

Annual Financial Report

for the fiscal year ending June 30, 2001

Honorable Paul J. Tavares, General Treasurer



Employees Retirement System of Rhode Island

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**EMPLOYEES RETIREMENT SYSTEM
OF RHODE ISLAND**



INTRODUCTORY SECTION

“A retirement system is hereby established and placed under the management of the retirement board for the purpose of providing retirement allowances for employees of the state of Rhode Island under the provisions of Chapters 8 to 10, inclusive, of this title. The retirement system so created shall begin operation as of the first day of July, 1936. It shall have the power and privileges of a corporation, and shall be known as the “employees retirement system of the state of Rhode Island,” and by that name all of its business shall be transacted, all of its funds invested, and all of its cash and securities and other property held.”

——Section Two of Chapter 2334 of the Public Laws of 1936



The Honorable Lincoln C. Almond
Governor, State of Rhode Island and Providence Plantations
State House
Providence, Rhode Island 02903

Dear Governor Almond:

In accordance with Rhode Island General Laws, 36-8-8 and 45-21-34, enclosed is the Sixty-fifth Annual Financial Report of the *Employees' Retirement System* and the Forty-fourth Annual Financial Report of the *Municipal Employees Retirement System* of the State of Rhode Island for transmittal to the General Assembly.

This report also contains an accounting of the State Police Retirement Plan and the Judicial Retirement Plan.

The report covers the fiscal year ending June 30, 2001.

Respectfully submitted,

Paul J. Tavares, General Treasurer & Chairman of the Board
Employees Retirement System of Rhode Island



Employees Retirement Board (as of January 1, 2001)

Paul J. Tavares, *Chairperson, General Treasurer*
William B. Finelli, *Vice-Chairperson, Teacher Representative*
Ponzi A. Angelone, *C.L.U., Public Representative*
Daniel L. Beardsley, *Rhode Island League of Cities and Towns*
Michael R. Boyce, *Retired Member Representative*
Leslie E. Clark, *Municipal Representative*
Senator John Roney, *Senate Finance Committee, Designee*
Representative Gordon D. Fox, *House Finance Committee, Designee*
Sandra Murphy Crowe, *Director of Administration, Designee*
John P. Maguire, *Teacher Representative*
John Marginson, *Public Representative*
Michael C. Reis, *State Employee Representative*
Stephen P. McAllister, *State Budget Director*
Michael F. O'Keefe, *House Fiscal Advisor*
Linda C. Riendeau, *State Employee Representative*

Employees' Retirement System of Rhode Island Administration (as of January 1, 2001)

Frank J. Karpinski, *Executive Director*
Diane S. Bourne, *Assistant Executive Director*
Octavio F. Cunha, *Assistant Director - Member Services*
Todd T. San Bento, *Assistant Director - Finance*
David D. Barricelli, *Board Counsel*

State Investment Commission (as of January 1, 2001)

Paul J. Tavares, *Chairperson, General Treasurer*
Rosemary Booth Gallogly, *Director of Administration's Designee*
J. Michael Costello, *Governor's Appointee*
Senator Daniel DaPonte, *Senate Finance Committee Designee*
Dr. Robert J. McKenna, *Higher Education Assistance Authority Chairman*
Marcia Reback, *General Treasurer's Appointee*
James E. Thorsen, *Governor's Appointee*
Mr. William J. Whitty, *Governor's Appointee*
Frank J. Karpinski, *Executive Director, Non-voting member*

By statute, the State Investment Commission is responsible for the investment of the assets of the Employees Retirement System and the Municipal Employees Retirement System.

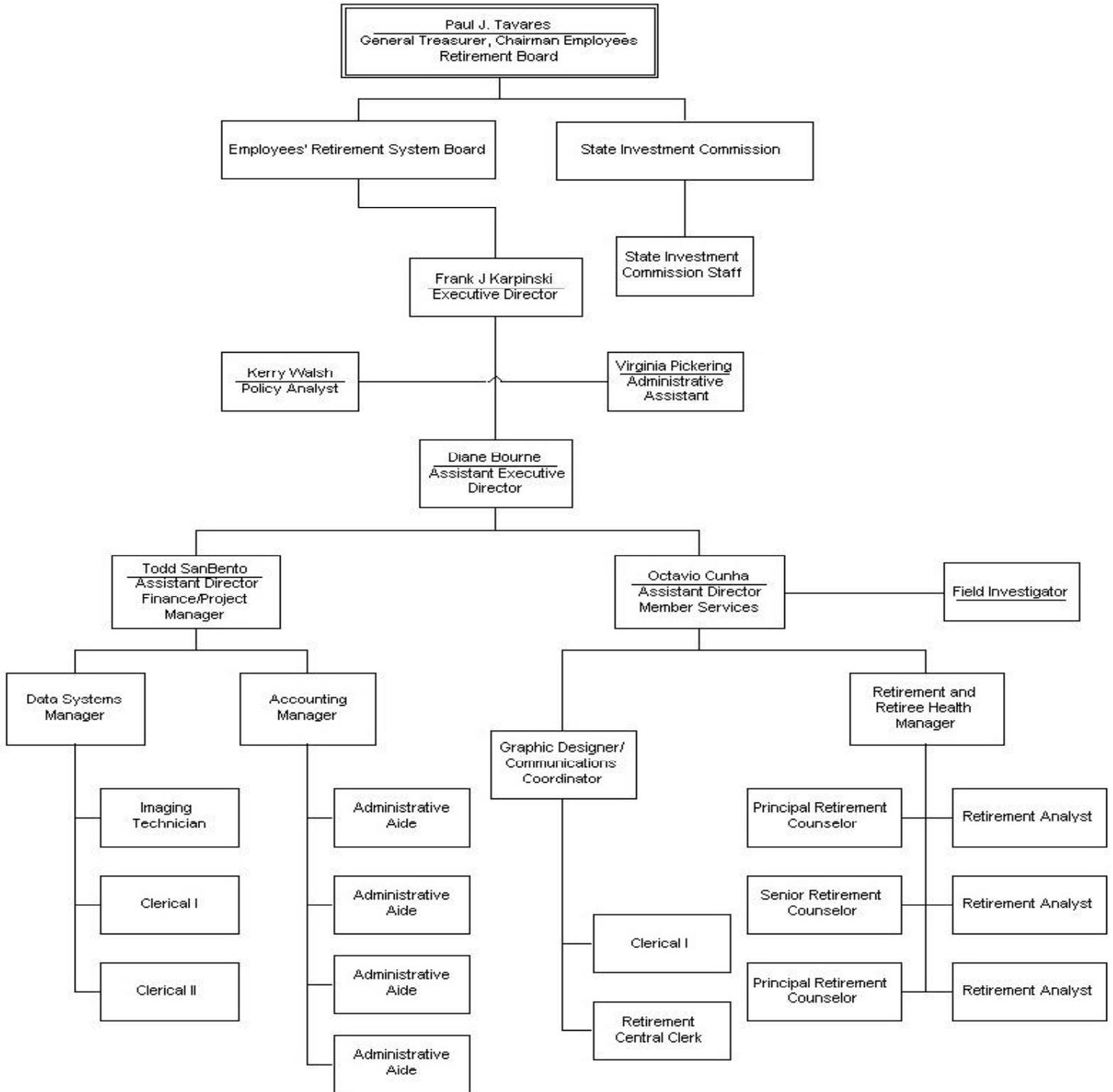
Joan M. Caine, CFA, *Deputy Treasurer for Finance*

Wilshire Associates, Inc., *Consultant to State Investment Commission*

State Street Bank and Trust, *ERSRI and MERS Custodian Bank*



Employees Retirement System of Rhode Island Organizational Chart





Dear Governor Almond and Members of the Rhode Island General Assembly:

We are pleased to present to you this Annual Financial Report of the Employees' Retirement System of Rhode Island (ERSRI) and the Municipal Employees Retirement System (MERS) for the fiscal year ending June 30, 2001. As required by R.I.G.L. 36-8-8, this report is intended to provide the Governor, the General Assembly, members, and beneficiaries of the system and the public with current financial information and an overall status report on the operation of the system.

This report also contains financial information on the status of the State Police Retirement Plan and the Judicial Retirement Plan that commenced in 1987 and 1989.

The report is divided into three sections. The introductory section presents the system's organization, summarizes plan benefits, and provides a review of 2001 retirement legislation. The second section contains the audited financial statements of the following retirement plans:

- (1) The Employees Retirement System of Rhode Island, which includes the retirement assets of all state employees and public school teachers;
- (2) The Municipal Employees Retirement System, which is the municipal retirement plan covering participating municipal units (each unit is valued independently);
- (3) The Judicial Retirement Plan;
- (4) The State Police Retirement Plan.

Because the financial statements are due prior to the completion of the 2001 Actuarial Valuation, the notes to the financial statements reflect the most current actuarial valuation for 2000.

Gabriel, Roeder, Smith & Company (GRS) (formerly, Watson Wyatt Worldwide) serves as the system's actuary. Thus, the report concludes with GRS's June 30, 2001 actuarial valuation of our system.

Membership

As of June 30, 2001, active membership in the Employees' and Municipal Employees' Retirement System totaled 35,382. There are currently 35 judges contributing to the Judicial Retirement Plan and 151 state police contributing to the State Police Retirement Plan. A total of 19,618 retirees and beneficiaries were receiving benefits from the system.

Accounting Basis

The financial statements have been prepared in accordance with generally accepted accounting principles and Governmental Accounting Standards Board Statement Number 25 (GASB No. 25) using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred. Dividend income is recorded on the ex-dividend date. Interest income is accrued daily. Finally, investments are recorded at fair market value.

Financial Highlights

The major sources of revenue for all ERSRI plans are employee and employer contributions, and investment earnings. Total revenues for fiscal year 2001 included \$276,740,428 in contributions from employers and employees and a net investment loss of \$768,139,606. The expenditures of the fund consist primarily of payments made to members and beneficiaries for retirement, disability, death, or survivor benefits. In total, benefits payments for fiscal year 2001 were \$399,660,283.



Administrative expenses of the retirement system and the cost of maintaining the retirement system are paid from a restricted receipt account that is used solely to pay such expenses. This account is reimbursed through the transfer of 1.5 % of the investment income from the retirement fund. Any non-encumbered funds at June 30th are transferred back to the retirement fund. Administrative expenses incurred by the system for the year ended June 30, 2001 amounted to \$3,051,527.

Funding

Legislation adopted in the 2001 session changed the funding method from Frozen Initial Liability (FIL) to Entry Age Normal (EAN) and allows for the re-amortization of the Unfunded Actuarial Accrued Liability (UAAL) over a period not to exceed 30 years. As a result, all plans now utilize the EAN method.

The actuary determines the actuarial accrued liability of the Plans, which is a measure of the present value of accrued liabilities estimated to be payable in the future to current retirees, beneficiaries, and employees for service earned to date. The percentage computed by dividing the actuarial value of net assets for benefits by the actuarial accrued liability is referred to as the funded ratio. The higher the funded ratio, the greater the degree of overall financial health and stability for the pension fund.

As of June 30, 2001, ERSRI was 77.9% funded for state employees, a decrease of 3.7% from the prior year. The funded ratio for teachers for June 30, 2001 was 77.4%, a decrease of 3.2% from the prior year. The Judicial Retirement Benefits Trust (JRBT) was 76.4% funded, an increase of 0.5% over the previous year while the State Police Retirement Benefits Trust (SPRBT) was 86.4% funded, an increase of 4.9% over the previous year. The Municipal Employees Retirement System (MERS) prepares separate valuations for each participating unit. Consequently, each unit has its own funding ratio that can be found on pages 77-80 of this report.

Investment Services

Assets are invested under the direction and authority of the State Investment Commission (SIC) which meets on a monthly basis. In addition to the General Treasurer who serves as Chairperson, members of the SIC included director of administration, ex officio, or any assistant director of administration as his or her designee, who shall act as secretary, the chairperson of the finance committee of the senate, or any senator as his designee, the chairperson of the finance committee of the house of representatives, ex officio, or his or her designee, the chairperson of the higher education assistance authority, ex officio, or his or her designee, an active teacher, state, or municipal employee member of the retirement system or official from the teacher, state, or municipal employee unions to be appointed by the general treasurer, the executive director of the state retirement board, who shall be a nonvoting member, and three (3) members to be appointed by the governor, each for a term of three (3) years and until his or her successor is appointed and qualified. Wilshire Associates of Pittsburgh, Pennsylvania, serves as investment consultant to the State Investment Commission. State Street Bank and Trust of Boston, Massachusetts, serves as the pension fund custodian.

Professional Services

W. Michael Carter of Gabriel, Roeder, Smith & Company provides actuarial services to the retirement system while David D. Barricelli, esquire, of the law firm of Hinckley Allen & Snyder, Providence, Rhode Island serves as retirement board general counsel. Private attorneys are hired on a per diem basis to serve as hearing officers for the system on disputed retirement issues.

In addition to Dr. Christopher Ley who serves as the Medical Advisor to the Board's Disability Sub-Committee, the system hires independent physicians who conduct medical exams of the system's disability applicants. Finally, the Office of the Auditor General conducts an annual financial audit of the entire retirement system.

Disbursements from the fund are processed through the centralized controls of the State Controller, under the supervision of the Department of Administration.



Reports to Members

An annual statement of account for the period ending December 31, 2000 was mailed to each active member in April 2001. The statement provides to each member an accounting of the amount of his/her contributions credited to his/her account along with a summary of this financial report. Active and retired members also receive newsletters and other notices on an ad hoc basis.

Acknowledgments

The preparation of this report is possible only through the combined efforts of many individuals. We would like to thank Michael Carter and our actuarial team at Gabriel, Roeder, Smith & Company, the Office of the Auditor General, and the Office of the State Controller. We would especially like to thank Todd San Bento, Assistant Director for Finance for the Employees' Retirement System, who prepared the financial statements and Lisa Trahan, Communications Coordinator, who helped with the production of the final report.

We welcome your comments on the issuance of this report.

General Treasurer Paul J. Tavares, Chairman of the Board
and Members of the Retirement Board
Employees Retirement System of Rhode Island



2001 RETIREMENT LEGISLATION

No major benefit changes were enacted by the General Assembly during the 2001 session. However, several significant pieces of legislation were enacted by both the Rhode Island General Assembly and the United States Congress that affected both the Employees Retirement System of Rhode Island and the Municipal Employees Retirement System. Here is a summary of the relevant legislation.

General Assembly Legislation

Public Law 01-193 An Act Relating to Teachers' and Public Officers' and Employees' Retirement and Municipal Employees

Purchase of Service Credit by Installment

This new law, which becomes effective January 1, 2002, directed the retirement board to allow members to purchase service credit by payroll deduction. The law provided that interest shall be charged for the term of the installment plan, and that the installment plan may not exceed 5 years. Further, all purchases must be made prior to retirement.

Public Law 01-333 An Act Relating To Public Officers And Employees —Retirement System — Contributions And Benefits

Post Retirement Employment of Registered Nurses

This amendment, which became effective July 13, 2001, allows any member who retired from service as a registered nurse to be employed or reemployed, on a per diem basis, for the purpose of providing professional nursing care and/or services at a state operated facility provided gross pay does not exceed \$12,000 in any one calendar year.

Public Law 01-199 An Act Relating To Education — Teachers' Retirement

Substitute Teaching After Retirement

This amendment, which became effective July 13, 2001, deleted the words "for an absent classroom" and added the words "as a" in the statute allowing retired teachers to substitute for up to 90 days at state schools and in the public schools of Rhode Island.

Public Law 01-101 An Act Relating To Cost Of Living Adjustment For Employees Of The Town Of East Greenwich

Town of East Greenwich

This amendment, which became effective July 10, 2001, applies to the Town of East Greenwich MERS only and grants a COLA adjustment to certain members of the East Greenwich general municipal plan.

Public Law 01-077 Article 18 Substitute A As Amended Relating To State Contributions To Retirement

Funding Methodology of the System

This article changed the actuarial cost methodology from a Frozen Initial Liability method to an Entry Age Normal methodology and restarts the period for amortizing the unfunded liability at thirty years. This methodology provides greater stability in required contribution rates, helps reduce the over-burdening of the current generation of taxpayers, and provides better indicators of future funding progress. In addition, the implementation of the entry age normal cost method is a more appropriate methodology for statewide public retirement systems as evidenced by its widespread use. It would also apply to the Judicial and State Police systems



Federal Legislation

Numerous long-sought public pension tax provisions were finally signed into law on June 7, 2001 as part of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), Public Law 107-16. Public pension advocates worked for many years to see these important public sector retirement provisions enacted, and to ensure that their effective dates were not excessively delayed for federal revenue purposes. Most of the pension provisions within EGTRRA that apply to the public sector are effective on or after January 1, 2002. One of the most important provisions is described below.

Transfers and Purchase of Permissive Service Credits

Prior to EGTRRA, participants in governmental plans were not allowed to transfer amounts from 403(b) and 457 plans to defined benefit governmental plans for the purpose of purchasing service credit (or any other purpose, for that matter). Effective January 1, 2002, EGTRRA Sections 647(a) and 647(b) allow for tax-deferred, trustee-to-trustee transfers from 403(b) or 457 plans to purchase permissive service credit in governmental defined benefit plans. The 403(b) and 457 transfers can be used to purchase any permissive service credit allowed by the plan (not just “air time”), and can also be used to pay for previously forfeited service credit.

EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND



FINANCIAL SECTION

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ERNEST A. ALMONTE, CPA, CFE
AUDITOR GENERAL
EALMONTE@OAG.STATE.RI.US

STATE OF RHODE ISLAND and PROVIDENCE PLANTATIONS

GENERAL ASSEMBLY

OFFICE of the AUDITOR GENERAL

- ◆ INTEGRITY
- ◆ RELIABILITY
- ◆ INDEPENDENCE
- ◆ ACCOUNTABILITY

INDEPENDENT AUDITOR'S REPORT

JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS:

We have audited the accompanying statements of plan net assets of the State of Rhode Island and Providence Plantations Employees' Retirement System (the System) as of June 30, 2001 and the related statements of changes in plan net assets for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1(a), the financial statements referred to above present only the plan net assets and changes in plan net assets of the Pension Trust Funds of the State of Rhode Island and Providence Plantations (the State) and are not intended to present fairly the financial position and results of operation of the State, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the plans within the System as of June 30, 2001, and the changes in plan net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 8, 2002 on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Schedules of Funding Progress and the Schedules of Contributions from the Employers and Other Contributing Entity on pages 20 and 21 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



Ernest A. Almonte, CPA, CFE
Auditor General

February 8, 2002



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Statements of Plan Net Assets
June 30, 2001

	<i>ERS</i>	<i>MERS</i>	<i>SPRBT</i>	<i>JRBT</i>	<i>Total (Memorandum Only)</i>
Assets					
Cash and cash equivalents <i>(Note 3)</i>	\$ 685,257	\$ 173,461	\$ 180,635	\$ 114,309	\$ 1,153,662
Receivables					
Member contributions	11,466,584	1,489,260	-	-	12,955,844
Employer contributions	9,624,894	1,509,569	-	-	11,134,463
Due from state for teachers	7,568,759	-	-	-	7,568,759
Miscellaneous	1,340,768	195,326	5,511	4,032	1,545,637
Total receivables	<u>30,001,005</u>	<u>3,194,155</u>	<u>5,511</u>	<u>4,032</u>	<u>33,204,703</u>
Investments, at fair value <i>(Note 3)</i>					
Equity in Short-Term Investment Fund	4,322,868	2,652,647	-	-	6,975,515
Equity in Pooled Trust	5,296,571,916	776,856,253	12,354,404	7,886,266	6,093,668,839
Plan specific investments	27,325,594	-	-	-	27,325,594
Total investments before lending activities	<u>5,328,220,378</u>	<u>779,508,900</u>	<u>12,354,404</u>	<u>7,886,266</u>	<u>6,127,969,948</u>
Invested securities lending collateral <i>(Note 3)</i>	<u>381,179,145</u>	<u>5,908,125</u>	<u>889,111</u>	<u>567,552</u>	<u>438,543,933</u>
Property and equipment, at cost, net of accumulated depreciation					
Line of Business System in Development	7,467,544	1,090,313	15,037	9,714	8,582,608
Computer Equipment (net of accumulated depreciation \$134,535)	468,329	68,335	897	582	538,143
Total Property and Equipment	<u>7,935,873</u>	<u>1,158,648</u>	<u>15,934</u>	<u>10,296</u>	<u>9,120,751</u>
Total assets	<u>5,748,021,658</u>	<u>839,943,289</u>	<u>3,445,595</u>	<u>8,582,455</u>	<u>6,609,992,997</u>
Liabilities					
Securities lending liability	381,179,145	55,908,125	889,111	567,552	438,543,933
Accounts and vouchers payable	5,164,143	743,274	11,705	7,507	5,926,629
Total liabilities	<u>386,343,288</u>	<u>56,651,399</u>	<u>900,816</u>	<u>575,059</u>	<u>444,470,562</u>
Net assets held in trust for pension benefits (A schedule of funding progress for each plan is presented on page 34.)	<u>\$5,361,678,370</u>	<u>\$783,291,890</u>	<u>\$12,544,779</u>	<u>\$8,007,396</u>	<u>\$6,165,522,435</u>

See notes to financial statements.



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Statements of Changes In Plan Net Assets
Fiscal Year ended June 30, 2001

	<u>ERS</u>	<u>MERS</u>	<u>SPRBT</u>	<u>JRBT</u>	<i>Total (Memorandum Only)</i>
Additions					
Contributions					
Member contributions	\$ 120,115,161	\$ 15,858,098	\$ 615,081	\$ 330,424	\$ 136,918,764
Employer contributions	94,280,315	6,092,688	1,819,930	1,163,571	103,356,504
State contributions for teachers	35,365,234	-	-	-	35,365,234
Interest on service credits purchased	972,461	127,465	-	-	1,099,926
Total contributions	<u>250,733,171</u>	<u>22,078,251</u>	<u>2,435,011</u>	<u>1,493,995</u>	<u>276,740,428</u>
Investment income					
Net depreciation in fair value of investments	(833,071,866)	(121,990,923)	(1,755,616)	(1,133,539)	(957,951,944)
Interest	135,380,467	19,623,649	278,766	180,051	155,462,933
Dividends	29,830,012	4,366,801	62,831	40,474	34,300,118
Other investment income	19,179,633	2,806,664	39,289	25,427	22,051,013
	(648,681,754)	(95,193,809)	(1,374,730)	(887,587)	(746,137,880)
Less investment expense	20,180,662	2,952,867	42,299	27,256	23,203,084
Net income from investing activities	<u>(668,862,416)</u>	<u>(98,146,676)</u>	<u>(1,417,029)</u>	<u>(914,843)</u>	<u>(769,340,964)</u>
Securities Lending					
Securities lending income	11,975,954	1,756,391	27,847	17,777	13,777,969
Less securities lending expense	(10,931,498)	(1,603,339)	(25,498)	(16,276)	(12,576,611)
Net securities lending income	1,044,456	153,052	2,349	1,501	1,201,358
Total net investment income	<u>(667,817,960)</u>	<u>(97,993,624)</u>	<u>(1,414,680)</u>	<u>(913,342)</u>	<u>(768,139,606)</u>
Total additions	<u>(417,084,789)</u>	<u>(75,915,373)</u>	<u>1,020,331</u>	<u>580,653</u>	<u>(491,399,178)</u>
Deductions					
Benefits					
Retirement benefits	277,319,497	28,669,422	-	76,524	306,065,443
Cost of living adjustment	65,615,147	2,889,175	-	-	68,504,322
SRA Plus (option)	19,280,077	1,309,124	-	-	20,589,201
Supplemental benefits	956,500	-	-	-	956,500
Death benefits post-retirement	2,533,440	626,177	-	-	3,159,617
Death benefits pre-retirement	292,400	92,800	-	-	385,200
Total benefits	<u>365,997,061</u>	<u>33,586,698</u>	<u>-</u>	<u>76,524</u>	<u>399,660,283</u>
Refund of contributions	6,027,280	1,337,479	-	-	7,364,759
Administrative expense	2,662,558	386,016	2,045	908	3,051,527
Total deductions	<u>374,686,899</u>	<u>35,310,193</u>	<u>2,045</u>	<u>77,432</u>	<u>410,076,569</u>
Net increase (decrease)	(791,771,688)	(111,225,566)	1,018,286	503,221	(901,475,747)
Net assets held in trust for pension benefits					
Beginning of year	<u>6,153,450,058</u>	<u>894,517,456</u>	<u>11,526,493</u>	<u>7,504,175</u>	<u>\$7,066,998,182</u>
End of year	<u>\$5,361,678,370</u>	<u>\$783,291,890</u>	<u>\$12,544,779</u>	<u>\$8,007,396</u>	<u>\$6,165,522,435</u>

See notes to financial statements.



NOTES TO FINANCIAL STATEMENTS

1. Plan Descriptions

(a.) General

The Employees' Retirement System of Rhode Island (the "System") acts as a common investment and administrative agent for pension benefits to be provided for four defined benefit retirement plans as listed below:

<u>Plan Name</u>	<u>Type of Plan</u>
Employees' Retirement System (<i>ERS</i>)	Cost-sharing multiple-employer defined benefit plan
Municipal Employees' Retirement System (<i>MERS</i>)	Agent multiple-employer defined benefit plan
State Police Retirement Benefits Trust (<i>SPRBT</i>)	Single-employer defined benefit plan
Judicial Retirement Benefits Trust (<i>JRBT</i>)	Single-employer defined benefit plan

Although the assets of the plans are commingled for investment purposes, each plan's assets are accounted for separately and may be used only for the payment of benefits to the members of that plan, in accordance with the terms of that plan.

The System's financial statements are included as Pension Trust Funds within the Trust and Agency Funds in the Comprehensive Annual Financial Report of the State of Rhode Island and Providence Plantations.

The System is administered by the State of Rhode Island Retirement Board which consists of 15 members: the general treasurer; the director of administration or his or her designee; the budget officer or his or her designee; the fiscal advisor to the house finance committee or his or her designee; the president of the league of cities and towns or his or her designee; two (2) active State employee members of the retirement system or officials from state employee unions to be elected by active State employees; two (2) active teacher members of the retirement system or officials from a teachers union to be elected by active teachers; one active municipal employee member of the retirement system or an official from a municipal employees union to be elected by active municipal employees; one retired member of the retirement system to be elected by retired members of the System; the chairperson of the house finance committee or his or her designee; the chairperson of the senate finance committee or his or her designee; and two (2) public representatives, one of whom shall be a C.L.U. competent in the area of pension benefits, shall be appointed by the governor and whose term shall be for four (4) years, or until their successors are appointed.

The System's purpose is to provide retirement benefits to state employees, public school teachers, general municipal employees, public safety employees, state police officers and judges.



A summary of membership in the plans as of the June 30, 2000 actuarial valuation is listed below:

	<i>Retirees and beneficiaries</i>	<i>Terminated plan members entitled to but not yet receiving benefits</i>	<i>Active Vested</i>	<i>Active Non-vested</i>	<i>Total by Plan</i>
<u>ERS</u>					
State Employees	9,250	1,730	8,916	4,389	24,285
Teachers	6,486	1,245	7,351	6,256	21,338
<u>MERS</u>					
General Employees	3,214	959	2,693	3,517	10,383
Public Safety	270	31	470	551	1,322
<u>SPRBT</u>					
	-	-	-	152	152
<u>JRBT</u>					
	-	-	-	31	31
<i>Total by type</i>	19,220	3,965	19,430	14,896	57,511

(b) Membership and Benefit Provisions

(1) Employees' Retirement System (ERS)

The ERS was established under section two of chapter 2334 of the Rhode Island Public Laws of 1936 and placed under the management of the Retirement Board for the purpose of providing retirement allowances for employees of the State of Rhode Island under the provisions of chapters 8 to 10, inclusive, of title 36, and public school teachers under the provisions of chapters 15 to 17, inclusive, of title 16 of the Rhode Island General Laws.

The plan covers most State employees other than certain personnel at the State colleges and university (principally faculty and administrative personnel). Elected officials may become members on an optional basis. Membership in the plan is compulsory for teachers, including superintendents, principals, school nurses, and certain other school officials in the public schools in the cities and towns. Rhode Island Airport Corporation (RIAC) employees hired before July 1, 1993 are also covered and have the same benefits as State employees. Rhode Island Economic Development Corporation (RIEDC) employees who were (1) active contributing members and employees of the Department of Economic Development of the State of Rhode Island before October 31, 1995, and (2) elected to continue membership in the plan are also covered and have the same benefits as State employees. Narragansett Bay Water Quality District Commission employees who are members of a collective bargaining unit are also covered and have the same benefits as State employees.

