

2010 New York State and Local Retirement System
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended March 31, 2010

A pension trust fund of the State of New York

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Fiscal Year Ended March 31, 2010

New York State and Local Retirement System

Employees' Retirement System
Police and Fire Retirement System

A pension trust fund of the State of New York



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

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INTRODUCTION

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Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

New York State
& Local Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 2009

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 stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Enner".

Executive Director



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2009***

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

September 30, 2010



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, 2010. Responsibility for both 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.



Thomas P. DiNapoli
State Comptroller

We believe the enclosed financial statements and data are fairly presented in all material respects and are reported in a manner designed to accurately present the financial position and results of the System's operations. 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 sections: introduction, financial, investment, actuarial and statistical. The introduction includes this transmittal letter, a listing 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 a 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 an MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the financial section immediately following the report of the independent auditor.

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 multi-year 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, 2009. 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 whose contents 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 six years. We believe that our current report continues to meet the Certificate of Achievement program requirements and are submitting it to GFOA for consideration again this year.

The System comprises the New York State Employees' Retirement System (ERS), which was established in 1921, and the 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.

With more than one million participants, the System is one of the largest in the nation. 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 2009-10, there were a total of 1,055,020 members, retirees and beneficiaries, and 3,035 participating employers.

This letter was also prepared to draw your attention to some of the highlights of the System's operations for the 2009-10 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 percent of member payroll. Annual employer contributions are determined on an actuarial basis and actual employer contributions are the greater of a minimum contribution of 4.5 percent of member payroll or actuarial contributions. The System remains well-funded and a detailed discussion of its funding is provided in the Actuarial Section of this report.

Investments

Slowly but surely, the Fund is recovering from one of the worst global recessions in modern history. The recovery is attributable, in large part, to our strategy of long-term investing through broad asset diversification. This strategy has helped the Fund maintain its position as one of the strongest in the nation. In fact, just this past February, the Pew Center on the States released a report recognizing the New York State Common Retirement Fund as a "solid performer" and one of the best-funded retirement plans in the U.S.

While challenges remain, our long-term strategy of diversification and value investing has the Fund well positioned to benefit from the recovering global economy. In the past year, the Fund returned 25.9 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 generally accepted accounting principles. We are responsible for the design,

implementation and maintenance of adequate internal controls to provide reasonable assurance that control objectives are achieved. The internal control system includes the organizational plan, the appropriate segregation of duties and responsibilities, sound practices in the performance of duties and personnel with capabilities commensurate with their responsibilities. We believe the internal controls in effect during the fiscal year ended March 31, 2010 adequately safeguard the System's assets and provide reasonable assurance regarding the proper recording of financial transactions.

Major Initiatives

Since taking office in 2007, I have worked diligently to ensure that the management of the Fund is above reproach. In 2008, I banned all placement agents, paid intermediaries and registered lobbyists from involvement in Fund investments.

Some of the other reforms I've implemented to strengthen the Fund's oversight and increase transparency include releasing monthly investment transaction reports; publicly disclosing the Fund's performance on a quarterly, rather than annual basis, reinforcing the internal investment evaluation process to include reviews by the heads of all asset classes and expanding external advisory committees to enhance the review of investment procedures and decisions.

I also issued an executive order last September prohibiting the Fund from doing business with any investment adviser who has made a political contribution to the State Comptroller or a candidate for State Comptroller. The ban, which mirrors proposed Securities and Exchange Commission (SEC) regulations, is yet another step toward safeguarding the interests of our public pension fund.

Rest assured, I will never allow anyone to jeopardize the integrity of the Fund or the financial security of the one million members and retirees who depend on it.

I am 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.

Acknowledgements

I would like to express my gratitude to the staff in the Divisions of Retirement Services and Pension Investment and Cash Management. Without their combined efforts, this report would not be possible. I also wish to convey my sincere appreciation to 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,



Thomas P. DiNapoli
State Comptroller

ADVISORY COMMITTEES

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New York State Assembly

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Police Benevolent Association

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AFSCME District Council 37

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New York State Senate

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Principal
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John E. Hull *(Resignation effective December 31, 2009)*

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

Hugh Johnson

Chairman & Chief Investment Officer
Johnson Illington Advisors, LLC

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Managing Director, Head: Emerging Markets &
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Hapoalim Securities NY

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Smith Affiliated Capital Corporation

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Merrill Lynch Asset Management (retired)

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Principal
Studley New Vista Associates

Alan C. Sullivan
Senior Vice President
The DeMatteis Organization

Actuarial Advisory Committee

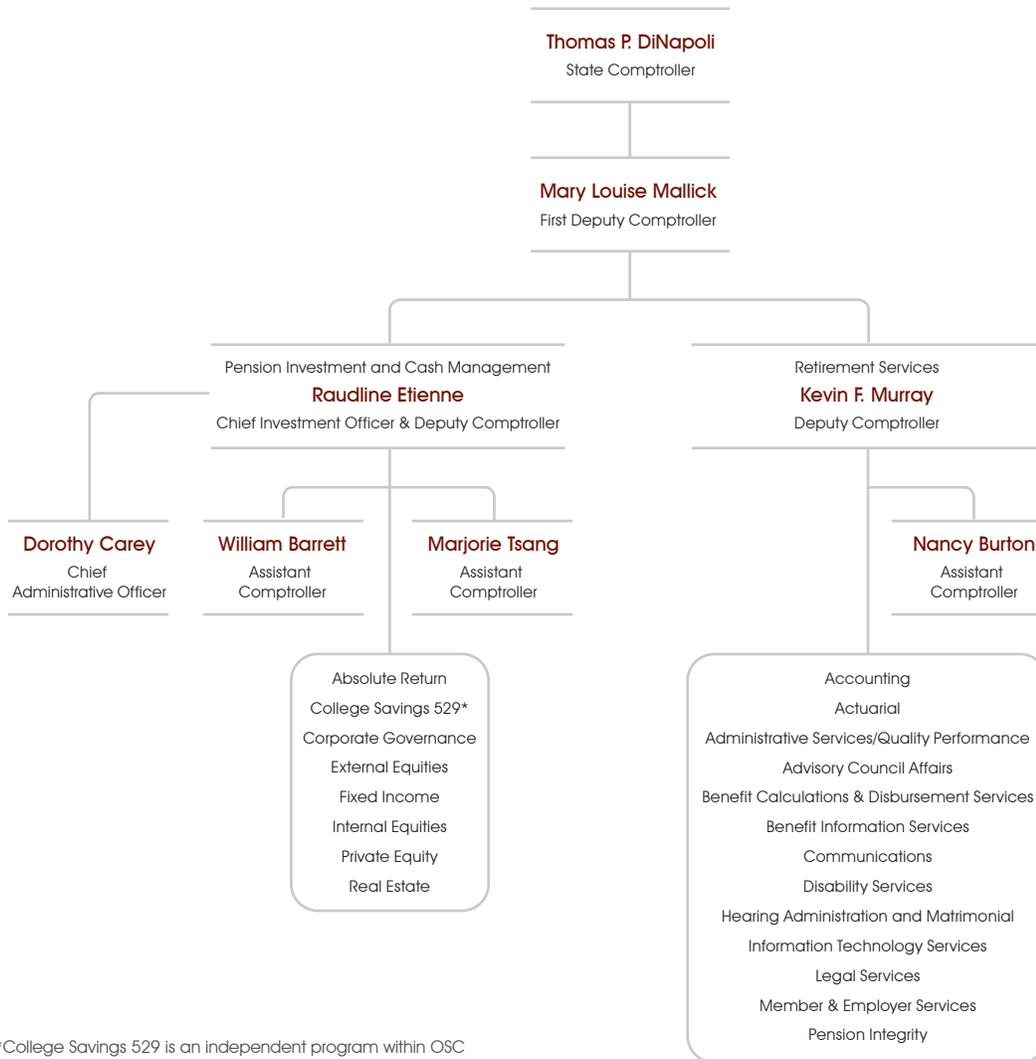
Jeremy Brown
Executive Vice President & Chief Actuary
Mutual of America Life Insurance Company

Armand DePalo
(Retired)

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

Stanley Talbi
Executive Vice President
Metropolitan Life Insurance

NEW YORK STATE AND LOCAL RETIREMENT SYSTEM ORGANIZATIONAL CHART



*College Savings 529 is an independent program within OSC

Notes:

Information regarding investment managers and consultants can be found in the Investment Section on pages 82, 86 and 90–95.
 Information regarding consultants other than investment advisors can be found on page 56 in the Financial Section.

REPORT FROM DEPUTY COMPTROLLER KEVIN F. MURRAY

Despite the effects of a global recession that gripped both the country and New York State for the past two years, we have held tight to our purpose: providing excellent service to our members and pensioners, strengthening our partnership with our participating employers and above all, ensuring the integrity of the Common Retirement Fund.

More than one million members, retirees and beneficiaries depend on us. When they turn to us for assistance, we want them to find us responsive to their needs. They should be well-informed about their benefits and have access to tools and resources that will enable them to plan for a secure retirement.

Our 3,000 plus employer partners are crucial to our work. The information they provide to us forms the basis for their employees' benefits. It is essential that we have a strong working relationship.

What follows is a summary of our efforts during the past fiscal year.

Summary of Major Projects and Initiatives

New Pension Tiers Created

As a result of legislation enacted in December 2009, ERS members who join the System on or after January 1, 2010 and PFRS members who join on or after January 9, 2010 are in Tier 5. PRFS members who joined July 1, 2009 through January 8, 2010 are in Tier 3. These were the first new pension tiers in more than 20 years.

Since Tier 5 significantly changed benefits for new members, a Tier 5 Project Team was established and a dedicated Project Manager was selected to ensure we properly administer those new benefits. The Team has begun to identify the changes that must be made to our computer system, prioritize those changes and develop a comprehensive plan to address them. Over the course of the next two years, the Team will work with staff to update our system and business processes. The Team's initial work ensured the System was ready to register new members beginning on day one.

In addition, we embarked on an educational campaign for both employers and members, which included information on our website, articles in our monthly email newsletter and print newsletters, booklets summarizing plan benefits and correspondence.

Planning for the Future

Our ultimate goal is to be an efficient, customer-focused Retirement System. Toward that end, we have started to convert our millions of paper documents to electronic files and index them. The use of electronic files and documents will prevent information from degrading, provide greater security for the sensitive information contained in these files and form an important foundation for our work in the future. In addition, we continue to identify ways to improve the quality of the data we store in our computers. Since data is the backbone of any information system, it is absolutely critical that our data be accurate, consistent and complete.

Being There for Our Customers

At no time was our commitment to our pensioners and beneficiaries better demonstrated than when the United States Postal Service misplaced thousands of pension checks mailed on December 30, 2009.

Our Benefit Information Services' (BIS) Call Center, which usually receives approximately 393,000 calls per year, received 81,002 calls during the first week of the new year alone. On January 7, 2010, Call Center staff received 15,750 calls — the most we have ever received in one day.

Personnel from our Accounting, Benefit Calculation & Disbursement Services (BC&DS) and Information Technology Services (ITS) bureaus helped man the phones. Changes were made to the automated phone system to direct incoming calls more expeditiously and special coding was added so Accounting's Tax Unit staff could assist Call Center personnel with any tax-related questions pensioners had.

To be certain, the pension check mishandling was unfortunate, but it was an incident that clearly

exemplified how excellent our staff is when the going gets tough. The cross-bureau efforts helped minimize the inconvenience for our retirees and beneficiaries.

Direct Deposits on the Rise

December's misplaced pension check incident produced an unexpected silver lining. Pensioners who have their payments directly deposited were not affected by the mailing mishap, and many of those who were affected realized that direct deposit is the way to go. As a result, BC&DS processed more than 3,000 direct deposit enrollment applications during January 2010. Typically, the bureau's Pensioner Services unit only receives 500–600 per month. By fiscal year end, 85 percent of our retirees were receiving their pension payments via direct deposit.

More Service Retirements

As the number of retirees continues to climb — we now have 375,803 retirees representing 36 percent of total membership — we naturally experienced a corresponding rise in service retirement applications. We received 1,613 retirement applications in December 2009 and 20,228 for the year. The only years in which we received more retirement applications were 1995 (21,553) and 2002 (24,371). BC&DS staff really stepped up, processing 8.3 percent more applications in calendar year 2009 than the year before.

First Webcast

Lastly, we conducted our first webcast in April 2009. The webcast was for the benefit of hearing officers who work with our Hearing Administration & Matrimonial Bureau and are located throughout the State. This format allowed hearing officers to learn first-hand about changes in Hearing Administration, including providing transcripts and exhibits on compact disks, holding video hearings, scheduling and pre-hearing reviews without traveling to Albany.

Helping Our Employer Partners

Since the start of our Employer Partnership initiative, we have made tremendous strides in expanding the online tools and resources available to our employer partners. Fiscal year 2010 was no exception. We added a new program to our growing list of online services and provided new learning resources.

In mid-July 2009, we launched our online Post-Retirement Reporting (PRR) program, which allows school districts and Boards of Cooperative Educational Services (BOCES) to comply with the reporting requirements established by Section 217 of the Retirement and Social Security Law (RSSL) electronically. This program enables school districts and BOCES to provide notification when a retiree earns more than the Section 212 limit, which is currently \$30,000, as well as annually report all public retirees (including independent contractors/consultants) on an employer's payroll during the previous calendar year.

In order to better educate employers about membership and determining days worked, in May 2009 we debuted a new web presentation, Employer Reporting Basics. This presentation also explains the differences between independent contractors and employees. Subsequently, as a result of regulation 315.4, we expanded and updated the Reporting Elected & Appointed Officials section of the presentation and created a series of videos to describe the new reporting requirements for elected and appointed officials and how they differ from the previous process.

Moving forward, we will continue to develop online programs, videos and presentations to help our participating employers understand their responsibilities and give them the tools they need to carry out those responsibilities.

New Laws Affecting Members and Retirees

Tier 5 Created

Chapter 504 (Laws of 2009) amends Articles 14, 15 and 19 and creates Article 22 of the RSSL. It significantly changes benefits for ERS members joining the Retirement System on or after January 1, 2010 and PFRS members joining on or after January 9, 2010. This chapter also makes the coordinated-escalator retirement plan and coordinated retirement plan permanent and extends the expiration of public arbitration of disputes between public employers and employees.

Reversing a Transfer

Chapter 390 (Laws of 2009) enables certain PFRS members to transfer a previously transferred ERS membership back to ERS. This new law applies only to members covered by Section 381-b (State Police) or 384-d (20-year plan) of the RSSL. Previously, members could not reverse a transfer — it was irrevocable.

Change in Calculation of Survivor Benefits

Chapter 305 (Laws of 2009) increases the salary used in the computation of the special accidental death benefit, in cases where the date of death was before 2009, for the surviving spouse or children of certain police and fire personnel.

Tier 3 & Tier 4 Benefits Extended

Chapter 79 (Laws of 2009) extends the right of public employees and public employers to negotiate for retirement benefits not requiring approval by act of the legislature, and also extends certain temporary benefits and supplementation programs (Tiers 3 and 4) until July 1, 2011.

Matrimonial Correction

Chapter 32 (Laws of 2010) corrects Chapter 72 of the Laws of 2009, which prohibits a party in a matrimonial action from disposing of assets, such as pension benefits, taking a loan or withdrawing or transferring a membership without the written consent of the other party. Chapter 32 now allows parties who are already retired to continue to receive their retirement benefit payments.

*The staff of the Retirement Services Division
measures their success by the level of satisfaction with our services
reported by members, retirees, beneficiaries, and employers.*

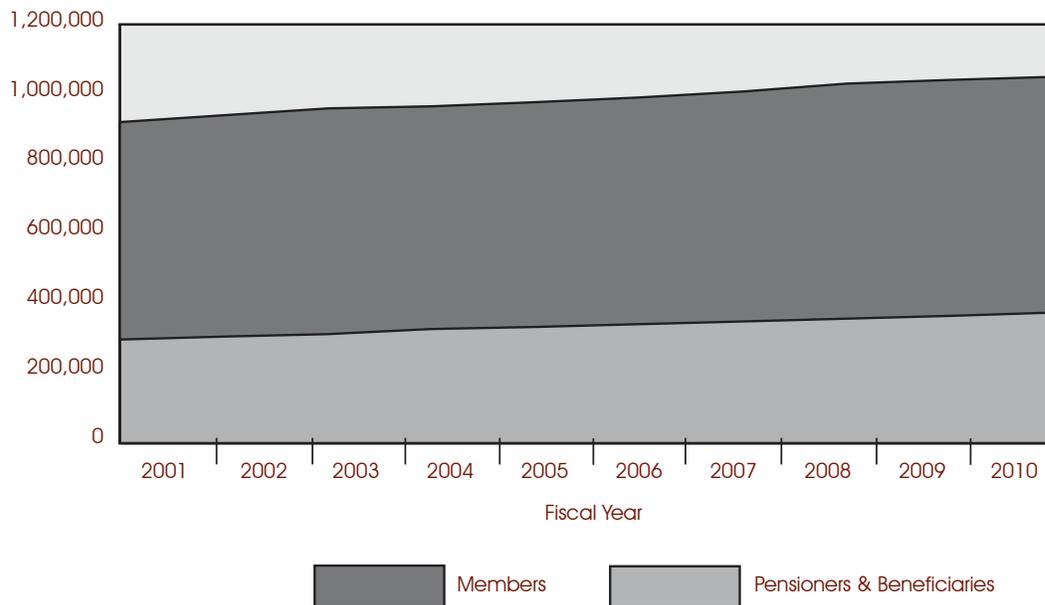
We look forward to sharing our successes with you again next year.

MEMBERS AND RETIREES

Overall membership in the System is 1,055,020. This includes 679,217 members and 375,803 retirees and beneficiaries. Both of these numbers continue to climb, with the number of retirees increasing more quickly than members. For example, in 1991, retirees represented 27 percent of the System's members. By FY 2010, that number had increased to approximately 36 percent.

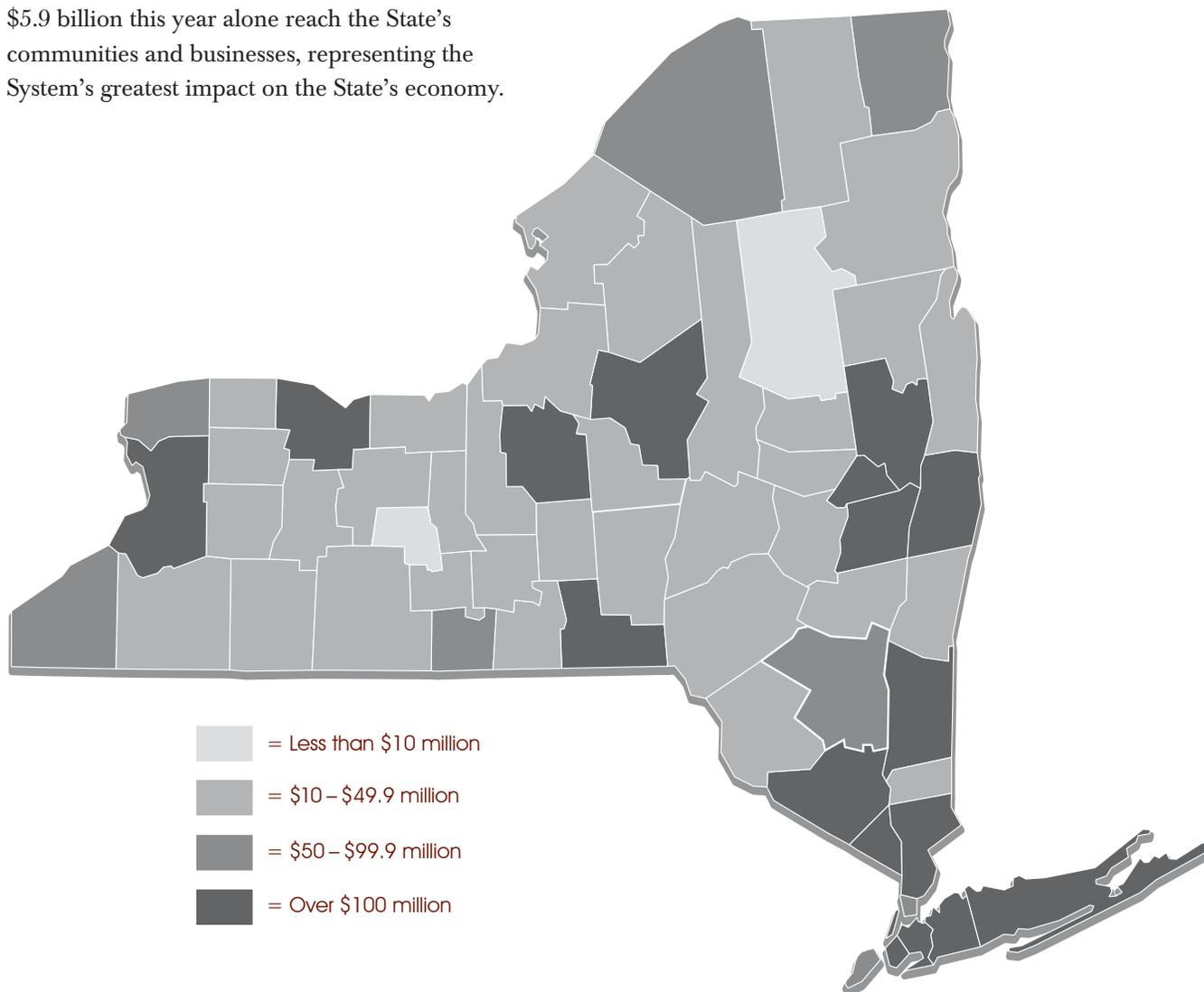
The value of the pension fund's net assets at the end of the fiscal year was \$134.2 billion.

Benefit payments continue to rise, reflecting increases in final average salaries over the past decades, cost-of-living adjustment (COLA) payments and benefit improvements enacted over the years. For example, in 2000, benefit payments were approaching \$3.72 billion, while this year's payments totaled more than \$7.6 billion.



RETIREES IN NEW YORK STATE

Of the 375,803 retirees and beneficiaries in the System, 290,979 (77 percent) remain New York State residents. As such, benefit payments surpassing \$5.9 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, 2010.

County	Recipients	Annual Payments
Albany	15,314	\$ 372,774,173
Allegany	1,389	20,264,824
Bronx	3,051	63,913,797
Broome	6,411	100,458,103
Cattaraugus	2,889	45,794,243
Cayuga	2,456	44,740,109
Chautauqua	3,768	59,248,477
Chemung	2,903	53,804,171
Chenango	1,661	24,833,510
Clinton	3,208	65,400,418
Columbia	2,479	48,776,798
Cortland	1,388	21,316,238
Delaware	1,575	25,712,732
Dutchess	7,775	169,062,968
Erie	24,716	492,498,389
Essex	1,609	26,794,720
Franklin	2,137	37,435,671
Fulton	1,720	27,904,744
Genesee	1,743	29,156,247
Greene	1,984	39,726,340
Hamilton	352	5,583,534
Herkimer	1,923	27,907,115
Jefferson	2,662	45,904,277
Kings	4,705	106,241,211
Lewis	869	11,388,626
Livingston	2,383	42,531,376
Madison	2,037	32,099,523
Monroe	13,155	233,523,976
Montgomery	1,886	32,815,648
Nassau	19,305	496,913,060
New York	4,015	102,572,621
Niagara	4,897	87,574,023

County	Recipients	Annual Payments
NY Military	4	30,953
Oneida	8,190	148,504,282
Onondaga	10,910	191,773,112
Ontario	2,695	45,039,074
Orange	6,998	143,359,315
Orleans	1,179	18,132,174
Oswego	3,246	49,946,736
Otsego	1,834	27,339,225
Putnam	1,798	45,446,954
Queens	5,350	126,268,448
Rensselaer	7,001	158,114,467
Richmond	2,174	54,184,665
Rockland	5,728	132,325,364
Saratoga	7,808	178,659,071
Schenectady	6,598	144,863,772
Schoharie	1,253	22,595,263
Schuyler	691	11,052,134
Seneca	1,312	21,373,099
St. Lawrence	4,012	68,997,883
Steuben	2,657	42,435,682
Suffolk	28,161	701,934,760
Sullivan	2,329	45,679,881
Tioga	1,261	17,121,395
Tompkins	2,410	42,497,725
Ulster	4,458	81,512,652
Warren	2,268	40,979,489
Washington	2,149	39,500,403
Wayne	2,682	41,432,624
Westchester	13,250	320,181,306
Wyoming	1,566	28,572,978
Yates	642	9,369,288
Total	290,979	\$ 5,993,895,838

ANNUAL BENEFIT PAYMENTS WITHIN THE UNITED STATES

As of March 31, 2010.

State	Recipients	Annual Payments
Alabama	736	\$ 10,996,328
Alaska	54	656,374
Arizona	2,594	43,577,143
Arkansas	143	1,748,287
California	2,260	30,688,337
Colorado	673	9,731,643
Connecticut	1,868	34,537,123
Delaware	507	9,753,776
Florida	32,997	593,599,094
Georgia	3,004	49,523,313
Guam	1	2,912
Hawaii	114	1,952,141
Idaho	72	1,185,662
Illinois	327	4,507,951
Indiana	238	2,964,582
Iowa	70	845,021
Kansas	96	1,034,506
Kentucky	312	4,010,788
Louisiana	168	2,198,475
Maine	545	8,722,888
Maryland	1,301	20,254,141
Massachusetts	1,398	22,185,045
Michigan	332	4,091,278
Minnesota	136	1,838,815
Mississippi	191	2,636,944
Missouri	235	3,113,876
Montana	97	1,605,603

State	Recipients	Annual Payments
Nebraska	59	\$ 761,800
Nevada	1,291	25,288,489
New Hampshire	551	9,901,768
New Jersey	6,593	186,173,521
New Mexico	433	6,836,676
New York	290,979	5,993,895,838
North Carolina	7,066	124,490,769
North Dakota	11	100,164
Ohio	693	8,982,289
Oklahoma	170	1,995,688
Oregon	256	3,657,829
Pennsylvania	3,759	66,923,916
Puerto Rico	472	5,939,032
Rhode Island	212	3,063,438
South Carolina	4,027	75,162,408
South Dakota	67	1,009,177
Tennessee	1,216	21,281,813
Texas	1,716	25,151,114
Utah	115	1,610,831
Vermont	550	9,563,601
Virginia	3,458	56,582,269
Washington	416	5,835,252
Washington, D.C.	103	1,861,921
West Virginia	192	3,191,956
Wisconsin	149	2,116,580
Wyoming	59	954,575
Total	375,082	\$ 7,510,294,759

ANNUAL BENEFIT PAYMENTS OUTSIDE THE UNITED STATES

As of March 31, 2010.

Total Recipients	Total Annual Payments
721	\$ 9,642,103

FINANCIAL II

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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, 2010, 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, 2010, and changes in plan net assets for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 12, 2010, on our consideration of the System's internal control over financial reporting and our tests 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 the information and express no opinion on it.

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



Our 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 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.

KPMG LLP

July 12, 2010



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, 2010 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 \$134.252 billion as of March 31, 2010. This amount reflects an increase of \$23.314 billion from the prior fiscal year. This change is primarily the result of the net appreciation of the fair value of the investment portfolio. Investment appreciation this year was \$25.631 billion and depreciation last year was \$43.720 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, 2009 is: ERS 101.0%, PFRS 103.8%.
- Retirement and death benefits paid this year totaled \$7.663 billion to 375,803 annuitants as compared to \$7.212 billion to 366,178 annuitants for last year. The increase is due to the number of new retirees.
- Contributions from employers decreased from \$2.456 billion last year to \$2.344 billion this year. The decrease is due to the change in the employer billing rates.
- The System's investments reported a total positive return of 25.9% for the current year and a negative return of 26.38% 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, System reserves, investment risk disclosure, derivatives, securities 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 in order to meet the current funding needs and future growth requirements of the pension liability. Equity related investments are included for their long-term return and growth characteristics, while fixed income and debt related investments are included in 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 not only to changes in fair 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, 2010, as compared to March 31, 2009, follows:

	(In Thousands)			
	2010	2009	Dollar Change	Percentage Change
Assets:				
Investments	\$ 132,500,204	\$ 108,960,662	\$ 23,539,542	21.6 %
Securities lending collateral – invested	9,150,888	13,040,373	(3,889,485)	(29.8)
Receivables and other assets	3,508,556	3,202,668	305,888	9.6
Total assets	145,159,648	125,203,703	19,955,945	15.9
Liabilities:				
Securities lending obligations	9,335,281	13,272,157	(3,936,876)	(29.7)
Payables and other liabilities	1,572,635	993,768	578,867	58.2
Total liabilities	10,907,916	14,265,925	(3,358,009)	(23.5)
Net assets held in trust for pension benefits	\$ 134,251,732	\$ 110,937,778	\$ 23,313,954	21.0 %

The plan net assets of the System totaled \$134.252 billion as of March 31, 2010, an increase of \$23.314 billion from the prior fiscal year.

