



OPERS

Ohio Public Employees Retirement System

277 East Town Street Columbus, Ohio 43215-4642 1-800-222-PERS (7377) www.opers.org

August 29, 2008

Mr. Aristotle Hutras, Director
Ohio Retirement Study Council
88 East Broad Street, Suite 1175
Columbus, OH 43215

Dear Mr. Hutras:

Enclosed is the *2007 Annual Actuarial Valuation of Defined Benefit Allowances Traditional and Combined Plans* of the Ohio Public Employees Retirement System (OPERS) as required by Section 145.22 of the Ohio Revised Code. The purpose of the valuation is to measure the System's funding progress in accordance with previously established contribution rates and OPERS funding objectives.

The actuarial valuation concludes that the Ohio Public Employees Retirement System continues to be in sound financial condition based on the current contribution allocation between pension and retiree health care benefits and other valuation assumptions. The valuation indicates solid results for 2007, as the funded ratio for the System increased from 92.6% in 2006 to 96.3% in 2007. Correspondingly, the amortization period for the unfunded actuarial accrued pension liabilities decreased from 26 years at the end of 2006 to 14 years at the end of 2007. This 14-year amortization period is well within the 30-year amortization period required by Section 145.221 of the Ohio Revised Code.

However, as is indicated by the lower return in 2007 compared to the preceding four years and also demonstrated by investment returns thus far in 2008, the investment markets are entering a period of not only lower returns, but potentially negative returns. Historically these down markets have lasted for a period of greater than one year. OPERS projects that if it ends the 2008 year with the level of investment return that exists as of the end of July, the amortization period for 2008 will return to the 2006 level. This would also have additional negative ramifications on future years funding levels. OPERS' goal is meeting the investment return goal over the long-term. Periods of slow or even negative investment returns are to be expected. OPERS will continue to make appropriate changes in response to these challenges.

The report evaluates the System's funding status for the defined benefit components of OPERS' pension plans. In total, OPERS has three pension plans ~ the Traditional Pension Plan, which is a defined benefit plan; the Member-Directed Plan, which is a defined contribution plan; and the Combined Plan, which has a defined benefit component for the employer contributions and a defined contribution component for the member contributions. The format of this valuation provides summary information for the **total** valuation results associated with the defined benefit allowances for both the Traditional and Combined Plans. Separate summaries are provided for the valuation results of the Traditional Plan and for the defined benefit component of the Combined Plan.

It is important to note that this valuation focuses only on the defined benefit pension plan components and excludes the results from the defined contribution components of the various plans and it excludes the health care assets. As a reminder, during 2004 OPERS segregated the assets associated with the funding of health care and established separate asset allocation and investment policies relative to those assets. Thus, to put this into perspective financially, the defined benefit components represent approximately \$70 billion, or 83% of OPERS' \$83.6 billion in total assets. The remaining System assets are comprised of the health care fund (approximately \$13.3 billion) and the defined contribution assets (approximately \$0.3 billion). Additionally, the report provides detailed information for the divisional components.

The report notes that OPERS' favorable results were primarily due to positive investment experience. This marks the fifth consecutive year of strong investment returns. For the year ending December 31, 2007, OPERS' total return on pension investments was 8.53% and the investment return on the defined benefit portions of the Traditional and Combined plans was 8.89%, both of which exceed the long-term actuarial investment return assumptions of 8%. Combining this total return with the System's 2006 return (15.10%), the 2005 return (9.30%), the 2004 return (12.50%) and the 2003 return (25.40%), OPERS' cumulative investment return for the five-year period is one of our largest five-year investment returns. The five-year average annual investment return (2003-2007) of 13.86%, compared to the ten-year annual return (1998-2007) of 7.68% still serves to remind us of the poor market returns for the years 2000 through 2002. However, over the longer-term, our twenty-year return was 9.09%, and our twenty five-year return was 9.80%. The impact of these strong investment returns has been the major driver of the significant increase in funding ratio and in the corresponding decrease in amortization period. However, as discussed previously, it is important to note that the investment markets appear to be entering a downward cycle, and thus it is unlikely to expect these types of returns to continue in the upcoming years.

As noted in the report and in previous correspondence to you, OPERS has substantially completed a multi-year phase-in of contribution rate increases up to the statutory maximum, which began January 1, 2006. The only remaining contribution rate increase is the employer rate for the law enforcement division which will increase from the current rate of 17.4% to the statutory maximum of 18.1% over the remaining three years of the six-year phase-in period. Correspondingly, OPERS has increased the portion of the employer contribution rate dedicated to funding health care. These contribution rate increases are one component of a comprehensive Health Care Preservation Plan (HCPP), which provides a framework for the OPERS Board to make changes to the health care benefit in order to achieve the Board's target of a rolling solvency period of 20-40 years. The preliminary draft of OPERS' most recent study shows the System has a 30-year solvency period, indicating the assets the System has pre-funded are sufficient to fund 30 years of health care without additional changes. This is an

Mr. Aristotle Hutras
August 29, 2008
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increase from last year's solvency number (27 years), indicating the success of some of OPERS' initiatives.

The only other significant trend to note in the valuation is that while the System's total amortization years are within the 30-year funding requirement, the law program is not. Currently, Senate Bill 267 is being considered by the legislature, which would change the statutory maximum on the law enforcement member contribution rate from a fixed rate of 10.1% to a rate established by the OPERS Board that is within 1-2% of the rate for the public safety division. If this bill becomes law, the contribution rates for both the law enforcement and public safety divisions could be developed to more appropriately align with the benefit received by members of those divisions. We expect such changes would decrease the amortization period for the law program to a level below the 30-year limit. Additionally, beginning in 2008, OPERS merged the state and local divisions, given that the demographics and actuarial information for the two groups are very similar, and the contribution rates will be the same.

If you have any questions or need any additional information, please let me know.

Sincerely,



Chris DeRose
Executive Director

Enclosure

cc: Rep. Widener, Chair – House Financial Institutions, Real Estate, and Securities
Sen. Schuring, Chair – ORSC
Sen. Coughlin, Chair – Senate Health & Human Services
Rep. Schneider, Vice Chair – ORSC

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

ANNUAL ACTUARIAL VALUATION OF DEFINED BENEFIT
ALLOWANCES - TRADITIONAL AND COMBINED PLANS

DECEMBER 31, 2007

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August 29, 2008

The Retirement Board
Ohio Public Employees Retirement System
Columbus, Ohio

Ladies and Gentlemen:

The results of the *December 31, 2007 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.

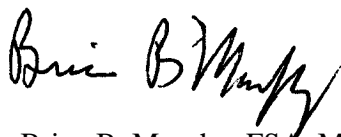
The individual member statistical data required for the valuations was furnished by your Executive Director and Staff, together with pertinent data on financial operations. Their cooperation in furnishing these materials is acknowledged with appreciation.

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, this report is complete and accurate and was made in accordance with standards of practice promulgated by the Actuarial Standards Board of the American Academy of Actuaries. The actuarial assumptions used for the valuation produce results which, individually and in the aggregate, are reasonable.

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

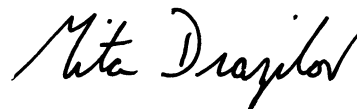
Respectfully submitted,



Brian B. Murphy, FSA, MAAA
NLJ/BBM:mrb



Norman L. Jones, FSA, MAAA



Mita D. Drazilov, ASA, MAAA

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, 2007 annual actuarial valuation of the Ohio Public Employees Retirement System (OPERS) Defined Benefit Allowances of the Traditional and Combined 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, 2007 is presented on the following page.

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

	2007				2006	
	Law			Total Law	Grand Total	Grand Total
	General	Public Safety	Law Enforcement			
A. Demographic Information						
1. Active Number Counts						
a. Traditional Plan	349,358	120	8,265	8,385	357,743	356,430
b. Combined Plan	<u>6,333</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,333</u>	<u>5,700</u>
c. Total	355,691	120	8,265	8,385	364,076	362,130
2. Active Payroll						
a. Traditional Plan	11,905	6	437	443	12,348	11,971
b. Combined Plan	<u>236</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>236</u>	<u>204</u>
c. Total	12,141	6	437	443	12,584	12,175
3. Retired Number Counts	159,816	130	3,565	3,695	163,511	159,041
4. Deferred / Inactive Number Counts	331,057	14	806	820	331,877	312,118
5. Member Directed Active Number Counts	<u>7,192</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,192</u>	<u>6,186</u>
6. Total Number Counts	853,756	264	12,636	12,900	866,656	839,475
B. Defined Benefit Assets						
1. Market Value (MV)	67,439	(57)	2,661	2,604	70,044	65,358
2. Rate of Return on MV					8.75%	14.82%
3. Funding Value (FV)	64,655	(54)	2,551	2,496	67,151	61,296
4. Rate of Return on FV					11.26%	14.16%
5. Ratio of FV to MV					95.9%	93.8%
C. Defined Benefit Actuarial Results						
1. Normal Cost as a % of Payroll	15.24%	19.05%	20.05%	20.03%	15.43%	14.87%
2. Actuarial Accrued Liability (AAL)						
a. Active	33,418	17	1,410	1,427	34,845	33,646
b. Retired	31,558	28	1,337	1,365	32,923	30,636
c. Deferred/Inactive	<u>1,945</u>	<u>0</u>	<u>21</u>	<u>21</u>	<u>1,966</u>	<u>1,879</u>
d. Total	66,921	46	2,767	2,813	69,734	66,161
3. Unfunded AAL (UAAL)	2,266	100	216	316	2,582	4,865
4. Funded Ratio	96.6 %	(119.3)%	92.2 %	88.7 %	96.3 %	92.6 %
D. Amortization Years to Fully Amortize UAAL *	12	N/A	N/A	N/A	14	26
E. Contribution Rates						
	CY 2010				CY 2009	
1. Pension Contributions						
a. Employer Normal Cost	5.24%	8.95%	9.95%	9.93%	5.43%	4.87%
b. Member Contribution Rate	10.00%	10.10%	10.10%	10.10%	10.00%	10.00%
c. UAAL Contribution Rate	<u>1.76%</u>	<u>1.92%</u>	<u>0.92%</u>	<u>0.94%</u>	<u>1.71%</u>	<u>2.26%</u>
d. Total	17.00%	20.97%	20.97%	20.97%	17.14%	17.13%
2. Retiree Health Contribution Rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
3. Total Employer Contribution Rate	14.00%	17.87%	17.87%	17.87%	14.14%	14.13%

* Based on schedule of employer and member contribution rates shown on page III-3. For GASB purposes, amortization years are determined based upon scheduled contribution rate increases through 2010. See page XII-8 for additional explanation.

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

	2007				2006	
	General	Law			Grand Total	Grand Total
		Public Safety	Law Enforcement	Total Law		
A. Demographic Information						
1. Active Number Counts	349,358	120	8,265	8,385	357,743	356,430
2. Active Payroll	11,904	6	437	443	12,347	11,971
3. Retired Number Counts	159,812	130	3,565	3,695	163,507	159,039
4. Deferred / Inactive Number Counts	<u>330,627</u>	<u>14</u>	<u>806</u>	<u>820</u>	<u>331,447</u>	<u>311,828</u>
5. Total Number Counts	839,797	264	12,636	12,900	852,697	827,297
B. Defined Benefit Assets						
1. Market Value (MV)	67,356	(57)	2,661	2,604	69,960	65,297
2. Rate of Return on MV					8.75%	14.83%
3. Funding Value (FV)	64,571	(54)	2,551	2,496	67,067	61,235
4. Rate of Return on FV					11.26%	14.17%
5. Ratio of FV to MV					95.9%	93.8%
C. Defined Benefit Actuarial Results						
1. Normal Cost as a % of Payroll	15.19%	19.05%	20.05%	20.03%	15.35%	14.80%
2. Actuarial Accrued Liability (AAL)						
a. Active	33,323	17	1,410	1,427	34,751	33,574
b. Retired	31,558	28	1,337	1,365	32,923	30,636
c. Deferred/Inactive	<u>1,944</u>	<u>0</u>	<u>21</u>	<u>21</u>	<u>1,965</u>	<u>1,879</u>
d. Total	66,826	46	2,767	2,813	69,639	66,089
3. Unfunded AAL (UAAL)	2,255	100	216	316	2,571	4,854
4. Funded Ratio	96.6 %	(119.3)%	92.2 %	88.7 %	96.3 %	92.7 %
D. Amortization Years to Fully Amortize UAAL *	12	N/A	N/A	N/A	14	25
E. Contribution Rates						
	CY 2010				CY 2009	
1. Pension Contributions						
a. Employer Normal Cost	5.19%	8.95%	9.95%	9.93%	5.35%	4.80%
b. Member Contribution Rate	10.00%	10.10%	10.10%	10.10%	10.00%	10.00%
c. UAAL Contribution Rate	<u>1.81%</u>	<u>1.92%</u>	<u>0.92%</u>	<u>0.94%</u>	<u>1.79%</u>	<u>2.33%</u>
d. Total	17.00%	20.97%	20.97%	20.97%	17.14%	17.13%
2. Retiree Health Contribution Rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
3. Total Employer Contribution Rate	14.00%	17.87%	17.87%	17.87%	14.14%	14.13%

* Based on schedule of employer and member contribution rates shown on page III-3. For GASB purposes, amortization years are determined based upon scheduled contribution rate increases through 2010. See page XII-8 for additional explanation.

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

	General	
	2007	2006
A. Demographic Information		
1. Active Number Counts	6,333	5,700
2. Active Payroll	236	204
3. Retired Number Counts	4	2
4. Deferred / Inactive Number Counts	<u>430</u>	<u>290</u>
5. Total Number Counts	6,767	5,992
B. Defined Benefit Assets		
1. Market Value (MV)	84	61
2. Rate of Return on MV	7.82%	7.73%
3. Funding Value (FV)	84	61
4. Rate of Return on FV	7.86%	7.82%
5. Ratio of FV to MV	100.0%	100.0%
C. Defined Benefit Actuarial Results		
1. Normal Cost as a % of Payroll	16.98%	17.01%
2. Actuarial Accrued Liability (AAL)		
a. Active	94	72
b. Retired	0	0
c. Deferred/Inactive	<u>1</u>	<u>0</u>
d. Total	95	72
3. Unfunded AAL (UAAL)	11	12
4. Funded Ratio	88.6 %	84.0 %
D. Contribution Rates		
	CY 2010	CY 2009
1. Total Normal Cost	16.98%	17.01%
2. Member Contribution Rate	<u>10.00%</u>	<u>10.00%</u>
3. Employer Normal Cost	6.98%	7.01%
4. Other Contributions #	7.02%	6.99%
5. Total Employer Contribution Rate	14.00%	14.00%

* Based on schedule of employer and member contribution rates shown on page III-3.