The plan provides unreduced benefits of 1.7% of earnings for each of the first ten years of service; 1.9% for each of the next ten years; 3.0% per year for each of the next fourteen years; and 2% for the 35th year. Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62). The maximum benefit is 80% of final average earnings after 35 years of service. Such benefits are available to members at least age 60 with 10 years of service, or after 28 years at any age. A different benefit formula applies to State correctional officers who may retire at age 50 if they have 20 years of service. Benefits for all employees are based on the average of the highest three consecutive years' earnings, exclusive of overtime.



On the third January after retirement, a cost-of-living increase of 3% (compounded annually) is provided independent of actual changes in the consumer price index. The plan also provides nonservice-connected disability benefits after five years of service; service-connected disability pensions with no minimum service requirement; vested benefits after ten years of service; survivor’s benefits for service-connected death; and certain lump sum death benefits.

The plan also provides benefits to legislators elected to office prior to January 1, 1995, of \$600 for every year served up to a maximum of \$12,000. Such benefits are available to legislators 55 and over with at least 8 years of service or, at any age with 20 or more years of service.

The plan provides a survivor benefit to public school teachers via a “Teachers Survivor Benefits Fund” in lieu of Social Security. Not all school districts participate in the plan. The cost of the benefits provided by the plan are two percent (2%) of the member’s annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective city, town, or school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

Spouse, parents, family and children benefits are payable following the decease of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children’s benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full time student, and was dependent upon the member at the time of the member’s death. Family benefits are provided if at the time of the member’s death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member’s wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

The Teachers Survivor Benefits Fund provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

<u>Highest Annual Salary</u>	<u>Spousal Monthly Minimum Benefit</u>
\$17,000 or less	\$600
\$17,001 to \$25,000	\$700
\$25,001 to \$33,000	\$800
\$33,001 to \$40,000	\$900
\$40,001 and over	\$1,000

Benefits payable to children and families are equal to the spousal benefit multiplied by the percentage below:

Parent and 1 Child	Parent and 2 Children	Parent and more than 2 Children	One Child Alone	Two Children Alone	Three or more Children Alone
150%	175%	175%	75%	150%	175%



(2) *Municipal Employees' Retirement System (MERS)*

The MERS was established under section one of chapter 2784 of the Rhode Island Public Laws of 1951 and placed under the management of the Retirement Board for the purpose of providing retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate.

The plan generally provides retirement benefits equal to 2% of a member's final average salary multiplied by the number of years of total service up to a maximum of 75%. Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62). Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. An optional cost-of-living provision may be elected for police and fire personnel and general employees. An option may be elected to provide a 20 year service pension with a benefit equal to 2.5% for each year of service up to a maximum of 75% for police and fire personnel. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime.

The plan also provides nonservice-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement; vested benefits after 10 years of service; survivor's benefits; and certain lump sum death benefits. A summary of participating employers is listed below:

Municipalities, housing authorities, water and sewer districts.	64
Municipal police and fire departments.	44
Total participating units as of June 30, 2001	108

(3) *State Police Retirement Benefits Trust (SPRBT)*

The State Police Retirement Benefits Trust was established under Rhode Island General Laws 42-28-22.1 and was placed under the management of the Retirement Board for the purpose of providing retirement allowances to State Police.

The plan covers all State Police and Superintendents hired after July 1, 1987.

The plan generally provides retirement benefits equal to 50% of final salary after 20 years of service, plus 3.0% of final salary times service in excess of 20 years through 25 years to a maximum of 65% of final salary. Such benefits are available to members after 20 years of service regardless of age. The Superintendent of the State Police will receive 50% of his/her final salary and may retire after attainment of age 60 and 10 years of service. A cost-of-living adjustment of \$1,500 per annum beginning on January 1st of the year in which a member attains his/her third anniversary of retirement is provided to all members. Benefits are based on the final base salary earned at retirement including longevity increment, holiday pay, clothing allowance and up to 400 overtime hours.

The plan also provides nonservice-connected disability benefits after 10 years of service and service-connected disability pensions with no minimum service requirement.



(4) *Judicial Retirement Benefits Trust (JRBT)*

The Judicial Retirement Benefits Trust was established under Rhode Island General Laws 8-8.2-7; 8-3-16; 8-8-10.1; 28-30-18.1; and was placed under the management of the Retirement Board for the purpose of providing retirement allowances to Justices of the Traffic Tribunal, Supreme, Superior, Family, District and Workers Compensation courts.

The plan covers all Judges appointed after December 31, 1989.

The plan generally provides retirement benefits equal to 75% of the final salary at the time of retirement after 20 years of service, or 10 years of service and attainment of age 65. Judges retiring after 20 years of service after age 65 or 15 years of service after age 70 will receive full retirement benefits which is the final salary at time of retirement. On the third January after the date of retirement, a cost-of-living increase amounting to 3% not compounded is provided to Supreme, Superior, Family and District Court Judges, independent of actual changes in the consumer price index. Traffic Tribunal and Workers' Compensation Court Judges, on the third January after the date of retirement, receive a cost-of-living increase amounting to 3% compounded annually.

2. **Summary of Significant Accounting Policies**

These financial statements were prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) has the responsibility for establishing generally accepted accounting principles for defined benefit pension plans established by governmental entities. In accordance with GASB Statement No. 20, in the absence of specific guidance from a GASB pronouncement, pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 have been followed.

Basis of Accounting

The financial statements of the System are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Dividend income is recorded on the ex-dividend date. Investment transactions are recorded on a trade date basis. The gains or losses on foreign currency exchange contracts are included in income in the period in which the exchange rates change. Gains and losses on contracts which hedge specific foreign currency denominated commitments are deferred and recognized in the period in which the transaction is completed.

Method Used to Value Investments

Investments are recorded in the financial statements at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller - that is, other than a forced liquidation sale. The fair value of fixed income and domestic and international stocks are generally based on published market prices and quotations from national security exchanges and securities pricing services. Real estate is primarily valued on appraisals by independent appraisers or as adjusted by the general partner. Other securities and investments that are not traded on a national security exchange are valued by the respective fund manager. Unit Investment Trusts (UIT) consist primarily of domestic and international institutional funds. The fair value of the UITs are based on the reported share value of the respective fund. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. Short-term investments are stated at cost which approximates fair value.

Cash and Cash Equivalents

Cash represents cash held in trust in a financial institution. Cash equivalents are highly liquid investments with a maturity of three months or less at the time of purchase.



Property and Equipment

These assets represent the line of business system in development and computer equipment recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives. The line of business system is in development and will not be depreciated until put into use. The computer equipment is depreciated over five years.

Memorandum Only - Total Columns

Total columns on the financial statements are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns are not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. Cash Deposits and Investments

(a.) Cash Deposits and Cash Equivalents

At June 30, 2001, the carrying amounts of the plans’ cash deposits, including cash overdrafts, are listed below:

	<u>ERS</u>	<u>MERS</u>	<u>SPRBT</u>	<u>JRBT</u>
<i>Book balance</i>	\$ (66,097)	\$ (16,130)	\$84	\$5
<i>Bank balance</i>	\$1,557	\$19,377	\$ -	\$ -

The bank balances represent the plans’ deposits in short-term trust accounts that are covered by federal depository insurance. At the end of each business day, the excess bank balances are invested in overnight repurchase agreements, which are categorized in the following table as category 1 investments (see Note 3 (b). Investments).

In accordance with Rhode Island General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent of time deposits with maturities greater than sixty days. Any of these institutions that do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent of deposits, regardless of maturity. None of the System’s deposits were required to be collateralized at June 30, 2001.

(b.) Investments

The State Investment Commission oversees all investments made by the State of Rhode Island, including those made for the System. Investment managers engaged by the Commission, at their discretion and in accordance with the investment objectives and guidelines for the System, make certain investments. The General Treasurer makes certain short-term investments on a daily basis. Rhode Island General Laws, Section 35-10-11 (b) (3) requires that all investments shall be made in securities as would be acquired by prudent persons of discretion and intelligence who are seeking a reasonable income and the preservation of capital.

On July 1, 1992, the State Investment Commission pooled the assets of the ERS with the assets of the MERS for investment purposes only, and assigned units to the plans based on their respective share of market value. On September 29, 1994 and November 1, 1995, the assets of the SPRBT and the JRBT, respectively, were added to the pool for investment purposes only. The custodian bank (State Street Bank) holds most assets of the System in two pooled trusts, Short-term Investment Trust and Pooled Trust. Each plan holds units in the trusts. The number of units held by each plan is a function of each plans’ respective contributions to or withdrawals from the trust.



Certain investments are not pooled and are held by only one plan (Plan specific investments). As of June 30, 2001, the ERS held investments in bonds issued by the R.I. Housing and Mortgage Finance Corporation having a fair value of \$3,776,503. This entity is included as a discretely presented proprietary component unit in the State of Rhode Island's Comprehensive Annual Financial Report. The ERS also holds a loan receivable with a fair value of \$22,670,000. This loan is secured by commercial real estate located in Rhode Island.

The System's investments (at fair value) are categorized in the following table to give an indication of the level of risk assumed by the entity at June 30, 2001:

Category 1 includes insured or registered, or securities held by the System or its agent in the System's name.

Category 2 includes uninsured and unregistered, with securities held by the counterparty's trust department or agent in the System's name.

Category 3 includes uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the System's name.



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

	<i>Short-term Investment Fund</i>	<i>Pooled Trust</i>	<i>Plan Specific</i>
<i><u>Investments - Category 1</u></i>			
U.S. Government and Agency Securities			
Not on securities loan	\$ -	\$ 627,976,068	\$ -
On loan for securities collateral	-	51,351,640	
Domestic Corporate Bonds and Notes	-	766,226,223	26,446,503
Foreign Bonds	-	45,151,311	-
Domestic Equity Securities	-	985,917,562	-
Foreign Equity Securities	-	-	-
Not on securities loan	-	991,100,225	-
On loan for securities collateral	-	580,658	-
Unit Investment Trust	-	1,755,007,434	-
Repurchase agreements	-	1,235,800	-
Subtotal	-	5,224,546,921	26,446,503
<i><u>Investments not categorized</u></i>			
Real Estate and Alternative Investment Partnerships	-	318,857,018	-
Money Market Mutual Funds	6,902,517	184,081,433	170,914
Investments held by broker-dealers under securities loans with cash collateral			
U.S. Government and Agency Securities	-	271,773,139	-
Domestic Corporate Bonds and Notes	-	58,951,785	-
Foreign Bonds	-	2,906,108	-
Domestic Equity Securities	-	43,255,446	-
Foreign Equity Securities	-	47,572,189	-
Securities lending short-term collateral investment pool	-	438,543,933	-
Subtotal	6,902,517	1,365,941,051	170,914
 Total	 \$ 6,902,517	 \$6,590,487,972	 \$ 26,617,417
<i><u>Reconciliation to investments on Statements of Plan Net Assets</u></i>			
Total above	6,902,517	6,590,487,972	26,617,417
Net investment payable and receivable	72,998	(50,093,252)	708,177
Foreign Cash *	-	3,167,464	-
Domestic Cash *	-	(10,113,612)	-
Securities lending short-term collateral investment pool	-	(438,543,933)	-
Cash equivalents	-	(1,235,800)	-
Investments on Statements of Plan Net Assets	\$ 6,975,515	\$6,093,668,839	\$ 27,325,594

*Deposits at the System's custodian bank, which consist of uncollateralized deposits in foreign banks, are not covered by United States federal depository insurance.



(c.) Derivatives and Other Similar Investments

Some of the System's investment managers are allowed to invest in certain derivative type transactions, including forward foreign currency transactions, futures contracts and mortgage-backed securities. Through the Unit Investment Trusts (UIT), the System also indirectly holds derivative type instruments. Information on the extent of the use, and holdings of derivative securities by the UITs is not readily available.

Forward Foreign Currency Contracts – The System may enter into foreign currency exchange contracts to minimize the short-term impact of foreign currency fluctuations on foreign investments. These contracts involve risk in excess of the amount reflected in the System's Statements of Plan Net Assets. The face or contract amount in U.S. dollars reflects the total exposure the System has in that particular currency contract. By policy, no more than 50% of actively managed Foreign Equity securities (at fair value) may be hedged into the base currency (US Dollars). The U.S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service. Losses may arise due to changes in the value of the foreign currency or if the counterparty does not perform under the contract.

Futures contracts – The System may use futures to manage its exposure to the stock, money market, and bond markets and the fluctuations in interest rates and currency values. Buying futures tend to increase the System's exposure to the underlying instrument. Selling futures tend to decrease the System's exposure to the underlying instrument, or hedge other System investments. Losses may arise from changes in the value of the underlying instruments, if there is an illiquid secondary market for the contracts, or if the counterparties do not perform under the contract terms.

Mortgage-Backed Securities – The System invests in various mortgage-backed securities, such as collateralized mortgage obligations (CMO), interest-only and principal-only (PO) strips. They are reported in aggregate as U.S. Government and Agency Securities in the disclosure of custodial credit risk. CMO's are bonds that are collateralized by whole loan mortgages, mortgage pass-through securities or stripped mortgage-backed securities. Income is derived from payments and prepayments of principal and interest generated from collateral mortgages. Cash flows are distributed to different investment classes or tranches in accordance with the CMO's established payment order. Some CMO tranches have more stable cash flows relative to changes in interest rates while others are significantly sensitive to interest rate fluctuations. The System may invest in interest-only (IO) and principal-only strips (PO) in part to hedge against a rise in interest rates. Interest-only strips are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to pre-payments by mortgagees, which may result from a decline in interest rates. Principal-only strips receive principal cash flows from the underlying mortgages. In periods of rising interest rates, homeowners tend to make fewer mortgage prepayments.

Short Sales – The Unit Investment Trusts (UIT) may sell a security they do not own in anticipation of a decline in the fair value of that security. Short sales may increase the risk of loss to the UIT when the price of a security underlying the short sale increases and the UIT is subject to a higher cost to purchase the security in order to cover the position.

(d.) Securities Lending

Policies of the State Investment Commission permit use of investments to enter into securities lending transactions. The System has contracted with State Street Bank & Trust Company (SSB) as third party securities lending agent to lend the System's debt and equity securities for cash, securities and sovereign debt of foreign countries as collateral at 102% of the market value of the domestic securities on loan and 105% of the market value of the international securities on loan. There are no restrictions on the amount of loans that can be made. There have been no violations of the provisions of the contract. Securities on loan at year-end for cash collateral are presented as not categorized in the preceding table. Securities on loan for noncash collateral are classified according to the category for the collateral. The contract with the lending agent requires them to indemnify the System if the borrowers fail to return the securities. Either the System or the borrower can terminate all securities loans on demand. The cash collateral received on security loans was invested in the lending agent's short-term investment pool for an average duration of 73 days and a weighted average maturity of 172 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The System is not permitted to pledge or sell collateral securities received unless the borrower defaults. There were no losses during the fiscal year resulting from default of the borrower or lending agent.



At June 30, 2001, management believes the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers does not exceed the amounts the borrowers owe the System. The securities on loan at year-end were \$476,390,965 (fair value), and the collateral received for those securities on loan was \$491,764,265 (fair value).

4. Contributions and Reserves

Contribution requirements for plan members and employers are established pursuant to Rhode Island General Laws. Employers are required to contribute at an actuarially determined rate. Plan member contributions are fixed by statute.

(a.) *Funding Policy*

ERS, SPRBT and JRBT

The funding policy, as set forth in Rhode Island General Laws, Section 36-10-2 provides for actuarially determined periodic contributions to the plans. The Employer's contributions to the plans include (1) normal cost and (2) a payment required to amortize the unfunded frozen actuarial liability of the plans. The ERS' liability is amortized, as of June 30, 1985, over thirty (30) years in multiples of two hundred and fifteen thousandths of one percent (.215%) starting with one multiple in the fiscal year beginning July 1, 1986, and increasing by one multiple in each successive year until the fiscal year ending June 30, 1989; and amortize the remaining unfunded liability of the system as of June 30, 1988, over twenty-seven (27) years beginning in the fiscal year beginning July 1, 1989, calculated such that each year's total unfunded liability payment increases at the assumed rate of inflation over the prior year's total payment. The unfunded liabilities of the SPRBT and JRBT plans are amortized over a 30-year period beginning July 1, 1992. Any subsequent changes to the unfunded liability due to changes to benefits or actuarial assumptions are amortized over a new 30-year period or over the remaining initial amortization period depending on how large the total change to the unfunded liability for each fiscal year is relative to the existing unfunded liability. The normal cost is determined using the frozen entry age cost method.

Effective for the June 30, 1999 valuation, the Rhode Island General Laws were amended to allow the unfunded liabilities of the three plans to be amortized over a 30-year period and to compute normal cost by using the entry age normal cost method. The 1999 valuation is the basis for employer costs in fiscal 2002.

MERS

The funding policy, as set forth in Rhode Island General Laws, Section 45-21-42 provides for actuarially determined periodic contributions to the plans. Each employer's contribution to the plans includes normal cost and a payment, where applicable, to amortize the unfunded actuarial accrued liability. The normal cost is determined using the entry age normal cost method. In 1989, the rules regarding the amortizing of the unfunded liability were changed. The new rules provided that the unfunded liability in 1988 will be amortized over the remainder of a 25-year period which commenced on the date the unit joined the plan. Subsequent divergences from the actuarial assumptions are funded over the projected future salaries of active members.

Administrative Expenses

Administrative costs of the System are financed through investment earnings up to a maximum of 1.5% as reported in the audited financial statements for the next preceding fiscal year.



(b.) Contributions

The table below displays the contribution rates for the year ending June 30, 2001:

Plan	Employee	Employer
ERS		
State Employees	8.75%	7.99%
Teachers	9.50%	
<i>Municipal funded</i>		6.85% (5.63% for towns not participating in the 1990 early retirement incentive)
<i>State funded</i>		5.16% (4.34% for towns not participating in the 1990 early retirement incentive)
MERS		
General Employees	6.00% (additional 1% with a cost-of-living adjustment)	64 Municipalities, housing authorities, water and sewer districts contributed various actuarially determined rates.
Public Safety	7.00% (additional 1% with a cost-of-living adjustment and /or 1% with a 20 year service plan)	44 Municipal police and fire departments contributed various actuarially determined rates.
SPRBT	8.75%	25.89%
JRBT	8.75%	31.09%

5. Commitments

The Retirement System has contracted with a systems integration firm to design and build a new pension administration system. The total cost to the System is estimated at \$16.8 million, of which \$9.1 million has been recorded as Property and Equipment. The remaining cost is estimated at \$7.7 million. Full implementation is expected by the second quarter of fiscal 2004. This will be financed in the same manner as other administrative expenses of the System.



**REQUIRED SUPPLEMENTARY INFORMATION
Schedules Of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age - (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
ERS (State Employees)						
6/30/00	\$ 2,345,319,663	\$ 2,874,905,547	\$ 529,585,884	81.6%	\$ 517,632,152	102.3%
6/30/99*	2,201,890,748	2,607,397,329	405,506,581	84.4%	494,815,513	82.0%
6/30/98	2,075,619,320	2,576,282,134	500,662,814	80.6%	477,319,627	104.9%
6/30/97	1,810,447,649	2,312,563,765	502,116,116	78.3%	443,709,290	113.2%
6/30/96	1,529,403,200	1,974,217,900	444,814,700	77.5%	452,608,500	98.3%
6/30/95	1,345,530,000	1,787,900,600	442,370,600	75.3%	440,574,000	100.4%
ERS (Teachers)						
6/30/00	\$ 3,514,399,312	\$ 4,359,881,262	\$ 845,481,950	80.6%	\$ 703,201,056	120.2%
6/30/99*	3,259,015,814	3,967,529,172	708,513,358	82.1%	673,484,467	105.2%
6/30/98	3,045,858,851	3,999,722,806	953,863,955	76.2%	636,246,593	149.9%
6/30/97	2,626,621,502	3,579,652,537	953,031,035	73.4%	604,076,573	157.8%
6/30/96	2,181,535,900	2,949,429,800	767,893,900	74.0%	556,114,500	138.1%
6/30/95	1,824,102,300	2,586,304,400	762,202,100	70.5%	507,125,000	150.3%
SPRBT						
6/30/00	\$ 11,336,596	\$ 13,917,343	\$ 2,580,747	81.5%	\$ 8,916,914	28.9%
6/30/99*	8,480,657	10,841,544	2,360,887	78.2%	7,502,433	31.5%
6/30/98	6,756,892	7,338,161	581,269	92.1%	7,211,874	8.1%
6/30/97	4,861,569	5,435,913	574,344	89.4%	5,370,985	10.7%
6/30/96	3,115,500	3,675,700	560,200	84.8%	4,948,800	11.3%
6/30/95	1,858,800	2,404,500	545,700	77.3%	4,751,100	11.5%
JRBT						
6/30/00	\$ 7,374,851	\$ 9,719,608	2,344,757	75.9%	\$ 3,533,354	66.4%
6/30/99*	5,521,693	7,415,237	1,893,544	74.5%	3,169,183	59.7%
6/30/98	4,120,032	5,048,855	928,823	81.6%	3,039,957	30.6%
6/30/97	2,607,482	3,508,327	900,845	74.3%	2,815,218	32.0%
6/30/96	1,345,100	1,385,900	40,800	97.1%	2,596,900	1.6%
6/30/95	801,300	841,000	39,700	95.3%	2,398,400	1.7%
MERS						
6/30/00	\$ 885,392,216	\$ 710,616,311	\$ (174,775,905)	124.6%	\$ 207,834,738	(84.1)%
6/30/99	805,493,262	635,863,479	(169,629,783)	126.7%	191,234,546	(88.7)%
6/30/98	737,745,574	572,905,862	(164,839,712)	128.8%	181,260,006	(90.9)%
6/30/97	667,632,428	502,247,591	(165,384,837)	132.9%	167,527,881	(98.7)%
6/30/96	564,388,311	465,004,064	(99,384,247)	121.4%	153,750,203	(64.6)%
6/30/95	485,074,227	416,731,907	(68,342,320)	116.4%	151,125,008	(45.2)%

See notes to required supplementary information

* Restated numbers based on Entry Age Normal funding method
 ** Frozen Actuarial Liability for ERS, SPRBT, JRBT for plan years 1998 and prior
 *** Unfunded Frozen Actuarial Liability for ERS, SPRBT, JRBT for plan years 1998 and prior



REQUIRED SUPPLEMENTARY INFORMATION

**Schedules Of Contributions From The Employers
And Other Contributing Entity**

ERS

Fiscal Year Ended <u>June 30</u>	<u>State Employees</u> Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>	<u>Teachers (State)</u> Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>	<u>Teachers (Employers)</u> Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2001	\$ 44,540,998	100%	\$ 35,365,234	100%	\$ 48,153,386	100%
2000	44,353,675	100%	40,719,407	100%	57,667,528	100%
1999	48,526,064	100%	30,202,943	100%	42,373,952	100%
1998	51,310,092	100%	35,005,382	100%	52,040,574	100%
1997	45,403,827	100%	34,871,679	100%	48,945,845	100%
1996	42,949,692	100%	30,779,586	100%	47,238,332	100%

MERS

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2001	\$ 6,092,688	100%
2000	5,823,861	100%
1999	6,608,642	100%
1998	5,139,666	100%
1997	8,734,795	100%
1996	4,600,276	100%

SPRBT

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2001	\$ 6,092,688	100%
2000	1,508,778	100%
1999	631,386	100%
1998	602,630	100%
1997	453,621	100%
1996	717,874	100%

JRBT

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2001	\$ 1,163,571	100%
2000	1,007,618	100%
1999	737,414	100%
1998	744,054	100%
1997	618,513	100%
1996	260,299	100%

See notes to required supplementary information



NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

1. Schedules of Funding Progress

Effective with the June 30, 1999 valuation, which was restated, certain actuarial assumptions were changed. Specifically, the actuarial cost method for ERS, SPRBT and JRBT were set to Entry Age Normal and the amortization period was changed to 30 years. The inflation assumption was decreased from 3.5% to 3.0%.

Effective with the June 30, 1999 valuation, the actuarial value of assets was developed using a five-year smoothed market technique for ERS, SPRBT and JRBT.

Effective with the June 30, 1998 valuation, the actuarial value of assets was developed using a four-year moving average technique for ERS, SPRBT and JRBT. The MERS actuarial value of assets was developed using a three-year smoothed of the market value of assets.

Effective with the June 30, 1997 valuation, certain actuarial assumptions were changed due to an experience study. Specifically, the actuarial value of assets for ERS, MERS, SPRBT and JRBT was reset to equal the fair market value of assets at June 30, 1997. The investment rate of return was increased from 8.00% to 8.25%. Projected salary increases were changed from a fixed percentage to a sliding scale based on age and service. The inflation assumption was increased to 3.5% from 3.0%.

Effective with the June 30, 1996 valuation, the actuarial value of assets for ERS and MERS was reset to equal the market value of assets at June 30, 1996.

Employer costs for fiscal year ending June 30, 2003 is based on the valuation results and data as of June 30, 2000.

The MERS funded ratio is a composite of all units in the plan. The System performs a separate valuation for each unit.

2. Schedules of Employer Contributions

Employer contributions for the ERS plan included in the Schedules of Contributions from the Employers and Other Contributing Entity do not include Teacher Survivor Benefits as described in Note 1 (b) and any employer contributions related to supplemental pension benefits that are attributable and paid by a specific employer. These amounts are not included in the annual required contribution.

The MERS contributions for the fiscal year ended June 30, 1997 include a \$3,843,955 transfer from a new unit joining the plan.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.



3. Actuarial Assumptions and Methods

	ERS				
	<i>State Employees</i>	<i>Teachers</i>	MERS	SPRBT	JRBT
Valuation Date	6/30/00	6/30/00	6/30/00	6/30/00	6/30/00
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Payroll – Closed	Level Percent of Payroll – Closed	<i>Initial base:</i> Level dollar – Closed <i>All subsequent changes:</i> Level Percent of Payroll – Open	Level Percent of Payroll – Closed	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	29 years	29 years	Various	29 years	29 years
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	3 Year Smoothed Market Value	5 Year Smoothed Market	5 Year Smoothed Market
Actuarial Assumptions					
Investment Rate of Return	8.25%	8.25%	8.25%	8.25%	8.25%
Projected Salary Increases	4.25% to 14.25%	4.25% to 16.75%	<i>General Employees</i> 4.25% to 10.25% <i>Police & Fire Employees</i> 5.00% TO 15.00%	5.00% to 15.00%	5.50%
Inflation	3.00%	3.00%	3.00%	3.00%	3.00%
Cost of Living Adjustments	3.0% compounded	3.0% compounded	3.0% Non-compounded	\$1,500 per annum	3.0% (see Note 1 (b) (4)) to the financial statements



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STATE OF RHODE ISLAND and PROVIDENCE PLANTATIONS
GENERAL ASSEMBLY

OFFICE of the AUDITOR GENERAL

- ◆ INTEGRITY
- ◆ RELIABILITY
- ◆ INDEPENDENCE
- ◆ ACCOUNTABILITY

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS:

We have audited the statements of plan net assets of the State of Rhode Island and Providence Plantations Employees' Retirement System (the System) as of June 30, 2001 and the related statements of changes in plan net assets for the year then ended, and have issued our report thereon dated February 8, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation

of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we will report to the management of the System in a separate communication.

This report is intended solely for the information and use of the members of the Retirement Board, management, and the Joint Committee on Legislative Services, General Assembly, State of Rhode Island and Providence Plantations and is not intended to be and should not be used by anyone other than these specified parties.

