two years in excess of the highest percentage increase during any of the three years preceding the averaging period or the percentage increase generally applicable to members of the respective employing unit is not includable in the average. Compensation means all salary paid by reason of teaching employment, including a supplemental contract. Compensation does not include unused leave payments, the cost of employer-paid benefit coverage, the value of incidental in-kind benefits of employment, payments in return for a waiver of rights, retroactive pay increases, or payments attributable to retirement. <i>(Ohio Rev. Code Ann. §§ 3307.01(h); 3307.50.1; Board Rule 3307:1-4-01)</i>																																																												
<u>Special Early Normal Retirement Incentives:</u>	Employing units are permitted to offer early retirement incentive in the form of a service credit purchase by the employer for teachers who are at least age 50, agrees to retire, and does retire. The service credit purchase may not exceed five years of service credit or one-fifth of the person's total service, whichever is less. The employer can set a percentage limit on the number of purchases per year, but not less than 5%, and may specify the length of the option, but not less than one year. The purchase is at the actuarial liability increase as determined by the retirement plan actuary. <i>(Ohio Rev. Code Ann. § 3307.54)</i>																																																												
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment, not compounded, of 3% of the originally paid benefit amount, payable to retirees in benefit receipt for at least one year. <i>(Ohio Rev. Code Ann. § 3307.67; Board Rule 3307:1-10-01)</i>																																																												
<u>Member & Employer Contribution Rates:</u>	10% of covered salary member contribution rate; 14% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>																																																												
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td colspan="4">2005:</td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$77,100,037,000</td> <td>NC</td> <td>Undisclosed</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>57,048,493,000</td> <td>Exp</td> <td>\$63,705,000</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL.....</td> <td>\$20,051,544,000</td> <td>Amortization</td> <td>Undisclosed</td> <td><u>Salary Assumption:</u> Range of</td> </tr> <tr> <td>Ratio.....</td> <td>73.99%</td> <td>Total Req.....</td> <td>Undisclosed</td> <td>10.45% (age 20) to 3.85% (age 70)</td> </tr> <tr> <td colspan="5" style="text-align: right;"><i>(Public Fund Survey Summary)</i></td> </tr> <tr> <td colspan="4">2007:</td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$81,126,642,000</td> <td>NC</td> <td>Undisclosed</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>66,671,511,000</td> <td>Exp</td> <td>0.66% \$60,002,000</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL.....</td> <td>\$14,455,131,000</td> <td>Amortization</td> <td>Undisclosed</td> <td><u>Salary Assumption:</u> Range of</td> </tr> <tr> <td>Ratio.....</td> <td>82.2%</td> <td>Total Req.....</td> <td>Undisclosed</td> <td>10.45% (age 20) to 3.85% (age 65)</td> </tr> <tr> <td colspan="5" style="text-align: right;"><i>(2007 STRS of Ohio CAFR Financial and Actuarial Sections)</i></td> </tr> </table>	2005:					AL.....	\$77,100,037,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal	Assets	57,048,493,000	Exp	\$63,705,000	<u>Interest Assumption:</u> 8%	UAL.....	\$20,051,544,000	Amortization	Undisclosed	<u>Salary Assumption:</u> Range of	Ratio.....	73.99%	Total Req.....	Undisclosed	10.45% (age 20) to 3.85% (age 70)	<i>(Public Fund Survey Summary)</i>					2007:					AL.....	\$81,126,642,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal	Assets	66,671,511,000	Exp	0.66% \$60,002,000	<u>Interest Assumption:</u> 8%	UAL.....	\$14,455,131,000	Amortization	Undisclosed	<u>Salary Assumption:</u> Range of	Ratio.....	82.2%	Total Req.....	Undisclosed	10.45% (age 20) to 3.85% (age 65)	<i>(2007 STRS of Ohio CAFR Financial and Actuarial Sections)</i>				
2005:																																																													
AL.....	\$77,100,037,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal																																																									
Assets	57,048,493,000	Exp	\$63,705,000	<u>Interest Assumption:</u> 8%																																																									
UAL.....	\$20,051,544,000	Amortization	Undisclosed	<u>Salary Assumption:</u> Range of																																																									
Ratio.....	73.99%	Total Req.....	Undisclosed	10.45% (age 20) to 3.85% (age 70)																																																									
<i>(Public Fund Survey Summary)</i>																																																													
2007:																																																													
AL.....	\$81,126,642,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal																																																									
Assets	66,671,511,000	Exp	0.66% \$60,002,000	<u>Interest Assumption:</u> 8%																																																									
UAL.....	\$14,455,131,000	Amortization	Undisclosed	<u>Salary Assumption:</u> Range of																																																									
Ratio.....	82.2%	Total Req.....	Undisclosed	10.45% (age 20) to 3.85% (age 65)																																																									
<i>(2007 STRS of Ohio CAFR Financial and Actuarial Sections)</i>																																																													
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, or accounts are the teachers' savings fund, the employers' trust fund, the annuity and pension reserve fund, the survivors' benefit fund, the guarantee fund, the expense fund, and the defined contribution fund. The teachers' savings fund accumulates member contributions and transfers individual account balances upon retirement to the annuity and pension reserve fund. The employers' trust fund is the depository for employer contributions, with transfers to the annuity and pension reserve fund upon retirement. The survivors' benefit fund is the source for survivor benefits and is funded from transfers from the employers' trust fund. The guarantee fund is credited with interest and allocates investment earnings. The expense fund is used to defray administrative and management expenses. The defined contribution fund accumulates member deductions for the board-established defined contribution plan. <i>(Ohio Rev. Code Ann. §§ 3307.14; 3307.141)</i>																																																												

Ohio Public Employee Retirement System

<u>Normal Retirement Age:</u>	Age 65 with at least five years of service credit or any age with 30 years of service credit. <i>(OPERS Member Handbook, p. 33)</i>
<u>Early Retirement Age:</u>	Age 55 with at least 25 years of service credit. <i>(OPERS Member Handbook, p. 33)</i>
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction of 3% per year under age 65 or 5% per year under 30 years of service credit. <i>(OPERS Member Handbook, p. 33)</i>
<u>Benefit Taxation:</u>	An annual state individual income tax credit from \$25 to \$200, based on the retirement income received. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
<u>Benefit Accrual Rates:</u>	2.2% of final average salary per year of service credit for the first 30 years of service and 2.5% of final average salary per year of service credit for service in excess of 30 years of service for members of the Defined Benefit (Traditional) Plan; 1% of final average salary per year of service credit for the first 30 years of service, 1.25% of final average salary per year of service credit for service in excess of 30 years of service, and the money purchase annuity payable from accumulated member contributions and investment performance. <i>(OPERS Member Handbook, pp. 14 & 37)</i>

<u>Final Average Salary:</u>	Average of the three highest years of earnable salary. Earnable salary excludes employer-paid insurance premiums, employer-paid expense reimbursements or incidental employment benefits, employment termination payments, and bonus payments. <i>(OPERS Member Handbook, p. 11; OPERS Glossary "F")</i>																				
<u>Special Early Normal Retirement Incentives:</u>	Employing units are permitted to offer early retirement incentive in the form of a service credit purchase by the employer for members who are at least age 50, agrees to retire, and does retire. The service credit purchase may not exceed five years of service credit or one-fifth of the person's total service, whichever is less. The employer can set a percentage limit on the number of purchases per year, but not less than 5%, and may specify the length of the option, but not less than one year. The purchase is at the actuarial liability increase as determined by the retirement plan actuary. <i>(OPERS Member Handbook, p. 23)</i>																				
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment, not compounded, of 3% of the originally paid benefit amount, payable to retirees in receipt of benefits for at least one year unless Internal Revenue Code Section 415 limits are exceeded. <i>(OPERS Member Handbook, p. 57)</i>																				
<u>Member & Employer Contribution Rates:</u>	9.5% (2007) and 10% (2008) of earnable compensation member contribution rate and 14% (2008) of earnable compensation employer contribution rate. <i>(OPERS Member Handbook, p. 9)</i>																				
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$66,161,000,000</td> <td>NC</td> <td>Undisclosed</td> <td><u>Actuarial Method:</u> Individual entry age</td> </tr> <tr> <td>Assets</td> <td>61,296,000,000</td> <td>Exp.....</td> <td>0.44%.....</td> <td>\$53,944,088</td> </tr> <tr> <td>UAL</td> <td>\$4,865,000,000</td> <td>Amortization</td> <td>Undisclosed</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>Ratio.....</td> <td>93.0%</td> <td>Total Req.</td> <td>25.54%....</td> <td>\$3,109,122,000</td> </tr> </table> <p style="text-align: right;"><u>Salary Assumption:</u> Range of 4.5% to 10.3% <i>(2007 OPERS CAFR, pp. 36 & 58-60)</i></p>	AL.....	\$66,161,000,000	NC	Undisclosed	<u>Actuarial Method:</u> Individual entry age	Assets	61,296,000,000	Exp.....	0.44%.....	\$53,944,088	UAL	\$4,865,000,000	Amortization	Undisclosed	<u>Interest Assumption:</u> 8%	Ratio.....	93.0%	Total Req.	25.54%....	\$3,109,122,000
AL.....	\$66,161,000,000	NC	Undisclosed	<u>Actuarial Method:</u> Individual entry age																	
Assets	61,296,000,000	Exp.....	0.44%.....	\$53,944,088																	
UAL	\$4,865,000,000	Amortization	Undisclosed	<u>Interest Assumption:</u> 8%																	
Ratio.....	93.0%	Total Req.	25.54%....	\$3,109,122,000																	
<u>Retirement Fund and Account Structure:</u>	The Defined Benefit (Traditional) Plan has eight funds or accounts, which are the employees' savings fund, the employers' accumulation fund, the employers' accumulation health care fund, the annuity and pension reserve fund, the survivors' benefit fund, the qualified excess benefit arrangement, the income fund, and the expense fund. <i>(2007 OPERS CAFR, pp. 47-48)</i>																				

Oklahoma Teachers Retirement System

<u>Normal Retirement Age:</u>	Any age when sum of age and service credit totals 80 if employed before July 1, 1992; any age when sum of age and service credit totals 90 if employed after June 30, 1992; age 62 with five years of service credit. <i>(Okla. Rule §§ 715:10-15-1; 715:10-15-2; Okla. Stat. § 70-17-105)</i>																																																
<u>Early Retirement Age:</u>	Age 55 with five years of service credit. <i>(Okla. Stat. § 70-17-105)</i>																																																
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factors of 6.67% per year between ages 60 and 62; 6.66% between age 59 and age 60; 4.77% between age 58 and age 59; 4.85% between age 57 and age 58; 4.43% between age 56 and age 57; and 4.06% between age 55 and age 56. <i>(Okla. Rule § 715:10-15-2)</i>																																																
<u>Benefit Taxation:</u>	Annual state individual income tax exclusion for public retirement plan benefits of \$7,500. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>																																																
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>																																																
<u>Benefit Accrual Rates:</u>	2% of a limited final average compensation amount (either \$40,000 or \$25,000, depending on a member election before 1995) per year of service credit prior to July 1, 1995, and 2% of an unlimited final average compensation amount per year of service credit after June 30, 1995. <i>(Okla. Stat. § 70-17-105; Okla. Rule § 715:10-15-7)</i>																																																
<u>Final Average Salary:</u>	Average of highest three years salary for which service credit was rendered for pre-July 1, 1992, members or average of highest five years salary for which service credit was rendered for post-June 30, 1992, members. <i>(Okla. Stat. §§ 715:10-15-7.1; Okla. Stat. §§ 70-17-101, Clauses (14), (15), & (28); 70-17-105)</i>																																																
<u>Special Early Normal Retirement Incentives:</u>	Early retirement incentive program for teachers who were employed before July 1, 1995, and who worked one year beyond the attainment of age 62 or reach the Rule of 80 if pre-July 1, 1992, hire or the Rule of 90 of post-June 30, 1992, hire, entitling the teacher to move two years of service credit from the pre-1995 salary cap to the post-1995 salary figure, per year of service after the trigger retirement eligibility, with additional member contribution. <i>(2006 Special Legislative Session, House Bill 1179xx)</i>																																																
<u>Post-Retirement Adjustments:</u>	Ad hoc adjustments based on legislative enactments. The last ad hoc adjustments occurred in 2004, with increases ranging from 2.5% for retirees with fewer than 15 years of service and a monthly benefit in excess of \$1,500 to 4.5% for retirees with 20 or more years of service and a monthly benefit less than \$1,500, and in 2008, with a 2% increase for retirees who retired before 7/1/2007. <i>(2005 TRSO Actuarial Valuation, Appendix II, p. 48; 2008 TRSO Legislative Summary)</i>																																																
<u>Member & Employer Contribution Rates:</u>	7% of covered salary member contribution rate; 13% of covered salary employer contribution rate for most employers. <i>(2005 TRSO Actuarial Valuation, Appendix I, p. 37)</i>																																																
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$14,052,434,061</td> <td>NC</td> <td>10.52%</td> <td>\$334,027,002</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>6,952,687,592</td> <td>Exp.....</td> <td>0.21%</td> <td>6,713,569</td> <td><u>Interest Assumption:</u> 7.5%</td> </tr> <tr> <td>UAL</td> <td>\$7,099,746,469</td> <td>Amortization</td> <td>21.04%</td> <td>574,609,607</td> <td><u>Salary Assumption:</u> Range of 6%</td> </tr> <tr> <td>Ratio.....</td> <td>49.5%</td> <td>Total Req.</td> <td>31.77%</td> <td>\$915,350,178</td> <td>to 4.25%</td> </tr> </table> <p style="text-align: right;"><i>(2005 TRSO Actuarial Valuation, Section A, p. 1; Section C, p. 3; Section H; Section J, Tables 1-3, 4c, 5a, 6a, 6b, 7, 12a, Appendix IV)</i></p> <p>2006:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$16,025,000,000</td> <td>NC</td> <td>10.52%</td> <td>\$378,615,000</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>8,422,000,000</td> <td>Exp.....</td> <td>0.25%</td> <td>9,015,027</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL</td> <td>\$7,603,000,000</td> <td>Amortization</td> <td>16.41%</td> <td>590,495,652</td> <td><u>Salary Assumption:</u> Range of</td> </tr> <tr> <td>Ratio.....</td> <td>52.6%</td> <td>Total Req.</td> <td>27.18%</td> <td>\$978,125,679</td> <td>4.25% to 6%</td> </tr> </table> <p style="text-align: right;"><i>(2007 Okla. TRS Actuarial Valuation, pp. 2, 21, 24, 26, 29, & 32)</i></p>	AL.....	\$14,052,434,061	NC	10.52%	\$334,027,002	<u>Actuarial Method:</u> Entry age normal	Assets	6,952,687,592	Exp.....	0.21%	6,713,569	<u>Interest Assumption:</u> 7.5%	UAL	\$7,099,746,469	Amortization	21.04%	574,609,607	<u>Salary Assumption:</u> Range of 6%	Ratio.....	49.5%	Total Req.	31.77%	\$915,350,178	to 4.25%	AL.....	\$16,025,000,000	NC	10.52%	\$378,615,000	<u>Actuarial Method:</u> Entry age normal	Assets	8,422,000,000	Exp.....	0.25%	9,015,027	<u>Interest Assumption:</u> 8%	UAL	\$7,603,000,000	Amortization	16.41%	590,495,652	<u>Salary Assumption:</u> Range of	Ratio.....	52.6%	Total Req.	27.18%	\$978,125,679	4.25% to 6%
AL.....	\$14,052,434,061	NC	10.52%	\$334,027,002	<u>Actuarial Method:</u> Entry age normal																																												
Assets	6,952,687,592	Exp.....	0.21%	6,713,569	<u>Interest Assumption:</u> 7.5%																																												
UAL	\$7,099,746,469	Amortization	21.04%	574,609,607	<u>Salary Assumption:</u> Range of 6%																																												
Ratio.....	49.5%	Total Req.	31.77%	\$915,350,178	to 4.25%																																												
AL.....	\$16,025,000,000	NC	10.52%	\$378,615,000	<u>Actuarial Method:</u> Entry age normal																																												
Assets	8,422,000,000	Exp.....	0.25%	9,015,027	<u>Interest Assumption:</u> 8%																																												
UAL	\$7,603,000,000	Amortization	16.41%	590,495,652	<u>Salary Assumption:</u> Range of																																												
Ratio.....	52.6%	Total Req.	27.18%	\$978,125,679	4.25% to 6%																																												

Retirement Fund and Account Structure: Statutory funds, reserves, or accounts are the teachers savings fund, the retirement benefit fund, the interest fund, the permanent retirement fund, the expense fund, the suspense fund, the reserve for investment fluctuations fund, the teachers' deposit fund, the membership annuity reserve fund, the retiree medical benefit fund, and the tax-sheltered annuity fund. The teachers' savings fund accumulates regular member contributions and interest earnings before July 1, 1998, and funds transfers to the retirement benefit fund upon each retirement. The retirement benefit fund consists of the assets needed to make retirement payments to retirees. The interest fund facilitates the allocation of investment earnings among other funds. The permanent retirement fund consists of accumulated gifts, awards, and bequests and also transfers from the suspense fund and functions as a permanent endowment for the retirement system. The expense fund defrays the system administrative and maintenance expenses and is funded from interest fund transfers, from dedicated revenue, and from legislative appropriations. The suspense fund receives transfers representing retirement obligations that cannot be legally discharged. The reserve for investment fluctuations fund is credited with 8% of investment returns until the accumulation reaches 2% of the total assets of the system and is paid out to other funds to reimburse deficits. The teachers' deposit fund accumulates voluntary member contributions under Internal Revenue Code Section 403(b). The membership annuity reserve fund is the accumulated member and state contributions for members retiring before August 2, 1968. The retiree medical benefit fund is a sub account of the retirement benefit fund and is used to pay monthly retiree health insurance benefits. (*Okla. Stat. §§ 70-17-107; 70-17-108*)

Oklahoma Public Employees Retirement System

Normal Retirement Age: Age 62 with six years of service credit or any age when the sum of age and service credit totals 90 if employed after 6/30/1992 or any age when the sum of age and service credit totals 80 if employed before July 1, 1992. (*OPERS Active Member Handbook, p. 26*)

Early Retirement Age: Age 55 with nine years and six months of service credit, of which six years must be full-time equivalent employment. (*OPERS Active Member Handbook, p. 27*)

Reduction Factor/Amount: Non-actuarial reduction factors of 6.666% per year over age 57 and under age 62 and of 3.334% per year under age 57. (*OPERS Active Member Handbook, p. 46*)

Benefit Taxation: Annual state individual income tax exclusion for public retirement plan benefits of \$7,500. (*NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison*)

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. (*Public Fund Survey Summary*)

Benefit Accrual Rates: 2% of final average compensation amount per year of service credit or, if the member was employed since 2003 and elects to make an extra member contribution, 2.5% of final average compensation amount per year of covered service. (*OPERS Active Member Handbook, pp. 44 & 49*)

Final Average Salary: Average of the highest three years of salary out of the last ten years of covered service. Final average salary includes highest three longevity payments. If member did not make member contributions above \$25,000 for pre-1994 salary, annual compensation for period 1988 to 1994 has \$25,000 maximum if any year of period falls in final average compensation. For members initially hired before 7/1/1995 or for post-7/1/1995 hires with at least 20 years of service, the minimum final average compensation is \$13,800. For post-7/1/1995 hires with more than 14 years of service credit and less than 20 years of service credit, the maximum final average compensation is \$6,900. For permanent part-time employees, compensation for the final average salary calculation is annualized. (*OPERS Active Member Handbook, p. 43*)

Special Early Normal Retirement Incentives: No current special early retirement incentive in force.

Post-Retirement Adjustments: Ad hoc adjustments based on legislative enactments, with most recent adjustment of 4% for members retired since June 30, 2007. (*Summer 2008 OPERS Active Member Newsletter, p. 1*)

Member & Employer Contribution Rates: 3.88% of covered salary (2006) and 4.02% of covered salary (2007) member contribution rate and 12.50% of covered salary (2006) and 13.50% of covered salary (2007) employer contribution rate. (*2007 OPERS Actuarial Valuation, p. 8*)

Most Recent Funded Condition and Actuarial Costs: **2007:**

AL.....	\$8,413,248,130	NC.....	12.34%	\$200,739,448	<u>Actuarial Method:</u> Entry age normal
Assets	6,110,230,058	Exp.....	0.40%	6,506,951	<u>Interest Assumption:</u> 7.5%
UAL.....	\$2,303,018,072	Amortization	13.39%	217,820,196	<u>Salary Assumption:</u> Range of 5.1%
Ratio.....	72.6%	Total Req.	26.13%	\$425,066,595	to 9%

(2007 OPERS Actuarial Valuation, pp. 1, 3, 8, 21, 51, & 53)

Retirement Fund and Account Structure: The retirement system has a single retirement fund, with three reserve accounts and one subaccount. The reserve accounts are the member accumulated contribution reserve, the retirement benefit accumulation reserve, and the retirement benefit payment reserve. The subaccount is the retirement medical benefit fund. The retirement fund also has a revolving expense fund in the state treasury. (*Okla. Stat §§ 74-921; 74-922; and 74-922.1*)

Oregon Public Employees Retirement System

Normal Retirement Age: Age 58 with five years of service credit; any age with 30 years of service credit if employed before January 1, 1996; age 60 with five years of service credit; any age with 30 years of service credit; age 65 with any service if employed after December 31, 1995. (*Or. Rev. Stat. §§ 238.005, Para. (14); 238.280*)

Early Retirement Age: Age 55 with any service. (*Or. Rev. Stat. § 238.280*)

Reduction Factor/Amount: Actuarial equivalent of the pension payable at the normal retirement age. (*2003 Actuarial Valuation Benefit Plan Summary, p. 39*)

Benefit Taxation: Oregon state and local pension plan benefits earned from service before October 1, 1991, exempt from state individual income tax. State individual income tax credit of up to 9% of retirement benefit allowed for individuals with household income less than \$22,500 single or \$45,000 married joint if over age 61 and Social Security is less than \$7,500 or \$15,000 joint. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. *(Public Fund Survey Summary)*

Benefit Accrual Rates: 1.67% of final average salary per year of service credit. *(Or. Rev. Stat. § 238.300)*

Final Average Salary: Average of the last 36 consecutive months of service credit salaries or the average of three consecutive calendar years of highest salary. Overtime salary amounts are included if they do not exceed the average hours of overtime for the same class of employees. Salary does not include expense reimbursement, employer-paid insurance premiums, payment of unused sick leave, accelerated payment of future wages, or domestic partner insurance premiums. *(Or. Rev. Stat. § 238.005, Paras. (8) & (21))*

Special Early Normal Retirement Incentives: No current early retirement incentive program in force.

Post-Retirement Adjustments: Automatic annual adjustment equal to the percentage increase or decrease in the CPI over the prior 12 months, not to exceed 2%, compounded, but decrease is limited to the amount of the original benefit, payable to any retiree. 2003 legislation attempted to suspend the adjustment, but the legislation was overturned in *Strunk v. PERS* in 2005 and in *City of Eugene v. PERS* in 2005. *(Or. Rev. Stat. § 238.360)*

Member & Employer Contribution Rates: No member contribution; 11.11% of covered salary employer contribution rate for school districts. *(Public Fund Survey Summary)*

Most Recent Funded Condition and Actuarial Costs:

2005:			
AL.....	\$49,240,000,000	NC.....	4.30%..... \$291,196,000
Assets.....	<u>44,660,000,000</u>	Exp.....	0.64%..... 43,238,460
UAL.....	\$4,580,000,000	Amortization ..	<u>10.50%..... 711,060,000</u>
Ratio.....	90.70%	Total Req.	15.44%..... \$1,045,494,460

(2005 CAFR Actuarial Section, pp. 60-63)

2006:			
AL.....	\$51,252,900,000	NC.....	4.43%..... \$206,978,809
Assets.....	<u>49,368,300,000</u>	Exp.....	1.00%..... 46,488,473
UAL.....	\$1,884,700,000	Amortization ...	<u>6.26%..... 292,599,675</u>
Ratio.....	96.0%	Total Req.	11.69%..... \$546,066,957

(2006 OPERS Actuarial Valuation, pp. 1, 10, 12, 25, 80, & 83)

Retirement Fund and Account Structure: Reserves and designations established by the system are the member reserve, the employer contribution designation, the benefit reserve, the undistributed investment earnings designation, the contingency reserve, the employer contingency reserve, the capital preservation reserve, the unallocated earnings designation, the deficit reserve, the pending designation, the retirant health insurance account, the retiree health insurance premium account, and the standard retiree health insurance account. The member reserve accumulates member contributions and investment earnings and funds transfers to the benefit reserve upon retirement. The employer contribution designation accumulates employer contributions and earning allocations and funds transfers to the benefit reserve upon retirement. The benefit reserve exists to pay benefits from transferred contributions and accrued investment earnings. The undistributed investment earnings designation is credited with investment earnings in excess of required minimum interest distributions. The contingency reserve is intended to prevent cash flow problems relating to interest fluctuations, mortality changes, or other unforeseen contingencies. The employer contingency reserve exists to prevent a deficit from the insolvency of an employer. The capital preservation reserve is used to offset capital investment losses. The unallocated earnings designation is the January through June annual net investment earnings pending a subsequent distribution. The deficit reserve is the unfunded liability for certain member account credits under a pre-2003 law. The pending designation is a 2004 calendar year earnings amount not distributed due to pending litigation. The retirant health insurance account is the accumulated employer contributions and investment earnings for the health insurance program. The retiree health insurance premium account exists to fund the retiree health insurance program. The standard retiree health insurance account represents the retiree contributions and investment earnings for the standard retiree health insurance program. *(2005 CAFR Financial Section, pp. 27-28; and Or. Rev. Stat. §§ 238.485; 238.670; 238.696; 238.615)*

Pennsylvania Public School Employees Retirement System

Normal Retirement Age: Age 62 with one year of service credit; age 60 with 30 years of service credit; any age with 35 years of service credit. *(Active Member Handbook)*

Early Retirement Age: Age 55 with 25 years of service credit. *(Active Member Handbook)*

Reduction Factor/Amount: Non-actuarial reduction factor of 3% per year under age 60, up to maximum of 15%. *(Active Member Handbook)*

Benefit Taxation: Pension plan benefits are exempt from state individual income tax. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. *(Public Fund Survey Summary)*

Benefit Accrual Rates: 2.50% of final average salary per year of service credit. *(Active Member Handbook)*

Final Average Salary: Average of the three highest years of service credit salaries. Compensation does not include bonuses, severance payments, emoluments not based on standard employing unit salary schedule, payments for unused leave, seminar attendance bonuses, special health and welfare plan payments, special payments made to enhance retirement benefits, and severance payments. *(Board Rules § 211.2)*

Special Early Normal Retirement Incentives: No current early retirement incentive program in force.

Post-Retirement Adjustments: Ad hoc adjustments based on legislative enactment. Post-retirement adjustments have been granted by the Pennsylvania General Assembly every four or five years. *(PSERS Retiree Handbook, Publication #9775)*

Member & Employer Contribution Rates: 7.16% of covered salary member contribution rate; 4.69% of covered salary employer contribution rate. *(2005 CAFR Actuarial Section, p. 88)*

Most Recent Funded Condition and Actuarial Costs: **2004:**

AL.....	\$57,123,000,000	NC.....	15.46% ..	\$1,550,764,463	<u>Actuarial Method:</u> Entry age normal
Assets.....	52,094,500,000	Exp.....	0.43%	42,645,000	<u>Interest Assumption:</u> 8.5%
UAL.....	\$5,028,500,000	Amortization.....	(4.28%)	(429,319,010)	<u>Salary Assumption:</u> 6.25%
Ratio.....	91.2%	Total Req.	11.61%	\$1,164,090,453	

(2005 CAFR Actuarial Section, pp. 86, 88-92, 96-97, 101, 103, & 107-108)

2006:

AL.....	\$64,627,300,000	NC.....	13.93% ..	\$1,590,666,700	<u>Actuarial Method:</u> Entry age normal
Assets.....	52,464,700,000	Exp.....	0.31%	35,239,000	<u>Interest Assumption:</u> 8.5%
UAL.....	\$12,162,600,000	Amortization.....	1.03%	118,154,300	<u>Salary Assumption:</u> 6%
Ratio.....	81.2%	Total Req.	15.27% ..	\$1,744,060,000	

(2007 PA PSERS CAFR, pp. 38-39, 59-62, & 101)

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are the members' savings account, the state accumulation account, the annuity reserve account, and the health insurance account. The members' savings account accumulates member contributions and regular interest, with transfers to the annuity reserve account upon retirement. The state accumulation account accumulates state and employer contributions and interest, with transfers to the annuity reserve account upon retirement. The annuity reserve account exists for the payment of retirement annuities and benefits. The health insurance account exists to fund the health insurance premium assistance program. The health insurance program account accumulates member contributions in connection with the direct health insurance premium program. *(2005 CAFR Financial Statement Notes, p. 47; Pa. Consol. Stat. §§ 24:8521; 24:8522; 24:8523; 24:8524; 24:8525; 24:8526)*

Pennsylvania State Employees Retirement System

Normal Retirement Age: Age 60 with three years of service or any age with 35 years of service credit for general employees. *(2007 PA SERS Actuarial Valuation, Schedule M, p. 2)*

Early Retirement Age: Any age with five years of service credit. *(2007 PA SERS Actuarial Valuation, Schedule M, p. 2; Member Handbook, p. 5)*

Reduction Factor/Amount: Actuarial reduction averaging from 3% to 6% per year under the normal retirement age. *(Member Handbook, p. 23)*

Benefit Taxation: Pension plan benefits are exempt from state individual income tax. *(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)*

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. *(Public Fund Survey Summary)*

Benefit Accrual Rates: 2% of final average salary per year of covered salary multiplied by 1.0 class of service multiplier for general employees hired before 7/1/2001 who did not transfer to Class AA or by 1.25 class of service multiplier for general employees hired after 6/30/2001 applied to final average salary. Members with 41 to 45 years of service also receive a supplemental benefit from 2% of the single life annuity with 41 years to 10% of the single life annuity with 45 years. A member who elected Social Security Integration Coverage before March 1974 is entitled to a single life annuity of 2% of average non-covered salary for each year of SSI coverage. If accumulated member contributions plus credited interest exceed one-half of the actuarial value of the retirement annuity, an "extra piece" benefit equal to the difference is payable. *(Member Handbook, pp. 5-6, 21, & 23; 2007 PA SERS Actuarial Valuation, Schedule M, pp. 2-3 & 5)*

Final Average Salary: Average of highest three non-overlapping periods of four consecutive calendar quarters. *(Member Handbook, p. 23)*

Special Early Normal Retirement Incentives: No current early retirement incentive in force.

Post-Retirement Adjustments: Ad hoc increases are payable if enacted by the General Assembly, with the last adjustment paid under 2002 legislation. *(2007 PA SERS Actuarial Valuation, Schedule M, p. 5)*

Member & Employer Contribution Rates: 5% if covered salary member contribution if employed before 7/1/ 2001 and not electing Class AA or 6.25% of covered salary member contribution if employed after 6/30/2001; plus 5% of covered salary in excess of Social Security coverage if member has elected Social Security Integration credit. Employer contribution is the balance of actuarial cost in excess of member contributions as required by law, or 4% of covered salary in 2008. *(2007 PA SERS Actuarial Valuation, pp. 12-13, and Schedule M, p. 7)*

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2007: AL.....\$31,753,970,797 Assets..... <u>30,839,877,345</u> UAL.....\$914,093,452 Ratio.....97.1%	NC 14.67%\$811,114,422 Exp..... 0.45%24,748,000 Amortization <u>1.53%</u> <u>85,057,310</u> Total Req. 16.65%\$920,919,732	<u>Actuarial Method:</u> Variant entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 4.9% to 20.2%
--	--	--	---

(2007 PA SERS Actuarial Valuation, pp. 1, 12-14, & 21; 2007 PA SERS CAFR, p. 9)

Retirement Fund and Account Structure: Retirement fund consists of six accounts, the member savings account, the state accumulation account, the supplemental annuity account, the annuity reserve account, the interest reserve account, and the benefit completion plan reserve account. (2007 PA SERS CAFR, p. 13)

Rhode Island Employees Retirement System

<u>Normal Retirement Age:</u>	Age 60 with ten years of service credit; any age with 28 years of service credit. (R.I. Gen Laws § 36-10-9, Para. (a), Clause (1))
<u>Early Retirement Age:</u>	Age 55 with ten years of service credit. (R.I. Gen Laws § 36-10-9, Para. (b))
<u>Reduction Factor/Amount:</u>	Actuarial equivalent reduction. (R.I. Gen Laws § 36-10-9, Para. (b))
<u>Benefit Taxation:</u>	Pension plan benefits are fully taxable under state individual income tax. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (Pension Fund Survey Summary)
<u>Benefit Accrual Rates:</u>	A percentage of final average salary per year of service credit of 1.7% for the initial decade of service, 1.9% for the second decade of service, 3.0% for years 21 through 34, and 2.0% for year 35. Maximum benefit of 80% of final average salary. (R.I. Gen Laws § 36-10-10)
<u>Final Average Salary:</u>	Average of the three highest consecutive years of service credit salaries. Compensation includes wages and longevity and incentive pay and does not include overtime pay, payments for unused leave, payments contingent upon retirement, or payments for temporary or extra duties. (R.I. Gen Laws § 36-8-1, Paras. (4) & (7))
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment of 3%, compounded, payable to retirees in receipt of benefits for at least three years. (R.I. Gen Laws § 36-10-35)
<u>Member & Employer Contribution Rates:</u>	9.5% of covered salary member contribution rate; 13.72% of covered salary employer contribution rate. (Public Fund Survey Summary)

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2004 - Teachers: AL.....\$5,634,195,435 Assets..... <u>3,340,527,073</u> UAL.....\$2,293,668,362 Ratio.....59.29%	NC 11.09%\$89,836,104 Exp..... 0.33%2,673,212 Amortization ... <u>18.05%</u> <u>146,216,569</u> Total Req. 29.47%\$238,725,885	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 17% (no service credit) to 4.5% (more than ten years of service credit)
--	--	--	--

(2004 CAFR Actuarial Section, pp. 44-51, 63, & 83)

2006 - Teachers:	AL.....\$5,919,156,211 Assets..... <u>3,280,977,321</u> UAL.....\$2,638,178,890 Ratio.....55.4%	NC 11.82% \$72,302,730 Exp..... 0.41% 3,523,406 Amortization ... <u>22.71%</u> <u>195,162,307</u> Total Req. 34.94% \$270,988,443	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> 4.5% to 9%
-------------------------	--	---	--

2006 - State Employees and Teachers:	AL.....\$9,762,675,086 Assets..... <u>5,444,368,644</u> UAL.....\$4,318,306,442 Ratio..... 55.8%	NC 11.21% \$164,949,147 Exp..... 0.41% 6,066,456 Amortization ... <u>21.38%</u> <u>314,565,800</u> Total Req. 33.00% \$485,581,403	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> 4.5% to 9%
---	---	--	--

(2006 ERS of RI CAFR, pp. 20, 33-35, 37, 43-44, & 47-49)

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are the restricted receipt account, the annuity savings account, the contingent reserve account, and the restricted fund for providing health benefits to retirees. The restricted receipt account exists to pay plan administrative expenses through a deduction from investment earnings. The annuity savings account accumulates member contributions and transfers amounts to the contingent reserve account upon retirement. The contingent reserve account accumulates state contributions and funds all retirement benefit payments. The restricted fund for providing health benefits to retirees exists to fund the retiree health benefits program. (R.I. Gen Laws §§ 36-8-10.1; 36-10-1; 36-10-2; 36-10-3; 36-10-4)

South Carolina Retirement System

<u>Normal Retirement Age:</u>	Age 65 with five years of service credit; any age with 28 years of service credit. (S.C. Code Ann. § 9-1-1510)
<u>Early Retirement Age:</u>	Age 60 with five years of service credit; age 55 with 25 years of service credit. (S.C. Code Ann. § 9-1-1515)
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 5% per year under age 65 with less than 25 years of service credit and of 4% per year under 28 years of service credit with 25 or more years of service credit. (S.C. Code Ann. § 9-1-1550)

<u>Benefit Taxation:</u>	Annual state income tax exclusion for pension plan benefits of \$3,000 if under age 65 and of \$10,000 if over age 64. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)																																																		
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (<i>Public Fund Survey Summary</i>)																																																		
<u>Benefit Accrual Rates:</u>	1.82% of average final compensation per year of service credit. (<i>S.C. Code Ann. § 9-1-1550</i>)																																																		
<u>Final Average Salary:</u>	Average of the 12 highest consecutive calendar year quarters of service credit salary. Compensation is full rate of compensation under a full working schedule. If compensation includes maintenance, fees, or in kind, the retirement board must fix the value. The earnable compensation amounts are audited after retirement and amounts not part of the regular salary base are excluded. Average final compensation is increased by unused annual leave amounts. (<i>S.C. Code Ann. § 9-1-10, Clauses (4) & (9)</i>)																																																		
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																																																		
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment of 1% if the CPI increases by 1% and if the CPI percentage increase is greater than 1%, an additional percentage amount not to exceed the amount of the CPI increase or 4%, whichever is less, if the State Budget and Control Board determines that the cost of the adjustment, factoring in unrealized investment gains and losses, will not cause the plan's amortization period to exceed 30 years. Payable to retirees in receipt for at least one year and adjustment compounds. (<i>S.C. Code Ann. § 9-1-1810</i>)																																																		
<u>Member & Employer Contribution Rates:</u>	6% of covered salary member contribution rate; 7.55% of covered salary employer contribution rate. (<i>Public Fund Survey Summary</i>)																																																		
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2004:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$25,977,852,000</td> <td>NC.....</td> <td>9.80%.....</td> <td>\$488,612,600</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets.....</td> <td><u>20,862,659,000</u></td> <td>Exp.....</td> <td>0.31%.....</td> <td>15,440,000</td> <td><u>Interest Assumption:</u> 7.25%</td> </tr> <tr> <td>UAL.....</td> <td>\$5,115,193,000</td> <td>Amortization..</td> <td><u>17.60%</u>.....</td> <td><u>877,508,343</u></td> <td><u>Salary Assumption:</u> Range of 8%</td> </tr> <tr> <td>Ratio.....</td> <td>80.31%</td> <td>Total Req.</td> <td>27.71%.....</td> <td>\$1,381,560,900</td> <td>(with no service credit) to 4% (with 15 years of service credit or greater)</td> </tr> </table> <p style="text-align: right;"><i>(2004 CAFR Actuarial Section, pp. 77, 79, 83, 86, 87, 90, & 104)</i></p> <hr/> <p>2006:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$32,018,519,000</td> <td>NC.....</td> <td>9.70%.....</td> <td>\$653,137,763</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets.....</td> <td><u>22,293,446,000</u></td> <td>Exp.....</td> <td>0.24%.....</td> <td>16,314,000</td> <td><u>Interest Assumption:</u> 7.25%</td> </tr> <tr> <td>UAL.....</td> <td>\$9,725,073,000</td> <td>Amortization..</td> <td><u>17.60%</u>.....</td> <td><u>1,185,074,704</u></td> <td><u>Salary Assumption:</u> Range of 4%</td> </tr> <tr> <td>Ratio.....</td> <td>69.6%</td> <td>Total Req.</td> <td>27.54%.....</td> <td>\$1,854,526,467</td> <td>to 8%</td> </tr> </table> <p style="text-align: right;"><i>(2007 SCRS CAFR, pp. 26, 30, 50-52, 83, 87, 91, 94, 107, 109, & 116)</i></p>			AL.....	\$25,977,852,000	NC.....	9.80%.....	\$488,612,600	<u>Actuarial Method:</u> Entry age normal	Assets.....	<u>20,862,659,000</u>	Exp.....	0.31%.....	15,440,000	<u>Interest Assumption:</u> 7.25%	UAL.....	\$5,115,193,000	Amortization..	<u>17.60%</u>	<u>877,508,343</u>	<u>Salary Assumption:</u> Range of 8%	Ratio.....	80.31%	Total Req.	27.71%.....	\$1,381,560,900	(with no service credit) to 4% (with 15 years of service credit or greater)	AL.....	\$32,018,519,000	NC.....	9.70%.....	\$653,137,763	<u>Actuarial Method:</u> Entry age normal	Assets.....	<u>22,293,446,000</u>	Exp.....	0.24%.....	16,314,000	<u>Interest Assumption:</u> 7.25%	UAL.....	\$9,725,073,000	Amortization..	<u>17.60%</u>	<u>1,185,074,704</u>	<u>Salary Assumption:</u> Range of 4%	Ratio.....	69.6%	Total Req.	27.54%.....	\$1,854,526,467	to 8%
AL.....	\$25,977,852,000	NC.....	9.80%.....	\$488,612,600	<u>Actuarial Method:</u> Entry age normal																																														
Assets.....	<u>20,862,659,000</u>	Exp.....	0.31%.....	15,440,000	<u>Interest Assumption:</u> 7.25%																																														
UAL.....	\$5,115,193,000	Amortization..	<u>17.60%</u>	<u>877,508,343</u>	<u>Salary Assumption:</u> Range of 8%																																														
Ratio.....	80.31%	Total Req.	27.71%.....	\$1,381,560,900	(with no service credit) to 4% (with 15 years of service credit or greater)																																														
AL.....	\$32,018,519,000	NC.....	9.70%.....	\$653,137,763	<u>Actuarial Method:</u> Entry age normal																																														
Assets.....	<u>22,293,446,000</u>	Exp.....	0.24%.....	16,314,000	<u>Interest Assumption:</u> 7.25%																																														
UAL.....	\$9,725,073,000	Amortization..	<u>17.60%</u>	<u>1,185,074,704</u>	<u>Salary Assumption:</u> Range of 4%																																														
Ratio.....	69.6%	Total Req.	27.54%.....	\$1,854,526,467	to 8%																																														
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the employee annuity savings fund, the employer annuity accumulation fund, and the group life insurance fund. The employee annuity savings fund accumulates member contributions and related investment earnings and funds the transfers to the employer annuity accumulation fund upon retirement. The employer annuity accumulation fund accumulates the employer contributions and related investment earnings and is the source of all retirement annuities and benefits. The group life insurance fund exists to provide life insurance benefits to active and retired members. (<i>S.C. Code Ann. §§ 9-1-1010; 9-1-1020; 9-1-1030; 9-1-1050; 9-1-1110; 9-1-1130</i>)																																																		

South Dakota Retirement System

<u>Normal Retirement Age:</u>	Age 65 with three years of service credit; age 55 if the sum of age and service credit totals 85. (<i>S.D. Codified Laws §§ 3-12-47, Clauses (47), (48), & (60); 3-12-90</i>)
<u>Early Retirement Age:</u>	Age 55 with three years of service credit. (<i>SDRS Website, Summary of Early Retirement Benefits</i>)
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 3% per year under age 65 if the retiree has less than 21 years of service credit. If the retiree has credit for more than 20 years of service, the factor is 3% under age 64 with 21 years of service credit, under age 63 with 22 years of service credit, under age 62 with 23 years of service credit, under age 61 with 24 years of service credit, under age 60 with 25 years of service credit, under age 59 with 26 years of service credit, under age 58 with 27 years of service credit, under age 57 with 28 years of service credit, and under age 56 with 29 years of service credit. (<i>SDRS Website, Summary of Early Retirement Benefits</i>)
<u>Benefit Taxation:</u>	No state individual income tax. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (<i>Public Fund Survey Summary</i>)
<u>Benefit Accrual Rates:</u>	Under standard formula, 1.625% of final average salary per year of service credit rendered before July 1, 2002, <u>plus</u> 1.55% of final average salary per year of service credit rendered after June 30, 2002. Under alternative formula, 2.325% of final average salary per year of service credit rendered before July 1, 2002, <u>plus</u> 2.25% of final average salary per year of service credit rendered after June 30, 2002, <u>less</u> 80% of the primary Social Security benefit. (<i>S.D. Codified Laws § 3-12-91</i>)
<u>Final Average Salary:</u>	Average of the 12 highest consecutive calendar year quarters service credit salary during the last 40 quarters of service credit. The final average salary is adjusted to eliminate extraordinary payments during the final year or final quarter. An extraordinary payment is an amount in excess of 105% of the prior year or quarter. Compensation is gross wage for personal services rendered and reported on federal W-2 form and excludes expense reimbursements, payments for unused leave, employer-paid insurance coverage, severance payments and early retirement inducements. (<i>S.D. Codified Laws § 3-12-47, Clauses (20), (34), & (40)</i>)
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.

