

Comprehensive Annual Financial Report

For Fiscal Year Ended March 31, 2006



New York State and Local Retirement System
Employees' Retirement System • Police and Fire Retirement System

Office of the New York State Comptroller

Alan G. Hevesi

NEW YORK STATE AND LOCAL RETIREMENT SYSTEM

EMPLOYEES' RETIREMENT SYSTEM POLICE AND FIRE RETIREMENT SYSTEM

Comprehensive Annual Financial Report Fiscal Year Ended March 31, 2006

Prepared by the staff of the New York State and Local Retirement System
110 State Street
Albany, NY 12244



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Certificate of Achievement for Excellence in Financial Reporting

Presented to

New York State and Local Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Perry

President

Jeffrey R. Egan

Executive Director



Public Pension Coordinating Council
Public Pension Standards
2005 Award

Presented to

New York State and Local Retirement System

In recognition of meeting professional standards for
plan design and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink that reads "Alan H. Winkle". The signature is written in a cursive, flowing style.

Alan H. Winkle
Program Administrator

Introductory Section



Our mission is to fulfill the promise of secure retirement benefits for our members, pensioners and beneficiaries while providing them with the exceptional service they deserve.





September 2006

I am pleased to present this Comprehensive Annual Financial Report (CAFR) for the New York State and Local Retirement System (the System), for the fiscal year ended March 31, 2006. The System is responsible for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures made within this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its CAFR for the fiscal year ended March 31, 2005. The Certificate of Achievement is a prestigious national award recognizing excellence in the preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents meet or exceed program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid only for one year. This was the second year in a row we applied for and received a Certificate of Achievement. We believe our current report continues to meet the Certificate of Achievement program requirements and are submitting it to the GFOA for consideration again this year.

This CAFR was prepared to conform to the principles of governmental accounting and reporting set forth by the Governmental Accounting Standards Board (GASB). The System's transactions are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to

provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements and supporting schedules.

The CAFR is divided into five sections:

- Introduction Section – contains this letter of transmittal, an organization chart, the Deputy Comptroller's report, and a summary of System highlights
- Financial Section – contains the Independent Auditors' Report, Management's Discussion and Analysis, the System's financial statements, and required supplementary information
- Investment Section – contains a report on investment activity, investment policies, investment results, and various investment schedules
- Actuarial Section – contains an Actuary's Certification Letter and the results of the annual actuarial valuation
- Statistical Section – contains significant data pertaining to the System

The New York State Employees' Retirement System (ERS) was established in 1921. In 1966, the New York State Legislature created the Police and Fire Retirement System (PFRS). Together, they make up the System. The assets of ERS and PFRS are held in the Common Retirement Fund (the Fund) and managed by the Division of Pension Investment and Cash Management.

The System offers retirement benefits for members who reach specific ages or have completed a specified number of years of service, depending on the system and plan they are enrolled in. At the end

of fiscal year 2005-06, there were a total of 995,536 members, retirees and beneficiaries, and 3,001 participating employers.

Funding

The System's funding objective is to meet long-term benefit promises through employer contributions that remain level as a percent of member payroll. Annual employer contributions are determined on an actuarial basis and actual employer contributions are the greater of a minimum contribution of 4.5 percent of member payroll or actuarial contributions. Employer contributions have returned to their designed long-term levels after many years of very small contributions. The System remains well-funded and a detailed discussion of its funding is provided in the Actuarial Section of this report.

Investments

To meet our obligations to pensioners, members and beneficiaries, the Fund's assets are diversified over a number of investments, and a host of different investment strategies are employed to control risk. In the past year, the Fund returned 14.59 percent.

Additionally, to maximize the value of stock owned by the Fund, we have been at the forefront of corporate reform, working with various companies and corporate boards on a host of different issues ranging from environmental and labor principles to accounting and executive compensation standards.

Accounting Practices

Our staff is responsible for identifying control objectives relating to the protection of assets and ensuring that all transactions are properly recorded to permit the preparation of financial statements in accordance with generally accepted accounting principles. We are responsible for the design, implementation and maintenance of adequate internal controls to provide reasonable assurance that control objectives are achieved. The internal control system includes the organization plan, the appropriate segregation of duties and responsibili-

ties, sound practices in the performance of duties, and personnel with capabilities commensurate with their responsibilities. The internal controls in effect during the fiscal year ended March 31, 2006, adequately safeguard the System's assets and provide reasonable assurance regarding the proper recording of financial transactions.

GASB Statement No. 34 requires that we provide a narrative introduction, overview and analysis of the System's financial activities in the form of a Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the Financial Section, immediately following the report of the independent auditor.

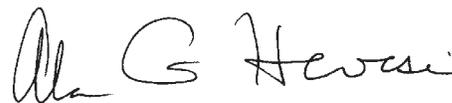
Major Initiatives

In the past year, we launched new programs and continued working on several major initiatives to improve service to our members and employers. Highlights of these initiatives are included in the report from the Deputy Comptroller for the Retirement System.

Acknowledgements

This report was prepared by the Divisions of Retirement Services and Pension Investment and Cash Management. It is intended to provide complete and reliable information as a basis for making management decisions, for determining compliance with legal provisions, and determining responsible stewardship of the System's assets. I am very proud and appreciative of the staff and advisors who work so diligently to assure the successful operation of the System.

Sincerely,



Alan G. Hevesi

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Joe Grills

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Tyndall Management, LLC

Leslie Rahl

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Capital Market Risk Advisors, Inc.

W. Allen Reed

President and CEO
General Motors Investment Management
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Dr. Robert G. Smith

President
Smith Affiliated Capital Corp.

R. Charles Tschampion

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Guardian Life Insurance Company

Michael Heller

Vice President, Actuarial Consulting Services
Teachers Insurance and Annuity Association —
College Retirement Equities Fund

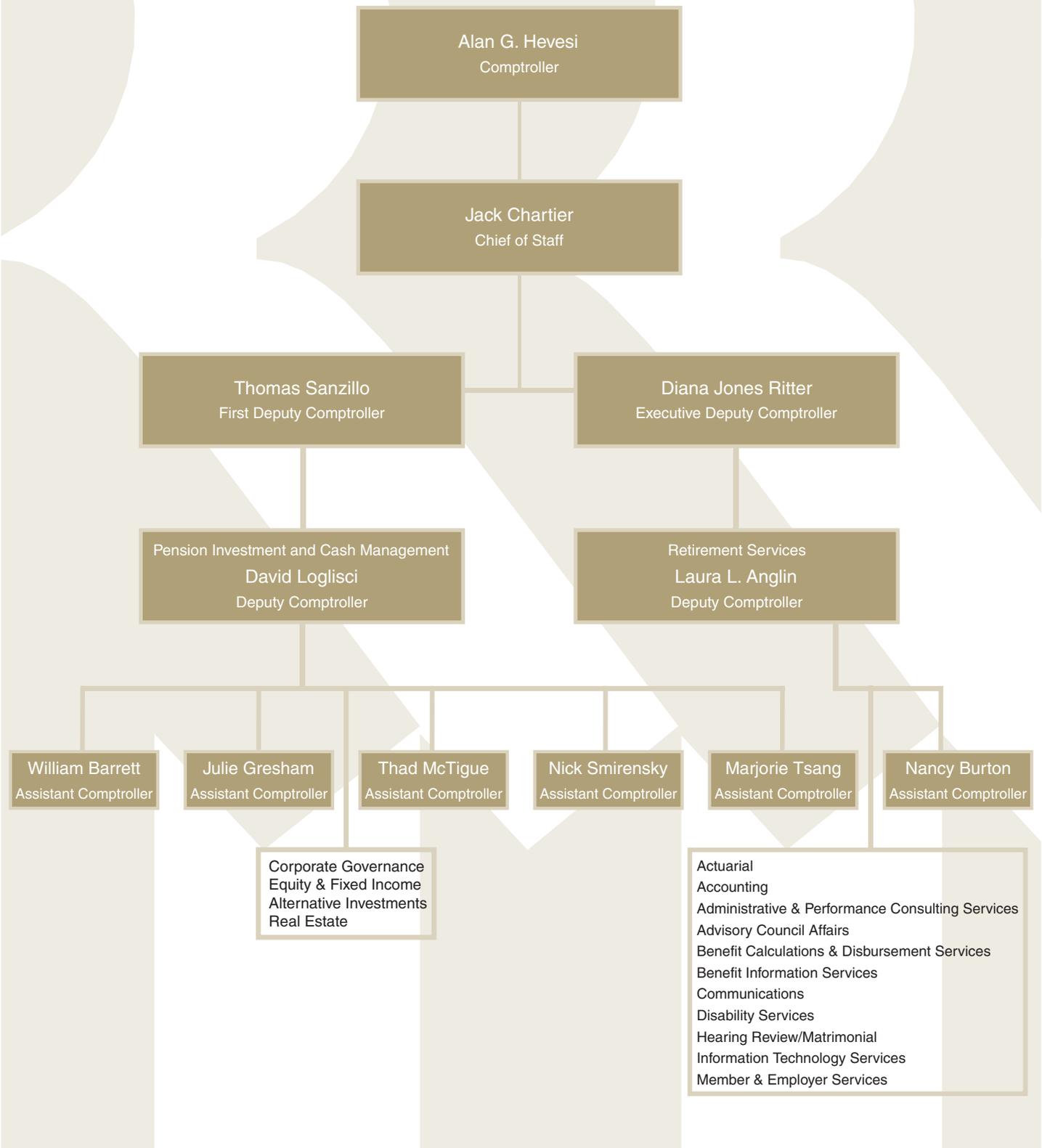
Gary Scofield

First Vice President and Deputy Chief Actuary
New York Life Insurance Co.

Stanley Talbi

Chief Actuary
Metropolitan Life Insurance

NEW YORK STATE AND LOCAL RETIREMENT SYSTEM ORGANIZATIONAL CHART



REPORT FROM DEPUTY COMPTROLLER LAURA L. ANGLIN

During the past year, we continued to make improving customer service our priority. We launched several new programs, moved forward with major initiatives and made changes to existing services. All of these efforts help us in meeting our goal of providing members with the best services possible.

Following are some of the major projects and initiatives that were either started or continued through FY 2005-06.

Automated Benefit Projections Now Available

Several years ago, we launched a program enabling members to project their benefits on our website using our benefit projection calculator. While this is still a useful program, these benefit projections are based solely on information supplied by the member. We realized the need to provide our members, especially those nearing retirement, with benefit projections that were more comprehensive and precise. Therefore, we created a new program where members can call our automated information line and request a projection of their benefit based on their Retirement System records.

These projections show members what their final average salary will be, how much they will receive under the various options, what their loan balances are, and who they have designated as beneficiaries, among other things. In addition to providing an estimate of what their pension will be, the projections are an excellent tool for those thinking about retirement because they give members an idea of what information we have in our records while reminding them of the importance of paying off loans or requesting past service credit. The sooner a potential retiree has this information, the better off he or she will be.

New Feature Improves Employer Reporting

For the past several years, participating employers have been able to use our Retirement Internet Reporting (RIR) program to submit monthly reports with their employees' service, salary and contribution information via the Internet. This past year, we added a feature to this highly popular program – Retirement Adjustment Reporting – which employers can use to submit adjustments to these reports online. Previously, employers had to fill out and mail in a paper report. Now, they can do it electronically which saves time for both employers and us, and helps ensure the accuracy of these reports.

Focus Groups Result in Stronger Employer Partnership

Strengthening our partnership with employers remained a high priority for us. Since we rely on employers for service and salary information we use to determine benefits for members when they retire, it is vitally important that this relationship remains strong. To find out how employers thought we could improve our services to them, we held focus groups with participating employers throughout the State as a follow-up to surveys we conducted.

In the focus groups, we were able to talk one-on-one with employers and ultimately received more than 100 suggestions on how we can make our working relationship more productive. Some of these, such as providing more online and email information, we anticipate implementing in the near future. Other suggestions will take more time because they require considerable development and testing on our part. We will continue working closely with employers as we move forward with these and other suggestions. The result will be better customer service for their employees – our members.

Consultations by Appointments Continue to Grow

Our 16 consultation sites throughout New York State provide members with the opportunity to have one-on-one interviews with our Information Representatives. These consultations are especially important to those nearing retirement and who have specific questions about their circumstances. In the past fiscal year, we added appointment scheduling to more sites and plan to provide it at all of our sites by the end of the next fiscal year. This ensures that our Information Representatives have member information accessible for the interview and members are seen in a timely manner.

Consultation Site Redesign

Approximately 12,000 people visit our Albany, New York consultation site each year, making this our busiest office. While we have been scheduling appointments here for years, we still receive a lot of walk-in customers with routine questions. When we surveyed walk-in members and retirees visiting the office, many said they were concerned about lack of privacy and wait times at the reception desk. In response, we redesigned the space to add more offices and now have staff dedicated solely to assisting walk-in customers.

Loan Application Revised and Easier to Complete

We processed approximately 82,910 loan applications during FY 2005-06. In the past several years, new laws were enacted resulting in our loan application becoming somewhat more complicated for members to complete. In response to requests from members and employers, we redesigned and reorganized our loan application to be more user-friendly and have now included step-by-step instructions. We removed a lot of the explanatory text from the application and moved it to a new Instructions and Information page. To ensure the new application would be completed correctly, we held several focus groups and made revisions based on their feedback. The response to the new application was extremely positive with more members completing the required information correctly.

Responding to Our Pensioners' and Beneficiaries' Needs

Retirement System Employees Reach Out to Hurricane Katrina Victims

Like many other retirement systems in the country, we had pensioners and beneficiaries living in the Gulf Coast region devastated by Hurricane Katrina. In the days following the disaster, we quickly determined how many of our retirees lived in the region and worked with the Postal Service to determine where mail for those in the damaged areas could be routed to or held. By the time we received calls from those who had lived in these areas and did not receive their pension checks, we already had staff prepared to help minimize delays in the issuing of replacement checks. Within a short amount of time, we had either made contact or verified the whereabouts of all of the affected retirees and beneficiaries.

Moving Forward on Other Major Initiatives

We made substantial progress on several major initiatives that were started in fiscal year 2004-05.

Self-Service Prepares for Launch

We continued to move forward with this web-based, self-service program and anticipate the project launching in the near future. Once it goes "live," members will be able to view their current contribution balance, beneficiary designations and other personal membership information online. Retirees will be able to view the details of their last pension payment, including deductions and withholding amounts.

Scanning and Imaging Enters Test Phase

With millions of paper file folders located in multiple facilities, this project is vital to our future. Once member files are scanned, employees will have immediate computer access to electronic member information, enabling them to better serve our customers. Scanning folders will also help to protect and preserve information in the paper folders. Final testing and training started late this past fiscal year and our scanning pilot is scheduled to start in this fiscal year.

Redesigning Our Technology

We continued to make progress toward the goal of replacing our existing computer system with a new technology system. We began a meticulous analysis of how we currently perform every one of our business processes – our everyday work. Eventually, this information will be used to help us make an informed decision about new computer technology that will serve our business needs far into the future. We do not anticipate having a new system for another few years. However, we are extremely happy about the significant steps we have made so far toward reaching this goal and, ultimately, improving customer service in the future.

New Laws Affect Members and Retirees

World Trade Center Aftermath

Chapters 93 and 104 (Laws of 2005) establish a presumption making certain people eligible for an accidental disability retirement benefit. To be eligible, they must have participated in the World Trade Center rescue, recovery or clean up efforts, and contracted certain diseases or become disabled. In response to this law, we created and distributed brochures and applications to participating employers and other interested parties. We also highlighted the information in our newsletters, on our website, where we created an entire section devoted to this issue, and in *E-News*, our electronic newsletter.

Lung Presumption Available for Firefighters

Chapter 89 (Laws of 2005) amends an existing lung disease presumption for firefighters. It provides an additional presumption that all lung disease-related disabilities and deaths are the result of an accident in the performance-of-duty, unless it can be proven otherwise.

Benefits for Survivors of Those Serving in Military

Chapter 105 (Laws of 2005) provides death benefits and health insurance coverage to eligible survivors of public employees who are ordered to

active duty, other than for training purposes, with any branch of the armed forces of the United States, and who die while on such active duty. It grants accidental death benefits to eligible survivors by deeming such deaths to have been sustained in the performance-of-duty, and the natural and proximate result of an accident.

Patriot Plan Extension Provides Loan Repayment Relief

Chapter 150 (Laws of 2005) extends provisions of the Patriot Plan for one year. It allows public retirement systems to suspend loan repayments for members on active military duty. Members can defer loan repayments until their active duty is completed and the loan repayment time is extended by the length of time they served.

Service Credit for Military Service

Chapter 326 (Laws of 2005) allows certain members who are called to active military duty on or after September 11, 2001 and prior to January 1, 2006, to receive service credit for the time they are serving in the military without making member contributions for this credit.

As you can see, this is an exciting time for our Retirement System. We have made significant customer service improvements and will continue to do more. I look forward to updating you on these and other projects next year.

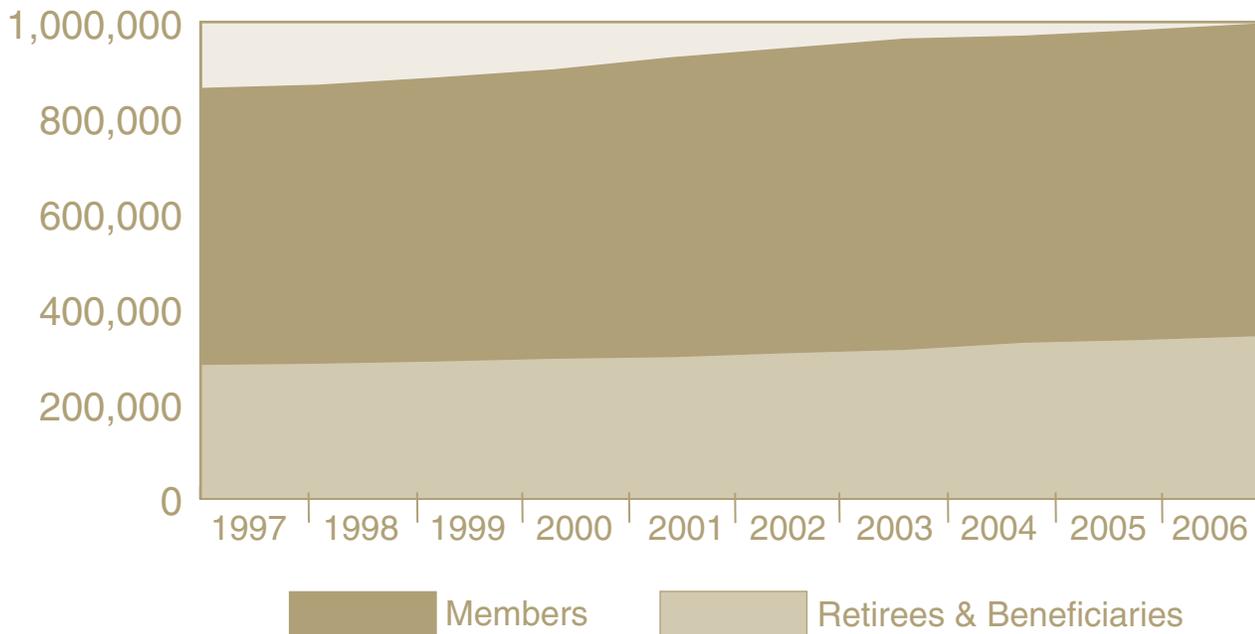
BY THE NUMBERS

Members and Retirees

Overall membership in the System is 995,536. This includes 653,291 members and 342,245 retirees and beneficiaries. Both of these numbers continue to climb, with the number of retirees increasing more quickly than members. For example, in 1990, retirees represented 26 percent of the System's members. By FY 2006, that number had increased to approximately 34 percent.

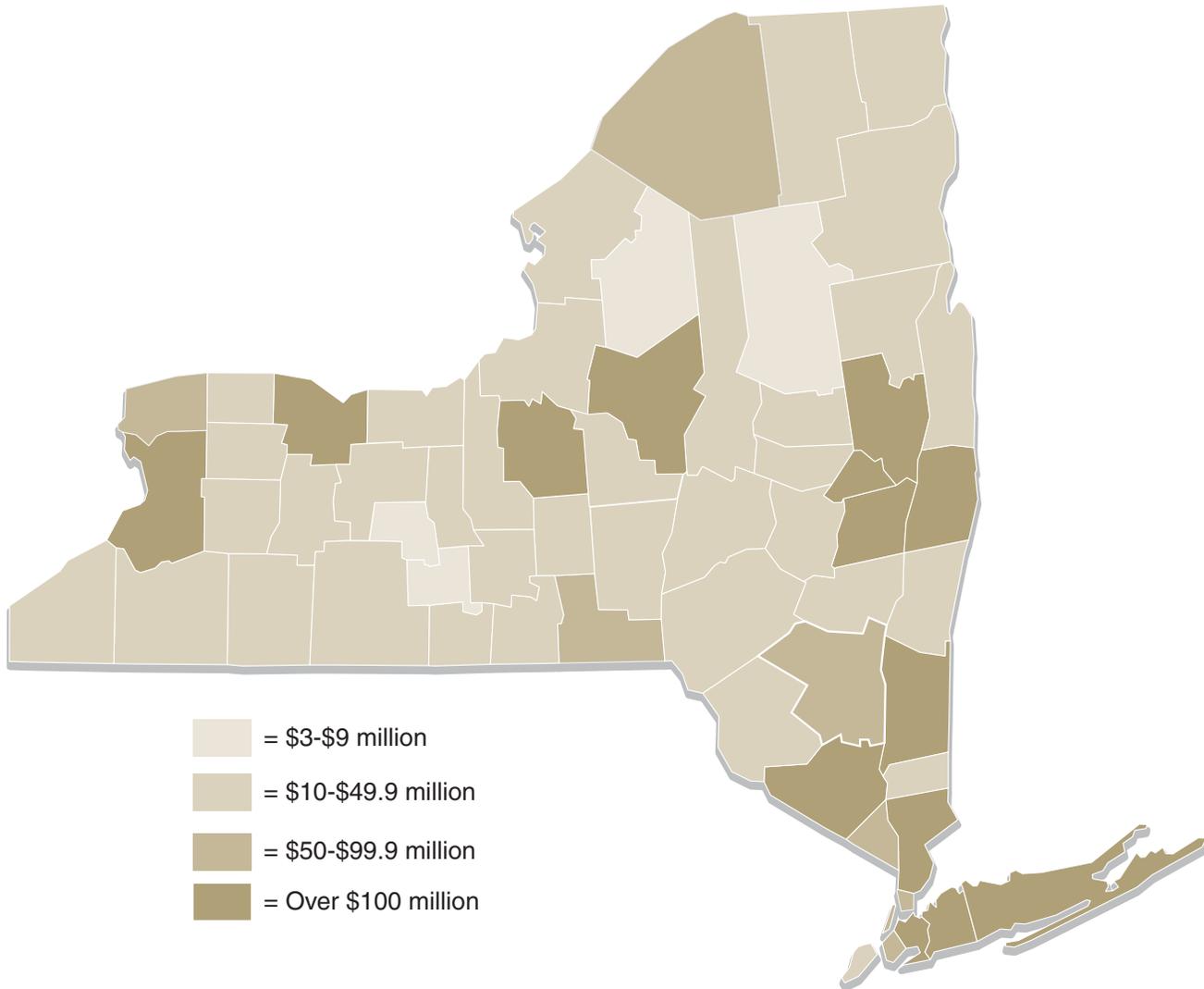
The value of the pension fund's net assets at the end of the fiscal year was \$142.6 billion.

Benefit payments continue to rise, reflecting improvements in final average salaries over the past decades, cost-of-living adjustment (COLA) payments and benefit improvements enacted over the years. For example, in 1996, benefit payments were approaching \$2.9 billion, while this year's payments totaled more than \$6 billion.



Retirees in New York State

Of the 342,245 retirees and beneficiaries in the System, 264,096 (77 percent) remain New York State residents. As such, benefit payments surpassing \$4.6 billion this year alone reach the State's communities and businesses, representing the System's greatest impact on the State's economy.



Annual Benefit Payments Within New York State

As of March 31, 2006

County	Recipients	Annual Payments	County	Recipients	Annual Payments
Albany	14,047	\$291,703,130	Oneida	7,576	\$116,662,827
Allegany	1,278	15,911,412	Onondaga	9,710	144,834,305
Bronx	2,835	52,851,548	Ontario	2,377	34,889,000
Broome	5,861	79,456,239	Orange	6,111	104,838,847
Cattaraugus	2,622	35,093,433	Orleans	1,052	13,143,820
Cayuga	2,141	32,947,402	Oswego	2,920	39,020,278
Chautauqua	3,475	46,277,544	Otsego	1,695	21,704,597
Chemung	2,622	40,499,759	Putnam	1,501	31,649,476
Chenango	1,519	20,337,283	Queens	5,084	104,626,469
Clinton	2,839	49,613,954	Rensselaer	6,141	116,599,244
Columbia	2,173	35,801,070	Richmond	1,936	41,244,928
Cortland	1,258	16,418,912	Rockland	5,159	99,818,320
Delaware	1,430	20,386,694	Saratoga	6,580	129,608,862
Dutchess	6,940	126,628,198	Schenectady	6,031	111,659,592
Erie	22,712	384,757,202	Schoharie	1,120	17,113,195
Essex	1,450	20,925,811	Schuyler	628	8,313,655
Franklin	1,828	26,556,918	Seneca	1,258	18,189,684
Fulton	1,524	20,866,284	St. Lawrence	3,660	53,497,876
Genesee	1,576	22,318,336	Steuben	2,415	33,854,446
Greene	1,721	29,144,962	Suffolk	25,623	550,651,600
Hamilton	324	4,768,342	Sullivan	2,006	33,412,645
Herkimer	1,766	21,585,321	Tioga	1,112	12,958,995
Jefferson	2,366	34,617,710	Tompkins	2,272	36,306,582
Kings	4,433	87,757,569	Ulster	3,863	59,912,418
Lewis	788	8,990,123	Warren	1,944	30,206,664
Livingston	2,200	32,549,615	Washington	1,787	27,311,132
Madison	1,780	24,136,682	Wayne	2,396	31,793,650
Monroe	11,848	181,521,913	Westchester	12,582	256,248,689
Montgomery	1,763	25,640,715	Wyoming	1,372	21,797,131
Nassau	18,228	397,153,944	Yates	587	7,451,054
New York	3,774	84,425,761	NY Military	6	90,041
Niagara	4,471	68,541,070	Total	264,096	\$4,649,594,882

Annual Benefit Payments Within the United States

As of March 31, 2006

State	Recipients	Annual Payments	State	Recipients	Annual Payments
Alabama	628	\$8,461,620	Nebraska	50	\$512,047
Alaska	56	573,034	Nevada	1,290	22,928,048
Arizona	2,443	36,861,746	New Hampshire	510	8,017,731
Arkansas	128	1,351,922	New Jersey	6,037	149,922,926
California	2,294	27,795,459	New Mexico	409	5,825,914
Colorado	621	8,101,325	New York	264,096	4,649,594,882
Connecticut	1,688	26,220,152	North Carolina	5,661	89,480,510
Delaware	405	6,587,439	North Dakota	17	136,747
Florida	32,620	511,000,271	Ohio	629	6,581,276
Georgia	2,290	33,122,955	Oklahoma	160	1,911,242
Guam	2	13,221	Oregon	243	2,850,712
Hawaii	108	1,837,854	Pennsylvania	3,248	51,119,213
Idaho	66	843,961	Puerto Rico	469	5,170,625
Illinois	284	3,408,012	Rhode Island	198	2,578,174
Indiana	239	2,599,211	South Carolina	3,148	51,921,035
Iowa	54	503,607	South Dakota	43	591,611
Kansas	77	752,017	Tennessee	901	13,771,677
Kentucky	258	3,201,321	Texas	1,430	17,327,847
Louisiana	163	2,024,314	Utah	117	1,430,160
Maine	523	7,342,351	Vermont	532	7,950,803
Maryland	1,209	16,661,812	Virginia	3,133	46,986,140
Massachusetts	1,290	17,914,942	Washington	393	4,903,032
Michigan	346	3,618,779	Washington, D.C.	98	1,369,353
Minnesota	125	1,526,400	West Virginia	161	2,392,309
Mississippi	164	2,164,215	Wisconsin	132	1,479,584
Missouri	216	2,566,860	Wyoming	58	896,236
Montana	84	1,275,748			

Annual Benefit Payments Outside the United States

As of March 31, 2006

Total Recipients	Total Annual Payments
701	\$8,252,095

Financial Section



When new members become part of the Retirement System, we help them understand their retirement benefits and how those benefits contribute to their financial security.



INDEPENDENT AUDITORS' REPORT

To the Trustee of
New York State and Local Retirement System:

We have audited the accompanying statement of plan net assets of the New York State and Local Retirement System ("the System") as of March 31, 2006, and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the System as of March 31, 2006, and the changes in plan net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the Required Supplementary Information as listed in the foregoing table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. This supplementary information is the responsibility of the System's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The Additional Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplementary information is the responsibility of the System's management. The Additional Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introduction, investment, actuarial and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Deloitte & Touche LLP

July 28, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following overview of the financial activity of the New York State and Local Retirement System (the "System") for the fiscal year ended March 31, 2006 is intended to provide the reader with an analysis of the System's overall financial position. This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the basic financial statements of the System which follow.

Financial Highlights

- The net assets of the System held in trust to pay pension benefits were \$142.62 billion as of March 31, 2006. This amount reflects an increase of \$14.58 billion from the prior fiscal year. This change is primarily the result of the net appreciation of the fair value of the investment portfolio.
- The System's funding objective is to meet long-term benefit obligations through member and employer contributions and investment earnings.

Overview of the Financial Statements

The financial statements consist of the statement of plan net assets, statement of changes in plan net assets, and the notes to the financial statements. The required supplementary information that appears after the notes to the financial statements is not a required part of the financial statements but present supplementary information required by the Government Accounting Standards Board.

The statement of plan net assets includes information about the System's assets, liabilities, and net assets as of the close of the System's fiscal year. This statement provides information about the fair value and composition of net assets.

The statement of changes in plan net assets presents the changes to the System's net assets for the fiscal year including investment income and appreciation from the investment portfolio and

contributions from members and employers. Benefits and administrative expenses paid by the System are included under the deductions section of the statement.

The notes to the financial statements and the required supplementary information are an integral part of the basic financial statements and provide additional information about the plans of the System, significant accounting policies and contributions and reserves to the System.

The required supplementary schedules include information about the aggregate actuarial funding method, which is utilized by the System to maintain a fully funded System, the cost-of-living adjustment made available to pensioners, and significant actuarial assumptions used to determine employer contributions. In addition, the funding progress, with employer contributions for the current year and the previous five years, is reported.

Analysis of Overall Financial Position of the System

The purpose of the System's investments is to provide for the long-term growth, while also ensuring a reliable cash flow that meets the funding requirements of the near-term pension obligation. To achieve these goals, the investments are efficiently allocated to a variety of asset types and strategies so that they meet the current funding needs and future growth requirements of the pension liability. Equity investments are included for their long-term return and growth characteristics, while fixed income assets are added to the allocation for their ability to control investment risk and provide for a reliable cash flow that meets the funding requirements of the pension payments.

Statement of Plan Net Assets as of March 31, 2006, as compared to March 31, 2005 follows:

(In thousands)				
	2006	2005	Dollar Change	Percentage Change
Assets:				
Investments	\$140,453,287	\$126,083,554	\$14,369,733	11.4%
Securities lending collateral—invested	21,646,548	19,314,532	2,332,016	12.1%
Receivables and other assets	3,597,838	3,449,108	148,730	4.3%
Total assets	165,697,673	148,847,194	16,850,479	11.3%
Liabilities:				
Securities lending collateral, due	21,646,548	19,314,532	2,332,016	12.1%
Other liabilities	1,431,033	1,494,948	(63,915)	(4.3)%
Total liabilities	23,077,581	20,809,480	2,268,101	10.9%
Net assets held in trust for pension benefits	\$142,620,092	\$128,037,714	\$14,582,378	11.4%

The plan net assets of the System totaled \$142.62 billion as of March 31, 2006, an increase of \$14.58 billion from the prior fiscal year.

The table below shows the detail of the invested assets portion of all plan assets. These invested assets totaled \$140.45 billion as of March 31, 2006.

(In thousands)				
Investment Category	2006	2005	Dollar Change	Percentage Change
Short-term investments	\$6,619,284	\$2,602,502	\$4,016,782	154.3%
Government bonds	19,775,579	20,100,078	(324,499)	(1.6)%
Corporate bonds	9,113,416	9,210,738	(97,322)	(1.1)%
Domestic stocks	68,530,310	63,387,726	5,142,584	8.1%
International stocks	20,020,551	17,529,460	2,491,091	14.2%
Alternative investments	9,800,792	7,337,107	2,463,685	33.6%
Real property owned	5,430,685	4,634,083	796,602	17.2%
Mortgage loans	1,162,670	1,281,860	(119,190)	(9.3)%
Total investments	\$140,453,287	\$126,083,554	\$14,369,733	11.4%

The largest contributor to the dollar increase in invested assets of \$14.37 billion was the domestic stock assets, which represented approximately 49% of the total investments and increased \$5.14 billion from the previous fiscal year. International equity assets also contributed to the increase, representing approximately 14% of the total investments. International equity assets increased \$2.49 billion from the previous fiscal year. The increase in these assets is primarily attributable to the positive performance in world equity markets.

