



**Cavanaugh Macdonald**  
CONSULTING, LLC

*The experience and dedication you deserve.*



**Teachers' Retirement System  
of the State of Kentucky  
Report of the Actuary on the  
Annual Valuation of the  
Retiree Medical and Life  
Insurance Plans**

**Prepared as of June 30, 2010**





# Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

December 16, 2010

Board of Trustees  
Teachers' Retirement System of the  
State of Kentucky  
479 Versailles Road  
Frankfort, KY 40601-3800

Members of the Board:

Governmental Accounting Standards Board Statements No. 43 and 45 require the Teachers' Retirement System of the State of Kentucky (the System) to conduct actuarial valuations of the System's retiree medical and other post employment benefit plans. This report covers the Medical Insurance Fund and OPEB liabilities related to the Life Insurance Fund. Cavanaugh Macdonald Consulting, LLC (CMC) has submitted the results of the annual actuarial valuation prepared as of June 30, 2010. While not verifying the data at source, the actuary performed tests for consistency and reasonability.

The valuation indicates a total annual required contribution of 7.20% of active member payroll for the Medical Insurance Fund payable for the fiscal year ending June 30, 2013 is required to support the benefits of the Kentucky Employees Health Plan and the Medicare Eligible Health Plan. Of this amount, 1.43% of payroll is estimated to be paid by University members entering the system prior to July 1, 2008 and 1.75% of payroll is estimated to be paid by all other members, leaving 5.77% and 5.45% respectively, as the remaining annual required contribution. This annual required contribution reflects the assets currently held in the Medical Insurance Fund. Given the changes to benefits, funding, and investment policy, the discount rate for valuing liabilities is 8.00%. Schedule A provides the liabilities of the medical plans under the alternate discount rate assumptions of 4.50% and 7.50%.

The Medical Insurance Fund valuation takes into account, as appropriate, the effect of amendments to the medical plans enacted through the most recent session of the Legislature. These changes include: an increase in cost sharing for current and future retirees not eligible for Medicare in the form of a minimum contribution based upon the projected Medicare Part B premium (phased-in over three years, beginning July 1, 2010); payment by the Commonwealth of KTRS' net premium cost (capped at 3.00% of payroll) of those members who retire July 1, 2010 and later that are not eligible for Medicare; and the increases in member and employer contributions scheduled to begin July 1, 2010. The valuation's discount rate assumption has been increased to 8.00% to reflect the impact of these changes, along with the adjustment to the Medical Insurance Fund's investment policy to achieve a long-term rate of return of 8.00%. Additionally, the assumed rates of health care inflation were revised to reflect current expectations. The actuarial accrued liability decreased from \$6.5 billion in 2009 to \$3.2 billion in 2010.

The Life Insurance Fund valuation indicates a total annual required contribution of 0.05% of active member payroll payable for the fiscal year ending June 30, 2013 is required to support the benefits of the Life Insurance Fund. The contribution rate of 0.05% equals the amount to be contributed in the prior fiscal year. With the State contributions to the Life Insurance Fund meeting the required levels, the discount rate for valuing liabilities is 7.50%.



Board of Trustees  
December 16, 2010  
Page 2

The promised benefits of the medical and life insurance plans are included in the actuarially calculated contribution rates which are developed using the unit credit actuarial cost method with projected benefits. The market value of plan assets is used for actuarial valuation purposes. Gains and losses are reflected in the unfunded accrued liability that is being amortized by regular annual contributions as a level percentage of payroll within a 30-year period, on the assumption that payroll will increase by 4.0% annually. The assumptions recommended by the actuary and adopted by the Board are in aggregate reasonably related to the experience under the medical and life insurance plans and to reasonable expectations of anticipated experience under the medical and life insurance plans and meet the parameters for the disclosures under GASB 43 and 45.

CMC has prepared the trend information shown in the Schedule of Funding Progress in the Financial Section of the Annual Report and Schedule A and Schedule C shown in the Actuarial Section of the Annual Report.

This is to certify that the independent consulting actuary is a member of the American Academy of Actuaries and has experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the medical and life insurance plans and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the plans.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

In our opinion, if the State contributions to the Medical Insurance Fund are increased to the planned levels, the medical plans will begin to operate in a more actuarially sound basis. Assuming that required contributions to the Medical Insurance Fund are made by the employer from year to year in the future at the levels required on the basis of the successive actuarial valuations, the actuarial soundness of the Medical Insurance Fund to provide the benefits called for under the medical plans will improve.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Eric Gary'.

Eric Gary, FSA, FCA, MAAA  
Senior Actuary

A handwritten signature in blue ink, appearing to read 'Alisa Bennett'.

Alisa Bennett, FSA, EA, FCA, MAAA  
Principal and Senior Actuary

EG/AB:lb



## TABLE OF CONTENTS

<u>Section</u>	<u>Item</u>	<u>Page No.</u>
I	Summary of Principal Results	1
II	Membership Data	5
III	Assets	5
IV	Comments on Valuation	5
V	Contributions Payable under the Plans	7
VI	Comments on Level of Funding	9
VII	Accounting Information	10
 <u>Schedule</u>		
A	Benefits of Pre-Funding	15
B	Summary of Receipts and Disbursements	16
C	Outline of Actuarial Assumptions and Methods	18
D	Summary of Main Plan Provisions as Interpreted for Valuation Purposes	22
E	Age and Service Tables	25



**TEACHERS' RETIREMENT SYSTEM  
OF THE STATE OF KENTUCKY  
REPORT OF THE ACTUARY ON THE ANNUAL VALUATION  
OF THE RETIREE MEDICAL AND LIFE INSURANCE PLANS  
PREPARED AS OF JUNE 30, 2010**

**SECTION I - SUMMARY OF PRINCIPAL RESULTS**

1. For convenience of reference, the principal results of the valuation and a comparison with the results of the previous valuation are summarized below:

**MEDICAL INSURANCE FUND**  
(Dollar amounts in \$1,000's)

Valuation Date	June 30, 2010	June 30, 2009
Number of active members	76,387	75,937
Annual salaries	\$ 3,321,614	\$ 3,253,077
Number of annuitants in medical plans	34,315	33,481
Number of spouses and beneficiaries in medical plans*	<u>6,834</u>	<u>6,808</u>
Total	41,149	40,289
Assets:		
Market value	\$ 241,224	\$ 229,103
Unfunded actuarial accrued liability	\$ 2,965,582	\$ 6,225,630
Amortization period (years)	30	30
Discount rate	8.00%	4.50%

\*Spouses of post-65 retirees, as well as surviving spouses of deceased retirees, pay 100% of the full contribution. 100% of the full contribution for non-Medicare eligible dependents is paid through a combination of payments from beneficiaries and the State.



