

**THE POLICE AND FIREMEN'S RETIREMENT SYSTEM
OF NEW JERSEY
ANNUAL REPORT
OF THE ACTUARY
PREPARED AS OF JULY 1, 2006**

DOC:V00864JC.DOC



February 8, 2007

Board of Trustees
The Police and Firemen's Retirement System
of New Jersey
Trenton, New Jersey

Members of the Board:

The law governing the operation of the Police and Firemen's Retirement System of New Jersey provides for annual actuarial valuations of the System. The results of the July 1, 2006 valuation are submitted in this report which also includes a comparison with the results of the July 1, 2005 valuation.

The valuation shows the financial condition of the System as of July 1, 2006 and gives the basis for determining the required annual contribution to be made in the Fiscal Year ending June 30, 2009 for the plan year beginning July 1, 2006.

The valuation was prepared on the basis of the revised demographic assumptions that were determined from the July 1, 2001 – June 30, 2004 Experience Study and approved by the Board of Trustees at the December 12, 2005 Board meeting.

The valuation reflects the provisions of Chapter 108, P.L. 2003 which provided for a reduction with regard to the required Local contribution for fiscal year 2007 (for the July 1, 2004 valuation, the Local contribution was reduced to 80% of the recommended amount). The valuation also reflects the potential effect of the Appropriation Act for fiscal year 2007 (for the July 1, 2004 valuation, the State contribution was reduced to 57.5% of the recommended amount). The valuation again reflects the provisions of Chapter 42, P.L. 2002 which allowed Local employers to issue refunding bonds to retire the unfunded accrued liability due to certain early retirement incentive programs.

The Table of Contents, which follows, highlights the Sections of the Report.

Respectfully submitted,

(Signed) JANET H. CRANNA

Janet H. Cranna
Principal, Consulting Actuary

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REPORT ON THE ANNUAL
VALUATION OF
THE POLICE AND FIREMEN'S RETIREMENT SYSTEM
OF NEW JERSEY
PREPARED AS OF JULY 1, 2006

SECTION I - SUMMARY OF KEY RESULTS

The Police and Firemen's Retirement System of New Jersey was established effective July 1, 1944. Each year an actuarial valuation of the assets and liabilities of the System is made to determine the appropriate level of contributions. This report, prepared as of July 1, 2006, presents the results of the annual actuarial valuation of the Fund.

The report reflects the revised actuarial assumptions that were determined from the July 1, 2001 to June 30, 2004 Experience Study which was approved by the Board of Trustees at the December 12, 2005 Board meeting.

The report also reflects the provisions of Chapter 108, P.L. 2003 which provided for a reduction with regard to the required Local contribution for fiscal year 2007 (80% of the contribution recommended for the July 1, 2004 valuation was reflected as a receivable in the assets). With regard to the State contribution, the report reflected a contribution equal to 57.5% of the amount recommended for the July 1, 2004 valuation for fiscal year 2007 in anticipation of the potential effect of the Appropriation Act for fiscal year 2007.

For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized on the following pages.

	July 1, 2006	July 1, 2005
<u>Number of Active Participants</u>		
• Contributory	43,647	43,075
• Non-Contributory	<u>1,178</u>	<u>1,136</u>
• Total	44,825	44,211
<u>Annual Compensation</u>		
• Contributory Participants	\$ 3,281,198,157	\$ 3,104,361,142
• Non-Contributory Participants	<u>64,615,506</u>	<u>59,661,641</u>
• Total Compensation	\$ 3,345,813,663	\$ 3,164,022,783
Number of Pensioners and Beneficiaries	30,428	29,257
Total Annual Allowances	\$ 1,157,650,285	\$ 1,069,566,178
Number of Terminated Vested Members	59	64
Total Annual Allowances	\$ 823,128	\$ 912,540
<u>Assets</u>		
Total Present Market Value of Assets*	\$ 19,144,272,460	\$ 17,602,650,929
Total Valuation Assets*	\$ 20,583,616,539	\$ 19,559,998,263
<u>Contribution Amounts</u>		
Normal Contribution	\$ 617,624,674	\$ 587,840,527
Accrued Liability Contribution#	<u>355,714,559</u>	<u>305,604,786</u>
Total Contribution**	\$ 973,339,233	\$ 893,445,313###

* Includes receivable contributions of \$219,370,821 as of July 1, 2006 and \$182,107,890 as of July 1, 2005, respectively. The amounts also include the present value of receivable ERI contributions of \$25,583,272 as of July 1, 2006 and \$25,868,290 as of July 1, 2005, respectively.

** The contribution amounts were calculated assuming payment on 7/1/08 and 7/1/07, respectively. Interest should be added from those dates to the actual payment dates.

The accrued liability contribution does not include ERI payments since the actual contribution will depend on the payment schedule chosen by each location.

The fiscal year 2008 required contribution is subject to reduction in accordance with the provisions of Chapter 108, P.L. 2003 (Locals) and could be subject to reduction in accordance with the provisions of the Appropriation Act for fiscal year 2008 (State). The valuation assumes that the Appropriation Act for fiscal year 2008 will reduce the State contribution to 60% of the recommended amount and that, in accordance with Chapter 108, 100% of the recommended amount will be payable by Local employers.

The major benefit and contribution provisions of the statute as reflected in the valuation are summarized in Appendix A. Included in this valuation are the provisions of the following legislation:

- In accordance with the provisions of Chapter 108, P.L. 2003, we have assumed that the State Treasurer will not reduce the required Local employers' normal and accrued liability contributions for fiscal year 2008 of \$639,755,622. Accordingly, a fiscal year 2008 receivable Local employer contribution of \$639,755,622 was recognized for purposes of this valuation.
- For the State, the valuation reflects the potential impact of the Appropriation Act for fiscal year 2008. Similar to the provisions of Chapter 122, P.L. 2003 (the Appropriation Act of 2003 which reduced the required State contribution for fiscal year 2004), the Appropriation Act for fiscal year 2008 is anticipated to allow the State Treasurer to reduce the State normal and accrued liability contributions for fiscal year 2008 to 60% of the recommended amount of \$248,313,283. (This amount excludes the non-contributory group insurance premium of \$5,376,408.) Accordingly, a fiscal year 2008 receivable State contribution of \$154,364,378 (which includes the non-contributory group insurance premium of \$5,376,408) was recognized for purposes of this valuation.
- The valuation continued to reflect the provisions of Chapter 42, P.L. 2002 which allowed Local employers to issue refunding bonds to retire the unfunded accrued liability of the Local employer owed to the System created through the granting of enhanced early retirement benefits to employees of the Local employer. Refunding bonds may be issued to retire the pension liabilities for a Local employer's participation in various early retirement incentive programs.

- Finally, the valuation reflects Chapter 381, P.L. 2005 which allowed members of the System who were hired prior to January 1, 1987 to serve until attainment of age 68 or 25 years of creditable service, whichever comes first.

There are no other changes to the plan provisions since the previous valuation.

A summary of the actuarial assumptions and methods used for valuing the Fund are summarized in Appendix B. There are no changes in the actuarial assumptions and methods since the previous valuation.

The combination of the plan provisions, actuarial assumptions and member and beneficiary data is used to generate the overall required level of employer contributions. The required contribution is summarized in Section III(I).

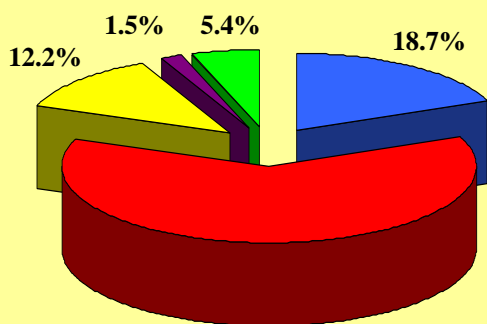
The valuation generates a balance sheet which summarizes in some detail the total present and prospective assets and liabilities of the Fund. A summary comparison of the balance sheets as of July 1, 2006 and July 1, 2005 is set forth in the following table. The allocation of assets among the various investment alternatives is shown in graphic form on page 6.

**TABLE I
COMPARATIVE BALANCE SHEET**

	2006	2005
<u>ASSETS</u>		
Actuarial value of assets of Fund	\$ 20,583,616,539	\$ 19,559,998,263
Net unfunded accrued liability/(surplus)	5,406,082,798	4,644,594,284
Total Assets	\$ 25,989,699,337	\$ 24,204,592,547
<u>LIABILITIES</u>		
Present value of benefits to present beneficiaries payable from the Retirement Reserve Fund	\$ 13,412,010,696	\$ 12,428,297,181
Present value of benefits to present active members	12,577,688,641	11,776,295,366
Total Liabilities	\$ 25,989,699,337	\$ 24,204,592,547

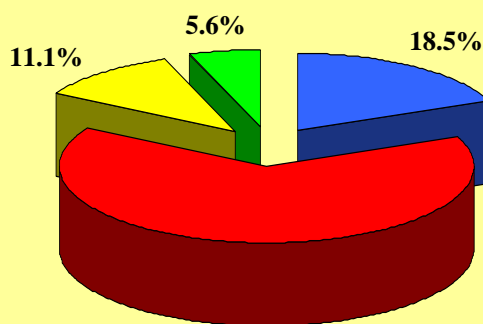
THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

ASSET ALLOCATION MARKET VALUE



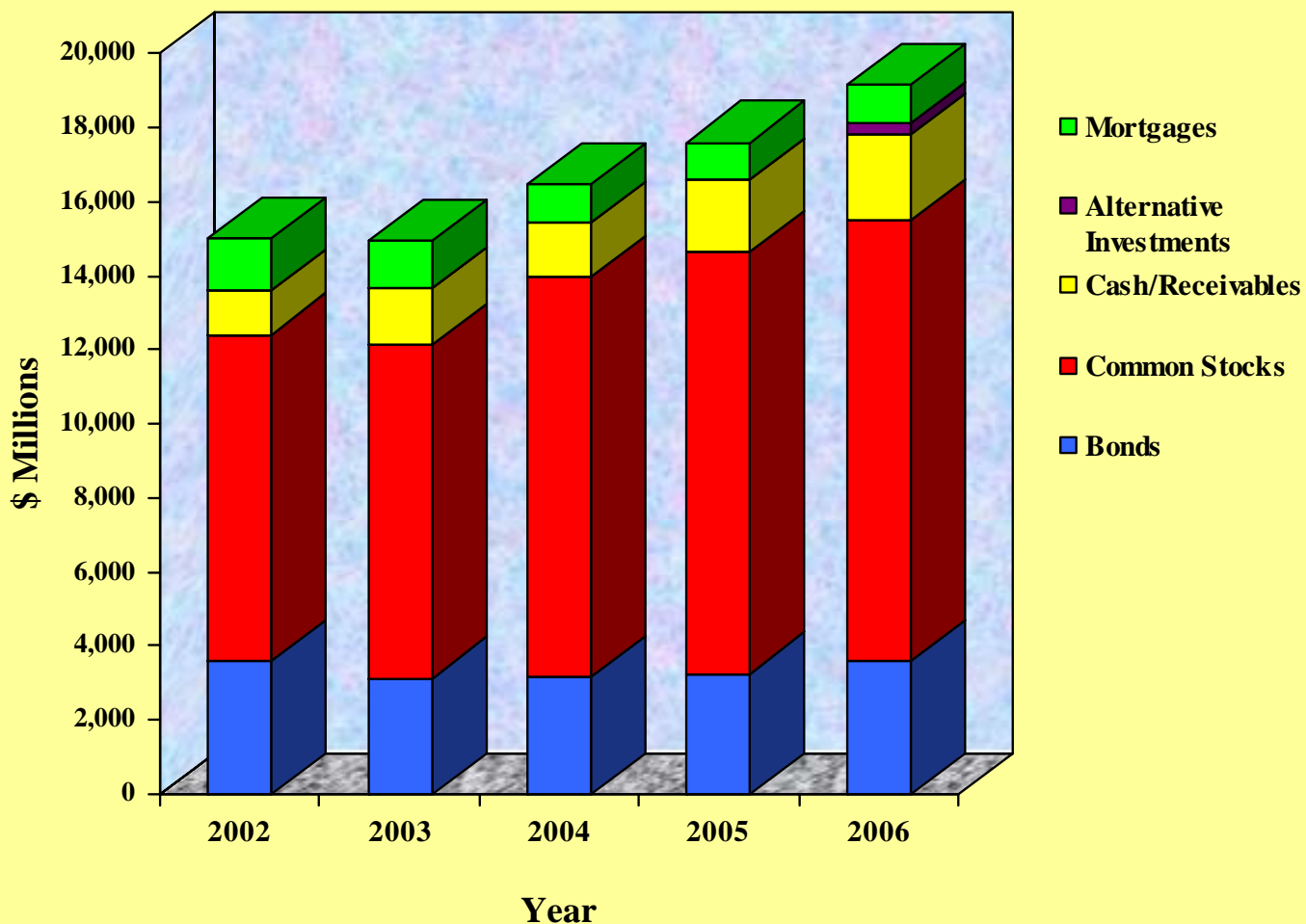
62.2%

2006



64.8%

2005



SECTION II – EMPLOYEE DATA

The data employed for the valuations were furnished to the actuary by the Division of Pensions and Benefits. The following summarizes and compares the Fund membership as of July 1, 2006 and July 1, 2005 by various categories.

ACTIVE MEMBERSHIP

Group	2006		2005	
	Number	Annual Compensation	Number	Annual Compensation
Men	40,489	\$ 3,063,270,248	40,039	\$ 2,904,195,602
Women	4,336	\$ 282,543,415	4,172	\$ 259,827,181

RETIRED MEMBERS AND BENEFICIARIES

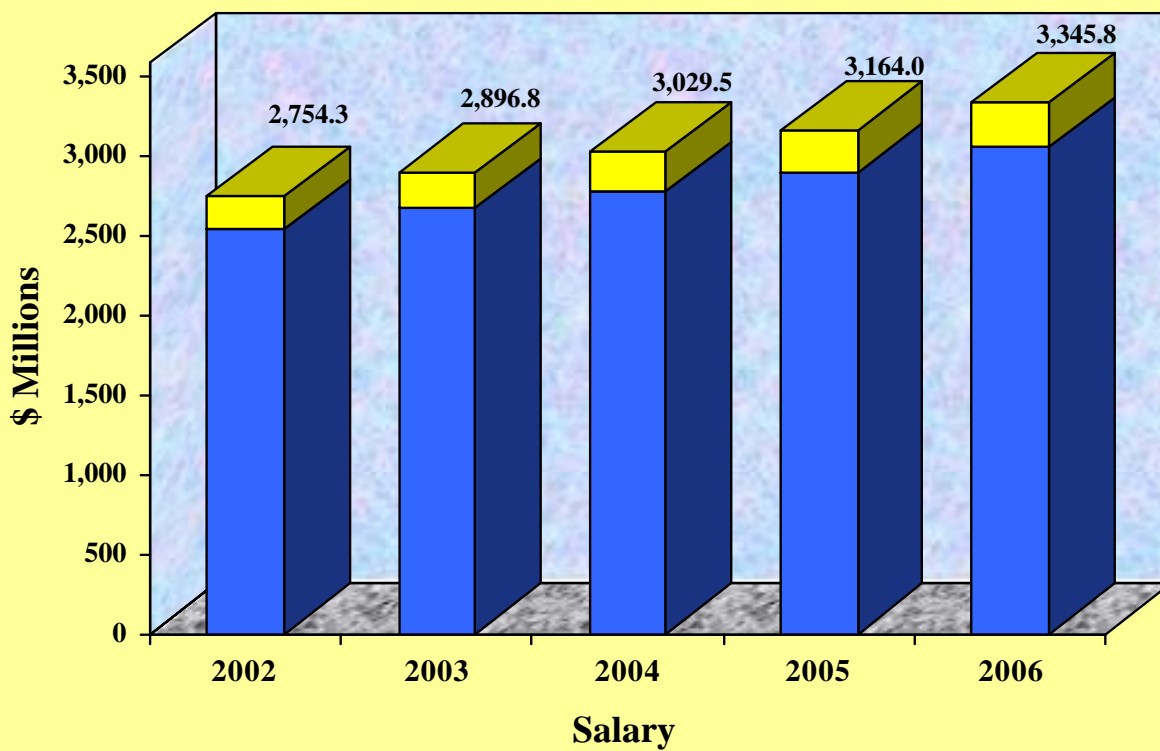
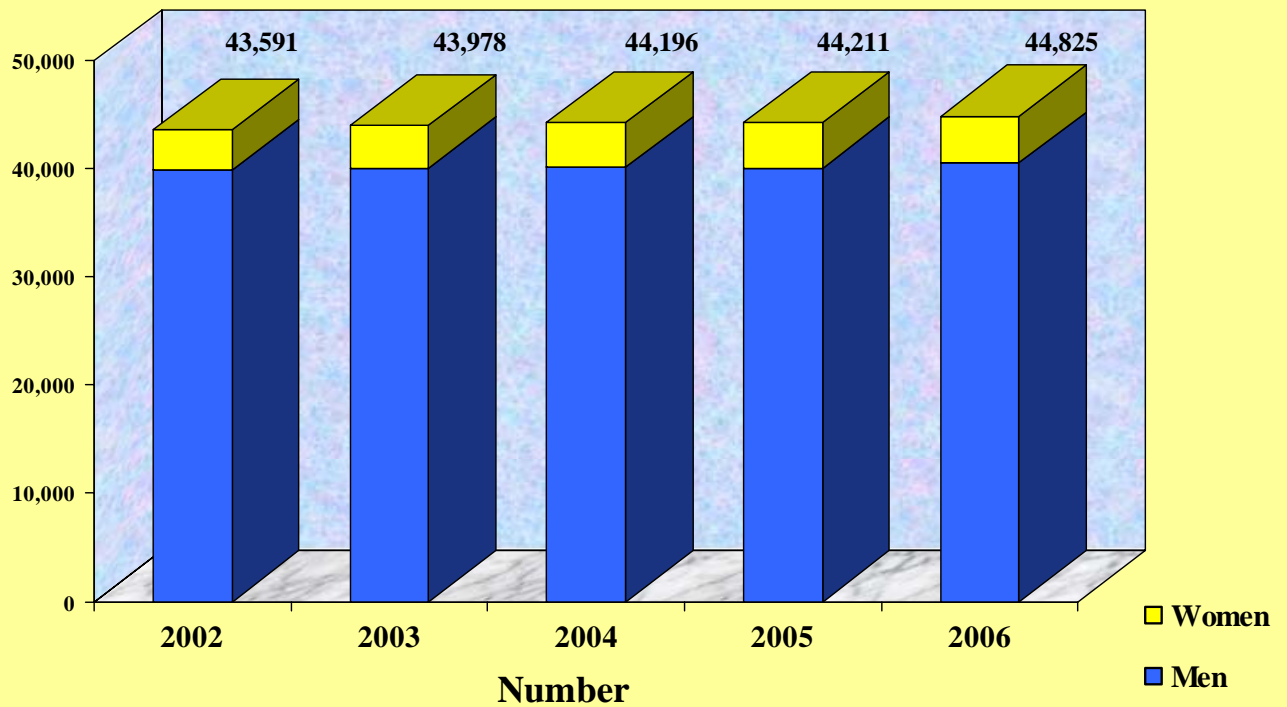
Group	2006		2005	
	Number	Annual Allowances	Number	Annual Allowances
Deferred Terminated Vesteds	59	\$ 823,128	64	\$ 912,540
Service Retirements	19,848	\$ 907,585,036	19,207	\$ 843,664,743
Ordinary Disability Retirements	2,437	\$ 53,119,716	2,310	\$ 47,792,754
Accidental Disability Retirements	1,722	\$ 59,705,727	1,622	\$ 52,726,185
Beneficiaries	6,421	\$ 137,239,806	6,118	\$ 125,382,496