Statement of Changes in Plan Net Assets for the year ending March 31, 2006, as compared to year ending March 31, 2005 follows:

(In thousands)				
	2006	2005	Dollar Change	Percentage Change
Additions:				
Net investment income	\$17,615,876	\$9,679,978	\$7,935,898	82.0%
Total contributions	3,117,876	3,314,919	(197,043)	(5.9)%
Total additions	20,733,752	12,994,897	7,738,855	59.6%
Deductions:				
Total benefits paid	(6,072,868)	(5,690,865)	(382,003)	6.7%
Administrative expenses	(78,506)	(65,324)	(13,182)	20.2%
Net deductions	(6,151,374)	(5,756,189)	(395,185)	6.9%
Net increase	14,582,378	7,238,708	7,343,670	101.5%
Net assets held in trust for pension benefits—beginning of year	128,037,714	120,799,006	7,238,708	6.0%
Net assets held in trust for pension benefits—end of year	\$142,620,092	\$128,037,714	\$14,582,378	11.4%

The decrease in total contributions of \$197 million is due to the change in employer contribution rates. ERS rates decreased from 12.9% last year to 11.3% this year. PFRS rates decreased from 17.6% last year to 16.3% this year. Rates are determined utilizing the aggregate actuarial funding method.

Economic Factors and Rates

As displayed by the tables and related narrative discussion, during the System's 2005-06 fiscal year, investments increased as a result of economic and market conditions. The Common Retirement Fund experienced positive returns for the year with a total return of 14.59%. The performance reflects positive corporate earnings and strong worldwide economic growth despite rising oil prices and interest rates. The domestic equity portfolio returned 14.29% for the year; while the Fund's international equity holdings returned 27.33%. The fixed income portfolio, which represents approximately 26.1% of the Fund's total assets and provides the cash required by the pension payments, returned 1.73% for the year. The private equity and real estate portfolios also experienced positive results. They returned 29.25% and 35.18%, respectively.

Requests for Information

- This financial report is designed to provide a general overview of the New York State and Local Retirement System finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244-0001.

STATEMENT OF PLAN NET ASSETS – MARCH 31, 2006

	(In thousands)		
ASSETS	Employees' Retirement System	Police and Fire Retirement System	Total
INVESTMENTS:			
Short-term investments	\$5,622,488	\$996,796	\$6,619,284
Government bonds	16,797,579	2,978,000	19,775,579
Corporate bonds	7,741,029	1,372,387	9,113,416
Domestic stocks	58,210,347	10,319,963	68,530,310
International stocks	17,005,661	3,014,890	20,020,551
Alternative investments	8,324,893	1,475,899	9,800,792
Real property owned	4,612,879	817,806	5,430,685
Mortgage loans	987,584	175,086	1,162,670
Total investments	119,302,460	21,150,827	140,453,287
SECURITIES LENDING COLLATERAL—Invested	18,386,800	3,259,748	21,646,548
FORWARD FOREIGN EXCHANGE CONTRACTS	675,990	119,844	795,834
RECEIVABLES:			
Employers' contributions	796,808	179,589	976,397
Employees' contributions	24,814	81	24,895
Employees' loans	894,094	1,660	895,754
Accrued interest and dividends	393,774	69,811	463,585
Investment sales	296,432	52,554	348,986
Other	11,336	40,124	51,460
Total receivables	2,417,258	343,819	2,761,077
OTHER ASSETS:			
Total assets	34,764	6,163	40,927
	140,817,272	24,880,401	165,697,673
LIABILITIES:			
Securities lending collateral—due to borrowers	18,386,800	3,259,748	21,646,548
Forward foreign exchange contracts	675,522	119,761	795,283
Investment purchases	260,778	46,233	307,011
Benefits payable	94,979	14,583	109,562
Other liabilities	190,309	28,868	219,177
Total liabilities	19,608,388	3,469,193	23,077,581
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$121,208,884	\$21,411,208	\$142,620,092

See notes to financial statements

STATEMENT OF CHANGES IN PLAN NET ASSETS

Year Ended March 31, 2006

	(In thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
ADDITIONS:			
Investment income:			
Net appreciation in fair value of investments	\$12,270,935	\$2,178,835	\$14,449,770
Interest income	1,252,488	222,375	1,474,863
Dividend income	1,111,088	197,270	1,308,358
Security lending income	689,545	122,427	811,972
Other income	448,350	79,603	527,953
Less security lending expenses	(655,763)	(116,429)	(772,192)
Less investment expenses	(156,977)	(27,871)	(184,848)
Net investment income	14,959,666	2,656,210	17,615,876
Contributions:			
Employers	2,348,721	433,426	2,782,147
Employees	237,686	3,487	241,173
Interest on accounts receivable	14,390	2,527	16,917
Other	65,341	12,298	77,639
Total contributions	2,666,138	451,738	3,117,876
Total additions	17,625,804	3,107,948	20,733,752
DEDUCTIONS:			
Benefits paid:			
Retirement allowances	(4,888,834)	(978,884)	(5,867,718)
Death benefits	(149,847)	(11,402)	(161,249)
Other	(42,855)	(1,046)	(43,901)
Total benefits paid	(5,081,536)	(991,332)	(6,072,868)
Administrative expenses	(68,836)	(9,670)	(78,506)
Total deductions	(5,150,372)	(1,001,002)	(6,151,374)
NET INCREASE	12,475,432	2,106,946	14,582,378
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS—Beginning of year	108,733,452	19,304,262	128,037,714
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS—End of year	\$121,208,884	\$21,411,208	\$142,620,092

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2006

1. Description of Plans

The Comptroller of the State of New York serves as sole trustee of the Common Retirement Fund (the "Fund") and administrative head of the New York State and Local Employees' Retirement System ("ERS"), the New York State and Local Police and Fire Retirement System ("PFRS"), and the Public Employees' Group Life Insurance Plan ("GLIP"). GLIP provides death benefits in the form of life insurance. These entities are collectively referred to as the New York State and Local Retirement System (the "System"). All net assets of the System are held in the Fund which was established to hold all net assets and changes in net plan assets allocated to the System. In these statements, GLIP amounts are apportioned and included in either ERS or PFRS.

System benefits are provided under the provisions of the New York State Retirement and Social Security Law and are guaranteed by the State Constitution. Once a public employer elects to participate in the System, the election is irrevocable. The System cannot be terminated and plan benefits cannot be diminished or impaired. Benefits can be reduced for future members only by an act of the State Legislature.

Generally, members of the System are employees of New York State (the "State") and employees of its municipalities, other than New York City. Employees of non-State participating employers constituted approximately 64% for ERS and 83% for PFRS of the April 1, 2005 System's membership.

The ERS and the PFRS are cost-sharing multiple-employer defined benefit pension plans. At March 31, 2006, there were 3,001 participating government employers in the System, including the State.

The number of members and benefit recipients as of April 1, 2005, the date of the most recent actuarial valuation, was:

	ERS	PFRS	Total
Retirees and beneficiaries currently receiving benefits	306,531	27,720	334,251
Inactive members vested	50,459	1,563	52,022
Active members	561,951	33,785	595,736
Total members and benefit recipients	918,941	63,068	982,009

Membership, benefits, and employer and employee obligations to contribute are described in the New York State Retirement and Social Security Law and are outlined as follows:

Membership Tiers—Pension legislation enacted in 1973, 1976, and 1983 established distinct classes of membership. For convenience, the System uses a tier concept to distinguish these groups, generally:

Tier 1—Those persons who last became members of the ERS before July 1, 1973, or PFRS before July 31, 1973.

Tier 2—The ERS—those persons who last became members on or after July 1, 1973, but before July 27, 1976; or PFRS—those persons who became members on or after July 31, 1973.

Tier 3—The ERS—generally those persons who are State correction officers who last became members on or after July 27, 1976, and all others who last became members on or after July 27, 1976, but before September 1, 1983.

Tier 4—The ERS—generally, except for correction officers, those persons who last became members on or after September 1, 1983.

Vesting—Members with 5 years or more of service are 100% vested.

Benefits—

(1) Tier 1 and Tier 2

Most Tier 1 and Tier 2 members are on a plan with minimum retirement age of 55, which provides for 1.67% of final average salary for each year of service less than 20 years. Generally, the benefit with more than 20 years is 2% of final average salary for each year of service. Tier 2 members retiring between ages 55 to age 62, with less than 30 years of service

receive reduced benefits. As a result of Article 19 of the Retirement and Social Security Law, eligible Tier 1 and Tier 2 members, whose date of membership is prior to July 27, 1976, will receive an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 months.

(2) Tier 3 and Tier 4

Except for Tier 3 correction officers, generally the benefit is 1.67% of final average salary for each year of service if the service is less than 20 years. For 20 to 30 years service, the benefit is 2% of final average salary for each year of service. An additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. A member must be age 62 with 5 years of service or at least age 55 with 30 years service to retire with full benefits. Reduced retirement benefits are available if retirement occurs from age 55 to 62.

(3) Special Plans

The 25-Year Plans allow a retirement after 25 years of service of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

(4) Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one third of salary, are provided after 10 years of service; in some cases, after 5 years of service.

(5) Accidental Disability Benefits

For all eligible Tier 1 members and Tier 2 ERS members, the benefit is a pension of 75% of final average salary with offset for any workers' compensation benefits received. For Tier 1 and

Tier 2 PFRS members, the benefit is a pension of 75% of final average salary with offset for any workers' compensation benefits received. The Tier 3 and Tier 4 ERS benefit is the ordinary benefit with the years of service eligibility requirement dropped.

(6) Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term-life insurance. The benefit is generally three times salary. For most members, there is also a reduced post-retirement ordinary death benefit.

(7) Post-retirement Benefit Increases

A cost-of-living adjustment is provided to: (i) all pensioners who have attained age 62 and have been retired for 5 years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners regardless of age who have been retired for 5 years; and (iv) ERS recipients of an Accidental Death Benefit regardless of age who have been receiving such benefit for 5 years. This cost-of-living adjustment is a percentage of the annual retirement allowance of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement allowance. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the US Bureau of Labor, but can not exceed 3%.

2. Summary of Significant Accounting Policies

Basis of Accounting—The accompanying financial statements are prepared using the accrual basis of accounting. Revenue is recognized when earned and liabilities are recognized when incurred. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Employer contributions are recognized when billed. The amounts shown on the financial statements are allocated between ERS and PFRS based on each system's equity in the Common Retirement Fund.

Investments—Investments are reported at fair value. Stocks traded on a national or international

exchange are reported at market value at current exchange rates. Bonds are primarily reported at market values obtained from independent pricing services. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals made every three years or according to the fund agreement. Investments that do not have an established market are reported at estimated fair value. The Fund trades in foreign exchange contracts in the normal course of its investing activities in order to manage exposure to market risks. Such contracts, which are generally for a period of less than one year, are used to purchase and sell foreign currency at a guaranteed future price. These contracts are recorded at market value using foreign currency exchange rates.

Securities Lending—Section 177-D of the New York State Retirement and Social Security Law authorizes the Fund to enter into security loan agreements with broker-dealers and New York State or national banks. The Fund has designated its master custodian bank to manage a securities lending program. This program is subject to a written contract between the Fund and the Custodian who acts as Security Lending Agent for the Fund. The Custodian is authorized to lend securities within the borrower limits and guidelines established by the Fund. Types of collateral received from borrowers for securities loaned are cash, government securities, and federal instrumentalities. The Custodian is authorized to invest the cash collateral in short-term investments that are legal for the Fund. These include domestic corporate and bank notes, US Treasuries, obligations of Federal agencies, and repurchase agreements. All rights of ownership to government securities pledged as collateral remain with the borrower except in the event of default. The Fund has not experienced any losses resulting from the default of a borrower or lending agent during the year ended March 31, 2006 or in the history of the program.

The Fund lends domestic fixed income, domestic equity, and international equity securities to broker-dealers approved by the Fund. Collateral for securities loaned equals 102% of fair market value for domestic securities and 105% for international

securities. Investment guidelines provided to the Custodian by the Fund minimize the risk that the cash collateral could be invested in securities which may default. The Custodian acknowledges responsibility to reimburse the Fund for losses, which might arise from managing the program in a manner inconsistent with the contract. The Fund manages its market rate risk by recording investments at market value daily and maintaining the value of the collateral held by the Fund in excess of the value of the securities loaned. For the year ended March 31, 2006, the Fund had no credit risk resulting from Securities Lending.

All security loans can be terminated on demand by either the Fund or borrower. The average term of the open security loans is one day while the overall average term to maturity of invested collateral for the Fund's open loans is 22 days. To provide sufficient liquidity, the policy of the Fund is to maintain a minimum of 10% of collateral in overnight investments.

Member Loan Programs—Members are entitled to participate in a loan program that allows them to borrow up to 75% of their member contributions. Repayment of outstanding amounts is generally made through payroll deductions within five years. The interest rate charged for member loans is fixed at 1% below the actuarial interest rate at the time the loan is granted. The loan rate as of March 31, 2006 was 7%.

Benefits Payable—Benefits payable represents payments due on account of death and retirement on or before March 31, 2006, for which final calculations had not been completed and paid as of that date.

Other Liabilities—Other liabilities include a cash managed balance maintained on a daily basis, which represents disbursements issued on previous business days, which are funded when presented for payment at the issuing bank.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingencies. Estimates also affect the reported amounts of income/additions and expenses/deductions during the reporting period. Actual results could differ from those estimates.

3. Deposit and Investment Risk Disclosure

Custodial Credit Risk For Investments—Investment Securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the New York State and Local Retirement System's Common Retirement Fund, or are held either by the counterparty or the counterparty's trust department or agent but not in the name of the Fund.

Equity and fixed income investments owned directly by the Fund which trade in the United States ("US") markets are held at the Fund's custodian, in separate accounts, in the name of the Comptroller of the State of New York in Trust for the Common Retirement Fund. These securities are typically held in electronic form through the Federal Book Entry System and by the Depository Trust Company ("DTC") and its subsidiaries acting as an agent of the Fund's custodian bank. Securities held directly by the Fund, which trade in markets outside the US, are held by a subsidiary of the Fund's custodian bank in the local market, a bank performing custodial services in the local market acting as an agent for the Fund's custodian bank, and in some foreign markets, the securities are held in electronic format by a DTC subsidiary or an organization similar to DTC. Directly held investments include: short-term and long-term fixed income, and domestic and international equity separately managed accounts. The aforementioned investments have the lowest custodial risk.

Equity investments held indirectly by the Fund via limited partnerships, commingled investment funds, joint ventures, and other similar vehicles are held in custody by an organization contracted with by the general partner and/or the investment management firm responsible for the management of each investment organization.

Title to real property invested in by the Fund is held either by a real estate holding company, or a real estate investment fund. Ownership of mortgage assets is documented by the Fund's holding of original mortgage and note documents by the Office of the State Comptroller ("OSC"), Division of Pension Investment and Cash Management.

The following table summarizes the custody of investments for the Fund (in thousands):

Asset Type	March 31, 2006		Asset Type as a Percent	Custodian
	Market Value	Fund Total		
Short-term investments	\$6,619,284	\$6,619,284	4.7%	Held in the name of the Fund by the Fund's custodian bank.
Government bonds	19,775,579	19,775,579	14.1	Held in the name of the Fund by the Fund's custodian bank.
Corporate bonds	9,113,416	9,113,416	6.5	Held in the name of the Fund by the Fund's custodian bank.
Domestic stocks	61,619,285		43.8	Held in the name of the Fund by the Fund's custodian bank.
Commingled domestic stocks	6,911,025		4.9	Custody arrangements contracted by fund managers.
Total domestic stocks		68,530,310		
International stocks	12,863,879		9.2	Held in the name of the Fund by the Fund's custodian bank.
Commingled international stocks	7,156,672		5.1	Custody arrangements contracted by fund managers.
Total international stocks		20,020,551		
Alternative investments	9,800,792	9,800,792	7.0	Custody arrangements contracted by General Partners.
Separate account real estate	4,205,464		3.0	Title to real estate held in the name of real estate holding Entity.
Real estate funds	1,225,221		0.9	Title to real estate held as directed by fund manager.
Total real property owned		5,430,685		
Mortgage loans	1,162,670	1,162,670	0.8	Ownership established by legal documents for each mortgage.
Total	\$140,453,287	\$140,453,287	100.0%	

Custodial Credit Risk For Deposits – Deposits are exposed to custodial credit risk if the deposits are not covered by depository insurance or deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging institution’s trust department or agent but not in the name of the Fund.

The Division of Pension Investment and Cash Management monitors deposit balances for the purpose of determining collateralization levels. Collateral sufficient to cover all uninsured deposits is held at the Fund’s custodial bank.

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of the Fund’s fixed income securities.

The price volatility of the Fund’s fixed income holdings are measured by duration. The Fund attempts to mitigate price volatility by matching the duration of the assets with the duration of the retired lives liabilities so that any change in the market value of the assets resulting from a change in interest rates will result in a similar change in the value of the liabilities.

As of March 31, 2006, the duration of the fixed income portfolio is as follows:

Bond Category	Duration (In Years)	Percentage of Bond Portfolio
Treasury	9.68	20.7%
TIPS	13.69	33.7
Agency	3.63	8.1
Mortgage	4.33	10.4
Corporate	5.95	27.1
Total	8.98	100.0%

Credit Risk—New York State statutes and the System’s investment policies require that corporate fixed income obligations must be investment grade at the time of their acquisition. Long-term bond ratings as of March 31, 2006, are as follows (in thousands):

	Market Value	Moody’s Rating	Percentage of Bond Portfolio
US Treasury bonds	\$3,732,541	Not Rated ¹	12.9%
US Treasury notes	395,910	Not Rated ¹	1.4
US Treasury strips	1,848,218	Not Rated ¹	6.4
Treasury inflation indexed securities	9,754,418	Not Rated ¹	33.8
Federal agency MBS	1,670,855	Not Rated ³	5.8
Asset backed securities	236,211	Aaa	0.8
Federal agency bonds	1,509,953	Aaa	5.2
Federal agency bonds	160,078	Aa2	0.6
Federal agency strips	555,147	Aaa	1.9
Federal agency strips	125,310	Aa2	0.4
Commercial mortgage backed securities	1,300,137	Aaa	4.5
Federal agency guaranteed MBS	23,150	Not Rated ³	0.1
NYS MPT—SONYMA	11,086	Not Rated ²	0.0
NYS conventional mortgage ptc	17,548	Not Rated ²	0.1
Yankee bonds	240,970	Aaa	0.8
Yankee bonds	78,367	Aa1	0.3
Yankee bonds	178,828	Aa2	0.6
Yankee bonds	79,323	Aa3	0.3
Yankee bonds	429,099	A1	1.5
Yankee bonds	147,956	A2	0.5
Yankee bonds	159,560	Baa2	0.6
Corporate debentures	214,961	Aaa	0.7
Corporate debentures	240,326	Aa1	0.8
Corporate debentures	407,324	Aa2	1.4
Corporate debentures	747,879	Aa3	2.6
Corporate debentures	905,617	A1	3.1
Corporate debentures	1,367,682	A2	4.7
Corporate debentures	602,106	A3	2.1
Corporate debentures	695,644	Baa1	2.4
Corporate debentures	532,947	Baa2	1.8
Corporate debentures	168,629	Baa3	0.6
Corporate debentures	24,933	Ba1	0.1
Corporate debentures	73,759	Ba3	0.3
Corporate debentures	50,933	B1	0.2
Corporate debentures	96,802	B3	0.3
Corporate debentures	104,788	Not Rated	0.4
Total	\$28,888,995		100.0%

Notes:

1. US Treasury Bonds, Notes, Strips and Inflation Indexed Securities are obligations of the US government or explicitly guaranteed by the US government and therefore are not considered to have credit risk.
2. These securities were rated Aa or higher when purchased.
3. These securities are not individually rated. The US government sponsored enterprises which issued and guarantees these securities are rated Aaa.

Concentration of Credit Risk – The risk of loss attributed to the magnitude of a Fund’s investment in a single issuer.

Issuer limits for investments held by the Fund are established for each investment area by New York State Retirement and Social Security Law, Article 2, Section 13, and Article 4A, Sections 176, 177, and 313, and policy guidelines adopted by the Comptroller of the State of New York, Division of Pension Investments and Cash Management.

Short term fixed income investments are generally limited to the following investment types maturing in one year or less:

- Obligations for which the full faith and credit of the United States is pledged to provide payment of interest and principal.

- Obligations issued by any federal home loan bank or obligations fully guaranteed as to principal and interest by, the Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation.

- Commercial paper which has the highest rating by two nationally recognized rating services. A maximum of 15% or \$500 million of the short term portfolio, whichever is greater, may be invested in any one commercial paper issuer.

- Simultaneous purchase and sale of US Treasury obligations may be executed with Primary Government Dealers. A maximum of \$200 million may be invested with any one Primary Government Dealer.

Fixed income investments are generally limited to the following investment types with maturities longer than one year:

- Obligations for which the full faith and credit of the United States is pledged to provide payment of principal and interest.

- Obligations payable in US dollars issued by any department, agency or political subdivision of the US Government or issued by any corporation, company or other issuer of any kind or description created or existing under the laws of the United States, any state of the United States, District of Columbia or Commonwealth of Puerto Rico and obligations of Canada or any province or city of Canada provided each obligation shall be rated investment grade by two nationally recognized rating services. The aggregate investment by the Fund in the obligations of any one issuer shall not exceed 2% of the assets of the Fund or 5% of the direct liabilities of the issuer.

- Interest bearing obligations payable in United States funds which at the time of investment are rated in one of the three highest rating grades by each rating service, which has rated such obligations. The aggregate amount invested in the obligations of any single issuer may not exceed 1% of the assets of the Fund.

- Bonds issued or guaranteed by the State of Israel payable in US dollars, not to exceed 5% of the assets of the Fund.

- Obligations issued or guaranteed by the international bank for reconstruction and development, inter-American development bank, Asian development bank or the African development bank.

Foreign Currency Risk—The System’s investment policies permit it to invest up to 15% of its assets in publicly traded international equity investments. The System’s current position in such equity securities, invested in directly and through commingled funds, is 14.6% of invested assets.

Non-US Dollar denominated equity investments as of March 31, 2006, are as follows (in thousands):

Currency	US Dollar Market Value
Euro	\$4,160,238
Japanese Yen	3,340,351
British Pound Sterling	2,343,881
Swiss Franc	885,544
Australian Dollar	426,725
Swedish Krona	300,163
Canadian Dollar	283,827
Hong Kong Dollar	279,589
Norwegian Krone	143,594
Singapore Dollar	119,794
Danish Krone	87,909
Turkish Lira New	58,959
South Korean Won	44,452
New Taiwan Dollar	34,560
Brazilian Real	28,469
South African Rand	17,230
New Zealand Dollar	16,035
Thailand Baht	14,962
Mexican Peso	13,023
Polish New Zloty	11,878
Philippine Peso	6,429
Malaysian Ringgit	3,583
Egyptian Pound	1,691
Hungarian Forint	1,404
Indonesia Rupiah	1,272
Venezuelan Bolivar	311
	12,625,873
US Dollar traded shares of foreign-based companies	498,736
Investments in publicly traded equity securities of non-US based corporations:	\$13,124,609
Commingled international equity investments (funds that invest in non-US Dollar denominated equity securities)	\$7,156,672

Foreign denominated deposits included in the statement of plan net assets as of March 31, 2006, are as follows (in thousands):

British Pound Sterling	\$11,551
Swiss Franc	7,448
Euro	5,960
Japanese Yen	4,950
Australian Dollar	1,945
Hong Kong Dollar	1,770
New Taiwan Dollar	1,274
Venezuelan Bolivar	1,093
Turkish Lira New	938
South African Rand	381
Singapore Dollar	325
New Zealand Dollar	280
Canadian Dollar	273
Brazilian Real	253
Danish Krone	228
Swedish Krona	96
Hungarian Forint	88
Malaysian Ringgit	59
Norwegian Krone	47
Mexican Peso	37
Indonesia Rupiah	37
Thailand Baht	26
South Korean Won	16
Other	2
Total	\$39,077

Forward foreign currency contracts to purchase foreign currency entered into by the System as of March 31, 2006, are as follows (in thousands):

US Dollar	\$92,882
Australian Dollar	29,600
Euro	89,692
Japanese Yen	(108,725)
British Pound Sterling	(50,653)
Hong Kong Dollar	(49,573)
Swiss Franc	(2,672)
Total (Net)	\$551

Note: For non-US Dollar currencies, a positive number represents market value of currency contracts to purchase foreign currency in excess of the market value currency contracts to purchase US Dollars with that currency. A negative number represents the market value of contracts to sell foreign currency in excess of contracts to purchase that currency with US Dollars. The positive number for US Dollars represents the amount the market value of contracts to sell US Dollars to purchase foreign currency exceeds the value of contracts to purchase US Dollars by selling foreign currency.

The System classifies as forward contracts those currency contracts for which the settlement date is more than two days after trade date.

Spot currency contracts to purchase foreign currency entered into by the System as of March 31, 2006, are as follows (in thousands):

US Dollar	\$8,176
Euro	2,072
Japanese Yen	2,007
South African Rand	(158)
Danish Krone	(208)
New Zealand Dollar	(220)
Canadian Dollar	(459)
Australian Dollar	(951)
Hong Kong Dollar	(1,052)
British Pound Sterling	(1,251)
Norwegian Krone	(1,260)
Swiss Franc	(6,654)
Total (Net)	\$42

Note: For non-US Dollar currencies, a positive number represents market value of currency contracts to purchase foreign currency in excess of the market value currency contracts to purchase US Dollars with that currency. A negative number represents the market value of contracts to sell foreign currency in excess of contracts to purchase that currency with US Dollars. The positive number for US Dollars represents the amount the market value of contracts to sell US Dollars to purchase foreign currency exceeds the value of contracts to purchase US Dollars by selling foreign currency.

Agreements to purchase or sell foreign currency which settles in two days or less are recorded by the System as direct purchases of currency. As such, no currency gains or losses are recognized related to the change in the foreign exchange spot rates during the settlement period for these transactions.

Foreign denominated alternative investments and real property owned included in the statement of plan net assets as of March 31, 2006, are as follows (in thousands):

Alternative Investments	
Total alternative investments	\$9,800,792
Alternative investments reporting with non-US Dollar financial statements:	
Euro	\$833,999
British Pound Sterling	40,042
Subtotal	874,041
Approximate market value of non-US Dollar investments reported in US Dollar based alternative investments financial statements	1,883,282
Total approximate market value of alternative investments in non-US Dollar based companies	\$2,757,323
Approximate percentage of alternative investments domiciled outside of the United States	28.1%

Real Property Owned	
Total market value of real property owned	\$5,430,685
Real Estate Funds reporting with non-US Dollar financial Statements:	
Euro	\$10,765
Approximate US Dollar market value of real property owned or made outside the United States	429,631
Total approximate market value of real property owned, made or located outside the United States	\$440,396
Approximate percentage of total real property owned, made or located outside the United States	8.1%

The overall portfolio summary of foreign denominated investments as of March 31, 2006, is as follows (in thousands):

Total Portfolio Summary	
Market value of all investments plus net forward currency contracts	\$140,453,838
Approximate total investments made outside the United States	\$23,518,670

4. Contributions

Contributions Required—Participating employers are required under the New York State Retirement and Social Security Law to contribute annually to the System. Annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For fiscal year ended March 31, 2006, the applicable interest rate was 8%.

System Expenses—The System receives an allocation from employer contributions which are designated by law to cover all non-investment

related operating expenses. Investment expenses are offset directly by investment income.

Funding Policy—Funding of the System is accomplished through member and employer contributions and the investment earnings on these contributions, according to the New York State Retirement and Social Security Law. The aggregate actuarial funding method is used by the System.

Generally, participating employers that have adopted the same benefit plans contribute at the same rate of payroll. The total employer contribution

rate as a percentage of salary includes rates for administrative expenses, GLIP, and supplemental benefits. GLIP is a one-year term insurance plan. Consequently, the GLIP rates are determined so as to pay for the current year's GLIP costs. Similarly, the administrative rates are determined so as to pay the current year's administrative expenses. Employers may make other contributions due to legislation, such as retirement incentives, the 17-year amortization, the 10-year amortization of part of their FYE 2005 bill, and deficiency payments (which an employer may incur when joining the System and are payable for up to 25 years). The average employer contribution rates below exclude certain contributions such as the 10-year and 17-year amortization. The average employer contribution rate for PFRS for fiscal year ended March 31, 2006 was approximately 16.3% of payroll. The average contribution rate for ERS for fiscal year ended March 31, 2006, including incentive contributions, was approximately 11.3% of payroll.

Changes to employer contribution requirements during the year ended March 31, 2006, were as follows:

- Allowed all employers to amortize over 10 years certain amounts of their fiscal year ending 2006 bill that are over 9.5% of payroll.
- Allows local employers to amortize over 10 years certain amounts of their fiscal year ending 2007 bill that are over 10.5% of payroll.

Required Contribution Rates—Tier 3 and 4 members must contribute 3% of their salary. As a result of Article 19 of the New York State Retirement and Social Security Law, eligible Tier 3 and Tier 4 employees, with a membership date on or after July 27, 1976, who have 10 or more years of membership or credited service with a System, are not required to contribute. Less than 1% of other members are contributory. Members cannot be required to begin making contributions or make increased contributions beyond what was required when membership began.

Contributions Receivable—Employers' contributions receivable are presented net of withdrawals, refunds, advance employer payments, and credits due employers.

Incentive program costs receivable from the State as of March 31, 2006, totaled \$39 million. In addition, receivable amounts from participating employers include \$32.8 million for the incentive program costs and \$78.3 million for new plan adoptions and retroactive membership.

Chapter 260 of the Laws of 2004 authorized employers to amortize over 10 years, at 5% interest, the portion of their annual bill for fiscal year ended 2005 that exceeded 7% of payroll. The amortized amount receivable from New York State as of March 31, 2006 is \$473.2 million and from participating employers is \$119 million.

Chapter 260 of the Laws of 2004 authorized employers to amortize over 10 years, at 5% interest, the portion of their annual bill for fiscal year ended 2006 that exceeded 9.5% of payroll. The amortized amount receivable from New York State as of March 31, 2006 is \$155.1 million and from participating employers is \$32 million.

5. System Reserves

The legally required reserves maintained by the System are fully funded and are described below:

- Pension Reserve Funds—Funds from which pensions are paid, totaled \$41.81 billion for ERS and \$8.81 billion for PFRS, as of March 31, 2006.
- Annuity Reserve Funds—Funds from which member contribution annuities are paid, totaled \$160 million for ERS and \$15 million for PFRS, as of March 31, 2006.

There are certain other additional funds maintained by the System.

6. Contingencies

The System is a defendant in litigation involving individual benefit payments, participant eligibility and other issues arising from its normal activities. Management of the System believes there will be no material adverse effect on the basic financial statements as a result of the outcome of these matters.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress – Year Ended March 31, 2006 (Unaudited)

The System uses the aggregate actuarial funding method that does not identify or separately amortize unfunded actuarial liabilities, therefore no schedule of funding progress is provided. The average employer contribution rates below exclude certain contributions such as the 17-year amortization and the 10-year amortization available for the fiscal year ended 2005 bills. The average employer contribution rate for PFRS for fiscal year ended March 31, 2006, was approximately 16.3% of payroll. The average contribution rate for ERS for fiscal year ended March 31, 2006, including incentive contributions, was approximately 11.3% of payroll.

Section 78 of the New York State Retirement and Social Security Law provides for a cost-of-living adjustment to: (i) all pensioners who have attained age 62 and have been retired for 5 years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners regardless of age who have been retired for 5 years; and (iv) ERS recipients of an Accidental Death Benefit regardless of age who have been receiving such benefit for 5 years. This cost-of-living adjustment is a percentage of the annual retirement allowance of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement allowance. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the US Bureau of Labor, but can not exceed 3%.

Significant actuarial assumptions used in the April 1, 2004 valuation to determine employer contributions for the year ended March 31, 2006 were:

Interest rate		8.0%
Salary scale	ERS	5.4%
	PFRS	6.8%
Decrement tables	4/1/95-3/31/00 System's experience with subsequent adjustment	
Inflation rate		3.0%

The actuarial asset value for domestic bonds and mortgages is amortized value. Short-term investments are at market value. Normally, all other investments use a five-year moving average of market values method assuming a 7% rate of expected appreciation. This method immediately recognizes regular investment income (interest and dividends) while phasing in unexpected appreciation/depreciation over a five-year period. It treats realized and unrealized gains (or losses) in the same manner. For fiscal year 2006, the April 1, 2004 valuation reflects a market restart.

Schedule of Employer Contributions

(UNAUDITED) (In thousands)

Employees' Retirement System Employer Contributions				
	Annual Required Contributions			
Year ended March 31	New York State	Local Employers	Total	Percentage Contribution
2001	\$14,443	\$111,331	\$125,774	100%
2002	57,462	196,951	254,413	100%
2003	265,662	317,555	583,217	100%
2004	435,404	690,116	1,125,520	100%
2005	1,019,389	1,490,114	2,509,503	100%
2006	994,328	1,354,393	2,348,721	100%

For fiscal year ended March 31, 2002, the Annual Required Contributions ("ARC") exceeded the Employers' Contributions as shown on the Statement of Changes in Plan Net Assets due to a prior year adjustment.

Police and Fire Retirement System Employer Contributions				
	Annual Required Contributions			
Year ended March 31	New York State	Local Employers	Total	Percentage Contribution
2001	\$1	\$38,339	\$38,340	100%
2002	304	35,464	35,768	100%
2003	8,712	60,002	68,714	100%
2004	19,391	141,544	160,935	100%
2005	68,265	387,074	455,339	100%
2006	73,596	359,830	433,426	100%

The ARC includes the employers' normal cost, the GLIP amounts, and other supplemental amounts amortized over the collection period. In addition, due to statutory contribution provisions, State contributions may vary from the ARC to allow for under/over payment of amounts for a one-year period.