Table 2

Schedule of Invested Assets as of March 31, 2010, as compared to March 31, 2009, follows:

Investment Category	(In Thousands)			
	2010	2009	Dollar Change	Percentage Change
Short-term investments	\$ 3,086,085	\$ 3,826,655	\$ (740,570)	(19.4)%
Government bonds	24,105,872	27,025,184	(2,919,312)	(10.8)
Corporate bonds	9,620,194	9,516,419	103,775	1.1
Domestic equity	51,495,373	34,332,034	17,163,339	50.0
International equity	21,178,608	13,538,962	7,639,646	56.4
Private equity	12,799,735	10,563,694	2,236,041	21.2
Absolute return strategy investments	3,817,538	2,381,015	1,436,523	60.3
Real estate and mortgage loans	6,396,799	7,776,699	(1,379,900)	(17.7)
Total investments	\$ 132,500,204	\$ 108,960,662	\$ 23,539,542	21.6 %

The largest dollar increases to the invested assets were in domestic equities and international equities, which represented 39% and 16% of the total investments, respectively, and collectively increased \$24.803 billion from the previous fiscal year. The change in the invested assets is primarily attributable to the positive performance in the domestic and international equity markets. The 60.3% increase in absolute return strategies (ARS) is due to new investments and a rate of return of invested capital of 14.95%. The 17.7% decrease in real estate and mortgage loans is primarily due to the negative performance in the real estate market. The negative dollar changes to short-term investments and government bonds are primarily due to maturities, sales, and allocation of cash to other asset classes.

Table 3

Summary Schedule of Changes in Plan Net Assets for the year ended March 31, 2010, as compared to the year ended March 31, 2009, follows:

	(In Thousands)			
	2010	2009	Dollar Change	Percentage Change
Additions:				
Net investment gain (loss) income	\$ 28,422,361	\$ (40,428,820)	\$ 68,851,181	170.3 %
Total contributions	<u>2,710,494</u>	<u>2,885,457</u>	<u>(174,963)</u>	<u>(6.1)</u>
Total additions	31,132,855	(37,543,363)	68,676,218	182.9
Deductions:				
Total benefits paid	(7,718,872)	(7,265,499)	(453,373)	(6.2)
Administrative expenses	<u>(100,029)</u>	<u>(99,229)</u>	<u>(800)</u>	<u>(0.8)</u>
Total deductions	(7,818,901)	(7,364,728)	(454,173)	(6.2)
Net increase/decrease	23,313,954	(44,908,091)	68,222,045	151.9
Net assets held in trust for pension benefits – beginning of year	110,937,778	155,845,869	(44,908,091)	(28.8)
Net assets held in trust for pension benefits – end of year	\$ 134,251,732	\$ 110,937,778	\$ 23,313,954	21.0 %

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

Economic Factors and Rates

The Common Retirement Fund returned a net gain of 25.9% for fiscal year 2009-10. After a dismal performance for the prior fiscal year, global equity markets led returns as fears over a global financial collapse subsided. U.S. and international equity markets rose over 50%. Small and mid-sized stocks jumped over 70%. All asset classes contributed to positive performance except for real estate, which declined 27.8%, fixed income rose 7.4%, TIPS rose 5%, private equity rose 11.6%, and absolute return strategies contributed a 14.95% gain. Investment calculations were prepared using a time-weighted rate of return. After massive amounts of fiscal and monetary stimulus by the U.S. federal government, economic indicators began to show some improvement. However, persistently high unemployment and concerns about the European debt markets remain.

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 Comptroller's website at www.osc.state.ny.us/pension/cafr.htm.

2010 STATEMENT OF PLAN NET ASSETS — MARCH 31, 2010

	(In Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
Assets			
Investments (Notes 2 and 6):			
Short-term investments	\$ 2,621,155	\$ 464,930	\$ 3,086,085
Government bonds	20,474,233	3,631,639	24,105,872
Corporate bonds	8,170,876	1,449,318	9,620,194
Domestic equity	43,737,405	7,757,968	51,495,373
International equity	17,987,972	3,190,636	21,178,608
Private equity	10,871,408	1,928,327	12,799,735
Absolute return strategy investments	3,242,412	575,126	3,817,538
Real estate and mortgage loans	5,433,098	963,701	6,396,799
Total investments	112,538,559	19,961,645	132,500,204
Securities Lending Collateral — Invested (Note 7)	7,772,273	1,378,615	9,150,888
Forward Foreign Exchange Contracts	734,455	130,275	864,730
Receivables:			
Employers' contributions	416,030	142,302	558,332
Members' contributions	8,175	29	8,204
Member loans	1,044,031	1,863	1,045,894
Accrued interest and dividends	366,510	65,010	431,520
Investment sales	171,419	30,406	201,825
Other (Note 2)	259,620	112,217	371,837
Total receivables	2,265,785	351,827	2,617,612
Capital assets, at cost, net of accumulated depreciation	22,265	3,949	26,214
Total assets	123,333,337	21,826,311	145,159,648
Liabilities:			
Securities lending obligations (note 7)	7,928,886	1,406,395	9,335,281
Forward foreign exchange contracts	732,143	129,864	862,007
Accounts payable – investments	306,631	54,389	361,020
Accounts payable – benefits	171,268	21,200	192,468
Other liabilities (Note 2)	136,768	20,372	157,140
Total liabilities	9,275,696	1,632,220	10,907,916
Net assets held in trust for pension benefits	\$ 114,057,641	\$ 20,194,091	\$ 134,251,732

See accompanying notes to financial statements.

2010 STATEMENT OF CHANGES IN PLAN NET ASSETS

Year Ended March 31, 2010.

	(In Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
Additions:			
Income from investing activities:			
Net appreciation in fair value of investments	\$ 21,774,209	\$ 3,856,976	\$ 25,631,185
Interest income	1,308,355	231,740	1,540,095
Dividend income	1,021,491	180,930	1,202,421
Other income	299,879	53,115	352,994
Less investment expenses	(309,635)	(54,843)	(364,478)
Total income from investing activities	24,094,299	4,267,918	28,362,217
Income from securities lending activities:			
Securities lending income	52,861	9,363	62,224
Securities lending rebates	3,909	692	4,601
Securities lending management fees	(5,676)	(1,005)	(6,681)
Total income from securities lending activities	51,094	9,050	60,144
Total net investment gain	24,145,393	4,276,968	28,422,361
Contributions:			
Employers	1,879,209	465,013	2,344,222
Members	282,791	1,500	284,291
Interest on accounts receivable	6,336	5,051	11,387
Other	70,130	464	70,594
Total contributions	2,238,466	472,028	2,710,494
Total additions	26,383,859	4,748,996	31,132,855
Deductions:			
Benefits paid:			
Retirement benefits	(6,258,347)	(1,221,754)	(7,480,101)
Death benefits	(170,188)	(12,835)	(183,023)
Other	(53,258)	(2,490)	(55,748)
Total benefits paid	(6,481,793)	(1,237,079)	(7,718,872)
Administrative expenses	(86,769)	(13,260)	(100,029)
Total deductions	(6,568,562)	(1,250,339)	(7,818,901)
Net Increase	19,815,297	3,498,657	23,313,954
Net assets held in trust for pension benefits – beginning of year	94,242,344	16,695,434	110,937,778
Net assets held in trust for pension benefits – end of year	\$ 114,057,641	\$ 20,194,091	\$ 134,251,732

See accompanying notes to financial statements.

YEAR ENDED MARCH 31, 2010

1. Description of Plans

The Comptroller of the State of New York serves as sole trustee of the New York State 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 plan net assets allocated to the System. In these statements, GLIP amounts are apportioned to and included in ERS and PFRS.

System benefits are established 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.

ERS and 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, 2010 and 2009, the number of participating employers for ERS and PFRS consisted of:

	ERS		PFRS	
	2010	2009	2010	2009
State	1	1	1	1
Counties	57	57	4	4
Cities	61	61	61	61
Towns	910	909	205	206
Villages	492	492	376	377
Schools	700	700	–	–
Miscellaneous	790	781	34	34
Total	3,011	3,001	681	683

As of March 31, 2010 and 2009, the System membership for ERS and PFRS consisted of:

	ERS		PFRS	
	2010	2009	2010	2009
Retirees and beneficiaries currently receiving benefits	345,106	336,273	30,697	29,905
Active members	529,466	530,023	32,449	33,052
Inactive members	114,409	113,677	2,893	3,156
Total members and benefit recipients	988,981	979,973	66,039	66,113

(a) **Membership Tiers**

Pension legislation enacted in 1973, 1976, 1983 and 2009 established distinct classes of membership. For convenience, the System uses a tier concept to distinguish these groups, generally:

Tier 1

ERS – Those persons who last became members 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, but before July 1, 2009.

Tier 3

ERS – Generally those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983; or PFRS – those persons who became members on or after July 1, 2009, but before January 9, 2010.

Tier 4

ERS – Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.

Tier 5

ERS – Generally those persons who first became members on or after January 1, 2010; or PFRS – those persons who became members on or after January 9, 2010 or were previously PFRS Tier 3 members who elected to become Tier 5.

Vesting

Members who joined the System prior to January 1, 2010 need five years of service to be 100% vested. Members who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) need ten years of service credit to be 100% vested.

(b) **Benefits**

(1) **Tier 1 and Tier 2 –**

Most Tier 1 and Tier 2 members are in 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 and 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, 4 and 5 –**

Except for Tier 3 and 5 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. Tier 3 and 4 members must be age 62 with five years of service or at least age 55 with 30 years of service to retire with full benefits. Reduced retirement benefits are available if retirement occurs between ages 55 and 62. Tier 5 members, with the exception of Uniformed Court Officers and Peace Officers employed by the Unified Court System must be age 62 with at least 10 years of service to retire with full benefits.

(3) **Special Plans –**

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit 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, they are provided 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

(a) 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.

(b) 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 fair 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 valued 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.

Private equity and absolute return strategy investments are reported at fair value as determined by the investment manager. FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, requires private equity investment managers to value nonpublic 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.

(c) 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, 2010 was 7%.

(d) Benefits Payable

Benefits payable represents payments due on account of death and retirement on or before March 31, 2010, for which final calculations had not been completed and paid as of that date.

(e) Other Receivables

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

(f) 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 \$157 million, of which \$81 million represents outstanding checks. In addition, tax withholding payments due the Internal Revenue Service total \$53 million.

(g) 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.

(h) Capital Assets

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

(i) Other Income

Included in other income is \$77.7 million, which represents amounts received from settlements by the Attorney General of the State of New York pursuant to the Martin Act. There may be future settlements; however, amounts are unknown and management of the System believes there will be no material effect on the basic financial statements.

(j) Recent Accounting Pronouncements

The System has adopted the Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. At this time no intangible assets are reportable.

(k) 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, 2010, the applicable interest rate was 8%.

(l) 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.

(m) Required Contribution Rates

Tier 3, 4 and 5 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 to make increased contributions beyond what was required when membership began.

(n) Contributions Receivable

Employers' contributions receivable are presented net of withdrawals, refunds, advance employer payments, and credits due employers. Receivable amounts from participating employers include \$46.02 million for new plan adoptions and retroactive membership. Receivable amounts from the State for other amortizations total \$26.15 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, 2010 is \$280.14 million and from participating employers is \$60.53 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, 2010 is \$102.62 million and from participating employers is \$20.61 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, 2010 is \$18.07 million.

3. Funded Status and Funding Progress

(a) Funding Policy

Funding of the System is accomplished through member and employer contributions and the investment earnings on these contributions, according to the 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 2010 actuarial valuation performed on April 1, 2009, determined employer contributions for the year ending March 31, 2011.

The funded status of the System as of April 1, 2009, 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
ERS						
April 1, 2009	\$ 126,438	\$ 125,136	\$ (1,302)	101.0%	\$ 24,099	(5.4)%
PFRS						
April 1, 2009	\$ 22,423	\$ 21,597	\$ (826)	103.8%	\$ 2,970	(27.8)%

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, 2008 and April 1, 2009 valuations to determine employer contributions for the years ended March 31, 2010 and March 31, 2011 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 2010, the April 1, 2008 valuation reflects a market restart in 2004 and the fourth year of the phase-in to a full five-year smoothing method. The April 1, 2009 valuation reflects the fifth 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 ending 2005, 2006 and 2007 bills, 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, 2010, was approximately 15.1% of payroll. The average contribution rate for ERS for fiscal year ended March 31, 2010, including incentive contributions, was approximately 7.4% of payroll.

4. 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, 2010, 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.
- **COESC Contribution Funds** – Funds in which contributions are accumulated. These funds are transferred to the Pension Accumulation Fund at retirement.

As of March 31, 2010, the System Reserves for ERS and PFRS consisted of (In Millions):

	ERS	PFRS
Annuity savings	\$ 14.21	\$ 26.79
Annuity reserve	121.49	11.34
Pension accumulation	51,768.35	9,172.66
Pension reserve	54,049.90	10,967.80
COESC contributions	7,964.43	—
There are certain other additional funds maintained by the System.		

5. Deposit and Investment Risk Disclosure

(a) 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.

(b) 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 in the Office of the State Comptroller 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.

(c) 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 is 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, 2010, the duration of the fixed income portfolio is as follows:

Bond Category	Fair Value (In Millions)	Percentage of Bond Portfolio	Macaulay Duration (In Years)
Treasury	\$ 6,453	19.1%	9.96
Treasury Inflation Protected Securities (TIPS)	11,085	32.9	11.39
Federal Agency	2,645	7.8	7.84
Mortgage-backed	5,545	16.5	4.33
Corporate	7,998	23.7	5.35
Total	\$ 33,726	100.0%	8.24

(d) 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, 2010, are as follows (In Thousands):

Quality Rating	Fair Value	Percentage of Fair Value
AAA	\$ 20,162,818	59.78%
AA	1,873,754	5.55
A	4,326,215	12.83
BAA	1,314,233	3.90
BA	162,013	0.48
BBB	64,184	0.19
BB	20,473	0.06
B	14,050	0.04
Total debt securities with credit risk	27,937,740	82.83
Government and not-rated debt		
Federal Home Loan Bank	863,408	2.56
FHLMC	1,141,998	3.39
FNMA	353,642	1.05
NYS FHLMC	285,763	0.85
NYS FNMA	2,520,154	7.47
Tennessee Valley Authority	623,330	1.85
Washington Mutual Bank	30	0.00
Total government and not-rated debt securities	5,788,325	17.17
Total fixed income securities	\$ 33,726,065	100.00%

(e) **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, 2010, 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 are payable in U.S. funds at the time the investments 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.

(f) 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' managers.

Foreign investments included in the statement of plan net assets as of March 31, 2010
(In Thousands of U.S. dollars):

	Equities	Cash	Real Estate	Private Equities and ARS Funds	2010 Total
Argentine Peso	\$ —	\$ —	\$ 97	\$ 38,614	\$ 38,711
Australian Dollar	528,092	25,429	70,197	65,280	688,998
Bermuda Dollar	—	—	3,106	123,748	126,854
Botswana Pula	—	—	—	2,698	2,698
Brazilian Real	53,410	822	15,140	14,917	84,289
British Pound Sterling	2,210,104	8,929	163,098	649,856	3,031,987
British Virgin Islands	—	—	—	82,817	82,817
Bulgarian Leva	—	—	39	11,566	11,605
Canadian Dollar	259,277	1,084	28,853	156,741	445,955
Cayman Islands	—	—	—	1,542,750	1,542,750
Chinese Renminbi	—	—	275,389	190,814	466,203
Croatian Kuna	—	—	—	339	339
Columbian Peso	—	—	75	—	75
Czech Koruna	7,635	6	1,991	5,593	15,225
Danish Krone	166,146	1,931	26,134	112,225	306,436
Egyptian Pound	10,956	—	1,885	12,317	25,158
Estonian Kroon	—	—	—	176	176
Euro	3,966,967	167,343	836,584	1,762,509	6,733,403
Hong Kong Dollar	457,408	18,280	2,394	37,931	516,013
Hungarian Forint	—	34	368	—	402
Iceland Krona	—	—	11	2,474	2,485
Indian Rupee	97,160	300	6,309	135,807	239,576
Indonesia Rupiah	21,904	257	51	13,844	36,056
Israeli Shekel	5,336	—	397	215,092	220,825
Jamaica Dollar	—	—	70	—	70
Japanese Yen	2,285,059	2,302	70,165	35,885	2,393,411
Kazakhstani Tenge	—	—	—	636	636
Kuwaiti Dinar	—	—	149	—	149
Libyan Dinar	—	—	—	265	265
Macedonian Denar	—	—	—	60	60
Malaysian Ringgit	14,675	727	173	17,207	32,782
Mexican Peso	19,894	72	32,829	9,188	61,983
New Zealand Dollar	7,072	148	22	102	7,344
Norwegian Krone	134,831	758	—	8,861	144,450
Peruvian Nuevo Sol	—	1	10	1,229	1,240
Philippine Peso	482	—	636	3,426	4,544
Polish New Zloty	37,061	4	8,124	9,164	54,353
Romania Leu	—	—	3,952	2,699	6,651
Russian Ruble	—	—	8,702	67,828	76,530
Singapore Dollar	217,221	613	36,309	14,478	268,621
Slovakia Koruna	—	—	—	61	61
South African Rand	9,406	108	312	88,615	98,441
South Korean Won	88,817	426	3,009	16,161	108,413
Swedish Krona	298,762	596	64,088	86,417	449,863
Swiss Franc	888,819	2,500	16,044	72,190	979,553
Taiwan Dollar	61,936	632	45	3,975	66,588
Thailand Baht	22,086	21	151	2,763	25,021
Turkish Lira New	50,405	64	15,584	28,991	95,044
Ukraine Hryvane	—	—	2,774	7,582	10,356
United Arab Emirates	—	—	—	2,385	2,385
Venezuelan Bolivar	—	—	154	1,933	2,087
Zimbabwe Dollar	—	—	—	94	94
Other	—	—	26	97	123
Total subject to foreign currency risk	11,920,921	233,387	1,695,446	5,660,400	19,510,154
Commingled international equity in U.S. Dollars	8,065,383	—	—	—	8,065,383
Foreign investments in U.S. Dollars	1,192,304	—	43,437	1,678,251	2,913,992
Total foreign investments	\$ 21,178,608	\$ 233,387	\$ 1,738,883	\$ 7,338,651	\$ 30,489,529

6. Derivatives

Derivatives are generally defined as an investment contract or security with a value that depends on, or is derived from, the value of an underlying asset, reference rate or financial index. The System has classified the following as derivatives:

(a) Forward Currency Contracts

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 the 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, 2010 (In Thousands of U.S. dollars):

Currency	Forward Currency Contracts	Spot Currency Contracts	Totals
Australian Dollar	\$ 54,553	\$ (7,454)	\$ 47,099
Brazilian Real	(264)	—	(264)
British Pound Sterling	(131,655)	—	(131,655)
Canadian Dollar	(486)	310	(176)
Danish Krone	(9,986)	—	(9,986)
Euro	(188,776)	(1,792)	(190,568)
Hong Kong Dollar	(58,984)	(250)	(59,234)
Japanese Yen	(47,866)	8,747	(39,119)
Singapore Dollar	(837)	—	(837)
Swedish Krona	1,827	—	1,827
Swiss Franc	(20,362)	(855)	(21,217)
U.S. Dollar	405,559	1,252	406,811
Totals	\$ 2,723	\$ (42)	\$ 2,681

(b) Collateralized Mortgage Obligations

The System's fixed income portfolio is comprised of government and corporate long-term bonds, which include investments in mortgage-backed securities to hedge against changes in interest rates. Revenues generated by the mortgage-backed securities are based on cash flows of principal and interest payments from underlying mortgages. Prepayments by mortgagees may result in a decline in interest income. As of March 31, 2010, mortgage-backed securities represented 11.7% of the total fixed income portfolio.

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 obligations of 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. Treasury obligations, 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, 2010, 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, 2010 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, 2010, the fair value of securities on loan was \$9.760 billion. The associated collateral was \$10.027 billion, of which \$9.336 billion was cash collateral and \$690 million was securities. The cash collateral has been reinvested in other instruments which had a fair value of \$9.151 billion as of March 31, 2010. The securities lending obligations were \$9.335 billion. The unrealized loss in invested cash collateral on March 31, 2010 was \$184.392 million, which is reflected in the statement of changes in plan net assets, "Net appreciation 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, 2010 was 25 days. All loans were open loans. There were no direct matching loans.

The collateral pool is valued at fair 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, 2010, the System had contractual commitments totaling \$6.626 billion to fund future private equities and \$4.709 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.

SCHEDULE OF FUNDING PROGRESS

Year Ended March 31, 2010 (Unaudited)

The System uses the aggregate funding method, which does not identify or separately amortize unfunded actuarial liabilities. However, below 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 1st an actuarial valuation is performed, which determines employer contributions for the year ending the next succeeding March 31st. For example, the 2010 actuarial valuation performed on April 1, 2009 determined employer contributions for the fiscal year ending March 31, 2011.

1. The average employer contribution rates for ERS for fiscal years ending 2010 and 2011, including incentive contributions, were approximately 7.4% of projected payroll and 11.9% of projected payroll, respectively.
2. The average employer contribution rates for PFRS for fiscal years ending 2010 and 2011 were approximately 15.1% of projected payroll and 18.2% of projected payroll, respectively.
3. These average employer contribution rates exclude certain contributions such as the 17-year amortization and the 10-year amortization available for the bills for fiscal years ended 2006, 2007, and 2008.

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
ERS						
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)
April 1, 2009	126,438	125,136	(1,302)	101.0	24,099	(5.4)
PFRS						
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)
April 1, 2009	22,423	21,597	(826)	103.8	2,970	(27.8)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(Unaudited) (In Thousands)

Employees' Retirement System – Annual Required Contributions

Year ended March 31	Annual Required Contributions			Percentage Contribution
	New York State	Local Employers	Total	
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
2010	808,129	1,071,080	1,879,209	100

Police and Fire Retirement System – Annual Required Contributions

Year ended March 31	Annual Required Contributions			Percentage Contribution
	New York State	Local Employers	Total	
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
2010	89,335	375,678	465,013	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.

SCHEDULE OF ADMINISTRATIVE EXPENSES

Years Ended March 31, 2010 and 2009

(In Thousands)

	2010	2009
Personnel services:		
Salaries	\$ 50,891	\$ 49,590
Overtime salaries	3,241	2,862
Fringe benefits	<u>26,862</u>	<u>24,876</u>
Total personnel services	80,994	77,328
Building occupancy expenses:		
Building, lease, and condominium fees	3,480	4,332
Utilities and municipal assessments	181	723
Office supplies and services	125	194
Telephone	<u>606</u>	<u>1,297</u>
Total building occupancy expenses	4,392	6,546
Computer expenses:		
IT hardware lease/purchases	587	868
IT supplies and maintenance/agency mainframe	7,617	5,226
IT consulting services	<u>895</u>	<u>1,995</u>
Total computer expenses	9,099	8,089
Personnel and operating expenses:		
Training	154	290
Travel and auto expense — includes pre-retirement seminars	817	981
Postage — includes member and retiree communication	1,486	1,822
Printing — includes member and retiree communication	626	592
Subscriptions/memberships	<u>126</u>	<u>74</u>
Total personnel and operating expenses	3,209	3,759
Professional expenses:		
Medical/clinical services	1,518	1,742
Consulting services	<u>817</u>	<u>1,765</u>
Total professional expenses	2,335	3,507
Total	\$ 100,029	\$ 99,229

See accompanying independent auditors' report.

SCHEDULE OF INVESTMENT EXPENSES

Year Ended March 31, 2010

(In Thousands)

Investment Expenses	2010	2009
Investment management fees:		
Private equity	\$ 115,803	\$ 129,373
Real estate	76,901	72,610
International equity	70,184	63,919
Absolute return strategy funds	48,759	46,259
Domestic equity	34,598	34,871
Total investment manager fees	346,245	347,032
Investment-related expenses:		
Legal fees	5,187	4,012
Administrative expenses	2,383	2,081
EDP expenses	2,253	2,155
Absolute return strategy consulting and monitoring	2,071	2,082
Mortgage loan servicing fees	1,797	1,234
Private equity consulting and monitoring	1,760	2,092
Custodial fees	963	183
Real estate consulting and monitoring	746	596
Fixed income consulting and monitoring	514	744
Domestic consulting and monitoring	389	335
Auditor fees	170	202
Total investment-related expenses	18,233	15,716
Total investment expenses	\$ 364,478	\$ 362,748

See accompanying independent auditors' report.

SCHEDULE OF CONSULTING FEES

Year Ended March 31, 2010

Fees paid to outside professionals other than investment advisors, in excess of \$25,000. (In Thousands)

	Amount	Nature
Day Pitney LLP	\$ 1,709	Legal
Entwistle & Capucci LLP	1,120	Legal
Morgan, Lewis & Bockius LLP	929	Legal
Garnet River LLC	581	System Development
Smart Business Advisory and Consulting LLC	436	Pension Redesign Consultant
K&L Gates	373	Legal
Foster Pepper PLLC	361	Legal
Spears & Imes LLP	229	Legal
First Choice Evaluations	205	Medical Services
Mayer Brown LLP	178	Real Estate Legal
KPMG LLP	170	Auditor
Herrick Feinstein LLP	96	Legal
John S Mazella MD PC	92	Medical Services
Austin R Leve MD	92	Medical Services
Pinkerton Consulting & Investigations	91	Security Services
Garger Associates LLP	65	Medical Services
Riverside Orthopaedic & Sports Medicine Assoc	59	Medical Services
Nixon Peabody LLP	53	Legal
Jack Economou	49	Hearing Officer
Louis Benton	48	Medical Services
Seward & Kissel	47	Real Estate Legal
Steven Fayer MD	42	Medical Services
D & D Associates	41	Medical Services
Raymond Marinelli	40	Hearing Officer
Leon Sultan MD	39	Medical Services
Hunton & Williams	38	Legal
Precise Court Reporting	35	Court Reporter
CEM Benchmarking Inc.	35	Industry Measurement Survey
Harold Wood	35	Hearing Officer
Charles F. Cacciabauda	34	Hearing Officer
Joan O'Dwyer	33	Hearing Officer
Mary T Babiarz Court Reporting Services Inc.	33	Court Reporter
Jeffrey Meyer MD	32	Medical Services
Pillsbury Winthrop Shaw Pittman LLP	32	Tax Consultant
Edward A. Toriello MD	29	Medical Services
Groom Law Group	29	Tax Consultant
Angelo Lomanto	29	Hearing Officer
Michael J. Lynch MD CM	28	Medical Services
Herbert Johnston Jr.	28	Hearing Officer
Interprobe Corp.	27	Security Services
Andrew Syracuse	26	Hearing Officer
James P. King	25	Hearing Officer

See accompanying independent auditors' report.



KPMG LLP
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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, 2010, and have issued our report thereon dated July 12, 2010. 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, is a Delaware limited liability partnership, the U.S. member firm of KPMG International, a Swiss entity.

2010 INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

(continued)



We noted certain matters that we reported to management of the System in a separate letter dated July 12, 2010.

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 12, 2010

III INVESTMENT

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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 equities, although historically volatile, provide superior long-term performance and growth characteristics, while fixed income investments provide predictable cash flow to meet the System's funding requirements and pension obligations.

Investment performance for the fiscal year ended March 31, 2010 reflects the recovery in the world financial markets during that time. The Fund posted its third best performance numbers last year, returning 25.9 percent, trailing only 1998 (30.4 percent) and 2004 (28.8 percent).

The strong performance was driven by gains in the public equities markets. For the year, domestic equities, which make up approximately 39 percent of the portfolio, produced strong positive results with a 51.7 percent return and international equities, which make up approximately 16 percent of the portfolio, produced strong positive results with a 56.8 percent return. Public equities performance was supported by positive performance in fixed income, private equity and hedge funds. The core fixed income portfolio returned 7.9 percent¹ and Treasury Inflation Protected Securities (TIPS) returned 5 percent. The private equity and absolute return strategies portfolios returned 11.6 percent and 15 percent, respectively. The real estate portfolio was the only asset class that remained in negative territory, returning -27.8 percent. Real estate performance tends to lag compared with other asset classes.

During the year, the Fund made certain strategic changes to its asset allocation after a year-long study of the Fund's investments and future obligations. See the Asset Allocation discussion on page 70.

¹The 7.4 percent reference in the financial statements reflects the return on fixed income and cash; 7.9 percent reflects the return on fixed income only.

The sound investment framework provided by the Fund's asset allocation and diversification policies enabled it to generate strong positive returns as the economy began to recover. With its long-term investment approach, the Fund remains positioned to continue to provide sufficient cash flow to fund pension payments.

While the Fund benefited from favorable markets last year, market volatility is continuing and some substantial concerns about the global economy exist — including the decline in European debt markets, the pace of domestic jobs recovery, and uncertainty regarding financial reforms.

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

Domestic Equities

Domestic equities produced strong returns for the twelve-month period ending March 31, 2010, as indicated by domestic market benchmark returns. Representing approximately 39 percent of the Fund's total assets, the aggregate domestic equity portfolio returned 51.7 percent for the year, as compared to 52.4 percent for the domestic equity market as represented by the Russell 3000 Index, a broad market index. Large capitalization strategies, which account for 80 percent of the domestic equity portfolio, returned 49.4 percent, in line with the S&P 500 benchmark return of 49.8 percent. Medium capitalization strategies, which account for 10 percent of the domestic equity portfolio, returned 60.3 percent, as compared to the S&P 400 Mid Cap benchmark return of 64.1 percent. Small capitalization strategies, which account for 9 percent of the total domestic equity portfolio, returned 64.6 percent, outperforming the Russell 2000 Index return of 62.8 percent.

During the year, the Fund maintained a style and capitalization neutral investment strategy for the domestic equity portfolio, consistent with the Fund's asset allocation. Within domestic equity, 80 percent is managed in passive strategies, 13 percent is managed in active strategies and 7 percent is managed in enhanced index strategies. The internally managed S&P 500, S&P 400 and S&P 600 Index Funds continued 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.

