

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OF NEW JERSEY
FIFTIETH ANNUAL REPORT
OF THE ACTUARY
PREPARED AS OF JULY 1, 2004

May 9, 2005

Board of Trustees
Public Employees' Retirement System
of New Jersey
Trenton, New Jersey

Members of the Board:

Enclosed please find a report summarizing the results of the fiftieth annual valuation of the assets and liabilities of the Public Employees' Retirement System of New Jersey. The valuation represents the eighty-third annual valuation of retirement benefits provided by the State and other public employers in New Jersey if the valuations made under the provisions of the State Employees' Retirement System of New Jersey, which was superseded by the present system, are included. The valuation shows the financial condition of the System as of July 1, 2004 and gives the basis for determining the appropriation payable by the employers for the fiscal year beginning July 1, 2005.

The valuation was prepared using the actuarial assumptions that were developed on the basis of the three year experience investigation for the period ended June 30, 2002 which was approved by the Board of Trustees at the August 19, 2003 Board meeting. In addition, the Treasurer, upon recommendation from the Directors of the Division of Pensions and Benefits and the Division of Investments, has approved a change in the economic assumptions used for the valuation. The rate of investment return has been revised from 8.75% per annum to 8.25% per annum, assumed future salaries have been revised from an average of 5.95% per annum to 5.45% per annum and the Cost-of-Living Adjustment assumption for future benefit increases has been revised from 4.0% per annum to 3.0% per annum.

The valuation reflects the provisions of Chapter 108, P.L. 2003 which provided for a reduction with regard to the required Local contribution for fiscal year 2005. The valuation also reflects the potential effect of the Appropriation Act for fiscal year 2005 (for the July 1, 2003 valuation, the State contribution was reduced to 30% of the recommended amount and the Benefit Enhancement Fund was used to fund the reduced contribution). The valuation again reflects the provisions of Chapter 42, P.L. 2002 which allowed Local employers to issue refunding bonds to retire the unfunded accrued liability due to certain early retirement incentive programs. The valuation also reflects the early retirement incentive programs offered under Chapter 23, P.L. 2002 for eligible State and State autonomous authorities and Chapters 127, 128 and 129, P.L. 2003 for non-State locations.

Finally, please note that, in accordance with Chapter 115, P.L. 1997, since there are no available Excess Valuation Assets for both the State and Local employers, member contributions of 5% per year will continue to be required.

Board of Trustees
May 9, 2005
Page 2

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

Respectfully submitted,

GEORGE M. LOVAGLIO

George M. Lovaglio
Principal, Consulting Actuary

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REPORT ON THE FIFTIETH
VALUATION OF
THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OF NEW JERSEY
PREPARED AS OF JULY 1, 2004

SECTION I—SUMMARY OF KEY RESULTS

The Public Employees' Retirement System of New Jersey, which began operation January 2, 1955, was established under Chapter 84 of the Laws of 1954. It supersedes the State Employees' Retirement System of New Jersey which began operating as of January 1, 1922. This report, prepared as of July 1, 2004, presents the results of the fiftieth actuarial valuation of the System.

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
Number of members	302,962	295,147
Annual compensation	\$ 10,659,757,388	\$ 10,142,067,055
Annual compensation for contribution purposes*	9,892,178,852	\$ 9,387,845,002
Number of beneficiaries on the roll	117,363	114,702
Annual allowances		
Basic allowances	\$ 1,354,016,593	\$ 1,267,452,126
COLA	170,556,240	160,183,583
Total annual allowances	\$ 1,524,572,833	\$ 1,427,635,709
Number of vested terminated members	1,827	1,843
Market value of assets**	\$ 22,543,522,939	\$ 20,987,217,083
Valuation assets**	\$ 27,377,224,456	\$ 27,413,035,515
CONTRIBUTION RATES		
<u>STATE</u>		
Normal contribution rates due to:		
Basic allowances	3.25%	2.80%
Chapter 133, P.L. 2001***	0.00	0.00
Non-Contributory Group Insurance		
Premium Fund	0.49	0.57
Active COLA	0.48	0.58
Chapter 366, P.L. 2001	Ø	Ø
Chapter 259, P.L. 2001	ØØ	ØØ
Total normal contribution rate	4.22%	3.95%
Accrued liability contribution rates due to:		
Basic allowances	3.35%	1.73%
Active COLA	###	0.10
Chapter 366, P.L. 2001	Ø	Ø
Chapter 259, P.L. 2001	ØØ	ØØ
Total accrued liability contribution rate	3.35%	1.83%
Total pension contribution rate – STATE	7.57%	5.78%
State PRM premium contribution	##	##
<u>LOCAL EMPLOYERS</u>		
Normal contribution rates due to:		
Basic allowances	2.83%	2.48%
Chapter 133, P.L. 2001***	0.00	0.00
Non-Contributory Group Insurance		
Premium Fund	0.64	0.66
Active COLA	0.42	0.51
Chapter 366, P.L. 2001	Ø	Ø
Total normal contribution rate	3.89%	3.65%
Accrued liability contribution rate due to:		
Basic allowances	1.07%	(0.05)%
Active COLA	###	0.05
Chapter 366, P.L. 2001	Ø	Ø
ERI Contributions	#	#
Total accrued liability rate	1.07%	0.00%
Total pension contribution rate – LOCAL	4.96%	3.65%

* Excludes inactive members.

** Includes receivable contributions of \$226,140,005 for 2004 and \$175,843,909 for 2003, receivable ERI contributions of \$(521,099,666) for 2004 and \$33,818,901 for 2003 and excludes assets held in the Contributory Group Insurance Premium Fund of \$194,869,807 for 2004 and \$183,936,842 for 2003.

*** Required contributions are currently covered by assets held in the Benefit Enhancement Fund.

Rate varies by location.

Contributions will be the amount necessary to pay the current year's anticipated post-retirement medical premiums plus an additional contribution of 6/10% of compensation.

The Active COLA accrued liability contribution rate is included with the Basic Allowance rate beginning with the 2004 valuation.

Ø The net required contribution reflects an offset of the 7.50% prosecutor member contribution rate. In accordance with Chapter 366, P.L. 2001, the State is required to pay the residual Local employer contribution since there are no available Excess Assets.

ØØ Rate is not provided since required contributions are payable by assets to be transferred from the Second Injury Fund.

Valuation Date	July 1, 2004	July 1, 2003
CONTRIBUTION AMOUNTS		
<u>STATE</u>		
Normal		
Basic allowances	\$ 121,932,366	\$ 100,131,312
Chapter 133, P.L. 2001	0*	0*
Non-Contributory Group Insurance		
Premium Fund	18,383,649	20,383,874
Active COLA	18,008,472	20,741,486
Chapter 366, P.L. 2001	280,400 ^o	159,672 ^o
Chapter 259, P.L. 2001	ØØ	ØØ
Total normal contribution	\$ 158,604,887	\$ 141,416,344
Accrued liability		
Basic allowances	\$ 125,684,131	\$ 61,866,847
Active COLA	##	3,576,118
Chapter 366, P.L. 2001	2,384,695 ^o	1,840,650 ^o
Chapter 259, P.L. 2001	ØØ	ØØ
Total accrued liability contribution	\$ 128,068,826	\$ 67,283,615
STATE Total pension contribution #	\$ 286,673,713 ^(a)	\$ 208,699,959 ^(b)
STATE PRM premium contribution	\$ 248,337,738	\$ 225,150,158
<u>LOCAL EMPLOYERS</u>		
Normal		
Basic allowances	\$ 173,773,709	\$ 144,130,822
Chapter 133, P.L. 2001	0*	0*
Non-Contributory Group Insurance		
Premium Fund	39,298,648	38,357,396
Active COLA	25,789,738	29,639,806
Chapter 366, P.L. 2001	0 ^o	0 ^o
Total normal contribution	\$ 238,862,095	\$ 212,128,024
Accrued liability		
Basic allowances	\$ 65,702,427	\$ (2,905,863)
Active COLA	##	2,905,863
Chapter 366, P.L. 2001	0 ^o	0 ^o
ERI**	18,814,084	13,851,006
Total accrued liability contribution	\$ 84,516,511	\$ 13,851,006
LOCAL Total pension contribution #	\$ 323,378,606 ^(c)	\$ 225,979,030 ^(c)

Contributions were calculated assuming payment on 7/1/2005 and 7/1/2004, respectively; interest should be added from those dates to the actual payment date.

The Active COLA accrued liability contribution is included with the Basic Allowance accrued liability contribution beginning with the 2004 valuation.

* Required contributions are currently covered by assets held in the Benefit Enhancement Fund.

** ERI costs for Local Employers consist of \$9,629,476 in principal and \$9,184,608 in interest for 2004 and \$3,282,430 in principal and \$10,568,576 in interest for 2003.

^o Required contribution reflects an offset of the 7.50% prosecutor member contribution. For Local Employers, since there are no excess assets available for 2003 and 2004, the following residual contributions are also payable by the State:

	<u>2004</u>	<u>2003</u>
Normal Cost	\$ 224,523	\$ 118,800
Accrued Liability	1,920,916	1,481,879
Total	\$ 2,145,439	\$ 1,600,679

^{oo} The following required contributions are payable by assets to be transferred from the Second Injury Fund:

	<u>2004</u>	<u>2003</u>
Normal Cost	\$ 260,755	\$ 217,534
Accrued Liability	307,384	245,808
Total	\$ 568,139	\$ 463,342

(a) The required contribution could be subject to reduction in accordance with the provisions of the Appropriation Act for fiscal year 2006.

(b) The required contribution could be subject to reduction in accordance with the provisions of the Appropriation Act for fiscal year 2005.

(c) The contributions for fiscal years 2005 and 2006 are subject to reduction in accordance with the provisions of Chapter 108, P.L. 2003.

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

- Chapter 108, P.L. 2003 provided that the State Treasurer will reduce the required Local employers' normal and accrued liability contributions for fiscal year 2005 of \$212,128,024 by 80%. (This amount excludes the ERI contribution of \$13,851,006 and the Prosecutors' Part contribution of \$1,600,679 which is payable by the State in accordance with Chapter 366, P.L. 2001.) In addition, this law further provided for a similar reduction of Local employers' contribution of up to 60%, 40% and 20% of the required contribution amounts for fiscal years 2006, 2007 and 2008, respectively. Accordingly, a fiscal year 2005 receivable Local employer contribution of \$42,425,605 was recognized for purposes of this valuation.
- The valuation reflects the potential impact of the Appropriation Act for fiscal year 2005. 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 2005 is anticipated to allow the State Treasurer to reduce the State normal and accrued liability contributions for fiscal year 2005 of \$208,699,959 by 70%. (This amount excludes the Post Retirement Medical Premium of \$225,150,158 and the Workers Compensation Judges Part contribution of \$463,342 which is payable by fund transfer from the Second Injury Fund. However, note that this amount includes the State paid Local obligation of \$1,600,679 under Chapter 366, P.L. 2001.) In addition, it is also anticipated that this law will provide that the Benefit Enhancement Fund be used to fund the reduced contribution of \$62,609,988. Accordingly, a fiscal year 2005 receivable employer contribution of only \$226,140,005 (comprised of the Post Retirement Medical Premium of \$225,150,158 plus the Workers Compensation Judges Part transfers of \$526,505 for fiscal year 2004 and \$463,342 for fiscal year 2005 which have not yet been transferred from the Second Injury Fund) was recognized for purposes of this valuation. Note that this amount includes the reduced State paid Local obligation of \$480,204 under Chapter 366, P.L. 2001 which is to be transferred from the Benefit Enhancement Fund and

recognized as a receivable contribution for Local employers. The balance of the required State obligation of \$1,120,475 (\$1,600,679 minus \$480,204) will remain as a future State obligation.

- 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 the Early Retirement Incentive Program offered under Chapter 23, P.L. 2002 which provided additional retirement benefits to eligible State employees and employees of State autonomous authorities who met specified age and service requirements and who retired within a specified time period. This legislation was first recognized in the July 1, 2003 valuation.
- Finally, the valuation reflects the effect of Chapter 127, P.L. 2003, Chapter 128, P.L. 2003 and Chapter 129, P.L. 2003, which extended an Early Retirement Incentive Program similar to that offered under Chapter 23, P.L. 2002 to members of 38 Local employer locations who adopted one of the programs. A summary of the electing Local employer locations is shown in Appendix G.

There were no other changes to the plan provisions and funding policy 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 assumed rate of annual salary increase from 5.95% to 5.45%, 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 6% to 4% per year. 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. There were no other changes in actuarial assumptions and methods since the previous valuation. A summary of the main valuation results under the previous and revised assumptions can be summarized as follows:

Valuation Results Using Previous Assumptions	State	Local	Total
Accrued Liability	\$ 12,875,586,022	\$ 17,105,522,492	\$ 29,981,108,514
Valuation Assets	<u>10,920,351,320</u>	<u>16,457,396,369</u>	<u>27,377,747,687</u>
Unfunded Accrued Liability	\$ 1,955,234,702	\$ 648,126,123	\$ 2,603,360,827
Required Contribution:			
Normal Cost	\$ 150,404,058	\$ 227,809,350	\$ 378,213,408
Accrued Liability	<u>104,819,155</u>	<u>70,097,621</u>	<u>174,916,776</u>
Total	\$ 255,223,213	\$ 297,906,971	\$ 553,130,184

Valuation Results Using Revised Assumptions	State	Local	Total
Accrued Liability	\$ 12,846,657,844	\$ 17,077,938,057	\$ 29,924,595,901
Valuation Assets	<u>10,920,296,644</u>	<u>16,456,927,812</u>	<u>27,377,224,456</u>
Unfunded Accrued Liability	\$ 1,926,361,200	\$ 621,010,245	\$ 2,547,371,445
Required Contribution:			
Normal Cost	\$ 158,604,887	\$ 238,862,095	\$ 397,466,982
Accrued Liability	<u>128,068,826</u>	<u>84,516,511</u>	<u>212,585,337</u>
Total	\$ 286,673,713	\$ 323,378,606	\$ 610,052,319

The combination of the plan provisions, actuarial assumptions and member and beneficiary data is used to generate the overall required level of employer contributions. These contributions are composed of two separate portions an "accrued liability contribution" and a "normal contribution". The contributions payable are discussed in detail in Section V.

The valuation also generates a balance sheet which summarizes in some detail the total present and prospective assets and liabilities of the System. Table III of Section VI presents the detailed balance sheet as of July 1, 2004. The remainder of Section VI of this report analyzes the balance sheet. A summary comparison of the balance sheets as of July 1, 2004 and July 1, 2003 is set forth in the following table, ("Table 1"). The allocation of assets among the various investment alternatives is shown in graphic form on page 8.

**TABLE I
COMPARATIVE BALANCE SHEET**

	July 1, 2003 (Total System)	July 1, 2004		
		State	Local	Total System
<u>ASSETS</u>				
Actuarial Value of Assets of System	\$ 27,413,035,515	\$ 10,920,296,644	\$ 16,456,927,812	\$ 27,377,224,456
Net Unfunded Accrued Liability/(Surplus)*	592,548,022	1,926,361,200	621,010,245	2,547,371,445
Total Assets	\$ 28,005,583,537	\$ 12,846,657,844	\$ 17,077,938,057	\$ 29,924,595,901
<u>LIABILITIES</u>				
Present value of benefits to present beneficiaries payable from the:				
Retirement Reserve Fund	\$ 13,151,970,789	\$ 6,114,590,251	\$ 7,806,043,153	\$ 13,920,633,404
Post Retirement Medical Fund	176,271,621	226,278,409	N/A	226,278,409
Present value of benefits to present active members:				
Basic benefits**	12,965,424,877	6,505,789,184	9,271,894,904	15,777,684,088
COLA benefits	1,711,916,250	***	***	***
Total Liabilities	\$ 28,005,583,537	\$ 12,846,657,844	\$ 17,077,938,057	\$ 29,924,595,901

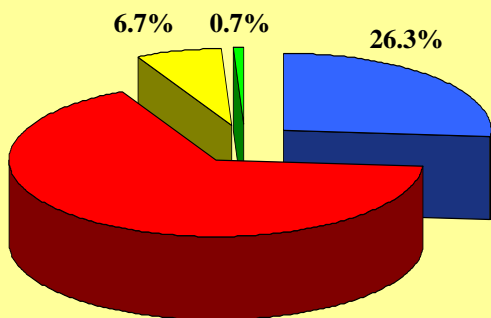
*Includes total System valuation assets of \$565,864,724 (\$153,684,825 for State and \$432,179,899 for Local) for 2004 and \$661,950,712 for 2003 allocated to the Benefit Enhancement Fund and valuation assets allocated to accumulated prior reductions in member rates of contribution of \$61,162,137 (\$0 for State and \$61,162,137 for Local) for 2004 and \$211,572,074 for 2003.

**Includes pensioners' lump sum death benefits and, beginning with the July 1, 2004 valuation, COLA unfunded accrued liability payments.

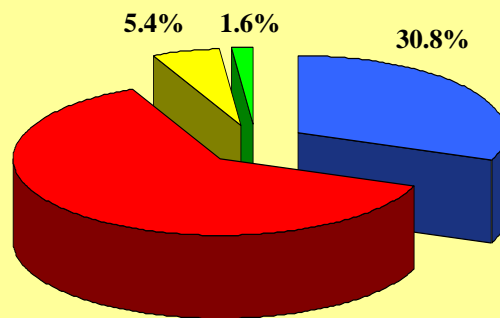
***Beginning with the July 1, 2004 valuation, the COLA unfunded accrual liability payments are included with the Basic Benefits unfunded accrued liability payments.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

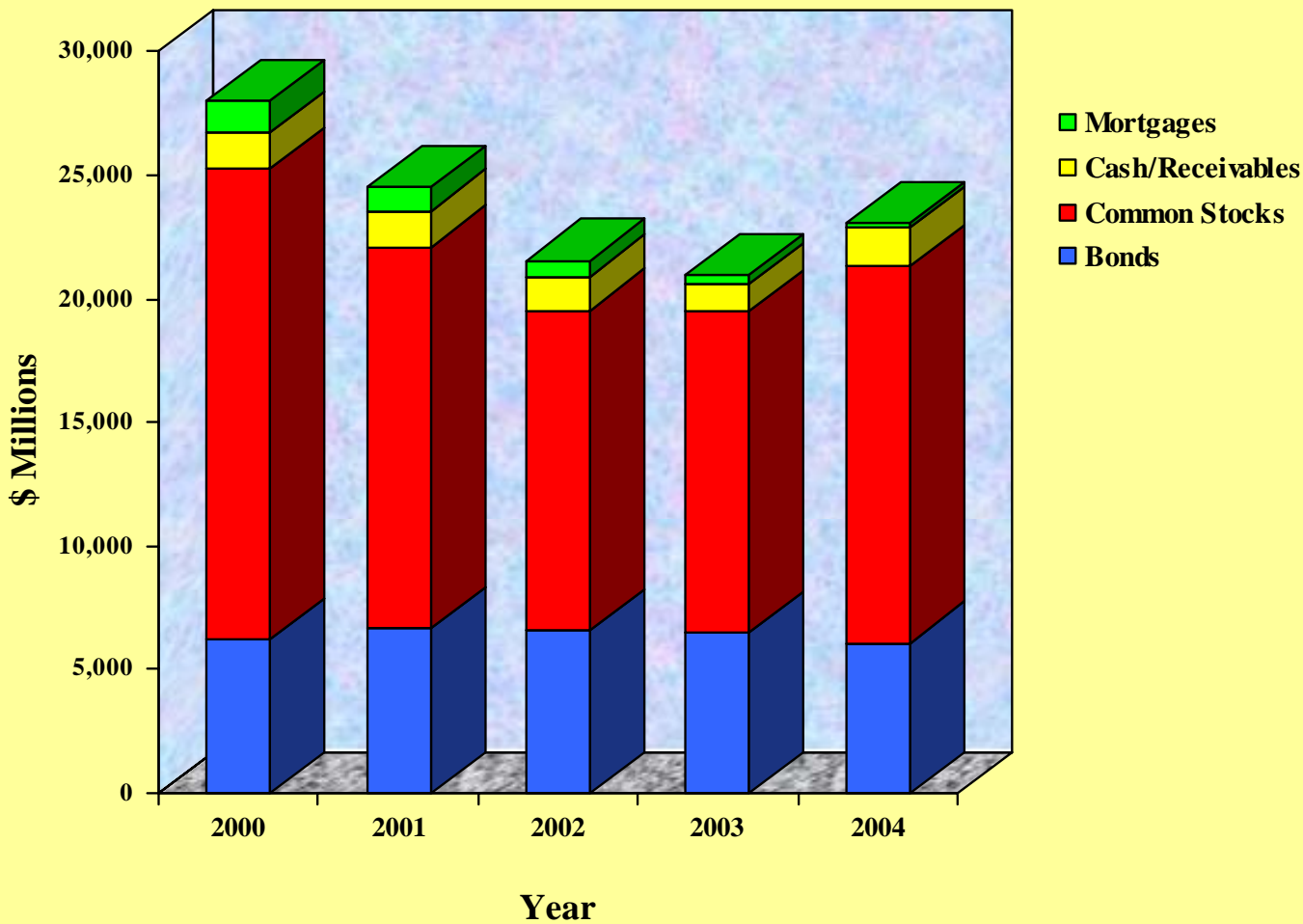
ASSET ALLOCATION MARKET VALUE



2004



2003



Section IX of the report provides information regarding the level of funding for the System. Please refer to that Section for a discussion of this topic.

SECTION II—EMPLOYEE DATA

The data employed for the valuations were furnished to the actuary by the Division of Pensions and Benefits. Table IV of Section X summarizes the membership as of June 30, 2004 by various categories. Appendix C includes distributions of members by age and length of service. Some key comparisons are:

STATE

MEMBERSHIP—ACTIVE AND INACTIVE

GROUP	2004		2003	
	Number	Annual Compensation	Number	Annual Compensation
Men	35,364	\$ 1,694,036,117	34,189	\$ 1,633,241,822
Women	55,551	2,347,350,966	53,390	2,229,053,329
Law Enforcement Officers	3	182,206	1	56,347
Non-Law Enforcement Officers	90,912	4,041,204,877	87,578	3,862,238,804
Veterans	3,454	183,076,072	3,594	189,164,236
Non-Veterans	87,461	3,858,311,011	83,985	3,673,130,915

RETIRED MEMBERS AND BENEFICIARIES

GROUP	2004		2003	
	Number	Annual Allowances	Number	Annual Allowances
Retirements	34,461	\$ 616,928,158	34,077	\$ 587,228,734
Active Members' Death Benefits	38	\$ 477,194	39	\$ 484,120
Retired Members' Death Benefits	2,931	\$ 31,755,322	2,889	\$ 30,329,592
Vested Terminated	526	\$ 5,502,252	531	\$ 5,474,316

LOCAL EMPLOYERS

MEMBERSHIP - ACTIVE AND INACTIVE

GROUP	2004		2003	
	Number	Annual Compensation	Number	Annual Compensation
Men	83,711	\$ 3,212,450,490	82,120	\$ 3,059,804,706
Women	128,336	3,405,919,815	125,448	3,219,967,198
Law Enforcement Officers	116	6,459,576	110	5,873,344
Non-Law Enforcement Officers	211,931	6,611,910,729	207,458	6,273,898,560
Veterans	8,193	335,075,617	8,630	341,628,479
Non-Veterans	203,854	6,283,294,688	198,938	5,938,143,425