<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment of 3.1%, compounding, and prorated for retirees in receipt of benefits for less than one year. <i>(S.D. Codified Laws §§ 3-12-47, Clause (41); 3-12-88)</i>																																								
<u>Member & Employer Contribution Rates:</u>	6% of covered salary member contribution rate; 6% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>																																								
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td colspan="2">2005:</td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$5,571,842,384</td> <td>NC</td> <td>11.568%\$139,521,648</td> </tr> <tr> <td>Assets</td> <td><u>5,380,999,357</u></td> <td>Exp.....</td> <td>0.275%2,772,121</td> </tr> <tr> <td>UAL</td> <td>\$190,843,027</td> <td>Amortization</td> <td><u>0.644%</u>7,767,284</td> </tr> <tr> <td>Ratio.....</td> <td>96.6%</td> <td>Total Req.</td> <td>12.487%\$150,061,053</td> </tr> </table> <p style="text-align: right;"><i>(2005 CAFR Actuarial Section, pp. 40-47)</i></p> <table border="0"> <tr> <td colspan="2">2007:</td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$6,718,800,000</td> <td>NC</td> <td>11.184%\$145,087,734</td> </tr> <tr> <td>Assets</td> <td><u>6,526,500,000</u></td> <td>Exp.....</td> <td>0.214%3,033,519</td> </tr> <tr> <td>UAL</td> <td>\$192,300,000</td> <td>Amortization</td> <td><u>1.014%</u>13,154,414</td> </tr> <tr> <td>Ratio.....</td> <td>97.1%</td> <td>Total Req.</td> <td>12.472%\$161,275,667</td> </tr> </table> <p style="text-align: right;"><i>(2007 SDRS CAFR, pp. 20, 23, 31, 35, 39-41, 43-44, & 47)</i></p>	2005:				AL.....	\$5,571,842,384	NC	11.568%\$139,521,648	Assets	<u>5,380,999,357</u>	Exp.....	0.275%2,772,121	UAL	\$190,843,027	Amortization	<u>0.644%</u>7,767,284	Ratio.....	96.6%	Total Req.	12.487%\$150,061,053	2007:				AL.....	\$6,718,800,000	NC	11.184%\$145,087,734	Assets	<u>6,526,500,000</u>	Exp.....	0.214%3,033,519	UAL	\$192,300,000	Amortization	<u>1.014%</u>13,154,414	Ratio.....	97.1%	Total Req.	12.472%\$161,275,667
2005:																																									
AL.....	\$5,571,842,384	NC	11.568%\$139,521,648																																						
Assets	<u>5,380,999,357</u>	Exp.....	0.275%2,772,121																																						
UAL	\$190,843,027	Amortization	<u>0.644%</u>7,767,284																																						
Ratio.....	96.6%	Total Req.	12.487%\$150,061,053																																						
2007:																																									
AL.....	\$6,718,800,000	NC	11.184%\$145,087,734																																						
Assets	<u>6,526,500,000</u>	Exp.....	0.214%3,033,519																																						
UAL	\$192,300,000	Amortization	<u>1.014%</u>13,154,414																																						
Ratio.....	97.1%	Total Req.	12.472%\$161,275,667																																						
<u>Retirement Fund and Account Structure:</u>	With the exception of an expense fund, the retirement system has a single retirement trust fund. The expense fund is credited with 3% of the contributions to the plan annually and is used for the payment of the administrative costs of the system. <i>(S.D. Codified Laws §§ 3-12-61; 3-12-72)</i>																																								

Tennessee State Employees, Teachers, and Higher Education Employees Pension Plan

<u>Normal Retirement Age:</u>	Any age with 30 years of service credit; age 60 with four years of service credit if employed before July 1, 1979; age 60 with five years of service credit if employed after June 30, 1979. <i>(Tenn. Code Ann. § 8-36-201)</i>																												
<u>Early Retirement Age:</u>	Age 55 with ten years of service credit; any age with four or five years of service credit; any age with 25 years of service credit. <i>(Tenn. Code Ann. § 8-36-301)</i>																												
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 0.4% per month under age 60 or normal retirement date for retiree at age 55 with ten years of service credit. For retiree with less than ten years of service credit, retiree has additional reduction of 15% of the benefit amount per year or portion of year under ten years of service credit on top of the regular reduction. For retiree with 25 years of service credit, an actuarial equivalent to the age 55 benefit reduction is imposed. <i>(Tenn. Code Ann. § 8-36-302)</i>																												
<u>Benefit Taxation:</u>	Pension plan benefits are exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>																												
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>																												
<u>Benefit Accrual Rates:</u>	1.50% of average final compensation per year of service credit, plus 0.25% of the amount of average final compensation in excess of the Social Security integration level salary per year of service credit, plus an increase of 5% of the calculated retirement benefit. The maximum benefit is 94.5% of average final compensation. The Social Security integration level salary is the average of the Social Security wage bases. <i>(Tenn. Code Ann. §§ 8-36-102; 8-36-206; 8-36-208)</i>																												
<u>Final Average Salary:</u>	Average of the five highest consecutive years of creditable service earnable compensation. Average final compensation may not include more than five longevity payments. Earnable compensation is compensation paid for services rendered, includes bonuses and incentives, cafeteria benefit amounts, and compensation in kind with a value determined by the retirement board, and excludes certain extra services payments greater than 25% of the salary base. <i>(Tenn. Code Ann. §§ 8-34-101, Clauses (4), (10), & (14); 8-36-104)</i>																												
<u>Special Early Normal Retirement Incentives:</u>	No early retirement incentive program currently in force.																												
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment of the percentage increase of at least one-half of 1% in the CPI, but not to exceed 3%, payable to retirees in receipt for at least one year, and compounding. <i>(Tenn. Code Ann. § 8-36-701)</i>																												
<u>Member & Employer Contribution Rates:</u>	5% of covered salary member contribution rate; 6.13% of covered salary employer contribution rate. <i>(2005 CAFR Financial Section, p. 27; Public Fund Survey Summary)</i>																												
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td colspan="2">2005:</td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$23,266,967,000</td> <td>NC</td> <td>Undisclosed</td> </tr> <tr> <td>Assets</td> <td><u>23,627,160,000</u></td> <td>Exp.....</td> <td>.....</td> </tr> <tr> <td>UAL</td> <td>(\$360,193,000)</td> <td>Amortization</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>101.55%</td> <td>Total Req.</td> <td>Undisclosed</td> </tr> </table> <p style="text-align: right;"><i>(Public Fund Survey Summary)</i></p> <table border="0"> <tr> <td colspan="2">2007:</td> <td></td> <td></td> </tr> <tr> <td colspan="4">No post-2005 actuarial valuation available.</td> </tr> </table>	2005:				AL.....	\$23,266,967,000	NC	Undisclosed	Assets	<u>23,627,160,000</u>	Exp.....	UAL	(\$360,193,000)	Amortization	Undisclosed	Ratio.....	101.55%	Total Req.	Undisclosed	2007:				No post-2005 actuarial valuation available.			
2005:																													
AL.....	\$23,266,967,000	NC	Undisclosed																										
Assets	<u>23,627,160,000</u>	Exp.....																										
UAL	(\$360,193,000)	Amortization	Undisclosed																										
Ratio.....	101.55%	Total Req.	Undisclosed																										
2007:																													
No post-2005 actuarial valuation available.																													
<u>Retirement Fund and Account Structure:</u>	The statutory funds, reserves, and accounts are the members' fund and the state accumulation fund. The members' fund accumulates member contributions and related interest earnings and is the source of transfers of amounts to the state accumulation fund upon retirements. The state accumulation fund is the reserve for all benefits payable by the system. <i>(Tenn. Code Ann. §§ 8-37-101; 8-37-201; 8-37-215; 8-37-301)</i>																												

Texas Teacher Retirement System

<u>Normal Retirement Age:</u>	Any age if the sum of age and service totals 80 if employed before August 31, 2007; age 65 with five years of service credit; age 60 with 20 years of service credit if employed after August 30, 2007. (2005 TRST Actuarial Valuation Benefit Summary, p. 39)																																																													
<u>Early Retirement Age:</u>	Age 55 with five years of service credit; age 50 with 30 years of service credit. (2005 TRST Actuarial Valuation Benefit Summary, p. 39)																																																													
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 2% per year under the Rule of 80 for retirees under age 50 with 30 years of service credit and for retirees between ages 55 and 59 with at least 20 years of service credit; 7% between ages 64 and 65; 6% between ages 63 and 64; 7% per year between ages 61 and 63; 6% per year between ages 58 and 61; and 4% per year between ages 55 and 58. (2005 TRST Actuarial Valuation Benefit Summary, p. 40)																																																													
<u>Benefit Taxation:</u>	No state individual income tax. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)																																																													
<u>Social Security Coverage:</u>	No Social Security coverage by virtue of public employment. (Public Fund Survey Summary)																																																													
<u>Benefit Accrual Rates:</u>	2.3% of average final salary per year of service credit. (2005 TRST Actuarial Valuation benefit Summary, p. 39)																																																													
<u>Final Average Salary:</u>	Average of the five highest years of creditable service salary or average of the three highest years of service credit salary if the member was age 50, had 25 years of service credit, or had a total of age and service credit equal to 70 before August 2, 2005. Creditable compensation is payment of money for services rendered, in proportion to rendered service, and payable in normal periodic payments. Compensation does not include expense payments, allowances, bonuses, fringe benefits, payments for unused leave, employer-paid insurance coverage, payments as incentive to terminate employment or accept employment, and Fair Labor Standards Act compensatory leave. Salary increases during the last three years are limited to 10% over the prior year's compensation or \$10,000, whichever is greater. (TRST Member Handbook, pp. 28-29)																																																													
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																																																													
<u>Post-Retirement Adjustments:</u>	Ad hoc adjustments based on legislative enactments, including a 13 th check payment in January 2008. (2007 TRST Actuarial Valuation Benefit Summary, pp. 47 & 50)																																																													
<u>Member & Employer Contribution Rates:</u>	6.9% of covered salary member contribution rate; 7.31% of covered salary employer contribution rate. The state contribution was increased in 2007 to 6.58%, effective for fiscal year 2008. (Public Fund Survey Summary; 2007 Actuarial Valuation, p. 61)																																																													
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td colspan="4">2005:</td> </tr> <tr> <td>AL.....</td> <td>\$102,495,000,000</td> <td>NC</td> <td>10.40%..... \$1,372,384,000</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>89,299,000,000</td> <td>Exp.....</td> <td>0.10%..... 25,114,716</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL</td> <td>\$13,196,000,000</td> <td>Amortization</td> <td>3.19%..... 828,028,300</td> <td><u>Salary Assumption:</u> Range of</td> </tr> <tr> <td>Ratio.....</td> <td>87.1%</td> <td>Total Req.</td> <td>13.69%..... \$2,225,527,216</td> <td>26.4% to 4.25%</td> </tr> <tr> <td colspan="5" style="text-align: right;">(2005 TRST Actuarial Valuation, pp. 1-3, 6, 12, 15-16, 19, 23, 27, & 29-32)</td> </tr> <tr> <td colspan="4">2007:</td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$115,963,721,872</td> <td>NC</td> <td>10.40%..... \$3,235,866,025</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td>103,419,088,392</td> <td>Exp.....</td> <td>0.11%..... 27,502,276</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL</td> <td>\$12,544,633,480</td> <td>Amortization</td> <td>2.58%..... 802,743,687</td> <td><u>Salary Assumption:</u> Range of</td> </tr> <tr> <td>Ratio.....</td> <td>89.2%</td> <td>Total Req.</td> <td>13.09%..... \$4,066,111,988</td> <td>26.4% to 4.25%</td> </tr> <tr> <td colspan="5" style="text-align: right;">(2007 TRS CAFR, p. 26; 2007 TRS Actuarial Valuation, pp. 2, 23-24, 38, & 40-41)</td> </tr> </table>			2005:				AL.....	\$102,495,000,000	NC	10.40%..... \$1,372,384,000	<u>Actuarial Method:</u> Entry age normal	Assets	89,299,000,000	Exp.....	0.10%..... 25,114,716	<u>Interest Assumption:</u> 8%	UAL	\$13,196,000,000	Amortization	3.19%..... 828,028,300	<u>Salary Assumption:</u> Range of	Ratio.....	87.1%	Total Req.	13.69%..... \$2,225,527,216	26.4% to 4.25%	(2005 TRST Actuarial Valuation, pp. 1-3, 6, 12, 15-16, 19, 23, 27, & 29-32)					2007:					AL.....	\$115,963,721,872	NC	10.40%..... \$3,235,866,025	<u>Actuarial Method:</u> Entry age normal	Assets	103,419,088,392	Exp.....	0.11%..... 27,502,276	<u>Interest Assumption:</u> 8%	UAL	\$12,544,633,480	Amortization	2.58%..... 802,743,687	<u>Salary Assumption:</u> Range of	Ratio.....	89.2%	Total Req.	13.09%..... \$4,066,111,988	26.4% to 4.25%	(2007 TRS CAFR, p. 26; 2007 TRS Actuarial Valuation, pp. 2, 23-24, 38, & 40-41)				
2005:																																																														
AL.....	\$102,495,000,000	NC	10.40%..... \$1,372,384,000	<u>Actuarial Method:</u> Entry age normal																																																										
Assets	89,299,000,000	Exp.....	0.10%..... 25,114,716	<u>Interest Assumption:</u> 8%																																																										
UAL	\$13,196,000,000	Amortization	3.19%..... 828,028,300	<u>Salary Assumption:</u> Range of																																																										
Ratio.....	87.1%	Total Req.	13.69%..... \$2,225,527,216	26.4% to 4.25%																																																										
(2005 TRST Actuarial Valuation, pp. 1-3, 6, 12, 15-16, 19, 23, 27, & 29-32)																																																														
2007:																																																														
AL.....	\$115,963,721,872	NC	10.40%..... \$3,235,866,025	<u>Actuarial Method:</u> Entry age normal																																																										
Assets	103,419,088,392	Exp.....	0.11%..... 27,502,276	<u>Interest Assumption:</u> 8%																																																										
UAL	\$12,544,633,480	Amortization	2.58%..... 802,743,687	<u>Salary Assumption:</u> Range of																																																										
Ratio.....	89.2%	Total Req.	13.09%..... \$4,066,111,988	26.4% to 4.25%																																																										
(2007 TRS CAFR, p. 26; 2007 TRS Actuarial Valuation, pp. 2, 23-24, 38, & 40-41)																																																														
<u>Retirement Fund and Account Structure:</u>	The statutory funds, reserves, and accounts are the member savings account, the state contribution account, the retired reserve account, the interest account, the expense account, and the deferred retirement option account. The member savings account accumulates member contributions plus regular interest and from the account amounts are transferred to the retired reserve account upon retirement. The state contribution account accumulates state contributions, interest, and related amounts, with transfers to the retired reserve account of needed amounts upon retirement. The retired reserve account functions as the source of all retirement annuity and benefit payments. The interest account accumulates investment earnings. The expense account is funded largely from investment earnings and functions to pay administrative expenses of the system. The deferred retirement option account functions to fund the deferred retirement option program. (Texas Govt. Code Ann. §§ 825.306; 825.307; 825.308; 825.309; 825.311; 825.312; 825.3121)																																																													

Texas Employees Retirement System

<u>Normal Retirement Age:</u>	Age 60 with five years of service credit or any age if the sum of age and covered service totals 80. (2007 Actuarial Valuation, p. 40)
<u>Early Retirement Age:</u>	No early retirement age.
<u>Reduction Factor/Amount:</u>	No reduced early retirement provision.
<u>Benefit Taxation:</u>	No state individual income tax. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)
<u>Social Security Coverage:</u>	Public retirement coverage supplements Social Security coverage for public employment. (Public Fund Survey Summary)
<u>Benefit Accrual Rates:</u>	2.3% of final average monthly compensation per year of covered salary. (2007 Actuarial Valuation, p. 40)

<u>Final Average Salary:</u>	Average of the highest 36 months of salary received during covered salary. Covered salary includes longevity pay and hazardous duty pay. (2007 Actuarial Valuation, p. 35; ERS Handbook, p. 28)																								
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																								
<u>Post-Retirement Adjustments:</u>	Ad hoc adjustments based on legislative enactments. (Texas Govt. Code, Title 8, § 814.601)																								
<u>Member & Employer Contribution Rates:</u>	6% of covered pay member contribution; 6.45% of covered pay employer contribution for fiscal year 2007. (2007 Actuarial Valuation, p. 35)																								
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$23,987,165,485</td> <td>NC</td> <td>11.73%.....</td> <td>\$616,261,724</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td><u>22,938,947,005</u></td> <td>Exp.....</td> <td>0.25%.....</td> <td>13,134,308</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL</td> <td>\$1,048,218,480</td> <td>Amortization</td> <td><u>1.12%</u>.....</td> <td><u>58,841,699</u></td> <td><u>Salary Assumption:</u> Range of 0.0% to 14%</td> </tr> <tr> <td>Ratio.....</td> <td>95.6%</td> <td>Total Req.</td> <td>13.10%.....</td> <td>\$688,237,731</td> <td></td> </tr> </table> <p>(2007 Actuarial Valuation, pp. 3, 11-12, 18, & 32)</p>	AL.....	\$23,987,165,485	NC	11.73%.....	\$616,261,724	<u>Actuarial Method:</u> Entry age normal	Assets	<u>22,938,947,005</u>	Exp.....	0.25%.....	13,134,308	<u>Interest Assumption:</u> 8%	UAL	\$1,048,218,480	Amortization	<u>1.12%</u>	<u>58,841,699</u>	<u>Salary Assumption:</u> Range of 0.0% to 14%	Ratio.....	95.6%	Total Req.	13.10%.....	\$688,237,731	
AL.....	\$23,987,165,485	NC	11.73%.....	\$616,261,724	<u>Actuarial Method:</u> Entry age normal																				
Assets	<u>22,938,947,005</u>	Exp.....	0.25%.....	13,134,308	<u>Interest Assumption:</u> 8%																				
UAL	\$1,048,218,480	Amortization	<u>1.12%</u>	<u>58,841,699</u>	<u>Salary Assumption:</u> Range of 0.0% to 14%																				
Ratio.....	95.6%	Total Req.	13.10%.....	\$688,237,731																					
<u>Retirement Fund and Account Structure:</u>	The Employee Retirement System Fund is the funding vehicle for the Texas Employees Retirement Plan. The fund includes five accounts, the employees savings, account, the state accumulation account, the retirement annuity reserve account, the interest account, and the expense account. (Texas Govt. Code, Title 8, §§ 815.310 through 815.315)																								

Utah Noncontributory Defined Benefit System

<u>Normal Retirement Age:</u>	Age 65 with four years of service credit; any age with 30 years of service credit. (Utah Code Ann. § 49-13-401)																																												
<u>Early Retirement Age:</u>	Age 62 with ten years of service credit; age 60 with 20 years of service credit; any age with 25 years of service credit. (Utah Code Ann. § 49-13-401)																																												
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 3% per year under age 65. (Utah Code Ann. § 49-13-402)																																												
<u>Benefit Taxation:</u>	Annual state individual income tax exclusion of \$4,800 for pension plan benefits, with exclusion reduced by one-half of federal adjusted gross income. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)																																												
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (Public Fund Survey Summary)																																												
<u>Benefit Accrual Rates:</u>	2% of final average salary per year of service credit. (Utah Code Ann. § 49-13-402)																																												
<u>Final Average Salary:</u>	Average of the highest three years of service credit salary. The percentage increase in each year of the computation may not exceed 10% plus the CPI increase unless the increase is related to a position transfer or a promotion. Compensation is the payment for services rendered, includes bonuses, cost of living adjustments and payments subject to the Social Security tax, and does not include remuneration in kind, employer-paid benefits, payments upon termination of employment, severance pay, and expense reimbursement. (Utah Code Ann. § 49-13-102 (1) & (2))																																												
<u>Special Early Normal Retirement Incentives:</u>	Early retirement incentive program allowing full retirement at any age with 25 years of service and higher benefit accrual rate in force for six months in 1987. Early retirement incentive program allowing the purchase of future service credit by members with 25 years of service to present immediate retirement was in force in 1995. No current early retirement incentive program in force. (Utah Code Ann. § 49-13-701)																																												
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment of the percentage increase in the CPI, not to exceed 4%, with CPI increases in excess of 4% carried forward to a future year, not compounding, payable to retirees in receipt of a benefit for at least one year. (Utah Code Ann. § 49-12-407)																																												
<u>Member & Employer Contribution Rates:</u>	No member contribution rate; 13.38% (2005) and 14.22% (2007) of covered salary employer contribution rate. (Public Fund Survey Summary; 2007 CAFR, p. 116)																																												
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$14,166,548,000</td> <td>NC</td> <td>Undisclosed</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td><u>13,065,512,000</u></td> <td>Exp.....</td> <td>\$8,135,000</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL</td> <td>\$1,101,036,000</td> <td>Amortization</td> <td>Undisclosed</td> <td><u>Salary Assumption:</u> Range of 10.75% (no service credit) to 4.75% (15 years of service credit)</td> </tr> <tr> <td>Ratio.....</td> <td>92.2%</td> <td>Total Req.</td> <td>Undisclosed</td> <td>(Public Fund Survey Summary)</td> </tr> </table> <hr/> <p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$15,084,061,000</td> <td>NC</td> <td>12.58%</td> <td>\$418,460,000</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td><u>14,446,928,000</u></td> <td>Exp.....</td> <td>0.11%</td> <td>8,345,000</td> <td><u>Interest Assumption:</u> 8%</td> </tr> <tr> <td>UAL</td> <td>\$637,133,000</td> <td>Amortization</td> <td><u>1.55%</u></td> <td><u>51,559,076</u></td> <td><u>Salary Assumption:</u> Range of 4.75% to 15%</td> </tr> <tr> <td>Ratio.....</td> <td>95.8%</td> <td>Total Req.</td> <td>14.24%</td> <td>\$478,364,076</td> <td></td> </tr> </table> <p>(2007 CAFR pp. 34, 60-61, 68, 71, 74, 114, & 116)</p>	AL.....	\$14,166,548,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal	Assets	<u>13,065,512,000</u>	Exp.....	\$8,135,000	<u>Interest Assumption:</u> 8%	UAL	\$1,101,036,000	Amortization	Undisclosed	<u>Salary Assumption:</u> Range of 10.75% (no service credit) to 4.75% (15 years of service credit)	Ratio.....	92.2%	Total Req.	Undisclosed	(Public Fund Survey Summary)	AL.....	\$15,084,061,000	NC	12.58%	\$418,460,000	<u>Actuarial Method:</u> Entry age normal	Assets	<u>14,446,928,000</u>	Exp.....	0.11%	8,345,000	<u>Interest Assumption:</u> 8%	UAL	\$637,133,000	Amortization	<u>1.55%</u>	<u>51,559,076</u>	<u>Salary Assumption:</u> Range of 4.75% to 15%	Ratio.....	95.8%	Total Req.	14.24%	\$478,364,076	
AL.....	\$14,166,548,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal																																									
Assets	<u>13,065,512,000</u>	Exp.....	\$8,135,000	<u>Interest Assumption:</u> 8%																																									
UAL	\$1,101,036,000	Amortization	Undisclosed	<u>Salary Assumption:</u> Range of 10.75% (no service credit) to 4.75% (15 years of service credit)																																									
Ratio.....	92.2%	Total Req.	Undisclosed	(Public Fund Survey Summary)																																									
AL.....	\$15,084,061,000	NC	12.58%	\$418,460,000	<u>Actuarial Method:</u> Entry age normal																																								
Assets	<u>14,446,928,000</u>	Exp.....	0.11%	8,345,000	<u>Interest Assumption:</u> 8%																																								
UAL	\$637,133,000	Amortization	<u>1.55%</u>	<u>51,559,076</u>	<u>Salary Assumption:</u> Range of 4.75% to 15%																																								
Ratio.....	95.8%	Total Req.	14.24%	\$478,364,076																																									
<u>Retirement Fund and Account Structure:</u>	There is a single retirement trust fund for the retirement plan. (Utah Retirement Systems 2007 CAFR, Financial Statement Notes, p. 46)																																												

Vermont State Teachers Retirement System

<u>Normal Retirement Age:</u>	Age 62 with any service credit; any age with 30 years of service credit. (Vt. Stat. Ann. § 16-1937 (a))
<u>Early Retirement Age:</u>	Age 55 with five years of service credit. (Vt. Stat. Ann. § 16-1937 (d))
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 6% per year under age 62. (Vt. Stat. Ann. § 16-1937 (g))

<u>Benefit Taxation:</u>	Pension plan benefits are fully taxable under state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>																																												
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>																																												
<u>Benefit Accrual Rates:</u>	1.25% of average final compensation per year of service credit prior to July 1, 1990, and 1.67% of average final compensation per year of service credit after June 30, 1990. Maximum benefit is 50% of the average final compensation. <i>(Vt. Stat. Ann. § 16-1937 (b))</i>																																												
<u>Final Average Salary:</u>	Average of highest three successive years of covered service salary. Unless there are significant additional duties, an increase of more than 10% over the prior year must be excluded. Earnable compensation does not include payments in lieu of benefits, payments for unused leave, termination-related payments, and compensation for unrendered service. <i>(Vt. Stat. Ann. § 16-1931, Clauses (4) & (8))</i>																																												
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																																												
<u>Post-Retirement Adjustments:</u>	Annual automatic adjustment equal to one-half of the increase in the CPI, with a minimum of 1% and with a maximum of 5%, compounding, and payable to retirees with benefit receipt of at least one year. <i>(Vt. Stat. Ann. § 16-1949)</i>																																												
<u>Member & Employer Contribution Rates:</u>	3.90% of covered salary member contribution rate; 4.81% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>																																												
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$1,492,149,988</td> <td>NC</td> <td>8.96%</td> <td>\$43,622,447</td> <td rowspan="5"><u>Actuarial Method:</u> Frozen initial liability <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 10.68% (age 25) to 4.41% (age 60) <i>(2005 VSTRS Actuarial Valuation, pp. 1, 3, 6-7, 11-12, 17-18, 31, & 35)</i></td> </tr> <tr> <td>Assets</td> <td><u>1,354,006,143</u></td> <td>Exp.</td> <td>0.22%</td> <td>1,052,772</td> </tr> <tr> <td>UAL</td> <td>\$138,143,845</td> <td>Amortization</td> <td><u>2.67%</u></td> <td><u>13,004,599</u></td> </tr> <tr> <td>Ratio.....</td> <td>90.74%</td> <td>Total Req.</td> <td>11.85%</td> <td>\$57,679,818</td> </tr> </table> <hr/> <p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$1,816,649,910</td> <td>NC</td> <td>9.06%</td> <td>\$46,710,886</td> <td rowspan="5"><u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 10.68% to 4.41% <i>(2007 Vermont CAFR p. 16; 2007 VSTRS Actuarial Valuation, pp. 1, 5-7, 12, & 18-20)</i></td> </tr> <tr> <td>Assets</td> <td><u>1,541,859,577</u></td> <td>Exp.</td> <td>0.16%</td> <td>817,051</td> </tr> <tr> <td>UAL</td> <td>\$274,790,333</td> <td>Amortization</td> <td><u>2.84%</u></td> <td><u>14,642,265</u></td> </tr> <tr> <td>Ratio.....</td> <td>84.9%</td> <td>Total Req.</td> <td>12.06%</td> <td>\$62,170,202</td> </tr> </table>			AL.....	\$1,492,149,988	NC	8.96%	\$43,622,447	<u>Actuarial Method:</u> Frozen initial liability <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 10.68% (age 25) to 4.41% (age 60) <i>(2005 VSTRS Actuarial Valuation, pp. 1, 3, 6-7, 11-12, 17-18, 31, & 35)</i>	Assets	<u>1,354,006,143</u>	Exp.	0.22%	1,052,772	UAL	\$138,143,845	Amortization	<u>2.67%</u>	<u>13,004,599</u>	Ratio.....	90.74%	Total Req.	11.85%	\$57,679,818	AL.....	\$1,816,649,910	NC	9.06%	\$46,710,886	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 10.68% to 4.41% <i>(2007 Vermont CAFR p. 16; 2007 VSTRS Actuarial Valuation, pp. 1, 5-7, 12, & 18-20)</i>	Assets	<u>1,541,859,577</u>	Exp.	0.16%	817,051	UAL	\$274,790,333	Amortization	<u>2.84%</u>	<u>14,642,265</u>	Ratio.....	84.9%	Total Req.	12.06%	\$62,170,202
AL.....	\$1,492,149,988	NC	8.96%	\$43,622,447	<u>Actuarial Method:</u> Frozen initial liability <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 10.68% (age 25) to 4.41% (age 60) <i>(2005 VSTRS Actuarial Valuation, pp. 1, 3, 6-7, 11-12, 17-18, 31, & 35)</i>																																								
Assets	<u>1,354,006,143</u>	Exp.	0.22%	1,052,772																																									
UAL	\$138,143,845	Amortization	<u>2.67%</u>	<u>13,004,599</u>																																									
Ratio.....	90.74%	Total Req.	11.85%	\$57,679,818																																									
AL.....	\$1,816,649,910	NC	9.06%	\$46,710,886		<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 10.68% to 4.41% <i>(2007 Vermont CAFR p. 16; 2007 VSTRS Actuarial Valuation, pp. 1, 5-7, 12, & 18-20)</i>																																							
Assets	<u>1,541,859,577</u>	Exp.	0.16%	817,051																																									
UAL	\$274,790,333	Amortization	<u>2.84%</u>	<u>14,642,265</u>																																									
Ratio.....	84.9%	Total Req.	12.06%	\$62,170,202																																									
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the annuity savings fund, the pension accumulation fund, the annuity reserve fund, the pension reserve fund, and the expense fund. The annuity savings fund accumulates member contributions and, upon retirement, the applicable portion is transferred to the annuity reserve fund. The pension accumulation fund functions to pay all retirement benefits not payable from the annuity savings fund. The expense fund functions to pay the administrative expenses of the retirement plan and receives an appropriation from the state for this purpose. <i>(Vt. Stat. Ann. § 16-1944)</i>																																												

Vermont State Employees Retirement System

<u>Normal Retirement Age:</u>	Age 62 or any age with 30 years of service credit. <i>(2007 Actuarial Valuation, p. 22)</i>																							
<u>Early Retirement Age:</u>	Age 55 with five years of service credit. <i>(2007 Actuarial Valuation, p. 23)</i>																							
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 6% per year under age 62. <i>(2007 Actuarial Valuation, p. 23)</i>																							
<u>Benefit Taxation:</u>	Pension plan benefits are fully taxable under state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>																							
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>																							
<u>Benefit Accrual Rates:</u>	1.25% of final average salary per year of service rendered before 1/1/1991 and 1.67% of final average salary per year of service rendered after 12/31/1990, with a maximum benefit of 50% of final average salary. <i>(2007 Actuarial Valuation, p. 23)</i>																							
<u>Final Average Salary:</u>	Average annual compensation during highest three consecutive years. <i>(2007 Actuarial Valuation, p. 22)</i>																							
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																							
<u>Post-Retirement Adjustments:</u>	Automatic annual compounding percentage adjustment each January 1 of one-half of the percentage increase in the federal Consumer Price Index, not to exceed 5%, with a minimum of 1%, payable for benefits in payment for at least one year. <i>(2007 Actuarial Valuation, p. 25)</i>																							
<u>Member & Employer Contribution Rates:</u>	3.35% of covered salary member contribution rate; 6.27% of covered salary employer contribution rate (2007). <i>(2007 Actuarial Valuation, pp. 10 & 25)</i>																							
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2007:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$1,307,642,985</td> <td>NC</td> <td>9.93%</td> <td>\$38,420,858</td> <td rowspan="5"><u>Actuarial Method:</u> Individual entry age normal <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 4.5% to 7.79% <i>(2007 Vermont CAFR, p. 16; 2007 Actuarial Valuation, pp. 1, 3, 9-11, 17-18, 43, & 45)</i></td> </tr> <tr> <td>Assets</td> <td><u>1,318,686,944</u></td> <td>Exp.</td> <td>0.13%</td> <td>511,434</td> </tr> <tr> <td>UAL</td> <td>(\$11,043,959)</td> <td>Amortization ...</td> <td><u>(0.31%)</u></td> <td><u>(1,199,443)</u></td> </tr> <tr> <td>Ratio.....</td> <td>100.8%</td> <td>Total Req.</td> <td>9.75%</td> <td>\$37,732,849</td> </tr> </table>			AL.....	\$1,307,642,985	NC	9.93%	\$38,420,858	<u>Actuarial Method:</u> Individual entry age normal <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 4.5% to 7.79% <i>(2007 Vermont CAFR, p. 16; 2007 Actuarial Valuation, pp. 1, 3, 9-11, 17-18, 43, & 45)</i>	Assets	<u>1,318,686,944</u>	Exp.	0.13%	511,434	UAL	(\$11,043,959)	Amortization ...	<u>(0.31%)</u>	<u>(1,199,443)</u>	Ratio.....	100.8%	Total Req.	9.75%	\$37,732,849
AL.....	\$1,307,642,985	NC	9.93%	\$38,420,858	<u>Actuarial Method:</u> Individual entry age normal <u>Interest Assumption:</u> 8.25% <u>Salary Assumption:</u> Range of 4.5% to 7.79% <i>(2007 Vermont CAFR, p. 16; 2007 Actuarial Valuation, pp. 1, 3, 9-11, 17-18, 43, & 45)</i>																			
Assets	<u>1,318,686,944</u>	Exp.	0.13%	511,434																				
UAL	(\$11,043,959)	Amortization ...	<u>(0.31%)</u>	<u>(1,199,443)</u>																				
Ratio.....	100.8%	Total Req.	9.75%	\$37,732,849																				
<u>Retirement Fund and Account Structure:</u>	The retirement plan has a single fund. <i>(Vt. Stat. Ann., Title 3, Chapter 16 § 473)</i>																							

Virginia Retirement System

<u>Normal Retirement Age:</u>	Age 65 with five years of service credit; age 50 with 30 years of service credit. (Va. Code Ann. § 51.1-153 A)																																			
<u>Early Retirement Age:</u>	Age 55 with five years of service credit; age 50 with ten years of service credit. (Va. Code Ann. § 51.1-153 B)																																			
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 0.5% per month under the normal retirement requirement for the first five years and 0.4% per month under the normal retirement requirement beyond the initial five years. (Va. Code Ann. § 51.1-155 A.2)																																			
<u>Benefit Taxation:</u>	Pension plan benefits are fully taxable under state individual income tax. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)																																			
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (Public Fund Survey Summary)																																			
<u>Benefit Accrual Rates:</u>	1.7% of average final compensation per year of service credit. (Va. Code Ann. § 51.1-155 A.1)																																			
<u>Final Average Salary:</u>	Average of the three highest years of service credit creditable compensation if the member ceases employment after July 1, 1974. Increases during the final period unrelated to promotion may not exceed the average increase by other employees in comparable positions for the same employing unit. Creditable compensation is the full-time compensation of an employee in a covered position and does not include overtime pay, temporary payments and extra duty payments. (Va. Code Ann. §§ 51.1-124.3; 51.1-152; 51.1-168)																																			
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																																			
<u>Post-Retirement Adjustments:</u>	Annual automatic adjustment of the percentage increase in the CPI, limited to 3% plus one-half of the CPI increase amount in excess of 3% and 7%, compounding, and payable to retirees on the July 1 of the second calendar year after retirement. (Va. Code Ann. § 51.1-166)																																			
<u>Member & Employer Contribution Rates:</u>	5% of covered salary member contribution rate; 6.03% of covered salary employer contribution rate. (Public Fund Survey Summary)																																			
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2004:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$43,958,000,000</td> <td>NC</td> <td>Undisclosed</td> <td rowspan="5"><u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 6.1% (one year of service credit) to 4% (over 19 years of service credit) (Public Fund Survey Summary)</td> </tr> <tr> <td>Assets</td> <td>39,691,000,000</td> <td>Exp</td> <td>\$20,303,000</td> </tr> <tr> <td>UAL</td> <td>\$4,267,000,000</td> <td>Amortization</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>90.3%</td> <td>Total Req.....</td> <td>Undisclosed</td> </tr> </table> <hr/> <p>2006:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$52,822,000,000</td> <td>NC</td> <td>Undisclosed</td> </tr> <tr> <td>Assets</td> <td>42,669,000,000</td> <td>Exp</td> <td>0.18%\$23,686,000</td> </tr> <tr> <td>UAL</td> <td>\$10,153,000,000</td> <td>Amortization</td> <td>Undisclosed</td> </tr> <tr> <td>Ratio.....</td> <td>80.8%</td> <td>Total Req.....</td> <td>6.83%\$887,940,000</td> </tr> </table> <p>3.75% to 5.60% (2007 VRS CAFR, pp. 36 & 59-61)</p>			AL.....	\$43,958,000,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 6.1% (one year of service credit) to 4% (over 19 years of service credit) (Public Fund Survey Summary)	Assets	39,691,000,000	Exp	\$20,303,000	UAL	\$4,267,000,000	Amortization	Undisclosed	Ratio.....	90.3%	Total Req.....	Undisclosed	AL.....	\$52,822,000,000	NC	Undisclosed	Assets	42,669,000,000	Exp	0.18%\$23,686,000	UAL	\$10,153,000,000	Amortization	Undisclosed	Ratio.....	80.8%	Total Req.....	6.83%\$887,940,000
AL.....	\$43,958,000,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 6.1% (one year of service credit) to 4% (over 19 years of service credit) (Public Fund Survey Summary)																																
Assets	39,691,000,000	Exp	\$20,303,000																																	
UAL	\$4,267,000,000	Amortization	Undisclosed																																	
Ratio.....	90.3%	Total Req.....	Undisclosed																																	
AL.....	\$52,822,000,000	NC	Undisclosed																																	
Assets	42,669,000,000	Exp	0.18%\$23,686,000																																	
UAL	\$10,153,000,000	Amortization	Undisclosed																																	
Ratio.....	80.8%	Total Req.....	6.83%\$887,940,000																																	
<u>Retirement Fund and Account Structure:</u>	Statutory funds, reserves, and accounts are the members' contribution account, the retirement allowance account, the advance premium deposit reserve, and the retiree health insurance credit reserve. The member contribution account accumulates member contributions and applicable investment earnings, with a transfer upon retirement to the retirement allowance account. The retirement allowance account accumulates employer contributions and related investment earnings, and pays all retirement annuities and benefits. The advance premium deposit reserve accumulates premium contributions during active membership and is charged for death benefits and expenses. The retiree health insurance credit reserve accumulates employer contributions and pays out months insurance premiums. (Va. Code Ann. §§ 51.1-147; 51.1-148; 51.1-1140; 51.1-1401)																																			

Washington Teachers Retirement System

<u>Normal Retirement Age:</u>	Any age with 30 years of service credit; age 55 with 25 years of service credit; age 60 with five years of service credit if employed before October 1, 1977; age 65 with five years of service credit if employed after September 30, 1977. (Wash. Rev. Code § 41.32.480)
<u>Early Retirement Age:</u>	No early reduced retirement annuity eligibility if employed before October 1, 1977; age 55 with 20 years of service credit if employed after September 30, 1977, and before July 1, 1996; age 55 with ten years of service credit if employed after June 30, 1996. (TRS Plan 2: Summary of Selected Benefits; TRS Plan 3: Summary of Selected Benefits)
<u>Reduction Factor/Amount:</u>	No early reduced retirement annuity if employed before October 1, 1977. Actuarial equivalent reduction to age 65 benefit if the retiree has less than 30 years of service and a non-actuarial reduction factor of 3% per year under age 65 with 30 years of service credit if employed after September 30, 1977. (TRS Plan 2: Summary of Selected Benefits; TRS Plan 3: Summary of Selected Benefits)
<u>Benefit Taxation:</u>	No state individual income tax. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (Public Fund Survey Summary)
<u>Benefit Accrual Rates:</u>	2% of final average salary per year of service credit for persons employed before June 1996; 1% of final average salary per year of service credit for persons employed after June 1996, plus a defined contribution benefit calculated on accumulated account amount. (Wash. Rev. Code §§ 41.32.760; 41.32.840; 41.32.8401)

Final Average Salary: Average of highest 60 consecutive months' service credit salary. Earnable compensation includes overtime payments, deferred compensation amounts and retroactive payments. Earnable compensation does not include severance pay and unused leave payments. (*Wash. Rev. Code §§ 41.32.010, Clauses (10) & (30); 41.32.345; 41.32.4945*)

Special Early Normal Retirement Incentives: No current early retirement incentive program in force.