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

COMMENTS AND CONCLUSION

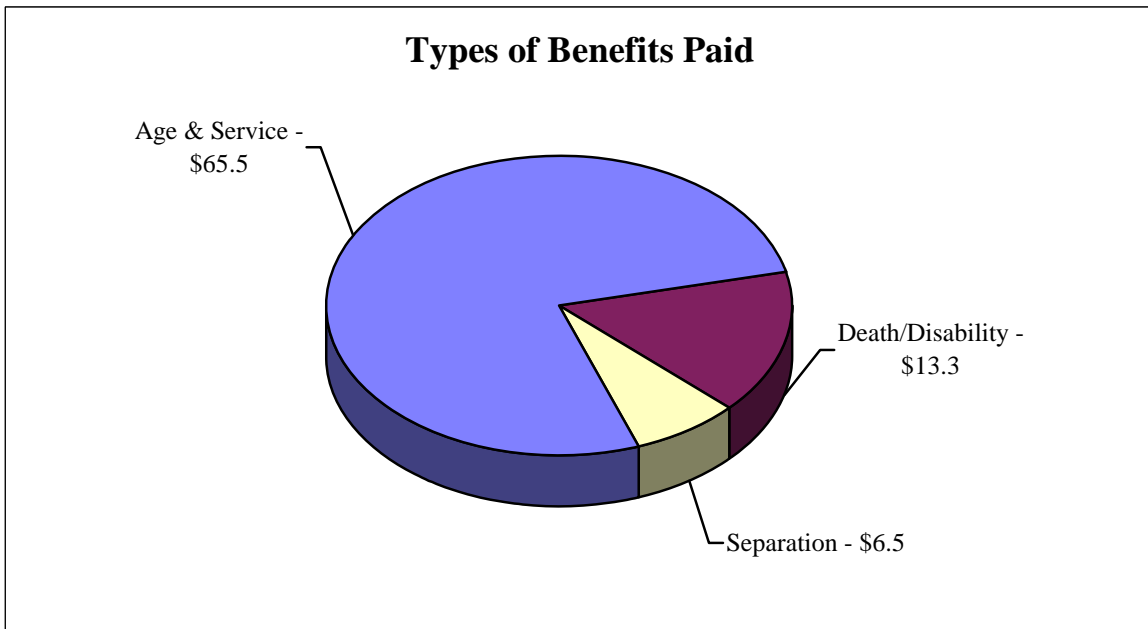
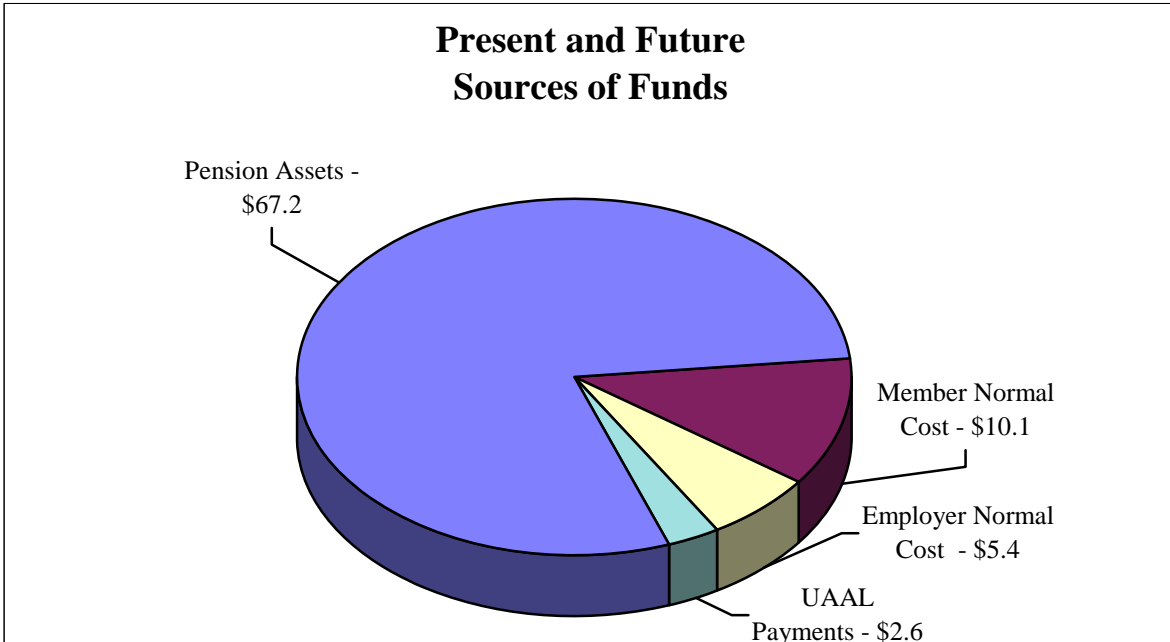
The December 31, 2007 actuarial valuations of members indicate the following about the portion of employer contribution rates allocated to financing retirement allowances:

- The employer rates are sufficient to fully fund the cost of benefit commitments being made to members for service currently being rendered. However, on a stand-alone basis, there is a small imbalance in the Combined Plan.
- 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 14 years for the System in total.

Experience. The computed amortization period, taking into account all scheduled increases in contribution rates is 14 years, compared with the 26 year period that had been reported in the December 31, 2006 valuation. This decrease in amortization years was primarily due to favorable recognized investment experience for the year ended December 31, 2007. Measured on a market value basis, investment return was 8.75%. This figure is based upon an actuarial calculation and may not agree with figures reported elsewhere. The market value of assets currently exceeds the funding value by \$2.9 billion. Based upon the market value of assets, the funded percent would be 100%. Information concerning 2007 experience including other sources of gains and losses is presented on pages I-13 through I-15.

Conclusion. Based on the results of the December 31, 2007 regular annual actuarial valuation, it is our opinion that the Ohio Public Employees Retirement System continues to be in sound financial condition in accordance with actuarial principles of level percent of payroll financing.

**FINANCING \$85.3 BILLION* OF DEFINED BENEFIT PROMISES
FOR PRESENT ACTIVE AND RETIRED MEMBERS
DECEMBER 31, 2007
(DOLLAR AMOUNTS IN BILLIONS)**



* Present value of future benefits – all divisions combined.

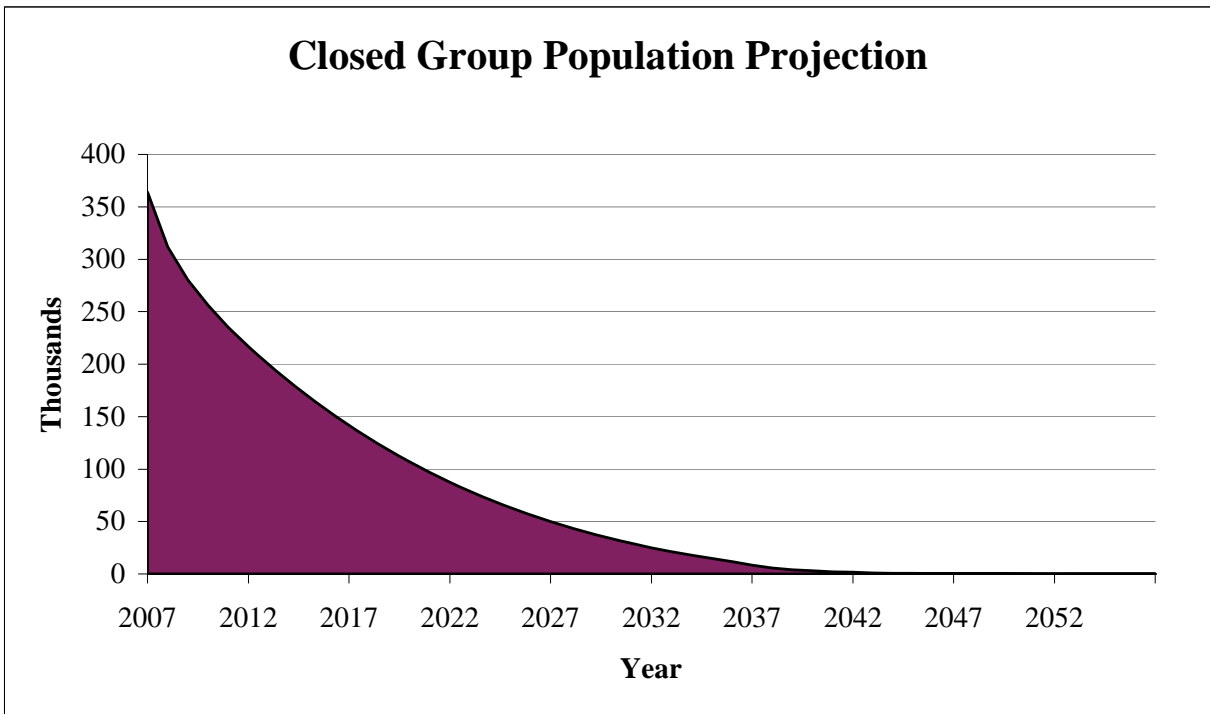
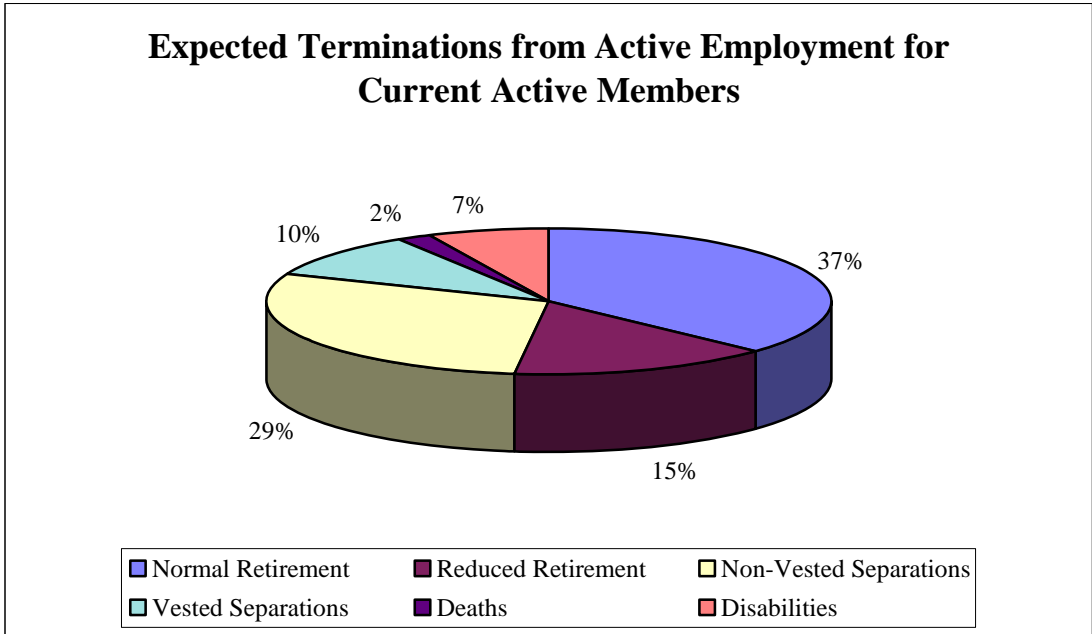
**DEFINED BENEFIT ACTIVE MEMBERS IN VALUATION
GROUP AVERAGES - COMPARATIVE STATEMENT**

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 %	
LOCAL GOV'T	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 %	
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 %	
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 %	

@ 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.

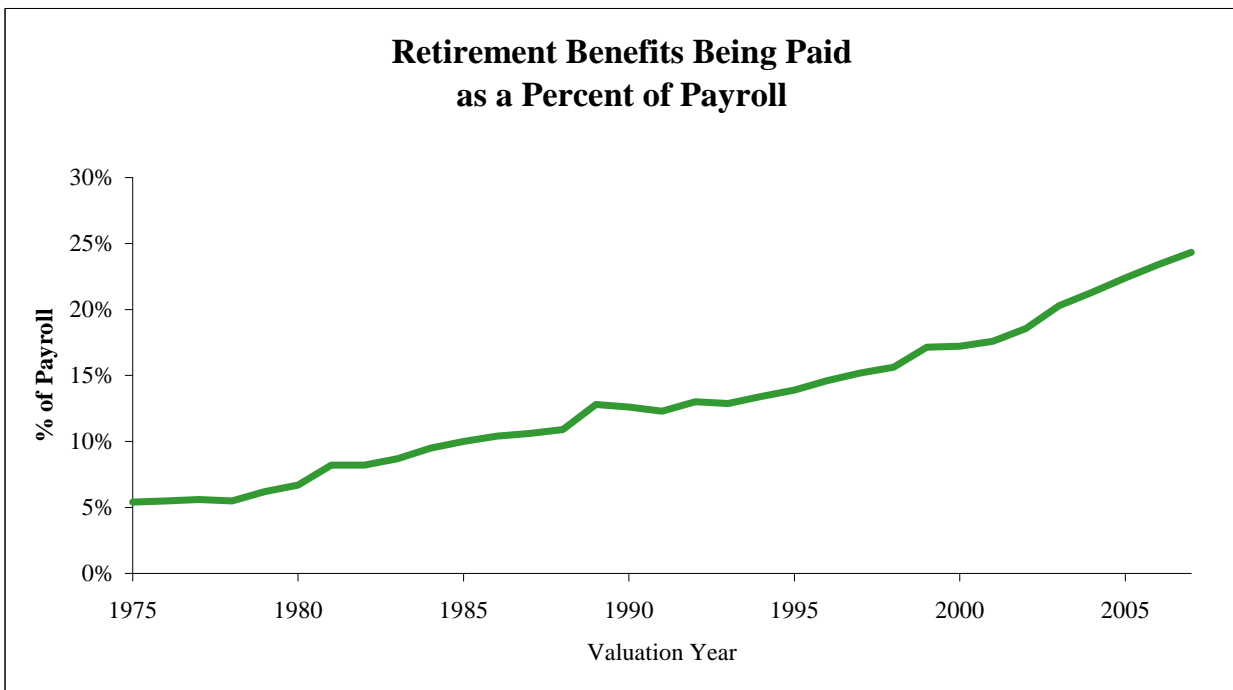
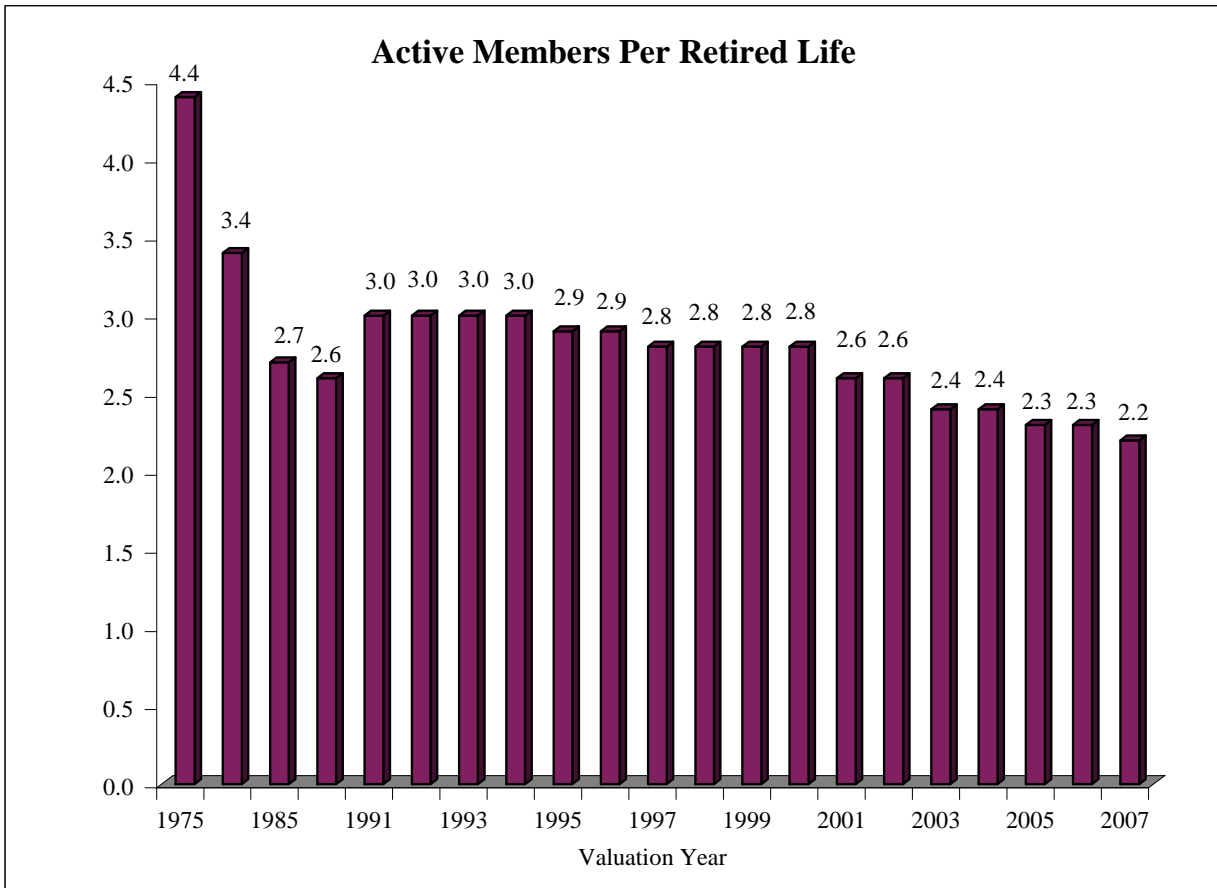
DEVELOPMENT OF PRESENT DEFINED BENEFIT POPULATION DECEMBER 31, 2007



