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Actuarial Valuations
Active Members June 30, 1960 and
Retirants and Beneficiaries June 30, 1961
Public Employees Retirement System
of Ohio 3/12/62

A. G. GABRIEL & COMPANY
CONSULTING ACTUARIES
DETROIT 26, MICHIGAN

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PEKS/Actuarial
Valuations, PB#8

THE REPORT OF
AN ACTUARIAL VALUATION OF
ACTIVE MEMBERS
June 30, 1960
and
RETIRANTS AND BENEFICIARIES
June 30, 1961
of the
STATE OF OHIO
PUBLIC EMPLOYEES RETIREMENT SYSTEM
Columbus, Ohio
Submitted to
THE RETIREMENT BOARD
State of Ohio
Public Employees Retirement System
by
.A. G. Gabriel & Company
Consulting Actuaries
March 12, 1962

A. G. GABRIEL & COMPANY
CONSULTING ACTUARIES
FIRST NATIONAL BUILDING
DETROIT 26, MICHIGAN

March 12, 1962

The Retirement Board
State of Ohio
Public Employees Retirement System
Columbus, Ohio

Ladies and Gentlemen:

Submitted in this report are the results of actuarial valuations of (1) the Retirement System's liabilities for retirement allowances being paid retirants and beneficiaries as of June 30, 1961, and (2) the Retirement System's liabilities for retirement allowances to be paid members as of June 30, 1960.

The statistical data required to make the valuations was furnished by your Executive Secretary and his Staff. The data was compiled using punch card machine equipment.

The interest rate used in making the valuations was 3 percent per annum, compounded annually.

The mortality table used in evaluating retirement allowances being paid and to be paid was the 1937 Standard Annuity Mortality Table.

The probabilities of withdrawal from service, death in service, and retirement and the salary increase factors were determined by the previous actuarial investigation for the two year period ended December 31, 1959.

This report is divided into two Chapters:

Chapter I - The valuations of retirement allowances
being paid June 30, 1961 to retirants
and beneficiaries.

Chapter II - The valuations of retirement allowances
likely to be paid after June 30, 1960 to
active and inactive members who retire.

In accordance with resolutions, effective December 31, 1961,
adopted by the Retirement Board, the Divisions evaluated are
as follows:

Chapter I: Retirants and Beneficiaries

Part A - State Division

Part B - Non-State Division, which includes all retirants
and beneficiaries not included in Part A.

Chapter II: Active and Inactive Members

Part A - State Division

Part B - Non-State Division

Part C - Cleveland Transit Division

Part D - Shaker Heights Transit Division

This report is divided into two Chapters:

Chapter I - The valuations of retirement allowances
being paid June 30, 1961.

Chapter II - The valuations of retirement allowances
to be paid June 30, 1960.

In accordance with resolutions, effective December 31, 1961, adopted
by the Retirement Board, the Divisions evaluated are as follows:

Chapter I: Retirants and Beneficiaries

Part A - State Division

Part B - Non-State Division, which includes all retirants
and beneficiaries not included in Part A.

Chapter II: Active and Inactive Members

Part A - State Division

Part B - Non-State Division

Part C - Cleveland Transit Division

Part D - Shaker Heights Transit Division

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CHAPTER I

PART A

STATE DIVISION

Chapter I - Part A

STATE DIVISION

State Division retirants and beneficiaries receiving benefits from the Annuity and Pension Reserve Fund at June 30, 1961 totaled 6,318, involving annual retirement allowances of \$7,370,208.

State Division beneficiaries receiving benefits from the Survivors' Benefit Fund totaled 782, involving annual retirement allowances of \$984,648.

State Division beneficiaries with an established right to receive benefits from the Survivors' Benefit Fund totaled 104, involving deferred annual benefits of \$99,060.

State Division cost of living pension increments being paid to present retirants and beneficiaries totaled \$341,280 per annum.

Chapter I - Part A

Schedule 1

STATE DIVISION

Retirants and Beneficiaries June 30, 1961

By Type of Benefit Being Paid

from Annuity and Pension Reserve Fund

<u>Group</u>	<u>Number</u>	<u>Annual Normal Annuities</u>	<u>Annual Normal Pensions</u>	<u>Annual Additional Annuities</u>	<u>Total Retirement Allowances</u>	<u>Cost of Living Increases</u>
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SUPERANNUATION RETIREMENT

Straight Life Allowance - Benefit Terminating at Death

Men	2,676	\$ 732,408	\$2,404,920	\$11,232	\$3,148,560	\$162,984
Women	<u>1,920</u>	<u>354,384</u>	<u>1,701,120</u>	<u>7,248</u>	<u>2,062,752</u>	<u>115,320</u>
Totals	4,596	1,086,792	4,106,040	18,480	5,211,312	278,304

Option 1 Allowance - Joint and Survivor Benefit

Men	266	47,760	162,672	948	211,380	6,084
Women	<u>16</u>	<u>1,944</u>	<u>7,680</u>	<u>120</u>	<u>9,744</u>	<u>936</u>
Totals	282	49,704	170,352	1,068	221,124	7,020

Option 2 Allowance - Modified Joint and Survivor Benefit

Men	447	145,932	665,220	3,564	814,716	13,116
Women	<u>15</u>	<u>2,760</u>	<u>17,760</u>	<u>1,056</u>	<u>21,576</u>	<u>936</u>
Totals	462	148,692	682,980	4,620	836,292	14,052

Option 3 Allowance - Life Benefit With Guaranteed Periods 0 to 5 Years

Men	158	47,988	154,476	48	202,512	3,264
Women	<u>26</u>	<u>4,320</u>	<u>18,012</u>	<u> </u>	<u>22,332</u>	<u>648</u>
Totals	184	52,308	172,488	48	224,844	3,912

(Schedule 1 continued on Page 6)

Chapter I - Part A

Schedule 1 - continued

STATE DIVISION

Retirants and Beneficiaries June 30, 1961

By Type of Benefit Being Paid

from Annuity and Pension Reserve Fund

<u>Group</u>	<u>Number</u>	<u>Annual Normal Annuities</u>	<u>Annual Normal Pensions</u>	<u>Annual Additional Annuities</u>	<u>Total Retirement Allowances</u>	<u>Cost of Living Increases</u>
Option 3 Allowance - Life Benefit With Guaranteed Periods 5 to 10 Years						
Men	235	\$ 65,988	\$ 244,932	\$ 1,536	\$ 312,456	\$ 5,916
Women	<u>20</u>	<u>3,804</u>	<u>18,888</u>		<u>22,692</u>	<u>768</u>
Totals	255	69,792	263,820	1,536	335,148	6,684

Option 3 Allowance - Life Benefit With Guaranteed Periods 10 to 15 Years						
Men	19	5,088	18,288		23,376	276
Women	<u>5</u>	<u>960</u>	<u>4,416</u>		<u>5,376</u>	<u>48</u>
Totals	24	6,048	22,704		28,752	324

Option 3 Allowance - Life Benefit With Guaranteed Periods 15 to 20 Years						
Men	3	516	1,764		2,280	
Women						
Totals	<u>3</u>	<u>516</u>	<u>1,764</u>		<u>2,280</u>	

Option 3 Allowance - Special Joint and Survivor Benefit

Men	3	1,860	15,396		17,256	
Women						
Totals	<u>3</u>	<u>1,860</u>	<u>15,396</u>		<u>17,256</u>	

Allowance to Survivor Beneficiary of Deceased Superannuation Retirant
Who Elected Option 1, 2, or 3 - Life Benefit

Men	3	252	960		1,212	48
Women	<u>231</u>	<u>31,260</u>	<u>114,900</u>	<u>264</u>	<u>146,424</u>	<u>20,652</u>
Totals	234	31,512	115,860	264	147,636	20,700

(Schedule 1 concluded on Page 7)

Chapter I - Part A

Schedule 1 - concluded

STATE DIVISION

Retirants and Beneficiaries June 30, 1961

By Type of Benefit Being Paid

from Annuity and Pension Reserve Fund

<u>Group</u>	<u>Number</u>	<u>Annual Normal Annuities</u>	<u>Annual Normal Pensions</u>	<u>Annual Additional Annuities</u>	<u>Total Retirement Allowances</u>	<u>Cost of Living Increases</u>
Allowance to Survivor Beneficiary of Deceased Superannuation Retirant Who Elected Option 3 - Guaranteed Period Only						
M-W	75	\$ 17,052	\$ 49,224	\$ 936	\$ 67,212	\$ 3,384
Total for Superannuation Allowances Being Paid						
Men	3,810	1,047,792	3,668,628	17,328	4,733,748	191,688
Women	2,233	399,432	1,882,776	8,688	2,290,896	139,308
M-W	<u>75</u>	<u>17,052</u>	<u>49,224</u>	<u>936</u>	<u>67,212</u>	<u>3,384</u>
Totals	6,118	1,464,276	5,600,628	26,952	7,091,856	334,380

DISABILITY RETIREMENT

Straight Life Allowance - Benefit Terminating at Death

Men	121	\$ 32,724	\$ 141,996	\$ 1,248	\$ 175,968	\$ 5,532
Women	<u>79</u>	<u>15,156</u>	<u>86,520</u>	<u>708</u>	<u>102,384</u>	<u>1,368</u>
Totals	200	\$ 47,880	\$ 228,516	\$ 1,956	\$ 278,352	\$ 6,900

TOTAL BENEFITS BEING PAID

Men	3,931	\$1,080,516	\$3,810,624	\$18,576	\$4,909,716	\$197,220
Women	2,312	414,588	1,969,296	9,396	2,393,280	140,676
M-W	<u>75</u>	<u>17,052</u>	<u>49,224</u>	<u>936</u>	<u>67,212</u>	<u>3,384</u>
Totals	6,318	\$1,512,156	\$5,829,144	\$28,908	\$7,370,208	\$341,280

Chapter I - Part A

Schedule 2

STATE DIVISION

Survivor Benefit Beneficiaries June 30, 1961

By Type of Benefit Being Paid

from Survivor Benefit Fund

<u>Group</u>	<u>Number</u>	<u>Annual Normal Annuities</u>	<u>Annual Normal Pensions</u>	<u>Annual Additional Annuities</u>	<u>Total Retirement Allowances</u>
Survivor Benefit to Beneficiary of Deceased Member Joint and Survivor Computation					
Men	3	\$ 528	\$ 1,620	\$	\$ 2,148
Women	<u>258</u>	<u>62,088</u>	<u>239,892</u>	<u>312</u>	<u>302,292</u>
Totals	261	62,616	241,512	312	304,440

Survivor Benefit to Beneficiary of Deceased Member
Fixed Benefit Amounts

Widower - no child	11		10,620		10,620
Child only - male	<u>11</u>		<u>14,820</u>		<u>14,820</u>
Sub-totals	22		25,440		25,440
Widow - no child	320		313,980		313,980
Widow - child	160		315,540		315,540
Child only - female	11		18,108		18,108
Parent - female	<u>8</u>		<u>7,140</u>		<u>7,140</u>
Sub-totals	499		654,768		654,768
Totals	521		680,208		680,208

Total Benefits Being Paid from Survivor Benefit Fund

Men	25	\$ 528	\$ 27,060	\$	\$ 27,588
Women	<u>757</u>	<u>62,088</u>	<u>894,660</u>	<u>312</u>	<u>957,060</u>
Totals	782	\$62,616	\$921,720	\$312	\$984,648

Chapter I - Part A

Schedule 3

STATE DIVISION

Deferred Survivor Benefit Beneficiaries June 30, 1961

By Type of Benefit to be Paid

from Survivor Benefit Fund

<u>Group</u>	<u>Number</u>	<u>Deferred Annual Retirement Allowances</u>
Fixed Benefit Amounts		
Widowers -		
Deferred to age 65	5	\$ 4,560
Widows -		
Deferred to age 50	6	7,200
Deferred to age 62	45	48,600
Deferred to age 65	<u>48</u>	<u>38,700</u>
Totals	99	94,500
Totals -		
Deferred to age 50	6	7,200
Deferred to age 62	45	48,600
Deferred to age 65	<u>53</u>	<u>43,260</u>
Totals	104	\$99,060

