

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

ACTUARIAL VALUATION OF DEFINED BENEFIT ALLOWANCES –
TRADITIONAL, COMBINED AND MEMBER DIRECTED PLANS
DECEMBER 31, 2010

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August 30, 2011

The Retirement Board
Ohio Public Employees Retirement System
Columbus, Ohio

Ladies and Gentlemen:

The results of the *December 31, 2010 annual actuarial valuation of defined benefit allowances* of the Ohio Public Employees Retirement System, based upon Chapter 145 of the Code as amended, are presented in this report. The gain/loss analysis of experience by division, the annual actuarial valuation of retiree health and Medicare benefits, projections of defined benefit allowances and projections of retiree health and Medicare benefits are covered in separate reports. The purposes of the valuation are as follows:

- Measure the financial position of OPERS,
- Assist the board in establishing employer and employee contribution rates necessary to fund the pension defined benefits provided by OPERS,
- Determine the number of years required to amortize the unfunded actuarial accrued liabilities based upon established contribution rates,
- Provide actuarial reporting and disclosure information for the System's financial report, and analyze the experience of the System over the past year.

This report should not be relied on for any purpose other than those described above. It was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board.

The signing actuaries are independent of the plan sponsor.

The individual member statistical data required for the valuations was furnished by your Executive Director and Staff, together with pertinent data on financial operations. Their cooperation in furnishing these materials is acknowledged with appreciation. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The actuarial assumptions used in the valuations are summarized in Section X of this report. The assumptions are established by the Retirement Board after consulting with the actuary.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Ohio Public Employees Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

The signing actuaries are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,



Brian B. Murphy, FSA, MAAA



Mita D. Drazilov, ASA, MAAA



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SECTION I
EXECUTIVE SUMMARY

INTRODUCTION

Section 145.22 of the Revised Code of Ohio (ORC) provides in part as follows:

“(A) The public employees retirement board shall have prepared annually by or under the supervision of an actuary an actuarial valuation of the pension assets, liabilities, and funding requirements of the public employees retirement system as established pursuant to this chapter.”

This report presents the results of the December 31, 2010 annual actuarial valuation of the Ohio Public Employees Retirement System (OPERS) Defined Benefit Allowances of the Traditional, Combined and Member Directed Plans. In conjunction with Chapter 145 of the ORC, the purposes of performing the annual valuation are as follows:

- Measure the financial position of OPERS,
- Assist the Board in establishing employer and employee contribution rates necessary to fund the pension defined benefits provided by OPERS,
- Determine the number of years required to amortize the unfunded actuarial accrued liabilities based upon established contribution rates,
- Provide actuarial reporting and disclosure information for the System’s financial report, and
- Analyze the experience of the System over the past year.

The report is presented as follows:

Section I	-	Executive Summary
Section II	-	Financial Information
Section III	-	Benefits and Conditions Evaluated
Section IV	-	Recommendations for Reserve Transfers
Section V	-	Active and Inactive Vested Valuation Results for State
Section VI	-	Active and Inactive Vested Valuation Results for Local Government
Section VII	-	Active and Inactive Vested Valuation Results for Public Safety
Section VIII	-	Active and Inactive Vested Valuation Results for Law Enforcement
Section IX	-	Allowances Being Paid to Retirees and Beneficiaries
Section X	-	Actuarial Methods and Assumptions
Section XI	-	Financial Principles
Section XII	-	Governmental Accounting Standards Board (GASB) Reporting

There have been no material benefit changes since the last valuation. Actuarial assumptions and methods are consistent with the prior actuarial valuation and are based upon an experience study issued October 30, 2006.

A summary of the primary valuation results as of December 31, 2010 is presented on the following page.

SUMMARY OF PENSION DEFINED BENEFIT VALUATION RESULTS
TRADITIONAL, COMBINED, AND MEMBER DIRECTED PLANS
DECEMBER 31
(\$ IN MILLIONS)

	2010						2009	
	General			Law			Grand Total	Grand Total
	State	Local	Total General	Public Safety	Law Enforcement	Total Law		
A. Demographic Information								
1. Active Number Counts								
a. Traditional Plan	115,886	210,831	326,717	88	7,702	7,790	334,507	341,777
b. Combined Plan	<u>2,354</u>	<u>4,313</u>	<u>6,667</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,667</u>	<u>6,335</u>
c. Total	118,240	215,144	333,384	88	7,702	7,790	341,174	348,112
2. Active Payroll								
a. Traditional Plan	\$ 4,693	\$ 7,030	\$ 11,723	\$ 4	\$ 439	\$ 442	\$ 12,165	\$ 12,289
b. Combined Plan	<u>119</u>	<u>166</u>	<u>284</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>284</u>	<u>259</u>
c. Total	\$ 4,811	\$ 7,196	\$ 12,007	\$ 4	\$ 439	\$ 442	\$ 12,450	\$ 12,548
3. Retired Number Counts	62,838	114,414	177,252	158	4,073	4,231	181,483	174,659
4. Deferred / Inactive Number Counts	149,603	253,458	403,061	28	920	948	404,009	383,571
5. Member Directed Active Number Counts	<u>3,030</u>	<u>5,622</u>	<u>8,652</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,652</u>	<u>7,848</u>
6. Total Number Counts	333,711	588,638	922,349	274	12,695	12,969	935,318	914,190
B. Defined Benefit Assets								
1. Market Value (MV)	\$ 24,222	\$ 36,746	\$ 60,968	\$ 31	\$ 2,650	\$ 2,681	\$ 63,649	\$ 57,734
2. Rate of Return on MV							13.43 %	20.08 %
3. Funding Value (FV)	\$ 23,061	\$ 34,986	\$ 58,048	\$ 29	\$ 2,523	\$ 2,552	\$ 60,600	\$ 57,629
4. Rate of Return on FV							8.26 %	6.86 %
5. Ratio of FV to MV							95.2%	99.8%
C. Defined Benefit Actuarial Results								
1. Normal Cost as a % of Payroll	15.49%	15.15%	15.28%	19.62%	20.50%	20.49%	15.47%	15.43%
2. Actuarial Accrued Liability (AAL)								
a. Active	\$ 13,837	\$ 20,210	\$ 34,048	\$ 7	\$ 1,510	\$ 1,517	\$ 35,564	\$ 35,716
b. Retired	16,841	23,188	40,029	36	1,651	1,688	41,717	38,578
c. Deferred/Inactive	<u>950</u>	<u>1,373</u>	<u>2,323</u>	<u>1</u>	<u>26</u>	<u>26</u>	<u>2,349</u>	<u>2,261</u>
d. Total	\$ 31,628	\$ 44,771	\$ 76,400	\$ 44	\$ 3,187	\$ 3,230	\$ 79,630	\$ 76,555
3. Unfunded AAL (UAAL)	\$ 8,567	\$ 9,785	\$ 18,352	\$ 15	\$ 664	\$ 678	\$ 19,031	\$ 18,926
4. Funded Ratio	72.9 %	78.1 %	76.0 %	66.6 %	79.2 %	79.0 %	76.1 %	75.3 %
D. Amortization Years to Fully Amortize UAAL *								
	43	24	30	N/A	21	22	29	30
E. Contribution Rates								
	CY 2013						CY 2012	
1. Pension Contributions								
a. Employer Normal Cost	5.49%	5.15%	5.28%	7.62%	7.90%	7.89%	5.38%	5.35%
b. Member Contribution Rate	10.00%	10.00%	10.00%	12.00%	12.60%	12.60%	10.09%	10.08%
c. UAAL Contribution Rate	<u>7.51%</u>	<u>7.85%</u>	<u>7.72%</u>	<u>9.48%</u>	<u>9.20%</u>	<u>9.21%</u>	<u>7.77%</u>	<u>4.80%</u>
d. Total	23.00%	23.00%	23.00%	29.10%	29.70%	29.70%	23.24%	20.23%
2. Retiree Health Contribution Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	4.00%
3. Total Employer Contribution Rate	14.00%	14.00%	14.00%	18.10%	18.10%	18.10%	14.15%	14.15%

* Based on schedule of employer and member contribution rates shown on page III-3. For the 2010 results, the amortization years shown are from December 31, 2011. For GASB purposes, amortization years are determined based upon scheduled contribution rate increases through 2013. See page XII-10 for additional explanation.

Reported pays for certain State employees were increased by 4% assuming these employees will experience fewer future furlough days than experienced during 2010.

SUMMARY OF PENSION DEFINED BENEFIT VALUATION RESULTS
TRADITIONAL PLAN
DECEMBER 31
(\$ IN MILLIONS)

	2010						2009	
	General			Law			Grand Total	Grand Total
	State	Local	Total General	Public Safety	Law Enforcement	Total Law		
A. Demographic Information								
1. Active Number Counts	115,886	210,831	326,717	88	7,702	7,790	334,507	341,777
2. Active Payroll	\$ 4,693	\$ 7,030	\$ 11,723	\$ 4	\$ 439	\$ 442	\$ 12,165	\$ 12,288
3. Retired Number Counts	62,830	114,372	177,202	158	4,073	4,231	181,433	174,637
4. Deferred / Inactive Number Counts	149,175	252,746	401,921	28	920	948	402,869	382,556
5. Total Number Counts	327,891	577,949	905,840	274	12,695	12,969	918,809	898,970
B. Defined Benefit Assets								
1. Market Value (MV)	\$ 24,170	\$ 36,664	\$ 24,170	\$ 31	\$ 2,650	\$ 2,681	\$ 63,515	\$ 57,630
2. Rate of Return on MV							13.44 %	20.11 %
3. Funding Value (FV)	\$ 23,008	\$ 34,902	\$ 57,909	\$ 29	\$ 2,523	\$ 2,552	60,461	\$ 57,519
4. Rate of Return on FV							8.27 %	6.86 %
5. Ratio of FV to MV							95.2%	99.8%
C. Defined Benefit Actuarial Results								
1. Normal Cost as a % of Payroll	15.39%	15.05%	15.18%	19.62%	20.50%	20.49%	15.37%	15.35%
2. Actuarial Accrued Liability (AAL)								
a. Active	\$ 13,770	\$ 20,111	\$ 33,881	\$ 7	\$ 1,510	\$ 1,517	\$ 35,398	\$ 35,574
b. Retired	16,841	23,187	40,028	36	1,651	1,688	41,715	38,577
c. Deferred/Inactive	<u>949</u>	<u>1,371</u>	<u>2,319</u>	<u>1</u>	<u>26</u>	<u>26</u>	<u>2,345</u>	<u>2,256</u>
d. Total	\$ 31,559	\$ 44,669	\$ 76,228	\$ 44	\$ 3,187	\$ 3,230	\$ 79,459	\$ 76,407
3. Unfunded AAL (UAAL)	\$ 8,551	\$ 9,767	\$ 18,319	\$ 15	\$ 664	\$ 678	\$ 18,997	\$ 18,888
4. Funded Ratio	72.9 %	78.1 %	76.0 %	66.6 %	79.2 %	79.0 %	76.1 %	75.3 %
D. Amortization Years to Fully Amortize UAAL *	45	24	30	N/A	21	22	30	30
E. Contribution Rates								
	CY 2013						CY 2012	
1. Pension Contributions								
a. Employer Normal Cost	5.39%	5.05%	5.18%	7.62%	7.90%	7.89%	5.28%	5.27%
b. Member Contribution Rate	10.00%	10.00%	10.00%	12.00%	12.60%	12.60%	10.09%	10.08%
c. UAAL Contribution Rate	<u>7.61%</u>	<u>7.95%</u>	<u>7.82%</u>	<u>9.48%</u>	<u>9.20%</u>	<u>9.21%</u>	<u>7.87%</u>	<u>4.88%</u>
d. Total	23.00%	23.00%	23.00%	29.10%	29.70%	29.70%	23.24%	20.23%
2. Retiree Health Contribution Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	4.00%
3. Total Employer Contribution Rate	14.00%	14.00%	14.00%	18.10%	18.10%	18.10%	14.15%	14.15%

* Based on schedule of employer and member contribution rates shown on page III-3. For the 2010 results, the amortization years shown are from December 31, 2011. For GASB purposes, amortization years are determined based upon scheduled contribution rate increases through 2013. See page XII-10 for additional explanation.

Reported pays for certain State employees were increased by 4% assuming these employees will experience fewer future furlough days than experienced during 2010.

**SUMMARY OF PENSION DEFINED BENEFIT VALUATION RESULTS
COMBINED PLAN
DECEMBER 31
(\$ IN MILLIONS)**

	2010		2009	
	General		Grand Total	Grand Total
	State	Local		
A. Demographic Information				
1. Active Number Counts	2,354	4,313	6,667	6,335
2. Active Payroll	\$ 119	\$ 166	\$ 285	\$ 259
3. Retired Number Counts	6	26	32	12
4. Deferred / Inactive Number Counts	<u>428</u>	<u>712</u>	<u>1,140</u>	<u>1,015</u>
5. Total Number Counts	2,788	5,051	7,839	7,362
B. Defined Benefit Assets				
1. Market Value (MV)	\$ 52	\$ 82	\$ 134	\$ 103
2. Rate of Return on MV			7.82 %	7.80 %
3. Funding Value (FV)	\$ 54	\$ 84	\$ 138	\$ 110
4. Rate of Return on FV			5.15 %	4.58 %
5. Ratio of FV to MV			103%	107%
C. Defined Benefit Actuarial Results				
1. Normal Cost as a % of Payroll	17.20%	16.87%	17.00%	16.99%
2. Actuarial Accrued Liability (AAL)				
a. Active	\$ 68	\$ 99	\$ 167	\$ 143
b. Retired	0	1	1	0
c. Deferred/Inactive	<u>1</u>	<u>2</u>	<u>4</u>	<u>5</u>
d. Total	\$ 69	\$ 102	\$ 171	\$ 148
3. Unfunded AAL (UAAL)	\$ 16	\$ 18	\$ 33	\$ 38
4. Funded Ratio	77.4 %	82.5 %	80.5 %	74.4 %
D. Amortization Years to Fully Amortize UAAL *				
	2	2	2	3
E. Contribution Rates				
	CY 2013		CY 2011	
1. Total Normal Cost	17.20%	16.87%	17.00%	16.99%
2. Member Contribution Rate	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
3. Employer Normal Cost	7.20%	6.87%	7.00%	6.99%
4. Other Contributions #	6.80%	7.13%	7.00%	7.01%
5. Total Employer Contribution Rate	14.00%	14.00%	14.00%	14.00%

* Based on schedule of employer and member contribution rates shown on page III-3. For the 2010 results, the amortization years shown are from December 31, 2011.

Other contributions include; amortization payments for the pension UAAL, mitigating contributions, and contributions to the retiree health care fund.

Reported pays for certain State employees were increased by 4% assuming these employees will experience fewer future furlough days than experienced during 2010.

SUMMARY OF PENSION DEFINED BENEFIT VALUATION RESULTS
MEMBER DIRECTED PLAN
DECEMBER 31

	2010	2009
	Grand Total	Grand Total
A. Demographic Information		
1. Active Number Counts	8,652	7,848
2. Retired Number Counts	18	10
3. Deferred / Inactive Number Counts	<u>0</u>	<u>0</u>
4. Total Number Counts	8,670	7,858
<hr/>		
B. Defined Benefit Assets		
1. Market Value (MV)	\$454,025	\$207,934
2. Rate of Return on MV	12.98 %	19.91 %
3. Funding Value (FV)	\$438,982	\$205,639
4. Rate of Return on FV	8.95 %	7.42 %
5. Ratio of FV to MV	96.7%	98.9%
<hr/>		
C. Defined Benefit Actuarial Results		
1. Normal Cost as a % of Payroll		
2. Actuarial Accrued Liability (AAL)		
a. Active	\$ 0	\$ 0
b. Retired	489,792	252,670
c. Deferred/Inactive	<u>0</u>	<u>0</u>
d. Total	489,792	252,670
3. Unfunded AAL (UAAL)	\$ 50,810	\$ 47,029
4. Funded Ratio	89.6 %	81.4 %

COMMENTS AND CONCLUSION

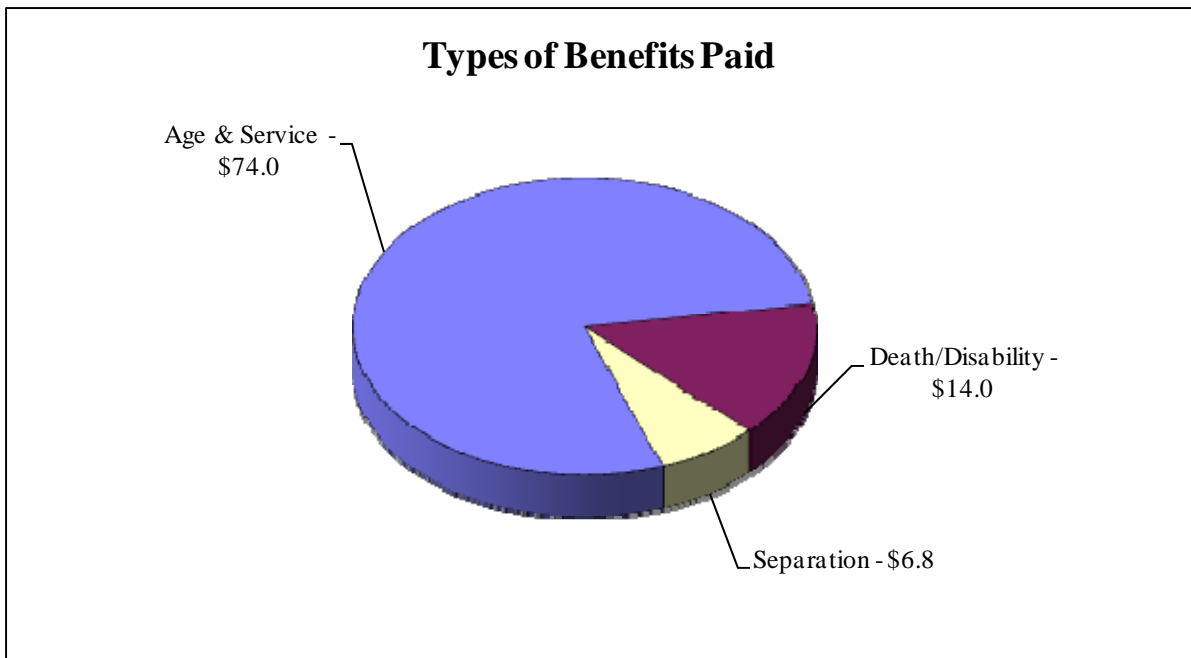
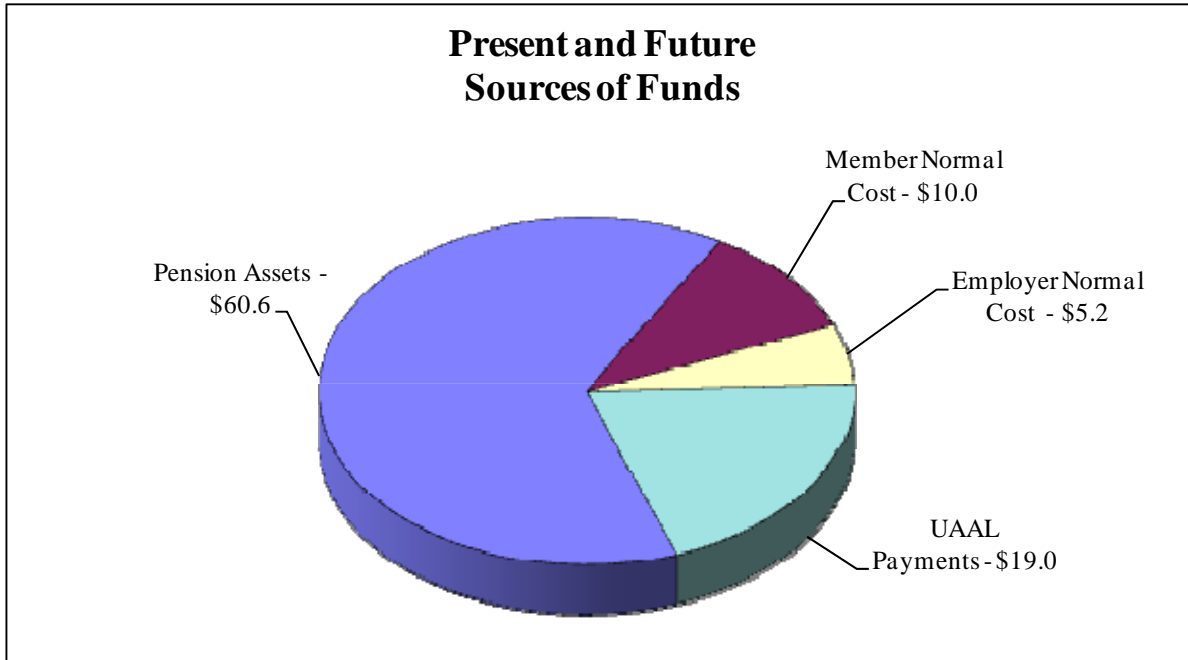
The December 31, 2010 actuarial valuations of members indicate the following about the portion of employer contribution rates allocated to financing retirement allowances:

- The employer rates are sufficient to fully fund the cost of benefit commitments being made to members for service currently being rendered.
- After satisfying current cost requirements, the remaining portion of the employer rates provides sufficient funds to amortize unfunded actuarial accrued liabilities over a period of 29 years for the System in total.

Experience. The computed amortization period, taking into account all scheduled increases in contribution rates is 29 years, compared with the 30 year period that had been reported in the December 31, 2009 valuation. Measured on a market value basis, investment return was 13.43%. This figure is based upon an actuarial calculation and may not agree with figures reported elsewhere. The return on the funding value of assets was 8.26% due to partial recognition of 2010 and 2009 market value gains, and continued recognition of the 2008 market value loss. Since the expected return on the funding value of assets is 8%, the actual return of 8.26% resulted in a decrease to the amortization years. Individual salary increases during 2010 were less than expected on average which improved the amortization period. However, a decrease in active member total payroll during 2010 resulted in an increase to the amortization years. Continued decreases in the active member payroll would result in continued upward pressure on the amortization period. Information concerning 2010 experience including other sources of gains and losses is presented on pages I-14 through I-16.

Conclusion. Based on the results of the December 31, 2010 regular annual actuarial valuation, it is our opinion that the Ohio Public Employees Retirement System continues to operate in accordance with actuarial principles of level percent of payroll financing.

**FINANCING \$94.8 BILLION* OF DEFINED BENEFIT PROMISES
FOR PRESENT ACTIVE AND RETIRED MEMBERS
DECEMBER 31, 2010
(DOLLAR AMOUNTS IN BILLIONS)**



* Present value of future benefits – all divisions combined.

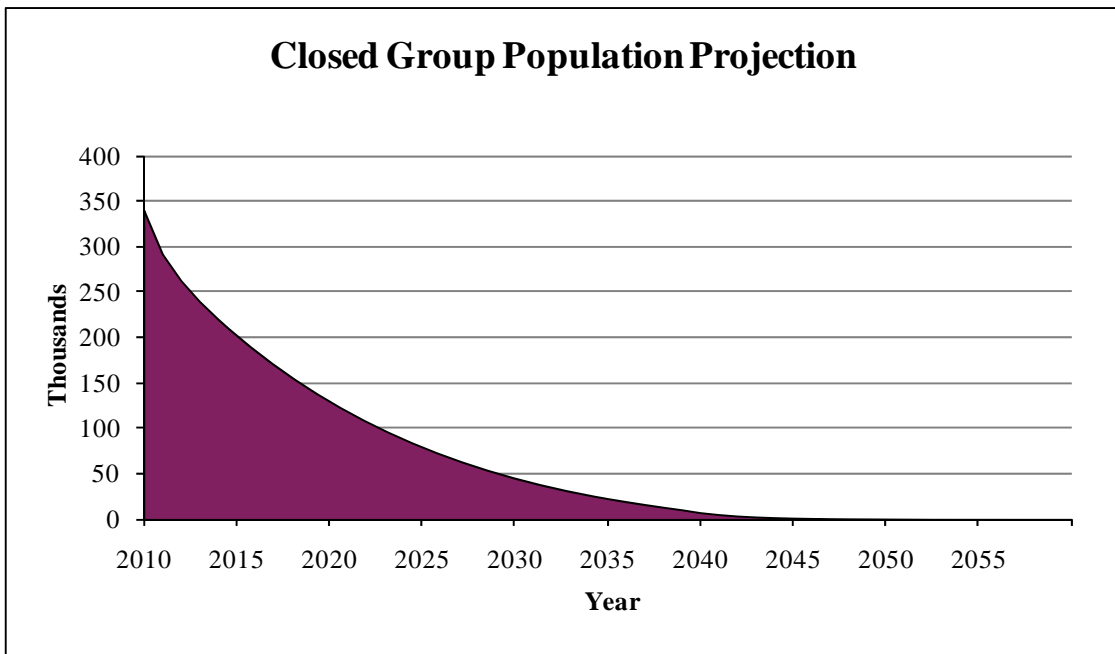
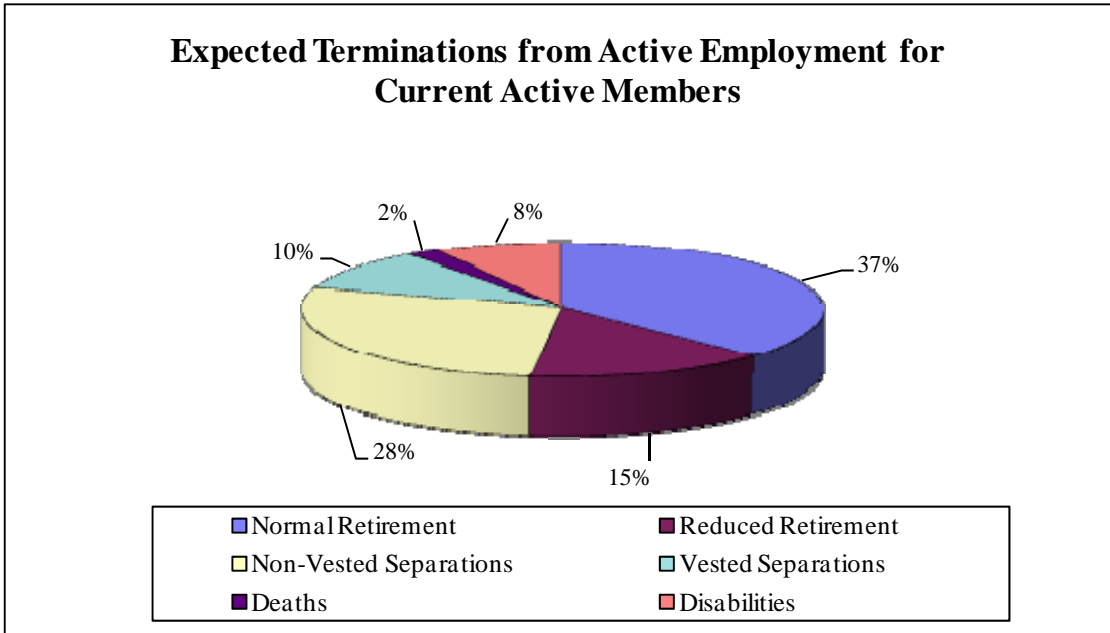
DEFINED BENEFIT ACTIVE MEMBERS IN VALUATION GROUP AVERAGES - COMPARATIVE STATEMENT

Valuation Group	Dec. 31	No. of Active Members	Group Averages				
			Attained Age	Accrued Service Yrs.	Annual Payroll		
					Average	Increase	
STATE	1975	83,220	40.6 yrs.	6.5 yrs.	\$ 9,441	6.4 %	@
	1980	92,872	39.4	7.3	13,934	8.1 %	@
	1985	89,256	39.2	8.4	18,677	7.4 %	@
	1990	98,939	40.7	8.1	25,281	6.2 %	@
	1995	114,596	40.4	8.8	27,962	2.0 %	@
	2000	113,099	41.6	9.7	34,201	4.1 %	@
	2005	114,620	42.0	10.1	37,858	0.2 %	
	2006	115,930	42.0	10.1	39,005	3.0 %	
	2007	118,466	41.7	9.9	39,695	1.8 %	
	2008	114,925	42.0	10.1	41,590	4.8 %	
	2009	117,008	41.4	9.8	40,704	(2.1)%	
2010	118,240	41.0	9.6	40,691	0.0 %		
LOCAL GOVT	1975	149,557	40.8 yrs.	6.1 yrs.	\$ 8,771	4.3 %	@
	1980	160,797	40.7	7.4	13,035	8.2 %	@
	1985	158,285	40.1	8.3	15,983	6.2 %	@
	1990	173,220	41.5	7.9	19,506	4.1 %	@
	1995	223,431	41.2	7.6	20,384	0.9 %	@
	2000	245,831	41.8	8.1	24,401	3.7 %	@
	2005	236,073	43.3	9.2	29,933	2.8 %	
	2006	237,981	43.4	9.2	30,399	1.6 %	
	2007	237,225	43.6	9.3	31,354	3.1 %	
	2008	233,163	44.0	9.5	32,451	3.5 %	
	2009	223,004	44.3	9.9	32,889	1.3 %	
2010	215,144	44.6	10.1	33,447	1.7 %		
LAW *	1975	2,111	35.0 yrs.	4.9 yrs.	\$ 10,467	-	
	1980	3,019	36.1	6.8	16,846	10.0 %	@
	1985	4,207	36.5	8.4	20,103	5.5 %	@
	1990	5,804	38.6	9.9	26,936	6.0 %	@
	1995	6,605	39.3	11.1	32,441	3.2 %	@
	2000	8,045	39.3	11.7	40,387	4.5 %	@
	2005	8,111	39.9	12.6	49,472	3.0 %	
	2006	8,219	40.0	12.7	50,983	3.1 %	
	2007	8,385	40.2	12.8	52,816	3.6 %	
	2008	8,300	40.5	13.1	54,809	3.8 %	
	2009	8,100	41.0	13.6	55,715	1.7 %	
2010	7,790	41.2	14.0	56,801	1.9 %		
TOTAL	2003	353,584	42.5 yrs.	9.4 yrs.	\$ 31,577	-	
	2004	355,287	42.7	9.5	32,240	2.1 %	
	2005	358,804	42.8	9.5	32,906	2.1 %	
	2006	362,130	42.9	9.5	33,621	2.2 %	
	2007	364,076	42.9	9.6	34,562	2.8 %	
	2008	356,388	43.2	9.8	35,919	3.9 %	
	2009	348,112	43.3	10.0	36,047	0.4 %	
	2010	341,174	43.3	10.0	36,491	1.2 %	

@ 5-year annual compound rate.

* Beginning with the December 31, 2005 valuation report, valuation results for the Law division are shown separately for Public Safety and Law Enforcement.