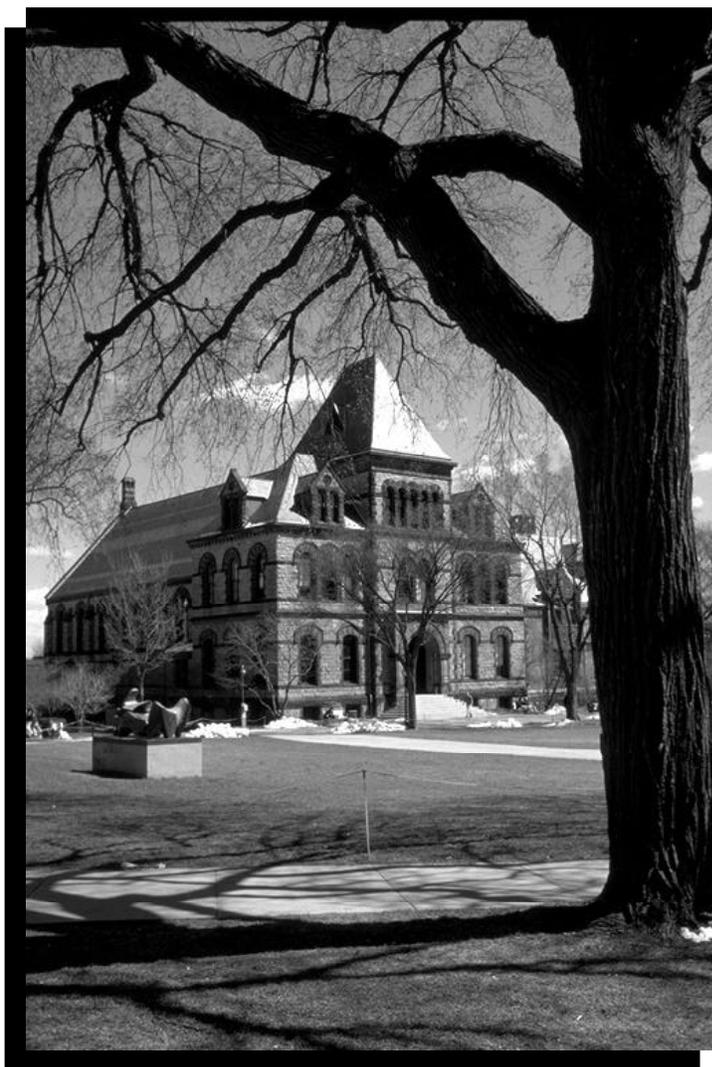


Ernest A. Almonte, CPA, CFE
Auditor General

February 8, 2002

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EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND



ACTUARIAL INFORMATION

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GABRIEL, ROEDER, SMITH & COMPANY
Consultants & Actuaries

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June 12, 2002

Employees' Retirement System of Rhode Island
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation as of June 30, 2001

This is the June 30, 2001 actuarial valuation of the Employees' Retirement System of Rhode Island (ERSRI), as it applies to state employees and teachers. This report describes the current actuarial condition of ERSRI, determines recommended employer contribution rates, and analyzes changes in these contribution rates. Valuations are prepared annually, as of June 30, the last day of the ERSRI plan year. Not covered in this report are the Municipal Employees' Retirement System, the State Police Retirement Benefits Trust, the Judicial Retirement Benefits Trust, or the Teachers Survivors Plan, even though assets for ERSRI and these other programs are commingled for investment purposes.

Under Rhode Island General Laws, the employer contribution rates for state employees and for teachers are certified annually by the Employees' Retirement Board. These rates are determined actuarially, based on the plan provisions in effect as of the valuation date, the actuarial assumptions adopted by the Board, and the methodology set forth in the statutes. The Board's current policy is that the contribution rates determined by a given actuarial valuation become effective two years after the valuation date. For example, the rates determined by this June 30, 2001 actuarial valuation will be applicable for the year beginning July 1, 2003 and ending June 30, 2004.

Financing objectives

The actuarial cost method and the amortization periods are set by statute. The contribution rates are intended to be sufficient to pay normal cost and to amortize unfunded actuarial accrued liability (UAAL) in level payments over a fixed period of 28 years (30 years from June 30, 1999). The funding period is considered reasonable by the actuary.

Progress toward realization of financing objectives

The funded ratio (the ratio of the actuarial value of assets to the unfunded actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. For the state employees, the funded ratio is 77.9%, while for teachers the ratio is 77.4%. These are based on the Entry Age Normal funding method effective June 30, 1999.

The employer contribution rate increased for state employees, from 7.68% to 9.60%, and for teachers, from 11.97% to 13.72%. The increase in the contribution rates was the result of the lower than expected turnover rates for the State employees and the less than assumed investment return for fiscal 2001.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2001. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.

Assumptions and methods

Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the plan's actuary. The last review of the assumptions and methods were done in association with the June 30, 2000 actuarial valuation. All assumptions and methods are described in Appendix A and are unchanged from the last valuation.

Data

The System's staff supplied member data for retired, active and inactive members as of June 30, 2001. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2001.

Certification

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

Members of the Board
June 12, 2002
Page 3

The undersigned are independent actuaries. All are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and they are experienced in performing valuations for large public retirement systems.

Sincerely,

Gabriel, Roeder, Smith & Company



C. Leonora Kwan, ASA, MAAA
Consultant



J. Christian Conradi, ASA, MAAA
Senior Consultant



W. Michael Carter, FSA, MAAA
Senior Consultant

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Actuarial Valuation - June 30, 2001

Executive Summary (State Employees)

Item	2001	2000
Membership		
• Number of:		
- Active members	13,594	13,305
- Retirees and beneficiaries	9,225	9,250
- Inactive members	<u>1,800</u>	<u>1,730</u>
- Total	24,619	24,285
• Payroll supplied by ERSRI	\$ 520,929,741	\$ 499,070,777
Contribution rates		
• Member	8.75%	8.75%
• Employer	9.60%	7.68%
Assets		
• Market value	\$ 2,070,325,723	\$ 2,375,631,073
• Actuarial value	\$ 2,406,278,029	\$ 2,345,319,663
• Return on market value	-11.0%	9.1%
• Return on actuarial value	4.9%	8.8%
• Employer contribution	\$ 44,482,312	\$ 44,386,071
Actuarial Information		
• Normal cost %	0.20%	0.21%
• Unamortized actuarial accrued liability (UAAL)	\$ 682,969,709	\$ 529,585,884
• Amortization percentage	9.40%	7.47%
• Funding period	28 years	29 years
• GASB funded ratio	77.9%	81.6%
Projected employer contribution		
• Fiscal year ending June 30,	2004	2003
• Projected payroll (millions)	\$ 571.8	\$ 549.2
• Projected employer contribution (millions)	\$ 54.9	\$ 42.2



Actuarial Valuation - June 30, 2001

Executive Summary (Teachers)

Item	2001	2000
Membership		
• Number of:		
- Active members	14,092	13,607
- Retirees and beneficiaries	6,875	6,486
- Inactive members	<u>1,392</u>	<u>1,245</u>
- Total	22,359	21,338
• Payroll supplied by ERSRI	\$ 697,429,469	\$ 658,603,139
Contribution rates		
• Member	9.50%	9.50%
• Employer	13.72%	11.97%
• State share	5.73%	5.04%
• Local employer share	7.99%	6.93%
Assets		
• Market value	\$ 3,111,666,873	\$ 3,570,250,173
• Actuarial value	\$ 3,619,863,426	\$ 3,514,399,312
• Return on market value	-11.0%	9.1%
• Return on actuarial value	4.9%	8.8%
• Employer contribution (state & local)	\$ 83,519,617	\$ 99,296,418
Actuarial Information		
• Normal cost %	3.21%	3.18%
• Unamortized actuarial accrued liability (UAAL)	\$ 1,059,424,584	\$ 845,481,950
• Amortization percentage	10.51%	8.79%
• Funding period	28 years	29 years
• GASB funded ratio	77.4%	80.6%
Projected employer contribution		
• Fiscal year ending June 30,	2004	2003
• Projected payroll (millions)	\$ 794.0	\$ 746.0
• Projected employer contribution (millions)	\$ 108.9	\$ 89.3
• State share (millions)	\$ 45.5	\$ 37.6
• Local employer share (millions)	\$ 63.4	\$ 51.7



CONTRIBUTION RATES

The employer contribution rates for ERSRI are determined actuarially. Separate rates are determined for State Employees and for Teachers. The rates determined in this valuation become effective two years after the valuation date, i.e., as of July 1, 2003.

The rate consists of two pieces: the normal cost rate and the amortization rate. The normal cost rate is the Entry Age Normal cost as a percent of pay. The amortization rate is the unfunded actuarial liability amortized over 28 years as a level percent of pay.

For the Teachers, the State of Rhode Island pays 40% of the rate, adjusted so that the State pays the entire amortization charges for the 1990/91 and 1991/92 deferrals, and the town or city employing the teacher pays the balance.

	Local	State	Total
Amortization for FY 91 and 92 deferrals	0.00%	0.40%	0.40%
Normal cost and all other amortizations	<u>7.99%</u>	<u>5.33%</u>	<u>13.32%</u>
Total	7.99%	5.73%	13.72%

Five towns or cities—Burrillville, East Greenwich, Little Compton, New Shoreham, and North Smithfield—did not participate in the 1990 early retirement window for teachers, and an adjusted contribution rate is charged for these:

	Local	State	Total
Amortization for FY 91 and 92 deferrals	0.00%	0.40%	0.40%
Normal cost and all other amortizations	<u>7.15%</u>	<u>4.76%</u>	<u>11.91%</u>
Total	7.15%	5.16%	12.31%



SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability.

1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 8.25 percent), of each participant's expected benefit payable at retirement or death is determined, based on his age, service, sex and compensation. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.
2. The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of his anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on his behalf.
4. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over 30 years from June 30, 1999.

The contribution rate determined by this valuation will not be effective until two years later, and the determination of the rate reflects this deferral. It is assumed that there will be no change in the employer normal cost rate due to the deferral, and it is assumed that payments are, on average, made at mid-year.

Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year). The phase-in begins with the period ending June 30, 1999.



ACTUARIAL ASSUMPTIONS

Economic Assumptions

Investment return: 8.25% per year, compounded annually, composed of an assumed 3.00% inflation rate and a 5.25% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

Salary increase rate: A service-related component, plus a 3.00% inflation component, plus a general increase, as follows:

State Employees		
Years of Service	Service-related Component	Total Annual Rate of Increase Including 3.00% Inflation Component and 1.25% General Increase Rate
(1)	(2)	(3)
0	10.00%	14.25%
1	3.00	7.25
2	2.50	6.75
3	2.00	6.25
4	1.75	6.00
5	1.50	5.75
6	1.25	5.50
7	1.00	5.25
8	1.75	5.00
9	0.50	4.75
10 or more	0.00	4.25

Teachers		
Years of Service	Service-related Component	Total Annual Rate of Increase Including 3.00% Inflation Component and 1.25% General Increase Rate
(1)	(2)	(3)
0	12.50%	16.75%
1	7.75	12.00
2	6.00	10.25
3	5.50	9.75
4	4.75	9.00
5	3.50	7.75
6	3.25	7.50
7	3.00	7.25
8	2.75	7.00
9	1.00	5.25
10 or more	0.00	4.25



Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, annualized if necessary, and then increased by the salary increase assumption.

Payroll growth rate: In the amortization of the unfunded actuarial accrued liability, payroll is assumed to increase 3.00% per year. This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.

Demographic Assumptions

Mortality rates (for active and retired members)

- Healthy males – Based on the 1994 Group Annuity Mortality Tables for males. Rates are set forward one year.
- Healthy females - Based on the 1994 Group Annuity Mortality Tables for females.
- Disabled males - PBGC Table Va for disabled males eligible for Social Security disability benefits
- Disabled females - PBGC Table VIa for disabled females eligible for Social Security disability benefits.

Sample rates are shown below:

Expected Deaths per 100 Lives				
Age	Healthy Males	Healthy Females	Disabled Males	Disabled Females
(1)	(2)	(3)	(6)	(7)
25	0.07	0.03	4.83	2.63
30	0.08	0.04	3.62	2.37
35	0.09	0.05	2.78	2.14
40	0.12	0.07	2.82	2.09
45	0.17	0.10	3.22	2.24
50	0.29	0.14	3.83	2.57
55	0.49	0.23	4.82	2.95
60	0.90	0.44	6.03	3.31
65	1.62	0.86	6.78	3.70
70	2.60	1.37	7.39	4.11
75	4.09	2.27	8.42	4.92
80	6.86	3.94	11.28	7.46



Disability rates: Sample rates are shown below.

Expected Disabilities per 1,000 Lives

Age	State	State	State	State	Teachers	Teachers	Teachers	Teachers
	Ordinary	Accidental	Ordinary	Accidental	Ordinary	Accidental	Ordinary	Accidental
	Males	Males	Females	Females	Males	Males	Females	Females
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
25	0.25	0.20	0.36	0.09	0.15	0.08	0.15	0.08
30	0.30	0.25	0.44	0.11	0.18	0.10	0.18	0.10
35	0.41	0.34	0.60	0.15	0.24	0.13	0.24	0.13
40	0.61	0.50	0.88	0.22	0.36	0.19	0.36	0.19
45	0.99	0.81	1.44	0.36	0.59	0.32	0.59	0.32
50	1.68	1.37	2.44	0.61	0.99	0.54	0.99	0.54
55	2.78	2.27	4.04	1.01	1.65	0.89	1.65	0.89
60	3.88	3.17	5.64	1.41	2.30	1.24	2.30	1.24
65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Termination rates (for causes other than death, disability or retirement):

Termination rates are a function of the member's sex, age and service. Termination rates are not applied after a member becomes eligible for a retirement benefit. Rates at selected ages are shown:

Active Male Members - State Employees

Years of Service

Age	0	1	2	3	4	5+
20	0.3942	0.3512	0.3047	0.2591	0.2182	0.1488
25	0.3306	0.2902	0.2501	0.2076	0.1601	0.1019
30	0.2477	0.2300	0.2025	0.1652	0.1174	0.0677
35	0.1983	0.1859	0.1620	0.1275	0.0834	0.0422
40	0.1740	0.1557	0.1285	0.0951	0.0595	0.0291
45	0.1770	0.1401	0.1020	0.0683	0.0464	0.0365
50	0.2087	0.1394	0.0825	0.0471	0.0453	0.0766
55	0.2706	0.1540	0.0697	0.0316	0.0569	0.1595
60	0.3634	0.1841	0.0635	0.0217	0.0809	0.2872
65	0.4849	0.2287	0.0638	0.0175	0.1227	0.4906
70	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000



Termination rates (continued):

Active Female Members - State Employees

Years of Service

Age	0	1	2	3	4	5+
20	0.3105	0.2823	0.2555	0.2285	0.2008	0.1628
25	0.2851	0.2424	0.2025	0.1671	0.1369	0.1164
30	0.2551	0.2057	0.1627	0.1257	0.0952	0.0805
35	0.2362	0.1821	0.1359	0.0979	0.0677	0.0513
40	0.2246	0.1690	0.1219	0.0846	0.0557	0.0326
45	0.2192	0.1649	0.1203	0.0858	0.0601	0.0317
50	0.2183	0.1682	0.1304	0.1013	0.0817	0.0575
55	0.2211	0.1777	0.1520	0.1314	0.1211	0.1174
60	0.2270	0.1930	0.1851	0.1758	0.1777	0.2119
65	0.2357	0.2135	0.2296	0.2375	0.2608	0.3638
70	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Active Male Members - Teachers

Years of Service

Age	0	1	2	3	4	5+
20	0.2430	0.1142	0.0544	0.0318	0.0282	0.0456
25	0.1990	0.0947	0.0463	0.0242	0.0175	0.0267
30	0.1431	0.0789	0.0426	0.0217	0.0129	0.0154
35	0.1135	0.0727	0.0434	0.0232	0.0127	0.0096
40	0.1035	0.0752	0.0491	0.0289	0.0170	0.0103
45	0.1134	0.0870	0.0602	0.0391	0.0261	0.0194
50	0.1431	0.1085	0.0770	0.0537	0.0399	0.0391
55	0.1924	0.1399	0.0996	0.0730	0.0585	0.0709
60	0.2613	0.1813	0.1281	0.0967	0.0817	0.1146
65	0.3481	0.2317	0.1625	0.1263	0.1125	0.1794
70	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000



Termination rates (continued):

Age	Active Female Members –Teachers					
	Years of Service					
	0	1	2	3	4	5+
20	0.0923	0.0912	0.0887	0.0784	0.0746	0.0705
25	0.0929	0.0822	0.0674	0.0541	0.0481	0.0512
30	0.1007	0.0753	0.0530	0.0386	0.0314	0.0359
35	0.1109	0.0723	0.0453	0.0294	0.0207	0.0233
40	0.1168	0.0724	0.0436	0.0264	0.0170	0.0151
45	0.1161	0.0746	0.0472	0.0297	0.0204	0.0142
50	0.1102	0.0783	0.0554	0.0388	0.0314	0.0244
55	0.0989	0.0831	0.0678	0.0535	0.0502	0.0484
60	0.0822	0.0889	0.0842	0.0735	0.0764	0.0862
65	0.0606	0.0958	0.1047	0.0999	0.1142	0.1469
70	0.0606	0.0000	0.0000	0.0000	0.0000	0.0000



Retirement rates: Separate male and female rates, based on age. Sample rates are below:

Expected Retirements per 100 Lives				
Age	State Employees		Teachers	
	Males	Females	Males	Females
(1)	(2)	(3)	(4)	(5)
45	10	10	10	5
46	10	10	10	6
47	10	10	10	7
48	10	10	10	8
49	10	10	10	10
50	15	10	16	12
51	15	10	18	14
52	15	10	20	16
53	15	10	22	18
54	15	10	24	20
55	15	15	26	22
56	16	16	28	24
57	17	17	30	26
58	18	18	33	28
59	20	20	36	30
60	25	20	40	35
61	10	15	20	15
62	25	30	25	25
63	15	20	20	20
64	15	25	15	25
65	25	30	25	35
66	20	25	20	25
67	20	25	20	25
68	20	25	20	25
69	20	25	20	25
70	100	100	100	100



Other Assumptions

Percent married: 100% of employees are assumed to be married.

Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.

Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an annuity.

Percent electing deferred termination benefit: Vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.

There will be no recoveries once disabled.

No surviving spouse will remarry and there will be no children's benefit.

Assumed age for commencement of deferred benefits: Members electing to receive a deferred benefit are assumed to commence receipt at the first age at which unreduced benefits are available.

Administrative expenses: The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

Inactive members: Liabilities for inactive members were approximated as a multiple of their member contribution account balances. For nonvested members, the multiple was one, and for vested inactive members, the multiple was between three and eight, depending on age and service.

Participant Data

Participant data was supplied on magnetic tape for active and inactive members and for members and beneficiaries receiving benefits.

The data for an active members included birthdate, sex, equated date of hire, salary and employee contribution account balance. For retired members and beneficiaries, the data included date of birth, sex, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and a form of payment code.

Salary supplied for the current year was based on the earnings for the June preceding the valuation date. This salary was adjusted by the salary increase rate for one year.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.



SUMMARY OF BENEFIT PROVISIONS

Effective Date and Authority: The Employees' Retirement System of Rhode Island (ERSRI) became effective on July 1, 1936 for state employees and on July 1, 1949 for teachers. Benefits for state employees are described in Rhode Island General Laws, Title 36, Chapters 8-10, and benefits for teachers are described in Rhode Island General Laws, Title 16, Chapters 15-17.

Plan Year: A twelve-month period ending June 30th.

Administration: ERSRI is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy.

Type of Plan: ERSRI is a qualified governmental defined benefit retirement plan. Separate contribution rates are determined for state employees and for teachers. For Governmental Accounting Standards Board purposes, it is a cost-sharing multiple employer plan.

Eligibility: Most Rhode Island state employees and certified public school teachers participate in ERSRI. State police officers, state judges, and teachers and administrators in the public colleges and universities are covered by their own separate systems, and are therefore excluded. Certain elected state officials are excluded unless they make an election to join ERSRI. Superintendents, principals, business agents and other administrators participate as teachers. Non-certified public school employees, such as teacher's aides, janitors, secretaries, and bus drivers, cannot participate in ERSRI, although they may be covered by the Municipal Employees Retirement System (MERS) or a separate plan maintained by the town or city. Eligible employees become members at their date of employment.

Employee Contributions: State employees generally contribute 8.75% of their salary per year, although members of the General Assembly who elect to participate contribute 30.0% of salary per year. Teachers contribute 9.50% per year. The state "picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414 (h). At their option, the city or town employing a teacher may also pick up their members' contributions.

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414 (h), are not excluded from salary.

Employer Contributions: For state employees, the state contributes an actuarially determined percentage of the member's salary. For teachers, the state contributes 40% of the employer contribution rate and the city, town or other local employer contributes the remaining 60%. (This basic 40-60 split is further adjusted, since the state bears the cost of repaying certain amounts taken from the trust in the early 1990's.) Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods, such as time spent teaching at a public school in another state, by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Average Compensation (FAC): The average of the member's highest three consecutive annual salaries. Monthly benefits are based on one-twelfth of this amount.



Retirement

Eligibility: All members are eligible for retirement on or after age 60 if they have credit for 10 years of service, or at any age if they have credit for 28 years of service. Correctional officers are also eligible for retirement if they have reached age 50 and have credit for 20 years of service. Members of the General Assembly who elect to participate may are eligible for retirement if they have reached age 55 and have credit for 8 years of service, or at any age if they have credit for 20 years of service.

Monthly Benefit: For most state employees and for all teachers, the retirement benefit is a percentage of the member’s monthly FAC. This percentage is a function of the member’s service, determined using the following schedule:

For Service In:	Years	Benefit Percentage Earned
The first 10 years of service	1 – 10	1.7% per year
The next 10 years of service	11 – 20	1.9% per year
The next 14 years of service	21 – 34	3.0% per year
The next 1 year of service	35	2.0% per year

The maximum benefit is 80% of FAC.

Correctional Officers receive a benefit computed under a different formula:

For Service In:	Years	Benefit Percentage Earned
The first 30 years of service	1 – 30	2.0% per year
The next 1 year of service	31	6.0% per year
The next 1 year of service	32	5.0% per year
The next 1 year of service	33	4.0% per year
The next 1 year of service	34	3.0% per year
The next 14 years of service	35	2.0% per year

The maximum benefit for correctional officers is also 80% of FAC.

Finally, members of the General Assembly who elect to participate receive \$50 per month for each year of service, up to a maximum benefit of \$1,000 per month, i.e., a maximum of 20 years of service.

Payment Form: Benefits are paid as a monthly life annuity. See section ‘Optional forms of payment.’

Death benefit: After retirement, death benefits are based on the form of annuity elected. If no option is elected, i.e., if payments are made as a life annuity, there is a minimum death benefit equal to the sum of the member’s contributions without interest, less the sum of the monthly benefit payments made before the member’s death. In addition, a lump-sum death benefit is payable upon the death of any retired member, regardless of option elected. This lump sum is equal to a percentage of the lump-sum death benefit that was available to the member at the time of retirement. The percentage is 100% in the first year of retirement, 75% in the second year, 50% in the third year, and 25% in the fourth and subsequent years of retirement. However, in no event will the lump sum death benefit be less than \$4,000.



Disability Retirement

Eligibility: A member is eligible provided he/she has credit for at least five years of service or if the disability is work-related.

Ordinary Disability Benefit: The benefit payable under the retirement formula, using FAC and service at the time of disability, but not less than 10 years of service.

Occupational Disability Benefit: An annual annuity equal to two-thirds of salary at the time of disability.

Payment Form: The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump-sum to the member's beneficiary. All alternative forms of payment except for the Social Security Option are permitted in the case of disability retirement.

Deferred Termination Benefit

Eligibility: A member with at least ten years of service (eight years for members of the general Assembly) is vested. A vested member who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

Monthly Benefit: The monthly benefit is based on the retirement formula described above. Both FAC and service are determined at the time the member leaves active employment. Benefits may commence at age 60 or at such earlier age that the member has met the requirements for a retirement benefit.

Payment Form: The same as for Retirement above.

Death Benefit before retirement: A member who dies after leaving active service but before retiring is entitled to receive a benefit as described below.

Death Benefit after Retirement: The same as for Retirement above.

Withdrawal (Refund) Benefit

Eligibility: All members leaving covered employment with less than ten years of service are eligible. Optionally, vested members (those with ten or more years of service) may withdraw their accumulated contributions in lieu of the deferred benefits otherwise due.

Benefit: The member who withdraws receives a lump-sum payment of equal to the sum of his/her employee contributions. No interest is credited on these contributions.

Death Benefit of Active or Inactive Members

Eligibility: Death must have occurred while an active or an inactive, non-retired member.

Basic Benefit: Upon the death of a nonvested member, or upon the death of an inactive, vested member, or upon the death of an active, unmarried member, a refund of the member's contributions (without interest) is paid. Upon the death of a vested, married, active member, the spouse may elect (i) the refund benefit described above, or (ii) a life annuity paid to the spouse or beneficiary. The amount of the annuity is equal to the amount which would have been paid had the member retired at the time of his death and elected the Joint and 100% Survivor option. If the member was not eligible for retirement, the annuity benefit is reduced 6% per year from the date at which the member would have been eligible had he or she remained in service.

Lump-sum Benefit: \$800 per year of service, with a maximum benefit of \$16,000 and a minimum of \$4,000.

Accidental Duty-related Death Benefit: If a member dies as the result of an accident while in the course of his or her duties, in lieu of the above benefits the member's spouse may elect to receive (i) a refund of all contributions made (including interest), and (ii) an annual life annuity equal to 50% of the member's salary at the time of death. The annuity benefit stops when the spouse remarries or dies, although it may be continued to any children under age 18 or to any dependent parents.



Optional Forms of Payment

In addition to a life annuity, ERSRI offers members these optional forms of payment on an actuarially equivalent basis:

Option 1 (Joint and 100% Survivor) - A life annuity payable while either the participant or his beneficiary is alive.

Option 2 (Joint and 50% Survivor) - A life annuity payable to the member while both the member and beneficiary are alive, reducing to 50% of this amount if the member predeceases the beneficiary.

Social Security Option – An annuity paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Actuarial equivalence is based on tables adopted by the Employees' Retirement Board.

Post-retirement Benefit Increase

Members receive a 3% compound increase in their retirement benefit each year, beginning in January of the year in which the member reaches the third anniversary of retirement. This increase is not tied in any way to actual increases in the cost of living.



PLAN NET ASSETS
(Assets at Market or Fair Value)

Item (1)	June 30, 2001 (2)	June 30, 2000 (3)
A. Total ERSRI assets		
1. Cash and cash equivalents	\$ 685,257	\$ 317,943
2. Receivables:		
a. Employer and member contributions	\$ 21,091,478	\$ 15,987,662
b. Due from state for teachers	7,568,759	8,555,891
c. Net investment income and other	1,340,768	1,542,819
d. Total receivables	<u>\$ 30,001,005</u>	<u>\$ 26,086,372</u>
3. Investments		
a. Short-term investment fund	\$ 4,322,868	\$ 4,442,089
b. Pooled trust	5,296,571,916	6,098,620,862
c. Plan specific investments	27,325,594	27,445,150
d. Invested securities lending collateral	381,179,145	-
e. Total	<u>\$ 5,709,399,523</u>	<u>\$ 6,130,508,101</u>
4. Total property and equipment	\$ 7,935,873	\$ -
5. Total assets	\$ 5,748,021,658	\$ 6,156,912,416
6. Liabilities		
a. Cash Overdraft	\$ -	\$ -
b. Benefits payable	-	-
c. Accounts and vouches payable	5,164,143	3,462,358
d. Securities lending liability	381,179,145	-
e. Total liabilities	<u>\$ 386,343,288</u>	<u>\$ 3,462,358</u>
7. Total market value of assets available for benefits Total (Item 4 - Item 5)	\$ 5,361,678,370	\$ 6,153,450,058
B. Breakdown		
1. State employees	\$ 2,070,325,723	\$ 2,375,631,073
2. Teachers	3,111,666,873	3,570,250,175
3. Teachers' survivors benefits	179,685,774	207,568,810
4. Reserve for certain employees	-	-
5. Total	<u>\$ 5,361,678,370</u>	<u>\$ 6,153,450,058</u>



RECONCILIATION OF PLAN NET ASSETS

Item	Year Ending 06/30/2001	
	State Employees	Teachers
(1)	(2)	(3)
1. Market value of assets at beginning of year	\$ 2,375,631,073	\$ 3,570,250,173
Reserve for certain employees	-	-
Adjusted market value of assets at BOY	\$ 2,375,631,073	\$ 3,570,250,173
2. Contributions		
a. Members	\$ 48,827,914	\$ 68,721,274
b. Legislative	-	-
c. State	44,482,312	35,365,234
d. Local employers	-	48,154,383
e. Service purchases	993,163	1,882,190
f. Total	\$ 94,303,389	\$ 154,123,081
3. Investment earnings, net of investment and administrative expenses	\$ (252,448,443)	\$ (392,313,258)
4. Expenditures for the year		
a. Benefit payments	\$ (106,519,064)	\$ (167,842,668)
b. Cost-of-living adjustments	(29,734,816)	(35,880,332)
c. Post-retirement death benefits	(1,662,061)	(871,394)
d. Pre-retirement death benefits	(190,800)	(101,600)
e. Social security supplements	(5,015,369)	(14,264,708)
f. Supplemental pensions	(227,324)	(729,176)
g. Refunds	(4,038,187)	(1,457,466)
h. Total expenditures	\$ (147,387,621)	\$ (221,147,344)
5. Transfers and other adjustments	\$ 227,325	\$ 754,221
6. Market value of assets at end of year	\$ 2,070,325,723	\$ 3,111,666,873



ANALYSIS OF CHANGE IN EMPLOYER COST

Basis	State Employees	Teachers
(1)	(2)	(3)
1. Employer fiscal 2003 cost	7.68%	11.97%
2. Impact of changes, gains and losses		
a. Liability experience (gain)/loss	0.86%	0.61%
b. Asset experience (gain)/loss	1.06%	1.14%
c. Assumption changes	N/A	N/A
d. Asset method change	N/A	N/A
e. Changes in provisions	N/A	N/A
f. Total	1.92%	1.75%
3. Employer fiscal 2004 cost	9.60%	13.72%

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**MUNICIPAL EMPLOYEES
RETIREMENT SYSTEM**



ACTUARIAL INFORMATION

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July 10, 2002

Municipal Employees' Retirement System
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation as of June 30, 2001

This is the June 30, 2001 actuarial valuation of the Municipal Employees' Retirement System (MERS). Separate liabilities and contribution rates are determined for each of the participating units. Valuations are prepared annually as of June 30, the last day of the plan year.