Chapter I - Part A

Schedule 4

STATE DIVISION

Recapitulation of Retirement Allowances

Being Paid Retirants and Beneficiaries June 30, 1961

	<u>Number</u>	<u>Annual Normal Annuities</u>	<u>Annual Normal Pensions</u>	<u>Annual Additional Annuities</u>	<u>Annual Retirement Allowances</u>	<u>Cost of Living Increases</u>
Superannuation Retirants and Beneficiaries	6,118	\$1,464,276	\$5,600,628	\$26,952	\$7,091,856	\$334,380
Disability Retirants	<u>200</u>	<u>47,880</u>	<u>228,516</u>	<u>1,956</u>	<u>278,352</u>	<u>6,900</u>
Allowances being paid from A & PR	6,318	1,512,156	5,829,144	28,908	7,370,208	341,280
Beneficiaries Survivor Benefit Fund	<u>782</u>	<u>62,616</u>	<u>921,720</u>	<u>312</u>	<u>984,648</u>	<u> </u>
Total Allowances Being Paid June 30, 1961	7,100	\$1,574,772	\$6,750,864	\$29,220	\$8,354,856	\$341,280
- - - - -						
Deferred Survivor Benefits to be Paid from Survivor Benefit Fund	104		\$ 99,060		\$ 99,060	

Chapter I - Part A

Schedule 5

STATE DIVISION

Retirants and Beneficiaries June 30, 1961

By Attained Ages

Attained Ages	Superannuation		Disability		Survivor Benefit		Totals		Cost of Living Increases
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	
3		\$		\$	2	\$ 4,320	2	\$ 4,320	\$
5					2	3,600	2	3,600	
7					1	1,800	1	1,800	
10					3	4,500	3	4,500	
12					4	5,400	4	5,400	
13					1	900	1	900	
14					2	2,400	2	2,400	
15					1	1,800	1	1,800	
16					4	4,680	4	4,680	
17					1	1,080	1	1,080	
19					1	312	1	312	
23					1	1,800	1	1,800	
25					1	2,160	1	2,160	
26					2	5,268	2	5,268	
29					2	4,392	2	4,392	
30					2	4,560	2	4,560	
31			1	1,752			1	1,752	
33			1	1,464	2	5,208	3	6,672	
34					2	5,520	2	5,520	
35					4	8,820	4	8,820	
36			1	1,944	2	4,560	3	6,504	
37					6	11,880	6	11,880	
38					2	3,960	2	3,960	
39					7	11,664	7	11,664	
40			3	5,664	3	5,160	6	10,824	
41			1	1,644	3	4,716	4	6,360	
42			3	5,856	7	15,840	10	21,696	
43			1	1,560	13	28,212	14	29,772	
44			3	4,992	4	7,824	7	12,816	

(Schedule 5 continued on Page 12)

Chapter I - Part A

Schedule 5 - continued

STATE DIVISION

Retirants and Beneficiaries June 30, 1961

By Attained Ages

Attained Ages	Superannuation		Disability		Survivor Benefit		Totals		Cost of Living Increases
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	
45		\$	3	\$ 4,848	7	\$ 11,208	10	\$ 16,056	\$
46			1	924	15	27,420	16	28,344	
47			7	10,080	21	35,460	28	45,540	528
48	1	84	4	5,388	16	20,868	21	26,340	108
49			2	3,036	18	30,324	20	33,360	
50	1	60	6	9,384	16	24,420	23	33,864	
51	1	348	8	13,188	23	37,140	32	50,676	
52			10	15,048	17	18,588	27	33,636	
53			17	24,516	27	33,072	44	57,588	
54			9	10,212	29	34,212	38	44,424	228
55	2	6,960	18	22,008	24	27,948	44	56,916	420
56	11	22,356	17	21,936	27	37,920	55	82,212	168
57	11	12,024	15	21,696	29	35,208	55	68,928	780
58	13	19,920	15	21,432	32	35,472	60	76,824	396
59	12	26,928	14	18,516	23	24,708	49	70,152	996
60	26	58,788	11	10,644	37	43,980	74	113,412	144
61	79	107,112	10	14,052	35	37,476	124	158,640	1,872
62	95	151,500	10	15,840	25	24,276	130	191,616	1,896
63	115	148,716	1	444	36	33,444	152	182,604	900
64	133	143,460	4	5,340	38	56,376	175	205,176	2,316
65	171	183,168	4	4,944	27	25,440	202	213,552	2,040
66	261	343,332			28	27,300	289	370,632	2,268
67	303	387,276			25	24,240	328	411,516	7,032
68	312	392,652			18	19,620	330	412,272	9,384
69	301	350,556			24	23,184	325	373,740	9,420
70	315	369,864			15	13,788	330	383,652	5,244
71	490	626,304			14	13,008	504	639,312	10,692
72	456	570,300			15	16,152	471	586,452	12,720
73	426	492,264			5	4,680	431	496,944	19,440
74	404	457,092			9	7,812	413	464,904	20,124

(Schedule 5 concluded on Page 13)

Chapter I - Part A

Schedule 5 - concluded

STATE DIVISION

Retirants and Beneficiaries June 30, 1961

By Attained Ages

Attained Ages	Superannuation		Disability		Survivor Benefit		Totals		Cost of Living Increases
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	
75	362	\$ 396,372		\$	7	\$ 5,280	369	\$ 401,652	\$ 14,472
76	316	351,816			4	4,380	320	356,196	19,176
77	292	325,140			4	2,460	296	327,600	23,124
78	227	236,220					227	236,220	22,812
79	182	186,384			2	1,068	184	187,452	22,764
80	152	148,332			3	2,580	155	150,912	19,752
81	115	97,920			1	900	116	98,820	17,436
82	102	106,272			1	900	103	107,172	16,260
83	80	89,628					80	89,628	13,452
84	70	53,256					70	53,256	10,944
85	52	44,400					52	44,400	11,580
86	43	34,080					43	34,080	9,492
87	38	28,824					38	28,824	8,616
88	22	15,996					22	15,996	6,000
89	15	11,952					15	11,952	3,216
90	13	8,484					13	8,484	3,036
91	7	4,788					7	4,788	1,764
92	4	4,632					4	4,632	840
93	3	2,268					3	2,268	1,020
94	3	2,292					3	2,292	1,260
95	4	2,304					4	2,304	900
97	2	2,220					2	2,220	864
Period Certain	<u>75</u>	<u>67,212</u>					<u>75</u>	<u>67,212</u>	<u>3,384</u>
Totals	6,118	\$7,091,856	200	\$278,352	782	\$984,648	7,100	\$8,354,856	\$341,280

Chapter I - Part A

Schedule 6

STATE DIVISION

Survivor Benefit Fund

Deferred Beneficiaries June 30, 1961

By Attained Ages and Deferment Ages

<u>Attained Ages</u>	<u>Deferred to Age 50</u>		<u>Deferred to Age 62</u>		<u>Deferred to Age 65</u>		<u>Totals</u>	
	<u>No.</u>	<u>Annual Allowances</u>	<u>No.</u>	<u>Annual Allowances</u>	<u>No.</u>	<u>Annual Allowances</u>	<u>No.</u>	<u>Annual Allowances</u>
38		\$	1	\$ 1,080		\$	1	\$ 1,080
41			1	1,080			1	1,080
42					1	1,080	1	1,080
45	1	1,200			1	600	2	1,800
46	2	2,400	1	1,080	1	900	4	4,380
47			2	2,160	2	1,500	4	3,660
48	1	1,200	1	1,080			2	2,280
49	1	1,200	1	1,080			2	2,280
50	1	1,200	2	2,160			3	3,360
51			1	1,080	3	2,100	4	3,180
52			1	1,080	2	1,500	3	2,580
53			3	3,240	2	1,500	5	4,740
54			5	5,400	2	1,500	7	6,900
55			1	1,080	1	900	2	1,980
56			5	5,400	4	3,000	9	8,400
57			4	4,320	4	3,600	8	7,920
58			1	1,080	7	6,300	8	7,380
59			3	3,240	10	8,100	13	11,340
60			5	5,400	2	1,500	7	6,900
61			5	5,400	5	3,900	10	9,300
62			2	2,160	4	3,300	6	5,460
63					1	1,080	1	1,080
65					1	900	1	900
Totals	6	\$7,200	45	\$48,600	53	\$43,260	104	\$99,060

Chapter I - Part A

Schedule 7

STATE DIVISION

Liabilities, June 30, 1961, for Benefits Being Paid

Retirants and Beneficiaries

from Annuity and Pension Reserve Fund

<u>Group</u>	<u>Liabilities for</u>				
	<u>Normal Annuities</u>	<u>Normal Pensions</u>	<u>Additional Annuities</u>	<u>Retirement Allowances</u>	<u>C of L Increases</u>
<u>SUPERANNUATION RETIREMENT</u>					
Straight Life					
Men	\$ 5,995,956	\$20,129,232	\$ 89,928	\$26,215,116	\$1,082,784
Women	<u>3,777,144</u>	<u>18,248,436</u>	<u>67,524</u>	<u>22,093,104</u>	<u>990,768</u>
Totals	9,773,100	38,377,668	157,452	48,308,220	2,073,552
Option 1					
Men	640,284	2,220,144	11,460	2,871,888	73,188
Women	<u>25,152</u>	<u>101,544</u>	<u>1,584</u>	<u>128,280</u>	<u>12,048</u>
Totals	665,436	2,321,688	13,044	3,000,168	85,236
Option 2					
Men	1,674,300	7,823,004	36,168	9,533,472	124,080
Women	<u>38,112</u>	<u>244,224</u>	<u>11,496</u>	<u>293,832</u>	<u>9,912</u>
Totals	1,712,412	8,067,228	47,664	9,827,304	133,992
Option 3 - Life Benefit with Guaranteed Period					
Men	1,151,160	4,147,812	15,588	5,314,560	73,452
Women	<u>106,116</u>	<u>499,680</u>	<u> </u>	<u>605,796</u>	<u>13,368</u>
Totals	1,257,276	4,647,492	15,588	5,920,356	86,820
Option 3 - Special Joint and Survivor Benefit					
Men	24,024	210,504		234,528	
Women	<u> </u>	<u> </u>		<u> </u>	
Totals	24,024	210,504		234,528	

(Schedule 7 concluded on Page 16)

Chapter I - Part A

Schedule 7 - concluded

STATE DIVISION

Liabilities, June 30, 1961, for Benefits Being Paid

Retirants and Beneficiaries

from Annuity and Pension Reserve Fund

<u>Group</u>	<u>Liabilities for</u>				
	<u>Normal Annuities</u>	<u>Normal Pensions</u>	<u>Additional Annuities</u>	<u>Retirement Allowances</u>	<u>C of L Increases</u>
Survivor Beneficiary of Deceased Superannuation Retirant Life Benefit					
Men	\$ 1,320	\$ 5,328	\$	\$ 6,648	\$ 624
Women	<u>341,484</u>	<u>1,246,380</u>	<u>2,412</u>	<u>1,590,276</u>	<u>183,708</u>
Totals	342,804	1,251,708	2,412	1,596,924	184,332

Survivor Beneficiary of Deceased Superannuation Retirant
Guaranteed Period Only

M-W	69,288	203,580	2,484	275,352	7,380
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Total for Superannuation Allowances Being Paid

Men	\$ 9,487,044	\$34,536,024	\$153,144	\$44,176,212	\$1,354,128
Women	4,288,008	20,340,264	83,016	24,711,288	1,209,804
M-W	<u>69,288</u>	<u>203,580</u>	<u>2,484</u>	<u>275,352</u>	<u>7,380</u>
Totals	\$13,844,340	\$55,079,868	\$238,644	\$69,162,852	\$2,571,312

DISABILITY RETIREMENT

Straight Life

Men	\$ 344,400	\$ 1,538,544	\$ 13,968	\$ 1,896,912	\$ 54,252
Women	<u>175,608</u>	<u>1,023,900</u>	<u>7,608</u>	<u>1,207,116</u>	<u>15,744</u>
Totals	\$ 520,008	\$ 2,562,444	\$ 21,576	\$ 3,104,028	\$ 69,996

TOTAL LIABILITIES FOR BENEFITS BEING PAID

Men	\$ 9,831,444	\$36,074,568	\$167,112	\$46,073,124	\$1,408,380
Women	4,463,616	21,364,164	90,624	25,918,404	1,225,548
M-W	<u>69,288</u>	<u>203,580</u>	<u>2,484</u>	<u>275,352</u>	<u>7,380</u>
Totals	\$14,364,348	\$57,642,312	\$260,220	\$72,266,880	\$2,641,308