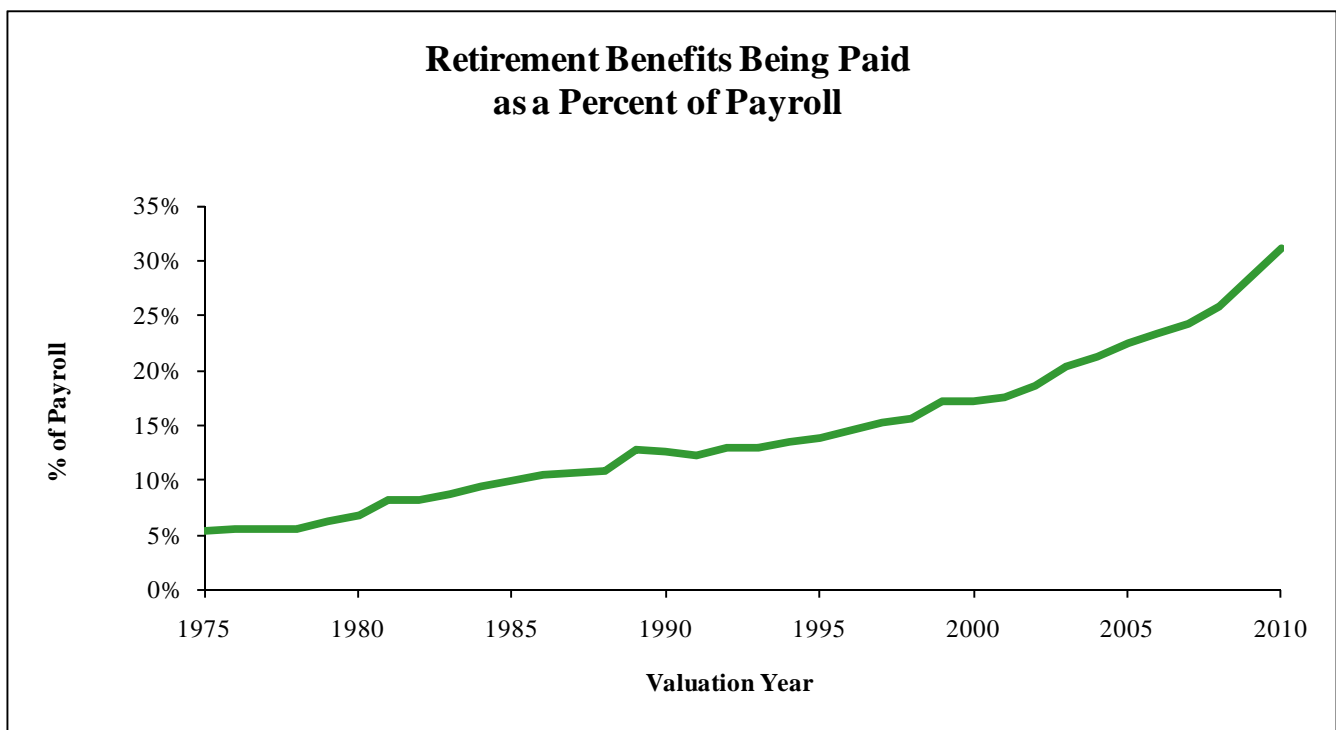
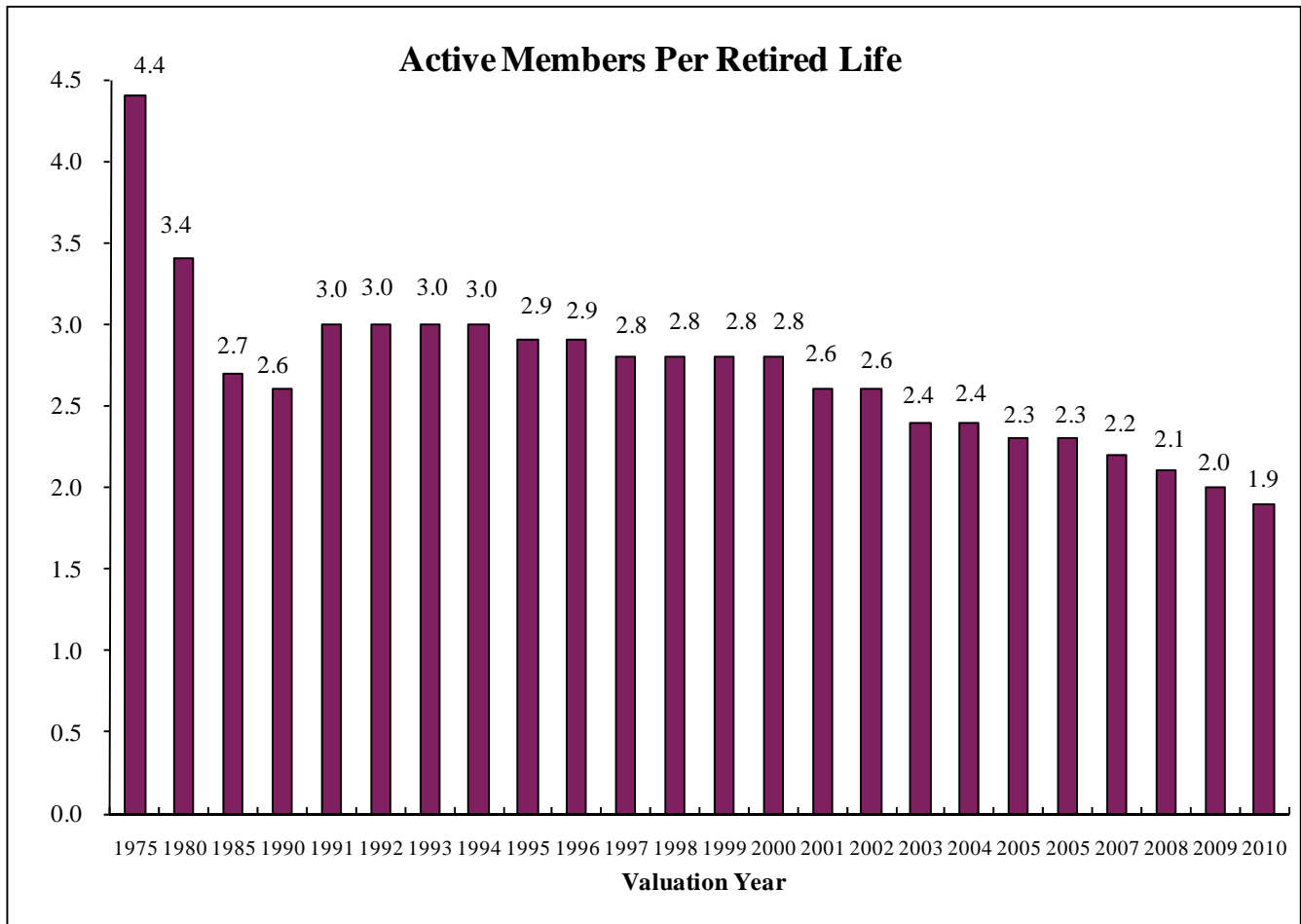
DEVELOPMENT OF PRESENT DEFINED BENEFIT POPULATION DECEMBER 31, 2010



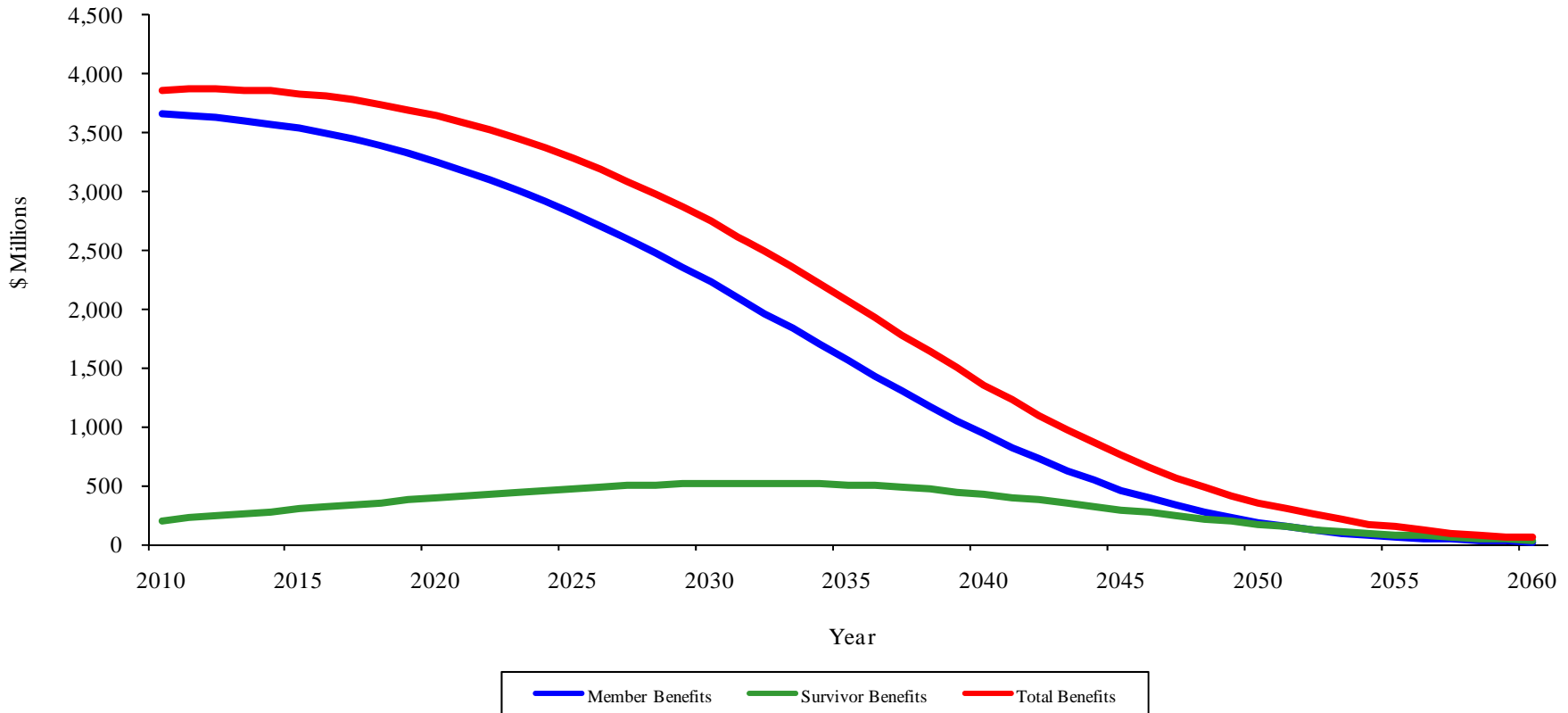
The charts above show the expected future development of the present population in simplified terms. The defined benefit portion of the Retirement System presently covers 341,174 active members. Eventually, 28% of the population is expected to terminate covered employment prior to retirement and forfeit eligibility for a monthly benefit. 62% of the present population is expected to receive monthly retirement benefits either by retiring directly from active service, or by separating from service without withdrawing contributions. 10% of the present population is expected to become eligible for death-in-service or disability benefits. Within 8 years, over half of the covered membership is expected to consist of new hires.

ACTIVE/RETIRED MEMBER STATISTICS

DECEMBER 31, 2010



PROJECTED FUTURE BENEFIT PAYMENTS ON BEHALF OF PRESENT RETIRED LIVES



Total future payments:	\$103.1 billion
From present assets:	\$41.7 billion
From future earnings:	\$61.4 billion

**ALL DIVISIONS
DEFINED BENEFIT ACTIVE MEMBERS IN VALUATION
DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	10,997							10,997
Tot. Pay	\$66,790,328							\$66,790,328
Avg. Pay	\$6,074							\$6,074
20-24	31,542	423						31,965
Tot. Pay	\$342,287,304	\$8,121,245						\$350,408,549
Avg. Pay	\$10,852	\$19,199						\$10,962
25-29	21,695	5,012	291					26,998
Tot. Pay	\$531,808,919	\$183,062,304	\$10,344,112					\$725,215,335
Avg. Pay	\$24,513	\$36,525	\$35,547					\$26,862
30-34	14,422	10,024	4,237	139				28,822
Tot. Pay	\$416,892,748	\$423,221,655	\$191,166,867	\$6,147,956				\$1,037,429,226
Avg. Pay	\$28,907	\$42,221	\$45,118	\$44,230				\$35,994
35-39	11,251	8,039	9,070	2,942	106			31,408
Tot. Pay	\$330,877,602	\$347,780,339	\$440,113,713	\$146,245,613	\$4,782,820			\$1,269,800,087
Avg. Pay	\$29,409	\$43,262	\$48,524	\$49,710	\$45,121			\$40,429
40-44	10,896	7,696	8,688	7,922	3,388	152		38,742
Tot. Pay	\$310,270,520	\$324,588,051	\$417,390,799	\$433,235,040	\$182,007,693	\$8,650,993		\$1,676,143,096
Avg. Pay	\$28,476	\$42,176	\$48,042	\$54,688	\$53,721	\$56,914		\$43,264
45-49	10,056	7,630	8,018	6,897	8,185	3,810	216	44,812
Tot. Pay	\$273,836,565	\$306,040,161	\$368,214,391	\$357,129,339	\$466,601,338	\$215,516,355	\$11,810,128	\$1,999,148,277
Avg. Pay	\$27,231	\$40,110	\$45,923	\$51,780	\$57,007	\$56,566	\$54,677	\$44,612
50-54	9,243	7,426	8,061	6,803	7,394	6,721	2,250	47,898
Tot. Pay	\$238,647,375	\$280,790,122	\$354,652,765	\$331,726,833	\$406,640,192	\$399,990,533	\$132,025,711	\$2,144,473,531
Avg. Pay	\$25,819	\$37,812	\$43,996	\$48,762	\$54,996	\$59,514	\$58,678	\$44,772
55-59	7,010	6,202	6,632	6,184	6,421	4,747	2,912	40,108
Tot. Pay	\$170,647,702	\$228,131,462	\$276,168,269	\$290,498,963	\$334,282,687	\$276,493,476	\$185,837,570	\$1,762,060,129
Avg. Pay	\$24,343	\$36,784	\$41,642	\$46,976	\$52,061	\$58,246	\$63,818	\$43,933
60-64	4,702	3,958	4,289	3,942	3,960	2,723	1,732	25,306
Tot. Pay	\$95,741,339	\$133,627,965	\$174,408,058	\$180,254,269	\$202,946,495	\$149,863,383	\$113,043,376	\$1,049,884,885
Avg. Pay	\$20,362	\$33,761	\$40,664	\$45,727	\$51,249	\$55,036	\$65,268	\$41,488
65-69	2,375	1,477	1,259	1,007	963	685	537	8,303
Tot. Pay	\$27,967,706	\$36,303,259	\$44,808,795	\$42,148,609	\$45,493,540	\$36,437,844	\$31,624,818	\$264,784,571
Avg. Pay	\$11,776	\$24,579	\$35,591	\$41,856	\$47,241	\$53,194	\$58,892	\$31,890
70 & Over	2,114	1,357	823	544	374	287	316	5,815
Tot. Pay	\$14,971,957	\$16,380,305	\$16,148,219	\$14,722,665	\$13,452,325	\$11,655,705	\$16,312,954	\$103,644,130
Avg. Pay	\$7,082	\$12,071	\$19,621	\$27,064	\$35,969	\$40,612	\$51,623	\$17,824
Totals	136,303	59,244	51,368	36,380	30,791	19,125	7,963	341,174
Tot. Pay	\$2,820,740,065	\$2,288,046,868	\$2,293,415,988	\$1,802,109,287	\$1,656,207,090	\$1,098,608,289	\$490,654,557	\$12,449,782,144
Avg. Pay	\$20,695	\$38,621	\$44,647	\$49,536	\$53,789	\$57,444	\$61,617	\$36,491

**ALL DIVISIONS
DEFINED BENEFIT ACTIVE MEMBERS IN VALUATION
DECEMBER 31, 2010
BY GENDER AND YEARS OF SERVICE**

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	27,351	29,665	57,016	\$ 689,594,926	\$12,095
1	12,260	12,775	25,035	500,367,801	19,987
2	8,778	10,908	19,686	511,558,805	25,986
3	8,336	10,004	18,340	563,158,333	30,707
4	7,397	8,829	16,226	556,060,196	34,270
5	6,239	7,794	14,033	500,817,152	35,689
6	5,520	6,675	12,195	467,805,545	38,360
7	5,096	5,832	10,928	426,692,404	39,046
8	4,859	5,833	10,692	432,013,116	40,405
9	5,176	6,220	11,396	460,718,653	40,428
10	5,348	7,074	12,422	527,701,347	42,481
11	5,192	6,096	11,288	495,396,318	43,887
12	4,554	5,429	9,983	455,960,345	45,674
13	4,228	4,868	9,096	411,817,429	45,275
14	4,001	4,578	8,579	402,540,550	46,922
15 & Up	45,889	48,370	94,259	5,047,579,224	53,550
Totals	160,224	180,950	341,174	\$12,449,782,144	\$36,491

**SUMMARY OF PENSION EXPERIENCE
TRADITIONAL, COMBINED, AND MEMBER DIRECTED PLANS
(\$ IN MILLIONS)**

	2010		2009	
	Total \$	% of Accrued Liabilities	Total \$	% of Accrued Liabilities
Beginning of Year				
1. Total Accrued Liabilities	\$76,555.02	100.0 %	\$73,465.65	100.0 %
2. Valuation Assets	57,629.42	75.3 %	55,315.17	75.3 %
3. Unfunded Actuarial Accrued Liabilities	\$ 18,925.60	24.7 %	\$ 18,150.48	24.7 %
Experience Gains(Losses)				
4. Gains (losses) in economic risk areas				
a. Pay increases	\$ 775.96	1.0 %	\$ 1,138.39	1.5 %
b. Investment return	150.09	0.2 %	(623.73)	(0.8)%
c. Total	926.05	1.2 %	514.66	0.7 %
5. Gains (losses) from decrement experience				
a. Service retirement	(20.59)	0.0 %	(27.67)	0.0 %
b. Disability retirement	61.98	0.1 %	76.10	0.1 %
c. Death-in-service	32.08	0.0 %	35.16	0.0 %
d. Other separations	98.08	0.1 %	(51.32)	(0.1)%
e. Total	171.55	0.2 %	32.27	0.0 %
6. Total experience gains (losses): (4c) + (5e)	\$ 1,097.60	1.4 %	\$ 546.93	0.7 %
End of Year				
7. Total Accrued Liabilities	\$79,630.07	100.0 %	\$76,555.02	100.0 %
8. Valuation Assets	60,599.50	76.1 %	57,629.42	75.3 %
9. Unfunded Actuarial Accrued Liabilities	\$ 19,030.57	23.9 %	\$ 18,925.60	24.7 %

**SUMMARY OF PENSION EXPERIENCE
TRADITIONAL PLAN
(\$ IN MILLIONS)**

	2010		2009	
	Total \$	% of Accrued Liabilities	Total \$	% of Accrued Liabilities
Beginning of Year				
1. Total Accrued Liabilities	\$76,407.06	100.0 %	\$73,345.90	100.0 %
2. Valuation Assets	57,519.36	75.3 %	55,230.35	75.3 %
3. Unfunded Actuarial Accrued Liabilities	\$ 18,887.70	24.7 %	\$ 18,115.55	24.7 %
Experience Gains (Losses)				
4. Gains (losses) in economic risk areas				
a. Pay increases	\$ 773.67	1.0 %	\$ 1,141.74	1.6 %
b. Investment return	153.52	0.2 %	(620.48)	(0.8)%
c. Total	927.19	1.2 %	521.26	0.8 %
5. Gains (losses) from decrement experience				
a. Service retirement	(20.47)	0.0 %	(27.53)	0.0 %
b. Disability retirement	59.22	0.1 %	74.03	0.1 %
c. Death-in-service	32.04	0.0 %	34.64	0.0 %
d. Other separations	99.76	0.1 %	(58.88)	(0.1)%
e. Total	170.55	0.2 %	22.26	0.0 %
6. Total experience gains (losses): (4c) + (5e)	\$ 1,097.74		\$ 543.52	
End of Year				
7. Total Accrued Liabilities	\$79,458.52	100.0 %	\$76,407.06	100.0 %
8. Valuation Assets	60,461.44	76.1 %	57,519.36	75.3 %
9. Unfunded Actuarial Accrued Liabilities	\$ 18,997.08	23.9 %	\$ 18,887.70	24.7 %

**SUMMARY OF PENSION EXPERIENCE
COMBINED PLAN
(\$ IN MILLIONS)**

	2010		2009	
	Total \$	% of Accrued Liabilities	Total \$	% of Accrued Liabilities
Beginning of Year				
1. Total Accrued Liabilities	\$147.71	100.0 %	\$119.59	100.0 %
2. Valuation Assets	109.85	74.4 %	84.68	70.8 %
3. Unfunded Actuarial Accrued Liabilities	\$ 37.86	25.6 %	\$ 34.91	29.2 %
Experience Gains (Losses)				
4. Gains (losses) in economic risk areas				
a. Pay increases	\$ 2.29	1.5 %	\$ (3.35)	(2.8)%
b. Investment return	(3.44)	(2.3)%	(3.25)	(2.7)%
c. Total	(1.15)	(0.8)%	(6.60)	(5.5)%
5. Gains (losses) from decrement experience				
a. Service retirement	(0.12)	(0.1)%	(0.12)	(0.1)%
b. Disability retirement	2.78	1.9 %	2.07	1.7 %
c. Death-in-service	0.04	0.0 %	0.53	0.4 %
d. Other separations	(1.67)	(1.1)%	7.56	6.3 %
e. Total	1.03	0.7 %	10.04	8.3 %
6. Total experience gains (losses): (4c) + (5e)	\$ (0.12)	(0.1)%	\$ 3.44	2.8 %
End of Year				
7. Total Accrued Liabilities	\$171.06	100.0 %	\$147.71	100.0 %
8. Valuation Assets	137.63	80.5 %	109.85	74.4 %
9. Unfunded Actuarial Accrued Liabilities	\$ 33.43	19.5 %	\$ 37.86	25.6 %

SECTION II
FINANCIAL INFORMATION

FINANCIAL DATA FOR CALENDAR YEAR 2010

CONSOLIDATED ASSET RECONCILIATION

ALL PLANS, ALL DIVISIONS

	Traditional Pension Plan	DB Portion of Combined Pension Plan	DB Portion of Member-Directed Plan	Total Pension Defined Benefit	401(h) Health Care	Member Directed VEBA	Total Health Care	DC Portion of Combined Pension Plan	Member Directed	Total Defined Contribution	Total 2010
Beginning Market Value @ 12/31/09											
Assets Held in Trust for Benefits	\$ 57,529,576,157	\$ 103,129,693	\$ 207,932	\$ 57,632,913,782	\$ 11,415,195,274	\$ 55,784,131	\$ 11,470,979,405	\$ 120,255,104	\$ 200,380,138	\$ 320,635,242	\$ 69,424,528,429
Assets Held for Upcoming Year Budget	100,847,800	-	-	100,847,800	-	-	-	-	-	-	100,847,800
Total Beginning Market Value @ 12/31/09	\$ 57,630,423,957	\$ 103,129,693	\$ 207,932	\$ 57,733,761,582	\$ 11,415,195,274	\$ 55,784,131	\$ 11,470,979,405	\$ 120,255,104	\$ 200,380,138	\$ 320,635,242	\$ 69,525,376,229
External Cash Flows:											
Revenues:											
Member Contributions / Deposits	\$ 1,277,113,073	\$ 150,035	\$ -	\$ 1,277,263,108	\$ -	\$ -	\$ -	\$ 27,449,827	\$ 31,446,171	\$ 58,895,998	\$ 1,336,159,106
Employer Contributions	1,151,067,228	26,476,694	-	1,177,543,922	639,403,710	13,994,161	653,397,871	13,859	29,570,385	29,584,244	1,860,526,037
Retiree Paid Health Care Premiums	-	-	-	-	111,638,313	-	111,638,313	-	-	-	111,638,313
Refund from HC Vendors (Formulary & Guarantees)	-	-	-	-	143,412,159	-	143,412,159	-	-	-	143,412,159.00
Medicare Part D Reimbursements	-	-	-	-	72,100,529	-	72,100,529	-	-	-	72,100,529.00
Other Income / Cancelled Warrants	763,943	-	-	763,943	605,275	338	605,613	1,267	1,108	2,375	1,371,931
Total Revenues	\$ 2,428,944,244	\$ 26,626,729	\$ -	\$ 2,455,570,973	\$ 967,159,986	\$ 13,994,499	\$ 981,154,485	\$ 27,464,953	\$ 61,017,664	\$ 88,482,617	\$ 3,525,208,075
Disbursements:											
Refunds of Member Accounts	\$ (219,808,143)	\$ (323,170)	\$ -	\$ (220,131,313)	\$ -	\$ -	\$ -	\$ (3,216,874)	\$ (9,706,528)	\$ (12,923,402)	\$ (233,054,715)
Retirement Benefits	(3,961,217,461)	(61,125)	(27,210)	(3,961,305,796)	-	-	-	(67,241)	(178,984)	(246,225)	(3,961,552,021)
Retiree Paid Post Retirement Health Care	-	-	-	-	(111,638,313)	-	(111,638,313)	-	-	-	(111,638,313)
ER Paid Post Retirement Health Care	-	-	-	-	(1,328,361,338)	(514,332)	(1,328,875,670)	-	-	-	(1,328,875,670)
ER Paid Post Retirement Medicare	-	-	-	-	(107,770,173)	-	(107,770,173)	-	-	-	(107,770,173)
RMA Funding	-	-	-	-	(13,223,453)	-	(13,223,453)	-	-	-	(13,223,453)
Administrative Expenses	(73,285,712)	-	-	(73,285,712)	(17,278,126)	(889,502)	(18,167,628)	(2,820,145)	(2,750,712)	(5,570,857)	(97,024,197)
Total Disbursements	\$ (4,254,311,316)	\$ (384,295)	\$ (27,210)	\$ (4,254,722,821)	\$ (1,578,271,403)	\$ (1,403,834)	\$ (1,579,675,237)	\$ (6,104,260)	\$ (12,636,224)	\$ (18,740,484)	\$ (5,853,138,542)
Net External Cash Flow	\$ (1,825,367,072)	\$ 26,242,434	\$ (27,210)	\$ (1,799,151,848)	\$ (611,111,417)	\$ 12,590,665	\$ (598,520,752)	\$ 21,360,693	\$ 48,381,440	\$ 69,742,133	\$ (2,327,930,467)
Inter-Plan Activity											
Member Balance Transfers & Plan Switches	\$ 4,334,961	\$ (2,574,390)	\$ 232,951	\$ 1,993,522	\$ -	\$ -	\$ -	\$ 5,547,573	\$ (1,263,367)	\$ 4,284,206	\$ 6,277,728
DCP Fixed Assets Advanced by TP	42,911	-	-	42,911	-	26,276	26,276	(32,819)	(36,368)	(69,187)	-
Mitigation Rate	4,490,352	(2,100,471)	-	2,389,881	-	-	-	-	(2,389,881)	(2,389,881)	-
Interest on 12/31/07 Advance Balance	1,633,750	-	-	1,633,750	-	(101,658)	(101,658)	(606,991)	(925,101)	(1,532,092)	-
Income Applied to Advance (Loan) Balance	-	(6,275,353)	-	(6,275,353)	-	-	-	(1,267)	(1,108)	(2,375)	(6,277,728)
Total Inter-Plan Activity	\$ 10,501,974	\$ (10,950,214)	\$ 232,951	\$ (215,289)	\$ -	\$ (75,382)	\$ (75,382)	\$ 4,906,496	\$ (4,615,825)	\$ 290,671	\$ -
Investment Income:											
Interest and Dividends	\$ 1,238,488,921	\$ 2,441,451	\$ 6,491	\$ 1,240,936,863	\$ 272,736,963	\$ 1,338,735	\$ 274,075,698	\$ 767,833	\$ 1,260,006	\$ 2,027,839	\$ 1,517,040,400
Other Ordinary Investment Income	930,794,586	1,834,890	4,878	932,634,354	13,803,390	1,006,135	14,809,525	41	66	107	947,443,986
Realized Capital Value Changes	5,647,283,276	11,132,578	29,597	5,658,445,451	1,240,024,373	6,104,389	1,246,128,762	20,414,758	33,500,389	53,915,147	6,958,489,360
External Asset Management Fees	(117,120,121)	(230,881)	(614)	(117,351,616)	(10,904,604)	(126,600)	(11,031,204)	(154,097)	(261,901)	(415,998)	(128,798,818)
Rounding	-	-	-	-	-	-	-	-	-	-	-
Investment Return	\$ 7,699,446,662	\$ 15,178,038	\$ 40,352	\$ 7,714,665,052	\$ 1,515,660,122	\$ 8,322,659	\$ 1,523,982,781	\$ 21,028,535	\$ 34,498,560	\$ 55,527,095	\$ 9,294,174,928
Ending Market Value @ 12/31/10	\$ 63,515,005,521	\$ 133,599,951	\$ 454,025	\$ 63,649,059,497	\$ 12,319,743,979	\$ 76,622,073	\$ 12,396,366,052	\$ 167,550,828	\$ 278,644,313	\$ 446,195,141	\$ 76,491,620,690

DEVELOPMENT OF FUNDING VALUE OF PENSION DEFINED BENEFIT ASSETS TRADITIONAL, COMBINED, AND MEMBER DIRECTED PLANS

Year Ended December 31	2009	2010	2011	2012	2013
A. Funding Value Beginning of Year	\$55,315,177,260	\$57,629,417,411			
B. Market Value End of Year	57,733,761,582	63,649,059,497			
C. Market Value Beginning of Year	49,388,551,125	57,733,761,582			
D. Non-Investment/Administrative Net Cash Flow					
D1. Member Contributions	1,287,421,672	1,277,263,108			
D2. Employer and other Non-Member Contributions	1,155,104,391	1,180,697,746			
D3. Refund of Member Accounts	(212,456,857)	(220,131,313)			
D4. Retirement Benefits	(3,661,123,399)	(3,961,305,796)			
D5. Member Balance Transfers	1,014,381	1,993,522			
D6. Total Net Cash Flow: D1+D2+D3+D4+D5	(1,430,039,812)	(1,721,482,733)			
E. Investment Return					
E1. Market Total: B-C-D6	9,775,250,269	7,636,780,648			
E2. Assumed Rate of Return	8.00%	8.00%			
E3. Assumed Amount of Return	4,368,012,588	4,541,494,084			
E4. Amount Subject to Phase-In: E1-E3	5,407,237,681	3,095,286,564			
F. Phased-In Recognition of Investment Return					
F1. Current year: 0.25xE4	1,351,809,420	773,821,641			
F2. First Prior Year	(1,975,542,045)	1,351,809,420	\$ 773,821,641		
F3. Second Prior Year	-	(1,975,542,045)	1,351,809,420	\$ 773,821,641	
F4. Third Prior Year	-	-	(1,975,542,045)	1,351,809,421	\$773,821,641
F5. Total Phase-Ins	(623,732,625)	150,089,016	150,089,016	2,125,631,062	773,821,641
G. Funding Value End of Year					
G1. Preliminary Funding Value End of Year: A+D6+E3+F5	\$57,629,417,411	\$60,599,517,778			
G2. Upper Corridor Limit: 112% x B	64,661,812,972	71,286,946,637			
G3. Lower Corridor Limit: 88% x B	50,805,710,192	56,011,172,357			
G4. Funding Value End of Year	57,629,417,411	60,599,517,778			
H. Difference Between Market and Funding Value	104,344,171	3,049,541,719	2,899,452,703	773,821,641	-
I. Recognized Rate of Return	6.86 %	8.26 %			
J. Market Rate of Return	20.08 %	13.43 %			
K. Ratio of Funding Value to Market Value	100 %	95 %			

The Funding Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment return (line E4) are phased in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 3 consecutive years, funding value will become equal to market value.

DEVELOPMENT OF FUNDING VALUE OF PENSION DEFINED BENEFIT ASSETS TRADITIONAL PLAN

Year Ended December 31	2009	2010	2011	2012	2013
A. Funding Value Beginning of Year	\$55,230,348,492	\$57,519,359,607			
B. Market Value End of Year	57,630,423,957	63,515,005,521			
C. Market Value Beginning of Year	49,312,811,154	57,630,423,957			
D. Non-Investment/Administrative Net Cash Flow					
D1. Member Contributions	1,287,353,244	1,277,113,073			
D2. Employer and other Non-Member Contributions	1,133,712,802	1,156,321,523			
D3. Refund of Member Accounts	(212,209,227)	(219,808,143)			
D4. Retirement Benefits	(3,661,076,708)	(3,961,217,461)			
D5. Member Balance Transfers	1,321,750	4,334,961			
D6. Total Net Cash Flow: D1+D2+D3+D4+D5	(1,450,898,139)	(1,743,256,047)			
E. Investment Return					
E1. Market Total:B-C-D6	9,768,510,942	7,627,837,611			
E2. Assumed Rate of Return	8.00%	8.00%			
E3. Assumed Amount of Return	4,360,391,954	4,531,818,527			
E4. Amount Subject to Phase-In: E1-E3	5,408,118,988	3,096,019,084			
F. Phased-In Recognition of Investment Return					
F1. Current year: 0.25xE4	1,352,029,747	774,004,771			
F2. First Prior Year	(1,972,512,446)	1,352,029,747	\$ 774,004,771		
F3. Second Prior Year	-	(1,972,512,446)	1,352,029,747	\$ 774,004,771	
F4. Third Prior Year	-	0	(1,972,512,446)	1,352,029,748	\$774,004,771
F5. Total Phase-Ins	(620,482,699)	153,522,072	153,522,072	2,126,034,519	774,004,771
G. Funding Value End of Year					
G1. Preliminary Funding Value End of Year: A+D6+E3+F5	\$57,519,359,608	\$60,461,444,159			
G2. Upper Corridor Limit: 112% x B	64,546,074,832	71,136,806,184			
G3. Lower Corridor Limit: 88% x B	50,714,773,082	55,893,204,858			
G4. Funding Value End of Year	57,519,359,608	60,461,444,159			
H. Difference Between Market and Funding Value	111,064,349	3,053,561,362	2,900,039,290	774,004,771	-
I. Recognized Rate of Return	6.86 %	8.27 %			
J. Market Rate of Return	20.11 %	13.44 %			
K. Ratio of Funding Value to Market Value	100.00 %	95.00 %			

The Funding Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment return (line E4) are phased in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 3 consecutive years, funding value will become equal to market value.

DEVELOPMENT OF FUNDING VALUE OF PENSION DEFINED BENEFIT ASSETS COMBINED PLAN

Year Ended December 31	2009	2010	2011	2012	2013
A. Funding Value Beginning of Year	\$ 84,680,792	\$109,852,165			
B. Market Value End of Year	103,129,693	133,599,951			
C. Market Value Beginning of Year	75,607,850	103,129,693			
D. Non-Investment/Administrative Net Cash Flow					
D1. Member Contributions	68,428	150,035			
D2. Employer and Other Non-Member Contributions	21,391,589	24,376,223			
D3. Refund of Member Accounts	(247,630)	(323,170)			
D4. Retirement Benefits	(30,566)	(61,125)			
D5. Member Balance Transfers	(368,515)	(2,574,390)			
D6. Total Net Cash Flow: D1+D2+D3+D4+D5	20,813,306	21,567,573			
E. Investment Return					
E1. Market Total: B-C-D6	6,708,537	8,902,685			
E2. Assumed Rate of Return	8.00%	8.00%			
E3. Assumed Amount of Return	7,606,996	9,650,876			
E4. Amount Subject to Phase-In: E1-E3	(898,459)	(748,191)			
F. Phased-In Recognition of Investment Return					
F1. Current year: 0.25xE4	(224,615)	(187,048)			
F2. First Prior Year	(3,024,314)	(224,615)	(\$187,048)		
F3. Second Prior Year	-	(3,024,314)	(224,615)	(\$187,048)	
F4. Third Prior Year	-	-	(3,024,314)	(224,614)	(\$187,047)
F5. Total Phase-Ins	(3,248,929)	(3,435,977)	(3,435,977)	(411,662)	(187,047)
G. Funding Value End of Year					
G1. Preliminary Funding Value End of Year: A+D6+E3+F5	\$109,852,165	\$137,634,637			
G2. Upper Corridor Limit: 112% x B	115,505,256	149,631,945			
G3. Lower Corridor Limit: 88% x B	90,754,130	117,567,957			
G4. Funding Value End of Year	\$109,852,165	\$137,634,637			
H. Difference Between Market and Funding Value	(6,722,472)	(4,034,686)	(598,709)	(187,047)	-
I. Recognized Rate of Return	4.58 %	5.15 %			
J. Market Rate of Return	7.80 %	7.82 %			
K. Ratio of Funding Value to Market Value	107.00 %	103.00 %			

The Funding Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment return (line E4) are phased in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 3 consecutive years, funding value will become equal to market value.

