





2009 NEW YORK STATE AND LOCAL RETIREMENT SYSTEM

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED MARCH 31, 2009

Employees' Retirement System  
Police and Fire Retirement System



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, 2008

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.



A handwritten signature in black ink, appearing to read "K. L. R. R.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", positioned above the title "Executive Director".

Executive Director



Public Pension Coordinating Council

***Public Pension Standards Award  
For Funding and Administration  
2008***

Presented to

***New York State and Local Retirement System***

In recognition of meeting professional standards for  
plan funding 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 style.

Alan H. Winkle  
Program Administrator

# LETTER OF TRANSMITTAL

New York State Office of the State Comptroller

**Thomas P. DiNapoli**



**New York State and Local Retirement System**

Employees' Retirement System

Police and Fire Retirement System

110 State Street, Albany, New York 12244-0001



September 2009

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the New York State and Local Retirement System (the System) for the fiscal year ended March 31, 2009. Responsibility for the accuracy of the data, and the completeness and fairness of the report, including all disclosures, rests with the System. All disclosures necessary and required to enable the public and the financial community to gain an understanding of the System's financial activities have been included.

We believe the enclosed financial statements and data are fairly presented in all material respects and are reported in a manner designed to present the financial position and results of the System's operations accurately. Further, this report is intended to provide complete and reliable information as a basis for making management decisions, adhering to, and complying with, legal provisions and ensuring responsible stewardship of the System's assets.

The CAFR is presented in five parts: an introduction, followed by financial, investment, actuarial and statistical sections. The introduction includes this transmittal letter, a listing of advisory committees consisting of prominent individuals from the world of financial services, business, government and labor who help ensure the successful operation of the System, and an organizational chart.

The financial section was prepared to conform with generally accepted accounting principles (GAAP) for governmental units, as set forth by the Governmental Accounting Standards Board (GASB), as well as the reporting requirements prescribed by the Government Finance Officers Association of the United States and Canada (GFOA). GAAP are uniform minimum standards of, and guidelines for, financial accounting and reporting. They are the framework within which financial transactions are recorded and reported, resulting in financial statements that provide comparability between government entities, consistency between accounting periods and reliability for both internal and external users of financial statements.

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 financial section features Management's Discussion and Analysis (MD&A). GASB requires that the System provide a narrative introduction, overview and analysis to accompany the basic financial

statements in the form of a Management's Discussion and Analysis. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. MD&A can be found in the financial section immediately following the report of the independent auditors.

The investment section provides an overview of the System's investment program and other portfolio information. The actuarial section details the System's funding status and presents other actuarial-related information. Lastly, the statistical section includes financial and demographic information, typically presented on a multiyear basis.

The System was awarded a Certificate of Achievement for Excellence in Financial Reporting from GFOA for its CAFR for the fiscal year ended March 31, 2008. The Certificate of Achievement is a prestigious national award recognizing excellence in the preparation of state and local government financial reports. GFOA awards these certificates to those governments whose comprehensive annual financial reports meet or exceed the association's strict criteria. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards and which satisfies both generally accepted accounting principles and applicable legal requirements.

The System has received this prestigious award for each of the past five years. We believe that our current report continues to meet the Certificate of Achievement program requirements and are submitting it to the GFOA for consideration again this year.

The System comprises the New York State and Local Employees' Retirement System (ERS), which was established in 1921, and the New York State and Local Police and Fire Retirement System (PFRS), which the New York State Legislature created in 1966. 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 in the Office of the State Comptroller.

With more than one million participants, the System is the second largest retirement system in the nation, and the third largest in terms of asset value. Significantly, while the average public retirement system administers eight plans, the System has more than 150.

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 in which they are enrolled. At the end of fiscal year 2008-09, there were a total of 1,046,086 members, retirees and beneficiaries, and 3,026 participating employers.

This letter was also prepared to draw your attention to some of the highlights of the System's operations for the 2008-09 fiscal year, thereby enabling you to gain a reasonable understanding of the System's financial affairs, as well as its internal controls, for this period.

## Funding

The System's funding objective is to meet long-term benefit promises through employer contributions that remain level as a percentage 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 the actuarial contribution. The System remains well-funded, and a detailed discussion of its funding is provided in the actuarial section of this report.

## Investments

Like all investors, the Fund has seen the value of its assets decline as a result of the downturn in the global financial markets. However, while the Fund's value has declined, our well-diversified portfolio has helped protect assets better than most public retirement pension funds. Significantly, the Fund has outperformed most of our peers during the ongoing economic downturn and, most importantly, at no time have benefits been in jeopardy. In the past year, the Fund returned (26.38) percent.

## Accounting Practices

My 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 GAAP. 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 responsibilities, sound practices in the performance of duties, and the employment of personnel with capabilities commensurate with their responsibilities. We believe the internal controls in effect during the fiscal year ended March 31, 2009 have adequately safeguarded the System's assets and provide reasonable assurance regarding the proper recording of financial transactions.

## Major Initiatives

In 2007, I instituted reforms to improve efficiency, increase transparency and ensure the integrity of the Fund. Earlier this year, the Pension Fund Task Force, an independent advisory panel created in December 2007 to review the practices and policies of the Fund, reviewed and endorsed the reforms we have implemented and made recommendations for improvement. The Task Force Report also found that, in many cases, the Fund is already providing as much disclosure about our transactions as any other public pension fund in the nation — and, in some cases, more.

By adhering to the highest standards of accountability and transparency, we enable our members, pensioners and beneficiaries to be confident that the Fund is being managed wisely and their benefits are secure. We are proud of the steps we have taken toward becoming the most transparent public pension fund in the country.

We are also proud of the progress we have made on other initiatives and programs. Highlights are included in the report from the Deputy Comptroller for the Retirement System.

## Acknowledgments

I would like to express my gratitude to our staff members in the Divisions of Retirement Services and Pension Investment and Cash Management. They are instrumental to the operations and financial soundness of the System, and without their combined efforts, this report would not be possible. I also wish to convey my sincere appreciation to the members of my advisory councils and committees for their dedicated service, dependability, guidance and commitment to serving the System's members. I appreciate their continued support and trust.

I am confident you will find this report to be a full accounting of the System.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom DiNapoli". The signature is fluid and cursive, with a prominent flourish at the end.

**Thomas P. DiNapoli**  
State Comptroller

# ADMINISTRATIVE ORGANIZATION

## Advisory Committees

### Advisory Council for the Retirement System

**Honorable Peter J. Abbate, Jr.**

Chairman  
Assembly Governmental Employees Committee  
New York State Assembly

**Ken Adams**

President  
Business Council of New York State, Inc.

**Stephen J. Acquario**

Executive Director  
New York State Association of Counties

**Peter A. Baynes**

Executive Director  
New York Conference of Mayors

**Kenneth D. Brynien**

President  
New York State Public Employees Federation

**Nancy G. Groenwegen**

Commissioner  
New York State Civil Service Commission

**G. Jeffrey Haber**

Executive Director  
Association of Towns of the State of New York

**Denis M. Hughes**

President  
New York State AFL-CIO

**Gary Johnson**

Director  
Governor's Office of Employee Relations

**Don Kelly**

Director of Research  
Civil Service Employees Association

**Timothy G. Kremer**

Executive Director  
New York State School Boards Association

**Louis J. LaCapra**

Chief Administrative Officer  
Port Authority of New York and New Jersey

**Alan B. Lubin**

Executive Vice President  
New York State United Teachers

**Jim Lyman**

President  
Council 82, AFSCME

**Michael McManus**

Secretary/Treasurer  
New York State Professional Fire Fighters Association

**Joel H. Moser**

Partner  
Fulbright & Jaworski, LLP

**Lillian Roberts**

Executive Director  
District Council 37, AFSCME, AFL-CIO

**Donn Rowe**

President  
New York State Correction Officers  
Police Benevolent Association

**Honorable Diane J. Savino**

Chair  
Senate Civil Service and Pensions Committee  
New York State Senate

**Richard Wells**

President  
Police Conference of New York

**Tom Willdigg**

President  
New York State Association of P.B.A.s

**Stanley Winter**

President  
Retired Public Employees Association

**Barbara Zaron**

President  
Organization of New York State  
Management Confidential Employees

## Investment Advisory Committee

**John E. Hull**

Financial Vice President & Chief Investment Officer  
The Andrew W. Mellon Foundation

**Jacques Jiha, Ph.D.**

Executive Vice President & CFO  
Earl Graves Ltd./Black Enterprise Magazine

**Raymond D. Potter**

Managing Director, Head: Emerging Markets &  
Fixed Income Group  
Hapoalim Securities NY

**Robert G. Smith, Ph.D.**

President  
Smith Affiliated Capital Corporation

**R. Charles Tschampion**

General Motors Investment Management  
Corporation (retired)

**Arthur Zeikel**

Merrill Lynch Asset Management (retired)

## Real Estate Advisory Committee

**Alice M. Connell**

Principal  
AM Connell Associates, LLC

**Louis M. Dubin**

President & Chief Executive Officer  
LMD Worldwide, LLC

**G. Gail Edwards**

Chief Operating Officer  
Ciminelli Development Company, Inc.

**Jo Ann Hanson**

President  
Avanti Real Estate Corporation

**Glenn M. Johnson**

Director, Real Estate Investment Banking  
Wachovia Securities

**Everett B. Miller, III**

Vice President — Alternative Investments  
YMCA Retirement Fund

**David H. Peirez, Esq.**

Senior Partner  
Reisman, Peirez & Reisman, LLP

**Barry S. Seidel**

Executive Vice President  
LMD Worldwide, LLC

**Julien J. Studley**

Principal  
Studley New Vista Associates

**Alan C. Sullivan**

Senior Vice President  
The DeMatteis Organization



## Actuarial Advisory Committee

### **Jeremy Brown**

Executive Vice President & Chief Actuary  
Mutual of America Life Insurance Company

### **Armand DePalo**

Executive Vice President & Corporate Actuary  
Guardian Life Insurance Company

### **Michael Heller**

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

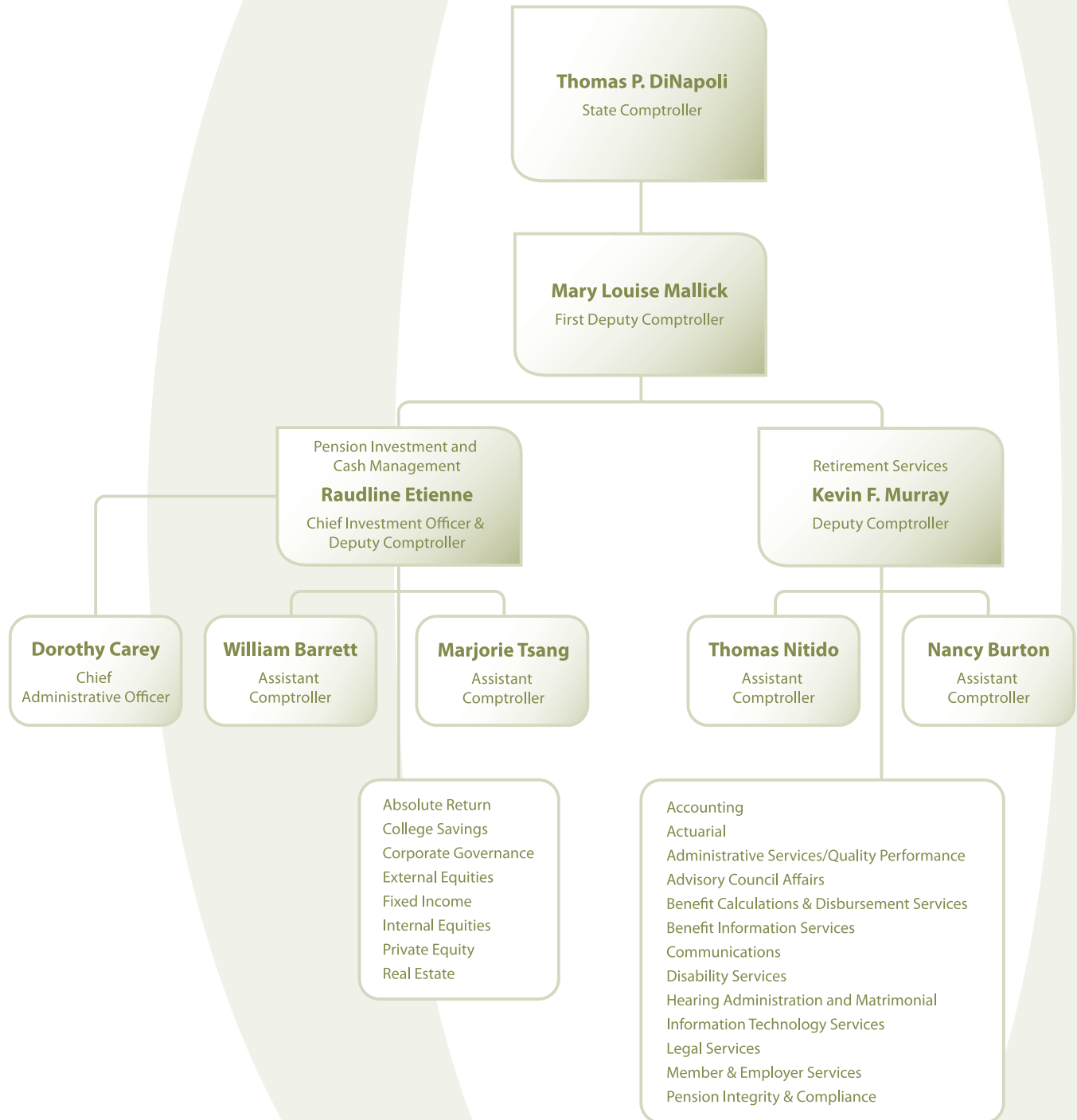
### **Gary Scofield**

Senior Vice President & Chief Actuary  
New York Life Insurance Company

### **Stanley Talbi**

Executive Vice President  
Metropolitan Life Insurance

# New York State and Local Retirement System Organizational Chart



**Notes:**

Information regarding investment managers and consultants can be found in the Investment Section on pages 76, 80 and 84–89. Information regarding consultants other than investment advisors can be found on page 52 in the Financial Section.

# OVERVIEW OF RETIREMENT OPERATIONS

## Report from Deputy Comptroller Kevin F. Murray

Like most New Yorkers, I am an optimist at heart. With both New York State and the nation facing a period of economic challenge, I think it is imperative that our members, beneficiaries and pensioners understand that they can have confidence in the New York State and Local Retirement System. That's because, for nearly nine decades, since January 3, 1921, the System has proven to be reliable, sound and secure.

Despite trying times, our core philosophy has not changed. We still believe that public employees should get the public pensions they are working for or have already achieved. That's why we continually explore new ways to keep our members and retirees well-informed about their benefits and the steps they can take to help ensure a secure retirement. Given the times, you have my assurance that we will work even harder to promote a better understanding of retirement security and planning issues.

Similarly, we're always attempting to find new and better ways to work with our public employers. They are our partners who report information we need to help us calculate their annual contribution to the Retirement System. That information also helps us provide our members the best benefits possible. The accurate and timely reporting of an employee's salary is critical to our success. That's why we will soon offer employers informative, instructional web presentations designed to increase their knowledge of the reporting process.

As we go through this difficult period, you have my promise that the System will always be there for its members, pensioners, beneficiaries and employers. What follows is a summary of how our efforts during the past fiscal year helped us live up to this commitment.

### Being There For Our Customers

Since excellence in customer service is one of our strategic priorities, we unveiled a new online tool that answers typical questions individual members have about their Member Annual Statements (MAS). In most cases, the Statement details a member's years of service, beneficiary designations, annual salary, contributions paid into the System and projected benefits and retirement options, among other things.

The online, interactive tutorial answers questions about the Retirement System and gives a page-by-page explanation of the Statement, including details about loans, service credit and account balances. Members also find step-by-step instructions on what to do, where to turn and who to contact for more information, answers to the most Frequently Asked Questions about Statements and tips to help members understand their benefits and plan for the future.

Additionally, we want to provide our customers information in a format that's not only useful, but also makes sense for our environment while saving taxpayer dollars. That is why we began phasing out our least requested printed publications in favor of producing publications available exclusively on our website. In keeping with the Green Initiative launched by Comptroller DiNapoli two years ago, transitioning from print to web-only publications reduces our consumption of paper, ink and energy. By making this change, we can help protect our environment without compromising our service. Customers can find exactly what they need with just a few mouse clicks, and the information is available 24 hours a day.

Of course, our Call Center staff still answers approximately 393,000 telephone calls per year so, given this volume, having state-of-the-art technology in place is key. Last June, our Call Center began using Contact Center Express (CCE), which automates agents' screen pages, cuts down the time it takes agents to find information and reduces a customer's wait time. Now, when a caller enters his or her Social Security number, the caller's information is immediately displayed for the agent answering the call. Pop-up screens and "reader boards" also enable Call Center agents to see how long each caller has been holding, as well as the number of calls waiting to be answered.

Part of trying to do what's best for our customers also means being sensitive to issues of fairness and equity, such as when a member requests a hearing and redetermination because he or she believes that a benefit has been incorrectly denied or improperly calculated. Although we recognize that hearings should be held as expeditiously as possible, they had been occasionally prolonged by processing delays, such as those caused by excessive adjournments. In order to streamline the hearings process without sacrificing fairness to our members, we adopted a regulation ensuring that all such hearings are to be held promptly and conducted efficiently.

Lastly, we conducted a campaign to inform our eligible Police and Fire Retirement System members covered by 20- or 25-year retirement plans that they could receive a partial lump sum (PLS) payment at retirement. A PLS distribution is made as a single payment when we finalize a retirement benefit, and the amount of the payment depends on when the member retires. This legislation, which became effective April 1, 2009, requires members to file a special option election form. As a service for our customers, we automatically mail this special form to every PFRS member who files for retirement and is eligible for PLS.

## Helping Our Employer Partners

The majority of people who provide services to the State or participating employers are considered public employees. However, there are those who provide services, not as employees, but as independent contractors or consultants. These individuals may not join the Retirement System or receive service credit for consultant or independent contractor services.

To assist our employers in determining how they should classify professional service providers, last April the Office of the State Comptroller amended regulations governing the System.

The regulations identify factors which could indicate an individual is an employee rather than an independent contractor, as well as factors that may indicate an individual should be considered an independent contractor. The regulations are available on our website at [www.osc.state.ny.us/retire/employers/employee-contractor\\_guidelines/employee\\_contractor.pdf](http://www.osc.state.ny.us/retire/employers/employee-contractor_guidelines/employee_contractor.pdf).

Over the course of the last year, the Office of the State Comptroller conducted more than 300 local government audits. The audits found that many employers did not understand their roles and responsibilities as participants in the System. So, as a result of these audits, our Employer Education & Participation Unit worked closely with them to help resolve any misunderstandings they might have had.

Furthermore, in response to feedback from our participating employers, we continued to expand our online programs with the introduction of the Internet Salary Listing last June. This new online program not only gives non-State employers convenient access to their employees' salary and service data, it also allows them to download this data to a spreadsheet and sort it according to their needs. And, because the program reduces our need for paper, printings and mailings, it's better for the environment, too.

Our ever-popular Retirement Internet Reporting (RIR) program reached a historic statistical landmark last August, when the number of employers who submit their monthly reports over the Internet reached 2,000. This means that approximately two-thirds of our employers submit reports via the web.

Finally, we upgraded our software to enhance the security of our online programs and give employers who log on to view the Salary Listing, RIR or Retiring Employees Acknowledgement Program (REAP) greater flexibility in managing their passwords. In the future, employers will be required to change their passwords at regular intervals.

## Major Initiatives

### New Unit Created to Protect Pension Fund

We want to make certain that only individuals who are entitled to a New York State pension get one. To ensure that information reported to the Retirement System is accurate, and to better protect the Fund from abuse, last year the System created a new unit to detect and stop individuals who are trying to gain retirement benefits they aren't entitled to receive.

Responsible for enforcing regulations on membership eligibility to the System, the new Retirement Compliance Unit will also implement new regulations for reporting the time of elected and appointed officials and continue to review the memberships of lawyers and other professionals.

Ensuring that no one has been inappropriately granted State pension benefits is part of our continuing effort to be as vigilant as possible when it comes to rooting out unethical behavior. By guaranteeing that only public employees receive public pension benefits, we are maintaining the integrity of the Retirement System, so it can serve all New Yorkers as effectively as possible.

## The Redesign

Our members, pensioners and employers rely on us to provide them with the services they need, when they need them. Over the past several years, we've been considering how we can provide those services in new ways, allowing us to improve our service and do our work more efficiently. Our efforts have resulted in recommended changes to business processes as well as steps taken towards upgrading our information system.

Some of the benefits of this redesign will include improving the way we administer retirement benefits, affording members the ability to do real-time transactions and request services over the Internet and substantially improving our processing, recordkeeping and information gathering.

We are currently in the process of selecting a vendor to implement a solution that will meet our business and technical requirements, and anticipate that our replacement system will "go live" in four to five years.

## New Laws Affecting Members and Retirees

### Hiring Public Retiree Process Amended

**Chapter 640** (Laws of 2008) requires employers who wish to hire a public retiree under Section 211 of the Retirement and Social Security Law (RSSL) to demonstrate an urgent need or show that recruitment efforts failed to find any qualified applicants. In addition, it prohibits retirees from working under Section 211 in the same or a similar position for one year after retirement. Chapter 640 also adds a new Section 217 of the RSSL, which requires school districts and BOCES to report public retirees they have hired and notify us when a retiree reaches the Section 212 earnings limit.

## Modifications in World Trade Center Presumption

**Chapter 489** (Laws of 2008) amends the World Trade Center Presumption law by extending the filing period to September 11, 2010, expanding eligible job titles and making first responders or workers who were at certain additional locations eligible to apply for benefits. In addition, individuals who did not undergo a pre-employment physical exam for entry into public service can instead authorize the release of all medical records demonstrating they did not have the qualifying condition prior to September 11, 2001.

## Spousal Designations Affected

**Chapter 173** (Laws of 2008) revokes the designation of a spouse as beneficiary of certain benefits when a judgment or decree of divorce, annulment or judicial separation becomes final, unless a domestic relations order states otherwise. Designations affected include the post-retirement ordinary death benefit (Tiers 2, 3 and 4); cash refund initial value option (Tier 1); cash refund contributions option (Tiers 1 and 2), five and ten year certain options (all tiers) and the joint allowance lump sum option.

## Plan Provisions Extended

**Chapter 133** (Laws of 2008) amends the Patriot Plan to extend the active duty expiration date from July 1, 2008 to July 1, 2010. Under the Plan, members serving in the military can defer repayment of their loan(s) while they are in active service.

## Special Accidental Death Benefit Increased

**Chapter 76** (Laws of 2008) increases the salary the System can use in the computation of the special accidental death benefit in cases where the date of death was before 2008. This benefit is paid to the surviving spouse or children of certain police and fire personnel.

## Mandatory Retirement Age Change

**Chapter 585** (Laws of 2008) increases the mandatory retirement age for police officers and firefighters covered by RSSL sections 384-d or 384-e from 62 to 65.

*“The object of government,” Theodore Roosevelt once said, “is the welfare of the people.” We’ve never lost sight of these important words, and think our initiatives and work over the course of the past year reflect that thinking. As we move forward, we will, to paraphrase President Roosevelt, “continue to work hard, to do something worthwhile and do the things we set out to do.”*

*We look forward to sharing our accomplishments with you again next year.*

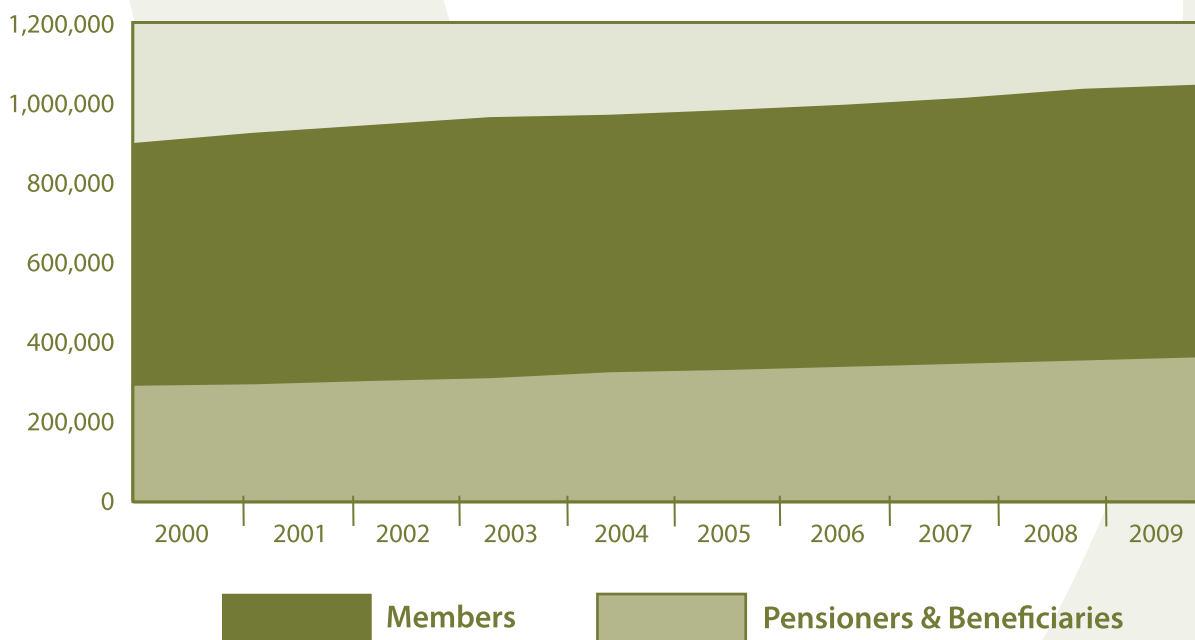
# BY THE NUMBERS

## Members and Retirees

Overall membership in the System is 1,046,086. This includes 679,908 members and 366,178 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 fiscal year 2009, that number had increased to approximately 35 percent.

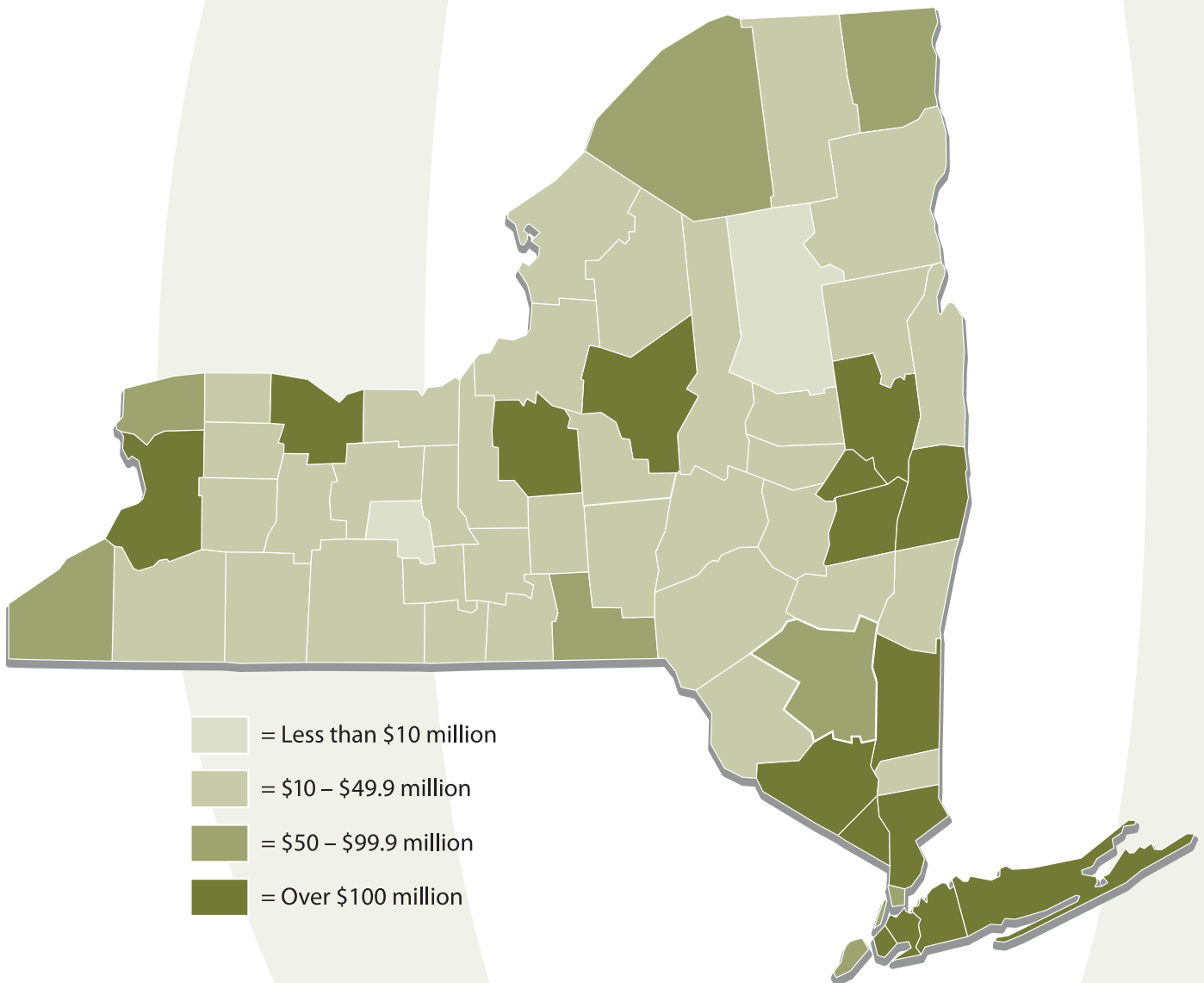
The value of the pension fund's net assets at the end of the fiscal year was \$110.9 billion.

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 1999, benefit payments were approaching \$3.5 billion, while this year's payments totaled more than \$7.3 billion.



## Retirees in New York State

Of the 366,178 retirees and beneficiaries in the System, 282,694 (77 percent) remain New York State residents. As such, benefit payments surpassing \$5.5 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, 2009.

County	Recipients	Annual Payments
Albany	14,947	\$ 349,064,329
Allegany	1,347	18,456,475
Bronx	2,997	60,718,252
Broome	6,237	94,240,562
Cattaraugus	2,809	42,686,858
Cayuga	2,354	41,544,324
Chautauqua	3,721	55,934,718
Chemung	2,821	49,937,772
Chenango	1,621	23,718,726
Clinton	3,099	60,972,785
Columbia	2,377	45,046,029
Cortland	1,360	19,955,424
Delaware	1,537	24,133,048
Dutchess	7,517	156,041,298
Erie	24,201	463,934,523
Essex	1,570	25,236,673
Franklin	2,024	33,419,601
Fulton	1,651	25,864,690
Genesee	1,693	27,365,757
Greene	1,919	36,864,752
Hamilton	350	5,427,903
Herkimer	1,900	26,369,957
Jefferson	2,564	42,730,515
Kings	4,589	100,704,872
Lewis	856	10,802,216
Livingston	2,327	39,534,237
Madison	1,969	30,172,716
Monroe	12,809	219,971,357
Montgomery	1,857	31,265,302
Nassau	18,656	455,110,013
New York	3,923	96,675,239
Niagara	4,788	82,534,600

County	Recipients	Annual Payments
NY Military	5	\$ 41,315
Oneida	8,003	139,869,983
Onondaga	10,533	178,523,016
Ontario	2,589	41,800,493
Orange	6,776	132,848,438
Orleans	1,157	16,790,587
Oswego	3,142	46,638,345
Otsego	1,810	26,147,758
Putnam	1,682	41,140,261
Queens	5,247	119,564,954
Rensselaer	6,717	145,487,203
Richmond	2,104	51,134,241
Rockland	5,516	122,089,486
Saratoga	7,508	165,271,920
Schenectady	6,455	135,645,862
Schoharie	1,226	21,398,125
Schuyler	670	10,064,389
Seneca	1,306	20,712,135
St. Lawrence	3,913	64,713,415
Steuben	2,577	40,217,412
Suffolk	27,402	657,694,182
Sullivan	2,223	42,125,561
Tioga	1,216	15,865,089
Tompkins	2,332	40,013,566
Ulster	4,256	74,103,128
Warren	2,172	38,219,693
Washington	2,061	36,677,026
Wayne	2,618	39,205,602
Westchester	12,953	299,389,461
Wyoming	1,514	26,954,528
Yates	621	8,782,761
<b>Total</b>	<b>282,694</b>	<b>\$ 5,595,565,455</b>

## Annual Benefit Payments Within the United States

As of March 31, 2009.

State	Recipients	Annual Payments
Alabama	723	\$ 10,643,238
Alaska	51	565,490
Arizona	2,596	43,319,860
Arkansas	137	1,595,091
California	2,278	30,151,038
Colorado	671	9,471,770
Connecticut	1,834	32,981,240
Delaware	487	9,021,910
Florida	32,858	572,728,553
Georgia	2,893	46,486,420
Guam	1	2,883
Hawaii	112	1,874,152
Idaho	71	1,062,679
Illinois	325	4,547,349
Indiana	240	2,764,256
Iowa	69	760,874
Kansas	100	1,078,812
Kentucky	305	4,017,554
Louisiana	167	2,097,724
Maine	539	8,146,134
Maryland	1,289	19,562,219
Massachusetts	1,380	21,393,283
Michigan	337	3,956,759
Minnesota	133	1,770,306
Mississippi	191	2,553,168
Missouri	225	2,724,925
Montana	93	1,528,363

State	Recipients	Annual Payments
Nebraska	55	\$ 666,692
Nevada	1,293	24,723,792
New Hampshire	545	9,569,398
New Jersey	6,486	175,799,254
New Mexico	435	6,741,321
New York	282,694	5,595,565,455
North Carolina	6,809	117,792,841
North Dakota	11	99,372
Ohio	685	8,454,537
Oklahoma	170	2,021,755
Oregon	252	3,370,641
Pennsylvania	3,592	62,098,404
Puerto Rico	478	5,793,950
Rhode Island	204	2,880,229
South Carolina	3,828	69,380,291
South Dakota	62	919,670
Tennessee	1,144	19,713,497
Texas	1,642	22,963,045
Utah	110	1,433,982
Vermont	563	9,240,441
Virginia	3,409	55,069,107
Washington	414	5,794,988
Washington, D.C.	97	1,732,524
West Virginia	179	2,728,787
Wisconsin	148	1,975,557
Wyoming	53	893,302

## Annual Benefit Payments Outside the United States

As of March 31, 2009.

Total Recipients	Total Annual Payments
715	\$ 9,343,242





# INDEPENDENT AUDITORS' REPORT



KPMG LLP  
515 Broadway  
Albany, NY 12207

## Independent Auditors' Report

The Trustee  
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, 2009, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 present fairly, in all material respects, the plan net assets of the System as of March 31, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 9, 2009, on our consideration of the System's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and required supplementary information as listed in the accompanying table of contents are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit such information and do not express an opinion on it. The supplementary information for the fiscal years prior to 2009 was reported on by other auditors whose report stated that they did not audit this information.

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.



Our 2009 audit was conducted for the purpose of forming an opinion on the basic financial statements of the System. The accompanying additional supplementary information as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The additional supplementary information has been subjected to the auditing procedures applied in the 2009 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. The Supplemental Schedule of Administrative Expenses for the year ended March 31, 2008, was reported on by other auditors whose report indicated such schedule had been subjected to the auditing procedures applied in the 2008 audit of the basic financial statements, and, is fairly stated in all material respects in relation to the basic financial statements for the year ended March 31, 2008, taken as a whole.

KPMG LLP

July 9, 2009

# 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, 2009 is intended to provide the reader with an analysis of the System's overall financial position. This Management's Discussion and Analysis 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 \$110.938 billion as of March 31, 2009. This amount reflects a decrease of \$44.908 billion from the prior fiscal year. This change is primarily the result of the net depreciation of the fair value of the investment portfolio. Investment depreciation this year was \$43.720 billion and last year was \$1.287 billion.
- The System's funding objective is to meet long-term benefit obligations through member and employer contributions and investment earnings. The funded ratio is the ratio of actuarially determined assets against actuarial liabilities. The funded ratio for April 1, 2008 is: ERS 107.3%, PFRS 108.0%.
- Retirement benefits paid this year totaled \$7.212 billion to 366,178 annuitants as compared to \$6.835 billion to 358,109 annuitants for last year. The increase is due to the number of new retirees.
- Contributions from employers decreased from \$2.648 billion last year to \$2.456 billion this year. The decrease is due to the change in the employer billing rates.

- The System's investments reported a total negative return of 26.38% for the current year and a positive return of 2.56% for last year.

## 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 represents supplementary information required by the Governmental Accounting Standards Board. The additional supplementary information following the required supplementary information is also not required, but management has chosen to include such information.
- The statement of plan net assets reflects the resources available to pay members, retirees, and beneficiaries, at the close of the System's fiscal year. This statement also 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, net appreciation or depreciation in fair value of 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 are an integral part of the basic financial statements and provide additional information about the plans

of the System. Notes include a plan description, significant accounting policies, contributions, funding policy, reserves to the System, investment risk disclosure, security lending program, federal income tax status, commitments, and contingencies.

