

**STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND TEACHERS' RETIREMENT SYSTEM**

ACTUARIAL EXPERIENCE STUDY
FOR THE PERIOD
JULY 1, 2001 TO JUNE 30, 2005

October 2006

Submitted By:
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October 9, 2006

Board of Trustees
Alaska Retirement Management Board
Department of Administration
Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99811-0203

Dear Members of the Board:

We are submitting our report on the results of the actuarial investigation of the demographic and economic experience of active members and retirees of the State of Alaska Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) for the four-year period July 1, 2001 to June 30, 2005.

The experience investigation was prepared in accordance with generally accepted actuarial practices and best practices, which suggest that the actuary periodically undertake an experience investigation into the mortality, service and compensation experience of the members and retirees of the Systems and that these investigations take place at least every 4 to 6 years. Taking into account the result of such investigation, the Board of Trustees shall adopt for the retirement Systems such mortality, service, and other tables as shall be deemed necessary and shall adopt an actuarial cost method that is in conformity with generally accepted actuarial principles and practices for measuring pension obligations.

The attached report describes the actuarial process employed and identifies the results of the study.

SUMMARY OF RECOMMENDATIONS

The results of the experience analysis show that for many assumptions the actual experience of the Systems has deviated from what was expected based on the current assumptions. We recommend that the assumptions be modified in order to better reflect actual experience and future expectations. Also, we recommend that the actuarial cost method be changed to the Entry Age Normal Actuarial Cost Method. The recommended actuarial assumptions and methods are in conformity with generally accepted actuarial principles and practices for measuring pension obligations.

A detailed analysis is included in this report. The Table of Contents, which immediately follows, outlines the material contained in the report.

We would be pleased to discuss the report in detail upon request. We will be presenting the results of this report to the Board at your October meeting.

Sincerely,


David H. Sliskinsky, A.S.A., E.A.
Principal, Consulting Actuary


Michelle Reding DeLange, F.S.A., E.A.
Director, Actuary

The undersigned are responsible for all assumptions related to the average annual per capita health claims cost and the health care cost trend rates.


Chris Hulla
Principal, Health & Welfare


Trey Sarsfield, A.S.A.
Senior Consultant, Health & Welfare

/mlp

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ACTUARIAL EXPERIENCE STUDY

INTRODUCTION

Assumptions are a key element in an actuarial valuation. In order to perform an actuarial valuation of the assets and liabilities of the Systems, the actuary must first adopt assumptions with respect to each of the following:

1. Investment return on the Systems' funds over the period benefits to current members will be paid, including inflation during the same period.
2. The relative increases in the salary of a member from the date of the valuation to the date of separation from active service.
3. The expected mortality rates among retired persons (healthy and disabled).
4. The probabilities of members separating from active service on account of withdrawal, death and disability.
5. The ages at which members will retire.
6. The rate at which separating members will elect to receive a refund of their contributions.
7. Assumptions related to number of dependents, marriage at retirement, age of spouse at retirement, etc.
8. Postemployment healthcare assumptions.

Actuarial assumptions are a critical component of an actuarial valuation. The actuarial valuation is the method by which the funding requirement is determined. Actuarial assumptions do not directly impact the total cost of a retirement program, but they are a key variable in determining the timing of that cost and the allocation between current contributions and future investment return. For example, overly conservative assumptions result in increased current cost and decreased future costs. Overly aggressive assumptions result in decreased current cost and increased future costs. The recommended changes in actuarial assumptions reflect both the most recent experience as well as future expected experience.

Based on Alaska Statute 37.10.220(a)(9), the Alaska Retirement Management Board requests an actuarial experience study at least every four years. The purpose of this study is to measure actual Systems experience since June 30, 2001, compare this experience to current assumptions and recommend changes to the assumptions. The last study was performed for PERS and TRS in October 2000.

The objectives of this investigation are to:

- Determine appropriate rates to anticipate the following events among active members:
 - termination from employment;
 - mortality during active service;
 - disability retirement;
 - normal retirement;
 - early retirement; and
 - salary increases.
- Determine appropriate rates to anticipate mortality among retirements and disability retirements.
- Make recommendations regarding the adoption of refinements to the actuarial basis of the Systems, which are deemed appropriate by the actuary for adoption by the Board.
- Make recommendations regarding the development of postemployment healthcare methodology and assumptions.

ACTUARIAL EXPERIENCE STUDY

INTRODUCTION

METHODOLOGY

Data is supplied annually to the actuary by the State of Alaska Department of Administration, Retirement and Benefits Division, for purposes of the actuarial valuation report. This data includes demographic characteristics of the current and past membership, including any changes in the members' status or relationship with the Systems. The data also includes a salary history for active members. These demographic changes and salary history are the basis for the experience review.

Tabulations were compiled which show the distribution by age of the number of members who were **exposed** during the four-year period to the events of termination from employment, retirement, death and disability. A member is considered exposed to an event if he meets the age and service requirements for that event. The assumed rates of occurrence for each event, which are currently used in the annual actuarial valuations, were then applied to the number of members exposed to determine the number of members **expected** to separate from service for each category.

The **actual** number of members who separated from service due to termination from employment, retirement, death or disability were then compared to the expected number. In some instances, higher numbers of actual members compared to expected is favorable for the financial experience of the Systems and in others, this is unfavorable. Data is generally grouped by age in five year increments to provide statistically significant results.

The expected and actual salaries as of the end of each year were also compared to actual salaries as of the end of each previous year. The comparisons show an average annual total increase in both expected and actual salaries for the four-year period.

The results of the experience review are the basis for the actuary's recommendation of assumption changes. In recommending assumptions, the actuary must also take into account benefit changes. If a change in benefit levels or benefit eligibility was made during the analysis period, the actuary should consider the impact the change has on the data used in the analysis. There have been no significant changes in Alaska plan benefits during the analysis period.

In addition to comparing actual to expected experience and adjusting the results for special plan benefits and economic conditions, the actuary must consider future expectations of experience due to future plan changes or changes in the economy.

To summarize, the actuary's recommendation of assumptions is based on the following:

- comparison of actual to expected experience,
- adjustment for special plan benefits and past economic conditions, and
- adjustment for future plan changes and economic conditions.

Generally, actuarial assumptions are selected with a slight margin for adverse experience so that the financial strength of the Systems can be maintained.

ACTUARIAL EXPERIENCE STUDY

INTRODUCTION

ACTUARIAL STANDARD OF PRACTICE NO. 27

The Actuarial Standards Board standard entitled *Selection of Economic Assumptions for Measuring Pension Obligations*, was issued in 1996. This standard provides guidance to actuaries in selecting reasonable economic assumptions, and amplifies those provisions of Actuarial Standard of Practice No. 4, *Measuring Pension Obligations*, that relate to economic assumptions. In addition, this standard is meant to provide information to enhance non-actuaries' understanding of the process by which actuaries select these economic assumptions. Because the future is unpredictable with respect to economic contingencies, an actuary must use professional judgment to estimate possible future outcomes based on past experience and trends, and to select assumptions based on that judgment. According to the standard, an actuary's best-estimate assumption is generally represented by a range for each economic assumption, and select point from within that range. The methods described in Actuarial Standard of Practice No. 27 include the construction of assumption ranges, evaluation of reasonableness and consistency, and specific considerations that apply to individual assumptions.

ACTUARIAL STANDARD OF PRACTICE NO. 35

The Actuarial Standards Board standard entitled *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*, was issued in 1999. This standard expands upon and clarifies those sections of Actuarial Standard of Practice No. 4, *Measuring Pension Obligations*, which are not financial in nature. This standard provides guidelines for determining reasonable assumptions for use in a pension valuation. According to the standard, "A reasonable assumption is one that is expected to appropriately model the contingency being measured and is not anticipated to produce significant cumulative actuarial gains or losses over the measurement period." Improving computer technology has helped actuaries to collect and share data related to demographic assumptions, and this has enabled them to detail individually reasonable assumptions for specific factors. The methods described in Actuarial Standard of Practice No. 35 include the selection of assumptions, evaluation of reasonableness, and specific considerations that apply to individual assumptions.

The precepts of Actuarial Standard of Practice No.'s 4, 27 and 35 have been following in experience analysis investigation.

Sections I, II and III show the results of this study. Section IV discusses the proposed funding method change. Section V illustrates the effect of recommended assumption changes on the June 30, 2005 valuations. The schedules in Section VI document the current and proposed actuarial assumptions.

SECTION I

DEMOGRAPHIC ASSUMPTIONS

This section compares the actual experience with respect to the demographic assumptions over the last four years.

A. MORTALITY DURING ACTIVE SERVICE AND AFTER RETIREMENT

The table below shows the number of actual and expected deaths during the four-year investigation period which ended June 30, 2005. "Current expected" means the expected deaths using current assumptions. "New expected" means the expected deaths using the new proposed assumptions. The experience for PERS and TRS was separated to study the mortality experience. Actual deaths greater than expected deaths indicates a conservative mortality assumption.

Preretirement Mortality			
	Current Expected	Actual	New Expected
TRS			
Females	38	25	23
Males	33	20	19
PERS Others			
Females	102	47	43
Males	148	65	63
PERS Peace Officer / Firefighter			
Females	2	1	2
Males	17	4	17

The current mortality assumption for both pre- and postretirement is the sex distinct 1994 Group Annuity Mortality (GAM) Table, 1994 Base Year.

The current expected mortality rates for TRS and PERS members during active service were higher than the actual experience, and we have recommended a decrease in the mortality rates to reflect this experience. It is typical to see active service mortality lower than rates for a published table such as the current table. We recommend adjusting the rates by 60% for TRS female members and 55% for TRS male members. We recommend adjusting the table by 42% for both male and female PERS Others members. The data for the PERS Peace Officers / Firefighters looks somewhat unreasonable. Generally, we would expect the actual deaths to be greater than the expected deaths under the 1994 GAM table. Since this is a small group, we do not recommend a change in the mortality for these members at this time since mortality could vary greatly from period to period.

SECTION I

DEMOGRAPHIC ASSUMPTIONS

A. MORTALITY DURING ACTIVE SERVICE AND AFTER RETIREMENT *(continued)*

	Postretirement Mortality		
	Current Expected	Actual	New Expected
TRS			
Females	268	276	241
Males	264	201	195
PERS Others			
Females	558	645	558
Males	683	707	683
PERS Peace Officer / Firefighter			
Females	8	14	8
Males	74	68	74

The mortality experience for TRS male members during retirement was lower than we expected. A common way to apply an improvement to mortality rates is to apply a setback to a published table. A 1-year setback means that a 66-year old would have an expected rate of a 65-year old. We recommend applying a 3-year setback in the table for males and a 1-year setback for female members.

The actual number of deaths under PERS was greater than the expected deaths. It appears that the current mortality is providing an appropriate level of conservatism. We recommend no change to the postretirement mortality table for all PERS members.

The recommended rates include a margin for future life expectancy improvements. We will typically recommend a margin in proposed rates that results in 5% - 15% fewer expected deaths than actual experience to reflect expected future mortality improvement. Please note that the mortality experience for deferred vested members has been excluded from this analysis.

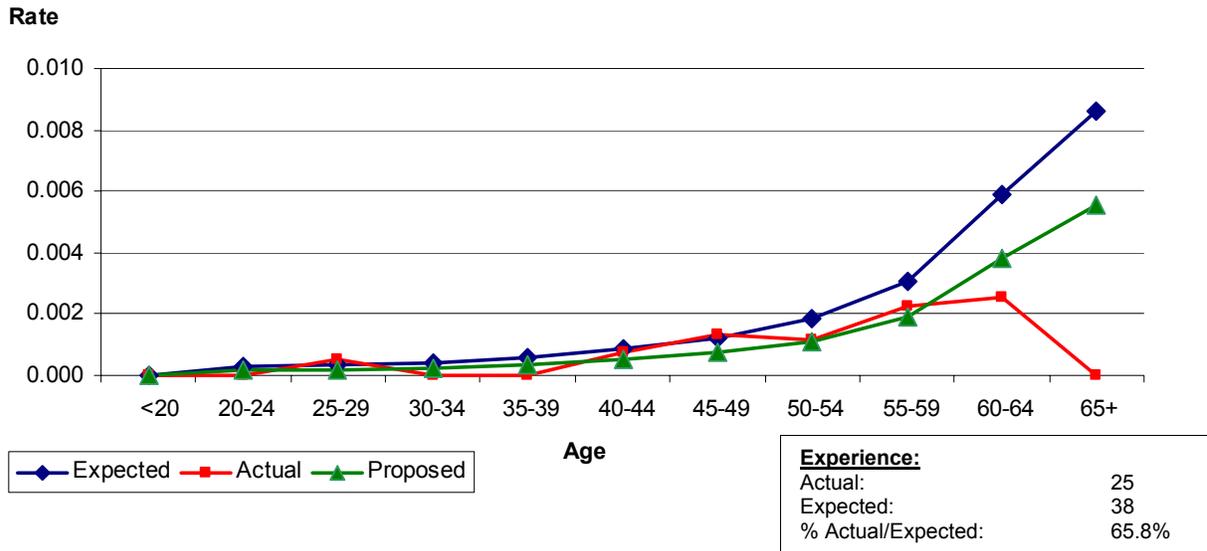
We understand that the medical program for retirees is more generous than the active medical program. We are seeing a higher than expected number of deaths for younger retirees. It appears that unhealthy members are retiring at younger ages. We have not adjusted the rates for younger members who may have retired due to disability. We will collect better data to study this at the next experience analysis.

The graphs on the next pages compare the actual mortality rates for PERS and TRS to the old and new assumptions at each age.

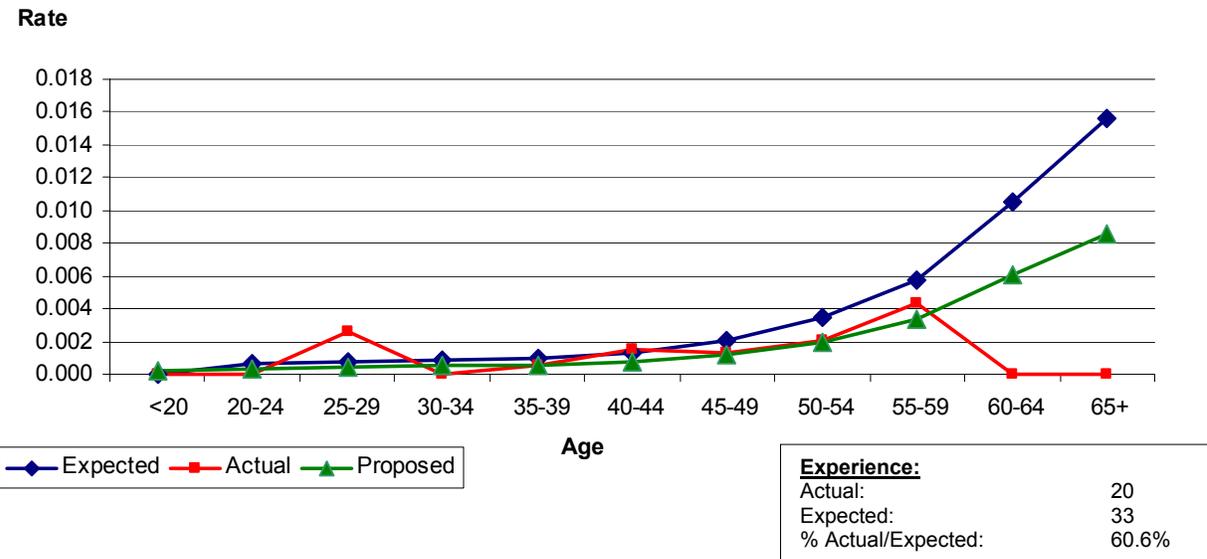
SECTION I

DEMOGRAPHIC ASSUMPTIONS

TRS Healthy Preretirement Mortality Female



TRS Healthy Preretirement Mortality Male

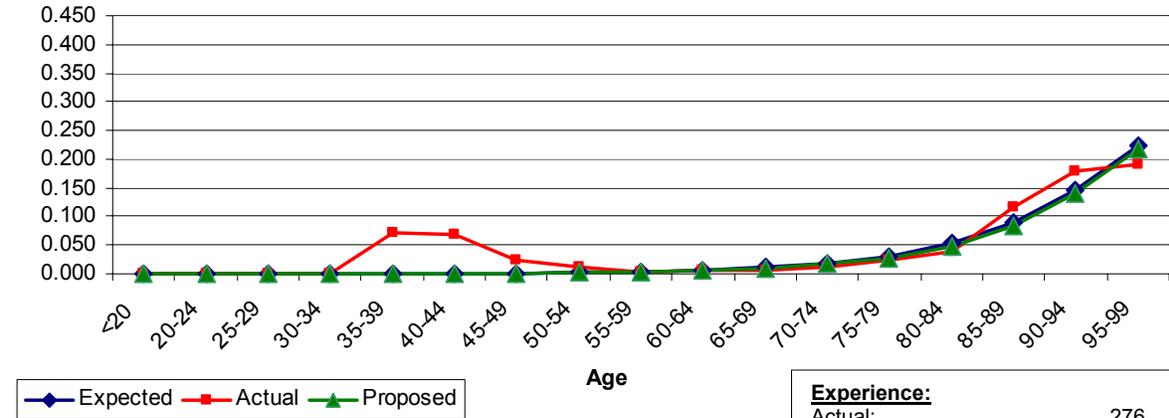


SECTION I

DEMOGRAPHIC ASSUMPTIONS

TRS Healthy Postretirement Mortality Female

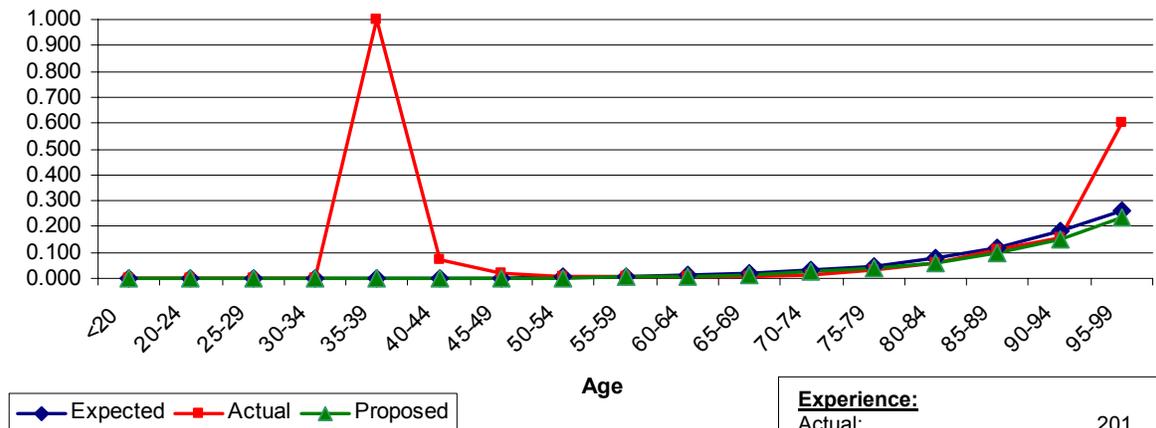
Rate



Experience:	
Actual:	276
Expected:	268
% Actual/Expected:	103.0%

TRS Healthy Postretirement Mortality Male

Rate

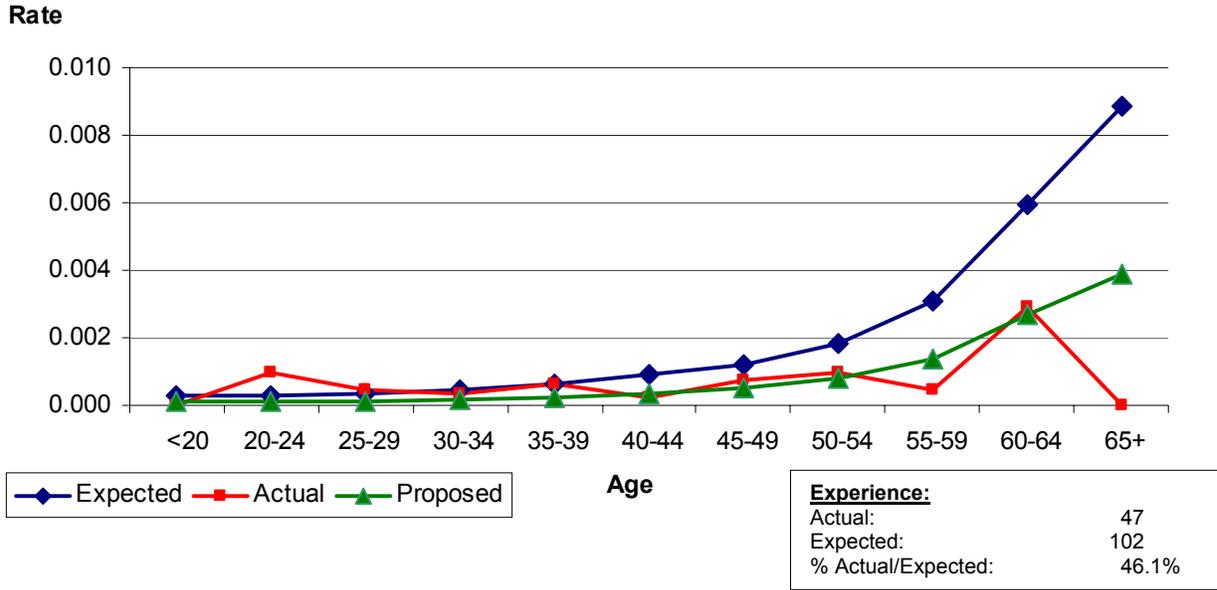


Experience:	
Actual:	201
Expected:	264
% Actual/Expected:	76.1%

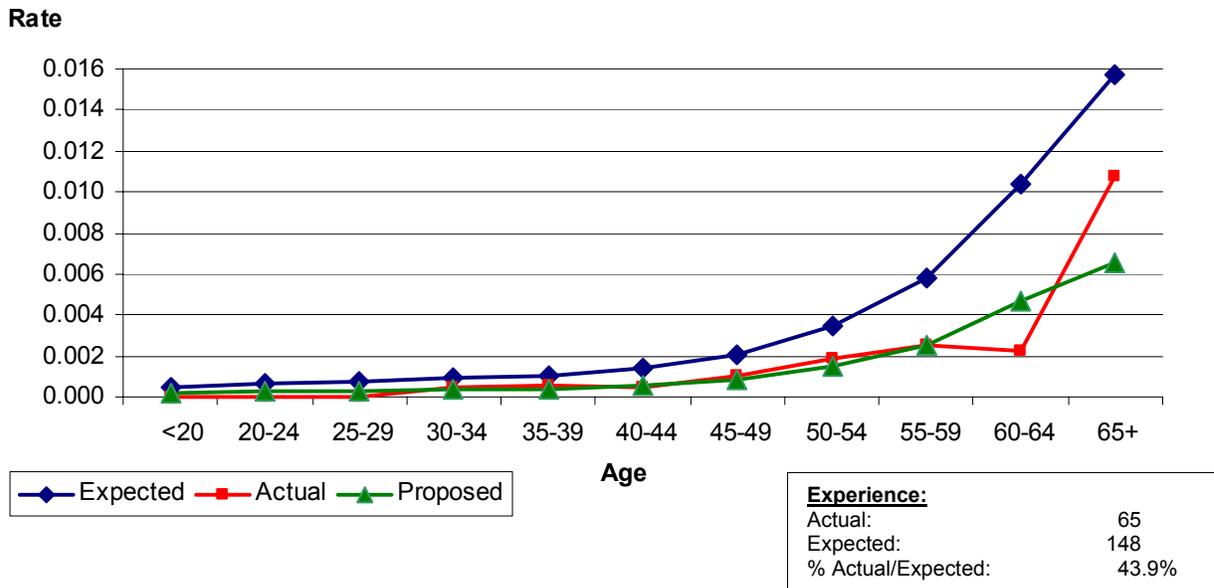
SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Others Healthy Preretirement Mortality Female



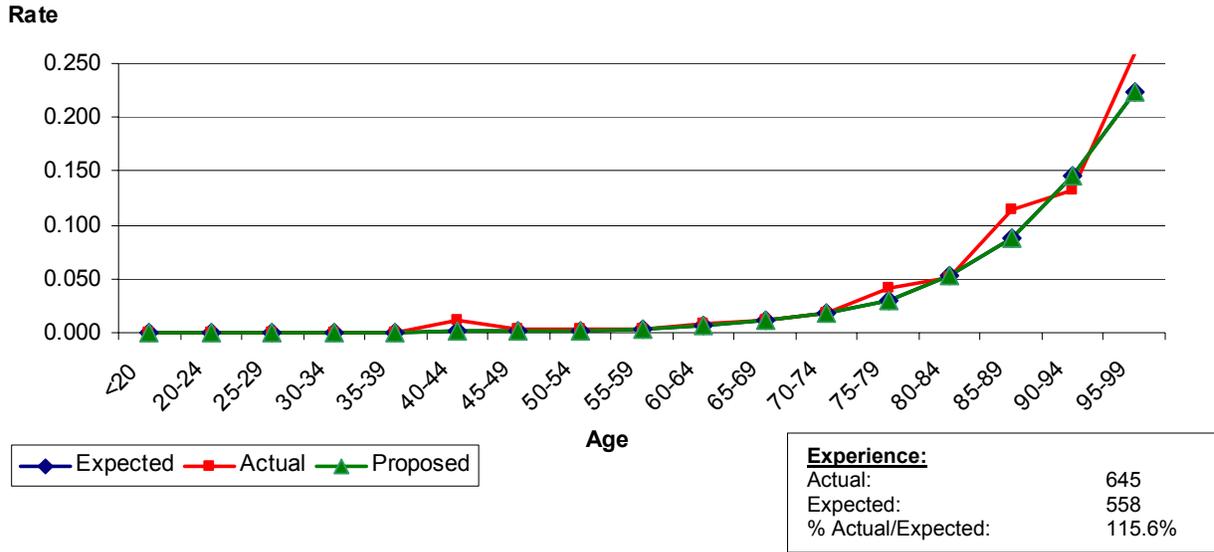
PERS Others Healthy Preretirement Mortality Male



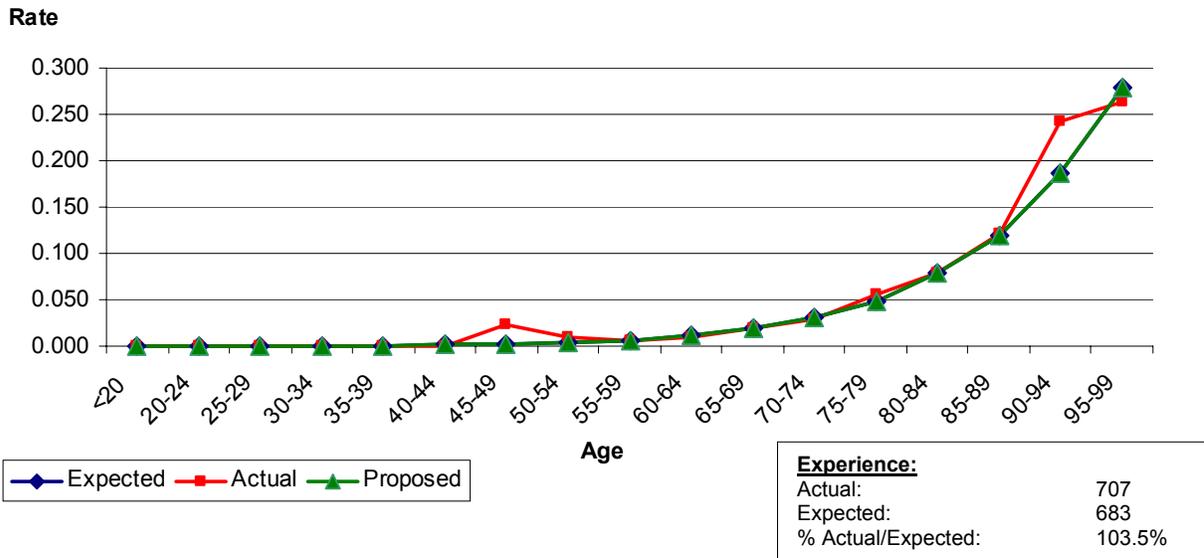
SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Others Healthy Postretirement Mortality Female