DEVELOPMENT OF FUNDING VALUE OF PENSION DEFINED BENEFIT ASSETS MEMBER DIRECTED PLAN

Year Ended December 31	2009	2010	2011	2012	2013
A. Funding Value Beginning of Year	\$147,976	\$205,639			
B. Market Value End of Year	207,932	454,025			
C. Market Value Beginning of Year	132,121	207,932			
D. Non-Investment/Administrative Net Cash Flow					
D1. Member Contributions	-	-			
D2. Employer and Other Non-Member Contributions	-	-			
D3. Refund of Member Accounts	-	-			
D4. Retirement Benefits	(16,125)	(27,210)			
D5. Member Balance Transfers	61,146	232,951			
D6. Total Net Cash Flow: D1+D2+D3+D4+D5	45,021	205,741			
E. Investment Return					
E1. Market Total: B-C-D6	30,790	40,352			
E2. Assumed Rate of Return	8.00%	8.00%			
E3. Assumed Amount of Return	13,639	24,681			
E4. Amount Subject to Phase-In: E1-E3	17,151	15,671			
F. Phased-In Recognition of Investment Return					
F1. Current year: 0.25xE4	4,288	3,918			
F2. First Prior Year	(5,285)	4,288	\$3,918		
F3. Second Prior Year	-	(5,285)	4,288	\$3,918	
F4. Third Prior Year	-	-	(5,285)	4,287	\$3,917
F5. Total Phase-Ins	(997)	2,921	2,921	8,205	3,917
G. Funding Value End of Year					
G1. Preliminary Funding Value End of Year: A+D6+E3+F5	\$205,639	\$438,982			
G2. Upper Corridor Limit: 112% x B	232,884	508,508			
G3. Lower Corridor Limit: 88% x B	182,980	399,542			
G4. Funding Value End of Year	\$205,639	\$438,982			
H. Difference Between Market and Funding Value	2,293	15,043	12,122	3,917	-
I. Recognized Rate of Return	7.42 %	8.95 %			
J. Market Rate of Return	19.91 %	12.98 %			
K. Ratio of Funding Value to Market Value	99.00 %	97.00 %			

The Funding Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment return (line E4) are phased in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. If assumed rates are exactly realized for 3 consecutive years, funding value will become equal to market value.

**ALLOCATION OF FUNDING VALUE OF ASSETS AMONG DIVISIONS
DECEMBER 31, 2010
TRADITIONAL, COMBINED AND MEMBER DIRECTED PLANS**

	Total DB System				Total
	State	Local	Public Safety	Law Enforcement	
(1) Employer Accumulation Fund					
(a) Allocated Amounts	\$ 2,938,277,124	\$ 6,707,535,877	(\$7,886,296)	\$ 534,321,623	\$ 10,172,248,328
(b) Unallocated Amounts Allocated by 1(a)	<u>(61,604,877)</u>	<u>(141,324,823)</u>	<u>168,299</u>	<u>(11,402,759)</u>	<u>(214,164,160)</u>
(c) Total EAF	\$ 2,876,672,247	\$ 6,566,211,054	(\$7,717,997)	\$ 522,918,864	\$ 9,958,084,168
(2) Employee Savings Fund					
(a) Total Member Deposits	\$ 5,186,088,786	\$ 7,983,277,059	\$ 2,840,146	\$ 525,526,281	\$13,697,732,272
(b) ESF Allocated by (2)(a)	\$ 4,594,406,861	\$ 7,072,373,443	\$ 2,515,977	\$ 465,543,707	\$12,134,839,988
(3) Retired Assets					
(a) Allocated Amounts	\$16,711,724,384	\$23,007,303,130	\$35,838,586	\$1,657,514,675	\$41,412,380,775
(b) Additional and DC Annuities	<u>337,395</u>	<u>42,156,376</u>	<u>0</u>	<u>0</u>	<u>42,493,771</u>
(c) Total Retiree Assets	\$16,712,061,779	\$23,049,459,506	\$35,838,586	\$1,657,514,675	\$41,454,874,546
(4) Subtotal: (1)(c)+ (2)(b)+ (3)(c)	\$24,183,140,887	\$36,688,044,003	\$30,636,566	\$2,645,977,246	\$63,547,798,702
(5) Assets Held For Upcoming Year Budget Allocated According to (4)	<u>38,533,299</u>	<u>58,453,406</u>	<u>48,921</u>	<u>4,225,169</u>	<u>101,260,795</u>
(6) Total Employer + Employee Defined Benefit Assets: (4)+(5)	\$24,221,674,186	\$36,746,497,409	\$30,685,487	\$2,650,202,415	\$63,649,059,497
(7) Market Value Adjustment Allocated According to (6)	<u>(1,160,419,505)</u>	<u>(1,760,235,257)</u>	<u>(1,475,242)</u>	<u>(127,411,715)</u>	<u>(3,049,541,719)</u>
(8) Funding Value of Defined Benefit Assets (6)+(7)	\$23,061,254,681	\$34,986,262,152	\$29,210,245	\$2,522,790,700	\$60,599,517,778

**ALLOCATION OF FUNDING VALUE OF ASSETS AMONG DIVISIONS
DECEMBER 31, 2010
TRADITIONAL PLAN**

	Traditional Plan				
	State	Local	Public Safety	Law Enforcement	Total
(1) Employer Accumulation Fund (EAF)					
(a) Allocated Amounts	\$ 2,886,908,971	\$ 6,627,046,978	(\$7,886,296)	\$ 534,321,623	\$ 10,040,391,276
(b) Unallocated Amounts Allocated by (1)(a)	<u>(61,608,452)</u>	<u>(141,425,347)</u>	<u>168,299</u>	<u>(11,402,759)</u>	<u>(214,268,259)</u>
(c) Total EAF	\$ 2,825,300,519	\$ 6,485,621,631	(\$7,717,997)	\$ 522,918,864	\$ 9,826,123,017
(2) Employee Savings Fund (ESF)					
(a) Total Member Deposits (Accumulated by Determined Division)	\$ 5,185,867,094	\$ 7,982,999,318	\$ 2,840,146	\$ 525,526,281	\$13,697,232,839
(b) ESF Allocated by (2)(a)	\$ 4,593,962,052	\$ 7,071,834,906	\$ 2,515,977	\$ 465,543,707	\$12,133,856,642
(3) Retired Assets					
(a) Allocated Amounts	\$16,711,563,368	\$23,006,354,667	\$35,838,586	\$1,657,514,675	\$41,411,271,296
(b) Additional Annuities	<u>337,395</u>	<u>42,156,376</u>	<u>0</u>	<u>0</u>	<u>42,493,771</u>
(c) Total Retiree Assets	\$16,711,900,763	\$23,048,511,043	\$35,838,586	\$1,657,514,675	\$41,453,765,067
(4) Subtotal: (1)(c)+ (2)(b)+ (3)(c)	\$24,131,163,334	\$36,605,967,580	\$30,636,566	\$2,645,977,246	\$63,413,744,726
(5) Assets Held For Upcoming Year Budget Allocated According to (4)	<u>38,533,299</u>	<u>58,453,406</u>	<u>48,921</u>	<u>4,225,169</u>	<u>101,260,795</u>
(6) Total Employer + Employee Defined Benefit Assets: (4)+(5)	\$24,169,696,633	\$36,664,420,986	\$30,685,487	\$2,650,202,415	\$63,515,005,521
(7) Market Value Adjustment Allocated According to (6)	<u>(1,161,987,646)</u>	<u>(1,762,686,759)</u>	<u>(1,475,242)</u>	<u>(127,411,715)</u>	<u>(3,053,561,362)</u>
(8) Funding Value of Defined Benefit Assets (6)+(7)	\$23,007,708,987	\$34,901,734,227	\$29,210,245	\$2,522,790,700	\$60,461,444,159

**ALLOCATION OF FUNDING VALUE OF ASSETS AMONG DIVISIONS
DECEMBER 31, 2010
COMBINED PLAN**

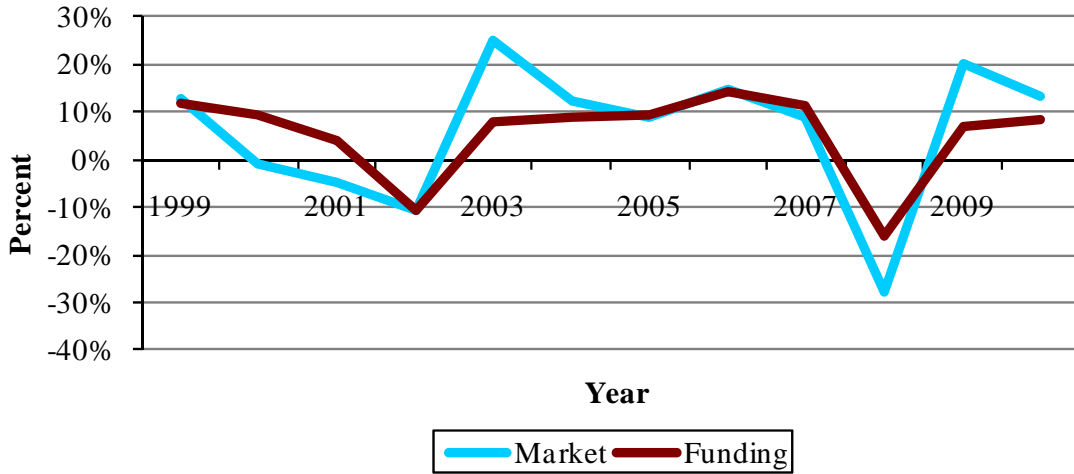
	Combined Plan				Total
	State	Local	Public Safety	Law Enforcement	
(1) Employer Accumulation Fund					
(a) Allocated Amounts	\$51,357,982	\$80,592,151	\$0	\$0	\$131,950,133
(b) Unallocated Amounts Allocated by (1)(a)	<u>11,673</u>	<u>18,317</u>	<u>0</u>	<u>0</u>	<u>29,990</u>
(c) Total EAF	\$51,369,655	\$80,610,468	\$0	\$0	\$131,980,123
(2) Employee Savings Fund					
(a) Total Member Deposits (Reported by Division)	\$ 220,351	\$ 263,675	\$0	\$0	\$ 484,026
(b) ESF Allocated by (2)(a)	\$ 444,134	\$ 531,455	\$0	\$0	\$ 975,589
(3) Retired Assets					
(a) Allocated Amounts	\$ 138,999	\$ 505,240	\$0	\$0	\$ 644,239
(b) DC Annuities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(c) Total Retiree Assets	\$ 138,999	\$ 505,240	\$0	\$0	\$ 644,239
(4) Subtotal: (1)(c)+ (2)(b)+ (3)(c)	\$51,952,788	\$81,647,163	\$0	\$0	\$133,599,951
(5) Assets Held For Upcoming Year Budget Allocated According to (4)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(6) Total Employer + Employee Defined Benefit Assets: (4)+(5)	\$51,952,788	\$81,647,163	\$0	\$0	\$133,599,951
(7) Market Value Adjustment Allocated According to (6)	<u>1,568,962</u>	<u>2,465,724</u>	<u>0</u>	<u>0</u>	<u>4,034,686</u>
(8) Funding Value of Defined Benefit Assets (6)+(7)	\$53,521,750	\$84,112,887	\$0	\$0	\$137,634,637

**ALLOCATION OF FUNDING VALUE OF ASSETS AMONG DIVISIONS
DECEMBER 31, 2010
MEMBER DIRECTED PLAN**

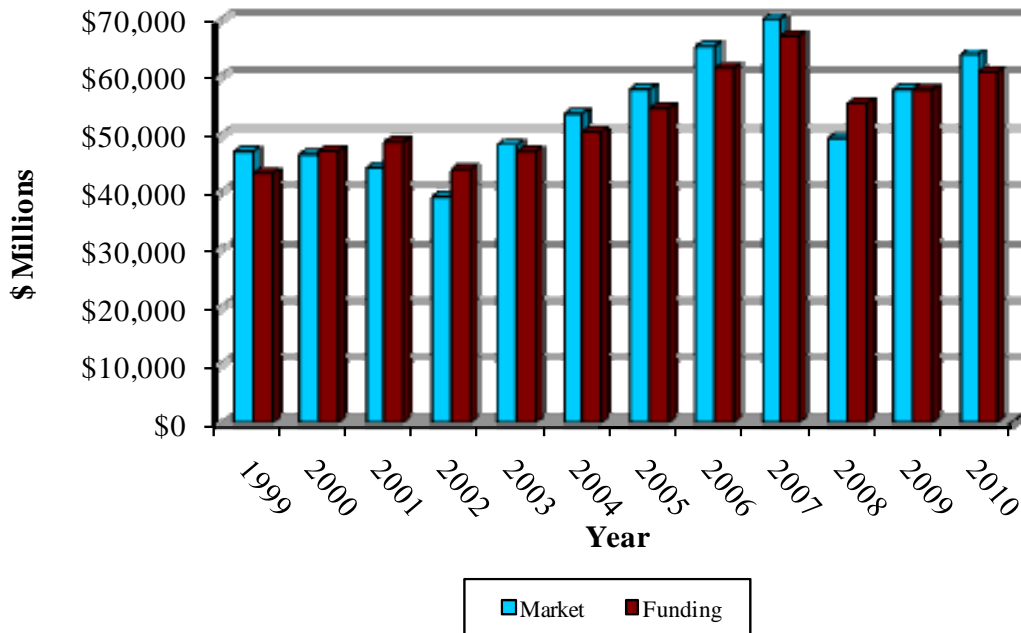
	Member Directed Plan					
	State	Local	Public Safety	Law Enforcement	Total	
(1) Employer Accumulation Fund						
(a) Allocated Amounts	\$ 10,171	\$ (103,252)	\$ 0	\$ 0	\$ (93,081)	
(b) Unallocated Amounts Allocated by 1(a)	<u>(8,098)</u>	<u>82,207</u>	<u>0</u>	<u>0</u>	<u>74,109</u>	
(c) Total EAF	\$ 2,073	\$ (21,045)	\$ 0	\$ 0	\$ (18,972)	
(2) Employee Savings Fund						
(a) Total Member Deposits	\$ 1,341	\$ 14,066	\$ 0	\$ 0	\$ 15,407	
(b) ESF Allocated by (2)(a)	\$ 675	\$ 7,082	\$ 0	\$ 0	\$ 7,757	
(3) Retired Assets						
(a) Allocated Amounts	\$ 22,017	\$ 443,223	\$ 0	\$ 0	\$ 465,240	
(b) DC Annuities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
(c) Total Retiree Assets	\$ 22,017	\$ 443,223	\$ 0	\$ 0	\$ 465,240	
(4) Subtotal: (1)(c)+ (2)(b)+ (3)(c)	\$ 24,765	\$ 429,260	\$ 0	\$ 0	\$ 454,025	
(5) Assets Held For Upcoming Year Budget Allocated According to (4)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
(6) Total Employer + Employee Defined Benefit Assets: (4)+(5)	\$ 24,765	\$ 429,260	\$ 0	\$ 0	\$ 454,025	
(7) Market Value Adjustment Allocated According to (6)	<u>(821)</u>	<u>(14,222)</u>	<u>0</u>	<u>0</u>	<u>(15,043)</u>	
(8) Funding Value of Defined Benefit Assets (6)+(7)	\$ 23,944	\$ 415,038	\$ 0	\$ 0	\$ 438,982	

COMPARISON OF DEFINED BENEFIT PENSION ASSETS

Comparison of Rates of Return



Comparison of Defined Benefit Pension Asset Values



SECTION III

BENEFITS AND CONDITIONS EVALUATED

BENEFITS AND CONDITIONS EVALUATED

PLANS

Traditional Pension Plan. The Traditional Pension Plan is a defined benefit plan under which a member's retirement benefit is based on a formula. The formula is determined by years of contributing service and the average of the three highest years of earnable salary (or final average salary). OPERS investment professionals manage the investment of employee and employer contributions to ensure that funds are available to pay the formula benefit.

Combined Plan. The Combined Plan is a retirement plan with both a defined benefit and a defined contribution component. Under the defined benefit portion of the Combined Plan, the member's benefit is determined by a reduced formula (similar to the Traditional Pension Plan). OPERS investment professionals manage the investment of employer contributions to ensure that funds are available to pay the reduced formula benefit. Under the defined contribution portion of the Combined Plan, employee contributions are deposited into the member's individual defined contribution account and invested as directed by the member. The member's retirement benefit under this portion of the Combined Plan is based on employee contributions and the gains and losses on those contributions. The member directs the investment by selecting from among the nine professionally-managed OPERS Investment Options.

Member-Directed Plan. The Member-Directed Plan is a defined contribution plan under which employee and employer contributions are deposited into a member's individual defined contribution account and invested as directed by the member. The member's retirement benefit is based on employee and employer contributions and the gains and losses on those contributions. Under the Member-Directed Plan, the member directs the investment by selecting from several professionally-managed OPERS Investment Options.

BENEFITS AND CONDITIONS EVALUATED

TERMS

Final average salary (“FAS”) means the average of the annual earnings for the 3 highest calendar years of compensation.

Participant Contribution Account is the account for each Participant in the Combined or Member-Directed Plan to which shall be credited the employee contributions.

Miscellaneous Contribution Account is the account to which shall be credited any voluntary after-tax contributions for members in the Combined and Member-Directed Plans.

Rollover Account is the account to which shall be credited any rollover amounts for members in the Combined or Member-Directed Plans.

Employers’ Accumulation Fund is the fund to which shall be credited employer contributions for members in the Traditional or Combined Plan. There are separate accounts in the Employers’ Accumulation Fund for the Combined Plan and the Traditional Pension Plan.

Employer Contribution Account is the fund to which shall be credited a portion of the employer contributions for members in the Member-Directed Plan.

CONTRIBUTIONS

Member contributions. State and local government members contribute 10.0% of earnable salary in 2010. The maximum statutory rate is 10% of earnable salary.

Law enforcement members whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of the state contribute 11.1% of earnable salary in 2010 increasing to 13.00% by 2014. Remaining Law enforcement members (Public Safety) contribute 10.5% of earnable salary in 2010 increasing to 12.00% by 2013.

Employer contributions. Each employer contributes the remaining amounts necessary to finance OPERS benefits. Employer contributions are expressed as percents of member-covered payroll. The maximum statutory rate for state and local government employers is 14%. The maximum statutory rate for law enforcement employers is 18.1% (H.B. 416, effective 1/1/2001).

BENEFITS AND CONDITIONS EVALUATED

CONTRIBUTIONS (CONT'D)

Health Care Preservation Plan (HCPP). The following table shows total scheduled employer contribution rates (includes contributions for both the pension and retiree health programs):

Year	State	Local Government	Law Enforcement	Public Safety
2010	14.00%	14.00%	17.87%	17.87%
2011 and Later	14.00	14.00	18.10	18.10

The portion of the above employer contribution rates scheduled to be allocated to the retiree health program are as follows:

Year	All Divisions
2010	5.00%
2011	4.00%
2012	4.00%
2013	1.00%
2014	0.00%
2015 and Later	0.00%

The schedule was adopted at the July 21, 2010 Board meeting and is subject to change if conditions warrant.

Member contribution rates scheduled to be allocated to the pension program are as follows:

Year	State	Local Government	Law Enforcement	Public Safety
2010	10.00%	10.00%	11.10%	10.50%
2011	10.00%	10.00%	11.60%	11.00%
2012	10.00%	10.00%	12.10%	11.50%
2013	10.00%	10.00%	12.60%	12.00%
2014 and Later	10.00%	10.00%	13.00%	12.00%

TRADITIONAL PENSION PLAN

AGE & SERVICE BENEFITS - STATE AND LOCAL GOVERNMENT MEMBERS

Age and service eligibility. A member who (i) has attained age 60 years and has 5 or more years of service credit or 60 contributing months, or (ii) has attained age 55 years and has 25 or more years of service credit, or (iii) has 30 or more years of service credit, may retire with an age and service retirement allowance.

Age and service allowance. A retiring member's age and service allowance is equal to Ohio service credit times the greater of \$86, or 2.2% of FAS for the first 30 years of service plus 2.5% for years of service over 30 years (H.B. 628). The allowance is then adjusted by factors based on attained age or years of service (whichever yields the higher percentage) as determined in the following schedule:

Attained Age	OR	Years of Service Credit	Percentage of Base Amount
58		25	75%
59		26	80
60		27	85
61		N/A	88
N/A		28	90
62		N/A	91
63		N/A	94
N/A		29	95
64		N/A	97
65		30 or more	100

Maximum allowance is 100% of FAS or the limits under IRC Section 415(b). Minimum allowance is based upon twice the member's savings funding balance at retirement together with interest credits, annuitized with unisex factors that reflect plan interest and mortality assumptions, but not the plan's COLA.

TRADITIONAL PENSION PLAN

AGE & SERVICE BENEFITS – LAW MEMBERS (PUBLIC SAFETY) ELIGIBLE TO RETIRE UNDER OHIO REVISED CODE SECTION 145.33(B)(2)(B)

Age and service eligibility. A law member whose secondary duties are to preserve the peace, to protect life and property, and to enforce the laws of the state and who (i) has attained age 52 and has 25 or more years of credited service, or (ii) has attained age 62 and has 15 or more years of credited service, or (iii) has attained age 52 and has 15 or more years of credited service, may retire with an age and service allowance. A member covered by these provisions may retire at age 48 with 25 or more years of service subject to the reduction described in 145.33 (C)(1).

Age and service allowance. A retiring member's age and service allowance under eligibility (i) or (ii) above is equal to 2.5% of FAS times the first 25 years of service credit plus 2.1% of FAS times service credit in excess of 25 years (H.B. 628). Maximum allowance is 90% of FAS or the limits under IRC Section 415(b). A retiring member's age and service allowance under eligibility (iii) above is equal to 1.5% of FAS times years of service credit. Minimum allowance for all law members is based upon twice the member's savings fund balance at retirement together with interest credits.

AGE & SERVICE BENEFITS - LAW MEMBERS (LAW ENFORCEMENT) ELIGIBLE TO RETIRE UNDER OHIO REVISED CODE SECTION 145.33(B)(2)(A)

Age and service eligibility. A law member whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of the state and who (i) has attained age 48 and has 25 or more years of credited service, or (ii) has attained age 62 and has 15 or more years of credited service, or (iii) has attained age 52 and has 15 or more years of credited service, may retire with an age and service allowance.

Age and service allowance. A retiring member's age and service allowance under eligibility (i) or (ii) above is equal to 2.5% of FAS times the first 25 years of service credit plus 2.1% of FAS times service credit in excess of 25 years (H.B. 628). Maximum allowance is 90% of FAS or the limits under IRC Section 415(b). A retiring member's age and service allowance under eligibility (iii) above is equal to 1.5% of FAS times years of service credit. Minimum allowance for all law members is based upon twice the member's savings fund balance at retirement together with interest credits.

TRADITIONAL PENSION PLAN

DISABILITY RETIREMENT

The disability program was revised in order to comply with the Older Workers Benefit Protection Act. Employees becoming members after July 29, 1992 are covered by the post July 29, 1992 program. Other members were able to elect coverage under the pre July 29, 1992 program (original plan) or elect to be covered by the post July 29, 1992 program (revised plan).

Features of the original plan are:

- a) Upon becoming permanently disabled after completion of at least 5 years or 60 contributing months of service but before attaining age 60, a member is eligible for a disability allowance. The service requirement is waived for Law Enforcement members with an on-duty illness or injury.
- b) The amount of the allowance is the service the member would have had if employment had continued to age 60 times (i) 2.2% of FAS (H.B. 628), or (ii) \$86, whichever produces the greater benefit.
- c) Maximum allowance is 75% of FAS, minimum allowance is 30% of FAS.

Features of the revised plan are:

- a) A member may apply at any age after completion of 5 years or 60 contributing months of service. The service requirement is waived for Law Enforcement members with an on-duty illness or injury.
- b) A disability benefit equal to the greater of 45% of FAS or the actual service credit times 2.2% of FAS (H.B. 628) with no early retirement reduction (maximum 60% of FAS). The disability benefit period is to age 65 if the member is disabled prior to age 60. The benefit period declines gradually from 60 months for members disabled at ages 60 and 61 to 12 months for members disabled at age 69 or older.
- c) After the disability benefit ends, a service retirement benefit equal to the greater of (i) the accrued benefit based on actual service, or (ii) 2.2% of FAS (H.B. 628) times service credit including the period of disability (maximum 45% of FAS). In addition, an amount equal to the cost-of-living increases the member would have received had the member retired on the basis of age and service is paid.

TRADITIONAL PENSION PLAN

SURVIVOR BENEFITS

Death while eligible to retire. If a member dies in service after becoming eligible to retire with an age and service allowance and leaves a surviving spouse or other sole dependent beneficiary, the survivor receives the same amount that would have been paid had the member retired the last day of the month of death and elected the 100% joint and survivor form of payment.

Survivor (death-in-service) allowances. If a deceased member had at least 1-1/2 years of contributing service credit, with at least ¼ year of such service occurring within the 2-1/2 years prior to death, or was receiving a disability benefit, qualified survivors may receive the following monthly benefits. The benefit paid will be the greater of the applicable benefits paid under the following two schedules (H.B. 628):

Schedule 1

<u>Number of Qualified Survivors Affecting the Benefit</u>	<u>Annual Benefit as a % of Deceased Member's FAS</u>	<u>Minimum Monthly Benefit</u>
1	25%	\$250
2	40%	\$400
3	50%	\$500
4	55%	\$500
5 or more	60%	\$500

Schedule 2

<u>Years of Service</u>	<u>Annual Benefit as a % of Deceased Member's FAS</u>
20	29%
21	33%
22	37%
23	41%
24	45%
25	48%
26	51%
27	54%
28	57%
29 or more	60%

Qualifying survivors who are paid benefits under Schedule 2 share equally in the benefits, except that if there is a surviving spouse, the spouse receives the greater of 25% of FAS or \$250.

TRADITIONAL PENSION PLAN

A *qualified spouse* is the surviving spouse of a deceased member who is age 62 or at any age if the deceased member had 10 or more years of Ohio service credit or if the surviving spouse is caring for a qualified child or is adjudged physically or mentally incompetent.

A *qualified child* is a child who has never been married and under the age of 18 (or 22 if attending an approved school), or regardless of age is adjudged physically or mentally incompetent at the time of the member's death.

A *qualified parent* is a dependent parent aged 65 or older (earlier if mentally or physically incompetent) who received at least one-half support from the member during the 12-month period immediately preceding the member's death.

Qualified *survivors of disability benefit recipients* have the FAS used in calculating their benefits adjusted for each year between the effective date of the disability benefit and the recipient's date of death. The FAS is adjusted by the lesser of (1) 3% or (2) the actual average percentage change in the CPI.

BENEFITS AT RETIREMENT

Optional Benefit Forms. Retiring members may elect to have benefits paid in straight life form, in a form that guarantees a minimum number of monthly payments, or in a form that provides a continuation of all or a portion of the monthly benefit to a beneficiary after the death of the retiree. If a retiring member elects benefits in other than straight life form, the monthly amount is adjusted. The adjustment is based upon interest, COLA, and mortality assumptions (with a blend of male and female mortality rates to produce unisex election factors consistent with the gender distribution of members electing optional forms of payment).

TRADITIONAL PENSION PLAN

PLOP. Effective 01/01/2004, retiring members may also elect to receive a Partial Lump Sum Option Payment (PLOP) (S.B.247). The PLOP is an option that allows a retiree to initially receive a partial lump sum benefit payment along with a reduced monthly retirement allowance. The lump sum payment cannot be less than 6 times or more than 36 times the monthly amount that would be payable to the member under the plan of payment selected and shall not result in a monthly allowance that is less than 50% of the monthly benefit. The total amount paid as a lump sum and monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected.

QEBA. Qualified Excess Benefit Arrangement was established 01/01/2004 (H.B.190). The QEBA is operated in accordance with Internal Revenue Code Section 415(m). Under this arrangement the recipient may be paid the portion of his/her retirement benefit that was previously limited due to IRC Section 415(b).

Post-retirement increases. Each July after June 30, 1971 or the annual anniversary established 12 months after the initial date of retirement, each allowance is increased by 3.0% of the corresponding base allowance, except that no allowance shall exceed the limits established by Section 415 of the Internal Revenue Code.

Post-retirement death benefit. Upon the death of an age and service or disability retiree, a death benefit in the following amount is payable:

Service Credit at Retirement	Amount of Death Benefit
5 to 9 years	\$ 500
10 to 14 years	1,000
15 to 19 years	1,500
20 to 24 years	2,000
25 or more years	2,500

Deferred benefits. A member with at least 5 years of service credit who leaves service before being eligible for an immediate allowance and who does not withdraw accumulated contributions will be entitled to a deferred allowance at age 60. For law members, the age at which benefits commence depends on the amount of service credit. The amount of the allowance will be based on credited service and final average salary at time of leaving service.

TRADITIONAL PENSION PLAN

REFUND OF MEMBERS ACCUMULATED CONTRIBUTIONS

In the event a member leaves service prior to retirement, the member may elect to receive a refund of contributions with interest and may be eligible to receive an additional amount as described below. These refund provisions are available to all members. If a member dies prior to retirement and survivor benefits are not payable, the member's contributions with interest are paid to a designated beneficiary or other survivor. Interest is credited annually to member contribution balances. The rate of interest credited is determined by the OPERS Board and will not be greater than 6%. At the present time, 1% interest is credited to member contribution balances.

If the member has, or had at the time of death, at least 5 years but less than 10 years of qualified service, an additional 33% of the member's eligible contributions will be paid to the member or survivor. If the member has, or had at the time of death, at least 10 years of qualified service credit, an additional 67% of the member's eligible contributions will be paid to the member or survivor. The additional amount is not paid if the member is a re-employed retiree, or in the case of a deceased member, was receiving disability benefits at the time of death.

SUPPLEMENTAL BENEFITS

Health Care Coverage. Health care coverage is available to persons being paid a monthly allowance from OPERS. Members retiring with a normal or early service retirement allowance after June 13, 1986 must have 10 or more years of qualified service credit to be eligible for this benefit.

Medicare premiums. Medicare part B premiums are paid for those eligible, upon proof of coverage. Members retiring with a normal or early service retirement allowance after June 13, 1986 must have 10 or more years of qualified service credit to be eligible for this benefit.

TRADITIONAL PENSION PLAN

ADDITIONAL ANNUITY PROGRAM

The additional annuity program provides Traditional Plan and re-employed retiree members the opportunity of supplementing their retirement income. Members make additional contributions (independent of the contributions described on page III-2) to an account that earns investment income based upon the return of the OPERS Stable Value Fund. At termination, the member may take the additional annuity account balance either as a lump sum or annuitized in monthly payments.

RE-EMPLOYED RETIREES

Re-employed age and service retirees contribute to the “Money Purchase Plan”. In most instances, re-employed retirees will continue to receive their retirement allowance during re-employment. Upon termination of re-employment, members are eligible to apply for either a refund of contributions prior to age 65 or a Money Purchase Plan benefit as a lump sum or annuity after age 65. The Money Purchase Plan benefit is equal to member contributions and allowable interest plus an additional 67% matching amount. If monthly benefits are elected, joint and survivor options are also available.

COMBINED PLAN

AGE & SERVICE BENEFITS - STATE AND LOCAL GOVERNMENT MEMBERS*

Eligibility. A member who (i) has attained age 60 years and has 5 or more years of service credit in the Plan or 60 contributing months in the Plan, or (ii) has attained age 55 years and has 25 or more years of service credit, or (iii) has 30 or more years of service credit, may retire under the Combined Plan with an age and service retirement allowance under the defined benefit portion of the Plan and with a retirement benefit under the defined contribution portion of the Plan.

**Law Enforcement and Public Safety members must contribute to the Traditional Pension Plan only.*

Age and service retirement allowance (Defined Benefit portion of the Plan). A retiring member's age and service retirement allowance is equal to Ohio service credit in the Plan times 1.0% of FAS for the first 30 years of service plus 1.25% for years of service over 30 years. The allowance is then adjusted by factors based on attained age or years of service (whichever yields the higher percentage) as determined in the following schedule:

Attained Age	OR	Years of Service Credit	Percentage of Base Amount
58		25	75%
59		26	80
60		27	85
61		N/A	88
N/A		28	90
62		N/A	91
63		N/A	94
N/A		29	95
64		N/A	97
65		30 or more	100

Maximum allowance is 100% of FAS or the limits under IRC Section 415(b).

Retirement benefit (Defined Contribution portion of the Plan). The member's retirement benefit under this portion of the Combined Plan is based on the amounts credited to the Participant Contribution Account, Rollover Account, and Miscellaneous Account and the gains and losses on the amounts in those Accounts.

COMBINED PLAN

DISABILITY RETIREMENT

A Combined Plan member may apply after completion of 5 years in the Plan or 60 contributing months of service in the Plan. Combined Plan members may be covered under the original or revised disability plan. Combined Plan members who apply for disability may:

- 1) Take a lump sum distribution of the Participant Contribution Account, Rollover Account, and Miscellaneous Account and any additional amount they are entitled to from the Employers' Accumulation Fund, or
- 2) Transfer all service credit and the Participant's Accounts (as listed above) in the Combined Plan to the Traditional Pension Plan to be paid a disability benefit under the Traditional Pension Plan guidelines.

SURVIVOR BENEFITS

Combined Plan members are eligible for the same survivor benefits as those listed under the Traditional Pension Plan and must qualify for survivor benefits under the same guidelines as those members in the Traditional Pension Plan.