**MEDICAL INSURANCE FUND CONTRIBUTION RATES FOR UNIVERSITY MEMBERS**

Valuation Date	June 30, 2010		June 30, 2009*	
Contribution for fiscal year ending:	June 30, 2013		June 30, 2012	
	Hired prior to 7/1/08	Hired on or after 7/1/08	Hired prior to 7/1/08	Hired on or after 7/1/08
Normal	2.32%	2.32%	7.53%	7.53%
Accrued liability	<u>4.88%</u>	<u>4.88%</u>	<u>6.83%</u>	<u>6.83%</u>
Total	7.20%	7.20%	14.36%	14.36%
Member	1.43%	1.75%	0.75%	1.75%
Employer (ARC)	1.43%	0.75%	0.75%	0.75%
State (ARC)	<u>4.34%</u>	<u>4.70%</u>	<u>12.86%</u>	<u>11.86%</u>
Total	7.20%	7.20%	14.36%	14.36%

\*The June 30, 2009 valuation results reflect provisions as of that date and are provided for informational purposes. For the fiscal years ending June 30, 2011 and June 30, 2012, it is recommended that the results of the June 30, 2010 valuation be appropriately used to determine the State contribution.

**MEDICAL INSURANCE FUND CONTRIBUTION RATES FOR SCHOOL DISTRICT EMPLOYEES (NON-FEDERAL)**

Valuation Date	June 30, 2010		June 30, 2009*	
Contribution for fiscal year ending:	June 30, 2013		June 30, 2012	
	Hired prior to 7/1/08	Hired on or after 7/1/08	Hired prior to 7/1/08	Hired on or after 7/1/08
Normal	2.32%	2.32%	7.53%	7.53%
Accrued liability	<u>4.88%</u>	<u>4.88%</u>	<u>6.83%</u>	<u>6.83%</u>
Total	7.20%	7.20%	14.36%	14.36%
Member	1.75%	1.75%	0.75%	1.75%
Employer (ARC)	1.00%	1.00%	0.00%	0.00%
State (ARC)	<u>4.45%</u>	<u>4.45%</u>	<u>13.61%</u>	<u>12.61%</u>
Total	7.20%	7.20%	14.36%	14.36%

\*The June 30, 2009 valuation results reflect provisions as of that date and are provided for informational purposes. For the fiscal years ending June 30, 2011 and June 30, 2012, it is recommended that the results of the June 30, 2010 valuation be appropriately used to determine the State contribution.



**MEDICAL INSURANCE FUND CONTRIBUTION RATES FOR OTHER EMPLOYEES**

Valuation Date	June 30, 2010		June 30, 2009*	
Contribution for fiscal year ending:	June 30, 2013		June 30, 2012	
	Hired prior to 7/1/08	Hired on or after 7/1/08	Hired prior to 7/1/08	Hired on or after 7/1/08
Normal	2.32%	2.32%	7.53%	7.53%
Accrued liability	<u>4.88%</u>	<u>4.88%</u>	<u>6.83%</u>	<u>6.83%</u>
Total	7.20%	7.20%	14.36%	14.36%
Member	1.75%	1.75%	0.75%	1.75%
Employer (ARC)	1.75%	0.75%	0.75%	0.75%
State (ARC)	<u>3.70%</u>	<u>4.70%</u>	<u>12.86%</u>	<u>11.86%</u>
Total	7.20%	7.20%	14.36%	14.36%

\*The June 30, 2009 valuation results reflect provisions as of that date and are provided for informational purposes. For the fiscal years ending June 30, 2011 and June 30, 2012, it is recommended that the results of the June 30, 2010 valuation be appropriately used to determine the State contribution.

**LIFE INSURANCE FUND**  
(Dollar amounts in \$1,000's)

Valuation Date	June 30, 2010	June 30, 2009
Number of active members	76,387	75,937
Annual salaries	\$ 3,321,614	\$ 3,253,077
Number retirees in Life Insurance Plan	39,951	38,958
Assets:		
Market value	\$ 87,905	\$ 84,703
Unfunded actuarial accrued liability*	\$ 4,186	\$ 5,631
Amortization period (years)	30	30
Discount rate	7.50%	7.50%
Contribution for fiscal year ending:	June 30, 2013	June 30, 2012
Normal	0.04%	0.04%
Accrued liability	<u>0.01%</u>	<u>0.01%</u>
Total	0.05%	0.05%

\* Includes liability for death in active service. This amount could be segregated from the OPEB liability and assets could be split for active and post employment purposes. However, since this could be administratively burdensome and since death in active service liabilities can be considered de minimis, it is acceptable to consider the entire liability an OPEB liability under GASB 43 and 45.



2. The valuation indicates combined member, employer, and State contributions of 7.20% of active member payroll would be sufficient to support the current benefits of the medical plans and State contributions of 0.05% of active member payroll would be sufficient to support the current benefits of the life insurance plan. Comments on the valuation results as of June 30, 2010 are given in Section IV and further discussion of the contribution levels is set out in Sections V and VI.
3. Schedule C of this report outlines the full set of actuarial assumptions and methods employed in the current valuation. Since the previous valuation, the medical plan discount rate was increased from 4.50% to 8.00%. The impact of this change is shown on Schedule A.
4. The valuation takes into account the effect of amendments to the medical plans enacted through the most recent session of the Legislature. Effective July 1, 2010, retirees under age 65 began a three year phase-in of the Shared Responsibility Contribution, the basis of which will, in the third year, equal the Standard Medicare Part B premium required to be paid by retirees age 65 and over. This additional contribution required from retirees under age 65 resulted in a decrease of \$173,536,621 in the accrued liability and \$16,306,917, or 0.49% of payroll, in the annual required contribution. Effective July 1, 2010, the Commonwealth of Kentucky will begin paying the System's cost of medical insurance for new retirees under the age of 65, less what those retirees are otherwise required to pay (capped at an ultimate amount of 3.00% of payroll). This change represents \$590,529,804 of the accrued liability and \$68,599,691, or 2.06% of payroll, in the annual required contribution. Effective July 1, 2010, active members will begin a six-year phase-in to an additional contribution to the medical insurance fund. Previously, members hired before July 1, 2008 were required to contribute 0.75% of pay and members hired on or after July 1, 2008 were required to contribute 1.75% of pay. For the fiscal year ending June 30, 2013, member contributions will be 1.43% for University employees who became members of the System before July 1, 2008 and 1.75% for all other members.





