

**THE POLICE AND FIREMEN'S RETIREMENT SYSTEM
OF NEW JERSEY
ANNUAL REPORT
OF THE ACTUARY
PREPARED AS OF JULY 1, 2004**

June 29, 2005

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, 2004 valuation are submitted in this report which also includes a comparison with the revised results of the July 1, 2003 valuation. (The July 1, 2003 valuation was revised to reflect both the new economic assumptions that were recently approved by the Treasurer for fiscal year 2006 and an adjustment to the State's contribution for fiscal year 2005.)

The valuation shows the financial condition of the System as of July 1, 2004 and gives the basis for determining the required annual contribution to be made in the Fiscal Year ending June 30, 2007 for the plan year beginning July 1, 2004.

The valuation reflects the provisions of Chapter 130, P.L. 2003 with regard to the Early Retirement Incentive (ERI) programs for certain Local employers, additional Union County members who retired under the provisions of Chapter 126, P.L. 2000 and the provisions of Chapter 42, P.L. 2002 which allowed for the bonding of existing Local ERI liability.

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

Respectfully submitted,

(Signed) GEORGE M. LOVAGLIO

George M. Lovaglio
Principal, Consulting Actuary

TABLE OF CONTENTS

<u>Section</u>	<u>Item</u>	<u>Page No.</u>
I	Summary of Key Results	1
II	Employee Data	8
III	Assets, Liabilities and Contributions	11
	A. Market Value of Assets as of June 30, 2004	
	B. Reconciliation of Market Value of Assets from June 30, 2003 to June 30, 2004	
	C. Summary of Market Value of Assets by Source	
	D.(I) Development of Actuarial Value of Assets as of July 1, 2004	
	D.(II) Reconciliation of Fund Balances as of July 1, 2004	
	E. Summary of Actuarial Accrued Liability as of July 1, 2004	
	F. Summary of Unfunded Accrued Liability/(Surplus) and Required Contribution	
	G. Development of Excess Valuation Assets	
	H. Development of Normal Cost (with reduction for Excess Assets) as of July 1, 2004	
	I. Summary of Total Required Contributions	
	J. Summary of Contribution Rates	
IV	Comments Concerning the Valuation	20
V	Accounting Information	25
VI	Level of Funding	29

TABLE OF CONTENTS
(Continued)

<u>Section</u>	<u>Item</u>	<u>Page No.</u>
Appendix A	Brief Summary of the Benefit and Contribution Provisions as Interpreted for Valuation Purposes	30
Appendix B	Outline of Actuarial Assumptions and Methods	35
Appendix C	Additional Contribution Schedules	37
	A. Additional Accrued Liability Contribution Schedule Due to Chapter 204, P.L. 1989	
	B.(I) Summary of Fiscal Year 2007 Contributions for State College Locations	
	B.(II) Summary of Revised Fiscal Year 2006 Contributions for State College Locations	
Appendix D	Additional Census Data Statistics	39
Appendix E	Tabulations Used as a Basis for the 2004 Valuation	48
	Table 1 – Contributing Active Members Distributed by Age	
	Table 2 – Contributing Active Members Distributed by Service	
	Table 3 - Non-Contributing Active Members Distributed by Age	
	Table 4 - Non-Contributing Active Members Distributed by Service	
	Table 5 - Service Retirements	
	Table 6 – Special Retirements	
	Table 7 – Ordinary Disability Retirements	
	Table 8 – Accidental Disability Retirements	
	Table 9 - Active Members’ Death Benefits	
	Table 10 - Retired Members’ Death Benefits	
	Table 11 - Deferred Terminated Vested	
Appendix F	Early Retirement Incentive (ERI) Contribution Schedule	69
Appendix G	Additional Contribution Schedules Due To Recent Early Retirement Incentive (ERI) Legislation	70

REPORT ON THE ANNUAL
VALUATION OF
THE POLICE AND FIREMEN'S RETIREMENT SYSTEM
OF NEW JERSEY
PREPARED AS OF JULY 1, 2004

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, 2004, presents the results of the annual actuarial valuation of the Fund.

The report reflects the actuarial assumptions that were determined from the July 1, 1998 to June 30, 2001 Experience Study which was approved by the Board of Trustees at the August 19, 2002 Board meeting. In addition, this valuation and the revised July 1, 2003 valuation reflect the changes approved by the Treasurer with regard to the assumed economic assumptions.

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 2005 (40% of the contribution recommended for the July 1, 2002 valuation was reflected as a receivable in the assets). With regard to the State contribution, the report reflected a contribution equal to 30% of the amount recommended for the July 1, 2002 valuation for fiscal year 2005 in anticipation of the potential effect of the Appropriation Act for fiscal year 2005.

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.

Valuation Date	July 1, 2004	July 1, 2003	
		Original ^Ø	Revised
<u>Number of Active Participants</u>			
• Contributory	43,151	42,887	42,887
• Non-Contributory	<u>1,045</u>	<u>1,091</u>	<u>1,091</u>
• Total	44,196	43,978	43,978
<u>Annual Compensation</u>			
• Contributory Participants	\$ 2,977,582,060	\$ 2,842,086,579	\$ 2,842,086,579
• Non-Contributory Participants	<u>51,934,126</u>	<u>54,746,859</u>	<u>54,746,859</u>
• Total Compensation	\$ 3,029,516,186	\$ 2,896,833,438	\$ 2,896,833,438
Number of Pensioners and Beneficiaries	27,871	26,682	26,682
Total Annual Allowances	\$ 982,959,030	\$ 910,431,160	\$ 910,431,160
Number of Terminated Vested Members	61	64	64
Total Annual Allowances	\$ 803,100	\$ 842,724	\$ 842,724
<u>Assets</u>			
Total Present Market Value of Assets*	\$ 16,482,095,986	\$ 14,952,857,334	\$ 14,938,151,219
Total Valuation Assets*	\$ 18,835,139,311	\$ 18,426,282,038	\$ 18,411,575,923
<u>Contribution Amounts</u>			
Normal Contribution	\$ 519,775,594	\$ 451,720,869	\$ 479,952,889
Accrued Liability Contribution#	<u>226,547,497</u>	<u>119,037,772</u>	<u>154,057,278</u>
Total Contribution**	\$ 746,323,091	\$ 570,758,641	\$ 634,010,167 ^{##}

* Includes receivable contributions of \$131,749,184 as of July 1, 2004 and \$71,561,805 and \$56,442,465 for the Original and Revised assets as of July 1, 2003, respectively. The amounts also include the present value of receivable ERI contributions of \$15,518,647 as of July 1, 2004 and \$56,636,989 and \$57,050,214 for the Original and Revised assets as of July 1, 2003, respectively.

** The contribution amounts were calculated assuming payment on 7/1/06 and 7/1/05, 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 2006 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 2006 (State). The valuation assumes that the Appropriation Act for fiscal year 2006 will reduce the State contribution to 40% of the recommended amount and that, in accordance with Chapter 108, 60% of the recommended amount will be payable by Local employers.

Ø The original July 1, 2003 valuation report (dated May 25, 2004) was prepared prior to the change in economic assumptions and anticipated that the impact of the Appropriation Act for fiscal year 2005 would be to 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 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 reduce the required Local employers' normal and accrued liability contributions for fiscal year 2006 to 60% of the recommended amount of \$434,977,639. Accordingly, a fiscal year 2006 receivable Local employer contribution of \$260,986,583 was recognized for purposes of this valuation.
- For the State, the valuation reflects the potential impact of the Appropriation Act for fiscal year 2006. 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 2006 is anticipated to allow the State Treasurer to reduce the State normal and accrued liability contributions for fiscal year 2006 to 40% of the recommended amount of \$199,032,528. Accordingly, a fiscal year 2006 receivable State contribution of \$79,613,011 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.
- The valuation also reflects additional members who elected to retire under Chapter 126, P.L. 2000 as adopted by Union County (Location Number 72003). This legislation was first recognized in the July 1, 2003 valuation.

- Finally, the valuation reflects the effect of Chapter 130, P.L. 2003 which extended an Early Retirement Incentive Program similar to that offered under Chapter 23, P.L. 2002 to members of 10 Local employer locations who adopted the program. A summary of the electing Local employer locations is shown in Appendix G.

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

The actuarial assumptions and methods used for valuing the Fund are summarized in Appendix B. The valuation reflects a change in the assumed rate of investment return from 8.75% to 8.25%, a decrease in the Cost-of-Living Adjustment from 4.0% to 3.0% per year, and a change in the assumed rate of annual payment increase of unfunded accrued liability contributions from 5.95% to 4.0%. The Treasurer, upon recommendation from the Directors of the Division of Pensions and Benefits and the Division of Investments, has approved this change in order to better reflect the expected investment yield for the System's current investment portfolio. These changes in economic assumptions are effective for fiscal year 2006. Accordingly, the July 1, 2003 valuation results were revised.

In addition to the changes in economic assumptions, the revised July 1, 2003 valuation also reflects a receivable contribution for fiscal year 2005 equal to 30% of the contribution recommended for the State as part of the July 1, 2002 valuation. (Previously, a 40% assumption was used for the State. The 40% assumption used for Local employers has not been changed.)

A summary of the main July 1, 2003 valuation results under the previous and revised assumptions can be summarized as follows:

Original July 1, 2003 Valuation Results	State	Local	Total
Market Value of Assets	\$ 1,525,567,154	\$13,427,290,180	\$ 14,952,857,334
Valuation Assets	\$ 1,947,011,709	\$16,479,270,329	\$ 18,426,282,038
Required Contribution:			
Normal Cost	\$ 155,357,134	\$ 296,363,735	\$ 451,720,869
Accrued Liability	<u>28,497,537</u>	<u>90,540,235</u>	<u>119,037,772</u>
Total	\$ 183,854,671	\$ 386,903,970	\$ 570,758,641

Revised July 1, 2003 Valuation Results	State	Local	Total
Market Value of Assets	\$ 1,519,184,944	\$13,418,966,275	\$ 14,938,151,219
Valuation Assets	\$ 1,940,629,499	\$16,470,946,424	\$ 18,411,575,923
Required Contributions:			
Normal Cost	\$ 161,465,822	\$ 318,487,067	\$ 479,952,889
Accrued Liability	<u>37,566,706</u>	<u>116,490,572</u>	<u>154,057,278</u>
Total	\$ 199,032,528	\$ 434,977,639	\$ 634,010,167

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).

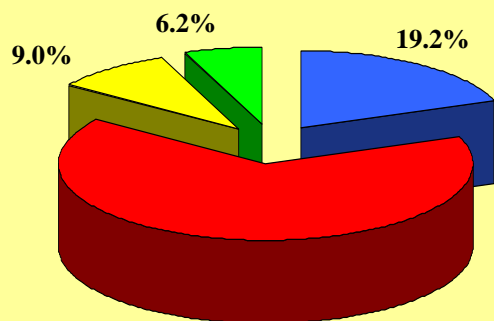
The valuation generates a balance sheet which summarizes in some detail the total present and prospective assets and liabilities of the Fund. A summary comparison of the balance sheets as of July 1, 2004 and July 1, 2003 is set forth in the following table. The allocation of assets among the various investment alternatives is shown in graphic form on page 7.

**TABLE I
COMPARATIVE BALANCE SHEET**

	2004	2003	
		Original	Revised
<u>ASSETS</u>			
Actuarial value of assets of Fund	\$ 18,835,139,311	\$ 18,426,282,038	\$ 18,411,575,923
Net unfunded accrued liability/(surplus)	3,443,100,039	2,121,509,102	2,341,407,067
Total Assets	\$ 22,278,239,350	\$ 20,547,791,140	\$ 20,752,982,990
<u>LIABILITIES</u>			
Present value of benefits to present beneficiaries payable from the Retirement Reserve Fund	\$ 11,494,926,668	\$ 10,794,297,407	\$ 10,680,388,631
Present value of benefits to present active members	10,783,312,682	9,753,493,733	10,072,594,359
Total Liabilities	\$ 22,278,239,350	\$ 20,547,791,140	\$ 20,752,982,990

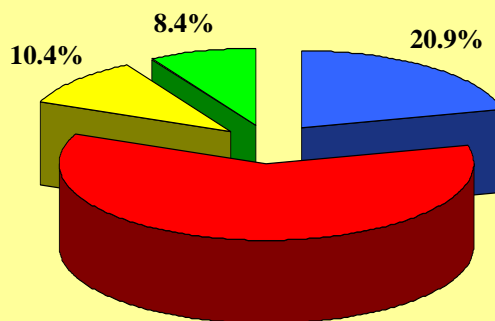
THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