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Chapter I - Part A

Schedule 8

STATE DIVISION

Liabilities for Benefits Being Paid and To Be Paid
from Survivor Benefit Fund

<u>Group</u>	<u>Liabilities for</u>			
	<u>Normal Annuities</u>	<u>Normal Pensions</u>	<u>Additional Annuities</u>	<u>Retirement Allowances</u>
<u>LIABILITIES FOR SURVIVOR BENEFITS BEING PAID</u>				
Joint and Survivor Computation				
Men	\$ 4,992	\$ 17,196	\$	\$ 22,188
Women	<u>797,556</u>	<u>3,134,556</u>	<u>5,304</u>	<u>3,937,416</u>
Total Liabilities for				
Survivor Benefits Being Paid	802,548	3,151,752	5,304	3,959,604
Fixed Benefit Amount				
Widower - no child		88,008		88,008
Child only - male		<u>84,228</u>		<u>84,228</u>
Sub-totals		172,236		172,236
Widow - no child		3,958,692		3,958,692
Widow - with children		3,166,476		3,166,476
Children only - female		130,368		130,368
Parents - female		<u>63,252</u>		<u>63,252</u>
Sub-totals		7,318,788		7,318,788
Total Liabilities for				
Fixed Benefits		<u>7,491,024</u>		<u>7,491,024</u>
Total Liabilities for				
Survivor Benefits Being Paid	\$802,548	\$10,642,776	\$5,304	\$11,450,628
<u>LIABILITIES FOR DEFERRED SURVIVOR BENEFITS</u>				
Fixed Benefit Amount				
Widower - deferred to age 65		\$ 32,520		\$ 32,520
Widow - deferred to age 50		120,612		120,612
- deferred to age 62		524,568		524,568
- deferred to age 65		<u>359,016</u>		<u>359,016</u>
- Subtotals		1,004,196		1,004,196
Total Liabilities for				
Deferred Benefits		<u>1,036,716</u>		<u>1,036,716</u>
TOTAL LIABILITIES FOR				
SURVIVOR BENEFIT FUND	\$802,548	\$11,679,492	\$5,304	\$12,487,344

Chapter I - Part A

Schedule 9

STATE DIVISION

Recapitulation of Liabilities June 30, 1961

for Benefits Being Paid and To Be Paid

Retirants and Beneficiaries

	<u>Liabilities for</u>				
	<u>Normal</u>	<u>Normal</u>	<u>Additional</u>	<u>Retirement</u>	<u>C of L</u>
	<u>Annuities</u>	<u>Pensions</u>	<u>Annuities</u>	<u>Allowances</u>	<u>Increases</u>
<u>ANNUITY AND PENSION RESERVE FUND</u>					
Superannuation retirants and beneficiaries	\$13,844,340	\$55,079,868	\$238,644	\$69,162,852	\$2,571,312
Disability retirants	<u>520,008</u>	<u>2,562,444</u>	<u>21,576</u>	<u>3,104,028</u>	<u>69,996</u>
Total Liabilities for Annuity and Pension Reserve Fund	14,364,348	57,642,312	260,220	72,266,880	2,641,308
<u>SURVIVOR BENEFIT FUND</u>					
Liabilities for survivor benefits being paid	802,548	10,642,776	5,304	11,450,628	
Liabilities for deferred survivor benefits		<u>1,036,716</u>		<u>1,036,716</u>	
Total Liabilities for Survivor Benefit Fund	802,548	11,679,492	5,304	12,487,344	
<u>TOTAL LIABILITIES FOR RETIRANTS AND BENEFICIARIES</u>					
Total liabilities	\$15,166,896	\$69,321,804	\$265,524	\$84,754,224	\$2,641,308

Chapter I - Part A

STATE DIVISION

Annuity and Pension Reserve Fund

Fund Balance and Liabilities

The ledger balance, at June 30, 1961, in the State Division Annuity and Pension Reserve Fund was reported to your actuary to be \$71,317,627.

The computed liabilities for retirement allowances being paid from the Annuity and Pension Reserve Fund totaled \$72,266,880. This amount does not include the liabilities for cost of living increases, since the increases are handled on a cash disbursement basis.

The Retirement Board adopted resolutions, effective December 31, 1961, providing for the 1937 Standard Annuity Mortality Table and a 3% per annum interest rate to be used as the bases for evaluating liabilities. The liabilities of \$72,266,880 were computed under these bases.

The Board adopted a further resolution, effective December 31, 1961, providing that any deficiency in the Annuity and Pension Reserve Fund, resulting from this change of bases, be transferred from the Income Fund to the Annuity and Pension Reserve Fund. At June 30, 1961, this deficiency amounted to \$949,253.

Chapter I - Part A

STATE DIVISION

Survivor Benefit Fund

Fund Balance and Liabilities

The ledger balance, at June 30, 1961, in the State Division Survivor Benefit Fund was reported to your actuary to be \$18,027,930, distributed as follows:

Beneficiaries of Deceased Members	\$11,584,517
Present Active Members	<u>6,443,413</u>
Total	\$18,027,930

The computed liabilities for beneficiaries of deceased members totaled \$12,487,344. These liabilities were computed using the 1937 Standard Annuity Mortality Table and a 3% per annum interest rate as the bases.

The Retirement Board adopted a resolution, effective December 31, 1961, providing that any deficiency in the Survivor Benefit Fund for beneficiaries of deceased members, resulting from the change in bases, be transferred from the Income Fund to the Survivor Benefit Fund. At June 30, 1961, this deficiency amounted to \$902,827.

*Total deficiency
A DR - SB fund*

949,253

*18,527,080 + C.O.L. deficiency
charged on cash basis.*

Chapter I - Part A

STATE DIVISION

Survivor Benefit Fund

Fund Balance and Liabilities

The ledger balance, at June 30, 1961, in the State Division ~~Survivor Annuity and~~
~~Pension Reserve~~ ^{Benefit} Fund was reported to your actuary to be \$18,027,930,
distributed as follows:

Beneficiaries of Deceased Members	\$11,584,517
Present Active Members	<u>6,443,413</u>
Total	\$18,027,930

The computed liabilities for beneficiaries of deceased members totaled \$12,487,344. These liabilities were computed using the 1937 Standard Annuity Mortality Table and a 3% per annum interest rate as the bases.

The Retirement Board adopted a resolution, effective December 31, 1961, providing that any deficiency in the Survivor Benefit Fund for beneficiaries of deceased members, resulting from the change in bases, be transferred from the Income Fund to the Survivor Benefit Fund. At June 30, 1961, this deficiency amounted to \$902,827.

CHAPTER I

PART B

NON-STATE DIVISION

Chapter I - Part B

NON-STATE DIVISION

Non-State Division retirants and beneficiaries receiving benefits from the Annuity and Pension Reserve Fund at June 30, 1961 totaled 9,796, involving annual retirement allowances of \$11,112,360.

Non-State Division beneficiaries receiving benefits from the Survivors' Benefit Fund totaled 1,393, involving annual retirement allowances of \$1,740,768.

Non-State Division beneficiaries with an established right to receive benefits from the Survivors' Benefit Fund totaled 165, involving deferred annual benefits of \$151,800.

Non-State Division cost of living pension increments being paid to present retirants and beneficiaries totaled \$616,860 per annum.

Chapter I - Part B

Schedule 10

NON-STATE DIVISION

Retirants and Beneficiaries June 30, 1961

By Type of Benefit Being Paid

from Annuity and Pension Reserve Fund

<u>Group</u>	<u>Number</u>	<u>Annual Normal Annuities</u>	<u>Annual Normal Pensions</u>	<u>Annual Additional Annuities</u>	<u>Total Retirement Allowances</u>	<u>Cost of Living Increases</u>
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SUPERANNUATION RETIREMENT

Straight Life Allowance - Benefit Terminating at Death

Men	4,731	\$1,333,104	\$4,162,836	\$21,276	\$ 5,517,216	\$331,428
Women	<u>2,286</u>	<u>414,300</u>	<u>2,044,428</u>	<u>15,048</u>	<u>2,473,776</u>	<u>152,952</u>
Totals	7,017	1,747,404	6,207,264	36,324	7,990,992	484,380

Option 1 Allowance - Joint and Survivor Benefit

Men	497	89,664	313,788	768	404,220	17,484
Women	<u>30</u>	<u>2,772</u>	<u>14,844</u>	<u>24</u>	<u>17,640</u>	<u>1,476</u>
Totals	527	92,436	328,632	792	421,860	18,960

Option 2 Allowance - Modified Joint and Survivor Benefit

Men	687	214,944	804,924	2,160	1,022,028	20,016
Women	<u>15</u>	<u>2,652</u>	<u>12,492</u>	<u> </u>	<u>15,144</u>	<u>912</u>
Totals	702	217,596	817,416	2,160	1,037,172	20,928

Option 3 Allowance - Life Benefit With Guaranteed Periods 0-5 Years

Men	213	61,464	186,468	408	248,340	13,740
Women	<u>41</u>	<u>6,804</u>	<u>32,208</u>	<u>36</u>	<u>39,048</u>	<u>3,564</u>
Totals	254	68,268	218,676	444	287,388	17,304

(Schedule 10 continued on Page 23)

Chapter I - Part B

Schedule 10 - continued

NON-STATE DIVISION

Retirants and Beneficiaries June 30, 1961

By Type of Benefit Being Paid

from Annuity and Pension Reserve Fund

<u>Group</u>	<u>Number</u>	<u>Annual Normal Annuities</u>	<u>Annual Normal Pensions</u>	<u>Annual Additional Annuities</u>	<u>Total Retirement Allowances</u>	<u>Cost of Living Increases</u>
Option 3 Allowance - Life Benefit With Guaranteed Periods 5-10 Years						
Men	306	\$ 86,616	\$ 317,856	\$ 792	\$ 405,264	\$ 8,880
Women	<u>35</u>	<u>6,480</u>	<u>34,068</u>		<u>40,548</u>	<u>1,176</u>
Totals	341	93,096	351,924	792	445,812	10,056

Option 3 Allowance - Life Benefit With Guaranteed Periods 10-15-Years						
Men	44	11,052	48,228		59,280	468
Women	<u>6</u>	<u>1,188</u>	<u>8,784</u>	<u>12</u>	<u>9,984</u>	<u>108</u>
Totals	50	12,240	57,012	12	69,264	576

Option 3 Allowance - Life Benefit With Guaranteed Periods 15-20 Years						
Men	9	2,436	12,564		15,000	
Women	<u></u>	<u></u>	<u></u>		<u></u>	
Totals	9	2,436	12,564		15,000	

Option 3 Allowance - Special Joint and Survivor Benefit						
Men	4	2,364	12,468		14,832	
Women	<u></u>	<u></u>	<u></u>		<u></u>	
Totals	4	2,364	12,468		14,832	

Allowance to Survivor Beneficiary of Deceased Superannuation Retirant Who Elected Option 1, 2, or 3 - Life Benefit						
Men	7	408	1,860		2,268	516
Women	<u>538</u>	<u>67,116</u>	<u>248,556</u>	<u>2,748</u>	<u>318,420</u>	<u>51,540</u>
Totals	545	67,524	250,416	2,748	320,688	52,056

(Schedule 10 concluded on Page 24)

Chapter I - Part B

Schedule 10 - concluded

NON-STATE DIVISION

Retirants and Beneficiaries June 30, 1961

By Type of Benefit Being Paid

from Annuity and Pension Reserve Fund

<u>Group</u>	<u>Number</u>	<u>Annual Normal Annuities</u>	<u>Annual Normal Pensions</u>	<u>Annual Additional Annuities</u>	<u>Total Retirement Allowances</u>	<u>Cost of Living Increases</u>
Allowance to Survivor Beneficiary of Deceased Superannuation Retirant Who Elected Option 3 - Guaranteed Period Only						
M-W	109	30,312	112,428	12	142,752	6,336

Totals for Superannuation Allowances Being Paid

Men	6,498	1,802,052	5,860,992	25,404	7,688,448	392,532
Women	2,951	501,312	2,395,380	17,868	2,914,560	211,728
M-W	<u>109</u>	<u>30,312</u>	<u>112,428</u>	<u>12</u>	<u>142,752</u>	<u>6,336</u>
Totals	9,558	2,333,676	8,368,800	43,284	10,745,760	610,596

DISABILITY RETIREMENT

Straight Life Allowance - Benefit Terminating at Death

Men	176	\$ 46,764	\$ 231,792	\$	\$ 278,556	\$ 4,560
Women	<u>62</u>	<u>13,308</u>	<u>73,596</u>	<u>1,140</u>	<u>88,044</u>	<u>1,704</u>
Totals	238	\$ 60,072	\$ 305,388	\$ 1,140	\$ 366,600	\$ 6,264