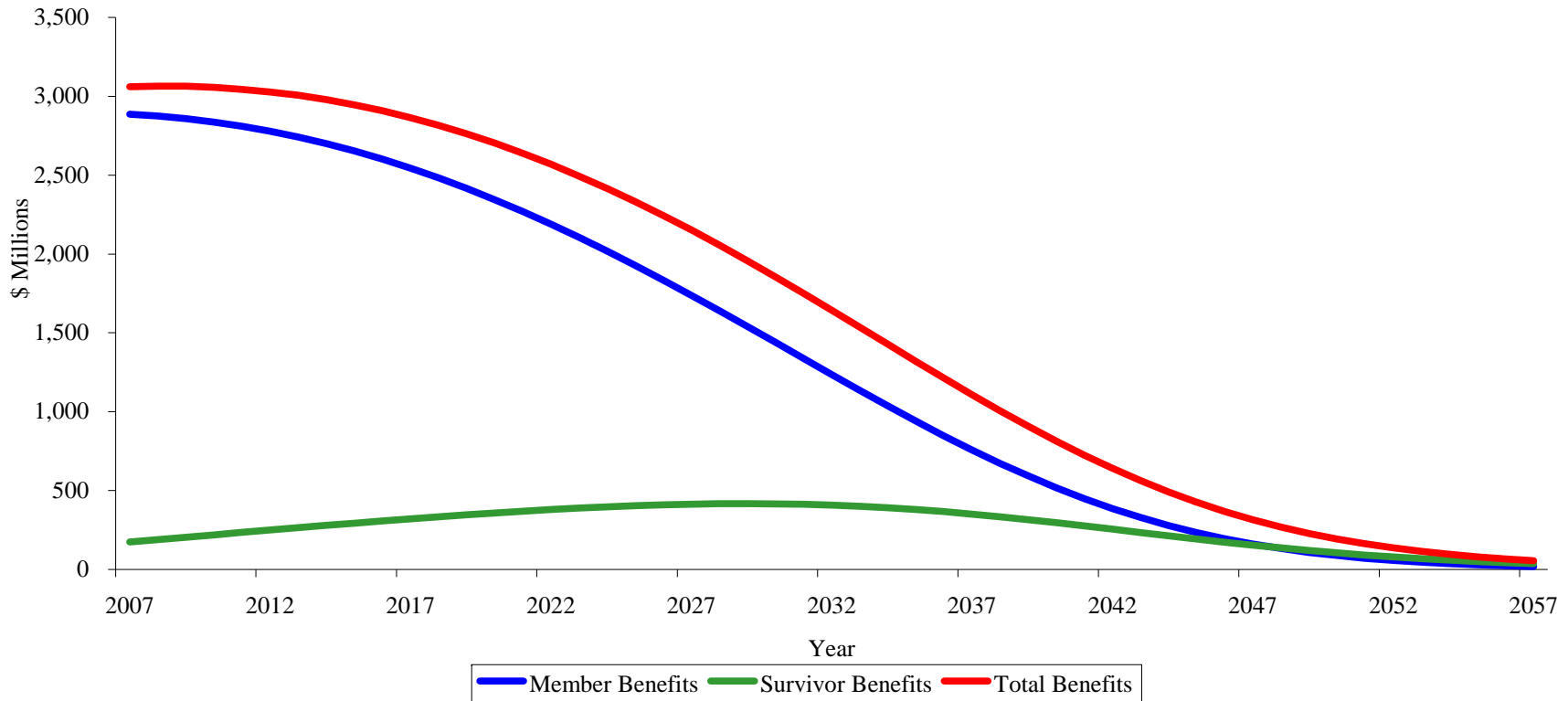
The charts show the expected future development of the present population in simplified terms. The defined benefit portion of the Retirement System presently covers 364,076 active members. Eventually, 29% of the population is expected to terminate covered employment prior to retirement and forfeit eligibility 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. 9% 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, 2007



PROJECTED FUTURE BENEFIT PAYMENTS ON BEHALF OF PRESENT RETIRED LIVES



Total future payments:	\$82.0 billion
From present assets:	\$32.9 billion
From future earnings:	\$49.1 billion

ALL DIVISIONS
DEFINED BENEFIT ACTIVE MEMBERS IN VALUATION
DECEMBER 31, 2007
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	13,566							13,566
Tot. Pay	\$84,792,420							\$84,792,420
Avg. Pay	\$6,250							\$6,250
20-24	31,361	450						31,811
Tot. Pay	\$375,040,371	\$9,127,185						\$384,167,556
Avg. Pay	\$11,959	\$20,283						\$12,077
25-29	23,421	5,473	257					29,151
Tot. Pay	\$579,434,997	\$193,952,690	\$9,040,763					\$782,428,450
Avg. Pay	\$24,740	\$35,438	\$35,178					\$26,841
30-34	15,668	10,850	3,274	129				29,921
Tot. Pay	\$435,165,940	\$438,803,544	\$140,406,331	\$5,170,582				\$1,019,546,397
Avg. Pay	\$27,774	\$40,443	\$42,885	\$40,082				\$34,075
35-39	14,352	10,493	9,318	3,353	109			37,625
Tot. Pay	\$395,631,423	\$427,380,056	\$439,057,996	\$162,141,785	\$4,906,136			\$1,429,117,396
Avg. Pay	\$27,566	\$40,730	\$47,119	\$48,357	\$45,010			\$37,983
40-44	12,948	9,381	7,999	8,205	3,682	205		42,420
Tot. Pay	\$342,241,748	\$369,712,306	\$370,520,526	\$421,374,978	\$189,361,584	\$10,417,821		\$1,703,628,963
Avg. Pay	\$26,432	\$39,411	\$46,321	\$51,356	\$51,429	\$50,819		\$40,161
45-49	12,538	9,518	8,027	8,202	7,719	5,042	272	51,318
Tot. Pay	\$316,673,515	\$358,239,138	\$346,644,076	\$408,918,491	\$419,944,599	\$266,647,967	\$13,910,243	\$2,130,978,029
Avg. Pay	\$25,257	\$37,638	\$43,185	\$49,856	\$54,404	\$52,885	\$51,141	\$41,525
50-54	10,902	8,819	7,805	7,615	6,676	7,465	2,359	51,641
Tot. Pay	\$270,397,411	\$318,909,281	\$321,839,244	\$360,745,796	\$350,396,195	\$420,820,790	\$133,755,904	\$2,176,864,621
Avg. Pay	\$24,803	\$36,162	\$41,235	\$47,373	\$52,486	\$56,373	\$56,700	\$42,154
55-59	7,825	6,690	5,941	6,610	5,461	4,747	3,003	40,277
Tot. Pay	\$182,688,010	\$235,905,711	\$239,464,055	\$300,426,244	\$274,983,441	\$265,806,038	\$187,207,179	\$1,686,480,678
Avg. Pay	\$23,347	\$35,262	\$40,307	\$45,450	\$50,354	\$55,995	\$62,340	\$41,872
60-64	4,582	3,779	3,339	3,520	3,049	2,239	1,451	21,959
Tot. Pay	\$84,333,992	\$123,193,204	\$127,103,018	\$152,105,442	\$146,338,692	\$118,033,802	\$88,356,006	\$839,464,156
Avg. Pay	\$18,405	\$32,599	\$38,066	\$43,212	\$47,996	\$52,717	\$60,893	\$38,229
65-69	2,584	1,541	1,186	1,045	865	693	486	8,400
Tot. Pay	\$28,720,019	\$36,379,238	\$39,254,280	\$41,247,972	\$38,936,662	\$33,014,030	\$27,085,528	\$244,637,729
Avg. Pay	\$11,115	\$23,608	\$33,098	\$39,472	\$45,013	\$47,639	\$55,732	\$29,124
70 & Over	2,256	1,414	753	544	410	263	347	5,987
Tot. Pay	\$15,909,517	\$16,121,285	\$13,501,624	\$14,624,562	\$14,310,468	\$10,853,762	\$15,943,831	\$101,265,049
Avg. Pay	\$7,052	\$11,401	\$17,930	\$26,883	\$34,904	\$41,269	\$45,948	\$16,914
Totals	152,003	68,408	47,899	39,223	27,971	20,654	7,918	364,076
Tot. Pay	\$3,111,029,363	\$2,527,723,638	\$2,046,831,913	\$1,866,755,852	\$1,439,177,777	\$1,125,594,210	\$466,258,691	\$12,583,371,444
Avg. Pay	\$20,467	\$36,951	\$42,732	\$47,593	\$51,452	\$54,498	\$58,886	\$34,562

**ALL DIVISIONS
DEFINED BENEFIT ACTIVE MEMBERS IN VALUATION
DECEMBER 31, 2007
BY GENDER AND YEARS OF SERVICE**

Service Years	Active Member Count			Active Member Pays	
	Males	Females	Total	Total	Average
0	29,866	35,207	65,073	\$ 825,856,414	\$12,691
1	14,443	17,729	32,172	709,528,690	22,054
2	9,914	12,472	22,386	591,550,690	26,425
3	7,871	9,726	17,597	520,752,572	29,593
4	6,840	7,935	14,775	463,340,997	31,360
5	6,133	7,499	13,632	466,593,965	34,228
6	6,344	7,753	14,097	489,764,587	34,742
7	6,490	8,594	15,084	559,296,558	37,079
8	6,173	7,421	13,594	528,381,373	38,869
9	5,423	6,578	12,001	483,687,155	40,304
10	5,013	5,818	10,831	438,076,640	40,447
11	4,658	5,503	10,161	425,099,907	41,836
12	4,367	4,855	9,222	394,909,144	42,823
13	4,616	4,996	9,612	425,103,539	44,226
14	3,778	4,295	8,073	363,642,683	45,044
15 & Up	46,370	49,396	95,766	4,897,786,530	51,143
Totals	168,299	195,777	364,076	\$12,583,371,444	\$34,562

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

	2007		2006	
	Total \$	% of Accrued Liabilities	Total \$	% of Accrued Liabilities
Beginning of Year				
1. Total Accrued Liabilities	\$66,160.73	100.0 %	\$61,146.04	100.0 %
2. Valuation Assets	61,295.59	92.6 %	54,473.38	89.1 %
3. Unfunded Actuarial Accrued Liabilities	\$ 4,865.14	7.4 %	\$ 6,672.66	10.9 %
Experience Gains(Losses)				
4. Gains (losses) in economic risk areas				
a. Pay increases	\$ 202.61	0.3 %	\$ 373.41	0.6 %
b. Investment return	1,979.23	3.0 %	3,332.07	5.4 %
c. Total	2,181.84	3.3 %	3,705.48	6.1 %
5. Gains (losses) from decrement experience				
a. Service retirement	(30.60)	0.0 %	(32.12)	(0.1)%
b. Disability retirement	37.79	0.1 %	3.90	0.0 %
c. Death-in-service	29.70	0.0 %	14.43	0.0 %
d. Other separations	(127.94)	(0.2)%	(137.52)	(0.2)%
e. Total	(91.05)	(0.1)%	(151.31)	(0.2)%
6. Total experience gains (losses): (4c) + (5e)	\$ 2,090.79	3.2 %	\$ 3,554.17	5.8 %
End of Year				
7. Total Accrued Liabilities	\$69,733.55	100.0 %	\$66,160.73	100.0 %
8. Valuation Assets	67,151.34	96.3 %	61,295.59	92.6 %
9. Unfunded Actuarial Accrued Liabilities	\$ 2,582.21	3.7 %	\$ 4,865.14	7.4 %

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

	2007		2006	
	Total \$	% of Accrued Liabilities	Total \$	% of Accrued Liabilities
Beginning of Year				
1. Total Accrued Liabilities	\$66,088.52	100.0 %	\$61,098.70	100.0 %
2. Valuation Assets	61,234.91	92.7 %	54,433.12	89.1 %
3. Unfunded Actuarial Accrued Liabilities	\$ 4,853.61	7.3 %	\$ 6,665.58	10.9 %
Experience Gains (Losses)				
4. Gains (losses) in economic risk areas				
a. Pay increases	\$ 202.39	0.3 %	\$ 373.26	0.6 %
b. Investment return	1,979.33	3.0 %	3,332.16	5.5 %
c. Total	2,181.72	3.3 %	3,705.42	6.1 %
5. Gains (losses) from decrement experience				
a. Service retirement	(30.57)	0.0 %	(32.11)	(0.1)%
b. Disability retirement	36.67	0.1 %	3.01	0.0 %
c. Death-in-service	29.48	0.0 %	14.29	0.0 %
d. Other separations	(129.01)	(0.2)%	(134.37)	(0.2)%
e. Total	(93.43)	(0.1)%	(149.18)	(0.2)%
6. Total experience gains (losses): (4c) + (5e)	\$ 2,088.29		\$ 3,556.24	5.8 %
End of Year				
7. Total Accrued Liabilities	\$69,638.54	100.0 %	\$66,088.52	100.0 %
8. Valuation Assets	67,067.18	96.3 %	61,234.91	92.7 %
9. Unfunded Actuarial Accrued Liabilities	\$ 2,571.35	3.7 %	\$ 4,853.61	7.3 %

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

	2007		2006	
	Total \$	% of Accrued Liabilities	Total \$	% of Accrued Liabilities
Beginning of Year				
1. Total Accrued Liabilities	\$72.21	100.0 %	\$47.34	100.0 %
2. Valuation Assets	60.68	84.0 %	40.26	85.0 %
3. Unfunded Actuarial Accrued Liabilities	\$ 11.53	16.0 %	\$ 7.08	15.0 %
Experience Gains (Losses)				
4. Gains (losses) in economic risk areas				
a. Pay increases	\$ 0.22	0.3 %	\$ 0.15	0.3 %
b. Investment return	(0.10)	(0.1)%	(0.09)	(0.2)%
c. Total	0.12	0.2 %	0.06	0.1 %
5. Gains (losses) from decrement experience				
a. Service retirement	(0.03)	0.0 %	(0.01)	(0.0)%
b. Disability retirement	1.12	1.6 %	0.89	1.9 %
c. Death-in-service	0.21	0.3 %	0.14	0.3 %
d. Other separations	1.08	1.5 %	(3.15)	(6.7)%
e. Total	2.38	3.4 %	(2.13)	(4.5)%
6. Total experience gains (losses): (4c) + (5e)	\$ 2.50	3.6 %	\$ (2.07)	(4.4)%
End of Year				
7. Total Accrued Liabilities	\$95.01	100.0 %	\$72.21	100.0 %
8. Valuation Assets	84.16	88.6 %	60.68	84.0 %
9. Unfunded Actuarial Accrued Liabilities	\$ 10.86	11.4 %	\$ 11.53	16.0 %