RETIRED MEMBERS AND BENEFICIARIES

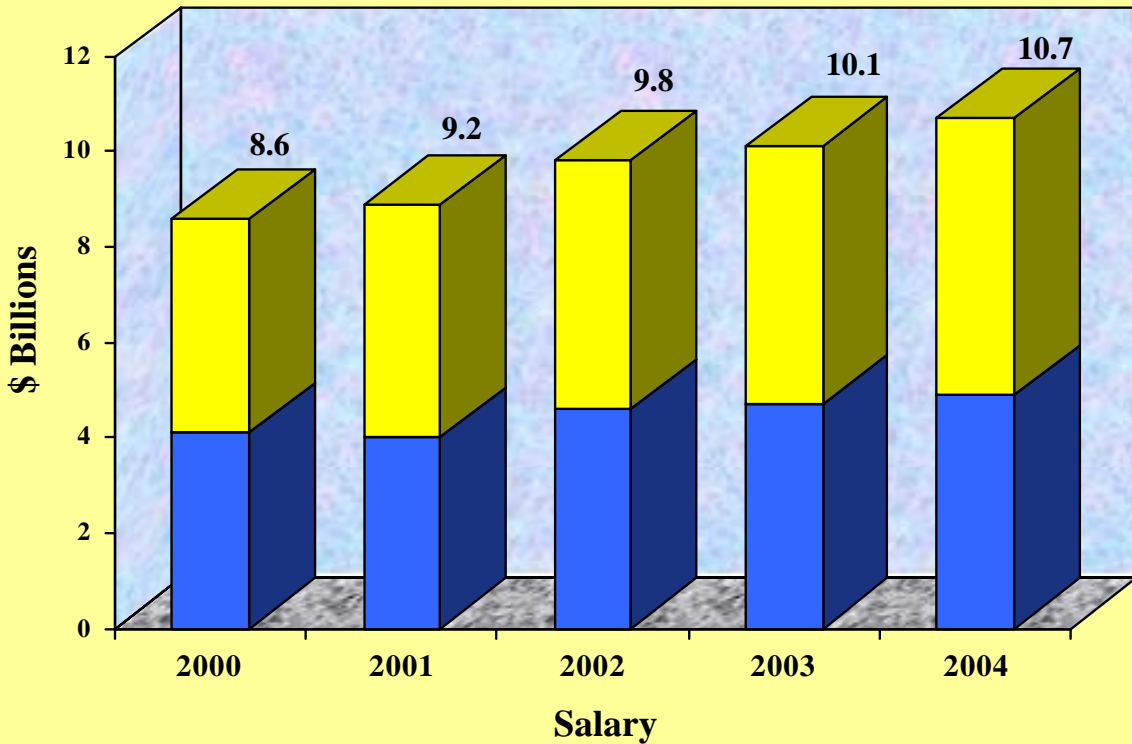
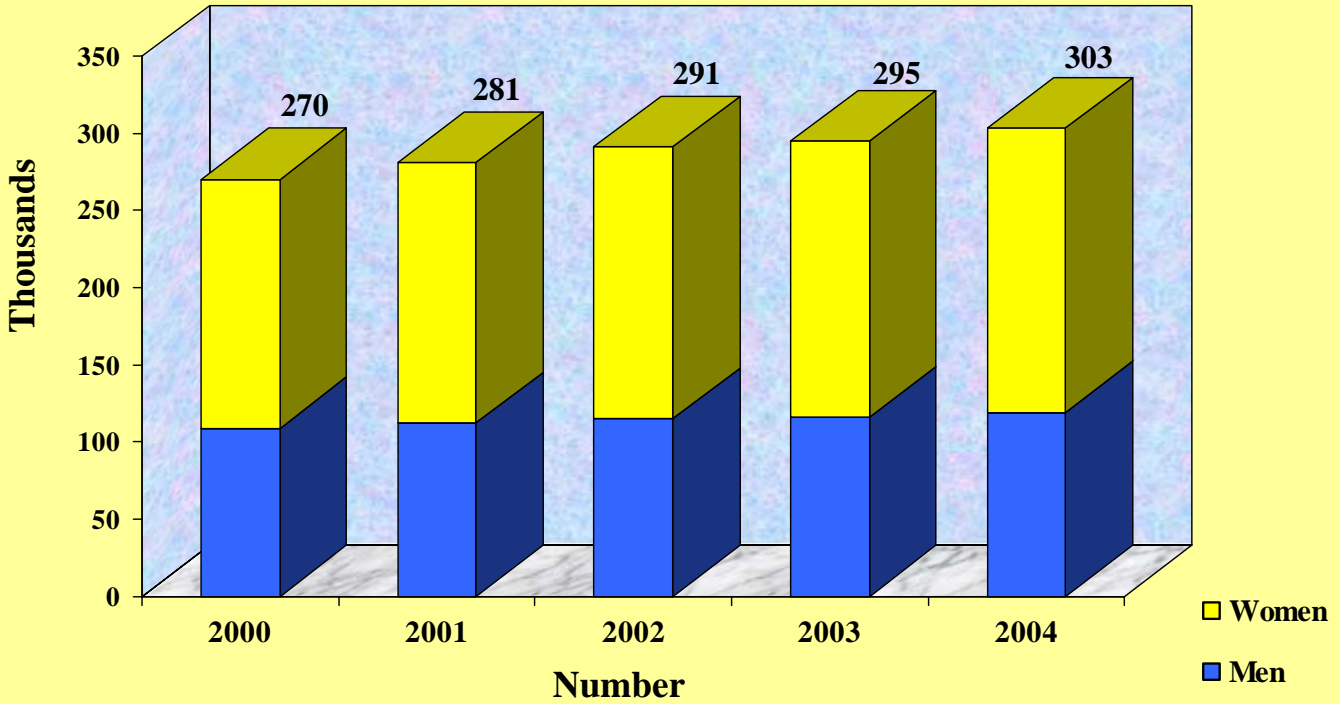
GROUP	2004		2003	
	Number	Annual Allowances	Number	Annual Allowances
Retirements	72,669	\$ 815,020,606	70,689	\$ 753,932,666
Active Members' Death Benefits	88	\$ 1,070,622	90	\$ 1,012,153
Retired Members' Death Benefits	7,176	\$ 59,320,931	6,918	\$ 54,648,444
Vested Terminated	1,301	\$ 10,338,336	1,312	\$ 10,328,448

The number and retirement allowances of beneficiaries on the roll as of the valuation date are indicated in Table V of Section X. Appendix C provides detailed distributions.

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

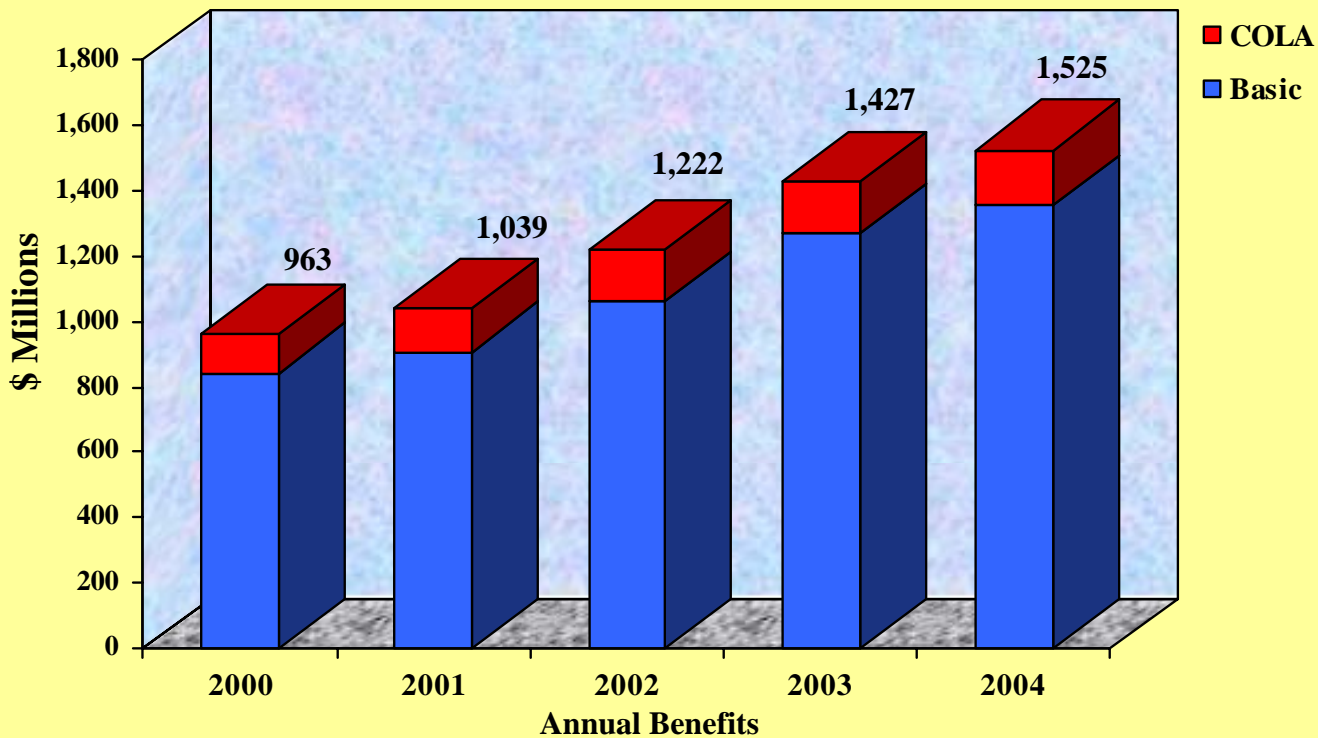
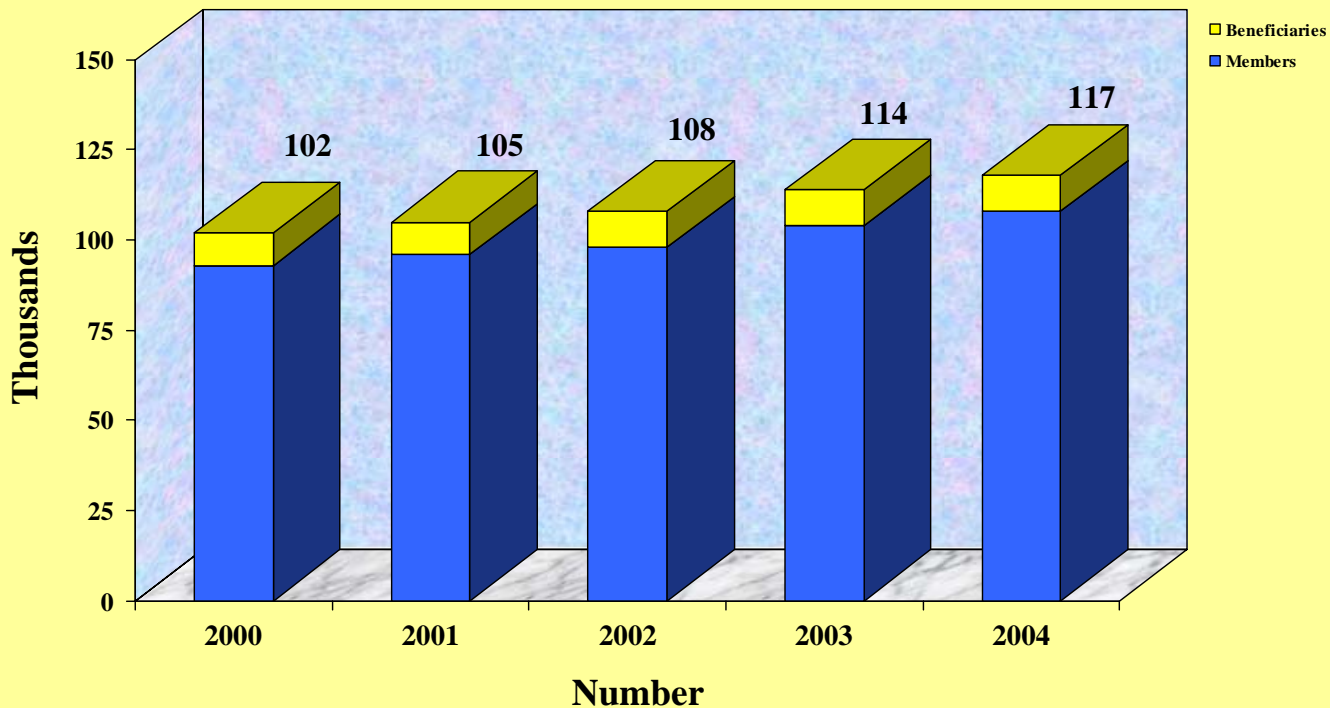
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

SUMMARY OF MEMBERSHIP (TOTAL SYSTEM)



PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

SUMMARY OF RETIRED PARTICIPATION (TOTAL SYSTEM)



SECTION III—ASSETS, LIABILITIES AND CONTRIBUTIONS

A. 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	\$ 8,318,930,294	\$ 12,642,560,821	\$ 20,961,491,115
2. Increases			
a. Pension Contributions			
(1) Members' Contributions	\$ 139,128,124	\$ 233,396,684	\$ 372,524,808
(2) Transfers from Other Systems	2,728,401	1,337,940	4,066,341
(3) Net Transfers From Other Funds	0	0	0
(4) Total	\$ 141,856,525	\$ 234,734,624	\$ 376,591,149
b. Employers' Contributions			
(1) Appropriations	\$ 561,146,973	\$ 42,425,605*	\$ 603,572,578
(2) Post-retirement Medical Contributions	168,659,302	N/A	168,659,302
(3) Additional Employers' Contributions	0	8,421	8,421
(4) Delayed Enrollments	87,768	390,390	478,158
(5) Delayed Appropriations	7,334	(522)	6,812
(6) Total	\$ 729,901,377	\$ 42,823,894	\$ 772,725,271
c. Investment Income	\$ 1,098,247,106	\$ 1,680,396,151	\$ 2,778,643,257
d. Total Increases	\$ 1,970,005,008	\$ 1,957,954,669	\$ 3,927,959,677
3. Decreases			
a. Benefits Provided by Members			
(1) Withdrawals of Members' Contributions	\$ 15,767,678	\$ 34,559,251	\$ 50,326,929
(2) Withdrawals of Transfers' Contributions	4,219,355	10,983,457	15,202,812
(3) Adjustment for Loans	148,054	(636)	147,418
(4) Total	\$ 20,135,087	\$ 45,542,072	\$ 65,677,159
b. Benefits Provided by Employers			
(1) Insurance Premiums	\$ 12,150,033	\$ 23,807,448	\$ 35,957,481
(2) Death Benefit Claims	24,564,035	36,582,705	61,146,740
(3) Administrative Expense	7,513,285	11,269,928	18,783,213
(4) Miscellaneous Expense	(105,974)	(57,657)	(163,631)
(5) Total	\$ 44,121,379	\$ 71,602,424	\$ 115,723,803
c. Retirement Allowances	\$ 599,672,267	\$ 743,000,194	\$ 1,342,672,461
d. Medical Benefits	\$ 168,620,958	N/A	\$ 168,620,958
e. Pension Adjustment	\$ 66,343,528	\$ 97,060,476	\$ 163,404,004
f. Total Decreases	\$ 898,893,219	\$ 957,205,166	\$ 1,856,098,385
4. a. Preliminary Market Value of Assets as of June 30, 2004 = (1)+2(d)-3(f)	\$ 9,390,042,083	\$ 13,643,310,324	\$ 23,033,352,407
b. Receivable Contributions	226,140,005**	0	226,140,005
c. Adjustment to June 30, 2004 Financial Report due to receivable ERI contributions	(561,146,973)	40,047,307	(521,099,666)
d. Adjustment for Chapter 366, P.L. 2001 Local obligations paid by State	(480,204)***	480,204	0
e. Adjustment for NJIT transfer	50,801,168	(50,801,168)	0
f. Adjustment for Assets held in the Contributory Group Insurance Premium Fund	(67,056,556)	(127,813,251)	(194,869,807)
g. Market Value of Assets as of June 30, 2004 = (a)+(b)+(c)+(d)+(e)+(f)	\$ 9,038,299,523	\$ 13,505,223,416	\$ 22,543,522,939

*The Local fiscal year 2005 required contribution of \$212,128,024 has been reduced by 80% to \$42,425,605 to reflect the provisions of Chapter 108, P.L. 2003.

**The State fiscal year 2005 required contribution of \$433,850,117 has been reduced to \$225,613,500 to reflect the potential impact of the Appropriation Act for fiscal year 2005. The State receivable amount also includes \$526,505 in receivable assets that have yet to be transferred from the Second Injury Fund for the fiscal year 2004 contributions under Chapter 259, P.L. 2001.

***Transferred from the Benefit Enhancement Fund.

B. Development of Valuation Assets

Summary of the development of the actuarial value of plan assets (five year average of market value with write up) for the current valuation:

	STATE	LOCAL EMPLOYERS	TOTAL SYSTEM
(1) Actuarial Value of Assets as of June 30, 2003 (without receivable contributions)	\$ 10,846,355,082	\$ 16,540,954,465	\$ 27,387,309,547
(2) Net Cash Flow excluding Investment Income and receivable Employer Contributions from June 30, 2003 to June 30, 2004	\$ (588,282,290)	\$ (668,524,806)*	\$ (1,256,807,096)
(3) Expected Investment Income at 8.75%:			
a. One year's interest on Assets as of June 30, 2003	\$ 949,056,069	\$ 1,447,333,516	\$ 2,396,389,585
b. Interest on Net Cash Flow	<u>(25,737,350)</u>	<u>(29,247,961)</u>	<u>(54,985,311)</u>
c. Total	\$ 923,318,719	\$ 1,418,085,555	\$ 2,341,404,274
(4) Expected Actuarial Value of Assets as of June 30, 2004 = (1)+(2)+3(c)	\$ 11,181,391,511	\$ 17,290,515,214	\$ 28,471,906,725
(5) 20% of Difference from Preliminary Market Value	<u>\$ (470,499,280)</u>	<u>\$ (737,926,099)</u>	<u>\$ (1,208,425,379)</u>
(6) Preliminary Actuarial Value of Assets as of June 30, 2004 (without receivable contributions) = (4)+(5)	\$ 10,710,892,231	\$ 16,552,589,115	\$ 27,263,481,346
(7) Receivable Contribution**	\$ 226,140,005	\$ 42,425,605	\$ 268,565,610
(8) Adjustment to June 30, 2004 Financial Report to reflect the net additional receivable ERI contributions	\$ 0	\$ 40,047,307	\$ 40,047,307
(9) Adjustment for Chapter 366, P.L. 2001 Local obligation payable by State***	\$ (480,204)	\$ 480,204	\$ 0
(10) Adjustment for NJIT transfer	\$ 50,801,168	\$ (50,801,168)	\$ 0
(11) Adjustment for assets held in the Contributory Group Insurance Premium Fund	<u>\$ (67,056,556)</u>	<u>\$ (127,813,251)</u>	<u>\$ (194,869,807)</u>
(12) Final Actuarial Value of Assets as of June 30, 2004 = (6)+(7)+(8)+(9)+(10)+(11)	\$ 10,920,296,644	\$ 16,456,927,812	\$ 27,377,224,456

*Amount includes \$53,547,446 for additional employer contributions paid to satisfy remaining ERI obligations as permitted by Chapter 42, P.L. 2002.

** The State fiscal year 2005 required contribution of \$433,850,117 has been reduced to \$225,613,500 to reflect the potential impact of the Appropriation Act for fiscal year 2005. The State amount also includes \$526,505 in receivable assets that have yet to be transferred from the Second Injury Fund for the fiscal year 2004 contributions under Chapter 259, P.L. 2001. The Local fiscal year 2005 required contribution of \$212,128,024 has been reduced by 80% to \$42,425,605 to reflect the provisions of Chapter 108, P.L. 2003.

***Amount will be transferred from the Benefit Enhancement Fund.

C. Summary of Accrued Liabilities (including COLA and medical benefit reserve)

(i)	State	
1.	Present Value of Benefits Payable to Beneficiaries and Retirees	\$ 6,058,615,533
2.	Present Value of Benefits for Vested Terminated Members	\$ 38,214,927
3.	Accrued Liability for Active Members:	
a.	Service Retirement Allowances	\$ 5,540,602,750
b.	Ordinary Disability Retirement Allowances	569,730,142
c.	Accidental Disability Retirement Allowances	27,725,397
d.	Ordinary Death Benefits	100,659,210
e.	Accidental Death Benefits	1,471,410
f.	Return of Members' Contributions Upon Withdrawal Before Retirement	<u>227,385,348</u>
g.	Total Active Accrued Liability = (a)+(b)+(c)+(d)+(e)+(f)	\$ 6,467,574,257
4.	Sub-Total Accrued Liability = (1)+(2)+(3)(g)	\$12,564,404,717
5.	Additional Present Value of future ERI contribution due to Chapter 23, P.L. 2002	\$ 55,974,718*
6.	Present Value of Post Retirement Medical Fund Benefits	<u>\$ 226,278,409**</u>
7.	Total Accrued Liability = (4)+(5)+(6)	\$12,846,657,844

*Attributable to additional members who elected to retire under the Early Retirement Incentive Program offered under Chapter 23, P.L. 2002 during the past year.

**Includes the fiscal year 2005 receivable post-retirement medical contribution of \$225,150,158.

(ii)	Local Employers	
1.	Present Value of Benefits Payable to Beneficiaries and Retirees	\$ 7,692,486,223
2.	Present Value of Benefits for Vested Terminated Members	\$ 76,732,002
3.	Accrued Liability for Active Members:	
a.	Service Retirement Allowances	\$ 7,928,301,162
b.	Ordinary Disability Retirement Allowances	623,953,041
c.	Accidental Disability Retirement Allowances	26,125,389
d.	Ordinary Death Benefits	160,046,858
e.	Accidental Death Benefits	2,071,205
f.	Return of Members' Contributions Upon Withdrawal Before Retirement	<u>454,665,247</u>
g.	Total Active Accrued Liability = (a)+(b)+(c)+(d)+(e)+(f)	\$ 9,195,162,902
4.	Sub-Total Accrued Liability = (1)+(2)+(3)(g)	\$16,964,381,127
5.	Present Value of future ERI contributions	<u>\$ 113,556,930*</u>
6.	Total Accrued Liability = (4)+(5)	\$17,077,938,057

*Includes an additional accrued liability of \$34,002,495 attributable to members who elected to retire under the Early Retirement Incentive Programs offered under Chapter 127, P.L. 2003, Chapter 128, P.L. 2003 and Chapter 129, P.L. 2003 during the past year and \$5,945,509 attributable to additional members who elected to retire under Chapter 23, P.L. 2002.

D. Tracking of Unfunded Accrued Liability/(Surplus)

	State	Local Employers
(1) Unfunded Accrued Liability as of June 30, 2003	\$ 1,111,819,476	\$ (519,271,454)
(2) Interest on (1) at 8.75% for one year	97,284,204	(45,436,252)
(3) Gross Normal Cost for one year	372,084,588	570,096,289
(4) Contributions Made	324,200,157	344,376,002
(5) Expected Unfunded Accrued Liability/(Surplus) as of June 30, 2004= (1)+(2)+(3)-(4)	\$ 1,256,988,111	\$ (338,987,419)
(6) Net change in Unfunded Accrued Liability due to Revised Economic Assumptions	\$ (28,120,478)	\$ (27,115,880)
(7) Net change in Unfunded Accrued Liability due to additional ERI liability recognized in this valuation.	\$ 55,974,718	\$ 0**
(8) Actual Unfunded Accrued Liability/(Surplus) as of July 1, 2004	\$ 1,926,361,200	\$ 621,010,245
(9) Gain/(Loss) for Year = (5)+(6)+(7)-(8)*	\$ (641,518,849)	\$ (987,113,544)

*Analysis of Gain/(Loss) is discussed in Section IV.

**The additional accrued liability of \$34,002,495 for Chapters 127-129, P.L. 2003 and \$5,945,509 for Chapter 23, P.L. 2002 recognized for this valuation will be billed to the affected locations.

E. Development of Excess Valuation Assets

Chapter 115, P.L. 1997 prescribes a procedure for determining the value of excess valuation assets. This law provided for a reduction in the normal contributions of the State or other employers for the valuation periods ended March 31, 1996 and March 31, 1997 to the extent possible by the excess valuation assets and permitted the State Treasurer to reduce the normal contribution payable by the State or other employers for valuations after March 31, 1997 up to a specified portion of excess valuation assets (50% for the July 1, 2004 valuation). It also provided for a reduction (as further amended by Chapter 415, P.L. 1999), for calendar years 1998 through 2001, of the contributions by employees of the State and Local employers by 2% (for future calendar years, a contribution rate reduction of up to 2% of compensation will be allowable under certain circumstances) from excess valuation assets. Chapter 133, P.L. 2001 further specified that, if there are excess valuation assets available after reduction for the normal contributions payable by the State or other employers and for contributions by employees of the State and other employers, then an amount of excess assets not to exceed the amount of member contributions shall be credited to the benefit enhancement fund. The development of excess valuation assets as of June 30, 2004 and the determination of any applicable reductions are developed below:

	State	Local Employers
(1) Valuation Assets	\$ 10,920,296,644	\$ 16,456,927,812
(2) Actuarial Accrued Liability for basic benefits and COLA	12,620,379,435	17,077,938,057
(3) Post Retirement Medical Premium Fund	226,278,409*	N/A
(4) Present Value of Projected COLA Normal Cost Payments	160,385,289	230,794,423
(5) Accumulated prior reductions in Member rates of contribution	0	61,162,137
(6) Benefit Enhancement Fund	153,684,825	432,179,899
(7) Excess Valuation Assets = (1) – (2) – (3) – (4) – (5) – (6) (not less than zero)	\$ 0	\$ 0
(8) Reduction to Normal Cost from July 1, 2004 valuation	0	0
(9) Estimated current reduction in Member rates of contribution**	0	0
(10) Estimated Member rates of contribution credited to the Benefit Enhancement Fund	0	0
(11) Net Excess Valuation Assets after Reductions = (7) – (8) – (9) – (10)	\$ 0	\$ 0

* Includes the fiscal year 2005 receivable post-retirement medical contribution of \$225,150,158.

** Since there are no Excess Valuation Assets available, a contribution rate of 5% per year will continue to be required for members of both the State and Local Employers.

F. Development of Required Contribution

	Prior to Recognition of Legislative Reductions	Reflecting Recognition of Legislative Reductions
(i) State		
1. Normal Cost		
a. Basic Allowances		
(i) Gross Amount	\$ 327,742,227	\$ 327,742,227
(ii) Employee Portion	<u>205,809,861</u>	<u>205,809,861</u>
(iii) State Normal Cost = (i) – (ii)	\$ 121,932,366	\$ 121,932,366
b. Non-Contributory Group Insurance Premium Fund	18,383,649	18,383,649
c. Active COLA	18,008,472	18,008,472
d. Chapter 133, P.L. 2001	30,053,514	0*
e. Chapter 366, P.L. 2001		
i) State	\$ 566,220	\$ 55,877**
ii) Local (payable by State)	<u>N/A</u>	<u>224,523**</u>
iii) Total = (i) + (ii)	\$ 566,220	\$ 280,400
f. Chapter 259, P.L. 2001	<u>260,755</u>	<u>#</u>
g. Total Normal Cost Contribution	\$ 189,204,976	\$ 158,604,887
h. Reduction due to excess valuation assets	<u>N/A</u>	<u>0</u>
i. Net Normal Cost Contribution	\$ 189,204,976	\$ 158,604,887
2. Accrued Liability		
a. Basic Allowances including COLA	\$ 125,684,131	\$ 125,684,131
b. Chapter 366, P.L. 2001		
i) State	\$ 463,779	\$ 463,779
ii) Local (payable by State)	<u>N/A</u>	<u>1,920,916**</u>
iii) Total = (i) + (ii)	\$ 463,779	\$ 2,384,695
c. Chapter 259, P.L. 2001	<u>307,384</u>	<u>#</u>
d. Total Accrued Liability Contribution	\$ 126,455,294	\$ 128,068,826
3. Total Pension Contribution = 1(i)+2(d)	\$ 315,660,270	\$ 286,673,713 ^Ø
4. PRM premium contribution	\$ 248,337,738	\$ 248,337,738

* Required contribution is currently covered by assets held in the Benefit Enhancement Fund.