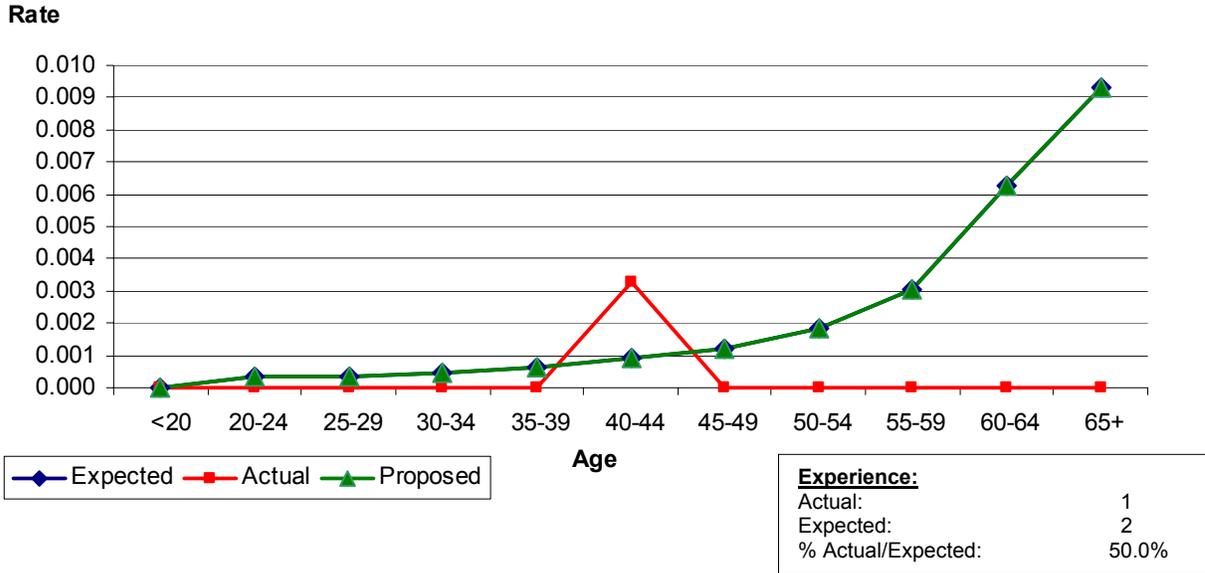
PERS Others Healthy Postretirement Mortality Male



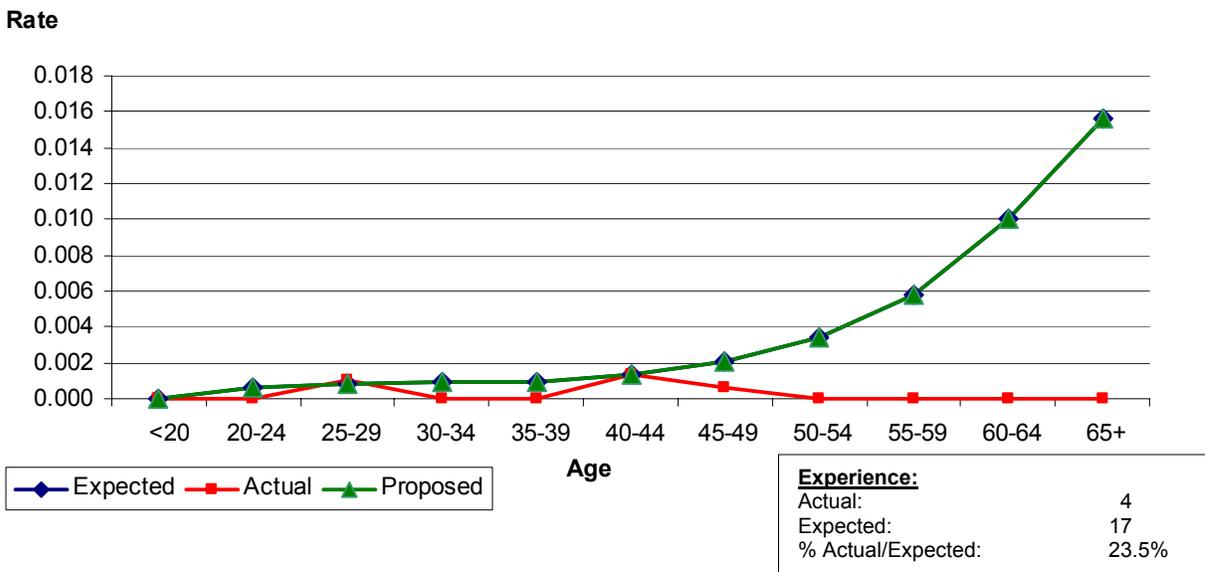
SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Peace Officer / Firefighter Healthy Preretirement Mortality Female



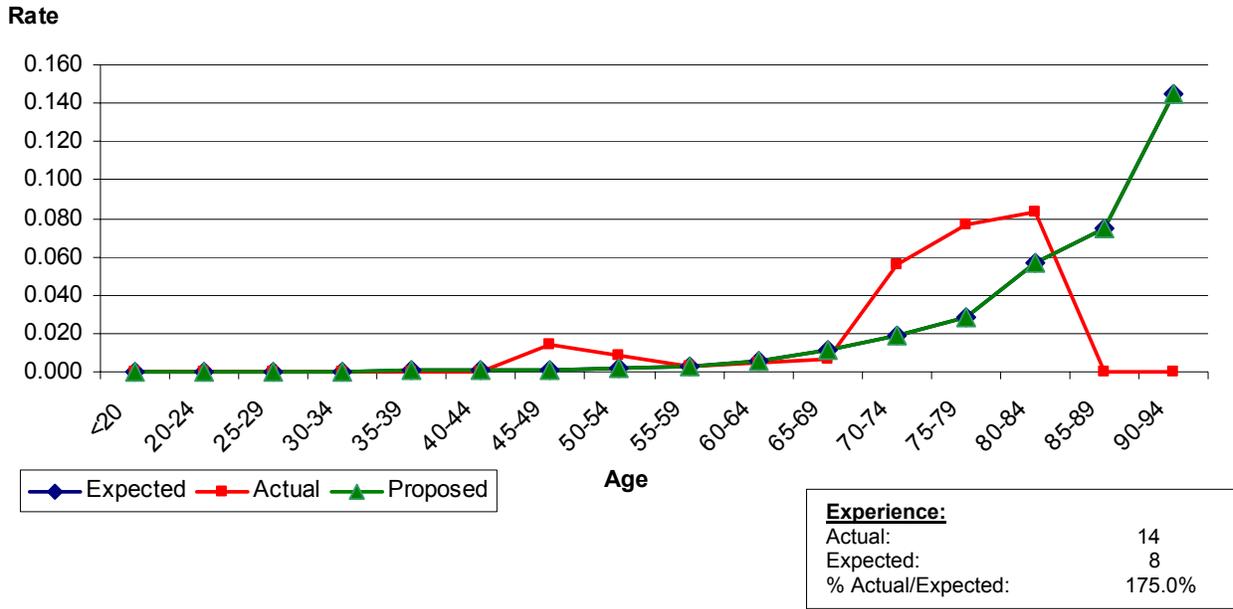
PERS Peace Officer / Firefighter Healthy Preretirement Mortality Male



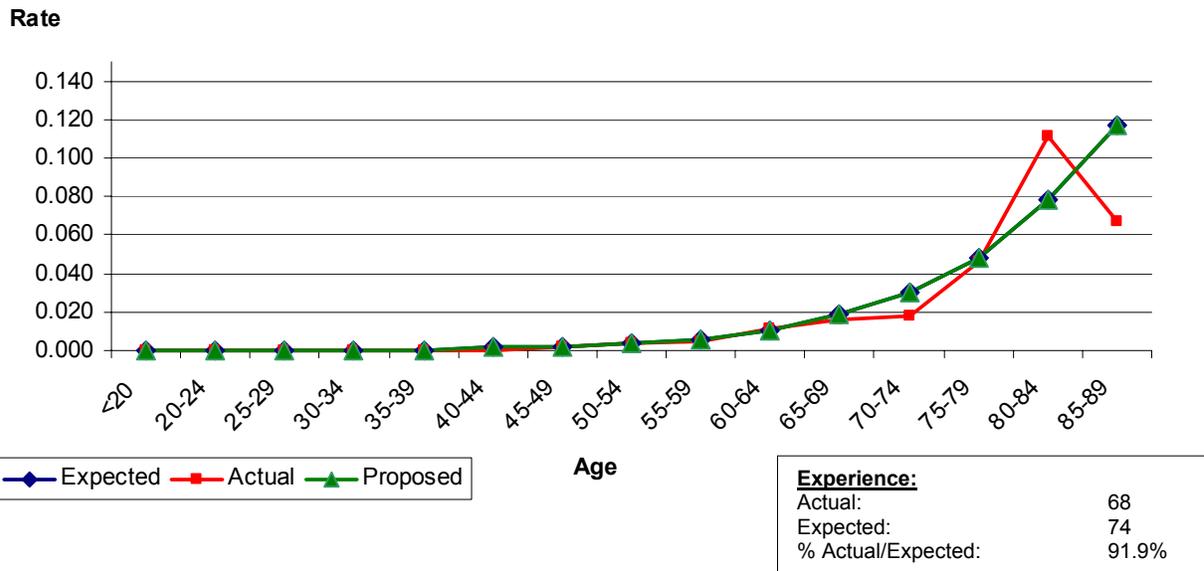
SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Peace Officer / Firefighter Healthy Postretirement Mortality Female



PERS Peace Officer / Firefighter Healthy Postretirement Mortality Male



SECTION I

DEMOGRAPHIC ASSUMPTIONS

B. MORTALITY AFTER DISABILITY RETIREMENT

The table below shows the number of actual and expected deaths during the study among disabled retirees. "Current expected" means the expected deaths using current assumptions. "New expected" means the expected deaths using the new proposed assumptions. Actual deaths greater than expected deaths indicates a conservative assumption.

Postretirement Disability Mortality			
	Current Expected	Actual	New Expected
TRS			
Females	6	11	6
Males	5	3	5
PERS Others			
Females	19	16	19
Males	33	26	33
PERS Peace Officer / Firefighter			
Females	2	0	2
Males	8	3	8

The current assumption for disabled mortality is the 1979 PBGC Disability Mortality Table for those receiving Social Security disability benefits.

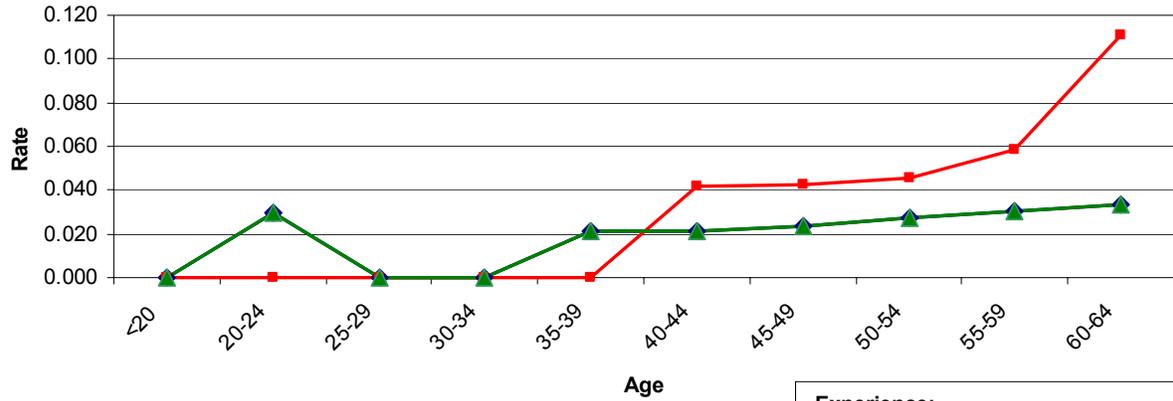
This assumption has very little impact on the valuation.

Since there are few disabled retirees, we have very little experience. Therefore, we recommend no changes in the rates for both males and females.

SECTION I

DEMOGRAPHIC ASSUMPTIONS

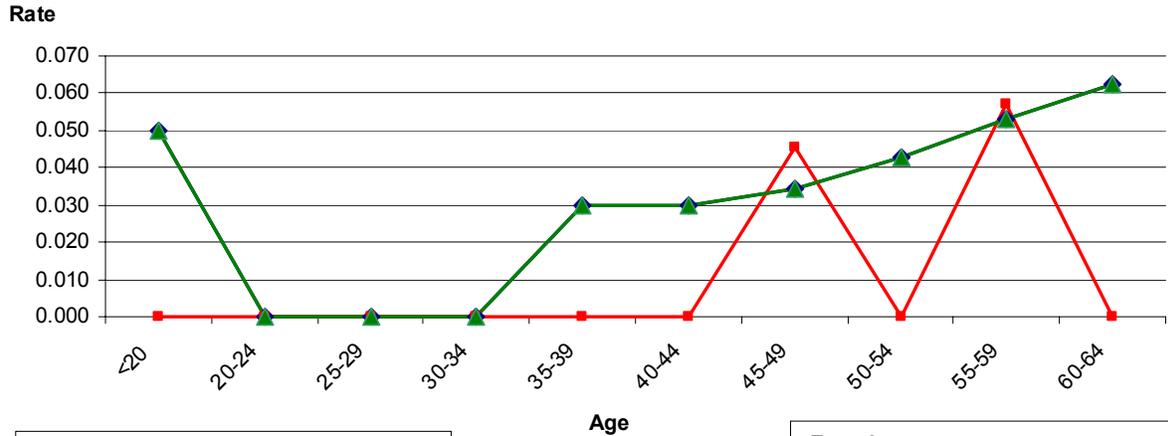
TRS Disabled Mortality Female



Expected Actual Proposed

Experience:	
Actual:	11
Expected:	6
% Actual/Expected:	183.3%

TRS Disabled Mortality Male



Expected Actual Proposed

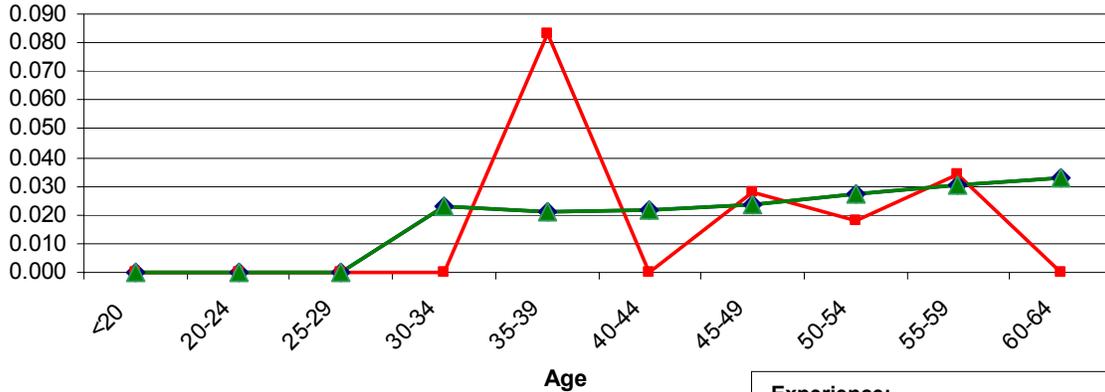
Experience:	
Actual:	3
Expected:	5
% Actual/Expected:	60.0%

SECTION I

DEMOGRAPHIC ASSUMPTIONS

**PERS Others
Disabled Mortality
Female**

Rate

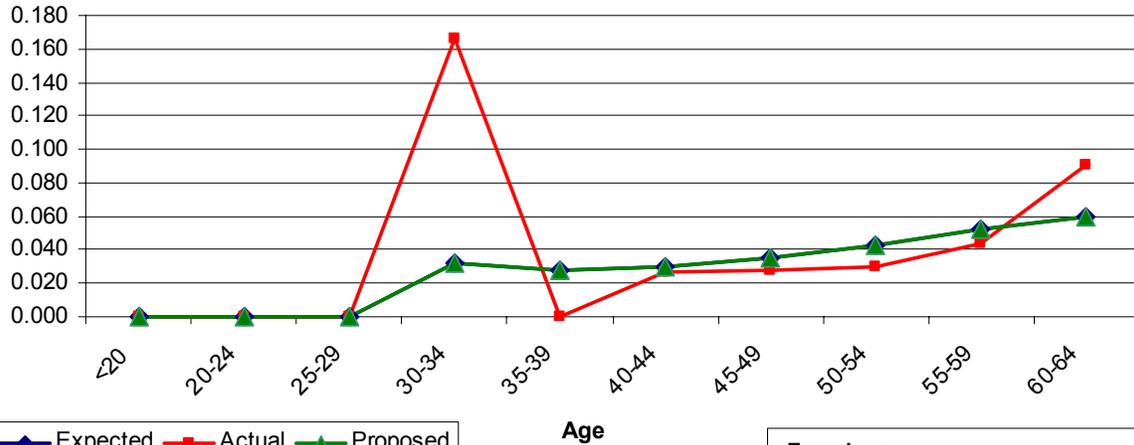


◆ Expected ■ Actual ▲ Proposed

<u>Experience:</u>	
Actual:	16
Expected:	19
% Actual/Expected:	84.2%

**PERS Others
Disabled Mortality
Male**

Rate



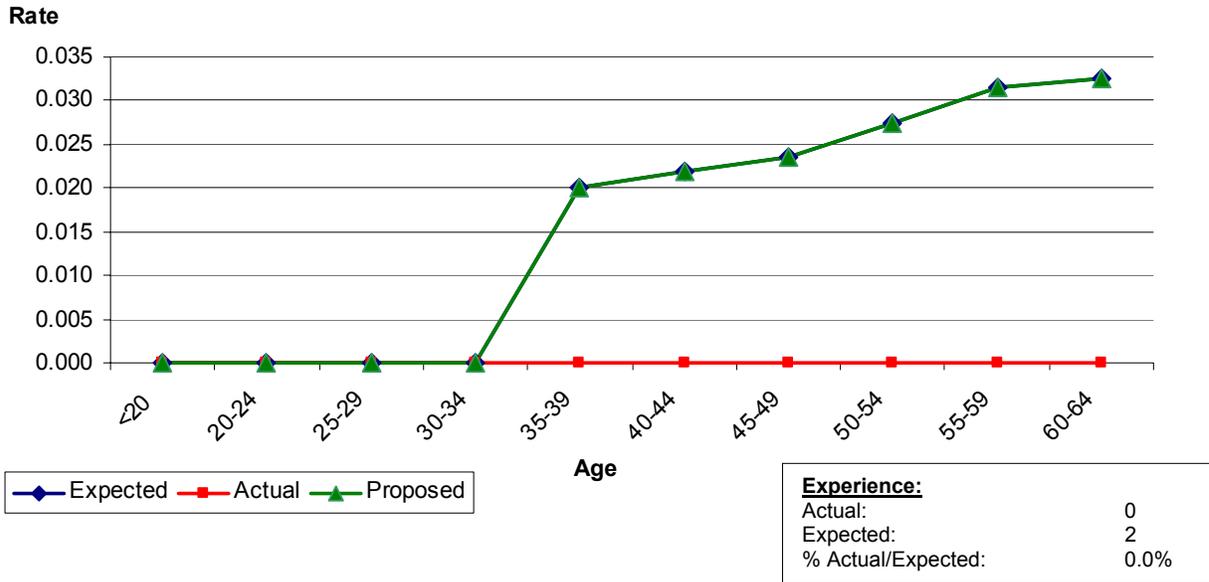
◆ Expected ■ Actual ▲ Proposed

<u>Experience:</u>	
Actual:	26
Expected:	33
% Actual/Expected:	78.8%

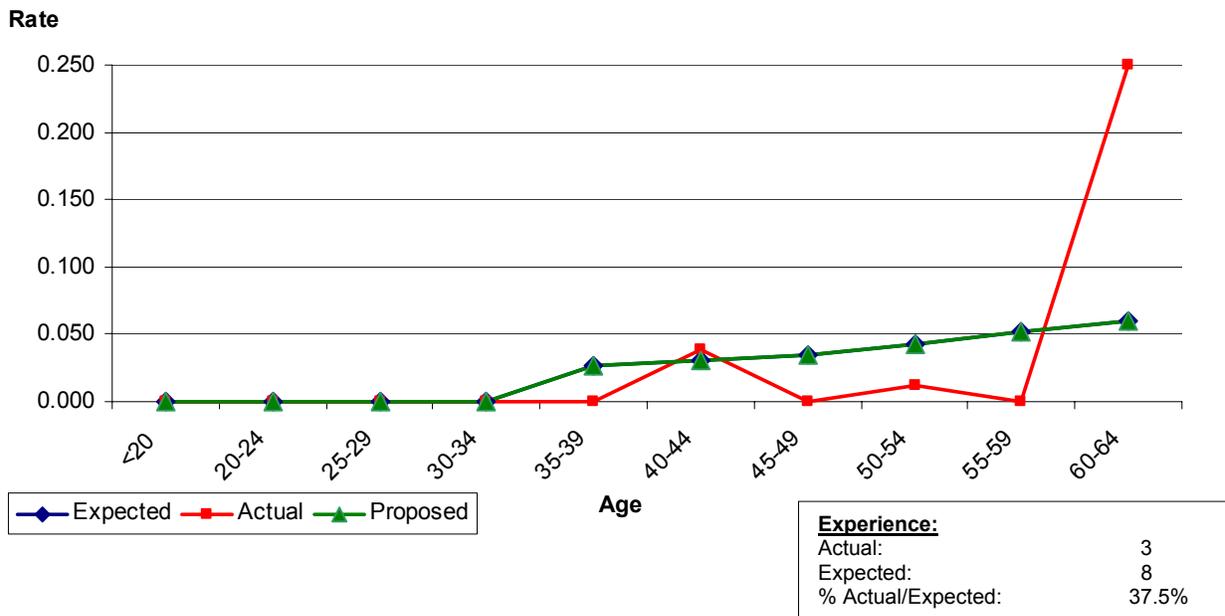
SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Peace Officer / Firefighter Disabled Mortality Female



PERS Peace Officer / Firefighter Disabled Mortality Male



SECTION I

DEMOGRAPHIC ASSUMPTIONS

C. WITHDRAWAL FROM SERVICE BEFORE RETIREMENT

We reviewed the assumption for withdrawal from service before retirement. The assumption for withdrawal uses a “select and ultimate” table. During the select period (the first five years of an employee’s career for PERS (eight years for TRS)), the withdrawal assumption is based on years of service. After the select period (the “ultimate period”), the withdrawal assumptions are based on age only. Low withdrawal rates produce higher liabilities. Therefore, low termination rates are more conservative.

The tables below show the expected number of withdrawals based on current assumptions, the actual number of withdrawals, and the expected number of withdrawals based on the proposed assumptions. “Current expected” means the expected withdrawals using current assumptions. “New expected” means the expected withdrawals using the new proposed assumptions. The results are as follows:

	Females			Males		
	Current Expected	Actual	New Expected	Current Expected	Actual	New Expected
TRS						
Years less than 8	955	1,468	1,287	408	714	611
Years 8+	287	359	316	144	204	180
PERS Others						
Years less than 5	4,614	5,390	4,837	3,178	3,279	3,178
Years 5+	1,717	2,391	2,146	1,262	1,517	1,388
PERS - Peace Officer/Firefighter						
Years less than 5	41	48	43	226	238	215
Years 5+	23	82	46	116	208	183

The current rates are based on the actual withdrawal experience from 1997 to 1999. Actual terminations exceeded expected terminations for nearly all groups. We typically recommend withdrawal rates with a margin of about 10% for conservatism. This should offset actuarial losses that is often experienced due to new entrants with prior service or rehires who repay refunded contributions to reinstate prior service credit.

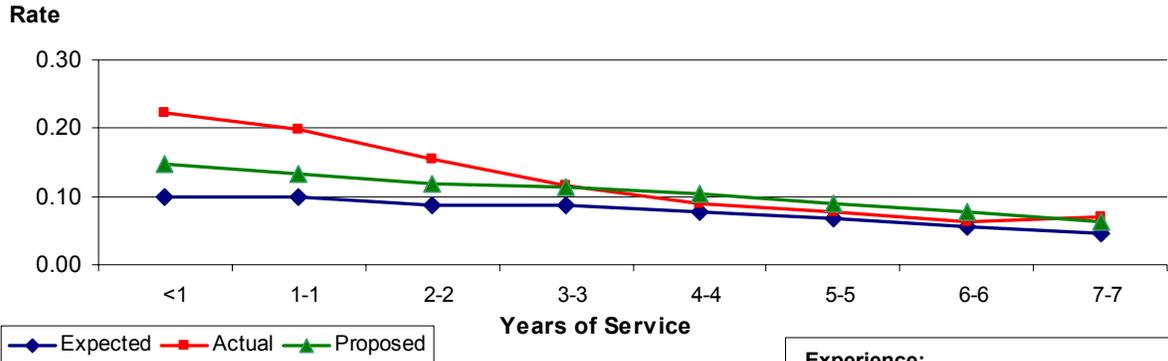
We recommend increasing the termination rates for all members except the select rates for PERS Others male members and the select rates for PERS Peace Officer / Firefighter male members. We recommend no changes to the select table for PERS Others male members and a 5% decrease to the select rates for PERS Peace Officer / Firefighter male members.

Graphs on the following pages show the “select and ultimate” experience and current and proposed assumptions.