## **SECTION II - MEMBERSHIP DATA**

1. Data regarding the membership of the medical and life insurance plans for use as a basis of the valuation were furnished by the System office. The following table shows the number of active members and their annual salaries as of June 30, 2010 on the basis of which the valuation was prepared.

<b>Group</b>	<b>Number</b>	<b>Annual Salaries (\$1,000's)</b>
Full Time	58,983	\$ 3,211,563
Part Time	<u>17,404</u>	<u>110,051</u>
Total	76,387	\$ 3,321,614

## **SECTION III - ASSETS**

1. As of June 30, 2010 the market value of Medical Insurance Fund assets for valuation purposes held by the medical plans amounted to \$241,223,840 and the market value of Life Insurance Fund assets for valuation purposes held by the life insurance plan amounted to \$87,904,593.
2. Schedule B shows the receipts and disbursements for the year preceding the valuation date and a reconciliation of the asset balances for the Medical Insurance Fund and the Life Insurance Fund.

## **SECTION IV - COMMENTS ON VALUATION**

1. Schedule A of this report outlines the results of the actuarial valuation and illustrates the benefits of pre-funding the liability for the medical and life insurance plans. The valuation was prepared in accordance with the actuarial assumptions and the actuarial cost method, which are described in Schedule C.
2. The valuation shows that the medical plans have an actuarial accrued liability of \$1,258,246,049 for benefits expected to be paid on account of the present active membership, based on service to the valuation date. The liability on account of benefits payable to retirees and covered spouses amounts to \$1,948,560,035. The total actuarial accrued liability of the medical plans amounts to \$3,206,806,084. Against these liabilities, the medical plans have present assets for valuation



purposes of \$241,223,840. When this amount is deducted from the actuarial accrued liability of \$3,206,806,084 there remains \$2,965,582,244 as the unfunded actuarial accrued liability for the medical plans.

3. The normal contribution is equal to the actuarial present value of benefits accruing during the current year. The normal contribution for the medical plans is determined to be \$77,101,531 or 2.32% of payroll.
4. The valuation shows that the life insurance plan has an actuarial accrued liability of \$17,657,348 for benefits expected to be paid on account of the present active membership, based on service to the valuation date. The liability on account of benefits payable to retirees amounts to \$74,433,365. The total actuarial accrued liability of the life insurance plan amounts to \$92,090,713. This amount includes liability for death in active service. The liability for death in active service could be segregated from the OPEB liability and assets could be split for active and post employment purposes. As this could be administratively burdensome and, as death in active service liabilities can be considered de minimis, it is acceptable to consider the entire liability an OPEB liability under GASB 43 and 45. Against these liabilities, the life insurance plan has present assets for valuation purposes of \$87,904,593. When this amount is deducted from the actuarial accrued liability of \$92,090,713 there remains \$4,186,120 as the unfunded actuarial accrued liability for the life insurance plan.
5. The normal contribution is equal to the actuarial present value of benefits accruing during the current year. The normal contribution for the life insurance plan is determined to be \$1,275,631, or 0.04% of payroll.



**SECTION V - CONTRIBUTIONS PAYABLE UNDER THE PLANS**

- Sections 161.420 and 161.550 of the Kentucky Revised Statutes provide the amounts employers and the State are required to contribute to the Medical Insurance Fund. These contribution amounts vary by fiscal year, date of membership, and employee type.

<b>Employer Percentage of Payroll Contribution Made to Medical Insurance Fund</b>						
<b>Fiscal Year Ending</b>	<b>University Employees</b>		<b>School District Employees (Non-Federal)*</b>		<b>Other Employees</b>	
	<b>Hired Before 7/1/2008</b>	<b>Hired On or After 7/1/2008</b>	<b>Hired Before 7/1/2008</b>	<b>Hired On or After 7/1/2008</b>	<b>Hired Before 7/1/2008</b>	<b>Hired On or After 7/1/2008</b>
2011	0.920%	0.750%	0.250%	0.250%	1.000%	0.750%
2012	1.090%	0.750%	0.500%	0.500%	1.250%	0.750%
2013	1.430%	0.750%	1.000%	1.000%	1.750%	0.750%
2014	1.750%	0.750%	1.500%	1.500%	2.250%	1.250%
2015	2.270%	1.270%	2.250%	2.250%	3.000%	2.000%
2016 and Later	2.775%	1.775%	3.000%	3.000%	3.750%	2.750%

\*In addition to the amounts contributed by School Districts on behalf of Non-Federal employees, the State contributes 0.75%.

For the fiscal year ending June 30, 2013, member contributions will be 1.43% for University employees who became members of the System before July 1, 2008 and 1.75% for all other members. CMC recommends employer and State contributions increase to the required amount of 5.77% of payroll for University employees hired prior to July 1, 2008 and 5.45% of payroll for all other members. The State is scheduled to contribute 0.05% of salary to the Life Insurance Fund for the fiscal year ending June 30, 2012. CMC's valuation indicates the same contribution of 0.05% for the fiscal year ending June 30, 2013 is required to sufficiently support the benefits of the life insurance plan.



**REQUIRED CONTRIBUTION RATES  
For Fiscal Year Ending June 30, 2013**

<b>Medical Insurance Fund</b>						
Normal	2.32%					
Accrued Liability	<u>4.88%</u>					
Total	7.20%					
	<b>University Employees</b>		<b>School District Employees (Non-Federal)</b>		<b>Other Employees</b>	
	Hired prior to 7/1/08	Hired on or after 7/1/08	Hired prior to 7/1/08	Hired on or after 7/1/08	Hired prior to 7/1/08	Hired on or after 7/1/08
Member	1.43%	1.75%	1.75%	1.75%	1.75%	1.75%
Employer (ARC)	1.43%	0.75%	1.00%	1.00%	1.75%	0.75%
State (ARC)	<u>4.34%</u>	<u>4.70%</u>	<u>4.45%</u>	<u>4.45%</u>	<u>3.70%</u>	<u>4.70%</u>
Total	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%

<b>Life Insurance Fund</b>	
Normal	0.04%
Accrued Liability	<u>0.01%</u>
Total	0.05%
Member	0.00%
State (ARC)	<u>0.05%</u>
Total	0.05%

- The valuation indicates that a total normal contribution of 2.32% of payroll is required to meet the cost of benefits currently accruing under the medical plans and 0.04% of payroll is required to meet the cost of benefits currently accruing under the life insurance plan. The difference between the total contribution and the normal contribution remains to be applied toward the liquidation of the unfunded actuarial accrued liability. This accrued liability payment is 4.88% of payroll for the medical plans and 0.01% of payroll for the life insurance plan.
- The unfunded actuarial accrued liability amounts to \$2,965,582,244 for the medical plans and \$4,186,120 for the life insurance plan as of the valuation date. An accrued liability contribution of 4.88% of payroll for the medical plans and 0.01% of payroll for the life insurance plan is sufficient



to amortize the unfunded actuarial accrued liabilities over a 30-year period, based on the assumption that the payroll will increase by 4.0% annually.