- The required supplementary schedules include information about funding progress using the entry age normal funding method to approximate the funding status of the System. The aggregate actuarial funding method, which does not identify or separately amortize unfunded actuarial liabilities, is utilized by the System for funding purposes. In addition, employer contributions for the current year and the previous five years are reported.
- The additional supplementary information includes schedules of administrative expenses, investment expenses, and consulting fees.

## Analysis of Overall Financial Position of the System

The purpose of the System's investments is to provide for 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 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. It is important to note that the change from year to year is due to not just market values, but also to purchases, sales, and redemptions. Tables 1, 2, and 3 summarize and compare financial data for the current and prior years.

Table 1

Summary Schedule of Plan Net Assets as of March 31, 2009, as compared to March 31, 2008, follows:

	(In Thousands)			
	2009	2008	Dollar Change	Percentage Change
<b>Assets:</b>				
Investments	\$ 108,960,662	\$ 153,877,718	\$ (44,917,056)	(29.2)%
Securities lending collateral — invested	13,040,373	27,834,422	(14,794,049)	(53.2)
Receivables and other assets	3,202,668	3,775,582	(572,914)	(15.2)
<b>Total assets</b>	<b>125,203,703</b>	<b>185,487,722</b>	<b>(60,284,019)</b>	<b>(32.5)</b>
<b>Liabilities:</b>				
Securities lending obligations	13,272,157	27,947,014	(14,674,857)	(52.5)
Other liabilities	993,768	1,694,839	(701,071)	(41.4)
<b>Total liabilities</b>	<b>14,265,925</b>	<b>29,641,853</b>	<b>(15,375,928)</b>	<b>(51.9)</b>
<b>Net assets held in trust for pension benefits</b>	<b>\$ 110,937,778</b>	<b>\$ 155,845,869</b>	<b>\$ (44,908,091)</b>	<b>(28.8)%</b>

The plan net assets of the System totaled \$110.938 billion as of March 31, 2009, a decrease of \$44.908 billion from the prior fiscal year.



Table 2

Schedule of Invested Assets as of March 31, 2009, as compared to March 31, 2008, follows:

Investment Category	(In Thousands)			
	2009	2008	Dollar Change	Percentage Change
Short-term investments	\$ 3,826,655	\$ 6,443,059	\$ (2,616,404)	(40.6)%
Government bonds	27,025,184	26,096,724	928,460	3.6
Corporate bonds	9,516,419	10,474,749	(958,330)	(9.1)
Domestic equities	34,332,034	58,582,079	(24,250,045)	(41.4)
International equities	13,538,962	24,571,663	(11,032,701)	(44.9)
Private equities	10,563,694	12,699,376	(2,135,682)	(16.8)
Absolute return strategy investments	2,381,015	5,328,266	(2,947,251)	(55.3)
Real estate and mortgage loans	7,776,699	9,681,802	(1,905,103)	(19.7)
<b>Total investments</b>	<b>\$ 108,960,662</b>	<b>\$ 153,877,718</b>	<b>\$ (44,917,056)</b>	<b>(29.2)%</b>

The largest dollar decreases to the invested assets were in domestic equities and international equities, which represented 31.5% and 12.4% of the total investments, respectively, and collectively decreased \$35.283 billion from the previous fiscal year. The

change in the invested assets is primarily attributable to the negative performance in the domestic and international equity markets. The 55.3% decrease in absolute return strategies is primarily due to redemptions from restructuring efforts and a decline in market value of 18.89%.

Table 3

Summary Schedule of Changes in Plan Net Assets for the year ended March 31, 2009, as compared to the year ended March 31, 2008, follows:

	(In Thousands)			
	2009	2008	Dollar Change	Percentage Change
<b>Additions:</b>				
Net investment (loss) income	\$ (40,428,820)	\$ 3,163,728	\$ (43,592,548)	(1,377.9)%
Total contributions	2,885,457	3,030,236	(144,779)	(4.8)
<b>Total additions</b>	<b>(37,543,363)</b>	<b>6,193,964</b>	<b>(43,737,327)</b>	<b>(706.1)</b>
<b>Deductions:</b>				
Total benefits paid	(7,265,499)	(6,883,034)	(382,465)	5.6
Administrative expenses	(99,229)	(90,304)	(8,925)	9.9
<b>Total deductions</b>	<b>(7,364,728)</b>	<b>(6,973,338)</b>	<b>(391,390)</b>	<b>5.6</b>
<b>Net decrease</b>	<b>(44,908,091)</b>	<b>(779,374)</b>	<b>(44,128,717)</b>	<b>(5,662.1)</b>
Net assets held in trust for pension benefits — beginning of year	155,845,869	156,625,243	(779,374)	(0.5)
Net assets held in trust for pension benefits — end of year	\$ 110,937,778	\$ 155,845,869	\$ (44,908,091)	(28.8)%

The change in net investment income is primarily attributable to the negative change in the value of the domestic and international equity portfolios.

## Economic Factors and Rates

The Common Retirement Fund returned a net loss of 26.38% for fiscal year 2008-09. The first part of the year saw a continuation of rising commodity and energy prices to record levels. The focus on and concern about inflation soon changed when the U.S. government began a massive rescue for government sponsored housing corporations, Fannie Mae and Freddie Mac, after they experienced huge selling pressure on liquidity and solvency fears. The global financial system came under severe stress after numerous institutions struggled with losses on mortgage backed securities. The Federal Reserve acted to address these issues during the year by lowering short term interest rates by over 2%. However, the concern changed to the potential of a global recession as commodity and energy prices collapsed. Global equity markets declined to five or six year lows, with most being down over 40%. Domestic and international equities were down 37.85% and 45.60%, respectively. The Fund's fixed income portfolio was the one bright spot returning 2.41%. Private equity lost 22.20%, real estate lost 32.63% and absolute return strategies lost 18.89%.

## Requests for Information

This financial report is designed to provide a general overview of the System's finances for all interested parties. 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. The report can also be accessed on the web at [www.osc.state.ny.us/pension/cafr.htm](http://www.osc.state.ny.us/pension/cafr.htm).

# STATEMENT OF PLAN NET ASSETS

Year Ended March 31, 2009.

ASSETS	(In Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
<b>INVESTMENTS (Notes 2 and 6):</b>			
Short-term investments	\$ 3,250,375	\$ 576,280	\$ 3,826,655
Government bonds	22,955,292	4,069,892	27,025,184
Corporate bonds	8,083,282	1,433,137	9,516,419
Domestic equities	29,161,757	5,170,277	34,332,034
International equities	11,500,045	2,038,917	13,538,962
Private equities	8,972,841	1,590,853	10,563,694
Absolute return strategy investments	2,022,443	358,572	2,381,015
Real estate and mortgage loans	6,605,557	1,171,142	7,776,699
<b>Total investments</b>	<b>92,551,592</b>	<b>16,409,070</b>	<b>108,960,662</b>
<b>SECURITIES LENDING COLLATERAL — Invested (Note 7)</b>	<b>11,076,541</b>	<b>1,963,832</b>	<b>13,040,373</b>
<b>FORWARD FOREIGN EXCHANGE CONTRACTS</b>	<b>273,312</b>	<b>48,457</b>	<b>321,769</b>
<b>RECEIVABLES:</b>			
Employers' contributions	518,999	177,344	696,343
Members' contributions	7,361	19	7,380
Member loans	979,659	1,524	981,183
Accrued interest and dividends	394,925	70,019	464,944
Investment sales	192,674	34,160	226,834
Other (Note 2)	348,307	129,119	477,426
<b>Total receivables</b>	<b>2,441,925</b>	<b>412,185</b>	<b>2,854,110</b>
Capital assets, at cost, net of accumulated depreciation	22,755	4,034	26,789
<b>Total assets</b>	<b>106,366,125</b>	<b>18,837,578</b>	<b>125,203,703</b>
<b>LIABILITIES:</b>			
Securities lending obligations (Note 7)	11,273,420	1,998,737	13,272,157
Forward foreign exchange contracts	273,334	48,461	321,795
Accounts payable — investments	274,083	48,594	322,677
Accounts payable — benefits	158,212	24,213	182,425
Other liabilities (Note 2)	144,732	22,139	166,871
<b>Total liabilities</b>	<b>12,123,781</b>	<b>2,142,144</b>	<b>14,265,925</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 94,242,344</b>	<b>\$ 16,695,434</b>	<b>\$ 110,937,778</b>

A schedule of funding progress is presented on page 48. (Note 4)  
See accompanying notes to financial statements.

# STATEMENT OF CHANGES IN PLAN NET ASSETS

Year Ended March 31, 2009.

	(In Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
<b>ADDITIONS:</b>			
Income (loss) from investing activities:			
Net depreciation in fair value of investments	\$ (37,166,112)	\$ (6,554,320)	\$ (43,720,432)
Interest income	1,463,971	258,372	1,722,343
Dividend income	1,301,410	229,681	1,531,091
Other income	189,187	33,389	222,576
Less investment expenses	(308,331)	(54,417)	(362,748)
<b>Total loss from investing activities</b>	<b>(34,519,875)</b>	<b>(6,087,295)</b>	<b>(40,607,170)</b>
Income from securities lending activities:			
Securities lending income	464,037	81,897	545,934
Securities lending rebates	(273,265)	(48,228)	(321,493)
Securities lending management fees	(39,177)	(6,914)	(46,091)
<b>Total income from securities lending activities</b>	<b>151,595</b>	<b>26,755</b>	<b>178,350</b>
<b>Total net investment loss</b>	<b>(34,368,280)</b>	<b>(6,060,540)</b>	<b>(40,428,820)</b>
Contributions:			
Employers	1,963,413	492,810	2,456,223
Members	268,991	4,325	273,316
Interest on accounts receivable	23,330	7,672	31,002
Other	65,712	59,204	124,916
<b>Total contributions</b>	<b>2,321,446</b>	<b>564,011</b>	<b>2,885,457</b>
<b>Total additions</b>	<b>(32,046,834)</b>	<b>(5,496,529)</b>	<b>(37,543,363)</b>
<b>DEDUCTIONS:</b>			
Benefits paid:			
Retirement benefits	(5,870,840)	(1,160,781)	(7,031,621)
Death benefits	(173,580)	(6,911)	(180,491)
Other	(53,352)	(35)	(53,387)
<b>Total benefits paid</b>	<b>(6,097,772)</b>	<b>(1,167,727)</b>	<b>(7,265,499)</b>
Administrative expenses	(86,727)	(12,502)	(99,229)
<b>Total deductions</b>	<b>(6,184,499)</b>	<b>(1,180,229)</b>	<b>(7,364,728)</b>
<b>NET DECREASE</b>	<b>(38,231,333)</b>	<b>(6,676,758)</b>	<b>(44,908,091)</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS — Beginning of year</b>	<b>132,473,677</b>	<b>23,372,192</b>	<b>155,845,869</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS — End of year</b>	<b>\$ 94,242,344</b>	<b>\$ 16,695,434</b>	<b>\$ 110,937,778</b>

See accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS

## Year Ended March 31, 2009

### 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 to and included in ERS and PFRS.

System benefits are provided under the provisions of the New York State Retirement and Social Security Law (RSSL) and are guaranteed by the New York State (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 the State and its municipalities, other than New York City.

The ERS and the PFRS are cost-sharing multiple-employer defined benefit pension plans. The System is included in the State's financial report as a pension trust fund.

As of March 31, 2009 and 2008, the number of participating employers for ERS and PFRS consisted of:

	ERS		PFRS	
	2009	2008	2009	2008
State	1	1	1	1
Counties	57	57	4	4
Cities	61	61	61	61
Towns	909	909	206	206
Villages	492	491	377	378
Schools	700	699	—	—
Miscellaneous	781	777	34	33
<b>Total</b>	<b>3,001</b>	<b>2,995</b>	<b>683</b>	<b>683</b>

As of March 31, 2009 and 2008, the System membership for ERS and PFRS consisted of:

	ERS		PFRS	
	2009	2008	2009	2008
Retirees and beneficiaries currently receiving benefits	336,273	328,726	29,905	29,383
Active members	530,023	528,435	33,052	33,089
Inactive members	113,677	112,684	3,156	3,113
<b>Total members and benefit recipients</b>	<b>979,973</b>	<b>969,845</b>	<b>66,113</b>	<b>65,585</b>

**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 ERS before July 1, 1973, or PFRS before July 31, 1973.

**Tier 2** — 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** — 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** — ERS — Generally, except for correction officers, those persons who last became members on or after September 1, 1983.

**Vesting** — Members with five 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 a 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 RSSL, 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 of 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 five 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 ten years of service; in some cases, after five 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 ten years; (iii) all disability pensioners,

regardless of age, who have been retired for five years; and (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot 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. Employer contributions are recognized when due, pursuant to statutory requirements and formal commitments. Member contributions are based on when member salaries are earned and are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment sales and purchases are recorded on a trade-date basis. The amounts shown on the financial statements are allocated between ERS and PFRS based on each system's monthly average equity in the Fund.

**Method Used to Value Investments** — Investments are reported at fair value. Fair value is defined as the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller. Due to the nature of investments, it is reasonable that changes in the value of investments will occur in the near future and changes could materially affect the amounts reported.

- Stocks traded on a national or international exchange are reported at current quoted market values.

- 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.
- Direct investments in real estate are based on independent appraisals made every three years or according to the fund agreement.
- Real estate partnerships are reported at values provided by general partners. These values are based on discounted cash flows, comparative sales, capitalization rates applied to net operating income, or cost, if none of the preceding fit a property's attributes and strategy.
- Publicly traded private equity investments are valued based on quoted market prices. If not publicly traded, the fair value is determined by the investment manager. Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements*, requires private equity investment managers to value nonpublicly traded assets at current fair value, taking into consideration the financial performance of the issuer, cash flow analysis, recent sales prices, market comparable transactions, a new round of financing, a change in economic conditions, and other pertinent information. Fair value is determined using the best information available for a hypothetical transaction at the measurement date, not using forced sale or fire sale pricing.
- 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.

**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, 2009 was 7%.

**Benefits Payable** — Benefits payable represents payments due on account of death and retirement on or before March 31, 2009, for which final calculations had not been completed and paid as of that date.

**Other Receivables** — Other receivables include a promissory note in the amount of \$245.12 million from a real estate investment that is due and payable in 2013.

**Other Liabilities** — Other liabilities include a cash managed balance, which represents disbursements issued on previous business days, which are funded when presented for payment at the issuing bank. Other liabilities total \$167 million, of which \$88 million represents outstanding checks. In addition, tax withholding payments due the Internal Revenue Service total \$54 million.

**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. These estimates are subject to a certain amount of uncertainty in the near term, which could result in changes in the values reported for those assets in the statement of net assets. Because of the inherent uncertainty in privately held securities, the fair value may differ from the values that would have been used if a ready market for such securities existed, and the

difference can be material. Estimates also affect the reported amounts of income/additions and expenses/deductions during the reporting period. Actual results could differ from these estimates.

**Capital Assets** — Capital assets are capitalized at cost and depreciated on a straight-line basis over an estimated useful life of thirty years.

**Recent Accounting Pronouncements** — In June 2007, the Governmental Accounting Standards Board (GASB) issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, to enhance the comparability of the accounting and financial reporting of such assets among state and local governments. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets and includes guidance on recognition and amortization of such assets. GASB Statement No. 51 is effective for periods beginning after June 15, 2009. The System will implement this pronouncement with our next financial report.

### 3. Contributions

**Contributions Required** — Participating employers are required under RSSL 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, 2009, the applicable interest rate was 8%.

**System Expenses** — The System receives an allocation from employer contributions, which are designated by law to cover all noninvestment related operating expenses. Investment expenses are offset directly by investment income.

**Required Contribution Rates** — Tier 3 and 4 members must contribute 3% of their salary. As a result of RSSL Article 19, eligible Tier 3 and 4



employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the 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. Receivable amounts from participating employers include \$62.45 million for new plan adoptions and retroactive membership. Receivable amounts from the State for other amortizations total \$32.99 million.

RSSL Chapter 260 of the Laws of 2004 authorized employers to amortize over ten 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 the State as of March 31, 2009 is \$328.42 million and from participating employers is \$82.37 million.

RSSL Chapter 260 of the Laws of 2004 authorized employers to amortize over ten 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 the State as of March 31, 2009

is \$117.37 million and from participating employers is \$23.54 million.

RSSL Chapter 260 of the Laws of 2004 authorized local employers to amortize over ten years, at 5% interest, the portion of their annual bill for fiscal year ended 2007 that exceeded 10.5% of payroll. The amortized amount receivable from participating employers as of March 31, 2009 is \$20.19 million.

#### 4. Funded Status and Funding Progress

**Funding Policy** — Funding of the System is accomplished through member and employer contributions and the investment earnings on these contributions, according to RSSL. The System uses the aggregate actuarial funding method, which does not identify or separately amortize unfunded actuarial accrued liabilities. As required under GASB Statement No. 50, *Pension Disclosures (an amendment of GASB No. 25 and No. 27)*, the following is a schedule of funding progress using the entry age normal funding method to approximate the funding status of the System as of the most recent actuarial valuation date. This 2009 actuarial valuation performed on April 1, 2008, determined employer contributions for the year ending March 31, 2010.

The funded status of the System as of April 1, 2008, the most recent valuation date, is as follows (In Millions):

Actuarial Valuation Date	Actuarial Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
	(a)	(b)	(b)-(a)	(a)/(b)	(c)	((b-a)/c)
<b>ERS</b>						
April 1, 2008	\$ 128,916	120,183	(8,733)	107.3%	\$ 22,779	(38.3)%
<b>PFRS</b>						
April 1, 2008	\$ 22,767	21,072	(1,695)	108.0%	\$ 2,926	(57.9)%

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Significant actuarial assumptions used in the April 1, 2007 and April 1, 2008 valuations to determine employer contributions for the years ended March 31, 2009 and March 31, 2010 were:

Interest Rate	8.0%
Salary Scale	
ERS	5.4%
PFRS	6.7%
Decrement Tables	April 1, 2000 – March 31, 2005 System's experience
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 or unrealized gains (or losses) in the same manner. For fiscal year 2009, the April 1, 2007 valuation reflects a market restart in 2004 and the third year of the phase in to a full five year smoothing method. The April 1, 2008 valuation reflects the fourth year of the phase in.

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 ten-year amortization of part of their fiscal year end 2005, 2006 and 2007 bill, and deficiency payments, which an employer may incur when joining the System and are payable for up to 25 years. The following average employer contribution rates exclude certain contributions such as the ten year amortization. The average employer contribution rate for PFRS for fiscal year ended March 31, 2009, was approximately 15.8% of payroll. The average contribution rate for ERS for fiscal year ended March 31, 2009, including incentive contributions, was approximately 8.5% of payroll.

## 5. System Reserves

The legally required reserves, as covered by provisions of RSSL Section 20, are maintained by the System, are fully funded as of March 31, 2009, and are described below:

- **Annuity Savings Funds** — Funds in which contributions of Tier 1 and Tier 2 members are accumulated.
- **Annuity Reserve Funds** — Funds from which member contribution annuities are paid.
- **Pension Accumulation Funds** — Funds in which employer contributions and income from the investments of the System are accumulated.
- **Pension Reserve Funds** — Funds from which pensions are paid.
- **Tier 3 and 4 Contribution Funds** — Funds in which Tier 3 and 4 contributions are accumulated. These funds are transferred to the Pension Accumulation Fund at retirement. PFRS has no Tier 3 and 4 funds.

As of March 31, 2009 and 2008, the System Reserves for ERS and PFRS consisted of (In Millions):

	ERS		PFRS	
	2009	2008	2009	2008
Annuity savings	\$ 16.32	\$ 17.63	\$ 25.83	\$ 23.12
Annuity reserve	130.58	140.33	12.18	13.11
Pension accumulation	35,841.14	77,317.95	6,400.59	13,595.58
Pension reserve	50,428.81	47,447.75	10,240.36	9,726.00
Tier 3 and 4 contributions	7,701.75	7,411.91	NA	NA

There are certain other additional funds maintained by the System.

## 6. 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 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 (U.S.) 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 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 U.S., 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 form 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 by the general partner and/or the investment management firm responsible for the management of each investment organization.

Title to real estate 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, Division of Pension Investment and Cash Management.

**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.

In accordance with existing policies and procedures, 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 State's custodial bank.

**Interest Rate Risk** — The System has interest rate risk which is the risk that changes in market 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. Macaulay

duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. In accordance with existing policies and procedures, the Fund attempts to match the duration of the assets with the duration of the pensioner liabilities.

As of March 31, 2009, the duration of the fixed income portfolio is as follows:

Bond Category	Market Value (In Thousands)	Percentage of Bond Portfolio	Macaulay Duration (In Years)
Treasury	\$ 7,158,113	19.6%	10.64
Treasury Inflation Protected Securities (TIPS)	12,478,104	34.2	11.18
Federal Agency	3,003,629	8.2	8.39
Mortgage backed	5,598,919	15.3	2.10
Corporate	8,302,838	22.7	5.05
<b>Total</b>	<b>\$36,541,603</b>	<b>100.0%</b>	<b>8.06</b>

**Credit Risk** — State statutes and the System's investment policies require that corporate fixed income obligations must be investment grade at the time of their acquisition. A bond is considered investment grade if its credit rating is BAA by Moody's or BBB by Standard & Poor's. Long term bond ratings as of March 31, 2009, are as follows (In Thousands):

Quality Rating	Market Value	Percentage of Market Value
AAA	\$ 2,336,502	6.39%
AA	2,141,176	5.86
A	3,958,978	10.83
BAA	1,671,608	4.58
BA	152,186	0.42
B	7,600	0.02
CAA	8,616	0.02
<b>Total debt securities with credit risk</b>	<b>10,276,666</b>	<b>28.12</b>
Government fixed income securities (not rated)	26,264,937	71.88
<b>Total fixed income securities</b>	<b>\$36,541,603</b>	<b>100.00%</b>

**Concentration of Credit Risk** — Concentration of credit risk is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer.

As of March 31, 2009, the System did not hold any investments in any one issuer that would represent 5% or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and pooled investments are excluded from this regulation.

Issuer limits for investments held by the Fund are established for each investment area by RSSL Article 2, Section 13 and Article 4A, Sections 176, 177, and 313 and policy guidelines adopted by the Division of Pension Investment 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 U.S. 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 that has the highest rating by two nationally recognized rating services. A maximum of \$500 million of the short-term portfolio may be invested in any one commercial paper issuer.
- Simultaneous purchase and sale of U.S. 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 U.S. is pledged to provide payment of principal and interest.
- Obligations payable in U.S. dollars issued by any department, agency, or political subdivision of the U.S. government or issued by any corporation, company, or other issuer of any kind or description created or existing under the laws of the U.S., any state of the U.S., 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 U.S. funds that at the time of investment are rated in one of the four 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 U.S. 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** — Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Fund has exposure through direct investments in international equities, international equity commingled funds, international real estate investments, international absolute return strategies, and international private equity investments. All of these investments are externally managed. The Fund permits the managers of direct investments in international equities to use forward currency contracts to manage their exposure to foreign currencies relative to the U.S. dollar. Where the Fund participates in commingled funds limited partnerships, or other investment arrangements, the decision whether or not to use forward currency contracts to manage their foreign currency exposure is left up to the funds manager.

Foreign investments included in the Statement of Plan Net Assets as of March 31, 2009 (In Thousands of U.S. dollars):

	Equities	Cash	Real Estate	Private Equities and ARS Funds	Total
Euro	\$ 2,558,492	\$ 14,243	\$ 718,744	\$ 1,425,396	\$ 4,716,875
British Pound Sterling	1,509,750	2,813	121,002	385,209	2,018,774
Japanese Yen	1,655,848	5,020	291,860	25,296	1,978,024
Swiss Franc	621,876	5,969	15,385	45,440	688,670
Australian Dollar	288,884	1,626	45,727	61,258	397,495
Canadian Dollar	199,100	532	16,022	169,173	384,827
Hong Kong Dollar	244,058	344	11,799	37,990	294,191
Swedish Krona	157,761	267	59,449	68,243	285,720
Norwegian Krone	91,905	4,922	—	50,043	146,870
Singapore Dollar	122,156	1,205	8,327	10,562	142,250
Danish Krone	76,141	82	26,604	109,924	212,751
South Korean Won	55,295	457	23,790	10,321	89,863
Taiwan Dollar	53,322	829	385	9,244	63,780
Mexican Peso	4,340	953	27,278	5,403	37,974
Turkish Lira New	10,745	656	10,297	25,079	46,777
Brazilian Real	11,441	291	7,785	12,129	31,646
Thailand Baht	4,724	19	—	2,295	7,038
Indian Rupee	41,268	450	12,391	94,836	148,945
Indonesia Rupiah	2,440	179	—	18,815	21,434
Polish New Zloty	4,445	674	7,112	36	12,267
Philippine Peso	—	46	—	3,224	3,270
Israeli Shekel	1,376	—	—	219,099	220,475
New Zealand Dollar	5,170	82	—	8	5,260
Malaysian Ringgit	4,125	515	—	3,163	7,803
South African Rand	7,374	424	2,217	114,881	124,896
Egyptian Pound	1,761	383	—	22,727	24,871
Hungarian Forint	1,437	262	—	1,118	2,817
Bermuda Dollar	—	—	—	86,475	86,475
Chinese Renminbi	—	—	188,722	110,138	298,860
Russian Ruble	—	—	10,487	19,765	30,252
Argentine Peso	—	—	—	6,565	6,565
Czech Koruna	—	785	2,782	3,995	7,562
Cayman Islands	—	—	—	565,633	565,633
Romania Leu	—	—	3,931	4,623	8,554
Ukraine Hryvane	—	—	1,284	7,191	8,475
Bulgarian Leva	—	—	—	2,395	2,395
Peruvian Nuevo Sol	—	—	—	1,061	1,061
Jamaica Dollar	—	—	2,068	—	2,068
Other	—	1	—	3,185	3,186
<b>Total subject to foreign currency risk</b>	<b>7,735,234</b>	<b>44,029</b>	<b>1,615,448</b>	<b>3,741,938</b>	<b>13,136,649</b>
Commingled international equity in U.S. Dollars	4,881,714	—	216,936	636,374	5,735,024
Foreign investments in U.S. Dollars	922,014	—	682	797,637	1,720,333
<b>Total foreign investments</b>	<b>\$ 13,538,962</b>	<b>\$ 44,029</b>	<b>\$ 1,833,066</b>	<b>\$ 5,175,949</b>	<b>\$ 20,592,006</b>

The System may enter into forward currency contracts to manage exposure to fluctuations in foreign currency exchange rates on portfolio holdings. The System also enters into forward exchange contracts to settle future obligations. A forward exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. A contract is classified as a forward contract when the settlement date is more than two days after trade date. Risk associated with such contracts includes movement in the value of a foreign currency relative to the U.S. dollar. The contracts are valued at forward exchange rates and include net appreciation/depreciation in the Statement of Plan Assets. Realized gain or loss on forward currency contracts is the difference between the original contract and the closing value of such contract and is included in the Statement of Changes in Plan Net Assets.

The table below summarizes the fair value of foreign currency contracts as of March 31, 2009 (In Thousands of U.S. dollars):

Currency	Forward Currency Contracts	Spot Currency Contracts	Totals
U.S. Dollar	\$ 7,402	\$ (8,671)	\$ (1,269)
Euro	45,946	8,516	54,462
British Pound Sterling	(16,764)	(592)	(17,356)
Australian Dollar	52,946	2,643	55,589
Singapore Dollar	(10,440)	—	(10,440)
Norwegian Krone	(849)	(4,831)	(5,680)
Swiss Franc	(18,300)	(3,759)	(22,059)
Japanese Yen	(36,436)	—	(36,436)
Hong Kong Dollar	(13,893)	4,393	(9,500)
Canadian Dollar	(9,638)	2,252	(7,386)
<b>Totals</b>	<b>\$ (26)</b>	<b>\$ (49)</b>	<b>\$ (75)</b>

## 7. Securities Lending Program

RSSL Section 177-D authorizes the Fund to enter into security loan agreements with broker/dealers and state or national banks. The Fund has designated its master custodian bank (the Custodian) 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 Agencies. 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, U.S. Treasuries, obligations of federal agencies, repurchase agreements, and specific asset backed securities. All rights of ownership to government securities pledged as collateral remain with the borrower except in the event of default. Under the terms of the securities lending agreement, the Securities Lending Agent has agreed to hold the Fund harmless from borrower default from the loss of securities or income. As of March 31, 2009, there were no violations of legal or contractual provisions. The Fund has not experienced any losses resulting from the default of a borrower or lending agent during the year ended March 31, 2009 or in the history of the program.

The Fund lends fixed income, domestic equity, and international equity securities to approved broker/dealers. Collateral for securities loaned equals 102% of fair market value for domestic securities and 105% for international securities. Credit risk associated with the investment of cash collateral pledged by borrowers is mitigated by the maturity restrictions, percentage limitations, and rating requirements for individual asset classes included in the Fund's reinvestment guidelines. 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 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. As of March 31, 2009, the fair value of securities on loan was \$14.014 billion. The associated collateral

was \$14.377 billion of which \$13.250 billion was cash collateral and \$1.127 billion was securities held as collateral. The fair value of the invested cash collateral as of March 31, 2009 was \$13.040 billion and the securities lending obligations were \$13.272 billion. The unrealized loss in invested cash collateral on March 31, 2009 was \$231.785 million, which is reflected in the Statement of Changes in Plan Net Assets, “Net depreciation in fair value of investments.”

All open security loans can be terminated on demand by either the Fund or borrower. To provide sufficient liquidity, the policy of the Fund is to maintain a minimum of 10% collateral in overnight investments. While the Securities Lending Investment Guidelines allow investments up to a maximum of three years for U.S. Treasury and Federal Agency obligations and one year for all other investments, the average term of open security loans at March 31, 2009 was 39 days, matching term investments were 10 days, and the overall average term to maturity of investment collateral for all loans was 38 days. Approximately 97% of all loans were open loans, while 3% represented direct matching loans.

The collateral pool is valued at market value obtained from independent pricing services.

## 8. Federal Income Tax Status

Management believes that the System meets the definition of a governmental plan. In the System’s communications with the Internal Revenue Service, it has been treated as a qualified plan, and is, therefore, considered exempt from federal income taxes.

## 9. Commitments

As of March 31, 2009, the System had contractual commitments totaling \$7.032 billion to fund future private equities and \$5.095 billion to fund future real estate investments.

## 10. 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, 2009 (Unaudited)

The System uses the aggregate funding method that does not identify or separately amortize unfunded actuarial liabilities. However, following we have provided a schedule of funding progress using the entry age normal funding method to approximate the funding status of the System. Every April 1<sup>st</sup> an actuarial valuation is performed which determines employer contributions for the year ending the next succeeding March 31<sup>st</sup>. For example, the 2009 actuarial valuation performed on April 1, 2008 determined employer contributions for the fiscal year ending March 31, 2010.

1. The average employer contribution rates for ERS for fiscal years ending 2009 and 2010, including incentive contributions, were approximately 8.5% of projected payroll and 7.4% of projected payroll, respectively.
2. The average employer contribution rates for PFRS for fiscal years ending 2009 and 2010 were approximately 15.8% of projected payroll and 15.1% of projected payroll, respectively.
3. These average employer contribution rates exclude certain contributions such as the 17-year amortization and the ten-year amortization available for fiscal years ended 2006, 2007, and 2008 bills.

## Schedule of Funding Progress — (Unaudited) (In Millions)

Actuarial Valuation Date	Actuarial Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
	(a)	(b)	(b)-(a)	(a)/(b)	(c)	((b-a)/c)
<b>ERS</b>						
April 1, 2005	\$ 105,088	\$ 102,224	\$ (2,864)	102.8%	\$ 20,218	(14.2)%
April 1, 2006	112,209	107,785	(4,424)	104.1	20,919	(21.1)
April 1, 2007	121,116	114,525	(6,591)	105.8	22,018	(29.9)
April 1, 2008	128,916	120,183	(8,733)	107.3	22,779	(38.3)
<b>PFRS</b>						
April 1, 2005	\$ 18,657	\$ 17,802	\$ (855)	104.8%	\$ 2,531	(33.8)%
April 1, 2006	19,827	18,853	(974)	105.2	2,712	(35.9)
April 1, 2007	21,379	20,074	(1,305)	106.5	2,825	(46.2)
April 1, 2008	22,767	21,072	(1,695)	108.0	2,926	(57.9)

## Schedule of Employer Contributions — (Unaudited) (In Thousands)

### Employees' Retirement System — Employer Contributions

Year ended March 31	Annual Required Contributions			Percentage Contribution
	New York State	Local Employers	Total	
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
2007	878,920	1,337,167	2,216,087	100
2008	892,480	1,242,474	2,134,954	100
2009	802,655	1,160,758	1,963,413	100

### Police and Fire Retirement System — Employer Contributions

Year ended March 31	Annual Required Contributions			Percentage Contribution
	New York State	Local Employers	Total	
2004	\$ 19,391	\$141,544	\$160,935	100%
2005	68,265	387,074	455,339	100
2006	73,596	359,830	433,426	100
2007	109,333	393,131	502,464	100
2008	115,294	398,200	513,494	100
2009	86,575	406,235	492,810	100

The annual required contributions (ARC) include the employers' normal costs, 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/overpayment of amounts for a one-year period.

See accompanying independent auditors' report.

# ADDITIONAL SUPPLEMENTARY INFORMATION

## Schedule of Administrative Expenses — Year Ended March 31, 2008 and 2009

(In Thousands)

	2009	2008
<b>PERSONNEL SERVICES:</b>		
Salaries	\$ 49,590	\$ 45,086
Overtime salaries	2,862	2,384
Fringe benefits	24,876	21,622
<b>Total personnel services</b>	<b>77,328</b>	<b>69,092</b>
<b>BUILDING OCCUPANCY EXPENSES:</b>		
Building, lease, and condominium fees	4,332	2,968
Utilities and municipal assessments	723	731
Office supplies and services	194	263
Telephone	1,297	1,352
<b>Total building occupancy expenses</b>	<b>6,546</b>	<b>5,314</b>
<b>COMPUTER EXPENSES:</b>		
IT hardware lease/purchases	868	1,355
IT supplies and maintenance/agency mainframe	5,226	4,748
IT consulting services	1,995	3,638
<b>Total computer expenses</b>	<b>8,089</b>	<b>9,741</b>
<b>PERSONNEL AND OPERATING EXPENSES:</b>		
Training	290	303
Travel and auto expense — includes pre-retirement seminars	981	994
Postage — includes member and retiree communication	1,822	1,641
Printing — includes member and retiree communication	592	408
Subscriptions/memberships	74	139
<b>Total personnel and operating expenses</b>	<b>3,759</b>	<b>3,485</b>
<b>PROFESSIONAL EXPENSES:</b>		
Medical/clinical services	1,742	1,334
Consulting services	1,765	1,338
<b>Total professional expenses</b>	<b>3,507</b>	<b>2,672</b>
<b>TOTAL</b>	<b>\$ 99,229</b>	<b>\$ 90,304</b>

See accompanying independent auditors' report.

## Schedule of Investment Expenses — Year Ended March 31, 2009

(In Thousands)

Investment Expenses	
<b>Investment Management Fees:</b>	
Private equities	\$ 129,373
Real estate	72,610
International equities	63,919
Absolute return strategy funds	46,259
Domestic equities	34,871
<b>Total investment manager fees</b>	<b>\$347,032</b>
<b>Investment Related Expenses:</b>	
Domestic consulting and monitoring	\$ 4,509
Legal fees	4,012
EDP expenses	2,155
Administrative expenses	2,081
Mortgage loan servicing fees	1,234
Fixed income consulting and monitoring	744
Real estate consulting and monitoring	596
Auditor fees	202
Custodial fees	183
<b>Total investment related expenses</b>	<b>\$ 15,716</b>
<b>Total investment expenses</b>	<b>\$362,748</b>

See accompanying independent auditors' report.

## Schedule of Consulting Fees — Year Ended March 31, 2009

(In Thousands)

Consulting Fees (Fees paid to outside professionals other than investment advisors, in excess of \$25,000)		
	Amount	Nature
Morgan, Lewis & Bockius LLP	\$1,827	Legal
Deloitte Consulting LLP	989	Pension Redesign Consultant
Img LLC	495	System Development
Mayer, Brown, Rowe & Maw	295	Real Estate Legal
Smart Business Advisory And Consulting LLC	219	Pension Redesign Consultant
Deloitte & Touche LLP	202	Auditor Fees
Austin R Leve, MD	162	Medical Services
First Choice Evaluations	158	Medical Services
Seward & Kissel	147	Real Estate Legal
K&L Gates	141	Legal
Foster Pepper PLLC	126	Legal
Nixon Peabody LLP	122	Legal
Hunton & Williams	90	Legal
John S Mazella, MD PC	77	Medical Services
Louis Benton	73	Medical Services
Leon Sultan, MD	63	Medical Services
Garger Associates LLP	56	Medical Services
Pinkerton Consulting & Investigations	50	Security Services
Vba Systems, Inc.	50	System Development
Precise Court Reporting	50	Court Reporter
Jeffrey Meyer, MD	47	Medical Services
Jack Economou	47	Hearing Officer
Hooper Evaluations	38	Medical Services
CEM Benchmarking, Inc.	35	Industry Measurement Survey
Mary T Babiarz	35	Court Reporter
Michael J Lynch, MD Cm	31	Medical Services
Charles F Cacciabauda	30	Hearing Officer
Herbert Johnston Jr.	29	Hearing Officer
Steven Fayer, MD	28	Medical Services
Ars Court Reporters	27	Court Reporter
Ar-Ti Recording Company, Inc.	27	Court Reporter
Edward A Toriello, MD	26	Medical Services
Raymond Marinelli	26	Hearing Officer
Riverside Orthopedic and Sports Medicine Association	26	Medical Services

See accompanying independent auditors' report.

# INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL



KPMG LLP  
515 Broadway  
Albany, NY 12207

## **Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Trustee  
New York State and Local Retirement System:

We have audited the financial statements of the New York State and Local Retirement System (the System) as of and for the year ended March 31, 2009, and have issued our report thereon dated July 9, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the System's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the System's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.



We noted certain matters that we reported to management of the System in a separate letter dated July 9, 2009.

This report is intended solely for the information and use of the Trustee and management and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

July 9, 2009







# OVERVIEW OF INVESTMENTS

## Overall Objectives and Performance

The Division of Pension Investment and Cash Management is responsible for the management of the assets of the Common Retirement Fund. The Fund's primary objectives are to provide the means to pay benefits to the System's participants and to minimize employer contributions through an investment program designed to protect and enhance the long-term value of the assets. The Fund's asset allocation policy was constructed to meet these objectives by achieving a maximum level of return consistent with policies on liquidity, diversification and investment risk. Investments in domestic, international and private equity, although historically volatile, provide superior long-term performance and growth characteristics, while less volatile fixed income investments provide predictable cash flow to meet the System's funding requirements and pension obligations.

The year's investment performance reflects the volatility in the world financial markets during the fiscal year. Commodity prices and oil in particular began the period by reaching new highs that were more than double a year ago. However, as recession fears began to spread and equity markets declined around the world, commodity prices collapsed. These factors, along with the crisis in the financial system, where we saw Lehman Bros. file for bankruptcy protection, Merrill Lynch merge with Bank of America and AIG come under government control, all contributed to a panic in global financial markets. The Federal Reserve responded to these issues by lowering short-term interest rates by over 2 percent. However, the strain on the financial system and the ensuing liquidity crisis, with the classic flight

to quality, caused global equity markets to decline around the globe. The US Markets, as measured by the S&P 500, declined over 38 percent and global markets, as measured by the MSCI World Ex US, declined over 45 percent.

The Fund returned -26.38 percent for fiscal year 2008-09. For the year, domestic equities, which make up 31 percent of the portfolio, produced negative results with a -37.85 percent return and international equities, which make up 12 percent of the portfolio, produced negative results with a -45.60 percent return. Real Estate and private equity also produced negative results with -32.63 percent and -22.20 percent returns respectively. The core fixed income portfolio returned 4.58 percent and Treasury Inflation Protected Securities (TIPS) returned -1.77 percent. The sound investment framework provided by the Fund's asset allocation and diversification policies struggled to generate returns in the economic environment. However, the Fund, with its long-term investment approach, continues to provide sufficient cash flow to fund pension payments.

The investment performance information provided in this section of the Comprehensive Annual Financial Report was calculated using a daily time-weighted rate of return.

## Domestic Equities

Representing approximately 31 percent of the Fund's total assets, the aggregate domestic equity portfolio returned -37.85 percent for the year, versus -38.20 percent for the domestic equity market as represented by the Russell 3000 Index, a broad market index. Large capitalization strategies, which account for

83 percent of the domestic equity portfolio, returned -38.08 percent, in line with the S&P 500 benchmark return of -38.09. Medium capitalization strategies, which account for 9 percent of the domestic equity portfolio, returned -36.61 percent vs. the S&P 400 Mid Cap benchmark return of -36.09 percent and small capitalization strategies, which account for 8 percent of the total domestic equity portfolio, returned -36.03 percent versus the Russell 2000 Index return of -37.50 percent.

During the past year, the Fund's staff maintained a style and capitalization neutral investment strategy for the domestic equity portfolio, consistent with the overarching asset allocation. Within domestic equity, 78 percent is managed in passive strategies, 14 percent is managed in active strategies and 8 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. 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 12 percent of their commission total.

Broadening its reach to small and women and minority-owned investment firms, the Fund continued to expand its domestic equity emerging manager program with the addition of four new investment mandates and additional contributions to eight existing emerging managers. This underscores the Fund's commitment to identify smaller, emerging firms that provide opportunity to add value.

## International Equities

International and global equity holdings represented approximately 12 percent of the Fund's total assets at the end of the 2009 fiscal year. In aggregate, international equity investments returned -45.60 percent, outperforming the -46.46 percent return of the Morgan Stanley All Country World ex United States (ACWI ex US) Index, a broad benchmark of stock market performance. Core developed markets, the largest portion of the Fund's international equity holdings, provided relative outperformance, returning -44.86 percent versus the MSCI EAFE Index return of -46.51 percent. Comprising a smaller portion of the international portfolio, emerging markets equity investments returned -47.17 percent versus the MSCI Emerging Markets Index return of -47.07 percent and global equity investments returned -46.19 percent versus the MSCI All Country World Index return of -42.74 percent.

The Fund continued to pursue an international equity strategy for risk reduction and diversification. Investments in international and global markets have proven to be an integral part of the Fund's portfolio because they provide exposure to an important and growing part of the global economy. As of March 31, 2009, investments in developed non-US markets totaled 10.6 percent of the Fund's investments, emerging markets exposure totaled 1.4 percent and global strategies totaled 0.5 percent of total assets. Within international equities, 79 percent is managed in core international markets, 4 percent is managed in global equity markets and 17 percent is managed in emerging markets.

## Fixed Income

The fixed income portfolio is designed to provide a secure funding stream for the Retirement System's pension liabilities and also supply sufficient liquidity to meet monthly pension payments. The Fund

accomplishes these goals by investing in both long-term and short-term assets.

The long-term fixed income portfolio provides a reliable flow of income to help address the cash flow needs of the System's pension liabilities and moderates the greater return volatility of the Fund's equity portfolio. The short-term fixed income portfolio provides liquidity to meet monthly pension fund obligations, as well as cash to fund investments in all the Fund's asset classes.

US Treasury Securities and Treasury Inflation Protected Securities (TIPS) make up more than 40 percent of the long-term fixed income portfolio. The remainder of the long-term portfolio is comprised of government-sponsored agency debentures, corporate bonds, commercial mortgage-backed securities, mortgages, Yankee bonds (dollar denominated bonds issued by foreign companies or governments) and asset-backed securities. The Fund's short-term fixed income portfolio may be invested in high quality commercial paper, US Treasury Bills, collateralized Bank Certificates of Deposit and Agency Discount Notes.

The Fixed Income portfolio represented approximately 37.4 percent of the total assets of the Fund at the end of the fiscal year. The Fund's core long-term fixed income portfolio returned 4.58 percent for the fiscal year ending March 31, 2009, which compares favorably to 3.13 percent for the Barclays Capital Aggregate Bond Index and slightly below the 4.69 percent for the Salomon Smith Barney Long Pension Fund Index. US Government obligations were the best performing sector. The Fund's TIPS portfolio, which provides an important avenue for hedging inflation risk, returned -1.77 percent, which compares favorably to the Salomon Smith Barney Inflation Linked Index return of -2.05 percent. The Short-term cash investments returned 1.63 percent for the fiscal year. The Fund

manages both the long-term and short-term fixed income portfolios internally with the assistance of a fixed income advisor.

The Fund uses 21 broker-dealer firms to execute trades in the long-term and short-term fixed-income portfolios. Almost one-third of these trading partners are women and minority-owned firms. Women and minority-owned firms continue to play a central role in the Fund's long-term and short-term fixed income strategy, executing over 28 percent of all long-term trades and 30 percent of all short-term broker initiated trades.

For the past twenty-three years, the Fund has generated additional income by lending a portion of its assets to qualified counterparties. Fixed income, domestic equity and international equity securities are available for loan. The Fund's Securities Lending Program earned \$178 million in revenue for fiscal year 2008-09 as compared to \$118 million for the previous fiscal year. The increase in income was a result of improved earnings associated with increased demand for securities on loan.

## Real Estate

As of March 31, 2009, equity real estate represented 6.5 percent of the total Fund and produced a total return of -32.63 percent. This disappointing one-year return reflects a significant reduction in comparison to last year and to the historical performance expectations for institutional real estate. The deterioration in the real estate market fundamentals was driven by a global economic slowdown, lack of liquidity, a worldwide credit crunch, US banking reform and a collapse in property values in contrast to the unusually robust returns from the last few years. Although assets in the real estate portfolio were negatively impacted, the Fund had been able to record gains by selling a significant portion of the portfolio at attractive pricing prior to the credit

turmoil. The real estate portfolio had no exposure to subprime mortgage loans.

Despite the current challenges presented by the weakened global economy, the real estate portfolio's primary investment objective is to maximize long-term appreciation return on investments, with a high degree of prudence and diversification. Portfolio risk is mitigated by diversification by property type, geography, investment strategy and selection of superior joint venture partners and managers, as well as advisors. Increased risk and illiquidity in the portfolio is offset by the relatively small allocation to the real estate asset class with the Fund's total investments. In order to achieve long-term appreciation return the Fund's challenges will be two fold: (a) to asset manage the existing portfolio and maximize the value of the investments and (b) to invest new capital to take advantage of business opportunities arising from the market disruption.

Strategies include: investments in under-managed real estate that will be repositioned and re-leased as the economy recovers at a slower pace; focus on geographic markets that still exhibit early-recovery characteristics; selection of managers and joint ventures partners unburdened by legacy issues that are prepared to invest alongside the Fund at attractive values based on the current market conditions.

## Alternative Investments

### Private Equity

The Fund's private equity portfolio is designed to provide returns that exceed those of public equities. As of March 31, 2009, private equity accounted for 9.7 percent of the Fund's investments and generated a -22.2 percent one-year return. The private equity portfolio has generated a 10.2 percent return over the life of the investment program.

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 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, each of which helps the Fund overcome limited staff resources: to expand the broad diversification objective and to supplement the core private equity portfolio with small funds.

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.

Additionally, during 2009, the Fund created the Pioneer Funds committing \$550 million to invest in emerging managers in private equity.

### Absolute Return Strategies

The Fund also invests in funds employing strategies with an objective of capturing long-term equity-like returns while maintaining fixed income-like volatility. These funds invest through a number of strategies across all asset classes and securities. The program seeks uncorrelated returns to the equity markets, while achieving diversification through a multimanager and multistrategy approach thereby lowering the overall risk in the portfolio.

The Fund initiated a substantial restructuring of the absolute return program in FY 2009. The purpose of the restructuring effort was to eliminate the redundancy between external fund-of-fund managers, lower the overall cost structure of the program, and achieve better risk adjusted returns. The Fund determined that a primarily direct investment portfolio, with a reduced number of funds would accomplish these goals. The restructuring of the portfolio is anticipated to be complete by the end of FY 2010.

As of March 31, 2009, The Absolute Return Strategy accounted for 2.2 percent of the Fund's investment portfolio and generated a -18.89 percent return, excluding cash received from redeemed funds. The program out-performed its program benchmark, the HFRX index, by 360 basis points. The program also out-performed the S&P 500 by 1920 basis points in this period of extreme equity market volatility.

## Other Programs

### Green Strategic Investment Program

The Fund established the Green Strategic Investment Program, committing to invest \$500 million in environmentally-focused investment strategies across all asset classes.

### New York State Mortgage Pass-Through Program

Since 1981, the Common Retirement Fund has purchased New York only mortgage pools through the New York State Mortgage Pass-Through Program. Investing in these mortgages has allowed the Fund to assist in providing home ownership opportunities for more than 77,600 New York State residents. Since the program's inception, the Fund has invested over \$9.2 billion in New York only mortgages.

Under the current structure, Federal Agencies create and insure pools of single-family mortgage loans originated by traditional lenders, most of which are located in New York State. In the 2008-09 fiscal year, the Fund purchased \$762 million in mortgages, which assisted approximately 3,800 New Yorker's in purchasing homes.

### 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 and other constituencies with special needs is also part of the program.

Since inception of this program, 9,862 units have been completed and 3,419 are in the pipeline. The Fund has committed \$500 million to the CPC program and invested \$491.4 million in mortgages. The Fund has expanded the program with an additional \$200 million commitment which will fund the development and rehabilitation of additional housing units across the State. The expanded loan program will offer liquidity to qualified borrowers at a time when credit is scarce. In fiscal year 2008-09, the Fund invested in affordable housing throughout the State, including Albany, Dutchess, Erie, Fulton, Niagara, Onondaga, Orange, Rockland, Suffolk, Ulster and Westchester Counties.

The Fund remains dedicated to analyze additional investment opportunities in affordable housing, so long as the investment structures and potential returns fulfill the fiduciary mandate of the overall pension fund to the beneficiaries and retirees.

### Helping NY/Equity Real Estate Investments

The Fund invests in New York State commercial real estate properties through a mix of investment structures such as joint ventures, commingled funds and club fund investments. The Fund owns shopping centers, office buildings, residential properties and hotels. Through these investment vehicles, the Fund has been able to acquire, develop, release and reposition properties that are in need of upgrading with the goal of increasing property values. This portfolio of New York properties has been negatively impacted as has the entire real estate portfolio, due to the global economic crisis.

The Fund invested in the development of a 361-unit rental apartment building that set aside 20 percent of the units for affordable rental housing pursuant to NYC's Housing Preservation and Development's 421-a program. Also, the Fund established an investment fund to make value-added investments in New York State through the Excelsior Real Estate Fund. This fund focuses on multifamily, office, senior housing, retail and other primary property types and is designed to invest in ground-up development, redevelopment and repositioning of commercial property throughout the state.

The Fund has also invested in the development of workforce for-sale housing in the New York State and Tri-State regions. Together with the New York City pension funds, the Fund invests in a club fund with a mandate to invest across all real estate asset classes, including office, multifamily residential and retail

within the five boroughs. The Fund is committed to evaluate investment opportunities in New York provided the investments meet the diversification and actuarial needs of the portfolio.

### New York Business Development Corporation (NYBDC)

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 women or minority-owned businesses. With its focus on small business lending, NYBDC can frequently offer more favorable terms than other lenders.

In 2006, the Fund renewed its relationship with NYBDC to provide an additional \$100 million in capital. Since the program began in 1987, NYBDC has made 854 loans totaling \$248.1 million to businesses that employ over 16,000 New Yorkers. During fiscal year 2008-09, NYBDC made 65 loans totaling \$23.5 million.

### Financing for Emerging Businesses in New York State

The Fund's private equity portfolio includes investments in over 200 New York businesses with a value of \$1.2 billion. 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 more than \$12.8 billion as of September 30, 2008 (the most recent data available). A sample of the New York State companies in the private equity portfolio include: NAMIC/VA in Glens Falls, SmartPill in Buffalo, Threadsmith in Binghamton, Application Security in New York City, Bausch & Lomb in Rochester, Applied Nanoworks in



Rensselaer, Advion BioSciences in Ithaca, and Climax Manufacturing in Lowville.

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 2008-09, the Fund had commitments to seventeen different private equity managers with commitments totaling \$931 million. The \$931 million in commitments is devoted exclusively to New York investment opportunities. The seventeen managers in the program are:

- Ascend Ventures, a technology venture fund located in New York City;
- Ascent Biomedical Ventures NY, a New York City based venture capital fund focusing on life sciences;
- CSFB New York Co-investment Fund, which makes investments alongside other private equity funds investing in New York State;
- DeltaPoint Capital, a growth equity fund located in Rochester;
- DFJ Gotham, a New York City based fund focused on early stage venture capital 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;
- FA Technology Ventures, a venture capital fund focusing on information and energy technology located in Albany;
- Founders Equity, a New York City based fund that makes growth equity investments;
- 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;
- High Peaks Ventures, a Troy and Saratoga based early stage venture capital fund;
- Hudson River Co-investment Fund, a special situations fund managed by Hamilton Lane Advisors that makes investments alongside other private equity managers in New York;
- Milestone Venture Partners, a New York City based fund that focuses on companies providing technology-enhanced businesses services;
- 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;
- SoftBank Capital, a New York City and Buffalo based fund that invests in broadband technology and technologies that leverage broadband;
- Summer Street Capital Partners, a growth equity investment fund located in Buffalo;
- Trillium Lakefront Partners NY, a Rochester based fund that will focus on investing in technology companies in upstate New York;
- Wheatley Partners, a technology venture fund with a focus on information and medical technology located in New York City and Long Island.

# INVESTMENT RESULTS

Based on Market Values as of March 31, 2009.

	Annualized Rate of Return			
	1 Year	3 Years	5 Years	10 Years
<b>Total Fund</b>	<b>-26.38%</b>	<b>-5.27%</b>	<b>1.11%</b>	<b>3.06%</b>
Domestic Equity	-37.85	-13.68	-4.69	-1.51
International Equity	-45.60	-13.14	-1.05	1.24
Private Equity	-22.20	4.06	12.65	10.36
Absolute Return Strategy	-18.89	-1.94	—	—
Equity Real Estate	-32.63	0.61	12.71	15.19
Core Fixed Income	4.58	6.65	4.90	6.89
Treasury Inflation Indexed Securities	-1.77	5.57	4.31	—
Short-Term Investments	1.64	3.99	3.54	4.60
Russell 3000	-38.20	-13.55	-4.59	-2.26
MSCI All Country World Index Free ex US (ACWI ex US)	-46.46	-13.15	-0.66	0.52
National Council of Real Estate Investment Fiduciaries (NCREIF)	-6.46	8.10	11.67	10.47
Barclays Capital Aggregate Bond Index	7.67	5.48	4.58	6.04
Salomon Smith Barney LPF Index	4.69	6.73	4.92	6.48
Salomon Smith Barney Inflation Linked Index	-2.05	5.73	4.14	—

These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes. Investment return calculations were prepared using a time-weighted rate of return.

# INVESTMENT SUMMARY

The following table summarizes the market values for March 31, 2009 and 2008 (In Thousands):

Asset Type	Market Value March 31, 2009	Percent of Total Market Value	Market Value March 31, 2008	Percent of Total Market Value
Domestic Equity	\$ 34,332,034	31.5%	\$ 58,582,079	38.0%
Private Equity	10,563,694	9.7	12,699,376	8.2
Absolute Return Strategy	2,381,015	2.2	5,328,266	3.5
Real Estate	7,066,538	6.5	8,909,383	5.8
International Equity	13,538,962	12.4	24,571,663	16.0
Fixed Income	36,541,603	33.5	36,571,473	23.8
Mortgage Loans	710,161	0.7	772,419	0.5
Short-term Investments	3,826,655	3.5	6,443,059	4.2
<b>Total Investments</b>	<b>\$108,960,662</b>	<b>100.0%</b>	<b>\$153,877,718</b>	<b>100.0%</b>

# ASSET ALLOCATION — MARCH 31, 2009\*

The Fund diversifies its assets among various classes including domestic and international equity, fixed income, inflation indexed securities, real estate, private equity and absolute return strategies. 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 2008-09 fiscal year, the Fund continued to implement the asset allocation policy adopted in June 2003 and updated in June 2005 and again in September 2006. 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	Policy Allocation	Maximum Allocation	Actual Allocation
<b>Equity</b>	<b>70%</b>	<b>75%</b>	<b>62.3%</b>
Domestic Equity	35		31.5
Private Equity	8		9.7
Absolute Return	5		2.2
Real Estate	6		6.5
International Equity	16	18	12.4
<b>Bonds, Cash &amp; Mortgages</b>	<b>22.5%</b>	<b>24.5%</b>	<b>26.3%</b>
<b>Inflation Indexed Bonds</b>	<b>7.5%</b>	<b>9.5%</b>	<b>11.4%</b>

\*A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2009, is on our website at [www.osc.state.ny.us](http://www.osc.state.ny.us).

# DOMESTIC EQUITY PERFORMANCE

For the Fiscal Year Ending March 31, 2009.

	Total Assets (\$ In Millions)	Annualized Rate of Return				Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years	10 Years			
<b>Domestic</b>								
<b>Total Portfolio</b>	<b>\$34,990.4</b>	<b>-37.85%</b>	<b>-13.68%</b>	<b>-4.69%</b>	<b>-1.51%</b>	<b>7.52%</b>	<b>01/01/91</b>	<b>7.36%</b>
<b>Total Actively Managed</b>	<b>7,688.1</b>	<b>-38.87%</b>	<b>-15.32%</b>	<b>-5.43%</b>	<b>-1.64%</b>	<b>7.32%</b>	<b>01/01/91</b>	<b>7.13%</b>
<b>Russell 3000 Index</b>		<b>-38.20%</b>	<b>-13.55%</b>	<b>-4.59%</b>	<b>-2.26%</b>			
<b>S&amp;P 500 Index</b>		<b>-38.09%</b>	<b>-13.06%</b>	<b>-4.76%</b>	<b>-3.00%</b>			
Total Large Cap Composite	\$ 28,803.8	-38.08	-13.43	-4.91	-2.88	9.53	2/1/83	9.49
CRF S&P 500 Index Fund	23,347.7	-37.72	-12.85	-4.63	-2.85	10.27	8/1/78	10.22
Alliance Capital	852.2	-37.89	-14.97	-4.96	-3.39	10.61	4/1/80	10.43
Capital Guardian	736.1	-38.99	-16.67	-7.11	-1.29	9.97	4/1/85	8.94
Jacobs Levy	559.1	-42.48	-15.99	-6.83	-3.57	5.77	5/1/93	5.82
Chicago Equity	335.6	-35.43	-12.94	-3.67	—	-3.22	6/1/01	-3.84
BGI R1000 Alpha Tilts	1,107.0	-38.37	-14.88	-5.06	—	-1.55	11/1/01	-1.48
FIS Group	259.4	-36.95	-12.51	-4.26	—	-2.47	11/1/03	-2.81
Aronson+Johnson+Ortiz	174.5	-36.20	-13.85	—	—	-5.86	12/1/04	-7.61
Brandywine Asset	153.0	-45.84	-17.07	—	—	-8.39	12/1/04	-7.61
Franklin Portfolio Associates	333.7	-38.76	-14.19	—	—	-4.85	5/1/04	-4.26
Goldman Sachs	182.4	-37.48	-14.20	—	—	-4.39	5/1/04	-4.26
Quantitative Management	341.7	-38.41	-13.52	—	—	-4.22	5/1/04	-4.26
T. Rowe Price	183.8	-34.62	-11.30	—	—	-6.04	2/1/05	-5.68
Progress Investment II LC	237.6	-40.69	—	—	—	-40.69	5/1/08	—
<b>S&amp;P 400 Index</b>		<b>-36.09%</b>	<b>-13.61%</b>	<b>-2.83%</b>	<b>4.21%</b>			
Total Mid Cap Composite	\$ 3,232.7	-36.61	-13.70	-2.91	4.16	9.14	7/1/91	9.78
CRF S&P 400 Midcap Fund	2,167.7	-35.24	-13.12	-2.44	4.29	9.20	11/1/91	9.17
Progress Investment	845.9	-38.42	-13.80	-3.21	4.23	8.41	9/1/94	7.03
New Amsterdam Partners	153.5	-33.24	-14.05	-2.44	3.28	9.32	9/1/94	7.03
Hoover Mid Cap	65.6	-41.34	-14.95	—	—	-8.17	7/1/05	-8.97
<b>Russell 2000 Index</b>		<b>-37.50%</b>	<b>-16.80%</b>	<b>-5.24%</b>	<b>1.93%</b>			
Total Small Cap Composite	\$ 2,953.9	-36.03	-15.34	-4.91	2.27	7.18	7/1/91	6.83
CRF S&P 600 Index Fund	532.6	-36.80	-15.75	—	—	-10.44	10/1/05	-11.18
BGI R2000 Index Fund	1,254.3	-37.38	-16.76	-5.16	—	1.24	11/1/01	1.13
Wells Capital	388.5	-31.60	-10.44	-1.01	2.06	7.62	8/1/91	3.72
Brown Capital	228.3	-23.53	-5.91	0.03	6.44	10.96	9/1/94	4.86
EARNEST Partners	147.2	-37.92	-16.64	-3.86	—	3.10	6/1/01	1.33
Systematic Financial	194.5	-41.06	-18.39	-6.73	—	0.29	9/1/02	2.26
Value Line Inc.	82.7	-37.42	-16.27	—	—	-3.28	5/1/04	-4.32
Hoover Investment	68.4	-37.06	-16.03	-3.07	—	4.54	11/1/99	1.16
Progress Investment II SC	57.4	-42.16	—	—	—	-42.16	5/1/08	—

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

These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.

# DOMESTIC EQUITY PERFORMANCE

For the Fiscal Year Ending March 31, 2009.

	Total Assets (\$ in millions)	Annualized Rate of Return			Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years			
<b>Russell MidCap Index</b>		<b>-40.81%</b>	<b>-15.53%</b>	<b>-3.53%</b>			
Total Progress Composite	\$ 845.8	-38.42	-13.80	-3.21	8.41%	9/01/94	7.03%
Apex Capital Management	28.2	-35.93	—	—	-34.66	3/01/08	-36.53
Bennett Lawrence	95.6	-39.29	-15.09	—	-7.56	7/01/05	-8.01
Cardinal Capital Management	113.0	-30.19	-12.40	-0.40	3.49	9/01/03	-0.59
Channing Capital	57.7	-34.11	-12.52	—	-8.13	7/01/05	-10.33
Credo Capital Management	26.7	-39.81	—	—	-37.87	3/01/08	-38.22
Denali Advisors	62.7	-40.75	—	—	-38.80	3/01/08	-40.57
Fan Asset Management	72.9	-39.49	-13.97	-3.06	-1.86	12/01/99	-0.11
Globeflex Capital	103.7	-41.39	-14.65	-1.65	1.44	9/01/03	-0.20
Holland Capital	75.3	-34.93	-11.09	—	-6.36	7/01/05	-7.88
Rasara Strategies	6.9	-50.54	-27.80	-15.31	-6.90	6/01/01	-5.27
Sasco Capital	113.9	-40.01	-10.03	—	-5.98	7/01/05	-10.33
Shenandoah Asset Management	71.6	-41.13	-13.58	—	-8.18	7/01/05	-8.97
Steinberg Asset Management	17.6	-48.06	-13.65	—	-8.81	7/01/05	-8.97
Total Progress II Composite	\$ 294.9	—	—	—	-40.98	5/01/08	-41.15
Atlanta Life Investment Advisors	32.1	—	—	—	-42.19	5/01/08	-37.56
GW Capital	13.3	—	—	—	-45.46	5/01/08	-41.37
Insight Capital Research & Management	14.4	—	—	—	-42.26	5/01/08	-39.47
Lombardia Capital - LC	59.7	—	—	—	-37.05	5/01/08	-44.70
Lombardia Capital - SC	15.6	—	—	—	-36.59	5/01/08	-40.77
Lynmar Capital Group	31.8	—	—	—	-41.89	5/01/08	-37.56
Palisades Investment Partners	50.9	—	—	—	-46.73	5/01/08	-45.09
Paradigm Asset Management	14.1	—	—	—	-44.30	5/01/08	-39.47
Piedmont Investment Advisors	27.8	—	—	—	-38.46	5/01/08	-41.24
Profit Investments	35.2	—	—	—	-35.53	5/01/08	-37.56
<b>Russell 1000 Index</b>		<b>-38.27%</b>	<b>-13.24%</b>	<b>-4.54%</b>			
Total FIS Composite	\$ 259.5	-36.95	-12.51	-4.26	-2.47	11/01/03	-2.81
Apex Capital	24.1	-33.84	-12.53	-5.02	-3.32	11/01/03	-3.12
Credo Capital Management	6.5	—	—	—	-1.92	11/10/08	-5.25
Denali Advisors	27.9	-39.21	-13.35	-2.50	-0.05	11/01/03	-2.73
Mastrapasqua Asset Management	25.5	-32.35	—	—	-7.38	8/01/06	-10.64
Moody Aldrich	22.8	—	—	—	-12.73	11/10/08	-16.08
Oakbrook Investments	32.3	-39.00	-12.39	—	-6.72	4/01/05	-7.21
Oakbrook Growth	13.2	-33.14	-9.54	—	-8.58	2/01/06	-8.94
Piedmont Investment Advisors	14.4	-36.63	-10.59	-2.69	-1.42	11/01/03	-2.81
Profit Investments	21.4	-32.61	-10.04	-2.60	-0.81	11/01/03	-2.81
Stux Capital Management	21.8	—	—	—	-13.06	11/10/08	-12.46
The Edgar Lomax Co.	28.6	—	—	—	-20.03	11/10/08	-18.51
Vantage Consulting Group	21.0	-41.32	—	—	-17.54	8/01/06	-18.07

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

These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.

# DOMESTIC EQUITY PORTFOLIO — TEN LARGEST HOLDINGS\*

For the Fiscal Year Ending March 31, 2009.

Company	Shares	Market Value	% of Domestic Equity
Exxon Mobil Corp.	18,125,534	\$1,234,348,865	3.0%
AT&T	22,256,707	560,869,016	1.4
Johnson & Johnson	10,447,583	549,542,866	1.4
Microsoft Corp.	28,680,246	526,856,119	1.3
Chevron	7,698,784	517,666,219	1.3
Procter & Gamble	10,837,108	510,319,416	1.3
IBM	5,099,897	494,129,020	1.2
Wal-Mart	9,387,103	489,068,066	1.2
General Electric	39,551,471	399,865,372	1.0
Cisco	23,320,806	391,089,917	1.0

\*A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2009, is on our website at [www.osc.state.ny.us](http://www.osc.state.ny.us).

## FIXED INCOME PORTFOLIO AND COMPARISON

As of March 31, 2009.

Sector	Market Value (Millions)	Market Value Percent	Macaulay Duration	Yield	1 Year Total Return
Treasury	\$ 7,158	19.6%	10.64	3.29%	12.98%
TIPS	12,478.0	34.2	11.18	3.69	(1.77)
Agency	3,004.0	8.2	8.39	4.12	5.40
Mortgages	5,599.0	15.3	2.10	5.31	1.27
Corporates	8,303.0	22.7	5.05	6.20	(0.07)
<b>Totals</b>	<b>\$36,542.0</b>	<b>100.0%</b>	<b>8.06</b>	<b>4.47%</b>	<b>2.36%</b>

# FIXED INCOME PERFORMANCE

As of March 31, 2009.

	Annualized Rate of Return		
	1 Year	3 Years	5 Years
Common Retirement Fund — Core	4.58%	6.65%	4.90%
Barclays Capital Aggregate Bond Index	3.13	5.78	4.13
Salomon Smith Barney LPF Index	4.69	6.73	4.92
Common Retirement Fund — TIPS	(1.77)	5.57	4.31
Salomon Smith Barney — TIPS Index	(2.05)	5.73	4.14

# FIXED INCOME PORTFOLIO — TEN LARGEST HOLDINGS\*

As of March 31, 2009.

Issue	(Millions) Market Value	Percent of Fixed Income
Treasury Inflation Indexed Securities Due 4/15/29	\$ 4,047.1	11.08%
Treasury Inflation Indexed Securities Due 4/15/32	1,603.6	4.39
Treasury Inflation Indexed Securities Due 1/15/25	1,494.8	4.09
Treasury Inflation Indexed Securities Due 4/15/28	1,183.5	3.24
Treasury Inflation Indexed Securities Due 1/15/17	1,088.6	2.98
Treasury Inflation Indexed Securities Due 1/15/10	704.8	1.93
Treasury Inflation Indexed Securities Due 7/15/13	657.4	1.80
Treasury Bond Due 2/15/29	593.9	1.63
Treasury Inflation Indexed Securities Due 4/15/11	436.5	1.19
Treasury Bond Due 2/15/21	427.9	1.17
<b>Total</b>	<b>\$12,238.1</b>	<b>33.49%</b>

\*A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2009, is on our website at [www.osc.state.ny.us](http://www.osc.state.ny.us).



# INTERNATIONAL EQUITY PERFORMANCE

For the Fiscal Year Ending March 31, 2009.

	Total Assets (\$ In Millions)	Annualized Rate of Return				Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years	10 Years			
<b>Total International Portfolio</b>	<b>\$13,623.0</b>	<b>-45.60%</b>	<b>-13.14%</b>	<b>-1.05%</b>	<b>1.24%</b>	<b>4.29%</b>	<b>10/01/89</b>	<b>3.09%</b>
<b>MSCI All Country World Free ex US</b>		<b>-46.46%</b>	<b>-13.15%</b>	<b>-0.66%</b>	<b>0.52%</b>			
<b>MSCI All Country World Index Free</b>		<b>-42.74%</b>	<b>-12.84%</b>	<b>-2.37%</b>	<b>-1.26%</b>			
Global Equity Composite	\$550.1	-46.19	-16.67	-5.38	-0.34	5.41	9/01/94	3.58
Brandes Investment	550.1	-46.19	-16.68	-5.66	—	2.08	11/01/99	-2.26
<b>MSCI All Country World Free ex US</b>		<b>-46.46%</b>	<b>-13.15%</b>	<b>-0.66%</b>	<b>0.52%</b>			
ACWI ex US Equity Composite	\$ 3,730.2	-46.57	-13.50	—	—	-1.45	11/01/04	-1.52
Acadian Asset Management	670.8	-51.22	-15.64	—	—	-1.69	11/01/04	-1.52
Brandywine Asset Management	395.8	-43.22	-14.12	—	—	-2.02	11/01/04	-1.52
BGI Global World ex US	1,989.0	-46.23	-12.88	—	—	-1.27	11/01/04	-1.52
Goldman Sachs	420.7	-47.63	-13.04	—	—	-3.39	4/01/05	-4.38
The Boston Co.	253.9	-37.64	-11.56	—	—	-4.09	4/01/05	-4.38
<b>MSCI EAFE Index</b>		<b>-46.51%</b>	<b>-14.47%</b>	<b>-2.18%</b>	<b>-0.84%</b>			
EAFE Composite	\$ 7,810.8	-44.86	-13.50	-1.54	0.25	4.07	10/01/89	2.14
Alliance Capital	673.5	-50.90	-18.64	-4.85	-1.21	3.51	9/01/89	2.36
Capital Guardian	1,945.7	-43.45	-13.41	-1.76	1.41	5.92	9/01/89	2.36
Morgan Stanley International A/P	1,520.3	-42.88	-11.45	-0.01	1.18	4.24	8/01/94	1.89
Templeton Investment	828.1	-42.18	-9.56	1.41	4.17	4.45	1/01/98	1.00
Mondrian Investment	730.7	-42.55	-10.54	0.93	4.02	4.64	1/01/98	1.00
Baillie Gifford	749.7	-46.09	-13.27	-1.37	-0.18	-0.19	2/01/99	-0.66
BGI Intl Tilt Fund	526.3	-47.00	-14.90	-2.13	0.41	0.81	2/01/99	-0.66
Baring International A/P	834.5	-43.12	-13.42	-1.24	—	2.52	4/01/02	1.15
<b>MSCI Emerging Markets Index</b>		<b>-47.07%</b>	<b>-8.15%</b>	<b>5.91%</b>	<b>7.88%</b>			
Emerging Markets Composite	\$ 1,531.9	-47.17	-8.64	5.62	7.86	7.87	1/01/92	6.47
Cap Guardian Emerging Growth	633.8	-44.33	-4.58	8.47	8.87	9.46	12/01/91	7.09
Templeton Emerging Market	433.4	-46.97	-12.14	2.70	5.96	3.63	10/01/93	4.60
Morgan Stanley Emerging Market	464.7	-50.76	-10.14	4.93	9.18	5.49	10/01/93	4.60

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

These figures may not agree the with audited statements because certain investments have been reclassified for investment management purposes.

# REAL ESTATE PORTFOLIO

As of March 31, 2009.

	Equity Amount	Percent	Mortgage Amount	Percent
<b>Property Diversification</b>				
Industrial/R&D	\$ 713,261,935	11.0%	\$ —	0.0%
Land For Development	—	0.0	—	0.0
Lodging	447,409,759	6.9	—	0.0
Office	1,906,354,627	29.4	310,508,205	40.9
Other	1,193,092,691	18.4	7,327,872	1.0
Residential	583,577,947	9.0	180,413,163	23.8
Retail	1,634,018,251	25.2	260,467,724	34.3
<b>Total</b>	<b>\$6,484,199,410</b>	<b>99.9%</b>	<b>\$758,716,964</b>	<b>100.0%</b>
<b>Regional Diversification</b>				
Northeast	\$ 1,582,144,656	24.4%	\$ 712,685,480	93.9%
Mideast	745,682,932	11.5	—	0.0
Southeast	246,399,578	3.8	980,137	0.1
Southwest	414,988,762	6.4	—	0.0
Midwest	278,820,575	4.3	667,382	0.1
Mountain	142,652,387	2.2	885,724	0.1
Pacific	1,595,113,055	24.6	43,498,240	5.7
Other	1,478,397,465	22.8	—	0.0
<b>Total</b>	<b>\$6,484,199,410</b>	<b>100.0%</b>	<b>\$758,716,964</b>	<b>100.0%</b>

These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.

