

Annual Financial Report

for the fiscal year ending June 30, 2004

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 Donald L. Carcieri
Governor, State of Rhode Island and Providence Plantations
State House
Providence, Rhode Island 02903

Dear Governor Carcieri:

In accordance with Rhode Island General Laws, 36-8-8 and 45-21-34, enclosed is the Sixty-eighth Annual Financial Report of the *Employees' Retirement System* and the Forty-seventh 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, 2004.

Respectfully submitted,

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



Employees Retirement Board

Paul J. Tavares, *Chairperson, General Treasurer*
 William B. Finelli, *Vice-Chairperson, Teacher Representative*
 Senator Stephen D. Alves, *Senate Finance Committee, Chairman*
 Ponzi A. Angelone, *C.L.U., Public Representative*
 Daniel L. Beardsley, *Rhode Island League of Cities and Towns*
 Roger Boccanfuso, *State Employee Representative*
 Rosemary Booth Gallogly, *State Budget Officer/Executive Director*
 Michael R. Boyce, *Retired Member Representative*
 Representative Steven M. Costantino, *House Finance Committee*
 John P. Maguire, *Teacher Representative*
 John Marginson, *Public Representative*
 Michael F. O'Keefe, *House Fiscal Advisor*
 Louis M. Prata, *Municipal Representative*
 Linda C. Riendeau, *State Employee Representative*
 Jerome F. Williams, *Department of Administration, Designee*

Employees' Retirement System of Rhode Island Administration

Frank J. Karpinski, *Executive Director*
 Diane S. Bourne, *Assistant Executive Director*
 Octavio E. Cunha, *Assistant Director - Member Services*
Assistant Director - Finance (Vacant)
 David D. Barricelli, Esq., *Board Counsel*

State Investment Commission

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. John Treat, *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.

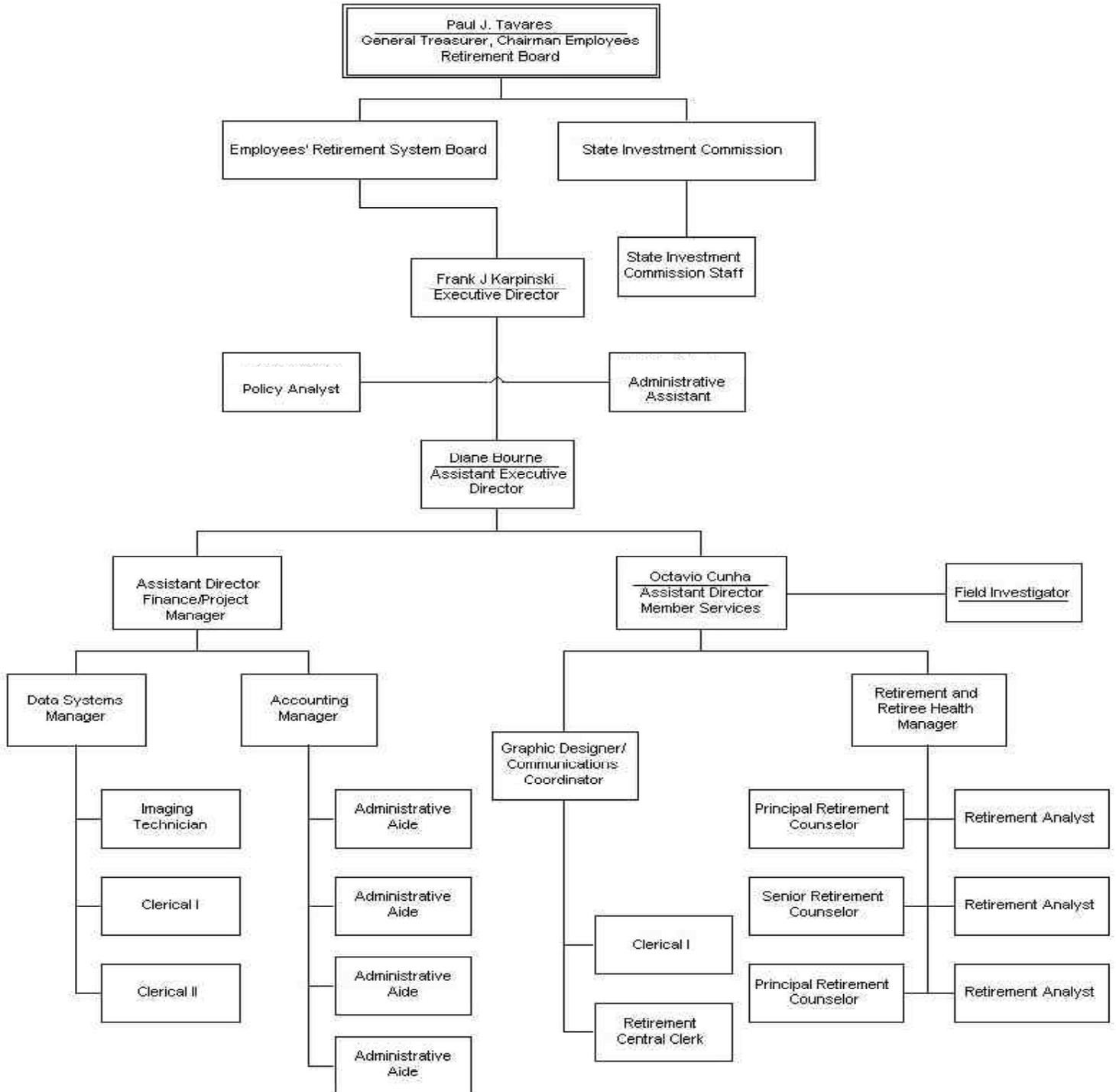
Joan M. Caine, CFA, *Deputy Treasurer for Finance*

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 Carcieri and Members of the Rhode Island General Assembly:

We are pleased to present you with 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, 2004. 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 2004 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 2004 Actuarial Valuation, the notes to the financial statements reflect the most current actuarial valuation for 2003.

Gabriel, Roeder, Smith & Company (GRS) serves as the system's actuary. Thus, the report concludes with GRS's June 30, 2004 actuarial valuation of our system.

Membership

As of June 30, 2004, active membership in the Employees' and Municipal Employees' Retirement System totaled 35,814. There are currently 44 judges contributing to the Judicial Retirement Plan and 148 state police contributing to the State Police Retirement Plan. A total of 21,621 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 2004 included \$ 342,293,399 in contributions from employers and employees and a net investment gain of \$ 1,010,206,671. The expenditures of the fund consist primarily of payments made to members and beneficiaries for retirement, disability, death, or survivor benefits. In total, benefit payments for fiscal year 2004 were \$ 519,584,767.

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 financed through investment earnings up to a maximum of .175% of the average total investments before lending activities as reported in the annual report of the Auditor General for the next preceding five (5) fiscal years. 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, 2004 amounted to \$5,475,844.

Funding

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, 2004, ERSRI was 59.6% funded for state employees, a decrease of 4.9% from the prior year. The funded ratio for teachers for June 30, 2004 was 59.3%, a decrease of 4.9% from the prior year. Due to the passage of H5270 Article 7 Substitute A as amended, which modifies benefits under ERSRI (State and Teachers only) for new members hired in the future and for current members who have less than 10 years of contributory service on or before July 1, 2005, the funded ratio as of June 30, 2003 was restated to 64.5% from 65.5% for state employees and to 64.2% from 64.9% for teachers. The Judicial Retirement Benefits Trust (JRBT) was 73.3% funded, an increase of 1.3% over the previous year while the State Police Retirement Benefits Trust (SPRBT) was 75.8% funded, an increase of 2.1% 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 81-83 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 include the 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 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, 2004 was mailed to each active member in September 2005. 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 welcome your comments on the issuance of this report.

A handwritten signature in black ink, appearing to read "Paul J. Tavares".

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



2004 RETIREMENT LEGISLATION

No major benefit changes were enacted by the General Assembly. However, several significant pieces of legislation were enacted by the Rhode Island General Assembly. Here is a summary of the relevant legislation.

Public Laws 04-551 and 04-547 - An Act Relating to Education — Teachers' Retirement

Refund on Retirement; Spouse's Benefit

Public Laws 04-551 and 04-547 address issues with the Teachers Survivor Benefit Fund. 04-551 as enacted allows all retired teachers the opportunity to withdraw their contributions from the Teacher Survivor Benefit Fund. This opportunity was available for a period of 120 days beginning July 9, 2004, and interest of 5% per year on the withdrawal was calculated only up to the date of retirement. Once the 120 days have passed, the withdrawal will only be allowed at the time of retirement.

Public Law 04-547 as enacted increases the spousal benefits under the Teacher Survivor Benefit Fund by 25%. The new law also provides a Cost Of Living Adjustment on the spousal benefit based on the annual social security adjustment. To protect the future integrity of the fund, the retirement board is mandated to adjust the contribution level to ensure that the asset to liability ratio of the fund does not fall below 120%. An actuarial study shall now be performed every 2 years rather than every 5 years pursuant to the new law. Any increase in the contribution amount shall be paid solely by the employee.

Public Law 04-379 - An Act Relating to Public Officers and Employees — Retirement System — Contributions and Benefits

Post Retirement Employment

Public Law 04-474 Raises post retirement earnings for state school and state university teachers and drivers education teachers to \$15,000.

Public Law 04-513 - An Act Relating to Town and Cities—Retirement of Municipal Employees

Acceptance by Municipalities—Effective Date

This public law gives all police officers in Smithfield the opportunity to join MERS. Currently, only those hired after 7/2/99 have the option. The law requires the Town of Smithfield to pass a resolution making this effective, and it requires that no resolution may be adopted until an actuarial study has been conducted to determine the potential cost of such a resolution. The Town of Smithfield must pay for the study.

Public Law 04-242 - An Act Relating To Towns and Cities—Burrillville

Burrillville Police—Optional twenty-year retirement on service allowance

This public law authorizes the Town of Burrillville to provide for a special twenty-year retirement option for its police.

**EMPLOYEES RETIREMENT SYSTEM
OF RHODE ISLAND**

FINANCIAL SECTION

FINANCIAL SECTION



NEST A. ALMONTE, CPA, CFE
AUDITOR GENERAL
ernest.almonte@oag.ri.gov

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:

RETIREMENT BOARD OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE
STATE OF RHODE ISLAND:

We have audited the accompanying basic financial statements of the Employees' Retirement System of the State of Rhode Island (the System) as of June 30, 2004 and for the year then ended, as listed in the table of contents. 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 present only the Pension Trust Funds of the State of Rhode Island and Providence Plantations (the State) and do not purport to, and do not, present fairly the financial position of the State, as of June 30, 2004, and the changes in its financial position for the year then ended 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 fiduciary net assets of the plans within the System as of June 30, 2004, and the changes in fiduciary 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 May 20, 2005 on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis beginning on page 3 and the Schedules of Funding Progress and the Schedules of Contributions from the Employers and Other Contributing Entity on pages 25 and 26 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Ernest A. Almonte, CPA, CFE
Auditor General

May 20, 2005



Management of the Employees' Retirement System (the System) provides this Management's Discussion and Analysis of their financial performance for the readers of the System's financial statements. This narrative provides an overview of the System's financial activity for the fiscal year ended June 30, 2004. This analysis is to be considered in conjunction with the financial statements to provide an objective analysis of the System's financial activities based on the status of the System and issues currently facing management.

Understanding the Employees' Retirement System Financial Statements

The Employees' Retirement System administers defined benefit pension plans for state employees, teachers, state police, judges and participating municipal employees. State employees and teachers are combined in one plan while state police, judges and municipal employees are each separate plans. The *Statement of Plan Net Assets* provides a snapshot of the financial position of the System at June 30, 2004. The *Statement of Changes in Plan Net Assets* summarizes the additions and deductions that occurred during the fiscal year. The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the financial statements. The *Required Supplementary Information* consists of schedules and related notes which demonstrate the System's progress in accumulating funds to meet future pension benefits for members of the System.

Financial Highlights for the Fiscal Year Ended June 30, 2004

- The System's fiduciary net assets increased by \$819.6 million from \$5.4 billion at June 30, 2003 to \$6.3 billion at June 30, 2004.
- Total pension benefits paid to members were \$519.6 million, an increase of \$49.4 million or 10.5% compared to the fiscal year ended June 30, 2003.
- Total employee and employer contributions into the System's plans increased \$42 million compared to the prior year. Total contributions from both employers and employees were \$342.3 million.
- The system incurred a net gain from investing activities of \$1.0 billion for the fiscal year ended June 30, 2004. Included in this amount is \$1.6 million in securities lending income.

Assets, Liabilities and Fiduciary Net Assets (in millions)

| | <u>June 30, 2004</u> | <u>June 30, 2003</u> |
|--|----------------------|----------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 9.5 | \$ 3.4 |
| Investments | 6,193.8 | 5,386.7 |
| Contributions receivable | 49.7 | 39.3 |
| Due from other plans | 24.8 | 14.7 |
| Invested securities lending collateral | 806.5 | 582.4 |
| Property and equipment | <u>14.5</u> | <u>15.4</u> |
| Total assets | 7,098.8 | 6,041.9 |
| Liabilities: | | |
| Accounts payable | 7.6 | 4.5 |
| Due to other plans | 24.8 | 14.7 |
| Securities lending liability | <u>806.5</u> | <u>582.4</u> |
| Total liabilities | 838.9 | 601.6 |
| Net assets: | <u>\$ 6,259.9</u> | <u>\$ 5,440.3</u> |



**Summary of Changes in Fiduciary Net Assets
(in millions)**

| | <u>Year Ended June 30, 2004</u> | <u>Year Ended June 30, 2003</u> |
|---|-------------------------------------|-------------------------------------|
| Additions: | | |
| Contributions | \$ 342.3 | \$ 300.5 |
| Net investment gain (loss) | <u>1,010.2</u> | <u>147.2</u> |
| Total Additions | 1,352.5 | 447.7 |
| Deductions: | | |
| Benefits | 591.5 | 470.1 |
| Refunds of contributions | 7.9 | 6.6 |
| Administrative expenses | <u>5.5</u> | <u>5.0</u> |
| Total Deductions | 532.9 | 481.7 |
| Increase (Decrease) in Fiduciary Net Assets: | \$ 819.6 | \$ (34.0) |
| Net Assets: | | |
| Beginning of year | <u>5,440.3</u> | <u>5,474.3</u> |
| End of year | <u>\$ 6,259.9</u> | <u>\$ 5,440.3</u> |

Investments

The State Investment Commission (SIC) establishes long-term asset allocation policy and monitors investment performance of the plan. An asset/liability (A/L) study is conducted every two to three years to identify an optimal diversified investment portfolio that maximizes return within an acceptable level of risk. As long-term investors, the SIC is committed to its strategic asset allocation that has been developed as part of a comprehensive A/L study which incorporates capital market return expectations, risks and correlations associated with each asset class as well as the unique profile and objectives of the System. As a defined benefit plan, the System generally has a much longer time horizon than individual investors and is better positioned to withstand short-term volatility of the capital markets.

The following asset allocation targets were in place during fiscal year 2004.

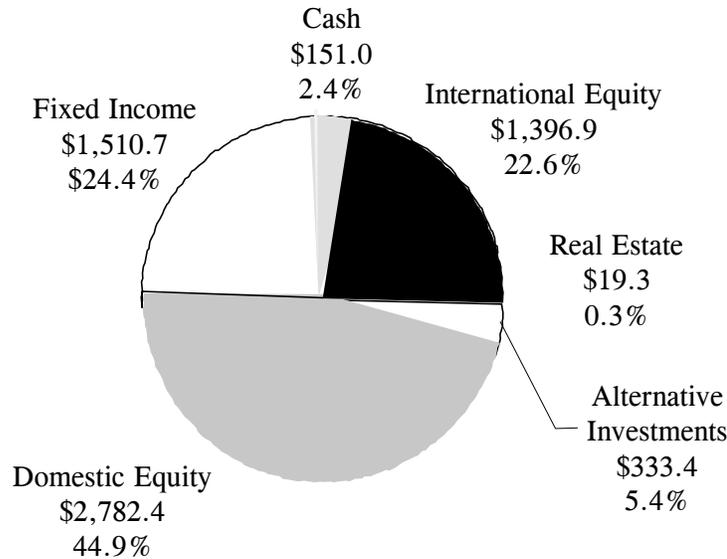
Fiscal 2004 – Asset Allocation Targets

| | |
|-------------------------|-------|
| Domestic Equity | 42.5% |
| International Equity | 20.0% |
| Fixed Income | 25.0% |
| Alternative Investments | 7.5% |
| Real Estate (1) | 5.0% |

(1) The real estate allocation was established in January 2003. The majority of this allocation was invested at June 30, 2004 in the domestic and international equities portfolios, which will fund approved real estate investments over time.



Asset Allocation - Actual
Fair market value (in millions) at June 30, 2004



The domestic equity component includes fixed income securities as part of an enhanced index portfolio benchmarked to the S&P 500.

The allocation of assets among stocks, bonds and alternative investments can have a significant impact on investment performance. In light of its long time horizon, the SIC is able to take advantage of historical long-term return opportunities offered by equity investments.

Investment Performance

The System's one-year, three-year and five-year time weighted rates of return for the periods ended June 30, 2004 were 19.5%, 4.4% and 2.0%, respectively.

The equity markets worldwide continued their rally during fiscal year 2004. The United States equity markets, as measured by the Wilshire 5000 Index, returned 21.2% for the year. Internationally, markets were up 32.4%, as measured by the Morgan Stanley Capital Investment all Country World Index (MSCI ACWI) excluding the United States. Markets were driven by a global acceleration in growth, investor confidence and historically low interest rates. The Federal Reserve's one quarter of a percent rate hike on June 30th ended a four-year period of decreases that included thirteen rate cuts. While terrorism fears and uncertainty surrounding the war in Iraq and geopolitical uncertainty remained on the front pages, investors saw a global recovery and the high growth rates in corporate profits as compelling reason to purchase equities. As the US recovery became more evident near the end of the year and the debate over a jobless recovery quieted, interest rates rose and resulted in a nearly flat year for the bond market, which returned 0.3% as measured by the Lehman Aggregate Index.

For the fiscal year ended June 30, 2004 the domestic equity portfolio was up 23.4% (vs. 19.1% for the S&P 500), the international portfolio posted a 26.5% return (vs. 32.4% for the MSCI ACWI ex US) and the fixed income composite returned 4.1% (vs. 0.3% for the Lehman Aggregate). The private equity portfolio realized a gain of 27.1% on a time-weighted total return basis for fiscal 2004 and the real estate portfolio has generated a 3.6% return. Since inception, the private equity composite has generated an internal rate of return of 13.4%.

The System's actuarial investment return assumption is 8.25%. Actuarial value of assets is determined based on a five-year smoothing methodology.

**Funding Status**

Independent actuarial valuations are conducted of the System each year. As part of this valuation, the progress toward funding pension obligations of the System is measured by comparing the actuarial value of assets to the actuarial accrued liability. This measure is referred to as the funded ratio or funded status. As reflected in the most recent actuarial valuation (June 30, 2003), the funded ratio decreased to 65.5% for State Employees and 64.9% for Teachers within the Employees Retirement System plan and decreased for the State Police to 73.7%. The Judges plan is the only plan that experienced an increase in the funding ratio to 72%. While the Municipal Employees Retirement System Plan's funded ratio declined, it remained over funded with an overall ratio of 100.7%. Details of the funded status of each plan within the System are included in the Schedules of Funding Progress on page 38.

All employers participating in the System's plans contributed 100% of their annual actuarially required contribution.

Economic Factors and Next Year's Contribution Rates

The System's investment portfolio experienced positive returns subsequent to June 30, 2004 consistent with the overall performance of domestic and international equity markets.

Employer contribution rates for fiscal 2005 increased for State employees (9.60% for fiscal 2004 compared to 11.51% for fiscal 2005), teachers (13.72% for fiscal 2004 compared to 14.84% for fiscal 2005), state police (26.77% for fiscal 2004 compared to 28.87% for fiscal 2005), and judges (33.90% for fiscal 2004 compared to 36.19% for fiscal 2005). The fiscal 2005 employer contribution rates are based upon an actuarial valuation performed at June 30, 2002.

Contacting the Employees' Retirement System's Management

This discussion and analysis presentation is designed to provide a general overview of the System's financial activity. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Employees' Retirement System, 40 Fountain Street, Providence, RI, 02903.



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Statements of Plan Net Assets
June 30, 2004

| Assets | <i>ERS</i> | <i>MERS</i> | <i>SPRBT</i> | <i>JRBT</i> | <i>Total (Memorandum Only)</i> |
|--|-------------------------|-----------------------|----------------------|----------------------|------------------------------------|
| Cash and cash equivalents <i>(Note 3)</i> | \$ 8,558,698 | \$ 546,815 | \$ 218,178 | \$ 170,589 | \$ 9,494,280 |
| Receivables | | | | | |
| Contributions | 24,791,198 | 2,948,170 | - | 18,342 | 27,757,710 |
| Due from State for teachers | 18,428,459 | - | - | - | 18,428,459 |
| Due from other plans | 1,255,196 | 23,581,764 | - | - | 24,836,960 |
| Other | 3,483,015 | - | - | 44 | 3,483,059 |
| Total receivables | <u>47,957,868</u> | <u>26,529,934</u> | <u>-</u> | <u>18,386</u> | <u>74,506,188</u> |
| Investments at fair value <i>(Note 3)</i> | | | | | |
| Equity in Short-term Investment Fund | - | 6,525,700 | - | - | 6,525,700 |
| Equity in Pooled Trust | 5,327,151,706 | 797,601,108 | 24,272,810 | 15,649,831 | 6,164,675,455 |
| Plan Specific Investments | 22,629,221 | - | - | - | 22,629,221 |
| Total Investments before lending activities | <u>5,349,780,927</u> | <u>804,126,808</u> | <u>24,272,810</u> | <u>15,649,831</u> | <u>6,193,830,376</u> |
| Invested securities lending collateral <i>(Note 3)</i> | 696,928,405 | 104,346,689 | 3,175,436 | 2,047,351 | 806,497,181 |
| Property and equipment at cost net of accumulated depreciation <i>(Note 4)</i> | | | | | |
| Line of business system (net of accumulated depreciation \$3,107,456) | 12,488,237 | 1,838,681 | 31,065 | 19,998 | 14,377,981 |
| Computer equipment (net of accumulated depreciation \$572,958) | 142,688 | 20,859 | 299 | 193 | 164,039 |
| Total property and equipment | <u>12,630,925</u> | <u>1,859,540</u> | <u>31,364</u> | <u>20,191</u> | <u>14,542,020</u> |
| Total Assets | <u>6,115,856,823</u> | <u>937,409,786</u> | <u>27,697,788</u> | <u>17,906,348</u> | <u>7,098,870,745</u> |
| Liabilities | | | | | |
| Securities lending liability | 696,928,405 | 104,346,689 | 3,175,436 | 2,047,351 | 806,497,881 |
| Accounts payable | 6,443,172 | 1,158,605 | 26,362 | 14,784 | 7,642,923 |
| Due to other plans | 23,581,764 | 1,255,196 | - | - | 24,836,960 |
| Total Liabilities | <u>726,953,341</u> | <u>106,760,490</u> | <u>3,201,798</u> | <u>2,062,135</u> | <u>838,977,764</u> |
| Net assets held in trust for pension benefits (A schedule of funding progress for each plan is presented on page 38.) | <u>\$ 5,388,903,482</u> | <u>\$ 830,649,296</u> | <u>\$ 24,495,990</u> | <u>\$ 15,844,213</u> | <u>\$ 6,259,892,981</u> |

The accompanying notes are an integral part of this financial statement.



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Statements of Changes In Fiduciary Net Assets
Fiscal Year ended June 30, 2004

| | <u>ERS</u> | <u>MERS</u> | <u>SPRBT</u> | <u>JRBT</u> | <i>Total</i> <i>(Memorandum Only)</i> |
|--|-------------------------|-----------------------|----------------------|----------------------|--|
| Additions | | | | | |
| Contributions | | | | | |
| Member contributions | \$ 134,023,197 | \$ 19,554,401 | \$ 727,018 | \$ 472,389 | \$ 154,777,005 |
| Employer contributions | 128,029,551 | 9,406,148 | 2,224,191 | 1,830,205 | 141,490,095 |
| State contributions for teachers | 45,039,278 | - | - | - | 45,039,278 |
| Interest on service credits purchased | 897,836 | 89,185 | - | - | 987,021 |
| Total contributions | <u>307,989,862</u> | <u>29,049,734</u> | <u>2,951,209</u> | <u>2,302,594</u> | <u>342,293,399</u> |
| Investment Income | | | | | |
| Net appreciation in fair value of investments | 740,815,130 | 111,277,572 | 2,973,585 | 1,904,546 | 856,970,833 |
| Interest | 62,532,932 | 14,546,701 | 275,297 | 175,633 | 77,530,563 |
| Dividends | 35,053,694 | 5,240,647 | 148,104 | 94,507 | 40,536,952 |
| Other investment income | 41,226,400 | 6,166,358 | 178,383 | 114,222 | 47,685,363 |
| | <u>879,628,156</u> | <u>137,231,278</u> | <u>3,575,369</u> | <u>2,288,908</u> | <u>1,022,723,711</u> |
| Less investment expense | <u>(12,224,707)</u> | <u>(1,827,023)</u> | <u>(53,194)</u> | <u>(33,989)</u> | <u>(14,138,913)</u> |
| Net investment income | 867,403,449 | 135,404,255 | 3,522,175 | 2,254,919 | 1,008,584,798 |
| Securities Lending | | | | | |
| Securities lending income | 5,605,171 | 839,227 | 25,538 | 16,466 | 6,486,402 |
| Less securities lending expense | <u>(4,203,642)</u> | <u>(629,385)</u> | <u>(19,153)</u> | <u>(12,349)</u> | <u>(4,864,529)</u> |
| Net securities lending income | <u>1,401,529</u> | <u>209,842</u> | <u>6,385</u> | <u>4,117</u> | <u>1,621,873</u> |
| Total net investment income | <u>868,804,978</u> | <u>135,614,097</u> | <u>3,528,560</u> | <u>2,259,036</u> | <u>1,010,206,671</u> |
| Miscellaneous revenue | <u>27,329</u> | <u>2,214</u> | <u>-</u> | <u>-</u> | <u>29,543</u> |
| <i>Total Additions</i> | <u>1,176,822,169</u> | <u>164,666,045</u> | <u>6,479,769</u> | <u>4,561,630</u> | <u>1,352,529,613</u> |
| Deductions | | | | | |
| Benefits | | | | | |
| Retirement benefits | 357,334,428 | 34,042,081 | 69,279 | 145,209 | 391,590,997 |
| Cost of living adjustments | 92,141,222 | 4,521,232 | 750 | 4,146 | 96,667,350 |
| SRA Plus Option | 25,335,942 | 1,194,594 | - | - | 26,530,536 |
| Supplemental benefits | 1,035,359 | 325 | - | - | 1,035,684 |
| Death benefits | 3,164,600 | 595,600 | - | - | 3,760,200 |
| Total benefits | <u>479,011,551</u> | <u>40,353,832</u> | <u>70,029</u> | <u>149,355</u> | <u>519,584,767</u> |
| Refund of contributions | 6,421,543 | 1,418,758 | 10,895 | - | 7,851,196 |
| Administrative expense | <u>4,738,363</u> | <u>712,833</u> | <u>15,123</u> | <u>9,525</u> | <u>5,475,844</u> |
| <i>Total Deductions</i> | <u>490,171,457</u> | <u>42,485,423</u> | <u>96,047</u> | <u>158,880</u> | <u>532,911,807</u> |
| Net Increase | 686,650,712 | 122,180,622 | 6,383,722 | 4,402,750 | 819,617,806 |
| Net assets held in trust for pension benefits | | | | | |
| Beginning of year | <u>4,702,252,770</u> | <u>708,468,674</u> | <u>18,112,268</u> | <u>11,441,463</u> | <u>5,440,275,175</u> |
| End of year | <u>\$ 5,388,903,482</u> | <u>\$ 830,649,296</u> | <u>\$ 24,495,990</u> | <u>\$ 15,844,213</u> | <u>\$ 6,259,892,981</u> |

The accompanying notes are an integral part of this financial statement.



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 Fiduciary 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, 2003 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 | 9,398 | 1,876 | 8,925 | 4,356 | 24,555 |
| Teachers | 7,704 | 1,404 | 7,387 | 7,023 | 23,518 |
| <u>MERS</u> | | | | | |
| General Employees | 3,343 | 1,258 | 2,821 | 4,060 | 11,482 |
| Public Safety | 328 | 39 | 580 | 585 | 1,532 |
| <u>SPRBT</u> | | | | | |
| | 1 | - | - | 150 | 151 |
| <u>IRBT</u> | | | | | |
| | 2 | - | 2 | 40 | 44 |
| <i>Total by type</i> | 20,776 | 4,577 | 19,715 | 16,214 | 61,282 |

(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. | 66 |
| Municipal police and fire departments. | 44 |
| Total participating units as of June 30, 2003 | 110 |

(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 accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible 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. Commingled funds consist primarily of institutional equity index funds. The fair value of the commingled funds is 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. Other investments that are not traded on a national security exchange are valued based on audited December 31 net asset values adjusted for purchases, sales, and cash flows for the period January 1 to June 30.



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 and computer equipment recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives, ten and five years respectfully. Depreciation of the Line of Business System commences as each stage is implemented. Stage 1 was implemented on December 1, 2001. Property, plant and equipment is allocated to each plan based on its proportionate share of net assets.

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. Inter-fund 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, 2004, 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> | \$ 8,523,806 | \$ (44,141) | \$ 0 | \$ 0 |
| <i>Bank balance</i> | \$ 8,423,115 | \$ 1,030,617 | \$ 0 | \$ 0 |

The bank balances represent the plans’ deposits in short-term trust accounts that are covered by federal depository insurance. The book and bank balances include fully collateralized deposits of \$6,015,088 in ERS, and \$406 in MERS and a certificate of deposit of \$1 million in MERS with a maturity of less than sixty days. 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, 2004.

(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 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, 2004, the ERS held a loan receivable with a fair value of \$21,129,221. 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, 2003:

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.



| | <u>Short-term Investment Fund</u> | <u>Pooled Trust</u> | <u>Plan Specific</u> |
|---|---------------------------------------|-------------------------|--------------------------|
| <u>Investments - Category 1</u> | | | |
| U.S. Government and Agency Securities | | | |
| Not on securities loan | \$ - | \$ 498,995,409 | \$ - |
| On loan for securities collateral | - | 3,744,892 | - |
| Domestic Corporate Bonds and Notes | - | 549,855,216 | 22,129,221 |
| Foreign Bonds | - | 33,465,959 | - |
| Domestic Equity Securities | | | |
| Not on securities loan | - | 915,166,182 | - |
| On loan for securities collateral | - | 1,288,314 | - |
| Foreign Equity Securities | | | |
| Not on securities loan | - | 719,420,481 | - |
| On loan for securities collateral | - | 4,268,315 | - |
| Repurchase agreements | - | 1,014,614 | - |
| Subtotal | - | 2,697,219,382 | 22,129,221 |
| <u>Investments not categorized</u> | | | |
| Commingled funds | - | 2,208,899,258 | - |
| Real Estate and Alternative Investment Partnerships | - | 352,759,187 | - |
| Money Market Mutual Funds | 6,503,681 | 136,536,149 | 500,000 |
| Investments held by broker-dealers under securities loans with cash collateral | | | |
| U.S. Government and Agency Securities | - | 379,417,784 | - |
| Domestic Corporate Bonds and Notes | - | 52,536,610 | - |
| Domestic Equity Securities | - | 213,716,595 | - |
| Foreign Equity Securities | - | 143,732,595 | - |
| Securities lending short-term collateral investment pool | - | 806,497,881 | - |
| Subtotal | 6,503,681 | 4,294,096,059 | 500,000 |
| Total | \$ 6,503,681 | \$ 6,991,315,441 | \$ 22,629,221 |
| <u>Reconciliation to Statements of Fiduciary Net Assets</u> | | | |
| Total above | 6,503,681 | 6,991,315,441 | 22,629,221 |
| Net investment payable/receivable | 22,019 | (27,103,235) | - |
| Foreign Cash * | - | 3,870,126 | - |
| Domestic Cash * | - | 4,105,618 | - |
| Securities Lending short-term collateral investment pool | - | (806,497,881) | - |
| Cash equivalents | - | (1,014,614) | - |
| Investments on Statements of Fiduciary Net Assets | \$ 6,525,700 | \$ 6,164,675,455 | \$ 22,629,221 |

*Foreign cash deposits at the System's custodian bank are uncollateralized and are not covered by United States federal depository insurance. Domestic cash deposits are fully insured by the Federal Deposit Insurance Corporation.