SECTION I

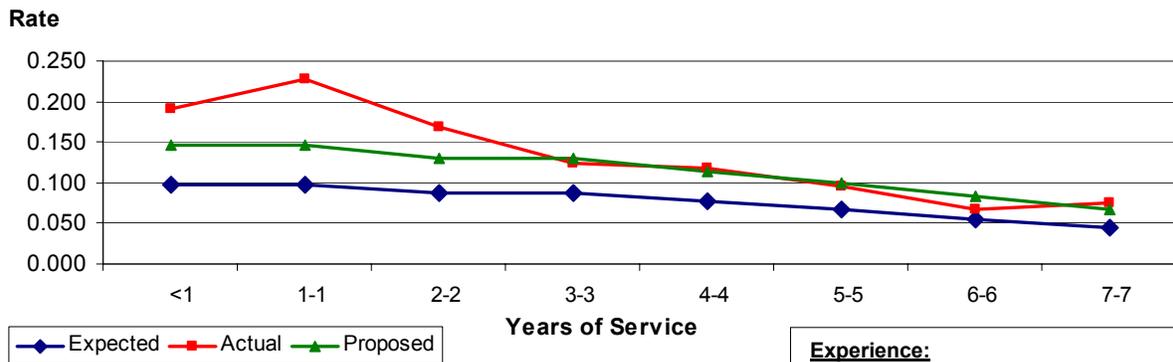
DEMOGRAPHIC ASSUMPTIONS

TRS Withdrawal Rates (Select) Female



Experience:	
Actual:	1,468
Expected:	955
% Actual/Expected:	153.7%

TRS Withdrawal Rates (Select) Male



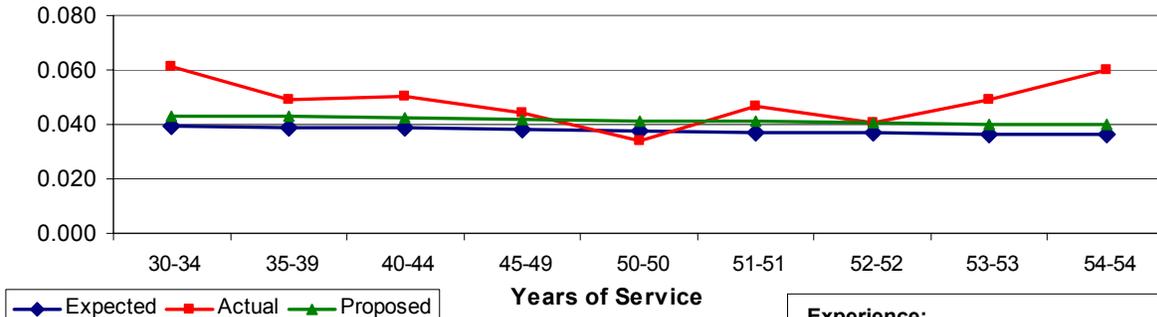
Experience:	
Actual:	714
Expected:	408
% Actual/Expected:	175.0%

SECTION I

DEMOGRAPHIC ASSUMPTIONS

TRS Withdrawal Rates (Ultimate) Female

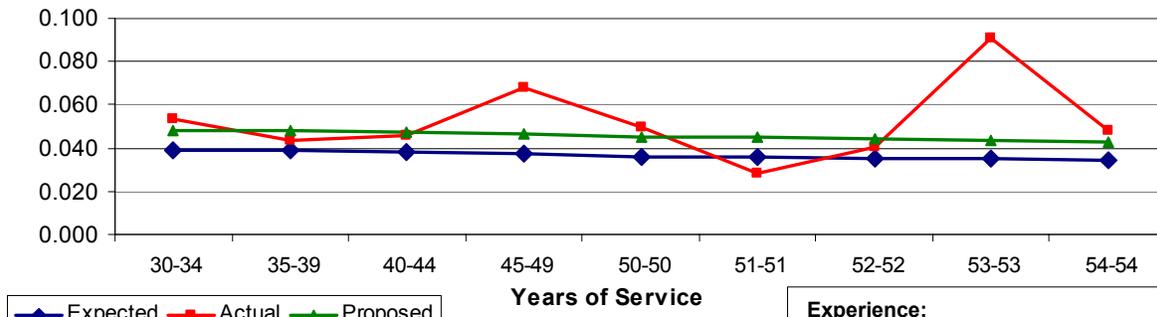
Rate



Experience:	
Actual:	359
Expected:	287
% Actual/Expected:	125.1%

TRS Withdrawal Rates (Ultimate) Male

Rate



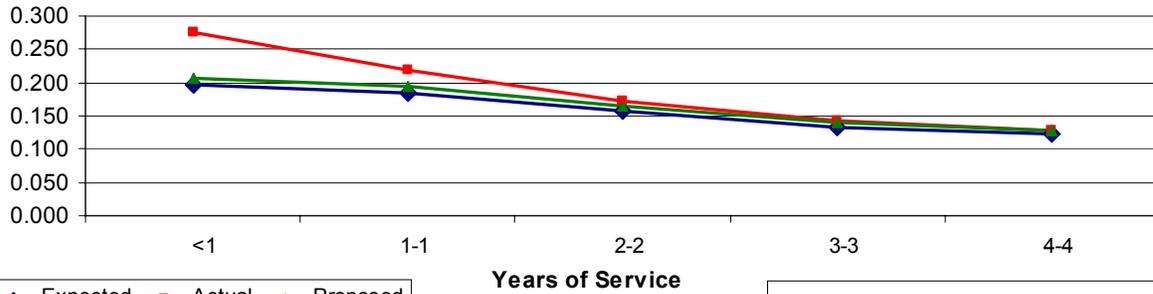
Experience:	
Actual:	204
Expected:	144
% Actual/Expected:	141.7%

SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Others Withdrawal Rates (Select) Female

Rate

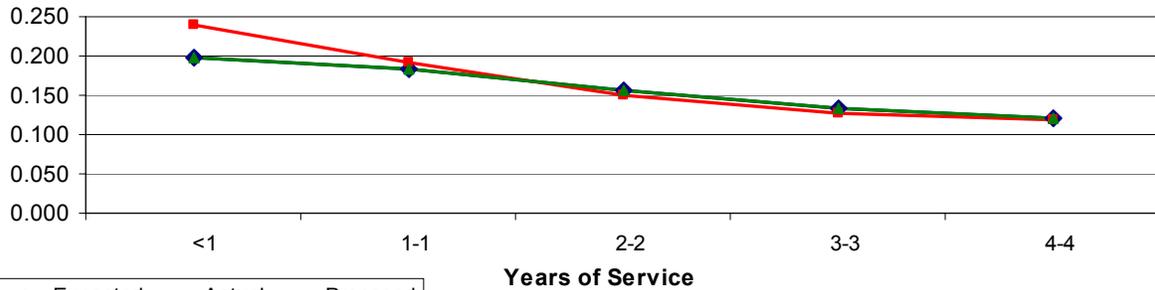


◆ Expected ■ Actual ▲ Proposed

Experience:	
Actual:	5,390
Expected:	4,614
% Actual/Expected:	116.8%

PERS Others Withdrawal Rates (Select) Male

Rate



◆ Expected ■ Actual ▲ Proposed

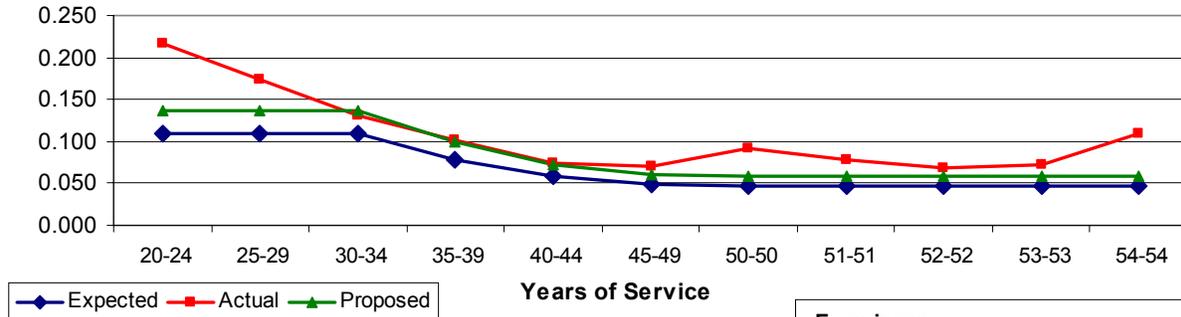
Experience:	
Actual:	3,279
Expected:	3,178
% Actual/Expected:	103.2%

SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Others Withdrawal Rates (Ultimate) Female

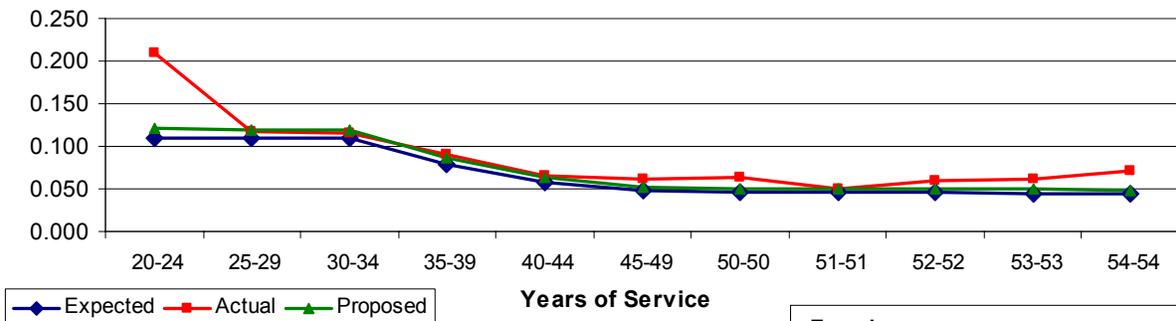
Rate



Experience:	
Actual:	2,391
Expected:	1,717
% Actual/Expected:	139.3%

PERS Others Withdrawal Rates (Ultimate) Male

Rate

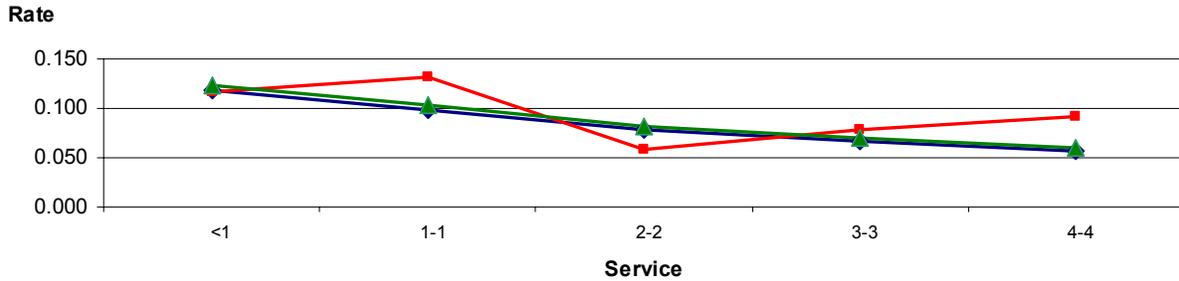


Experience:	
Actual:	1,517
Expected:	1,262
% Actual/Expected:	120.2%

SECTION I

DEMOGRAPHIC ASSUMPTIONS

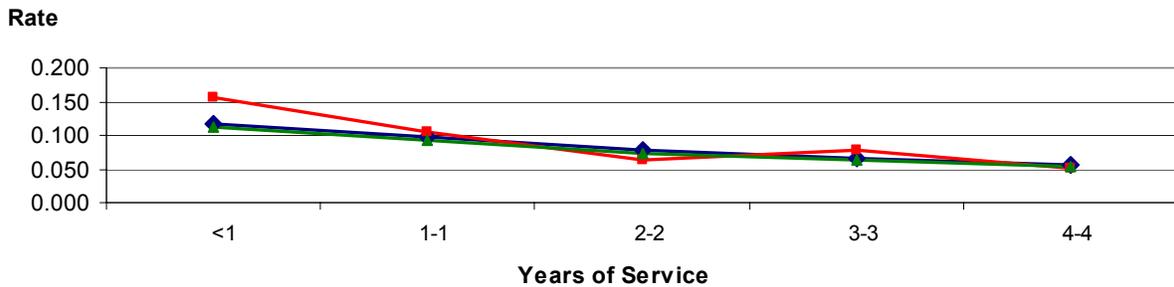
PERS Peace Officer / Firefighter Withdrawal Rates (Select) Female



Expected Actual Proposed

Experience:	
Actual:	48
Expected:	41
% Actual/Expected:	117.1%

PERS Peace Officer / Firefighter Withdrawal Rates (Select) Male



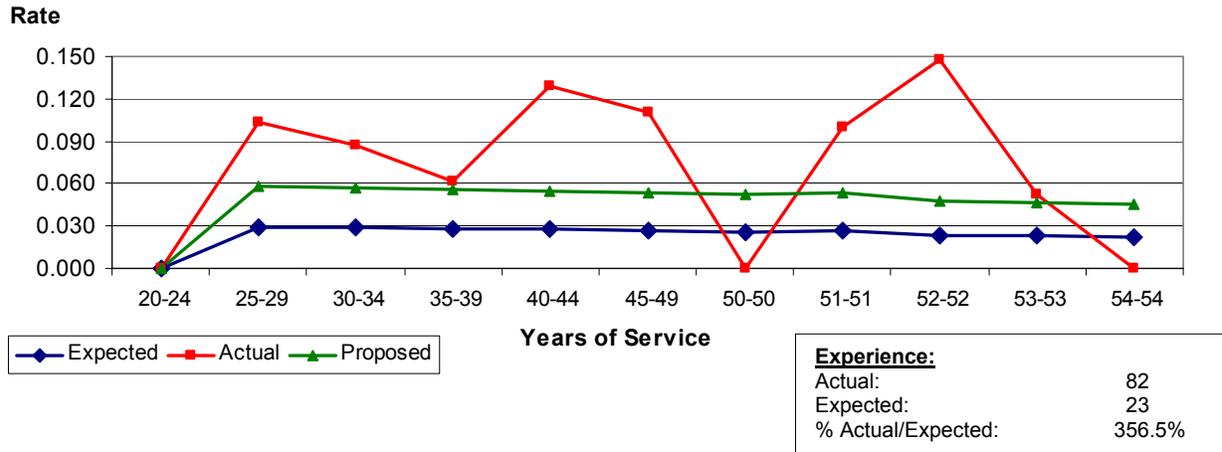
Expected Actual Proposed

Experience:	
Actual:	238
Expected:	226
% Actual/Expected:	105.3%

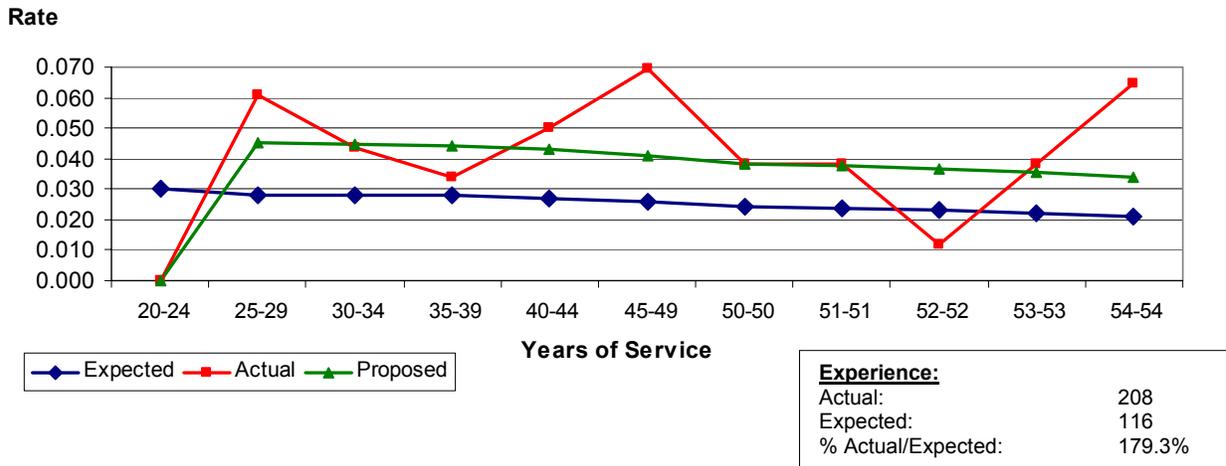
SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Peace Officer / Firefighter Withdrawal Rates (Ultimate) Female



PERS Peace Officer / Firefighter Withdrawal Rates (Ultimate) Male



SECTION I

DEMOGRAPHIC ASSUMPTIONS

D. RETIREMENT

We studied the retirement experience among active participants who were eligible for retirement. The results are shown in the table below. "Current expected" means the expected retirements using current assumptions. "New expected" means the expected retirements using the new proposed assumptions.

	Reduced Retirement Rates					
	Females			Males		
	Current Expected	Actual	New Expected	Current Expected	Actual	New Expected
TRS	96	207	173	42	84	68
PERS Others	450	616	555	403	472	461
PERS Peace Officer / Firefighter	13	14	14	51	78	69

	Unreduced Retirement Rates					
	Females			Males		
	Current Expected	Actual	New Expected	Current Expected	Actual	New Expected
TRS	371	774	648	238	480	413
PERS Others	763	1,299	1,225	656	1,258	1,131
PERS Peace Officer / Firefighter	19	57	42	123	345	261

Under the plan, depending on their age and service, a member may receive a full unreduced benefit or a reduced benefit. The current retirement assumptions are based on age and group and do not reflect whether the member is eligible for full or reduced retirement benefits. Since unreduced retirement benefits are more costly to the plan, we did additional analysis by benefit eligibility to see if the pattern of retirement is different for those eligible for reduced and unreduced retirement. The current retirement rates are based on actual service from 1997 to 1999.

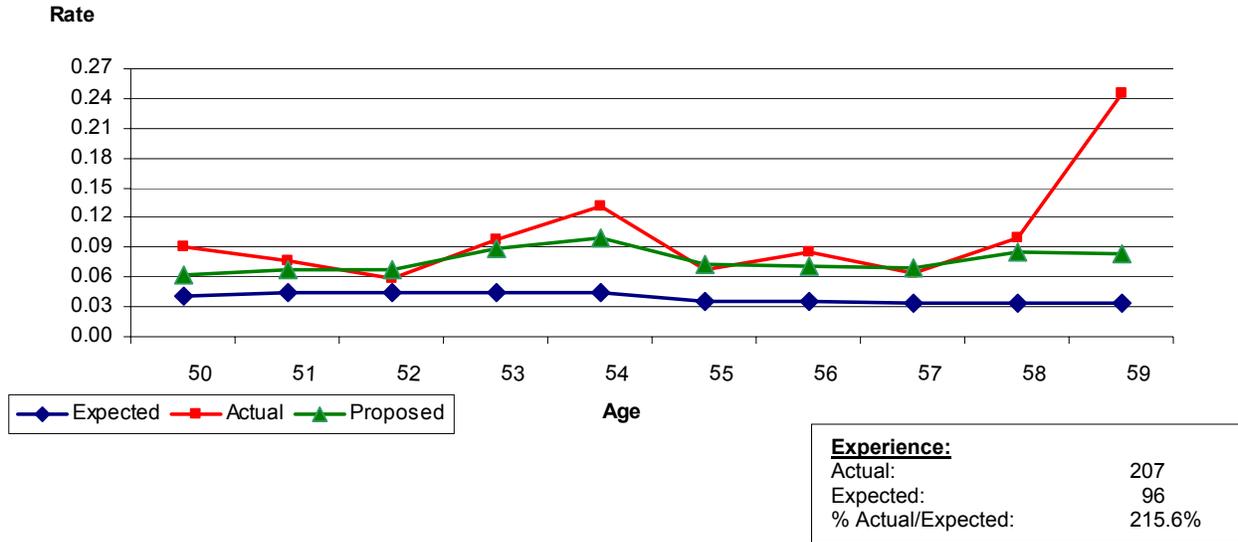
Generally, the actual retirements show unreduced retirement rates to be higher than those for reduced retirement. We recommend adopting separate retirement rates for those eligible for unreduced and reduced retirement. The current retirement rates are too low given the experience and we have increased rates for all ages, gender and groups.

The graphs on the next pages show the actual experience and the new proposed rates for reduced and unreduced retirement.

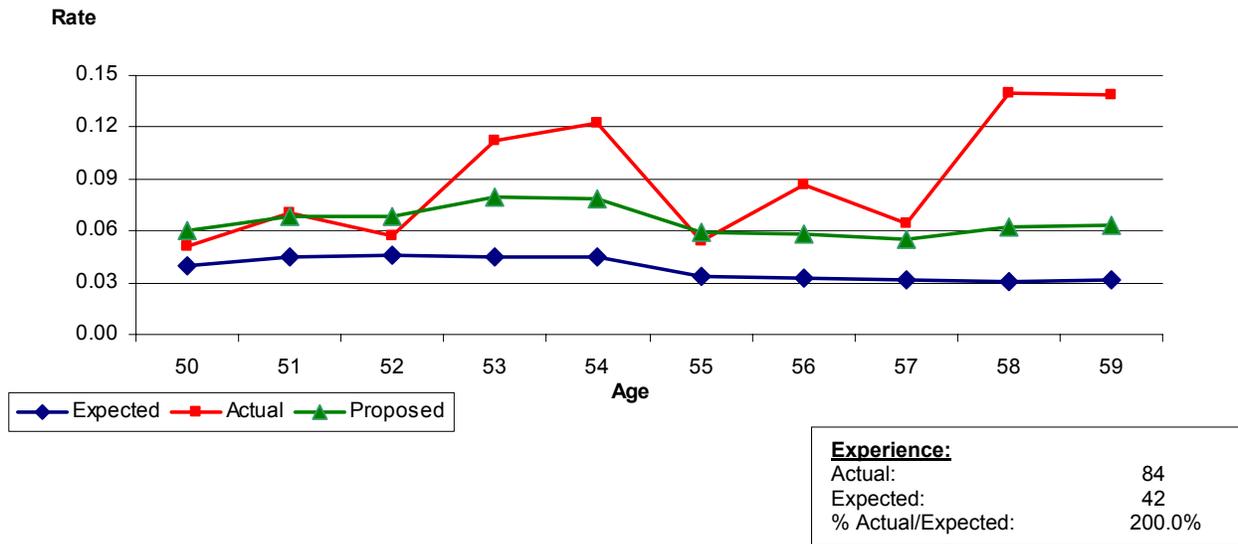
SECTION I

DEMOGRAPHIC ASSUMPTIONS

TRS Reduced Retirement Rates Female



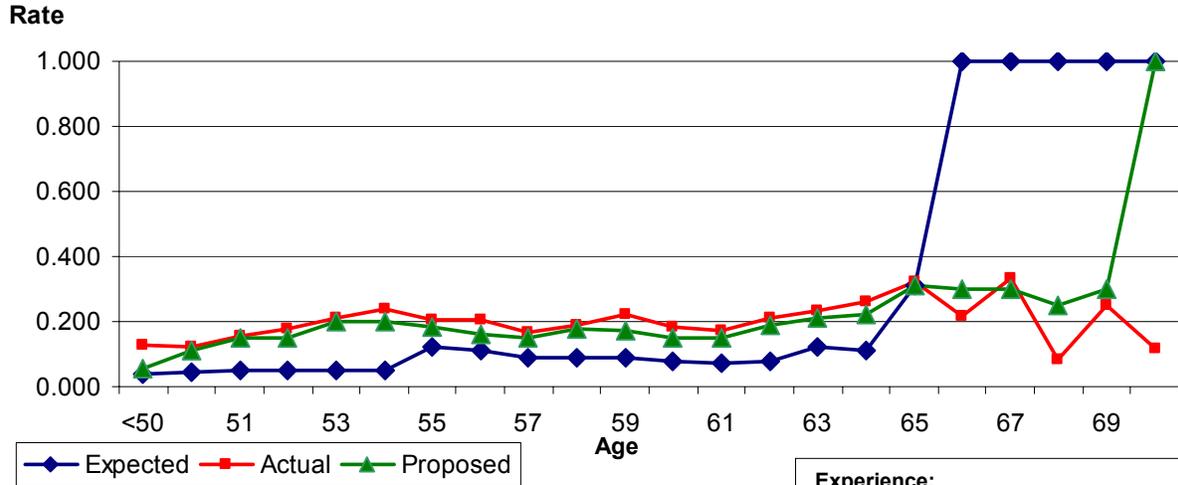
TRS Reduced Retirement Rates Male



SECTION I

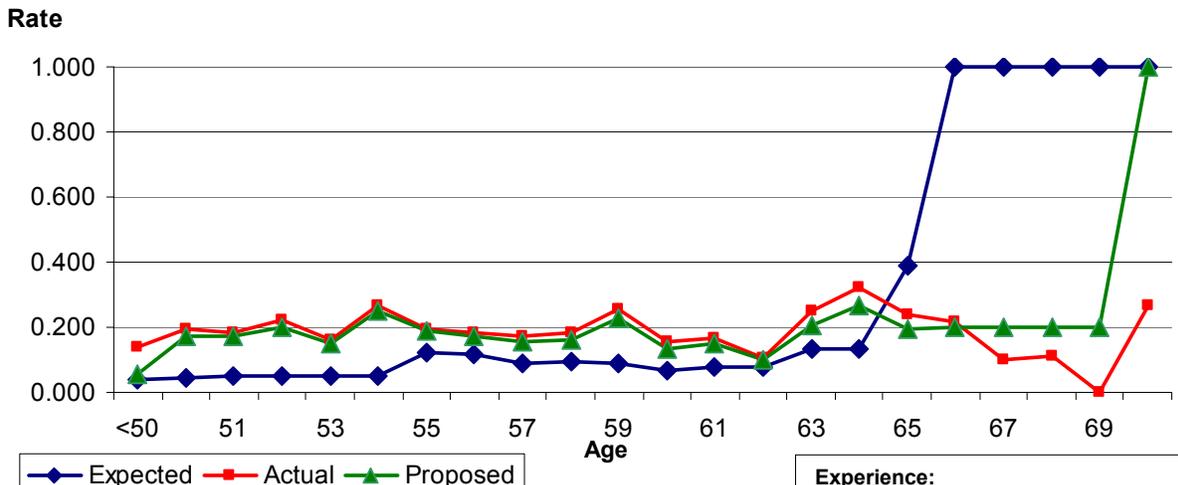
DEMOGRAPHIC ASSUMPTIONS

TRS Unreduced Retirement Rates Female



Experience:	
Actual:	774
Expected:	371
% Actual/Expected:	208.6%

TRS Unreduced Retirement Rates Male



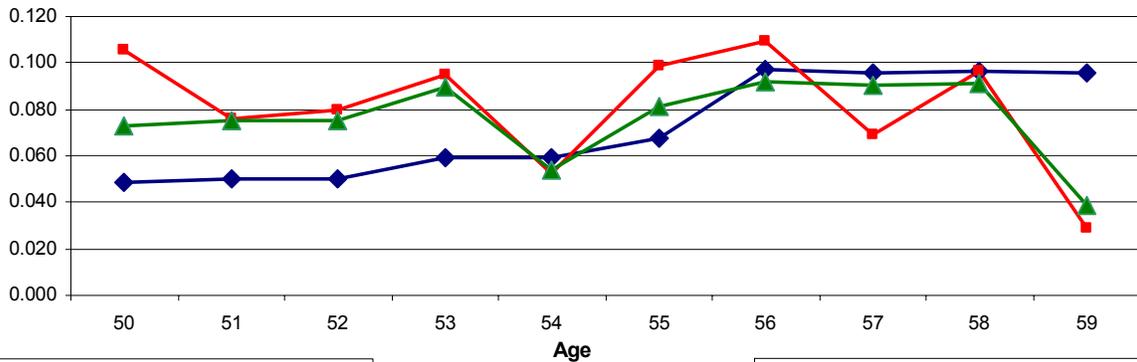
Experience:	
Actual:	480
Expected:	238
% Actual/Expected:	201.7%

SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Others Reduced Retirement Rates Female