SECTION II

FINANCIAL INFORMATION

FINANCIAL DATA FOR CALENDAR YEAR 2007
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 2007
Beginning Market Value @ 12/31/06											
Assets Held in Trust for Benefits	\$ 65,201,356,983	\$ 60,519,153	\$ -	\$ 65,261,876,136	\$ 12,838,059,079	\$ 25,331,889	\$ 12,863,390,968	\$ 53,479,881	\$ 86,524,882	\$ 140,004,763	\$ 78,265,271,867
Assets Held for Upcoming Year Budget	95,995,910	-	-	95,995,910	-	-	-	-	-	-	95,995,910
Total Beginning Market Value @ 12/31/06	\$ 65,297,352,893	\$ 60,519,153	\$ -	\$ 65,357,872,046	\$ 12,838,059,079	\$ 25,331,889	\$ 12,863,390,968	\$ 53,479,881	\$ 86,524,882	\$ 140,004,763	\$ 78,361,267,777
External Cash Flows:											
Revenues:											
Member Contributions / Deposits	\$ 1,238,384,879	\$ 81,929	\$ -	\$ 1,238,466,808	\$ -	\$ -	\$ -	\$ 22,147,210	\$ 21,898,459	\$ 44,045,669	\$ 1,282,512,476
Employer Contributions	1,102,540,320	19,254,344	-	1,121,794,664	698,813,583	10,241,714	709,055,297	13,080	21,081,615	21,094,696	1,851,944,657
Retiree Paid Health Care Premiums	-	-	-	-	79,220,937	-	79,220,937	-	-	-	79,220,937
Refund from HC Vendors	-	-	-	-	42,666,293	-	42,666,293	-	-	-	42,666,293.09
Medicare Part D Reimbursements	-	-	-	-	59,075,120	-	59,075,120	-	-	-	59,075,119.78
Other Income / Cancelled Warrants	40,061	-	-	40,061	70,498	-	70,498	-	-	-	110,559
Total Revenues	\$ 2,340,965,260	\$ 19,336,273	\$ -	\$ 2,360,301,533	\$ 879,846,431	\$ 10,241,714	\$ 890,088,145	\$ 22,160,290	\$ 42,980,074	\$ 65,140,364	\$ 3,315,530,042
Disbursements:											
Refunds of Member Accounts	\$ (213,007,451)	\$ (652)	\$ -	\$ (213,008,103)	\$ -	\$ -	\$ -	\$ (2,706,978)	\$ (5,377,668)	\$ (8,084,645)	\$ (221,092,749)
Retirement Benefits	(3,136,978,910)	(5,451)	(1,236)	(3,136,985,597)	-	-	-	-	(9,600)	(9,600)	(3,136,995,197)
Retiree Paid Post Retirement Health Care	-	-	-	-	(79,220,937)	-	(79,220,937)	-	-	-	(79,220,937)
ER Paid Post Retirement Health Care	-	-	-	-	(1,101,358,709)	(53,812)	(1,101,412,521)	-	-	-	(1,101,412,521)
ER Paid Post Retirement Medicare	-	-	-	-	(99,175,973)	-	(99,175,973)	-	-	-	(99,175,973)
RMA Funding	-	-	-	-	(3,020,425)	-	(3,020,425)	-	-	-	(3,020,425)
Administrative Expenses	(68,599,858)	-	-	(68,599,858)	(14,605,545)	(984,739)	(15,590,285)	(3,990,646)	(3,699,870)	(7,690,515)	(91,880,658)
Total Disbursements	\$ (3,418,586,219)	\$ (6,103)	\$ (1,236)	\$ (3,418,593,558)	\$ (1,297,381,590)	\$ (1,038,551)	\$ (1,298,420,141)	\$ (6,697,624)	\$ (9,087,137)	\$ (15,784,761)	\$ (4,732,798,459)
Net External Cash Flow	\$ (1,077,620,958)	\$ 19,330,170	\$ (1,236)	\$ (1,058,292,025)	\$ (417,535,158)	\$ 9,203,163	\$ (408,331,996)	\$ 15,462,666	\$ 33,892,937	\$ 49,355,603	\$ (1,417,268,417)
Inter-Plan Activity											
Member Balance Transfers & Plan Switches	\$ 448,873	\$ 149,806	\$ 27,649	\$ 626,328	\$ -	\$ -	\$ -	\$ (190,972)	\$ (435,356)	\$ (626,328)	\$ -
DCP Fixed Assets Advanced by TP	(718,113)	-	-	(718,113)	-	70,864	70,864	368,878	278,371	647,249	0
Mitigation Rate	2,916,462	(1,474,065)	-	1,442,397	-	-	-	-	(1,442,397)	(1,442,397)	-
Interest on 12/31/05 Advance Balance	1,604,298	-	-	1,604,298	-	-	-	(747,007)	(857,291)	(1,604,298)	-
Income Applied to Advance (Loan) Balance	-	(581,036)	(113)	(581,149)	-	-	-	581,036	113	581,149	-
Total Inter-Plan Activity	\$ 4,251,520	\$ (1,905,295)	\$ 27,536	\$ 2,373,761	\$ -	\$ 70,864	\$ 70,864	\$ 11,935	\$ (2,456,560)	\$ (2,444,625)	\$ 0
Investment Income:											
Interest and Dividends	\$ 1,988,427,420	\$ 2,097,333	\$ 408	\$ 1,990,525,161	\$ 372,272,060	\$ 912,627	\$ 373,184,687	\$ 2,086,612	\$ 3,158,939	\$ 5,245,551	\$ 2,368,955,399
Other Ordinary Investment Income	878,350,524	926,466	179	879,277,169	20,894,520	403,136	21,297,656	5,104	7,726	12,830	900,587,655
Realized Capital Value Changes	2,978,595,633	3,112,248	606	2,981,708,486	479,748,239	1,356,363	481,104,602	1,993,827	3,011,149	5,004,976	3,467,818,065
External Asset Management Fees	(109,715,953)	(115,725)	(22)	(109,831,700)	(10,491,258)	(50,357)	(10,541,615)	(139,809)	(219,626)	(359,435)	(120,732,750)
Rounding	-	-	-	-	-	-	-	-	-	-	-
Investment Return	\$ 5,735,657,624	\$ 6,020,322	\$ 1,171	\$ 5,741,679,116	\$ 862,423,561	\$ 2,621,769	\$ 865,045,330	\$ 3,945,734	\$ 5,958,188	\$ 9,903,922	\$ 6,616,628,369
Ending Market Value @ 12/31/07	\$ 69,959,641,079	\$ 83,964,349	\$ 27,470	\$ 70,043,632,898	\$ 13,282,947,481	\$ 37,227,685	\$ 13,320,175,166	\$ 72,900,216	\$ 123,919,448	\$ 196,819,664	\$ 83,560,627,728

**DEVELOPMENT OF FUNDING VALUE OF PENSION DEFINED BENEFIT ASSETS
(BASED UPON 4 YEAR PHASE-IN OF DIFFERENCES BETWEEN ACTUAL AND ASSUMED RETURN)**

Year Ended December 31	2006	2007	2008	2009	2010
A. Funding Value Beginning of Year	\$54,473,377,630	\$61,295,587,289			
B. Market Value End of Year	65,357,872,046	70,043,632,898			
C. Market Value Beginning of Year	57,702,370,411	65,357,872,046			
D. Non-Investment/Administrative Net Cash Flow					
D1. Member Contributions	1,130,754,140	1,238,466,808			
D2. Employer and other Non-Member Contributions	1,169,287,115	1,123,277,122			
D3. Refund of Member Accounts	(228,065,638)	(213,008,103)			
D4. Retirement Benefits	(2,906,857,988)	(3,136,985,597)			
D5. Member Balance Transfers	525,350	626,328			
D6. Total Net Cash Flow: D1+D2+D3+D4+D5	(834,357,021)	(987,623,442)			
E. Investment Return					
E1. Market Total:B-C-D6	8,489,858,656	5,673,384,294			
E2. Assumed Rate of Return	8.00%	8.00%			
E3. Assumed Amount of Return	4,324,495,930	4,864,142,045			
E4. Amount Subject to Phase-In: E1-E3	4,165,362,726	809,242,249			
F. Phased-In Recognition of Investment Return					
F1. Current year: 0.25xE4	1,041,340,682	202,310,562			
F2. First Prior Year	202,684,013	1,041,340,682	\$202,310,562		
F3. Second Prior Year	532,894,690	202,684,013	1,041,340,682	\$202,310,562	
F4. Third Prior Year	1,555,151,365	532,894,689	202,684,011	1,041,340,680	\$202,310,563
F5. Total Phase-Ins	3,332,070,750	1,979,229,946	1,446,335,255	1,243,651,242	202,310,563
G. Funding Value End of Year					
G1. Preliminary Funding Value End of Year: A+D6+E3+F5	\$61,295,587,289	\$67,151,335,838			
G2. Upper Corridor Limit: 112% x B	73,200,816,692	78,448,868,846			
G3. Lower Corridor Limit: 88% x B	57,514,927,400	61,638,396,950			
G4. Funding Value End of Year	\$61,295,587,289	\$67,151,335,838			
H. Difference Between Market and Funding Value	4,062,284,757	2,892,297,060	1,445,961,805	202,310,563	-
I. Recognized Rate of Return	14.16%	11.26%			
J. Market Rate of Return	14.82%	8.75%			
K. Ratio of Funding Value to Market Value	94%	96%			

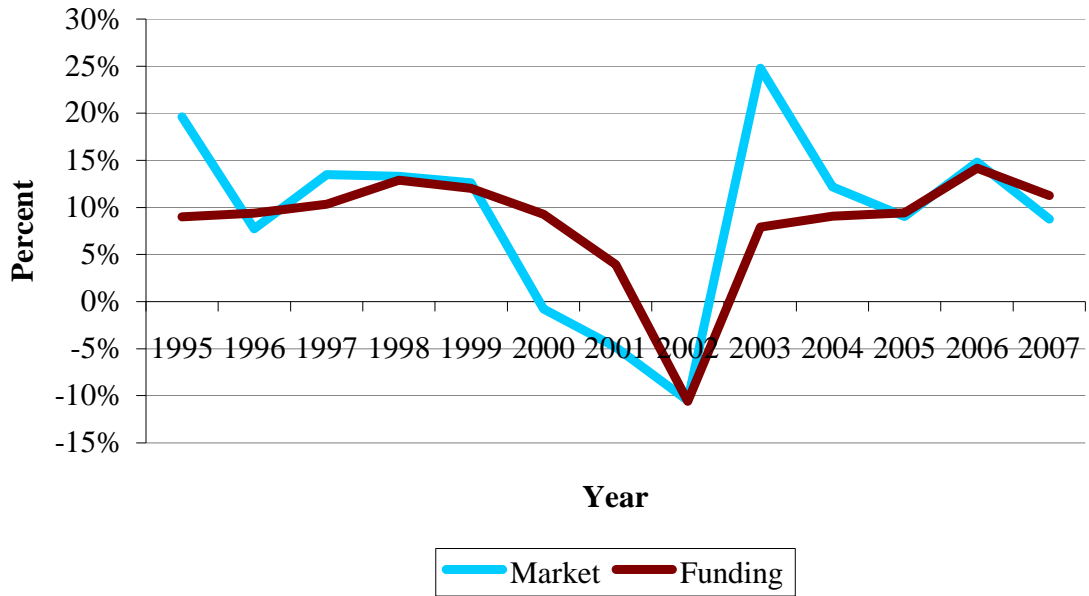
The Funding Value of Assets recognizes assumed investment return (line E3) fully each year. Differences between actual and assumed investment return (line E4) are phased in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend 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, 2007

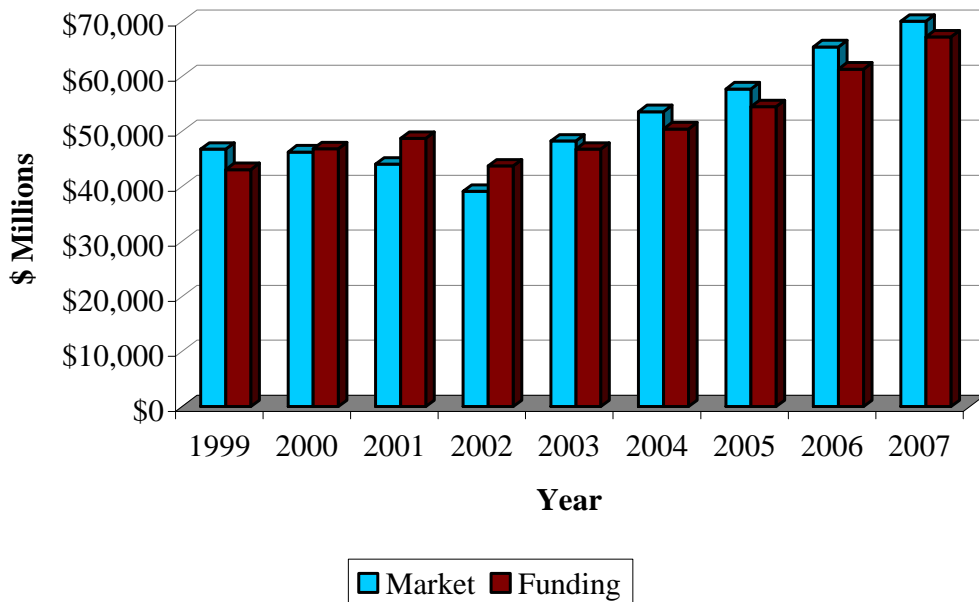
	State	Local	Law		Total
			Public Safety	Law Enforcement	
(1) Employer Accumulation Fund-Traditional Plan	\$ 10,074,848,347	\$ 14,499,444,905	\$ (87,241,526)	\$ 931,572,419	\$ 25,418,624,145
(2) Employer Accumulation Fund-Combined Plan	\$ 29,712,861	\$ 53,695,160	\$ 0	\$ 0	\$ 83,408,021
(3) Employer Accumulation Fund-Member Directed Plan	\$ 0	\$ 946	\$ 0	\$ 0	\$ 946
(4) Retired Assets-Traditional Plan	\$ 12,958,179,606	\$ 17,814,231,107	\$ 26,470,960	\$ 1,273,570,288	\$ 32,072,451,961
(5) Retired Assets-Combined Plan	\$ 0	\$ 60,804	\$ 0	\$ 0	\$ 60,804
(6) Retired Assets-Member Directed Plan	<u>\$ 0</u>	<u>\$ 27,543</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,543</u>
(7) Subtotal: (1)+(2)+(3)+(4)+(5)+(6)	\$ 23,062,740,814	\$ 32,367,460,465	\$ (60,770,566)	\$ 2,205,142,707	\$ 57,574,573,420
(8) Member Deposits from Participant Data-Traditional Plan					
(a) Active Member Deposits	\$ 4,496,815,659	\$ 6,840,544,597	\$ 5,646,234	\$ 458,765,482	\$ 11,801,771,972
(b) Inactive Member Deposits	<u>\$ 490,943,941</u>	<u>\$ 680,119,488</u>	<u>\$ 206,971</u>	<u>\$ 12,540,012</u>	<u>\$ 1,183,810,412</u>
(c) Total Member Deposits: (a)+(b)	\$ 4,987,759,600	\$ 7,520,664,085	\$ 5,853,205	\$ 471,305,494	\$ 12,985,582,384
(9) Share of Total Member Deposits	38.41%	57.91%	0.05%	3.63%	100.00%
(10) Employee Savings Fund Allocated According to (9)	4,142,765,470	6,245,965,853	5,392,821	391,518,840	10,785,642,984
(11) Subtotal: (7)+(10)	27,205,506,284	38,613,426,318	(55,377,745)	2,596,661,547	68,360,216,404
(12) Assets Without Division Allocated According to (11)	629,311,391	893,196,722	(1,280,985)	60,065,366	1,581,292,494
(13) Assets Held For Upcoming Year Budget Allocated According to (9)	<u>40,642,574</u>	<u>57,684,977</u>	<u>(82,729)</u>	<u>3,879,178</u>	<u>102,124,000</u>
(14) Total Employer +Employee Defined Benefit Assets: (11)+(12)+(13)	\$ 27,875,460,249	\$ 39,564,308,017	\$ (56,741,459)	\$ 2,660,606,091	\$ 70,043,632,898
(15) Share of Defined Benefit Market Value	39.80 %	56.48 %	(0.08)%	3.80 %	100.00 %
(16) Market Value Adjustment Allocated According to (15)	(1,151,134,230)	(1,633,569,380)	2,313,838	(109,907,288)	(2,892,297,060)
(17) Funding Value of Defined Benefit Assets (14)+(16)	\$ 26,724,326,019	\$ 37,930,738,637	\$ (54,427,621)	\$ 2,550,698,803	\$ 67,151,335,838

COMPARISON OF DEFINED BENEFIT ASSETS

Comparison of Rates of Return



Comparison of Defined Benefit 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 nine 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 2008. 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 10.1% of earnable salary effective 1/1/2001. Remaining Law enforcement members (Public Safety) contribute 10.1% of earnable salary in 2008.