Post-Retirement Adjustments: Automatic annual adjustment of the percentage increase in the CPI over the prior year, not to exceed 3%, compounded, and payable to retirees in benefit receipt for at least one year. (*Wash. Rev. Code §§ 41.32.845; 41.32.770*)

Member & Employer Contribution Rates: Varying percent of covered salary member contribution rate, set at 6% for members who were first employed before October 1, 1977; at 0.87% for members who were first employed after September 30, 1977, and before July 1, 1996; and between 5% and 15% for members who were first employed after June 30, 1996; 1.37% of covered payroll employer contribution. (*TRS Plan 1: Summary of Selected Benefits; TRS Plan 2: Summary of Selected Benefits; TRS Plan 3: Summary of Selected Benefits*)

Most Recent Funded Condition and Actuarial Costs:

2004:			
AL.....	\$14,539,400,000	NC	Undisclosed
Assets	12,866,400,000	Exp.	\$7,096,000
UAL.....	\$1,673,000,000	Amortization	Undisclosed
Ratio.....	88.49%	Total Req.	Undisclosed

Actuarial Method: Entry age normal for pre-10/1/1977 hires; aggregate for post-9/30/1977 hires
Interest Assumption: 8%
Salary Assumption: Range of 10.7% (one year of service) to 4.5% (over 16 years of service)
(Public Fund Survey Summary)

2006:

AL.....	\$15,193,900,000	NC	Undisclosed
Assets	13,110,800,000	Exp.	0.08%\$6,819,000
UAL.....	\$2,083,100,000	Amortization	Undisclosed
Ratio.....	86.3%	Total Req.	14.84% ...\$1,322,570,000

Actuarial Method: Entry age normal/aggregate
Interest Assumption: 8%
Salary Assumption: Range of 4.5% to 10.7%
(2007 CAFR, pp. 32, 76, 116, 118, 121, & 129)

Retirement Fund and Account Structure: Statutory funds, accounts, and reserves are the teachers' retirement system plan 1 fund, the teachers' retirement system plan 2 and 3 fund, and a department of retirement systems expense fund. The teachers' retirement system plan 1 fund applies to members hired before October 1, 1977. The teachers' retirement system plan 2 and 3 fund applies to members hired after September 30, 1997. The department of retirement systems expense fund is a joint fund with other Washington retirement plans and is funded from the state's general fund based on legislative appropriations. (*Wash. Rev. Code §§ 41.50.075; 41.50.110; 41.50.200; 41.50.215*)

Washington Public Employees Retirement System

Normal Retirement Age: Any age with 30 years of service credit, age 55 with 25 years of service credit, or age 60 with five years of service credit if first employed before 10/1/1977; age 65 with five years of service credit if first employed after 9/30/1977. (*PERS Plan 1 Member Handbook: Retirement Eligibility; 2007 CAFR, p. 108*)

Early Retirement Age: No early reduced retirement annuity if first employed before 10/1/1977; age 55 with 20 years of service credit if employed after 9/30/1977. (*2007 CAFR, p. 108*)

Reduction Factor/Amount: No early reduced actuarial annuity if first employed before 10/1/1977; actuarial equivalent reduction from age 65 if first employed after 9/30/1977. (*2007 CAFR, p. 108; PERS Plan 2 Member Handbook, p. 8*)

Benefit Taxation: No state individual income tax. (*NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison*)

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. (*Public Fund Survey Summary*)

Benefit Accrual Rates: 2% of final average compensation per year of service credit. For members first employed before 10/1/1977, 30 years of service credit maximum creditable service. (*PERS Plan 1 Member Handbook Summary – 30 Year Service*)

Final Average Salary: Average of salary for highest 24 months of consecutive service credit if first employed before 10/1/1977 and average of salary for highest 60 months of consecutive service credit if first employed after 9/30/1977. (*PERS Plan 1 and PERS Plan 2 Member Handbook Summaries*)

Special Early Normal Retirement Incentives: No current early retirement incentive program in force.

Post-Retirement Adjustments: The dollar amount increase is the Consumer Price Index for Seattle multiplied by the number of years of service credit, payable if the retiree had been retired for at least one year and had attained age 66, not to exceed 3% per year. Optional pre-age 66 adjustment available as actuarially reduced optional annuity form. Retirees also eligible for gains-sharing adjustment as computed as a dollar amount by the state actuary, multiplied by the retiree's number of years of service credit. (*PERS Plan 1 and PERS Plan 2 Member Handbooks*)

Member & Employer Contribution Rates: 5.5% of covered salary member contribution rate; 7.89% of covered salary employer contribution rate. (*2007 CAFR, pp. 31 & 52*)

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2006: AL..... \$26,658,300,000 Assets 23,119,900,000 UAL..... \$3,538,400,000 Ratio..... 86.7%	NC Undisclosed Exp. 0.19% \$12,107,000 Amortization Undisclosed Total Req. 11.48% \$740,707,000	<u>Actuarial Method:</u> Entry age normal/ aggregate <u>Interest Assumption:</u> 8% <u>Salary Assumption:</u> Range of 4.5% to 9.9%
--	---	--	---

(2007 CAFR, pp. 31, 75, 116, 120, & 128)

Retirement Fund and Account Structure: Reserves are member reserves and benefit reserves. (2007 CAFR, pp. 46-47)

West Virginia Teachers Retirement System

- Normal Retirement Age: Age 60 with five years of service credit; age 55 with 30 years of service credit; any age with 35 years of service credit. (W.Va. Code § 18-7A-25 (a))
- Early Retirement Age: Any age with 30 years of service credit. (W.Va. Code § 18-7A-25 (b) & (c))
- Reduction Factor/Amount: Actuarial equivalent reduction to age 55 benefit. (W.Va. Code § 18-7A-25 (c))
- Benefit Taxation: Annual state and local government retirement plan benefit exclusion of \$2,000. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)
- Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. (Public Fund Survey Summary)
- Benefit Accrual Rates: 2% of final average salary per year of service credit. (W.Va. Code § 18-7A-26)
- Final Average Salary: Average of five highest fiscal years of service salary earned within the last 15 years of service credit, or if total service is less than 15 years, the career average salary. Covered salary is periodic cash wages, includes retroactive payments to correct clerical errors or to settle lawsuit, and excludes bonuses, early retirement incentives, severance pay, fringe benefit cost, and payments for unused leave. (W.Va. Code § 18-7A-3, Clauses (4) & (10))
- Special Early Normal Retirement Incentives: No current early retirement incentive program in force. (W.Va. Code § 18-7A-35b)
- Post-Retirement Adjustments: Ad hoc adjustments based on legislative enactments. The last ad hoc adjustment was payable on July 1, 2006, to retirees who were at least age 70 and have been retired for at least five years received a one-time 3% increase. (2006 Session, House Bill 4846)
- Member & Employer Contribution Rates: 6% of covered salary member contribution rate; 24.13% of covered salary employer contribution rate. (Public Fund Survey Summary)

<u>Most Recent Funded Condition and Actuarial Costs:</u>	2003: AL..... \$6,243,834,000 Assets 1,190,882,000 UAL..... \$5,052,952,000 Ratio..... 19.1%	NC Undisclosed Exp. 0.14% \$1,166,087 Amortization Undisclosed Total Req. 32.77% \$272,974,087	<u>Actuarial Method:</u> Entry age and aggregate <u>Interest Assumption:</u> 7.5% <u>Salary Assumption:</u> Undisclosed
--	---	---	---

(Public Fund Survey Summary)

2006: AL..... \$6,877,872,000 Assets 2,174,464,000 UAL..... \$4,703,408,000 Ratio..... 31.6%	NC Undisclosed Exp. 0.30% \$2,282,000 Amortization Undisclosed Total Req. 43.08% \$327,070,282	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 7.5% <u>Salary Assumption:</u> Range of 3.5% to 5.5%
---	---	--

(2006-2007 CAFR, pp. 4, 19-20, 34, 36, & 38)

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are the teacher employers' contribution collection account, the expense fund, the employers' accumulation fund, the retirement reserve fund, the members' deposit fund, and the income fund. The members' deposit fund accumulates member contributions and regular interest, with a transfer of amounts upon retirement. The employers' accumulation fund accumulates employing unit contributions and transfers the balance of a retiree's required reserves upon retirement. The retirement reserve fund exists to pay retirement annuities and benefits. The income fund is credited with investment earnings and other moneys received by the retirement system where no other disposition is specifically provided and functions to credit interest to other funds and accounts. The expense fund functions as the source of administrative expense payments. The teacher employers' contribution collection account is a special revenue account for the collection of employer contributions, including state general revenue fund allocations to fund the unfunded liability of the retirement plan. (W.Va. Code §§ 18-7A-6; 18-7A-16; 18-7A-18; 18-7A-18a; 5-10-28; 5-10-29; 5-10-31; 5-10-34; 5-10-36)

West Virginia Public Employees Retirement System

- Normal Retirement Age: Age 55 if the sum of age and years of service credit total 80 or age 60 with five years of service credit. (PERS Plan Summary)
- Early Retirement Age: Age 55 with ten years of service credit. (PERS Plan Summary)
- Reduction Factor/Amount: Actuarial equivalent early retirement reduction. (W.Va. Code § 5-10-21)
- Benefit Taxation: Annual state and local government retirement plan benefit exclusion of \$2,000. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)
- Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. (Public Fund Survey Summary)
- Benefit Accrual Rates: 2% of final average salary per year of covered service. (PERS Plan Summary)
- Final Average Salary: Average of the three highest consecutive years out of the last ten years. (PERS Plan Summary)

<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																				
<u>Post-Retirement Adjustments:</u>	Ad hoc adjustments based on legislative enactments. The last ad hoc adjustment was granted for pre-7/1/2006 retirees who were at least age 70 and had been retired for at least five years and was a 3% increase. (<i>W.Va. Code § 5-10-22i</i>)																				
<u>Member & Employer Contribution Rates:</u>	4.5% of covered salary member contribution rate and 10.5% of covered salary employer contribution rate. (<i>PERS Plan Summary</i>)																				
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2006:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$4,264,700,000</td> <td>NC</td> <td>Undisclosed</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td><u>3,700,186,000</u></td> <td>Exp</td> <td>0.27%</td> <td><u>Interest Assumption:</u> 7.5%</td> </tr> <tr> <td>UAL</td> <td>\$564,514,000</td> <td>Amortization</td> <td>Undisclosed</td> <td><u>Salary Assumption:</u> Range of 4.25% to 6%</td> </tr> <tr> <td>Ratio.....</td> <td>86.6%</td> <td>Total Req.</td> <td>10.97%</td> <td><i>(2006 CAFR, pp4, 19-20, 34, 36, & 38)</i></td> </tr> </table>	AL.....	\$4,264,700,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal	Assets	<u>3,700,186,000</u>	Exp	0.27%	<u>Interest Assumption:</u> 7.5%	UAL	\$564,514,000	Amortization	Undisclosed	<u>Salary Assumption:</u> Range of 4.25% to 6%	Ratio.....	86.6%	Total Req.	10.97%	<i>(2006 CAFR, pp4, 19-20, 34, 36, & 38)</i>
AL.....	\$4,264,700,000	NC	Undisclosed	<u>Actuarial Method:</u> Entry age normal																	
Assets	<u>3,700,186,000</u>	Exp	0.27%	<u>Interest Assumption:</u> 7.5%																	
UAL	\$564,514,000	Amortization	Undisclosed	<u>Salary Assumption:</u> Range of 4.25% to 6%																	
Ratio.....	86.6%	Total Req.	10.97%	<i>(2006 CAFR, pp4, 19-20, 34, 36, & 38)</i>																	
<u>Retirement Fund and Account Structure:</u>	The retirement fund has five sub-funds, a members deposit fund, the employers accumulation fund, the retirement reserve fund, the income fund, and the expense fund. (<i>W.Va. Code § 5-10-28</i>)																				

Wisconsin Retirement System

<u>Normal Retirement Age:</u>	Age 65 with any service credit; age 57 with 30 years of service credit. (<i>Wis. Stat. § 40.02(42)</i>)																																																
<u>Early Retirement Age:</u>	Age 55 with any service credit. (<i>Wis. Stat. § 40.23(1)(a)</i>)																																																
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction factor of 0.4% per month under age 57; and 0.4% reduced by 0.01111% per year of service credit, per month under age 65 and over age 57. (<i>Wis. Stat. § 40.23(2m)(f)1.</i>)																																																
<u>Benefit Taxation:</u>	State or local government retirement plan benefits exempt from state individual income tax only if taxpayer became a pension plan member before 1964. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)																																																
<u>Social Security Coverage:</u>	Social Security coverage is in addition to public pension plan coverage. (<i>Public Fund Survey Summary</i>)																																																
<u>Benefit Accrual Rates:</u>	1.765% of final average earnings per year of service credit rendered before 2000 and 1.60% of final average earnings per year of service credit rendered after 1999. Maximum benefit is 70% of final average earnings. (<i>Wis. Stat. § 40.23(2m)(e)1.</i>)																																																
<u>Final Average Salary:</u>	Average of three highest annual earnings periods' salaries. Earnings means gross payment for services rendered, including deferred compensation and payment in kind, but excludes cost of uniforms, employer-paid benefit costs, unemployment insurance, lump sum termination payments, payments contingent on termination, wage claim damages and penalties, payments during final five years changing the method for computing base compensation, payments in lieu of fringe benefits, and any other payment determined under department rule to be a normal salary progression pattern distortion. (<i>Wis. Stat. § 40.02(3), (22), (33), & (41m)</i>)																																																
<u>Special Early Normal Retirement Incentives:</u>	No current early retirement incentive program in force.																																																
<u>Post-Retirement Adjustments:</u>	Annual adjustments may be approved by the Employee Trust Funds Board based on favorable actuarial experience creating surplus assets, either with fixed dividends or variable adjustments for retirees who elect participation in the variable annuity trust. Favorable actuarial experience is primarily favorable investment performance, but also includes mortality and other actuarial assumption gains. (<i>2005 WRS Investment Earnings Distribution Report ET-2124; Wis. Stat. §§ 40.27; 40.28</i>)																																																
<u>Member & Employer Contribution Rates:</u>	4.90% of covered salary member contribution rate; 8.10% of covered salary employer contribution rate. (<i>Public Fund Survey Summary</i>)																																																
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$68,234,102,432</td> <td>NC</td> <td>10.60% ...</td> <td>\$1,024,078,000</td> <td><u>Actuarial Method:</u> Frozen initial liability</td> </tr> <tr> <td>Assets</td> <td><u>67,909,996,000</u></td> <td>Exp</td> <td>0.14%</td> <td>13,525,540</td> <td><u>Interest Assumption:</u> 7.8%</td> </tr> <tr> <td>UAL</td> <td>\$324,106,432</td> <td>Amortization</td> <td><u>0.20%</u></td> <td><u>19,322,200</u></td> <td><u>Salary Assumption:</u> Range of 9.9% (one year of service) to 4.3% (30 years of service)</td> </tr> <tr> <td>Ratio.....</td> <td>99.53%</td> <td>Total Req.</td> <td>10.94% ...</td> <td>\$1,056,925,740</td> <td><i>(2005 Actuarial Valuation, pp. I-1, I-10, I-16, I-18 to I-20, I-23, I-24, II-1 to II-3, III-1, & III-4)</i></td> </tr> </table> <hr/> <p>2006:</p> <table border="0"> <tr> <td>AL.....</td> <td>\$37,803,800,000</td> <td>NC</td> <td>10.90% ...</td> <td>\$1,217,553,740</td> <td><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td><u>37,483,300,000</u></td> <td>Exp</td> <td>0.16%</td> <td>17,859,000</td> <td><u>Interest Assumption:</u> 7.8%</td> </tr> <tr> <td>UAL</td> <td>\$320,500,000</td> <td>Amortization</td> <td><u>0.20%</u></td> <td><u>22,340,436</u></td> <td><u>Salary Assumption:</u> Range of 4.1% to 9.6%</td> </tr> <tr> <td>Ratio.....</td> <td>99.2%</td> <td>Total Req.</td> <td>11.26% ...</td> <td>\$1,257,753,176</td> <td><i>(2006 Actuarial Valuation, pp. I-1, I-3, I-16, I-18, I-23, I-24, II-1, & II-3)</i></td> </tr> </table>	AL.....	\$68,234,102,432	NC	10.60% ...	\$1,024,078,000	<u>Actuarial Method:</u> Frozen initial liability	Assets	<u>67,909,996,000</u>	Exp	0.14%	13,525,540	<u>Interest Assumption:</u> 7.8%	UAL	\$324,106,432	Amortization	<u>0.20%</u>	<u>19,322,200</u>	<u>Salary Assumption:</u> Range of 9.9% (one year of service) to 4.3% (30 years of service)	Ratio.....	99.53%	Total Req.	10.94% ...	\$1,056,925,740	<i>(2005 Actuarial Valuation, pp. I-1, I-10, I-16, I-18 to I-20, I-23, I-24, II-1 to II-3, III-1, & III-4)</i>	AL.....	\$37,803,800,000	NC	10.90% ...	\$1,217,553,740	<u>Actuarial Method:</u> Entry age normal	Assets	<u>37,483,300,000</u>	Exp	0.16%	17,859,000	<u>Interest Assumption:</u> 7.8%	UAL	\$320,500,000	Amortization	<u>0.20%</u>	<u>22,340,436</u>	<u>Salary Assumption:</u> Range of 4.1% to 9.6%	Ratio.....	99.2%	Total Req.	11.26% ...	\$1,257,753,176	<i>(2006 Actuarial Valuation, pp. I-1, I-3, I-16, I-18, I-23, I-24, II-1, & II-3)</i>
AL.....	\$68,234,102,432	NC	10.60% ...	\$1,024,078,000	<u>Actuarial Method:</u> Frozen initial liability																																												
Assets	<u>67,909,996,000</u>	Exp	0.14%	13,525,540	<u>Interest Assumption:</u> 7.8%																																												
UAL	\$324,106,432	Amortization	<u>0.20%</u>	<u>19,322,200</u>	<u>Salary Assumption:</u> Range of 9.9% (one year of service) to 4.3% (30 years of service)																																												
Ratio.....	99.53%	Total Req.	10.94% ...	\$1,056,925,740	<i>(2005 Actuarial Valuation, pp. I-1, I-10, I-16, I-18 to I-20, I-23, I-24, II-1 to II-3, III-1, & III-4)</i>																																												
AL.....	\$37,803,800,000	NC	10.90% ...	\$1,217,553,740	<u>Actuarial Method:</u> Entry age normal																																												
Assets	<u>37,483,300,000</u>	Exp	0.16%	17,859,000	<u>Interest Assumption:</u> 7.8%																																												
UAL	\$320,500,000	Amortization	<u>0.20%</u>	<u>22,340,436</u>	<u>Salary Assumption:</u> Range of 4.1% to 9.6%																																												
Ratio.....	99.2%	Total Req.	11.26% ...	\$1,257,753,176	<i>(2006 Actuarial Valuation, pp. I-1, I-3, I-16, I-18, I-23, I-24, II-1, & II-3)</i>																																												

Retirement Fund and Account Structure: Statutory funds, reserves, and accounts are an administrative account, the core retirement investment trust, the variable retirement investment trust, a transaction amortization account, a market recognition account, a current income account, the employee accumulation reserve, the employer accumulation reserve, the annuity reserve, the Social Security account, the group health insurance account, the income continuation account, the life insurance account, the employee-funded reimbursement account, the accumulated sick leave conversion account, and the health insurance premium credit account. The administrative account funds most of the administrative costs of the Department of Employee Trust Funds. The core retirement investment trust is an investment fund for system assets not held by the variable retirement investment trust and has a transaction amortization account and market recognition account. The variable retirement investment trust is the investment fund for the variable annuity program and must include a current income account. The employee accumulation reserve accumulates employee contributions and employer additional contributions and interest credits, with transfers upon retirement. The employer accumulation reserve accumulates employer contributions and interest and various actuarial gains. The annuity reserve consists of the present value of annuities and benefits in force, with interest credited. The Social Security account functions to transfer Social Security contributions. The insurance accounts function to support each insurance program. The employee-funded reimbursement account plan is a pre-tax benefit program. The accumulated sick leave conversion account is a mechanism to translate accumulated sick leave to health insurance premium credits. The health insurance premium credit account functions to pay health insurance plan premiums. (*Wis. Stat. § 40.04*)

Wyoming Public Employee Pension System

Normal Retirement Age: Age 60 with four years of service credit; any age if the sum of age and service credit totals 85. (*Wyo. Stat. Ann. § 9-3-415(a)*)

Early Retirement Age: Age 50 with four years of service credit; any age with 25 years of service credit. (*Wyo. Stat. Ann. § 9-3-415(b)*)

Reduction Factor/Amount: Non-actuarial reduction factor of 5% per year under age 60. (*Wyoming Retirement System Board Rules, Chapter 14*)

Benefit Taxation: No state individual income tax. (*NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison*)

Social Security Coverage: Social Security coverage is in addition to public pension plan coverage. (*Public Fund Survey Summary*)

Benefit Accrual Rates: 2.125% of highest average salary per year of service credit for the initial 15 years of service credit and 2.25% of highest average salary per year of service credit for service credit in excess of 15 years of service credit. (*Wyo. Stat. Ann. § 9-3-418*)

Final Average Salary: Average of acceptable salary of highest 36 continuous months of service credit. Acceptable salary includes pay for services rendered, pay for leave used, compensatory time pay during the same year as the compensatory leave is earned, and retroactive compensation awards, and does not include fringe benefits, housing allowances, early retirement incentive pay, transportation expenses, severance pay, bonuses, workers' compensation benefits, payments in lieu of fringe benefits, or any payment during any three-year period deemed to increase the average salary for the primary purpose of increasing the retirement benefit. (*Wyo. Stat. Ann. § 9-3-402(xvi) & (xix); Wyoming Retirement System Board Rules, Ch. 8*)

Special Early Normal Retirement Incentives: No current early retirement incentive program in force.

Post-Retirement Adjustments: Annual automatic post-retirement adjustment by the retirement board equal to the percentage increase in the Wyoming cost-of-living index determined by the State Division of Economic Analysis, not to exceed 3%, compounded, for retirees who have been in benefit receipt for at least two years, if the system actuary determines the adjustment to be actuarially sound and reports that determination to the governor and the Joint Appropriations Interim Committee. (*Wyo. Stat. Ann. § 9-3-419*)

Member & Employer Contribution Rates: 5.57% of covered salary member contribution rate; 5.68% of covered salary employer contribution rate. (*Public Fund Survey Summary*)

Most Recent Funded Condition and Actuarial Costs:

2005:			
AL.....	\$5,091,754,000	NC	Undisclosed
Assets	<u>4,843,861,000</u>	Exp	0.17%\$1,930,267
UAL	\$247,893,000	Amortization	Undisclosed
Ratio.....	95.13%	Total Req.	Undisclosed
<i>(2005 CAFR Actuarial Section, pp. 67-68, 81-82, 89, & 93)</i>			
2007:			
AL.....	\$6,015,985,000	NC	Undisclosed
Assets	<u>5,654,023,000</u>	Exp	0.14%\$2,006,000
UAL	\$361,962,000	Amortization	Undisclosed
Ratio.....	94.0%	Total Req.	5.81%\$85,042,000
<i>(2007 CAFR, pp. 21, 48-51, 68, 71, 92, & 99)</i>			

Retirement Fund and Account Structure: The retirement plan has a single retirement account that contains the entire assets of the plan and bears the total liability of the plan. (*Wyo. Stat. Ann. §§ 9-3-407; 9-3-436*)

Minnesota Teachers Retirement Association

Normal Retirement Age: Age 65 with any length of service credit, or age 62 with 30 years of service credit, or when the sum of age and service credit totals 90 if the member was initially employed before July 1, 1989; the full unreduced benefit receipt age under the federal Old Age, Survivors, and Disability Insurance Program, but not greater than age 66, if the member was initially employed after June 30, 1989. (*Minn. Stat. §§ 354.05, Subd. 38; 354.44, Subd. 6*)

<u>Early Retirement Age:</u>	Age 55 with at least three years of service credit or any age with at least 30 years of service credit. (<i>Minn. Stat. § 354.44, Subd. 1</i>)																																																										
<u>Reduction Factor/Amount:</u>	A non-actuarial reduction of one quarter of 1% per month that the retiree is under the normal retirement age if the member was initially employed before July 1, 1989, and the Rule of 90 benefit tier produces a larger benefit or an actuarial reduction with some subsidization of the actuarial equivalent of the retirement annuity deferred to the normal retirement age and augmented at 3% per year of deferral if the member was initially employed before July 1, 1989, and the Level Benefit benefit tier produces a larger benefit or if the member was initially employed after June 30, 1989. (<i>Minn. Stat. § 354.44, Subd. 6, Paras. (c) & (e)</i>)																																																										
<u>Benefit Taxation:</u>	Public pension benefit subject to state income taxation. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)																																																										
<u>Social Security Coverage:</u>	Social Security coverage in addition to public pension plan coverage for teachers first employed after July 1, 1957. (<i>Minn. Stat. § 355.02, Subd. 3</i>)																																																										
<u>Benefit Accrual Rates:</u>	1.2% of final average salary per year of service credit during the initial ten years of service credit and 1.7% of final average salary per year of service credit thereafter for service credit rendered prior to July 1, 2006, and 1.4% of final average salary per year of service credit during the initial ten years and 1.9% of final average salary per year of service credit thereafter for service credit rendered after June 30, 2006, if retiring under the Rule of 90 benefit tier or 1.7% of final average salary per year of service credit for service credit rendered prior to July 1, 2006, and 1.9% of final average salary per year for service credit rendered after June 30, 2006, if retiring under the Level Benefit benefit tier, whichever is higher, for teachers first employed before July 1, 1989; 1.7% of final average salary per year of service credit for service credit rendered prior to July 1, 2006, and 1.9% of final average salary per year of service credit rendered after June 30, 2006, for teachers first employed after June 30, 1989. (<i>Minn. Stat. §§ 354.44, Subd. 6, Para. (b) or (d); 356.315</i>)																																																										
<u>Final Average Salary:</u>	Average of highest five successive years of service salary. Salaries for a teacher with a salary in excess of 95% of the governor's salary are subject to a special salary audit to determine compliance with plan salary definition. Covered salary excludes lump sum annual leave payments, sick leave payments, employer-paid insurance coverage amounts, severance payments, workers' compensation payments, extended duty day or non-duty day school administrator payments, or medical leave of absence payments unless paid under a uniform school district policy. (<i>Minn. Stat. § 354.05, Subds. 13a & 35</i>)																																																										
<u>Special Early Normal Retirement Incentives:</u>	If employer designates position affected by employee layoffs due to budget shortfalls or reorganization between June 2, 2006, and July 15, 2009, a lump sum payment of \$17,000 that may be used as deposit in health care savings plan account, as part of a service credit purchase sufficient to qualify for the Rule of 90 benefit tier, or to purchase an annuity from the Unclassified State Employees Retirement Program of the Minnesota State Retirement System. (<i>Minn. Laws 2006, Ch. 271, Art. 3, Sec. 43</i>)																																																										
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment based on the federal Consumer Price Index percentage increase, not to exceed 2.5%, plus an investment income adjustment component if the total rate of return of the assets in the Minnesota Post Retirement Investment Fund exceeds 8.5% based on a five-year investment income portion crediting procedure determined based on the relationship of the amount of the excess investment return aggregated components bears to the present value of Minnesota Post Retirement Investment Fund benefits, with prorated amounts payable to retirees with less than one year of benefit receipt. (<i>Minn. Stat. §§ 11A.18; 354.63</i>)																																																										
<u>Member & Employer Contribution Rates:</u>	5.5% of covered salary member contribution rate and 5.5% of covered salary employer contribution rate, except for Special School District No. 1 (Minneapolis), where 9.14% employer contribution rate applies. Various state contribution amounts previously payable to the Minneapolis Teachers Retirement Fund Association are also payable to the Teachers Retirement Association. (<i>Minn. Stat. § 354.42, Subds. 2 & 3</i>)																																																										
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2005 Adjusted:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 25%;">AL.....</td> <td style="width: 25%;">\$19,950,190,861</td> <td style="width: 25%;">NC</td> <td style="width: 25%;">9.30%</td> <td style="width: 25%;">\$336,685,595</td> <td rowspan="5" style="vertical-align: top; padding-left: 10px;"> <u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 6% (age 20) to 5% (age 50) </td> </tr> <tr> <td>Assets</td> <td>18,536,271,451</td> <td>Exp.</td> <td>0.34%</td> <td>12, 193,332</td> </tr> <tr> <td>UAL</td> <td>\$1,413,919,410</td> <td>Amortization</td> <td>2.19%</td> <td>79,284,027</td> </tr> <tr> <td>Ratio.....</td> <td>92.91%</td> <td>Total Req.</td> <td>11.83%</td> <td>\$428,162,954</td> </tr> <tr> <td colspan="5" style="text-align: center;"><i>(2005 MN TRA Actuarial Valuation, Adjusted for MTRFA Consolidation)</i></td> </tr> <tr> <td colspan="6">2007:</td> </tr> <tr> <td>AL.....</td> <td>\$21,470,314,497</td> <td>NC</td> <td>9.37%</td> <td>\$357,343,265</td> <td rowspan="5" style="vertical-align: top; padding-left: 10px;"> <u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 5.7% to 8.2% </td> </tr> <tr> <td>Assets</td> <td>20,111,778,892</td> <td>Exp.</td> <td>0.29%</td> <td>11,061,684</td> </tr> <tr> <td>UAL</td> <td>\$1,358,535,605</td> <td>Amortization</td> <td>1.92%</td> <td>73,235,976</td> </tr> <tr> <td>Ratio.....</td> <td>93.7%</td> <td>Total Req.</td> <td>11.58%</td> <td>\$41,640,925</td> </tr> <tr> <td colspan="5" style="text-align: center;"><i>(2007 MN TRA Actuarial Valuation; Minn. Stat. § 356.215, Subd. 8)</i></td> </tr> </table>	AL.....	\$19,950,190,861	NC	9.30%	\$336,685,595	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 6% (age 20) to 5% (age 50)	Assets	18,536,271,451	Exp.	0.34%	12, 193,332	UAL	\$1,413,919,410	Amortization	2.19%	79,284,027	Ratio.....	92.91%	Total Req.	11.83%	\$428,162,954	<i>(2005 MN TRA Actuarial Valuation, Adjusted for MTRFA Consolidation)</i>					2007:						AL.....	\$21,470,314,497	NC	9.37%	\$357,343,265	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 5.7% to 8.2%	Assets	20,111,778,892	Exp.	0.29%	11,061,684	UAL	\$1,358,535,605	Amortization	1.92%	73,235,976	Ratio.....	93.7%	Total Req.	11.58%	\$41,640,925	<i>(2007 MN TRA Actuarial Valuation; Minn. Stat. § 356.215, Subd. 8)</i>				
AL.....	\$19,950,190,861	NC	9.30%	\$336,685,595	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 6% (age 20) to 5% (age 50)																																																						
Assets	18,536,271,451	Exp.	0.34%	12, 193,332																																																							
UAL	\$1,413,919,410	Amortization	2.19%	79,284,027																																																							
Ratio.....	92.91%	Total Req.	11.83%	\$428,162,954																																																							
<i>(2005 MN TRA Actuarial Valuation, Adjusted for MTRFA Consolidation)</i>																																																											
2007:																																																											
AL.....	\$21,470,314,497	NC	9.37%	\$357,343,265	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 5.7% to 8.2%																																																						
Assets	20,111,778,892	Exp.	0.29%	11,061,684																																																							
UAL	\$1,358,535,605	Amortization	1.92%	73,235,976																																																							
Ratio.....	93.7%	Total Req.	11.58%	\$41,640,925																																																							
<i>(2007 MN TRA Actuarial Valuation; Minn. Stat. § 356.215, Subd. 8)</i>																																																											
<u>Retirement Fund and Account Structure:</u>	Single retirement trust fund with two commingled investment funds, the Minnesota Combined Investment Fund (active member reserves) and the Minnesota Post Retirement Investment Fund (retired member reserves). (<i>Minn. Stat. §§ 11A.14; 354.42, Subd. 1a; 354.63</i>)																																																										

Duluth Teachers Retirement Fund Association

<u>Normal Retirement Age:</u>	Age 60 with at least ten years of service credit if initially employed before July 1, 1981; age 65 with any length of service credit, or age 62 with ten years of service credit, or when the sum of age and service credit total 90 if the member was initially employed before July 1, 1989, and after June 30, 1981, or if initially employed before July 1, 1981, and electing the New Law Plan; the full unreduced benefit receipt age under the federal Old Age, Survivors, and Disability Insurance Program, but not greater than age 66, if initially employed after June 30, 1989. (<i>Minn. Stat. §§ 354A.011, Subd. 15a; 354A.24; 354A.31, Subd. 4a</i>)
-------------------------------	---