#### **SECTION VI - COMMENTS ON LEVEL OF FUNDING**

1. The System's monthly contribution for retirees to opt into the medical plan is based upon date of hire and years of service at retirement. Additionally, beneficiary contributions may vary by plan election, Medicare eligibility, and tobacco use. Beneficiary contributions for dependents are targeted to be 100% of the cost of expected claims for spouses age 65 and older. Historically, this target has been achieved. 100% of the full cost for non-Medicare eligible dependents is paid through a combination of payments from beneficiaries and the State. Current employer and State contributions have been determined to be insufficient to fund the cost of the benefits to be provided. Benefits for university, school district (non-Federal), and other members are identical, although active employee contributions collected from university, school district (non-Federal), and other members differ. A listing of member contributions by fiscal year, date of membership, and employer type is provided in Schedule D.
2. The valuation indicates an increase in contributions is required to fund the medical plans in an actuarially sound manner and to ensure the future solvency of the Medical Insurance Fund. For University employees who became members of the System before July 1, 2008, a member contribution of 1.43% of payroll together with employer and State contributions of 5.77% of payroll are required to meet the cost of benefits currently accruing and provide for the amortization of the unfunded actuarial accrued liability over a period of 30 years. For the remaining membership, a member contribution of 1.75% of payroll together with employer and State contributions of 5.45% of payroll is required to meet the cost of benefits currently accruing and provide for the amortization of the unfunded actuarial accrued liability over a period of 30 years.



**SECTION VII - ACCOUNTING INFORMATION**

1. Governmental Accounting Standards Board Statements 43 and 45 set forth certain items of required supplementary information to be disclosed in the financial statements of the medical and life insurance plans and the employer.

<b>NUMBER OF ACTIVE AND RETIRED MEMBERS IN MEDICAL PLANS AS OF JUNE 30, 2010</b>	
<b>GROUP</b>	<b>NUMBER</b>
Retirees currently receiving health benefits	34,315
Spouses of retirees currently receiving health benefits	6,834
Active plan members	<u>76,387</u>
Total	117,536

<b>NUMBER OF ACTIVE AND RETIRED MEMBERS IN LIFE INSURANCE PLAN AS OF JUNE 30, 2010</b>	
<b>Group</b>	<b>Number</b>
Retirees	39,951
Active plan members	<u>76,387</u>
Total	116,338



**SCHEDULE OF FUNDING PROGRESS**  
**Medical Insurance Fund**  
(Dollar amounts in \$1,000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2005	147,311	4,763,947	4,616,636	3.1%	2,703,430	170.8%
6/30/2006 <sup>1</sup>	131,614	4,341,963	4,210,349	3.0%	2,859,477	147.2%
6/30/2007 <sup>2</sup>	140,772	5,928,761	5,787,989	2.4%	2,975,289	194.5%
6/30/2008	185,883	6,434,522	6,248,639	2.9%	3,190,332	195.9%
6/30/2009 <sup>3</sup>	229,103	6,454,733	6,225,630	3.5%	3,253,077	191.4%
6/30/2010 <sup>4</sup>	241,224	3,206,806	2,965,582	7.5%	3,321,614	89.3%

<sup>1</sup>Reflects change in decrement assumptions and plan design.

<sup>2</sup>Reflects change in discount rate to 4.5% and updating medical trend.

<sup>3</sup>Reflects change in participation assumptions and plan design.

<sup>4</sup>Reflects change in discount rate to 8.0%, change in plan design and updating medical trend.

**SCHEDULE OF FUNDING PROGRESS**  
**Life Insurance Fund**  
(Dollar amounts in \$1,000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2007	\$71,426	\$82,722	\$11,296	86.3%	\$2,975,289	0.38%
6/30/2008	77,658	84,265	6,607	92.2%	3,190,332	0.21%
6/30/2009	84,703	90,334	5,631	93.8%	3,253,077	0.17%
6/30/2010	87,905	92,091	4,186	95.5%	3,321,614	0.13%



2. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 30, 2010. Additional information as of the latest actuarial valuation follows.

Valuation date	6/30/2010
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Investment Rate of Return*	8.00% Medical 7.50% Life Insurance
Medical Trend Assumption (Pre-Medicare)**	10.5% - 5.0%
Medical Trend Assumption (Post-Medicare)	9.0% - 5.0%
Year of Ultimate Trend Rate	2018

\* Includes Inflation at 4.00%.

\*\*Alternate trend rates were used for Medicare Part B premiums and are disclosed in Schedule C.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Medical Insurance Fund**

Fiscal Year Ending Date	Annual Required Contribution (ARC) (a)	Actual Employer Contribution (b)	RDS Contribution (c)	Total Contribution (b) + (c)	Percentage of ARC Contributed [(b) + (c)] / (a)
6/30/2007	\$231,473,321	\$113,258,761	\$10,312,361	\$123,571,122	53.4%
6/30/2008	395,282,164	148,954,644	11,911,565	160,866,209	40.7%
6/30/2009	467,312,904	164,480,119	13,611,748	178,091,867	38.1%
6/30/2010	457,054,117	158,765,496	14,614,285	173,379,781	37.9%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Life Insurance Fund**

Fiscal Year Ending Date	Annual Required Contribution (ARC) (a)	Actual Employer Contribution (b)	Percentage of ARC Contributed (b) / (a)
6/30/2007	\$1,785,173	\$5,022,137	281.3%
6/30/2008	1,914,199	5,411,249	282.7%
6/30/2009	1,498,076	5,455,473	364.2%
6/30/2010	1,992,969	1,966,826	98.7%





3. Following is the calculation of the Annual OPEB Cost (AOC) and the Net OPEB Obligation (NOO) for the fiscal year ending June 30, 2010. As the medical and life insurance plans are cost-sharing multiple-employer plans, GASB Statement 45 does not require the participating employers to disclose this information.