BENEFITS AT RETIREMENT

Optional Benefit Forms under the Defined Benefit portion of the Plan. Retiring members may elect to have their age and service retirement allowance in straight life form, in a form that guarantees a minimum number of monthly payments, or in a form that provides a continuation of all or a portion of the monthly benefit to a beneficiary after the death of the retiree. If a retiring member elects benefits in other than straight life form, the monthly amount is adjusted. The adjustment is based upon interest, COLA, and mortality assumptions (with a blend of male and female mortality rates to produce unisex election factors consistent with the gender distribution of members electing optional forms of payment).

COMBINED PLAN

Optional Benefit Forms under the Defined Contribution portion of the Plan. Retiring members may elect to have retirement benefits paid in a partial lump sum, subject to any rules adopted by the Board; monthly annuity payments (with joint and survivor options) similar to those offered under the defined benefit portion of the Plan; periodic payments over a period certain; periodic payments of a specific monthly amount; payments with a deferred start date; or a combination of these options.

PLOP. Effective 01/01/2004, retiring members may also elect to receive a Partial Lump Sum Option Payment (PLOP) (S.B.247). The PLOP is an option that allows a retiree to initially receive a partial lump sum benefit payment along with a reduced monthly retirement allowance. The lump sum payment cannot be less than 6 times or more than 36 times the monthly amount that would be payable to the member under the plan of payment selected and shall not result in a monthly allowance that is less than 50% of the monthly benefit. The total amount paid as a lump sum and monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected. The PLOP is available to Combined Plan members for the age and service retirement allowance under the defined benefit portion of the Plan and for the monthly annuity under the defined contribution portion of the Plan.

QEBA. Qualified Excess Benefit Arrangement was established 01/01/2004 (H.B.190). The QEBA is operated in accordance with Internal Revenue Code Section 415(m). Under this arrangement the recipient may be paid the portion of his/her retirement benefit that was previously limited due to IRC Section 415(b). The QEBA is available to Combined Plan members for the age and service retirement allowance under the defined benefit portion of the Plan.

Post-retirement increases. Each July after June 30, 1971 or the annual anniversary established 12 months after the initial date of retirement, each age and service retirement allowance under the defined benefit portion of the plan is increased by 3.0% of the corresponding base allowance, except that no allowance shall exceed the limits established by Section 415 of the Internal Revenue Code.

COMBINED PLAN

Post-retirement death benefit. Upon the death of an age and service retiree, a death benefit in the following amount is payable:

Service Credit at Retirement	Amount of Death Benefit
5 to 9 years	\$ 500
10 to 14 years	1,000
15 to 19 years	1,500
20 to 24 years	2,000
25 or more years	2,500

REFUNDS AND VESTING

A participant in the Combined Plan shall at all times be 100% vested in the Participant Contribution Account, Miscellaneous Contribution Account, and the Rollover Account.

If the member has at least 5 years but less than 10 years of qualified service credit in the Plan, an additional 33% of the member's eligible contributions will be paid from the Employers' Accumulation Fund. If the member has at least 10 years of qualified service credit in the Plan, an additional 67% of the member's eligible contributions will be paid to the member. Amounts paid to purchase service credit earn interest at the same rates as the Traditional Pension Plan and are payable as a refund.

In the event a member leaves service prior to retirement, the member may elect to receive a refund of their Participant Contribution Account, the Rollover Account, the Miscellaneous Account, and any additional amounts they are entitled to from the Employers' Accumulation Fund (as described above).

SUPPLEMENTAL BENEFITS

Health Care Coverage. Health care coverage is available to persons being paid a monthly allowance from OPERS. Members retiring with a normal or early service retirement allowance after June 13, 1986 must have 10 or more years of qualified service credit to be eligible for this benefit.

COMBINED PLAN

Medicare premiums. Medicare part B premiums are paid for those eligible, upon proof of coverage. Members retiring with a normal or early service retirement allowance after June 13, 1986 must have 10 or more years of qualified service credit to be eligible for this benefit. [Although it is not mentioned under the Traditional Pension Plan either, Combined Plan members are eligible for the Medicare Part-A equivalent coverage under R.C. 145.325.]

MEMBER-DIRECTED PLAN

AGE & SERVICE BENEFITS - STATE AND LOCAL GOVERNMENT MEMBERS. (Law Enforcement and Public Safety members must contribute to the Traditional Pension Plan Only.)

Eligibility. A participant who has attained age fifty-five (55) may retire under the Member-Directed Plan.

Retirement benefits. The member's retirement benefit is based on the value of the Participant Contribution Account, the Rollover Account, the Miscellaneous Account, and any vested portion of the Employer Contribution Account.

DISABILITY RETIREMENT

Not available under the Member-Directed Plan. Members may:

- 1) If age fifty-five (55), terminate employment and begin receiving retirement benefits, or
- 2) Take a lump sum distribution of their Participant Contribution Account, Rollover Account, Miscellaneous Account and any vested portion of the Employer Contribution Account.

SURVIVOR BENEFITS

Not available under the Member-Directed Plan. Survivors must take a lump sum distribution of the member's Participant Contribution Account, Rollover Account, Miscellaneous Account and any vested portion of the Employer Contribution Account.

MEMBER-DIRECTED PLAN

BENEFITS AT RETIREMENT

Optional Benefit Forms. Retiring members may elect to have retirement benefits paid in a partial lump sum, subject to any rules adopted by the Board; monthly annuity payments (with joint and survivor options) similar to those offered under the defined benefit portion of the Combined Plan; periodic payments over a period certain; periodic payments of a specific monthly amount; payments with a deferred start date; or a combination of these options.

PLOP. Effective 01/01/2004, retiring members who elect a monthly annuity under the Member-Directed Plan may also elect to receive a Partial Lump Sum Option Payment (PLOP) (S.B.247). The PLOP is an option that allows a retiree to initially receive a partial lump sum benefit payment along with a reduced monthly annuity. The lump sum payment cannot be less than 6 times nor more than 36 times the monthly amount that would be payable to the member under the plan of payment selected and shall not result in a monthly annuity that is less than 50% of the monthly benefit. The total amount paid as a lump sum and monthly benefit shall be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected. The PLOP is available to Member-Directed Plan members only if they elect a monthly annuity.

REFUNDS AND VESTING.

A participant shall at all times be 100% vested in the Participant Contribution Account, Miscellaneous Contribution Account, and the Rollover Account. A participant shall vest in the Employer Contribution Account according to the Participant's attained years of participation in the Plan as follows:

One year of participation	20%
Two years of participation	40%
Three years of participation	60%
Four years of participation	80%
Five years of participation	100%

In the event a member leaves service prior to retirement, the member may elect to receive a refund of their Participant Contribution Account, Rollover Account, and Miscellaneous Account and any vested amounts in the Employer Contribution Account (as described above).

MEMBER-DIRECTED PLAN

SUPPLEMENTAL BENEFITS

Health Care Coverage. A portion of the employer contribution for Member-Directed participants is credited to a Retiree Medical Account (RMA). Amounts contributed to the RMA may be used after separation from service and a refund or retirement distribution is made to pay qualified health, dental and vision care expenses. Members vest in their RMA based on their attained years of participation in the Plan as follows:

1 – 2 years	0%
3 years	30%
4 years	40%
5 years	50%
6 years	60%
7 years	70%
8 years	80%
9 years	90%
10 years	100%

Effective January 1, 2009, the vesting schedule will be as follows:

Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
STATE OR LOCAL MEMBER - NORMAL RETIREMENT
RETIRING DECEMBER 31, 2010
UNDER BENEFIT PROVISIONS EVALUATED**

Data:

A.	<u>\$32,000</u>	Final Average Earnings
B.	<u>33</u>	Years of Credited Service
C.	<u>59</u>	Age of Retiree
D.	<u>56</u>	Age of Spouse
E.	<u>100%</u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)

Computations:

F.	Formula Benefit: $(0.022 \times 30 \text{ years} + 0.025 \times 3 \text{ years}) \times \$32,000 =$	\$ 23,520
G.	Reduction for Line E Election: $(1 - 0.84810) \times (F) =$	<u>3,573</u>
H.	Benefit Payable to Retiree while Spouse is Alive: $(F) - (G) =$	19,947
I.	Benefit Payable to Spouse after Retiree's Death	19,947
J.	Benefit Payable to Retiree after Spouse's Death	23,520

Projected Benefits:

Year Ended December 31,	Retiree's Benefit (Both Alive)	Spouse's Benefit (After Retiree's Death)	Retiree's Benefit (After Spouse's Death)
2011	\$ 19,947	\$ 19,947	\$ 23,520
2012	20,545	20,545	24,226
2013	21,144	21,144	24,931
2014	21,742	21,742	25,637
2015	22,341	22,341	26,342
2016	22,939	22,939	27,048
2017	23,537	23,537	27,754
2018	24,136	24,136	28,459
2019	24,734	24,734	29,165
2020	25,333	25,333	29,870

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
STATE OR LOCAL MEMBER - EARLY RETIREMENT
RETIRING DECEMBER 31, 2010
UNDER BENEFIT PROVISIONS EVALUATED**

Data:

A.	<u>\$32,000</u>	Final Average Earnings
B.	<u>26</u>	Years of Credited Service
C.	<u>59</u>	Age of Retiree
D.	<u>56</u>	Age of Spouse
E.	<u>100%</u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)

Computations:

F.	Formula Benefit: $0.022 \times 26 \text{ years} \times \$32,000 =$	\$ 18,304
G.	Adjustment factor for Early Retirement (from schedule)	80%
H.	Adjusted benefit: $(F) \times (G) =$	14,643
I.	Reduction for Line E Election: $(1 - 0.84810) \times (H) =$	<u>2,224</u>
J.	Benefit Payable to Retiree while Spouse is Alive: $(H) - (I)$	12,419
K.	Benefit Payable to Spouse after Retiree's Death	12,419
L.	Benefit Payable to Retiree after Spouse's Death	14,643

Projected Benefits:

Year Ended December 31,	Retiree's Benefit (Both Alive)	Spouse's Benefit (After Retiree's Death)	Retiree's Benefit (After Spouse's Death)
2011	\$ 12,419	\$ 12,419	\$ 14,643
2012	12,792	12,792	15,082
2013	13,164	13,164	15,522
2014	13,537	13,537	15,961
2015	13,910	13,910	16,400
2016	14,282	14,282	16,840
2017	14,655	14,655	17,279
2018	15,027	15,027	17,718
2019	15,400	15,400	18,158
2020	15,772	15,772	18,597

SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
SECTION 145.33 (B)(2)(b) PUBLIC SAFETY
MEMBER - NORMAL RETIREMENT
RETIRING DECEMBER 31, 2010
UNDER BENEFIT PROVISIONS EVALUATED

Data:

A.	<u>\$38,000</u>	Final Average Earnings
B.	<u>28</u>	Years of Credited Service
C.	<u>49</u>	Age of Retiree
D.	<u>46</u>	Age of Spouse
E.	<u>100%</u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)

Computations:

F.	Formula Benefit: $(0.025 \times 25 \text{ years} + 0.021 \times 3 \text{ years}) \times \$38,000 \times 80\% =$	\$ 20,915
G.	Reduction for Line E Election: $(1 - 0.91118) \times (F) =$	<u>1,858</u>
H.	Benefit Payable to Retiree while Spouse is Alive: $(F) - (G) =$	19,057
I.	Benefit Payable to Spouse after Retiree's Death	19,057
J.	Benefit Payable to Retiree after Spouse's Death	20,915

Projected Benefits:

<u>Year Ended</u> <u>December 31,</u>	<u>Retiree's Benefit</u> <u>(Both Alive)</u>	<u>Spouse's Benefit</u> <u>(After Retiree's Death)</u>	<u>Retiree's Benefit</u> <u>(After Spouse's Death)</u>
2011	\$ 19,057	\$ 19,057	\$ 20,915
2012	19,629	19,629	21,542
2013	20,200	20,200	22,170
2014	20,772	20,772	22,797
2015	21,344	21,344	23,425
2016	21,916	21,916	24,052
2017	22,487	22,487	24,680
2018	23,059	23,059	25,307
2019	23,631	23,631	25,935
2020	24,202	24,202	26,562

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
SECTION 145.33 (B)(2)(a) LAW ENFORCEMENT
MEMBER - NORMAL RETIREMENT
RETIRING DECEMBER 31, 2010
UNDER BENEFIT PROVISIONS EVALUATED**

Data:

A.	<u>\$38,000</u>	Final Average Earnings
B.	<u>28</u>	Years of Credited Service
C.	<u>49</u>	Age of Retiree
D.	<u>46</u>	Age of Spouse
E.	<u>100%</u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)

Computations:

F.	Formula Benefit: $(0.025 \times 25 \text{ years} + 0.021 \times 3 \text{ years}) \times \$38,000 =$	\$ 26,144
G.	Reduction for Line E Election: $(1 - 0.91118) \times (F) =$	<u>2,322</u>
H.	Benefit Payable to Retiree while Spouse is Alive: $(F) - (G) =$	23,822
I.	Benefit Payable to Spouse after Retiree's Death	23,822
J.	Benefit Payable to Retiree after Spouse's Death	26,144

Projected Benefits:

Year Ended December 31,	Retiree's Benefit (Both Alive)	Spouse's Benefit (After Retiree's Death)	Retiree's Benefit (After Spouse's Death)
2011	\$ 23,822	\$ 23,822	\$ 26,144
2012	24,537	24,537	26,928
2013	25,251	25,251	27,713
2014	25,966	25,966	28,497
2015	26,681	26,681	29,281
2016	27,395	27,395	30,066
2017	28,110	28,110	30,850
2018	28,825	28,825	31,634
2019	29,539	29,539	32,419
2020	30,254	30,254	33,203

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
STATE OR LOCAL MEMBER – TERMINATION BENEFIT
RETIRING DECEMBER 31, 2010
UNDER BENEFIT PROVISIONS EVALUATED**

Data:

A.	<u>\$32,000</u>	Final Average Earnings
B.	<u>15</u>	Years of Credited Service
C.	<u>45</u>	Age of Member
D.	<u>42</u>	Age of Spouse
E.	<u>60:57</u>	Ages at Which Benefits are Payable
F.	<u>100%</u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)
G.	<u>\$44,000</u>	Accumulated Contributions with Interest at Termination Date

Computations:

H.	Formula Benefit: $(0.022 \times 15 \text{ years} + 0.025 \times 0 \text{ years}) \times \$32,000 =$	\$ 10,560
I.	Adjustment factor for Early Retirement (from schedule)	85%
J.	Adjusted benefit: $(H) \times (I) =$	8,976
K.	Reduction for Line F Election: $(1 - 0.84024) \times (J) =$	<u>1,434</u>
L.	Benefit Payable to Retiree while Spouse is Alive: $(J) - (K) =$	7,542
M.	Benefit Payable to Spouse after Retiree's Death	7,542
N.	Benefit Payable to Retiree after Spouse's Death	8,976
O.	In lieu of a lifetime benefit, terminatee may elect to receive a refund of accumulated contributions with interest plus an additional 67% of eligible accumulated contributions because terminatee had more than 10 years of service.	<u>73,480</u>

Projected Benefits:

Year Ended December 31,	Retiree's Benefit (Both Alive)	Spouse's Benefit (After Retiree's Death)	Retiree's Benefit (After Spouse's Death)
2011	\$ 7,542	\$ 7,542	\$ 8,976
2012	7,768	7,768	9,245
2013	7,995	7,995	9,515
2014	8,221	8,221	9,784
2015	8,447	8,447	10,053
2016	8,673	8,673	10,322
2017	8,900	8,900	10,592
2018	9,126	9,126	10,861
2019	9,352	9,352	11,130
2020	9,578	9,578	11,400

SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
SECTION 145.33 (B)(2)(a) PUBLIC SAFETY / LAW ENFORCEMENT
MEMBER – TERMINATION BENEFIT
RETIRING DECEMBER 31, 2010
UNDER BENEFIT PROVISIONS EVALUATED

Data:

A.	<u> \$38,000 </u>	Final Average Earnings
B.	<u> 15 </u>	Years of Credited Service
C.	<u> 37 </u>	Age of Retiree
D.	<u> 34 </u>	Age of Spouse
E.	<u> 52:49 </u>	Ages at Which Benefits are Payable
F.	<u> 100% </u>	Percentage of Pension to Continue to Spouse after retiree's death (Retiree makes the choice of 100% Joint and Survivor with Pop-Up)
G.	<u> \$46,000 </u>	Accumulated Contributions at Termination Date

Computations:

H.	Formula Benefit: (0.015 x 15 years) x \$38,000 =	\$ 8,550
I.	Reduction for Line F Election: (1 - 0.89538) x (H) =	<u> 895 </u>
J.	Benefit Payable to Retiree while Spouse is Alive: (H) - (I) =	7,655
K.	Benefit Payable to Spouse after Retiree's Death	7,655
L.	Benefit Payable to Retiree after Spouse's Death	8,550
M.	In lieu of a lifetime benefit, terminatee may elect to receive a refund of accumulated contributions with interest plus an additional 67% of eligible accumulated contributions because terminatee had more than 10 years of service.	76,820

Projected Benefits:

<u>Year Ended</u> <u>December 31,</u>	<u>Retiree's Benefit</u> <u>(Both Alive)</u>	<u>Spouse's Benefit</u> <u>(After Retiree's Death)</u>	<u>Retiree's Benefit</u> <u>(After Spouse's Death)</u>
2011	\$ 7,655	\$ 7,655	\$ 8,550
2012	7,885	7,885	8,807
2013	8,114	8,114	9,063
2014	8,344	8,344	9,320
2015	8,574	8,574	9,576
2016	8,803	8,803	9,833
2017	9,033	9,033	10,089
2018	9,263	9,263	10,346
2019	9,492	9,492	10,602
2020	9,722	9,722	10,859

SECTION IV

RECOMMENDATIONS FOR RESERVE TRANSFERS

DECEMBER 31, 2010 RETIRED LIFE VALUATION RESERVE TRANSFERS

Reserve transfers from the Employer Accumulation Fund to the A & PR Fund and/or Survivor Benefit Funds are recommended in the following instances.

- Whenever the December 31 valuation shows unfunded accrued liabilities or assets in excess of computed liabilities in any of the retired life funds.
- To adjust retired life reserves for the payment of health insurance premiums and Medicare reimbursements for the previous 12 month period if this has not already been done.
- To cover the cost of ad-hoc post retirement benefit increases.
- To adjust retired life reserves for any changes in computed liabilities resulting from assumption changes.

By making these annual adjustments in addition to the regular transfers when allowances are added to the rolls, the ratio of assets to liabilities for retired members and beneficiaries will stay at 100%. Year to year changes in this ratio before recommended transfers will normally be isolated to mortality experience within the retired life group.

In 1992, OPERS began making interim benefit payments for certain retirements to shorten the delay between the retirement effective date and receipt of the first monthly check. However, reserve transfers are not made until benefit amounts are final. Transfers for these cases have been accrued based upon supplemental information supplied by OPERS staff and are shown on the following page. The accruals, when added to other assets, are intended to put retired life reserves in the same position they would have been in if reserve transfers for the interim benefit cases had been coincident with benefit commencement.

It is recommended that the transfers shown on the following page be made from the Employer Accumulation Fund to the Annuity & Pension Reserve Fund and Survivor Benefit Funds as indicated. The Accrued Transfers is an estimate of pending future transfers for interim cases, and does not require a year end transfer. Any accrued transfers that have been made prior to OPERS' extract date and hence are not included in the "Accrued Transfers" column on pages IV-2 through IV-5 should be netted off the "Other" column on pages IV-2 through IV-5.

TRADITIONAL PLAN
RESERVE TRANSFERS AFFECTING THE EMPLOYER ACCUMULATION FUND
DECEMBER 31, 2010

	Assets Before Transfers	Transfers		Assets After Transfers	Liabilities	Ratio
		Accrued	Other			
State						
A&PR FUND						
SR	\$13,674,480,165	\$114,508,747	\$(17,585,269)	\$13,771,403,643	\$13,771,403,643	
MP	26,246,585	17,537	(2,105,481)	24,158,641	24,158,641	
AA	337,395	0	(79,910)	257,485	257,485	
JR	504,349	0	(504,349)	0	0	
CR	54,461,135	0	8,972,503	63,433,638	63,433,638	
DR	2,033,680,152	18,460,886	292,115	2,052,433,153	2,052,433,153	
BD	359,352,078	12,687,530	(1,226,758)	370,812,850	370,812,850	
TOTAL A&PR	16,149,061,859	145,674,700	(12,237,149)	16,282,499,410	16,282,499,410	100.0%
SBF						
AA	0	0	0	0	0	
S-1	112,701,284	1,458,408	(3,820,540)	110,339,152	110,339,152	
S-2	450,137,619	3,454,844	(5,695,206)	447,897,257	447,897,257	
TOTAL SBF	562,838,903	4,913,252	(9,515,746)	558,236,409	558,236,409	100.0%
TOTAL STATE	\$16,711,900,762	\$150,587,952	\$(21,752,895)	\$16,840,735,819	\$16,840,735,819	100.0%
Local						
A&PR FUND						
SR	\$18,907,505,666	\$156,324,260	\$(70,843,981)	\$18,992,985,945	\$18,992,985,945	
MP	62,585,075	59,413	(3,139,066)	59,505,422	59,505,422	
AA	42,156,376	63,926	(387,483)	41,832,819	41,832,819	
JR	845,486	0	(845,486)	0	0	
CR	73,747,170	0	9,389,730	83,136,900	83,136,900	
DR	2,609,852,334	19,778,109	(6,515)	2,629,623,928	2,629,623,928	
BD	439,819,540	12,142,483	6,498,357	458,460,380	458,460,380	
TOTAL A&PR	22,136,511,647	188,368,191	(59,334,444)	22,265,545,394	22,265,545,394	100.0%
SBF						
AA	0	0	0	0	0	
S-1	168,167,224	1,702,229	(828,088)	169,041,365	169,041,365	
S-2	743,832,173	8,441,152	125,610	752,398,935	752,398,935	
TOTAL SBF	911,999,397	10,143,381	(702,478)	921,440,300	921,440,300	100.0%
TOTAL LOCAL	\$23,048,511,044	\$198,511,572	\$(60,036,922)	\$23,186,985,694	\$23,186,985,694	100.0%

**TRADITIONAL PLAN
RESERVE TRANSFERS AFFECTING THE EMPLOYER ACCUMULATION FUND
DECEMBER 31, 2010**

	Assets Before Transfers	Transfers		Assets After Transfers	Liabilities	Ratio
		Accrued	Other			
Public Safety						
A&PR FUND						
SR	\$7,323,978	\$ 0	\$(114,096)	\$7,209,882	\$7,209,882	
MP	0	0	0	0	0	
AA	0	0	0	0	0	
JR	0	0	0	0	0	
CR	0	0	0	0	0	
DR	11,064,380	0	441,619	11,505,999	11,505,999	
BD	1,591,630	0	124,852	1,716,482	1,716,482	
TOTAL A&PR	19,979,988	0	452,375	20,432,363	20,432,363	100.0%
SBF						
AA	0	0	0	0	0	
S-1	100,943	0	(100,943)	0	0	
S-2	15,757,655	134,683	58,087	15,950,425	15,950,425	
TOTAL SBF	15,858,598	134,683	(42,856)	15,950,425	15,950,425	100.0%
TOTAL PUBLIC SAFETY	\$35,838,586	\$134,683	\$409,519	\$36,382,788	\$36,382,788	100.0%
Law Enforcement						
A&PR FUND						
SR	\$1,040,243,146	\$5,931,558	\$(23,520,353)	\$1,022,654,351	\$1,022,654,351	
MP	0	0	0	0	0	
AA	0	0	0	0	0	
JR	0	0	0	0	0	
CR	398,896	0	(117,722)	281,174	281,174	
DR	508,587,784	2,916,107	5,696,495	517,200,386	517,200,386	
BD	71,606,951	1,787,263	812,615	74,206,829	74,206,829	
TOTAL A&PR	1,620,836,777	10,634,928	(17,128,965)	1,614,342,740	1,614,342,740	100.0%
SBF						
AA	0	0	0	0	0	
S-1	11,254,027	0	32,323	11,286,350	11,286,350	
S-2	25,423,871	62,676	53,578	25,540,125	25,540,125	
TOTAL SBF	36,677,898	62,676	85,901	36,826,475	36,826,475	100.0%
TOTAL LAW ENFORCEMENT	\$ 1,657,514,675	\$ 10,697,604	\$(17,043,064)	\$ 1,651,169,215	\$ 1,651,169,215	100.0%
GRAND TOTAL	\$41,453,765,067	\$359,931,811	\$(98,423,362)	\$41,715,273,516	\$41,715,273,516	100.0%

**COMBINED PLAN
RESERVE TRANSFERS AFFECTING THE EMPLOYER ACCUMULATION FUND
DECEMBER 31, 2010**

	Assets Before Transfers	Transfers		Assets After Transfers	Liabilities	Ratio
		Accrued	Other			
State						
A&PR FUND						
CA	\$ 12,788	\$0	\$ (111)	\$ 12,677	\$ 12,677	
CB	126,211	0	4,070	130,281	130,281	
TOTAL A&PR	138,999	0	3,959	142,958	142,958	
TOTAL STATE	\$138,999	\$0	\$3,959	\$142,958	\$142,958	
Local						
A&PR FUND						
CA	\$198,072	\$ 12,868	\$58,679	\$269,619	\$269,619	
CB	307,168	95,075	18,715	420,958	420,958	
TOTAL A&PR	505,240	107,943	77,394	690,577	690,577	100.0%
TOTAL LOCAL	\$505,240	\$107,943	\$77,394	\$690,577	\$690,577	100.0%
GRAND TOTAL	\$644,239	\$107,943	\$81,353	\$833,535	\$833,535	100.0%

MEMBER DIRECTED PLAN
RESERVE TRANSFERS AFFECTING THE EMPLOYER ACCUMULATION FUND
DECEMBER 31, 2010

	Assets Before Transfers	Transfers		Assets After Transfers	Liabilities	Ratio
		Accrued	Other			
State						
A&PR FUND						
MD	\$ 22,017	\$ 0	\$ (2,943)	\$ 19,074	\$ 19,074	
TOTAL A&PR	22,017	0	(2,943)	19,074	19,074	
TOTAL STATE	\$ 22,017	\$ 0	\$ (2,943)	\$ 19,074	\$ 19,074	
Local						
A&PR FUND						
MD	\$443,223	\$ 24,364	\$ 3,131	\$470,718	\$470,718	
TOTAL A&PR	443,223	24,364	3,131	470,718	470,718	100.0%
TOTAL LOCAL	\$443,223	\$ 24,364	\$ 3,131	\$470,718	\$470,718	100.0%
GRAND TOTAL	\$465,240	\$ 24,364	\$ 188	\$489,792	\$489,792	100.0%

SECTION V
STATE DIVISION

STATE DIVISION

Data on active, inactive, retired and money purchase members that was used in the valuation is tabulated briefly below.

Defined Benefit Active Members in Valuation December 31, 2010

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Traditional Plan					
Men	53,102	\$2,228,536,608	\$41,967	40.9 yrs.	9.8 yrs.
Women	62,784	2,464,008,548	39,246	41.1	9.5
Traditional Plan Total	115,886	\$4,692,545,156	40,493	41.0 yrs.	9.6 yrs.
Combined Plan					
Men	971	\$50,167,770	\$51,666	41.1 yrs.	5.2 yrs.
Women	1,383	68,612,265	49,611	41.1	4.9
Combined Plan Total	2,354	\$118,780,035	50,459	41.1 yrs.	5.0 yrs.
Grand Total	118,240	\$4,811,325,191	\$40,691	41.0 yrs.	9.6 yrs.

Reported pays for certain State employees were increased by 4% assuming these employees will experience fewer future furlough days than experienced during 2010.

Also included in the valuation were 149,603 inactive members (145,225 eligible for deferred retirement allowances and 4,378 eligible for or contribution refunds) and 3,805 members active in the money purchase plan.

Retired Members in Valuation December 31, 2010

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
Traditional Plan			
A & PR Fund			
Superannuation Retirement	48,920	\$ 106,616,627	\$ 13,835,094,766
Disability Retirement	8,587	18,464,165	2,423,246,003
Money Purchase	509	242,329	24,158,641
Total A & PR Fund	58,016	125,323,121	16,282,499,410
Total SBF	4,814	4,917,321	558,236,409
Traditional Plan Total	62,830	\$ 130,240,442	\$ 16,840,735,819
Combined Plan			
A & PR Fund	6	\$ 944	\$ 142,958
Combined Plan Total	6	\$ 944	\$ 142,958
Member Directed Plan			
A & PR Fund	2	\$ 133	\$ 19,074
Member Directed Plan Total	2	\$ 133	\$ 19,074
Grand Total	62,838	\$ 130,241,519	\$ 16,840,897,851

**STATE DIVISION
EMPLOYER CONTRIBUTIONS TO SUPPORT
DEFINED BENEFIT RETIREMENT ALLOWANCES
EXPRESSED AS PERCENTS OF ACTIVE MEMBER PAYROLL**

Valuation Date December 31	2010			2009
Contributions for	2013			2012
Normal Cost	<u>Traditional Plan</u>	<u>Combined Plan</u>	<u>Traditional and Combined Plans</u>	<u>Traditional and Combined Plans</u>
Age and Service Allowances	8.43 %	3.68 %	8.62 %	8.57 %
Disability Allowances	2.53 %	1.97 %	2.51 %	2.51 %
Survivor's Benefits	0.43 %	0.31 %	0.42 %	0.42 %
Separation Benefits	4.00 %	1.24 %	3.94 %	3.95 %
Total Normal Cost	15.39 %	7.20 %	15.49 %	15.45 %
(Member Contributions)	10.00 %	0.00 %	10.00 %	10.00 %
Employer Normal Cost	5.39 %	7.20 %	5.49 %	5.45 %
Unfunded Actuarial Accrued Liabilities				
Total Available Contribution	7.61 %	5.80 %	7.51 %	4.55 %
Amortization Years	45	2	43	42
Total Pension Employer Contribution Rate	13.00 %	13.00 %	13.00 %	10.00 %

The term “Amortization Years” refers to the period sufficient to produce the Total Employer Contribution Rate for retirement allowances and survivor benefits and incorporates all scheduled employer and member contribution rate increases and scheduled employer rate reallocations between the pension and retiree health programs.

**STATE DIVISION
COMPARATIVE STATEMENT**

Valuation Date December 31	Contribution Rate Effective January 1	Defined Benefit Active Members in Valuation				Computed Employer Contributions as % of Payroll				
		No.	Annual Payroll			Normal Cost	Unfunded Accrued Liability	Pension Total	Retiree Health	Grand Total
			Total	Average	Increase					
			(\$Millions)							
1996@	1999	115,712	\$ 3,319	\$ 28,684	2.6 %	6.21 %	2.90 %	9.11 %	4.20 %	13.31 %
1997	2000	114,036	3,405	29,858	4.1 %	6.21 %	2.80 %	9.01 %	4.30 %	13.31 %
1998	2001	112,323	3,500	31,159	4.4 %	6.21 %	2.80 %	9.01 %	4.30 %	13.31 %
1999#	2002	112,761	3,592	31,851	2.2 %	7.68 %	0.63 %	8.31 %	5.00 %	13.31 %
2000	2003	113,099	3,868	34,201	7.4 %	7.69 %	0.62 %	8.31 %	5.00 %	13.31 %
2001@	2004	109,219	3,996	36,589	7.0 %	6.17 %	3.14 %	9.31 %	4.00 %	13.31 %
2002	2005	110,017	4,129	37,531	2.6 %	5.95 %	3.36 %	9.31 %	4.00 %	13.31 %
2003##	2006	108,249	4,079	37,679	0.4 %	5.70 %	3.34 %	9.04 %	4.50 %	13.54 %
2004	2007	110,207	4,165	37,794	0.3 %	5.67 %	2.60 %	8.27 %	5.50 %	13.77 %
2005@	2008	114,620	4,339	37,858	0.2 %	5.43 %	1.57 %	7.00 %	7.00 %	14.00 %
2006	2009	115,930	4,522	39,005	3.0 %	4.97 %	2.03 %	7.00 %	7.00 %	14.00 %
2007	2010	118,466	4,703	39,695	1.8 %	5.44 %	1.56 %	7.00 %	7.00 %	14.00 %
2008	2011	114,925	4,780	41,590	4.8 %	5.44 %	4.56 %	10.00 %	4.00 %	14.00 %
2009	2012	117,008	4,763	40,704	(2.1)%	5.45 %	4.55 %	10.00 %	4.00 %	14.00 %
2010	2013	118,240	4,811	40,691	0.0 %	5.49 %	7.51 %	13.00 %	1.00 %	14.00 %

After benefit changes.

@ Revised actuarial assumptions.

Combined Plan members are included beginning with the December 31, 2003 valuation.

