

**THE POLICE AND FIREMEN'S RETIREMENT SYSTEM
OF NEW JERSEY
ANNUAL REPORT
OF THE ACTUARY
PREPARED AS OF JULY 1, 2002**

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June 11, 2003

Board of Trustees
The Police and Firemen's Retirement System
of New Jersey
Trenton, New Jersey

Members of the Board:

The law governing the operation of the Police and Firemen's Retirement System of New Jersey provides for annual actuarial valuations of the System. The results of the July 1, 2002 valuation are submitted in this report which also includes a comparison with the results of the July 1, 2001 valuation.

The valuation shows the financial condition of the System as of July 1, 2002 and gives the basis for determining the required annual contribution to be made in the Fiscal Year ending June 30, 2005 for the plan year beginning July 1, 2002.

The valuation reflects recognition of the revised actuarial assumptions that were determined from the July 1, 1998-June 30, 2001 Experience Study which was approved by the Board of Trustees at the August 19, 2002 Board meeting. The valuation also reflects the provisions of Chapter 318, P.L. 2001 and Chapter 86, P.L. 2001 which provided prospective death benefits to certain beneficiaries of former active members who died between June 1, 1995 to January 1, 1998 and January 1, 1998 to January 18, 2000, respectively. The valuation also reflects the addition of three Municipality and Local Group Locations with certain employees participating in the Fund under the provisions of Chapter 204, P.L. 1989. As in prior years, an interest rate of 8.75% was used for the valuation.

The Table of Contents, which follows, highlights the Sections of the Report.

Respectfully submitted,

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REPORT ON THE ANNUAL
VALUATION OF
THE POLICE AND FIREMEN'S RETIREMENT SYSTEM
OF NEW JERSEY
PREPARED AS OF JULY 1, 2002

SECTION I - SUMMARY OF KEY RESULTS

The Police and Firemen's Retirement System of New Jersey was established effective July 1, 1944. Each year an actuarial valuation of the assets and liabilities of the System is made to determine the appropriate level of contributions. This report, prepared as of July 1, 2002, presents the results of the annual actuarial valuation of the Fund.

The report reflects the recognition of the revised actuarial assumptions that were determined from the July 1, 1998 to June 30, 2001 Experience Study which was approved by the Board of Trustees at the August 19, 2002 Board meeting. The report also reflects the provisions of Chapter 318, P.L. 2001 and Chapter 86, P.L. 2001 which provide additional death benefits to beneficiaries of former active members who died between June 1, 1995 and January 18, 2000. Finally, the valuation also reflects the addition of three Municipality and Local Groups Locations with certain employees participating in the Fund under the provisions of Chapter 204, P.L. 1989.

For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized on the following pages.

Valuation Date	July 1, 2002	July 1, 2001
<u>Number of Active Participants</u>		
• Contributory	42,422	41,870
• Non-Contributory	<u>1,169</u>	<u>1,149</u>
• Total	43,591	43,019
<u>Annual Compensation</u>		
• Contributory Participants	\$ 2,696,509,935	\$ 2,563,091,639
• Non-Contributory Participants	<u>57,828,335</u>	<u>55,609,445</u>
• Total Compensation	\$ 2,754,337,270	\$ 2,618,701,084
Number of Pensioners and Beneficiaries	25,501	24,319
Total Annual Allowances	\$ 846,327,124	\$ 777,135,166
Number of Terminated Vested Members	66	60
Total Annual Allowances	\$ 812,556	\$ 693,588
<u>Assets</u>		
Total Present Market Value of Assets*	\$ 15,290,985,859	\$ 16,805,673,262
Total Valuation Assets*	\$ 18,505,662,729	\$ 18,074,269,601
<u>Contribution Amounts</u>		
Normal Contribution	\$ 440,142,529	\$ 377,852,435#
Accrued Liability Contribution##	<u>40,528,751</u>	<u>208,135</u>
Total Contribution**	\$ 480,671,280	\$ 378,060,570

*Includes receivable contributions of \$85,941,500 for the July 1, 2002 and \$(184,209) for the July 1, 2001 valuation, respectively. The amounts also include the present value of receivable ERI contributions of \$222,255,327 for July 1, 2002 and \$216,803,904 for July 1, 2001.

** The contribution amounts were calculated assuming payment on 7/1/04 and 7/1/03, respectively. Interest should be added from those dates to the actual payment dates.

The required contribution has been reduced by a portion of excess assets.

The accrued liability contribution does not include ERI payments (including the Chapter 59 payment to be made by North Hudson Regional Fire and Rescue) since the actual contribution will depend on the payment schedule chosen by each location.

The major benefit and contribution provisions of the statute as reflected in the valuation are summarized in Appendix A. Included in this valuation are the provisions of the following legislation:

- Chapter 86, P.L. 2001 amended the death benefits provided to a beneficiary of a member who died in active duty on or after January 1, 1998 and before January 18, 2000. The law required an eligible beneficiary to apply for the increased benefits within 90 days of enactment and to return the member's aggregate contributions to the System. The State is liable for all costs to the System attributable to this law.
- Chapter 318, P.L. 2001 amended the active death benefits provided to a beneficiary of a member with 10 or more years of service who died in active service on or after June 1, 1995 and before January 1, 1998 and whose beneficiary had, on May 1, 2001, an appeal of a denial of a benefit related to death in the line of duty pending before the Board of Trustees. The law requires that the appeal be withdrawn or denied and that an eligible beneficiary apply for the increased benefits and return the member's aggregate contributions received. The State is liable for all costs to the System attributable to this law.

The valuation also reflects the addition of three Municipality and Local Group locations with certain employees participating in the Fund under the provisions of Chapter 204, P.L. 1989.

There are no other changes to the plan provisions since the previous valuation.

A summary of the actuarial assumptions and methods employed in the valuation is set forth in Appendix B. The valuation reflects the recognition of the revised actuarial assumptions determined from the July 1, 1998-June 30, 2001 Experience Study which was approved by the Board of Trustees at the August 19, 2002 Board meeting.

There were no other changes in actuarial assumptions and methods since the previous valuation.

The combination of the plan provisions, actuarial assumptions and member and beneficiary data is used to generate the overall required level of employer contributions. The required contribution is summarized in Section III(I).

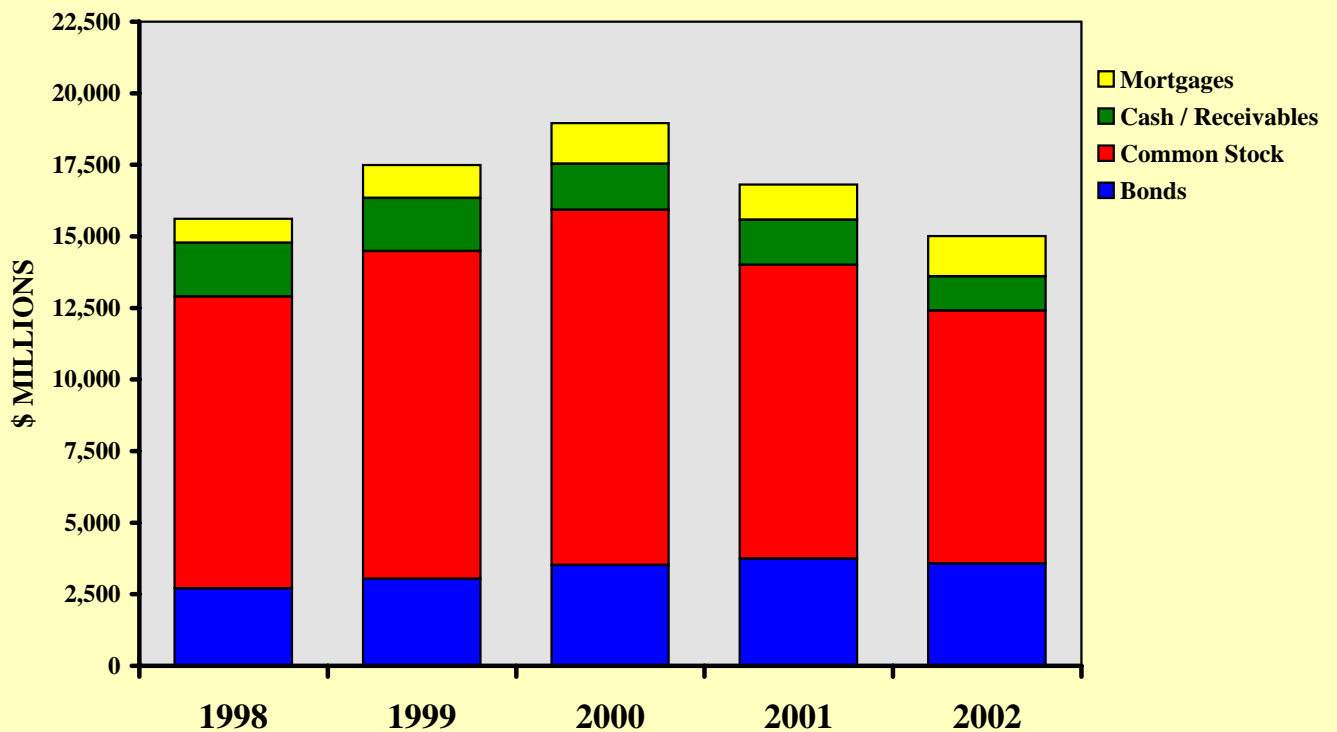
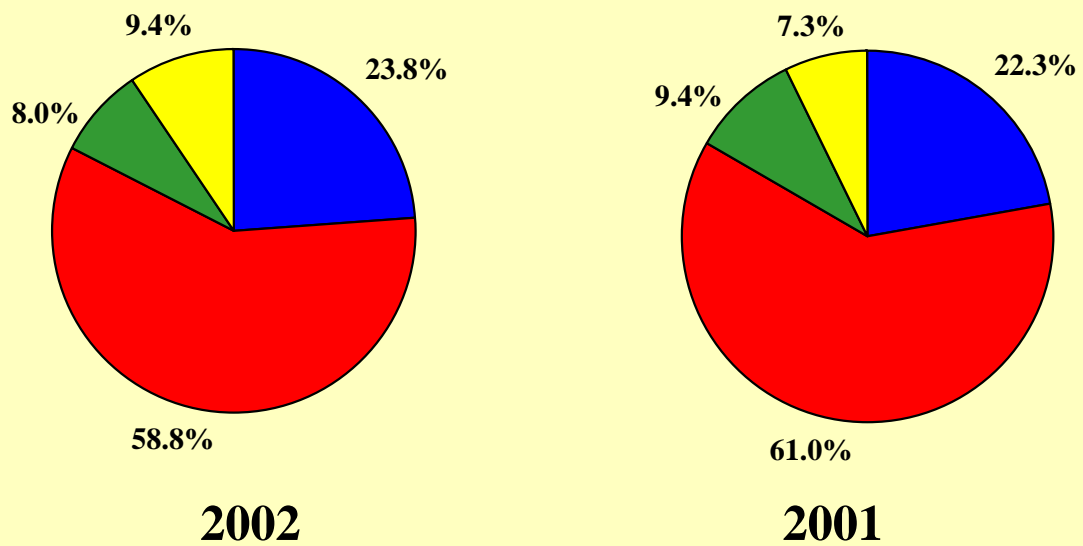
The valuation generates a balance sheet which summarizes in some detail the total present and prospective assets and liabilities of the Fund. A summary comparison of the balance sheets as of July 1, 2002 and July 1, 2001 is set forth in the following table. The allocation of assets among the various investment alternatives is shown in graphic form on page 6.

**TABLE I
COMPARATIVE BALANCE SHEET**

<u>ASSETS</u>	2002	2001
Actuarial value of assets of Fund	\$ 18,505,662,729	\$ 18,074,269,601
Net unfunded accrued liability/(surplus)	722,299,770	(151,682,564)
Total Assets	\$ 19,227,962,499	\$ 17,922,587,037
<u>LIABILITIES</u>		
Present value of benefits to present beneficiaries payable from the Retirement Reserve Fund	\$ 10,055,482,615	\$ 9,259,660,051
Present value of benefits to present active members	9,172,479,884	8,662,926,986
Total Liabilities	\$ 19,227,962,499	\$ 17,922,587,037

THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

ASSET ALLOCATION MARKET VALUE



SECTION II – EMPLOYEE DATA

The data employed for the valuations were furnished to the actuary by the Division of Pensions and Benefits. The following summarizes and compares the Fund membership as of July 1, 2002 and July 1, 2001 by various categories.

ACTIVE MEMBERSHIP

Group	2002		2001	
	Number	Annual Compensation	Number	Annual Compensation
Men	39,823	\$ 2,547,632,988	39,450	\$ 2,428,469,017
Women	3,768	\$ 206,705,282	3,569	\$ 190,232,067

RETIRED MEMBERS AND BENEFICIARIES

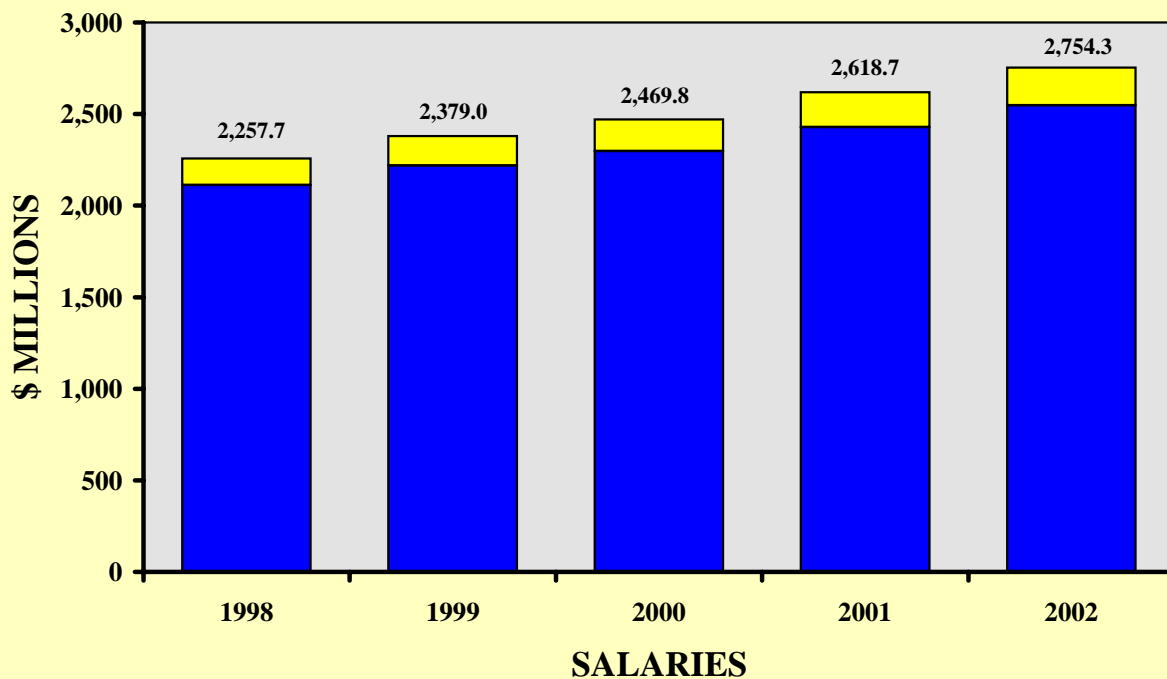
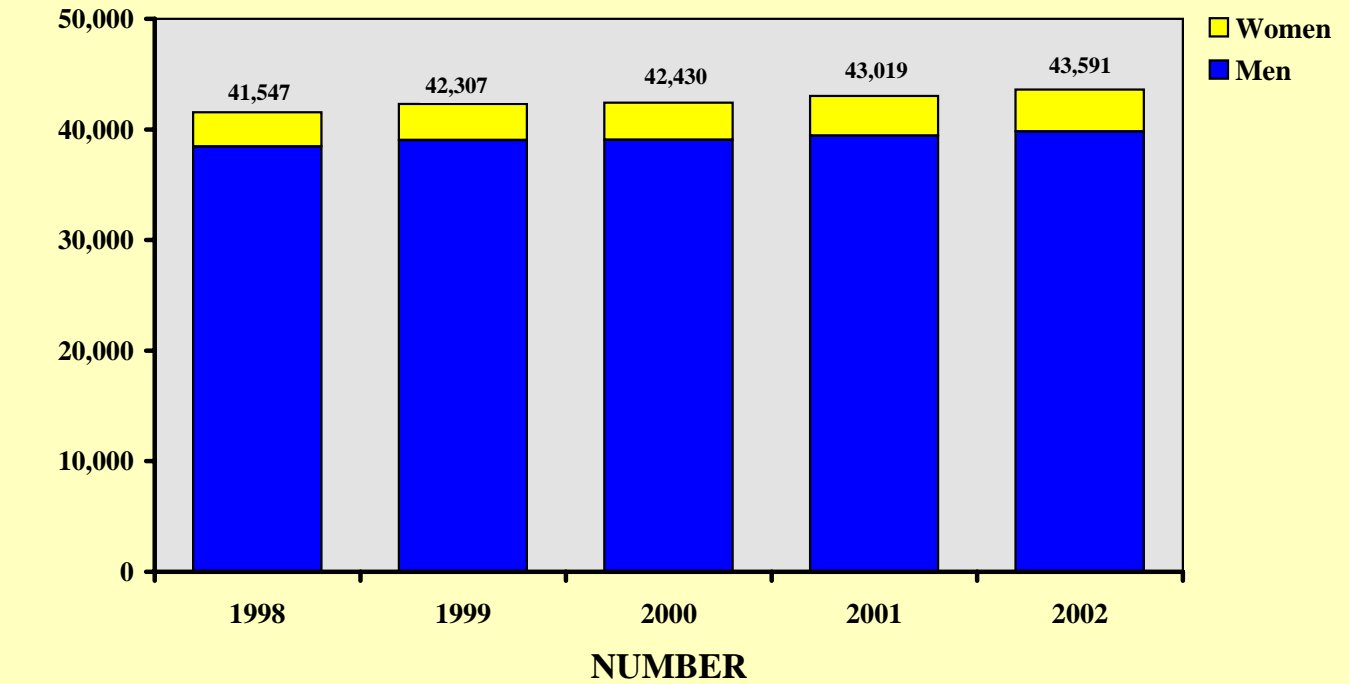
Group	2002		2001	
	Number	Annual Allowances	Number	Annual Allowances
Deferred Terminated Vesteds	66	\$ 812,556	60	\$ 693,588
Service Retirements	17,273	\$ 682,306,585	16,771	\$ 635,064,249
Ordinary Disability Retirements	1,850	\$ 32,918,699	1,696	\$ 28,116,439
Accidental Disability Retirements	1,334	\$ 36,284,022	1,253	\$ 31,681,332
Beneficiaries	5,044	\$ 94,817,818	4,599	\$ 82,273,146