** Required contribution reflects an offset of the 7.50% prosecutor member contribution rate as provided by Chapter 366, P.L. 2001. As per this legislation, the residual Local Employer contribution amounts not covered by available excess assets are payable by the State.

Required contribution amounts are payable by funds transferred from the Second Injury Fund in accordance with Chapter 259, P.L. 2001 and can be summarized as follows:

Normal Cost	\$ 260,755
Accrued Liability	<u>307,384</u>
	\$ 568,139

^Ø The required contribution could be subject to reduction in accordance with the provisions of the Appropriation Act for fiscal year 2006.

	<u>Prior to Recognition of Legislative Reductions</u>	<u>Reflecting Recognition of Legislative Reductions</u>
(ii) Local Employers		
1. Normal Cost		
a. Basic Allowances		
(i) Gross Amount	\$ 510,617,214	\$ 510,617,214
(ii) Employee Portion	<u>336,843,505</u>	<u>336,843,505</u>
(iii) Local Normal Cost = (i) – (ii)	\$ 173,773,709	\$ 173,773,709
b. Non-Contributory Group Insurance Premium Fund	39,298,648	39,298,648
c. Active COLA	25,789,738	25,789,738
d. Chapter 133, P.L. 2001	46,053,103	0*
e. Chapter 366, P.L. 2001	<u>1,933,390</u>	<u>0**</u>
f. Total Normal Cost Contribution	\$ 286,848,588	\$ 238,862,095
g. Reduction due to excess valuation assets	<u>N/A</u>	<u>0</u>
h. Net Normal Cost Contribution	\$ 286,848,588	\$ 238,862,095
2. Accrued Liability		
a. Basic Allowances including COLA	\$ 65,702,427	\$ 65,702,427
b. Chapter 366, P.L. 2001	1,920,916	0**
c. ERI Contributions	<u>18,814,084</u>	<u>18,814,084</u>
d. Total Accrued Liability Contribution	\$ 86,437,427	\$ 84,516,511
3. Total Contribution = 1(h)+2(d)	\$ 373,286,015	\$ 323,378,606 [#]

* Required normal contribution is currently covered by assets held in the Benefit Enhancement Fund.

** In accordance with Chapter 366, P.L. 2001, the required contribution reflects an offset of the 7.50% prosecutor member contribution rate. Residual contribution amounts not covered by available excess valuation assets are payable by the State and can be summarized as follows:

Normal cost	\$ 224,523
Accrued liability	<u>1,920,916</u>
	\$ 2,145,439

The fiscal year 2006 required contribution is subject to reduction in accordance with the provisions of Chapter 108, P.L. 2003.

SECTION IV—COMMENTS CONCERNING THE VALUATION

The variation in liabilities and contributions reflects the System's actual experience during the year. The increase in the unfunded accrued liability is primarily the result of the investment return which was less than that expected (approximately 4.44% on an actuarial value of asset basis, rather than the 8.75% expected).

State

The following table outlines the effect of the various items of actuarial experience on the increase in the contribution rate (normal contribution plus accrued liability contribution) for basic allowances and active COLA from 6.57% to 8.37% (prior to recognition of offsets due to legislations).

• Investment Loss	+.67%
• COLA increases less than expected	-.02%
• Loss on account of new members	+.01%
• Pay increases less than expected	-.02%
• Loss on account of new retiree COLA liability	+.02%
• Gain on account of active experience	-.01%
• Loss on account of pensioners' experience	+.01%
• Phase-in of active COLA	+.06%
• Chapter 23, P.L. 2002	+.19%
• Revised Economic Assumptions	+.83%
• Other experience	+.06%
• Total	+1.80%

The number of active members increased by about 3.8% between valuations while gross compensation used for contribution purposes increased by about 4.6%, while average compensation increased by about 0.7% (from \$45,784 to \$46,096).

The number of pensioners and beneficiaries receiving benefits and the amount of benefits payable increased between the two valuations. The average benefit payable increased (from about \$1,393 per month to about \$1,445 per month). The increase reflects the higher benefits payable to new retirees (including 328 additional members who retired with enhanced benefits under Chapter 23, P.L. 2002) and the deaths of older pensioners with lower benefits. Cost-of-living increases after retirement are reflected in both amounts.

Included in Table II, which provides a summary of the contributions payable, are payments representing anticipated State post-retirement medical benefit premiums for the current year's benefits plus an amount that will ensure an increase in the Post Retirement Medical Fund of 6/10 of 1% of the salary of active members for the valuation period.

Local Employers

The following table outlines the effect of the various items of actuarial experience on the increase in the contribution rate (normal contribution plus accrued liability contribution) for basic allowances and active COLA from 4.45% to 5.71% (prior to recognition of offsets due to legislations).

• Investment Loss	+ .16%
• COLA increases less than expected	- .01%
• Loss on account of new members	+ .03%
• Pay increases less than expected	- .01%
• Loss on account of new retiree COLA liability	+ .25%
• Gain on account of active experience	- .02%
• Loss on account of pensioners' experience	+ .05%
• Early Retirement Incentive Programs	+ .32%
• Phase-in of active COLA	+ .02%
• Revised Economic Assumptions	+ .42%
• Other experience	+ .05%
• Total	+1.26%

The number of active members increased by about 2.2% between valuations. Gross compensation used for contribution purposes increased by about 5.7%, while average compensation increased by about 3.3% (from about \$32,016 to \$33,071).

The total number of pensioners and beneficiaries receiving benefits and the amount of benefits payable increased between the two valuations. The average benefit payable also increased (from about \$868 per month to about \$913 per month). The increase reflects the higher benefits payable to new retirees (including 29 additional members of State autonomous authority locations who retired under Chapter 23, P.L. 2002 and 375 members who retired with enhanced benefits from Local locations who adopted one of the various ERI programs first recognized during this valuation) and the deaths of older pensioners with smaller benefits. Cost-of-living increases after retirement are reflected in both amounts.

SECTION V—CONTRIBUTIONS PAYABLE BY THE STATE AND LOCAL EMPLOYERS

The employers are required to make two contributions, a normal contribution and an accrued liability contribution (if applicable). The normal contribution for basic allowances and COLA is defined under the Projected Unit Credit funding method as the present value of the benefits accruing during the current year. The unfunded accrued liability (surplus) for basic allowances and COLA is determined as the difference between the accrued liability and the actuarial value of assets on hand. If there was no unfunded accrued liability for the State for the valuation period immediately preceding the current valuation period, the current year's accrued liability contribution is determined as a level percentage of pay required to liquidate the unfunded accrued liability in annual payouts increasing at a specific rate and paid annually for a specific time (which shall not exceed 30 years) as determined by the State Treasurer. Thereafter, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years will increase or decrease the amortization period for the unfunded accrued liability (unless an increase will cause it to exceed 30 years). For Local Employers, the initial accrued liability contribution rates were determined with the March 31, 1992 valuation as a level percentage of pay required to liquidate the unfunded accrued liability in increasing annual payouts over a period of 40 years. Any actuarial gains or losses for the 10 valuation years following the March 31, 1992 valuation increased or decreased the unfunded accrued liability contribution (thereafter, actuarial gains or losses will increase or decrease the amortization period unless an increase will cause it to exceed 30 years).

The portion of the contribution for providing post-retirement medical costs for State employees has been determined separately. This portion is made up of three pieces, an amount necessary to pay anticipated premiums for the current year's benefits less the expected return on Post Retirement Medical Fund assets, plus an amount that will ensure an increase in the fund equal to $\frac{6}{10}$ of 1% of the salary of active State employee members for the current valuation period.

The current year's contribution to the Post Retirement Medical Fund is summarized as follows:

(i) Anticipated current year's premium	\$ 225,868,633
(ii) Expected asset return	41,486
(iii) 6/10% of active member salary for State employees	<u>22,510,591</u>
(iv) Post-retirement medical contribution = (i) – (ii) + (iii)	\$ 248,337,738

On the basis of the contribution rates applicable to State employees and the current year's payroll, the contributions for the fiscal year beginning July 1, 2005 payable by the State and the agencies which pay the same contribution rates as the State are shown in Table II.

Based on Table II, the total contribution payable by the State to the Contingent Reserve Fund is \$268,858,203 for the year beginning July 1, 2005 (which includes (a) the additional cost due to Chapter 259, P.L. 2001 of \$568,139 payable by fund transfers from the Second Injury Fund, (b) in accordance with the provision of Chapter 366, P.L. 2001, an additional contribution of \$2,145,439 payable by the State on behalf of Local employers with members enrolled under the Prosecutors' Part provisions of the System and (c) the State Chapter 366 contribution of \$519,656.) In addition, the total contribution payable by the State to the Non-Contributory Group Insurance Premium Fund is \$18,383,649. Finally, the current year's contribution to the Post Retirement Medical Account has been determined to be \$248,337,738.

TABLE II
CONTRIBUTIONS PAYABLE BY THE STATE FOR THE YEAR BEGINNING JULY 1, 2004

Division	Number	Payroll	NORMAL CONTRIBUTION							
			Basic Allowances Plus Pensioner COLA	Contribution To Non-Contributory Group Insurance Premium Fund	Active COLA	Due to Chapter 133, P.L. 2001*	Due to Chapter 366, P.L. 2001**	Total	Due to Chapter 259, P.L. 2001***	Post Retirement Medical Contribution
State	68,518	\$ 3,293,205,147	\$ 107,029,168	\$ 16,136,705	\$ 15,807,384	\$ 0	\$ 280,400	\$ 139,253,657	\$ 0	\$ 205,102,138
Disability Insurance Services	353	15,052,684	489,212	73,758	72,253	0	0	635,223	0	1,688,697
All Other Units of Division of Employment Security	2,265	108,744,611	3,534,200	532,849	521,974	0	0	4,589,023	0	12,811,744
State Colleges #	10,255	334,762,654	10,879,786	1,640,337	1,606,861	0	0	14,126,984	0	28,735,159
Second Injury Fund	N/A	N/A	0	0	0	0	0	0	260,755	0
Total	81,391	\$ 3,751,765,096	\$ 121,932,366	\$ 18,383,649	\$ 18,008,472	\$ 0	\$ 280,400	\$ 158,604,887	\$ 260,755	\$ 248,337,738
			ACCRUED LIABILITY CONTRIBUTION							
State			\$ 110,683,113	\$ 0	\$ ##	\$ 0	\$ 2,384,695	\$ 113,067,808	\$ 0	\$ 0
Disability Insurance Services			505,914	0	##	0	0	505,914	0	0
All Other Units of Division of Employment Security			3,654,856	0	##	0	0	3,654,856	0	0
State Colleges #			10,840,248	0	##	0	0	10,840,248	0	0
Second Injury Fund			0	0	0	0	0	0	307,384	0
Total			\$ 125,684,131	\$ 0	##	\$ 0	\$ 2,384,695	\$ 128,068,826	\$ 307,384	\$ 0
Grand Total			\$ 247,616,497	\$ 18,383,649	\$ 18,008,472	\$ 0	\$ 2,665,095	\$ 286,673,713	\$ 568,139	\$ 248,337,738

* Required normal contribution is currently covered by assets in the Benefit Enhancement Fund as required by Chapter 133, P.L. 2001.

** Residual amount from additional cost to State (\$519,656) and Local employers (\$2,145,439) due to Chapter 366, P.L. 2001 after reduction for the 2.5% additional prosecutor member contribution rate (to a total member contribution rate of 7.50%).

*** Required contribution amounts are payable by funds to be transferred from the Second Injury Fund to the System in accordance with Chapter 259, P.L. 2001.

Appendix H presents a summary of the fiscal year 2006 cost allocation for the State Colleges.

Beginning with the July 1, 2004 valuation, the COLA unfunded accrued liability contributions are included with the Basic Allowances and Pensioner COLA unfunded accrual liability contributions.

The certifications of the appropriations required of the Local employers are submitted separately. They were based upon a payroll of \$6,140,413,756 for 185,676 active members. The total appropriations by Local employers, including ERI contributions, are shown below.

**CONTRIBUTIONS PAYABLE BY LOCAL EMPLOYERS
FOR THE YEAR BEGINNING JULY 1, 2005**

Contributions to Contingent Reserve Fund:	
Normal	\$ 199,563,447*
Accrued Liability	65,702,427**
Contribution to Non-Contributory Group Insurance Premium Fund	39,298,648
ERI Contributions	<u>18,814,084</u>
Total Contribution	\$ 323,378,606

* The additional normal contribution attributable to Chapter 133, P.L. 2001 is covered by assets available in the Benefit Enhancement Fund. The additional normal cost attributable to Chapter 366, P.L. 2001 is first offset by the additional 2.5% prosecutor member contribution (to a total member contribution of 7.50%) and the residual amount of \$224,523 is payable by the State.

** The additional required accrued liability contribution of \$1,920,916 due to Chapter 366, P.L. 2001 is payable by the State.

SECTION VI - VALUATION BALANCE SHEET

The valuation balance sheet showing the assets and liabilities of the System as of July 1, 2004 is presented on the following Table III. The amounts of the present assets credited to the various funds were furnished by the Division of Pensions and Benefits, State of New Jersey.

The valuation was prepared on the basis of the results of the experience study for the period from April 1, 1999 to June 30, 2002. In determining the liabilities of the Contingent Reserve Fund and Retirement Reserve Fund, an interest rate of 8.25% was used in accordance with the recent directive of the State Treasurer.

TABLE III

**VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE FUNDS OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY
AS OF JULY 1, 2004**

TABLE III
VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE FUNDS OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY
AS OF JULY 1, 2004

	ASSETS		
	STATE	LOCAL	TOTAL SYSTEM
Present assets of System creditable to:			
Retirement Reserve Fund:			
Credited to fund	\$ 6,108,096,980	\$ 7,779,229,868	\$ 13,887,326,848
Add (deduct) reserve transferable from (to)			
Contingent Reserve Fund	<u>6,493,271</u>	<u>26,813,285</u>	<u>33,306,556</u>
	\$ 6,114,590,251	\$ 7,806,043,153*	\$ 13,920,633,404
Annuity Savings Fund:			
Credited to Fund	\$ 2,670,390,160	\$ 4,019,527,573	\$ 6,689,917,733
Contingent Reserve Fund:			
Credited to Fund	\$ 1,625,904,714	\$ 4,082,300,530	\$ 5,708,205,244
Add (deduct) excess interest earnings transferable from (to) Special Reserve Fund	0	0	0
Add (deduct) reserve transferable from (to) Retirement Reserve Fund	(6,493,271)	(26,813,285)	(33,306,556)
Add (deduct) reserve transferable from (to) Benefit Enhancement Fund	<u>62,609,988</u>	<u>0</u>	<u>62,609,988</u>
	\$ 1,682,021,431	\$ 4,055,487,245	\$ 5,737,508,676
Special Reserve Fund:			
Credited to Fund	\$ 73,331,568	\$ 143,689,942	\$ 217,021,510
Add (deduct) excess interest earnings transferable from (to) Contingent Reserve Fund	<u>0</u>	<u>0</u>	<u>0</u>
	\$ 73,331,568	\$ 143,689,942	\$ 217,021,510
Benefit Enhancement Fund			
Credited to Fund	\$ 216,294,813	\$ 432,179,899	\$ 648,474,712
Add (deduct) reserve transferable from (to) Contingent Reserve Fund	0	0	0
Fiscal Year 2005 contribution transferable to Contingent Reserve Fund	<u>(62,609,988)^o</u>	<u>N/A</u>	<u>(62,609,988)</u>
	\$ 153,684,825	\$ 432,179,899	\$ 585,864,724
Post-Retirement Medical Fund	<u>\$ 226,278,409**</u>	<u>N/A</u>	<u>\$ 226,278,409**</u>
Total Present Assets	\$ 10,920,296,644	\$ 16,456,927,812	\$ 27,377,224,456
Present value of prospective accrued liability contributions payable by the State and Local employers to the Contingent Reserve Fund for basic allowances with cost-of-living adjustments	\$ 2,080,046,025	\$ 1,114,352,281	\$ 3,194,398,306
Assets allocated to the Benefit Enhancement Fund	\$ (153,684,825)	\$ (432,179,899)	\$ (585,864,724)
Assets allocated to accumulated prior reductions in member rates of contribution	<u>\$ 0</u>	<u>\$ (61,162,137)</u>	<u>\$ (61,162,137)</u>
Total Assets	\$ 12,846,657,844	\$ 17,077,938,057	\$ 29,924,595,901

*Includes the present value of ERI payments as of June 30, 2004 of \$113,556,930.

** Includes the fiscal year 2005 receivable post-retirement medical contribution of \$225,150,158.

^o Reflects the potential effect of the Appropriation Act for fiscal year 2005 which would require net contributions (after reflecting legislative reductions) to be payable by available assets in the Benefit Enhancement Fund.

TABLE III
VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE FUNDS OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY
AS OF JULY 1, 2004

	LIABILITIES		
	STATE	LOCAL	TOTAL SYSTEM
Present value of benefits payable on Account of beneficiaries or their Dependents now drawing allowances from the Retirement Reserve Fund	\$ 6,114,590,251	\$ 7,692,486,223	\$ 13,807,076,474
Present value of ERI benefits	*	\$ 113,556,930	\$ 113,556,930
Present value of benefits payable from contributions to the Annuity Savings Fund and the Contingent Reserve Fund:			
• Service retirement allowances including early retirement and vesting benefits	\$ 5,578,817,677	\$ 8,005,033,164	\$ 13,583,850,841
• Ordinary disability retirement allowances	569,730,142	623,953,041	1,193,683,183
• Accidental disability retirement allowances	27,725,397	26,125,389	53,850,786
• Ordinary death benefits	100,659,210	160,046,858	260,706,068
• Accidental death benefits	1,471,410	2,071,205	3,542,615
• Return of members' contributions upon withdrawal before retirement	<u>227,385,348</u>	<u>454,665,247</u>	<u>682,050,595</u>
	\$ 6,505,789,184	\$ 9,271,894,904	\$ 15,777,684,088
Post-Retirement Medical Fund	<u>\$ 226,278,409**</u>	<u>N/A</u>	<u>\$ 226,278,409**</u>
Total Liabilities	\$ 12,846,657,844	\$ 17,077,938,057	\$ 29,924,595,901

*The present value of ERI benefits for the State, including the additional accrued liability attributable to Chapter 23, P.L. 2002 of \$616,475,579, is reflected in the present value of benefits payable from the Retirement Reserve Fund.

**Includes the fiscal year 2005 receivable post-retirement medical contribution of \$225,150,158.

The valuation balance sheet indicates the following facts regarding the various funds.

(1) Retirement Reserve Fund

When a member retires, or when he dies and an allowance is payable to his beneficiary, the allowance including cost-of-living adjustments is paid from this fund. The member's own contributions with interest are transferred from the Annuity Savings Fund and the balance of the reserve on the total allowance is transferred from the Contingent Reserve Fund. On the valuation date, the Retirement Reserve Fund has present assets of \$13,887,326,848. The liabilities of the fund amount to \$13,920,633,404 so that there is a deficit of \$33,306,556 in the fund on the valuation date. It is recommended that the fund be put in balance as of June 30, 2004 by a transfer of assets from the Contingent Reserve Fund equal to \$33,306,556 and this transfer is shown in the balance sheet.

(2) Special Reserve Fund

The Special Reserve Fund is the fund to which any excess earnings are transferred and against which any losses from the sale of securities are charged. The maximum limit on the accumulations in this fund is set at one percent of the market value of the investments of the retirement system; any amounts in excess of this limit are creditable to the Contingent Reserve Fund. This fund has assets amounting to \$217,021,510 as of June 30, 2004. The Special Reserve Fund is considered as an asset of the retirement system.

(3) Annuity Savings Fund and Contingent Reserve Fund

The Annuity Savings Fund, which is the fund to which members' contributions with interest are credited, has assets amounting to \$6,689,917,733 as of June 30, 2004. The Contingent Reserve Fund is the fund to which contributions made by employers to provide the benefits paid from retirement system monies are credited. Payments for the group insurance made by The Prudential Insurance Company of America to provide the non-contributory cash death benefits are deducted from the Contingent Reserve Fund. The assets creditable to the Contingent Reserve Fund amount to \$5,737,508,676 as of June 30, 2004 after adjustments are made on account of the amount transferable to the Retirement Reserve Fund and the Benefit Enhancement Fund.

If a member withdraws from active service before qualifying for retirement, the amount of his accumulated deductions is paid to him from the Annuity Savings Fund. If he dies before retirement and no survivorship benefit is payable, his accumulated deductions are paid to his beneficiary from the Annuity Savings Fund. If he retires, or if he dies leaving a beneficiary eligible for a survivorship benefit, his accumulated deductions are transferred from the Annuity Savings Fund to the Retirement Reserve Fund, and the reserve on the allowance which is not provided by his own deductions is transferred from the Contingent Reserve Fund to the Retirement Reserve Fund. Any lump sum benefit payable upon the death of a member before or after retirement is paid by The Prudential Insurance Company of America.

(4) Post-Retirement Medical Fund

This fund is established to hold contributions in respect of future post-retirement medical premiums. The fund has assets of \$226,278,409 as of June 30, 2004. These assets have been included as retirement system assets. Accordingly, offsetting liabilities equal to these fund balances have also been included.

(5) Benefit Enhancement Fund

Chapter 133, P.L. 2001 established the Benefit Enhancement Fund to fund the additional annual normal contribution for the increase in benefits under this law. The Benefit Enhancement Fund is funded by excess valuation assets transferable from the Contingent Reserve Fund. The amount of excess valuation assets transferable to the fund is limited to the amount of member contributions for the fiscal year in which the additional normal contributions are payable. The fund balance is limited to the present value of expected additional normal contributions for the increased benefits over the expected working lives of the active members for the valuation period. No additional excess valuation assets will be transferred to the fund after the maximum amount is attained. The Appropriation Act of 2003 further expanded the use of the Benefit Enhancement Fund by allowing residual required State contributions to be covered by assets available from this fund (and the Appropriation Act for fiscal year 2005 is expected to also allow the use of the Benefit Enhancement Fund to cover the residual required State contributions for fiscal year 2005). On the valuation date, the Benefit Enhancement Fund has present assets of \$585,864,724 after adjustment for assets transferred to the Contingent Reserve Fund to cover the residual State required contribution for fiscal year 2005 of \$62,609,988.

The June 30, 2004 valuation balance sheet shows on the liabilities side that the prospective benefits for which reserves are being accumulated in the Annuity Savings Fund and the Contingent Reserve Fund have a present value of \$15,777,684,088. To meet the benefit payments, the System has present assets of \$12,427,426,409 consisting of \$6,689,917,733 in the Annuity Savings Fund and \$5,737,508,676 in the Contingent Reserve Fund. If this amount is subtracted from the sum of \$15,777,684,088, the present value of prospective benefits and \$61,162,137 the value of excess assets allocated to accumulated prior reductions in member rates of contribution, there exists a deficit of \$3,411,419,816. When the assets in the Special Reserve Fund amounting to \$217,021,510 are applied to this amount, the deficit becomes \$3,194,398,306. In addition, please note that, in accordance with Chapter 133, P.L. 2001, \$585,864,724 has been accumulated in the Benefit Enhancement Fund to fund the additional annual employer normal contributions attributable to this legislation. Adding this amount and the assets allocated to accumulated prior reductions in member rates of contribution of \$61,162,137 to the deficit of \$3,194,398,306 yields a net deficit of \$2,547,371,445.

In accordance with the provisions of Chapter 385, P.L. 1987, Chapter 41, P.L. 1992 and Chapter 62, P.L. 1994, the contributions of the employers to the Contingent Reserve Fund consist of two annual contributions, a normal contribution and an accrued liability contribution. The normal contribution is the

present value of the benefits accruing during the current year (the normal contributions for active member COLA is being phased-in). The initial accrued liability amortization periods were set at 40 years commencing with the March 31, 1992 valuation with payments assumed to increase 6% per year (beginning with the July 1, 2004 valuation, the accrued liability contribution payment amounts are assumed to increase 4% per year in accordance with the directive from the State Treasurer).

On these bases, the following future contribution rates, prior to any adjustments, are required to meet the employers' obligations:

ITEM	RATE			
	State		Local	
	Normal	Accrued Liability	Normal	Accrued Liability
• Basic Allowances	3.25%	3.35%	2.83%	1.07%
• Non-Contributory Group Insurance Premium Fund	0.49	N/A	0.64	N/A
• Cost-of-Living Adjustments	0.99	N/A	0.86	N/A
• Chapter 133, P.L. 2001	0.80	N/A	0.75	N/A
• ERI	N/A	N/A	N/A	*
Total	5.53%	3.35%	5.08%	1.07%

*Actual contribution will depend on the payment schedule chosen by each location.