ASSET ALLOCATION MARKET VALUE



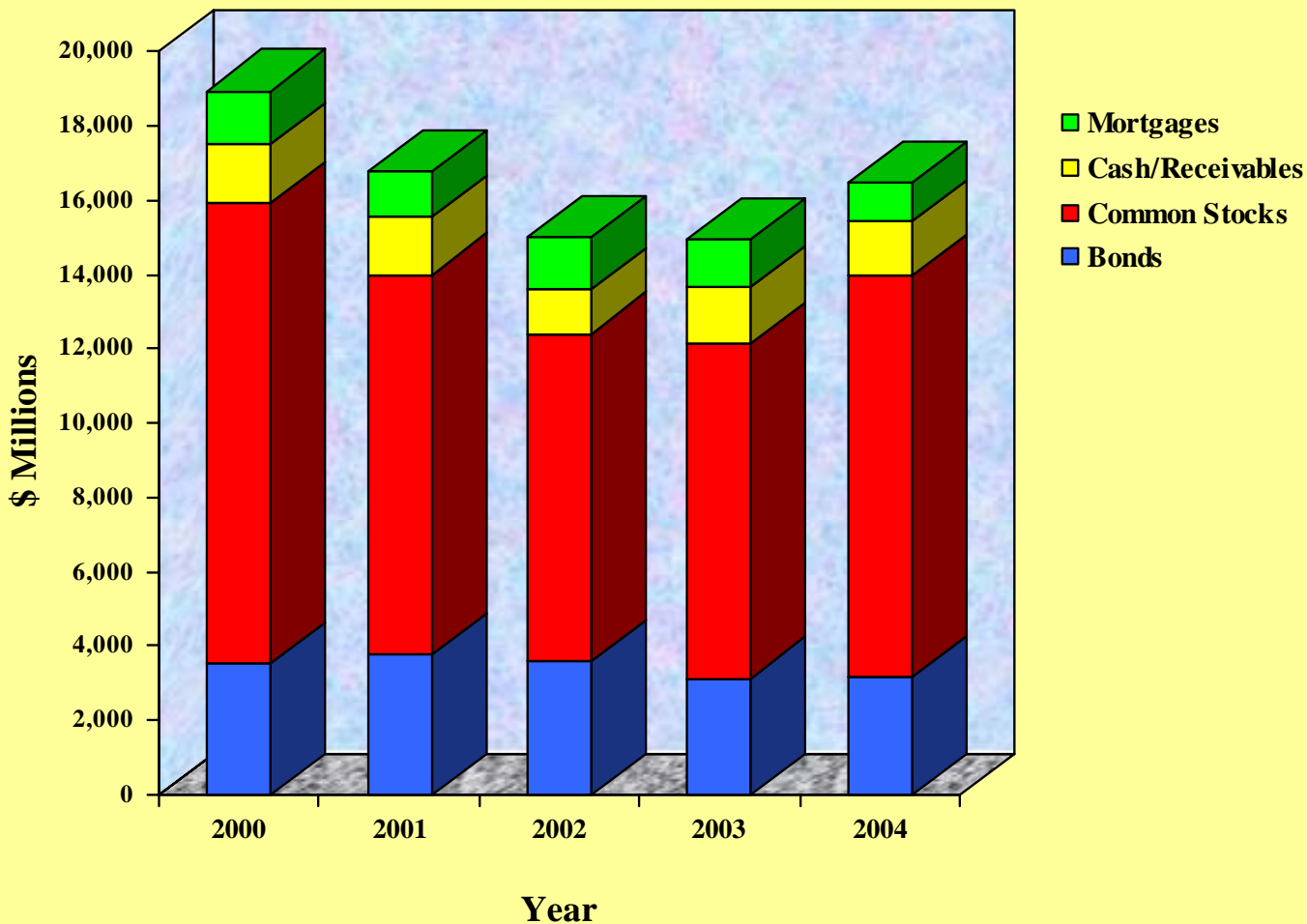
65.6%

2004



60.3%

2003



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, 2004 and July 1, 2003 by various categories.

ACTIVE MEMBERSHIP

Group	2004		2003	
	Number	Annual Compensation	Number	Annual Compensation
Men	40,097	\$ 2,788,031,635	40,039	\$ 2,671,818,759
Women	4,099	\$ 241,484,551	3,939	\$ 225,014,679

RETIRED MEMBERS AND BENEFICIARIES

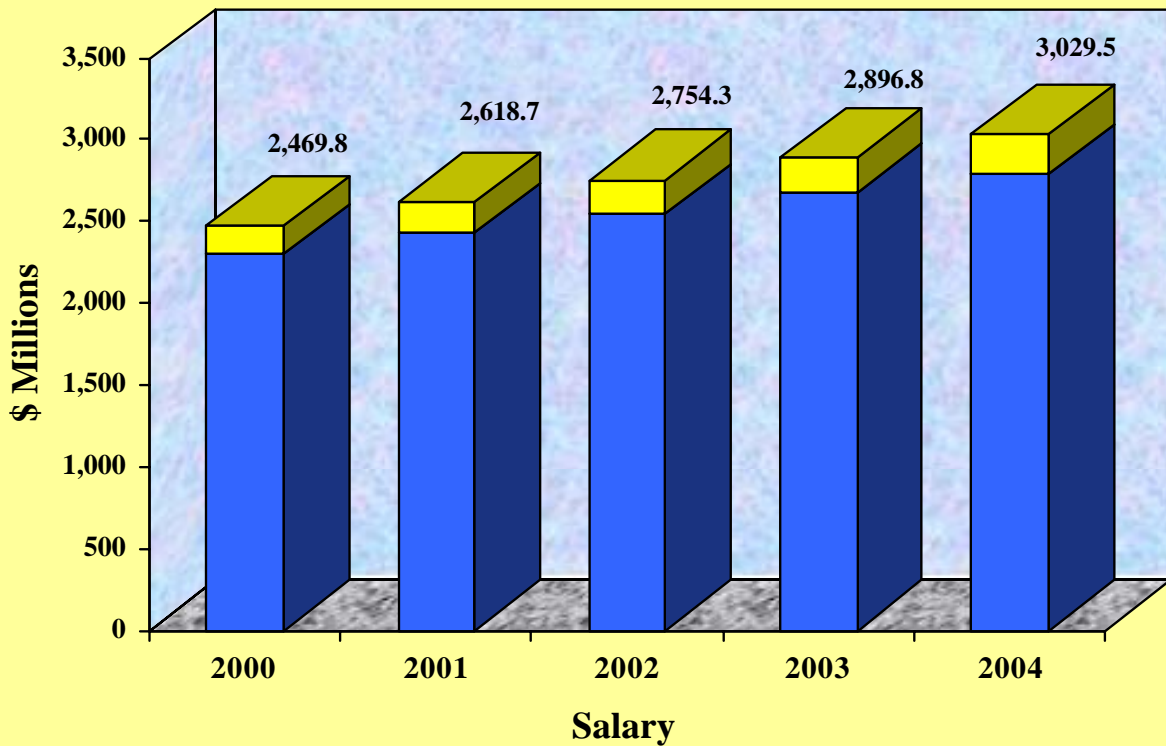
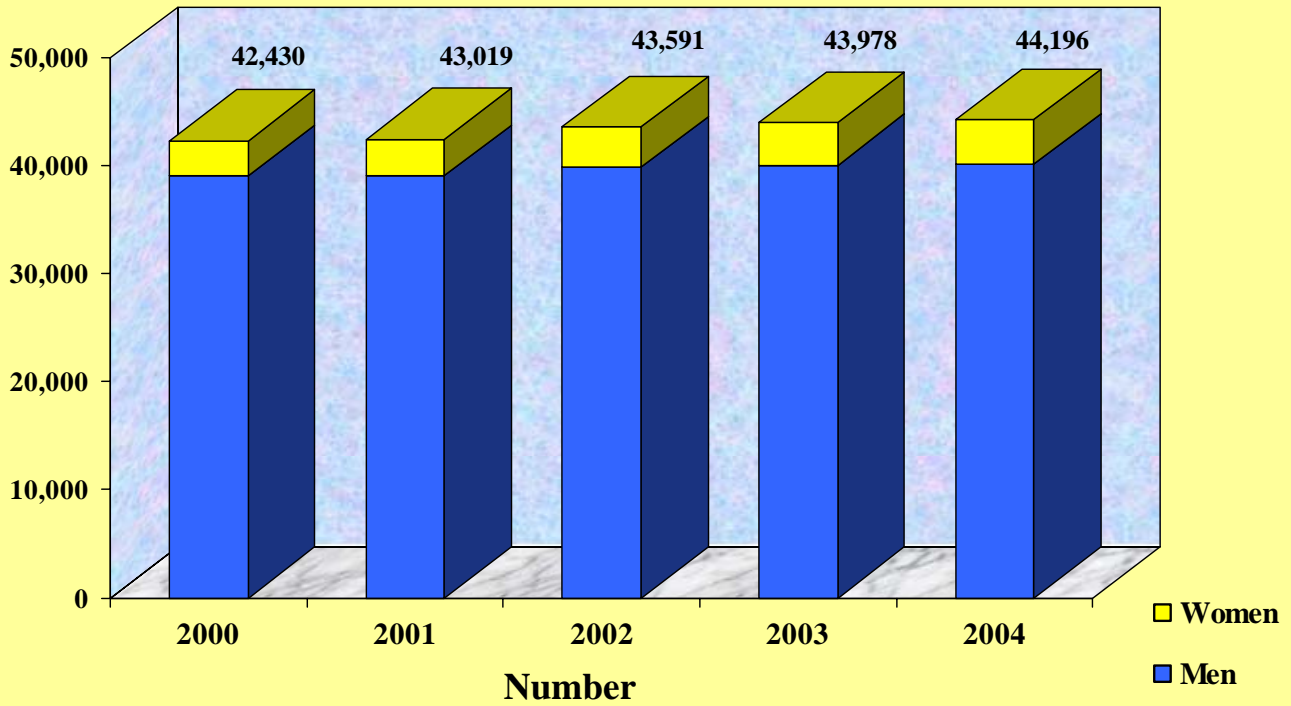
Group	2004		2003	
	Number	Annual Allowances	Number	Annual Allowances
Deferred Terminated Vesteds	61	\$ 803,100	64	\$ 842,724
Service Retirements	18,446	\$ 779,568,218	17,858	\$ 727,289,865
Ordinary Disability Retirements	2,147	\$ 42,307,411	2,019	\$ 38,180,904
Accidental Disability Retirements	1,514	\$ 46,411,667	1,430	\$ 41,266,363
Beneficiaries	5,764	\$ 114,671,734	5,375	\$ 103,694,028

Appendix E provides a detailed distribution between groups.

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

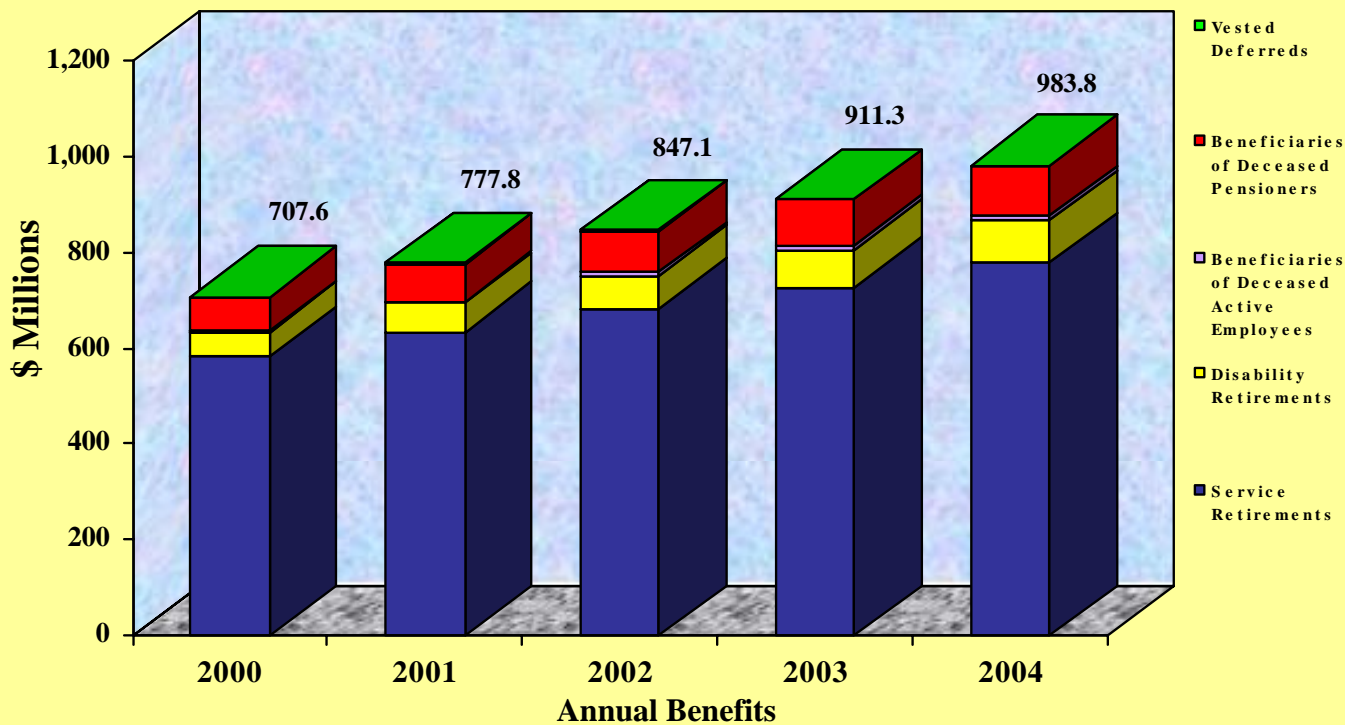
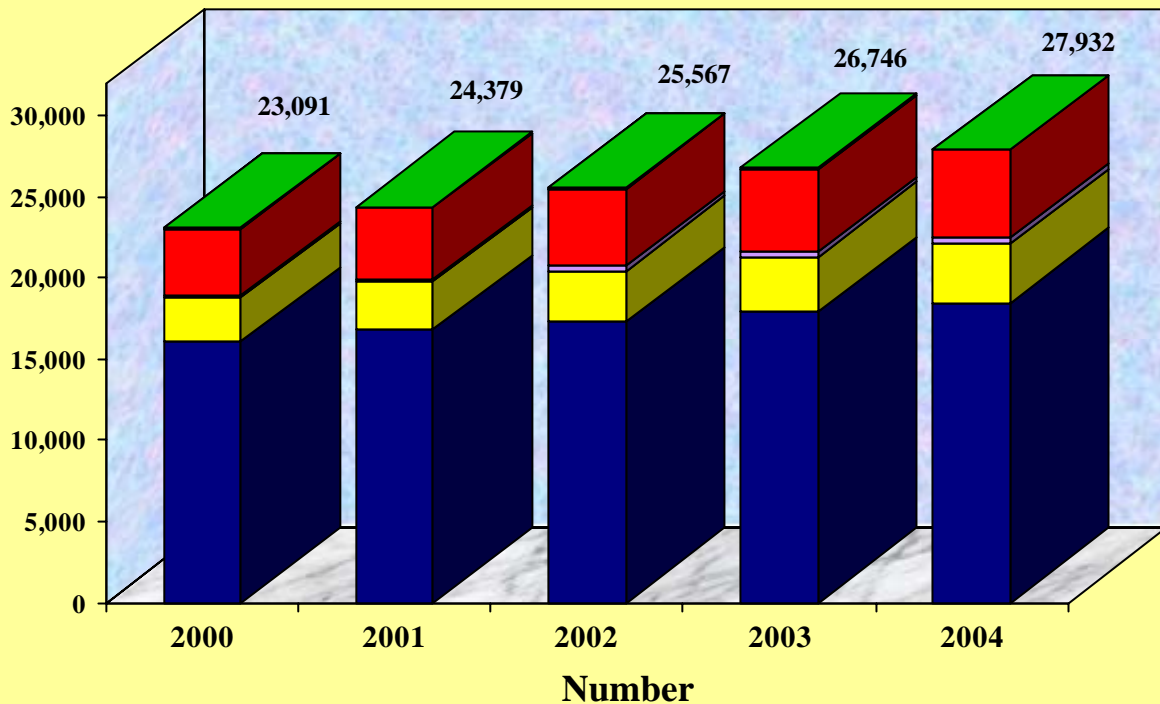
THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