Appendix E provides a detailed distribution between groups.

Graphic presentations of the statistical data on membership are shown on the following pages.

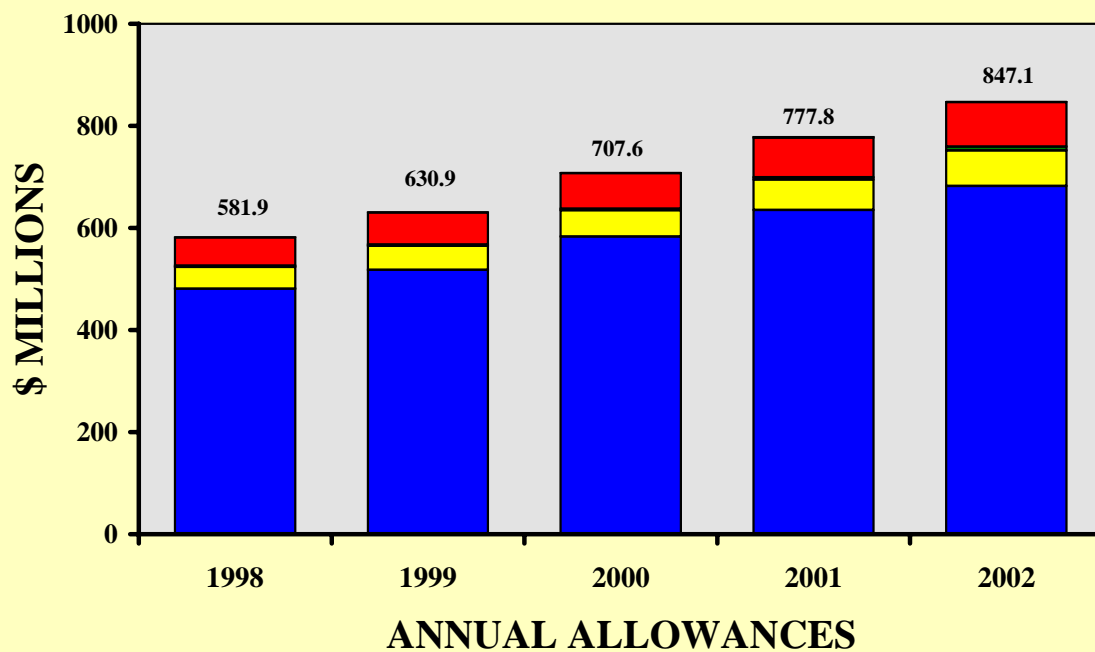
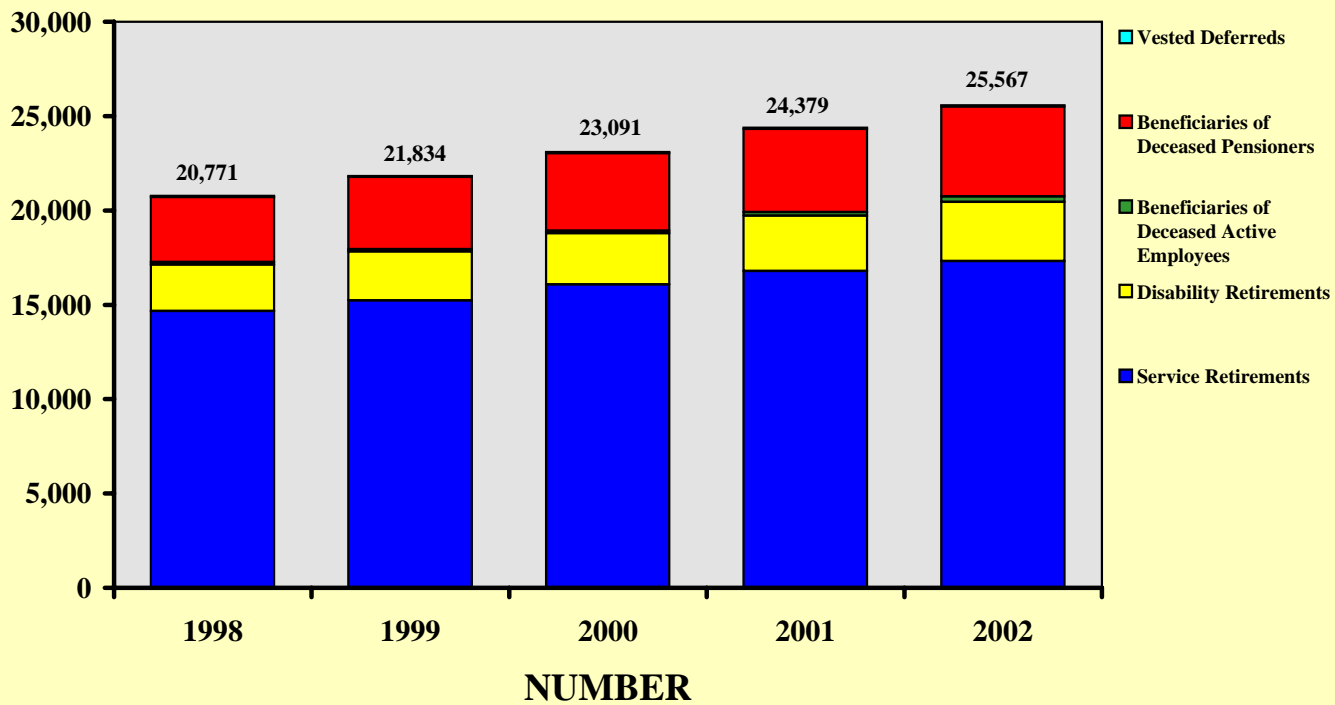
THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

SUMMARY OF ACTIVE PARTICIPATION



THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

SUMMARY OF RETIRED PARTICIPATION



SECTION III – ASSETS, LIABILITIES AND CONTRIBUTIONS

A. Market Value of Assets as of June 30, 2002

1.	Assets		
	a.	Cash	\$ (1,589,625)
	b.	Investment Holdings	14,137,090,368
	c.	Accrued Interest on Investments	60,866,187
	d.	Employers' Contributions Receivable – Local	532,427,856
	e.	Interest Receivable on Loans	2,787,150
	f.	Members' Contributions Receivable	44,799,031
	g.	Members' Loans Receivable	465,292,278
	h.	Dividends Receivable	26,125,283
	i.	Employers' Contributions Receivable – Delayed Enrollments	98,153
	j.	Employers' Contributions Receivable – Delayed Appropriations	207,497
	k.	Accounts Receivable – Others	<u>14,274,587</u>
	l.	Total	\$ 15,282,378,765
2.	Liabilities		
	a.	Pension Payroll Payable	\$ 50,689,602
	b.	Pension Adjustment Payroll Payable	9,905,203
	c.	Withholding Payable	10,016,262
	d.	Death Benefits Payable	4,958,494
	e.	Accounts Payable - Other	1,003,677
	f.	Administrative Expense Payable	<u>761,168</u>
	g.	Total	\$ 77,334,406
3.	Preliminary Market Value of Assets as of June 30, 2002: 1(l) - 2(g)		\$ 15,205,044,359
4.	State Receivable Contributions		\$ 102,139,905
5.	Adjustment to Local Receivable Contributions		\$ (21,649,828)
6.	Adjustment to June 30, 2002 Financial Report to reflect actual present value of receivable ERI contributions as of June 30, 2002		<u>\$ 5,451,423</u>
7.	Market Value of Assets as of June 30, 2002 = 3. + 4. + 5. + 6.		\$ 15,290,985,859

B. Reconciliation of Market Value of Assets from June 30, 2001 to June 30, 2002

	State	Local	Total System
1. Market Value of Assets as of June 30, 2001	\$ 1,787,452,593	\$ 15,001,876,003	\$ 16,789,328,596
2. Increases			
a. Pension Contributions			
(1) Members' Contributions	\$ 36,475,693	\$ 201,578,094	\$ 238,053,787
(2) Transfers from Other Systems	1,228,876	1,820,296	3,049,172
(3) Total	\$ 37,704,569	\$ 203,398,390	\$ 241,102,959
b. Employers' Contributions			
(1) Appropriations	\$ 0	\$ 285,623,574	\$ 285,623,574
(2) Transfers from other Systems	0	0	0
(3) Additional Employers' Contributions (including Chapter 109)	0	31,256	31,256
(4) Delayed Enrollments	3,170	68,284	71,454
(5) Delayed Appropriations	3,088	67,354	70,442
(6) Total	\$ 6,258	\$ 285,790,468	\$ 285,796,726
c. Investment Income	\$ (121,132,922)	\$ (1,137,837,676)	\$ (1,258,970,598)
d. Total Increases	\$ (83,422,095)	\$ (648,648,818)	\$ (732,070,913)
3. Decreases			
a. Benefits Provided by Members			
(1) Withdrawals of Members' Contributions	\$ 1,798,883	\$ 3,713,693	\$ 5,512,576
(2) Withdrawals of Transfers' Contributions	227,463	527,053	754,516
(3) Adjustment for Loans	4,752	0	4,752
(4) Total	\$ 2,031,098	\$ 4,240,746	\$ 6,271,844
b. Benefits Provided by Employers			
(1) Transfer Withdrawals - Employers' Benefits	\$ 0	\$ 0	\$ 0
(2) Death Benefit Claims	2,659,999	15,734,305	18,394,304
(3) Administrative Expense	379,089	3,411,801	3,790,890
(4) Miscellaneous Expense	4,556	94,452	99,008
(5) Total	\$ 3,043,644	\$ 19,240,558	\$ 22,284,202
c. Retirement Allowances	\$ 54,874,480	\$ 657,098,410	\$ 711,972,890
d. Pension Adjustment	\$ 10,171,901	\$ 101,512,487	\$ 111,684,388
e. Total Decreases	\$ 70,121,123	\$ 782,092,201	\$ 852,213,324
4. a. Preliminary Market Value of Assets as of June 30, 2002 = (1) + 2(d) - 3(e)	\$ 1,633,909,375	\$ 13,571,134,984	\$ 15,205,044,359
b. State Receivable Contributions	\$ 4,489,613	\$ 97,650,292	\$ 102,139,905
c. Adjustment to Local Receivable Contributions	N/A	\$ (21,649,828)	\$ (21,649,828)
d. Adjustment to June 30, 2002 Financial Report to reflect:			
(1) Actual present value of receivable ERI contributions as of June 30, 2002	N/A	\$ 5,451,423	\$ 5,451,423
(2) Fiscal Years 2001 and 2002 State Excess Assets Transfer to Local for Local Liabilities Payable by State as Required Under Chapters 109, 247 and 511	\$ (104,613,859)	\$ 104,613,859	\$ 0
e. Adjustment for NJIT transfer	\$ 4,832,528	\$ (4,832,528)	\$ 0
5. Market Value of Assets as of June 30, 2002 = 4(a) + 4(b) + 4(c) + 4(d)(1) + 4(d)(2) + 4(e)	\$ 1,538,617,657	\$ 13,752,368,202	\$ 15,290,985,859

C. Summary of Market Value of Assets by Source

1.	Reserve for Employers' Contributions	\$	6,085,389,342
2.	Reserve for Members' Contributions		1,993,220,375
3.	Reserve for Retirement Fund		7,126,434,642
4.	Reserve for Special Reserve Fund		0
5.	Receivable Contributions		80,490,077
6.	Additional receivable ERI contributions		<u>5,451,423</u>
7.	Total Market Value of Assets as of June 30, 2002	\$	15,290,985,859

D.(I) Development of Actuarial Value of Assets as of July 1, 2002

	State	Local Employers	Total System
1. Actuarial Value of Assets as of June 30, 2001 (without receivable contribution)	\$ 1,986,745,592	\$ 15,870,904,314	\$ 17,857,649,906
2. Net Cash Flow excluding Investment Income and Present Value of ERI Contributions	(32,410,296)	(292,903,343)	(325,313,639)
3. Investment Income at Actuarially Assumed Rate of 8.75%	172,368,251	1,363,306,635	1,535,674,886
4. Expected Actuarial Value of Assets as of June 30, 2002 = 1. + 2. + 3.	\$ 2,126,703,547	\$ 16,941,307,606	\$ 19,068,011,153
5. Mark-up percentage	20.0%	20.0%	
6. Mark-up to Reflect Growth in Preliminary Market Value of Assets (without receivable contribution)	(98,558,834)	(766,534,994)	(865,093,828)
7. Receivable Contribution	(100,124,246)	180,614,323	80,490,077
8. Present Value of Receivable ERI Contributions as of June 30, 2002	N/A	222,255,327	222,255,327
9. Adjustment for NJIT transfer	4,832,528	(4,832,528)	0
10. Actuarial Value of Assets as of June 30, 2002 = 4. + 6. + 7. + 8. + 9..	\$ 1,932,852,995	\$ 16,572,809,734	\$ 18,505,662,729