Under Rhode Island General Laws, the employer contribution rates for the units participating within MERS are certified annually by the Employees' Retirement Board. These rates are determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methodology adopted by the Board. Where known, we have also reflected adoption of a COLA provision or the 20-year retirement provision, even if the effective date was after the valuation date. The Board's current policy is that the contribution rates determined by a given actuarial valuation become effective two years after the valuation date. For example, the rates determined by this June 30, 2001 actuarial valuation will be applicable for the year beginning July 1, 2003 and ending June 30, 2004.

Financing objectives and funding policy

The actuarial cost method and the amortization periods are set by board policy. The entry age cost method is used. The amortization cost is actually the sum of two pieces: (i) the initial UAAL at the adoption of MERS (or from June 30, 1988, if later), is amortized in level payments over a 25-year closed period, and (ii) any subsequent gains, losses or other changes are amortized as a level percentage of the payroll for current active members. This approach should produce relatively level contribution rates over time.

Progress toward realization of financing objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The funded ratio of the average unit in MERS is about 118%, a decrease from the prior year (125%).

There are currently 108 units participating in MERS, 65 covering general employees and 43 covering police and/or fire employees. Of these 108 units, 43 have no required contribution rate, one is a new unit, 17 had rate decreases and 47 had rate increases. Of the 47 units with rate increases, 8 adopted benefit improvements. Most of the other rate increases were due to the fact that the fund did not earn the assumed 8.25% rate for FY 2001. Nineteen of the units with rate increases would have had rate decreases if the fund had earned 8.25% in the year ending June 30, 2001.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2001. We have also reflected the known adoption of COLA B, COLA C, or the 20-year retirement provision, even if the effective date and/or the adoption date occurred after the valuation date. The benefit provisions are summarized in Appendix B, and each unit's individual election is indicated by a code in column 4 on Table 1.

Assumptions and methods

The actuarial assumptions and methods used in this report are unchanged from last year. Actuarial assumptions were last changed for the June 30, 2000 actuarial valuation report, following an experience study. These assumptions and method are described in Appendix A.

Data

The System's staff supplied member data for retired, active and inactive members as of June 30, 2001. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2001.

Certification

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

Members of the Board
July 10, 2002
Page 3

The undersigned are independent actuaries. All are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and all are experienced in performing valuations for large public retirement systems.

Sincerely,



C. Leonora Kwan, ASA, MAAA
Consultant



J. Christian Conradi, ASA, MAAA
Senior Consultant



W. Michael Carter, FSA, MAAA
Senior Consultant

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GASB 25 AND FUNDING PROGRESS

Accounting requirements for MERS are set by Governmental Accounting Standards Board Statement No. 25 (GASB 25). The *Schedule of Funding Progress* tables on pages 77-80 show a summary of the funded ratios and other information for MERS as of June 30, 2001.

GASB 25 requires that plans calculate an Annual Required Contribution (ARC), and, if actual contributions received are less than the ARC, this must be disclosed. The ARC must be calculated in accordance with certain parameters. In particular, it must include a payment to amortize the unfunded actuarial accrued liability. This amortization payment eventually will have to be computed using a funding period no greater than 30 years, but a 40-year maximum amortization period may be used during a ten-year transition period. Further, the amortization payment included in the ARC may be computed as a level amount, or it may be computed as an amount that increases with payroll. However, if payments are computed on a level percent of payroll approach, the payroll growth assumption may not anticipate future membership growth.

For MERS, the calculated contribution rate shown in the *Contribution Rates* tables on pages 71-73 is the ARC. The *Equivalent Single Amortization Period* tables on pages 81-83 demonstrates that the average amortization period is less than the maximum period allowed under GASB for all MERS units.

CONTRIBUTION RATES

The employer contribution rates for MERS are determined actuarially. The rates determined in this valuation become effective two years after the valuation date, i.e., as of July 1, 2003.

The rate consists of two pieces: the normal cost rate and the amortization rate. The unfunded actuarial accrued liability is divided into two pieces: the unamortized initial base and the balance. The balance is the accumulation of all subsequent experience gains/losses, changes in plan provisions, changes in actuarial assumptions, etc. The unamortized initial base is amortized as level payments over the 25-year period from June 30, 1988 (or the date the unit joined MERS, if later). The balance is amortized as a level percentage of pay for the current group of active participants.

The *Contribution Rates* tables on pages 71-73 show the member contribution rate, the employer normal cost rate, the amortization rate and the total employer contribution rate. These rates are applicable to the fiscal year ending June 30, 2004. The *Comparison of Employer Contribution Rates* tables on pages 74-76 compare the total employer contribution rate with those rates determined in the two prior actuarial valuations. Finally, the *Schedule of Funding Progress* tables on pages 77-80 show the components used to determine the employer contribution rate in dollar amounts.

CHANGES IN BENEFIT PROVISIONS

Individual units may elect certain optional provisions, including an annual benefit increase of 3% of the original benefit amount (i.e., a “simple” increase) applicable to future retirees only (COLA C), the same increase applicable to both current and future retirees (COLA B), or the 20-year retirement provision for police/fire units. Since the proper valuation, the following changes were made:

<u>Unit</u>	<u>Adopted</u>
Narragansett Housing	COLA A
Smithfield Police	20-year retirement
Barrington Police	COLA C
West Greenwich Police/Reserve	COLA C
Central Coventr Fire	COLA C
New Shoreham Police	20-year retirement

In addition, Primrose Volunteer Fire, which had adopted both COLA B and the 20-year retirement, was merged into North Smithfield Volunteer Fire, which had adopted only the 20-year retirement. As a result of the merger, COLA B was extended to all members of North Smithfield Volunteer Fire. Also Warren Fire, which had adopted the 20-year retirement but had not adopted a COLA provision, was merged with Warren Police, which had adopted both COLA C and the 20-year retirement, and as a result, the COLA C provision was extended to all members of the merged unit.



**Contribution Rates
For Fiscal Year Ending June 30, 2004**

Unit Number		Unit	Code(s)	Member Rate	Employer Rate		
Old	New				Employer Normal Cost	Amortization Rate	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
General Employee Units							
3001	1002	Barrington		6.00%	3.69%	(48.81%)	0.00%
3002	1012	Bristol	B	7.00%	2.35%	(8.86%)	0.00%
3003	1032	Burrillville	C	7.00%	4.15%	(16.96%)	0.00%
3004	1052	Central Falls		6.00%	1.60%	5.90%	7.50%
3005	1082	Charlestown	C	7.00%	2.53%	(0.75%)	1.78%
3007	1112	Cranston	B	7.00%	3.70%	(17.55%)	0.00%
3008	1122	Cumberland		6.00%	2.91%	(0.36%)	2.55%
3009	1152	East Greenwich		6.00%	2.78%	(28.79%)	0.00%
3010	1162	East Providence	B	7.00%	3.43%	4.42%	7.85%
3011	1183	Exeter/West Greenwich	B	7.00%	4.57%	(0.56%)	4.01%
3012	1192	Foster		6.00%	3.30%	(2.27%)	1.03%
3013	1212	Glocester	C	7.00%	4.17%	1.45%	5.62%
3014	1262	Hopkinton	C	7.00%	4.04%	(15.37%)	0.00%
3015	1272	Jamestown	C	7.00%	3.52%	(0.70%)	2.82%
3016	1282	Johnston	C	7.00%	3.70%	(4.94%)	0.00%
3017	1302	Lincoln		6.00%	3.55%	(0.08%)	3.47%
3019	1322	Middletown	C	7.00%	3.21%	(1.34%)	1.87%
3021	1352	Newport	B	7.00%	3.08%	0.53%	3.61%
3022	1342	New Shoreham	B	7.00%	2.94%	(2.55%)	0.39%
3023	1372	North Kingstown	C	7.00%	3.75%	(1.85%)	1.90%
3024	1382	North Providence		6.00%	2.32%	(17.24%)	0.00%
3025	1392	North Smithfield	B	7.00%	4.54%	(29.73%)	0.00%
3026	1412	Pawtucket	C	7.00%	2.98%	(5.54%)	0.00%
3027	1515	Union Fire District		6.00%	1.58%	2.64%	4.22%
3029	1452	Richmond		6.00%	3.42%	(4.24%)	0.00%
3030	1462	Scituate	B	7.00%	3.96%	(4.95%)	0.00%
3031	1472	Smithfield		6.00%	2.95%	(29.48%)	0.00%
3032	1492	South Kingstown	B	7.00%	3.58%	(11.50%)	0.00%
3033	1532	Tiverton		6.00%	2.90%	(32.89%)	0.00%
3034	1562	Warren	C	7.00%	2.95%	3.21%	6.16%
3036	1622	Westerly		6.00%	1.09%	288.08%	289.17%
3037	1602	West Greenwich		6.00%	3.13%	(2.24%)	0.89%
3039	1632	Woonsocket	B	7.00%	3.53%	(24.80%)	0.00%
3040	1073	Chariho School District		6.00%	2.88%	(4.43%)	0.00%
3041	1203	Foster/Glocester	B	7.00%	4.62%	5.90%	10.52%
3042	1528	Tiogou Fire & Lighting	C,5	N/A	N/A	N/A	N/A
3043	1336	Narragansett Housing	C	7.00%	1.27%	1.13%	2.40%
3045	1098	Coventry Lighting District	C	7.00%	3.65%	(57.73%)	0.00%
3046	1242	Hope Valley Fire	C	7.00%	4.04%	(1.91%)	2.13%
3050	1156	East Greenwich Housing	C	7.00%	4.26%	16.74%	21.00%
3051	1116	Cranston Housing	C	7.00%	4.06%	(13.47%)	0.00%
3052	1166	East Providence Housing	B	7.00%	4.92%	(12.28%)	0.00%
3053	1416	Pawtucket Housing	B	7.00%	3.23%	(31.12%)	0.00%
3056	1126	Cumberland Housing	C	7.00%	4.54%	(7.82%)	0.00%



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

**Contribution Rates
For Fiscal Year Ending June 30, 2004**

Unit Number		Unit	Code (s)	Member Rate	Employer Rate		
Old	New				Employer Normal Cost	Amortization Rate	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
General Employee Units							
3057	1306	Lincoln Housing	B	7.00%	5.17%	(14.14%)	0.00%
3059	1016	Bristol Housing		6.00%	1.38%	(53.25%)	0.00%
3065	1036	Burrillville Housing		6.00%	3.33%	(47.60%)	0.00%
3066	1386	North Providence Housing	B	7.00%	5.65%	6.11%	11.76%
3067	1177	East Smithfield Water	C	7.00%	5.51%	(38.83%)	0.00%
3068	1227	Greenville Water		6.00%	1.23%	(26.46%)	0.00%
3069	1356	Newport Housing	C	7.00%	5.15%	(18.57%)	0.00%
3071	1566	Warren Housing	B	7.00%	5.35%	(32.74%)	0.00%
3072	1286	Johnston Housing		6.00%	1.55%	(21.88%)	0.00%
3077	1538	Tiverton Local 2670A	C	7.00%	4.24%	(10.68%)	0.00%
3078	1009	Barrington COLA	C	7.00%	3.17%	(9.77%)	0.00%
3079	1096	Coventry Housing		6.00%	2.70%	(8.20%)	0.00%
3080	1496	South Kingstown Housing	C	7.00%	6.50%	(4.92%)	1.58%
3081	1403	N. RI Collaborative Adm. Services	C,2	7.00%	4.96%	(1.06%)	3.90%
3083	1616	West Warwick Housing	B	7.00%	4.21%	(7.09%)	0.00%
3084	1476	Smithfield Housing		6.00%	1.67%	(8.69%)	0.00%
3094	1478	Smithfield COLA	C,2	7.00%	3.80%	(17.72%)	0.00%
3096	1056	Central Falls Housing		6.00%	3.95%	(1.13%)	2.82%
3098	1293	Lime Rock Administrative Services		6.00%	2.51%	(3.85%)	0.00%
3099	1063	Central Falls Schools	C	7.00%	4.32%	(1.23%)	3.09%
3100	1023	Bristol/Warren Schools	B	7.00%	4.74%	(10.53%)	0.00%
General Employee Units Averages				6.66%	3.45%	(9.70%)	0.00%
Police & Fire Units							
4016	1285	Johnston Fire	D	8.00%	10.34%	0.20%	10.54%
4029	1454	Richmond Fire District		7.00%	6.33%	(2.03%)	4.30%
4031	1474	Smithfield Police	C,D	9.00%	12.29%	0.54%	12.83%
4042	1555	Valley Falls Fire	D	8.00%	9.44%	11.46%	20.90%
4047	1395	North Smithfield Voluntary Fire	B,D	9.00%	13.13%	(6.11%)	7.02%
4050	1155	East Greenwich Fire	C,D	9.00%	13.28%	(7.50%)	5.78%
4054	1154	East Greenwich Police	C,D	9.00%	12.34%	(15.02%)	0.00%
4055	1375	North Kingstown Fire	C,D	9.00%	10.58%	(0.65%)	9.93%
4056	1374	North Kingstown Police	C,D	9.00%	11.59%	(3.59%)	8.00%
4057	1235	Harris Fire Department	C	8.00%	7.76%	13.11%	20.87%
4058	1385	North Providence Fire	D	8.00%	8.49%	(6.85%)	1.64%
4059	1008	Barrington Fire (25)	C	8.00%	8.46%	(1.33%)	7.13%
4060	1004	Barrington Police	C,D	9.00%	9.60%	9.12%	18.72%
4061	1005	Barrington Fire (20)	C,D	9.00%	7.76%	(73.60%)	0.00%
4062	1564	Warren Police & Fire	C,D	9.00%	11.77%	7.54%	19.31%
4063	1494	South Kingstown Police	B,1	9.00%	7.75%	(27.79%)	0.00%
4073	1464	Scituate Police	3	—	—	—	—
4076	1394	North Smithfield Police	C,D	9.00%	13.17%	(4.35%)	8.82%
4077	1534	Tiverton Fire	D	8.00%	8.94%	(19.04%)	0.00%
4082	1194	Foster Police	C,D	9.00%	13.18%	(9.66%)	3.52%
4085	1634	Woonsocket Police	C,D	9.00%	12.76%	(2.87%)	9.89%



**Contribution Rates
For Fiscal Year Ending June 30, 2004**

Unit Number		Unit	Code(s)	Member Rate	Employer Rate		
Old	New				Employer Normal Cost	Amortization Rate	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Police & Fire Units							
4086	1084	Charlestown Police	C,D	9.00%	9.97%	8.14%	18.11%
4087	1264	Hopkinton Police	C,D	9.00%	11.86%	(5.61%)	6.25%
4088	1214	Glocester Police	C,D	9.00%	12.87%	(2.81%)	10.06%
4089	1604	West Greenwich Police/Rescue	C,D	9.00%	12.28%	6.71%	18.99%
4090	1034	Burrillville Police	C,D	9.00%	13.31%	4.42%	17.73%
4091	1148	Cumberland Rescue	C,D	9.00%	11.28%	(1.67%)	9.61%
4092	1585	Washington Fire	D	8.00%	8.14%	1.70%	9.84%
4093	1635	Woonsocket Fire	C,D	9.00%	13.19%	(2.24%)	10.95%
4094	1015	Bristol Fire		7.00%	7.84%	(6.84%)	1.00%
4095	1135	Cumberland Hill Fire	C,D	9.00%	12.40%	4.47%	16.87%
4096	1014	Bristol Police	C,D	9.00%	14.48%	(1.37%)	13.11%
4098	1095	Coventry Fire	D	8.00%	9.34%	10.37%	19.71%
4099	1505	South Kingstown EMT	C,D	9.00%	14.22%	(3.23%)	10.99%
4100	1525	Tiogoe Fire		7.00%	5.81%	10.48%	16.29%
4101	1365	North Cumberland	D	8.00%	9.50%	5.45%	14.95%
4102	1045	Central Coventry Fire	C,D	9.00%	13.39%	4.86%	18.25%
4103	1255	Hopkins Hill Fire	D	8.00%	9.75%	(4.32%)	5.43%
4104	1114	Cranston Police	C,D,4	10.00%	13.84%	2.69%	16.53%
4105	1115	Cranston Fire	C,D,4	10.00%	12.84%	4.71%	17.55%
4106	1125	Cumberland Fire	B,D	9.00%	14.50%	9.52%	24.02%
4107	1305	Lincoln Rescue		7.00%	5.28%	0.67%	5.95%
4108	1344	New Shoreham Police	B,D	9.00%	12.38%	11.98%	24.36%
Police & Fire Units Averages				8.62%	11.41%	(3.24%)	8.18%
All MERS Units Averages				7.43%	5.04%	(8.39%)	0.00%

B - Municipality has adopted COLA Plan B

C - Municipality has adopted COLA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 2001 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.

5 - This unit has no active members.



COMPARISON OF EMPLOYER CONTRIBUTION RATES

Unit Number		Unit	Code(s)	June 30, 2001	June 30, 2000	June 30, 1999
Old	New			Actuarial Valuation for FY 2004	Actuarial Valuation for FY 2003	Actuarial Valuation for FY 2002
(1)	(2)	(3)	(4)	(5)	(6)	(7)
General Employee Units						
3001	1002	Barrington		0.00%	0.00%	0.00%
3002	1012	Bristol	B	0.00%	0.00%	0.00%
3003	1032	Burrillville	C	0.00%	0.00%	0.00%
3004	1052	Central Falls		7.50%	10.70%	11.27%
3005	1082	Charlestown	C	1.78%	5.77%	7.45%
3007	1112	Cranston	B	0.00%	0.00%	0.00%
3008	1122	Cumberland		2.55%	1.14%	0.83%
3009	1152	East Greenwich		0.00%	0.00%	0.00%
3010	1162	East Providence	B	7.85%	4.63%	3.40%
3011	1183	Exeter/West Greenwich	B	4.01%	7.06%	4.78%
3012	1192	Foster		1.03%	0.77%	2.53%
3013	1212	Glocester	C	5.62%	3.71%	5.31%
3014	1262	Hopkinton	C	0.00%	0.00%	0.00%
3015	1272	Jamestown	C	2.82%	0.34%	0.00%
3016	1282	Johnston	C	0.00%	0.00%	0.00%
3017	1302	Lincoln		3.47%	0.69%	3.82%
3019	1322	Middletown	C	1.87%	8.17%	0.32%
3021	1352	Newport	B	3.61%	0.39%	0.32%
3022	1342	New Shoreham	B	0.39%	0.00%	2.41%
3023	1372	North Kingstown	C	1.90%	0.00%	0.00%
3024	1382	North Providence		0.00%	0.00%	0.00%
3025	1392	North Smithfield	B	0.00%	0.00%	0.00%
3026	1412	Pawtucket	C	0.00%	0.00%	0.00%
3027	1515	Union Fire District		4.22%	3.06%	6.76%
3029	1452	Richmond		0.00%	0.00%	0.00%
3030	1462	Scituate	B	0.00%	0.00%	0.00%
3031	1472	Smithfield		0.00%	0.00%	0.00%
3032	1492	South Kingstown	B	0.00%	0.00%	0.00%
3033	1532	Tiverton		0.00%	0.00%	0.00%
3034	1562	Warren	C	6.16%	3.32%	1.41%
3036	1622	Westerly		289.17%	268.41%	226.16%
3037	1602	West Greenwich		0.89%	0.94%	0.50%
3039	1632	Woonsocket	B	0.00%	0.00%	0.00%
3040	1073	Chariho School District		0.00%	0.00%	0.00%
3041	1203	Foster/Glocester	B	10.52%	9.77%	9.21%
3042	1528	Tiogue Fire & Lighting	C,5	N/A	11.85%	16.02%
3043	1336	Narragansett Housing	C	2.40%	0.00%	0.40%
3045	1098	Coventry Lighting District	C	0.00%	7.04%	0.00%
3046	1242	Hope Valley Fire	C	2.13%	0.00%	0.00%
3050	1156	East Greenwich Housing	C	21.00%	23.56%	21.97%
3051	1116	Cranston Housing	C	0.00%	0.00%	0.00%
3052	1166	East Providence Housing	B	0.00%	0.00%	0.00%
3053	1416	Pawtucket Housing	B	0.00%	0.00%	0.00%
3056	1126	Cumberland Housing	C	0.00%	0.00%	0.00%
3057	1306	Lincoln Housing	B	0.00%	0.00%	0.00%



COMPARISON OF EMPLOYER CONTRIBUTION RATES

Unit Number		Unit	Code(s)	June 30, 2001	June 30, 2000	June 30, 1999
Old	New			Actuarial Valuation for FY 2004	Actuarial Valuation for FY 2003	Actuarial Valuation for FY 2002
(1)	(2)	(3)	(4)	(5)	(6)	(7)
General Employee Units						
3059	1016	Bristol Housing		0.00%	0.00%	0.00%
3065	1036	Burrillville Housing		0.00%	0.00%	0.00%
3066	1386	North Providence Housing	B	11.76%	6.09%	0.00%
3067	1177	East Smithfield Water	C	0.00%	0.00%	0.00%
3068	1227	Greenville Water		0.00%	0.00%	0.00%
3069	1356	Newport Housing	C	0.00%	0.00%	0.00%
3071	1566	Warren Housing	B	0.00%	0.00%	0.00%
3072	1286	Johnston Housing		0.00%	0.00%	0.00%
3077	1538	Tiverton Local 2670A	C	0.00%	0.00%	0.00%
3078	1009	Barrington COLA	C	0.00%	0.00%	0.00%
3079	1096	Coventry Housing		0.00%	0.00%	0.00%
3080	1496	South Kingstown Housing	C	1.58%	7.54%	—
3081	1403	N. RI Collaborative Adm. Services	C,2	3.90%	—	—
3083	1616	West Warwick Housing	B	0.00%	0.00%	0.00%
3084	1476	Smithfield Housing		0.00%	0.00%	0.13%
3094	1478	Smithfield COLA	C,2	0.00%	—	—
3096	1056	Central Falls Housing		2.82%	1.22%	2.32%
3098	1293	Lime Rock Administrative Services		0.00%	2.98%	0.88%
3099	1063	Central Falls Schools	C	3.09%	1.16%	3.01%
3100	1023	Bristol/Warren Schools	B	0.00%	0.00%	0.00%
General Employee Units Average				0.00%	0.00%	0.00%
Police & Fire Units						
4016	1285	Johnston Fire	D	10.54%	10.42%	—
4029	1454	Richmond Fire District		4.30%	5.11%	5.94%
4031	1474	Smithfield Police	C,D	12.83%	6.68%	—
4042	1555	Valley Falls Fire	D	20.90%	17.69%	21.88%
4047	1395	North Smithfield Voluntary Fire	B,D	7.02%	0.00%	1.74%
4050	1155	East Greenwich Fire	C,D	5.78%	6.69%	4.74%
4054	1154	East Greenwich Police	C,D	0.00%	0.00%	0.00%
4055	1375	North Kingstown Fire	C,D	9.93%	6.59%	1.96%
4056	1374	North Kingstown Police	C,D	8.00%	0.35%	0.00%
4057	1235	Harris Fire Department	C	20.87%	31.08%	11.05%
4058	1385	North Providence Fire	D	1.64%	0.96%	0.00%
4059	1008	Barrington Fire (25)	C	7.13%	7.60%	8.89%
4060	1004	Barrington Police	C,D	18.72%	3.63%	10.44%
4061	1005	Barrington Fire (20)	C,D	0.00%	0.00%	0.00%
4062	1564	Warren Police & Fire	C,D	19.31%	11.69%	13.41%
4063	1494	South Kingstown Police	B,1	0.00%	0.00%	0.00%
4073	1464	Scituate Police	3	—	—	—
4076	1394	North Smithfield Police	C,D	8.82%	4.28%	3.56%
4077	1534	Tiverton Fire	D	0.00%	0.00%	0.00%
4082	1194	Foster Police	C,D	3.52%	2.29%	0.00%
4085	1634	Woonsocket Police	C,D	9.89%	8.58%	9.18%
4086	1084	Charlestown Police	C,D	18.11%	20.96%	19.67%



COMPARISON OF EMPLOYER CONTRIBUTION RATES

Unit Number		Unit	Code(s)	June 30, 2001	June 30, 2000	June 30, 1999
Old	New			Actuarial Valuation for FY 2004	Actuarial Valuation for FY 2003	Actuarial Valuation for FY 2002
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Police & Fire Units						
4087	1264	Hopkinton Police	C,D	6.25%	7.91%	5.34%
4088	1214	Glocester Police	C,D	10.06%	9.99%	9.19%
4089	1604	West Greenwich Police/Rescue	C,D	18.99%	7.70%	9.56%
4090	1034	Burrillville Police	C,D	17.73%	15.20%	15.63%
4091	1148	Cumberland Rescue	C,D	9.61%	11.74%	10.92%
4092	1585	Washington Fire	D	9.84%	10.19%	7.08%
4093	1635	Woonsocket Fire	C,D	10.95%	10.68%	10.91%
4094	1015	Bristol Fire		1.00%	0.00%	0.00%
4095	1135	Cumberland Hill Fire	C,D	16.87%	8.51%	10.67%
4096	1014	Bristol Police	C,D	13.11%	12.52%	14.65%
4098	1095	Coventry Fire	D	19.71%	14.43%	17.39%
4099	1505	South Kingstown EMT	C,D	10.99%	11.73%	12.37%
4100	1525	Tiogue Fire		16.29%	15.63%	17.24%
4101	1365	North Cumberland	D	14.95%	12.14%	14.22%
4102	1045	Central Coventry Fire	C,D	18.25%	11.42%	12.48%
4103	1255	Hopkins Hill Fire	D	5.43%	6.69%	7.93%
4104	1114	Cranston Police	C,D,4	16.53%	15.64%	21.12%
4105	1115	Cranston Fire	C,D,4	17.55%	15.38%	21.18%
4106	1125	Cumberland Fire	B,D	24.02%	19.67%	20.04%
4107	1305	Lincoln Rescue		5.95%	1.97%	3.12%
4108	1344	New Shoreham Police	B,D	24.36%	8.96%	10.21%
Police & Fire Units Average				8.18%	5.79%	5.68%
All MERS Units Average				0.00%	0.00%	0.00%

B - Municipality has adopted COLA Plan B

C - Municipality has adopted COLA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 2001 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.

5 - This unit has no active members.