<u>Early Retirement Age:</u>	Age 55 with at least ten years of service credit if initially employed before July 1, 1981; age 55 with at least three years of service credit or any age with at least 30 years of service credit if initially employed after June 30, 1981, and before July 1, 1989, or if initially employed before July 1, 1981, and electing the New Law Plan; age 55 with at least three years of service credit if initially employed after June 30, 1989. (Minn. Stat. § 354A.31, Subds. 1, 4a, 6, & 7)																																																					
<u>Reduction Factor/Amount:</u>	Non-actuarial reduction of 0.25% for each month under age 60 if initially employed before July 1, 1981; non-actuarial reduction of one quarter of 1% per month that the retiree is under the normal retirement age if initially employed before July 1, 1989, and the Rule of 90 benefit tier produces a larger benefit or an actuarial reduction with some subsidization of the actuarial equivalent of the retirement annuity deferred to the normal retirement age and augmented at 3% per year of deferral if initially employed after June 30, 1981, and before July 1, 1989, or if initially employed before July 1, 1981, and electing the New Law Plan with the Level Benefit benefit tier produces a larger benefit, or if initially employed after June 30, 1989. (Minn. Stat. § 354A.31, Subds. 6 & 7)																																																					
<u>Benefit Taxation:</u>	Public pension benefit subject to state income taxation. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)																																																					
<u>Social Security Coverage:</u>	Social Security coverage in addition to public pension plan coverage. (Minn. Stat. §§ 355.01, Subd 2c; 355.02, Subd. 3)																																																					
<u>Benefit Accrual Rates:</u>	1.45% of final average salary per year of service credit if initially employed before July 1, 1981; 1.2% of final average salary per year of service credit during the initial ten years and 1.7% of final average salary per year of service credit thereafter if initially employed after June 30, 1981, and before July 1, 1989, if retiring under the Rule of 90 benefit tier or if initially employed before July 1, 1981, and selecting the New Law Plan and the Rule of 90 benefit tier; 1.7% of final average salary per year of service credit if initially employed after June 30, 1989, or if employed after June 30, 1981, and before July 1, 1989, and if retiring under the Level Benefit benefit tier, or if initially employed before July 1, 1981, and selecting the New Law Plan and the Level Benefit benefit tier. (Minn. Stat. § 354A.31, Subd. 4a)																																																					
<u>Final Average Salary:</u>	Average of highest five successive years of service salary. Covered salary excludes lump sum annual leave payments, sick leave payments, employer-paid insurance coverage amounts, severance payments, workers' compensation payments, extended duty day or non-duty day school administrator payments, or medical leave of absence payments unless paid under a uniform school district policy. (Minn. Stat. § 354A.11, Subds. 7a & 24)																																																					
<u>Special Early Normal Retirement Incentives:</u>	No special early retirement incentive applicable.																																																					
<u>Post-Retirement Adjustments:</u>	Automatic annual 2% adjustment if retiree was in receipt for at least one year, plus excess investment performance adjustment if five-year annualized total rate of investment return was in excess of 8.5% interest rate assumption, determined as the percentage amount in excess of 8.5% multiplied by 1.00 minus the amount of any contribution deficiency rate. (Minn. Stat. § 354A.27)																																																					
<u>Member & Employer Contribution Rates:</u>	5.5% of covered salary member contribution; 5.79% of covered salary employer contribution. (Minn. Stat. § 354A.12, Subds. 1 & 2a)																																																					
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td colspan="4">2005:</td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$310,923,929</td> <td>NC</td> <td>9.05%</td> <td>\$5,092,255</td> <td rowspan="4"><u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 6.9% (age 20) to 5% (age 50) (2005 DTRFA Actuarial Valuation)</td> </tr> <tr> <td>Assets</td> <td>268,480,821</td> <td>Exp.</td> <td>0.78%</td> <td>438,651</td> </tr> <tr> <td>UAL</td> <td>\$42,443,108</td> <td>Amortization</td> <td>4.33%</td> <td>2,435,073</td> </tr> <tr> <td>Ratio.....</td> <td>86.35%</td> <td>Total Req.</td> <td>14.16%</td> <td>\$7,965,979</td> </tr> <tr> <td colspan="4">2007:</td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$332,216,981</td> <td>NC</td> <td>9.23%</td> <td>\$5,416,358</td> <td rowspan="4"><u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 5% to 8% (2007 DTRFA Actuarial Valuation; Minn. Stat. § 356.215, Subd. 8)</td> </tr> <tr> <td>Assets</td> <td>288,264,749</td> <td>Exp.</td> <td>0.79%</td> <td>463,468</td> </tr> <tr> <td>UAL</td> <td>\$43,952,232</td> <td>Amortization</td> <td>4.51%</td> <td>2,645,873</td> </tr> <tr> <td>Ratio.....</td> <td>87.8%</td> <td>Total Req.</td> <td>14.53%</td> <td>\$8,525,699</td> </tr> </table>	2005:					AL.....	\$310,923,929	NC	9.05%	\$5,092,255	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 6.9% (age 20) to 5% (age 50) (2005 DTRFA Actuarial Valuation)	Assets	268,480,821	Exp.	0.78%	438,651	UAL	\$42,443,108	Amortization	4.33%	2,435,073	Ratio.....	86.35%	Total Req.	14.16%	\$7,965,979	2007:						AL.....	\$332,216,981	NC	9.23%	\$5,416,358	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 5% to 8% (2007 DTRFA Actuarial Valuation; Minn. Stat. § 356.215, Subd. 8)	Assets	288,264,749	Exp.	0.79%	463,468	UAL	\$43,952,232	Amortization	4.51%	2,645,873	Ratio.....	87.8%	Total Req.	14.53%	\$8,525,699
2005:																																																						
AL.....	\$310,923,929	NC	9.05%	\$5,092,255	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 6.9% (age 20) to 5% (age 50) (2005 DTRFA Actuarial Valuation)																																																	
Assets	268,480,821	Exp.	0.78%	438,651																																																		
UAL	\$42,443,108	Amortization	4.33%	2,435,073																																																		
Ratio.....	86.35%	Total Req.	14.16%	\$7,965,979																																																		
2007:																																																						
AL.....	\$332,216,981	NC	9.23%	\$5,416,358	<u>Actuarial Method:</u> Entry age normal <u>Interest Assumption:</u> 8.5% <u>Salary Assumption:</u> Range of 5% to 8% (2007 DTRFA Actuarial Valuation; Minn. Stat. § 356.215, Subd. 8)																																																	
Assets	288,264,749	Exp.	0.79%	463,468																																																		
UAL	\$43,952,232	Amortization	4.51%	2,645,873																																																		
Ratio.....	87.8%	Total Req.	14.53%	\$8,525,699																																																		
<u>Retirement Fund and Account Structure:</u>	Single retirement trust fund for the pension plan. Voluntary tax-sheltered program has a bond fund, an equity fund, or a money market fund. (Minn. Stat. § 354A.021)																																																					

St. Paul Teachers Retirement Fund Association

<u>Normal Retirement Age:</u>	Age 65 with at least five years of service credit, or age 60 with at least 25 years of service credit or when the sum of age and service credit total 90, if initially employed before July 1, 1977; age 65 with any length of service credit, or age 62 with ten years of service credit, or when the sum of age and service credit total 90 if the member was initially employed after June 30, 1977, and before July 1, 1989; the full unreduced benefit receipt age under the federal Old Age, Survivors, and Disability Insurance Program, but not greater than age 66, if the member was initially employed after June 30, 1989. (Minn. Stat. §§ 354A.011, Subd. 15a; 354A.23, Subd. 2; 354A.31, Subd. 4)
<u>Early Retirement Age:</u>	Age 55 with at least five years of service credit if initially employed before July 1, 1977; age 55 with at least three years of service credit or any age with at least 30 years of service credit if employed after June 30, 1977. (Minn. Stat. § 354A.31, Subds. 1, 4, 6, & 7)

<u>Reduction Factor/Amount:</u>	Non-actuarial reduction of 0.25% for each month under age 65 with less than 25 years of service or under age 60 with at least 25 years of service credit if initially employed before July 1, 1977; non-actuarial reduction of one quarter of 1% per month that the retiree is under the normal retirement age initially employed after June 30, 1977, and before July 1, 1989, and the Rule of 90 benefit tier produces a larger benefit or an actuarial reduction with some subsidization of the actuarial equivalent of the retirement annuity deferred to the normal retirement age and augmented at 3% per year of deferral if initially employed after June 30, 1977, and before July 1, 1989, when the Level Benefit benefit tier produces a larger benefit, or if initially employed after June 30, 1989. (<i>Minn. Stat. § 354A.31, Subds. 6 & 7</i>)																																																							
<u>Benefit Taxation:</u>	Public pension benefit subject to state income taxation. (<i>NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison</i>)																																																							
<u>Social Security Coverage:</u>	No Social Security coverage as part of teaching employment if initially employed before July 1, 1977; Social Security coverage in addition to public pension plan coverage if initially employed after June 30, 1977. (<i>Minn. Stat. §§ 355.01, Subd. 31; Sec. 355.02, Subd. 3</i>)																																																							
<u>Benefit Accrual Rates:</u>	2.50% of final average salary per year of service credit if employed before July 1, 1977, unless retirement is under the Rule of 90 tier, then 2% of final average salary per year of service for each of the first ten years of service and 2.50% of final average salary per year of service credit thereafter; 1.2% of final average salary per year of service credit during the initial ten years and 1.7% of final average salary per year of service credit thereafter if initially employed after June 30, 1977, and before July 1, 1989, if retiring under the Rule of 90 benefit tier; 1.7% of final average salary per year of service credit if initially employed after June 30, 1989, or if employed after June 30, 1977, and before July 1, 1989, and if retiring under the Level Benefit benefit tier. (<i>Minn. Stat. § 354A.31, Subd. 4</i>)																																																							
<u>Final Average Salary:</u>	Average of highest five successive years of service salary. Covered salary excludes lump sum annual leave payments, sick leave payments, employer-paid insurance coverage amounts, severance payments, workers' compensation payments, extended duty day or non-duty day school administrator payments, or medical leave of absence payments unless paid under a uniform school district policy. (<i>Minn. Stat. § 354A.11, Subds. 7a & 24</i>)																																																							
<u>Special Early Normal Retirement Incentives:</u>	No special early retirement incentive applicable.																																																							
<u>Post-Retirement Adjustments:</u>	Before calendar year 2008 and after calendar year 2009, automatic annual 2% adjustment if retiree was in receipt for at least one year, plus excess investment performance adjustment if five-year annualized total rate of investment return was in excess of 8.5% interest rate assumption, determined as the percentage amount in excess of 8.5% multiplied by 1.00 minus the amount of any contribution deficiency rate. During calendar years 2008 and 2009, the percentage increase is the federal Consumer Price Index, not to exceed 2.5% annually if investment performance is under 8.5%, and not to exceed 5% annually if the investment performance is at least 8.5%. (<i>Minn. Stat. § 354A.29; Minn. Laws 2007, Ch. 134, Art. 7</i>)																																																							
<u>Member & Employer Contribution Rates:</u>	8% of covered salary member contribution if initially employed before July 1, 1977, or 5.5% of covered salary member contribution if initially employed after June 30, 1977; 11.64% of covered salary employer contribution for members initially employed before July 1, 1977, or 8.34% of covered salary employer contribution for members initially employed after June 30, 1977. (<i>Minn. Stat. § 354A.12, Subds. 1 & 2a</i>)																																																							
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<table border="0"> <tr> <td colspan="2">2005:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$1,298,831,584</td> <td>NC</td> <td>9.23%</td> <td>\$21,035,503</td> </tr> <tr> <td>Assets</td> <td>905,292,514</td> <td>Exp.</td> <td>0.24%</td> <td>546,765</td> </tr> <tr> <td>UAL</td> <td>\$394,539,070</td> <td>Amortization ...</td> <td>14.30%</td> <td>32,578,088</td> </tr> <tr> <td>Ratio.....</td> <td>69.65%</td> <td>Total Req.</td> <td>23.77%</td> <td>\$54,160,356</td> </tr> <tr> <td colspan="5"><hr/></td> </tr> <tr> <td colspan="2">2007:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>AL.....</td> <td>\$1,391,297,918</td> <td>NC</td> <td>9.05%</td> <td>\$21,099,816</td> </tr> <tr> <td>Assets</td> <td>1,015,722,034</td> <td>Exp.</td> <td>0.30%</td> <td>699,297</td> </tr> <tr> <td>UAL</td> <td>\$375,575,884</td> <td>Amortization ...</td> <td>14.75%</td> <td>34,382,122</td> </tr> <tr> <td>Ratio.....</td> <td>73.0%</td> <td>Total Req.</td> <td>24.10%</td> <td>\$56,181,235</td> </tr> </table> <p style="text-align: right;"><i>(2007 SPTRFA Actuarial Valuation; Minn. Stat. § 356.215, Subd. 8)</i></p>	2005:					AL.....	\$1,298,831,584	NC	9.23%	\$21,035,503	Assets	905,292,514	Exp.	0.24%	546,765	UAL	\$394,539,070	Amortization ...	14.30%	32,578,088	Ratio.....	69.65%	Total Req.	23.77%	\$54,160,356	<hr/>					2007:					AL.....	\$1,391,297,918	NC	9.05%	\$21,099,816	Assets	1,015,722,034	Exp.	0.30%	699,297	UAL	\$375,575,884	Amortization ...	14.75%	34,382,122	Ratio.....	73.0%	Total Req.	24.10%	\$56,181,235
2005:																																																								
AL.....	\$1,298,831,584	NC	9.23%	\$21,035,503																																																				
Assets	905,292,514	Exp.	0.24%	546,765																																																				
UAL	\$394,539,070	Amortization ...	14.30%	32,578,088																																																				
Ratio.....	69.65%	Total Req.	23.77%	\$54,160,356																																																				
<hr/>																																																								
2007:																																																								
AL.....	\$1,391,297,918	NC	9.05%	\$21,099,816																																																				
Assets	1,015,722,034	Exp.	0.30%	699,297																																																				
UAL	\$375,575,884	Amortization ...	14.75%	34,382,122																																																				
Ratio.....	73.0%	Total Req.	24.10%	\$56,181,235																																																				
<u>Retirement Fund and Account Structure:</u>	Single retirement trust fund with a separate reserve to which have been credited net asset amounts representing local police and paid fire amortization state aid paid to the retirement plan and excluded from assets on which post-retirement adjustments may be calculated. (<i>Minn. Stat. § 354A.021</i>)																																																							

Minnesota Public Employees Retirement Association – General Employees Retirement Plan

<u>Normal Retirement Age:</u>	Age 65 with any length of service credit, or age 62 with 30 years of service credit, or when the sum of age and service credit totals 90 if the member was initially employed before July 1, 1989; the full unreduced benefit receipt age under the federal Old Age, Survivors, and Disability Insurance Program, but not greater than age 66, if the member was initially employed after July 30, 1989. (<i>Minn. Stat. §§ 353.01, Subd. 37; 353.30, Subds. 1, 1a, 1b, & 1c</i>)
<u>Early Retirement Age:</u>	Age 55 with at least three years of service credit or any age with at least 30 years of service credit. (<i>Minn. Stat. § 353.30, Subd. 1c</i>)
<u>Reduction Factor/Amount:</u>	A non-actuarial reduction of one quarter of 1% per month that the retiree is under the normal retirement age if the member was initially employed before July 1, 1989, and the Rule of 90 benefit tier produces a larger benefit or an actuarial reduction with some subsidization of the actuarial equivalent of the retirement annuity deferred to the normal retirement age and augmented at 3% per year of deferral if the member was initially employed before July 1, 1989, and the Level Benefit benefit tier produces a larger benefit or if the member was initially employed after June 30, 1989. (<i>Minn. Stat. § 353.30, Subds. 1c & 5</i>)

<u>Benefit Taxation:</u>	Public pension benefit subject to state income taxation. (NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)																								
<u>Social Security Coverage:</u>	Social Security coverage in addition to public pension plan coverage for public employees first employed after July 1, 1967. (Minn. Stat. § 355.02, Subd. 3)																								
<u>Benefit Accrual Rates:</u>	For members employed before July 1, 1989, 1.2% of final average salary per year of service credit for each of the initial ten years of service credit and 1.7% of final average salary per year of service credit for each year in excess of ten years of service if retiring under the Rule of 90 tier and covered by Social Security or 1.7% of final average salary per year of service credit if retiring under the Level Benefit tier and covered by Social Security and 2.2% of final average salary per year of service credit for each of the initial ten years of service credit and 2.7% of final average salary per year of service credit for each year in excess of ten years of service credit if retiring under the Rule of 90 tier and not covered by Social Security or 2.7% of final average salary per year of service credit if retiring under the Level Benefit tier and not covered by Social Security. For members employed after June 30, 1989, 1.7% of final average salary per year of service credit if covered by Social Security and 2.7% of final average salary per year of service credit if not covered by Social Security. (Minn. Stat. §§ 353.29, Subd. 3; 356.315, Subds. 1, 2, 3, & 4)																								
<u>Final Average Salary:</u>	Average of the five highest successive years of service salary. Covered salary excludes lump sum annual leave payments, sick leave payments, employer-paid insurance coverage amounts, severance payments, or workers' compensation payments. (Minn. Stat. § 353.01, Subds. 10 & 17a)																								
<u>Special Early Normal Retirement Incentives:</u>	If employer designates position affected to employee layoffs due to budget shortfalls or reorganization between June 2, 2006, and July 15, 2009, a lump sum payment of \$17,000 that may be used as deposit in health care savings plan account, as part of a service credit purchase sufficient to qualify for the rule of 90 benefit tier, or to purchase an annuity from the plan. (Minn. Stat. § 356.351)																								
<u>Post-Retirement Adjustments:</u>	Automatic annual adjustment based on the federal Consumer Price Index percentage increase, not to exceed 2.5%, plus an investment income adjustment component if the total rate of return of the assets in the Minnesota Post Retirement Investment Fund exceeds 8.5% based on a five-year investment income portion crediting procedure determined based on the relationship of the amount of the excess investment return aggregated components bears to the present value of Minnesota Post Retirement Investment Fund benefits, with prorated amounts payable to retirees with less than one year of benefit receipt. (Minn. Stat. §§ 11A.18; 353.271)																								
<u>Member & Employer Contribution Rates:</u>	5.5% of covered salary (2006), 5.75% of covered salary (2007), 6% of covered salary (2008 and 2009), and any additional adjustment required under the most recent actuarial valuation (after 2009) member contribution if covered by Social Security, and 9.1% of covered salary member contribution if not covered by Social Security; 6.28% of covered salary (2006), 6.35% of covered salary (2007), 6.5% of covered salary (2008), 6.75% of covered salary (2009), and 7% of covered salary plus any additional adjustment required under the most recent actuarial valuation (after 2009) employer contribution if covered by Social Security and 11.78% of covered salary employer contribution if not covered by Social Security. (Minn. Stat. § 353.27, Subds. 2, 3, 3a, & 3b)																								
<u>Most Recent Funded Condition and Actuarial Costs:</u>	<p>2007:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 20%;">AL.....</td> <td style="width: 20%;">\$17,705,626,649</td> <td style="width: 10%;">NC</td> <td style="width: 10%;">7.78%</td> <td style="width: 10%;">\$385,359,657</td> <td style="width: 20%;"><u>Actuarial Method:</u> Entry age normal</td> </tr> <tr> <td>Assets</td> <td><u>13,500,024,673</u></td> <td>Exp</td> <td>0.19%</td> <td>9,419,801</td> <td><u>Interest Assumption:</u> 8.5%</td> </tr> <tr> <td>UAL</td> <td>\$4,205,601,971</td> <td>Amortization</td> <td><u>4.77%</u></td> <td><u>236,486,575</u></td> <td><u>Salary Assumption:</u> Range of 5%</td> </tr> <tr> <td>Ratio.....</td> <td>76.3%</td> <td>Total Req.....</td> <td>12.74%</td> <td>\$631,266,033</td> <td>to 6.95%</td> </tr> </table> <p style="text-align: center;">(2007 MN PERA Actuarial Valuation; Minn. Stat. § 356.215, Subd. 8)</p>	AL.....	\$17,705,626,649	NC	7.78%	\$385,359,657	<u>Actuarial Method:</u> Entry age normal	Assets	<u>13,500,024,673</u>	Exp	0.19%	9,419,801	<u>Interest Assumption:</u> 8.5%	UAL	\$4,205,601,971	Amortization	<u>4.77%</u>	<u>236,486,575</u>	<u>Salary Assumption:</u> Range of 5%	Ratio.....	76.3%	Total Req.....	12.74%	\$631,266,033	to 6.95%
AL.....	\$17,705,626,649	NC	7.78%	\$385,359,657	<u>Actuarial Method:</u> Entry age normal																				
Assets	<u>13,500,024,673</u>	Exp	0.19%	9,419,801	<u>Interest Assumption:</u> 8.5%																				
UAL	\$4,205,601,971	Amortization	<u>4.77%</u>	<u>236,486,575</u>	<u>Salary Assumption:</u> Range of 5%																				
Ratio.....	76.3%	Total Req.....	12.74%	\$631,266,033	to 6.95%																				
<u>Retirement Fund and Account Structure:</u>	Single retirement trust fund with two commingled investment funds, the Minnesota Combined Investment Fund (active member reserves) and the Minnesota Post Retirement Investment Fund (retired member reserves). (Minn. Stat. §§ 11A.14; 11A.18; 353.05; 353.06; 353.27, Subd. 1; 353.271)																								

Attachment B

Normal Retirement Age Comparison

Retirement System	Normal Retirement Age
Alabama Teachers Retirement System (Retirement Systems of Alabama)	Age 60 with ten years of service credit; any age with 25 years of service credit. (<i>Ala. Code § 16-25-14, Para. (a); 2005 CAFR Plan Provision Summary, p. 69</i>)
Alabama Employees Retirement System (Retirement Systems of Alabama)	Age 60 with ten years of service credit; any age with 25 years of service credit. (<i>2006 Actuarial Valuation, p. 32</i>)
Alaska Teachers Retirement System (Alaska Division of Retirement and Benefits)	Post-6/30/2006 hire, any age (Defined Contribution Plan); 7/1/1990-6/30/2006 hire, age 60 with eight years of service credit; 7/1/1955-6/30/1990 hire, age 55 with eight years of service credit; any age with 20 years of service credit. (<i>Alaska Stat. § 14.25.110; TRS Handbook, pp. 37-38</i>)
Alaska Public Employee Retirement System (Alaska Division of Retirement and Benefits)	Post-6/30/2006 hires, any age (Defined Contribution Plan); 7/1/1986-6/30/2006 hires, age 60 with five years of service or any age with 30 years of service; 1/1/1961-6/30/1086 hires, age 55 with five years of service or any age with 30 years of service. (<i>2/20/2008 Alaska PERS Summary</i>)
Arizona State Retirement System	Age 65; age 62 with ten years of service credit; Rule of 80 (first day of month next following date on which sum of age and service credit equals 80). (<i>Arizona Rev. Stat. § 38-711, Clauses 26 & 27</i>)
Arkansas Teacher Retirement System	Age 60 with five years of service credit; any age with 28 years of service credit. (<i>Ark. Code Ann. § 24-7-701</i>)
Arkansas Public Employees Retirement System	Age 65 with five years of service credit or at any age with at least 28 years of service credit. (<i>2007 Arkansas PERS CAFR, p. 62</i>)
California State Teachers Retirement System	Age 60 with five years of service credit. (<i>Cal. Education Code § 24201; 2005 CalSTRS Actuarial Valuation, p. 40</i>)
California Public Employee Retirement System	Age 63 with five years of service credit. (<i>CalPERS Member Booklet, pp. 5 & 22</i>)
Colorado Public Employees Retirement Association	Age 65 with five years of service credit; age 55 if sum of age and service credit totals 80; age 50 with 30 years of service credit if employed before July 1, 2005; age 55 with 30 years of service credit if employed after June 30, 2005; any age with 35 years of service credit; age 55 if sum of age and service credit totals 85 if employed after December 31, 2006. (<i>Colo. Rev. Stat. § 24-51-602</i>)
Connecticut Teachers Retirement System	Age 60 with 20 years of service credit; any age with 35 years of service credit. (<i>Conn. Gen. Stat. § 10-183f(a)</i>)
Delaware State Employees Retirement Plan	Age 62 with five years of service credit; age 60 with 15 years of service credit; any age with 30 years of service credit. (<i>Del. Code Ann. § 5522, Para. (a)</i>)
Florida Retirement System	Age 62 with six years of service credit; any age with 30 years of service credit. (<i>Fla. Stat. § 121.021, Clause (29)</i>)
Georgia Teachers Retirement System	Age 60 with ten years of service credit; any age with 30 years of service credit. (<i>Ga. Code Ann. § 47-3-120(a) & (b)</i>)
Georgia Employees Retirement System	Age 60, any age with 30 years of service, or any age with 34 years of service with additional service credit as if service continued to age 65 for pre-7/1/1982 hires; age 60 or any age with 30 years of service for post-7/1/1982 hires. (<i>ERS Benefit Handbook, p. 6</i>)
Hawaii Employees Retirement System	Age 55 with five years of service credit for contributory plan (pre-July 1, 1984, employees); age 62 with ten years of service credit; age 55 with 30 years of service credit for non-contributory plan (post-June 30, 1984, employees). (<i>Haw. Rev. Stat. § 88-73</i>)
Idaho Public Employee Retirement System	Age 65 with five years of service credit; any age with Rule of 90 (sum of age and service credit totals 90). (<i>PERSI Website, General Benefit Summary</i>)
Illinois Teachers Retirement System	Age 62 with five years of service credit; age 60 with ten years of service credit; age 55 with 35 years of service credit. (<i>Ill. Comp. Stat. § 40 ILCS 5/16-132</i>)
Illinois State Retirement System	Age 60 with eight years of service or any age if sum of age and service equals 85. (<i>SRS Member Booklet, p. 18</i>)
Indiana Teachers Retirement Fund	Age 65 with ten years of service credit; age 60 with 15 years of service credit; age 55 if the sum of age and years of service credit totals 85. (<i>2005 ISTRF Actuarial Valuation Benefit Summary</i>)
Indiana Public Employees Retirement Fund	Age 65 with at least ten years of service, or age 60 with at least 15 years of service, or at least age 55 when total of age and years of service equal 85. (<i>Indiana Public Employees Retirement Fund Booklet, p. 22</i>)

<u>Retirement System</u>	<u>Normal Retirement Age</u>
Iowa Public Employees Retirement System	Age 65 with any service; age 62 with 20 years of service credit; any age if the sum of age and years of service credit totals 88. (<i>Iowa Code § 97B.45</i>)
Kansas Public Employees Retirement System	Age 65 with one year of service credit; age 62 with ten years of service credit; any age if the sum of age and years of service credit totals 85. (<i>Kan. Stat. Ann. § 74-4914(1)</i>)
Kentucky Teachers Retirement System	Any age with 27 years of service credit; age 60 with five years of service credit. (<i>Ky. Rev. Stat. Ann. §§ 161.600</i>)
Kentucky Employees Retirement System	Age 65 with any service. (<i>2007 KERS Actuarial Valuation, p. 37</i>)
Louisiana Teachers Retirement System	Age 60 with five years of service credit; any age with 20 years of service credit if employment began before July 1, 1999; age 65 with 20 years of service credit; age 55 with 25 years of service credit; any age with 30 years of service credit if employment began after June 30, 1999. (<i>TRSL Webpage, Active Member Summary; CAFR Introduction</i>)
Louisiana State Employees Retirement System	Age 60 with ten years of service, age 55 with 25 years of service, or any age with 30 years of service for pre-7/1/2006 hires; age 60 with ten years of service for post-6/30/2006 hires. (<i>2006 LASERS Actuarial Valuation, p. 37</i>)
Maine State Retirement System	Age 62 with ten years of service credit; age 62 with five years of service credit; age 60 with five years of service credit. (<i>Me. Rev. Stat. Ann. § 17851</i>)
Maryland Employees and Teachers Retirement System	Age 62 with five years of service credit; age 63 with four years of service credit; age 64 with three years of service credit; age 65 with two years of service credit; any age with 30 years of service credit. (<i>2007 SRPSM CAFR, p. 23; Md. Ann. Code § 23-401</i>)
Massachusetts Teacher Retirement System	Age 65 with ten years of service credit; any age with 20 years of service credit. (<i>Mass. Gen. Laws, Ch. 32 § 5(1)</i>)
Massachusetts State Board of Retirement	Age 65 with ten years of service credit. (<i>MA SERS Member Booklet, pp. 7, 11, & 14-15</i>)
Michigan Public Schools Employees Retirement System	Age 46 with 30 years of service credit; age 60 with ten years of service credit; age 60 with five years of service credit if employed after December 31, 1989; age 50 with 30 years of service credit; age 60 with ten years of service credit; age 55 with 15 years of service credit if employed before January 1, 1990. (<i>Mich. Comp. Laws § 38.1381</i>)
Mississippi Public Employees Retirement System	Age 60 with four years of service credit; any age with 25 years of service credit. (<i>Miss. Code Ann. § 25-11-111</i>)
Missouri Public School Retirement System	Age 60 with five years of service credit; any age with 30 years of service credit; any age when sum of age and service credit totals 80. (<i>Mo. Rev. Stat. §§ 169.060.1.; 169.070.1.</i>)
Missouri Public Education Employee Retirement System	Age 60 with five years of service, any age with 30 years of service, or any age when the total of age and service credit equals 80. (<i>2007 MO PEERS CAFR, p. 98</i>)
Montana Teachers Retirement System	Age 60 with five years of service credit; any age with 25 years of service credit. (<i>MTRS Actuarial Valuation, p. 33; Mont. Code Ann. § 19-20-801</i>)
Montana Public Employees Retirement System	Age 60 with five years of service credit, age 65 with any service credit, or any age with 30 years of service credit. (<i>MPERS Member Handbook, p. 26</i>)
Nebraska Public Employees Retirement Systems-School System	Age 65 with six months of service credit; any age if sum of age and service credit totals 85. (<i>Neb. Rev. Stat. §§ 79-931; 79-934; 2005 Actuarial Valuation Summary of Plan Provisions</i>)
Nevada Public Employees Retirement System	Age 65 with five years of service credit; age 60 with ten years of service credit; any age with 30 years of service credit. (<i>Nev. Rev. Stat. § 286.510, Para. 1</i>)
New Hampshire Retirement System	Age 60 with any service credit. (<i>N.H. Rev. Stat. Ann. § 100-A:5 I</i>)
New Jersey Teachers Pension and Annuity Fund	Age 60 with any service credit; age 55 with 25 years of service credit. (<i>N.J. Stat. Ann. § 18A:66-43; Public Fund Survey Summary; NJTPAF Website Benefit Plan Summary</i>)
New Jersey Public Employees Retirement System	Age 60 with any service credit. (<i>2007 Actuarial Valuation, p. 45</i>)
New Mexico Educational Retirement Plan	Age 65 with five years of service credit; any age with 25 years of service credit; age 60 if the sum of age and service credit totals 75. (<i>N.M. Stat. Ann. § 22-11-23</i>)
New Mexico Public Employees Retirement Association	Any age with 25 years of service credit, age 60 with 20 years of service credit, age 61 with 17 years of service credit, age 62 with 14 years of service credit, age 63 with 11 years of service credit, age 64 with 8 years of service credit, or age 65 with 5 years of service credit. (<i>NM PERA Member Handbook, p. 19</i>)

<u>Retirement System</u>	<u>Normal Retirement Age</u>
New York State Teachers Retirement System	Age 55 with five years of service credit; any age with 35 years of service credit if employed before July 1, 1973; age 55 with 30 years of service credit; age 62 with five years of service credit if employed after June 30, 1973. (<i>N.Y. Education Laws § 510; 2007 CAFR Financial Section, p. 34</i>)
New York State and Local Retirement System	Age 62 with at least five years of service or any age with 30 years of service if employed after June 30, 1973; age 55 with five years of service if employed before July 1, 1973. (<i>NYSLRS Member Handbook</i>)
North Carolina Teachers and State Employees Retirement System	Age 65 with five years of service credit; age 60 with 25 years of service credit; any age with 30 years of service credit. (<i>N.C. Gen. Stat. § 135-5</i>)
North Dakota Teachers Fund For Retirement	Age 65 with three years of service credit; any age when the sum of age and service credit equals 85 if employed before 7/1/2008; age 65 with five years of service credit or any age when the sum of age and service credit totals 90 if employed after June 30, 2008. (<i>N.D. Cent. Code § 15-39.1-10; ND Ret. & Inv. Office 2007 CAFR, p. 130</i>)
North Dakota Public Employees Retirement System	Age 65 with three years of service or any age if the total of age and service credit equals 85. (<i>NDPERS Active Member Handbook, p. 27</i>)
Ohio State Teachers Retirement System	Age 65 with five years of service credit; any age with 30 years of service credit. (<i>Ohio Rev. Code Ann. § 3307.58</i>)
Ohio Public Employee Retirement System	Age 65 with at least five years of service credit or any age with 30 years of service credit. (<i>OPERS Member Handbook, p. 33</i>)
Oklahoma Teachers Retirement System	Any age when sum of age and service credit totals 80 if employed before July 1, 1992; any age when sum of age and service credit totals 90 if employed after June 30, 1992; age 62 with five years of service credit. (<i>Okla. Rule §§ 715:10-15-1; 715:10-15-2; Okla. Stat. § 70-17-105</i>)
Oklahoma Public Employees Retirement System	Age 62 with six years of service credit or any age when the sum of age and service credit totals 90 if employed after 6/30/1992 or any age when the sum of age and service credit totals 80 if employed before July 1, 1992. (<i>OPERS Active Member Handbook, p. 26</i>)
Oregon Public Employees Retirement System	Age 58 with five years of service credit; any age with 30 years of service credit if employed before January 1, 1996; age 60 with five years of service credit; any age with 30 years of service credit; age 65 with any service if employed after December 31, 1995. (<i>Or. Rev. Stat. §§ 238.005, Para. (14); 238.280</i>)
Pennsylvania Public School Employees Retirement System	Age 62 with one year of service credit; age 60 with 30 years of service credit; any age with 35 years of service credit. (<i>Active Member Handbook</i>)
Pennsylvania State Employees Retirement System	Age 60 with three years of service or any age with 35 years of service credit for general employees. (<i>2007 PA SERS Actuarial Valuation, Schedule M, p. 2</i>)
Rhode Island Employees Retirement System	Age 60 with ten years of service credit; any age with 28 years of service credit. (<i>R.I. Gen Laws § 36-10-9, Para. (a), Clause (1)</i>)
South Carolina Retirement System	Age 65 with five years of service credit; any age with 28 years of service credit. (<i>S.C. Code Ann. § 9-1-1510</i>)
South Dakota Retirement System	Age 65 with three years of service credit; age 55 if the sum of age and service credit totals 85. (<i>S.D. Codified Laws §§ 3-12-47, Clauses (47), (48), & (60); 3-12-90</i>)
Tennessee State Employees, Teachers, and Higher Education Employees Pension Plan	Any age with 30 years of service credit; age 60 with four years of service credit if employed before July 1, 1979; age 60 with five years of service credit if employed after June 30, 1979. (<i>Tenn. Code Ann. § 8-36-201</i>)
Texas Teacher Retirement System	Any age if the sum of age and service totals 80 if employed before August 31, 2007; age 65 with five years of service credit; age 60 with 20 years of service credit if employed after August 30, 2007. (<i>2005 TRST Actuarial Valuation Benefit Summary, p. 39</i>)
Texas Employees Retirement System	Age 60 with five years of service credit or any age if the sum of age and covered service totals 80. (<i>2007 Actuarial Valuation, p. 40</i>)
Utah Noncontributory Defined Benefit System	Age 65 with four years of service credit; any age with 30 years of service credit. (<i>Utah Code Ann. § 49-13-401</i>)
Vermont State Teachers Retirement System	Age 62 with any service credit; any age with 30 years of service credit. (<i>Vt. Stat. Ann. § 16-1937 (a)</i>)
Vermont State Employees Retirement System	Age 62 or any age with 30 years of service credit. (<i>2007 Actuarial Valuation, p. 22</i>)
Virginia Retirement System	Age 65 with five years of service credit; age 50 with 30 years of service credit. (<i>Va. Code Ann. § 51.1-153 A</i>)

<u>Retirement System</u>	<u>Normal Retirement Age</u>
Washington Teachers Retirement System	Any age with 30 years of service credit; age 55 with 25 years of service credit; age 60 with five years of service credit if employed before October 1, 1977; age 65 with five years of service credit if employed after September 30, 1977. (<i>Wash. Rev. Code § 41.32.480</i>)
Washington Public Employees Retirement System	Any age with 30 years of service credit, age 55 with 25 years of service credit, or age 60 with five years of service credit if first employed before 10/1/1977; age 65 with five years of service credit if first employed after 9/30/1977. (<i>PERS Plan 1 Member Handbook: Retirement Eligibility; 2007 CAFR, p. 108</i>)
West Virginia Teachers Retirement System	Age 60 with five years of service credit; age 55 with 30 years of service credit; any age with 35 years of service credit. (<i>W.Va. Code § 18-7A-25 (a)</i>)
West Virginia Public Employees Retirement System	Age 55 if the sum of age and years of service credit total 80 or age 60 with five years of service credit. (<i>PERS Plan Summary</i>)
Wisconsin Retirement System	Age 65 with any service credit; age 57 with 30 years of service credit. (<i>Wis. Stat. § 40.02(42)</i>)
Wyoming Public Employee Pension System	Age 60 with four years of service credit; any age if the sum of age and service credit totals 85. (<i>Wyo. Stat. Ann. § 9-3-415(a)</i>)
Minnesota Teachers Retirement Association	Age 65 with any length of service credit, or age 62 with 30 years of service credit, or when the sum of age and service credit totals 90 if the member was initially employed before July 1, 1989; the full unreduced benefit receipt age under the federal Old Age, Survivors, and Disability Insurance Program, but not greater than age 66, if the member was initially employed after June 30, 1989. (<i>Minn. Stat. §§ 354.05, Subd. 38; 354.44, Subd. 6</i>)
Duluth Teachers Retirement Fund Association	Age 60 with at least ten years of service credit if initially employed before July 1, 1981; age 65 with any length of service credit, or age 62 with ten years of service credit, or when the sum of age and service credit total 90 if the member was initially employed before July 1, 1989, and after June 30, 1981, or if initially employed before July 1, 1981, and electing the New Law Plan; the full unreduced benefit receipt age under the federal Old Age, Survivors, and Disability Insurance Program, but not greater than age 66, if initially employed after June 30, 1989. (<i>Minn. Stat. §§ 354A.011, Subd. 15a; 354A.24; 354A.31, Subd. 4a</i>)
St. Paul Teachers Retirement Fund Association	Age 65 with at least five years of service credit, or age 60 with at least 25 years of service credit or when the sum of age and service credit total 90, if initially employed before July 1, 1977; age 65 with any length of service credit, or age 62 with ten years of service credit, or when the sum of age and service credit total 90 if the member was initially employed after June 30, 1977, and before July 1, 1989; the full unreduced benefit receipt age under the federal Old Age, Survivors, and Disability Insurance Program, but not greater than age 66, if the member was initially employed after June 30, 1989. (<i>Minn. Stat. §§ 354A.011, Subd. 15a; 354A.23, Subd. 2; 354A.31, Subd. 4</i>)
Minnesota Public Employees Retirement Association – General Employees Retirement Plan	Age 65 with any length of service credit, or age 62 with 30 years of service credit, or when the sum of age and service credit totals 90 if the member was initially employed before July 1, 1989; the full unreduced benefit receipt age under the federal Old Age, Survivors, and Disability Insurance Program, but not greater than age 66, if the member was initially employed after July 30, 1989. (<i>Minn. Stat. §§ 353.01, Subd. 37; 353.30, Subds. 1, 1a, 1b, & 1c</i>)

Early Retirement Age Comparison

Retirement System	Early Retirement Age
Alabama Teachers Retirement System (Retirement Systems of Alabama)	Not applicable.
Alabama Employees Retirement System (Retirement Systems of Alabama)	Not applicable.
Alaska Teachers Retirement System (Alaska Division of Retirement and Benefits)	Age 50 with eight years of service credit if employed before July 2, 1990; age 55 with eight years of service credit if employed after June 29, 1990. (<i>Alaska Stat. §§ 14.25.110; 14.25.125; TRS Handbook, pp. 37-38 & 40</i>)
Alaska Public Employee Retirement System (Alaska Division of Retirement and Benefits)	7/1/1986-6/30/2006 hires, age 55 with five years of service; 1/1/1961-6/30/1986 hires, age 50 with five years of service. (<i>2/20/2008 Alaska PERS Summary</i>)
Arizona State Retirement System	Age 50 with five years of service credit. (<i>Arizona Rev. Stat. § 38-758</i>)
Arkansas Teacher Retirement System	Any age with 25 years of service credit. (<i>Ark. Code Ann. § 24-7-702</i>)
Arkansas Public Employees Retirement System	Age 55 with five years of service credit or at any age with at least 25 years of service credit. (<i>2007 Arkansas PERS CAFR, p. 62</i>)
California State Teachers Retirement System	Age 55 with five years of service credit; age 50 with 30 years of service credit. (<i>Cal. Education Code § 24201; 2005 CalSTRS Actuarial Valuation, p. 41</i>)
California Public Employee Retirement System	Age 50 with five years of service credit. (<i>CalPERS Member Booklet, pp. 5 & 22</i>)
Colorado Public Employees Retirement Association	Age 60 with five years of service credit; age 55 with 20 years of service credit; age 50 with 25 years of service credit. (<i>Colo. Rev. Stat. §§ 24-51-602; 24-51-604</i>)
Connecticut Teachers Retirement System	Age 55 with 20 years of service credit; any age with 25 years of service credit; any age with ten years of service credit. (<i>Conn. Gen. Stat. § 10-183f (b) & (c)</i>)
Delaware State Employees Retirement Plan	Age 55 with 15 years of service credit; any age with 25 years of service credit. (<i>Del. Code Ann. § 5522, Para. (c)</i>)
Florida Retirement System	Any age with six years of service credit. (<i>Fla. Stat. § 121.091, Para. (3)</i>)
Georgia Teachers Retirement System	Any age with 25 years of service credit. (<i>Ga. Code Ann. § 47-3-120(b)</i>)
Georgia Employees Retirement System	Any age with at least 25 years of service and less than 30 years of service. (<i>ERS Benefit Handbook, p. 6</i>)
Hawaii Employees Retirement System	Any age with five years of service credit for contributory plan; age 55 with 20 years of service credit for non-contributory plan. (<i>Haw. Rev. Stat. § 88-73</i>)
Idaho Public Employee Retirement System	Any age with five years of service credit. (<i>PERSI Early Retirement Brochure</i>)
Illinois Teachers Retirement System	Age 55 with 20 years of service credit. (<i>Ill. Comp. Stat. § 40 ILCS 5/16-132</i>)
Illinois State Retirement System	Age 55 with 25 years of service. (<i>SRS Member Booklet, p. 18</i>)
Indiana Teachers Retirement Fund	Age 50 with 15 years of service credit. (<i>2005 ISTRF Actuarial Valuation Benefit Summary</i>)
Indiana Public Employees Retirement Fund	Age 50 with 15 years of service. (<i>Indiana PERF Booklet, p. 23</i>)
Iowa Public Employees Retirement System	Age 55 with any service. (<i>Iowa Code § 97B.47</i>)
Kansas Public Employees Retirement System	Age 55 with ten years of service credit. (<i>Kan. Stat. Ann. § 74-4914(4)</i>)
Kentucky Teachers Retirement System	Age 55 with five years of service credit. (<i>Ky. Rev. Stat. Ann. § 161.600</i>)
Kentucky Employees Retirement System	Age 55 with five years of service or any age with 25 years of service. (<i>2007 KERS Actuarial Valuation, p. 38</i>)
Louisiana Teachers Retirement System	If employment began after June 30, 1999, any age with 20 years of service credit or age 60 with five years of service credit. (<i>TRSL Webpage, Active Member Summary; CAFR Introduction</i>)