D.(II) Reconciliation of Fund Balances as of July 1, 2002

	STATE	LOCAL EMPLOYERS	TOTAL SYSTEM
Present assets of Fund credited to:			
Retirement Reserve Fund			
Credited to Fund as of June 30, 2001	\$ 727,303,540	\$ 6,001,258,943	\$ 6,728,562,483
• Reserve Transferred from (to):			
- Contingent Reserve Fund	65,247,851	469,684,184	534,932,035
- Annuity Savings Fund	13,822,684	84,025,500	97,848,184
• Distribution of Income	63,639,060	525,110,157	588,749,217
• Total Deductions	<u>(65,046,382)</u>	<u>(758,610,896)</u>	<u>(823,657,278)</u>
Credited to Fund as of June 30, 2002	\$ 804,966,753	\$ 6,321,467,888	\$ 7,126,434,641
Annuity Savings Fund			
Credited to Fund as of June 30, 2001	\$ 218,928,573	\$ 1,638,008,727	\$ 1,856,937,300
• Members' Contributions	36,475,693	201,578,094	238,053,787
• Transfers from Other Systems	728,802	1,229,991	1,958,793
• Reserve Transferred from (to):			
- Retirement Reserve Fund	(13,822,684)	(84,025,500)	(97,848,184)
• Distribution of Income	0	0	0
• Total Deductions	<u>(1,941,865)</u>	<u>(3,939,455)</u>	<u>(5,881,320)</u>
Credited to Fund as of June 30, 2002	\$ 240,368,519	\$ 1,752,851,857	\$ 1,993,220,376
Contingent Reserve Fund			
Credited to Fund as of June 30, 2001	\$ 1,140,164,100	\$ 10,358,831,661	\$ 11,498,995,761
• Transfers from Other Systems	500,075	590,305	1,090,380
• Reserve Transferred from (to):			
- Retirement Reserve Fund	(65,247,851)	(469,684,184)	(534,932,035)
- Special Reserve Fund	0	0	0
• Employers' Contributions	6,258	285,790,467	285,796,725
• Distribution of Income	(184,771,981)	(1,662,947,833)	(1,847,719,814)
• Total Deductions	(3,132,878)	(19,541,850)	(22,674,728)
• Adjustment to the present value of ERI payments as of June 30, 2002	<u>0</u>	<u>5,451,423</u>	<u>5,451,423</u>
Credited to Fund as of June 30, 2002	\$ 887,517,723	\$ 8,498,489,989	\$ 9,386,007,712
Special Reserve Fund			
Credited to Fund as of June 30, 2001	\$ 0	\$ 0	\$ 0
• Reserve Transferred from (to):			
- Contingent Reserve Fund	<u>0</u>	<u>0</u>	<u>0</u>
Credited to Fund as of June 30, 2002	\$ 0	\$ 0	\$ 0
Total Present Assets	\$ 1,932,852,995	\$ 16,572,809,734	\$ 18,505,662,729
Present value of prospective accrued liability/(surplus) contributions/(credits) payable by the State and Local employers to the Contingent Reserve Fund for basic allowances with cost-of-living adjustments	<u>\$ 113,967,194</u>	<u>\$ 608,332,576</u>	<u>\$ 722,299,770</u>
Total Assets	\$ 2,046,820,189	\$ 17,181,142,310	\$ 19,227,962,499

E. Summary of Actuarial Accrued Liability as of July 1, 2002

	State	Local Employers	Total System
1. Retirees and Beneficiaries			
a. Service Retirement	\$ 579,305,969	\$ 7,485,513,090	\$ 8,064,819,059
b. Disability Retirement	126,215,261	760,820,995	887,036,256
c. Beneficiaries	59,150,882	866,344,989	925,495,871
d. Lump Sum Death Benefits	<u>15,716,296</u>	<u>156,071,843</u>	<u>171,788,139</u>
e. Total	\$ 780,388,408	\$ 9,268,750,917	\$ 10,049,139,325
2. Terminated Vested Members	\$ 1,264,843	\$ 5,078,447	\$ 6,343,290
3. Active Participants			
a. Service Retirement	\$ 1,099,993,415	\$ 7,032,229,540	\$ 8,132,222,955
b. Vested Retirement	5,574,381	26,854,075	32,428,456
c. Ordinary Disability	73,280,929	383,441,331	456,722,260
d. Accidental Disability	30,377,049	165,874,880	196,251,929
e. Ordinary Death	32,420,029	166,164,261	198,584,290
f. Accidental Death	2,212,293	11,850,831	14,063,124
g. Withdrawal of Contributions	2,517,015	11,256,771	13,773,786
h. Lump Sum Death Benefit	<u>18,791,827</u>	<u>109,641,257</u>	<u>128,433,084</u>
i. Total	\$ 1,265,166,938	\$ 7,907,312,946	\$ 9,172,479,884
4. Total Actuarial Accrued Liability = 1(e) + 2 + 3(i)	\$ 2,046,820,189	\$ 17,181,142,310	\$ 19,227,962,499

F. Summary of Unfunded Accrued Liability/(Surplus) and Required Contribution

Development of Unfunded Accrued Liability/(Surplus)	July 1, 2002 Valuation			July 1, 2001 Valuation		
	State Location	Municipalities & Local Groups	Total	State Locations	Municipalities & Local Groups	Total
1. Present Value of Benefits	\$ 2,046,820,189	\$ 17,181,142,310	\$ 19,227,962,499	\$ 1,866,140,391	\$ 16,056,446,646	\$ 17,922,587,037
2. Actuarial Value of Assets	1,932,852,995	16,572,809,734	18,505,662,729	1,897,865,088	16,176,404,513	18,074,269,601
3. Unfunded Accrued Liability/(Surplus)						
(a) Chapter 204	0	4,433,439	4,433,439	0	3,709,882	3,709,882
(b) Chapter 247	0	9,441,759	9,441,759	0	0	0
(c) Chapter 428*	9,643,783	28,658,325	38,302,108	0	0	0
(d) Basic Unfunded Accrued liability/(Surplus) Excluding Chapters 204, 247 and 428	104,323,411	565,799,053	670,122,464	(31,724,697)	(123,667,749)	(155,392,446)
(e) Gross Unfunded Accrued Liability/(Surplus) = (a) + (b) + (c) + (d)	\$ 113,967,194	\$ 608,332,576	\$ 722,299,770	\$ (31,724,697)	\$ (119,957,867)	\$ (151,682,564)
4. Present Value of Future Chapter 428 Normal Costs	40,711,284	176,339,300	217,050,584	38,202,149	165,114,423	203,316,572
5. Net Unfunded Accrued Liability/(Surplus) Reflecting Chapter 428 Offset = 3(e) + 4	\$ 154,678,478	\$ 784,671,876	\$ 939,350,354	\$ 6,477,452	\$ 45,156,556	\$ 51,634,008
Development of Unfunded Accrued Liability Contribution Amount						
6. Accrued Liability Contribution for						
(a) Chapter 204	\$ 0	\$ 215,103	\$ 215,103	\$ 0	\$ 175,990	\$ 175,990
(b) Chapter 247	0	447,898	447,898	0	0	0
(c) Chapter 428*	457,482	1,359,494	1,816,976	0	0	0
(d) Basic Unfunded Accrued Liability	4,948,896	26,840,385	31,789,281	0	0	0
(e) Gross Unfunded Accrued Liability = (a) + (b) + (c) + (d)	\$ 5,406,378	\$ 28,862,880	\$ 34,269,258	\$ 0	\$ 175,990	\$ 175,990
7. Portion of Local Gross Unfunded Accrued Liability/(Surplus) payable by State due to:						
Chapter 247	\$ 447,898	\$ (447,898)	\$ 0	\$ 0	\$ 0	\$ 0
Chapter 428*	1,359,494	(1,359,494)	0	0	0	0
8. Accrued Liability Contribution as of the Valuation Date = 6. + 7.	\$ 7,213,770	\$ 27,055,488	\$ 34,269,258	\$ 0	\$ 175,990	\$ 175,990
9. Interest to reflect two year delay in payment	1,317,639	4,941,854	6,259,494	0	32,146	32,146
10. Accrued Liability Contribution as of Payment Date	\$ 8,531,409	\$ 31,997,342	\$ 40,528,752	\$ 0	\$ 208,135	\$ 208,135

*The Chapter 428 Unfunded Accrued Liability and contribution amounts for the July 1, 2002 valuation includes the unfunded accrued liability and contribution amounts due Chapters 86 and 318.

G. Development of Excess Valuation Assets

Chapter 115, P.L. 1997 prescribes a procedure for determining the value of Excess Valuation Assets. The law provides for a reduction in the normal contributions of the State and other employers for the valuation period ending June 30, 1995 to the extent possible by the excess valuation assets and permitted the State Treasurer to reduce the normal contribution payable by the State and other employers for valuations after June 30, 1995 up to a specified portion of excess valuation assets (68% as of the July 1, 2002 valuation). Further, Chapter 8, P.L. 2000 amended the definition of Excess Valuation Assets, beginning with the June 30, 1998 valuation, to also reflect the present value of the expected additional normal cost contributions attributable to the provisions of Chapter 428, P.L. 1999.

	State	Municipalities and Local Groups
1. Valuation Assets	\$ 1,932,852,995	\$ 16,572,809,734
2. Actuarial Accrued Liability	2,046,820,189	17,181,142,310
3. Present Value of Future Chapter 428 Normal Costs	40,711,284	176,339,300
4. Excess Valuation Assets = 1. - 2. - 3. not less than zero	\$ 0	\$ 0

H. Development of Normal Cost (with reduction for Excess Assets) as of July 1, 2002

	State	Local Employers	Total System
1. Service Retirement	\$ 71,337,857	\$ 404,106,466	\$ 475,444,323
2. Ordinary Disability Retirement	6,037,491	28,555,632	34,593,123
3. Accidental Disability Retirement	3,327,489	16,059,413	19,386,902
4. Ordinary Death Benefits	449,501	2,104,976	2,554,477
5. Accidental Death Benefits	221,151	1,038,323	1,259,474
6. Vested Termination Retirement	878,193	5,087,033	5,965,226
7. Return of Members' Contributions Upon Withdrawal	665,413	2,321,726	2,987,139
8. Lump Sum Death Benefits after Retirement	1,411,358	7,161,584	8,572,942
9. Term Cost Lump Sum Death Benefit During Active Service	3,357,898	18,239,635	21,597,533
10. Portion Attributable to Chapter 428	<u>5,565,070</u>	<u>25,165,061</u>	<u>30,730,131</u>
11. Total Gross Normal Cost	\$ 93,251,421	\$ 509,839,849	\$ 603,091,270
12. Expected Employee Contributions	36,093,858	194,833,032	230,926,890
13. Portion of Local Normal Cost Payable by the State due to			
• Chapter 511	15,641,243	(15,641,243)	0
• Chapter 247	4,548,398	(4,548,398)	0
• Chapter 109	25,026,437	(25,026,437)	0
• Chapter 428	<u>25,165,061</u>	<u>(25,165,061)</u>	<u>0</u>
14. Preliminary Normal Cost as of July 1, 2002 = 11 - 12 + 13	\$ 127,538,702	\$ 244,625,678	\$ 372,164,380
15. Reduction for Chapter 428 Normal Cost (if covered by Excess Valuation Assets)	0	0	0
16. Reduction due to Excess Valuation Assets	0	0	0
17. Interest to Reflect a 2 Year Delay in Payment to July 1, 2004	<u>23,295,740</u>	<u>44,682,409</u>	<u>67,978,149</u>
18. Net Normal Cost as of July 1, 2004 = 14 - 15 - 16 + 17	\$ 150,834,442	\$ 289,308,087	\$ 440,142,529

I. Summary of Total Required Contributions

	July 1, 2002 Valuation			July 1, 2001 Valuation		
	State Locations	Municipalities & Local Groups	Total	State Locations	Municipalities & Local Groups	Total
Active Participant Payroll	\$ 418,849,259	\$ 2,275,130,620	\$ 2,693,979,879	\$ 398,118,379	\$ 2,163,590,060	\$ 2,561,708,439
1. Normal Cost						
a) Normal Cost (without Chapters 109, 247, 428 and 511)	\$ 48,195,043	\$ 265,732,914	\$ 313,927,957	\$ 45,679,150	\$ 241,185,477	\$ 286,864,627
b) Normal Cost for Chapter 511	21,899,214	N/A	21,899,214	20,899,344	N/A	20,899,344
c) Normal Cost for Chapter 247	5,379,191	2,003,955	7,383,146	6,547,747	454,633	7,002,380
d) Chapter 109 Payment	35,046,574	N/A	35,046,574	33,325,826	N/A	33,325,826
e) Term Cost for Lump Sum Death Benefit to Active Members	3,971,239	21,571,218	25,542,457	4,625,080	25,135,178	29,760,258
f) Normal Cost for Chapter 428	36,343,181	0	36,343,181	7,028,952	31,711,819	38,740,771
g) Preliminary Normal Cost = (a) + (b) + (c) + (d) + (e) + (f)	\$ 150,834,442	\$ 289,308,087	\$ 440,142,529	\$ 118,106,099	\$ 298,487,107	\$ 416,593,206
h) Reduction for Chapter 428 Normal Cost (currently covered by Excess Valuation Assets)	0	0	0	7,028,952	31,711,819	38,740,771
i) Additional reduction due to Excess Valuation Assets	0	0	0	0	0	0
j) Net Normal Cost = (g) – (h) – (i)	\$ 150,834,442	\$ 289,308,087	\$ 440,142,529	\$ 111,077,147	\$ 266,775,288	\$ 377,852,435
2. Accrued Liability*						
a) Unfunded Actuarial Liability Payment (without Chapters 204, 247 and 428)	\$ 5,852,843	\$ 31,742,949	\$ 37,595,792	\$ 0	\$ 0	\$ 0
b) Chapter 204 UAL Payment	0	254,393	254,393	0	208,135	208,135
c) Chapter 247 UAL Payment	529,709	N/A	529,709	0	N/A	0
d) Chapter 428 UAL Payment**	2,148,857***	N/A	2,148,857	0	N/A	0
e) Total Accrued Liability = (a) + (b) + (c) + (d)	\$ 8,531,409	\$ 31,997,342	\$ 40,528,751	\$ 0	\$ 208,135	\$ 208,135
3. Total Contribution = 1(j) + 2(e)	\$ 159,365,851	\$ 321,305,429	\$ 480,671,280	\$ 111,077,147	\$ 266,983,423	\$ 378,060,570

* Does not include ERI payment (including the Chapter 59 payment to be made by North Hudson Regional Fire and Rescue) since actual contributions depend on the payment schedule chosen by each location.

** The Chapter 428 UAL payment shown for the July 1, 2002 valuation also includes the additional accrued liability payments due to Chapters 86 and 318.

*** Includes \$1,607,814 attributable to Municipalities & Local Groups' liabilities which are payable by the State as required under Chapters 428, 86 and 318.

J. Summary of Contribution Rates

The following chart summarizes the rounded contribution rates that are applied to the applicable compensation for each location to produce the required contributions:

	July 1, 2002 Valuation		July 1, 2001 Valuation	
	State Locations	Municipalities & Local Groups	State Locations	Municipalities & Local Groups
1. Normal Contribution Rates:				
a) Basic Allowances	11.507%	11.993%	11.474%	11.471%
b) Lump Sum Death Benefit	0.948%	0.948%	1.162%	1.162%
c) Chapter 511*	5.228%	N/A	5.250%	N/A
d) Chapter 247*				
• PERS Local normal rate applicable to pay for individuals without past service	N/A	3.295%	N/A	0.283%
• Total PERS Local rate applicable to pay for individuals with past service	N/A	3.915%	N/A	4.046%
• Portion of Municipalities & Local Groups costs payable by the State	1.284%	N/A	1.645%	N/A
e) Chapter 109*	8.367%	N/A	8.371%	N/A
f) Chapter 428*	8.677%	0.000%	1.766%***	1.466%***
g) Reduction in Normal Rate due to Excess Assets				
• PERS Local normal rate applicable to pay for individuals without past service	N/A	0.000%	N/A	0.000%
• Total PERS Local rate applicable to pay for individuals with past service	N/A	0.000%	N/A	0.000%
• Applicable to all other members of the System	0.000%	0.000%	0.000%	0.000%
2. Accrued Liability Contribution Rates:				
a) Basic Allowances	1.397%	1.428%	0.000%	0.000%
b) Chapter 204	0.000%	**	0.000%	**
c) Chapter 247*	0.126%	N/A	0.000%	N/A
d) Chapter 428*	0.513%#	N/A	0.000%	N/A

* Payment for certain costs under Chapters 109, 247, 511 and 428 (Chapter 8) for both Municipalities & Local Groups and State Locations are made by the State in accordance with the legislation.