Appendix E provides a detailed distribution between groups.

Graphic presentations of the statistical data on membership are shown on the following pages.

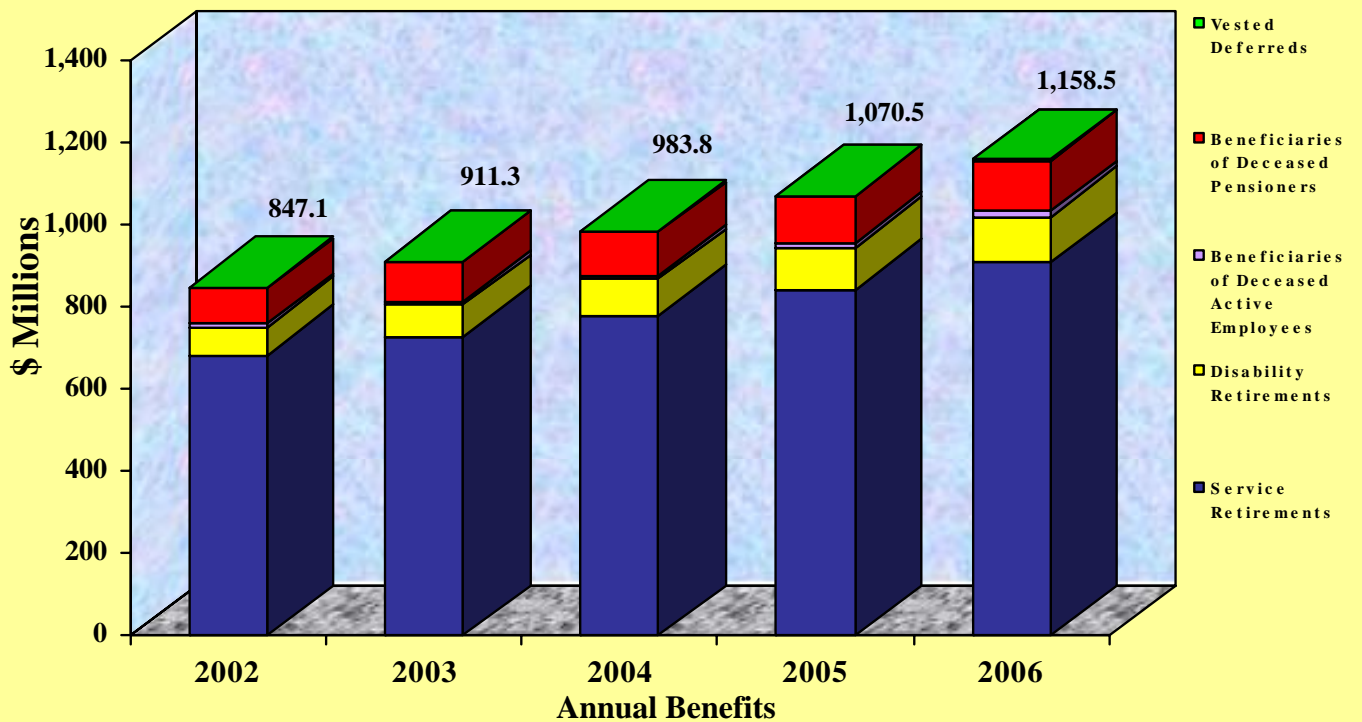
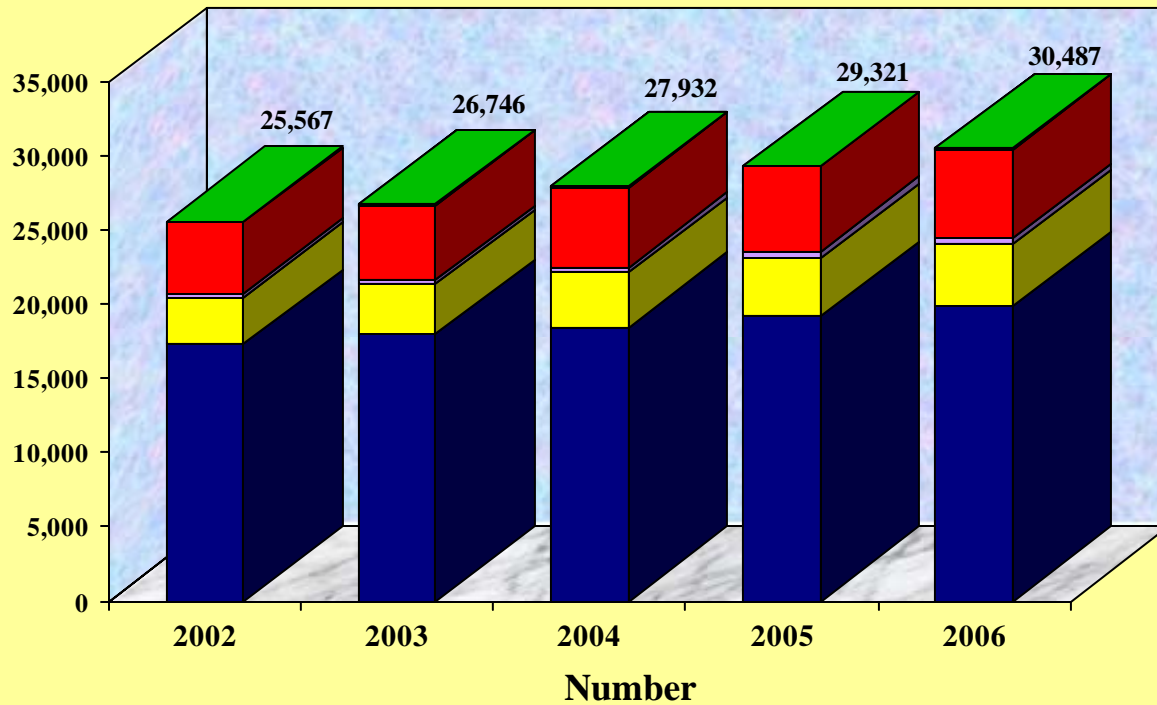
THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

SUMMARY OF ACTIVE MEMBERSHIP



THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

SUMMARY OF RETIRED PARTICIPATION



SECTION III – ASSETS, LIABILITIES AND CONTRIBUTIONS

A. Market Value of Assets as of June 30, 2006

1.	Assets	
	a. Cash	\$ 2,131,532
	b. Securities Lending Collateral	3,004,838,829
	c. Investment Holdings	17,243,626,439
	d. Accrued Interest on Investments	55,294,189
	e. Loans Receivable	441,003,506
	f. Employers' Contributions Receivable – Local	1,066,601,559
	g. Employers' Contribution Receivable – Local – ERI	25,868,290
	h. Employers' Contribution Receivable – NCGI – State	320,627
	i. Interest Receivable on Loans	2,356,557
	j. Members' Contributions Receivable	49,697,767
	k. Dividends Receivable	57,492,131
	l. Employers' Contributions Receivable – Delayed Enrollments	63,749
	m. Employers' Contributions Receivable – Delayed Appropriations	94,697
	n. Accounts Receivable – Other	<u>15,117,553</u>
	o. Total	\$ 21,964,507,425
2.	Liabilities	
	a. Pension Payroll Payable	\$ 11,663,810
	b. Pension Adjustment Payroll Payable	4,209,401
	c. Withholdings Payable	13,641,831
	d. Death Benefits Payable	3,630,870
	e. Securities Lending Collateral and Rebates Payable	3,004,838,829
	f. Accounts Payable – Other	1,001,049
	g. Administrative Expense Payable	<u>334,978</u>
	h. Total Liabilities	\$ 3,039,320,768
3.	Preliminary Market Value of Assets as of June 30, 2006: 1(o) - 2(h)	\$ 18,925,186,657
4.	State Receivable Contributions	\$ 270,004,664*
5.	Adjustment to Local Receivable Contributions	\$ (50,633,843)**
6.	Adjustment to June 30, 2006 Financial Report to reflect actual present value of receivable ERI contributions as of June 30, 2006	<u>\$ (285,018)</u>
7.	Market Value of Assets as of June 30, 2006 = 3. + 4. + 5. + 6.	\$ 19,144,272,460

* The fiscal year 2007 required contribution of \$217,894,069 has been reduced to \$127,404,777 in anticipation of the provisions of the Appropriation Act for fiscal year 2007 and the fiscal year 2008 required contribution of \$253,689,691 has been reduced to \$154,364,378 in anticipation of the provisions of the Appropriation Act for fiscal year 2008.

** The fiscal year 2007 required contribution of \$528,429,022 has been reduced to \$422,743,218 and the full fiscal year 2008 required contribution of \$639,755,622 is reflected in anticipation of the potential impact of Chapter 108, P.L. 2003.

B. Reconciliation of Market Value of Assets from June 30, 2005 to June 30, 2006

	State	Local	Total System
1. Market Value of Assets as of June 30, 2005	\$ 1,740,952,551	\$ 15,669,026,801	\$ 17,409,979,352
2. Increases			
a. Pension Contributions			
(1) Members' Contributions	\$ 45,535,325	\$ 243,013,238	\$ 288,548,563
(2) Transfers from Other Systems	697,046	1,436,106	2,133,152
(3) Total	\$ 46,232,371	\$ 244,449,344	\$ 290,681,715
b. Employers' Contributions			
(1) Appropriations	\$ 30,143,555	\$ 651,457,455	\$ 681,601,010
(2) Non-Contributory Group Insurance	6,380,445	25,315,167	31,695,612
(3) Transfers from other Systems	85,934	435,630	521,564
(4) Additional Employers' Contributions	0	203,404	203,404
(5) Delayed Enrollments	3,782	74,581	78,363
(6) Delayed Appropriations	6,985	104,060	111,045
(7) Total	\$ 36,620,701	\$ 677,590,297	\$ 714,211,098
c. Investment Income	\$ 171,502,811	\$ 1,503,878,125	\$ 1,675,380,936
d. Total	\$ 254,355,883	\$ 2,425,917,766	\$ 2,680,273,649
3. Decreases			
a. Benefits Provided by Members			
(1) Withdrawals of Members' Contributions	\$ 2,061,950	\$ 3,792,967	\$ 5,854,917
(2) Withdrawals of Transfers' Contributions	161,777	303,015	464,792
(3) Adjustment for Loans	252,090	0	252,090
(4) Total	\$ 2,475,817	\$ 4,095,982	\$ 6,571,799
b. Benefits Provided by Employers			
(1) Transfer Withdrawals - Employers' Benefits	\$ 917	\$ 72,025	\$ 72,942
(2) Death Benefit Claims - NCGI	6,380,445	25,315,167	31,695,612
(3) Administrative Expense	502,391	4,521,523	5,023,914
(4) Miscellaneous Expense	(30,186)	(62,920)	(93,106)
(5) Total	\$ 6,853,567	\$ 29,845,795	\$ 36,699,362
c. Retirement Allowances	\$ 90,897,691	\$ 878,782,926	\$ 969,680,617
d. Pension Adjustment	\$ 19,998,248	\$ 132,116,318	\$ 152,114,566
e. Total Decreases	\$ 120,225,323	\$ 1,044,841,021	\$ 1,165,066,344
4. a. Preliminary Market Value of Assets as of June 30, 2006 = (1) + 2(d) - 3(e)	\$ 1,875,083,111	\$ 17,050,103,546	\$ 18,925,186,657
b. State Receivable Contributions	\$ 147,227,004	\$ 122,777,660	\$ 270,004,664*
c. Adjustment to Local Receivable Contributions	N/A	\$ (50,633,843)**	\$ (50,633,843)
d. Adjustment to June 30, 2006 Financial Report:			
(1) to reflect actual present value of receivable ERI contributions as of June 30, 2006	N/A	\$ (285,018)	\$ (285,018)
(2) due to Chapter 109 State paid local obligation	\$ 1,445,156	\$ (1,445,156)	\$ 0
e. Adjustment for NJIT transfer	\$ 7,588,709	\$ (7,588,709)	\$ 0
5. Market Value of Assets as of June 30, 2006 = 4(a) + 4(b) + 4(c) + 4(d)(1) + 4(d)(2) + 4(e)	\$ 2,031,343,980	\$ 17,112,928,480	\$ 19,144,272,460

*The fiscal year 2007 required contribution of \$217,894,069 has been reduced to \$127,404,777 in anticipation of the provisions of the Appropriation Act for fiscal year 2007 and the fiscal year 2008 required contribution of \$253,689,691 has been reduced to \$154,364,378 in anticipation of the provisions of the Appropriation Act for fiscal year 2008.

**The fiscal year 2007 required contribution of \$528,429,022 has been reduced to \$422,743,218 and the full fiscal year 2008 required contribution of \$639,755,622 is reflected in anticipation of the potential impact of Chapter 108, P.L. 2003.