(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. According to investment policy guidelines, derivative type instruments may be used for hedging purposes and not for leveraging plan assets.

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 25% 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 tends to increase the System's exposure to the underlying instrument. Selling futures tends 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.

Through commingled funds, the System also indirectly holds derivative type instruments, primarily equity index futures. Other types of derivative type instruments held by the commingled funds include purchased or written options, forward security contracts, forward foreign currency exchange contracts, interest rate swaps and total return swaps.

The commingled funds 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 commingled fund when the price of a security underlying the short sale increases and the commingled fund 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 100% of the market value of the domestic securities on loan and not less than 100% of the market value of the international securities on loan. There are no restrictions on the amount of loans that can be made. 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 52 days and a weighted average maturity of 118 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, 2004, management believes the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers do not exceed the amounts the borrowers owe the System. The securities on loan at year-end were \$798,705,105 (fair value), and the collateral received for those securities on loan was \$816,221,400 (fair value).

4. Property, Plant and Equipment

Property, plant and equipment consist of the line of business system and computer equipment at historical cost. Balances at June 30, 2004 were:

| | ERS | MERS | SPRBT | JRBT | Total |
|-----------------------------|---------------|--------------|-----------|-----------|---------------|
| Line of Business System | \$ 15,189,553 | \$ 2,234,792 | \$ 37,161 | \$ 23,929 | \$ 17,485,435 |
| Accumulated Depreciation | 2,701,317 | 396,112 | 6,097 | 3,931 | 3,107,457 |
| Net Line of Business System | \$ 12,488,236 | \$ 1,838,680 | \$ 31,064 | \$ 19,998 | \$ 14,377,978 |
| Equipment | \$ 641,267 | \$ 93,634 | \$ 1,271 | \$ 824 | \$ 736,996 |
| Accumulated Depreciation | 498,580 | 72,776 | 972 | 630 | 572,958 |
| Net Equipment | \$ 142,687 | \$ 20,858 | \$ 299 | \$ 194 | \$ 164,038 |

5. 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

The funding policies, as set forth in Rhode Island General Law, Section 36-10-2 and 45-21-42 provide for actuarially determined periodic contributions to the plans. 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. The valuation is prepared on the projected benefit basis, under which the present value, at the assumed rate of return (currently 8.25 percent), of each participant's expected benefit payable at retirement or death is determined, based on age, service, gender and compensation.

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. 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. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over a period not to exceed 30 years from June 30, 1999.

(b.) Contributions

Employer contribution rates for fiscal 2004 were developed based on an actuarial valuation performed as of June 30, 2001. The table on the next page displays the contribution rates for the year ended June 30, 2004.



| Plan | Employee | Employer |
|--|--|--|
| <p>ERS</p> <p>State Employees Teachers <i>Municipal funded</i></p> <p><i>State funded</i></p> | <p>8.75%</p> <p>9.50%</p> | <p>9.60%</p> <p>7.99% (7.15% for towns not participating in the 1990 early retirement incentive)</p> <p>5.73% (5.16% for towns not participating in the 1990 early retirement incentive)</p> |
| <p>MERS</p> <p>General Employees</p> <p>Public Safety</p> | <p>6.00% (additional 1% with a cost-of-living adjustment)</p> <p>7.00% (additional 1% with a cost-of-living adjustment and /or 1% with a 20 year service plan), Cranston Police & Cranston Fire are contributing 10% due to special plan provisions.</p> | <p>66 Municipalities, housing authorities, water and sewer districts contributed various actuarially determined rates.</p> <p>44 Municipal police and fire departments contributed various actuarially determined rates.</p> |
| SPRBT | 8.75% | 26.77% |
| JRBT | 8.75% | 33.90% |

6. Administrative Expenses

Pursuant to General Law section 36-8-10.1, administrative costs of the System are financed through investment earnings up to a maximum of .175% of the average total investments before lending activities as reported in the annual report of the Auditor General for the next preceding five (5) fiscal years. Such amounts are transferred to a restricted receipt account within the State’s general fund. Any unencumbered funds on June 30 of any fiscal year shall be credited to the plans in the same proportion as their contributions to the restricted receipt account.

7. Post-Employment Health Care Benefits

In accordance with the General Laws, post-employment health care benefits are provided to State employee members of the ERS plan who retire on or after July 1, 1989. The benefits in general cover medical and hospitalization costs for pre-Medicare retirees and a Medicare supplement for Medicare eligible retirees. The State’s share of the costs of these benefits ranges from 50% for retirees with 10-15 years of service to 100% for retirees with 35 years of service. These benefits are provided on a pay-as-you-go basis and are not accounted for as part of the Employees’ Retirement System. The financial activity related to post-retirement benefits for state employees is reflected in the State’s general fund.

8. Commitments

In December 2004, the obligor of a mortgage loan receivable (outstanding balance of approximately \$22 million as of December 1, 2004) held by the System as a plan specific investment defaulted on its obligation. The System has a first lien on commercial real estate located in Providence, Rhode Island with a court approved appraised value of \$18.6 million. The mortgage loan receivable is guaranteed by the Rhode Island Economic Development Corporation to the extent of \$3 million. The System is pursuing its rights through U.S. Bankruptcy Court. Management cannot estimate the likelihood or amount of loss, if any, that the plan may incur.



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) | | | | | | | | |
| 6/30/2003 | \$ 2,267,673,016 | \$ | 3,461,708,161 | \$ | 1,194,035,145 | 65.5% | \$ 606,102,182 | 197.0% |
| 6/30/2002 | 2,353,855,871 | | 3,284,126,961 | | 930,271,090 | 71.7% | 586,888,754 | 158.5% |
| 6/30/2001 | 2,406,278,029 | | 3,089,247,738 | | 682,969,709 | 77.9% | 539,015,218 | 126.7% |
| 6/30/2000 | 2,345,319,663 | | 2,874,905,547 | | 529,585,884 | 81.6% | 517,632,152 | 102.3% |
| 6/30/1999* | 2,201,890,748 | | 2,607,397,329 | | 405,506,581 | 84.4% | 494,815,513 | 82.0% |
| 6/30/1998 | 2,075,619,320 | | 2,576,282,134 | | 500,662,814 | 80.6% | 477,319,627 | 104.9% |
| ERS (Teachers) | | | | | | | | |
| 6/30/2003 | \$ 3,427,685,554 | \$ | 5,284,933,149 | \$ | 1,857,247,595 | 64.9% | \$ 834,642,391 | 222.5% |
| 6/30/2002 | 3,553,823,995 | | 4,857,003,061 | | 1,303,179,066 | 73.2% | 792,015,577 | 164.5% |
| 6/30/2001 | 3,619,863,426 | | 4,679,288,010 | | 1,059,424,584 | 77.4% | 748,460,527 | 141.5% |
| 6/30/2000 | 3,514,399,312 | | 4,359,881,262 | | 845,481,950 | 80.6% | 703,201,056 | 120.2% |
| 6/30/1999* | 3,259,015,814 | | 3,967,529,172 | | 708,513,358 | 82.1% | 673,484,467 | 105.2% |
| 6/30/1998 | 3,045,858,851 | | 3,999,722,806 | | 953,863,955 | 76.2% | 636,246,593 | 149.9% |
| SPRBT | | | | | | | | |
| 6/30/2003 | \$ 20,966,294 | \$ | 28,443,717 | \$ | 7,477,423 | 73.7% | \$ 11,286,365 | 66.3% |
| 6/30/2002 | 17,770,149 | | 23,527,125 | | 5,756,976 | 75.5% | 10,933,360 | 52.7% |
| 6/30/2001 | 14,386,064 | | 16,649,820 | | 2,263,756 | 86.4% | 9,139,418 | 24.8% |
| 6/30/2000 | 11,336,596 | | 13,917,343 | | 2,580,747 | 81.5% | 8,916,914 | 28.9% |
| 6/30/1999* | 8,480,657 | | 10,841,544 | | 2,360,887 | 78.2% | 7,502,433 | 31.5% |
| 6/30/1998 | 6,756,892 | | 7,338,161 | | 581,269 | 92.1% | 7,211,874 | 8.1% |
| JRBT | | | | | | | | |
| 6/30/2003 | \$ 13,270,977 | \$ | 18,435,395 | \$ | 5,164,418 | 72.0% | \$ 5,303,153 | 97.4% |
| 6/30/2002 | 11,129,208 | | 16,243,709 | | 5,114,501 | 68.5% | 4,738,059 | 107.9% |
| 6/30/2001 | 9,190,325 | | 12,026,257 | | 2,835,932 | 76.4% | 4,092,423 | 69.3% |
| 6/30/2000 | 7,374,851 | | 9,719,608 | | 2,344,757 | 75.9% | 3,533,354 | 66.4% |
| 6/30/1999* | 5,521,693 | | 7,415,237 | | 1,893,544 | 74.5% | 3,169,183 | 59.7% |
| 6/30/1998 | 4,120,032 | | 5,048,855 | | 928,823 | 81.6% | 3,039,957 | 30.6% |
| MERS | | | | | | | | |
| 6/30/2003 | \$ 885,842,533 | \$ | 879,589,065 | \$ | (6,253,468) | 100.7% | \$ 241,201,031 | (2.6)% |
| 6/30/2002 | 907,193,399 | | 814,857,497 | | (92,335,902) | 111.3% | 247,613,063 | (37.3)% |
| 6/30/2001 | 895,475,425 | | 758,089,758 | | (137,385,667) | 118.1% | 225,827,136 | (60.8)% |
| 6/30/2000 | 885,392,216 | | 710,616,311 | | (174,775,905) | 124.6% | 207,834,738 | (84.1)% |
| 6/30/1999 | 805,493,262 | | 635,863,479 | | (169,629,783) | 126.7% | 191,234,546 | (88.7)% |
| 6/30/1998 | 737,745,574 | | 572,905,862 | | (164,839,712) | 128.8% | 181,260,006 | (90.9)% |

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> | | <u>Teachers (State)</u> | | <u>Teachers (Employers)</u> | |
|--|--|----------------------------------|--|----------------------------------|--|----------------------------------|
| | Annual Required <u>Contribution</u> | Percentage <u>Contributed</u> | Annual Required <u>Contribution</u> | Percentage <u>Contributed</u> | Annual Required <u>Contribution</u> | Percentage <u>Contributed</u> |
| 2004 | \$ 55,699,588 | 100% | \$ 45,039,279 | 100% | \$ 70,666,221 | 100% |
| 2003 | 45,141,250 | 100% | 38,242,690 | 100% | 55,504,739 | 100% |
| 2002 | 31,801,645 | 100% | 30,763,337 | 100% | 44,391,050 | 100% |
| 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% |

MERS

| Fiscal Year Ended <u>June 30</u> | Annual Required <u>Contribution</u> | Percentage <u>Contributed</u> |
|--|--|----------------------------------|
| 2004 | 9,406,147 | 100% |
| 2003 | 6,485,065 | 100% |
| 2002 | 7,536,081 | 100% |
| 2001 | 6,092,688 | 100% |
| 2000 | 5,823,861 | 100% |
| 1999 | 6,608,642 | 100% |

SPRBT

| Fiscal Year Ended <u>June 30</u> | Annual Required <u>Contribution</u> | Percentage <u>Contributed</u> |
|--|--|----------------------------------|
| 2004 | 2,224,191 | 100% |
| 2003 | 2,256,770 | 100% |
| 2002 | 2,405,041 | 100% |
| 2001 | 1,819,930 | 100% |
| 2000 | 1,508,778 | 100% |
| 1999 | 631,386 | 100% |

JRBT

| Fiscal Year Ended <u>June 30</u> | Annual Required <u>Contribution</u> | Percentage <u>Contributed</u> |
|--|--|----------------------------------|
| 2004 | 1,830,204 | 100% |
| 2003 | 1,656,965 | 100% |
| 2002 | 1,458,093 | 100% |
| 2001 | 1,163,571 | 100% |
| 2000 | 1,007,618 | 100% |
| 1999 | 737,414 | 100% |
| 1998 | 744,054 | 100% |

See notes to required supplementary information



NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

1. Schedules of Funding Progress

Effective with the June 30, 2003 valuation, material changes were made to the termination, payroll growth and salary increase assumptions. Changes were also made to the general mortality rates and mortality rates used for disabled lives. The disability and retirement tables were also adjusted to reflect the plan experience. Particularly, the salary increase rates for state employees were changed from 4.25% - 14.25% to 4.5% - 8.25%. The base salary increase rates were increased from 4.25% to 4.5% for all teachers and MERS General Employees, and decreased from 5.5% to 5.25% for Judges. The payroll growth rate was increased from 3.0% to 3.75% for ERS, MERS and State Police and decreased from 5.5% to 5.25% for Judges.

Effective with the June 30, 2002 valuation, the amortization period for the unfunded actuarial accrued liability for MERS was changed to 30 years from June 30, 1999 or 27 years from June 30, 2002.

Effective with the June 30, 2002 valuation, the actuarial value of assets for MERS was changed from a three-year smoothed market technique to a five-year smoothed market technique.

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 smoothing of the market value of assets.

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 Plans used the entry age normal cost method as the basis for determining employer costs in fiscal 2002. The unfunded liabilities of the plans are amortized over a 30 year period from June 30, 1999. The closed period ends 30 years from June 30, 1999.

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 | 6/30/03 | 6/30/03 | 6/30/03 | 6/30/03 | 6/30/03 |
| 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 | Level Percent of Payroll – Closed | Level Percent of Payroll – Closed | Level Percent of Payroll – Closed |
| Equivalent Single Remaining Amortization Period | 26 years | 26 years | 26 Years | 26 years | 26 years |
| Asset Valuation Method | 5 Year Smoothed Market | 5 Year Smoothed Market | 5 Year Smoothed Market | 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 | 4.50% to 8.25% | 4.50% to 17.00% | <u>General Employees</u> 4.50% to 9.00% <u>Police & Fire Employees</u> 5.00% to 15.50% | 5.00% to 15.00% | 5.25% |
| 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) |



STATE OF RHODE ISLAND and PROVIDENCE PLANTATIONS

GENERAL ASSEMBLY

OFFICE of the AUDITOR GENERAL

ERNEST A. ALMONTE, CPA, CFE
AUDITOR GENERAL
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- ♦ INTEGRITY
- ♦ RELIABILITY
- ♦ INDEPENDENCE
- ♦ ACCOUNTABILITY

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

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

RETIREMENT BOARD OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE
STATE OF RHODE ISLAND:

We have audited the statements of fiduciary net assets of the Employees' Retirement System of the State of Rhode Island (the System) as of June 30, 2004 and the related statements of changes in fiduciary net assets for the year then ended, and have issued our report thereon dated May 20, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the System's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and recommendations as findings 2004-1, 2004-2, 2004-3, and 2004-4.

A material weakness is a reportable 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 caused by error or fraud 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider findings 2004-1, 2004-2, 2004-3, and 2004-4 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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

May 20, 2005

**EMPLOYEES RETIREMENT SYSTEM
OF RHODE ISLAND**

ACTUARIAL INFORMATION

ERSRI ACTUARIAL INFORMATION



GABRIEL, ROEDER, SMITH & COMPANY
Consultants & Actuaries

5005 N. MacArthur Blvd. • Suite 870 • Irving, Texas 75038-2631 • 469-524-0000 • fax 469-524-0003

September 14, 2005

Retirement Board
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation of ERSRI as of June 30, 2004

This is the June 30, 2004 actuarial valuation of the Employees' Retirement System of Rhode Island (ERSRI), which covers 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, and 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 State of Rhode Island 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, 2004 actuarial valuation will be applicable for the year beginning July 1, 2006 and ending June 30, 2007.

Financing objectives

The actuarial cost method and the amortization periods are set by statute. Contribution rates and liabilities are computed using the Entry Age actuarial cost method. The employer contribution rate is the sum of two pieces: the employer normal cost rate and the amortization rate. The normal cost rate is determined as a percent of pay. The employer normal cost is the difference between this and the member contribution rate. The amortization rate is determined as a level percent of pay. It is the amount required to amortize the unfunded actuarial accrued liability over a closed period (30 years as of June 30, 1999). The amortization rate is adjusted

for the two-year deferral in contribution rates. Separate employer contribution rates are determined for state employees and for teachers.

Benefit provisions

The benefit provisions for new members hired in the future and for current members who have less than 10 years of contributory service as of June 30, 2005 were modified since the prior valuation by the adoption of Article 7, SUB A.

The following is a summary of the changes:

- New retirement eligibility requirements:
 - Unreduced retirement available at age 59 & 29 years of service
 - Unreduced retirement available at age 65 and 10 years of service
 - Actuarially reduced retirement available at age 55 and 20 years of service
- New formula:
 - New benefit multipliers producing 75% accrual after 38 years of service
- New COLA amount:
 - CPI-related, maximum of 3.00%
 - COLA for disabled retirees unchanged (3.00% fixed)
- New COLA start date:
 - Third anniversary of retirement
 - No change for disabled retirees
- Elimination of SRA-Plus option (Social Security Option)

The benefit provisions for all other members, including current active members who have at least ten years of contributory service as of June 30, 2005, inactive vested members who have more than ten years of contributory service, and all current retirees were unchanged.

The benefit provisions are summarized in Appendix B, and a more-detailed description of the changes can be found in the Discussion section of the report on page 7.

Because of the benefit changes, the June 30, 2003 valuation results were restated. This report shows the original June 30, 2003 results as well as the restated results under Article 7, SUB A for comparison purposes.

Even though the new provisions of Article 7, SUB A were not in effect as of the valuation date, they were recognized in the valuation because they will be in effect by the time the contribution rate determined by this valuation is effective (i.e., by July 1, 2006).

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%. For the state employees, the funded ratio decreased

to 59.6% compared to the original 2003 funded ratio of 65.5% and a restated (SUB A) funded ratio of 64.5%. For teachers the ratio is 59.3% (decreased from 64.9% last year and 64.2% as restated under SUB A).

The change in the benefit provisions decreased the contribution rates for both state employees and teachers. The state employees' rate decreased from 16.96% to 14.84% and the teachers' rate decreased from 20.01% to 16.47%.

For the June 30, 2004 valuation, the employer contribution rate increased for state employees, from the restated 14.84% to 18.40%, and for teachers, from the restated 16.47% to 19.64%. The change was principally due to the recognition of deferred asset losses from prior valuations.

Another factor affecting the employer contribution rate for state employees was the decrease in covered payroll. When covered payroll does not grow at the assumed 3.75%, the amount of dollars available to spread the amortization payment of the unfunded liability over decreases. Therefore the amortization payment as a percentage of pay increases.

An analysis of the changes in the employer contribution rates appears on Table 10.

Assumptions and methods

All assumptions and methods are described in Appendix A and are unchanged from the last valuation, except that the application of the retirement rates were modified, where necessary, due to the new retirement eligibility provisions under Article 7, SUB A. The actuarial assumptions were approved by the Board on August 11, 2004 for teachers and September 8, 2004 for state employees. We believe the assumptions are internally consistent and are reasonable, based on the actual experience of ERSRI.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. The actuarial calculations are intended to provide information for rational decision making.

The actuarial assumptions and methods used in this report comply with the parameters for disclosure that appear in GASB 25.

Data

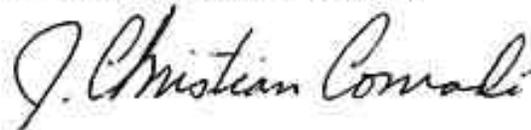
The System's staff supplied data for retired, active and inactive members as of June 30, 2004. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2004.

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. Both are Members of the Society of Actuaries and Members of the American Academy of Actuaries, they both meet the Qualifications Standards of the American Academy of Actuaries, and they are experienced in performing valuations for large public retirement systems.

Sincerely,
Gabriel, Roeder, Smith & Company



J. Christian Conradi, ASA, MAAA
Senior Consultant



W. Michael Carter, FSA, MAAA
Senior Consultant

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Actuarial Valuation - June 30, 2004

Executive Summary (State Employees)

| Item | 2004 | 2003 (Sub A) | 2003 (Valuation) |
|--|------------------|------------------|------------------|
| Membership | | | |
| • Number of: | | | |
| - Active members | 12,957 | 13,281 | 13,281 |
| - Retirees and beneficiaries | 9,674 | 9,398 | 9,398 |
| - Inactive members | <u>2,158</u> | <u>1,876</u> | <u>1,876</u> |
| - Total | 24,789 | 24,555 | 24,555 |
| • Payroll supplied by ERSRI | \$ 575,574,300 | \$ 575,919,807 | \$ 575,919,807 |
| Contribution rates | | | |
| • Member | 8.75% | 8.75% | 8.75% |
| • Employer | 18.40% | 14.84% | 16.96% |
| Assets | | | |
| • Market value | \$ 2,068,012,733 | \$ 1,811,009,064 | \$ 1,811,009,064 |
| • Actuarial value | \$ 2,202,900,345 | \$ 2,267,673,016 | \$ 2,267,673,016 |
| • Return on market value | 18.7% | 2.6% | 2.6% |
| • Return on actuarial value | 0.4% | -0.8% | -0.8% |
| • Employer contribution | \$ 55,699,588 | \$ 45,141,250 | \$ 45,141,250 |
| • Ratio of actuarial value to market value | 106.5% | 125.2% | 125.2% |
| Actuarial Information | | | |
| • Employer normal cost % | 1.42% | 1.37% | 3.83% |
| • Unamortized actuarial accrued liability (UAAL) | \$ 1,491,887,473 | \$ 1,249,679,015 | \$ 1,194,035,145 |
| • Amortization percentage | 16.98% | 13.47% | 13.13% |
| • Funding period | 25 years | 26 years | 26 years |
| • GASB funded ratio | 59.6% | 64.5% | 65.5% |
| Projected employer contribution | | | |
| • Fiscal year ending June 30, | 2007 | 2006 | 2005 |
| • Projected payroll (millions) | \$ 652.4 | \$ 652.4 | 652.4 |
| • Projected employer contribution (millions) | 120.0 | 96.8 | 110.6 |



Actuarial Valuation - June 30, 2003

Executive Summary (Teachers)

| Item | 2004 | 2003 (Sub A) | 2003 (Valuation) |
|--|------------------|------------------|------------------|
| Membership | | | |
| • Number of: | | | |
| - Active members | 14,556 | 14,410 | 14,410 |
| - Retirees and beneficiaries | 8,179 | 7,704 | 7,704 |
| - Inactive members | <u>1,836</u> | <u>1,404</u> | <u>1,404</u> |
| - Total | 24,571 | 23,518 | 23,518 |
| • Payroll supplied by ERSRI | \$ 810,064,092 | \$ 781,718,751 | \$ 781,718,751 |
| Contribution rates | | | |
| • Member | 9.50% | 9.50% | 9.50% |
| • Employer | 19.64% | 16.47% | 20.01% |
| • State share | 8.02% | 6.75% | 8.17% |
| • Local employer share | 11.62% | 9.72% | 11.84% |
| Assets | | | |
| • Market value | \$ 3,131,927,525 | \$ 2,729,820,882 | \$ 2,729,820,882 |
| • Actuarial value | \$ 3,340,527,073 | \$ 3,427,685,554 | \$ 3,427,685,554 |
| • Return on market value | 18.7% | 2.6% | 2.6% |
| • Return on actuarial value | 0.4% | -0.8% | -0.8% |
| • Employer contribution (state & local) | \$ 115,715,178 | \$ 93,747,429 | 93,747,429 |
| • Ratio of actuarial value to market value | 106.7% | 125.6% | 125.6% |
| Actuarial Information | | | |
| • Employer normal cost % | 1.59% | 1.54% | 5.09% |
| • Unamortized actuarial accrued liability (UAAL) | \$ 2,293,668,362 | \$ 1,913,941,862 | \$ 1,857,247,595 |
| • Amortization percentage | 18.05% | 14.93% | 14.92% |
| • Funding period | 25 years | 26 years | 26 years |
| • GASB funded ratio | 59.3% | 64.2% | 64.9% |
| Projected employer contribution | | | |
| • Fiscal year ending June 30, | 2007 | 2006 | 2006 |
| • Projected payroll (millions) | \$ 932.7 | 898.4 | \$ 898.4 |
| • Projected employer contribution (millions) | 183.2 | 148.0 | 179.8 |
| • State share (millions) | 74.8 | 60.6 | 73.4 |
| • Local employer share (millions) | 108.4 | 87.4 | 106.4 |



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, 2006.

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 26 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% | 0.27% | 0.27% |
| Normal cost and all other amortizations | <u>11.62%</u> | <u>7.75%</u> | <u>19.37%</u> |
| Total | 11.62% | 8.02% | 19.64% |

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% | 0.27% | 0.27% |
| Normal cost and all other amortizations | <u>10.96%</u> | <u>7.30%</u> | <u>18.26%</u> |
| Total | 10.96% | 7.57% | 18.53% |



DISCUSSION OF THE BENEFIT PROVISIONS

This report includes a summary of the benefit provision for ERSRI. There are no ancillary benefits--e.g., cost of living benefits--that are currently provided by a source independent of ERSRI but that might be deemed an ERSRI liability if continued beyond the availability of funding by the current funding source.

The benefit provisions for members hired in the future and for current members who have less than 10 years of contributory service as of June 30, 2005 were modified since the prior valuation by the adoption of Article 7, SUB A.

Retirement Eligibility

Under the ERSRI statutes, a state employee or teacher may retire with an unreduced benefit if that member meets one of the following criteria: (a) age 60 or greater with at least ten years of service credit, of (b) any age with at least 28 years of service credit.

Under Substitute A, the eligibility requirements for unreduced retirement are modified. Members in the affected group now need to meet one of the following conditions to retire with an unreduced benefit: (a) age 65 or greater with at least 10 years of service credit of (b) age 59 or greater with at least 29 years of service credit.

In addition, a provision has been added which will allow a member in the affected group to retire with a reduced benefit after attaining age 55 with at least 20 years of service credit. The benefit is calculated in the same manner as the unreduced benefit, but is reduced on an actuarial basis for each year the member's age at retirement is less than 65.

The retirement eligibility conditions for correctional officers, MHRH nurses, and legislators were not changed.

Retirement Benefit Formula

Under ERSRI statutes, when a state employee or teacher retires, the benefit payable is a percentage of the final average compensation of the member. This percentage depends on the member's years of service at retirement.

Substitute A decreased the multipliers used to determine the percentage of final average compensation, as shown in the table below:

| Accruals for Each Year of Service | | |
|--|-----------------------|----------------------------|
| <u>Service Years</u> | <u>Current</u> | <u>Substitute A</u> |
| 01-10 | 1.70% | 1.60% |
| 11-20 | 1.90% | 1.80% |
| 21-25 | 3.00% | 2.00% |
| 26-30 | 3.00% | 2.25% |
| 31-34 | 3.00% | 2.50% |
| 35 | 2.00% | 2.50% |
| 36-37 | NA | 2.50% |
| 38 | NA | 2.25% |
| Maximum Percentage | 80.00% | 75.00% |

This formula change applies to all teachers and most state employees, including MHRH nurses, covered by ERSRI. However, legislators and correctional officers would retain their special formulas.



Cost of Living Adjustments (COLAs)

At this time, members who enter payment status receive compounded annual increases in their retirement benefit. The amount of the increase is currently a fixed 3% per year, unrelated to changes in the Consumer Price Index (CPI). The first increase is paid in January of the year in which the member reaches the third anniversary of retirement.

Article 7, SUB A changes the amount of these increases for members in the affected group from a flat 3.00% increase to an increase that depends on the change in the CPI for all Urban Consumers, as published by the Bureau of Labor Statistics (CPI-U). The increase is equal to the year-to-year change in the CPI-U as of the prior September. This increase is limited to 3.00% in any year.

Article 7 SUB A also delays the first COLA increase for affected members until the third anniversary of the member's retirement. COLA increases are given throughout the year, rather than always on January 1. This change results in an additional six-month delay, on average, before the member will receive the first COLA.

Although correctional officers and legislators are unaffected by the formula change and the new retirement eligibility requirement, and although MHRH nurses are unaffected by the retirement eligibility changes, all three groups are subject to the new COLA provisions if they are in the affected group. Members who retire under disability are not affected by the COLA changes, regardless of their service or when they become a member.

These changes do not apply to current retirees or members who have at least 10 years of contributory service as of June 30, 2005. Further, the changes to the COLA do not apply to members who retire in the future with a disability retirement benefit. These members are "grandfathered," and will receive their future COLAs under the current rules.

Elimination of the SRA-Plus Option

Members in the affected group will no longer be able to choose the SRA+ option at retirement.



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. The normal cost is determined using the plan provisions applicable to members becoming participants after June 30, 2005.
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 made monthly throughout the 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 returns are computed net of administration and investment expenses.



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 shown below, plus a 3.00% inflation component, plus a 1.50% general increase, as follows:

| State Employees | | |
|------------------------|---------------------------|---|
| 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 | 3.75% | 8.25% |
| 1 | 3.50 | 8.00 |
| 2 | 3.25 | 7.75 |
| 3 | 3.00 | 7.50 |
| 4 | 2.75 | 7.25 |
| 5 | 2.50 | 7.00 |
| 6 | 1.75 | 6.25 |
| 7 | 1.50 | 6.00 |
| 8 | 1.25 | 5.75 |
| 9 | 1.00 | 5.50 |
| 10 | 0.75 | 5.25 |
| 11 | 0.75 | 5.25 |
| 12 | 0.50 | 5.00 |
| 13 | 0.25 | 4.75 |
| 14 | 0.25 | 4.75 |
| 15 or more | 0.00 | 4.50 |

| Teachers | | |
|------------------|---------------------------|---|
| 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 | 12.50% | 17.00% |
| 1 | 12.50 | 17.00 |
| 2 | 6.75 | 11.25 |
| 3 | 5.75 | 10.25 |
| 4 | 5.50 | 10.00 |
| 5 | 5.00 | 9.50 |
| 6 | 4.50 | 9.00 |
| 7 | 4.25 | 8.75 |
| 8 | 4.00 | 8.50 |
| 9 | 3.00 | 7.50 |
| 10 | 1.25 | 5.75 |
| 11 or more | 0.00 | 4.50 |



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 3.75% 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 for teachers are set back one year, while rates for all state employees are set forward one year.
- Healthy females - Based on the 1994 Group Annuity Mortality Tables for females.
- Disabled males - 65% of the PBGC Table Va for disabled males eligible for Social Security disability benefits.
- Disabled females - 100% of the 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 (Non-Teachers) | Healthy Males (Teachers) | Healthy Females | Disabled Males | Disabled Females |
| (1) | (2) | (3) | (4) | (5) | (6) |
| 25 | 0.07 | 0.06 | 0.03 | 3.14 | 2.63 |
| 30 | 0.08 | 0.08 | 0.04 | 2.35 | 2.37 |
| 35 | 0.09 | 0.08 | 0.05 | 1.81 | 2.14 |
| 40 | 0.12 | 0.10 | 0.07 | 1.83 | 2.09 |
| 45 | 0.17 | 0.15 | 0.10 | 2.09 | 2.24 |
| 50 | 0.29 | 0.23 | 0.14 | 2.49 | 2.57 |
| 55 | 0.49 | 0.40 | 0.23 | 3.13 | 2.95 |
| 60 | 0.90 | 0.71 | 0.44 | 3.92 | 3.31 |
| 65 | 1.62 | 1.29 | 0.86 | 4.41 | 3.70 |
| 70 | 2.60 | 2.17 | 1.37 | 4.80 | 4.11 |
| 75 | 4.09 | 3.41 | 2.27 | 5.47 | 4.92 |
| 80 | 6.86 | 5.59 | 3.94 | 7.33 | 7.46 |



Disability rates: Sample rates are shown below. Ordinary disability rates are not applied to members eligible for retirement.