** Costs for locations affected by Chapter 204 are presented in Appendix C.

*** Provided for informational purposes only. The full amount was covered by Excess Valuation Assets for the July 1, 2001 valuation in accordance with Chapter 8, P.L. 2000.

Includes the additional costs due to Chapter 86, P.L. 2001 and Chapter 318, P.L. 2001.

SECTION IV - COMMENTS CONCERNING THE VALUATION

The variation in liabilities and contributions reflects the Fund's actual experience during the year. The Plan realized a net actuarial loss during the past year, primarily a result of the investment return which was less than that expected (3.79% on an actuarial value basis, rather than the 8.75% expected) and on a net actuarial experience gain.

The following shows the development of the actuarial experience and identifies the major experience components:

Calculation of Net Actuarial Gain

1.	Unfunded Accrued Liability as of July 1, 2001	\$ (151,682,564)
2.	Normal Cost as of July 1, 2001	572,167,762
3.	Interest on (1) and (2)	36,792,455
4.	Actual Members' Contributions	238,053,787
5.	Discounted value of prior year's Employer Contribution	347,641,903
6.	Expected interest on Members' contributions	<u>10,414,853</u>
7.	Expected Unfunded Accrued Liability as of July 1, 2002 = (1) + (2) + (3) - (4) - (5) - (6)	\$ (138,832,890)
8.	Increase in Unfunded Accrued Liability due to:	
	a) Chapter 86, P.L. 2001	21,744,444
	b) Chapter 318, P.L. 2001	380,768
	c) Additional Chapter 204, P.L. 1989 liability	590,332
	d) Net Change in Actuarial Assumptions	<u>220,497,531</u>
	e) Sub-total	\$ 243,213,075
9.	Actual Unfunded Accrued Liability as of July 1, 2002	\$ 722,299,770
10.	Actuarial (gain)/loss = (9) - (7) - (8)	\$ 617,919,585

Components of Actuarial Experience

1.	Investment (Gain)/Loss	\$ 865,093,828
2.	Other net (Gain)/Loss, including COLA gains and changes in employee data	<u>(247,174,243)</u>
3.	Total Actuarial (Gain)/Loss	\$ 617,919,585

The valuation also reflects costs attributable to the following legislations:

Chapter 204, P.L. 1989

The provisions of Chapter 204 allowed employees with titles which were previously excluded from PFRS membership to enter the Plan. Each employer is required to contribute any additional contribution necessary to fund any unfunded liability arising from Chapter 204. The valuation reflects the addition of three Municipality and Local Groups locations with certain employees participating in the Fund under the provisions of this legislation. Appendix C lists all applicable locations and the required contributions.

Chapter 511, P.L. 1991

The provisions of Chapter 511 increased the retirement benefit for a spouse of a retiree from 35% to 50% of the retiree's average final compensation. This law also raised the minimum annual spouse's benefit from \$1,600 to \$4,500 for benefits granted prior to January 14, 1992.

Chapter 511 required that the normal cost and accrued liability contribution attributable to this chapter be separately determined. However, as a result of Chapter 115, P.L. 1997, the accrued liability contribution rate attributable to Chapter 511 was eliminated. The following summarizes the normal cost rate for the current and previous valuations:

Chapter 511 Contribution Rate	June 30, 2002	June 30, 2001
Normal Cost	5.228%	5.250%
Accrued Liability	<u>N/A</u>	<u>N/A</u>
Total Rate	5.228%	5.250%

Chapter 247, P.L. 1993 and Chapter 201 P.L. 2001

Chapter 247 requires the State to pay the difference between the PFRS normal cost rate and the PERS normal cost rate for certain members who transferred into PFRS as of January 1, 1992 or later. In addition,

the law requires the State to pay the “System” unfunded accrued liability contribution for Municipalities and Local Groups that transferred into PFRS on and after January 1, 1992 without past service. The following summarizes the number of active employees affected, the applicable contribution rates, and the Chapter 247 contributions for the current and previous valuations:

Chapter 247	June 30, 2002	June 30, 2001
Number of Active Employees	1,266	1,382
<u>Contribution Rates:</u>		
Normal Cost	1.284%	1.645%
Accrued Liability	<u>0.126</u>	<u>0.000</u>
Total Rate	1.410%	1.645%
<u>Contributions:</u>		
Normal Cost	\$ 5,379,191	\$ 6,547,747
Accrued Liability	<u>529,709</u>	<u>0</u>
Total Contribution	\$ 5,908,900	\$ 6,547,747

Chapter 201, P.L. 2001 made changes to Chapter 247, P.L. 1993 with respect to the benefits payable to members who transferred from PERS to PFRS as a result of the Chapter 247 legislation. The resulting increase in the unfunded accrued liabilities due to the increased benefits was fully funded by the recognition of additional market value surplus in the determination of the actuarial value of assets for the July 1, 1999 valuation.

Chapter 59, P.L. 1999

Chapter 59, P.L. 1999 permitted local units to offer early retirement or termination incentives to certain employees affected by the consolidation of services. Appendix C lists all applicable locations and summarizes the contribution requirement under Chapter 59.

Chapter 8, P.L. 2000

Chapter 8, P.L. 2000 required that, if valuation assets are insufficient to fund the normal cost and accrued liability costs attributable to Chapter 428, P.L. 1999, the contribution required to fund these costs for the

State and other employers shall be paid by the State. For the July 1, 2002 valuation, valuation assets were not sufficient to fund the costs attributable to Chapter 428. The following chart summarizes the applicable contribution rates and the Chapter 428 contributions for the current and previous valuations:

Chapter 428	June 30, 2002	June 30, 2001
<u>Contribution Rates:</u>		
Normal Cost	8.677%	9.731%
Accrued Liability	<u>.513</u>	<u>0.000</u>
Total Rate	9.190%	9.731%
<u>Contributions:</u>		
Normal Cost	\$ 36,343,181	\$ 38,740,771
Accrued Liability	<u>2,148,857</u>	<u>0</u>
Total Contribution	\$ 38,492,038	\$ 38,740,771*

*Required contribution was fully offset by Excess Valuation Assets.

Chapter 86, P.L. 2001

Chapter 86, P.L. 2001 amended the active death benefits provided to a beneficiary of a member who died in active duty on or after January 1, 1998 and before January 18, 2000. The law required an eligible beneficiary to apply for the increased benefits within 90 days of enactment and return the member's aggregate contributions to the System. The State is liable for all costs to the System attributable to this law.

Chapter 318, P.L. 2001

Chapter 318, P.L. 2001 amended the active death benefits provided to a beneficiary of a member with 10 or more years of service who died in active service on or after June 1, 1995 and before January 1, 1998 and whose beneficiary had, on May 1, 2001, an appeal of a denial of a benefit related to death in the line of duty pending before the Board of Trustees. The law requires that the appeal be withdrawn or denied and that an eligible beneficiary apply for the increased benefits and return the member's aggregate contributions received. The State is liable for all costs to the System attributable to this law.

SECTION V - ACCOUNTING INFORMATION

Statement No. 5 of the Governmental Accounting Standards Board, issued November 1986, established standards of disclosure of pension information by public retirement systems. Statement No. 25 of the Governmental Accounting Standards Board, issued November 1994, established financial reporting standards for defined benefit pension plans and for the notes to the financial statements of defined contribution plans of state and local governmental liabilities and superseded Statement No. 5 effective for periods beginning after June 15, 1996. Statement No. 27, Accounting for Pensions by State and Local Governmental Employers superseded Statement 5 for employers participating in pension plans and is effective for periods beginning after June 15, 1997.

The information required by Statements No. 25 and No. 27 is presented in the following tables. These include the development of the Annual Required Contribution (ARC) as of April 1, 2005, the Schedule of Funding Progress, the Schedule of Employer Contributions and the required Additional Information.

(A) Development of the Annual Required Contribution (ARC) as of April 1, 2005:

	<u>State</u>	<u>Municipalities & Local Groups</u>
1. Actuarial Value of Plan Assets as of June 30, 2002		
(a) Valuation Assets as of June 30, 2002 (including Employer and ERI Receivable Contributions)	\$1,932,852,995	\$16,572,809,734
(b) Adjustment for Receivable/(Payable) Contributions included in (a)	<u>(100,124,246)</u>	<u>180,614,323</u>
(c) Valuation Assets as of June 30, 2002 for GASB Disclosure = (a) - (b)	\$2,032,977,241	\$16,392,195,411
2. Actuarial Accrued Liability as of June 30, 2002	\$2,046,820,189	\$17,181,142,310
3. Unfunded Actuarial Accrued Liability/(Surplus) as of June 30, 2002	\$ 13,842,948	\$ 788,946,899
4. Amortization of Unfunded Actuarial Accrued Liability/(Surplus) over 30 years with payments Increasing at 5.95% per year	\$ 656,682	\$ 37,426,077
5. Development of Net Normal Cost as of June 30, 2002:		
(a) Basic Allowance Normal Cost	\$ 160,274,661	\$ 421,219,075
(b) Term Cost for Lump Sum Death Benefit	3,357,898	18,239,635
(c) Expected Employee Contributions	<u>36,093,858</u>	<u>194,833,032</u>
(d) Net Normal Cost as of June 30, 2002 = (a) + (b) - (c)	\$ 127,538,701	\$ 244,625,678
6. Annual Required Contribution as of April 1, 2005		
(a) Annual Required Contribution as of June 30, 2002 = 4 + 5 (d)	\$ 128,195,383	\$ 282,051,755
(b) Interest Adjustment to April 1, 2005	<u>33,260,125</u>	<u>73,177,960</u>
(c) Annual Required Contribution as of April 1, 2005 = (a) + (b)	\$ 161,455,508	\$ 355,229,715

(B) Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll $\frac{(b-a)}{c}$
6/30/97						
State	\$ 1,183,747,522	\$ 1,234,959,165	\$ 51,211,643	95.85%	\$ 315,690,310	16.22%
Local	<u>10,854,173,290</u>	<u>11,746,169,752</u>	<u>891,996,462</u>	<u>92.41%</u>	<u>1,767,762,346</u>	<u>50.46%</u>
Total	\$ 12,037,920,812	\$ 12,981,128,917	\$ 943,208,105	92.73%	\$ 2,083,452,656	45.27%
6/30/98						
State	\$ 1,559,131,933	\$ 1,377,734,455	\$ (181,397,478)	113.17%	\$ 346,079,078	(52.42)%
Local	<u>13,169,957,658</u>	<u>12,881,842,367</u>	<u>(288,115,291)</u>	<u>102.24%</u>	<u>1,870,322,787</u>	<u>(15.40)%</u>
Total	\$ 14,729,089,591	\$ 14,259,576,822	\$ (469,512,769)	103.29%	\$ 2,216,401,865	(21.18)%
6/30/99						
State	\$ 1,717,248,151	\$ 1,534,470,501	\$ (182,777,650)	111.91%	\$ 362,949,950	(50.36)%
Local	<u>14,536,570,357</u>	<u>13,894,951,617</u>	<u>(641,618,740)</u>	<u>104.62%</u>	<u>1,971,087,124</u>	<u>(32.55)%</u>
Total	\$ 16,253,818,508	\$ 15,429,422,118	\$ (824,396,390)	105.34%	\$ 2,334,037,074	(35.32)%
6/30/00						
State	\$ 1,884,870,936	\$ 1,666,842,906	\$ (218,028,030)	113.08%	\$ 363,360,250	(60.00)%
Local	<u>15,644,750,281</u>	<u>14,924,699,712</u>	<u>(720,050,569)</u>	<u>104.82%</u>	<u>2,055,781,766</u>	<u>(35.03)%</u>
Total	\$ 17,529,621,217	\$ 16,591,542,618	\$ (938,078,599)	105.65%	\$ 2,419,142,016	(38.78)%
6/30/01						
State	\$ 1,991,299,968	\$ 1,866,140,391	\$ (125,159,577)	106.71%	\$ 398,118,379	(31.44)%
Local	<u>16,083,153,842</u>	<u>16,056,446,646</u>	<u>(26,707,196)</u>	<u>100.17%</u>	<u>2,163,590,060</u>	<u>(1.23)%</u>
Total	\$ 18,074,453,810	\$ 17,922,587,037	\$ (151,866,773)	100.85%	\$ 2,561,708,439	(5.93)%
6/30/02						
State	\$ 2,032,977,241	\$ 2,046,820,189	\$ 13,842,948	99.32%	\$ 418,849,259	3.30%
Local	<u>16,392,195,411</u>	<u>17,181,142,310</u>	<u>788,946,899</u>	<u>95.41%</u>	<u>2,275,130,620</u>	<u>34.68%</u>
Total	\$ 18,425,172,652	\$ 19,227,962,499	\$ 802,789,947	95.82%	\$ 2,693,979,879	29.80%

(C) **Schedule of Employer Contributions**

Fiscal Year	Annual Required Contribution	Employer Contribution**	Percentage Contributed
<u>STATE</u>			
2000	\$ 98,974,449	\$ 60,521,749*	61.15%
2001	\$ 95,883,272	\$ 0*	0.00%
2002	\$ 103,580,989	\$ 0*	0.00%
2003	\$ 104,998,547	\$ 0*	0.00%
2004	\$ 118,297,232	\$ 111,077,147*	93.90%
2005	\$ 161,455,508	\$ 159,365,851	98.71%
<u>LOCAL</u>			
2000	\$ 275,790,739	\$ 214,164,848#	77.65%
2001	\$ 249,746,232	\$ 75,670,018	30.30%
2002	\$ 248,754,078	\$ 185,415*	0.07%
2003	\$ 259,969,532	\$ 364,850*	0.14%
2004	\$ 316,272,883	\$ 266,983,423*	84.42%
2005	\$ 355,229,715	\$ 321,305,429	90.45%

* In accordance with Chapter 115, P.L. 1997, a portion of the required contribution was offset by available excess valuation assets.

** The employer contribution schedule reflects the portion of Local Employer contributions payable by the State in accordance with Chapters 109, 247, 511, 428, 86 and 318.

In accordance with Chapter 8, P.L. 2000, this amount excludes the basic accrued liability contribution of \$44,810,085 which has been eliminated due to the application of Excess Valuation Assets as of June 30, 1998.

(D) The information presented in the required supplementary schedules was determined as part of the actuarial valuation. Additional information follows:

Valuation Date	June 30, 2002
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	Five year average of market value
Actuarial Assumptions:	
Investment Rate of Return	8.75%
Projected Salary Increases	5.95%
Cost of Living Adjustments	60% of the maximum of the CPI increase and 4.0%

SECTION VI - LEVEL OF FUNDING

Although the value of accrued benefits and the funding ratios shown in the previous section are required for the State's financial statements, it is instructive to also look at these values under an alternative approach. For this purpose, we are presenting liabilities determined on a Financial Accounting Standards Board Statement No. 87 Accumulated Benefit Obligation (ABO) basis. This is the same approach as GASB Statement No. 5 except that no assumption is made as to future salary increases.