C. Summary of Market Value of Assets by Source

1.	Reserve for Employers' Contributions	\$	7,335,154,301
2.	Reserve for Members' Contributions		2,548,345,093
3.	Reserve for Retirement Fund		8,869,250,999
4.	Reserve for Special Reserve Fund		172,436,264
5.	Receivable Contributions		219,370,821
6.	Additional receivable ERI contributions		<u>(285,018)</u>
7.	Total Market Value of Assets as of June 30, 2006	\$	19,144,272,460

D.(I) Development of Actuarial Value of Assets as of July 1, 2006

	State	Local Employers	Total System
1. Actuarial Value of Assets as of June 30, 2005 (without receivable contribution)	\$ 1,999,124,994	\$ 17,352,897,089	\$ 19,352,022,083
2. Net Cash Flow excluding Investment Income and Present Value of Remaining ERI Contributions	(35,927,095)	(124,246,536)	(160,173,631)
3. Additional Employer Contributions Paid to Satisfy Remaining ERI Obligations	0	474,317	474,317
4. Investment Income at Actuarially Assumed Rate of 8.25%	161,846,850	1,344,328,846	1,506,175,696
5. Expected Actuarial Value of Assets as of June 30, 2006 = 1. + 2. + 3. + 4.	\$ 2,125,044,749	\$ 18,573,453,716	\$ 20,698,498,465
6. Mark-up percentage	20.0%	20.0%	
7. Mark-up to Reflect Growth in Preliminary Market Value of Assets (without receivable contribution)	(49,703,296)	(310,132,723)	(359,836,019)
8. Receivable Contribution	147,227,004	72,143,817	219,370,821
9. Present Value of Receivable ERI Contributions as of June 30, 2006	N/A	25,583,272	25,583,272
10. Adjustment for NJIT transfer	7,588,709	(7,588,709)	0
11. Actuarial Value of Assets as of June 30, 2006 = 5. + 7. + 8. + 9. + 10.	\$ 2,230,157,166	\$ 18,353,459,373	\$ 20,583,616,539

D.(II) Reconciliation of Fund Balances as of July 1, 2006

	STATE	LOCAL EMPLOYERS	TOTAL SYSTEM
Present assets of Fund credited to:			
Retirement Reserve Fund			
Credited to Fund as of June 30, 2005	\$ 1,078,268,571	\$ 7,403,118,196	\$ 8,481,386,767
• Reserve Transferred from (to):			
- Contingent Reserve Fund	80,085,205	595,048,843	675,134,048
- Annuity Savings Fund	18,289,748	116,521,211	134,810,959
• Distribution of Income	88,957,157	610,757,251	699,714,408
• Total Deductions	<u>(110,895,939)</u>	<u>(1,010,899,244)</u>	<u>(1,121,795,183)</u>
Credited to Fund as of June 30, 2006	\$ 1,154,704,742	\$ 7,714,546,257	\$ 8,869,250,999
Annuity Savings Fund			
Credited to Fund as of June 30, 2005	\$ 305,308,411	\$ 2,093,737,724	\$ 2,399,046,135
• Members' Contributions	45,535,325	243,013,238	288,548,563
• Transfers from Other Systems	697,046	1,436,106	2,133,152
• Reserve Transferred from (to):			
- Retirement Reserve Fund	(18,289,747)	(116,521,211)	(134,810,958)
• Distribution of Income	0	0	0
• Total Deductions	<u>(2,475,817)</u>	<u>(4,095,982)</u>	<u>(6,571,799)</u>
Credited to Fund as of June 30, 2006	\$ 330,775,218	\$ 2,217,569,875	\$ 2,548,345,093
Contingent Reserve Fund			
Credited to Fund as of June 30, 2005	\$ 682,155,082	\$ 7,190,551,168	\$ 7,872,706,250
• Transfers from Other Systems	85,934	435,630	521,564
• Reserve Transferred from (to):			
- Retirement Reserve Fund	(80,085,205)	(595,048,843)	(675,134,048)
- Special Reserve Fund	17,174,260	125,944,574	143,118,834
• Employers' Contributions	36,534,767	677,154,667	713,689,434
• Distribution of Income	82,545,654	893,120,874	975,666,528
• Total Deductions	(6,853,567)	(29,845,795)	(36,699,362)
• Adjustment to the present value of ERI payments as of June 30, 2006	<u>0</u>	<u>(285,018)</u>	<u>(285,018)</u>
Credited to Fund as of June 30, 2006	\$ 731,556,925	\$ 8,262,027,257	\$ 8,993,584,182
Special Reserve Fund			
Credited to Fund as of June 30, 2005	\$ 30,294,541	\$ 285,260,558	\$ 315,555,099
• Reserve Transferred from (to):			
- Contingent Reserve Fund	(17,174,260)	(125,944,574)	(143,118,834)
• Distribution of Income	<u>0</u>	<u>0</u>	<u>0</u>
Credited to Fund as of June 30, 2006	\$ 13,120,281	\$ 159,315,984	\$ 172,436,265
Total Present Assets	\$ 2,230,157,166	\$ 18,353,459,373	\$ 20,583,616,539
Present value of prospective accrued liability/(surplus) contributions/(credits) payable by the State and Local employers to the Contingent Reserve Fund for basic allowances with cost-of-living adjustments	<u>\$ 852,019,511</u>	<u>\$ 4,554,063,287</u>	<u>\$ 5,406,082,798</u>
Total Assets	\$ 3,082,176,677	\$ 22,907,522,660	\$ 25,989,699,337

E. Summary of Actuarial Accrued Liability as of July 1, 2006

	State	Local Employers	Total System
1. Retirees and Beneficiaries			
a. Service Retirement	\$ 885,066,439	\$ 9,543,372,697	\$ 10,428,439,136
b. Disability Retirement	246,077,866	1,208,333,334	1,454,411,200
c. Beneficiaries	102,437,944	1,165,380,295	1,267,818,239
d. Lump Sum Death Benefits	<u>26,894,886</u>	<u>227,933,170</u>	<u>254,828,056</u>
e. Total	\$ 1,260,477,135	\$ 12,145,019,496	\$ 13,405,496,631
2. Terminated Vested Members	\$ 1,334,859	\$ 5,179,206	\$ 6,514,065
3. Active Participants			
a. Service Retirement	\$ 1,583,164,158	\$ 9,459,288,789	\$ 11,042,452,947
b. Vested Retirement	6,341,278	33,279,270	39,620,548
c. Ordinary Disability	105,459,537	573,777,836	679,237,373
d. Accidental Disability	53,626,483	300,097,374	353,723,857
e. Ordinary Death	37,944,458	203,388,164	241,332,622
f. Accidental Death	2,629,209	14,466,078	17,095,287
g. Withdrawal of Contributions	2,731,565	10,482,550	13,214,115
h. Lump Sum Death Benefit	<u>28,467,995</u>	<u>162,543,897</u>	<u>191,011,892</u>
i. Total	\$ 1,820,364,683	\$ 10,757,323,958	\$ 12,577,688,641
4. Total Actuarial Accrued Liability = 1(e) + 2 + 3(i)	\$ 3,082,176,677	\$ 22,907,522,660	\$ 25,989,699,337

F. Summary of Unfunded Accrued Liability/(Surplus) and Required Contribution

	July 1, 2006 Valuation			July 1, 2005 Valuation		
	State Locations	Municipalities & Local Groups	Total	State Locations	Municipalities & Local Groups	Total
I. Development of Unfunded Accrued Liability/(Surplus)						
1. Present Value of Benefits	\$ 3,082,176,677	\$ 22,907,522,660	\$ 25,989,699,337	\$ 2,815,620,221	\$ 21,388,972,326	\$ 24,204,592,547
2. Actuarial Value of Assets	2,230,157,166	18,353,459,373	20,583,616,539	2,109,283,199	17,450,715,064	19,559,998,263
3. Unfunded Accrued Liability/(Surplus):						
(a) Basic Unfunded Accrued Liability/(Surplus) Excluding Chapters 204, 247, 428, 109 and 511	\$ 811,280,327	\$ 4,134,306,064	\$ 4,945,586,391	\$ 671,763,586	\$ 3,594,127,981	\$ 4,265,891,567
(b) Chapter 204	326,291	5,923,358	6,249,649	310,407	5,825,403	6,135,810
(c) Chapter 247	0	84,454,987	84,454,987	0	74,133,484	74,133,484
(d) Chapter 428*	40,412,893	174,699,208	215,112,101	34,263,029	143,862,407	178,125,436
(e) Chapter 109	0	93,444,788	93,444,788	0	73,178,764	73,178,764
(f) Chapter 511	0	61,234,882	61,234,882	0	47,129,223	47,129,223
(g) Gross Unfunded Accrued Liability/(Surplus) = (a) + (b) + (c) + (d) + (e) + (f)	\$ 852,019,511	\$ 4,554,063,287	\$ 5,406,082,798	\$ 706,337,022	\$ 3,938,257,262	\$ 4,644,594,284
4. Net adjustment to Gross Unfunded Accrued Liability to account for phase-in of State paid Local Obligations:						
(a) Chapter 247	\$ 21,362,208	\$ (21,362,208)	\$ 0	\$ 16,616,496	\$ (16,616,496)	\$ 0
(b) Chapter 428*	88,917,122	(88,917,122)	0	69,220,155	(69,220,155)	0
(c) Chapter 109	93,444,788	(93,444,788)	0	73,178,764	(73,178,764)	0
(d) Chapter 511	61,234,882	(61,234,882)	0	47,129,223	(47,129,223)	0
(e) Total Adjustments = (a) + (b) + (c) + (d)	\$ 264,959,000	\$ (264,959,000)	\$ 0	\$ 206,144,638	\$ (206,144,638)	\$ 0
5. Present Value of Future Chapter 428 Normal Costs	40,623,217	182,322,275	222,945,492	39,603,821	170,258,470	209,862,291
6. Net Unfunded Accrued Liability/(Surplus) Reflecting Chapter 428 Offset = 3(g) + 4(e) + 5	\$ 1,157,601,728	\$ 4,471,426,562	\$ 5,629,028,290	\$ 952,085,481	\$ 3,902,371,094	\$ 4,854,456,575

*The Chapter 428 unfunded accrued liability amounts include the unfunded accrued liability amounts due to Chapters 86 and 318.

II. Development of Unfunded Accrued Liability Contribution Amount	July 1, 2006 Valuation			July 1, 2005 Valuation		
	State Locations	Municipalities & Local Groups	Total	State Locations	Municipalities & Local Groups	Total
	1. Accrued Liability Contribution due to:					
(a) Basic Unfunded Accrued Liability	\$ 45,549,244	\$ 232,120,154	\$ 277,669,398	\$ 37,716,092	\$ 201,791,916	\$ 239,508,008
(b) Chapter 204	20,250	367,619	387,869	18,835	353,480	372,315
(c) Chapter 247	0	4,741,716	4,741,716	0	4,162,216	4,162,216
(d) Chapter 428*	2,268,977	9,808,467	12,077,444	1,923,694	8,077,139	10,000,833
(e) Chapter 109	0	5,246,447	5,246,447	0	4,108,614	4,108,614
(f) Chapter 511	0	3,438,026	3,438,026	0	2,646,065	2,646,065
(g) Gross Unfunded Accrued Liability Contribution = (a) + (b) + (c) + (d) + (e) + (f)	\$ 47,838,471	\$ 255,722,429	\$ 303,560,900	\$ 39,658,621	\$ 221,139,430	\$ 260,798,051
2. Net adjustment to Gross Unfunded Accrued Liability Contribution on account of phase-in of State paid Local Obligations:						
(a) Chapter 247	\$ 4,741,716	\$ (4,741,716)	\$ 0	\$ 4,162,216	\$ (4,162,216)	\$ 0
(b) Chapter 428*	9,808,467	(9,808,467)	0	8,077,139	(8,077,139)	0
(c) Chapter 109	5,246,447	(5,246,447)	0	4,108,614	(4,108,614)	0
(d) Chapter 511	3,438,026	(3,438,026)	0	2,646,065	(2,646,065)	0
(e) Total Adjustment = (a) + (b) + (c) + (d)	\$ 23,234,656	\$ (23,234,656)	\$ 0	\$ 18,994,034	\$ (18,994,034)	\$ 0
3. Accrued Liability Contribution as of the Valuation Date = 1(g) + 2(e)	\$ 71,073,127	\$ 232,487,773	\$ 303,560,900	\$ 58,652,655	\$ 202,145,396	\$ 260,798,051
4. Interest to reflect two year delay in payment	12,210,807	39,942,852	52,153,659	10,076,893	34,729,842	44,806,735
5. Accrued Liability Contribution as of Payment Date	\$ 83,283,934	\$ 272,430,625	\$ 355,714,559	\$ 68,729,548	\$ 236,875,238	\$ 305,604,786

* The Chapter 428 unfunded accrued liability contribution amounts include the unfunded accrued liability contribution amounts due Chapters 86 and 318.

G. Development of Excess Valuation Assets

Chapter 115, P.L. 1997 prescribed a procedure for determining the value of Excess Valuation Assets. The law provided for a reduction in the normal contributions of the State and other employers for the valuation period ended June 30, 1995 to the extent possible by the excess valuation assets and permitted the State Treasurer to reduce the normal contribution payable by the State and other employers for valuations after June 30, 1995 up to a specified portion of excess valuation assets (50% as of the July 1, 2006 valuation). Further, Chapter 8, P.L. 2000 amended the definition of Excess Valuation Assets, beginning with the June 30, 1998 valuation, to also reflect the present value of the expected additional normal cost contributions attributable to the provisions of Chapter 428, P.L. 1999.

	State	Municipalities and Local Groups
1. Valuation Assets	\$ 2,230,157,166	\$ 18,353,459,373
2. Actuarial Accrued Liability	3,082,176,677	22,907,522,660
3. Net Portion of Local Unfunded Accrued Liability due to Contribution Phase-in Payable by the State	264,959,000	(264,959,000)
4. Present Value of Future Chapter 428 Normal Costs	40,623,217	183,322,275
5. Excess Valuation Assets = 1. – 2. – 3. – 4. not less than zero	\$ 0	\$ 0

H. Development of Normal Cost (with reduction for Excess Assets) as of July 1, 2006

	State	Local Employers	Total System
1. Service Retirement	\$ 99,169,050	\$ 538,056,980	\$ 637,226,030
2. Ordinary Disability Retirement	8,542,918	41,743,255	50,286,173
3. Accidental Disability Retirement	5,824,783	28,744,768	34,569,551
4. Ordinary Death Benefits	537,960	2,590,993	3,128,953
5. Accidental Death Benefits	253,290	1,241,835	1,495,125
6. Vested Termination Retirement	1,101,231	5,642,266	6,743,497
7. Return of Members' Contributions Upon Withdrawal	626,315	2,381,657	3,007,972
8. Lump Sum Death Benefits after Retirement	1,951,268	10,141,787	12,093,055
9. Portion Attributable to Chapter 428	<u>5,519,436</u>	<u>25,935,733</u>	<u>31,455,169</u>
10. Total (without Non-Contributory Group Insurance Premium)	\$ 123,526,251	\$ 656,479,274	\$ 780,005,525
11. Expected Employee Contributions	43,709,376	237,281,509	280,990,885
12. Portion of Local Normal Cost Payable by the State due to:			
(a) Chapter 511	\$ 21,731,832	\$ (21,731,832)	\$ 0
(b) Chapter 247	2,880,057	(2,880,057)	0
(c) Chapter 109	30,502,070	(30,502,070)	0
(d) Chapter 428	<u>25,935,733</u>	<u>(25,935,733)</u>	<u>0</u>
(e) Total	\$ 81,049,692	\$ (81,049,692)	\$ 0
13. Preliminary Normal Cost as of July 1, 2006 = 10 – 11 + 12(e)	\$ 160,866,567	\$ 338,148,073	\$ 499,014,640
14. Reduction for Chapter 428 Normal Cost (if covered by Excess Valuation Assets)	0	0	0
15. Reduction due to Excess Valuation Assets	0	0	0
16. Non-Contributory Group Insurance Premium	<u>4,330,194</u>	<u>23,725,809</u>	<u>28,056,003</u>
17. Total Gross Normal Cost = 13 – 14 – 15 + 16	\$ 165,196,761	\$ 361,873,882	\$ 527,070,643
18. Interest to Reflect a 2 Year Delay in Payment to July 1, 2008	<u>28,381,836</u>	<u>62,172,195</u>	<u>90,554,031</u>
19. Net Normal Cost as of July 1, 2008 = 17 + 18	\$ 193,578,597	\$ 424,046,077	\$ 617,624,674

I. Summary of Total Required Contributions

	July 1, 2006 Valuation		July 1, 2005 Valuation		Total
	State Locations	Municipalities & Local Groups	State Locations	Municipalities & Local Groups	
Active Participant Payroll	\$ 506,084,434	\$ 2,772,915,465	\$ 482,460,402	\$ 2,619,347,468	\$ 3,101,807,870
1. Normal Cost					
a) Normal Cost (without Chapters 109, 247, 428 and 511)	\$ 75,804,088	\$ 392,156,569	\$ 71,506,673	\$ 370,514,992	\$ 442,021,665
b) Normal Cost for Chapter 511	30,200,250	N/A	28,669,525	N/A	28,669,525
c) Normal Cost for Chapter 247	3,374,869	4,087,457	4,311,171	3,176,099	7,487,270
d) Chapter 109 Payment	42,265,878	N/A	39,981,896	N/A	39,981,896
e) Normal Cost for Chapter 428	36,859,364	0	35,114,470	0	35,114,470
f) Preliminary Normal Cost = (a) + (b) + (c) + (d) + (e)	\$ 188,504,449	\$ 396,244,026	\$ 179,583,735	\$ 373,691,091	\$ 553,274,826
g) Reduction for Chapter 428 Normal Cost (currently covered by Excess Valuation Assets)	0	0	0	0	0
h) Additional reduction due to Excess Valuation Assets	0	0	0	0	0
i) Non-Contributory Group Insurance Premium	5,074,148	27,802,051	5,376,408	29,189,293	34,565,701
j) Net Normal Cost = (f) - (g) - (h) + (i)	\$ 193,578,597	\$ 424,046,077	\$ 184,960,143	\$ 402,880,384	\$ 587,840,527
2. Accrued Liability*					
a) Basic Unfunded Actuarial Liability UAL Payment	\$ 53,374,890	\$ 271,999,847	\$ 44,195,952	\$ 236,461,028	\$ 280,656,980
b) Chapter 204 UAL Payment	23,729	430,778	22,071	414,210	436,281
c) Chapter 247 UAL Payment	5,556,372	N/A	4,877,311	N/A	4,877,311
d) Chapter 428 UAL Payment**	14,152,424	N/A	11,719,038	N/A	11,719,038
e) Chapter 109 UAL Payment	6,147,819	N/A	4,814,500	N/A	4,814,500
f) Chapter 511 UAL Payment	4,028,700	N/A	3,100,676	N/A	3,100,676
g) Total Accrued Liability = (a) + (b) + (c) + (d) + (e) + (f)	\$ 83,283,934	\$ 272,430,625	\$ 68,729,548	\$ 236,875,238	\$ 305,604,786
3. Total Contribution = 1(j) + 2(g)	\$ 276,862,531	\$ 696,476,702	\$ 253,689,691	\$ 639,755,622	\$ 893,445,313

* Does not include ERI payment since actual contributions depend on the payment schedule chosen by each location. The entries for Chapters 247, 428, 109 and 511 include a payment required to fund the portions of the State-paid Local obligations that were not contributed due to the phase-in of contributions through fiscal years 2007 and 2008.