**Annual OPEB Cost and Net OPEB Obligation  
for the Medical Insurance Fund for Fiscal year Ending June 30, 2010**

(a) Employer Annual Required Contribution	\$457,054,117
(b) Interest on Net OPEB Obligation	23,661,734
(c) Adjustment to Annual Required Contribution	<u>18,773,335</u>
(d) Annual OPEB Cost: (a) + (b) – (c)	\$461,942,516
(e) Employer contributions for Fiscal Year 2010	<u>173,379,781</u>
(f) Increase in Net OPEB Obligation: (d) – (e)	\$288,562,734
(g) Net OPEB Obligation at beginning of Fiscal Year	<u>\$525,816,306</u>
(h) Net OPEB Obligation at end of Fiscal Year: (f) + (g)	\$814,379,040

**TREND INFORMATION FOR THE MEDICAL INSURANCE FUND**

Fiscal Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation (NOO)
6/30/2008	\$395,282,164	40.7%	\$234,415,955
6/30/2009	\$469,492,218	37.9%	\$525,816,306
6/30/2010	\$461,942,516	37.5%	\$814,379,040



**Annual OPEB Cost and Net OPEB Obligation**  
**for the Life Insurance Fund for Fiscal year Ending June 30, 2010**

(a) Employer Annual Required Contribution	\$1,992,969
(b) Interest on Net OPEB Obligation	(565,190)
(c) Adjustment to Annual Required Contribution	<u>(389,738)</u>
(d) Annual OPEB Cost: (a) + (b) – (c)	\$1,817,516
(e) Employer contributions for Fiscal Year 2010	<u>1,966,826</u>
(f) Increase in Net OPEB Obligation: (d) – (e)	\$(149,310)
(g) Net OPEB Obligation at beginning of Fiscal Year	<u>(\$7,535,867)</u>
(h) Net OPEB Obligation at end of Fiscal Year: (f) + (g)	(\$7,685,177)

**TREND INFORMATION FOR THE LIFE INSURANCE FUND**

Fiscal Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation (NOO)
6/30/2008	\$1,914,199	282.7%	(\$3,497,050)
6/30/2009	\$1,416,656	385.1%	(\$7,535,867)
6/30/2010	\$1,817,516	108.2%	(\$7,685,177)



**SCHEDULE A**

**Benefits of Pre-Funding Medical Plan  
(Dollar amounts in \$1,000's)**

	Pay-As-You-Go	Pre-Funding	
	Discount Rate	Discount Rate	Discount Rate
	4.50%	7.50%	8.00%
<b>PAYROLL</b>	\$ 3,321,614	\$ 3,321,614	\$ 3,321,614
<b>ACTUARIAL ACCRUED LIABILITY</b>			
Present value of prospective benefits payable in respect of:			
(a) Present active members	\$ 2,648,229	\$ 1,382,989	\$ 1,258,246
(b) Present retired members and covered spouses	<u>2,853,671</u>	<u>2,045,561</u>	<u>1,948,560</u>
(c) Total actuarial accrued liability	\$ 5,501,900	\$ 3,428,550	\$ 3,206,806
<b>PRESENT ASSETS FOR VALUATION PURPOSES</b>	\$ 241,224	\$ 241,224	\$ 241,224
<b>UNFUNDED ACTUARIAL ACCRUED LIABILITY</b>	\$ 5,260,676	\$ 3,187,326	\$ 2,965,582
<b>CONTRIBUTIONS FOR FISCAL YEAR ENDING JUNE 30, 2013:</b>			
Normal	5.58%	2.60%	2.32%
Accrued Liability	<u>5.65%</u>	<u>4.96%</u>	<u>4.88%</u>
Total	11.23%	7.56%	7.20%
Member	1.73%	1.73%	1.73%
Employer (ARC)	1.02%	1.02%	1.02%
State (ARC)	<u>8.48%</u>	<u>4.81%</u>	<u>4.45%</u>
Total	11.23%	7.56%	7.20%



**SCHEDULE B**

**MEDICAL INSURANCE FUND  
SUMMARY OF RECEIPTS AND DISBURSEMENTS  
(Market Value)**

	For the Year Ending	
	June 30, 2010	June 30, 2009
<b>Receipts for the Year</b>		
Contributions		
Members Statutory	\$ 26,579,278	\$ 25,134,252
Payment by Retired Members	37,226,295	33,554,515
Total Members	<u>\$ 63,805,573</u>	<u>\$ 58,688,767</u>
State Statutory Contributions	24,561,433	25,022,737
State Special	0	0
General Fund Surplus	0	0
Allotment from Pension Fund	<u>134,200,000</u>	<u>139,385,300</u>
Total Employer	<u>\$ 158,761,433</u>	<u>\$ 164,408,037</u>
Grand Total	<u>\$ 222,567,006</u>	<u>\$ 223,096,804</u>
Recovery Income	4,063	72,082
Medicare D Receipts	14,614,285	13,611,748
Net Investment Income	<u>12,312,999</u>	<u>11,296,280</u>
TOTAL	<u>\$ 249,498,353</u>	<u>\$ 248,076,914</u>
<b>Disbursements for the Year</b>		
Refunds to Members	\$ 0	\$ 0
Medical Insurance Expense	<u>237,377,528</u>	<u>204,857,122</u>
TOTAL	<u>\$ 237,377,528</u>	<u>\$ 204,857,122</u>
<b>Excess of Receipts over Disbursements</b>	<u>\$ 12,120,825</u>	<u>\$ 43,219,792</u>
<b>Reconciliation of Asset Balances</b>		
Asset Balance as of the Beginning of the Year	\$ 229,103,015	\$ 185,883,223
Excess of Receipts over Disbursements	<u>12,120,825</u>	<u>43,219,792</u>
Asset Balance as of the End of the Year	<u>\$ 241,223,840</u>	<u>\$ 229,103,015</u>



**SCHEDULE B**  
**(Continued)**

**LIFE INSURANCE FUND**  
**SUMMARY OF RECEIPTS AND DISBURSEMENTS**  
**(Market Value)**

	For the Year Ending	
	June 30, 2010	June 30, 2009
<b>Receipts for the Year</b>		
Contributions		
Members	\$ 0	\$ 0
State	<u>1,966,826</u>	<u>5,455,473</u>
Total	\$ 1,966,826	\$ 5,455,473
Net Investment Income	<u>5,383,644</u>	<u>5,282,958</u>
TOTAL	\$ 7,350,470	\$ 10,738,431
<b>Disbursements for the Year</b>		
Benefit Payments	\$ 4,148,511	\$ 3,694,000
Refunds to Members	0	0
Medical Insurance Payments	0	0
Miscellaneous, including expenses	<u>0</u>	<u>0</u>
TOTAL	\$ 4,148,511	\$ 3,694,000
<b>Excess of Receipts over Disbursements</b>	\$ 3,201,959	\$ 7,044,431
<b>Reconciliation of Asset Balances</b>		
Asset Balance as of the Beginning of the Year	\$ 84,702,634	\$ 77,658,203
Excess of Receipts over Disbursements	<u>3,201,959</u>	<u>7,044,431</u>
Asset Balance as of the End of the Year	<u>\$ 87,904,593</u>	<u>\$ 84,702,634</u>



**SCHEDULE C**

**OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS**

The rates of retirement, disability, mortality, and termination used in the valuation were selected by the Actuary based on the actuarial experience investigation as of June 30, 2005 and adopted by the Board of Trustees on September 18, 2006. The discount rate, rates of future participation, health care cost trend rates, and expected plan costs were determined by the actuary based on plan experience.