International Equities

International equities also produced exceptionally strong returns for the twelve-month period ending March 31, 2010, as indicated by international market benchmark returns. International equity (global equity holdings) represented approximately 16 percent of the Fund's total assets at the end of the year. In aggregate, international equity investments returned 56.8 percent, as compared to the 60.9 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, returned 51.8 percent as compared to the MSCI EAFE Index return of 55.2 percent. Comprising smaller portions of the international portfolio, emerging markets equity investments returned 79.3 percent as compared to the MSCI Emerging Markets Index return of 81.1 percent and global equity investments returned 50.8 percent as compared to the MSCI All Country World Index return of 52.4 percent.

Investments in international and global markets provide exposure to an important and growing part of the global economy. Within international equities, 68 percent is managed in core international markets, 19 percent is managed in global equity markets and 13 percent is managed in emerging markets.

The Fund continued to use minority- and women-owned brokerage service providers when trading for the internally managed equities. For the year, these brokers accounted for approximately 34 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.

During the year, pursuant to the issuance of a Request for Proposals, the Fund identified and retained a public equity consultant specialist. Staff began work with the new consultant to develop a strategic plan for public equities and to review both the domestic and international portfolios.

Fixed Income

The fixed income portfolio is designed to provide a secure funding stream for the 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.

U.S. Treasury Securities and Treasury Inflation Protected Securities (TIPS) make up 19.1 percent and 32.9 percent, respectively 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, U.S. Treasury Bills, collateralized Bank Certificate of Deposits, Agency Discount Notes, and other short-term high quality securities.

The fixed income portfolio represented approximately 25.7 percent of the total assets of the Fund at the end of the year. The Fund's core long-term fixed income portfolio (excluding TIPS) returned 7.9 percent² for the year, comparing favorably to 7.7 percent for the Barclays Capital Aggregate Bond Index and 6.9 percent for the SSB New Long Term Pension Fund Index. Commercial mortgage-backed securities (CMBS) and corporate bonds were the best performing sectors. The Fund's TIPS portfolio, which provides an important avenue for hedging inflation risk, returned 5 percent, compared to the Salomon Smith TIPS Index of 6 percent. The short-term cash investments returned 0.4 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 used 19 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 23 percent of all long-term trades and 26 percent of all short-term broker initiated trades.

Since 1986, the Fund has generated additional income by lending a portion of its assets to qualified counter-parties. Fixed income, domestic equity and international equity securities are available for loan. The Fund's securities lending program earned \$54 million in revenue for the year.

²The 7.4 percent reference in the financial statements reflects the return on fixed income and cash; 7.9 percent reflects the return on fixed income only.

Real Estate

As of March 31, 2010, equity real estate represented 4.2 percent of the Fund's total assets and produced a total return of -27.8 percent. The year was another challenging one for the domestic and international real estate markets as a result of continued weakness in real estate demand across all property types, growing commercial loan maturities, defaults and foreclosures, and a securitization market seeking to find resolutions to problems never faced by the industry and participants before. Nevertheless, as the year progressed, gradual signs of market improvement began to emerge.

The real estate program's primary investment objective is to enhance the overall performance of the Fund over multi-year periods, with reduced volatility and lower risk. Other goals are to take advantage of the Fund's knowledge of the market place, and leverage its experience in partnering with operators, managers, and advisors when seeking opportunities and strategies that provide growth and scale to the Fund.

Real estate investment strategies include: investments in under-managed real estate that will be capitalized, developed, repositioned and re-leased as the economy recovers; focus on geographic markets that still exhibit early-recovery or long-term growth characteristics; and investments in trophy properties in irreplaceable locations with appeal to global tenants. Examples of these opportunities include investments in equity real estate through the acquisition of debt instruments such as mezzanine loans and first mortgage positions. Repositioning opportunities include investments in real estate in line with green practices and sustainability standards such as LEED-certification, which is sought by a growing tenant base. The Fund recognizes the diversification benefits of investing with small managers in the real estate arena and continues to invest a portion of the real estate portfolio through a fund-of-funds manager. The Fund will expand this initiative in fiscal year 2010-2011.

Alternative Investments

Private Equity

The Fund's private equity portfolio is designed to generate long-term returns that exceed those of public equities. As of March 31, 2010, private equity accounted for 9.7 percent of the Fund's total assets and generated an 11.6 percent one-year time-weighted rate of return. The private equity portfolio generated an 18.7 percent one-year internal rate of return, net of all fees and expenses. The internal rate of return is the preferred performance metric in private equity, as it accounts for both the timing and magnitude of cash flows as investment managers call and distribute capital.

The Fund seeks to participate in private equity investments primarily through private equity partnerships, which are pooled funds managed by specialized investment managers for the purposes of making structured investments in private companies. Private equity investments are generally held for long-term appreciation, are typically subject to transfer restrictions, and as such are less liquid than publicly-traded securities.

The Fund seeks to partner with the very best private equity investors, including emerging and diverse managers, across various investment strategies such as leveraged buyouts, growth equity, venture capital, distressed debt, turnarounds, restructurings, and other special situations. The Fund also selectively considers opportunistic strategies, such as co-investments with investment managers and secondary transactions that can serve to both lower management expenses and enhance net returns. In addition, the Fund seeks to commit capital across various geographies, including to international managers who have the expertise to source attractive investment opportunities in emerging global markets and industries that show high potential for economic growth and capital appreciation.

The Fund will seek to establish long-term partnerships with investment managers who have the ability to consistently deliver top-quartile returns. The Fund can better achieve such superior returns through active management of this asset class, which requires frequent and direct interaction with investment managers to monitor performance and ensure proper alignment of interests.

Absolute Return Strategies

The Fund invests in funds employing strategies with an objective of capturing long-term appreciation by investing in various public markets and protecting against losses in market corrections. These funds invest through a number of strategies across all asset classes and securities. The Absolute Return Strategies program seeks uncorrelated returns to the equity markets, while achieving diversification through a multi-manager and multi-strategy approach, thereby lowering the overall risk and volatility in the portfolio.

As of March 31, 2010, the Absolute Return Strategy program accounted for 2.9 percent of the total assets of the Fund and generated a 15 percent return for the year, out-performing its program benchmark, the HFRX, which returned 12.9 percent.

The Fund will be implementing an emerging managers program for the Absolute Return Strategies portfolio.

Other Programs

Green Strategic Investment Program

As reported last year, the Fund established the Green Strategic Investment Program, committing to invest \$500 million in environmentally-focused investment strategies across all asset classes. As of March 31, 2010, commitments aggregating \$350 million have been made in public equity, private equity and fixed income.

In public equity, the Fund launched two Index Funds focusing on sustainability and climate change. The HSBC Climate Change Index Fund and the FTSE Environmental Technology 50 were initially funded with \$100 million each. These Funds invest in companies finding solutions to the challenges of climate change and energy scarcity.

In private equity, the Fund invested \$100 million in Hudson Clean Energy Partners, a fund committed to renewable energy companies, and continued to invest through its in-state program in companies focused on clean energy and sustainability. See the Financing for Emerging Businesses in New York State section on page 67.

The Fund invested \$50 million in World Bank green bonds which support projects in the World Bank's member countries that meet specific criteria for low carbon development. Purchasing these bonds provided a rare opportunity for the Fund to support climate change solutions within its high-grade fixed income investment mandate.

New York State Mortgage Pass-Through Program

Since 1981, the 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 80,200 New York State residents. Since the program's inception, the Fund has invested over \$9.7 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. During the past year, the Fund purchased \$499 million in mortgages, which assisted approximately 2,500 New Yorkers 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 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 multifamily 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, 11,776 units have been completed.

As of year end, the program has over 3,100 units in the pipeline – a 19 percent increase over last year – and has invested \$442.5 million in mortgages. During the last year, the Fund invested in affordable housing throughout the State, including Albany, Dutchess, Niagara, Onondaga, Nassau, Rockland, Suffolk, Saratoga, Ulster and Westchester Counties.

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, re-lease 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.

Representative investments and platforms in this New York portfolio include the development and stabilization 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. They also include investment in the Excelsior Real Estate Funds, an investment fund that makes value-added investments in New York State. Excelsior 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.

New York Business Development Corporation

The Fund provides the New York Business Development Corporation (NYBDC) 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.

Since the program began in 1987, NYBDC has made 892 loans totaling \$263.9 million to businesses that employ over 18,000 New Yorkers. Last year, NYBDC made 37 loans totaling \$15 million.

Financing for Emerging Businesses in New York State

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 State businesses.

At March 31, 2010, the Fund's private equity portfolio included investments in over 230 New York businesses with a value of \$860 million. This figure reflects only the Fund's share of these investments; the total value of New York companies held by the Fund's partnerships was more than \$14.3 billion as of September 30, 2009 (the most recent data available). New York State companies in the private equity portfolio include: Flat World Knowledge in Nyack, NAMIC/VA in Glens Falls, SmartPill in Buffalo, ZeroPoint in Potsdam, Application Security in New York City, Bausch & Lomb in Rochester, Applied Nanoworks in Rensselaer, Advion BioSciences in Ithaca, and Climax Manufacturing in Lowville.

In addition, as of March 31, 2010, the Fund had commitments totaling \$956 million to 17 different private equity managers. These commitments are devoted exclusively to New York State investment opportunities. The 17 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, a fund that 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. based 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 focuses 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.

2010 INVESTMENT RESULTS

Based on Market Values as of March 31, 2010.

	Annualized Rate of Return			
	1 Year	3 Years	5 Years	10 Years
Total Fund	25.87%	-1.68%	4.16%	3.75%
Domestic Equity	51.70	-4.10	2.20	0.52
International Equity	56.77	-5.00	5.52	2.72
Private Equity	11.61	2.40	12.82	8.56
Absolute Return Strategy	14.95	-0.44	3.29	-
Equity Real Estate	-27.77	-17.65	-0.11	9.56
Core Fixed Income	7.92	7.00	6.06	7.57
Treasury Inflation Indexed Securities	5.01	5.75	4.34	-
Russell 3000 Index	52.44	-3.99	2.39	-0.08
MSCI All Country World Index Free ex US (ACWI ex US)	60.93	-4.17	6.11	2.80
Cambridge US Private Equity Index	13.46	1.45	11.34	8.36
National Council of Real Estate Investment Fiduciaries (NCREIF)	-16.86	-3.42	4.75	7.30
Barclays Capital Aggregate Bond Index	7.69	6.14	5.44	6.29
Salomon Smith Barney LPF Index	6.94	6.67	5.85	7.10
Salomon Smith Barney Inflation Linked Index	5.95	5.96	4.77	-
<p>Investment return calculations were prepared using a time-weighted rate of return. Private Equity and Real Estate are reported on a three-month lag and Absolute Return Strategy on a one-month lag (adjusted by cash flows).</p> <p>The 1 Year Return for Core Fixed Income of 7.4% referenced in the financial statements reflects the return on fixed income and cash; the Returns for Core Fixed Income in the table above reflect the returns on the fixed income only. These figures may not agree with the audited financial statements because certain investments have been reclassified for investment management purposes.</p>				

2010 INVESTMENT SUMMARY

The following table summarizes the market values for March 31, 2010 and 2009
(In Thousands):

Asset Type	Market Value March 31, 2010	Percent of Total Market Value	Market Value March 31, 2009	Percent of Total Market Value
Domestic Equity	\$ 51,495,373	38.9%	\$ 34,332,034	31.5%
International Equity	21,178,608	16.0	13,538,962	12.4
Private Equity	12,799,735	9.7	10,563,694	9.7
Absolute Return Strategy	3,817,538	2.9	2,381,015	2.2
Real Estate	5,551,078	4.2	7,066,538	6.5
Core Fixed Income	33,726,066	25.4	36,541,603	33.5
Mortgage Loans	845,721	0.6	710,161	0.7
Short-term Investments	3,086,085	2.3	3,826,655	3.5
Total Investments	\$ 132,500,204	100.0%	\$ 108,960,662	100.0%

2010 ASSET ALLOCATION — MARCH 31, 2010*

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 year, the Fund completed an asset liability analysis and adopted a new asset allocation policy shown in the following schedule.

As part of the new policy, the Fund added an Opportunistic portfolio and a Real Asset portfolio to which up to 4 percent and up to 3 percent of Fund assets may be allocated, respectively. The Opportunistic portfolio is meant to provide greater flexibility to take advantage of opportunities that may not fit under traditional asset categories. The Real Asset portfolio is dedicated to a long-term, inflation protected strategy, investing in assets and commodities such as timberland, farmland, gold and infrastructure. In addition, to limit some long-term volatility, the Fund will reduce exposure to domestic and international equities, from 35 percent and 16 percent, respectively, to 30 percent and 13 percent.

The implementation of the new asset allocation policy is expected to take approximately two to three years to complete. 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	Long-Term Policy Allocation	Allocation as of March 31, 2010	New Policy Allocation
Equity			
Domestic Equity	35%	38.9%	30%
International Equity	16	16.0	13
Alternatives			
Private Equity	8	9.7	10
Real Estate	6	4.2	6
Absolute Return Strategies	5	2.9	4
Opportunistic Portfolio	0	0.0	4
Real Asset	0	0.0	3
Bonds, Cash & Mortgages	22.5%	19.9%	22%
Inflation Indexed Bonds	7.5%	8.4%	8%

*A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2010 is on our website at www.osc.state.ny.us.

2010 DOMESTIC EQUITY PERFORMANCE

For the Fiscal Year Ending March 31, 2010.

	Total Assets (\$ In Millions)	Annualized Rate of Return				Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years	10 Years			
Domestic								
Total Portfolio	\$ 52,035.3	51.70%	-4.10%	2.20%	0.52%	9.46%	01/01/91	9.33%
Total Actively Managed	\$ 10,635.0	52.80%	-5.35%	1.59%	0.18%	9.31%	01/01/91	9.02%
Russell 3000 Index		52.44%	-3.99%	2.39%	-0.08%			
S&P 500 Index		49.77%	-4.17%	1.92%	-0.65%			
Total Large Cap Composite	\$ 41,902.0	49.38	-4.56	1.70	-0.57	10.79	2/1/83	10.76
CRF S&P 500 Index Fund	34,807.5	49.41	-4.01	2.00	-0.53	11.33	8/1/78	11.29
Alliance Capital	1,202.9	43.17	-6.19	0.93	-2.14	11.57	4/1/80	11.56
Capital Guardian	1,068.8	47.70	-7.02	-0.38	0.31	11.28	4/1/85	10.34
Jacobs Levy	866.2	58.20	-5.25	0.84	-0.76	8.32	5/1/93	8.09
Chicago Equity	486.6	48.09	-4.30	2.14	–	1.55	6/1/01	1.11
BGI R1000 Alpha Tilts	1,656.2	49.61	-5.94	1.35	–	3.47	11/1/01	3.69
FIS Group	359.1	49.17	-2.93	2.38	–	4.21	11/1/03	4.16
Aronson+ Johnson+Ortiz	246.2	44.63	-6.92	1.45	–	2.03	12/1/04	1.62
Quantitative Management	508.4	51.96	-4.62	2.13	–	3.55	5/1/04	3.48
T. Rowe Price	274.4	50.58	-0.75	3.31	–	2.94	2/1/05	3.15
Progress Investment II LC	262.3	48.09	–	–	–	-6.28	5/1/08	–
Piedmont Investment	163.4	–	–	–	–	6.36	5/1/08	6.14
S&P 400 Index		64.07%	-0.83%	5.18%	6.01%			
Total Mid Cap Composite	\$ 5,332.2	60.32	-1.64	4.61	5.61	11.40	7/1/91	12.16
CRF S&P 400 Midcap Fund	3,688.5	62.99	-0.47	5.41	6.03	11.60	11/1/91	11.61
Progress Investment	961.7	57.22	-3.15	4.12	5.13	11.03	9/1/94	10.16
New Amsterdam Partners	225.0	48.41	-2.52	3.02	4.98	11.48	9/1/94	10.16
Globe Flex Capital	224.5	66.84	-2.56	5.23	–	9.40	9/1/03	7.98
Sasco Capital	232.5	61.46	-3.89	–	–	5.36	7/1/05	2.90
Russell 2000 Index		62.75%	-3.99%	3.36%	3.68%			
Total Small Cap Composite	\$ 4,801.1	64.59	-1.95	4.27	2.68	9.66	7/1/91	9.26
CRF S&P 600 Index Fund	857.9	62.32	-2.71	–	–	2.22	10/1/05	1.79
BGI R2000 Index Fund	2,046.4	63.14	-3.81	3.47	–	7.15	11/1/01	7.01
Wells Capital	684.1	76.90	4.50	11.52	1.97	10.53	8/1/91	6.17
Brown Capital	369.9	62.88	7.24	11.97	5.25	13.73	9/1/94	7.86
EARNEST Partners	233.8	60.70	-2.24	2.36	–	8.41	6/1/01	7.08
Systematic Financial	336.2	74.98	-4.72	3.91	–	7.93	9/1/02	8.93
Hoover Investment	184.3	41.64	-6.42	1.75	5.26	7.63	11/1/99	5.88
Progress Investment II SC	88.5	56.48	–	–	–	-4.86	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.								

2010 DOMESTIC EQUITY PERFORMANCE

(continued)

For the Fiscal Year Ending March 31, 2010.

	Total Assets (\$ In Millions)	Annualized Rate of Return			Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years			
Russell MidCap Index		67.71%	-3.30%	4.20%			
Total Progress Composite	\$ 961.7	57.22%	-3.15%	4.12%	11.03%	9/01/94	10.16%
Apex Capital Management	45.9	63.47	-	-	1.47	3/01/08	0.08
Bennett Lawrence	132.7	39.44	-5.73	-	0.80	7/01/05	3.76
Cardinal Capital Management	161.5	45.08	-3.82	4.15	8.94	9/01/03	8.08
Channing Capital	88.4	55.14	-3.05	-	2.58	7/01/05	2.90
Credo Capital Management	39.8	49.80	-	-	-5.21	3/01/08	-1.58
Denali Advisors	109.1	77.56	-	-	2.04	3/01/08	-0.91
Fan Asset Management	115.5	60.09	-0.91	4.76	2.90	12/01/99	4.74
Holland Capital	111.5	49.10	-0.10	-	3.28	7/01/05	3.88
Rasara Strategies	10.3	51.56	-17.54	-8.20	-1.62	6/01/01	-2.03
Shenandoah Asset Management	118.8	68.70	-2.39	-	4.37	7/01/05	3.53
Steinberg Asset Management	28.2	62.08	-5.11	-	2.92	7/01/05	3.53
Total Progress II Composite	\$ 350.9	49.92%	-	-	-6.18%	5/01/08	-5.45%
Atlanta Life Investment Advisors	49.7	56.61	-	-	-5.05	5/01/08	-3.45
GW Capital	23.2	78.93	-	-	-1.27	5/01/08	-1.04
Insight Capital Research & Management	18.1	25.89	-	-	-15.33	5/01/08	-1.56
Lombardia Capital - LC	83.8	43.89	-	-	-5.03	5/01/08	-10.33
Lombardia Capital - SC	26.6	74.45	-	-	5.40	5/01/08	-1.18
Palisades Investment Partners	76.4	52.64	-	-	-10.23	5/01/08	-8.52
Paradigm Asset Management	20.6	46.81	-	-	-9.97	5/01/08	-1.56
Profit Investments	52.5	51.36	-	-	-1.27	5/01/08	-3.45
Russell 1000 Index		51.60%	-3.98%	2.31%			
Total FIS Composite	\$ 359.1	49.17%	-2.93%	2.38%	4.21%	11/01/03	4.16%
Apex Capital	34.6	45.11	-2.79	1.76	3.00	11/01/03	3.68
Credo Capital Management	9.6	49.78	-	-	31.20	11/10/08	35.91
Denali Advisors	42.2	54.54	-4.21	3.36	6.97	11/01/03	4.44
Mastrapasqua Asset Management	35.4	40.04	0.82	-	3.67	8/01/06	2.87
Moody Aldrich	32.9	46.89	-	-	19.16	11/10/08	26.99
Oakbrook Investments	46.0	45.80	-4.46	2.00	2.00	4/01/05	1.58
Oakbrook Growth	18.8	45.84	-0.01	-	2.26	2/01/06	1.84
Profit Investments	31.9	51.76	1.18	3.86	5.99	11/01/03	4.16
Stux Capital Management	33.4	56.09	-	-	24.05	11/10/08	22.11
The Edgar Lomax Co.	43.8	57.91	-	-	17.90	11/10/08	17.15
Vantage Consulting Group	30.5	48.93	-7.38	-	-3.12	8/01/06	-2.76
<p>The assets under management (at market), time-weighted performance results (at market), and appropriate benchmark for each manager are presented in the table.</p> <p>These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.</p>							

2010 DOMESTIC EQUITY PORTFOLIO — TEN LARGEST HOLDINGS*

For the Fiscal Year Ending March 31, 2010.

Company	Shares	Market Value	% of Domestic Equity
Exxon Mobil Corp.	16,643,959	\$1,114,812,374	1.8%
Apple	3,487,650	819,353,615	1.3
Microsoft Corp.	27,600,310	807,861,074	1.3
JP Morgan Chase	15,401,817	689,231,311	1.1
General Electric	37,501,905	682,534,671	1.1
Bank of America	36,845,430	657,690,926	1.1
Johnson & Johnson	10,073,986	656,823,887	1.1
Procter & Gamble	10,215,953	646,363,346	1.0
IBM	4,705,632	603,497,304	1.0
Wells Fargo	19,391,801	603,472,847	1.0

*A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2010 is on our website at www.osc.state.ny.us.

2010 FIXED INCOME PORTFOLIO AND COMPARISON

As of March 31, 2010.

Sector	Market Value (Millions)	Market Value Percent	Macaulay Duration	Yield	1 Year Total Return
Treasury	\$ 6,453.0	19.1%	9.96	4.14%	-4.55%
TIPS	11,085.0	32.9	11.39	2.87	5.01
Agency	2,645.0	7.8	7.84	3.98	3.61
Mortgages	5,545.0	16.5	4.33	4.52	18.31
Corporates	7,998.0	23.7	5.35	3.46	14.68
Totals	\$ 33,726.0	100.0%	8.24	3.61%	6.95%

2010 FIXED INCOME PERFORMANCE

As of March 31, 2010.

	Annual Rate of Return		
	1 Year	3 Years	5 Years
Common Retirement Fund – Core	7.92%	7.00%	6.06%
Barclays Capital Aggregate Bond Index	7.69	6.14	5.44
Salomon Smith Barney LPF Index	6.94	6.67	5.85
Common Retirement Fund – TIPS	5.01	5.75	4.34
Salomon Smith Barney – TIPS Index	5.95	5.96	4.77

2010 FIXED INCOME PORTFOLIO — TEN LARGEST HOLDINGS*

As of March 31, 2010.

Issue	Market Value (Millions)	Percent of Fixed Income
Treasury Inflation Indexed Securities Due 4/15/29	\$ 4,104.5	12.17%
Treasury Inflation Indexed Securities Due 1/15/25	1,545.5	4.58
Treasury Inflation Indexed Securities Due 4/15/28	1,286.1	3.81
Treasury Inflation Indexed Securities Due 1/15/17	1,136.0	3.37
Treasury Inflation Indexed Securities Due 4/15/32	813.4	2.41
Treasury Inflation Indexed Securities Due 7/15/13	696.5	2.07
Treasury Bond Due 2/15/29	524.8	1.56
Treasury Bond Due 2/15/21	396.9	1.18
Treasury Bond Due 8/15/29	348.0	1.03
Treasury Inflation Indexed Securities Due 1/15/16	347.4	1.03
Total	\$ 11,199.1	33.21%

*A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2010 is on our website at www.osc.state.ny.us.

2010 INTERNATIONAL EQUITY PERFORMANCE

For the Fiscal Year Ending March 31, 2010.

	Total Assets (\$ In Millions)	Annualized Rate of Return				Since Inception	Inception Date	Benchmark
		1 Year	3 Years	5 Years	10 Years			
Total International Portfolio	\$ 21,445.7	56.77%	-5.00%	5.52%	2.72%	6.38%	10/01/89	5.38%
MSCI All Country World Free ex US		60.93%	-4.17%	6.11%	2.80%			
MSCI All Country World Index Free		56.31%	-3.84%	4.48%	1.10%			
Global Equity Composite	\$ 1,131.1	50.79	-10.60	0.84	1.14	7.86	9/01/94	6.35
Brandes Investment	814.8	48.13	-11.13	0.16	5.45	5.80	11/01/99	2.25
Generation Investment Management	316.3	56.80	-	-	-	56.80	4/08/09	47.23
HSBC Climate Change Ex Nuclear	99.6	-	-	-	-	6.95	11/01/09	7.81
FTSE Environmental Technology 50	97.4	-	-	-	-	2.96	11/01/09	3.32
MSCI All Country World Free ex US		60.93%	-4.17%	6.11%	2.80%			
ACWI ex US Equity Composite	\$ 5,359.4	59.70	-4.95	5.96	-	7.73	11/01/04	7.82
Acadian Asset Management	1,051.5	56.76	-8.46	5.01	-	7.15	11/01/04	7.82
BGI Global World ex US	3,208.4	61.30	-3.88	6.40	-	8.09	11/01/04	7.82
Goldman Sachs	680.7	61.80	-4.84	7.10	-	7.10	4/01/05	6.11
The Boston Co.	409.2	61.14	-1.31	6.40	-	6.40	4/01/05	6.11
MSCI EAFE Index		54.44%	-7.02%	3.75%	1.27%			
EAFE Composite	\$ 11,850.9	51.75	-6.17	4.26	1.70	6.00	10/01/89	4.22
Alliance Capital	988.2	46.73	-10.74	-0.10	-1.18	5.28	9/01/89	4.43
Capital Guardian	2,866.3	47.32	-6.26	4.17	0.51	7.63	9/01/89	4.43
Morgan Stanley International A/P	2,350.6	54.62	-3.45	6.42	3.43	6.90	8/01/94	4.64
Templeton Investment	1,220.6	47.40	-5.32	5.39	5.69	7.43	1/01/98	4.56
Mondrian Investment	1,066.2	45.91	-6.01	4.81	7.08	7.52	1/01/98	4.56
Baillie Gifford	1,247.5	66.41	-2.81	6.63	1.31	4.48	2/01/99	3.34
BGI International Tilt Fund	809.1	53.74	-7.83	3.36	2.43	4.69	2/01/99	3.34
Baring International A/P	1,301.3	55.90	-5.18	4.89	-	8.03	4/01/02	6.64
MSCI Emerging Markets Index		81.08%	5.16%	15.65%	9.82%			
Emerging Markets Composite	\$ 2,746.6	79.29	3.61	15.18	9.33	10.91	1/01/92	9.63
Cap Guardian Emerging Growth	1,122.2	77.06	6.80	18.68	9.37	12.37	12/01/91	10.22
Templeton Emerging Market	793.6	83.10	1.74	11.68	9.28	7.27	10/01/93	8.15
Morgan Stanley Emerging Market	830.8	78.77	1.49	14.53	8.03	8.92	10/01/93	8.15

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.

2010 REAL ESTATE PORTFOLIO

As of December 31, 2009.

	Equity Amount	Percent	Mortgage Amount*	Percent
Property Diversification				
Industrial/R&D	\$ 605,557,831	11.3%	\$ -	0.0%
Land For Development	-	0.0	-	0.0
Lodging	318,534,949	5.9	-	0.0
Office	1,640,883,041	30.5	304,099,664	35.3
Other	1,143,855,498	21.3	4,550,824	0.5
Residential	450,328,146	8.4	292,806,038	34.0
Retail	1,219,150,496	22.7	259,348,482	30.1
Total	\$ 5,378,309,961	100.0%	\$ 860,805,008	100.0%
Regional Diversification				
Northeast	\$ 1,235,194,384	23.0%	\$ 815,892,536	94.8%
Midwest	518,028,008	9.6	-	0.0
Southeast	208,086,191	3.9	880,747	0.1
Southwest	367,917,988	6.8	-	0.0
Midwest	328,076,908	6.1	562,375	0.1
Mountain	60,576,909	1.1	777,636	0.1
Pacific	1,038,840,457	19.3	42,691,714	5.0
Other	1,621,589,116	30.2	-	0.0
Total	\$ 5,378,309,961	100.0%	\$ 860,805,008	100.0%
*Mortgage numbers are as of 3/31/10. These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.				

Opportunistic Real Estate

Number of Partnerships	Capital Committed (Millions)	Capital Contributed (Millions)	Net Asset Value (Millions)	Cumulative Distributions (Millions)	Total Value (Millions)
78	\$ 11,840.2	\$ 7,543.3	\$ 2,859.0	\$ 3,015.3	\$ 5,874.3
These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.					

2010 ALTERNATIVE INVESTMENTS SUMMARY

As of March 31, 2010.

	Number of Partnerships	Capital Committed	Capital Contributed	Net Asset Value	Cumulative Distributions	Total Value
Buyout	136	\$ 20,644,898,359	\$ 15,380,677,943	\$ 8,797,765,380	\$ 12,604,891,269	\$ 21,402,656,649
Distressed/Turnaround	16	1,400,000,000	1,223,484,539	905,588,800	684,970,135	1,590,558,935
Growth	23	2,529,611,123	2,276,837,719	993,832,505	3,363,522,924	4,357,355,429
Opportunistic	10	950,710,119	641,485,948	289,611,516	528,065,536	817,677,052
Venture	41	3,540,798,060	2,855,895,986	1,731,708,768	1,163,756,280	2,895,465,048
Other	N/A	N/A	81,228,259	81,228,259	N/A	81,228,259
Total*	226	\$ 29,066,017,661	\$ 22,459,610,394	\$ 12,799,735,228	\$ 18,345,206,144	\$ 31,144,941,372

*The total figures include the Fund's private equity investments, Public-Private Investment Program (PPIP) investments, and other investments through the New York Business Development Corporation (NYBDC).