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, 2004

1.	Assets		
	a.	Cash	\$ (2,594,187)
	b.	Investment Holdings	15,438,648,656
	c.	Accrued Interest on Investments	39,853,629
	d.	Employers' Contributions Receivable – Local	390,443,305
	e.	Interest Receivable on Loans	2,659,019
	f.	Members' Contributions Receivable	47,104,066
	g.	Members' Loans Receivable	462,059,649
	h.	Dividends Receivable	34,234,145
	i.	Employers' Contributions Receivable – Delayed Enrollments	26,547
	j.	Employers' Contributions Receivable – Delayed Appropriations	8,922
	k.	Accounts Receivable – Others	<u>24,533,213</u>
	l.	Total	\$ 16,436,976,964
2.	Liabilities		
	a.	Pension Payroll Payable	\$ 58,900,628
	b.	Pension Adjustment Payroll Payable	11,072,723
	c.	Withholding Payable	9,975,376
	d.	Death Benefits Payable	1,746,494
	e.	Accounts Payable - Other	1,639,508
	f.	Administrative Expense Payable	<u>445,903</u>
	g.	Total	\$ 83,780,632
3.	Preliminary Market Value of Assets as of June 30, 2004: 1(i) - 2(g)		\$ 16,353,196,332
4.	State Receivable Contributions		\$ 122,872,353*
5.	Adjustment to Local Receivable Contributions		\$ 8,876,831**
6.	Adjustment to June 30, 2004 Financial Report to reflect actual present value of receivable ERI contributions as of June 30, 2004		<u>\$ (2,849,530)</u>
7.	Market Value of Assets as of June 30, 2004 = 3. + 4. + 5. + 6.		\$ 16,482,095,986

* The fiscal year 2005 required contribution of \$164,422,819 has been reduced to \$49,326,846 in anticipation of the provisions of the Appropriation Act for fiscal year 2005 and the fiscal year 2006 required contribution of \$199,032,528 has been reduced to \$79,613,011 in anticipation of the provisions of the Appropriation Act for fiscal year 2006.

** The fiscal year 2005 required contribution of \$331,851,624 has been reduced to \$132,740,650 and 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.

B. Reconciliation of Market Value of Assets from June 30, 2003 to June 30, 2004

	State	Local	Total System
1. Market Value of Assets as of June 30, 2003	\$ 1,480,546,856	\$ 13,399,408,736	\$ 14,879,955,592
2. Increases			
a. Pension Contributions			
(1) Members' Contributions	\$ 39,824,857	\$ 222,026,685	\$ 261,851,542
(2) Transfers from Other Systems	666,010	1,816,175	2,482,185
(3) Total	\$ 40,490,867	\$ 223,842,860	\$ 264,333,727
b. Employers' Contributions			
(1) Appropriations	\$ 11,794,000	\$ 251,063,931	\$ 262,857,931
(2) Transfers from other Systems	0	0	0
(3) Additional Employers' Contributions	0	119,337	119,337
(4) Delayed Enrollments	0	26,160	26,160
(5) Delayed Appropriations	0	0	0
(6) Total	\$ 11,794,000	\$ 251,209,428	\$ 263,003,428
c. Investment Income	\$ 202,370,040	\$ 1,741,268,269	\$ 1,943,638,309
d. Total	\$ 254,654,907	\$ 2,216,320,557	\$ 2,470,975,464
3. Decreases			
a. Benefits Provided by Members			
(1) Withdrawals of Members' Contributions	\$ 1,836,599	\$ 3,898,435	\$ 5,735,034
(2) Withdrawals of Transfers' Contributions	187,773	492,459	680,232
(3) Adjustment for Loans	733,008	0	733,008
(4) Total	\$ 2,757,380	\$ 4,390,894	\$ 7,148,274
b. Benefits Provided by Employers			
(1) Transfer Withdrawals - Employers' Benefits	\$ 0	\$ 0	\$ 0
(2) Death Benefit Claims - NCGI	7,281,053	23,600,882	30,881,935
(3) Administrative Expense	345,348	3,108,135	3,453,483
(4) Miscellaneous Expense	6,241	71,046	77,287
(5) Total	\$ 7,632,642	\$ 26,780,063	\$ 34,412,705
c. Retirement Allowances	\$ 74,628,969	\$ 753,481,565	\$ 828,110,534
d. Pension Adjustment	\$ 14,320,221	\$ 113,742,990	\$ 128,063,211
e. Total Decreases	\$ 99,339,212	\$ 898,395,512	\$ 997,734,724
4. a. Preliminary Market Value of Assets as of June 30, 2004 = (1) + 2(d) - 3(e)	\$ 1,635,862,551	\$ 14,717,333,781	\$ 16,353,196,332
b. State Receivable Contributions	\$ 60,899,826	\$ 61,972,527	\$ 122,872,353*
c. Adjustment to Local Receivable Contributions	N/A	\$ 8,876,831**	\$ 8,876,831
d. Adjustment to June 30, 2004 Financial Report to reflect actual present value of receivable ERI contributions as of June 30, 2004	N/A	\$ (2,849,530)	\$ (2,849,530)
e. Adjustment for NJIT transfer	\$ 6,246,837	\$ (6,246,837)	\$ 0
5. Market Value of Assets as of June 30, 2004 = 4(a) + 4(b) + 4(c) + 4(d) + 4(e)	\$ 1,703,009,214	\$ 14,779,086,772	\$ 16,482,095,986

*The fiscal year 2005 required contribution of \$164,422,819 has been reduced to \$49,326,846 in anticipation of the provisions of the Appropriation Act for fiscal year 2005 and the fiscal year 2006 required contribution of \$199,032,528 has been reduced to \$79,613,011 in anticipation of the provisions of the Appropriation Act for fiscal year 2006.

**The fiscal year 2005 required contribution of \$331,851,624 has been reduced to \$132,740,650 and 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.

C. Summary of Market Value of Assets by Source

1.	Reserve for Employers' Contributions	\$	5,966,852,715
2.	Reserve for Members' Contributions		2,269,456,483
3.	Reserve for Retirement Fund		7,962,500,647
4.	Reserve for Special Reserve Fund		154,386,487
5.	Receivable Contributions		131,749,184
6.	Additional receivable ERI contributions		<u>(2,849,530)</u>
7.	Total Market Value of Assets as of June 30, 2004	\$	16,482,095,986

D.(I) Development of Actuarial Value of Assets as of July 1, 2004

	State	Local Employers	Total System
1. Actuarial Value of Assets as of June 30, 2003 (without receivable contribution)	\$ 1,901,991,411	\$ 16,396,091,833	\$ 18,298,083,244
2. Net Cash Flow excluding Investment Income and Present Value of Remaining ERI Contributions	(47,054,345)	(423,343,224)	(470,397,569)
3. Additional Employer Contributions Paid to Satisfy Remaining ERI Obligations	0	55,358,135	55,358,135
4. Investment Income at Actuarially Assumed Rate of 8.25%	154,459,324	1,327,060,885	1,481,520,209
5. Expected Actuarial Value of Assets as of June 30, 2004 = 1. + 2. + 3. + 4.	\$ 2,009,396,390	\$ 17,355,167,629	\$ 19,364,564,019
6. Mark-up percentage	20.0%	20.0%	
7. Mark-up to Reflect Growth in Preliminary Market Value of Assets (without receivable contribution)	(74,706,768)	(601,985,771)	(676,692,539)
8. Receivable Contribution	60,899,826	70,849,358	131,749,184
9. Present Value of Receivable ERI Contributions as of June 30, 2004	N/A	15,518,647	15,518,647
10. Adjustment for NJIT transfer	6,246,837	(6,246,837)	0
11. Actuarial Value of Assets as of June 30, 2004 = 5. + 7. + 8. + 9. + 10.	\$ 2,001,836,285	\$ 16,833,303,026	\$ 18,835,139,311

D.(II) Reconciliation of Fund Balances as of July 1, 2004

	STATE	LOCAL EMPLOYERS	TOTAL SYSTEM
Present assets of Fund credited to:			
Retirement Reserve Fund			
Credited to Fund as of June 30, 2003	\$ 901,548,342	\$ 6,611,525,213	\$ 7,513,073,555
• Reserve Transferred from (to):			
- Contingent Reserve Fund	93,540,094	533,888,031	627,428,125
- Annuity Savings Fund	18,682,086	102,096,689	120,778,775
• Distribution of Income	78,885,480	578,508,456	657,393,936
• Total Deductions	<u>(88,949,190)</u>	<u>(867,224,555)</u>	<u>(956,173,745)</u>
Credited to Fund as of June 30, 2004	\$ 1,003,706,812	\$ 6,958,793,834	\$ 7,962,500,646
Annuity Savings Fund			
Credited to Fund as of June 30, 2003	\$ 261,464,994	\$ 1,872,628,090	\$ 2,134,093,084
• Members' Contributions	39,824,857	222,026,685	261,851,542
• Transfers from Other Systems	386,447	935,075	1,321,522
• Reserve Transferred from (to):			
- Retirement Reserve Fund	(18,682,086)	(102,096,689)	(120,778,775)
• Distribution of Income	0	0	0
• Total Deductions	<u>(2,738,708)</u>	<u>(4,292,182)</u>	<u>(7,030,890)</u>
Credited to Fund as of June 30, 2004	\$ 280,255,504	\$ 1,989,200,979	\$ 2,269,456,483
Contingent Reserve Fund			
Credited to Fund as of June 30, 2003	\$ 683,507,255	\$ 7,034,074,207	\$ 7,717,581,462
• Transfers from Other Systems	279,563	881,100	1,160,663
• Reserve Transferred from (to):			
- Retirement Reserve Fund	(93,540,094)	(533,888,031)	(627,428,125)
- Special Reserve Fund	0	0	0
• Employers' Contributions	11,794,000	251,209,428	263,003,428
• Distribution of Income	108,662,846	1,023,195,041	1,131,857,887
• Total Deductions	(7,651,316)	(26,878,774)	(34,530,090)
• Adjustment to the present value of ERI payments as of June 30, 2004	<u>0</u>	<u>(2,849,530)</u>	<u>(2,849,530)</u>
Credited to Fund as of June 30, 2004	\$ 703,052,254	\$ 7,745,743,441	\$ 8,448,795,695
Special Reserve Fund			
Credited to Fund as of June 30, 2003	\$ 0	\$ 0	\$ 0
• Reserve Transferred from (to):			
- Contingent Reserve Fund	0	0	0
• Distribution of Income	<u>14,821,715</u>	<u>139,564,772</u>	<u>154,386,487</u>
Credited to Fund as of June 30, 2004	\$ 14,821,715	\$ 139,564,772	\$ 154,386,487
Total Present Assets	\$ 2,001,836,285	\$ 16,833,303,026	\$ 18,835,139,311
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>\$ 507,356,299</u>	<u>\$ 2,935,743,740</u>	<u>\$ 3,443,100,039</u>
Total Assets	\$ 2,509,192,584	\$ 19,769,046,766	\$ 22,278,239,350

E. Summary of Actuarial Accrued Liability as of July 1, 2004

	State	Local Employers	Total System
1. Retirees and Beneficiaries			
a. Service Retirement	\$ 739,635,609	\$ 8,295,089,613	\$ 9,034,725,222
b. Disability Retirement	189,827,420	957,706,516	1,147,533,936
c. Beneficiaries	83,255,460	1,008,504,892	1,091,760,352
d. Lump Sum Death Benefits	<u>22,255,023</u>	<u>192,104,120</u>	<u>214,359,143</u>
e. Total	\$ 1,034,973,512	\$ 10,453,405,141	\$ 11,488,378,653
2. Terminated Vested Members	\$ 1,443,805	\$ 5,104,210	\$ 6,548,015
3. Active Participants			
a. Service Retirement	\$ 1,288,200,549	\$ 8,300,284,951	\$ 9,588,485,500
b. Vested Retirement	6,053,762	32,289,419	38,343,181
c. Ordinary Disability	81,484,646	439,777,402	521,262,048
d. Accidental Disability	33,214,721	186,734,655	219,949,376
e. Ordinary Death	35,687,408	190,393,535	226,080,943
f. Accidental Death	2,426,604	13,409,902	15,836,506
g. Withdrawal of Contributions	2,878,677	11,054,246	13,932,923
h. Lump Sum Death Benefit	<u>22,828,900</u>	<u>136,593,305</u>	<u>159,422,205</u>
i. Total	\$ 1,472,775,267	\$ 9,310,537,415	\$ 10,783,312,682
4. Total Actuarial Accrued Liability = 1(e) + 2 + 3(i)	\$ 2,509,192,584	\$ 19,769,046,766	\$ 22,278,239,350