VALUATION DATE: June 30, 2010

DISCOUNT RATE: 8.0% per annum, compounded annually for the medical plans  
7.5% per annum, compounded annually for the life insurance plan

HEALTH CARE COST TREND RATES: Following is a chart detailing trend assumptions.

Fiscal Year Ended	Medicare Part B Trend	Under Age 65 Trend	Age 65 and Over Trend
2011	4.4%	10.5%	9.0%
2012	-1.4%	9.5%	8.5%
2013	3.0%	8.5%	7.5%
2014	5.0%	7.5%	7.0%
2015	4.1%	6.5%	6.5%
2016	4.5%	6.0%	6.0%
2017	5.5%	5.5%	5.5%
2018	6.8%	5.0%	5.0%
2019	6.1%	5.0%	5.0%
2020	5.5%	5.0%	5.0%
2021 and beyond	5.0%	5.0%	5.0%

**AGE RELATED MORBIDITY:** For retirees age 65 and older, per capita costs are adjusted to reflect expected medical cost changes related to age. The increase to the net incurred claims was assumed to be:

Participant Age	Annual Increase
65 – 69	3.0%
70 – 74	2.5%
75 – 79	2.0%
80 – 84	1.0%
85 - 89	0.5%
90 and over	0.0%



**SCHEDULE C**  
**(Continued)**

ANTICIPATED MEDICAL PLAN PARTICIPATION: Representative values of the assumed annual rates of medical plan participation are as follows:

Years of Service	Hired 7/1/2008 and later	Hired after 6/30/2002 and before 7/1/0808	Hired 6/30/2002 and earlier	
			Age 65 on 12/31/2004 and earlier	Age 65 on 1/1/2005 and later
5-9.99	Not Eligible	10%	70%	25%
10-14.99	Not Eligible	25%	80%	50%
15-19.99	45%	45%	90%	75%
20-24.99	65%	65%	93%	93%
25-25.99	90%	90%	93%	93%
26-26.99	93%	93%	93%	93%
27 or more	93%	93%	93%	93%

SEPARATIONS FROM SERVICE: Representative values of the assumed annual rates of death, disability, withdrawal, service retirement and early retirement are as follows:

Males

Age	Annual Rate of							
	SALARY*	DEATH	DISABILITY	WITHDRAWAL			RETIREMENT	
				Years of Service			Before 27 Years of Service	After 27 Years of Service**
				0 – 4	5 – 9	10+		
20	8.10%	0.003%	0.01%	9.00%				
25	7.20%	0.010%	0.01%	9.00%	1.50%			
30	6.20%	0.016%	0.02%	9.00%	3.00%	3.00%		
35	5.50%	0.032%	0.05%	10.00%	3.25%	1.50%		
40	5.00%	0.048%	0.08%	10.00%	3.75%	1.50%		
45	4.70%	0.064%	0.22%	9.50%	2.50%	1.50%		25.0%
50	4.50%	0.104%	0.42%	10.00%	4.00%	3.00%		20.0%
55	4.30%	0.216%	0.60%	11.00%	3.00%	2.70%	6.0%	35.0%
60	4.20%	0.375%	0.79%	11.00%	3.00%	2.70%	14.0%	25.0%
62	4.10%	0.438%	0.83%	11.00%	3.00%	2.70%	14.0%	23.0%
65	4.00%	0.566%	0.90%	11.00%	3.00%	2.70%	22.5%	35.0%
70	4.00%	0.905%	0.00%	0.00%	0.00%	0.00%	100.0%	100.0%

\*Includes inflation at 4.0% per annum.

\*\*Plus 5% before age 55 and 15% after age 55 in year when first eligible for unreduced retirement with 27 years of service.



**SCHEDULE C  
(Continued)**

Females

Age	Annual Rate of							
	SALARY*	DEATH	DISABILITY	WITHDRAWAL			RETIREMENT	
				Years of Service			Before 27 Years of Service	After 27 Years of Service**
				0 – 4	5 – 9	10+		
20	8.10%	0.002%	0.03%	6.00%				
25	7.20%	0.007%	0.03%	8.50%	3.00%			
30	6.20%	0.014%	0.04%	9.00%	4.00%	1.50%		
35	5.50%	0.026%	0.11%	8.50%	4.00%	2.00%		
40	5.00%	0.044%	0.22%	8.50%	2.50%	1.50%		
45	4.70%	0.055%	0.38%	7.00%	2.50%	1.50%		25.0%
50	4.50%	0.066%	0.44%	8.50%	3.00%	2.25%		20.0%
55	4.30%	0.085%	0.56%	10.00%	3.50%	2.50%	7.5%	35.0%
60	4.20%	0.122%	0.85%	11.00%	3.50%	2.50%	16.5%	30.0%
62	4.10%	0.137%	0.85%	11.00%	3.50%	2.50%	12.5%	25.0%
65	4.00%	0.159%	0.85%	11.00%	3.50%	2.50%	26.0%	30.0%
70	4.00%	0.195%	0.00%	0.00%	0.00%	0.00%	100.0%	100.0%

\*Includes inflation at 4.0% per annum.

\*\*Plus 5% before age 55 and 15% after age 55 in year when first eligible for unreduced retirement with 27 years of service.