ADDITIONAL SUPPLEMENTARY INFORMATION

Schedule of Administrative Expenses Year Ended March 31, 2006

(UNAUDITED) (In thousands)

	Employees' Retirement System	Police and Fire Retirement System	Total
PERSONAL SERVICES:			
Salaries	\$33,493	\$5,434	\$38,927
Overtime salaries	1,422	232	1,654
Fringe benefits	15,555	2,532	18,087
Total personal services	50,470	8,198	58,668
BUILDING OCCUPANCY EXPENSES:			
Building, lease, and condominium fees	3,398	179	3,577
Utilities and municipal assessments	150	8	158
Office supplies and services	332	83	415
Telephone	480	59	539
Total building occupancy expenses	4,360	329	4,689
COMPUTER EXPENSES:			
IT hardware lease/purchases	2,563	135	2,698
IT supplies and maintenance	651	34	685
IT agency mainframe	6,460	340	6,800
Total computer expenses	9,674	509	10,183
PERSONNEL AND OPERATING EXPENSES:			
Training	214	32	246
Travel and auto expense— includes pre-retirement seminars	719	137	856
Postage—includes member, retiree communication	1,187	147	1,334
Printing—includes member, retiree communication	389	48	437
Subscriptions/memberships	101	12	113
Total personnel and operating expenses	2,610	376	2,986
PROFESSIONAL EXPENSES:			
Medical/clinical services	1,223	183	1,406
Miscellaneous consulting services	499	75	574
Total professional expenses	1,722	258	1,980
TOTAL	\$68,836	\$9,670	\$78,506

Investment Section



When our members decide to retire from public service, we are there to offer assistance, answer questions, and help prepare them for this life-changing experience.



OVERVIEW BY DEPUTY COMPTROLLER DAVID LOGLISCI

Overall Objectives and Performance

The assets of the Common Retirement Fund are managed by the Division of Pension Investment and Cash Management. Its primary objectives are to grow Fund assets to meet the System's long-term pension liability and ensure sufficient cash flow for the funding requirements of monthly pension obligations. To efficiently achieve these goals, the Fund's assets are invested in a variety of asset types and strategies. Equity investments, which are historically more volatile, are included for their long-term performance and growth characteristics, while fixed income assets, with lower historical volatility, provide a reliable cash flow to meet the System's funding requirements and pension payments.

Investment returns for the fiscal year were over 14 percent, easily exceeding the Fund's 8 percent actuarial earnings assumption. Despite hurricane devastation in the Gulf States, the ongoing turmoil in Iraq and skyrocketing oil prices, the U.S. economy continued to expand and create jobs. The unemployment rate ended the year at its lowest level since July 2001, while consumer confidence rose to its highest level in almost four years. The Federal Reserve, which saw the appointment of a new Chairman, continued its tightening policy, raising the Federal funds target eight times during the Fund's fiscal year. The Fed's vigilance has produced mixed results; inflation as measured by the Consumer Price Index remains well contained, while core Producer and Personal Consumption Expenditure Price indices rose more than expected. Non-US economic growth has been brisk due to recovering economies in Europe and Japan and robust emerging market economies.

The Fund returned 14.59 percent for fiscal year 2005-06. All asset classes provided positive performance on an absolute basis. Certain asset classes including Domestic Equity, Alternative Investments and Real Estate, performed better than their benchmark indices. The Fund's successful long-term

performance record highlights the benefit of diversification and managing risk within each asset class.

Domestic Equities

Representing approximately 50 percent of the total assets, the Fund's domestic equity portfolio returned 14.29 percent for the year, versus 14.28 percent for the domestic equity market as represented by the Russell 3000 Index – a broad market index. Large capitalization strategies, which account for 79 percent of the domestic equity portfolio, returned 12.27 percent, medium capitalization strategies, which account for 13 percent of the domestic equity portfolio, returned 21.58 percent and small capitalization strategies, which account for 8 percent of the total domestic equity portfolio, returned 23.41 percent.

During the past year, the Fund's staff continued to implement the current domestic equity structure strategy. Within domestic equity, 71 percent is managed in passive strategies, 19 percent is managed in active strategies and 10 percent is managed in enhanced index strategies.

The internally managed S&P 500, S&P 400 and S&P 600 Index Funds continue to provide low cost and efficient exposure to the domestic equity markets for the Fund. With the expanded use of trade crossing networks and alternative trading systems, the Fund continued to lower trading costs.

The Fund also continued to use minority and women-owned brokerage service providers when trading for the internally managed assets. For the fiscal year, these brokers accounted for approximately 33 percent of the total commissions. In addition, the Fund's external equity managers used women and minority-owned brokers for approximately 10 percent of their commission total.

International Equities

The Fund's international equity portfolio was one of the largest contributors to the 2006 fiscal year's strong positive performance. The Fund's international and global equity holdings represented approximately 14.6 percent of the total assets at the end of the fiscal year. The established economies of the international stock market, as measured by the Morgan Stanley Europe, Australia and Far East (EAFE) Index, returned 24.41 percent versus 25.39 percent for the Fund's EAFE composite. The world's emerging economies, as measured by the Morgan Stanley Emerging Market Index, returned 47.45 percent versus the Fund's 48.26 percent.

During the past year, the Fund's staff continued the implementation of the international equity structure strategy. Within international equities, 83 percent is managed in the core international markets, 5 percent is managed in the global equity markets and 12 percent is managed in the emerging markets.

The Fund has continued to pursue an international equity strategy for the risk reduction and diversification it provides. The Fund's investments in the international and global markets have proven to be an integral part of the portfolio because it provides a full range of investment possibilities and many unique opportunities overseas. As of March 31, 2006, investments in developed non-U.S. markets totaled 12.4 percent, emerging markets exposure totaled 1.9 percent and global strategies totaled 0.7 percent of total assets.

Fixed Income

The fixed income portfolio represented approximately 26.1 percent of the total assets of the Fund at the end of the fiscal year. The Fund invests in both long-term and short-term assets, each of which addresses different investment needs. The long-term fixed income portfolio provides a reliable stream of income to help address the cash flow needs of the System's pension liabilities. It also moderates the greater return volatility of the Fund's equity portfolio. The short-term fixed income portfolio provides liquidity to meet monthly pension fund payments as well as cash to fund investments in all

of the Fund's asset classes. The Fund internally manages both the long-term and short-term fixed income portfolios with the assistance of a fixed income advisor.

More than half of the long-term fixed income portfolio is held in U.S. Treasury Securities and Treasury Inflation Protected Securities (TIPS). The remainder of the long-term portfolio is comprised of government sponsored agency debentures, corporate bonds, commercial mortgage backed securities, mortgages, Yankee bonds and asset backed securities. The Fund is authorized to invest the short-term fixed income portfolio in high quality commercial paper, U.S. Treasury Bills and Agency Discount Notes.

The U. S. economy continued its healthy growth during fiscal year 2005-06 with Gross Domestic Product reaching 3.5 percent. This economic expansion together with inflationary pressures, including rising energy costs, resulted in the Federal Reserve continuing its course of measured policy tightening. The Fed raised rates from 2.75 percent to 4.75 percent in a series of one-quarter point increases during fiscal year 2005-06. Short-term Treasury yields, which most closely track the Fed Funds rate, increased markedly during the year. Long-term Treasury yields initially increased only slightly resulting in a flat yield curve. Eventually, the yield curve inverted, an event last seen in 2001. By the end of the fiscal year, the yield curve was positively sloped as growing inflationary pressures pushed long rates higher.

The Fund's core long-term fixed income portfolio returned 2.55 percent for the fiscal year ending March 31, 2006, which compares favorably to 2.24 percent for the Salomon Long Pension Fund Index and 2.26 percent for the Lehman Brothers Aggregate Bond Index. Government sponsored agency debentures and mortgage backed securities were the best performing sectors. The Fund's TIPS portfolio, which provides an important avenue for hedging inflation risk, returned .10 percent.

The Fund has relationships with 21 broker-dealer firms, including seven women and minority owned firms. Women and minority owned firms continued to play an important role in the Fund's long-term and short-term fixed income strategy, executing

over 36 percent of all long-term trades and over 20 percent of all short-term broker initiated trades.

For the past twenty years, the Fund has generated additional income by lending a portion of its assets to qualified counter-parties. Fixed income, domestic equity and international equity securities are available for loan. The Fund's Securities Lending Program earned \$39 million in income for fiscal year 2005-06, as compared to \$25 million for the previous fiscal year. All sectors – fixed income, domestic and international equities – increased lending income from the previous year reflecting higher interest rates and equity values as well as increased broker/dealer participation.

Real Estate

The real estate portfolio provided a total return of 35.18 percent successfully serving to enhance overall investment returns, while adding diversification to the Fund. Additionally, income generated from the portfolio is a funding source for the System's pension liabilities. The real estate portfolio is comprised of income-producing assets accumulated from acquisitions and developments through joint venture relationships, real estate opportunity funds, and from purchases in the Fund's separate account portfolio.

The domestic real estate equity markets in fiscal year 2005-06 demonstrated continued strong demand for institutional-quality product in most American markets. The Fund accessed the real estate markets through its joint venture relationships and larger commitments to domestic opportunity funds. The Fund took advantage of the increased demand for real estate from foreign, public and private investors by selectively selling non-strategic and mature assets, taking profits and improving the overall quality of the portfolio.

In fiscal year 2005-06, international real estate investing played an increased role via sizeable commitments to experienced fund managers that have proven acquisition, leasing, financing and sales track records in the international markets, most notably Asia and Western Europe. The objective of the international investments is two-fold: (1) to diversify the Fund's real estate portfolio and (2)

to earn the higher yields offered by international real estate that has become less available in the domestic markets.

Real estate mortgage investments contribute to enhancing the long-term investment return of the Fund's fixed income portfolio. This portfolio consists of \$1.1 billion secured by a diversified commercial real estate portfolio.

Alternative Investments

The Fund's private equity portfolio is designed to provide returns that exceed those of public equities. The added return is accompanied by increased risk and illiquidity; as a result, private equity makes up a relatively small portion of the Fund's total investments.

Private equity generally involves investments in companies that are not publicly traded. Strategies include investments in new companies, which are categorized as venture capital; established companies seeking capital for expansion, which are categorized as corporate finance; special situations funds that invest in specific industries, such as energy and power, or follow other strategies. Finally, the Fund's international portfolio includes both venture capital and corporate finance strategies in companies located outside of the United States.

The Fund also invests in fund-of-funds, which are pooled investments in a portfolio of private equity funds. The fund-of-funds strategy has two primary objectives; (1) to expand the broad diversification objective and (2) to supplement the core private equity portfolio with small funds.

The Fund also invests in funds employing absolute return strategies that endeavor to generate positive performance uncorrelated to the equity and fixed income markets. These funds follow a multi-strategy and multi-manager approach to diversification thereby reducing overall risk level and correlation to the general markets.

The Fund employs a broadly diversified strategy for its private equity portfolio to reduce risk. Investments are made in a variety of strategies, with a number of different private equity managers and in funds that were initiated at different points in time. This approach reduces the risk to the Fund.

Other Programs

New York State Mortgage Pass-Through Program

Since 1981, the New York State Common Retirement Fund has helped provide more than 67,700 New York State residents with home ownership opportunities by purchasing pools of single-family mortgage loans originated within the State. To date, the Fund has invested \$7.3 billion in New York only loans, including \$472.3 million in the 2005-2006 Fiscal Year.

In the program's early years, private conduits pooled and insured loans for the Fund. More recently the Fund has contracted with one or more government sponsored agencies (the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation) to pool and insure loans originated by traditional mortgage lenders for delivery to the Fund.

Affordable Housing Permanent Loan Program

Since 1991, the Fund has played a major role in improving the lives of thousands of residents while strengthening their neighborhoods. Through programs with the Community Preservation Corporation (CPC) and the JP Morgan Chase Community Development Corporation, the Fund has been able to provide moderate income and low-income families across the State with the opportunity to rent affordable housing. By purchasing permanent mortgages, the Fund provides for the production of affordable new multi-family housing and the revitalization of deteriorated or obsolete housing units. Special housing for the State's senior citizens is also part of the program.

Since the inception of this program, 6,976 units have been completed and 3,513 are in the pipeline. The Fund has committed \$400 million to the CPC program and invested \$235 million in mortgages. In fiscal year 2005-06, the Fund invested in affordable housing throughout the State, including Albany, Columbia, Cortland, Dutchess, Erie, Genesee, Monroe, Nassau, Onondaga, Oswego, Schenectady, Suffolk, Sullivan, Ulster and Westchester Counties.

Helping NY/Equity Real Estate Investments

The Fund has invested in commercial real estate and owns properties throughout New York State, including shopping centers, office buildings, residential properties and hotels. Under the real estate joint venture program, the Fund has been able to develop new buildings and acquire properties that are in need of re-leasing, repositioning and upgrading. As a result of such intensive management efforts, property values have been increased. The Fund's joint venture program focuses on development and re-development projects within New York State, the Excelsior Real Estate Fund, has created new housing units and contributed to the pension fund's overall performance returns. The Fund's investments in real estate opportunity funds have expanded the portfolio of New York State assets.

New York Business Development Corporation (NYBDC) Program

The Fund provides the New York Business Development Corporation with funds to make loans to small businesses for working capital, equipment, or real property. NYBDC has a goal of making at least 25 percent of its loans to woman or minority-owned businesses. With its focus on small business lending, NYBDC can frequently offer more favorable terms than other lenders.

In 1998, the Fund renewed its relationship with NYBDC to provide an additional \$100 million in capital. Since the program began in 1987, NYBDC has made 650 loans totaling \$185.2 million to businesses that employ over 13,000 New Yorkers. During Fiscal Year 2005-06, NYBDC made 47 loans totaling \$10.2 million.

Financing for Emerging Businesses in New York State

The Fund's private equity portfolio includes investments in 71 New York businesses with a value of \$526 million. This figure reflects only the Fund's share of these investments; the total value of New York companies held by the Fund's partnerships was \$7.7 billion as of June 30, 2005 (the most recent data available). Companies in the private equity portfolio include: The NewsMarket in New

York City, Concentrix in Pittsford, Reichert in Buffalo, Autotask in Rensselaer, Innovative Stone in Hauppauge, Applied Nanoworks in Watervliet, Q-RNA in New York City, GlobalSpec in Troy, and Acorda Therapeutics in Hawthorne.

In 2000, the Fund initiated the New York State Private Equity Investment Program. The Program is designed to provide investment returns consistent with the risk of private equity investing while also expanding the availability of capital for New York businesses. By the end of fiscal year 2005-06, the Fund had made commitments to fifteen different private equity managers with commitments totaling \$425 million. The \$425 million in commitments is devoted exclusively to New York investment opportunities. The fifteen managers currently in the program are:

- Summer Street Capital Partners, a growth equity investment fund located in Buffalo;
- FA Technology Ventures, a venture capital fund focusing on information and energy technology located in Albany;
- Ascend Ventures, a technology venture fund located in New York City;
- Wheatley Partners, a technology venture fund with a focus on information and medical technology located in New York City and Long Island;
- DeltaPoint Capital, a growth equity fund located in Rochester;
- The Hamilton Lane New York Co-investment Fund, a special fund that provides capital statewide for other private equity managers making investments in New York;
- The CSFB New York Co-investment Fund, that makes investments alongside other private equity funds investing in New York State;
- High Peaks Ventures, a Troy and Saratoga based early stage venture capital fund;
- Founders Equity, a New York City based fund that makes growth equity investments;
- Easton Hunt Capital Partners, a New York City based fund that pursues a broad strategy of investing in companies in a wide range of industries and stages of development;
- Paladin Homeland Security Fund (NY), a Washington, D.C. fund that opened a New York office to invest in companies that address a broad range of government and commercial security needs;
- Trillium Lakefront Partners NY, a Rochester based fund that will focus on investing in technology companies in upstate New York;
- SoftBank Capital, a New York City and Buffalo based fund that invests in broadband technology and technologies that leverage broadband;
- Ascent Biomedical Ventures NY, a New York City based venture capital fund focusing on life sciences; and
- Greenhill SAVP New York, a New York City based early-stage applied technology venture firm focused on investing in business information and technology-enabled services companies.

INVESTMENT RESULTS

Based on Market Values as of March 31, 2006

	Annualized Rate of Return			
	1 Year	3 Years	5 Years	10 Years
Total Fund	14.59%	17.01%	8.13%	9.60%
Domestic Equity	14.29%	19.38%	5.89%	9.85%
International Equity	27.33%	31.66%	11.53%	8.11%
Emerging Market Equity	48.26%	46.03%	23.67%	9.73%
Alternative Investments	29.25%	24.93%	9.29%	19.58%
Equity Real Estate	35.18%	31.07%	22.72%	17.18%
Fixed Income	1.73%	4.48%	6.79%	7.48%
Russell 3000	14.28%	19.14%	5.33%	9.18%
MSCI Europe, Australia, Far East (EAFE)	24.41%	31.13%	9.63%	6.49%
MSCI Emerging Markets	47.45%	46.18%	23.21%	7.40%
Natl Council of Real Estate Inv Fiduciaries (NCREIF)	20.06%	14.42%	11.40%	12.09%
Lehman Brothers Aggregate	2.26%	2.92%	5.11%	6.29%
Salomon Smith Barney LPF Index	2.24%	3.89%	6.14%	7.06%

These figures are for investment management purposes and may not agree with audited statements.

Investment return calculations were prepared using a time-weighted rate of return.

ASSET ALLOCATION – MARCH 31, 2006*

The Fund diversifies its assets among various classes to include domestic and international equity, fixed income, inflation indexed securities, real estate, and alternative investments. Asset liability studies, conducted periodically with help from an investment consultant, identify the optimal mix of assets to meet the growth requirements of pension obligations while controlling risk as measured by return volatility. During the 2005-06 fiscal year, the Fund continued to implement the asset allocation policy adopted in June 2003 and updated in June 2005. The Fund has formal rebalancing guidelines which ensure a disciplined process for meeting asset allocation goals, as well as allocation ranges for individual asset classes which minimize unnecessary turnover.

Asset Type	Target Allocation	Maximum Allocation	Actual Allocation
Equity	70%	75%	73.9%
Domestic	57%	62%	59.3%
Publicly Traded	41.5%		48.7%
Alternative Investments	10.5%		6.8%
Real Estate	5%		3.8%
International/Global	13%	15%	14.6%
Bonds, Cash & Mortgages	23%	25%	19.1%
Inflation Indexed Bonds	7%	9%	7.0%

*A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2006, is on our website at www.osc.state.ny.us.

DOMESTIC STOCK PERFORMANCE

For the Fiscal Year Ending March 31, 2006

	Total Assets (millions)	Annual Rate of Return				Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years	10 Years			
Domestic								
Total Portfolio	\$68,326.7	14.29%	19.38%	5.89%	9.85%			
Total Actively Managed	19,712.6	16.65%	21.61%	6.68%	9.55%			
Russell 3000 Index		14.28%	19.14%	5.33%	9.18%			
S&P 500 Index								
Total Large Cap Composite	\$53,848.6	12.27%	17.51%	4.14%	9.09%	12.92%	2/1/83	12.85%
CRF S&P 500 Index Fund	40,540.6	11.67%	17.19%	4.06%	9.08%	13.12%	8/1/78	13.08%
Alliance Capital	1,439.6	19.98%	19.49%	3.71%	9.11%	14.02%	4/1/80	13.51%
Oppenheimer Capital	1,160.6	13.06%	20.69%	3.50%	9.57%	14.76%	4/1/80	13.51%
Citigroup	644.7	9.10%	14.90%	5.71%	9.99%	14.30%	7/1/82	13.99%
Capital Guardian	1,823.1	14.78%	19.97%	6.62%	12.59%	14.42%	4/1/85	12.56%
Jacobs Levy	1,936.8	11.17%	15.89%	4.39%	9.48%	11.59%	5/1/93	10.75%
Chicago Equity	540.9	13.79%	18.36%	—	—	3.35%	6/1/01	2.35%
BGI R1000 Alpha Tilts	2,884.4	15.89%	19.51%	—	—	8.67%	11/1/01	7.39%
FIS Group	150.4	12.59%	—	—	—	11.60%	11/1/03	11.89%
Aronson+Johnson+Ortiz	293.7	16.24%	—	—	—	14.93%	12/1/04	12.63%
Bear Stearns	434.7	10.28%	—	—	—	8.26%	12/1/04	12.63%
Brandywine Asset	290.5	16.93%	—	—	—	14.64%	12/1/04	12.63%
Franklin Portfolio Associates	565.3	13.39%	—	—	—	12.28%	5/1/04	11.70%
Goldman Sachs	306.9	17.65%	—	—	—	13.25%	5/1/04	11.70%
Quantitative Management	563.9	13.08%	—	—	—	12.39%	5/1/04	11.70%
T. Rowe Price	272.5	11.97%	—	—	—	8.96%	2/1/05	10.42%
S&P 400 Index								
Total Mid Cap Composite	\$9,096.3	21.58%	26.49%	12.91%	14.23%	14.48%	7/1/91	15.26%
CRF S&P 400 Midcap Fund	5,301.7	21.77%	25.87%	12.61%	14.43%	14.52%	11/1/91	14.61%
Progress Investment	1,534.6	21.52%	28.79%	13.17%	13.75%	15.04%	9/1/94	13.80%
New Amsterdam Partners	248.7	23.11%	26.39%	11.79%	15.73%	16.34%	9/1/94	13.80%
Fuller & Thaler Asset	206.4	26.74%	32.18%	15.76%	—	15.96%	3/1/97	11.77%
Oppenheimer Mid Cap	614.6	21.13%	26.24%	15.26%	—	14.94%	6/1/97	13.82%
BGI Extended Alpha Tilts	1,190.3	21.54%	28.16%	13.57%	—	11.81%	11/1/98	9.75%
Russell 2000 Index								
Total Small Cap Composite	\$5,381.8	23.41%	28.07%	11.04%	10.01%	12.45%	7/1/91	12.40%
CRF S&P 600 Index Fund	597.2	—	—	—	—	13.71%	10/1/05	13.27%
BGI R2000 Index Fund	2,174.6	26.05%	29.43%	—	—	15.64%	11/1/01	15.48%
Wells Capital	543.0	35.77%	30.03%	9.69%	7.78%	11.74%	8/1/91	8.34%
Brown Capital	276.7	29.68%	21.62%	7.99%	12.89%	15.80%	9/1/94	11.34%
EARNEST Partners	262.0	20.73%	33.36%	—	—	17.63%	6/1/01	15.15%
Brandes Investment	351.2	5.21%	28.49%	—	—	16.29%	9/1/02	22.46%
Systematic Financial	372.0	27.40%	25.40%	—	—	19.19%	9/1/02	22.46%
BGI R2000 Alpha Tilts	661.8	18.41%	26.08%	—	—	26.08%	4/1/03	29.53%
Value Line Inc.	143.3	29.15%	—	—	—	21.19%	5/1/04	19.09%

The assets under management (at market), time-weighted performance results (at market), and appropriate benchmark for each manager are presented in the table.

INTERNATIONAL STOCK PERFORMANCE

For the Fiscal Year Ending March 31, 2006

	Total Assets (millions)	Annual Rate of Return				Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years	10 Years			
Total International Portfolio	\$20,920.1	27.33%	31.66%	11.53%	8.11%	7.81%	10/1/89	6.27%
MSCI All Country World Index Free		20.29%	25.06%	7.65%	7.73%			
Global Equity Composite	\$950.9	19.53%	25.92%	9.08%	12.04%	12.03%	9/1/94	8.31%
Brandes Investment	950.9	17.61%	30.74%	10.97%	—	12.25%	11/1/99	3.12%
MSCI All Country World Free ex U.S.		27.59%	32.98%	11.36%	7.36%			
ACWI ex US Equity Composite	\$5,045.4	29.24%	—	—	—	29.87%	11/1/04	28.47%
Acadian Asset Management	839.9	35.68%	—	—	—	35.92%	11/1/04	28.47%
Brandywine Asset Management	432.9	30.42%	—	—	—	29.55%	11/1/04	28.47%
BGI Global World ex US	3,008.3	27.85%	—	—	—	28.67%	11/1/04	28.47%
Goldman Sachs	397.2	32.45%	—	—	—	32.45%	4/1/05	27.59%
The Boston Co.	367.1	22.34%	—	—	—	22.34%	4/1/05	27.59%
MSCI EAFE Index		24.41%	31.13%	9.63%	6.49%			
EAFE Composite	\$12,914.9	25.39%	30.14%	9.78%	8.01%	7.63%	10/1/89	5.49%
Alliance Capital	1,250.4	25.88%	27.93%	9.90%	8.37%	8.12%	9/1/89	5.74%
Capital Guardian	2,996.4	28.21%	29.91%	8.80%	10.48%	9.85%	9/1/89	5.74%
Morgan Stanley International A/P	2,189.8	27.13%	29.76%	10.59%	8.73%	8.71%	8/1/94	6.59%
Bank of Ireland	1,050.3	23.60%	27.74%	7.45%	—	7.11%	1/1/98	7.29%
Templeton Investment	1,119.4	19.25%	31.53%	11.97%	—	10.07%	1/1/98	7.29%
Mondrian Investment	1,020.7	21.07%	31.51%	13.92%	—	10.78%	1/1/98	7.29%
Baillie Gifford	1,148.4	26.97%	28.71%	8.81%	—	5.85%	2/1/99	5.76%
BGI Intl Tilt Fund	853.9	24.49%	32.35%	11.80%	—	8.21%	2/1/99	5.76%
Baring International A/P	1,285.6	25.48%	32.04%	—	—	16.36%	4/1/02	14.70%
MSCI Emerging Markets Index		47.45%	46.18%	23.21%	7.40%			
Emerging Markets Composite	\$2,008.9	48.26%	46.03%	23.67%	9.73%	11.70%	1/1/92	9.76%
Cap Guardian Emerging Growth	729.4	53.03%	44.91%	21.84%	10.48%	12.64%	12/20/91	10.52%
Templeton Emerging Market	639.0	39.89%	42.77%	23.61%	8.52%	7.82%	10/1/93	7.83%
Morgan Stanley Emerging Market	640.5	51.94%	49.24%	25.87%	11.21%	9.63%	10/1/93	7.83%

The assets under management (at market), time-weighted performance results (at market), and appropriate benchmark for each manager are presented in the table.

DOMESTIC EQUITY PORTFOLIO – TEN LARGEST HOLDINGS*

For the fiscal year ending March 31, 2006

Company	Shares	Market Value	% of Domestic Stock
Exxon Mobil Corp	24,883,523	\$1,514,411,210	2.0%
General Electric	43,097,466	1,498,929,867	2.0%
Microsoft Corp	39,759,436	1,081,854,254	1.5%
Citigroup	21,948,509	1,036,628,080	1.4%
Bank of America	19,696,830	896,993,638	1.2%
Pfizer	33,497,445	834,756,329	1.1%
Procter & Gamble	13,621,307	784,859,709	1.1%
J.P. Morgan Chase	17,979,287	748,657,511	1.0%
American Intl Group	10,998,162	726,868,527	1.0%
Johnson & Johnson	11,954,057	707,919,256	1.0%

*A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2006, is on our website at www.osc.state.ny.us.

DOMESTIC BOND PORTFOLIO AND COMPARISON

As of March 31, 2006

Sector	Market Value (millions)	Percent	Macaulay Duration	Yield
Treasury	\$6,043.0	20.7%	9.68	4.97%
TIPS	\$9,859.0	33.7%	13.69	4.43%
Agency	\$2,370.0	8.1%	3.63	4.08%
Mortgages	\$3,039.0	10.4%	4.33	5.73%
Corporates	\$7,912.0	27.1%	5.95	5.79%
Total	\$29,223.0	100.0%	8.98	5.02%

DOMESTIC BOND PERFORMANCE

As of March 31, 2006

	Annual Rate of Return		
	1 Year	3 Years	5 Years
Common Retirement Fund - Core	2.55%	4.46%	6.79%
Lehman Brothers Aggregate	2.26%	2.92%	5.11%
Salomon Smith Barney LPF Index	2.24%	3.89%	6.14%
Common Retirement Fund - TIPS	0.10%	6.70%	8.93%
Salomon Smith Barney - TIPS Index	0.81%	N/A	N/A

DOMESTIC BOND PORTFOLIO – TEN LARGEST HOLDINGS*

As of March 31, 2006

Issue	Market Value (millions)	Percent of Fixed Income
Treasury Inflation Indexed Securities Due 4/15/29	\$3,797.8	13.15%
Treasury Inflation Indexed Securities Due 4/15/32	1,444.0	5.00%
Treasury Inflation Indexed Securities Due 1/15/25	1,357.7	4.70%
Treasury Inflation Indexed Securities Due 4/15/28	1,108.2	3.84%
Treasury Inflation Indexed Securities Due 1/15/10	692.3	2.40%
Treasury Inflation Indexed Securities Due 7/15/13	584.9	2.02%
Treasury Bond Due 11/15/12	495.8	1.72%
Treasury Bond Due 2/15/21	381.0	1.32%
Treasury Bond Due 5/15/17	327.0	1.13%
Treasury Bond Due 5/15/18	246.9	0.85%
Total	\$10,435.6	36.13%

*A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2006, is on our website at www.osc.state.ny.us.

REAL ESTATE PORTFOLIO

As of March 31, 2006

Property Diversification	Equity Amount (millions)	Percent	Mortgage Amount (millions)	Percent
Industrial/R&D	\$491,411,886	9.7%	\$67,991,884	6.2%
Land For Development	-	0.0%	-	0.0%
Lodging	144,060,756	2.8%	-	0.0%
Office	1,143,166,437	22.5%	614,519,869	55.6%
Other	268,282,786	5.3%	10,128,380	0.9%
Residential	635,154,742	12.5%	156,820,272	14.2%
Retail	2,401,123,069	47.2%	255,399,717	23.1%
Total	\$5,083,199,676	100.0%	\$1,104,860,122	100.0%
Regional Diversification				
Northeast	\$1,325,904,587	26.1%	\$750,818,983	68.0%
Mideast	369,571,530	7.3%	821,545	0.1%
Southeast	559,890,120	11.0%	2,259,550	0.2%
Southwest	768,690,857	15.1%	66,270,480	6.0%
Midwest	313,287,348	6.2%	16,804,461	1.5%
Mountain	134,198,055	2.6%	52,506,688	4.8%
Pacific	1,288,714,985	25.4%	147,486,531	13.3%
Other	322,942,194	6.3%	67,891,884	6.1%
Total	\$5,083,199,676	100.0%	\$1,104,860,122	100.0%

	Number of Partnerships	Capital Committed (millions)	Capital Contributed (millions)	Remaining Market Value (millions)	Cumulative Distributions (millions)	Total Value (millions)
Opportunistic Real Estate	35	\$4,025.1	\$1,935.8	\$946.1	\$1,850.9	\$2,797.0

ALTERNATIVE INVESTMENTS SUMMARY

As of March 31, 2006

	Number of Partnerships	Capital Committed (millions)	Capital Contributed (millions)	Remaining Market Value (millions)	Cumulative Distributions (millions)	Total Value (millions)
Venture Capital	37	\$3,100,298,060	\$1,858,760,518	\$1,085,589,067	\$787,250,370	\$1,872,839,437
Corporate Finance	60	7,735,348,756	6,267,452,513	4,160,067,831	5,734,001,062	9,894,068,893
Special Situations	47	4,758,703,922	3,307,528,574	1,671,647,673	3,713,845,161	5,385,492,834
International	28	2,923,288,000	1,859,702,607	1,314,179,592	1,401,687,929	2,715,867,521
Other	N/A	N/A	1,441,823,062	1,569,307,531	N/A	N/A
Total*	172	\$18,517,638,738	\$14,735,267,274	\$9,800,791,694	\$11,636,784,522	\$19,868,268,685

*The total figures include all alternative investments, including "other" investments in the New York Business Development Corporation and investments using absolute return strategies.

CORPORATE GOVERNANCE

As sole trustee, the Comptroller is responsible for managing, preserving and growing the assets of the New York State Common Retirement Fund. In order to meet his obligations to the 995,536 pensioners, members and beneficiaries of the New York State and Local Retirement System, the Common Retirement Fund is invested in a number of asset classes to maximize returns, including bonds and stocks of publicly traded companies in the U.S. and abroad.

Comptroller Hevesi's role as a fiduciary keeps him engaged in discussions and negotiations with management and boards of directors of companies in the Fund's portfolio regarding corporate governance and accountability. Profitability and social responsibility of corporations must strike a fine balance in order to maximize investment rewards over time. As a long-term investor, the Comptroller promotes policies that will allow companies and communities to thrive together in mutually beneficial relationships. Since he took office in January of 2003, Comptroller Hevesi has confronted corporations about their business practices ranging from environmental and labor practices to accounting and executive compensation standards and what those things mean to shareholder value.

In recent years, as corporate scandals contributed to a downward spiraling market, the U.S. Congress acted by presenting investors and corporations with the Sarbanes-Oxley Act of 2002 by Senator Paul Sarbanes of Maryland and Congressman Michael Oxley of Ohio in a major effort to reform corporate behavior. The Securities and Exchange Commission has the responsibility of enforcing the new rules it has created to implement the corporate governance standards that the new legislation demands of corporations. Comptroller Hevesi continues to be actively engaged during this time of ongoing analysis for rule makers with regard to corporate governance reform. As the sole trustee of the Fund, Comptroller Hevesi has similarly aligned his proxy voting guidelines to the Sarbanes-Oxley Act, keeping expectations high for companies' responsiveness to the new corporate governance standards.