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 | 0.32 | 0.20 | 0.45 | 0.09 | 0.15 | 0.08 | 0.16 | 0.04 |
| 30 | 0.39 | 0.25 | 0.55 | 0.11 | 0.18 | 0.10 | 0.20 | 0.04 |
| 35 | 0.53 | 0.34 | 0.75 | 0.15 | 0.24 | 0.13 | 0.27 | 0.06 |
| 40 | 0.77 | 0.50 | 1.10 | 0.22 | 0.36 | 0.19 | 0.40 | 0.09 |
| 45 | 1.26 | 0.81 | 1.80 | 0.36 | 0.59 | 0.32 | 0.66 | 0.14 |
| 50 | 2.14 | 1.37 | 3.05 | 0.61 | 0.99 | 0.54 | 1.12 | 0.24 |
| 55 | 3.54 | 2.27 | 5.05 | 1.01 | 1.65 | 0.89 | 1.85 | 0.40 |
| 60 | 4.94 | 3.17 | 7.05 | 1.41 | 2.30 | 1.24 | 2.58 | 0.56 |
| 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 | 6 | 7 | 8 | 9 | 10+ |
|-----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 20 | 0.1373 | 0.1331 | 0.1271 | 0.1200 | 0.1105 | 0.1000 | 0.0880 | 0.0809 | 0.0778 | 0.0792 | 0.0613 |
| 25 | 0.1321 | 0.1208 | 0.1107 | 0.1017 | 0.0925 | 0.0837 | 0.0741 | 0.0681 | 0.0649 | 0.0644 | 0.0504 |
| 30 | 0.1293 | 0.1065 | 0.0894 | 0.0771 | 0.0681 | 0.0613 | 0.0552 | 0.0509 | 0.0474 | 0.0443 | 0.0356 |
| 35 | 0.1311 | 0.0989 | 0.0759 | 0.0607 | 0.0514 | 0.0459 | 0.0422 | 0.0392 | 0.0358 | 0.0314 | 0.0259 |
| 40 | 0.1370 | 0.0964 | 0.0681 | 0.0501 | 0.0401 | 0.0353 | 0.0332 | 0.0313 | 0.0283 | 0.0234 | 0.0198 |
| 45 | 0.1470 | 0.0993 | 0.0665 | 0.0457 | 0.0346 | 0.0299 | 0.0286 | 0.0276 | 0.0252 | 0.0207 | 0.0172 |
| 50 | 0.1609 | 0.1079 | 0.0713 | 0.0478 | 0.0351 | 0.0297 | 0.0286 | 0.0281 | 0.0267 | 0.0236 | 0.0180 |
| 55 | 0.1784 | 0.1221 | 0.0827 | 0.0565 | 0.0418 | 0.0351 | 0.0332 | 0.0330 | 0.0330 | 0.0325 | 0.0223 |
| 60 | 0.1960 | 0.1392 | 0.0985 | 0.0702 | 0.0534 | 0.0447 | 0.0414 | 0.0414 | 0.0431 | 0.0463 | 0.0000 |
| 65 | 0.2484 | 0.1870 | 0.1412 | 0.1066 | 0.0843 | 0.0710 | 0.0644 | 0.0642 | 0.0689 | 0.0797 | 0.0000 |



Termination rates (continued):

| Active Female Members - State Employees | | | | | | | | | | | |
|--|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Age | Years of Service | | | | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10+ |
| 20 | 0.1355 | 0.1232 | 0.1163 | 0.1131 | 0.1100 | 0.1061 | 0.1012 | 0.0933 | 0.0860 | 0.0784 | 0.0755 |
| 25 | 0.1230 | 0.1091 | 0.1003 | 0.0955 | 0.0919 | 0.0884 | 0.0845 | 0.0784 | 0.0725 | 0.0658 | 0.0617 |
| 30 | 0.1079 | 0.0910 | 0.0793 | 0.0719 | 0.0673 | 0.0643 | 0.0616 | 0.0579 | 0.0537 | 0.0484 | 0.0426 |
| 35 | 0.0982 | 0.0791 | 0.0653 | 0.0562 | 0.0509 | 0.0480 | 0.0459 | 0.0435 | 0.0404 | 0.0360 | 0.0295 |
| 40 | 0.0923 | 0.0717 | 0.0563 | 0.0460 | 0.0401 | 0.0370 | 0.0350 | 0.0332 | 0.0306 | 0.0268 | 0.0205 |
| 45 | 0.0900 | 0.0687 | 0.0527 | 0.0418 | 0.0353 | 0.0316 | 0.0292 | 0.0272 | 0.0246 | 0.0211 | 0.0156 |
| 50 | 0.0908 | 0.0701 | 0.0545 | 0.0436 | 0.0365 | 0.0320 | 0.0287 | 0.0258 | 0.0225 | 0.0187 | 0.0147 |
| 55 | 0.0945 | 0.0757 | 0.0615 | 0.0514 | 0.0438 | 0.0382 | 0.0334 | 0.0289 | 0.0243 | 0.0197 | 0.0176 |
| 60 | 0.0993 | 0.0838 | 0.0722 | 0.0636 | 0.0558 | 0.0488 | 0.0423 | 0.0358 | 0.0293 | 0.0232 | 0.0000 |
| 65 | 0.1220 | 0.1107 | 0.1029 | 0.0963 | 0.0873 | 0.0773 | 0.0670 | 0.0563 | 0.0454 | 0.0354 | 0.0000 |

| Active Male Members – Teachers | | | | | | | | | | | |
|---------------------------------------|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Age | Years of Service | | | | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10+ |
| 20 | 0.1294 | 0.0739 | 0.0439 | 0.0281 | 0.0178 | 0.0131 | 0.0118 | 0.0122 | 0.0183 | 0.0385 | 0.0675 |
| 25 | 0.1115 | 0.0669 | 0.0408 | 0.0259 | 0.0162 | 0.0115 | 0.0100 | 0.0102 | 0.0149 | 0.0300 | 0.0528 |
| 30 | 0.0915 | 0.0606 | 0.0391 | 0.0247 | 0.0155 | 0.0106 | 0.0086 | 0.0082 | 0.0107 | 0.0178 | 0.0328 |
| 35 | 0.0850 | 0.0609 | 0.0414 | 0.0269 | 0.0175 | 0.0120 | 0.0093 | 0.0084 | 0.0092 | 0.0124 | 0.0200 |
| 40 | 0.0892 | 0.0670 | 0.0473 | 0.0321 | 0.0218 | 0.0154 | 0.0119 | 0.0102 | 0.0096 | 0.0096 | 0.0123 |
| 45 | 0.1040 | 0.0791 | 0.0573 | 0.0403 | 0.0286 | 0.0209 | 0.0163 | 0.0138 | 0.0122 | 0.0105 | 0.0098 |
| 50 | 0.1290 | 0.0974 | 0.0715 | 0.0517 | 0.0378 | 0.0285 | 0.0224 | 0.0190 | 0.0168 | 0.0152 | 0.0127 |
| 55 | 0.1641 | 0.1220 | 0.0901 | 0.0664 | 0.0495 | 0.0381 | 0.0302 | 0.0259 | 0.0234 | 0.0238 | 0.0209 |
| 60 | 0.2046 | 0.1497 | 0.1106 | 0.0825 | 0.0622 | 0.0485 | 0.0388 | 0.0335 | 0.0313 | 0.0352 | 0.0333 |
| 65 | 0.2973 | 0.2135 | 0.1576 | 0.1186 | 0.0901 | 0.0711 | 0.0570 | 0.0498 | 0.0485 | 0.0600 | 0.0614 |

*Termination rates (continued):*

| Active Female Members –Teachers | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Years of Service | | | | | | | | | | | |
| Age | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10+ |
| 20 | 0.0774 | 0.0813 | 0.0751 | 0.0689 | 0.0672 | 0.0692 | 0.0745 | 0.0785 | 0.0719 | 0.0680 | 0.0569 |
| 25 | 0.0744 | 0.0715 | 0.0641 | 0.0583 | 0.0567 | 0.0584 | 0.0625 | 0.0653 | 0.0602 | 0.0563 | 0.0473 |
| 30 | 0.0738 | 0.0607 | 0.0505 | 0.0445 | 0.0425 | 0.0435 | 0.0458 | 0.0469 | 0.0437 | 0.0401 | 0.0339 |
| 35 | 0.0776 | 0.0570 | 0.0435 | 0.0360 | 0.0329 | 0.0329 | 0.0338 | 0.0338 | 0.0319 | 0.0286 | 0.0243 |
| 40 | 0.0858 | 0.0589 | 0.0415 | 0.0314 | 0.0266 | 0.0251 | 0.0247 | 0.0241 | 0.0231 | 0.0203 | 0.0172 |
| 45 | 0.0989 | 0.0667 | 0.0447 | 0.0311 | 0.0237 | 0.0204 | 0.0189 | 0.0180 | 0.0174 | 0.0153 | 0.0129 |
| 50 | 0.1174 | 0.0804 | 0.0534 | 0.0353 | 0.0246 | 0.0190 | 0.0163 | 0.0151 | 0.0147 | 0.0138 | 0.0114 |
| 55 | 0.1415 | 0.1003 | 0.0678 | 0.0442 | 0.0293 | 0.0208 | 0.0167 | 0.0153 | 0.0150 | 0.0157 | 0.0131 |
| 60 | 0.1676 | 0.1234 | 0.0857 | 0.0563 | 0.0369 | 0.0252 | 0.0197 | 0.0182 | 0.0177 | 0.0206 | 0.0000 |
| 65 | 0.2307 | 0.1780 | 0.1280 | 0.0860 | 0.0571 | 0.0389 | 0.0306 | 0.0286 | 0.0279 | 0.0349 | 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 | 12 | 13 | 10 | 5 |
| 46 | 12 | 13 | 10 | 6 |
| 47 | 12 | 13 | 10 | 7 |
| 48 | 12 | 13 | 10 | 8 |
| 49 | 12 | 13 | 10 | 10 |
| 50 | 12 | 13 | 16 | 12 |
| 51 | 12 | 13 | 18 | 14 |
| 52 | 12 | 13 | 20 | 16 |
| 53 | 12 | 13 | 22 | 18 |
| 54 | 12 | 13 | 24 | 20 |
| 55 | 12 | 16 | 26 | 22 |
| 56 | 15 | 16 | 28 | 24 |
| 57 | 16 | 16 | 30 | 26 |
| 58 | 17 | 16 | 33 | 28 |
| 59 | 18 | 16 | 36 | 30 |
| 60 | 15 | 14 | 25 | 30 |
| 61 | 10 | 15 | 20 | 15 |
| 62 | 25 | 20 | 25 | 25 |
| 63 | 20 | 20 | 20 | 20 |
| 64 | 15 | 20 | 15 | 25 |
| 65 | 20 | 25 | 25 | 35 |
| 66 | 20 | 20 | 20 | 25 |
| 67 | 15 | 20 | 20 | 25 |
| 68 | 15 | 20 | 20 | 25 |
| 69 | 15 | 20 | 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.

Recovery from disability: None assumed.

Remarriage: It is assumed that 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.

Retirement rates for members without 10 years of contributory service as of June 30, 2005: The retirement rates on page 59 were developed based on the provisions applicable to members retiring before June 30, 2004. They are applicable to members who have at least ten years of contributory service by June 30, 2005. In applying the rates to other members, if eligibility for unreduced retirement is delayed when compared to old provisions, the percentage of the members expected to retire at each age is accumulated and applied in the first year the member is eligible under the new provisions. This same approach is used in computing the normal cost.

Retirement rates were also set for all members eligible for reduced retirement, whether state employees or teachers, whether males or females, as follows:

| Probability of Reduced Retirement | |
|-----------------------------------|--------------------|
| <u>Retirement Age</u> | <u>Probability</u> |
| 55-58 | 0% |
| 59 | 1% |
| 60 | 2% |
| 61 | 2% |
| 62 | 2% |
| 63 | 3% |
| 64 | 4% |

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 are approximated as a multiple of their member contribution account balances. For nonvested inactive members, the multiple is one. For vested inactive members, the multiple is eight for members with 25 or more years of service, three for members age 45 or older, and one for other vested members younger than age 45.



Decrement timing: For all state employees, decrements are assumed to occur at the middle of the year. For teachers the retirement and termination decrements are assumed to occur at the beginning of the year, while death and disability are assumed to occur at the middle of the year.

Participant Data

Participant data was supplied on electronic files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

The data for an active member included birthdate, sex, service, 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 year 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, Chapter 36-10, and benefits for teachers are described in Rhode Island General Laws, Title 16, Chapter 16-16.

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

Administration: ERSRI is administered by the State of Rhode Island 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. Certain employees of the Airport Corporation, the Economic Development Corporation and the Narragansett Bay Commission participate in the plan as though they were state employees. 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 with 10 or more years of contributory service as of June 30, 2005 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.

Members with less than 10 years of contributory service as of June 30, 2005 are eligible for retirement on or after age 65 if they have credit for 10 years of service, or on or after age 59 if they have credit for 29 years of service. In addition, a member who attains age 55 with at least 20 years of service credit may retire with an actuarially reduced retirement benefit. The reduction is based on the difference between 65 and the member’s age at retirement.

Correctional officers are also eligible for retirement if they have reached age 50 and have credit for 20 years of service. Certain nurses (RNs employed by MHRH) are eligible to retire at age 50 with 25 years of service. Members of the General Assembly who elect to participate 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 schedules:

| For members with at least 10 years of contributory service as of June 30, 2005: | | |
|---|---------|---------------------------|
| 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.

| For members with less than 10 years of contributory service as of June 30, 2005: | | |
|--|---------|---------------------------|
| For Service In: | Years | Benefit Percentage Earned |
| The first 10 years of service | 1 – 10 | 1.6% per year |
| The next 10 years of service | 11 – 20 | 1.8% per year |
| The next 5 years of service | 21 – 25 | 2.0% per year |
| The next 5 years of service | 26 – 30 | 2.25% per year |
| The next 14 years of service | 31 – 37 | 2.50% per year |
| The next 1 year of service | 38 | 2.25% per year |

The maximum benefit is 75% of FAC.

MHRH nurses receive a benefit determined under the appropriate formula above.



Correctional Officers receive a benefit computed under a different formula:

| <u>For Service In:</u> | <u>Years</u> | <u>Benefit Percentage Earned</u> |
|-------------------------------|--------------|----------------------------------|
| 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.

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 previously. Both FAC and service are determined at the time the member leaves active employment. Benefits may commence when 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.

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. This benefit is only available to active members.

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. This option is only available for members with at least 10 years of contributory service as of June 30, 2005.

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

Post-retirement Benefit Increase

For all members with at least 10 years of contributory service as of June 30, 2005, and for all members receiving a disability retirement benefit: 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 a function of actual increases in the cost of living.

For members with less than 10 years of contributory service as of June 30, 2005 (other than disability retirements): Members receive a compound increase in their retirement benefit each year equal to the increase in the CPI, effective on each anniversary date beginning on the third anniversary of retirement. This increase is limited to 3.00%.



PLAN NET ASSETS
(Assets at Market or Fair Value)

| Item | June 30, 2004 | June 30, 2003 |
|---|------------------|------------------|
| (1) | (2) | (3) |
| A. Total ERSRI assets | | |
| 1. Cash and cash equivalents | \$ 8,558,698 | \$ 2,597,708 |
| 2. Receivables: | | |
| a. Transfers receivable | \$ 1,255,196 | \$ 2,472,280 |
| b. Member and employer contributions | 24,791,198 | \$ 19,472,668 |
| c. Due from state for teachers | 18,428,459 | 14,872,584 |
| d. Net investment income and other | 3,483,015 | 2,945,486 |
| e. Total receivables | \$ 47,957,868 | \$ 39,763,018 |
| 3. Investments | | |
| a. Short-term investment fund | \$ - | \$ - |
| b. Pooled trust | 5,327,151,706 | 4,639,657,474 |
| c. Plan specific investments | 22,629,221 | 22,850,413 |
| d. Invested securities lending collateral | 696,928,405 | 503,989,579 |
| e. Total | \$ 6,046,709,332 | \$ 5,166,497,466 |
| 4. Total property and equipment | \$ 12,630,925 | \$ 13,395,782 |
| 5. Total assets | \$ 6,115,856,823 | \$ 5,222,253,974 |
| 6. Liabilities | | |
| a. Cash Overdraft | \$ - | \$ - |
| b. Transfers payable | 23,581,764 | 12,203,528 |
| c. Accounts and vouches payable | 6,443,172 | 3,808,097 |
| d. Securities lending liability | 696,928,405 | 503,989,579 |
| e. Total liabilities | \$ 726,953,341 | \$ 520,001,204 |
| 7. Total market value of assets available for benefits Total (Item 4 - Item 5) | \$ 5,388,903,482 | \$ 4,702,252,770 |
| B. Breakdown | | |
| 1. State employees | \$ 2,068,012,733 | \$ 1,811,009,064 |
| 2. Teachers | 3,131,927,525 | 2,729,820,882 |
| 3. Teachers' survivors benefits | 188,963,222 | 161,422,824 |
| 4. Total | \$ 5,388,903,480 | \$ 4,702,252,770 |



RECONCILIATION OF PLAN NET ASSETS

| Item | Year Ending 06/30/2004 | |
|---|------------------------|------------------|
| | State Employees | Teachers |
| (1) | (2) | (3) |
| 1. Market value of assets at beginning of year | \$ 1,811,009,064 | \$ 2,729,820,882 |
| Current year prior period adjustments | - | (10,316)* |
| Adjusted market value of assets at BOY | \$ 1,811,009,064 | \$ 2,729,810,566 |
| 2. Contributions | | |
| a. Members | \$ 50,752,433 | \$ 77,859,905 |
| b. State | 55,699,588 | 45,039,279 |
| c. Local employers | - | 70,675,899 |
| d. Reimbursement of Supplement Pensions | 186,298 | 838,534 |
| e. Service purchases | 745,173 | 4,861,556 |
| f. Total | \$ 107,383,492 | \$ 199,374,173 |
| 3. Investment earnings, net of investment and administrative expenses | \$ 331,591,419 | \$ 502,176,631 |
| 4. Expenditures for the year | | |
| a. Benefit payments | \$ (126,874,546) | \$ (226,902,233) |
| b. Cost-of-living adjustments | (42,215,341) | (49,925,883) |
| c. Death benefits | (2,140,800) | (1,023,800) |
| d. Social security supplements | (6,977,333) | (18,358,608) |
| e. Supplemental pensions | (187,608) | (847,751) |
| f. Refunds | (3,576,559) | (2,375,683) |
| g. Total expenditures | \$ (181,972,187) | \$ (299,433,958) |
| 5. Transfers and other adjustments | \$ 945 | \$ 113 |
| 6. Market value of assets at end of year | \$ 2,068,012,733 | \$ 3,131,927,525 |

* Retroactive adjustment during FY 2004 to Teacher Survivor Benefits Fund



ANALYSIS OF CHANGE IN EMPLOYER COST

| Basis | State Employees | Teachers |
|--|-----------------|----------|
| (1) | (2) | (3) |
| 1. Employer fiscal 2006 cost | 16.96% | 20.01% |
| 2. Sub A employer fiscal 2006 cost | 14.84% | 16.47% |
| 3. Impact of changes, gains and losses | | |
| a. Salary (gain)/loss | (0.54%) | (0.18%) |
| b. Investment experience (gain)/loss | 2.18% | 2.32% |
| c. Non-salary liability experience (gain)/loss | 1.92% | 1.03% |
| d. Changes in assumptions | 0.00% | 0.00% |
| e. Total | 3.56% | 3.17% |
| 4. Employer fiscal 2006 cost | 18.40% | 19.64% |

**MUNICIPAL EMPLOYEES
RETIREMENT SYSTEM
ACTUARIAL INFORMATION**

MERS ACTUARIAL INFORMATION



GABRIEL, ROEDER, SMITH & COMPANY

Consultants & Actuaries

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October 21, 2005

Retirement Board
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation of MERS as of June 30, 2004

This is the June 30, 2004 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 in MERS are certified annually by the State of Rhode Island 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, 2004 actuarial valuation will be applicable for the year beginning July 1, 2006 and ending June 30, 2007.

Financing objectives and funding policy

The actuarial cost method and the amortization periods are set by board policy. Contribution rates and liabilities are computed using the Entry Age actuarial cost method. The employer contribution rate is the sum of two pieces: the employer normal cost rate and the amortization rate. The normal cost rate is determined as a percent of pay. The employer normal cost rate is the difference between this and the member contribution rate. The amortization rate is determined as a level percent of pay. It is the amount required to amortize the unfunded actuarial accrued liability over a closed period (30 years as of June 30, 1999; 25 years as of June 30, 2004). The amortization rate is adjusted for the two-year deferral in contribution rates.

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 93%, a decrease from the prior year, when it was 100%. The decrease was principally due to the recognition of another 20% of the actuarial investment losses from FY 2001, FY 2002, and FY 2003, offset by 20% of the gain from FY 2004.

There are currently 114 units participating in MERS, 68 covering general employees and 46 covering police and/or fire employees. Of these 114 units, 15 have no required contribution rate, 4 are new units, 26 had rate decreases and 69 had rate increases. Those rate increases were principally due to the actuarial investment losses in FY 2001, and FY 2002, and FY 2003 being recognized in this valuation.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2004. 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. Changes in elections are discussed on page 5.

Assumptions and methods

The actuarial assumptions were adopted as a result of the experience study approved by the Board on August 11, 2004 and effective for the June 30, 2003 actuarial valuation. There were no changes to the assumptions since the prior valuation. We believe the assumptions are internally consistent and are reasonable, based on the actual experience of MERS. All assumptions and methods are summarized in Appendix A.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. The actuarial calculations are intended to provide information for rational decision making.

The actuarial assumptions and methods used in this report comply with the parameters for disclosure that appear in GASB 25.

Data

applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

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

Sincerely,
Gabriel, Roeder, Smith & Company



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 81-84 show a summary of the funded ratios and other information for MERS as of June 30, 2004.

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 must be computed using a funding period no greater than 30 years. 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 69-71 is the ARC. The amortization period is 30 years as of June 30, 1999, and there are 25 years remaining as of June 30, 2004. The period and amortization method comply with the requirements of GASB 25. The payroll growth rate used in the amortization calculations does not include any allowance for membership growth.

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, 2006.

The rate consists of two pieces: the normal cost rate and the amortization rate. The normal cost and actuarial accrued liability are determined using the Entry Age actuarial cost method. The employer normal cost is the difference between (i) the normal cost rate, determined as a level percent of pay, and (ii) the member contribution rate. The unfunded actuarial accrued liability is amortized as a level percent of payroll over a closed period. The period is 30 years as measured from June 30, 1999, or 25 years as of the valuation date. The amortization rate is adjusted for the fact that the contribution rate set by this valuation is deferred for two years, and other amortization rates may apply for the next two years.

The *Contribution Rates* tables on pages 69-71 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, 2007. The *Comparison of Employer Contribution Rates* tables on pages 72-74 compare the total employer contribution rate with those rates determined in the two prior actuarial valuations. The *Components Used in Determining Contribution Rates* tables on pages 75-77 show the components used to determine the employer contribution rate in dollar amounts. Finally, the *Explanation of Rate Changes* tables on pages 78-80 show the explanations of rate changes for each unit.

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 prior valuation, the following changes were made:

Four new units--Town of Albion, Town of Harrisville, Albion Fire District and Harrisville Fire District--joined MERS since the prior valuation. No units closed or withdrew or merged or subdivided.

There were no ancillary benefits--e.g., cost of living benefits--that are currently provided by a source independent of MERS but that might be deemed a MERS liability if continued beyond the availability of funding by the current funding source.



**Contribution Rates
For Fiscal Year Ending June 30, 2007**

| Unit Number | | Unit | Code(s) | Member Rate | Employer Rate | | Total |
|-------------------------------|----------------|----------------------------|---------|-------------|----------------------|-------------------|--------|
| Old | New | | | | Employer Normal Cost | Amortization Rate | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| General Employee Units | | | | | | | |
| 3001 | 1002 1003 | Barrington | | 6.00% | 1.03% | (81.97%) | 0.00% |
| 3002 | 1012 1019 | Bristol | B | 7.00% | 3.90% | 4.64% | 8.54% |
| 3003 | 1032 1033 | Burrillville | C | 7.00% | 5.54% | (2.07%) | 3.47% |
| 3004 | 1052 | Central Falls | | 6.00% | 3.51% | 4.73% | 8.24% |
| 3005 | 1082 | Charlestown | C | 7.00% | 3.56% | 4.23% | 7.79% |
| 3007 | 1112 1113 | Cranston | B | 7.00% | 5.46% | (2.32%) | 3.14% |
| 3008 | 1122 1123 | Cumberland | | 6.00% | 4.11% | 4.19% | 8.30% |
| 3009 | 1152 1153 | East Greenwich | | 6.00% | 4.35% | (25.30%) | 0.00% |
| 3010 | 1162 1163 | East Providence | B | 7.00% | 4.87% | 8.51% | 13.38% |
| 3011 | 1183 | Exeter/West Greenwich | B | 7.00% | 6.62% | 1.48% | 8.10% |
| 3012 | 1192 1193 | Foster | | 6.00% | 4.73% | 2.22% | 6.95% |
| 3013 | 1212 1213 | Glocester | C | 7.00% | 5.49% | 3.87% | 9.36% |
| 3014 | 1262 | Hopkinton | C | 7.00% | 5.88% | (0.94%) | 4.94% |
| 3015 | 1272 1273 | Jamestown | C | 7.00% | 5.11% | 4.70% | 9.81% |
| 3016 | 1282 1283 | Johnston | C | 7.00% | 5.65% | 2.97% | 8.62% |
| 3017 | 1302 1303 | Lincoln | | 6.00% | 4.69% | 2.20% | 6.89% |
| 3019 | 1322 1323 | Middletown | C | 7.00% | 4.86% | 4.67% | 9.53% |
| 3021 | 1352 1353 1354 | Newport | B | 7.00% | 4.55% | 6.45% | 11.00% |
| 3022 | 1342 1343 | New Shoreham | B | 7.00% | 5.86% | 2.29% | 8.15% |
| 3023 | 1372 1373 | North Kingstown | C | 7.00% | 5.49% | 4.85% | 10.34% |
| 3024 | 1382 1383 | North Providence | | 6.00% | 3.49% | (5.01%) | 0.00% |
| 3025 | 1392 1393 | North Smithfield | B | 7.00% | 5.72% | (6.88%) | 0.00% |
| 3026 | 1412 1413 | Pawtucket | C | 7.00% | 4.48% | 3.12% | 7.60% |
| 3027 | 1515 | Union Fire District | | 6.00% | 3.71% | 1.40% | 5.11% |
| 3029 | 1452 | Richmond | | 6.00% | 4.55% | 1.01% | 5.56% |
| 3030 | 1462 1463 | Scituate | B | 7.00% | 5.81% | 4.13% | 9.94% |
| 3031 | 1472 1473 | Smithfield | | 6.00% | 4.50% | (7.49%) | 0.00% |
| 3032 | 1492 1493 | South Kingstown | B | 7.00% | 5.05% | (0.23%) | 4.82% |
| 3033 | 1532 1533 | Tiverton | C | 7.00% | 5.90% | (6.63%) | 0.00% |
| 3034 | 1562 | Warren | C | 7.00% | 3.85% | 7.88% | 11.73% |
| 3036 | 1622 1623 | Westerly | | 6.00% | 1.70% | 56.36% | 58.06% |
| 3037 | 1602 | West Greenwich | | 6.00% | 4.25% | 2.96% | 7.21% |
| 3039 | 1632 1633 | Woonsocket | B | 7.00% | 5.18% | (5.11%) | 0.07% |
| 3040 | 1073 | Chariho School District | | 6.00% | 4.37% | 0.97% | 5.34% |
| 3041 | 1203 | Foster/Glocester | B | 7.00% | 6.24% | 5.18% | 11.42% |
| 3042 | 1528 | Tiogue Fire & Lighting | C,5 | 7.00% | 0.00% | 0.00% | 0.00% |
| 3043 | 1336 | Narragansett Housing | C | 7.00% | 2.88% | 2.08% | 4.96% |
| 3045 | 1098 | Coventry Lighting District | C | 7.00% | 2.71% | (17.45%) | 0.00% |
| 3046 | 1242 | Hope Valley Fire | C | 7.00% | 4.93% | 0.54% | 5.47% |
| 3050 | 1156 | East Greenwich Housing | C | 7.00% | 5.23% | 3.81% | 9.04% |
| 3051 | 1116 | Cranston Housing | C | 7.00% | 5.23% | (3.14%) | 2.09% |
| 3052 | 1166 | East Providence Housing | B | 7.00% | 6.93% | (2.24%) | 4.69% |
| 3053 | 1416 | Pawtucket Housing | B | 7.00% | 4.55% | (8.77%) | 0.00% |
| 3056 | 1126 | Cumberland Housing | C | 7.00% | 5.73% | (0.53%) | 5.20% |
| 3057 | 1306 | Lincoln Housing | B | 7.00% | 7.13% | (0.34%) | 6.79% |



**Contribution Rates
For Fiscal Year Ending June 30, 2007**

| Unit Number | | Unit | Code(s) | Member Rate | Employer Rate | | Total |
|--|-----------|-----------------------------|---------|--------------|----------------------|-------------------|--------------|
| Old | New | | | | Employer Normal Cost | Amortization Rate | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| General Employee Units | | | | | | | |
| 3059 | 1016 | Bristol Housing | | 6.00% | 4.42% | (19.75%) | 0.00% |
| 3065 | 1036 | Burrillville Housing | B | 7.00% | 6.07% | (9.32%) | 0.00% |
| 3066 | 1386 | North Providence Housing | B | 7.00% | 7.27% | 14.40% | 21.67% |
| 3067 | 1177 | East Smithfield Water | C | 7.00% | 6.44% | (8.14%) | 0.00% |
| 3068 | 1227 | Greenville Water | B | 7.00% | 3.62% | (33.08%) | 0.00% |
| 3069 | 1356 | Newport Housing | C | 7.00% | 5.41% | (0.87%) | 4.54% |
| 3071 | 1566 | Warren Housing | B | 7.00% | 6.85% | (0.45%) | 6.40% |
| 3072 | 1286 | Johnston Housing | | 6.00% | 4.57% | (6.88%) | 0.00% |
| 3077 | 1538 | Tiverton Local 2670A | C | 7.00% | 5.85% | (0.29%) | 5.56% |
| 3078 | 1007 1009 | Barrington COLA | C | 7.00% | 5.45% | (3.10%) | 2.35% |
| 3079 | 1096 | Coventry Housing | | 6.00% | 3.85% | (2.71%) | 1.14% |
| 3080 | 1496 | South Kingstown Housing | C | 7.00% | 7.39% | (1.33%) | 6.06% |
| 3081 | 1403 | N.RI Collab. Adm. Svcs. | C | 7.00% | 6.90% | 0.98% | 7.88% |
| 3083 | 1616 | West Warwick Housing | B | 7.00% | 5.13% | 2.99% | 8.12% |
| 3084 | 1476 | Smithfield Housing | | 6.00% | 2.37% | (1.81%) | 0.56% |
| 3094 | 1478 | Smithfield COLA | C | 7.00% | 5.66% | (3.46%) | 2.20% |
| 3096 | 1056 | Central Falls Housing | C | 7.00% | 5.74% | 4.79% | 10.53% |
| 3098 | 1293 | Lime Rock Admin. Services | | 6.00% | 3.62% | 0.77% | 4.39% |
| 3099 | 1063 | Central Falls Schools | C | 7.00% | 5.94% | 1.40% | 7.34% |
| 3100 | 1023 | Bristol/Warren Schools | B | 7.00% | 6.47% | 2.15% | 8.62% |
| 3101 | 1157 | Town of E.Greenwch-COLA-NCE | C | 7.00% | 5.08% | (0.78%) | 4.30% |
| 3102 | 1712 | Town of Harrisville | C,2 | 7.00% | 2.35% | 11.11% | 13.46% |
| 3103 | 1702 | Town of Albion | C,2 | 7.00% | 5.34% | 10.50% | 15.84% |
| General Employee Units Averages | | | | 6.87% | 5.05% | 1.01% | 6.42% |
| Police & Fire Units | | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 8.00% | 8.74% | (0.86%) | 7.88% |
| 4029 | 1454 | Richmond Fire District | | 7.00% | 5.65% | 3.71% | 9.36% |
| 4031 | 1474 | Smithfield Police | C,D | 9.00% | 12.27% | 0.20% | 12.47% |
| 4042 | 1555 | Valley Falls Fire | D | 8.00% | 9.12% | 6.53% | 15.65% |
| 4047 | 1395 1435 | North Smithfield Vol. Fire | B,D | 9.00% | 12.63% | 5.76% | 18.39% |
| 4050 | 1155 | East Greenwich Fire | C,D | 9.00% | 12.41% | 6.56% | 18.97% |
| 4054 | 1154 | East Greenwich Police | C,D | 9.00% | 12.58% | 1.35% | 13.93% |
| 4055 | 1375 | North Kingstown Fire | C,D | 9.00% | 12.35% | 8.87% | 21.22% |
| 4056 | 1374 | North Kingstown Police | C,D | 9.00% | 12.54% | 9.24% | 21.78% |
| 4057 | 1235 | Harris Fire Department | C | 8.00% | 8.18% | 11.40% | 19.58% |
| 4058 | 1385 | North Providence Fire | D | 8.00% | 8.54% | 1.40% | 9.94% |
| 4059 | 1008 | Barrington Fire (25) | C | 8.00% | 7.83% | 12.04% | 19.87% |
| 4060 | 1004 | Barrington Police | C,D | 9.00% | 12.35% | 19.81% | 32.16% |
| 4061 | 1005 | Barrington Fire (20) | C,D | 9.00% | 12.38% | (2.95%) | 9.43% |
| 4062 | 1564 | Warren Police & Fire | C,D | 9.00% | 12.36% | 13.30% | 25.66% |
| 4063 | 1494 | South Kingstown Police | B,1 | 9.00% | 12.53% | 1.36% | 13.89% |
| 4073 | 1464 | Scituate Police | 3 | 7.00% | 0.00% | 0.00% | 0.00% |
| 4076 | 1394 | North Smithfield Police | C,D | 9.00% | 12.64% | 6.07% | 18.71% |
| 4077 | 1534 | Tiverton Fire | C,D | 9.00% | 12.45% | 6.52% | 18.97% |



**Contribution Rates
For Fiscal Year Ending June 30, 2007**

| Unit Number | | Unit | Code(s) | Rate | Employer Rate | | |
|---|------|---------------------------|---------|--------------|--------------------|---------------|--------------------|
| Old | New | | | | Member Normal Cost | Employer Rate | Amortization Total |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Police & Fire Units | | | | | | | |
| 4082 | 1194 | Foster Police | C,D | 9.00% | 12.33% | 2.04% | 14.37% |
| 4085 | 1634 | Woonsocket Police | C,D | 9.00% | 12.18% | 2.69% | 14.87% |
| 4086 | 1084 | Charlestown Police | C,D | 9.00% | 12.46% | 16.07% | 28.53% |
| 4087 | 1264 | Hopkinton Police | C,D | 9.00% | 13.71% | 2.66% | 16.37% |
| 4088 | 1214 | Glocester Police | C,D | 9.00% | 12.55% | 6.40% | 18.95% |
| 4089 | 1604 | West Greenwich Police/RSQ | C,D | 9.00% | 11.88% | 3.60% | 15.48% |
| 4090 | 1034 | Burrillville Police | C,D | 9.00% | 12.21% | 6.40% | 18.61% |
| 4091 | 1148 | Cumberland Rescue | C,D | 9.00% | 12.26% | 1.91% | 14.17% |
| 4092 | 1585 | Washington Fire | D | 8.00% | 9.33% | 4.18% | 13.51% |
| 4093 | 1635 | Woonsocket Fire | C,D | 9.00% | 12.53% | 1.80% | 14.33% |
| 4094 | 1015 | Bristol Fire | D | 8.00% | 8.88% | 0.16% | 9.04% |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 9.00% | 11.76% | 8.90% | 20.66% |
| 4096 | 1014 | Bristol Police | C,D | 9.00% | 12.98% | (0.72%) | 12.26% |
| 4098 | 1095 | Coventry Fire | D | 8.00% | 8.74% | 6.44% | 15.18% |
| 4099 | 1505 | South Kingstown EMT | C,D | 9.00% | 12.81% | (2.92%) | 9.89% |
| 4100 | 1525 | Tiogue Fire | | 7.00% | 6.20% | 11.42% | 17.62% |
| 4101 | 1365 | North Cumberland | D | 8.00% | 8.81% | 5.48% | 14.29% |
| 4102 | 1045 | Central Coventry Fire | C,D | 9.00% | 12.50% | 6.70% | 19.20% |
| 4103 | 1255 | Hopkins Hill Fire | D | 8.00% | 9.43% | 2.98% | 12.41% |
| 4104 | 1114 | Cranston Police | C,D,4 | 10.00% | 12.67% | 4.47% | 17.14% |
| 4105 | 1115 | Cranston Fire | C,D,4 | 10.00% | 12.80% | 6.30% | 19.10% |
| 4106 | 1125 | Cumberland Fire | B,D | 9.00% | 12.69% | 7.10% | 19.79% |
| 4107 | 1305 | Lincoln Rescue | C | 8.00% | 8.20% | 5.23% | 13.43% |
| 4108 | 1344 | New Shoreham Police | B,D | 9.00% | 12.22% | 6.56% | 18.78% |
| 4109 | 1324 | Middletown Police & Fire | B,D | 9.00% | 12.13% | (1.50%) | 10.63% |
| 4110 | 1715 | Harrisville Fire District | C,D,2 | 9.00% | 13.91% | (2.35%) | 11.56% |
| 4111 | 1705 | Albion Fire District | C,2 | 8.00% | 10.33% | 6.92% | 17.25% |
| Police & Fire Units Averages | | | | 9.01% | 11.82% | 4.92% | 16.73% |
| <i>All MERS Units Averages</i> | | | | 7.33% | 6.50% | 1.85% | 8.63% |

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 2004 valuation.