** Includes \$9,464,842 for the July 1, 2005 valuation and \$11,493,623 for the July 1, 2006 valuation attributable to Municipalities & Local Groups' liabilities which are payable by the State as required under Chapters 428, 86 and 318.

J. Summary of Contribution Rates

The following chart summarizes the rounded contribution rates that are applied to the applicable compensation for each location to produce the required contributions:

	July 1, 2006 Valuation		July 1, 2005 Valuation	
	State Locations	Municipalities & Local Groups	State Locations	Municipalities & Local Groups
1. Normal Contribution Rates:				
a) Basic Allowances	14.979%	14.142%	14.821%	14.431%
b) Chapter 511*	5.967%	N/A	5.942%	N/A
c) Chapter 247*				
• PERS Local normal rate applicable to pay for individuals without past service	N/A	8.357%	N/A	6.398%
• Total PERS Local rate applicable to pay for individuals with past service	N/A	4.720%	N/A	4.211%
• Portion of Municipalities & Local Groups costs payable by the State	0.667%	N/A	0.894%	N/A
d) Chapter 109*	8.352%	N/A	8.287%	N/A
e) Chapter 428*	7.283%	0.000%	7.278%	0.000%
f) Reduction in Normal Rate due to Excess Assets				
• PERS Local normal rate applicable to pay for individuals without past service	N/A	0.000%	N/A	0.000%
• Total PERS Local rate applicable to pay for individuals with past service	N/A	0.000%	N/A	0.000%
• Applicable to all other members of the System	0.000%	0.000%	0.000%	0.000%
g) Non-Contributory Group Insurance Premium	1.003%	1.003%	1.114%	1.114%
2. Accrued Liability Contribution Rates:##				
a) Basic Allowances	10.547%	9.972%	9.161%	9.186%
b) Chapter 204	**	**	**	**
c) Chapter 247*	1.098%	N/A	1.011%	N/A
d) Chapter 428*#	2.796%	N/A	2.429%	N/A
e) Chapter 109*	1.215%	N/A	0.998%	N/A
f) Chapter 511*	0.796%	N/A	0.643%	N/A

* Payment for certain costs under Chapters 109, 247, 511 and 428 (Chapter 8) for both Municipalities & Local Groups and State Locations are made by the State in accordance with the legislation.

** Costs for locations affected by Chapter 204 are presented in Appendix C.

Includes the additional costs due to Chapter 86, P.L. 2001 and Chapter 318, P.L. 2001.

The rates shown for Chapters 247, 428, 109 and 511 include the rate required to fund the portions of the State-paid Local obligations that were not contributed due to the phase-in of contributions through fiscal years 2007 and 2008.

SECTION IV - COMMENTS CONCERNING THE VALUATION

The variation in liabilities and contributions reflects the Fund's actual experience during the year. The Plan realized a net actuarial loss during the past year, primarily a result of the investment return which was less than that expected (5.95% on an actuarial value basis, rather than the 8.25% expected) and a net actuarial experience loss.

The following shows the development of the actuarial experience and identifies the major experience components:

Calculation of Net Actuarial Experience

1.	Unfunded Accrued Liability as of July 1, 2005	\$ 4,644,594,284
2.	Normal Cost as of July 1, 2005	738,345,522
3.	Interest on (1) and (2)	444,092,534
4.	Actual Members' Contributions	290,681,715
5.	Discounted value of prior year's Expected Employer Contribution	793,422,274
6.	Expected interest on Members' contributions	<u>11,990,620</u>
7.	Expected Unfunded Accrued Liability as of July 1, 2006 = (1) + (2) + (3) - (4) - (5) - (6)	\$ 4,730,937,731
8.	Increase in Unfunded Accrued Liability due to phase-in provisions of the Appropriation Act for fiscal years 2007 and 2008 and Chapter 108, P.L. 2003	\$ 118,369,983
9.	Actual Unfunded Accrued Liability as of July 1, 2006	\$ 5,406,082,798
10.	Actuarial (gain)/loss = (9) - (7) - (8)	\$ 556,775,084

Components of Actuarial Experience

1.	Investment (Gain)/Loss	\$ 359,836,019
2.	Other net (Gain)/Loss, including COLA losses and changes in employee data	<u>196,939,065</u>
3.	Total Actuarial (Gain)/Loss	\$ 556,775,084

The valuation also reflects costs attributable to the following legislations:

Chapter 204, P.L. 1989

The provisions of Chapter 204 allowed employees with titles which were previously excluded from PFRS membership to enter the Plan. Each employer is required to contribute any additional contribution necessary to fund any unfunded liability arising from Chapter 204. The valuation reflects the additional accrued liability for three State locations and fifteen Municipality and Local Groups locations with certain employees participating in the Fund under the provisions of this legislation. Appendix C lists all applicable locations and the required contributions.

Chapter 511, P.L. 1991

The provisions of Chapter 511 increased the retirement benefit for a spouse of a retiree from 35% to 50% of the retiree's average final compensation. This law also raised the minimum annual spouse's benefit from \$1,600 to \$4,500 for benefits granted prior to January 14, 1992.

Chapter 511 required that the normal cost and accrued liability contribution attributable to this chapter be separately determined. As a result of Chapter 115, P.L. 1997, the accrued liability contribution attributable to Chapter 511 was eliminated at that time. However, because of the reductions (and anticipated reductions) in the required State contributions for fiscal years 2004 through 2008 due to the various Appropriation Acts, the remaining required contributions which were not paid have been set up as an unfunded accrued liability attributable to Chapter 511. The following summarizes the applicable contribution rates for the current and previous valuations:

Chapter 511 Contribution Rate	June 30, 2006	June 30, 2005
Normal Cost	5.967%	5.942%
Accrued Liability	<u>0.796</u>	<u>0.643</u>
Total Rate	6.763%	6.585%

Chapter 247, P.L. 1993 and Chapter 201 P.L. 2001

Chapter 247 requires the State to pay the difference between the PFRS normal cost rate and the PERS normal cost rate for certain members who transferred into PFRS as of January 1, 1992 or later. In addition, the law requires the State to pay the “System” unfunded accrued liability contribution for Municipalities and Local Groups that transferred into PFRS on and after January 1, 1992 without past service. The following summarizes the number of active employees affected, the applicable contribution rates, and the Chapter 247 contributions for the current and previous valuations:

Chapter 247	June 30, 2006	June 30, 2005
Number of Active Employees	871	946
<u>Contribution Rates:</u>		
Normal Cost	0.667%	0.894%
Accrued Liability	<u>1.098</u>	<u>1.011</u>
Total Rate	1.765%	1.905%
<u>Contributions:</u>		
Normal Cost	\$ 3,374,869	\$ 4,311,171
Accrued Liability	<u>5,556,372</u>	<u>4,877,311</u>
Total Contribution	\$ 8,931,241	\$ 9,188,482

Chapter 201, P.L. 2001 made changes to Chapter 247, P.L. 1993 with respect to the benefits payable to members who transferred from PERS to PFRS as a result of the Chapter 247 legislation. The resulting increase in the unfunded accrued liabilities due to the increased benefits was fully funded by the recognition of additional market value surplus in the determination of the actuarial value of assets for the July 1, 1999 valuation. However, because of the reductions (and anticipated reductions) in the required State contributions for fiscal years 2004 through 2008 due to the various Appropriation Acts, the remaining required contributions which were not paid have been added to the Chapter 247 unfunded accrued liability and will be paid off by the State in future contributions.

Chapter 126, P.L. 2000 and Chapter 130, P.L. 2003

“County ERI Section 44” of Chapter 126, P.L. 2000 permitted local units to offer early retirement or termination incentives to certain employees of county governing bodies. Chapter 130, P.L. 2003 extended an Early Retirement Incentive Program similar to that offered by the State under Chapter 23, P.L. 2002 to members of Local employer locations. Appendix G lists all applicable locations and summarizes the contribution requirement under Chapter 126 and Chapter 130.

Chapter 8, P.L. 2000

Chapter 8, P.L. 2000 required that, if valuation assets are insufficient to fund the normal cost and accrued liability costs attributable to Chapter 428, P.L. 1999, the contribution required to fund these costs for the State and other employers shall be paid by the State. For both the July 1, 2005 and July 1, 2006 valuations, valuation assets were not sufficient to fund the costs attributable to Chapter 428. In addition, because of the reductions (and anticipated reductions) in the required State contributions for fiscal years 2004 through 2008 due to the various Appropriation Acts, the remaining required contributions which were not paid have been added to the Chapter 428 unfunded accrued liability and will be paid off by the State in future contributions. The following chart summarizes the applicable contribution rates and the Chapter 428 contributions for the current and previous valuations:

Chapter 428	June 30, 2006	June 30, 2005
<u>Contribution Rates:</u>		
Normal Cost	7.283%	7.278%
Accrued Liability	<u>2.796</u>	<u>2.429</u>
Total Rate	10.079%	9.707%
<u>Contributions:</u>		
Normal Cost	\$ 36,859,364	\$ 35,114,470
Accrued Liability	<u>14,152,424</u>	<u>11,719,038</u>
Total Contribution	\$ 51,011,788	\$ 46,833,508

Chapter 86, P.L. 2001

Chapter 86, P.L. 2001 amended the active death benefits provided to a beneficiary of a member who died in active duty on or after January 1, 1998 and before January 18, 2000. The law required an eligible beneficiary to apply for the increased benefits within 90 days of enactment and return the member's aggregate contributions to the System. The State is liable for all costs to the System attributable to this law and these costs have been included in the Chapter 428 accrued liability contributions.

Chapter 318, P.L. 2001

Chapter 318, P.L. 2001 amended the active death benefits provided to a beneficiary of a member with 10 or more years of service who died in active service on or after June 1, 1995 and before January 1, 1998 and whose beneficiary had, on May 1, 2001, an appeal of a denial of a benefit related to death in the line of duty pending before the Board of Trustees. The law requires that the appeal be withdrawn or denied and that an eligible beneficiary apply for the increased benefits and return the member's aggregate contributions received. The State is liable for all costs to the System attributable to this law and these costs are also included in the Chapter 428 accrued liability contributions.

SECTION V - ACCOUNTING INFORMATION

Statement No. 5 of the Governmental Accounting Standards Board, issued November 1986, established standards of disclosure of pension information by public retirement systems. Statement No. 25 of the Governmental Accounting Standards Board, issued November 1994, established financial reporting standards for defined benefit pension plans and for the notes to the financial statements of defined contribution plans of state and local governmental liabilities and superseded Statement No. 5 effective for periods beginning after June 15, 1996. Statement No. 27, Accounting for Pensions by State and Local Governmental Employers superseded Statement 5 for employers participating in pension plans and is effective for periods beginning after June 15, 1997.

The information required by Statements No. 25 and No. 27 is presented in the following tables. These include the development of the Annual Required Contribution (ARC) as of April 1, 2009, the Schedule of Funding Progress, the Schedule of Employer Contributions and the required Additional Information.

(A) Development of the Annual Required Contribution (ARC) as of April 1, 2009

	<u>State</u>	<u>Municipalities & Local Groups</u>
1. Actuarial Value of Plan Assets as of June 30, 2006		
(a) Valuation Assets as of June 30, 2006 (including Employer and ERI Receivable Contributions)	\$2,230,157,166	\$18,353,459,373
(b) Adjustment for Receivable/(Payable) Contributions included in (a)	<u>147,227,004</u>	<u>72,143,817</u>
(c) Valuation Assets as of June 30, 2006 for GASB Disclosure = (a) - (b)	\$2,082,930,162	\$18,281,315,556
2. Actuarial Accrued Liability as of June 30, 2006	\$3,082,176,677	\$22,907,522,660
3. Unfunded Actuarial Accrued Liability/(Surplus) as of June 30, 2006	\$ 999,246,515	\$ 4,626,207,104
4. Amortization of Unfunded Actuarial Accrued Liability/(Surplus) over 30 years with payments Increasing at 4.00% per year	\$ 56,102,584	\$ 259,737,883
5. Development of Net Normal Cost as of June 30, 2006:		
(a) Basic Allowance Normal Cost	\$ 204,575,943	\$ 575,429,582
(b) Non-Contributory Group Insurance Premium	4,330,194	23,725,809
(c) Expected Employee Contributions	<u>43,709,376</u>	<u>237,281,509</u>
(d) Net Normal Cost as of June 30, 2006 = (a) + (b) - (c)	\$ 165,196,761	\$ 361,873,882
6. Annual Required Contribution as of April 1, 2009		
(a) Annual Required Contribution as of June 30, 2006 = 4 + 5 (d)	\$ 221,299,345	\$ 621,611,765
(b) Interest Adjustment to April 1, 2009	<u>53,906,002</u>	<u>151,417,551</u>
(c) Annual Required Contribution as of April 1, 2009 = (a) + (b)	\$ 275,205,347	\$ 773,029,316

(B) Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll $\frac{(b-a)}{c}$
6/30/01						
State	\$ 1,991,299,968	\$ 1,866,140,391	\$ (125,159,577)	106.71%	\$ 398,118,379	(31.44)%
Local	<u>16,083,153,842</u>	<u>16,056,446,646</u>	<u>(26,707,196)</u>	<u>100.17%</u>	<u>2,163,590,060</u>	<u>(1.23)%</u>
Total	\$ 18,074,453,810	\$ 17,922,587,037	\$ (151,866,773)	100.85%	\$ 2,561,708,439	(5.93)%
6/30/02						
State	\$ 2,032,977,241	\$ 2,046,820,189	\$ 13,842,948	99.32%	\$ 418,849,259	3.30%
Local	<u>16,392,195,411</u>	<u>17,181,142,310</u>	<u>788,946,899</u>	<u>95.41%</u>	<u>2,275,130,620</u>	<u>34.68%</u>
Total	\$ 18,425,172,652	\$ 19,227,962,499	\$ 802,789,947	95.82%	\$ 2,693,979,879	29.80%
6/30/03*						
State	\$ 1,907,752,767	\$ 2,330,909,918	\$ 423,157,151	81.85%	\$ 447,470,022	94.57%
Local	<u>16,447,380,691</u>	<u>18,422,073,072</u>	<u>1,974,692,381</u>	<u>89.28%</u>	<u>2,393,467,444</u>	<u>82.50%</u>
Total	\$ 18,355,133,458	\$ 20,752,982,990	\$ 2,397,849,532	88.45%	\$ 2,840,937,466	84.40%
6/30/04						
State	\$ 1,940,936,459	\$ 2,509,192,584	\$ 568,256,125	77.35%	\$ 450,406,301	126.17%
Local	<u>16,762,453,668</u>	<u>19,769,046,766</u>	<u>3,006,593,098</u>	<u>84.79%</u>	<u>2,524,859,162</u>	<u>119.08%</u>
Total	\$ 18,703,390,127	\$ 22,278,239,350	\$ 3,574,849,223	83.95%	\$ 2,975,265,463	120.15%
6/30/05						
State	\$ 2,005,752,079	\$ 2,815,620,221	\$ 809,868,142	71.24%	\$ 482,460,402	167.86%
Local	<u>17,372,138,294</u>	<u>21,388,972,326</u>	<u>4,016,834,032</u>	<u>81.22%</u>	<u>2,619,347,468</u>	<u>153.35%</u>
Total	\$ 19,377,890,373	\$ 24,204,592,547	\$ 4,826,702,174	80.06%	\$ 3,101,807,870	155.61%
6/30/06						
State	\$ 2,082,930,162	\$ 3,082,176,677	\$ 999,246,515	67.58%	\$ 506,084,434	197.45%
Local	<u>18,281,315,556</u>	<u>22,907,522,660</u>	<u>4,626,207,104</u>	<u>79.80%</u>	<u>2,772,915,465</u>	<u>166.84%</u>
Total	\$ 20,364,245,718	\$ 25,989,699,337	\$ 5,625,453,619	78.36%	\$ 3,278,999,899	171.56%