In accordance with the provisions of Chapter 6, P.L. 1990, normal cost contributions to fund the cost-of-living adjustments for current actives were to be phased in beginning with the March 31, 1988 valuation. Further, in accordance with the provisions of Chapter 41, P.L. 1992, amended by the provisions of Chapter 8, P.L. 1993 and Chapter 62, P.L. 1994, the phase-in for the funding of these benefits was further adjusted. The current valuation reflects a 48.64% phase-in of the active COLA benefits. In addition, the valuation reflects the revised assumptions that were developed on the basis of the three year experience investigation for the period ended June 30, 2002.

Chapter 115, P.L. 1997 provided for a reduction in the normal contributions of the State or other employers for the valuation periods ended March 31, 1996 and March 31, 1997 to the extent possible by the excess valuation assets and permitted the State Treasurer to reduce the normal contribution payable by the State or by the other employers for valuations after March 31, 1997 up to a specified portion (50% as of the valuation date) of excess valuation assets (See Section III(E)). This legislation has no effect on the required contributions for fiscal year 2005 since both the State and Local employers do not have excess valuation assets as of the valuation date.

Chapter 133, P.L. 2001 provided for the establishment of the Benefit Enhancement Fund from which any additional normal cost due to the increase in benefits under this legislation is paid. If assets in this fund are insufficient to cover the additional normal contribution for the increased benefits, under both legislations, for a valuation period, the State will pay the amount of the additional normal contribution not covered by the fund for both the State and Local employers.

The actual contribution rates determined in the valuation are as follows:

ITEM	RATE			
	State		Local	
	Normal	Accrued Liability	Normal	Accrued Liability
• Basic Allowances	3.25%	3.35%	2.83%	1.07%
• Non-Contributory Group Insurance Premium Fund	0.49	N/A	0.64	N/A
• Cost-of-Living Adjustments	0.48	N/A	0.42	N/A
• Chapter 133, P.L. 2001	0.00	N/A	0.00	N/A
• ERI	N/A	N/A	N/A	*
Total	4.22%	3.35%	3.89%	1.07%

*Actual contribution will depend on the payment schedule chosen by each location.

SECTION VII—EXPERIENCE

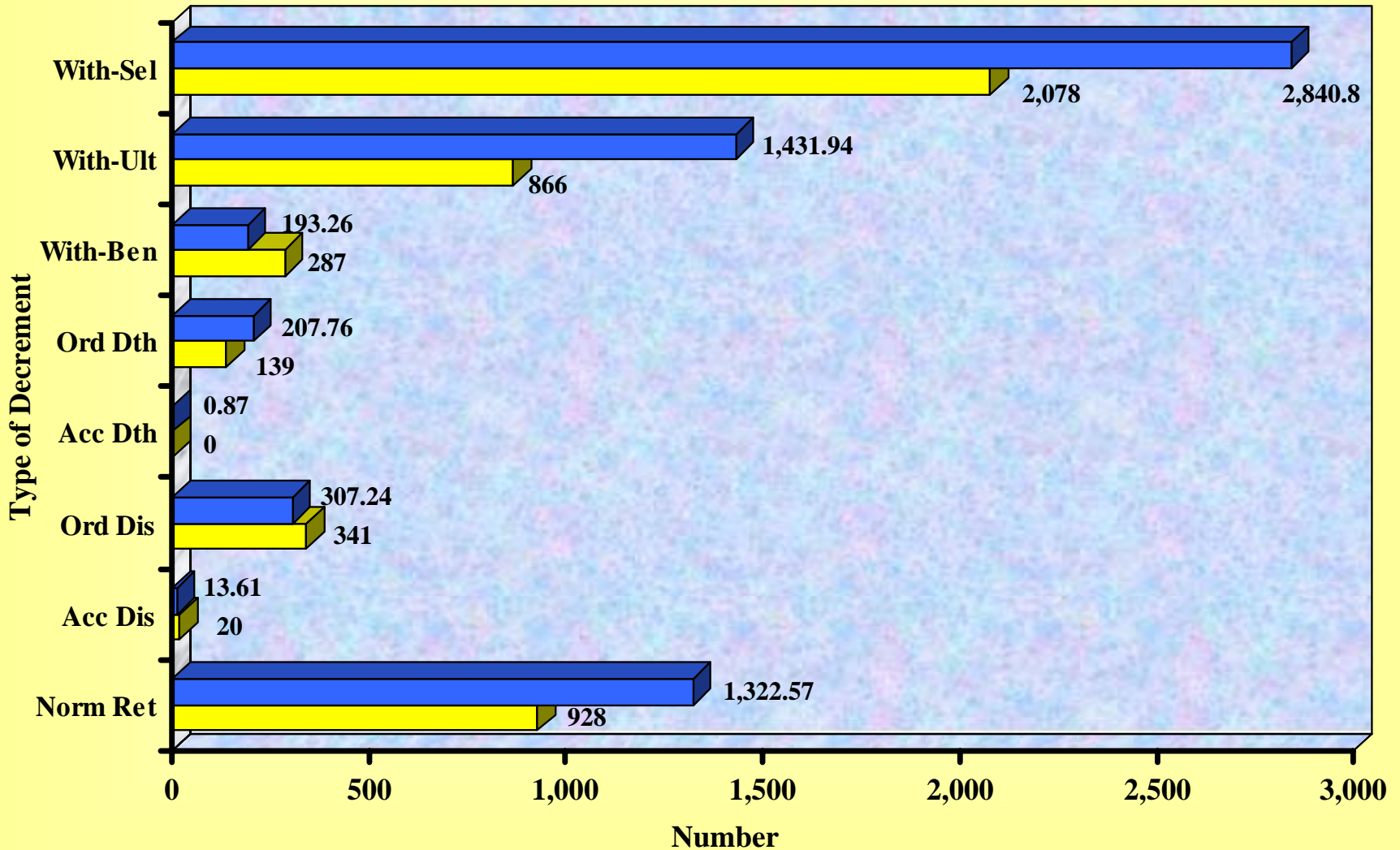
Records are maintained with regard to developing mortality, service and compensation experience of members and beneficiaries of the System as compared to the anticipated experience based on the current assumptions that were developed on the basis of the three-year experience investigation for the period ended June 30, 2002. In accordance with the provisions of Section 19 of Chapter 84 of the Laws of 1954, as amended and supplemented, once in every three-year period significant deviations are noted and revised assumptions are recommended so that the funding requirements of the System can be properly anticipated.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

ACTIVE SERVICE EXPERIENCE - STATE
JULY 1, 2003 – JUNE 30, 2004

Expected

Actual

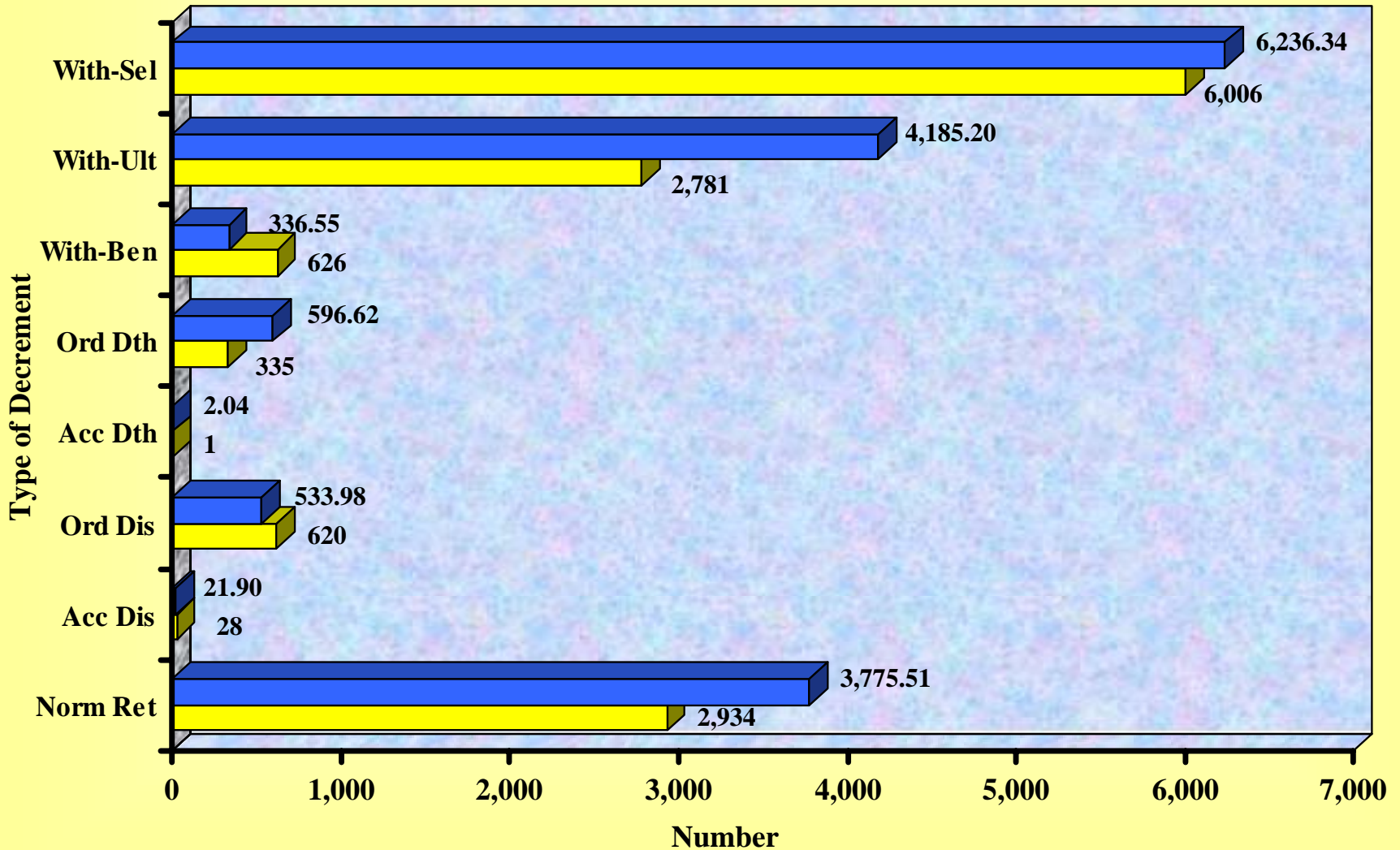


PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

ACTIVE SERVICE EXPERIENCE - LOCAL
JULY 1, 2003 – JUNE 30, 2004

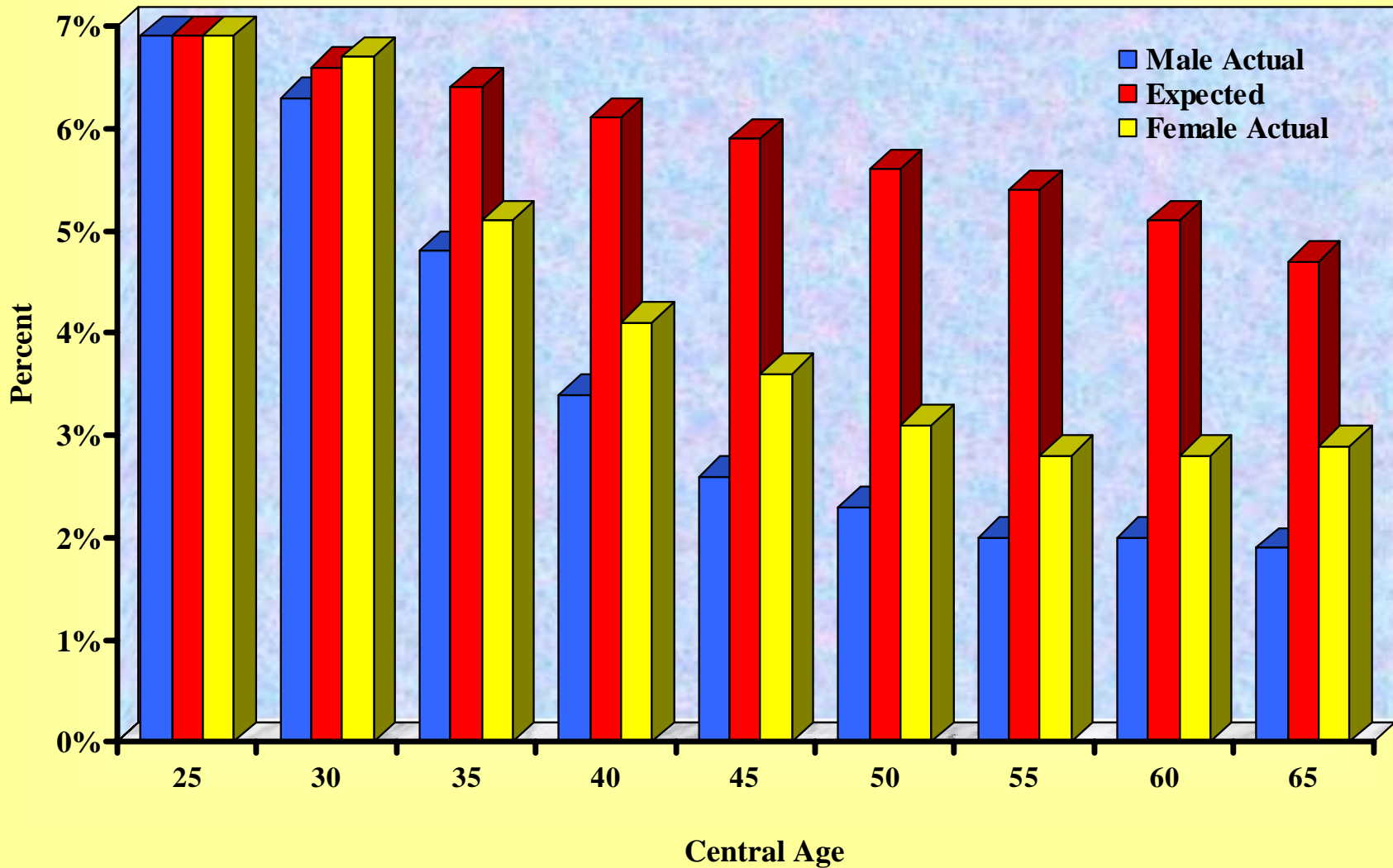
Expected

Actual



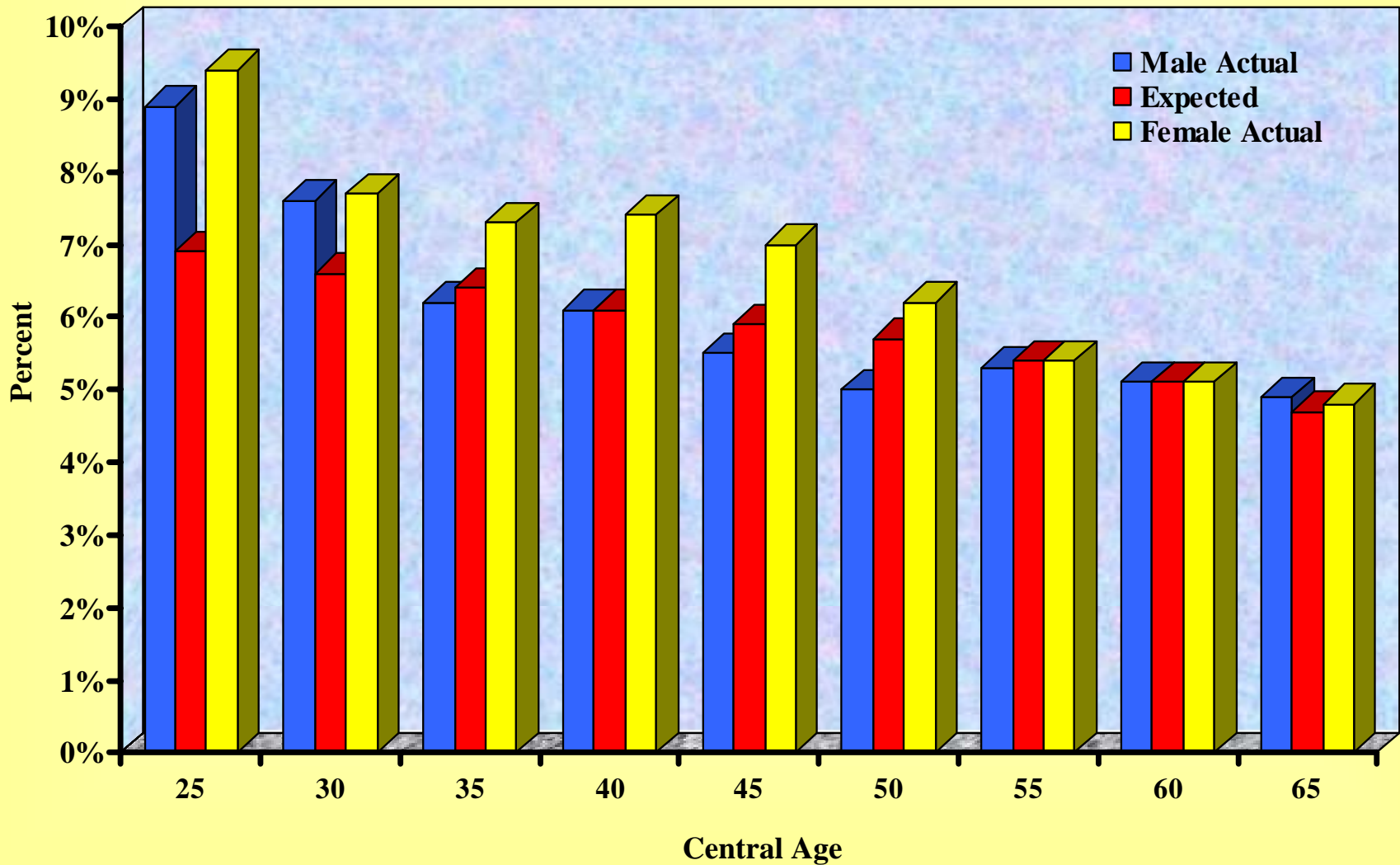
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

ACTIVE SALARY EXPERIENCE - STATE
JULY 1, 2003 – JUNE 30, 2004



PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

ACTIVE SALARY EXPERIENCE - LOCAL
JULY 1, 2003 – JUNE 30, 2004



SECTION VIII—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), the Schedule of Funding Progress and the Schedule of Employer Contributions.

(A) Development of the Annual Required Contribution (ARC) as of June 30, 2006

	<u>State</u>	<u>Local</u>
1. Actuarial Value of Plan Assets as of June 30, 2004		
(a) Valuation Assets as of June 30, 2004 (including Receivable ERI Contributions)	\$ 10,920,296,644	\$ 16,456,927,812
(b) Adjustment for Post Retirement Medical and other Receivable Contributions included in (a)	225,659,801	42,905,809
(c) Adjustment for Post Retirement Medical Benefit Fund included in (a)	<u>1,128,251</u>	<u>N/A</u>
(d) Valuation Assets as of June 30, 2004 for GASB Disclosure = (a) – (b) – (c)	\$ 10,693,508,592	\$ 16,414,022,003

2. Actuarial Accrued Liability as of June 30, 2004:		
(a) Total Actuarial Accrued Liability (including the PRM liabilities)	\$ 12,846,657,844	\$ 17,077,938,057
(b) Post Retirement Medical Fund (including receivable contribution)	<u>226,278,409</u>	<u>N/A</u>
(c) Actuarial Accrued Liability as of June 30, 2004 for GASB Disclosure = (a) – (b)	\$ 12,620,379,435	\$ 17,077,938,057
3. Unfunded Actuarial Accrued Liability/(Surplus) as of June 30, 2004	\$ 1,926,870,843	\$ 663,916,054
4. Amortization of Unfunded Actuarial Accrued Liability/(Surplus) over 37 years with payments increasing at 4% per year (not less than the current year's Unfunded COLA normal cost contribution)*	\$ (16,303,283)	\$ (121,947,748)
5. Development of Net Normal Cost as of June 30, 2004:		
(a) Basic Allowance Normal Cost	\$ 311,234,934	\$ 486,134,874
(b) Full COLA Normal Cost	34,311,755	48,782,964
(c) Expected Employee Contributions	<u>198,302,834</u>	<u>325,397,477</u>
(d) Net Normal Cost as of June 30, 2004 = (a) + (b) – (c)	\$ 147,243,855	\$ 209,520,361
6. Annual Required Contribution as of June 30, 2005		
(a) Annual Required Contribution as of June 30, 2004 = 4 + 5(d), but not less than \$0	\$ 130,940,572	\$ 87,572,613
(b) Interest Adjustment to June 30, 2006	<u>22,496,409</u>	<u>15,045,522</u>
(c) Annual Required Contribution as of June 30, 2006 = (a) + (b)	\$ 153,436,981	\$ 102,618,135

*Includes a 7 year amortization of the change in asset method attributable to Chapter 133, P.L. 2001. The current year's payment, which is assumed to increase by 4% per year, is \$(141,290,019) for the State and \$(227,721,733) for Local employees. The balance of the unfunded liability has been amortized over a 37 year period.

(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
STATE						
6/30/99	\$ 8,879,920,323	\$ 7,823,576,056	\$ (1,056,344,267)	113.5%	\$ 2,928,470,790	(36.1%)
6/30/00	\$ 9,743,727,383	\$ 8,538,685,222	\$ (1,205,042,161)	114.1%	\$ 3,094,280,664	(38.9%)
6/30/01	\$ 11,123,818,861	\$ 9,886,463,368	\$ (1,237,355,493)	112.5%	\$ 3,288,383,788	(37.6%)
6/30/02	\$ 11,073,156,965	\$ 10,760,557,483	\$ (312,599,482)	102.9%	\$ 3,511,151,199	(8.9%)
6/30/03	\$ 10,829,953,189	\$ 11,942,299,170	\$ 1,112,345,981	90.7%	\$ 3,576,118,300	31.1%
6/30/04	\$ 10,693,508,592	\$ 12,620,379,435	\$ 1,926,870,843	84.7%	\$ 3,751,765,096	51.4%
LOCAL						
6/30/99	\$ 13,171,311,650	\$ 11,163,283,877	\$ (2,008,027,773)	118.0%	\$ 4,655,241,261	(43.1%)
6/30/00	\$ 14,380,511,913	\$ 12,007,160,806	\$ (2,373,351,107)	119.8%	\$ 4,910,962,708	(48.3%)
6/30/01	\$ 16,625,288,260	\$ 13,819,038,491	\$ (2,806,249,769)	120.3%	\$ 5,240,338,738	(53.6%)
6/30/02	\$ 16,503,081,054	\$ 14,929,334,103	\$ (1,573,746,951)	110.5%	\$ 5,534,322,805	(28.4%)
6/30/03	\$ 16,406,284,200	\$ 15,887,012,746	\$ (519,271,454)	103.3%	\$ 5,811,726,702	(8.9%)
6/30/04	\$ 16,414,022,003	\$ 17,077,938,057	\$ 663,916,054	96.1%	\$ 6,140,413,756	10.8%

(C) Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution	Employer Contribution	Percentage Contributed
STATE			
2001	\$ 85,078,620	\$ 0	0.0%
2002	\$ 88,911,187	\$ 0	0.0%
2003	\$ 44,636,619	\$ 0	0.0%
2004	\$ 50,365,892	\$ 526,505	1.0%
2005	\$ 115,017,395	\$ 463,342*	0.4%
2006	\$ 153,436,981	\$ 285,096,413**	185.8%
LOCAL			
2001	\$ 88,717,727	\$ 21,670,774	24.4%
2002	\$ 77,254,063	\$ 16,174,534	20.9%
2003	\$ 0	\$ 16,987,033	0.0%
2004	\$ 0	\$ 20,882,718	0.0%
2005	\$ 29,425,853	\$ 56,916,883#	146.4%
2006	\$ 102,618,135	\$ 325,524,045##	317.2%

* The fiscal year 2005 required contribution of \$209,163,301 has been revised in anticipation of the provisions of the Appropriation Act for fiscal year 2005 which could reduce the required contribution to \$463,342. (The reduced contribution amount of \$62,609,988 will be covered by available excess assets in the Benefit Enhancement Fund. The \$463,342 contribution shown represents the fund transfer from the Second Injury Fund in accordance with Chapter 259, P.L. 2001.)

** The fiscal year 2006 required contribution could be subject to reduction in accordance with the provisions of the Appropriation Act for fiscal year 2006.

The fiscal year 2005 required contribution of \$227,579,709 has been revised to reflect the impact of Chapter 108, P.L. 2003.

The fiscal year 2006 required contribution is subject to reduction in accordance with Chapter 108, P.L. 2003.

- (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	37 years (except that the change in asset method attributable to Chapter 133, P.L. 2001 was amortized over a 7 year period).
Asset Valuation Method	Five year average of market value
Actuarial Assumptions:	
Investment Rate of Return	8.25%
Projected Salary Increases	5.45%
Cost of Living Adjustments	60% of the maximum of the CPI increase and 3.0%

SECTION IX—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.

<u>FASB 87 ABO Funded Ratios (excludes Medical Benefits)</u>		<u>State</u>	
Actuarial present value of accumulated benefits:			
	<u>June 30, 2004</u>	<u>June 30, 2003</u>	
Vested benefits			
Participants currently receiving payments	\$ 6,114,590,000	\$ 5,882,060,000	
Other participants	<u>4,646,710,000</u>	<u>4,124,960,000</u>	
	\$ 10,761,800,000	\$ 10,007,020,000	
Non-vested benefits	<u>352,210,000*</u>	<u>355,610,000**</u>	
Total	\$ 11,113,510,000	\$ 10,362,630,000	
Assets at market value	\$ 8,760,710,303	\$ 8,254,613,770	
Ratio of Assets to Total Present Value	78.8%	79.7%	

*Includes \$170,982,994 in accumulated employee contributions with interest for employees with less than 10 years of service.