TOTAL BENEFITS BEING PAID

Men	6,674	1,848,816	6,092,784	25,404	7,967,004	397,092
Women	3,013	514,620	2,468,976	19,008	3,002,604	213,432
M-W	<u>109</u>	<u>30,312</u>	<u>112,428</u>	<u>12</u>	<u>142,752</u>	<u>6,336</u>
Totals	9,796	\$2,393,748	\$8,674,188	\$44,424	\$11,112,360	\$616,860

Chapter I - Part B

Schedule 11

NON-STATE DIVISION

Survivor Benefit Beneficiaries June 30, 1961

By Type of Benefit Being Paid

from Survivor Benefit Fund

<u>Group</u>	<u>Number</u>	<u>Annual Normal Annuities</u>	<u>Annual Normal Pensions</u>	<u>Annual Additional Annuities</u>	<u>Total Retirement Allowances</u>
Survivor Benefit to Beneficiary of Deceased Member Joint and Survivor Computation					
Men	5	\$ 1,056	\$ 5,568	\$	\$ 6,624
Women	<u>431</u>	<u>105,240</u>	<u>404,976</u>	<u>684</u>	<u>510,900</u>
Totals	436	106,296	410,544	684	517,524

Survivor Benefit to Beneficiary of Deceased Member
Fixed Benefit Amounts

Widower - no child	13		11,820		11,820
Widower - child	1		2,160		2,160
Child only - male	18		25,320		25,320
Parent - male	<u>1</u>		<u>1,800</u>		<u>1,800</u>
Sub-totals	33		41,100		41,100
Widow - no child	619		611,124		611,124
Widow - child	274		530,892		530,892
Child only - female	18		26,208		26,208
Parent - female	<u>13</u>		<u>13,920</u>		<u>13,920</u>
Sub-totals	924		1,182,144		1,182,144
Totals	<u>957</u>		<u>1,223,244</u>		<u>1,223,244</u>

Total Benefits Being Paid from Survivor Benefit Fund

Men	38	1,056	46,668		47,724
Women	<u>1,355</u>	<u>105,240</u>	<u>1,587,120</u>	<u>684</u>	<u>1,693,044</u>
Totals	1,393	\$106,296	\$1,633,788	\$684	\$1,740,768

Chapter I - Part B

Schedule 12

NON-STATE DIVISION

Deferred Survivor Benefit Beneficiaries June 30, 1961

By Type of Benefit to be Paid

from Survivor Benefit Fund

<u>Group</u>	<u>Number</u>	<u>Deferred Annual Retirement Allowances</u>
Fixed Benefit Amounts		
Widowers		
Deferred to age 65	6	\$ 5,760
Widows		
Deferred to age 50	9	9,900
Deferred to age 62	63	68,040
Deferred to age 65	<u>87</u>	<u>68,100</u>
Totals	159	146,040
Totals		
Deferred to age 50	9	9,900
Deferred to age 62	63	68,040
Deferred to age 65	<u>93</u>	<u>73,860</u>
Totals	165	\$151,800

Chapter I - Part B

Schedule 13

NON-STATE DIVISION

Recapitulation of Retirement Allowances

Being Paid Retirants and Beneficiaries June 30, 1961

	<u>Number</u>	<u>Annual Normal Annuities</u>	<u>Annual Normal Pensions</u>	<u>Annual Additional Annuities</u>	<u>Annual Retirement Allowances</u>	<u>Cost of Living Increases</u>
Superannuation Retirants and Beneficiaries	9,558	\$2,333,676	\$ 8,368,800	\$43,284	\$10,745,760	\$610,596
Disability Retirants	<u>238</u>	<u>60,072</u>	<u>305,388</u>	<u>1,140</u>	<u>366,600</u>	<u>6,264</u>
Allowances being paid from A & PR	9,796	2,393,748	8,674,188	44,424	11,112,360	616,860
Beneficiaries Survivor Benefit Fund	<u>1,393</u>	<u>106,296</u>	<u>1,633,788</u>	<u>684</u>	<u>1,740,768</u>	<u> </u>
Total Allowances Being Paid June 30, 1961	11,189	\$2,500,044	\$10,307,976	\$45,108	\$12,853,128	\$616,860
- - - - -						
Deferred Survivor Benefits to be Paid from Survivor Benefit Fund	165		151,800		151,800	

Chapter I - Part B

Schedule 14

NON-STATE DIVISION

Retirants and Beneficiaries June 30, 1961

By Attained Ages

Attained Ages	Superannuation		Disability		Survivor Benefits		Totals		Cost of Living Increases
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	
4		\$		\$	1	\$ 900	1	\$ 900	\$
5					2	3,600	2	3,600	
6					3	5,400	3	5,400	
7					2	2,880	2	2,880	
8					1	2,520	1	2,520	
9					1	900	1	900	
10					3	5,220	3	5,220	
11					2	2,100	2	2,100	
12					5	8,100	5	8,100	
13					4	5,400	4	5,400	
14					1	1,800	1	1,800	
15					3	4,728	3	4,728	
16					5	5,100	5	5,100	
17					2	1,980	2	1,980	
18					1	900	1	900	
21					1	2,160	1	2,160	
22	1	624			1	2,160	2	2,784	144
23					1	2,760	1	2,760	
24					1	2,760	1	2,760	
26					1	2,760	1	2,760	
27					3	6,720	3	6,720	
29					3	7,320	3	7,320	
30			1	3,204	2	2,028	3	5,232	
31					1	2,760	1	2,760	
32					3	5,760	3	5,760	
33					1	1,800	1	1,800	
34			1	2,916	4	7,920	5	10,836	

(Schedule 14 continued on Page 29)

Chapter I - Part B

Schedule 14 - continued

NON-STATE DIVISION

Retirants and Beneficiaries June 30, 1961

By Attained Ages

Attained Ages	Superannuation		Disability		Survivor Benefit		Totals		Cost of Living Increases
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	
35		\$	1	\$ 972	5	\$ 8,748	6	\$ 9,720	\$
37			4	10,104	2	3,600	6	13,704	
38			1	2,388	6	15,288	7	17,676	
39	2	480			8	17,328	10	17,808	72
40			3	6,792	10	20,868	13	27,660	
41			5	10,548	13	25,728	18	36,276	
42	1	84	2	4,092	11	20,628	14	24,804	24
43			3	6,084	13	21,612	16	27,696	
44			1	2,028	11	18,528	12	20,556	
45			3	6,564	23	36,144	26	42,708	
46			8	13,236	17	23,064	25	36,300	168
47	1	336	6	9,156	32	52,608	39	62,100	276
48	1	240	10	17,376	26	30,840	37	48,456	204
49			8	8,760	24	35,064	32	43,824	
50			5	10,200	31	39,732	36	49,932	192
51	2	1,848	10	14,796	33	41,496	45	58,140	60
52	3	2,256	11	18,024	51	73,056	65	93,336	384
53	1	492	10	14,700	47	62,772	58	77,964	588
54	6	9,216	12	17,208	40	52,428	58	78,852	156
55	9	12,552	18	29,508	42	59,724	69	101,784	420
56	20	23,448	16	25,992	49	63,540	85	112,980	684
57	21	39,612	11	20,268	50	67,548	82	127,428	660
58	36	54,360	16	22,140	61	69,156	113	145,656	960
59	43	77,196	18	23,448	50	58,200	111	158,844	36
60	57	83,928	20	24,144	60	74,736	137	182,808	1,332
61	122	131,904	13	17,856	53	59,172	188	208,932	1,812
62	164	187,296	6	6,096	58	62,292	228	255,684	2,088
63	205	215,484	6	5,772	62	71,088	273	292,344	2,340
64	238	262,056	5	7,464	58	65,520	301	335,040	2,988

(Schedule 14 concluded on Page 30)

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Chapter I - Part B
Schedule 14 - concluded

NON-STATE DIVISION
Retirants and Beneficiaries June 30, 1961
By Attained Ages

Attained Ages	Superannuation		Disability		Survivor Benefit		Totals		Cost of Living Increases
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	
65	295	\$ 341,676	3	\$ 3,888	60	\$ 58,092	358	\$ 403,656	\$ 4,872
66	439	521,316	1	876	54	59,184	494	581,376	7,188
67	505	593,556			40	37,416	545	630,972	11,532
68	489	542,232			38	38,124	527	580,356	10,512
69	550	652,020			43	45,444	593	697,464	12,948
70	560	653,532			25	25,668	585	679,200	15,516
71	531	631,524			22	24,240	553	655,764	19,248
72	573	691,284			18	17,616	591	708,900	23,868
73	567	672,888			23	23,676	590	696,564	26,484
74	516	591,144			23	19,980	539	611,124	29,112
75	523	589,824			11	11,292	534	601,116	31,908
76	451	515,196			11	12,612	462	527,808	28,320
77	444	472,644			5	4,440	449	477,084	41,808
78	369	390,864			5	5,856	374	396,720	38,700
79	320	364,920			5	2,904	325	367,824	37,032
80	302	328,476					302	328,476	47,208
81	215	208,560					215	208,560	28,536
82	194	178,800			3	2,400	197	181,200	30,288
83	157	130,752			1	1,080	158	131,832	27,312
84	126	112,092					126	112,092	27,720
85	127	91,404					127	91,404	25,356
86	57	53,064			1	900	58	53,964	13,416
87	63	52,044			1	900	64	52,944	14,268
88	45	38,088					45	38,088	9,876
89	35	28,164					35	28,164	8,028
90	21	18,768					21	18,768	8,160
91	8	5,436					8	5,436	2,016
92	11	10,776					11	10,776	3,456
93	7	6,072					7	6,072	2,940
94	7	5,172					7	5,172	2,604
95	3	804					3	804	504
96	3	3,540					3	3,540	2,004
97	2	2,532					2	2,532	2,088
103	1	432					1	432	108
Period Certain	109	142,752					109	142,752	6,336
Totals	9,558	\$10,745,760	238	\$366,600	1,393	\$1,740,768	11,189	\$12,853,128	\$616,860

Chapter I - Part B

Schedule 15

NON-STATE DIVISION

Survivor Benefit Fund

Deferred Beneficiaries June 30, 1961

By Attained Ages and Deferment Ages

Attained Ages	Deferred to Age 50		Deferred to Age 62		Deferred to Age 65		Totals	
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances
38		\$	1	\$ 1,080		\$	1	\$ 1,080
41			1	1,080	1	900	2	1,980
42	1	1,200			1	600	2	1,800
43			1	1,080			1	1,080
44					2	1,200	2	1,200
45					1	600	1	600
46	1	900	1	1,080			2	1,980
47	2	2,400			2	1,800	4	4,200
48	1	1,200	3	3,240	6	4,200	10	8,640
49	3	3,000	3	3,240	4	3,000	10	9,240
50	1	1,200	3	3,240	4	3,300	8	7,740
51			1	1,080	6	4,500	7	5,580
52			1	1,080	1	600	2	1,680
53			1	1,080	1	900	2	1,980
54			3	3,240	5	3,900	8	7,140
55			5	5,400	5	4,200	10	9,600
56			2	2,160	7	5,880	9	8,040
57			5	5,400	4	3,000	9	8,400
58			7	7,560	6	5,100	13	12,660
59			5	5,400	12	10,200	17	15,600
60			8	8,640	5	3,900	13	12,540
61			9	9,720	7	5,100	16	14,820
62			3	3,240	7	6,000	10	9,240
64					4	3,180	4	3,180
65					1	900	1	900
66					1	900	1	900
Totals	9	\$9,900	63	\$68,040	93	\$73,860	165	\$151,800