3 - Closed unit.

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

5 - This unit has no active members.

* - There is no actives in unit 3042, this payment is the amortization amount amortized for 5 years.



COMPARISON OF EMPLOYER CONTRIBUTION RATES

| Unit Number | | Unit | Code(s) | June 30, 2004 | June 30, 2003 | June 30, 2002 |
|-------------------------------|----------------|----------------------------|---------|---------------------------------|---------------------------------|---------------------------------|
| Old | New | | | Actuarial Valuation for FY 2007 | Actuarial Valuation for FY 2006 | Actuarial Valuation for FY 2005 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| General Employee Units | | | | | | |
| 3001 | 1002 1003 | Barrington | | 0.00% | 0.00% | 0.00% |
| 3002 | 1012 1019 | Bristol | B | 8.54% | 5.19% | 0.17% |
| 3003 | 1032 1033 | Burrillville | C | 3.47% | 0.65% | 0.00% |
| 3004 | 1052 | Central Falls | | 8.24% | 7.18% | 4.94% |
| 3005 | 1082 | Charlestown | C | 7.79% | 6.79% | 3.90% |
| 3007 | 1112 1113 | Cranston | B | 3.14% | 0.08% | 0.00% |
| 3008 | 1122 1123 | Cumberland | | 8.30% | 7.40% | 4.65% |
| 3009 | 1152 1153 | East Greenwich | | 0.00% | 0.00% | 0.00% |
| 3010 | 1162 1163 | East Providence | B | 13.38% | 10.84% | 7.43% |
| 3011 | 1183 | Exeter/West Greenwich | B | 8.10% | 6.83% | 5.08% |
| 3012 | 1192 1193 | Foster | | 6.95% | 5.90% | 3.94% |
| 3013 | 1212 1213 | Glocester | C | 9.36% | 8.42% | 5.51% |
| 3014 | 1262 | Hopkinton | C | 4.94% | 3.07% | 0.00% |
| 3015 | 1272 1273 | Jamestown | C | 9.81% | 8.76% | 5.12% |
| 3016 | 1282 1283 | Johnston | C | 8.62% | 6.27% | 2.47% |
| 3017 | 1302 1303 | Lincoln | | 6.89% | 5.57% | 3.41% |
| 3019 | 1322 1323 | Middletown | C | 9.53% | 2.45% | 1.64% |
| 3021 | 1352 1353 1354 | Newport | B | 11.00% | 8.99% | 5.49% |
| 3022 | 1342 1343 | New Shoreham | B | 8.15% | 7.14% | 3.23% |
| 3023 | 1372 1373 | North Kingstown | C | 10.34% | 9.12% | 5.99% |
| 3024 | 1382 1383 | North Providence | | 0.00% | 0.00% | 0.00% |
| 3025 | 1392 1393 | North Smithfield | B | 0.00% | 0.00% | 0.00% |
| 3026 | 1412 1413 | Pawtucket | C | 7.60% | 5.56% | 1.70% |
| 3027 | 1515 | Union Fire District | | 5.11% | 3.47% | 0.00% |
| 3029 | 1452 | Richmond | | 5.56% | 4.01% | 1.52% |
| 3030 | 1462 1463 | Scituate | B | 9.94% | 7.28% | 4.73% |
| 3031 | 1472 1473 | Smithfield | | 0.00% | 0.00% | 0.00% |
| 3032 | 1492 1493 | South Kingstown | B | 4.82% | 3.06% | 0.32% |
| 3033 | 1532 1533 | Tiverton | C | 0.00% | 0.00% | 0.00% |
| 3034 | 1562 | Warren | C | 11.73% | 10.14% | 6.23% |
| 3036 | 1622 1623 | Westerly | | 58.06% | 52.33% | 41.62% |
| 3037 | 1602 | West Greenwich | | 7.21% | 6.04% | 3.36% |
| 3039 | 1632 1633 | Woonsocket | B | 0.07% | 0.00% | 0.00% |
| 3040 | 1073 | Chariho School District | | 5.34% | 3.61% | 1.44% |
| 3041 | 1203 | Foster/Glocester | B | 11.42% | 9.31% | 6.44% |
| 3042 | 1528 | Tiogou Fire & Lighting | C,5 | 0.00% | 0.00% | N/A |
| 3043 | 1336 | Narragansett Housing | C | 4.96% | 4.09% | 2.20% |
| 3045 | 1098 | Coventry Lighting District | C | 0.00% | 0.00% | 0.00% |
| 3046 | 1242 | Hope Valley Fire | C | 5.47% | 4.47% | 4.10% |
| 3050 | 1156 | East Greenwich Housing | C | 9.04% | 10.94% | 11.53% |
| 3051 | 1116 | Cranston Housing | C | 2.09% | 0.03% | 0.00% |
| 3052 | 1166 | East Providence Housing | B | 4.69% | 2.18% | 0.00% |
| 3053 | 1416 | Pawtucket Housing | B | 0.00% | 0.00% | 0.00% |
| 3056 | 1126 | Cumberland Housing | C | 5.20% | 4.57% | 1.11% |
| 3057 | 1306 | Lincoln Housing | B | 6.79% | 4.65% | 0.00% |



COMPARISON OF EMPLOYER CONTRIBUTION RATES

| Unit Number | | Unit | Code(s) | June 30, 2004 | June 30, 2003 | June 30, 2002 |
|---------------------------------------|-----------|-----------------------------------|---------|---------------------------------|---------------------------------|---------------------------------|
| Old | New | | | Actuarial Valuation for FY 2007 | Actuarial Valuation for FY 2006 | Actuarial Valuation for FY 2005 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| General Employee Units | | | | | | |
| 3059 | 1016 | Bristol Housing | | 0.00% | 0.00% | 0.00% |
| 3065 | 1036 | Burrillville Housing | B | 0.00% | 0.00% | 0.00% |
| 3066 | 1386 | North Providence Housing | B | 21.67% | 15.03% | 12.42% |
| 3067 | 1177 | East Smithfield Water | C | 0.00% | 0.00% | 0.00% |
| 3068 | 1227 | Greenville Water | B | 0.00% | 0.00% | 0.00% |
| 3069 | 1356 | Newport Housing | C | 4.54% | 2.46% | 0.26% |
| 3071 | 1566 | Warren Housing | B | 6.40% | 3.86% | 0.00% |
| 3072 | 1286 | Johnston Housing | | 0.00% | 0.00% | 0.00% |
| 3077 | 1538 | Tiverton Local 2670A | C | 5.56% | 6.33% | 0.00% |
| 3078 | 1007 1009 | Barrington COLA | C | 2.35% | 8.97% | 0.00% |
| 3079 | 1096 | Coventry Housing | | 1.14% | 0.00% | 0.00% |
| 3080 | 1496 | South Kingstown Housing | C | 6.06% | 5.73% | 4.97% |
| 3081 | 1403 | N. RI Collaborative Adm. Services | C | 7.88% | 5.47% | 3.92% |
| 3083 | 1616 | West Warwick Housing | B | 8.12% | 5.95% | 2.76% |
| 3084 | 1476 | Smithfield Housing | | 0.56% | 0.00% | 0.00% |
| 3094 | 1478 | Smithfield COLA | C | 2.20% | 0.00% | 0.00% |
| 3096 | 1056 | Central Falls Housing | C | 10.53% | 11.76% | 4.55% |
| 3098 | 1293 | Lime Rock Administrative Services | | 4.39% | 3.41% | 1.08% |
| 3099 | 1063 | Central Falls Schools | C | 7.34% | 6.46% | 4.15% |
| 3100 | 1023 | Bristol/Warren Schools | B | 8.62% | 6.90% | 1.42% |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 4.30% | 0.56% | N/A |
| 3102 | 1712 | Town of Harrisville | C,2 | 13.46% | N/A | N/A |
| 3103 | 1702 | Town of Albion | C,2 | 15.84% | N/A | N/A |
| General Employee Units Average | | | | 6.42% | 4.77% | 0.27% |
| Police & Fire Units | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 10.49% | 12.10% | 10.54% |
| 4029 | 1454 | Richmond Fire District | | 14.90% | 10.83% | 4.30% |
| 4031 | 1474 | Smithfield Police | C,D | 12.47% | 13.03% | 15.84% |
| 4042 | 1555 | Valley Falls Fire | D | 15.65% | 15.65% | 13.76% |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 18.39% | 17.90% | 21.34% |
| 4050 | 1155 | East Greenwich Fire | C,D | 18.97% | 22.28% | 15.19% |
| 4054 | 1154 | East Greenwich Police | C,D | 13.93% | 12.91% | 9.39% |
| 4055 | 1375 | North Kingstown Fire | C,D | 21.22% | 19.92% | 14.46% |
| 4056 | 1374 | North Kingstown Police | C,D | 21.78% | 17.61% | 15.90% |
| 4057 | 1235 | Harris Fire Department | C | 19.58% | 26.84% | 21.53% |
| 4058 | 1385 | North Providence Fire | D | 9.94% | 11.55% | 8.39% |
| 4059 | 1008 | Barrington Fire (25) | C | 19.87% | 6.40% | 6.24% |
| 4060 | 1004 | Barrington Police | C,D | 32.16% | 32.08% | 27.35% |
| 4061 | 1005 | Barrington Fire (20) | C,D | 9.43% | 5.39% | 0.00% |
| 4062 | 1564 | Warren Police & Fire | C,D | 25.66% | 24.97% | 19.49% |
| 4063 | 1494 | South Kingstown Police | B,1 | 13.89% | 10.02% | 2.30% |
| 4073 | 1464 | Scituate Police | 3 | 0.00% | 0.00% | --- |
| 4076 | 1394 | North Smithfield Police | C,D | 18.71% | 17.53% | 17.50% |
| 4077 | 1534 | Tiverton Fire | C,D | 18.97% | 12.06% | 0.00% |



COMPARISON OF EMPLOYER CONTRIBUTION RATES

| Unit Number | | Unit | Code(s) | June 30, 2004 | June 30, 2003 | June 30, 2002 |
|--|------|------------------------------|---------|---------------------------------|---------------------------------|---------------------------------|
| Old | New | | | Actuarial Valuation for FY 2007 | Actuarial Valuation for FY 2006 | Actuarial Valuation for FY 2005 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| Police & Fire Units | | | | | | |
| 4082 | 1194 | Foster Police | C,D | 14.37% | 11.34% | 15.65% |
| 4085 | 1634 | Woonsocket Police | C,D | 14.87% | 14.61% | 12.61% |
| 4086 | 1084 | Charlestown Police | C,D | 28.53% | 28.58% | 22.48% |
| 4087 | 1264 | Hopkinton Police | C,D | 16.37% | 10.46% | 8.99% |
| 4088 | 1214 | Glocester Police | C,D | 18.95% | 18.48% | 14.08% |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 15.48% | 21.89% | 22.34% |
| 4090 | 1034 | Burrillville Police | C,D | 18.61% | 19.77% | 18.89% |
| 4091 | 1148 | Cumberland Rescue | C,D | 14.17% | 16.51% | 12.95% |
| 4092 | 1585 | Washington Fire | D | 13.51% | 13.15% | 11.04% |
| 4093 | 1635 | Woonsocket Fire | C,D | 14.33% | 15.53% | 12.53% |
| 4094 | 1015 | Bristol Fire | D | 9.04% | 9.66% | 9.62% |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 20.66% | 19.52% | 19.50% |
| 4096 | 1014 | Bristol Police | C,D | 12.26% | 13.29% | 14.52% |
| 4098 | 1095 | Coventry Fire | D | 15.18% | 17.42% | 14.21% |
| 4099 | 1505 | South Kingstown EMT | C,D | 9.89% | 10.65% | 13.64% |
| 4100 | 1525 | Tiogue Fire | | 17.62% | 17.12% | 12.36% |
| 4101 | 1365 | North Cumberland | D | 14.29% | 14.53% | 13.23% |
| 4102 | 1045 | Central Coventry Fire | C,D | 19.20% | 21.14% | 17.05% |
| 4103 | 1255 | Hopkins Hill Fire | D | 12.41% | 14.23% | 13.39% |
| 4104 | 1114 | Cranston Police | C,D,4 | 17.14% | 17.12% | 16.35% |
| 4105 | 1115 | Cranston Fire | C,D,4 | 19.10% | 16.32% | 18.16% |
| 4106 | 1125 | Cumberland Fire | B,D | 19.79% | 22.73% | 22.45% |
| 4107 | 1305 | Lincoln Rescue | C | 13.43% | 14.31% | 6.69% |
| 4108 | 1344 | New Shoreham Police | B,D | 18.78% | 20.29% | 22.86% |
| 4109 | 1324 | Middletown Police & Fire | B,D | 10.63% | 11.85% | 16.75% |
| 4110 | 1715 | Harrisville Fire District | C,D,2 | 11.56% | N/A | N/A |
| 4111 | 1705 | Albion Fire District | C,2 | 17.25% | N/A | N/A |
| Police & Fire Units Average | | | | 16.73% | 16.07% | 13.37% |
| All MERS Units Average | | | | 8.63% | 7.14% | 2.85% |

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 2004 valuation.

3 - Closed unit.

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

5 - This unit has no active members.



COMPONENTS USED IN DETERMINING CONTRIBUTION RATES

| Unit Number | | Unit | Code(s) | Adjusted Compensation | Normal Cost (Total) | Actuarial Accrued Liability | Actuarial Value of Assets |
|-------------------------------|----------------|----------------------------|---------|-----------------------|---------------------|-----------------------------|---------------------------|
| Old | New | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| General Employee Units | | | | | | | |
| 3001 | 1002 1003 | Barrington | | 185,348 | 13,072 | 5,507,547 | 7,621,008 |
| 3002 | 1012 1019 | Bristol | B | 3,391,375 | 372,209 | 14,359,275 | 12,257,279 |
| 3003 | 1032 1033 | Burrillville | C | 5,016,314 | 636,112 | 15,993,695 | 17,957,974 |
| 3004 | 1052 | Central Falls | | 2,043,880 | 195,809 | 4,624,974 | 3,164,511 |
| 3005 | 1082 | Charlestown | C | 1,363,696 | 145,402 | 3,547,581 | 2,696,674 |
| 3007 | 1112 1113 | Cranston | B | 23,035,308 | 2,875,040 | 97,050,042 | 106,967,754 |
| 3008 | 1122 1123 | Cumberland | | 7,233,584 | 732,895 | 18,341,530 | 13,842,983 |
| 3009 | 1152 1153 | East Greenwich | | 867,864 | 90,009 | 5,110,210 | 8,236,597 |
| 3010 | 1162 1163 | East Providence | B | 16,318,731 | 1,946,378 | 73,420,017 | 52,766,957 |
| 3011 | 1183 | Exeter/West Greenwich | B | 1,829,501 | 251,822 | 4,886,516 | 4,535,582 |
| 3012 | 1192 1193 | Foster | | 1,058,052 | 115,029 | 2,352,869 | 2,021,206 |
| 3013 | 1212 1213 | Glocester | C | 1,957,553 | 242,246 | 4,867,427 | 3,758,181 |
| 3014 | 1262 | Hopkinton | C | 1,210,406 | 158,217 | 2,335,973 | 2,600,709 |
| 3015 | 1272 1273 | Jamestown | C | 2,504,019 | 306,016 | 7,170,184 | 5,442,621 |
| 3016 | 1282 1283 | Johnston | C | 8,578,211 | 1,089,837 | 28,667,133 | 25,341,413 |
| 3017 | 1302 1303 | Lincoln | | 777,720 | 83,324 | 1,016,081 | 779,749 |
| 3019 | 1322 1323 | Middletown | C | 4,160,401 | 499,270 | 9,683,092 | 7,211,885 |
| 3021 | 1352 1353 1354 | Newport | B | 10,642,607 | 1,237,208 | 47,940,239 | 37,820,577 |
| 3022 | 1342 1343 | New Shoreham | B | 1,519,889 | 198,361 | 3,165,316 | 2,701,194 |
| 3023 | 1372 1373 | North Kingstown | C | 10,791,847 | 1,352,503 | 35,288,291 | 27,567,463 |
| 3024 | 1382 1383 | North Providence | | 6,184,243 | 586,671 | 17,882,590 | 22,615,008 |
| 3025 | 1392 1393 | North Smithfield | B | 2,594,527 | 332,270 | 8,505,674 | 11,292,783 |
| 3026 | 1412 1413 | Pawtucket | C | 20,133,655 | 2,310,692 | 85,113,548 | 76,740,644 |
| 3027 | 1515 | Union Fire District | | 101,083 | 8,600 | 178,180 | 162,570 |
| 3029 | 1452 | Richmond | | 474,757 | 50,583 | 1,049,130 | 999,171 |
| 3030 | 1462 1463 | Scituate | B | 2,517,062 | 320,796 | 8,892,362 | 7,433,132 |
| 3031 | 1472 1473 | Smithfield | | 2,109,354 | 218,796 | 7,548,433 | 9,937,246 |
| 3032 | 1492 1493 | South Kingstown | B | 10,187,695 | 1,229,391 | 29,817,072 | 30,821,463 |
| 3033 | 1532 1533 | Tiverton | C | 2,211,837 | 279,238 | 6,825,132 | 9,131,234 |
| 3034 | 1562 | Warren | C | 1,334,732 | 145,965 | 5,542,096 | 3,965,164 |
| 3036 | 1622 1623 | Westerly | | 51,257 | 3,983 | 1,101,875 | 656,996 |
| 3037 | 1602 | West Greenwich | | 760,156 | 78,690 | 1,589,029 | 1,269,066 |
| 3039 | 1632 1633 | Woonsocket | B | 12,076,700 | 1,479,011 | 43,925,382 | 53,763,200 |
| 3040 | 1073 | Chariho School District | | 4,061,783 | 423,946 | 8,069,092 | 7,671,433 |
| 3041 | 1203 | Foster/Glocester | B | 1,201,306 | 156,263 | 4,346,254 | 3,444,041 |
| 3042 | 1528 | Tiogue Fire & Lighting | C,5 | 0 | 0 | 5,314 | 27,085 |
| 3043 | 1336 | Narragansett Housing | C | 140,500 | 14,063 | 193,643 | 152,378 |
| 3045 | 1098 | Coventry Lighting District | C | 147,324 | 10,131 | 762,306 | 1,125,510 |
| 3046 | 1242 | Hope Valley Fire | C | 91,371 | 10,360 | 222,626 | 216,966 |
| 3050 | 1156 | East Greenwich Housing | C | 299,253 | 36,852 | 579,068 | 383,999 |
| 3051 | 1116 | Cranston Housing | C | 733,649 | 89,936 | 2,252,142 | 2,646,986 |
| 3052 | 1166 | East Providence Housing | B | 503,668 | 65,429 | 1,850,862 | 2,066,026 |
| 3053 | 1416 | Pawtucket Housing | B | 2,227,357 | 257,445 | 6,183,894 | 9,107,429 |
| 3056 | 1126 | Cumberland Housing | C | 542,452 | 70,189 | 783,389 | 855,272 |
| 3057 | 1306 | Lincoln Housing | B | 413,567 | 59,279 | 1,105,590 | 1,165,009 |
| 3059 | 1016 | Bristol Housing | | 228,941 | 24,450 | 866,854 | 1,523,970 |



COMPONENTS USED IN DETERMINING CONTRIBUTION RATES

| Unit Number | | Unit | Code(s) | Adjusted Compensation | Normal Cost (Total) | Actuarial Accrued Liability | Actuarial Value of Assets |
|--|-----------|-----------------------------------|---------|-----------------------|---------------------|-----------------------------|---------------------------|
| Old | New | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| General Employee Units | | | | | | | |
| 3065 | 1036 | Burrillville Housing | B | 129,163 | 17,135 | 536,427 | 721,217 |
| 3066 | 1386 | North Providence Housing | B | 272,414 | 38,381 | 1,246,173 | 664,971 |
| 3067 | 1177 | East Smithfield Water | C | 132,523 | 17,522 | 493,269 | 659,860 |
| 3068 | 1227 | Greenville Water | B | 141,247 | 15,248 | 160,526 | 816,536 |
| 3069 | 1356 | Newport Housing | C | 1,655,382 | 206,279 | 5,536,533 | 5,869,926 |
| 3071 | 1566 | Warren Housing | B | 208,073 | 27,807 | 1,011,470 | 1,045,013 |
| 3072 | 1286 | Johnston Housing | | 213,420 | 22,395 | 580,781 | 803,333 |
| 3077 | 1538 | Tiverton Local 2670A | C | 736,268 | 95,801 | 2,327,106 | 2,396,727 |
| 3078 | 1007 1009 | Barrington COLA | C | 5,610,004 | 697,165 | 12,650,627 | 15,189,444 |
| 3079 | 1096 | Coventry Housing | | 358,602 | 35,916 | 532,819 | 697,398 |
| 3080 | 1496 | South Kingstown Housing | C | 124,176 | 18,418 | 69,085 | 97,599 |
| 3081 | 1403 | N. RI Collaborative Adm. Services | C | 1,517,348 | 216,051 | 1,086,331 | 943,973 |
| 3083 | 1616 | West Warwick Housing | B | 294,389 | 35,819 | 932,173 | 814,705 |
| 3084 | 1476 | Smithfield Housing | | 86,110 | 7,348 | 170,634 | 196,230 |
| 3094 | 1478 | Smithfield COLA | C | 2,856,764 | 361,383 | 6,403,580 | 8,100,337 |
| 3096 | 1056 | Central Falls Housing | C | 663,257 | 85,202 | 1,569,679 | 1,092,255 |
| 3098 | 1293 | Lime Rock Administrative Services | | 62,453 | 6,176 | 111,067 | 106,124 |
| 3099 | 1063 | Central Falls Schools | C | 4,438,368 | 580,244 | 7,803,691 | 6,994,375 |
| 3100 | 1023 | Bristol/Warren Schools | B | 3,687,525 | 500,721 | 12,361,863 | 11,429,353 |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 4,229,220 | 511,184 | 9,740,653 | 10,604,145 |
| 3102 | 1712 | Town of Harrisville | C,2 | 239,248 | 22,771 | 404,368 | 11,314 |
| 3103 | 1702 | Town of Albion | C,2 | 25,952 | 3,295 | 55,431 | 10,737 |
| General Employee Units Subtotal | | | | 203,496,441 | 24,326,049 | 696,303,815 | 673,731,669 |
| Police & Fire Units | | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 981,747 | 169,820 | 450,714 | 520,116 |
| 4029 | 1454 | Richmond Fire District | | 309,408 | 40,919 | 457,344 | 248,851 |
| 4031 | 1474 | Smithfield Police | C,D | 524,140 | 115,225 | 398,340 | 360,186 |
| 4042 | 1555 | Valley Falls Fire | D | 585,454 | 99,609 | 2,587,641 | 1,988,148 |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 854,755 | 185,929 | 3,907,678 | 3,099,360 |
| 4050 | 1155 | East Greenwich Fire | C,D | 1,525,866 | 338,047 | 8,209,104 | 6,641,665 |
| 4054 | 1154 | East Greenwich Police | C,D | 1,592,202 | 351,845 | 9,399,913 | 9,146,823 |
| 4055 | 1375 | North Kingstown Fire | C,D | 3,431,941 | 713,733 | 23,585,108 | 19,017,109 |
| 4056 | 1374 | North Kingstown Police | C,D | 2,257,865 | 494,673 | 15,081,134 | 11,972,027 |
| 4057 | 1235 | Harris Fire Department | C | 152,930 | 25,781 | 458,386 | 161,933 |
| 4058 | 1385 | North Providence Fire | D | 4,590,698 | 759,344 | 21,261,407 | 20,240,631 |
| 4059 | 1008 | Barrington Fire (25) | C | 212,549 | 34,597 | 685,549 | 334,744 |
| 4060 | 1004 | Barrington Police | C,D | 957,029 | 213,305 | 8,300,087 | 5,320,569 |
| 4061 | 1005 | Barrington Fire (20) | C,D | 576,351 | 107,977 | 7,660,323 | 8,007,699 |
| 4062 | 1564 | Warren Police & Fire | C,D | 1,062,607 | 225,221 | 7,997,245 | 5,816,319 |
| 4063 | 1494 | South Kingstown Police | B,1 | 2,389,710 | 483,326 | 16,777,616 | 16,629,649 |
| 4073 | 1464 | Scituate Police | 3 | 0 | 0 | 38,765 | 150,672 |
| 4076 | 1394 | North Smithfield Police | C,D | 1,003,415 | 219,981 | 6,538,461 | 5,588,404 |
| 4077 | 1534 | Tiverton Fire | C,D | 1,350,950 | 273,035 | 7,372,593 | 6,319,026 |
| 4082 | 1194 | Foster Police | C,D | 265,028 | 49,002 | 1,654,695 | 1,573,108 |
| 4085 | 1634 | Woonsocket Police | C,D | 4,568,391 | 992,808 | 20,247,135 | 18,408,587 |



COMPONENTS USED IN DETERMINING CONTRIBUTION RATES

| Unit Number | | Unit | Code(s) | Adjusted Compensation | Normal Cost (Total) | Actuarial Accrued Liability | Actuarial Value of Assets |
|---|------|------------------------------|---------|-----------------------|---------------------|-----------------------------|---------------------------|
| Old | New | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Police & Fire Units | | | | | | | |
| 4086 | 1084 | Charlestown Police | C,D | 926,956 | 194,091 | 5,797,368 | 3,481,132 |
| 4087 | 1264 | Hopkinton Police | C,D | 629,873 | 149,008 | 2,600,263 | 2,415,403 |
| 4088 | 1214 | Glocester Police | C,D | 750,396 | 165,983 | 3,421,571 | 2,689,324 |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 448,272 | 97,334 | 1,752,447 | 1,433,548 |
| 4090 | 1034 | Burrillville Police | C,D | 1,099,742 | 237,998 | 5,813,042 | 4,677,696 |
| 4091 | 1148 | Cumberland Rescue | C,D | 772,262 | 170,726 | 2,502,128 | 2,257,841 |
| 4092 | 1585 | Washington Fire | D | 377,918 | 64,846 | 1,370,265 | 1,129,856 |
| 4093 | 1635 | Woonsocket Fire | C,D | 4,415,346 | 986,372 | 15,216,921 | 13,981,593 |
| 4094 | 1015 | Bristol Fire | D | 93,956 | 11,491 | 199,256 | 195,765 |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 552,919 | 114,469 | 3,209,453 | 2,438,122 |
| 4096 | 1014 | Bristol Police | C,D | 764,298 | 173,602 | 824,199 | 887,454 |
| 4098 | 1095 | Coventry Fire | D | 581,674 | 97,130 | 2,173,079 | 1,568,764 |
| 4099 | 1505 | South Kingstown EMT | C,D | 580,428 | 131,471 | 930,747 | 1,177,048 |
| 4100 | 1525 | Tiogue Fire | | 201,496 | 27,507 | 485,007 | 130,286 |
| 4101 | 1365 | North Cumberland | D | 570,124 | 99,684 | 2,280,051 | 1,788,853 |
| 4102 | 1045 | Central Coventry Fire | C,D | 494,253 | 110,468 | 2,046,631 | 1,514,396 |
| 4103 | 1255 | Hopkins Hill Fire | D | 286,732 | 52,361 | 453,232 | 306,686 |
| 4104 | 1114 | Cranston Police | C,D,4 | 4,327,084 | 1,018,681 | 9,491,992 | 6,440,242 |
| 4105 | 1115 | Cranston Fire | C,D,4 | 6,481,038 | 1,536,039 | 17,852,641 | 11,599,490 |
| 4106 | 1125 | Cumberland Fire | B,D | 539,378 | 117,549 | 2,428,066 | 1,780,211 |
| 4107 | 1305 | Lincoln Rescue | C | 646,654 | 105,104 | 1,674,415 | 1,172,977 |
| 4108 | 1344 | New Shoreham Police | B,D | 267,641 | 60,541 | 852,385 | 543,164 |
| 4109 | 1324 | Middletown Police & Fire | B,D | 159,835 | 34,709 | 104,763 | 131,356 |
| 4110 | 1715 | Harrisville Fire District | C,D,2 | 110,364 | 26,151 | 283,435 | 290,894 |
| 4111 | 1705 | Albion Fire District | C,2 | 217,104 | 37,169 | 399,640 | 140,256 |
| Police & Fire Units Subtotal | | | | 55,488,779 | 11,714,661 | 247,232,233 | 205,717,984 |
| All MERS Units Total | | | | 258,985,220 | 36,040,710 | 943,536,048 | 879,449,653 |

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 2004 valuation.

3 - Closed unit.

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

5 - This unit has no active members.