As sole Trustee of the New York State Common Retirement 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 Employees' Retirement System and the New York State and Local Police and Fire Retirement System. In fulfilling that duty, Comptroller DiNapoli monitors the Fund's portfolio companies for compliance with corporate governance practices that help assure that (i) the Fund's investments are not subject to undue risks, and (ii) the companies are functioning in a sustainable fashion that enhances long-term shareholder value. Further, Comptroller DiNapoli actively seeks reforms that aim to enhance corporate risk oversight and management, transparency and accountability.

During the fiscal year ending March 31, 2010, Comptroller DiNapoli continued to advocate for comprehensive regulatory and legislative reform of the capital markets, including an expansion of shareholder rights. The Comptroller, together with ten other public pension fund leaders, wrote to the Chairs of the Senate Banking and House Financial Services Committees and the U.S. Treasury to press for the inclusion in the reform package of important corporate governance priorities, including shareholder access to the proxy.

In addition, Comptroller DiNapoli's corporate governance program focused, in particular, on portfolio companies whose extractive activities create the potential for significant risks arising from day-to-day operations. In order to obtain information sufficient to measure the corresponding risk to the Fund's investments, Comptroller DiNapoli filed shareholder proposals at oil and gas companies, requesting disclosure of potential environmental and regulatory risks associated with natural gas extraction through the process known as hydraulic fracturing.

Two portfolio companies receiving these proposals requested the SEC allow exclusion of the proposals from the shareholder ballot. The Comptroller vigorously opposed and, subsequently, both requests were denied and shareholders were given the right to vote on the issue in the next fiscal year.

Two other portfolio companies receiving these proposals voluntarily agreed to increase disclosure of potential operational risks and chemicals used and therefore the proposals were withdrawn. Additionally, these companies agreed to both encourage suppliers to use the least toxic chemical formulations available, and to meet or exceed all regulatory standards with regard to wastewater recycling, water quality monitoring, and wastewater disposal and tracking in connection with operations.

The Comptroller will continue his work on this initiative in 2010-2011.

The following are additional shareholder resolutions filed under the direction of Comptroller DiNapoli during the 2009-2010 fiscal year:

- **Massey Energy** – The Comptroller had co-filed shareholder resolutions in 2008 and 2009 at Massey Energy requesting a report on how the company is responding to rising regulatory and public pressure to significantly reduce the social and environmental harm associated with carbon dioxide emissions. Massey remained unresponsive, in spite of a 45.7 percent shareholder vote in 2009 in favor of such a report. Therefore, during the 2009-2010 fiscal year, the Comptroller filed a board declassification proposal calling for the annual election of directors to increase individual director accountability to shareholders.
- **Valero Energy** – The Comptroller filed a board declassification proposal. In response, the board of directors agreed to sponsor a resolution on next year's shareholder ballot seeking amendment to its governance documents so that annual elections of directors may take place in 2012.
- **ExxonMobil** – The Comptroller filed a proposal asking the company to amend its Equal Employment Opportunity policy to explicitly ban discrimination based upon sexual orientation and gender identity.
- **AIG** – The Comptroller filed a proposal calling for an annual disclosure and ratification vote on corporate political spending.

Other highlights of Comptroller DiNapoli's corporate governance activities during fiscal year 2009-2010 include:

- Reaching an agreement with KBR Corporation, committing the company to a wide-ranging disclosure of environmental impacts of company operations.
- Negotiating an agreement with Consol Energy to increase disclosure concerning climate risks.
- Joining with other institutional investors to write to over 400 corporations to advocate full disclosure of corporate political spending.
- Continuing the Fund's active involvement in membership entities including the Council of Institutional Investors (CII), the Coalition for Environmentally Responsible Economies (Ceres), the Investor Network on Climate Risk and the UN-launched Principles for Responsible Investment (PRI) campaign (an investor initiative undertaken in partnership with the UNEP Finance Initiative and the UN Global Compact).
- Convening a forum with several major global investor coalitions and non-governmental organizations: Investor Network on Climate Risk (INCR), Institutional Investors Group on Climate Change (IIGCC), The Prince of Wales' P8 Group, and the UN Foundation on the issue of climate risks and opportunities.
- Voting by proxy the Fund's shares for 2,200 U.S. corporations.

2010 DOMESTIC EQUITY MANAGEMENT FEES

For The Fiscal Year Ended March 31, 2010.

Alliance Capital Management, Inc.	\$ 1,104,881
Apex Capital Management, Inc.	223,640
Aronson + Johnson + Ortiz LP	676,792
Atlanta Life Investment Advisors, Inc.	117,428
Bennett Lawrence Management LLC	634,311
Blackrock Institutional Trust Co.	3,976,375
Brown Capital Mgmt, Inc.	2,516,777
Capital Guardian Trust Company	1,203,036
Cardinal Capital Management LLC	504,858
Channing Capital Management LLC	234,992
Chicago Equity Partners LLC	1,242,705
Credo Capital Management	143,146
Denali Advisors LLC	367,340
Earnest Partners LLC	853,607
Edgar Lomax Company	117,460
Fan Asset Management	409,860
FIS Group, Inc.	872,995
Franklin Portfolio Assoc. LLC	54,202
Global Currents Investment Management LLC	614,901
Globeflex Capital LP	542,747
Goldman Sachs Asset Management LP	277,308
GW Capital, Inc.	100,779
Holland Capital Management LP	307,085
Hoover Investment Management Co. LLC	862,497

Insight Capital Research & Management, Inc.	\$ 102,810
Jacobs Levy Equity Management	2,594,433
Lombardia Capital Partners LLC	374,694
Lynmar Capital Group, Inc.	76,792
Mastrapasqua Asset Management, Inc.	107,658
Moody Aldrich Partners LLC	110,038
New Amsterdam Partners LLC	529,458
OakBrook Investments LLC	192,685
Palisades Investment Partners LLC	160,320
Paradigm Asset Management Co. LLC	102,701
Piedmont Investment Advisors LLC	201,550
Profit Investment Management	246,857
Progress Investment Management	3,046,912
Quantitative Management Associates LLC	862,194
Rasara Strategies, Inc.	46,194
SASCO Capital, Inc.	664,176
Shenandoah Asset Management LLC	359,764
Steinberg Asset Management LLC	139,757
Stux Capital Management	93,333
Systematic Financial Management LP	1,696,770
T. Rowe Price Associates	867,419
Value Line, Inc.	37,168
Vantage Consulting Group, Inc.	86,059
Wells Capital Management, Inc.	3,938,548
Total	\$ 34,598,012

2010 DOMESTIC EQUITY COMMISSIONS

For the Fiscal Year Ended March 31, 2010.

Broker	Shares	Commission \$ US
Abel Noser Corp.	2,003,726	\$ 66,919
Access Securities, Inc.	547,477	9,151
ADP Clearing & Outsourcing	70,263	1,396
Alaris Trading Partners	671,802	8,398
Albert Fried & Company LLC	8,700	174
Allen & Company LLC	24,400	887
Altrushare	2,382,214	98,656
American Portfolios Financial	12,903	565
American Technology Research, Inc.	187,000	7,480
Ancora Securities, Inc.	8,500	340
Aqua Securities LP	24,400	488
Avian Securities LLC	9,400	188
Avondale Partners LLC	1,386,774	43,287
Baird Robert W & Company, Inc.	5,003,956	180,057
Barclays Capital	33,169,557	921,901
Barrington Research Associates, Inc.	46,000	1,840
Bay Crest Partners LLC	104,900	2,098
Baypoint Trading LLC	4,015,889	43,093
Bear Stearns & Company	8,073,415	212,016
Benchmark Company LLC	259,575	8,396
Blaylock & Company, Inc.	1,361,268	45,324
Bloomberg Tradebook LLC	10,926,137	188,605
BMO Capital Markets	1,290,594	42,762
BNP Paribas Securities Corp. IB	180,300	3,606
BNY Brokerage	25,387,773	546,718
BOE Securities, Inc.	277,603	8,842
Boenning & Scattergood, Inc.	1,808,337	21,609
Brean Murray Foster Securities	10,100	404
Broadcourt Capital	4,375,310	74,916
Brown Brothers Harriman & Company	113,580	3,496
Buckingham Research Group, Inc.	531,471	20,580
C L King & Associates, Inc.	4,621,182	175,791
Cabrera Capital Markets, Inc.	1,198,140	48,824
Canaccord Adams, Inc.	642,772	20,048
Cantor Fitzgerald & Company	10,950,329	286,272
Capital Institutional Services, Inc.	3,943,388	137,106
Caris and Company, Inc.	71,964	2,484
CastleOak	5,807,976	141,415
Cheevers & Company	1,338,005	35,164
Chicago Analytic Trading Company	747,000	29,880

Broker	Shares	Commission \$ US
CIBC World Markets Corp.	2,600	\$ 104
Citation Group	8,010,282	174,589
Citigroup Global Markets	26,096,515	622,645
CJS Securities, Inc.	53,000	2,120
Collins Stewart LLC	481,687	18,212
Cowen & Company LLC	2,649,928	95,179
Craig-Hallum	3,012,371	78,853
Credit Research & Trading	357,300	7,445
Credit Suisse Securities	23,046,094	629,933
CSI US Institutional Desk	324,113	12,965
Cuttone & Co., Inc.	115,000	2,300
Dahlman Rose & Company	664,732	20,163
Davenport & Company of Virginia	133,918	5,357
Davidson, D A & Company, Inc.	845,609	29,963
Deutsche Bank Alex Brown	81,090	3,672
Deutsche Bank Securities, Inc.	13,795,603	340,997
Direct Access Partners LLC	102,239	4,090
Direct Trading Institutional, Inc.	6,112,290	49,281
Divine Capital Markets LLC	805,978	32,239
Donaldson, Lufkin & Jenrette	259,910	8,359
Dougherty & Company LLC	145,500	4,761
Dowling & Partners	123,500	4,373
Dundee Securities Corp.	31,500	630
Emerging Growth Equities Ltd.	657,300	6,573
Ewing Capital, Inc.	241,200	8,442
Exane, Inc.	6,900	52
Fidelity Capital Markets	2,091,895	27,761
First Analysis Securities	226,700	9,068
First Clearing Corp.	328,475	12,327
First Southwest Company	203,868	8,155
Fox River Execution Technology LLC	687,800	10,317
Fox-Pitt Kelton, Inc.	383,600	13,236
Friedman Billings & Ramsey	2,449,804	79,077
Gardner Rich & Company	328,195	11,097
Goldman Sachs & Company	20,005,893	489,435
Goldman Sachs Execution & Clearing LP	7,280,543	102,848
Gordon, Haskett & Company	60,170	2,203
Great Pacific Securities, Inc.	2,865,432	89,902
Greentree Brokerage Services, Inc.	127,834	3,491
Griswold Company	6,320,818	134,084

2010 DOMESTIC EQUITY COMMISSIONS

(continued)

Broker	Shares	Commission \$ US
Guzman & Company	16,108,738	\$ 422,689
Heflin & Company LLC	875,400	29,692
Hibernia Southcoast Capital, Inc.	300,937	10,870
Howard Weil, Inc.	529,948	21,585
HSBC Brokerage (USA), Inc.	423,800	16,948
Hudson Securities, Inc.	2,550	64
ICAP Group	675,000	21,068
Instinet	17,725,274	420,704
Invemed Associates, Inc.	6,650	266
Investment Technology Group	133,113,197	1,186,124
ISI Group, Inc.	1,798,396	67,599
Island Trader Securities, Inc.	59,260	2,370
Ivy Securities	555,300	15,462
Jackson Partners & Associates, Inc.	313,100	10,139
Jackson Securities, Inc.	5,571,454	142,986
Janco Partners, Inc.	18,900	756
Janney Montgomery Scott, Inc.	667,150	27,321
Jefferies & Company	23,934,429	657,727
JMP Securities	904,870	32,952
JNK Securities, Inc.	56,800	1,136
Johnson Rice & Company	569,514	18,364
Jonestrading Institutional LLC	3,609,990	104,318
JP Morgan Securities, Inc.	14,539,791	340,777
Kaufman Brothers	10,400	416
Keefe Bruyette & Wood, Inc.	2,095,363	68,396
Kellogg Partners	419,121	13,162
Knight Equity Markets LP	16,479,341	316,076
La Branche Financial Services LLC	314,200	6,493
Lazard Capital Markets LLC	1,480,138	46,241
Leerink Swann & Company	1,084,474	41,899
Lehman Brothers, Inc.	104,660	3,140
Lighthouse Financial Group LLC	175,895	6,249
Liquidnet, Inc.	71,738,478	1,293,872
Longbow Securities LLC	265,300	10,612
Loop Capital Markets LLC	3,906,348	85,795
Lynch Jones & Ryan, Inc.	629,588	6,976
M Ramsey King Securities, Inc.	3,436,233	80,598
Macquarie Securities (USA), Inc.	67,700	2,317
Magna Securities Corp.	6,462,786	187,013
Maxim Group	302,300	11,492

Broker	Shares	Commission \$ US
McDonald & Company Securities, Inc.	1,443,046	\$ 50,965
Melvin Securities LLC	65,183	1,971
Merlin Securities LLC	78,500	1,535
Merrill Lynch, Pierce, Fenner & Smith, Inc.	26,843,650	502,264
Merriman Curhan Ford & Company	329,045	11,681
Midwest Research Securities	168,990	7,377
Miller Tabak & Company LLC	5,400	241
Mischler Financial Group, Inc.	128,803	4,622
MKM Partners	64,400	2,576
Mogavero Lee & Company, Inc.	576,790	15,191
Montecito Advisors	3,351	134
Montrose Securities Equities	271,600	3,071
Morgan Keegan & Company, Inc.	1,981,209	83,144
Morgan Stanley & Company, Inc.	25,747,065	699,483
MR Beal & Company	6,915,819	256,565
Multitrade Securities LLC	193,244	6,880
Muriel Siebert & Company, Inc.	2,186,414	72,063
Natexis Bleichroeder, Inc.	32,600	1,165
National Financial Services Corp.	2,649,711	63,895
Needham & Company	1,775,791	59,971
Next Generation Equity Research	11,560	462
Nollenberger Capital Partners, Inc.	230,100	9,204
NYFIX Transaction Service	258,501	4,442
O'Neil, William & Company, Inc.	1,193,313	43,671
Oppenheimer & Company, Inc.	1,714,232	65,734
Pacific American Securities LLC	3,246,363	117,112
Pacific Crest Securities	702,300	17,498
Pali Capital, Inc.	995,602	27,291
PCS Dunbar Securities	793,600	39,680
Penserra Securities, Inc.	300	6
Person Financial Services, Inc.	315,468	10,824
Percival Financial Partners Ltd.	278,160	10,184
Pershing LLC	251,660	9,374
Pickering Energy Partners, Inc.	27,450	1,098
Pipeline Trading Systems LLC	2,403,205	34,891
Piper Jaffray	3,215,139	117,646
Prime Executions, Inc.	17,600	528
Pritchard Capital Partner	264,846	12,016
Pulse Trading LLC	3,623,574	110,436
Raymond James & Associates, Inc.	1,605,092	60,226

2010 DOMESTIC EQUITY COMMISSIONS

(continued)

Broker	Shares	Commission \$ US
RBC Capital Markets	5,795,930	\$ 175,773
Reynders, Gray & Company, Inc.	139,100	5,564
Rochdale Securities Corp.	1,124,850	38,019
Rosenblatt Securities LLC	93,800	1,876
Roth Capital Partners, Inc.	32,100	1,539
Samuel A Ramirez & Company, Inc.	6,230,715	154,049
Sanders Morris Harris	29,220	1,068
Sandler O'Neill & Partners LP	411,000	14,595
Sanford C Bernstein & Company LLC	12,253,763	254,767
Scotia Capital, Inc.	203,200	7,112
Scott & Stringfellow, Inc.	1,655,326	58,677
Seslia Securities	17,900	269
SG Americas Securities LLC	5,445,431	117,124
Sidoti & Company LLC	1,420,793	56,166
Simmons & Company International	24,500	1,091
Soleil Securities Corp.	1,516,632	34,955
State Street Global Markets LLC	5,730,446	119,435
Stephens, Inc.	337,923	14,535
Sterne Agee & Leach, Inc.	559,495	20,573
Stifel Nicolaus & Company, Inc.	3,954,383	141,562
Sturdivant & Co., Inc.	3,069,552	101,631
Suntrust Capital Markets, Inc.	2,725,362	93,881
Thinkquity Partners LLC	1,284,617	45,005
Thomas Weisel Partners LLC	2,605,514	95,754
Toussant Capital Partners LLC	68,414	1,962
Tristone Capital USA, Inc.	8,400	336
UBS Securities LLC	17,212,792	470,688
Utendahl Capital Partners LP	2,423,464	76,801
Vandham Securities Corp.	127,136	3,819
Wachovia Capital Markets LLC	4,234,490	127,745
WallachBeth Capital LLC	15,311	306
Wedbush Morgan Securities, Inc.	424,649	16,040
Weeden & Company	13,066,591	321,680
Wells Fargo & Company	83,872	3,312
White Cap Trading	500	8
William Blair & Company	3,290,382	130,998
Williams Capital Group LP	15,318,817	385,892
Wunderlich Securities, Inc.	50,800	2,032
Total	802,039,885	\$ 17,963,887

2010 INTERNATIONAL EQUITY MANAGEMENT FEES

For The Fiscal Year Ended March 31, 2010.

Acadian Asset Management, Inc.	\$ 3,476,799
Alliance Capital Management	2,446,680
Baillie Gifford Overseas Ltd.	3,329,378
Baring Asset Management	3,290,483
Blackrock Institutional Trust Co.	3,473,378
Brandes Investment Partners LP	2,903,848
Capital Guardian Emerging Markets	6,297,786
Capital Guardian Trust Company	8,856,874
Generation Investment Management	2,898,679
Global Currents Investment Management LLC	1,776,791
Goldman Sachs Asset Management LP	2,826,051
HSBC Bank PLC	225,000
Mondrian Investment Partners, Inc.	3,117,357
Morgan Stanley Emerging Markets	6,003,915
Morgan Stanley Investment Management, Inc.	5,614,988
Templeton Emerging Markets	8,470,548
Templeton Investment Counsel LLC	3,486,882
The Boston Company LLC	1,688,762
Total	\$ 70,184,199

2010 INTERNATIONAL EQUITY COMMISSIONS

For the Fiscal Year Ended March 31, 2010.

Broker	Shares	Commission \$ US
ABG Securities	1,827,902	\$ 26,651
ABN Amro, Inc.	74,451,993	141,767
Arden Partners	483,000	1,096
Banc/America Securities LLC	139,200	1,030
Banco Santander	1,592,679	14,817
Bank am Bellevue	583,638	32,234
Bank Berenberg	115,859	5,768
Bank of America NY & SA	1,336,167	5,896
Bank of American International London	950,174	3,610
Bank Salomon Oppenheim	11,243	4,214
Barclays Capital, Inc.	16,018,179	186,234
Barclays Capital Securities Ltd.	4,532,860	55,731
Barnard Jacobs Mellet & Company	83,600	1,966
Beltone	632,800	25,528
BGC Brokers LP	93,700	5,547
Bloomberg Tradebook LLC	14,697,068	94,600
BMO Capital Markets	623,000	23,228
BNP Paribas Securities	1,453,874	2,866
BNP Securities	1,809,300	6,783
Brewin Dolphin Bell Lawrie	461,000	1,028
Brockhouse & Cooper, Inc.	34,025,255	143,901
BTIG LLC	924,869	15,815
B-Trade Services LLC	72,500	3,130
CA IB Investmentbank AG	2,731	178
Cabrera Capital Markets, Inc.	2,434,439	2,361
Calyon Financial Securities	6,191,653	56,514
Canaccord Adams, Inc.	39,200	1,556
Canadian Imperial Bank	25,100	888
Cantor Fitzgerald & Company	15,342,776	57,009
Capital Institutional Services, Inc.	703,200	19,211
Carax Monaco S.A.M.	2,529,889	15,733
Carnegie Fondkommission	27,314	2,213
Cazenove & Company	8,901,723	39,543
Cheuvreux	1,142,363	46,899
CIBC World Markets Corp.	1,314,480	11,705
Citibank	3,043	33
Citigroup Global Markets	53,103,014	432,657
Clear View Trading	462,162	4,622
Collins Stewart LLC	14,600	122
Cowen & Company LLC	19,200	768

Broker	Shares	Commission \$ US
Credit Agricole Indosuez	2,974,114	\$ 110,028
Credit Lyonnais Securities	17,300,220	204,742
Credit Suisse First Boston	42,690	194
Credit Suisse Securities	262,960,877	1,614,676
Daiwa Securities America	3,512,735	67,701
Danske Securities	545,100	950
Davy Stockbrokers	765,171	14,796
Deutsche Bank Alex Brown	703,198	27,464
Deutsche Bank Securities, Inc.	104,992,477	587,810
Deutsche Securities Asia Ltd.	5,173,700	32,183
Dresdner Kleinwort Wasserstein	57,460	295
Eastshore Partners	546,100	5,461
Eden Group	866,591	9,705
Electronic Securities Processing	42,750	4,095
Enskilda	1,788,695	28,732
Equita Sim S.p.A.	2,668,600	12,836
Evolution Beeson Gregory	2,413,602	56,575
Exane, Paris	9,165,487	96,147
Execution Ltd.	13,558,924	57,537
Findentis Equities S.V.	342,782	6,637
Fox River Execution Technology LLC	203,438	1,807
Fox-Pitt Kelton, Inc.	7,457,214	44,435
Friedman Billings & Ramsey	980,867	9,809
Global Execution Technology Ltd.	29,700	713
Global Securities, Inc.	1,569,967	22,456
Goldman Sachs & Company	126,964,138	677,073
Goodbody Stockbrokers	943,444	12,081
G-Trade Services Hamilton	28,267,456	63,533
Handelsbanken	616,050	9,272
Helvea S.A.	111,865	18,515
Hong Kong Shanghai Bank	154,590	1,997
Howard Weil, Inc.	134,300	4,029
HSBC Brokerage (USA), Inc.	1,125,550	11,645
HSBC Securities, Inc.	10,097,708	118,515
HVB Capital Markets	20,366	1,043
ICAP Group	1,655,959	33,660
ING Barings LLC	671,703	14,465
Instinet	71,113,860	180,632
Intermonte Securities Milan	174,950	2,518
Investment Technology Group	57,696,052	195,874

2010 INTERNATIONAL EQUITY COMMISSIONS

(continued)

Broker	Shares	Commission \$ US
Jefferies & Company	4,991,611	\$ 110,654
JP Morgan Securities, Inc.	76,471,153	616,933
KBC Financial Products	9,600	870
Keefe Bruyette & Wood, Inc.	1,145,049	24,458
Kepler Equities	196,600	10,553
Knight Equity Markets LP	8,702,177	51,431
Landsbanki Kepler	128,141	8,639
Liberum Capital Ltd.	1,333,047	6,284
Liquidnet, Inc.	15,585,151	151,320
Macquarie Equities Ltd.	36,275,991	282,097
Macquarie Securities (USA), Inc.	6,650	79
Mainfirst Bank AG	202,501	10,922
Man Financial, Inc.	2,987,043	27,772
Merrill Lynch, Pierce, Fenner	190,728,811	933,037
Mint-London	1,109,261	12,853
Mirabaud Securities	303,300	8,687
Mitsubishi Finance International	5,498,706	37,127
Mizuho Securities	5,199,510	39,507
MLPFS London	696,016	7,515
Mogavero Lee & Company, Inc.	928,087	18,562
Morgan Stanley & Company, Inc.	188,508,947	906,301
Natexis Bleichroeder, Inc.	258,773	21,482
NBC Clearing Services, Inc.	16,489	605
NCB Stockbroker	48,189	900
Nikko Citigroup Ltd.	1,267,300	24,935
Nomura Securities International	115,609,412	481,768
Numis Securities Ltd.	725,756	4,414
Oddo Securities	323,445	24,779
Pali Capital, Inc.	14,000	1,487
Pershing LLC	3,121,798	20,069
Petercam Brussels	4,862	1,786
Pipeline Trading Systems LLC	1,000	10
Piper Jaffray	376,950	16,585
Portware	714,012	4,661
Princeton Securities	458,185	9,164
Pulse Trading LLC	17,495	175
Rabo Securities	301,300	4,541
Raymond James & Associates, Inc.	243,600	9,964
RBC Capital Markets	609,720	19,085
Redburn Partners LLP	5,379,771	112,216

Broker	Shares	Commission \$ US
Royal Bank of Canada	1,373,213	\$ 6,892
Royal Bank of Scotland	9,087,006	134,875
Sanford Bernstein & Company LLC	19,796,990	187,484
Santander Investment Securities	79,800	3,234
Scotia Capital, Inc.	989,339	41,402
Scotia Capital Markets	44,600	0
SEB Copenhagen	194,407	19,904
SG Cowen Securities Corp.	554,386	35,314
Societe Generale Securities Corp.	36,093,645	306,140
Soleil Securities Corp.	26,300	526
Spear Leeds & Kellogg	832,300	16,646
State Street Global Markets LLC	4,740,741	9,852
Stifel Nicolaus & Company, Inc.	193,164	8,414
Svenska International Equities	279,071	3,991
TD Securities, Inc.	266,327	9,871
Thomas Weisel Partners LLC	98,700	4,200
Toronto Dominion	576,900	23,913
UBS Securities LLC	135,197,155	623,244
Weeden & Company	2,129,221	14,846
Total	1,872,639,871	\$ 11,333,055

2010 DOMESTIC BOND TRANSACTIONS

For the Fiscal Year Ended March 31, 2010.

Summarized by Broker or Direct Issuer.

Long-Term Broker	Par \$ US
Banc/America Securities	\$ 63,009,000
Barclays Capital	45,000,000
CastleOak Securities	87,230,000
Citigroup Global Markets	53,333,000
Deutsche Bank Securities, Inc.	55,000,000
Development Corp. for Israel	20,000,000
Federal National Mortgage Association	499,737,992
Goldman Sachs & Company	952,619,047
Great Pacific Securities, Inc.	111,213,641
HSBC Securities, Inc.	52,900,000
JP Morgan Securities, Inc.	16,666,000
Morgan Stanley & Company, Inc.	638,169,458
RBC Capital Markets	889,800,000
SBK-Brooks Investment Corp.	72,064,000
SEB Copenhagen	50,000,000
Utendahl Capital Partners LP	42,500,000
Wells Fargo Securities	4,850,690
Williams Capital Group LP	112,500,000
Total	\$ 3,766,592,828

Short-Term Broker	Par \$ US
Banc/America Securities	\$ 5,788,729,000
Barclays Capital	2,663,274,000
BNP Paribas Securities Corp.	5,971,872,000
CastleOak	69,686,951
Chevron	837,788,000
Citibank	75,000,000
Citigroup Global Markets	208,421,000
Credit Suisse Securities	509,400,000
Deutsche Bank Securities, Inc.	4,479,388,000
General Electric Capital Corp.	6,141,153,000
Goldman Sachs & Company	1,885,026,000
Great Pacific Securities, Inc.	2,226,666,000
Greenwich Capital	100,000,000
HSBC Securities Inc.	176,905,000
JP Morgan Securities, Inc.	760,936,000
Morgan Stanley & Company, Inc.	229,680,171
Prudential Funding	100,000,000
Toronto Dominion	145,683,000
Toyota Motor Credit	3,772,271,000
UBS Securities	2,639,549,000
Utendahl Capital Partners LP	5,257,960,209
Wells Fargo & Company	21,000,000
Williams Capital Group LP	11,668,306,000
Total	\$ 55,728,694,330

2010 REAL ESTATE MANAGEMENT FEES (EXPENSED)

For The Fiscal Year Ended March 31, 2010.

Apollo Management LP	\$ 546,329
Blackstone Real Estate Advisors	15,554,216
Canyon-Johnson Urban Fund LP	156,607
Carlyle Group	5,468,667
Cayuga Lake Fund LP	3,750,000
CGI Co-Invest.D1 LP	486,168
CIM Fund III LP	2,812,500
City Investment Fund Associates	1,947,658
Colony Capital Asia Limited	542,816
Colony Investors LP	1,194,031
Cypress Grove International.D LP	1,189,746
Franklin Templeton Institutional LLC (Lake Montauk)	635,702
Genesis Workforce Housing Fund II LLC	462,500
Heitman Capital Management LLC	8,229,650
ING Clarion	3,318,578
JP Morgan Investment Management, Inc.	3,560,553
Kimex	118,689
Lake Hempstead Fund LP	437,500
Lake Success Fund LP	656,250
Metropolitan Workforce Housing Fund LLC	1,359,375
Morgan Stanley Group	6,254,158
Redwood Grove Co-Investment	444,901
Redwood Grove International LP	2,217,708
Rockpoint Real Estate Funds	3,620,219
RREEF America LLC	155,000
Seneca Lake Fund LP	1,250,000
Stockbridge Real Estate Funds	7,329,431
UHY Advisors NY, Inc.	2,200
Westbrook Realty Management	3,199,277
Total	\$ 76,900,430

2010 REAL ESTATE MANAGEMENT FEES (CAPITALIZED)

ACA Advisors (Aetos)	\$ 792,959
Apollo Management LP	2,338,387
BCP Strategic Partners (Beacon)	7,855,525
CB Richard Ellis Investors S.A.R.L.	1,514,006
Cherokee Advisers LLC	2,500,000
Colony Capital LP	1,536,503
Heitman Capital Management LLC	311,900
ING Clarion	546,913
JP Morgan Investment Management, Inc.	1,366,867
Landmark Partners	19,760
Lazard Freres Real Estate Investors LLC (LF Strategic)	524,101
LSP (Lone Star)	2,386,395
Olympus Real Estate Fund III LP	250,008
Praedium	2,427,658
RREEF America LLC	250,000
Warburg Pincus LLC	946,205
Total	\$ 25,567,186

2010 PRIVATE EQUITY MANAGEMENT FEES (EXPENSED)

For The Fiscal Year Ended March 31, 2010.