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

I. Development of Unfunded Accrued Liability/(Surplus)	July 1, 2004 Valuation			July 1, 2003 Valuation		
	State Locations	Municipalities & Local Groups	Total	State Locations	Municipalities & Local Groups	Total
1. Present Value of Benefits	\$ 2,509,192,584	\$ 19,769,046,766	\$ 22,278,239,350	\$ 2,330,909,918	\$ 18,422,073,072	\$ 20,752,982,990
2. Actuarial Value of Assets	2,001,836,285	16,833,303,026	18,835,139,311	1,940,629,499	16,470,946,424	18,411,575,923
3. Unfunded Accrued Liability/(Surplus):						
(a) Basic Unfunded Accrued Liability/(Surplus) Excluding Chapters 204, 247, 428, 109 and 511	\$ 480,994,848	\$ 2,659,082,076	\$ 3,140,076,924	\$ 368,935,393	\$ 1,765,007,959	\$ 2,133,943,352
(b) Chapter 204	298,649	5,649,951	5,948,600	282,468	5,408,322	5,690,790
(c) Chapter 247	0	58,859,797	58,859,797	0	39,309,677	39,309,677
(d) Chapter 428*	26,062,802	112,684,175	138,746,977	21,062,558	74,513,094	95,575,652
(e) Chapter 109	0	60,748,547	60,748,547	0	41,248,217	41,248,217
(f) Chapter 511	0	38,719,194	38,719,194	0	25,639,379	25,639,379
(g) Gross Unfunded Accrued Liability/(Surplus) = (a) + (b) + (c) + (d) + (e) + (f)	\$ 507,356,299	\$ 2,935,743,740	\$ 3,443,100,039	\$ 390,280,419	\$ 1,951,126,648	\$ 2,341,407,067
4. Net adjustment to Gross Unfunded Accrued Liability to account for phase-in of State paid Local Obligations:						
(a) Chapter 247	\$ 13,816,845	\$ (13,816,845)	\$ 0	\$ 9,129,494	\$ (9,129,494)	\$ 0
(b) Chapter 428*	57,382,645	(57,382,645)	0	37,766,227	(37,766,227)	0
(c) Chapter 109	60,748,547	(60,748,547)	0	41,248,217	(41,248,217)	0
(d) Chapter 511	38,719,194	(38,719,194)	0	25,639,379	(25,639,379)	0
(e) Total Adjustments = (a) + (b) + (c) + (d)	\$ 170,667,231	\$ (170,667,231)	\$ 0	\$ 113,783,317	\$ (113,783,317)	\$ 0
5. Present Value of Future Chapter 428 Normal Costs	36,023,487	160,852,627	196,876,114	35,097,700	166,515,728	201,613,428
6. Net Unfunded Accrued Liability/(Surplus) Reflecting Chapter 428 Offset = 3(g) + 4(e) + 5	\$ 714,047,017	\$ 2,925,929,136	\$ 3,639,976,153	\$ 539,161,436	\$ 2,003,859,059	\$ 2,543,020,495

*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, 2004 Valuation			July 1, 2003 Valuation		
	State Locations	Municipalities & Local Groups	Total	State Locations	Municipalities & Local Groups	Total
1. Accrued Liability Contribution due to:						
(a) Basic Unfunded Accrued Liability	\$ 27,005,403	\$ 149,293,867	\$ 176,299,270	\$ 20,713,837	\$ 99,096,175	\$ 119,810,012
(b) Chapter 204	17,742	335,645	353,387	16,449	314,945	331,394
(c) Chapter 247	0	3,304,677	3,304,677	0	2,207,037	2,207,037
(d) Chapter 428*	1,463,294	6,326,640	7,789,934	1,182,554	4,183,529	5,366,083
(e) Chapter 109	0	3,410,720	3,410,720	0	2,315,877	2,315,877
(f) Chapter 511	0	2,173,885	2,173,885	0	1,439,520	1,439,520
(g) Gross Unfunded Accrued Liability Contribution = (a) + (b) + (c) + (d) + (e) + (f)	\$ 28,486,439	\$ 164,845,434	\$ 193,331,873	\$ 21,912,840	\$ 109,557,083	\$ 131,469,923
2. Net adjustment to Gross Unfunded Accrued Liability Contribution on account of phase-in of State paid Local Obligations:						
(a) Chapter 247	\$ 3,304,677	\$ (3,304,677)	\$ 0	\$ 2,207,037	\$ (2,207,037)	\$ 0
(b) Chapter 428*	6,326,640	(6,326,640)	0	4,183,529	(4,183,529)	0
(c) Chapter 109	3,410,720	(3,410,720)	0	2,315,877	(2,315,877)	0
(d) Chapter 511	2,173,885	(2,173,885)	0	1,439,520	(1,439,520)	0
(e) Total Adjustment = (a) + (b) + (c) + (d)	\$ 15,215,922	\$ (15,215,922)	\$ 0	\$ 10,145,963	\$ (10,145,963)	\$ 0
3. Accrued Liability Contribution as of the Valuation Date = 1(g) + 2(e)	\$ 43,702,361	\$ 149,629,512	\$ 193,331,873	\$ 32,058,803	\$ 99,411,120	\$ 131,469,923
4. Interest to reflect two year delay in payment	7,508,339	25,707,285	33,215,624	5,507,903	17,079,452	22,587,355
5. Accrued Liability Contribution as of Payment Date	\$ 51,210,700	\$ 175,336,797	\$ 226,547,497	\$ 37,566,706	\$ 116,490,572	\$ 154,057,278

* 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, 2004 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	\$ 2,001,836,285	\$ 16,833,303,026
2. Actuarial Accrued Liability	2,509,192,584	19,769,046,766
3. Net Portion of Local Unfunded Accrued Liability due to Contribution Phase-in Payable by the State	170,667,231	(170,667,231)
4. Present Value of Future Chapter 428 Normal Costs	36,023,487	160,852,627
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, 2004

	State	Local Employers	Total System
1. Service Retirement	\$ 83,706,008	\$ 474,181,657	\$ 557,887,665
2. Ordinary Disability Retirement	6,643,914	32,082,534	38,726,448
3. Accidental Disability Retirement	3,593,777	17,597,843	21,191,620
4. Ordinary Death Benefits	516,638	2,464,246	2,980,884
5. Accidental Death Benefits	234,777	1,131,178	1,365,955
6. Vested Termination Retirement	1,039,492	5,408,562	6,448,054
7. Return of Members' Contributions Upon Withdrawal	679,898	2,344,981	3,024,879
8. Lump Sum Death Benefits after Retirement	1,619,933	8,583,182	10,203,115
9. Term Cost Lump Sum Death Benefit During Active Service	4,248,218	23,814,392	28,062,610
10. Portion Attributable to Chapter 428	<u>5,004,912</u>	<u>23,322,898</u>	<u>28,327,810</u>
11. Total Gross Normal Cost	\$ 107,287,567	\$ 590,931,473	\$ 698,219,040
12. Expected Employee Contributions	38,894,893	215,756,284	254,651,177
13. Portion of Local Normal Cost Payable by the State due to:			
(a) Chapter 511	\$ 19,094,512	\$ (19,094,512)	\$ 0
(b) Chapter 247	3,661,285	(3,661,285)	0
(c) Chapter 109	27,773,451	(27,773,451)	0
(d) Chapter 428	<u>23,322,898</u>	<u>(23,322,898)</u>	<u>0</u>
(e) Total	\$ 73,852,146	\$ (73,852,146)	\$ 0
14. Preliminary Normal Cost as of July 1, 2004 = 11 - 12 + 13(e)	\$ 142,244,820	\$ 301,323,043	\$ 443,567,863
15. Reduction for Chapter 428 Normal Cost (if covered by Excess Valuation Assets)	0	0	0
16. Reduction due to Excess Valuation Assets	0	0	0
17. Interest to Reflect a 2 Year Delay in Payment to July 1, 2006	<u>24,438,549</u>	<u>51,769,182</u>	<u>76,207,731</u>
18. Net Normal Cost as of July 1, 2006 = 14 - 15 - 16 + 17	\$ 166,683,369	\$ 353,092,225	\$ 519,775,594

I. Summary of Total Required Contributions

	July 1, 2004 Valuation			July 1, 2003 Valuation		
	State Locations	Municipalities & Local Groups	Total	State Locations	Municipalities & Local Groups	Total
Active Participant Payroll	\$ 450,406,301	\$ 2,524,859,162	\$ 2,975,265,463	\$ 447,470,022	\$ 2,393,467,444	\$ 2,840,937,466
1. Normal Cost						
a) Normal Cost (without Chapters 109, 247, 428 and 511)	\$ 59,431,992	\$ 322,322,533	\$ 381,754,525	\$ 57,253,563	\$ 294,081,394	\$ 351,334,957
b) Normal Cost for Chapter 511	26,437,486	N/A	26,437,486	24,926,090	N/A	24,926,090
c) Normal Cost for Chapter 247	4,290,317	2,863,839	7,154,156	4,912,099	2,310,253	7,222,352
d) Chapter 109 Payment	38,350,781	N/A	38,350,781	36,619,311	N/A	36,619,311
e) Term Cost for Lump Sum Death Benefit to Active Members	4,978,088	27,905,853	32,883,941	4,130,843	22,095,420	26,226,263
f) Normal Cost for Chapter 428	33,194,705	0	33,194,705	33,623,916	0	33,623,916
g) Preliminary Normal Cost = (a) + (b) + (c) + (d) + (e) + (f)	\$ 166,683,369	\$ 353,092,225	\$ 519,775,594	\$ 161,465,822	\$ 318,487,067	\$ 479,952,889
h) Reduction for Chapter 428 Normal Cost (currently covered by Excess Valuation Assets)	0	0	0	0	0	0
i) Additional reduction due to Excess Valuation Assets	0	0	0	0	0	0
j) Net Normal Cost = (g) – (h) – (i)	\$ 166,683,369	\$ 353,092,225	\$ 519,775,594	\$ 161,465,822	\$ 318,487,067	\$ 479,952,889
2. Accrued Liability*						
a) Basic Unfunded Actuarial Liability UAL Payment	\$ 31,645,101	\$ 174,943,486	\$ 206,588,587	\$ 24,272,604	\$ 116,121,517	\$ 140,394,121
b) Chapter 204 UAL Payment	20,790	393,311	414,101	19,275	369,055	388,330
c) Chapter 247 UAL Payment	3,872,441	N/A	3,872,441	2,586,220	N/A	2,586,220
d) Chapter 428 UAL Payment**	9,128,293	N/A	9,128,293	6,288,009	N/A	6,288,009
e) Chapter 109 UAL Payment	3,996,703	N/A	3,996,703	2,713,759	N/A	2,713,759
f) Chapter 511 UAL Payment	2,547,372	N/A	2,547,372	1,686,839	N/A	1,686,839
g) Total Accrued Liability = (a) + (b) + (c) + (d) + (e) + (f)	\$ 51,210,700	\$ 175,336,797	\$ 226,547,497	\$ 37,566,706	\$ 116,490,572	\$ 154,057,278
3. Total Contribution = 1(j) + 2(g)	\$ 217,894,069	\$ 528,429,022	\$ 746,323,091	\$ 199,032,528	\$ 434,977,639	\$ 634,010,167

* 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 for fiscal years 2005 and 2006.

** Includes \$4,902,285 for the July 1, 2003 valuation and \$7,413,596 for the July 1, 2004 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, 2004 Valuation		July 1, 2003 Valuation	
	State Locations	Municipalities & Local Groups	State Locations	Municipalities & Local Groups
1. Normal Contribution Rates:				
a) Basic Allowances	13.195%	13.049%	12.795%	12.589%
b) Lump Sum Death Benefit	1.105%	1.105%	0.923%	0.923%
c) Chapter 511*	5.870%	N/A	5.570%	N/A
d) Chapter 247*				
• PERS Local normal rate applicable to pay for individuals without past service	N/A	5.369%	N/A	4.040%
• Total PERS Local rate applicable to pay for individuals with past service	N/A	4.211%	N/A	3.933%
• Portion of Municipalities & Local Groups costs payable by the State	0.953%	N/A	1.098%	N/A
e) Chapter 109*	8.515%	N/A	8.184%	N/A
f) Chapter 428*	7.370%	0.000%	7.514%	0.000%
g) 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%
2. Accrued Liability Contribution Rates:##				
a) Basic Allowances	7.026%	7.063%	5.424%	4.956%
b) Chapter 204	**	**	**	**
c) Chapter 247*	0.860%	N/A	0.578%	N/A
d) Chapter 428*#	2.027%	N/A	1.405%	N/A
e) Chapter 109*	0.887%	N/A	0.606%	N/A
f) Chapter 511*	0.566%	N/A	0.377%	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 for fiscal years 2005 and 2006.