**Includes \$159,993,564 in accumulated employee contributions with interest for employees with less than 10 years of service.

<u>FASB 87 ABO Funded Ratios (includes Medical Benefits)</u>		<u>State</u>	
Actuarial present value of accumulated benefits:			
	<u>June 30, 2004</u>	<u>June 30, 2003</u>	
Vested benefits			
Participants currently receiving payments	\$ 9,046,640,000	\$ 8,667,530,000	
Other participants	<u>8,047,000,000</u>	<u>7,080,520,000</u>	
	\$ 17,093,640,000	\$ 15,748,050,000	
Non-vested benefits	<u>612,080,000*</u>	<u>612,610,000**</u>	
Total	\$ 17,705,720,000	\$ 16,360,660,000	
Assets at market value	\$ 8,761,838,554	\$ 8,255,567,987	
Ratio of Assets to Total Present Value	49.5%	50.5%	

*Includes \$170,982,994 in accumulated employee contributions with interest for employees with less than 10 years of service.

**Includes \$159,993,564 in accumulated employee contributions with interest for employees with less than 10 years of service.

<u>Local Employers</u>		
Actuarial present value of accumulated benefits:		
	<u>June 30, 2004</u>	<u>June 30, 2003</u>
Vested benefits		
Participants currently receiving payments	\$ 7,806,040,000	\$ 7,269,400,000
Other participants	<u>6,716,240,000</u>	<u>6,041,420,000</u>
	\$ 14,522,280,000	\$ 13,310,820,000
Non-vested benefits	<u>577,350,000*</u>	<u>619,030,000**</u>
Total	\$ 15,099,630,000	\$ 13,929,850,000
Assets at market value	\$ 13,515,497,073	\$ 12,521,986,286
Ratio of Assets to Total Present Value	89.5%	89.9%

*Includes \$359,125,898 in accumulated employee contributions with interest for employees with less than 10 years of service.

**Includes \$352,594,820 in accumulated employee contributions with interest for employees with less than 10 years of service.

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 2004 and 8.75% for 2003. The amounts shown include liabilities for future cost-of-living adjustments and post-retirement medical premiums for eligible future and current retired members.

SECTION X—SUMMARIES OF DATA

TABLE IV

MEMBERSHIP OF THE PUBLIC EMPLOYEES'
RETIREMENT SYSTEM OF NEW JERSEY

Group	June 30, 2004		June 30, 2003	
	Number	Payroll	Number	Payroll
Other than Law Enforcement Officers:				
Men	118,973	\$ 4,900,694,933	116,215	\$ 4,687,860,289
Women	183,870	5,752,420,673	178,821	5,448,277,075
Law Enforcement Officers:				
Men	102	5,791,674	94	5,186,239
Women	17	850,108	17	743,452
Total	302,962	\$ 10,659,757,388	295,147	\$ 10,142,067,055
Subtotals for:				
Non-Veterans				
State Employees	87,461	\$ 3,858,311,011	83,985	\$ 3,673,130,915
County Employees	30,477	1,166,201,090	30,144	1,106,928,050
Municipal Employees	98,138	2,781,256,117	95,649	2,622,706,325
Employees of Public Agencies	28,013	950,920,988	27,190	902,955,715
Employees of Consolidated School Districts	9,832	260,779,847	9,321	235,283,789
Non-Participating Locals	26,903	731,666,875	26,164	689,104,759
State Employees Paid by Local Employers	7,529	318,092,239	7,464	310,792,361
Employees of Locals Participating under Chapter 169, P.L. 1956	2,962	74,377,532	3,006	70,372,426
Veterans				
State Employees	3,454	183,076,072	3,594	189,164,236
County Employees	1,525	68,693,547	1,614	70,236,792
Municipal Employees	3,606	142,728,485	3,839	146,487,198
Employees of Public Agencies	1,331	60,810,643	1,413	62,653,187
Employees of Consolidated School Districts	346	12,392,353	346	11,720,086
Non-Participating Locals	1,111	37,030,582	1,131	36,926,799
State Employees Paid by Local Employers	234	11,570,495		
Employees of Locals Participating under Chapter 169, P.L. 1956	40	1,849,512	43	1,775,913

- Notes: (a) The maintenance of each employee is fixed at the time of his application and is included in the compensation listed.
- (b) There are 526 State and 1,301 Local members as of June 30, 2004 and 571 State and 1,312 Local members as of June 30, 2003 who have selected vesting benefits not included in the membership shown by the table.

TABLE V
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
BENEFICIARIES ON THE ROLL

(A) STATE

Group	June 30, 2004		June 30, 2003	
	Number	Retirement Allowances	Number	Retirement Allowances
Service Retirement and Early Retirement Benefits				
Men	12,833	\$289,557,908	12,849	\$ 278,288,396
Women	18,081	272,923,931	17,912	259,663,773
Total	30,914	\$562,481,839	30,761	\$ 537,952,169
Ordinary Disability Retirements				
Men	1,060	\$ 16,198,274	1,004	\$ 14,853,351
Women	2,180	32,175,657	2,018	28,757,111
Total	3,240	\$ 48,373,931	3,022	\$ 43,610,462
Accidental Disability Retirements				
Men	133	\$ 2,570,329	131	\$ 2,454,036
Women	174	3,502,059	163	3,212,067
Total	307	\$ 6,072,388	294	\$ 5,666,103
Ordinary Death Benefits				
Men	0	\$ 0	0	\$ 0
Women	6	7,139	6	7,117
Total	6	\$ 7,139	6	\$ 7,117
Accidental Death Benefits				
Men	2	\$ 10,869	2	\$ 10,738
Women	30	459,186	31	466,265
Total	32	\$ 470,055	33	\$ 477,003
Dependents of Deceased Beneficiaries				
Men	265	\$ 2,168,252	240	\$ 1,829,892
Women	2,576	28,568,471	2,556	27,487,090
Total	2,841	\$ 30,736,723	2,796	\$ 29,316,982
Grand Total	37,340	\$648,142,075	36,912	\$ 617,029,836

Note: In addition to the above, there are 90 beneficiaries as of June 30, 2004 and 93 beneficiaries as of June 30, 2003 who elected to receive death benefits, otherwise payable in a lump sum, as annuities certain, amounting to \$1,018,599 and \$1,012,610, respectively, per annum.

TABLE V

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
BENEFICIARIES ON THE ROLL
(CONTINUED)

(B) LOCAL EMPLOYERS

Group	June 30, 2004		June 30, 2003	
	Number	Retirement Allowances	Number	Retirement Allowances
Service Retirement and Early Retirement Benefits				
Men	26,622	\$ 366,763,688	26,256	\$ 341,357,339
Women	40,440	372,802,181	39,261	345,098,420
Total	67,062	\$ 739,565,869	65,517	\$ 686,455,759
Ordinary Disability Retirements				
Men	2,523	\$ 35,159,478	2,342	\$ 31,470,925
Women	2,610	31,192,211	2,377	27,516,483
Total	5,133	\$ 66,351,689	4,719	\$ 58,987,408
Accidental Disability Retirements				
Men	348	\$ 7,017,088	334	\$ 6,648,554
Women	126	2,085,960	119	1,840,944
Total	474	\$ 9,103,048	453	\$ 8,489,498
Ordinary Death Benefits				
Men	1	\$ 122	1	\$ 122
Women	18	23,831	19	24,053
Total	19	\$ 23,953	20	\$ 24,175
Accidental Death Benefits				
Men	2	\$ 21,722	2	\$ 21,408
Women	67	1,024,947	68	966,571
Total	69	\$ 1,046,669	70	\$ 987,979
Dependents of Deceased Beneficiaries				
Men	727	\$ 4,581,413	664	\$ 4,033,534
Women	6,238	52,551,415	6,034	48,466,132
Total	6,965	\$ 57,132,828	6,698	\$ 52,499,666
Grand Total	79,722	\$ 873,224,056	77,477	\$ 807,444,485

Note: In addition to the above, there are 211 beneficiaries as of June 30, 2004 and 220 beneficiaries as of June 30, 2003 who elected to receive death benefits, otherwise payable in a lump sum, as annuities certain, amounting to \$2,188,103 and \$2,148,778, respectively, per annum.

APPENDIX ABRIEF SUMMARY OF THE BENEFIT AND
CONTRIBUTION PROVISIONS AS INTERPRETED
FOR VALUATION PURPOSES1. Definitions

Final Compensation (FC)	Average annual compensation for the three years of creditable service immediately preceding retirement or the highest three fiscal years of membership service.
Accumulated Deductions	Sum of all required amounts deducted from the compensation of a member or contributed by him.
Class A Member	Any member who contributes towards a 1/64th retirement benefit.
Class B Member	Any member who contributes towards a 1/55th retirement benefit.

2. Benefits*

Service Retirement	Eligible at age 60. Benefit equals a member annuity plus an employer pension which, together, equal 1/64th of FC for each year of service for Class A members and 1/55th of FC for each year of service for Class B members.
Ordinary Disability Retirement	Eligible after 10 years of service. Benefit equals a member annuity plus an employer pension which, together, equal 1.64% of FC for each year of service; minimum benefit of 43.6% of FC.
Accidental Disability	Eligible upon total and permanent disability prior to age 65 as a result of a duty injury. Benefit equals a member annuity plus an employer pension which, together, equal 72.7% of contributory compensation at the date of injury.
Lump Sum Withdrawal	Eligible upon service termination prior to age 60 and prior to 10 years of service. Benefit equals refund of accumulated deductions plus, if the member has completed three years of service, interest allowed thereon.

*Special benefits for veterans, law enforcement officers, legislators, prosecutors and workers compensation judges are summarized at the end of this section.

Vested Retirement	Eligible after 10 years of service. Benefit equals the lump sum benefit described above or a deferred retirement benefit, commencing at age 60, equal to the service retirement benefit based on service and FC at date of termination.
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Early Retirement	Eligible after 25 years of service. Benefit equals the lump sum benefit described above or the vested benefit reduced by 1/4 percent for each month retirement date precedes age 55.
Ordinary Death (Insured)	
Before Retirement	Eligible if active. Benefit equals accumulated deductions with interest plus an amount equal to 1-1/2 times contributory compensation at date of death.
After Retirement	<p data-bbox="665 567 836 609"><u>Before Age 60</u></p> <p data-bbox="665 640 1438 745">Eligible if disabled or vested terminated. Benefit equals 1-1/2 times last contributory compensation if disabled, accumulated deductions only if vested terminated.</p> <p data-bbox="665 777 860 840"><u>After Age 60 or Early Retirement</u></p> <p data-bbox="665 871 1438 1008">Eligible after early retirement or after attainment of age 60 for other types of retirement (if not disabled, 10 years of service credit required on members enrolling after July 1, 1971). Benefit equals 3/16 of last contributory compensation.</p>
Voluntary Death Benefit	An additional, employee-paid, death benefit is also available through the purchase of group insurance with an outside carrier.
Accidental Death	<p data-bbox="665 1144 1438 1207">Eligible upon death resulting during performance of duty. Benefit varies as follows:</p> <p data-bbox="665 1239 1438 1312">Widow(er) - 50% of contributory compensation paid as pension.</p> <p data-bbox="665 1344 1438 1480">Child(ren) - No spouse - 20% (1 child), 35% (2 children), 50% (3 or more children) of contributory compensation paid as pension to age 18 or life if disabled.</p> <p data-bbox="665 1512 1438 1648">Surviving dependent parent - No spouse or child - 25% (1 parent) or 40% (2 parents) of contributory compensation paid as pension.</p> <p data-bbox="665 1680 1438 1753">No relation above - Accumulated deductions paid to other beneficiary or estate.</p>
	In addition the employer-paid lump sum ordinary death benefit is paid.
Optional Benefits	Various forms of payment of equivalent actuarial value are available to retirees.

Special Benefits

Veterans

Service Retirement Eligible if member on January 2, 1955, attains age 60, completes 20 years of service. Benefit equals 54.5% of final contributory compensation (veteran members after January 2, 1955 must attain age 55 with 25 years of service or age 60 with 20 years of service).

Chap 220 Benefit Eligible if age 55 and completes 35 years of service. Benefit equals 1/55th of final contributory compensation for each year of service.

Law Enforcement

Service Retirement Eligible at age 55 after 20 years of service. Benefit equals a member annuity plus an employer pension which, together, equal 2% of final contributory compensation for each of the first 25 years of service plus 1% of such compensation for non-contributory service or service over 25 years plus 1-2/3% for non-law enforcement service.

Chapter 4, P.L. 2001
Special Retirement

After completion of 25 years of service, an additional retirement benefit equal to 5% of final contributory pay is added to the above service related retirement benefit. There is a maximum total benefit of 70% of final contributory pay.

Ordinary Disability Eligible after 5 years of service. Benefit is the same as for regular members.

Death After
Retirement

Eligible upon death after an accidental disability retirement. Benefit is the same as for a regular member with a \$5,000 minimum.

Legislators

Service Retirement Eligible at age 60 and termination of all public service. Benefit is equal to a member annuity plus an employer pension which, together, equal 3% of final contributory compensation for each year of service to a maximum of 2/3 of final compensation.

Vested Retirement

Eligible after 8 years of legislative service. Benefit is a service retirement benefit deferred to age 60 or, alternatively, a lump sum equal to his accumulated deductions.

Prosecutors Part (Chapter 366, P.L. 2001)

Service Retirement	<p>Eligibility means age 55 or 20 years of credited service. Mandatory retirement at age 70. Benefit is an annual retirement allowance equal to a member annuity plus an employer pension which together equals the greater of:</p> <ul style="list-style-type: none"> (i) 1/60th of FC for each year service; or (ii) 2% of FC multiplied by years of service up to 30 plus 1% of FC multiplied by years of service over 30. (iii) 50% of final contributory compensation if the member has 20 or more years of service. <p style="margin-left: 40px;">Chapter 366 also requires that, in addition to the 50% of final contributory compensation benefit, any member as of January 7, 2002 who will have 20 or more years of service and is required to retire upon attaining age 70, shall receive an additional benefit equal to 3% of final contributory compensation for each year of service over 20 years but not over 25 years.</p>
Special Retirement	<p>After completion of 25 years of service. The annual retirement benefit is equal to a member annuity plus an employer pension which together equal 65% of final contributory compensation plus 1% of final contributory compensation for each year of service over 25. There is a maximum benefit of 70% of final contributory compensation.</p>
Vested Termination	<p>Eligible upon termination of service prior to age 55 and after 10 years of Service (but less than 20 years). 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 final contributory compensation multiplied of service up to 30 plus 1% of final contributory compensation multiplied by years of service.</p>
Death Benefits	<p>Ordinary Death Benefit – Lump Sum</p> <p>After retirement but prior to age 55, the benefit is as follows:</p> <ul style="list-style-type: none"> (i) For death while a Disabled Retiree the benefit is equal to 1 ½ 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 ½ times final contributory compensation.

(3) After retirement and after age 55, the benefit payable is equal to ½ times final contributory compensation.

Workers Compensation
Judges Part (Chapter 259, P.L. 2001)

Service Retirement

(A) Mandatory retirement at age 70. Voluntary retirement prior to age 70 as follows:

- (a) Age 70 and 10 years of service as a judge of compensation;
- (b) Age 65 and 15 years of service as a judge of compensation; or
- (c) Age 60 and 20 years of as of judge of compensation service.

Benefit is an annual retirement allowance equal to the greater of 75% of final salary or the regular service retirement benefit above.

(B) Age 65 while serving as a judge of compensation, 5 consecutive years of service as a judge of compensation and 15 years in the aggregate of public service; or

Age 60 while serving as a judge, 5 consecutive years of service as a judge of compensation and 20 years in the aggregate of public service.

Benefit is an annual retirement allowance equal to the greater of 50% of final salary or the regular service retirement benefit above.

(C) Age 60 while serving as a judge of compensation, 5 consecutive years of service as a judge of compensation and 15 years in the aggregate of public service. Benefit is an annual retirement allowance equal to the greater of 2% of final salary for each year of public service up to 25 years plus 1% of final salary for each year in excess of 25 years or the regular service retirement benefit above.

(D) Age 60 while serving as a judge of compensation. Benefit is an annual retirement allowance equal to the greater of 2% of final salary for each year of service as a judge of compensation up to 25 years plus 1% for each year in excess of 25 years or the regular service retirement benefit above.

Early Retirement

Prior to age 60 while serving as a judge of compensation, 5 consecutive years of service as a judge of compensation and 25

or more years in the aggregate of public service. Benefit is an annual retirement allowance equal to 2% of final salary for each year of public service up to 25 years plus 1% of final salary for each year of public service in excess of 25 years, actuarially reduced for commencement prior to age 60.

Vested Termination

Termination of service prior to age 60, with 5 consecutive years of service as a judge of compensation and 10 years in the aggregate of public service. Benefit is a refund of accumulated deductions, or a deferred life annuity beginning at age 60 equal to 2% of final salary for each year of public service up to 25 years, plus 1% for service in excess of 25 years.

Death Benefits (Insured)

Before Retirement

Death of an active member of the plan. Benefit is equal to

- (a) Lump sum payment equal to 1-1/2 times final salary, plus
- (b) Spousal life annuity of 25% of final salary plus 10% (15%) to one (two or more) surviving children payable until spouse's death or remarriage. If there is no surviving spouse, or upon death or remarriage, a total of 15% (20%, 30%) of final salary payable to one (two, three or more) dependent child (children). If there is no surviving spouse (or dependent children), 20% or 30% of final salary to one or two dependent parents.

After Retirement

Death of a retired member of the plan. Benefit is equal to a lump sum of 25% of final salary for a member retired under normal, early retirement or vested termination. If a member were receiving a disability benefit, a lump sum 1-1/2 times final salary if death occurred before the member attained age 60 and 1/4 times final salary if death occurred after age 60.

3. Contributions

By Members

Members enrolling in the retirement system on or after July 1, 1994 will contribute 5% of compensation. Members enrolled prior to July 1, 1994 will contribute 5% of compensation to the retirement system effective July 1, 1995 unless they previously had contributed less than 6% in which case they will contribute 4% of compensation beginning July 1, 1995 and 5% of compensation beginning July 1, 1996.

The member contribution rate for members who are eligible to retire under the Prosecutors Part of the Retirement System as provided by Chapter 366, P.L. 2001 is to be determined by the

System Board of Trustees. For valuation purposes, a 7.5% member contribution rate was used.

By Employers

Normal Contribution

The State and Local employers pay annually a normal contribution to the retirement System. This contribution is determined each year on the basis of the annual valuation and represents the value of the benefits to be earned in the year following the valuation date. The normal contributions for active members' COLA are being phased in.

In accordance with the provisions of Chapter 79, P.L. 1960, which provided that the monies appropriated for payment of the non-contributory life insurance coverage shall be held separate from the retirement System monies, the amount required to pay such benefit is deducted from the normal contribution certified for payment to the retirement System and paid to a Group Insurance Premium Fund, which is administered by the State Treasurer.

In accordance with the provisions of Chapter 133, P.L. 2001, the Benefit Enhancement Fund (BEF) was established to fund the additional annual employer normal contribution due to the law's increased benefits. (Chapter 353, P.L. 2001 extended this coverage to this law's additional annual employer normal contribution.) If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

In accordance with the provisions of Chapter 259, P.L. 2001, the additional normal contributions for increased benefits to judges of compensation for a valuation period will be funded by transfers from the Second Injury Fund.

The Appropriation Act of 2003 reduced the State Fiscal year 2004 required normal contribution by 80% and any residual amount was covered by assets from the Benefit Enhancement Fund. The State required normal contribution for subsequent fiscal years could be subject to the Appropriation Act of that fiscal year.

The Local required normal contribution for fiscal year 2005 is subject to a reduction in accordance with Chapter 108, P.L. 2003.

Accrued Liability Contributions

The State and Local employers pay contributions to cover any unfunded accrued liability. An unfunded accrued liability was established for active life COLAs. The amortization periods for funding these liabilities were set initially at 40 years. The accrued liability contributions for active members' COLA liabilities are being phased in. Experience gains or losses for the 10 valuation years following the March 31, 1992 valuation will increase or decrease the unfunded accrued liability. Thereafter, actuarial gains or losses will increase or decrease the amortization period unless an increase will cause it to exceed 30 years.

Chapter 366, P.L. 2001 requires the State be liable for any increase in pension costs to a county that results from the enrollment of prosecutors in the Prosecutors Part. Any increase in the unfunded accrued liability in the Retirement System arising from the benefits established for the Prosecutors Part are to be amortized over a period of 30 years in the manner provided for other such liability in the Retirement System.

In accordance with the provisions of Chapter 259, P.L. 2001, the additional accrued liability contribution for increased benefits to judges of compensation for a valuation period will be funded by transfers from the Second Injury Fund.

The valuation reflects the potential effect of the Appropriation Act for fiscal year 2005 reduced the State fiscal year 2005 required accrued liability contribution by 70% and any residual amount was covered by assets from the Benefit Enhancement Fund. The State required accrued liability contribution for subsequent fiscal years could be subject to the Appropriation Act of that fiscal year.

The Local required accrued liability contribution for fiscal year 2005 has been reduced by 80% in accordance with Chapter 108, P.L. 2003.

APPENDIX B

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

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

EMPLOYEE CONTRIBUTION INTEREST RATE: 8-1/4% per annum.

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

Annual Rates of

Age	Select Withdrawal						Ultimate Withdrawal*			
	1st Year		2nd Year		3rd Year		Prior to Eligibility For Benefit		After Eligibility For Benefit	
	State	Local	State	Local	State	Local	State	Local	State	Local
25	23.40%	25.06%	18.23%	19.13%	13.06%	13.19%	8.38%	10.03%		
30	22.07	21.88	17.06	16.25	12.05	10.62	5.31	7.56		.11%
35	17.87	19.10	13.37	13.74	8.88	8.37	3.33	4.00	0.10%	.12
40	16.66	18.26	12.31	12.98	7.96	7.69	2.50	3.43	.11	.20
45	15.71	17.67	11.48	12.45	7.24	7.21	1.70	3.05	.20	.26
50	14.70	16.99	10.59	11.83	6.48	6.66	1.40	2.28	.85	.73
55	14.07	16.58	10.04	11.46	6.33	6.33	1.40	1.89	.81	1.17

Annual Rates of

Age	Ordinary Death**		Ordinary Disability***		Service Retirement		Salary Increases
	State	Local	State	Local	State	Local	
25	.05%	.05%	.01%				6.40%
30	.07	.06	.10	.05%			6.15
35	.09	.08	.15	.13			5.90
40	.12	.12	.18	.27			5.65
45	.17	.17	.42	.35			5.40
50	.25	.32	.55	.48			5.15
55	.36	.41	.74	.73	15.4%	11.7%	4.90
60	.52	.61	1.56	.92	8.8	7.8	4.65
65	.74	.89	1.57	.96	23.1	22.1	4.15
69	1.04	1.19	1.93	1.16	15.0	11.6	4.15

* The sum of the rates of withdrawal after eligibility for a benefit and those prior to eligibility are the rates assumed for members withdrawing with a benefit.

** A separate rate is used for accidental death.

*** A separate rate is used for accidental disability.

Prosecutors Part (Chapter 366, P.L. 2001): This legislation introduced special retirement eligibility for certain benefits. Since the retirement System has no current assumptions at these eligibilities, the valuation used the following annual rates of service retirement:

<u>Age</u>	<u>Length of Service</u>			
	<u>Less than 20 Years</u>		<u>20 Years</u>	<u>21 to 24 Years</u>
	<u>State</u>	<u>Local</u>		
40	0.00%	0.00%	2.50%	0.00%
45	0.00	0.00	2.50	0.00
50	0.00	0.00	3.75	0.00
55	2.59	3.06	5.00	0.00
60	2.63	3.06	5.00	0.00
65	2.63	3.06	37.50	0.00
69	2.63	3.06	37.50	0.00

DEATHS AFTER RETIREMENT: 1979 George B. Buck Mortality Tables for service retirement and dependent beneficiaries. 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>Age</u>	<u>Disability Retirements</u>	
	<u>Men</u>	<u>Women</u>		<u>Men</u>	<u>Women</u>
55	0.71%	0.34%	35	3.16%	4.25%
60	1.20	0.57	40	3.25	2.74
65	2.06	0.99	45	3.88	3.18
70	3.39	1.74	50	4.12	3.29
75	5.34	2.98	55	4.50	3.70
80	8.31	4.90	60	5.10	4.39
85	12.50	7.84	65	6.04	3.63

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.

EXPENSES: Payable from excess investment return through employer contributions.

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

TABULATIONS USED AS A BASIS FOR THE 2004 VALUATION

Table 1 gives a reconciliation of data from June 30, 2003 to June 30, 2004. Table 2 presents fifth year age and service tables for State and Local active members as well as for the entire system. Appendix C also contains tables that show the distribution of active members' and salaries by age and length of service as of June 30, 2004. Tables are also included that show the number and retirement allowances of beneficiaries classified by age as of June 30, 2004.