DEATHS AFTER RETIREMENT: According to the 1994 Group Annuity Mortality table for the period after service retirement. Special rates are used for the period after disability retirement. Representative values of the assumed annual rates of death after service and disability retirement are as follows:

Age	Annual Rate of Death After			
	Service Retirement		Disability Retirement	
	Male	Female	Male	Female
45	0.1578%	0.0973%	6.5000%	6.5000%
50	0.2579	0.1428	10.0000	10.0000
55	0.4425	0.2294	10.0000	10.0000
60	0.7976	0.4439	9.0000	9.0000
65	1.4535	0.8636	10.0000	10.0000
70	2.3730	1.3730	6.5000	4.5000
75	3.7211	2.2686	7.0000	6.0000
80	6.2027	3.9396	10.0000	6.5000
85	9.7240	6.7738	12.5000	7.5000
90	15.2931	11.6265	15.0000	17.5000
95	23.3606	18.6213	23.3680	31.7020





**SCHEDULE C**  
**(Continued)**

ACTUARIAL METHOD: Costs were determined using the Projected Unit Credit Actuarial Cost Method. The annual service cost is the present value of the portion of the projected benefit attributable to participation service during the upcoming year, and the Actuarial Accrued Liability (AAL) is equal to the present value of the portion of the projected benefit attributable to service before the valuation date. Service from hire date through the date of full retirement eligibility was used in allocating costs.

ASSETS: Market Value as provided by KTRS. Return on assets assumed to be 8.00% for the Medical Insurance Fund and 7.50% for the Life Insurance Fund.

SPOUSE COVERAGE IN MEDICAL PLANS: Use actual census data and current plan elections for spouses of current retirees. For spouses of future retirees, assumed 20% of future retirees will cover spouses, with females 3 years younger than males.

MEDICAL PLAN COSTS: Assumed per capita health care costs were based on past experience and trended based on the assumptions. Following is a chart detailing retiree per capita assumptions. These amounts include medical, drug, and administrative costs and represent the amount that KTRS pays as the full contribution amount. For retirees age 65 and older, the average costs shown are normalized to age 65 and then age adjusted in calculating liabilities.

Average Monthly KTRS Full Costs and Contributions			
Year	Pre-65 Full Cost and Contributions	Post-65 Full Costs	Post-65 Contributions
CY 2004	\$293	\$274	\$274
CY 2005	\$412	\$288	\$288
CY 2006	\$461	\$315	\$315
CY 2007	\$458	\$283	\$283
CY 2008	\$484	\$278	\$278
CY 2009	\$545	\$301 <sup>1</sup>	\$285
CY 2010	\$594	\$373 <sup>1</sup>	\$342
CY 2011	\$626	\$289 <sup>2</sup>	\$289

<sup>1</sup> Under GASB 43 and 45, cost reductions for the amount of the Medicare Part D Retiree Drug Subsidy cannot be taken into account in the gross cost calculations.

<sup>2</sup> 1,800 current benefit recipients are not eligible for premium-free Medicare Part A benefits. For these individuals, the full cost of coverage is, on average, \$606 per month. It is assumed no new members will enter this population, as all active members are assumed to have begun contributing to Medicare as of 4/1/1986.



**SCHEDULE D**

**SUMMARY OF MAIN PLAN PROVISIONS  
AS INTERPRETED FOR VALUATION PURPOSES**

RETIREE MEDICAL ELIGIBILITY: For those hired prior to July 1, 2008, retiree medical eligibility is attained when an employee retires, which is possible after the completion of 27 years of service or attainment of age 55 and 5 years of service. For those hired on or after July 1, 2008, employees may retire after the completion of 27 years of service, the attainment of age 55 and 10 years of service, or the attainment of age 60 and 5 years of service, but must complete a minimum of 15 years of service to be eligible for medical benefits. Disabled employees, who are totally and permanently incapable of being employed as a teacher and under age 60, but after completing the minimum years of service requirement, are eligible for subsidized retiree medical coverage that is based on the number of years of service credit accrued at disability retirement. At the expiration of the disability entitlement period, the subsidy is recalculated based upon the number of years of service credit that would have accrued had the member remained active. Spouses of those actives who die while eligible to retire are eligible for retiree medical coverage when the death occurred prior to July 1, 2002.

MEDICAL PLAN CONTRIBUTIONS: The full contribution is provided to retirees with 27 or more years of service. The full contribution is determined by KTRS; the full cost is projected based on historical claims data. For retirees with less than 27 years of service, the following percentages of these full contributions are provided:

Percentage of Full Medical Contribution Provided to Retirees				
Year of Service	Hired before 7/1/2002 (age 65 on 12/31/2004 or earlier)	Hired Before 7/1/2002 (age 65 on 1/1/2005 or later)	Hired after 6/30/2002 and before 7/1/2008	Hired 7/1/2008 and later
27 or more	100%	100%	100%	100%
26 – 26.99	100%	100%	95%	95%
25 – 25.99	100%	100%	90%	90%
20 – 24.99	100%	100%	65%	65%
15 – 19.99	90%	75%	45%	45%
10 – 14.99	80%	50%	25%	Not Eligible
5 – 9.99	70%	25%	10%	Not Eligible

Effective January 1, 2009, contributions towards pre-65 retirees and spouses healthcare are based upon the Commonwealth Capital Choice Plan which has a total rate of \$625.68 per month for single coverage (rate effective January 1, 2011). A minimum contribution of \$36.54 is required to be paid by all pre-65 retirees and an additional \$24.00 per month contribution is required for pre-65 retiree smokers.

Effective July 1, 2010, retirees under the age of 65 began a three-year phase-in of the Shared Responsibility Contribution. This contribution reduces the applicable amount of the full contribution provided by the System to retirees, and is the full Shared Responsibility Contribution amount adjusted by the appropriate percentage from the above table. In the first six months, the full amount equaled \$37 per month and will increase slightly to \$39 per month due to the increase in the Medicare Part B premium cost from \$110.50 in 2010 to \$115.40 in 2011. Effective July 1, 2011, the full amount will equal \$77, which represents two-thirds of the Medicare Part B premium. Effective July 1, 2012, the full Shared Responsibility Contribution will equal the Standard Part B premium that is paid by retirees age 65 and over.



**SCHEDULE D**  
**(Continued)**

Spouses of post-65 retirees, as well as surviving spouses of deceased retirees, pay 100% of the full contribution. For spouses of active members who died while eligible to retire, prior to July 1, 2002, KTRS provides the same subsidy they would have provided to the retiree for the lifetime of the spouse, or until remarriage. For spouses of active members who die while eligible to retire July 1, 2002, or later, spouses pay 100% of the full contribution. 100% of the full cost for non-Medicare eligible dependents is paid through a combination of payments from beneficiaries and the State.