* The original July 1, 2003 valuation, which was prepared prior to the change in economic assumptions and which anticipated that the impact of the Appropriation Act for fiscal year 2005 would be a reduction in the State's fiscal year 2005 contribution to 40% of the contribution recommended as part of the July 1, 2002 valuation rather than 30%, produced the following results:

6/30/03

State	\$ 1,907,107,359	\$ 2,288,937,652	\$ 381,830,293	83.32%	\$ 447,470,022	85.33%
Local	<u>16,447,612,874</u>	<u>18,258,853,488</u>	<u>1,811,240,614</u>	<u>90.08%</u>	<u>2,393,467,444</u>	<u>75.67%</u>
Total	\$ 18,354,720,233	\$ 20,547,791,140	\$ 2,193,070,907	89.33%	\$ 2,840,937,466	77.20%

(C) **Schedule of Employer Contributions**

Fiscal Year	Annual Required Contribution	Employer Contribution**	Percentage Contributed
<u>STATE</u>			
2004	\$ 118,297,232	\$ 22,215,429*#	18.78%
2005	\$ 161,455,508	\$ 49,326,846#	30.55%
2006 [∅]	\$ 200,902,193	\$ 73,541,000#	36.61%
2007	\$ 216,570,332	\$ 127,404,777#	58.83%
2008	\$ 252,836,330	\$ 154,364,378#	61.05%
2009	\$ 275,205,347	\$ 276,862,531	100.60%
<u>LOCAL</u>			
2004	\$ 316,272,883	\$ 53,396,685##	16.88%
2005	\$ 355,229,715	\$ 132,740,650##	37.37%
2006 [∅]	\$ 475,872,193	\$ 260,986,583##	54.84%
2007	\$ 584,645,679	\$ 422,743,218##	72.31%
2008	\$ 708,019,933	\$ 639,755,622	90.36%
2009	\$ 773,029,316	\$ 696,476,702	90.10%

* In accordance with Chapter 115, P.L. 1997, a portion of the required contribution was offset by available excess valuation assets.

** The employer contribution schedule reflects the portion of Local Employer contributions payable by the State in accordance with Chapters 109, 247, 511, 428, 86 and 318.

The State fiscal year 2004 required contribution of \$111,077,147 has been reduced to \$22,215,429 in accordance with the provisions of the Appropriation Act of 2003, the fiscal year 2005 required contribution of \$164,422,819 has been reduced to \$49,326,846 in accordance with the provisions of the Appropriation Act for fiscal year 2005, the fiscal year 2006 required contribution of \$199,032,528 has been reduced to \$73,541,000 in anticipation of the provisions of the Appropriation Act for fiscal year 2006, the fiscal year 2007 contribution of \$217,894,069 has been reduced to \$127,404,777 in anticipation of the provisions of the Appropriation Act for fiscal year 2007 and the fiscal year 2008 contribution of \$253,689,691 has been reduced to \$154,364,378 in anticipation of the provisions of the Appropriation Act for fiscal year 2008.

The Local fiscal year 2004 required contribution of \$266,983,423 has been reduced to \$53,396,685 in accordance with the provisions of the Chapter 108, P.L. 2003, the fiscal year 2005 required contribution of \$331,851,624 has been reduced to \$132,740,650 in accordance with the provisions of Chapter 108, P.L. 2003 on the fiscal year 2005 contribution, the fiscal year 2006 required contribution of \$434,977,639 has been reduced to \$260,986,583 in anticipation of the potential impact of Chapter 108, P.L. 2003 on the fiscal year 2006 contribution and the fiscal year 2007 required contribution of \$528,429,022 has been reduced to \$422,743,218 in anticipation of the potential impact of Chapter 108, P.L. 2003 on the fiscal year 2007 contribution.

∅ The original July 1, 2003 valuation was prepared prior to the change in economic assumptions and anticipated that the Appropriation Act for fiscal year 2005 would reduce the State's fiscal year 2005 contribution to 40% of the contribution recommended as part of the July 1, 2002 valuation rather than 30%. The original amounts are summarized as follows:

State

2005	\$ 161,455,508	\$ 65,769,128	40.74%
2006	\$ 188,257,547	\$ 183,854,671	97.66%

Local

2006	\$ 423,821,205	\$ 386,903,970	91.29%
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- (D) The information presented in the required supplementary schedules was determined as part of the actuarial valuation. Additional information follows:

Valuation Date	June 30, 2006
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent, Open
Remaining Amortization Period	30 years
Asset Valuation Method	Five year average of market value
Actuarial Assumptions:	
Investment Rate of Return	8.25%
Projected Salary Increases	7.20%
Cost of Living Adjustments	60% of the maximum of the CPI increase and 3.0%

SECTION VI - LEVEL OF FUNDING

Although the value of accrued benefits and the funding ratios shown in the previous section are required for the State's financial statements, it is instructive to also look at these values under an alternative approach. For this purpose, we are presenting liabilities determined on a Financial Accounting Standards Board Statement No. 87 Accumulated Benefit Obligation (ABO) basis. This is the same approach as GASB Statement No. 5 except that no assumption is made as to future salary increases.

FASB 87 ABO Funded Ratios

<u>Valuation Date: June 30, 2006</u>			
Actuarial present value of accumulated benefits:	<u>State</u>	<u>Local Employers</u>	<u>Total System</u>
Vested benefits			
Participants currently receiving payments	\$ 1,260,477,135	\$ 12,145,019,496	\$ 13,405,496,631
Other participants	965,526,144	6,199,161,080	7,164,687,224
	\$ 2,226,003,279	\$ 18,344,180,576	\$ 20,570,183,855
Non-vested benefits	828,164,774	4,296,847,138	5,125,011,912
Total	\$ 3,054,168,053	\$ 22,641,027,714	\$ 25,695,195,767
Assets at market value	\$ 2,031,343,980	\$ 17,112,928,480	\$ 19,144,272,460
Ratio of Assets to Total Present Value	66.5%	75.6%	74.5%

<u>Valuation Date: June 30, 2005</u>			
Actuarial present value of accumulated benefits:	<u>State</u>	<u>Local Employers</u>	<u>Total System</u>
Vested benefits			
Participants currently receiving payments	\$ 1,140,619,126	\$ 11,280,605,230	\$ 12,421,224,356
Other participants	867,317,761	5,756,026,711	6,623,344,472
	\$ 2,007,936,887	\$ 17,036,631,941	\$ 19,044,568,828
Non-vested benefits	786,048,676	4,103,262,279	4,889,310,955
Total	\$ 2,793,985,563	\$ 21,139,894,220	\$ 23,933,879,783
Assets at market value	\$ 1,851,110,756	\$ 15,751,540,173	\$ 17,602,650,929
Ratio of Assets to Total Present Value	66.3%	74.5%	73.5%

As in the case of the Governmental Accounting Standard Board Statement No. 5, the actuarial present value of vested and non-vested accrued benefits was based on an interest rate of 8.25% for both 2005 and 2006.

APPENDIX A

BRIEF SUMMARY OF THE BENEFIT AND
CONTRIBUTION PROVISIONS AS INTERPRETED
FOR VALUATION PURPOSES

Eligibility for Membership

Enrollment is restricted to eligible policemen and firemen who are permanent and full-time and who pass the physical and mental fitness requirements. The maximum enrollment age is 35.

1. Definitions

Plan Year	The 12-month period beginning on July 1 and ending on June 30.
Credited Service	A year of service is credited for each year an employee is a Member of the Retirement System plus service, if any, covered by a prior service liability.
Average Final Compensation (AFC)	The average annual compensation for the three consecutive years of Service immediately preceding retirement or the highest three consecutive fiscal years of Membership Service.
Compensation	Base salary upon which contributions by a Member to the Annuity Savings Fund were based in the last year of Service. For Accidental Death, benefits are computed at the annual rate of salary.
Final Compensation (FC)	Annual compensation received by the member in the last 12 months of Credited Service preceding his retirement.
Accumulated Deductions	The sum of all amounts deducted from the compensation of a Member or contributed by him or on his behalf without interest.

2. Benefits

Service Retirement Eligibility means age 55 or 20 years of credited service for an employee who was a member of the Retirement System as of January 18, 2000 and age 55 for an employee who became a member of the Retirement System after January 18, 2000; mandatory at age 65 (except that a member hired prior to January 1, 1987 may remain a member of the System until the member attains the earlier of age 68 or 25 years of creditable service). Benefit is an annual retirement allowance equal to a member annuity plus an employer pension which together equals the greater of:

- (i) 1/60th of FC for each year of Credited Service; or

- (ii) 2% of FC multiplied by years of Credited Service up to 30 plus 1% of FC multiplied by years of Service over 30. (Prior to January 18, 2000, this benefit was based on AFC rather than FC. However, Policy Memorandum 4-2000, which interpreted the provisions of Chapter 428, P.L. 1999, authorized the change in the salary basis).
- (iii) 50% of FC if the member has 20 or more years of Credited Service.

Chapter 428 also requires that, in addition to the 50% of FC benefit, any member as of January 18, 2000 who will have 20 or more years of Credited Service and is required to retire upon attaining age 65 (except that a member hired prior to January 1, 1987 may remain a member of the System until the member attains the earlier of age 68 or 25 years of creditable service), shall receive an additional benefit equal to 3% of FC for each year of Credited Service over 20 years but not over 25 years.

Special Retirement

After completion of 25 years of Credited Service. The annual retirement benefit is equal to a member annuity plus an employer pension which together equal 65% of FC plus 1% of FC for each year of Credited Service over 25. There is a maximum benefit of 70% of FC except for those members with 30 or more years of Credited Service on June 30, 1979.

Vested Termination

- (A) Eligible upon termination of service prior to age 55 and prior to 10 years of Service. The benefit equals a refund of Accumulated Deductions less any outstanding loans.
- (B) Eligible upon termination of service prior to age 55 and after 10 years of Service (but less than 20 years if a member on or prior to January 18, 2000 or less than 25 years of service if a member after January 18, 2000). The benefit is a deferred retirement benefit, commencing at age 55, equal to a member annuity plus an employer pension which together provide a retirement allowance equal to 2% of FC multiplied by years of Credited Service up to 30 plus 1% of FC multiplied by years of Credited Service over 30.

Death Benefits

Ordinary Death Benefit - Lump Sum

- (1) If a member dies prior to retirement, the benefit payable is as follows:

A lump sum amount equal to 3-1/2 times FC payable to the member's beneficiary.

- (2) After retirement but prior to age 55, the benefit is as follows:

- (i) For death while a Disabled Retiree the benefit is equal to 3-1/2 times Compensation.
 - (ii) For death while a Deferred Retiree the benefit is equal to his Accumulated Deductions.
 - (iii) For death while a Retiree who has completed 20 years of Service, the benefit is equal to 1/2 times FC.
- (3) After retirement and after age 55, the benefit payable is equal to 1/2 times Compensation. (Note: If a Member is not disabled, 10 years of Credited Service is required for Members enrolling after July 1, 1971.)

Ordinary Death Benefit - Survivor Annuity

- (1) If a member dies prior to retirement, the benefit payable to a widow (widower) is equal to 50% of FC (20% of FC payable to one child, 35% of FC payable to two children or 50% of FC payable to three or more children if there is no surviving widow or widower or if the widow or widower dies or remarries or 25% of FC payable to one parent or 40% of FC payable to two parents if no surviving widow, widower or child. If no widow, widower, child or parent, the benefit payable to a beneficiary is the aggregate Accumulated Contributions at the time of death).
- (2) For any member who retired after December 18, 1967, the benefit payable to a widow (widower) is equal to 50% of FC plus 15% of FC for one child and 25% of FC for two or more children.
- If no spouse, or spouse remarries, the benefit is equal to 20% of FC for one child, 35% for two children, and 50% for three or more children.
- There is also a minimum benefit payable to widows (widowers) of \$4,500 a year.
- (3) For any member who retired with an Accidental Disability Benefit, the benefit payable is equal to \$4,500 a year to the widow (widower). If there is no widow (widower) the benefit payable is \$600 a year for 1 child, \$960 a year for 2 children, and \$1,500 a year for 3 or more children. The benefit for children is payable until age 18.

Accidental Death Benefit

A death while active resulting from injuries received from an accident during performance of duty is eligible for a lump sum equal to the Accumulated Deductions plus 3-1/2 times Compensation plus an annuity benefit payable is as follows:

- (i) The benefit to a widow or widower is equal to 70% of Compensation.
- (ii) The benefit, when there is no spouse, or spouse is remarried, is equal to 20% of Compensation for one child, 35% for two children, 50% for three or more children. The benefit is payable while the children are under age 18, or until age 24 if they are full-time students, or it is payable for life if they are disabled.
- (iii) The benefit, when there is no spouse or children, is equal to 25% of Compensation for one parent and 40% for two parents.
- (iv) The benefit, when there is no relation as stated above, is equal to the Accumulated Deductions and is payable to a beneficiary or to the Member's estate. This is also the minimum benefit payable under (i), (ii) and (iii).

Disability Benefits

Ordinary Disability Retirement

A Member is eligible for Ordinary Disability Retirement if he (she) has 4 years of Service and is totally and permanently incapacitated from the performance of usual or available duties. The benefit is equal to the greater of:

- (i) 1-1/2% of FC times the number of years of Credited Service; or
- (ii) 40% of FC.

In addition, a member who has at least 20 years but less than 25 years of Credited Service and who is required to retire upon application by the employer on and after January 18, 2000 shall receive a benefit equal to a member annuity plus an employer pension which together provide a total retirement allowance equal to 50% of FC plus 3% of FC multiplied by the number of years of Credited Service over 20 but not over 25.

Accidental Disability Retirement

A Member is eligible upon total and permanent incapacitation from the performance of usual or available duties as a result of injury during the performance of regular duties. The benefit payable is equal to a Member annuity plus an employer pension which together equals 2/3 of the Compensation at date of injury.

Special Disability Retirement

A member is eligible for Special Disability Retirement if he (she) has 5 years of Credited Service, is under age 55, and has received a heart transplant. The benefit payable is equal to a Member annuity plus an employer pension which together equals 50% of FC.

3. Member Contributions

Each member contributes 8-1/2% of Compensation.

APPENDIX B

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHOD

VALUATION INTEREST RATE: 8-1/4% per annum, compounded annually.

SEPARATIONS FROM SERVICE AND SALARY INCREASES: Representative values of the assumed annual rates of separation and annual rates of salary increases are as follows:

Annual Rates of

<u>Age</u>	<u>Select Withdrawal</u>					<u>Ultimate</u>
	<u>Up to the</u> <u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5 to 9 Years</u>	<u>Withdrawal</u> <u>After 9 Years</u>
25	3.85%	1.91%	1.57%	1.74%	0.70%	0.00%
30	4.40	2.20	1.76	1.74	1.08	0.54
35	4.50	2.25	1.76	1.74	1.28	0.31
40	5.00	2.25	1.85	2.32	1.50	0.32
45	3.50	2.25	1.85	2.32	1.50	0.32
50	0.00	2.25	1.85	2.00	2.00	0.30
55	0.00	0.00	0.00	0.00	0.00	0.00

Annual Rates of

<u>Age</u>	<u>Death</u>		<u>Disability</u>		<u>Service Retirement</u>				<u>Salary</u> <u>Increases</u>
	<u>Ordinary</u>	<u>Accidental</u>	<u>Ordinary</u>	<u>Accidental</u>	<u>Length of Service</u>	<u>26 or</u> <u>More</u> <u>Years</u>	<u>21 to 24</u> <u>Years</u>	<u>25 Years</u>	
25	.050%	.006%	.100%	.029%	Less Than 21 Years*				10.62%
30	.065	.006	.165	.107					8.16
35	.065	.008	.300	.183					6.67
40	.120	.008	.462	.230	2.50%	0.00%	49.20%	15.40%	6.01
45	.180	.009	.502	.227	2.50	0.00	52.98	15.40	5.95
50	.250	.009	.545	.179	3.75	0.00	56.77	15.40	5.95
55	.350	.014	.900	.161	4.25	0.00	59.04	17.48	5.95
60	.600	.013	1.600	.107	4.25	0.00	77.49	22.78	5.95
64	.600	.008	3.000	.107	37.50	0.00	77.49	37.80	5.95
65 and over	0.000	0.000	0.000	0.000	100.00	100.00	100.00	100.00	

*Retirement assumption prior to age 55 is for any member as of January 18, 2000 upon completion of 20 years of service up to age 54.