TABLE 1
RECONCILIATION OF CENSUS DATA
FROM JULY 1, 2003 TO JUNE 30, 2004

	Actives		Deferred Vested	Retirees		Beneficiaries	Total
	Contrib.	Noncontrib.		Service	Disabled		
Members as of July 1, 2003	259,636	35,511	1,843	96,278	8,488	9,936	411,692
Status Change:							
To Contributing	2,715	(2,715)					
To Noncontributing	(11,239)	11,239					
New Deferred Vested	(180)	(111)	291				
New Terminated Non-Vested	(4,009)	(7,960)					(11,969)
New Service Retirement	(4,945)	(677)		5,622			
New Deferred Vesteds Now Payable			(301)	301			
New Disabled	(747)	(392)			1,139		
New Death	(527)	(198)	(6)	(4,205)	(473)	(539)	(5,948)
New Beneficiaries						877	877
End of Payments						(41)	(41)
New Actives	26,343	1,198					27,541
Rehires	20			(20)			
Data Corrections							
Members as of June 30, 2004	267,067	35,895	1,827	97,976	9,154	10,233	422,152

TABLE 2
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND SERVICE

TOTAL -- STATE AND LOCAL

AGE	SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
20	Number	4,356	446								4,802
	Salary	80,153,582	9,136,052								89,289,634
25	Number	11,980	4,799	89							16,868
	Salary	308,363,026	143,652,011	2,905,934							454,920,971
30	Number	9,063	7,716	1,897	220						18,896
	Salary	244,166,369	265,378,584	71,620,236	8,976,280						590,141,469
35	Number	9,177	8,544	4,931	4,238	246					27,136
	Salary	224,423,028	283,456,900	207,806,025	187,351,552	11,648,396					914,685,901
40	Number	10,868	10,581	5,861	7,688	3,798	278				39,074
	Salary	240,037,290	304,601,860	232,980,258	374,416,541	189,953,822	14,638,033				1,356,627,804
45	Number	10,941	12,929	7,221	7,825	6,254	3,589	265			49,024
	Salary	239,010,217	346,330,603	259,600,616	359,609,513	342,188,941	193,756,467	15,144,976			1,755,641,333
50	Number	8,149	10,578	8,112	8,394	5,734	5,193	2,875	209		49,244
	Salary	190,578,532	291,762,274	274,496,576	352,594,517	300,168,195	315,452,998	172,015,922	12,777,091		1,909,846,105
55	Number	5,827	7,532	6,978	8,760	6,056	4,370	3,248	1,322	38	44,131
	Salary	140,392,779	214,013,954	234,634,824	346,305,469	281,454,773	245,277,102	214,577,823	82,745,650	2,152,113	1,761,554,487
60	Number	3,430	4,730	4,432	5,846	4,692	3,325	1,434	859	243	28,991
	Salary	77,799,271	129,755,320	147,190,175	224,919,907	203,362,332	157,680,697	83,135,154	56,784,513	15,485,711	1,096,113,080
63	Number	1,159	1,695	1,531	1,767	1,398	1,043	444	195	93	9,325
	Salary	21,115,094	40,901,123	48,575,511	67,037,762	57,705,135	44,832,964	22,602,233	11,487,023	6,065,315	320,322,160
66 and over	Number	2,667	3,029	2,555	2,584	1,973	1,357	799	320	187	15,471
	Salary	33,897,498	49,452,355	60,380,961	81,201,530	72,741,017	52,686,209	33,549,434	15,034,208	11,671,232	410,614,444
TOTAL	Number	77,617	72,579	43,607	47,322	30,151	19,155	9,065	2,905	561	302,962
	Salary	1,799,936,686	2,078,441,036	1,540,191,116	2,002,413,071	1,459,222,611	1,024,324,470	541,025,542	178,828,485	35,374,371	10,659,757,388

TABLE 2
(continued)

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND SERVICE

STATE

SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
AGE										
20 Number	1,205	82								1,287
Salary	27,787,698	2,137,555								29,925,253
25 Number	4,674	1,675	18							6,367
Salary	145,099,778	56,040,038	619,026							201,758,842
30 Number	3,394	3,040	570	73						7,077
Salary	111,276,426	118,079,647	22,528,906	3,056,782						254,941,761
35 Number	2,749	2,892	1,764	1,735	123					9,263
Salary	88,540,724	114,243,353	81,212,653	78,775,150	6,070,040					368,841,920
40 Number	2,536	2,517	1,777	3,349	1,767	141				12,087
Salary	80,443,883	96,926,665	80,864,021	175,595,721	90,427,951	7,386,309				531,644,550
45 Number	2,401	2,546	1,707	2,927	2,945	1,775	132			14,433
Salary	77,291,429	98,717,726	76,948,256	154,017,015	172,251,687	95,186,920	7,495,218			681,908,251
50 Number	1,956	2,212	1,771	2,553	2,363	2,638	1,350	113		14,956
Salary	62,354,665	85,364,837	77,282,477	129,955,977	138,706,380	167,927,032	81,035,365	6,885,499		749,512,232
55 Number	1,481	1,752	1,546	2,388	2,009	1,829	1,619	694	19	13,337
Salary	46,936,262	64,406,672	66,491,946	118,532,264	111,546,132	112,313,511	111,892,926	43,192,463	1,140,141	676,452,317
60 Number	806	1,056	929	1,499	1,299	1,039	469	391	110	7,598
Salary	24,805,112	37,790,354	39,453,439	70,854,281	67,142,813	59,296,380	31,037,986	26,739,063	6,878,124	363,997,552
63 Number	224	302	285	401	316	192	90	46	35	1,891
Salary	6,132,486	10,473,703	11,834,582	18,850,718	16,422,363	10,432,763	5,898,096	3,114,222	2,173,158	85,332,091
66 and over Number	467	466	448	475	370	206	116	32	39	2,619
Salary	9,755,657	12,279,695	14,694,632	20,331,333	18,473,231	10,597,542	6,636,837	1,790,200	2,513,187	97,072,314
TOTAL Number	21,893	18,540	10,815	15,400	11,192	7,820	3,776	1,276	203	90,915
Salary	680,424,120	696,460,245	471,929,938	769,969,241	621,040,597	463,140,457	243,996,428	81,721,447	12,704,610	4,041,387,083

TABLE 2
(continued)

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND SERVICE

LOCAL

SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
AGE										
20 Number	3,151	364								3,515
Salary	52,365,884	6,998,497								59,364,381
25 Number	7,306	3,124	71							10,501
Salary	163,263,248	87,611,973	2,286,908							253,162,129
30 Number	5,669	4,676	1,327	147						11,819
Salary	132,889,943	147,298,937	49,091,330	5,919,498						335,199,708
35 Number	6,428	5,652	3,167	2,503	123					17,873
Salary	135,882,304	169,213,547	126,593,372	108,576,402	5,578,356					545,843,981
40 Number	8,332	8,064	4,084	4,339	2,031	137				26,987
Salary	159,593,407	207,675,195	152,116,237	198,820,820	99,525,871	7,251,724				824,983,254
45 Number	8,540	10,383	5,514	4,898	3,309	1,814	133			34,591
Salary	161,718,788	247,612,877	182,652,360	205,592,498	169,937,254	98,569,547	7,649,758			1,073,733,082
50 Number	6,193	8,366	6,341	5,841	3,371	2,555	1,525	96		34,288
Salary	128,223,867	206,397,437	197,214,099	222,638,540	161,461,815	147,525,966	90,980,557	5,891,592		1,160,333,873
55 Number	4,346	5,780	5,432	6,372	4,047	2,541	1,629	628	19	30,794
Salary	93,456,517	149,607,282	168,142,878	227,773,205	169,908,641	132,963,591	102,684,897	39,553,187	1,011,972	1,085,102,170
60 Number	2,624	3,674	3,503	4,347	3,393	2,286	965	468	133	21,393
Salary	52,994,159	91,964,966	107,736,736	154,065,626	136,219,519	98,384,317	52,097,168	30,045,450	8,607,587	732,115,528
63 Number	935	1,393	1,246	1,366	1,082	851	354	149	58	7,434
Salary	14,982,608	30,427,420	36,740,929	48,187,044	41,282,772	34,400,201	16,704,137	8,372,801	3,892,157	234,990,069
66 and over Number	2,200	2,563	2,107	2,109	1,603	1,151	683	288	148	12,852
Salary	24,141,841	37,172,660	45,686,329	60,870,197	54,267,786	42,088,667	26,912,597	13,244,008	9,158,045	313,542,130
TOTAL Number	55,724	54,039	32,792	31,922	18,959	11,335	5,289	1,629	358	212,047
Salary	1,119,512,566	1,381,980,791	1,068,261,178	1,232,443,830	838,182,014	561,184,013	297,029,114	97,107,038	22,669,761	6,618,370,305

TABLE 3

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

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
16	5	\$ 12,380	9	\$ 27,641
17	19	82,812	50	224,075
18	53	276,674	95	424,705
19	131	1,677,973	192	1,796,995
20	318	5,755,953	314	4,259,254
21	521	11,076,871	545	9,388,989
22	669	14,987,573	796	15,193,891
23	986	23,772,563	1,256	26,506,851
24	1,254	32,720,245	1,781	41,695,100
25	1,402	38,551,803	2,097	53,218,697
26	1,562	45,339,638	2,156	58,030,498
27	1,563	46,927,962	2,120	59,324,105
28	1,463	45,479,562	2,082	60,079,343
29	1,508	48,981,959	2,147	62,388,227
30	1,556	51,579,571	2,115	61,671,781
31	1,569	52,155,145	2,062	62,347,240
32	1,646	57,875,049	2,287	68,235,397
33	1,898	67,056,853	2,657	80,606,645
34	2,133	78,045,008	3,104	95,216,360
35	2,098	79,396,821	3,113	95,049,321
36	2,186	83,736,211	3,128	95,953,033
37	2,369	94,154,773	3,435	106,785,528
38	2,640	106,042,859	3,831	116,825,862
39	2,778	113,767,897	4,212	128,481,223
40	3,009	124,245,351	4,601	138,891,072
41	3,177	131,786,579	4,908	147,541,389
42	3,361	140,957,686	5,160	154,373,544
43	3,449	148,371,853	5,688	171,910,257
44	3,532	154,999,983	5,852	176,341,016
45	3,575	156,245,868	6,033	184,295,164
46	3,612	161,769,691	6,353	195,298,541
47	3,801	172,766,139	6,440	201,594,926
48	3,920	177,503,199	6,393	205,079,174
49	3,846	176,827,118	6,464	210,717,516
50	3,794	180,571,651	6,057	205,135,910
51	3,603	170,329,396	6,113	208,269,699
52	3,709	179,386,270	6,020	207,095,350
53	3,414	163,659,666	5,710	196,862,477
54	3,462	167,121,184	5,469	192,296,716
55	3,334	165,903,733	5,412	189,303,733
56	3,388	163,214,945	5,250	182,718,642
57	3,286	156,618,997	5,634	194,531,714
58	2,939	136,662,133	4,789	164,900,862
59	2,364	105,139,905	3,890	133,441,303
60	2,259	99,427,299	3,728	128,052,881
61	2,243	98,860,338	3,585	122,543,519

TABLE 3

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

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
62	2,098	\$ 88,915,187	3,364	\$ 114,491,771
63	1,549	63,326,397	2,448	80,253,247
64	1,268	50,691,011	2,016	61,304,689
65	1,267	48,194,640	1,675	52,716,387
66	1,071	39,117,308	1,359	42,148,617
67	856	30,262,549	1,153	32,680,008
68	732	25,946,312	1,022	28,232,278
69	689	22,930,594	936	24,946,117
70	584	18,102,210	750	19,228,695
71	507	16,015,178	635	15,894,477
72	421	12,401,514	534	12,144,618
73	377	10,545,560	504	11,816,079
74	362	9,311,491	377	7,881,229
75	309	7,663,863	358	7,681,897
76	251	5,859,058	331	6,627,271
77	247	6,467,825	226	4,199,208
78	223	4,979,095	224	4,041,310
79	148	2,656,594	164	2,624,214
80	126	2,314,119	138	2,240,722
81	128	1,904,170	136	1,865,089
82	74	1,080,556	99	1,350,179
83	84	1,625,079	78	1,202,265
84	68	956,652	60	848,612
85	51	947,606	38	494,983
86	38	556,870	38	576,006
87	35	540,698	16	272,770
88	27	572,611	18	161,408
89	12	77,972	14	90,181
90	12	104,963	17	174,958
91	14	184,308	7	40,995
92	9	170,610	3	11,923
93	7	77,816	7	37,617
94	7	46,810	3	15,380
95	6	29,514	2	17,511
96	4	36,908		
97	2	7,756		
98	1	7,260	1	2,192
99	1	3,000		
100	3	7,644	1	10,824
102	1	2,904	1	11,388
103	1	20,276	1	7,500
104	1	980		
Total	119,075	\$4,906,486,607	183,887	\$ 5,753,270,781

Of the 302,962 active members included in the June 30, 2004 valuation data, 136,468 are vested and 166,494 have not yet completed the vesting requirement.

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

STATE ONLY

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
17	2	\$ 23,853	1	\$ 23,021
18	2	29,916	1	24,572
19	20	406,398	25	452,545
20	65	1,422,205	85	1,758,098
21	115	2,538,408	210	4,690,362
22	158	3,669,347	272	6,414,635
23	259	6,758,780	439	11,283,786
24	389	11,393,666	670	19,154,227
25	414	13,098,236	857	26,687,594
26	547	17,756,070	979	32,032,126
27	521	17,434,699	917	30,875,809
28	528	18,328,450	889	30,225,941
29	503	17,673,530	890	31,252,648
30	498	18,020,682	902	31,265,455
31	493	18,269,857	872	31,380,141
32	530	20,144,184	901	33,243,027
33	565	21,206,865	989	36,854,930
34	600	23,317,764	1,269	47,966,854
35	602	25,184,813	1,154	44,794,335
36	647	27,491,894	1,179	45,997,572
37	682	29,211,847	1,289	51,818,668
38	778	34,173,252	1,365	55,844,479
39	786	35,111,753	1,417	58,207,133
40	889	41,482,942	1,441	61,571,319
41	949	43,427,516	1,576	67,829,486
42	954	44,922,692	1,640	69,308,116
43	996	48,346,644	1,680	75,401,571
44	1,052	51,604,802	1,678	75,128,448
45	1,038	52,877,074	1,777	78,693,789
46	1,131	57,815,002	1,826	82,711,860
47	1,189	61,030,000	1,840	84,807,121
48	1,251	65,048,289	1,786	82,716,007
49	1,241	65,856,389	1,846	87,296,282
50	1,210	65,758,090	1,795	84,884,002
51	1,180	63,568,223	1,791	84,794,676
52	1,268	71,292,061	1,742	82,799,745
53	1,140	64,480,210	1,628	76,845,900
54	1,161	65,747,581	1,660	79,032,730
55	1,126	64,687,357	1,543	72,231,129
56	1,132	63,631,131	1,497	68,455,035
57	1,070	60,650,168	1,520	69,446,517
58	899	49,516,287	1,263	56,867,921
59	654	35,965,693	1,040	46,587,426
60	655	34,126,387	953	43,245,688
61	587	32,087,904	960	42,548,320
62	556	28,488,719	837	36,713,624
63	339	16,627,726	574	24,212,091
64	254	12,712,932	368	16,121,242

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

STATE ONLY (CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
65	286	\$ 13,712,200	326	\$ 13,759,555
66	202	9,435,843	223	9,708,538
67	180	7,849,967	197	7,817,162
68	127	5,531,825	174	6,807,776
69	142	5,467,476	169	6,458,131
70	120	4,605,627	96	3,245,444
71	100	4,344,842	93	3,230,267
72	67	2,380,929	66	2,487,630
73	77	3,105,293	74	2,680,547
74	64	2,179,004	47	1,185,212
75	69	2,349,689	49	1,642,948
76	49	1,637,283	40	1,430,657
77	41	1,876,801	28	871,857
78	40	1,232,043	29	948,488
79	29	545,204	18	516,982
80	27	600,346	16	478,168
81	27	645,169	21	451,061
82	13	298,815	13	330,551
83	15	503,656	8	218,517
84	12	185,194	9	232,773
85	12	313,046	3	105,054
86	8	107,587	4	90,306
87	6	93,453	1	18,139
88	10	369,802	3	31,619
89	2	19,776	1	7,241
90	2	34,929	5	52,884
91	2	32,500		
92	3	80,500		
93	2	15,000	1	13,273
94	1	18,000	1	7,500
95	2	15,330	1	14,991
96	2	30,700		
98			1	2,192
103			1	7,500
Total	35,364	\$ 1,694,036,117	55,551	\$ 2,347,350,966

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

LOCAL ONLY

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
16	5	\$ 12,380	9	\$ 27,641
17	17	58,959	49	201,054
18	51	246,758	94	400,133
19	111	1,271,575	167	1,344,450
20	253	4,333,748	229	2,501,156
21	406	8,538,463	335	4,698,627
22	511	11,318,226	524	8,779,256
23	727	17,013,783	817	15,223,065
24	865	21,326,579	1,111	22,540,873
25	988	25,453,567	1,240	26,531,103
26	1,015	27,583,568	1,177	25,998,372
27	1,042	29,493,263	1,203	28,448,296
28	935	27,151,112	1,193	29,853,402
29	1,005	31,308,429	1,257	31,135,579
30	1,058	33,558,889	1,213	30,406,326
31	1,076	33,885,288	1,190	30,967,099
32	1,116	37,730,865	1,386	34,992,370
33	1,333	45,849,988	1,668	43,751,715
34	1,533	54,727,244	1,835	47,249,506
35	1,496	54,212,008	1,959	50,254,986
36	1,539	56,244,317	1,949	49,955,461
37	1,687	64,942,926	2,146	54,966,860
38	1,862	71,869,607	2,466	60,981,383
39	1,992	78,656,144	2,795	70,274,090
40	2,120	82,762,409	3,160	77,319,753
41	2,228	88,359,063	3,332	79,711,903
42	2,407	96,034,994	3,520	85,065,428
43	2,453	100,025,209	4,008	96,508,686
44	2,480	103,395,181	4,174	101,212,568
45	2,537	103,368,794	4,256	105,601,375
46	2,481	103,954,689	4,527	112,586,681
47	2,612	111,736,139	4,600	116,787,805
48	2,669	112,454,910	4,607	122,363,167
49	2,605	110,970,729	4,618	123,421,234
50	2,584	114,813,561	4,262	120,251,908
51	2,423	106,761,173	4,322	123,475,023
52	2,441	108,094,209	4,278	124,295,605
53	2,274	99,179,456	4,082	120,016,577
54	2,301	101,373,603	3,809	113,263,986
55	2,208	101,216,376	3,869	117,072,604
56	2,256	99,583,814	3,753	114,263,607
57	2,216	95,968,829	4,114	125,085,197
58	2,040	87,145,846	3,526	108,032,941
59	1,710	69,174,212	2,850	86,853,877
60	1,604	65,300,912	2,775	84,807,193
61	1,656	66,772,434	2,625	79,995,199

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

LOCAL ONLY (CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
62	1,542	\$ 60,426,468	2,527	\$ 77,778,147
63	1,210	46,698,671	1,874	56,041,156
64	1,014	37,978,079	1,648	45,183,447
65	981	34,482,440	1,349	38,956,832
66	869	29,681,465	1,136	32,440,079
67	676	22,412,582	956	24,862,846
68	605	20,414,487	848	21,424,502
69	547	17,463,118	767	18,487,986
70	464	13,496,583	654	15,983,251
71	407	11,670,336	542	12,664,210
72	354	10,020,585	468	9,656,988
73	300	7,440,267	430	9,135,532
74	298	7,132,487	330	6,696,017
75	240	5,314,174	309	6,038,949
76	202	4,221,775	291	5,196,614
77	206	4,591,024	198	3,327,351
78	183	3,747,052	195	3,092,822
79	119	2,111,390	146	2,107,232
80	99	1,713,773	122	1,762,554
81	101	1,259,001	115	1,414,028
82	61	781,741	86	1,019,628
83	69	1,121,423	70	983,748
84	56	771,458	51	615,839
85	39	634,560	35	389,929
86	30	449,283	34	485,700
87	29	447,245	15	254,631
88	17	202,809	15	129,789
89	10	58,196	13	82,940
90	10	70,034	12	122,074
91	12	151,808	7	40,995
92	6	90,110	3	11,923
93	5	62,816	6	24,344
94	6	28,810	2	7,880
95	4	14,184	1	2,520
96	2	6,208		
97	2	7,756		
98	1	7,260		
99	1	3,000		
100	3	7,644	1	10,824
102	1	2,904	1	11,388
103	1	20,276		
104	1	980		
Total	83,711	\$3,212,450,490	128,336	\$ 3,405,919,815

TABLE 4

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

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	3,179	\$ 78,743,731	4,665	\$ 92,989,466
1	11,894	306,322,773	21,156	421,260,004
2	9,327	259,450,730	16,088	341,157,414
3	8,289	250,070,588	14,756	343,524,359
4	7,035	228,523,378	12,228	303,369,398
5	5,607	189,229,309	9,639	249,402,465
6	4,664	165,667,459	7,594	205,769,562
7	3,964	145,352,766	6,161	172,800,649
8	3,326	120,464,195	4,793	133,371,706
9	3,278	127,459,813	4,790	144,979,008
10	3,669	145,993,123	5,395	167,839,461
11	3,831	158,168,587	5,541	177,972,518
12	3,631	152,909,704	5,180	176,177,198
13	3,392	148,243,816	4,798	165,450,093
14	3,795	172,905,970	5,785	208,586,505
15	3,886	183,295,437	6,026	226,757,542
16	3,844	186,278,891	6,067	243,331,209
17	3,657	188,299,628	5,593	225,995,304
18	3,452	180,316,625	5,210	218,072,999
19	3,300	174,858,006	4,622	198,286,948
20	2,401	132,568,103	3,608	161,235,214
21	2,034	113,926,664	2,916	131,828,826
22	1,987	111,353,758	2,731	123,761,936
23	2,099	121,900,468	2,893	132,727,031
24	1,870	110,723,359	2,769	130,940,479
25	1,763	104,309,699	2,497	118,293,595
26	1,474	89,756,422	2,009	99,001,645
27	1,406	88,829,015	1,568	78,828,126
28	1,099	71,476,743	1,313	68,342,597
29	1,014	67,314,230	1,068	55,967,499
30	1,120	74,027,812	1,024	53,157,679
31	870	57,455,176	816	42,577,598
32	740	50,830,391	629	32,833,217
33	627	43,533,513	574	30,346,285
34	498	34,599,533	415	22,523,352
35	330	21,850,821	304	17,054,651
36	210	14,207,400	220	12,309,868
37	143	9,596,792	160	8,603,747
38	106	6,935,465	81	4,431,920
39	67	4,717,109	58	3,297,642
40	42	3,029,695	34	1,752,026
41	46	3,137,800	29	1,697,299
42	29	1,826,160	24	1,308,679
43	23	1,729,808	21	1,060,789
44	15	1,119,611	13	738,144
45	9	851,114	1	54,124
46	8	514,417	7	446,882

TABLE 4

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

(CONTINUED)

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
47	7	\$ 595,783	1	\$ 52,500
48	5	270,555	5	246,007
49	5	339,640	2	125,224
50	1	99,500	2	93,915
51	2	138,546	2	102,064
52			1	75,504
53	1	140,568	1	45,916
54	1	98,764	2	146,817
57	3	127,644	1	107,796
58			1	60,380
TOTAL	119,075	\$4,906,486,607	183,887	\$ 5,753,270,781

Of the 302,962 active members included in the June 30, 2004 valuation data, 136,468 are vested and 166,494 have not yet completed the vesting requirement.