Chapter I - Part B

Schedule 16

NON-STATE DIVISION

Liabilities, June 30, 1961, for Benefits Being Paid

Retirants and Beneficiaries

from Annuity and Pension Reserve Fund

<u>Liabilities for</u>					
<u>Group</u>	<u>Normal</u> <u>Annuities</u>	<u>Normal</u> <u>Pensions</u>	<u>Additional</u> <u>Annuities</u>	<u>Retirement</u> <u>Allowances</u>	<u>C of L</u> <u>Increases</u>
<u>SUPERANNUATION RETIREMENT</u>					
Straight Life					
Men	\$11,196,168	\$35,174,256	\$164,748	\$ 46,535,172	\$2,161,908
Women	<u>4,381,872</u>	<u>21,728,100</u>	<u>151,872</u>	<u>26,261,844</u>	<u>1,300,320</u>
Totals	15,578,040	56,902,356	316,620	72,797,016	3,462,228
Option 1					
Men	1,223,256	4,342,512	12,648	5,578,416	206,736
Women	<u>39,456</u>	<u>209,004</u>	<u>300</u>	<u>248,760</u>	<u>19,608</u>
Totals	1,262,712	4,551,516	12,948	5,827,176	226,344
Option 2					
Men	2,380,644	9,196,536	22,812	11,599,992	184,452
Women	<u>31,464</u>	<u>148,476</u>	<u> </u>	<u>179,940</u>	<u>9,840</u>
Totals	2,412,108	9,345,012	22,812	11,779,932	194,292
Option 3 - Life Benefit with Guaranteed Period					
Men	1,566,708	5,732,700	9,804	7,309,212	157,260
Women	<u>172,872</u>	<u>926,472</u>	<u>636</u>	<u>1,099,980</u>	<u>45,984</u>
Totals	1,739,580	6,659,172	10,440	8,409,192	203,244
Option 3 - Special Joint and Survivor Benefit					
Men	19,284	118,416		137,700	
Women	<u> </u>	<u> </u>		<u> </u>	
Totals	19,284	118,416		137,700	

(Schedule 16 concluded on Page 33)

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Schedule 16 - concluded

NON-STATE DIVISION

Liabilities, June 30, 1961, for Benefits Being Paid

Retirants and Beneficiaries

from Annuity and Pension Reserve Fund

<u>Group</u>	<u>Liabilities for</u>				
	<u>Normal Annuities</u>	<u>Normal Pensions</u>	<u>Additional Annuities</u>	<u>Retirement Allowances</u>	<u>C of L Increases</u>
Survivor Beneficiaries of Deceased Superannuation Retirant					
Men	\$ 5,760	\$ 27,480	\$	\$ 33,240	\$ 7,776
Women	<u>728,820</u>	<u>2,692,416</u>	<u>30,636</u>	<u>3,451,872</u>	<u>483,948</u>
Totals	734,580	2,719,896	30,636	3,485,112	491,724

Survivor Beneficiary of Deceased Superannuation Retirant
Guaranteed Period Only

M-W	144,720	587,220	12	731,952	12,684
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Totals for Superannuation Allowances Being Paid

Men	\$16,391,820	\$54,591,900	\$210,012	\$ 71,193,732	\$2,718,132
Women	5,354,484	25,704,468	183,444	31,242,396	1,859,700
M-W	<u>144,720</u>	<u>587,220</u>	<u>12</u>	<u>731,952</u>	<u>12,684</u>
Totals	\$21,891,024	\$80,883,588	\$393,468	103,168,080	4,590,516

DISABILITY RETIREMENT

Straight Life

Men	\$ 505,392	\$ 2,622,420	\$	\$ 3,127,812	\$ 46,008
Women	<u>155,136</u>	<u>878,136</u>	<u>13,116</u>	<u>1,046,388</u>	<u>18,948</u>
Totals	\$ 660,528	\$ 3,500,556	\$ 13,116	\$ 4,174,200	\$ 64,956

TOTAL LIABILITIES FOR BENEFITS BEING PAID

Men	\$16,897,212	\$57,214,320	\$210,012	\$ 74,321,544	\$2,764,140
Women	5,509,620	26,582,604	196,560	32,288,784	1,878,648
M-W	<u>144,720</u>	<u>587,220</u>	<u>12</u>	<u>731,952</u>	<u>12,684</u>
Totals	\$22,551,552	\$84,384,144	\$406,584	\$107,342,280	\$4,655,472

Chapter I - Part B

Schedule 17

NON-STATE DIVISION

Liabilities for Benefits Being Paid and To Be Paid
from Survivor Benefit Fund

Group	Liabilities for			
	Normal Annuities	Normal Pensions	Additional Annuities	Retirement Allowances

LIABILITIES FOR SURIVIVOR BENEFITS BEING PAID

Joint and Survivor Computation

Men	\$ 9,912	\$ 54,732	\$	\$ 64,644
Women	<u>1,320,996</u>	<u>5,132,688</u>	<u>11,364</u>	<u>6,465,048</u>
Total Liabilities for Survivor Benefits Being Paid	1,330,908	5,187,420	11,364	6,529,692

Fixed Benefit Amounts

Widower - no child		105,840		105,840
Widower - with children		6,432		6,432
Child only - male		116,652		116,652
Parent		<u>18,672</u>		<u>18,672</u>
Sub-totals		247,596		247,596
Widow		7,591,440		7,591,440
Widow with children		5,258,736		5,258,736
Child only		144,696		144,696
Parents - female		<u>105,924</u>		<u>105,924</u>
Sub-totals		13,100,796		13,100,796
Total Liabilities for Fixed Benefits		13,348,392		13,348,392
Total Liabilities for Survivor Benefits Being Paid	\$1,330,908	\$18,535,812	\$11,364	\$19,878,084

LIABILITIES FOR DEFERRED SURVIVOR BENEFITS

Fixed Benefit Amount

Widower - deferred to age 65		\$ 51,504		\$ 51,504
Widow - deferred to age 50		166,440		166,440
- deferred to age 62		757,260		757,260
- deferred to age 65		<u>598,068</u>		<u>598,068</u>
- Sub-totals		1,521,768		1,521,768
Total Liabilities for Deferred Benefits		1,573,272		1,573,272
TOTAL LIABILITIES FOR SURVIVOR BENEFIT FUND	\$1,330,908	\$20,109,084	\$11,364	\$21,451,356

Chapter I - Part B

Schedule 18

NON-STATE DIVISION

Recapitulation of Liabilities June 30, 1961

for Benefits Being Paid and To Be Paid

Retirants and Beneficiaries

	<u>Liabilities for</u>				
	<u>Normal</u>	<u>Normal</u>	<u>Additional</u>	<u>Retirement</u>	<u>C of L</u>
	<u>Annuities</u>	<u>Pensions</u>	<u>Annuities</u>	<u>Allowances</u>	<u>Increases</u>
<u>ANNUITY AND PENSION RESERVE FUND</u>					
Superannuation retirants and beneficiaries	\$21,891,024	\$ 80,883,588	\$393,468	\$103,168,080	\$4,590,516
Disability retirants	<u>660,528</u>	<u>3,500,556</u>	<u>13,116</u>	<u>4,174,200</u>	<u>64,956</u>
Total Liabilities for Annuity and Pension Reserve Fund	22,551,552	84,384,144	406,584	107,342,280	4,655,472
<u>SURVIVOR BENEFIT FUND</u>					
Liabilities for survivor benefits being paid	1,330,908	18,535,812	11,364	19,878,084	
Liabilities for deferred survivor benefits		<u>1,573,272</u>		<u>1,573,272</u>	
Total Liabilities for Survivor Benefit Fund	1,330,908	20,109,084	11,364	21,451,356	
<u>TOTAL LIABILITIES FOR RETIRANTS AND BENEFICIARIES</u>					
Total Liabilities	\$23,882,460	\$104,493,228	\$417,948	\$128,793,636	\$4,655,472

Chapter I - Part B

NON-STATE DIVISION

Annuity and Pension Reserve Fund

Fund Balance and Liabilities

The ledger balance, at June 30, 1961, in the Non-State Division Annuity and Pension Reserve Fund was reported to your actuary to be \$105,424,191.

The computed liabilities for retirement allowances being paid from the Annuity and Pension Reserve Fund totaled \$107,342,280. This amount does not include the liabilities for cost of living increases, since the increases are handled on a cash disbursement basis.

The Retirement Board adopted resolutions, effective December 31, 1961, providing for the 1937 Standard Annuity Mortality Table and a 3% per annum interest rate to be used as the bases for evaluating liabilities. The liabilities of \$107,342,280 were computed under these bases.

The Board adopted a further resolution, effective December 31, 1961, providing that any deficiency in the Annuity and Pension Reserve Fund, resulting from this change of bases, be transferred from the Income Fund to the Annuity and Pension Reserve Fund. At June 30, 1961, this deficiency amounted to \$1,918,089.

Chapter I - Part B

NON-STATE DIVISION

Survivor Benefit Fund

Fund Balance and Liabilities

The ledger balance, at June 30, 1961, in the Non-State Division Survivor Benefit Fund was reported to your actuary to be \$27,059,385, distributed as follows:

Beneficiaries of Deceased Members	\$19,569,886
Present Active Members	<u>7,489,499</u>
Total	\$27,059,385

The computed liabilities for beneficiaries of deceased members totaled \$21,451,356. These liabilities were computed using the 1937 Standard Annuity Mortality Table and a 3% per annum interest rate as the bases.

The Retirement Board adopted a resolution, effective December 31, 1961, providing that any deficiency in the Survivor Benefit Fund for beneficiaries of deceased members, resulting from the change in bases, be transferred from the Income Fund to the Survivor Benefit Fund. At June 30, 1961, this deficiency amounted to \$1,881,470.

1918,089
3,799,559 + 00L
Deficiency

Chapter I - Part B

NON-STATE DIVISION

Survivor Benefit Fund

Fund Balance and Liabilities

The ledger balance, at June 30, 1961, in the Non-State Division ^{Survivor} ~~Annuity and~~
^{Benefit} ~~Pension Reserve~~ Fund was reported to your actuary to be \$27,059,385,
distributed as follows:

Beneficiaries of Deceased Members	\$19,569,886
Present Active Members	<u>7,489,499</u>
Total	\$27,059,385

The computed liabilities for beneficiaries of deceased members totaled \$21,451,356. These liabilities were computed using the 1937 Standard Annuity Mortality Table and a 3% per annum interest rate as the bases.

The Retirement Board adopted a resolution, effective December 31, 1961, providing that any deficiency in the Survivor Benefit Fund for beneficiaries of deceased members, resulting from the change in bases, be transferred from the Income Fund to the Survivor Benefit Fund. At June 30, 1961, ~~the~~ this deficiency amounted to \$1,881,470.

CHAPTER II

PART A

STATE DIVISION

Chapter II - Part A

STATE DIVISION

The minimum retirement allowance of \$72 a year times years of credited service was taken into account by adjusting individual salaries under certain "key salaries" to the applicable "key salary". The "key salary" at each age is the annual salary at that age, which will, on the average, result in a final average salary of \$4,364. The "key salary" for each age group in the State Division valuation is shown below.

<u>Age Group</u>	<u>Key Salary to Produce \$4,364 Final Average Salary</u>	
	<u>Men</u>	<u>Women</u>
Under 21	\$1,932	\$2,363
21-25	2,175	2,597
26-30	2,708	3,038
31-35	3,186	3,315
36-40	3,459	3,499
41-45	3,654	3,678
46-50	3,819	3,842
51-53	3,973	4,019
54-56	4,114	4,146
57-59	4,226	4,290
60 and Over	4,364	4,364

State Division active members included in the valuation totaled 50,995, involving an annual payroll of \$221,909,508, and an adjusted annual payroll, after increasing the salaries under "key salary" to "key salary", of \$238,039,511.