Comptroller Hevesi's experience as the Comptroller of the City of New York (1994-2001) and as the Comptroller of the State of New York (since 2003) brings with it a unique and important network of established relationships within the investor community. In addition to reaching out to other State Treasurers and Comptrollers to debate good corporate governance policies, he has kept the New York State Common Retirement Fund an active member of the Council of Institutional Investors where institutional investors, both public and private, productively exchange ideas on investment policies and shareholder rights.

Highlights of Comptroller Hevesi's achievements as a shareholder activist in fiscal year 2005-06 include:

- The Comptroller voted by proxy the New York State Common Retirement Fund's shares for 5,385 proposals at 1,795 companies' annual and special meetings for the period of April 1, 2005 through March 31, 2006.
- Comptroller Hevesi, as sole trustee and on behalf of the Fund, is the lead plaintiff in the WorldCom shareholder class action litigation. The Comptroller has recovered \$6.06 billion for the WorldCom Investor class and is proceeding with the claims administration process to prepare for distribution of the settlement funds to the claimants.
- Lobbied the U.S. Securities and Exchange Commission for stronger IPO regulation in conjunction with other institutional investors and Attorney General Eliot Spitzer.
- Lobbied U.S. Securities and Exchange Commission for better executive compensation disclosure. Subsequently, the Commission published proposed rules that would enhance disclosure in compensation matters.

- Lobbied the U.S. Securities and Exchange Commission to approve the New York Stock Exchange merger with Archipelago thereby moving the Exchange toward an enhanced electronic trading format and reestablishing it as a publicly traded company.
- Comptroller Hevesi was a featured speaker (as a leading signatory and as a founding member of the Investor Network on Climate Risk) at the launch of the Third Carbon Disclosure Project at JP Morgan in New York City. The Carbon Disclosure Project (CDP) provides a secretariat for the world's largest institutional investor collaboration on the business implications of climate change. CDP represents an efficient process whereby many institutional investors collectively sign a single global request for disclosure of information on Greenhouse Gas Emissions. CDP has historically sent this request to the 500 largest companies in the world.
- The Comptroller co-sponsored a shareholder resolution with Boston Asset Management at Apache Corporation requesting that the company report on and develop ways to mitigate risks of carbon emissions. After successful negotiations, the proposal was withdrawn upon Apache Corporation pledging to report to stakeholders (including the company's Board of Directors and the public at large).
- Re-opened issue with Devon Energy and then withdrew our 2006 shareholder proposal after Devon responded to our proposal by answering our request for information on how they were responding to rising regulatory, competitive, and public pressure to significantly reduce carbon dioxide and other greenhouse gas emissions by reporting their Climate Change position and strategy on their corporate website.
- The Comptroller co-sponsored a shareholder resolution with the New York City Fire Department Pension Fund at Dow Chemical requesting management report to shareholders descriptions of any new initiatives instituted by management to address specific health, environmental and social concerns of survivors of the 1984 Bhopal, India disaster. There are lingering issues of environmental contamination and survivors' ongoing need for health care and economic relief as a result of the 1984 incident.
- The Comptroller once again co-sponsored with Trillium Asset Management a shareholder resolution at ChevronTexaco requesting a report on new initiatives by management to address the specific health and environmental concerns of communities affected by unremediated wastes and other sources of oil-related contamination in the area where Texaco operated in Ecuador.
- Screened the Fund's investment portfolio for companies operating in or having ties to Sudan. The screening resulted in several meetings with companies regarding the nature of their operations and compliance with international and U.S. Federal law, and contemplation of potential New York State law with regard to divestment measures. Also met with Federal representatives including the U.S. SEC and State Department in order to resolve the issue.
- Helped convince Ford Motor Co. to reverse their decision to end advertising in gay or advocacy publications by making an official inquiry into the cost benefit analysis of that move as part of the company's strategy.
- Filed a shareholder resolution at Aquila, Inc. requesting that the company improve its equal employment opportunity policies based on the ten "Equality Principles" which prohibit discrimination based on sexual orientation and gender identity. An agreement was negotiated with the company to change its policies and publish those changes in the employee handbook. Subsequently, the shareholder resolution was withdrawn.
- The Comptroller co-sponsored a shareholder resolution with Sister of Mercy Reg. Community of Detroit Charitable Trust at Eli Lilly and Company for the second year in a row requesting that the company provide shareholders with a report disclosing the company's political contributions, the policies and procedures governing those contributions, the identity of the persons responsible for making those contributions and the business rationale behind those contributions. Eli Lilly has published its contributions and decision-making process.

Domestic Equity Manager Fees

Alliance Capital Management Corp.	\$3,706,771
Apex Capital Management	55,156
Aronson+Johnson+Ortiz	805,792
Bear Stearns	932,793
Bennett Lawrence	566,004
Barclays Global Investors	23,048,598
Brandes Partners	2,476,358
Brandywine Asset Management	978,045
Brown Capital Management	1,885,071
Capital Guardian Trust Company	4,419,469
Cardinal Capital Management	552,891
Channing Capital Management	189,975
Chicago Equity Partners	1,191,482
Citigroup Asset Management	975,860
Denali Advisors LLC	74,033
Earnest Partners	978,581
Eqty Research & Management	17,258
Fan Asset Management	422,168
FIS Group	402,546
Fortaleza Asset Management	67,226
Franklin Portfolio Associates	798,992
Fuller & Thaler Asset Management	773,279
Globeflex Capital	514,099
Goldman Sachs	519,871
High Pointe Capital Management	54,984
Holland Capital	240,462
Hoover Investment Management	1,059,818
Jacobs Levy Equity Management	4,875,169
New Amsterdam Partners	681,959
Oakbrook Investments	54,174
Oppenheimer Capital	2,923,365
Piedmont Investment Advisors	26,380
Piedra Capital Ltd	124,035
Profit Investment Management	40,401
Progress Investment Management	2,928,416
Quantitative Management Associates	840,677
Rasara Strategies	429,352
Rutland Dickson	56,600
Sasco Capital	247,368
Schneider Capital Management	757,000
Shenandoah Asset Management	252,875
Steinberg Asset Management	108,561
Systematic Financial	2,046,374
T. Rowe Price	910,990
Value Line, Inc.	574,094
Wells Capital Management	3,522,202
Total	\$69,107,574

Domestic Equity Commissions

Broker	Shares/Par (Absolute)	Commission \$ US	Broker	Shares/Par (Absolute)	Commission \$ US
Abel Noser Corp	468,460	\$9,369	Friedman Billings & Ramsey	1,453,129	55,578
Access Securities Inc.	317,100	12,693	Fulcrum Global Partners	585,750	26,017
Acento Securities LLC	60,950	2,637	Gardner Rich & Co.	43,800	1,580
ADP Clearing & Outsourcing Services	103,600	2,072	Gerson Lehrman Group Brokers	813,000	36,585
American Technology Research Inc.	50,000	2,500	Giordano-Dellacamera Securities	18,200	218
Ancora Securities Inc.	30,000	1,500	Goldman Sachs & Co.	21,050,947	659,756
Arnhold And S. Bleichroeder Inc.	12,600	504	Gordon Haskett & Co.	24,200	1,452
Avalon Research Group Inc.	14,800	444	Green Street Advisors	6,350	254
Avondale Partners LLC	261,800	12,997	Griffiths McBurney & Partners	4,500	225
B Riley & Co Inc.	27,200	1,092	Griswold Company	6,266,131	166,398
B-Trade Services LLC	33,274,260	678,408	Guzman & Co.	8,872,929	310,032
Baird, Robert W. & Co., Inc.	2,923,440	121,720	Halpern Capital	10,000	500
Banc of America Securities LLC	12,604,039	465,592	Harborside Securities	24,500	529
Barrington Research Assoc.	134,400	6,720	Harris Nesbitt Corp.	4,495,003	182,959
Baypoint Trading LLC	87,300	2,783	Heflin & Co. Inc.	150,500	6,020
Beal, M.R. & Co.	964,800	38,440	Hibernia Southcoast Capital	587,160	25,483
Bear Stearns & Co.	35,035,375	1,019,661	Hoefler And Arnett Inc.	171,700	8,169
Blair, William & Co.	1,680,921	68,736	Howard Weil Inc.	751,000	37,137
Blaylock & Partners	6,177,395	256,594	HSBC Securities Inc.	161,700	5,916
Bley Investment Group	41,700	2,085	Imperial Capital LLC	846,402	29,500
BNY Brokerage	4,277,371	166,673	Ingalls & Snyder	194,400	7,776
BNY Esi & Co., Inc.	129,700	4,540	Instinet	17,080,789	346,298
Boe Securities Inc.	1,503,433	60,137	Institutional Direct Inc.	741,284	34,233
Bridge Trading Co.	946,736	47,370	Institutional Services	674,100	26,964
Broadcourt Capital Corp.	1,470,035	57,459	Invemed Assoc., Inc.	3,400	204
Brown Brothers Harriman & Co.	8,400	13	Investment Technology Group	34,074,942	662,096
Buckingham Research Group Inc.	814,975	34,547	ISI Group Inc.	2,923,040	125,087
Bunting Warburg Inc.	2,550	128	Jackson Partners	1,027,700	38,015
C E Unterberg Towbin	726,900	27,789	Jackson Securities	151,000	5,882
C.L. King & Associates Inc.	6,026,637	251,083	Janney Montgomery Scott	222,450	10,217
Cabrera Capital Markets Inc.	207,300	8,748	Jefferies & Co	16,526,300	644,500
Canaccord Adams Inc.	722,958	29,199	JMP Securities	1,902,837	82,114
Cantor, Fitzgerald & Co.	6,462,063	196,334	Johnson Rice & Co.	29,000	1,160
Capital Institutional Services	1,130,809	53,607	Jones & Associates Inc.	6,410,160	194,688
Caris And Company Inc.	121,900	5,309	JP Morgan Securities Inc.	18,533,742	623,530
Chapdelaine Institutional	201,325	9,368	Keefe Bruyette & Wood Inc.	2,255,562	92,730
CIBC World Markets Corp.	2,705,209	112,218	Knight Securities	1,323,611	36,269
Citation Group	1,706,151	71,614	KV Execution Services LLC	672,530	13,451
Citigroup Global Market Inc.	33,994,930	890,899	La Branche Financial #2	3,216,013	82,935
CJS Securities	532,912	23,538	Lazard Capital Markets LLC	3,000	60
Cochran Coronia Securities LLC	40,050	2,003	Leerink Swann & Co.	673,131	31,267
Coker Palmer Phillips & Muller Inc.	16,880	844	Legg Mason Wood Walker Inc.	1,300,516	47,209
Collins Stewart Inc.	201,990	6,187	Lehman Brothers Inc.	27,517,682	915,662
Craig-Hallum	370,882	14,838	LEK Securities Corp	45,940	919
Credit Lyonnais Securities Inc.	418,000	13,250	Liquidnet Inc.	13,828,607	309,816
Credit Research & Trading	23,480	1,174	Loop Capital Mkts	3,235,510	111,170
Credit Suisse Securities	26,308,878	775,319	Lynch Jones & Ryan Inc.	66,302	2,101
Dain Bosworth Inc.	23,900	478	M. Ramsey King Securities Inc.	2,880,975	141,434
Davenport & Co of Virginia	15,175	665	Magna Securities Corp.	2,322,803	83,354
Davidson, D A & Co., Inc.	625,661	29,040	Maxcor Financial Inc.	5,400	270
Davis Mendel & Regenstein Inc.	134,600	6,730	McDonald & Co. Securities	1,951,009	80,062
Deutsche Bank Securities	23,694,246	639,329	Melvin Securities LLC	346,350	14,981
Direct Trading Institutional Inc.	2,593,810	23,469	Merrill Lynch, Pierce, Fenner	22,381,608	857,635
Divine Capital Markets LLC	214,800	10,222	Merriman Curhan Ford & Co.	1,091,820	44,707
Donaldson Lufkin & Jenrette	80,400	4,020	Mesirow Financial, Inc.	97,800	3,981
Dougherty Company	674,400	26,919	Metro Financial	35,400	708
Dowling & Partners Securities	32,300	1,471	Midwest Research Securities	1,570,371	54,734
E*Trade Securities Inc.	34,000	995	Miller Tabak & Company	7,800	78
Edwards, A.G. & Sons, Inc.	1,780,730	73,334	Mogavero Lee & Co., Inc.	233,428	8,762
Ehrenkrantz, King Nussbaum Inc.	14,700	294	Montrose Securities	182,371	5,471
Ewing Capital Inc.	93,200	3,262	Moors & Cabot Inc.	14,700	294
Ferris, Baker Watts Inc.	18,600	558	Morgan Keegan & Co., Inc.	380,050	17,013
First Albany Corp.	2,863,394	110,683	Morgan Stanley & Co., Inc	27,062,559	777,484
First Analysis Securities Corp.	623,685	23,470	Mr. Beal & Company	5,320,600	206,937
First Clearing Corp.	1,341,050	56,263	Multitrade Securities LLC	129,900	4,547
Fiserv Securities Inc.	1,000,950	21,133	Muriel Seibert & Co Inc.	3,582,066	107,571
Fox-Pitt Kelton Inc.	707,929	31,771	National Financial Services	3,393,648	61,882

Broker	Shares/Par (Absolute)	Commission \$ US	Broker	Shares/Par (Absolute)	Commission \$ US
National Investor Services	40,000	2,011	Vandham Securities Corp.	136,400	6,720
Needham & Company	1,908,539	76,289	Veritas Securities	1,776,750	53,303
Neuberger & Berman	93,300	3,732	Wachovia Securities	6,723,234	257,449
Nollenberger Capital Partners	4,700	235	Wave Securities LLC	186,300	3,726
Nomura Securities International	26,800	1,148	Wedbush Morgan Securities Inc.	1,448,806	56,263
Nutmeg Securities	699,700	31,849	Weeden & Co.	11,387,799	370,204
Nyfix Transaction Services	112,200	1,815	Wells Fargo Securities	113,800	5,576
O'Neil, William & Co., Inc.	1,605,050	62,937	Westminster Research Assoc.	958,250	36,642
Oppenheimer & Co., Inc.	985,700	41,093	William Smith Securities	14,700	294
Pacific American Securities	4,623,519	163,297	Williams Capital Group LLC	15,646,266	631,204
Pacific Crest Securities	27,100	845	WR Hambrecht & Co.	92,242	4,077
Pacific Growth Equities	477,619	22,088	Total	643,046,581	\$20,673,132
Pali Capital Inc.	54,600	1,514			
Pasfin Foreign Investment	11,400	456			
PBI Securities	300	15			
PCS Dunbar Securities	263,400	13,170			
PCS Securities Inc.	1,732,550	79,187			
Pershing LLC	909,345	37,022			
Petrie Parkman & Co., Inc.	358,500	18,000			
Pipeline Trading Systems	81,500	1,614			
Piper Jaffray	3,853,849	160,569			
Polcari/Weicker	157,400	3,148			
Portales Partners LLC	35,270	1,411			
Precursor Group Inc.	216,600	9,747			
Preferredtrade Inc.	28,300	425			
Prime Executions Inc.	15,300	849			
Princeton Securities	340,309	6,806			
Pritchard Capital Partners	125,200	5,954			
Prudential Equity Group	6,879,840	257,493			
Pulse Trading LLC	9,500	285			
Raymond James & Assoc.	3,451,716	145,836			
RBC Capital Markets	3,157,786	138,137			
RBC Dain Rauscher Inc.	38,200	1,910			
Reynders, Gray & Co.	15,800	933			
Rochdale Securities Corp.	1,875,106	77,614			
Rosenblatt Securities Inc.	1,900	86			
Roth Capital Partners Inc.	348,868	14,930			
Ryan Beck & Co.	159,400	5,906			
Samuel A Ramirez & Company	7,803,921	303,711			
Sanders Morris Harris	868,640	35,918			
Sandler O'Neill & Partners	413,227	16,668			
Sanford Bernstein & Co. LLC	7,289,325	283,362			
SBK-Brooks Investment Corp.	16,100	644			
Schonfield Securities	98,475	1,549			
Scotia Capital Markets	60,950	2,590			
Scott & Stringfellow Inc.	1,852,005	84,364			
SG Cowen Securities Corp.	6,807,977	264,748			
Shemano Group	2,700	81			
Sidoti & Company LLC	840,591	37,721			
Simmons & Co International	138,700	7,134			
Southwest Securities Inc.	437,752	8,471			
Sprott Securities Ltd.	52,300	1,046			
Standford Group Co.	104,450	5,223			
State Street Global Markets	406,528	14,155			
Stephens, Inc.	292,250	12,365			
Sterne Agee & Leach Inc.	46,450	2,208			
Stifel Nicolaus & Co., Inc.	617,345	27,200			
Summer Street Research Partners	26,300	1,190			
Sungard Global Exe Svs LLC	142,700	8,134			
Suntrust Capital Markets	2,318,546	97,663			
Thinkequity Partners LLC	2,829,264	111,390			
Thomas Weisel Partners	7,734,885	274,354			
Tullett Liberty Securities	643,100	9,650			
UBS Securities	20,219,296	675,643			
United Capital Group Inc.	222,200	7,777			
UNX Inc.	406,300	4,063			
Utendahl Capital Partners	11,272,360	450,894			

International Equity Manager Fees

Acadian Asset Management	\$2,892,096
Alliance Capital Management Corp.	2,930,135
Baillie Gifford Overseas Ltd.	3,055,927
Bank of Ireland Asset Management	2,405,210
Barclays Global Investors	3,231,873
Baring International Investment Ltd.	3,119,933
Brandes Investment Partners	3,345,317
Brandywine Asset Management	1,691,838
Capital Guardian Trust Company	14,623,284
Goldman Sachs	1,575,146
Mondrian Investment Partners	2,843,294
Morgan Stanley Investment Management	15,995,792
Templeton	9,784,546
The Boston Company	1,544,534
Total	\$69,038,925

Global Equity Commissions

Broker	Shares/Par (Absolute)	Commission \$ US	Broker	Shares/Par (Absolute)	Commission \$ US
ABG Securities	904,600	\$21,221	Jones & Associates Inc.	100	3
ABN Amro Inc.	13,660,906	250,912	Joseph M Benanti Inc.	255,400	5,108
Alpha Finance SA	12,059	977	JP Morgan Securities Inc.	25,608,397	491,318
Arnhold And S. Bleichroeder Inc.	11,100	1,044	KBC Financial Products	717,544	22,320
B-Trade Services LLC	23,909	478	Keefe Bruyette & Wood Inc.	931,688	20,142
Banc of America Securities	107,000	3,745	Kempen & Co	62,800	2,923
Banco Bilbao Viscaya	305,566	9,280	Kepler Equities	11,432	5,731
Banco Santander	98,365	2,547	Kim ENG Securities	188,000	1,895
Bank Am. Bellevue	103,796	17,030	King Securities	21,700	760
Bank Julius Baer	61,280	4,613	Kleinwort Benson Govt. Securities	1,559,234	8,520
Bank Of American Int'l Ln.	300,986	13,224	Knight Securities	615,940	13,050
Baring Securities Ltd.	193,869	12,627	La Branche Financial #2	745,120	7,451
Barnard Jacobs Mellet	85,300	1,183	Leerink Swann & Co.	59,500	2,083
Bayerische Hypo-Und Verei	224,090	21,084	Lehman Brothers Inc.	56,005,291	743,719
Bear Stearns & Co.	3,825,556	64,472	Liquidnet Inc.	680,035	16,496
Blackwatch Brokerage Inc.	484,750	7,617	MM Warburg & Co.	97,821	7,601
BNP Securities	2,383,118	9,812	M. Ramsey King Securities Inc.	336,300	12,120
BNY Brokerage Inc.	966,850	27,352	Macquarie Equities Ltd.	7,241,530	92,162
BPI Draler	472,100	6,543	Magna Securities Corp.	36,830	1,126
Broadcourt Capital	41,600	1,456	Mainfirst Bank AG	53,831	10,126
Brockhouse & Cooper Inc.	1,612,570	9,993	Merrill Lynch, Pierce, Fenner	260,836,614	1,433,054
C.I. Nordic Securities AB	96,700	2,713	Merrion Capital Group	40,582	1,005
Calyon Financial Securities	529,815	20,438	Mitsubishi Finance International	181,990	7,809
Cantor, Fitzgerald & Co.	4,381,269	46,886	Mizuho Securities	5,251,226	124,050
Capital Institutional Services	2,954,451	89,001	MKM Holdings	92,700	1,720
Carnegie Fondkommission	325,163	14,038	MLPFS London (Algorithmic)	149,700	3,308
Cazenove & Co.	7,114,789	95,149	Mogavero Lee & Co., Inc.	1,114,300	22,562
CDC Bourse	109,102	10,192	Morgan Keegan & Co., Inc.	124,000	2,265
Chase Securities Inc.	66,000	660	Morgan Stanley & Co., Inc.	95,063,426	896,580
Cheuvreux	1,634,800	74,211	NCB Stockbroker	918,809	27,067
China Int. Corp.	390,000	9,698	Needham & Company	19,700	690
CIBC World Markets Corp.	458,959	16,606	Neonet Securities AB	683,469	8,365
Citibank	229,580	8,165	Nesbitt Thomson Securities	786,437	37,490
Citigroup Global Market	85,274,804	1,108,705	Nikko Citigroup Ltd.	1,995,984	54,681
Collins Stewart Inc.	2,300,472	45,908	Nomura Securities International	13,394,867	218,991
Credit Agricole Indosuez	3,484,919	84,427	Nordic Partners	129,530	6,502
Credit Lyonnais Securities	2,478,172	63,573	Numis Securities Ltd.	572,612	4,480
Credit Suisse Securities	135,270,348	1,148,577	Nutmeg Securities	56,790	1,704
Daiwa Securities America	4,157,179	120,645	Nyfix Transaction Service	24,600	246
Davy Stockbrokers	29,717	413	Oddo Securities	101,603	11,116
Deutsche Bank Alex Brown	3,505,655	60,438	Oppenheim Pierson Melende	4,350	218
Deutsche Bank Securities	25,086,135	406,079	Oppenheimer & Co., Inc.	54,590	2,705
Deutsche Morgan Grenfell	4,867,863	33,151	Paribas Corp.	783,012	27,263
Deutsche Securities Asia	10,662,504	117,716	Pereire-Tod	931,744	9,039
Dexia Securities	13,600	1,086	Pershing Div. Of Donaldson	60,338	10,209
Dresdner Bank	2,100	89	Pictet & Co.	48,220	16,746
Dresdner Kleinworth Wasse	19,464,093	340,188	Piper Jaffray	465,200	16,790
E*Trade Securities Inc.	420,000	2,993	Princeton Securities	147,900	2,958
Eastshore Partners	139,300	5,768	Prudential Equity Group	81,700	2,860
Enskilda	2,814,947	27,581	Rabo Securities	173,700	7,177
Exane, Paris	801,454	58,642	Raymond James & Associates	441,200	14,245
Execution Ltd.	1,947,125	85,913	RBC Capital Markets	323,278	16,723
Factset Data Systems	2,865,900	36,958	Redburn Partners LLP	463,580	13,011
Fortis International	485,536	34,898	Robert Fleming & Co.	211,838	4,779
Fox-Pitt Kelton Inc.	944,153	32,081	Samsung Securities	20,390	2,190
G-Trade Services Hamilton	25,840,289	106,516	Sanford Bernstein & Co. LLC	6,377,184	153,688
Goldman Sachs & Co.	76,146,462	894,823	Santander Investment Securities	482,773	11,879
Goodbody Stockbrokers	264,187	10,291	Schloter & Reidock	2,289	3,371
Handelsbanken	100,106	10,794	Scotia Capital Markets	1,258,261	39,025
Harris Nesbitt Corp.	718,973	29,335	SG Cowen Securities Corp.	764,125	63,429
Heller Financial	2,710	323	Smith Barney, Harris Upha.	79,344	1,954
Helvea SA	68,180	17,859	Societe Generale Securities Corp.	15,871,645	125,051
Henderson Crosthwaite	203,333	4,582	State Street Global Market	1,895,244	3,245
Hong Kong Shanghai Bank	47,500	3,492	Strott Securities	6,500	260
HSBC Securities Inc.	3,366,391	122,943	Svenska International Equities	70,665	2,634
HVB Capital Markets	101,900	1,843	Thinkequity Partners LLC	9,500	333
Imperial Capital LLC	381,535	12,279	Thomas Weisel Partners	32,700	1,145
ING Barings LLC	175,078	5,313	Tokai Tokyo Securities Co.	71,000	1,749
Instinet	5,905,645	34,342	Tokyo Securities	283	2,164
Interdin Bolsa SV SA	97,261	2,998	Toronto Dominion	249,600	9,164
Intermonte Securities	126,377	5,345	UBS Securities LLC	121,325,919	1,554,986
Investment Technology Group	412,264	3,552	UFJ International	39,000	547
ISI Group Inc.	64,400	2,576	Wachovia Securities, LLC	71,100	2,844
Ivy Securities	4,290	129	Warburg Securities	197,313	3,748
J&E Davy	38,800	1,680	Weeden & Co.	18,795	736
JB Were & Son Inc.	2,017,277	34,596	West LB Securities	48,616	2,894
JP Morgan Chase & Co.	4,987,902	81,962	Westpac Custodian Noms.	290,013	6,953
Jardine Fleming	468,000	6,167	Williams Capital Group	77,805	5,492
Jefferies & Co.	137,900	4,827	Williams De Broe	802,052	6,524
			Total	1,103,882,932	\$12,568,430

Domestic Bond Transactions

Fiscal Year to Date as of March 31, 2006; summarized by broker or direct issuer.

Long-Term	
Broker	Par \$ US
Banc/America Securities LLC	\$122,236,000
Bear Stearns & Co, Inc	113,000,000
Blaylock & Partners LP	155,700,000
Citigroup Global Market	270,690,000
Credit Suisse Securities	181,000,000
Deutsche Bank Securities	196,489,000
Federal National Mortgage Association	472,286,068
Goldman Sachs & Co	192,875,000
Guzman & Co	50,000,000
JP Morgan Securities Inc	215,800,000
Lehman Brothers, Inc	75,000,000
Morgan Stanley & Co, Inc	212,900,000
SBK Brooks Investment	435,596,000
UBS Securities, Inc	58,000,000
Utendahl Capital Partners	235,265,000
Wachovia Securities	201,700,000
Williams Capital Group	167,080,000
Total	\$3,355,617,068
Short-Term	
Broker	Par \$ US
American Express Credit	\$278,746,000
Banc/America Securities	1,845,901,000
Bear Stearns & Co, Inc	75,000,000
Citigroup Global Market	4,484,511,000
Credit Suisse Securities	3,187,934,000
Deutsche Bank Securities, Inc	7,134,560,000
Ford Motor Credit	1,144,182,000
General Electric Capital	2,086,103,000
General Motors Acceptance	2,556,540,000
Goldman Sachs & Co	5,592,741,000
Greenwich Capital	1,154,210,000
Household Finance	75,000,000
HSBC Securities Inc	947,566,000
I B M Credit Corp	85,000,000
JP Morgan Securities Inc	2,601,358,000
Lehman Brothers, Inc	3,076,248,000
Loop Capital Mkts	29,439,000
Merrill Lynch Inc	2,030,125,000
Morgan Stanley & Co., Inc	1,711,986,000
Prudential Funding	765,214,000
Toronto Dominion	417,330,000
Toyota Mtr Credit	551,515,000
UBS Securities	1,325,899,000
Utendahl Capital Partners	6,644,848,000
Wells Fargo & Company	28,490,000
Williams Capital Group	1,757,137,000
Total	\$51,587,583,000

Real Estate Fees

Aetna	\$23,899
ACA Advisors (Aetos Capital)	375,000
Apollo Management	1,506,932
Blackstone Group	351,811
Canyon-Johnson	335,941
Carlyle Group	2,659,268
CIGNA	463,689
City Investment Fund Associates	2,812,500
Clarion Partners	15,067,106
Colony Capital	1,186,458
Community Preservation Corporation	358,868
Cypress Grove International Management	1,129,110
GMAC Commercial Mortgage	147,034
Heitman Capital Management	3,446,754
JPMIM (Excelsior II)	46,250
Landmark Realty Advisors	92,002
Lazard Freres Real Estate Investors	619,501
LSP (Lone Star)	1,142,982
Morgan Stanley Group	1,347,701
NYSTRS	46,407
Olympus Real Estate	1,843,415
Pradium	1,703,358
Prima Capital	336,250
Rockpoint	845,890
RREEF	2,034,159
Sentinel Advisors	5,746,796
ULLICO	10,562
Westbrook Real Estate Partners	1,520,414
Total	\$47,108,055

Alternative Investments Fees

ABV, LLC (Ascent Biomedical)	\$112,243	JLL Partners	271,389
Access Capital Advisers (Guernsey) Limited	1,045,046	JP Morgan Investment Management	5,869,910
ACOF Operating Manager (Ares)	566,451	Kelso & Company	36,731
Aisling Capital	769,307	Kohlberg, Kravis, Roberts	649,489
Angelo, Gordon	53,561	Leeds Equity Partners	600,000
Apax Partners (Apax Europe)	4,692,838	Leonard Green & Partners	228,372
Apax Partners U.S.	2,605,955	Lexington Capital Partners	820,925
Ascend Ventures Management	724,971	Lion Capital Partners	1,692,660
Avenue Capital Management	33,245	Madison Dearborn Partners	183,562
Beacon Partners	105,939	Mariner Investment Group	336,480
Behrman Capital	1,309,169	Markstone Investment Management	4,000,000
Blackstone Group	1,863,599	MeriTech Capital Partners	521,669
Blum Strategic Advisors	1,560,322	Mezzacappa Investors	1,105,679
Boston Ventures Management	316,352	Oaktree Capital Management	823,607
Brait Capital Partners	216,505	Och-Ziff Capital Management	1,398,942
Brazos	739,281	Olympia Capital Management	1,454,646
Bridgepoint Capital Limited	1,220,530	Olympus Advisory Partners	35,765
Carlyle Group	7,684,867	Pacific Corporate Group	1,875,000
Charterhouse Capital Partners	790,779	Paladin Capital Management	993,827
Cinven Limited	468,494	Pequot Capital Management	500,416
Clessidra	1,234,451	Performance Equity Management	598,161
Coast Asset Management	1,459,694	Permal Asset Management	1,184,383
CVC Capital Partners	2,620,699	Providence Equity Partners	874,456
Cypress Group	756,152	Quadrangle	603,366
DeltaPoint Capital	281,631	Ramius Advisors	325,625
DLJ Fund Partners (Sprout)	102,312	Renaissance Private Equity Partners (Aldus)	969,925
EHNY (Easton Hunt)	762,500	Softbank	395,833
Ethos	666,782	Stonington Partners	535,486
Fairview Capital Partners	1,879,836	Summer Street Capital Fund NYS Advisors	484,791
First Albany Companies	1,562,500	TA Associates	2,297,682
Founders NY	239,567	Thomas H. Lee Company	525,186
Freeman, Spogli	457,764	TLP Management (Trillium)	625,000
GE Investment Management	41,427	TPG Partners	1,107,086
GKM Newport	566,249	Trust Company of the West	8,565
Goldberg Lindsay (Lindsay Goldberg)	387,156	Venture Capital Fund of America	873,540
Goldman Sachs	464,351	Vestar Associates	788,372
Guggenheim Advisors	1,453,110	Warburg, Pincus & Co.	10,652,175
Hamilton Lane Advisors	4,912,296	WCA Management Corporation (Welsh Carson)	1,589,349
HarbourVest Partners	11,733,605	Wheatley NY Partners	500,000
Hellman & Friedman Investors	826,149	WJM Partners IV (Syndicated Communications)	323,269
Heritage Partners	997,083	Yucaipa	2,157,911
High Peaks Venture Partners	581,942	Total	\$115,618,160
Horsley Bridge Partners	431,952		
Hunt Financial Ventures	1,005,123		
JP Morgan Partners	2,495,150		

Consultant & Advisor Fees

Ark Asset Management	\$425,000
Ayer Consultants	20,000
Consulting Services Group	200,000
Hamilton Lane Advisors	400,000
Stockbridge Risk Management, Inc.	26,856
JP Morgan Investment Management	2,238,767
Pacific Corporate Group (PCG)	600,000
Townsend Group	487,500
Strategic Investment Solutions, Inc.	250,000
Wilshire	96,000
Total	\$4,744,123

Actuarial Section



We are there every step of the way, responding to our members' changing needs and providing them with the information and guidance they need to plan for the future with confidence.



STATEMENT OF THE ACTUARY

June 2006

Benefit security is the primary concern of an actuarial funding method. Will sufficient assets have been accumulated when an employee or pensioner begins receiving a benefit?

Future pension costs cannot be determined precisely because they depend on future mortality, investment returns, salary increases, etc. Therefore, in their calculations, actuaries must make assumptions about these uncertainties. The actuary performs experience studies, ascertaining how closely each System's experience is conforming to the assumptions used. If significant differences occur that the actuary believes may indicate differences over a long period of time, the actuary may recommend assumption changes to reduce the expected differences.

Since pension data changes over time, i.e., number of employees or amount of service earned, the New York State and Local Retirement System (System) performs an actuarial valuation annually to ensure that costs are based on the most accurate information. We extensively validate the System's data by running reasonableness tests and accounting for every individual on a year-to-year basis. In addition, we review the information contained in the Financial Statements. The System utilizes the aggregate funding method, which has a funding objective of level percent of payroll employer contribution rates. Our funding objective is being realized. Our assumptions and methods meet GASB 25 Standards and a summary is included later in this section.