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 (4.46% 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, 2003	\$	2,121,509,102
2.	Adjustments to the Unfunded Accrued Liability due to:		
	a) Adjustment in anticipated State phase-in percentage under the Appropriation Act for fiscal year 2005 (30% of fiscal year 2005 recommended amount)	\$	15,119,340
	b) Revised economic assumptions		204,778,625
	c) Sub-total	\$	219,897,965
3.	Adjusted Unfunded Accrued Liability as of July 1, 2003 = (1) + (2)(c)	\$	2,341,407,067
4.	Normal Cost as of July 1, 2003		630,635,385
5.	Interest on (3) and (4)		245,193,502
6.	Actual Members' Contributions		264,333,727
7.	Discounted value of prior year's Employer Contribution		561,463,200
8.	Expected interest on Members' contributions		10,903,766
9.	Expected Unfunded Accrued Liability as of July 1, 2004 = (3) + (4) + (5) - (6) - (7) - (8)	\$	2,380,535,261
10.	Increase in Unfunded Accrued Liability due to phase-in provisions of the Appropriation Act for fiscal year 2006 and Chapter 108, P.L. 2003	\$	260,594,831
11.	Actual Unfunded Accrued Liability as of July 1, 2004	\$	3,443,100,039
12.	Actuarial (gain)/loss = (11) - (9) - (10)	\$	801,969,947

Components of Actuarial Experience

1.	Investment (Gain)/Loss	\$	676,692,539
2.	Other net (Gain)/Loss, including COLA gains and changes in employee data		125,277,408
3.	Total Actuarial (Gain)/Loss	\$	801,969,947

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, 2005 and 2006 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, 2004	June 30, 2003
Normal Cost	5.870%	5.570%
Accrued Liability	<u>0.566%</u>	<u>0.377%</u>
Total Rate	6.436%	5.947%

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, 2004	June 30, 2003
Number of Active Employees	1,060	1,158
<u>Contribution Rates:</u>		
Normal Cost	0.953%	1.098%
Accrued Liability	<u>0.860</u>	<u>0.578</u>
Total Rate	1.813%	1.676%
<u>Contributions:</u>		
Normal Cost	\$ 4,290,317	\$ 4,912,099
Accrued Liability	<u>3,872,441</u>	<u>2,586,220</u>
Total Contribution	\$ 8,162,758	\$ 7,498,319

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, 2005 and 2006 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 59, P.L. 1999, Chapter 126, P.L. 2000 and Chapter 130, P.L. 2003

Chapter 59, P.L. 1999 permitted local units to offer early retirement or termination incentives to certain employees affected by the consolidation of services. “County ERI Section 44” of Chapter 126, P.L. 2000 extended the early retirement incentive program offered under Chapter 59, P.L. 1999 to 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 59, 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, 2003 and July 1, 2004 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, 2005 and 2006 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, 2004	June 30, 2003
<u>Contribution Rates:</u>		
Normal Cost	7.370%	7.514%
Accrued Liability	<u>2.027</u>	<u>1.405</u>
Total Rate	9.397%	8.919%
<u>Contributions:</u>		
Normal Cost	\$ 33,194,705	\$ 33,623,916
Accrued Liability	<u>9,128,293</u>	<u>6,288,009</u>
Total Contribution	\$ 42,322,998	\$ 39,911,925

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, 2007, 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, 2007:

	<u>State</u>	<u>Municipalities & Local Groups</u>
1. Actuarial Value of Plan Assets as of June 30, 2004		
(a) Valuation Assets as of June 30, 2004 (including Employer and ERI Receivable Contributions)	\$2,001,836,285	\$16,833,303,026
(b) Adjustment for Receivable/(Payable) Contributions included in (a)	<u>60,899,826</u>	<u>70,849,358</u>
(c) Valuation Assets as of June 30, 2004 for GASB Disclosure = (a) - (b)	\$1,940,936,459	\$16,762,453,668
2. Actuarial Accrued Liability as of June 30, 2004	\$2,509,192,584	\$19,769,046,766
3. Unfunded Actuarial Accrued Liability/(Surplus) as of June 30, 2004	\$ 568,256,125	\$ 3,006,593,098
4. Amortization of Unfunded Actuarial Accrued Liability/(Surplus) over 30 years with payments Increasing at 4.00% per year	\$ 31,904,677	\$ 168,804,835
5. Development of Net Normal Cost as of June 30, 2004:		
(a) Basic Allowance Normal Cost	\$ 176,891,495	\$ 493,264,935
(b) Term Cost for Lump Sum Death Benefit	4,248,218	23,814,392
(c) Expected Employee Contributions	<u>38,894,893</u>	<u>215,756,284</u>
(d) Net Normal Cost as of June 30, 2004 = (a) + (b) - (c)	\$ 142,244,820	\$ 301,323,043
6. Annual Required Contribution as of April 1, 2007		
(a) Annual Required Contribution as of June 30, 2004 = 4 + 5 (d)	\$ 174,149,497	\$ 470,127,878
(b) Interest Adjustment to April 1, 2007	<u>42,420,835</u>	<u>114,517,801</u>
(c) Annual Required Contribution as of April 1, 2007 = (a) + (b)	\$ 216,570,332	\$ 584,645,679

(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 (b-a)/c
6/30/99						
State	\$ 1,717,248,151	\$ 1,534,470,501	\$ (182,777,650)	111.91%	\$ 362,949,950	(50.36)%
Local	<u>14,536,570,357</u>	<u>13,894,951,617</u>	<u>(641,618,740)</u>	<u>104.62%</u>	<u>1,971,087,124</u>	<u>(32.55)%</u>
Total	\$ 16,253,818,508	\$ 15,429,422,118	\$ (824,396,390)	105.34%	\$ 2,334,037,074	(35.32)%
6/30/00						
State	\$ 1,884,870,936	\$ 1,666,842,906	\$ (218,028,030)	113.08%	\$ 363,360,250	(60.00)%
Local	<u>15,644,750,281</u>	<u>14,924,699,712</u>	<u>(720,050,569)</u>	<u>104.82%</u>	<u>2,055,781,766</u>	<u>(35.03)%</u>
Total	\$ 17,529,621,217	\$ 16,591,542,618	\$ (938,078,599)	105.65%	\$ 2,419,142,016	(38.78)%
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%

* 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>			
2002	\$ 103,580,989	\$ 0*	0.00%
2003	\$ 104,998,547	\$ 0*	0.00%
2004	\$ 118,297,232	\$ 22,215,429*#	18.78%
2005	\$ 161,455,508	\$ 49,326,846#	30.55%
2006 [∅]	\$ 200,902,193	\$ 79,613,011#	39.63%
2007	\$ 216,570,332	\$ 217,894,069	100.61%
<u>LOCAL</u>			
2002	\$ 248,754,078	\$ 185,415*	0.07%
2003	\$ 259,969,532	\$ 364,850*	0.14%
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	\$ 528,429,022	90.38%

* 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 anticipation of the provisions of the Appropriation Act for fiscal year 2005 and the fiscal year 2006 required contribution of \$199,032,528 has been reduced to \$79,613,011 in anticipation of the provisions of the Appropriation Act for fiscal year 2006.

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 anticipation of the potential impact of Chapter 108, P.L. 2003 on the fiscal year 2005 contribution and 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.

∅ 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, 2004
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent, Closed
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	5.95%
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, 2004</u>			
Actuarial present value of accumulated benefits:			
	<u>State</u>	<u>Local Employers</u>	<u>Total System</u>
Vested benefits			
Participants currently receiving payments	\$ 1,034,973,512	\$ 10,453,405,141	\$ 11,488,378,653
Other participants	756,644,515	5,388,982,206	6,145,626,721
	\$ 1,791,618,027	\$ 15,842,387,347	\$ 17,634,005,374
Non-vested benefits	691,129,402	3,686,513,085	4,377,642,487
Total	\$ 2,482,747,429	\$ 19,528,900,432	\$ 22,011,647,861
Assets at market value	\$ 1,703,009,214	\$ 14,779,086,772	\$ 16,482,095,986
Ratio of Assets to Total Present Value	68.6%	75.7%	74.9%

<u>Valuation Date: June 30, 2003*</u>			
Actuarial present value of accumulated benefits:			
	<u>State</u>	<u>Local Employers</u>	<u>Total System</u>
Vested benefits			
Participants currently receiving payments	\$ 908,545,557	\$ 9,765,120,630	\$ 10,673,666,187
Other participants	716,864,431	5,030,700,816	5,747,565,247
	\$ 1,625,409,988	\$ 14,795,821,446	\$ 16,421,231,434
Non-vested benefits	691,884,587	3,495,489,075	4,187,373,662
Total	\$ 2,317,294,575	\$ 18,291,310,521	\$ 20,608,605,096
Assets at market value	\$ 1,519,184,944	\$ 13,418,966,275	\$ 14,938,151,219
Ratio of Assets to Total Present Value	65.6%	73.4%	72.5%

* The original July 1, 2003 valuation was prepared prior to the change in economic assumptions and anticipated that the impact of 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 can be summarized as follows:

	<u>State Locations</u>	<u>Municipalities & Local Groups</u>	<u>Total</u>
Total actuarial present value of accumulated benefits	\$ 2,272,504,105	\$ 18,115,272,253	\$ 20,387,776,358
Assets at market value	\$ 1,525,567,154	\$ 13,427,290,180	\$ 14,952,857,334
Ratio of Assets to Total Present Value	67.1%	74.1%	73.3%

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 2003 and 2004.

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 is 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. 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, 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 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.

SALARY INCREASE: 5.95% per year.

SEPARATIONS FROM SERVICE: Representative values of the assumed annual rates of separation are as follows:

<u>Age</u>	<u>Annual Rates of</u>						<u>Ultimate Withdrawal</u>
	<u>Select Withdrawal</u>						
	<u>Up to the 1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5 to 9 Years</u>	<u>After 9 Years</u>	
25	3.50%	2.25%	1.85%	1.74%	1.00%	0.00%	
30	4.00	2.25	1.85	1.74	1.20	0.60	
35	4.50	2.25	1.85	1.74	1.50	0.39	
40	5.00	2.25	1.85	2.32	1.50	0.40	
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	

<u>Age</u>	<u>Annual Rates of</u>							
	<u>Death</u>		<u>Disability</u>		<u>Service Retirement</u>			
	<u>Ordinary</u>	<u>Accidental</u>	<u>Ordinary</u>	<u>Accidental</u>	<u>Length of Service</u>			
				<u>Less Than 21 Years*</u>	<u>21 to 24 Years</u>	<u>25 Years</u>	<u>26 or More Years</u>	
25	.050%	.006%	.100%	.029%	2.50%	0.00%	41.00%	15.40%
30	.065	.006	.150	.071	2.50	0.00	41.00	15.40
35	.065	.008	.250	.122	2.50	0.00	41.00	15.40
40	.120	.008	.385	.153	2.50	0.00	41.00	15.40
45	.180	.009	.418	.151	2.50	0.00	44.15	15.40
50	.250	.009	.363	.119	3.75	0.00	47.31	15.40
55	.300	.014	.600	.107	5.00	0.00	49.20	17.48
60	.600	.013	.160	.107	5.00	0.00	55.35	22.78
64	.600	.008	.300	.107	37.50	0.00	55.35	37.80
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	0.90%	0.254%	0.90%	0.699%	35	1.494%
60	1.42	0.424	1.42	1.027	40	1.584
65	2.17	0.706	2.17	1.563	45	1.674
70	2.75	1.238	2.75	1.981	50	1.761
75	4.46	2.399	4.46	2.399	55	2.016
80	7.41	4.294	7.41	4.294	60	2.376
85	11.48	6.992	11.48	6.992	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, 2004 Valuation		July 1, 2003 Valuation**	
	Payment*	Years Remaining	Payment*	Years Remaining
<u>State Locations</u>				
• Location #00053: Juv. Jus. Comm/Community Prog.	\$ 597	27	\$ 554	28
• Location #00323: Dept. Div. of Human Resources	19,189	27	17,790	28
• Location #00498: Univ. of Medicine & Dentistry	1,004	27	931	28
Total	\$ 20,790		\$ 19,275	
<u>Municipalities & Local Groups</u>				
• Location #21202: Camden City	\$ 57,257	27	\$ 53,726	28
• Location #39300: Belmar Borough	7,659	27	7,187	28
• Location #46800: Roxbury Township	14,495	27	13,601	28
• Location #49700: West Windsor Township	21,500	27	20,174	28
• Location #57700: Sea Isle City	3,890	27	3,650	28
• Location #62400: NJ Institute of Technology	62,029	27	58,203	28
• Location #62500: Brookdale Community College	67,403	27	63,246	28
• Location #62700: Essex County College	20,256	27	19,007	28
• Location #75000: Lakewood Twp Fire District #1	10,757	27	10,094	28
• Location #75700: Middlesex County College	74,923	27	70,302	28
• Location #76200: Lower Camden Regional High School – District 1	1,617	27	1,518	28
• Location #77500: Hopewell Twp Fire District #1	6,666	27	6,255	28
• Location #78600: South Jersey Transit Authority	32,719	27	30,701	28
• Location #78700: Washington Township Board of Fire Comm	11,445	27	10,739	28
• Location #79600: Upper Freehold Twp	695	27	652	28
Total	\$ 393,311		\$ 369,055	

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

** Revised amounts reflect the change in economic assumptions and the expectation that the Appropriation Act for fiscal year 2005 will reduce the State's fiscal year 2005 contribution to 30% of the contribution recommended as part of the July 1, 2002 valuation.

B.(I) SUMMARY OF FISCAL YEAR 2007 CONTRIBUTIONS FOR STATE COLLEGE LOCATIONS

Location	Location Name	Number of Members	2004 Appropriation Payroll	Normal Contribution	Accrued Liability Contribution	Fiscal Year 2007 Contribution
00410	Rowan University	3	\$ 175,491	\$ 64,944	\$ 19,945	\$ 84,889
00412	Kean University	20	1,065,781	394,414	121,126	515,540
00413	William Paterson University of NJ	11	611,164	226,173	69,459	295,632
00414	Montclair State University	21	1,060,225	392,357	120,495	512,852
00415	The College of NJ	12	613,484	227,032	69,722	296,754
00421	Richard Stockton College of NJ	14	715,469	264,774	81,313	346,087
00497	University of Medicine and Dentistry of NJ	34	1,894,113	700,954	215,266	916,220
00498	University of Medicine and Dentistry of NJ	28	1,597,961	591,357	181,608	772,965
00499	University of Medicine and Dentistry of NJ	17	956,046	353,804	108,655	462,459
62400	NJ Institute of Technology	26	1,460,200	540,376	165,952	706,328
90011	Rutgers University	90	5,481,224	2,028,437	622,941	2,651,378
Total		276	\$ 15,631,158	\$ 5,784,622	\$ 1,776,482	\$ 7,561,104

B.(II) SUMMARY OF REVISED FISCAL YEAR 2006 CONTRIBUTIONS FOR STATE COLLEGE LOCATIONS

The following schedule provides the revised fiscal year 2006 State College contribution amounts reflecting the change in economic assumptions and the impact of the Appropriation Act for fiscal year 2005 that reduced the State's fiscal year 2005 contribution to 30% of the contribution recommended as part of the July 1, 2002 valuation.