<u>Retirement System</u>	<u>Early Retirement Age</u>
Louisiana State Employees Retirement System	Any age with at least 20 years of service. <i>(2006 LASERS Actuarial Valuation, p. 38)</i>
Maine State Retirement System	Any age with 25 years of service credit. <i>(Me. Rev. Stat. Ann. § 17851)</i>
Maryland Employees and Teachers Retirement System	Age 55 with 15 years of service credit. <i>(2007 SRPSM CAFR, p. 24; Md. Ann. Code § 23-402)</i>
Massachusetts Teacher Retirement System	Age 55 with ten years of service credit. <i>(Public Fund Survey Summary)</i>
Massachusetts State Board of Retirement	Any age with 20 years of service credit or age 55 with ten years of service credit. <i>(MA SERS Member Booklet, p. 7)</i>
Michigan Public Schools Employees Retirement System	Age 55 with 15 years of service credit. <i>(Mich. Comp. Laws § 38.1381)</i>
Mississippi Public Employees Retirement System	No early retirement eligibility.
Missouri Public School Retirement System	Any age with 25 years of service credit; age 55 with five years of service credit. <i>(Mo. Rev. Stat. § 169.070.1.)</i>
Missouri Public Education Employee Retirement System	Age 55 with five years of service or any age with 25 years of service for post-7/1/2013 retirements. <i>(2007 MO PEERS CAFR, p. 98)</i>
Montana Teachers Retirement System	Age 50 with five years of service credit. <i>(2007 MTRS Actuarial Valuation, p. 33; Mont. Code Ann. § 19-20-802)</i>
Montana Public Employees Retirement System	Age 50 with five years of service credit or any age with 25 years of service credit. <i>(MPERS Member Handbook, p. 27)</i>
Nebraska Public Employees Retirement Systems-School System	Age 60 with five years of service credit; age 55 if the sum of age and service credit totals 85; any age with 35 years of service credit. <i>(Neb. Rev. Stat. §§ 79-931; 79-934)</i>
Nevada Public Employees Retirement System	Any age with any service. <i>(Nev. Rev. Stat. § 286.510, Para. 6)</i>
New Hampshire Retirement System	Age 50 with ten years of service credit; any age with 20 years of service credit if the sum of age and service credit totals 70. <i>(N.H. Rev. Stat. Ann. § 100-A:5 I)</i>
New Jersey Teachers Pension and Annuity Fund	Any age with 25 years of service credit. <i>(NJTPAF Website Benefit Plan Summary)</i>
New Jersey Public Employees Retirement System	Any age with 25 years of service credit. <i>(2007 Actuarial Valuation, p. 46)</i>
New Mexico Educational Retirement Plan	Any age if the sum of age and years of service credit totals 75. <i>(N.M. Stat. Ann. § 22-11-23)</i>
New Mexico Public Employees Retirement Association	No early retirement.
New York State Teachers Retirement System	Any age with five years of service credit if employed before July 27, 1976; age 55 with five years of service credit if employed after July 26, 1976. <i>(N.Y. Education Laws § 510; 2007 CAFR Financial Section, p. 31)</i>
New York State and Local Retirement System	Age 55 with five years of service. <i>(NYSLRS Member Handbook)</i>
North Carolina Teachers and State Employees Retirement System	Age 50 with 20 years of service credit; age 60 with five years of service credit. <i>(N.C. Gen. Stat. § 135-5)</i>
North Dakota Teachers Fund For Retirement	Age 55 with three years of service credit if employed before 7/1/2008; age 55 with five years of service credit if employed after 6/30/2008. <i>(N.D. Cent. Code § 15.39.1-12; ND Ret. & Inv. Office 2007 CAFR, p. 130)</i>
North Dakota Public Employees Retirement System	Age 55 with at least three years of service credit. <i>(NDPERS Active Member Handbook, pp. 27 & 49)</i>
Ohio State Teachers Retirement System	Age 55 with 25 years of service credit; age 60 with five years of service credit. <i>(Ohio Rev. Code Ann. § 3307.58)</i>
Ohio Public Employee Retirement System	Age 55 with at least 25 years of service credit. <i>(OPERS Member Handbook, p. 33)</i>
Oklahoma Teachers Retirement System	Age 55 with five years of service credit. <i>(Okla. Stat. § 70-17-105)</i>
Oklahoma Public Employees Retirement System	Age 55 with nine years and six months of service credit, of which six years must be full-time equivalent employment. <i>(OPERS Active Member Handbook, p. 27)</i>

<u>Retirement System</u>	<u>Early Retirement Age</u>
Oregon Public Employees Retirement System	Age 55 with any service. (<i>Or. Rev. Stat. § 238.280</i>)
Pennsylvania Public School Employees Retirement System	Age 55 with 25 years of service credit. (<i>Active Member Handbook</i>)
Pennsylvania State Employees Retirement System	Any age with five years of service credit. (<i>2007 PA SERS Actuarial Valuation, Schedule M, p. 2; Member Handbook, p. 5</i>)
Rhode Island Employees Retirement System	Age 55 with ten years of service credit. (<i>R.I. Gen Laws § 36-10-9, Para. (b)</i>)
South Carolina Retirement System	Age 60 with five years of service credit; age 55 with 25 years of service credit. (<i>S.C. Code Ann. § 9-1-1515</i>)
South Dakota Retirement System	Age 55 with three years of service credit. (<i>SDRS Website, Summary of Early Retirement Benefits</i>)
Tennessee State Employees, Teachers, and Higher Education Employees Pension Plan	Age 55 with ten years of service credit; any age with four or five years of service credit; any age with 25 years of service credit. (<i>Tenn. Code Ann. § 8-36-301</i>)
Texas Teacher Retirement System	Age 55 with five years of service credit; age 50 with 30 years of service credit. (<i>2005 TRST Actuarial Valuation Benefit Summary, p. 39</i>)
Texas Employees Retirement System	No early retirement age.
Utah Noncontributory Defined Benefit System	Age 62 with ten years of service credit; age 60 with 20 years of service credit; any age with 25 years of service credit. (<i>Utah Code Ann. § 49-13-401</i>)
Vermont State Teachers Retirement System	Age 55 with five years of service credit. (<i>Vt. Stat. Ann. § 16-1937 (d)</i>)
Vermont State Employees Retirement System	Age 55 with five years of service credit. (<i>2007 Actuarial Valuation, p. 23</i>)
Virginia Retirement System	Age 55 with five years of service credit; age 50 with ten years of service credit. (<i>Va. Code Ann. § 51.1-153 B</i>)
Washington Teachers Retirement System	No early reduced retirement annuity eligibility if employed before October 1, 1977; age 55 with 20 years of service credit if employed after September 30, 1977, and before July 1, 1996; age 55 with ten years of service credit if employed after June 30, 1996. (<i>TRS Plan 2: Summary of Selected Benefits; TRS Plan 3: Summary of Selected Benefits</i>)
Washington Public Employees Retirement System	No early reduced retirement annuity if first employed before 10/1/1977; age 55 with 20 years of service credit if employed after 9/30/1977. (<i>2007 CAFR, p. 108</i>)
West Virginia Teachers Retirement System	Any age with 30 years of service credit. (<i>W.Va. Code § 18-7A-25 (b) & (c)</i>)
West Virginia Public Employees Retirement System	Age 55 with ten years of service credit. (<i>PERS Plan Summary</i>)
Wisconsin Retirement System	Age 55 with any service credit. (<i>Wis. Stat. § 40.23(1)(a)</i>)
Wyoming Public Employee Pension System	Age 50 with four years of service credit; any age with 25 years of service credit. (<i>Wyo. Stat. Ann. § 9-3-415(b)</i>)
Minnesota Teachers Retirement Association	Age 55 with at least three years of service credit or any age with at least 30 years of service credit. (<i>Minn. Stat. § 354.44, Subd. 1</i>)
Duluth Teachers Retirement Fund Association	Age 55 with at least ten years of service credit if initially employed before July 1, 1981; age 55 with at least three years of service credit or any age with at least 30 years of service credit if initially employed after June 30, 1981, and before July 1, 1989, or if initially employed before July 1, 1981, and electing the New Law Plan; age 55 with at least three years of service credit if initially employed after June 30, 1989. (<i>Minn. Stat. § 354A.31, Subds. 1, 4a, 6, & 7</i>)
St. Paul Teachers Retirement Fund Association	Age 55 with at least five years of service credit if initially employed before July 1, 1977; age 55 with at least three years of service credit or any age with at least 30 years of service credit if employed after June 30, 1977. (<i>Minn. Stat. § 354A.31, Subds. 1, 4, 6, & 7</i>)
Minnesota Public Employees Retirement Association – General Employees Retirement Plan	Age 55 with at least three years of service credit or any age with at least 30 years of service credit. (<i>Minn. Stat. § 353.30, Subd. 1c</i>)

Reduction Factor/Amount Comparison

Retirement System	Reduction Factor/Amount
Alabama Teachers Retirement System (Retirement Systems of Alabama)	Not applicable.
Alabama Employees Retirement System (Retirement Systems of Alabama)	Not applicable.
Alaska Teachers Retirement System (Alaska Division of Retirement and Benefits)	Indicated as actuarial reduction factor: 89.9% at age 59; 81% at age 58; 73.2% at age 57; 66.1% at age 56; 59.9% at age 55. (<i>2005 TRS Actuarial Valuation Benefit Plan Summary, pp. 42-43</i>)
Alaska Public Employee Retirement System (Alaska Division of Retirement and Benefits)	0.5% per month under required normal retirement age. (<i>2/20/2008 Alaska PERS Summary</i>)
Arizona State Retirement System	Non-actuarial scaled reduction factor of 94% at age 63 with nine years of service credit; 91% at age 62 with nine years of service credit; 88% at age 61 with nine years of service credit; 85% at age 60 with nine years of service credit; 80% at age 59 with nine years of service credit; 75% at age 58 with nine years of service credit; 70% at age 57 with nine years of service credit; 65% at age 56 with nine years of service credit; and 60% at age 55 with nine years of service credit. (<i>Arizona Rev. Stat. § 38-758</i>)
Arkansas Teacher Retirement System	Non-actuarial reduction factor of the lesser of 5% per year under 28 years of service credit or 5% per year under age 60. (<i>Ark. Code Ann. § 24-7-702</i>)
Arkansas Public Employees Retirement System	The reduction is either 1% per month under 28 years of service if that produces the smallest reduction or 0.5% per month under age 65 if that produces the smallest reduction. (<i>2007 Arkansas PERS CAFR, p. 62</i>)
California State Teachers Retirement System	Non-actuarial reduction factor of one-half of 1% reduction per month under age 60 and one-quarter of 1% reduction per month under age 55. (<i>Cal. Education Code § 24201; 2005 CalSTRS Actuarial Valuation, p. 41</i>)
California Public Employee Retirement System	Reduced benefit accrual rate for each quarter year under age 63, with a 44% smaller accrued rate for each quarter year under age 63, and with a 44% smaller accrued rate at age 50 compared to age 63. (<i>CalPERS Member Booklet, p. 22</i>)
Colorado Public Employees Retirement Association	Non-actuarial reduction factor of 4% per year (0.333 % per month) under age 65 if the member retired at or after age 60 and of 3% per year under age 65 if the member retired on or after age 55. (<i>Colo. Rev. Stat. § 24-51-605</i>)
Connecticut Teachers Retirement System	Non-actuarial downsizing of the benefit accrual rate by 0.12% per year of service for each year under normal retirement with less than 30 years of service credit and by 0.06% per year of service for each year under normal retirement with at least 30 years of service credit. (<i>Conn. Gen. Stat. § 10-183g(b) & (c)</i>)
Delaware State Employees Retirement Plan	Non-actuarial reduction factor of 0.2% of the benefit for each month under age 60 or under 30 years of service credit, whichever applies. (<i>Del. Code Ann. § 5522, Para. (d)</i>)
Florida Retirement System	Non-actuarial reduction factor of 5% per year under age 62 or under 30 years of service credit, with age 62 benefit accrual rate less than the benefit accrual rates applicable to age 63 or 31 years of service credit, to age 64 or 32 years of service credit, or to age 65 or 33 years of service credit. (<i>Fla. Stat. § 121.021, Clause (30)</i>)
Georgia Teachers Retirement System	Non-actuarial reduction factor of 0.583% of the benefit amount per month under age 60 or 7% of the benefit amount per year or portion of a year of service credit less than 30 years of service credit. (<i>Ga. Code Ann. § 47-3-120(b)</i>)
Georgia Employees Retirement System	7% account reduction per year under 30 years of service or age 60, whichever is less, with maximum 35% reduction. (<i>ERS Benefit Handbook, p. 6</i>)
Hawaii Employees Retirement System	Non-actuarial reduction factor of 5% per year under age 55; 4% per year under age 50; 3% per year under age 45; and 2% per year under age 40 for contributory plan. Non-actuarial reduction factor of 6% per year under age 62. (<i>HERS Website FAQs</i>)
Idaho Public Employee Retirement System	Non-actuarial reduction factor of 3% per year under age 65 or under the Rule of 90 for the initial five years under age 65 or under the Rule of 90; and 5.75% per year under age 60 or under the sum of age and service credit of 85. (<i>PERSI Early Retirement Brochure</i>)

<u>Retirement System</u>	<u>Reduction Factor/Amount</u>
Illinois Teachers Retirement System	Non-actuarial reduction factor of 0.5% per month under age 60. (<i>Ill. Comp. Stat. § 40 ILCS 5/16-133(a)(B)</i>)
Illinois State Retirement System	Non-actuarial reduction factor of one-half of 1% per month under age 60. (<i>SRS Member Booklet, p. 18</i>)
Indiana Teachers Retirement Fund	Non-actuarial reduction factors of 11% for the year under age 60 and of 5% for each year under age 59. (<i>Ind. Code § 5-10.2-4-5</i>)
Indiana Public Employees Retirement Fund	Non-actuarial reduction factors of 11% for the year under age 60 and of 5% for each year under age 59. (<i>Indiana PERF Booklet, p. 23</i>)
Iowa Public Employees Retirement System	Non-actuarial reduction factor of 0.25% per month under age 65, under age 62 with 20 years of service, or under the Rule of 88. (<i>Iowa Code § 97B.50</i>)
Kansas Public Employees Retirement System	Non-actuarial reduction factor of 0.2% per month between age 60 and age 62 and of 0.6% per month between age 55 and age 60. (<i>Kan. Stat. Ann. § 74-4915(2)</i>)
Kentucky Teachers Retirement System	Non-actuarial reduction factor of 5% per year under age 60 or under 27 years of service credit. (<i>KTRS Service Retirement Benefit Summary</i>)
Kentucky Employees Retirement System	Non-actuarial reduction factor of 6.5% per year for the first five years under age 65 or under 27 years of service, whichever is the smaller reduction, and 4.5% per year for the next five years under age 65 or under 27 years of service, whichever is the smaller reduction. (<i>2007 KERS Actuarial Valuation, p. 38</i>)
Louisiana Teachers Retirement System	Actuarial reduction factors scaling from 9.01% if retiring one year early to 59.58% if retiring ten years early with 20 years of service and scaling from 9.61% if retiring one year early to 61.46% if retiring ten years early with five years of service credit. (<i>TRSL Benefits Handbook, Regular Plan and Plan A, p. 40</i>)
Louisiana State Employees Retirement System	Actuarial reduction from the earliest date of eligibility with employment contribution to the earliest normal retirement date. (<i>2006 LASERS Actuarial Valuation, p. 38</i>)
Maine State Retirement System	Apparently non-actuarial reduction factor of 6% per year between age 60 and age 62 and of 2.25% per year under age 60. (<i>Me. Rev. Stat. Ann. § 17852, Para. 3</i>)
Maryland Employees and Teachers Retirement System	Non-actuarial reduction factor of 6% per year under age 62. (<i>2007 SRPSM CAFR, p. 24; Md. Ann. Code § 23-402</i>)
Massachusetts Teacher Retirement System	Non-actuarial downsizing of retirement annuity benefit accrual rate of 0.1% per year of service credit per year under age 65. (<i>MTRS Website Retirement Allowance Estimation Estimator</i>)
Massachusetts State Board of Retirement	Non-actuarial downsizing of the retirement annuity benefit accrual rate of 0.01% per year of service credit for each year under age 65. (<i>MA SERS Member Booklet, p. 15</i>)
Michigan Public Schools Employees Retirement System	Non-actuarial reduction factor of 0.5% per month under age 60. (<i>Mich. Comp. Laws § 38.1384(2), (3), (4)</i>)
Mississippi Public Employees Retirement System	No early retirement reduction factors or amounts.
Missouri Public School Retirement System	With retirement at any age with 25 years of service credit, downsized benefit accrual rate of 1.59% with 29 years of service credit; 1.57% with 28 years of service credit; 1.55% with 27 years of service credit; 1.53% with 26 years of service credit; and 1.51% with 25 years of service credit. With retirement with five years of service credit, actuarial early retirement reduction. (<i>Mo. Rev. Stat. § 169.460.2. & 3.</i>)
Missouri Public Education Employee Retirement System	Non-actuarial age-based factor of .9056 at age 59 and .8214 at age 58 scaling down to .2552 at age 45. (<i>MO PEERS Member Booklet, p. 43</i>)
Montana Teachers Retirement System	Non-actuarial reduction factors of 0.5% per month under the normal retirement age during the initial five years under the normal retirement age and of 0.3% per month under the normal retirement age during the second five years under the normal retirement age. (<i>2007 MTRS Actuarial Valuation, p. 33; Mont. Code Ann. § 19-20-802</i>)
Montana Public Employees Retirement System	Non-actuarial factor of 6% per year under age 60 or with less than 30 years of service. (<i>MPERS Member Handbook, p. 27</i>)
Nebraska Public Employees Retirement Systems-School System	Non-actuarial reduction factor of 3% per year under age 65. Actuarial reduction of benefits payable before age 60, with reduction from age 65. (<i>Neb. Rev. Stat. § 79-934</i>)
Nevada Public Employees Retirement System	Non-actuarial reduction factor of 4% per year under age 65, or under age 60 with ten years of service, or under 30 years of service credit. (<i>Nev. Rev. Stat. § 286.510, Para. 6</i>)

<u>Retirement System</u>	<u>Reduction Factor/Amount</u>
New Hampshire Retirement System	Non-actuarial reduction factor of 1.5% per year under age 60 with 35 years of service credit; 3% per year under age 60 with 30 years of service credit; 4% per year under age 60 with 25 years of service credit; 5% per year under age 60 with 20 years of service credit; and 6.75% per year under age 60 with less than 20 years of service credit. <i>(N.H. Rev. Stat. Ann. § 100-A:5 I)</i>
New Jersey Teachers Pension and Annuity Fund	Non-actuarial reduction factor of 3% per year under age 60 if hired before July 1, 2007; non-actuarial reduction of 1% per year under age 60 and over age 55 and 3% per year under age 55. <i>(NJTPAF Website Benefit Plan Summary; 2007 CAFR, p. 5)</i>
New Jersey Public Employees Retirement System	Non-actuarial reduction factor of 3% per year under age 55 for members hired before 7/1/2007 and non-actuarial factor of 1% per year under age 60 and over age 54 and 3% per year under age 55 for members hired after 6/30/2007. <i>(2007 Actuarial Valuation, p. 46)</i>
New Mexico Educational Retirement Plan	Non-actuarial reduction factor if the retiree is under age 60 and has less than 25 years of service credit of 2.4% per year under age 60 and 7.2% per year under age 55. <i>(NMERP Active Member Handbook)</i>
New Mexico Public Employees Retirement Association	No early retirement.
New York State Teachers Retirement System	Non-actuarial reduction factor of 5% per year that total service is less than 20 years of service if employed before July 1, 1973; non-actuarial reduction factor of 6% per year that age is under age 62 and of 3% per year that age is under age 60 if employed after June 30, 1973. <i>(NYSTRS Website, "Pensions Calculation" Section)</i>
New York State and Local Retirement System	Non-actuarial reduction of 6% per year under age 62 and over age 59 and of 3% per year under age 60 if employed after June 30, 1973; no reduction if employed before July 1, 1973. <i>(NYSLRS Member Handbook)</i>
North Carolina Teachers and State Employees Retirement System	Non-actuarial reduction factor of 3% per year under age 65 with 25 years of service credit or 5% per year under age 60 and per year under 30 years of service credit. <i>(N.C. Gen. Stat. § 135-5)</i>
North Dakota Teachers Fund For Retirement	Non-actuarial reduction factor of 6% per year under age 65 or under the Rule of 85. <i>(N.D. Cent. Code § 15.39.1-12; NDTFFR Member Handbook, "Eligibility for Benefits" Section)</i>
North Dakota Public Employees Retirement System	Non-actuarial reduction factor of one-half of 1% per month under age 65 or under the age at which the Rule of 85 would be attained. <i>(NDPERS Active Member Handbook, p. 27)</i>
Ohio State Teachers Retirement System	Non-actuarial reduction factors of 3% between age 64 and age 65; 2% between age 63 and age 64 with 29 years of service credit; 3% between age 63 and age 64 with 28 or fewer years of service credit; 3% between age 62 and age 63 with 28 or fewer years of service credit; 1% between ages 58 and 62 with 28 years of service credit; 3% between age 61 and age 62 with 27 or fewer years of service credit; 3% between age 60 and age 61 with 27 or fewer years of service credit; 5% between age 59 and age 60 with 26 years of service credit; 5% younger than age 59 with 25 or fewer years of service credit. <i>(Ohio Rev. Code Ann. § 3307.58)</i>
Ohio Public Employee Retirement System	Non-actuarial reduction of 3% per year under age 65 or 5% per year under 30 years of service credit. <i>(OPERS Member Handbook, p. 33)</i>
Oklahoma Teachers Retirement System	Non-actuarial reduction factors of 6.67% per year between ages 60 and 62; 6.66% between age 59 and age 60; 4.77% between age 58 and age 59; 4.85% between age 57 and age 58; 4.43% between age 56 and age 57; and 4.06% between age 55 and age 56. <i>(Okla. Rule § 715:10-15-2)</i>
Oklahoma Public Employees Retirement System	Non-actuarial reduction factors of 6.666% per year over age 57 and under age 62 and of 3.334% per year under age 57. <i>(OPERS Active Member Handbook, p. 46)</i>
Oregon Public Employees Retirement System	Actuarial equivalent of the pension payable at the normal retirement age. <i>(2003 Actuarial Valuation Benefit Plan Summary, p. 39)</i>
Pennsylvania Public School Employees Retirement System	Non-actuarial reduction factor of 3% per year under age 60, up to maximum of 15%. <i>(Active Member Handbook)</i>
Pennsylvania State Employees Retirement System	Actuarial reduction averaging from 3% to 6% per year under the normal retirement age. <i>(Member Handbook, p. 23)</i>
Rhode Island Employees Retirement System	Actuarial equivalent reduction. <i>(R.I. Gen Laws § 36-10-9, Para. (b))</i>
South Carolina Retirement System	Non-actuarial reduction factor of 5% per year under age 65 with less than 25 years of service credit and of 4% per year under 28 years of service credit with 25 or more years of service credit. <i>(S.C. Code Ann. § 9-1-1550)</i>

Retirement System	Reduction Factor/Amount
South Dakota Retirement System	Non-actuarial reduction factor of 3% per year under age 65 if the retiree has less than 21 years of service credit. If the retiree has credit for more than 20 years of service, the factor is 3% under age 64 with 21 years of service credit, under age 63 with 22 years of service credit, under age 62 with 23 years of service credit, under age 61 with 24 years of service credit, under age 60 with 25 years of service credit, under age 59 with 26 years of service credit, under age 58 with 27 years of service credit, under age 57 with 28 years of service credit, and under age 56 with 29 years of service credit. (<i>SDRS Website, Summary of Early Retirement Benefits</i>)
Tennessee State Employees, Teachers, and Higher Education Employees Pension Plan	Non-actuarial reduction factor of 0.4% per month under age 60 or normal retirement date for retiree at age 55 with ten years of service credit. For retiree with less than ten years of service credit, retiree has additional reduction of 15% of the benefit amount per year or portion of year under ten years of service credit on top of the regular reduction. For retiree with 25 years of service credit, an actuarial equivalent to the age 55 benefit reduction is imposed. (<i>Tenn. Code Ann. § 8-36-302</i>)
Texas Teacher Retirement System	Non-actuarial reduction factor of 2% per year under the Rule of 80 for retirees under age 50 with 30 years of service credit and for retirees between ages 55 and 59 with at least 20 years of service credit; 7% between ages 64 and 65; 6% between ages 63 and 64; 7% per year between ages 61 and 63; 6% per year between ages 58 and 61; and 4% per year between ages 55 and 58. (<i>2005 TRST Actuarial Valuation Benefit Summary, p. 40</i>)
Texas Employees Retirement System	No reduced early retirement provision.
Utah Noncontributory Defined Benefit System	Non-actuarial reduction factor of 3% per year under age 65. (<i>Utah Code Ann. § 49-13-402</i>)
Vermont State Teachers Retirement System	Non-actuarial reduction factor of 6% per year under age 62. (<i>Vt. Stat. Ann. § 16-1937 (g)</i>)
Vermont State Employees Retirement System	Non-actuarial reduction factor of 6% per year under age 62. (<i>2007 Actuarial Valuation, p. 23</i>)
Virginia Retirement System	Non-actuarial reduction factor of 0.5% per month under the normal retirement requirement for the first five years and 0.4% per month under the normal retirement requirement beyond the initial five years. (<i>Va. Code Ann. § 51.1-155 A.2</i>)
Washington Teachers Retirement System	No early reduced retirement annuity if employed before October 1, 1977. Actuarial equivalent reduction to age 65 benefit if the retiree has less than 30 years of service and a non-actuarial reduction factor of 3% per year under age 65 with 30 years of service credit if employed after September 30, 1977. (<i>TRS Plan 2: Summary of Selected Benefits; TRS Plan 3: Summary of Selected Benefits</i>)
Washington Public Employees Retirement System	No early reduced actuarial annuity if first employed before 10/1/1977; actuarial equivalent reduction from age 65 if first employed after 9/30/1977. (<i>2007 CAFR, p. 108; PERS Plan 2 Member Handbook, p. 8</i>)
West Virginia Teachers Retirement System	Actuarial equivalent reduction to age 55 benefit. (<i>W.Va. Code § 18-7A-25 (c)</i>)
West Virginia Public Employees Retirement System	Actuarial equivalent early retirement reduction. (<i>W.Va. Code § 5-10-21</i>)
Wisconsin Retirement System	Non-actuarial reduction factor of 0.4% per month under age 57; and 0.4% reduced by 0.01111% per year of service credit, per month under age 65 and over age 57. (<i>Wis. Stat. § 40.23(2m)(f)1.</i>)
Wyoming Public Employee Pension System	Non-actuarial reduction factor of 5% per year under age 60. (<i>Wyoming Retirement System Board Rules, Chapter 14</i>)
Minnesota Teachers Retirement Association	A non-actuarial reduction of one quarter of 1% per month that the retiree is under the normal retirement age if the member was initially employed before July 1, 1989, and the Rule of 90 benefit tier produces a larger benefit or an actuarial reduction with some subsidization of the actuarial equivalent of the retirement annuity deferred to the normal retirement age and augmented at 3% per year of deferral if the member was initially employed before July 1, 1989, and the Level Benefit benefit tier produces a larger benefit or if the member was initially employed after June 30, 1989. (<i>Minn. Stat. § 354.44, Subd. 6, Paras. (c) & (e)</i>)

Retirement System	Reduction Factor/Amount
Duluth Teachers Retirement Fund Association	Non-actuarial reduction of 0.25% for each month under age 60 if initially employed before July 1, 1981; non-actuarial reduction of one quarter of 1% per month that the retiree is under the normal retirement age if initially employed before July 1, 1989, and the Rule of 90 benefit tier produces a larger benefit or an actuarial reduction with some subsidization of the actuarial equivalent of the retirement annuity deferred to the normal retirement age and augmented at 3% per year of deferral if initially employed after June 30, 1981, and before July 1, 1989, or if initially employed before July 1, 1981, and electing the New Law Plan with the Level Benefit benefit tier produces a larger benefit, or if initially employed after June 30, 1989. (<i>Minn. Stat. § 354A.31, Subds. 6 & 7</i>)
St. Paul Teachers Retirement Fund Association	Non-actuarial reduction of 0.25% for each month under age 65 with less than 25 years of service or under age 60 with at least 25 years of service credit if initially employed before July 1, 1977; non-actuarial reduction of one quarter of 1% per month that the retiree is under the normal retirement age initially employed after June 30, 1977, and before July 1, 1989, and the Rule of 90 benefit tier produces a larger benefit or an actuarial reduction with some subsidization of the actuarial equivalent of the retirement annuity deferred to the normal retirement age and augmented at 3% per year of deferral if initially employed after June 30, 1977, and before July 1, 1989, when the Level Benefit benefit tier produces a larger benefit, or if initially employed after June 30, 1989. (<i>Minn. Stat. § 354A.31, Subds. 6 & 7</i>)
Minnesota Public Employees Retirement Association – General Employees Retirement Plan	A non-actuarial reduction of one quarter of 1% per month that the retiree is under the normal retirement age if the member was initially employed before July 1, 1989, and the Rule of 90 benefit tier produces a larger benefit or an actuarial reduction with some subsidization of the actuarial equivalent of the retirement annuity deferred to the normal retirement age and augmented at 3% per year of deferral if the member was initially employed before July 1, 1989, and the Level Benefit benefit tier produces a larger benefit or if the member was initially employed after June 30, 1989. (<i>Minn. Stat. § 353.30, Subds. 1c & 5</i>)

Benefit Taxation Comparison

Retirement System	Benefit Taxation
Alabama Teachers Retirement System (Retirement Systems of Alabama)	Public defined benefit retirement plan benefit exempt from state income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Alabama Employees Retirement System (Retirement Systems of Alabama)	Public defined benefit retirement plan benefit exempt from state income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Alaska Teachers Retirement System (Alaska Division of Retirement and Benefits)	No individual state income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Alaska Public Employee Retirement System (Alaska Division of Retirement and Benefits)	No individual state income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Arizona State Retirement System	\$2,500 annual state income tax exemption for Arizona public retirement plan benefit, but other state and local government retirement plan benefits are taxable. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Arkansas Teacher Retirement System	\$6,000 annual state income tax exemption for public retirement plan benefits. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Arkansas Public Employees Retirement System	\$6,000 annual state income tax exemption for public retirement plan benefits. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
California State Teachers Retirement System	Public retirement plan benefits fully taxable under state income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
California Public Employee Retirement System	Public retirement plan benefits fully taxable under state income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Colorado Public Employees Retirement Association	Annual exemption from state income tax per person for any pension income of \$20,000 between age 55 and age 64 and of \$24,000 above age 64. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Connecticut Teachers Retirement System	Public retirement plan benefits fully taxable under state income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Delaware State Employees Retirement Plan	Annual exemption from state income tax per person for any pension income of \$2,000 under age 60 and of \$12,500 over age 59. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Florida Retirement System	No individual state income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Georgia Teachers Retirement System	Annual state income tax exclusion of \$15,000 to individuals over age 61 and disability benefit recipients, with \$4,000 limit on income from earned income. Also a \$1,300 additional standard deduction applies each to taxpayer and spouse over age 61. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Georgia Employees Retirement System	Annual state income tax exclusion of \$15,000 to individuals over age 61 and disability benefit recipients, with \$4,000 limit on income from earned income. Also a \$1,300 additional standard deduction applies each to taxpayer and spouse over age 61. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Hawaii Employees Retirement System	Public retirement plan benefits exempt from state individual income tax. Death benefits are taxable under state inheritance/estate tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Idaho Public Employee Retirement System	Annual state individual income tax exemption of \$21,900 for single filer or \$32,850 married joint filers over age 61, with exemption reduced by Social Security or Railroad Retirement benefit amounts. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>

Retirement System	Benefit Taxation
Illinois Teachers Retirement System	Public retirement plan benefits exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Illinois State Retirement System	Public retirement plan benefits exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Indiana Teachers Retirement Fund	Public retirement plan benefits subject to state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Indiana Public Employees Retirement Fund	Public retirement plan benefits subject to state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Iowa Public Employees Retirement System	Annual state individual income tax exemption of \$6,000 per taxpayer over age 54. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Kansas Public Employees Retirement System	Kansas public retirement plan benefits exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Kentucky Teachers Retirement System	Portion of Kentucky public retirement plan benefit earned before January 1, 1998, exempt from state individual income tax, with the remainder exempt up to \$40,200. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Kentucky Employees Retirement System	Portion of Kentucky public retirement plan benefit earned before January 1, 1998, exempt from state individual income tax, with the remainder exempt up to \$40,200. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Louisiana Teachers Retirement System	Louisiana Teachers Retirement System and Louisiana State Employees Retirement System exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Louisiana State Employees Retirement System	Louisiana Teachers Retirement System and Louisiana State Employees Retirement System exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Maine State Retirement System	Pension plan benefits up to \$6,000 annually exempt from state individual income tax, reduced by any Social Security and Railroad Retirement benefits. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Maryland Employees and Teachers Retirement System	Exemption from state individual income taxes of pension plan benefits of \$20,700 per person annually for taxpayers over age 64. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Massachusetts Teacher Retirement System	Massachusetts contributory public retirement plan benefits exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Massachusetts State Board of Retirement	Massachusetts contributory public retirement plan benefits exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Michigan Public Schools Employees Retirement System	Michigan public retirement plan benefits exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Mississippi Public Employees Retirement System	Pension benefits paid at or after retirement age exempt. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Missouri Public School Retirement System	Annual exclusion for pension benefits from state individual income tax of \$6,000, reduced dollar for dollar by federal adjusted gross income, not including taxable Social Security amounts, in excess of \$25,000 for single filers and \$32,000 for married joint filers. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>

Retirement System	Benefit Taxation
Missouri Public Education Employee Retirement System	Annual exclusion for pension benefits from state individual income tax of \$6,000, reduced dollar for dollar by federal adjusted gross income, not including taxable Social Security amounts, in excess of \$25,000 for single filers and \$32,000 for married joint filers. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Montana Teachers Retirement System	Annual exclusion from state individual income tax for pension benefits of \$3,600 per person, with exclusion reduced by twice the amount of federal adjusted gross income in excess of \$30,000. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Montana Public Employees Retirement System	Annual exclusion from state individual income tax for pension benefits of \$3,600 per person, with exclusion reduced by twice the amount of federal adjusted gross income in excess of \$30,000. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Nebraska Public Employees Retirement Systems-School System	Pensions subject to state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Nevada Public Employees Retirement System	No state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
New Hampshire Retirement System	Earnings on retirement plans are exempt from state tax on interest and dividends. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
New Jersey Teachers Pension and Annuity Fund	Exclusion for pension plan benefits, other than exempt military pensions, from state individual income tax of \$20,000 for married joint filers and \$15,000 for single filers over age 61 or if disabled. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
New Jersey Public Employees Retirement System	Exclusion for pension plan benefits, other than exempt military pensions, from state individual income tax of \$20,000 for married joint filers and \$15,000 for single filers over age 61 or if disabled. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
New Mexico Educational Retirement Plan	Pensions subject to state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
New Mexico Public Employees Retirement Association	Pensions subject to state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
New York State Teachers Retirement System	New York state and local pension plan benefits exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
New York State and Local Retirement System	New York state and local pension plan benefits exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
North Carolina Teachers and State Employees Retirement System	Annual state individual income tax exclusion for public retirement plan benefits of \$4,000 per person. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
North Dakota Teachers Fund For Retirement	Annual state individual income tax exclusion for retirees of three North Dakota public pension plans of \$5,000, reduced by the amount of Social Security benefits. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
North Dakota Public Employees Retirement System	Annual state individual income tax exclusion for retirees of three North Dakota public pension plans of \$5,000, reduced by the amount of Social Security benefits. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Ohio State Teachers Retirement System	An annual state individual income tax credit from \$25 to \$200, based on the retirement income received. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Ohio Public Employee Retirement System	An annual state individual income tax credit from \$25 to \$200, based on the retirement income received. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>

Retirement System	Benefit Taxation
Oklahoma Teachers Retirement System	Annual state individual income tax exclusion for public retirement plan benefits of \$7,500. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Oklahoma Public Employees Retirement System	Annual state individual income tax exclusion for public retirement plan benefits of \$7,500. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Oregon Public Employees Retirement System	Oregon state and local pension plan benefits earned from service before October 1, 1991, exempt from state individual income tax. State individual income tax credit of up to 9% of retirement benefit allowed for individuals with household income less than \$22,500 single or \$45,000 married joint if over age 61 and Social Security is less than \$7,500 or \$15,000 joint. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Pennsylvania Public School Employees Retirement System	Pension plan benefits are exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Pennsylvania State Employees Retirement System	Pension plan benefits are exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Rhode Island Employees Retirement System	Pension plan benefits are fully taxable under state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
South Carolina Retirement System	Annual state income tax exclusion for pension plan benefits of \$3,000 if under age 65 and of \$10,000 if over age 64. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
South Dakota Retirement System	No state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Tennessee State Employees, Teachers, and Higher Education Employees Pension Plan	Pension plan benefits are exempt from state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Texas Teacher Retirement System	No state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Texas Employees Retirement System	No state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Utah Noncontributory Defined Benefit System	Annual state individual income tax exclusion of \$4,800 for pension plan benefits, with exclusion reduced by one-half of federal adjusted gross income. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Vermont State Teachers Retirement System	Pension plan benefits are fully taxable under state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Vermont State Employees Retirement System	Pension plan benefits are fully taxable under state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Virginia Retirement System	Pension plan benefits are fully taxable under state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Washington Teachers Retirement System	No state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Washington Public Employees Retirement System	No state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
West Virginia Teachers Retirement System	Annual state and local government retirement plan benefit exclusion of \$2,000. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
West Virginia Public Employees Retirement System	Annual state and local government retirement plan benefit exclusion of \$2,000. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>

Retirement System	Benefit Taxation
Wisconsin Retirement System	State or local government retirement plan benefits exempt from state individual income tax only if taxpayer became a pension plan member before 1964. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Wyoming Public Employee Pension System	No state individual income tax. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Minnesota Teachers Retirement Association	Public pension benefit subject to state income taxation. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Duluth Teachers Retirement Fund Association	Public pension benefit subject to state income taxation. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
St. Paul Teachers Retirement Fund Association	Public pension benefit subject to state income taxation. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>
Minnesota Public Employees Retirement Association – General Employees Retirement Plan	Public pension benefit subject to state income taxation. <i>(NCSL Personal Income Tax Summary; Minnesota House Research Department Individual Income Tax Comparison)</i>

Social Security Coverage Comparison

Retirement System	Social Security Coverage
Alabama Teachers Retirement System (Retirement Systems of Alabama)	Social Security coverage in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Alabama Employees Retirement System (Retirement Systems of Alabama)	Social Security coverage in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Alaska Teachers Retirement System (Alaska Division of Retirement and Benefits)	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Alaska Public Employee Retirement System (Alaska Division of Retirement and Benefits)	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Arizona State Retirement System	Social Security coverage in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Arkansas Teacher Retirement System	Social Security coverage in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Arkansas Public Employees Retirement System	Social Security coverage in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
California State Teachers Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
California Public Employee Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Colorado Public Employees Retirement Association	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Connecticut Teachers Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Delaware State Employees Retirement Plan	Social Security coverage in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Florida Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Georgia Teachers Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Pension Fund Survey Summary)</i>
Georgia Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Pension Fund Survey Summary)</i>
Hawaii Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Idaho Public Employee Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Illinois Teachers Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Illinois State Retirement System	Unless employee is public safety employee, Social Security coverage is in addition to public pension plan coverage. <i>(SRS Member Booklet, pp. 20-21)</i>
Indiana Teachers Retirement Fund	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Indiana Public Employees Retirement Fund	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Iowa Public Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Kansas Public Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Kentucky Teachers Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>