There were no significant benefit improvements enacted during FYE 2005 or 2006. The April 1, 2004 valuation for FYE March 31, 2006, was performed under my direction and supervision using the assumptions recommended by me and adopted by the Comptroller as of April 1, 2004, and the aggregate actuarial funding method. I am the actuary for the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), a member of the American Academy of Actuaries, and meet its qualification standards for this work. The valuation results and all other actuarial calculations, to the best of my knowledge and belief, represent the true financial condition of the System.



Teri E. Landin, M.A.A.A., A.S.A., E.A., M.S.P.A.

Actuary

New York State and Local Employees'
Retirement System

New York State and Local Police and Fire
Retirement System

ACTUARIAL FUNDING AND VALUATION

Actuarial Funding

An actuarial funding method is a procedure for allocating the costs of a retirement system to particular time periods. It does not determine how much a system will ultimately cost; rather, it determines that portion of the estimated total cost that is to be allocated to a particular year.

For 70 years, the actuarial funding method used by the System was the aggregate method (AGG). Then, Chapter 210 of the Laws of 1990 changed the funding method to a modified projected unit credit (PUC) method beginning in FYE March 31, 1991 (referred to as fiscal year 1991 here). This law was challenged and the challenge was upheld by the Supreme Court. On appeal, both the appellate division and the Court of Appeals unanimously agreed with the Supreme Court. These decisions allowed the Comptroller to return to the aggregate funding method, beginning with the 1995 fiscal year. To ease the transition in ERS, i.e., to prevent budget crises among participating employers, the Comptroller devised a plan to phase-in non-GLIP (New York State Public Employees' Group Life Insurance Plan) rates beginning in the 1995 fiscal year when the rates were zero. The rates increased by 1.5 percent per year until 1999, when the transition would cease. However, due to excellent investment gains and favorable experience, almost all ERS employer bills were below the transition rates in 1997, and in 1998 all were below the transition rates, so the transition ceased in 1998.

Actuarial Valuation

At the beginning of the fiscal year, the Actuary, by law, determines the actuarial assets and liabilities. The actuarial valuation is important since it determines each year's employer contributions. Chapter 49 of the Laws of 2003 mandates that the actuarial valuation undertaken on the first day of a fiscal year be used to determine contribution rates for the next succeeding fiscal year.

Each valuation gives a long-term picture of the System currently and over the coming years. In

this, it differs markedly from the March 31, point-in-time snapshot of the System provided by the Financial Statements. The two measurements serve different purposes and use different techniques.

Two examples help make this clear:

- The actuarial assets for valuation purposes include the current value of all the future contributions employers and employees will make on behalf of current members. The Financial Statement balance sheet asset figure includes only contributions paid or incurred through this fiscal year.
- The actuarial assets smooth out the ups and downs of common stock performance by using a multi-year smoothing procedure. Techniques like this are widely practiced and professionally recommended to protect employers from volatile contribution rates. The Financial Statements, on the other hand, simply present market values of assets on the last day of the fiscal year.

Aggregate Actuarial Funding Method

Actuarial liabilities are the current values (called the actuarial present values) of the benefits the Retirement System expects to pay to current members, pensioners and beneficiaries. The actuarial present value of benefits is calculated by projecting the amount of future retirement, death and disability benefits (based on past and future service) to be paid and then discounting for interest earnings, employee turnover and other contingencies.

The actuarial present value of the contributions that employers must make to the System to fund the projected benefit payment is equal to the actuarial liabilities, minus the actuarial value of present assets.

Under the aggregate funding method, the difference between the actuarial liabilities above and the actuarial value of present assets is funded as a level percentage of salary over the future working lifetimes of current members.

ELEMENTS OF THE ACTUARIAL VALUATION

Actuarial Assumptions

The current actuarial assumptions were adopted effective April 1, 2004. These assumptions and their predecessors are shown below. All assumptions presume ongoing Systems:

Fiscal Year Ending 3/31	Salary Scale*			Interest Rate	Multiple-Decrement Tables based on Systems'
1982-85	Inflation Productivity & Merit	5.0% <u>3.5%</u> 8.5%		7.50%	4/1/76-3/31/81 experience
1986	Inflation Productivity & Merit	5.0% <u>3.5%</u> 8.5%		8.00%	4/1/76-3/31/81 experience
1987-88	Inflation Productivity & Merit	5.0% <u>2.3%</u> 7.3%		8.00%	4/1/81-3/31/86 experience
1989-92	Inflation Productivity & Merit	5.0% <u>2.0%</u> 7.0%		8.75%	4/1/81-3/31/86 experience
1993-96	Inflation Productivity & Merit	5.0% <u>2.0%</u> 7.0%		8.75%	4/1/86-3/31/91 experience
1997-98	Inflation Productivity & Merit	ERS 4.75% <u>1.25%</u> 6.00%	PFRS 4.75% <u>1.75%</u> 6.50%	8.50%	4/1/90-3/31/95 experience
1999-2000	Inflation Productivity & Merit	3.50% <u>2.50%</u> 6.00%	3.50% <u>3.00%</u> 6.50%	8.50%	4/1/90-3/31/95 experience
2001	Inflation Productivity & Merit	3.00% <u>2.50%</u> 5.50%	3.00% <u>3.00%</u> 6.00%	8.00%	4/1/90-3/31/95 experience
2002-04	Inflation Productivity & Merit	3.00% <u>2.90%</u> 5.90%	3.00% <u>3.90%</u> 6.90%	8.00%	4/1/95-3/31/00 experience
2005-06	Inflation Productivity & Merit	3.00% <u>2.40%</u> 5.40%	3.00% <u>3.80%</u> 6.80%	8.00%	4/1/95-3/31/00 experience with subsequent adjustments

*This is an approximate value. Salary scales vary by age and plan and are based on each System's experience.

Selected Actuarial Assumptions used in the April 1, 2004 Valuation

Assumptions are computed by the Actuary and adopted by the Comptroller. They are based on recent member experience.

These illustrations are used to determine the number of people we anticipate will be dying, retiring, becoming disabled, withdrawing, etc.

Demographic assumptions below show central rates of decrement per 10,000 members, not necessarily probabilities.

Disability Retirement – Ordinary and Accidental

Age	ERS Ord	ERS Acc	PFRS Ord*	PFRS Acc
35	13	5	17	16
40	18	4	23	18
45	29	3	43	31
50	39	4	107	36

*includes performance of duty

Ordinary Death

Age	ERS	PFRS
35	6	5
40	9	7
45	13	10
50	20	19

Withdrawal

(Ten-year ultimate rates)

Age	ERS	PFRS
35	225	43
40	195	67
45	167	103
50	139	211

Service Retirement

ERS	Age	Tier 1	Tier 2-4
	55	5,828	847*
	60	2,493	885*
	65	4,389	3,853

*If 30 years is attained prior to age 62, use the Tier 1 table.

PFRS	Age	20-year	20-year with add'l 60ths
	45	1,131	436
	50	901	604
	55	1,463	1,347

Service Retirees – Mortality

Age	Male Clerk	Female Clerk	PFRS
55	46	37	40
60	71	53	65
70	167	108	175
80	414	308	480

Disability Retirees – Mortality

Age	Male Clerk	Female Clerk	PFRS
30	15	12	4
40	121	96	8
60	271	211	70
80	852	533	625

Salary Scale – Annual Percent Increase

Age	ERS	PFRS
25	8.79	16.47
35	6.14	7.19
45	5.15	5.79
55	4.93	6.06

Actuarial Value of Assets

Most of the assets of the ERS, PFRS, and GLIP are pooled in the Common Retirement Fund for investment purposes. The actuarial asset values for bonds and mortgages are amortized values. Short-term investments are at market value. Normally, all other investments (stocks, commingled funds, real estate, business investments, etc.) use a five-year moving average of market values method assuming a 7 percent rate of expected appreciation. For FY 2006, the April 1, 2004 valuation reflects a market restart.

The GLIP values investments at market value. For FY 2006, the April 1, 2004 valuation of the System and Insurance Plan, the difference between market and actuarial value of smoothed investments was:

	Investment (millions)
Market Value	\$119,245
Actuarial Value	<u>115,617</u>
Difference	(\$3,628)

Administrative Expenses

The cost of administering the System is borne by the State and local employers on a current disbursement basis.

Group Life Insurance Plan (GLIP)

GLIP provides for up to \$50,000 of member and certain post-retirement death benefits to be paid as life insurance. All benefits provided are on a one-year term insurance basis. Participating employers are billed each year based on the aggregate of anticipated claims for the plan year. Premiums are set so that the reserve will, at its lowest amount during any year, be approximately equal to payables. Payables is an estimate of the amount of claims currently being processed, plus claims incurred, but not yet reported.

Deficiency Costs

An employer may also have a deficiency contribution. When a new employer joins a System, any past service liability is paid for by separate annual payments over a period of up to 25 years. These payments are not affected by the funding method.

Rate and Contribution Comparability

For comparability, unless stated otherwise, rates and contributions assume a payment date of February 1 before the fiscal year-end. Presenting the State rates and contributions as of this payment date provides for comparability of State and local government rates and costs.

ACTUARIAL VALUATION BALANCE SHEETS

Used to determine employer contributions for the fiscal year ending March 31;
in millions of dollars, as calculated April 1, 2003 and April 1, 2004

	2005 (in millions)	2006 (in millions)
ERS		
Actuarial Assets		
Actuarial Value of Present Assets:		
Held for Current Pensioners & Beneficiaries	\$37,795	\$37,900
Held for Members	46,681	55,570
Members' Contributions	<u>5,910</u>	<u>6,160</u>
Total	\$90,386	\$99,631
Actuarial Present Value of Prospective Contributions:		
From Employers	\$18,901	\$17,752
From Members	<u>807</u>	<u>814</u>
Total	\$19,708	\$18,566
Total Actuarial Assets	\$110,094	\$118,197
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Pensioners & Beneficiaries:		
Service Retirement Benefits	\$35,342	\$41,279
Disability Retirement Benefits	2,359	2,501
Death Benefits	<u>94</u>	<u>100</u>
Total	\$37,795	\$43,880
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$68,649	\$70,938
Disability Retirement Benefits	1,740	1,758
Death Benefits	1,245	1,099
Other	<u>665</u>	<u>522</u>
Total	\$72,299	\$74,317
Total Actuarial Liabilities	\$110,094	\$118,197
PFRS		
Actuarial Assets		
Actuarial Value of Present Assets:		
Held for Current Pensioners & Beneficiaries	\$8,304	\$7,697
Held for Members	7,907	10,041
Members' Contributions	<u>15</u>	<u>17</u>
Total	\$16,226	\$17,755
Actuarial Present Value of Prospective Contributions:		
From Employers	\$4,146	\$4,197
From Members	<u>0</u>	<u>0</u>
Total	\$4,146	\$4,197
Total Actuarial Assets	\$20,371	\$21,953
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Pensioners & Beneficiaries:		
Service Retirement Benefits	\$6,581	\$7,159
Disability Retirement Benefits	1,631	1,715
Death Benefits	<u>92</u>	<u>94</u>
Total	\$8,304	\$8,968
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$10,834	\$11,762
Disability Retirement Benefits	853	877
Death Benefits	313	274
Other	<u>67</u>	<u>72</u>
Total	\$12,067	\$12,985
Total Actuarial Liabilities	\$20,371	\$21,953

	2005	2006
	(in millions)	
New York Public Employees' Group Life Insurance Plan		
Assets		
Investments	\$69	\$81
Liabilities		
Managed Overdraft (cash)	4	4
Claims Being Processed	11	19
Claims Unreported	5	6
Reserve for Mortality Fluctuations	<u>49</u>	<u>52</u>
Total Liabilities	\$69	\$81

LOCAL GOVERNMENT EMPLOYERS FINAL CONTRIBUTION RATES

For the fiscal year ending March 31, 2006, assuming a February 1, 2006 payment.

All rates exclude any contribution rates due to amortization payments, prior years' adjustments, deficiency costs, retirement incentive programs and certain benefits electable by local governments, such as credit for unused sick leave or one-year final average salary. All rates include Group Life Insurance.

	Plan ID	Percentage of Payroll		
		Tier 1	Tier 2	Tiers 3 & 4
ERS				
Age based plans				
Basic, Age 55, Age 60 Contributory	71-a	7.6	6.7	n/a
Tier 3	A14	n/a	n/a	10.2
Tier 4	A15	n/a	n/a	10.2
Non-contributory	75-c	13.7	11.7	n/a
Non-contributory w/ Guaranteed Benefits	75-e	13.7	11.7	n/a
Career	75-g	14.4	12.5	n/a
New Career	75-h/75-i	15.0	13.0	n/a
25-year plans				
Sheriffs and Deputies	89-a	15.7	14.7	n/a
Art 14B Sheriffs - 25-yr.	551	15.3	14.9	13.6
Art 14B Sheriffs - 25-yr. + 1/60th	551-e	15.7	15.3	14.0
full service for 1/60th	551-ee	16.3	15.9	14.5
County Law Enforcement	89-e, etc.	16.3	19.4	12.9
election on or after 4/1/98	89-p, etc.	16.3	15.9	12.3
20-year plans				
Sheriffs and Deputies	89-b	17.1	13.9	n/a
add'l 1/60th	89-b(m)	17.5	14.4	n/a
Art 14B Sheriffs - 20-yr.	552	17.5	17.2	15.9
Art 14B Sheriffs - 20-yr. + 1/60th	553	18.1	17.8	16.6
full service for 1/60th	553b	18.8	18.5	17.3
Detective Investigators	89-d	17.0	23.9	n/a
add'l 1/60th	89-d(m)	17.4	24.8	n/a
PFRS				
Age based plans				
Basic, Age 55, Age 60 Contributory	371-a	7.5	6.4	
Non-contributory	375-c	11.6	9.3	
Non-contributory w/ Guaranteed Benefits	375-e	11.6	9.3	
Career	375-g	12.6	10.2	
New Career	375-i	13.0	10.4	
Improved Career	375-j	13.0	10.4	
25-year plans				
Non-Contributory	384	12.8	12.1	
add'l 1/60th	384(f)	13.1	12.8	
20-year plans				
Contributory				
Employer assumes 1/2 of additional member cost	384-d	8.5	8.4	
Employer assumes all of additional member cost	384-d	12.1	12.0	
Non-contributory				
add'l 1/60th	384-d	14.8	14.2	
384-e				
1990 elections		20.8	16.3	
1991 elections		23.7	16.3	
1992 elections		24.8	16.3	
1993 elections		27.4	16.3	
1994 elections		24.4	17.3	
1995 elections		28.2	17.7	
1996 elections		29.6	16.8	
1997 elections		27.6	16.6	
1998 elections		29.1	16.8	
all other years		15.4	15.1	

CONTRIBUTION RATE TREND FOR LOCAL GOVERNMENTS

Rates, prior to 2006, are based on a payment date of December 15. Beginning in 2006, the rates are based on a February 1 payment date. Each rate is applied to the salary of members covered by that particular plan. Rates were calculated under the aggregate method. All rates include Group Life Insurance and administrative rates.

Actual costs borne by employers are shown in the Statistical Section.

Plan Name (Section)	Percentage of Payroll									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
ERS										
Non-contributory (75-c)										
Tier 1	3.2	1.0	0.6	0.1	0.2	0.7	1.2	4.9	15.8	13.7
Tier 2	2.9	0.9	0.6	0.1	0.2	0.7	1.1	4.9	13.2	11.7
Guaranteed Benefit (75-e)										
Tier 1	3.2	1.0	0.6	0.1	0.2	0.7	1.2	4.9	15.8	13.7
Tier 2	2.9	0.9	0.6	0.1	0.2	0.7	1.1	4.9	13.2	11.7
Career (75-g)										
Tier 1	3.3	1.0	0.6	0.1	0.2	0.7	1.3	4.9	16.6	14.4
Tier 2	3.0	1.0	0.6	0.1	0.2	0.7	1.2	4.9	14.1	12.5
New Career (75-i)										
Tier 1	3.5	1.0	0.6	0.1	0.2	0.7	1.3	4.9	17.2	15.0
Tier 2	3.1	1.0	0.6	0.1	0.2	0.7	1.2	4.9	14.7	13.0
Article 14/15 Tier 3	2.4	0.9	0.6	0.1	0.2	0.7	1.2	4.9	11.4	10.2
Article 15 Tier 4	2.4	0.9	0.6	0.1	0.2	0.7	1.2	4.9	11.4	10.2
PFRS										
Non-contributory (375-c)										
Tier 1	5.6	3.6	0.4	0.1	0	0.1	0.1	4.6	12.7	11.6
Tier 2	4.4	3.0	0.4	0.1	0	0.1	0.1	4.6	10.5	9.3
Guaranteed Benefit (375-e)										
Tier 1	5.6	3.6	0.4	0.1	0	0.1	0.1	4.6	12.7	11.6
Tier 2	4.4	3.0	0.4	0.1	0	0.1	0.1	4.6	10.5	9.3
Career (375-g)										
Tier 1	6.0	3.8	0.4	0.1	0	0.1	0.1	4.6	13.8	12.6
Tier 2	4.8	3.2	0.4	0.1	0	0.1	0.1	4.6	11.4	10.2
New Career (375-i)										
Tier 1	6.1	3.9	0.4	0.1	0	0.1	0.1	4.6	14.3	13.0
Tier 2	4.8	3.2	0.4	0.1	0	0.1	0.1	4.6	11.7	10.4
25-Year (384)										
Tier 1	6.2	3.9	0.4	0.1	0	0.1	0.1	4.6	14.1	12.8
Tier 2	5.3	3.5	0.4	0.1	0	0.1	0.1	4.6	13.3	12.1
25-Year + 1/60ths (384(f))										
Tier 1	6.3	4.0	0.4	0.1	0	0.1	0.1	4.6	14.4	13.1
Tier 2	5.6	3.6	0.4	0.1	0	0.1	0.1	4.6	14.1	12.8
20-Year (384-d)										
Tier 1	7.1	4.4	0.4	0.1	0	0.1	0.1	4.6	16.0	14.8
Tier 2	6.4	4.0	0.4	0.1	0	0.1	0.1	4.6	15.2	14.2
20-Year + 1/60ths (384-e)										
Tier 1										
1990 elections	12.8	9.9	5.8	5.5	5.4	5.5	5.5	10.0	22.1	20.8
1991 elections	15.6	12.7	8.6	8.3	8.2	8.3	8.3	12.8	24.9	23.7
1992 elections	16.7	13.8	9.7	9.4	9.3	9.4	9.4	13.9	26.0	24.8
1993 elections	19.3	16.4	12.3	12.0	11.9	12.0	12.0	16.5	28.6	27.4
1994 elections	16.3	13.4	9.3	9.0	8.9	9.0	9.0	13.5	25.6	24.4
1995 elections	20.1	17.2	13.1	12.8	12.7	12.8	12.8	17.3	29.4	28.2
1996 elections	21.5	18.6	14.5	14.2	14.1	14.2	14.2	18.7	30.8	29.6
1997 elections	n/a	16.6	12.5	12.2	12.1	12.2	12.2	16.7	28.8	27.6
1998 elections	n/a	n/a	14.0	13.7	13.6	13.7	13.7	18.2	30.3	29.1
all other years	n/a	n/a	0.4	0.1	0	0.1	0.1	4.6	16.7	15.4
Tier 2										
1990-1993 elections	8.6	5.9	2.1	1.7	1.5	1.5	1.4	5.9	17.5	16.3
1994 elections	10.2	7.6	3.8	3.5	3.2	3.1	2.9	7.4	18.7	17.3
1995 elections	10.2	7.6	3.8	3.3	3.1	3.1	2.9	7.4	19.0	17.7
1996 elections	9.2	6.6	2.8	2.3	2.1	2.2	2.0	6.5	18.2	16.8
1997 elections	n/a	6.8	2.9	2.6	2.4	2.3	2.0	6.5	18.0	16.6
1998 elections	n/a	n/a	2.9	2.5	2.4	2.5	2.3	6.8	18.1	16.8
all other years	n/a	n/a	0.4	0.1	0	0.1	0.1	4.6	16.3	15.1

EMPLOYER CONTRIBUTIONS

Contributions here may differ from those appearing elsewhere in the Actuarial Section because this section deals only with the contributions attributable to the single year shown. Actual contributions may include adjustments due to previous years, such as amortization payments/credits and reconciliation of other years' bills. In addition, in 2005 and 2006, employers could amortize a portion of their contributions. The following amounts show their total obligation. The contributions and average rates below include normal, administrative, Group Life Insurance, incentive and deficiency contributions.

Comparison of Employer Contributions*

For fiscal years ending 2005 and 2006 (in millions of dollars)

	2006 Contributions			2005 Contributions		
	Salary	Contribution	Avg. Rate	Salary	Contribution	Avg. Rate
ERS						
Tier 1	\$1,366	\$207	15.1%	\$1,537	\$267	17.4%
Tier 2	1,103	146	13.2	1,142	171	15.0
Tier 3 & 4	18,450	1,949	10.6	17,539	2,080	11.9
Deficiency		2			2	
Incentive		66			98	
Total	\$20,919	\$2,370	11.3%	\$20,218	\$2,618	12.9%
PFRS						
Tier 1	\$116	\$29	25.1%	\$136	\$36	26.3%
Tier 2	2,596	412	15.9	2,395	409	17.1
Total	\$2,712	\$441	16.3%	\$2,531	\$445	17.6%

*Numbers may not add up due to rounding.

Final Employer Contributions by Employer Type

Attributable to fiscal year 2006 costs only (in millions of dollars)

Employer	Normal*	Deficiency	Administrative	GLIP	Total
ERS					
State	\$936		\$26	\$31	\$992
Counties	431		12	14	457
Cities	64		2	2	69
Towns	136	\$1	4	5	146
Villages	41	**	1	2	43
Misc.	338	1	10	13	362
Schools	281	**	8	11	301
Total	\$2,227	\$2	\$63	\$78	\$2,370
PFRS					
State	\$79		\$1	\$0	\$80
Counties	113		2	0	115
Cities	124		2	0	127
Towns	44		1	0	44
Villages	35		1	0	36
Misc.	38		1	0	39
Total	\$433		\$8	\$0	\$441

*Includes incentives

**Less than \$500,000

Employer Contributions by Tier*

(in millions of dollars)

	2006 (as of 2/1/06)		2005 (as of 12/15/04)	
	Employer Contributions Attributable to Year	%	Employer Contributions Attributable to Year	%
ERS				
Tier 1	\$207	8.7	\$267	10.2
Tier 2	146	6.2	171	6.5
Tier 3 & 4	1,949	82.2	2,080	79.5
Deficiency	2	0.1	2	0.1
Incentive	66	2.8	98	3.7
Total	\$2,370	100	\$2,618	100
PFRS				
Tier 1	\$29	6.6	\$36	8.1
Tier 2	412	93.4	409	91.9
Total	\$441	100	\$445	100

*Numbers may not add up due to rounding.

HISTORICAL TRENDS

The State is obligated to pay its bill on March 1, one month before the end of the fiscal year. However, since 1995, the State has paid its bill prior to this March 1 deadline. Through 2004, local employers paid their bills by December 15, three and one-half months before the end of the fiscal year. Beginning in 2005, the payment date for local employers was changed to February 1.

Trends in Employer Contributions



CHANGES IN CONTRIBUTIONS

Yearly, the System's experience in many areas (employee salary growth or decrease, investment return, legislative enactments of benefits) is assessed and quantified. Each element exerts an increasing, decreasing or neutral pressure on contributions to be charged for that year.

Analysis of Changes (by source)

Experience during one fiscal year produces the increase or decrease in contributions for the following year. (in millions)

Year	Contributions Billed for Preceding Year	Salary Growth	Return on Investments ^(a)	Funding Method	Change in Benefits	Other Adjustments	Projected Contributions for Year Shown ^(b)
ERS							
1997	\$793	-\$108	-\$208	n/a	0	\$47	\$524
1998	559	-111	-258	n/a	0	81	271
1999	270	-103	-98	n/a	0	148	217
2000	217	-46	-55	n/a	0	34	150
2001	149	n/a	n/a	n/a	n/a	17	166
2002	166	n/a	-57	n/a	n/a	118	227
2003	228	-69	-30	n/a	n/a	172	301
2004	292	n/a	n/a	\$680	n/a	188	1,160
2005	1,157	-300	1,881	n/a	n/a	-85	2,653
2006	2,652	124	-746	23	n/a	399	2,452
PFRS							
1997	217	-3	-28	n/a	0	-12	174
1998	169	-12	-44	n/a	0	16	129
1999	129	0	-94	n/a	0	13	48
2000	48	22	-37	n/a	0	9	42
2001	39	n/a	n/a	n/a	n/a	-5	34
2002	34	n/a	n/a	n/a	n/a	1	35
2003	36	n/a	n/a	n/a	n/a	-1	35
2004	32	n/a	n/a	102	n/a	8	142
2005	144	-28	339	n/a	n/a	-1	454
2006	446	21	-119	4	n/a	80	432

(a) For 2005, this amount is the investment loss relative to the minimum contribution of 2004.

(b) This is an estimated figure. Minor adjustments, mostly salary-related, result in the final contribution figure for the year as shown in the Contributions Billed column.

SCHEDULE OF ACTIVE MEMBER DATA

FYE Mar 31	Active Members	Annual Member Payroll (in millions)	% Increase in Annual Member Payroll	Average Salary
ERS				
1996	481,901	\$15,105	-0.8	\$31,345
1997	474,697	15,109	0.0	31,829
1998	478,508	15,556	3.0	32,509
1999	486,781	16,365	5.2	33,618
2000	494,545	16,935	3.5	34,243
2001	507,037	17,981	6.2	35,463
2002	512,209	18,760	4.3	36,626
2003	502,872	18,969	1.1	37,721
2004	507,241	19,575	3.2	38,591
2005	508,856	20,218	3.3	39,733
PFRS				
1996	31,874	\$1,673	4.6	\$52,488
1997	31,735	1,723	3.0	54,293
1998	31,912	1,842	6.9	57,721
1999	32,067	2,018	9.6	62,931
2000	31,955	2,049	1.5	64,131
2001	32,220	2,081	1.6	64,591
2002	32,321	2,338	12.3	72,346
2003	32,419	2,322	-0.7	71,631
2004	32,359	2,459	5.9	75,987
2005	32,388	2,531	2.9	78,149

SCHEDULE OF RETIRED MEMBERS AND BENEFICIARIES ADDED TO AND REMOVED FROM BENEFIT PAYROLL

FYE	Service Retired Members		All Other Pensioners and Beneficiaries		Total Retired Members and Beneficiaries
	Added During Year	Removed During Year	Added During Year	Removed During Year	
ERS					
1996	18,861	8,356	2,901	1,691	251,442
1997	14,279	8,316	2,719	1,711	258,413
1998	10,133	8,738	2,682	1,739	260,751
1999	11,927	9,028	3,146	1,897	264,899
2000	13,717	9,456	3,121	1,948	270,333
2001	10,847	9,059	2,960	1,934	273,147
2002	16,437	9,564	3,086	2,109	280,997
2003	15,024	9,870	3,173	1,983	287,341
2004	22,700	9,620	3,229	2,122	301,528
2005	13,277	9,708	3,625	2,191	306,531
PFRS					
1996	717	408	223	104	22,888
1997	867	380	195	120	23,450
1998	681	429	194	132	23,764
1999	748	460	239	144	24,147
2000	753	497	239	140	24,502
2001	792	490	252	125	24,931
2002	1,061	536	311	160	25,607
2003	1,054	521	243	127	26,256
2004	955	518	293	157	26,829
2005	1,255	529	333	168	27,720

Statistical Section



When their careers in public service come to an end, our pensioners can trust us to serve them with dedication and compassion throughout their retirement years.



SCHEDULE OF REVENUE BY SOURCE

(in thousands)

Year Ending	Member Contributions	Employer Amount	Contributions % of Payroll	Other*	Investment Income Net	Totals
ERS						
1997	\$347,740	\$725,631	3.7%	\$110,743	\$7,048,400	\$8,232,514
1998	368,801	337,510	1.7%	77,201	20,979,916	21,763,428
1999	398,705	239,670	1.3%	84,344	7,776,526	8,499,245
2000	422,023	100,379	0.9%	131,183	16,263,868	16,917,453
2001	317,351	165,791	0.9%	106,643	(9,424,415)	(8,834,630)
2002	206,018	214,592	1.2%	105,013	2,307,773	2,833,396
2003	214,131	583,217	1.5%	103,999	(9,504,775)	(8,603,428)
2004	217,335	1,125,520	5.9%	71,830	23,154,279	24,568,964
2005	224,459	2,509,503	12.9%	82,462	8,211,547	11,027,971
2006	237,686	2,348,721	11.3%	79,731	14,959,666	17,625,804
PFRS						
1997	457	177,881	9.8%	12,723	1,322,792	1,513,853
1998	611	125,065	7.0%	11,427	3,915,536	4,052,639
1999	1,115	52,012	2.4%	26,459	1,448,226	1,527,812
2000	720	64,168	1.9%	8,575	3,013,040	3,086,503
2001	1,712	48,975	1.6%	9,718	(-1,746,407)	(-1,686,002)
2002	4,184	49,254	1.6%	14,353	423,179	490,970
2003	5,061	68,714	1.4%	5,731	(-1,731,040)	(-1,651,534)
2004	4,536	160,935	5.8%	5,318	4,180,473	4,351,262
2005	2,849	455,339	17.6%	40,307	1,468,431	1,966,926
2006	3,487	433,426	16.3%	14,825	2,656,210	3,107,948

*Includes interest earned on member loans, interest on accounts receivable and transfers from other systems.