SCHEDULE OF FUNDING PROGRESS

Unit Number	Unit	Code(s)	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (5) - (4)	Funded Ratio (4)/(5)	Annual Covered Payroll (9)	UAAL as % of Payroll (6)/(8)
Old	New	(4)	(5)	(6)	(7)	(8)	(9)	(10)
General Employee Units								
3001	1002	Barrington	15,372,714	7,791,984	(7,580,730)	197.3%	1,975,435	(383.7%)
3002	1012	Bristol	13,723,701	11,798,196	(1,925,505)	116.3%	2,855,859	(67.4%)
3003	1032	Burrillville	18,281,604	12,709,242	(5,572,362)	143.8%	4,380,274	(127.2%)
3004	1052	Central Falls	2,930,840	3,508,070	577,230	83.5%	1,194,088	48.3%
3005	1082	Charlestown	2,531,120	2,479,926	(51,194)	102.1%	1,098,944	(4.7%)
3007	1112	Cranston	115,809,728	87,933,516	(27,876,212)	131.7%	21,820,230	(127.8%)
3008	1122	Cumberland	15,082,521	14,913,194	(169,327)	101.1%	6,333,673	(2.7%)
3009	1152	East Greenwich	18,676,501	9,819,979	(8,856,522)	190.2%	4,228,135	(209.5%)
3010	1162	East Providence	58,340,280	63,589,061	5,248,781	91.7%	16,153,935	32.5%
3011	1183	Exeter/West Greenwich	4,118,922	4,056,542	(62,380)	101.5%	1,501,452	(4.2%)
3012	1192	Foster	1,971,278	1,781,891	(189,387)	110.6%	779,384	(24.3%)
3013	1212	Glocester	3,378,550	3,556,198	177,648	95.0%	1,600,031	11.1%
3014	1262	Hopkinton	2,503,731	1,564,469	(939,262)	160.0%	831,472	(113.0%)
3015	1272	Jamestown	5,752,784	5,642,647	(110,137)	102.0%	2,092,096	(5.3%)
3016	1282	Johnston	27,873,774	24,856,641	(3,017,133)	112.1%	8,113,894	(37.2%)
3017	1302	Lincoln	705,368	701,915	(3,453)	100.5%	554,981	(0.6%)
3019	1322	Middletown	2,801,219	2,825,178	23,959	99.2%	1,419,969	1.7%
3021	1352	Newport	41,726,725	42,111,299	384,574	99.1%	9,645,954	4.0%
3022	1342	New Shoreham	2,525,528	2,269,443	(256,085)	111.3%	1,388,376	(18.4%)
3023	1372	North Kingstown	28,215,457	27,040,314	(1,175,143)	104.3%	9,099,206	(12.9%)
3024	1382	North Providence	23,981,980	16,026,912	(7,955,068)	149.6%	6,087,789	(130.7%)
3025	1392	North Smithfield	11,797,811	6,937,045	(4,860,766)	170.1%	2,256,586	(215.4%)
3026	1412	Pawtucket	84,190,601	76,089,282	(8,101,319)	110.6%	20,277,787	(40.0%)
3027	1515	Union Fire District	121,339	136,069	14,730	89.2%	91,309	16.1%
3029	1452	Richmond	1,064,082	899,114	(164,968)	118.3%	506,117	(32.6%)
3030	1462	Scituate	8,347,053	7,591,943	(755,110)	109.9%	2,170,953	(34.8%)
3031	1472	Smithfield	11,232,440	7,326,342	(3,906,098)	153.3%	1,940,786	(201.3%)
3032	1492	South Kingstown	30,417,146	23,041,825	(7,375,321)	132.0%	8,453,832	(87.2%)
3033	1532	Tiverton	9,827,816	5,627,482	(4,200,334)	174.6%	1,963,261	(213.9%)
3034	1562	Warren	4,825,848	5,098,780	272,932	94.6%	1,148,231	23.8%
3036	1622	Westerly	631,717	1,214,058	582,341	52.0%	49,147	1184.9%
3037	1602	West Greenwich	1,248,497	1,152,480	(96,017)	108.3%	583,537	(16.5%)
3039	1632	Woonsocket	57,538,533	37,954,495	(19,584,038)	151.6%	10,680,145	(183.4%)
3040	1073	Charlho School District	7,301,324	6,215,650	(1,085,674)	117.5%	3,278,977	(33.1%)



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

SCHEDULE OF FUNDING PROGRESS

Unit Number Old (1)	Unit New (2)	Unit (3)	Code (s) (4)	Actuarial Value of Assets (AVA) (5)	Actuarial Accrued Liability (AAL) (6)	Unfunded Actuarial Accrued Liability (UAAL) (5) - (4) (7)	Funded Ratio (4)/(5) (8)	Annual Covered Payroll (9)	UAAL as % of Payroll (6)/(8) (10)
General Employee Units									
3041	1203	Foster/Gloicester	B	3,136,420	3,596,194	459,774	87.2%	1,134,085	40.5%
3042	1528	Tiogue Fire & Lighting	C,5	36,019	43,824	7,805	82.2%	0	-
3043	1336	Narragansett Housing	C	122,557	131,488	8,931	93.2%	98,243	9.1%
3045	1098	Coventry Lighting District	C	1,031,866	791,947	(239,919)	130.3%	88,584	(270.8%)
3046	1242	Hope Valley Fire	C	185,419	188,296	2,877	98.5%	82,356	3.5%
3050	1156	East Greenwich Housing	C	141,415	302,291	160,876	46.8%	135,790	118.5%
3051	1116	Cranston Housing	C	2,666,008	1,950,836	(715,172)	136.7%	699,853	(102.2%)
3052	1166	East Providence Housing	B	2,106,021	1,694,667	(411,354)	124.3%	513,147	(80.2%)
3053	1416	Pawtucket Housing	B	9,061,695	4,900,745	(4,160,950)	184.9%	1,809,987	(229.9%)
3056	1126	Cumberland Housing	C	910,143	638,780	(271,363)	142.5%	447,530	(60.6%)
3057	1306	Lincoln Housing	B	1,305,171	982,680	(322,491)	132.8%	316,209	(102.0%)
3059	1016	Bristol Housing	B	1,521,938	742,170	(779,768)	205.1%	247,741	(314.8%)
3065	1036	Burrillville Housing	B	688,001	328,494	(359,507)	209.4%	125,631	(286.2%)
3066	1386	North Providence Housing	B	896,583	1,012,774	116,191	88.5%	264,798	43.9%
3067	1177	East Smithfield Water	C	626,731	339,847	(286,884)	184.4%	159,061	(180.4%)
3068	1227	Greenville Water	C	779,976	385,663	(394,313)	202.2%	181,058	(217.8%)
3069	1356	Newport Housing	C	5,509,022	3,467,732	(2,041,290)	158.9%	1,570,882	(129.9%)
3071	1566	Warren Housing	B	1,090,593	777,991	(312,602)	140.2%	175,552	(178.1%)
3072	1286	Johnston Housing	B	844,030	554,529	(289,501)	152.2%	254,117	(113.9%)
3077	1538	Tiverton Local 2670A	C	2,471,569	1,984,138	(487,431)	124.6%	668,706	(72.9%)
3078	1009	Barrington COLA	C	8,052,928	6,396,426	(1,656,502)	125.9%	2,544,110	(65.1%)
3079	1096	Coventry Housing	C	790,447	522,901	(267,546)	151.2%	375,769	(71.2%)
3080	1496	South Kingstown Housing	C	53,938	39,179	(14,759)	137.7%	30,961	(47.7%)
3081	1403	N.RI Collaborative Adm.	C,2	197,881	116,222	(81,659)	170.3%	923,062	(8.8%)
3083	1616	West Warwick Housing	B	817,726	691,813	(125,913)	118.2%	257,747	(48.9%)
3084	1476	Smithfield Housing	C	171,111	106,898	(64,213)	160.1%	79,637	(80.6%)
3094	1478	Smithfield COLA	C,2	7,501,924	4,404,661	(3,097,263)	170.3%	2,493,775	(124.2%)
3096	1056	Central Falls Housing	C	1,335,170	1,321,533	(13,637)	101.0%	483,531	(2.8%)
3098	1293	Lime Rock Admin. Svc.	C	86,824	68,377	(18,447)	127.0%	51,937	(35.5%)
3099	1063	Central Falls Schools	C	5,912,805	5,636,490	(276,315)	104.9%	3,667,115	(7.5%)
3100	1023	Bristol/Warren Schools	B	12,208,131	9,514,732	(2,693,399)	128.3%	3,348,539	(80.4%)
General Employee Units Subtotal				\$ 707,108,592	\$ 579,895,500	\$(127,213,092)	121.9%	\$ 179,785,358	(70.8%)



SCHEDULE OF FUNDING PROGRESS

Unit Number Old (1) New (2)	Unit (3)	Code(s) (4)	Actuarial Value of Assets (AVA) (5)	Actuarial Accrued Liability (AAL) (6)	Unfunded Actuarial Accrued Liability (UAAL) (5) - (4) (7)	Funded Ratio (4)/(5) (8)	Annual Covered Payroll (9)	UAAL as % of Payroll (6)/(8) (10)
Police & Fire Units								
4016	1285	Johnston Fire	67,438	74,147	6,709	91.0%	306,391	2.2%
4029	1454	Richmond Fire District	212,974	153,926	(59,048)	138.4%	212,148	(27.8%)
4031	1474	Smithfield Police	56,244	78,920	22,676	71.3%	250,081	9.1%
4042	1555	Valley Falls Fire	1,735,488	2,226,675	491,187	77.9%	499,464	98.3%
4047	1395	N. Smithfield Vol. Fire	2,966,075	2,501,631	(464,444)	118.6%	769,721	(60.3%)
4050	1155	East Greenwich Fire	6,982,771	6,285,690	(697,081)	111.1%	1,093,026	(63.8%)
4054	1154	East Greenwich Police	9,579,098	7,639,351	(1,939,747)	125.4%	1,400,137	(138.5%)
4055	1375	North Kingstown Fire	19,930,543	19,787,772	(142,771)	100.7%	2,687,200	(5.3%)
4056	1374	North Kingstown Police	12,445,877	11,800,939	(644,938)	105.5%	1,922,487	(33.5%)
4057	1235	Harris Fire Department	100,004	325,148	225,144	30.8%	110,991	202.8%
4058	1385	North Providence Fire	20,135,992	17,431,272	(2,704,720)	115.5%	4,594,428	(58.9%)
4059	1008	Barrington Fire (25)	210,983	154,689	(56,294)	136.4%	286,775	(19.6%)
4060	1004	Barrington Police	5,890,431	6,668,107	777,676	88.3%	985,637	78.9%
4061	1005	Barrington Fire (20)	9,097,743	7,025,635	(2,072,108)	129.5%	577,696	(358.7%)
4062	1564	Warren Police & Fire	6,335,011	7,055,655	720,644	89.8%	917,296	78.6%
4063	1494	South Kingstown Police	16,867,864	12,708,898	(4,158,966)	132.7%	2,168,016	(191.8%)
4073	1464	Scituate Police	166,843	35,394	(131,449)	471.4%	0	-
4076	1394	North Smithfield Police	5,634,422	5,321,113	(313,309)	105.9%	958,483	(32.7%)
4077	1534	Tiverton Fire	6,772,701	4,805,395	(1,967,306)	140.9%	1,069,011	(184.0%)
4082	1194	Foster Police	1,496,502	1,307,448	(189,054)	114.5%	283,960	(66.6%)
4085	1634	Woonsocket Police	15,330,792	14,029,178	(1,301,614)	109.3%	4,444,936	(29.3%)
4086	1084	Charlestown Police	2,789,915	3,352,130	562,215	83.2%	790,121	71.2%
4087	1264	Hopkinton Police	2,030,651	1,741,339	(289,312)	116.6%	546,686	(52.9%)
4088	1214	Glocester Police	2,331,818	2,143,230	(188,588)	108.8%	648,968	(29.1%)
4089	1604	W Greenwich Pol/RSQ	1,186,737	1,443,059	256,322	82.2%	368,310	69.6%
4090	1034	Burrillville Police	4,272,309	4,723,292	450,983	90.5%	1,011,229	44.6%
4091	1148	Cumberland Rescue	1,794,348	1,670,561	(123,787)	107.4%	647,780	(19.1%)
4092	1585	Washington Fire	988,120	1,045,601	57,481	94.5%	349,860	16.4%
4093	1635	Woonsocket Fire	10,754,098	9,811,899	(942,199)	109.6%	3,899,346	(24.2%)
4094	1015	Bristol Fire	156,971	102,873	(54,098)	152.6%	89,585	(60.4%)
4095	1135	Cumberland Hill Fire	2,255,249	2,446,848	191,599	92.2%	393,044	48.7%
4096	1014	Bristol Police	370,298	273,658	(96,640)	135.3%	487,945	(19.8%)
4098	1095	Coventry Fire	1,264,234	1,665,126	400,892	75.9%	453,909	88.3%



SCHEDULE OF FUNDING PROGRESS

Unit Number Old	Unit New	Code(s)	Actuarial Value of Assets (AVA)	Actuarial Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAAL) (5) - (4)	Funded Ratio (4)/(5)	Annual Covered Payroll	UAAAL as % of Payroll (6)/(8)
(1)	(2)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Police & Fire Units								
4099	1505	C,D	730,905	555,131	(175,774)	131.7%	434,299	(40.5%)
4100	1525		192,694	360,681	167,987	53.4%	140,812	119.3%
4101	1365	D	1,482,154	1,759,334	277,180	84.2%	569,642	48.7%
4102	1045	C,D	1,207,617	1,411,253	203,636	85.6%	471,789	43.2%
4103	1255	D	205,635	131,656	(73,979)	156.2%	130,369	(56.7%)
4104	1114	C,D,4	3,273,994	4,202,398	928,404	77.9%	3,024,943	30.7%
4105	1115	C,D,4	6,077,815	8,308,663	2,230,848	73.2%	4,753,683	46.9%
4106	1125	B,D	1,523,263	1,857,252	333,989	82.0%	388,638	85.9%
4107	1305		1,093,293	1,188,238	94,945	92.0%	716,409	13.3%
4108	1344	B,D	368,919	583,053	214,134	63.3%	186,527	114.8%
Police & Fire Units Subtotal			\$ 188,366,833	\$ 178,194,258	(10,172,575)	105.7%	\$ 46,041,778	(22.1%)
All MERS Units Total			895,475,425	758,089,758	(137,385,667)	118.1%	225,827,136	(60.8%)

B - Municipality has adopted COLA Plan B

C - Municipality has adopted COLA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 2001 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.

5 - This unit has no active members.



EQUIVALENT SINGLE AMORTIZATION PERIOD

Old Unit Number (1)	New Unit Number (2)	Unit (3)	Code(s) (4)	Employer Contribution Rate (5)	Amortization Period (6)
General Employee Units					
3001	1002	Barrington		0.00%	9
3002	1012	Bristol	B	0.00%	9
3003	1032	Burrillville	C	0.00%	9
3004	1052	Central Falls		7.50%	10
3005	1082	Charlestown	C	1.78%	7
3007	1112	Cranston	B	0.00%	8
3008	1122	Cumberland		2.55%	8
3009	1152	East Greenwich		0.00%	8
3010	1162	East Providence	B	7.85%	8
3011	1183	Exeter/West Greenwich	B	4.01%	8
3012	1192	Foster		1.03%	13
3013	1212	Glocester	C	5.62%	9
3014	1262	Hopkinton	C	0.00%	8
3015	1272	Jamestown	C	2.82%	9
3016	1282	Johnston	C	0.00%	9
3017	1302	Lincoln		3.47%	9
3019	1322	Middletown	C	1.87%	—
3021	1352	Newport	B	3.61%	9
3022	1342	New Shoreham	B	0.39%	8
3023	1372	North Kingstown	C	1.90%	8
3024	1382	North Providence		0.00%	9
3025	1392	North Smithfield	B	0.00%	8
3026	1412	Pawtucket	C	0.00%	8
3027	1515	Union Fire District		4.22%	7
3029	1452	Richmond		0.00%	9
3030	1462	Scituate	B	0.00%	8
3031	1472	Smithfield		0.00%	8
3032	1492	South Kingstown	B	0.00%	9
3033	1532	Tiverton		0.00%	7
3034	1562	Warren	C	6.16%	8
3036	1622	Westerly		289.17%	4
3037	1602	West Greenwich		0.89%	8
3039	1632	Woonsocket	B	0.00%	8
3040	1073	Chariho School District		0.00%	8
3041	1203	Foster/Glocester	B	10.52%	8
3042	1528	Tiogue Fire & Lighting	C,5	N/A	—
3043	1336	Narragansett Housing	C	2.40%	9
3045	1098	Coventry Lighting District	C	0.00%	5
3046	1242	Hope Valley Fire	C	2.13%	2
3050	1156	East Greenwich Housing	C	21.00%	8
3051	1116	Cranston Housing	C	0.00%	9
3052	1166	East Providence Housing	B	0.00%	7
3053	1416	Pawtucket Housing	B	0.00%	8
3056	1126	Cumberland Housing	C	0.00%	9
3057	1306	Lincoln Housing	B	0.00%	8
3059	1016	Bristol Housing		0.00%	6
3065	1036	Burrillville Housing		0.00%	7



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

EQUIVALENT SINGLE AMORTIZATION PERIOD

Old Unit Number	New Unit Number	Unit	Code(s)	Employer Contribution Rate	Amortization Period
(1)	(2)	(3)	(4)	(5)	(6)
General Employee Units					
3066	1386	North Providence Housing	B	11.76%	8
3067	1177	East Smithfield Water	C	0.00%	5
3068	1227	Greenville Water		0.00%	10
3069	1356	Newport Housing	C	0.00%	8
3071	1566	Warren Housing	B	0.00%	6
3072	1286	Johnston Housing		0.00%	6
3077	1538	Tiverton Local 2670A	C	0.00%	8
3078	1009	Barrington COLA	C	0.00%	7
3079	1096	Coventry Housing		0.00%	10
3080	1496	South Kingstown Housing	C	1.58%	12
3081	1403	N. RI Collaborative Adm. Services	C,2	3.90%	10
3083	1616	West Warwick Housing	B	0.00%	8
3084	1476	Smithfield Housing		0.00%	11
3094	1478	Smithfield COLA	C,2	0.00%	8
3096	1056	Central Falls Housing		2.82%	2
3098	1293	Lime Rock Administrative Services		0.00%	11
3099	1063	Central Falls Schools	C	3.09%	7
3100	1023	Bristol/Warren Schools	B	0.00%	9
General Employee Units Average				0.00%	8
Police & Fire Units					
4016	1285	Johnston Fire	D	10.54%	14
4029	1454	Richmond Fire District		4.30%	19
4031	1474	Smithfield Police	C,D	12.83%	28
4042	1555	Valley Falls Fire	D	20.90%	10
4047	1395	North Smithfield Voluntary Fire	B,D	7.02%	12
4050	1155	East Greenwich Fire	C,D	5.78%	10
4054	1154	East Greenwich Police	C,D	0.00%	11
4055	1375	North Kingstown Fire	C,D	9.93%	9
4056	1374	North Kingstown Police	C,D	8.00%	11
4057	1235	Harris Fire Department	C	20.87%	24
4058	1385	North Providence Fire	D	1.64%	10
4059	1008	Barrington Fire (25)	C	7.13%	22
4060	1004	Barrington Police	C,D	18.72%	10
4061	1005	Barrington Fire (20)	C,D	0.00%	5
4062	1564	Warren Police & Fire	C,D	19.31%	13
4063	1494	South Kingstown Police	B,1	0.00%	8
4073	1464	Scituate Police	3	---	---
4076	1394	North Smithfield Police	C,D	8.82%	9
4077	1534	Tiverton Fire	D	0.00%	12
4082	1194	Foster Police	C,D	3.52%	8
4085	1634	Woonsocket Police	C,D	9.89%	13
4086	1084	Charlestown Police	C,D	18.11%	10
4087	1264	Hopkinton Police	C,D	6.25%	11
4088	1214	Glocester Police	C,D	10.06%	13
4089	1604	West Greenwich Police/Rescue	C,D	18.99%	13
4090	1034	Burrillville Police	C,D	17.73%	12



EQUIVALENT SINGLE AMORTIZATION PERIOD

Old Unit Number	New Unit Number	Unit	Code (s)	Employer Contribution Rate	Amortization Period
(1)	(2)	(3)	(4)	(5)	(6)
Police & Fire Units					
4091	1148	Cumberland Rescue	C,D	9.61%	15
4092	1585	Washington Fire	D	9.84%	12
4093	1635	Woonsocket Fire	C,D	10.95%	14
4094	1015	Bristol Fire		1.00%	10
4095	1135	Cumberland Hill Fire	C,D	16.87%	14
4096	1014	Bristol Police	C,D	13.11%	21
4098	1095	Coventry Fire	D	19.71%	10
4099	1505	South Kingstown EMT	C,D	10.99%	17
4100	1525	Tiogue Fire		16.29%	15
4101	1365	North Cumberland	D	14.95%	11
4102	1045	Central Coventry Fire	C,D	18.25%	11
4103	1255	Hopkins Hill Fire	D	5.43%	18
4104	1114	Cranston Police	C,D,4	16.53%	15
4105	1115	Cranston Fire	C,D,4	17.55%	12
4106	1125	Cumberland Fire	B,D	24.02%	11
4107	1305	Lincoln Rescue		5.95%	40
4108	1344	New Shoreham Police	B,D	24.36%	12
Police & Fire Units Average				8.18%	8
All MERS Units Average				0.00%	8

- B - Municipality has adopted COLA Plan B
- C - Municipality has adopted COLA Plan C
- D - Municipality has adopted the "20-year" optional Police & Fire Plan
- 1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.
- 2 - New unit in 2001 valuation.
- 3 - Closed unit.
- 4 - Cranston Fire and Police are contributing 10% due to special plan provision.
- 5 - This unit has no active members.



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

MUNICIPAL RESERVES

Unit Name	Unit Code		Members Reserve	Employers Accumulation	Retirement Reserve	Total Reserve
	New	Old				
Town Of Barrington	1002	3001	1,610,866.32	(7,561,928.92)	19,372,813.59	13,421,750.99
Town Of Bristol	1012	3002	1,747,245.80	(2,227,020.18)	12,461,790.42	11,982,016.04
Town Of Burrillville	1032	3003	2,510,770.13	(572,519.65)	14,023,221.52	15,961,472.01
Town Of Central Falls	1052	3004	673,889.23	(139,827.67)	2,024,823.20	2,558,884.76
Town Of Charlestown	1082	3005	503,508.35	423,069.01	1,283,316.36	2,209,893.72
City Of Cranston	1112	3007	13,308,527.43	(14,226,767.43)	102,030,468.34	101,112,228.34
Town Of Cumberland	1122	3008	2,366,614.59	(3,258,563.17)	14,060,335.54	13,168,386.95
Town Of East Greenwich	1152	3009	2,124,985.57	(2,112,862.57)	16,294,129.25	16,306,252.25
City Of East Providence	1162	3010	8,155,225.08	(16,111,449.70)	58,892,496.11	50,936,271.50
Town Of Exeter/W. Greenwich	1183	3011	697,014.56	638.01	2,898,534.00	3,596,186.57
Town Of Foster	1192	3012	413,451.85	(259,753.93)	1,567,403.36	1,721,101.28
Town Of Glocester	1212	3013	720,116.54	(300,879.94)	2,530,539.01	2,949,775.61
Town Of Hopkinton	1262	3014	326,751.92	(155,471.60)	2,014,700.02	2,185,980.34
Town Of Jamestown	1272	3015	898,429.80	(1,513,822.17)	5,638,086.12	5,022,693.74
Town Of Johnston	1282	3016	3,639,654.58	(6,614,695.53)	27,311,333.08	24,336,292.13
Town Of Lincoln	1302	3017	163,358.33	219,523.67	232,967.36	615,849.36
Town of Middletown	1322	3019	557,295.63	1,416,680.08	471,738.91	2,445,714.61
City Of Newport	1352	3021	6,232,735.10	(9,181,246.35)	39,379,666.18	36,431,154.93
Town Of New Shoreham	1342	3022	511,565.11	(251,033.43)	1,944,479.30	2,205,010.98
Town Of North Kingstown	1372	3023	4,428,893.95	(5,573,905.18)	25,779,623.24	24,634,612.01
City Of North Providence	1382	3024	2,937,917.94	(5,014,057.38)	23,014,547.97	20,938,408.53
Town Of North Smithfield	1392	3025	1,153,082.24	(1,223,131.11)	10,370,590.40	10,300,541.53
City Of Pawtucket	1412	3026	11,634,738.65	(17,938,309.86)	79,809,479.76	73,505,908.54
Union Fire District	1515	3027	38,844.58	29,938.84	37,156.31	105,939.73
Town Of Richmond	1452	3029	196,619.32	(68,948.95)	801,368.50	929,038.86
Town Of Scituate	1462	3030	1,139,466.73	(557,130.08)	6,705,385.99	7,287,722.65
Town Of Smithfield	1472	3031	915,745.53	(7,446,508.75)	16,337,685.41	9,806,922.19
Town Of South Kingstown	1492	3032	4,148,956.36	(2,998,682.52)	25,406,608.96	26,556,882.80
Town Of Tiverton	1532	3033	899,913.49	(1,637,670.67)	9,318,317.62	8,580,560.44
Town Of Warren	1562	3034	575,584.21	(2,479,562.19)	6,117,373.61	4,213,395.64
Town Of Westerly	1622	3036	80,141.41	85,042.59	386,361.17	551,545.17
Town Of West Greenwich	1602	3037	235,419.63	(103,154.16)	957,784.15	1,090,049.61
Town Of Woonsocket	1632	3039	5,148,930.07	(9,820,682.53)	54,908,026.70	50,236,274.24
Chariho Regional School Dist.	1073	3040	1,440,877.86	(370,030.14)	5,303,859.69	6,374,707.41
Foster-Glocester School Dist.	1203	3041	540,295.73	(121,586.36)	2,319,665.20	2,738,374.57
Tiogue Fire/ Lighting	1528	3042	3,536.35	(6,186.92)	34,098.50	31,447.93
Narragansett Housing Auth.	1336	3043	35,356.90	22,822.86	48,823.85	107,003.61
Coventry Fire/Lighting District	1098	3045	98,030.34	309,246.68	493,633.90	900,910.92
Hope Valley/Wyoming Fire Dist.	1242	3046	26,885.74	51,440.53	83,561.39	161,887.66
E. Greenwich Housing Auth.	1156	3050	32,551.68	57,007.92	33,907.91	123,467.51
Cranston Housing Authority	1116	3051	371,670.39	(145,428.42)	2,101,421.02	2,327,663.00
E. Providence Housing Auth.	1166	3052	241,510.54	(262,139.03)	1,859,372.55	1,838,744.06
Pawtucket Housing Authority	1416	3053	1,058,540.23	(734,553.07)	7,587,681.14	7,911,668.30
Cumberland Housing Auth.	1126	3056	153,268.08	(215,469.61)	856,837.47	794,635.94
Lincoln Housing Authority	1306	3057	104,430.41	(245,139.56)	1,280,239.92	1,139,530.77
Bristol Housing Authority	1016	3059	138,072.22	(33,576.61)	1,224,292.38	1,328,787.99
Burrillville Housing Authority	1036	3065	77,766.88	29,828.83	493,090.47	600,686.18
N. Providence Housing Auth.	1386	3066	86,610.57	(269,865.86)	966,052.64	782,797.35
East Smithfield Water District	1177	3067	94,144.26	94,400.40	358,647.12	547,191.78



MUNICIPAL RESERVES

Unit Name	Unit Code		Members Reserve	Employers Accumulation	Retirement Reserve	Total Reserves
	New	Old				
Newport Housing Authority	1356	3069	1,934,076.08	144,308.89	2,731,482.62	4,809,867.59
Warren Housing Authority	1566	3071	135,844.77	71,999.03	744,341.47	952,185.27
Johnston Housing Authority	1286	3072	116,241.99	(44,572.90)	665,244.55	736,913.64
Tiverton Local 2670A	1538	3077	403,691.13	581,467.90	1,172,741.18	2,157,900.21
Barrington DPW	1009	3078	1,152,024.77	3,695,404.55	2,183,495.64	7,030,924.96
Coventry Housing Authority	1096	3079	89,653.54	(204,702.62)	805,180.28	690,131.19
S. Kingstown Housing Auth.	1496	3080	4,804.72	(5,374.47)	47,662.83	47,093.08
Northern RI Collaborative	1403	3081	57,471.16	98,686.00	16,610.94	172,768.10
W. Warwick Housing Auth.	1616	3083	130,028.40	10,313.79	573,605.34	713,947.53
Smithfield Housing Authority	1476	3084	44,198.61	(35,926.19)	141,122.66	149,395.08
Smithfield COLA	1478	3094	1,089,561.76	4,839,251.83	621,035.27	6,549,848.86
Central Falls Housing Authority	1056	3096	182,732.27	(68,065.52)	1,051,055.78	1,165,722.53
Limerock Administrative Services	1293	3098	23,462.36	13,724.87	38,617.68	75,804.91
Central Falls Regional School	1063	3099	1,134,383.53	853,450.53	3,174,572.46	5,162,406.51
Bristol/Warren School Depart.	1023	3100	1,511,947.83	(2,619,289.69)	11,766,129.58	10,658,787.72
Johnston Fire	1285	4016	31,163.40	19,808.41	7,907.74	58,879.55
Richmond Police	1454	4029	71,215.60	60,397.01	54,332.98	185,945.59
Smithfield Police	1474	4031	27,431.61	15,239.48	6,435.21	49,106.30
Valley Falls Fire District	1555	4042	269,616.55	297,592.72	948,026.85	1,515,236.12
N. Smithfield Vol. Fire District	1395	4047	385,122.65	424,602.82	1,779,922.80	2,589,648.27
East Greenwich Fire District	1155	4050	867,310.55	(1,378,195.15)	6,607,466.61	6,096,582.01
East Greenwich Police Dept.	1154	4054	931,665.04	(1,259,533.46)	8,691,275.73	8,363,407.32
N. Kingstown Fire Depart.	1375	4055	2,171,866.58	(4,422,483.44)	19,651,759.43	17,401,142.58
N. Kingstown Police Dept.	1374	4056	1,699,819.47	1,958,878.80	7,207,663.28	10,866,361.55
Harris Fire & Lighting District	1235	4057	30,175.04	52,949.93	4,187.32	87,312.29
N. Providence Fire Dept.	1385	4058	3,296,479.20	(1,058,228.00)	15,342,267.16	17,580,518.36
Barrington Fire (25 Year Plan)	1008	4059	78,881.22	51,337.49	53,988.46	184,207.17
Barrington Police	1004	4060	735,968.72	(2,739,118.36)	7,146,021.29	5,142,871.65
Barrington Fire Department	1005	4061	595,796.23	(2,674,671.65)	10,022,016.95	7,943,141.53
Warren Police Department	1564	4062	608,814.80	(2,102,774.29)	7,024,989.43	5,531,029.94
South Kingstown Police	1494	4063	1,935,691.36	(636,812.43)	13,428,271.39	14,727,150.32
Scituate Police	1464	4073	-	-	145,669.26	145,669.26
N. Smithfield Police Dept.	1394	4076	618,676.12	(906,131.96)	5,206,809.20	4,919,353.36
Tiverton Fire Department	1534	4077	726,683.07	(1,047,446.43)	6,233,935.99	5,913,172.63
Foster Police	1194	4082	195,669.00	(78,081.54)	1,188,992.28	1,306,579.74
Woonsocket Police	1634	4085	3,013,746.28	2,230,329.43	8,141,073.60	13,385,149.31
Charlestown Police Department	1084	4086	502,632.49	61,179.68	1,872,032.30	2,435,844.47
Hopkinton Police	1264	4087	338,862.87	246,838.64	1,187,238.05	1,772,939.56
Glocester Police Department	1214	4088	375,980.45	253,495.86	1,406,408.64	2,035,884.96
W. Greenwich Police & RSQ	1604	4089	176,972.55	(53,858.01)	913,012.83	1,036,127.37
Burrillville Police Department	1034	4090	585,335.21	(343,942.66)	3,488,714.46	3,730,107.01
Cumberland Rescue	1148	4091	311,309.72	(119,978.54)	1,375,294.44	1,566,625.62
Washington Fire Department	1585	4092	157,649.64	(77,868.91)	782,936.62	862,717.35
Woonsocket Fire Department	1635	4093	2,465,074.10	2,302,085.68	4,622,127.41	9,389,287.19
Bristol Fire Department	1015	4094	32,534.18	28,914.92	75,600.34	137,049.44
Cumberland Hill Fire Dept.	1135	4095	296,100.71	636,098.72	1,036,834.07	1,969,033.50
Bristol Police	1014	4096	85,410.94	176,282.46	61,609.47	323,302.87
Coventry Fire Department	1095	4098	200,730.68	(209,621.34)	1,112,680.08	1,103,789.42
South Kingstown EMT	1505	4099	184,165.83	233,070.81	220,908.23	638,144.87



MUNICIPAL RESERVES

<u>Unit Name</u>	<u>Unit Code</u>		<u>Members Reserves</u>	<u>Employers Accumulation</u>	<u>Retirement Reserve</u>	<u>Total Reserves</u>
	<u>New</u>	<u>Old</u>				
Tiogue Fire Department	1525	4100	44,288.72	(239,514.34)	363,465.08	168,239.46
N. Cumberland Fire Dept.	1365	4101	260,654.40	(19,038.76)	1,052,437.12	1,294,052.76
Central Coventry Fire Dept.	1045	4102	222,632.22	(80,234.36)	911,959.27	1,054,357.13
Hopkins Hill Fire Dept.	1255	4103	50,843.49	37,462.69	91,231.72	179,537.90
Cranston Fire Department	1114	4104	978,274.74	1,098,822.90	781,391.69	2,858,489.33
Cranston Police Dept.	1115	4105	1,904,825.19	1,953,826.56	1,447,823.28	5,306,475.03
Cumberland Fire Dept.	1125	4106	252,498.13	66,888.39	1,010,558.37	1,329,944.89
Lincoln Rescue	1305	4107	228,513.96	264,984.22	461,044.12	954,542.30
New Shoreham Police	1344	4108	105,789.32	83,268.00	133,042.06	322,099.38



SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial accrued liability.