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

STATE ONLY

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	1,137	\$ 33,136,923	1,628	\$ 43,051,754
1	3,478	110,227,566	6,048	176,810,193
2	2,455	80,997,833	3,912	124,185,343
3	2,337	84,468,026	3,815	129,502,884
4	2,124	80,286,917	3,241	114,629,182
5	1,489	58,201,061	2,498	90,505,036
6	1,187	49,228,851	1,928	74,824,798
7	935	39,217,979	1,435	57,107,701
8	693	27,669,199	995	39,106,957
9	686	29,862,989	1,049	43,619,301
10	796	35,852,069	1,347	55,914,150
11	1,067	48,833,752	1,472	62,548,141
12	889	41,580,309	1,426	62,489,436
13	803	40,737,453	1,314	58,023,355
14	937	48,292,249	1,865	84,157,794
15	1,128	59,849,911	1,917	89,627,199
16	1,227	66,685,747	2,280	110,582,078
17	1,187	68,485,087	2,121	103,544,108
18	1,299	74,900,026	1,965	99,953,944
19	1,166	68,357,840	1,760	91,363,390
20	852	52,395,108	1,362	71,812,942
21	750	45,383,907	1,119	59,457,774
22	695	42,334,579	1,078	57,242,230
23	725	44,844,410	1,216	64,045,868
24	706	44,402,629	1,130	61,629,022
25	664	42,689,052	1,062	58,334,514
26	590	38,397,263	884	50,050,570
27	590	40,052,677	655	37,732,495
28	469	31,765,906	577	33,627,119
29	393	28,398,122	434	25,523,974
30	400	27,738,307	471	27,218,121
31	327	23,087,954	318	18,815,046
32	332	24,538,542	287	16,586,177
33	240	17,687,351	277	16,013,900
34	194	14,018,075	213	12,223,731
35	152	10,660,674	143	8,112,914
36	86	5,992,983	112	6,386,216
37	51	3,618,163	74	4,165,637
38	45	3,352,775	42	2,459,710
39	24	1,839,807	23	1,311,785
40	18	1,282,002	13	620,814
41	19	1,178,886	17	971,659
42	6	439,542	13	752,069
43	6	372,568	7	375,932
44	4	248,739	4	180,260
45	1	87,472		

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

STATE ONLY (CONTINUED)

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
46	2	\$ 190,345	1	\$ 38,760
47	1	46,923		
48	1	44,911	1	35,423
50			1	44,911
51	1	74,658		
54			1	34,649
TOTAL	35,364	\$ 1,694,036,117	55,551	\$ 2,347,350,966

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

LOCAL ONLY

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	2,042	\$ 45,606,808	3,037	\$ 49,937,712
1	8,416	196,095,207	15,108	244,449,811
2	6,872	178,452,897	12,176	216,972,071
3	5,952	165,602,562	10,941	214,021,475
4	4,911	148,236,461	8,987	188,740,216
5	4,118	131,028,248	7,141	158,897,429
6	3,477	116,438,608	5,666	130,944,764
7	3,029	106,134,787	4,726	115,692,948
8	2,633	92,794,996	3,798	94,264,749
9	2,592	97,596,824	3,741	101,359,707
10	2,873	110,141,054	4,048	111,925,311
11	2,764	109,334,835	4,069	115,424,377
12	2,742	111,329,395	3,754	113,687,762
13	2,589	107,506,363	3,484	107,426,738
14	2,858	124,613,721	3,920	124,428,711
15	2,758	123,445,526	4,109	137,130,343
16	2,617	119,593,144	3,787	132,749,131
17	2,470	119,814,541	3,472	122,451,196
18	2,153	105,416,599	3,245	118,119,055
19	2,134	106,500,166	2,862	106,923,558
20	1,549	80,172,995	2,246	89,422,272
21	1,284	68,542,757	1,797	72,371,052
22	1,292	69,019,179	1,653	66,519,706
23	1,374	77,056,058	1,677	68,681,163
24	1,164	66,320,730	1,639	69,311,457
25	1,099	61,620,647	1,435	59,959,081
26	884	51,359,159	1,125	48,951,075
27	816	48,776,338	913	41,095,631
28	630	39,710,837	736	34,715,478
29	621	38,916,108	634	30,443,525
30	720	46,289,505	553	25,939,558
31	543	34,367,222	498	23,762,552
32	408	26,291,849	342	16,247,040
33	387	25,846,162	297	14,332,385
34	304	20,581,458	202	10,299,621
35	178	11,190,147	161	8,941,737
36	124	8,214,417	108	5,923,652
37	92	5,978,629	86	4,438,110
38	61	3,582,690	39	1,972,210
39	43	2,877,302	35	1,985,857
40	24	1,747,693	21	1,131,212
41	27	1,958,914	12	725,640
42	23	1,386,618	11	556,610
43	17	1,357,240	14	684,857
44	11	870,872	9	557,884
45	8	763,642	1	54,124

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

LOCAL ONLY (CONTINUED)

SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
46	6	\$ 324,072	6	\$ 408,122
47	6	548,860	1	52,500
48	4	225,644	4	210,584
49	5	339,640	2	125,224
50	1	99,500	1	49,004
51	1	63,888	2	102,064
52			1	75,504
53	1	140,568	1	45,916
54	1	98,764	1	112,168
57	3	127,644	1	107,796
58			1	60,380
TOTAL	83,711	\$3,212,450,490	128,336	\$ 3,405,919,815

TABLE 5

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

**SERVICE RETIREMENTS AND EARLY
RETIREMENT BENEFITS**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
43	1	\$ 54,207	2	\$ 21,232
44	1	22,011	3	33,468
45	1	13,455	5	62,480
46	7	106,172	11	156,428
47	15	207,361	14	238,210
48	19	280,180	30	455,012
49	26	482,981	50	983,131
50	27	509,464	51	1,015,671
51	67	1,664,141	72	1,374,245
52	98	2,493,571	112	2,638,433
53	147	4,092,254	195	4,552,818
54	196	5,351,844	235	5,664,621
55	270	7,849,243	265	7,151,414
56	423	14,043,098	377	10,136,881
57	547	18,271,144	493	13,771,255
58	585	20,170,055	440	12,042,991
59	468	15,398,342	448	11,689,621
60	525	15,572,964	636	13,531,209
61	759	20,243,278	1,197	19,424,320
62	939	23,224,654	1,437	22,563,072
63	977	22,823,800	1,626	23,975,097
64	1,116	23,119,547	1,702	24,082,554
65	1,121	22,688,578	1,846	25,468,116
66	1,357	25,052,751	2,030	27,138,623
67	1,339	24,832,704	2,225	28,512,091
68	1,436	25,583,767	2,267	27,763,691
69	1,460	25,481,505	2,255	26,112,697
70	1,561	25,881,564	2,402	27,182,827
71	1,582	25,247,673	2,372	26,328,876
72	1,734	27,884,505	2,489	26,176,584
73	1,604	25,195,511	2,510	25,860,173
74	1,688	25,049,314	2,462	23,547,388
75	1,660	23,500,901	2,456	23,710,566
76	1,669	23,401,495	2,373	22,146,271
77	1,622	21,048,592	2,309	20,271,749
78	1,554	20,856,485	2,208	18,905,561
79	1,399	18,171,532	2,101	17,222,433
80	1,346	17,003,839	2,121	16,895,444
81	1,281	15,622,145	1,944	14,942,639
82	1,081	12,317,963	1,631	12,493,357
83	1,031	11,224,171	1,588	11,239,331
84	900	9,580,788	1,433	9,944,835

TABLE 5

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

**SERVICE RETIREMENTS AND EARLY
RETIREMENT BENEFITS
(continued)**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
85	756	\$ 7,344,682	1,137	\$ 7,459,878
86	691	6,910,939	1,003	6,512,632
87	552	4,723,012	835	5,394,711
88	429	3,677,962	675	4,176,293
89	359	3,109,108	634	3,797,488
90	264	2,179,936	459	2,652,232
91	218	1,812,937	374	2,233,253
92	175	1,668,718	288	1,799,817
93	128	1,098,195	205	1,245,109
94	82	616,905	162	939,407
95	57	623,488	102	681,835
96	44	435,894	77	525,478
97	31	284,852	56	352,155
98	14	110,847	35	220,092
99	7	32,293	22	144,894
100	2	37,904	17	62,733
101	1	7,354	9	53,058
102	2	7,237	4	10,028
103	2	9,514	2	22,989
104			2	14,611
105	1	7,997		
109	1	2,275		
TOTAL	39,455	\$ 656,321,595	58,521	\$ 645,726,112
<u>SUMMARY</u>				
NO OPTION	12,958	\$ 179,041,730	36,001	\$ 378,745,625
OPTION 1	7,299	106,031,876	13,648	141,924,948
OPTION 2	10,015	150,845,520	2,691	23,230,280
OPTION 3	4,866	105,720,535	3,154	43,469,516
OPTION 4	284	8,570,165	148	2,357,266
OPTION 5	3	99,323	1	50,622
OPTION A	2,015	43,082,908	784	11,717,075
OPTION B	638	18,150,608	332	6,485,035
OPTION C	973	32,244,496	1,078	23,114,868
OPTION D	404	12,534,434	684	14,630,877

TABLE 6

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

ORDINARY DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
32	1	\$ 17,378		
33	3	43,814	1	\$ 14,881
34	4	62,610	3	35,515
35	3	47,476	9	138,995
36	3	41,459	3	28,187
37	7	103,453	10	128,164
38	14	211,560	13	188,742
39	13	205,722	11	185,051
40	17	253,859	21	282,849
41	29	451,239	20	283,866
42	30	446,739	28	388,060
43	42	634,086	30	455,331
44	41	620,237	35	519,418
45	41	603,509	51	753,995
46	54	826,484	51	795,016
47	57	900,953	57	862,370
48	71	1,063,654	87	1,329,888
49	62	951,684	106	1,634,251
50	67	1,139,886	111	1,629,818
51	65	957,682	91	1,393,788
52	98	1,577,992	114	1,694,697
53	96	1,544,025	109	1,660,813
54	78	1,328,288	126	1,838,630
55	125	1,986,982	145	1,959,920
56	124	1,922,785	171	2,523,205
57	133	2,072,037	170	2,424,000
58	142	2,297,936	161	2,324,727
59	122	1,821,345	165	2,186,583
60	122	1,985,937	179	2,405,018
61	140	2,082,295	221	3,008,271
62	137	2,029,163	229	3,125,331
63	138	2,052,624	211	2,867,112
64	113	1,609,288	217	2,814,787
65	141	2,016,309	197	2,623,919
66	157	2,166,449	207	2,930,015
67	120	1,692,484	170	2,285,077
68	102	1,434,233	187	2,328,811
69	119	1,665,707	170	2,091,388
70	97	1,207,996	118	1,410,572
71	88	1,210,419	106	1,216,613
72	88	1,131,105	111	1,284,054
73	76	932,867	84	882,323

TABLE 6

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

**ORDINARY DISABILITY RETIREMENTS
(continued)**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
74	69	\$ 829,335	83	\$ 827,302
75	57	579,696	68	693,741
76	36	347,079	40	400,853
77	43	414,471	50	503,622
78	29	291,608	54	515,991
79	36	284,201	34	299,921
80	25	256,969	32	226,157
81	25	238,473	20	170,208
82	27	294,705	21	140,226
83	16	126,358	22	145,572
84	15	127,430	19	166,238
85	8	68,734	15	140,362
86	6	43,614	11	87,524
87	7	68,939	5	45,435
88	1	8,454	3	15,315
89	1	12,182	4	32,081
90	1	8,923	1	5,302
94			1	8,405
95			1	9,558
98	1	4,829		
TOTAL	3,583	\$ 51,357,752	4,790	\$ 63,367,869
<u>SUMMARY</u>				
NO OPTION	1,689	\$ 26,436,511	3,356	\$ 46,298,949
OPTION 1	449	6,087,751	772	9,136,485
OPTION 2	654	7,568,505	182	1,935,719
OPTION 3	332	4,527,986	189	2,249,023
OPTION 4	11	175,722	13	166,849
OPTION 5	0	0	0	0
OPTION A	190	2,465,024	77	813,440
OPTION B	94	1,335,986	35	414,113
OPTION C	90	1,416,946	71	994,336
OPTION D	74	1,343,321	95	1,358,955

TABLE 7

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

ACCIDENTAL DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
26	1	\$ 12,309		
28	1	19,594		
30			1	\$ 19,972
33	1	1,198		
35	1	17,139		
36	1	23,534	1	21,337
37	1	23,301	1	20,172
38	3	66,598		
39	4	95,790		
40	6	140,938	2	56,880
41	3	48,480	3	102,543
42	4	94,139	1	34,711
43	4	78,546		
44	2	46,158	3	74,573
45	6	120,591	3	64,095
46	8	169,012	3	62,730
47	4	110,611	3	72,151
48	5	115,271	6	143,128
49	5	78,864	12	256,533
50	12	337,748	5	125,445
51	10	206,702	12	226,982
52	8	205,258	7	179,933
53	8	147,643	5	131,860
54	14	304,496	6	80,700
55	7	211,876	5	113,628
56	18	391,537	11	259,264
57	16	349,576	14	323,620
58	9	196,646	11	236,636
59	15	323,897	6	130,406
60	14	349,353	10	196,428
61	20	416,273	8	197,224
62	21	465,628	6	82,215
63	16	349,479	11	316,673
64	12	219,898	7	120,712
65	9	166,141	9	155,074
66	8	178,841	9	182,720
67	14	291,097	8	129,225
68	11	194,163	6	63,106
69	13	217,782	8	148,292
70	9	168,198	3	43,770
71	13	194,563	10	164,277
72	16	305,284	8	97,124
73	10	219,137	7	109,916

TABLE 7
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2004

ACCIDENTAL DISABILITY RETIREMENTS
(continued)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
74	11	\$ 146,590	10	\$ 124,446
75	8	164,090	6	82,963
76	9	160,917	2	14,792
77	11	161,150	6	61,302
78	7	113,016	8	91,623
79	8	155,745	5	70,157
80	9	138,764	5	54,495
81	9	153,136	3	42,241
82	4	74,536	4	61,011
83	5	71,457	6	64,375
84	6	108,554	1	12,663
85	6	72,670	3	32,546
86	6	97,064	2	31,800
87	3	48,825	1	13,245
88	5	86,370	3	44,531
89	2	31,657	2	28,903
90	3	44,814	1	5,469
91	3	45,513		
92	3	39,261		
93			1	7,403
TOTAL	481	\$ 9,587,417	300	\$ 5,588,019
<u>SUMMARY</u>				
NO OPTION	296	\$ 6,154,284	227	\$ 4,343,921
OPTION 1	49	860,793	36	543,396
OPTION 2	49	785,936	11	139,522
OPTION 3	59	1,186,393	12	246,864
OPTION 4	1	23,657	0	0
OPTION 5	0	0	0	0
OPTION A	12	245,762	2	33,250
OPTION B	3	72,313	1	19,396
OPTION C	8	174,855	7	183,966
OPTION D	4	83,424	4	77,704

TABLE 8

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

**ORDINARY DEATH BENEFITS TO BENEFICIARIES
WHO ELECTED TO RECEIVE A LIFE ANNUITY
IN LIEU OF A LUMP SUM**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
46			1	\$ 17,269
67	1	\$ 122		
69			1	3,010
71			1	5,223
77			2	417
78			1	287
82			1	185
83			1	227
85			3	1,682
86			2	361
87			3	550
89			4	940
93			1	130
94			1	152
95			1	372
98			1	166
TOTAL	1	\$ 122	24	\$ 30,970

TABLE 9
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2004

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
19	2	\$ 8,930		
22			1	\$ 6,173
36			1	24,084
38			1	15,018
41			2	37,131
42			1	20,492
43			1	17,499
44			1	21,961
45			2	37,122
46			1	19,469
47			3	65,141
49			3	70,708
50			1	12,802
53			3	54,088
56			1	8,460
57			4	61,604
58			3	35,952
59			2	28,856
60			3	39,645
61			2	32,019
62			2	37,721
63			1	8,994
64			1	45,340
65	2	23,661	2	39,170
66			1	9,686
67			3	38,725
68			1	21,865
69			3	53,424
70			2	53,010
72			3	54,006
73			2	54,678
74			2	20,618
76			3	42,780
77			3	25,604
78			3	68,922
79			2	11,288
80			2	21,300
81			1	8,835
82			3	32,778
83			5	51,192
84			1	17,838
86			1	7,878
87			3	24,026
88			2	17,630

TABLE 9

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

**ACCIDENTAL DEATH BENEFITS
(continued)**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
89			2	\$ 17,805
90			2	39,895
91			1	7,621
92			1	12,380
94			1	7,102
96			1	12,036
98			1	11,766
TOTAL	4	\$ 32,592	97	\$ 1,484,133

TABLE 10
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2004

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
15	1	\$ 1,269	1	\$ 13,995
16	1	4,148		
17			1	1,873
19	1	3,000	2	15,009
20	2	8,678		
21			1	10,346
22			1	7,855
23	1	10,356		
24	1	1,316		
25	1	1,664	3	24,129
27	1	6,474	3	22,345
28	1	7,613	2	29,403
29	3	4,893	3	23,273
30	1	5,879	1	11,962
31	2	17,219	6	40,560
32	2	7,446	2	8,928
33	1	1,816	2	21,520
34	2	21,801	3	28,022
35	3	23,084		
36	1	2,646	3	18,527
37	5	34,616	2	19,889
38	5	17,873	6	32,336
39	1	3,426	6	37,209
40	2	29,939	4	43,429
41	3	23,210	15	116,790
42	5	30,118	7	56,566
43	6	34,210	9	78,283
44	9	31,817	17	107,013
45	4	18,719	23	194,416
46	9	58,919	28	257,080
47	7	36,696	23	182,526
48	10	84,613	35	302,627
49	13	108,095	33	314,587
50	10	73,468	31	299,174
51	12	91,479	25	240,527
52	14	61,459	27	269,311
53	12	106,812	42	465,357
54	15	114,784	44	389,533
55	15	87,480	41	477,343
56	12	68,746	59	610,121
57	14	112,043	70	858,642
58	15	114,635	64	736,806
59	14	110,936	76	751,288

TABLE 10
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2004

DEPENDENTS OF DECEASED BENEFICIARIES
(continued)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
60	16	\$ 101,130	55	\$ 722,938
61	14	183,327	66	806,597
62	23	147,756	89	1,100,045
63	25	210,343	110	1,262,984
64	16	170,557	131	1,669,182
65	13	98,779	136	1,647,717
66	17	96,253	146	1,685,935
67	20	172,588	155	1,928,900
68	21	166,661	163	1,894,187
69	25	216,735	154	1,887,375
70	26	256,171	211	2,378,899
71	24	179,142	235	2,536,779
72	22	183,637	277	3,041,766
73	24	214,929	261	2,587,428
74	32	222,349	301	3,317,541
75	31	216,340	311	3,524,989
76	23	175,727	322	3,302,167
77	33	228,577	360	3,538,605
78	32	237,747	349	3,028,629
79	26	165,552	384	3,387,031
80	35	236,596	404	3,321,554
81	37	244,997	383	3,304,177
82	40	210,477	367	2,947,914
83	28	174,412	377	2,775,824
84	23	112,164	358	2,874,449
85	27	97,615	337	2,399,759
86	19	72,091	297	2,163,044
87	15	84,966	260	1,602,867
88	14	62,192	222	1,577,890
89	10	46,011	179	1,067,561
90	11	42,596	173	1,199,698
91	10	47,932	119	799,647
92	9	44,948	104	675,947
93	2	3,935	81	540,504
94	4	16,181	71	441,242
95	4	14,347	38	219,270
96	4	10,507	37	296,720
97			25	180,729
98			15	113,489
99			10	78,660
100			13	125,066
101			2	17,112

TABLE 10
THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2004
DEPENDENTS OF DECEASED BENEFICIARIES
(continued)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
102			2	\$ 6,404
103			1	14,856
105			1	3,403
106			1	3,807
TOTAL	992	\$ 6,749,665	8,814	\$ 81,119,886

In addition to the above there are 301 beneficiaries who elected to receive the lump sum benefit as annuities certain under Option 1 amounting to \$3,206,702 per annum.

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

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
33	1	\$ 5,904	1	\$ 4,296
34			1	2,028
35	1	7,608	2	12,372
36			2	14,616
37	3	24,228	10	55,152
38	2	19,584	1	10,992
39	6	57,936	10	69,696
40	4	30,288	9	68,640
41	4	37,488	8	83,724
42	6	61,524	4	38,508
43	7	59,040	14	156,696
44	11	133,068	13	126,672
45	6	73,680	15	161,964
46	9	81,096	33	304,332
47	18	215,316	20	167,388
48	19	245,844	24	264,672
49	26	321,444	30	254,184
50	20	208,596	39	342,204
51	32	339,204	59	491,532
52	15	153,684	59	489,924
53	26	291,696	63	519,432
54	28	262,176	65	498,480
55	33	382,524	89	635,172
56	37	330,564	128	1,002,156
57	52	609,024	152	1,174,068
58	54	502,608	154	1,115,220
59	54	559,344	167	1,377,888
60	41	392,724	127	935,652
61	5	33,264	1	6,468
64			1	1,368
65	2	8,808	1	1,884
69	1	3,420		
71	1	972		
73	1	552		
TOTAL	525	\$ 5,453,208	1,302	\$ 10,387,380

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

STATE ONLY

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
33	1	\$ 5,904		
35			1	\$ 5,448
37	2	16,092	2	11,136
38	1	11,532	1	10,992
39			4	31,056
40			5	45,900
41	2	14,712	3	42,312
42	2	19,368	2	24,180
43	3	26,892	5	71,340
44	2	29,304	6	64,560
45	3	45,000	5	59,316
46	2	31,404	12	135,204
47	6	74,400	4	47,028
48	5	83,856	10	124,812
49	7	97,224	10	100,248
50	5	64,212	12	108,324
51	13	107,820	21	223,356
52	7	76,164	19	214,428
53	14	149,772	20	213,828
54	8	90,780	21	190,332
55	10	129,372	25	244,920
56	13	149,700	32	318,132
57	19	241,512	30	272,868
58	19	180,096	25	237,468
59	21	232,968	39	389,208
60	11	117,132	31	299,340
61	2	13,308	1	6,468
71	1	972		
73	1	552		
TOTAL	180	\$ 2,010,048	346	\$ 3,492,204

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

LOCAL ONLY

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
33			1	\$ 4,296
34			1	2,028
35	1	\$ 7,608	1	6,924
36			2	14,616
37	1	8,136	8	44,016
38	1	8,052		
39	6	57,936	6	38,640
40	4	30,288	4	22,740
41	2	22,776	5	41,412
42	4	42,156	2	14,328
43	4	32,148	9	85,356
44	9	103,764	7	62,112
45	3	28,680	10	102,648
46	7	49,692	21	169,128
47	12	140,916	16	120,360
48	14	161,988	14	139,860
49	19	224,220	20	153,936
50	15	144,384	27	233,880
51	19	231,384	38	268,176
52	8	77,520	40	275,496
53	12	141,924	43	305,604
54	20	171,396	44	308,148
55	23	253,152	64	390,252
56	24	180,864	96	684,024
57	33	367,512	122	901,200
58	35	322,512	129	877,752
59	33	326,376	128	988,680
60	30	275,592	96	636,312
61	3	19,956		
64			1	1,368
65	2	8,808	1	1,884
69	1	3,420		
TOTAL	345	\$ 3,443,160	956	\$ 6,895,176