EXPLANATION OF RATE CHANGES

| Unit Number | | Unit | Code(s) | 6/30/04 | 6/30/04 | 6/30/04 | 6/30/03 |
|-------------------------------|----------------|----------------------------|---------|-------------|------------------------|------------------------|-----------------------|
| Old | New | | | Valuation | After | Before | Actuarial |
| (1) | (2) | (3) | (4) | for FY 2007 | Recognizing Asset Loss | Recognizing Asset Loss | Valuation for FY 2006 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| General Employee Units | | | | | | | |
| 3001 | 1002 1003 | Barrington | | 0.00% | 0.00% | 0.00% | 0.00% |
| 3002 | 1012 1019 | Bristol | B | 8.54% | 8.54% | 6.58% | 5.19% |
| 3003 | 1032 1033 | Burrillville | C | 3.47% | 3.47% | 1.54% | 0.65% |
| 3004 | 1052 | Central Falls | | 8.24% | 8.24% | 7.41% | 7.18% |
| 3005 | 1082 | Charlestown | C | 7.79% | 7.79% | 6.72% | 6.79% |
| 3007 | 1112 1113 | Cranston | B | 3.14% | 3.14% | 0.63% | 0.08% |
| 3008 | 1122 1123 | Cumberland | | 8.30% | 8.30% | 7.27% | 7.40% |
| 3009 | 1152 1153 | East Greenwich | | 0.00% | 0.00% | 0.00% | 0.00% |
| 3010 | 1162 1163 | East Providence | B | 13.38% | 13.38% | 11.62% | 10.84% |
| 3011 | 1183 | Exeter/West Greenwich | B | 8.10% | 8.10% | 6.75% | 6.83% |
| 3012 | 1192 1193 | Foster | | 6.95% | 6.95% | 5.92% | 5.90% |
| 3013 | 1212 1213 | Glocester | C | 9.36% | 9.36% | 8.32% | 8.42% |
| 3014 | 1262 | Hopkinton | C | 4.94% | 4.94% | 3.78% | 3.07% |
| 3015 | 1272 1273 | Jamestown | C | 9.81% | 9.81% | 8.63% | 8.76% |
| 3016 | 1282 1283 | Johnston | C | 8.62% | 8.62% | 7.02% | 6.27% |
| 3017 | 1302 1303 | Lincoln | | 6.89% | 6.89% | 6.35% | 5.57% |
| 3019 | 1322 1323 | Middletown | C | 9.53% | 9.64% | 8.71% | 2.45% |
| 3021 | 1352 1353 1354 | Newport | B | 11.00% | 11.00% | 9.08% | 8.99% |
| 3022 | 1342 1343 | New Shoreham | B | 8.15% | 8.15% | 7.19% | 7.14% |
| 3023 | 1372 1373 | North Kingstown | C | 10.34% | 10.34% | 8.96% | 9.12% |
| 3024 | 1382 1383 | North Providence | | 0.00% | 0.00% | 0.00% | 0.00% |
| 3025 | 1392 1393 | North Smithfield | B | 0.00% | 0.00% | 0.00% | 0.00% |
| 3026 | 1412 1413 | Pawtucket | C | 7.60% | 7.60% | 5.53% | 5.56% |
| 3027 | 1515 | Union Fire District | | 5.11% | 5.11% | 4.24% | 3.47% |
| 3029 | 1452 | Richmond | | 5.56% | 5.56% | 4.43% | 4.01% |
| 3030 | 1462 1463 | Scituate | B | 9.94% | 9.94% | 8.35% | 7.28% |
| 3031 | 1472 1473 | Smithfield | | 0.00% | 0.00% | 0.00% | 0.00% |
| 3032 | 1492 1493 | South Kingstown | B | 4.82% | 4.82% | 3.18% | 3.06% |
| 3033 | 1532 1533 | Tiverton | C | 0.00% | 0.00% | 0.00% | 0.00% |
| 3034 | 1562 | Warren | C | 11.73% | 11.73% | 10.12% | 10.14% |
| 3036 | 1622 1623 | Westerly | | 58.06% | 58.06% | 51.08% | 52.33% |
| 3037 | 1602 | West Greenwich | | 7.21% | 7.21% | 6.31% | 6.04% |
| 3039 | 1632 1633 | Woonsocket | B | 0.07% | 0.07% | 0.00% | 0.00% |
| 3040 | 1073 | Chariho School District | | 5.34% | 5.34% | 4.32% | 3.61% |
| 3041 | 1203 | Foster/Glocester | B | 11.42% | 11.42% | 9.87% | 9.31% |
| 3042 | 1528 | Tiogue Fire & Lighting | C,5 | 0.00% | 0.00% | 0.00% | 0.00% |
| 3043 | 1336 | Narragansett Housing | C | 4.96% | 4.96% | 4.37% | 4.09% |
| 3045 | 1098 | Coventry Lighting District | C | 0.00% | 0.00% | 0.00% | 0.00% |
| 3046 | 1242 | Hope Valley Fire | C | 5.47% | 5.47% | 4.18% | 4.47% |
| 3050 | 1156 | East Greenwich Housing | C | 9.04% | 9.04% | 8.35% | 10.94% |
| 3051 | 1116 | Cranston Housing | C | 2.09% | 2.09% | 0.13% | 0.03% |
| 3052 | 1166 | East Providence Housing | B | 4.69% | 4.69% | 2.47% | 2.18% |
| 3053 | 1416 | Pawtucket Housing | B | 0.00% | 0.00% | 0.00% | 0.00% |
| 3056 | 1126 | Cumberland Housing | C | 5.20% | 5.20% | 4.35% | 4.57% |
| 3057 | 1306 | Lincoln Housing | B | 6.79% | 6.79% | 5.28% | 4.65% |



EXPLANATION OF RATE CHANGES

| Unit Number | | Unit | Code(s) | 6/30/04 | 6/30/04 | 6/30/04 | 6/30/03 |
|---------------------------------------|-----------|-----------------------------------|---------|--------------|--------------|--------------|--------------|
| Old | New | | | Valuation | After | Before | Actuarial |
| (1) | (2) | (3) | (4) | for FY 2007 | Recognizing | Recognizing | Valuation |
| | | | | (5) | Asset Loss | Asset Loss | for FY 2006 |
| | | | | | (6) | (7) | (8) |
| General Employee Units | | | | | | | |
| 3059 | 1016 | Bristol Housing | | 0.00% | 0.00% | 0.00% | 0.00% |
| 3065 | 1036 | Burrillville Housing | B | 0.00% | 0.00% | 0.00% | 0.00% |
| 3066 | 1386 | North Providence Housing | B | 21.67% | 21.67% | 20.35% | 15.03% |
| 3067 | 1177 | East Smithfield Water | C | 0.00% | 0.00% | 0.00% | 0.00% |
| 3068 | 1227 | Greenville Water | B | 0.00% | 0.00% | 0.00% | 0.00% |
| 3069 | 1356 | Newport Housing | C | 4.54% | 4.54% | 2.62% | 2.46% |
| 3071 | 1566 | Warren Housing | B | 6.40% | 6.40% | 3.67% | 3.86% |
| 3072 | 1286 | Johnston Housing | | 0.00% | 0.00% | 0.00% | 0.00% |
| 3077 | 1538 | Tiverton Local 2670A | C | 5.56% | 5.56% | 3.80% | 6.33% |
| 3078 | 1007 1009 | Barrington COLA | C | 2.35% | 2.35% | 0.88% | 8.97% |
| 3079 | 1096 | Coventry Housing | | 1.14% | 1.14% | 0.09% | 0.00% |
| 3080 | 1496 | South Kingstown Housing | C | 6.06% | 6.06% | 5.65% | 5.73% |
| 3081 | 1403 | N. RI Collaborative Adm. Services | C | 7.88% | 7.88% | 7.55% | 5.47% |
| 3083 | 1616 | West Warwick Housing | B | 8.12% | 8.12% | 6.62% | 5.95% |
| 3084 | 1476 | Smithfield Housing | | 0.56% | 0.56% | 0.00% | 0.00% |
| 3094 | 1478 | Smithfield COLA | C | 2.20% | 2.20% | 0.67% | 0.00% |
| 3096 | 1056 | Central Falls Housing | C | 10.53% | 10.53% | 9.64% | 11.76% |
| 3098 | 1293 | Lime Rock Administrative Services | | 4.39% | 4.39% | 3.47% | 3.41% |
| 3099 | 1063 | Central Falls Schools | C | 7.34% | 7.34% | 6.49% | 6.46% |
| 3100 | 1023 | Bristol/Warren Schools | B | 8.62% | 8.62% | 6.95% | 6.90% |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 4.30% | 4.30% | 2.95% | 0.56% |
| 3102 | 1712 | Town of Harrisville | C,2 | 13.46% | 13.46% | 13.43% | N/A |
| 3103 | 1702 | Town of Albion | C,2 | 15.84% | 15.84% | 15.62% | N/A |
| General Employee Units Average | | | | 6.42% | 6.42% | 4.99% | 4.77% |
| Police & Fire Units | | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 7.88% | 7.88% | 7.59% | 10.49% |
| 4029 | 1454 | Richmond Fire District | | 9.36% | 9.36% | 8.93% | 14.90% |
| 4031 | 1474 | Smithfield Police | C,D | 12.47% | 12.47% | 12.11% | 13.03% |
| 4042 | 1555 | Valley Falls Fire | D | 15.65% | 15.65% | 13.82% | 15.65% |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 18.39% | 18.39% | 16.44% | 17.90% |
| 4050 | 1155 | East Greenwich Fire | C,D | 18.97% | 18.97% | 16.64% | 22.28% |
| 4054 | 1154 | East Greenwich Police | C,D | 13.93% | 13.93% | 10.83% | 12.91% |
| 4055 | 1375 | North Kingstown Fire | C,D | 21.22% | 21.22% | 18.22% | 19.92% |
| 4056 | 1374 | North Kingstown Police | C,D | 21.78% | 21.78% | 18.93% | 17.61% |
| 4057 | 1235 | Harris Fire Department | C | 19.58% | 19.58% | 19.02% | 26.84% |
| 4058 | 1385 | North Providence Fire | D | 9.94% | 9.94% | 7.55% | 11.55% |
| 4059 | 1008 | Barrington Fire (25) | C | 19.87% | 19.87% | 19.02% | 6.40% |
| 4060 | 1004 | Barrington Police | C,D | 32.16% | 32.16% | 29.16% | 32.08% |
| 4061 | 1005 | Barrington Fire (20) | C,D | 9.43% | 9.43% | 1.89% | 5.39% |
| 4062 | 1564 | Warren Police & Fire | C,D | 25.66% | 25.74% | 22.80% | 24.97% |
| 4063 | 1494 | South Kingstown Police | B,1 | 13.89% | 13.89% | 10.15% | 10.02% |
| 4073 | 1464 | Scituate Police | 3 | 0.00% | 0.00% | 0.00% | 0.00% |
| 4076 | 1394 | North Smithfield Police | C,D | 18.71% | 18.71% | 15.72% | 17.53% |
| 4077 | 1534 | Tiverton Fire | C,D | 18.97% | 18.97% | 16.45% | 12.06% |



EXPLANATION OF RATE CHANGES

| Unit Number | | Unit | Code(s) | 6/30/04 | 6/30/04 | 6/30/04 | 6/30/03 |
|--|------|------------------------------|---------|---------------------------------|------------------------------|-------------------------------|---------------------------------|
| Old | New | | | Actuarial Valuation for FY 2007 | After Recognizing Asset Loss | Before Recognizing Asset Loss | Actuarial Valuation for FY 2006 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Police & Fire Units | | | | | | | |
| 4082 | 1194 | Foster Police | C,D | 14.37% | 14.37% | 11.16% | 11.34% |
| 4085 | 1634 | Woonsocket Police | C,D | 14.87% | 14.87% | 12.69% | 14.61% |
| 4086 | 1084 | Charlestown Police | C,D | 28.53% | 28.53% | 26.51% | 28.58% |
| 4087 | 1264 | Hopkinton Police | C,D | 16.37% | 16.37% | 14.31% | 10.46% |
| 4088 | 1214 | Glocester Police | C,D | 18.95% | 18.95% | 17.04% | 18.48% |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 15.48% | 15.48% | 13.77% | 21.89% |
| 4090 | 1034 | Burrillville Police | C,D | 18.61% | 18.61% | 16.31% | 19.77% |
| 4091 | 1148 | Cumberland Rescue | C,D | 14.17% | 14.17% | 12.60% | 16.51% |
| 4092 | 1585 | Washington Fire | D | 13.51% | 13.51% | 11.89% | 13.15% |
| 4093 | 1635 | Woonsocket Fire | C,D | 14.33% | 14.33% | 12.62% | 15.53% |
| 4094 | 1015 | Bristol Fire | D | 9.04% | 9.04% | 7.91% | 9.66% |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 20.66% | 20.66% | 18.28% | 19.52% |
| 4096 | 1014 | Bristol Police | C,D | 12.26% | 12.26% | 11.64% | 13.29% |
| 4098 | 1095 | Coventry Fire | D | 15.18% | 15.18% | 13.73% | 17.42% |
| 4099 | 1505 | South Kingstown EMT | C,D | 9.89% | 9.89% | 8.80% | 0.65% |
| 4100 | 1525 | Tiogue Fire | | 17.62% | 17.61% | 17.26% | 17.12% |
| 4101 | 1365 | North Cumberland | D | 14.29% | 14.29% | 12.59% | 14.53% |
| 4102 | 1045 | Central Coventry Fire | C,D | 19.20% | 19.20% | 17.54% | 22.33% |
| 4103 | 1255 | Hopkins Hill Fire | D | 12.41% | 12.41% | 11.84% | 14.23% |
| 4104 | 1114 | Cranston Police | C,D,4 | 17.14% | 17.14% | 16.33% | 17.12% |
| 4105 | 1115 | Cranston Fire | C,D,4 | 19.10% | 19.10% | 18.13% | 16.32% |
| 4106 | 1125 | Cumberland Fire | B,D | 19.79% | 19.79% | 18.03% | 22.73% |
| 4107 | 1305 | Lincoln Rescue | C | 13.43% | 13.43% | 12.45% | 14.31% |
| 4108 | 1344 | New Shoreham Police | B,D | 18.78% | 18.78% | 17.74% | 20.29% |
| 4109 | 1324 | Middletown Police & Fire | B,D | 10.63% | 10.63% | 10.19% | 11.85% |
| 4110 | 1715 | Harrisville Fire District | C,D,2 | 11.56% | 11.56% | 10.13% | N/A |
| 4111 | 1705 | Albion Fire District | C,2 | 17.25% | 17.25% | 16.92% | N/A |
| Police & Fire Units Average | | | | 16.73% | 16.74% | 14.74% | 16.07% |
| All MERS Units Average | | | | 8.63% | 8.63% | 7.08% | 7.14% |

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 2004 valuation.
 3 - Closed unit.
 4 - Cranston Fire and Police are contributing 10% due to special plan provision.
 5 - This unit has no active members.
 * - Averages changed from an aggregate funding calculation to a weighted average of individual contribution rates by payroll.



SCHEDULE OF FUNDING PROGRESS

| Unit Number | | Unit | Code(s) | Actuarial | Actuarial | Unfunded | Funded | Annual | UAAL as % |
|-------------------------------|----------------|-------------------------|---------|--------------|------------|------------------|---------|------------|------------|
| Old | New | | | Value of | Accrued | Actuarial | Ratio | Covered | of Payroll |
| (1) | (2) | (3) | (4) | Assets (AVA) | (AAL) | (UAAL) (5) - (4) | (4)/(5) | Payroll | (7)/(9) |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| General Employee Units | | | | | | | | | |
| 3001 | 1002 1003 | Barrington | | 7,621,008 | 5,507,547 | (2,113,460) | 138.4% | 185,348 | (1140.3%) |
| 3002 | 1012 1019 | Bristol | B | 12,257,279 | 14,359,275 | 2,101,997 | 85.4% | 3,391,375 | 62.0% |
| 3003 | 1032 1033 | Burrillville | C | 17,957,974 | 15,993,695 | (1,964,279) | 112.3% | 5,016,314 | (39.2%) |
| 3004 | 1052 | Central Falls | | 3,164,511 | 4,624,974 | 1,460,463 | 68.4% | 2,043,880 | 71.5% |
| 3005 | 1082 | Charlestown | C | 2,696,674 | 3,547,581 | 850,907 | 76.0% | 1,363,696 | 62.4% |
| 3007 | 1112 1113 | Cranston | B | 106,967,754 | 97,050,042 | (9,917,713) | 110.2% | 23,035,308 | (43.1%) |
| 3008 | 1122 1123 | Cumberland | | 13,842,983 | 18,341,530 | 4,498,548 | 75.5% | 7,233,584 | 62.2% |
| 3009 | 1152 1153 | East Greenwich | | 8,236,597 | 5,110,210 | (3,126,387) | 161.2% | 867,864 | (360.2%) |
| 3010 | 1162 1163 | East Providence | B | 52,766,957 | 73,420,017 | 20,653,059 | 71.9% | 16,318,731 | 126.6% |
| 3011 | 1183 | Exeter/W. Greenwich | B | 4,535,582 | 4,886,516 | 350,934 | 92.8% | 1,829,501 | 19.2% |
| 3012 | 1192 1193 | Foster | | 2,021,206 | 2,352,869 | 331,663 | 85.9% | 1,058,052 | 31.3% |
| 3013 | 1212 1213 | Glocester | C | 3,758,181 | 4,867,427 | 1,109,246 | 77.2% | 1,957,553 | 56.7% |
| 3014 | 1262 | Hopkinton | C | 2,600,709 | 2,335,973 | (264,736) | 111.3% | 1,210,406 | (21.9%) |
| 3015 | 1272 1273 | Jamestown | C | 5,442,621 | 7,170,184 | 1,727,564 | 75.9% | 2,504,019 | 69.0% |
| 3016 | 1282 1283 | Johnston | C | 25,341,413 | 28,667,133 | 3,325,720 | 88.4% | 8,578,211 | 38.8% |
| 3017 | 1302 1303 | Lincoln | | 779,749 | 1,016,081 | 236,332 | 76.7% | 777,720 | 30.4% |
| 3019 | 1322 1323 | Middletown | C | 7,211,885 | 9,683,092 | 2,471,207 | 74.5% | 4,160,401 | 59.4% |
| 3021 | 1352 1353 1354 | Newport | B | 37,820,577 | 47,940,239 | 10,119,662 | 78.9% | 10,642,607 | 95.1% |
| 3022 | 1342 1343 | New Shoreham | B | 2,701,194 | 3,165,316 | 464,123 | 85.3% | 1,519,889 | 30.5% |
| 3023 | 1372 1373 | North Kingstown | C | 27,567,463 | 35,288,291 | 7,720,829 | 78.1% | 10,791,847 | 71.5% |
| 3024 | 1382 1383 | North Providence | | 22,615,008 | 17,882,590 | (4,732,418) | 126.5% | 6,184,243 | (76.5%) |
| 3025 | 1392 1393 | North Smithfield | B | 11,292,783 | 8,505,674 | (2,787,109) | 132.8% | 2,594,527 | (107.4%) |
| 3026 | 1412 1413 | Pawtucket | C | 76,740,644 | 85,113,548 | 8,372,904 | 90.2% | 20,133,655 | 41.6% |
| 3027 | 1515 | Union Fire District | | 162,570 | 178,180 | 15,610 | 91.2% | 101,083 | 15.4% |
| 3029 | 1452 | Richmond | | 999,171 | 1,049,130 | 49,960 | 95.2% | 474,757 | 10.5% |
| 3030 | 1462 1463 | Scituate | B | 7,433,132 | 8,892,362 | 1,459,230 | 83.6% | 2,517,062 | 58.0% |
| 3031 | 1472 1473 | Smithfield | | 9,937,246 | 7,548,433 | (2,388,813) | 131.6% | 2,109,354 | (113.2%) |
| 3032 | 1492 1493 | South Kingstown | B | 30,821,463 | 29,817,072 | (1,004,391) | 103.4% | 10,187,695 | (9.9%) |
| 3033 | 1532 1533 | Tiverton | C | 9,131,234 | 6,825,132 | (2,306,102) | 133.8% | 2,211,837 | (104.3%) |
| 3034 | 1562 | Warren | C | 3,965,164 | 5,542,096 | 1,576,932 | 71.5% | 1,334,732 | 118.1% |
| 3036 | 1622 1623 | Westerly | | 656,996 | 1,101,875 | 444,879 | 59.6% | 51,257 | 867.9% |
| 3037 | 1602 | West Greenwich | | 1,269,066 | 1,589,029 | 319,963 | 79.9% | 760,156 | 42.1% |
| 3039 | 1632 1633 | Woonsocket | B | 53,763,200 | 43,925,382 | (9,837,819) | 122.4% | 12,076,700 | (81.5%) |
| 3040 | 1073 | Chariho School District | | 7,671,433 | 8,069,092 | 397,659 | 95.1% | 4,061,783 | 9.8% |
| 3041 | 1203 | Foster/Glocester | B | 3,444,041 | 4,346,254 | 902,213 | 79.2% | 1,201,306 | 75.1% |
| 3042 | 1528 | Tiogue Fire & Lighting | C,5 | 27,085 | 5,314 | (21,771) | 509.7% | 0 | - |
| 3043 | 1336 | Narragansett Housing | C | 152,378 | 193,643 | 41,264 | 78.7% | 140,500 | 29.4% |
| 3045 | 1098 | Coventry Lighting Dist | C | 1,125,510 | 762,306 | (363,204) | 147.6% | 147,324 | (246.5%) |
| 3046 | 1242 | Hope Valley Fire | C | 216,966 | 222,626 | 5,660 | 97.5% | 91,371 | 6.2% |
| 3050 | 1156 | East Greenwich Hsg. | C | 383,999 | 579,068 | 195,069 | 66.3% | 299,253 | 65.2% |
| 3051 | 1116 | Cranston Housing | C | 2,646,986 | 2,252,142 | (394,843) | 117.5% | 733,649 | (53.8%) |
| 3052 | 1166 | East Providence Hsg. | B | 2,066,026 | 1,850,862 | (215,164) | 111.6% | 503,668 | (42.7%) |
| 3053 | 1416 | Pawtucket Housing | B | 9,107,429 | 6,183,894 | (2,923,536) | 147.3% | 2,227,357 | (131.3%) |
| 3056 | 1126 | Cumberland Housing | C | 855,272 | 783,389 | (71,883) | 109.2% | 542,452 | (13.3%) |
| 3057 | 1306 | Lincoln Housing | B | 1,165,009 | 1,105,590 | (59,419) | 105.4% | 413,567 | (14.4%) |
| 3059 | 1016 | Bristol Housing | | 1,523,970 | 866,854 | (657,115) | 175.8% | 228,941 | (287.0%) |
| 3065 | 1036 | Burrillville Housing | B | 721,217 | 536,427 | (184,790) | 134.4% | 129,163 | (143.1%) |
| 3066 | 1386 | North Providence Hsg. | B | 664,971 | 1,246,173 | 581,202 | 53.4% | 272,414 | 213.4% |
| 3067 | 1177 | East Smithfield Water | C | 659,860 | 493,269 | (166,591) | 133.8% | 132,523 | (125.7%) |



SCHEDULE OF FUNDING PROGRESS

| Unit Number | | Unit | Code(s) | Actuarial | Actuarial | Unfunded | Funded | Annual | UAAL as % |
|--|-----------|-----------------------------|---------|-----------------------|-----------------------|----------------------|--------------|-----------------------|--------------|
| Old | New | | | Value of | Liability | Accrued Liability | Ratio | Covered | of Payroll |
| (1) | (2) | (3) | (4) | Assets (AVA) | (AAL) | (UAAL) (5) - (4) | (4)/(5) | Payroll | (7)/(9) |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| General Employee Units | | | | | | | | | |
| 3068 | 1227 | Greenville Water | B | 816,536 | 160,526 | (656,010) | 508.7% | 141,247 | (464.4%) |
| 3069 | 1356 | Newport Housing | C | 5,869,926 | 5,536,533 | (333,394) | 106.0% | 1,655,382 | (20.1%) |
| 3071 | 1566 | Warren Housing | B | 1,045,013 | 1,011,470 | (33,543) | 103.3% | 208,073 | (16.1%) |
| 3072 | 1286 | Johnston Housing | | 803,333 | 580,781 | (222,552) | 138.3% | 213,420 | (104.3%) |
| 3077 | 1538 | Tiverton Local 2670A | C | 2,396,727 | 2,327,106 | (69,621) | 103.0% | 736,268 | (9.5%) |
| 3078 | 1007 1009 | Barrington COLA | C | 15,189,444 | 12,650,627 | (2,538,817) | 120.1% | 5,610,004 | (45.3%) |
| 3079 | 1096 | Coventry Housing | | 697,398 | 532,819 | (164,579) | 130.9% | 358,602 | (45.9%) |
| 3080 | 1496 | South Kingstown Hsg | C | 97,599 | 69,085 | (28,514) | 141.3% | 124,176 | (23.0%) |
| 3081 | 1403 | N. RI Collab Adm. Svc | C | 943,973 | 1,086,331 | 142,358 | 86.9% | 1,517,348 | 9.4% |
| 3083 | 1616 | West Warwick Hsg | B | 814,705 | 932,173 | 117,468 | 87.4% | 294,389 | 39.9% |
| 3084 | 1476 | Smithfield Housing | | 196,230 | 170,634 | (25,596) | 115.0% | 86,110 | (29.7%) |
| 3094 | 1478 | Smithfield COLA | C | 8,100,337 | 6,403,580 | (1,696,757) | 126.5% | 2,856,764 | (59.4%) |
| 3096 | 1056 | Central Falls Housing | C | 1,092,255 | 1,569,679 | 477,424 | 69.6% | 663,257 | 72.0% |
| 3098 | 1293 | Lime Rock Adm Svc | | 106,124 | 111,067 | 4,943 | 95.5% | 62,453 | 7.9% |
| 3099 | 1063 | Central Falls Schools | C | 6,994,375 | 7,803,691 | 809,316 | 89.6% | 4,438,368 | 18.2% |
| 3100 | 1023 | Bristol/Warren Schools | B | 11,429,353 | 12,361,863 | 932,510 | 92.5% | 3,687,525 | 25.3% |
| 3101 | 1157 | Twn of EGrnwch-COLANCE | C | 10,604,145 | 9,740,653 | (863,492) | 108.9% | 4,229,220 | (20.4%) |
| 3102 | 1712 | Town of Harrisville | C,2 | 11,314 | 404,368 | 393,054 | 2.8% | 239,248 | 164.3% |
| 3103 | 1702 | Town of Albion | C,2 | 10,737 | 55,431 | 44,694 | 19.4% | 25,952 | 172.2% |
| General Employee Units Subtotal | | | | \$ 673,731,669 | \$ 696,303,815 | \$ 22,572,145 | 96.8% | \$ 203,496,441 | 11.1% |
| Police & Fire Units | | | | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 520,116 | 450,714 | (69,402) | 115.4% | 981,747 | (7.1%) |
| 4029 | 1454 | Richmond Fire District | | 248,851 | 457,344 | 208,492 | 54.4% | 309,408 | 67.4% |
| 4031 | 1474 | Smithfield Police | C,D | 360,186 | 398,340 | 38,155 | 90.4% | 524,140 | 7.3% |
| 4042 | 1555 | Valley Falls Fire | D | 1,988,148 | 2,587,641 | 599,493 | 76.8% | 585,454 | 102.4% |
| 4047 | 1395 1435 | N Smithfield Voluntary Fire | B,D | 3,099,360 | 3,907,678 | 808,317 | 79.3% | 854,755 | 94.6% |
| 4050 | 1155 | East Greenwich Fire | C,D | 6,641,665 | 8,209,104 | 1,567,439 | 80.9% | 1,525,866 | 102.7% |
| 4054 | 1154 | East Greenwich Police | C,D | 9,146,823 | 9,399,913 | 253,090 | 97.3% | 1,592,202 | 15.9% |
| 4055 | 1375 | North Kingstown Fire | C,D | 19,017,109 | 23,585,108 | 4,568,000 | 80.6% | 3,431,941 | 133.1% |
| 4056 | 1374 | North Kingstown Police | C,D | 11,972,027 | 15,081,134 | 3,109,106 | 79.4% | 2,257,865 | 137.7% |
| 4057 | 1235 | Harris Fire Department | C | 161,933 | 458,386 | 296,452 | 35.3% | 152,930 | 193.8% |
| 4058 | 1385 | North Providence Fire | D | 20,240,631 | 21,261,407 | 1,020,776 | 95.2% | 4,590,698 | 22.2% |
| 4059 | 1008 | Barrington Fire (25) | C | 334,744 | 685,549 | 350,805 | 48.8% | 212,549 | 165.0% |
| 4060 | 1004 | Barrington Police | C,D | 5,320,569 | 8,300,087 | 2,979,518 | 64.1% | 957,029 | 311.3% |
| 4061 | 1005 | Barrington Fire (20) | C,D | 8,007,699 | 7,660,323 | (347,376) | 104.5% | 576,351 | (60.3%) |
| 4062 | 1564 | Warren Police & Fire | C,D | 5,816,319 | 7,997,245 | 2,180,927 | 72.7% | 1,062,607 | 205.2% |
| 4063 | 1494 | South Kingstown Police | B,1 | 16,629,649 | 16,777,616 | 147,966 | 99.1% | 2,389,710 | 6.2% |
| 4073 | 1464 | Scituate Police | 3 | 150,672 | 38,765 | (111,906) | 388.7% | 0 | - |
| 4076 | 1394 | North Smithfield Police | C,D | 5,588,404 | 6,538,461 | 950,057 | 85.5% | 1,003,415 | 94.7% |
| 4077 | 1534 | Tiverton Fire | C,D | 6,319,026 | 7,372,593 | 1,053,566 | 85.7% | 1,350,950 | 78.0% |
| 4082 | 1194 | Foster Police | C,D | 1,573,108 | 1,654,695 | 81,587 | 95.1% | 265,028 | 30.8% |
| 4085 | 1634 | Woonsocket Police | C,D | 18,408,587 | 20,247,135 | 1,838,548 | 90.9% | 4,568,391 | 40.2% |
| 4086 | 1084 | Charlestown Police | C,D | 3,481,132 | 5,797,368 | 2,316,236 | 60.0% | 926,956 | 249.9% |
| 4087 | 1264 | Hopkinton Police | C,D | 2,415,403 | 2,600,263 | 184,860 | 92.9% | 629,873 | 29.3% |
| 4088 | 1214 | Glocester Police | C,D | 2,689,324 | 3,421,571 | 732,246 | 78.6% | 750,396 | 97.6% |
| 4089 | 1604 | W Greenwich Police/RSQ | C,D | 1,433,548 | 1,752,447 | 318,899 | 81.8% | 448,272 | 71.1% |
| 4090 | 1034 | Burrillville Police | C,D | 4,677,696 | 5,813,042 | 1,135,345 | 80.5% | 1,099,742 | 103.2% |
| 4091 | 1148 | Cumberland Rescue | C,D | 2,257,841 | 2,502,128 | 244,287 | 90.2% | 772,262 | 31.6% |



SCHEDULE OF FUNDING PROGRESS

| Unit Number | | Unit | Code(s) | Actuarial | Actuarial | Unfunded | Funded | Annual | UAAI as % |
|---|------|---------------------------|---------|-----------------------|-----------------------|----------------------|--------------|-----------------------|--------------|
| Old | New | | | Value of | Liability | Accrued Liability | Ratio | Covered | of Payroll |
| (1) | (2) | (3) | (4) | Assets (AVA) | (AAL) | (UAAI) (5) - (4) | (4)/(5) | Payroll | (7)/(9) |
| | | | | (5) | (6) | (7) | (8) | (9) | (10) |
| Police & Fire Units | | | | | | | | | |
| 4092 | 1585 | Washington Fire | D | 1,129,856 | 1,370,265 | 240,409 | 82.5% | 377,918 | 63.6% |
| 4093 | 1635 | Woonsocket Fire | C,D | 13,981,593 | 15,216,921 | 1,235,328 | 91.9% | 4,415,346 | 28.0% |
| 4094 | 1015 | Bristol Fire | D | 195,765 | 199,256 | 3,491 | 98.2% | 93,956 | 3.7% |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 2,438,122 | 3,209,453 | 771,332 | 76.0% | 552,919 | 139.5% |
| 4096 | 1014 | Bristol Police | C,D | 887,454 | 824,199 | (63,256) | 107.7% | 764,298 | (8.3%) |
| 4098 | 1095 | Coventry Fire | D | 1,568,764 | 2,173,079 | 604,316 | 72.2% | 581,674 | 103.9% |
| 4099 | 1505 | South Kingstown EMT | C,D | 1,177,048 | 930,747 | (246,300) | 126.5% | 580,428 | (42.4%) |
| 4100 | 1525 | Tiogue Fire | | 130,286 | 485,007 | 354,720 | 26.9% | 201,496 | 176.0% |
| 4101 | 1365 | North Cumberland | D | 1,788,853 | 2,280,051 | 491,198 | 78.5% | 570,124 | 86.2% |
| 4102 | 1045 | Central Coventry Fire | C,D | 1,514,396 | 2,046,631 | 532,234 | 74.0% | 494,253 | 107.7% |
| 4103 | 1255 | Hopkins Hill Fire | D | 306,686 | 453,232 | 146,546 | 67.7% | 286,732 | 51.1% |
| 4104 | 1114 | Cranston Police | C,D,4 | 6,440,242 | 9,491,992 | 3,051,750 | 67.8% | 4,327,084 | 70.5% |
| 4105 | 1115 | Cranston Fire | C,D,4 | 11,599,490 | 17,852,641 | 6,253,150 | 65.0% | 6,481,038 | 96.5% |
| 4106 | 1125 | Cumberland Fire | B,D | 1,780,211 | 2,428,066 | 647,855 | 73.3% | 539,378 | 120.1% |
| 4107 | 1305 | Lincoln Rescue | C | 1,172,977 | 1,674,415 | 501,438 | 70.1% | 646,654 | 77.5% |
| 4108 | 1344 | New Shoreham Police | B,D | 543,164 | 852,385 | 309,221 | 63.7% | 267,641 | 115.5% |
| 4109 | 1324 | Middletown Police & Fire | B,D | 131,356 | 104,763 | (26,593) | 125.4% | 159,835 | (16.6%) |
| 4110 | 1715 | Harrisville Fire District | C,D,2 | 290,894 | 283,435 | (7,459) | 102.6% | 110,364 | (6.8%) |
| 4111 | 1705 | Albion Fire District | C,2 | 140,256 | 399,640 | 259,384 | 35.1% | 217,104 | 119.5% |
| Police & Fire Units Subtotal | | | | \$ 205,717,984 | \$ 247,232,233 | \$ 41,514,249 | 83.2% | \$ 55,488,779 | 74.8% |
| All MERS Units Total | | | | \$ 879,449,653 | \$ 943,536,048 | \$ 64,086,395 | 93.2% | \$ 258,985,220 | 24.7% |

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 2004 valuation.