2. The employer normal cost rate is the total normal cost rate, less the member contribution rate. The total normal cost rate is the level percentage-of-pay contribution which would theoretically pay for all benefits if it had been made each year from the inception of the plan and if there had never been any changes of benefits, any changes of assumptions or methods, or any experience gains or losses. The normal costs are determined on an individual basis.
3. The actuarial accrued liability is the difference between the actuarial present value of all future benefits and the actuarial present value of future normal costs. It is the amount to which the normal costs would have accumulated under the assumptions described in the preceding paragraph. The unfunded actuarial accrued liability (UAAL) is the difference between the actuarial accrued liability and the actuarial value of assets.
4. The UAAL is amortized in two separate pieces. First, the UAAL as of June 30, 1988, is amortized in level (not increasing with payroll) amounts. The amortization period is 25 years from the point the unit joined the system. Units that joined the system after June 30, 1988 have their initial liability amortized over 25 years from the time they join. The remainder of the UAAL is funded by a level percentage-of-pay contribution spread over future salaries of current active members. These two amortization payments are added, and then divided by payroll to determine the amortization rate.
5. The contribution rate determined by this valuation will not be effective until two years later. However, the calculated contribution rate is used without adjustment for the deferral period. Employer contributions are assumed to be made at the middle of the year.

Actuarial Value of Assets

The actuarial value of assets is determined using a three-year smoothing of the market value assets. This method determines the difference between actual investment returns (net of investment-related and administrative expenses) and expected returns (based on the 8.25% assumed rate of return) as of the valuation date. One-third of this difference is then recognized in the current valuation's actuarial value of assets and likewise in each of the two subsequent valuations.



Actuarial Assumptions

Economic Assumptions

Investment return: 8.25% per year, compounded annually, composed of an assumed 3.00% inflation rate and a 5.25% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

Salary increase rate: A service-related component, plus a 3.00% inflation component, plus a general increase, as follows:

General Employees		
Years of Service	Service-related Component	Total Annual Rate of Increase Including 3.00% Inflation Component and 1.25% General Increase Rate
(1)	(2)	(3)
0	6.00%	10.25%
1	5.00	9.25
2	2.75	7.00
3	2.50	6.75
4	2.25	6.50
5	2.00	6.25
6	0.75	5.00
7	0.50	4.75
8	0.25	4.50
9 or more	0.00	4.25

Police & Fire		
Years of Service	Service-related Component	Total Annual Rate of Increase Including 3.00% Inflation Component and 1.50% General Increase Rate
(1)	(2)	(3)
0	11.00%	15.50%
1	4.50	9.00
2	2.00	6.50
3	1.50	6.00
4	1.25	5.75
5 or more	0.50	5.00

Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period Between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, annualized if necessary, and then increased by the salary increase assumption.

Payroll growth rate: In the amortization of the portion of the unfunded accrued liability due to changes, gains and losses since inception, payroll is assumed to increase 3.00% per year. This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.



Demographic Assumptions

Mortality rates (for active and retired members):

- Healthy males – Based on the 1994 Group Annuity Mortality Table for males.
- Healthy females - Based on the 1994 Group Annuity Mortality Table for females.
- Disabled males - PBGC Table Va for disabled males eligible for Social Security disability benefits
- Disabled females - PBGC Table Via for disabled females eligible for Social Security disability benefits.

Sample rates are shown below:

Age	Healthy Males	Healthy Females	Disabled Males	Disabled Females
(1)	(2)	(3)	(6)	(7)
25	0.07	0.03	4.83	2.63
30	0.08	0.04	3.62	2.37
35	0.09	0.05	2.78	2.14
40	0.11	0.07	2.82	2.09
45	0.16	0.10	3.22	2.24
50	0.26	0.14	3.83	2.57
55	0.44	0.23	4.82	2.95
60	0.80	0.44	6.03	3.31
65	1.45	0.86	6.78	3.70
70	2.37	1.37	7.39	4.11
75	3.72	2.27	8.42	4.92
80	6.20	3.94	11.28	7.46

Disability rates: Disability is assumed to occur in accordance with the following table with 35% of disabilities for general employees and 50% for police and fire considered occupational.

Age	General	Police & Fire
(1)	(2)	(3)
25	0.05	0.17
30	0.06	0.22
35	0.08	0.29
40	0.11	0.44
45	0.18	0.72
50	0.31	1.21
55	0.51	0.00
60	0.71	0.00
65	0.00	0.00



Termination rates (for causes other than death, disability or retirement): Termination rates are a function of the member's sex, age and service. Termination rates are not applied after a member becomes eligible for a retirement benefit. For police and firemen, no withdrawal rates are assumed. Rates at selected ages are shown:

Active Male Members - General Employees						
Years of Service						
Age	0	1	2	3	4	5+
20	0.1989	0.1979	0.1831	0.1580	0.1312	0.1148
25	0.1780	0.1634	0.1413	0.1179	0.0980	0.0883
30	0.1499	0.1297	0.1092	0.0908	0.0765	0.0700
35	0.1281	0.1056	0.0868	0.0725	0.0626	0.0575
40	0.1105	0.0894	0.0740	0.0636	0.0569	0.0517
45	0.0973	0.0811	0.0706	0.0642	0.0599	0.0539
50	0.0884	0.0805	0.0766	0.0744	0.0719	0.0653
55	0.0840	0.0877	0.0919	0.0944	0.0932	0.0874
60	0.0838	0.1024	0.1165	0.1241	0.1235	0.1202
65	0.0878	0.1243	0.1506	0.1655	0.1676	0.1713
70	0.0976	0.1573	0.1940	0.2055	0.1969	0.0000

Active Female Members - General Employees						
Years of Service						
Age	0	1	2	3	4	5+
20	0.2068	0.1830	0.1651	0.1570	0.1520	0.1433
25	0.1966	0.1639	0.1369	0.1179	0.1044	0.0963
30	0.1871	0.1462	0.1140	0.0896	0.0723	0.0647
35	0.1820	0.1342	0.0967	0.0682	0.0499	0.0436
40	0.1803	0.1266	0.0848	0.0546	0.0379	0.0345
45	0.1811	0.1231	0.0785	0.0490	0.0367	0.0400
50	0.1833	0.1228	0.0777	0.0519	0.0470	0.0637
55	0.1858	0.1252	0.0824	0.0637	0.0689	0.1088
60	0.1880	0.1298	0.0928	0.0844	0.1020	0.1753
65	0.1896	0.1365	0.1088	0.1158	0.1520	0.2783
70	0.1905	0.1464	0.1304	0.1474	0.1856	0.0000



Retirement rates: For general employees, separate male and female rates, based on age, as shown below. Police and Firemen are assumed to retire at the later of age 60 and completion of 10 years of service, or at the later of the age 55 and completion of 25 years of service, if earlier. For police and fire departments electing the optional plan paying unreduced benefits after 20 years of service, employees are assumed to retire at the later of age 55 and completion of 10 years of service, or at the later of age 50 and completion of 20 years of service, if earlier.

Expected Retirements per 100 Lives General Employees

Age	Males	Females
45	8	5
46	8	5
47	8	5
48	8	5
49	8	5
50	8	5
51	8	5
52	8	5
53	8	5
54	8	5
55	8	5
56	9	5
57	10	10
58	25	20
59	10	10
60	10	15
61	15	18
62	35	20
63	30	18
64	30	20
65	55	30
66	30	25
67	30	25
68	30	25
69	30	25
70	100	100



Other Assumptions

Percent married: 100% of employees are assumed to be married.

Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.

Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an annuity.

Percent electing deferred termination benefit: Vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.

Assumed age for commencement of deferred benefits: Members electing to receive a deferred benefit are assumed to commence receipt at the first age at which unreduced benefits are available.

Administrative expenses: The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

Inactive members: Liabilities for inactive members were approximated as a multiple of their member contribution account balances. For non-vested members, the multiple was one, and for vested inactive members, the multiple was between three and eight, depending on age and service.

Participant Data

Participant data was supplied on magnetic tape for active and inactive members and for members and beneficiaries receiving benefits.

The data for an active members included birthdate, sex, equated date of hire, salary and employee contribution account balance. For retired members and beneficiaries, the data included date of birth, sex, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and a form of payment code.

Salary supplied for the current year was based on the earnings for the June preceding the valuation date. This salary was adjusted by the salary increase rate for one year.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.



SUMMARY OF BENEFIT PROVISIONS

Authority: The Municipal Employees' Retirement System (MERS) covers employees of certain participating Rhode Island municipalities and other local governmental units, such as housing authorities, water districts, etc. Benefits are described in Rhode Island General Laws, Title 45, Chapters 19, 19.1, 21, 21.1, 21.2, and 21.3.

Plan Year: A twelve-month period ending June 30th.

Administration: MERS is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy.

Type of Plan: MERS is a qualified governmental defined benefit retirement plan. Separate contribution rates are determined for each participating governmental unit. For Governmental Accounting Standards Board purposes, it is an agent multiple-employer plan.

Eligibility: General employees, police officers and firefighters employed by electing municipalities participate in MERS. Teachers and administrators are covered by the separate Employees' Retirement System of Rhode Island, but other school employees may be covered by MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be classified as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be classified as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a separate unit from the general employees, with separate contribution rates applicable.

Employee Contributions: General employees contribute 6.00% of their salary per year, and police officers and firefighters contribute 7.00%. In addition, if the municipality has elected one of the optional cost of living provisions, an additional member contribution of 1.00% of salary is required. If a municipality elects the optional 20-year retirement provision for its police officers and/or its firefighters, an additional contribution of 1.00% of salary will be required from these members. The municipality, at its election, may choose to "pick up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414 (h).

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414 (h), are not excluded from salary.

Employer Contributions: Each participating unit's contribution rate is determined actuarially. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Average Compensation (FAC): The average of the member's highest three consecutive annual salaries. Monthly benefits are based on one-twelfth of this amount.



Retirement

Eligibility: General employees are eligible for retirement on or after age 58 if they have credit for 10 or more years of service, or at any age if they have credit for at least 30 years of service. Members designated as police officers or firefighters may retire at or after age 55 with credit for at least 10 years of service, or at any age with credit for 25 or more years of service. Members may retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elects to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member may retire at any age with 20 or more years of service.

Monthly Benefit: 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). If the optional 20-year retirement provisions are adopted by the municipality, the benefit is 2.50% of the member's monthly FAC for each year of service, up to 30 years (75% of FAC maximum). If a police officer or firefighter not covered by the 20-year retirement provision retires before age 55 with at least 20, but less than 25, years of service, benefits are reduced 0.5% per month that the member's age at retirement is less than 55.

Payment Form: Benefits are paid as a monthly life annuity. Optional forms of payment are available; see below.

Death benefit: After retirement, death benefits are based on the form of annuity elected. If no option is elected, i.e., if payments are made as a life annuity, there is a minimum death benefit equal to the sum of the member's contributions without interest, less the sum of the monthly benefit payments made before the member's death. In addition, a lump-sum death benefit is payable upon the death of any retired member, regardless of option elected. This lump sum is equal to a percentage of the lump-sum death benefit that was available to the member at the time of retirement. The percentage is 100% in the first year of retirement, 75% in the second year, 50% in the third year, and 25% in the fourth and subsequent years of retirement. However, in no event will the lump sum death benefit be less than \$4,000.

Disability Retirement

Eligibility: A member is eligible provided he/she has credit for at least five years of service or if the disability is work-related.

Ordinary Disability Benefit: The benefit payable under the retirement formula, using FAC and service at the time of disability, but not less than 10 years of service.

Occupational Disability Benefit: An annual annuity equal to two-thirds of salary at the time of disability.

Payment Form: The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump-sum to the member's beneficiary. All alternative forms of payment except for the Social Security Option are permitted in the case of disability retirement.

Deferred Termination Benefit

Eligibility: A member with at least ten years of service is vested. A vested member who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

Monthly Benefit: The monthly benefit is based on the retirement formula described above. Both FAC and service are determined at the time the member leaves active employment. Benefits may commence at age 58 or at such earlier age that the member has met the requirements for a retirement benefit.

Payment Form: The same as for Retirement above.

Death Benefit before Retirement: A member who dies after leaving active service but before retiring is entitled to receive a benefit as described on the next page in *Death Benefit of Active or Inactive Members*.

Death Benefit after Retirement: The same as for Retirement above.



Withdrawal (Refund) Benefit

Eligibility: All members leaving covered employment with less than ten years of service are eligible. Optionally, vested members (those with ten or more years of service) may withdraw their accumulated contributions in lieu of the deferred benefits otherwise due.

Benefit: The member who withdraws receives a lump-sum payment of equal to the sum of his/her employee contributions. No interest is credited on these contributions.

Death Benefit of Active or Inactive Members

Eligibility: Death must have occurred while an active member or while an inactive, non-retired member. The basic benefit plus the lump-sum benefit are paid on behalf of an active, general employee, and the special police/fire benefit and the lump-sum benefit are paid on behalf of an active police officer or firefighter. If the death was due to accidental, duty-related causes, the accidental death benefit is paid regardless of whether the employee is a general employee, a police officer, or a firefighter. Inactive members receive a refund of their accumulated contributions without interest.

Basic Benefit: Upon the death of a non-vested member, or upon the death of a vested, inactive member, or upon the death of an active, unmarried member, a refund of the member's contributions (without interest) is paid. Upon the death of a vested, married, active member, the spouse may elect (i) the refund benefit described above, or (ii) a life annuity paid to the spouse or beneficiary. The amount of the annuity is equal to the amount which would have been paid had the member retired at the time of his death and elected the Joint and 100% Survivor option. If the member was not eligible for retirement, the annuity benefit is reduced 6% per year from the date at which the member would have been eligible had he or she remained in service.

Lump-sum Benefit: \$800 per year of service, with a maximum benefit of \$16,000 and a minimum of \$4,000.

Special Police/Fire Death Benefit: In lieu of the basic benefit above, if a police officer or firefighter dies while an active member, an annuity of 30% of the member's salary will be paid to the member's spouse, for life or until remarriage. Children's benefits may also be payable.

Accidental Duty-related Death Benefit: If a member dies as the result of an accident while in the course of his or her duties, in lieu of the above benefits the member's spouse may elect to receive (i) a refund of all contributions made (including interest), and (ii) an annual life annuity equal to 50% of the member's salary at the time of death. The annuity benefit stops when the spouse remarries or dies, although it may be continued to any children under age 18 or to any dependent parents.

Optional Forms of Payment: In addition to a life annuity, MERS offers members these optional forms of payment on an actuarially equivalent basis:

Option 1 (Joint and 100% Survivor) - A life annuity payable while either the participant or his beneficiary is alive.

Option 2 (Joint and 50% Survivor) - A life annuity payable to the member while both the member and beneficiary are alive, reducing to 50% of this amount if the member predeceases the beneficiary.

Social Security Option – An annuity paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Actuarial equivalence is based on tables adopted by the Employees' Retirement Board.

Post-retirement Benefit Increase: Members employed by municipalities who elect one of the optional COLA provisions receive an increase equal to 3% of the original retirement benefit each year, beginning January 1 following the member's retirement. This increase is not tied in any way to actual increases in the cost of living, and increases are not compounded. When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

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**STATE POLICE
RETIREMENT BENEFITS TRUST**



ACTUARIAL INFORMATION

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GABRIEL, ROEDER, SMITH & COMPANY

Consultants & Actuaries

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June 12, 2002

Board of Trustees
State Police Retirement Benefits Trust
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation of SPRBT as of June 30, 2001

This is the June 30, 2001 actuarial valuation of the State Police Retirement Benefits Trust (SPRBT). This report describes the current actuarial condition of the SPRBT, determines the recommended employer contribution rate, and analyzes changes in the contribution rate. Valuations are prepared annually, as of June 30, the last day of the SPRBT plan year. Benefits for state police officers hired before July 1, 1987 are funded by the state from general assets, on a pay-as-you-go basis, and are not included in this valuation.

Under Rhode Island General Laws, the employer contribution rate for state police is certified annually by the Employees' Retirement Board. This rate is determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methods adopted by the Board or set by statute. The Board's current policy is that the contribution rate determined by a given actuarial valuation becomes effective two years after the valuation date. For example, the rate determined by the June 30, 2001 actuarial valuation will be applicable for the year beginning July 1, 2003 and ending June 30, 2004.

Financing objectives and funding policy

The actuarial cost method and the amortization periods are set by statute. The contribution rates are intended to be sufficient to pay the normal cost and to amortize the unfunded actuarial accrued liability (UAAL) in level payments over a fixed period of 28 years (30 years from June 30, 1999). The funding period is considered reasonable by the actuary.

Progress toward realization of financing objectives

The funded ratio (the ratio of the actuarial value of assets to the unfunded actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The funded ratio, as can be seen on Table 3, increased from 81.5% to 86.4%. The employer contribution rate decreased from 27.48% to 26.77%. This decrease was due to lower than expected salary increases which offset losses from investment return less than assumed. The analysis of the changes in employer costs is set forth in Table 10.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2001. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.

Assumptions and methods

All assumptions and methods are described in Appendix A which are unchanged from the last valuation.

Data

The System's staff supplied member data for active members as of June 30, 2001. There were no retirees or inactive members. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2001.

Certification

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries. All are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and they are experienced in performing valuations for large public retirement systems.

Sincerely,

Gabriel, Roeder, Smith & Company



C. Leonora Kwan, ASA, MAAA
Consultant



J. Christian Conradi, ASA, MAAA
Senior Consultant



W. Michael Carter, FSA, MAAA
Senior Consultant

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Actuarial Valuation - June 30, 2001

State Police Retirement Benefits Trust - Executive Summary

Item	2001	2000
Membership		
• Number of		
- Active members	151	152
- Retirees and beneficiaries	-	-
- Vested terminations	-	-
- Total	<u>151</u>	<u>152</u>
• Payroll for benefits	\$ 9,139,418	\$ 8,916,914
Contribution rates		
• Member	8.75%	8.75%
• State	26.77%	27.48%
Assets		
• Market value	\$ 12,544,779	\$ 11,526,493
• Actuarial value	\$ 14,386,064	\$ 11,336,596
• Return on market value	-11.0%	9.1%
• Return on actuarial value	4.9%	8.8%
• Employer contribution	\$ 1,819,930	\$ 1,508,778
Actuarial Information		
• Normal cost %	24.43%	24.87%
• Unfunded actuarial accrued liability (UAAL)	\$ 2,263,756	\$ 2,580,747
• Unfunded cost percentage	2.34%	2.61%
• Funding period	28 years	29 years
• GASB funded ratio	86.4%	81.5%
Projected employer contribution		
• Fiscal year ending June 30,	2004	2003
• Projected payroll for contributions	\$ 7,615,421	\$ 7,650,131
• Projected employer contribution	\$ 2,038,648	\$ 2,102,256



SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability.

1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 8.25 percent), of each participant's expected benefit payable at retirement or death is determined, based on his age, service, sex and compensation. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.
2. The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of his anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on his behalf.
4. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the results over 30 years from June 30, 1999.

The contribution rate determined by this valuation will not be effective until two years later, and the determination of the rate reflects this deferral. It is assumed that there will be no change in the employer normal cost rate due to the deferral, and it is assumed that payments are, on average, made at mid-year.

Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year). The phase-in begins with the period ending June 30, 1999.



Actuarial Assumptions

Economic Assumptions

Investment return: 8.25% per year, compounded annually, composed of an assumed 3.00% inflation rate and a 5.25% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

Salary increase rate: Salaries are assumed to increase at the rates shown below. These rates include an inflationary increase of 3.00%, a general increase of 2.00%, and a service-related increase as shown.

Years of Service	Service-related Component	Total Annual Rate of Increase Including 3.00% Inflation Component and 2.00% General Increase Rate
(1)	(2)	(3)
0	10.00%	15.00%
1	3.50	8.50
2	2.00	7.00
3	1.00	6.00
4 or more	0.00	5.00

Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption.

Payroll growth rate: In the amortization of the unfunded frozen liability, payroll is assumed to increase 3.00% per year. This assumption includes no allowance for future membership growth.

Demographic Assumptions

Mortality rates

- Healthy males – Based on the 1994 Group Annuity Mortality Table for males. Rates are set forward one year.
- Healthy females - Based on the 1994 Group Annuity Mortality Table for females.
- Disabled males - PBGC Table Va for disabled males eligible for Social Security disability benefits
- Disabled females - PBGC Table VIa for disabled females eligible for Social Security disability benefits.

15% of active member deaths are occupational.



Disability rates – Rates are applied, with 50% of disabilities considered occupational, and assumes no recoveries once disabled:

Age	Rate
(1)	(2)
20	0.12%
25	0.17
30	0.22
35	0.29
40	0.44
45	0.72
50	1.21

Termination rates - None

Retirement rates – State police are assumed to retire after completion of 25 years of service, or if earlier, after reaching age 50 and completing 21 years of service.

Other Assumptions

Percent married: 85% of employees are assumed to be married.

Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses. No surviving spouse will remarry and there will be no children’s benefit.

Administrative expenses: The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

Participant Data

Participant data was supplied in an electronic file for active members. The data for an active members included birthdate, sex, equated date of hire, salary and employee contribution account balance. There are currently no retirees or beneficiaries.



SUMMARY OF BENEFIT PROVISIONS

Effective Date and Authority: The State Police Retirement Benefits Plan (SPRBP) became effective on July 1, 1989 for state police officers originally hired on or after July 1, 1987. Benefits are described in Rhode Island General Laws, Title 42, Chapter 28.

Plan Year: A twelve-month period ending June 30th.

Administration: The State Police Retirement Benefits Plan is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy. Assets are commingled for investment purposes with those of the Employees' Retirement System of Rhode Island and various other plans and programs.

Type of Plan: The State Police Retirement Benefits Plan is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is a single-employer plan.

Eligibility: All state police officers, and the Superintendent of State Police, hired on or after July 1, 1987, participate in this plan. Benefits for state police officers hired before July 1, 1987 are being paid by the state from the general assets of the state, on a pay-as-you-go basis. Eligible employees become members at their date of employment.

Salary for Contribution Purposes: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Employee Contributions: State police officers contribute 8.75% of their salary per year. The state "picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

Employer Contributions: The state contributes an actuarially determined percentage of the member's annual salary. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Salary (Salary for Benefit Purposes): Benefits are determined using a different, more expansive, definition of salary than is used for determining member and employer contributions. Final Salary includes base pay, longevity increases, 400 hours of overtime pay, holiday pay and the member's clothing allowance. For members who work more than 25 years, the Final Salary shall not be more than the Final Salary in the 25th year. In determining monthly benefits, Final Salary is expressed as a monthly amount.

Retirement

Eligibility: All members are eligible for retirement at any age after completion of 20 years of service. (The Superintendent of State Police may retire on or after age 60 if he has credit for 10 years of service.)

Monthly Benefit: 50% of Final Salary, plus 3% of Final Salary for each year of service in excess of 20. (The Superintendent of State Police receives a benefit of 50% of Final Salary.) The maximum benefit is 65% of FAC.

Payment Form: Benefits are paid as a monthly life annuity. There are no optional forms of payment available.



Death benefit: After the death of a retired member, if the member was married, a benefit will be paid to the spouse equal to 2.00% of the member's Final Salary for each year of service. There is a minimum benefit of 25% of Final Salary. Benefits are increased one-third for each dependent child. The maximum benefit is 50% of Final Salary. Benefits may not begin before the spouse is age 40, and benefits stop upon the spouse's death or remarriage.

Disability Retirement

Eligibility: A member is eligible provided he/she has credit for at least ten years of service or if the disability is work-related.

Ordinary Disability Benefit: 2.00% of Final Salary for each year of service, but not less than 25% of Final Salary.

Occupational Disability Benefit: 75% of Final Salary.

Payment Form: The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity. The same provisions that apply upon the death of a retired member apply upon the death of a disabled member.

Refunds

Eligibility: All members leaving covered employment prior to eligibility for other benefits.

Benefit: A lump-sum payment equal to the sum of his/her employee contributions. No interest is credited on these contributions.

Death Benefit of Active Members

Eligibility: Death must have occurred from a service-related cause, or the member must have 10 or more years of service.

Ordinary Benefit: After the death of an active member, if the member was married, a benefit will be paid to the spouse equal to 2.00% of the member's Final Salary for each year of service. There is a minimum benefit of 25% of Final Salary. Benefits are increased one-third for each dependent child. The maximum benefit is 50% of Final Salary. Benefits may not begin before the spouse is age 40 without a dependent child, and benefits stop upon the spouse's death or remarriage.

Duty-related Death Benefit: 75% of Final Salary, paid to the spouse or other dependent relative. Benefits cease when the spouse or other relatives die or are no longer dependent.

Post-retirement Benefit Increase: Members receive an increase of \$1,500 per year (\$125.00 per month) beginning on the January 1 next following the third anniversary date of the retirement, and in every year thereafter. The increase applies to service retirement, disability retirement and death benefits. This increase is not tied in any way to actual increases in the cost of living.