Chapter II - Part A

Schedule 19

STATE DIVISION

Active Members in Valuation June 30, 1960

By Attained Age Groups

Annual Payroll

Attained Age Groups	Men		Women		Totals	
	Number	Annual Payroll	Number	Annual Payroll	Number	Annual Payroll
Under 21	718	\$ 2,142,774	989	\$ 2,744,474	1,707	\$ 4,887,248
21-25	2,789	10,221,925	2,645	8,667,737	5,434	18,889,662
26-30	3,065	14,226,635	1,725	6,063,100	4,790	20,289,735
31-35	3,070	15,580,192	1,798	6,453,736	4,868	22,033,928
36-40	3,214	16,953,301	2,111	7,476,494	5,325	24,429,795
41-45	3,057	15,549,617	2,317	8,345,312	5,374	23,894,929
46-50	3,414	16,954,992	2,527	9,122,178	5,941	26,077,170
51-53	2,168	10,927,037	1,469	5,566,521	3,637	16,493,558
54-56	2,249	11,412,130	1,358	5,137,501	3,607	16,549,631
57-59	2,005	10,037,535	1,084	4,110,595	3,089	14,148,130
60	727	3,437,294	369	1,329,456	1,096	4,766,750
61	623	3,178,089	270	1,017,000	893	4,195,089
62	649	3,289,019	279	1,080,699	928	4,369,718
63	596	2,967,090	229	892,072	825	3,859,162
64	590	3,012,592	221	819,957	811	3,832,549
65	506	2,500,983	203	791,157	709	3,292,140
66	393	2,002,557	148	585,938	541	2,588,495
67	369	1,872,332	109	422,664	478	2,294,996
68	290	1,446,545	124	448,418	414	1,894,963
69	231	1,274,164	67	240,435	298	1,514,599
70	81	470,144	26	93,071	107	563,215
71	30	185,806	6	29,270	36	215,076
72	21	234,158			21	234,158
73	18	152,784	2	8,187	20	160,971
74	12	141,762			12	141,762
75 and Over	32	280,794	2	11,285	34	292,079
Totals	30,917	\$150,452,251	20,078	\$71,457,257	50,995	\$221,909,508

Chapter II - Part A

Schedule 20

STATE DIVISION

Active Members in Valuation June 30, 1960

By Attained Age Groups

Annual Payroll Adjusted for Minimum Allowance

Attained Age Groups	Men		Women		Totals	
	Number	Adjusted Payroll	Number	Adjusted Payroll	Number	Adjusted Payroll
Under 21	718	\$ 2,201,890	989	\$ 2,873,517	1,707	\$ 5,075,407
21-25	2,789	10,404,116	2,645	8,952,534	5,434	19,356,650
26-30	3,065	14,407,249	1,725	6,402,423	4,790	20,809,672
31-35	3,070	15,882,917	1,798	6,992,148	4,868	22,875,065
36-40	3,214	17,363,437	2,111	8,330,786	5,325	25,694,223
41-45	3,057	16,104,753	2,317	9,499,340	5,374	25,604,093
46-50	3,414	17,722,327	2,527	10,623,271	5,941	28,345,598
51-53	2,168	11,507,472	1,469	6,491,460	3,637	17,998,932
54-56	2,249	12,144,085	1,358	6,110,364	3,607	18,254,449
57-59	2,005	10,837,601	1,084	4,996,799	3,089	15,834,400
60	727	3,788,753	369	1,671,837	1,096	5,460,590
61	623	3,444,927	270	1,251,676	893	4,696,603
62	649	3,558,839	279	1,302,851	928	4,861,690
63	596	3,238,391	229	1,078,022	825	4,316,413
64	590	3,250,050	221	1,008,121	811	4,258,171
65	506	2,706,696	203	965,047	709	3,671,743
66	393	2,162,296	148	693,891	541	2,856,187
67	369	2,035,978	109	514,218	478	2,550,196
68	290	1,562,822	124	564,354	414	2,127,176
69	231	1,382,342	67	297,304	298	1,679,646
70	81	502,165	26	119,136	107	621,301
71	30	202,516	6	32,703	36	235,219
72	21	241,649			21	241,649
73	18	155,700	2	9,391	20	165,091
74	12	141,762			12	141,762
75 and Over	<u>32</u>	<u>294,577</u>	<u>2</u>	<u>13,008</u>	<u>34</u>	<u>307,585</u>
Totals	30,917	\$157,245,310	20,078	\$80,794,201	50,995	\$238,039,511

Chapter II - Part A

Schedule 21

STATE DIVISION

Employees Savings Fund and Employers Accumulation Fund

Liabilities June 30, 1960

<u>Present Value, June 30, 1960, of</u>	<u>Member Financed Liabilities</u>	<u>Employer Financed Liabilities</u>	<u>Total Liabilities</u>
Accrued portions of retirement allowances to be paid present active members based on service rendered before July 1, 1960	\$ 48,626,114	\$72,652,647	\$121,278,761
Deferred retirement allowances likely to be paid present inactive members	1,150,579	4,480,118	5,630,697
Probable refunds of members' accumulated contributions standing to their credit June 30, 1960	<u>16,783,994</u>	<u> </u>	<u>16,783,994</u>
TOTAL ACCRUED LIABILITIES	\$ 66,560,687	\$77,132,765	\$143,693,452
- - - - -			
Prospective portions of retirement allowances to be paid present active members based on service to be rendered after June 30, 1960	\$ 45,882,037	\$71,730,338	\$117,612,375
Disability allowances likely to be paid present active members who become totally and permanently disabled		5,483,334	5,483,334
Probable refunds of contributions to be made after June 30, 1960 by present active members	<u>55,126,748</u>	<u> </u>	<u>55,126,748</u>
TOTAL PROSPECTIVE LIABILITIES	\$101,008,785	\$77,213,672	\$178,222,457

Chapter II - Part A

STATE DIVISION

Employees Savings Fund - Employer Accumulation Fund

The State Division's balances, at June 30, 1960, in the Employees Savings Fund and Employer Accumulation Fund were reported to your actuary to be \$84,009,276. In addition, of the \$4,672,173 Employees Savings Fund balances credited to leave of absence members of all divisions, an amount of \$1,725,868 was pro-rated to State Division members, making the total Employees Savings Fund and Employer Accumulation Fund balances used in the valuation \$85,735,144, as follows:

Employees Savings Fund	
Active members	\$64,834,819
Inactive members pro-rate	<u>1,725,868</u>
Total	66,560,687
Employer Accumulation Fund	<u>19,174,457</u>
Total for the two Funds	\$85,735,144

In financing the State Division liabilities, the above fund balances of \$85,735,144 were applied as follows:

<u>Fund Balances Applied to</u>	<u>Employees Savings</u>	<u>Employer Accumulation</u>	<u>Totals</u>
Active members' accrued service retirement allowance liabilities	\$48,626,114	\$13,906,856	\$62,532,970
Inactive members' retirement allowance liabilities	1,150,579	5,267,601	6,418,180
Liabilities for probable refunds of members' present accumulated contributions	<u>16,783,994</u>	<u> </u>	<u>16,783,994</u>
Total Ledger Balances	\$66,560,687	\$19,174,457	\$85,735,144

Chapter II - Part A

STATE DIVISION

Method of Financing the State Division Liabilities
Employer Accumulation Fund and Employees Savings Fund

Accrued liabilities for members, \$143,693,452, less applicable fund balances, \$85,735,144, resulted in unfunded accrued liabilities of \$57,958,308, which were amortized over a period of 29 years.

Prospective superannuation retirement allowance liabilities, \$117,612,375, were financed over the present members' periods of prospective service to retirement.

Liabilities for probable refunds of future contributions to be made by present active members, \$55,126,748, were financed over the members' periods of prospective service to withdrawal or death.

The State's contributions for disability retirement allowances to be paid present active members, who become disabled, were determined on a terminal funding basis. The liabilities, \$5,483,334, were computed by applying the terminal funding cost, expressed as a percent of payroll, to the present value of active members' future salaries.

Chapter II - Part A

Schedule 22

STATE DIVISION

Computed Contributions to Retirement System

<u>Computed Contributions for</u>	<u>Percent of Active Member Payroll</u>
Current service	8.15%
Refunds of members' future contributions	3.82
Disability	0.38
Survivor benefit fund	1.05
Cost of living increases	<u>0.06</u>
Total Current Cost	13.46
Less: Members' contributions	<u>7.00</u>
State's Current Cost	6.46
Unfunded accrued service	<u>1.49</u>
State's Computed Contributions	7.95%

13.46
~~7.00~~
6.46
1.49
7.95

As outlined on page 70 of this report, a transfer of \$1,772,953 from the Income Fund would reduce the unfunded liabilities from \$57,958,308 to \$56,185,355. This would result in a reduction in the unfunded accrued service cost from 1.49% to 1.45% resulting in a State's computed contributions of 7.91%.

CHAPTER II

PART B

NON-STATE DIVISION

Comment. The State's computed contributions, shown in Schedule 22, are based on membership in the State Division and fund balances credited to the State Division as of June 30, 1960.

The difference in contribution rates as shown in this report and the report dated August 15, 1961 arises only from a change in mortality table and a change in interest rate assumption.

In accordance with a resolution effective December 31, 1961, adopted by the Retirement Board, the 1937 Standard Annuity Mortality Table with an interest rate assumption of 3% per annum were the bases for the liabilities and, consequently, the computed contributions shown in Schedule 22.

Chapter II - Part B

NON-STATE DIVISION

The minimum retirement allowance of \$72 a year times years of credited service was taken into account by adjusting individual salaries under certain "key salaries" to the applicable "key salary". The "key salary" at each age is the annual salary at that age, which will, on the average, result in a final average salary of \$4364. The "key salary" for each age group in the Non-State Division valuation is shown below.

<u>Age Group</u>	<u>Key Salary to Produce \$4364 Final Average Salary</u>	
	<u>Men</u>	<u>Women</u>
Under 21	\$2,042	\$2,466
21-25	2,541	2,943
26-30	3,066	3,316
31-35	3,364	3,484
36-40	3,526	3,650
41-45	3,668	3,794
46-50	3,881	4,028
51-53	4,018	4,128
54-56	4,151	4,214
57-59	4,281	4,303
60 and Over	4,364	4,364

Non-State Division active members included in the valuation totaled 76,419, involving an annual payroll of \$299,306,499, and an adjusted annual payroll after increasing the salaries under "key salary" to "key salary", of \$347,833,069.

Chapter II - Part B

Schedule 23

NON-STATE DIVISION

Active Members in Valuation June 30, 1960

By Attained Age Groups

Annual Payroll

Attained Age Groups	Men		Women		Totals	
	Number	Annual Payroll	Number	Annual Payroll	Number	Annual Payroll
Under 21	991	\$ 2,454,003	1,274	\$ 2,752,907	2,265	\$ 5,206,910
21-25	3,094	11,113,748	2,791	8,159,050	5,885	19,272,798
26-30	3,846	15,956,404	2,093	6,405,825	5,939	22,362,229
31-35	4,524	20,157,285	2,359	7,055,820	6,883	27,213,105
36-40	4,956	22,793,716	2,811	8,624,922	7,767	31,418,638
41-45	5,023	22,662,227	3,239	9,939,630	8,262	32,601,857
46-50	5,395	24,206,328	3,735	11,960,534	9,130	36,166,862
51-53	3,610	16,665,398	2,227	7,510,274	5,837	24,175,672
54-56	3,432	15,769,816	1,998	6,854,423	5,430	22,624,239
57-59	3,252	14,740,438	1,608	5,539,716	4,860	20,280,154
60	1,210	5,401,239	541	1,845,145	1,751	7,246,384
61	917	4,140,474	427	1,446,603	1,344	5,587,077
62	1,059	4,752,594	425	1,447,333	1,484	6,199,927
63	915	4,174,710	314	1,044,387	1,229	5,219,097
64	1,003	4,482,749	356	1,209,117	1,359	5,691,866
65	924	4,146,740	271	953,986	1,195	5,100,726
66	734	3,311,027	216	711,966	950	4,022,993
67	656	2,847,553	205	671,380	861	3,518,933
68	616	2,567,174	149	512,379	765	3,079,553
69	519	2,380,786	128	424,226	647	2,805,012
70	440	1,931,829	97	327,019	537	2,258,848
71	349	1,287,847	69	220,247	418	1,508,094
72	279	1,017,436	65	183,861	344	1,201,297
73	229	876,610	36	99,260	265	975,870
74	221	825,816	32	92,915	253	918,731
75 and Over	670	2,394,883	89	254,744	759	2,649,627
Totals	48,864	\$213,058,830	27,555	\$86,247,669	76,419	\$299,306,499

Chapter II - Part B

Schedule 24

NON-STATE DIVISION

Active Members in Valuation June 30, 1960

By Attained Age Groups

Annual Payroll Adjusted for Minimum Allowance

Attained Age Groups	Men		Women		Totals	
	Number	Adjusted Payroll	Number	Adjusted Payroll	Number	Adjusted Payroll
Under 21	991	\$ 2,841,271	1,274	\$ 3,422,697	2,265	\$ 6,263,968
21-25	3,094	11,668,364	2,791	9,305,195	5,885	20,973,559
26-30	3,846	16,952,481	2,093	7,647,132	5,939	24,599,613
31-35	4,524	21,450,830	2,359	8,957,825	6,883	30,408,655
36-40	4,956	24,411,451	2,811	11,036,655	7,767	35,448,106
41-45	5,023	24,576,383	3,239	13,080,553	8,262	37,656,936
46-50	5,395	26,646,624	3,735	15,917,090	9,130	42,563,714
51-53	3,610	18,400,620	2,227	9,766,599	5,837	28,167,219
54-56	3,432	17,593,169	1,998	8,945,829	5,430	26,538,998
57-59	3,252	16,803,687	1,608	7,368,530	4,860	24,172,217
60	1,210	6,180,689	541	2,479,733	1,751	8,660,422
61	917	4,768,704	427	1,959,916	1,344	6,728,620
62	1,059	5,430,041	425	1,942,008	1,484	7,372,049
63	915	4,763,292	314	1,447,583	1,229	6,210,875
64	1,003	5,187,276	356	1,633,716	1,359	6,820,992
65	924	4,766,740	271	1,248,788	1,195	6,015,528
66	734	3,847,521	216	988,041	950	4,835,562
67	656	3,412,246	205	944,756	861	4,357,002
68	616	3,156,609	149	698,535	765	3,855,144
69	519	2,811,537	128	582,976	647	3,394,513
70	440	2,346,446	97	446,487	537	2,792,933
71	349	1,727,430	69	310,635	418	2,038,065
72	279	1,358,452	65	294,132	344	1,652,584
73	229	1,140,994	36	161,688	265	1,302,682
74	221	1,118,273	32	142,516	253	1,260,789
75 and Over	<u>670</u>	<u>3,346,177</u>	<u>89</u>	<u>396,147</u>	<u>759</u>	<u>3,742,324</u>
Totals	48,864	\$236,707,307	27,555	\$111,125,762	76,419	\$347,833,069