Retirement System	Social Security Coverage
Kentucky Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Louisiana Teachers Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Louisiana State Employees Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Maine State Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Maryland Employees and Teachers Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Massachusetts Teacher Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Massachusetts State Board of Retirement	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Michigan Public Schools Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Mississippi Public Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Missouri Public School Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Missouri Public Education Employee Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Montana Teachers Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Montana Public Employees Retirement System	Social Security coverage supplements public employee retirement coverage. <i>(Public Fund Survey Summary)</i>
Nebraska Public Employees Retirement Systems-School System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Nevada Public Employees Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
New Hampshire Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
New Jersey Teachers Pension and Annuity Fund	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
New Jersey Public Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
New Mexico Educational Retirement Plan	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
New Mexico Public Employees Retirement Association	Social Security coverage is in addition to public plan coverage. <i>(Public Fund Survey Summary)</i>
New York State Teachers Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
New York State and Local Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
North Carolina Teachers and State Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
North Dakota Teachers Fund For Retirement	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
North Dakota Public Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Ohio State Teachers Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Ohio Public Employee Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>

<u>Retirement System</u>	<u>Social Security Coverage</u>
Oklahoma Teachers Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Oklahoma Public Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Oregon Public Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Pennsylvania Public School Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Pennsylvania State Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Rhode Island Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Pension Fund Survey Summary)</i>
South Carolina Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
South Dakota Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Tennessee State Employees, Teachers, and Higher Education Employees Pension Plan	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Texas Teacher Retirement System	No Social Security coverage by virtue of public employment. <i>(Public Fund Survey Summary)</i>
Texas Employees Retirement System	Public retirement coverage supplements Social Security coverage for public employment. <i>(Public Fund Survey Summary)</i>
Utah Noncontributory Defined Benefit System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Vermont State Teachers Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Vermont State Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Virginia Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Washington Teachers Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Washington Public Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
West Virginia Teachers Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
West Virginia Public Employees Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Wisconsin Retirement System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Wyoming Public Employee Pension System	Social Security coverage is in addition to public pension plan coverage. <i>(Public Fund Survey Summary)</i>
Minnesota Teachers Retirement Association	Social Security coverage in addition to public pension plan coverage for teachers first employed after July 1, 1957. <i>(Minn. Stat. § 355.02, Subd. 3)</i>
Duluth Teachers Retirement Fund Association	Social Security coverage in addition to public pension plan coverage. <i>(Minn. Stat. §§ 355.01, Subd 2c; 355.02, Subd. 3)</i>
St. Paul Teachers Retirement Fund Association	No Social Security coverage as part of teaching employment if initially employed before July 1, 1977; Social Security coverage in addition to public pension plan coverage if initially employed after June 30, 1977. <i>(Minn. Stat. §§ 355.01, Subd. 31; Sec. 355.02, Subd. 3)</i>
Minnesota Public Employees Retirement Association – General Employees Retirement Plan	Social Security coverage in addition to public pension plan coverage for public employees first employed after July 1, 1967. <i>(Minn. Stat. § 355.02, Subd. 3)</i>

Benefit Accrual Rate Comparison

Retirement System	Benefit Accrual Rates																																																																											
Alabama Teachers Retirement System (Retirement Systems of Alabama)	2.0125% of average final compensation per year of service or, if membership began before October 1, 1971, \$72 annually per year of service if higher amount. (<i>Member Handbook, p. 21</i>)																																																																											
Alabama Employees Retirement System (Retirement Systems of Alabama)	2.0125% of final average salary per year of service. (<i>2006 Actuarial Valuation, p. 33</i>)																																																																											
Alaska Teachers Retirement System (Alaska Division of Retirement and Benefits)	2% of average base salary per year of service for initial 20 years and all years prior to July 1, 1990, and 2.5% thereafter for hires before July 1, 1990; 2% of average base salary for initial 20 years and 2.5% thereafter for hires after June 30, 1991 and before July 1, 2006; defined contribution account for hires after June 30, 2006. (<i>Alaska Stat. § 14.25.110</i>)																																																																											
Alaska Public Employee Retirement System (Alaska Division of Retirement and Benefits)	For 1/1/1961-6/30/2006 hires, 2% per year for first ten years of service, 2.25% per year for second ten years of service, 2.5% per year thereafter. (<i>2/20/2008 Alaska PERS Summary</i>)																																																																											
Arizona State Retirement System	2.1% of average monthly compensation per year of service for initial 20 years of service, 2.15% per year of service for 21-25 years of service, 2.2% per year of service for 25-30 years of service, and 2.3% per year of service for 30 or more years of service. (<i>Arizona Rev. Stat. § 38-757</i>)																																																																											
Arkansas Teacher Retirement System	2.15% of final average salary per year of service and 1.39% for service rendered after July 30, 1986, for which no member contributions were made, plus \$900 annual additional amount for members with five years of service credit retiring after July 1, 1999. (<i>Ark. Code Ann. § 24-7-705</i>)																																																																											
Arkansas Public Employees Retirement System	For post-1/1/1978 to pre-7/1/2005 hires, 1.75% of final average salary per year of service for service rendered before 7/1/2007 and 1.72% of final average salary per year of service for service rendered after 6/30/2007, plus an additional 0.33% of final average salary per year of service from retirement until age 62 for retirements before age 62. For post-7/1/2005 hires, 2% of final average salary per year of service for service rendered before 7/1/2007 and 2.03% of final average salary per year of service for service rendered after 6/30/2007. Minimum monthly single life benefit of \$150. (<i>2007 Arkansas PERS CAFR, p. 63</i>)																																																																											
California State Teachers Retirement System	An age-related percentage of final compensation per year of service of 2% at age 60; 2.033% at age 60¼; 2.067% at age 60½; 2.1% at age 60¾; 2.133% at age 61; 2.167% at age 61¼; 2.2% at age 61½; 2.233% at age 61¾; 2.267% at age 62; 2.3% at age 62¼; 2.333% at age 62½; 2.367% at age 62¾; 2.4% at age 63 or later, plus 0.2% of final compensation per year of service credit if the retiree has 30 years of service credit and is at least age 50, but combined with the age-related factor may not exceed 2.4% per year of service, plus a longevity bonus for retirees with 30 years of service of \$200 per month, with 31 years of service of \$300 per month, and with 32 years of service of \$400 per month, plus an annuity that is the actuarial equivalent of the annuity deposit contributions to the credit of the retiree. (<i>Cal. Education Code §§ 25011; 24203; 24203.5; 24203.6; 24206; 2005 CalSTRS Actuarial Valuation, pp. 40-41</i>)																																																																											
California Public Employee Retirement System	An age-related percentage of final average salary as follows: <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Age</th> <th style="text-align: center;"><u>Exact</u> <u>Year</u></th> <th style="text-align: center;"><u>¼ Year</u></th> <th style="text-align: center;"><u>½ Year</u></th> <th style="text-align: center;"><u>¾ Year</u></th> </tr> </thead> <tbody> <tr><td>50</td><td style="text-align: center;">1.100%</td><td style="text-align: center;">1.146%</td><td style="text-align: center;">1.190%</td><td style="text-align: center;">1.236%</td></tr> <tr><td>51</td><td style="text-align: center;">1.280%</td><td style="text-align: center;">1.326%</td><td style="text-align: center;">1.370%</td><td style="text-align: center;">1.416%</td></tr> <tr><td>52</td><td style="text-align: center;">1.460%</td><td style="text-align: center;">1.506%</td><td style="text-align: center;">1.550%</td><td style="text-align: center;">1.596%</td></tr> <tr><td>53</td><td style="text-align: center;">1.640%</td><td style="text-align: center;">1.686%</td><td style="text-align: center;">1.730%</td><td style="text-align: center;">1.776%</td></tr> <tr><td>54</td><td style="text-align: center;">1.820%</td><td style="text-align: center;">1.866%</td><td style="text-align: center;">1.910%</td><td style="text-align: center;">1.956%</td></tr> <tr><td>55</td><td style="text-align: center;">2.000%</td><td style="text-align: center;">2.016%</td><td style="text-align: center;">2.032%</td><td style="text-align: center;">2.048%</td></tr> <tr><td>56</td><td style="text-align: center;">2.064%</td><td style="text-align: center;">2.080%</td><td style="text-align: center;">2.096%</td><td style="text-align: center;">2.110%</td></tr> <tr><td>57</td><td style="text-align: center;">2.126%</td><td style="text-align: center;">2.142%</td><td style="text-align: center;">2.158%</td><td style="text-align: center;">2.172%</td></tr> <tr><td>58</td><td style="text-align: center;">2.188%</td><td style="text-align: center;">2.204%</td><td style="text-align: center;">2.220%</td><td style="text-align: center;">2.236%</td></tr> <tr><td>59</td><td style="text-align: center;">2.250%</td><td style="text-align: center;">2.268%</td><td style="text-align: center;">2.282%</td><td style="text-align: center;">2.298%</td></tr> <tr><td>60</td><td style="text-align: center;">2.314%</td><td style="text-align: center;">2.330%</td><td style="text-align: center;">2.346%</td><td style="text-align: center;">2.360%</td></tr> <tr><td>61</td><td style="text-align: center;">2.376%</td><td style="text-align: center;">2.392%</td><td style="text-align: center;">2.406%</td><td style="text-align: center;">2.422%</td></tr> <tr><td>62</td><td style="text-align: center;">2.438%</td><td style="text-align: center;">2.454%</td><td style="text-align: center;">2.470%</td><td style="text-align: center;">2.486%</td></tr> <tr><td>63 & older</td><td style="text-align: center;">2.500%</td><td style="text-align: center;">2.500%</td><td style="text-align: center;">2.500%</td><td style="text-align: center;">2.500%</td></tr> </tbody> </table> (<i>CalPERS Member Booklet, pp. 21-22</i>)	Age	<u>Exact</u> <u>Year</u>	<u>¼ Year</u>	<u>½ Year</u>	<u>¾ Year</u>	50	1.100%	1.146%	1.190%	1.236%	51	1.280%	1.326%	1.370%	1.416%	52	1.460%	1.506%	1.550%	1.596%	53	1.640%	1.686%	1.730%	1.776%	54	1.820%	1.866%	1.910%	1.956%	55	2.000%	2.016%	2.032%	2.048%	56	2.064%	2.080%	2.096%	2.110%	57	2.126%	2.142%	2.158%	2.172%	58	2.188%	2.204%	2.220%	2.236%	59	2.250%	2.268%	2.282%	2.298%	60	2.314%	2.330%	2.346%	2.360%	61	2.376%	2.392%	2.406%	2.422%	62	2.438%	2.454%	2.470%	2.486%	63 & older	2.500%	2.500%	2.500%	2.500%
Age	<u>Exact</u> <u>Year</u>	<u>¼ Year</u>	<u>½ Year</u>	<u>¾ Year</u>																																																																								
50	1.100%	1.146%	1.190%	1.236%																																																																								
51	1.280%	1.326%	1.370%	1.416%																																																																								
52	1.460%	1.506%	1.550%	1.596%																																																																								
53	1.640%	1.686%	1.730%	1.776%																																																																								
54	1.820%	1.866%	1.910%	1.956%																																																																								
55	2.000%	2.016%	2.032%	2.048%																																																																								
56	2.064%	2.080%	2.096%	2.110%																																																																								
57	2.126%	2.142%	2.158%	2.172%																																																																								
58	2.188%	2.204%	2.220%	2.236%																																																																								
59	2.250%	2.268%	2.282%	2.298%																																																																								
60	2.314%	2.330%	2.346%	2.360%																																																																								
61	2.376%	2.392%	2.406%	2.422%																																																																								
62	2.438%	2.454%	2.470%	2.486%																																																																								
63 & older	2.500%	2.500%	2.500%	2.500%																																																																								
Colorado Public Employees Retirement Association	2.5% of highest average salary per year of service credit, not to exceed 100%. An alternative money purchase annuity based on member contributions, a guaranteed annual compound interest rate, and a matching amount representing employer contributions and interest. (<i>Colo. Rev. Stat. §§ 24-51-603; 24-51-605</i>)																																																																											

Retirement System	Benefit Accrual Rates
Connecticut Teachers Retirement System	2% of average annual salary per year of service, not to exceed 75% of average annual salary. (<i>Conn. Gen. Stat. §§ 10-183b, Clause (4); 10-183g(a)</i>)
Delaware State Employees Retirement Plan	2% of final average compensation per year of service rendered before January 1, 1997, and 1.85% of final average compensation per year of service rendered after December 31, 1996. (<i>Del. Code Ann. § 5527</i>)
Florida Retirement System	2% of average final compensation per year of service credit. Maximum benefit of 100% of average final compensation. (<i>Fla. Stat. § 121.091, Para. (1)</i>)
Georgia Teachers Retirement System	2% of average final salary per year of membership service, not to exceed 40 years of membership service. (<i>Ga. Code Ann. § 47-3-120(a)</i>)
Georgia Employees Retirement System	For pre-7/1/1982 hires, the accrual rate is 2% for years 1-28 of service; 2.02% for year 29; 2.05% for year 30; 2.08% for year 31; 2.11% for year 32; 2.142% for year 33; 2.17% for year 34; and 2.2% for years in excess of 34, with a maximum of 90%. For post-7/1/1982 hires, the accrual rate is 2% per year of service for all service, to a maximum of 90%. (<i>ERS Benefit Handbook, pp.12-13 & 15</i>)
Hawaii Employees Retirement System	2% of average final compensation per year of service credit. (<i>Haw. Rev. Stat. § 88-74</i>)
Idaho Public Employee Retirement System	2% of final average salary per year of service credit, not to exceed 100% of highest three years average salary. (<i>PERSI Early Retirement Brochure</i>)
Illinois Teachers Retirement System	Unless upgraded to post-June 30, 1998, accrual rate by the payment of 1% of highest annual salary of four years before the upgrade per year of pre-July 1, 1998, service, for pre-July 1, 1998, service, 1.67% per year for each of the first ten years of service, 1.9% for each of the second ten years of service, 2.1% for each of the third ten years of service, and 2.3% per year of service in excess of 30 years, and for post-June 30, 1998, service, 2.2% per year of service credit, applied to final average salary, but not to exceed 75% of final average salary. (<i>Ill. Comp. Stat. §§ 40 ILCS 5/16-133; 40 ILCS 5/16-133.2</i>)
Illinois State Retirement System	1.67% of final average compensation per year of service credit, with maximum benefit of 75% of final average compensation. (<i>SRS Member Booklet, pp. 18-19</i>)
Indiana Teachers Retirement Fund	1.1% of final average salary per year of service credit, plus benefit derived from the person's annuity savings account balance. (<i>Ind. Code § 5-10.2-4-4</i>)
Indiana Public Employees Retirement Fund	1.1% of final average salary per year of service credit, plus annuity derived from the active member's annuity savings account balance. (<i>Indiana PERF Booklet, p. 21</i>)
Iowa Public Employees Retirement System	2% of average salary per year of service credit, not to exceed 30 years of service credit. (<i>Iowa Code § 97B.49A</i>)
Kansas Public Employees Retirement System	1.75% of final average salary per year of participating years of service credit and 1% or 0.75% of final average salary per year of prior nonparticipating years of service credit. (<i>Kan. Stat. Ann. § 74-4915(1)</i>)
Kentucky Teachers Retirement System	2% of final average salary per year of service credit rendered before June 30, 1983; 2.5% of final average salary per year of service credit rendered after June 29, 1983; and, for retirements after July 1, 2004, 3% per year of service in excess of 30 years of service credit. Minimum annual benefit of \$440 per year of service credit. (<i>Ky. Rev. Stat. Ann. § 161.620(1)</i>)
Kentucky Employees Retirement System	1.97% of final average compensation per year of service credit with at least four years of service; 2% of final average compensation per year of service credit for a participant of one of the state-administered retirement plans between 1/1/1998 and 1/1/1999; 2.2% of final average compensation per year of service credit for a participant of one of the state-administered retirement plans between 1/1/1999 and 1/31/2009. (<i>2007 KERS Actuarial Valuation, p. 37</i>)
Louisiana Teachers Retirement System	2% of final average compensation per year of service credit if employed before July 1, 1999, and 2.5% of final average compensation per year of service credit if employed after June 30, 1999, or if employed before July 1, 1999, with 20 years of service at age 65, with 25 years of service at age 55, or with 30 years of service at any age. Maximum of 40 years of service credit. (<i>TRSL Benefits Handbook, Regular Plan and Plan A, p. 39</i>)
Louisiana State Employees Retirement System	2.5% of final average compensation per year of service, plus \$300 supplemental benefit for pre-July 1, 1986, hires. (<i>2006 LASERS Actuarial Valuation, p. 37</i>)
Maine State Retirement System	2% of final average compensation per year of service credit. (<i>Me. Rev. Stat. Ann. § 17852</i>)

Retirement System	Benefit Accrual Rates
Maryland Employees and Teachers Retirement System	1.2% of average final compensation per year of service credit through June 30, 1998, and 1.8% of average final compensation per year of service credit after June 30, 1998. <i>(2007 SRPSM CAFR, p. 23; Md. Ann. Code § 23-401)</i>
Massachusetts Teacher Retirement System	2.5% of average annual rate of compensation per year of service credit unless Retirement Plus is elected, with additional contributions, and 30 years of service is rendered, with additional 2% of average annual rate of compensation per year of service credit in excess of 24 years of service credit. <i>(Mass. Gen. Laws, Ch. 32 § 5(2))</i>
Massachusetts State Board of Retirement	2.5% of average annual rate of compensation per year of service credit, to a maximum of 80% of the average annual rate of compensation, plus \$15 annually per year of state service if the member was a veteran, not to exceed \$300 per year. <i>(MA SERS Member Booklet, pp. 11 & 15)</i>
Michigan Public Schools Employees Retirement System	1.5% of final average compensation per year of service credit. <i>(Mich. Comp. Laws § 38.1384(1))</i>
Mississippi Public Employees Retirement System	2% of final average compensation per year of service credit for each of the first 25 years of service credit and 2.5% of final average compensation per year of service credit for service in excess of 25 years of service. Minimum benefit of \$10 per month per year of service credit. <i>(Miss. Code Ann. § 25-11-111)</i>
Missouri Public School Retirement System	2.5% of final average salary per year of service credit for each year up to 31 years of service credit and 2.55% of final average salary per year of service credit for each year in excess of 30 years of service credit. <i>(Mo. Rev. Stat. §§ 169.324.1.; 169.670.1.)</i>
Missouri Public Education Employee Retirement System	If not under age 62 with 30 years of service or not eligible under the Rule of 80, 1.61% of final average salary for each year of service credit. If under age 62 with 30 years of service or eligible under the Rule of 80, a temporary benefit of 0.8% of final average salary per year of service credit is also payable until attaining age 62. <i>(MO PEERS Member Booklet, p. 41)</i>
Montana Teachers Retirement System	1.667% of final average compensation. Compensation in each year of the final average compensation computation may not exceed the prior year by more than 10% except for collectively bargained generally applicable increase, summer employment, employer change, or promotion. <i>(2007 MTRS Actuarial Valuation, p. 33; Mont. Code Ann. § 19-20-804)</i>
Montana Public Employees Retirement System	1.7857% of the highest average compensation per year of service credit with less than 25 years of service credit and 2% of the highest average compensation per year of service credit with at least 25 years of service credit. <i>(MPERS Member Handbook, p. 26)</i>
Nebraska Public Employees Retirement Systems-School System	2% of final average earnings per year of service credit for member employed after July 1, 2001, or combination of money purchase annuity based on accumulated member contributions and annuity of \$3.50 per month per year of service credit if it produces a higher benefit. <i>(Neb. Rev. Stat. §§ 79-333; 79-934)</i>
Nevada Public Employees Retirement System	2.5% of average compensation per year of service credit before July 1, 2001, and 2.67% of average compensation per year of service credit after June 30, 2001. The benefit may not exceed 90% and service credit may not exceed 36 years for a person first covered by the plan before July 1, 1985, and the benefit may not exceed 75% and service credit may not exceed 30 years for a person first covered by the plan after June 30, 1985. <i>(Nev. Rev. Stat. § 286.551)</i>
New Hampshire Retirement System	1.667% of average final compensation per year of service credit for retirements occurring under age 65 and 1.515% of average final compensation per year of service credit for retirements occurring over age 64. For members employed prior to 7/1/2009, the maximum benefit is 100% of highest year of compensation and for members hired after 6/30/2009, the maximum benefit is \$120,000 annually. <i>(N.H. Rev. Stat. Ann. § 100-A:5 I; NHRS 2007 CAFR, p. 71)</i>
New Jersey Teachers Pension and Annuity Fund	1.8182% of final average salary per year of service credit. <i>(N.J. Stat. Ann. § 18A:66-44)</i>
New Jersey Public Employees Retirement System	Money purchase member annuity based on accumulated member deductions plus an employer contribution of 1.5625% of final average compensation per year of allowable service or 1.818% of final average compensation per year of allowable service depending on member contribution rate. <i>(2007 Actuarial Valuation, p. 45)</i>
New Mexico Educational Retirement Plan	2.35% of final average salary per year of service credit. <i>(N.M. Stat. Ann. § 22-11-30)</i>

Retirement System	Benefit Accrual Rates
New Mexico Public Employees Retirement Association	2% of final average salary if hired before October 1987, 2.5% of final average salary if hired after September 1987 and before January 1997, and 3% of final average salary if hired after December 1976. The maximum benefit is 60% of final average salary if hired before October 1987, 75% percent if hired after September 1987 and before January 1997, and 80% if hired after December 1996. <i>(NM PERA Member Handbook, p. 9)</i>
New York State Teachers Retirement System	If employed before July 26, 1976, 1.8% of final average salary per year of service rendered before 1959, 2% of final average salary per year of service rendered after 1958, and 1% of final average salary per year of prior out-of-state service credit. If employed between July 27, 1976, and August 31, 1983, 1.67% of final average salary per year of service with less than 20 years of service credit or 2% of final average salary per year of service with between 20 and 30 years of service. If employed after August 30, 1983, 1.67% of final average salary per year of service with less than 20 years of service credit, 2% of final average salary per year of service credit with between 20 and 30 years of service credit, and 1.5% of final average salary per year of service credit in excess of 30 years of service credit. <i>(NYSTRS Website, "Pensions Calculation" Section)</i>
New York State and Local Retirement System	1.66% of final average salary per year of service for first 19 years of service, 2% of final average salary per year of service for 20 to 30 years of service, and 1.5% of final average salary per year of service in excess of 30 years of service if first hired after July 26, 1976; 1.66% of final average salary per year of service if retiree has less than 20 years of service or 2% of final average salary per year of service if retiree has more than 19 years of service if hired before July 27, 1976. <i>(NYSLRS Member Handbook)</i>
North Carolina Teachers and State Employees Retirement System	1.82% of average final compensation per year of service credit. <i>(N.C. Gen. Stat. § 135-5)</i>
North Dakota Teachers Fund For Retirement	2% of final average salary per year of service credit. <i>(N.D. Cent. Code § 15-39.1-10, Para. 2)</i>
North Dakota Public Employees Retirement System	2% of final average salary per year of service credit. <i>(NDPERS Active Member Handbook, p. 27)</i>
Ohio State Teachers Retirement System	2.2% of final average salary per year of service credit. <i>(Ohio Rev. Code Ann. § 3307.58)</i>
Ohio Public Employee Retirement System	2.2% of final average salary per year of service credit for the first 30 years of service and 2.5% of final average salary per year of service credit for service in excess of 30 years of service for members of the Defined Benefit (Traditional) Plan; 1% of final average salary per year of service credit for the first 30 years of service, 1.25% of final average salary per year of service credit for service in excess of 30 years of service, and the money purchase annuity payable from accumulated member contributions and investment performance. <i>(OPERS Member Handbook, pp. 14 & 37)</i>
Oklahoma Teachers Retirement System	2% of a limited final average compensation amount (either \$40,000 or \$25,000, depending on a member election before 1995) per year of service credit prior to July 1, 1995, and 2% of an unlimited final average compensation amount per year of service credit after June 30, 1995. <i>(Okla. Stat. § 70-17-105; Okla. Rule § 715:10-15-7)</i>
Oklahoma Public Employees Retirement System	2% of final average compensation amount per year of service credit or, if the member was employed since 2003 and elects to make an extra member contribution, 2.5% of final average compensation amount per year of covered service. <i>(OPERS Active Member Handbook, pp. 44 & 49)</i>
Oregon Public Employees Retirement System	1.67% of final average salary per year of service credit. <i>(Or. Rev. Stat. § 238.300)</i>
Pennsylvania Public School Employees Retirement System	2.5% of final average salary per year of service credit. <i>(Active Member Handbook)</i>
Pennsylvania State Employees Retirement System	2% of final average salary per year of covered salary multiplied by 1.0 class of service multiplier for general employees hired before 7/1/2001 who did not transfer to Class AA or by 1.25 class of service multiplier for general employees hired after 6/30/2001 applied to final average salary. Members with 41 to 45 years of service also receive a supplemental benefit from 2% of the single life annuity with 41 years to 10% of the single life annuity with 45 years. A member who elected Social Security Integration Coverage before March 1974 is entitled to a single life annuity of 2% of average non-covered salary for each year of SSI coverage. If accumulated member contributions plus credited interest exceed one-half of the actuarial value of the retirement annuity, an "extra piece" benefit equal to the difference is payable. <i>(Member Handbook, pp. 5-6, 21, & 23; 2007 PA SERS Actuarial Valuation, Schedule M, pp. 2-3 & 5)</i>

Retirement System	Benefit Accrual Rates
Rhode Island Employees Retirement System	A percentage of final average salary per year of service credit of 1.7% for the initial decade of service, 1.9% for the second decade of service, 3% for years 21 through 34, and 2% for year 35. Maximum benefit of 80% of final average salary. (<i>R.I. Gen Laws § 36-10-10</i>)
South Carolina Retirement System	1.82% of average final compensation per year of service credit. (<i>S.C. Code Ann. § 9-1-1550</i>)
South Dakota Retirement System	Under standard formula, 1.625% of final average salary per year of service credit rendered before July 1, 2002, <u>plus</u> 1.55% of final average salary per year of service credit rendered after June 30, 2002. Under alternative formula, 2.325% of final average salary per year of service credit rendered before July 1, 2002, <u>plus</u> 2.25% of final average salary per year of service credit rendered after June 30, 2002, <u>less</u> 80% of the primary Social Security benefit. (<i>S.D. Codified Laws § 3-12-91</i>)
Tennessee State Employees, Teachers, and Higher Education Employees Pension Plan	1.5% of average final compensation per year of service credit, plus 0.25% of the amount of average final compensation in excess of the Social Security integration level salary per year of service credit, plus an increase of 5% of the calculated retirement benefit. The maximum benefit is 94.5% of average final compensation. The Social Security integration level salary is the average of the Social Security wage bases. (<i>Tenn. Code Ann. §§ 8-36-102; 8-36-206; 8-36-208</i>)
Texas Teacher Retirement System	2.3% of average final salary per year of service credit. (<i>2005 TRST Actuarial Valuation benefit Summary, p. 39</i>)
Texas Employees Retirement System	2.3% of final average monthly compensation per year of covered salary. (<i>2007 Actuarial Valuation, p. 40</i>)
Utah Noncontributory Defined Benefit System	2% of final average salary per year of service credit. (<i>Utah Code Ann. § 49-13-402</i>)
Vermont State Teachers Retirement System	1.25% of average final compensation per year of service credit prior to July 1, 1990, and 1.67% of average final compensation per year of service credit after June 30, 1990. Maximum benefit is 50% of the average final compensation. (<i>Vt. Stat. Ann. § 16-1937 (b)</i>)
Vermont State Employees Retirement System	1.25% of final average salary per year of service rendered before 1/1/1991 and 1.67% of final average salary per year of service rendered after 12/31/1990, with a maximum benefit of 50% of final average salary. (<i>2007 Actuarial Valuation, p. 23</i>)
Virginia Retirement System	1.7% of average final compensation per year of service credit. (<i>Va. Code Ann. § 51.1-155 A.1</i>)
Washington Teachers Retirement System	2% of final average salary per year of service credit for persons employed before June 1996; 1% of final average salary per year of service credit for persons employed after June 1996, plus a defined contribution benefit calculated on accumulated account amount. (<i>Wash. Rev. Code §§ 41.32.760; 41.32.840; 41.32.8401</i>)
Washington Public Employees Retirement System	2% of final average compensation per year of service credit. For members first employed before 10/1/1977, 30 years of service credit maximum creditable service. (<i>PERS Plan 1 Member Handbook Summary – 30 Year Service</i>)
West Virginia Teachers Retirement System	2% of final average salary per year of service credit. (<i>W.Va. Code § 18-7A-26</i>)
West Virginia Public Employees Retirement System	2% of final average salary per year of covered service. (<i>PERS Plan Summary</i>)
Wisconsin Retirement System	1.765% of final average earnings per year of service credit rendered before 2000 and 1.6% of final average earnings per year of service credit rendered after 1999. Maximum benefit is 70% of final average earnings. (<i>Wis. Stat. § 40.23(2m)(e)1.</i>)
Wyoming Public Employee Pension System	2.125% of highest average salary per year of service credit for the initial 15 years of service credit and 2.25% of highest average salary per year of service credit for service credit in excess of 15 years of service credit. (<i>Wyo. Stat. Ann. § 9-3-418</i>)
Minnesota Teachers Retirement Association	1.2% of final average salary per year of service credit during the initial ten years of service credit and 1.7% of final average salary per year of service credit thereafter for service credit rendered prior to July 1, 2006, and 1.4% of final average salary per year of service credit during the initial ten years and 1.9% of final average salary per year of service credit thereafter for service credit rendered after June 30, 2006, if retiring under the Rule of 90 benefit tier or 1.7% of final average salary per year of service credit for service credit rendered prior to July 1, 2006, and 1.9% of final average salary per year for service credit rendered after June 30, 2006, if retiring under the Level Benefit benefit tier, whichever is higher, for teachers first employed before July 1, 1989; 1.7% of final average salary per year of service credit for service credit rendered prior to July 1, 2006, and 1.9% of final average salary per year of service credit rendered after June 30, 2006, for teachers first employed after June 30, 1989. (<i>Minn. Stat. §§ 354.44, Subd. 6, Para. (b) or (d); 356.315</i>)

Retirement System	Benefit Accrual Rates
Duluth Teachers Retirement Fund Association	1.45% of final average salary per year of service credit if initially employed before July 1, 1981; 1.2% of final average salary per year of service credit during the initial ten years and 1.7% of final average salary per year of service credit thereafter if initially employed after June 30, 1981, and before July 1, 1989, if retiring under the Rule of 90 benefit tier or if initially employed before July 1, 1981, and selecting the New Law Plan and the Rule of 90 benefit tier; 1.7% of final average salary per year of service credit if initially employed after June 30, 1989, or if employed after June 30, 1981, and before July 1, 1989, and if retiring under the Level Benefit benefit tier, or if initially employed before July 1, 1981, and selecting the New Law Plan and the Level Benefit benefit tier. <i>(Minn. Stat. § 354A.31, Subd. 4a)</i>
St. Paul Teachers Retirement Fund Association	2.5% of final average salary per year of service credit if employed before July 1, 1977, unless retirement is under the Rule of 90 tier, then 2% of final average salary per year of service for each of the first ten years of service and 2.5% of final average salary per year of service credit thereafter; 1.2% of final average salary per year of service credit during the initial ten years and 1.7% of final average salary per year of service credit thereafter if initially employed after June 30, 1977, and before July 1, 1989, if retiring under the Rule of 90 benefit tier; 1.7% of final average salary per year of service credit if initially employed after June 30, 1989, or if employed after June 30, 1977, and before July 1, 1989, and if retiring under the Level Benefit benefit tier. <i>(Minn. Stat. § 354A.31, Subd. 4)</i>
Minnesota Public Employees Retirement Association – General Employees Retirement Plan	For members employed before July 1, 1989, 1.2% of final average salary per year of service credit for each of the initial ten years of service credit and 1.7% of final average salary per year of service credit for each year in excess of ten years of service if retiring under the Rule of 90 tier and covered by Social Security or 1.7% of final average salary per year of service credit if retiring under the Level Benefit tier and covered by Social Security and 2.2% of final average salary per year of service credit for each of the initial ten years of service credit and 2.7% of final average salary per year of service credit for each year in excess of ten years of service credit if retiring under the Rule of 90 tier and not covered by Social Security or 2.7% of final average salary per year of service credit if retiring under the Level Benefit tier and not covered by Social Security. For members employed after June 30, 1989, 1.7% of final average salary per year of service credit if covered by Social Security and 2.7% of final average salary per year of service credit if not covered by Social Security. <i>(Minn. Stat. §§ 353.29, Subd. 3; 356.315, Subds. 1, 2, 3, & 4)</i>

Final Average Salary Comparison

Retirement System	Final Average Salary
Alabama Teachers Retirement System (Retirement Systems of Alabama)	Average of highest three July 1-June 30 years out of the last ten years, including partial years if beneficial, or entire period of creditable service where service is less than three years. If compensation includes maintenance, Board of Control fixes value of compensation not paid in money. (<i>Ala. Code § 16-25-1, Clauses (17) & (18)</i>)
Alabama Employees Retirement System (Retirement Systems of Alabama)	Average compensation of member for the three highest years in the last ten years. (<i>2006 Actuarial Valuation, p. 32</i>)
Alaska Teachers Retirement System (Alaska Division of Retirement and Benefits)	Average of the highest three contract salaries, including addenda, for years in which at least 115 days were worked and compensated, either full time or part time. Base salary for part-time teachers calculated at the full-time equivalent rate. Termination bonuses are not includable. (<i>Alaska Stat. § 14.25.220</i>)
Alaska Public Employee Retirement System (Alaska Division of Retirement and Benefits)	For 7/1/1996-6/30/2006 hires, average of highest five consecutive years' salary; for 1/1/1961-6/30/1996 hires, average of highest three consecutive years' salary. (<i>2/20/2008 Alaska PERS Summary</i>)
Arizona State Retirement System	Average of highest 36 consecutive months of salary within final 120 months of service, but excluding termination of service payments, if hired after December 31, 1983; average of highest 60 consecutive months of salary within final 120 months of service, including base salary, additional contracts, other compensation, sick pay, vacation pay, compensatory payments, retirement incentive pay, and termination payments if hired before January 1, 1984, unless highest three-year average produces a higher benefit. (<i>Arizona Rev. Stat. §§ 38-711, Clauses 5, 7, & 10; 38-746</i>)
Arkansas Teacher Retirement System	Average of highest three years of covered salary, but salary utilized for any year may not exceed the prior year's salary by more than 10% unless directly caused by promotion, position change, salary schedule incremental increase, or school revenue increases. (<i>Ark. Code Ann. §§ 24-7-202, Paras. (13) & (24); 24-7-726</i>)
Arkansas Public Employees Retirement System	Final average salary is the average of the highest three years of covered compensation. (<i>2007 Arkansas PERS CAFR, p. 63</i>)
California State Teachers Retirement System	Highest average earnable compensation during any 36 consecutive months of service credit, unless there was a salary reduction due to a school fund reduction, when non-consecutive months may be used, if the retiring member has less than 25 years of service, or the highest one-year final compensation if the retiring member has at least 25 years of service or if shorter period is collectively bargained with the associated costs paid from local sources. Compensation is a full-time equivalent basis amount. Compensation does not include job expense reimbursements, severance payments, and non-cash remuneration. (<i>Cal. Education Code §§ 22119.2; 22134; 22134.5; 22135; 24214</i>)
California Public Employee Retirement System	Average full-time monthly pay rate for the last 12 consecutive months of employment. (<i>CalPERS Member Booklet, p. 8</i>)
Colorado Public Employees Retirement Association	Average of the highest annual salaries on which contributions were made for three periods of 12 consecutive months of service. Any salary used in the calculation from the three years prior to retirement may not have an increase over the prior year by more than 15%. Salary does not include commissions, converted unused sick leave or other leave, uniform allowances, expense reimbursements, automobile usage, honorariums, bonuses, or severance pay. (<i>Active Member Handbook, pp. 8- 9; Colo. Rev. Stat. § 24-51-101(42)(a)</i>)
Connecticut Teachers Retirement System	Average of highest annual salaries for three years of teaching service. Salary does not include compensation for extra duty assignments, coaching, unused sick leave, terminal pay, or severance pay. (<i>Conn. Gen. Stat. § 10-183b, Clauses (3) & (4)</i>)
Delaware State Employees Retirement Plan	Average of the three periods of 12 consecutive months during which compensation was highest. Compensation includes all salary, wages, and fees and includes over-time payments and payments for special duties. (<i>Del. Code Ann. § 5501, Paras. (f) & (h)</i>)
Florida Retirement System	Average of the five highest fiscal years of earnings. Covered earnings do not include lump sum sick leave payments, retirement incentive bonuses, annual leave lump sum payments in excess of 500 hours, special services compensation, bonuses, automobile allowances, or housing allowances. (<i>Fla. Stat. § 121.021, Clauses (22), (23), (24), (25), & (47)</i>)

<u>Retirement System</u>	<u>Final Average Salary</u>
Georgia Teachers Retirement System	Average of the salary for the two highest consecutive years of membership service. Earnable compensation does not include overtime, travel allowances, or salary for a secondary position, or salary in excess of \$220,000. The salary in any year of the average final salary may not exceed the prior year by more than 8.37% for most teachers employed after July 1, 1984. (<i>Ga. Code Ann. §§ 47-3-1; 47-3-120(d)</i>)
Georgia Employees Retirement System	Average of the highest 24 consecutive months of covered employment. (<i>ERS Benefit Handbook, p. 12</i>)
Hawaii Employees Retirement System	Average of three highest years of earnings, excluding any lump sum vacation pay, if first employed after December 31, 1970, and higher of the average of the three highest years of earnings, excluding lump sum vacation pay, or average of five highest years of earnings, including lump sum vacation pay if employed before January 1, 1971. (<i>Haw. Rev. Stat. §§ 88-21; 88-81</i>)
Idaho Public Employee Retirement System	Average of highest 3.5 consecutive years of service. Salary increments that are inconsistent with usual compensation patterns can be disallowed by the retirement board. Salary includes remuneration other than cash, but does not include payments to employee medical savings accounts or severance payments, early retirement incentives and bonuses. (<i>Idaho Code § 59-1302(5c) & (31)</i>)
Illinois Teachers Retirement System	Average of the highest four consecutive years of salary within the last ten years of creditable service. (<i>Ill. Comp. Stat. § 40 ILCS 5/16-133(b)</i>)
Illinois State Retirement System	Average of the highest 48 consecutive months of service within the last 120 months of service. (<i>SRS Member Booklet, p. 19</i>)
Indiana Teachers Retirement Fund	Average of the five highest years of annual compensation during a career. Compensation may not include more than \$2,000 of payments in contemplation of retirement. (<i>Ind. Code § 5-10.2-4-3</i>)
Indiana Public Employees Retirement Fund	Average of the five highest years of annual compensation during an active member's career. (<i>Indiana PERF Booklet, p. 22</i>)
Iowa Public Employees Retirement System	For retirements before July 1, 2008, average of covered calendar year wages for the highest three years of service credit. For retirements after June 30, 2008, average of member's highest 12 consecutive quarters of service credit. Covered salary includes compensatory time or banked holiday pay limited to 240 hours and wage equivalents and do not include special lump sum payments and other special payment arrangements. (<i>Iowa Code §§ 97B.1A 24.a.; 97B.1A 26.a.</i>)
Kansas Public Employees Retirement System	Average of highest three years of service. Covered salary excludes additional compensation such as sick leave and annual leave payments. (<i>Kan. Stat. Ann. § 74-4902, Clauses (9), (17), & (33)</i>)
Kentucky Teachers Retirement System	Average of five highest years of covered salary or, if at least age 55 with at least 27 years of covered service, average of three highest years of covered salary. Covered salary within the final three years of service is limited to prior year's salary plus highest increase percentage of one rank and step for the school district, excluding accrued annual leave or sick leave payments. (<i>Ky. Rev. Stat. Ann. § 161.220, Clauses (9), (10), & (23)</i>)
Kentucky Employees Retirement System	Average salary during the five highest-paid fiscal years. If the five highest-paid fiscal years include less than 48 months, one or more additional fiscal years are used. If retiree between 8/1/2001 and 1/1/2009 with at least 27 years of service and sum of age and service is at least 75, average salary during the three highest-paid fiscal years, with additional fiscal years to be used if less than 24 months of service credit are involved. (<i>2007 KERS Actuarial Valuation, p. 37</i>)
Louisiana Teachers Retirement System	Average of salary earned during three highest consecutive years of service credit or three highest successive years if there has been a break in service. Salary in each year of average may not increase over prior year by more than 10% unless the increase is system-wide or by more than 25% where there has been a change in employment between parishes. Earnable compensation excludes per diems, payments in kind, payments in lieu of unused sick leave, and retroactive pay increases. (<i>La. Stat. Ann. § 701(5) & (10); TRSL Rule §§ 201; 233; 901</i>)
Louisiana State Employees Retirement System	Average compensation for the 36 highest months of successive employment for pre-7/1/2006 hires and average compensation for the 60 highest months of successive employment for post-June 30, 2006, hires. Part-time employee average based on full-time equivalent base pay. Benefit may not exceed 100% of average earnable compensation. (<i>2006 LASERS Actuarial Valuation, p. 38</i>)