FASB 87 ABO Funded Ratios

<u>Valuation Date: June 30, 2002</u>			
Actuarial present value of accumulated benefits:	<u>State</u>	<u>Local Employers</u>	<u>Total System</u>
Vested benefits			
Participants currently receiving payments	\$ 780,388,408	\$ 9,268,750,917	\$ 10,049,139,325
Other participants	501,401,850	3,673,775,576	4,175,177,426
	\$ 1,281,790,258	\$ 12,942,526,493	\$ 14,224,316,751
Non-vested benefits	454,694,918	2,420,635,006	2,875,329,924
Total	\$ 1,736,485,176	\$ 15,363,161,499	\$ 17,099,646,675
Assets at market value	\$ 1,538,617,657	\$ 13,752,368,202	\$ 15,290,985,859
Ratio of Assets to Total Present Value	88.6%	89.5%	89.4%

<u>Valuation Date: June 30, 2001</u>			
Actuarial present value of accumulated benefits:	<u>State</u>	<u>Local Employers</u>	<u>Total System</u>
Vested benefits			
Participants currently receiving payments	\$ 666,781,730	\$ 8,587,173,988	\$ 9,253,955,718
Other participants	525,903,800	3,897,274,097	4,423,177,897
	\$ 1,192,685,530	\$ 12,484,448,085	\$ 13,677,133,615
Non-vested benefits	367,735,388	1,819,427,190	2,187,162,578
Total	\$ 1,560,420,918	\$ 14,303,875,275	\$ 15,864,296,193
Assets at market value	\$ 1,698,572,089	\$ 15,107,101,173	\$ 16,805,673,262
Ratio of Assets to Total Present Value	108.9%	105.6%	105.9%

As in the case of the Governmental Accounting Standard Board Statement No. 5, the actuarial present value of vested and non-vested accrued benefits was based on an interest rate of 8.75% for both 2001 and 2002.

APPENDIX A

BRIEF SUMMARY OF THE BENEFIT AND
CONTRIBUTION PROVISIONS AS INTERPRETED
FOR VALUATION PURPOSES

Eligibility for Membership

Enrollment is restricted to eligible policemen and firemen who are permanent and full-time and who pass the physical and mental fitness requirements. The maximum enrollment age is 35.

1. Definitions

Plan Year	The 12-month period beginning on July 1 and ending on June 30.
Credited Service	A year of service is credited for each year an employee is a Member of the Retirement System plus service, if any, covered by a prior service liability.
Average Final Compensation (AFC)	The average annual compensation for the three consecutive years of Service immediately preceding retirement or the highest three consecutive fiscal years of Membership Service.
Compensation	Base salary upon which contributions by a Member to the Annuity Savings Fund were based in the last year of Service. For Accidental Death, benefits are computed at the annual rate of salary.
Final Compensation (FC)	Annual compensation received by the member in the last 12 months of Credited Service preceding his retirement.
Accumulated Deductions	The sum of all amounts deducted from the compensation of a Member or contributed by him or on his behalf without interest.

2. Benefits

Service Retirement Eligibility means age 55 or 20 years of credited service for an employee who is a member of the Retirement System as of January 18, 2000 and age 55 for an employee who became a member of the Retirement System after January 18, 2000; mandatory at age 65. Benefit is an annual retirement allowance equal to a member annuity plus an employer pension which together equals the greater of:

- (i) 1/60th of FC for each year of Credited Service; or

- (ii) 2% of FC multiplied by years of Credited Service up to 30 plus 1% of FC multiplied by years of Service over 30. (Prior to January 18, 2000, this benefit was based on AFC rather than FC. However, Policy Memorandum 4-2000, which interpreted the provisions of Chapter 428, P.L. 1999, authorized the change in the salary basis).
- (iii) 50% of FC if the member has 20 or more years of Credited Service.

Chapter 428 also requires that, in addition to the 50% of FC benefit, any member as of January 18, 2000 who will have 20 or more years of Credited Service and is required to retire upon attaining age 65, shall receive an additional benefit equal to 3% of FC for each year of Credited Service over 20 years but not over 25 years.

Special Retirement

After completion of 25 years of Credited Service. The annual retirement benefit is equal to a member annuity plus an employer pension which together equal 65% of FC plus 1% of FC for each year of Credited Service over 25. There is a maximum benefit of 70% of FC except for those members with 30 or more years of Credited Service on June 30, 1979.

Vested Termination

- (A) Eligible upon termination of service prior to age 55 and prior to 10 years of Service. The benefit equals a refund of Accumulated Deductions less any outstanding loans.
- (B) Eligible upon termination of service prior to age 55 and after 10 years of Service (but less than 20 years if a member on or prior to January 18, 2000 or less than 25 years of service if a member after January 18, 2000). The benefit is a deferred retirement benefit, commencing at age 55, equal to a member annuity plus an employer pension which together provide a retirement allowance equal to 2% of FC multiplied by years of Credited Service up to 30 plus 1% of FC multiplied by years of Credited Service over 30.

Death Benefits

Ordinary Death Benefit - Lump Sum

- (1) If a member dies prior to retirement, the benefit payable is as follows:
 - A lump sum amount equal to 3-1/2 times FC payable to the member's beneficiary.
- (2) After retirement but prior to age 55, the benefit is as follows:
 - (i) For death while a Disabled Retiree the benefit is equal to 3-1/2 times Compensation.

- (ii) For death while a Deferred Retiree the benefit is equal to his Accumulated Deductions.
 - (iii) For death while a Retiree who has completed 20 years of Service, the benefit is equal to 1/2 times FC.
- (3) After retirement and after age 55, the benefit payable is equal to 1/2 times Compensation. (Note: If a Member is not disabled, 10 years of Credited Service is required for Members enrolling after July 1, 1971.)

Ordinary Death Benefit - Survivor Annuity

- (1) If a member dies prior to retirement, the benefit payable to a widow (widower) is equal to 50% of FC (20% of FC payable to one child, 35% of FC payable to two children or 50% of FC payable to three or more children if there is no surviving widow or widower or if the widow or widower dies or remarries or 25% of FC payable to one parent or 40% of FC payable to two parents if no surviving widow, widower or child. If no widow, widower, child or parent, the benefit payable to a beneficiary is the aggregate Accumulated Contributions at the time of death).

- (2) For any member who retired after December 18, 1967, the benefit payable to widow (widower) is equal to 50% of FC plus 15% of FC for one child and 25% of FC for two or more children.

If no spouse, or spouse remarries, the benefit is equal to 20% of FC for one child, 35% for two children, and 50% for three or more children.

There is also a minimum benefit payable to widows (widowers) of \$4,500 a year.

- (3) For any member who retired with an Accidental Disability Benefit, the benefit payable is equal to \$4,500 a year to the widow (widower). If there is no widow (widower) the benefit payable is \$600 a year for 1 child, \$960 a year for 2 children, and \$1,500 a year for 3 or more children. The benefit for children is payable until age 18.

Accidental Death Benefit

A death while active resulting from injuries received from an accident during performance of duty is eligible for a lump sum equal to the Accumulated Deductions plus 3-1/2 times Compensation plus an annuity benefit payable is as follows:

- (i) The benefit to a widow or widower is equal to 70% of Compensation.
- (ii) The benefit, when there is no spouse, or spouse is remarried, is equal to 20% of Compensation for one child, 35% for two children, 50% for three or more children. The benefit is payable while the children are under age 18, or until age 24 if they are full-time students, or it is payable for life if they are disabled.
- (iii) The benefit, when there is no spouse or children, is equal to 25% of Compensation for one parent and 40% for two parents.
- (iv) The benefit, when there is no relation as stated above, is equal to the Accumulated Deductions and is payable to a beneficiary or to the Member's estate. This is also the minimum benefit payable under (i), (ii) and (iii).

Disability Benefits

Ordinary Disability Retirement

A Member is eligible for Ordinary Disability Retirement if he (she) has 4 years of Service and is totally and permanently incapacitated from the performance of usual or available duties. The benefit is equal to the greater of:

- (i) 1-1/2% of FC times the number of years of Credited Service; or
- (ii) 40% of FC.

In addition, a member who has at least 20 years but less than 25 years of Credited Service and who is required to retire upon application by the employer on and after January 18, 2000 shall receive a benefit equal to a member annuity plus an employer pension which together provide a total retirement allowance equal to 50% of FC plus 3% of FC multiplied by the number of years of Credited Service over 20 but not over 25.

Accidental Disability Retirement

A Member is eligible upon total and permanent incapacitation from the performance of usual or available duties as a result of injury during the performance of regular duties. The benefit payable is equal to a Member annuity plus an employer pension which together equals 2/3 of the Compensation at date of injury.

Special Disability Retirement

A member is eligible for Special Disability Retirement if he (she) has 5 years of Credited Service, is under age 55, and has received a heart transplant. The benefit payable is equal to a Member annuity plus an employer pension which together equals 50% of FC.

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3. Member Contributions

Each member contributes 8-1/2% of Compensation.

APPENDIX B

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHOD

VALUATION INTEREST RATE: 8-3/4% per annum, compounded annually.

SALARY INCREASE: 5.95% per year.

SEPARATIONS FROM SERVICE: Representative values of the assumed annual rates of separation are as follows:

<u>Age</u>	<u>Annual Rates of</u>					<u>Ultimate</u> <u>Withdrawal</u>
	<u>Select Withdrawal</u>					
	<u>Up to the</u> <u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5 to 9 Years</u>	<u>After 9 Years</u>
25	3.50%	2.25%	1.85%	1.74%	1.00%	0.00%
30	4.00	2.25	1.85	1.74	1.20	0.60
35	4.50	2.25	1.85	1.74	1.50	0.39
40	5.00	2.25	1.85	2.32	1.50	0.40
45	3.50	2.25	1.85	2.32	1.50	0.32
50	0.00	2.25	1.85	2.00	2.00	0.30
55	0.00	0.00	0.00	0.00	0.00	0.00

<u>Age</u>	<u>Annual Rates of</u>							
	<u>Death</u>		<u>Disability</u>		<u>Service Retirement</u>			
	<u>Ordinary</u>	<u>Accidental</u>	<u>Ordinary</u>	<u>Accidental</u>	<u>Length of Service</u>			
				<u>Less Than</u> <u>21 Years*</u>	<u>21 to 24</u> <u>Years</u>	<u>25 Years</u>	<u>26 or More</u> <u>Years</u>	
25	.050%	.006%	.100%	.029%	2.50%	0.00%	41.00%	15.40%
30	.065	.006	.150	.071	2.50	0.00	41.00	15.40
35	.065	.008	.250	.122	2.50	0.00	41.00	15.40
40	.120	.008	.385	.153	2.50	0.00	41.00	15.40
45	.180	.009	.418	.151	2.50	0.00	44.15	15.40
50	.250	.009	.363	.119	3.75	0.00	47.31	15.40
55	.300	.014	.600	.107	5.00	0.00	49.20	17.48
60	.600	.013	.160	.107	5.00	0.00	55.35	22.78
64	.600	.008	.300	.107	37.50	0.00	55.35	37.80
65 and over	0.000	0.000	0.000	0.000	100.00	100.00	100.00	100.00

*Retirement assumption prior to age 55 is for any member as of January 18, 2000 upon completion of 20 years of service up to age 54.

DEATHS AFTER RETIREMENT: Special mortality tables are used for the period after disability retirement. Representative values of the assumed annual rates of mortality are as follows:

<u>Age</u>	<u>Service Retirements</u>		<u>Beneficiaries</u>		<u>Age</u>	<u>Disability Retirements</u>
	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>		
55	0.90%	0.254%	0.90%	0.699%	35	1.494%
60	1.42	0.424	1.42	1.027	40	1.584
65	2.17	0.706	2.17	1.563	45	1.674
70	2.75	1.238	2.75	1.981	50	1.761
75	4.46	2.399	4.46	2.399	55	2.016
80	7.41	4.294	7.41	4.294	60	2.376
85	11.48	6.992	11.48	6.992	65	2.736

Marriage: Husbands are assumed to be 3 years older than wives. Among the active population, 90% of participants are assumed married. No children are assumed. Neither the percentage married nor the number of children assumptions are necessarily individually explicit, but they are considered reasonable, when viewed as a single combined assumption.

VALUATION METHOD: Projected Unit Credit Method. This method essentially funds the System's benefits accrued to the valuation date. Experience gains or losses are recognized in future accrued liability contributions.

COLA: Benefits are assumed to increase 2.4% each year.

ASSET VALUATION METHOD: A five year average of market values with write-up was used. This method takes into account appreciation (depreciation) in investments in order to smooth asset values by averaging the excess of the actual over the expected income, on a market value basis, over a five year period.

APPENDIX C

ADDITIONAL CONTRIBUTION SCHEDULES

A. ADDITIONAL ACCRUED LIABILITY CONTRIBUTION SCHEDULE

	July 1, 2002 Valuation		July 1, 2001 Valuation	
	Payment*	Years Remaining	Payment*	Years Remaining
Chapter 204, P.L. 1989				
• Location #21202: Camden City	\$ 40,741	29	\$ 38,453	30
• Location #39300: Belmar Borough	5,450	29	5,144	30
• Location #49700: West Windsor Township	14,507	29	13,692	30
• Location #62400: NJ Institute of Technology	44,137	29	41,658	30
• Location #62500: Brookdale Community College	47,960	29	45,267	30
• Location #62700: Essex County College	14,413	29	13,604	30
• Location #75700: Middlesex County College	53,311	29	50,317	30
• Location #76200: Lower Camden Regional High School – District 1	1,197	29	N/A	N/A
• Location #78600: South Jersey Transit Authority	24,209	29	N/A	N/A
• Location #78700: Washington Township Board of Fire Comm	8,468	29	N/A	N/A
Total	\$ 254,393		\$ 208,135	

* Dollar amounts include two years of interest at 8.75% and contributions will increase by 5.95% per year.

B. SUMMARY OF FISCAL YEAR 2005 CONTRIBUTIONS FOR STATE COLLEGE LOCATIONS

Location	Location Name	Number of Members	2002 Appropriation Payroll	Normal Contribution	Accrued Liability Contribution	Fiscal Year 2005 Contribution
00410	Rowan University	3	\$ 146,518	\$ 52,764	\$ 2,985	\$ 55,749
00412	Kean University	16	845,348	304,427	17,220	321,647
00413	William Paterson University of NJ	12	611,083	220,063	12,448	232,511
00414	Montclair State University	16	747,296	269,116	15,222	284,338
00415	The College of NJ	13	615,373	221,608	12,535	234,143
00421	Richard Stockton College of NJ	15	724,720	260,986	14,763	275,749
00497	University of Medicine and Dentistry of NJ	36	1,905,667	686,269	38,818	725,087
00498	University of Medicine and Dentistry of NJ	33	1,733,748	624,357	35,316	659,673
00499	University of Medicine and Dentistry of NJ	14	738,524	265,957	15,044	281,001
62400	NJ Institute of Technology	25	1,213,920	437,157	24,728	461,885
90011	Rutgers University	88	5,048,096	1,817,920	102,830	1,920,750
Total		271	\$ 14,330,293	\$ 5,160,624	\$ 291,909	\$ 5,452,533

APPENDIX D**ADDITIONAL CENSUS DATA STATISTICS**

In response to a request from the Board of Trustees, we have performed additional calculations and constructed additional exhibits based on the July 1, 2002 valuation data. The information has been presented in the same order as requested in the memo. Additional responses to the data questions have been included where applicable.

Age Breakdown

1. Average Age at Retirement – split by Special/Service Retirements

The exhibit on page 42 provides information split between Police and Firemen and by type of retirement. The average age at retirement is 56.6, 54.1 and 55.0 for service, special, and deferred retirement respectively.

2. Average Age at Entry

The average age at entry for Contributing active participants at July 1, 2002 is 26.5. The average age at entry for Non-Contributing active participants at July 1, 2002 is 29.6. The average age at entry for all actives at July 1, 2002 is 26.6.

3. & 4. Average Age at Death for Active participants and Retired participants.

We have assumed that all deaths between July 1, 2001 and June 30, 2002 occurred at the middle of the plan year; January 1, 2002. Based on this assumption, the average age at death for the various groups is as follows:

Active Contributing members at July 1, 2001	45.7
Active Non-Contributing members at July 1, 2001	50.7
Retired at July 1, 2001	72.9
Disabled at July 1, 2001	60.8
Beneficiary at July 1, 2001	76.7
Terminated Vested at July 1, 2001	50.5

5. & 6. Average Age at Retirement for those who retired under ordinary and accidental disability.