SCHEDULE OF EXPENSES BY TYPE

(in thousands)

Year Ending	Retirement Allowances	Death Benefits	Other	Admin Expenses	Totals
ERS					
1997	\$2,491,945	\$104,431	\$80,177	\$41,404	\$2,717,957
1998	2,640,173	115,016	87,617	42,983	2,885,789
1999	2,786,727	114,161	85,425	46,059	3,032,372
2000	2,966,883	125,881	64,017	44,220	3,201,001
2001	3,342,257	140,381	83,805	49,080	3,615,523
2002	3,597,437	139,058	83,453	56,527	3,876,475
2003	4,028,327	132,503	41,394	59,149	4,261,373
2004	4,313,639	149,473	73,167	61,129	4,597,408
2005	4,601,033	151,265	12,354	56,748	4,821,400
2006	4,888,834	149,847	42,855	68,836	5,150,372
PFRS					
1997	511,502	14,037	2,038	6,172	533,749
1998	539,147	10,684	2,607	6,146	558,584
1999	572,293	8,800	3,079	6,547	590,719
2000	610,507	16,899	2,901	6,433	636,740
2001	685,761	12,560	2,644	8,726	709,691
2002	739,018	12,738	4,668	10,085	766,509
2003	807,879	15,869	3,794	8,347	835,889
2004	876,508	7,841	3,649	8,483	896,481
2005	911,816	10,592	3,805	8,576	934,789
2006	978,884	11,402	1,046	9,670	1,001,002

SERVICE RETIREES: ERS

As of March 31, 2006 – By age and years of service, number, average final average salary (FAS), and average pension (Avg Pen)

Nearest Age	Under 55			55-64			65-74			75-84			85 & Over			
	Yrs of Service	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen									
State																
Under 10	0	0	0	639	30,360	3,086	784	30,215	3,638	750	19,500	3,002	1,300	11,903	2,353	
10-14	3	25,675	4,149	4,639	25,754	4,437	5,253	29,315	5,903	4,983	24,206	5,808	2,365	15,006	4,852	
15-19	3	69,043	11,651	2,861	34,100	8,350	4,531	34,102	9,798	4,112	26,465	9,145	2,079	16,672	7,310	
20-24	7	41,080	11,036	3,440	43,038	16,928	6,712	39,411	17,725	6,048	30,390	15,765	2,210	18,148	12,225	
25-29	430	62,439	31,247	4,622	50,243	25,776	6,780	42,541	24,321	4,354	32,724	21,142	1,371	19,897	16,801	
30-34	109	63,774	38,105	6,909	54,388	34,484	6,121	46,802	31,484	3,167	35,554	26,898	1,071	22,179	22,632	
35 & Over	34	49,687	30,938	11,129	57,188	42,824	6,125	52,330	41,065	3,391	43,789	37,588	1,181	28,240	30,926	
Total	586	61,538	32,024	34,239	47,575	27,415	36,306	41,099	22,210	26,805	31,018	17,491	11,577	18,149	12,140	
Counties																
Under 10	0	0	0	615	30,810	3,123	713	28,325	3,430	510	16,407	2,608	932	10,266	2,065	
10-14	3	43,504	5,174	2,595	26,246	4,463	3,439	26,744	5,389	3,322	20,674	4,936	1,448	13,377	4,292	
15-19	6	54,318	8,924	1,684	33,309	8,018	2,798	31,096	8,919	2,967	23,765	8,191	1,187	15,233	6,654	
20-24	163	55,406	28,202	1,927	41,577	16,863	3,535	35,251	15,834	3,041	27,774	13,938	962	18,536	11,254	
25-29	196	62,803	33,142	1,851	47,001	23,892	2,942	40,167	22,659	1,886	30,238	19,093	535	19,778	15,771	
30-34	55	63,602	36,371	2,463	51,512	32,447	1,923	43,679	29,118	959	33,581	24,581	307	21,642	20,155	
35 & Over	20	47,771	27,049	3,017	57,217	42,549	1,629	51,253	40,308	805	39,086	33,120	237	24,442	26,482	
Total	443	59,256	30,933	14,152	43,087	22,047	16,979	35,894	17,093	13,490	26,146	12,651	5,608	15,669	8,517	
Cities																
Under 10	0	0	0	100	26,548	2,637	122	21,684	2,593	119	14,538	2,286	178	9,310	1,876	
10-14	0	0	0	467	23,500	4,109	583	23,407	4,780	615	18,846	4,451	289	11,538	3,673	
15-19	0	0	0	297	30,228	7,352	461	27,024	7,780	522	20,684	7,281	251	12,103	5,603	
20-24	1	33,110	8,844	296	37,374	14,221	542	31,889	14,308	569	22,915	11,542	210	15,067	9,485	
25-29	1	38,710	13,346	275	40,578	20,416	558	34,414	19,697	529	24,243	15,930	167	15,379	13,063	
30-34	5	41,652	21,004	439	44,902	28,507	468	38,085	25,684	362	26,223	20,134	94	15,705	16,535	
35 & Over	0	0	0	679	49,420	36,638	426	40,184	31,809	311	31,101	27,188	94	18,732	21,829	
Total	7	40,012	18,173	2,553	38,424	20,204	3,160	31,702	16,141	3,027	22,843	12,404	1,283	13,249	8,247	
Towns																
Under 10	0	0	0	200	24,703	2,574	332	24,115	2,925	188	15,140	2,164	207	9,704	1,896	
10-14	0	0	0	569	24,772	4,198	1,112	25,152	5,046	1,038	20,886	4,861	417	13,872	4,150	
15-19	0	0	0	439	31,650	7,638	882	30,206	8,636	882	22,952	7,636	320	16,151	6,506	
20-24	0	0	0	422	37,833	14,594	1,109	34,425	15,344	950	27,010	13,489	312	17,949	10,628	
25-29	1	53,087	28,145	392	42,697	21,493	882	37,735	21,155	619	29,052	17,962	200	16,996	12,843	
30-34	3	73,913	40,347	561	48,767	30,787	701	41,764	27,706	382	30,332	21,887	112	19,050	15,771	
35 & Over	2	47,813	26,029	852	57,024	42,502	538	48,370	37,531	264	35,676	29,771	60	21,483	19,697	
Total	6	61,742	33,540	3,435	41,216	21,637	5,556	34,085	16,107	4,323	25,310	12,108	1,628	15,592	8,008	
Villages																
Under 10	0	0	0	50	23,905	2,513	105	23,682	3,027	64	15,366	2,167	81	9,161	1,711	
10-14	0	0	0	199	23,784	3,973	352	25,186	5,076	344	18,492	4,389	150	11,317	3,529	
15-19	0	0	0	150	31,010	7,573	273	29,212	8,428	317	19,956	6,816	109	12,752	5,706	
20-24	1	64,499	18,471	116	37,473	14,350	335	34,870	15,738	321	23,898	11,681	108	16,202	9,469	
25-29	0	0	0	114	45,286	22,685	306	37,164	20,981	237	26,303	16,238	56	17,960	13,914	
30-34	1	37,682	19,071	189	46,458	29,238	229	39,007	25,988	130	28,874	21,183	27	16,126	14,623	
35 & Over	1	48,792	30,551	274	55,914	41,659	195	46,037	36,012	112	33,841	28,729	25	20,721	22,358	
Total	3	50,324	22,698	1,092	40,467	21,285	1,795	33,588	16,196	1,525	23,029	11,396	556	13,559	7,276	
Miscellaneous																
Under 10	0	0	0	424	35,867	3,644	422	34,881	4,227	210	20,973	3,082	306	12,114	2,286	
10-14	1	29,650	3,861	1,333	31,711	5,304	1,756	32,551	6,560	1,351	24,747	5,778	450	14,106	4,622	
15-19	3	57,837	9,557	970	41,906	9,998	1,339	36,040	10,260	993	26,511	8,923	415	17,352	7,279	
20-24	8	65,547	18,400	989	49,959	18,850	1,494	41,621	18,241	1,171	30,880	15,384	347	19,921	12,336	
25-29	2	69,776	20,671	793	55,908	27,388	1,196	47,362	26,542	904	36,764	22,934	278	20,888	17,078	
30-34	17	62,970	32,017	1,079	62,723	39,208	1,058	55,623	36,964	696	41,465	30,403	206	22,929	22,963	
35 & Over	10	53,779	29,531	1,708	69,476	51,672	1,093	62,231	48,468	710	48,861	40,833	154	28,222	30,697	
Total	41	60,375	25,870	7,296	51,839	25,937	8,358	43,770	21,311	6,035	32,661	17,599	2,156	18,110	11,264	
Schools																
Under 10	0	0	0	802	17,983	1,821	1,135	17,334	2,155	1,087	9,754	1,522	1,167	6,515	1,399	
10-14	0	0	0	2,000	21,448	3,538	4,563	20,625	4,126	4,511	14,539	3,493	1,996	8,331	2,843	
15-19	0	0	0	1,718	26,134	6,173	3,478	24,929	7,148	3,803	15,852	5,571	1,884	9,464	4,451	
20-24	0	0	0	1,717	31,469	12,071	4,145	27,842	12,398	4,035	18,160	8,969	1,322	11,447	6,830	
25-29	0	0	0	1,269	34,621	17,598	3,177	29,144	16,324	2,526	21,144	12,986	675	13,285	9,657	
30-34	0	0	0	989	40,451	25,730	1,680	33,336	21,848	1,071	24,458	17,489	270	15,346	12,882	
35 & Over	1	59,699	33,637	756	47,801	35,513	821	38,941	29,952	559	29,393	24,448	145	17,552	17,651	
Total	1	59,699	33,637	9,251	29,870	12,376	18,999	26,131	11,089	17,592	17,382	7,957	7,459	9,767	4,998	

SERVICE RETIREES: PFRS

As of March 31, 2006 – By age and years of service, number, average final average salary (FAS), and average pension (Avg Pen)

Yrs of Service	40-49			50-59			60-69			70 & Over		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
State												
Under 10	0	0	0	3	29,224	3,295	4	27,160	3,605	8	19,368	4,019
10-14	0	0	0	10	30,689	6,194	27	14,726	3,010	15	5,081	1,428
15-19	0	0	0	8	38,295	10,295	14	26,913	8,769	18	18,839	7,996
20-24	141	86,380	45,533	301	63,917	34,276	724	36,680	23,865	470	21,006	18,847
25-29	8	95,136	56,437	192	79,602	48,450	303	51,262	33,588	231	29,886	24,567
30-34	0	0	0	153	85,549	56,982	303	65,034	45,793	153	41,596	33,440
35 & Over	0	0	0	42	91,250	67,302	178	78,009	58,813	76	49,896	41,540
Total	149	86,850	46,118	709	73,547	44,173	1,553	49,300	33,495	971	28,325	23,691
Counties												
Under 10	0	0	0	1	26,225	3,003	1	96,529	62,985	0	0	0
10-14	0	0	0	14	33,000	6,927	15	25,150	4,972	3	14,052	4,210
15-19	0	0	0	10	43,012	12,064	7	33,014	9,696	4	29,575	11,743
20-24	43	113,644	58,229	468	81,324	43,824	848	59,254	34,680	709	26,613	23,149
25-29	0	0	0	217	113,115	69,980	273	84,156	52,977	246	50,087	34,737
30-34	0	0	0	380	130,499	90,656	378	114,101	80,605	266	62,162	46,122
35 & Over	0	0	0	93	143,661	107,176	365	129,431	97,239	170	78,103	62,728
Total	43	113,644	58,229	1,183	106,910	67,906	1,887	87,069	58,314	1,398	43,750	34,299
Cities												
Under 10	0	0	0	1	16,180	1,502	4	36,799	9,481	3	13,307	7,366
10-14	0	0	0	45	22,379	4,320	51	17,226	3,554	13	10,459	2,842
15-19	0	0	0	15	33,288	9,271	33	23,376	7,197	17	13,114	5,844
20-24	310	69,344	35,116	1,289	53,414	28,002	1,262	38,837	23,474	964	20,981	17,376
25-29	11	84,716	46,398	473	71,744	41,085	573	54,950	33,329	708	27,816	20,797
30-34	0	0	0	371	80,719	53,578	627	65,813	45,159	818	37,041	29,136
35 & Over	0	0	0	74	85,099	62,194	402	81,048	60,324	662	43,397	36,364
Total	321	69,870	35,502	2,268	61,972	35,424	2,952	52,893	34,466	3,185	31,192	24,973
Towns												
Under 10	0	0	0	6	20,586	2,259	23	18,396	2,221	25	9,359	1,434
10-14	0	0	0	18	24,942	4,585	45	22,186	4,814	14	13,387	3,847
15-19	0	0	0	4	35,864	9,369	22	28,227	8,795	11	12,873	4,866
20-24	124	82,187	41,476	331	66,156	34,213	304	46,359	27,334	170	24,626	19,795
25-29	8	93,917	47,691	127	79,577	44,921	78	61,438	35,516	82	35,669	25,079
30-34	0	0	0	79	93,169	62,501	111	81,785	55,295	91	47,620	35,298
35 & Over	0	0	0	24	94,922	68,422	81	93,973	69,832	62	54,391	45,095
Total	132	82,898	41,852	589	71,916	40,310	664	56,653	35,143	455	33,802	25,435
Villages												
Under 10	0	0	0	5	16,928	1,695	30	11,812	1,334	36	7,952	1,139
10-14	0	0	0	22	24,409	5,094	56	19,511	4,295	22	11,581	3,326
15-19	0	0	0	11	32,870	10,102	21	21,471	7,382	13	15,188	6,895
20-24	111	70,438	35,339	349	62,092	31,919	311	44,305	25,913	240	23,234	19,587
25-29	3	55,907	27,954	101	72,411	38,351	99	53,592	30,850	136	29,144	21,003
30-34	0	0	0	52	95,635	60,614	98	72,274	47,608	113	42,786	32,082
35 & Over	0	0	0	25	98,329	71,281	64	94,216	69,639	72	56,865	45,749
Total	114	70,056	35,145	565	66,191	35,715	679	50,213	30,444	632	30,391	23,228
Miscellaneous												
Under 10	0	0	0	2	58,211	6,329	0	0	0	2	34,540	9,439
10-14	0	0	0	5	25,141	4,475	7	18,064	3,469	8	17,546	4,766
15-19	0	0	0	3	34,128	9,291	3	36,722	10,854	1	59,403	30,606
20-24	18	114,483	59,287	289	100,647	53,369	137	71,657	40,345	352	23,073	22,313
25-29	2	152,873	89,016	123	139,350	85,147	65	97,736	59,289	94	34,935	26,484
30-34	0	0	0	92	160,586	109,943	65	117,340	81,529	61	76,822	53,104
35 & Over	0	0	0	5	183,181	136,818	50	121,869	91,116	63	81,484	62,564
Total	20	118,322	62,260	519	119,964	70,826	327	92,132	59,000	581	36,995	30,314

DISABILITY RETIREES: ERS

As of March 31, 2006 – By age and years of service, number, average final average salary (FAS), and average pension (Avg Pen)

Yrs of Service	Under 55			55-64			65-74			75-84			85 & Over		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen									
State															
Under 10	426	25,669	10,958	329	20,740	10,007	212	18,651	8,755	137	15,742	7,404	20	9,468	11,838
10-14	959	32,658	12,666	1,063	28,479	11,419	682	23,426	9,543	398	15,884	8,907	72	12,097	8,029
15-19	770	37,744	15,287	1,096	33,005	14,605	673	26,452	12,929	298	17,764	11,468	68	10,770	8,401
20-24	469	41,561	17,171	924	37,889	18,536	466	27,579	16,754	147	18,222	14,656	26	10,949	9,751
25-29	141	44,927	22,164	455	38,903	21,473	240	30,402	20,223	80	17,404	16,113	13	14,523	15,104
30-34	83	45,075	25,102	213	39,269	23,107	73	32,541	23,662	20	20,524	16,980	6	14,017	18,828
35 & Over	6	46,479	27,748	56	42,495	26,872	8	38,294	29,881	5	27,296	26,186	4	21,004	27,597
Total	2,854	35,446	14,721	4,136	33,057	15,658	2,354	25,727	13,463	1,085	16,949	10,959	209	11,647	9,853
Counties															
Under 10	84	28,697	11,922	71	20,402	10,052	53	17,864	7,815	43	15,792	6,378	3	9,338	7,964
10-14	328	38,602	15,669	396	28,819	10,464	278	22,614	7,875	141	14,702	7,639	18	11,008	6,502
15-19	243	41,394	17,494	343	33,368	13,770	229	27,626	12,524	80	17,615	10,630	20	10,478	8,762
20-24	170	45,811	20,384	265	38,109	18,512	113	31,435	20,799	41	23,709	18,768	5	8,954	6,861
25-29	54	48,307	23,728	133	41,275	23,120	59	30,757	21,013	14	17,060	13,965	1	5,383	6,888
30-34	29	44,326	24,784	52	45,658	27,748	16	32,311	21,670	2	42,212	36,188	1	15,837	18,497
35 & Over	3	56,366	32,825	12	45,790	29,012	0	0	0	1	58,756	50,729	0	0	0
Total	911	40,595	17,514	1,272	33,662	15,214	748	25,994	12,578	322	17,128	10,217	48	10,452	7,831
Cities															
Under 10	18	23,136	8,250	24	18,435	9,093	18	19,441	9,415	11	17,482	9,937	4	11,680	11,510
10-14	67	28,565	9,580	81	25,033	9,989	58	20,180	7,765	29	13,777	8,108	7	9,352	5,364
15-19	49	35,429	12,217	73	30,422	11,034	62	24,386	10,414	34	16,334	10,364	5	7,548	5,043
20-24	27	34,048	13,890	57	30,780	13,747	43	24,277	15,525	13	18,840	12,991	1	12,236	7,652
25-29	14	35,726	17,318	58	33,285	17,891	29	27,477	17,647	8	11,502	12,424	3	7,128	7,217
30-34	8	43,337	23,833	17	36,895	20,290	3	24,715	13,588	9	20,534	18,371	0	0	0
35 & Over	1	42,676	25,364	2	44,377	26,708	1	45,174	36,396	1	22,668	24,243	0	0	0
Total	184	31,930	12,079	312	29,141	12,988	214	23,329	11,785	105	16,110	10,997	20	9,177	6,905
Towns															
Under 10	25	25,696	9,091	20	23,546	13,073	13	18,125	7,897	13	15,303	10,245	0	0	0
10-14	87	32,973	11,764	85	29,173	11,779	72	22,797	8,996	46	17,940	9,524	2	9,793	5,145
15-19	76	38,976	13,071	111	34,031	13,279	54	29,753	11,994	28	18,175	11,375	2	8,184	6,052
20-24	44	43,395	17,809	89	38,647	19,400	45	28,794	19,892	14	25,010	21,892	2	5,952	19,724
25-29	25	46,369	23,082	62	41,597	23,376	22	32,052	21,294	3	20,740	22,654	2	21,252	22,699
30-34	12	50,419	29,839	23	45,203	27,810	9	29,059	23,716	1	23,018	20,267	0	0	0
35 & Over	1	57,715	33,475	3	49,932	32,639	2	24,534	16,697	0	0	0	0	0	0
Total	270	37,795	14,801	393	35,461	16,921	217	26,706	13,864	105	18,747	12,234	8	11,295	13,405
Villages															
Under 10	6	25,334	8,526	10	22,211	13,274	6	13,553	6,527	6	11,938	9,854	0	0	0
10-14	29	33,630	12,346	30	23,783	9,018	16	22,627	9,650	20	17,040	7,021	1	13,371	4,704
15-19	20	44,267	14,419	33	32,149	14,347	28	23,616	10,185	11	16,208	10,910	0	0	0
20-24	16	44,018	16,820	30	33,390	17,814	23	23,796	14,279	9	20,638	15,988	0	0	0
25-29	3	43,695	19,444	18	40,150	20,859	14	27,159	17,476	4	23,352	19,232	0	0	0
30-34	7	57,642	32,036	10	49,316	29,291	9	28,120	21,368	2	34,662	32,856	0	0	0
Total	81	40,142	15,423	131	32,168	15,874	96	23,804	12,960	52	18,061	11,655	1	13,371	4,704
Miscellaneous															
Under 10	46	30,631	10,737	33	22,578	9,381	31	19,217	8,696	19	21,633	8,874	2	16,971	3,998
10-14	141	38,294	12,766	175	34,407	11,250	111	25,387	8,697	43	16,163	8,264	8	9,488	5,077
15-19	112	42,429	13,975	166	38,615	14,169	66	30,010	11,907	24	19,849	12,743	3	11,622	10,334
20-24	61	46,770	16,633	93	43,066	16,810	38	27,925	16,577	19	23,523	17,732	1	9,135	5,785
25-29	26	45,625	21,691	50	45,152	22,777	22	33,538	22,571	10	20,193	19,073	1	11,669	21,133
30-34	15	69,091	40,972	13	45,655	25,665	13	40,247	29,387	1	24,168	24,355	0	0	0
35 & Over	2	47,421	32,364	3	40,525	28,676	1	28,043	18,870	1	37,830	32,541	0	0	0
Total	403	41,516	15,179	533	37,813	14,544	282	27,463	12,582	117	19,601	12,088	15	11,034	7,102
Schools															
Under 10	31	22,847	8,305	58	19,223	7,171	60	15,228	5,813	48	13,435	6,025	7	9,511	8,028
10-14	173	28,763	9,488	328	24,327	7,753	268	21,495	6,604	142	10,924	5,057	27	6,763	4,290
15-19	100	32,332	10,447	264	29,916	10,159	169	23,197	9,189	87	12,404	6,810	25	8,573	6,291
20-24	51	34,196	12,483	115	30,504	12,926	103	24,270	12,014	37	16,122	11,592	8	10,754	8,298
25-29	31	39,526	17,725	49	32,802	16,343	39	26,329	16,421	17	23,423	18,682	3	14,980	16,979
30-34	8	38,397	19,292	31	43,453	23,839	3	33,550	21,675	5	23,790	21,896	2	8,823	10,597
35 & Over	0	0	0	5	48,678	29,129	1	22,658	16,595	0	0	0	0	0	0
Total	394	30,949	10,873	850	27,880	10,368	643	22,153	8,758	336	13,062	7,309	72	8,501	6,497

DISABILITY RETIREES: PFRS

As of March 31, 2006 – By age and years of service, number, average final average salary (FAS), and average pension (Avg Pen)

Yrs of Service	Under 40			40-49			50-59			60-69			70 & Over		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
State															
Under 10	15	52,702	31,031	37	38,066	21,378	39	24,036	16,296	17	13,817	17,343	4	6,996	21,289
10-14	1	82,506	41,253	33	54,465	29,395	32	36,107	22,081	58	19,357	18,142	15	10,938	22,158
15-19	1	74,148	55,611	35	71,653	41,560	43	46,819	26,988	103	25,514	20,967	38	16,683	20,365
20-24	0	0	0	7	81,956	52,030	26	56,197	32,967	90	39,375	30,021	29	23,243	24,061
25-29	0	0	0	0	0	0	16	72,751	48,005	37	48,547	34,462	11	27,763	26,098
30-34	0	0	0	0	0	0	4	77,741	57,135	15	57,469	42,739	7	36,832	33,043
35 & Over	0	0	0	0	0	0	1	93,704	70,278	9	87,556	66,051	5	50,074	42,177
Total	17	55,717	33,078	112	56,137	31,963	161	44,322	27,495	329	33,361	26,502	109	21,226	24,022
Counties															
Under 10	14	83,072	53,531	19	51,322	30,273	21	34,440	29,205	23	22,974	30,502	6	6,077	22,122
10-14	13	96,442	66,172	42	79,535	50,472	108	41,962	32,861	74	31,562	30,237	9	13,919	21,240
15-19	1	104,538	78,404	47	94,119	62,836	149	57,043	44,261	164	45,163	37,802	28	20,284	27,630
20-24	0	0	0	18	101,544	73,519	133	73,929	55,899	212	59,262	47,300	33	37,804	36,369
25-29	0	0	0	1	99,256	74,442	33	98,710	72,547	58	71,426	54,004	28	50,815	43,507
30-34	0	0	0	0	0	0	18	117,397	83,754	9	97,573	74,610	20	68,854	55,369
35 & Over	0	0	0	0	0	0	0	0	0	10	117,191	88,254	8	71,861	58,490
Total	28	90,046	60,288	127	83,986	55,481	462	62,679	47,821	550	52,776	43,368	132	40,545	38,570
Cities															
Under 10	21	51,586	33,579	46	41,852	24,884	42	29,877	21,156	14	13,882	19,885	6	4,622	17,713
10-14	16	60,466	40,301	91	51,977	31,211	128	33,268	21,904	56	20,737	19,809	22	11,666	17,490
15-19	4	59,426	36,435	75	59,437	38,094	165	40,607	27,267	100	29,847	24,323	43	16,969	16,607
20-24	0	0	0	23	61,098	39,529	191	49,672	33,188	171	40,320	31,040	69	22,058	23,793
25-29	0	0	0	3	67,193	45,015	68	62,614	41,660	109	47,439	33,628	92	27,980	25,208
30-34	0	0	0	0	0	0	24	65,039	46,183	48	57,004	38,748	86	35,312	29,348
35 & Over	0	0	0	0	0	0	1	48,021	36,016	16	68,304	48,462	22	40,817	34,621
Total	41	55,816	36,481	238	53,444	33,135	619	44,535	29,899	514	39,368	30,017	340	26,603	24,858
Towns															
Under 10	5	48,143	26,766	20	42,600	25,177	17	33,836	21,266	5	14,020	17,730	1	4,729	21,824
10-14	7	59,851	37,345	34	59,420	36,578	46	35,383	23,009	31	26,059	21,897	4	10,637	21,123
15-19	2	74,070	46,293	27	71,228	44,945	41	45,009	31,368	39	34,766	28,575	13	15,539	20,061
20-24	0	0	0	10	80,838	54,699	67	62,826	41,153	44	48,904	38,024	13	30,690	28,903
25-29	0	0	0	1	88,851	66,638	18	74,548	49,945	14	64,569	48,697	3	46,674	40,831
30-34	0	0	0	0	0	0	3	83,557	56,376	7	79,671	57,338	5	41,276	37,993
35 & Over	0	0	0	0	0	0	0	0	0	0	0	0	1	81,111	61,589
Total	14	57,701	34,845	92	61,877	38,852	192	51,303	34,018	140	41,766	33,129	40	26,894	27,922
Villages															
Under 10	6	61,060	38,708	23	41,360	23,810	27	26,677	20,203	11	15,438	21,378	1	5,477	19,993
10-14	11	73,886	49,805	34	64,179	39,786	32	39,065	27,226	31	24,715	19,774	4	16,598	23,558
15-19	6	73,356	44,561	32	72,088	46,610	53	52,784	36,367	42	35,831	28,228	11	18,890	21,510
20-24	0	0	0	13	70,608	45,370	40	64,967	44,505	39	47,255	35,806	12	23,531	24,228
25-29	0	0	0	2	94,381	59,459	12	70,017	49,019	13	63,230	44,701	8	31,537	24,441
30-34	0	0	0	0	0	0	2	107,282	80,696	3	66,057	50,571	10	47,528	38,226
35 & Over	0	0	0	0	0	0	0	0	0	2	85,971	53,921	4	54,545	45,285
Total	23	70,402	45,542	104	62,951	39,429	166	50,731	35,386	141	38,836	30,289	50	30,156	28,010
Miscellaneous															
Under 10	4	67,748	42,748	14	57,987	34,802	19	40,135	28,468	0	0	0	0	0	0
10-14	5	107,193	80,395	17	82,385	52,117	30	57,415	34,653	9	41,451	27,001	1	32,219	14,555
15-19	1	116,546	87,409	6	80,680	52,232	47	68,261	47,591	22	46,284	34,626	7	18,003	18,150
20-24	0	0	0	5	97,712	68,548	49	87,853	61,576	13	72,530	50,429	4	28,093	28,204
25-29	0	0	0	0	0	0	14	109,823	78,002	8	95,583	68,113	3	53,177	39,066
30-34	0	0	0	0	0	0	3	108,235	75,771	2	71,591	56,629	1	161,798	124,110
35 & Over	0	0	0	0	0	0	0	0	0	1	184,455	140,647	2	39,587	35,317

NEW OPTION SELECTIONS

Options	2002		2003		2004		2005		2006	
	Number	\$ Amount								
ERS Females										
Single Life Allowance*	6,452	99,176,118	5,677	96,067,432	8,243	149,496,797	5,247	81,636,306	6,127	100,520,151
Cash Refund	379	7,320,376	331	6,721,903	420	8,894,146	241	4,693,912	285	4,857,133
Joint Allowance - Full	474	4,593,304	468	5,021,081	641	8,048,890	491	4,764,930	597	6,435,361
Joint Allowance - Half	124	2,225,908	140	2,634,771	143	3,004,288	101	1,812,815	110	2,274,697
Five Years Certain	162	2,784,787	172	3,226,648	222	4,557,326	122	2,024,282	159	3,083,804
Ten Years Certain	376	4,978,966	380	5,798,993	462	7,596,080	301	4,246,617	313	4,491,506
Pop-Up - Full	672	9,099,569	640	9,728,746	1,006	15,502,992	774	10,668,170	923	13,574,002
Pop-Up - Half	581	11,329,223	602	12,501,668	911	20,663,873	549	11,210,370	645	13,869,323
Other (Option 4)	107	1,418,942	152	2,656,713	319	7,655,101	221	4,698,885	278	6,025,680
Total	9,327	142,927,193	8,562	144,357,955	12,367	225,419,493	8,047	125,756,287	9,437	155,131,657
ERS Males										
Single Life Allowance*	2,894	68,716,452	2,548	65,644,897	4,000	111,058,334	2,368	53,450,027	2,625	63,450,940
Cash Refund	326	9,700,379	266	8,278,893	306	10,077,292	152	4,060,743	164	4,246,547
Joint Allowance - Full	1,743	39,038,673	1,593	38,399,014	2,225	59,373,089	1,438	29,008,270	1,675	36,636,109
Joint Allowance - Half	406	13,683,394	423	15,755,710	570	22,133,780	276	9,283,088	300	9,492,506
Five Years Certain	83	2,164,035	70	1,569,497	98	2,872,636	46	1,085,860	64	1,291,652
Ten Years Certain	268	5,870,393	183	4,415,259	345	9,282,052	204	3,742,888	216	5,351,743
Pop-Up - Full	1,297	30,205,030	1,212	30,010,166	1,897	49,956,113	1,165	25,286,952	1,312	31,381,092
Pop-Up - Half	797	26,656,329	798	27,398,620	1,236	44,375,187	527	17,164,397	605	20,716,621
Other (Option 4)	211	6,330,608	311	11,516,279	606	23,024,243	342	11,256,158	454	16,581,404
Total	8,025	202,365,293	7,404	202,988,335	11,283	332,152,726	6,518	154,338,380	7,415	189,148,614
PFRS Females										
Single Life Allowance*	23	943,975	20	914,770	25	1,291,734	33	1,413,658	49	2,370,164
Cash Refund	0	0	0	0	0	0	1	42,100	0	0
Joint Allowance - Full	4	116,658	2	58,744	3	93,926	4	139,093	2	71,119
Joint Allowance - Half	1	27,365	0	0	0	0	1	40,776	1	38,129
Five Years Certain	1	34,374	2	52,058	1	45,711	0	0	0	0
Ten Years Certain	1	28,202	3	105,411	4	196,304	1	36,215	3	112,107
Pop-Up - Full	7	231,166	4	187,041	5	203,594	9	393,649	13	611,518
Pop-Up - Half	3	87,374	2	114,368	3	122,261	3	119,647	11	546,366
Other (Option 4)	0	0	0	0	3	199,565	0	0	1	44,363
Total	40	1,469,114	33	1,432,392	44	2,153,095	52	2,185,138	80	3,793,766
PFRS Males										
Single Life Allowance*	386	18,597,782	342	18,258,385	340	17,659,393	467	24,401,509	375	20,229,044
Cash Refund	46	2,604,967	58	3,723,502	36	2,140,713	31	1,727,413	14	794,591
Joint Allowance - Full	182	7,905,730	194	8,146,033	157	7,122,604	220	10,391,581	195	9,435,344
Joint Allowance - Half	74	4,163,052	181	11,939,440	68	4,258,224	62	3,945,060	54	3,566,583
Five Years Certain	7	448,493	9	684,330	2	41,229	4	254,391	11	794,403
Ten Years Certain	46	2,142,703	41	2,240,362	35	1,649,243	44	2,490,755	43	2,485,652
Pop-Up - Full	193	7,604,346	172	7,219,838	179	8,624,795	227	10,233,926	229	10,657,635
Pop-Up - Half	150	8,409,546	62	4,067,760	168	10,972,757	209	12,818,275	136	9,004,309
Other (Option 4)	64	4,220,282	84	6,180,180	78	5,759,184	115	8,258,561	105	7,882,923
Total	1,148	56,096,901	1,143	62,459,830	1,063	58,228,142	1,379	74,521,471	1,162	64,850,484

*Includes Option 0 and 1/2

OPTION SELECTION – TOTAL PAYMENTS

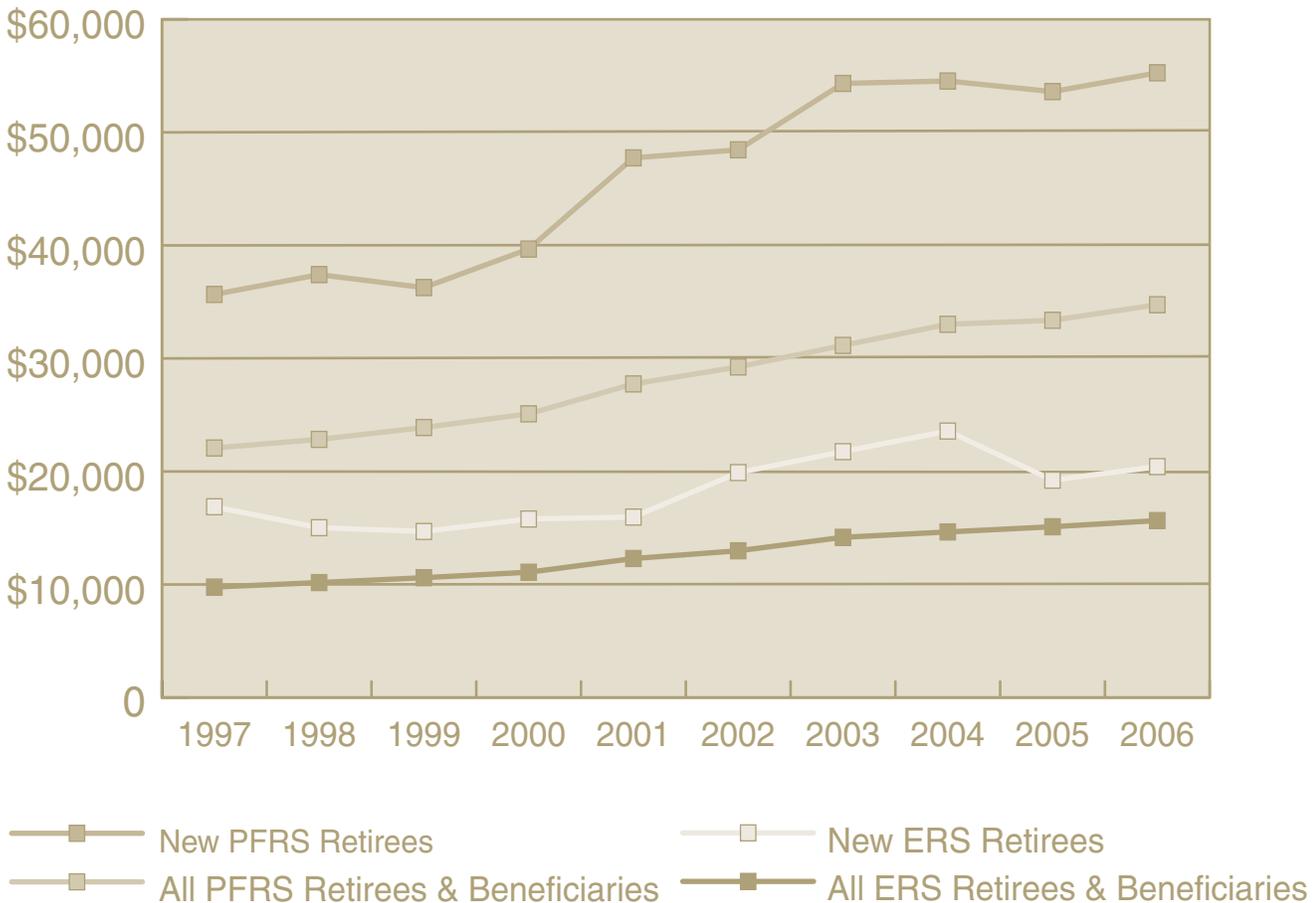
Options	2002		2003		2004		2005		2006	
	Number	\$ Amount								
ERS Females										
Single Life Allowance*	102,399	944,714,162	104,621	1,020,639,541	109,422	1,150,128,802	111,208	1,209,514,511	113,896	1,287,314,770
Cash Refund	14,396	96,542,914	13,812	99,288,876	13,462	104,808,828	12,862	105,543,520	12,328	106,061,585
Joint Allowance - Full	4,497	29,041,050	4,741	32,760,780	5,168	39,392,798	5,433	42,506,428	5,824	47,487,945
Joint Allowance - Half	2,453	23,823,520	2,497	25,816,131	2,525	27,958,816	2,519	28,970,918	2,529	30,332,912
Five Years Certain	3,974	36,449,354	4,018	38,761,831	4,121	42,440,866	4,095	43,268,104	4,139	45,572,419
Ten Years Certain	5,245	39,384,605	5,446	43,957,429	5,741	50,259,750	5,855	53,324,494	5,983	56,532,545
Pop-Up - Full	4,445	39,777,929	5,003	49,123,842	5,906	63,994,049	6,571	73,926,385	7,369	86,845,612
Pop-Up - Half	6,374	78,733,312	6,869	90,454,887	7,660	110,073,323	8,072	120,040,088	8,560	132,637,310
Other (Option 4)	670	6,530,507	804	9,045,287	1,108	16,594,148	1,299	21,046,670	1,551	26,800,459
Total	144,453	1,294,997,353	147,811	1,409,848,604	155,113	1,605,651,380	157,914	1,698,141,118	162,179	1,819,585,557
ERS Males										
Single Life Allowance*	48,242	771,256,736	48,706	817,069,001	50,692	907,947,398	51,081	941,586,810	51,726	984,558,164
Cash Refund	9,814	122,049,240	9,272	124,429,451	8,868	128,481,686	8,345	126,777,793	7,861	124,944,940
Joint Allowance - Full	19,899	295,383,040	20,548	323,378,306	21,751	371,768,536	22,225	389,414,355	22,944	414,365,423
Joint Allowance - Half	10,714	215,793,664	10,537	224,319,450	10,614	239,819,822	10,358	241,988,502	10,147	244,245,794
Five Years Certain	2,276	35,683,866	2,255	36,238,185	2,254	37,952,604	2,177	37,662,497	2,142	37,959,476
Ten Years Certain	4,381	58,229,496	4,366	60,773,072	4,504	68,063,497	4,483	69,454,942	4,470	72,482,210
Pop-Up - Full	7,772	117,712,669	8,755	145,048,917	10,423	192,863,128	11,328	215,299,672	12,363	243,669,655
Pop-Up - Half	7,985	176,620,355	8,533	200,122,671	9,517	240,742,988	9,818	254,477,336	10,184	271,055,808
Other (Option 4)	1,598	33,109,984	1,862	44,047,156	2,405	66,175,228	2,696	76,667,052	3,079	92,171,848
Total	112,681	1,825,839,050	114,834	1,975,426,209	121,028	2,253,814,887	122,511	2,353,328,959	124,916	2,485,453,318
PFRS Females										
Single Life Allowance*	213	5,969,827	232	6,850,636	254	8,089,776	284	9,463,139	329	11,731,461
Cash Refund	5	140,064	5	140,064	5	140,064	6	182,164	6	182,164
Joint Allowance - Full	7	192,573	9	251,350	12	345,634	16	484,727	17	518,377
Joint Allowance - Half	4	117,658	4	117,693	4	117,693	5	158,469	6	196,598
Five Years Certain	4	73,222	6	125,280	7	171,412	7	171,412	7	171,412
Ten Years Certain	18	482,650	21	588,180	25	785,192	26	821,407	29	934,395
Pop-Up - Full	16	503,107	20	691,326	25	896,179	34	1,290,977	47	1,904,665
Pop-Up - Half	11	353,626	13	471,293	16	595,149	19	718,092	30	1,258,388
Other (Option 4)	0	0	0	0	3	199,565	3	200,193	4	244,556
Total	278	7,832,727	310	9,235,822	351	11,340,664	400	13,490,580	475	17,142,016
PFRS Males										
Single Life Allowance*	15,209	375,729,594	15,193	388,818,332	15,195	401,359,170	15,304	420,485,132	15,282	434,522,645
Cash Refund	2,101	54,259,642	2,092	56,821,255	2,059	57,736,722	2,024	58,238,028	1,988	58,055,303
Joint Allowance - Full	1,425	40,692,808	1,572	47,386,659	1,695	53,764,144	1,873	63,187,682	2,021	71,067,388
Joint Allowance - Half	1,265	40,113,400	1,287	43,573,216	1,315	47,079,067	1,336	50,253,762	1,357	53,126,026
Five Years Certain	414	11,709,742	413	12,134,002	405	11,969,026	401	11,960,544	403	12,497,527
Ten Years Certain	1,347	36,349,552	1,359	37,845,908	1,374	39,107,855	1,390	40,838,034	1,413	42,853,814
Pop-Up - Full	825	23,148,637	1,008	31,078,981	1,175	39,254,067	1,390	49,236,437	1,598	59,211,288
Pop-Up - Half	1,235	46,678,219	1,397	58,223,028	1,541	68,595,031	1,729	80,856,780	1,845	89,560,050
Other (Option 4)	181	10,410,770	260	16,455,410	332	21,944,909	440	29,949,741	542	37,784,097
Total	24,002	639,092,364	24,581	692,336,791	25,091	740,809,991	25,887	805,006,140	26,449	858,678,138

*Includes Option 0 and 1/2

AVERAGE PENSION BENEFITS PAID DURING YEAR SHOWN

Average benefit payments to all pensioners receiving benefits during the year compared with average benefit payments to new retirees during the year.