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
2007	13.77%	13.85%	17.17%	17.17%
2008	14.00	14.00	17.40	17.40
2009	14.00	14.00	17.63	17.63
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
2007	5.00% through 6/30/2007; 6.00% thereafter
2008 and Later	7.00%

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

Year	State	Local Government	Law Enforcement	Public Safety
2007	9.50%	9.50%	10.10%	9.75%
2008 and Later	10.00	10.00	10.10	10.10

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 1/4 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 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%

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
STATE OR LOCAL MEMBER - NORMAL RETIREMENT
RETIRING DECEMBER 31, 2007
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)
2008	\$ 19,947	\$ 19,947	\$ 23,520
2009	20,545	20,545	24,226
2010	21,144	21,144	24,931
2011	21,742	21,742	25,637
2012	22,341	22,341	26,342
2013	22,939	22,939	27,048
2014	23,537	23,537	27,754
2015	24,136	24,136	28,459
2016	24,734	24,734	29,165
2017	25,333	25,333	29,870

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
STATE OR LOCAL MEMBER - EARLY RETIREMENT
RETIRING DECEMBER 31, 2007
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) x (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)
2008	\$ 12,419	\$ 12,419	\$ 14,643
2009	12,792	12,792	15,082
2010	13,164	13,164	15,522
2011	13,537	13,537	15,961
2012	13,910	13,910	16,400
2013	14,282	14,282	16,840
2014	14,655	14,655	17,279
2015	15,027	15,027	17,718
2016	15,400	15,400	18,158
2017	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, 2007
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:

Year Ended December 31,	Retiree's Benefit (Both Alive)	Spouse's Benefit (After Retiree's Death)	Retiree's Benefit (After Spouse's Death)
2008	\$ 19,057	\$ 19,057	\$ 20,915
2009	19,629	19,629	21,542
2010	20,200	20,200	22,170
2011	20,772	20,772	22,797
2012	21,344	21,344	23,425
2013	21,916	21,916	24,052
2014	22,487	22,487	24,680
2015	23,059	23,059	25,307
2016	23,631	23,631	25,935
2017	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, 2007
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)
2008	\$ 23,822	\$ 23,822	\$ 26,144
2009	24,537	24,537	26,928
2010	25,251	25,251	27,713
2011	25,966	25,966	28,497
2012	26,681	26,681	29,281
2013	27,395	27,395	30,066
2014	28,110	28,110	30,850
2015	28,825	28,825	31,634
2016	29,539	29,539	32,419
2017	30,254	30,254	33,203

**SAMPLE BENEFIT COMPUTATION – TRADITIONAL PLAN
STATE OR LOCAL MEMBER – TERMINATION BENEFIT
RETIRING DECEMBER 31, 2007
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) x (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, terminnee may elect to receive a refund of accumulated contributions with interest plus an additional 67% of eligible accumulated contributions because terminnee had more than 10 years of service.	73,480

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)
2008	\$ 7,542	\$ 7,542	\$ 8,976
2009	7,768	7,768	9,245
2010	7,995	7,995	9,515
2011	8,221	8,221	9,784
2012	8,447	8,447	10,053
2013	8,673	8,673	10,322
2014	8,900	8,900	10,592
2015	9,126	9,126	10,861
2016	9,352	9,352	11,130
2017	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, 2007
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: $(0.015 \times 15 \text{ years}) \times \$38,000 =$	\$ 8,550
I.	Reduction for Line F Election: $(1 - 0.89538) \times (H) =$	<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, terminnee may elect to receive a refund of accumulated contributions with interest plus an additional 67% of eligible accumulated contributions because terminnee had more than 10 years of service.	76,820

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)
2008	\$ 7,655	\$ 7,655	\$ 8,550
2009	7,885	7,885	8,807
2010	8,114	8,114	9,063
2011	8,344	8,344	9,320
2012	8,574	8,574	9,576
2013	8,803	8,803	9,833
2014	9,033	9,033	10,089
2015	9,263	9,263	10,346
2016	9,492	9,492	10,602
2017	9,722	9,722	10,859

SECTION IV

RECOMMENDATIONS FOR RESERVE TRANSFERS

DECEMBER 31, 2007 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 and IV-3 should be netted off the "Other" column on pages IV-2 and IV-3.

TRADITIONAL PLAN *
RESERVE TRANSFERS AFFECTING THE EMPLOYER ACCUMULATION FUND
DECEMBER 31, 2007

	Assets Before Transfers	Transfers		Assets After Transfers	Liabilities	Ratio
		Accrued	Other			
State						
A&PR FUND						
SR	\$10,282,903,878	\$233,632,695	\$42,364,352	\$10,558,900,925	\$10,558,900,925	
MP	\$14,261,458	\$176,410	\$(454,901)	\$13,982,967	\$13,982,967	
AA	\$606,007	\$0	\$(206,200)	\$399,807	\$399,807	
JR	\$35,605	\$0	\$(35,605)	\$0	\$0	
CR	\$41,194,655	\$139,873	\$5,947,737	\$47,282,265	\$47,282,265	
DR	\$1,867,163,547	\$25,138,054	\$1,474,180	\$1,893,775,781	\$1,893,775,781	
BD	\$255,743,294	\$11,753,503	\$2,577,150	\$270,073,947	\$270,073,947	
TOTAL A&PR	\$12,461,908,444	\$270,840,535	\$51,666,713	\$12,784,415,692	\$12,784,415,692	100.0%
SBF						
AA	\$0	\$0	\$0	\$0	\$0	
S-1	\$99,986,481	\$1,204,133	\$(513,387)	\$100,677,227	\$100,677,227	
S-2	\$396,284,681	\$3,742,546	\$(2,244,210)	\$397,783,017	\$397,783,017	
TOTAL SBF	\$496,271,162	\$4,946,679	\$(2,757,597)	\$498,460,244	\$498,460,244	100.0%
TOTAL STATE	\$12,958,179,606	\$275,787,214	\$48,909,116	\$13,282,875,936	\$13,282,875,936	100.0%
Local						
A&PR FUND						
SR	\$14,671,184,688	\$321,734,495	\$(442,841,022)	\$14,550,078,161	\$14,550,078,161	
MP	\$(495,757,337)	670,278	532,702,808	37,615,749	37,615,749	
AA	16,965,656	776,561	7,697,267	25,439,484	25,439,484	
JR	\$(15,474)	0	15,474	0	0	
CR	57,052,970	594,993	6,607,048	64,255,011	64,255,011	
DR	2,433,742,786	19,880,073	980,278	2,454,603,137	2,454,603,137	
BD	296,869,918	12,288,142	441,886	309,599,946	309,599,946	
TOTAL A&PR	16,980,043,207	355,944,542	105,603,739	17,441,591,488	17,441,591,488	100.0%
SBF						
AA	\$(3,956)	0	3,956	0	0	
S-1	163,201,002	553,953	\$(1,128,807)	162,626,148	162,626,148	
S-2	671,018,397	4,098,912	\$(4,016,220)	671,101,089	671,101,089	
TOTAL SBF	834,215,443	4,652,865	\$(5,141,071)	833,727,237	833,727,237	100.0%
TOTAL LOCAL	\$17,814,258,650	\$360,597,407	\$100,462,668	\$18,275,318,725	\$18,275,318,725	100.0%

* Includes Member Directed Plan members who annuitized all or part of their defined contribution account.

**TRADITIONAL PLAN
RESERVE TRANSFERS AFFECTING THE EMPLOYER ACCUMULATION FUND
DECEMBER 31, 2007**

	Assets Before Transfers	Transfers		Assets After Transfers	Liabilities	Ratio
		Accrued	Other			
Public Safety						
A&PR FUND						
SR	\$4,950,466	\$0	\$625,783	\$5,576,249	\$5,576,249	
MP	\$0	\$0	\$0	\$0	\$0	
AA	\$0	\$0	\$0	\$0	\$0	
JR	\$0	\$0	\$0	\$0	\$0	
CR	\$(70,978)	\$0	\$70,978	\$0	\$0	
DR	\$7,781,461	\$415,335	\$369,101	\$8,565,897	\$8,565,897	
BD	\$835,431	\$0	\$30,807	\$866,238	\$866,238	
TOTAL A&PR	\$13,496,380	\$415,335	\$1,096,669	\$15,008,384	\$15,008,384	100.0%
SBF						
AA	\$0	\$0	\$0	\$0	\$0	
S-1	\$378,626	\$0	\$(378,626)	\$0	\$0	
S-2	\$12,595,954	\$52,221	\$313,386	\$12,961,561	\$12,961,561	
TOTAL SBF	\$12,974,580	\$52,221	\$(65,240)	\$12,961,561	\$12,961,561	100.0%
TOTAL PUBLIC SAFETY	\$26,470,960	\$467,556	\$1,031,429	\$27,969,945	\$27,969,945	100.0%
Law Enforcement						
A&PR FUND						
SR	\$744,716,315	\$34,811,632	\$12,875,095	\$792,403,042	\$792,403,042	
MP	\$(20)	\$0	\$20	\$0	\$0	
AA	\$0	\$0	\$0	\$0	\$0	
JR	\$2,221,354	\$0	\$(2,221,354)	\$0	\$0	
CR	\$170,381	\$210,534	\$30,259	\$411,174	\$411,174	
DR	\$452,156,909	\$4,065,809	\$7,211,319	\$463,434,037	\$463,434,037	
BD	\$44,253,650	\$2,790,633	\$2,664,313	\$49,708,596	\$49,708,596	
TOTAL A&PR	\$1,243,518,589	\$41,878,608	\$20,559,652	\$1,305,956,849	\$1,305,956,849	100.0%
SBF						
AA	\$0	\$0	\$0	\$0	\$0	
S-1	\$7,758,447	\$0	\$70,494	\$7,828,941	\$7,828,941	
S-2	\$22,293,252	\$34,162	\$607,482	\$22,934,896	\$22,934,896	
TOTAL SBF	\$30,051,699	\$34,162	\$677,976	\$30,763,837	\$30,763,837	100.0%
TOTAL LAW ENFORCEMENT	\$1,273,570,288	\$41,912,770	\$21,237,628	\$1,336,720,686	\$1,336,720,686	100.0%
GRAND TOTAL	\$32,072,479,504	\$678,764,947	\$171,640,841	\$32,922,885,292	\$32,922,885,292	100.0%

**COMBINED PLAN
RESERVE TRANSFERS AFFECTING THE EMPLOYER ACCUMULATION FUND
DECEMBER 31, 2007**

	Assets Before Transfers	Transfers		Assets After Transfers	Liabilities	Ratio
		Accrued	Other			
State						
A&PR FUND						
SR	\$0	\$0	\$0	\$0	\$0	
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	0	0	0	0	0	
BD	0	0	0	0	0	
TOTAL A&PR	0	0	0	0	0	
TOTAL STATE	0	0	0	0	0	
Local						
A&PR FUND						
SR	60,804	19,867	7,000	87,671	87,671	
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	0	0	0	0	0	
BD	0	0	0	0	0	
TOTAL A&PR	60,804	19,867	7,000	87,671	87,671	100.0%
TOTAL LOCAL	60,804	19,867	7,000	87,671	87,671	100.0%
GRAND TOTAL	60,804	19,867	7,000	87,671	87,671	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, 2007

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Men	52,867	\$2,223,765,565	\$42,063	41.8 yrs.	10.2 yrs.
Women	65,599	2,478,776,378	37,787	41.5	9.6
Totals	118,466	\$4,702,541,943	\$39,695	41.7 yrs.	9.9 yrs.

Also included in the valuation were 113,382 inactive members eligible for deferred retirement allowances or contribution refunds and 3,534 members active in the money purchase plan.

Retired Members in Valuation December 31, 2007

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
A & PR Fund			
Superannuation Retirement	43,525	\$82,543,759	\$10,606,582,997
Disability Retirement	8,240	16,020,576	2,163,849,728
Money Purchase	323	140,046	13,982,967
Total A & PR Fund	52,088	98,704,381	12,784,415,692
Total SBF	4,795	4,435,248	498,460,244
Grand Total	56,883	\$103,139,629	\$13,282,875,936

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

Valuation Date December 31	2007			2006
Contributions for	2010			2009
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	8.39 %	3.67 %	8.54 %	8.06 %
Disability Allowances	2.52 %	1.95 %	2.51 %	2.51 %
Survivor's Benefits	0.42 %	0.31 %	0.42 %	0.42 %
Separation Benefits	4.02 %	1.25 %	3.97 %	3.98 %
Total Normal Cost	15.35 %	7.18 %	15.44 %	14.97 %
(Member Contributions)	10.00 %	0.00 %	10.00 %	10.00 %
Employer Normal Cost	5.35 %	7.18 %	5.44 %	4.97 %
Unfunded Actuarial Accrued Liabilities				
Total Available Contribution	1.65 %	(0.18)%	1.56 %	2.03 %
Amortization Years	19	N/A	20	35
Total Pension Employer Contribution Rate	7.00 %	7.00 %	7.00 %	7.00 %

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)							
1993	1996	112,748	\$ 2,894	\$ 25,673	1.8 %	6.40 %	2.62 %	9.02 %	4.29 %	13.31 %
1994	1997	115,238	3,063	26,580	3.5 %	6.66 %	2.36 %	9.02 %	4.29 %	13.31 %
1995	1998	114,596	3,204	27,962	5.2 %	6.67 %	2.44 %	9.11 %	4.20 %	13.31 %
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 %

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, 2007

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	\$ 12,784,415,692	-	\$ 12,784,415,692
Allowances currently being paid from the Survivors Benefit Fund	498,460,244	-	498,460,244
Age and service allowances based on service rendered before and likely to be rendered after valuation date	15,209,249,901	3,072,216,446	12,137,033,455
Disability allowances likely to be paid present active members who become permanently disabled	2,116,986,365	922,901,295	1,194,085,070
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	426,046,424	153,003,645	273,042,779
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	2,429,254,360	1,507,909,927	921,344,433
Total	\$ 33,464,412,986	\$ 5,656,031,313	\$ 27,808,381,673
Actuarial Value of Assets			26,724,326,019
Unfunded Actuarial Accrued Liability			\$ 1,084,055,654

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	Amort. Years	
	Total	Average	Total	Assets			
1993	\$2,894	\$25,673	\$ 6,671	\$5,357	\$1,314	22	0.45
1994	3,063	26,580	7,182	5,956	1,226	21	0.40
1995	3,204	27,962	7,811	6,706	1,105	17	0.34
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