Rate



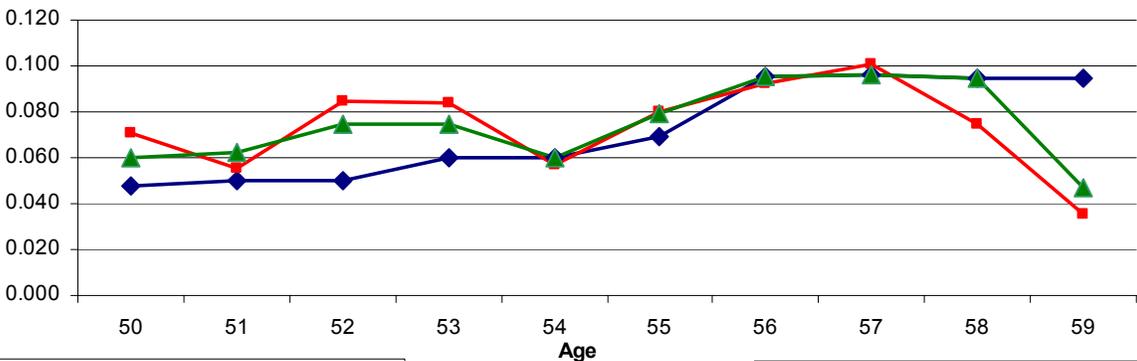
Expected Actual Proposed

Experience:

Actual:	616
Expected:	450
% Actual/Expected:	136.9%

PERS Others Reduced Retirement Rates Male

Rate



Expected Actual Proposed

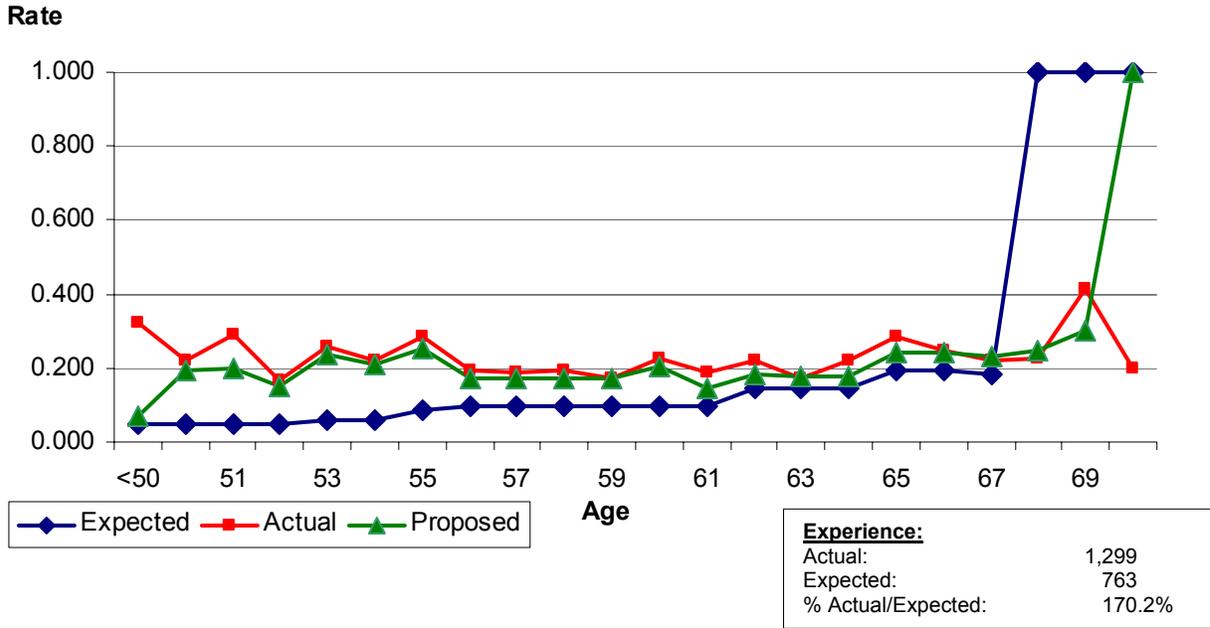
Experience:

Actual:	472
Expected:	403
% Actual/Expected:	117.1%

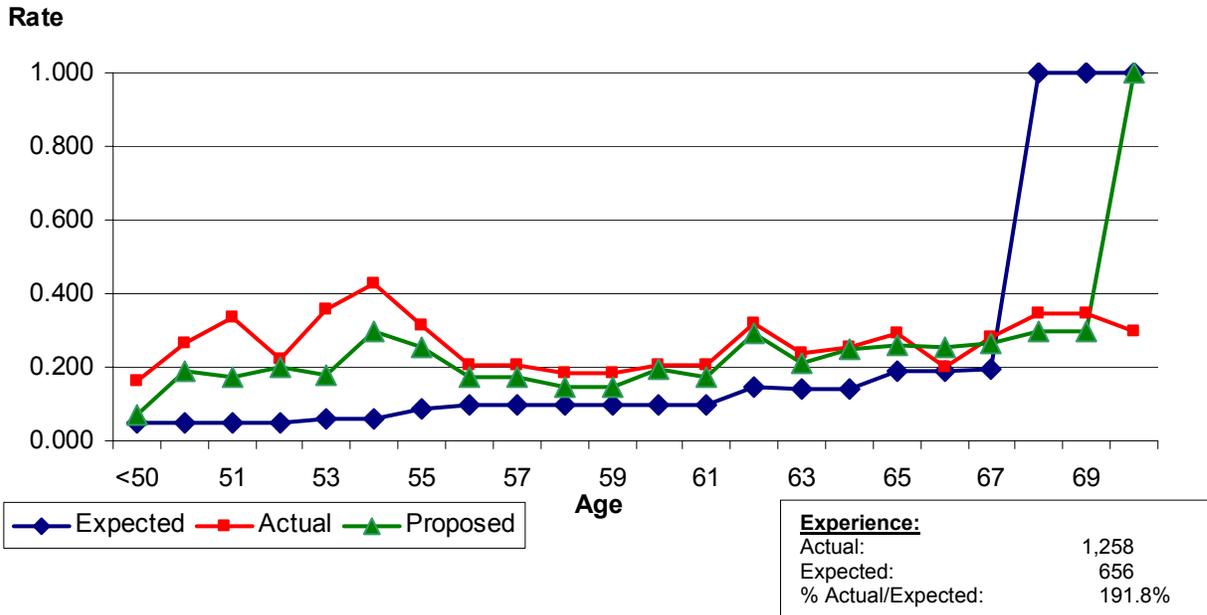
SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Others Unreduced Retirement Rates Female



PERS Others Unreduced Retirement Rates Male

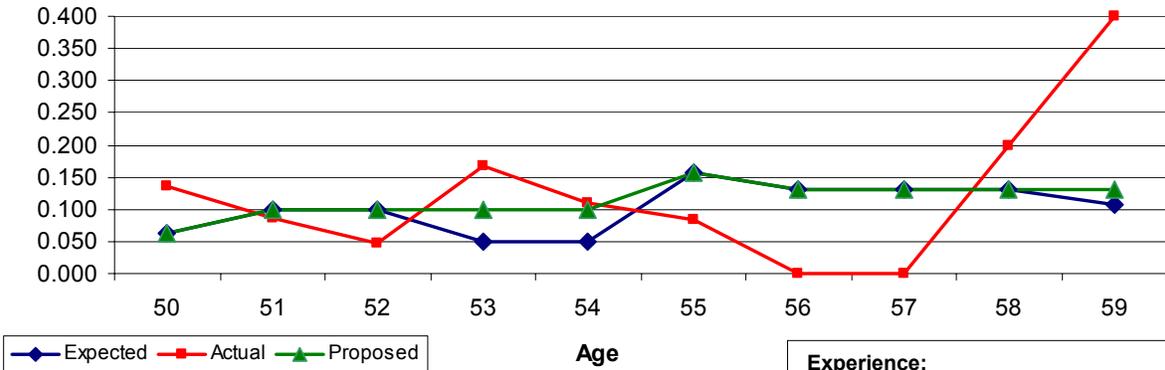


SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Peace Officer / Firefighter Reduced Retirement Rates Female

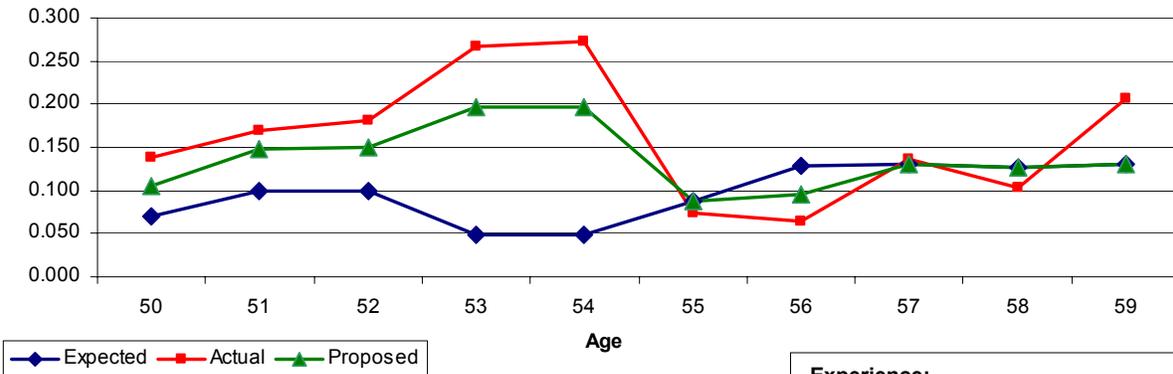
Rate



<u>Experience:</u>	
Actual:	14
Expected:	13
% Actual/Expected:	107.7%

PERS Peace Officer / Firefighter Reduced Retirement Rates Male

Rate

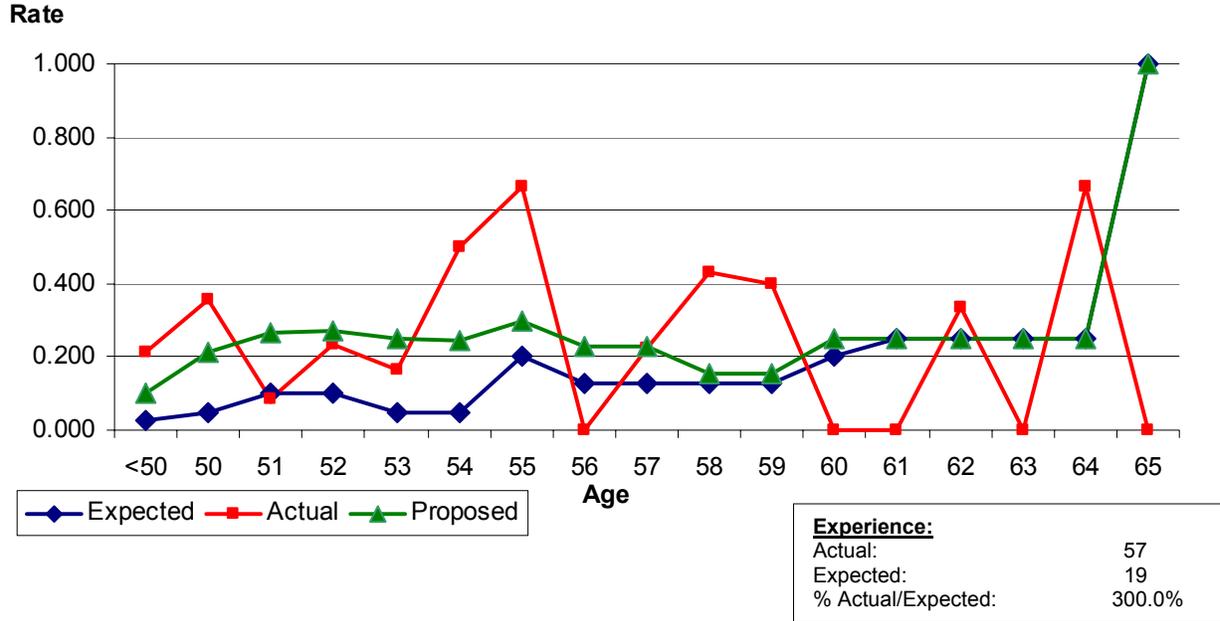


<u>Experience:</u>	
Actual:	78
Expected:	51
% Actual/Expected:	152.9%

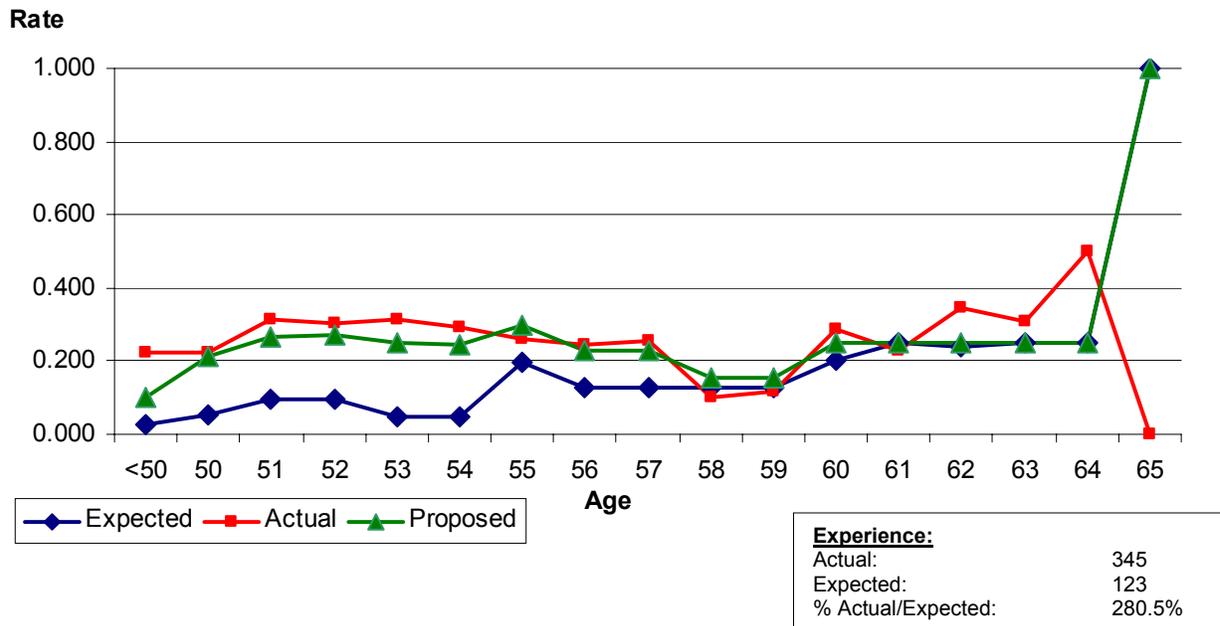
SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Peace Officer / Firefighter Unreduced Retirement Rates Female



PERS Peace Officer / Firefighter Unreduced Retirement Rates Male



SECTION I

DEMOGRAPHIC ASSUMPTIONS

E. DISABILITY RETIREMENTS

We studied the number of members who retired under disability retirement during the past four years. The table below shows the number of actual and expected disability retirements during this study. "Current expected" means the expected disabilities using current assumptions. "New expected" means the expected disabilities using the new proposed assumptions. Actual disabilities greater than expected disabilities is a conservative assumption.

	Disability Retirements					
	Females			Males		
	Current Expected	Actual	New Expected	Current Expected	Actual	New Expected
TRS	24	20	22	12	13	12
PERS Others	63	70	66	51	66	59
PERS Peace Officer / Firefighter	4	1	4	20	21	20

The current assumption was based on the actual experience from 1991 to 1995.

The experience for TRS male members and PERS Peace Officers / Firefighters (in total) matches well with the current assumption. Therefore, we recommend no changes to these rates. For the TRS female members, the rates are slightly high so we recommend reducing the rates by 10%. For PERS Others members, the current rates are slightly low. We recommend increasing the rates by 5% for female members and 15% for male members.

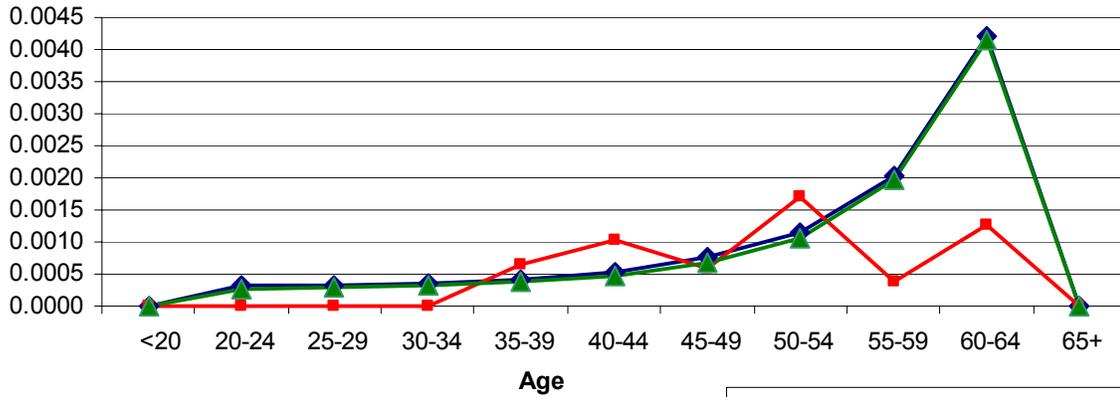
The graphs on the next five pages compare the current and proposed assumptions with the actual disability rates.

SECTION I

DEMOGRAPHIC ASSUMPTIONS

TRS Disability Rates Female

Rate

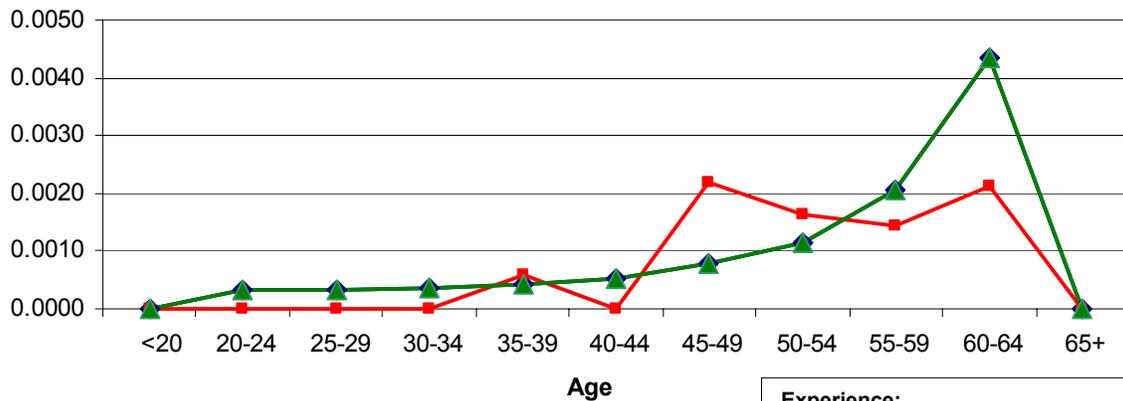


◆ Expected ■ Actual ▲ Proposed

Experience:	
Actual:	20
Expected:	24
% Actual/Expected:	83.3%

TRS Disability Rates Male

Rate



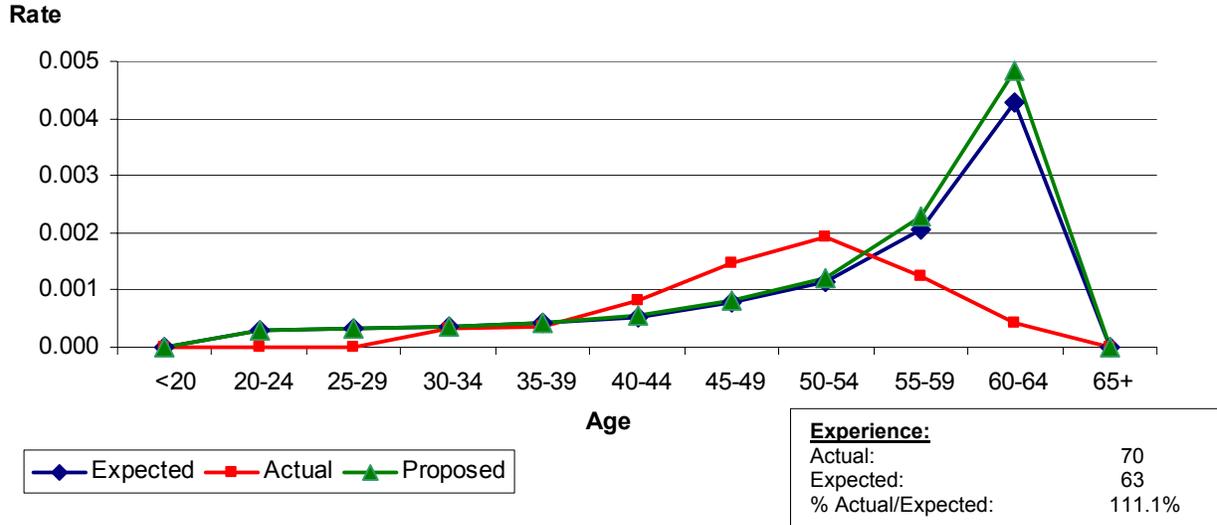
◆ Expected ■ Actual ▲ Proposed

Experience:	
Actual:	13
Expected:	12
% Actual/Expected:	108.3%

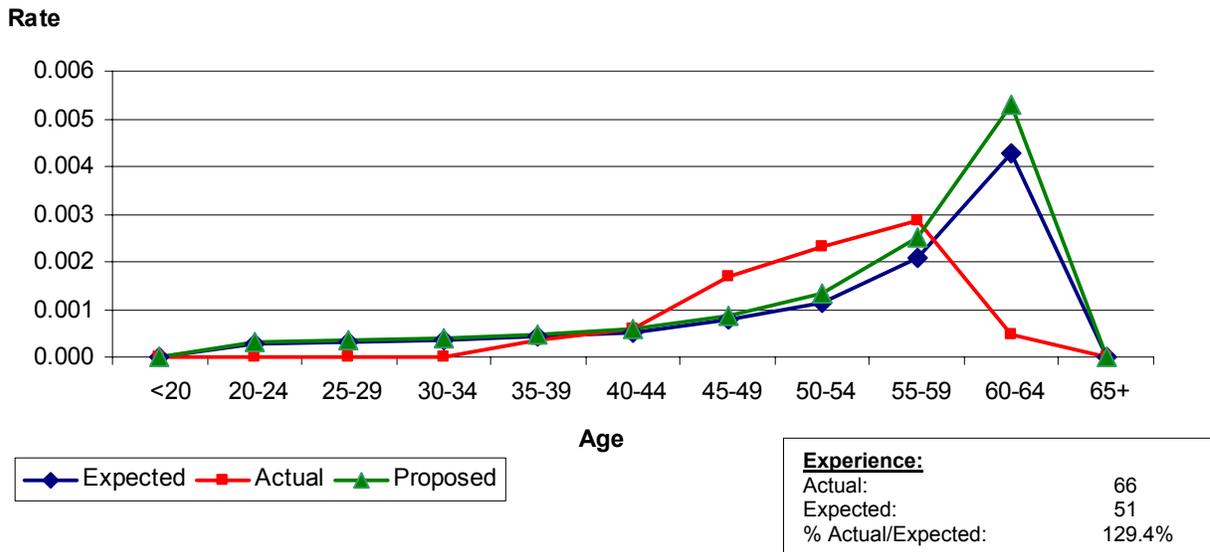
SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Others Disability Rates Female



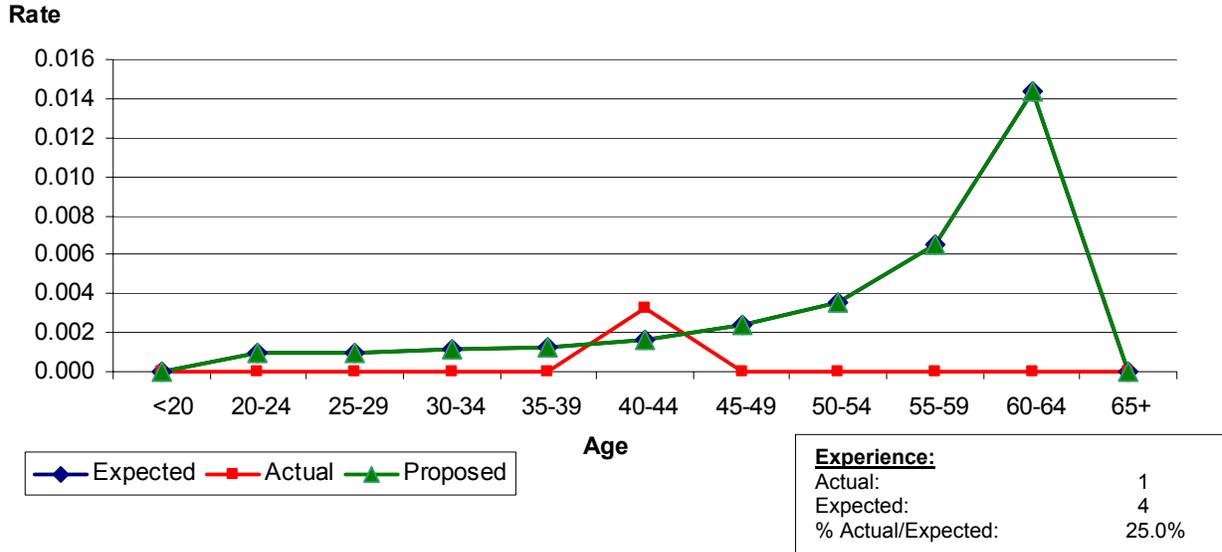
PERS Others Disability Rates Male



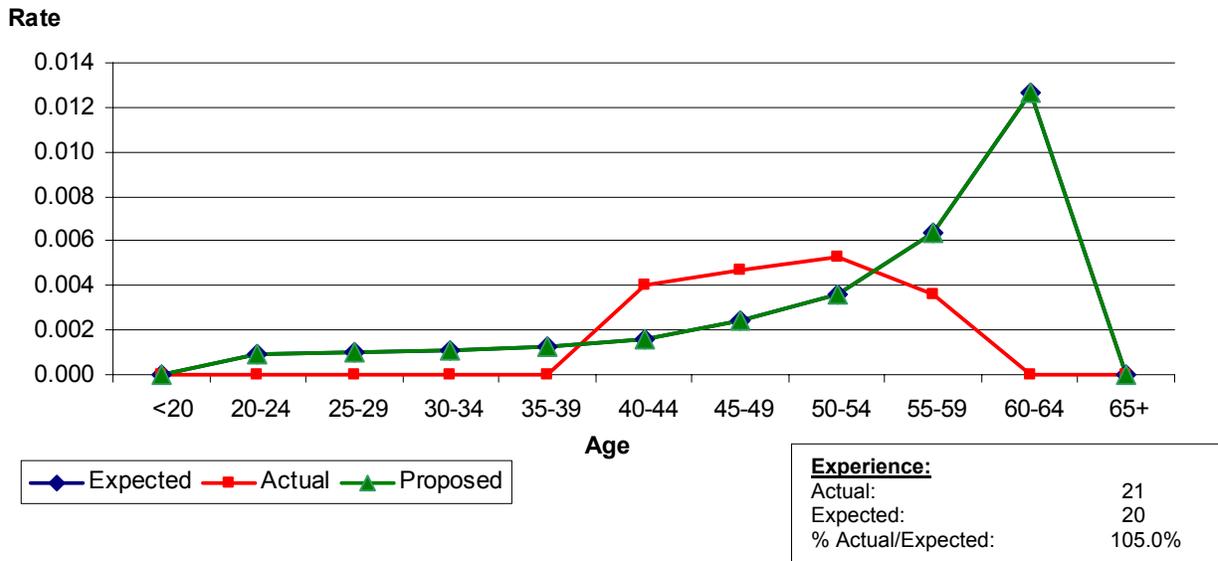
SECTION I

DEMOGRAPHIC ASSUMPTIONS

PERS Peace Officer / Firefighter Disability Rates Female



PERS Peace Officer / Firefighter Disability Rates Male



SECTION I

DEMOGRAPHIC ASSUMPTIONS

F. WITHDRAWAL OF CONTRIBUTIONS AT TERMINATION

Vested participants who terminate prior to being eligible for retirement have the option of withdrawing their contributions with interest or leaving their money in the plan and receiving a deferred retirement annuity benefit. A low percent of members electing a refund is a conservative assumption.