Year	ERS		PFRS	
	All Retirees & Beneficiaries	New Retirees	All Retirees & Beneficiaries	New Retirees
1997	\$9,775	\$16,878	\$22,077	\$35,664
1998	10,171	15,026	22,838	37,413
1999	10,603	14,693	23,889	36,266
2000	11,086	15,795	25,098	39,677
2001	12,299	15,968	27,745	47,744
2002	12,984	19,899	29,246	48,456
2003	14,176	21,755	31,154	54,330
2004	14,651	23,576	33,022	54,545
2005	15,110	19,231	33,375	53,604
2006	15,657	20,430	34,753	55,269



AVERAGE BENEFIT PAY TYPES

New Benefits: ERS

These tables show the average unmodified retirement allowance awarded to Employees' Retirement System members retiring during the fiscal year ending March 31, 2006. The average allowances are shown for groupings based on years of service. The allowance is also expressed as a percentage of the average final average salary (FAS) of the grouping.

New Service Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	38	\$656	5
5-9	1,116	3,197	11
10-14	2,805	5,301	18
15-19	2,246	9,597	26
20-24	2,666	18,088	41
25-29	2,113	25,709	51
30-34	1,911	36,655	64
35-39	2,277	45,908	74
40 & Over	586	51,508	80
Total	15,758	\$22,041	43

New Ordinary Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	10	\$9,070	33
5-9	16	9,050	31
10-14	221	10,926	30
15-19	313	13,566	32
20-24	250	16,692	36
25-29	117	20,395	44
30-34	60	25,628	54
35-39	26	31,618	60
40 & Over	1	108,412	75
Total	1,014	\$15,704	36

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$0	0
5-9	0	0	0
10-14	3	19,975	63
15-19	3	24,825	54
20-24	6	33,856	67
25-29	1	26,313	75
30-34	7	55,449	75
35-39	3	48,611	75
40 & Over	0	0	0
Total	23	\$39,036	69

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$0	0
5-9	8	34,111	72
10-14	7	35,263	74
15-19	16	43,410	73
20-24	19	46,374	74
25-29	6	58,927	74
30-34	0	0	0
35-39	1	58,670	75
40 & Over	0	0	0
Total	57	\$43,993	73

New Benefits: PFRS

These tables show the average unmodified retirement allowance awarded to Police and Fire Retirement System members retiring during the fiscal year ending March 31, 2006. The average allowances are shown for groupings based on years of service. The allowance is also expressed as a percentage of the average final average salary (FAS) of the grouping.

New Service Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$0	0
5-9	5	2,146	10
10-14	34	5,122	19
15-19	14	10,232	26
20-24	400	44,233	51
25-29	176	56,487	57
30-34	240	73,648	66
35-39	182	90,722	74
40 & Over	18	97,336	79
Total	1,069	\$59,778	58

New Ordinary Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$0	0
5-9	0	0	0
10-14	2	21,229	31
15-19	7	30,519	41
20-24	1	22,169	41
25-29	1	29,860	41
30-34	0	0	0
35-39	0	0	0
40 & Over	0	0	0
Total	11	\$28,011	39

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	1	\$15,332	75
5-9	6	58,201	75
10-14	25	65,110	73
15-19	44	56,055	74
20-24	19	70,434	75
25-29	15	62,058	75
30-34	4	76,366	75
35-39	1	84,892	75
40 & Over	0	0	0
Total	115	\$61,897	74

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	1	\$10,789	50
5-9	5	35,533	50
10-14	10	38,607	50
15-19	8	37,725	50
20-24	13	37,460	50
25-29	6	37,198	50
30-34	4	40,762	50
35-39	0	0	0
40 & Over	0	0	0
Total	47	\$37,224	50

NEW BENEFITS – SERVICE RETIREMENTS BY AGE AND SERVICE

During the fiscal year ending March 31, 2006, the number of members retiring, their average Single Life Allowance, and the average allowance as a percentage of the average final average salary

Age at Retirement	50-59			60-64			65-69			70 & Over		
	Number	Allowance	%									
ERS												
Yrs of Service												
Under 5	9	\$974	6	16	\$734	5	7	\$431	5	6	\$252	4
5-9	389	2,776	10	396	2,776	12	218	3,571	12	113	3,440	12
10-14	1,496	4,284	17	748	4,284	19	367	7,041	20	194	6,617	20
15-19	932	7,730	23	737	7,730	27	382	11,152	28	195	11,490	28
20-24	845	16,528	37	1,144	16,528	43	484	18,974	43	193	19,136	43
25-29	874	25,860	48	820	25,860	52	282	26,859	53	137	25,437	54
30-34	1,210	37,926	65	453	37,926	64	172	37,513	64	76	28,949	64
35-39	1,688	45,427	74	416	45,427	74	110	46,362	74	63	44,830	73
40 & Over	264	46,446	79	185	46,446	79	59	56,394	81	78	59,338	85
Total	7,707	\$24,147	45	4,915	\$20,595	42	2,081	\$18,867	38	1,055	\$19,664	40

Age at Retirement	40-49*			50-54			55-59			60 & Over		
	Number	Allowance	%									
PFRS												
Yrs of Service												
Under 5	0	\$0	0	0	\$0	0	0	\$0	0	0	\$0	0
5-9	0	0	0	0	0	0	3	2,442	11	2	1,702	9
10-14	0	0	0	0	0	0	27	4,906	19	7	5,980	23
15-19	0	0	0	0	0	0	14	10,232	26	0	0	0
20-24	278	42,913	51	87	50,024	52	30	42,358	49	5	28,146	47
25-29	21	48,896	55	92	57,554	57	56	59,960	59	7	37,459	57
30-34	0	0	0	42	75,188	66	166	74,024	66	32	69,679	67
35-39	0	0	0	0	0	0	97	91,317	74	85	90,042	74
40 & Over	0	0	0	0	0	0	0	0	0	18	97,336	79
Total	299	\$43,333	51	221	\$57,941	57	393	\$66,303	61	156	\$77,459	69

*Does not include any retirees less than age 40.

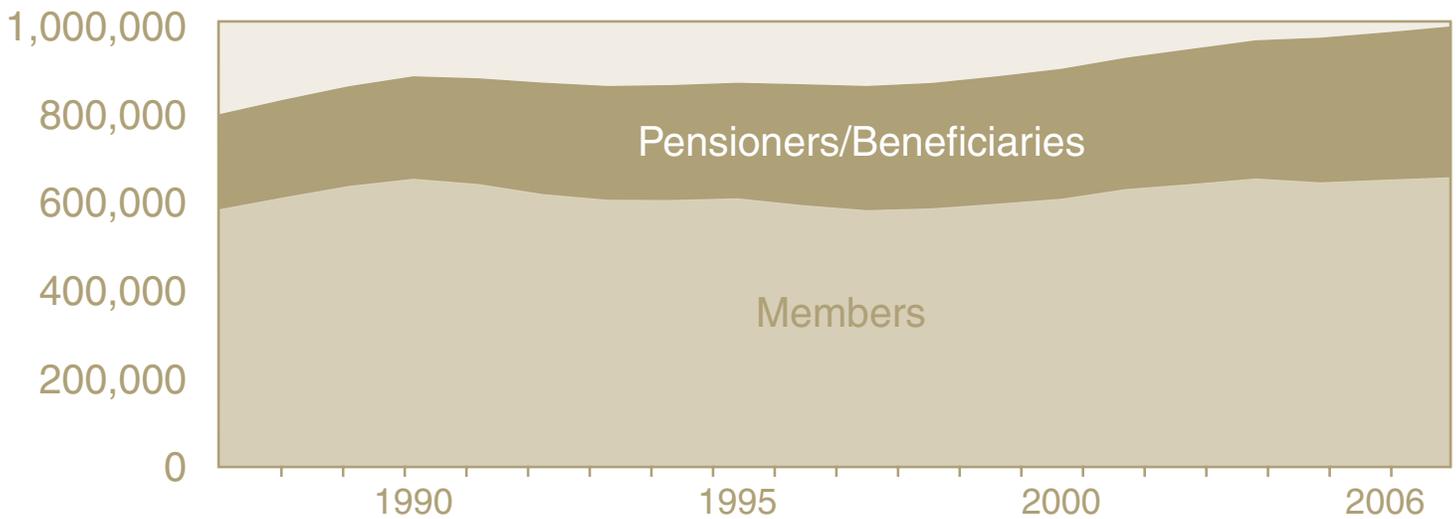
NEW BENEFITS – ORDINARY AND ACCIDENTAL DEATH

During fiscal year ending March 31, 2006, the Employees' Retirement System approved seven accidental death benefits, averaging \$27,020 per year. In the Police and Fire Retirement System, two accidental death benefits were approved, averaging \$45,538 per year.

Ordinary Death Benefits

Years of Service	ERS			PFRS		
	Number Paid	Average Benefit	Percentage of Salary	Number Paid	Average Benefit	Percentage of Salary
Under 5	129	\$66,201	201.0	1	\$77,000	303.2
5-9	143	99,462	279.4	1	207,000	300.8
10-14	191	88,779	222.4	7	182,684	257.7
15-19	178	109,348	253.2	3	259,000	300.6
20-24	119	125,036	252.8	4	703,032	563.8
25-29	80	150,800	301.0	2	502,836	692.5
30-34	43	211,369	370.5	6	624,183	695.0
35-39	21	405,456	606.6	0	0	0.0
40 & Over	4	512,847	667.8	0	0	0.0
Total	908	\$116,500	263.1	24	\$412,612	463.3

COMBINED SYSTEM PARTICIPANTS



Fiscal Year	Members	% Changed	Pensioners/ Beneficiaries	% Changed	Total Participants	% Changed
1987	580,474	*	215,703	3	796,177	1
1988	607,649	5	221,594	3	829,243	4
1989	633,468	4	226,261	2	859,729	4
1990	649,847	3	232,563	3	882,410	3
1991	638,049	(2)	239,835	3	877,884	(1)
1992	615,114	(4)	252,812	5	867,926	(1)
1993	602,133	(2)	258,294	2	860,427	(1)
1994	601,710	*	260,788	1	862,498	*
1995	605,544	1	262,187	1	867,731	1
1996	590,130	(3)	274,330	5	864,460	*
1997	578,566	(2)	281,863	3	860,429	*
1998	582,689	1	284,515	1	867,204	1
1999	593,188	2	289,046	2	882,234	2
2000	604,479	2	294,835	2	899,314	2
2001	626,565	4	298,078	1	924,643	3
2002	637,896	2	306,604	3	944,500	2
2003	650,543	2	313,597	2	964,140	2
2004	641,721	(1)	328,357	5	970,078	1
2005	647,758	1	334,251	2	982,009	1
2006	653,291	1	342,245	2	995,536	1

*Less than 1%

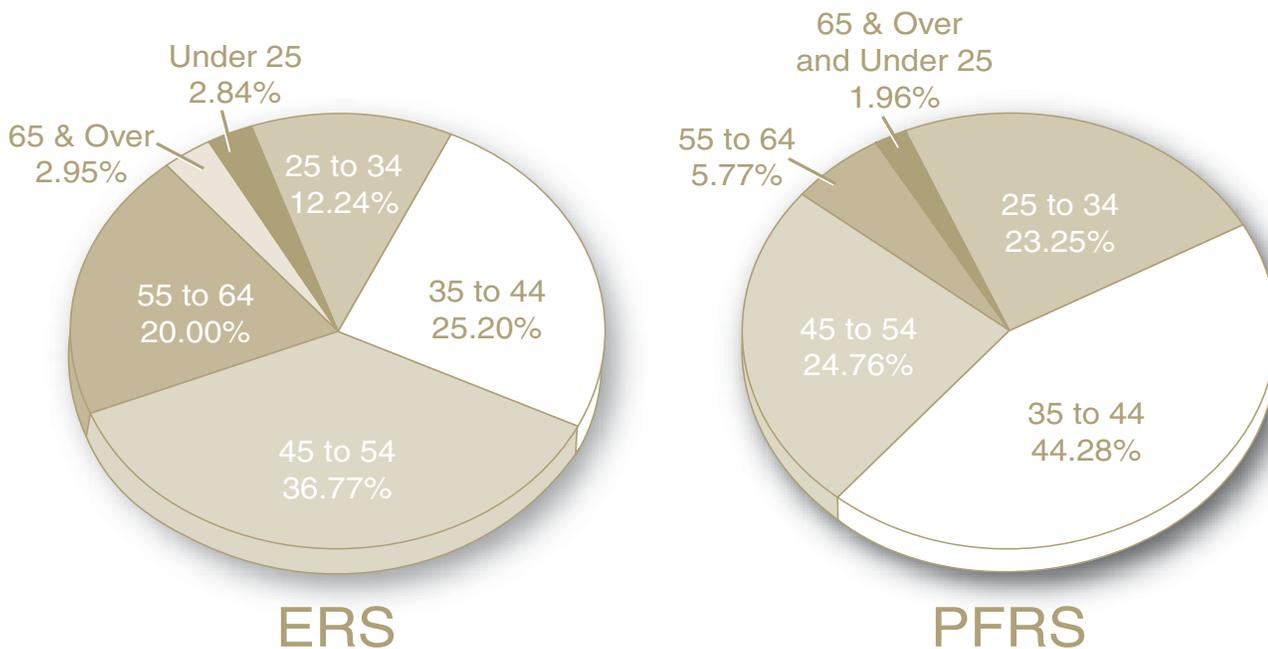
MEMBERSHIP BY AGE AND YEARS OF SERVICE

As of March 31, 2006

Years of Service

Age	Total		0-4		5-9		10-19		20-29		30 & Over	
	Number	Percent	Number	Percent								
ERS												
Total	617,989	100.00	192,106	31.09	116,995	18.93	173,262	28.04	106,028	17.16	29,598	4.79
Under 25	17,556	2.84	17,334	2.80	222	0.04	0	0.00	0	0.00	0	0.00
25-34	75,653	12.24	52,306	8.46	20,037	3.24	3,310	0.54	0	0.00	0	0.00
35-44	155,738	25.20	54,349	8.79	37,663	6.09	53,040	8.58	10,686	1.73	0	0.00
45-54	227,257	36.77	46,655	7.55	39,070	6.32	72,174	11.68	58,140	9.41	11,218	1.82
55-64	123,576	20.00	18,403	2.98	17,190	2.78	38,956	6.30	32,832	5.31	16,195	2.62
65 & Over	18,209	2.95	3,058	0.49	2,813	0.46	5,782	0.94	4,370	0.71	2,185	0.35
PFRS												
Total	35,302	100.00	8,016	22.71	5,971	16.91	12,564	35.59	6,965	19.73	1,786	5.06
Under 25	624	1.77	615	1.74	9	0.03	0	0.00	0	0.00	0	0.00
25-34	8,206	23.25	4,894	13.86	2,726	7.72	586	1.66	0	0.00	0	0.00
35-44	15,630	44.28	2,023	5.73	2,700	7.65	9,417	26.68	1,490	4.22	0	0.00
45-54	8,740	24.76	369	1.05	467	1.32	2,416	6.84	4,912	13.91	576	1.63
55-64	2,036	5.77	94	0.27	65	0.18	142	0.40	563	1.59	1,172	3.32
65 & Over	66	0.19	21	0.06	4	0.01	3	0.01	0	0.00	38	0.11

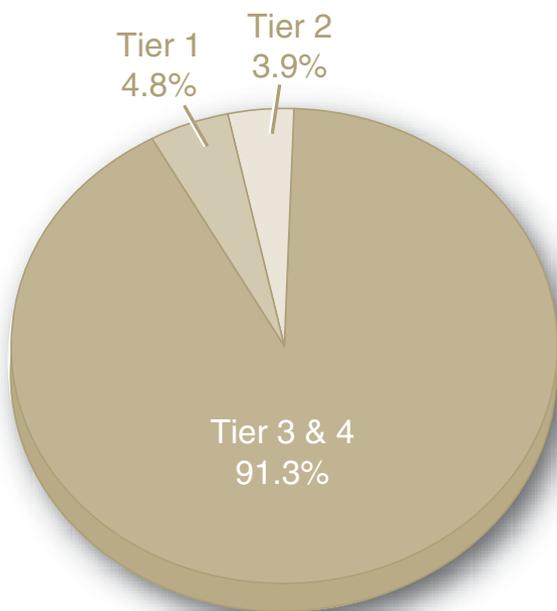
Chart of Distribution by Age



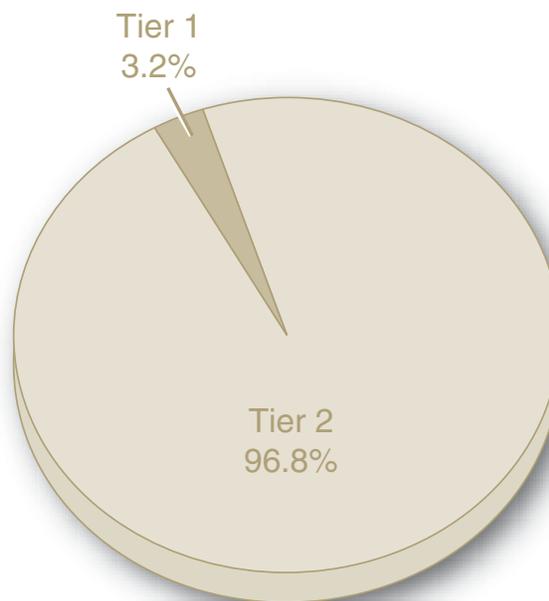
MEMBERSHIP BY TIER

As of March 31, 2006

	ERS		PFRS		Total	
	Number	Percent	Number	Percent	Number	Percent
Tier 1	29,492	4.8%	1,143	3.2%	30,635	4.7%
Tier 2	24,263	3.9%	34,159	96.8%	58,422	8.9%
Tier 3 & 4	564,234	91.3%	0	0.0%	564,234	86.4%
Total	617,989	100.0%	35,302	100.0%	653,291	100.0%



ERS



PFRS

MEMBERSHIP BY STATUS

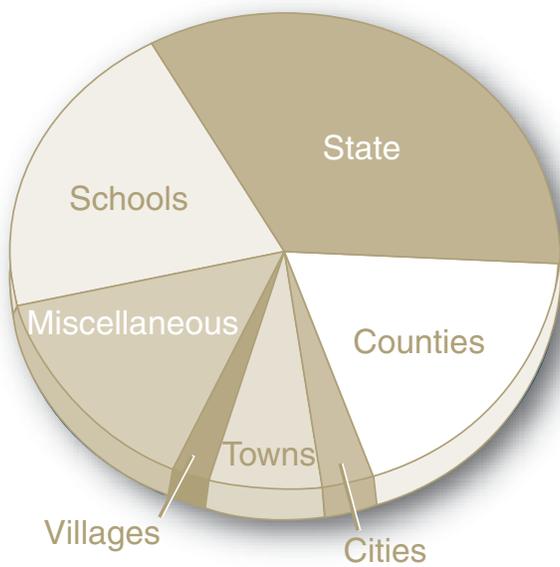
	ERS			PFRS		
	Active	Inactive	Total	Active	Inactive	Total
1997	474,697	68,966	543,663	31,735	3,168	34,903
1998	478,508	69,297	547,805	31,912	2,972	34,884
1999	486,781	71,455	558,236	32,067	2,885	34,952
2000	494,545	74,824	569,369	31,955	3,155	35,110
2001	507,037	83,922	590,959	32,220	3,386	35,606
2002	512,209	90,219	602,428	32,321	3,147	35,468
2003	502,872	111,683	614,555	32,419	3,569	35,988
2004	507,241	98,914	606,155	32,359	3,207	35,566
2005	508,856	103,554	612,410	32,388	2,960	35,348
2006	513,016	104,973	617,989	32,469	2,833	35,302

MEMBERSHIP BY EMPLOYER TYPE*

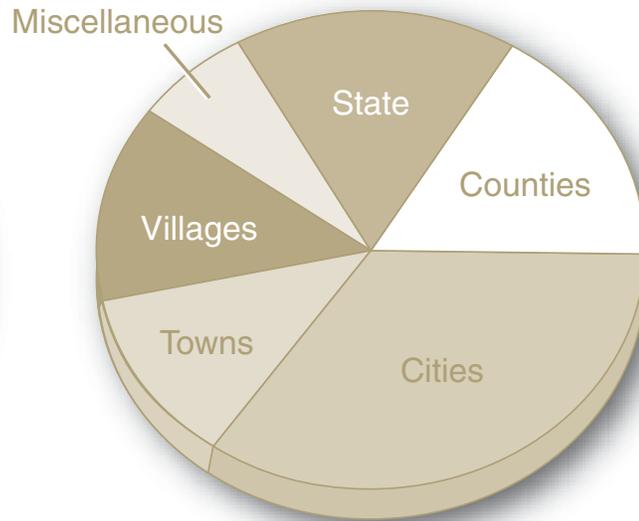
As of March 31, 2006

	ERS		PFRS		Total	
	Total**	Active	Total**	Active	Total**	Active
State	211,041	179,495	5,955	5,491	216,996	184,986
Counties	115,472	93,527	5,850	5,657	121,322	99,184
Cities	18,891	15,283	12,147	11,330	31,038	26,613
Towns	41,393	34,840	4,261	3,830	45,654	38,670
Villages	13,388	10,864	4,641	3,863	18,029	14,727
Misc.	90,879	73,229	2,448	2,298	93,327	75,527
Schools	126,925	105,778	0	0	126,925	105,778
Total	617,989	513,016	35,302	32,469	653,291	545,485

**Total includes inactive members identified with their last employer as active members.



ERS



PFRS

*A detailed listing of participating employers as of March 31, 2006, is on our website at www.osc.state.ny.us/retire/employers/index.htm.

NUMBER OF EMPLOYERS

As of March 31, 2006

Category	ERS	PFRS
State	1	1
Counties	57	4
Cities	61	61
Towns	906	206
Villages	488	380
Misc.	762	33
School	699	0
Total	2,974	685

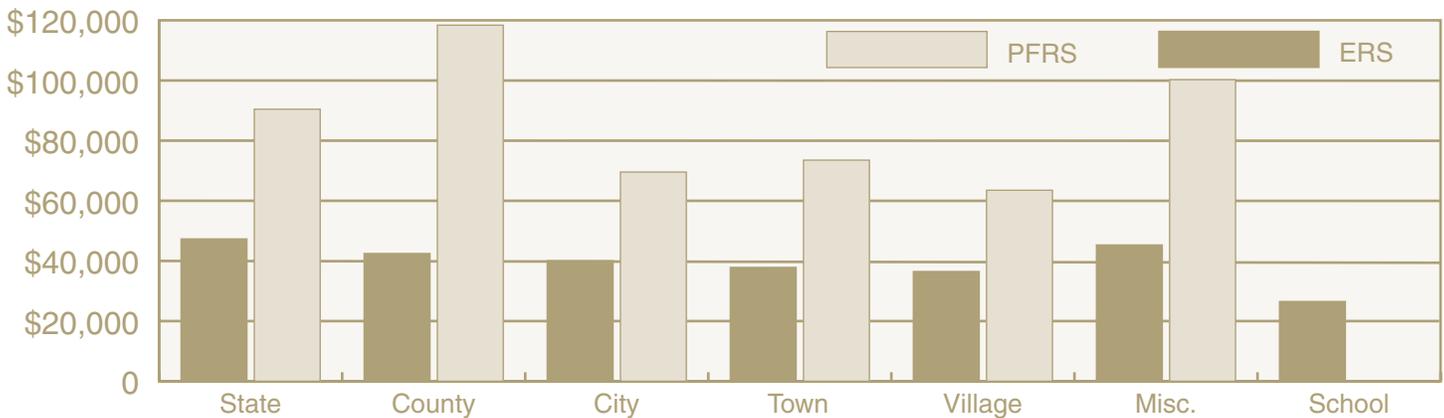
AVERAGE SALARY BY EMPLOYER TYPE

Fiscal year ending March 31, 2006

	Average Salary	Members*	Total Salaries
ERS			
State	\$47,326	179,495	\$8,494,779,109
Counties	42,482	93,527	3,973,182,698
Cities	40,088	15,283	612,669,624
Towns	37,855	34,840	1,318,853,035
Villages	36,496	10,864	396,489,726
Misc.	45,315	73,229	3,318,406,341
Schools	26,514	105,778	2,804,610,717
Total	\$40,776	513,016	\$20,918,991,250
PFRS			
State	\$90,448	5,491	\$496,652,416
Counties	118,390	5,657	669,734,523
Cities	69,558	11,330	788,096,235
Towns	73,512	3,830	281,549,923
Villages	63,505	3,863	245,318,712
Misc.	100,263	2,298	230,403,597
Total	\$83,518	32,469	\$2,711,755,408

*Active members receiving salary.