STATE DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
DECEMBER 31, 2010

Actuarial Present Value	(1) Total Actuarial Present Value	Allocation by Entry Age	
		(2) Portion Covered By Future Normal Cost Contributions	(3) Actuarial Accrued Liabilities (1)-(2)
Allowances currently being paid from the Annuity & Pension Reserve Fund	\$ 16,282,661,442	\$ -	\$ 16,282,661,442
Allowances currently being paid from the Survivors Benefit Fund	558,236,409	-	558,236,409
Age and service allowances based on service rendered before and likely to be rendered after valuation date	15,398,479,820	3,132,203,167	12,266,276,653
Disability allowances likely to be paid present active members who become permanently disabled	2,106,861,304	935,675,029	1,171,186,275
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	438,002,979	155,127,061	282,875,918
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	2,595,839,255	1,528,869,764	1,066,969,491
Total	\$ 37,380,081,209	\$ 5,751,875,021	\$ 31,628,206,188
Actuarial Value of Assets			23,061,254,681
Unfunded Actuarial Accrued Liability			\$ 8,566,951,507

STATE DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
COMPARATIVE STATEMENT
(\$ IN MILLIONS EXCEPT AVERAGES)

Dec. 31	Defined Benefit Active Payroll		Active and Inactive Member Accrued Liabilities for Retirement Allowances				Unfunded /Payroll
			Computed	Valuation	Unfunded	Amortization	
	Total	Average	Total	Assets		Years	
1996@	\$3,319	\$28,684	\$ 8,104	\$7,387	\$717	8	0.22
1997	3,405	29,858	8,591	8,268	323	3	0.09
1998	3,500	31,159	9,223	9,666	(443)	-	-
1999#	3,592	31,851	10,298	10,474	(176)	-	-
2000	3,868	34,201	11,273	11,558	(285)	-	-
2001@	3,996	36,589	11,352	11,863	(511)	-	-
2002	4,129	37,531	11,822	8,965	2,857	38	0.69
2003##	4,079	37,679	12,230	9,030	3,200	43	0.78
2004	4,165	37,794	12,441	9,664	2,777	34	0.67
2005@	4,339	37,858	13,326	10,296	3,030	39	0.70
2006	4,522	39,005	14,006	12,131	1,875	35	0.41
2007	4,703	39,695	14,526	13,442	1,084	20	0.23
2008	4,780	41,590	14,872	7,488	7,384	N/A	1.54
2009	4,763	40,704	14,843	6,648	8,195	N/A	1.71
2010	4,811	40,691	14,787	6,220	8,567	61	1.78

After benefit changes.

@ Revised actuarial assumptions.

Combined Plan members are included beginning with the December 31, 2003 valuation.

While no one or two numeric indices can fully describe the financial condition of a retirement plan, the ratio of unfunded actuarial accrued liabilities divided by active member payroll (“UNFUNDED / PAYROLL” above) is significant. Unfunded actuarial accrued liabilities represent plan debt, while active member payroll represents the plan’s capacity to collect contributions to pay toward debt --- thus the ratio is a relative index of condition. The lower the ratio, the greater the financial strength, and vice-versa.

STATE DIVISION
MALE ACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	823							823
Tot. Pay	\$5,119,851							\$5,119,851
Avg. Pay	\$6,221							\$6,221
20-24	8,101	26						8,127
Tot. Pay	\$82,315,681	\$542,063						\$82,857,744
Avg. Pay	\$10,161	\$20,849						\$10,195
25-29	4,878	762	25					5,665
Tot. Pay	\$117,859,648	\$31,337,620	\$1,148,705					\$150,345,973
Avg. Pay	\$24,161	\$41,125	\$45,948					\$26,539
30-34	2,843	1,491	588	3				4,925
Tot. Pay	\$90,005,761	\$70,652,442	\$30,216,481	\$128,349				\$191,003,033
Avg. Pay	\$31,659	\$47,386	\$51,389	\$42,783				\$38,782
35-39	1,903	1,162	1,418	388	7			4,878
Tot. Pay	\$65,276,098	\$59,188,635	\$77,397,789	\$22,002,939	\$409,635			\$224,275,096
Avg. Pay	\$34,302	\$50,937	\$54,582	\$56,709	\$58,519			\$45,977
40-44	1,624	1,022	1,287	1,451	552	9		5,945
Tot. Pay	\$57,763,306	\$54,231,497	\$71,243,027	\$90,453,499	\$34,504,809	\$601,915		\$308,798,053
Avg. Pay	\$35,569	\$53,064	\$55,356	\$62,339	\$62,509	\$66,879		\$51,942
45-49	1,412	941	1,080	1,176	1,606	753	22	6,990
Tot. Pay	\$49,187,713	\$48,282,537	\$59,503,526	\$71,184,041	\$105,722,017	\$47,759,534	\$1,294,844	\$382,934,212
Avg. Pay	\$34,835	\$51,310	\$55,096	\$60,531	\$65,829	\$63,426	\$58,857	\$54,783
50-54	1,118	782	939	921	1,209	1,437	375	6,781
Tot. Pay	\$39,170,447	\$39,886,762	\$52,190,466	\$55,457,654	\$78,399,458	\$95,313,234	\$24,107,012	\$384,525,033
Avg. Pay	\$35,036	\$51,006	\$55,581	\$60,215	\$64,847	\$66,328	\$64,285	\$56,706
55-59	816	712	739	748	923	925	530	5,393
Tot. Pay	\$28,195,918	\$37,062,676	\$40,742,202	\$45,057,025	\$57,008,127	\$59,948,983	\$39,190,982	\$307,205,913
Avg. Pay	\$34,554	\$52,054	\$55,132	\$60,237	\$61,764	\$64,810	\$73,945	\$56,964
60-64	533	392	490	525	489	463	338	3,230
Tot. Pay	\$16,076,164	\$19,126,557	\$26,660,852	\$31,307,698	\$31,776,980	\$30,317,412	\$26,718,760	\$181,984,423
Avg. Pay	\$30,162	\$48,792	\$54,410	\$59,634	\$64,984	\$65,480	\$79,050	\$56,342
65-69	222	129	132	99	116	101	84	883
Tot. Pay	\$5,015,014	\$5,262,341	\$7,298,498	\$6,638,252	\$7,622,072	\$7,361,241	\$6,796,755	\$45,994,173
Avg. Pay	\$22,590	\$40,793	\$55,292	\$67,053	\$65,708	\$72,884	\$80,914	\$52,089
70 & Over	191	64	59	35	24	22	38	433
Tot. Pay	\$2,082,625	\$1,627,935	\$2,127,560	\$1,840,358	\$1,210,252	\$1,540,834	\$3,231,310	\$13,660,874
Avg. Pay	\$10,904	\$25,436	\$36,060	\$52,582	\$50,427	\$70,038	\$85,034	\$31,549
Totals	24,464	7,483	6,757	5,346	4,926	3,710	1,387	54,073
Tot. Pay	\$558,068,226	\$367,201,065	\$368,529,106	\$324,069,815	\$316,653,350	\$242,843,153	\$101,339,663	\$2,278,704,378
Avg. Pay	\$22,812	\$49,071	\$54,540	\$60,619	\$64,282	\$65,456	\$73,064	\$42,141

STATE DIVISION
FEMALE ACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	999							999
Tot. Pay	\$5,158,574							\$5,158,574
Avg. Pay	\$5,164							\$5,164
20-24	9,633	46						9,679
Tot. Pay	\$89,772,931	\$957,540						\$90,730,471
Avg. Pay	\$9,319	\$20,816						\$9,374
25-29	5,617	952	25					6,594
Tot. Pay	\$143,213,661	\$39,338,324	\$888,980					\$183,440,965
Avg. Pay	\$25,496	\$41,322	\$35,559					\$27,819
30-34	3,157	1,934	609	17				5,717
Tot. Pay	\$101,185,076	\$88,806,340	\$29,296,225	\$812,724				\$220,100,365
Avg. Pay	\$32,051	\$45,918	\$48,105	\$47,807				\$38,499
35-39	2,215	1,429	1,385	408	13			5,450
Tot. Pay	\$78,094,578	\$69,991,545	\$72,166,044	\$21,775,547	\$778,577			\$242,806,291
Avg. Pay	\$35,257	\$48,979	\$52,105	\$53,371	\$59,891			\$44,552
40-44	2,045	1,402	1,340	1,370	589	40		6,786
Tot. Pay	\$73,311,330	\$67,661,562	\$68,220,158	\$78,977,751	\$33,540,866	\$2,488,873		\$324,200,540
Avg. Pay	\$35,849	\$48,261	\$50,911	\$57,648	\$56,945	\$62,222		\$47,775
45-49	1,799	1,367	1,265	1,190	1,611	756	50	8,038
Tot. Pay	\$63,944,199	\$65,344,437	\$62,416,088	\$67,133,253	\$97,129,419	\$46,186,696	\$3,031,413	\$405,185,505
Avg. Pay	\$35,544	\$47,801	\$49,341	\$56,414	\$60,291	\$61,094	\$60,628	\$50,409
50-54	1,617	1,291	1,285	1,173	1,419	1,406	439	8,630
Tot. Pay	\$57,787,004	\$60,877,339	\$63,759,287	\$63,246,696	\$81,878,445	\$88,455,738	\$26,379,128	\$442,383,637
Avg. Pay	\$35,737	\$47,155	\$49,618	\$53,919	\$57,702	\$62,913	\$60,089	\$51,261
55-59	1,096	1,015	1,115	1,079	1,262	899	556	7,022
Tot. Pay	\$38,581,610	\$47,383,180	\$54,594,058	\$59,263,913	\$71,071,803	\$55,484,045	\$35,708,128	\$362,086,737
Avg. Pay	\$35,202	\$46,683	\$48,963	\$54,925	\$56,317	\$61,718	\$64,223	\$51,565
60-64	469	492	683	634	770	511	280	3,839
Tot. Pay	\$16,037,272	\$22,118,754	\$33,306,276	\$34,613,637	\$42,660,458	\$29,453,576	\$17,695,915	\$195,885,888
Avg. Pay	\$34,195	\$44,957	\$48,765	\$54,596	\$55,403	\$57,639	\$63,200	\$51,025
65-69	137	143	163	134	209	124	96	1,006
Tot. Pay	\$3,194,087	\$5,257,531	\$7,435,115	\$6,909,435	\$10,761,304	\$7,042,022	\$5,215,133	\$45,814,627
Avg. Pay	\$23,315	\$36,766	\$45,614	\$51,563	\$51,489	\$56,791	\$54,324	\$45,541
70 & Over	89	53	43	47	66	57	52	407
Tot. Pay	\$1,030,361	\$1,030,816	\$1,633,871	\$2,190,282	\$3,289,499	\$2,658,011	\$2,994,373	\$14,827,213
Avg. Pay	\$11,577	\$19,449	\$37,997	\$46,602	\$49,841	\$46,632	\$57,584	\$36,430
Totals	28,873	10,124	7,913	6,052	5,939	3,793	1,473	64,167
Tot. Pay	\$671,310,683	\$468,767,368	\$393,716,102	\$334,923,238	\$341,110,371	\$231,768,961	\$91,024,090	\$2,532,620,813
Avg. Pay	\$23,250	\$46,303	\$49,756	\$55,341	\$57,436	\$61,104	\$61,795	\$39,469

STATE DIVISION
INACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service to Valuation Date							Total Number
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	1,435							1,435
20-24	20,655	12						20,667
25-29	32,481	197						32,678
30-34	27,467	543	45	1				28,056
35-39	19,586	572	183	19				20,360
40-44	10,995	805	404	110	14			12,328
45-49	7,905	917	611	259	81	14		9,787
50-54	7,299	923	716	359	167	58	1	9,523
55-59	5,955	846	725	419	159	25	4	8,133
60-64	3,479	415	247	89	37	6	1	4,274
65-69	1,377	105	36	8	5	1	1	1,533
70 & Over	790	20	11	6	1	1		829
Totals	139,424	5,355	2,978	1,270	464	105	7	149,603

SECTION VI

LOCAL GOVERNMENT DIVISION

LOCAL GOVERNMENT DIVISION

Data on active, inactive, retired and money purchase members that was used in the valuation is tabulated briefly below.

Defined Benefit Active Members in Valuation December 31, 2010

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Traditional Plan					
Men	97,399	\$3,436,103,799	\$35,279	45.0 yrs.	10.2 yrs.
Women	113,432	3,594,286,805	31,687	44.4	10.1
Traditional Plan Total	210,831	\$7,030,390,604	\$33,346	44.7 yrs.	10.2 yrs.
Combined Plan					
Men	1,884	\$78,002,759	\$41,403	43.9 yrs.	5.7 yrs.
Women	2,429	87,583,590	36,057	42.7	5.6
Combined Plan Total	4,313	\$165,586,349	\$38,392	43.2 yrs.	5.6 yrs.
Grand Total	215,144	\$7,195,976,953	\$33,447	44.6 yrs.	10.1 yrs.

Also included in the valuation were 253,458 inactive members (243,398 eligible for deferred retirement allowances and 10,060 eligible for contribution refunds) and 14,407 members active in the money purchase plan.

Retired Members in Valuation December 31, 2010

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
Traditional Plan			
A & PR Fund			
Superannuation Retirement	90,447	\$147,681,708	\$19,117,955,663
Disability Retirement	12,291	23,919,313	3,088,084,309
Money Purchase	1,604	594,930	59,505,422
Total A & PR Fund	104,342	172,195,951	22,265,545,394
Total SBF	10,030	8,243,253	921,440,300
Traditional Plan Total	114,372	\$180,439,204	\$23,186,985,694
Combined Plan			
A & PR Fund	26	\$4,675	\$690,577
Combined Plan Total	26	\$4,675	\$690,577
Member Directed Plan			
A & PR Fund	16	\$3,279	\$470,718
Member Directed Plan Total	16	\$3,279	\$470,718
Grand Total	114,414	\$180,447,158	\$23,188,146,989

**LOCAL GOVERNMENT DIVISION
EMPLOYER CONTRIBUTIONS TO SUPPORT
DEFINED BENEFIT RETIREMENT ALLOWANCES
EXPRESSED AS PERCENTS OF ACTIVE MEMBER PAYROLL**

Valuation Date December 31	2010			2009
Contributions for	2013			2012
Normal Cost	<u>Traditional Plan</u>	<u>Combined Plan</u>	<u>Traditional and Combined Plans</u>	<u>Traditional and Combined Plans</u>
Age and Service Allowances	8.51 %	3.72 %	8.68 %	8.66 %
Disability Allowances	1.97 %	1.51 %	1.96 %	1.96 %
Survivor's Benefits	0.48 %	0.35 %	0.48 %	0.48 %
Separation Benefits	4.09 %	1.29 %	4.03 %	4.04 %
Total Normal Cost	15.05 %	6.87 %	15.15 %	15.14 %
(Member Contributions)	10.00 %	0.00 %	10.00 %	10.00 %
Employer Normal Cost	5.05 %	6.87 %	5.15 %	5.14 %
Unfunded Actuarial Accrued Liabilities				
Total Available Contribution	7.95 %	6.13 %	7.85 %	4.86 %
Amortization Years	24	2	24	25
Total Pension Employer Contribution Rate	13.00 %	13.00 %	13.00 %	10.00 %

The term "Amortization Years" refers to the period sufficient to produce the Total Employer Contribution Rate for retirement allowances and survivor benefits and incorporates all scheduled employer and member contribution rate increases and scheduled employer rate reallocations between the pension and retiree health programs.

**LOCAL GOVERNMENT DIVISION
COMPARATIVE STATEMENT**

Valuation Date December 31	Contribution Rate Effective January 1	Defined Benefit Active Members in Valuation				Computed Employer Contributions as % of Payroll				
		No.	Annual Payroll			Normal Cost	Unfunded Accrued Liability	Pension Total	Retiree Health	Grand Total
			Total (\$Millions)	Average	Increase					
1996@	1999	229,954	\$4,792	\$20,839	2.2 %	6.16 %	3.19 %	9.35 %	4.20 %	13.55 %
1997	2000	231,668	4,976	21,481	3.1 %	6.15 %	3.10 %	9.25 %	4.30 %	13.55 %
1998	2001	234,601	5,240	22,334	4.0 %	6.17 %	3.08 %	9.25 %	4.30 %	13.55 %
1999#	2002	240,005	5,586	23,276	4.2 %	7.68 %	0.87 %	8.55 %	5.00 %	13.55 %
2000	2003	245,831	5,999	24,401	4.8 %	7.68 %	0.87 %	8.55 %	5.00 %	13.55 %
2001@	2004	243,202	6,451	26,526	8.7 %	6.14 %	3.41 %	9.55 %	4.00 %	13.55 %
2002	2005	247,377	6,721	27,171	2.4 %	5.92 %	3.63 %	9.55 %	4.00 %	13.55 %
2003##	2006	237,082	6,702	28,269	4.0 %	5.66 %	3.54 %	9.20 %	4.50 %	13.70 %
2004	2007	236,907	6,896	29,110	3.0 %	5.57 %	2.78 %	8.35 %	5.50 %	13.85 %
2005@	2008	236,073	7,066	29,933	2.8 %	5.00 %	2.00 %	7.00 %	7.00 %	14.00 %
2006	2009	237,981	7,234	30,399	1.6 %	4.53 %	2.47 %	7.00 %	7.00 %	14.00 %
2007	2010	237,225	7,438	31,354	3.1 %	5.12 %	1.88 %	7.00 %	7.00 %	14.00 %
2008	2011	233,163	7,566	32,451	3.5 %	5.14 %	4.86 %	10.00 %	4.00 %	14.00 %
2009	2012	223,004	7,334	32,889	1.3 %	5.14 %	4.86 %	10.00 %	4.00 %	14.00 %
2010	2013	215,144	7,196	33,447	1.7 %	5.15 %	7.85 %	13.00 %	1.00 %	14.00 %

After benefit changes.

@ Revised actuarial assumptions.

Combined Plan members are included beginning with the December 31, 2003 valuation.

LOCAL GOVERNMENT DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
DECEMBER 31, 2010

Actuarial Present Value	(1) Total Actuarial Present Value	Allocation by Entry Age	
		(2) Portion Covered By Future Normal Cost Contributions	(3) Actuarial Accrued Liabilities (1)-(2)
Allowances currently being paid from the Annuity & Pension Reserve Fund	\$22,266,706,689	\$ -	\$22,266,706,689
Allowances currently being paid from the Survivors Benefit Fund	921,440,300	-	921,440,300
Age and service allowances based on service rendered before and likely to be rendered after valuation date	22,855,265,591	4,841,901,214	18,013,364,377
Disability allowances likely to be paid present active members who become permanently disabled	2,518,160,155	1,129,020,143	1,389,140,012
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	773,902,520	264,299,340	509,603,180
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	4,083,914,434	2,412,774,056	1,671,140,378
Total	\$53,419,389,689	\$8,647,994,753	\$44,771,394,936
Actuarial Value of Assets			34,986,262,152
Unfunded Actuarial Accrued Liability			\$9,785,132,784

LOCAL GOVERNMENT DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
COMPARATIVE STATEMENT
(\$ IN MILLIONS EXCEPT AVERAGES)

Dec. 31	Defined Benefit Active Payroll		Active and Inactive Member Accrued Liabilities for Retirement Allowances				Unfunded /Payroll
			Computed	Valuation	Unfunded	Amortization	
	Total	Average	Total	Assets		Years	
1996@	\$ 4,792	\$20,839	\$ 11,286	\$ 9,940	\$1,346	15	0.28
1997	4,976	21,481	11,973	11,218	755	5	0.15
1998	5,240	22,334	12,912	13,135	(223)	-	-
1999#	5,586	23,276	14,643	14,498	145	2	0.03
2000	5,999	24,401	15,881	16,131	(250)	-	-
2001@	6,451	26,526	15,983	16,651	(668)	-	-
2002	6,721	27,171	16,710	12,682	4,028	25	0.60
2003##	6,702	28,269	17,645	13,148	4,497	27	0.67
2004	6,896	29,110	18,269	14,223	4,046	23	0.59
2005@	7,066	29,933	19,484	14,921	4,563	25	0.65
2006	7,234	30,399	20,147	17,523	2,624	19	0.36
2007	7,438	31,354	20,838	19,656	1,182	9	0.16
2008	7,566	32,451	21,590	11,561	10,029	N/A	1.33
2009	7,334	32,889	21,620	11,599	10,021	N/A	1.37
2010	7,196	33,447	21,584	11,799	9,785	27	1.36

After benefit changes.

@ Revised actuarial assumptions.

Combined Plan members are included beginning with the December 31, 2003 valuation.

While no one or two numeric indices can fully describe the financial condition of a retirement plan, the ratio of unfunded actuarial accrued liabilities divided by active member payroll (“UNFUNDED / PAYROLL” above) is significant. Unfunded accrued liabilities represent plan debt, while active member payroll represents the plan’s capacity to collect contributions to pay toward debt --- thus the ratio is a relative index of condition. The lower the ratio, the greater the financial strength, and vice-versa.

**LOCAL GOVERNMENT DIVISION
MALE ACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	4,318							4,318
Tot. Pay	\$27,999,476							\$27,999,476
Avg. Pay	\$6,484							\$6,484
20-24	6,941	132						7,073
Tot. Pay	\$87,289,952	\$3,106,372						\$90,396,324
Avg. Pay	\$12,576	\$23,533						\$12,780
25-29	4,940	1,437	110					6,487
Tot. Pay	\$114,230,887	\$50,067,735	\$4,176,246					\$168,474,868
Avg. Pay	\$23,124	\$34,842	\$37,966					\$25,971
30-34	3,660	2,506	1,171	56				7,393
Tot. Pay	\$98,195,535	\$101,662,043	\$52,461,940	\$2,729,967				\$255,049,485
Avg. Pay	\$26,829	\$40,567	\$44,801	\$48,749				\$34,499
35-39	3,051	2,304	2,269	841	26			8,491
Tot. Pay	\$81,581,442	\$95,558,968	\$109,582,816	\$41,998,908	\$1,200,197			\$329,922,331
Avg. Pay	\$26,739	\$41,475	\$48,296	\$49,939	\$46,161			\$38,856
40-44	3,134	2,225	2,474	2,028	894	35		10,790
Tot. Pay	\$81,590,147	\$91,769,632	\$122,212,464	\$108,800,753	\$48,413,277	\$2,178,150		\$454,964,423
Avg. Pay	\$26,034	\$41,245	\$49,399	\$53,649	\$54,154	\$62,233		\$42,165
45-49	2,828	2,216	2,364	2,078	2,253	1,028	67	12,834
Tot. Pay	\$69,985,100	\$85,028,575	\$112,838,201	\$106,881,952	\$125,949,648	\$57,869,762	\$4,029,093	\$562,582,331
Avg. Pay	\$24,747	\$38,370	\$47,732	\$51,435	\$55,903	\$56,294	\$60,136	\$43,835
50-54	2,797	2,237	2,323	2,001	2,279	1,943	702	14,282
Tot. Pay	\$63,446,368	\$80,575,252	\$107,177,771	\$97,369,830	\$123,940,494	\$114,576,616	\$42,767,999	\$629,854,330
Avg. Pay	\$22,684	\$36,019	\$46,138	\$48,661	\$54,384	\$58,969	\$60,923	\$44,101
55-59	2,419	1,949	1,898	1,757	1,847	1,495	995	12,360
Tot. Pay	\$51,159,146	\$64,886,161	\$78,150,616	\$81,396,728	\$98,767,290	\$88,016,911	\$64,503,341	\$526,880,193
Avg. Pay	\$21,149	\$33,292	\$41,175	\$46,327	\$53,474	\$58,874	\$64,827	\$42,628
60-64	2,076	1,501	1,305	1,197	1,097	824	612	8,612
Tot. Pay	\$35,170,167	\$46,381,400	\$53,456,136	\$54,296,307	\$58,417,873	\$46,316,023	\$41,392,124	\$335,430,030
Avg. Pay	\$16,941	\$30,900	\$40,963	\$45,360	\$53,252	\$56,209	\$67,634	\$38,949
65-69	1,356	726	479	341	231	196	173	3,502
Tot. Pay	\$13,477,680	\$15,052,027	\$15,471,069	\$13,647,009	\$10,778,593	\$9,918,604	\$10,779,474	\$89,124,456
Avg. Pay	\$9,939	\$20,733	\$32,299	\$40,021	\$46,661	\$50,605	\$62,309	\$25,450
70 & Over	1,258	872	451	234	119	108	99	3,141
Tot. Pay	\$8,370,342	\$9,742,166	\$7,966,202	\$5,329,236	\$3,644,063	\$3,417,560	\$4,958,742	\$43,428,311
Avg. Pay	\$6,654	\$11,172	\$17,663	\$22,775	\$30,622	\$31,644	\$50,088	\$13,826
Totals	38,778	18,105	14,844	10,533	8,746	5,629	2,648	99,283
Tot. Pay	\$732,496,242	\$643,830,331	\$663,493,461	\$512,450,690	\$471,111,435	\$322,293,626	\$168,430,773	\$3,514,106,558
Avg. Pay	\$18,889	\$35,561	\$44,698	\$48,652	\$53,866	\$57,256	\$63,607	\$35,395

**LOCAL GOVERNMENT DIVISION
FEMALE ACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	4,857							4,857
Tot. Pay	\$28,512,427							\$28,512,427
Avg. Pay	\$5,870							\$5,870
20-24	6,763	217						6,980
Tot. Pay	\$79,500,027	\$3,410,290						\$82,910,317
Avg. Pay	\$11,755	\$15,716						\$11,878
25-29	5,872	1,646	126					7,644
Tot. Pay	\$139,768,570	\$51,259,838	\$3,873,799					\$194,902,207
Avg. Pay	\$23,803	\$31,142	\$30,744					\$25,497
30-34	4,540	3,520	1,488	55				9,603
Tot. Pay	\$117,981,938	\$130,761,976	\$57,355,529	\$2,029,505				\$308,128,948
Avg. Pay	\$25,987	\$37,148	\$38,545	\$36,900				\$32,087
35-39	3,952	2,790	3,191	985	55			10,973
Tot. Pay	\$100,129,869	\$103,890,571	\$133,729,282	\$41,318,009	\$2,099,215			\$381,166,946
Avg. Pay	\$25,337	\$37,237	\$41,908	\$41,947	\$38,168			\$34,737
40-44	4,017	2,851	3,154	2,352	1,110	62		13,546
Tot. Pay	\$94,411,242	\$100,810,035	\$130,449,763	\$110,772,736	\$49,759,255	\$2,896,217		\$489,099,248
Avg. Pay	\$23,503	\$35,360	\$41,360	\$47,097	\$44,828	\$46,713		\$36,107
45-49	3,979	3,014	3,114	2,174	2,312	1,099	73	15,765
Tot. Pay	\$89,284,983	\$102,641,249	\$122,491,070	\$95,567,562	\$112,341,836	\$51,879,963	\$3,168,464	\$577,375,127
Avg. Pay	\$22,439	\$34,055	\$39,336	\$43,959	\$48,591	\$47,207	\$43,404	\$36,624
50-54	3,693	3,078	3,442	2,553	2,281	1,738	664	17,449
Tot. Pay	\$77,508,819	\$97,465,095	\$127,691,327	\$106,632,908	\$109,858,503	\$88,110,758	\$33,708,115	\$640,975,525
Avg. Pay	\$20,988	\$31,665	\$37,098	\$41,768	\$48,162	\$50,697	\$50,765	\$36,734
55-59	2,667	2,507	2,828	2,536	2,299	1,304	757	14,898
Tot. Pay	\$52,199,425	\$77,775,156	\$99,821,288	\$101,266,280	\$102,208,177	\$64,953,631	\$41,135,514	\$539,359,471
Avg. Pay	\$19,572	\$31,023	\$35,297	\$39,931	\$44,458	\$49,811	\$54,340	\$36,203
60-64	1,618	1,562	1,795	1,543	1,557	899	477	9,451
Tot. Pay	\$28,257,047	\$45,441,069	\$60,267,505	\$57,778,675	\$67,217,648	\$42,151,863	\$25,553,120	\$326,666,927
Avg. Pay	\$17,464	\$29,092	\$33,575	\$37,446	\$43,171	\$46,888	\$53,570	\$34,564
65-69	659	474	480	427	396	258	175	2,869
Tot. Pay	\$6,213,871	\$10,517,617	\$14,317,901	\$14,643,043	\$15,700,828	\$11,791,239	\$8,257,578	\$81,442,077
Avg. Pay	\$9,429	\$22,189	\$29,829	\$34,293	\$39,649	\$45,702	\$47,186	\$28,387
70 & Over	576	366	269	227	164	99	125	1,826
Tot. Pay	\$3,488,629	\$3,904,713	\$4,363,996	\$5,312,112	\$5,271,958	\$4,003,601	\$4,986,166	\$31,331,175
Avg. Pay	\$6,057	\$10,669	\$16,223	\$23,401	\$32,146	\$40,440	\$39,889	\$17,158
Totals	43,193	22,025	19,887	12,852	10,174	5,459	2,271	115,861
Tot. Pay	\$817,256,847	\$727,877,609	\$754,361,460	\$535,320,830	\$464,457,420	\$265,787,272	\$116,808,957	\$3,681,870,395
Avg. Pay	\$18,921	\$33,048	\$37,932	\$41,653	\$45,651	\$48,688	\$51,435	\$31,778

**LOCAL GOVERNMENT DIVISION
INACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Ages	Years of Service to Valuation Date							Total Number
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	7,847							7,847
20-24	31,231	59						31,290
25-29	38,819	456	9					39,284
30-34	34,841	962	125	4				35,932
35-39	27,814	1,371	435	52				29,672
40-44	20,291	1,597	795	212	29	1		22,925
45-49	18,599	1,796	1,106	421	113	15		22,050
50-54	19,547	2,077	1,458	656	263	81	6	24,088
55-59	16,078	2,047	1,495	712	278	32	4	20,646
60-64	9,893	1,022	529	223	74	9	3	11,753
65-69	4,779	307	86	34	7	6	1	5,220
70 & Over	2,563	137	36	7	6	2		2,751
Totals	232,302	11,831	6,074	2,321	770	146	14	253,458

SECTION VII
PUBLIC SAFETY DIVISION

PUBLIC SAFETY DIVISION

Data on active, inactive, retired and money purchase members that was used in the valuation is tabulated briefly below.

Active Members in Valuation December 31, 2010

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Men	81	\$3,355,388	\$41,425	36.7 yrs.	8.1 yrs.
Women	7	294,856	42,122	39.6	9.5
Totals	88	\$3,650,244	\$41,480	36.9 yrs.	8.2 yrs.

Also included in the valuation were 28 inactive members (27 eligible for deferred retirement allowances and 1 eligible for contribution refunds) and 1 member active in the money purchase plan.

Retired Members in Valuation December 31, 2010

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
A & PR Fund			
Superannuation Retirement	28	\$ 44,287	\$ 7,209,882
Disability Retirement	34	90,983	13,222,481
Money Purchase	0	0	0
Total A & PR Fund	62	135,270	20,432,363
Total SBF	96	114,143	15,950,425
Grand Total	158	\$249,413	\$36,382,788

**PUBLIC SAFETY DIVISION
 EMPLOYER CONTRIBUTIONS TO SUPPORT
 RETIREMENT ALLOWANCES
 EXPRESSED AS PERCENTS OF ACTIVE MEMBER PAYROLL**

Valuation Date December 31	2010	2009
Contributions for	2013	2012
Normal Cost		
Age and Service Allowances	10.58 %	10.27 %
Disability Allowances	5.23 %	5.41 %
Survivor's Benefits	0.63 %	0.66 %
Separation Benefits	3.18 %	2.93 %
Total Normal Cost	19.62 %	19.27 %
(Member Contributions)	12.00 %	11.50 %
Employer Normal Cost	7.62 %	7.77 %
Unfunded Actuarial Accrued Liabilities		
Total Available Contribution	9.48 %	6.33 %
Amortization Years	N/A	N/A
Total Pension Employer Contribution Rate	17.10 %	14.10 %

N/A – The unfunded actuarial accrued liabilities are unable to be amortized based upon the total pension contribution rate.

The term “Amortization Years” refers to the period sufficient to produce the Total Employer Contribution Rate for retirement allowances and survivor benefits and incorporates all scheduled employer and member contribution rate increases and scheduled employer rate reallocations between the pension and retiree health programs.

**PUBLIC SAFETY DIVISION
COMPARATIVE STATEMENT ***

Valuation Date December 31	Contribution Rate Effective January 1	Active Members in Valuation				Computed Employer Contributions as % of Payroll				
		No.	Annual Payroll			Normal Cost	Unfunded Accrued Liability	Pension Total	Retiree Health	Grand Total
			Total	Average	Increase					
2005@	2008	135	(\$Thousands) \$6,078	\$45,023	6.7 %	9.01 %	1.39 %	10.40 %	7.00 %	17.40 %
2006	2009	127	5,851	46,067	2.3 %	8.73 %	1.90 %	10.63 %	7.00 %	17.63 %
2007	2010	120	5,638	46,985	2.0 %	8.95 %	1.92 %	10.87 %	7.00 %	17.87 %
2008	2011	127	6,219	48,969	4.2 %	8.32 %	5.78 %	14.10 %	4.00 %	18.10 %
2009	2012	94	4,061	43,205	(11.8)%	7.77 %	6.33 %	14.10 %	4.00 %	18.10 %
2010	2013	88	3,650	41,480	(4.0)%	7.62 %	9.48 %	17.10 %	1.00 %	18.10 %

* Prior to 2005, Public Safety and Law Enforcement results were reported together. Historical information prior to 2005 may be found on page VIII-3.

@ Revised actuarial assumptions.

PUBLIC SAFETY DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
DECEMBER 31, 2010

Actuarial Present Value	(1) Total Actuarial Present Value	Allocation by Entry Age	
		(2) Portion Covered By Future Normal Cost Contributions	(3) Actuarial Accrued Liabilities (1)-(2)
Allowances currently being paid from the Annuity & Pension Reserve Fund	\$20,432,363	\$ -	\$20,432,363
Allowances currently being paid from the Survivors Benefit Fund	15,950,425	-	15,950,425
Age and service allowances based on service rendered before and likely to be rendered after valuation date	9,276,572	4,089,610	5,186,962
Disability allowances likely to be paid present active members who become permanently disabled	3,296,920	1,912,260	1,384,660
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	412,627	221,349	191,278
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	1,928,039	1,227,916	700,123
Total	\$51,296,946	\$7,451,135	\$43,845,811
Actuarial Value of Assets			29,210,245
Unfunded Actuarial Accrued Liability			\$14,635,566

PUBLIC SAFETY DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
COMPARATIVE STATEMENT *
(\$ IN MILLIONS EXCEPT AVERAGES)

Dec. 31	Defined Benefit Active Payroll		Active and Inactive Member Accrued Liabilities for Retirement Allowances				Unfunded /Payroll
			Computed Total	Valuation Assets	Unfunded	Amortization Years	
	Total	Average					
2005@	\$6	\$45,023	\$16	\$(44)	\$60	N/A	10.00
2006	6	46,067	16	(64)	80	N/A	13.33
2007	6	46,985	18	(82)	100	N/A	16.67
2008	6	48,969	18	9	9	79	1.50
2009	4	43,205	12	0	12	N/A	3.00
2010	4	41,480	7	(8)	15	N/A	3.75

N/A – The unfunded actuarial accrued liabilities are unable to be amortized based upon the total pension contribution rate.