Retirement System	Final Average Salary
Maine State Retirement System	Average of earnable compensation for highest three years, not necessarily consecutive. Earnable compensation does not include more than 30 days of unused sick leave or vacation leave and does not include payments other than for services rendered. Compensation in any year of the average may not exceed the prior year by more than 5% or by more than 10% in total for the three-year period. (<i>Me. Rev. Stat. Ann. §§ 17001, Paras. 3-A, 4, & 13; 17810</i>)
Maryland Employees and Teachers Retirement System	Average of the three highest consecutive annual salaries during covered service. Each year of average is limited to an increase of 20% unless approved by the board or by virtue of promotion. (<i>Md. Ann. Code §§ 20-204; 20-205</i>)
Massachusetts Teacher Retirement System	Average of the three highest annual salaries, not necessarily consecutive, during covered service. Compensation is annual contract salary, plus school lunch program and physical education or athletic contract payments. Compensation does not include overtime payments or bonuses. (<i>Mass. Gen. Laws, Ch. 32 § 1; Board Rule 807 CMR 6.00</i>)
Massachusetts State Board of Retirement	Average of the highest 36 consecutive months of regular compensation. (<i>MA SERS Member Booklet, p. 10</i>)
Michigan Public Schools Employees Retirement System	Average of the three highest consecutive annual salaries. The final annual salary amount cannot exceed the prior year's salary plus the school's normal salary schedule increase. Compensation includes gross wages, extra work compensation, longevity pay, overtime pay, sick pay, holiday pay, and merit pay and does not include payments of unused sick or vacation time, bonuses, in-kind compensation, termination pay, expense reimbursements, payments in lieu of fringe benefits, or severance pay. (<i>Mich. Comp. Laws §§ 38.1303a; 38.1304(12); 38.1309</i>)
Mississippi Public Employees Retirement System	Average of four highest annual salaries for fiscal years, calendar years, a combination of fiscal years and calendar years that do not overlap, or final years. Compensation includes non-cash maintenance and up to 30 days of personal leave or medical leave. Compensation does not include employer-paid health or life insurance premiums. Increases within final 24 months are limited to 8% unless there was promotion or job change. (<i>Miss. Code Ann. §§ 25-11-5; 25-11-103; and Board Regulation 33</i>)
Missouri Public School Retirement System	Average of the three highest consecutive annual salaries. Compensation includes employer-paid health, dental, and vision insurance premiums. Any year in final average salary computation limited to increase greater than 20% of the prior year unless a promotion or job change is involved or unless the increase is part of school district-wide salary schedule adjustment. (<i>Mo. Rev. Stat. §§ 169.010 (8) & (15); 169.270 (3) & (9)</i>)
Missouri Public Education Employee Retirement System	Average of the three highest consecutive annual salaries, including employer-paid health, dental, or vision insurance premiums, but excluding any 20% increase in any year of computation unless the increase results from bona fide job change, from statutory increase, or from employer-wide salary schedule adjustment. (<i>MO PEERS Member Booklet, p. 41</i>)
Montana Teachers Retirement System	Average of highest three consecutive years of earned compensation. Amounts normally excluded from earned compensation that have been converted and reported by the employer for at least five years before retirement are includable in the average. Earned compensation does not include maintenance, employer-paid insurance premiums, employee expense reimbursements, or non-cash benefits. Salary in any year of the final average salary may not exceed the prior year salary by more than 10% unless the salary increase is a result of collective bargaining, part of a general increase to whole class of teachers, a result of summer employment, a result of a change in employer, a result of a return from a break-in-service, or a result of a promotion. (<i>MTRS Benefit Plan Summary, pp. 10, & 16-18; Mont. Code Ann. § 19-20-101(3), (6), & (21)</i>)
Montana Public Employees Retirement System	Highest average compensation is the average of the highest consecutive 36 months of salary as a member. (<i>MPERS Member Handbook, p. 26</i>)
Nebraska Public Employees Retirement Systems-School System	Average of highest three years of pensionable pay after July 1, 1968. Final average earnings do not include Retirement Incentive Plan or Staff Development Assistance payments. Compensation includes gross salaries, overtime pay or retroactive salary payments resulting from litigation, and does not include fraudulently received amounts, leave amounts converted to cash, expense reimbursements, bonuses or early retirement incentives. (<i>Neb. Rev. Stat. § 79-902 (30) & (35)</i>)

Retirement System	Final Average Salary
Nevada Public Employees Retirement System	Average of the highest 36 consecutive months of salary certified by the public employer. Compensation is the salary paid by the principal employer, longevity pay, shift differential pay, hazardous duty pay, holiday pay within a normal workweek, on-call pay, and extra assignment pay if it is standard practice. Compensation does not include employer-paid fringe benefit cost, overtime, and irregular additional payments. <i>(Nev. Rev. Stat. §§ 286.025; 286.535; 286.551, Clause 2)</i>
New Hampshire Retirement System	Average of highest three years of creditable service salary. Earnable compensation includes overtime pay, vacation pay, sick pay, longevity pay, severance pay, extracurricular activity pay, and the fair market value of non-cash compensation if subject to federal taxation. Compensation of final 12 months limited to 150% of prior 12 months' compensation. Earnable compensation also excludes payments occurring 120 days after retirement or later. <i>(N.H. Rev. Stat. Ann. § 100-A:1 XVII & XVIII)</i>
New Jersey Teachers Pension and Annuity Fund	Average of highest three years of service credit salary. Compensation is teacher's contractual salary and excludes individual salary adjustments in anticipation of retirement, temporary duty pay, or extracurricular activity pay. Compensation covered by the defined benefit plan is limited to Social Security FICA-covered salary, with contributions on average credited to new defined contribution plan, for post-7/1/2007 hires. <i>(N.J. Stat. Ann. § 18A:66-2, Para. d & Para. f; 2007 CAFR, p. 6)</i>
New Jersey Public Employees Retirement System	Final compensation is the average of the three years immediately preceding retirement or the three highest fiscal years of service credit, whichever is higher, based on full salary if hired before July 1, 2007, or based on salary not to exceed the Social Security FICA—covered salary amount for post-June 30, 2007, hires. <i>(2007 Actuarial Valuation, p. 45)</i>
New Mexico Educational Retirement Plan	Average of annual earnings for last 20 quarters preceding retirement or last 20 consecutive quarters in which there were covered earnings. Salary is compensation or wages for services rendered and includes annual leave, sick leave, and additional services compensation, but excludes unused sick leave equivalent payments and expense reimbursements. <i>(N.M. Stat. Ann. §§ 22-11-2 X; 22-11-21.2; 22-11-30 H.; 2.82.5.20 D.)</i>
New Mexico Public Employees Retirement Association	Final average salary is the average of the compensation for the highest 36 cumulative months of service. <i>(2007 NM PERA CAFR, p. 92)</i>
New York State Teachers Retirement System	Average of the three highest consecutive years of service salary. Compensation is the regular salary earned by a member and excludes termination payments and non-regular compensation. If employed before July 1, 1973, any salary used may not exceed the prior year by more than 20%. If employed after June 30, 1973, and before July 26, 1976, any salary used may not exceed the average of the prior two years' salaries by more than 20%. If employed after July 25, 1976, any salary used may not exceed the average of the prior two years' salaries by more than 10%. <i>(N.Y. Education Laws § 501, Para. 11; Board Rules §§ 5003.1; 5003.2; 5003.3; 5003.4; 5003.5)</i>
New York State and Local Retirement System	Average of three highest consecutive years of service for all retirees. Any year in high three may not exceed any of the previous two years by more than 10% and unused sick leave pay at retirement and termination pay is not included if employed after July 26, 1976. Any year in high three may not exceed the average of the previous two years by more than 20% and unused sick leave, termination pay, and retirement anticipation pay is excluded if employed after June 30, 1973, and before July 27, 1976. Any year in high three may not exceed the prior year by more than 20% if employed after June 16, 1971, and before July 1, 1973. <i>(NYSLRS Member Handbook)</i>
North Carolina Teachers and State Employees Retirement System	Average of the four highest years of service salary. Compensation means all salaries and wages, performance-based compensation, conversion of benefits to salary, payment of tax consequences for employer-provided benefits, and vacation leave payments. Covered compensation does not include expense reimbursements, terminal payments of unused sick leave, additional benefit supplements, retirement bonuses, early retirement incentives, contract buy-outs, and severance payments. <i>(N.C. Gen. Stat. § 135-1; Paras. (5), (7a), & (9))</i>
North Dakota Teachers Fund For Retirement	Average of three highest salary fiscal years of service credit if employed before 7/1/2008; average of five highest salary final years of service credit. Salary is earnings for regular teaching service and extracurricular activities and includes service or performance bonuses other than retirement-related bonuses, employer-paid fringe benefits, unused leave payments, severance pay, early retirement incentive payments, recruitment bonuses, or other payments determined ineligible by the retirement board. <i>(N.D. Cent. Code §§ 15-39.1-04, Clause 9; 15-39.1-10, Para. 2; ND Ret. & Inv. Office 2007 CAFR, p. 130)</i>

<u>Retirement System</u>	<u>Final Average Salary</u>
North Dakota Public Employees Retirement System	Average of the 36 highest salary months during the last 120 months of employment. Salary does not include unused sick leave, personal leave, lump sum leave payments, overtime, housing allowances, severance pay, insurance premiums, or salary in lieu of fringe benefit coverage. (<i>NDPERS Active Member Handbook, pp. 25 & 49</i>)
Ohio State Teachers Retirement System	Average of the three highest years of compensation during service credit rendered. Salary in the highest two years in excess of the highest percentage increase during any of the three years preceding the averaging period or the percentage increase generally applicable to members of the respective employing unit is not includable in the average. Compensation means all salary paid by reason of teaching employment, including a supplemental contract. Compensation does not include unused leave payments, the cost of employer-paid benefit coverage, the value of incidental in-kind benefits of employment, payments in return for a waiver of rights, retroactive pay increases, or payments attributable to retirement. (<i>Ohio Rev. Code Ann. §§ 3307.01(h); 3307.50.1; Board Rule 3307:1-4-01</i>)
Ohio Public Employee Retirement System	Average of the three highest years of earnable salary. Earnable salary excludes employer-paid insurance premiums, employer-paid expense reimbursements or incidental employment benefits, employment termination payments, and bonus payments. (<i>OPERS Member Handbook, p. 11; OPERS Glossary "F"</i>)
Oklahoma Teachers Retirement System	Average of highest three years salary for which service credit was rendered for pre-July 1, 1992, members or average of highest five years salary for which service credit was rendered for post-June 30, 1992, members. (<i>Okla. Stat. §§ 715:10-15-7.1; Okla. Stat. §§ 70-17-101, Clauses (14), (15), & (28); 70-17-105</i>)
Oklahoma Public Employees Retirement System	Average of the highest three years of salary out of the last ten years of covered service. Final average salary includes highest three longevity payments. If member did not make member contributions above \$25,000 for pre-1994 salary, annual compensation for period 1988 to 1994 has \$25,000 maximum if any year of period falls in final average compensation. For members initially hired before 7/1/1995 or for post-7/1/1995 hires with at least 20 years of service, the minimum final average compensation is \$13,800. For post-7/1/1995 hires with more than 14 years of service credit and less than 20 years of service credit, the maximum final average compensation is \$6,900. For permanent part-time employees, compensation for the final average salary calculation is annualized. (<i>OPERS Active Member Handbook, p. 43</i>)
Oregon Public Employees Retirement System	Average of the last 36 consecutive months of service credit salaries or the average of three consecutive calendar years of highest salary. Overtime salary amounts are included if they do not exceed the average hours of overtime for the same class of employees. Salary does not include expense reimbursement, employer-paid insurance premiums, payment of unused sick leave, accelerated payment of future wages, or domestic partner insurance premiums. (<i>Or. Rev. Stat. § 238.005, Paras. (8) & (21)</i>)
Pennsylvania Public School Employees Retirement System	Average of the three highest years of service credit salaries. Compensation does not include bonuses, severance payments, emoluments not based on standard employing unit salary schedule, payments for unused leave, seminar attendance bonuses, special health and welfare plan payments, special payments made to enhance retirement benefits, and severance payments. (<i>Board Rules § 211.2</i>)
Pennsylvania State Employees Retirement System	Average of highest three non-overlapping periods of four consecutive calendar quarters. (<i>Member Handbook, p. 23</i>)
Rhode Island Employees Retirement System	Average of the three highest consecutive years of service credit salaries. Compensation includes wages and longevity and incentive pay and does not include overtime pay, payments for unused leave, payments contingent upon retirement, or payments for temporary or extra duties. (<i>R.I. Gen Laws § 36-8-1, Paras. (4) & (7)</i>)
South Carolina Retirement System	Average of the 12 highest consecutive calendar year quarters of service credit salary. Compensation is full rate of compensation under a full working schedule. If compensation includes maintenance, fees, or in kind, the retirement board must fix the value. The earnable compensation amounts are audited after retirement and amounts not part of the regular salary base are excluded. Average final compensation is increased by unused annual leave amounts. (<i>S.C. Code Ann. § 9-1-10, Clauses (4) & (9)</i>)
South Dakota Retirement System	Average of the 12 highest consecutive calendar year quarters service credit salary during the last 40 quarters of service credit. The final average salary is adjusted to eliminate extraordinary payments during the final year or final quarter. An extraordinary payment is an amount in excess of 105% of the prior year or quarter. Compensation is gross wage for personal services rendered and reported on federal W-2 form and excludes expense reimbursements, payments for unused leave, employer-paid insurance coverage, severance payments and early retirement inducements. (<i>S.D. Codified Laws § 3-12-47, Clauses (20), (34), & (40)</i>)

<u>Retirement System</u>	<u>Final Average Salary</u>
Tennessee State Employees, Teachers, and Higher Education Employees Pension Plan	Average of the five highest consecutive years of creditable service earnable compensation. Average final compensation may not include more than five longevity payments. Earnable compensation is compensation paid for services rendered, includes bonuses and incentives, cafeteria benefit amounts, and compensation in kind with a value determined by the retirement board, and excludes certain extra services payments greater than 25% of the salary base. (<i>Tenn. Code Ann. §§ 8-34-101, Clauses (4), (10), & (14); 8-36-104</i>)
Texas Teacher Retirement System	Average of the five highest years of creditable service salary or average of the three highest years of service credit salary if the member was age 50, had 25 years of service credit, or had a total of age and service credit equal to 70 before August 2, 2005. Creditable compensation is payment of money for services rendered, in proportion to rendered service, and payable in normal periodic payments. Compensation does not include expense payments, allowances, bonuses, fringe benefits, payments for unused leave, employer-paid insurance coverage, payments as incentive to terminate employment or accept employment, and Fair Labor Standards Act compensatory leave. Salary increases during the last three years are limited to 10% over the prior year's compensation or \$10,000, whichever is greater. (<i>TRST Member Handbook, pp. 28-29</i>)
Texas Employees Retirement System	Average of the highest 36 months of salary received during covered salary. Covered salary includes longevity pay and hazardous duty pay. (<i>2007 Actuarial Valuation, p. 35; ERS Handbook, p. 28</i>)
Utah Noncontributory Defined Benefit System	Average of the highest three years of service credit salary. The percentage increase in each year of the computation may not exceed 10% plus the CPI increase unless the increase is related to a position transfer or a promotion. Compensation is the payment for services rendered, includes bonuses, cost of living adjustments and payments subject to the Social Security tax, and does not include remuneration in kind, employer-paid benefits, payments upon termination of employment, severance pay, and expense reimbursement. (<i>Utah Code Ann. § 49-13-102 (1) & (2)</i>)
Vermont State Teachers Retirement System	Average of highest three successive years of covered service salary. Unless there are significant additional duties, an increase of more than 10% over the prior year must be excluded. Earnable compensation does not include payments in lieu of benefits, payments for unused leave, termination-related payments, and compensation for unrendered service. (<i>Vt. Stat. Ann. § 16-1931, Clauses (4) & (8)</i>)
Vermont State Employees Retirement System	Average annual compensation during highest three consecutive years. (<i>2007 Actuarial Valuation, p. 22</i>)
Virginia Retirement System	Average of the three highest years of service credit creditable compensation if the member ceases employment after July 1, 1974. Increases during the final period unrelated to promotion may not exceed the average increase by other employees in comparable positions for the same employing unit. Creditable compensation is the full-time compensation of an employee in a covered position and does not include overtime pay, temporary payments and extra duty payments. (<i>Va. Code Ann. §§ 51.1-124.3; 51.1-152; 51.1-168</i>)
Washington Teachers Retirement System	Average of highest 60 consecutive months' service credit salary. Earnable compensation includes overtime payments, deferred compensation amounts and retroactive payments. Earnable compensation does not include severance pay and unused leave payments. (<i>Wash. Rev. Code §§ 41.32.010, Clauses (10) & (30); 41.32.345; 41.32.4945</i>)
Washington Public Employees Retirement System	Average of salary for highest 24 months of consecutive service credit if first employed before 10/1/1977 and average of salary for highest 60 months of consecutive service credit if first employed after 9/30/1977. (<i>PERS Plan 1 and PERS Plan 2 Member Handbook Summaries</i>)
West Virginia Teachers Retirement System	Average of five highest fiscal years of service salary earned within the last 15 years of service credit, or if total service is less than 15 years, the career average salary. Covered salary is periodic cash wages, includes retroactive payments to correct clerical errors or to settle lawsuit, and excludes bonuses, early retirement incentives, severance pay, fringe benefit cost, and payments for unused leave. (<i>W.Va. Code § 18-7A-3, Clauses (4) & (10)</i>)
West Virginia Public Employees Retirement System	Average of the three highest consecutive years out of the last ten years. (<i>PERS Plan Summary</i>)

Retirement System	Final Average Salary
Wisconsin Retirement System	Average of three highest annual earnings periods' salaries. Earnings means gross payment for services rendered, including deferred compensation and payment in kind, but excludes cost of uniforms, employer-paid benefit costs, unemployment insurance, lump sum termination payments, payments contingent on termination, wage claim damages and penalties, payments during final five years changing the method for computing base compensation, payments in lieu of fringe benefits, and any other payment determined under department rule to be a normal salary progression pattern distortion. (<i>Wis. Stat. § 40.02(3), (22), (33), & (41m)</i>)
Wyoming Public Employee Pension System	Average of acceptable salary of highest 36 continuous months of service credit. Acceptable salary includes pay for services rendered, pay for leave used, compensatory time pay during the same year as the compensatory leave is earned, and retroactive compensation awards, and does not include fringe benefits, housing allowances, early retirement incentive pay, transportation expenses, severance pay, bonuses, workers' compensation benefits, payments in lieu of fringe benefits, or any payment during any three-year period deemed to increase the average salary for the primary purpose of increasing the retirement benefit. (<i>Wyo. Stat. Ann. § 9-3-402(xvi) & (xix); Wyoming Retirement System Board Rules, Ch. 8</i>)
Minnesota Teachers Retirement Association	Average of highest five successive years of service salary. Salaries for a teacher with a salary in excess of 95% of the governor's salary are subject to a special salary audit to determine compliance with plan salary definition. Covered salary excludes lump sum annual leave payments, sick leave payments, employer-paid insurance coverage amounts, severance payments, workers' compensation payments, extended duty day or non-duty day school administrator payments, or medical leave of absence payments unless paid under a uniform school district policy. (<i>Minn. Stat. § 354.05, Subds. 13a & 35</i>)
Duluth Teachers Retirement Fund Association	Average of highest five successive years of service salary. Covered salary excludes lump sum annual leave payments, sick leave payments, employer-paid insurance coverage amounts, severance payments, workers' compensation payments, extended duty day or non-duty day school administrator payments, or medical leave of absence payments unless paid under a uniform school district policy. (<i>Minn. Stat. § 354A.11, Subds. 7a & 24</i>)
St. Paul Teachers Retirement Fund Association	Average of highest five successive years of service salary. Covered salary excludes lump sum annual leave payments, sick leave payments, employer-paid insurance coverage amounts, severance payments, workers' compensation payments, extended duty day or non-duty day school administrator payments, or medical leave of absence payments unless paid under a uniform school district policy. (<i>Minn. Stat. § 354A.11, Subds. 7a & 24</i>)
Minnesota Public Employees Retirement Association – General Employees Retirement Plan	Average of the five highest successive years of service salary. Covered salary excludes lump sum annual leave payments, sick leave payments, employer-paid insurance coverage amounts, severance payments, or workers' compensation payments. (<i>Minn. Stat. § 353.01, Subds. 10 & 17a</i>)

Special Early Normal Retirement Incentives Comparison

Retirement System	Special Early Normal Retirement Incentives
Alabama Teachers Retirement System (Retirement Systems of Alabama)	No current special early normal retirement incentive program.
Alabama Employees Retirement System (Retirement Systems of Alabama)	No current early normal retirement incentive program.
Alaska Teachers Retirement System (Alaska Division of Retirement and Benefits)	No current special early normal retirement incentive program.
Alaska Public Employee Retirement System (Alaska Division of Retirement and Benefits)	No current special early normal retirement incentive program.
Arizona State Retirement System	No current special early normal retirement incentive program.
Arkansas Teacher Retirement System	Early retirement incentive for teachers to transfer service credit to Arkansas Public Employees Retirement system was enacted in 1987 and has expired. (<i>Ark. Code Ann. §§ 24-7-101; Sec. 24-7-102</i>)
Arkansas Public Employees Retirement System	Early retirement incentive for teachers to transfer service credit to Arkansas Public Employees Retirement system was enacted in 1987 and has expired. (<i>Ark. Code Ann. §§ 24-7-101; 24-7-102</i>)
California State Teachers Retirement System	In 2004, school districts were authorized to offer an early retirement incentive, where teachers eligible to retire receive an additional two years of service credit or receive an additional two years of age and two years of service credit, with the cost borne by the school district. Early retirement limited term reduction program also exists, for teachers at least age 55 and under age 60, with a benefit equal to one-half of the amount calculated as if age 60, with the reduction continuing after age 60 for as many months as the retiree received benefits before age 60. (<i>California Code 2003, Ch. 313</i>)
California Public Employee Retirement System	No current early retirement incentive program in force.
Colorado Public Employees Retirement Association	No current early retirement incentive program in force.
Connecticut Teachers Retirement System	As early retirement incentive, school districts are permitted to purchase up to five years of additional service credit for teachers at age 50 or older, is eligible to retire with the additional service credit, and agrees to retire by the end of the applicable school year. The service credit purchase is at full actuarial value over a period of years. (<i>Conn. Gen. Stat. § 10-183j</i>)
Delaware State Employees Retirement Plan	No current early retirement incentive program.
Florida Retirement System	No special early retirement incentive program in force.
Georgia Teachers Retirement System	No special early retirement incentive program in force.
Georgia Employees Retirement System	No special early retirement incentive program in force.
Hawaii Employees Retirement System	No special early retirement incentive program in force.
Idaho Public Employee Retirement System	No special early retirement incentive program in force.
Illinois Teachers Retirement System	An early retirement option was offered in 1993 and has expired. Under 2004 legislation, two early retirement option programs were authorized. The Pipeline Early Retirement Option allows teachers who notified their employer of their retirement before June 1, 2005, and retires before July 1, 2007, retires with a full benefit with no additional member or employer contribution with 34 years of service credit or a 7% additional member contribution and a 20% additional employer contribution. The Modified Early Retirement Option provides an unreduced retirement annuity with an additional member contribution of 11.5% of the highest salary of the final average salary multiplied by the number of years under age 60 or the number of years under 35 years of service credit, whichever is less, and an additional employer contribution of 23.5% of the highest salary multiplied by the number of years the teacher is under age 60. (<i>Ill. Comp. Stat. §§ 40 ILCS 5/16-133.3; 40 ILCS 5/16-133.4; 40 ILCS 5/16-133.5</i>)
Illinois State Retirement System	No special early retirement incentive program is in force.

<u>Retirement System</u>	<u>Special Early Normal Retirement Incentives</u>
Indiana Teachers Retirement Fund	No special early retirement incentive program is in force.
Indiana Public Employees Retirement Fund	No special early retirement incentive program in force.
Iowa Public Employees Retirement System	No retirement plan early retirement incentive program in force. School districts permitted to implement early retirement incentive programs in the form of a cash payment to retire early. (<i>IPERS Early Retirement Incentive Programs Brochure</i>)
Kansas Public Employees Retirement System	No early retirement incentive program in force.
Kentucky Teachers Retirement System	No early retirement incentive program in force.
Kentucky Employees Retirement System	Beyond final average salary temporary provision, no early retirement incentive program in force.
Louisiana Teachers Retirement System	No early retirement incentive program in force.
Louisiana State Employees Retirement System	Eligibility for early retirement at age 50 with ten years of service if retirement occurs before December 31, 2008. (<i>2006 LASERS Actuarial Valuation, p. 38</i>)
Maine State Retirement System	No current retirement plan early retirement incentive program in force. Employers authorized to offer monetary or non-monetary payment or award program to induce early retirements, but early retirement incentive payments are excluded from final average salary computation and the employer is responsible for the additional actuarial cost attributable to the incentive. (<i>Me. Rev. Stat. Ann. § 17159</i>)
Maryland Employees and Teachers Retirement System	No current early retirement incentive program in force.
Massachusetts Teacher Retirement System	No current early retirement incentive program in force. Plan provides a termination retirement benefit if position is eliminated and member has at least 20 years of service credit and position is eliminated involuntarily without comparable position offer. The termination retirement benefit is one-third of final average salary plus annuity on member contributions. (<i>MTRS Benefit Summary, pp. 18-19</i>)
Massachusetts State Board of Retirement	No current early retirement incentive program in force.
Michigan Public Schools Employees Retirement System	No current early retirement incentive program in force.
Mississippi Public Employees Retirement System	No current early retirement incentive program in force.
Missouri Public School Retirement System	No current early retirement incentive program in force.
Missouri Public Education Employee Retirement System	Until July 1, 2013, with 25 years of service credit, benefit calculated with downsized benefit accrual factor (1.59% with between 29 and 30 years of service, 1.57% with between 28 and 29 years of service, 1.55% with between 27 and 28 years of service, 1.53% with between 26 and 27 years of service, and 1.51% with between 25 and 26 years of service). (<i>MO PEERS Member Booklet, p. 42</i>)
Montana Teachers Retirement System	No current early retirement incentive program in force.
Montana Public Employees Retirement System	No early retirement incentive program currently in force.
Nebraska Public Employees Retirement Systems-School System	No current early retirement incentive program in force.
Nevada Public Employees Retirement System	No early retirement incentive program currently in force.
New Hampshire Retirement System	No current early retirement incentive program in force.
New Jersey Teachers Pension and Annuity Fund	Early retirement incentive programs previously in force in 1991-1992, 1993-1994, and 1997. State law prohibits employers participating in a statewide retirement plan from establishing early retirement incentive programs not authorized by law. Public Laws 1999, Chapter 59, permits local government units entering into joint service provision agreements or consolidating to offer affected full-time employees with cash payments, annuity purchase, employer contributions to deferred compensation, continuation of health insurance coverage, or service credit purchase in retirement plan to induce early retirement. Public Laws 2000, Chapter 126, permitted counties to offer the same incentive even without a joint service agreement. The applicable employing unit is obligated to pay the actuarial cost of an early retirement incentive. (<i>New Jersey Public Laws 1999, Ch. 59; New Jersey Public Laws 2000, Ch. 126</i>)

Retirement System**Special Early Normal Retirement Incentives**

New Jersey Public Employees Retirement System	Early retirement incentive programs previously in force in 1991-1992, 1993-1994, and 1997. State law prohibits employers participating in a statewide retirement plan from establishing early retirement incentive programs not authorized by law. Public Laws 1999, Chapter 59, permits local government units entering into joint service provision agreements or consolidating to offer affected full-time employees with cash payments, annuity purchase, employer contributions to deferred compensation, continuation of health insurance coverage, or service credit purchase in retirement plan to induce early retirement. Public Laws 2000, Chapter 126, permitted counties to offer the same incentive even without a joint service agreement. The applicable employing unit is obligated to pay the actuarial cost of an early retirement incentive. <i>(New Jersey Public Laws 1999, Ch. 59; New Jersey Public Laws 2000, Ch. 126)</i>
New Mexico Educational Retirement Plan	No current early retirement incentive program in force.
New Mexico Public Employees Retirement Association	No current early retirement incentive program in force.
New York State Teachers Retirement System	Article 19, Benefit Enhancement Additional Service Credit, allows a teacher first employed before July 27, 1976 and has at least 20 days of service credit during any one school year on or after July 1, 1992, to obtain at retirement two additional months of service credit with 2 to 2½ years of service credit, scaling up to two additional years of service credit with more than 22.5 years of service credit. This incentive has no time window and was enacted in 2000. Also, a 2002 early retirement incentive program allowed all teachers hired after June 30, 1973, who are age 55 with 25 years of service credit to retire early without a reduction if an active teacher on February 1, 2002, remaining in active service through the end of the 2002 school year and retires before September 1, 2002. Alternatively, school districts can offer teachers age 50 with ten years of service credit or age 55 with at least five years of service credit, active on February 1, 2002, and teaching through the end of the school year one month of additional service credit for each year of service credit at retirement, to a maximum of three years of service credit. <i>(NYSTRS Website, Article 19, and 2002 Retirement Incentive Sections)</i>
New York State and Local Retirement System	No current early retirement incentive program in force. <i>(NYSLRS Member Handbook)</i>
North Carolina Teachers and State Employees Retirement System	No current early retirement incentive program in force.
North Dakota Teachers Fund For Retirement	No current early retirement incentive program in force.
North Dakota Public Employees Retirement System	No current early retirement incentive program in force.
Ohio State Teachers Retirement System	Employing units are permitted to offer early retirement incentive in the form of a service credit purchase by the employer for teachers who are at least age 50, agrees to retire, and does retire. The service credit purchase may not exceed five years of service credit or one-fifth of the person's total service, whichever is less. The employer can set a percentage limit on the number of purchases per year, but not less than 5%, and may specify the length of the option, but not less than one year. The purchase is at the actuarial liability increase as determined by the retirement plan actuary. <i>(Ohio Rev. Code Ann. § 3307.54)</i>
Ohio Public Employee Retirement System	Employing units are permitted to offer early retirement incentive in the form of a service credit purchase by the employer for members who are at least age 50, agrees to retire, and does retire. The service credit purchase may not exceed five years of service credit or one-fifth of the person's total service, whichever is less. The employer can set a percentage limit on the number of purchases per year, but not less than 5%, and may specify the length of the option, but not less than one year. The purchase is at the actuarial liability increase as determined by the retirement plan actuary. <i>(OPERS Member Handbook, p. 23)</i>
Oklahoma Teachers Retirement System	Early retirement incentive program for teachers who were employed before July 1, 1995, and who worked one year beyond the attainment of age 62 or reach the Rule of 80 if pre-July 1, 1992, hire or the Rule of 90 of post-June 30, 1992, hire, entitling the teacher to move two years of service credit from the pre-1995 salary cap to the post-1995 salary figure, per year of service after the trigger retirement eligibility, with additional member contribution. <i>(2006 Special Legislative Session, House Bill 1179xx)</i>
Oklahoma Public Employees Retirement System	No current special early retirement incentive in force.
Oregon Public Employees Retirement System	No current early retirement incentive program in force.

<u>Retirement System</u>	<u>Special Early Normal Retirement Incentives</u>
Pennsylvania Public School Employees Retirement System	No current early retirement incentive program in force.
Pennsylvania State Employees Retirement System	No current early retirement incentive in force.
Rhode Island Employees Retirement System	No current early retirement incentive program in force.
South Carolina Retirement System	No current early retirement incentive program in force.
South Dakota Retirement System	No current early retirement incentive program in force.
Tennessee State Employees, Teachers, and Higher Education Employees Pension Plan	No early retirement incentive program currently in force.
Texas Teacher Retirement System	No current early retirement incentive program in force.
Texas Employees Retirement System	No current early retirement incentive program in force.
Utah Noncontributory Defined Benefit System	Early retirement incentive program allowing full retirement at any age with 25 years of service and higher benefit accrual rate in force for six months in 1987. Early retirement incentive program allowing the purchase of future service credit by members with 25 years of service to present immediate retirement was in force in 1995. No current early retirement incentive program in force. (<i>Utah Code Ann. § 49-13-701</i>)
Vermont State Teachers Retirement System	No current early retirement incentive program in force.
Vermont State Employees Retirement System	No current early retirement incentive program in force.
Virginia Retirement System	No current early retirement incentive program in force.
Washington Teachers Retirement System	No current early retirement incentive program in force.
Washington Public Employees Retirement System	No current early retirement incentive program in force.
West Virginia Teachers Retirement System	No current early retirement incentive program in force. (<i>W.Va. Code § 18-7A-35b</i>)
West Virginia Public Employees Retirement System	No current early retirement incentive program in force.
Wisconsin Retirement System	No current early retirement incentive program in force.
Wyoming Public Employee Pension System	No current early retirement incentive program in force.
Minnesota Teachers Retirement Association	If employer designates position affected by employee layoffs due to budget shortfalls or reorganization between June 2, 2006, and July 15, 2009, a lump sum payment of \$17,000 that may be used as deposit in health care savings plan account, as part of a service credit purchase sufficient to qualify for the Rule of 90 benefit tier, or to purchase an annuity from the Unclassified State Employees Retirement Program of the Minnesota State Retirement System. (<i>Minn. Laws 2006, Ch. 271, Art. 3, Sec. 43</i>)
Duluth Teachers Retirement Fund Association	No special early retirement incentive applicable.
St. Paul Teachers Retirement Fund Association	No special early retirement incentive applicable.
Minnesota Public Employees Retirement Association – General Employees Retirement Plan	If employer designates position affected to employee layoffs due to budget shortfalls or reorganization between June 2, 2006, and July 15, 2009, a lump sum payment of \$17,000 that may be used as deposit in health care savings plan account, as part of a service credit purchase sufficient to qualify for the rule of 90 benefit tier, or to purchase an annuity from the plan. (<i>Minn. Stat. § 356.351</i>)

Post-Retirement Adjustments Comparison

Retirement System	Post-Retirement Adjustments
Alabama Teachers Retirement System (Retirement Systems of Alabama)	Ad hoc post-retirement adjustments based on legislative enactments. Adjustments have been granted on average every two years during the past 30 years. 2005 post-retirement adjustment was 4% increase and was funded by a charge on current employers based on proportional covered payroll. 2006 post-retirement adjustment was 7% for pre-10/1/2005 retirees, with \$25 minimum increase (Act 2006-310). (<i>RSA Website; Ala. Code § 16-25-190</i>)
Alabama Employees Retirement System (Retirement Systems of Alabama)	Ad hoc post-retirement adjustments based on legislative enactments. (<i>2008 Member Handbook, p. 36</i>)
Alaska Teachers Retirement System (Alaska Division of Retirement and Benefits)	Automatic adjustment based on the CPI-Urban Wage Earners for Anchorage, payable to recipients age 60 or older or in receipt for at least eight years. Adjustment is 75% of the CPI increase over preceding year or 9%, whichever is less for age 65 recipients and 50% of the CPI increase or 6%, whichever is less, for recipients age 60 or 8-year receipt. (<i>TRS Website; 2005 TRS Actuarial Valuation Benefit Plan Summary, pp. 46-47</i>)
Alaska Public Employee Retirement System (Alaska Division of Retirement and Benefits)	For 7/1/1986-6/30/2006 hires, 10% of base benefit or \$50 per month, whichever is greater, annually to service retirees over age 65 or disabilitants at any age domiciled in Alaska; for 1/1/1961-6/30/1986 hires, 10% of base benefit or \$50 per month, whichever is greater, annually to any to any benefit recipient domiciled in Alaska. Also inflation-based automatic adjustment based on the CPI-Urban Wage Earners for Anchorage, payable to recipients age 60 or older or in receipt for at least five years. Adjustment is 75% of the CPI increase over preceding year or 9%, whichever is less, for age 65 recipients and 50% of the CPI increase or 6%, whichever is less, for recipients age 60 or five-year receipt. (<i>2007 PERS Actuarial Valuation, pp. 53-54</i>)
Arizona State Retirement System	Automatic adjustment based on investment in excess of 8% interest assumption earnings that is credited to excess investment earnings account over a ten-year period. Adjustment is allocated primarily based on years of service of retirees, is allocated additionally based on the years of benefit receipt, and may not exceed 4% annually in aggregate. Unused excess investment performance carries forward, as do negative amounts. Over the past decade, the total average increase to retirees has been 35%. Adjustment is a permanent increase. (<i>Arizona Rev. Stat. § 38-767</i>)
Arkansas Teacher Retirement System	Annual automatic 3% of the original benefit amount, not compounded, payable to recipients who have received an annuity or benefit for at least one year. (<i>Ark. Code Ann. § 24-7-727</i>)
Arkansas Public Employees Retirement System	Annual automatic 3% of current benefit amount increase payable to retirees in receipt of benefits for at least one year. (<i>2007 Arkansas PERS CAFR, p. 63</i>)
California State Teachers Retirement System	Annual percentage increase of 2%, non-compounding, paid to persons receiving benefits for at least one year. The retirement board is also required to report to the governor and to the legislature annually on the affect of inflation on retiree purchasing power and the supplementary increases needed to preserve benefit purchasing power. Various ad hoc post-retirement adjustments also have been granted, generally funded from the state general fund. (<i>Cal. Education Code §§ 24400 through 24417</i>)
California Public Employee Retirement System	Cost of living increases based on the Consumer Price Index increase, with a 2% annual maximum, is provided to retirees in receipt of benefits for at least one year. If a retiree's benefit falls below 75% of its original purchasing power level, the retiree receives Purchasing Power Protection Account supplemental payments to the extent of funds available in the Purchasing Power Protection Account. (<i>CalPERS Member Booklet, p. 19</i>)
Colorado Public Employees Retirement Association	Annual automatic adjustment of 3.5%, compounding, payable to a retiree in receipt of benefits for at least three months, unless the retiree was not an active or retired member on June 30, 2005, when the adjustment is 3% or the CPI increase, whichever is less. An annual increase reserve also exists, funded from a 1% of pay deduction from the employer contribution for members who were not members on December 31, 2006, some service credit purchase amounts, and proportionate investment income, and the reserve supports an adjustment for members who were not a member on December 31, 2006, of the lesser of 3% or the CPI increase. (<i>Colo. Rev. Stat. §§ 24-51-1001; 24-51-1002; 24-51-1003; 24-51-1009; 24-51-1010</i>)