	Number of Partnerships	Capital Committed (Millions)	Capital Contributed (Millions)	Cumulative Distributions (Millions)	Total Value (Millions)
Opportunistic Real Estate	78	\$11,853.4	\$7,212.2	\$2,957.4	\$3,523.4

These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.

# PRIVATE EQUITY INVESTMENTS SUMMARY

As of March 31, 2009.

	Number of Partnerships	Capital Committed	Capital Contributed	Net Asset Value	Cumulative Distributions	Total Value
Corporate Finance	77	\$ 12,257,474,294	\$ 9,246,199,021	\$ 4,384,999,557	\$ 8,250,850,139	\$ 12,635,849,696
International	42	4,809,852,500	3,361,966,361	1,722,892,217	2,992,423,676	4,715,315,893
Special Situations	57	7,369,781,802	5,692,922,642	2,686,367,262	5,086,591,373	7,772,958,635
Venture Capital	44	3,695,798,060	2,807,249,203	1,689,101,663	1,269,489,144	2,958,590,807
Other	N/A	N/A	80,333,745	80,333,745	N/A	80,333,745
<b>Total*</b>	<b>220</b>	<b>\$28,132,906,656</b>	<b>\$21,188,670,972</b>	<b>\$10,563,694,444</b>	<b>\$17,599,354,332</b>	<b>\$28,163,048,776</b>

\*The total figures include all private equity investments, as well as "other" investments in the New York Business Development Corporation.

# CORPORATE GOVERNANCE

As sole Trustee of the New York State Common Retirement Fund (the Fund), Comptroller DiNapoli has a fiduciary duty to protect the Fund's investments for the benefit of the members, beneficiaries and retirees of the New York State and Local Retirement System. Consistent with that fiduciary duty, and against the backdrop of the current economic crisis, Comptroller DiNapoli and his Bureau of Corporate Governance added a specific focus this past year to regulatory reform proposals that, if enacted, will have significant bearing on corporate governance practices.

In December, as the magnitude of the recession was realized, Comptroller DiNapoli joined with the Council of Institutional Investors (CII) and nearly 50 other pension fund signatories in urging Congressional leaders to consider several key corporate governance improvements for inclusion in financial markets regulatory reform legislation. In order to correct regulatory weaknesses uncovered by the global financial crisis and to restore trust in the markets, the letter requested: oversight by an independent and reliable regulator with a mandate of investor protection; robust, timely and meaningful disclosures by issuers of securities, and vigorous investor protection and enforcement of the rules. The letter also specifically enumerated several governance improvements for inclusion in regulatory reform legislation as follows:

- Majority vote for directors;
- Shareowner access to the proxy;
- Broker voting restrictions;
- Independent board chair;
- Independent compensation advisers;
- Advisory shareowner vote on executive pay;

- Stronger clawback provisions; and
- Severance pay limitations.

Supplementing collaborative efforts through the CII, Comptroller DiNapoli and representatives of several leading public pension funds that collectively invest nearly \$900 billion in global markets developed and advocated the adoption of five financial regulation principles. The key elements of the principles are:

- Greater disclosure and transparency;
- True regulatory independence, and reestablishment, of the Securities and Exchange Commission's (SEC) role as a voice and protector of investors;
- An increased and effective shareowner voice in the capital markets;
- Earlier identification by regulators of issues that give rise to overall market risk that threaten global markets; and
- The preservation of institutional investors' freedom to invest in the full range of investment opportunities.

Further, Comptroller DiNapoli joined this same group in registering strong support of the SEC by communicating with Representative Barney Frank, Chairman of the House Committee on Financial Services, Senator Christopher Dodd, Chairman of the Senate Banking Committee, Treasury Secretary Timothy Geithner, and others, noting that the SEC must have the independence, robust regulatory authority, staffing, and budgetary resources necessary to fulfill its mission of investor protection.

Comptroller DiNapoli also publicly supported Senator Charles Schumer's "Shareholders' Bill of

Rights” legislation. That bill, if enacted, will require public companies to adopt numerous corporate governance provisions aimed at empowering shareholders and reining in excessive risk-taking by corporate executives.

While much of its effort was spent to help create a better shareholder environment, the Bureau of Corporate Governance, under the direction of Comptroller DiNapoli, continued its tradition of using the tools that are currently available to seek to assure to the greatest extent possible that the companies in which the Fund is invested perform in a responsible, sustainable fashion, in order to enhance long-term shareholder value. In this regard, the Bureau of Corporate Governance has been participating in a collaborative initiative sponsored by the Global Investor Roundtable that seeks to ensure the best composition and governance of the boards of directors of our portfolio companies.

As part of this “Board Effectiveness” initiative we assisted in the development of a “Request for Director Candidate Information” (RDCI) pilot study. The RDCI will elicit information from companies’ nominating committees regarding the processes by which director candidates are selected, and from director candidates regarding their independence, effectiveness and opinions on corporate governance issues.

As more companies have moved toward majority voting for candidates, and as regulators are currently examining the issue of proxy access, investors have become more empowered in the election of directors. The RDCI seeks to gather information often not readily available through traditional sources so that proxy voting can be better informed. Along these same lines, the Comptroller shared the RDCI effort with the SEC and urged that, as that body considers the need for more robust disclosure by director candidates, it consider the RDCI as a template.

Throughout the fiscal year 2008-2009, the Bureau of Corporate Governance furthered its goals by developing and continuing many other projects and initiatives, including:

- Engaging targeted companies identified as posing risks to the Fund’s investments under the Sudan Risk Mitigation Strategy and the Iran Risk Mitigation Strategy created and implemented by Comptroller DiNapoli in 2007;
- Continuing the Fund’s active involvement in membership entities including the CII, the Coalition for Environmentally Responsible Economies (Ceres), and the Investor Network on Climate Risk;
- Studying and working on issues on three CII subcommittees focused on sustainability, the “ordinary business” exclusion, and diversity of corporate boards;
- Developing a Climate Risk Management Action Plan that will help to mitigate risk posed to Fund investments. This project’s focus has been investments in the coal industry and industries reliant on coal;
- Continuing to lobby Congress and the SEC on climate issues that create risk to our investments;
- Examining the issue of board diversity and supporting institutional investor board diversity efforts;
- Cofiling shareholder resolutions at three portfolio companies; and
- Voting by proxy the Fund’s shares for 2,257 companies.

# DOMESTIC EQUITY MANAGEMENT FEES

AllianceBernstein LP	\$ 1,216,942
Apex Capital Management, Inc.	186,656
Aronson + Johnson + Ortiz LP	674,202
Atlanta Life Investment Advisors, Inc.	112,480
Barclays Global Investors, NA	3,791,208
Bennett Lawrence Management LLC	657,219
Brandywine Asset Management LLC	816,622
Brown Capital Management, Inc.	2,042,294
Capital Guardian Trust Company	1,171,601
Cardinal Capital Management LLC	485,775
Channing Capital Management LLC	221,544
Chicago Equity Partners LLC	1,207,956
Credo Capital Management	117,824
Denali Advisors LLC	316,832
Earnest Partners LLC	829,839
Edgar Lomax Company	37,814
Fan Asset Management	385,020
FIS Group, Inc.	535,857
Franklin Portfolio Assoc. LLC	780,064
Globeflex Capital LP	498,409
Goldman Sachs Asset Management LP	426,698
GW Capital, Inc.	92,137
Holland Capital Management LP	288,006
Hoover Investment Management Co. LLC	897,925
Insight Capital Research & Management, Inc.	111,521
Jacobs Levy Equity Management	2,550,537

Lombardia Capital Partners LLC	364,599
Lynmar Capital Group, Inc.	100,122
Mastrapasqua Asset Management, Inc.	64,592
Moody Aldrich Partners LLC	37,522
New Amsterdam Partners LLC	530,880
OakBrook Investments LLC	115,081
Oppenheimer Capital LLC	1,330,869
Palisades Investment Partners LLC	157,638
Paradigm Asset Management Co. LLC	106,944
Piedmont Investment Advisors LLC	139,283
Profit Investment Management	194,939
Progress Investment Management	3,003,935
Quantitative Management Associates LLC	837,229
Rasara Strategies, Inc.	49,887
Rutland Dickson Asset Management, Inc.	16,204
SASCO Capital, Inc.	617,829
Shenandoah Asset Management LLC	345,629
Steinberg Asset Management LLC	139,219
Stux Capital Management	28,185
Systematic Financial Management LP	1,571,372
T. Rowe Price Associates	814,237
Value Line, Inc.	501,679
Vantage Consulting Group, Inc.	57,934
Wells Capital Management, Inc.	3,291,724
<b>Total</b>	<b>\$34,870,514</b>

# DOMESTIC EQUITY COMMISSIONS

For the Fiscal Year ending March 31, 2009.

Broker	Shares	Commission \$ US
Altrushare	331,000	\$ 13,240
Abel Noser Corp.	2,403,138	72,262
Access Securities, Inc.	1,468,255	35,112
ADP Clearing & Outsourcing	517,008	12,573
Alaris Trading Partners	110,300	1,379
Albert Fried & Company	18,787	701
Allen & Company LLC	4,400	176
Aqua Securities LP	41,720	834
Arcadia Investment Corp.	3,100	93
Avian Securities LLC	705,200	16,000
Avondale Partners LLC	514,115	18,394
Baird Robert W & Company, Inc.	5,324,796	197,366
Banc/America Securities LLC	14,341,292	683,225
Barclays Capital	5,729,790	201,115
Barrington Research Assoc.	167,400	8,154
Battenkill Capital, Inc.	347,610	15,642
Bay Crest Partners LLC	532,600	12,543
Baypoint Trading LLC	1,216,152	24,061
Bear Stearns & Company	2,765,266	72,527
Benchmark Company LLC	161,498	5,543
Blaylock & Partners	1,670,756	60,994
Bloomberg Tradebook LLC	11,750,410	195,754
BMO Capital Markets	1,918,161	64,158
BNP Paribas Securities	112,400	2,248
BNY Brokerage	13,062,421	386,879
BOE Securities, Inc.	298,342	10,554
Boenning & Scattergood, Inc.	765,880	8,571
Brean Murray Foster Securities	58,900	2,225
Broadcourt Capital	7,717,669	190,880
Broadpoint Capital	74,600	2,984
Brown Brothers Harriman & Company	110,360	3,360
Buckingham Research Group, Inc.	475,000	20,085
Burnham Securities, Inc.	1,000	30
C L King & Associates, Inc.	6,001,857	236,929
Cabrera Capital Markets, Inc.	1,307,948	50,750
Canaccord Adams, Inc.	1,178,463	39,400
Cantor Fitzgerald & Company	11,586,628	304,627
Capital Institutional Services, Inc.	2,836,380	118,348
Caris & Company	101,600	3,853

Broker	Shares	Commission \$ US
Castle Oak	387,500	15,550
Chapdelaine Institutional	784,800	23,544
Cheevers & Company	967,266	34,611
CIBC World Markets Corp.	18,000	622
Citation Group	5,899,280	142,181
Citigroup Global Markets	36,436,369	781,950
CJS Securities	47,600	2,131
Coker Palmer Phillips & Mullen, Inc.	167,362	6,694
Collins Stewart, Inc.	187,899	7,043
Cowen & Company LLC	3,705,476	136,935
Craig-Hallum	1,130,677	39,819
Credit Research & Trading	772,401	15,711
Credit Suisse Securities	59,444,502	1,314,637
Cuttone & Company	1,108,900	26,533
Dahlman Rose & Company	22,670	1,134
Davenport & Company of Virginia	144,915	6,422
Davidson, D A & Company, Inc.	489,834	20,603
Dematted Monness LLC	1,600	80
Deutsche Bank Alex Brown	134,000	6,469
Deutsche Bank Securities, Inc.	21,558,148	696,202
Direct Trading Institutional, Inc.	4,908,638	39,354
Divine Capital Markets LLC	791,942	24,535
Donaldson, Lufkin & Jenrette	356,880	11,557
Dougherty & Company LLC	72,200	2,990
Dowling & Partners	14,100	653
Dresdner Bank	37,600	1,316
Dundee Securities Corp.	200	10
Edgetrade, Inc.	145,400	1,091
Ewing Capital, Inc.	731,735	25,611
Exane, Inc.	2,700	81
Fidelity Capital Markets	2,702,043	49,633
First Albany Corp.	86,800	2,170
First Analysis Securities	618,500	24,722
First Clearing Corp.	325,415	14,301
Fortis International	74,600	1,119
Fox-Pitt Kelton, Inc.	295,700	10,887
Friedman Billings & Ramsey	4,604,708	159,039
Futuretrade Securities LLC	1,259,214	25,184
Gardner Rich & Company	160,734	4,561

Continued from previous page.

Broker	Shares	Commission \$ US
Garp Research & Securities Company	1,400	50
Goldman Sachs & Company	38,939,030	965,487
Goldman Sachs Execution & Clearing LP	17,161,625	216,689
Gordon, Haskett & Company	81,600	3,804
Greentree Brokerage Services, Inc.	32,767	1,311
Griswold Company	11,223,250	192,932
Guzman & Company	16,636,270	490,601
Heflin & Company LLC	3,098,909	70,620
Hibernia Southcoast Capital, Inc.	604,910	24,024
Howard Weil, Inc.	1,392,789	65,125
HSBC Securities, Inc.	800	32
ICAP Group	242,700	6,729
Imperial Capital LLC	21,900	767
Instinet	27,026,710	684,532
Invemed Associates, Inc.	12,800	600
Investment Technology Group	143,134,209	1,382,272
ISI Group, Inc.	2,781,525	113,522
Ivy Securities	36,100	1,444
Jackson Partners & Associates, Inc.	729,740	26,620
Jackson Securities	107,795	3,544
Janco Partners, Inc.	193,488	6,895
Janney Montgomery Scott, Inc.	139,738	4,520
Jefferies & Company	10,661,103	322,376
JMP Securities	925,900	32,704
JNK Securities, Inc.	227,100	4,492
Johnson Rice & Company	639,029	24,844
Jonestrading Institutional LLC	3,659,921	86,257
JP Morgan Securities, Inc.	32,517,844	848,880
Kaufman Brothers	3,000	90
KCCI Ltd.	17,400	174
Keefe Bruyette & Wood, Inc.	3,353,476	113,349
Kellogg Partners	692,630	28,062
Keybank Capital Markets	9,400	470
Knight Equity Markets LP	5,822,759	116,548
La Branche Financial Services LLC	1,499,536	34,374
Lazard Capital Markets LLC	288,357	10,041
Leerink Swann & Company	1,534,757	56,762
Lehman Brothers, Inc.	17,443,999	392,441
Lighthouse Financial Group LLC	40,400	2,020
Liquidnet, Inc.	58,180,574	1,181,257
Longbow Securities LLC	215,100	9,034
Loop Capital Markets LLC	7,625,278	217,930
Lynch Jones & Ryan, Inc.	56,573	2,380

Broker	Shares	Commission \$ US
M Ramsey King Securities, Inc.	1,811,467	53,086
Macquarie Securities (USA), Inc.	114,748	3,783
Magna Securities Corp.	7,795,695	231,599
Maxim Group	97,400	3,896
McDonald & Company Securities, Inc.	1,100,272	41,000
Merlin Securities LLC	389,372	12,817
Merrill Lynch Pierce Fenner & Smith, Inc.	62,416,131	1,229,053
Merriman Curhan Ford & Company	803,250	24,962
Midwest Research Securities	804,176	32,947
Miller Tabak & Company LLC	388,803	3,888
Mischler Financial Group, Inc.	17,243	624
Mogavero Lee & Company, Inc.	599,500	18,147
Monness, Crespi, Hardt & Company, Inc.	1,900	76
Montecito Advisors	2,232	89
Montrose Securities Equities	34,300	883
Morgan Keegan & Company, Inc.	3,772,294	175,883
Morgan Stanley & Company, Inc.	17,382,654	408,606
MR Beal & Company	5,581,007	220,564
Multitrade Securities LLC	785,976	29,434
Muriel Siebert & Company, Inc.	3,212,540	94,047
Natexis Bleichroeder, Inc.	244,896	10,165
National Financial Services Corp.	2,481,878	50,776
NBCN Clearing, Inc.	7,100	232
Needham & Company	2,672,784	96,409
Next Generation Equity Research	80,185	3,207
Nollenberger Capital Partners, Inc.	79,300	3,854
Northeast Securities, Inc.	328,296	5,769
Nutmeg Securities	416,227	19,581
Nyfix Transaction Service	575,758	9,308
Offutt Securities, Inc.	2,600	78
O'Neil, William & Company, Inc.	1,223,560	47,378
Oppenheimer & Company, Inc.	3,607,762	117,115
Pacific American Securities LLC	5,259,678	157,763
Pacific Crest Securities	786,829	30,708
Pacific Growth Equities LLC	195,800	7,402
Pali Capital, Inc.	107,100	1,858
PCS Dunbar Securities	835,815	41,791
PCS Securities, Inc.	16,820	421
Penson Financial Services, Inc.	384,469	5,062
Percival Financial Partners Ltd.	1,001,089	41,176
Pershing LLC	300,915	11,646
Pickering Energy Partners, Inc.	118,100	5,696
Pipeline Trading Systems LLC	2,318,921	37,045



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Broker	Shares	Commission \$ US
Piper Jaffray	3,716,903	135,762
Polcari/Wecker Division of ICAP	827,500	28,590
Prime Executions, Inc.	51,800	1,916
Pritchard Capital Partner	118,400	4,736
Pulse Trading LLC	2,132,002	71,482
Punk Ziegel & Knoell	11,100	444
Rafferty Capital Markets LLC	49,500	495
Raymond James & Associates, Inc.	2,850,855	104,932
RBC Capital Markets	4,847,405	165,507
Reynders, Gray & Company, Inc.	177,000	8,277
Robbins & Henderson LLC	8,600	210
Rochdale Securities Corp.	1,942,400	54,963
Rosenblatt Securities LLC	348,900	6,932
Roth Capital Partners, Inc.	377,100	14,658
Samuel A Ramirez & Company, Inc.	7,711,528	193,700
Sanders Morris Harris	271,000	12,370
Sandgrain Securities, Inc.	1,303	65
Sandler O'Neill & Partners LP	2,186,396	83,301
Sanford C Bernstein & Company LLC	8,898,829	221,501
Scott & Stringfellow, Inc.	1,685,630	71,581
Screaming Eagle Trading, Inc.	147,000	2,940
Seaport Securities Corp.	312,800	4,692
Security Capital Brokerage, Inc.	1,256	38
SG Americas Securities LLC	8,032,800	370,472
Sidoti & Company LLC	1,506,447	66,637
Simmons & Company International	177,200	7,668
SMH Capital, Inc.	26,000	520
Smith Barney, Harris Upham & Company	3,730	187

Broker	Shares	Commission \$ US
Soleil Securities Corp.	65,139	2,590
Sprott Securities Ltd.	29,600	888
Standford Group Company	378,100	14,708
State Street Global Markets LLC	377,627	11,015
Stephens, Inc.	697,701	28,308
Sterne Agee & Leach, Inc.	102,700	4,108
Stifel Nicolaus & Company, Inc.	4,111,349	150,592
Studness Research	163,900	4,917
Summer Street Research Partners	3,200	96
Suntrust Capital Markets, Inc.	2,471,537	96,115
Thinquequity Partners LLC	1,085,962	39,520
Thomas Weisel Partners LLC	3,247,299	118,317
Toussant Capital Partners LLC	311,700	3,471
Tristone Capital USA, Inc.	94,400	4,720
UBS Securities LLC	22,693,678	554,474
UNX, Inc.	219,700	2,562
Utendahl Capital Partners LP	8,754,683	277,843
Vandham Securities Corp.	450,321	5,741
Veritas Securities	1,742,200	52,266
Wachovia Capital Markets LLC	2,411,009	82,155
Wedbush Morgan Securities, Inc.	640,050	24,920
Weeden & Company	20,689,957	447,516
Wells Fargo & Company	52,394	1,885
Westminster Research Assoc.	1,705,535	37,964
William Blair & Company	3,662,761	146,949
Williams Capital Group LP	16,595,634	472,513
ZIV Investment Company	70,450	3,170
<b>Total</b>	<b>928,751,513</b>	<b>\$22,031,577</b>

# INTERNATIONAL EQUITY MANAGEMENT FEES

Acadian Asset Management, Inc.	\$ 3,415,330
AllianceBernstein LP	2,543,246
Baillie Gifford Overseas Ltd.	3,023,935
Bank of Ireland Asset Management	1,266,313
Barclays Global Investors, NA	3,237,236
Baring Asset Management	3,038,528
Brandes Investment Partners LP	2,835,307
Brandywine Asset Management LLC	2,187,100
Cap Guardian Emerging Markets	5,044,233
Capital Guardian Trust Company	8,373,504
Goldman Sachs Asset Management LP	2,547,283
Mondrian Investment Partners, Inc.	2,925,562
Morgan Stanley Emerging Markets	6,333,188
Morgan Stanley Investment Management, Inc.	5,145,286
Templeton Emerging Markets	7,240,522
Templeton Investment Counsel LLC	3,283,047
The Boston Company LLC	1,479,726
<b>Total</b>	<b>\$63,919,346</b>

# INTERNATIONAL EQUITY COMMISSIONS

Broker	Shares	Commission \$ US
ABG Securities	18,521,127	\$ 56,673
ABN Amro, Inc.	47,571,412	194,650
Arnhold & S. Bleichroeder, Inc.	1,100	154
Baird, Robert W & Company, Inc.	73,100	2,924
Banc/America Securities LLC	396,885	8,681
Banco Santander	118,080	3,392
Bank Am Bellevue	752,727	28,330
Bank Vontobel	4,731	123
Barclays Capital	48,647,982	302,672
Bloomberg Tradebook LLC	23,265,945	164,189
BMO Capital Markets	2,582,000	101,325
BNP Securities	331,200	6,704
BNY ESI & Company, Inc.	159,300	4,531
Brockhouse & Cooper, Inc.	4,240,680	33,385
BT Brokerage Corp.	6,875	172
C I Nordic Securities AB	1,702,600	12,117
Calyon Financial Securities	5,747,057	72,814
Canaccord Adams, Inc.	46,100	1,745
Cantor Fitzgerald & Company	26,468,182	36,977
Capital Institutional Services, Inc.	819,000	21,265
Carnegie Fondkommission	416,824	9,970
Cazenove & Company	2,909,958	47,039
Cheuvreux	1,652,134	82,114
China International Corp.	12,600	712
CIBC World Markets Corp.	1,151,286	39,719
Citibank	434,871	16,641
Citigroup Global Markets	124,272,703	836,175
Clear View Trading	965,065	12,285
Collins Stewart, Inc.	56,882	28,797
Cowen & Company LLC	133,005	3,325
Credit Agricole Indosuez	2,014,425	93,181
Credit Lyonnais Securities	17,401,511	109,974
Credit Research & Trading	226,020	7,849
Credit Suisse Securities	219,359,430	1,346,944
Daewoo Securities	34	60
Daiwa Securities America	8,604,549	147,737
Danske Securities	313,000	9,727
Davy Stockbrokers	1,322,603	31,787
Delaware International Advisors	116,469	0
Deutsche Bank Securities, Inc.	102,899,439	639,703

Broker	Shares	Commission \$ US
Donaldson Lufkin & Jenrette	25,840	1,034
Dresdner Bank	1,252,717	14,966
Dresdner Kleinworth Wasserstein	30,201,646	178,720
Dundee Securities Corp.	79,400	3,518
Eastshore Partners	37,600	1,128
Eden Group	1,340,331	2,863
Enskilda	1,035,982	18,318
Exane, Paris	3,692,471	126,021
Execution Ltd.	6,235,295	63,212
Fortis International	104,791	11,212
Fox-Pitt Kelton, Inc.	4,256,166	61,911
G-Trade Services Hamilton	24,718,649	84,695
Genuity Capital Markets	92,600	3,636
Global Execution Techno	52,900	503
Global Securities, Inc.	12,100	188
Goldman Sachs & Company	108,763,510	857,314
Goodbody Stockbrokers	1,754,115	37,233
Handelsbanken	653,777	25,954
Haywood Securities, Inc.	48,900	2,216
Helvea S.A.	157,244	32,377
HSBC Securities, Inc.	18,895,893	209,907
ICAP Corporates LLC	5,118,188	103,701
Imperial Capital LLC	355,530	3,445
ING Barings LLC	593,824	11,172
Instinet	77,417,635	161,114
Investment Technology Group	51,276,264	205,093
Ivy Securities	118,095	14,775
J & E Davy	1,301,877	14,145
J B Were & Son, Inc.	56,664	315
Jefferies & Company	1,568,985	27,660
Jonestrading Institutional LLC	9,200	417
JP Morgan Securities, Inc.	52,868,789	582,923
KBC Financial Products	1,453,521	25,694
Keefe Bruyette & Wood, Inc.	570,300	5,771
Keybank Capital Markets	211,239	7,306
Kim Eng Securities	1,887,500	3,549
Knight Equity Markets LP	951,114	15,792
Ladenburg Thalmann & Company, Inc.	43,300	1,299
Landsbanki Kepler	530,451	29,816
Leerink Swann & Company	44,400	888

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Broker	Shares	Commission \$ US
Lehman Brothers, Inc.	32,231,147	276,034
Liberum Capital Ltd.	831,347	4,665
Liquidnet, Inc.	13,266,662	114,843
M Ramsey King Securities, Inc.	16,800	504
Macquarie Equities Ltd.	28,663,260	223,418
Magna Securities Corp.	535,340	994
Mainfirst Bank AG	177,773	8,727
Man Financial, Inc.	2,839,190	36,667
Merrill Lynch Pierce Fenner & Smith, Inc.	225,280,485	1,107,442
Mint-London	603,992	10,591
Mirabaud Securities	952,601	18,398
Mitsubishi Finance International	8,388,451	90,552
Mizuho Securities	1,849,473	51,799
Mogavero Lee & Company, Inc.	56,800	1,136
Morgan Stanley & Company, Inc.	100,232,770	788,331
MR Beal & Company	94,100	3,764
Natexis Bleichroeder	22,690	2,083
National Financial Services Corp.	636,400	27,200
NCB Stockbroker	416,744	12,826
Nikko Citigroup Ltd.	1,683,800	35,646
Nomura Securities International	61,248,782	378,701
Numis Securities Ltd.	671,800	7,289
NZB Neve Zurcher Bank	9,815	720
Oddo Securities	187,920	10,199
Oriel Securities	6,592	245
Peregrine Ventures	175,000	695
Pershing LLC	60,595	95
Peters & Company, Ltd.	99,300	3,897

Broker	Shares	Commission \$ US
Pipeline Trading Systems LLC	1,000	20
Portales Partners LLC	306,500	6,747
Portware	12,679,794	60,260
Princeton Securities	30,460	609
Raymond James & Associates, Inc.	87,500	2,625
RBC Capital Markets	1,302,942	48,424
Redburn Partners LLP	2,296,272	81,527
Royal Bank of Scotland	1,355,180	18,482
Sanford C Bernstein & Company LLC	12,340,758	210,447
Santander Investment Securities	546,002	7,064
Scotia Capital, Inc.	768,300	29,845
SG Cowen Securities Corp.	1,246,273	69,793
Societe Generale Securities Corp.	90,080,965	449,129
Speirs & Jeffrey Stockbrokers	88,146	1,213
State Street Global Markets LLC	8,511,166	1,098
Sterne Agee & Leach, Inc.	145,710	4,371
Susquehanna Partners	17,560	176
Svenska International Equities	100	1,479
Thomas Weisel Partners LLC	6,300	277
Toronto Dominion	1,664,512	64,540
Tudor Pickering	57,600	1,728
UBS Securities LLC	173,893,301	1,106,551
UOB Kay Hian	3,435,000	6,674
Wachovia Securities	481,620	0
Weeden & Company	458,264	711
William Blair & Company	4,600	184
<b>Total</b>	<b>1,858,553,149</b>	<b>\$12,859,796</b>

# DOMESTIC BOND TRANSACTIONS

Fiscal Year to Date as of March 31, 2009.  
Summarized by Broker or Direct Issuer.

Long-Term Broker	Par \$ US
Banc/America Securities	\$ 254,919,000
Citigroup Global Markets	348,917,000
Credit Suisse Securities	87,833,000
Deutsche Bank Securities, Inc.	247,500,000
Development Corp. for Israel	15,000,000
Federal National Mortgage Association	762,359,785
Goldman Sachs & Company	332,502,000
Guzman & Company	15,000,000
JP Morgan Securities, Inc.	251,099,000
Lehman Brothers, Inc.	72,818,000
Morgan Stanley & Company, Inc.	341,654,000
SBK-Brooks Investment Corp.	507,755,000
UBS Financial Services, Inc.	5,333,000
Utendahl Capital Partners LP	177,392,125
Wachovia Capital Markets LLC	172,035,000
Williams Capital Group LP	197,403,000
<b>Total</b>	<b>\$3,789,519,910</b>

Short-Term Broker	Par \$ US
American Express Credit	\$ 654,094,000
Banc/America Securities	1,794,442,000
Blaylock & Partners	50,000,000
BNP Paribas Securities Corp.	7,531,805,000
Chevron	1,325,000,000
Citigroup Global Markets	2,916,286,000
Credit Suisse Securities	2,687,187,000
Deutsche Bank Securities, Inc.	3,037,691,000
General Electric Capital Corp.	6,064,511,000
General Motors Acceptance	643,673,000
Goldman Sachs & Company	4,915,248,000
Greenwich Capital	427,520,000
HSBC Securities, Inc.	1,699,988,000
JP Morgan Securities, Inc.	50,000,000
Lehman Brothers, Inc.	1,176,574,000
Merrill Lynch Pierce Fenner & Smith, Inc.	134,192,000
Morgan Stanley & Company, Inc.	100,000,000
Prudential Funding	744,069,000
Toronto Dominion	2,196,598,000
Toyota Motor Credit	5,509,567,000
UBS Securities	3,417,794,000
Utendahl Capital Partners LP	9,809,659,000
Wells Fargo & Company	2,022,978,000
Williams Capital Group LP	16,838,254,000
<b>Total</b>	<b>\$75,747,130,000</b>

# REAL ESTATE MANAGEMENT FEES (EXPENSED)

Apollo Management LP	\$ 2,573,161
Blackstone Group	15,333,986
Canyon-Johnson Urban Fund LP	145,674
Carlyle Group	5,565,102
Cayuga Lake Fund LP	3,750,000
CGI Co-Invest.D1 LP	447,399
CIM Fund III LP	2,812,500
Colony Capital Asia Limited	542,816
Colony Investors LP	3,149,447
Cypress Grove International.D LP	1,399,963
Genesis Workforce Housing Fund II LLC	462,500
Heitman Capital Management LLC	8,231,868
ING Clarion	2,324,997
JP Morgan Investment Management, Inc.	3,956,215
Lake Hempstead Fund LP	500,000
Lake Success Fund LP	750,000
Metropolitan Workforce Housing Fund LLC	1,387,500
Morgan Stanley Group	4,844,405
Olympus Real Estate Fund III LP	261,462
Redwood Grove International LP	2,250,005
Rockpoint Real Estate Funds	3,694,704
RREEF America LLC	632,038
Seneca Lake Fund LP	1,250,000
Stockbridge Real Estate Funds	3,627,582
UHY Advisors NY, Inc.	2,000
Westbrook Realty Management	2,714,558
<b>Total</b>	<b>\$72,609,882</b>

## REAL ESTATE MANAGEMENT FEES (CAPITALIZED)

ACA Advisors (Aetos)	\$ 1,506,849
Apollo Management LP	562,553
BCP Strategic Partners (Beacon)	2,275,788
Carlyle Group	887,860
CB Richard Ellis Investors S.A.R.L.	1,491,737
Cherokee Advisers LLC	2,460,935
City Investment Fund Associates	1,427,339
Colony Capital LP	107,667
Heitman Capital Management LLC	80,100
ING Clarion	2,894,990
JP Morgan Investment Management, Inc.	1,024,961
Kimex	92,655
Landmark Partners	38,687
Lazard Freres Real Estate Investors LLC (LF Strategic)	528,960
LSP (Lone Star)	2,587,814
Noble Investment Management LLC	598,564
Praedium	2,717,324
Redwood Grove International Management LLC	75,742
RREEF	1,870,959
Warburg Pincus LLC	999,600
<b>Total</b>	<b>\$24,231,084</b>

# PRIVATE EQUITY MANAGEMENT FEES (EXPENSED)

ABV LLC (Ascent)	\$ 585,231
Access US General Partner LP	3,336,446
ACOF Operating Manager (Ares)	2,370,253
Aisling Capital LLC (+ Perseus-Soros)	1,037,828
Apax Partners (Europe, US + SKM)	3,080,294
Apollo Management LP	3,647,642
Ascend Ventures Management LLC	737,500
Asia Alternatives Management LLC	682,132
Banc of America Capital Access Funds Management (Pioneer Partnership)	272,329
Blackstone Group	5,336,284
Brait Capital Partners Ltd. (S. Africa)	775,233
Brazos	14,564
Bridgepoint Capital Ltd.	3,497,318
Carlyle Group	6,446,080
Cerberus Capital Management II LP	735,075
Charterhouse Capital Partners	1,808,901
Cinven Fund	238,142
Clessidra	1,153,156
CVC Capital Partners	5,491,390
Cypress Group	820,313
DeltaPoint Capital	182,876
DLJMB Fund, Inc.	1,050,000
EQT Partners	2,218,861
Ethos	405,503
Fairview Capital Partners	1,314,845
Freeman, Spogli & Co. (FS Equity)	372,916
GenNx360 Captial Partners	3,065,753
GKM Newport	2,500,000
Goldberg Lindsay & Co. LLC	4,155,088
Goldman Sachs & Co.	236,412
Green	1,273,516
Greenhill Venture Partners (GSAV)	485,855
Hamilton Lane Advisors LLC (+ Hudson River)	5,916,826
Hellman & Friedman Investors, Inc.	609,420
Heritage Partners	38,857
High Peaks Venture Partners	610,227

HM Capital Partners I LP (Sector)	1,139,429
InterMedia Advisors	1,137,500
Irving Place Capital	1,750,000
JP Morgan	4,451,601
JP Morgan Partners LLC (+ Chase)	526,417
JLL Partners, Inc.	42,507
Kelso Investment Associates	4,687,500
Kohlberg, Kravis, Roberts & Co.	8,721,279
Levine Leichtman Capital Partners	1,154,713
Lion Capital Partners	3,714,697
Madison Dearborn Partners, Inc.	1,307,666
Markstone Investment Management	3,750,000
Milestone Managers LLC	375,000
Mohawk River	3,975,000
New Mountain Capital LLC	4,681,787
Olympus Advisory Partners, Inc.	2,922
Pacific Corporate Group LLC	212,744
Paladin Capital Management	362,867
Palladium Equity Partners	1,400,000
PCA Advisors LLP (Pioneer Opportunities)	1,419,956
Performance Equity Management	1,122,742
Providence Equity Partners	2,279,222
Quadrangle	2,373,165
Renaissance Private Equity Partners (aka Erasmus) (Aldus)	1,936,855
Stonington Partners, Inc.	30,649
Strategic Co-Investment Partners Management LLC	2,282,819
Summer Street Capital Fund NYS Advisors	562,500
Thomas H. Lee Company	203,056
TLP Management	450,386
TPG Partners (T3)	4,803,154
Vestar Associates	498,626
Vista Equity Partners	1,071,669
Wheatley NY Partners LLC	386,605
WJM Partners IV LLC (Syndicated Communications)	54,909
<b>Total</b>	<b>\$129,373,006</b>



# PRIVATE EQUITY MANAGEMENT FEES (CAPITALIZED)

ABV LLC (Ascent)	\$ 236,440
Access US General Partner LP	221,929
Apax Partners (Europe, US + SKM)	1,230,274
Apollo Management LP	733,868
Ascend Ventures Management LLC	54,932
Avenue Capital Management	3,495,508
Beacon Partners, Inc.	52,970
Blackstone Group	201,976
Blum Strategic Advisors	1,694,305
Boston Ventures Management, Inc.	166,023
Brait Capital Partners Ltd. (S. Africa)	124,056
Cornerstone Capital/Rosemount Capital (NCH)	1,883,991
DeltaPoint Capital	250,000
DLJ Capital Corporation (Sprout)	17,601
EHNY (Easton Hunt)	749,995
Ethos	154,130
Fairview Capital Partners	231,850
Founders NY	200,788
GE Investment Management, Inc. (New York State Co-Investment Fund)	11,230
Goldman Sachs & Co.	48,049
Green	267,144
Greenhill Venture Partners (GSAV)	139,145
HarbourVest Partners LLC (+ Mohawk)	6,818,081