** Prior to 2005, Public Safety and Law Enforcement results were reported together. Historical information prior to 2005 may be found on page VIII-5.*

@ Revised actuarial assumptions.

While no one or two numeric indices can fully describe the financial condition of a retirement plan, the ratio of unfunded actuarial accrued liabilities divided by active member payroll (“UNFUNDED / PAYROLL” above) is significant. Unfunded accrued liabilities represent plan debt, while active member payroll represents the plan’s capacity to collect contributions to pay toward debt --- thus the ratio is a relative index of condition. The lower the ratio, the greater the financial strength, and vice-versa.

PUBLIC SAFETY DIVISION
MALE ACTIVE MEMBERS IN VALUATION DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19								
Tot. Pay								
Avg. Pay								
20-24	8							8
Tot. Pay	\$286,560							\$286,560
Avg. Pay	\$35,820							\$35,820
25-29	16	3						19
Tot. Pay	\$613,189	\$132,155						\$745,344
Avg. Pay	\$38,324	\$44,052						\$39,229
30-34	6	7	2					15
Tot. Pay	\$238,674	\$328,798	\$89,116					\$656,588
Avg. Pay	\$39,779	\$46,971	\$44,558					\$43,773
35-39	3	2	6					11
Tot. Pay	\$110,615	\$83,861	\$267,052					\$461,528
Avg. Pay	\$36,872	\$41,931	\$44,509					\$41,957
40-44	1	1	2	5	1			10
Tot. Pay	\$37,103	\$34,023	\$100,105	\$171,371	\$50,706			\$393,308
Avg. Pay	\$37,103	\$34,023	\$50,053	\$34,274	\$50,706			\$39,331
45-49		4	1					5
Tot. Pay		\$160,061	\$60,912					\$220,973
Avg. Pay		\$40,015	\$60,912					\$44,195
50-54		2		1	1	1		5
Tot. Pay		\$87,308		\$41,176	\$48,683	\$53,233		\$230,400
Avg. Pay		\$43,654		\$41,176	\$48,683	\$53,233		\$46,080
55-59	1		1	3				5
Tot. Pay	\$62,287		\$37,219	\$153,716				\$253,222
Avg. Pay	\$62,287		\$37,219	\$51,239				\$50,644
60-64	1				1			2
Tot. Pay	\$33,020				\$37,892			\$70,912
Avg. Pay	\$33,020				\$37,892			\$35,456
65-69								
Tot. Pay								
Avg. Pay								
70 & Over					1			1
Tot. Pay					\$36,553			\$36,553
Avg. Pay					\$36,553			\$36,553
Totals	36	19	12	9	4	1		81
Tot. Pay	\$1,381,448	\$826,206	\$554,404	\$366,263	\$173,834	\$53,233	\$ -	\$3,355,388
Avg. Pay	\$38,374	\$43,485	\$46,200	\$40,696	\$43,459	\$53,233		\$41,425

PUBLIC SAFETY DIVISION
FEMALE ACTIVE MEMBERS IN VALUATION DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19								
Tot. Pay								
Avg. Pay								
20-24	1							1
Tot. Pay	\$36,032							\$36,032
Avg. Pay	\$36,032							\$36,032
25-29	1							1
Tot. Pay	\$42,987							\$42,987
Avg. Pay	\$42,987							\$42,987
30-34								
Tot. Pay								
Avg. Pay								
35-39		1						1
Tot. Pay		\$31,508						\$31,508
Avg. Pay		\$31,508						\$31,508
40-44				1				1
Tot. Pay				\$77,156				\$77,156
Avg. Pay				\$77,156				\$77,156
45-49			1			1		2
Tot. Pay			\$32,510		\$43,413			\$75,923
Avg. Pay			\$32,510		\$43,413			\$37,962
50-54	1							1
Tot. Pay	\$31,250							\$31,250
Avg. Pay	\$31,250							\$31,250
55-59								
Tot. Pay								
Avg. Pay								
60-64								
Tot. Pay								
Avg. Pay								
65-69								
Tot. Pay								
Avg. Pay								
70 & Over								
Tot. Pay								
Avg. Pay								
Totals	3	1	1	1	1			7
Tot. Pay	\$110,269	\$31,508	\$32,510	\$77,156	\$43,413	\$ -	\$ -	\$294,856
Avg. Pay	\$36,756	\$31,508	\$32,510	\$77,156	\$43,413			\$42,122

PUBLIC SAFETY DIVISION
INACTIVE MEMBERS IN VALUATION DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service to Valuation Date							Total Number
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19								
20-24	2							2
25-29	6							6
30-34	11	2						13
35-39	3							3
40-44	1							1
45-49				1				1
50-54								
55-59				1				1
60-64	1							1
65-69								
70 & Over								
Totals	24	2		2				28

SECTION VIII

LAW ENFORCEMENT DIVISION

LAW ENFORCEMENT DIVISION

Data on active, inactive, retired and money purchase members that was used in the valuation is tabulated briefly below.

Active Members in Valuation December 31, 2010

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Men	6,787	\$389,909,771	\$57,450	41.2 yrs.	14.2 yrs.
Women	915	48,919,985	53,464	41.4	13.4
Totals	7,702	\$438,829,756	\$56,976	41.3 yrs.	14.1 yrs.

Also included in the valuation were 920 inactive members (889 eligible for deferred retirement allowances and 31 eligible for contribution refunds) and 35 members active in the money purchase plan.

Retired Members in Valuation December 31, 2010

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
A & PR Fund			
Superannuation Retirement	2,275	\$ 6,798,986	\$ 1,022,935,524
Disability Retirement	1,502	4,272,542	591,407,216
Money Purchase	0	0	0
Total A & PR Fund	3,777	11,071,528	1,614,342,740
Total SBF	296	297,382	36,826,475
Grand Total	4,073	\$11,368,910	\$1,651,169,215

**LAW ENFORCEMENT DIVISION
 EMPLOYER CONTRIBUTIONS TO SUPPORT
 RETIREMENT ALLOWANCES
 EXPRESSED AS PERCENTS OF ACTIVE MEMBER PAYROLL**

Valuation Date December 31	2010	2009
Contributions for	2013	2012
Normal Cost		
Age and Service Allowances	12.12 %	12.09 %
Disability Allowances	5.19 %	5.22 %
Survivor's Benefits	0.59 %	0.59 %
Separation Benefits	2.60 %	2.36 %
Total Normal Cost	20.50 %	20.26 %
(Member Contributions)	12.60 %	12.10 %
Employer Normal Cost	7.90 %	8.16 %
Unfunded Actuarial Accrued Liabilities		
Total Available Contribution	9.20 %	5.94 %
Amortization Years	21	24
Total Pension Employer Contribution Rate	17.10 %	14.10 %

The term "Amortization Years" refers to the period sufficient to produce the Total Employer Contribution Rate for retirement allowances and survivor benefits and incorporates all scheduled employer and member contribution rate increases and scheduled employer rate reallocations between the pension and retiree health programs.

**LAW ENFORCEMENT DIVISION
COMPARATIVE STATEMENT ***

Valuation Date December 31	Contribution Rate Effective January 1	Active Members in Valuation				Computed Employer Contributions as % of Payroll				
		No.	Annual Payroll			Normal Cost	Unfunded Accrued Liability	Pension Total	Retiree Health	Grand Total
			Total	Average	Increase					
			(\$Thousands)							
1996@	1999	6,742	\$229,138	\$33,987	4.8 %	10.50 %	2.00 %	12.50 %	4.20 %	16.70 %
1997	2000	7,256	258,897	35,680	5.0 %	10.49 %	1.91 %	12.40 %	4.30 %	16.70 %
1998	2001	7,507	277,239	36,931	3.5 %	10.48 %	1.92 %	12.40 %	4.30 %	16.70 %
1999#	2002	7,766	299,040	38,506	4.3 %	11.54 %	0.16 %	11.70 %	5.00 %	16.70 %
2000	2003	8,045	324,918	40,387	4.9 %	11.59 %	0.11 %	11.70 %	5.00 %	16.70 %
2001@	2004	7,892	335,432	42,503	5.2 %	8.88 %	3.82 %	12.70 %	4.00 %	16.70 %
2002	2005	8,030	356,694	44,420	4.5 %	8.77 %	3.93 %	12.70 %	4.00 %	16.70 %
2003	2006	8,253	384,388	46,576	4.9 %	8.65 %	3.78 %	12.43 %	4.50 %	16.93 %
2004	2007	8,173	392,672	48,045	3.2 %	8.63 %	3.04 %	11.67 %	5.50 %	17.17 %
2005@	2008	7,976	395,189	49,547	3.0 %	9.65 %	0.75 %	10.40 %	7.00 %	17.40 %
2006	2009	8,092	413,182	51,061	3.1 %	9.65 %	0.98 %	10.63 %	7.00 %	17.63 %
2007	2010	8,265	437,223	52,901	3.6 %	9.95 %	0.92 %	10.87 %	7.00 %	17.87 %
2008	2011	8,173	448,694	54,900	3.8 %	8.43 %	5.67 %	14.10 %	4.00 %	18.10 %
2009	2012	8,006	447,232	55,862	1.8 %	8.16 %	5.94 %	14.10 %	4.00 %	18.10 %
2010	2013	7,702	438,830	56,976	2.0 %	7.90 %	9.20 %	17.10 %	1.00 %	18.10 %

After benefit changes.

@ Revised actuarial assumptions.

* Prior to 2005, Law Enforcement and Public Safety are combined for purposes of this schedule.

LAW ENFORCEMENT DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
DECEMBER 31, 2010

Actuarial Present Value	(1) Total Actuarial Present Value	Allocation by Entry Age	
		(2) Portion Covered By Future Normal Cost Contributions	(3) Actuarial Accrued Liabilities (1)-(2)
Allowances currently being paid from the Annuity & Pension Reserve Fund	\$ 1,614,342,740	\$ -	\$ 1,614,342,740
Allowances currently being paid from the Survivors Benefit Fund	36,826,475	-	36,826,475
Age and service allowances based on service rendered before and likely to be rendered after valuation date	1,726,694,518	478,667,585	1,248,026,933
Disability allowances likely to be paid present active members who become permanently disabled	426,249,070	200,787,689	225,461,381
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	54,909,091	22,480,942	32,428,149
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	132,197,511	102,656,122	29,541,389
Total	\$3,991,219,405	\$804,592,338	\$3,186,627,067
Actuarial Value of Assets			2,522,790,700
Unfunded Actuarial Accrued Liability			\$ 663,836,367

LAW ENFORCEMENT DIVISION
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
COMPARATIVE STATEMENT *
(\$ IN MILLIONS EXCEPT AVERAGES)

Dec. 31	Defined Benefit Active Payroll		Active and Inactive Member Accrued Liabilities for Retirement Allowances				Unfunded /Payroll
			Computed Total	Valuation Assets	Unfunded	Amortization Years	
	Total	Average					
1996@	\$229	\$33,987	\$ 711	\$ 676	\$ 35	30	0.15
1997	259	35,680	821	773	48	10	0.19
1998	277	36,931	914	895	19	5	0.07
1999#	299	38,506	1,080	1,038	42	20	0.14
2000	325	40,387	1,175	1,137	38	18	0.12
2001@	335	42,503	1,071	1,149	(78)	-	-
2002	357	44,420	1,135	854	281	36	0.79
2003	384	46,576	1,170	838	332	41	0.86
2004	393	48,045	1,197	868	329	43	0.84
2005@	395	49,547	1,298	926	372	N/A	0.94
2006	413	51,061	1,356	1,069	287	N/A	0.69
2007	437	52,901	1,430	1,214	216	N/A	0.49
2008	449	54,900	1,500	771	729	N/A	1.62
2009	447	55,862	1,534	807	727	N/A	1.63
2010	439	56,976	1,535	871	664	25	1.51

After benefit changes.

@ Revised actuarial assumptions.

* Prior to 2005, Law Enforcement and Public Safety are combined for purposes of this schedule.

While no one or two numeric indices can fully describe the financial condition of a retirement plan, the ratio of unfunded actuarial accrued liabilities divided by active member payroll (“UNFUNDED / PAYROLL” above) is significant. Unfunded accrued liabilities represent plan debt, while active member payroll represents the plan’s capacity to collect contributions to pay toward debt --- thus the ratio is a relative index of condition. The lower the ratio, the greater the financial strength, and vice-versa.

LAW ENFORCEMENT DIVISION
MALE ACTIVE MEMBERS IN VALUATION DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19								
Tot. Pay								
Avg. Pay								
20-24	87	2						89
Tot. Pay	\$2,822,783	\$104,980						\$2,927,763
Avg. Pay	\$32,446	\$52,490						\$32,896
25-29	324	183	4					511
Tot. Pay	\$14,092,581	\$9,419,477	\$219,057					\$23,731,115
Avg. Pay	\$43,496	\$51,473	\$54,764					\$46,441
30-34	189	485	336	8				1,018
Tot. Pay	\$8,227,207	\$26,784,636	\$19,366,706	\$447,411				\$54,825,960
Avg. Pay	\$43,530	\$55,226	\$57,639	\$55,926				\$53,857
35-39	116	314	708	285	5			1,428
Tot. Pay	\$5,173,977	\$17,132,664	\$41,749,191	\$17,202,985	\$295,196			\$81,554,013
Avg. Pay	\$44,603	\$54,563	\$58,968	\$60,361	\$59,039			\$57,111
40-44	70	165	381	644	228	4		1,492
Tot. Pay	\$2,957,277	\$8,571,930	\$22,407,862	\$39,767,559	\$14,877,103	\$361,028		\$88,942,759
Avg. Pay	\$42,247	\$51,951	\$58,813	\$61,751	\$65,250	\$90,257		\$59,613
45-49	30	70	163	242	359	162	4	1,030
Tot. Pay	\$1,111,683	\$3,691,390	\$9,209,555	\$14,529,867	\$22,794,867	\$11,028,901	\$286,314	\$62,652,577
Avg. Pay	\$37,056	\$52,734	\$56,500	\$60,041	\$63,495	\$68,080	\$71,579	\$60,828
50-54	13	30	60	123	184	178	58	646
Tot. Pay	\$569,858	\$1,661,118	\$3,253,268	\$7,179,604	\$11,440,276	\$12,338,199	\$4,321,008	\$40,763,331
Avg. Pay	\$43,835	\$55,371	\$54,221	\$58,371	\$62,175	\$69,316	\$74,500	\$63,101
55-59	9	17	39	52	82	105	70	374
Tot. Pay	\$384,233	\$905,175	\$2,141,472	\$2,893,335	\$4,805,798	\$6,966,123	\$5,034,955	\$23,131,091
Avg. Pay	\$42,693	\$53,246	\$54,910	\$55,641	\$58,607	\$66,344	\$71,928	\$61,848
60-64	5	10	13	39	38	22	24	151
Tot. Pay	\$167,669	\$504,975	\$582,537	\$2,077,629	\$2,379,289	\$1,357,640	\$1,618,393	\$8,688,132
Avg. Pay	\$33,534	\$50,498	\$44,811	\$53,273	\$62,613	\$61,711	\$67,433	\$57,537
65-69	1	5	5	6	10	5	9	41
Tot. Pay	\$67,054	\$213,743	\$286,212	\$310,870	\$580,473	\$298,796	\$575,878	\$2,333,026
Avg. Pay	\$67,054	\$42,749	\$57,242	\$51,812	\$58,047	\$59,759	\$63,986	\$56,903
70 & Over		2	1	1		1	2	7
Tot. Pay		\$74,675	\$56,590	\$50,677		\$35,699	\$142,363	\$360,004
Avg. Pay		\$37,338	\$56,590	\$50,677		\$35,699	\$71,182	\$51,429
Totals	844	1,283	1,710	1,400	906	477	167	6,787
Tot. Pay	\$35,574,322	\$69,064,763	\$99,272,450	\$84,459,937	\$57,173,002	\$32,386,386	\$11,978,911	\$389,909,771
Avg. Pay	\$42,150	\$53,831	\$58,054	\$60,329	\$63,105	\$67,896	\$71,730	\$57,450

LAW ENFORCEMENT DIVISION
FEMALE ACTIVE MEMBERS IN VALUATION DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service To Valuation Date							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19								
Tot. Pay								
Avg. Pay								
20-24	8							8
Tot. Pay	\$263,338							\$263,338
Avg. Pay	\$32,917							\$32,917
25-29	47	29	1					77
Tot. Pay	\$1,987,396	\$1,507,155	\$37,325					\$3,531,876
Avg. Pay	\$42,285	\$51,971	\$37,325					\$45,869
30-34	27	81	43					151
Tot. Pay	\$1,058,557	\$4,225,420	\$2,380,870					\$7,664,847
Avg. Pay	\$39,206	\$52,166	\$55,369					\$50,761
35-39	11	37	93	35				176
Tot. Pay	\$511,023	\$1,902,587	\$5,221,539	\$1,947,225				\$9,582,374
Avg. Pay	\$46,457	\$51,421	\$56,146	\$55,635				\$54,445
40-44	5	30	50	71	14	2		172
Tot. Pay	\$200,115	\$1,509,372	\$2,757,420	\$4,214,215	\$861,677	\$124,810		\$9,667,609
Avg. Pay	\$40,023	\$50,312	\$55,148	\$59,355	\$61,548	\$62,405		\$56,207
45-49	8	18	30	37	43	12		148
Tot. Pay	\$322,887	\$891,912	\$1,662,529	\$1,832,664	\$2,620,138	\$791,499		\$8,121,629
Avg. Pay	\$40,361	\$49,551	\$55,418	\$49,531	\$60,933	\$65,958		\$54,876
50-54	4	6	12	31	21	18	12	104
Tot. Pay	\$133,629	\$237,248	\$580,646	\$1,798,965	\$1,074,333	\$1,142,755	\$742,449	\$5,710,025
Avg. Pay	\$33,407	\$39,541	\$48,387	\$58,031	\$51,159	\$63,486	\$61,871	\$54,904
55-59	2	2	12	9	8	19	4	56
Tot. Pay	\$65,083	\$119,114	\$681,414	\$467,966	\$421,492	\$1,123,783	\$264,650	\$3,143,502
Avg. Pay	\$32,542	\$59,557	\$56,785	\$51,996	\$52,687	\$59,146	\$66,163	\$56,134
60-64		1	3	4	8	4	1	21
Tot. Pay		\$55,210	\$134,752	\$180,323	\$456,355	\$266,869	\$65,064	\$1,158,573
Avg. Pay		\$55,210	\$44,917	\$45,081	\$57,044	\$66,717	\$65,064	\$55,170
65-69					1	1		2
Tot. Pay					\$50,270	\$25,942		\$76,212
Avg. Pay					\$50,270	\$25,942		\$38,106
70 & Over								
Tot. Pay								
Avg. Pay								
Totals	112	204	244	187	95	56	17	915
Tot. Pay	\$4,542,028	\$10,448,018	\$13,456,495	\$10,441,358	\$5,484,265	\$3,475,658	\$1,072,163	\$48,919,985
Avg. Pay	\$40,554	\$51,216	\$55,150	\$55,836	\$57,729	\$62,065	\$63,068	\$53,464

**LAW ENFORCEMENT DIVISION
INACTIVE MEMBERS IN VALUATION DECEMBER 31, 2010
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Ages	Years of Service to Valuation Date							Total Number
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
15-19								
20-24	17							17
25-29	87	9						96
30-34	94	19	6					119
35-39	126	34	17	4	1			182
40-44	129	28	18	8	3	1		187
45-49	63	14	13	14	2	2		108
50-54	35	15	14	12	9	2		87
55-59	41	7	12	8	5			73
60-64	25	3	1					29
65-69	9	1						10
70 & Over	11				1			12
Totals	637	130	81	46	21	5		920

SECTION IX

ALLOWANCES BEING PAID TO
RETIREES AND BENEFICIARIES

**MONTHLY ALLOWANCES OF RETIRED LIVES
BY YEAR OF RETIREMENT
AS OF DECEMBER 31, 2010**

Year of Retirement	No.	Initial	Post-Ret. Increase	Total	Average
2010	10,640	\$21,945,839	\$ 108,190	\$ 22,054,029	\$2,073
2009	10,828	22,909,867	758,012	23,667,879	2,186
2008	9,596	18,290,665	1,155,712	19,446,377	2,027
2007	9,113	16,876,672	1,582,615	18,459,287	2,026
2006	9,757	17,114,293	2,103,201	19,217,494	1,970
2005	9,162	16,412,058	2,502,864	18,914,922	2,064
2004	8,675	14,636,133	2,663,488	17,299,621	1,994
2003	8,166	13,919,372	2,943,732	16,863,104	2,065
2002	9,073	15,047,619	3,641,913	18,689,532	2,060
2001	7,493	11,708,582	3,173,411	14,881,993	1,986
2000	7,225	10,550,112	3,126,955	13,677,067	1,893
1999	6,358	8,798,453	2,752,117	11,550,570	1,817
1998	6,294	8,054,638	2,665,531	10,720,169	1,703
1997	5,878	7,687,076	2,745,005	10,432,081	1,775
1996	5,757	6,952,834	2,679,242	9,632,076	1,673
1995	5,192	6,049,539	2,479,486	8,529,025	1,643
1990-1994	20,327	20,134,729	10,049,197	30,183,926	494
1985-1989	16,650	13,793,994	9,172,278	22,966,272	551
1980-1984	9,366	5,099,760	4,583,902	9,683,662	489
1975-1979	4,357	1,707,366	2,447,211	4,154,577	562
1970-1974	1,131	278,600	595,961	874,561	527
1965-1969	301	65,084	203,703	268,787	677
1960-1964	144	32,022	107,967	139,989	750
Before 1960	0	0	0	0	
TOTAL	181,483	\$258,065,307	\$64,241,693	\$322,307,000	\$1,776

**MONTHLY ALLOWANCES OF RETIRED LIVES
BY YEARS OF SERVICE
AS OF DECEMBER 31, 2010**

Years of Service	No.	Initial	Post-Ret. Increase	Total	Average
<5 or n/a	6,309	\$ 2,039,856	\$ 394,978	\$ 2,434,834	\$386
5	4,235	1,553,721	404,654	1,958,375	462
6	3,407	1,369,523	356,821	1,726,344	507
7	3,201	1,362,101	356,006	1,718,107	537
8	2,942	1,355,559	340,284	1,695,843	576
9	2,208	1,134,086	288,144	1,422,230	644
10	9,212	4,135,534	1,114,818	5,250,352	570
11	5,399	2,824,905	748,283	3,573,188	662
12	5,311	2,893,283	810,754	3,704,037	697
13	4,769	2,953,555	812,246	3,765,801	790
14	4,601	2,937,427	831,841	3,769,268	819
15	5,060	3,501,934	1,004,515	4,506,449	891
16	4,884	3,571,842	1,036,926	4,608,768	944
17	4,434	3,620,054	1,053,230	4,673,284	1,054
18	4,397	3,813,162	1,115,435	4,928,597	1,121
19	4,359	4,010,863	1,150,879	5,161,742	1,184
20	5,432	5,475,666	1,523,613	6,999,279	1,289
21	4,588	4,909,240	1,437,434	6,346,674	1,383
22	4,354	5,076,224	1,447,038	6,523,262	1,498
23	4,258	5,302,544	1,475,559	6,778,103	1,592
24	4,008	5,356,131	1,489,852	6,845,983	1,708
25	8,074	12,102,310	3,227,982	15,330,292	1,899
26	5,088	8,164,167	2,309,468	10,473,635	2,058
27	5,187	9,133,390	2,487,636	11,621,026	2,240
28	5,670	11,494,725	2,881,935	14,376,660	2,536
29	5,466	11,935,148	2,693,742	14,628,890	2,676
30	22,536	52,646,913	11,116,847	63,763,760	2,829
31	7,023	16,915,686	3,818,893	20,734,579	2,952
32	5,449	13,501,652	3,196,784	16,698,436	3,064
33	4,209	10,809,931	2,520,505	13,330,436	3,167
34	3,409	9,041,816	2,172,369	11,214,185	3,290
35	3,192	8,609,986	2,086,523	10,696,509	3,351
36	2,287	6,165,776	1,530,094	7,695,870	3,365
37	1,783	4,786,974	1,243,874	6,030,848	3,382
38	1,336	3,614,545	941,633	4,556,178	3,410
39	1,085	2,869,341	819,136	3,688,477	3,400
40 & Over	2,321	7,075,737	2,000,962	9,076,699	3,911
TOTAL	181,483	\$258,065,307	\$64,241,693	\$322,307,000	\$1,776

ANNUITY AND PENSION RESERVE FUND
ANNUAL ALLOWANCE, REPORTED ASSETS AND ACTUARIAL LIABILITIES
COMPARATIVE STATEMENT
(\$ MILLIONS)

Valuation Date	Annual Allowances			Reported Assets*	Actuarial Liabilities	Ratio of Assets to Liabilities	Ratio of DB Active to Retired
	No.	\$ Millions	% of DB Payroll				
12/31/1981@	68,089	\$ 272	8.2 %	\$ 3,084	\$ 2,994	103.0 %	3.7
12/31/1982@	71,253	299	8.2 %	3,173	3,068	103.4 %	3.5
12/31/1983	74,442	333	8.7 % **	3,554	3,428	103.7 %	3.3
12/31/1984	77,493	386	9.5 % **	3,993	3,993	100.0 %	3.2
12/31/1985	80,999	429	10.0 % **	4,498	4,456	100.9 %	3.1
12/31/1986	84,892	474	10.4 % **	4,965	4,935	100.6 %	3.0
12/31/1987	86,924	518	10.6 % **	5,485	5,437	100.9 %	3.0
12/31/1988	89,972	581	10.9 % **	6,182	6,173	100.1 %	2.9
12/31/1989@	92,504	661	12.4 % **	6,985	6,911	101.1 %	2.9
12/31/1990	94,088	706	11.7 % **	7,438	7,338	101.4 %	3.0
12/31/1991	95,843	762	11.5 % **	8,014	7,904	101.4 %	3.4
12/31/1992	98,609	835	12.1 % **	8,814	8,692	101.4 %	3.4
12/31/1993	100,651	901	12.5 % **	9,390	9,356	100.4 %	3.4
12/31/1994	102,587	958	12.6 % **	9,964	9,893	100.7 %	3.3
12/31/1995	104,806	1,036	13.0 % **	10,808	10,737	100.7 %	3.3
12/31/1996@	107,617	1,141	13.7 % **	11,819	11,762	100.5 %	3.3
12/31/1997	110,470	1,233	14.3 % **	12,843	12,755	100.7 %	3.2
12/13/1998	113,000	1,327	14.7 % **	13,885	13,751	101.0 %	3.1
12/31/1999+	115,431	1,530	16.1 % **	14,978	16,139	92.8 %	3.1
12/31/2000	118,620	1,641	16.1 % **	16,980	16,980	100.0 %	3.1
12/31/2001@	121,875	1,775	16.5 % **	18,001	18,001	100.0 %	3.0
12/31/2002	126,409	1,958	17.5 % **	20,085	20,085	100.0 %	2.9
12/31/2003	130,433	2,136	19.1 % **	22,535	22,535	100.0 %	2.7
12/31/2004	134,535	2,311	20.2 % **	24,470	24,470	100.0 %	2.6
12/31/2005@	138,996	2,508	21.2 % **	27,084	27,084	100.0 %	2.6
12/31/2006	144,037	2,710	22.3 % **	29,304	29,304	100.0 %	2.5
12/31/2007	148,493	2,916	23.2 % **	31,547	31,547	100.0 %	2.5
12/31/2008	153,931	3,148	24.6 % **	34,060	34,060	100.0 %	2.3
12/31/2009	159,518	3,419	27.2 % **	37,098	37,098	100.0 %	2.2
12/31/2010	166,247	3,705	29.8 % **	40,184	40,184	100.0 %	2.1

* Including certain recommended transfers and accrued transfers.

@ Revised actuarial assumptions.

** Excluding health insurance and Medicare payments.

+ Including estimated effect of legislated benefit changes.

**ANNUITY AND PENSION RESERVE FUND
 RETIREES AND BENEFICIARIES DECEMBER 31, 2010
 TYPE OF BENEFIT, MONTHLY AMOUNT AND ACTUARIAL LIABILITIES**

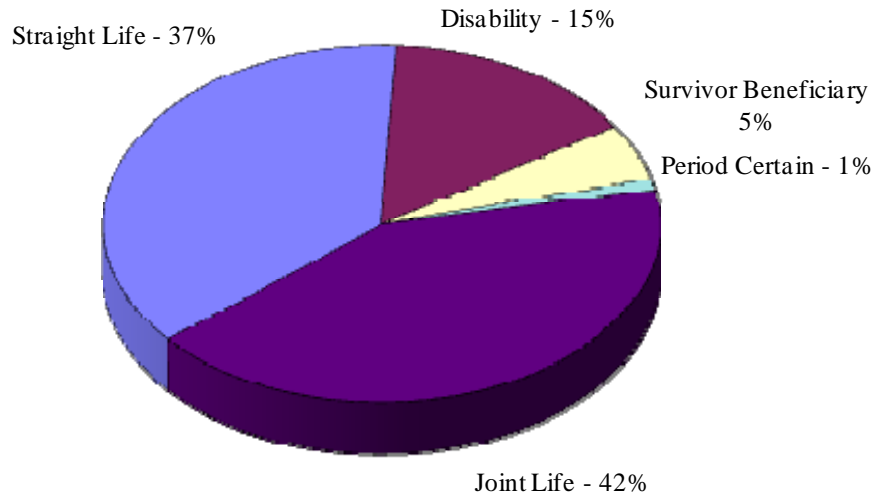
Type of Allowance	Number	Current Total \$	Actuarial Liabilities
Superannuation Retirement			
Plan A - Joint & 50%	21,002	\$ 45,496,521	\$ 6,279,419,417
Plan B - Straight Life	65,513	114,464,763	13,469,719,868
Plan C - Special Joint & Survivor	16,059	37,233,155	5,262,817,025
Plan D - Joint & 100%	21,643	45,476,506	7,228,451,336
Plan E - Life & 0 to 5 Years Guaranteed	343	505,673	58,768,927
- Life & 6 to 10 Years Guaranteed	483	783,843	91,182,591
- Life & 11 to 15 Years Guaranteed	685	939,109	111,567,494
- Life & 16 to 20 Years Guaranteed	43	88,785	13,676,857
Money Purchase	2,113	837,259	83,664,062
Survivor Beneficiary - Life Benefit	15,875	16,082,687	1,465,378,434
Survivor Beneficiary - Temporary Benefit	74	79,597	3,537,214
Total Superannuation	143,833	\$261,987,898	\$34,068,183,225
Disability Retirement	22,414	\$ 46,747,003	\$ 6,115,960,008
Total from A & PR	166,247	\$308,734,901	\$40,184,143,233

**ANNUITY AND PENSION RESERVE FUND
 RETIREES AND BENEFICIARIES DECEMBER 31, 2010
 TYPE OF BENEFIT AND AMOUNT BY GENDER OF RECIPIENT**

Type of Allowance	Men		Women		Total	
	Number	Monthly Allowances	Number	Monthly Allowances	Number	Monthly Allowances
Superannuation Retirement						
Plan A - Joint & 50%	14,338	\$33,049,087	6,664	\$ 12,447,434	21,002	\$ 45,496,521
Plan B - Straight Life	20,003	40,790,774	45,510	73,673,989	65,513	114,464,763
Plan C - Special Joint & Survivor	6,724	19,117,731	9,335	18,115,424	16,059	37,233,155
Plan D - Joint & 100%	17,674	38,749,047	3,969	6,727,459	21,643	45,476,506
Plan E - Life & 0 to 5 Years Guaranteed	146	225,362	197	280,311	343	505,673
- Life & 6 to 10 Years Guaranteed	243	400,912	240	382,931	483	783,843
- Life & 11 to 15 Years Guaranteed	409	554,634	276	384,475	685	939,109
- Life & 16 to 20 Years Guaranteed	29	56,828	14	31,957	43	88,785
Money Purchase	1,443	669,404	670	167,855	2,113	837,259
Survivor Beneficiary - Life Benefit	1,423	927,420	14,452	15,155,267	15,875	16,082,687
Survivor Beneficiary - Temporary Benefit	21	18,765	53	60,832	74	79,597
Total Superannuation	62,453	\$134,559,964	81,380	\$127,427,934	143,833	\$261,987,898
Disability Retirement	11,469	\$ 26,430,219	10,945	\$ 20,316,784	22,414	\$ 46,747,003
Total from A & PR	73,922	\$160,990,183	92,325	\$147,744,718	166,247	\$308,734,901