Location	Location Name	Number of Members	2003 Appropriation Payroll	Normal Contribution	Accrued Liability Contribution	Fiscal Year 2006 Contribution
00410	Rowan University	3	\$ 166,819	\$ 60,195	\$ 13,998	\$ 74,193
00412	Kean University	13	804,254	290,207	67,485	357,692
00413	William Paterson University of NJ	13	708,583	255,685	59,457	315,142
00414	Montclair State University	19	945,599	341,210	79,345	420,555
00415	The College of NJ	11	587,362	211,944	49,286	261,230
00421	Richard Stockton College of NJ	14	712,581	257,128	59,793	316,921
00497	University of Medicine and Dentistry of NJ	38	2,085,181	752,417	174,968	927,385
00498	University of Medicine and Dentistry of NJ	30	1,667,613	601,741	139,929	741,670
00499	University of Medicine and Dentistry of NJ	16	885,008	319,346	74,261	393,607
62400	NJ Institute of Technology	25	1,368,808	493,921	114,857	608,778
90011	Rutgers University	89	5,198,228	1,875,729	436,183	2,311,912
Total		271	\$ 15,130,036	\$ 5,459,523	\$ 1,269,562	\$ 6,279,085

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, 2004 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 56.3, 53.8 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, 2004 is 26.4. The average age at entry for Non-Contributing active participants at July 1, 2004 is 29.9. The average age at entry for all actives at July 1, 2004 is 26.5.

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

We have assumed that all deaths between July 1, 2003 and June 30, 2004 occurred at the middle of the plan year; January 1, 2004. Based on this assumption, the average age at death for the various groups is as follows:

Active Contributing members at July 1, 2003	47.5
Active Non-Contributing members at July 1, 2003	42.3
Retired at July 1, 2003	74.0
Disabled at July 1, 2003	61.7
Beneficiary at July 1, 2003	76.5
Terminated Vested at July 1, 2003	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 42.3 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	36,641	6,510	0	43,151
Active Non-Contributing Members	988	57	0	1,045
Vested Terminated Participants	55	6	0	61
Retired Participants	12,336	3,729	2,381	18,446
Disabled Retired Participants	2,935	332	394	3,661
Beneficiaries	<u>901</u>	<u>232</u>	<u>4,631</u>	<u>5,764</u>
Total	53,856	10,866	7,406	72,128

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	16,820
Receiving Service Retirement Benefits	1,471
Receiving Deferred Retirement Benefits	155
Receiving Ordinary Disability Benefits	2,147
Receiving Accidental Disability Benefits	1,514

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	4,595
Children	247
Other Dependents	922

13. The Number of Beneficiaries and Children receiving benefits due to the accidental death of a member is 128 (116 Beneficiaries, 9 Children and 3 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 \$53,398,677, (\$7,321,128 for State location and \$46,077,549 for Local groups) by the number of active contributing members of 43,151 gives the total cost per member for insurance \$1,237.48.

2. Cost per member for Administration

Dividing the Administrative cost per member = \$3,453,483/72,128 members = \$47.88.

- 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	\$ 9,034,725,222	40.56%
Disableds	1,147,533,936	5.15%
Beneficiaries	1,091,760,352	4.90%
Deferred Terminated Vesteds	6,548,015	0.03%
Lump Sum Death Benefits	<u>214,359,143</u>	<u>0.96%</u>
Total	\$ 11,494,926,668	51.60%

The percentage shown on the right is the percent attributable to each inactive piece of the total Accrued Liability of \$22,278,239,350.

Reconciliation of Census Data

The following chart presents a reconciliation of census data from July 1, 2003 to June 30, 2004:

	Actives		Deferred Vested	Retirees				Beneficiaries	Dependents	Domestic Relations Beneficiaries	Total
	Contrib.	Noncontrib.		Service	Special	Deferred	Disabled				
Members as of July 1, 2003	42,887	1,091	64	1,455	16,254	149	3,449	4,337	237	801	70,724
Status Change											
To Contributing	201	(201)									0
To Noncontributing	(411)	411									0
Terminated Vested	(1)	(4)	5								0
Terminated Non-Vested	(126)	(200)									(326)
Service Retirement	(91)	(1)		92							0
Special Retirement	(926)	(14)			940						0
Deferred Vesteds Now Payable			(8)			8					0
New Disabled	(209)	(72)					281				0
New Death	(48)	(11)		(77)	(369)	(2)	(66)	(130)	(1)	(6)	(710)
Payments Began										154	154
Payments Ceased								(1)	(20)	(33)	(54)
New Actives	1,868	46									1,914
Rehires	7				(4)		(3)				0
New Beneficiaries								389	37		426
Data Corrections				1	(1)						0
Members as of July 1, 2004	43,151	1,045	61	1,471	16,820	155	3,661	4,595	253	916	72,128

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	316	11								327
	Salary	11,540,066	421,883	-	-	-	-	-	-	-	11,961,949
25	Number	1,967	1,430	11	-	-	-	-	-	-	3,408
	Salary	78,542,098	72,959,626	657,400	-	-	-	-	-	-	152,159,124
30	Number	1,385	4,072	1,486	51	-	-	-	-	-	6,994
	Salary	57,173,750	233,657,383	99,642,770	3,495,153	-	-	-	-	-	393,969,056
35	Number	775	2,806	4,047	2,343	52	-	-	-	-	10,023
	Salary	31,994,479	163,687,762	282,288,165	171,959,353	3,987,999	-	-	-	-	653,917,758
40	Number	96	956	2,072	3,884	1,846	51	-	-	-	8,905
	Salary	4,134,534	57,625,360	144,987,573	289,452,259	148,746,350	4,064,733	-	-	-	649,010,809
45	Number	4	176	810	1,749	2,845	1,182	14	-	-	6,780
	Salary	152,256	11,150,428	54,651,189	127,204,457	229,681,949	106,551,232	1,288,720	-	-	530,680,231
50	Number	-	50	203	780	1,383	1,660	417	5	-	4,498
	Salary	-	2,860,595	12,799,723	54,401,706	107,058,461	149,469,804	40,072,949	446,593	-	367,109,831
55	Number	1	27	97	267	625	693	560	138	1	2,409
	Salary	17,735	1,604,836	5,990,616	17,988,380	46,205,674	59,659,298	54,818,291	14,391,935	75,292	200,752,057
60	Number	1	12	41	100	155	138	106	146	34	733
	Salary	123,084	625,086	2,653,734	6,396,079	10,851,660	11,196,892	10,025,433	14,964,103	3,701,063	60,537,134
63	Number	-	-	15	17	22	11	13	19	22	119
	Salary	-	-	842,884	993,001	1,448,152	659,763	1,096,953	1,874,408	2,503,076	9,418,237
66 and over	Number	-	-	-	-	-	-	-	-	-	0
	Salary	-	-	-	-	-	-	-	-	-	0
TOTAL	Number	4,545	9,540	8,782	9,191	6,928	3,735	1,110	308	57	44,196
	Salary	183,678,002	544,592,959	604,514,054	671,890,388	547,980,245	331,601,722	107,302,346	31,677,039	6,279,431	3,029,516,186

Average Age: 39.5 Years
 Average Service: 13.0 Years
 Average Salary: \$68,547
 Number Vested: 26,148
 Number Non Vested: 18,048

Active Member Fifth Age and Service Distribution (continued)

STATE LOCATIONS

AGE	SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
20	Number	52	1	-	-	-	-	-	-	-	53
	Salary	2,085,722	43,845	-	-	-	-	-	-	-	2,129,567
25	Number	359	276	2	-	-	-	-	-	-	637
	Salary	15,418,134	13,520,833	94,116	-	-	-	-	-	-	29,033,083
30	Number	348	771	146	5	-	-	-	-	-	1,270
	Salary	14,982,110	39,613,878	8,099,003	310,317	-	-	-	-	-	63,005,308
35	Number	219	622	495	358	7	-	-	-	-	1,701
	Salary	9,601,868	32,909,493	29,440,145	22,378,800	453,159	-	-	-	-	94,783,465
40	Number	33	268	290	694	320	13	-	-	-	1,618
	Salary	1,454,236	14,476,993	17,456,549	44,372,843	21,188,916	893,689	-	-	-	99,843,226
45	Number	2	57	111	424	539	95	-	-	-	1,228
	Salary	61,476	3,223,694	6,594,863	26,844,746	36,248,862	6,720,776	-	-	-	79,694,417
50	Number	-	34	54	244	340	122	22	1	-	817
	Salary	-	1,967,855	3,204,839	15,326,636	22,648,723	8,795,149	1,720,796	60,981	-	53,724,979
55	Number	1	16	43	120	207	50	20	3	-	460
	Salary	17,735	931,120	2,579,292	7,570,634	13,971,680	3,381,968	1,485,585	187,163	-	30,125,177
60	Number	-	8	25	51	64	23	7	2	2	182
	Salary	-	442,866	1,516,646	3,218,155	4,322,768	1,562,560	541,449	114,631	121,515	11,840,590
63	Number	-	-	7	10	10	1	2	2	-	32
	Salary	-	-	421,252	583,593	646,184	42,439	142,187	142,368	-	1,978,023
66 and over	Number	-	-	-	-	-	-	-	-	-	-
	Salary	-	-	-	-	-	-	-	-	-	-
TOTAL	Number	1,014	2,053	1,173	1,906	1,487	304	51	8	2	7,998
	Salary	43,621,281	107,130,577	69,406,705	120,605,724	99,480,292	21,396,581	3,890,017	505,143	121,515	466,157,835

Average Age: 39.7 Years
 Average Service: 11.8 Years
 Average Salary: \$58,284
 Number Vested: 4,474
 Number Non Vested: 3,524

Active Member Fifth Age and Service Distribution (continued)

MUNICIPALITIES AND LOCAL GROUPS

SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
AGE										
20 Number	264	10	-	-	-	-	-	-	-	274
Salary	9,454,344	378,038	-	-	-	-	-	-	-	9,832,382
25 Number	1,608	1,154	9	-	-	-	-	-	-	2,771
Salary	63,123,964	59,438,793	563,284	-	-	-	-	-	-	123,126,041
30 Number	1,037	3,301	1,340	46	-	-	-	-	-	5,724
Salary	42,191,640	194,043,505	91,543,767	3,184,836	-	-	-	-	-	330,963,748
35 Number	556	2,184	3,552	1,985	45	-	-	-	-	8,322
Salary	22,392,611	130,778,269	252,848,020	149,580,553	3,534,840	-	-	-	-	559,134,293
40 Number	63	688	1,782	3,190	1,526	38	-	-	-	7,287
Salary	2,680,298	43,148,367	127,531,024	245,079,416	127,557,434	3,171,044	-	-	-	549,167,583
45 Number	2	119	699	1,325	2,306	1,087	14	-	-	5,552
Salary	90,780	7,926,734	48,056,326	100,359,711	193,433,087	99,830,456	1,288,720	-	-	450,985,814
50 Number	-	16	149	536	1,043	1,538	395	4	-	3,681
Salary	-	892,740	9,594,884	39,075,070	84,409,738	140,674,655	38,352,153	385,612	-	313,384,852
55 Number	-	11	54	147	418	643	540	135	1	1,949
Salary	-	673,716	3,411,324	10,417,746	32,233,994	56,277,330	53,332,706	14,204,772	75,292	170,626,880
60 Number	1	4	16	49	91	115	99	144	32	551
Salary	123,084	182,220	1,137,088	3,177,924	6,528,892	9,634,332	9,483,984	14,849,472	3,579,548	48,696,544
63 Number	-	-	8	7	12	10	11	17	22	87
Salary	-	-	421,632	409,408	801,968	617,324	954,766	1,732,040	2,503,076	7,440,214
66 and over Number	-	-	-	-	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	-	-	-
TOTAL Number	3,531	7,487	7,609	7,285	5,441	3,431	1,059	300	55	36,198
Salary	140,056,721	437,462,382	535,107,349	551,284,664	448,499,953	310,205,141	103,412,329	31,171,896	6,157,916	2,563,358,351

Average Age: 39.4 Years
 Average Service: 13.3 Years
 Average Salary: \$70,815
 Number Vested: 21,675
 Number Non Vested: 14,523

ADDITIONAL INFORMATION PROVIDED FOR ITEM 1.All Healthy Retirees as of July 1, 2004

<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	611	18.8	57.1	\$ 25,461	63.4
M	Police	Special	11,354	27.8	53.2	46,621	61.5
M	Police	Deferred	86	16.2	55.0	11,177	63.2
M	Firemen	Service	77	24.9	56.9	31,521	65.7
M	Firemen	Special	3,603	28.9	54.7	45,074	65.0
M	Firemen	Deferred	47	16.1	55.0	8,847	62.8
M	Unknown	Service	675	26.4	55.2	20,306	82.2
M	Unknown	Special	1,676	28.3	55.9	26,124	77.9
M	Unknown	Deferred	20	18.7	55.0	8,661	77.1
F	Police	Service	100	17.4	58.0	22,593	63.1
F	Police	Special	183	26.5	54.2	45,292	59.1
F	Police	Deferred	2	16.7	55.0	20,056	57.5
F	Firemen	Service	1	13.3	62.0	10,807	76.0
F	Firemen	Special	1	26.0	52.0	61,113	54.0
F	Unknown	Service	7	19.5	59.4	12,822	82.3
F	Unknown	Special	3	28.1	58.3	19,846	82.7

New Healthy Retirees as of July 1, 2004

<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	72	21.1	54.6	\$ 34,382	55.2
M	Police	Special	759	28.0	53.1	57,163	53.7
M	Police	Deferred	7	14.7	55.0	7,421	55.7
M	Firemen	Service	7	25.5	55.0	24,316	55.2
M	Firemen	Special	145	28.7	54.4	59,305	55.0
M	Firemen	Deferred	1	14.6	55.0	7,018	55.0
F	Police	Service	13	19.1	55.7	32,354	56.1
F	Police	Special	36	26.0	51.1	51,540	51.7

ADDITIONAL INFORMATION PROVIDED FOR ITEMS 5. & 6.All Disabilities as of July 1, 2004

<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	1,518	13.1	42.7	\$ 20,153	52.0
M	Police	Accidental	1,091	12.3	39.2	32,963	50.7
M	Firemen	Ordinary	213	13.2	41.1	19,033	54.0
M	Firemen	Accidental	119	13.9	41.1	29,086	57.5
M	Unknown	Ordinary	161	15.1	43.6	11,862	72.7
M	Unknown	Accidental	230	14.4	42.2	18,566	74.2
F	Police	Ordinary	254	12.0	42.9	22,594	47.6
F	Police	Accidental	72	10.7	39.5	37,302	45.4
F	Unknown	Ordinary	1	17.3	54.0	12,687	73.0
F	Unknown	Accidental	2	11.0	48.5	19,847	79.0

New Disabilities as of July 1, 2004

<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	137	14.0	43.3	\$ 26,190	44.3
M	Police	Accidental	81	15.6	43.3	45,728	44.0
M	Firemen	Ordinary	11	16.6	46.0	32,701	46.9
M	Firemen	Accidental	5	17.7	44.4	51,399	45.4
F	Police	Ordinary	34	11.6	42.5	24,509	43.4
F	Police	Accidental	13	13.8	42.8	44,347	43.7

APPENDIX E

TABULATIONS USED AS A BASIS FOR THE 2004 VALUATION

The following tables give the distribution of the number and salaries of members by age and length of service as of July 1, 2004. Tables are also given showing the number and retirement allowances of beneficiaries classified by age as of July 1, 2004.