ABV LLC (Ascent)	\$ 1,000,000
Access US General Partner LP	966,410
ACOF Operating Manager (Ares)	2,667,290
Aisling Capital LLC (+ Perseus-Soros)	1,227,133
Apax Partners U.S.	135,500
Apollo Management, LP	1,170,679
Ascend Ventures Management, LLC	737,500
Asia Alternatives Private Equity Partners	408,670
Banc of America Capital Access Funds Management (Pioneer Fund)	1,400,000
Berhman Brothers Management	372,224
Blackstone Group	4,867,014
Blum Strategic Advisors	534,005
Brait Capital Partners Ltd.	394,613
Brazos	87,782
Bridgepoint Capital Ltd.	2,233,453
Carlyle Group	6,786,917
Charterhouse Capital Partners	1,285,529
Cinven Fund	746,002
Clessidra	117,304
Credit Suisse	999,725
CVC Capital Partners	3,303,872
Cypress Group	563,247
Deltapoint Capital	416,298
DFJ Gotham General Manager II, LLC	1,703,768
Easton Hunt New York LP	153,000
EQT Partners	2,131,934
Ethos	709,186
Fairview Capital Partners	1,578,154
Falcon Strategic Partners	861,345
First Albany Companies	286,008
Freeman, Spogli & Co. (FS Equity)	37,050
GenNx360 Capital Partners	450,549
Goldberg Lindsay & Co. LLC	4,811,144
Goldman Sachs & Co.	236,584
Green	1,799,756
GreenHill Venture Partners (GSAV)	125,000

Hamilton Lane Advisors, LLC	\$ 5,848,093
HarbourVest Partners, LLC (Mohawk River)	3,975,000
Hellman & Friedman Investors, Inc.	4,403,760
High Peaks Venture Partners	302,072
HM Capial Partners I LP (Sector)	734,788
Hudson Capital GP, LLC	4,237,906
InterMedia Advisors	1,137,500
Irving Place Capital	1,726,195
J.P. Morgan	5,515,548
J.P. Morgan Partners, LLC	699,772
Kelso & Company	3,750,000
Kohlberg, Kravis, Roberts & Co.	6,561,752
Levine Leichtman Capital Partners, Inc.	818,930
Lion Capital Partners	608,272
Madison Dearborn Partners, Inc.	1,131,346
Markstone Investment Management	1,250,000
Milestone Managers LLC	375,000
New Mountain Capital LLC	1,475,272
Pacific Corporate Group, Inc.	943,477
Paladin Capital Management	640,700
Palladium Equity Partners	1,339,590
PCA Advisors, LLP (Pioneer Opportunities)	2,462,833
Performance Equity Management	1,788,808
Providence Equity Partners	4,617,644
Quadrangle	2,512,113
SB Asia (SAIF)	399,750
Stonington Partners	65,028
Summer Street Capital Fund NYS Advisors	251,460
Thomas H. Lee Company	1,139,848
TLP Management (Trillium)	585,938
TPG Partners	3,493,706
Vestar Associates	301,063
Vista Equity Partners	1,376,448
Warburg Pincus LLC	1,312,183
Wheatley NY Partners LLC	248,022
York Distressed Mortgage Fund, LP	468,750
Total	\$ 115,803,210

2010 PRIVATE EQUITY MANAGEMENT FEES (CAPITALIZED)

For The Fiscal Year Ended March 31, 2010.

Aisling Capital LLC (+ Perseus-Soros)	\$ 53,501
Apax Partners & Co. Ventures Ltd.	1,468,381
Apax Partners U.S.	648,778
Apollo Management, LP	1,242,784
Ascend Ventures Management, LLC	44,088
Avenue Capital Management	3,528,517
Berhman Brothers Management	3,054
Blum Strategic Advisors	1,216,964
Boston Ventures Management, Inc.	28,230
Brait Capital Partners Ltd.	387,465
Brazos	17,472
Bridgepoint Capital Ltd.	720,776
Cerberus Capital Management II, L.P.	735,075
Clearwater Capital Partners, LLC	990,636
Clessidra	1,229,552
Cornerstone Capital / Rosemount Capital (NCH)	626,447
CVC Capital Partners	387,957
Deltapoint Capital	196,749
DLJ Capital Corporation	8,709
Easton Hunt New York LP	178,215
Ethos	44,832
Fairview Capital Partners	1,132,414
Falcon Strategic Partners	28,181
Freeman, Spogli & Co. (FS Equity)	20,585
Goldberg Lindsay & Co. LLC	56,405
Goldman Sachs & Co.	59,774
Green	576,285
GreenHill Venture Partners (GSAV)	375,000
HarbourVest Partners, LLC (Mohawk River)	6,745,690

Hellman & Friedman Investors, Inc.	\$ 486,436
High Peaks Venture Partners	209,924
HM Capial Partners I LP (Sector)	320,350
Horsley Bridge Partners	427,902
Invesco Mortgage Recovery Master Associates LLC	52,067
J.P. Morgan Partners, LLC	138,750
Lexington Capital Partners	516,152
Lion Capital Partners	2,877,915
Madison Dearborn Partners, Inc.	145,088
Markstone Investment Management	3,566,174
Meritech Capital Partners	187,633
Oaktree Capital Management	3,299,772
Oaktree PPIP Private Fund, L. P.	2,149
Olympus Advisory Partners, Inc.	4,665
Performance Equity Management	100,802
Providence Equity Partners	66,129
Quadrangle	655,219
SB Asia (SAIF)	455,482
SOFTBANK	1,032,711
Stonington Partners	29,693
Summer Street Capital Fund NYS Advisors	476,828
TA Associates	2,790,127
Venture Capital Fund of America	1,067,500
Warburg Pincus LLC	10,689,201
Welsh, Carson, Anderson & Stowe Management Corp.	43,099
Wheatley NY Partners LLC	78,193
Yucaipa	2,358,150
Total	\$ 54,830,627

2010 ABSOLUTE RETURN STRATEGY MANAGEMENT FEES

For The Fiscal Year Ended March 31, 2010.

Alson Signature Fund Offshore Ltd.	\$ 22,079
Apollo Value Investment Offshore Fund Ltd.	154,236
Avenue Europe International Ltd.	61,959
Blue Trend Fund Limited	2,756,765
BlueCrest Capital LP	1,502,924
Brevan Howard Master Fund Ltd.	2,714,349
Brigade Leveraged Capital Structures Fund LP	631,210
Brookside Capital Partners Fund LP	375,000
Cantillon Europe LP	369,397
Canyon Balance Equity Fund Ltd.	18,869
Canyon Value Realization Fund Ltd.	282,041
Caspian Select Credit International Ltd.	1,608,642
Coast Pacific Fund LP	27,453
COMAC Global Macro Fund LP	1,738,689
Contrarian Fund I Offshore Ltd.	133,389
D.E. Shaw Composite International Fund	3,226,035
D.E. Shaw Oculus International Fund LP	2,540,276
Diamondback Partners LP	1,954,549
Drawbridge Special Opp Fund LP	465,994
Evolution M Fund LP	589,972
Finisterre Emerging Markets	968,261
Finisterre Global Opportunity Fund	320,552
Force Capital II Ltd.	159,809
GLG European Long-Short Fund	13,108
Golden Tree Offshore Fund II Ltd.	243,078
Gramercy Argentina Opp Fund Ltd.	266,660
Gramercy Emerging Markets Ltd.	366,658
Guggenheim Select State Fund LP	84,070
Harbinger Capital Partners Fund I LP	362,600
Harbinger Capital Partners Offshore Fund I LP	298,785
HealthCor LP	1,448,793
Horseman Global Fund Limited	761,417

Intrepid Capital Fund (Offshore) Ltd.	\$ 306,959
King Street Capital Ltd.	1,770,702
Lansdowne UK Equity Fund Ltd.	1,573,885
Level Global LP	615,287
Marathon Credit Opportunity Fund LP	129,424
Marathon Structured Finance Fund LP	528,708
Mariner Latitude International Ltd.	1,584,931
Marshall Wace TOPS Fund Ltd.	990,344
Mezzacappa Maiden Lane Fund LP	1,291,443
Olympia John Street Fund LP	175,525
Ore Hill SLV-2 Ltd.	168,971
OZ Domestic Partners II	3,867,047
Paulson Advantage LP	2,688,744
Pennant Windward Fund LP	633,057
Perella Weinberg Partners Xerion Fund LP	779,469
Pharo Macro Fund Ltd.	166,667
Plainfield 2009 Liquidating	438,681
Plainfield Direct Inc.	152,742
Platinum Grove Contingent Capital Offshore Fund Ltd.	10,745
Ramius Multi-Strategy Fund	384,062
Renaissance Institutional Equities Fund LLC	72,698
Schultze Offshore Fund Ltd.	39,358
SCP Ocean Fund Ltd.	117,545
Sector Maritime Investments	595,408
Southpoint Offshore Fund Ltd.	40,771
Stark Investments LP	376,266
Stark Investments Structured Finance Onshore Fund	154,628
Viking Global Equities III Ltd.	1,749,475
York European Opportunities Unit Trust	770,799
York Investment Limited	117,297
Total	\$ 48,759,256

2010 CONSULTANT & ADVISOR FEES

Aksia LLC	\$ 1,651,333
Bard Consulting LLC	40,230
GC Securities	27,500
Glass Lewis & Co	83,750
Hamilton Lane Advisors LLC	300,000
JP Morgan Asset Management, Inc.	1,297,461
LP Capital Advisors LLC	49,219
Mercer Investment Consulting, Inc.	299,500
Pension Consulting Alliance, Inc.	113,333
RiskMetric Group, Inc.	93,035
SFRi LLC	61,875
Smith Graham & Co. Investment Advisors LP	425,000
Stockbridge Risk Management, Inc.	12,796
Strategic Investment Solutions, Inc.	337,500
The Bank of New York Mellon	419,899
The Townsend Group	678,291
Wilshire Associates, Inc.	51,398
Total	\$ 5,942,119

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ACTUARIAL IV

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September 2010



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 percentage 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.

The April 1, 2008 valuation for determining 2010 employer bills was performed under my direction and supervision, using the assumptions recommended by Teri E. Landin, the previous Retirement System Actuary, and adopted by the Comptroller as of April 1, 2007. The only significant event was that the benefits for some new PFRS members were defined by Article 14 for the first time since its enactment.

The April 1, 2009 valuation is the latest actuarial valuation completed. The decline in the equity market resulted in a significant drop in actuarial assets; consequently, employer contributions for fiscal year 2011 will rise significantly. Chapter 504 of the Laws of 2009 created a new Article 22 for members of PFRS and modified benefits for new ERS members, creating a new tier in each system.

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 2010 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.



Michael Dutcher

E.A., A.S.A.

Actuary

New York State and Local Employees'
Retirement System

New York State and Local Police and Fire
Retirement System

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 multiyear 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.

2010 ELEMENTS OF THE ACTUARIAL VALUATION

Actuarial Assumptions

The actuarial assumptions for Fiscal Year Ended 2010 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*			Interest Rate	Multiple-Decrement Tables based on Systems'
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
2007-10	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, 2008 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	ERS	PFRS	PFRS
	Ord	Acc	Ord*	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 2010, the April 1, 2008 valuation reflects a market restart in 2004 and we are in the fourth year of the phase-in to a full five-year smoothing method.

The GLIP values investments at market value. For FY 2010, the April 1, 2008 valuation of the System and Insurance Plan, the difference between market and actuarial value of smoothed investments, was:

	Investments (In Millions)
Market Value	\$ 153,878
Actuarial Value	149,545
Difference	(\$ 4,333)

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.

2010 ACTUARIAL VALUATION BALANCE SHEETS

Used to determine employer contributions for the fiscal year ending March 31;
in millions of dollars, as calculated April 1, 2007 and April 1, 2008.

	2009	2010
	In Millions	
ERS		
Actuarial Assets		
Actuarial Value of Present Assets:		
Held for Current Pensioners & Beneficiaries	\$ 51,231	\$ 54,945
Held for Members	62,773	66,542
Members' Contributions	7,112	7,430
Total	\$ 121,116	\$ 128,917
Actuarial Present Value of Prospective Contributions:		
From Employers	\$ 15,079	\$ 13,449
From Members	949	1,010
Total	\$ 16,028	\$ 14,459
Total Actuarial Assets	\$ 137,144	\$ 143,376
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Pensioners & Beneficiaries:		
Service Retirement Benefits	\$ 48,077	\$ 51,656
Disability Retirement Benefits	3,044	3,176
Death Benefits	109	113
Total	\$ 51,230	\$ 54,945
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$ 82,358	\$ 84,760
Disability Retirement Benefits	1,721	1,736
Death Benefits	1,306	1,351
Other	529	584
Total	\$ 85,914	\$ 88,431
Total Actuarial Liabilities	\$ 137,144	\$ 143,376

	2009	2010
	In Millions	
PFRS		
Actuarial Assets		
Actuarial Value of Present Assets:		
Held for Current Pensioners & Beneficiaries	\$ 10,638	\$ 11,156
Held for Members	10,719	11,588
Members' Contributions	22	23
Total	\$ 21,379	\$ 22,767
Actuarial Present Value of Prospective Contributions:		
From Employers	\$ 4,575	\$ 4,386
From Members	0	0
Total	\$ 4,575	\$ 4,386
Total Actuarial Assets	\$ 25,954	\$ 27,153
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Pensioners & Beneficiaries:		
Service Retirement Benefits	\$ 8,619	\$ 8,988
Disability Retirement Benefits	1,915	2,059
Death Benefits	103	109
Total	\$ 10,637	\$ 11,156
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$ 13,651	\$ 14,227
Disability Retirement Benefits	1,298	1,381
Death Benefits	291	300
Other	77	89
Total	\$ 15,317	\$ 15,997
Total Actuarial Liabilities	\$ 25,954	\$ 27,153

New York Public Employees' Group Life Insurance Plan

Actuarial Assets	2009	2010
	(In Millions)	
Assets		
Investments	\$102	\$113
Liabilities		
Managed Overdraft (cash)	4	3
Claims Being Processed	29	29
Claims Unreported	14	14
Reserve for Mortality Fluctuations	55	67
Total Liabilities	\$102	\$113

FINAL CONTRIBUTION RATES FOR SELECT PLANS

For the fiscal year ending March 31, 2010, assuming a February 1, 2010 payment.

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

	Plan ID	Percentage of Payroll		
		Tier 1	Tier 2	Tiers 3 & 4
ERS				
Age-based plans				
Basic, Age 55, Age 60 Contributory	71-a	4.7	4.5	n/a
Tier 3	A14	n/a	n/a	6.9
Tier 4	A15	n/a	n/a	6.9
Non-contributory	75-c	8.4	7.6	n/a
Non-contributory w/ Guaranteed Benefits	75-e	8.4	7.6	n/a
Career	75-g	8.9	8.1	n/a
New Career	75-h/75-i	9.2	8.5	n/a
25-year plans				
Sheriffs and Deputies	89-a	10.6	10.3	n/a
Art 14B Sheriffs – 25-yr.	551	10.1	9.9	9.0
Art 14B Sheriffs – 25-yr. + 1/60th	551-e	10.5	10.5	9.5
full service for 1/60th	551-ee	10.9	10.9	9.9
County Law Enforcement	89-e, etc.	10.9	14.3	8.7
election on or after 4/1/98	89-p, etc.	10.9	10.8	8.3
20-year plans				
Sheriffs and Deputies	89-b	11.9	10.0	n/a
additional 1/60th	89-b(m)	12.0	10.4	n/a
Art 14B Sheriffs – 20-yr.	552	12.0	12.0	11.0
Art 14B Sheriffs – 20-yr. + 1/60th	553	12.2	12.1	11.3
full service for 1/60th	553b	12.7	12.6	11.7
Detective Investigators	89-d	11.8	18.9	n/a
additional 1/60th	89-d(m)	11.9	19.5	n/a

FINAL CONTRIBUTION RATES FOR SELECT PLANS

	Plan ID	Percentage of Payroll		
		Tier 1	Tier 2	Tier 3
PFRS				
Age-based plans				
Basic, Age 55, Age 60 Contributory	371-a	6.9	6.2	
Non-contributory	375-c	10.8	9.2	
Non-contributory w/ Guaranteed Benefits	375-e	10.8	9.2	
Career	375-g	11.8	10.0	
New Career	375-i	12.2	10.3	
Improved Career	375-j	12.2	10.3	
25-year plans				
Non-contributory	384	11.9	11.9	
additional 1/60th	384(f)	12.4	12.2	
20-year plans				
Contributory				
employer assumes 1/2 of additional member cost	384-d	8.5	8.3	
employer assumes all of additional member cost	384-d	12.1	11.7	
PFA14				13.2
Non-contributory	384-d	14.2	13.8	
additional 1/60th	384-e			
1990 elections		19.9	15.3	
1991 elections		19.9	15.3	
1992 elections		19.9	15.3	
1993 elections		19.9	15.3	
1994 elections		19.9	15.3	
1995 elections		19.9	15.3	
1996 elections		19.9	15.3	
1997 elections		19.9	15.3	
1998 elections		19.9	15.3	
all other years		14.5	14.4	

2010 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
ERS										
Non-contributory (75-c)										
Tier 1	0.2	0.7	1.2	4.9	15.8	13.7	12.0	10.9	9.7	8.4
Tier 2	0.2	0.7	1.1	4.9	13.2	11.7	10.9	9.9	8.8	7.6
Guaranteed Benefit (75-e)										
Tier 1	0.2	0.7	1.2	4.9	15.8	13.7	12.0	10.9	9.7	8.4
Tier 2	0.2	0.7	1.1	4.9	13.2	11.7	10.9	9.9	8.8	7.6
Career (75-g)										
Tier 1	0.2	0.7	1.3	4.9	16.6	14.4	12.7	11.5	10.3	8.9
Tier 2	0.2	0.7	1.2	4.9	14.1	12.5	11.6	10.5	9.4	8.1
New Career (75-i)										
Tier 1	0.2	0.7	1.3	4.9	17.2	15.0	13.2	12.0	10.7	9.2
Tier 2	0.2	0.7	1.2	4.9	14.7	13.0	12.1	11.0	9.8	8.5
Article 14/15 Tier 3	0.2	0.7	1.2	4.9	11.4	10.2	9.7	8.8	7.9	6.9
Article 15 Tier 4	0.2	0.7	1.2	4.9	11.4	10.2	9.7	8.8	7.9	6.9

2010 CONTRIBUTION RATE TREND FOR LOCAL GOVERNMENTS

(continued)

Plan Name (Section)	Percentage of Payroll									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
PFRS										
Non-contributory (375-c)										
Tier 1	0	0.1	0	4.6	12.7	11.6	12.2	11.9	11.2	10.8
Tier 2	0	0.1	0	4.6	10.5	9.3	10.1	9.7	9.5	9.2
Guaranteed Benefit (375-e)										
Tier 1	0	0.1	0	4.6	12.7	11.6	12.2	11.9	11.2	10.8
Tier 2	0	0.1	0	4.6	10.5	9.3	10.1	9.7	9.5	9.2
Career (375-g)										
Tier 1	0	0.1	0	4.6	13.8	12.6	13.4	13.0	12.3	11.8
Tier 2	0	0.1	0	4.6	11.4	10.2	11.1	10.7	10.4	10.0
New Career (375-i)										
Tier 1	0	0.1	0	4.6	14.3	13.0	13.8	13.5	12.7	12.2
Tier 2	0	0.1	0	4.6	11.7	10.4	11.3	10.9	10.7	10.3
25-Year (384)										
Tier 1	0	0.1	0	4.6	14.1	12.8	13.5	13.3	12.5	11.9
Tier 2	0	0.1	0	4.6	13.3	12.1	13.4	13.2	12.5	11.9
25-Year + 1/60ths (384(f))										
Tier 1	0	0.1	0	4.6	14.4	13.1	14.0	13.8	12.9	12.4
Tier 2	0	0.1	0	4.6	14.1	12.8	13.6	13.3	12.7	12.2
20-Year (384-d)										
Tier 1	0	0.1	0	4.6	16.0	14.8	15.7	15.5	14.9	14.2
Tier 2	0	0.1	0	4.6	15.2	14.2	15.0	14.7	14.5	13.8
20-Year + 1/60ths (384-e)										
Tier 1										
1990 elections	5.4	5.5	5.5	10.0	22.1	20.8	21.5	21.3	20.5	19.9
1991 elections	8.2	8.3	8.3	12.8	24.9	23.7	24.4	24.2	20.5	19.9
1992 elections	9.3	9.4	9.4	13.9	26.0	24.8	25.5	25.3	20.5	19.9
1993 elections	11.9	12.0	12.0	16.5	28.6	27.4	28.1	27.9	20.5	19.9
1994 elections	8.9	9.0	9.0	13.5	25.6	24.4	25.1	24.9	20.5	19.9
1995 elections	12.7	12.8	12.8	17.3	29.4	28.2	28.9	28.7	20.5	19.9
1996 elections	14.1	14.2	14.2	18.7	30.8	29.6	30.3	30.1	20.5	19.9
1997 elections	12.1	12.2	12.2	16.7	28.8	27.6	28.3	28.1	20.5	19.9
1998 elections	13.6	13.7	13.7	18.2	30.3	29.1	29.8	29.6	20.5	19.9
all other years	0	0.1	0	4.6	16.7	15.4	16.1	15.9	15.1	14.5
Tier 2										
1990-1993 elections	1.5	1.5	1.4	5.9	17.5	16.3	17.1	16.6	15.9	15.3
1994 elections	3.2	3.1	2.9	7.4	18.7	17.3	17.9	17.4	15.9	15.3
1995 elections	3.1	3.1	2.9	7.4	19.0	17.7	18.5	17.8	15.9	15.3
1996 elections	2.1	2.2	2.0	6.5	18.2	16.8	17.5	16.9	15.9	15.3
1997 elections	2.4	2.3	2.0	6.5	18.0	16.6	17.4	16.8	15.9	15.3
1998 elections	2.4	2.5	2.3	6.8	18.1	16.8	17.5	16.8	15.9	15.3
all other years	0	0.1	0	4.6	16.3	15.1	16.0	15.7	15.0	14.4

2010 EMPLOYER CONTRIBUTIONS

Contributions here may differ from those appearing elsewhere in the Actuarial Section because this section deals only with the contributions attributable to the single year shown. Actual contributions may include adjustments due to previous years, such as amortization payments/credits and reconciliation of other years' bills. In addition, in 2005, 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 2009 and 2010 (In Millions)

	2010 Contribution			2009 Contribution		
	Salary	Contribution	Avg. Rate	Salary	Contribution	Avg. Rate
ERS						
Tier 1	\$ 714	\$ 67	9.3%	\$ 872	\$ 95	10.8%
Tier 2	806	70	8.7	904	91	10.0
Tier 3 & 4	23,433	1,698	7.2	22,323	1,850	8.3
Tier 5	19	1	5.8			
Deficiency		2			2	
Total	\$ 24,972	\$ 1,838	7.4%	\$ 24,099	\$ 2,038	8.5%
PFRS						
Tier 1	\$ 43	\$ 9	21.7%	\$ 59	\$ 13	22.3%
Tier 2	3,061	460	15.0	2,911	456	15.7
Tier 3	9	1	13.0			
Tier 5	10	1	12.9			
Total	\$ 3,123	\$ 471	15.1%	\$ 2,970	\$ 469	15.8%

*Numbers may not add up due to rounding.

The February 1, 2011 bill will be the first time that ERS Tier 5 and PFRS Tiers 3 and 5 will have salary appear on the employer bill because the bill uses March 31, 2010 salary as the basis for the estimated cost. The figures above reflect the actuarial value of the 2010 contribution.

Final Employer Contributions by Employer Type

Attributable to fiscal year 2010 costs only (In Millions)

Employer	Normal	Deficiency	Administrative	GLIP	Total
ERS					
State	\$ 724		\$ 32	\$ 38	\$ 794
Counties	308		13	15	336
Cities	43		2	3	48
Towns	95	1	4	6	106
Villages	29	*	1	2	32
Misc.	259	1	12	16	288
Schools	211	*	10	13	234
Total	\$ 1,668	2	\$ 75	\$ 93	\$ 1,838
PFRS					
State	\$ 95		\$ 3	\$ 0	\$ 98
Counties	103		3	0	107
Cities	132		4	0	137
Towns	47		2	0	48
Villages	38		1	0	39
Misc.	41		1	0	42
Total	\$ 456		\$ 16	\$ 0	\$ 471
*Less than \$500,000					

Employer Contributions by Tier*

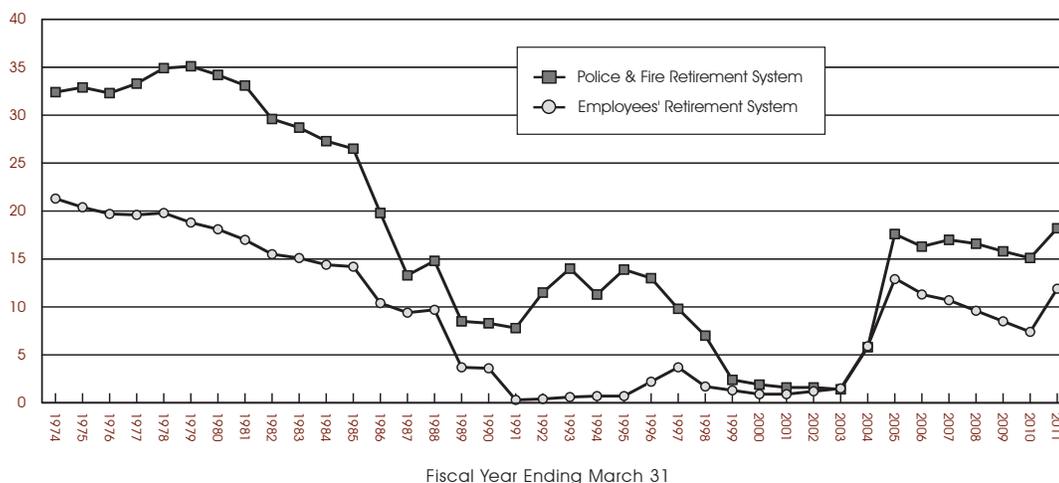
(In Millions)

	2010 (as of 2/1/10)		2009 (as of 2/1/09)	
	Employer Contributions Attributable to Year	%	Employer Contributions Attributable to Year	%
ERS				
Tier 1	\$ 67	3.6	\$ 95	4.7
Tier 2	70	3.8	91	4.5
Tier 3 & 4	1,698	92.4	1,850	90.8
Tier 5	1	0.1	n/a	-
Deficiency	2	0.1	2	0.1
Total	\$ 1,838	100	\$ 2,038	100
PFRS				
Tier 1	\$ 9	1.9	\$ 13	2.8
Tier 2	460	97.7	456	97.2
Tier 3	1	0.2	n/a	-
Tier 5	1	0.2	n/a	-
Total	\$ 471	100	\$ 469	100

*Numbers may not add up due to rounding.

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



2010 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 ^(a)	Assumption Changes	Change in Benefits	Other Adjustments	Projected Contributions for Year Shown ^(b)
ERS							
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
2010	1,854	135	1,098	-75	n/a	130	3,142
PFRS							
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
2010	474	31	152	-13	n/a	-42	602
(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.							

2010 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)
ERS								
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
4/1/09	7,718	57,419	59,999	125,136	126,438	100.0	100.0	102.2
PFRS								
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
4/1/09	26	11,588	9,983	21,597	22,423	100.0	100.0	108.3

2010 SCHEDULE OF ACTIVE MEMBER DATA

FYE March 31	Active Members	Annual Member Payroll (In Millions)	% Increase in Annual Member Payroll	Average Salary
ERS				
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
2009	530,023	24,099	5.8	45,468
PFRS				
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
2009	33,052	2,970	1.5	89,854

2010 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				
ERS								
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
2009	21,585	14,038	565,713,502	173,445,214	336,273	6,382,065,397	6.55	18,979
PFRS								
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
2009	1,270	748	85,132,844	21,203,012	29,905	1,212,445,300	5.57	40,543
ERS – Annual benefits are based on option 0 benefits plus COLA.								
PFRS – Annual benefits are based on option 0 benefits (prior to option selection and partial lump sum distribution) plus COLA.								