**ANNUITIES BEING PAID BY TYPE
DECEMBER 31, 2010**

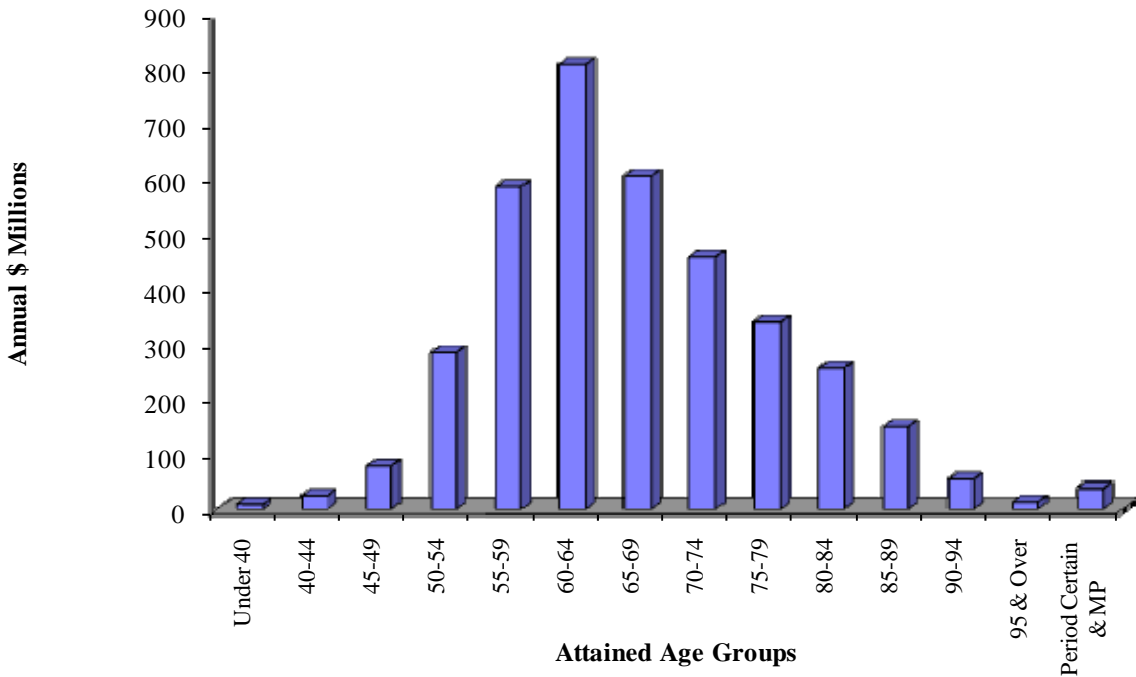
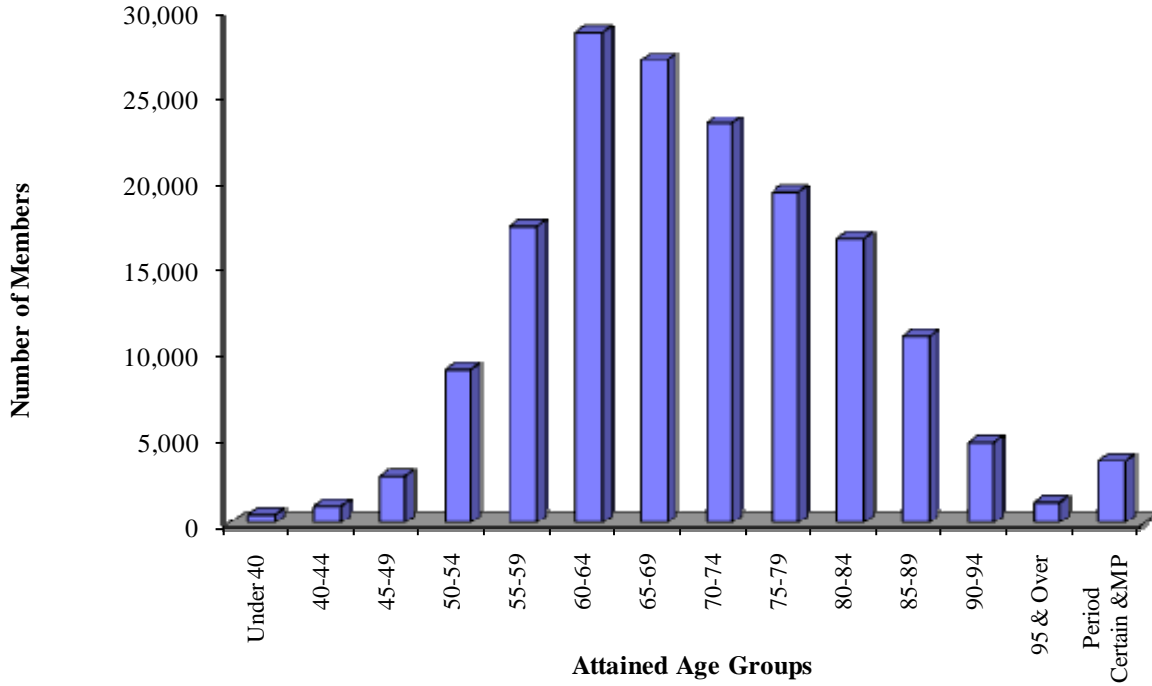
Annuity and Pension Reserve Fund



**ANNUITY AND PENSION RESERVE FUND
RETIREES AND BENEFICIARIES DECEMBER 31, 2010
CURRENT MONTHLY TOTAL \$ BY ATTAINED AGES**

Attained Ages	Superannuation		Disability		Totals	
	No.	Monthly Total \$	No.	Monthly Total \$	No.	Monthly Total \$
Under 20	10	\$ 4,615			10	\$ 4,615
20-24	12	5,582	1	\$ 1,437	13	7,019
25-29	13	8,850	10	13,815	23	22,665
30-34	21	12,751	84	127,124	105	139,875
35-39	28	17,243	331	578,932	359	596,175
40-44	57	45,054	944	2,064,849	1,001	2,109,903
45-49	516	1,222,269	2,183	5,286,797	2,699	6,509,066
50-54	5,063	14,511,913	3,895	9,294,301	8,958	23,806,214
55-59	12,361	37,443,545	5,040	11,316,948	17,401	48,760,493
60-64	23,859	57,507,914	4,849	9,928,222	28,708	67,436,136
65-69	24,720	45,997,519	2,392	4,391,312	27,112	50,388,831
70-74	22,110	36,209,019	1,264	2,017,082	23,374	38,226,101
75-79	18,630	27,374,700	704	920,554	19,334	28,295,254
80-84	16,143	20,801,158	447	524,284	16,590	21,325,442
85-89	10,757	12,165,620	199	210,899	10,956	12,376,519
90-94	4,661	4,459,971	62	62,887	4,723	4,522,858
95 & Over	1,205	1,045,506	9	7,560	1,214	1,053,066
Period Certain & Money Purchase	3,667	3,154,669			3,667	3,154,669
Totals	143,833	\$261,987,898	22,414	\$46,747,003	166,247	\$308,734,901

**ANNUITY AND PENSION RESERVE FUND
BENEFITS BEING PAID BY ATTAINED AGES
DECEMBER 31, 2010**



**ANNUITY AND PENSION RESERVE FUND
PERCENT OF RECIPIENTS
BY AGE GROUPS
AND YEAR**

Attained Age Group	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Under 30	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30-39	0.3%	0.3%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%
40-49	2.2%	2.5%	2.7%	2.9%	3.1%	3.3%	3.4%	3.5%	3.5%	3.3%	3.2%	3.1%	2.9%
50-59	15.9%	16.0%	15.9%	15.9%	16.1%	15.8%	14.7%	13.7%	12.9%	11.7%	10.7%	9.8%	9.2%
60-69	33.6%	32.5%	31.5%	30.7%	29.6%	28.9%	28.8%	28.6%	28.3%	28.1%	28.2%	28.9%	29.1%
70-79	25.7%	26.2%	26.7%	27.2%	27.7%	28.5%	29.4%	30.4%	31.5%	32.7%	34.0%	35.5%	36.3%
80-89	16.6%	16.9%	17.4%	17.7%	17.9%	18.0%	18.2%	18.3%	18.4%	18.7%	18.5%	18.7%	18.6%
90 & Over	3.6%	3.4%	3.4%	3.3%	3.2%	3.2%	3.2%	3.2%	3.1%	3.1%	3.0%	3.1%	3.0%
Period Certain & MP	2.2%	2.1%	2.1%	1.9%	1.9%	1.8%	1.8%	1.8%	1.7%	1.8%	1.8%	0.3%	0.3%
TOTALS	100.1%	99.9%	100.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average Age	70.0	70.0	70.1	70.1	70.2	70.2	70.4	70.6	70.7	71.0	71.2	71.4	71.5

STATE DIVISION
SURVIVOR BENEFIT FUND TABULATED BY
TYPE OF BENEFIT BEING PAID AND MONTHLY AMOUNT
DECEMBER 31, 2010

Group	Number	Current Total	Actuarial Liabilities
S-1 - Survivor Benefit to Beneficiary of Deceased Member Joint and Survivor Computation			
Men	139	\$ 137,205	\$ 14,303,233
Women	686	936,587	96,035,919
Totals	825	\$1,073,792	\$110,339,152
S-2 - Survivor Benefit to Beneficiary of Deceased Member Fixed Rate Amount			
Widower - no child	617	\$ 635,003	\$ 78,522,802
Widower - child	57	53,430	8,844,239
Child's record	133	70,172	4,783,030
Parent	0	0	0
Other	0	0	0
Child only	197	154,252	7,691,700
Subtotals - male	1,004	912,857	\$ 99,841,771
Widower - no child	2,211	\$2,346,499	\$289,084,747
Widower - child	144	155,112	27,899,557
Child's record	173	96,414	7,333,651
Parent	2	2,280	153,220
Other	2	1,548	254,563
Child only	209	162,186	8,256,021
Subtotals - female	2,741	2,764,039	332,981,759
Totals	3,745	\$3,676,896	\$432,823,530
Total Benefits Being Paid from Survivor Benefit Fund			
Men	1,143	\$ 1,050,062	\$114,145,004
Women	3,427	3,700,626	429,017,678
Totals	4,570	\$4,750,688	\$543,162,682

**LOCAL GOVERNMENT DIVISION
SURVIVOR BENEFIT FUND TABULATED BY
TYPE OF BENEFIT BEING PAID AND MONTHLY AMOUNT
DECEMBER 31, 2010**

Group	Number	Current Total	Actuarial Liabilities
S-1 - Survivor Benefit to Beneficiary of Deceased Member Joint and Survivor Computation			
Men	201	\$ 162,118	\$ 15,432,713
Women	1,396	1,514,221	153,608,652
Totals	1,597	1,676,339	169,041,365
S-2 - Survivor Benefit to Beneficiary of Deceased Member Fixed Rate Amount			
Widower - no child	1,014	\$ 765,991	\$ 92,241,718
Widower - child	94	66,030	11,329,025
Child's record	219	104,251	7,396,120
Parent	0	0	0
Other	2	1,156	141,406
Child only	355	238,626	13,768,795
Subtotals - male	1,684	1,176,054	124,877,064
Widower - no child	5,122	\$4,323,892	\$514,677,226
Widower - child	317	301,054	52,738,281
Child's record	390	196,610	14,854,714
Parent	2	2,001	126,789
Other	3	2,288	276,537
Child only	345	219,046	11,779,563
Subtotals - female	6,179	5,044,891	594,453,110
Totals	7,863	6,220,945	719,330,174
Total Benefits Being Paid from Survivor Benefit Fund			
Men	1,885	\$1,338,172	\$140,309,777
Women	7,575	6,559,112	748,061,762
Totals	9,460	\$7,897,284	\$888,371,539

PUBLIC SAFETY DIVISION
SURVIVOR BENEFIT FUND TABULATED BY
TYPE OF BENEFIT BEING PAID AND MONTHLY AMOUNT
DECEMBER 31, 2010

Group	Number	Current	Total	Actuarial Liabilities
S-1 - Survivor Benefit to Beneficiary of Deceased Member Joint and Survivor Computation				
Men	0	\$ 0	0	\$ 0
Women	0		0	0
Totals	0	\$ 0	0	\$ 0
S-2 - Survivor Benefit to Beneficiary of Deceased Member Fixed Rate Amount				
Widower - no child	3	\$ 3,455		\$ 310,086
Widower - child	0		0	0
Child's record	3		1,923	103,559
Other	0		0	0
Child only	6		5,345	367,525
Subtotals - male	12		10,723	781,170
Widower - no child	69	\$ 89,284		\$13,861,242
Widower - child	4		4,909	902,786
Child's record	2		1,697	107,678
Other	5		5,589	147,345
Child only	0		0	0
Subtotals - female	80		101,479	15,019,051
Totals	92	\$ 112,202		\$15,800,221
Total Benefits Being Paid from Survivor Benefit Fund				
Men	12	\$ 10,723		\$ 781,170
Women	80		101,479	15,019,051
Totals	92	\$ 112,202		\$15,800,221

**LAW ENFORCEMENT DIVISION
SURVIVOR BENEFIT FUND TABULATED BY
TYPE OF BENEFIT BEING PAID AND MONTHLY AMOUNT
DECEMBER 31, 2010**

Group	Number	Current Total	Actuarial Liabilities
S-1 - Survivor Benefit to Beneficiary of Deceased Member Joint and Survivor Computation			
Men	0	\$ 0	\$ 0
Women	54	91,421	11,286,350
Totals	54	\$ 91,421	\$11,286,350
S-2 - Survivor Benefit to Beneficiary of Deceased Member Fixed Rate Amount			
Widower - no child	5	\$ 4,417	\$ 675,377
Widower - child	2	1,904	343,340
Child's record	12	6,291	485,467
Other	0	0	0
Child only	20	15,223	933,151
Subtotals - male	39	27,835	2,437,335
Widower - no child	138	\$ 128,655	\$17,884,622
Widower - child	18	17,744	3,299,414
Child's record	18	8,475	603,515
Other	18	13,553	461,330
Child only	0	0	0
Subtotals - female	192	168,427	22,248,881
Totals	231	\$ 196,262	\$24,686,216
Total Benefits Being Paid from Survivor Benefit Fund			
Men	39	\$ 27,835	\$ 2,437,335
Women	246	259,848	33,535,231
Totals	285	\$ 287,683	\$35,972,566

**STATE DIVISION
DEFERRED SURVIVOR BENEFICIARIES
TABULATED BY GENDER AND DEFERRED AGE
DECEMBER 31, 2010**

Group	Number	Current Total	Actuarial Liabilities
Widowers			
Deferred to age 50	0	\$ 0	\$ 0
Deferred to age 62	73	47,397	4,300,227
Deferred to age 65	0	0	0
Total	73	47,397	4,300,227
Widows			
Deferred to age 50	2	1,696	246,728
Deferred to age 62	168	116,663	10,489,650
Deferred to age 65	1	877	37,122
Total	171	119,236	10,773,500
Totals	244	\$166,633	\$15,073,727

**LOCAL GOVERNMENT DIVISION
DEFERRED SURVIVOR BENEFICIARIES
TABULATED BY GENDER AND DEFERRED AGE
DECEMBER 31, 2010**

Group	Number	Current Total	Actuarial Liabilities
Widowers			
Deferred to age 50	0	\$ 0	\$ 0
Deferred to age 62	131	75,036	6,901,318
Deferred to age 65	0	0	0
Total	131	75,036	6,901,318
Widows			
Deferred to age 50	3	2,884	476,626
Deferred to age 62	436	268,049	25,690,817
Deferred to age 65	0	0	0
Total	439	270,933	26,167,443
Totals	570	\$345,969	\$33,068,761

**PUBLIC SAFETY DIVISION
 DEFERRED SURVIVOR BENEFICIARIES
 TABULATED BY GENDER AND DEFERRED AGE
 DECEMBER 31, 2010**

Group	Number	Current Total	Actuarial Liabilities
Widowers			
Deferred to age 50	0	\$ 0	\$ 0
Total	0	0	0
Widows			
Deferred to age 50	0	\$ 0	\$ 0
Deferred to age 62	4	1,941	150,204
Total	4	1,941	150,204
Totals	4	\$ 1,941	\$150,204

**LAW ENFORCEMENT DIVISION
 DEFERRED SURVIVOR BENEFICIARIES
 TABULATED BY GENDER AND DEFERRED AGE
 DECEMBER 31, 2010**

Group	Number	Current Total	Actuarial Liabilities
Widowers			
Deferred to age 50	0	\$ 0	\$ 0
Deferred to age 62	0	0	0
Total	0	0	0
Widows			
Deferred to age 50	0	\$ 0	\$ 0
Deferred to age 62	11	9,699	853,909
Total	11	9,699	853,909
Totals	11	\$ 9,699	\$853,909

SURVIVOR BENEFIT FUND
REPORTED ASSETS AND LIABILITIES
DIVISIONS COMBINED

Valuation Date	Monthly Allowances				\$ Millions		Ratio of Assets to Liabilities
	Current		Deferred		Reported Assets+	Actuarial Liabilities	
	No.	Amount	No.	Amount			
6/30/1977	8,153	\$ 1,659,897	1,003	\$ 125,094	\$ 257.0	\$ 204.6	126 %
6/30/1978	8,559	1,799,580	1,004	135,944	301.2	224.5	134 %
6/30/1979	8,824	1,914,251	1,039	146,549	355.2	245.1	145 %
12/31/1979	8,971	2,033,403	1,044	155,890	383.0	259.5	148 %
12/31/1980	9,389	2,220,641	1,022	170,246	429.4	285.4	150 %
12/31/1981@	9,629	2,468,950	1,045	191,228	460.6	336.0	137 %
12/31/1982@	9,913	2,654,686	1,006	199,239	499.7	330.6	151 %
12/31/1983	10,132	2,812,639	1,020	225,475	454.7	352.8	129 %
12/31/1984*	11,819	3,119,531	990	248,373	492.2	451.1	109 %
12/31/1985	11,889	3,278,253	979	259,842	532.8	469.6	113 %
12/31/1986	12,054	3,489,915	960	268,931	575.5	451.2	128 %
12/31/1987	12,153	3,656,420	933	279,327	626.1	472.9	132 %
12/31/1988	12,237	3,822,085	941	283,026	490.8	490.8	100 %
12/31/1989@	12,198	4,177,540	941	320,792	525.3	522.1	101 %
12/31/1990	12,182	4,330,622	907	321,218	542.5	537.1	101 %
12/31/1991	12,268	4,528,326	860	314,414	567.9	557.1	102 %
12/31/1992	12,318	4,750,848	852	329,509	589.8	583.3	101 %
12/31/1993	12,437	4,985,681	862	345,937	620.7	607.7	102 %
12/31/1994	12,569	5,207,186	845	347,178	641.5	628.5	102 %
12/31/1995	12,608	5,408,577	866	376,573	668.9	652.4	103 %
12/31/1996@	12,724	5,822,113	878	395,594	711.6	710.6	100 %
12/31/1997	12,856	6,074,566	932	433,430	743.0	740.5	100 %
12/13/1998	13,079	6,337,739	1,060	500,514	780.2	779.6	100 %
12/31/1999#	13,236	7,345,740	989	550,153	801.4	910.9	88 %
12/31/2000	13,317	9,026,315	666	348,886	1,037.4	1,037.4	100 %
12/31/2001@	13,588	9,449,543	993	490,441	1,086.4	1,086.4	100 %
12/31/2002	13,708	9,764,826	902	470,284	1,120.2	1,120.2	100 %
12/31/2003	13,988	10,246,174	842	493,329	1,193.1	1,193.1	100 %
12/31/2004	13,903	10,503,169	858	524,733	1,227.1	1,227.1	100 %
12/31/2005@	14,108	10,948,727	831	528,162	1,289.3	1,289.3	100 %
12/31/2006	14,172	11,333,735	832	508,430	1,332.6	1,332.6	100 %
12/31/2007	14,186	11,714,551	832	510,846	1,375.9	1,375.9	100 %
12/31/2008	14,238	12,122,501	847	526,623	1,425.6	1,425.6	100 %
12/31/2009	14,301	12,576,956	840	527,032	1,479.4	1,479.4	100 %
12/31/2010	14,407	13,047,857	829	524,242	1,532.5	1,532.5	100 %

@ Revised actuarial assumptions.

* Benefits increased.

After benefit changes.

+ Includes certain recommended transfers and accrued transfers.

SECTION X

ACTUARIAL METHODS AND ASSUMPTIONS

**SUMMARY OF
ACTUARIAL METHODS AND ASSUMPTIONS USED FOR OPERS
ACTUARIAL VALUATIONS
ASSUMPTIONS ADOPTED BY RETIREMENT BOARD
AFTER CONSULTING WITH ACTUARY**

The individual entry age actuarial cost method of valuation was used in determining liabilities and normal cost. Differences in the past between assumed experience and actual experience (“actuarial gains and losses”) become part of actuarial accrued liabilities.

Unfunded actuarial accrued liabilities are amortized to produce payments (principal & interest) which are level percent of payroll contributions.

The actuarial assumptions used in the valuation are shown in this Section. Economic assumptions were established following the December 31, 2000 actuarial valuation. Decrement assumptions were revised following the December 31, 2005 actuarial valuation.

ECONOMIC ASSUMPTIONS

The investment return rate assumed in the valuations was 8.00% per year, compounded annually (net after administrative expenses).

The wage inflation rate assumed in this valuation was 4.00% per year. The wage inflation rate is defined to be the portion of total pay increases for an individual that are due to macro economic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes rated to individual merit and seniority effects.

No specific *price inflation* assumption is required to perform this valuation, since there are no benefits that are linked to price increases. However, a price inflation assumption on the order of 3.0% to 3.5% would be consistent with the other economic assumptions.

The assumed real rate of return over wage inflation is defined to be the portion of total investment return that is more than the assumed total wage growth rate. Considering other economic assumptions, the 8.00% investment return rate translates to an assumed real rate of return over wage inflation of 4.00%. The assumed real rate of return over price inflation would be higher – on the order of 4.5% to 5.5% – considering both an inflation assumption and an average expense provision.

The active member population (the sum of the Traditional and Combined Plan active members) is assumed to remain constant. For purposes of financing the unfunded liabilities, total payroll (the sum of the Traditional and Combined Plan active payroll) is assumed to grow at the wage inflation rate – 4.00% per year.

Pay increase assumptions for individual active members are shown for sample ages on pages X-5, X-6, X-7 & X-8. Part of the assumption for each age is for merit and/or seniority increase, and the other 4.00% recognizes wage inflation, including price inflation, productivity increases, and other macro economic forces.

NON-ECONOMIC ASSUMPTIONS

The post-retirement mortality rates used in evaluating age and service and survivor benefit allowances to be paid were 110% of RP-2000 mortality table for males and 100% of RP-2000 mortality table for females with 15 years of projected mortality improvements using Projection Scale AA. Related values are shown on page X-9. The mortality rates used in evaluating disability allowances were the RP-2000 mortality table for disabled lives, setback 4 years for males and setforward 4 years for females.

The probabilities of unreduced and reduced age and service retirement are shown on pages X-3 and X-4.

The probabilities of withdrawal from service, disability and death-in-service are shown for sample ages on pages X-5, X-6, X-7 & X-8. For withdrawal from service it was assumed that members terminating before age 35, members terminating with less than 5 years of service, and a percentage of all other members would withdraw their contributions and forfeit their entitlement to an employer financed benefit. The percentage is 100% at age 35 and is reduced for each year of age after 35, becoming 0% at age 55 (age 45 for law members).

For purposes of death-in-service and disability benefits, it is assumed that Combined Plan members will take a benefit from the Traditional Plan, unless a lump sum distribution from the Combined Plan would have a greater value.

Defined Contribution Accounts under the Combined Plan are assumed to earn 8% per year.

The Funding Value of Defined Benefit Assets recognizes assumed investment return fully each year. Differences between actual and assumed investment return are phased in over a closed 4-year period. Funding value is not permitted to deviate from market value by more than 12%. Traditional and Combined Plan retiree health funding values of assets are developed independently beginning with the December 31, 2004 valuation.

Present assets (cash & investments) at funding value are shown on pages II-2 through II-6.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (MAAA). Great care was taken in the production of this report, but there may be cases where schedules do not add, or where they do not exactly balance to other related schedules due to rounding.

Probabilities of Unreduced Age and Service Retirement

Ages	Percent of Eligible Active Members Retiring Within Next Year					
	State		Local Government		Public Safety	Law Enforcement
	Men	Women	Men	Women		
45	40%	30%	30%	30%		
46	40%	30%	30%	30%		
47	40%	30%	30%	30%		
48	40%	30%	30%	30%		20%
49	40%	30%	30%	30%		20%
50	40%	30%	30%	30%		20%
51	40%	30%	30%	30%		20%
52	35%	30%	30%	30%	30%	20%
53	35%	30%	30%	30%	30%	22%
54	35%	30%	30%	30%	25%	22%
55	30%	30%	30%	30%	25%	22%
56	25%	30%	28%	30%	25%	22%
57	25%	30%	28%	30%	25%	22%
58	25%	30%	28%	30%	20%	22%
59	25%	30%	25%	30%	20%	25%
60	30%	35%	25%	30%	35%	30%
61	30%	35%	25%	30%	35%	20%
62	30%	35%	35%	30%	35%	25%
63	30%	35%	35%	30%	35%	25%
64	35%	35%	30%	30%	35%	25%
65	30%	30%	20%	20%	35%	30%
66	25%	20%	20%	20%	35%	30%
67	20%	20%	15%	15%	35%	30%
68	20%	20%	15%	15%	35%	30%
69	20%	20%	15%	15%	35%	30%
70	20%	20%	15%	15%	100%	100%
71	20%	20%	15%	15%	100%	100%
72	20%	20%	15%	15%	100%	100%
73	20%	20%	15%	15%	100%	100%
74	20%	20%	15%	15%	100%	100%
75 & Over	100%	100%	100%	100%	100%	100%
Ref	1309	1310	1311	1312	1334	1335

Probabilities of Reduced Retirement

Ages	Percent of Eligible Active Members Retiring Within Next Year				
	State		Local Government		Public Safety
	Men	Women	Men	Women	
48					15%
49					15%
50					15%
51					15%
52					
53					
54					
55	11%	11%	10%	12%	
56	11%	11%	10%	12%	
57	11%	11%	10%	12%	
58	11%	11%	10%	12%	
59	11%	11%	10%	12%	
60	11%	12%	10%	12%	
61	11%	14%	10%	12%	
62	16%	15%	15%	12%	
63	16%	15%	15%	12%	
64	16%	15%	12%	12%	
Ref	1313	1314	758	1315	1336

STATE
SEPARATIONS FROM ACTIVE EMPLOYMENT BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS

Sample Ages	Years of Service	Percent of Active Members Separating Within the Next Year						Pay Increase Assumptions For An Individual Employee		
		Death		Withdrawal		Disability		Merit & Seniority	Base (Economy)	Increase Next Year
		Men	Women	Men	Women	Men	Women			
	0			40.00%	40.00%					
	1			25.00%	25.00%					
	2			15.00%	17.00%					
	3			10.00%	12.00%					
	4			8.00%	9.00%					
25	5 & Over	0.04%	0.01%	7.04%	8.40%	0.15%	0.15%	4.30%	4.00%	8.30%
30		0.04%	0.02%	5.44%	7.28%	0.18%	0.18%	3.00%	4.00%	7.00%
35		0.08%	0.03%	4.20%	5.48%	0.32%	0.32%	2.20%	4.00%	6.20%
40		0.11%	0.05%	3.32%	3.88%	0.52%	0.52%	1.80%	4.00%	5.80%
45		0.15%	0.08%	2.58%	3.16%	0.72%	0.72%	1.40%	4.00%	5.40%
50		0.21%	0.12%	2.18%	2.88%	0.92%	0.92%	1.20%	4.00%	5.20%
55		0.36%	0.19%	2.10%	2.74%	1.36%	1.36%	0.90%	4.00%	4.90%
60		0.67%	0.35%	2.10%	2.70%	2.20%	2.20%	0.70%	4.00%	4.70%
Ref		#506x1sb0	#507x0.7sb0	47 #870x1	443 #871x1	#385x1	#385x1	301		

The pay increase assumptions are age based only, and not service based.

**LOCAL GOVERNMENT
SEPARATIONS FROM ACTIVE EMPLOYMENT BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS**

Sample Ages	Years of Service	Percent of Active Members Separating Within the Next Year						Pay Increase Assumptions For An Individual Employee		
		Death		Withdrawal		Disability		Merit & Seniority	Base (Economy)	Increase Next Year
		Men	Women	Men	Women	Men	Women			
	0			40.00%	40.00%					
	1			25.00%	25.00%					
	2			15.00%	17.00%					
	3			10.00%	12.00%					
	4			8.00%	9.00%					
25	5 & Over	0.04%	0.01%	7.10%	8.40%	0.13%	0.12%	4.30%	4.00%	8.30%
30		0.04%	0.02%	5.90%	7.04%	0.17%	0.13%	3.00%	4.00%	7.00%
35		0.08%	0.03%	4.48%	5.50%	0.28%	0.21%	2.20%	4.00%	6.20%
40		0.11%	0.05%	3.32%	4.18%	0.44%	0.33%	1.80%	4.00%	5.80%
45		0.15%	0.08%	2.70%	3.40%	0.62%	0.45%	1.40%	4.00%	5.40%
50		0.21%	0.12%	2.50%	3.14%	0.90%	0.66%	1.20%	4.00%	5.20%
55		0.36%	0.19%	2.50%	3.04%	1.34%	0.98%	0.90%	4.00%	4.90%
60	0.67%	0.35%	2.50%	3.00%	1.54%	1.35%	0.70%	4.00%	4.70%	
Ref		#506x1sb0	#507x0.7sb0	47 #872x1	443 #873x1	#333x1	#334x1	301		

The pay increase assumptions are age based only, and not service based.

PUBLIC SAFETY
SEPARATIONS FROM ACTIVE EMPLOYMENT BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS

Sample Ages	Years of Service	Percent of Active Members Separating Within the Next Year						Pay Increase Assumptions For An Individual Employee		
		Death		Withdrawal		Disability		Merit & Seniority	Base (Economy)	Increase Next Year
		Men	Women	Men	Women	Men	Women			
	0			16.00%	18.00%					
	1			12.00%	12.00%					
	2			8.00%	8.00%					
	3			7.00%	7.00%					
	4			7.00%	7.00%					
25	5 & Over	0.04%	0.01%	4.70%	4.22%	0.20%	0.20%	6.30%	4.00%	10.30%
30		0.04%	0.02%	3.90%	3.16%	0.60%	0.60%	4.00%	4.00%	8.00%
35		0.08%	0.03%	2.90%	2.80%	0.90%	0.90%	1.60%	4.00%	5.60%
40		0.11%	0.05%	2.20%	2.80%	1.15%	1.15%	0.85%	4.00%	4.85%
45		0.15%	0.08%	1.76%	2.32%	1.50%	1.50%	0.60%	4.00%	4.60%
50		0.21%	0.12%	1.60%	2.00%	2.10%	2.10%	0.50%	4.00%	4.50%
55		0.36%	0.19%	1.60%	2.00%	3.10%	3.10%	0.50%	4.00%	4.50%
60	0.67%	0.35%	1.60%	2.00%	4.00%	4.00%	0.50%	4.00%	4.50%	
Ref		#506x1sb0	#507x0.7sb0	445 #874x1	446 #875x1	#386x1	#386x1	303		

The pay increase assumptions are age based only, and not service based.

LAW ENFORCEMENT
SEPARATIONS FROM ACTIVE EMPLOYMENT BEFORE AGE & SERVICE RETIREMENT
& INDIVIDUAL PAY INCREASE ASSUMPTIONS

Sample Ages	Years of Service	Percent of Active Members Separating Within the Next Year						Pay Increase Assumptions For An Individual Employee		
		Death		Withdrawal		Disability		Merit & Seniority	Base (Economy)	Increase Next Year
		Men	Women	Men	Women	Men	Women			
	0			15.00%	18.00%					
	1			9.00%	12.00%					
	2			7.00%	8.00%					
	3			5.00%	7.00%					
	4			5.00%	7.00%					
25	5 & Over	0.04%	0.01%	3.54%	3.80%	0.20%	0.20%	6.30%	4.00%	10.30%
30		0.04%	0.02%	2.66%	2.90%	0.60%	0.60%	4.00%	4.00%	8.00%
35		0.08%	0.03%	2.14%	2.30%	0.90%	0.90%	1.60%	4.00%	5.60%
40		0.11%	0.05%	1.48%	1.50%	1.15%	1.15%	0.85%	4.00%	4.85%
45		0.15%	0.08%	1.20%	1.30%	1.50%	1.50%	0.60%	4.00%	4.60%
50		0.21%	0.12%	1.20%	1.20%	2.10%	2.10%	0.50%	4.00%	4.50%
55		0.36%	0.19%	1.20%	1.20%	3.10%	3.10%	0.50%	4.00%	4.50%
60		0.67%	0.35%	1.20%	1.20%	4.00%	4.00%	0.50%	4.00%	4.50%
Ref		#506x1sb0	#507x0.7sb0	375 #876x1	446 #575x1	#386x1	#386x1	303		

The pay increase assumptions are age based only, and not service based.

Single Life Retirement Values

Sample Attained Ages	Present Value of \$1 Monthly for Life Increasing 3.0% Annually (First Increase After 1 Year)		Future Life Expectancy (years)	
	Males	Females	Males	Females
50	\$175.27	\$180.54	31.49	34.38
55	163.16	169.81	26.81	29.64
60	148.41	156.78	22.30	25.08
65	131.41	141.67	18.09	20.80
70	112.77	124.92	14.25	16.86
75	92.36	106.74	10.77	13.29
80	71.69	87.43	7.77	10.09
Ref:	:#397x1.1sb0	:#398x1sb0		

MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

DECEMBER 31, 2010

Marriage Assumption:	70% of males and 60% of females are assumed to be married for purposes of death-in-service benefits for State and Local members. 90% of males and 90% of females are assumed to be married for purposes of death-in-service benefits for Law members. Male spouses are assumed to be three years older than female spouses for active member valuation purposes. In retired or inactive cases where spouse information is needed, but not available, the three year age difference is also assumed.
Pay Increase Timing:	Beginning of year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
Final Average Salary:	For present value of future benefit purposes, final average salary was calculated in accordance with pay increase assumptions, but was not permitted to fall below the final average salary reported in the data.
Decrement Timing:	Decrements are assumed to occur mid-year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Decrement Relativity:	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Decrement Operation:	Disability and mortality decrements do not operate during the first 5 years of service.
Death after Disability:	Death after disability benefits were approximated by assuming that the disability benefit would be paid as a joint and 35% survivor benefit for people in the original disability plan and as a joint and 20% survivor benefit for people in the post 1992 plan.
Service Credit Accruals:	It is assumed that members accrue one year of service credit per year. A (0.80)% factor is applied to State active member liabilities (other than for refunds) and a (1.00)% factor is applied to Local active member liabilities (other than for refunds) to recognize that a portion of the membership is part time.