DEATHS AFTER RETIREMENT: Special mortality tables are used for the period after disability retirement. Representative values of the assumed annual rates of mortality are as follows:

<u>Age</u>	<u>Service Retirements</u>		<u>Beneficiaries</u>		<u>Age</u>	<u>Disability Retirements</u>
	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>		
55	0.903%	0.254%	0.903%	0.699%	35	1.494%
60	1.416	0.424	1.416	1.027	40	1.584
65	2.169	0.706	2.169	1.563	45	1.674
70	2.753	1.238	2.753	1.981	50	1.764
75	4.460	2.399	4.460	2.639	55	2.016
80	7.407	4.295	7.407	4.725	60	2.376
85	11.484	6.992	11.484	7.691	65	2.736

Marriage: Husbands are assumed to be 3 years older than wives. Among the active population, 90% of participants are assumed married. No children are assumed. Neither the percentage married nor the number of children assumptions are necessarily individually explicit, but they are considered reasonable, when viewed as a single combined assumption.

VALUATION METHOD: Projected Unit Credit Method. This method essentially funds the System's benefits accrued to the valuation date. Experience gains or losses are recognized in future accrued liability contributions.

COLA: Benefits are assumed to increase 1.8% each year.

ASSET VALUATION METHOD: A five year average of market values with write-up was used. This method takes into account appreciation (depreciation) in investments in order to smooth asset values by averaging the excess of the actual over the expected income, on a market value basis, over a five year period.

APPENDIX C

ADDITIONAL CONTRIBUTION SCHEDULES

A. ADDITIONAL ACCRUED LIABILITY CONTRIBUTION SCHEDULE DUE TO CHAPTER 204, P.L. 1989

	July 1, 2006 Valuation		July 1, 2005 Valuation	
	Payment*	Years Remaining	Payment*	Years Remaining
<u>State Locations</u>				
• Location #00053: Juv. Jus. Comm/Community Prog.	\$ 682	25	\$ 634	26
• Location #00323: Dept. Div. of Human Resources	21,901	25	20,371	26
• Location #00498: Univ. of Medicine & Dentistry	1,146	25	1,066	26
Total	\$ 23,729		\$ 22,071	
<u>Municipalities & Local Groups</u>				
• Location #21202: Camden City	\$ 62,711	25	\$ 60,299	26
• Location #39300: Belmar Borough	8,389	25	8,066	26
• Location #46800: Roxbury Township	15,876	25	15,265	26
• Location #49700: West Windsor Township	23,548	25	22,642	26
• Location #57700: Sea Isle City	4,261	25	4,097	26
• Location #62400: NJ Institute of Technology	67,938	25	65,325	26
• Location #62500: Brookdale Community College	73,823	25	70,984	26
• Location #62700: Essex County College	22,186	25	21,333	26
• Location #75000: Lakewood Twp Fire District #1	11,782	25	11,329	26
• Location #75700: Middlesex County College	82,059	25	78,904	26
• Location #76200: Lower Camden Regional High School – District 1	1,772	25	1,703	26
• Location #77500: Hopewell Twp Fire District #1	7,301	25	7,021	26
• Location #78600: South Jersey Transit Authority	35,836	25	34,457	26
• Location #78700: Washington Township Board of Fire Comm	12,535	25	12,053	26
• Location #79600: Upper Freehold Twp	761	25	732	26
Total	\$ 430,778		\$ 414,210	

* Dollar amounts include two years of interest at 8.25% and assume that contributions will increase by 4.0% per year.

B. SUMMARY OF FISCAL YEAR 2009 CONTRIBUTIONS FOR STATE COLLEGE LOCATIONS

Location	Location Name	Number of Members	2006 Appropriation Payroll	Normal Contribution			Accrued Liability Contribution	Fiscal Year 2009 Contribution
				Basic Allowances	Non-Contributory Group Insurance Premium Fund	Total		
00410	Rowan University	7	\$ 378,229	\$ 140,879	\$ 3,794	\$ 144,673	\$ 62,226	\$ 206,899
00412	Kean University	15	989,904	368,709	9,929	378,638	162,859	541,497
00413	William Paterson University of NJ	9	567,702	211,452	5,694	217,146	93,398	310,544
00414	Montclair State University	25	1,405,698	523,580	14,099	537,679	231,265	768,944
00415	The College of NJ	11	657,287	244,819	6,593	251,412	108,137	359,549
00421	Richard Stockton College of NJ	14	851,215	317,052	8,538	325,590	140,042	465,632
00497	University of Medicine and Dentistry of NJ	45	2,839,624	1,057,675	28,481	1,086,156	467,175	1,553,331
00498	University of Medicine and Dentistry of NJ	24	1,601,272	596,426	16,061	612,487	264,587	877,074
00499	University of Medicine and Dentistry of NJ	16	1,085,802	404,428	10,891	415,319	178,636	593,955
62400	NJ Institute of Technology	25	1,594,148	593,773	15,989	609,762	330,207	939,969
90011	Rutgers University	86	5,388,144	2,006,922	54,043	2,060,965	886,457	2,947,422
Total		277	\$ 17,359,025	\$ 6,465,715	\$ 174,112	\$ 6,639,827	\$ 2,924,989	\$ 9,564,816

APPENDIX D**ADDITIONAL CENSUS DATA STATISTICS**

In response to prior requests from the Board of Trustees, we have performed additional calculations and constructed additional exhibits based on the July 1, 2006 valuation data.

Age Breakdown

1. Average Age at Retirement – split by Special/Service Retirements

The exhibit on page 46 provides information split between Police and Firemen and by type of retirement. The average age at retirement is 55.9, 53.6 and 55.0 for service, special, and deferred retirement, respectively.

2. Average Age at Entry

The average age at entry for Contributing active participants at July 1, 2006 is 26.4. The average age at entry for Non-Contributing active participants at July 1, 2006 is 29.7. The average age at entry for all actives at July 1, 2006 is 26.4.

3. & 4. Average Age at Death for Active participants and Retired participants.

We have assumed that all deaths between July 1, 2005 and June 30, 2006 occurred at the middle of the plan year; January 1, 2006. Based on this assumption, the average age at death for the various groups is as follows:

Active Contributing members at July 1, 2005	49.0
Active Non-Contributing members at July 1, 2005	47.4
Retired at July 1, 2005	73.9
Disabled at July 1, 2005	63.8
Beneficiary at July 1, 2005	80.0
Terminated Vested at July 1, 2005	N/A

5. & 6. Average Age at Retirement for those who retired under ordinary and accidental disability.

Specific information by category is contained on page 47. The average age at retirement is 42.6 and 39.8 for ordinary and accidental disability, respectively.

Breakdown of Members

1. Police/Firemen split for Active and Retirees

The Police/Firemen split summarized below for plan members can be found in Appendix E of this report.

	<u>Policemen</u>	<u>Firemen</u>	<u>Unknown</u>	<u>Total</u>
Active Contributing Members	36,974	6,673	0	43,647
Active Non-Contributing Members	1,080	98	0	1,178
Vested Terminated Participants	55	4	0	59
Retired Participants	13,824	3,953	2,071	19,848
Disabled Retired Participants	3,445	368	346	4,159
Beneficiaries	<u>2,652</u>	<u>770</u>	<u>2,999</u>	<u>6,421</u>
Total	58,030	11,866	5,416	75,312

Breakdown of Retired Members and Beneficiaries

1-6. Number of members receiving various benefits.

This information is included in Appendix E of this report and is summarized as follows:

Number of Members

Receiving Special Retirement Benefits	18,171
Receiving Service Retirement Benefits	1,508
Receiving Deferred Retirement Benefits	169
Receiving Ordinary Disability Benefits	2,437
Receiving Accidental Disability Benefits	1,722

7. Members who died as a result of Accidental Death

We did not receive any information that indicates cause of death for deceased members.

8.-10. Number of Widows, Children, and Other Dependents

This information is included in Tables 9 and 10 of Appendix E of this report and is summarized as follows:

	<u>Number</u>
Widows/Widowers	5,030
Children	283
Other Dependents	1,108

13. The Number of Beneficiaries and Children receiving benefits due to the accidental death of a member is 124 (113 Beneficiaries, 7 Children and 4 other dependents). We have no information to perform a further S.H.B.P./Local Health Benefits split.

Breakdown of Costs

The information contained in this section, "Breakdown of Costs", has been calculated in a manner consistent with that shown in prior reports.

1. Cost per member for Insurance.

Dividing the total death benefit cost, prior to the offset for Excess Valuation Assets, of \$57,753,399, (\$7,922,007 for State location and \$49,831,392 for Local groups) by the number of active contributing members of 43,647 gives the total cost per member for insurance \$1,323.19.

2. Cost per member for Administration

Dividing the Administrative cost per member = \$5,023,914/75,312 members = \$66.71.

- 3.&4. The normal contribution rates for State Locations and Municipalities and Local Groups are summarized in Section III(J) of this report.

- 5.&6. The Accrued Liability rates for State Locations and Municipalities and Local Groups are also summarized in Section III(J) of this report.

Breakdown of Purchases

We do not receive information on the active data file regarding service purchases.

Better Breakdown of Inactive Members

To better demonstrate the effect that inactive participants have on costs, we have split the liabilities attributable to beneficiaries used to calculate the Accrued Liability into specific categories. The information summarized below can be found in Section III(E) of this report.

	<u>Actuarial Accrued Liability</u>	<u>Percentage of Total Accrued Liability</u>
Service/Special Retirements	\$ 10,428,439,136	40.13%
Disableds	1,454,411,200	5.60%
Beneficiaries	1,267,818,239	4.88%
Deferred Terminated Vesteds	6,514,065	0.03%
Lump Sum Death Benefits	<u>254,828,056</u>	<u>0.98%</u>
Total	\$ 13,412,010,696	51.62%

The percentage shown on the right is the percent attributable to each inactive piece of the total Accrued Liability of \$25,989,699,337.

Reconciliation of Census Data

The following chart presents a reconciliation of census data from July 1, 2005 to June 30, 2006:

	Actives		Deferred Vested	Retirees			Beneficiaries	Dependents	Domestic Relations Beneficiaries	Total
	Contrib.	Noncontrib.		Service	Special	Deferred				
Members as of July 1, 2005	43,075	1,136	64	1,483	17,562	162	4,813	284	1,021	73,532
Status Change To Contributing	188	(188)								0
To Noncontributing	(499)	499								0
Terminated Vested		(4)	4							0
Terminated Non-Vested	(88)	(220)								(308)
Service Retirement	(88)	(13)		101						0
Special Retirement	(940)	(5)			945					0
Deferred Vesteds Now Payable		(3)	(8)			7				(4)
New Disabled	(226)	(80)								0
New Death	(46)	(7)		(75)	(336)		(164)		(1)	(710)
Payments Began									146	146
Payments Ceased								(41)	(66)	(107)
New Actives	2,271	63								2,334
Retires										0
New Beneficiaries									381	429
Data Corrections			(1)	(1)			2			0
Members as of July 1, 2006	43,647	1,178	59	1,508	18,171	169	5,030	291	1,100	75,312

Active Member Fifth Age and Service Distribution

The following charts present distributions of active members by age and service.

STATE LOCATIONS AND MUNICIPALITIES AND LOCAL GROUPS

AGE	SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
20	Number	447									
	Salary	17,678,799	1,840,392	37							484
25	Number	2,334	1,603	29							3,966
	Salary	103,450,331	92,191,912	1,842,536							197,484,779
30	Number	1,509	3,804	1,440	29						6,782
	Salary	68,460,743	2,43,078,446	105,423,552	2,029,991						418,992,732
35	Number	846	2,783	4,443	1,902	63					10,037
	Salary	38,276,278	181,559,591	341,004,896	153,174,660	5,408,500					719,423,925
40	Number	92	986	2,410	3,584	2,156		50			9,278
	Salary	4,406,585	64,809,437	183,465,898	294,023,828	190,688,093		4,566,141			741,959,982
45	Number	1	99	901	1,657	2,990		8			6,784
	Salary	38,405	7,041,160	66,966,005	132,268,628	263,585,986		107,574,989	791,412		578,266,585
50	Number	1	11	265	682	1,490		1,643	343	2	4,437
	Salary	15,489	610,778	18,096,562	52,597,997	126,735,619		160,692,513	36,794,888	170,004	395,713,850
55	Number		7	101	222	608		658	464	126	2,186
	Salary		399,401	6,823,624	16,166,253	48,796,417		61,041,371	49,449,536	14,137,440	196,814,042
60	Number	1	2	43	83	196		154	115	160	782
	Salary	17,735	52,404	2,965,832	5,927,628	14,785,380		13,384,629	11,507,298	18,050,887	69,911,161
63	Number		1	7	8	24		12	9	10	89
	Salary		113,184	432,944	529,228	1,575,476		996,476	741,692	1,044,344	7,727,416
TOTAL	Number	5,231	9,333	9,639	8,167	7,527		3,645	939	298	46
	Salary	232,344,365	591,696,705	727,021,849	656,718,213	651,575,471		348,256,119	99,284,826	33,402,675	5,513,440

Average Age: 39.7 Years
 Average Service: 13.3 Years
 Average Salary: \$74,642
 Number Vested: 26,569
 Number Non Vested: 18,256

Active Member Fifth Age and Service Distribution (continued)

STATE LOCATIONS

AGE	SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
20	Number	61	2								63
	Salary	2,779,931	91,402								2,871,333
25	Number	380	253	8							641
	Salary	17,794,282	13,628,848	484,336							31,907,466
30	Number	331	747	218	4						1,300
	Salary	15,832,594	42,128,931	13,815,467	217,111						71,994,103
35	Number	193	612	650	271	7					1,713
	Salary	9,297,443	35,030,600	41,827,140	18,653,491	556,208					105,364,882
40	Number	33	249	400	624	349	11				1,666
	Salary	1,542,088	14,565,967	26,505,318	43,639,832	25,681,595	828,477				112,763,277
45	Number	1	13	142	344	577					1,223
	Salary	38,405	806,772	9,377,455	24,096,053	41,982,483	11,030,955				87,332,123
50	Number	1	2	88	192	160	16				834
	Salary	15,489	119,146	5,683,418	13,263,224	27,099,046	12,356,190	1,371,149			59,907,662
55	Number		2	52	101	84	222	15	3		479
	Salary		118,609	3,407,052	6,948,977	15,916,634	6,597,911	1,128,344	212,552		34,330,079
60	Number	1	27	33	33	30	85	10	1		187
	Salary	17,735	1,814,276	2,287,636	2,287,636	6,177,350	2,188,687	885,568	66,590		13,437,842
63	Number		2	5	5	4	16	2			29
	Salary		153,636	343,300	343,300	1,116,264	326,848	120,240			2,060,288
TOTAL	Number	1,001	1,880	1,574	1,567	1,631	435	43	4	4	8,135
	Salary	47,317,967	106,490,275	103,068,098	109,449,624	118,529,580	33,329,068	3,505,301	279,142	279,142	521,969,055

Average Age: 40.2 Years

Average Service: 12.4 Years

Average Salary: \$64,163

Number Vested: 4,392

Number Non Vested: 3,743

Active Member Fifth Age and Service Distribution (continued).