Hellman & Friedman Investors, Inc.	13,471
HM Capital Partners I LP (Sector)	38,405
Horsley Bridge Partners	427,902
JP Morgan	1,852,536
JP Morgan Partners LLC (+ Chase)	403,688
Kohlberg, Kravis, Roberts & Co.	39,760
Lexington Capital Partners	24,985
MeriTech Capital Partners	187,633
Oaktree Capital Management	2,272,916
Paladin Capital Management	104,985
Performance Equity Management	187,319
SB Asia (SAIF)	869,207
SOFTBANK	545,239
Summer Street Capital Fund NYS Advisors	14,474
TA Associates	3,017,013
TLP Management	156,250
TPG Partners (T3)	1,620,465
Venture Capital Fund of America	1,067,500
Vestar Associates	4,154
Vista Equity Partners	46,757
Warburg Pincus LLC	13,166,992
Welsh, Carson, Anderson & Stowe Management Corp.	392,173
Wheatley NY Partners LLC	19,645
<b>Total</b>	<b>\$ 45,457,754</b>

# ABSOLUTE RETURN STRATEGY MANAGEMENT FEES

Alson Signature Fund Offshore Ltd.	\$ 151,341
Apollo Value Investment Offshore Fund Ltd.	114,343
Avenue Europe International Ltd.	251,300
Blue Trend Fund Limited	1,465,636
Brevan Howard Master Fund Ltd.	349,065
Canyon Balance Equity Fund Ltd.	283,998
Canyon Value Realization Fund Ltd.	891,718
Caspian Select Credit International Ltd.	1,855,569
Caxton Alpha Equity (BVI) Ltd.	48,651
Clinton Quantitative Equity Strategies Fund Ltd.	274,847
Coast Pacific Fund LP	1,433,558
Contrarian Fund I Offshore Ltd.	162,972
D.E. Shaw Composite International Fund	2,341,308
D.E. Shaw Oculus International Fund LP	1,936,105
Davidson Kempner Healthcare LP	141,840
Drawbridge Special Opportunities Fund LP	368,877
Electron Global Utility Fund Ltd.	13,770
Entrust Capital Waters Fund Ltd.	75,481
Evolution M Fund LP	624,318
Finisterre Global Opportunity Fund	349,154
Force Capital II Ltd.	209,264
Galleon Offshore SPC Ltd.	478,328
GLG European Long-Short Fund	445,982
Golden Tree Offshore Fund II Ltd.	647,904
Gramercy Argentina Opportunity Fund Ltd.	199,415
Gramercy Emerging Markets Ltd.	405,614
Guggenheim Select State Fund LP	3,534,800
Harbinger Capital Partners Fund I LP	393,652
Harbinger Capital Partners Offshore Fund I LP	476,359
Intrepid Capital Fund (Offshore) Ltd.	269,297
Jana Partners Qualified LP	340,434
King Street Capital Ltd.	948,291

Lansdowne UK Equity Fund Ltd.	62,500
Marathon Structured Finance Fund LP	822,732
Mariner Latitude International Ltd.	2,628,256
Marshall Wace TOPS Fund Ltd.	1,265,943
Mezzacappa Maiden Lane Fund LP	2,788,162
North Sound Legacy International Ltd.	131,223
Olympia John Street Fund LP	2,106,647
Ore Hill International Fund II Ltd.	401,573
OZ Domestic Partners II	3,595,827
Paulson Advantage LP	2,051,389
Pequot Diversified	354,895
Permal East River Fund LP	334,897
Petra Offshore Fund Ltd.	449,750
Plainfield Direct, Inc.	40,561
Plainfield Special Situations Offshore Feeder Fund Ltd.	1,158,980
Platinum Grove Contingent Capital Offshore Fund Ltd.	273,771
Ramius Multi-Strategy Fund	2,654,550
Renaissance Institutional Equities Fund LLC	262,057
Renaissance Institutional Futures Fund International LP	99,738
Schultze Offshore Fund Ltd.	172,124
Scottwood Fund Ltd.	212,472
SCP Ocean Fund Ltd.	83,993
Sector Maritime Investments	446,459
Southpoint Offshore Fund Ltd.	468,927
Stark Investments LP	436,269
Stark Investments Structured Finance Onshore Fund	368,183
Viking Global Equities III Ltd.	410,459
Whitney Japan Strategic Fund Ltd.	39,396
York European Opportunities Unit Trust	574,486
York Investment Limited	79,225
<b>Total</b>	<b>\$46,258,632</b>

# CONSULTANT & ADVISOR FEES

Aksia LLC	\$ 2,003,123
Ark Asset Management Company, Inc.	708,333
Consulting Services Group LLC	79,084
Hamilton Lane Advisors LLC	400,000
JP Morgan Asset Management, Inc.	1,635,162
Pension Consulting Alliance, Inc.	56,667
Smith Graham & Co. Investment Advisors LP	35,417
Stockbridge Risk Management, Inc.	16,738
Strategic Investment Solutions, Inc.	250,000
The Townsend Group	561,001
Wilshire Associates, Inc.	85,279
<b>Total</b>	<b>\$5,830,803</b>

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# STATEMENT OF THE ACTUARY

New York State Office of the State Comptroller

**Thomas P. DiNapoli**



**New York State and Local Retirement System**

Employees' Retirement System

Police and Fire Retirement System

110 State Street, Albany, New York 12244-0001

June 2009

As the actuary for the Employees' Retirement System (ERS) and the Police and Fire Retirement System (PFRS), it is my duty to ensure that the New York State and Local Retirement System (the System) properly funds the retirement benefits of members, retirees and beneficiaries in order to ensure that adequate assets are being accumulated to pay benefits as they become due. The System has a funding objective of employer contributions that, over time, are a level percent of payroll.

We annually perform actuarial valuations which determine the annual contributions required of employers. A valuation relies on data for current active and retired members and beneficiaries as of a given date, called the valuation date. Some of the required data to perform a valuation for active members includes dates of birth, salary and credited service. For retired members and beneficiaries, dates of birth, monthly benefits and benefit options are some of the required data elements. In preparation for the valuation, we extensively validate the System's data by running reasonableness tests and account for every individual on a year-to-year basis. Also, we review the information contained in the financial statements.

For active members, the valuation projects expected benefits at retirement, death and withdrawal based on estimated pay and service, as well as the member's plan benefit formula. For retirees, the valuation determines the present value of payments expected to be made for the retiree's and beneficiary's lifetimes.

Since benefit security is the System's primary objective, all obligations, rates of interest and other factors must be determined on the basis of reasonable actuarial assumptions and methods. The types of assumptions that must be made include both demographic (rates of employee mortality, disability, turnover and retirement) and economic (interest rates, inflation and salary growth). Therefore, in their calculations, actuaries must make assumptions about these uncertainties.

The actuary performs annual experience studies, ascertaining how closely the System's experience is conforming to the assumptions used. If significant differences occur that the actuary believes may indicate permanent shifts, the actuary may recommend assumption changes to reduce the expected differences.

The System retains an external auditor to independently review its financial records every year. Furthermore, an Actuarial Advisory Committee meets annually to review the actuarial assumptions

and the results of the actuarial valuation. The System also engages the services of an outside actuarial consultant to perform a review every five years; similarly, every five years, the System is audited by the New York State Department of Insurance. Lastly, the Comptroller of the State of New York, in his role as sole trustee of the System, established an Office of Internal Audit to help fulfill his fiduciary objectives.

There were no significant benefit improvements enacted during fiscal year (FY) 2008 or FY 2009. The April 1, 2007 valuation for determining 2009 employer bills was performed under my direction and supervision, using the assumptions recommended by me and adopted by the Comptroller as of April 1, 2007.

The April 1, 2008 valuation is the latest actuarial valuation completed. Actuarial assumptions were modified by making a small change to the PFRS disability mortality (used for a few plans in ERS) and removing the 20 percent corridor used in the smoothing method for non-fixed assets.

While the April 1, 2009 valuation is not yet completed, the decline in the equity market resulted in a significant drop in actuarial assets for April 1, 2009; consequently, employer contributions for fiscal year 2011 will rise significantly.

Our assumptions and methods meet the GASB 25 standards and a summary is included later in this section. I am responsible for all of the valuation results and other actuarial calculations contained in this report. I prepared the Schedule of Funding Progress but, while I prepared the employer contribution rates that determined the 2009 employer billing, I did not prepare the Schedule of Employer Contributions.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial practices, which are consistent with the principles prescribed by the Actuarial Standards Board, as well as the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries, of which I am a member.



**Teri E. Landin**

M.A.A.A., A.S.A., E.A., M.S.P.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 actuarial assumptions for Fiscal Year Ended 2009 were adopted effective April 1, 2007. These assumptions and their predecessors are shown below. All assumptions presume ongoing Systems:

Fiscal Year Ended 3/31	Salary Scale*	Salary Scale*		Interest Rate	Multiple-Decrement Tables based on Systems'
		ERS	PFRS		
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
		ERS	PFRS		
1997-98	Inflation Productivity & Merit	4.75% <u>1.25%</u> 6.00%	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	Inflation Productivity & Merit	3.00% <u>2.40%</u> 5.40%	3.00% <u>3.90%</u> 6.90%	8.00%	4/1/95-3/31/00 experience
2006	Inflation Productivity & Merit	3.00% <u>2.40%</u> 5.40%	3.00% <u>3.90%</u> 6.90%	8.00%	4/1/95-3/31/00 experience with subsequent adjustments
2007-09	Inflation Productivity & Merit	3.00% <u>2.40%</u> 5.40%	3.00% <u>3.70%</u> 6.70%	8.00%	4/1/00-3/31/05 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, 2007 Valuation

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

### Service Retirement — ERS

	Age	Service (in years)		
		<20	20–20.99	>30
Tier 1	55	1,515	2,442	4,836
	60	1,298	1,917	2,732
	65	3,154	3,683	3,223
Tier 2–4	55	552	924	3,285
	60	662	1,250	2,690
	65	2,210	3,683	3,223

### Service Retirement — PFRS

Service	20-year	20-year with add'l 60ths	
	(both tiers)	Tier 1	Tier 2
20	2,320	739	739
25	931	551	551
30	839	1,703	1,703

### Service Retirees — Mortality

Age	Male Clerk	Female Clerk	PFRS
55	46	33	43
60	64	49	65
70	159	117	174
80	413	316	502

### Disability Retirees — Mortality

Age	Male	Female	PFRS
30	35	12	4
40	111	96	24
60	259	224	110
80	812	472	739

### Disability Retirement — Ordinary and Accidental

Age	ERS Ord	ERS Acc	PFRS Ord*	PFRS Acc
35	7	2	15	22
40	14	2	21	35
45	23	2	28	40
50	39	2	35	40

\*includes performance of duty.

### Ordinary Death

Age	ERS	PFRS
35	6	5
40	9	5
45	13	8
50	19	12

### Withdrawal — ERS

(Ten-year ultimate rates)

Age	ERS
35	273
40	222
45	182
50	137

### Withdrawal — PFRS

Service	PFRS
5	130
10	73
15	33

### Salary Scale — Annual Percent Increase

Age	ERS	PFRS
25	9.24	16.25
35	6.62	6.89
45	5.40	5.76
55	4.75	6.09

## 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 2009, the April 1, 2007 valuation reflects a market restart in 2004 and we are in the third year of the phase-in to a full five-year smoothing method.

The GLIP values investments at market value. For FY 2009, the April 1, 2007 valuation of the System and Insurance Plan, the difference between market and actuarial value of smoothed investments, was:

	Investments (millions)
Market Value	\$ 154,576
Actuarial Value	140,312
Difference	(\$ 14,264)

## 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, 2006 and April 1, 2007.

	2008		2009
	In Millions		
<b>ERS</b>			
<b>Actuarial Assets</b>			
<b>Actuarial Value of Present Assets:</b>			
Held for Current Pensioners & Beneficiaries	\$ 48,601		\$ 51,231
Held for Members	56,816		62,773
Members' Contributions	6,792		7,112
<b>Total</b>	<b>\$ 112,209</b>		<b>\$ 121,116</b>
<b>Actuarial Present Value of Prospective Contributions:</b>			
From Employers	\$ 16,192		\$ 15,079
From Members	892		949
<b>Total</b>	<b>\$ 17,084</b>		<b>\$ 16,028</b>
<b>Total Actuarial Assets</b>	<b>\$ 129,293</b>		<b>\$ 137,144</b>
<b>Actuarial Liabilities</b>			
<b>Actuarial Present Value of Benefits for Current Pensioners &amp; Beneficiaries:</b>			
Service Retirement Benefits	\$ 45,608		\$ 48,077
Disability Retirement Benefits	2,884		3,044
Death Benefits	109		109
<b>Total</b>	<b>\$ 48,601</b>		<b>\$ 51,230</b>
<b>Actuarial Present Value of Benefits for Members:</b>			
Service Retirement Benefits	\$ 77,352		\$ 82,358
Disability Retirement Benefits	1,620		1,721
Death Benefits	1,239		1,306
Other	481		529
<b>Total</b>	<b>\$ 80,692</b>		<b>\$ 85,914</b>
<b>Total Actuarial Liabilities</b>	<b>\$ 129,293</b>		<b>\$ 137,144</b>
<b>PFRS</b>			
<b>Actuarial Assets</b>			
<b>Actuarial Value of Present Assets:</b>			
Held for Current Pensioners & Beneficiaries	\$ 10,169		\$ 10,638
Held for Members	9,637		10,719
Members' Contributions	21		22
<b>Total</b>	<b>\$ 19,827</b>		<b>\$ 21,379</b>
<b>Actuarial Present Value of Prospective Contributions:</b>			
From Employers	\$ 4,563		\$ 4,575
From Members	0		0
<b>Total</b>	<b>\$ 4,563</b>		<b>\$ 4,575</b>
<b>Total Actuarial Assets</b>	<b>\$ 24,390</b>		<b>\$ 25,954</b>
<b>Actuarial Liabilities</b>			
<b>Actuarial Present Value of Benefits for Current Pensioners &amp; Beneficiaries:</b>			
Service Retirement Benefits	\$ 8,271		\$ 8,619
Disability Retirement Benefits	1,800		1,915
Death Benefits	98		103
<b>Total</b>	<b>\$ 10,169</b>		<b>\$ 10,637</b>
<b>Actuarial Present Value of Benefits for Members:</b>			
Service Retirement Benefits	\$ 12,586		\$ 13,651
Disability Retirement Benefits	1,278		1,298
Death Benefits	285		291
Other	72		77
<b>Total</b>	<b>\$ 14,221</b>		<b>\$ 15,317</b>
<b>Total Actuarial Liabilities</b>	<b>\$ 24,390</b>		<b>\$ 25,954</b>

## New York Public Employees' Group Life Insurance Plan

Actuarial Assets	2008	2009
	(In Millions)	
<b>Assets</b>		
Investments	\$114	\$102
<b>Liabilities</b>		
Managed Overdraft (cash)	4	4
Claims Being Processed	26	29
Claims Unreported	12	14
Reserve for Mortality Fluctuations	72	55
<b>Total Liabilities</b>	<b>\$114</b>	<b>\$102</b>

# LOCAL GOVERNMENT EMPLOYERS FINAL CONTRIBUTION RATES FOR SELECT PLANS

For the fiscal year ending March 31, 2009, assuming a February 1, 2009 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
<b>ERS</b>				
<b>Age based plans</b>				
Basic, Age 55, Age 60 Contributory	71-a	5.4	5.1	n/a
Tier 3	A14	n/a	n/a	7.9
Tier 4	A15	n/a	n/a	7.9
Non-contributory	75-c	9.7	8.8	n/a
Non-contributory w/ Guaranteed Benefits	75-e	9.7	8.8	n/a
Career	75-g	10.3	9.4	n/a
New Career	75-h/75-i	10.7	9.8	n/a
<b>25-year plans</b>				
Sheriffs and Deputies	89-a	12.5	12.1	n/a
Art 14B Sheriffs — 25-yr.	551	11.9	11.8	10.7
Art 14B Sheriffs — 25-yr. + 1/60th	551-e	12.5	12.4	11.3
full service for 1/60th	551-ee	12.9	12.8	11.7
County Law Enforcement	89-e, etc.	13.0	16.3	10.4
election on or after 4/1/98	89-p, etc.	13.0	12.8	9.9
<b>20-year plans</b>				
Sheriffs and Deputies	89-b	14.1	11.8	n/a
add'l 1/60th	89-b(m)	14.2	12.3	n/a
Art 14B Sheriffs — 20-yr.	552	14.2	14.1	13.0
Art 14B Sheriffs — 20-yr. + 1/60th	553	14.5	14.4	13.4
full service for 1/60th	553b	15.0	14.9	13.9
Detective Investigators	89-d	14.0	21.1	n/a
add'l 1/60th	89-d(m)	14.1	21.6	n/a
<b>PFRS</b>				
<b>Age based plans</b>				
Basic, Age 55, Age 60 Contributory	371-a	7.1	6.3	
Non-contributory	375-c	11.2	9.5	
Non-contributory w/ Guaranteed Benefits	375-e	11.2	9.5	
Career	375-g	12.3	10.4	
New Career	375-i	12.7	10.7	
Improved Career	375-j	12.7	10.7	
<b>25-year plans</b>				
Non-contributory	384	12.5	12.5	
add'l 1/60th	384(f)	12.9	12.7	
<b>20-year plans</b>				
Contributory				
employer assumes ½ of additional member cost	384-d	8.5	8.6	
employer assumes all of additional member cost	384-d	12.2	12.2	
Non-contributory	384-d	14.9	14.5	
add'l 1/60th	384-e			
1990 elections		20.5	15.9	
1991 elections		20.5	15.9	
1992 elections		20.5	15.9	
1993 elections		20.5	15.9	
1994 elections		20.5	15.9	
1995 elections		20.5	15.9	
1996 elections		20.5	15.9	
1997 elections		20.5	15.9	
1998 elections		20.5	15.9	
all other years		15.1	15.0	



# 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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>ERS</b>										
Non-contributory (75-c)										
Tier 1	0.1	0.2	0.7	1.2	4.9	15.8	13.7	12.0	10.9	9.7
Tier 2	0.1	0.2	0.7	1.1	4.9	13.2	11.7	10.9	9.9	8.8
Guaranteed Benefit (75-e)										
Tier 1	0.1	0.2	0.7	1.2	4.9	15.8	13.7	12.0	10.9	9.7
Tier 2	0.1	0.2	0.7	1.1	4.9	13.2	11.7	10.9	9.9	8.8
Career (75-g)										
Tier 1	0.1	0.2	0.7	1.3	4.9	16.6	14.4	12.7	11.5	10.3
Tier 2	0.1	0.2	0.7	1.2	4.9	14.1	12.5	11.6	10.5	9.4
New Career (75-i)										
Tier 1	0.1	0.2	0.7	1.3	4.9	17.2	15.0	13.2	12.0	10.7
Tier 2	0.1	0.2	0.7	1.2	4.9	14.7	13.0	12.1	11.0	9.8
Article 14/15 Tier 3	0.1	0.2	0.7	1.2	4.9	11.4	10.2	9.7	8.8	7.9
Article 15 Tier 4	0.1	0.2	0.7	1.2	4.9	11.4	10.2	9.7	8.8	7.9
<b>PFRS</b>										
Non-contributory (375-c)										
Tier 1	0.1	0	0	0.1	4.6	12.7	11.6	12.2	11.9	11.2
Tier 2	0.1	0	0	0.1	4.6	10.5	9.3	10.1	9.7	9.5
Guaranteed Benefit (375-e)										
Tier 1	0.1	0	0	0.1	4.6	12.7	11.6	12.2	11.9	11.2
Tier 2	0.1	0	0	0.1	4.6	10.5	9.3	10.1	9.7	9.5
Career (375-g)										
Tier 1	0.1	0	0	0.1	4.6	13.8	12.6	13.4	13.0	12.3
Tier 2	0.1	0	0	0.1	4.6	11.4	10.2	11.1	10.7	10.4
New Career (375-i)										
Tier 1	0.1	0	0	0.1	4.6	14.3	13.0	13.8	13.5	12.7
Tier 2	0.1	0	0	0.1	4.6	11.7	10.4	11.3	10.9	10.7
25-Year (384)										
Tier 1	0.1	0	0	0.1	4.6	14.1	12.8	13.5	13.3	12.5
Tier 2	0.1	0	0	0.1	4.6	13.3	12.1	13.4	13.2	12.5
25-Year + 1/60ths (384(f))										
Tier 1	0.1	0	0	0.1	4.6	14.4	13.1	14.0	13.8	12.9
Tier 2	0.1	0	0	0.1	4.6	14.1	12.8	13.6	13.3	12.7
20-Year (384-d)										
Tier 1	0.1	0	0	0.1	4.6	16.0	14.8	15.7	15.5	14.9
Tier 2	0.1	0	0	0.1	4.6	15.2	14.2	15.0	14.7	14.5
20-Year + 1/60ths (384-e)										
Tier 1										
1990 elections	5.5	5.4	5.5	5.5	10.0	22.1	20.8	21.5	21.3	20.5
1991 elections	8.3	8.2	8.3	8.3	12.8	24.9	23.7	24.4	24.2	20.5
1992 elections	9.4	9.3	9.4	9.4	13.9	26.0	24.8	25.5	25.3	20.5
1993 elections	12.0	11.9	12.0	12.0	16.5	28.6	27.4	28.1	27.9	20.5
1994 elections	9.0	8.9	9.0	9.0	13.5	25.6	24.4	25.1	24.9	20.5
1995 elections	12.8	12.7	12.8	12.8	17.3	29.4	28.2	28.9	28.7	20.5
1996 elections	14.2	14.1	14.2	14.2	18.7	30.8	29.6	30.3	30.1	20.5
1997 elections	12.2	12.1	12.2	12.2	16.7	28.8	27.6	28.3	28.1	20.5
1998 elections	13.7	13.6	13.7	13.7	18.2	30.3	29.1	29.8	29.6	20.5
all other years	0.1	0	0	0.1	4.6	16.7	15.4	16.1	15.9	15.1
Tier 2										
1990-1993 elections	1.7	1.5	1.5	1.4	5.9	17.5	16.3	17.1	16.6	15.9
1994 elections	3.5	3.2	3.1	2.9	7.4	18.7	17.3	17.9	17.4	15.9
1995 elections	3.3	3.1	3.1	2.9	7.4	19.0	17.7	18.5	17.8	15.9
1996 elections	2.3	2.1	2.2	2.0	6.5	18.2	16.8	17.5	16.9	15.9
1997 elections	2.6	2.4	2.3	2.0	6.5	18.0	16.6	17.4	16.8	15.9
1998 elections	2.5	2.4	2.5	2.3	6.8	18.1	16.8	17.5	16.8	15.9
all other years	0.1	0	0	0.1	4.6	16.3	15.1	16.0	15.7	15.0

# 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 year's bills. In addition, in 2005, 2006 and 2007, 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 2008 and 2009 (In Millions)

	2009 Contribution				2008 Contribution		
	Salary	Contribution	Avg. Rate		Salary	Contribution	Avg. Rate
<b>ERS</b>							
Tier 1	\$ 872	\$ 95	10.8%		\$ 988	\$ 120	12.2%
Tier 2	904	91	10.0		966	109	11.2
Tier 3 & 4	22,323	1,850	8.3		20,825	1,924	9.2
Deficiency		2				2	
Incentive		0				27	
<b>Total</b>	<b>\$24,099</b>	<b>\$2,038</b>	<b>8.5%</b>		<b>\$22,779</b>	<b>\$2,182</b>	<b>9.6%</b>
<b>PFRS</b>							
Tier 1	\$ 59	\$ 13	22.3%		\$ 78	\$ 20	26.2%
Tier 2	2,911	456	15.7		2,848	466	16.4
<b>Total</b>	<b>\$ 2,970</b>	<b>\$ 469</b>	<b>15.8%</b>		<b>\$ 2,926</b>	<b>\$ 486</b>	<b>16.6%</b>

\*Numbers may not add up due to rounding.

## Final Employer Contributions by Employer Type Attributable to fiscal year 2009 costs only (In Millions)

Employer	Normal	Deficiency	Administrative	GLIP	Total
<b>ERS</b>					
State	\$ 799		\$ 40	\$ 28	\$ 867
Counties	354		18	12	383
Cities	50		3	2	55
Towns	109	\$ 1	6	4	120
Villages	33	*	2	1	36
Misc.	288	1	16	12	316
Schools	238	*	13	10	260
<b>Total</b>	<b>\$1,871</b>	<b>\$2</b>	<b>\$96</b>	<b>\$68</b>	<b>\$2,038</b>
<b>PFRS</b>					
State	\$ 81		\$ 2	\$ 0	\$ 82
Counties	112		2	0	114
Cities	136		3	0	139
Towns	49		1	0	50
Villages	39		1	0	40
Misc.	43		1	0	44
<b>Total</b>	<b>\$ 460</b>		<b>\$ 9</b>	<b>\$ 0</b>	<b>\$ 469</b>

\*Less than \$500,000

## Employer Contributions by Tier\* (In Millions)

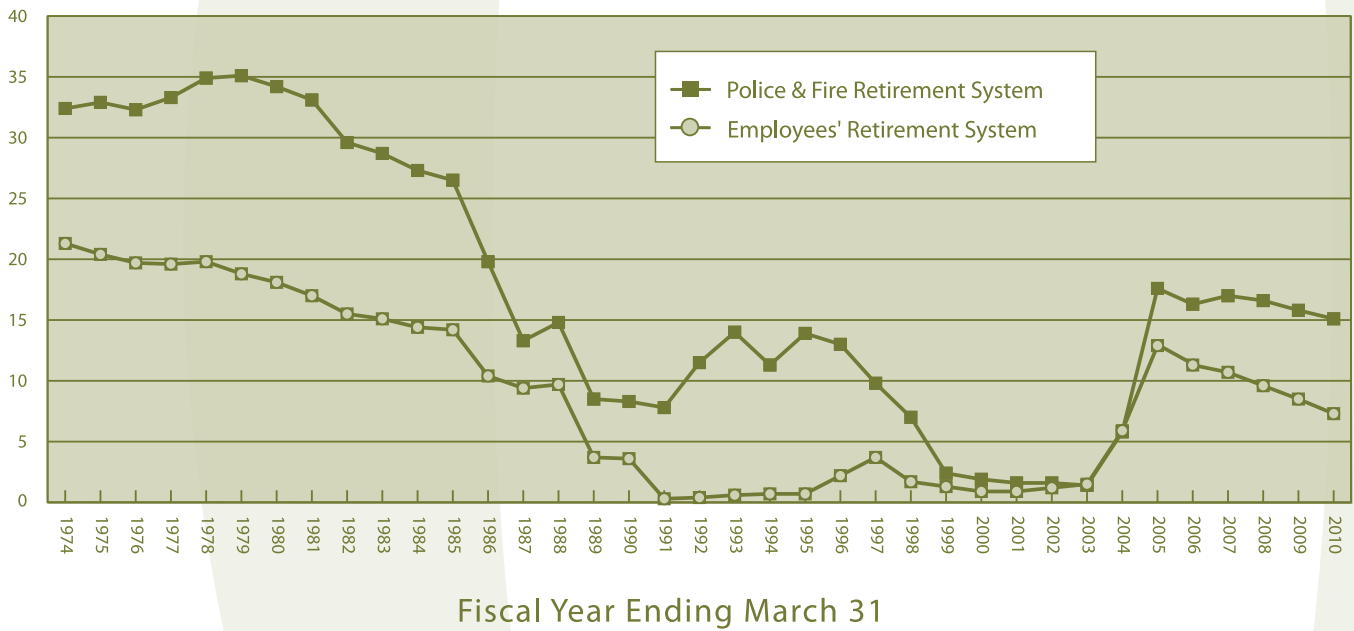
	2009 (as of 2/1/09)		2008 (as of 2/1/08)	
	Employer Contributions Attributable to Year	%	Employer Contributions Attributable to Year	%
<b>ERS</b>				
Tier 1	\$ 95	4.7	\$ 120	5.5
Tier 2	91	4.5	109	5.0
Tier 3 & 4	1,850	90.8	1,924	88.2
Deficiency	2	0.1	2	0.1
Incentive	0	0	27	1.2
<b>Total</b>	<b>\$2,038</b>	<b>100</b>	<b>\$2,182</b>	<b>100</b>
<b>PFRS</b>				
Tier 1	\$ 13	2.8	\$ 20	4.1
Tier 2	456	97.2	466	95.9
<b>Total</b>	<b>\$ 469</b>	<b>100</b>	<b>\$ 486</b>	<b>100</b>

\*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)

	Contributions Billed for Preceding Year	Salary Growth	Return on Investments <sup>(a)</sup>	Funding Method	Change in Benefits	Other Adjustments	Projected Contributions for Year Shown <sup>(b)</sup>
<b>ERS</b>							
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
2007	2,395	112	51	n/a	n/a	-191	2,367
2008	2,316	93	-147	n/a	n/a	-91	2,171
2009	2,018	88	-192	n/a	n/a	-79	1,835
<b>PFRS</b>							
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
2007	430	21	6	n/a	n/a	16	473
2008	476	22	-24	n/a	n/a	12	486
2009	487	26	-29	8	n/a	-1	491

(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.

# SOLVENCY TEST

The System is funded in accordance with the aggregate method. The following solvency test is one means of checking the System's funding progress. In this test, the System's actuarial value of assets is compared to:

- (1) member contributions on deposit,
- (2) the liabilities for future benefits to persons who have retired and
- (3) the employer financed liabilities for service already rendered by active members.

The accrued liabilities in this chart are calculated in accordance with the entry age normal method.

Valuation Date	Accrued Liability				Actuarial Assets	Portion of Actuarial Accrued Liabilities Covered by Actuarial Assets		
	Member Contributions (1)	Retiree (2)	Active (3)	Total (1) + (2) + (3)		(1)	(2)	(3)
<b>ERS</b>								
4/1/05	\$6,474	\$45,679	\$50,071	\$102,224	\$105,088	100.0%	100.0%	105.7%
4/1/06	\$6,792	\$48,601	\$52,392	\$107,785	\$112,209	100.0%	100.0%	108.4%
4/1/07	\$7,112	\$51,231	\$56,182	\$114,525	\$121,116	100.0%	100.0%	111.7%
4/1/08	\$7,430	\$54,945	\$57,808	\$120,183	\$128,916	100.0%	100.0%	115.1%
<b>PFRS</b>								
4/1/05	\$ 18	\$ 9,533	\$ 8,251	\$ 17,802	\$ 18,657	100.0%	100.0%	110.4%
4/1/06	\$ 21	\$10,169	\$ 8,663	\$ 18,853	\$ 19,827	100.0%	100.0%	111.2%
4/1/07	\$ 22	\$10,638	\$ 9,414	\$ 20,074	\$ 21,379	100.0%	100.0%	113.9%
4/1/08	\$ 22	\$11,156	\$ 9,894	\$ 21,072	\$ 22,767	100.0%	100.0%	117.1%

# SCHEDULE OF ACTIVE MEMBER DATA

FYE March 31	Active Members	Annual Member Payroll (In Millions)	% Increase in Annual Member Payroll	Average Salary
<b>ERS</b>				
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
2006	513,016	20,919	3.5	40,776
2007	519,203	22,018	5.3	42,408
2008	528,435	22,779	3.5	43,106
<b>PFRS</b>				
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
2006	32,469	2,712	7.1	83,518
2007	32,811	2,825	4.2	86,099
2008	33,089	2,926	3.6	88,440

# SCHEDULE OF RETIRED MEMBERS AND BENEFICIARIES

## Added to and Removed from Benefit Payroll

Fiscal Year	Number of Retired Members and Beneficiaries		Annual Benefits of Retired Members and Beneficiaries		Total Number of Retired Members and Beneficiaries	Total Annual Benefit	Percentage Increase in Total Annual Benefits	Average Annual Benefit
	Added During the Year	Removed During the Year	Added During the Year	Removed During the Year				
<b>ERS</b>								
1999	15,073	10,925	\$ 294,058,436	\$ 86,971,166	264,899	\$3,076,508,524	7.22%	\$11,614
2000	16,838	11,404	274,448,074	98,079,525	270,333	3,252,877,073	5.73	12,033
2001	13,807	10,993	492,276,739	99,260,472	273,147	3,645,893,340	12.08	13,348
2002	19,523	11,673	430,043,721	123,115,462	280,997	3,952,821,599	8.42	14,067
2003	18,197	11,853	426,684,543	132,184,921	287,341	4,247,321,222	7.45	14,781
2004	25,929	11,742	664,359,794	133,836,233	301,528	4,777,844,783	12.49	15,845
2005	16,902	11,899	359,819,587	140,495,573	306,531	4,997,168,797	4.59	16,302
2006	20,121	12,815	444,562,616	142,494,586	313,837	5,299,236,827	6.04	16,885
2007	19,780	12,504	453,890,020	144,683,098	321,113	5,608,443,749	5.83	17,466
2008	20,787	13,174	538,291,047	156,937,687	328,726	5,989,797,109	6.80	18,221
<b>PFRS</b>								
1999	987	604	\$ 51,306,942	\$ 10,353,226	24,147	\$ 602,142,654	7.30%	\$24,937
2000	992	637	40,480,562	11,345,767	24,502	631,256,722	4.84	25,763
2001	1,044	615	106,445,661	11,333,671	24,931	726,368,713	15.07	29,135
2002	1,372	696	70,026,198	15,920,481	25,607	780,474,430	7.45	30,479
2003	1,297	648	76,534,113	15,646,434	26,256	841,362,108	7.80	32,045
2004	1,248	675	75,509,272	16,735,085	26,829	900,136,295	6.99	33,551
2005	1,588	697	91,631,714	18,120,868	27,720	973,647,141	8.17	35,124
2006	1,404	716	85,412,810	18,880,308	28,408	1,040,179,643	6.83	36,616
2007	1,230	685	74,195,781	18,847,992	28,953	1,095,527,432	5.32	37,838
2008	1,157	727	73,592,416	20,604,380	29,383	1,148,515,468	4.84	39,088

Annual benefits are based on option 0 benefits (prior to option selection) plus COLA.