Specific information by category is contained on page 43. The average age at retirement is 42.0 and 39.5 for ordinary and accidental disability respectively.

Breakdown of Members

1. Police/Firemen split for Active and Retirees

The Police/Firemen split summarized below for plan members can be found in Appendix E of this report.

	<u>Policemen</u>	<u>Firemen</u>	<u>Unknown</u>	<u>Total</u>
Active Contributing Members	35,989	6,433	0	42,422
Active Non-Contributing Members	1,094	75	0	1,169
Vested Terminated Participants	57	6	3	66
Retired Participants	10,917	3,584	2,772	17,273
Disabled Retired Participants	2,426	305	453	3,184
Beneficiaries	<u>320</u>	<u>73</u>	<u>4,651</u>	<u>5,044</u>
Total	50,803	10,476	7,879	69,158

Breakdown of Retired Members and Beneficiaries

1-6. Number of members receiving various benefits.

This information is included in Appendix E of this report and is summarized as follows:

Number of Members

Receiving Special Retirement Benefits	15,699
Receiving Service Retirement Benefits	1,434
Receiving Deferred Retirement Benefits	140
Receiving Ordinary Disability Benefits	1,850
Receiving Accidental Disability Benefits	1,334

7. Members who died as a result of Accidental Death

We did not receive any information that indicates cause of death for deceased members.

8.-10. Number of Widows, Children, and Other Dependents

This information is included in Tables 9 and 10 of Appendix E of this report and is summarized as follows:

	<u>Number</u>
Widows/Widowers	4,106
Children	208
Other Dependents	730

13. The Number of Beneficiaries and Children receiving benefits due to the accidental death of a member is 128 (120 Beneficiaries, 5 Children and 3 other dependents). We have no information to perform a further S.H.B.P./Local Health Benefits split.

Breakdown of Costs

The information contained in this section, "Breakdown of Costs", has been calculated in a manner consistent with that shown in prior reports.

1. Cost per member for Insurance.

Dividing the total death benefit cost, prior to the offset for Excess Valuation Assets, of \$42,511,309 (\$5,695,794 for State location and \$36,815,515 for Local groups) by the number of active contributing members of 42,391 gives the total cost per member for insurance \$1,002.84.

2. Cost per member for Administration

Dividing the Administrative cost per member = \$3,790,890/69,158 members = \$54.81.

- 3.&4. The normal contribution rates for State Locations and Municipalities and Local Groups are summarized in Section III(J) of this report.

- 5.&6. The Accrued Liability rates for State Locations and Municipalities and Local Groups are also summarized in Section III(J) of this report.

Breakdown of Purchases

We do not receive information on the active data file regarding service purchases.

Better Breakdown of Inactive Members

To better demonstrate the effect that inactive participants have on costs, we have split the liabilities attributable to beneficiaries used to calculate the Accrued Liability into specific categories. The information summarized below can be found in Section III(E) of this report.

	<u>Actuarial Accrued Liability</u>	<u>Percentage of Total Accrued Liability</u>
Service/Special Retirements	\$ 8,064,819,059	41.96%
Disableds	887,036,256	4.61%
Beneficiaries	925,495,871	4.81%
Deferred Terminated Vesteds	6,343,290	0.03%
Lump Sum Death Benefits	<u>171,788,139</u>	<u>0.89%</u>
Total	\$ 10,055,482,615	52.30%

The percentage shown on the right is the percent attributable to each inactive piece of the total Accrued Liability of \$19,227,962,499.

Reconciliation of Census Data

The following chart presents a reconciliation of census data from July 1, 2001 to June 30, 2002:

	Actives		Deferred Vested	Retirees				Beneficiaries	Dependents	Domestic Relations Beneficiaries	Total
	Contrib.	Noncontrib.		Service	Special	Deferred	Disabled				
Members as of July 1, 2001	41,870	1,149	60	1,395	15,241	135	2,949	3,772	200	627	67,398
Status Change											
To Contributing	170	(170)	-	-	-	-	-	-	-	-	0
To Noncontributing	(523)	523	-	-	-	-	-	-	-	-	0
Terminated Vested	(5)	(13)	18	-	-	-	-	-	-	-	0
Terminated Non-Vested	(143)	(196)	-	-	-	-	-	-	-	-	(339)
Service Retirement	(100)	(9)	-	109	-	-	-	-	-	-	0
Special Retirement	(792)	(17)	-	-	809	-	-	-	-	-	0
Deferred Vesteds Now Payable	-	-	(10)	-	-	10	-	-	-	-	0
New Disabled	(201)	(98)	-	-	-	-	299	-	-	-	0
New Death	(63)	(47)	(2)	(79)	(339)	(3)	(63)	(133)	-	(3)	(732)
Payments Began	-	-	-	-	-	-	-	-	-	125	125
Payments Ceased	-	-	-	-	-	-	-	(3)	(22)	(24)	(49)
New Actives	2,203	47	-	-	-	-	-	-	-	-	2,250
Rehires	6	-	-	-	(4)	-	(2)	-	-	-	0
New Beneficiaries	-	-	-	-	-	-	-	470	35	-	505
Data Corrections	-	-	-	9	(8)	(2)	1	-	-	-	0
Members as of July 1, 2002	42,422	1,169	66	1,434	15,699	140	3,184	4,106	213	725	69,158

Active Member Fifth Age and Service Distribution

The following charts present distributions of active members by age and service.

STATE LOCATIONS AND MUNICIPALITIES AND LOCAL GROUPS

AGE	SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
20	Number	283	10								293
	Salary	9,688,532	427,493	-	-	-	-	-	-	-	10,116,025
25	Number	1,935	1,356	26	-	-	-	-	-	-	3,317
	Salary	71,138,781	65,997,595	1,271,726	-	-	-	-	-	-	138,408,102
30	Number	1,725	4,441	1,740	81	-	-	-	-	-	7,987
	Salary	65,542,867	243,358,603	107,015,916	5,149,431	-	-	-	-	-	421,066,817
35	Number	768	2,746	3,833	2,427	46	-	-	-	-	9,820
	Salary	29,482,687	155,097,567	245,089,430	165,564,265	3,155,860	-	-	-	-	598,389,809
40	Number	66	1,040	1,872	3,680	1,489	33	-	-	-	8,180
	Salary	2,834,399	59,771,888	118,765,521	254,994,203	109,670,072	2,405,795	-	-	-	548,441,878
45	Number	5	275	732	1,812	2,675	1,108	18	-	-	6,625
	Salary	168,885	15,701,248	44,864,672	123,239,801	203,397,765	90,541,668	1,454,247	-	-	479,368,286
50	Number	1	88	248	782	1,307	1,399	449	4	-	4,278
	Salary	44,218	4,541,059	14,914,479	50,710,530	95,963,208	115,358,180	39,905,676	341,675	-	321,779,025
55	Number	1	49	93	318	500	576	581	106	-	2,224
	Salary	17,735	2,583,077	5,354,226	19,603,187	35,026,359	45,318,489	52,106,017	10,352,624	-	170,361,714
60	Number	-	20	51	112	113	123	130	168	21	738
	Salary	-	1,155,339	2,808,335	6,712,240	7,332,409	8,959,199	11,140,941	16,305,363	2,154,092	56,567,918
63	Number	-	4	8	18	19	20	16	25	16	126
	Salary	-	195,310	495,300	1,027,531	1,170,862	1,317,757	1,227,175	2,512,020	1,803,274	9,749,229
66 and over	Number	-	-	1	1	1	-	-	-	-	3
	Salary	-	-	3,700	29,216	56,551	-	-	-	-	89,467
TOTAL	Number	4,784	10,029	8,604	9,231	6,150	3,259	1,194	303	37	43,591
	Salary	178,918,104	548,829,179	540,583,305	627,030,404	455,773,086	263,901,088	105,834,056	29,511,682	3,957,366	2,754,338,270

Average Age: 39.3 years
 Average Service: 12.6 years
 Average Salary: \$63,186
 Number Vested: 25,514
 Number Non Vested: 18,077

Active Member Fifth Age and Service Distribution (continued)

STATE LOCATIONS

AGE	SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
20	Number	50	5	-	-	-	-	-	-	-	55
	Salary	1,935,081	225,961	-	-	-	-	-	-	-	2,161,042
25	Number	400	264	4	-	-	-	-	-	-	668
	Salary	16,279,712	12,231,840	189,230	-	-	-	-	-	-	28,700,782
30	Number	432	683	223	13	-	-	-	-	-	1,351
	Salary	17,756,297	33,214,151	12,041,708	722,893	-	-	-	-	-	63,735,049
35	Number	213	513	593	392	20	-	-	-	-	1,731
	Salary	8,781,597	25,690,001	33,592,280	23,153,005	1,242,708	-	-	-	-	92,459,591
40	Number	16	211	312	661	289	5	-	-	-	1,494
	Salary	664,421	10,678,953	18,020,306	39,280,746	17,742,393	302,407	-	-	-	86,689,226
45	Number	1	90	163	423	406	114	1	-	-	1,198
	Salary	15,489	4,723,244	9,314,309	25,337,735	25,263,050	7,775,382	59,383	-	-	72,488,592
50	Number	1	47	112	237	250	131	21	1	-	800
	Salary	44,218	2,459,571	6,463,291	14,202,153	15,682,849	8,786,909	1,377,254	56,551	-	49,072,796
55	Number	1	29	43	126	135	76	18	4	-	432
	Salary	17,735	1,512,321	2,452,503	7,607,787	8,383,352	5,019,396	1,192,801	248,656	-	26,434,551
60	Number	-	11	23	68	45	21	10	3	1	182
	Salary	-	644,363	1,300,123	4,013,352	2,851,405	1,352,131	673,909	186,842	53,920	11,076,045
63	Number	-	3	4	10	12	9	1	1	-	40
	Salary	-	155,310	231,356	588,699	706,816	557,017	56,551	60,228	-	2,355,977
66 and over	Number	-	-	-	-	1	-	-	-	-	1
	Salary	-	-	-	-	56,551	-	-	-	-	56,551
TOTAL	Number	1,114	1,856	1,477	1,930	1,158	356	51	9	1	7,952
	Salary	45,494,550	91,535,715	83,605,106	114,906,370	71,929,124	23,793,242	3,359,898	552,277	53,920	435,230,202

Average Age: 39.5 years
 Average Service: 11.4 years
 Average Salary: \$54,732
 Number Vested: 4,651
 Number Non Vested: 3,301

Active Member Fifth Age and Service Distribution (continued)

MUNICIPALITIES AND LOCAL GROUPS

AGE	SERVICE	1	5	10	15	20	25	30	35	40	TOTAL
20	Number	233	5	-	-	-	-	-	-	-	238
	Salary	7,753,451	201,532	-	-	-	-	-	-	-	7,954,983
25	Number	1,535	1,092	22	-	-	-	-	-	-	2,649
	Salary	54,859,069	53,765,755	1,082,496	-	-	-	-	-	-	109,707,320
30	Number	1,293	3,758	1,517	68	-	-	-	-	-	6,636
	Salary	47,786,570	210,144,452	94,974,208	4,426,538	-	-	-	-	-	357,331,768
35	Number	555	2,233	3,240	2,035	26	-	-	-	-	8,089
	Salary	20,701,090	129,407,566	211,497,150	142,411,260	1,913,152	-	-	-	-	505,930,218
40	Number	50	829	1,560	3,019	1,200	28	-	-	-	6,686
	Salary	2,169,978	49,092,935	100,745,215	215,713,457	91,927,679	2,103,388	-	-	-	461,752,652
45	Number	4	185	569	1,389	2,269	994	17	-	-	5,427
	Salary	153,396	10,978,004	35,550,363	97,902,066	178,134,715	82,766,286	1,394,864	-	-	406,879,694
50	Number	-	41	136	545	1,057	1,268	428	3	-	3,478
	Salary	-	2,081,488	8,451,188	36,508,377	80,280,359	106,571,271	38,528,422	285,124	-	272,706,229
55	Number	-	20	50	192	365	500	563	102	-	1,792
	Salary	-	1,070,756	2,901,723	11,995,400	26,643,007	40,299,093	50,913,216	10,103,968	-	143,927,163
60	Number	-	9	28	44	68	102	120	165	20	556
	Salary	-	510,976	1,508,212	2,698,888	4,481,004	7,607,068	10,467,032	16,118,521	2,100,172	45,491,873
63	Number	-	1	4	8	7	11	15	24	16	86
	Salary	-	40,000	263,944	438,832	464,046	760,740	1,170,624	2,451,792	1,803,274	7,393,252
66 and over	Number	-	-	1	1	-	-	-	-	-	2
	Salary	-	-	3,700	29,216	-	-	-	-	-	32,916
TOTAL	Number	3,670	8,173	7,127	7,301	4,992	2,903	1,143	294	36	35,639
	Salary	133,423,554	457,293,464	456,978,199	512,124,034	383,843,962	240,107,846	102,474,158	28,959,405	3,903,446	2,319,108,068

Average Age: 39.2 years

Average Service: 12.9 years

Average Salary: \$65,072

Number Vested: 20,863

Number Non Vested: 14,776

ADDITIONAL INFORMATION PROVIDED FOR ITEM 1.All Healthy Retirees as of July 1, 2002

<u>Sex</u>	<u>Police or Firemen</u>	<u>Type of Retirement</u>	<u>Counts</u>	<u>Average Years of Service</u>	<u>Average Age at Retirement</u>	<u>Average Annual Benefit</u>	<u>Average Current Age</u>
M	Police	Service	480	18.2	58.2	\$ 22,372	64.4
M	Police	Special	10,174	27.9	53.4	44,119	60.8
M	Police	Deferred	71	16.7	55.0	11,139	62.4
M	Firemen	Service	59	24.9	57.8	29,171	67.5
M	Firemen	Special	3,477	28.9	54.8	42,643	64.1
M	Firemen	Deferred	46	16.5	55.0	9,098	61.5
M	Unknown	Service	809	26.4	55.3	19,685	80.5
M	Unknown	Special	1,928	28.4	56.1	25,397	76.1
M	Unknown	Deferred	22	18.6	55.0	8,409	75.3
F	Police	Service	76	16.7	59.3	19,023	63.9
F	Police	Special	115	26.8	54.9	40,792	60.1
F	Police	Deferred	1	16.3	55.0	28,528	57.0
F	Firemen	Service	1	13.3	62.0	10,554	74.0
F	Firemen	Special	1	25.8	52.0	60,535	52.0
F	Unknown	Service	9	19.2	60.7	11,461	82.2
F	Unknown	Special	4	28.5	59.8	20,585	82.0

New Healthy Retirees as of July 1, 2002

<u>Sex</u>	<u>Police or Firemen</u>	<u>Type of Retirement</u>	<u>Counts</u>	<u>Average Years of Service</u>	<u>Average Age at Retirement</u>	<u>Average Annual Benefit</u>	<u>Average Current Age</u>
M	Police	Service	83	19.6	52.9	\$ 29,801	54.2
M	Police	Special	654	27.5	52.7	52,472	53.4
M	Police	Deferred	6	15.7	55.0	14,072	55.5
M	Firemen	Service	8	24.4	54.1	33,630	54.8
M	Firemen	Special	137	28.8	54.8	56,860	55.5
M	Firemen	Deferred	4	14.4	55.0	7,817	55.5
F	Police	Service	18	16.8	56.2	24,212	56.8
F	Police	Special	17	25.5	52.0	42,409	52.5
F	Firemen	Special	1	25.8	52.0	60,535	52.0

ADDITIONAL INFORMATION PROVIDED FOR ITEMS 5. & 6.All Disabilities as of July 1, 2002

<u>Sex</u>	<u>Police or Firemen</u>	<u>Type of Retirement</u>	<u>Counts</u>	<u>Average Years of Service</u>	<u>Average Age at Retirement</u>	<u>Average Annual Benefit</u>	<u>Average Current Age</u>
M	Police	Ordinary	1,293	13.0	41.9	\$ 17,078	51.6
M	Police	Accidental	906	11.9	38.6	29,616	50.3
M	Firemen	Ordinary	191	12.9	40.6	17,078	53.1
M	Firemen	Accidental	114	13.6	40.6	26,615	56.3
M	Unknown	Ordinary	187	15.3	43.9	11,463	71.2
M	Unknown	Accidental	263	14.6	42.3	17,985	72.7
F	Police	Ordinary	178	11.5	42.4	21,193	46.6
F	Police	Accidental	49	10.0	38.5	33,818	44.4
F	Unknown	Ordinary	1	17.3	54.0	12,372	71.0
F	Unknown	Accidental	2	11.0	48.5	15,183	77.0

New Disabilities as of July 1, 2002

<u>Sex</u>	<u>Police or Firemen</u>	<u>Type of Retirement</u>	<u>Counts</u>	<u>Average Years of Service</u>	<u>Average Age at Retirement</u>	<u>Average Annual Benefit</u>	<u>Average Current Age</u>
M	Police	Ordinary	148	13.6	44.4	\$ 25,315	45.4
M	Police	Accidental	83	13.7	40.0	43,418	40.9
M	Firemen	Ordinary	11	12.6	43.2	28,724	44.4
M	Firemen	Accidental	2	21.9	44.5	59,267	45.5
F	Police	Ordinary	48	12.2	43.3	23,854	44.1
F	Police	Accidental	7	11.7	40.6	41,031	41.1

APPENDIX E

TABULATIONS USED AS A BASIS FOR THE 2002 VALUATION

The following tables give the distribution of the number and salaries of members by age and length of service as of July 1, 2002. Tables are also given showing the number and retirement allowances of beneficiaries classified by age as of July 1, 2002.