Chapter II - Part B

Schedule 25

NON-STATE DIVISION

Employees Savings Fund and Employers Accumulation Fund

Liabilities June 30, 1960

<u>Present Value, June 30, 1960, of</u>	<u>Member Financed Liabilities</u>	<u>Employer Financed Liabilities</u>	<u>Total Liabilities</u>
Accrued portions of retirement allowances to be paid present active members based on service rendered before July 1, 1960	\$ 76,168,516	\$ 95,585,372	\$171,753,888
Deferred retirement allowances likely to be paid present inactive members	1,921,296	4,605,331	6,526,627
Probable refunds of members' accumulated contributions standing to their credit June 30, 1960	<u>26,350,154</u>	<u> </u>	<u>26,350,154</u>
TOTAL ACCRUED LIABILITIES	\$104,439,966	\$100,190,703	\$204,630,669
- - - - -			
Prospective portions of retirement allowances to be paid present active members based on service to be rendered after June 30, 1960	\$ 70,632,907	\$ 91,514,038	\$162,146,945
Disability allowances likely to be paid present active members who become totally and permanently disabled		7,071,257	7,071,257
Probable refunds of contributions to be made after June 30, 1960 by present active members	<u>66,863,754</u>	<u> </u>	<u>66,863,754</u>
TOTAL PROSPECTIVE LIABILITIES	\$137,496,661	\$ 98,585,295	\$236,081,956

Chapter II - Part B

NON-STATE DIVISION

Employees Savings Fund - Employer Accumulation Fund

The Non-State Division's balances, at June 30, 1960, in the Employees Savings Fund and the Employer Accumulation Fund were reported to your actuary to be \$163,369,055. In addition, of the \$4,672,173 Employees Savings Fund balances credited to leave of absence members of all Divisions, an amount of \$2,881,945 was pro-rated to Non-State Division members, making the total Employees Savings Fund and Employer Accumulation Fund balances used in the valuation \$166,251,000 as follows:

Employees Savings Fund	
Active members	\$101,558,021
Inactive members pro-rate	<u>2,881,945</u>
Total	104,439,966
Employer Accumulation Fund	<u>61,811,034</u>
Total for the two Funds	\$166,251,000

In financing the Non-State Division liabilities, the above fund balances of \$166,251,000 were applied as follows:

<u>Fund Balances Applied to</u>	<u>Employees Savings</u>	<u>Employer Accumulation</u>	<u>Totals</u>
Active members' accrued service retirement allowance liabilities	\$ 76,168,516	\$56,888,016	\$133,056,532
Inactive members' retirement allowance liabilities	1,921,296	4,923,018	6,844,314
Liabilities for probable refunds of members' present accumulated contributions	<u>26,350,154</u>	<u> </u>	<u>26,350,154</u>
Total Ledger Balances	\$104,439,966	\$61,811,034	\$166,251,000

Chapter II - Part B

NON-STATE DIVISION

Method of Financing the Non-State Division Liabilities
Employer Accumulation Fund and Employees Savings Fund

Accrued liabilities for members, \$204,630,669, less applicable fund balances, \$166,251,000, resulted in unfunded accrued liabilities of \$38,379,669, which were amortized over a period of 18 years.

Prospective superannuation retirement allowance liabilities, \$162,146,945, were financed over the members' periods of prospective service to retirement.

Liabilities for probable refunds of future contributions to be made by present active members, \$66,863,754, were financed over the members' periods of prospective service to withdrawal or death.

The Non-State Division employers' contribution for disability retirement allowances to be paid present active members, who become disabled, were determined on a terminal funding basis. The liabilities, \$7,071,257, were computed by applying the terminal funding cost, expressed as a percent of payroll, to the present value of active members' future salaries.

Chapter II - Part B

Schedule 26

NON-STATE DIVISION

Computed Contributions to Retirement System

<u>Computed Contributions for</u>	<u>Percent of Active Member Payroll</u>
Current service	8.25%
Refunds of members' future contributions	3.40
Disability	0.36
Survivor benefit fund	1.35
Cost of living increases	<u>0.06</u>
Total Current Cost	13.42
Less: Members' contributions	<u>7.00</u>
Non-State's Current Cost	6.42
Unfunded accrued service	<u>1.01</u>
Non-State's Computed Contributions	7.43%

As outlined on page 70 of this report, a transfer of \$6,007,044 from the Income Fund would reduce the unfunded liabilities from \$38,379,669 to \$32,372,625. This would result in a reduction in the unfunded accrued service cost from 1.01% to 0.85% resulting in a Non-State's computed contributions of 7.27%.

Comment. The Non-State's computed contributions, shown in Schedule 26, are based on membership in the Non-State Division and fund balances credited to the Non-State Division as of June 30, 1960.

In accordance with a resolution, effective December 31, 1961, adopted by the Retirement Board, the membership and fund balances of the Non-State Division include the former Non-State, Township, and Metropolitan Housing Divisions membership and fund balances.

In accordance with a resolution, effective December 31, 1961, adopted by the Retirement Board, the 1937 Standard Annuity Mortality Table with an interest rate assumption of 3% per annum were the bases for the liabilities and, consequently, the computed contributions shown in Schedule 26.

CHAPTER II

PART C

CLEVELAND TRANSIT DIVISION

Chapter II - Part C

CLEVELAND TRANSIT DIVISION

The minimum retirement allowance of \$72 a year times years of credited service was taken into account by adjusting individual salaries under certain "key salaries" to the applicable "key salary". The "key salary" at each age is the annual salary at that age, which will, on the average, result in a final average salary of \$4364. The "key salary" for each age group in the Cleveland Transit Division valuation is shown below.

<u>Attained Age Group</u>	<u>Key Salary to Produce \$4364 Final Average Salary</u>
Under 21	\$2,189
21-25	3,475
26-30	3,880
31-35	4,088
36-40	4,151
41-45	4,213
46-50	4,276
51-53	4,326
54-56	4,364
57-59	4,364
60 and Over	4,364

Cleveland Transit Division active members included in the valuation totaled 2,798, involving an annual payroll of \$16,327,093, and an adjusted annual payroll, after increasing the individual salaries under "key salary", of \$16,494,068.

Chapter II - Part C

Schedule 27

CLEVELAND TRANSIT DIVISION

Active Members in Valuation June 30, 1960

By Attained Age Groups

Annual Payroll and Adjusted Payroll

Attained Age Groups	Annual Payroll		Adjusted Annual Payroll	
	Number	Payroll	Number	Payroll
Under 21	13	\$ 60,520	13	\$ 60,520
21-25	48	233,830	48	244,152
26-30	197	1,124,437	197	1,140,652
31-35	292	1,728,779	292	1,743,057
36-40	378	2,231,640	378	2,247,332
41-45	407	2,394,929	407	2,417,405
46-50	418	2,458,710	418	2,483,042
51-53	241	1,413,014	241	1,431,278
54-56	238	1,430,050	238	1,438,572
57-59	237	1,374,069	237	1,382,178
60	80	465,762	80	469,247
61	55	324,935	55	327,293
62	55	308,413	55	318,993
63	62	341,112	62	346,495
64	59	330,089	59	332,582
65	15	82,709	15	87,175
66	1	5,932	1	5,932
67	1	4,656	1	4,656
69	<u>1</u>	<u>13,507</u>	<u>1</u>	<u>13,507</u>
Totals	2,798	\$16,327,093	2,798	\$16,494,068

Chapter II - Part C

Schedule 28

CLEVELAND TRANSIT DIVISION

Employees Savings Fund and Employers Accumulation Fund

Liabilities June 30, 1960

<u>Present Value, June 30, 1960, of</u>	<u>Member Financed Liabilities</u>	<u>Employer Financed Liabilities</u>	<u>Total Liabilities</u>
Accrued portions of retirement allow- ances to be paid present active members, based on service rendered before July 1, 1960	\$ 7,043,709	\$11,905,054	\$18,948,763
Deferred retirement allowances likely to be paid present inactive members	41,890	79,736	121,626
Probable refunds of members' accumulated contributions standing to their credit June 30, 1960	<u>1,774,890</u>	<u> </u>	<u>1,774,890</u>
TOTAL ACCRUED LIABILITIES	\$ 8,860,489	\$11,984,790	\$20,845,279
- - - - -			
Prospective portions of retirement allowances to be paid present active members, based on service to be rendered after June 30, 1960	\$ 8,488,565	\$ 7,923,669	\$16,412,234
Disability allowances likely to be paid present active members who become totally and permanently disabled		480,161	480,161
Probable refunds of contributions to be made after June 30, 1960 by present active members	<u>2,715,194</u>	<u> </u>	<u>2,715,194</u>
TOTAL PROSPECTIVE LIABILITIES	\$11,203,759	\$ 8,403,830	\$19,607,589

Chapter II - Part C

CLEVELAND TRANSIT DIVISION

Employees Savings Fund - Employer Accumulation Fund

The Cleveland Transit Division's balances, at June 30, 1960, in the Employees Savings Fund and Employer Accumulation Fund were reported to your actuary to be \$14,590,781. In addition, of the \$4,672,173 Employees Savings Fund balances credited to leave of absence members of all Divisions, an amount of \$55,853 was pro-rated to Cleveland Transit Division members, making the total Employees Savings Fund and Employer Accumulation Fund balances used in the valuation \$14,646,634, as follows:

Employees Savings Fund	
Active members	\$ 8,804,636
Inactive members pro-rate	<u>55,853</u>
Total	8,860,489
Employer Accumulation Fund	<u>5,786,145</u>
Total for the two Funds	\$14,646,634

In financing the Cleveland Transit Division liabilities, the above fund balances of \$14,646,634 were applied as follows:

<u>Fund Balances Applied to</u>	<u>Employees Savings</u>	<u>Employer Accumulation</u>	<u>Totals</u>
Active members' accrued service retirement allowance liabilities	\$7,043,709	\$5,699,551	\$12,743,260
Inactive members' retirement allowance liabilities	41,890	86,594	128,484
Liabilities for probable refunds of members' present accumulated contributions	<u>1,774,890</u>	<u> </u>	<u>1,774,890</u>
Total Ledger Balances	\$8,860,489	\$5,786,145	\$14,646,634

Chapter II - Part C

CLEVELAND TRANSIT DIVISION

Method of Financing the Cleveland Transit Division Liabilities

Employer Accumulation Fund and Employees Savings Fund

Accrued liabilities for members, \$20,845,279, less applicable fund balances, \$14,646,634, resulted in unfunded accrued liabilities of \$6,198,645, which were amortized over a period of 25 years.

Prospective superannuation retirement allowance liabilities, \$16,412,234, were financed over the members' periods of prospective service to retirement.

Liabilities for probable refunds of future contributions to be made by present active members, \$2,715,194, were financed over the members' periods of prospective service to withdrawal or death.

The Cleveland Transit Division employer's contributions for disability retirement allowances to be paid present active members, who become disabled, were determined on a terminal funding basis. The liabilities, \$480,161, were determined by applying the terminal funding cost, expressed as a percent of payroll, to the present value of active members' future salaries.

Chapter II - Part C

Schedule 29

CLEVELAND TRANSIT DIVISION

Computed Contributions to Retirement System

<u>Computed Contributions for</u>	<u>Percent of Active Member Payroll</u>
Current service	10.25%
Refunds of members' future contributions	1.70
Disability	0.30
Cost of living increases	<u>0.06</u>
Total Current Cost	12.31
Less: Members' contributions	<u>7.00</u>
Cleveland Transit's Current Cost	5.31
Unfunded accrued service	<u>2.24</u>
Cleveland Transit's Computed Contributions	7.55%

As outlined on page 70 of this report, a transfer of \$488,714 from the Income Fund would reduce the unfunded liabilities from \$6,198,645 to \$5,709,931. This would result in a reduction in the unfunded accrued service cost from 2.24% to 2.06% resulting in a Cleveland Transit's computed contributions of \$7.37%.