3 - Closed unit.

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

5 - This unit has no active members.



Asset Values

| Old Unit Number | New Unit Number | Unit | Code | Market Value of Assets of Assets | Actuarial Value of Assets |
|-------------------------------|-----------------|----------------------------|------|----------------------------------|---------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| General Employee Units | | | | | |
| 3001 | 1002 1003 | Barrington | | \$ 7,198,121 | \$ 7,621,008 |
| 3002 | 1012 1019 | Bristol | B | 11,577,126 | 12,257,279 |
| 3003 | 1032 1033 | Burrillville | C | 16,961,492 | 17,957,974 |
| 3004 | 1052 | Central Falls | | 2,988,914 | 3,164,511 |
| 3005 | 1082 | Charlestown | C | 2,547,036 | 2,696,674 |
| 3007 | 1112 1113 | Cranston | B | 101,032,150 | 106,967,754 |
| 3008 | 1122 1123 | Cumberland | | 13,074,840 | 13,842,983 |
| 3009 | 1152 1153 | East Greenwich | | 7,779,551 | 8,236,597 |
| 3010 | 1162 1163 | East Providence | B | 49,838,937 | 52,766,957 |
| 3011 | 1183 | Exeter/West Greenwich | B | 4,283,904 | 4,535,582 |
| 3012 | 1192 1193 | Foster | | 1,909,050 | 2,021,206 |
| 3013 | 1212 1213 | Glocester | C | 3,549,641 | 3,758,181 |
| 3014 | 1262 | Hopkinton | C | 2,456,396 | 2,600,709 |
| 3015 | 1272 1273 | Jamestown | C | 5,140,612 | 5,442,621 |
| 3016 | 1282 1283 | Johnston | C | 23,935,227 | 25,341,413 |
| 3017 | 1302 1303 | Lincoln | | 736,481 | 779,749 |
| 3019 | 1322 1323 | Middletown | C | 6,811,700 | 7,211,885 |
| 3021 | 1352 1353 1354 | Newport | B | 35,721,926 | 37,820,577 |
| 3022 | 1342 1343 | New Shoreham | B | 2,551,305 | 2,701,194 |
| 3023 | 1372 1373 | North Kingstown | C | 26,037,754 | 27,567,463 |
| 3024 | 1382 1383 | North Providence | | 21,360,109 | 22,615,008 |
| 3025 | 1392 1393 | North Smithfield | B | 10,666,151 | 11,292,783 |
| 3026 | 1412 1413 | Pawtucket | C | 72,482,332 | 76,740,644 |
| 3027 | 1515 | Union Fire District | | 153,550 | 162,570 |
| 3029 | 1452 | Richmond | | 943,727 | 999,171 |
| 3030 | 1462 1463 | Scituate | B | 7,020,670 | 7,433,132 |
| 3031 | 1472 1473 | Smithfield | | 9,385,831 | 9,937,246 |
| 3032 | 1492 1493 | South Kingstown | B | 29,111,191 | 30,821,463 |
| 3033 | 1532 1533 | Tiverton | C | 8,624,545 | 9,131,234 |
| 3034 | 1562 | Warren | C | 3,745,138 | 3,965,164 |
| 3036 | 1622 1623 | Westerly | | 620,540 | 656,996 |
| 3037 | 1602 | West Greenwich | | 1,198,646 | 1,269,066 |
| 3039 | 1632 1633 | Woonsocket | B | 50,779,899 | 53,763,200 |
| 3040 | 1073 | Chariho School District | | 7,245,748 | 7,671,433 |
| 3041 | 1203 | Foster/Glocester | B | 3,252,932 | 3,444,041 |
| 3042 | 1528 | Tiogue Fire & Lighting | C,5 | 25,582 | 27,085 |
| 3043 | 1336 | Narragansett Housing | C | 143,923 | 152,378 |
| 3045 | 1098 | Coventry Lighting District | C | 1,063,056 | 1,125,510 |
| 3046 | 1242 | Hope Valley Fire | C | 204,926 | 216,966 |
| 3050 | 1156 | East Greenwich Housing | C | 362,691 | 383,999 |
| 3051 | 1116 | Cranston Housing | C | 2,500,105 | 2,646,986 |
| 3052 | 1166 | East Providence Housing | B | 1,951,383 | 2,066,026 |
| 3053 | 1416 | Pawtucket Housing | B | 8,602,061 | 9,107,429 |
| 3056 | 1126 | Cumberland Housing | C | 807,813 | 855,272 |
| 3057 | 1306 | Lincoln Housing | B | 1,100,363 | 1,165,009 |
| 3059 | 1016 | Bristol Housing | | 1,439,405 | 1,523,970 |
| 3065 | 1036 | Burrillville Housing | B | 681,197 | 721,217 |



Asset Values

| Old Unit Number | New Unit Number | Unit | Code | Market Value of Assets of Assets | Actuarial Value of Assets |
|--|-----------------|-----------------------------------|------|----------------------------------|---------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| General Employee Units | | | | | |
| 3066 | 1386 | North Providence Housing | B | \$ 628,072 | \$ 664,971 |
| 3067 | 1177 | East Smithfield Water | C | 623,244 | 659,860 |
| 3068 | 1227 | Greenville Water | B | 771,227 | 816,536 |
| 3069 | 1356 | Newport Housing | C | 5,544,206 | 5,869,926 |
| 3071 | 1566 | Warren Housing | B | 987,026 | 1,045,013 |
| 3072 | 1286 | Johnston Housing | | 758,756 | 803,333 |
| 3077 | 1538 | Tiverton Local 2670A | C | 2,263,734 | 2,396,727 |
| 3078 | 1007 1009 | Barrington COLA | C | 14,346,587 | 15,189,444 |
| 3079 | 1096 | Coventry Housing | | 658,700 | 697,398 |
| 3080 | 1496 | South Kingstown Housing | C | 92,183 | 97,599 |
| 3081 | 1403 | N. RI Collab. Adm. Services | C | 891,593 | 943,973 |
| 3083 | 1616 | West Warwick Housing | B | 769,497 | 814,705 |
| 3084 | 1476 | Smithfield Housing | | 185,342 | 196,230 |
| 3094 | 1478 | Smithfield COLA | C | 7,650,852 | 8,100,337 |
| 3096 | 1056 | Central Falls Housing | C | 1,031,646 | 1,092,255 |
| 3098 | 1293 | Lime Rock Administrative Services | | 100,235 | 106,124 |
| 3099 | 1063 | Central Falls Schools | C | 6,606,259 | 6,994,375 |
| 3100 | 1023 | Bristol/Warren Schools | B | 10,795,142 | 11,429,353 |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 10,015,725 | 10,604,145 |
| 3102 | 1712 | Town of Harrisville | C,2 | 10,686 | 11,314 |
| 3103 | 1702 | Town of Albion | C,2 | 10,141 | 10,737 |
| General Employee Units Subtotal | | | | \$ 636,346,531 | \$ 673,731,669 |
| Police & Fire Units | | | | | |
| 4016 | 1285 | Johnston Fire | D | \$ 491,255 | \$ 520,116 |
| 4029 | 1454 | Richmond Fire District | | 235,043 | 248,851 |
| 4031 | 1474 | Smithfield Police | C,D | 340,199 | 360,186 |
| 4042 | 1555 | Valley Falls Fire | D | 1,877,826 | 1,988,148 |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 2,927,378 | 3,099,360 |
| 4050 | 1155 | East Greenwich Fire | C,D | 6,273,122 | 6,641,665 |
| 4054 | 1154 | East Greenwich Police | C,D | 8,639,269 | 9,146,823 |
| 4055 | 1375 | North Kingstown Fire | C,D | 17,961,856 | 19,017,109 |
| 4056 | 1374 | North Kingstown Police | C,D | 11,307,704 | 11,972,027 |
| 4057 | 1235 | Harris Fire Department | C | 152,948 | 161,933 |
| 4058 | 1385 | North Providence Fire | D | 19,117,485 | 20,240,631 |
| 4059 | 1008 | Barrington Fire (25) | C | 316,170 | 334,744 |
| 4060 | 1004 | Barrington Police | C,D | 5,025,333 | 5,320,569 |
| 4061 | 1005 | Barrington Fire (20) | C,D | 7,563,354 | 8,007,699 |
| 4062 | 1564 | Warren Police & Fire | C,D | 5,493,573 | 5,816,319 |
| 4063 | 1494 | South Kingstown Police | B,1 | 15,706,876 | 16,629,649 |
| 4073 | 1464 | Scituate Police | 3 | 142,311 | 150,672 |
| 4076 | 1394 | North Smithfield Police | C,D | 5,278,305 | 5,588,404 |
| 4077 | 1534 | Tiverton Fire | C,D | 5,968,386 | 6,319,026 |
| 4082 | 1194 | Foster Police | C,D | 1,485,817 | 1,573,108 |
| 4085 | 1634 | Woonsocket Police | C,D | 17,387,100 | 18,408,587 |
| 4086 | 1084 | Charlestown Police | C,D | 3,287,965 | 3,481,132 |
| 4087 | 1264 | Hopkinton Police | C,D | 2,281,373 | 2,415,403 |



Asset Values

| Old Unit Number | New Unit Number | Unit | Code | Market Value of Assets of Assets | Actuarial Value of Assets |
|---|-----------------|------------------------------|-------|----------------------------------|---------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| Police & Fire Units | | | | | |
| 4088 | 1214 | Glocester Police | C,D | \$ 2,540,095 | \$ 2,689,324 |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 1,354,001 | 1,433,548 |
| 4090 | 1034 | Burrillville Police | C,D | 4,418,133 | 4,677,696 |
| 4091 | 1148 | Cumberland Rescue | C,D | 2,132,554 | 2,257,841 |
| 4092 | 1585 | Washington Fire | D | 1,067,161 | 1,129,856 |
| 4093 | 1635 | Woonsocket Fire | C,D | 13,205,759 | 13,981,593 |
| 4094 | 1015 | Bristol Fire | D | 184,902 | 195,765 |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 2,302,831 | 2,438,122 |
| 4096 | 1014 | Bristol Police | C,D | 838,210 | 887,454 |
| 4098 | 1095 | Coventry Fire | D | 1,481,713 | 1,568,764 |
| 4099 | 1505 | South Kingstown EMT | C,D | 1,111,734 | 1,177,048 |
| 4100 | 1525 | Tiogue Fire | | 123,057 | 130,286 |
| 4101 | 1365 | North Cumberland | D | 1,689,591 | 1,788,853 |
| 4102 | 1045 | Central Coventry Fire | C,D | 1,430,363 | 1,514,396 |
| 4103 | 1255 | Hopkins Hill Fire | D | 289,668 | 306,686 |
| 4104 | 1114 | Cranston Police | C,D,4 | 6,082,876 | 6,440,242 |
| 4105 | 1115 | Cranston Fire | C,D,4 | 10,955,839 | 11,599,490 |
| 4106 | 1125 | Cumberland Fire | B,D | 1,681,428 | 1,780,211 |
| 4107 | 1305 | Lincoln Rescue | C | 1,107,889 | 1,172,977 |
| 4108 | 1344 | New Shoreham Police | B,D | 513,024 | 543,164 |
| 4109 | 1324 | Middletown Police & Fire | B,D | 124,067 | 131,356 |
| 4110 | 1715 | Harrisville Fire District | C,D,2 | 274,753 | 290,894 |
| 4111 | 1705 | Albion Fire District | C,2 | 132,473 | 140,256 |
| Police & Fire Units Subtotal | | | | \$ 194,302,764 | \$ 205,717,984 |
| All MERS Units Total | | | | \$ 830,649,294 | \$ 879,449,653 |

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 2003 valuation.

3 - Closed unit.



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.

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.

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.

The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over a closed 30-year period from June 30, 1999.

The contribution rate determined by this valuation will not be effective until two years later. The calculated contribution rate is adjusted 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 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 returns are computed net of administrative and investment expenses.



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 1.50% General Increase Rate |
| (1) | (2) | (3) |
| 0 | 4.50% | 9.00% |
| 1 | 4.00 | 8.50 |
| 2 | 2.00 | 6.50 |
| 3 | 1.75 | 6.25 |
| 4 | 1.50 | 6.00 |
| 5 or more | 0.00 | 4.50 |

| Police & Fire | | |
|--------------------------|---------------------------|---|
| 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 | 10.50% | 15.50% |
| 1 | 4.00 | 9.00 |
| 2 | 1.50 | 6.50 |
| 3 | 1.00 | 6.00 |
| 4 | 0.75 | 5.75 |
| 5 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, 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 3.75% 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. Rates are set forward one year.
- Healthy females - Based on the 1994 Group Annuity Mortality Table for females.



- Disabled males - 65% of the PBGC Table Va for disabled males eligible for Social Security disability benefits
- Disabled females - 100% of the 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 | 3.14 | 2.63 |
| 30 | 0.08 | 0.04 | 2.35 | 2.37 |
| 35 | 0.09 | 0.05 | 1.81 | 2.14 |
| 40 | 0.12 | 0.07 | 1.83 | 2.09 |
| 45 | 0.17 | 0.10 | 2.09 | 2.24 |
| 50 | 0.29 | 0.14 | 2.49 | 2.57 |
| 55 | 0.49 | 0.23 | 3.13 | 2.95 |
| 60 | 0.90 | 0.44 | 3.92 | 3.31 |
| 65 | 1.62 | 0.86 | 4.41 | 3.70 |
| 70 | 2.60 | 1.37 | 4.80 | 4.11 |
| 75 | 4.09 | 2.27 | 5.47 | 4.92 |
| 80 | 6.86 | 3.94 | 7.33 | 7.46 |

Disability rates: Disability is assumed to occur in accordance with the following table with 25% of disabilities for general employees and 75% for police and fire considered occupational.

| Age | General | Police & Fire |
|-----|---------|---------------|
| (1) | (2) | (3) |
| 25 | 0.05 | 0.17 |
| 30 | 0.06 | 0.22 |
| 35 | 0.09 | 0.29 |
| 40 | 0.13 | 0.44 |
| 45 | 0.22 | 0.72 |
| 50 | 0.37 | 1.21 |
| 55 | 0.61 | 1.21 |
| 60 | 0.85 | 1.21 |
| 65 | 0.00 | 1.21 |



Termination rates (for causes other than death, disability or retirement): For General Employees, 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 for General Employees are shown

Active Male Members - General Employees

| Age | Years of Service | | | | | | | | | | |
|-----|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10+ |
| 20 | 0.1989 | 0.1997 | 0.1887 | 0.1690 | 0.1469 | 0.1343 | 0.1343 | 0.1343 | 0.1343 | 0.1343 | 0.1343 |
| 25 | 0.1780 | 0.1722 | 0.1595 | 0.1420 | 0.1239 | 0.1148 | 0.1148 | 0.1148 | 0.1148 | 0.1148 | 0.1448 |
| 30 | 0.1499 | 0.1353 | 0.1204 | 0.1059 | 0.0932 | 0.0883 | 0.0883 | 0.0883 | 0.0883 | 0.0833 | 0.0833 |
| 35 | 0.1281 | 0.1098 | 0.0946 | 0.0824 | 0.0731 | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.0700 |
| 40 | 0.1105 | 0.0920 | 0.0780 | 0.0679 | 0.0608 | 0.0575 | 0.0575 | 0.0575 | 0.0575 | 0.0575 | 0.0575 |
| 45 | 0.0973 | 0.0821 | 0.0708 | 0.0627 | 0.0568 | 0.0517 | 0.0517 | 0.0517 | 0.0517 | 0.0517 | 0.0517 |
| 50 | 0.0884 | 0.0800 | 0.0731 | 0.0672 | 0.0615 | 0.0539 | 0.0539 | 0.0539 | 0.0539 | 0.0539 | 0.0539 |
| 55 | 0.0840 | 0.0856 | 0.0846 | 0.0813 | 0.0754 | 0.0653 | 0.0653 | 0.0653 | 0.0653 | 0.0653 | 0.0653 |
| 60 | 0.0838 | 0.0988 | 0.1055 | 0.1052 | 0.0986 | 0.0874 | 0.0874 | 0.0874 | 0.0874 | 0.0874 | 0.0874 |
| 65 | 0.0878 | 0.1192 | 0.1351 | 0.1382 | 0.1306 | 0.1202 | 0.1202 | 0.1202 | 0.1202 | 0.1202 | 0.1202 |
| 70 | 0.0976 | 0.1513 | 0.1797 | 0.1872 | 0.1779 | 0.1713 | 0.1713 | 0.1713 | 0.0713 | 0.0713 | 0.0713 |

Active Female Members - General Employees

| Age | Years of Service | | | | | | | | | | |
|-----|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10+ |
| 20 | 0.2037 | 0.1831 | 0.1696 | 0.1609 | 0.1545 | 0.1491 | 0.1426 | 0.1345 | 0.1263 | 0.1181 | 0.1281 |
| 25 | 0.1926 | 0.1726 | 0.1593 | 0.1506 | 0.1443 | 0.1390 | 0.1329 | 0.1254 | 0.1178 | 0.1102 | 0.1190 |
| 30 | 0.1578 | 0.1376 | 0.1232 | 0.1130 | 0.1058 | 0.1005 | 0.0956 | 0.0905 | 0.0856 | 0.0807 | 0.0834 |
| 35 | 0.1337 | 0.1130 | 0.0975 | 0.0863 | 0.0786 | 0.0735 | 0.0694 | 0.0660 | 0.0629 | 0.0597 | 0.0584 |
| 40 | 0.1166 | 0.0952 | 0.0786 | 0.0667 | 0.0588 | 0.0539 | 0.0506 | 0.0483 | 0.0464 | 0.0442 | 0.0404 |
| 45 | 0.1066 | 0.0845 | 0.0672 | 0.0548 | 0.0469 | 0.0422 | 0.0395 | 0.0379 | 0.0364 | 0.0346 | 0.0296 |
| 50 | 0.1031 | 0.0806 | 0.0631 | 0.0508 | 0.0430 | 0.0385 | 0.0361 | 0.0346 | 0.0330 | 0.0308 | 0.0262 |
| 55 | 0.1055 | 0.832 | 0.0664 | 0.0547 | 0.0472 | 0.0429 | 0.0407 | 0.0386 | 0.0360 | 0.0325 | 0.0300 |
| 60 | 0.1128 | 0.0918 | 0.0767 | 0.0663 | 0.0592 | 0.0551 | 0.0528 | 0.0496 | 0.0452 | 0.0394 | 0.0406 |
| 65 | 0.1315 | 0.1121 | 0.0998 | 0.0912 | 0.0846 | 0.0802 | 0.0776 | 0.0722 | 0.0645 | 0.0546 | 0.0624 |
| 70 | 0.1197 | 0.1059 | 0.0986 | 0.0935 | 0.0886 | 0.0849 | 0.0826 | 0.0764 | 0.0675 | 0.0564 | 0.0679 |



For police and firemen, termination rates is service-related and as follows:

| <u>Years of Service</u> | <u>Termination Rate</u> |
|-------------------------|-------------------------|
| 0 | 0.12000 |
| 1 | 0.07000 |
| 2 | 0.06500 |
| 3 | 0.06000 |
| 4 | 0.05500 |
| 5 | 0.05000 |
| 6 | 0.04000 |
| 7 | 0.03000 |
| 8 | 0.02000 |
| 9 | 0.01000 |
| 10+ | 0.00000 |

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 | | |
|---|--------------|----------------|
| <u>Age</u> | <u>Males</u> | <u>Females</u> |
| 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 | 8 | 5 |
| 57 | 9 | 5 |
| 58 | 18 | 15 |
| 59 | 10 | 10 |
| 60 | 10 | 12 |
| 61 | 15 | 14 |
| 62 | 30 | 16 |
| 63 | 30 | 18 |
| 64 | 30 | 20 |
| 65 | 40 | 30 |
| 66 | 30 | 20 |
| 67 | 30 | 20 |
| 68 | 30 | 20 |
| 69 | 30 | 20 |
| 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 electronic files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

The data for active members included birthdate, sex, service, 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 year 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 next page.

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).

**STATE POLICE
RETIREMENT BENEFITS TRUST**

ACTUARIAL INFORMATION



GABRIEL, ROEDER, SMITH & COMPANY

Consultants & Actuaries

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September 14, 2005

Retirement Board
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation of SPRBT as of June 30, 2004

This is the June 30, 2004 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 State of Rhode Island 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, 2004 actuarial valuation will be applicable for the year beginning July 1, 2006 and ending June 30, 2007.

Financing objectives and funding policy

The actuarial cost method and the amortization periods are set by statute. Contribution rates and liabilities are computed using the Entry Age actuarial cost method. The employer contribution rate is the sum of two pieces: the employer normal cost rate and the amortization rate. The normal cost rate is determined as a percent of pay. The employer normal cost rate is the difference between this and the member contribution rate. The amortization rate is determined as a level percent of pay. It is the amount required to amortize the unfunded actuarial accrued liability over a closed period (30 years as of June 30, 1999, 25 years as of June 30, 2004). The amortization rate is adjusted for the two-year deferral in contribution rates.

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 73.7% to 75.8%. The employer contribution rate increased from 31.35% to 31.78%. This increase was principally due to the recognition of deferred asset losses from prior valuations. An analysis of the changes in the employer contribution rate appears on Table 10.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2004. 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. The actuarial assumptions were approved by the Board on August 11, 2004. We believe the assumptions are internally consistent and are reasonable, based on the actual experience of ERSRI.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. The actuarial calculations are intended to provide information for rational decision making.

The actuarial assumptions and methods used in this report comply with the parameters for disclosure that appear in GASB 25.

Data

The System's staff supplied data for active, inactive, and retired members as of June 30, 2004. 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, 2004.

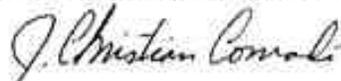
Certification

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

Board of Trustees
September 14, 2005
Page 2

Accounting Standards Board. The undersigned are independent actuaries. Both are Members of the Society of Actuaries and Members of the American Academy of Actuaries, they both meet the Qualification Standards of the American Academy of Actuaries, and they are experienced in performing valuations for large public retirement systems.

Sincerely,
Gabriel, Roeder, Smith & Company



J. Christian Conradi, ASA, MAAA
Senior Consultant



W. Michael Carter, FSA, MAAA
Senior Consultant

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Actuarial Valuation - June 30, 2004

State Police Retirement Benefits Trust - Executive Summary

| Item | 2004 | 2003 |
|---|---------------|---------------|
| Membership | | |
| • Number of | | |
| - Active members | 148 | 150 |
| - Retirees and beneficiaries | 1 | 1 |
| - Inactive Members | 1 | - |
| - Total | 150 | 151 |
| • Payroll for benefits | \$ 11,421,880 | \$ 11,286,365 |
| Contribution rates | | |
| • Member | 8.75% | 8.75% |
| • State | 31.78% | 31.35% |
| Assets | | |
| • Market value | \$ 24,495,990 | \$ 18,112,268 |
| • Actuarial value | 24,767,014 | 20,966,294 |
| • Return on market value | 18.0% | 4.5% |
| • Return on actuarial value | 4.2% | 1.5% |
| • Employer contribution | 2,224,191 | \$ 2,256,770 |
| • Ratio of actuarial value to market value | 101.1% | 115.8% |
| Actuarial Information | | |
| • Employer normal cost % | 25.74% | 25.63% |
| • Unfunded actuarial accrued liability (UAAL) | \$ 7,922,160 | \$ 7,477,423 |
| • Amortization rate | 6.04% | 5.72% |
| • Funding period | 25 years | 26 years |
| • GASB funded ratio | 75.8% | 73.7% |
| Projected employer contribution | | |
| • Fiscal year ending June 30, | 2007 | 2006 |
| • Projected payroll for contributions | \$ 9,695,510 | \$ 9,566,846 |
| • Projected employer contribution | 3,081,233 | 2,999,206 |



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 monthly throughout the 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 returns are computed net of administrative and investment expenses.

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 on the next page.



| 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 3.75% 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 - 65% of the PBGC Table Va for disabled males eligible for Social Security disability benefits.
- Disabled females - 100% of the 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 75% 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 electronic files for active and retired members. The data for an active member included birthdate, sex, service, salary and employee contribution account balance. A file was also supplied showing both the salary for contribution purposes and the salary for benefit purposes. 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.



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, 2004 | June 30, 2003 |
|--|---------------|---------------|
| (1) | (2) | (3) |
| 1. Cash and cash equivalents | \$ 218,178 | \$ 215,754 |
| 2. Receivables: | | |
| a. Employer and member contributions | \$ - | \$ - |
| b. Transfers receivable | - | 116,547 |
| c. Miscellaneous | - | 2,209 |
| d. Total receivables | \$ - | \$ 118,756 |
| 3. Investments | | |
| a. Pooled trust | \$ 24,272,810 | \$ 17,759,049 |
| b. Plan specific investments | - | - |
| c. Total | \$ 24,272,810 | \$ 17,759,049 |
| 4. Invested securities lending collateral | \$ 3,175,436 | \$ 1,929,027 |
| 5. Property and equipment (net of depreciation) | \$ 31,364 | \$ 31,313 |
| 6. Total assets | \$ 27,697,788 | \$ 20,053,899 |
| 7. Liabilities | | |
| a. Benefits payable | \$ - | \$ - |
| b. Securities lending liability | 3,175,436 | 1,929,027 |
| c. Accounts and vouches payable | 26,362 | 12,604 |
| d. Total liabilities | \$ 3,201,798 | \$ 1,941,631 |
| 8. Total market value of assets available for benefits | | |
| Total (Item 6 - Item 7) | \$ 24,495,990 | \$ 18,112,268 |



RECONCILIATION OF PLAN NET ASSETS

| | <u>June 30, 2004</u> | <u>June 30, 2003</u> |
|--|----------------------|----------------------|
| 1. Market value of assets as of beginning of year | \$ 18,112,268 | \$ 14,495,142 |
| 2. Contributions | | |
| a. Members | \$ 727,018 | \$ 718,589 |
| b. State | 2,224,191 | 2,256,770 |
| c. Service purchases | - | - |
| d. Total | <u>\$ 2,951,209</u> | <u>\$ 2,975,359</u> |
| 3. Investment earnings, net of investment expenses | \$ 3,528,560 | \$ 723,045) |
| 4. Expenditures for the year | | |
| a. Benefit payments | \$ (69,279) | \$ (69,448) |
| b. Cost-of-living adjustments | (750) | - |
| c. Death benefits | - | - |
| d. Social security supplements | - | - |
| e. Supplemental pensions | - | - |
| f. Refunds | (10,895) | - |
| g. Administrative expense | <u>(15,123)</u> | <u>(11,830)</u> |
| h. Total expenditures | \$ (96,047) | \$ (81,278) |
| 5. Transfers and other adjustments | \$ - | \$ - |
| 6. Market value of assets at end of year | \$ 24,495,990 | \$ 18,112,268 |

ANALYSIS OF CHANGE IN EMPLOYER COST

| <u>Basis</u> | <u>Employer Cost</u> |
|--|----------------------|
| 1. Employer fiscal 2006 cost | 31.35% |
| 2. Impact of changes, gains and losses | |
| a. Salary (gain)/loss | (0.69%) |
| b. Investment experience (gain)/loss | 0.77% |
| c. Non-salary liability experience (gain)/loss | 0.35% |
| d. Changes in assumptions | 0.00% |
| e. Total | <u>0.43%</u> |
| 3. Employer fiscal 2007 cost | 31.78% |

**JUDICIAL RETIREMENT
BENEFITS TRUST
ACTUARIAL INFORMATION**

JUDICIAL ACTUARIAL INFORMATION



GABRIEL, ROEDER, SMITH & COMPANY

Consultants & Actuaries

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September 14, 2005

Retirement Board
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation of the JRBT as of June 30, 2004

This is the June 30, 2004 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 State of Rhode Island 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, 2004 actuarial valuation will be applicable for the year beginning July 1, 2006 and ending June 30, 2007.

Financing objectives and funding policy

The actuarial cost method and the amortization periods are set by statute. Contribution rates and liabilities are computed using the Entry Age actuarial cost method. The employer contribution rate is the sum of two pieces: the employer normal cost rate and the amortization rate. The normal cost rate is determined as a percent of pay. The employer normal cost rate is the difference between this and the member contribution rate. The amortization rate is determined as a level percent of pay. It is the amount required to amortize the unfunded actuarial accrued liability over a closed period (30 years as of June 30, 1999, 25 years from June 30, 2004). The amortization rate is adjusted for the two-year deferral in contribution rates.

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 72.0% to 73.3%. The employer contribution rate increased from 35.51% to 36.07%. This increase was principally due to the recognition of deferred asset losses from prior valuations. An analysis of the changes in the employer contribution rate appears on Table 10.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2004. 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. The actuarial assumptions were approved by the Board on August 11, 2004. We believe the assumptions are internally consistent and are reasonable, based on the actual experience of ERSRI.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. The actuarial calculations are intended to provide information for rational decision making.

The actuarial assumptions and methods used in this report comply with the parameters for disclosure that appear in GASB 25.

Data

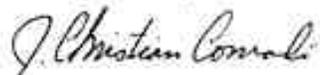
The System's staff supplied data for active members and retirees as of June 30, 2004. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2004.

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. Both are Members of the Society of Actuaries and Members of the American Academy of Actuaries, they both meet the Qualification Standards of the American Academy of Actuaries, and they are experienced in performing valuations for large public retirement systems.

Sincerely,
Gabriel, Roeder, Smith & Company



J. Christian Conradi, ASA, MAAA
Senior Consultant



W. Michael Carter, FSA, MAAA
Senior Consultant

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Actuarial Valuation - June 30, 2003

Judicial Retirement Benefits Trust - Executive Summary

| Item | 2004 | 2003 |
|---|---------------|---------------|
| Membership | | |
| • Number of: | | |
| - Active members | 44 | 42 |
| - Retirees and beneficiaries | 2 | 2 |
| - Inactive members | - | - |
| - Total | 46 | 44 |
| • Payroll supplied by ERSRI, annualized | \$ 5,637,865 | \$ 5,303,153 |
| Contribution rates | | |
| • Member | 8.75% | 8.75% |
| • State | 36.07% | 35.51% |
| Assets | | |
| • Market value | \$ 15,844,213 | \$ 11,441,463 |
| • Actuarial value | 16,019,053 | 13,270,977 |
| • Return on market value | 18.0% | 4.3% |
| • Return on actuarial value | 4.1% | 1.4% |
| • Employer contribution | \$ 1,830,205 | \$ 1,656,965 |
| • Ratio of actuarial value to market value | 101.1% | 116.0% |
| Actuarial Information | | |
| • Normal cost % | 30.42% | 30.28% |
| • Unfunded actuarial accrued liability (UAAL) | \$ 5,826,691 | \$ 5,164,418 |
| • Amortization percentage | 5.65% | 5.23% |
| • Funding period | 25 years | 26 years |
| • GASB funded ratio | 73.3% | 72.0% |
| Projected employer contribution | | |
| • Fiscal year ending June 30, | 2007 | 2006 |
| • Projected payroll | \$ 6,573,262 | \$ 6,183,018 |
| • Projected employer contribution | 2,370,976 | 2,195,590 |



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 made monthly throughout the 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 returns are computed net of administrative and investment expenses.