V STATISTICAL

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2010 SCHEDULE OF ADDITIONS TO PLAN NET ASSETS

(In Thousands)

Year Ending	Member Contributions	Employer Contributions	Contributions % of Payroll	Other Income*	Investment Income	Total
2010	\$284,291	\$2,344,222		\$ 81,981	\$ 28,422,361	\$ 31,132,855
ERS	282,791	1,879,209	7.4%	76,466	24,145,393	26,383,859
PFRS	1,500	465,013	15.1%	5,515	4,276,968	4,748,996
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

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

2010 SCHEDULE OF INVESTMENT INCOME

(In Thousands)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Net Change in Fair Value of Investments	\$ 25,631,185	\$ -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
Interest	1,540,095	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
Dividends	1,202,421	1,531,091	2,060,063	1,563,627	1,308,358	1,236,598	1,018,810	800,953	700,280	702,557
Real Estate and Mortgages	155,974	194,517	8,872	176,456	279,002	392,734	544,184	317,197	319,072	355,331
Alternative	109,603	49,646	150,360	170,689	137,393	188,346	154,397	64,910	63,929	70,530
Security Lending Income	62,224	545,934	1,335,474	1,248,865	811,972	318,612	122,074	170,903	382,589	757,080
International	5,748	23,223	379,185	276,755	270,128	119,595	32	17	0	0
Other Included Prior Year Adjustment	81,669	-44,810	47,318	8,551	-158,570	-89,315	-11,327	-290,477	-15,268	-168,939
Security Lending Expenses	-2,080	-367,584	-1,217,664	-1,209,216	-772,192	-293,477	-103,326	-148,957	-355,202	-721,571
Investment Expenses	-364,478	-362,748	-289,220	-174,383	-184,848	-185,078	-144,861	-128,056	-159,138	-154,471
Net Investment Income	\$ 28,422,361	\$ -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

2010 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
2010	\$ 6,931,780	\$ 548,321	\$ 183,023	\$ 25,805	\$ 100,029	\$ 29,943	\$ 7,818,901
ERS	5,807,070	451,277	170,188	23,940	86,769	29,318	6,568,562
PFRS	1,124,710	97,044	12,835	1,865	13,260	625	1,250,339
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

2010 SCHEDULE OF TOTAL CHANGES IN PLAN NET ASSETS

(In Thousands)

Year Ending	Member Contributions	Employer Contributions	Other Income	Investment Income	Total	Retirement Allowances
2010	\$ 284,291	\$ 2,344,222	\$ 81,981	\$ 28,422,361	\$ 31,132,855	\$ 6,931,780
ERS	282,791	1,879,209	76,466	24,145,393	26,383,859	5,807,070
PFRS	1,500	465,013	5,515	4,276,968	4,748,996	1,124,710
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

(continued)

Post-Retirement Supplement	Death Benefits	Separation from Service	Administrative Expenses	Other Expenses	Total	Net Increase/Decrease
\$ 548,321	\$ 183,023	\$ 25,805	\$ 100,029	\$ 29,943	\$ 7,818,901	\$ 23,313,954
451,277	170,188	23,940	86,769	29,318	6,568,562	19,815,297
97,044	12,835	1,865	13,260	625	1,250,339	3,498,657
\$ 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

2010 SERVICE RETIREES — ERS

As of March 31, 2010 — 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		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
State															
Under 10	0	0	0	865	35,873	3,582	1,160	33,396	4,000	654	25,424	3,639	899	13,966	2,663
10–14	0	0	0	4,676	28,822	4,882	5,584	31,202	6,161	4,770	27,720	6,501	2,572	18,025	5,471
15–19	0	0	0	2,641	37,153	8,841	4,432	37,248	10,460	3,960	31,019	10,428	2,232	20,301	8,466
20–24	0	0	0	3,292	48,522	18,789	6,986	44,551	19,652	5,872	35,399	18,069	2,779	23,471	14,480
25–29	1,196	71,413	35,448	4,761	58,085	29,045	7,601	48,555	27,131	4,828	38,413	24,277	1,756	24,942	19,247
30–34	32	73,537	41,219	7,355	61,684	39,018	7,794	51,532	34,246	3,618	42,186	31,091	1,237	27,632	25,277
35 & Over	0	0	0	12,655	61,476	46,148	9,077	57,377	44,900	3,620	50,402	42,327	1,471	36,632	35,809
Total	1,228	71,468	35,599	36,245	53,300	30,911	42,634	46,461	25,880	27,322	36,604	20,632	12,946	23,275	14,935
Counties															
Under 10	0	0	0	822	32,581	3,249	1,104	31,094	3,726	416	24,171	3,448	648	11,799	2,340
10–14	0	0	0	2,635	28,301	4,713	3,646	29,535	5,800	3,166	23,857	5,578	1,613	15,786	4,762
15–19	0	0	0	1,636	36,608	8,653	2,872	34,981	9,740	2,690	27,435	9,266	1,515	18,434	7,657
20–24	208	62,679	32,440	1,991	45,675	18,161	3,806	40,658	18,082	3,042	31,330	15,721	1,317	22,651	13,104
25–29	235	75,687	39,099	1,906	54,436	27,371	3,187	44,536	24,715	2,152	35,238	21,921	758	23,975	17,690
30–34	15	69,402	39,821	2,753	56,418	35,549	2,608	49,195	32,615	1,133	38,678	27,992	370	26,683	22,818
35 & Over	0	0	0	3,877	62,015	46,082	2,570	56,798	44,511	949	45,977	38,469	319	31,708	30,287
Total	458	69,574	36,099	15,620	48,124	25,231	19,793	41,097	20,223	13,548	30,852	15,297	6,540	19,729	10,638
Cities															
Under 10	0	0	0	149	29,637	2,837	175	27,054	3,156	91	17,599	2,535	139	9,999	1,977
10–14	0	0	0	490	25,461	4,283	575	26,123	5,208	543	21,144	4,993	294	13,940	4,076
15–19	0	0	0	280	33,314	7,896	438	31,260	8,783	454	23,328	8,045	275	15,025	6,414
20–24	0	0	0	316	41,503	15,369	537	36,949	16,149	509	27,443	13,889	245	17,839	10,567
25–29	0	0	0	235	45,006	21,797	527	39,961	22,536	474	28,415	18,496	235	18,735	14,664
30–34	0	0	0	455	50,851	31,990	536	42,954	28,809	358	31,994	24,002	116	19,331	17,942
35 & Over	0	0	0	871	52,969	39,523	557	45,662	36,004	292	35,888	30,963	126	24,790	25,015
Total	0	0	0	2,796	42,627	22,779	3,345	36,713	18,965	2,721	26,844	14,724	1,430	16,615	10,143
Towns															
Under 10	0	0	0	283	26,292	2,751	511	26,514	3,205	229	20,014	2,645	158	11,365	2,181
10–14	0	0	0	594	28,413	4,815	1,127	27,061	5,361	1,035	23,257	5,340	436	15,868	4,546
15–19	0	0	0	475	33,439	7,957	895	33,438	9,317	846	25,948	8,522	377	19,284	7,607
20–24	0	0	0	459	43,764	16,585	1,088	38,829	16,990	991	31,657	15,720	396	21,420	12,332
25–29	2	58,320	29,851	350	48,159	23,064	898	42,315	23,561	676	33,935	20,718	227	22,221	15,765
30–34	0	0	0	610	56,136	35,459	829	46,510	30,820	430	36,092	25,995	135	23,638	19,046
35 & Over	0	0	0	1,218	65,680	49,319	833	54,313	42,210	333	40,923	33,672	91	28,100	26,247
Total	2	58,320	29,851	3,989	47,979	26,273	6,181	38,508	18,827	4,540	29,530	14,387	1,820	19,373	10,229
Villages															
Under 10	0	0	0	87	26,677	2,813	142	26,074	3,230	62	18,154	2,455	56	10,735	1,815
10–14	0	0	0	217	26,990	4,435	342	27,166	5,390	317	22,073	5,122	188	13,991	4,107
15–19	0	0	0	139	35,454	8,353	288	34,079	9,597	272	24,281	8,128	147	15,952	6,603
20–24	0	0	0	152	43,689	16,268	309	40,810	18,136	308	28,515	14,165	125	18,364	10,237
25–29	0	0	0	116	51,632	25,181	299	42,675	23,751	233	31,460	19,272	83	21,477	15,308
30–34	0	0	0	204	50,800	31,760	267	45,781	30,445	149	33,655	24,544	32	21,950	17,487
35 & Over	0	0	0	337	60,833	45,469	277	53,734	42,323	121	37,401	31,817	38	27,798	25,853
Total	0	0	0	1,252	45,208	23,613	1,924	39,130	19,555	1,462	27,620	13,917	669	17,060	8,874
Miscellaneous															
Under 10	0	0	0	633	42,637	4,178	780	37,455	4,490	205	29,219	3,875	251	14,105	2,565
10–14	0	0	0	1,481	37,201	6,093	2,011	35,647	6,992	1,466	28,927	6,631	582	18,247	5,286
15–19	0	0	0	1,074	47,658	11,047	1,655	41,010	11,400	1,049	31,968	10,479	473	20,317	8,203
20–24	0	0	0	1,231	56,819	20,799	2,062	48,864	21,120	1,251	35,835	17,542	479	24,904	14,378
25–29	0	0	0	872	62,598	29,741	1,583	53,091	29,064	954	43,179	26,442	392	26,712	19,917
30–34	0	0	0	1,360	70,344	44,033	1,318	59,973	39,502	753	47,359	34,061	248	29,257	25,892
35 & Over	0	0	0	2,043	72,627	54,208	1,654	69,740	54,253	729	54,966	45,235	252	41,779	38,814
Total	0	0	0	8,694	57,723	28,261	11,063	49,532	24,206	6,407	38,034	19,870	2,677	23,890	14,381
Schools															
Under 10	0	0	0	1,071	20,387	2,070	1,778	19,172	2,311	872	12,796	1,810	1,018	7,366	1,498
10–14	0	0	0	1,936	23,836	3,976	4,299	22,470	4,398	4,386	17,468	4,066	2,329	10,052	3,112
15–19	0	0	0	1,726	28,017	6,609	3,498	27,129	7,559	3,443	20,034	6,809	2,168	11,387	4,957
20–24	0	0	0	2,009	35,430	13,510	4,558	32,369	14,253	3,906	22,237	11,099	1,920	13,694	7,784
25–29	0	0	0	1,211	39,684	19,605	3,396	33,879	18,806	2,736	24,801	15,315	992	16,055	11,390
30–34	0	0	0	1,042	46,215	29,300	1,912	37,256	24,542	1,264	28,322	20,213	412	20,091	16,215
35 & Over	0	0	0	1,031	54,052	40,171	1,108	43,768	33,944	649	33,195	27,501	197	23,120	21,476
Total	0	0	0	10,026	33,858	14,378	20,549	29,583	12,790	17,256	21,373	9,939	9,036	12,245	6,272

2010 SERVICE RETIREES — PFRS

As of March 31, 2010 — 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	Avg Pen
State												
Under 10	0	0	0	0	0	0	5	28,612	3,476	9	20,507	4,224
10–14	0	0	0	12	35,541	7,321	23	24,077	5,091	24	7,471	1,798
15–19	0	0	0	3	47,252	13,508	17	35,761	11,086	17	18,440	7,530
20–24	158	102,108	53,313	345	79,109	42,135	500	44,640	28,030	696	25,177	20,948
25–29	7	108,588	64,270	203	97,882	59,292	276	62,765	39,856	310	37,998	29,460
30–34	0	0	0	108	110,280	73,801	352	79,475	54,829	233	48,981	38,243
35 & Over	0	0	0	14	100,964	71,893	176	88,481	66,671	115	58,449	47,420
Total	165	102,383	53,778	685	89,131	52,085	1,349	62,636	41,788	1,404	34,270	27,269
Counties												
Under 10	0	0	0	2	48,424	6,343	3	46,492	23,008	0	0	0
10–14	0	0	0	5	34,433	7,220	26	31,185	6,582	6	16,298	4,095
15–19	0	0	0	4	47,198	13,335	11	43,713	12,636	7	27,397	10,848
20–24	119	131,857	68,324	219	108,532	57,178	881	67,855	39,316	815	35,573	27,320
25–29	4	140,256	80,682	134	129,956	80,253	321	100,724	63,402	291	59,513	40,671
30–34	0	0	0	152	151,920	104,446	647	126,474	89,088	297	73,292	54,483
35 & Over	0	0	0	45	172,741	127,758	526	145,616	109,527	209	95,635	75,698
Total	123	132,130	68,726	561	129,244	80,219	2,415	104,334	70,650	1,625	54,373	40,741
Cities												
Under 10	0	0	0	1	34,303	4,974	6	44,164	6,207	6	17,694	8,494
10–14	0	0	0	30	29,252	5,647	81	21,099	4,308	25	12,472	3,364
15–19	0	0	0	19	37,016	10,909	32	28,454	8,868	22	16,399	6,019
20–24	463	84,940	43,170	1,169	66,687	34,519	1,369	45,520	26,732	1,207	26,002	20,110
25–29	14	104,434	58,555	463	88,873	51,741	614	64,459	38,849	715	34,131	24,501
30–34	0	0	0	230	94,471	61,044	720	75,814	51,408	858	45,467	34,940
35 & Over	0	0	0	66	96,176	69,785	459	91,753	68,325	672	52,271	42,901
Total	477	85,512	43,621	1,978	75,226	42,132	3,281	61,408	39,468	3,505	37,291	28,778
Towns												
Under 10	0	0	0	4	22,867	2,582	21	22,184	3,114	28	11,330	1,644
10–14	0	0	0	9	31,173	5,560	50	25,867	5,390	24	18,270	4,680
15–19	0	0	0	5	48,183	12,726	20	34,051	10,668	14	17,573	6,872
20–24	171	92,539	46,674	386	77,437	39,714	332	54,875	31,416	217	29,581	22,414
25–29	6	111,445	59,203	143	90,990	50,793	106	72,320	41,868	89	42,133	28,786
30–34	0	0	0	59	105,552	68,484	174	90,257	61,290	107	56,881	42,160
35 & Over	0	0	0	11	101,931	72,886	119	102,920	76,425	63	66,569	53,756
Total	177	93,180	47,099	617	82,437	44,667	822	68,463	42,792	542	39,577	28,742
Villages												
Under 10	0	0	0	8	25,022	2,683	22	15,492	1,902	38	8,848	1,163
10–14	0	0	0	14	29,235	5,483	68	22,535	4,886	30	12,903	3,794
15–19	0	0	0	7	27,938	7,900	26	28,550	9,341	19	16,033	6,863
20–24	160	84,837	42,575	324	72,303	36,781	366	52,446	29,608	290	27,898	21,915
25–29	6	99,983	50,847	90	90,139	47,485	112	66,839	37,211	150	35,949	25,053
30–34	0	0	0	39	102,938	65,289	113	91,074	59,763	128	48,011	35,350
35 & Over	0	0	0	13	129,200	92,775	104	105,194	77,643	75	67,329	53,902
Total	166	85,384	42,874	495	76,844	40,599	811	62,304	37,545	730	35,213	25,985
Miscellaneous												
Under 10	0	0	0	0	0	0	2	58,211	6,329	2	34,540	10,015
10–14	0	0	0	1	71,505	16,184	10	26,025	5,000	9	17,622	4,650
15–19	0	0	0	3	64,646	18,473	7	46,413	14,725	1	59,403	31,704
20–24	23	118,839	61,433	199	117,964	62,070	269	91,727	50,415	308	25,382	24,076
25–29	1	49,617	27,417	107	140,405	86,299	111	122,038	74,893	90	48,986	33,791
30–34	0	0	0	37	165,979	111,019	111	150,063	103,768	75	84,401	60,002
35 & Over	0	0	0	11	146,750	105,144	46	140,869	105,010	72	90,574	70,441
Total	24	115,955	60,015	358	129,942	75,201	556	111,618	69,045	557	45,539	36,126

2010 DISABILITY RETIREES — ERS

As of March 31, 2010 — 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
State																
Under 10	326	28,477	12,921	361	22,700	10,972	221	19,622	9,909	140	17,921	7,425	42	11,065	9,415	
10–14	732	36,247	14,660	1,046	31,545	12,606	778	26,892	11,072	437	19,550	9,633	96	12,349	8,856	
15–19	647	42,431	17,537	1,139	36,807	15,870	802	30,200	14,233	341	21,657	13,267	95	13,703	11,132	
20–24	455	46,753	19,446	950	41,387	19,208	622	33,167	19,121	191	22,345	17,242	32	13,766	12,214	
25–29	191	50,003	25,744	509	44,589	23,767	310	35,147	22,460	94	21,861	18,242	17	14,995	16,597	
30–34	35	51,486	27,998	257	42,341	24,879	104	35,511	25,422	27	24,863	20,513	6	16,407	21,711	
35 & Over	6	48,112	29,422	76	44,437	28,103	9	45,215	36,170	3	26,282	22,185	2	14,292	21,335	
Total	2,392	40,210	17,229	4,338	36,742	17,081	2,846	29,903	15,476	1,233	20,690	12,491	290	13,016	10,859	
Counties																
Under 10	71	37,753	18,917	80	26,023	11,697	44	18,133	9,279	43	16,582	7,383	9	10,794	5,027	
10–14	277	44,376	19,192	367	31,109	11,658	320	26,459	9,475	138	18,283	8,385	36	13,147	6,927	
15–19	288	51,199	22,880	361	38,932	16,187	280	29,883	12,990	102	22,634	12,655	22	12,414	9,553	
20–24	175	59,798	29,795	312	43,406	20,314	153	35,762	21,358	50	25,081	19,737	6	12,570	11,495	
25–29	61	58,145	30,228	176	46,673	24,956	78	35,700	23,746	22	25,093	19,672	3	8,519	10,486	
30–34	9	45,253	23,857	85	51,776	31,975	20	34,102	23,918	2	36,016	31,121	1	15,837	19,595	
35 & Over	0	0	0	22	50,235	32,997	0	0	0	1	58,756	51,827	0	0	0	
Total	881	50,098	23,293	1,403	39,071	17,984	895	29,687	14,163	358	20,898	12,009	77	12,472	8,114	
Cities																
Under 10	12	29,808	10,855	25	21,708	9,429	13	19,136	10,084	16	17,843	11,371	5	17,905	9,990	
10–14	55	33,594	11,348	85	27,437	9,840	57	23,841	10,059	34	16,698	8,434	15	9,732	6,343	
15–19	44	40,071	13,302	90	35,423	12,838	68	28,706	11,470	32	17,959	11,204	9	10,528	7,716	
20–24	27	38,879	14,134	60	34,864	15,342	46	29,473	16,299	18	18,930	16,173	1	12,236	8,129	
25–29	8	49,064	21,292	65	38,967	19,427	35	29,665	18,442	10	20,607	14,595	2	9,287	18,303	
30–34	2	43,285	21,043	23	40,011	23,161	5	26,001	15,177	7	16,267	15,254	1	12,427	14,945	
35 & Over	0	0	0	2	41,646	25,449	1	45,174	37,494	1	22,668	25,341	0	0	0	
Total	148	37,144	13,066	350	33,403	14,270	225	27,240	13,302	118	17,892	11,834	33	11,318	8,309	
Towns																
Under 10	21	31,753	11,112	21	29,384	13,887	14	19,288	9,630	14	15,339	11,022	2	14,362	8,333	
10–14	73	36,137	12,757	87	33,260	12,878	74	27,487	10,842	41	18,688	8,757	8	19,744	11,770	
15–19	93	44,422	14,889	113	38,064	14,415	80	32,799	12,596	27	24,371	11,889	4	14,517	14,160	
20–24	54	52,964	19,179	101	42,797	20,408	53	32,688	19,923	23	26,791	21,933	2	9,090	12,904	
25–29	19	58,823	26,749	64	46,045	23,554	39	37,778	24,580	4	21,756	20,653	1	22,678	19,076	
30–34	6	61,463	35,637	34	51,374	30,466	11	40,435	29,908	4	24,564	22,970	0	0	0	
35 & Over	2	58,704	34,255	6	65,996	40,267	3	40,209	29,316	1	18,435	15,007	0	0	0	
Total	268	44,403	16,327	426	40,432	18,514	274	31,749	15,972	114	21,569	13,406	17	16,800	12,491	
Villages																
Under 10	7	30,760	10,821	3	19,922	10,298	8	16,079	11,008	6	12,692	9,417	2	10,665	10,800	
10–14	26	38,902	13,416	30	27,723	11,350	23	23,972	9,764	12	22,629	9,498	1	6,482	3,133	
15–19	15	45,723	15,201	30	37,883	15,410	29	30,761	13,381	11	22,942	12,017	4	11,514	7,963	
20–24	20	50,652	18,973	27	38,644	16,935	21	29,653	19,011	12	20,198	15,839	0	0	0	
25–29	6	67,488	29,691	19	43,618	20,070	16	31,228	19,113	3	30,288	25,397	1	41,924	35,670	
30–34	2	63,332	33,273	13	58,426	32,996	9	35,387	24,920	3	31,062	29,065	1	32,572	33,287	
35 & Over	0	0	0	1	58,962	35,672	0	0	0	0	0	0	0	0	0	
Total	76	45,490	16,799	123	38,362	17,373	106	28,424	15,377	47	21,840	13,960	9	16,485	13,949	
Miscellaneous																
Under 10	36	33,387	11,629	36	24,413	9,929	32	24,515	9,751	22	21,177	10,668	4	15,354	7,401	
10–14	120	40,923	13,906	223	39,939	12,598	141	31,467	10,450	59	19,918	9,567	12	12,695	6,987	
15–19	115	46,841	15,552	214	40,496	14,056	113	35,379	13,850	32	24,054	12,303	7	13,717	11,358	
20–24	76	54,339	19,296	124	47,346	18,420	50	37,880	18,053	29	24,445	16,475	1	9,135	6,146	
25–29	30	50,897	21,783	86	49,854	24,577	23	37,582	25,793	11	31,440	25,363	1	15,238	23,330	
30–34	11	52,330	28,080	32	56,907	32,564	11	39,732	26,750	8	40,233	31,451	0	0	0	
35 & Over	2	66,700	38,691	7	48,629	33,896	1	28,043	20,256	1	37,830	33,639	0	0	0	
Total	390	45,808	16,364	722	42,619	16,415	371	33,538	13,911	162	23,613	13,796	25	13,366	8,897	
Schools																
Under 10	24	25,386	9,187	49	18,880	7,618	58	15,959	5,853	48	14,189	6,357	13	9,654	8,438	
10–14	153	30,667	10,243	334	26,711	8,645	328	23,560	7,488	137	16,139	6,048	51	7,521	4,930	
15–19	77	35,864	11,824	304	31,009	10,499	241	27,590	9,840	94	16,258	8,524	36	10,038	7,549	
20–24	63	43,240	15,804	143	33,611	13,509	104	26,392	12,932	39	19,887	12,062	11	10,383	9,674	
25–29	23	43,376	18,775	78	37,581	17,544	49	28,439	17,393	17	26,685	20,584	6	15,672	15,952	
30–34	7	49,094	25,397	33	43,159	23,295	8	46,118	29,027	3	15,616	16,478	1	7,477	9,637	
35 & Over	0	0	0	6	47,290	28,698	1	22,658	17,631	0	0	0	0	0	0	
Total	347	34,952	12,402	947	30,326	11,292	789	25,136	9,650	338	16,853	8,298	118	9,205	7,158	

2010 DISABILITY RETIREES — PFRS

As of March 31, 2010 — 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
State																
Under 10	7	61,209	35,563	42	46,096	27,140	34	29,800	19,320	28	17,519	16,898	6	7,727	21,898	
10–14	0	0	0	26	62,966	34,861	35	40,830	24,323	48	22,710	20,248	26	13,674	20,049	
15–19	1	110,998	83,248	32	79,883	47,710	42	54,689	30,621	67	32,318	24,565	72	18,825	20,811	
20–24	0	0	0	14	96,714	63,232	27	72,478	45,974	69	45,321	32,592	53	28,675	27,679	
25–29	0	0	0	0	0	0	18	93,039	62,028	38	56,410	38,994	16	37,358	30,717	
30–34	0	0	0	0	0	0	5	105,649	76,678	7	70,327	51,984	17	50,120	40,836	
35 & Over	0	0	0	0	0	0	0	0	0	8	92,441	70,099	7	60,878	49,755	
Total	8	67,433	41,524	114	65,644	39,108	161	55,274	34,382	265	38,674	29,231	197	26,158	26,152	
Counties																
Under 10	10	96,370	64,449	21	64,344	37,411	19	47,356	33,781	32	24,850	31,035	8	16,251	27,456	
10–14	10	105,292	73,644	73	94,453	63,950	43	52,020	37,773	127	35,226	32,086	20	23,989	27,466	
15–19	3	112,171	76,022	69	107,039	73,833	52	74,920	54,241	239	50,208	41,847	40	30,119	33,612	
20–24	0	0	0	48	122,573	81,032	57	107,854	74,492	267	65,510	52,137	70	46,829	41,382	
25–29	0	0	0	4	134,126	100,595	25	120,094	85,584	56	84,680	64,043	48	57,281	47,558	
30–34	0	0	0	0	0	0	9	138,204	100,461	29	117,205	84,207	18	70,100	57,871	
35 & Over	0	0	0	0	0	0	1	126,310	94,733	17	129,909	98,442	8	71,861	59,588	
Total	23	102,310	69,956	215	102,568	69,025	206	85,207	60,539	767	58,813	47,838	212	45,655	41,563	
Cities																
Under 10	12	58,506	35,781	49	51,380	32,387	45	35,848	23,459	27	21,371	21,202	7	7,013	20,281	
10–14	9	71,179	47,197	101	59,799	37,023	109	40,669	25,769	98	25,290	21,942	25	13,260	18,871	
15–19	3	71,360	46,616	114	68,138	42,466	128	51,670	34,212	145	33,871	26,805	65	21,557	20,157	
20–24	0	0	0	34	80,278	50,664	148	63,904	41,477	236	43,658	33,161	92	29,154	27,496	
25–29	0	0	0	1	210,284	105,142	65	74,408	50,128	96	55,081	38,898	122	34,846	29,154	
30–34	0	0	0	0	0	0	24	85,350	59,984	56	63,313	42,649	87	39,690	32,632	
35 & Over	0	0	0	0	0	0	2	67,073	50,575	11	77,799	56,000	29	50,651	39,668	
Total	24	64,865	41,416	299	64,431	40,118	521	55,924	36,816	669	41,792	31,650	427	31,937	28,102	
Towns																
Under 10	7	57,155	38,906	19	46,922	27,861	21	38,449	23,821	7	20,535	20,298	1	8,006	17,435	
10–14	6	81,973	49,620	33	65,090	41,915	36	47,214	28,824	50	29,108	23,138	5	14,750	21,467	
15–19	2	89,213	56,958	36	81,229	51,518	27	58,906	38,605	55	38,484	31,344	15	19,094	23,378	
20–24	0	0	0	24	99,186	65,690	57	72,171	48,382	58	53,643	40,225	18	36,245	30,665	
25–29	0	0	0	1	117,157	58,578	28	88,379	61,084	13	67,431	48,871	6	54,449	46,641	
30–34	0	0	0	0	0	0	4	101,131	63,641	9	82,094	55,028	5	71,292	57,669	
35 & Over	0	0	0	0	0	0	0	0	0	3	143,643	107,921	1	81,111	62,687	
Total	15	71,357	45,599	113	74,879	47,809	173	64,107	42,214	195	45,505	34,925	51	34,997	32,515	
Villages																
Under 10	4	66,754	35,892	23	55,148	32,734	26	33,021	22,374	19	18,272	21,066	2	15,438	22,648	
10–14	3	64,293	45,311	38	75,475	49,147	37	49,772	30,846	35	29,280	23,106	10	20,108	21,266	
15–19	1	102,312	78,116	44	83,758	54,507	44	62,208	39,963	59	41,586	32,296	16	22,395	23,777	
20–24	0	0	0	15	81,577	54,556	42	78,357	51,947	46	56,341	40,788	23	32,828	30,617	
25–29	0	0	0	0	0	0	14	85,250	54,992	17	74,909	49,494	12	40,321	32,492	
30–34	0	0	0	0	0	0	0	0	0	5	82,547	63,607	9	50,694	40,935	
35 & Over	0	0	0	0	0	0	0	0	0	4	90,580	56,533	4	54,545	46,383	
Total	8	70,276	44,702	120	75,379	48,643	163	60,870	39,467	185	45,761	34,466	76	32,942	30,085	
Miscellaneous																
Under 10	8	80,260	55,051	13	61,248	36,936	17	50,665	32,457	7	31,178	27,503	0	0	0	
10–14	7	115,801	86,850	26	105,155	70,806	25	66,914	42,413	18	50,748	30,886	1	13,565	9,471	
15–19	0	0	0	13	118,308	81,499	25	83,944	57,954	45	55,354	41,160	12	23,358	22,183	
20–24	0	0	0	10	136,473	95,691	58	110,681	74,653	38	81,348	60,623	6	34,560	30,605	
25–29	0	0	0	0	0	0	28	134,385	98,353	11	111,661	76,924	6	56,611	39,537	
30–34	0	0	0	0	0	0	3	135,461	102,040	4	120,005	86,666	3	101,660	80,220	
35 & Over	0	0	0	0	0	0	0	0	0	1	153,924	115,443	3	87,876	71,525	
Total	15	96,846	69,891	62	103,758	69,960	156	97,573	66,992	124	69,162	50,102	31	45,468	37,154	