# SCHEDULE OF ADDITIONS TO PLAN NET ASSETS

(In Thousands)

Year Ending	Member Contributions	Employer Contributions	Contributions % of Payroll	Other Income*	Investment Income	Total
2009	\$273,316	\$2,456,223		\$155,918	\$-40,428,820	\$-37,543,363
ERS	268,991	1,963,413	8.5%	89,042	-34,368,280	-32,046,834
PFRS	4,325	492,810	15.8%	66,876	-6,060,540	-5,496,529
2008	\$265,676	\$2,648,448		\$116,112	\$ 3,163,728	\$ 6,193,964
ERS	263,098	2,134,954	9.6%	98,703	2,690,533	5,187,288
PFRS	2,578	513,494	16.6%	17,409	473,195	1,006,676
2007	\$250,158	\$2,718,551		\$131,863	\$ 17,416,082	\$ 20,516,654
ERS	247,237	2,216,087	10.7%	110,929	14,803,498	17,377,751
PFRS	2,921	502,464	17.0%	20,934	2,612,584	3,138,903
2006	\$241,173	\$2,782,147		\$ 94,556	\$ 17,615,876	\$ 20,733,752
ERS	237,686	2,348,721	11.3%	79,731	14,959,666	17,625,804
PFRS	3,487	433,426	16.3%	14,825	2,656,210	3,107,948
2005	\$227,308	\$2,964,842		\$122,769	\$ 9,679,978	\$ 12,994,897
ERS	224,459	2,509,503	12.9%	82,462	8,211,547	11,027,971
PFRS	2,849	455,339	17.6%	40,307	1,468,431	1,966,926
2004	\$221,871	\$1,286,455		\$ 77,148	\$ 27,334,752	\$ 28,920,226
ERS	217,335	1,125,520	5.9%	71,830	23,154,279	24,568,964
PFRS	4,536	160,935	5.8%	5,318	4,180,473	4,351,262
2003	\$219,192	\$ 651,931		\$109,730	\$-11,235,815	\$-10,254,962
ERS	214,131	583,217	1.5%	103,999	-9,504,775	-8,603,428
PFRS	5,061	68,714	1.4%	5,731	-1,731,040	-1,651,534
2002	\$210,202	\$ 263,846		\$119,366	\$2,730,952	\$ 3,324,366
ERS	206,018	214,592	1.2%	105,013	2,307,773	2,833,396
PFRS	4,184	49,254	1.6%	14,353	423,179	490,970
2001	\$319,063	\$ 214,766		\$116,361	\$-11,170,822	\$-10,520,632
ERS	317,351	165,791	0.9%	106,643	-9,424,415	-8,834,630
PFRS	1,712	48,975	1.6%	9,718	-1,746,407	-1,686,002
2000	\$422,743	\$ 164,547		\$139,758	\$ 19,276,908	\$ 20,003,956
ERS	422,023	100,379	0.9%	131,183	16,263,868	16,917,453
PFRS	720	64,168	1.9%	8,575	3,013,040	3,086,503

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

# SCHEDULE OF INVESTMENT INCOME

(In Thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Net Change in Fair Value of Investments	\$-43,720,432	\$-1,287,032	\$13,538,322	\$14,449,770	\$6,603,713	\$24,279,817	\$-13,693,054	\$ -12,473	\$-13,896,942	\$15,452,703
Interest	1,722,343	1,976,372	1,816,416	1,474,863	1,388,250	1,474,952	1,670,749	1,807,163	1,885,603	2,527,905
Dividends	1,531,091	2,060,063	1,563,627	1,308,358	1,236,598	1,018,810	800,953	700,280	702,557	773,985
Real Estate and Mortgages	194,517	8,872	176,456	279,002	392,734	544,184	317,197	319,072	355,331	315,561
Alternative	49,646	150,360	170,689	137,393	188,346	154,397	64,910	63,929	70,530	140,769
Security Lending Income	545,934	1,335,474	1,248,865	811,972	318,612	122,074	170,903	382,589	757,080	542,067
International	23,223	379,185	276,755	270,128	119,595	32	17	0	0	0
Other Included Prior Year Adjustment	-44,810	47,318	8,551	-158,570	-89,315	-11,327	-290,477	-15,268	-168,939	171,791
Security Lending Expenses	-367,584	-1,217,664	-1,209,216	-772,192	-293,477	-103,326	-148,957	-355,202	-721,571	-510,382
Investment Expenses	-362,748	-289,220	-174,383	-184,848	-185,078	-144,861	-128,056	-159,138	-154,471	-137,491
Net Investment Income	\$-40,428,820	\$ 3,163,728	\$17,416,082	\$17,615,876	\$9,679,978	\$27,334,752	\$-11,235,815	\$2,730,952	\$-11,170,822	\$19,276,908

# SCHEDULE OF DEDUCTIONS FROM PLAN NET ASSETS

(In Thousands)

Year Ending	Retirement Allowances	Post-Retirement Supplements	Death Benefits	Separation from Service	Administrative Expenses	Other Expenses	Total
2009	\$6,497,135	\$534,487	\$180,491	\$31,680	\$99,229	\$ 21,706	\$ 7,364,728
ERS	5,431,840	439,000	173,580	29,577	86,727	23,775	6,184,499
PFRS	1,065,295	95,487	6,911	2,103	12,502	-2,069	1,180,229
2008	\$6,142,751	\$511,069	\$181,693	\$29,841	\$90,304	\$ 17,680	\$ 6,973,338
ERS	5,135,670	418,423	169,688	27,919	78,849	17,896	5,848,445
PFRS	1,007,081	92,646	12,005	1,922	11,455	-216	1,124,893
2007	\$5,722,875	\$495,908	\$164,632	\$29,331	\$79,772	\$ 18,985	\$ 6,511,503
ERS	4,777,587	405,264	153,660	27,034	69,893	18,363	5,451,801
PFRS	945,288	90,644	10,972	2,297	9,879	622	1,059,702
2006	\$5,388,590	\$479,128	\$161,249	\$27,320	\$78,506	\$ 16,581	\$ 6,151,374
ERS	4,498,131	390,703	149,847	25,691	68,836	17,164	5,150,372
PFRS	890,459	88,425	11,402	1,629	9,670	-583	1,001,002
2005	\$5,041,053	\$471,796	\$161,857	\$30,705	\$65,324	\$-14,546	\$ 5,756,189
ERS	4,216,367	384,666	151,265	29,187	56,748	-16,833	4,821,400
PFRS	824,686	87,130	10,592	1,518	8,576	2,287	934,789
2004	\$4,722,003	\$468,144	\$157,314	\$29,849	\$69,612	\$ 46,967	\$ 5,493,889
ERS	3,931,334	382,305	149,473	27,572	61,129	45,595	4,597,408
PFRS	790,669	85,839	7,841	2,277	8,483	1,372	896,481
2003	\$4,373,342	\$462,864	\$148,372	\$22,863	\$67,496	\$ 22,325	\$ 5,097,262
ERS	3,649,565	378,762	132,503	21,586	59,149	19,808	4,261,373
PFRS	723,777	84,102	15,869	1,277	8,347	2,517	835,889
2002	\$3,871,910	\$464,545	\$151,796	\$30,677	\$66,612	\$ 57,444	\$ 4,642,984
ERS	3,219,973	377,464	139,058	29,262	56,527	54,191	3,876,475
PFRS	651,937	87,081	12,738	1,415	10,085	3,253	766,509
2001	\$3,691,890	\$336,128	\$152,941	\$41,707	\$57,806	\$ 44,742	\$ 4,325,214
ERS	3,069,748	272,509	140,381	40,435	49,080	43,370	3,615,523
PFRS	622,142	63,619	12,560	1,272	8,726	1,372	709,691
2000	\$3,415,155	\$162,235	\$142,780	\$27,211	\$50,653	\$ 39,707	\$3,837,741
ERS	2,834,404	132,479	125,881	26,093	44,220	37,924	3,201,001
PFRS	580,751	29,756	16,899	1,118	6,433	1,783	636,740

# SCHEDULE OF TOTAL CHANGES IN PLAN NET ASSETS

(In Thousands)

Year Ending	Member Contributions	Employer Contributions	Other Income	Investment Income	Total	Retirement Allowances
2009	\$273,316	\$2,456,223	\$155,918	\$-40,428,820	\$-37,543,363	\$6,497,135
ERS	268,991	1,963,413	89,042	-34,368,280	-32,046,834	5,431,840
PFRS	4,325	492,810	66,876	-6,060,540	-5,496,529	1,065,295
2008	\$265,676	\$2,648,448	\$116,112	\$3,163,728	\$6,193,964	\$6,142,751
ERS	263,098	2,134,954	98,703	2,690,533	5,187,288	5,135,670
PFRS	2,578	513,494	17,409	473,195	1,006,676	1,007,081
2007	\$250,158	\$2,718,551	\$131,863	\$17,416,082	\$20,516,654	\$5,722,875
ERS	247,237	2,216,087	110,929	14,803,498	17,377,751	4,777,587
PFRS	2,921	502,464	20,934	2,612,584	3,138,903	945,288
2006	\$241,173	\$2,782,147	\$94,556	\$17,615,876	\$20,733,752	\$5,388,590
ERS	237,686	2,348,721	79,731	14,959,666	17,625,804	4,498,131
PFRS	3,487	433,426	14,825	2,656,210	3,107,948	890,459
2005	\$227,308	\$2,964,842	\$122,769	\$9,679,978	\$12,994,897	\$5,041,053
ERS	224,459	2,509,503	82,462	8,211,547	11,027,971	4,216,367
PFRS	2,849	455,339	40,307	1,468,431	1,966,926	824,686
2004	\$221,871	\$1,286,455	\$77,148	\$27,334,752	\$28,920,226	\$4,722,003
ERS	217,335	1,125,520	71,830	23,154,279	24,568,964	3,931,334
PFRS	4,536	160,935	5,318	4,180,473	4,351,262	790,669
2003	\$219,192	\$651,931	\$109,730	\$-11,235,815	\$-10,254,962	\$4,373,342
ERS	214,131	583,217	103,999	-9,504,775	-8,603,428	3,649,565
PFRS	5,061	68,714	5,731	-1,731,040	-1,651,534	723,777
2002	\$210,202	\$263,846	\$119,366	\$2,730,952	\$3,324,366	\$3,871,910
ERS	206,018	214,592	105,013	2,307,773	2,833,396	3,219,973
PFRS	4,184	49,254	14,353	423,179	490,970	651,937
2001	\$319,063	\$214,766	\$116,361	\$-11,170,822	\$-10,520,632	\$3,691,890
ERS	317,351	165,791	106,643	-9,424,415	-8,834,630	3,069,748
PFRS	1,712	48,975	9,718	-1,746,407	-1,686,002	622,142
2000	\$422,743	\$164,547	\$139,758	\$19,276,908	\$20,003,956	\$3,415,155
ERS	422,023	100,379	131,183	16,263,868	16,917,453	2,834,404
PFRS	720	64,168	8,575	3,013,040	3,086,503	580,751

Continued from previous page.

Post-Retirement Supplement	Death Benefits	Separation from Service	Administrative Expenses	Other Expenses	Total	Net Increase/Decrease
\$534,487	\$180,491	\$31,680	\$99,229	\$21,706	\$7,364,728	\$-44,908,091
439,000	173,580	29,577	86,727	23,775	6,184,499	-38,231,333
95,487	6,911	2,103	12,502	-2,069	1,180,229	-6,676,758
\$511,069	\$181,693	\$29,841	\$90,304	\$17,680	\$6,973,338	\$-779,374
418,423	169,688	27,919	78,849	17,896	5,848,445	-661,157
92,646	12,005	1,922	11,455	-216	1,124,893	-118,217
\$495,908	\$164,632	\$29,331	\$79,772	\$18,985	\$6,511,503	\$14,005,151
405,264	153,660	27,034	69,893	18,363	5,451,801	11,925,950
90,644	10,972	2,297	9,879	622	1,059,702	2,079,201
\$479,128	\$161,249	\$27,320	\$78,506	\$16,581	\$6,151,374	\$14,582,378
390,703	149,847	25,691	68,836	17,164	5,150,372	12,475,432
88,425	11,402	1,629	9,670	-583	1,001,002	2,106,946
\$471,796	\$161,857	\$30,705	\$65,324	\$-14,546	\$5,756,189	\$7,238,708
384,666	151,265	29,187	56,748	-16,833	4,821,400	6,206,571
87,130	10,592	1,518	8,576	2,287	934,789	1,032,137
\$468,144	\$157,314	\$29,849	\$69,612	\$46,967	\$5,493,889	\$23,426,337
382,305	149,473	27,572	61,129	45,595	4,597,408	19,971,556
85,839	7,841	2,277	8,483	1,372	896,481	3,454,781
\$462,864	\$148,372	\$22,863	\$67,496	\$22,325	\$5,097,262	\$-15,352,224
378,762	132,503	21,586	59,149	19,808	4,261,373	-12,864,801
84,102	15,869	1,277	8,347	2,517	835,889	-2,487,423
\$464,545	\$151,796	\$30,677	\$66,612	\$57,444	\$4,642,984	\$-1,318,618
377,464	139,058	29,262	56,527	54,191	3,876,475	-1,043,079
87,081	12,738	1,415	10,085	3,253	766,509	-275,539
\$336,128	\$152,941	\$41,707	\$57,806	\$44,742	\$4,325,214	\$-14,845,846
272,509	140,381	40,435	49,080	43,370	3,615,523	-12,450,153
63,619	12,560	1,272	8,726	1,372	709,691	-2,395,693
\$162,235	\$142,780	\$27,211	\$50,653	\$39,707	\$3,837,741	\$16,166,215
132,479	125,881	26,093	44,220	37,924	3,201,001	13,716,452
29,756	16,899	1,118	6,433	1,783	636,740	2,449,763

# SERVICE RETIREES — ERS

As of March 31, 2009 — By age and years of service, number, average final average salary (Avg FAS) and average option 0 (prior to option selection) plus COLA (Avg Pen).

Nearest Age	Under 55			55 – 64			65 – 74			75 – 84			85 & Over		
Years of Service	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
<b>State</b>															
Under 10	0	0	0	791	34,720	3,513	1,056	32,728	3,889	658	23,417	3,427	1,009	13,282	2,626
10 – 14	0	0	0	4,660	27,818	4,736	5,479	30,667	6,102	4,800	26,911	6,363	2,564	17,264	5,354
15 – 19	0	0	0	2,701	36,368	8,781	4,441	36,448	10,311	4,006	29,809	10,144	2,211	19,237	8,169
20 – 24	0	0	0	3,344	47,225	18,292	6,896	43,205	19,226	5,923	34,103	17,558	2,648	21,986	13,908
25 – 29	1,045	69,651	34,601	4,579	55,943	28,086	7,484	46,887	26,435	4,672	37,117	23,665	1,663	23,479	18,624
30 – 34	38	71,314	41,224	6,881	59,409	37,698	7,424	50,328	33,638	3,464	40,729	30,230	1,226	26,162	24,595
35 & Over	3	83,778	57,563	12,422	60,320	45,226	8,232	56,215	44,087	3,529	48,757	41,229	1,395	34,717	34,760
Total	1,086	69,748	34,897	35,378	51,656	29,949	41,012	45,101	25,027	27,052	35,212	19,895	12,716	21,860	14,225
<b>Counties</b>															
Under 10	0	0	0	749	31,871	3,162	1,011	30,638	3,719	425	21,413	3,149	730	11,561	2,293
10 – 14	0	0	0	2,632	27,799	4,674	3,601	28,734	5,703	3,180	23,052	5,436	1,593	15,157	4,673
15 – 19	0	0	0	1,622	35,009	8,289	2,813	34,075	9,582	2,775	26,584	9,052	1,434	17,730	7,454
20 – 24	201	61,042	31,659	1,920	44,457	17,712	3,749	39,129	17,503	3,019	30,521	15,363	1,256	21,587	12,690
25 – 29	218	72,499	37,684	1,869	52,005	26,230	3,116	43,256	24,173	2,102	34,014	21,310	699	23,078	17,326
30 – 34	15	71,150	42,928	2,609	54,967	34,680	2,423	47,655	31,751	1,090	37,304	27,183	348	25,615	22,307
35 & Over	0	0	0	3,694	60,752	45,094	2,311	55,180	43,306	909	43,949	37,018	297	29,937	29,287
Total	434	67,146	35,075	15,095	46,651	24,392	19,024	39,675	19,407	13,500	29,661	14,681	6,357	18,729	10,118
<b>Cities</b>															
Under 10	0	0	0	138	29,504	2,860	161	25,881	3,021	95	17,099	2,477	152	10,097	1,994
10 – 14	0	0	0	493	24,361	4,094	580	25,875	5,255	552	20,359	4,797	290	13,519	4,109
15 – 19	0	0	0	283	31,494	7,570	437	30,752	8,626	491	22,694	7,903	271	14,499	6,283
20 – 24	0	0	0	305	40,486	15,050	540	35,552	15,679	525	25,813	13,172	235	16,882	10,235
25 – 29	0	0	0	244	44,863	21,828	545	38,372	21,832	479	27,197	17,810	218	17,909	14,330
30 – 34	0	0	0	434	49,056	31,018	536	41,955	28,250	338	30,766	23,184	122	17,841	17,334
35 & Over	0	0	0	838	52,263	38,917	524	44,258	34,985	288	34,872	30,204	119	23,213	23,814
Total	0	0	0	2,735	41,454	22,137	3,323	35,631	18,400	2,768	25,660	13,998	1,407	15,774	9,719
<b>Towns</b>															
Under 10	0	0	0	260	25,942	2,787	479	25,946	3,148	218	18,582	2,518	173	11,057	2,109
10 – 14	0	0	0	585	27,167	4,629	1,125	26,616	5,294	1,053	22,477	5,203	439	15,224	4,450
15 – 19	0	0	0	462	33,315	7,897	931	32,257	9,073	827	25,559	8,485	377	18,554	7,351
20 – 24	0	0	0	433	41,961	15,909	1,097	37,926	16,669	1,008	30,009	15,008	367	20,244	11,910
25 – 29	3	57,934	29,984	341	46,045	22,143	907	41,298	23,133	660	32,474	19,973	219	20,982	14,962
30 – 34	0	0	0	585	54,269	34,335	810	45,375	30,184	416	34,252	24,760	124	21,670	17,899
35 & Over	0	0	0	1,121	63,264	47,343	753	52,703	41,035	311	39,571	32,510	90	26,952	25,431
Total	3	57,934	29,984	3,787	46,096	25,001	6,102	37,349	18,113	4,493	28,287	13,747	1,789	18,294	9,640
<b>Villages</b>															
Under 10	0	0	0	73	25,620	2,766	140	25,866	3,217	60	17,159	2,353	67	9,584	1,805
10 – 14	0	0	0	197	26,006	4,275	359	26,146	5,187	305	21,344	4,981	190	13,558	4,061
15 – 19	0	0	0	139	35,910	8,587	282	32,079	9,101	284	22,905	7,762	151	15,140	6,415
20 – 24	0	0	0	147	44,246	16,695	309	38,736	17,342	315	27,184	13,461	132	18,177	10,264
25 – 29	0	0	0	116	49,632	24,460	303	41,030	22,936	250	31,391	19,377	72	19,619	14,044
30 – 34	0	0	0	200	47,402	29,765	253	44,796	29,889	144	32,151	23,592	32	21,905	17,670
35 & Over	0	0	0	324	60,487	45,202	269	52,565	41,465	123	36,937	31,274	33	26,969	25,711
Total	0	0	0	1,196	44,586	23,518	1,915	37,561	18,749	1,481	26,758	13,635	677	16,111	8,333
<b>Miscellaneous</b>															
Under 10	0	0	0	572	40,457	3,970	710	36,626	4,417	186	26,354	3,588	257	13,651	2,532
10 – 14	0	0	0	1,454	36,177	5,954	1,945	34,688	6,863	1,439	28,107	6,498	564	16,958	5,045
15 – 19	0	0	0	1,060	45,620	10,718	1,573	40,103	11,192	1,035	30,410	10,069	463	19,582	8,111
20 – 24	0	0	0	1,127	54,455	19,971	1,916	47,321	20,523	1,209	34,434	17,004	451	24,144	14,193
25 – 29	0	0	0	849	59,988	28,747	1,468	51,521	28,484	914	41,548	25,575	385	25,933	19,651
30 – 34	0	0	0	1,219	68,434	42,924	1,263	58,523	38,757	730	45,371	32,921	240	28,456	25,509
35 & Over	0	0	0	1,948	71,694	53,422	1,498	68,293	53,163	721	52,694	43,600	224	38,729	37,043
Total	0	0	0	8,229	55,837	27,415	10,373	48,112	23,505	6,234	36,500	19,224	2,584	22,646	13,792
<b>Schools</b>															
Under 10	0	0	0	958	19,786	2,010	1,650	18,939	2,295	887	11,751	1,751	1,067	7,121	1,460
10 – 14	0	0	0	1,907	23,074	3,826	4,403	21,939	4,325	4,402	16,833	3,967	2,268	9,498	3,023
15 – 19	0	0	0	1,711	27,257	6,392	3,513	26,607	7,489	3,475	18,951	6,526	2,145	10,924	4,837
20 – 24	0	0	0	1,932	34,893	13,305	4,416	31,084	13,759	3,941	21,182	10,607	1,804	13,093	7,539
25 – 29	0	0	0	1,173	38,570	19,104	3,342	32,631	18,232	2,700	23,827	14,755	922	15,550	11,117
30 – 34	0	0	0	978	44,624	28,383	1,849	36,230	23,902	1,226	27,367	19,606	370	19,106	15,591
35 & Over	0	0	0	983	52,100	38,692	1,027	42,434	32,859	621	31,365	26,111	183	22,474	21,407
Total	0	0	0	9,642	32,888	13,904	20,200	28,624	12,315	17,252	20,358	9,482	8,759	11,612	5,974



# SERVICE RETIREES — PFRS

As of March 31, 2009 — By age and years of service, number, average final average salary (Avg FAS) and average option 0 (prior to option selection and partial lump sum distribution) plus COLA (Avg Pen).

Nearest Age	40 – 49			50 – 59			60 – 69			70 & Over		
	Years of Service	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS
<b>State</b>												
Under 10	0	0	0	0	0	0	5	28,612	3,416	10	20,820	4,156
10 – 14	0	0	0	10	31,384	6,334	26	22,677	4,695	22	6,779	1,762
15 – 19	0	0	0	6	40,137	10,528	15	33,369	10,744	17	16,147	6,792
20 – 24	145	97,271	50,976	325	75,242	40,133	557	42,014	26,836	642	24,173	20,453
25 – 29	10	97,686	56,978	197	92,959	56,295	277	57,193	37,029	289	35,914	28,186
30 – 34	0	0	0	107	100,460	66,406	350	75,273	52,191	207	47,548	37,286
35 & Over	0	0	0	13	96,932	69,192	182	86,219	65,122	104	56,190	45,882
<b>Total</b>	<b>155</b>	<b>97,298</b>	<b>51,363</b>	<b>658</b>	<b>84,089</b>	<b>49,034</b>	<b>1,412</b>	<b>58,438</b>	<b>39,394</b>	<b>1,291</b>	<b>32,700</b>	<b>26,307</b>
<b>Counties</b>												
Under 10	0	0	0	2	48,424	6,343	3	46,492	22,948	0	0	0
10 – 14	0	0	0	5	32,061	7,091	25	31,208	6,493	6	16,298	4,055
15 – 19	0	0	0	4	53,459	14,871	11	40,576	11,474	7	27,397	10,749
20 – 24	108	131,104	67,930	245	100,815	53,267	925	65,650	38,202	764	32,918	26,221
25 – 29	3	149,432	88,718	135	124,557	77,274	313	97,012	61,021	283	57,380	39,470
30 – 34	0	0	0	184	147,666	101,563	611	123,319	86,971	285	69,810	52,047
35 & Over	0	0	0	45	171,690	128,043	477	138,586	104,419	189	89,286	71,191
<b>Total</b>	<b>111</b>	<b>131,600</b>	<b>68,492</b>	<b>620</b>	<b>124,004</b>	<b>77,483</b>	<b>2,365</b>	<b>98,905</b>	<b>66,698</b>	<b>1,534</b>	<b>51,140</b>	<b>38,847</b>
<b>Cities</b>												
Under 10	0	0	0	0	0	0	7	38,895	7,935	4	16,762	6,776
10 – 14	0	0	0	27	24,989	4,765	76	20,060	4,009	21	12,356	3,339
15 – 19	0	0	0	13	31,550	9,150	36	27,954	8,630	18	13,388	5,432
20 – 24	389	78,702	39,908	1,143	63,161	32,712	1,376	43,728	25,939	1,135	24,591	19,430
25 – 29	10	97,929	52,429	457	85,989	50,202	615	62,178	37,569	721	32,539	23,614
30 – 34	0	0	0	280	88,820	57,826	681	72,538	49,518	852	43,336	33,556
35 & Over	0	0	0	57	95,465	69,678	441	88,961	66,403	675	49,744	41,160
<b>Total</b>	<b>399</b>	<b>79,184</b>	<b>40,222</b>	<b>1,977</b>	<b>72,274</b>	<b>40,841</b>	<b>3,232</b>	<b>58,739</b>	<b>37,894</b>	<b>3,426</b>	<b>35,738</b>	<b>27,918</b>
<b>Towns</b>												
Under 10	0	0	0	6	21,516	2,435	18	22,869	3,255	30	10,964	1,602
10 – 14	0	0	0	12	34,760	6,126	46	23,400	5,007	24	18,410	4,905
15 – 19	0	0	0	2	29,850	9,023	21	31,598	9,751	13	14,701	5,285
20 – 24	167	91,424	46,007	370	74,268	38,210	326	52,688	30,436	203	28,351	21,894
25 – 29	3	110,212	64,495	144	89,030	49,672	99	70,173	40,757	89	40,074	27,727
30 – 34	0	0	0	70	99,838	65,400	155	88,846	60,430	101	56,196	41,553
35 & Over	0	0	0	11	106,235	78,157	113	101,393	75,479	61	64,224	51,861
<b>Total</b>	<b>170</b>	<b>91,755</b>	<b>46,333</b>	<b>615</b>	<b>79,776</b>	<b>43,633</b>	<b>778</b>	<b>66,200</b>	<b>41,577</b>	<b>521</b>	<b>38,152</b>	<b>27,845</b>
<b>Villages</b>												
Under 10	0	0	0	4	19,805	1,923	26	14,647	1,770	34	8,597	1,168
10 – 14	0	0	0	9	30,304	6,263	66	21,889	4,697	29	12,700	3,758
15 – 19	0	0	0	6	25,378	7,134	29	27,440	8,904	16	14,533	6,750
20 – 24	134	82,767	41,609	323	68,730	35,061	358	49,967	28,558	279	26,281	21,294
25 – 29	9	109,572	55,356	92	85,071	44,724	113	63,309	35,658	150	33,080	23,602
30 – 34	0	0	0	44	100,231	63,702	106	87,129	57,360	129	47,313	34,891
35 & Over	0	0	0	13	107,274	77,273	96	104,900	77,742	73	64,170	51,702
<b>Total</b>	<b>143</b>	<b>84,454</b>	<b>42,474</b>	<b>491</b>	<b>74,002</b>	<b>39,417</b>	<b>794</b>	<b>59,156</b>	<b>35,782</b>	<b>710</b>	<b>33,768</b>	<b>25,371</b>
<b>Miscellaneous</b>												
Under 10	0	0	0	1	22,441	2,742	1	93,980	9,915	2	34,540	9,921
10 – 14	0	0	0	4	38,255	7,490	8	24,471	4,917	9	18,117	4,740
15 – 19	0	0	0	3	55,525	16,523	5	39,316	13,792	1	59,403	31,524
20 – 24	26	121,663	62,713	217	113,322	59,492	236	88,573	48,852	324	25,178	23,882
25 – 29	2	48,981	28,301	113	142,620	87,291	102	115,200	70,760	91	43,214	30,839
30 – 34	0	0	0	41	164,219	110,185	104	145,721	100,879	73	81,967	58,030
35 & Over	0	0	0	8	132,243	94,573	45	134,180	100,802	71	88,713	68,499
<b>Total</b>	<b>28</b>	<b>116,471</b>	<b>60,255</b>	<b>387</b>	<b>126,201</b>	<b>72,687</b>	<b>501</b>	<b>108,449</b>	<b>67,649</b>	<b>571</b>	<b>43,194</b>	<b>34,567</b>

# DISABILITY RETIREES — ERS

As of March 31, 2009 — By age and years of service, number, average final average salary (Avg FAS) and average option 0 (prior to option selection) plus COLA (Avg Pen).

Nearest Age	Under 55			55 – 64			65 – 74			75 – 84			85 & Over		
Years of Service	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
<b>State</b>															
Under 10	348	27,557	12,329	357	22,361	10,926	215	19,374	9,810	145	17,381	7,308	36	10,346	10,517
10 – 14	766	35,333	14,264	1,060	30,719	12,377	746	25,802	10,635	412	18,901	9,324	106	12,378	9,170
15 – 19	678	41,094	16,869	1,130	35,893	15,665	799	29,452	13,990	323	20,784	13,081	81	12,393	10,162
20 – 24	439	45,298	18,977	937	40,366	19,003	583	31,608	18,424	181	21,696	16,901	31	13,198	11,789
25 – 29	172	48,276	24,236	493	42,581	22,826	290	34,322	22,044	92	20,366	17,690	19	13,141	14,906
30 – 34	42	47,168	27,045	238	41,309	24,376	104	34,576	24,838	20	24,875	20,407	6	16,407	21,545
35 & Over	3	43,870	25,659	77	44,766	28,308	8	38,385	30,691	1	31,061	29,701	3	15,740	21,227
Total	2,448	38,733	16,490	4,292	35,694	16,720	2,745	28,863	15,003	1,174	19,889	12,139	282	12,386	10,693
<b>Counties</b>															
Under 10	69	33,128	15,219	83	23,786	10,607	45	17,648	8,691	39	16,232	7,063	9	10,722	5,433
10 – 14	280	42,563	18,280	378	30,590	11,193	312	25,494	9,015	147	16,835	8,302	28	12,215	5,901
15 – 19	273	48,429	21,771	359	36,880	15,566	268	29,604	12,849	101	20,896	11,925	21	11,611	9,108
20 – 24	156	54,259	26,205	299	41,246	19,138	140	35,384	22,254	46	21,956	16,721	6	13,676	12,224
25 – 29	51	52,741	26,248	173	44,843	24,029	70	34,222	23,711	17	24,190	20,336	2	8,183	10,427
30 – 34	16	53,411	28,294	76	49,667	31,007	20	34,424	23,755	1	36,981	32,965	1	15,837	19,415
35 & Over	0	0	0	20	49,211	31,841	1	32,164	23,518	1	58,756	51,647	0	0	0
Total	845	46,667	21,292	1,388	37,195	16,983	856	28,916	13,927	352	19,134	11,079	67	11,889	7,746
<b>Cities</b>															
Under 10	15	27,355	9,552	24	22,855	10,076	13	20,765	10,550	17	16,671	10,356	3	13,855	11,796
10 – 14	56	32,151	10,770	85	27,749	10,161	56	22,506	9,537	36	15,782	8,737	12	9,403	5,393
15 – 19	45	40,871	13,518	97	34,847	12,445	62	26,531	11,274	36	17,773	10,814	8	11,522	7,568
20 – 24	28	38,871	14,428	58	33,795	14,860	47	28,119	16,192	18	20,667	17,179	1	12,236	8,048
25 – 29	10	39,360	18,934	63	36,562	18,839	34	29,426	18,674	8	17,216	14,537	3	8,894	12,357
30 – 34	2	35,237	19,296	22	40,058	23,066	5	26,001	15,031	8	15,787	15,077	0	0	0
35 & Over	0	0	0	2	41,646	25,359	1	45,174	37,314	1	22,668	25,161	0	0	0
Total	156	35,913	12,735	351	32,807	14,016	218	26,020	13,204	124	17,339	11,703	27	10,574	7,621
<b>Towns</b>															
Under 10	20	30,930	10,947	18	26,606	13,347	14	19,288	9,553	15	15,552	10,543	2	13,510	7,867
10 – 14	77	35,741	12,622	85	32,235	12,629	75	25,673	10,293	47	18,861	9,900	5	16,403	10,370
15 – 19	84	42,819	14,299	121	38,215	14,444	68	31,749	12,119	29	23,559	11,613	5	12,423	12,177
20 – 24	44	50,017	18,854	96	40,877	19,863	48	31,346	19,542	20	26,447	22,967	2	9,090	12,776
25 – 29	18	53,679	24,340	62	44,420	23,754	35	35,660	22,848	4	21,756	20,491	1	22,678	18,896
30 – 34	9	53,764	30,733	33	47,728	28,548	8	38,969	30,796	3	21,744	20,551	0	0	0
35 & Over	2	58,704	34,255	9	64,800	42,396	1	30,632	20,186	1	18,435	14,858	0	0	0
Total	254	42,266	15,767	424	39,338	18,313	249	29,918	14,996	119	21,030	13,261	15	14,134	11,528
<b>Villages</b>															
Under 10	7	30,760	10,724	4	17,401	12,592	9	16,072	9,212	6	12,001	7,757	1	12,994	19,269
10 – 14	23	36,221	12,700	28	25,363	11,077	23	24,257	9,631	13	20,441	8,397	1	6,482	3,102
15 – 19	19	45,690	15,122	30	35,920	14,575	27	28,472	12,927	14	23,215	12,921	4	12,516	7,797
20 – 24	19	47,426	17,489	24	36,883	17,413	21	28,215	18,100	12	19,796	15,431	0	0	0
25 – 29	8	63,223	27,436	20	40,724	19,520	14	30,785	19,342	3	30,288	25,245	1	41,924	35,490
30 – 34	3	55,283	29,085	12	60,682	35,211	8	32,802	22,356	4	26,997	25,451	1	32,572	33,107
35 & Over	1	90,585	54,200	1	58,962	35,672	0	0	0	0	0	0	0	0	0
Total	80	44,748	16,847	119	36,506	17,347	102	27,032	14,541	52	21,138	13,448	8	18,005	15,270
<b>Miscellaneous</b>															
Under 10	43	32,348	11,334	29	23,204	9,695	31	22,420	9,403	25	20,984	9,403	3	15,996	8,627
10 – 14	124	40,869	13,823	202	37,737	12,032	130	29,448	10,371	53	18,627	8,663	12	12,695	6,918
15 – 19	114	44,747	14,906	198	38,931	13,758	106	35,451	13,500	29	22,240	12,240	6	13,935	12,384
20 – 24	71	52,459	18,521	116	46,203	18,075	46	35,356	17,461	25	24,314	17,629	1	9,135	6,085
25 – 29	29	55,306	24,105	74	47,723	23,799	24	38,744	26,473	10	27,274	23,406	2	14,979	22,893
30 – 34	8	56,875	29,324	26	57,137	33,237	11	41,823	29,399	6	36,983	28,808	0	0	0
35 & Over	1	48,296	28,148	7	48,629	33,767	1	28,043	20,076	1	37,830	33,459	0	0	0
Total	390	44,594	15,840	652	40,983	15,942	349	32,451	13,905	149	22,128	12,955	24	13,460	9,795
<b>Schools</b>															
Under 10	27	24,857	8,911	46	18,918	7,720	63	15,869	6,151	47	13,922	5,888	12	8,756	8,707
10 – 14	154	29,754	9,966	329	26,117	8,463	315	22,763	7,263	127	14,654	5,952	45	7,028	4,566
15 – 19	81	33,512	10,953	311	30,840	10,540	212	27,021	9,721	92	14,641	7,941	34	9,168	7,349
20 – 24	58	39,954	14,663	133	32,714	13,360	103	26,399	12,697	42	18,815	12,362	10	10,507	9,940
25 – 29	25	42,707	18,436	70	36,060	17,091	50	28,064	17,292	16	24,044	19,068	4	14,238	15,369
30 – 34	5	52,474	26,420	33	42,694	22,980	8	40,564	26,268	3	15,616	16,326	1	7,477	9,542
35 & Over	0	0	0	6	47,290	28,548	1	22,658	17,456	0	0	0	0	0	0
Total	350	33,186	11,732	928	29,765	11,121	752	24,426	9,490	327	15,548	8,063	106	8,515	6,889

# DISABILITY RETIREES — PFRS

As of March 31, 2009 — By age and years of service, number, average final average salary (Avg FAS) and average option 0 (prior to option selection and partial lump sum distribution) plus COLA (Avg Pen).