PLAN NET ASSETS
(Assets at Market or Fair Value)

Item	June 30, 2001	June 30, 2000
(1)	(2)	(3)
1. Cash and cash equivalents	\$ 180,635	\$ 152,424
2. Receivables:		
a. Employer and member contributions	\$ -	\$ -
b. Due from state for teachers	-	-
c. Miscellaneous	<u>5,511</u>	<u>3,286</u>
d. Total receivables	\$ 5,511	\$ 3,286
3. Investments		
a. Pooled trust	\$ 12,354,404	\$ 11,377,097
b. Plan specific investments	<u>0</u>	<u>0</u>
c. Total	\$ 12,354,404	\$ 11,377,097
4. Invested securities lending collateral	\$ 889,111	\$ -
5. Property and equipment	\$ 15,934	\$ -
6. Total assets	\$ 13,445,595	\$ 11,532,807
7. Liabilities		
a. Benefits payable	\$ -	\$ -
b. Securities lending liability	889,111	-
c. Accounts and vouches payable	<u>11,705</u>	<u>6,314</u>
d. Total liabilities	\$ 900,816	\$ 6,314
8. Total market value of assets available for benefits		
Total (Item 6 - Item 7)	\$ 12,544,779	\$ 11,526,493



RECONCILIATION OF PLAN NET ASSETS

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
1. Market value of assets as of beginning of year	\$ 11,526,493	\$ 8,628,252
2. Contributions		
a. Members	\$ 615,081	\$ 495,937
b. State	1,819,930	1,508,778
c. Service purchases	-	-
d. Total	<u>\$ 2,435,011</u>	<u>\$ 2,004,715</u>
3. Investment earnings, net of investment expenses	\$ (1,414,680)	\$ 893,526
4. Expenditures for the year		
a. Benefit payments	\$ -	\$ -
b. Cost-of-living adjustments	-	-
c. Post-retirement death benefits	-	-
d. Pre-retirement death benefits	-	-
e. Social security supplements	-	-
f. Supplemental pensions	-	-
g. Refunds	-	-
h. Administrative expense	<u>(2,045)</u>	<u>-</u>
i. Total expenditures	\$ (2,045)	\$ -
5. Transfers and other adjustments	\$ -	\$ -
6. Market value of assets at end of year	\$ 12,544,779	\$ 11,526,493

ANALYSIS OF CHANGE IN EMPLOYER COST

<u>Basis</u>	<u>Employer Cost</u>
1. Employer fiscal 2003 cost	27.48%
2. Impact of changes, gains and losses	
a. Liability experience (gain)/loss	(1.14%)
b. Asset experience (gain)/loss	0.43%
c. Assumption change	N/A
d. Changes in provisions	N/A
e. Total	<u>(0.71%)</u>
3. Employer fiscal 2004 cost	26.77%

**JUDICIAL RETIREMENT
BENEFITS TRUST**



ACTUARIAL INFORMATION

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GABRIEL, ROEDER, SMITH & COMPANY
Consultants & Actuaries

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June 12, 2002

Board of Trustees
Judicial Retirement Benefits Trust
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation of the JRBT as of June 30, 2001

This is the June 30, 2001 actuarial valuation of the Judicial Retirement Benefits Trust (JRBT). This report describes the current actuarial condition of the JRBT, determines the recommended employer contribution rate, and analyzes changes in the contribution rate. Valuations are prepared annually, as of June 30, the last day of the JRBT plan year. Benefits for state judges hired before January 1, 1990 are funded by the state from general assets, on a pay-as-you-go basis, and are not included in this valuation.

Under Rhode Island General Laws, the employer contribution rate for Judges is certified annually by the Employees' Retirement Board. This rate is determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methods adopted by the Board or set by statute. The Board's current policy is that the contribution rate determined by a given actuarial valuation becomes effective two years after the valuation date. For example, the rate determined by the June 30, 2001 actuarial valuation will be applicable for the year beginning July 1, 2003 and ending June 30, 2004.

Financing objectives and funding policy

The actuarial cost method and the amortization periods are set by statute. The contribution rates are intended to be sufficient to pay the normal cost and to amortize the unfunded actuarial accrued liability (UAAL) in level payments over a fixed period of 28 years (30 years from June 30, 1999). The funding period is considered reasonable by the actuary.

Progress toward realization of financing objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The funded ratio, as can be seen on Table 3, increased from 75.9% to 76.4%. The employer contribution rate increased from 33.42% to 33.90%. This increase was primarily due to the lower than expected investment return. The analysis of the changes in employer costs is set forth on Table 10.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2001. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.

Assumptions and methods

All assumptions and methods are described in Appendix A and are unchanged from the last valuation.

Data

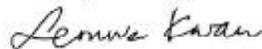
The System's staff supplied member data for active members and the one retiree as of June 30, 2001. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2001.

Certification

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries. All are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and they are experienced in performing valuations for large public retirement systems.

Sincerely,

Gabriel, Roeder, Smith & Company



C. Leonora Kwan, ASA, MAAA
Consultant



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Senior Consultant



W. Michael Carter, FSA, MAAA
Senior Consultant



Actuarial Valuation - June 30, 2001

Judicial Retirement Benefits Trust - Executive Summary

Item	2001	2000
Membership		
• Number of:		
- Active members	35	31
- Retirees and beneficiaries	1	-
- Inactive members	-	-
- Total	36	31
• Payroll supplied by ERSRI	\$ 4,092,423	\$ 3,533,354
Contribution rates		
• Member	8.75%	8.75%
• State	33.90%	33.42%
Assets		
• Market value	\$ 8,007,396	\$ 7,504,175
• Actuarial value	\$ 9,190,325	\$ 7,374,851
• Return on market value	-11.0%	9.1%
• Return on actuarial value	4.9%	8.8%
• Employer contribution	\$ 1,163,571	\$ 1,007,618
Actuarial Information		
• Normal cost %	30.34%	30.09%
• Unfunded actuarial accrued liability (UAAL)	\$ 2,835,932	\$ 2,344,757
• Amortization percentage	3.56%	3.33%
• Funding period	28 years	29 years
• GASB funded ratio	76.4%	75.9%
Projected employer contribution		
• Fiscal year ending June 30,	2004	2003
• Projected payroll	\$ 4,805,492	\$ 4,149,010
• Projected employer contribution	\$ 1,629,062	\$ 1,386,599



SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability.

1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 8.25 percent), of each participant's expected benefit payable at retirement or death is determined, based on his age, service, sex and compensation. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.
2. The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of his anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on his behalf.
4. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over 30 years from June 30, 1999.
5. The contribution rate determined by this valuation will not be effective until two years later, and the determination of the rate reflects this deferral. It is assumed that there will be no change in the employer normal cost rate due to the deferral, and it is assumed that payments are, on average, made at mid-year.

Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year). The phase-in begins with the period ending June 30, 1999.



Actuarial Assumptions

Economic Assumptions

Investment return: 8.25% per year, compounded annually, composed of an assumed 3.00% inflation rate and a 5.25% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

Salary increase rate: Salaries are assumed to increase at the rate of 5.5% per year.

Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption.

Payroll growth rate: In the amortization of the unfunded frozen liability, payroll is assumed to increase 5.50% per year. This assumption includes no allowance for future membership growth.

Demographic Assumptions

Mortality rates

- Healthy males – Based on the 1994 Group Annuity Mortality Table for males. Rates are set forward one year.
- Healthy females - Based on the 1994 Group Annuity Mortality Table for females.
- Disability rates – None
- Termination rates - None

Retirement rates – Judges are assumed to retire when eligible for an unreduced retirement benefit (age 65 with 20 years of service, or age 70 with 15 years of service). Judges who have not reached eligibility for an unreduced retirement benefit by age 75 are assumed to terminate at age 75 and receive either a reduced retirement benefit, if eligible, or a refund.

Other Assumptions

Percent married: 85% of employees are assumed to be married.

Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.

No surviving spouse will remarry and there will be no children's benefit.

Administrative expenses: The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

Participant Data

Participant data was supplied in an electronic file for active members. The data for active members included birth date, sex, equated date of hire, salary and employee contribution account balance. There are currently no retirees or beneficiaries.



SUMMARY OF BENEFIT PROVISIONS

Effective Date and Authority: The Judicial Retirement Fund (JRF) became effective on January 1, 1990 for judges hired on or after that date. Benefits are described in Rhode Island General Laws, Title 8, Chapters 3, 8, and 16, Title 28, Chapter 30, and Title 31, Chapter 43.

Plan Year: A twelve-month period ending June 30th.

Administration: The Judicial Retirement Fund is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy. Assets are commingled for investment purposes with those of the Employees' Retirement System of Rhode Island and various other plans and programs.

Type of Plan: The Judicial Retirement Fund is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is a single-employer plan.

Eligibility: All judges or justices of the supreme court, a superior court, a district court, a family court, an administrative adjudication court or a workers' compensation court participate in this plan if they were hired on or after January 1, 1990. (These are referred to collectively as state judges.) Benefits for state judges hired before January 1, 1990 are being paid by the state from the general assets of the state, on a pay-as-you-go basis. Eligible state judges become members at their date of employment.

Salary: Contributions are based on the judge's salary. Benefits are based on the judge's salary at the time of retirement.

Employee Contributions: State judges contribute 8.75% of their salary per year. The state "picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

Employer Contributions: The state contributes an actuarially determined percentage of the member's annual salary. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

Full Retirement

Eligibility: All judges are eligible for unreduced retirement at or after age 65 if the judge has served for 20 years, or at or after age 70 after 15 years of service.

Monthly Benefit: 100% of the judge's salary at retirement.

Payment Form: Benefits are paid as a monthly life annuity. There are no optional forms of payment available.

Death Benefit: After the death of a retired member, if the member was married, 50% of the retiree's benefit is paid to the surviving spouse for life (or until remarriage).

Reduced Retirement

Eligibility: A judge is eligible for a reduced retirement benefit at age 65 if the judge has served for 10 years, or at any age after 20 years of service.

Reduced Retirement Benefit: 75% of the judge's salary at retirement.

Payment Form: Same as for Full Retirement.

Death Benefit: Same as for Full Retirement.



Refunds

Eligibility: All judges leaving covered employment for a reason other than death or retirement.

Benefit: A lump-sum payment equal to the sum of his/her employee contributions. No interest is credited on these contributions.

Death Benefit of Active Members

After the death of an active member, if the member was married, a benefit will be paid to the spouse until his/her death or remarriage. The benefit is equal to 25% of the judge's salary at death if the member had less than seven years of service. If the judge had at least seven but less than 15 years of service, the benefit is equal to 1/3 of the judge's salary at death. If the judge had at least 15 years of service or if the judge was eligible for retirement, the spouse receives 50% of the judge's salary at death. Benefits are payable until the spouse's death or remarriage. Benefits may be paid to any minor children after the death of the spouse.

Post-retirement Benefit Increase: Members receive an increase equal to 3.00% of the original benefit each year, beginning in January of the year in which the member reaches the third anniversary of retirement. The increase applies to both retirement and death benefits. This increase is not tied in any way to actual increases in the cost of living. (Judges of the administrative adjudication and workers compensation courts receive a compound 3.00% increase, rather than a simple 3.00% increase.)

**PLAN NET ASSETS**
(Assets at Market or Fair Value)

Item	June 30, 2001	June 30, 2000
(1)	(2)	(3)
1. Cash and cash equivalents	\$ 114,309	\$ 100,324
2. Receivables:		
a. Employer and member contributions	\$ -	\$ -
b. Due from state for teachers	-	-
c. Miscellaneous	<u>4,032</u>	<u>2,279</u>
d. Total receivables	\$ <u>4,032</u>	\$ <u>2,279</u>
3. Investments		
a. Pooled trust	\$ 7,886,266	\$ 7,405,683
b. Plan specific investments	<u>0</u>	<u>0</u>
c. Total	\$ 7,886,266	\$ 7,405,683
4. Invested securities lending collateral	\$ 567,552	\$ -
5. Property and equipment		\$ 10,296
6. Total assets	\$ 8,582,455	\$ 7,508,286
7. Liabilities		
a. Benefits payable	\$ -	\$ -
b. Securities lending liability	567,552	-
c. Accounts and vouches payable	<u>7,507</u>	<u>4,111</u>
d. Total liabilities	\$ <u>575,059</u>	\$ <u>4,111</u>
8. Total market value of assets available for benefits		
Total (Item 6 - Item 7)	\$ 8,007,396	\$ 7,504,175



RECONCILIATION OF PLAN NET ASSETS

	June 30, 2001	June 30, 2000
1. Market value of assets as of beginning of year	\$ 7,504,175	\$ 5,625,223
2. Contributions		
a. Members	\$ 330,424	\$ 289,165
b. State	1,163,571	1,007,618
c. Service purchases	-	-
d. Total	<u>\$ 1,493,995</u>	<u>\$ 1,296,783</u>
3. Investment earnings, net of investment and administrative expenses	\$ (913,342)	\$ 582,169
4. Expenditures for the year		
a. Benefit payments	\$ (76,524)	\$ -
b. Cost-of-living adjustments	-	-
c. Post-retirement death benefits	-	-
d. Pre-retirement death benefits	-	-
e. Social security supplements	-	-
f. Supplemental pensions	-	-
g. Refunds	-	-
h. Administrative expenses	(908)	-
i. Total expenditures	<u>\$ (77,432)</u>	<u>\$ -</u>
5. Transfers and other adjustments	\$ -	\$ -
6. Market value of assets at end of year	\$ 8,007,396	\$ 7,504,175

ANALYSIS OF CHANGE IN EMPLOYER COST

Basis	Employer Cost
1. Employer fiscal 2003 cost	33.42%
2. Impact of changes, gains and losses	
a. Liability experience (gain)/loss	0.14%
b. Asset experience (gain)/loss	0.34%
c. Assumption change	N/A
f. Changes in provisions	N/A
g. Total	<u>0.48%</u>
3. Employer fiscal 2004 cost	33.90%

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EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND



STATISTICAL INFORMATION

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Distribution of Active Members by Age and by Years of Service (Teachers)
As of 06/30/2001

Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total	
	Count & Avg. Comp.																											
Under 25	157	\$23,073	62	\$30,398	3	\$27,296	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	222	\$25,176
25-29	351	\$27,502	313	\$31,971	206	\$33,979	145	\$35,963	100	\$88	88	\$42,867	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,203	\$32,803
30-34	225	\$28,872	210	\$34,698	176	\$36,895	153	\$38,305	156	\$635	635	\$45,561	132	\$132	3	\$37,520	0	0	0	0	0	0	0	0	0	0	1,690	\$40,532
35-39	189	\$31,572	134	\$38,013	106	\$39,720	75	\$40,751	59	\$297	297	\$47,273	566	\$566	44	\$55,455	0	0	0	0	0	0	0	0	0	0	1,470	\$46,365
40-44	149	\$30,472	107	\$36,983	108	\$39,600	82	\$40,201	62	\$244	244	\$49,824	410	\$410	229	\$56,376	85	\$55,703	85	\$48,165	1	\$0	0	0	0	0	1,477	\$48,493
45-49	233	\$29,060	169	\$40,985	125	\$44,458	83	\$43,841	67	\$352	352	\$50,592	510	\$510	229	\$56,828	513	\$57,796	513	\$58,529	319	\$60,875	11	0	0	2,611	\$51,473	
50-54	99	\$39,722	80	\$47,313	73	\$50,183	47	\$44,970	50	\$249	249	\$52,760	517	\$517	248	\$57,239	272	\$58,825	272	\$59,464	1,114	\$60,875	636	9	0	3,394	\$56,830	
55-59	43	\$42,902	29	\$41,726	27	\$49,623	25	\$49,062	17	\$101	101	\$55,061	217	\$217	138	\$56,462	142	\$58,367	142	\$60,910	218	\$60,515	462	82	4	1,505	\$57,724	
60-64	6	\$38,766	4	\$55,979	6	\$53,370	7	\$58,285	4	\$34	34	\$54,719	80	\$80	52	\$57,110	47	\$59,704	47	\$59,176	54	\$60,578	57	35	7	393	\$58,153	
65-69	2	\$49,539	0	\$0	1	\$59,081	3	\$51,328	2	\$1	1	\$47,013	15	\$15	9	\$57,968	14	\$56,765	14	\$59,221	23	\$61,103	11	6	1	88	\$57,405	
70 & Over	2	\$23,822	2	\$52,886	0	\$0	0	\$0	0	\$0	0	\$52,009	2	\$2	1	\$60,381	6	\$53,195	6	\$63,418	6	\$52,192	10	0	7	39	\$52,307	
Total	1,456	\$29,675	1,110	\$36,469	831	\$39,714	620	\$40,273	517	\$2,004	2,004	\$48,638	2,449	\$2,449	953	\$56,679	1,079	\$58,010	1,079	\$59,469	1,735	\$59,733	1,187	132	19	14,092	\$51,512	\$49,491



MEMBERSHIP DATA (TEACHERS)

	June 30, 2001	June 30, 2000
	(1)	(1)
1. Active members		
a. Number	14,092	13,607
b. Number vested	7,561	7,351
c. Total payroll supplied by ERSRI	\$ 697,429,469	\$ 658,603,139
d. Average salary	\$ 49,491	\$ 48,402
e. Average age	44.4	44.7
f. Average service	13.3	14.0
2. Inactive members		
a. Number	1,392	1,245
3. Service retirees		
a. Number	6,370	5,999
b. Total annual benefits	\$ 209,736,183	\$ 187,873,191
c. Average annual benefit	\$ 32,926	\$ 31,317
d. Average age	67.5	68.1
4. Disabled retirees		
a. Number	208	206
b. Total annual benefits	\$ 4,297,969	\$ 4,039,174
c. Average annual benefit	\$ 20,663	\$ 19,608
d. Average age	62.5	62.5
5. Beneficiaries and spouses		
a. Number	297	281
b. Total annual benefits	\$ 5,105,369	\$ 4,602,594
c. Average annual benefit	\$ 17,190	\$ 16,379
d. Average age	70.7	70.2



Distribution of Active Members by Age and by Years of Service (State Employees)
As of 06/30/2001
 Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total			
	Count & Avg. Comp.																													
Under 25	66	\$13,334	43	\$23,671	22	\$23,250	6	\$25,980	2	\$24,820	1	\$17,393	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	140	\$18,802
25-29	142	\$17,698	126	\$30,835	112	\$29,449	44	\$30,700	37	\$30,195	40	\$29,331	1	\$27,264	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	502	\$26,624
30-34	122	\$17,401	118	\$30,412	131	\$32,377	101	\$31,718	78	\$34,421	228	\$36,015	269	\$35,216	3	\$41,909	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1,050	\$32,049
35-39	109	\$17,366	96	\$31,126	116	\$34,555	72	\$32,661	57	\$34,840	248	\$38,282	626	\$37,647	198	\$36,944	18	\$36,944	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1,540	\$35,072
40-44	116	\$18,852	104	\$31,172	109	\$33,375	75	\$33,384	58	\$37,440	255	\$39,272	560	\$38,314	427	\$38,722	386	\$38,722	50	\$36,834	50	\$38,722	0	\$0	0	\$0	0	\$0	2,140	\$37,575
45-49	185	\$7,601	103	\$29,619	126	\$33,616	74	\$33,688	35	\$32,751	270	\$39,906	495	\$44,814	323	\$44,814	534	\$44,814	497	\$41,381	497	\$41,381	32	\$38,094	0	\$0	0	\$0	2,674	\$38,363
50-54	59	\$20,917	73	\$32,906	68	\$33,542	52	\$35,847	31	\$36,606	200	\$39,724	423	\$37,162	319	\$43,519	433	\$45,966	552	\$50,923	552	\$48,675	203	\$38,155	6	\$0	0	\$0	2,419	\$43,235
55-59	20	\$19,694	34	\$33,722	38	\$30,989	33	\$28,858	24	\$38,580	127	\$40,178	330	\$37,507	270	\$44,011	311	\$44,011	267	\$47,550	267	\$45,378	207	\$47,779	34	\$0	2	\$0	1,697	\$42,620
60-64	5	\$23,432	16	\$28,716	13	\$33,884	12	\$30,543	6	\$36,188	72	\$39,115	195	\$34,917	183	\$41,672	164	\$41,672	150	\$43,652	150	\$45,378	61	\$47,779	26	\$0	11	\$0	914	\$39,609
65-69	2	\$10,718	3	\$44,662	6	\$33,607	2	\$55,841	1	\$23,504	18	\$31,112	77	\$34,726	58	\$42,677	67	\$41,339	57	\$44,635	57	\$44,886	22	\$59,321	7	\$0	5	\$0	325	\$40,624
70 & Over	1	\$3,642	1	\$13,224	2	\$76,436	3	\$31,376	5	\$12,387	11	\$45,648	29	\$40,206	38	\$39,512	41	\$39,733	41	\$41,867	32	\$40,447	13	\$57,726	5	\$0	12	\$0	193	\$56,885
Total	827	\$15,444	717	\$30,583	743	\$32,552	474	\$32,589	334	\$34,487	1,470	\$38,455	3,005	\$37,611	1,819	\$41,644	1,954	\$43,176	1,605	\$45,885	1,605	\$49,166	538	\$48,384	78	\$0	30	\$0	13,594	\$51,337



MEMBERSHIP DATA (STATE EMPLOYEES)

	June 30, 2001	June 30, 2000
	(1)	(1)
1. Active members		
a. Number	13,594	13,305
b. Number vested	9,049	8,916
c. Total payroll supplied by ERSRI	\$ 520,929,741	\$ 499,070,777
d. Average salary	\$ 38,321	\$ 37,510
e. Average age	46.9	46.7
f. Average service	14.5	14.4
2. Inactive members		
a. Number	1,800	1,730
3. Service retirees		
a. Number	7,637	7,677
b. Total annual benefits	\$ 126,075,840	\$ 118,075,191
c. Average annual benefit	\$ 16,509	\$ 15,380
d. Average age	73.0	73.1
4. Disabled retirees		
a. Number	613	608
b. Total annual benefits	\$ 7,423,494	\$ 6,852,738
c. Average annual benefit	\$ 12,110	\$ 11,271
d. Average age	62.5	62.6
5. Beneficiaries and spouses		
a. Number	975	965
b. Total annual benefits	\$ 11,191,372	\$ 10,604,838
c. Average annual benefit	\$ 11,478	\$ 10,989
d. Average age	74.1	73.7



HISTORICAL SUMMARY OF ACTIVE MEMBER DATA

Valuation as of June 30,	Active Members		Covered Payroll		Average Salary		Average Age	Average Service
	Number	Percent Increase	Amount in \$ Millions	Percent Increase	\$ Amount	Percent Increase		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
State Employees								
1995	13,550	—	\$451	—	\$ 33,300	—	45.1	13.0
1996	12,976	(4.2%)	453	0.4%	34,900	4.8%	45.5	13.7
1997	12,865	(0.9%)	426	(6.0%)	33,103	(5.1%)	45.7	14.0
1998	13,105	1.9%	458	7.6%	34,963	5.6%	46.4	14.4
1999	13,369	2.0%	476	3.9%	35,606	1.8%	46.4	14.4
2000	13,305	(0.5%)	499	4.8%	37,510	5.3%	46.7	14.4
2001	13,594	2.2%	521	4.4%	38,321	2.2%	46.9	14.5
Teachers								
1995	12,079	—	\$496	—	\$ 41,100	—	44.8	15.9
1996	12,391	2.6%	544	9.6%	43,900	6.8%	44.9	15.5
1997	12,681	2.3%	573	5.4%	45,193	2.9%	45.1	15.1
1998	12,883	1.6%	598	4.4%	46,453	2.8%	45.0	14.9
1999	13,282	3.1%	633	5.7%	47,642	2.6%	45.0	14.6
2000	13,607	2.4%	659	4.0%	48,402	1.6%	44.7	14.0
2001	14,092	3.6%	697	5.9%	49,491	2.3%	44.4	13.3



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

ACTIVE MEMBER STATISTICS

Unit Old	Number New	Unit	Code(s)	Number	Active Employees as of June 30, 2001			Active Employees as of June 30, 2000			
					Avg. Age	Avg. Service	Avg. Salary	Number	Avg. Age	Avg. Service	Avg. Salary
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(11)
General Employee Units											
3001	1002	Barrington		81	47.0	7.7	\$ 22,183	130	48.3	9.7	\$ 26,383
3002	1012	Bristol	B	88	44.7	11.7	30,295	89	44.7	11.6	28,371
3003	1032	Burrillville	C	159	48.0	9.8	24,146	146	48.0	10.2	24,848
3004	1052	Central Falls		45	43.5	10.0	23,600	42	44.0	12.1	27,775
3005	1082	Charlestown	C	35	41.6	8.7	28,379	33	42.2	9.4	30,704
3007	1112	Cranston	B	856	48.1	9.9	23,664	797	48.2	10.3	24,057
3008	1122	Cumberland		264	47.6	7.8	20,859	239	48.3	8.0	22,097
3009	1152	East Greenwich		166	47.1	8.6	23,520	153	47.3	9.5	23,152
3010	1162	East Providence	B	491	47.0	9.1	30,355	442	47.4	9.6	29,119
3011	1183	Exeter/West Greenwich	B	68	48.7	9.5	20,646	69	47.9	9.1	25,237
3012	1192	Foster		41	48.2	8.4	17,861	40	47.3	8.5	17,422
3013	1212	Glocester	C	67	47.7	9.0	21,774	64	46.8	8.8	20,429
3014	1262	Hopkinton	C	29	48.5	7.3	27,007	29	47.9	6.6	23,868
3015	1272	Jamestown	C	72	45.3	7.9	26,577	60	45.6	8.9	29,866
3016	1282	Johnston	C	288	47.7	8.3	25,994	264	47.6	8.5	24,387
3017	1302	Lincoln		15	46.7	3.6	24,009	15	49.3	7.1	28,935
3019	1322	Middletown	C	39	43.9	9.5	31,395	29	45.2	11.5	33,800
3021	1352	Newport	B	312	47.8	11.9	28,282	319	47.2	12.2	27,482
3022	1342	New Shoreham	B	54	44.9	6.1	22,659	43	46.0	6.8	25,387
3023	1372	North Kingstown	C	345	48.9	10.9	24,538	328	48.7	11.1	24,115
3024	1382	North Providence		256	46.9	8.8	22,169	257	46.5	8.8	20,753
3025	1392	North Smithfield	B	94	47.7	7.0	21,464	89	48.1	7.9	22,618
3026	1412	Pawtucket	C	703	47.3	10.9	26,479	673	47.5	11.3	24,197
3027	1515	Union Fire District		3	54.0	11.7	28,972	3	53.0	10.7	26,200
3029	1452	Richmond		21	44.6	5.8	21,777	21	43.9	5.8	19,604
3030	1462	Scituate	B	99	48.3	7.6	19,746	97	49.1	8.6	19,802
3031	1472	Smithfield		69	50.8	8.9	26,046	141	48.9	9.3	28,681
3032	1492	South Kingstown	B	326	46.7	9.3	23,993	308	46.9	9.6	23,558
3033	1532	Tiverton		66	51.0	10.3	27,165	59	50.9	11.2	25,688
3034	1562	Warren	C	39	44.5	9.1	27,269	39	46.2	8.3	26,499
3036	1622	Westerly		1	50.0	18.0	47,144	1	49.0	17.0	44,066
3037	1602	West Greenwich		21	47.5	11.0	25,844	20	47.0	11.3	24,110
3039	1632	Woonsocket	B	428	46.9	8.9	22,700	417	47.2	9.3	21,834
3040	1073	Chariho School District		153	46.9	9.1	19,988	143	46.5	9.2	20,424
3041	1203	Foster/Glocester	B	46	50.3	9.6	22,496	43	50.2	10.0	21,527
3042	1528	Tiogue Fire & Lighting	C,5	---	---	---	---	1	36.0	3.0	7,725
3043	1336	Narragansett Housing	C	3	47.0	8.7	31,170	3	46.0	8.3	19,770
3045	1098	Coventry Lighting District	C	4	60.3	27.5	39,995	5	54.8	22.6	47,253
3046	1242	Hope Valley Fire	C	3	48.0	11.7	25,934	3	47.0	9.3	22,117
3050	1156	East Greenwich Housing	C	5	45.4	9.4	25,789	5	44.4	8.4	25,684
3051	1116	Cranston Housing	C	19	46.8	8.8	32,528	17	47.8	10.8	34,055
3052	1166	East Providence Housing	B	14	48.9	8.9	33,820	14	49.4	9.1	29,146
3053	1416	Pawtucket Housing	B	48	45.3	10.6	33,617	43	5.9	11.0	34,036
3056	1126	Cumberland Housing	C	16	44.0	3.9	24,289	14	43.3	4.4	26,743
3057	1306	Lincoln Housing	B	9	49.1	1.9	29,526	3	54.3	12.0	33,473