MISCELLANEOUS AND TECHNICAL ASSUMPTIONS
DECEMBER 31, 2010 (CONCLUDED)

Miscellaneous Loads:	A load of approximately 0.60% of payroll is included in the computed normal cost to recognize subsidized service purchases. Law active accrued liabilities for retirement are reduced by 10% to recognize that total service reported is not entirely Law service, and that non-Law service cannot be used to satisfy Law eligibility conditions. Reported pays for certain State employees were increased by 4% assuming these employees will experience fewer future furlough days than experienced during 2010.
Incidence of Contributions:	Contributions are assumed to be received continuously throughout the year based upon contribution rates presented in the Summary of Benefits, and the actual payroll payable at the time contributions are made.
Benefit Service:	Exact fractional service is used to determine the amount of benefit payable.
Normal Form of Benefit:	The assumed normal form of benefit is a straight life benefit, except where otherwise noted.

SECTION XI
FINANCIAL PRINCIPLES

FINANCIAL PRINCIPLES AND OPERATIONAL TECHNIQUES OF OPERS

Promises Made, and To Be Paid For. As each year is completed, OPERS in effect hands an “IOU” to each member then acquiring a year of service credit --- the “IOU” says: “The Ohio Public Employees Retirement System owes you one year’s worth of retirement benefits, payments in cash commencing when you qualify for retirement.”

The related *key financial questions* are:

Which generation of taxpayers contributes the money to cover the IOU?

The present taxpayers, who receive the benefit of the member’s present year of service? ***Or the future taxpayers***, who happen to be in Ohio at the time the IOU becomes a cash demand, years and often decades later?

The law governing OPERS financing intends that this year’s taxpayers contribute the money to cover the IOUs being handed out this year. With this financial objective, ***the employer contribution rate is expected to remain approximately level from generation to generation of taxpayers.***

There are systems which have a design for deferring contributions to future taxpayers. Lured by a lower contribution rate now, they put aside the consequence that the contribution rate must then relentlessly grow to a level much higher than would be required if a level contribution pattern were followed.

An inevitable by-product of the level-cost design is the accumulation of reserve assets, for decades, and the income produced when the assets are invested. ***Investment income*** becomes ***the 3rd and largest contributor*** for benefits to employees, and is interlocked with the contribution amounts required from employees and employers.

Translated to actuarial terminology, this level-cost objective means that the contribution rates must total at least the following:

Normal Cost (the cost of members' service being rendered this year)

... plus ...

Interest on Unfunded Actuarial Accrued Liabilities (unfunded actuarial accrued liabilities are the difference between: liabilities for service already rendered; and the accrued assets of OPERS).

Computing Contributions to Support Fund Benefits. From a given schedule of benefits and from employee and asset data, the actuary calculates the contribution rates to support the benefits by means of *an actuarial valuation and a funding method.*

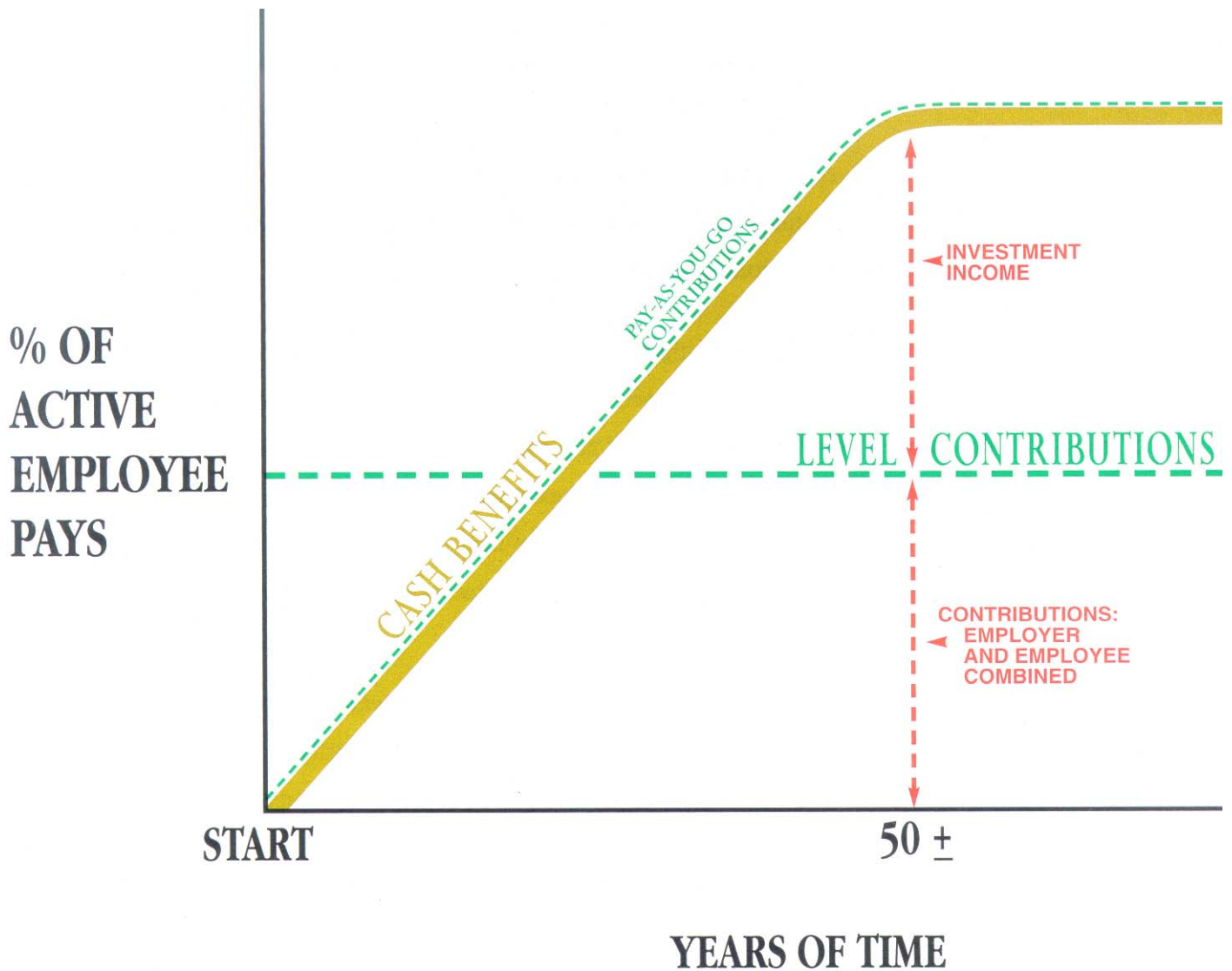
An actuarial valuation has a number of ingredients such as: the rate of investment return which plan assets will earn; the rates of withdrawal of active members who leave covered employment; the rates of mortality; the rates of disability; the rates of pay increases; and the assumed age or ages at actual retirement.

In an actuarial valuation, assumptions must be made as to what the above rates will be for the next year and for decades in the future. The assumptions are established by the Retirement Board after receiving the advice of the actuary.

Reconciling Differences Between Assumed Experience and Actual Experience. Once actual experience has occurred and has been observed, it will not coincide exactly with assumed experience, regardless of the skill of the actuary and the many calculations made. The future can not be predicted with 100% precision.

OPERS copes with these continually changing differences by having annual actuarial valuations. Each actuarial valuation is a complete recalculation of assumed future experience, taking into account all past differences between assumed and actual experience. The result is *continuing adjustments in financial position.*

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CASH BENEFITS LINE. This relentlessly increasing line is the fundamental reality of retirement plan financing. It happens each time a new benefit is added for future retirements (and happens regardless of the design for contributing for benefits).

LEVEL CONTRIBUTION LINE. Determining the level contribution line requires detailed assumptions concerning a variety of experiences in future decades, including:

Economic Risk Areas

- Rates of investment return
- Rates of pay increase
- Changes in active member group size

Non-Economic Risk Areas

- Ages at actual retirement
- Rates of mortality
- Rates of withdrawal of active members (turnover)
- Rates of disability

THE ACTUARIAL VALUATION PROCESS

The financing diagram on the opposite page shows the relationship between *the two fundamentally different philosophies of paying* for retirement benefits: the method where contributions match cash benefit payments (or barely exceed cash benefit payments, as in the Federal Social Security program) which is thus an *increasing contribution method*; and, the *level contribution method* which attempts to equalize contributions between the generations.

The actuarial valuation is the mathematical process by which the level contribution rate is determined. The activity constituting the valuation may be summarized as follows:

- A. **Census Data**, including:
 - Retired lives now receiving benefits
 - Former employees with vested benefits not yet payable
 - Active employees

- B. + **Asset data** (cash & investments)

- C. + **Benefit provisions** that establish eligibility and amounts of payments to members

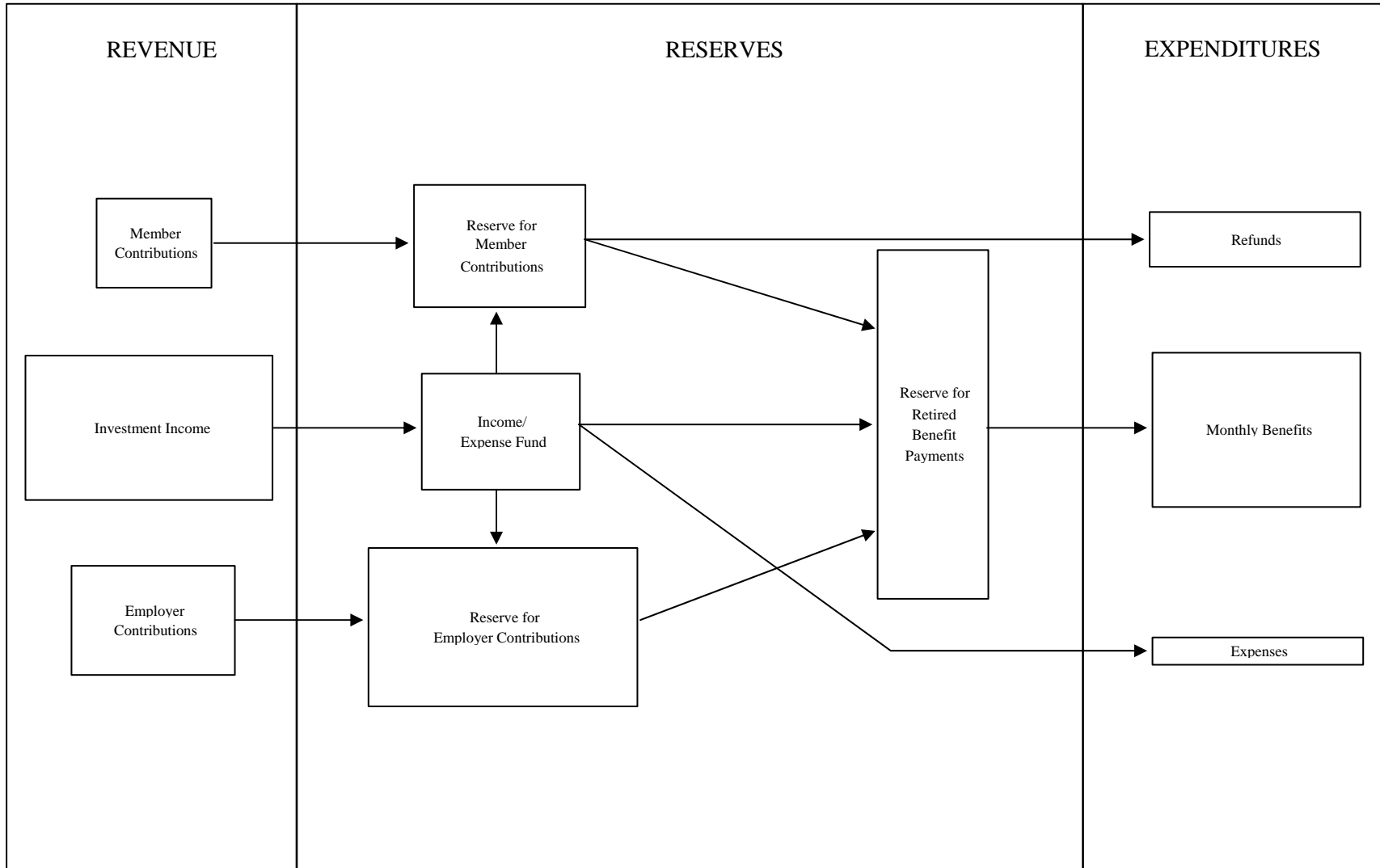
- D. + **Assumptions concerning future experience** in various risk areas

- E. + **The funding method** for employer contributions (the long-term, planned pattern for employer contributions)

- F. + **Mathematically combining the assumptions, the funding method, and the data**

- G. = Determination of:
 - Plan Financial Position; and/or
 - New Employer Contribution Rate

Flow of Money Through the Retirement System



GLOSSARY

Accrued Service. The service credited under the plan which was rendered before the date of the actuarial valuation.

Accumulated Benefit Obligation. The actuarial present value of vested and non-vested benefits based on service to date and past and current salary levels.

Actuarial Accrued Liability. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.”

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”

Actuarial Equivalent. A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Actuary. A person who is trained in the applications of probability and compound interest to problems in business and finance that involve payment of money in the future, contingent upon the occurrence of future events. Most actuaries in the United States are Members of the American Academy of Actuaries. The Society of Actuaries is an international research, education and membership organization for actuaries in the life and health insurance, employee benefits, and pension fields. It administers a series of examinations leading initially to Associateship and the designation A.S.A. and ultimately to Fellowship with the designation F.S.A.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Experience Gain (Loss). A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.

Funding Value of Assets. The value of current plan assets recognized for valuation purposes. Generally based on a phased-in recognition of all or a portion of market related investment return. Sometimes referred to as Actuarial Value of Assets.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost.” Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Plan Termination Liability. The actuarial present value of future plan benefits based on the assumption that there will be no further accruals for future service and salary. The termination liability will generally be less than the liabilities computed on a “going concern” basis and is not normally determined in a routine actuarial valuation.

Reserve Account. An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as “unfunded accrued liability.”

MEANING OF “UNFUNDED ACTUARIAL ACCRUED LIABILITIES”

“*Actuarial accrued liabilities*” are *the present value of the portions of promised benefits that are not covered by future normal cost contributions* --- a liability has been established (“accrued”) because the service has been rendered but the resulting monthly cash benefit may not be payable until years in the future.

If “actuarial accrued liabilities” at any time exceed the plan’s accrued assets (cash & investments), the difference is “*unfunded actuarial accrued liabilities.*” This is the common condition. If the plan’s assets equaled the plan’s “actuarial accrued liabilities”, the plan would be termed “fully funded.” This is an unusual condition.

Each time a plan adds a new benefit which applies to service already rendered, an “actuarial accrued liability” is created, which is also an “unfunded actuarial accrued liability” because the plan can’t print instant cash to cover the value of the new benefit promises. Payment for such unfunded actuarial accrued liabilities is spread over a period of years, commonly in the 15-40 year range.

Unfunded actuarial accrued liabilities can occur in another way: if actual plan experience is less favorable than assumed, the difference is added to unfunded actuarial accrued liabilities. For example, in plans where benefits are directly related to an employee’s pay near time of retirement, unfunded actuarial accrued liabilities increased rapidly during the 1970’s because unexpected rates of pay increase created additional actuarial accrued liabilities which could not be matched by reasonable investment results. Most of the unexpected pay increases were the direct result of inflation, which is a very destructive force on financial stability.

The existence of unfunded actuarial accrued liabilities is not bad but the changes from year to year in amount of unfunded actuarial accrued liabilities are important--- “bad” or “good” or somewhere in between.

Nor are unfunded actuarial accrued liabilities a bill payable immediately, but it is important that policy-makers prevent the amount from becoming unreasonably high and *it is vital for plans to have a sound method for making payments toward them* so that they are controlled.

SECTION XII

GASB REPORTING

This information is presented in draft form for review by the System's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the System's financial statements.

**SCHEDULE OF DEFINED BENEFIT FUNDING PROGRESS
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
(\$ AMOUNTS IN MILLIONS)
TRADITIONAL, COMBINED, AND MEMBER DIRECTED PLANS**

The schedule below measures the funding progress with respect to the *retirement allowance* portion of OPERS benefits for compliance with GASB Statement No. 25. Assets and liabilities related to post-employment health care benefits are specifically excluded from the schedule. Assets do, however, include market value adjustments.

Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Active Member Payroll	UAAL as a % of Active Member Payroll
1991	\$22,027	\$18,108	\$3,919	82 %	\$6,651	59 %
1992	23,961	20,364	3,597	85 %	6,889	52 %
1993	26,506	23,063	3,443	87 %	7,236	48 %
1994	28,260	25,066	3,194	89 %	7,625	42 %
1995	30,556	27,651	2,905	90 %	7,973	36 %
1995*	30,224	27,651	2,573	91 %	7,973	32 %
1996	32,631	30,534	2,097	94 %	8,340	25 %
1997	34,971	33,846	1,125	97 %	8,640	13 %
1998	37,714	38,360	(646)	102 %	9,017	0 %
1999	43,070	43,060	10	100 %	9,477	0 %
2000	46,347	46,844	(497)	101 %	10,192	0 %
2001	49,095	48,748	347	99 %	10,782	3 %
2001*	47,492	48,748	(1,256)	103 %	10,782	0 %
2002	50,872	43,706	7,166	86 %	11,207	64 %
2003	54,774	46,746	8,028	85 %	11,165	72 %
2004	57,604	50,452	7,152	88 %	11,454	62 %
2005	61,146	54,473	6,673	89 %	11,807	57 %
2005*	62,498	54,473	8,025	87 %	11,807	68 %
2006	66,161	61,296	4,865	93 %	12,175	40 %
2007	69,734	67,151	2,583	96 %	12,583	21 %
2008	73,466	55,315	18,150	75 %	12,801	142 %
2009	76,555	57,629	18,926	75 %	12,548	151 %
2010	79,630	60,600	19,031	76 %	12,450	153 %

* Revised actuarial assumptions.

**SCHEDULE OF DEFINED BENEFIT FUNDING PROGRESS
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
(\$ AMOUNTS IN MILLIONS)
TRADITIONAL PLAN**

The schedule below measures the funding progress with respect to the *retirement allowance* portion of OPERS benefits for compliance with GASB Statement No. 25. Assets and liabilities related to post-employment health care benefits are specifically excluded from the schedule. Assets do, however, include market value adjustments.

Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Active Member Payroll	UAAL as a % of Active Member Payroll
1991	\$22,027	\$18,108	\$3,919	82 %	\$6,651	59 %
1992	23,961	20,364	3,597	85 %	6,889	52 %
1993	26,506	23,063	3,443	87 %	7,236	48 %
1994	28,260	25,066	3,194	89 %	7,625	42 %
1995	30,556	27,651	2,905	90 %	7,973	36 %
1995*	30,224	27,651	2,573	91 %	7,973	32 %
1996	32,631	30,534	2,097	94 %	8,340	25 %
1997	34,971	33,846	1,125	97 %	8,640	13 %
1998	37,714	38,360	(646)	102 %	9,017	0 %
1999	43,070	43,060	10	100 %	9,477	0 %
2000	46,347	46,844	(497)	101 %	10,192	0 %
2001	49,095	48,748	347	99 %	10,782	3 %
2001*	47,492	48,748	(1,256)	103 %	10,782	0 %
2002	50,872	43,706	7,166	86 %	11,207	64 %
2003	54,756	46,737	8,019	85 %	11,056	73 %
2004	57,573	50,430	7,143	88 %	11,313	63 %
2005	61,099	54,433	6,666	89 %	11,633	57 %
2005*	62,447	54,433	8,014	87 %	11,633	69 %
2006	66,089	61,235	4,854	93 %	11,971	41 %
2007	69,639	67,067	2,572	96 %	12,347	21 %
2008	73,346	55,230	18,116	75 %	12,546	144 %
2009	76,407	57,519	18,888	75 %	12,290	154 %
2010	79,459	60,461	18,997	76 %	12,165	156 %

* Revised actuarial assumptions.

**SCHEDULE OF DEFINED BENEFIT FUNDING PROGRESS
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
(\$ AMOUNTS IN MILLIONS)
COMBINED PLAN**

The schedule below measures the funding progress with respect to the *retirement allowance* portion of OPERS benefits for compliance with GASB Statement No. 25. Assets and liabilities related to post-employment health care benefits are specifically excluded from the schedule. Assets do, however, include market value adjustments.

Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Active Member Payroll	UAAL as a % of Active Member Payroll
1991						
1992						
1993						
1994						
1995						
1995						
1996						
1997						
1998						
1999						
2000						
2001						
2001						
2002						
2003	\$18	\$9	\$9	50 %	\$109	8 %
2004	31	22	9	71 %	141	6 %
2005	47	40	7	85 %	174	4 %
2005*	51	40	11	78 %	174	6 %
2006	72	61	11	85 %	205	5 %
2007	95	84	11	88 %	236	5 %
2008	120	85	35	71 %	255	14 %
2009	148	110	38	74 %	258	15 %
2010	171	138	33	81 %	284	12 %

* Revised actuarial assumptions.

**SCHEDULE OF DEFINED BENEFIT FUNDING PROGRESS
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
(\$ AMOUNTS)
MEMBER DIRECTED PLAN**

The schedule below measures the funding progress with respect to the *retirement allowance* portion of OPERS benefits for compliance with GASB Statement No. 25. Assets and liabilities related to post-employment health care benefits are specifically excluded from the schedule. Assets do, however, include market value adjustments.

Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Active Member Payroll	UAAL as a % of Active Member Payroll
1991						
1992						
1993						
1994						
1995						
1995						
1996						
1997						
1998						
1999						
2000						
2001						
2001						
2002						
2003						
2004						
2005						
2005*						
2006						
2007						
2008	\$166,354	\$147,976	\$18,378	89 %	NA	NA
2009	252,670	205,639	47,031	81 %	NA	NA
2010	489,792	438,982	50,810	90 %	NA	NA

* Revised actuarial assumptions.

SCHEDULE OF EMPLOYER CONTRIBUTIONS*
FOR COMPLIANCE WITH GASB STATEMENT NO. 25

Traditional Plan		
Valuation Date December 31	Year Ended December 31	Annual Required Contributions
2004	2006	8.44%
2005	2008	7.12%
2006	2009	7.13%
2007	2010	7.14%
2008	2011	13.33%
2009	2012	13.64%
2010	2013	13.52%

Combined Plan		
Valuation Date December 31	Year Ended December 31	Annual Required Contributions
2004	2006	8.33%
2005	2008	7.29%
2006	2009	7.33%
2007	2010	7.22%
2008	2011	10.00%
2009	2012	10.00%
2010	2013	13.00%

Member Directed Plan		
Valuation Date December 31	Year Ended December 31	Annual Required Contributions
2008	2011	\$ 1,570
2009	2012	\$ 4,019
2010	2013	\$ 4,342

* The amounts reported in this schedule do not include contributions for post-employment healthcare benefits.

**SCHEDULE OF UNFUNDED ACTUARIAL ACCRUED LIABILITY@
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
TRADITIONAL, COMBINED AND MEMBER DIRECTED PLANS**

	December 31, 2010					
	State Group	Local Group	General Group	Public Safety Group	Law Enforcement Group	Total
Accrued Liabilities						
Active and Inactive Members	\$ 14,787,308,337	\$21,583,247,947	\$36,370,556,284	\$ 7,463,023	\$1,535,457,852	\$37,913,477,159
Retirees and Beneficiaries	16,840,897,851	23,188,146,989	40,029,044,840	36,382,788	1,651,169,215	41,716,596,843
Total Accrued Liabilities	\$ 31,628,206,188	\$44,771,394,936	\$76,399,601,124	\$ 43,845,811	\$3,186,627,067	\$79,630,074,002
Assets						
Active and Inactive Members						
EAF*	\$ 2,747,836,175	\$ 6,427,523,571	\$ 9,175,359,746	\$ (8,262,199)	\$ 529,264,324	\$ 9,696,361,871
ESF	4,594,406,861	7,072,373,443	11,666,780,304	2,515,977	465,543,707	12,134,839,988
Unallocated	38,533,299	58,453,406	96,986,705	48,921	4,225,169	101,260,795
Market Value Adjustment	(1,160,419,505)	(1,760,235,257)	(2,920,654,762)	(1,475,242)	(127,411,715)	(3,049,541,719)
Total Active and Inactive Assets	\$ 6,220,356,830	\$11,798,115,163	\$18,018,471,993	\$ (7,172,543)	\$871,621,485	\$18,882,920,935
Retirees and Beneficiaries						
A & PR Fund*	\$16,282,661,442	\$22,266,706,689	\$38,549,368,131	\$ 20,432,363	\$1,614,342,740	\$40,184,143,234
SBF Fund*	558,236,409	921,440,300	1,479,676,709	15,950,425	36,826,475	1,532,453,609
Total R&B Assets	\$16,840,897,851	\$23,188,146,989	\$40,029,044,840	\$ 36,382,788	\$1,651,169,215	\$41,716,596,843
Total Assets	\$23,061,254,681	\$34,986,262,152	\$58,047,516,833	\$ 29,210,245	\$2,522,790,700	\$60,599,517,778
Unfunded Actuarial Accrued Liability	\$8,566,951,507	\$9,785,132,784	\$18,352,084,291	\$ 14,635,566	\$ 663,836,367	\$19,030,556,224

@ The amounts reported in this schedule do not include contributions for post-employment healthcare benefits.

* After reserve transfers.

**SCHEDULE OF UNFUNDED ACTUARIAL ACCRUED LIABILITY@
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
TRADITIONAL PLAN**

	December 31, 2010					
	State Group	Local Group	General Group	Public Safety Group	Law Enforcement Group	Total
Accrued Liabilities						
Active and Inactive Members	\$14,718,292,197	\$21,482,032,906	\$36,200,325,103	\$ 7,463,023	\$1,535,457,852	\$37,743,245,978
Retirees and Beneficiaries	16,840,735,819	23,186,985,694	40,027,721,513	36,382,788	1,651,169,215	41,715,273,516
Total Accrued Liabilities	\$31,559,028,016	\$44,669,018,600	\$76,228,046,616	\$ 43,845,811	\$3,186,627,067	\$79,458,519,494
Assets						
Active and Inactive Members						
EAF*	\$ 2,696,465,463	\$ 6,347,146,980	\$ 9,043,612,443	\$ (8,262,199)	\$ 529,264,324	\$ 9,564,614,568
ESF	4,593,962,052	7,071,834,906	11,665,796,958	2,515,977	465,543,707	12,133,856,642
Unallocated	38,533,299	58,453,406	96,986,705	48,921	4,225,169	101,260,795
Market Value Adjustment	(1,161,987,646)	(1,762,686,759)	(2,924,674,405)	(1,475,242)	(127,411,715)	(3,053,561,362)
Total Active and Inactive Assets	\$ 6,166,973,168	\$11,714,748,533	\$17,881,721,701	\$ (7,172,543)	\$ 871,621,485	\$18,746,170,643
Retirees and Beneficiaries						
A & PR Fund*	\$16,282,499,410	\$22,265,545,394	\$38,548,044,804	\$ 20,432,363	\$1,614,342,740	\$40,182,819,907
SBF Fund*	558,236,409	921,440,300	1,479,676,709	15,950,425	36,826,475	1,532,453,609
Total R&B Assets	\$16,840,735,819	\$23,186,985,694	\$40,027,721,513	\$ 36,382,788	\$1,651,169,215	\$41,715,273,516
Total Assets	\$23,007,708,987	\$34,901,734,227	\$57,909,443,214	\$ 29,210,245	\$2,522,790,700	\$60,461,444,159
Unfunded Actuarial Accrued Liability	\$ 8,551,319,029	\$ 9,767,284,373	\$18,318,603,402	\$ 14,635,566	\$ 663,836,367	\$18,997,075,335

@ The amounts reported in this schedule do not include contributions for post-employment healthcare benefits.

* After reserve transfers.

**SCHEDULE OF UNFUNDED ACTUARIAL ACCRUED LIABILITY@
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
COMBINED PLAN**

	December 31, 2010					
	State Group	Local Group	General Group	Public Safety Group	Law Enforcement Group	Total
Accrued Liabilities						
Active and Inactive Members	\$ 69,016,140	\$101,215,041	\$170,231,181			\$170,231,181
Retirees and Beneficiaries	142,958	690,577	833,535			833,535
Total Accrued Liabilities	\$ 69,159,098	\$101,905,618	\$171,064,716			\$171,064,716
Assets						
Active and Inactive Members						
EAF*	\$51,365,696	\$ 80,425,131	\$131,790,827			\$131,790,827
ESF	444,134	531,455	975,589			975,589
Unallocated	0	0	0			0
Market Value Adjustment	1,568,962	2,465,724	4,034,686			4,034,686
Total Active and Inactive Assets	\$53,378,792	\$ 83,422,310	\$136,801,102			\$136,801,102
Retirees and Beneficiaries						
A & PR Fund*	\$ 142,958	\$ 690,577	\$ 833,535			\$ 833,535
SBF Fund*	0	0	0			0
Total R&B Assets	\$ 142,958	\$ 690,577	\$ 833,535			\$ 833,535
Total Assets	\$53,521,750	\$ 84,112,887	\$137,634,637			\$137,634,637
Unfunded Actuarial Accrued Liability	\$ 15,637,348	\$ 17,792,731	\$ 33,430,079			\$ 33,430,079

@ The amounts reported in this schedule do not include contributions for post-employment healthcare benefits.

* After reserve transfers.

**SCHEDULE OF UNFUNDED ACTUARIAL ACCRUED LIABILITY@
FOR COMPLIANCE WITH GASB STATEMENT NO. 25
MEMBER DIRECTED PLAN**

	December 31, 2010					
	State Group	Local Group	General Group	Public Safety Group	Law Enforcement Group	Total
Accrued Liabilities						
Active and Inactive Members	\$ -	\$ -	\$ -			\$ -
Retirees and Beneficiaries	19,074	470,718	489,792			489,792
Total Accrued Liabilities	\$ 19,074	\$ 470,718	\$ 489,792			\$ 489,792
Assets						
Active and Inactive Members						
EAF*	\$ 5,016	\$ (48,540)	\$ (43,524)			\$ (43,524)
ESF	675	7,082	7,757			7,757
Unallocated	0	0	0			0
Market Value Adjustment	(821)	(14,222)	(15,043)			(15,043)
Total Active and Inactive Assets	\$ 4,870	\$ (55,680)	\$ (50,810)			\$ (50,810)
Retirees and Beneficiaries						
A & PR Fund*	\$ 19,074	\$ 470,718	\$ 489,792			\$ 489,792
SBF Fund*	0	0	0			0
Total R&B Assets	\$ 19,074	\$ 470,718	\$ 489,792			\$ 489,792
Total Assets	\$ 23,944	\$ 415,038	\$ 438,982			\$ 438,982
Unfunded Actuarial Accrued Liability	\$ (4,870)	\$ 55,680	\$ 50,810			\$ 50,810

@ The amounts reported in this schedule do not include contributions for post-employment healthcare benefits.

* After reserve transfers.

**REQUIRED SUPPLEMENTARY INFORMATION
FOR COMPLIANCE WITH GASB STATEMENT NO. 25**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest valuation date follows:

Valuation date	December 31, 2010
Actuarial cost method	Individual entry age
Amortization method for unfunded actuarial accrued liabilities	Level percent open
Equivalent Single Amortization Period (Years from December 31, 2012)	
Traditional Plan	30
Combined Plan	1
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases including wage inflation at 4.0%	4.5% - 10.3%
Cost-of-living adjustments	3.0% simple

Membership of the Traditional and Combined Plans consisted of the following at December 31, 2010, the date of the latest actuarial valuation:

	<u>Traditional</u>	<u>Combined</u>	<u>Member Directed</u>	<u>Total</u>
Retirees and beneficiaries receiving benefits	181,433	32	18	181,483
Terminated plan members entitled to but not yet receiving benefits				
Less than 5 years of service	371,619	859	0	372,478
5 or more years of service	31,250	281	0	31,531
Total	402,869	1,140	0	404,009
Active plan members				
Less than 5 years of service	133,147	3,156	0	136,303
5 or more years of service	201,360	3,511	0	204,871
Total	334,507	6,667	0	341,174
Total				
Less than 5 years of service	504,766	4,015	0	508,781
5 or more years of service	414,043	3,824	18	417,885
Total	918,809	7,839	18	926,666

August 30, 2011

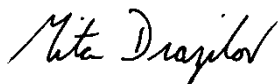
Ms. Karen E. Carraher
Executive Director
Ohio Public Employees Retirement System
277 East Town Street
Columbus, Ohio 43215

Re: Report of December 31, 2010 Actuarial Valuation

Dear Karen:

Enclosed are the 25 bound copies of the final report.

Sincerely,

A handwritten signature in cursive script that reads "Mita Drazilov".

Mita Drazilov, MAAA, ASA

MD:sc
Enclosures

cc: Mr. Tom Heseltine
Clifton Gunderson LLP