MUNICIPALITIES AND LOCAL GROUPS

AGE	SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
20	Number	386	35								421
	Salary	14,898,868	1,748,990								16,647,858
25	Number	1,954	1,350	21							3,325
	Salary	85,656,049	78,563,064	1,358,200							165,577,313
30	Number	1,178	3,057	1,222	25						5,482
	Salary	52,628,149	200,949,515	91,608,085	1,812,880						346,998,629
35	Number	653	2,171	3,813	1,631	56					8,324
	Salary	28,978,835	146,528,991	299,177,756	134,521,169	4,852,292					614,059,043
40	Number	59	737	2,010	2,960	1,807	39				7,612
	Salary	2,864,497	50,243,470	156,960,580	250,383,996	165,006,498	3,737,664				629,196,705
45	Number		86	759	1,313	2,413	982	8			5,561
	Salary		6,234,388	57,588,550	108,172,575	221,603,503	96,544,034	791,412			490,934,462
50	Number		9	177	490	1,115	1,483	327	2		3,603
	Salary		491,632	12,413,144	39,334,773	99,636,573	148,336,323	35,423,739	170,004		335,806,188
55	Number		5	49	121	386	574	449	123		1,707
	Salary		280,792	3,416,572	9,217,276	32,879,783	54,443,460	48,321,192	13,924,888		162,483,963
60	Number		2	16	50	111	124	105	159	28	595
	Salary		52,404	1,151,556	3,639,992	8,608,030	11,195,942	10,621,730	17,984,297	3,219,368	56,473,319
63	Number		1	5	3	8	8	7	10	18	60
	Salary		113,184	279,308	185,928	459,212	669,628	621,452	1,044,344	2,294,072	5,667,128
TOTAL	Number	4,230	7,453	8,072	6,593	3,210	896	294	33,123,533	5,513,440	36,690
	Salary	185,026,398	485,206,430	623,953,751	547,268,589	533,045,891	314,927,051	95,779,525	33,123,533	5,513,440	2,823,844,608

Average Age: 39.6 Years

Average Service: 13.4 Years

Average Salary: \$76,965

Number Vested: 22,177

Number Non Vested: 14,513

ADDITIONAL INFORMATION PROVIDED FOR ITEM 1.All Healthy Retirees as of July 1, 2006

<u>Sex</u>	<u>Police or Firemen</u>	<u>Type of Retirement</u>	<u>Counts</u>	<u>Average Years of Service</u>	<u>Average Age at Retirement</u>	<u>Average Annual Benefit</u>	<u>Average Current Age</u>
M	Police	Service	744	19.4	56.3	\$ 29,172	62.8
M	Police	Special	12,605	27.8	53.1	49,828	62.2
M	Police	Deferred	95	16.2	54.9	12,021	64.3
M	Firemen	Service	92	25.3	56.4	37,481	64.4
M	Firemen	Special	3,806	28.8	54.6	48,351	65.8
M	Firemen	Deferred	52	15.9	55.0	9,472	64.0
M	Unknown	Service	550	26.5	54.9	21,375	83.9
M	Unknown	Special	1,492	28.2	55.6	27,213	79.6
M	Unknown	Deferred	20	18.7	55.0	9,015	79.1
F	Police	Service	115	17.8	56.7	25,922	62.7
F	Police	Special	263	26.2	53.0	49,010	58.0
F	Police	Deferred	2	16.7	55.0	20,699	59.5
F	Firemen	Service	1	13.3	62.0	11,203	78.0
F	Firemen	Special	2	25.4	58.5	44,285	60.5
F	Unknown	Service	6	20.0	59.8	13,778	84.0
F	Unknown	Special	3	28.1	58.3	20,676	84.7

New Healthy Retirees as of July 1, 2006

<u>Sex</u>	<u>Police or Firemen</u>	<u>Type of Retirement</u>	<u>Counts</u>	<u>Average Years of Service</u>	<u>Average Age at Retirement</u>	<u>Average Annual Benefit</u>	<u>Average Current Age</u>
M	Police	Service	74	22.0	51.7	\$ 41,074	52.5
M	Police	Special	768	27.7	52.9	61,596	53.4
M	Police	Deferred	6	15.4	55.0	16,470	56.3
M	Firemen	Service	13	29.0	56.8	54,229	57.4
M	Firemen	Special	132	28.1	53.7	62,134	54.3
M	Firemen	Deferred	1	12.4	55.0	4,879	56.0
F	Police	Service	14	19.7	50.5	38,268	50.9
F	Police	Special	43	25.8	51.6	55,178	52.2
F	Firemen	Special	1	25.1	65.0	25,454	65.0

ADDITIONAL INFORMATION PROVIDED FOR ITEMS 5. & 6.All Disabilities as of July 1, 2006

<u>Sex</u>	<u>Police or Firemen</u>	<u>Type of Retirement</u>	<u>Counts</u>	<u>Average Years of Service</u>	<u>Average Age at Retirement</u>	<u>Average Annual Benefit</u>	<u>Average Current Age</u>
M	Police	Ordinary	1,740	13.3	42.5	\$ 22,140	52.6
M	Police	Accidental	1,287	12.6	39.4	36,870	50.8
M	Firemen	Ordinary	239	13.7	41.8	21,708	54.9
M	Firemen	Accidental	129	13.9	41.0	33,312	57.1
M	Unknown	Ordinary	138	14.9	43.5	12,367	74.4
M	Unknown	Accidental	207	14.1	41.8	19,346	75.7
F	Police	Ordinary	319	12.3	43.2	24,102	48.7
F	Police	Accidental	99	10.7	39.3	39,928	45.5
F	Unknown	Ordinary	1	17.3	54.0	13,179	75.0

New Disabilities as of July 1, 2006

<u>Sex</u>	<u>Police or Firemen</u>	<u>Type of Retirement</u>	<u>Counts</u>	<u>Average Years of Service</u>	<u>Average Age at Retirement</u>	<u>Average Annual Benefit</u>	<u>Average Current Age</u>
M	Police	Ordinary	136	13.9	43.6	\$ 29,505	44.6
M	Police	Accidental	94	14.1	40.6	51,301	41.4
M	Firemen	Ordinary	17	17.4	46.1	35,910	47.0
M	Firemen	Accidental	10	15.2	42.0	54,858	42.6
F	Police	Ordinary	39	12.5	43.6	25,490	44.6
F	Police	Accidental	8	13.1	42.1	42,196	43.0

ADDITIONAL INFORMATION REQUESTED BY THE DIVISION

	Service Retirement		Special Retirement (25 Years of Service)		Ordinary Disability		Accidental Disability		Survivors	
	Average Age At Retirement	Average Annual Benefit At Retirement	Average Age At Retirement	Average Annual Benefit At Retirement	Average Age At Retirement	Average Annual Benefit At Retirement	Average Age At Retirement	Average Annual Benefit At Retirement	Average Age At Retirement *	Average Annual Benefit At Retirement
State										
All Retirees	58.8	\$ 20,729	52.8	\$ 39,767	47.0	\$ 21,516	40.9	\$ 32,424	47.2	\$ 16,802
New Retirees	57.0	\$ 28,940	51.8	\$ 49,657	47.1	\$ 27,257	40.8	\$ 46,937	46.5	\$ 15,226
Local										
All Retirees	55.2	\$ 21,114	53.7	\$ 42,255	41.2	\$ 18,546	39.7	\$ 29,051	48.6	\$ 15,657
New Retirees	51.1	\$ 45,384	53.1	\$ 63,104	42.6	\$ 29,939	40.9	\$ 51,475	46.9	\$ 20,175

	All Retirements (excluding Survivors)	
	Average Age At Retirement	Average Annual Benefit At Retirement
State		
All Retirees	51.4	\$ 32,948
Local		
All Retirees	51.7	\$ 38,018

Note: The Average Annual Benefit at Retirement does not reflect COLA's granted after retirement.

* Calculated as of Member's Date of Retirement

APPENDIX E

TABULATIONS USED AS A BASIS FOR THE 2006 VALUATION

The following tables give the distribution of the number and salaries of members by age and length of service as of July 1, 2006. Tables are also given showing the number and retirement allowances of beneficiaries classified by age as of July 1, 2006.

TABLE 1

**THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2006**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
20	2	\$ 68,536		
21	47	1,740,918	4	\$ 146,476
22	106	4,222,949	18	676,704
23	254	10,628,796	31	1,294,510
24	375	16,526,776	57	2,453,638
25	547	25,593,295	93	4,097,994
26	641	31,270,846	113	5,487,446
27	784	40,576,619	135	6,881,638
28	928	50,802,268	152	8,097,812
29	1,015	57,759,787	145	8,002,214
30	1,036	61,926,813	154	8,576,350
31	1,112	69,462,536	160	9,035,472
32	1,267	82,729,136	172	10,455,634
33	1,341	89,867,549	194	11,968,760
34	1,535	105,284,135	185	12,036,655
35	1,738	122,303,817	230	14,721,597
36	1,865	134,823,429	206	13,673,856
37	1,908	142,918,409	184	12,456,779
38	1,802	137,554,215	156	10,805,956
39	1,705	132,240,162	183	13,000,586
40	1,691	135,902,491	182	13,130,861
41	1,703	138,081,242	160	11,835,285
42	1,693	140,605,218	131	10,051,475
43	1,464	122,506,259	135	10,552,090
44	1,335	112,658,523	115	8,465,255
45	1,356	116,584,498	98	7,667,097
46	1,281	110,163,401	95	7,285,702
47	1,148	100,090,053	89	7,135,605
48	1,030	92,023,715	74	5,959,160
49	1,019	92,051,288	73	5,767,782
50	899	81,730,495	48	3,736,928
51	847	77,023,074	53	4,015,418
52	706	63,966,087	48	3,754,881
53	577	52,954,032	44	3,376,468
54	507	46,289,589	28	2,022,594
55	461	42,010,933	41	3,141,430
56	382	35,441,444	28	2,164,397
57	347	31,918,276	19	1,426,000
58	314	28,914,391	15	1,034,525
59	235	21,601,520	21	1,566,436
60	199	18,607,338	13	908,934

TABLE 1

**THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2006**

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
61	99	\$ 8,778,695	12	\$ 790,986
62	79	7,034,280	9	617,806
63	86	8,357,923	1	88,873
64	74	6,993,078	3	243,258
TOTAL	39,540	\$ 3,010,588,834	4,107	\$ 270,609,323

The 43,647 total active contributing participants included in the June 30, 2006 valuation data consist of 36,974 policemen and 6,673 firemen.

TABLE 2

**THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF JUNE 30, 2006**

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	246	\$ 8,503,574	51	\$ 1,755,718
1	1,585	63,439,840	274	10,923,265
2	1,152	53,247,309	152	7,131,987
3	1,229	63,666,185	259	12,889,732
4	1,377	76,549,193	264	14,125,112
5	1,528	90,346,511	245	14,055,227
6	1,744	111,994,719	238	14,770,883
7	1,644	113,175,523	196	12,640,378
8	1,632	116,805,360	202	13,420,097
9	1,796	127,545,783	201	13,976,339
10	1,467	109,078,192	182	13,154,613
11	1,731	135,229,331	207	14,954,738
12	2,034	160,512,445	155	11,394,538
13	1,439	114,084,085	125	9,276,599
14	1,178	94,427,502	112	8,236,357
15	1,126	90,124,358	120	8,900,297
16	1,667	133,291,865	185	14,032,190
17	1,479	122,095,788	156	12,200,238
18	1,773	147,509,099	144	11,216,868
19	1,572	133,106,765	138	10,734,329
20	1,494	130,237,094	112	8,861,737
21	1,576	138,722,948	112	8,728,883
22	1,225	109,677,425	72	5,569,244
23	1,087	95,487,353	62	5,055,138
24	1,057	95,769,243	54	4,764,885
25	960	90,791,277	48	4,121,773
26	572	56,507,993	13	1,169,186
27	544	55,370,245	16	1,504,132
28	363	36,792,774	2	148,034
29	290	30,348,854	2	190,392
30	180	18,996,765	1	120,444
31	120	12,669,446	1	45,072
32	185	20,185,066	4	392,076
33	149	15,838,300		
34	83	9,332,420	1	82,232
35	72	8,148,200	1	66,590
36	64	7,088,460		
37	40	4,362,012		
38	34	4,016,092		
39	17	1,985,956		
40	16	1,738,536		

TABLE 2

**THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF JUNE 30, 2006**

(CONTINUED)

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
41	10	\$ 1,399,588		
42	2	254,724		
43	1	134,636		
TOTAL	39,540	\$ 3,010,588,834	4,107	\$ 270,609,323

The 43,647 total active contributing participants included in the June 30, 2006 valuation data consist of 36,974 policemen and 6,673 firemen.

TABLE 3

**THE NUMBER AND ANNUAL COMPENSATION OF
NON-CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2006**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
20	1	\$ 27,996		
21			1	\$ 27,888
22	3	83,688	1	26,184
23	14	496,822	2	77,724
24	20	669,770	4	157,918
25	19	681,028	6	254,988
26	18	708,075	7	255,208
27	21	979,839	5	180,627
28	32	1,471,582	9	337,410
29	34	1,566,252	8	333,503
30	25	1,127,967	11	528,129
31	25	1,102,337	6	295,827
32	25	1,327,574	7	348,347
33	34	2,041,824	11	536,722
34	46	2,624,338	10	531,464
35	36	1,894,903	10	552,931
36	36	2,197,054	12	580,263
37	34	1,927,375	7	375,600
38	30	1,709,145	7	452,010
39	43	2,494,214	10	552,366
40	38	2,296,113	8	410,657
41	30	1,916,626	13	742,334
42	37	2,449,151	11	757,801
43	36	2,191,572	5	243,474
44	32	2,107,713	5	311,724
45	30	2,024,508	8	471,544
46	19	1,120,306	3	173,020
47	31	1,961,471	3	196,320
48	23	1,367,473	9	499,503
49	26	1,531,143	5	296,312
50	25	1,615,606	4	223,721
51	19	1,106,609	4	190,763
52	17	1,070,506	4	266,642
53	15	824,223	4	211,868
54	8	433,725		
55	11	663,383	3	133,141
56	10	520,185		
57	3	142,548	2	112,804
58	5	320,053	2	124,623

TABLE 3

**THE NUMBER AND ANNUAL COMPENSATION OF
NON-CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2006**

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
59	7	\$ 359,928	1	\$ 109,860
60	8	446,972		
61	5	297,482		
62	1	65,285		
63	5	225,970	1	52,872
64	12	491,080		
TOTAL	949	\$ 52,681,414	229	\$ 11,934,092

The 1,178 total active non-contributing participants included in the June 30, 2006 valuation data consist of 1,080 policemen and 98 firemen.

TABLE 4
THE NUMBER AND ANNUAL COMPENSATION OF
NON-CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF JUNE 30, 2006

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	32	\$ 990,013	8	\$ 239,718
1	94	3,365,681	32	1,143,258
2	47	1,900,333	17	772,491
3	37	1,656,348	16	718,913
4	47	2,106,648	9	391,099
5	44	2,226,344	12	665,753
6	47	2,541,883	8	373,454
7	39	2,291,332	12	617,041
8	35	1,980,341	10	619,804
9	20	1,175,358	8	510,356
10	44	2,508,541	15	907,271
11	74	4,274,366	13	750,352
12	51	3,044,156	14	758,695
13	54	3,337,038	9	549,063
14	49	2,990,052	16	891,418
15	37	2,379,015	4	286,798
16	42	2,755,742	7	478,052
17	38	2,555,592	5	273,746
18	25	1,823,494	4	249,740
19	22	1,400,622	3	208,964
20	13	936,643	2	144,336
21	15	1,012,327	2	137,488
22	10	857,715		
23	9	643,591	1	52,872
24	7	571,195		
25	5	410,978		
26	1	50,748	1	83,550
28	1	90,240	1	109,860
29	4	310,690		
30	1	31,468		
32	1	76,056		
33	1	80,196		
34	1	127,616		
35	2	179,052		
TOTAL	949	\$ 52,681,414	229	\$ 11,934,092

The 1,178 total active non-contributing participants included in the June 30, 2006 valuation data consist of 1,080 policemen and 98 firemen.

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

SERVICE RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
39	1	\$ 25,896		
40	3	108,428	1	\$ 42,084
41	5	218,270	1	39,458
42	9	358,520	3	141,375
43	7	288,340	1	36,353
44	12	435,031	1	42,022
45	13	454,627	5	196,151
46	23	842,870	1	48,252
47	20	765,703	1	28,783
48	21	766,246	3	114,363
49	21	739,932	3	100,488
50	19	620,874	3	96,553
51	29	939,811	2	68,566
52	20	699,147	3	114,828
53	21	811,647	2	68,910
54	6	208,637	1	35,438
55	14	416,644	3	111,495
56	19	497,960		
57	24	649,046		
58	34	852,214	4	110,224
59	28	606,110	5	184,053
60	29	654,641	1	29,397
61	16	399,621	3	82,727
62	21	420,449	2	55,217
63	31	660,045	4	121,002
64	39	1,000,785	5	138,351
65	32	780,466	1	12,398
66	48	1,740,424	3	53,098
67	55	1,644,533	9	181,911
68	52	1,268,719	11	176,886
69	44	1,600,058	5	112,164
70	32	872,072	1	23,259
71	27	662,739	1	19,025
72	21	406,573	6	100,680
73	25	383,829	4	67,171
74	27	362,614	3	46,655
75	21	270,697	3	46,352
76	26	436,224	1	13,305
77	33	750,034	2	31,314
78	31	575,317	3	45,651
79	48	981,373	1	9,988

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

SERVICE RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
80	59	\$ 1,218,249	3	\$ 35,481
81	61	1,291,592		
82	58	1,215,375	2	25,235
83	56	1,225,668	4	58,615
84	61	1,319,817		
85	62	1,346,213		
86	42	896,693	1	17,171
87	38	741,927	1	18,121
88	32	645,018		
89	31	638,443		
90	21	460,149		
91	12	259,148	1	15,683
92	5	109,715		
93	4	82,299		
94	1	15,135		
95	1	17,496		
96	1	39,554		
100	1	23,616		
Total	1,553	\$ 38,723,270	124	\$ 3,116,254

The 1,677 total service retirements consist of 956 policemen, 145 firemen and 576 retirees for whom the information was not reported.