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, 2007
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	953							953
Tot. Pay	\$5,884,230							\$5,884,230
Avg. Pay	\$6,174							\$6,174
20-24	6,038	38						6,076
Tot. Pay	\$68,236,771	\$970,643						\$69,207,414
Avg. Pay	\$11,301	\$25,543						\$11,390
25-29	4,334	660	5					4,999
Tot. Pay	\$109,214,402	\$26,122,843	\$237,548					\$135,574,793
Avg. Pay	\$25,199	\$39,580	\$47,510					\$27,120
30-34	2,548	1,521	403	4				4,476
Tot. Pay	\$79,929,496	\$69,333,157	\$19,348,934	\$210,485				\$168,822,072
Avg. Pay	\$31,370	\$45,584	\$48,012	\$52,621				\$37,717
35-39	2,118	1,435	1,589	463	7			5,612
Tot. Pay	\$70,158,452	\$67,702,013	\$84,523,335	\$26,987,565	\$380,290			\$249,751,655
Avg. Pay	\$33,125	\$47,179	\$53,193	\$58,288	\$54,327			\$44,503
40-44	1,703	1,168	1,314	1,537	677	29		6,428
Tot. Pay	\$56,871,267	\$56,265,396	\$70,657,645	\$92,387,372	\$39,482,495	\$1,871,394		\$317,535,569
Avg. Pay	\$33,395	\$48,172	\$53,773	\$60,109	\$58,320	\$64,531		\$49,399
45-49	1,521	1,073	1,146	1,312	1,580	976	41	7,649
Tot. Pay	\$48,828,442	\$50,888,199	\$61,115,052	\$77,589,321	\$97,048,096	\$56,064,340	\$2,301,414	\$393,834,864
Avg. Pay	\$32,103	\$47,426	\$53,329	\$59,138	\$61,423	\$57,443	\$56,132	\$51,488
50-54	1,259	919	943	973	1,216	1,519	358	7,187
Tot. Pay	\$41,981,431	\$44,064,939	\$51,890,569	\$56,843,293	\$71,983,550	\$94,966,731	\$21,764,231	\$383,494,744
Avg. Pay	\$33,345	\$47,949	\$55,027	\$58,421	\$59,197	\$62,519	\$60,794	\$53,360
55-59	914	706	705	777	905	908	617	5,532
Tot. Pay	\$28,818,051	\$34,393,023	\$37,938,757	\$44,829,730	\$53,766,639	\$59,345,688	\$44,191,565	\$303,283,453
Avg. Pay	\$31,530	\$48,715	\$53,814	\$57,696	\$59,411	\$65,359	\$71,623	\$54,823
60-64	437	413	395	406	457	349	268	2,725
Tot. Pay	\$11,845,671	\$18,939,740	\$21,128,796	\$23,733,732	\$27,795,373	\$22,467,035	\$20,497,111	\$146,407,458
Avg. Pay	\$27,107	\$45,859	\$53,491	\$58,457	\$60,821	\$64,375	\$76,482	\$53,728
65-69	212	125	125	109	85	82	63	801
Tot. Pay	\$4,051,308	\$4,934,728	\$6,259,272	\$6,550,012	\$5,564,708	\$5,514,388	\$5,061,423	\$37,935,839
Avg. Pay	\$19,110	\$39,478	\$50,074	\$60,092	\$65,467	\$67,249	\$80,340	\$47,361
70 & Over	189	75	44	35	31	26	29	429
Tot. Pay	\$1,479,887	\$1,337,772	\$1,752,627	\$1,721,064	\$1,762,913	\$1,802,866	\$2,176,345	\$12,033,474
Avg. Pay	\$7,830	\$17,837	\$39,832	\$49,173	\$56,868	\$69,341	\$75,046	\$28,050
Totals	22,226	8,133	6,669	5,616	4,958	3,889	1,376	52,867
Tot. Pay	\$527,299,408	\$374,952,453	\$354,852,535	\$330,852,574	\$297,784,064	\$242,032,442	\$95,992,089	\$2,223,765,565
Avg. Pay	\$23,724	\$46,103	\$53,209	\$58,912	\$60,061	\$62,235	\$69,762	\$42,063

STATE DIVISION
FEMALE ACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2007
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	1,218							1,218
Tot. Pay	\$6,399,276							\$6,399,276
Avg. Pay	\$5,254							\$5,254
20-24	8,614	40						8,654
Tot. Pay	\$85,461,416	\$711,146						\$86,172,562
Avg. Pay	\$9,921	\$17,779						\$9,958
25-29	5,322	852	18					6,192
Tot. Pay	\$138,907,898	\$32,149,060	\$732,672					\$171,789,630
Avg. Pay	\$26,101	\$37,734	\$40,704					\$27,744
30-34	3,109	1,767	450	15				5,341
Tot. Pay	\$98,013,842	\$75,553,907	\$20,566,060	\$627,222				\$194,761,031
Avg. Pay	\$31,526	\$42,758	\$45,702	\$41,815				\$36,465
35-39	2,686	1,592	1,476	539	23			6,316
Tot. Pay	\$89,165,550	\$69,470,304	\$73,459,331	\$27,483,064	\$1,067,281			\$260,645,530
Avg. Pay	\$33,196	\$43,637	\$49,769	\$50,989	\$46,404			\$41,268
40-44	2,274	1,504	1,360	1,439	808	41		7,426
Tot. Pay	\$76,034,346	\$63,110,715	\$65,591,529	\$78,053,328	\$44,137,202	\$2,362,351		\$329,289,471
Avg. Pay	\$33,436	\$41,962	\$48,229	\$54,241	\$54,625	\$57,618		\$44,343
45-49	2,250	1,522	1,322	1,449	1,523	1,152	50	9,268
Tot. Pay	\$73,714,715	\$65,319,121	\$62,938,659	\$75,971,699	\$87,612,062	\$62,834,823	\$2,699,945	\$431,091,024
Avg. Pay	\$32,762	\$42,917	\$47,609	\$52,430	\$57,526	\$54,544	\$53,999	\$46,514
50-54	1,844	1,453	1,254	1,395	1,268	1,642	446	9,302
Tot. Pay	\$61,493,466	\$61,040,161	\$58,045,888	\$71,922,278	\$70,659,219	\$94,459,338	\$26,544,744	\$444,165,094
Avg. Pay	\$33,348	\$42,010	\$46,289	\$51,557	\$55,725	\$57,527	\$59,517	\$47,749
55-59	1,092	1,049	1,010	1,244	1,103	1,007	535	7,040
Tot. Pay	\$36,456,405	\$45,236,454	\$47,749,940	\$64,385,956	\$58,376,024	\$56,645,746	\$31,862,845	\$340,713,370
Avg. Pay	\$33,385	\$43,123	\$47,277	\$51,757	\$52,925	\$56,252	\$59,557	\$48,397
60-64	445	498	481	629	637	486	246	3,422
Tot. Pay	\$12,577,144	\$20,177,593	\$21,847,336	\$30,658,508	\$32,215,873	\$25,883,869	\$13,673,736	\$157,034,059
Avg. Pay	\$28,263	\$40,517	\$45,421	\$48,742	\$50,574	\$53,259	\$55,584	\$45,890
65-69	156	136	125	166	178	160	90	1,011
Tot. Pay	\$3,119,024	\$5,297,517	\$5,501,113	\$7,644,775	\$8,906,977	\$8,058,564	\$4,824,240	\$43,352,210
Avg. Pay	\$19,994	\$38,952	\$44,009	\$46,053	\$50,039	\$50,366	\$53,603	\$42,881
70 & Over	100	57	34	53	58	45	62	409
Tot. Pay	\$944,079	\$1,252,289	\$1,376,258	\$2,212,613	\$2,515,344	\$2,039,727	\$3,022,811	\$13,363,121
Avg. Pay	\$9,441	\$21,970	\$40,478	\$41,747	\$43,368	\$45,327	\$48,755	\$32,673
Totals	29,110	10,470	7,530	6,929	5,598	4,533	1,429	65,599
Tot. Pay	\$682,287,161	\$439,318,267	\$357,808,786	\$358,959,443	\$305,489,982	\$252,284,418	\$82,628,321	\$2,478,776,378
Avg. Pay	\$23,438	\$41,960	\$47,518	\$51,805	\$54,571	\$55,655	\$57,822	\$37,787

**STATE DIVISION
INACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2007
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	12,740							12,740
25-29	25,396	91						25,487
30-34	20,713	345	20					21,078
35-39	14,413	589	203	8				15,213
40-44	7,828	770	435	104	11			9,148
45-49	6,756	845	622	237	70	9		8,539
50-54	6,522	799	671	370	150	53	3	8,568
55-59	5,111	757	693	371	130	23	1	7,086
60-64	2,594	399	244	123	46	6		3,412
65-69	1,135	81	42	13	3	1		1,275
70 & Over	788	30	13	2	2	1		836
Totals	103,996	4,706	2,943	1,228	412	93	4	113,382

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, 2007

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Men	108,081	\$3,620,633,869	\$33,499	44.1 yrs.	9.5 yrs.
Women	129,144	3,817,334,188	29,559	43.2	9.1
Totals	237,225	\$7,437,968,057	\$31,354	43.6 yrs.	9.3 yrs.

Also included in the valuation were 217,675 inactive members eligible for deferred retirement allowances or contribution refunds and 13,249 members active in the money purchase plan.

Retired Members in Valuation December 31, 2007

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
A & PR Fund			
Superannuation Retirement	80,264	\$ 114,221,317	\$14,639,860,327
Disability Retirement	11,709	20,825,081	2,764,203,083
Money Purchase	1,092	369,696	37,615,749
Total A & PR Fund	93,065	135,416,094	17,441,679,159
Total SBF	9,868	7,454,530	833,727,237
Grand Total	102,933	\$142,870,624	\$18,275,406,396

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

Valuation Date December 31	2007			2006
Contributions for	2010			2009
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 %	3.73 %	8.65 %	8.05 %
Disability Allowances	1.96 %	1.49 %	1.95 %	1.95 %
Survivor's Benefits	0.48 %	0.35 %	0.47 %	0.47 %
Separation Benefits	4.11 %	1.30 %	4.05 %	4.06 %
Total Normal Cost	15.06 %	6.87 %	15.12 %	14.53 %
(Member Contributions)	10.00 %	0.00 %	10.00 %	10.00 %
Employer Normal Cost	5.06 %	6.87 %	5.12 %	4.53 %
Unfunded Actuarial Accrued Liabilities				
Total Available Contribution	1.94 %	0.13 %	1.88 %	2.47 %
Amortization Years	9	101	9	19
Total Pension Employer Contribution Rate	7.00 %	7.00 %	7.00 %	7.00 %

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	Average	Increase					
			(\$Millions)							
1993	1996	220,410	\$4,159	\$18,869	4.2 %	5.85 %	2.59 %	8.44 %	5.11 %	13.55 %
1994	1997	221,987	4,366	19,666	4.2 %	6.16 %	2.28 %	8.44 %	5.11 %	13.55 %
1995	1998	223,431	4,555	20,384	3.7 %	6.17 %	3.18 %	9.35 %	4.20 %	13.55 %
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 %

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, 2007

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	\$17,441,679,159	\$ -	\$17,441,679,159
Allowances currently being paid from the Survivors Benefit Fund	833,727,237	-	833,727,237
Age and service allowances based on service rendered before and likely to be rendered after valuation date	22,599,853,421	5,092,454,365	17,507,399,056
Disability allowances likely to be paid present active members who become permanently disabled	2,627,025,275	1,186,876,114	1,440,149,161
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	764,532,308	277,191,776	487,340,532
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	3,943,355,395	2,541,191,578	1,402,163,817
Total	\$48,210,172,795	\$9,097,713,833	\$39,112,458,962
Actuarial Value of Assets			37,930,738,637
Unfunded Actuarial Accrued Liability			\$ 1,181,720,325

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 Total	Valuation Assets	Unfunded	Amort. Years	
	Total	Average					
1993	\$ 4,159	\$18,869	\$ 9,291	\$ 7,147	\$2,144	26	0.52
1994	4,366	19,666	9,894	7,814	2,080	28	0.48
1995	4,555	20,384	10,630	8,856	1,774	21	0.39
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

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, 2007
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	5,368							5,368
Tot. Pay	\$37,035,068							\$37,035,068
Avg. Pay	\$6,899							\$6,899
20-24	8,144	156						8,300
Tot. Pay	\$111,606,098	\$3,500,661						\$115,106,759
Avg. Pay	\$13,704	\$22,440						\$13,868
25-29	5,581	1,580	93					7,254
Tot. Pay	\$130,723,353	\$55,089,245	\$3,657,934					\$189,470,532
Avg. Pay	\$23,423	\$34,867	\$39,333					\$26,119
30-34	4,146	2,804	909	45				7,904
Tot. Pay	\$106,014,776	\$112,479,927	\$39,247,928	\$2,031,397				\$259,774,028
Avg. Pay	\$25,570	\$40,114	\$43,177	\$45,142				\$32,866
35-39	4,018	3,015	2,377	927	21			10,358
Tot. Pay	\$104,046,491	\$124,881,385	\$110,726,062	\$45,233,024	\$966,844			\$385,853,806
Avg. Pay	\$25,895	\$41,420	\$46,582	\$48,795	\$46,040			\$37,252
40-44	3,695	2,780	2,308	2,225	937	49		11,994
Tot. Pay	\$91,308,587	\$112,239,784	\$109,359,723	\$112,601,963	\$48,055,991	\$2,632,224		\$476,198,272
Avg. Pay	\$24,711	\$40,374	\$47,383	\$50,608	\$51,287	\$53,719		\$39,703
45-49	3,442	2,774	2,420	2,539	2,117	1,377	88	14,757
Tot. Pay	\$81,121,302	\$106,428,023	\$105,461,658	\$127,052,182	\$113,294,355	\$75,015,718	\$4,697,120	\$613,070,358
Avg. Pay	\$23,568	\$38,366	\$43,579	\$50,040	\$53,516	\$54,478	\$53,376	\$41,544
50-54	3,280	2,555	2,325	2,293	2,051	2,122	813	15,439
Tot. Pay	\$72,558,903	\$91,700,539	\$93,986,776	\$109,917,542	\$107,945,368	\$122,273,898	\$47,646,259	\$646,029,285
Avg. Pay	\$22,122	\$35,891	\$40,424	\$47,936	\$52,631	\$57,622	\$58,605	\$41,844
55-59	2,800	2,071	1,733	1,864	1,530	1,419	1,072	12,489
Tot. Pay	\$57,327,619	\$69,100,422	\$68,693,030	\$85,646,059	\$79,884,485	\$81,710,923	\$68,184,087	\$510,546,625
Avg. Pay	\$20,474	\$33,366	\$39,638	\$45,947	\$52,212	\$57,583	\$63,605	\$40,880
60-64	2,119	1,325	1,050	971	772	621	537	7,395
Tot. Pay	\$34,288,805	\$41,551,277	\$39,002,382	\$42,385,072	\$36,598,041	\$33,981,863	\$33,743,984	\$261,551,424
Avg. Pay	\$16,182	\$31,359	\$37,145	\$43,651	\$47,407	\$54,721	\$62,838	\$35,369
65-69	1,457	710	457	310	243	183	151	3,511
Tot. Pay	\$14,400,203	\$14,196,489	\$14,460,675	\$11,642,271	\$10,263,929	\$8,060,635	\$8,757,975	\$81,782,177
Avg. Pay	\$9,883	\$19,995	\$31,643	\$37,556	\$42,238	\$44,047	\$58,000	\$23,293
70 & Over	1,412	891	418	241	152	85	113	3,312
Tot. Pay	\$10,050,247	\$9,483,709	\$6,520,193	\$5,483,584	\$4,631,061	\$3,220,031	\$4,826,710	\$44,215,535
Avg. Pay	\$7,118	\$10,644	\$15,599	\$22,753	\$30,468	\$37,883	\$42,714	\$13,350
Totals	45,462	20,661	14,090	11,415	7,823	5,856	2,774	108,081
Tot. Pay	\$850,481,452	\$740,651,461	\$591,116,361	\$541,993,094	\$401,640,074	\$326,895,292	\$167,856,135	\$3,620,633,869
Avg. Pay	\$18,708	\$35,848	\$41,953	\$47,481	\$51,341	\$55,822	\$60,511	\$33,499