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 5.25% 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 5.25% 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 files for active members and retirees. The data for active members included birth date, sex, service, 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.



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, 2004 | June 30, 2003 |
|---|----------------------|----------------------|
| (1) | (2) | (3) |
| 1. Cash and cash equivalents | \$ 170,589 | \$ 154,694 |
| 2. Receivables: | | |
| a. Employer and member contributions | \$ 18,342 | \$ - |
| b. Transfers receivable | - | 80,661 |
| c. Miscellaneous | 44 | 6,833 |
| d. Total receivables | <u>\$ 18,386</u> | <u>\$ 87,494</u> |
| 3. Investments | | |
| a. Pooled trust | \$ 15,649,831 | \$ 11,187,155 |
| b. Plan specific investments | - | - |
| c. Total | <u>\$ 15,649,831</u> | <u>\$ 11,187,155</u> |
| 4. Invested securities lending collateral | \$ 2,047,351 | \$ 1,215,174 |
| 5. Property and equipment | \$ 20,191 | \$ 20,157 |
| 6. Total assets | \$ 17,906,348 | \$ 12,664,674 |
| 7. Liabilities | | |
| a. Benefits payable | \$ - | \$ - |
| b. Securities lending liability | 2,047,351 | 1,215,174 |
| c. Accounts and vouches payable | 14,784 | 8,037 |
| d. Total liabilities | <u>\$ 2,062,135</u> | <u>\$ 1,223,211</u> |
| 8. Total market value of assets available for benefits Total (Item 6 - Item 7) | \$ 15,844,213 | \$ 11,441,463 |



RECONCILIATION OF PLAN NET ASSETS

| | June 30, 2004 | June 30, 2003 |
|---|---------------------|---------------------|
| 1. Market value of assets as of beginning of year | \$ 11,441,463 | \$ 9,035,612 |
| 2. Contributions | | |
| a. Members | \$ 472,389 | \$ 433,824 |
| b. State | 1,830,205 | 1,656,965 |
| c. Service purchases | - | - |
| d. Total | <u>\$ 2,302,594</u> | <u>\$ 2,090,789</u> |
| 3. Investment earnings, net of investment and administrative expenses | \$ 2,259,036 | \$ 44,062 |
| 4. Expenditures for the year | | |
| a. Benefit payments | \$ (145,209) | \$ (118,978) |
| b. Cost-of-living adjustments | (4,146) | (1,382) |
| c. Post-retirement death benefits | - | - |
| d. Pre-retirement death benefits | - | - |
| e. Social security supplements | - | - |
| f. Supplemental pensions | - | - |
| g. Refunds | - | - |
| h. Administrative expenses | (9,525) | (7,640) |
| i. Total expenditures | <u>\$ (158,880)</u> | <u>\$ (128,000)</u> |
| 5. Transfers and other adjustments | \$ - | \$ - |
| 6. Market value of assets at end of year | \$ 15,844,213 | \$ 11,441,463 |

ANALYSIS OF CHANGE IN EMPLOYER COST

| Basis | Employer Cost |
|--|---------------|
| 1. Employer fiscal 2006 cost | 35.51% |
| 2. Impact of changes, gains and losses | |
| a. Salary (gain)/loss | (0.81%) |
| b. Investment experience (gain)/loss | 0.64% |
| c. Non-salary liability experience (gain)/loss | 0.73% |
| d. Changes in assumptions | <u>0.00</u> |
| e. Total | 0.56% |
| 3. Employer fiscal 2007 cost | 36.07% |

**EMPLOYEES RETIREMENT SYSTEM
OF RHODE ISLAND**

STATISTICAL INFORMATION

STATISTICAL INFORMATION



Distribution of Active Members by Age and by Years of Service (Teachers)
 As of 06/30/2004
 Years of Credited Service

| Attained Age | 0 Count & Avg. Comp. | 1 Count & Avg. Comp. | 2 Count & Avg. Comp. | 3 Count & Avg. Comp. | 4 Count & Avg. Comp. | 5-9 Count & Avg. Comp. | 10-14 Count & Avg. Comp. | 15-19 Count & Avg. Comp. | 20-24 Count & Avg. Comp. | 25-29 Count & Avg. Comp. | 30-34 Count & Avg. Comp. | 35 & Over Count & Avg. Comp. | Total Count & Avg. Comp. |
|--------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------------|--------------------------------|
| Under 25 | 10 \$32,750 | 37 \$31,350 | 43 \$34,794 | 0 \$0 | 1 \$46,072 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 91 \$33,293 |
| 25-29 | 32 \$35,509 | 121 \$33,090 | 216 \$36,818 | 237 \$38,835 | 244 \$41,475 | 243 \$45,711 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1,093 \$39,821 |
| 30-34 | 122 \$33,898 | 584 \$35,564 | 352 \$41,036 | 241 \$42,780 | 282 \$43,891 | 1,018 \$50,413 | 117 \$60,730 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 2,716 \$44,353 |
| 35-39 | 8 \$38,037 | 53 \$37,274 | 102 \$42,296 | 121 \$44,733 | 108 \$46,861 | 723 \$53,204 | 595 \$62,041 | 103 \$63,116 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1,813 \$54,578 |
| 40-44 | 9 \$39,915 | 52 \$37,433 | 82 \$40,106 | 102 \$45,756 | 109 \$47,999 | 426 \$54,657 | 410 \$62,011 | 358 \$63,526 | 33 \$64,384 | 1 \$66,870 | 0 \$0 | 0 \$0 | 1,582 \$56,344 |
| 45-49 | 8 \$43,758 | 43 \$39,490 | 76 \$42,320 | 90 \$44,788 | 111 \$49,733 | 447 \$55,488 | 398 \$62,658 | 351 \$65,499 | 234 \$65,458 | 129 \$65,475 | 0 \$0 | 0 \$0 | 1,887 \$58,988 |
| 50-54 | 7 \$36,745 | 23 \$38,428 | 39 \$45,515 | 61 \$50,670 | 85 \$52,919 | 375 \$57,373 | 530 \$63,486 | 439 \$64,464 | 268 \$64,834 | 552 \$66,184 | 402 \$67,319 | 0 \$0 | 2,781 \$62,905 |
| 55-59 | 5 \$29,347 | 14 \$49,681 | 35 \$53,510 | 28 \$55,542 | 35 \$58,559 | 194 \$59,879 | 274 \$64,096 | 310 \$64,568 | 222 \$65,902 | 230 \$66,533 | 486 \$68,066 | 74 \$71,769 | 1,907 \$64,939 |
| 60-64 | 1 \$29,265 | 4 \$39,362 | 9 \$54,931 | 13 \$59,910 | 15 \$59,460 | 58 \$63,175 | 99 \$66,515 | 109 \$64,075 | 63 \$65,529 | 79 \$67,274 | 54 \$68,976 | 46 \$69,284 | 550 \$65,345 |
| 65 & Over | 1 \$54,181 | 0 \$0 | 4 \$65,532 | 2 \$50,638 | 1 \$64,206 | 11 \$61,370 | 20 \$62,076 | 22 \$62,737 | 19 \$65,341 | 21 \$64,114 | 15 \$65,443 | 20 \$79,340 | 136 \$65,698 |
| Total | 203 \$34,977 | 931 \$35,757 | 958 \$40,832 | 895 \$43,744 | 991 \$46,277 | 3,495 \$53,348 | 2,443 \$62,799 | 1,692 \$64,370 | 839 \$65,337 | 1,012 \$66,216 | 957 \$67,762 | 140 \$72,034 | 14,556 \$55,652 |



MEMBERSHIP DATA (TEACHERS)

| | June 30, 2004 | June 30, 2003 |
|------------------------------------|----------------|----------------|
| | (1) | (1) |
| 1. Active members | | |
| a. Number | 14,556 | 14,410 |
| b. Number vested | 7,001 | 7,387 |
| c. Total payroll supplied by ERSRI | \$ 810,064,092 | \$ 781,718,751 |
| d. Average salary | 55,652 | 54,248 |
| e. Average age | 43.7 | 44.2 |
| f. Average service | 12.0 | 12.7 |
| 2. Inactive members | | |
| a. Number | 1,836 | 1,404 |
| 3. Service retirees | | |
| a. Number | 7,570 | 7,131 |
| b. Total annual benefits | \$ 249,644,514 | \$ 255,829,530 |
| c. Average annual benefit | 32,978 | 35,876 |
| d. Average age | 67.1 | 67.3 |
| 4. Disabled retirees | | |
| a. Number | 232 | 220 |
| b. Total annual benefits | \$ 5,374,861 | \$ 4,940,819 |
| c. Average annual benefit | 23,168 | 22,458 |
| d. Average age | 63.2 | 63.2 |
| 5. Beneficiaries and spouses | | |
| a. Number | 377 | 353 |
| b. Total annual benefits | \$ 6,965,801 | \$ 6,465,097 |
| c. Average annual benefit | 18,477 | 18,315 |
| d. Average age | 70.0 | 69.7 |



Distribution of Active Members by Age and by Years of Service (State)
As of 06/30/2004
Years of Credited Service

| Attained Age | 0 Count & Avg. Comp. | 1 Count & Avg. Comp. | 2 Count & Avg. Comp. | 3 Count & Avg. Comp. | 4 Count & Avg. Comp. | 5-9 Count & Avg. Comp. | 10-14 Count & Avg. Comp. | 15-19 Count & Avg. Comp. | 20-24 Count & Avg. Comp. | 25-29 Count & Avg. Comp. | 30-34 Count & Avg. Comp. | 35 & Over Count & Avg. Comp. | Total Count & Avg. Comp. |
|--------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------------|--------------------------------|
| Under 25 | 35 \$28,650 | 21 \$27,009 | 11 \$23,600 | 7 \$27,718 | 6 \$26,961 | 1 \$31,240 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 81 \$27,365 |
| 25-29 | 69 \$32,980 | 54 \$33,323 | 65 \$34,329 | 94 \$34,048 | 62 \$33,855 | 69 \$38,152 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 413 \$34,476 |
| 30-34 | 338 \$27,930 | 149 \$35,421 | 130 \$35,180 | 112 \$35,689 | 106 \$38,177 | 257 \$40,149 | 77 \$40,060 | 3 \$31,950 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1,172 \$34,841 |
| 35-39 | 77 \$27,935 | 53 \$36,325 | 67 \$37,270 | 93 \$37,571 | 102 \$36,820 | 316 \$42,199 | 441 \$43,906 | 174 \$41,804 | 8 \$39,834 | 0 \$0 | 0 \$0 | 0 \$0 | 1,331 \$40,656 |
| 40-44 | 68 \$27,904 | 56 \$35,637 | 72 \$38,646 | 100 \$38,430 | 85 \$38,924 | 268 \$42,519 | 427 \$43,817 | 501 \$47,562 | 227 \$45,879 | 14 \$43,364 | 0 \$0 | 0 \$0 | 1,818 \$43,334 |
| 45-49 | 55 \$34,782 | 47 \$40,524 | 68 \$34,903 | 77 \$38,104 | 82 \$38,923 | 283 \$42,695 | 415 \$44,336 | 496 \$48,955 | 436 \$50,674 | 344 \$47,043 | 17 \$45,439 | 0 \$0 | 2,320 \$45,745 |
| 50-54 | 42 \$34,205 | 41 \$39,703 | 44 \$36,106 | 65 \$35,761 | 74 \$32,351 | 229 \$43,335 | 331 \$46,553 | 391 \$48,526 | 357 \$50,298 | 518 \$53,541 | 232 \$51,520 | 7 \$64,337 | 2,331 \$47,950 |
| 55-59 | 18 \$32,825 | 18 \$41,278 | 32 \$41,269 | 36 \$40,274 | 45 \$36,495 | 169 \$40,836 | 295 \$41,686 | 348 \$45,901 | 312 \$50,655 | 339 \$55,555 | 283 \$62,652 | 43 \$55,450 | 1,938 \$49,366 |
| 60-64 | 8 \$43,633 | 6 \$40,348 | 18 \$37,092 | 10 \$36,264 | 20 \$34,616 | 81 \$43,939 | 161 \$42,949 | 204 \$43,166 | 212 \$47,753 | 160 \$52,030 | 92 \$57,334 | 37 \$62,823 | 1,009 \$47,216 |
| 65 & Over | 5 \$26,685 | 4 \$65,924 | 0 \$0 | 3 \$19,020 | 6 \$44,233 | 31 \$42,185 | 91 \$40,037 | 132 \$41,869 | 92 \$43,467 | 96 \$46,670 | 53 \$47,887 | 31 \$63,290 | 544 \$44,442 |
| Total | 715 \$29,637 | 449 \$36,406 | 507 \$36,083 | 597 \$36,611 | 588 \$36,662 | 1,704 \$41,952 | 2,238 \$43,709 | 2,249 \$46,581 | 1,644 \$49,094 | 1,471 \$51,776 | 677 \$56,526 | 118 \$60,348 | 12,957 \$44,422 |



MEMBERSHIP DATA (STATE EMPLOYEES)

| | June 30, 2004 | June 30, 2003 |
|------------------------------------|----------------|----------------|
| | (1) | (1) |
| 1. Active members | | |
| a. Number | 12,957 | 13,281 |
| b. Number vested | 8,519 | 8,925 |
| c. Total payroll supplied by ERSRI | \$ 575,574,300 | \$ 575,919,807 |
| d. Average salary | 44,422 | 43,364 |
| e. Average age | 47.6 | 47.8 |
| f. Average service | 14.6 | 14.8 |
| 2. Inactive members | | |
| a. Number | 2,158 | 1,876 |
| 3. Service retirees | | |
| a. Number | 7,956 | 7,728 |
| b. Total annual benefits | \$ 158,434,050 | 141,888,640 |
| c. Average annual benefit | 19,914 | 18,360 |
| d. Average age | 73.0 | 73.4 |
| 4. Disabled retirees | | |
| a. Number | 646 | 638 |
| b. Total annual benefits | \$ 9,555,557 | \$ 8,736,196 |
| c. Average annual benefit | 14,792 | 13,693 |
| d. Average age | 62.1 | 62.5 |
| 5. Beneficiaries and spouses | | |
| a. Number | 1,072 | 1,032 |
| b. Total annual benefits | \$ 14,057,050 | 12,882,285 |
| c. Average annual benefit | 13,113 | 12,483 |
| d. Average age | 75.4 | 74.9 |


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 | | | | | | | | |
| 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 |
| 2002 | 13,795 | 1.5% | 563 | 8.1% | 40,812 | 6.5% | 47.4 | 14.3 |
| 2003 | 13,281 | (3.7%) | 576 | 2.3% | 43,364 | 6.3% | 47.8 | 14.8 |
| 2004 | 12,957 | (2.4%) | 576 | (0.1%) | 44,422 | 2.4% | 47.6 | 14.6 |
| Teachers | | | | | | | | |
| 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 |
| 2002 | 14,710 | 4.4% | 735 | 5.4% | 49,986 | 1.0% | 44.4 | 12.5 |
| 2003 | 14,410 | (2.0%) | 782 | 6.3% | 54,248 | 8.5% | 44.2 | 12.7 |
| 2004 | 14,556 | 1.0% | 810 | 3.6% | 55,652 | 2.6% | 43.7 | 12.0 |



ACTIVE MEMBER STATISTICS

| Unit Old | Number New | Unit | Code(s) | Active Employees as of June 30, 2004 | | | | Active Employees as of June 30, 2003 | | | |
|-------------------------------|----------------|-------------------------|---------|---|-------------|-----------------|----------------|---|-------------|-----------------|----------------|
| | | | | Number | 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 1003 | Barrington | | 5 | 42.5 | 16.0 | \$ 32,383 | 11 | 40.6 | 8.3 | \$ 23,199 |
| 3002 | 1012 1019 | Bristol | B | 94 | 46.1 | 11.7 | 32,163 | 97 | 44.5 | 10.9 | 30,363 |
| 3001 | 1002 1003 | Barrington | | 6 | 42.1 | 14.6 | \$ 30,891 | 5 | 42.5 | 16.0 | \$ 32,383 |
| 3002 | 1012 1019 | Bristol | B | 101 | 46.2 | 11.3 | 33,578 | 94 | 46.1 | 11.7 | 32,163 |
| 3003 | 1032 1033 | Burrillville | C | 168 | 49.3 | 10.1 | 29,859 | 160 | 49.0 | 10.7 | 28,068 |
| 3004 | 1052 | Central Falls | | 65 | 46.8 | 8.7 | 31,444 | 50 | 43.5 | 10.2 | 31,156 |
| 3005 | 1082 | Charlestown | C | 38 | 44.2 | 9.9 | 35,887 | 38 | 43.7 | 9.4 | 34,091 |
| 3007 | 1112 1113 | Cranston | B | 866 | 49.9 | 9.7 | 26,600 | 864 | 49.3 | 10.3 | 25,087 |
| 3008 | 1122 1123 | Cumberland | | 268 | 49.5 | 8.8 | 26,991 | 253 | 48.7 | 8.7 | 26,002 |
| 3009 | 1152 1153 | East Greenwich | | 27 | 53.3 | 8.6 | 32,143 | 30 | 49.6 | 8.7 | 32,585 |
| 3010 | 1162 1163 | East Providence | B | 483 | 48.2 | 9.9 | 33,786 | 488 | 47.4 | 9.8 | 33,802 |
| 3011 | 1183 | Exeter/West Greenwich | B | 76 | 50.2 | 9.4 | 24,072 | 72 | 50.1 | 10.3 | 22,397 |
| 3012 | 1192 1193 | Foster | | 44 | 49.6 | 9.4 | 24,047 | 43 | 48.5 | 9.9 | 21,151 |
| 3013 | 1212 1213 | Glocester | C | 71 | 50.4 | 10.0 | 27,571 | 66 | 49.4 | 9.8 | 26,329 |
| 3014 | 1262 | Hopkinton | C | 33 | 49.9 | 7.9 | 36,679 | 28 | 48.5 | 8.2 | 33,374 |
| 3015 | 1272 1273 | Jamestown | C | 78 | 48.2 | 8.0 | 32,103 | 75 | 47.1 | 7.7 | 29,653 |
| 3016 | 1282 1283 | Johnston | C | 320 | 49.2 | 7.7 | 26,807 | 300 | 48.6 | 8.3 | 26,393 |
| 3017 | 1302 1303 | Lincoln | | 18 | 47.4 | 5.4 | 43,207 | 19 | 46.7 | 4.2 | 37,882 |
| 3019 | 1322 1323 | Middletown | C | 130 | 48.5 | 10.9 | 32,003 | 91 | 45.9 | 5.3 | 35,752 |
| 3021 | 1352 1353 1354 | Newport | B | 328 | 49.2 | 11.6 | 32,447 | 315 | 48.2 | 11.9 | 31,363 |
| 3022 | 1342 1343 | New Shoreham | B | 50 | 47.6 | 6.1 | 30,398 | 58 | 46.4 | 6.1 | 29,137 |
| 3023 | 1372 1373 | North Kingstown | C | 395 | 50.4 | 10.2 | 27,321 | 353 | 49.4 | 10.6 | 26,962 |
| 3024 | 1382 1383 | North Providence | | 251 | 48.1 | 10.2 | 24,638 | 269 | 46.9 | 9.4 | 23,250 |
| 3025 | 1392 1393 | North Smithfield | B | 93 | 48.8 | 8.6 | 27,898 | 95 | 48.7 | 8.7 | 25,534 |
| 3026 | 1412 1413 | Pawtucket | C | 678 | 48.0 | 11.0 | 29,696 | 703 | 47.5 | 10.9 | 29,097 |
| 3027 | 1515 | Union Fire District | | 3 | 57.0 | 12.2 | 33,694 | 3 | 56.0 | 11.2 | 29,699 |
| 3029 | 1452 | Richmond | | 20 | 47.2 | 5.8 | 23,738 | 22 | 47.7 | 5.0 | 25,802 |
| 3030 | 1462 1463 | Scituate | B | 96 | 50.4 | 7.8 | 26,219 | 103 | 48.8 | 7.1 | 24,606 |
| 3031 | 1472 1473 | Smithfield | | 73 | 50.6 | 9.2 | 28,895 | 69 | 51.1 | 9.4 | 28,050 |
| 3032 | 1492 1493 | South Kingstown | B | 373 | 48.7 | 9.6 | 27,313 | 373 | 47.4 | 9.0 | 26,239 |
| 3033 | 1532 1533 | Tiverton | C | 72 | 51.3 | 9.8 | 30,720 | 68 | 49.8 | 10.1 | 28,541 |
| 3034 | 1562 | Warren | C | 39 | 43.0 | 9.1 | 34,224 | 41 | 43.9 | 8.3 | 33,558 |
| 3036 | 1622 1623 | Westerly | | 1 | 53.3 | 21.9 | 51,257 | 1 | 52.3 | 20.9 | 51,142 |
| 3037 | 1602 | West Greenwich | | 25 | 48.5 | 10.2 | 30,406 | 25 | 47.6 | 9.2 | 28,771 |
| 3039 | 1632 1633 | Woonsocket | B | 451 | 48.6 | 9.1 | 26,778 | 458 | 47.5 | 8.7 | 25,270 |
| 3040 | 1073 | Chariho School District | | 168 | 48.5 | 8.7 | 24,177 | 153 | 48.0 | 9.7 | 22,339 |
| 3041 | 1203 | Foster/Glocester | B | 47 | 52.1 | 10.9 | 25,560 | 48 | 51.0 | 10.5 | 25,410 |
| 3042 | 1528 | Tiogoue Fire & Light | C,5 | — | — | — | — | — | — | — | — |
| 3043 | 1336 | Narragansett Housing | C | 4 | 37.6 | 6.2 | 35,125 | 4 | 36.6 | 5.2 | 32,619 |
| 3045 | 1098 | Coventry Light Dist | C | 3 | 68.3 | 37.5 | 49,108 | 3 | 67.3 | 36.5 | 47,808 |
| 3046 | 1242 | Hope Valley Fire | C | 3 | 50.8 | 12.2 | 30,457 | 3 | 49.8 | 11.2 | 27,516 |
| 3050 | 1156 | E Greenwich Hsg | C | 8 | 44.4 | 8.1 | 37,407 | 6 | 44.4 | 10.4 | 33,175 |
| 3051 | 1116 | Cranston Housing | C | 19 | 50.3 | 11.1 | 38,613 | 19 | 49.3 | 10.1 | 37,122 |
| 3052 | 1166 | E Providence Hsg | B | 13 | 53.8 | 10.9 | 38,744 | 15 | 50.6 | 9.3 | 33,805 |
| 3053 | 1416 | Pawtucket Housing | B | 57 | 48.6 | 10.4 | 39,076 | 45 | 47.9 | 12.0 | 38,817 |



ACTIVE MEMBER STATISTICS

| Unit Old | Number New | Unit | Code(s) | Active Employees as of June 30, 2004 | | | | Active Employees as of June 30, 2003 | | | |
|-----------------------------------|---------------|------------------------|---------|---|-------------|-----------------|------------------|---|-------------|-----------------|------------------|
| | | | | Number | 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 | | | | | | | | | | | |
| 3056 | 1126 | Cumberland Housing | C | 16 | 43.6 | 4.3 | 33,903 | 15 | 44.7 | 4.6 | 32,109 |
| 3057 | 1306 | Lincoln Housing | B | 11 | 52.0 | 4.2 | 37,597 | 10 | 51.7 | 3.6 | 38,048 |
| 3059 | 1016 | Bristol Housing | | 8 | 48.3 | 6.7 | 28,618 | 8 | 51.3 | 13.3 | 29,773 |
| 3065 | 1036 | Burrillville Housing | B | 4 | 53.4 | 10.4 | 32,291 | 4 | 53.1 | 16.5 | 31,870 |
| 3066 | 1386 | North Providence Hsg | B | 8 | 54.0 | 9.8 | 34,052 | 8 | 50.2 | 10.5 | 33,697 |
| 3067 | 1177 | East Smithfield Water | C | 3 | 51.9 | 11.9 | 44,174 | 4 | 54.1 | 10.7 | 39,006 |
| 3068 | 1227 | Greenville Water | B | 3 | 42.8 | 8.2 | 47,082 | 4 | 45.6 | 14.1 | 45,528 |
| 3069 | 1356 | Newport Housing | C | 41 | 51.2 | 9.4 | 40,375 | 41 | 51.0 | 8.7 | 35,972 |
| 3071 | 1566 | Warren Housing | B | 6 | 55.7 | 10.9 | 34,679 | 6 | 54.7 | 9.9 | 33,714 |
| 3072 | 1286 | Johnston Housing | | 7 | 51.8 | 12.9 | 30,489 | 8 | 53.6 | 12.9 | 31,052 |
| 3077 | 1538 | Tiverton Local 2670A | C | 24 | 49.3 | 9.2 | 30,678 | 23 | 47.7 | 8.6 | 29,892 |
| 3078 | 1007 1009 | Barrington COLA | C | 174 | 50.2 | 10.3 | 32,241 | 168 | 49.4 | 9.7 | 30,954 |
| 3079 | 1096 | Coventry Housing | | 12 | 43.3 | 3.5 | 29,884 | 11 | 44.1 | 5.8 | 28,895 |
| 3080 | 1496 | South Kingstown Hsg | C | 3 | 45.7 | 2.5 | 41,392 | 3 | 43.4 | 2.5 | 31,026 |
| 3081 | 1403 | N RI Collab Adm. Svcs | C | 77 | 46.2 | 2.8 | 19,706 | 67 | 43.9 | 2.7 | 18,788 |
| 3083 | 1616 | West Warwick Housing | B | 8 | 54.2 | 11.9 | 36,799 | 8 | 53.2 | 10.9 | 34,324 |
| 3084 | 1476 | Smithfield Housing | | 3 | 45.3 | 14.3 | 28,703 | 3 | 44.3 | 13.3 | 27,707 |
| 3094 | 1478 | Smithfield COLA | C | 75 | 50.1 | 9.6 | 38,090 | 69 | 47.9 | 9.8 | 37,223 |
| 3096 | 1056 | Central Falls Housing | C | 20 | 44.6 | 4.2 | 33,163 | 19 | 42.6 | 4.2 | 31,962 |
| 3098 | 1293 | Lime Rock Adm. Svcs. | | 2 | 48.3 | 12.0 | 31,227 | 2 | 47.3 | 11.0 | 29,948 |
| 3099 | 1063 | Central Falls Schools | C | 181 | 48.4 | 7.5 | 24,521 | 163 | 47.4 | 8.0 | 23,550 |
| 3100 | 1023 | Bristol/Warren Schools | B | 148 | 49.9 | 8.4 | 24,916 | 149 | 48.5 | 8.323 | 481 |
| 3101 | 1157 | Twn E Grnwch-COLA-NCE | C | 165 | 48.5 | 9.0 | 25,632 | 160 | 47.3 | 8.9 | 24,451 |
| 3102 | 1712 | Town of Harrisville | C,2 | 4 | 41.2 | 6.8 | 59,812 | — | — | — | — |
| 3103 | 1702 | Town of Albion | C,2 | 1 | 46.9 | 12.3 | 25,952 | — | — | — | — |
| All General Employee Units | | | | 7,066 | 49.0 | 9.5 | \$ 28,799 | 6,881 | 48.1 | 9.5 | \$ 27,710 |
| Police & Fire Units | | | | | | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 23 | 35.5 | 2.7 | 42,685 | 20 | 34.6 | 2.0 | 42,361 |
| 4029 | 1454 | Richmond Fire District | | 10 | 30.9 | 3.9 | 30,941 | 6 | 37.7 | 5.5 | \$ 28,707 |
| 4031 | 1474 | Smithfield Police | C,D | 14 | 33.0 | 3.1 | 37,439 | 8 | 27.3 | 3.2 | 38,023 |
| 4042 | 1555 | Valley Falls Fire | D | 14 | 39.8 | 11.8 | 41,818 | 13 | 38.7 | 11.6 | 41,502 |
| 4047 | 1395 1435 | N Smithfield Vol Fire | B,D | 20 | 39.2 | 8.0 | 42,738 | 21 | 37.8 | 8.0 | 39,609 |
| 4050 | 1155 | East Greenwich Fire | C,D | 36 | 40.9 | 9.3 | 42,385 | 21 | 40.4 | 13.8 | 45,472 |
| 4054 | 1154 | East Greenwich Police | C,D | 32 | 39.1 | 11.5 | 49,756 | 31 | 38.1 | 10.7 | 47,438 |
| 4055 | 1375 | North Kingstown Fire | C,D | 77 | 40.2 | 12.8 | 44,571 | 80 | 39.5 | 12.3 | 41,139 |
| 4056 | 1374 | North Kingstown Police | C,D | 52 | 37.0 | 10.3 | 43,420 | 48 | 37.5 | 11.0 | 43,076 |
| 4057 | 1235 | Harris Fire Department | C | 5 | 34.4 | 6.2 | 30,586 | 4 | 32.9 | 6.6 | 29,776 |
| 4058 | 1385 | North Providence Fire | D | 101 | 41.2 | 14.0 | 45,452 | 102 | 40.8 | 13.6 | 46,194 |
| 4059 | 1008 | Barrington Fire (25) | C | 5 | 32.7 | 4.8 | 42,510 | 8 | 34.8 | 3.5 | 43,482 |
| 4060 | 1004 | Barrington Police | C,D | 20 | 37.3 | 10.8 | 47,851 | 19 | 36.5 | 10.3 | 45,577 |
| 4061 | 1005 | Barrington Fire (20) | C,D | 12 | 46.8 | 20.0 | 48,029 | 13 | 46.6 | 19.7 | 45,850 |
| 4062 | 1564 | Warren Police & Fire | C,D | 26 | 36.9 | 10.0 | 40,870 | 25 | 35.9 | 9.4 | 40,179 |
| 4063 | 1494 | South Kingstown Police | B,1 | 54 | 39.3 | 12.9 | 44,254 | 52 | 40.7 | 14.6 | 43,611 |
| 4073 | 1464 | Scituate Police | 3 | — | — | — | — | — | — | — | — |