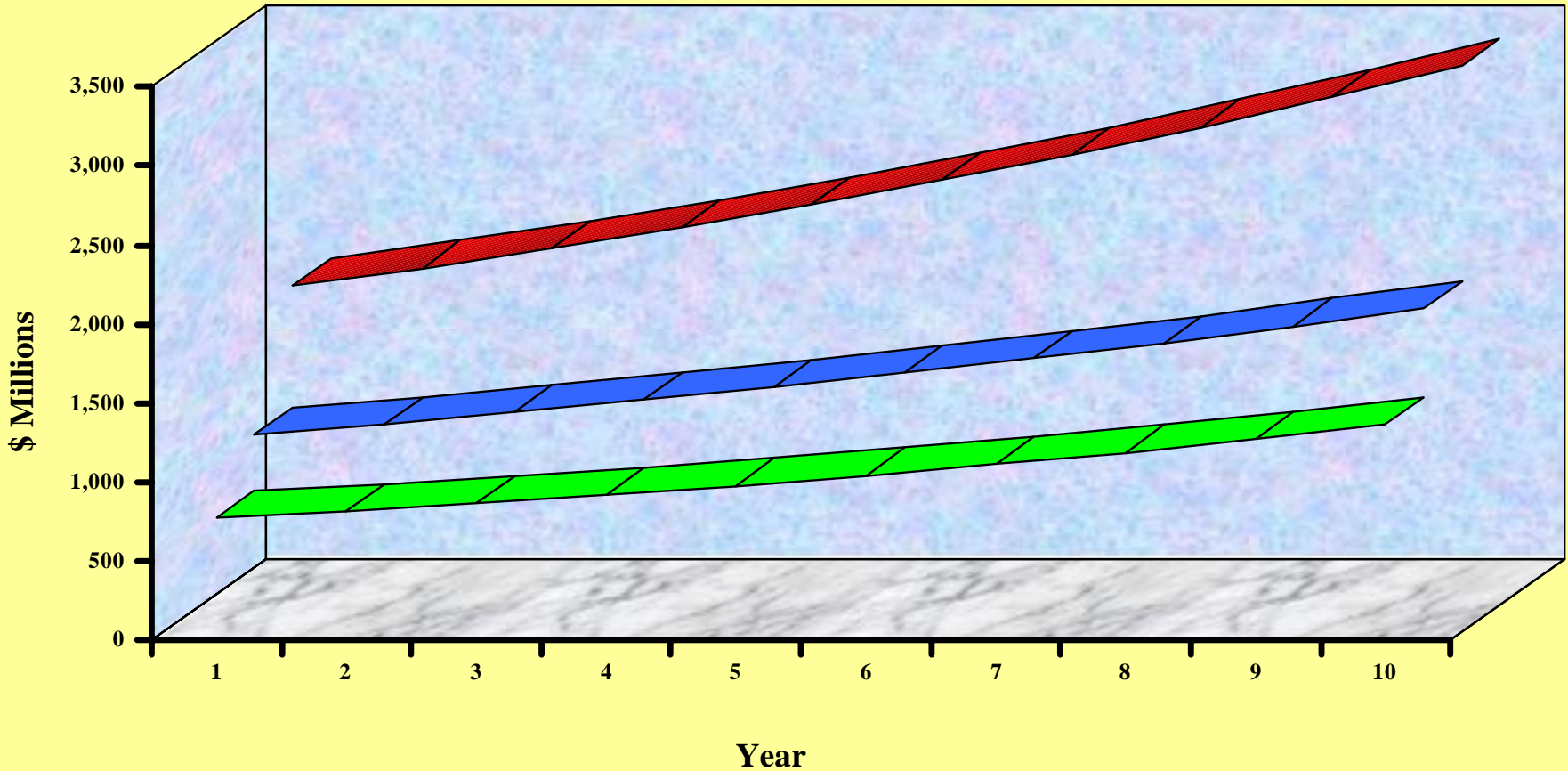
APPENDIX D

PROJECTED BENEFIT PAYOUT

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

PROJECTED BENEFIT PAYOUT WITH COLA

- State
- Local
- Total

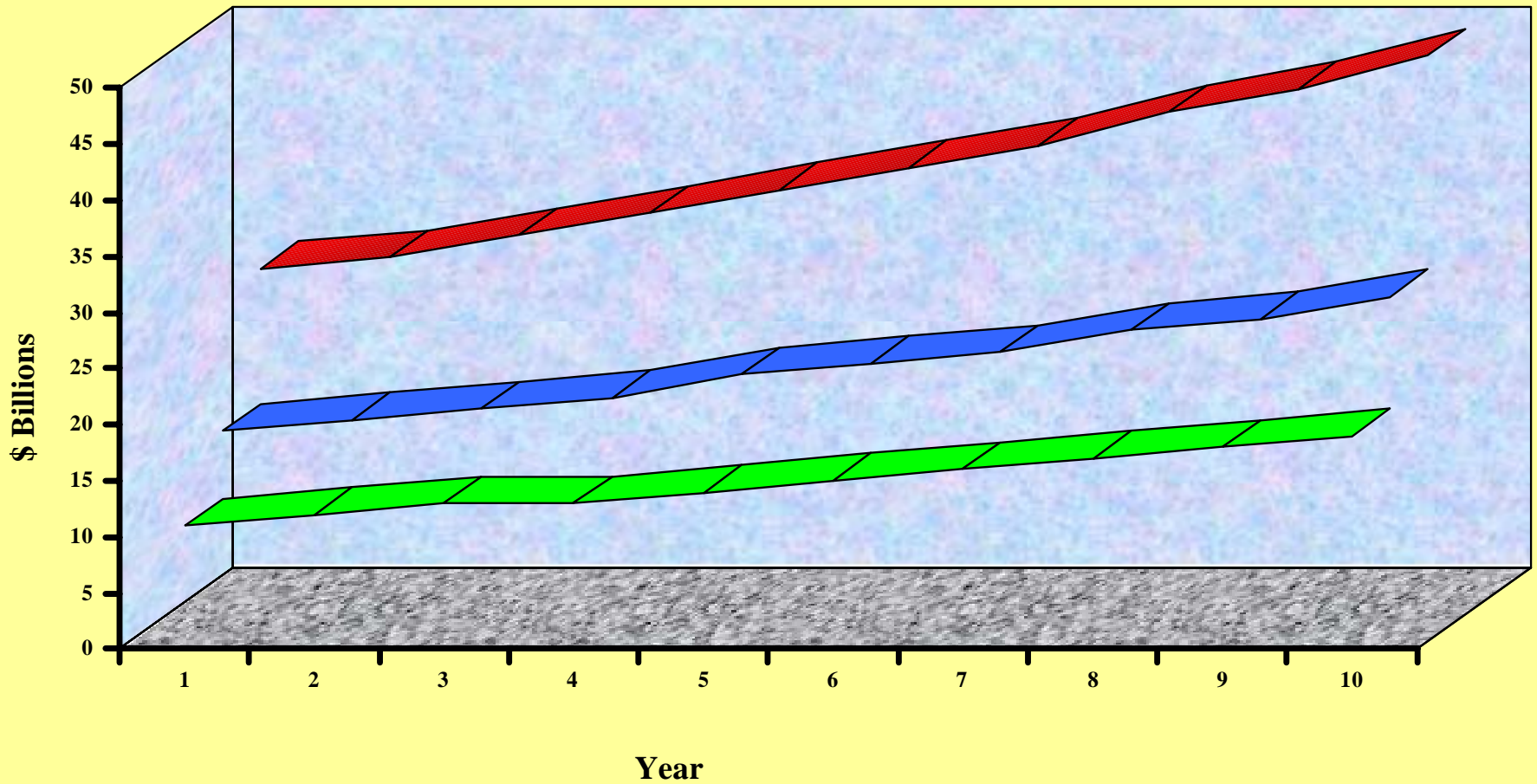


APPENDIX E
PROJECTED ASSETS

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

PROJECTED VALUATION ASSETS

- State
- Local
- Total



PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
		<u>Current Payment</u>	<u>Present Value as of 7/1/2004</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2004</u>
10022	OCEAN CO MOSQUITO COMM	9,192	104,378		
10030	ATLANTIC COUNTY	91,777	1,042,204		
10031	ATLANTIC COUNTY WELFARE BD	28,366	322,122		
10040	MIDDLESEX COUNTY			866,805	816,772
10041	MIDDLESEX CO BD OF SOCIAL SRV	14,067	159,740		
10063	MORRIS CO VOCATIONAL SCH DIST	6,992	79,394		
10070	BURLINGTON COUNTY/PAYROLL DEPT	230,436	2,616,781		
10071	BURLINGTON CO BD OF SOCIAL SERV	21,496	244,103	27,815	450,071
10110	WARREN CO BD OF CHOSEN FRHLDRS	74,330	844,078		
10111	WARREN CO WELFARE BOARD	2,485	28,223		
10121	CAPE MAY CO BD SOCIAL SERVICES			51,029	48,084
10130	CAMDEN CO BD OF CHOSEN FRHLDRS			750,547	707,224
10131	CAMDEN CO BD OF SOCIAL SRV			225,157	212,160
10150	SALEM COUNTY			159,078	149,895
10151	SALEM CO BD OF SOCIAL SERVICES			85,174	80,258
10160	GLOUCESTER COUNTY	42,591	483,659	99,836	94,073
10161	GLOUCESTER CO BD OF SOCIAL SERV			59,782	56,331
10171	MERCER CO BD OF SOCIAL SERVICE	23,687	268,981	60,101	972,489
10173	MERCER CO VOCATIONAL SCHOOLS			11,056	51,738
20100	LAVALLETTE BOROUGH			8,289	134,132
20114	LINDEN CTY FREE PUBLIC LIBRARY	22,932	260,415	8,237	133,287
20160	ASBURY PARK CITY	35,196	399,679		
20163	ASBURY PARK BD OF ED	15,039	170,777		
20203	PERTH AMBOY BD OF ED			40,117	187,743
20220	BELLEVILLE TOWNSHIP	98,263	1,115,849		
20240	DOVER TOWN	5,919	67,219	32,302	165,613
20264	MONTCLAIR LIBRARY			20,860	337,532
20284	WEST ORANGE LIBRARY			11,951	11,261
20320	PALMYRA BOROUGH	489	5,552	12,817	207,386
20373	VENTNOR CITY BD OF ED	4,045	45,936		
20393	KEARNY TOWN BD OF ED			54,071	50,950
20550	VILLAGE OF RIDGEFIELD PARK	26,335	299,055		
20570	SOUTH ORANGE VILLAGE	25,642	291,190		
20580	ENGLEWOOD CITY			261,556	246,458
20640	CHATHAM BOROUGH	64,228	174,528		
20690	ROSELLE PARK BOROUGH	3,680	41,786		
20720	WASHINGTON BOROUGH			5,359	86,718
20760	MAPLEWOOD TOWNSHIP			196,708	185,353
20820	OCEAN CITY			84,110	79,255
20860	COLLINGSWOOD BOROUGH	11,016	125,092		
20910	HADDONFIELD BOROUGH	5,497	62,421		

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
		<u>Current Payment</u>	<u>Present Value as of 7/1/2004</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2004</u>
20940	MANASQUAN BOROUGH			78,822	74,272
20990	POINT PLEASANT BOROUGH	14,348	162,938		
21040	SPRING LAKE BOROUGH	11,789	133,870		
21090	MILLBURN TOWNSHIP	45,778	519,840		
21180	OCEANPORT BOROUGH	3,456	39,247		
21200	RUMSON BOROUGH	3,276	37,199		
21210	FAIRFIELD TOWNSHIP			115,563	108,893
21260	ABSECON CITY	11,616	131,914		
21293	UNION CITY BD OF ED	37,150	131,990	54,704	51,547
21303	WEST NEW YORK BD OF ED			3,718	40,974
21330	CARTERET BOROUGH	17,012	193,184		
21480	EATONTOWN BOROUGH	9,924	112,692	12,993	210,244
21590	GLASSBORO BOROUGH	8,625	97,940		
21600	HO-HO-KUS BOROUGH	5,724	64,998		
21650	SECAUCUS TOWN	2,958	33,590		
21663	BEVERLY CITY BD OF ED			960	10,576
21710	RAMSEY BOROUGH	52,237	593,192		
21720	RED BANK BOROUGH	46,797	531,420		
21810	NEPTUNE CITY BOROUGH	1,379	15,664		
21930	SPARTA TOWNSHIP	10,763	122,223		
21940	TOTOWA BOROUGH			28,089	26,467
22030	VERONA TOWNSHIP	32,211	365,785	8,926	144,435
22050	CINNAMINSON TOWNSHIP	2,809	31,898		
22120	MENDHAM TOWNSHIP	9,917	112,613		
22290	BORDENTOWN CITY	7,631	86,651		
22350	MIDDLETOWN TOWNSHIP	39,609	449,792		
22400	CHATHAM TOWNSHIP	15,585	176,977		
22430	HARRINGTON PARK BOROUGH	16,651	189,085		
22540	BOUND BROOK BOROUGH	7,639	86,743	5,161	83,518
22650	RANDOLPH TOWNSHIP			110,647	104,260
22670	CHESTER TOWNSHIP	10,970	124,577		
22730	BLOOMINGDALE BOROUGH	17,483	198,537		
22760	LINCOLN PARK BOROUGH	11,716	133,050	4,542	4,280
22800	WASHINGTON TOWNSHIP	20,263	230,104		
22900	MILFORD BOROUGH	8,202	93,142		
22993	BERLIN BOROUGH BD OF ED			5,756	26,937
23020	GLOUCESTER TOWNSHIP	16,870	191,571		
23060	CAPE MAY CITY	6,369	72,321		
23073	PLEASANTVILLE BD OF ED	2,625	29,809	2,239	16,106
23080	SEA ISLE CITY	28,654	325,387	2,640	22,579
23120	HOLMDEL TOWNSHIP	8,206	93,182		

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
		<u>Current Payment</u>	<u>Present Value as of 7/1/2004</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2004</u>
23130	NORTH HALEDON BOROUGH	5,911	67,126		
23190	MIDDLE TOWNSHIP	7,562	85,871		
23200	BEDMINSTER TOWNSHIP	8,614	97,822		
23220	BERLIN TOWNSHIP	347	3,939		
23223	BERLIN TOWNSHIP BD OF ED	746	8,473	1,260	9,068
23230	LITTLE SILVER BOROUGH	2,526	28,685		
23240	WESTAMPTON TOWNSHIP	7,634	86,691		
23273	LITTLE FERRY BD OF ED			8,111	7,643
23290	PAULSBORO BOROUGH	8,553	97,121		
23370	TETERBORO BOROUGH	10,983	124,721	4,009	34,289
23490	PINE HILL BOROUGH	6,647	75,481		
23493	PINE HILL BOROUGH BD OF ED	643	7,297	1,085	7,804
23630	SOUTH AMBOY CITY	15,785	179,250		
23700	LAMBERTVILLE CITY			17,201	88,189
30010	NORTH JERSEY WATER SUPPLY COMM	30,264	343,669		
30030	PASSAIC VALLEY WATER COMM	68,758	780,798		
30130	TRENTON HOUSING AUTHORITY	45,565	517,420	56,889	920,527
30160	ATLANTIC CITY HOUSING AUTHORITY			30,685	496,518
30200	ORANGE CITY HOUSING AUTHORITY			9,281	8,746
30230	ASBURY PK HOUSING AUTHORITY			974	15,757
30240	BERGEN CO UTILITIES AUTHORITY	82,773	939,955	26,570	429,926
30250	NEW BRUNSWICK HOUSING AUTHORITY			1,848	29,906
30300	PASSAIC VALLEY SEWERAGE COMM	20,827	236,502	137,412	704,506
30320	EWING LAWRENCE SEWERAGE AUTH	11,634	132,111		
30360	IRVINGTON HOUSING AUTH	4,892	55,547		
30410	ELIZABETH CITY HOUSING AUTH	71,813	815,498		
30420	BURLINGTON COUNTY BRIDGE COMM	43,957	499,165	11,227	181,666
30510	PATERSON HOUSING AUTHORITY	18,984	215,576	2,796	45,241
30560	MIDDLESEX CO UTILITIES AUTH	61,663	700,228	89,908	1,454,800
30570	CAMDEN CITY HOUSING AUTHORITY			6,357	11,744
30630	SOMERSET RARITAN VALL SEW AUTH	15,294	173,672		
30680	STAFFORD MUNICIPAL UTL AUTH	9,626	109,308		
30730	DELAWARE RIVER BASIN COMM	57,976	658,362		
30740	NJ EXPRESSWAY AUTHORITY	50,405	572,386		
30770	PATERSON PARKING AUTHORITY			1,818	29,422
30820	HAMILTON TWP FIRE DISTRICT 3	1,611	18,295		
30900	GLOUCESTER TWP M U A			7,470	120,870
31190	BRIDGETON CITY HOUSING AUTH			919	14,872
31210	NJ HOUSING & MTG FINANCE AGENCY	19,695	223,654		
31250	JERSEY CITY MUNICIPAL UT. AUTH			1,928	31,193
31260	LINDEN CITY HOUSING AUTHORITY			10,243	168,879

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
		<u>Current Payment</u>	<u>Present Value as of 7/1/2004</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2004</u>
31320	NEW JERSEY MEADOWLAND COMM			946	15,315
31370	MERCER CO IMPROVEMENT AUTHORITY			8,199	132,662
31510	BRICK TWP MUN UTILITIES AUTH	20,326	230,818		
31580	MOUNT LAUREL TWP MUN UTIL AUTH			974	15,757
31680	OCEAN GROVE BD OF FIRE COMM			8,175	132,280
31830	S MONMOUTH REG SEWERAGE AUTH	4,133	46,928		
32000	MANASQUAN RIVER REG SEW AUTH	310	3,516		
32080	OCEAN TWP MUN UTIL AUTHORITY			1,931	31,253
32260	HUDSON CO COMMUNITY COLLEGE			2,910	47,092
32280	MONTCLAIR REDEVELOPMENT AGENCY	8,547	97,055		
32450	GLOUCESTER CO HOUSING AUTHORITY			20,211	327,027
32700	NJ INSTITUTE OF TECHNOLOGY	89,284	1,013,890	48,344	782,250
32820	ESSEX CO EDUCATIONAL SERV COMM	15,035	170,737		
32900	NJ TRANSIT CORPORATION	33,583	381,356		
33040	BUENA BORO HOUSING AUTH			970	15,697
34340	OLD BRIDGE MUNICIPAL UTIL AUTH	2,880	32,704		
39990	COMPENSATION RATING & INS BUR	39,530	448,893	50,485	816,904
40310	EAST WINDSOR REG SCHOOL DIST			10,068	72,433
50050	ALLENTOWN BOROUGH	16,268	184,736	960	15,536
50130	AUDUBON BOROUGH			2,063	33,387
50240	BELVIDERE TOWN			18,067	92,630
50533	CHESILHURST BORO BD OF ED	114	1,295	191	1,377
50593	CLEMENTON BD OF ED	424	4,811	714	5,135
50740	DEPTFORD TOWNSHIP	3,127	35,507		
50830	EAST HANOVER TOWNSHIP	11,687	132,719	11,676	188,931
50890	ELK TOWNSHIP	1,978	22,459		
51003	FARMINGDALE BD OF ED			1,318	6,168
51130	FREEHOLD TOWNSHIP			93,542	88,143
51440	HELMETTA BOROUGH	4,230	48,038		
51520	HOPATCONG BOROUGH	36,613	415,766		
51750	LEBANON BOROUGH			928	15,013
51800	LINWOOD CITY			20,816	336,829
51880	LOWER TOWNSHIP	9,671	109,824		
51940	MAGNOLIA BOROUGH	3,265	37,080		
51960	MANALAPAN TOWNSHIP	12,099	137,399		
52073	MEDFORD TOWNSHIP BD OF ED			17,245	16,250
52293	MT EPHRAIM BD OF ED			4,985	4,697
52603	PEMBERTON TOWNSHIP BD OF ED	42,569	483,408	95,827	90,296
52630	PENNSAUKEN TOWNSHIP	4,158	47,219	4,800	77,662
52810	RARITAN TOWNSHIP	12,089	137,280	25,783	132,188
52820	HAZLET TOWNSHIP	964	10,946		

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
		<u>Current Payment</u>	<u>Present Value as of 7/1/2004</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2004</u>
52920	ROSELAND BOROUGH			35,871	33,800
52960	SADDLE BROOK TOWNSHIP			26,436	135,537
53080	SOUTHAMPTON TOWNSHIP	5,294	60,121		
53280	TABERNACLE TOWNSHIP			9,912	84,767
53310	TEWKSBURY TOWNSHIP			28,870	53,339
53360	UNION BEACH BOROUGH	6,801	77,225		
53433	VERNON TOWNSHIP BD OF ED			34,554	32,560
53460	VOORHEES TOWNSHIP	51,315	94,807	30,996	29,207
53490	WALLINGTON BOROUGH			10,006	161,904
53670	WEST LONG BRANCH BOROUGH	9,398	106,717	5,165	83,578
53743	WHITE TOWNSHIP BD OF ED	11,249	127,736		
53820	WOODLAND TOWNSHIP	11,623	131,992		
55420	EAST BRUNSWICK SEWERAGE AUTH			974	15,757
55640	FLORHAM PARK SEW AUTHORITY			2,987	48,340
55880	WRIGHTSTOWN MUN UTIL AUTH			960	15,536
55900	CINNAMINSON SEWERAGE AUTHORITY	7,720	87,669		
56190	SOMERS POINT SEWERAGE AUTHORITY	1,718	19,511		
60023	HUDSON CO SCHOOLS OF TECHNOLOGY			10,439	115,047
	TOTALS	2,579,632	27,961,072	4,644,806	15,503,721

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

<u>Number</u>	<u>Location Name</u>	ERI Information		
		<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>				
23660	WEST DEPTFORD TOWNSHIP	5 Year - Level	\$ 24,126	\$ 22,733
<u>Chapter 126, P.L. 2000</u>				
10100	UNION COUNTY	15 Year - Level	\$ 21,391	\$ 183,945
60030	PASSAIC COUNTY	15 Year - Level	473,923	3,928,116
	Sub-Total		\$ 495,314	\$ 4,112,061
<u>Chapter 23, P.L. 2002</u>				
30170	NEW JERSEY TURNPIKE AUTHORITY	5 Year - Increasing	\$ 3,222,820	\$ 11,450,347
30260	NEW JERSEY HIGHWAY AUTH	5 Year - Increasing	3,034,639	10,781,760
30300	PASSAIC VALLEY SEWERAGE COMM	15 Year - Increasing	179,483	1,848,891
30440	SOUTH JERSEY PORT CORPORATION	30 Year - Increasing	63,942	1,054,266
31210	NJ HOUSING & MTG FINANCE AGENCY	30 Year - Increasing	77,576	1,279,083
31320	NEW JERSEY MEADOWLAND COMM	10 Year - Increasing	76,520	606,101
31720	NJ SPORTS & EXPOSITION AUTH	10 Year - Increasing	311,320	2,465,925
34920	SOUTH JERSEY TRANS AUTH	30 Year - Increasing	67,284	1,109,385
39990	COMPENSATION RATING & INS BUR	30 Year - Increasing	82,429	1,359,090
	Sub-Total		\$ 7,116,013	\$ 31,954,848
<u>Chapter 127, P.L. 2003</u>				
30070	NEWARK HOUSING AUTHORITY	15 Year - Level	\$ 617	\$ 5,306
30240	BERGEN CO UTILITIES AUTHORITY	15 Year - Level	178,241	1,532,707
30410	ELIZABETH CITY HOUSING AUTH	15 Year - Level	63,064	542,290
30520	HACKENSACK HOUSING AUTHORITY	15 Year - Level	18,022	154,972
31030	FRANKLIN TWP HOUSING AUTHORITY	15 Year - Level	23,358	200,860
31370	MERCER CO IMPROVEMENT AUTHORITY	15 Year - Level	10,287	88,463
32050	HILLSBOROUGH TWP MUN UTIL AUTH	15 Year - Level	3,864	33,229
32530	COLLINGSWOOD BORO HOUSING AUTH	15 Year - Level	2,616	22,496
55350	WOODBIDGE HOUSING AUTHORITY	15 Year - Level	9,227	79,343
55900	CINNAMINSON SEWERAGE AUTHORITY	15 Year - Level	6,767	58,192
55920	MONROE TWP MUNICIPAL UTIL AUTH	15 Year - Level	43,244	371,858
56260	BAYONNE CITY PARKING AUTH	15 Year - Level	1,334	11,473
	Sub-Total		\$ 360,641	\$ 3,101,189
<u>Chapter 128, P.L. 2003</u>				
10170	MERCER COUNTY	15 Year - Level	\$ 1,051,727	\$ 9,043,897
10171	MERCER CO BD OF SOCIAL SERVICE	15 Year - Level	729,850	6,276,047
10178	MERCER COUNTY	15 Year - Level	67,137	577,320
10180	HUNTERDON COUNTY	15 Year - Level	19,325	166,180
10181	HUNTERDON COUNTY WELFARE BOARD	15 Year - Level	28,826	247,876
20150	SEASIDE HEIGHTS BOROUGH	15 Year - Level	9,515	81,821
20260	MONTCLAIR TOWNSHIP	15 Year - Level	150,341	1,292,796
20400	NUTLEY TOWNSHIP	15 Year - Level	91,759	789,044
20560	RIDGEWOOD VILLAGE	15 Year - Level	132,735	1,141,404
20830	PASSAIC CITY	15 Year - Level	96,698	831,519
21050	WOOD-RIDGE BOROUGH	15 Year - Level	25,470	219,023
21070	HAMILTON TOWNSHIP	15 Year - Level	464,829	3,997,105

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

<u>Number</u>	<u>Location Name</u>	ERI Information		
		<u>Years and Form of Payment</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/04</u>
21160	HARRISON TOWNSHIP	15 Year - Level	52,550	451,882
21210	FAIRFIELD TOWNSHIP	15 Year - Level	21,688	186,497
21250	UNION TOWNSHIP	15 Year - Level	29,500	253,671
21270	BAYONNE CITY	15 Year - Level	65,784	565,687
21290	UNION CITY	15 Year - Level	140,973	1,212,236
21740	EWING TOWNSHIP	15 Year - Level	128,227	1,102,639
21800	MAYWOOD BOROUGH	15 Year - Level	33,222	285,681
23310	BLAIRSTOWN TOWNSHIP	15 Year - Level	19,620	168,714
23480	LOPATCONG TOWNSHIP	15 Year - Level	8,072	69,415
51080	FRANKLIN TOWNSHIP	15 Year - Level	31,956	274,796
52490	OCEAN TOWNSHIP	15 Year - Level	4,552	39,141
53190	STANHOPE BOROUGH	15 Year - Level	5,841	50,231
53570	WASHINGTON TWP	15 Year - Level	15,375	132,211
	Sub-Total		\$ 3,425,572	\$ 29,456,833
<u>Chapter 129, P.L. 2003</u>				
21273	BAYONNE BOARD OF ED	15 Year - Level	\$ 167,980	\$ 1,444,473
	Sub-Total Chapters 127, 128 and 129,P.L. 2003		\$ 3,954,193	\$ 34,002,495
	Total		\$ 11,589,646	\$ 70,092,137

**APPENDIX H
BREAKDOWN OF CONTRIBUTIONS FOR STATE COLLEGES
FOR THE YEAR BEGINNING JULY 1, 2005**

Division	Number	Payroll	NORMAL CONTRIBUTION				Net Post Retirement Medical Contribution	Accrued Liability Contribution*	Total Contribution
			Basic Allowances	Non-Contributory Group Insurance Premium Fund	Active COLA	Net Normal Cost			
State Colleges									
Location 410: Rowan College	715	\$ 24,308,985	\$ 790,042	\$ 119,114	\$ 116,683	\$ 1,025,839	\$ 1,557,078	\$ 827,238	\$ 3,410,155
Location 411: Jersey City State College	655	19,332,584	628,309	94,730	92,796	815,835	1,067,852	631,957	2,515,644
Location 412: Kean College	795	22,703,983	737,879	111,250	108,979	958,108	1,239,205	691,313	2,888,626
Location 413: William Paterson College	796	21,890,714	711,448	107,264	105,075	923,787	804,614	625,881	2,354,282
Location 414: Montclair State College	845	23,553,066	765,475	115,410	113,055	993,940	923,816	626,432	2,544,188
Location 415: The College of NJ	662	21,000,766	682,525	102,904	100,804	886,233	1,517,344	688,978	3,092,555
Location 420: Ramapo State College	419	13,803,580	448,616	67,638	66,257	582,511	461,908	383,215	1,427,634
Location 421: Richard Stockton College	496	17,414,088	565,958	85,329	83,588	734,875	660,578	560,218	1,955,671
Location 430: Thomas A. Edison State College	104	4,620,072	150,152	22,638	22,176	194,966	183,770	153,951	532,687
Locations 32700 & 55530: New Jersey Institute of Technology	417	17,166,019	557,896	84,113	82,397	724,406	764,880	491,370	1,980,656
Location 90010: Rutgers State University	4,351	148,968,797	4,841,486	729,947	715,051	6,286,484	14,949,932	5,159,695	26,396,111
Location 90020: Rutgers State University	0	0	0	0	0	0	52,151	0	52,151
Location 90030: Rutgers State University	0	0	0	0	0	0	12,417	0	12,417
Location 90130: University of Medicine & Dentistry	0	0	0	0	0	0	4,407,995	0	4,407,995
Location 90131: University of Medicine & Dentistry	0	0	0	0	0	0	131,619	0	131,619
Total	10,255	\$ 334,762,654	\$ 10,879,786	\$ 1,640,337	\$ 1,606,861	\$ 14,126,984	\$ 28,735,159	\$ 10,840,248	\$ 53,702,391

* Basic allowances plus COLA and the additional liability due to ERI program under Chapter 23, P.L. 2002.