2010 NEW OPTION SELECTIONS

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

Options	2006		2007		2008		2009		2010	
	Number	\$ Amount	Number	\$ Amount						
ERS Females										
Single Life Allowance**	6,127	100,520,151	5,864	102,317,059	5,964	118,346,336	6,020	117,373,738	6,470	135,699,269
Cash Refund	285	4,857,133	239	3,991,555	190	5,129,706	139	2,952,850	137	3,440,980
Joint Allowance — Full	597	6,435,361	586	6,693,402	488	6,365,435	587	7,839,649	605	8,179,336
Joint Allowance — Half	110	2,274,697	119	2,581,317	109	2,636,357	107	2,316,682	130	2,857,915
Five Year Certain	159	3,083,804	141	2,310,622	158	3,525,255	170	3,540,592	174	4,035,895
Ten Year Certain	313	4,491,506	320	4,737,306	310	5,606,643	328	5,782,115	344	6,447,082
Pop-Up — Full	923	13,574,002	891	13,379,759	959	17,243,940	1,068	20,258,310	1,220	23,267,795
Pop-Up — Half	645	13,869,323	629	14,338,482	647	17,161,986	675	17,455,164	768	21,443,099
Other (Option 4)	278	6,025,680	322	7,848,459	378	9,125,777	351	9,943,735	513	14,718,088
Total	9,437	155,131,657	9,111	158,197,965	9,203	185,141,439	9,445	187,462,839	10,361	220,089,463
ERS Males										
Single Life Allowance**	2,625	63,450,940	2,590	61,660,389	2,729	76,452,207	2,913	78,050,419	3,073	87,195,113
Cash Refund	164	4,246,547	120	3,337,509	89	2,637,239	74	1,980,335	46	1,575,785
Joint Allowance — Full	1,675	36,636,109	1,714	39,625,966	1,747	48,379,335	1,829	47,655,930	1,788	49,472,665
Joint Allowance — Half	300	9,492,506	260	8,705,376	285	11,052,440	292	10,797,761	269	11,005,428
Five Year Certain	64	1,291,652	69	1,621,189	74	1,998,467	79	2,075,848	86	2,226,857
Ten Year Certain	216	5,351,743	239	5,313,750	210	5,349,517	229	5,917,116	238	6,195,158
Pop-Up — Full	1,312	31,381,092	1,399	34,099,516	1,649	45,693,790	1,826	51,456,191	1,943	56,611,837
Pop-Up — Half	605	20,716,621	570	19,984,133	649	25,701,013	652	24,941,333	697	27,219,634
Other (Option 4)	454	16,581,404	487	15,261,361	590	23,803,742	577	21,436,505	704	27,006,569
Total	7,415	189,148,614	7,448	189,609,195	8,022	241,067,755	8,471	244,311,441	8,844	268,509,049
PFRS Females										
Single Life Allowance**	49	2,370,164	38	1,946,275	51	2,802,664	55	3,230,599	74	4,376,135
Cash Refund	0	0	0	0	0	0	0	0	1	123,250
Joint Allowance — Full	2	71,119	5	264,852	3	136,946	1	26,776	9	312,730
Joint Allowance — Half	1	38,129	0	0	3	112,741	2	111,458	1	51,482
Five Year Certain	0	0	0	0	1	42,848	0	0	1	53,097
Ten Year Certain	3	112,107	11	702,482	6	387,521	4	215,773	9	500,229
Pop-Up — Full	13	611,518	15	806,456	8	410,995	9	420,387	12	637,082
Pop-Up — Half	11	546,366	9	349,816	5	333,212	6	277,268	6	322,506
Other (Option 4)	1	44,363	2	166,534	3	192,078	3	156,122	4	243,421
Total	80	3,793,766	80	4,236,416	80	4,419,007	80	4,438,387	117	6,619,935
PFRS Males										
Single Life Allowance**	375	20,229,044	319	18,147,428	295	17,010,732	357	20,828,207	445	26,893,720
Cash Refund	14	794,591	11	636,736	6	596,715	5	516,624	7	467,321
Joint Allowance — Full	195	9,435,344	159	7,663,839	149	8,066,867	138	7,854,616	190	10,876,836
Joint Allowance — Half	54	3,566,583	35	2,321,650	37	2,783,481	42	2,923,322	54	3,831,638
Five Year Certain	11	794,403	4	183,555	5	285,106	10	698,024	12	794,519
Ten Year Certain	43	2,485,652	22	1,271,061	32	2,182,349	40	2,393,248	39	2,333,741
Pop-Up — Full	229	10,657,635	217	9,834,709	189	8,891,580	195	9,659,792	273	13,319,717
Pop-Up — Half	136	9,004,309	122	7,399,364	96	6,313,488	120	8,473,124	139	10,487,412
Other (Option 4)	105	7,882,923	89	5,856,766	88	6,220,685	96	7,365,875	133	10,739,374
Total	1,162	64,850,484	978	53,315,110	897	52,351,006	1,003	60,712,837	1,292	79,744,284
*In 2010, 136 PFRS pensioners selected partial lump sums which totaled \$11,151,031; in 2009, 84 PFRS pensioners selected partial lump sums which totaled \$8,244,479.										
**Includes Option 0 and ½.										

2010 OPTION SELECTION — TOTAL PAYMENTS

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

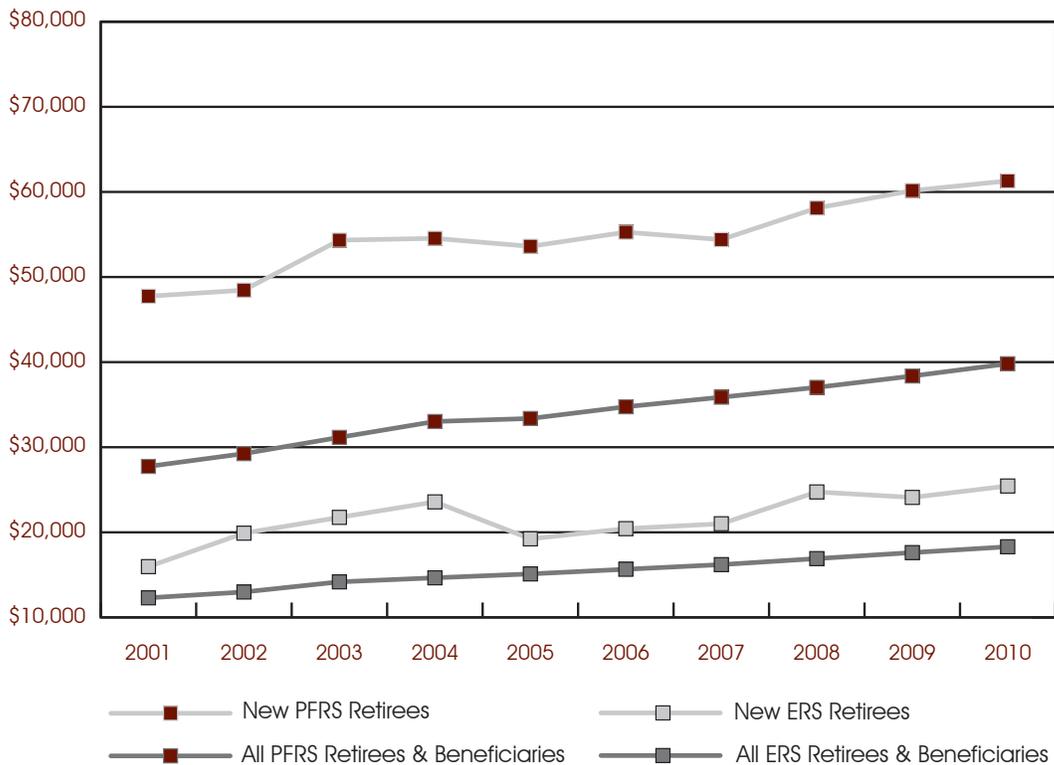
Options	2006		2007		2008		2009		2010	
	Number	\$ Amount								
ERS Females										
Single Life Allowance**	113,896	1,287,314,770	116,359	1,366,477,072	118,702	1,458,630,906	120,829	1,546,867,498	123,418	1,651,966,005
Cash Refund	12,328	106,061,585	11,799	105,849,175	11,233	106,845,568	10,611	105,592,285	9,959	104,714,789
Joint Allowance — Full	5,824	47,487,945	6,194	52,462,664	6,485	57,467,899	6,796	63,159,337	7,134	68,984,032
Joint Allowance — Half	2,529	30,332,912	2,544	32,140,256	2,529	33,838,436	2,518	35,141,461	2,541	36,993,044
Five Year Certain	4,139	45,572,419	4,130	46,820,065	4,145	49,302,698	4,147	51,408,691	4,154	54,120,481
Ten Year Certain	5,983	56,532,545	6,094	59,844,239	6,211	63,919,023	6,307	67,904,510	6,396	72,182,742
Pop-Up — Full	7,369	86,845,612	8,135	99,271,557	8,952	115,433,815	9,850	134,321,140	10,900	156,246,377
Pop-Up — Half	8,560	132,637,310	9,022	145,279,269	9,500	160,985,965	9,988	176,454,432	10,546	195,702,900
Other (Option 4)	1,551	26,800,459	1,843	34,353,728	2,178	43,018,662	2,487	52,216,903	2,962	66,540,139
Total	162,179	1,819,585,557	166,120	1,942,498,030	169,935	2,089,442,976	173,533	2,233,066,261	178,010	2,407,450,509
ERS Males										
Single Life Allowance**	51,726	984,558,164	52,433	1,025,470,309	53,261	1,080,255,793	54,026	1,132,437,884	54,939	1,191,967,692
Cash Refund	7,861	124,944,940	7,446	123,366,960	7,010	120,976,748	6,601	118,139,799	6,196	114,530,603
Joint Allowance — Full	22,944	414,365,423	23,709	441,987,740	24,445	476,994,614	25,227	510,604,138	25,965	544,500,819
Joint Allowance — Half	10,147	244,245,794	9,915	245,585,927	9,695	248,706,014	9,505	252,076,795	9,316	255,647,748
Five Year Certain	2,142	37,959,476	2,116	38,419,966	2,078	39,004,651	2,045	39,662,201	2,025	40,538,860
Ten Year Certain	4,470	72,482,210	4,495	75,653,931	4,490	78,566,297	4,476	81,680,103	4,485	85,236,946
Pop-Up — Full	12,363	243,669,655	13,507	274,914,771	14,836	316,493,717	16,293	362,900,820	17,843	414,379,168
Pop-Up — Half	10,184	271,055,808	10,486	287,086,053	10,867	308,589,951	11,215	328,172,647	11,578	348,976,025
Other (Option 4)	3,079	92,171,848	3,489	106,450,494	3,981	128,321,850	4,456	148,099,493	5,072	173,735,026
Total	124,916	2,485,453,318	127,596	2,618,936,155	130,663	2,797,909,640	133,844	2,973,773,884	137,419	3,169,512,887
PFRS Females										
Single Life Allowance**	329	11,731,461	365	13,669,830	417	16,561,339	471	19,834,215	543	24,173,860
Cash Refund	6	182,164	5	171,250	5	171,250	5	171,250	5	293,595
Joint Allowance — Full	17	518,377	22	787,733	24	872,771	25	899,547	34	1,212,278
Joint Allowance — Half	6	196,598	6	197,296	9	310,138	11	422,207	12	473,968
Five Year Certain	7	171,412	7	171,412	8	214,260	8	214,260	9	267,357
Ten Year Certain	29	934,395	40	1,639,307	46	2,026,828	50	2,244,594	59	2,746,242
Pop-Up — Full	47	1,904,665	62	2,732,578	70	3,144,357	79	3,564,812	91	4,206,801
Pop-Up — Half	30	1,258,388	39	1,610,867	45	2,024,834	51	2,302,433	57	2,624,952
Other (Option 4)	4	244,556	6	411,090	9	603,168	12	759,290	16	1,003,262
Total	475	17,142,016	552	21,391,365	633	25,928,948	712	30,412,611	826	37,002,316
PFRS Males										
Single Life Allowance**	15,282	434,522,645	15,239	446,579,958	15,165	457,465,829	15,157	472,399,750	15,221	492,714,409
Cash Refund	1,988	58,055,303	1,950	57,708,676	1,895	57,109,254	1,838	56,260,625	1,780	55,450,595
Joint Allowance — Full	2,021	71,067,388	2,141	77,876,210	2,261	85,342,889	2,351	91,727,133	2,489	100,979,666
Joint Allowance — Half	1,357	53,126,026	1,345	54,358,973	1,346	56,170,372	1,338	57,803,257	1,357	60,695,908
Five Year Certain	403	12,497,527	396	12,343,089	390	12,378,453	390	12,801,439	384	13,146,037
Ten Year Certain	1,413	42,853,814	1,412	43,579,306	1,418	45,200,765	1,428	46,804,803	1,418	47,687,361
Pop-Up — Full	1,598	59,211,288	1,801	69,058,966	1,976	77,545,484	2,150	86,317,312	2,407	99,335,964
Pop-Up — Half	1,845	89,560,050	1,946	96,338,817	2,013	101,783,001	2,109	109,729,379	2,213	119,330,745
Other (Option 4)	542	37,784,097	625	43,439,577	708	49,392,734	798	56,544,319	923	66,855,782
Total	26,449	858,678,138	26,855	901,283,575	27,172	942,388,784	27,559	990,388,020	28,192	1,056,196,466
*In 2010, 136 PFRS pensioners selected partial lump sums which totaled \$11,151,031; in 2009, 84 PFRS pensioners selected partial lump sums which totaled \$8,244,479.										
** Includes Option 0 and ½.										

2010 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
ERS		
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
2010	18,300	25,441

Year	All Retirees & Beneficiaries	New Retirees
PFRS		
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
2010	39,808	61,295



2010 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, 2010. 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	36	\$ 666	4
5-9	1,320	3,659	11
10-14	2,465	6,475	18
15-19	1,880	10,715	25
20-24	2,954	20,897	41
25-29	2,817	30,618	51
30-34	3,010	40,327	62
35-39	2,569	50,295	74
40 & Over	990	59,510	80
Total	18,041	\$27,629	46

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5-9	2	39,279	75
10-14	1	45,749	74
15-19	0	0	0
20-24	0	0	0
25-29	3	44,013	65
30-34	4	43,289	75
35-39	3	47,815	75
40 & Over	0	0	0
Total	13	\$44,073	73

New Ordinary Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	6	\$ 7,793	33
5-9	21	13,538	32
10-14	225	13,304	30
15-19	271	15,233	32
20-24	289	18,841	36
25-29	176	23,078	44
30-34	66	26,894	51
35-39	10	33,300	61
40 & Over	0	0	0
Total	1,064	\$17,920	36

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5-9	8	53,314	75
10-14	14	45,506	71
15-19	17	53,377	73
20-24	33	61,187	73
25-29	14	61,260	74
30-34	1	74,368	75
35-39	0	0	0
40 & Over	0	0	0
Total	87	\$56,577	73

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, 2010. 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	1	\$ 310	5
5-9	9	3,240	12
10-14	32	6,811	20
15-19	19	14,997	29
20-24	498	53,264	52
25-29	200	66,321	58
30-34	184	85,176	66
35-39	184	100,870	72
40 & Over	25	107,408	80
Total	1,152	\$67,048	57

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	1	\$32,603	75
5-9	7	55,449	75
10-14	23	70,411	74
15-19	35	73,068	74
20-24	46	81,656	75
25-29	16	83,754	75
30-34	2	87,209	75
35-39	2	57,679	75
40 & Over	0	0	0
Total	132	\$75,633	74

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	6	26,822	35
15-19	7	36,891	38
20-24	3	40,856	48
25-29	0	0	0
30-34	0	0	0
35-39	0	0	0
40 & Over	0	0	0
Total	16	\$33,859	39

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5-9	14	41,000	50
10-14	18	38,232	50
15-19	31	41,925	50
20-24	31	52,368	50
25-29	11	54,622	50
30-34	3	44,923	50
35-39	1	52,765	50
40 & Over	0	0	0
Total	109	\$45,630	50

2010 NEW BENEFITS — SERVICE RETIREMENTS BY AGE AND SERVICE

During the fiscal year ending March 31, 2010, 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	%
ERS												
Under 5	2	\$ 411	6	17	\$ 743	4	11	\$ 846	5	6	\$ 211	3
5–9	470	3,231	9	462	3,788	12	260	4,248	12	128	3,570	12
10–14	1,118	4,928	15	735	7,367	19	436	8,637	20	176	7,223	20
15–19	702	8,735	22	623	11,851	27	361	12,737	28	194	10,474	28
20–24	760	17,681	35	1,254	21,364	42	688	23,101	43	252	22,262	43
25–29	986	31,035	47	1,180	30,367	52	450	31,060	54	201	29,061	53
30–34	1,486	40,912	62	1,123	40,034	62	281	39,270	62	120	38,303	63
35–39	1,676	48,747	74	639	54,437	74	159	50,346	74	95	49,669	74
40 & Over	271	53,791	79	482	60,025	80	150	65,674	82	87	63,846	86
Total	7,471	\$ 28,680	47	6,515	\$ 28,528	47	2,796	\$ 24,406	42	1,259	\$ 23,894	43

Years of Service	Age at Retirement											
	40 – 49*			50 – 54			55 – 59			60 & Over		
	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%
PFRS												
Under 5	0	\$ 0	0	0	\$ 0	0	0	\$ 0	0	1	\$ 310	5
5–9	0	0	0	0	0	0	5	3,750	12	4	2,602	11
10–14	0	0	0	0	0	0	27	6,150	19	5	10,384	25
15–19	0	0	0	0	0	0	16	13,550	29	3	22,715	34
20–24	339	51,192	51	115	57,418	53	37	61,380	53	7	42,476	51
25–29	18	64,465	56	82	68,165	59	82	67,013	58	18	56,624	56
30–34	0	0	0	10	60,716	59	118	89,606	66	56	80,209	67
35–39	0	0	0	0	0	0	80	98,615	72	104	102,604	72
40 & Over	0	0	0	0	0	0	0	0	0	25	107,408	80
Total	357	\$ 51,861	51	207	\$ 61,834	56	365	\$ 72,960	58	223	\$ 86,525	67

*Does not include any retirees less than age 40.

2010 NEW BENEFITS — ORDINARY AND ACCIDENTAL DEATH

Accidental Death Benefits

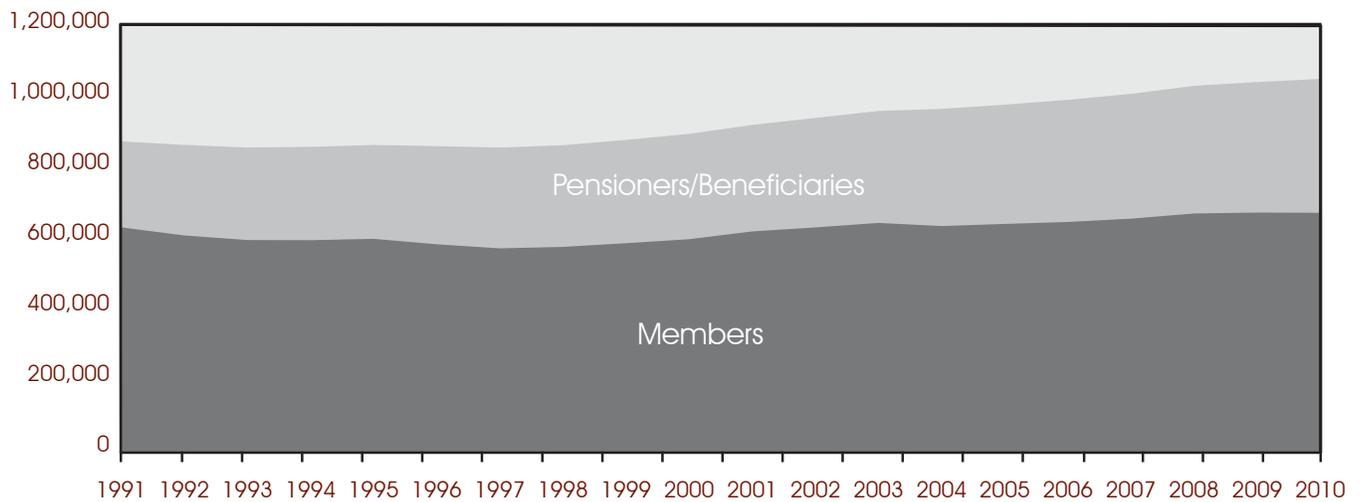
During fiscal year ending March 31, 2010, the Employees' Retirement System approved three accidental death benefits, each of which averaged \$29,567 per year. In the Police and Fire Retirement System, two accidental death benefits were approved, averaging \$56,217 per year.

Ordinary Death Benefits

Years of Service	Number Paid	Average Benefit	Percentage of Salary
ERS			
Under 5	139	\$ 66,247	201.4
5-9	158	118,326	283.4
10-14	180	93,777	221.9
15-19	135	119,548	244.7
20-24	146	150,318	274.5
25-29	103	176,211	293.3
30-34	39	167,364	313.4
35-39	19	246,353	373.7
40 & Over	10	696,281	651.0
Total	929	\$ 128,299	260.3
PFRS			
Under 5	4	\$ 186,255	274.2
5-9	4	308,250	300.4
10-14	2	280,000	300.9
15-19	4	189,125	263.3
20-24	6	827,705	731.7
25-29	1	1,258,035	732.3
30-34	0	0	0.0
35-39	0	0	0.0
40 & Over	0	0	0.0
Total	21	\$ 453,275	432.2

2010 COMBINED SYSTEM PARTICIPANTS

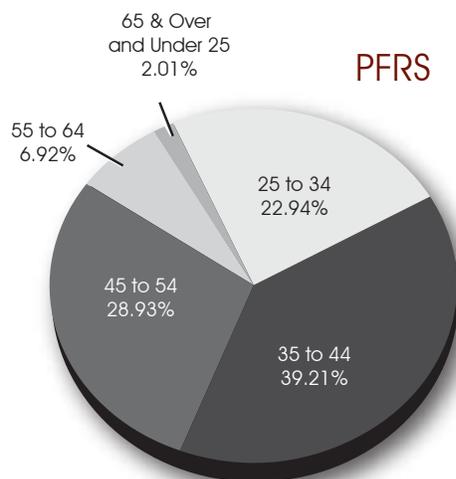
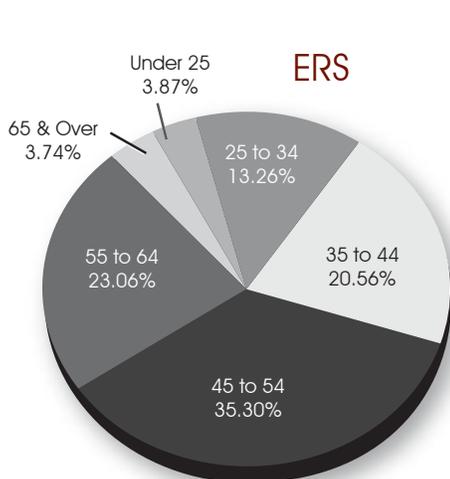
Fiscal Year	Members	% Changed	Pensioners/ Beneficiaries	% Changed	Total Participants	% Changed
1991	638,049	-2	239,835	3	877,884	-1
1992	615,114	-4	252,812	5	867,926	-1
1993	602,133	-2	258,294	2	860,427	-1
1994	601,710	0	260,788	1	862,498	0
1995	605,544	1	262,187	1	867,731	1
1996	590,130	-3	274,330	5	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
2010	679,217	0	375,803	3	1,055,020	1



2010 MEMBERSHIP BY AGE AND YEARS OF SERVICE

As of March 31, 2010.

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
ERS												
Total	643,875	100.00	212,362	32.98	119,876	18.62	162,374	25.22	114,376	17.76	34,887	5.42
Under 25	24,900	3.87	24,661	3.83	239	0.04	0	0.00	0	0.00	0	0.00
25-34	85,396	13.26	60,852	9.45	20,176	3.13	4,368	0.68	0	0.00	0	0.00
35-44	132,396	20.56	50,062	7.78	33,132	5.15	40,728	6.33	8,474	1.32	0	0.00
45-54	228,580	35.50	50,258	7.81	41,276	6.41	67,240	10.44	59,254	9.20	10,552	1.64
55-64	148,507	23.06	22,578	3.51	21,370	3.32	42,838	6.65	40,528	6.29	21,193	3.29
65 & Over	24,096	3.74	3,951	0.61	3,683	0.57	7,200	1.12	6,120	0.95	3,142	0.49
PFRS												
Total	35,342	100.00	7,761	21.96	6,304	17.84	11,082	31.36	8,373	23.69	1,822	5.16
Under 25	638	1.81	635	1.80	3	0.01	0	0.00	0	0.00	0	0.00
25-34	8,108	22.94	4,730	13.38	2,759	7.81	619	1.75	0	0.00	0	0.00
35-44	13,857	39.21	1,948	5.51	2,869	8.12	7,668	21.70	1,372	3.88	0	0.00
45-54	10,223	28.93	346	0.98	568	1.61	2,609	7.38	6,308	17.85	392	1.11
55-64	2,446	6.92	90	0.25	99	0.28	175	0.50	689	1.95	1,393	3.94
65 & Over	70	0.20	12	0.03	6	0.02	11	0.03	4	0.01	37	0.10

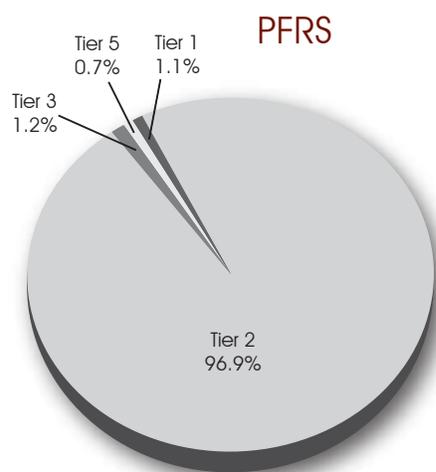
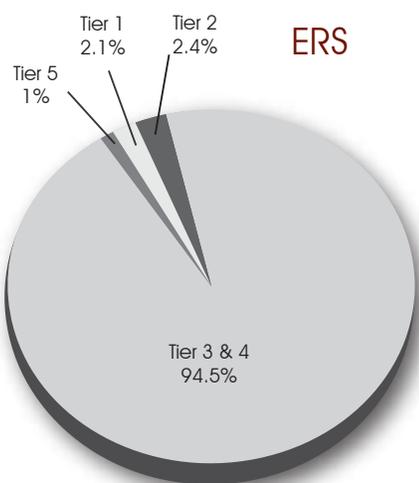


2010 MEMBERSHIP BY TIER

As of March 31, 2010.

	ERS		PFRS		Total	
	Number	Percent	Number	Percent	Number	Percent
Tier 1	13,395	2.1	393	1.1	13,788	2.0
Tier 2	15,651	2.4	34,261	96.9	49,912	7.3
Tier 3 & 4*	608,393	94.5	427	1.2	608,820	89.6
Tier 5	6,436	1.0	261	0.7	6,697	1.0
Total**	643,875	100.0	35,342	100.0	679,217	100.0

*There is no Tier 4 in the Police and Fire Retirement System.
 **Total may not add up to 100% due to rounding.



2010 MEMBERSHIP BY STATUS

	ERS			PFRS		
	Active	Inactive	Total	Active	Inactive	Total
2001	507,037	83,922	590,959	32,220	3,386	35,606
2002	512,209	90,219	602,428	32,321	3,147	35,468
2003	502,872	111,683	614,555	32,419	3,569	35,988
2004	507,241	98,914	606,155	32,359	3,207	35,566
2005	508,856	103,554	612,410	32,388	2,960	35,348
2006	513,016	104,973	617,989	32,469	2,833	35,302
2007	519,203	107,720	626,923	32,811	2,899	35,710
2008	528,435	112,684	641,119	33,089	3,113	36,202
2009	530,023	113,677	643,700	33,052	3,156	36,208
2010	529,466	114,409	643,875	32,449	2,893	35,342

2010 NUMBER OF EMPLOYERS

As of March 31, 2010.

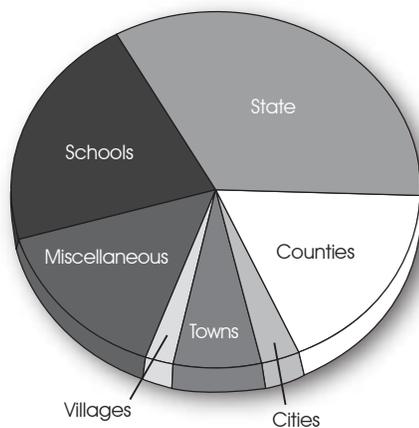
Category	ERS	PFRS
State	1	1
Counties	57	4
Cities	61	61
Towns	910	205
Villages	492	376
Miscellaneous	790	34
Schools	700	0
Total	3,011	681

2010 MEMBERSHIP BY EMPLOYER TYPE*

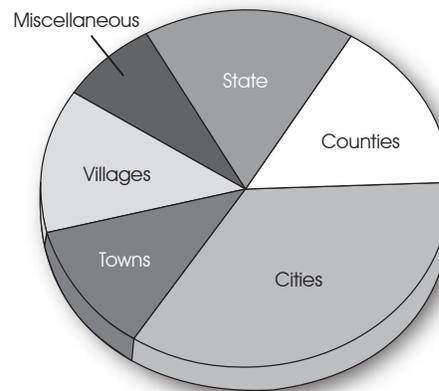
As of March 31, 2010.