We reviewed the data for vested members leaving active employment during the last two valuation years for our analysis. The results are as follows (data for the prior years was incomplete and unreliable):

	Current Assumption	Rate Electing Refunds	Proposed Assumption
TRS	100% for those vested and under age 35 and nonvested, 0% otherwise	10%	10%
PERS	100% for those vested and under age 35 and nonvested, 0% otherwise	15%	15%

Data for PERS Others and Peace Officers / Firefighters has been combined.

We understand that very few TRS members take a refund. Since TRS members likely terminate at the end of the school year in June, our valuation will not capture the actual number of members electing a refund since most refunds will not be paid before we collect valuation data as of June 30. We recommend an assumption of 10% of vested members will elect refunds.

We recommend an assumption of 15% for members electing a refund for PERS Others and Peace Officers / Firefighters.

Members who are eligible to retire also have the option of withdrawing their contributions. We assume these members elect the annuity and medical coverage which is the most valuable benefit. We do not recommend changing this assumption.

SECTION I

DEMOGRAPHIC ASSUMPTIONS

G. OTHER DEMOGRAPHIC ASSUMPTIONS

We have reviewed the following other demographic assumptions that are needed for the valuation:

- Marriage assumption
- Age difference between husbands and wives
- Number of dependent children
- Alaska residency
- Number of unused sick days (TRS only)
- Part-time service earned during the year
- Occupational versus nonoccupational deaths and disabilities

MARRIAGE ASSUMPTION

The marriage assumption is used in a pension valuation to estimate the death benefits payable to a spouse upon the death of an active or deferred member. It is also used to predict the optional form of payment a member will elect upon retirement. For the postretirement healthcare valuation, this assumption is used to determine the expected number of spouses to elect participation. This last use will have the most impact on the valuation. A high marriage percent is a conservative assumption.

Currently, members who are married as of the valuation date are assumed to remain married until retirement. Members that are single on the valuation date are assumed to remain single for their lifetime. This is an uncommon assumption. Typically, a percentage is used to determined marital status at retirement or death, regardless of the member's current marital status. We reviewed the actual marital status for members who are retirement eligible at each valuation date over the study period.

The results are as follows:

	TRS		PERS Others		PERS Peace Officer/ Firefighter	
	Male	Female	Male	Female	Male	Female
Total number of member exposures who are retirement eligible as of the valuation date	3,565	7,995	10,562	12,052	1,118	245
Number who are married	3,035	5,806	8,158	7,949	924	142
Percent married	85%	73%	77%	66%	83%	58%
Proposed assumption	85%	75%	80%	70%	80%	70%

SECTION I

DEMOGRAPHIC ASSUMPTIONS

G. OTHER DEMOGRAPHIC ASSUMPTIONS *(continued)*

AGE DIFFERENCE BETWEEN HUSBANDS AND WIVES

The age difference between husbands and wives is used in conjunction with the marriage assumption to value death benefits, expected optional form of payment elections and postemployment healthcare benefits. The current assumption for both PERS and TRS is that husbands are four years older than their wives.

We reviewed the actual age differences between husbands and wives for current retirees who have elected a joint and survivor benefit. The results are as follows:

	TRS	PERS Others	PERS Peace Officer/ Firefighter
Number of male retiree exposures receiving a joint and survivor benefit	4,616	18,511	4,788
Average age older	3.3 years older	3.9 years older	3.1 years older
Current age difference assumption	4 years older	4 years older	4 years older
Proposed age difference assumption	3 years older	3 years older	3 years older
Number of female retirees receiving a joint and survivor benefit	5,325	13,766	324
Average age younger	0.4 years younger	2.0 years younger	1.2 years younger
Current age difference assumption	4 years younger	4 years younger	4 years younger
Proposed age difference assumption	3 years younger	3 years younger	3 years younger

NUMBER OF DEPENDENT CHILDREN

Death and disability benefits are based on dependent children under TRS. Death benefits are payable to dependent children if no spouse exists in PERS.

The current assumption is that married members will always have one dependent child regardless of age. This is somewhat unusual and we generally see this assumption based on the members' typical child bearing years. We do not have sufficient data to review this assumption. However, we do recommend changing this assumption to assume that married members have two dependent children from age 25 through 45.

SECTION I

DEMOGRAPHIC ASSUMPTIONS

G. OTHER DEMOGRAPHIC ASSUMPTIONS *(continued)*

ALASKA RESIDENCY

Eligible benefit recipients who reside in Alaska receive an Alaska cost-of-living allowance. An assumption must be made regarding how many members will remain in Alaska after retirement. A high portion of retirees expected to reside in Alaska is a conservative assumption.

We reviewed all members and beneficiaries who are receiving benefits to review this assumption. The results are as follows:

	TRS	PERS Others	PERS Peace Officer/ Firefighter
Number of benefit recipient exposures	41,434	82,219	10,017
Number of recipients receiving an Alaska COLA	23,085	47,824	5,776
Portion receiving Alaska COLA	56%	58%	58%
Current assumption	65%	68%	68%
Proposed assumption	60%	60%	60%

Since the actual number of members who are receiving the Alaska Residency COLA is less than the assumption, we recommend decreasing this assumption to 60%.

NUMBER OF UNUSED SICK DAYS (TRS ONLY)

TRS members receive service credit for unused sick leave when they retire. An assumption is made to determine the expected amount of credit members will receive when they retire.

The current assumption is that a member will receive 4.7 days for each year of service. This effectively increases the liability by 2.73%. We currently do not have data available to review this assumption. We will begin collecting data with the June 30, 2006 valuation so we may review this assumption with the next actuarial valuation.

We do not recommend a change to this assumption.

SECTION I

DEMOGRAPHIC ASSUMPTIONS

G. OTHER DEMOGRAPHIC ASSUMPTIONS *(continued)*

PART-TIME SERVICE EARNED DURING THE YEAR

There are members who are employed part-time and participate in PERS and TRS. Members will earn a portion of a year of service for their part-time employment. An assumption is made regarding the amount of service these members will earn during a year. A conservative assumption would be close to 1.

We reviewed members who were part-time to analyze this assumption. The results are as follows:

	TRS	PERS Others	PERS Peace Officer/ Firefighter
Total part-time member exposures	1,362	7,067	5
Average increase in service	.50	.64	.73
Current assumption	.55	.60	.60
Proposed assumption	.55	.65	1.0

There was only one Peace Officer / Firefighter with part-time status during the study period. We recommend changing the assumption so that all Peace Officers / Firefighters will earn a full year of service. We recommend increasing the assumption for PERS Others to be .65 of a year.

We recommend no change for TRS.

SECTION I

DEMOGRAPHIC ASSUMPTIONS

G. OTHER DEMOGRAPHIC ASSUMPTIONS *(continued)*

OCCUPATIONAL VS. NONOCCUPATIONAL DEATH AND DISABILITY

PERS has different benefits for members who become disabled or die due to occupational causes. TRS has different benefits for those who die due to occupational causes.

We reviewed the data for members who are currently receiving a disability benefit to analyze this assumption. Please note that we do not have data available to determine whether occupational or nonoccupational death benefits are paid. The results are as follows:

	TRS	PERS Others	PERS Peace Officer/ Firefighter
Disability			
Member exposures receiving a nonoccupational disability benefit	N/A	944	133
Members receiving an occupational disability benefit	N/A	932	209
Portion occupational	N/A	50%	65%
Current assumption	N/A	35%	85%
Proposed assumption	N/A	50%	75%
Death			
Current assumption	0%	35%	85%
Proposed assumption	0%	50%	75%

We recommend decreasing the percent occupational assumption for PERS Peace Officers / Firefighters to 75% and increasing the PERS Others assumption to 50%.

SECTION II

ECONOMIC ASSUMPTIONS

This section compares the actual experience with respect to the economic assumptions over the last four years.

A. INVESTMENT RETURN OR INTEREST RATE

This assumption is the expected net return on the actuarial value of assets. Since this return is assumed for the period benefits will be paid to current members, the experience of the last four years is not necessarily a good predictor of the appropriate long-term rate. However, actual experience should be reviewed to make sure that the actuarial assumptions are reasonable.

The development of the investment return assumption should recognize the expected rate of return over a long time horizon considering the Systems' asset allocation policy. A development of the expected investment rate of return using the building block method follows.

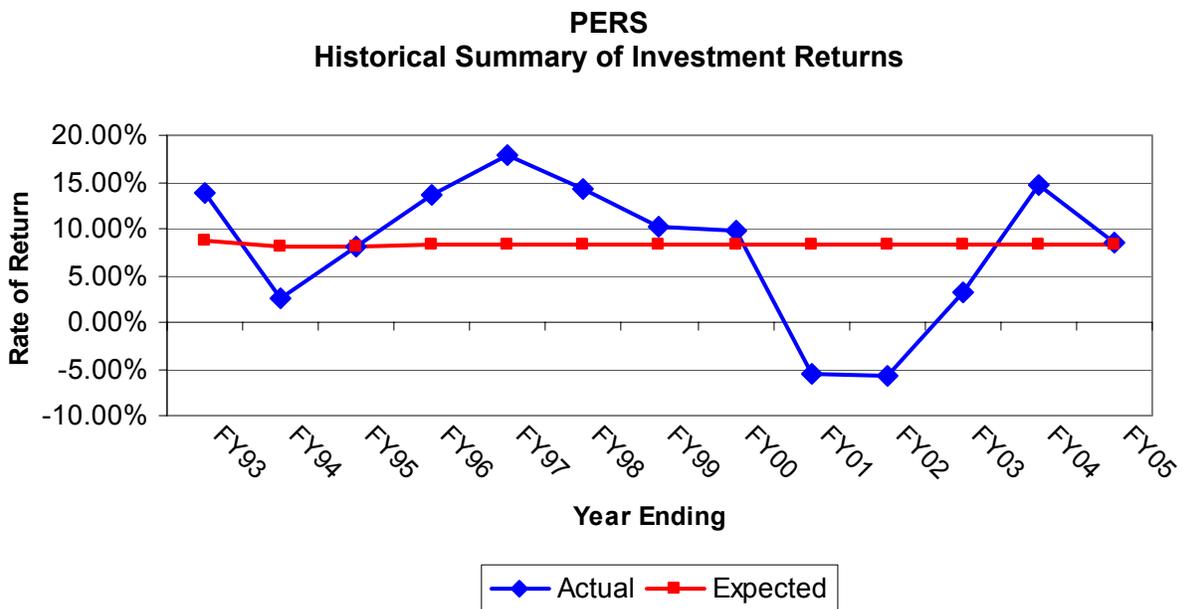
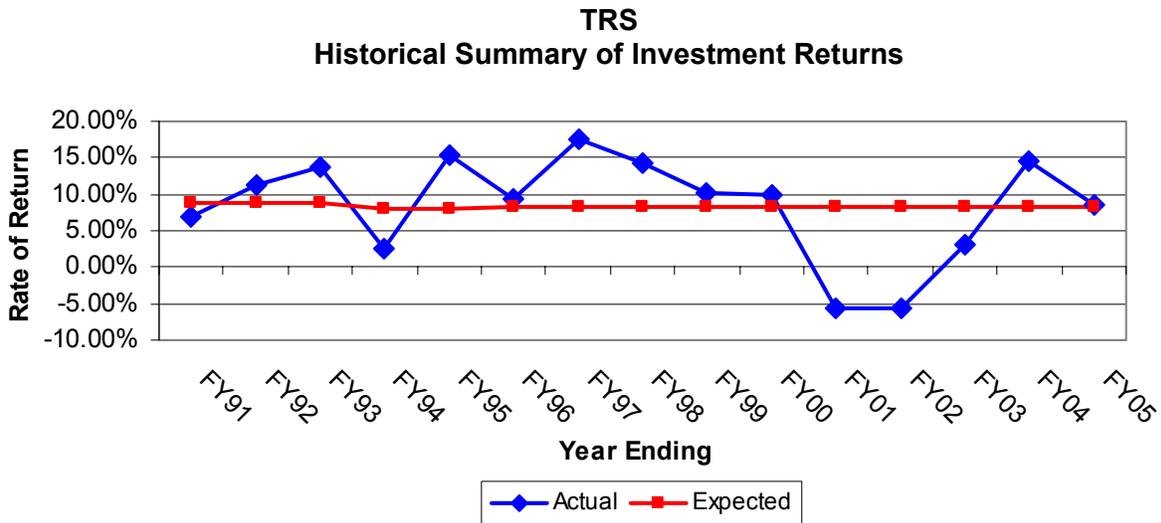
Asset Class	Real Rate of Return	Current Policy (Resolution 2006-11)	
		Allocation %	Real Return
Cash & Short-Term	1.00%	0%	0.00%
Fixed Income			
Domestic	2.50%	20%	0.50%
High Yield	3.25%	2%	0.07%
International	2.00%	2%	0.04%
Equity			
U.S. Large Cap	5.75%	30%	1.73%
U.S. Small Cap	6.75%	6%	0.41%
International	6.25%	14%	0.88%
Private Equity	8.00%	7%	0.56%
Emerging Markets	7.00%	2%	0.14%
Other (Limited Partnership)	7.00%	3%	0.21%
Real Estate	4.25%	10%	0.43%
Absolute	4.50%	4%	0.18%
Total		100.0%	5.15%
Inflation			3.50%
Gross Return			8.65%
Administrative Expenses			(0.06)%
Conservatism			(0.34)%
Assumed Rate of Return			8.25%

SECTION II

ECONOMIC ASSUMPTIONS

A. INVESTMENT RETURN OR INTEREST RATE *(continued)*

It is also important to recognize historical rates of return. The following graph shows the Systems' actual return history on market value with comparison to the mean return actually experienced from 1992 to the present:



There is no one right answer for the long-term investment rate of return, but instead a range of acceptable investment return rates that are judged to be reasonable. The current 8.25% assumption is within that range and in our opinion continues to be a reasonable assumption to use. All of the calculations in this report assume a continuation of the 8.25% assumption.

SECTION II

ECONOMIC ASSUMPTIONS

B. INFLATION

Inflation is the critical core component of economic actuarial assumptions. It is a component of the investment return assumption as well as the salary and payroll growth assumption. The current inflation assumption is 3.50%. This is lower than the actual annualized inflation rate of 4.39% experienced during the second quarter of 2006 and higher than the most recent 10-year average by 0.90%. This is illustrated in the following table:

Ten-Year Period Ending	Mean Inflation Rate (CPI)*
01/01/1966	1.78%
01/01/1976	5.80%
01/01/1986	6.77%
01/01/1996	3.62%
01/01/2006	2.60%
Fifty-Year Mean	4.11%

**Consumer Price Index reflective of price inflation.*

We do not recommend a change in the inflation assumption at this time. Analysis of all economic assumptions are performed considering this core inflation rate of 3.50%. A change in this assumption alone has no direct impact on the funding, but needs to be consistent with all other economic assumptions.

SECTION II

ECONOMIC ASSUMPTIONS

C. INDIVIDUAL SALARY INCREASES

We reviewed the salary increases over the past four years. We measured actual total pay increases for a four-year period and compared them to the total assumptions. We did not separate the salary increases into inflation and real components. The table below shows the average increase compared to the assumption. These averages are weighted by salary. If the salary increases were weighted by liability, the average increases would be somewhat smaller.

	Average Salary Increase		
	Current Expected	Actual	New Expected
TRS	4.3%	4.1%	5.0%
PERS Others			
First 5 years	5.5%	7.2%	6.5%
After 5 years	4.4%	3.5%	4.5%
PERS Peace Officer / Firefighter	4.9%	6.3%	5.1%

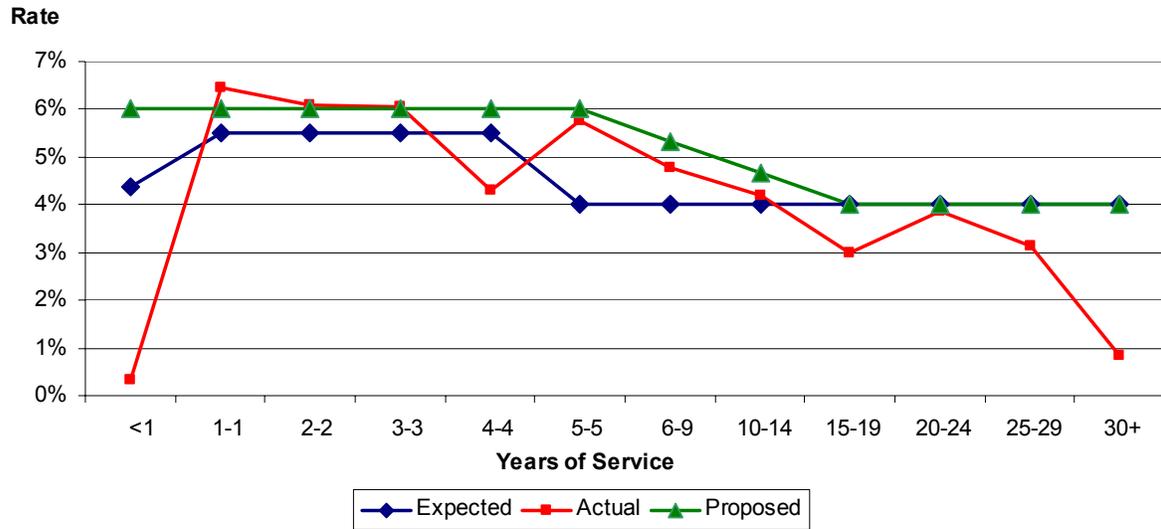
The current assumption is that annual individual salary increases for general wage inflation will be 4.0% for TRS and PERS Others, and 4.5% for PERS Peace Officer / Firefighter, plus a real increase for merit and seniority that varies by years of service. Generally, actual increases were less than expected, the lowest ages actual increases were higher than expected. We recommend changes to the salary assumptions for all groups to partially reflect the actual experience of the last four years. In particular, we have decreased the productivity assumption for all groups to 0.5%, resulting in a 4.0% long-term assumption for general wage inflation. This assumption reflects our best guess of future long-term wage growth and is conservative given actual wage inflation during the analysis period. The graphs on the following pages compare the current and proposed assumptions with the actual rates. Salary increases for this period have been lower than expected for TRS and PERS Others with more than 5 years of service. Salary increases have been higher for Peace Officer / Firefighters and PERS Others with less than 5 years of service.

We set the salary scale assumption based on service only for TRS and PERS Peace Officers / Firefighters. For PERS Others, we set the assumption based on a 5-year select and ultimate table. Our analysis indicates this approach results in the best match to actual experience.

SECTION II

ECONOMIC ASSUMPTIONS

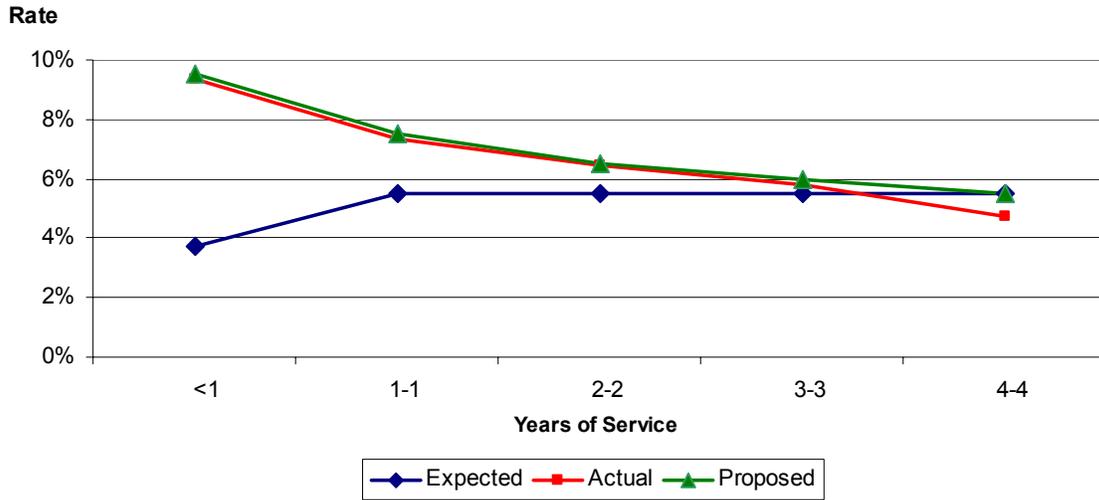
TRS Salary Scale



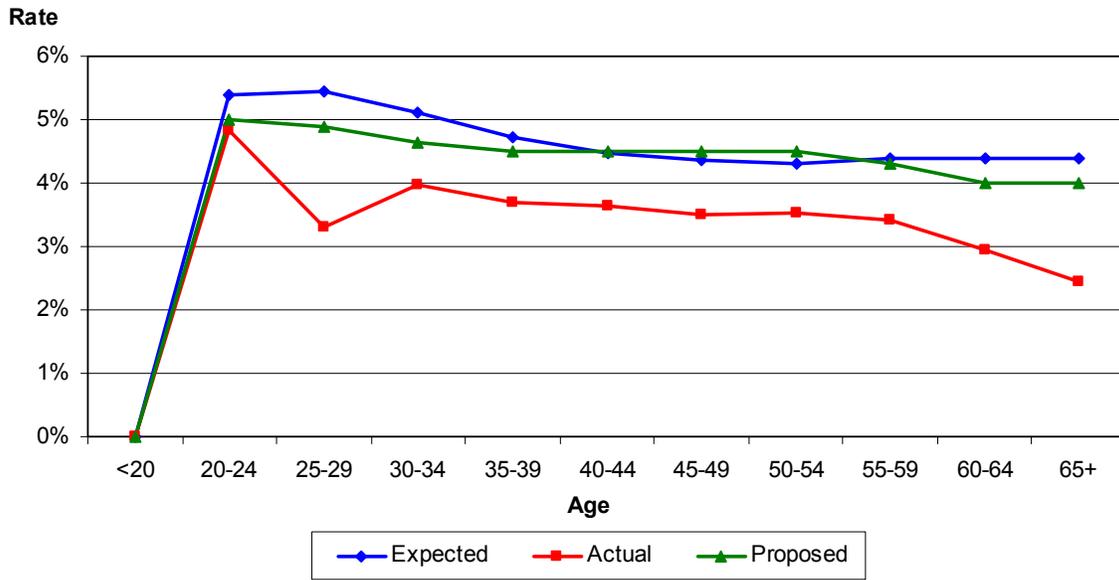
SECTION II

ECONOMIC ASSUMPTIONS

**PERS Others
Salary Scale (Select)
Service Less Than 5 Years**



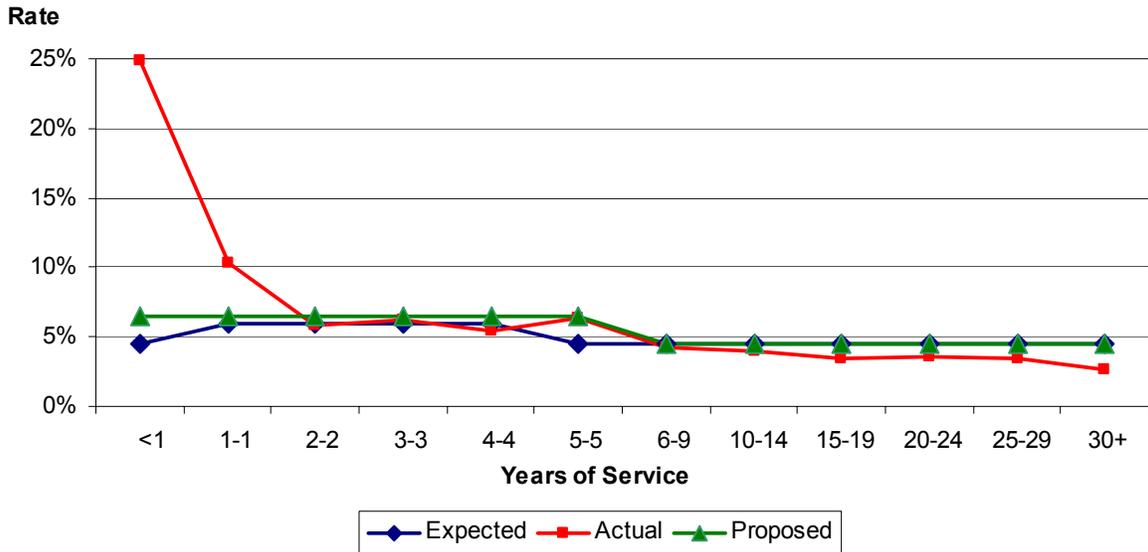
**PERS Others
Salary Scale (Ultimate)
Service Over 5 Years**



SECTION II

ECONOMIC ASSUMPTIONS

PERS Peace Officer / Firefighter Salary Scale



SECTION II

ECONOMIC ASSUMPTIONS

D. PAYROLL GROWTH

As part of determining the actuarial contribution rate, the unfunded accrued liability is amortized over a 25-year period as a level percent of pay. If pay is expected to increase, an assumption is made for the rate at which total payroll increases. The amortization payment will remain level as a percentage of total payroll provided:

- the active payroll on which the contribution is based remains at a constant or stationary level,
- the underlying long-term inflation rate and productivity increases are realized, and
- the total payroll grows by the assumed rate.

This procedure for amortizing unfunded accrued liabilities is common for large public plans. However, this methodology increases the risk of future funding shortfalls since adequate funding is dependent on a stationary population with a growing active payroll.

Currently, a net interest rate of 4.0% is used for both TRS and PERS to amortize the unfunded liability. The net interest is the difference between the valuation interest rate of 8.25% and the expected total payroll growth. The use of a 4.0% net interest rate assumes a total payroll growth of 4.25%. The assumed wage inflation portion of the salary scale is 4.0% for TRS, 4.5% for PERS Peace/Fire and 4.0% for all other members in PERS. There is an inconsistency between the net interest rate and the salary scale.

Additionally, current law states that the contribution rates will be paid only for the members in the defined benefit plan. Since the active payroll in which contributions are based upon will be declining, a payroll growth assumption is not appropriate.

We would recommend changing to a net interest rate of 8.25% for both TRS and PERS for the June 30, 2006 valuations. This change would increase the amortization amount and therefore, increase the annual required employer contribution rate.

SECTION III

POSTEMPLOYMENT HEALTHCARE ASSUMPTIONS

In this section, we have reviewed the following assumptions that are needed for the postemployment healthcare valuation:

- Base Claim Cost Rate Derivation
- Health Care Cost Trend Rate
- Morbidity
- Retiree-Paid Premiums
- Participation Rates

Pension-related assumption and method changes impact the postemployment healthcare results in generally the same direction and magnitude as their impact on the pension valuation. Healthcare-specific assumption changes do not impact pension results.