Retirement System	Post-Retirement Adjustments
Connecticut Teachers Retirement System	For pre-September 1, 1992, retirees, annual automatic adjustment on benefit other than "1% contribution" benefit or voluntary contribution benefit of 3% minimum and 5% maximum, compounded. For post-August 31, 1992, retirees, with receipt of at least nine months, annual adjustment on benefit other than "1% contribution" benefit or voluntary contribution benefit equal to Social Security increase, not to exceed 6%, and not to exceed 1.5% of the plan's total investment return was less than 8.5%, and proportionately further reduced if the cost of living adjustment reserve account is actuarially insufficient. Reserve account is funded with total rate of investment return in excess of 11.5%. Ad hoc adjustments in 1988, 1991, and 1999. (<i>Conn. Gen. Stat. § 10-183g(j), (k), (l), (m), (n), (o), (p), & (q)</i>)
Delaware State Employees Retirement Plan	Ad hoc post-retirement adjustments based on legislative enactment. Ad hoc increases are funded through a separate Post-Retirement Increase Fund, with funding of the fund based on monthly contributions using a five-year amortization period. The current contribution rate is 2.6% of covered payroll. (<i>DSERP Website FAQ Question 15</i>)
Florida Retirement System	Annual automatic adjustment of 3% to members retired for 12 months, prorated for shorter service, compounded. (<i>Fla. Stat. § 121.101</i>)
Georgia Teachers Retirement System	Automatic 1.5% compounded adjustment every six months if the CPI does not decrease, payable to retirees receiving benefits for at least six months. 2006 ad hoc adjustment for pre-1987 retirees. (<i>TRS Member Handbook, p. 22; 2007 TRSG Financial Report, p. 44</i>)
Georgia Employees Retirement System	If sufficient funds are available, semi-annual post-retirement adjustments based on the cost of living are granted to benefit recipients over age 45 and in receipt for at least seven months (or at age 60 if retirement occurred under age 60 with between 25 and 30 years of service). (<i>ERS Benefit Handbook, p. 19</i>)
Hawaii Employees Retirement System	Annual automatic post-retirement adjustment of 2.5% not compounded. (<i>Haw. Rev. Stat. § 88-90</i>)
Idaho Public Employee Retirement System	Subject to amendment or rejection by the state legislature, compounding increase equal to the CPI percentage increase rate, with 1.0% minimum and 6.0% maximum, if the plan is more than fully funded, including the liability for the adjustment. The adjustment is prorated for retirees in receipt of a benefit for less than one year. If there are extraordinary gains (assets in excess of accrued liability plus the amount necessary to absorb one standard deviation market event) and if the board determines they are to be allocated, the gains are allocated to retirees as an additional lump sum payment in proportion to each monthly benefit bears to all monthly benefits, to active members as a deposit in a supplemental retirement account to provide a supplemental defined contribution benefit, and to employers as a credit toward future contributions. (<i>Idaho Code §§ 59-1309; 59-1355</i>)
Illinois Teachers Retirement System	Automatic annual adjustment of 3%, which compounds. Retiree must be over age 65 or in receipt for at least one year to be eligible for the adjustment. (<i>Ill. Comp. Stat. § 40 ILCS 5/16-133.1</i>)
Illinois State Retirement System	An annual 3% increase payable January 1 after benefit receipt for at least one full year, but not subject to the 75% benefit maximum. (<i>SRS Member Booklet, p. 19</i>)
Indiana Teachers Retirement Fund	Ad hoc adjustments as approved by legislative enactment. An adjustment was approved for January 2007 of 2% for pre-July 2, 1991 retirees and 1% for July 1, 1991-July 1, 2004, retirees. Adjustment applies only to the defined benefit portion of the total benefit. (<i>May 2006 Member Newsletter</i>)
Indiana Public Employees Retirement Fund	Pre-1/1/2000 retirees receive an automatic 2.5% post-retirement adjustment and post-12/31/1999 retirees receive an automatic 2.0% post-retirement adjustment. All retirees also receive a 13 th check each December if they were in benefit status on prior January 1 and November 1, of \$50 with between five and ten years of service, \$100 with between 10 and 20 years of service, \$175 with between 20 and 30 years of service, and \$225 with at least 30 years of service. (<i>Indiana PERF Website</i>)
Iowa Public Employees Retirement System	For post-June 30, 1990 retirees, a favorable experience dividend adjustment is paid to retirees in receipt for at least one year. Favorable experience is any net positive actuarial experience gain in any year. The adjustment is a percentage amount, not to exceed 3%, is payable in a lump sum, and does not compound. The actuarial gain amount is credited to a favorable experience dividend reserve account and adjustment payment is subject to actuarial determinations of sufficiency. (<i>Iowa Code § 97B.49F</i>)

Retirement System	Post-Retirement Adjustments
Kansas Public Employees Retirement System	Ad hoc adjustments as provided through legislative enactments. The last adjustments were granted in 2000 (partial 13 th check), in 1998 (percentage increase), and in 2007 (\$300 lump sum payment). Additionally, each October, retirees receive a lump sum retirant dividend payment determined by the plan board, but not to exceed 8.33% of the retiree's annual benefit. (<i>Winter 2005 Retiree Newsletter; KPERS Website</i>)
Kentucky Teachers Retirement System	Annual compounding adjustment of 1.5% of the benefit to retirees in receipt for at least one year and prorated for receipt of less than one year. (<i>Ky. Rev. Stat. Ann. § 161.553</i>)
Kentucky Employees Retirement System	Unless reduced, suspended, or eliminated by the Kentucky General Assembly, annual percentage increase each July equal to the increase in the Consumer Price Index for all urban consumers during the preceding calendar year. (<i>KERS Member Benefit Booklet, p. 34</i>)
Louisiana Teachers Retirement System	Automatic annual adjustment to retirees who are age 65 of 2.5% of the amount of the original retirement benefit received, payable from investment earnings in excess of the interest rate actuarial assumption if there are excess investment earnings, plus discretionary board authority to grant a supplemental 0.5% of the amount of the original benefit annually. (<i>La. Stat. Ann. § 242</i>)
Louisiana State Employees Retirement System	With legislative approval and if there are sufficient accrued excess investment gains, an increase of the lesser of 3% or the percentage increase in the Consumer Price Index—Urban Consumers for the immediately prior calendar year, payable to retirees at least age 55 and retired for at least one year, and limited to the initial \$70,000 of benefits indexed after 1999. (<i>2006 LASERS Actuarial Valuation, p. 39</i>)
Maine State Retirement System	Automatic annual adjustment based on the increase in the CPI, payable as a percentage and compounding, not to exceed 4% in any year, if funded by the legislature in a supplemental budget bill, payable to a retiree in receipt of benefits for at least one year and after attaining the normal retirement age if the person has less than ten years of service credit. (<i>Me. Rev. Stat. Ann. § 17806</i>)
Maryland Employees and Teachers Retirement System	Annual automatic adjustment based on the CPI percentage increase, payable to retirees in receipt of benefits for at least one year, without limit and compounding to members employed before July 1, 1984, who make extra contributions, with 5% limit and compounding to members employed before July 1, 1984, who do not make extra contributions, and limited to 3% and compounding for retirees covered by the Contributory Plan and limited to 3% and non-compounding for retirees covered by the Noncontributory Plan. (<i>Md. Ann. Code §§ 29-401; 29-411; 29-412; 29-417; 29-418; 29-421; 29-422; 29-426; 29-427</i>)
Massachusetts Teacher Retirement System	Annual adjustment based on the CPI percentage increase, not to exceed 3% of benefits up to \$12,000, compounded, if the legislature approves the adjustment, payable in full for retirees in receipt for at least one year and prorated for retirees in receipt for less than one year. (<i>Mass. Gen. Laws, Ch. 32 § 102</i>)
Massachusetts State Board of Retirement	Annual adjustment based on the CPI percentage increase, not to exceed 3% of benefits up to \$12,000, compounded, if the legislature approves the adjustment, payable in full for retirees in receipt for at least one year and prorated for retirees in receipt for less than one year. (<i>Mass. Gen. Laws, Ch. 32 § 102</i>)
Michigan Public Schools Employees Retirement System	Automatic annual adjustment of 3%, non-compounded, if the retiree was in receipt for at least one year. For members employed before January 1, 1990, if investment return is greater than 8%, any investment return in excess of 8% is allocated on the basis of units, with units derived from the years of service credit and from the years since retirement, payable in a lump sum. (<i>Mich. Comp. Laws § 38-1404a</i>)
Mississippi Public Employees Retirement System	Annual automatic adjustment of 3% per year of receipt, non-compounded, for full fiscal years in receipt before age 55 and of 3% per year of receipt, compounded, for full fiscal years in receipt after age 54, paid in a lump sum. (<i>Miss. Code Ann. § 25-11-112</i>)
Missouri Public School Retirement System	Annual automatic adjustment based on a determination of the cost of living of at least 2%, not to exceed 5% in any year, compounded, and not to exceed 80% cumulatively, payable when retiree has received benefit for either two years or four years minimum. (<i>Mo. Rev. Stat. § 169.670.2. & 3.</i>)
Missouri Public Education Employee Retirement System	Percentage increase equal to the Consumer Price Index increase, not to exceed 5% in any year and not to exceed 80% in total, paid on compounding basis to current annuity after fourth year of annuity receipt. (<i>MO PEERS Member Booklet, p. 98</i>)

Retirement System	Post-Retirement Adjustments
Montana Teachers Retirement System	Automatic annual adjustment of 1.5%, compounded, payable to retirees in receipt for at least three years. The adjustment may be increased by the retirement board up to 3% per year compounded if the plan's required amortization period is less than 25 years, sufficient funds are available to fund at least a 0.1% increase and the additional adjustment does not extend the amortization period beyond 25 years. <i>(2007 MTRS Actuarial Valuation Benefit Summary, p. 34; Mont. Code Ann. § 19-20-719)</i>
Montana Public Employees Retirement System	3% annual benefit adjustment if employed before July 1, 2007, and 1.5% annual benefit adjustment if employed after June 30, 2007. Adjustment is payable on the January 1 next following benefit receipt for at least 12 months. <i>(MPERS Member Handbook, pp. 51-52)</i>
Nebraska Public Employees Retirement Systems-School System	Automatic annual adjustment of the percentage change in the CPI with a maximum of 2.5%. If the purchasing power of a retiree's benefit falls below 75% of the initial benefit amount, as measured using the CPI percentage increase, the benefit is adjusted to the 75% amount. <i>(Neb. Rev. Stat. §§ 79-947.01; 79-947.03; 79-947.04; 79-947.05)</i>
Nevada Public Employees Retirement System	Automatic annual compounding adjustment of the lesser of the increase in the CPI for the last three years or different index substituted by the board or 2% for retirees in benefit receipt for at least three years, 3% for retirees in benefit receipt for at least six years, 3.50% for retirees in benefit receipt for at least nine years, 4% for retirees in benefit receipt for at least 12 years, and 5% for retirees in benefit receipt for at least 14 years. <i>(Nev. Rev. Stat. §§ 286.575; 286.5765; 286.577; 286.5775; 286.578; 286.5785; 286.579)</i>
New Hampshire Retirement System	Ad hoc adjustments provided to retirees in receipt of a benefit for at least one year as approved by the fiscal committee of the legislature. Compounding adjustments have been granted every year during the past decade, have averaged 3.28%, and have ranged from 1% (2006) and 2.25% (2007) to 5% (1997). Adjustments generally are funded from a special account that is credited excess investment performance. <i>(NHRS Newsletter, Summer 2006; 2007 NHRS CAFR, p. 71)</i>
New Jersey Teachers Pension and Annuity Fund	Automatic annual adjustment equal to 60% of the percentage increase of the CPI, compounded. The adjustment is payable to retirees in receipt of benefits for at least two years. One-half of the adjustment amount is payable by the employer and one-half by the pension fund, <i>unless</i> the total adjustment is greater than 10%, whereupon the amount payable by the pension fund is limited to 5%. <i>(N.J. Stat. Ann. §§ 18A:66-126.1; 18A:66-126.2; 18A:66-126.3; 18A:66-126.4; 18A:66-126.5; 18A:66-126.6; 18A:66-126.7)</i>
New Jersey Public Employees Retirement System	Automatic annual adjustment equal to 60% of the percentage increase in the Consumer Price Index, compounded. The adjustment is payable in the 25 th month following retirement and every February 1 thereafter. <i>(NJ PERS Member Handbook, pp. 21-22)</i>
New Mexico Educational Retirement Plan	Automatic annual adjustment equal to one-half of the percentage increase in the CPI over the preceding year, not to exceed 4%, and not less than 2%, compounded, payable to retirees who are at least age 65 or in receipt of benefits for one year. <i>(N.M. Stat. Ann. §§ 22-11-31; 22-11-32)</i>
New Mexico Public Employees Retirement Association	Annual 3% adjustment, compounded, payable after the receipt of benefits for two full calendar years. <i>(NM PERA Member Handbook, p. 28)</i>
New York State Teachers Retirement System	Ad hoc adjustments before 2001. Automatic annual adjustment equal to 50% of the CPI percentage increase over the prior year, with a minimum of 1% and a maximum of 3%, payable on a benefit up to \$18,000, and payable to retirees who are at least age 62 and in receipt of benefits for at least five years, or who are at least age 55 and in receipt of benefits for at least ten years, to disabled recipients in receipt of benefits for at least five years, and to accidental death benefit recipients in receipt for at least five years. <i>(N.Y. Education Laws §§ 532; 532-a)</i>
New York State and Local Retirement System	50% of the annual rate of inflation during the 12 months ending on the prior March 31, measured by the Consumer Price Index, and not less than 1% and not greater than 3%, calculated on the first \$18,000 single life annuity amount. The post-retirement adjustment is first payable at age 62 if retired for five years or age 55 if retired for ten years. <i>(NYSLRS Member Handbook)</i>
North Carolina Teachers and State Employees Retirement System	Ad hoc adjustments based on legislative enactments. 2.2% adjustment enacted in 2007. <i>(NCTSERS/No. Car. Treasurer Website, Increases in Your Benefit After Retirement Section; 2007 NC CAFR)</i>
North Dakota Teachers Fund For Retirement	Ad hoc adjustments based on legislative enactments. <i>(N.D. Cent. Code §§ 15-39.1-10.1; 15-39.1-10.2; 15-39.1-10.4; 15-39.1-10.5; 15-39.1-10.7)</i>

Retirement System	Post-Retirement Adjustments
North Dakota Public Employees Retirement System	Ad hoc post-retirement adjustments as enacted by the state legislature. (<i>NDPERS Active Member Handbook, p. 13</i>)
Ohio State Teachers Retirement System	Automatic annual adjustment, not compounded, of 3% of the originally paid benefit amount, payable to retirees in benefit receipt for at least one year. (<i>Ohio Rev. Code Ann. § 3307.67; Board Rule 3307:1-10-01</i>)
Ohio Public Employee Retirement System	Automatic annual adjustment, not compounded, of 3% of the originally paid benefit amount, payable to retirees in receipt of benefits for at least one year unless Internal Revenue Code Section 415 limits are exceeded. (<i>OPERS Member Handbook, p. 57</i>)
Oklahoma Teachers Retirement System	Ad hoc adjustments based on legislative enactments. The last ad hoc adjustments occurred in 2004, with increases ranging from 2.5% for retirees with fewer than 15 years of service and a monthly benefit in excess of \$1,500 to 4.5% for retirees with 20 or more years of service and a monthly benefit less than \$1,500, and in 2008, with a 2% increase for retirees who retired before 7/1/2007. (<i>2005 TRSO Actuarial Valuation, Appendix II, p. 48; 2008 TRSO Legislative Summary</i>)
Oklahoma Public Employees Retirement System	Ad hoc adjustments based on legislative enactments, with most recent adjustment of 4% for members retired since June 30, 2007. (<i>Summer 2008 OPERS Active Member Newsletter, p. 1</i>)
Oregon Public Employees Retirement System	Automatic annual adjustment equal to the percentage increase or decrease in the CPI over the prior 12 months, not to exceed 2%, compounded, but decrease is limited to the amount of the original benefit, payable to any retiree. 2003 legislation attempted to suspend the adjustment, but the legislation was overturned in <u>Strunk v. PERS</u> in 2005 and in <u>City of Eugene v. PERS</u> in 2005. (<i>Or. Rev. Stat. § 238.360</i>)
Pennsylvania Public School Employees Retirement System	Ad hoc adjustments based on legislative enactment. Post-retirement adjustments have been granted by the Pennsylvania General Assembly every four or five years. (<i>PSERS Retiree Handbook, Publication #9775</i>)
Pennsylvania State Employees Retirement System	Ad hoc increases are payable if enacted by the General Assembly, with the last adjustment paid under 2002 legislation. (<i>2007 PA SERS Actuarial Valuation, Schedule M, p. 5</i>)
Rhode Island Employees Retirement System	Automatic annual adjustment of 3%, compounded, payable to retirees in receipt of benefits for at least three years. (<i>R.I. Gen Laws § 36-10-35</i>)
South Carolina Retirement System	Automatic annual adjustment of 1% if the CPI increases by 1% and if the CPI percentage increase is greater than 1%, an additional percentage amount not to exceed the amount of the CPI increase or 4%, whichever is less, if the State Budget and Control Board determines that the cost of the adjustment, factoring in unrealized investment gains and losses, will not cause the plan's amortization period to exceed 30 years. Payable to retirees in receipt for at least one year and adjustment compounds. (<i>S.C. Code Ann. § 9-1-1810</i>)
South Dakota Retirement System	Automatic annual adjustment of 3.1%, compounding, and prorated for retirees in receipt of benefits for less than one year. (<i>S.D. Codified Laws §§ 3-12-47, Clause (41); 3-12-88</i>)
Tennessee State Employees, Teachers, and Higher Education Employees Pension Plan	Automatic annual adjustment of the percentage increase of at least one-half of 1% in the CPI, but not to exceed 3%, payable to retirees in receipt for at least one year, and compounding. (<i>Tenn. Code Ann. § 8-36-701</i>)
Texas Teacher Retirement System	Ad hoc adjustments based on legislative enactments, including a 13 th check payment in January 2008. (<i>2007 TRST Actuarial Valuation Benefit Summary, pp. 47 & 50</i>)
Texas Employees Retirement System	Ad hoc adjustments based on legislative enactments. (<i>Texas Govt. Code, Title 8, § 814.601</i>)
Utah Noncontributory Defined Benefit System	Automatic annual adjustment of the percentage increase in the CPI, not to exceed 4%, with CPI increases in excess of 4% carried forward to a future year, not compounding, payable to retirees in receipt of a benefit for at least one year. (<i>Utah Code Ann. § 49-12-407</i>)
Vermont State Teachers Retirement System	Annual automatic adjustment equal to one-half of the increase in the CPI, with a minimum of 1% and with a maximum of 5%, compounding, and payable to retirees with benefit receipt of at least one year. (<i>Vt. Stat. Ann. § 16-1949</i>)
Vermont State Employees Retirement System	Automatic annual compounding percentage adjustment each January 1 of one-half of the percentage increase in the federal Consumer Price Index, not to exceed 5%, with a minimum of 1%, payable for benefits in payment for at least one year. (<i>2007 Actuarial Valuation, p. 25</i>)
Virginia Retirement System	Annual automatic adjustment of the percentage increase in the CPI, limited to 3% plus one-half of the CPI increase amount in excess of 3% and 7%, compounding, and payable to retirees on the July 1 of the second calendar year after retirement. (<i>Va. Code Ann. § 51.1-166</i>)

Retirement System	Post-Retirement Adjustments
Washington Teachers Retirement System	Automatic annual adjustment of the percentage increase in the CPI over the prior year, not to exceed 3%, compounded, and payable to retirees in benefit receipt for at least one year. (<i>Wash. Rev. Code §§ 41.32.845; 41.32.770</i>)
Washington Public Employees Retirement System	The dollar amount increase is the Consumer Price Index for Seattle multiplied by the number of years of service credit, payable if the retiree had been retired for at least one year and had attained age 66, not to exceed 3% per year. Optional pre-age 66 adjustment available as actuarially reduced optional annuity form. Retirees also eligible for gains-sharing adjustment as computed as a dollar amount by the state actuary, multiplied by the retiree's number of years of service credit. (<i>PERS Plan 1 and PERS Plan 2 Member Handbooks</i>)
West Virginia Teachers Retirement System	Ad hoc adjustments based on legislative enactments. The last ad hoc adjustment was payable on July 1, 2006, to retirees who were at least age 70 and have been retired for at least five years received a one-time 3% increase. (<i>2006 Session, House Bill 4846</i>)
West Virginia Public Employees Retirement System	Ad hoc adjustments based on legislative enactments. The last ad hoc adjustment was granted for pre-7/1/2006 retirees who were at least age 70 and had been retired for at least five years and was a 3% increase. (<i>W.Va. Code § 5-10-22i</i>)
Wisconsin Retirement System	Annual adjustments may be approved by the Employee Trust Funds Board based on favorable actuarial experience creating surplus assets, either with fixed dividends or variable adjustments for retirees who elect participation in the variable annuity trust. Favorable actuarial experience is primarily favorable investment performance, but also includes mortality and other actuarial assumption gains. (<i>2005 WRS Investment Earnings Distribution Report ET-2124; Wis. Stat. §§ 40.27; 40.28</i>)
Wyoming Public Employee Pension System	Annual automatic post-retirement adjustment by the retirement board equal to the percentage increase in the Wyoming cost-of-living index determined by the State Division of Economic Analysis, not to exceed 3%, compounded, for retirees who have been in benefit receipt for at least two years, if the system actuary determines the adjustment to be actuarially sound and reports that determination to the governor and the Joint Appropriations Interim Committee. (<i>Wyo. Stat. Ann. § 9-3-419</i>)
Minnesota Teachers Retirement Association	Automatic annual adjustment based on the federal Consumer Price Index percentage increase, not to exceed 2.5%, plus an investment income adjustment component if the total rate of return of the assets in the Minnesota Post Retirement Investment Fund exceeds 8.5% based on a five-year investment income portion crediting procedure determined based on the relationship of the amount of the excess investment return aggregated components bears to the present value of Minnesota Post Retirement Investment Fund benefits, with prorated amounts payable to retirees with less than one year of benefit receipt. (<i>Minn. Stat. §§ 11A.18; 354.63</i>)
Duluth Teachers Retirement Fund Association	Automatic annual 2% adjustment if retiree was in receipt for at least one year, plus excess investment performance adjustment if five-year annualized total rate of investment return was in excess of 8.5% interest rate assumption, determined as the percentage amount in excess of 8.5% multiplied by 1.00 minus the amount of any contribution deficiency rate. (<i>Minn. Stat. § 354A.27</i>)
St. Paul Teachers Retirement Fund Association	Before calendar year 2008 and after calendar year 2009, automatic annual 2% adjustment if retiree was in receipt for at least one year, plus excess investment performance adjustment if five-year annualized total rate of investment return was in excess of 8.5% interest rate assumption, determined as the percentage amount in excess of 8.5% multiplied by 1.00 minus the amount of any contribution deficiency rate. During calendar years 2008 and 2009, the percentage increase is the federal Consumer Price Index, not to exceed 2.5% annually if investment performance is under 8.5%, and not to exceed 5% annually if the investment performance is at least 8.5%. (<i>Minn. Stat. § 354A.29; Minn. Laws 2007, Ch. 134, Art. 7</i>)
Minnesota Public Employees Retirement Association – General Employees Retirement Plan	Automatic annual adjustment based on the federal Consumer Price Index percentage increase, not to exceed 2.5%, plus an investment income adjustment component if the total rate of return of the assets in the Minnesota Post Retirement Investment Fund exceeds 8.5% based on a five-year investment income portion crediting procedure determined based on the relationship of the amount of the excess investment return aggregated components bears to the present value of Minnesota Post Retirement Investment Fund benefits, with prorated amounts payable to retirees with less than one year of benefit receipt. (<i>Minn. Stat. §§ 11A.18; 353.271</i>)

Member and Employer Contribution Comparison

Retirement System	Member and Employer Contributions
Alabama Teachers Retirement System (Retirement Systems of Alabama)	5% of covered salary member contribution rate; 6.56% of covered salary employer contribution rate. <i>(2005 CAFR Plan Provision Summary, pp. 24 & 71; Public Fund Survey Summary)</i>
Alabama Employees Retirement System (Retirement Systems of Alabama)	5% of covered salary member contribution rate; 11.37% of covered salary employer contribution rate. <i>(2006 Actuarial Valuation, p. 1)</i>
Alaska Teachers Retirement System (Alaska Division of Retirement and Benefits)	8.65% of covered salary member contribution rate; 26% of covered salary employer contribution rate. <i>(2007 TRS Actuarial Valuation Benefit Plan Summary, p. 41; 2007 CAFR Financial Statement Notes, p. 15)</i>
Alaska Public Employee Retirement System (Alaska Division of Retirement and Benefits)	6.75% member contribution; 27.65% employer contribution based on most recent actuarial valuation. <i>(2007 PERS Actuarial Valuation, p. 28)</i>
Arizona State Retirement System	8.7% of covered salary member contribution rate; 8.7% of covered salary employer contribution rate. <i>(2005 ASRP Actuarial Valuation, p. 23)</i>
Arkansas Teacher Retirement System	Members as of June 30, 1999, could elect to eliminate future member contributions, and members after July 1, 1999, are required to contribute. Member contribution rate is 6% of covered salary. Employer contribution rate is 14.7% of covered salary. <i>(Ark. Code Ann. § 24-7-406; CAFR, p. 49)</i>
Arkansas Public Employees Retirement System	No member contribution after 1/1/1978 for post-1/1/1978, pre-7/1/2005 hires, 5% of covered compensation member contribution for post-6/30/2005 hires. The employer contribution rate for most plan divisions is 12.54% of covered compensation in 2007. <i>(2007 Arkansas PERS CAFR, p. 23)</i>
California State Teachers Retirement System	8% of covered salary member contribution rate; 8.25% of covered salary employer contribution rate. <i>(Cal. Education Code §§ 22950; 22951; 22951.5; 22954)</i>
California Public Employee Retirement System	Variable member and employer contribution rates, dependent on specific plan coverage and particular employing unit's actuarial results. <i>(CalPERS Member Booklet, p. 7)</i>
Colorado Public Employees Retirement Association	8% of covered salary member contribution rate; 9.3% of covered salary employer contribution rate. <i>(2007 CAFR Benefit Plan Summary, p. 79)</i>
Connecticut Teachers Retirement System	7% of covered salary member contribution rate; 9.2% of covered salary employer contribution rate. <i>(2004 CSTRS Actuarial Valuation, p. B-2)</i>
Delaware State Employees Retirement Plan	Member contribution rate of 3% of covered salary in excess of \$6,000; employer contribution rate varies based on actuarial work (7.44% of covered salary in 2000, the last reported amount). <i>(Del. Code Ann. §§ 5543; 5544; DSERP Website FAQ Questions 1 & 2)</i>
Florida Retirement System	No member contribution; 11.61% of covered salary employer contribution. <i>(2007 CAFR, p. 28)</i>
Georgia Teachers Retirement System	5% of covered salary member contribution rate; 9.24% (2004) and 9.28% (2007) of covered salary employer contribution rate. <i>(2007 TRSG CAFR Financial Statement Notes, pp. 21-22)</i>
Georgia Employees Retirement System	6.5%, less \$7 monthly, member contribution rate for pre-7/1/1982 hires and 1.5% member contribution rate for post-7/1/1982 hires. 10.41% employer contribution. <i>(ERS Benefit Handbook, p. 3; and ERS 2007 CAFR, p. 40)</i>
Hawaii Employees Retirement System	No member contribution; 13.75% of covered salary employer contribution rate before July 1, 2008; 15% of covered salary employer contribution rate after June 30, 2008. <i>(2007 Active Member Newsletter, p. 2).</i>
Idaho Public Employee Retirement System	6.23% of covered salary member contribution rate; 10.39% of covered salary employer contribution rate. <i>(2007 CAFR Financial Section, pp. 42-43)</i>
Illinois Teachers Retirement System	9% of covered salary member contribution rate; 13.1% of covered salary employer contribution rate. <i>(Ill. Comp. Stat. § 40 ILCS 5/16-152; Public Fund Survey Summary)</i>
Illinois State Retirement System	4% of covered payroll member contribution rate; 21.049% of covered payroll employer contribution rate (FY 2009). <i>(2007 SERS CAFR, p. 36; SRS Member Booklet, p. 9)</i>
Indiana Teachers Retirement Fund	3% of covered salary member contribution rate; 13.22% of covered salary employer contribution rate. <i>(2005 ISTRF Actuarial Valuation Benefit Summary; CAFR Financial Statement Notes, p. 25; Public Fund Survey Summary)</i>

Retirement System	Member and Employer Contributions
Indiana Public Employees Retirement Fund	3% member contribution, paid by employer pick-up with salary reduction for state employees and university employees, or subsidized in whole or in part by local government employers; 5.28% (2007) employer contribution, established by actuarial work. (2007 Indiana PERF CAFR, pp. 32 & 38)
Iowa Public Employees Retirement System	4.1% of covered salary member contribution rate; 7.92% of covered salary employer contribution rate. (2007 Iowa PERS Actuarial Valuation, p. 12)
Kansas Public Employees Retirement System	4% of covered salary member contribution rate; 5.47% of covered salary employer contribution rate. (Public Fund Survey Summary)
Kentucky Teachers Retirement System	9.855% of covered salary member contribution rate; 13.105% of covered salary employer contribution rate. (2007 CAFR Actuarial Section, p. 63)
Kentucky Employees Retirement System	5% of covered salary member contribution rate; 7.75% of covered salary FY 2007 employer contribution rate. (KERS Member Benefit Booklet, p. 5; 2007 KERS Actuarial Valuation, p. 41)
Louisiana Teachers Retirement System	8% of covered salary member contribution rate; 15.5% of covered salary employer contribution rate. (Public Fund Survey Summary)
Louisiana State Employees Retirement System	7.5% if hired before 7/1/1989 or 8% if hired after 6/30/1989 employee contribution; 11.2% employer contribution. (2006 LASERS Actuarial Valuation, p. 37)
Maine State Retirement System	7.65% of covered salary member contribution rate; 14.78% of covered salary employer contribution rate. (Public Fund Survey Summary)
Maryland Employees and Teachers Retirement System	2% of covered salary member contribution rate; 11.17% of covered salary employer contribution rate. (Public Fund Survey Summary)
Massachusetts Teacher Retirement System	Varying percentage of covered salary depending on initial hiring date for member contribution: 5% before 1975; 7% 1975-1984*; 8% 1984-1996*; 9% after July 1, 1996*. * Plus additional 2% rate on salary in excess of \$30,000. No available information on employer contributions. (Public Fund Survey Summary)
Massachusetts State Board of Retirement	Varying percentage of covered salary depending on initial hiring date for member contribution: 5% before 1975; 7% 1975-1984*; 8% 1984-1996*; 9% after July 1, 1996*. * Plus additional 2% rate on salary in excess of \$30,000. No available information on employer contributions. (MA SERS Member Booklet, p. 3)
Michigan Public Schools Employees Retirement System	Member contribution rate of 3% of the first \$5,000 of covered salary, plus 3.6% of the next \$10,000 of covered salary, plus 4.3% of covered salary in excess of \$15,000 if employed before 7/1/2008 and 3% of the first \$5,000 of covered salary, plus 3.6% of the next \$10,000 of covered salary, plus 6.4% of the salary in excess of \$15,000 if employed after 6/30/2008; 9.4% of covered salary employer contribution rate. (2007 CAFR Financial Section, p. 26; Public Fund Survey Summary)
Mississippi Public Employees Retirement System	7.25% of covered salary member contribution rate; 9.75% of covered salary employer contribution rate. (Public Fund Survey Summary)
Missouri Public School Retirement System	11% of covered salary member contribution rate; 11% of covered salary employer contribution rate. (Public Fund Survey Summary)
Missouri Public Education Employee Retirement System	6% (2007-2008) of covered salary member contribution rate; 6% (2007-2008) of covered salary employer contribution rate. Rates are set by PEERS Board. (MO PEERS Member Booklet, p. 19)
Montana Teachers Retirement System	7.15% of covered salary member contribution rate; 9.58% of covered salary employer contribution rate before 7/1/2009; 9.96% of covered salary employer contribution rate after 6/30/2009. (2007 MTRS Actuarial Valuation Benefit Summary, p. 34)
Montana Public Employees Retirement System	6.9% of covered compensation member contribution rate and 7.035% of covered compensation employer contribution. (MPERS Member Handbook, pp. 14-15)
Nebraska Public Employees Retirement Systems-School System	7.25% of covered salary member contribution rate; 8.02% of covered salary employer contribution rate. (2005 NPERS Actuarial Valuation Benefit Summary, p. 17)
Nevada Public Employees Retirement System	10.31% of covered salary member contribution rate; 10.31% of covered salary employer contribution rate. Member contributions can be assumed by the employing unit rather than receive pay increases. (Public Fund Survey Summary)

Retirement System	Member and Employer Contributions
New Hampshire Retirement System	5.90% of covered salary member contribution rate; 4.06% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>
New Jersey Teachers Pension and Annuity Fund	50% of covered salary member contribution rate; calculated equivalent 5.63% of covered salary employer contribution rate, with 90% of the contribution funding post-retirement medical benefits, with estimate derived from plan annual financial report. <i>(2005 CAFR Financial Statement Notes, p. 23; 2007 CAFR, p. 5)</i>
New Jersey Public Employees Retirement System	5% of covered salary member contribution if first employed before July 1, 2007, and 5.5% of covered salary member contribution if first employed after June 30, 2007. Employer contribution rates set annually based on the actuarial valuation (11.27% by the state and 7.16% by local government employees in 2007). <i>(2007 Actuarial Valuation, pp. 2 & 51-52)</i>
New Mexico Educational Retirement Plan	7.6% of covered salary member contribution; 8.65% of covered salary employer contribution. <i>(Public Fund Survey Summary)</i>
New Mexico Public Employees Retirement Association	Member contribution of 3.83% of covered pay if hired before October 1987; 6.18% of covered pay if hired after September 1987 and before January 1997; and 7.42% of covered pay if hired after December 1996. Employer contribution of 11.48% of covered pay if hired before October 1987; 13.83% of covered pay if hired after September 1987 and before January 1997; and 16.59% of covered pay if hired after December 1996. <i>(NM PERA Member Handbook, p. 8)</i>
New York State Teachers Retirement System	No member contribution if employed prior to July 27, 1976; 3% of covered salary member contribution rate if employed after July 26, 1976; 5.63% (2005); and 8.60% (2007) of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>
New York State and Local Retirement System	3% of covered pay member contribution until member has ten years of service credit if employed after July 26, 1976. No member contribution if employed before July 27, 1976. No member contribution if employed before July 27, 1976. 17% of covered pay employer contribution (2007) and 16.6% of covered pay employer contribution (2008). <i>(NYSLRS Member Handbook)</i>
North Carolina Teachers and State Employees Retirement System	6% of covered salary member contribution rate; 2.34% of covered salary employer contribution rate (2005); 2.66% (2006); and 3.05% (2007). <i>(Public Fund Survey Summary; 2007 NC CAFR, p. 11)</i>
North Dakota Teachers Fund For Retirement	7.75% of covered salary member contribution rate; 7.75% of covered salary employer contribution rate if funding ratio is over 90%; 8.25% if funding ratio is under 90%. <i>(2005 CAFR Actuarial Section Benefits Provision Summary, p. 118, 2007 CAFR, p. 130)</i>
North Dakota Public Employees Retirement System	4% of covered salary member contribution by permanent and full-time employees and 8.12% of covered salary member contributions by part-time and temporary employees; 4.12% of covered salary employer contribution for permanent and full-time employees. <i>(2007 CAFR, p. 38)</i>
Ohio State Teachers Retirement System	10% of covered salary member contribution rate; 14% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>
Ohio Public Employee Retirement System	9.5% (2007) and 10% (2008) of earnable compensation member contribution rate and 14% (2008) of earnable compensation employer contribution rate. <i>(OPERS Member Handbook, p. 9)</i>
Oklahoma Teachers Retirement System	7% of covered salary member contribution rate; 13% of covered salary employer contribution rate for most employers. <i>(2005 TRSO Actuarial Valuation, Appendix I, p. 37)</i>
Oklahoma Public Employees Retirement System	3.88% of covered salary (2006) and 4.02% of covered salary (2007) member contribution rate and 12.50% of covered salary (2006) and 13.50% of covered salary (2007) employer contribution rate. <i>(2007 OPERS Actuarial Valuation, p. 8)</i>
Oregon Public Employees Retirement System	No member contribution; 11.11% of covered salary employer contribution rate for school districts. <i>(Public Fund Survey Summary)</i>
Pennsylvania Public School Employees Retirement System	7.16% of covered salary member contribution rate; 4.69% of covered salary employer contribution rate. <i>(2005 CAFR Actuarial Section, p. 88)</i>
Pennsylvania State Employees Retirement System	5% if covered salary member contribution if employed before 7/1/ 2001 and not electing Class AA or 6.25% of covered salary member contribution if employed after 6/30/2001; plus 5% of covered salary in excess of Social Security coverage if member has elected Social Security Integration credit. Employer contribution is the balance of actuarial cost in excess of member contributions as required by law, or 4% of covered salary in 2008. <i>(2007 PA SERS Actuarial Valuation, pp. 12-13, and Schedule M, p. 7)</i>

Retirement System	Member and Employer Contributions
Rhode Island Employees Retirement System	9.5% of covered salary member contribution rate; 13.72% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>
South Carolina Retirement System	6% of covered salary member contribution rate; 7.55% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>
South Dakota Retirement System	6% of covered salary member contribution rate; 6% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>
Tennessee State Employees, Teachers, and Higher Education Employees Pension Plan	5% of covered salary member contribution rate; 6.13% of covered salary employer contribution rate. <i>(2005 CAFR Financial Section, p. 27; Public Fund Survey Summary)</i>
Texas Teacher Retirement System	6.9% of covered salary member contribution rate; 7.31% of covered salary employer contribution rate. The state contribution was increased in 2007 to 6.58%, effective for fiscal year 2008. <i>(Public Fund Survey Summary; 2007 Actuarial Valuation, p. 61)</i>
Texas Employees Retirement System	6% of covered pay member contribution; 6.45% of covered pay employer contribution for fiscal year 2007. <i>(2007 Actuarial Valuation, p. 35)</i>
Utah Noncontributory Defined Benefit System	No member contribution rate; 13.38% (2005) and 14.22% (2007) of covered salary employer contribution rate. <i>(Public Fund Survey Summary; 2007 CAFR, p. 116)</i>
Vermont State Teachers Retirement System	3.90% of covered salary member contribution rate; 4.81% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>
Vermont State Employees Retirement System	3.35% of covered salary member contribution rate; 6.27% of covered salary employer contribution rate (2007). <i>(2007 Actuarial Valuation, pp. 10 & 25)</i>
Virginia Retirement System	5% of covered salary member contribution rate; 6.03% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>
Washington Teachers Retirement System	Varying percent of covered salary member contribution rate, set at 6% for members who were first employed before October 1, 1977; at 0.87% for members who were first employed after September 30, 1977, and before July 1, 1996; and between 5% and 15% for members who were first employed after June 30, 1996; 1.37% of covered payroll employer contribution. <i>(TRS Plan 1: Summary of Selected Benefits; TRS Plan 2: Summary of Selected Benefits; TRS Plan 3: Summary of Selected Benefits)</i>
Washington Public Employees Retirement System	5.5% of covered salary member contribution rate; 7.89% of covered salary employer contribution rate. <i>(2007 CAFR, pp. 31 & 52)</i>
West Virginia Teachers Retirement System	6% of covered salary member contribution rate; 24.13% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>
West Virginia Public Employees Retirement System	4.5% of covered salary member contribution rate and 10.5% of covered salary employer contribution rate. <i>(PERS Plan Summary)</i>
Wisconsin Retirement System	4.90% of covered salary member contribution rate; 8.10% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>
Wyoming Public Employee Pension System	5.57% of covered salary member contribution rate; 5.68% of covered salary employer contribution rate. <i>(Public Fund Survey Summary)</i>
Minnesota Teachers Retirement Association	5.5% of covered salary member contribution rate and 5.5% of covered salary employer contribution rate, except for Special School District No. 1 (Minneapolis), where 9.14% employer contribution rate applies. Various state contribution amounts previously payable to the Minneapolis Teachers Retirement Fund Association are also payable to the Teachers Retirement Association. <i>(Minn. Stat. § 354.42, Subds. 2 & 3)</i>
Duluth Teachers Retirement Fund Association	5.5% of covered salary member contribution; 5.79% of covered salary employer contribution. <i>(Minn. Stat. § 354A.12, Subds. 1 & 2a)</i>
St. Paul Teachers Retirement Fund Association	8% of covered salary member contribution if initially employed before July 1, 1977, or 5.5% of covered salary member contribution if initially employed after June 30, 1977; 11.64% of covered salary employer contribution for members initially employed before July 1, 1977, or 8.34% of covered salary employer contribution for members initially employed after June 30, 1977. <i>(Minn. Stat. § 354A.12, Subds. 1 & 2a)</i>
Minnesota Public Employees Retirement Association – General Employees Retirement Plan	5.5% of covered salary (2006), 5.75% of covered salary (2007), 6% of covered salary (2008 and 2009), and any additional adjustment required under the most recent actuarial valuation (after 2009) member contribution if covered by Social Security, and 9.1% of covered salary member contribution if not covered by Social Security; 6.28% of covered salary (2006), 6.35% of covered salary (2007), 6.5% of covered salary (2008), 6.75% of covered salary (2009), and 7% of covered salary plus any additional adjustment required under the most recent actuarial valuation (after 2009) employer contribution if covered by Social Security and 11.78% of covered salary employer contribution if not covered by Social Security. <i>(Minn. Stat. § 353.27, Subds. 2, 3, 3a, & 3b)</i>