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

SPECIAL RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
42			1	\$ 49,324
44	7	\$ 340,682	2	105,010
45	18	954,053	4	202,224
46	45	2,388,311	2	103,827
47	92	5,184,371	12	633,412
48	118	7,030,502	5	266,881
49	182	10,260,969	14	799,108
50	256	14,503,997	10	613,846
51	365	20,245,633	21	1,000,812
52	421	23,575,070	16	742,407
53	468	26,001,167	12	641,223
54	480	26,691,737	10	494,060
55	554	30,600,511	10	523,239
56	600	33,106,367	16	896,224
57	708	38,574,931	12	586,158
58	725	39,558,451	9	453,022
59	947	49,210,060	11	566,862
60	900	46,259,383	7	313,692
61	714	36,500,029	6	333,739
62	723	36,078,243	6	326,526
63	839	41,389,746	11	490,339
64	843	40,849,647	7	328,702
65	663	33,054,412	10	402,036
66	632	29,745,740	7	290,750
67	603	28,630,387	4	154,318
68	581	26,610,489	3	131,604
69	504	22,742,466	8	369,331
70	476	20,841,943	6	244,165
71	424	17,931,026	4	190,867
72	378	15,241,799	5	195,995
73	377	14,889,357	1	39,992
74	378	14,638,283		
75	357	13,500,272	3	120,978
76	352	12,783,671	1	44,903
77	296	10,309,057	4	156,606
78	258	9,036,215		
79	264	9,135,799		
80	277	9,393,055	2	73,753
81	220	7,255,297	1	29,280
82	219	7,206,787	1	26,746

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

SPECIAL RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
83	196	\$ 6,320,193	1	\$ 31,716
84	129	4,192,470		
85	104	3,454,779	1	21,943
86	70	2,322,672	1	24,751
87	55	1,732,120		
88	38	1,179,099		
89	23	629,906	1	19,936
90	15	403,167		
91	7	168,958		
92	2	51,925		
TOTAL	17,903	\$ 852,705,204	268	\$ 13,040,308

The 18,171 total special retirements consist of 12,868 policemen, 3,808 firemen and 1,495 retirees for whom the information was not reported.

TABLE 7

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

ORDINARY DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
26	1	\$ 21,734		
27	1	17,082		
29	2	41,655	1	\$ 24,951
31	5	116,676		
32	7	195,690		
33	6	148,253		
34	15	384,057	6	145,734
35	23	546,856	3	71,264
36	34	832,320	9	213,010
37	29	668,686	7	188,894
38	49	1,229,566	12	301,846
39	34	842,658	11	266,683
40	52	1,299,103	14	335,380
41	49	1,156,564	12	277,434
42	57	1,394,873	14	327,924
43	53	1,341,700	13	300,086
44	62	1,460,377	15	361,724
45	53	1,244,221	7	146,147
46	51	1,273,172	15	359,122
47	54	1,401,977	14	376,155
48	46	1,160,750	23	575,295
49	61	1,473,919	12	278,673
50	61	1,505,668	14	334,842
51	65	1,661,932	9	269,589
52	76	1,805,173	13	304,098
53	67	1,515,424	9	224,011
54	59	1,492,871	10	240,532
55	78	1,809,026	5	121,923
56	60	1,324,623	7	183,771
57	77	1,645,174	12	284,026
58	77	1,560,837	7	173,714
59	81	1,549,399	3	74,878
60	68	1,319,797	4	96,564
61	44	766,296	6	105,044
62	45	808,512	4	82,677
63	64	1,189,428	3	67,304
64	42	752,706	9	229,970
65	74	1,284,242	4	96,300
66	46	829,504	2	44,127
67	44	731,132		

TABLE 7

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

ORDINARY DISABILITY RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
68	29	\$ 544,119	2	\$ 54,272
69	28	485,065	1	19,884
70	24	393,372		
71	17	270,838	3	57,408
72	26	415,359	1	17,535
73	16	202,932	1	21,130
74	14	164,047	1	17,232
75	10	167,493	1	13,179
76	12	155,585	1	17,382
77	8	105,924		
78	8	109,775		
79	12	144,338		
80	8	83,733		
81	8	80,685		
82	8	91,664		
83	6	66,922		
84	5	63,594		
85	1	17,025		
86	4	41,941		
87	1	9,955		
TOTAL	2,117	\$ 45,418,000	320	\$ 7,701,716

The 2,437 ordinary disability retirees consist of 2,059 policemen, 239 firemen and 139 retirees for whom the information was not reported.

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

ACCIDENTAL DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
24			1	\$ 23,292
28	1	\$ 33,039		
29	1	48,945	1	30,854
30	1	47,381	4	157,922
31	2	88,459		
32	8	334,551		
33	12	506,788		
34	17	740,342	1	41,421
35	13	596,704	3	112,402
36	31	1,393,173	3	134,251
37	30	1,315,568	7	303,029
38	34	1,520,585	5	211,269
39	36	1,582,588	1	48,081
40	54	2,513,763	6	246,318
41	40	1,763,453	4	162,225
42	52	2,296,766	3	124,518
43	51	2,362,838	4	168,288
44	48	2,010,799	3	129,448
45	42	1,885,163	4	151,068
46	46	1,863,021	5	200,902
47	37	1,663,529	5	222,910
48	33	1,459,240	4	196,850
49	48	1,946,732	2	93,483
50	33	1,376,593	7	261,493
51	53	1,927,104	3	108,283
52	46	1,534,292	5	201,642
53	43	1,643,269	4	128,564
54	29	1,028,008		
55	47	1,680,568	2	81,311
56	46	1,595,398	2	57,788
57	41	1,438,611	1	11,733
58	56	1,650,664		
59	49	1,320,381	2	89,243
60	50	1,328,814	1	50,795
61	42	1,194,393		
62	38	894,109	1	47,896
63	40	1,003,241	2	86,188
64	39	1,002,440		
65	28	691,504		
66	25	615,051		
67	14	288,880	1	14,270

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

ACCIDENTAL DISABILITY RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
68	18	\$ 446,243		
69	17	403,683	1	\$ 20,700
70	18	387,440		
71	22	462,217		
72	22	472,755	1	34,393
73	19	384,882		
74	14	296,500		
75	22	461,143		
76	9	166,224		
77	13	243,583		
78	7	153,294		
79	8	150,948		
80	17	348,322		
81	14	302,977		
82	14	267,529		
83	10	181,912		
84	8	176,650		
85	4	73,759		
86	2	26,643		
87	3	44,153		
88	4	70,693		
89	1	22,087		
91	1	22,507		
TOTAL	1,623	\$ 55,752,898	99	\$ 3,952,829

The 1,722 accidental disability retirees consist of 1,386 policemen, 129 firemen and 207 retirees for whom the information was not reported.

TABLE 9

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

ACTIVE MEMBERS' DEATH BENEFITS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
3	1	\$ 10,683		
4	1	12,929	1	\$ 9,418
5	2	23,618	1	12,520
7	3	28,052		
8	1	10,842	2	21,707
9	2	28,010		
10	2	28,974	2	15,331
11	4	36,696	3	34,212
12	2	26,354	1	17,364
13	1	10,401	1	6,372
14	3	34,913	4	44,501
15	1	10,289	1	3,675
16	5	57,896	4	46,518
17	2	16,022	2	23,866
18	1	3,675	4	48,844
19			1	9,405
20	2	14,518	2	22,977
24	1	11,070		
25			1	34,880
29			2	64,088
30			2	45,620
31			3	133,153
32			4	112,586
33			2	52,716
34			7	250,186
35			3	68,539
36			7	241,248
37			7	201,044
38			6	186,798
39			9	311,589
40			8	275,621
41			6	197,219
42	1	21,584	6	221,620
43			6	196,816
44			16	527,070

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

ACTIVE MEMBERS' DEATH BENEFITS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
45			11	\$ 402,867
46			13	485,302
47			17	586,284
48			7	255,983
49			9	313,186
50	1	\$ 34,568	16	638,071
51			11	399,851
52			8	338,788
53			11	438,305
54			12	436,254
55			17	644,014
56			10	404,145
57			7	247,028
58			10	378,500
59			10	346,101
60	1	33,907	7	226,549
61			8	211,388
62			6	148,196
63			7	221,575
64	1	18,520	7	231,386
65			5	130,322
66			5	140,507
67			1	27,760
68			3	109,368
69			4	104,384
71			3	114,029
72			3	76,456
73			1	21,528
74			2	50,311
75			2	45,797
76			3	60,004
77			6	87,573
78			4	90,326

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

ACTIVE MEMBERS' DEATH BENEFITS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
79			2	\$ 47,351
80			5	108,853
81			5	75,011
83			6	104,195
84			3	53,832
85			1	10,340
86			3	45,616
87			2	29,516
88			1	548
89			1	7,074
90			1	19,476
91			1	12,749
TOTAL	38	\$ 473,522	401	\$ 12,364,205

The 439 beneficiaries are receiving active members' death benefits on behalf of 207 deceased policemen and 40 deceased firemen. Information was not reported for the other 192 beneficiaries.

TABLE 10

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

RETIRED MEMBERS' DEATH BENEFITS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
1			1	\$ 10,979
2	2	\$ 20,253	1	12,021
3	1	3,358	2	16,753
5	2	12,601	1	9,243
6	1	11,662	1	4,860
7	2	18,103	6	43,613
8	2	23,346	1	5,972
9	4	28,015	1	12,866
10	3	26,089	4	32,289
11			1	11,922
12	8	83,708	6	53,482
13	5	41,713	7	51,922
14	4	38,213	8	55,835
15	6	56,616	8	61,628
16	13	131,186	11	88,535
17	10	100,763	12	112,262
18	19	167,121	8	60,419
19	9	81,512	9	82,862
20	5	55,753	4	26,990
25			2	16,599
28			1	6,652
29	1	7,239	2	34,968
30			1	22,341
31			1	29,619
32			2	46,796
33			2	53,741
34			2	71,507
35	1	33,577	2	40,190
36	1	6,569	8	68,768
37			3	23,140
38			12	183,210
39			16	175,952
40			14	212,391
41	1	8,658	17	204,277
42			25	308,032
43	2	25,214	29	490,920

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

RETIRED MEMBERS' DEATH BENEFITS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
44	2	\$ 20,586	39	\$ 576,686
45	1	2,808	20	386,554
46	2	43,050	38	705,899
47	1	5,013	38	589,615
48	2	24,634	49	832,628
49	2	9,327	76	1,523,406
50	1	28,080	75	1,602,780
51			83	1,564,034
52			77	1,429,242
53	2	11,577	72	1,378,768
54	1	6,890	88	1,761,551
55	1	3,457	118	2,250,396
56			114	2,357,723
57			102	2,301,783
58	2	28,642	124	2,749,094
59			135	3,222,892
60	2	13,143	101	2,336,885
61	2	28,305	102	2,397,612
62	1	28,260	127	2,985,501
63	1	24,752	131	3,304,990
64			134	3,140,937
65			125	3,230,138
66	2	13,125	129	3,085,224
67	3	64,236	127	3,138,837
68			118	2,773,313
69			147	3,453,126
70			145	3,422,735
71			137	3,178,562
72			140	3,340,513
73	1	17,233	144	3,251,876
74	1	18,452	164	3,702,258
75			149	3,237,110
76			204	4,414,475
77			179	3,913,464
78	1	25,212	203	4,256,174

TABLE 10

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

RETIRED MEMBERS' DEATH BENEFITS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
79	1	\$ 26,418	234	\$ 4,766,664
80			208	4,204,996
81	1	32,319	201	4,052,187
82	1	22,599	183	3,514,593
83			178	3,524,567
84			146	2,762,933
85			128	2,389,975
86			130	2,492,217
87			84	1,561,897
88			52	948,418
89			48	897,420
90			23	436,353
91			24	430,847
92			4	81,454
93			8	137,810
94			4	74,636
95			2	35,721
96			1	18,316
98			1	25,251
99			1	14,298
104			1	11,800
TOTAL	136	\$ 1,479,388	5,846	\$ 122,922,691

The 5,982 beneficiaries are receiving retired members' death benefits on behalf of 2,445 deceased policemen, 730 deceased firemen and 2,807 deceased retirees for whom the information was not reported.

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

DEFERRED TERMINATED VESTEDS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
35	1	\$ 15,732	1	\$ 14,424
36	1	13,200		
37	1	15,924		
38	1	9,804		
39	4	76,404		
40	3	46,632		
41	2	35,412		
42			1	17,412
43	1	13,812		
44	1	11,964		
45	3	42,420		
46	4	74,604		
47	1	14,952	2	20,400
48	6	74,808		
49	1	9,036	1	12,048
50	7	96,420	1	4,860
51	2	17,844	1	17,892
52	3	37,488		
53	2	13,980		
54	5	63,864	1	26,952
55	1	15,972		
59	1	8,868		
TOTAL	51	\$ 709,140	8	\$ 113,988

The 59 deferred terminated vested members consist of 55 policemen and 4 firemen.

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>	
		<u>Current Payment</u>	<u>Present Value as of 7/1/2006</u>
22100	EAST RUTHERFORD BOROUGH	\$ 55,987	\$ 725,408
22300	AVON BY THE SEA	39,882	120,921
25100	RIVERSIDE TOWNSHIP	28,418	176,155
25500	GLEN RIDGE BOROUGH	40,258	521,606
29300	MAPLE SHADE TOWNSHIP	42,578	263,932
34600	WALLINGTON BOROUGH	26,321	341,029
38800	PHILLIPSBURG TOWN	7,879	102,086
40500	HADDON HEIGHTS BOROUGH	27,485	170,375
43400	BOUND BROOK BOROUGH	23,394	303,115
43600	ROSELAND BOROUGH	71,661	217,274
50000	BRIELLE BOROUGH	43,604	132,207
52900	CHESTER TOWNSHIP	42,689	129,431
54400	LINWOOD CITY	36,683	475,287
57100	MINE HILL TOWNSHIP	12,789	165,699
57700	SEA ISLE CITY	15,250	94,534
61200	RARITAN TOWNSHIP	38,552	499,507
	TOTAL	\$ 553,430	\$ 4,438,566

APPENDIX G - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE
ADDITIONAL CONTRIBUTION SCHEDULES DUE TO RECENT
EARLY RETIREMENT INCENTIVE (ERI) LEGISLATION

Number	Location Name	ERI Information		
		Years and Form of Payment	Current Payment	Present Value as of 7/1/06
Chapter 126, P.L. 2000				
71600	PASSAIC COUNTY	15 Year - Level	\$ 177,558	\$ 1,149,824
71603	PASSAIC COUNTY	15 Year - Level	28,147	182,273
72003	UNION COUNTY	15 Year - Level	55,548	376,969
	Sub-Total		\$ 261,253	\$ 1,709,066
Chapter 130, P.L. 2003				
20300	BAYONNE CITY	15 Year - Increasing	\$ 221,337	\$ 1,840,008
21101	NEWARK CITY	15 Year - Increasing	234,921	2,065,164
21102	NEWARK CITY	15 Year - Increasing	749,192	6,586,055
22100	EAST RUTHERFORD BOROUGH	15 Year - Increasing	36,448	320,406
22400	UNION CITY	15 Year - Increasing	25,885	215,189
28300	MONTCLAIR TOWNSHIP	15 Year - Increasing	204,997	1,704,166
31800	HARRISON TOWN	15 Year - Increasing	148,609	1,235,407
32500	NUTLEY TOWNSHIP	15 Year - Increasing	81,073	673,973
33300	WOOD-RIDGE BOROUGH	15 Year - Increasing	25,104	220,685
35400	BELLEVILLE TOWNSHIP	15 Year - Increasing	34,903	306,832
36000	LIVINGSTON TOWNSHIP	15 Year - Increasing	55,067	484,088
43100	EWING TOWNSHIP	15 Year - Increasing	118,743	987,128
43600	ROSELAND BOROUGH	15 Year - Increasing	29,303	257,597
49300	BERKELEY HEIGHTS TOWNSHIP	15 Year - Increasing	28,711	252,401
56500	FRANKLIN TOWNSHIP	15 Year - Increasing	26,170	230,053
61200	RARITAN TOWNSHIP	15 Year - Increasing	18,143	159,495
62600	MONROE TOWNSHIP	15 Year - Increasing	14,704	129,261
71000	HUNTERDON COUNTY	15 Year - Increasing	34,142	283,827
71003	HUNTERDON COUNTY	15 Year - Increasing	22,357	185,857
71100	MERCER COUNTY	15 Year - Increasing	114,477	951,666
72000	UNION COUNTY	15 Year - Increasing	848	7,447
72003	UNION COUNTY	15 Year - Increasing	38,555	338,935
	Sub-Total		\$ 2,263,689	\$ 19,435,640
	Total		\$ 2,524,942	\$ 21,144,706