TABLE 1

**THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2004**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
19			1	\$ 33,756
20	7	\$ 246,710		
21	55	2,050,792	9	303,133
22	112	4,086,219	15	504,810
23	217	8,523,275	43	1,664,156
24	347	14,083,821	63	2,542,829
25	479	20,604,105	94	3,793,199
26	660	29,888,808	111	4,805,617
27	776	36,666,661	121	5,274,529
28	858	42,813,128	134	6,405,431
29	957	50,574,573	129	6,390,329
30	1,126	62,629,544	142	7,572,128
31	1,228	71,303,249	170	9,001,751
32	1,429	86,049,929	169	9,567,783
33	1,646	100,771,298	215	12,146,126
34	1,793	114,738,825	199	11,562,491
35	1,874	123,490,733	188	11,082,028
36	1,802	120,807,797	160	9,772,211
37	1,723	117,147,152	191	11,683,963
38	1,745	123,934,463	188	11,728,268
39	1,752	125,818,268	168	10,806,124
40	1,753	129,267,926	144	9,726,097
41	1,504	112,142,963	137	9,500,775
42	1,387	104,283,792	127	8,312,033
43	1,415	109,071,503	111	7,751,213
44	1,347	104,160,179	102	7,050,509
45	1,259	99,167,018	103	7,410,747
46	1,140	91,690,803	79	5,647,132
47	1,164	94,823,309	87	6,251,760
48	1,066	87,518,333	62	4,457,435
49	1,042	86,202,055	73	5,053,290
50	879	72,727,498	60	4,171,670
51	749	62,606,632	52	3,566,544
52	657	55,151,165	35	2,259,736
53	612	50,916,575	44	2,988,313
54	518	43,968,674	32	2,243,589
55	460	38,788,803	20	1,324,955
56	435	37,299,766	20	1,320,351
57	353	30,183,160	29	1,991,894
58	282	24,174,554	14	882,520
59	164	13,804,493	14	859,519
60	123	10,007,864	12	795,530

TABLE 1
THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2004

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
61	136	\$ 11,950,651	5	\$ 339,413
62	91	7,909,336	4	311,297
63	66	5,629,178	5	329,259
64	79	6,540,675	3	179,562
TOTAL	39,267	\$2,746,216,255	3,884	\$ 231,365,805

The 43,151 total active contributing participants included in the June 30, 2004 valuation data consist of 36,641 policemen and 6,510 firemen.

TABLE 2

**THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF JUNE 30, 2004**

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	253	\$ 8,732,893	48	\$ 1,764,624
1	1,157	43,427,196	246	9,019,709
2	1,318	55,313,383	243	10,139,607
3	1,467	67,186,440	259	11,493,390
4	1,680	85,855,086	231	11,438,304
5	1,618	91,585,178	206	10,915,089
6	1,706	103,479,665	196	11,137,115
7	1,778	109,750,455	219	13,005,585
8	1,460	95,613,121	191	12,092,213
9	1,774	122,450,048	222	14,045,711
10	2,119	146,895,576	172	11,159,692
11	1,493	105,820,003	127	8,268,029
12	1,229	87,885,129	121	8,015,249
13	1,123	80,401,968	126	8,190,403
14	1,745	124,077,639	189	12,649,070
15	1,541	113,577,371	183	12,741,178
16	1,868	139,057,025	150	10,577,273
17	1,626	123,602,564	148	10,176,834
18	1,545	120,117,940	112	7,922,898
19	1,632	128,801,276	117	8,207,141
20	1,286	102,757,864	87	5,935,825
21	1,167	91,817,762	62	4,592,354
22	1,118	91,480,809	55	4,249,269
23	1,086	91,719,373	63	4,808,475
24	917	79,115,708	44	3,378,724
25	979	87,690,166	41	3,304,790
26	549	49,715,148	8	572,698
27	420	39,516,101	7	663,461
28	273	25,926,372	2	183,956
29	219	20,179,862	1	85,700
30	328	31,928,197	6	495,714
31	238	23,047,930		
32	134	13,912,215	1	74,744
33	104	10,697,482	1	60,981
34	94	9,484,451		
35	62	6,004,254		
36	60	6,618,612		
37	35	3,911,076		
38	26	2,560,966		
39	22	2,541,004		
40	9	937,499		

TABLE 2
THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF JUNE 30, 2004

(CONTINUED)

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
41	3	\$ 321,340		
42	4	455,592		
43	2	246,516		
TOTAL	39,267	\$2,746,216,255	3,884	\$ 231,365,805

The 43,151 total active contributing participants included in the June 30, 2004 valuation data consist of 36,641 policemen and 6,510 firemen.

**THE NUMBER AND ANNUAL COMPENSATION OF
NON-CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2004**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
21	3	\$ 84,670	2	\$ 53,616
22	6	183,744		
23	9	285,442	3	121,619
24	14	486,521	3	93,476
25	12	405,930	7	259,608
26	21	764,320	9	354,362
27	30	1,183,746	8	308,908
28	17	680,560	13	517,835
29	17	655,613	7	287,700
30	30	1,297,215	8	284,183
31	28	1,111,053	10	429,601
32	35	1,683,489	10	431,930
33	32	1,577,199	7	288,296
34	34	1,690,405	8	342,572
35	26	1,323,759	7	249,945
36	35	1,779,791	5	266,850
37	37	1,876,802	11	547,727
38	42	2,315,658	8	340,916
39	24	1,343,434	13	695,460
40	20	1,135,169	9	521,659
41	43	2,507,472	4	201,758
42	26	1,511,105	5	312,919
43	27	1,690,942	6	316,418
44	21	1,176,992	4	212,745
45	25	1,459,734	7	420,918
46	28	1,521,739	10	566,216
47	28	1,511,705	9	508,322
48	19	1,024,410	4	210,927
49	15	828,476	2	106,110
50	16	900,664	2	118,489
51	13	721,433	6	307,548
52	7	360,909	1	52,104
53	15	915,036	3	130,542
54	18	962,412		
55	4	227,952	3	198,628
56	9	524,231	1	58,839
57	7	425,528		
58	5	201,141		
59	4	222,043		
60	2	115,536		
61	5	225,949		

TABLE 3

**THE NUMBER AND ANNUAL COMPENSATION OF
NON-CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2004**

(CONTINUED)

AGE	NUMBER	MEN		WOMEN	
		NUMBER	AMOUNT	NUMBER	AMOUNT
62	6		\$ 287,147		
63	4		193,353		
64	11		434,951		
TOTAL	830		\$ 41,815,380	215	\$ 10,118,746

The 1,045 total active non-contributing participants included in the June 30, 2004 valuation data consist of 988 policemen and 57 firemen.

TABLE 4

**THE NUMBER AND ANNUAL COMPENSATION OF
NON-CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF JUNE 30, 2004**

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	26	\$ 772,727	9	\$ 303,970
1	89	2,912,295	33	1,101,571
2	61	2,346,913	25	919,361
3	37	1,533,064	23	968,346
4	44	1,960,252	10	395,084
5	39	1,837,198	9	380,747
6	27	1,334,237	10	520,798
7	33	1,837,778	6	334,097
8	26	1,401,441	6	320,916
9	18	1,034,965	7	415,307
10	36	1,898,447	10	559,023
11	61	3,211,516	8	423,295
12	46	2,405,986	9	529,147
13	50	2,890,086	17	996,220
14	49	2,816,323	12	625,966
15	33	1,989,090	6	358,203
16	37	2,068,428	4	203,023
17	20	1,216,118	6	415,662
18	24	1,603,271	1	94,332
19	26	1,559,194	1	74,208
20	13	804,025		
21	10	618,120	2	121,962
22	8	525,063		
23	5	297,468	1	57,508
24	2	155,400		
25	2	138,548		
26				
27	1	74,596		
28	1	88,332		
29	1	78,894		
30	3	264,428		
33	1	80,196		
34	1	60,981		
TOTAL	830	\$ 41,815,380	215	\$ 10,118,746

The 1,045 total active non-contributing participants included in the June 30, 2004 valuation data consist of 988 policemen and 57 firemen.

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30,2004**

SERVICE RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
40	5	\$ 174,623		
41	1	31,534	1	\$ 35,199
42	5	196,806	1	40,681
43	7	235,872	2	64,794
44	16	534,417		
45	14	525,543	1	27,856
46	11	347,371	2	68,484
47	16	532,004	3	97,288
48	7	241,570	3	93,603
49	24	693,233	2	66,376
50	14	462,540	1	43,257
51	19	704,021	2	66,716
52	6	203,490	1	34,337
53	6	159,660	1	34,724
54	8	240,859		
55	16	442,035		
56	27	582,022	4	102,350
57	27	541,349	6	205,431
58	26	552,414	1	28,459
59	13	282,112	3	78,509
60	20	406,368	2	38,989
61	25	421,896	4	112,025
62	30	596,324	5	134,201
63	24	382,663	1	12,243
64	24	495,039	1	5,986
65	41	1,032,342	8	157,668
66	51	1,207,440	11	171,509
67	44	1,548,583	5	108,604
68	32	851,786	1	22,517
69	28	666,065	1	18,412
70	23	435,696	6	97,356
71	29	432,431	4	64,904
72	28	369,693	3	45,116
73	21	260,719	3	44,807
74	29	469,074	1	12,810
75	34	728,166	2	30,266
76	36	649,553	3	44,075
77	53	1,025,981	1	9,620
78	67	1,334,761	4	40,722
79	69	1,367,441		
80	71	1,431,639	2	24,279

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30,2004**

SERVICE RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
81	65	\$ 1,348,445	4	\$ 56,803
82	71	1,434,186		
83	75	1,571,174		
84	58	1,176,452	2	26,431
85	49	902,022	1	17,470
86	39	752,039		
87	38	740,830		
88	32	675,832		
89	21	425,317	1	15,058
90	8	165,666		
91	7	130,815		
92	3	43,553		
93	1	16,747		
94	1	37,822		
98	1	22,553		
Total	1,516	\$ 33,240,590	110	\$ 2,399,934

The 1,626 total service retirements consists of 799 policemen, 125 firemen and 702 retirees for whom the information was not reported.

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2004**

SPECIAL RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
44	3	\$ 134,096	1	\$ 44,572
45	17	865,291	3	161,778
46	41	2,351,713	3	137,883
47	69	3,529,831	3	180,396
48	128	6,607,081	1	75,772
49	202	10,231,440	9	395,616
50	268	13,854,891	10	459,693
51	314	16,292,291	8	434,855
52	353	18,179,917	8	381,873
53	425	22,149,760	9	454,956
54	494	25,620,699	12	641,420
55	623	32,116,075	10	440,709
56	633	32,292,285	7	351,568
57	854	41,712,380	6	292,344
58	841	41,018,351	7	303,951
59	670	32,299,742	5	267,067
60	694	33,181,227	4	205,539
61	821	38,784,633	9	376,400
62	841	39,038,400	7	272,448
63	646	30,487,308	8	317,220
64	625	28,003,859	8	335,635
65	611	27,960,863	4	149,100
66	595	26,268,330	3	127,657
67	516	22,507,574	8	355,418
68	495	20,860,924	6	236,098
69	446	18,191,563	4	184,434
70	393	15,312,380	6	213,953
71	397	15,061,161	1	38,633
72	401	14,932,781		
73	381	13,881,157	3	116,914
74	390	13,532,024	1	43,377
75	323	10,796,279	4	151,206
76	277	9,335,284		
77	284	9,378,681	1	40,921
78	303	9,830,775	2	71,058
79	259	8,186,051	1	28,202
80	247	7,808,136	1	25,786
81	214	6,602,522	1	30,578
82	156	4,887,697		
83	121	3,859,826	1	21,070

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2004**

SPECIAL RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
84	89	\$ 2,722,395	1	\$ 23,840
85	71	2,091,261		
86	42	1,228,940		
87	32	825,116	1	19,143
88	19	493,607		
89	7	162,181		
90	2	49,830		
TOTAL	16,633	\$ 735,518,611	187	\$ 8,409,083

The 16,820 total special retirements consists of 11,537 policemen, 3,604 firemen and 1,679 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, 2004**

ORDINARY DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
29	2	\$ 41,200		
30	1	23,040		
31	3	64,276		
32	8	199,145	2	\$ 36,781
33	12	256,596	1	23,898
34	21	468,141	6	141,607
35	20	427,936	3	77,337
36	32	762,618	10	242,823
37	27	645,263	6	141,825
38	35	743,297	11	253,094
39	37	774,743	12	268,564
40	42	906,954	10	214,730
41	38	885,021	13	291,208
42	55	1,233,517	10	229,081
43	43	926,467	5	95,496
44	44	970,964	14	323,861
45	45	1,034,126	9	222,885
46	38	895,698	21	501,222
47	55	1,220,978	9	197,312
48	52	1,112,875	13	292,515
49	53	1,175,781	6	146,224
50	69	1,567,063	11	242,426
51	65	1,381,476	6	137,900
52	54	1,234,355	4	88,590
53	75	1,643,427	7	158,639
54	51	1,027,645	7	177,853
55	77	1,471,888	11	246,474
56	75	1,428,264	6	135,069
57	76	1,324,469	2	52,508
58	62	1,056,262	4	93,426
59	43	707,999	6	96,840
60	45	753,606	4	79,981
61	62	1,063,744	3	66,097
62	41	701,641	6	129,096
63	73	1,179,415	4	93,232
64	42	696,384	2	42,697
65	45	709,131		
66	31	557,035	2	52,489
67	28	467,547	1	19,227
68	25	403,380		
69	18	258,751	3	55,373
70	29	449,403	1	16,897

TABLE 7

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30,2004**

ORDINARY DISABILITY RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
71	18	\$ 231,741	1	\$ 20,426
72	16	184,914	1	16,598
73	13	193,744	1	12,687
74	13	159,612	1	16,792
75	9	116,873		
76	8	104,987		
77	14	161,145		
78	11	113,531		
79	8	77,185		
80	9	99,103		
81	9	88,146		
82	6	70,277		
83	2	26,469		
84	5	53,686		
85	1	9,497		
86	1	13,203		
TOTAL	1,892	\$ 36,555,633	255	\$ 5,751,778

The 2,147 ordinary disability retirees consists of 1,772 policemen, 213 firemen and 162 retirees for whom the information was not reported.