Nearest Age	Under 40			40 – 49			50 – 59			60 – 69			70 & Over			
	Years of Service	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
<b>State</b>																
Under 10	10	61,833	36,226	38	43,109	24,533	37	28,237	18,613	25	17,477	16,970	6	7,727	21,718	
10 – 14	0	0	0	25	61,711	34,272	37	40,094	23,901	51	21,081	19,654	22	13,252	20,792	
15 – 19	0	0	0	32	76,098	46,379	41	52,409	29,279	78	30,702	23,783	61	17,428	20,359	
20 – 24	0	0	0	14	87,980	60,527	23	66,471	40,455	78	43,602	32,143	45	26,788	26,323	
25 – 29	0	0	0	0	0	0	17	91,661	62,691	37	53,773	37,447	16	37,358	30,545	
30 – 34	0	0	0	0	0	0	3	108,152	76,791	12	66,224	49,492	12	45,804	38,339	
35 & Over	0	0	0	0	0	0	0	0	0	9	90,105	68,308	6	59,123	48,632	
<b>Total</b>	<b>10</b>	<b>61,833</b>	<b>36,226</b>	<b>109</b>	<b>62,823</b>	<b>37,803</b>	<b>158</b>	<b>51,193</b>	<b>31,646</b>	<b>290</b>	<b>37,596</b>	<b>28,907</b>	<b>168</b>	<b>24,456</b>	<b>25,326</b>	
<b>Counties</b>																
Under 10	12	96,659	64,012	19	57,005	33,614	20	42,120	30,144	30	22,425	30,944	6	14,643	25,938	
10 – 14	10	102,754	74,776	64	91,131	60,811	58	48,381	36,386	116	34,501	31,653	16	20,686	25,771	
15 – 19	1	116,448	87,336	63	104,842	73,468	63	66,187	48,413	232	49,437	41,401	34	26,416	31,738	
20 – 24	0	0	0	34	115,039	79,693	56	96,052	68,190	272	63,952	50,987	58	45,489	40,420	
25 – 29	0	0	0	1	109,788	82,341	27	114,969	83,218	57	79,525	59,985	45	55,968	46,839	
30 – 34	0	0	0	0	0	0	10	128,101	96,542	24	117,200	83,050	21	70,526	57,997	
35 & Over	0	0	0	0	0	0	1	126,310	94,733	15	125,149	94,763	8	71,861	59,408	
<b>Total</b>	<b>23</b>	<b>100,169</b>	<b>69,706</b>	<b>181</b>	<b>96,915</b>	<b>66,027</b>	<b>235</b>	<b>75,356</b>	<b>54,847</b>	<b>746</b>	<b>57,322</b>	<b>46,793</b>	<b>188</b>	<b>45,371</b>	<b>41,449</b>	
<b>Cities</b>																
Under 10	11	54,749	35,921	50	48,866	30,650	40	34,075	22,736	28	20,986	21,524	6	5,884	18,918	
10 – 14	13	70,966	46,619	93	57,126	35,184	107	38,314	24,956	94	24,502	21,254	25	12,464	18,908	
15 – 19	2	65,614	49,210	97	64,163	41,024	139	48,409	31,957	132	33,238	26,734	58	19,561	19,023	
20 – 24	0	0	0	31	70,007	43,626	152	58,784	37,851	226	42,870	32,942	88	27,060	26,364	
25 – 29	0	0	0	0	0	0	67	71,797	47,569	101	51,723	37,441	115	32,953	27,870	
30 – 34	0	0	0	0	0	0	26	77,637	53,372	51	60,319	41,046	89	38,667	32,240	
35 & Over	0	0	0	0	0	0	3	72,082	49,429	10	73,412	52,812	27	50,171	39,603	
<b>Total</b>	<b>26</b>	<b>63,693</b>	<b>42,292</b>	<b>271</b>	<b>59,594</b>	<b>37,404</b>	<b>534</b>	<b>52,756</b>	<b>34,641</b>	<b>642</b>	<b>40,500</b>	<b>31,117</b>	<b>408</b>	<b>30,511</b>	<b>27,336</b>	
<b>Towns</b>																
Under 10	4	42,034	29,745	19	41,795	25,193	19	38,703	23,955	6	19,507	20,302	1	8,006	17,263	
10 – 14	6	88,994	57,771	30	62,382	39,497	39	43,012	27,235	46	28,847	22,926	5	14,750	21,298	
15 – 19	0	0	0	35	78,564	50,120	27	55,390	36,608	54	37,157	30,581	17	20,056	22,466	
20 – 24	0	0	0	14	91,858	65,347	55	68,160	45,472	60	52,791	39,420	16	35,868	30,738	
25 – 29	0	0	0	0	0	0	24	83,345	57,110	15	68,480	50,346	4	49,883	43,653	
30 – 34	0	0	0	0	0	0	2	75,130	47,369	10	84,946	57,881	4	61,461	50,657	
35 & Over	0	0	0	0	0	0	0	0	0	2	125,688	94,266	1	81,111	62,507	
<b>Total</b>	<b>10</b>	<b>70,210</b>	<b>46,560</b>	<b>98</b>	<b>68,381</b>	<b>44,210</b>	<b>166</b>	<b>59,083</b>	<b>38,988</b>	<b>193</b>	<b>45,316</b>	<b>34,795</b>	<b>48</b>	<b>31,731</b>	<b>29,942</b>	
<b>Villages</b>																
Under 10	5	62,328	39,025	20	52,459	30,519	27	32,398	22,291	18	18,387	20,695	2	15,438	22,491	
10 – 14	5	66,812	43,693	35	76,207	50,666	35	44,716	28,831	32	29,586	22,888	11	18,777	20,628	
15 – 19	0	0	0	42	79,445	51,683	44	59,491	38,651	57	41,781	32,731	15	21,393	23,562	
20 – 24	0	0	0	12	75,600	50,339	46	76,682	51,667	39	51,928	37,385	23	32,341	30,059	
25 – 29	0	0	0	1	91,301	68,476	14	80,286	52,750	13	72,688	48,162	12	40,321	32,323	
30 – 34	0	0	0	0	0	0	0	0	0	5	82,547	63,355	9	50,694	40,755	
35 & Over	0	0	0	0	0	0	0	0	0	3	85,597	57,670	4	54,545	46,203	
<b>Total</b>	<b>10</b>	<b>64,570</b>	<b>41,359</b>	<b>110</b>	<b>73,197</b>	<b>47,517</b>	<b>166</b>	<b>58,487</b>	<b>38,715</b>	<b>167</b>	<b>43,706</b>	<b>33,200</b>	<b>76</b>	<b>32,374</b>	<b>29,686</b>	
<b>Miscellaneous</b>																
Under 10	5	81,787	61,372	16	62,320	37,402	15	46,667	30,226	6	29,778	27,664	0	0	0	
10 – 14	7	110,486	82,916	24	99,491	66,943	25	64,700	40,267	16	45,012	27,586	1	32,219	15,310	
15 – 19	0	0	0	8	120,749	90,629	32	78,066	53,468	39	54,683	41,388	11	21,731	20,711	
20 – 24	0	0	0	7	146,663	98,650	47	101,721	69,118	33	79,319	59,276	5	32,498	28,929	
25 – 29	0	0	0	0	0	0	24	134,710	99,077	9	104,798	74,583	6	55,831	38,727	
30 – 34	0	0	0	0	0	0	4	124,946	94,105	3	128,873	91,760	3	101,660	80,040	
35 & Over	0	0	0	0	0	0	0	0	0	0	0	0	3	87,876	71,345	
<b>Total</b>	<b>12</b>	<b>98,528</b>	<b>73,939</b>	<b>55</b>	<b>97,774</b>	<b>65,830</b>	<b>147</b>	<b>90,676</b>	<b>62,407</b>	<b>106</b>	<b>65,838</b>	<b>48,341</b>	<b>29</b>	<b>46,115</b>	<b>37,045</b>	

# NEW OPTION SELECTIONS

The \$ Amount column represents payments after the option selection and partial lump sum distribution.\*

Options	2005		2006		2007		2008		2009	
	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount
<b>ERS Females</b>										
Single Life Allowance**	5,247	81,636,306	6,127	100,520,151	5,864	102,317,059	5,964	118,346,336	6,020	117,373,738
Cash Refund	241	4,693,912	285	4,857,133	239	3,991,555	190	5,129,706	139	2,952,850
Joint Allowance — Full	491	4,764,930	597	6,435,361	586	6,693,402	488	6,365,435	587	7,839,649
Joint Allowance — Half	101	1,812,815	110	2,274,697	119	2,581,317	109	2,636,357	107	2,316,682
Five Year Certain	122	2,024,282	159	3,083,804	141	2,310,622	158	3,525,255	170	3,540,592
Ten Year Certain	301	4,246,617	313	4,491,506	320	4,737,306	310	5,606,643	328	5,782,115
Pop-Up — Full	774	10,668,170	923	13,574,002	891	13,379,759	959	17,243,940	1,068	20,258,310
Pop-Up — Half	549	11,210,370	645	13,869,323	629	14,338,482	647	17,161,986	675	17,455,164
Other (Option 4)	221	4,698,885	278	6,025,680	322	7,848,459	378	9,125,777	351	9,943,735
<b>Total</b>	<b>8,047</b>	<b>125,756,287</b>	<b>9,437</b>	<b>155,131,657</b>	<b>9,111</b>	<b>158,197,965</b>	<b>9,203</b>	<b>185,141,439</b>	<b>9,445</b>	<b>187,462,839</b>
<b>ERS Males</b>										
Single Life Allowance**	2,368	53,450,027	2,625	63,450,940	2,590	61,660,389	2,729	76,452,207	2,913	78,050,419
Cash Refund	152	4,060,743	164	4,246,547	120	3,337,509	89	2,637,239	74	1,980,335
Joint Allowance — Full	1,438	29,008,270	1,675	36,636,109	1,714	39,625,966	1,747	48,379,335	1,829	47,655,930
Joint Allowance — Half	276	9,283,088	300	9,492,506	260	8,705,376	285	11,052,440	292	10,797,761
Five Year Certain	46	1,085,860	64	1,291,652	69	1,621,189	74	1,998,467	79	2,075,848
Ten Year Certain	204	3,742,888	216	5,351,743	239	5,313,750	210	5,349,517	229	5,917,116
Pop-Up — Full	1,165	25,286,952	1,312	31,381,092	1,399	34,099,516	1,649	45,693,790	1,826	51,456,191
Pop-Up — Half	527	17,164,397	605	20,716,621	570	19,984,133	649	25,701,013	652	24,941,333
Other (Option 4)	342	11,256,158	454	16,581,404	487	15,261,361	590	23,803,742	577	21,436,505
<b>Total</b>	<b>6,518</b>	<b>154,338,380</b>	<b>7,415</b>	<b>189,148,614</b>	<b>7,448</b>	<b>189,609,195</b>	<b>8,022</b>	<b>241,067,755</b>	<b>8,471</b>	<b>244,311,441</b>
<b>PFRS Females</b>										
Single Life Allowance**	33	1,413,658	49	2,370,164	38	1,946,275	51	2,802,664	55	3,230,599
Cash Refund	1	42,100	0	0	0	0	0	0	0	0
Joint Allowance — Full	4	139,093	2	71,119	5	264,852	3	136,946	1	26,776
Joint Allowance — Half	1	40,776	1	38,129	0	0	3	112,741	2	111,458
Five Year Certain	0	0	0	0	0	0	1	42,848	0	0
Ten Year Certain	1	36,215	3	112,107	11	702,482	6	387,521	4	215,773
Pop-Up — Full	9	393,649	13	611,518	15	806,456	8	410,995	9	420,387
Pop-Up — Half	3	119,647	11	546,366	9	349,816	5	333,212	6	277,268
Other (Option 4)	0	0	1	44,363	2	166,534	3	192,078	3	156,122
<b>Total</b>	<b>52</b>	<b>2,185,138</b>	<b>80</b>	<b>3,793,766</b>	<b>80</b>	<b>4,236,416</b>	<b>80</b>	<b>4,419,007</b>	<b>80</b>	<b>4,438,387</b>
<b>PFRS Males</b>										
Single Life Allowance**	467	24,401,509	375	20,229,044	319	18,147,428	295	17,010,732	357	20,828,207
Cash Refund	31	1,727,413	14	794,591	11	636,736	6	596,715	5	516,624
Joint Allowance — Full	220	10,391,581	195	9,435,344	159	7,663,839	149	8,066,867	138	7,854,616
Joint Allowance — Half	62	3,945,060	54	3,566,583	35	2,321,650	37	2,783,481	42	2,923,322
Five Year Certain	4	254,391	11	794,403	4	183,555	5	285,106	10	698,024
Ten Year Certain	44	2,490,755	43	2,485,652	22	1,271,061	32	2,182,349	40	2,393,248
Pop-Up — Full	227	10,233,926	229	10,657,635	217	9,834,709	189	8,891,580	195	9,659,792
Pop-Up — Half	209	12,818,275	136	9,004,309	122	7,399,364	96	6,313,488	120	8,473,124
Other (Option 4)	115	8,258,561	105	7,882,923	89	5,856,766	88	6,220,685	96	7,365,875
<b>Total</b>	<b>1,379</b>	<b>74,521,471</b>	<b>1,162</b>	<b>64,850,484</b>	<b>978</b>	<b>53,315,110</b>	<b>897</b>	<b>52,351,006</b>	<b>1,003</b>	<b>60,712,837</b>

\*In 2009, 84 PFRS pensioners selected partial lump sums which totaled \$8,244,479.

\*\*Includes Option 0 and 1/2.

# OPTION SELECTION — TOTAL PAYMENTS

The \$ Amount column represents payments after the option selection and partial lump sum distribution.\*

Options	2005		2006		2007		2008		2009	
	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount
<b>ERS Females</b>										
Single Life Allowance**	111,208	1,209,514,511	113,896	1,287,314,770	116,359	1,366,477,072	118,702	1,458,630,906	120,829	1,546,867,498
Cash Refund	12,862	105,543,520	12,328	106,061,585	11,799	105,849,175	11,233	106,845,568	10,611	105,592,285
Joint Allowance — Full	5,433	42,506,428	5,824	47,487,945	6,194	52,462,664	6,485	57,467,899	6,796	63,159,337
Joint Allowance — Half	2,519	28,970,918	2,529	30,332,912	2,544	32,140,256	2,529	33,838,436	2,518	35,141,461
Five Year Certain	4,095	43,268,104	4,139	45,572,419	4,130	46,820,065	4,145	49,302,698	4,147	51,408,692
Ten Year Certain	5,855	53,324,494	5,983	56,532,545	6,094	59,844,239	6,211	63,919,023	6,307	67,904,511
Pop-Up — Full	6,571	73,926,385	7,369	86,845,612	8,135	99,271,557	8,952	115,433,815	9,850	134,321,141
Pop-Up — Half	8,072	120,040,088	8,560	132,637,310	9,022	145,279,269	9,500	160,985,965	9,988	176,454,433
Other (Option 4)	1,299	21,046,670	1,551	26,800,459	1,843	34,353,728	2,178	43,018,662	2,487	52,216,903
<b>Total</b>	<b>157,914</b>	<b>1,698,141,118</b>	<b>162,179</b>	<b>1,819,585,557</b>	<b>166,120</b>	<b>1,942,498,030</b>	<b>169,935</b>	<b>2,089,442,976</b>	<b>173,533</b>	<b>2,233,066,261</b>
<b>ERS Males</b>										
Single Life Allowance**	51,081	941,586,810	51,726	984,558,164	52,433	1,025,470,309	53,261	1,080,255,793	54,026	1,132,437,884
Cash Refund	8,345	126,777,793	7,861	124,944,940	7,446	123,366,960	7,010	120,976,748	6,601	118,139,800
Joint Allowance — Full	22,225	389,414,355	22,944	414,365,423	23,709	441,987,740	24,445	476,994,614	25,227	510,604,139
Joint Allowance — Half	10,358	241,988,502	10,147	244,245,794	9,915	245,585,927	9,695	248,706,014	9,505	252,076,795
Five Year Certain	2,177	37,662,497	2,142	37,959,476	2,116	38,419,966	2,078	39,004,651	2,045	39,662,202
Ten Year Certain	4,483	69,454,942	4,470	72,482,210	4,495	75,653,931	4,490	78,566,297	4,476	81,680,103
Pop-Up — Full	11,328	215,299,672	12,363	243,669,655	13,507	274,914,771	14,836	316,493,717	16,293	362,900,820
Pop-Up — Half	9,818	254,477,336	10,184	271,055,808	10,486	287,086,053	10,867	308,589,951	11,215	328,172,648
Other (Option 4)	2,696	76,667,052	3,079	92,171,848	3,489	106,450,494	3,981	128,321,850	4,456	148,099,493
<b>Total</b>	<b>122,511</b>	<b>2,353,328,959</b>	<b>124,916</b>	<b>2,485,453,318</b>	<b>127,596</b>	<b>2,618,936,155</b>	<b>130,663</b>	<b>2,797,909,640</b>	<b>133,844</b>	<b>2,973,773,885</b>
<b>PFRS Females</b>										
Single Life Allowance**	284	9,463,139	329	11,731,461	365	13,669,830	417	16,561,339	471	19,834,215
Cash Refund	6	182,164	6	182,164	5	171,250	5	171,250	5	171,250
Joint Allowance — Full	16	484,727	17	518,377	22	787,733	24	872,771	25	899,548
Joint Allowance — Half	5	158,469	6	196,598	6	197,296	9	310,138	11	422,207
Five Year Certain	7	171,412	7	171,412	7	171,412	8	214,260	8	214,260
Ten Year Certain	26	821,407	29	934,395	40	1,639,307	46	2,026,828	50	2,244,595
Pop-Up — Full	34	1,290,977	47	1,904,665	62	2,732,578	70	3,144,357	79	3,564,813
Pop-Up — Half	19	718,092	30	1,258,388	39	1,610,867	45	2,024,834	51	2,302,433
Other (Option 4)	3	200,193	4	244,556	6	411,090	9	603,168	12	759,291
<b>Total</b>	<b>400</b>	<b>13,490,580</b>	<b>475</b>	<b>17,142,016</b>	<b>552</b>	<b>21,391,365</b>	<b>633</b>	<b>25,928,948</b>	<b>712</b>	<b>30,412,612</b>
<b>PFRS Males</b>										
Single Life Allowance**	15,304	420,485,132	15,282	434,522,645	15,239	446,579,958	15,165	457,465,829	15,157	472,399,750
Cash Refund	2,024	58,238,028	1,988	58,055,303	1,950	57,708,676	1,895	57,109,254	1,838	56,260,625
Joint Allowance — Full	1,873	63,187,682	2,021	71,067,388	2,141	77,876,210	2,261	85,342,889	2,351	91,727,133
Joint Allowance — Half	1,336	50,253,762	1,357	53,126,026	1,345	54,358,973	1,346	56,170,372	1,338	57,803,257
Five Year Certain	401	11,960,544	403	12,497,527	396	12,343,089	390	12,378,453	390	12,801,439
Ten Year Certain	1,390	40,838,034	1,413	42,853,814	1,412	43,579,306	1,418	45,200,765	1,428	46,804,803
Pop-Up — Full	1,390	49,236,437	1,598	59,211,288	1,801	69,058,966	1,976	77,545,484	2,150	86,317,312
Pop-Up — Half	1,729	80,856,780	1,845	89,560,050	1,946	96,338,817	2,013	101,783,001	2,109	109,729,379
Other (Option 4)	440	29,949,741	542	37,784,097	625	43,439,577	708	49,392,734	798	56,544,319
<b>Total</b>	<b>25,887</b>	<b>805,006,140</b>	<b>26,449</b>	<b>858,678,138</b>	<b>26,855</b>	<b>901,283,575</b>	<b>27,172</b>	<b>942,388,784</b>	<b>27,559</b>	<b>990,388,020</b>

\*In 2009, 84 PFRS pensioners selected partial lump sums which totaled \$8,244,479.

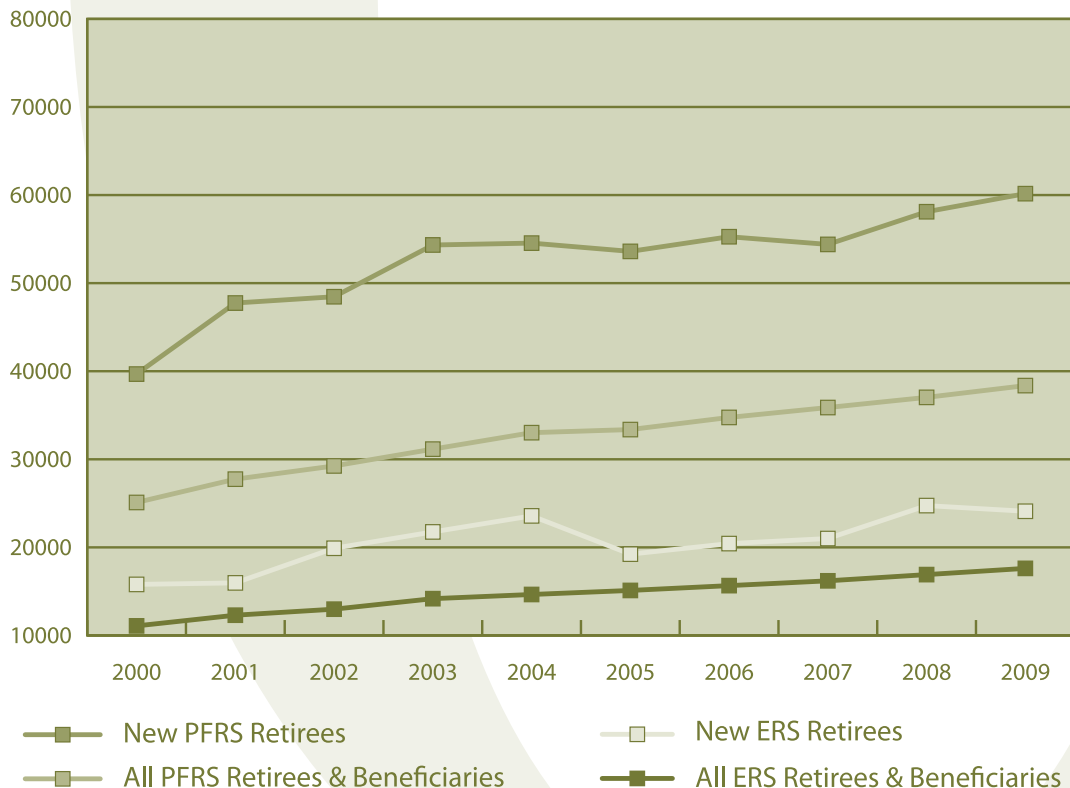
\*\*Includes Option 0 and 1/2.

# AVERAGE PENSION BENEFITS PAID DURING YEAR SHOWN

Average benefit payments to all retirees and beneficiaries receiving benefits during the year compared with average benefit payments to new retirees during the year. The benefit consists of actual payments (after option selection and partial lump sum distribution), plus COLA.

Year	All Retirees & Beneficiaries	New Retirees
<b>ERS</b>		
2000	\$11,086	\$15,795
2001	12,299	15,968
2002	12,984	19,899
2003	14,176	21,755
2004	14,651	23,576
2005	15,110	19,231
2006	15,657	20,430
2007	16,202	21,004
2008	16,909	24,744
2009	17,615	24,100

Year	All Retirees & Beneficiaries	New Retirees
<b>PFRS</b>		
2000	\$25,098	\$39,677
2001	27,745	47,744
2002	29,246	48,456
2003	31,154	54,330
2004	33,022	54,545
2005	33,375	53,604
2006	34,753	55,269
2007	35,877	54,397
2008	37,030	58,106
2009	38,367	60,158



# AVERAGE BENEFIT PAY TYPES

## New Benefits: ERS

These tables show the average unmodified retirement allowance (prior to option selection) awarded to Employees' Retirement System members retiring during the fiscal year ending March 31, 2009. 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	18	\$ 986	5
5 - 9	1,302	3,443	11
10 - 14	2,407	6,277	18
15 - 19	1,802	10,288	25
20 - 24	2,902	20,070	41
25 - 29	2,690	29,259	50
30 - 34	2,478	39,374	62
35 - 39	2,625	48,331	74
40 & Over	810	55,623	80
<b>Total</b>	<b>17,034</b>	<b>\$26,100</b>	<b>45</b>

### 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	1	46,797	75
15 - 19	0	0	0
20 - 24	1	41,022	75
25 - 29	2	46,676	58
30 - 34	1	32,423	75
35 - 39	1	80,036	75
40 & Over	0	0	0
<b>Total</b>	<b>6</b>	<b>\$48,938</b>	<b>69</b>

### New Ordinary Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	3	\$ 11,707	33
5 - 9	18	12,611	32
10 - 14	155	11,866	30
15 - 19	255	14,331	32
20 - 24	182	18,056	35
25 - 29	145	21,581	43
30 - 34	30	25,055	52
35 - 39	15	33,818	60
40 & Over	1	85,921	77
<b>Total</b>	<b>804</b>	<b>\$16,811</b>	<b>36</b>

### New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	2	\$ 31,358	75
5 - 9	7	36,025	71
10 - 14	8	43,048	71
15 - 19	21	51,014	72
20 - 24	20	54,248	74
25 - 29	11	58,861	74
30 - 34	3	36,603	67
35 - 39	0	0	0
40 & Over	0	0	0
<b>Total</b>	<b>72</b>	<b>\$49,622</b>	<b>73</b>

## New Benefits: PFRS

These tables show the average unmodified retirement allowance (prior to option selection or partial lump sum distribution) awarded to Police and Fire Retirement System members retiring during the fiscal year ending March 31, 2009. 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	7	3,916	14
10 – 14	20	7,010	19
15 – 19	5	8,565	26
20 – 24	410	51,847	51
25 – 29	190	67,649	59
30 – 34	167	77,575	66
35 – 39	126	95,751	74
40 & Over	20	96,701	78
<b>Total</b>	<b>945</b>	<b>\$64,841</b>	<b>58</b>

### New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	4	39,756	69
10 – 14	11	81,204	75
15 – 19	25	77,106	75
20 – 24	20	84,752	73
25 – 29	7	92,512	75
30 – 34	3	71,749	75
35 – 39	3	75,357	75
40 & Over	0	0	0
<b>Total</b>	<b>73</b>	<b>\$78,957</b>	<b>74</b>

### 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	1	29,918	50
15 – 19	2	24,345	33
20 – 24	3	47,266	50
25 – 29	0	0	0
30 – 34	0	0	0
35 – 39	0	0	0
40 & Over	0	0	0
<b>Total</b>	<b>6</b>	<b>\$36,734</b>	<b>44</b>

### New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	1	\$ 19,157	50
5 – 9	4	44,946	50
10 – 14	12	36,243	50
15 – 19	16	36,851	50
20 – 24	17	45,540	50
25 – 29	7	47,943	50
30 – 34	2	36,601	50
35 – 39	0	0	0
40 & Over	0	0	0
<b>Total</b>	<b>59</b>	<b>\$40,787</b>	<b>50</b>



# NEW BENEFITS — SERVICE RETIREMENTS BY AGE AND SERVICE

During the fiscal year ending March 31, 2009, the number of members retiring, their average Single Life allowance (prior to option selection or partial lump sum distribution), and the average allowance as a percentage of the average final average salary (FAS).

Years of Service	Age at Retirement											
	50 – 59			60 – 64			65 – 69			70 & Over		
	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%
<b>ERS</b>												
Under 5	3	\$ 551	4	4	\$ 1,922	7	6	\$ 867	4	5	\$ 664	7
5 – 9	417	2,894	9	433	3,742	11	312	3,863	12	140	3,220	12
10 – 14	1,088	4,947	16	701	7,163	19	441	7,685	20	177	7,438	20
15 – 19	690	8,145	22	593	11,590	27	326	11,803	28	193	11,395	28
20 – 24	790	17,541	35	1,186	20,580	42	652	22,092	43	274	20,342	43
25 – 29	1,076	29,648	47	1,040	28,905	52	416	29,146	53	158	29,246	54
30 – 34	1,354	39,930	63	810	38,770	62	227	37,331	63	87	41,656	63
35 – 39	1,798	47,023	74	583	53,182	74	166	50,250	74	78	38,181	73
40 & Over	272	49,919	79	354	56,435	80	100	63,556	81	84	61,224	84
<b>Total</b>	<b>7,488</b>	<b>\$ 28,066</b>	<b>47</b>	<b>5,704</b>	<b>\$ 26,364</b>	<b>46</b>	<b>2,646</b>	<b>\$ 21,976</b>	<b>40</b>	<b>1,196</b>	<b>\$ 21,664</b>	<b>41</b>

Years of Service	Age at Retirement											
	40 – 49*			50 – 54			55 – 59			60 & Over		
	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%
<b>PFRS</b>												
Under 5	0	\$ 0	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0	0
5 – 9	0	0	0	0	0	0	3	4,138	10	4	3,750	17
10 – 14	0	0	0	0	0	0	17	6,832	19	3	8,019	20
15 – 19	0	0	0	0	0	0	5	8,565	26	0	0	0
20 – 24	296	49,740	51	79	56,932	52	29	60,311	52	6	47,947	50
25 – 29	21	56,810	56	99	69,960	58	58	69,944	60	12	56,459	60
30 – 34	0	0	0	22	61,504	62	109	79,045	66	36	82,947	68
35 – 39	0	0	0	0	0	0	63	98,306	73	63	93,195	74
40 & Over	0	0	0	0	0	0	1	159,164	76	19	93,414	78
<b>Total</b>	<b>317</b>	<b>\$ 50,209</b>	<b>51</b>	<b>200</b>	<b>\$ 63,884</b>	<b>56</b>	<b>285</b>	<b>\$ 73,493</b>	<b>61</b>	<b>143</b>	<b>\$ 81,374</b>	<b>68</b>

\*Does not include any retirees less than age 40.

# NEW BENEFITS — ORDINARY AND ACCIDENTAL DEATH

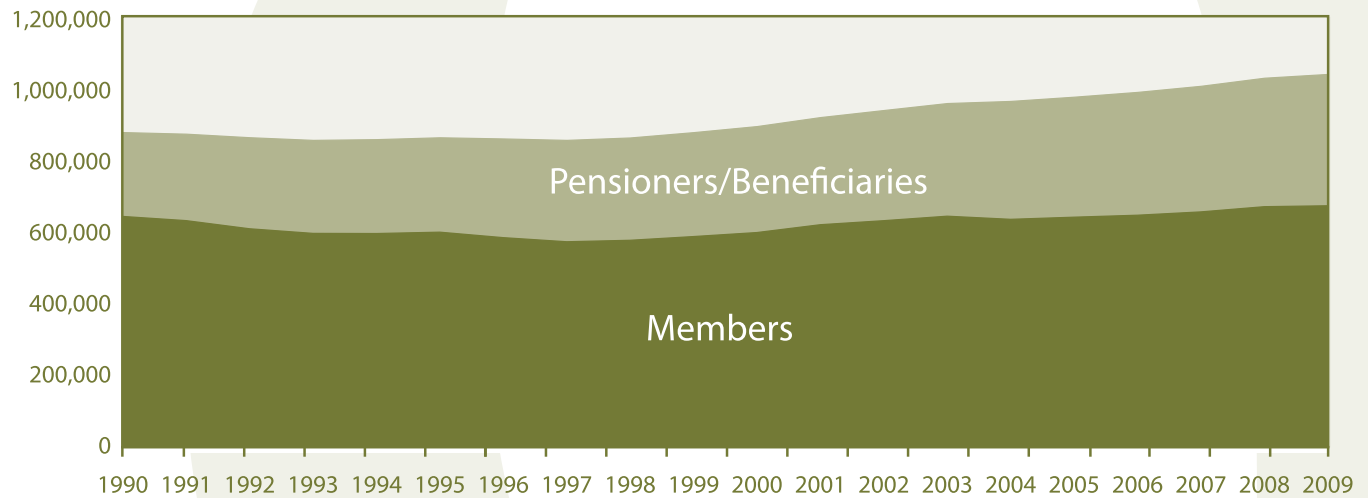
## Accidental Death Benefits

During fiscal year ending March 31, 2009, the Employees' Retirement System approved five accidental death benefits, each of which averaged \$22,074 per year. In the Police and Fire Retirement System, two accidental death benefits were approved, averaging \$52,593 per year.

## Ordinary Death Benefits

Years of Service	Number Paid	Average Benefit	Percentage of Salary
<b>ERS</b>			
Under 5	121	\$ 66,238	191.2
5 – 9	155	106,884	282.0
10 – 14	194	92,065	232.1
15 – 19	134	127,790	257.2
20 – 24	130	155,629	272.5
25 – 29	94	157,536	278.5
30 – 34	45	188,274	311.0
35 – 39	21	265,283	397.2
40 & Over	13	338,660	542.4
<b>Total</b>	<b>907</b>	<b>\$ 124,644</b>	<b>261.7</b>
<b>PFRS</b>			
Under 5	3	\$ 142,333	300.7
5 – 9	2	194,587	300.1
10 – 14	6	147,667	226.0
15 – 19	4	206,096	298.5
20 – 24	2	889,596	719.5
25 – 29	1	1,445,240	598.9
30 – 34	2	1,049,261	668.6
35 – 39	1	1,517,920	913.0
40 & Over	0	0	0.0
<b>Total</b>	<b>21</b>	<b>\$ 446,068</b>	<b>397.1</b>

# COMBINED SYSTEM PARTICIPANTS

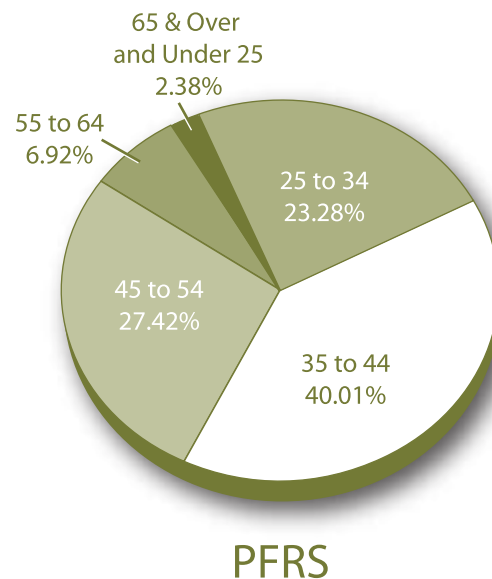
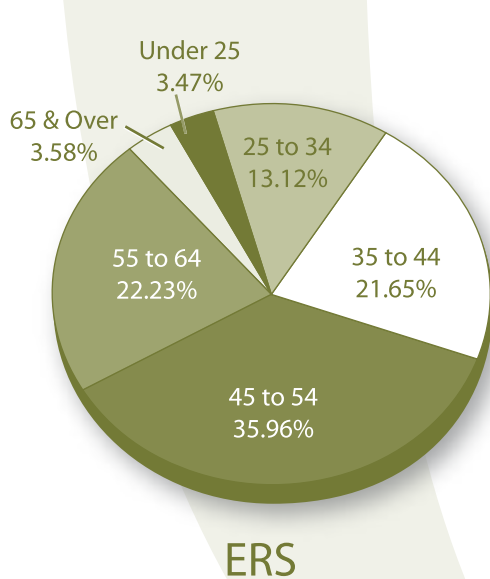


Fiscal Year	Members	% Changed	Pensioners/ Beneficiaries	% Changed	Total Participants	% Changed
1990	649,847	3	232,563	3	882,410	3
1991	638,049	-2	239,835	3	877,884	-1
1992	615,114	-4	252,812	5	867,926	-1
1993	602,133	-2	258,294	2	860,427	-1
1994	601,710	0	260,788	1	862,498	0
1995	605,544	1	262,187	1	867,731	1
1996	590,130	-3	274,330	5	864,460	0
1997	578,566	-2	281,863	3	860,429	0
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
2007	662,633	1	350,066	2	1,012,699	2
2008	677,321	2	358,109	2	1,035,430	2
2009	679,908	0	366,178	2	1,046,086	1

# MEMBERSHIP BY AGE AND YEARS OF SERVICE

As of March 31, 2009.

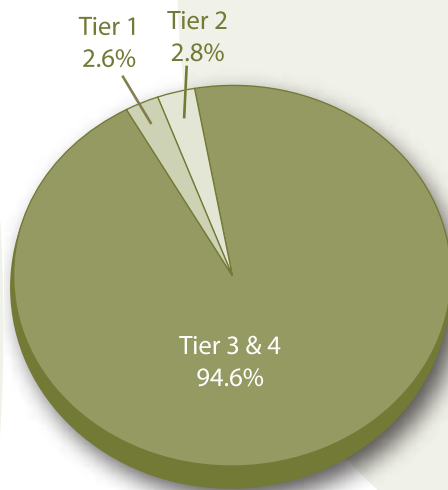
Age	Years of Service											
	Total		0-4		5-9		10-19		20-29		30 & Over	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>ERS</b>												
Total	643,700	100.00	213,252	33.13	120,630	18.74	162,160	25.19	113,333	17.61	34,325	5.33
Under 25	22,327	3.47	22,117	3.44	210	0.03	0	0.00	0	0.00	0	0.00
25-34	84,453	13.12	61,118	9.49	19,570	3.04	3,765	0.58	0	0.00	0	0.00
35-44	139,362	21.65	52,940	8.22	34,857	5.42	42,354	6.58	9,211	1.43	0	0.00
45-54	231,447	35.96	51,296	7.97	41,793	6.49	68,099	10.58	59,453	9.24	10,806	1.68
55-64	143,075	22.23	21,976	3.41	20,637	3.21	41,123	6.39	38,808	6.03	20,531	3.19
65 & Over	23,036	3.58	3,804	0.59	3,563	0.55	6,819	1.06	5,861	0.91	2,988	0.46
<b>PFRS</b>												
Total	36,208	100.00	8,395	23.19	6,184	17.08	11,307	31.23	8,417	23.25	1,905	5.26
Under 25	788	2.18	783	2.16	5	0.01	0	0.00	0	0.00	0	0.00
25-34	8,429	23.28	5,093	14.07	2,655	7.33	681	1.88	0	0.00	0	0.00
35-44	14,487	40.01	2,051	5.66	2,867	7.92	7,993	22.08	1,576	4.35	0	0.00
45-54	9,928	27.42	353	0.97	572	1.58	2,441	6.74	6,161	17.02	401	1.11
55-64	2,504	6.92	104	0.29	79	0.22	182	0.50	678	1.87	1,461	4.04
65 & Over	72	0.20	11	0.03	6	0.02	10	0.03	2	0.01	43	0.12



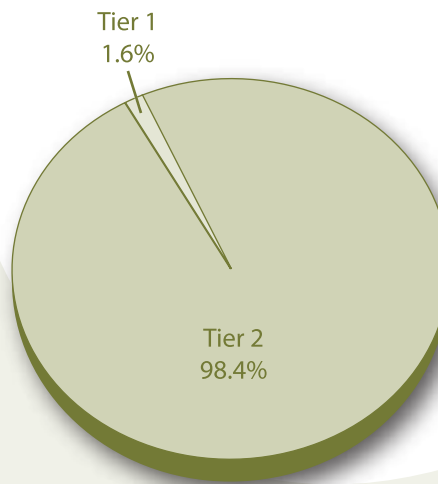
# MEMBERSHIP BY TIER

As of March 31, 2009.

	ERS		PFRS		Total	
	Number	Percent	Number	Percent	Number	Percent
Tier 1	16,829	2.6	576	1.6	17,405	2.6
Tier 2	18,097	2.8	35,632	98.4	53,729	7.9
Tier 3 & 4	608,774	94.6	0	0.0	608,774	89.5
<b>Total</b>	<b>643,700</b>	<b>100.0</b>	<b>36,208</b>	<b>100.0</b>	<b>679,908</b>	<b>100.0</b>



ERS



PFRS

# MEMBERSHIP BY STATUS

	Active	Inactive	Total
<b>ERS</b>			
2000	494,545	74,824	569,369
2001	507,037	83,922	590,959
2002	512,209	90,219	602,428
2003	502,872	111,683	614,555
2004	507,241	98,914	606,155
2005	508,856	103,554	612,410
2006	513,016	104,973	617,989
2007	519,203	107,720	626,923
2008	528,435	112,684	641,119
2009	530,023	113,677	643,700

	Active	Inactive	Total
<b>PFRS</b>			
2000	31,955	3,155	35,110
2001	32,220	3,386	35,606
2002	32,321	3,147	35,468
2003	32,419	3,569	35,988
2004	32,359	3,207	35,566
2005	32,388	2,960	35,348
2006	32,469	2,833	35,302
2007	32,811	2,899	35,710
2008	33,089	3,113	36,202
2009	33,052	3,156	36,208

# NUMBER OF EMPLOYERS

As of March 31, 2009.