MEMBER CONTRIBUTIONS: Active members make payroll contributions to the Medical Insurance Fund based upon the following schedule:

<b>Active Member Percentage of Payroll Contribution Made to Medical Insurance Fund</b>						
<b>Fiscal Year Ending</b>	<b>University Employees</b>		<b>School District Employees (Non-Federal)</b>		<b>Other Employees</b>	
	<b>Hired Before 7/1/2008</b>	<b>Hired On or After 7/1/2008</b>	<b>Hired Before 7/1/2008</b>	<b>Hired On or After 7/1/2008</b>	<b>Hired Before 7/1/2008</b>	<b>Hired On or After 7/1/2008</b>
2011	0.920%	1.750%	1.000%	1.750%	1.000%	1.750%
2012	1.090%	1.750%	1.250%	1.750%	1.250%	1.750%
2013	1.430%	1.750%	1.750%	1.750%	1.750%	1.750%
2014	1.750%	1.750%	2.250%	2.250%	2.250%	2.250%
2015	2.270%	2.270%	3.000%	3.000%	3.000%	3.000%
2016 and Later	2.775%	2.775%	3.750%	3.750%	3.750%	3.750%



**SCHEDULE D**  
**(Continued)**

**Life Insurance Benefit**

(1) Effective July 1, 2000, the Teachers' Retirement system shall:

- (a) Provide a life insurance benefit in a minimum amount of five thousand dollars (\$5,000) for its members who are retired for service or disability. This life insurance benefit shall be payable upon the death of a member retired for service or disability to the member's estate or to a party designated by the member on a form prescribed by the retirement system; and
- (b) Provide a life insurance benefit in a minimum amount of two thousand dollars (\$2,000) for its active contributing members. This life insurance benefit shall be payable upon the death of an active contributing member to the member's estate or to a party designated by the member on a form prescribed by the retirement system.

**Note:** Qualified members working 45 days per year will be eligible for survivor benefits and a life insurance benefit for the balance of the fiscal year and disability benefits under certain conditions. For substitute and part-time members, the survivor benefits and life insurance benefit are provided during the first 44 days if death occurs as the result of a physical injury on the job. The disability benefit is available as a direct result of a physical injury on the job during the five-year vesting period. After vesting, the disability benefit is available upon working 45 days for the balance of that fiscal year in accordance with the regular KTRS disability program.



**SCHEDULE E**

**ACTIVE AGE AND SERVICE TABLE AS OF JUNE 30, 2010**

Attained Age	Completed Years of Service								Total
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	>= 35	
24 & under	2,552								2,552
Total Pay	41,410,302								41,410,302
Avg. Pay	16,227								16,227
25 to 29	7,342	1,401							8,743
Total Pay	217,949,175	63,246,757							281,195,932
Avg. Pay	29,685	45,144							32,162
30 to 34	3,818	4,865	937						9,620
Total Pay	111,452,897	227,947,351	49,974,032						389,374,280
Avg. Pay	29,191	46,855	53,334						40,475
35 to 39	2,817	2,509	4,012	706					10,044
Total Pay	74,313,656	120,604,468	225,193,125	42,603,634					462,714,883
Avg. Pay	26,380	48,069	56,130	60,345					46,069
40 to 44	3,879	1,808	2,277	2,904	723				11,591
Total Pay	79,944,872	88,446,267	128,003,793	178,515,920	46,125,557				521,036,409
Avg. Pay	20,610	48,919	56,216	61,472	63,797				44,952
45 to 49	1,814	1,269	1,334	1,528	2,155	639			8,739
Total Pay	44,689,939	62,904,777	75,802,300	95,801,767	138,579,018	42,056,954			459,834,755
Avg. Pay	24,636	49,570	56,823	62,697	64,306	65,817			52,619
50 to 54	1,657	1,023	1,173	1,232	1,377	1,645	476		8,583
Total Pay	34,303,799	50,798,111	67,243,927	77,191,072	90,754,269	113,263,204	32,669,109		466,223,491
Avg. Pay	20,702	49,656	57,326	62,655	65,907	68,853	68,633		54,319
55 to 59	2,510	755	944	1,083	1,158	823	707	103	8,083
Total Pay	39,542,880	39,660,051	56,148,619	70,541,207	77,380,607	59,083,162	54,593,179	8,806,679	405,756,384
Avg. Pay	15,754	52,530	59,479	65,135	66,823	71,790	77,218	85,502	50,199
60 to 64	2,844	431	487	573	583	372	165	122	5,577
Total Pay	39,563,979	23,085,640	30,037,551	37,299,758	40,586,147	27,094,465	13,907,160	11,098,734	222,673,434
Avg. Pay	13,911	53,563	61,679	65,096	69,616	72,835	84,286	90,973	39,927
65 & over	2,096	148	134	119	129	98	47	84	2,855
Total Pay	19,263,491	7,200,683	8,811,446	8,107,359	9,067,291	7,442,506	3,632,962	7,868,617	71,394,355
Avg. Pay	9,191	48,653	65,757	68,129	70,289	75,944	77,297	93,674	25,007
<b>Total</b>	<b>31,329</b>	<b>14,209</b>	<b>11,298</b>	<b>8,145</b>	<b>6,125</b>	<b>3,577</b>	<b>1,395</b>	<b>309</b>	<b>76,387</b>
Total Pay	702,434,990	683,894,105	641,214,793	510,060,717	402,492,889	248,940,291	104,802,410	27,774,030	3,321,614,225
Avg. Pay	22,421	48,131	56,755	62,623	65,713	69,595	75,127	89,884	43,484

Average Age: 43.5

Average Service: 10.8



**ALL RETIREES AND SPOUSES RECEIVING HEALTH BENEFITS AS OF JUNE 30, 2010  
MALE AND FEMALE DEMOGRAPHIC BREAKDOWN**

Attained Age	Number of		Total Number
	Males	Females	
Under 40	6	30	36
40-44	18	65	83
45-49	42	175	217
50-54	344	980	1,324
55-59	1,804	4,178	5,982
60-64	3,581	6,867	10,448
65-69	2,942	4,729	7,671
70-74	2,134	3,344	5,478
75-79	1,645	2,315	3,960
80-84	1,045	1,873	2,918
85-89	597	1,186	1,783
90-94	221	623	844
95-99	63	288	351
100	2	19	21
101	1	16	17
102	0	5	5
103	0	5	5
104	0	2	2
105 & Over	0	4	4
<b>Total</b>	<b>14,445</b>	<b>26,704</b>	<b>41,149</b>

**RETIREEES RECEIVING HEALTH BENEFITS AS OF JUNE 30, 2010**

	Under 65	Over 65	Total
Number	15,627	18,688	34,315
Average Age	60.0	74.9	68.1

**SPOUSES RECEIVING HEALTH BENEFITS AS OF JUNE 30, 2010**

	Under 65	Over 65	Total
Number	3,272	3,562	6,834
Average Age	58.8	75.8	67.6