Average Salary by Employer Type



MEMBERS AND SALARIES BY PLAN: ERS

As of March 31, 2006

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries
Age 55/60 Contributory	11	\$370,225	13	\$448,344
Age 55 75-c	104	3,334,137	114	3,759,548
Age 55 75-e	27	1,011,465	34	1,024,647
Age 55 75-g	270	11,542,242	218	10,063,742
Age 55 75-h	11,026	666,855,337	8,466	506,959,141
Age 55 75-i	12,318	636,107,611	9,893	517,949,608
Reg CO/SHTA 3/4 Dis	20	1,473,693	7	456,918
Corr Off 89	302	19,593,638	354	22,347,466
Sheriffs 89-a	11	706,765	1	47,413
Sheriffs 89-b	19	1,321,889	9	581,411
Sheriffs 89-b(m)	6	394,055	3	156,576
Investigators 89-d	0	0	1	89,635
Investigators 89-d(m)	8	1,129,801	2	212,892
Sheriffs - 551	2	134,697	17	949,333
Sheriffs - 551e	0	0	5	303,351
Sheriffs - 552	5	302,073	14	770,777
Sheriffs - 553	23	1,951,241	39	2,928,239
Legislators 80-a	63	4,864,122	5	294,742
Unified Crt Pc Off	0	0	256	20,583,823
25-Yr CO/Sher/OMH	135	10,145,243	149	10,817,891
25-Yr 1/60 PO,AMT,PAR	49	4,828,419	23	2,143,710
	Tier 3 & 4	Tier 3 & 4 Salaries		
Article 14 & 15	430,043	\$16,347,805,939		
Reg CO/SHTA 3/4 Dis	424	21,876,732		
Art 14 Corr Officer	22,086	1,085,852,187		
Sheriffs - 551	367	18,402,976		
Sheriffs - 551e	62	2,892,887		
Sheriffs - 552	484	24,571,402		
Sheriffs - 553	1,506	93,772,695		
Unified Crt Pc Off	5,279	332,231,424		
25-Yr CO/Sher/OMH	8,547	505,392,495		
25-Yr 1/60 PO,AMT,PAR	156	12,794,262		
20-Yr 1/60 Invest	19	2,234,911		
West. Co. C.I.	21	2,207,482		

MEMBERS AND SALARIES BY PLAN: PFRS

As of March 31, 2006

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries
Age 55/60 Contributory	3	\$15,122	73	\$662,625
Age 55 375-c	5	185,801	332	4,764,594
Age 55 375-e	0	0	61	825,584
Age 55 375-g	2	190,707	95	1,730,271
Age 55 375-h	17	1,217,051	4	219,684
Age 55 375-i	54	4,966,182	309	11,130,215
Age 55 375-j	1	145,974	7	439,950
State Police 381-b	15	1,760,952	4,729	452,106,507
Reg Park Pol 383-a	9	716,453	292	15,267,235
EnCon Police 383-b	7	510,360	300	18,133,400
Forest Ranger 383-c	0	0	118	6,720,773
25-Yr Contributory	0	0	0	0
25-Yr Non-contrib	8	509,131	87	3,198,034
25-Yr 384(f) Contrib	0	0	0	0
25-Yr 384(f) Non-contrib	12	1,229,412	124	9,827,542
20-Yr Contributory	0	0	6	59,398
20-Yr Non-contrib	243	22,986,153	9,922	672,918,265
384-e Contributory	0	0	0	0
384-e Non-contrib	642	81,202,842	14,992	1,398,115,191

PENSIONERS AND BENEFICIARIES BY AGE

As of March 31, 2006

Age	Pensioners & Beneficiaries	Pensioners	Beneficiaries
ERS			
0-25	182	0	182
26-30	115	1	114
31-35	194	18	176
36-40	471	161	310
41-45	1,305	860	445
46-50	2,677	2,008	669
51-55	5,723	4,805	918
56-60	40,991	39,423	1,568
61-65	50,675	48,606	2,069
66-70	51,911	49,243	2,668
71-75	48,625	45,230	3,395
76-80	44,584	40,208	4,376
81-85	35,811	31,256	4,555
86-90	20,602	17,308	3,294
91-95	8,046	6,500	1,546
96-100	1,731	1,334	397
101+	194	134	60
TOTAL	313,837	287,095	26,742
PFRS			
0-25	13	0	13
26-30	6	1	5
31-35	34	23	11
36-40	164	151	13
41-45	591	564	27
46-50	1,210	1,163	47
51-55	2,891	2,812	79
56-60	5,787	5,652	135
61-65	5,490	5,328	162
66-70	4,149	4,005	144
71-75	3,120	2,909	211
76-80	2,668	2,445	223
81-85	1,459	1,267	192
86-90	617	477	140
91-95	179	114	65
96-100	26	11	15
101+	4	2	2
TOTAL	28,408	26,924	1,484

PENSIONERS AND BENEFICIARIES: ERS

As of March 31, 2006 – by year of retirement; annual Option 0 retirement allowance without annual cost-of-living adjustment (COLA), average COLA and total

Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total	Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total
1942	1	\$424	\$2,054	\$2,478	1975	1,684	\$4,434	\$4,347	\$8,782
1943	0	0	0	0	1976	2,407	4,778	4,254	9,032
1944	0	0	0	0	1977	3,103	4,612	3,922	8,534
1945	0	0	0	0	1978	3,263	4,928	3,796	8,724
1946	2	437	3,701	4,137	1979	3,939	5,072	3,615	8,687
1947	0	0	0	0	1980	4,432	5,141	3,085	8,227
1948	0	0	0	0	1981	5,039	5,438	2,615	8,054
1949	1	281	1,738	2,019	1982	5,832	5,879	2,448	8,328
1950	1	218	674	892	1983	5,436	6,292	2,312	8,604
1951	0	0	0	0	1984	8,272	8,350	2,778	11,128
1952	3	623	2,401	3,024	1985	6,634	8,376	2,503	10,879
1953	2	1,295	4,847	6,141	1986	7,556	8,907	2,431	11,339
1954	1	1,607	8,724	10,331	1987	7,548	9,837	2,463	12,301
1955	2	1,370	3,668	5,038	1988	7,378	10,562	2,381	12,943
1956	3	1,511	4,755	6,266	1989	8,092	11,465	2,273	13,738
1957	5	2,278	7,482	9,760	1990	8,738	12,569	2,069	14,638
1958	4	2,565	8,908	11,472	1991	12,929	16,472	2,074	18,546
1959	9	4,711	11,758	16,469	1992	12,187	13,870	1,670	15,540
1960	9	2,752	9,467	12,219	1993	9,516	14,385	1,464	15,848
1961	13	1,979	5,524	7,504	1994	8,221	14,499	1,271	15,770
1962	19	2,642	6,406	9,049	1995	10,036	15,239	1,174	16,413
1963	25	1,914	4,803	6,718	1996	16,704	19,711	1,145	20,856
1964	37	2,652	5,625	8,277	1997	14,861	18,500	833	19,334
1965	42	2,341	5,373	7,714	1998	11,112	16,457	541	16,998
1966	77	2,547	4,827	7,374	1999	12,059	16,128	407	16,535
1967	110	2,467	4,871	7,338	2000	14,035	17,398	266	17,664
1968	145	2,296	3,682	5,978	2001	14,754	20,856	164	21,020
1969	199	2,815	4,158	6,973	2002	12,129	19,003	0	19,003
1970	358	3,649	5,133	8,783	2003	25,596	27,499	0	27,499
1971	528	3,932	5,218	9,150	2004	13,000	19,188	0	19,188
1972	1,047	4,927	6,071	10,999	2005	15,490	21,188	0	21,188
1973	1,170	3,928	4,765	8,693	2006	11,612	22,438	0	22,438
1974	1,511	4,307	4,842	9,150					

4,919 of the 26,742 beneficiaries are not eligible for COLA

PENSIONERS AND BENEFICIARIES: PFRS

As of March 31, 2006 – by year of retirement; annual Option 0 retirement allowance without annual cost-of-living adjustment (COLA), average COLA and total

Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total	Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total
1942	1	\$2,029	\$19,467	\$21,496	1975	225	\$8,420	\$10,067	\$18,487
1943	0	0	0	0	1976	259	9,560	9,849	19,409
1944	0	0	0	0	1977	422	10,517	9,971	20,488
1945	0	0	0	0	1978	427	10,729	9,527	20,256
1946	0	0	0	0	1979	483	11,619	8,938	20,557
1947	0	0	0	0	1980	544	12,240	7,879	20,119
1948	0	0	0	0	1981	478	13,399	6,745	20,144
1949	0	0	0	0	1982	566	14,827	6,137	20,964
1950	1	2,158	6,674	8,832	1983	629	15,903	5,787	21,690
1951	0	0	0	0	1984	596	17,633	5,684	23,317
1952	1	2,908	16,333	19,241	1985	711	19,297	5,214	24,511
1953	1	3,090	8,458	11,548	1986	970	20,791	5,040	25,831
1954	1	2,357	12,796	15,153	1987	1,019	22,928	4,911	27,839
1955	3	2,550	6,830	9,380	1988	1,058	24,705	4,602	29,308
1956	3	2,702	14,496	17,199	1989	1,076	25,094	4,114	29,208
1957	5	3,287	14,608	17,895	1990	1,064	27,426	3,567	30,993
1958	2	2,866	12,226	15,091	1991	1,157	31,025	3,054	34,079
1959	2	2,980	14,610	17,590	1992	1,283	35,064	2,553	37,617
1960	3	2,889	14,149	17,038	1993	1,169	34,154	2,175	36,328
1961	5	2,657	10,425	13,082	1994	1,026	33,177	1,759	34,936
1962	5	4,590	16,654	21,244	1995	891	37,541	1,372	38,913
1963	9	3,466	12,061	15,527	1996	859	36,226	1,090	37,315
1964	4	2,489	7,470	9,958	1997	851	40,062	710	40,772
1965	4	5,050	14,582	19,632	1998	817	39,743	470	40,214
1966	13	5,359	10,695	16,053	1999	825	40,460	382	40,842
1967	24	4,431	9,753	14,184	2000	949	46,809	240	47,049
1968	33	4,706	10,149	14,855	2001	1,148	52,358	151	52,509
1969	48	4,982	8,747	13,728	2002	989	52,850	0	52,850
1970	61	5,759	10,239	15,998	2003	1,325	60,192	0	60,192
1971	88	6,500	10,295	16,796	2004	1,229	57,291	0	57,291
1972	301	7,256	11,165	18,421	2005	1,118	57,647	0	57,647
1973	246	7,585	10,981	18,567	2006	759	59,193	0	59,193
1974	309	7,903	10,798	18,702					

313 of the 1,484 beneficiaries are not eligible for COLA

TOTAL BENEFIT PAYMENTS 1997-2006

As of March 31, 2006; in millions of dollars

Year Ended 3/31	Retirement Benefits	Death Benefits	Post-Retirement Supplements	Total
1997 Total	\$2,885.3	\$118.5	\$118.2	\$3,121.9
ERS	2,398.6	104.4	93.4	2,596.4
PFRS	486.7	14.0	24.8	525.5
1998 Total	3,071.6	125.7	107.7	3,305.0
ERS	2,551.2	115.0	89.0	2,755.2
PFRS	520.4	10.7	18.7	549.8
1999 Total	3,217.1	123.0	141.9	3,482.0
ERS	2,670.2	114.2	116.5	2,900.9
PFRS	546.9	8.8	25.4	581.1
2000 Total	3,415.1	142.8	162.3	3,720.2
ERS	2,834.4	125.9	132.5	3,092.8
PFRS	580.7	16.9	29.8	627.4
2001 Total	3,691.9	152.9	336.1	4,181.0
ERS	3,069.7	140.4	272.5	3,482.6
PFRS	622.1	12.6	63.6	698.3
2002 Total	3,872.0	151.8	464.5	4,488.3
ERS	3,220.0	139.1	377.5	3,736.6
PFRS	652.0	12.7	87.0	751.7
2003 Total	4,373.3	148.4	462.9	4,984.6
ERS	3,649.5	132.5	378.8	4,160.8
PFRS	723.8	15.9	84.1	823.8
2004 Total	4,722.1	157.3	468.1	5,347.5
ERS	3,931.3	149.5	382.3	4,463.1
PFRS	790.8	7.8	85.8	884.4
2005 Total	5,041.0	161.9	471.8	5,674.7
ERS	4,216.3	151.3	384.7	4,752.3
PFRS	824.7	10.6	87.1	922.4
2006 Total	5,388.6	161.2	479.1	6,028.9
ERS	4,498.1	149.8	390.7	5,038.6
PFRS	890.5	11.4	88.4	990.3

LOCAL GOVERNMENT SALARIES AND BILLINGS: ERS

Contributions include the normal cost of benefits including supplemental pensions and, in some cases, the Retirement Incentive Program, Deficiency Contributions that defray any liabilities an employer brings when it joins the System, the Group Life Insurance Plan (GLIP) and the administrative cost for the fiscal year. Amounts shown are due February 1st preceding the fiscal year end.

Counties FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
1997	\$3,218,571,512	\$136,275,142	\$114,221,941	\$0	\$12,176,734	\$9,876,467
1998	3,290,512,685	63,815,472	44,818,131	0	12,310,699	6,686,642
1999	3,317,593,629	71,817,750	52,153,534	0	9,683,998	9,949,052
2000	3,513,663,377	47,550,204	44,089,156	0	3,461,048	0
2001	3,598,319,558	44,904,136	37,440,928	0	7,463,208	0
2002	3,817,914,090	101,316,465	82,773,336	0	7,229,857	11,313,272
2003	3,813,343,496	66,441,940	44,516,791	0	10,418,476	11,506,673
2004	3,795,141,457	322,153,335	293,543,167	0	13,356,806	15,253,362
2005	3,975,524,112	525,026,378	498,617,747	0	14,529,793	11,878,838
2006	3,973,182,698	464,679,243	438,815,394	0	13,890,586	11,973,263
Cities						
1997	465,938,196	18,773,658	15,453,610	0	1,866,113	1,453,935
1998	483,184,125	9,763,360	6,930,581	0	1,870,253	962,526
1999	510,868,002	8,341,076	5,336,046	0	1,503,222	1,501,808
2000	541,255,927	5,242,065	4,680,415	0	561,650	0
2001	548,044,933	5,945,398	4,797,725	0	1,147,673	0
2002	570,316,356	7,884,399	5,078,809	0	1,089,756	1,715,834
2003	601,802,088	9,912,113	6,344,547	0	1,778,236	1,789,330
2004	583,920,060	38,393,995	33,655,003	0	2,331,779	2,407,213
2005	587,616,268	78,322,434	74,067,881	0	2,431,174	1,823,379
2006	612,669,624	68,193,077	63,955,140	0	2,421,685	1,816,252
Towns						
1997	893,982,245	34,339,512	26,951,230	1,039,084	3,606,421	2,742,777
1998	924,719,662	16,253,628	9,965,051	835,123	3,605,662	1,847,792
1999	966,516,862	14,095,626	7,685,795	657,842	2,875,778	2,876,211
2000	1,013,354,164	10,047,557	8,538,716	505,798	1,030,043	0
2001	1,055,866,622	11,612,993	9,070,412	400,687	2,141,894	0
2002	1,085,721,959	15,493,134	9,563,447	451,393	2,173,047	3,305,247
2003	1,203,818,756	19,417,971	12,155,338	513,119	3,353,593	3,395,921
2004	1,207,515,635	72,030,307	61,780,774	577,779	4,866,863	4,804,891
2005	1,265,154,689	157,705,823	148,275,368	655,228	5,013,542	3,761,685
2006	1,318,853,035	143,799,692	134,049,741	678,480	5,182,369	3,889,102
Villages						
1997	267,726,816	9,729,246	7,389,554	426,991	1,086,892	825,809
1998	279,130,832	4,857,232	2,898,474	328,961	1,074,921	554,876
1999	291,877,202	4,408,822	2,370,180	295,755	871,955	870,932
2000	307,420,950	2,926,461	2,412,659	206,686	307,116	0
2001	319,734,235	3,473,281	2,652,633	171,241	649,407	0
2002	334,321,723	4,842,867	3,029,367	151,907	656,935	1,004,658
2003	368,910,087	5,800,458	3,502,984	192,398	1,051,923	1,053,153
2004	370,581,719	21,180,783	18,035,178	193,720	1,476,242	1,475,643
2005	381,930,243	48,209,003	45,295,775	205,354	1,547,360	1,160,514
2006	396,489,726	43,514,076	40,517,640	232,514	1,579,370	1,184,552
Miscellaneous						
1997	1,692,883,994	65,736,110	52,806,024	863,471	6,796,159	5,270,456
1998	1,771,011,679	39,905,878	28,789,372	820,131	6,771,187	3,525,188
1999	2,007,093,850	31,140,442	18,366,321	991,354	5,901,449	5,881,318
2000	2,119,841,417	14,170,508	11,097,152	817,590	2,255,766	0
2001	2,204,318,973	27,280,907	21,886,029	811,881	4,582,997	0
2002	2,303,685,930	40,850,448	28,831,958	630,188	4,439,975	6,948,327
2003	2,649,751,097	35,373,978	19,246,626	672,563	7,719,584	7,735,205
2004	2,965,176,890	190,554,899	165,913,695	704,728	11,993,022	11,943,454
2005	3,072,429,398	388,716,948	365,761,361	1,236,040	12,411,163	9,308,384
2006	3,318,406,341	362,539,880	338,428,405	1,038,366	13,184,634	9,888,475
Schools						
1997	1,698,809,142	60,257,868	48,246,882	230,485	6,673,012	5,107,489
1998	1,787,810,125	31,726,387	21,081,785	124,127	6,969,775	3,550,700
1999	1,900,655,161	24,204,803	12,876,441	93,697	5,605,170	5,629,495
2000	2,044,487,654	14,062,795	11,951,657	62,234	2,048,904	0
2001	2,151,035,909	14,337,947	9,886,159	56,668	4,395,120	0
2002	2,297,785,319	26,100,959	14,739,853	77,255	4,461,655	6,822,196
2003	2,552,514,086	35,552,496	20,821,356	77,980	7,351,551	7,301,609
2004	2,552,215,506	137,535,816	117,151,107	83,999	10,099,716	10,200,994
2005	2,638,325,172	324,251,317	305,400,864	82,793	10,724,381	8,043,279
2006	2,804,610,717	295,369,803	276,074,953	76,738	10,981,781	8,236,331

LOCAL GOVERNMENT SALARIES AND BILLINGS: PFRS

Contributions include the normal cost of benefits including supplemental pensions, Deficiency Contributions that defray any liabilities an employer brings when it joins the System, the Group Life Insurance Plan (GLIP) and the administrative cost for the fiscal year. Amounts shown are due February 1st preceding the fiscal year end.

Counties FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
1997	\$460,475,667	\$56,865,391	\$55,003,997	\$0	\$21,817	\$1,839,577
1998	496,031,494	44,599,945	43,158,593	0	0	1,441,352
1999	543,082,677	20,314,600	18,243,419	0	514,882	1,556,299
2000	545,700,011	21,010,509	20,415,078	0	595,431	0
2001	535,409,526	17,496,569	17,494,960	0	1,609	0
2002	581,374,784	15,619,968	15,090,687	0	529,281	0
2003	593,362,415	15,430,950	14,797,670	0	633,280	0
2004	610,067,673	39,836,533	36,912,877	0	550,206	2,373,450
2005	637,722,466	117,568,271	115,040,396	0	0	2,527,875
2006	669,734,523	111,831,299	109,868,889	0	0	1,962,410
Cities						
1997	562,547,665	58,283,466	55,930,381	0	8,813	2,344,272
1998	591,399,214	40,148,314	38,356,940	0	0	1,791,374
1999	619,314,622	13,502,022	11,013,745	0	599,107	1,889,170
2000	654,093,495	11,940,326	11,290,231	0	650,095	0
2001	671,218,008	12,948,799	12,937,263	0	11,536	0
2002	693,245,778	13,533,899	12,846,509	0	687,390	0
2003	748,146,539	13,408,241	12,691,514	0	716,727	0
2004	751,505,609	48,737,822	45,020,390	0	724,846	2,992,586
2005	758,899,191	147,817,338	144,668,066	0	0	3,149,272
2006	788,096,235	131,076,054	128,739,253	0	0	2,336,801
Towns						
1997	182,369,269	15,994,158	15,255,565	0	848	737,745
1998	191,780,937	11,966,416	11,382,916	0	0	583,500
1999	201,612,792	3,969,445	2,870,493	0	195,311	903,641
2000	214,222,469	3,663,610	3,451,239	0	212,371	0
2001	220,479,447	2,959,710	2,955,384	0	4,326	0
2002	233,950,431	4,863,621	4,636,856	0	226,765	0
2003	253,409,418	4,449,842	4,201,437	0	248,405	0
2004	256,399,657	15,954,403	14,694,751	0	246,013	1,013,639
2005	268,098,727	47,286,150	46,217,472	0	0	1,068,678
2006	281,549,923	45,712,713	44,877,786	0	0	834,927
Villages						
1997	165,237,098	12,732,047	12,049,570	0	2,170	680,307
1998	173,879,013	8,900,622	8,371,109	0	0	529,513
1999	180,722,032	1,805,998	1,072,239	0	177,239	556,520
2000	195,202,698	2,171,938	1,983,342	0	188,596	0
2001	202,039,062	1,378,614	1,371,915	0	6,699	0
2002	211,413,597	2,090,046	1,881,908	0	208,138	0
2003	229,923,695	2,103,772	1,882,370	0	221,402	0
2004	228,232,646	12,613,728	11,474,812	0	223,124	915,792
2005	236,766,570	39,044,844	38,088,252	0	0	956,592
2006	245,318,712	37,677,735	36,941,498	0	0	736,237
Miscellaneous						
1997	131,223,651	16,328,306	15,758,123	0	905	569,278
1998	126,705,254	11,906,461	11,488,373	0	0	418,088
1999	176,049,026	5,226,713	4,687,996	0	133,835	404,882
2000	153,688,055	7,310,677	7,079,070	0	231,607	0
2001	160,242,257	5,343,741	5,342,721	0	1,020	0
2002	208,867,932	5,508,343	5,379,731	0	128,612	0
2003	237,403,863	7,179,150	6,915,554	0	263,596	0
2004	196,674,046	17,859,051	16,667,270	0	242,166	949,615
2005	221,530,945	39,079,882	38,249,624	0	0	830,258
2006	230,403,597	40,016,217	39,322,040	0	0	694,177

CONTRIBUTIONS RECORDED 1997-2006

In millions of dollars

Contributions recorded are the amounts presented in the System's financial statements and include employer costs plus/minus any adjustments in amounts receivable and changes resulting from legislation.

Year ended 3/31	Employer Contributions*	Member Contributions
1997 Total	\$903.5	\$348.2
State	406.7	
Local	496.8	
1998 Total	462.6	369.4
State	104.5	
Local	358.1	
1999 Total	291.7	399.8
State	91.2	
Local	200.5	
2000 Total	164.5	422.7
State	10.9	
Local	153.6	
2001 Total	214.8	319.1
State	51.2	
Local	163.6	
2002 Total	263.8	210.2
State	64.6	
Local	199.2	
2003 Total	651.9	219.2
State	274.4	
Local	377.5	
2004 Total	1,286.5	221.9
State	454.8	
Local	831.7	
2005 Total	2,964.8	227.3
State	1,087.7	
Local	1,877.1	
2006 Total	2,782.1	241.2
State	1,067.9	
Local	1,714.2	

*Includes employer premiums to Group Term Life Insurance Plan.

NOTES TO 20-YEAR SUMMARY

- * Combined Systems unless noted; \$ in millions; data as of March 31 fiscal year end.
- (a) Includes active members and inactive members identified with their last employer.
- (b) Tier 3 and 4 membership statistics are combined.
- (c) Total does not include Employee Contributions Refunded or Other Benefits found in the Financial Statements.
- (d) Beginning in the 2006 fiscal year, all rates assume a February 1 payment date prior to the close of the fiscal year. Previous years assume rates based on a December 15 payment date. Contributions include normal, administrative, Group Life Insurance, retirement incentive and deficiency costs.
- (e) Investments for 1995 and later years are shown at (and rate of return is calculated on) market value as required by GASB 25, which the System adopted that year. Pre-1995 fixed income investments are shown at book value, all others at market. Pre-1995 rates of return also reflect this valuation.

20-Year Summary*	2006	2005	2004	2003	2002	2001	2000	1999	1998
Total Participants	995,536	982,009	970,078	964,140	944,500	924,643	899,314	882,234	867,204
Number of Members	653,291	647,758	641,721	650,543	637,896	626,565	604,479	593,188	582,689
ERS (a)	617,989	612,410	606,155	614,555	602,428	590,959	569,369	558,236	547,805
State	211,041	208,899	207,641	216,005	216,507	222,343	216,347	216,380	214,628
Counties	115,472	118,006	117,514	119,319	118,318	119,638	115,576	113,856	112,792
Cities	18,891	18,979	18,933	19,637	19,671	19,551	19,148	18,966	18,907
Towns	41,393	40,561	39,841	39,395	38,063	37,121	35,882	35,056	34,764
Villages	13,388	13,106	12,878	12,823	12,360	11,969	11,509	11,279	11,087
Misc.	90,879	86,791	85,732	85,708	81,752	69,968	67,212	64,218	62,176
Schools	126,925	126,068	123,616	121,668	115,757	110,369	103,695	98,481	93,451
PFRS (a)	35,302	35,348	35,566	35,988	35,468	35,606	35,110	34,952	34,884
State	5,955	6,038	5,898	5,802	5,679	5,534	5,279	5,232	5,195
Counties	5,850	5,833	5,814	5,901	6,029	6,176	6,267	6,338	6,332
Cities	12,147	12,113	12,374	12,541	12,612	12,781	12,660	12,552	12,579
Towns	4,261	4,217	4,231	4,233	4,191	4,180	4,163	4,149	4,139
Villages	4,641	4,653	4,732	4,867	4,795	4,805	4,727	4,699	4,683
Misc.	2,448	2,494	2,517	2,644	2,162	2,130	2,014	1,982	1,956
Members By Tier (b)									
ERS Tier 1	29,492	34,980	39,622	50,032	56,541	60,736	57,657	64,173	69,942
ERS Tier 2	24,263	25,938	27,398	30,122	31,981	32,914	32,641	34,296	36,061
ERS Tiers 3 & 4	564,234	551,492	539,135	534,401	513,906	497,309	479,071	459,767	441,802
PFRS Tier 1	1,143	1,503	2,076	2,597	3,260	3,927	4,469	4,997	5,537
PFRS Tier 2	34,159	33,845	33,490	33,391	32,208	31,679	30,641	29,955	29,347
Pensioners & Beneficiaries	342,245	334,251	328,357	313,597	306,604	298,078	294,835	289,046	284,515
ERS	313,837	306,531	301,528	287,341	280,997	273,147	270,333	264,899	260,751
PFRS	28,408	27,720	26,829	26,256	25,607	24,931	24,502	24,147	23,764
Employers	3,001	2,993	2,985	2,968	2,922	2,897	2,860	2,843	2,809
ERS	2,974	2,967	2,959	2,943	2,917	2,890	2,853	2,836	2,813
PFRS	685	684	684	681	679	678	678	679	678
Benefit Payments (c)	\$6,028.9	\$5,674.7	\$5,347.5	\$4,984.6	\$4,488.3	\$4,181.0	\$3,720.2	\$3,482.0	\$3,305.0
Retirement Allowances	5,388.6	5,041.0	4,722.1	4,373.3	3,872.0	3,619.9	3,415.1	3,217.1	3,071.6
Death Benefits (Lump Sum)	161.2	161.9	157.3	148.4	151.8	152.9	142.8	123.0	125.7
COLA Payments	479.1	471.8	468.1	462.9	464.5	336.1	162.3	141.9	107.7
# of Service Retirements	16,827	14,533	23,655	16,078	17,499	11,640	14,470	12,675	11,932
# of Death Benefits Paid	932	1,041	1,025	1,019	1,068	1,005	1,026	956	974
# of Disability Retirements	1,267	1,463	1,103	1,064	1,038	1,079	1,189	1,356	938
Employer Contributions	\$2,782.1	\$2,964.8	\$1,286.5	\$651.9	\$263.8	\$214.8	\$164.5	\$291.7	\$462.6
ERS	2,271.4	2,434.5	1,052.3	525.5	179.1	131.0	83.0	193.2	280.1
PFRS	433.4	455.3	158.4	66.3	47.3	49.0	62.0	50.1	125.1
Group Life Insurance Plan	77.3	75.0	75.8	60.1	37.4	34.8	19.5	48.4	57.4
Rate (as a % of Salary) (d)									
ERS	11.3%	12.9%	5.9%	1.5%	1.2%	0.9%	0.9%	1.3%	1.7%
PFRS	16.3%	17.6%	5.8%	1.4%	1.6%	1.6%	1.9%	2.4%	7.0%
Employee Contributions	\$241.2	\$227.3	\$221.9	\$219.2	\$210.2	\$319.1	\$422.7	\$399.8	\$369.4
ERS	237.7	224.5	217.4	214.1	206.0	317.4	422.0	398.7	368.8
PFRS	3.5	2.8	4.5	5.1	4.2	1.7	0.7	1.1	0.6
Investments (e)	\$140,453.3	\$126,083.5	\$119,245.0	\$95,598.3	\$111,168.5	\$112,432.9	\$127,138.9	\$111,008.7	\$104,921.8
Equities	88,550.9	80,917.2	74,876.5	51,357.0	66,375.5	63,661.7	82,733.6	66,397.8	63,348.7
Fixed Income	28,889.0	29,310.8	29,691.2	32,019.7	31,839.2	35,305.7	31,764.3	34,307.9	32,451.7
Commercial Mortgages	1,162.7	1,281.9	1,530.0	1,723.6	1,628.7	1,835.8	1,318.6	1,509.5	1,635.0
Short-term Investments	6,619.3	2,602.5	1,879.1	771.2	1,429.0	992.0	2,238.3	2,541.8	1,927.0
Alternative Investments	9,800.8	7,337.1	6,738.8	5,564.8	5,579.5	5,941.6	5,385.9	3,159.8	2,671.7
Equity Real Estate	5,430.7	4,634.0	4,529.4	4,162.0	4,316.6	4,696.0	3,698.1	3,091.8	2,887.7
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate of Return	14.6%	8.5%	28.8%	-10.2%	2.8%	-8.7%	17.8%	8.8%	30.4%
Fixed Income Investments	1.7%	3.0%	8.9%	16.8%	4.3%	14.1%	1.3%	6.6%	15.6%
Equity Investments	19.1%	10.6%	42.8%	-24.3%	2.9%	-20.3%	25.3%	10.1%	47.2%
Administrative Cost	\$78.5	\$65.3	\$69.6	\$67.5	\$66.6	\$57.8	\$50.7	\$52.6	\$49.1
Financial Statement Assets	\$142,620.1	\$128,037.7	\$120,799.0	\$97,372.7	\$112,724.9	\$114,043.5	\$128,889.4	\$112,723.1	\$106,319.2

1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
860,429	864,460	867,731	862,498	860,427	867,927	877,884	882,410	859,729	829,243	796,177
578,566	590,130	605,544	601,710	602,133	615,114	638,049	649,847	633,468	607,649	580,474
543,663	553,649	569,298	566,320	567,223	580,158	602,433	614,392	598,381	573,152	546,772
216,084	225,771	238,760	239,412	241,538	247,209	260,156	268,947	262,648	253,836	244,250
115,904	118,055	120,517	120,186	120,819	125,168	129,158	130,614	126,729	119,679	112,838
18,909	19,410	20,283	20,699	20,792	21,890	22,982	23,530	23,109	22,648	21,814
33,949	33,997	34,349	34,316	34,474	35,413	36,251	36,615	35,472	33,714	32,055
10,942	10,939	11,057	11,067	11,137	11,388	11,671	11,867	11,636	11,174	10,634
58,128	58,582	59,080	58,057	56,906	56,456	57,292	57,420	54,657	50,824	47,288
89,747	86,895	85,252	82,583	81,557	82,634	84,923	85,399	84,130	81,277	77,893
34,903	36,481	36,246	35,390	34,910	34,956	35,616	35,455	35,087	34,497	33,702
5,230	5,793	5,866	5,692	5,787	5,603	5,689	5,586	5,424	5,229	4,966
6,277	6,542	6,278	5,904	5,565	5,715	6,089	6,211	6,486	6,459	6,441
12,538	12,923	12,919	12,761	12,682	12,808	12,992	12,999	12,855	12,721	12,585
4,095	4,170	4,077	4,050	3,987	3,989	3,965	3,862	3,725	3,604	3,440
4,743	4,967	4,967	4,862	4,922	4,874	4,853	4,747	4,540	4,444	4,250
2,020	2,086	2,139	2,121	1,967	1,967	2,028	2,050	2,057	2,040	2,020
75,166	84,015	96,299	101,254	107,383	115,086	129,525	139,420	149,243	158,387	167,478
37,739	41,631	45,716	47,778	49,846	52,871	56,040	58,958	60,798	62,421	63,942
430,758	428,003	427,283	417,288	409,994	412,201	416,868	416,014	388,340	352,344	315,352
6,087	6,872	7,439	8,005	9,009	10,204	11,601	12,734	13,908	15,201	16,375
28,816	29,609	28,807	27,385	25,901	24,752	24,015	22,721	21,179	19,296	17,327
281,863	274,330	262,187	260,788	258,294	252,813	239,835	232,563	226,261	221,594	215,703
258,413	251,442	239,727	238,729	237,059	232,484	220,579	214,206	208,791	205,051	200,175
23,450	22,888	22,460	22,059	21,235	20,329	19,256	18,357	17,470	16,543	15,528
2,786	2,779	2,765	2,752	2,731	2,724	2,743	2,715	2,670	2,630	2,647
2,782	2,773	2,760	2,748	2,727	2,720	2,708	2,687	2,638	2,617	2,610
676	675	674	672	672	669	666	658	656	653	654
\$3,122.0	\$2,877.9	\$2,527.9	\$2,393.7	\$2,267.9	\$2,067.7	\$1,834.2	\$1,670.4	\$1,579.1	\$1,381.9	\$1,275.8
2,885.3	2,639.8	2,357.8	2,216.6	2,082.5	1,884.8	1,647.5	1,485.2	1,359.3	1,234.2	1,130.0
118.5	140.0	107.3	112.0	115.1	105.2	103.9	99.0	101.2	96.5	92.1
118.2	98.1	62.8	65.1	70.3	77.7	82.8	86.2	118.6	51.2	53.7
15,324	19,578	9,613	9,651	11,409	19,573	12,703	12,201	11,255	11,063	12,036
965	1,092	1,068	1,062	1,033	1,162	1,306	1,155	1,266	1,357	1,161
1,016	1,235	1,183	1,413	1,367	1,445	1,647	1,328	1,190	1,075	978
\$903.5	\$776.9	\$315.1	\$530.1	\$369.8	\$356.8	-\$72.4	\$412.2	\$759.4	\$1,321.3	\$1,174.1
668.8	521.8	47.2	337.2	140.9	181.2	-188.2	284.5	573.7	1,102.6	978.4
177.9	219.3	237.8	158.2	198.9	175.6	91.8	82.6	139.2	180.3	150.0
56.8	35.9	30.1	34.7	30.0	0.0	24.0	45.1	46.5	38.4	45.6
3.7%	2.2%	0.7%	0.7%	0.6%	0.4%	0.3%	3.6%	3.7%	9.7%	9.4%
9.8%	13.0%	13.9%	11.3%	14.0%	11.5%	7.8%	8.3%	8.5%	14.8%	13.3%
\$348.2	\$341.9	\$334.0	\$307.5	\$284.1	\$287.0	\$255.3	\$229.9	\$194.7	\$188.5	\$151.2
347.7	338.5	331.6	306.0	282.8	284.2	254.3	228.6	193.2	187.0	151.0
0.5	3.5	2.4	1.5	1.3	2.8	1.0	1.3	1.5	1.5	0.2
\$82,333.8	\$74,827.9	\$63,406.6	\$58,416.8	\$56,428.9	\$51,925.8	\$48,945.5	\$45,189.3	\$40,280.6	\$35,812.5	\$35,621.8
45,827.4	42,818.4	34,775.2	31,357.7	29,953.5	25,480.2	23,751.5	21,120.3	18,478.6	16,333.9	18,297.2
27,373.5	25,709.5	22,771.6	21,279.0	20,788.5	20,452.4	19,192.6	18,383.1	16,445.4	14,600.4	12,729.5
1,506.3	1,736.3	1,836.6	1,932.3	2,120.7	2,314.8	2,612.9	2,460.4	2,595.2	2,647.9	2,660.6
3,011.2	1,092.8	983.8	1,036.5	937.5	1,128.0	1,049.6	1,472.3	1,506.8	1,577.5	1,278.0
2,122.9	2,067.3	1,937.0	1,664.0	1,554.7	1,343.6	1,263.7	786.6	631.7	0.0	0.0
2,492.5	1,403.6	1,102.4	1,147.3	1,074.0	1,206.7	1,075.2	966.6	623.0	216.4	38.4
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	436.4	618.1
10.9%	21.8%	8.8%	6.9%	12.5%	10.7%	11.7%	13.9%	13.4%	1.6%	17.8%
4.3%	12.9%	4.8%	9.0%	9.2%	9.0%	9.3%	9.2%	10.2%	9.6%	10.2%
15.0%	29.7%	12.4%	5.1%	15.3%	11.5%	14.0%	17.7%	18.0%	-8.6%	24.9%
\$47.6	\$46.6	\$43.8	\$39.7	\$36.9	\$36.6	\$36.7	\$34.0	\$30.7	\$31.8	\$34.4
\$83,947.5	\$77,452.8	\$65,413.3	\$60,121.7	\$58,049.7	\$53,711.2	\$50,538.7	\$47,147.0	\$42,867.5	\$38,508.2	\$38,239.9



New York State and Local Retirement System
Employees' Retirement System • Police and Fire Retirement System

Alan G. Hevesi