**LOCAL GOVERNMENT DIVISION
FEMALE ACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2007
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	6,027							6,027
Tot. Pay	\$35,473,846							\$35,473,846
Avg. Pay	\$5,886							\$5,886
20-24	8,398	206						8,604
Tot. Pay	\$104,129,607	\$3,524,700						\$107,654,307
Avg. Pay	\$12,399	\$17,110						\$12,512
25-29	7,649	2,039	131					9,819
Tot. Pay	\$178,988,206	\$63,845,480	\$3,885,621					\$246,719,307
Avg. Pay	\$23,400	\$31,312	\$29,661					\$25,127
30-34	5,534	3,994	1,200	62				10,790
Tot. Pay	\$137,559,823	\$142,266,125	\$44,286,606	\$2,140,086				\$326,252,640
Avg. Pay	\$24,857	\$35,620	\$36,906	\$34,518				\$30,237
35-39	5,310	3,960	2,973	1,119	53			13,415
Tot. Pay	\$123,265,363	\$140,504,419	\$120,446,107	\$44,904,863	\$2,135,919			\$431,256,671
Avg. Pay	\$23,214	\$35,481	\$40,513	\$40,129	\$40,300			\$32,147
40-44	5,179	3,719	2,646	2,504	1,077	83		15,208
Tot. Pay	\$114,002,868	\$127,534,036	\$104,652,195	\$108,912,718	\$46,276,731	\$3,362,686		\$504,741,234
Avg. Pay	\$22,013	\$34,293	\$39,551	\$43,495	\$42,968	\$40,514		\$33,189
45-49	5,280	4,053	2,985	2,619	2,134	1,353	92	18,516
Tot. Pay	\$110,958,919	\$130,939,602	\$109,124,042	\$112,338,294	\$99,440,178	\$60,851,915	\$4,145,014	\$627,797,964
Avg. Pay	\$21,015	\$32,307	\$36,557	\$42,894	\$46,598	\$44,976	\$45,055	\$33,906
50-54	4,485	3,835	3,176	2,815	1,947	1,944	674	18,876
Tot. Pay	\$93,071,621	\$119,244,481	\$112,532,390	\$114,498,879	\$88,096,112	\$93,806,907	\$33,365,106	\$654,615,496
Avg. Pay	\$20,752	\$31,094	\$35,432	\$40,675	\$45,247	\$48,255	\$49,503	\$34,680
55-59	3,002	2,835	2,445	2,651	1,831	1,315	710	14,789
Tot. Pay	\$59,421,104	\$85,860,392	\$82,813,702	\$101,592,734	\$77,744,104	\$62,082,024	\$38,220,078	\$507,734,138
Avg. Pay	\$19,794	\$30,286	\$33,871	\$38,322	\$42,460	\$47,211	\$53,831	\$34,332
60-64	1,573	1,525	1,398	1,480	1,143	754	372	8,245
Tot. Pay	\$25,337,151	\$41,657,439	\$44,381,449	\$53,694,961	\$47,439,731	\$34,017,010	\$18,507,305	\$265,035,046
Avg. Pay	\$16,108	\$27,316	\$31,746	\$36,280	\$41,505	\$45,115	\$49,751	\$32,145
65-69	755	564	474	452	353	259	173	3,030
Tot. Pay	\$7,049,894	\$11,641,052	\$12,706,709	\$14,994,803	\$13,918,062	\$10,755,128	\$7,934,609	\$79,000,257
Avg. Pay	\$9,338	\$20,640	\$26,807	\$33,174	\$39,428	\$41,526	\$45,865	\$26,073
70 & Over	554	391	254	212	168	106	140	1,825
Tot. Pay	\$3,419,426	\$4,047,515	\$3,731,164	\$5,094,194	\$5,322,244	\$3,741,678	\$5,697,061	\$31,053,282
Avg. Pay	\$6,172	\$10,352	\$14,690	\$24,029	\$31,680	\$35,299	\$40,693	\$17,015
Totals	53,746	27,121	17,682	13,914	8,706	5,814	2,161	129,144
Tot. Pay	\$992,677,828	\$871,065,241	\$638,559,985	\$558,171,532	\$380,373,081	\$268,617,348	\$107,869,173	\$3,817,334,188
Avg. Pay	\$18,470	\$32,118	\$36,114	\$40,116	\$43,691	\$46,202	\$49,916	\$29,559

**LOCAL GOVERNMENT DIVISION
INACTIVE MEMBERS IN DEFINED BENEFIT VALUATION
DECEMBER 31, 2007
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	29,744							29,744
25-29	35,184	280						35,464
30-34	30,322	738	53					31,113
35-39	23,343	1,286	350	28				25,007
40-44	16,862	1,362	681	188	15			19,108
45-49	17,448	1,590	1,035	377	113	17		20,580
50-54	17,654	1,856	1,289	533	228	69		21,629
55-59	13,668	1,634	1,300	580	223	39	2	17,446
60-64	7,941	897	482	201	99	11	2	9,633
65-69	4,030	263	72	33	9	4		4,411
70 & Over	3,340	145	33	8	7	5	2	3,540
Totals	199,536	10,051	5,295	1,948	694	145	6	217,675

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, 2007

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Men	111	\$5,297,727	\$47,727	42.3 yrs.	12.2 yrs.
Women	9	340,456	37,828	44.3	10.6
Totals	120	\$5,638,183	\$46,985	42.5 yrs.	12.1 yrs.

Also included in the valuation were 14 inactive members eligible for deferred retirement allowances or contribution refunds and 0 members active in the money purchase plan.

Retired Members in Valuation December 31, 2007

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
A & PR Fund			
Superannuation Retirement	24	\$32,404	\$5,576,249
Disability Retirement	25	63,129	9,432,135
Money Purchase	0	0	0
Total A & PR Fund	49	95,533	15,008,384
Total SBF	81	91,341	12,961,561
Grand Total	130	\$186,874	\$27,969,945

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

Valuation Date December 31	2007	2006
Contributions for	2010	2009
Normal Cost		
Age and Service Allowances	10.09 %	9.83 %
Disability Allowances	5.52 %	5.44 %
Survivor's Benefits	0.68 %	0.65 %
Separation Benefits	2.76 %	2.81 %
Total Normal Cost	19.05 %	18.73 %
(Member Contributions)	10.10 %	10.00 %
Employer Normal Cost	8.95 %	8.73 %
Unfunded Actuarial Accrued Liabilities		
Total Available Contribution	1.92 %	1.90 %
Amortization Years	N/A	N/A
Total Pension Employer Contribution Rate	10.87 %	10.63 %

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 %

* 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, 2007

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	\$15,008,384	\$ -	\$15,008,384
Allowances currently being paid from the Survivors Benefit Fund	12,961,561	-	12,961,561
Age and service allowances based on service rendered before and likely to be rendered after valuation date	18,854,093	4,778,581	14,075,512
Disability allowances likely to be paid present active members who become permanently disabled	5,092,761	2,536,332	2,556,429
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	718,955	301,491	417,464
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	1,889,380	1,300,023	589,357
Total	\$54,525,134	\$8,916,427	\$45,608,707
Actuarial Value of Assets			(54,427,621)
Unfunded Actuarial Accrued Liability			\$100,036,328

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

Dec. 31	Defined Benefit		Active and Inactive Member Accrued Liabilities for Retirement Allowances				Unfunded /Payroll
	Active Payroll		Computed Total	Valuation Assets	Unfunded	Amort. 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

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, 2007
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	2							2
Tot. Pay	\$75,327							\$75,327
Avg. Pay	\$37,664							\$37,664
25-29	9	6						15
Tot. Pay	\$306,092	\$273,163						\$579,255
Avg. Pay	\$34,010	\$45,527						\$38,617
30-34	9	7						16
Tot. Pay	\$326,674	\$290,943						\$617,617
Avg. Pay	\$36,297	\$41,563						\$38,601
35-39	4	10	3	3				20
Tot. Pay	\$253,090	\$518,100	\$141,877	\$135,520				\$1,048,587
Avg. Pay	\$63,273	\$51,810	\$47,292	\$45,173				\$52,429
40-44	1	3	2	2	1			9
Tot. Pay	\$35,876	\$113,265	\$109,935	\$115,762	\$84,443			\$459,281
Avg. Pay	\$35,876	\$37,755	\$54,968	\$57,881	\$84,443			\$51,031
45-49	1	2	1	6	5	3		18
Tot. Pay	\$7,229	\$73,005	\$39,705	\$304,264	\$289,449	\$109,070		\$822,722
Avg. Pay	\$7,229	\$36,503	\$39,705	\$50,711	\$57,890	\$36,357		\$45,707
50-54	1		2	3	2	2	1	11
Tot. Pay	\$31,599		\$81,284	\$197,396	\$100,082	\$149,388	\$68,292	\$628,041
Avg. Pay	\$31,599		\$40,642	\$65,799	\$50,041	\$74,694	\$68,292	\$57,095
55-59	2	1		4	3	3		13
Tot. Pay	\$66,754	\$88,800		\$188,901	\$134,007	\$166,746		\$645,208
Avg. Pay	\$33,377	\$88,800		\$47,225	\$44,669	\$55,582		\$49,631
60-64	1			2		1	1	5
Tot. Pay	\$65,491			\$76,029		\$49,821	\$154,299	\$345,640
Avg. Pay	\$65,491			\$38,015		\$49,821	\$154,299	\$69,128
65-69					1			1
Tot. Pay					\$34,591			\$34,591
Avg. Pay					\$34,591			\$34,591
70 & Over				1				1
Tot. Pay				\$41,458				\$41,458
Avg. Pay				\$41,458				\$41,458
Totals	30	29	8	21	12	9	2	111
Tot. Pay	\$1,168,132	\$1,357,276	\$372,801	\$1,059,330	\$642,572	\$475,025	\$222,591	\$5,297,727
Avg. Pay	\$38,938	\$46,803	\$46,600	\$50,444	\$53,548	\$52,781	\$111,296	\$47,727

PUBLIC SAFETY DIVISION
FEMALE ACTIVE MEMBERS IN VALUATION DECEMBER 31, 2007
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								
Tot. Pay								
Avg. Pay								
25-29	1							1
Tot. Pay	\$44,318							\$44,318
Avg. Pay	\$44,318							\$44,318
30-34	1							1
Tot. Pay	\$32,849							\$32,849
Avg. Pay	\$32,849							\$32,849
35-39		1						1
Tot. Pay		\$46,453						\$46,453
Avg. Pay		\$46,453						\$46,453
40-44	1	1						2
Tot. Pay	\$50,273	\$47,230						\$97,503
Avg. Pay	\$50,273	\$47,230						\$48,752
45-49				1				1
Tot. Pay				\$31,583				\$31,583
Avg. Pay				\$31,583				\$31,583
50-54						1		1
Tot. Pay						\$40,436		\$40,436
Avg. Pay						\$40,436		\$40,436
55-59		1		1				2
Tot. Pay		\$42,413		\$4,901				\$47,314
Avg. Pay		\$42,413		\$4,901				\$23,657
60-64								
Tot. Pay								
Avg. Pay								
65-69								
Tot. Pay								
Avg. Pay								
70 & Over								
Tot. Pay								
Avg. Pay								
Totals	3	3		2		1		9
Tot. Pay	\$127,440	\$136,096	\$ -	\$36,484	\$ -	\$40,436	\$ -	\$340,456
Avg. Pay	\$42,480	\$45,365		\$18,242		\$40,436		\$37,828

PUBLIC SAFETY DIVISION
INACTIVE MEMBERS IN VALUATION DECEMBER 31, 2007
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	1							1
25-29	3							3
30-34	3	1	1					5
35-39	2							2
40-44	1			1				2
45-49								
50-54								
55-59								
60-64	1							1
65-69								
70 & Over								
Totals	11	1	1	1				14

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, 2007

Groups	Number	Annual Payroll	Average		
			Pay	Age	Service
Men	7,240	\$386,875,983	\$53,436	40.2 yrs.	12.9 yrs.
Women	1,025	50,347,278	49,119	40.0	11.9
Totals	8,265	\$437,223,261	\$52,901	40.1 yrs.	12.8 yrs.

Also included in the valuation were 806 inactive members eligible for deferred retirement allowances or contribution refunds and 24 members active in the money purchase plan.

Retired Members in Valuation December 31, 2007

Fund / Type of Allowance	Number	Current Monthly Benefits	Actuarial Liabilities
A & PR Fund			
Superannuation Retirement	1,920	\$5,179,760	\$ 792,814,215
Disability Retirement	1,371	3,599,411	513,142,634
Money Purchase	0	0	0
Total A & PR Fund	3,291	8,779,171	1,305,956,849
Total SBF	274	244,278	30,763,837
Grand Total	3,565	\$9,023,449	\$1,336,720,686

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

Valuation Date December 31	2007	2006
Contributions for	2010	2009
Normal Cost		
Age and Service Allowances	12.09 %	11.81 %
Disability Allowances	5.22 %	5.22 %
Survivor's Benefits	0.60 %	0.59 %
Separation Benefits	2.14 %	2.13 %
Total Normal Cost	20.05 %	19.75 %
(Member Contributions)	10.10 %	10.10 %
Employer Normal Cost	9.95 %	9.65 %
Unfunded Actuarial Accrued Liabilities		
Total Available Contribution	0.92 %	0.98 %
Amortization Years	N/A	N/A
Total Pension Employer Contribution Rate	10.87 %	10.63 %

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)							
1993	1996	6,032	\$182,576	\$30,268	4.6 %	9.53 %	1.28 %	10.81 %	5.89 %	16.70 %
1994	1997	6,252	196,467	31,425	3.8 %	9.71 %	1.10 %	10.81 %	5.89 %	16.70 %
1995	1998	6,605	214,273	32,441	3.2 %	9.69 %	2.81 %	12.50 %	4.20 %	16.70 %
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 %

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, 2007

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	\$ 1,305,956,849	\$ -	\$ 1,305,956,849
Allowances currently being paid from the Survivors Benefit Fund	30,763,837	-	30,763,837
Age and service allowances based on service rendered before and likely to be rendered after valuation date	1,633,689,824	499,247,383	1,134,442,441
Disability allowances likely to be paid present active members who become permanently disabled	440,390,111	210,652,221	229,737,890
Survivor benefits likely to be paid to spouses and children of present active members who die before retiring	53,742,493	23,629,934	30,112,559
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	123,953,032	87,868,301	36,084,731
Total	\$3,588,496,146	\$821,397,839	\$2,767,098,307
Actuarial Value of Assets			2,550,698,803
Unfunded Actuarial Accrued Liability			\$ 216,399,504

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	Amort. Years	
	Total	Average					
1993	\$183	\$30,268	\$ 533	\$ 512	\$ 21	10	0.11
1994	196	31,425	580	555	25	13	0.13
1995	214	32,441	638	612	26	12	0.12
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

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, 2007
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	149	10						159
Tot. Pay	\$5,053,050	\$420,035						\$5,473,085
Avg. Pay	\$33,913	\$42,004						\$34,422
25-29	443	293	9					745
Tot. Pay	\$18,074,579	\$14,550,559	\$486,498					\$33,111,636
Avg. Pay	\$40,800	\$49,661	\$54,055					\$44,445
30-34	272	674	270	2				1,218
Tot. Pay	\$11,408,645	\$34,920,387	\$14,849,312	\$102,299				\$61,280,643
Avg. Pay	\$41,944	\$51,811	\$54,997	\$51,150				\$50,313
35-39	192	423	804	280	4			1,703
Tot. Pay	\$7,695,586	\$21,450,497	\$44,749,057	\$16,197,781	\$327,953			\$90,420,874
Avg. Pay	\$40,081	\$50,710	\$55,658	\$57,849	\$81,988			\$53,095
40-44	68	173	320	449	163	2		1,175
Tot. Pay	\$2,777,672	\$8,858,417	\$17,600,017	\$26,544,639	\$10,190,717	\$137,922		\$66,109,384
Avg. Pay	\$40,848	\$51,205	\$55,000	\$59,119	\$62,520	\$68,961		\$56,263
45-49	37	79	118	236	324	166	1	961
Tot. Pay	\$1,804,090	\$3,925,303	\$6,223,954	\$13,500,619	\$19,991,142	\$10,837,743	\$66,750	\$56,349,601
Avg. Pay	\$48,759	\$49,687	\$52,745	\$57,206	\$61,701	\$65,288	\$66,750	\$58,636
50-54	29	44	84	117	168	213	61	716
Tot. Pay	\$1,115,270	\$2,265,869	\$4,334,565	\$6,394,840	\$10,157,816	\$13,837,069	\$4,038,543	\$42,143,972
Avg. Pay	\$38,458	\$51,497	\$51,602	\$54,657	\$60,463	\$64,963	\$66,206	\$58,860
55-59	14	22	38	62	75	82	66	359
Tot. Pay	\$554,275	\$930,558	\$1,825,096	\$3,474,100	\$4,305,874	\$5,147,770	\$4,551,198	\$20,788,871
Avg. Pay	\$39,591	\$42,298	\$48,029	\$56,034	\$57,412	\$62,778	\$68,958	\$57,908
60-64	7	16	14	26	36	23	26	148
Tot. Pay	\$219,730	\$816,675	\$697,849	\$1,291,062	\$2,068,617	\$1,325,707	\$1,719,340	\$8,138,980
Avg. Pay	\$31,390	\$51,042	\$49,846	\$49,656	\$57,462	\$57,639	\$66,128	\$54,993
65-69	4	6	5	8	5	9	8	45
Tot. Pay	\$99,590	\$309,452	\$326,511	\$416,111	\$248,395	\$625,315	\$475,384	\$2,500,758
Avg. Pay	\$24,898	\$51,575	\$65,302	\$52,014	\$49,679	\$69,479	\$59,423	\$55,572
70 & Over	1		3	2	1	1	3	11
Tot. Pay	\$15,878		\$121,382	\$71,649	\$78,906	\$49,460	\$220,904	\$558,179
Avg. Pay	\$15,878		\$40,461	\$35,825	\$78,906	\$49,460	\$73,635	\$50,744
Totals	1,216	1,740	1,665	1,182	776	496	165	7,240
Tot. Pay	\$48,818,365	\$88,447,752	\$91,214,241	\$67,993,100	\$47,369,420	\$31,960,986	\$11,072,119	\$386,875,983
Avg. Pay	\$40,147	\$50,832	\$54,783	\$57,524	\$61,043	\$64,437	\$67,104	\$53,436