TABLE 1

**THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2002**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
20	7	\$ 225,156		
21	47	1,549,277	5	\$ 174,729
22	105	3,587,622	20	643,958
23	184	6,627,256	43	1,480,475
24	355	13,338,533	51	1,961,539
25	481	19,205,258	69	2,633,322
26	600	25,147,380	109	4,363,236
27	751	33,176,930	91	3,852,113
28	961	45,430,308	109	5,053,095
29	1,059	52,781,416	139	6,275,443
30	1,299	67,557,316	152	7,421,546
31	1,529	81,348,269	178	8,930,688
32	1,681	94,327,052	173	9,071,145
33	1,783	103,935,057	171	8,914,800
34	1,769	104,926,977	154	8,513,721
35	1,696	102,094,424	187	10,178,555
36	1,751	109,942,891	183	10,291,961
37	1,748	111,901,038	170	9,722,498
38	1,784	116,863,856	150	8,978,978
39	1,539	102,195,218	139	8,543,305
40	1,419	95,427,357	133	7,863,596
41	1,451	99,740,394	115	7,268,971
42	1,384	95,542,451	112	6,960,461
43	1,313	92,579,743	114	7,435,118
44	1,210	87,832,123	88	5,709,333
45	1,248	90,978,254	97	6,295,894
46	1,195	88,458,034	71	4,716,397
47	1,195	89,357,177	81	5,236,014
48	1,046	78,356,336	73	4,626,933
49	889	67,575,331	64	3,986,687
50	806	61,846,193	43	2,609,321
51	762	57,865,531	49	3,038,760
52	653	50,590,029	41	2,723,372
53	609	47,363,913	26	1,631,877
54	568	44,394,795	26	1,596,476
55	479	37,402,803	36	2,338,370
56	376	29,358,584	17	1,031,605
57	248	19,447,632	17	969,108
58	194	14,791,454	16	1,015,436
59	212	16,964,036	8	495,253
60	150	11,895,161	9	593,424
61	105	8,044,110	9	529,219

TABLE 1
THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2002

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
62	80	\$ 6,298,527	5	\$ 340,117
63	81	6,370,186	2	143,768
64	40	2,921,314	4	256,560
65	29	2,402,615	2	127,441
TOTAL	38,871	\$2,499,965,317	3,551	\$ 196,544,618

The 42,422 total active contributing participants included in the June 30, 2002 valuation data consist of 35,989 policemen and 6,433 firemen.

TABLE 2
THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF JUNE 30, 2002

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	228	\$ 7,171,585	50	\$ 1,496,019
1	1,338	45,480,909	240	8,195,248
2	1,582	62,997,927	246	9,541,624
3	1,568	69,980,303	191	8,290,741
4	1,657	81,890,353	199	9,527,683
5	1,765	91,589,465	217	10,897,768
6	1,468	83,622,498	201	11,208,756
7	1,800	110,110,459	217	12,249,719
8	2,141	132,138,276	187	10,860,480
9	1,500	93,978,394	126	7,358,524
10	1,222	77,936,195	110	6,577,561
11	1,171	74,820,059	137	8,015,583
12	1,803	115,229,196	212	12,713,115
13	1,608	106,284,094	189	11,832,693
14	1,916	127,723,586	163	10,259,047
15	1,688	115,037,625	161	10,025,478
16	1,605	111,988,262	125	7,979,795
17	1,694	119,438,714	122	7,855,649
18	1,348	96,409,208	88	5,618,193
19	1,181	83,468,353	64	4,310,596
20	1,175	85,800,568	66	4,473,475
21	1,159	87,679,369	69	4,744,090
22	953	74,328,980	43	3,027,591
23	1,082	86,380,363	45	3,274,800
24	930	73,471,925	32	2,455,138
25	808	65,333,019	25	1,897,349
26	408	34,211,916	9	671,038
27	310	25,980,381	3	216,100
28	447	38,909,494	7	529,936
29	396	34,370,943	4	243,109
30	236	21,288,764	2	139,084
31	155	14,435,812	1	58,636
32	154	14,009,665		
33	93	8,319,181		
34	86	8,551,602		
35	56	5,484,932		
36	46	4,291,268		
37	46	4,773,580		
38	19	1,907,776		
39	10	1,068,860		
40	10	986,608		

TABLE 2
THE NUMBER AND ANNUAL COMPENSATION OF
CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF JUNE 30, 2002

(CONTINUED)

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
41	7	\$ 828,298		
42	1	136,920		
43	1	119,632		
TOTAL	38,871	\$2,499,965,317	3,551	\$ 196,544,618

The 42,422 total active contributing participants included in the June 30, 2002 valuation data consist of 35,989 policemen and 6,433 firemen.

TABLE 3

**THE NUMBER AND ANNUAL COMPENSATION OF
NON-CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2002**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
22	1	\$ 37,588		
23	6	166,112	4	\$ 119,432
24	14	449,812	4	108,406
25	17	533,124	5	159,426
26	21	688,594	4	132,040
27	20	653,003	7	280,975
28	31	1,179,685	8	262,314
29	34	1,224,922	11	482,555
30	38	1,511,675	5	174,257
31	41	1,902,441	12	519,283
32	49	2,260,288	9	370,182
33	36	1,845,433	9	434,522
34	34	1,861,306	7	348,933
35	32	1,674,636	7	337,549
36	51	2,707,051	9	414,393
37	36	1,676,733	11	514,926
38	30	1,625,968	15	787,813
39	47	2,697,426	11	540,913
40	30	1,713,570	7	416,649
41	28	1,587,059	12	557,987
42	31	1,715,503	5	253,950
43	25	1,356,980	8	458,670
44	31	1,668,594	9	492,577
45	40	2,193,874	6	340,650
46	23	1,251,960	5	282,409
47	23	1,290,154	4	194,446
48	22	1,404,719	4	218,810
49	19	1,069,935	4	175,756
50	12	755,341		
51	15	881,703	4	194,356
52	18	1,010,648	2	117,568
53	14	909,674	1	56,224
54	22	1,197,415	1	32,832
55	18	930,774	1	59,010
56	8	360,952	1	36,648
57	4	176,181	1	57,508
58			1	52,127
59	7	387,380	1	57,508
60	5	219,452		
61	6	269,651		
62	4	212,401		

TABLE 3

**THE NUMBER AND ANNUAL COMPENSATION OF
NON-CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY AGE
AS OF JUNE 30, 2002**

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
63	2	\$ 110,948		
64	2	99,947	1	\$ 41,796
65			1	75,264
66	2	107,592		
67	1	56,551		
69	1	3,700		
72	1	29,216		
TOTAL	952	\$ 47,667,671	217	\$ 10,160,664

The 1,169 total active non-contributing participants included in the June 30, 2002 valuation data consist of 1,094 policemen and 75 firemen.

TABLE 4

**THE NUMBER AND ANNUAL COMPENSATION OF
NON-CONTRIBUTING ACTIVE MEMBERS DISTRIBUTED BY SERVICE
AS OF JUNE 30, 2002**

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	27	\$ 767,113	8	\$ 220,540
1	82	2,512,476	23	708,906
2	53	1,775,508	20	721,778
3	48	1,815,174	13	493,947
4	51	2,146,088	18	860,688
5	52	2,647,167	12	550,291
6	56	2,689,666	14	669,843
7	39	2,109,280	12	635,588
8	29	2,027,601	6	348,766
9	31	1,632,667	3	133,542
10	38	1,980,039	14	724,002
11	72	3,813,473	14	748,576
12	55	2,976,417	16	902,679
13	53	2,797,402	7	406,583
14	49	2,705,777	8	381,398
15	46	2,694,974	5	284,992
16	41	2,346,124	5	267,232
17	25	1,491,714	7	370,809
18	21	1,261,644	4	211,440
19	25	1,432,369		
20	13	827,734	1	64,662
21	11	609,671	3	194,382
22	6	388,848	1	58,636
23	8	493,599	2	126,120
24	3	247,020		
25	6	409,456	1	75,264
26	3	296,548		
27				
28	1	97,236		
29	2	175,934		
30	2	143,804		
33	1	80,196		
35	1	83,928		
36				
38	1	73,532		
39	1	117,492		
TOTAL	952	\$ 47,667,671	217	\$ 10,160,664

The 1,169 total active non-contributing participants included in the June 30, 2002 valuation data consist of 1,094 policemen and 75 firemen.

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

SERVICE RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
40			1	\$ 39,963
41	3	\$ 97,789		
42	9	285,880		
43	7	251,434	1	27,263
44	7	245,359	1	32,804
45	7	249,655	3	95,846
46	5	177,079	1	34,659
47	17	520,431	1	26,389
48	7	227,551		
49	14	484,981	1	36,828
50	2	64,498		
51	3	71,366	1	33,985
52	5	153,374		
53	8	251,057		
54	12	349,531	1	28,954
55	8	192,444	2	68,381
56	17	285,164	1	27,956
57	10	203,269	2	46,561
58	17	306,771	1	20,680
59	21	331,204	3	70,031
60	23	391,720	3	62,679
61	20	299,498		
62	22	375,153	1	5,929
63	24	318,618	7	108,689
64	40	787,677	10	151,921
65	32	894,171	4	85,165
66	35	897,494	1	22,119
67	31	708,225	1	18,020
68	25	464,896	6	94,031
69	30	435,558	4	63,455
70	29	383,630	3	44,133
71	21	254,342	3	43,819
72	31	489,659	1	12,494
73	38	773,338	2	29,595
74	40	683,068	3	43,067
75	56	1,053,733	1	9,385
76	74	1,442,108	4	39,755
77	77	1,477,496		
78	83	1,590,463	2	23,669
79	74	1,511,529	5	67,048
80	83	1,638,362		
81	90	1,809,162		

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

SERVICE RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
82	73	\$ 1,442,257	2	\$ 25,679
83	61	1,088,086	1	17,055
84	50	925,079		
85	44	840,154		
86	39	822,560		
87	30	597,784	2	21,214
88	12	240,189		
89	9	158,391		
90	4	62,607		
91	3	60,141	1	8,766
92	3	69,025		
93	1	22,482		
96	1	21,874		
Total	1,487	\$ 29,779,367	87	\$ 1,587,987

The 1,574 total service retirements consists of 628 policemen, 106 firemen and 840 retirees for whom the information was not reported.

TABLE 6

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

SPECIAL RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
43	2	\$ 82,912		
44	1	67,863	2	\$ 81,514
45	10	464,147		
46	28	1,248,331		
47	81	3,728,200	4	160,901
48	129	6,336,723	4	175,075
49	199	9,752,720	2	120,300
50	228	11,060,500	4	160,640
51	298	14,752,623	6	278,089
52	379	18,509,279	4	202,909
53	499	24,324,176	7	299,908
54	518	25,191,782	4	183,959
55	763	35,602,928	2	87,483
56	774	36,175,677	4	168,437
57	603	27,604,991	4	195,578
58	635	29,128,602	1	46,951
59	774	34,936,314	8	321,715
60	821	36,455,712	7	266,932
61	639	29,027,883	6	240,200
62	620	26,787,742	5	183,639
63	596	26,048,451	3	114,348
64	590	25,200,803	1	21,814
65	518	21,881,701	6	253,872
66	511	20,966,366	6	230,943
67	462	18,285,933	4	180,321
68	414	15,750,475	6	209,123
69	411	15,257,378	1	37,765
70	427	15,456,827		
71	408	14,432,757	3	114,317
72	429	14,568,878	1	42,402
73	353	11,525,358	4	147,754
74	299	9,670,707		
75	308	9,866,232	1	39,984
76	342	10,695,120	2	69,336
77	300	9,226,681	2	55,891
78	288	8,960,089	1	25,172
79	247	7,404,429	1	29,850
80	192	5,704,659		
81	150	4,622,113	1	20,511
82	104	3,075,351	1	23,257

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

SPECIAL RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
83	92	\$ 2,639,390		
84	57	1,627,698		
85	43	1,091,849	1	\$ 18,635
86	25	633,627	1	24,395
87	10	224,844		
88	2	48,490		
TOTAL	15,579	\$ 646,105,311	120	\$ 4,833,920

The 15,699 total special retirements consists of 10,289 policemen, 3,478 firemen and 1,932 retirees for whom the information was not reported.

TABLE 7

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

ORDINARY DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
29	1	\$ 16,866	1	\$ 25,546
30	4	90,728		
31	6	107,925	1	23,389
32	16	338,435	3	66,605
33	10	191,042	2	50,138
34	17	359,035	7	160,837
35	17	363,053	3	72,557
36	23	463,764	5	116,470
37	26	507,443	6	129,901
38	30	593,586	8	165,655
39	24	505,917	12	259,677
40	40	846,891	8	180,512
41	34	669,380	3	49,031
42	31	605,821	7	141,891
43	38	823,756	4	73,374
44	28	642,462	16	358,221
45	43	896,937	6	112,866
46	42	864,582	10	206,742
47	48	1,022,450	3	66,773
48	54	1,054,635	6	117,041
49	57	1,124,973	3	61,700
50	43	867,301	3	62,962
51	65	1,251,442	5	104,084
52	45	835,532	6	147,955
53	71	1,221,717	9	193,517
54	73	1,326,447	7	152,723
55	70	1,093,794	2	51,662
56	59	938,390	4	89,457
57	46	771,626	4	60,329
58	48	789,279	4	78,663
59	58	927,941	2	37,248
60	40	627,077	3	52,022
61	70	1,056,052	3	67,648
62	45	662,329	2	41,857
63	46	661,888		
64	27	434,564	2	51,348
65	31	492,585	1	18,807
66	28	428,900		
67	18	251,039	3	54,072
68	32	479,510	1	16,489
69	20	246,592	1	19,976

TABLE 7

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

ORDINARY DISABILITY RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
70	16	\$ 179,753	1	\$ 16,192
71	15	205,030	1	12,372
72	15	187,942	1	16,414
73	10	125,553		
74	9	111,604		
75	16	187,082		
76	12	122,471		
77	11	107,793		
78	10	108,493		
79	14	137,274		
80	7	77,057		
81	3	36,494		
82	5	52,081		
83	1	9,204		
84	1	12,807		
85	2	19,654		
87				
88				
89				
90				
TOTAL	1,671	\$ 29,133,977	179	\$ 3,784,722

The 1,850 ordinary disability retirees consists of 1,471 policemen, 191 firemen and 188 retirees for whom the information was not reported.