	ERS		PFRS		Total	
	Total	Active	Total	Active	Total	Active
State	216,582	183,231	5,973	5,552	222,555	188,783
Counties	115,722	93,634	5,560	5,359	121,282	98,993
Cities	18,897	15,228	12,289	11,456	31,186	26,684
Towns	44,361	36,190	4,249	3,801	48,610	39,991
Villages	14,150	11,116	4,547	3,727	18,697	14,843
Miscellaneous	97,960	77,595	2,724	2,554	100,684	80,149
Schools	136,203	112,472	0	0	136,203	112,472
Total	643,875	529,466	35,342	32,449	679,217	561,915

ERS



PFRS



*A detailed listing of employers as of March 31, 2010 is on our website at www.osc.state.ny.us/retire/employers/index.htm.

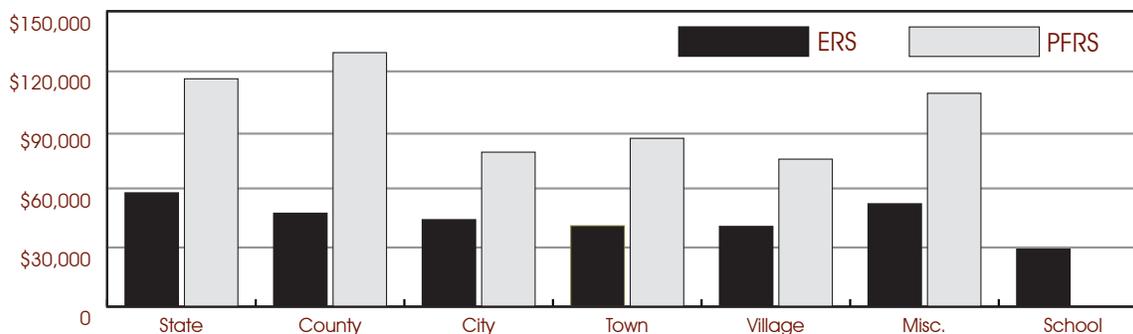
2010 AVERAGE SALARY BY EMPLOYER TYPE

Fiscal year ending March 31, 2010.

	Average Salary	Members*	Total Salaries
ERS			
State	\$ 57,798	183,231	\$ 10,590,362,650
Counties	47,429	93,634	4,440,974,290
Cities	44,153	15,228	672,358,805
Towns	40,998	36,190	1,483,729,968
Villages	40,723	11,116	452,674,620
Miscellaneous	52,241	77,595	4,053,678,412
Schools	29,145	112,472	3,277,958,566
Total	\$ 47,164	529,466	\$ 24,971,737,311
PFRS			
State	\$ 115,709	5,552	\$ 642,414,840
Counties	129,003	5,359	691,324,870
Cities	78,431	11,456	898,506,916
Towns	85,472	3,801	324,877,399
Villages	74,889	3,727	279,110,079
Miscellaneous	108,348	2,554	276,719,594
Total	\$ 95,934	32,449	\$ 3,112,953,698

*Active members receiving salary.

Average Salary by Employer Type



2010 MEMBERS AND SALARIES BY PLAN — ERS

As of March 31, 2010.

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries
Age 55/60 Contributory	8	\$ 327,720	5	\$ 304,449
Age 55 75-c	47	1,633,745	82	3,243,530
Age 55 75-e	14	407,056	23	758,452
Age 55 75-g	135	6,158,742	147	7,138,074
Age 55 75-h	4,884	357,262,782	5,388	382,401,124
Age 55 75-i	6,052	328,946,535	6,338	367,441,580
Reg CO/SHTA 3/4 Disability	7	597,969	3	160,194
Correction Officers 89	94	8,783,860	175	15,828,318
Sheriffs 89-a	5	433,974	1	58,671
Sheriffs 89-b	2	186,522	2	109,899
Sheriffs 89-b(m)	2	141,825	3	189,853
Investigators 89-d	0	0	0	0
Investigators 89-d(m)	3	447,229	2	232,040
Sheriffs - 551	1	56,215	7	549,980
Sheriffs - 551e	0	0	1	80,835
Sheriffs - 552	2	149,294	5	305,683
Sheriffs - 553	11	1,005,064	15	1,420,263
Legislators 80-a	13	1,134,771	3	283,294
Unified Court Peace Officers	0	0	176	17,437,092
25-Yr Correction Officers/Sheriffs/OMH	59	5,348,074	74	7,106,021
25-Yr 1/60 Peace Officers, Amb Med Techs, Paramedics	9	973,583	7	656,928

	Tier 3 & 4	Tier 3 & 4 Salaries	Tier 5	Tier 5 Salaries
Article 14 & 15	458,739	\$ 20,468,775,875	6,144	\$ 18,130,253
Reg CO/SHTA 3/4 Disability	439	29,938,918	3	21,618
Article 14 Correction Officer	21,417	1,563,869,528	184	624,532
Sheriffs - 551	367	23,770,310	0	0
Sheriffs - 551e	58	3,231,428	0	0
Sheriffs - 552	551	32,112,276	1	7,350
Sheriffs - 553	1,766	134,049,859	13	90,230
Unified Court Peace Officers	6,644	520,223,789	3	10,665
25-Yr Correction Officers/Sheriffs/OMH	9,034	637,865,599	88	302,802
25-Yr 1/60 Peace Officers, Amb Med Techs, Paramedics	164	13,542,253	0	0
20-Yr 1/60 Investigators	19	2,578,903	0	0
Westchester County Criminal Investigators	27	2,889,882	0	0

2010 MEMBERS AND SALARIES BY PLAN — PFRS

As of March 31, 2010.

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries	Tier 3	Tier 3 Salaries
Age 55/60 Basic	1	\$ 3,145	68	\$ 823,479	6	\$ 21,387
Age 55 375-c	6	246,608	273	4,288,386	8	31,993
Age 55 375-e	0	0	58	1,198,035	1	14,966
Age 55 375-g	0	0	69	1,507,571	1	5,675
Age 55 375-h	6	539,181	3	268,880	0	0
Age 55 375-i	29	3,380,779	283	13,077,169	10	61,996
Age 55 375-j	1	164,833	5	435,571	0	0
State Police 381-b	4	571,771	4,835	588,230,618	0	0
Reg Park Police 383-a	6	614,864	265	18,927,224	0	0
EnCon Police 383-b	1	105,220	309	24,247,841	0	0
Forest Ranger 383-c	0	0	123	8,909,242	0	0
25 Year 384	2	98,786	74	2,948,374	17	261,670
25 Year 384(f)	4	407,811	117	10,983,295	69	1,306,307
20 Year 384-d	63	7,013,246	9,444	775,531,468	173	3,129,244
20 Year 1/60 384-e	213	29,333,560	15,499	1,609,299,526	142	3,875,644

	Tier 5 Contributory	Tier 5 Contributory Salaries	Tier 5 Non-Contributory	Tier 5 Non-Contributory Salaries
Age 55/60 Basic	0	\$ 0	0	\$ 0
Age 55 375-c	1	20	0	0
Age 55 375-e	0	0	0	0
Age 55 375-g	1	0	0	0
Age 55 375-h	0	0	0	0
Age 55 375-i	1	2,081	0	0
Age 55 375-j	0	0	0	0
State Police 381-b	0	0	0	0
Reg Park Police 383-a	0	0	0	0
EnCon Police 383-b	0	0	0	0
Forest Ranger 383-c	0	0	0	0
25 Year 384	0	0	0	0
25-Yr 384(f)	0	0	0	0
20 Year 384-d	100	562,746	57	216,375
384-e	76	213,467	25	93,648

2010 PENSIONERS AND BENEFICIARIES BY AGE

As of March 31, 2010.

Age	Pensioners & Beneficiaries	Pensioners	Beneficiaries
ERS			
0-25	207	0	207
26-30	153	0	153
31-35	226	10	216
36-40	419	95	324
41-45	1,020	553	467
46-50	3,011	2,267	744
51-55	5,850	4,682	1,168
56-60	37,568	35,948	1,620
61-65	63,919	61,321	2,598
66-70	63,242	60,044	3,198
71-75	52,022	48,289	3,733
76-80	44,314	40,094	4,220
81-85	36,683	31,906	4,777
86-90	24,185	20,318	3,867
91-95	9,741	7,931	1,810
96-100	2,295	1,780	515
101+	251	191	60
Total	345,106	315,429	29,677

Age	Pensioners & Beneficiaries	Pensioners	Beneficiaries
PFRS			
0-25	12	0	12
26-30	5	0	5
31-35	25	14	11
36-40	135	122	13
41-45	659	631	28
46-50	1,798	1,745	53
51-55	2,367	2,290	77
56-60	4,591	4,452	139
61-65	6,400	6,201	199
66-70	5,317	5,084	233
71-75	3,611	3,406	205
76-80	2,657	2,428	229
81-85	1,955	1,719	236
86-90	873	714	159
91-95	244	182	62
96-100	45	29	16
101+	3	1	2
Total	30,697	29,018	1,679

2010 PENSIONERS AND BENEFICIARIES — ERS

As of March 31, 2010 — 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	Option 0 Benefit w/o COLA	Average COLA	Total
1942	1	\$ 424	\$ 2,195	\$ 2,619
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	0	0	0	0
1955	1	2,107	6,062	8,169
1956	2	1,145	4,418	5,563
1957	4	2,180	6,092	8,273
1958	3	3,169	11,939	15,108
1959	4	1,738	5,127	6,865
1960	3	3,474	8,729	12,203
1961	3	1,234	2,838	4,071
1962	6	3,009	8,622	11,631
1963	8	1,508	3,978	5,485
1964	14	3,250	7,043	10,293
1965	16	2,619	7,242	9,861
1966	23	2,786	5,335	8,121
1967	35	2,448	4,772	7,220
1968	42	2,801	4,756	7,557
1969	75	2,857	4,613	7,470
1970	148	3,439	4,560	7,998
1971	212	4,380	5,729	10,109
1972	387	4,727	6,176	10,904
1973	559	4,265	5,123	9,388

2010 PENSIONERS AND BENEFICIARIES — ERS

(continued)

Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total
1974	754	\$ 4,514	\$ 5,323	\$ 9,837
1975	898	4,533	4,614	9,147
1976	1,335	5,099	4,762	9,860
1977	1,795	4,879	4,443	9,322
1978	1,979	5,114	4,233	9,346
1979	2,449	5,261	4,122	9,383
1980	2,927	5,318	3,529	8,847
1981	3,346	5,461	2,994	8,455
1982	4,032	6,000	2,864	8,864
1983	3,877	6,382	2,723	9,104
1984	6,052	8,494	3,301	11,795
1985	5,086	8,503	3,025	11,527
1986	6,012	8,941	2,939	11,880
1987	6,145	9,851	3,009	12,860
1988	6,112	10,777	2,964	13,742
1989	6,827	11,547	2,877	14,424
1990	7,480	12,712	2,685	15,397
1991	11,361	16,724	2,808	19,532
1992	10,705	14,040	2,339	16,379
1993	8,543	14,497	2,120	16,617
1994	7,478	14,625	1,928	16,554
1995	9,144	15,450	1,865	17,315
1996	15,468	20,022	1,931	21,953
1997	13,872	18,719	1,609	20,328
1998	10,385	16,645	1,236	17,881
1999	11,406	16,291	1,081	17,372
2000	13,340	17,572	951	18,524
2001	14,120	21,101	871	21,972
2002	11,674	19,167	695	19,862
2003	24,856	27,758	528	28,286
2004	12,573	19,353	294	19,646
2005	15,173	21,333	153	21,486
2006	16,601	22,197	0	22,197
2007	17,221	24,492	0	24,492
2008	17,661	26,262	0	26,262
2009	16,309	26,320	0	26,320
2010	12,762	28,189	0	28,189

5,802 of the 29,677 beneficiaries are not eligible for COLA and are not included in the above counts.

2010 PENSIONERS AND BENEFICIARIES — PFRS

As of March 31, 2010 — 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	Option 0 Benefit w/o COLA	Average COLA	Total
1942	1	\$ 2,029	\$ 20,565	\$ 22,594
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	9,007	12,097
1954	1	2,357	13,741	16,098
1955	2	2,482	7,139	9,621
1956	1	3,614	20,349	23,963
1957	4	3,111	13,787	16,898
1958	0	0	0	0
1959	0	0	0	0
1960	1	3,478	18,080	21,558
1961	2	2,617	10,399	13,015
1962	1	3,669	16,731	20,400
1963	6	3,390	12,411	15,800
1964	3	2,568	8,302	10,870
1965	4	5,050	15,580	20,630
1966	6	6,454	13,690	20,144
1967	11	5,089	11,580	16,670
1968	20	4,767	11,246	16,013
1969	30	4,811	9,611	14,422
1970	39	5,871	11,570	17,440
1971	52	6,378	11,177	17,555
1972	206	7,172	12,098	19,270
1973	172	7,666	12,201	19,868

2010 PENSIONERS AND BENEFICIARIES — PFRS

(continued)

Year of Retirement	Number	Option 0 Benefit w/o COLA	Average COLA	Total
1974	222	\$ 8,091	\$ 12,121	\$ 20,212
1975	155	8,578	11,174	19,751
1976	198	9,644	10,921	20,565
1977	319	10,570	10,965	21,535
1978	345	10,792	10,539	21,331
1979	396	11,744	10,097	21,841
1980	451	12,274	8,871	21,146
1981	397	13,418	7,734	21,152
1982	484	14,880	7,180	22,060
1983	531	15,822	6,794	22,616
1984	506	17,522	6,686	24,208
1985	604	19,287	6,211	25,497
1986	853	20,709	6,063	26,773
1987	908	22,974	5,949	28,923
1988	966	24,637	5,611	30,248
1989	1,002	25,006	5,140	30,146
1990	997	27,574	4,597	32,171
1991	1,104	30,967	4,090	35,056
1992	1,221	35,074	3,577	38,650
1993	1,113	34,196	3,228	37,424
1994	978	32,982	2,837	35,820
1995	851	37,528	2,422	39,950
1996	840	36,380	2,122	38,502
1997	831	40,321	1,815	42,136
1998	785	39,976	1,381	41,357
1999	799	40,715	1,208	41,922
2000	931	46,881	950	47,831
2001	1,133	52,639	780	53,419
2002	975	52,920	586	53,506
2003	1,307	60,518	423	60,940
2004	1,226	57,649	278	57,928
2005	1,113	58,150	128	58,278
2006	1,127	59,212	0	59,212
2007	1,116	60,083	0	60,083
2008	1,140	62,306	0	62,306
2009	1,080	64,984	0	64,984
2010	780	66,894	0	66,894

350 of the 1,679 beneficiaries are not eligible for COLA and are not included in the above counts.

2010 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 December 15th preceding the fiscal year end.

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
Counties						
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
2010	4,440,975,009	348,633,573	319,242,145	0	15,718,947	13,672,481
Cities						
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
2010	672,358,993	49,473,203	44,600,856	0	2,784,205	2,088,142
Towns						
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
2010	1,483,730,590	108,762,029	97,393,459	717,958	6,084,843	4,565,769
Villages						
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
2010	452,674,761	32,980,639	29,491,939	243,794	1,854,239	1,390,667

2010 LOCAL GOVERNMENT SALARIES AND BILLINGS — ERS

(continued)

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
Miscellaneous						
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
2010	4,053,679,047	288,402,076	258,729,069	1,396,742	16,157,869	12,118,396
Schools						
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
2010	3,277,959,694	237,870,801	214,479,105	111,442	13,303,002	9,977,252

2010 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 December 15th preceding the fiscal year end.

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
Counties						
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
2010	691,324,895	113,345,262	109,684,666	0	0	3,660,596
Cities						
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
2010	898,507,065	146,455,535	141,869,364	0	0	4,586,171
Towns						
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
2010	324,877,420	52,903,830	51,226,025	0	0	1,677,805
Villages						
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
2010	279,110,145	41,046,994	39,630,908	0	0	1,416,086
Miscellaneous						
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
2010	276,719,595	44,766,923	43,309,191	0	0	1,457,732

2010 CONTRIBUTIONS RECORDED 2001 – 2010

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
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	
2010	Total	\$ 2,344.2	\$ 284.3
	State	897.5	
	Local	1,446.7	

*Includes employer premiums to Group Term Life Insurance Plan.

2010 20-YEAR SUMMARY*

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total Participants	1,055,020	1,046,086	1,035,430	1,012,699	995,536	982,009	970,078	964,140	944,500
Number of Members	679,217	679,908	677,321	662,633	653,291	647,758	641,721	650,543	637,896
ERS (a)	643,875	643,700	641,119	626,923	617,989	612,410	606,155	614,555	602,428
State	216,582	219,741	220,216	215,296	211,041	208,899	207,641	216,005	216,507
Counties	115,722	116,515	117,084	115,944	115,472	118,006	117,514	119,319	118,318
Cities	18,897	18,893	18,992	18,843	18,891	18,979	18,933	19,637	19,671
Towns	44,361	43,403	43,203	41,989	41,393	40,561	39,841	39,395	38,063
Villages	14,150	14,000	13,891	13,597	13,388	13,106	12,878	12,823	12,360
Miscellaneous	97,960	97,272	95,601	92,736	90,879	86,791	85,732	85,708	81,752
Schools	136,203	133,876	132,132	128,518	126,925	126,068	123,616	121,668	115,757
PFRS (a)	35,342	36,208	36,202	35,710	35,302	35,348	35,566	35,988	35,468
State	5,973	6,222	6,223	6,219	5,955	6,038	5,898	5,802	5,679
Counties	5,560	5,841	5,898	5,873	5,850	5,833	5,814	5,901	6,029
Cities	12,289	12,433	12,414	12,206	12,147	12,113	12,374	12,541	12,612
Towns	4,249	4,340	4,364	4,295	4,261	4,217	4,231	4,233	4,191
Villages	4,547	4,592	4,621	4,591	4,641	4,653	4,732	4,867	4,795
Miscellaneous	2,724	2,780	2,682	2,526	2,448	2,494	2,517	2,644	2,162
Members by Tier (b)									
ERS Tier 1	13,395	16,829	20,513	25,053	29,492	34,980	39,622	50,032	56,541
ERS Tier 2	15,651	18,097	20,315	22,458	24,263	25,938	27,398	30,122	31,981
ERS Tiers 3 thru 5	614,829	608,774	600,291	579,412	564,234	551,492	539,135	534,401	513,906
PFRS Tier 1	393	576	745	924	1,143	1,503	2,076	2,597	3,260
PFRS Tier 2	34,261	35,632	35,457	34,786	34,159	33,845	33,490	33,391	32,208
PFRS Tier 3 & 5	688	0	0	0	0	0	0	0	0
Pensioners & Beneficiaries	375,803	366,178	358,109	350,066	342,245	334,251	328,357	313,597	306,604
ERS	345,106	336,273	328,726	321,113	313,837	306,531	301,528	287,341	280,997
PFRS	30,697	29,905	29,383	28,953	28,408	27,720	26,829	26,256	25,607
Employers	3,035	3,026	3,021	3,010	3,001	2,993	2,985	2,968	2,922
ERS	3,011	3,001	2,995	2,983	2,974	2,967	2,959	2,943	2,917
PFRS	681	683	683	683	685	684	684	681	679
Benefit Payments (c)	\$ 7,663.1	\$ 7,212.1	\$ 6,835.6	\$ 6,383.4	\$ 6,028.9	\$ 5,674.7	\$ 5,347.5	\$ 4,984.6	\$ 4,488.3
Retirement Allowances	6,931.8	6,497.1	6,142.8	5,722.9	5,388.6	5,041.0	4,722.1	4,373.3	3,872.0
Death Benefits (Lump Sum)	183.0	180.5	181.7	164.6	161.2	161.9	157.3	148.4	151.8
COLA Payments	548.3	534.5	511.1	495.9	479.1	471.8	468.1	462.9	464.5
# of Service Retirements	19,193	17,979	17,261	16,390	16,827	14,533	23,655	16,078	17,499
# of Death Benefits Paid	955	935	1,014	832	932	1,041	1,025	1,019	1,068
# of Disability Retirements	1,421	1,020	950	1,227	1,267	1,463	1,103	1,064	1,038
Employer Contributions	\$ 2,344.2	\$ 2,456.2	\$ 2,648.4	\$ 2,718.6	\$ 2,782.2	\$ 2,964.8	\$ 1,286.5	\$ 651.9	\$ 263.8
ERS	1,785.5	1,898.7	2,073.5	2,116.0	2,271.4	2,434.5	1,052.3	525.5	179.1
PFRS	465.0	492.8	510.6	502.5	433.4	455.3	158.4	66.3	47.3
Group Life Insurance Plan	93.7	64.7	64.3	100.1	77.3	75.0	75.8	60.1	37.4
Rate (as a % of Salary) (d)									
ERS	7.4%	8.5%	9.6%	10.7%	11.3%	12.9%	5.9%	1.5%	1.2%
PFRS	15.1%	15.8%	16.6%	17.0%	16.3%	17.6%	5.8%	1.4%	1.6%
Employee Contributions	\$ 284.3	\$ 273.3	\$ 265.7	\$ 250.2	\$ 241.2	\$ 227.3	\$ 221.9	\$ 219.2	\$ 210.2
ERS	282.8	269.0	263.1	247.2	237.7	224.5	217.4	214.1	206.0
PFRS	1.5	4.3	2.6	2.9	3.5	2.8	4.5	5.1	4.2
Investments (e)	\$ 132,500.2	\$ 108,960.7	\$ 153,877.7	\$ 154,575.5	\$ 140,453.3	\$ 126,083.5	\$ 119,245.0	\$ 95,598.3	\$ 111,168.5
Equities	72,674.0	47,871.0	83,153.7	90,119.7	88,550.9	80,917.2	74,876.5	51,357.0	66,375.5
Fixed Income	33,726.1	36,541.6	36,571.4	33,536.2	28,889.0	29,310.8	29,691.2	32,019.7	31,839.2
Commercial Mortgages	845.7	710.2	772.4	889.7	1,162.7	1,281.9	1,530.0	1,723.6	1,628.7
Short-term Investments	3,086.1	3,826.7	6,443.1	8,551.1	6,619.3	2,602.5	1,879.1	771.2	1,429.0
Private Equity	12,799.7	10,563.7	12,699.4	10,044.8	8,284.8	6,832.4	6,738.8	5,564.8	5,579.5
Equity Real Estate	5,551.1	7,066.5	8,909.4	6,752.7	5,430.7	4,634.0	4,529.4	4,162.0	4,316.6
Absolute Return Strategy	3,817.5	2,381.0	5,328.3	4,681.3	1,516.0	504.7	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
Rate of Return	25.9%	-26.4%	2.6%	12.6%	14.6%	8.5%	28.8%	-10.2%	2.8%
Fixed Income Investments	7.4%	2.4%	8.6%	6.0%	1.7%	3.0%	8.9%	16.8%	4.3%
Equity Investments	41.3%	-30.8%	0.9%	15.0%	19.1%	10.6%	42.8%	-24.3%	2.9%
Administrative Cost	\$ 100.0	\$ 99.2	\$ 90.3	\$ 79.8	\$ 78.5	\$ 65.3	\$ 69.6	\$ 67.5	\$ 66.6
Financial Statement Assets	\$ 134,251.7	\$ 110,937.8	\$ 155,845.9	\$ 156,625.2	\$ 142,620.1	\$ 128,037.7	\$ 120,799.0	\$ 97,372.7	\$ 112,724.9

(continued)

2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
924,643	899,314	882,234	867,204	860,429	864,460	867,731	862,498	860,427	867,927	877,884
626,565	604,479	593,188	582,689	578,566	590,130	605,544	601,710	602,133	615,114	638,049
590,959	569,369	558,236	547,805	543,663	553,649	569,298	566,320	567,223	580,158	602,433
222,343	216,347	216,380	214,628	216,084	225,771	238,760	239,412	241,538	247,209	260,156
119,638	115,576	113,856	112,792	115,904	118,055	120,517	120,186	120,819	125,168	129,158
19,551	19,148	18,966	18,907	18,909	19,410	20,283	20,699	20,792	21,890	22,982
37,121	35,882	35,056	34,764	33,949	33,997	34,349	34,316	34,474	35,413	36,251
11,969	11,509	11,279	11,087	10,942	10,939	11,057	11,067	11,137	11,388	11,671
69,968	67,212	64,218	62,176	58,128	58,582	59,080	58,057	56,906	56,456	57,292
110,369	103,695	98,481	93,451	89,747	86,895	85,252	82,583	81,557	82,634	84,923
35,606	35,110	34,952	34,884	34,903	36,481	36,246	35,390	34,910	34,956	35,616
5,534	5,279	5,232	5,195	5,230	5,793	5,866	5,692	5,787	5,603	5,689
6,176	6,267	6,338	6,332	6,277	6,542	6,278	5,904	5,565	5,715	6,089
12,781	12,660	12,552	12,579	12,538	12,923	12,919	12,761	12,682	12,808	12,992
4,180	4,163	4,149	4,139	4,095	4,170	4,077	4,050	3,987	3,989	3,965
4,805	4,727	4,699	4,683	4,743	4,967	4,967	4,862	4,922	4,874	4,853
2,130	2,014	1,982	1,956	2,020	2,086	2,139	2,121	1,967	1,967	2,028
60,736	57,657	64,173	69,942	75,166	84,015	96,299	101,254	107,383	115,086	129,525
32,914	32,641	34,296	36,061	37,739	41,631	45,716	47,778	49,846	52,871	56,040
497,309	479,071	459,767	441,802	430,758	428,003	427,283	417,288	409,994	412,201	416,868
3,927	4,469	4,997	5,537	6,087	6,872	7,439	8,005	9,009	10,204	11,601
31,679	30,641	29,955	29,347	28,816	29,609	28,807	27,385	25,901	24,752	24,015
0	0	0	0	0	0	0	0	0	0	0
298,078	294,835	289,046	284,515	281,863	274,330	262,187	260,788	258,294	252,813	239,835
273,147	270,333	264,899	260,751	258,413	251,442	239,727	238,729	237,059	232,484	220,579
24,931	24,502	24,147	23,764	23,450	22,888	22,460	22,059	21,235	20,329	19,256
2,897	2,860	2,843	2,809	2,786	2,779	2,765	2,752	2,731	2,724	2,743
2,890	2,853	2,836	2,813	2,782	2,773	2,760	2,748	2,727	2,720	2,708
678	678	679	678	676	675	674	672	672	669	666
\$ 4,181.0	\$ 3,720.2	\$ 3,482.0	\$ 3,305.0	\$ 3,122.0	\$ 2,877.9	\$ 2,527.9	\$ 2,393.7	\$ 2,267.9	\$ 2,067.7	\$ 1,834.2
3,619.9	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
152.9	142.8	123.0	125.7	118.5	140.0	107.3	112.0	115.1	105.2	103.9
336.1	162.3	141.9	107.7	118.2	98.1	62.8	65.1	70.3	77.7	82.8
11,640	14,470	12,675	11,932	15,324	19,578	9,613	9,651	11,409	19,573	12,703
1,005	1,026	956	974	965	1,092	1,068	1,062	1,033	1,162	1,306
1,079	1,189	1,356	938	1,016	1,235	1,183	1,413	1,367	1,445	1,647
\$ 214.8	\$ 164.5	\$ 291.7	\$ 462.6	\$ 903.5	\$ 776.9	\$ 315.1	\$ 530.1	\$ 369.8	\$ 356.8	\$ -72.4
131.0	83.0	193.2	280.1	668.8	521.8	47.2	337.2	140.9	181.2	-188.2
49.0	62.0	50.1	125.1	177.9	219.3	237.8	158.2	198.9	175.6	91.8
34.8	19.5	48.4	57.4	56.8	35.9	30.1	34.7	30.0	0.0	24.0
0.9%	0.9%	1.3%	1.7%	3.7%	2.2%	0.7%	0.7%	0.6%	0.4%	0.3%
1.6%	1.9%	2.4%	7.0%	9.8%	13.0%	13.9%	11.3%	14.0%	11.5%	7.8%
\$ 319.1	\$ 422.7	\$ 399.8	\$ 369.4	\$ 348.2	\$ 341.9	\$ 334.0	\$ 307.5	\$ 284.1	\$ 287.0	\$ 255.3
317.4	422.0	398.7	368.8	347.7	338.5	331.6	306.0	282.8	284.2	254.3
1.7	0.7	1.1	0.6	0.5	3.5	2.4	1.5	1.3	2.8	1.0
\$ 112,432.9	\$ 127,138.9	\$ 111,008.7	\$ 104,921.8	\$ 82,333.8	\$ 74,827.9	\$ 63,406.6	\$ 58,416.8	\$ 56,428.9	\$ 51,925.8	\$ 48,945.5
63,661.7	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
35,305.7	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
1,835.8	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
992.0	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
5,941.6	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
4,696.0	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
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
-8.7%	17.8%	8.8%	30.4%	10.9%	21.8%	8.8%	6.9%	12.5%	10.7%	11.7%
14.1%	1.3%	6.6%	15.6%	4.3%	12.9%	4.8%	9.0%	9.2%	9.0%	9.3%
-20.3%	25.3%	10.1%	47.2%	15.0%	29.7%	12.4%	5.1%	15.3%	11.5%	14.0%
\$ 57.8	\$ 50.7	\$ 52.6	\$ 49.1	\$ 47.6	\$ 46.6	\$ 43.8	\$ 39.7	\$ 36.9	\$ 36.6	\$ 36.7
\$ 114,043.5	\$ 128,889.4	\$ 112,723.1	\$ 106,319.2	\$ 83,947.5	\$ 77,452.8	\$ 65,413.3	\$ 60,121.7	\$ 58,049.7	\$ 53,711.2	\$ 50,538.7

* 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, 4 and 5 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.

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