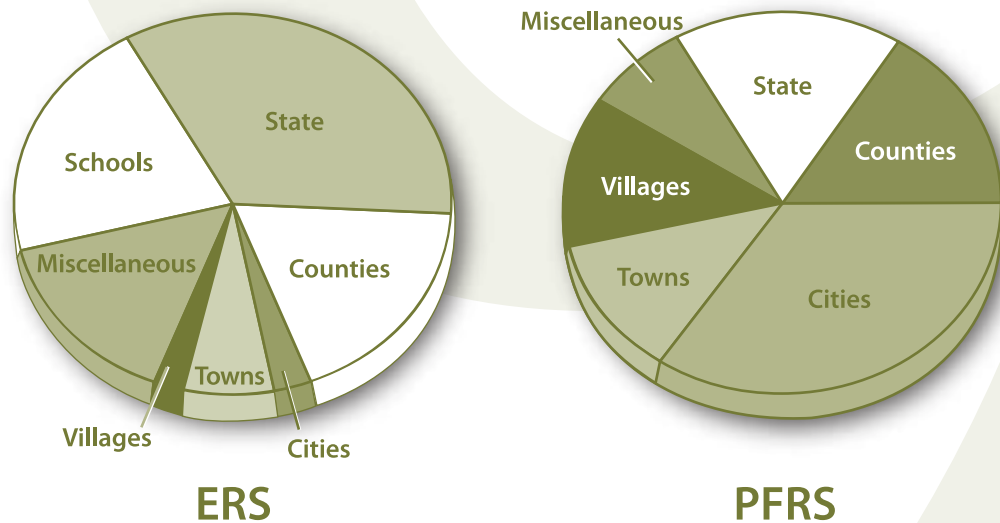
Category	ERS	PFRS
State	1	1
Counties	57	4
Cities	61	61
Towns	909	206
Villages	492	377
Miscellaneous	781	34
Schools	700	0
<b>Total</b>	<b>3,001</b>	<b>683</b>

# MEMBERSHIP BY EMPLOYER TYPE\*

As of March 31, 2009.

	ERS		PFRS		Total	
	Total	Active	Total	Active	Total	Active
State	219,741	187,219	6,222	5,700	225,963	192,919
Counties	116,515	93,881	5,841	5,608	122,356	99,489
Cities	18,893	15,208	12,433	11,499	31,326	26,707
Towns	43,403	35,325	4,340	3,887	47,743	39,212
Villages	14,000	11,034	4,592	3,735	18,592	14,769
Miscellaneous	97,272	77,073	2,780	2,623	100,052	79,696
Schools	133,876	110,283	0	0	133,876	110,283
<b>Total</b>	<b>643,700</b>	<b>530,023</b>	<b>36,208</b>	<b>33,052</b>	<b>679,908</b>	<b>563,075</b>

Total includes inactive members (e.g. vested and others) identified with their last employer as active members.



\*A detailed listing of employers as of March 31, 2009 is on our website at [www.osc.state.ny.us/retire/employers/index.htm](http://www.osc.state.ny.us/retire/employers/index.htm).

# AVERAGE SALARY BY EMPLOYER TYPE

Fiscal year ending March 31, 2009.

	Average Salary	Members*	Total Salaries
<b>ERS</b>			
State	\$ 53,866	187,219	\$ 10,084,740,814
Counties	46,631	93,881	4,377,721,860
Cities	44,043	15,208	669,808,845
Towns	41,478	35,325	1,465,223,489
Villages	40,326	11,034	444,961,605
Miscellaneous	50,308	77,073	3,877,364,502
Schools	28,830	110,283	3,179,509,847
<b>Total</b>	<b>\$ 45,468</b>	<b>530,023</b>	<b>\$ 24,099,330,962</b>
<b>PFRS</b>			
State	\$ 90,429	5,700	\$ 515,443,121
Counties	125,755	5,608	705,233,154
Cities	76,365	11,499	878,117,097
Towns	82,742	3,887	321,618,807
Villages	72,579	3,735	271,083,876
Miscellaneous	106,124	2,623	278,364,020
<b>Total</b>	<b>\$ 89,854</b>	<b>33,052</b>	<b>\$ 2,969,860,074</b>

\*Active members receiving salary.

## Average Salary by Employer Type





# MEMBERS AND SALARIES BY PLAN — ERS

As of March 31, 2009.

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries
Age 55/60 Contributory	10	\$ 412,299	11	\$ 342,457
Age 55 75-c	55	1,822,441	84	3,229,220
Age 55 75-e	13	422,655	23	779,921
Age 55 75-g	162	7,158,244	154	7,650,467
Age 55 75-h	6,189	430,927,794	6,296	427,361,021
Age 55 75-i	7,497	406,502,449	7,338	417,552,016
Reg CO/SHTA ¾ Disability	9	702,522	6	431,829
Correction Officers 89	138	10,316,315	222	16,099,861
Sheriffs 89-a	7	571,471	1	57,458
Sheriffs 89-b	5	434,725	2	109,766
Sheriffs 89-b(m)	2	138,077	3	190,143
Investigators 89-d	0	0	0	0
Investigators 89-d(m)	3	456,084	2	231,538
Sheriffs - 551	0	0	7	505,869
Sheriffs - 551e	0	0	1	78,330
Sheriffs - 552	4	280,717	5	355,458
Sheriffs - 553	13	1,189,367	20	1,896,194
Legislators 80-a	21	1,794,728	3	261,180
Unified Court Peace Officers	0	0	175	16,446,376
25-Yr Correction Officers/Sheriffs/OMH	77	6,161,427	101	8,933,415
25-Yr 1/60 Peace Officers, Amb Med Techs, Paramedics	26	2,707,683	12	1,196,789

	Tier 3 & 4	Tier 3 & 4 Salaries
Article 14 & 15	460,971	\$19,754,991,980
Reg CO/SHTA 3/4 Disability	447	29,005,267
Art 14 Correction Officer	21,693	1,282,931,669
Sheriffs - 551	379	22,753,609
Sheriffs - 551e	60	3,197,447
Sheriffs - 552	556	33,239,533
Sheriffs - 553	1,784	126,916,372
Unified Court Peace Officers	6,111	458,768,655
25-Yr Correction Officers/Sheriffs/OMH	9,118	592,940,448
25-Yr 1/60 Peace Officers, Amb Med Techs, Paramedics	163	13,648,262
20-Yr 1/60 Investigators	19	2,586,489
Westchester County Criminal Investigators	25	2,642,927

# MEMBERS AND SALARIES BY PLAN — PFRS

As of March 31, 2009.

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries
Age 55/60 Contributory	1	\$ 3,718	69	\$ 606,404
Age 55 375-c	7	231,055	295	4,627,951
Age 55 375-e	0	0	54	1,140,221
Age 55 375-g	1	200,823	82	1,570,822
Age 55 375-h	6	527,381	3	253,040
Age 55 375-i	38	4,282,314	320	13,440,181
Age 55 375-j	1	159,855	10	587,951
State Police 381-b	7	817,492	4,938	462,034,730
Reg Park Police 383-a	6	559,580	296	19,216,379
EnCon Police 383-b	4	349,377	315	22,864,926
Forest Ranger 383-c	0	0	125	8,820,214
25-Yr Contributory	0	0	0	0
25-Yr Non-contributory	2	98,361	77	2,738,572
25-Yr 384(f) Contributory	0	0	0	0
25-Yr 384(f) Non-contributory	4	379,246	120	10,752,446
20-Yr Contributory	0	0	0	0
20-Yr Non-contributory	104	11,003,667	10,047	766,990,831
384-e Contributory	0	0	0	0
384-e Non-contributory	290	40,307,669	15,830	1,595,294,868

# PENSIONERS AND BENEFICIARIES BY AGE

As of March 31, 2009.

Age	Pensioners & Beneficiaries	Pensioners	Beneficiaries
<b>ERS</b>			
0-25	188	0	188
26-30	161	2	159
31-35	211	12	199
36-40	431	106	325
41-45	1,042	583	459
46-50	2,963	2,243	720
51-55	5,366	4,275	1,091
56-60	38,800	37,186	1,614
61-65	59,774	57,359	2,415
66-70	60,356	57,326	3,030
71-75	50,618	46,967	3,651
76-80	44,376	40,149	4,227
81-85	36,827	31,969	4,858
86-90	23,098	19,500	3,598
91-95	9,744	7,933	1,811
96-100	2,061	1,579	482
101+	257	188	69
<b>Total</b>	<b>336,273</b>	<b>307,377</b>	<b>28,896</b>

Age	Pensioners & Beneficiaries	Pensioners	Beneficiaries
<b>PFRS</b>			
0-25	17	0	17
26-30	3	0	3
31-35	24	12	12
36-40	125	110	15
41-45	617	592	25
46-50	1,579	1,529	50
51-55	2,403	2,314	89
56-60	4,877	4,723	154
61-65	6,102	5,924	178
66-70	5,128	4,928	200
71-75	3,440	3,232	208
76-80	2,638	2,418	220
81-85	1,894	1,653	241
86-90	796	660	136
91-95	217	148	69
96-100	41	26	15
101+	4	2	2
<b>Total</b>	<b>29,905</b>	<b>28,271</b>	<b>1,634</b>

# PENSIONERS AND BENEFICIARIES — ERS

As of March 31, 2009 — by fiscal year of retirement:  
annual option 0 retirement benefit (prior to option selection) without annual cost-of-living adjustment (COLA), average COLA and total.

Year of Retirement	Number	Average Option 0 Benefit w/o COLA	Average COLA	Total
1942	1	\$ 424	\$ 2,171	\$ 2,595
1943	0	0	0	0
1944	0	0	0	0
1945	0	0	0	0
1946	0	0	0	0
1947	0	0	0	0
1948	0	0	0	0
1949	0	0	0	0
1950	0	0	0	0
1951	0	0	0	0
1952	0	0	0	0
1953	0	0	0	0
1954	1	1,607	9,260	10,867
1955	1	2,107	5,991	8,098
1956	2	1,145	4,366	5,511
1957	5	2,278	7,877	10,154
1958	3	3,169	11,827	14,996
1959	4	1,738	5,072	6,809
1960	4	2,960	8,303	11,262
1961	4	1,491	3,550	5,040
1962	8	2,572	7,046	9,618
1963	9	1,435	3,821	5,256
1964	16	3,206	7,244	10,450
1965	20	2,312	6,300	8,611
1966	28	2,707	5,170	7,877
1967	51	2,589	5,154	7,743
1968	61	2,912	4,582	7,493
1969	102	2,822	4,474	7,296
1970	180	3,886	4,973	8,859
1971	273	4,459	5,854	10,312
1972	528	4,847	6,285	11,133
1973	690	4,120	5,059	9,179
1974	893	4,466	5,281	9,746
1975	1,061	4,603	4,692	9,295
1976	1,581	5,034	4,703	9,737

Year of Retirement	Number	Average Option 0 Benefit w/o COLA	Average COLA	Total
1977	2,111	\$ 4,786	\$ 4,334	\$ 9,120
1978	2,298	5,068	4,157	9,225
1979	2,817	5,195	4,031	9,225
1980	3,291	5,253	3,455	8,707
1981	3,741	5,413	2,916	8,328
1982	4,493	5,973	2,801	8,774
1983	4,265	6,375	2,658	9,033
1984	6,646	8,466	3,216	11,682
1985	5,506	8,447	2,935	11,382
1986	6,443	8,944	2,860	11,803
1987	6,533	9,843	2,919	12,763
1988	6,445	10,710	2,873	13,583
1989	7,142	11,524	2,775	14,299
1990	7,807	12,685	2,587	15,272
1991	11,778	16,661	2,688	19,349
1992	11,145	13,972	2,227	16,200
1993	8,833	14,472	2,017	16,489
1994	7,677	14,576	1,818	16,394
1995	9,383	15,408	1,753	17,161
1996	15,829	19,947	1,805	21,753
1997	14,144	18,654	1,485	20,139
1998	10,576	16,616	1,122	17,738
1999	11,599	16,221	967	17,188
2000	13,524	17,548	833	18,382
2001	14,307	21,022	747	21,769
2002	11,792	19,130	578	19,708
2003	25,081	27,674	377	28,051
2004	12,693	19,334	198	19,532
2005	15,304	21,296	0	21,296
2006	16,720	22,168	0	22,168
2007	17,310	24,451	0	24,451
2008	17,633	26,236	0	26,236
2009	10,320	26,510	0	26,510

5,561 of the 28,896 beneficiaries are not eligible for COLA and are not included in the above counts.

# PENSIONERS AND BENEFICIARIES — PFRS

As of March 31, 2009 — by fiscal year of retirement:  
annual modified option 0 retirement benefit without  
annual cost-of-living adjustment (COLA), average  
COLA and total. Modified option 0 is the amount  
after reduction for a partial lump sum distribution.

Year of Retirement	Number	Average Modified Option 0 Benefit w/o COLA	Average COLA	Total
1942	1	\$ 2,029	\$20,385	\$22,414
1943	0	0	0	0
1944	0	0	0	0
1945	0	0	0	0
1946	0	0	0	0
1947	0	0	0	0
1948	0	0	0	0
1949	0	0	0	0
1950	0	0	0	0
1951	0	0	0	0
1952	0	0	0	0
1953	1	3,090	8,917	12,007
1954	1	2,357	13,582	15,939
1955	2	2,482	7,057	9,539
1956	1	3,614	20,169	23,783
1957	4	3,111	13,657	16,768
1958	2	2,866	12,790	15,656
1959	1	2,249	11,799	14,048
1960	1	3,478	17,900	21,378
1961	3	2,575	8,977	11,552
1962	1	3,669	16,551	20,220
1963	6	3,390	12,275	15,665
1964	3	2,568	8,207	10,775
1965	4	5,050	15,414	20,465
1966	6	6,454	13,548	20,002
1967	17	4,753	11,088	15,841
1968	22	4,816	11,188	16,004
1969	35	4,898	9,742	14,640
1970	46	5,804	11,039	16,843
1971	59	6,357	10,945	17,303
1972	235	7,130	11,903	19,032
1973	190	7,574	11,835	19,409
1974	234	8,096	11,926	20,022
1975	172	8,512	10,962	19,473
1976	213	9,605	10,733	20,339

Year of Retirement	Number	Average Modified Option 0 Benefit w/o COLA	Average COLA	Total
1977	345	\$10,542	\$10,797	\$21,339
1978	368	10,747	10,334	21,081
1979	418	11,684	9,875	21,559
1980	479	12,290	8,708	20,998
1981	414	13,431	7,554	20,986
1982	504	14,892	6,968	21,861
1983	558	15,920	6,644	22,564
1984	528	17,648	6,528	24,177
1985	636	19,296	6,049	25,345
1986	878	20,819	5,911	26,730
1987	942	22,990	5,774	28,764
1988	996	24,621	5,449	30,070
1989	1,027	25,105	4,975	30,080
1990	1,014	27,548	4,427	31,975
1991	1,122	30,986	3,922	34,908
1992	1,244	35,042	3,416	38,458
1993	1,131	34,101	3,058	37,160
1994	993	33,059	2,670	35,729
1995	863	37,471	2,262	39,733
1996	848	36,319	1,955	38,275
1997	837	40,262	1,645	41,906
1998	797	39,900	1,212	41,112
1999	808	40,732	1,044	41,776
2000	937	46,859	759	47,618
2001	1,134	52,629	662	53,291
2002	979	52,872	475	53,347
2003	1,313	60,443	309	60,752
2004	1,229	57,581	182	57,763
2005	1,114	58,093	0	58,093
2006	1,121	59,170	0	59,170
2007	1,115	60,016	0	60,016
2008	1,136	61,956	0	61,956
2009	475	66,441	0	66,441

342 of the 1,634 beneficiaries are not eligible for COLA and are not included in the above counts.

# 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 1<sup>st</sup> preceding the fiscal year end.

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
<b>Counties</b>						
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
2007	4,082,673,936	447,024,967	417,028,835	0	17,682,805	12,313,327
2008	4,216,431,872	422,160,637	394,084,911	0	11,157,933	16,917,793
2009	4,377,722,306	386,066,989	357,016,093	0	11,534,099	17,516,797
<b>Cities</b>						
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
2007	625,077,477	65,850,318	60,796,905	0	3,158,385	1,895,028
2008	648,030,721	61,051,722	56,528,107	0	1,938,692	2,584,923
2009	669,808,943	54,817,726	50,114,905	0	2,015,498	2,687,323
<b>Towns</b>						
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
2007	1,356,019,116	140,466,376	128,916,495	696,150	6,782,132	4,071,599
2008	1,417,734,849	131,248,138	120,766,233	677,721	4,200,582	5,603,602
2009	1,465,224,022	120,574,358	109,598,831	695,659	4,404,475	5,875,393
<b>Villages</b>						
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
2007	411,425,147	42,088,503	38,567,121	240,460	2,050,581	1,230,341
2008	427,838,001	39,705,557	36,476,385	243,599	1,279,527	1,706,046
2009	444,961,775	36,293,410	32,947,899	231,780	1,334,454	1,779,277
<b>Miscellaneous</b>						
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
2007	3,452,844,188	351,765,032	323,252,763	1,090,110	17,138,851	10,283,308
2008	3,612,130,156	333,088,130	307,009,697	1,016,328	10,741,056	14,321,049
2009	3,877,365,154	307,150,742	279,817,198	1,031,567	11,272,265	15,029,712
<b>Schools</b>						
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
2007	2,892,495,432	295,496,975	272,049,180	87,908	14,599,932	8,759,955
2008	3,028,665,963	276,852,420	255,641,659	94,016	9,050,047	12,066,698
2009	3,179,510,771	258,982,162	236,727,573	107,511	9,491,589	12,655,489

# LOCAL GOVERNMENT SALARIES AND BILLINGS — PFRS

Contributions include the normal cost of benefits including supplemental pensions, the Group Life Insurance Plan (GLIP) and the administrative cost for the fiscal year. Amounts shown are due February 1<sup>st</sup> preceding the fiscal year end.

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
<b>Counties</b>						
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
2007	686,235,014	121,577,173	118,828,521	0	0	2,748,652
2008	705,089,650	120,646,667	117,816,582	0	707,521	2,122,564
2009	705,233,176	117,939,533	115,751,728	0	0	2,187,805
<b>Cities</b>						
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
2007	803,949,506	142,751,818	139,481,125	0	0	3,270,693
2008	862,509,071	142,311,942	138,966,064	0	836,467	2,509,411
2009	878,117,139	151,071,141	148,374,256	0	0	2,696,885
<b>Towns</b>						
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
2007	293,260,663	50,495,562	49,326,214	0	0	1,169,348
2008	307,058,431	51,073,666	49,853,332	0	305,084	915,250
2009	321,618,843	53,509,018	52,550,766	0	0	958,252
<b>Villages</b>						
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
2007	251,789,449	40,309,964	39,301,296	0	0	1,008,668
2008	260,713,425	40,875,275	39,828,283	0	261,751	785,241
2009	271,083,935	41,155,426	40,339,680	0	0	815,746
<b>Miscellaneous</b>						
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
2007	245,010,928	42,931,506	41,968,985	0	0	962,521
2008	266,355,184	44,355,212	43,330,386	0	256,207	768,619
2009	278,364,071	44,753,630	43,917,335	0	0	836,295

# CONTRIBUTIONS RECORDED 2000 – 2009

In Millions.

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
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	
2007 Total	\$2,718.5	\$250.2
State	988.2	
Local	1,730.3	
2008 Total	\$2,648.5	\$265.7
State	1,007.8	
Local	1,640.7	
2009 Total	\$2,456.2	\$273.3
State	889.2	
Local	1,567.0	

\*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, 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\*

	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Total Participants</b>	1,046,086	1,035,430	1,012,699	995,536	982,009	970,078	964,140	944,500	924,643
<b>Number of Members</b>	679,908	677,321	662,633	653,291	647,758	641,721	650,543	637,896	626,565
<b>ERS (a)</b>	<b>643,700</b>	<b>641,119</b>	<b>626,923</b>	<b>617,989</b>	<b>612,410</b>	<b>606,155</b>	<b>614,555</b>	<b>602,428</b>	<b>590,959</b>
State	219,741	220,216	215,296	211,041	208,899	207,641	216,005	216,507	222,343
Counties	116,515	117,084	115,944	115,472	118,006	117,514	119,319	118,318	119,638
Cities	18,893	18,992	18,843	18,891	18,979	18,933	19,637	19,671	19,551
Towns	43,403	43,203	41,989	41,393	40,561	39,841	39,395	38,063	37,121
Villages	14,000	13,891	13,597	13,388	13,106	12,878	12,823	12,360	11,969
Miscellaneous	97,272	95,601	92,736	90,879	86,791	85,732	85,708	81,752	69,968
Schools	133,876	132,132	128,518	126,925	126,068	123,616	121,668	115,757	110,369
<b>PFRS (a)</b>	<b>36,208</b>	<b>36,202</b>	<b>35,710</b>	<b>35,302</b>	<b>35,348</b>	<b>35,566</b>	<b>35,988</b>	<b>35,468</b>	<b>35,606</b>
State	6,222	6,223	6,219	5,955	6,038	5,898	5,802	5,679	5,534
Counties	5,841	5,898	5,873	5,850	5,833	5,814	5,901	6,029	6,176
Cities	12,433	12,414	12,206	12,147	12,113	12,374	12,541	12,612	12,781
Towns	4,340	4,364	4,295	4,261	4,217	4,231	4,233	4,191	4,180
Villages	4,592	4,621	4,591	4,641	4,653	4,732	4,867	4,795	4,805
Miscellaneous	2,780	2,682	2,526	2,448	2,494	2,517	2,644	2,162	2,130
<b>Members By Tier (b)</b>									
ERS Tier 1	16,829	20,513	25,053	29,492	34,980	39,622	50,032	56,541	60,736
ERS Tier 2	18,097	20,315	22,458	24,263	25,938	27,398	30,122	31,981	32,914
ERS 3 & 4	608,774	600,291	579,412	564,234	551,492	539,135	534,401	513,906	497,309
PFRS Tier 1	576	745	924	1,143	1,503	2,076	2,597	3,260	3,927
PFRS Tier 2	35,632	35,457	34,786	34,159	33,845	33,490	33,391	32,208	31,679
<b>Pensioners &amp; Beneficiaries</b>	<b>366,178</b>	<b>358,109</b>	<b>350,066</b>	<b>342,245</b>	<b>334,251</b>	<b>328,357</b>	<b>313,597</b>	<b>306,604</b>	<b>298,078</b>
ERS	336,273	328,726	321,113	313,837	306,531	301,528	287,341	280,997	273,147
PFRS	29,905	29,383	28,953	28,408	27,720	26,829	26,256	25,607	24,931
<b>Employers</b>	<b>3,026</b>	<b>3,021</b>	<b>3,010</b>	<b>3,001</b>	<b>2,993</b>	<b>2,985</b>	<b>2,968</b>	<b>2,922</b>	<b>2,897</b>
ERS	3,001	2,995	2,983	2,974	2,967	2,959	2,943	2,917	2,890
PFRS	683	683	683	685	684	684	681	679	678
<b>Benefit Payments (c)</b>	<b>\$ 7,212.1</b>	<b>\$ 6,835.6</b>	<b>\$ 6,383.4</b>	<b>\$ 6,028.9</b>	<b>\$ 5,674.7</b>	<b>\$ 5,347.5</b>	<b>\$ 4,984.6</b>	<b>\$ 4,488.3</b>	<b>\$ 4,181.0</b>
Retirement Allowances	6,497.1	6,142.8	5,722.9	5,388.6	5,041.0	4,722.1	4,373.3	3,872.0	3,619.9
Death Benefits (Lump Sum)	180.5	181.7	164.6	161.2	161.9	157.3	148.4	151.8	152.9
COLA Payments	534.5	511.1	495.9	479.1	471.8	468.1	462.9	464.5	336.1
# of Service Retirements	17,979	17,261	16,390	16,827	14,533	23,655	16,078	17,499	11,640
# of Death Benefits Paid	935	1,014	832	932	1,041	1,025	1,019	1,068	1,005
# of Disability Retirements	1,020	941	1,227	1,267	1,463	1,103	1,064	1,038	1,079
<b>Employer Contributions</b>	<b>\$ 2,456.2</b>	<b>\$ 2,648.4</b>	<b>\$ 2,718.6</b>	<b>\$ 2,782.2</b>	<b>\$ 2,964.8</b>	<b>\$ 1,286.5</b>	<b>\$ 651.9</b>	<b>\$ 263.8</b>	<b>\$ 214.8</b>
ERS	1,898.7	2,073.5	2,116.0	2,271.4	2,434.5	1,052.3	525.5	179.1	131.0
PFRS	492.8	510.6	502.5	433.4	455.3	158.4	66.3	47.3	49.0
Group Life Insurance Plan	64.7	64.3	100.1	77.3	75.0	75.8	60.1	37.4	34.8
<b>Rate (as a % of Salary) (d)</b>									
ERS	8.5%	9.6%	10.7%	11.3%	12.9%	5.9%	1.5%	1.2%	0.9%
PFRS	15.8%	16.6%	17.0%	16.3%	17.6%	5.8%	1.4%	1.6%	1.6%
<b>Employee Contributions</b>	<b>\$ 273.3</b>	<b>\$ 265.7</b>	<b>\$ 250.2</b>	<b>\$ 241.2</b>	<b>\$ 227.3</b>	<b>\$ 221.9</b>	<b>\$ 219.2</b>	<b>\$ 210.2</b>	<b>\$ 319.1</b>
ERS	269.0	263.1	247.2	237.7	224.5	217.4	214.1	206.0	317.4
PFRS	4.3	2.6	2.9	3.5	2.8	4.5	5.1	4.2	1.7
<b>Investments (e)</b>	<b>\$108,960.7</b>	<b>\$153,877.7</b>	<b>\$154,575.5</b>	<b>\$140,453.3</b>	<b>\$126,083.5</b>	<b>\$119,245.0</b>	<b>\$95,598.3</b>	<b>\$111,168.5</b>	<b>\$112,432.9</b>
Equities	47,871.0	83,153.7	90,119.7	88,550.9	80,917.2	74,876.5	51,357.0	66,375.5	63,661.7
Fixed Income	36,541.6	36,571.4	33,536.2	28,889.0	29,310.8	29,691.2	32,019.7	31,839.2	35,305.7
Commercial Mortgages	710.2	772.4	889.7	1,162.7	1,281.9	1,530.0	1,723.6	1,628.7	1,835.8
Short-term Investments	3,826.7	6,443.1	8,551.1	6,619.3	2,602.5	1,879.1	771.2	1,429.0	992.0
Private Equity	10,563.7	12,699.4	10,044.8	8,284.8	6,832.4	6,738.8	5,564.8	5,579.5	5,941.6
Equity Real Estate	7,066.5	8,909.4	6,752.7	5,430.7	4,634.0	4,529.4	4,162.0	4,316.6	4,696.0
Absolute Return Strategy	2,381.0	5,328.3	4,681.3	1,516.0	504.7	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Rate of Return</b>	<b>-26.4%</b>	<b>2.6%</b>	<b>12.6%</b>	<b>14.6%</b>	<b>8.5%</b>	<b>28.8%</b>	<b>-10.2%</b>	<b>2.8%</b>	<b>-8.7%</b>
Fixed Income Investments	2.4%	8.6%	6.0%	1.7%	3.0%	8.9%	16.8%	4.3%	14.1%
Equity Investments	-30.8%	0.9%	15.0%	19.1%	10.6%	42.8%	-24.3	2.9%	-20.3%
Administrative Cost	\$ 99.2	\$ 90.3	\$ 79.8	\$ 78.5	\$ 65.3	\$ 69.6	\$ 67.5	\$ 66.6	\$ 57.8
Financial Statement Assets	\$ 110,937.8	\$ 155,845.9	\$ 156,625.2	\$ 142,620.1	\$ 128,037.7	\$ 120,799.0	\$ 97,372.7	\$ 112,724.9	\$ 114,043.5

2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
899,314	882,234	867,204	860,429	864,460	867,731	862,498	860,427	867,927	877,884	882,410
604,479	593,188	582,689	578,566	590,130	605,544	601,710	602,133	615,114	638,049	649,847
<b>569,369</b>	<b>558,236</b>	<b>547,805</b>	<b>543,663</b>	<b>553,649</b>	<b>569,298</b>	<b>566,320</b>	<b>567,223</b>	<b>580,158</b>	<b>602,433</b>	<b>614,392</b>
216,347	216,380	214,628	216,084	225,771	238,760	239,412	241,538	247,209	260,156	268,947
115,576	113,856	112,792	115,904	118,055	120,517	120,186	120,819	125,168	129,158	130,614
19,148	18,966	18,907	18,909	19,410	20,283	20,699	20,792	21,890	22,982	23,530
35,882	35,056	34,764	33,949	33,997	34,349	34,316	34,474	35,413	36,251	36,615
11,509	11,279	11,087	10,942	10,939	11,057	11,067	11,137	11,388	11,671	11,867
67,212	64,218	62,176	58,128	58,582	59,080	58,057	56,906	56,456	57,292	57,420
103,695	98,481	93,451	89,747	86,895	85,252	82,583	81,557	82,634	84,923	85,399
<b>35,110</b>	<b>34,952</b>	<b>34,884</b>	<b>34,903</b>	<b>36,481</b>	<b>36,246</b>	<b>35,390</b>	<b>34,910</b>	<b>34,956</b>	<b>35,616</b>	<b>35,455</b>
5,279	5,232	5,195	5,230	5,793	5,866	5,692	5,787	5,603	5,689	5,586
6,267	6,338	6,332	6,277	6,542	6,278	5,904	5,565	5,715	6,089	6,211
12,660	12,552	12,579	12,538	12,923	12,919	12,761	12,682	12,808	12,992	12,999
4,163	4,149	4,139	4,095	4,170	4,077	4,050	3,987	3,989	3,965	3,862
4,727	4,699	4,683	4,743	4,967	4,967	4,862	4,922	4,874	4,853	4,747
2,014	1,982	1,956	2,020	2,086	2,139	2,121	1,967	1,967	2,028	2,050
57,657	64,173	69,942	75,166	84,015	96,299	101,254	107,383	115,086	129,525	139,420
32,641	34,296	36,061	37,739	41,631	45,716	47,778	49,846	52,871	56,040	58,958
479,071	459,767	441,802	430,758	428,003	427,283	417,288	409,994	412,201	416,868	416,014
4,469	4,997	5,537	6,087	6,872	7,439	8,005	9,009	10,204	11,601	12,734
30,641	29,955	29,347	28,816	29,609	28,807	27,385	25,901	24,752	24,015	22,721
<b>294,835</b>	<b>289,046</b>	<b>284,515</b>	<b>281,863</b>	<b>274,330</b>	<b>262,187</b>	<b>260,788</b>	<b>258,294</b>	<b>252,813</b>	<b>239,835</b>	<b>232,563</b>
270,333	264,899	260,751	258,413	251,442	239,727	238,729	237,059	232,484	220,579	214,206
24,502	24,147	23,764	23,450	22,888	22,460	22,059	21,235	20,329	19,256	18,357
<b>2,860</b>	<b>2,843</b>	<b>2,809</b>	<b>2,786</b>	<b>2,779</b>	<b>2,765</b>	<b>2,752</b>	<b>2,731</b>	<b>2,724</b>	<b>2,743</b>	<b>2,715</b>
2,853	2,836	2,813	2,782	2,773	2,760	2,748	2,727	2,720	2,708	2,687
678	679	678	676	675	674	672	672	669	666	658
<b>\$ 3,720.2</b>	<b>\$ 3,482.0</b>	<b>\$ 3,305.0</b>	<b>\$ 3,122.0</b>	<b>\$ 2,877.9</b>	<b>\$ 2,527.9</b>	<b>\$ 2,393.7</b>	<b>\$ 2,267.9</b>	<b>\$ 2,067.7</b>	<b>\$ 1,834.2</b>	<b>\$ 1,670.4</b>
3,415.1	3,217.1	3,071.6	2,885.3	2,639.8	2,357.8	2,216.6	2,082.5	1,884.8	1,647.5	1,485.2
142.8	123.0	125.7	118.5	140.0	107.3	112.0	115.1	105.2	103.9	99.0
162.3	141.9	107.7	118.2	98.1	62.8	65.1	70.3	77.7	82.8	86.2
14,470	12,675	11,932	15,324	19,578	9,613	9,651	11,409	19,573	12,703	12,201
1,026	956	974	965	1,092	1,068	1,062	1,033	1,162	1,306	1,155
1,189	1,356	938	1,016	1,235	1,183	1,413	1,367	1,445	1,647	1,328
<b>\$ 164.5</b>	<b>\$ 291.7</b>	<b>\$ 462.6</b>	<b>\$ 903.5</b>	<b>\$ 776.9</b>	<b>\$ 315.1</b>	<b>\$ 530.1</b>	<b>\$ 369.8</b>	<b>\$ 356.8</b>	<b>\$ -72.4</b>	<b>\$ 412.2</b>
83.0	193.2	280.1	668.8	521.8	47.2	337.2	140.9	181.2	-188.2	284.5
62.0	50.1	125.1	177.9	219.3	237.8	158.2	198.9	175.6	91.8	82.6
19.5	48.4	57.4	56.8	35.9	30.1	34.7	30.0	0.0	24.0	45.1
0.9%	1.3%	1.7%	3.7%	2.2%	0.7%	0.7%	0.6%	0.4%	0.3%	3.6%
1.9%	2.4%	7.0%	9.8%	13.0%	13.9%	11.3%	14.0%	11.5%	7.8%	8.3%
<b>\$ 422.7</b>	<b>\$ 399.8</b>	<b>\$ 369.4</b>	<b>\$ 348.2</b>	<b>\$ 341.9</b>	<b>\$ 334.0</b>	<b>\$ 307.5</b>	<b>\$ 284.1</b>	<b>\$ 287.0</b>	<b>\$ 255.3</b>	<b>\$ 229.9</b>
422.0	398.7	368.8	347.7	338.5	331.6	306.0	282.8	284.2	254.3	228.6
0.7	1.1	0.6	0.5	3.5	2.4	1.5	1.3	2.8	1.0	1.3
<b>\$127,138.9</b>	<b>\$111,008.7</b>	<b>\$104,921.8</b>	<b>\$82,333.8</b>	<b>\$74,827.9</b>	<b>\$63,406.6</b>	<b>\$58,416.8</b>	<b>\$56,428.9</b>	<b>\$51,925.8</b>	<b>\$48,945.5</b>	<b>\$45,189.3</b>
82,733.6	66,397.8	63,348.7	45,827.4	42,818.4	34,775.2	31,357.7	29,953.5	25,480.2	23,751.5	21,120.3
31,764.3	34,307.9	32,451.7	27,373.5	25,709.5	22,771.6	21,279.0	20,788.5	20,452.4	19,192.6	18,383.1
1,318.6	1,509.5	1,635.0	1,506.3	1,736.3	1,836.6	1,932.3	2,120.7	2,314.8	2,612.9	2,460.4
2,238.3	2,541.8	1,927.0	3,011.2	1,092.8	983.8	1,036.5	937.5	1,128.0	1,049.6	1,472.3
5,385.9	3,159.8	2,671.7	2,122.9	2,067.3	1,937.0	1,664.0	1,554.7	1,343.6	1,263.7	786.6
3,698.1	3,091.8	2,887.7	2,492.5	1,403.6	1,102.4	1,147.3	1,074.0	1,206.7	1,075.2	966.6
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>17.8%</b>	<b>8.8%</b>	<b>30.4%</b>	<b>10.9%</b>	<b>21.8%</b>	<b>8.8%</b>	<b>6.9%</b>	<b>12.5%</b>	<b>10.7%</b>	<b>11.7%</b>	<b>13.9%</b>
1.3%	6.6%	15.6%	4.3%	12.9%	4.8%	9.0%	9.2%	9.0%	9.3%	9.2%
25.3%	10.1%	47.2%	15.0%	29.7%	12.4%	5.1%	15.3%	11.5%	14.0%	17.7%
<b>\$ 50.7</b>	<b>\$ 52.6</b>	<b>\$ 49.1</b>	<b>\$ 47.6</b>	<b>\$ 46.6</b>	<b>\$ 43.8</b>	<b>\$ 39.7</b>	<b>\$ 36.9</b>	<b>\$ 36.6</b>	<b>\$ 36.7</b>	<b>\$ 34.0</b>
<b>\$ 128,889.4</b>	<b>\$ 112,723.1</b>	<b>\$ 106,319.2</b>	<b>\$ 83,947.5</b>	<b>\$ 77,452.8</b>	<b>\$ 65,413.3</b>	<b>\$ 60,121.7</b>	<b>\$ 58,049.7</b>	<b>\$ 53,711.2</b>	<b>\$ 50,538.7</b>	<b>\$ 47,147.0</b>

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New York State and Local Retirement System

Employees' Retirement System  
Police and Fire Retirement System

New York State Office of the State Comptroller  
**Thomas P. DiNapoli**