LAW ENFORCEMENT DIVISION
FEMALE ACTIVE MEMBERS IN VALUATION DECEMBER 31, 2007
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	16							16
Tot. Pay	\$478,102							\$478,102
Avg. Pay	\$29,881							\$29,881
25-29	82	43	1					126
Tot. Pay	\$3,176,149	\$1,922,340	\$40,490					\$5,138,979
Avg. Pay	\$38,734	\$44,706	\$40,490					\$40,786
30-34	49	83	42	1				175
Tot. Pay	\$1,879,835	\$3,959,098	\$2,107,491	\$59,093				\$8,005,517
Avg. Pay	\$38,364	\$47,700	\$50,178	\$59,093				\$45,746
35-39	24	57	96	22	1			200
Tot. Pay	\$1,046,891	\$2,806,885	\$5,012,227	\$1,199,968	\$27,849			\$10,093,820
Avg. Pay	\$43,620	\$49,244	\$52,211	\$54,544	\$27,849			\$50,469
40-44	27	33	49	49	19	1		178
Tot. Pay	\$1,160,859	\$1,543,463	\$2,549,482	\$2,759,196	\$1,134,005	\$51,244		\$9,198,249
Avg. Pay	\$42,995	\$46,772	\$52,030	\$56,310	\$59,684	\$51,244		\$51,676
45-49	7	15	35	40	36	15		148
Tot. Pay	\$238,818	\$665,885	\$1,741,006	\$2,130,529	\$2,269,317	\$934,358		\$7,979,913
Avg. Pay	\$34,117	\$44,392	\$49,743	\$53,263	\$63,037	\$62,291		\$53,918
50-54	4	13	21	19	24	22	6	109
Tot. Pay	\$145,121	\$593,292	\$967,772	\$971,568	\$1,454,048	\$1,287,023	\$328,729	\$5,747,553
Avg. Pay	\$36,280	\$45,638	\$46,084	\$51,135	\$60,585	\$58,501	\$54,788	\$52,730
55-59	1	5	10	7	14	13	3	53
Tot. Pay	\$43,802	\$253,649	\$443,530	\$303,863	\$772,308	\$707,141	\$197,406	\$2,721,699
Avg. Pay	\$43,802	\$50,730	\$44,353	\$43,409	\$55,165	\$54,395	\$65,802	\$51,353
60-64		2	1	6	4	5	1	19
Tot. Pay		\$50,480	\$45,206	\$266,078	\$221,057	\$308,497	\$60,231	\$951,549
Avg. Pay		\$25,240	\$45,206	\$44,346	\$55,264	\$61,699	\$60,231	\$50,082
65-69							1	1
Tot. Pay							\$31,897	\$31,897
Avg. Pay							\$31,897	\$31,897
70 & Over								
Tot. Pay								
Avg. Pay								
Totals	210	251	255	144	98	56	11	1,025
Tot. Pay	\$8,169,577	\$11,795,092	\$12,907,204	\$7,690,295	\$5,878,584	\$3,288,263	\$618,263	\$50,347,278
Avg. Pay	\$38,903	\$46,992	\$50,616	\$53,405	\$59,986	\$58,719	\$56,206	\$49,119

**LAW ENFORCEMENT DIVISION
INACTIVE MEMBERS IN VALUATION DECEMBER 31, 2007
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	10							10
25-29	50	4						54
30-34	108	28	1					137
35-39	131	33	12	4				180
40-44	82	14	20	5				121
45-49	53	16	14	15	4			102
50-54	40	9	16	11	10	2		88
55-59	36	8	9	8	1			62
60-64	19	3	3	1				26
65-69	15			1				16
70 & Over	10							10
Totals	554	115	75	45	15	2		806

SECTION IX

ALLOWANCES BEING PAID TO
RETIREES AND BENEFICIARIES

**MONTHLY ALLOWANCES OF RETIRED LIVES
BY YEAR OF RETIREMENT
AS OF DECEMBER 31, 2007**

Year of Retirement	No.	Initial	Post-Ret. Increase	Total	Average
2007	8,388	\$ 15,750,616	\$ 76,797	\$ 15,827,413	\$1,887
2006	9,764	17,343,386	583,437	17,926,823	1,836
2005	9,247	16,748,140	1,063,571	17,811,711	1,926
2004	8,790	14,939,550	1,388,514	16,328,064	1,858
2003	8,325	14,240,043	1,745,945	15,985,988	1,920
2002	9,363	15,461,650	2,366,061	17,827,711	1,904
2001	7,748	12,109,785	2,208,197	14,317,982	1,848
2000	7,530	10,933,501	2,269,182	13,202,683	1,753
1999	6,608	9,120,260	2,046,956	11,167,216	1,690
1998	6,602	8,416,343	2,042,848	10,459,191	1,584
1997	6,234	8,115,480	2,181,954	10,297,434	1,652
1996	6,193	7,430,242	2,205,836	9,636,078	1,556
1995	5,611	6,512,285	2,097,982	8,610,267	1,535
1990-1994	22,438	22,055,490	9,099,406	31,154,896	1,388
1985-1989	19,586	15,915,114	9,229,291	25,144,405	1,284
1980-1984	12,256	6,532,938	5,329,715	11,862,653	968
1975-1979	6,267	2,376,043	3,247,716	5,623,759	897
1970-1974	1,848	448,330	958,711	1,407,041	761
1965-1969	479	100,787	310,339	411,126	858
1960-1964	195	42,325	137,009	179,334	920
Before 1960	39	7,466	31,335	38,801	995
TOTAL	163,511	\$204,599,774	\$50,620,802	\$255,220,576	\$1,561

**MONTHLY ALLOWANCES OF RETIRED LIVES
BY YEARS OF SERVICE
AS OF DECEMBER 31, 2007**

Years of Service	No.	Initial	Post-Ret. Increase	Total	Average
<5 or n/a	5,345	\$ 1,569,206	\$ 388,879	\$ 1,958,085	\$366
5	4,232	1,451,928	357,566	1,809,494	428
6	3,307	1,189,455	311,673	1,501,128	454
7	3,067	1,180,922	313,914	1,494,836	487
8	2,775	1,107,478	297,363	1,404,841	506
9	2,139	940,485	264,413	1,204,898	563
10	8,787	3,586,051	929,353	4,515,404	514
11	5,044	2,320,916	629,426	2,950,342	585
12	5,064	2,471,000	698,822	3,169,822	626
13	4,538	2,473,016	706,889	3,179,905	701
14	4,369	2,440,810	739,508	3,180,318	728
15	4,836	2,940,565	878,662	3,819,227	790
16	4,674	3,101,620	917,194	4,018,814	860
17	4,326	3,236,475	929,970	4,166,445	963
18	4,257	3,373,341	980,889	4,354,230	1,023
19	4,207	3,483,083	1,017,946	4,501,029	1,070
20	5,068	4,615,887	1,320,577	5,936,464	1,171
21	4,374	4,311,274	1,231,051	5,542,325	1,267
22	4,024	4,302,877	1,206,690	5,509,567	1,369
23	3,958	4,477,762	1,233,974	5,711,736	1,443
24	3,765	4,615,993	1,236,832	5,852,825	1,555
25	7,272	10,041,177	2,554,974	12,596,151	1,732
26	4,739	7,056,867	1,876,374	8,933,241	1,885
27	4,723	7,729,903	1,966,469	9,696,372	2,053
28	5,020	9,538,951	2,169,789	11,708,740	2,332
29	4,442	8,870,923	1,961,337	10,832,260	2,439
30	17,897	38,568,063	7,756,898	46,324,961	2,588
31	5,698	12,323,845	2,865,376	15,189,221	2,666
32	4,624	10,371,161	2,427,088	12,798,249	2,768
33	3,530	8,168,545	1,919,593	10,088,138	2,858
34	2,877	6,752,777	1,668,676	8,421,453	2,927
35	2,686	6,419,923	1,626,712	8,046,635	2,996
36	1,994	4,769,049	1,198,615	5,967,664	2,993
37	1,550	3,709,622	974,721	4,684,343	3,022
38	1,185	2,868,734	747,847	3,616,581	3,052
39	982	2,364,507	645,775	3,010,282	3,065
40 & Over	2,136	5,855,583	1,668,967	7,524,550	3,523
TOTAL	163,511	\$204,599,774	\$50,620,802	\$255,220,576	\$1,561

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#				
6/30/1979	59,303	\$ 190	5.9 %	\$ 2,007	\$ 1,973	101.7 %	4.4
12/31/1979	60,887	207	6.4 %	2,209	2,154	102.6 %	4.3
12/31/1980	64,231	231	6.7 %	2,477	2,424	102.2 %	4.0
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

- * Including certain recommended transfers and accrued transfers.
- # Through 1979, June allowances are compared to December payroll.
- @ 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, 2007
 TYPE OF BENEFIT, MONTHLY AMOUNT AND ACTUARIAL LIABILITIES**

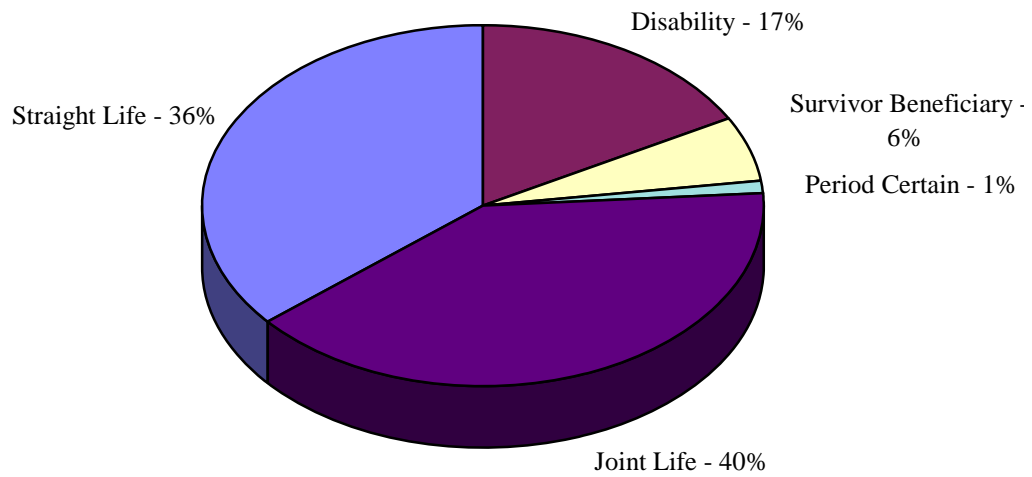
Type of Allowance	Number	Current Total \$	Actuarial Liabilities
Superannuation Retirement			
Plan A - Joint & 50%	19,271	\$ 36,955,607	\$ 5,086,686,319
Plan B - Straight Life	58,102	88,286,758	10,222,373,868
Plan C - Special Joint & Survivor	13,292	27,430,344	3,958,680,244
Plan D - Joint & 100%	18,243	33,529,568	5,296,760,073
Plan E - Life & 0 to 5 Years Guaranteed	317	396,508	43,511,765
- Life & 6 to 10 Years Guaranteed	436	619,468	67,766,809
- Life & 11 to 15 Years Guaranteed	652	808,987	86,950,075
- Life & 16 to 20 Years Guaranteed	28	49,476	7,342,749
Money Purchase	1,415	509,742	51,598,716
Survivor Beneficiary - Life Benefit	15,304	13,798,716	1,271,784,084
Survivor Beneficiary - Temporary Benefit	88	101,808	2,977,802
Total Superannuation	127,148	\$202,486,982	\$26,096,432,504
Disability Retirement	21,345	\$ 40,508,197	\$ 5,450,627,580
Total from A & PR	148,493	\$242,995,179	\$31,547,060,084

**ANNUITY AND PENSION RESERVE FUND
 RETIREES AND BENEFICIARIES DECEMBER 31, 2007
 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%	13,790	\$28,174,355	5,481	\$ 8,781,252	19,271	\$ 36,955,607
Plan B - Straight Life	17,709	31,923,170	40,393	56,363,588	58,102	88,286,758
Plan C - Special Joint & Survivor	5,710	14,516,420	7,582	12,913,924	13,292	27,430,344
Plan D - Joint & 100%	15,374	29,526,389	2,869	4,003,179	18,243	33,529,568
Plan E - Life & 0 to 5 Years Guaranteed	147	213,148	170	183,360	317	396,508
- Life & 6 to 10 Years Guaranteed	237	365,035	199	254,433	436	619,468
- Life & 11 to 15 Years Guaranteed	421	544,730	231	264,257	652	808,987
- Life & 16 to 20 Years Guaranteed	18	35,487	10	13,989	28	49,476
Money Purchase	1,024	422,930	391	86,812	1,415	509,742
Survivor Beneficiary - Life Benefit	1,189	677,570	14,115	13,121,146	15,304	13,798,716
Survivor Beneficiary - Temporary Benefit	28	27,226	60	74,582	88	101,808
Total Superannuation	55,647	\$106,426,460	71,501	\$96,060,522	127,148	\$202,486,982
Disability Retirement	11,064	\$23,217,935	10,281	\$17,290,262	21,345	\$ 40,508,197
Total from A & PR	66,711	\$129,644,395	81,782	\$113,350,784	148,493	\$242,995,179

**ANNUITIES BEING PAID BY TYPE
DECEMBER 31, 2007**

Annuity and Pension Reserve Fund



**ANNUITY AND PENSION RESERVE FUND
RETIREES AND BENEFICIARIES DECEMBER 31, 2007
CURRENT MONTHLY TOTAL \$ BY ATTAINED AGES**

Attained Ages	Superannuation		Disability		Totals	
	No.	Monthly Total \$	No.	Monthly Total \$	No.	Monthly Total \$
Under 20	5	\$ 1,974			5	\$ 1,974
20-24	12	7,679			12	7,679
25-29	14	5,965	13	\$ 18,347	27	24,312
30-34	9	5,160	99	141,673	108	146,833
35-39	26	22,850	484	906,765	510	929,615
40-44	63	41,754	1,184	2,569,869	1,247	2,611,623
45-49	491	1,086,960	2,567	5,744,008	3,058	6,830,968
50-54	4,446	12,050,888	4,035	8,732,133	8,481	20,783,021
55-59	10,508	30,104,454	4,654	9,343,356	15,162	39,447,810
60-64	17,813	36,664,719	3,926	7,080,571	21,739	43,745,290
65-69	21,835	35,399,158	1,969	3,068,401	23,804	38,467,559
70-74	20,108	29,305,217	1,067	1,444,185	21,175	30,749,402
75-79	18,391	23,903,732	682	793,198	19,073	24,696,930
80-84	15,759	17,876,533	444	456,434	16,203	18,332,967
85-89	9,919	9,562,174	185	183,403	10,104	9,745,577
90-94	3,902	3,262,015	33	23,581	3,935	3,285,596
95 & Over	999	801,569	3	2,273	1,002	803,842
Period Certain & Money Purchase	2,848	2,384,181			2,848	2,384,181
Totals	127,148	\$202,486,982	21,345	\$40,508,197	148,493	\$242,995,179