Comment. Cleveland Transit's computed contributions, shown in Schedule 29, are based on membership in the Cleveland Transit Division and fund balances credited to the Cleveland Transit Division as of June 30, 1960.

The difference in contribution rates as shown in this report and the report dated August 15, 1961 arises only from a change in mortality table and a change in interest rate assumption.

In accordance with a resolution, effective December 31, 1961, adopted by the Retirement Board, the 1937 Standard Annuity Mortality Table with an interest rate assumption of 3% per annum were the bases for the liabilities and, consequently, the computed contributions shown in Schedule 29.

CHAPTER II

PART D

SHAKER HEIGHTS TRANSIT DIVISION

Chapter II - Part D

SHAKER HEIGHTS TRANSIT DIVISION

The minimum retirement allowance of \$72 a year times years of credited service was taken into account by adjusting individual salaries under certain "key salaries" to the applicable "key salary". The "key salary" at each age is the annual salary at that age, which will, on the average, result in a final average salary of \$4364. The "key salary" for each age group in the Shaker Heights Transit Division valuation is shown below.

<u>Attained Age Group</u>	<u>Key Salary to Produce \$4364 Final Average Salary</u>
Under 21	\$2,189
21-25	3,475
26-30	3,880
31-35	4,088
36-40	4,151
41-45	4,213
46-50	4,276
51-53	4,326
54-56	4,364
57-59	4,364
60 and Over	4,364

Shaker Heights Transit Division active members included in the valuation totaled 118, involving an annual payroll of \$641,043, and an adjusted annual payroll, after increasing the individual salaries under "key salary" to "key salary", of \$649,991.

Chapter II - Part D

Schedule 30

SHAKER HEIGHTS TRANSIT DIVISION

Active Members in Valuation June 30, 1960

By Attained Age Groups

Annual Payroll and Adjusted Payroll

<u>Attained Age Groups</u>	<u>Annual Payroll</u>		<u>Adjusted Annual Payroll</u>	
	<u>Number</u>	<u>Payroll</u>	<u>Number</u>	<u>Payroll</u>
21-25	6	\$ 26,868	6	\$ 26,868
26-30	7	33,125	7	33,181
31-35	12	62,058	12	63,405
36-40	20	108,723	20	111,179
41-45	11	53,917	11	55,225
46-50	17	95,493	17	95,756
51-53	5	27,361	5	27,361
54-56	9	63,703	9	64,226
57-59	3	15,961	3	15,961
60	5	28,994	5	28,994
61	5	33,114	5	33,114
62	4	20,797	4	20,995
63	6	28,229	6	30,569
64	2	9,749	2	9,749
66	2	11,452	2	11,452
68	1	5,053	1	5,053
70	2	10,923	2	11,380
72	<u>1</u>	<u>5,523</u>	<u>1</u>	<u>5,523</u>
Totals	118	\$641,043	118	\$649,991

Chapter II - Part D

Schedule 31

SHAKER HEIGHTS TRANSIT DIVISION

Employees Savings Fund and Employers Accumulation Fund

Liabilities June 30, 1960

<u>Present Value, June 30, 1960, of</u>	<u>Member Financed Liabilities</u>	<u>Employer Financed Liabilities</u>	<u>Total Liabilities</u>
Accrued portions of retirement allowances to be paid present active members, based on service rendered before July 1, 1960	\$255,685	\$397,441	\$653,126
Deferred retirement allowances likely to be paid present inactive members	6,381	8,568	14,949
Probable refunds of members' accumulated contributions standing to their credit June 30, 1960	<u>66,048</u>	_____	<u>66,048</u>
TOTAL ACCRUED LIABILITIES	\$328,114	\$406,009	\$734,123
- - - - -			
Prospective portions of retirement allowances to be paid present active members, based on service to be rendered after June 30, 1960	\$296,259	\$269,264	\$565,523
Disability allowances likely to be paid present active members who become totally and permanently disabled		16,778	16,778
Probable refunds of contributions to be made after June 30, 1960 by present active members	<u>95,238</u>	_____	<u>95,238</u>
TOTAL PROSPECTIVE LIABILITIES	\$391,497	\$286,042	\$677,539

Chapter II - Part D

SHAKER HEIGHTS TRANSIT DIVISION

Employees Savings Fund - Employer Accumulation Fund

The Shaker Heights Transit Division's balances, at June 30, 1960, in the Employees Savings Fund and Employer Accumulation Fund were reported to your actuary to be \$519,820. In addition, of the \$4,672,173 Employees Savings Fund balances credited to leave of absence members of all Divisions, an amount of \$8,508 was pro-rated to Shaker Heights Transit Division members, making the total Employees Savings Fund and Employer Accumulation Fund balances used in the valuation \$528,328, as follows:

Employees Savings Fund	
Active members	\$319,606
Inactive members pro-rate	<u>8,508</u>
Total	328,114
Employer Accumulation Fund	<u>200,214</u>
Total for the two Funds	\$528,328

In financing the Shaker Heights Transit Division liabilities, the above fund balances of \$528,328 were applied as follows:

<u>Fund Balances applied to</u>	<u>Employees Savings</u>	<u>Employer Accumulation</u>	<u>Totals</u>
Active members' accrued service retirement allowance liabilities	\$255,685	\$190,722	\$446,407
Inactive members' retirement allowance liabilities	6,381	9,492	15,873
Liabilities for probable refunds of members' present accumulated contributions	<u>66,048</u>	<u> </u>	<u>66,048</u>
Total Ledger Balances	\$328,114	\$200,214	\$528,328

Chapter II - Part D

SHAKER HEIGHTS TRANSIT DIVISION

Method of Financing the Shaker Heights Transit Division Liabilities

Employer Accumulation Fund and Employees Savings Fund

Accrued liabilities for members, \$734,123, less applicable fund balances, \$528,328, resulted in unfunded accrued liabilities of \$205,795, which were amortized over a period of 25 years.

Prospective superannuation retirement allowance liabilities, \$565,523, were financed over the members' periods of prospective service to retirement.

Liabilities for probable refunds of future contributions to be made by present active members, \$95,238, were financed over the members' periods of prospective service to withdrawal or death.

The Shaker Heights Transit Division employer's contributions for disability retirement allowances, to be paid present active members who become disabled, were determined on a terminal funding basis. The liabilities, \$16,778, were determined by applying the terminal cost, expressed as a percent of payroll, to the present value of active members' future salaries.

Chapter II - Part D

Schedule 32

SHAKER HEIGHTS TRANSIT DIVISION

Computed Contributions to Retirement System

<u>Computed Contributions for</u>	<u>Percent of Active Member Payroll</u>
Current service	10.11%
Refunds of members' future contributions	1.70
Disability	0.30
Cost of living increases	<u>0.06</u>
Total Current Cost	12.17
Less: Members' contributions	<u>7.00</u>
Shaker Heights Transit's Current Cost	5.17
Unfunded accrued service	<u>1.94</u>
Shaker Heights Transit's Computed Contributions	7.11%

As outlined on page 70 of this report, a transfer of \$20,855 from the Income Fund would reduce the unfunded liabilities from \$205,795 to \$184,940. This would result in a reduction in the unfunded accrued service cost from 1.94% to 1.74% resulting in a Shaker Heights Transit's computed contributions of 6.91%.

Comment. The Shaker Heights Transit's computed contributions, shown in Schedule 32, are based on membership in the Shaker Heights Transit Division and fund balances credited to the Shaker Heights Transit Division as of June 30, 1960.

The difference in contribution rates as shown in this report and the report dated August 15, 1961 arises only from a change in mortality table and a change in interest rate assumption.

In accordance with a resolution, effective December 31, 1961, adopted by the Retirement Board, the 1937 Standard Annuity Mortality Table with an interest rate assumption of 3% per annum were the bases for the liabilities and, consequently, the computed contributions shown in Schedule 32.

CHAPTER II

PART E

COMMENTS AND CONCLUSION

Comment: Members' accrued service liabilities, at any valuation date, represents the present value of the benefits to be paid the members based upon the service rendered by them to the valuation date. The "present value" is arrived at by discounting for the fact that

- (1) Some members will withdraw from Ohio public employment before becoming eligible to retire. Consequently, turnover probabilities are discount factors.
- (2) Some members will die while in Ohio public employment. Consequently death-in-service probabilities are discount factors.
- (3) Not all members will retire when they first become eligible to retire; some will continue in service for 1, 2, 3 or more years thereafter. Consequently, retirement rates are discount factors.
- (4) INTEREST IS EARNED ON THE MONEYS OF THE RETIREMENT SYSTEM. THE RATE OF INTEREST EARNING USED IN THIS VALUATION IS 3 PERCENT PER ANNUM, COMPOUNDED ANNUALLY. CONSEQUENTLY, IT IS ASSUMED THAT THE AMOUNT OF ACCRUED LIABILITIES AT THE VALUATION DATE WILL BE INCREASED BY INTEREST ADDITIONS.

At June 30, 1960, the Employers Accumulation Fund accrued liabilities for members' accrued service were computed to be, for all divisions of PERS, \$369,903,523

That means that, if PERS had on hand \$369,903,523,

AT 3 PERCENT INTEREST, the amount would be sufficient, USING BOTH PRINCIPAL AND INTEREST, to pay all benefits due present members on account of service rendered by them.

At June 30, 1960, the total of the Employees Savings Fund balances amounted to \$180,189,256, and the total of the Employers Accumulation Fund balances amounted to \$86,971,850. The total of the two Funds represent the portion of the accrued liabilities of \$369,903,523 which are funded, namely

267,161,106

Since the members' accrued liabilities of \$369,903,523 involved an interest discount of 3 percent per annum, it is required that the PERS assets, allocated to the members' accrued liabilities, be credited with 3 percent per annum.

That leaves members unfunded accrued liabilities of

\$102,742,417

Amortization of the unfunded accrued liabilities of \$102,742,417 is an obligation of the public employers. The annual amortization payments are computed to liquidate the principal and to provide for 3 percent interest per annum on the unpaid balances.

In computing the members' accrued service liabilities of \$369,903,523 is was assumed that 3 percent interest would be credited to the amount

each year. Therefore, it is necessary that the funded portion totaling \$267,161,106 be credited with 3 percent each year; and the unfunded accrued liabilities of \$102,742,417 likewise have the interest requirement of 3 percent per annum satisfied.

Comment. On December 20, 1961, the Retirement Board authorized, in addition to the annual interest transfers from the Income Fund, \$8,289,566 to be transferred from the Income Fund to the Employer Accumulation Fund as of December 31, 1961.

A pro-ratio based on the balances in the Employer Accumulation Fund credited to each Division as of December 31, 1961, resulted in the following:

<u>Division</u>	<u>Amount of Additional Income Fund Transfer Pro-Rated by Division</u>
State	\$1,772,953
Non-State	6,007,044
Cleveland Transit	488,714
Shaker Heights Transit	<u>20,855</u>
Total	\$8,289,566

102,742,417
8,289,566

94,452,851

The pro-rated additional transfer from the Income Fund to the Employer Accumulation Fund, shown above, was applied to the unfunded accrued liabilities for each Division.

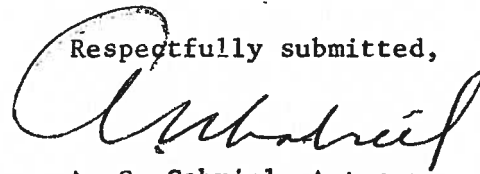
The resulting reduction in contribution rates are shown in the last paragraph of the following pages:

<u>Division</u>	<u>Page</u>
State	44
Non-State	52
Cleveland Transit	59
Shaker Heights Transit	66

Acknowledgement. The helpful cooperation of the Executive Secretary and his Staff in assembling the data necessary to make the actuarial valuations is acknowledged and appreciated.

Conclusion. The Public Employees Retirement System of Ohio continues to be soundly financed in accordance with accepted actuarial principles.

Respectfully submitted,



A. G. Gabriel, Actuary
Public Employees Retirement System
of Ohio

CFM:EM

Why no transfer to APR + SR funds
to wipe out deficiencies?
What is the total "cost of living" deficiency?
What is the "disability fund" deficiency?