ACTIVE MEMBER STATISTICS

Unit Number		Unit	Code(s)	Number	Active Employees as of June 30, 2001			Active Employees as of June 30, 2000			
Old	New				Avg. Age	Avg. Service	Avg. Salary	Number	Avg. Age	Avg. Service	Avg. Salary
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(11)
3059	1016	Bristol Housing		9	47.9	11.8	\$ 23,831	9	50.4	13.6	# 27,119
3065	1036	Burrillville Housing		4	51.0	14.5	30,008	4	50.0	13.5	29,144
3066	1386	North Providence Hsg	B	8	48.8	6.6	28,887	8	48.3	5.9	21,780
3067	1177	East Smithfield Water	C	4	56.8	10.8	38,027	4	55.8	9.8	39,584
3068	1227	Greenville Water		4	44.0	12.0	42,773	4	43.0	11.0	42,127
3069	1356	Newport Housing	C	44	49.1	7.2	32,869	43	48.4	6.8	29,736
3071	1566	Warren Housing	B	6	54.2	12.0	26,077	6	56.7	15.5	30,545
3072	1286	Johnston Housing		8	51.6	10.0	30,205	8	50.6	9.0	28,935
3077	1538	Tiverton Local 2670A	C	24	49.9	9.8	25,648	21	48.7	10.1	26,912
3078	1009	Barrington COLA	C	87	50.2	13.6	26,497	28	46.3	16.2	33,960
3079	1096	Coventry Housing		12	42.1	4.3	28,123	11	40.6	3.3	22,565
3080	1496	South Kingstown Housing	C	1	45.0	2.0	28,936	2	45.0	2.5	33,281
3081	1403	N RI Collabor Adm. Svcs.	C,2	51	42.9	0.9	15,213	---	---	---	---
3083	1616	West Warwick Housing	B	8	51.1	8.9	30,345	7	49.1	9.0	27,521
3084	1476	Smithfield Housing		3	42.0	11.3	25,453	3	41.0	10.3	24,163
3094	1478	Smithfield COLA	C,2	72	47.4	9.8	31,908	---	---	---	---
3096	1056	Central Falls Housing		16	47.9	4.4	26,460	14	46.8	5.1	28,307
3098	1293	Lime Rock Admin. Svcs.		2	45.5	10.0	24,842	2	44.5	9.0	34,394
3099	1063	Central Falls Schools	C	158	46.4	7.5	20,520	137	46.4	7.9	19,770
3100	1023	Bristol/Warren Schools	B	145	47.4	8.3	21,412	149	47.4	8.8	20,828
All General Employee Units				6,627	47.4	9.4	\$ 24,828	6,210	47.5	9.8	\$ 24,514
Police & Fire Units											
4016	1285	Johnston Fire	D	8	31.4	1.4	\$ 32,641	7	30.1	0.6	\$ 22,716
4029	1454	Richmond Fire District		7	37.9	4.9	26,439	7	36.7	5.4	27,758
4031	1474	Smithfield Police	C,D	6	25.8	1.5	35,347	5	24.6	0.6	22,059
4042	1555	Valley Falls Fire	D	12	38.0	11.5	39,540	12	37.0	9.9	35,430
4047	1395	N. Smithfield Vol. Fire	B,D	19	38.6	8.1	36,579	8	41.1	8.9	32,549
4050	1155	East Greenwich Fire	C,D	23	39.7	12.4	45,167	24	38.5	14.6	42,308
4054	1154	East Greenwich Police	C,D	29	38.0	10.9	45,251	29	37.8	11.7	45,590
4055	1375	North Kingstown Fire	C,D	66	39.2	13.0	38,568	70	39.2	13.7	38,342
4056	1374	North Kingstown Police	C,D	48	37.6	12.5	39,719	48	36.7	11.9	38,867
4057	1235	Harris Fire Department	C	4	31.0	4.5	24,828	2	33.5	7.0	23,416
4058	1385	North Providence Fire	D	102	39.3	13.1	42,879	102	38.6	14.5	40,827
4059	1008	Barrington Fire (25)	C	8	32.3	2.6	28,694	5	32.8	3.6	39,939
4060	1004	Barrington Police	C,D	23	40.6	13.8	42,455	24	39.3	12.4	40,063
4061	1005	Barrington Fire (20)	C,D	13	44.6	18.8	42,323	16	44.2	19.4	40,825
4062	1564	Warren Police & Fire	C,D	20	35.9	9.9	43,435	22	36.0	10.5	41,496
4063	1494	South Kingstown Police	B,1	49	41.1	15.9	40,945	44	42.3	17.9	42,377
4064	1435	Primrose Volunteer Fire	3	---	---	---	---	8	37.8	8.1	30,429
4073	1464	Scituate Police	3	---	---	---	---	---	---	---	---
4076	1394	North Smithfield Police	C,D	21	43.4	12.4	43,230	21	42.6	11.1	41,102
4077	1534	Tiverton Fire	D	28	37.1	9.9	35,619	26	39.3	11.9	35,727
4082	1194	Foster Police	C,D	7	43.3	12.9	38,635	7	42.3	12.4	37,190
4085	1634	Woonsocket Police	C,D	96	36.3	10.8	43,403	95	35.5	10.0	41,899
4086	1084	Charlestown Police	C,D	18	38.7	11.5	40,958	16	38.0	11.9	39,709



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

ACTIVE MEMBER STATISTICS

Unit Number		Unit	Code(s)	Number	Active Employees as of June 30, 2001			Active Employees as of June 30, 2000			
Old	New				Avg. Age	Avg. Service	Avg. Salary	Number	Avg. Age	Avg. Service	Avg. Salary
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(11)
Police & Fire Units											
4087	1264	Hopkinton Police	C,D	14	37.9	10.0	\$ 35,832	12	38.1	10.4	\$ 35,469
4088	1214	Glocester Police	C,D	17	36.8	9.4	34,365	16	36.4	9.0	33,131
4089	1604	W. Greenwich Pol/RSQ.	C,D	10	36.4	11.0	32,427	8	36.8	11.4	32,431
4090	1034	Burrillville Police	C,D	23	37.3	9.9	40,541	20	36.5	10.2	40,651
4091	1148	Cumberland Rescue	C,D	17	35.0	7.4	35,131	15	33.6	8.0	31,388
4092	1585	Washington Fire	D	9	37.8	9.3	36,605	9	36.8	8.3	31,951
4093	1635	Woonsocket Fire	C,D	93	35.6	9.2	39,300	87	34.9	8.7	38,951
4094	1015	Bristol Fire		2	48.5	6.5	33,051	1	51.0	12.0	47,765
4095	1135	Cumberland Hill Fire	C,D	12	36.3	11.4	31,344	10	39.6	15.0	33,242
4096	1014	Bristol Police	C,D	12	30.7	2.7	32,556	9	29.2	1.4	23,223
4098	1095	Coventry Fire	D	14	40.1	8.1	28,798	13	39.9	10.5	28,032
4099	1505	South Kingstown EMT	C,D	13	33.8	5.2	30,189	13	32.2	4.8	31,176
4100	1525	Tiogue Fire		5	35.2	5.6	26,502	5	34.2	4.6	21,646
4101	1365	North Cumberland	D	14	38.3	10.6	38,550	14	37.3	9.4	32,383
4102	1045	Central Coventry Fire	C,D	12	35.7	7.3	34,837	13	34.5	6.9	34,703
4103	1255	Hopkins Hill Fire	D	4	31.8	5.0	30,350	4	34.3	6.0	28,368
4104	1114	Cranston Police	C,D,4	59	35.3	5.7	48,945	57	35.3	4.7	43,334
4105	1115	Cranston Fire	C,D,4	98	38.0	7.1	46,307	86	37.5	5.5	44,847
4106	1125	Cumberland Fire	B,D	11	39.4	7.6	31,951	10	42.1	10.2	33,910
4107	1305	Lincoln Rescue		19	34.3	7.4	31,920	16	34.9	8.1	33,648
4108	1344	New Shoreham Police	B,D	4	38.0	11.3	44,069	4	37.0	10.5	43,831
4109	1565	Warren Fire	3	---	---	---	---	1	53.0	15.0	42,993
All Police & Fire Units				1,069	37.6	10.1	\$ 40,355	1,021	37.3	10.4	\$ 39,017
All MERS Units				7,696	46.1	9.5	\$ 26,985	7,231	46.1	9.9	\$ 26,562

B - Municipality has adopted COLA Plan B

C - Municipality has adopted COLA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 2001 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.

5 - This unit has no active members.



Distribution of Active Members by Age and by Years of Service (General Employees)
As of 06/30/2001
 Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total	
	Count & Avg Comp.																											
Under 25	42	\$12,815	24	\$22,977	15	\$23,566	9	\$25,986	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$18,634
25-29	71	\$13,602	48	\$22,901	22	\$26,846	21	\$23,476	16	\$26,381	31	\$26,105	2	\$26,287	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$21,007
30-34	74	\$13,359	74	\$24,531	59	\$23,273	22	\$26,652	23	\$26,380	104	\$28,499	84	\$30,460	2	\$28,118	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$24,771
35-39	145	\$11,430	101	\$22,299	78	\$23,695	45	\$22,805	45	\$24,586	152	\$26,508	183	\$30,301	52	\$31,141	1	\$25,086	0	\$0	0	\$0	0	\$0	0	\$0	0	\$23,827
40-44	140	\$12,100	143	\$19,191	102	\$20,396	97	\$22,349	63	\$20,714	244	\$25,061	217	\$28,613	67	\$32,360	57	\$34,538	10	\$30,067	0	\$0	0	\$0	0	\$0	0	\$23,467
45-49	155	\$11,983	116	\$20,412	90	\$24,774	72	\$21,373	59	\$19,883	295	\$25,232	258	\$26,680	109	\$30,823	89	\$37,003	57	\$33,552	4	\$31,749	0	\$0	0	\$0	0	\$24,682
50-54	74	\$13,004	71	\$25,689	62	\$24,825	57	\$22,452	42	\$20,697	242	\$24,245	296	\$26,306	151	\$29,190	83	\$33,443	62	\$38,480	28	\$39,651	0	\$0	0	\$0	0	\$26,376
55-59	41	\$11,019	32	\$24,597	29	\$21,409	36	\$23,537	31	\$21,324	122	\$26,602	196	\$26,853	118	\$28,211	85	\$30,752	46	\$35,488	26	\$37,716	4	\$37,073	0	\$0	0	\$26,868
60-64	14	\$16,552	18	\$23,324	18	\$26,017	12	\$26,822	9	\$24,920	81	\$25,266	112	\$26,587	62	\$28,290	72	\$27,461	53	\$28,759	12	\$32,753	2	\$34,876	1	\$30,376	0	\$26,693
65-69	6	\$8,532	1	\$26,932	3	\$12,837	7	\$24,072	4	\$23,711	24	\$26,635	35	\$26,316	16	\$25,583	24	\$25,731	19	\$27,438	6	\$22,647	2	\$12,774	0	\$0	0	\$24,829
70 & Over	2	\$9,539	1	\$15,295	1	\$12,270	4	\$11,935	1	\$16,787	6	\$18,156	25	\$20,474	15	\$27,036	12	\$20,712	6	\$28,311	12	\$22,481	3	\$8,717	3	\$34,071	3	\$21,473
Total	764	\$12,326	629	\$22,104	479	\$23,287	382	\$22,805	293	\$22,115	1,301	\$25,571	1,408	\$27,492	592	\$29,576	423	\$31,962	253	\$33,386	88	\$34,279	11	\$24,522	4	\$33,147	4	\$24,828



Distribution of Active Members by Age and by Years of Service (Police & Fire)
As of 06/30/2001
 Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total		
	Count & Avg. Comp.																												
Under 25	17	\$14,647	16	\$33,792	1	\$33,965	2	\$37,027	0	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36	\$24,936
25-29	27	\$20,876	26	\$32,093	25	\$37,536	27	\$37,656	12	\$41,824	28	\$42,368	1	\$38,350	0	\$0	0	0	0	0	0	0	0	0	0	0	0	146	\$34,793
30-34	19	\$21,193	23	\$33,163	16	\$36,924	17	\$39,525	13	\$40,368	80	\$42,492	59	\$42,962	1	\$46,876	0	\$0	0	0	0	0	0	0	0	0	0	228	\$39,184
35-39	18	\$19,532	10	\$34,536	6	\$41,514	11	\$34,964	9	\$41,492	73	\$43,777	156	\$43,058	39	\$45,245	4	\$43,125	0	\$0	0	0	0	0	0	0	0	326	\$41,576
40-44	4	\$26,863	3	\$34,729	3	\$39,257	7	\$41,725	1	\$46,745	24	\$45,103	54	\$41,925	50	\$44,424	31	\$48,495	1	\$49,166	0	\$0	0	0	0	0	0	178	\$43,732
45-49	0	\$0	0	\$0	0	\$0	1	\$39,706	0	\$0	3	\$41,756	13	\$42,761	19	\$42,171	34	\$46,238	13	\$46,748	0	\$0	1	0	0	0	84	\$44,654	
50-54	0	\$0	1	\$24,501	0	\$0	0	\$0	2	\$48,629	6	\$37,827	3	\$38,599	7	\$43,430	5	\$44,371	14	\$46,977	4	\$49,012	4	0	0	0	42	\$43,477	
55-59	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1	\$60,376	0	\$0	1	\$42,663	1	\$47,558	5	\$47,068	1	\$50,082	1	0	0	10	\$47,650		
60-64	0	\$0	1	\$41,674	5	\$43,545	1	\$44,658	3	\$42,177	2	\$40,221	1	\$46,503	4	\$46,146	1	\$44,976	1	\$49,012	0	\$0	0	0	0	0	19	\$44,005	
65-69	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	\$0	
70 & Over	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	\$0	0	\$0	0	0	0	0	0	0	0	0	0	\$0	
Total	85	\$19,698	80	\$33,170	56	\$38,352	66	\$38,238	40	\$41,766	217	\$43,119	287	\$42,760	121	\$44,340	76	\$46,873	34	\$46,910	6	\$46,181	6	1	0	0	1,069	\$40,355	



RETIRED MEMBER STATISTICS

Unit Number		Unit	Code(s)	Retirees and Beneficiaries As of June 30, 2001			Retirees and Beneficiaries As of June 30, 2000		
Old	New			Number	Avg. Age	Avg. Monthly Benefit	Number	Avg. Age	Avg. Monthly Benefit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
General Employee Units									
3001	1002	Barrington		102	74.5	\$ 516	105	73.8	\$ 510
3002	1012	Bristol	B	78	73.5	731	81	73.1	706
3003	1032	Burrillville	C	69	71.9	628	68	71.9	587
3004	1052	Central Falls		25	68.1	657	26	67.7	610
3005	1082	Charlestown	C	6	69.5	1,143	5	69.6	1,094
3007	1112	Cranston	B	461	72.4	826	463	71.9	789
3008	1122	Cumberland		126	71.0	602	127	70.5	590
3009	1152	East Greenwich		71	73.2	481	70	72.7	468
3010	1162	East Providence	B	300	70.5	1,014	305	70.4	994
3011	1183	Exeter/West Greenwich	B	14	66.1	656	13	68.6	636
3012	1192	Foster		15	71.9	524	15	70.9	524
3013	1212	Glocester	C	14	66.1	699	13	65.3	714
3014	1262	Hopkinton	C	9	70.7	578	9	69.7	576
3015	1272	Jamestown	C	22	67.7	993	20	67.9	989
3016	1282	Johnston	C	147	72.2	728	147	71.6	723
3017	1302	Lincoln		1	62.0	3,037	---	---	---
3019	1322	Middletown	C	2	59.0	1,184	2	58.0	1,149
3021	1352	Newport	B	179	72.1	946	177	71.9	903
3022	1342	New Shoreham	B	7	68.3	907	7	67.3	882
3023	1372	North Kingstown	C	119	71.8	617	117	71.8	614
3024	1382	North Providence		139	72.2	520	136	72.1	500
3025	1392	North Smithfield	B	61	73.5	512	63	73.6	459
3026	1412	Pawtucket	C	423	72.4	729	427	72.2	685
3027	1515	Union Fire District		---	---	---	---	---	---
3029	1452	Richmond		8	71.9	446	8	70.9	446
3030	1462	Scituate	B	48	72.9	708	47	73.6	600
3031	1472	Smithfield		83	72.3	564	84	72.2	554
3032	1492	South Kingstown	B	97	71.6	639	90	72.2	547
3033	1532	Tiverton		54	73.8	502	55	73.1	502
3034	1562	Warren	C	55	74.0	594	56	73.2	598
3036	1622	Westerly		13	76.6	880	13	75.6	880
3037	1602	West Greenwich		4	71.0	637	5	72.6	578
3039	1632	Woonsocket	B	286	72.6	564	285	72.6	527
3040	1073	Chariho School District		21	63.0	556	18	66.0	622
3041	1203	Foster/Glocester	B	18	67.9	762	18	66.9	691
3042	1528	Tiogue Fire & Lighting	C,5	1	65.0	304	1	64.0	296
3043	1336	Narragansett Housing	C	---	---	---	---	---	---
3045	1098	Coventry Lighting District	C	---	---	---	---	---	---
3046	1242	Hope Valley Fire	C	---	---	---	---	---	---
3050	1156	East Greenwich Housing	C	---	---	---	---	---	---
3051	1116	Cranston Housing	C	10	70.9	588	9	70.6	584
3052	1166	East Providence Housing	B	10	75.9	578	11	75.4	533
3053	1416	Pawtucket Housing	B	18	76.1	704	21	76.1	652



RETIRED MEMBER STATISTICS

Unit Number		Unit	Code(s)	Retirees and Beneficiaries As of June 30, 2001			Retirees and Beneficiaries As of June 30, 2000		
Old	New			Number	Avg. Age	Avg. Monthly Benefit	Number	Avg. Age	Avg. Monthly Benefit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
General Employee Units									
3056	1126	Cumberland Housing	C	4	70.5	\$ 811	5	70.8	\$ 700
3057	1306	Lincoln Housing	B	6	71.0	1,021	5	71.8	1,030
3059	1016	Bristol Housing		3	70.7	614	2	73.0	553
3065	1036	Burrillville Housing		---	---	---	---	---	---
3066	1386	North Providence Housing	B	4	68.0	1,130	4	67.0	1,099
3067	1177	East Smithfield Water	C	---	---	---	---	---	---
3068	1227	Greenville Water		1	74.0	749	1	73.0	749
3069	1356	Newport Housing	C	10	59.9	1,256	9	58.3	1,298
3071	1566	Warren Housing	B	2	75.5	1,315	1	84.0	491
3072	1286	Johnston Housing		3	78.7	560	3	77.7	560
3077	1538	Tiverton Local 2670A	C	7	64.9	810	5	64.8	834
3078	1009	Barrington COLA	C	1	64.0	1,524	1	63.0	1,483
3079	1096	Coventry Housing		6	71.5	434	6	70.5	434
3080	1496	South Kingstown Housing	C	1	80.0	246	1	79.0	246
3081	1403	N. RI Collaborative Adm. Svcs.	C,2	---	---	---	---	---	---
3083	1616	West Warwick Housing	B	3	71.0	752	3	70.0	730
3084	1476	Smithfield Housing		---	---	---	---	---	---
3094	1478	Smithfield COLA	C,2	1	59.0	1,451	---	---	---
3096	1056	Central Falls Housing		9	67.4	1,064	9	66.4	1,064
3098	1293	Lime Rock Administrative Svcs.		---	---	---	---	---	---
3099	1063	Central Falls Schools	C	12	65.5	546	9	66.1	504
3100	1023	Bristol/Warren Schools	B	41	64.8	935	35	64.9	770
All General Employee Units				3,230	71.9	\$8,648	3,214	71.7	\$8,269
Police and Fire Units									
4016	1285	Johnston Fire	D	---	---	\$ ---	---	---	\$ ---
4029	1454	Richmond Fire District		---	---	---	---	---	---
4031	1474	Smithfield Police	C,D	---	---	---	---	---	---
4042	1555	Valley Falls Fire	D	5	56.2	1,505	5	55.2	1,505
4047	1395	N. Smithfield Voluntary Fire	B,D	---	---	---	---	---	---
4050	1155	East Greenwich Fire	C,D	15	66.3	1,482	15	65.3	1,475
4054	1154	East Greenwich Police	C,D	15	65.1	1,544	15	64.3	1,622
4055	1375	North Kingstown Fire	C,D	46	64.6	1,526	45	64.0	1,427
4056	1374	North Kingstown Police	C,D	11	53.8	2,575	9	53.0	2,378
4057	1235	Harris Fire Department	C	1	32.0	1,617	1	31.0	1,571
4058	1385	North Providence Fire	D	23	59.0	1,772	20	61.1	1,690
4059	1008	Barrington Fire (25)	C	---	---	---	---	---	---
4060	1004	Barrington Police	C,D	20	63.0	1,294	21	63.0	1,242
4061	1005	Barrington Fire (20)	C,D	30	65.0	1,196	28	65.0	1,135
4062	1564	Warren Police & Fire	C,D	25	62.1	1,416	22	62.6	1,191
4063	1494	South Kingstown Police	B,1	18	62.3	1,376	17	61.8	1,276
4073	1464	Scituate Police	3	1	72.0	497	1	71.0	497
4076	1394	North Smithfield Police	C,D	8	60.8	1,765	8	59.8	1,727



RETIRED MEMBER STATISTICS

Unit Number		Unit	Code(s)	Retirees and Beneficiaries As of June 30, 2001			Retirees and Beneficiaries As of June 30, 2000		
Old	New			Number	Avg. Age	Avg. Monthly Benefit	Number	Avg. Age	Avg. Monthly Benefit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
General Employee Units									
4077	1534	Tiverton Fire	D	17	62.9	\$ 1,237	15	62.6	\$ 1,104
4082	1194	Foster Police	C,D	2	60.0	1,203	2	59.0	1,203
4085	1634	Woonsocket Police	C,D	5	36.6	1,873	4	37.8	1,668
4086	1084	Charlestown Police	C,D	3	43.3	1,821	3	42.3	1,791
4087	1264	Hopkinton Police	C,D	1	74.0	1,010	1	73.0	978
4088	1214	Glocester Police	C,D	3	65.7	967	3	64.7	944
4089	1604	W. Greenwich Police/RSQ	C,D	2	61.5	1,575	2	60.5	1,575
4090	1034	Burrillville Police	C,D	8	58.0	1,958	8	57.0	1,918
4091	1148	Cumberland Rescue	C,D	1	38.0	1,933	3	40.3	1,193
4092	1585	Washington Fire	D	1	47.0	2,552	1	46.0	2,552
4093	1635	Woonsocket Fire	C,D	4	21.5	965	5	30.2	775
4094	1015	Bristol Fire		---	---	---	---	---	---
4095	1135	Cumberland Hill Fire	C,D	3	53.0	2,028	2	50.0	1,227
4096	1014	Bristol Police	C,D	---	---	---	---	---	---
4098	1095	Coventry Fire	D	4	35.8	1,374	2	27.5	1,192
4099	1505	South Kingstown EMT	C,D	---	---	---	---	---	---
4100	1525	Tiogue Fire		1	48.0	2,528	1	47.0	2,528
4101	1365	North Cumberland	D	3	41.0	1,440	3	40.0	1,440
4102	1045	Central Coventry Fire	C,D	2	60.5	2,187	2	59.5	2,187
4103	1255	Hopkins Hill Fire	D	---	---	---	---	---	---
4104	1114	Cranston Police	C,D,4	---	---	---	---	---	---
4105	1115	Cranston Fire	C,D,4	---	---	---	---	---	---
4106	1125	Cumberland Fire	B,D	4	55.5	1,720	3	53.7	1,519
4107	1305	Lincoln Rescue		2	45.5	\$2,042	---	---	---
4108	1344	New Shoreham Police	B,D	---	---	---	---	---	---
All Police & Fire Units				287	60.1	\$18,307	270	60.1	\$17,032
All MERS Units				3,517	70.9	\$9,436	3,484	70.8	\$8,948

B - Municipality has adopted COLA Plan B

C - Municipality has adopted COLA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 2001 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.

5 - This unit has no active members.



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

Distribution of Active Members by Age and by Years of Service (State Police)
As of 06/30/2001

Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total	
	Count	& Avg. Comp.	Count	& Avg. Comp.	Count	& Avg. Comp.																						
Under 25	0	\$0	2	\$50,228	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	2	\$50,228
25-29	0	\$0	9	\$50,228	0	\$0	6	\$56,754	0	\$0	2	\$62,915	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	17	\$54,024
30-34	0	\$0	7	\$50,228	1	\$61,490	18	\$56,409	0	\$0	29	\$62,317	10	\$66,105	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	65	\$59,950
35-39	0	\$0	2	\$50,228	0	\$0	8	\$56,409	0	\$0	25	\$62,995	17	\$64,514	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	52	\$61,988
40-44	0	\$0	2	\$50,228	0	\$0	1	\$56,409	0	\$0	5	\$63,500	6	\$67,090	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	14	\$62,636
45-49	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
50-54	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
55-59	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
60-64	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1	\$123,545	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1	\$123,545
65-69	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
70 & Over	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Total	0	\$0	22	\$50,228	1	\$61,490	33	\$56,471	0	\$0	61	\$62,712	34	\$67,172	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	151	\$60,526



MEMBERSHIP DATA (STATE POLICE)

	June 30, 2001	June 30, 2000
	(1)	(2)
1. Active members		
a. Number	151	152
b. Number vested	0	0
c. Total payroll supplied by State (for benefits)	\$ 9,139,418	\$ 8,916,914
d. Average salary	\$ 60,526	\$ 58,664
e. Average age	34.7	33.7
f. Average service	6.6	5.5
2. Inactive members		
a. Number	0	0
3. Service retirees		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A
4. Disabled retirees		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A
5. Beneficiaries and spouses		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A

Historical Summary of Active Member Data (State Police)

Valuation as of June 30,	Active Members		Covered Payroll		Average		Average Age	Average Service
	Number	Percent Increase	Amount	Percent Increase	Amount	Percent Increase		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1996	97	---	\$4,948,746	---	\$51,018	---	31.1	3.8
1997	96	(1.0%)	\$5,370,985	8.5%	\$55,948	9.7%	32.2	4.8
1998	130	35.4%	\$7,211,874	34.3%	\$55,476	(0.8%)	32.3	4.4
1999	130	0.0%	\$7,502,433	4.0%	\$57,711	4.0%	33.3	5.4
2000	152	16.9%	\$8,916,914	18.9%	\$58,664	1.7%	33.7	5.5
2001	151	(0.7%)	\$9,139,418	2.5%	\$60,526	3.2%	34.7	6.6



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

Distribution of Active Members by Age and by Years of Service (State Judges)

As of 06/30/2001
Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total			
	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.	Count	Avg. & Comp.		
Under 25	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
25-29	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
30-34	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
35-39	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
40-44	2	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
45-49	\$108,681	1	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
50-54	\$110,028	0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
55-59	\$115,530	1	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
60-64	\$106,595	2	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
65-69	\$0	0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
70 & Over	\$0	0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Total	\$108,116	5	\$109,346	2	\$0	0	\$108,319	1	\$121,031	1	\$118,180	\$115,530	22	\$125,955	4	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0



MEMBERSHIP DATA (STATE JUDGES)

	June 30, 2001	June 30, 2000
	(1)	(2)
1. Active members		
a. Number	35	31
b. Number vested	0	0
c. Total payroll supplied by State	\$ 4,092,423	\$ 3,533,354
d. Average salary	\$ 116,926	\$ 113,979
e. Average age	55.4	55.9
f. Average service	6.4	6.5
2. Inactive members		
a. Number	0	0
3. Service retirees		
a. Number	1	0
b. Total annual benefits	\$ 92,136	\$ -
c. Average annual benefit	\$ 92,136	N/A
d. Average age	73.0	N/A
4. Disabled retirees		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A
5. Beneficiaries and spouses		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A

Historical Summary of Active Member Data (State Judges)

Valuation as of June 30,	Active Members		Covered Payroll		Average		Average Age	Average Service
	Number	Percent Increase	Amount	Percent Increase	Amount	Percent Increase		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1996	27	—	\$ 2,596,860	—	\$ 96,180	—	51.5	3.2
1997	28	3.7%	\$ 2,815,218	8.4%	\$ 100,544	4.5%	53.0	4.1
1998	29	3.6%	\$ 3,039,957	8.0%	\$ 104,826	4.3%	54.0	4.9
1999	29	0.0%	\$ 3,169,183	4.3%	\$ 109,282	4.3%	55.0	5.9
2000	31	6.9%	\$ 3,533,354	11.5%	\$ 113,979	4.3%	55.9	6.5
2001	35	12.9%	\$ 4,092,423	15.8%	\$ 116,926	2.6%	55.4	6.4

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