A. BASE CLAIM COST RATE DERIVATION

Base claim cost rates are incurred healthcare costs expressed as a rate per member per year. Ideally, claim cost rates should be derived for each significant component of cost that can be expected to require differing projection assumptions or methods, i.e., medical claims, prescription drug claims, administrative costs, etc. Separate analysis is limited by the availability and credibility of cost and enrollment data for each component of cost. For example, non-prescription claims, prescription claims and retiree-paid premiums were analyzed separately by the prior actuary and for our June 30, 2005 valuation. We recommend that non-prescription claims analysis be further separated by Medicare status, including eligibility for free Part A coverage, and by administrative versus claims costs. Our analysis to date on Medicare Part A coverage is limited since Part A coverage is not available by individual, nor is this status incorporated into historical claim data.

We analyzed Aetna management-level reporting for calendar 2002 through 2005 and derived recommended base as described in the following steps:

1. Based on discussions with Aetna, we requested reporting with and without dental, vision and audio claims (DVA). It is our understanding that DVA is “self-supporting” and is therefore not part of the valuation; that is, since retirees pay premiums that cover 100% of the cost of DVA claims plus administration, there is no Alaska-subsidized DVA benefit. However, based on claims and premiums reported by the prior actuary, it appears that prior valuations, as well as our June 30, 2005 valuation, include medical, prescription and DVA claims but only medical and prescription retiree-paid premiums. Therefore, net obligations are likely overstated by about 2% as of June 30, 2004 and 2005.
2. Available Aetna reports do not show claims or enrollment separately for Medicare and non-Medicare plan participants, but do include overall statistics as to the percentage of claims and enrollment attributable to both groups. We used summary statistics provided to split claims and enrollment into Medicare and non-Medicare buckets each year.

SECTION III

POSTEMPLOYMENT HEALTHCARE ASSUMPTIONS

A. BASE CLAIM COST RATE DERIVATION *(continued)*

- Alaska retirees who do not have 40 quarters of Medicare-covered compensation do not qualify for Medicare Part A coverage free of charge. This is a relatively small and closed group. Medicare was applied to State employment for all employees hired after March 31, 1986. For these “no-Part A” individuals, the State is the primary payer for hospital bills and other Part A services. Thus, claims costs are higher for the no-Part A group. To date, claim and enrollment experience is not available separately for participants with both Medicare Parts A and B and those with Part B only. Therefore, higher no-Part A claims are spread across the entire retired population and have been applied to future claims of current active employees. To the extent that no-Part A claims can be isolated and applied strictly to the appropriate closed group, actuarial accrued liability will be more accurate and will be lower. The larger the no-Part A population, the more accrued liabilities will decrease.

Current retiree census does not include date of hire, although the Tier indicator does imply that Tier I PERS retirees should probably be considered as no-Part A retirees. After analysis of active employee data, and accounting for retirees who return to work and therefore pay Medicare taxes, we assume that 7.5% of the active and inactive workforce will not qualify for free Part A coverage when they retire. Similarly, we assume 7.5% of the current retiree population does not receive Part A coverage.

We understand that the State is in the process of compiling census records for no-Part A members so that Premiera may be able to split claims and enrollment data along these lines. We are investigating Aetna’s capacity to similarly split prior year’s claims once a master census file is available.

Due to data constraints, we were unable to establish credible rates for Medicare A&B and Medicare B only. We therefore conservatively set Medicare A&B rates relatively close to aggregate Medicare rates previously established and then set Medicare B only rates to reflect a reasonable no-Part A cost to the State’s plan. To the extent future data specific to Medicare subgroups becomes credible, we can modify this conservative assumption.

- The steps above result in separate paid claim cost rates for medical and prescription benefits for non-Medicare, Medicare Part B only and Medicare Part A&B members for the past four calendar years. Medical claim cost rates reflect differing average ages and levels of Medicare coordination for each group. Prescription claim cost rates reflect differing average ages. We converted paid claim data to incurred cost rates projected from each historical data period to the valuation year and developed weighted average incurred claim cost rates. This “trend and blend” methodology differs mechanically from the prior method that essentially averaged three years of paid claims before projecting forward to an incurred basis for the valuation year. During transition to a trended blended average basis, we recommend weighting each year’s data in the 4-year experience period at 25%. In the future, we may recommend weighting recent experience more heavily and/or reducing the experience period analyzed back to a 3-year period.

SECTION III

POSTEMPLOYMENT HEALTHCARE ASSUMPTIONS

A. BASE CLAIM COST RATE DERIVATION *(continued)*

The following tables summarize incurred claim cost rates for the 12-month period ending June 30, 2006 (the base year) used in the June 30, 2005 valuation. Incurred claim cost rates are adjusted to age 65 and are shown before and after our experience analysis study:

Current Methodology Age 65 Incurred Claim Cost Rates

Benefit Type	Member Type	Total Payable	Medicare Portion*	Incurred Cost
Medical (non-prescription)	Non-Medicare	\$ 8,328	\$ 0	\$ 8,328
	Medicare	\$ 8,328	\$ 6,821	\$ 1,507
Prescription Drug	Non-Medicare	\$ 1,936	\$ 0	\$ 1,936
	Medicare	\$ 1,936	\$ 414	\$ 1,522

** Medicare RDS amount for prescription drugs applies after calendar 2006.*

Proposed Methodology Age 65 Incurred Claim Cost Rates

Benefit Type	Member Type	Total Payable	Medicare Portion*	Incurred Cost
Medical (non-prescription)	Non-Medicare	\$ 8,497	\$ 0	\$ 8,497
	Medicare B Only	\$ 8,497	\$ 6,765	\$ 1,732
	Medicare A&B	\$ 8,497	\$ 7,631	\$ 866
Prescription Drug	Non-Medicare	\$ 2,113	\$ 0	\$ 2,113
	Medicare B Only	\$ 2,113	\$ 452	\$ 1,661
	Medicare A&B	\$ 2,113	\$ 452	\$ 1,661

** Medicare RDS amount for prescription drugs applies after calendar 2006.*

SECTION III

POSTEMPLOYMENT HEALTHCARE ASSUMPTIONS

B. HEALTH CARE COST TREND RATE (HCCTR)

Health care cost trend rates are used to project the base claim cost rates into the future. Separate trend rates are used for medical and prescription benefits. We last changed this assumption by reinitializing the rates used from the June 30, 2004 valuation when we performed the June 30, 2005 valuation.

At this time, we do not recommend HCCTR changes. As we collect more experience data and improve allocation to Medicare groups, we will propose revised trend rate assumptions to better reflect recent experience of each separate group and benefit type. We will analyze historic trend rates for each group with and without large claims in order to smooth out large claim variance over time. While initial trend rates may differ by member type, we anticipate that ultimate trend rates for all three member types and both benefit types will remain uniform. Until we recommend HCCTR changes, or until significant unanticipated costs indicate otherwise, the set of trend rates used will not change but will progress toward the ultimate, long-term rates currently assumed. Finally, if the assumed inflation rate and economic growth in the investment return is changed at some future date, ultimate HCCTR factors should be revisited.

C. MORBIDITY

Morbidity rates (also called aging factors) are used to estimate utilization of healthcare benefits at each age to reflect the fact that healthcare utilization increases with age. Separate morbidity rates are used for medical and prescription benefits.

We do not recommend changes to the current morbidity assumptions. As we collect more experience data, we will propose revised morbidity assumptions to better reflect utilization by age. We may recommend separate sets of morbidity assumptions for each of the Medicare groups in order to better reflect suspected Medicare cost shifting.

SECTION III

POSTEMPLOYMENT HEALTHCARE ASSUMPTIONS

D. RETIREE-PAID PREMIUMS

TRS Tier II retirees under age 60 and with less than 30 years of service are required to pay premiums to obtain coverage. PERS Tier II and III retirees under age 60 and with less than 30 years of service (25 years for peace officers and firefighters) are also required to pay premiums to obtain coverage. Tier I members under both Systems are not required to pay premiums to obtain coverage.

Currently, premiums paid by retirees are reflected on a composite basis (the portion of retirees electing retiree only and retiree plus dependent(s) coverage has been blended into a single retiree premium rate and applied to all current and future retirees). This methodology is required for current active and inactive employees since their future dependent coverage elections are unknown. However, we recommend that actual dependent coverage elections in place as of the valuation date be assumed to continue for current retirees.

We do not recommend changes to the assumed trend rates for retiree-paid premiums at this time. However, we will monitor actual premiums charged compared to plan cost changes and recommend changes to retiree-paid premium trend factors as appropriate.

E. PARTICIPATION RATES

The participation assumption is used to estimate how many members elect to participate in the program. Members may have coverage under another employer or their spouse, or they may simply elect to waive coverage for a period of time.

The current assumption is that 100% of members elect to participate in the program at the first eligibility date, whether or not retiree-paid premiums are required.

We currently do not have the data to determine which members have elected to participate in the program. We only have information regarding who has system-paid coverage, not information regarding whether the individual retiree pays for the coverage they elect. Given the generosity of the program, the current assumption is not unreasonable and may be slightly conservative. We will begin collecting data for the June 30, 2006 valuation to review this assumption at a future date.

We do not recommend a change to this assumption.

SECTION IV

ACTUARIAL METHODS

ACTUARIAL COST METHODS

The ultimate cost of any retirement program is equal to the benefits paid plus the administrative costs of operating the plan. This cost is provided from contributions made to the plan plus the investment return on accumulated contributions. The level and timing of the contributions needed to fund the ultimate cost are determined by the actuarial assumptions, plan provisions, member characteristics, investment experience, and the actuarial cost method. Actuarial cost methods are calculation processes which determine and allocate the cost of a retirement plan to specific periods of time. As such, it has an influence on the level and timing of the ultimate contributions.

Different actuarial cost methods can provide for faster funding earlier in a plan's existence, more level funding over time, or more flexibility in funding. The choice of an actuarial cost method will determine the pattern or pace of the funding and therefore should be linked to long term financing objectives of the fund and benefit security considerations.

The actuarial cost method used for the State of Alaska is as follows:

Projected Unit Credit Method – The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, each participant's total pension projected to retirement with salary scale is broken down into units, each associated with a year of past or future service. The principle underlying the method is that each unit is funded in the year for which it is credited. Typically, when the method is introduced, there will be an initial liability for benefits credited for service prior to that date, and to the extent that this liability is not covered by assets of the plan, there is an unfunded liability. The initial unfunded accrued liability and future gains/losses are amortized over a 25-year fixed period as a level percentage of pay. Under this method, differences between the actual experience and that assumed in the determination of costs and liabilities will emerge as adjustments in the unfunded liability, subject to amortization.

This actuarial cost method will systematically fund the prospective pension benefits on an actuarially sound basis given all of the actuarial assumptions are realized.

Another actuarial funding method is the Entry Age Normal Cost Method. This cost method determines the normal cost as a level percentage of pay for each individual member of the plan, which if paid from entry into the plan to the last assumed retirement age, will accumulate to an amount sufficient to pay the expected benefit. An additional cost is determined by amortizing the unfunded actuarial liability over a specified period (such as 25 years) as a percentage of increasing payroll and is added to the normal cost to determine the total actuarially required contribution. Actuarial gains and losses adjust the unfunded liability each year.

The Entry Age Normal Cost Method is the most common method used by public systems. The 2004 Wilshire Report on State Retirement Systems showed 89 out of 123 surveyed systems, or 72%, used this method. The 2004 Wisconsin Study had 72% of the 85 plans surveyed using this method.

SECTION IV

ACTUARIAL METHODS

We reviewed the average age on the valuation date and average hire age for the active population over the past 11 valuation years. The Normal Cost Rate under the Projected Unit Credit Method can be expected to remain level as a percentage of pay if the average age of the active population remains stable. Under the Entry Age Normal Cost Method, the Normal Cost Rate can be expected to remain level as a percentage of pay if the average *hire* age of the active population remains stable.

For the PERS plan, the average hire age increased by 1.84 years from July 1, 1994 to July 1, 2005 while the average age on the valuation date increased by over 2.6 years over the same period. This would indicate that the Entry Age Normal Cost Method may be more appropriate for the PERS plan.

For the TRS plan, the average hire age increased by 1.92 years from July 1, 1994 until July 1, 2005 while the average age on the valuation date increased by only 1.44 years. This would indicate that the Entry Age Normal Cost Method is not necessarily more appropriate for the TRS plan. Even so, we believe a switch to the Entry Age Normal Cost Method should be made because general trends indicate this method can be expected to provide a more stable normal cost rate long-term.

SECTION V
IMPACT OF PROPOSED CHANGES
ACTUARIAL RESULTS AS OF JUNE 30, 2005
(\$ in thousands)

	Current Assumptions and Methods	Proposed Assumptions and Methods
Public Employees' Retirement System – Peace Officer/Firefighter		
Actuarial Accrued Liability (AAL)	\$ 1,885,407	\$ 1,886,507
Actuarial Value of Assets (AVA)*	<u>1,239,279</u>	<u>1,137,873</u>
UAAL	\$ 646,128	\$ 748,634
Funded Ratio Based on AVA	66%	60%
Employer Consolidated Normal Cost Rate	13.79%	13.07%
Past Service Cost Rate	<u>23.01%</u>	<u>37.09%</u>
Average Employer Contribution Rate	36.80%	50.16%
Public Employees' Retirement System – Others		
Actuarial Accrued Liability (AAL)	\$ 10,959,434	\$ 12,111,209
Actuarial Value of Assets (AVA)*	<u>7,203,640</u>	<u>7,305,046</u>
UAAL	\$ 3,755,794	\$ 4,806,163
Funded Ratio Based on AVA	66%	60%
Employer Consolidated Normal Cost Rate	14.58%	15.40%
Past Service Cost Rate	<u>17.38%</u>	<u>30.79%</u>
Average Employer Contribution Rate	31.96%	46.19%
Public Employees' Retirement System – Total		
Actuarial Accrued Liability (AAL)	\$ 12,844,841	\$ 13,997,716
Actuarial Value of Assets (AVA)*	<u>8,442,919</u>	<u>8,442,919</u>
UAAL	\$ 4,401,922	\$ 5,554,797
Funded Ratio Based on AVA	66%	60%
Employer Consolidated Normal Cost Rate	14.48%	15.13%
Past Service Cost Rate	<u>18.03%</u>	<u>31.51%</u>
Average Employer Contribution Rate	32.51%	46.64%

**Assets are allocated based on accrued liability. Therefore, allocated assets changed with the new assumptions.*

Please note that the current assumptions and methods use the Projected Unit Credit Funding Method and a 4% amortization rate and the proposed assumptions and methods use the Entry Age Normal Funding Method and an 8.25% amortization rate.

SECTION V
IMPACT OF PROPOSED CHANGES
ACTUARIAL RESULTS AS OF JUNE 30, 2005
(\$ in thousands)

	Current Assumptions and Methods	Proposed Assumptions and Methods
Teachers' Retirement System		
Actuarial Accrued Liability (AAL)	\$ 6,498,556	\$ 7,031,639
Actuarial Value of Assets (AVA)	<u>3,958,939</u>	<u>3,958,939</u>
UAAL	\$ 2,539,617	\$ 3,072,700
Funded Ratio Based on AVA	61%	56%
Employer Normal Cost Rate	12.56%	9.98%
Past Service Cost Rate	<u>29.70%</u>	<u>49.58%</u>
Employer Contribution Rate	42.26%	59.56%

Please note that the current assumptions and methods use the Projected Unit Credit Funding Method and a 4% amortization rate and the proposed assumptions and methods use the Entry Age Normal Funding Method and an 8.25% amortization rate.

Employer Contribution Rate

	Current Assumptions and Methods	Proposed Assumptions and Current Methods (PUC)	Proposed Assumptions and Funding Method (EAN) and Current Amortization Method	Proposed Assumptions, Funding Method (EAN) and Amortization Method
PERS – Peace Officer/Firefighter	36.80%	36.84%	39.46%	50.16%
PERS – Others	31.96%	36.23%	37.24%	46.19%
PERS – Total	32.51%	36.29%	37.49%	46.64%
TRS	42.26%	46.45%	45.32%	59.56%

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS and TRS Disability Mortality Rates Female

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.0263	0.0263	50	0.0257	0.0257	85	0.1128	0.1128
16	0.0263	0.0263	51	0.0264	0.0264	86	0.1221	0.1221
17	0.0263	0.0263	52	0.0272	0.0272	87	0.1322	0.1322
18	0.0263	0.0263	53	0.0281	0.0281	88	0.1432	0.1432
19	0.0263	0.0263	54	0.0288	0.0288	89	0.1551	0.1551
20	0.0263	0.0263	55	0.0295	0.0295	90	0.1682	0.1682
21	0.0263	0.0263	56	0.0301	0.0301	91	0.1825	0.1825
22	0.0263	0.0263	57	0.0307	0.0307	92	0.1980	0.1980
23	0.0263	0.0263	58	0.0315	0.0315	93	0.2150	0.2150
24	0.0263	0.0263	59	0.0323	0.0323	94	0.2330	0.2330
25	0.0263	0.0263	60	0.0331	0.0331	95	0.2525	0.2525
26	0.0257	0.0257	61	0.0339	0.0339	96	0.2739	0.2739
27	0.0253	0.0253	62	0.0347	0.0347	97	0.2972	0.2972
28	0.0247	0.0247	63	0.0355	0.0355	98	0.3226	0.3226
29	0.0242	0.0242	64	0.0362	0.0362	99	0.3495	0.3495
30	0.0237	0.0237	65	0.0370	0.0370	100	0.3789	0.3789
31	0.0232	0.0232	66	0.0378	0.0378	101	0.4109	0.4109
32	0.0227	0.0227	67	0.0386	0.0386	102	0.4458	0.4458
33	0.0222	0.0222	68	0.0394	0.0394	103	0.4838	0.4838
34	0.0216	0.0216	69	0.0402	0.0402	104	0.5243	0.5243
35	0.0214	0.0214	70	0.0411	0.0411	105	0.5684	0.5684
36	0.0212	0.0212	71	0.0421	0.0421	106	0.6164	0.6164
37	0.0210	0.0210	72	0.0433	0.0433	107	0.6687	0.6687
38	0.0208	0.0208	73	0.0447	0.0447	108	0.7257	0.7257
39	0.0208	0.0208	74	0.0465	0.0465	109	0.7865	0.7865
40	0.0209	0.0209	75	0.0492	0.0492	110	1.0000	1.0000
41	0.0210	0.0210	76	0.0529	0.0529	111	1.0000	1.0000
42	0.0213	0.0213	77	0.0578	0.0578	112	1.0000	1.0000
43	0.0216	0.0216	78	0.0631	0.0631	113	1.0000	1.0000
44	0.0219	0.0219	79	0.0686	0.0686	114	1.0000	1.0000
45	0.0224	0.0224	80	0.0746	0.0746	115	1.0000	1.0000
46	0.0229	0.0229	81	0.0813	0.0813	116	1.0000	1.0000
47	0.0235	0.0235	82	0.0885	0.0885	117	1.0000	1.0000
48	0.0242	0.0242	83	0.0962	0.0962	118	1.0000	1.0000
49	0.0249	0.0249	84	0.1043	0.1043	119	1.0000	1.0000

Current Assumption: 1979 PBGC Disability Mortality Table for those receiving Social Security disability benefits.

Proposed Assumption: No change.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS and TRS Disability Mortality Rates Male

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.0483	0.0483	50	0.0383	0.0383	85	0.1682	0.1682
16	0.0483	0.0483	51	0.0401	0.0401	86	0.1825	0.1825
17	0.0483	0.0483	52	0.0420	0.0420	87	0.1980	0.1980
18	0.0483	0.0483	53	0.0439	0.0439	88	0.2150	0.2150
19	0.0483	0.0483	54	0.0460	0.0460	89	0.2330	0.2330
20	0.0483	0.0483	55	0.0482	0.0482	90	0.2525	0.2525
21	0.0483	0.0483	56	0.0506	0.0506	91	0.2739	0.2739
22	0.0483	0.0483	57	0.0531	0.0531	92	0.2972	0.2972
23	0.0483	0.0483	58	0.0555	0.0555	93	0.3226	0.3226
24	0.0483	0.0483	59	0.0581	0.0581	94	0.3495	0.3495
25	0.0483	0.0483	60	0.0603	0.0603	95	0.3789	0.3789
26	0.0461	0.0461	61	0.0624	0.0624	96	0.4109	0.4109
27	0.0436	0.0436	62	0.0643	0.0643	97	0.4458	0.4458
28	0.0411	0.0411	63	0.0657	0.0657	98	0.4838	0.4838
29	0.0386	0.0386	64	0.0668	0.0668	99	0.5243	0.5243
30	0.0362	0.0362	65	0.0678	0.0678	100	0.5684	0.5684
31	0.0339	0.0339	66	0.0687	0.0687	101	0.6164	0.6164
32	0.0320	0.0320	67	0.0697	0.0697	102	0.6687	0.6687
33	0.0302	0.0302	68	0.0709	0.0709	103	0.7257	0.7257
34	0.0288	0.0288	69	0.0723	0.0723	104	0.7865	0.7865
35	0.0278	0.0278	70	0.0739	0.0739	105	0.8527	0.8527
36	0.0272	0.0272	71	0.0757	0.0757	106	0.9247	0.9247
37	0.0271	0.0271	72	0.0776	0.0776	107	1.0000	1.0000
38	0.0273	0.0273	73	0.0796	0.0796	108	1.0000	1.0000
39	0.0276	0.0276	74	0.0818	0.0818	109	1.0000	1.0000
40	0.0282	0.0282	75	0.0842	0.0842	110	1.0000	1.0000
41	0.0288	0.0288	76	0.0869	0.0869	111	1.0000	1.0000
42	0.0297	0.0297	77	0.0908	0.0908	112	1.0000	1.0000
43	0.0305	0.0305	78	0.0962	0.0962	113	1.0000	1.0000
44	0.0314	0.0314	79	0.1043	0.1043	114	1.0000	1.0000
45	0.0322	0.0322	80	0.1128	0.1128	115	1.0000	1.0000
46	0.0330	0.0330	81	0.1221	0.1221	116	1.0000	1.0000
47	0.0340	0.0340	82	0.1322	0.1322	117	1.0000	1.0000
48	0.0353	0.0353	83	0.1432	0.1432	118	1.0000	1.0000
49	0.0367	0.0367	84	0.1551	0.1551	119	1.0000	1.0000

Current Assumption: 1979 PBGC Disability Mortality Table for those receiving Social Security disability benefits.

Proposed Assumption: No change.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

**PERS Peace Officer / Firefighter
Preretirement and Postretirement Mortality Rates
Female**

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.000233	0.000233	50	0.001536	0.001536	85	0.072836	0.072836
16	0.000261	0.000261	51	0.001686	0.001686	86	0.081018	0.081018
17	0.000281	0.000281	52	0.001864	0.001864	87	0.090348	0.090348
18	0.000293	0.000293	53	0.002051	0.002051	88	0.100882	0.100882
19	0.000301	0.000301	54	0.002241	0.002241	89	0.112467	0.112467
20	0.000305	0.000305	55	0.002466	0.002466	90	0.125016	0.125016
21	0.000308	0.000308	56	0.002755	0.002755	91	0.138442	0.138442
22	0.000311	0.000311	57	0.003139	0.003139	92	0.152660	0.152660
23	0.000313	0.000313	58	0.003612	0.003612	93	0.167668	0.167668
24	0.000313	0.000313	59	0.004154	0.004154	94	0.183524	0.183524
25	0.000313	0.000313	60	0.004773	0.004773	95	0.200229	0.200229
26	0.000316	0.000316	61	0.005476	0.005476	96	0.217783	0.217783
27	0.000324	0.000324	62	0.006271	0.006271	97	0.236188	0.236188
28	0.000338	0.000338	63	0.007179	0.007179	98	0.255605	0.255605
29	0.000356	0.000356	64	0.008194	0.008194	99	0.276035	0.276035
30	0.000377	0.000377	65	0.009286	0.009286	100	0.297233	0.297233
31	0.000401	0.000401	66	0.010423	0.010423	101	0.318956	0.318956
32	0.000427	0.000427	67	0.011574	0.011574	102	0.340960	0.340960
33	0.000454	0.000454	68	0.012648	0.012648	103	0.364586	0.364586
34	0.000482	0.000482	69	0.013665	0.013665	104	0.389996	0.389996
35	0.000514	0.000514	70	0.014763	0.014763	105	0.415180	0.415180
36	0.000550	0.000550	71	0.016079	0.016079	106	0.438126	0.438126
37	0.000593	0.000593	72	0.017748	0.017748	107	0.456824	0.456824
38	0.000643	0.000643	73	0.019724	0.019724	108	0.471493	0.471493
39	0.000701	0.000701	74	0.021915	0.021915	109	0.483473	0.483473
40	0.000763	0.000763	75	0.024393	0.024393	110	0.492436	0.492436
41	0.000826	0.000826	76	0.027231	0.027231	111	0.498054	0.498054
42	0.000888	0.000888	77	0.030501	0.030501	112	0.500000	0.500000
43	0.000943	0.000943	78	0.034115	0.034115	113	0.500000	0.500000
44	0.000992	0.000992	79	0.038024	0.038024	114	0.500000	0.500000
45	0.001046	0.001046	80	0.042361	0.042361	115	0.500000	0.500000
46	0.001111	0.001111	81	0.047260	0.047260	116	0.500000	0.500000
47	0.001196	0.001196	82	0.052853	0.052853	117	0.500000	0.500000
48	0.001297	0.001297	83	0.058986	0.058986	118	0.500000	0.500000
49	0.001408	0.001408	84	0.065569	0.065569	119	1.000000	1.000000

Current Assumption: 1994 Group Annuity Mortality Table, 1994 Base Year.

Proposed Assumption: No change.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

**PERS Peace Officer / Firefighter
Preretirement and Postretirement Mortality Rates
Male**

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.000371	0.000371	50	0.002773	0.002773	85	0.104559	0.104559
16	0.000421	0.000421	51	0.003088	0.003088	86	0.113755	0.113755
17	0.000463	0.000463	52	0.003455	0.003455	87	0.124377	0.124377
18	0.000495	0.000495	53	0.003854	0.003854	88	0.136537	0.136537
19	0.000521	0.000521	54	0.004278	0.004278	89	0.149949	0.149949
20	0.000545	0.000545	55	0.004758	0.004758	90	0.164442	0.164442
21	0.000570	0.000570	56	0.005322	0.005322	91	0.179849	0.179849
22	0.000598	0.000598	57	0.006001	0.006001	92	0.196001	0.196001
23	0.000633	0.000633	58	0.006774	0.006774	93	0.213325	0.213325
24	0.000671	0.000671	59	0.007623	0.007623	94	0.231936	0.231936
25	0.000711	0.000711	60	0.008576	0.008576	95	0.251189	0.251189
26	0.000749	0.000749	61	0.009663	0.009663	96	0.270441	0.270441
27	0.000782	0.000782	62	0.010911	0.010911	97	0.289048	0.289048
28	0.000811	0.000811	63	0.012335	0.012335	98	0.306750	0.306750
29	0.000838	0.000838	64	0.013914	0.013914	99	0.323976	0.323976
30	0.000862	0.000862	65	0.015629	0.015629	100	0.341116	0.341116
31	0.000883	0.000883	66	0.017462	0.017462	101	0.358560	0.358560
32	0.000902	0.000902	67	0.019391	0.019391	102	0.376699	0.376699
33	0.000912	0.000912	68	0.021354	0.021354	103	0.396884	0.396884
34	0.000913	0.000913	69	0.023364	0.023364	104	0.418855	0.418855
35	0.000915	0.000915	70	0.025516	0.025516	105	0.440585	0.440585
36	0.000927	0.000927	71	0.027905	0.027905	106	0.460043	0.460043
37	0.000958	0.000958	72	0.030625	0.030625	107	0.475200	0.475200
38	0.001010	0.001010	73	0.033549	0.033549	108	0.485670	0.485670
39	0.001075	0.001075	74	0.036614	0.036614	109	0.492807	0.492807
40	0.001153	0.001153	75	0.040012	0.040012	110	0.497189	0.497189
41	0.001243	0.001243	76	0.043933	0.043933	111	0.499394	0.499394
42	0.001346	0.001346	77	0.048570	0.048570	112	0.500000	0.500000
43	0.001454	0.001454	78	0.053991	0.053991	113	0.500000	0.500000
44	0.001568	0.001568	79	0.060066	0.060066	114	0.500000	0.500000
45	0.001697	0.001697	80	0.066696	0.066696	115	0.500000	0.500000
46	0.001852	0.001852	81	0.073780	0.073780	116	0.500000	0.500000
47	0.002042	0.002042	82	0.081217	0.081217	117	0.500000	0.500000
48	0.002660	0.002260	83	0.088721	0.088721	118	0.500000	0.500000
49	0.002501	0.002501	84	0.096358	0.096358	119	1.000000	1.000000

Current Assumption: 1994 Group Annuity Mortality Table, 1994 Base Year.