ACTIVE MEMBER STATISTICS

| Unit Old | Number New | Unit | Code(s) | Active Employees as of June 30, 2004 | | | | Active Employees as of June 30, 2003 | | | |
|------------------------------------|---------------|---------------------------|---------|---|-------------|-----------------|------------------|---|-------------|-----------------|------------------|
| | | | | Number | 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 | | | | | | | | | | | |
| 4076 | 1394 | North Smithfield Police | C,D | 21 | 37.0 | 10.6 | 47,782 | 21 | 35.9 | 10.2 | 44,085 |
| 4077 | 1534 | Tiverton Fire | C,D | 30 | 40.2 | 11.3 | 45,032 | 29 | 38.3 | 9.8 | 36,540 |
| 4082 | 1194 | Foster Police | C,D | 6 | 42.7 | 17.1 | 44,171 | 6 | 41.7 | 15.9 | 41,222 |
| 4085 | 1634 | Woonsocket Police | C,D | 95 | 38.1 | 12.4 | 48,088 | 100 | 37.5 | 11.7 | 46,708 |
| 4086 | 1084 | Charlestown Police | C,D | 20 | 40.4 | 13.9 | 46,348 | 20 | 40.5 | 13.9 | 45,873 |
| 4087 | 1264 | Hopkinton Police | C,D | 15 | 37.1 | 8.1 | 41,992 | 15 | 37.0 | 10.0 | 39,710 |
| 4088 | 1214 | Glocester Police | C,D | 19 | 39.4 | 9.7 | 39,495 | 17 | 38.3 | 11.0 | 40,118 |
| 4089 | 1604 | W Greenwich Pol/RSQ | C,D | 12 | 38.6 | 8.4 | 37,356 | 12 | 38.6 | 9.6 | 35,898 |
| 4090 | 1034 | Burrillville Police | C,D | 24 | 40.3 | 11.9 | 45,823 | 23 | 38.8 | 11.5 | 45,354 |
| 4091 | 1148 | Cumberland Rescue | C,D | 18 | 37.6 | 8.8 | 42,903 | 16 | 38.3 | 10.0 | 41,259 |
| 4092 | 1585 | Washington Fire | D | 9 | 39.9 | 11.8 | 41,991 | 9 | 39.2 | 10.8 | 40,978 |
| 4093 | 1635 | Woonsocket Fire | C,D | 101 | 37.8 | 11.0 | 43,716 | 94 | 36.8 | 10.7 | 44,036 |
| 4094 | 1015 | Bristol Fire | D | 2 | 51.2 | 9.8 | 46,978 | 2 | 50.2 | 8.7 | 45,124 |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 14 | 36.4 | 11.6 | 39,494 | 15 | 36.0 | 11.1 | 38,492 |
| 4096 | 1014 | Bristol Police | C,D | 21 | 32.0 | 3.9 | 36,395 | 16 | 31.2 | 3.7 | 40,368 |
| 4098 | 1095 | Coventry Fire | D | 16 | 40.2 | 8.5 | 36,355 | 16 | 40.0 | 9.2 | 34,784 |
| 4099 | 1505 | South Kingstown EMT | C,D | 17 | 34.4 | 5.8 | 34,143 | 16 | 32.3 | 5.7 | 31,688 |
| 4100 | 1525 | Tiogue Fire | | 6 | 38.6 | 7.6 | 33,583 | 6 | 35.6 | 6.6 | 30,814 |
| 4101 | 1365 | North Cumberland | D | 14 | 42.3 | 13.5 | 40,723 | 14 | 39.5 | 12.5 | 38,670 |
| 4102 | 1045 | Central Coventry Fire | C,D | 13 | 36.4 | 8.1 | 38,019 | 12 | 34.6 | 7.8 | 36,381 |
| 4103 | 1255 | Hopkins Hill Fire | D | 7 | 39.5 | 6.5 | 40,962 | 4 | 37.0 | 9.8 | 41,619 |
| 4104 | 1114 | Cranston Police | C,D,4 | 92 | 34.1 | 6.2 | 47,034 | 81 | 33.4 | 5.8 | 45,626 |
| 4105 | 1115 | Cranston Fire | C,D,4 | 115 | 38.2 | 9.5 | 56,357 | 116 | 37.2 | 8.3 | 49,332 |
| 4106 | 1125 | Cumberland Fire | B,D | 14 | 40.8 | 8.7 | 38,527 | 11 | 39.8 | 10.0 | 34,889 |
| 4107 | 1305 | Lincoln Rescue | C | 16 | 38.7 | 9.4 | 40,416 | 16 | 35.9 | 8.4 | 37,786 |
| 4108 | 1344 | New Shoreham Police | B,D | 5 | 40.5 | 8.5 | 53,528 | 4 | 38.9 | 12.2 | 41,730 |
| 4109 | 1324 | Middletown Pol & Fire | B,D | 4 | 29.5 | 2.9 | 39,959 | 3 | 30.1 | 2.1 | 37,701 |
| 4110 | 1715 | Harrisville Fire District | C,D,2 | 3 | 36.4 | 8.2 | 36,788 | — | — | — | — |
| 4111 | 1705 | Albion Fire District | C,2 | 5 | 45.4 | 8.9 | 43,421 | — | — | — | — |
| All Police & Fire Units | | | | 1,235 | 38.3 | 10.3 | \$ 44,930 | 1,165 | 37.7 | 10.3 | \$ 43,370 |
| All MERS Units | | | | 8,301 | 47.4 | 9.6 | \$ 31,199 | 8,046 | 46.6 | 9.7 | \$ 29,978 |

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 2004 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 06/30/2004
 Years of Credited Service

| Attained Age | 0 Count & Avg. Comp. | 1 Count & Avg. Comp. | 2 Count & Avg. Comp. | 3 Count & Avg. Comp. | 4 Count & Avg. Comp. | 5-9 Count & Avg. Comp. | 10-14 Count & Avg. Comp. | 15-19 Count & Avg. Comp. | 20-24 Count & Avg. Comp. | 25-29 Count & Avg. Comp. | 30-34 Count & Avg. Comp. | 35-39 Count & Avg. Comp. | 40 & Over Count & Avg. Comp. | Total Count & Avg. Comp. |
|--------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------------|--------------------------------|
| Under 25 | 10 \$22,943 | 15 \$22,774 | 19 \$23,412 | 5 \$24,119 | 3 \$27,352 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 52 \$23,433 |
| 25-29 | 15 \$30,500 | 22 \$27,404 | 44 \$26,081 | 27 \$28,150 | 16 \$28,898 | 27 \$30,394 | 0 \$0 | 151 \$28,152 |
| 30-34 | 26 \$27,753 | 34 \$23,935 | 47 \$26,612 | 49 \$29,572 | 31 \$31,057 | 74 \$30,422 | 25 \$30,300 | 1 \$32,146 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 287 \$28,707 |
| 35-39 | 38 \$26,899 | 63 \$24,990 | 67 \$27,693 | 78 \$25,252 | 70 \$29,265 | 126 \$31,840 | 116 \$34,500 | 61 \$36,160 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 619 \$30,194 |
| 40-44 | 59 \$27,538 | 91 \$24,976 | 116 \$22,288 | 133 \$21,776 | 85 \$25,127 | 265 \$28,870 | 142 \$31,743 | 109 \$36,481 | 30 \$35,655 | 1 \$51,859 | 0 \$0 | 0 \$0 | 0 \$0 | 1,031 \$27,906 |
| 45-49 | 57 \$26,226 | 77 \$22,381 | 115 \$22,728 | 131 \$22,683 | 113 \$25,179 | 336 \$26,917 | 227 \$30,789 | 133 \$36,137 | 72 \$39,077 | 42 \$37,254 | 2 \$29,003 | 0 \$0 | 0 \$0 | 1,305 \$28,294 |
| 50-54 | 275 \$25,052 | 191 \$21,965 | 107 \$25,492 | 112 \$24,495 | 66 \$23,595 | 329 \$27,372 | 303 \$28,909 | 169 \$32,841 | 110 \$39,298 | 68 \$38,818 | 33 \$39,206 | 0 \$0 | 0 \$0 | 1,763 \$28,182 |
| 55-59 | 18 \$29,075 | 31 \$28,439 | 39 \$23,809 | 64 \$25,802 | 49 \$29,705 | 185 \$28,089 | 219 \$28,663 | 200 \$31,241 | 94 \$34,701 | 55 \$42,638 | 33 \$49,953 | 7 \$42,180 | 0 \$0 | 994 \$30,898 |
| 60-64 | 16 \$19,222 | 14 \$27,000 | 19 \$22,108 | 28 \$26,263 | 22 \$27,553 | 100 \$27,703 | 102 \$30,383 | 115 \$29,704 | 62 \$30,389 | 55 \$36,210 | 21 \$37,345 | 3 \$50,583 | 0 \$0 | 557 \$29,702 |
| 65-69 | 4 \$25,755 | 6 \$18,214 | 7 \$15,424 | 8 \$23,706 | 7 \$30,580 | 38 \$27,960 | 45 \$28,332 | 31 \$33,647 | 25 \$31,485 | 25 \$28,826 | 10 \$36,055 | 0 \$0 | 0 \$0 | 206 \$28,994 |
| 70 & Over | 2 \$30,661 | 3 \$18,306 | 0 \$0 | 6 \$18,633 | 1 \$2,000 | 14 \$18,681 | 17 \$24,530 | 23 \$26,289 | 5 \$28,364 | 11 \$29,464 | 15 \$25,185 | 2 \$24,395 | 2 \$41,739 | 101 \$24,646 |
| Total | 520 \$25,836 | 547 \$23,671 | 580 \$24,279 | 641 \$24,335 | 463 \$26,721 | 1,494 \$28,162 | 1,196 \$30,170 | 842 \$33,115 | 398 \$35,882 | 257 \$37,500 | 114 \$39,674 | 12 \$41,317 | 2 \$41,739 | 7,066 \$28,799 |



Distribution of Active Members by Age and by Years of Service (Police & Fire)
As of 06/30/2004
Years of Credited Service

| Attained Age | 0 Count & Avg. Comp. | 1 Count & Avg. Comp. | 2 Count & Avg. Comp. | 3 Count & Avg. Comp. | 4 Count & Avg. Comp. | 5-9 Count & Avg. Comp. | 10-14 Count & Avg. Comp. | 15-19 Count & Avg. Comp. | 20-24 Count & Avg. Comp. | 25-29 Count & Avg. Comp. | 30-34 Count & Avg. Comp. | 35-39 Count & Avg. Comp. | 40 & Over Count & Avg. Comp. | Total Count & Avg. Comp. |
|--------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------------|--------------------------------|
| Under 25 | 8 \$30,826 | 13 \$33,980 | 5 \$37,324 | 3 \$39,405 | 1 \$37,954 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 30 \$34,371 |
| 25-29 | 6 \$31,482 | 35 \$32,980 | 29 \$35,808 | 19 \$38,538 | 20 \$39,037 | 15 \$44,238 | 0 \$0 | 124 \$36,759 |
| 30-34 | 6 \$32,656 | 18 \$35,758 | 30 \$39,520 | 12 \$38,831 | 26 \$41,738 | 106 \$46,543 | 31 \$47,279 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 229 \$43,561 |
| 35-39 | 6 \$31,683 | 13 \$36,128 | 18 \$41,479 | 14 \$38,942 | 18 \$43,817 | 66 \$44,912 | 115 \$48,249 | 45 \$48,711 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 295 \$45,577 |
| 40-44 | 38 \$33,388 | 20 \$33,913 | 11 \$37,155 | 9 \$37,869 | 6 \$45,892 | 38 \$46,032 | 93 \$50,030 | 104 \$49,231 | 20 \$52,848 | 1 \$64,812 | 0 \$0 | 0 \$0 | 0 \$0 | 340 \$45,929 |
| 45-49 | 3 \$42,912 | 0 \$0 | 2 \$42,631 | 1 \$36,501 | 2 \$44,459 | 4 \$45,659 | 34 \$49,110 | 29 \$48,672 | 40 \$52,050 | 21 \$57,188 | 0 \$0 | 0 \$0 | 0 \$0 | 136 \$50,634 |
| 50-54 | 0 \$0 | 2 \$33,924 | 1 \$57,330 | 0 \$0 | 1 \$27,128 | 4 \$48,369 | 9 \$46,683 | 5 \$43,130 | 12 \$46,497 | 12 \$53,657 | 8 \$61,178 | 0 \$0 | 0 \$0 | 54 \$49,497 |
| 55-59 | 0 \$0 | 0 \$0 | 1 \$39,887 | 0 \$0 | 1 \$56,710 | 2 \$52,590 | 4 \$36,353 | 5 \$51,319 | 4 \$48,829 | 2 \$50,902 | 5 \$50,153 | 0 \$0 | 0 \$0 | 24 \$47,986 |
| 60-64 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$53,660 | 1 \$44,521 | 0 \$0 | 1 \$54,199 | 0 \$0 | 0 \$0 | 3 \$50,793 |
| 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 | 67 \$33,119 | 101 \$34,212 | 97 \$38,644 | 58 \$38,602 | 75 \$41,876 | 235 \$45,923 | 286 \$48,610 | 189 \$48,939 | 77 \$51,127 | 36 \$55,873 | 14 \$56,742 | 0 \$0 | 0 \$0 | 1,235 \$44,930 |



RETIRED MEMBER STATISTICS

| Unit Number | | | Unit | Retirees and Beneficiaries As of June 30, 2004 | | | Retirees and Beneficiaries As of June 30, 2003 | | | |
|-------------------------------|------|------|----------------------------|---|--------|----------|---|--------|----------|----------------------|
| Old | New | | | Code(s) | 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 | 1003 | Barrington | | 98 | 76.9 | \$538 | 98 | 76.1 | \$534 |
| 3002 | 1012 | 1019 | Bristol | B | 79 | 75.0 | \$822 | 76 | 74.5 | 790 |
| 3003 | 1032 | 1033 | Burrillville | C | 72 | 72.6 | \$725 | 70 | 73.0 | 686 |
| 3004 | | 1052 | Central Falls | | 24 | 70.7 | \$660 | 24 | 69.7 | 660 |
| 3005 | | 1082 | Charlestown | C | 7 | 69.8 | \$1,323 | 8 | 69.6 | 1,320 |
| 3007 | 1112 | 1113 | Cranston | B | 471 | 73.4 | \$913 | 467 | 73.2 | 871 |
| 3008 | 1122 | 1123 | Cumberland | | 131 | 72.8 | \$594 | 132 | 72.0 | 610 |
| 3009 | 1152 | 1153 | East Greenwich | | 69 | 75.0 | \$496 | 71 | 73.7 | 514 |
| 3010 | 1162 | 1163 | East Providence | B | 325 | 71.1 | \$1,136 | 315 | 70.9 | 1,081 |
| 3011 | | 1183 | Exeter/West Greenwich | B | 14 | 66.4 | \$660 | 12 | 67.4 | 732 |
| 3012 | 1192 | 1193 | Foster | | 15 | 74.8 | \$486 | 14 | 74.4 | 479 |
| 3013 | 1212 | 1213 | Glocester | C | 17 | 67.0 | \$660 | 17 | 66.3 | 667 |
| 3014 | | 1262 | Hopkinton | C | 10 | 71.4 | \$597 | 10 | 70.4 | 698 |
| 3015 | 1272 | 1273 | Jamestown | C | 23 | 67.1 | \$1,134 | 22 | 66.5 | 1,049 |
| 3016 | 1282 | 1283 | Johnston | C | 161 | 73.8 | \$843 | 153 | 73.4 | 786 |
| 3017 | 1302 | 1303 | Lincoln | | 1 | 64.8 | \$3,037 | 1 | 63.8 | 3,037 |
| 3019 | 1322 | 1323 | Middletown | C | 6 | 58.0 | \$1,380 | 5 | 55.5 | 1,355 |
| 3021 | 1352 | 1353 | Newport | B | 181 | 71.8 | \$1,069 | 178 | 72.5 | 1,026 |
| 3022 | | 1342 | New Shoreham | B | 12 | 70.1 | \$1,002 | 9 | 69.2 | 1,035 |
| 3023 | | 1372 | North Kingstown | C | 131 | 72.5 | \$800 | 135 | 71.7 | 776 |
| 3024 | | 1382 | North Providence | | 144 | 74.3 | \$524 | 144 | 73.5 | 528 |
| 3025 | | 1392 | North Smithfield | B | 61 | 74.6 | \$581 | 60 | 74.6 | 538 |
| 3026 | | 1412 | Pawtucket | C | 461 | 72.9 | \$808 | 441 | 72.9 | 762 |
| 3027 | | 1515 | Union Fire District | | --- | --- | --- | --- | --- | --- |
| 3029 | | 1452 | Richmond | | 9 | 73.8 | \$516 | 8 | 73.8 | 446 |
| 3030 | 1462 | 1463 | Scituate | B | 50 | 73.5 | \$838 | 52 | 73.4 | 761 |
| 3031 | 1472 | 1473 | Smithfield | | 80 | 74.4 | \$572 | 83 | 74.0 | 577 |
| 3032 | 1492 | 1493 | South Kingstown | B | 98 | 72.8 | \$702 | 97 | 72.2 | 693 |
| 3033 | 1532 | 1533 | Tiverton | C | 55 | 75.5 | \$585 | 55 | 75.0 | 562 |
| 3034 | | 1562 | Warren | C | 52 | 75.6 | \$658 | 51 | 74.9 | 657 |
| 3036 | 1622 | 1623 | Westerly | | 10 | 75.9 | \$1,047 | 11 | 76.4 | 985 |
| 3037 | | 1602 | West Greenwich | | 6 | 69.3 | \$823 | 5 | 70.3 | 875 |
| 3039 | 1632 | 1633 | Woonsocket | B | 296 | 73.8 | \$646 | 293 | 73.3 | 627 |
| 3040 | | 1073 | Chariho School District | | 26 | 64.3 | \$702 | 22 | 63.6 | 612 |
| 3041 | | 1203 | Foster/Glocester | B | 19 | 70.3 | \$746 | 18 | 69.9 | 671 |
| 3042 | | 1528 | Tiogue Fire & Lighting | C,5 | --- | --- | --- | 1 | 66.7 | 10 |
| 3043 | | 1336 | Narragansett Housing | C | 1 | 68.8 | \$437 | 1 | 67.8 | 436 |
| 3045 | | 1098 | Coventry Lighting District | C | --- | --- | --- | --- | --- | --- |
| 3046 | | 1242 | Hope Valley Fire | C | --- | --- | --- | --- | --- | --- |
| 3050 | | 1156 | East Greenwich Housing | C | --- | --- | --- | --- | --- | --- |
| 3051 | | 1116 | Cranston Housing | C | 9 | 74.6 | \$631 | 9 | 73.5 | 630 |
| 3052 | | 1166 | East Providence Housing | B | 8 | 76.6 | \$642 | 9 | 77.1 | 582 |
| 3053 | | 1416 | Pawtucket Housing | B | 20 | 75.7 | \$828 | 20 | 74.7 | 807 |



RETIRED MEMBER STATISTICS

| Unit Number | | Unit | Retirees and Beneficiaries As of June 30, 2004 | | | | Retirees and Beneficiaries As of June 30, 2003 | | |
|-----------------------------------|-----------|-----------------------------------|---|--------|----------|---------------------|---|----------|----------------------|
| Old | New | | Code(s) | 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 | 5 | 71.5 | \$755 | 4 | 72.5 | 811 |
| 3057 | 1306 | Lincoln Housing | B | 6 | 74.2 | \$1,099 | 6 | 73.2 | 1,073 |
| 3059 | 1016 | Bristol Housing | | 5 | 70.1 | \$1,069 | 3 | 72.4 | 614 |
| 3065 | 1036 | Burrillville Housing | B | 1 | 63.0 | \$1,155 | --- | --- | --- |
| 3066 | 1386 | North Providence Housing | B | 4 | 70.9 | \$1,223 | 4 | 69.9 | 1,192 |
| 3067 | 1177 | East Smithfield Water | C | 2 | 63.6 | \$599 | 1 | 61.5 | 660 |
| 3068 | 1227 | Greenville Water | B | --- | --- | --- | --- | --- | --- |
| 3069 | 1356 | Newport Housing | C | 12 | 62.8 | \$1,575 | 11 | 62.3 | 1,340 |
| 3071 | 1566 | Warren Housing | B | 3 | 74.0 | \$1,382 | 3 | 73.0 | 1,343 |
| 3072 | 1286 | Johnston Housing | | 3 | 81.5 | \$560 | 3 | 80.5 | 560 |
| 3077 | 1538 | Tiverton Local 2670A | C | 10 | 66.2 | \$939 | 10 | 65.2 | 914 |
| 3078 | 1007 1009 | Barrington COLA | C | 8 | 68.0 | \$1,110 | 6 | 65.3 | 1,296 |
| 3079 | 1096 | Coventry Housing | | 7 | 72.4 | \$656 | 6 | 73.6 | 434 |
| 3080 | 1496 | South Kingstown Housing | C | 1 | 83.4 | \$246 | 1 | 82.4 | 246 |
| 3081 | 1403 | N. RI Collaborative Adm. Services | C | 2 | 47.1 | \$1,571 | --- | --- | --- |
| 3083 | 1616 | West Warwick Housing | B | 3 | 74.1 | \$815 | 3 | 73.1 | 794 |
| 3084 | 1476 | Smithfield Housing | | --- | --- | --- | --- | --- | --- |
| 3094 | 1478 | Smithfield COLA | C | 6 | 65.9 | \$1,722 | 6 | 63.5 | 1537 |
| 3096 | 1056 | Central Falls Housing | C | 11 | 69.1 | \$815 | 10 | 68.2 | 993 |
| 3098 | 1293 | Lime Rock Administrative Services | | --- | --- | --- | --- | --- | --- |
| 3099 | 1063 | Central Falls Schools | C | 18 | 67.1 | \$598 | 16 | 66.2 | 588 |
| 3100 | 1023 | Bristol/Warren Schools | B | 55 | 66.0 | \$964 | 53 | 65.3 | 936 |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 5 | 56.8 | \$2,413 | --- | --- | --- |
| 3102 | 1712 | Town of Harrisville | C,2 | --- | --- | --- | --- | --- | --- |
| 3103 | 1702 | Town of Albion | C,2 | --- | --- | --- | --- | --- | --- |
| All General Employee Units | | | | 3,419 | 72.8 | \$811 | 3,343 | 72.5 | \$775 |
| Police & Fire Units | | | | | | | | | |
| 4016 | 1285 | Johnston Fire | D | --- | --- | --- | --- | --- | --- |
| 4029 | 1454 | Richmond Fire District | | 1 | 43.8 | \$2,199 | 1 | 42.8 | 2199 |
| 4031 | 1474 | Smithfield Police | C,D | 1 | 76.5 | \$238 | 1 | 75.5 | 374 |
| 4042 | 1555 | Valley Falls Fire | D | 5 | 59.2 | \$1,505 | 5 | 58.2 | 1,505 |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 6 | 57.9 | \$2,031 | 5 | 58.6 | 1,836 |
| 4050 | 1155 | East Greenwich Fire | C,D | 17 | 64.5 | \$1,719 | 18 | 64.3 | 1,646 |
| 4054 | 1154 | East Greenwich Police | C,D | 16 | 65.0 | \$1,788 | 17 | 65.3 | 1,818 |
| 4055 | 1375 | North Kingstown Fire | C,D | 46 | 65.1 | \$1,727 | 47 | 66.0 | 1,577 |
| 4056 | 1374 | North Kingstown Police | C,D | 18 | 54.9 | \$2,724 | 15 | 54.8 | 2,755 |
| 4057 | 1235 | Harris Fire Department | C | 1 | 34.6 | \$1,754 | 1 | 33.6 | 1,709 |
| 4058 | 1385 | North Providence Fire | D | 29 | 57.5 | \$1,951 | 27 | 57.3 | 1,924 |
| 4059 | 1008 | Barrington Fire (25) | C | 1 | 58.0 | \$3,594 | --- | --- | --- |
| 4060 | 1004 | Barrington Police | C,D | 25 | 62.0 | \$1,676 | 26 | 62.0 | 1,604 |
| 4061 | 1005 | Barrington Fire (20) | C,D | 28 | 66.7 | \$1,265 | 31 | 66.7 | 1,182 |
| 4062 | 1564 | Warren Police & Fire | C,D | 25 | 64.9 | \$1,481 | 25 | 63.9 | 1,457 |



RETIRED MEMBER STATISTICS

| Unit Number | | Unit | Retirees and Beneficiaries As of June 30, 2004 | | | | Retirees and Beneficiaries As of June 30, 2003 | | |
|------------------------------------|------|------------------------------|---|--------------|-------------|---------------------|---|-------------|----------------------|
| Old | New | | Code(s) | Number | Avg. Age | Avg Monthly Benefit | Number | Avg. Age | Avg. Monthly Benefit |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| Police & Fire Units | | | | | | | | | |
| 4063 | 1494 | South Kingstown Police | B,1 | 25 | 61.9 | \$1,869 | 22 | 61.6 | 1,661 |
| 4073 | 1464 | Scituate Police | 3 | 1 | 75.0 | \$497 | 1 | 74.0 | 497 |
| 4076 | 1394 | North Smithfield Police | C,D | 12 | 61.3 | \$1,824 | 11 | 59.9 | 1,882 |
| 4077 | 1534 | Tiverton Fire | C,D | 17 | 63.9 | \$1,357 | 17 | 62.9 | 1,357 |
| 4082 | 1194 | Foster Police | C,D | 2 | 63.4 | \$1,203 | 2 | 62.4 | 1,203 |
| 4085 | 1634 | Woonsocket Police | C,D | 10 | 41.4 | \$1,973 | 5 | 38.5 | 1,975 |
| 4086 | 1084 | Charlestown Police | C,D | 6 | 48.0 | \$2,236 | 4 | 48.2 | 2,206 |
| 4087 | 1264 | Hopkinton Police | C,D | 3 | 58.3 | \$1,822 | 1 | 75.5 | 1,072 |
| 4088 | 1214 | Glocester Police | C,D | 6 | 55.7 | \$1,150 | 4 | 62.9 | 1,202 |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 3 | 58.9 | \$1,545 | 3 | 57.9 | 1,531 |
| 4090 | 1034 | Burrillville Police | C,D | 8 | 61.0 | \$2,078 | 8 | 60.0 | 2,038 |
| 4091 | 1148 | Cumberland Rescue | C,D | 3 | 44.1 | \$1,269 | 1 | 39.7 | 2,045 |
| 4092 | 1585 | Washington Fire | D | 1 | 49.9 | \$2,552 | 1 | 48.9 | 2,552 |
| 4093 | 1635 | Woonsocket Fire | C,D | 4 | 28.4 | \$1,566 | 4 | 27.4 | 1,524 |
| 4094 | 1015 | Bristol Fire | D | --- | --- | --- | --- | --- | --- |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 4 | 53.4 | \$2,202 | 3 | 55.1 | 2,145 |
| 4096 | 1014 | Bristol Police | C,D | --- | --- | --- | --- | --- | --- |
| 4098 | 1095 | Coventry Fire | D | 6 | 45.1 | \$1,428 | 5 | 42.6 | 1,209 |
| 4099 | 1505 | South Kingstown EMT | C,D | --- | --- | --- | --- | --- | --- |
| 4100 | 1525 | Tiogue Fire | | 1 | 51.3 | \$2,528 | 3 | 51.6 | 1,664 |
| 4101 | 1365 | North Cumberland | D | 3 | 44.3 | \$1,440 | 3 | 43.3 | 1,440 |
| 4102 | 1045 | Central Coventry Fire | C,D | 3 | 55.9 | \$2,054 | 2 | 62.6 | 2,187 |
| 4103 | 1255 | Hopkins Hill Fire | D | --- | --- | --- | --- | --- | --- |
| 4104 | 1114 | Cranston Police | C,D,4 | 3 | 41.1 | \$3,064 | 3 | 40.1 | 2,974 |
| 4105 | 1115 | Cranston Fire | C,D,4 | --- | --- | --- | --- | --- | --- |
| 4106 | 1125 | Cumberland Fire | B,D | 4 | 58.4 | \$1,868 | 4 | 57.4 | 1,818 |
| 4107 | 1305 | Lincoln Rescue | C | 2 | 48.4 | \$2,042 | 2 | 47.4 | 2,042 |
| 4108 | 1344 | New Shoreham Police | B,D | --- | --- | --- | --- | --- | --- |
| 4109 | 1324 | Middletown Police & Fire | B,D | --- | --- | --- | --- | --- | --- |
| 4110 | 1715 | Harrisville Fire District | C,D,2 | --- | --- | --- | --- | --- | --- |
| 4111 | 1705 | Albion Fire District | C,2 | --- | --- | --- | --- | --- | --- |
| All Police & Fire Units | | | | 346 | 59.9 | \$1,762 | 328 | 60.5 | \$1,675 |
| All MERS Units | | | | 3,765 | 71.6 | \$898 | 3,671 | 71.5 | \$ 856 |

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 2004 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 (State Police)
 As of 06/30/2004
 Years of Credited Service

| Attained Age | 0 Count & Avg. Comp. | 1 Count & Avg. Comp. | 2 Count & Avg. Comp. | 3 Count & Avg. Comp. | 4 Count & Avg. Comp. | 5-9 Count & Avg. Comp. | 10-14 Count & Avg. Comp. | 15-19 Count & Avg. Comp. | 20-24 Count & Avg. Comp. | 25-29 Count & Avg. Comp. | 30-34 Count & Avg. Comp. | 35 & Over Count & Avg. Comp. | Total 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 |
| 25-29 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 5 \$69,714 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 5 \$69,714 |
| 30-34 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 7 \$69,714 | 15 \$73,075 | 3 \$76,907 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 25 \$72,594 |
| 35-39 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 7 \$69,714 | 38 \$74,161 | 34 \$81,881 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 79 \$77,090 |
| 40-44 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 8 \$74,934 | 22 \$83,273 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 30 \$81,050 |
| 45-49 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 2 \$69,714 | 2 \$76,508 | 5 \$88,892 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 9 \$81,878 |
| 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 |
| 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 |
| 60-64 | 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 & 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 |
| Total | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 21 \$69,714 | 63 \$74,075 | 64 \$82,674 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 148 \$77,175 |



MEMBERSHIP DATA (STATE POLICE)

| | June 30, 2004 | June 30, 2003 |
|---|---------------|---------------|
| | (1) | (2) |
| 1. Active members | | |
| a. Number | 148 | 150 |
| b. Number vested | 0 | 0 |
| c. Total payroll supplied by State (for benefits) | \$ 11,421,880 | \$ 11,286,365 |
| d. Average salary | \$ 77,175 | \$ 75,242 |
| e. Average age | 37.6 | 36.6 |
| f. Average service | 9.5 | 8.4 |
| 2. Inactive members | | |
| a. Number | 1 | 0 |
| 3. Service retirees | | |
| a. Number | 1 | 1 |
| b. Total annual benefits | \$ 70,779 | \$ 69,279 |
| c. Average annual benefit | 70,779 | 69,279 |
| d. Average age | 66.0 | 65.0 |
| 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 Salary | | 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 |
| 2002 | 150 | (0.7%) | \$10,933,360 | 19.6% | \$72,889 | 20.4% | 35.5 | 7.5 |
| 2003 | 150 | 0.0% | \$11,286,365 | 3.2% | \$75,242 | 3.2% | 36.6 | 8.4 |
| 2004 | 148 | (1.3%) | \$11,421,880 | 1.2% | \$77,175 | 2.6% | 37.6 | 9.5 |



Distribution of Active Members by Age and by Years of Service (Judges)
As of 06/30/2004
Years of Credited Service

| Attained Age | 0 Count & Avg. Comp. | 1 Count & Avg. Comp. | 2 Count & Avg. Comp. | 3 Count & Avg. Comp. | 4 Count & Avg. Comp. | 5-9 Count & Avg. Comp. | 10-14 Count & Avg. Comp. | 15-19 Count & Avg. Comp. | 20-24 Count & Avg. Comp. | 25-29 Count & Avg. Comp. | 30-34 Count & Avg. Comp. | 35 & Over Count & Avg. Comp. | Total 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 |
| 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 |
| 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 |
| 35-39 | 0 \$0 | 1 \$134,894 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$134,894 |
| 40-44 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$117,722 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$117,722 |
| 45-49 | 1 \$143,391 | 0 \$0 | 0 \$0 | 1 \$112,116 | 0 \$0 | 0 \$0 | 3 \$127,789 | 1 \$131,759 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 6 \$128,439 |
| 50-54 | 0 \$0 | 0 \$0 | 1 \$117,722 | 4 \$120,703 | 0 \$0 | 1 \$123,328 | 4 \$136,592 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 10 \$127,023 |
| 55-59 | 0 \$0 | 2 \$129,187 | 0 \$0 | 1 \$117,722 | 1 \$131,537 | 3 \$134,177 | 3 \$138,703 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 10 \$132,627 |
| 60-64 | 1 \$112,116 | 1 \$129,257 | 0 \$0 | 1 \$119,579 | 1 \$112,116 | 4 \$136,903 | 1 \$104,134 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 9 \$124,979 |
| 65 & Over | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 3 \$129,544 | 3 \$129,663 | 0 \$0 | 0 \$0 | 1 \$115,685 | 0 \$0 | 0 \$0 | 7 \$127,615 |
| Total | 2 \$127,753 | 4 \$130,631 | 1 \$117,722 | 8 \$118,744 | 2 \$121,826 | 11 \$132,918 | 14 \$131,355 | 1 \$131,759 | 0 \$0 | 1 \$115,685 | 0 \$0 | 0 \$0 | 44 \$128,133 |



MEMBERSHIP DATA (STATE JUDGES)

| | June 30, 2004 | June 30, 2003 |
|---|---------------|---------------|
| | (1) | (2) |
| 1. Active members | | |
| a. Number | 44 | 42 |
| b. Number vested | 4 | 2 |
| c. Total annualized payroll supplied by State | \$ 5,637,865 | \$ 5,303,153 |
| d. Average salary | \$ 128,133 | \$ 126,266 |
| e. Average age | 56.9 | 55.8 |
| f. Average service | 8.2 | 7.6 |
| 2. Inactive members | | |
| a. Number | 0 | 0 |
| 3. Service retirees | | |
| a. Number | 1 | 1 |
| b. Total annual benefits | \$ 97,664 | \$ 94,900 |
| c. Average annual benefit | \$ 97,664 | \$ 94,900 |
| d. Average age | 76.0 | 75.0 |
| 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 | 1 | 0 |
| b. Total annual benefits | \$ 53,073 | \$ 53,073 |
| c. Average annual benefit | \$ 53,073 | \$ 53,073 |
| d. Average age | 76.0 | 75.0 |

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 |
| 2002 | 39 | 11.4% | 4,738,059 | 15.8% | 121,489 | 3.9% | 55.6 | 7.5 |
| 2003 | 42 | 7.7% | 5,303,153 | 11.9% | 126,266 | 3.9% | 55.8 | 7.6 |
| 2004 | 44 | 4.8% | 5,637,865 | 6.3% | 128,133 | 1.5% | 56.9 | 8.2 |

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