TABLE 8

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

ACCIDENTAL DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
28	2	\$ 75,801		
29	2	61,950		
30	6	226,203		
31	3	125,692	1	\$ 42,483
32	8	302,276		
33	8	264,939	3	112,441
34	15	559,707	3	111,168
35	19	710,235		
36	22	892,244	5	203,850
37	16	595,036	1	22,282
38	26	986,331	1	36,091
39	24	923,020	2	81,992
40	28	976,991	1	31,742
41	19	683,269	3	98,075
42	30	997,061	2	68,152
43	19	737,542	2	58,783
44	18	665,424	2	93,553
45	32	1,123,371		
46	26	980,450	4	134,264
47	40	1,224,109	2	63,354
48	42	1,248,755	3	97,563
49	32	1,029,766	4	121,809
50	27	762,017	1	35,649
51	41	1,238,414	1	33,864
52	37	1,096,285	1	16,823
53	34	966,608	1	10,967
54	49	1,176,207		
55	51	1,225,951	1	34,629
56	51	1,300,021	1	48,043
57	42	1,023,428		
58	35	750,234		
59	39	909,595	1	34,156
60	36	817,916		
61	29	653,956		
62	26	592,862		
63	16	289,605	1	13,418
64	21	469,802		
65	19	415,130	1	19,464
66	19	375,552		
67	25	489,514		
68	23	479,728	1	32,478

TABLE 8

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

ACCIDENTAL DISABILITY RETIREMENTS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
69	22	\$ 413,314		
70	17	328,927		
71	22	428,688		
72	9	154,787		
73	20	363,773		
74	9	180,302	1	\$ 19,584
75	10	170,198		
76	21	388,539		
77	18	357,192		
78	21	373,043		
79	16	278,029		
80	11	214,575	1	11,182
81	8	154,861		
82	2	24,603		
83	8	129,849		
84	6	101,018		
85	1	20,478		
87	2	37,036		
88				
89	2	38,968		
90	1	14,983		
TOTAL	1,283	\$ 34,596,161	51	\$ 1,687,861

The 1,334 accidental disability retirees consists of 955 policemen, 114 firemen and 265 retirees for whom the information was not reported.

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

ACTIVE MEMBERS' DEATH BENEFITS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
3	1	\$ 11,054		
5	1	12,288		
6			1	\$ 8,858
7	2	17,124		
8	1	10,098		
9	1	9,891		
10	1	5,802	1	9,118
11			1	5,802
12	1	10,086	1	13,803
13	1	5,802		
14	1	5,802	3	29,963
15			1	9,118
16	2	15,863	1	9,118
17	1	10,098		
18	1	5,802		
20	1	10,353		
23			1	8,487
26			2	43,384
27			1	29,014
28			1	25,532
29			2	50,133
30			2	77,261
31			2	30,317
32			3	90,642
33			3	61,644
34			4	108,649
35			1	34,924
36			5	152,906
37			5	133,606
38	1	20,186	4	120,198
39			2	30,641
40			12	359,529
41			5	156,820
42			5	168,522
43			10	283,151
44			5	176,430
45			6	193,266
46			10	375,922
47			5	164,055
48			2	64,541
49			8	295,942
50			8	292,789
51			14	464,143

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

ACTIVE MEMBERS' DEATH BENEFITS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
52			6	\$ 193,131
53			5	168,086
54			7	210,841
55			6	216,481
56			6	181,015
57			9	218,091
58			6	138,945
59			5	122,932
60	1	\$ 17,613	7	217,602
61			5	122,835
62			4	104,602
63			1	26,400
64			2	84,525
65			5	136,624
66			1	20,471
67			2	66,959
68			3	71,969
69			2	41,412
70			2	46,590
71			2	42,490
72			3	55,626
73			6	82,251
74			5	104,182
75			2	34,893
76			5	101,602
77			6	87,129
78			1	23,819
79			8	112,617
80			3	49,830
81			1	9,553
82			4	51,580
83			3	46,984
84			1	506
85			1	6,599
86			1	18,014
87			2	20,390
TOTAL	17	\$ 167,863	275	\$ 7,315,805

The 292 beneficiaries are receiving active member's death benefits on behalf of 3 deceased policemen and 1 deceased fireman. Information was not reported for the other 288 beneficiaries.

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

RETIRED MEMBERS' DEATH BENEFITS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
1	1	\$ 8,790	1	\$ 8,790
4			1	5,214
5	1	8,908		
6	2	14,375		
8	3	22,427	1	8,307
9	3	15,886	2	8,058
10	1	10,101	1	6,657
11	2	11,193	3	18,479
12	4	37,891	3	28,045
13	4	33,732	5	44,707
14	12	77,667	3	15,931
15	5	47,120	8	55,051
16	11	92,049	15	96,642
17	9	56,323	12	84,468
18	9	69,758	15	119,277
19	6	46,288	6	48,232
20	1	7,422	5	32,015
21			2	15,666
24			1	6,281
25			2	14,455
26			1	20,789
27			1	28,168
31			2	38,289
32	1	6,160	2	28,407
33			1	8,840
34			6	89,887
35			4	50,824
36			6	65,341
37	3	19,044	8	116,562
38			12	115,667
39	1	2,145	15	222,065
40	2	19,395	15	176,729
41			8	101,144
42	1	7,857	20	322,956
43	2	11,343	13	136,790
44	2	23,212	18	269,834
45	1	6,458	35	616,383
46			38	774,581
47			30	488,879
48			32	518,063
49	1	4,201	37	527,541
50	1	6,388	45	726,889
51			72	1,237,927
52			84	1,388,548
53			61	961,834
54	2	26,947	84	1,503,932
55			91	1,900,028
56	2	12,846	69	1,290,224

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF BENEFICIARIES DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

RETIRED MEMBERS' DEATH BENEFITS

(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
57	1	\$ 13,717	84	\$ 1,731,882
58			91	1,828,296
59	1	23,361	99	2,097,449
60			99	2,013,071
61			93	2,060,589
62	1	6,690	104	2,281,367
63	2	32,263	94	1,896,203
64			86	1,782,296
65			114	2,364,681
66			111	2,294,188
67			104	2,166,760
68			106	2,144,740
69	1	16,053	113	2,289,730
70	1	17,248	154	3,188,150
71	1	27,699	116	2,339,792
72			159	3,170,058
73			155	3,073,649
74	2	58,643	184	3,511,798
75	1	24,770	210	3,899,323
76			185	3,374,268
77	1	30,390	190	3,439,297
78	1	21,269	190	3,326,040
79			167	3,027,028
80			124	2,125,839
81			142	2,483,258
82			143	2,491,591
83			103	1,755,371
84			65	1,115,700
85			63	1,047,456
86			30	514,302
87			28	456,265
88			16	270,363
89			12	197,307
90			6	97,196
91			3	50,296
92			1	16,779
93			3	43,697
95			2	35,437
100			1	11,218
TOTAL	106	\$ 978,027	4,646	\$ 86,356,123

The 4,752 beneficiaries are receiving retired member's death benefits on behalf of 317 deceased policemen, 72 deceased firemen and 4,363 deceased retirees for whom the information was not reported.

TABLE 11

**THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2002**

DEFERRED TERMINATED VESTEDS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
32	1	\$ 13,200		
35	3	54,588		
36	3	34,140		
37				
38			1	\$ 17,412
39	2	28,668		
40	1	11,964		
41	1	18,960	1	12,084
42	3	56,976		
43	1	14,952	2	20,400
44	5	59,076		
45	2	22,296	1	12,048
46	6	73,932	1	4,860
47	2	17,844	1	17,892
48	2	17,112		
49	2	13,980		
50	4	49,416	1	26,952
51	1	9,960		
52	3	34,860		
53	5	50,364		
54	3	34,512		
55	7	75,720		
62	1	8,388		
TOTAL	58	\$ 700,908	8	\$ 111,648

The 66 deferred terminated vested members consists of 57 policemen, 6 firemen and 3 deferred terminated vested members for whom information was not reported.

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
		<u>Current Payment</u>	<u>Present Value as of 7/1/2002</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2002</u>
20300	BAYONNE CITY	398,862	6,527,353		
20700	OCEAN CITY	261,282	606,486		
21101	NEWARK CITY	654,316	10,707,851		
21102	NEWARK CITY	359,906	5,889,836		
22100	EAST RUTHERFORD BOROUGH	40,077	655,853		
22300	AVON BY THE SEA	32,150	186,730		
22400	UNION CITY	389,181	6,368,917		
22501	PASSAIC CITY	350,325	3,106,922		
22502	PASSAIC CITY	258,111	2,289,109		
22800	METUCHEN BOROUGH	92,041	534,583		
23301	HOBOKEN CITY	169,759	2,778,093		
23302	HOBOKEN CITY	83,135	1,360,504		
23800	EAST ORANGE CITY	273,256	4,471,826		
24000	WOODBURY CITY	42,437	694,478		
24500	PERTH AMBOY CITY	227,125	1,319,172		
24800	LYNDHURST TOWNSHIP	190,945	1,109,030		
24900	ORANGE CITY	444,174	2,579,815		
25100	RIVERSIDE TOWNSHIP	22,203	196,909		
25500	GLEN RIDGE BOROUGH	28,817	471,592		
26000	NORTH WILDWOOD CITY	85,901	199,392		
26600	FAIRVIEW BOROUGH	11,394	186,470		
27201	ENGLEWOOD CITY	113,915	1,864,215		
27202	ENGLEWOOD CITY	56,039	917,069		
27400	PARAMUS BOROUGH	90,095	1,474,400		
27700	WEEHAWKEN TOWNSHIP	125,141	2,047,934		
27800	DUMONT BOROUGH	48,887	800,029		
28300	MONTCLAIR TOWNSHIP	104,020	1,702,282		
28900	BOGOTA BOROUGH	36,696	600,521		
29000	BERGENFIELD BOROUGH	132,313	768,487		
29100	IRVINGTON TOWNSHIP	651,699	5,779,713		
29300	MAPLE SHADE TOWNSHIP	33,266	295,028		
30701	PATERSON CITY	652,812	5,789,589		
30702	PATERSON CITY	410,228	3,638,182		
31701	EDISON TOWNSHIP	301,968	4,941,693		
31702	EDISON TOWNSHIP	217,273	3,555,655		
31800	HARRISON TOWN	67,250	1,100,544		
31900	KEARNY TOWN	554,535	4,917,997		
32400	WOODBURGE TOWNSHIP	281,714	1,636,230		
33100	ELMWOOD PARK	46,431	759,835		
33401	TRENTON CITY	360,103	5,893,064		
33402	TRENTON CITY	200,944	3,288,442		
33700	NEW BRUNSWICK CITY	389,606	6,375,879		

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
		<u>Current Payment</u>	<u>Present Value as of 7/1/2002</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2002</u>
33900	HAMILTON TOWNSHIP	195,200	3,194,436		
34000	NORTH ARLINGTON BOROUGH	223,315	518,357		
34200	VERONA TOWNSHIP	51,981	120,658		
34600	WALLINGTON BOROUGH	18,841	308,329		
35000	PALISADES PARK BOROUGH	49,495	287,476		
35400	BELLEVILLE TOWNSHIP	234,215	543,657		
35800	GARFIELD CITY	65,716	1,075,442		
36500	HAMMONTON TOWN	40,975	670,548		
36700	FAIRFIELD TOWNSHIP	74,994	174,075		
38101	JERSEY CITY	1,213,225	19,854,359		
38102	JERSEY CITY FIRE DEPT.	626,089	10,245,917		
38800	PHILLIPSBURG TOWN	5,640	92,297		
39400	SOUTH RIVER BOROUGH	143,353	332,751		
40000	TOTOWA BOROUGH	21,611	50,163		
40400	WANAQUE BOROUGH	56,323	327,133		
40500	HADDON HEIGHTS BOROUGH	21,474	190,448		
40800	CALDWELL BOROUGH	12,243	200,355		
41000	MANVILLE BOROUGH	27,026	442,275		
41100	LODI BOROUGH	61,637	1,008,693		
42800	ROCHELLE PARK TOWNSHIP	54,392	126,253		
42900	FORT LEE BOROUGH	180,118	2,947,619		
43100	EWING TOWNSHIP	268,093	622,295		
43400	BOUND BROOK BOROUGH	16,746	274,050		
43600	ROSELAND BOROUGH	57,767	335,520		
44100	ENGLEWOOD CLIFFS BOROUGH	44,197	723,287		
44300	EDGEWATER BOROUGH	165,267	383,616		
44400	CAPE MAY CITY	85,448	198,341		
46800	ROXBURY TOWNSHIP	17,311	283,291		
47700	MT OLIVE TOWNSHIP	56,819	503,911		
50000	BRIELLE BOROUGH	35,150	204,158		
50700	SOUTH BRUNSWICK TOWNSHIP	65,879	1,078,111		
50800	EAST WINDSOR TOWNSHIP	36,286	84,228		
52500	MORRIS PLAINS BOROUGH	102,000	236,762		
52900	CHESTER TOWNSHIP	34,412	199,872		
53100	VOORHEES TOWNSHIP	73,436	170,458		
53300	MENDHAM TOWNSHIP	53,014	123,056		
53900	BERKELEY TOWNSHIP	231,227	536,722		
54200	PT PLEASANT BOROUGH	65,675	152,445		
54400	LINWOOD CITY	26,258	429,714		
54700	SEASIDE HEIGHTS BOROUGH	77,116	683,916		
54800	MANCHESTER TOWNSHIP	222,117	1,290,081		
55500	BRICK TOWNSHIP	230,280	3,768,523		

APPENDIX F - EARLY RETIREMENT INCENTIVE (ERI) CONTRIBUTION SCHEDULE

<u>Number</u>	<u>Location Name</u>	<u>ERI 1 Information</u>		<u>ERI 2 Information</u>	
		<u>Current Payment</u>	<u>Present Value as of 7/1/2002</u>	<u>Current Payment</u>	<u>Present Value as of 7/1/2002</u>
56000	HOWELL TOWNSHIP	155,884	361,837		
56400	STAFFORD TOWNSHIP	46,145	755,162		
56800	LINCOLN PARK BOROUGH	28,859	66,986		
57100	MINE HILL TOWNSHIP	9,154	149,811		
57700	SEA ISLE CITY	11,915	105,671		
57900	MIDDLE TOWNSHIP	112,350	260,787		
59300	EAST GREENWICH TOWNSHIP	40,111	93,106		
59400	NORTH BRUNSWICK TOWNSHIP	200,458	1,164,286		
61200	RARITAN TOWNSHIP	27,596	451,611		
62600	MONROE TOWNSHIP	39,709	649,843		
70203	BERGEN COUNTY	13,626	222,995		
70300	BURLINGTON COUNTY	13,134	30,486		
70303	BURLINGTON COUNTY	92,475	214,652		
70400	CAMDEN CO BD OF CHOSEN FRHLDRS	230,350	534,687		
70403	CAMDEN CO BD OF CHOSEN FRHLDRS	304,350	706,455		
70500	CAPE MAY COUNTY	35,022	81,292		
70600	CUMBERLAND COUNTY	23,090	53,597		
70603	CUMBERLAND COUNTY	14,075	32,670		
70700	ESSEX COUNTY	1,549,138	25,351,560		
70800	GLOUCESTER COUNTY	85,779	199,110		
70803	GLOUCESTER COUNTY	140,979	327,240		
70900	HUDSON COUNTY	167,956	975,507		
70903	HUDSON COUNTY	164,202	953,706		
71000	HUNTERDON COUNTY	46,862	272,181		
71100	MERCER COUNTY	193,816	1,718,892		
71103	MERCER COUNTY	24,313	215,624		
71600	PASSAIC COUNTY	281,444	2,496,042		
71603	PASSAIC COUNTY	160,963	1,427,534		
71903	SUSSEX COUNTY	26,472	433,218		
79000	NORTH HUDSON REGIONAL FIRE AND RESCUE			1,574,826	16,567,471
	TOTALS	18,872,924	205,687,856	1,574,826	16,567,471