Proposed Assumption: No change.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Peace Officer / Firefighter Withdrawal Rates

Members With Less than 5 Years of Service (Note that these rates vary slightly by age)

Service	Female		Male	
	Current	Proposed	Current	Proposed
0	0.12	0.12	0.12	0.11
1	0.10	0.10	0.10	0.09
2	0.08	0.08	0.08	0.07
3	0.07	0.07	0.07	0.06
4	0.06	0.06	0.06	0.05

Members with 5 or More Years of Service

Age	Female		Male		Age	Female		Male	
	Current	Proposed	Current	Proposed		Current	Proposed	Current	Proposed
20	0.028815	0.057630	0.028575	0.045720	45	0.026924	0.053848	0.026273	0.042037
21	0.028802	0.057604	0.028540	0.045664	46	0.026689	0.053378	0.025948	0.041517
22	0.028789	0.057578	0.028502	0.045603	47	0.026414	0.052828	0.025568	0.040909
23	0.028777	0.057554	0.028457	0.045531	48	0.026113	0.052226	0.025150	0.040240
24	0.028757	0.057514	0.028399	0.045438	49	0.025802	0.051604	0.024709	0.039534
25	0.028747	0.057494	0.028349	0.045358	50	0.025464	0.050928	0.024227	0.038763
26	0.028734	0.057468	0.028301	0.045282	51	0.025064	0.050128	0.023662	0.037859
27	0.028696	0.057392	0.028238	0.045181	52	0.024556	0.049112	0.022965	0.036744
28	0.028662	0.057324	0.028189	0.045102	53	0.023969	0.047938	0.022166	0.035466
29	0.028614	0.057228	0.028132	0.045011	54	0.023319	0.046638	0.021282	0.034051
30	0.028573	0.057146	0.028088	0.044941	55	0.022534	0.045068	0.020242	0.032387
31	0.028519	0.057038	0.028037	0.044859	56	0.021505	0.043010	0.018938	0.030301
32	0.028473	0.056946	0.027998	0.044797	57	0.020181	0.040362	0.017319	0.027710
33	0.028416	0.056832	0.027958	0.044733	58	0.018758	0.037516	0.015596	0.024954
34	0.028358	0.056716	0.027927	0.044683	59	0.016846	0.033692	0.013377	0.021403
35	0.028286	0.056572	0.027885	0.044616	60	0.014687	0.029374	0.010884	0.017414
36	0.028210	0.056420	0.027833	0.044533	61	0.012334	0.024668	0.008147	0.013035
37	0.028117	0.056234	0.027752	0.044403	62	0.009599	0.019198	0.004959	0.007934
38	0.028017	0.056034	0.027650	0.044240	63	0.006511	0.013022	0.001355	0.002168
39	0.027909	0.055818	0.027535	0.044056	64	0.003176	0.006352	0.000000	0.000000
40	0.027797	0.055594	0.027407	0.043851	65	0.030000	0.060000	0.030000	0.048000
41	0.027674	0.055348	0.027257	0.043611	65+	0.030000	0.060000	0.030000	0.048000
42	0.027522	0.055044	0.027064	0.043302					
43	0.027357	0.054714	0.026846	0.042954					
44	0.027158	0.054316	0.026582	0.042531					

Current Assumption:

Based on the actual withdrawal experience from 1997 to 1999.

Proposed Assumption:

Male rates were reduced by 5% and female rates were increased by 5% based on the actual withdrawal experience from 2001 to 2005.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Peace Officer / Firefighter Retirement Rates

Age	Female			Male		
	Current	Proposed Reduced	Proposed Unreduced	Current	Proposed Reduced	Proposed Unreduced
<50	One year after the valuation date	N/A	0.104000	One year after the valuation date	N/A	0.104000
50	0.10	0.063000	0.400000	0.10	0.105000	0.400000
51	0.10	0.100000	0.275000	0.10	0.148000	0.275000
52	0.10	0.100000	0.275000	0.10	0.150000	0.275000
53	0.05	0.100000	0.250000	0.05	0.197000	0.250000
54	0.05	0.100000	0.250000	0.05	0.196000	0.250000
55	0.20	0.156000	0.300000	0.20	0.088000	0.300000
56	0.13	0.130000	0.227500	0.13	0.096000	0.227500
57	0.13	0.130000	0.227500	0.13	0.130000	0.227500
58	0.13	0.130000	0.156000	0.13	0.127000	0.156000
59	0.13	0.130000	0.156000	0.13	0.130000	0.156000
60	0.20	N/A	0.250000	0.20	N/A	0.250000
61	0.25	N/A	0.250000	0.25	N/A	0.250000
62	0.25	N/A	0.260000	0.25	N/A	0.260000
63	0.25	N/A	0.250000	0.25	N/A	0.250000
64	0.25	N/A	0.250000	0.25	N/A	0.250000
65	1.00	N/A	1.000000	1.00	N/A	1.000000

Current Assumption: Based on the actual withdrawal experience from 1997 to 1999.

Proposed Assumption: Rates were adjusted based on actual experience from 2001 to 2005.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Peace Officer/Firefighter Disability Rates

Age	Female		Male		Age	Female		Male	
	Current	Proposed	Current	Proposed		Current	Proposed	Current	Proposed
20	0.000880	0.000880	0.000880	0.000880	45	0.002030	0.002030	0.002030	0.002030
21	0.000890	0.000890	0.000890	0.000890	46	0.002200	0.002200	0.002200	0.002200
22	0.000900	0.000900	0.000900	0.000900	47	0.002390	0.002390	0.002390	0.002390
23	0.000910	0.000910	0.000910	0.000910	48	0.002590	0.002590	0.002590	0.002590
24	0.000930	0.000930	0.000930	0.000930	49	0.002790	0.002790	0.002790	0.002790
25	0.000940	0.000940	0.000940	0.000940	50	0.003000	0.003000	0.003000	0.003000
26	0.000950	0.000950	0.000950	0.000950	51	0.003250	0.003250	0.003250	0.003250
27	0.000980	0.000980	0.000980	0.000980	52	0.003580	0.003580	0.003580	0.003580
28	0.001000	0.001000	0.001000	0.001000	53	0.003980	0.003980	0.003980	0.003980
29	0.001030	0.001030	0.001030	0.001030	54	0.004440	0.004440	0.004440	0.004440
30	0.001050	0.001050	0.001050	0.001050	55	0.005000	0.005000	0.005000	0.005000
31	0.001080	0.001080	0.001080	0.001080	56	0.005740	0.005740	0.005740	0.005740
32	0.001100	0.001100	0.001100	0.001100	57	0.006680	0.006680	0.006680	0.006680
33	0.001130	0.001130	0.001130	0.001130	58	0.007630	0.007630	0.007630	0.007630
34	0.001160	0.001160	0.001160	0.001160	59	0.009000	0.009000	0.009000	0.009000
35	0.001200	0.001200	0.001200	0.001200	60	0.010540	0.010540	0.010540	0.010540
36	0.001240	0.001240	0.001240	0.001240	61	0.012190	0.012190	0.012190	0.012190
37	0.001290	0.001290	0.001290	0.001290	62	0.014130	0.014130	0.014130	0.014130
38	0.001340	0.001340	0.001340	0.001340	63	0.016310	0.016310	0.016310	0.016310
39	0.001390	0.001390	0.001390	0.001390	64	0.018630	0.018630	0.018630	0.018630
40	0.001440	0.001440	0.001440	0.001440					
41	0.001500	0.001500	0.001500	0.001500					
42	0.001590	0.001590	0.001590	0.001590					
43	0.001700	0.001700	0.001700	0.001700					
44	0.001850	0.001850	0.001850	0.001850					

Current Assumption: Based on the actual withdrawal experience from 1991 to 1995.

Proposed Assumption: There were no changes for the disability rates for PERS Peace Officer / Firefighter. Male and female rates are the same.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Peace Officer / Firefighter Salary Scale

Years of Service	Percent Increase	
	Current	Proposed
0	6.0%	6.5%
1	6.0%	6.5%
2	6.0%	6.5%
3	6.0%	6.5%
4	6.0%	6.5%
5	4.5%	6.5%
6	4.5%	4.5%
7	4.5%	4.5%
8	4.5%	4.5%
9	4.5%	4.5%
10	4.5%	4.5%
11	4.5%	4.5%
12	4.5%	4.5%
13	4.5%	4.5%
14	4.5%	4.5%
15	4.5%	4.5%
16	4.5%	4.5%
17	4.5%	4.5%
18	4.5%	4.5%
19	4.5%	4.5%
20+	4.5%	4.5%

Current Assumption: Based on the actual withdrawal experience from 1997 to 1999.

Proposed Assumption: The rates were increased for the first 6 years and are based on actual experience from 2000 to 2005.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Others Preretirement Mortality Rates Female

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.000233	0.000098	50	0.001536	0.000645	85	0.072836	0.030591
16	0.000261	0.000110	51	0.001686	0.000708	86	0.081018	0.034028
17	0.000281	0.000118	52	0.001864	0.000783	87	0.090348	0.037946
18	0.000293	0.000123	53	0.002051	0.000861	88	0.100882	0.042370
19	0.000301	0.000126	54	0.002241	0.000941	89	0.112467	0.047236
20	0.000305	0.000128	55	0.002466	0.001036	90	0.125016	0.052507
21	0.000308	0.000129	56	0.002755	0.001157	91	0.138442	0.058146
22	0.000311	0.000131	57	0.003139	0.001318	92	0.152660	0.064117
23	0.000313	0.000131	58	0.003612	0.001517	93	0.167668	0.070421
24	0.000313	0.000131	59	0.004154	0.001745	94	0.183524	0.077080
25	0.000313	0.000131	60	0.004773	0.002005	95	0.200229	0.084096
26	0.000316	0.000133	61	0.005476	0.002300	96	0.217783	0.091469
27	0.000324	0.000136	62	0.006271	0.002634	97	0.236188	0.099199
28	0.000338	0.000142	63	0.007179	0.003015	98	0.255605	0.107354
29	0.000356	0.000150	64	0.008194	0.003441	99	0.276035	0.115935
30	0.000377	0.000158	65	0.009286	0.003900	100	0.297233	0.124838
31	0.000401	0.000168	66	0.010423	0.004378	101	0.318956	0.133962
32	0.000427	0.000179	67	0.011574	0.004861	102	0.340960	0.143203
33	0.000454	0.000191	68	0.012648	0.005312	103	0.364586	0.153126
34	0.000482	0.000202	69	0.013665	0.005739	104	0.389996	0.163798
35	0.000514	0.000216	70	0.014763	0.006200	105	0.415180	0.174376
36	0.000550	0.000231	71	0.016079	0.006753	106	0.438126	0.184013
37	0.000593	0.000249	72	0.017748	0.007454	107	0.456824	0.191866
38	0.000643	0.000270	73	0.019724	0.008284	108	0.471493	0.198027
39	0.000701	0.000294	74	0.021915	0.009204	109	0.483473	0.203059
40	0.000763	0.000320	75	0.024393	0.010245	110	0.492436	0.206823
41	0.000826	0.000347	76	0.027231	0.011437	111	0.498054	0.209183
42	0.000888	0.000373	77	0.030501	0.012810	112	0.500000	0.210000
43	0.000943	0.000396	78	0.034115	0.014328	113	0.500000	0.210000
44	0.000992	0.000417	79	0.038024	0.015970	114	0.500000	0.210000
45	0.001046	0.000439	80	0.042361	0.017792	115	0.500000	0.210000
46	0.001111	0.000467	81	0.047260	0.019849	116	0.500000	0.210000
47	0.001196	0.000502	82	0.052853	0.022198	117	0.500000	0.210000
48	0.001297	0.000545	83	0.058986	0.024774	118	0.500000	0.210000
49	0.001408	0.000591	84	0.065569	0.027539	119	1.000000	1.000000

Current Assumption: 1994 Group Annuity Table, 1994 Base Year.

Proposed Assumption: 42% of the 1994 Group Annuity Table, 1994 Base Year.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Others Preretirement Mortality Rates Male

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.000371	0.000156	50	0.002773	0.001165	85	0.104559	0.043915
16	0.000421	0.000177	51	0.003088	0.001297	86	0.113755	0.047777
17	0.000463	0.000194	52	0.003455	0.001451	87	0.124377	0.052238
18	0.000495	0.000208	53	0.003854	0.001619	88	0.136537	0.057346
19	0.000521	0.000219	54	0.004278	0.001797	89	0.149949	0.062979
20	0.000545	0.000229	55	0.004758	0.001998	90	0.164442	0.069066
21	0.000570	0.000239	56	0.005322	0.002235	91	0.179849	0.075537
22	0.000598	0.000251	57	0.006001	0.002520	92	0.196001	0.082320
23	0.000633	0.000266	58	0.006774	0.002845	93	0.213325	0.089597
24	0.000671	0.000282	59	0.007623	0.003202	94	0.231936	0.097413
25	0.000711	0.000299	60	0.008576	0.003602	95	0.251189	0.105499
26	0.000749	0.000315	61	0.009663	0.004058	96	0.270441	0.113585
27	0.000782	0.000328	62	0.010911	0.004583	97	0.289048	0.121400
28	0.000811	0.000341	63	0.012335	0.005181	98	0.306750	0.128835
29	0.000838	0.000352	64	0.013914	0.005844	99	0.323976	0.136070
30	0.000862	0.000362	65	0.015629	0.006564	100	0.341116	0.143269
31	0.000883	0.000371	66	0.017462	0.007334	101	0.358560	0.150595
32	0.000902	0.000379	67	0.019391	0.008144	102	0.376699	0.158214
33	0.000912	0.000383	68	0.021354	0.008969	103	0.396884	0.166691
34	0.000913	0.000383	69	0.023364	0.009813	104	0.418855	0.175919
35	0.000915	0.000384	70	0.025516	0.010717	105	0.440585	0.185046
36	0.000927	0.000389	71	0.027905	0.011720	106	0.460043	0.193218
37	0.000958	0.000402	72	0.030625	0.012863	107	0.475200	0.199584
38	0.001010	0.000424	73	0.033549	0.014091	108	0.485670	0.203981
39	0.001075	0.000452	74	0.036614	0.015378	109	0.492807	0.206979
40	0.001153	0.000484	75	0.040012	0.016805	110	0.497189	0.208819
41	0.001243	0.000522	76	0.043933	0.018452	111	0.499394	0.209745
42	0.001346	0.000565	77	0.048570	0.020399	112	0.500000	0.210000
43	0.001454	0.000611	78	0.053991	0.022676	113	0.500000	0.210000
44	0.001568	0.000659	79	0.060066	0.025228	114	0.500000	0.210000
45	0.001697	0.000713	80	0.066696	0.028012	115	0.500000	0.210000
46	0.001852	0.000778	81	0.073780	0.030988	116	0.500000	0.210000
47	0.002042	0.000858	82	0.081217	0.034111	117	0.500000	0.210000
48	0.002660	0.000949	83	0.088721	0.037263	118	0.500000	0.210000
49	0.002501	0.001050	84	0.096358	0.040470	119	1.000000	1.000000

Current Assumption: 1994 Group Annuity Table, 1994 Base Year.

Proposed Assumption: 42% of the 1994 Group Annuity Table, 1994 Base Year.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Others Postretirement Mortality Rates Female

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.000233	0.000233	50	0.001536	0.001536	85	0.072836	0.072836
16	0.000261	0.000261	51	0.001686	0.001686	86	0.081018	0.081018
17	0.000281	0.000281	52	0.001864	0.001864	87	0.090348	0.090348
18	0.000293	0.000293	53	0.002051	0.002051	88	0.100882	0.100882
19	0.000301	0.000301	54	0.002241	0.002241	89	0.112467	0.112467
20	0.000305	0.000305	55	0.002466	0.002466	90	0.125016	0.125016
21	0.000308	0.000308	56	0.002755	0.002755	91	0.138442	0.138442
22	0.000311	0.000311	57	0.003139	0.003139	92	0.152660	0.152660
23	0.000313	0.000313	58	0.003612	0.003612	93	0.167668	0.167668
24	0.000313	0.000313	59	0.004154	0.004154	94	0.183524	0.183524
25	0.000313	0.000313	60	0.004773	0.004773	95	0.200229	0.200229
26	0.000316	0.000316	61	0.005476	0.005476	96	0.217783	0.217783
27	0.000324	0.000324	62	0.006271	0.006271	97	0.236188	0.236188
28	0.000338	0.000338	63	0.007179	0.007179	98	0.255605	0.255605
29	0.000356	0.000356	64	0.008194	0.008194	99	0.276035	0.276035
30	0.000377	0.000377	65	0.009286	0.009286	100	0.297233	0.297233
31	0.000401	0.000401	66	0.010423	0.010423	101	0.318956	0.318956
32	0.000427	0.000427	67	0.011574	0.011574	102	0.340960	0.340960
33	0.000454	0.000454	68	0.012648	0.012648	103	0.364586	0.364586
34	0.000482	0.000482	69	0.013665	0.013665	104	0.389996	0.389996
35	0.000514	0.000514	70	0.014763	0.014763	105	0.415180	0.415180
36	0.000550	0.000550	71	0.016079	0.016079	106	0.438126	0.438126
37	0.000593	0.000593	72	0.017748	0.017748	107	0.456824	0.456824
38	0.000643	0.000643	73	0.019724	0.019724	108	0.471493	0.471493
39	0.000701	0.000701	74	0.021915	0.021915	109	0.483473	0.483473
40	0.000763	0.000763	75	0.024393	0.024393	110	0.492436	0.492436
41	0.000826	0.000826	76	0.027231	0.027231	111	0.498054	0.498054
42	0.000888	0.000888	77	0.030501	0.030501	112	0.500000	0.500000
43	0.000943	0.000943	78	0.034115	0.034115	113	0.500000	0.500000
44	0.000992	0.000992	79	0.038024	0.038024	114	0.500000	0.500000
45	0.001046	0.001046	80	0.042361	0.042361	115	0.500000	0.500000
46	0.001111	0.001111	81	0.047260	0.047260	116	0.500000	0.500000
47	0.001196	0.001196	82	0.052853	0.052853	117	0.500000	0.500000
48	0.001297	0.001297	83	0.058986	0.058986	118	0.500000	0.500000
49	0.001408	0.001408	84	0.065569	0.065569	119	1.000000	1.000000

Current Assumption: 1994 Group Annuity Table, 1994 Base Year.

Proposed Assumption: No change.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Others Postretirement Mortality Rates Male

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.000371	0.000371	50	0.002773	0.002773	85	0.104559	0.104559
16	0.000421	0.000421	51	0.003088	0.003088	86	0.113755	0.113755
17	0.000463	0.000463	52	0.003455	0.003455	87	0.124377	0.124377
18	0.000495	0.000495	53	0.003854	0.003854	88	0.136537	0.136537
19	0.000521	0.000521	54	0.004278	0.004278	89	0.149949	0.149949
20	0.000545	0.000545	55	0.004758	0.004758	90	0.164442	0.164442
21	0.000570	0.000570	56	0.005322	0.005322	91	0.179849	0.179849
22	0.000598	0.000598	57	0.006001	0.006001	92	0.196001	0.196001
23	0.000633	0.000633	58	0.006774	0.006774	93	0.213325	0.213325
24	0.000671	0.000671	59	0.007623	0.007623	94	0.231936	0.231936
25	0.000711	0.000711	60	0.008576	0.008576	95	0.251189	0.251189
26	0.000749	0.000749	61	0.009663	0.009663	96	0.270441	0.270441
27	0.000782	0.000782	62	0.010911	0.010911	97	0.289048	0.289048
28	0.000811	0.000811	63	0.012335	0.012335	98	0.306750	0.306750
29	0.000838	0.000838	64	0.013914	0.013914	99	0.323976	0.323976
30	0.000862	0.000862	65	0.015629	0.015629	100	0.341116	0.341116
31	0.000883	0.000883	66	0.017462	0.017462	101	0.358560	0.358560
32	0.000902	0.000902	67	0.019391	0.019391	102	0.376699	0.376699
33	0.000912	0.000912	68	0.021354	0.021354	103	0.396884	0.396884
34	0.000913	0.000913	69	0.023364	0.023364	104	0.418855	0.418855
35	0.000915	0.000915	70	0.025516	0.025516	105	0.440585	0.440585
36	0.000927	0.000927	71	0.027905	0.027905	106	0.460043	0.460043
37	0.000958	0.000958	72	0.030625	0.030625	107	0.475200	0.475200
38	0.001010	0.001010	73	0.033549	0.033549	108	0.485670	0.485670
39	0.001075	0.001075	74	0.036614	0.036614	109	0.492807	0.492807
40	0.001153	0.001153	75	0.040012	0.040012	110	0.497189	0.497189
41	0.001243	0.001243	76	0.043933	0.043933	111	0.499394	0.499394
42	0.001346	0.001346	77	0.048570	0.048570	112	0.500000	0.500000
43	0.001454	0.001454	78	0.053991	0.053991	113	0.500000	0.500000
44	0.001568	0.001568	79	0.060066	0.060066	114	0.500000	0.500000
45	0.001697	0.001697	80	0.066696	0.066696	115	0.500000	0.500000
46	0.001852	0.001852	81	0.073780	0.073780	116	0.500000	0.500000
47	0.002042	0.002042	82	0.081217	0.081217	117	0.500000	0.500000
48	0.002660	0.002660	83	0.088721	0.088721	118	0.500000	0.500000
49	0.002501	0.002501	84	0.096358	0.096358	119	1.000000	1.000000

Current Assumption: 1994 Group Annuity Table, 1994 Base Year.

Proposed Assumption: No change.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Others Withdrawal Rates

Members With Less than 5 Years of Service (Rates vary slightly by age)

Service	Hire Age < 35			Hire Age > 35		
	Current	Proposed		Current	Proposed	
		Male	Female		Male	Female
0	0.25	0.25	0.26	0.15	0.15	0.16
1	0.23	0.23	0.24	0.15	0.15	0.16
2	0.20	0.20	0.21	0.13	0.13	0.14
3	0.16	0.16	0.17	0.12	0.12	0.12
4	0.15	0.15	0.16	0.11	0.11	0.11

Members with 5 or More Years of Service

Age	Female		Male		Age	Female		Male	
	Current	Proposed	Current	Proposed		Current	Proposed	Current	Proposed
20	0.109415	0.136769	0.109175	0.120093	45	0.048304	0.060380	0.047653	0.052418
21	0.109412	0.136765	0.109150	0.120065	46	0.048189	0.060236	0.047448	0.052193
22	0.109399	0.136749	0.109112	0.120023	47	0.048044	0.060055	0.047198	0.051918
23	0.109397	0.136746	0.109077	0.119985	48	0.047873	0.059841	0.046910	0.051601
24	0.109387	0.136734	0.109029	0.119932	49	0.047702	0.059628	0.046609	0.051270
25	0.109387	0.136734	0.108989	0.119888	50	0.047504	0.059380	0.046267	0.050894
26	0.109384	0.136730	0.108931	0.119846	51	0.047274	0.059093	0.045872	0.050459
27	0.109366	0.136708	0.108908	0.119799	52	0.046996	0.058745	0.045405	0.049946
28	0.109342	0.136678	0.108869	0.119756	53	0.046679	0.058349	0.044876	0.049364
29	0.109314	0.136643	0.108832	0.119715	54	0.046339	0.057924	0.044302	0.048732
30	0.109283	0.136604	0.108798	0.119678	55	0.045934	0.057418	0.043642	0.048006
31	0.109259	0.136574	0.108777	0.119655	56	0.045405	0.056756	0.042838	0.047122
32	0.109223	0.136529	0.108748	0.119623	57	0.044721	0.055901	0.041859	0.046045
33	0.109186	0.136483	0.108728	0.119601	58	0.043948	0.054935	0.040786	0.044865
34	0.109148	0.136435	0.108717	0.119589	59	0.042966	0.053708	0.039497	0.043447
35	0.079106	0.098883	0.078705	0.086576	60	0.041857	0.052321	0.038054	0.041859
36	0.079050	0.098813	0.078673	0.086540	61	0.040624	0.050780	0.036437	0.040081
37	0.078997	0.098746	0.078632	0.086495	62	0.039209	0.049011	0.034569	0.038026
38	0.078927	0.098659	0.078560	0.086416	63	0.037601	0.047001	0.032445	0.035690
39	0.078859	0.098574	0.078485	0.086334	64	0.035846	0.044808	0.030126	0.033139
40	0.058777	0.073471	0.058387	0.064226	65+	0.050000	0.062500	0.050000	0.055000
41	0.058694	0.073368	0.058277	0.064105					
42	0.058602	0.073253	0.058144	0.063958					
43	0.058517	0.073146	0.058006	0.063807					
44	0.058418	0.073023	0.057842	0.063626					

Current Assumption: Based on actual experience from 1997 to 1999.

Proposed Assumption: Rates were adjusted based on actual experience from 2001 to 2005.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Others Retirement Rates

Age	Female			Male		
	Current	Proposed Reduced	Proposed Unreduced	Current	Proposed Reduced	Proposed Unreduced
<50	One year after the valuation date	N/A	0.072000	One year after the valuation date	N/A	0.071000
50	0.05	0.073000	0.200000	0.05	0.060000	0.200000
51	0.05	0.075000	0.200000	0.05	0.062000	0.175000
52	0.05	0.075000	0.150000	0.05	0.075000	0.200000
53	0.06	0.089000	0.240000	0.06	0.075000	0.180000
54	0.06	0.054000	0.210000	0.06	0.060000	0.300000
55	0.10	0.082000	0.300000	0.10	0.079000	0.300000
56	0.10	0.092000	0.175000	0.10	0.095000	0.175000
57	0.10	0.091000	0.175000	0.10	0.096000	0.175000
58	0.10	0.091000	0.175000	0.10	0.095000	0.150000
59	0.10	0.038000	0.175000	0.10	0.047000	0.150000
60	0.10	N/A	0.210000	0.10	N/A	0.200000
61	0.10	N/A	0.150000	0.10	N/A	0.175000
62	0.15	N/A	0.187500	0.15	N/A	0.300000
63	0.15	N/A	0.187500	0.15	N/A	0.225000
64	0.15	N/A	0.187500	0.15	N/A	0.262500
65	0.20	N/A	0.250000	0.20	N/A	0.270000
66	0.20	N/A	0.250000	0.20	N/A	0.270000
67	0.20	N/A	0.250000	0.20	N/A	0.270000
68	1.00	N/A	0.250000	1.00	N/A	0.300000
69	1.00	N/A	0.300000	1.00	N/A	0.300000
70	1.00	N/A	1.000000	1.00	N/A	1.000000

Current Assumption: Based on actual experience from 1997 to 1999.