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2004**

ACCIDENTAL DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
27			1	\$ 29,874
28			1	46,168
30	5	\$ 199,665		
31	5	175,883		
32	11	410,944		
33	7	277,487	1	43,407
34	16	644,051	2	95,285
35	17	663,343	4	143,294
36	25	1,035,987	4	162,347
37	29	1,165,136		
38	29	1,273,295	6	238,360
39	22	883,500	1	28,126
40	40	1,611,048	3	116,194
41	37	1,541,949	3	123,589
42	35	1,313,612	2	79,423
43	27	1,080,986	4	143,425
44	38	1,371,930	3	120,203
45	31	1,311,860	3	110,520
46	27	1,090,902	3	145,282
47	39	1,470,768	1	39,979
48	28	1,092,825	5	177,935
49	50	1,704,966	3	103,811
50	46	1,503,683	4	149,962
51	39	1,359,322	4	124,367
52	28	930,765	1	36,441
53	44	1,416,521	2	78,689
54	45	1,502,449	2	55,847
55	38	1,208,836	1	11,265
56	52	1,369,331		
57	51	1,310,584	1	35,252
58	52	1,356,605	1	49,116
59	43	1,171,886		
60	37	830,255	1	47,296
61	40	965,064	2	83,396
62	37	877,411		
63	30	715,743		
64	26	608,254		
65	15	285,549	1	13,750
66	21	489,550		
67	17	388,014	1	19,946
68	19	395,083		

TABLE 8

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2004**

ACCIDENTAL DISABILITY RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
69	23	\$ 467,373		
70	23	480,018	1	\$ 33,225
71	20	387,811		
72	17	338,580		
73	22	441,344		
74	9	159,436		
75	17	312,849		
76	7	146,870	1	20,167
77	9	159,345		
78	20	383,310		
79	17	349,775		
80	18	336,660		
81	10	173,887		
82	9	188,987	1	11,528
83	7	134,781		
84	2	25,399		
85	6	92,630		
86	4	67,448		
87	1	21,105		
88				
89	1	21,544		
TOTAL	1,440	\$ 43,694,197	74	\$ 2,717,470

The 1,514 accidental disability retirees consists of 1,163 policemen, 119 firemen and 232 retirees for whom the information was not reported.

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2004**

ACTIVE MEMBERS' DEATH BENEFITS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
1	1	\$ 10,385		
3	1	10,144	1	\$ 12,171
5	2	17,107		
6	1	10,540		
7	1	12,509		
8			2	14,863
9	3	28,825		
10	1	10,794		
11	1	10,069	1	16,880
12	2	20,158	3	31,696
13	1	10,002	1	3,557
14	2	16,080	4	44,543
15	1	3,557	1	12,171
16	1	3,557	3	31,090
17			2	20,603
18	4	30,015	2	22,685
22	1	10,713		
27			2	62,300
28			2	44,164
29			1	29,536
30			3	80,578
31			2	51,034
32			6	196,807
33			3	63,742
34			6	197,705
35			4	97,088
36			4	110,953
37			6	196,629
38			5	155,998
39			5	136,423
40	1	20,889	4	122,495
41			5	155,184
42			15	467,499
43			7	226,404
44			10	362,932
45			13	407,384
46			6	210,484
47			8	273,287
48			15	574,050
49			8	255,647

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2004**

ACTIVE MEMBERS' DEATH BENEFITS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
50			3	\$ 116,633
51			10	379,598
52			11	395,929
53			16	554,539
54			7	246,994
55			7	239,133
56			7	214,865
57			8	277,143
58	1	\$ 29,716	7	218,446
59			8	203,606
60			6	142,505
61			7	214,251
62	1	17,929	7	222,923
63			5	125,635
64			5	135,618
65			1	26,875
66			2	86,452
67			5	139,930
69			3	110,088
70			3	73,665
71			1	20,598
72			2	48,041
73			2	43,779
74			3	57,334
75			6	84,125
76			4	87,258
77			2	45,561
78			5	104,429
79			6	89,849
80			1	24,558
81			7	110,591
82			3	51,390
83			1	9,860
84			4	53,130
85			3	48,417
86			1	523
87			1	6,784
88			1	18,584
89			1	12,157
TOTAL	26	\$ 272,988	342	\$ 9,730,380

The 368 beneficiaries are receiving active members' death benefits on behalf of 4 deceased policemen and 1 deceased fireman. Information was not reported for the other 363 beneficiaries.

TABLE 10

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2004**

RETIRED MEMBERS' DEATH BENEFITS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
1	1	\$ 3,251		
3	2	12,198	1	\$ 8,948
5			3	15,070
6	1	8,936	1	5,333
7	2	16,266		
8	3	25,211		
10	6	53,768	2	21,455
11	4	25,265	3	15,553
12	2	17,137	5	34,949
13	4	25,257	5	42,131
14	7	62,208	7	53,584
15	6	49,431	8	68,633
16	18	139,013	4	25,585
17	9	75,524	11	94,368
18	13	117,945	17	111,622
19	9	64,853	9	65,112
20	4	29,083	4	50,264
21	1	8,338		
22			2	11,772
23			2	16,030
26			1	6,426
27			2	14,799
28			1	21,394
29			1	28,674
31			1	4,888
32			1	33,936
33	1	32,506	2	39,031
34	1	6,319	4	38,572
35			2	17,888
36			6	68,448
37			11	135,741
38			6	70,443
39	1	8,364	9	104,604
40			20	162,983
41	2	24,380	20	344,525
42	2	19,859	24	289,384
43			13	218,799
44	1	8,056	27	458,695
45	2	11,543	24	281,827
46	2	23,766	35	532,303
47	1	6,622	50	919,809
48			55	1,161,624
49			57	983,610
50			50	816,759
51	2	11,129	57	1,016,030
52	2	16,100	66	1,275,398
53			99	1,652,451
54			100	1,844,396
55			82	1,575,263

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2004**

RETIRED MEMBERS' DEATH BENEFITS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
56	3	\$ 33,608	108	\$ 2,101,315
57			115	2,511,273
58	2	12,962	81	1,654,107
59	1	14,036	98	2,129,709
60			108	2,376,606
61	1	23,904	113	2,606,127
62	1	3,640	123	2,735,406
63			107	2,532,679
64	1	6,860	118	2,686,129
65	2	33,046	111	2,505,911
66			104	2,312,954
67			131	2,845,977
68			126	2,785,950
69			120	2,664,781
70			121	2,571,195
71	1	16,513	132	2,761,484
72	1	17,717	158	3,402,046
73			132	2,784,268
74			189	3,918,178
75			162	3,328,769
76	1	24,372	197	3,923,893
77	1	25,413	233	4,536,537
78			195	3,733,456
79	1	31,142	198	3,794,849
80	1	21,787	193	3,530,447
81			172	3,237,444
82			144	2,580,701
83			135	2,435,278
84			140	2,569,299
85			100	1,759,337
86			57	1,020,414
87			50	887,745
88			30	535,210
89			24	406,662
90			10	163,118
91			12	208,399
92			6	100,106
93			1	14,670
94			2	34,810
95			2	29,460
97			1	13,655
102			1	11,575
TOTAL	126	\$ 1,167,330	5,270	\$ 103,501,036

The 5,396 beneficiaries are receiving retired members' death benefits on behalf of 897 deceased policemen, 231 deceased firemen and 4,268 deceased retirees for whom the information was not reported.

TABLE 11

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2004**

DEFERRED TERMINATED VESTEDS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
33			1	\$ 14,424
34	1	\$ 13,200		
36	1	9,804		
37	3	54,588		
38	2	22,092		
40			1	17,412
41	1	13,812		
42	1	11,964		
43	2	33,864		
44	4	74,604		
45	1	14,952	2	20,400
46	5	59,076		
47	2	22,296	1	12,048
48	8	112,548	1	4,860
49	2	17,844	1	17,892
50	3	37,488		
51	2	13,980		
52	4	49,416	1	26,952
54	4	57,744		
55	4	35,544		
56	1	17,040		
57	1	8,868		
64	1	8,388		
TOTAL	53	\$ 689,112	8	\$ 113,988

The 61 deferred terminated vested members consist of 55 policemen and 6 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 7/1/2004</u>
20700	OCEAN CITY	289,886	233,104
22100	EAST RUTHERFORD BOROUGH	51,763	700,666
22300	AVON BY THE SEA	36,873	161,329
25100	RIVERSIDE TOWNSHIP	26,274	191,753
25500	GLEN RIDGE BOROUGH	37,221	503,815
26000	NORTH WILDWOOD CITY	95,305	76,637
29300	MAPLE SHADE TOWNSHIP	39,366	287,302
34200	VERONA TOWNSHIP	57,672	46,375
34600	WALLINGTON BOROUGH	24,335	329,396
35400	BELLEVILLE TOWNSHIP	259,855	208,956
36700	FAIRFIELD TOWNSHIP	83,204	66,906
38800	PHILLIPSBURG TOWN	7,285	98,604
39400	SOUTH RIVER BOROUGH	159,047	127,894
40000	TOTOWA BOROUGH	23,977	19,280
40500	HADDON HEIGHTS BOROUGH	25,412	185,461
40800	CALDWELL BOROUGH	15,813	214,044
42800	ROCHELLE PARK TOWNSHIP	60,346	48,526
43400	BOUND BROOK BOROUGH	21,630	292,776
43600	ROSELAND BOROUGH	66,254	289,879
44400	CAPE MAY CITY	94,802	76,233
50000	BRIELLE BOROUGH	40,314	176,386
50800	EAST WINDSOR TOWNSHIP	40,259	32,373
52900	CHESTER TOWNSHIP	39,468	172,683
53100	VOORHEES TOWNSHIP	81,475	65,516
54200	PT PLEASANT BOROUGH	72,865	58,593
54400	LINWOOD CITY	33,915	459,076
56000	HOWELL TOWNSHIP	172,949	139,073
56800	LINCOLN PARK BOROUGH	32,018	25,746
57100	MINE HILL TOWNSHIP	11,824	160,047
57700	SEA ISLE CITY	14,100	102,904
57900	MIDDLE TOWNSHIP	124,650	100,234
59300	EAST GREENWICH TOWNSHIP	44,502	35,785
61200	RARITAN TOWNSHIP	35,644	482,469
70300	BURLINGTON COUNTY	14,572	11,718
70303	BURLINGTON COUNTY	102,598	82,502
70800	GLOUCESTER COUNTY	95,170	76,529
70803	GLOUCESTER COUNTY	156,413	125,776
TOTAL		\$ 2,589,056	\$ 6,466,346

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

<u>Number</u>	<u>Location Name</u>	<u>ERI Information</u>		
		<u>Years and Form of Payment</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/04</u>
<u>Chapter 59, P.L. 1999</u>				
79000	NO. HUDSON REG. FIRE & RESCUE	15 Year - Increasing	\$ 63,458	\$ 463,138
<u>Chapter 126, P.L. 2000</u>				
72003	UNION COUNTY	15 Year - Level	\$ 55,548	\$ 407,630
71600	PASSAIC COUNTY	15 Year - Level	177,558	1,255,917
71603	PASSAIC COUNTY	15 Year - Level	28,147	199,091
	Sub-Total		\$ 261,253	\$ 1,862,638
<u>Chapter 130, P.L. 2003</u>				
20300	BAYONNE CITY	15 Year - Increasing	\$ 204,639	\$ 1,892,882
22400	UNION CITY	15 Year - Increasing	23,933	221,373
28300	MONTCLAIR TOWNSHIP	15 Year - Increasing	112,802	1,043,402
31800	HARRISON TOWN	15 Year - Increasing	137,397	1,270,907
32500	NUTLEY TOWNSHIP	15 Year - Increasing	74,957	693,340
43100	EWING TOWNSHIP	15 Year - Increasing	28,072	259,663
54700 *	SEASIDE HEIGHTS BOROUGH	N/A	N/A	(14,084)
71000	HUNTERDON COUNTY	15 Year - Increasing	20,414	188,831
71003	HUNTERDON COUNTY	15 Year - Increasing	20,670	191,198
71100	MERCER COUNTY	15 Year - Increasing	105,841	979,013
	Sub-Total		\$ 728,725	\$ 6,726,525
	Total		\$ 1,053,436	\$ 9,052,301

* Seaside Heights Borough has elected to issue refunding bonds to retire the unfunded accrued liability due to this program. The amount bonded exceeds the additional liability determined for the valuation.