Proposed Assumption: Rates adjusted based on actual experience from 2001 to 2005.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Others Salary Scale

Percent Increase		
Years of Service	Current Assumptions	Proposed Assumptions
0	5.5%	9.5%
1	5.5%	7.5%
2	5.5%	6.5%
3	5.5%	6.0%
4	5.5%	5.5%
5-9	5.5%	Age based
10+	4.0%	Age based

Percent Increase			
Age	Proposed	Age	Proposed
20	0.0500	50	0.0450
21	0.0500	51	0.0450
22	0.0500	52	0.0450
23	0.0500	53	0.0450
24	0.0500	54	0.0450
25	0.0500	55	0.0450
26	0.0495	56	0.0440
27	0.0490	57	0.0430
28	0.0485	58	0.0420
29	0.0480	59	0.0410
30	0.0475	60	0.0400
31	0.0470	61	0.0400
32	0.0465	62	0.0400
33	0.0460	63	0.0400
34	0.0455	64	0.0400
35	0.0450	65	0.0400
36	0.0450	66	0.0400
37	0.0450	67	0.0400
38	0.0450	68	0.0400
39	0.0450	69	0.0400
40	0.0450	70	0.0400
41	0.0450		
42	0.0450		
43	0.0450		
44	0.0450		
45	0.0450		
46	0.0450		
47	0.0450		
48	0.0450		
49	0.0450		

Current Assumption: Based on actual experience from 1997 to 1999.

Proposed Assumption: Rates adjusted based on actual experience from 2001 to 2005.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

PERS Others Disability Rates

Age	Female		Male		Age	Female		Male	
	Current	Proposed	Current	Proposed		Current	Proposed	Current	Proposed
20	0.000280	0.000294	0.000280	0.000322	45	0.000650	0.000683	0.000650	0.000748
21	0.000280	0.000294	0.000280	0.000322	46	0.000700	0.000735	0.000700	0.000805
22	0.000290	0.000305	0.000290	0.000334	47	0.000760	0.000798	0.000760	0.000874
23	0.000290	0.000305	0.000290	0.000334	48	0.000830	0.000872	0.000830	0.000955
24	0.000300	0.000315	0.000300	0.000345	49	0.000890	0.000935	0.000890	0.001024
25	0.000300	0.000315	0.000300	0.000345	50	0.000960	0.001008	0.000960	0.001104
26	0.000300	0.000315	0.000300	0.000345	51	0.001040	0.001092	0.001040	0.001196
27	0.000310	0.000326	0.000310	0.000357	52	0.001140	0.001197	0.001140	0.001311
28	0.000320	0.000336	0.000320	0.000368	53	0.001270	0.001334	0.001270	0.001461
29	0.000330	0.000347	0.000330	0.000380	54	0.001420	0.001491	0.001420	0.001633
30	0.000340	0.000357	0.000340	0.000391	55	0.001600	0.001680	0.001600	0.001840
31	0.000340	0.000357	0.000340	0.000391	56	0.001840	0.001932	0.001840	0.002116
32	0.000350	0.000368	0.000350	0.000403	57	0.002140	0.002247	0.002140	0.002461
33	0.000360	0.000378	0.000360	0.000414	58	0.002440	0.002562	0.002440	0.002806
34	0.000370	0.000389	0.000370	0.000426	59	0.002880	0.003024	0.002880	0.003312
35	0.000380	0.000399	0.000380	0.000437	60	0.003370	0.003539	0.003370	0.003876
36	0.000400	0.000420	0.000400	0.000460	61	0.003900	0.004095	0.003900	0.004485
37	0.000410	0.000431	0.000410	0.000472	62	0.004520	0.004746	0.004520	0.005198
38	0.000430	0.000452	0.000430	0.000495	63	0.005220	0.005481	0.005220	0.006003
39	0.000440	0.000462	0.000440	0.000506	64	0.005960	0.006258	0.005960	0.006854
40	0.000460	0.000483	0.000460	0.000529	65	N/A	0.007134	N/A	0.007814
41	0.000480	0.000504	0.000480	0.000552	66	N/A	0.008133	N/A	0.008907
42	0.000510	0.000536	0.000510	0.000587	67	N/A	0.009272	N/A	0.010155
43	0.000540	0.000567	0.000540	0.000621	68	N/A	0.010570	N/A	0.011576
44	0.000590	0.000620	0.000590	0.000679	69	N/A	0.012049	N/A	0.013197

Current Assumption: Based on actual experience from 1991 to 1995.

Proposed Assumption: Female rates were increased by 5% and male rates were increased by 5% based on actual experience from 2001 to 2005.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

TRS Preretirement Mortality Rates Female

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.000233	0.000140	50	0.001536	0.000922	85	0.072836	0.043702
16	0.000261	0.000157	51	0.001686	0.001012	86	0.081018	0.048611
17	0.000281	0.000169	52	0.001864	0.001118	87	0.090348	0.054209
18	0.000293	0.000176	53	0.002051	0.001231	88	0.100882	0.060529
19	0.000301	0.000181	54	0.002241	0.001345	89	0.112467	0.067480
20	0.000305	0.000183	55	0.002466	0.001480	90	0.125016	0.075010
21	0.000308	0.000185	56	0.002755	0.001653	91	0.138442	0.083065
22	0.000311	0.000187	57	0.003139	0.001883	92	0.152660	0.091596
23	0.000313	0.000188	58	0.003612	0.002167	93	0.167668	0.100601
24	0.000313	0.000188	59	0.004154	0.002492	94	0.183524	0.110114
25	0.000313	0.000188	60	0.004773	0.002864	95	0.200229	0.120137
26	0.000316	0.000190	61	0.005476	0.003286	96	0.217783	0.130670
27	0.000324	0.000194	62	0.006271	0.003763	97	0.236188	0.141713
28	0.000338	0.000203	63	0.007179	0.004307	98	0.255605	0.153363
29	0.000356	0.000214	64	0.008194	0.004916	99	0.276035	0.165621
30	0.000377	0.000226	65	0.009286	0.005572	100	0.297233	0.178340
31	0.000401	0.000241	66	0.010423	0.006254	101	0.318956	0.191374
32	0.000427	0.000256	67	0.011574	0.006944	102	0.340960	0.204576
33	0.000454	0.000272	68	0.012648	0.007589	103	0.364586	0.218752
34	0.000482	0.000289	69	0.013665	0.008199	104	0.389996	0.233998
35	0.000514	0.000308	70	0.014763	0.008858	105	0.415180	0.249108
36	0.000550	0.000330	71	0.016079	0.009647	106	0.438126	0.262876
37	0.000593	0.000356	72	0.017748	0.010649	107	0.456824	0.274094
38	0.000643	0.000386	73	0.019724	0.011834	108	0.471493	0.282896
39	0.000701	0.000421	74	0.021915	0.013149	109	0.483473	0.290084
40	0.000763	0.000458	75	0.024393	0.014636	110	0.492436	0.295462
41	0.000826	0.000496	76	0.027231	0.016339	111	0.498054	0.298832
42	0.000888	0.000533	77	0.030501	0.018301	112	0.500000	0.300000
43	0.000943	0.000566	78	0.034115	0.020469	113	0.500000	0.300000
44	0.000992	0.000595	79	0.038024	0.022814	114	0.500000	0.300000
45	0.001046	0.000628	80	0.042361	0.025417	115	0.500000	0.300000
46	0.001111	0.000667	81	0.047260	0.028356	116	0.500000	0.300000
47	0.001196	0.000718	82	0.052853	0.031712	117	0.500000	0.300000
48	0.001297	0.000778	83	0.058986	0.035392	118	0.500000	0.300000
49	0.001408	0.000845	84	0.065569	0.039341	119	1.000000	1.000000

Current Assumption: 1994 Group Annuity Table, 1994 Base Year.

Proposed Assumption: 60% of the 1994 Group Annuity Table, 1994 Base Year.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

TRS Preretirement Mortality Rates Male

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.000371	0.000204	50	0.002773	0.001525	85	0.104559	0.057507
16	0.000421	0.000232	51	0.003088	0.001698	86	0.113755	0.062565
17	0.000463	0.000255	52	0.003455	0.001900	87	0.124377	0.068407
18	0.000495	0.000272	53	0.003854	0.002120	88	0.136537	0.075095
19	0.000521	0.000287	54	0.004278	0.002353	89	0.149949	0.082472
20	0.000545	0.000300	55	0.004758	0.002617	90	0.164442	0.090443
21	0.000570	0.000314	56	0.005322	0.002927	91	0.179849	0.098917
22	0.000598	0.000329	57	0.006001	0.003301	92	0.196001	0.107801
23	0.000633	0.000348	58	0.006774	0.003726	93	0.213325	0.117329
24	0.000671	0.000369	59	0.007623	0.004193	94	0.231936	0.127565
25	0.000711	0.000391	60	0.008576	0.004717	95	0.251189	0.138154
26	0.000749	0.000412	61	0.009663	0.005315	96	0.270441	0.148743
27	0.000782	0.000430	62	0.010911	0.006001	97	0.289048	0.158976
28	0.000811	0.000446	63	0.012335	0.006784	98	0.306750	0.168713
29	0.000838	0.000461	64	0.013914	0.007653	99	0.323976	0.178187
30	0.000862	0.000474	65	0.015629	0.008596	100	0.341116	0.187614
31	0.000883	0.000486	66	0.017462	0.009604	101	0.358560	0.197208
32	0.000902	0.000496	67	0.019391	0.010665	102	0.376699	0.207184
33	0.000912	0.000502	68	0.021354	0.011745	103	0.396884	0.218286
34	0.000913	0.000502	69	0.023364	0.012850	104	0.418855	0.230370
35	0.000915	0.000503	70	0.025516	0.014034	105	0.440585	0.242322
36	0.000927	0.000510	71	0.027905	0.015348	106	0.460043	0.253024
37	0.000958	0.000527	72	0.030625	0.016844	107	0.475200	0.261360
38	0.001010	0.000556	73	0.033549	0.018452	108	0.485670	0.267119
39	0.001075	0.000591	74	0.036614	0.020138	109	0.492807	0.271044
40	0.001153	0.000634	75	0.040012	0.022007	110	0.497189	0.273454
41	0.001243	0.000684	76	0.043933	0.024163	111	0.499394	0.274667
42	0.001346	0.000740	77	0.048570	0.026714	112	0.500000	0.275000
43	0.001454	0.000800	78	0.053991	0.029695	113	0.500000	0.275000
44	0.001568	0.000862	79	0.060066	0.033036	114	0.500000	0.275000
45	0.001697	0.000933	80	0.066696	0.036683	115	0.500000	0.275000
46	0.001852	0.001019	81	0.073780	0.040579	116	0.500000	0.275000
47	0.002042	0.001123	82	0.081217	0.044669	117	0.500000	0.275000
48	0.002260	0.001243	83	0.088721	0.048797	118	0.500000	0.275000
49	0.002501	0.001376	84	0.096358	0.052997	119	1.000000	1.000000

Current Assumption: 1994 Group Annuity Table, 1994 Base Year.

Proposed Assumption: 55% of the 1994 Group Annuity Table, 1994 Base Year.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

TRS Postretirement Mortality Rates Female

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.000233		50	0.001536	0.001408	85	0.072836	0.065569
16	0.000261	0.000233	51	0.001686	0.001536	86	0.081018	0.072836
17	0.000281	0.000261	52	0.001864	0.001686	87	0.090348	0.081018
18	0.000293	0.000281	53	0.002051	0.001864	88	0.100882	0.090348
19	0.000301	0.000293	54	0.002241	0.002051	89	0.112467	0.100882
20	0.000305	0.000301	55	0.002466	0.002241	90	0.125016	0.112467
21	0.000308	0.000305	56	0.002755	0.002466	91	0.138442	0.125016
22	0.000311	0.000308	57	0.003139	0.002755	92	0.152660	0.138442
23	0.000313	0.000311	58	0.003612	0.003139	93	0.167668	0.152660
24	0.000313	0.000313	59	0.004154	0.003612	94	0.183524	0.167668
25	0.000313	0.000313	60	0.004773	0.004154	95	0.200229	0.183524
26	0.000316	0.000313	61	0.005476	0.004773	96	0.217783	0.200229
27	0.000324	0.000316	62	0.006271	0.005476	97	0.236188	0.217783
28	0.000338	0.000324	63	0.007179	0.006271	98	0.255605	0.236188
29	0.000356	0.000338	64	0.008194	0.007179	99	0.276035	0.255605
30	0.000377	0.000356	65	0.009286	0.008194	100	0.297233	0.276035
31	0.000401	0.000377	66	0.010423	0.009286	101	0.318956	0.297233
32	0.000427	0.000401	67	0.011574	0.010423	102	0.340960	0.318956
33	0.000454	0.000427	68	0.012648	0.011574	103	0.364586	0.340960
34	0.000482	0.000454	69	0.013665	0.012648	104	0.389996	0.364586
35	0.000514	0.000482	70	0.014763	0.013665	105	0.415180	0.389996
36	0.000550	0.000514	71	0.016079	0.014763	106	0.438126	0.415180
37	0.000593	0.000550	72	0.017748	0.016079	107	0.456824	0.438126
38	0.000643	0.000593	73	0.019724	0.017748	108	0.471493	0.456824
39	0.000701	0.000643	74	0.021915	0.019724	109	0.483473	0.471493
40	0.000763	0.000701	75	0.024393	0.021915	110	0.492436	0.483473
41	0.000826	0.000763	76	0.027231	0.024393	111	0.498054	0.492436
42	0.000888	0.000826	77	0.030501	0.027231	112	0.500000	0.498054
43	0.000943	0.000888	78	0.034115	0.030501	113	0.500000	0.500000
44	0.000992	0.000943	79	0.038024	0.034115	114	0.500000	0.500000
45	0.001046	0.000992	80	0.042361	0.038024	115	0.500000	0.500000
46	0.001111	0.001046	81	0.047260	0.042361	116	0.500000	0.500000
47	0.001196	0.001111	82	0.052853	0.047260	117	0.500000	0.500000
48	0.001297	0.001196	83	0.058986	0.052853	118	0.500000	0.500000
49	0.001408	0.001297	84	0.065569	0.058986	119	1.000000	1.000000

Current Assumption: 1994 Group Annuity Table, 1994 Base Year.

Proposed Assumption: 1-year setback of the 1994 Group Annuity Table, 1994 Base Year.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

TRS Postretirement Mortality Rates Male

Age	Current	Proposed	Age	Current	Proposed	Age	Current	Proposed
15	0.000371	N/A	50	0.002773	0.002042	85	0.104559	0.081217
16	0.000421	N/A	51	0.003088	0.002260	86	0.113755	0.088721
17	0.000463	N/A	52	0.003455	0.002501	87	0.124377	0.096358
18	0.000495	0.000371	53	0.003854	0.002773	88	0.136537	0.104559
19	0.000521	0.000421	54	0.004278	0.003088	89	0.149949	0.113755
20	0.000545	0.000463	55	0.004758	0.003455	90	0.164442	0.124377
21	0.000570	0.000495	56	0.005322	0.003854	91	0.179849	0.136537
22	0.000598	0.000521	57	0.006001	0.004278	92	0.196001	0.149949
23	0.000633	0.000545	58	0.006774	0.004758	93	0.213325	0.164442
24	0.000671	0.000570	59	0.007623	0.005322	94	0.231936	0.179849
25	0.000711	0.000598	60	0.008576	0.006001	95	0.251189	0.196001
26	0.000749	0.000633	61	0.009663	0.006774	96	0.270441	0.213325
27	0.000782	0.000671	62	0.010911	0.007623	97	0.289048	0.231936
28	0.000811	0.000711	63	0.012335	0.008576	98	0.306750	0.251189
29	0.000838	0.000749	64	0.013914	0.009663	99	0.323976	0.270441
30	0.000862	0.000782	65	0.015629	0.010911	100	0.341116	0.289048
31	0.000883	0.000811	66	0.017462	0.012335	101	0.358560	0.306750
32	0.000902	0.000838	67	0.019391	0.013914	102	0.376699	0.323976
33	0.000912	0.000862	68	0.021354	0.015629	103	0.396884	0.341116
34	0.000913	0.000883	69	0.023364	0.017462	104	0.418855	0.358560
35	0.000915	0.000902	70	0.025516	0.019391	105	0.440585	0.376699
36	0.000927	0.000912	71	0.027905	0.021354	106	0.460043	0.396884
37	0.000958	0.000913	72	0.030625	0.023364	107	0.475200	0.418855
38	0.001010	0.000915	73	0.033549	0.025516	108	0.485670	0.440585
39	0.001075	0.000927	74	0.036614	0.027905	109	0.492807	0.460043
40	0.001153	0.000958	75	0.040012	0.030625	110	0.497189	0.475200
41	0.001243	0.001010	76	0.043933	0.033549	111	0.499394	0.485670
42	0.001346	0.001075	77	0.048570	0.036614	112	0.500000	0.492807
43	0.001454	0.001153	78	0.053991	0.040012	113	0.500000	0.497189
44	0.001568	0.001243	79	0.060066	0.043933	114	0.500000	0.499394
45	0.001697	0.001346	80	0.066696	0.048570	115	0.500000	0.500000
46	0.001852	0.001454	81	0.073780	0.053991	116	0.500000	0.500000
47	0.002042	0.001568	82	0.081217	0.060066	117	0.500000	0.500000
48	0.002660	0.001697	83	0.088721	0.066696	118	0.500000	0.500000
49	0.002501	0.001852	84	0.096358	0.073780	119	1.000000	1.000000

Current Assumption: 1994 Group Annuity Table, 1994 Base Year.

Proposed Assumption: 3-year setback of the 1994 Group Annuity Table, 1994 Base Year.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

TRS Withdrawal Rates

Members With Less than 8 Years of Service (Rates vary slightly by age)

Service	Female		Male	
	Current	Proposed	Current	Proposed
0	.10	.13	.10	.15
1	.10	.13	.10	.15
2	.09	.12	.09	.13
3	.09	.11	.09	.13
4	.08	.11	.08	.12
5	.07	.09	.07	.10
6	.06	.08	.06	.09
7	.05	.07	.05	.07

Members with 8 or More Years of Service

Age	Female		Male		Age	Female		Male	
	Current	Proposed	Current	Proposed		Current	Proposed	Current	Proposed
15	0.039770	0.043747	0.039630	0.049538	40	0.038780	0.042658	0.038390	0.047988
16	0.039740	0.043714	0.039580	0.049475	41	0.038690	0.042559	0.038280	0.047850
17	0.039720	0.043692	0.039540	0.049425	42	0.038600	0.042460	0.038140	0.047675
18	0.039710	0.043681	0.039500	0.049375	43	0.038520	0.042372	0.038010	0.047513
19	0.039700	0.043670	0.039480	0.049350	44	0.038420	0.042262	0.037840	0.047300
20	0.039410	0.043351	0.039170	0.048963	45	0.038300	0.042130	0.037650	0.047063
21	0.039410	0.043351	0.039150	0.048938	46	0.038190	0.042009	0.037450	0.046813
22	0.039400	0.043340	0.039110	0.048888	47	0.038040	0.041844	0.037200	0.046500
23	0.039400	0.043340	0.039080	0.048850	48	0.037870	0.041657	0.036910	0.046138
24	0.039390	0.043329	0.039030	0.048788	49	0.037700	0.041470	0.036610	0.045763
25	0.039390	0.043329	0.038990	0.048738	50	0.037500	0.041250	0.036270	0.045338
26	0.039380	0.043318	0.038950	0.048688	51	0.037270	0.040997	0.035870	0.044838
27	0.039370	0.043307	0.038910	0.048638	52	0.037000	0.040700	0.035400	0.044250
28	0.039340	0.043274	0.038870	0.048588	53	0.036680	0.040348	0.034880	0.043600
29	0.039310	0.043241	0.038830	0.048538	54	0.036340	0.039974	0.034300	0.042875
30	0.039280	0.043208	0.038800	0.048500	55	0.035930	0.039523	0.033640	0.042050
31	0.039260	0.043186	0.038780	0.048475	56	0.035400	0.038940	0.032840	0.041050
32	0.039220	0.043142	0.038750	0.048438	57	0.034720	0.038192	0.031860	0.039825
33	0.039190	0.043109	0.038730	0.048413	58	0.033950	0.037345	0.030790	0.038488
34	0.039150	0.043065	0.038720	0.048400	59	0.032970	0.036267	0.029500	0.036875
35	0.039110	0.043021	0.038700	0.048375	60	0.031860	0.035046	0.028050	0.035063
36	0.039050	0.042955	0.038670	0.048338	61	0.030620	0.033682	0.026440	0.033050
37	0.039000	0.042900	0.038630	0.048288	62	0.029210	0.032131	0.024570	0.030713
38	0.038930	0.042823	0.038560	0.048200	63	0.027600	0.030360	0.022440	0.028050
39	0.038860	0.042746	0.038480	0.048100	64	0.025850	0.028435	0.020130	0.025163
					65+	0.040000	0.044000	0.040000	0.050000

Current Assumption: Based on actual experience from 1997 to 1999.

Proposed Assumption: Rates adjusted based on actual experience from 2001 to 2005.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

TRS Retirement Rates

Age	Female			Male		
	Current	Proposed Reduced	Proposed Unreduced	Current	Proposed Reduced	Proposed Unreduced
>50	One year after the valuation date	N/A	0.057000	One year after the valuation date	N/A	0.056000
50	0.05	0.063000	0.125000	0.05	0.060000	0.200000
51	0.05	0.068000	0.150000	0.05	0.068000	0.175000
52	0.05	0.067000	0.150000	0.05	0.068000	0.200000
53	0.05	0.089000	0.200000	0.05	0.079000	0.150000
54	0.05	0.100000	0.200000	0.05	0.078000	0.250000
55	0.15	0.072000	0.225000	0.15	0.059000	0.225000
56	0.13	0.071000	0.195000	0.13	0.058000	0.195000
57	0.10	0.069000	0.175000	0.10	0.055000	0.175000
58	0.10	0.085000	0.200000	0.10	0.062000	0.175000
59	0.10	0.083000	0.200000	0.10	0.063000	0.250000
60	0.10	N/A	0.200000	0.10	N/A	0.200000
61	0.10	N/A	0.200000	0.10	N/A	0.200000
62	0.10	N/A	0.250000	0.10	N/A	0.125000
63	0.17	N/A	0.297500	0.17	N/A	0.255000
64	0.17	N/A	0.340000	0.17	N/A	0.340000
65	0.50	N/A	0.500000	0.50	N/A	0.250000
66	1.00	N/A	0.300000	1.00	N/A	0.200000
67	1.00	N/A	0.300000	1.00	N/A	0.200000
68	1.00	N/A	0.250000	1.00	N/A	0.200000
69	1.00	N/A	0.300000	1.00	N/A	0.200000
70	1.00	N/A	1.000000	1.00	N/A	1.000000

Current Assumption: Based on actual experience from 1997 to 1999.

Proposed Assumption: Rates adjusted based on actual experience from 2001 to 2005.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

TRS Disability Rates

Age	Female		Male		Age	Female		Male	
	Current	Proposed	Current	Proposed		Current	Proposed	Current	Proposed
20	0.000280	0.000252	0.000280	0.000280	45	0.000650	0.000585	0.000650	0.000650
21	0.000280	0.000252	0.000280	0.000280	46	0.000700	0.000630	0.000700	0.000700
22	0.000290	0.000261	0.000290	0.000290	47	0.000760	0.000684	0.000760	0.000760
23	0.000290	0.000261	0.000290	0.000290	48	0.000830	0.000747	0.000830	0.000830
24	0.000300	0.000270	0.000300	0.000300	49	0.000890	0.000801	0.000890	0.000890
25	0.000300	0.000270	0.000300	0.000300	50	0.000960	0.000864	0.000960	0.000960
26	0.000300	0.000270	0.000300	0.000300	51	0.001040	0.000936	0.001040	0.001040
27	0.000310	0.000279	0.000310	0.000310	52	0.001140	0.001026	0.001140	0.001140
28	0.000320	0.000288	0.000320	0.000320	53	0.001270	0.001143	0.001270	0.001270
29	0.000330	0.000297	0.000330	0.000330	54	0.001420	0.001278	0.001420	0.001420
30	0.000340	0.000306	0.000340	0.000340	55	0.001600	0.001440	0.001600	0.001600
31	0.000340	0.000306	0.000340	0.000340	56	0.001840	0.001656	0.001840	0.001840
32	0.000350	0.000315	0.000350	0.000350	57	0.002140	0.001926	0.002140	0.002140
33	0.000360	0.000324	0.000360	0.000360	58	0.002440	0.002196	0.002440	0.002440
34	0.000370	0.000333	0.000370	0.000370	59	0.002880	0.002592	0.002880	0.002880
35	0.000380	0.000342	0.000380	0.000380	60	0.003370	0.003033	0.003370	0.003370
36	0.000400	0.000360	0.000400	0.000400	61	0.003900	0.003510	0.003900	0.003900
37	0.000410	0.000369	0.000410	0.000410	62	0.004520	0.004068	0.004520	0.004520
38	0.000430	0.000387	0.000430	0.000430	63	0.005220	0.004698	0.005220	0.005220
39	0.000440	0.000396	0.000440	0.000440	64	0.005960	0.005364	0.005960	0.005960
40	0.000460	0.000414	0.000460	0.000460	65	N/A	0.006115	N/A	0.006794
41	0.000480	0.000432	0.000480	0.000480	66	N/A	0.006971	N/A	0.007746
42	0.000510	0.000459	0.000510	0.000510	67	N/A	0.007947	N/A	0.008830
43	0.000540	0.000486	0.000540	0.000540	68	N/A	0.009060	N/A	0.010066
44	0.000590	0.000531	0.000590	0.000590	69	N/A	0.010328	N/A	0.011475

Current Assumption: Based on actual experience from 1991 to 1995.

Proposed Assumption: Female rates were decreased by 10% and male rates are unchanged based on actual experience from 2001 to 2005.

SECTION VI

COMPARATIVE SUMMARY OF CURRENT & PROPOSED ASSUMPTION RATE TABLES

TRS Salary Scale

Years of Service	Percent Increase	
	Current	Proposed
0	5.5%	6.0%
1	5.5%	6.0%
2	5.5%	6.0%
3	5.5%	6.0%
4	5.5%	6.0%
5	4.0%	6.0%
6	4.0%	5.8%
7	4.0%	5.6%
8	4.0%	5.4%
9	4.0%	5.2%
10	4.0%	5.0%
11	4.0%	4.8%
12	4.0%	4.6%
13	4.0%	4.4%
14	4.0%	4.2%
15	4.0%	4.0%
16	4.0%	4.0%
17	4.0%	4.0%
18	4.0%	4.0%
19	4.0%	4.0%
20+	4.0%	4.0%

Current Assumption: Based on actual experience from 1997 to 1999.

Proposed Assumption: Rates adjusted based on actual experience from 2001 to 2005.