

Annual Financial Report

for the fiscal year ending June 30, 2007

Honorable Frank T. Caprio, 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
William J. Murphy, Speaker of the House
Joseph A. Montalbano, President of the Senate
A. Ralph Mollis, Secretary of State
State House
Providence, RI

In accordance with Rhode Island General Laws, 36-8-8 and 45-21-34, enclosed is the Seventy-first Annual Financial Report of the *Employees' Retirement System* and the Forty-eighth 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, 2007.

Respectfully submitted,

Frank T. Caprio, General Treasurer & Chairman of the Board
Employees' Retirement System of Rhode Island



Employees' Retirement Board

Frank T. Caprio, *Chairperson, General Treasurer*
 William B. Finelli, *Vice-Chairperson, Teacher Representative*
 M. Carl Heintzeman, *CLU, Public Representative*
 Daniel L. Beardsley, *Rhode Island League of Cities and Towns*
 John J. Meehan, *State Employee Representative*
 Rosemary Booth Gallogly, *State Budget Officer/Executive Director*
 Michael R. Boyce, *Retired Member Representative*
 John P. Maguire, *Teacher Representative*
 Louis M. Prata, *Municipal Representative*
 Linda C. Riendeau, *State Employee Representative*
 Susan K. Rodriguez, *Department of Administration, Designee*
 James P. Yancy, *Public Representative*
 (additionally, three vacant positions)

Employees' Retirement System of Rhode Island Administration

Frank J. Karpinski, *Executive Director*
 Diane S. Bourne, *Assistant Executive Director*
 William E. O'Gara, Esq., *Board Counsel*

State Investment Commission

Frank T. Caprio, *Chairperson, General Treasurer*
 Rosemary Booth Gallogly, *Director of Administration's Designee*
 J. Michael Costello, *Governor's Appointee*
 Robert R. Gaudreau, Jr., *Governor's Appointee*
 Robert Giudici, *General Treasurer's Appointee*
 Dr. Robert J. McKenna, *Higher Education Assistance Authority Chairman*
 Marcia Reback, *General Treasurer's Appointee*
 Andrew K. Reilly, *General Treasurer's Appointee*
 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.

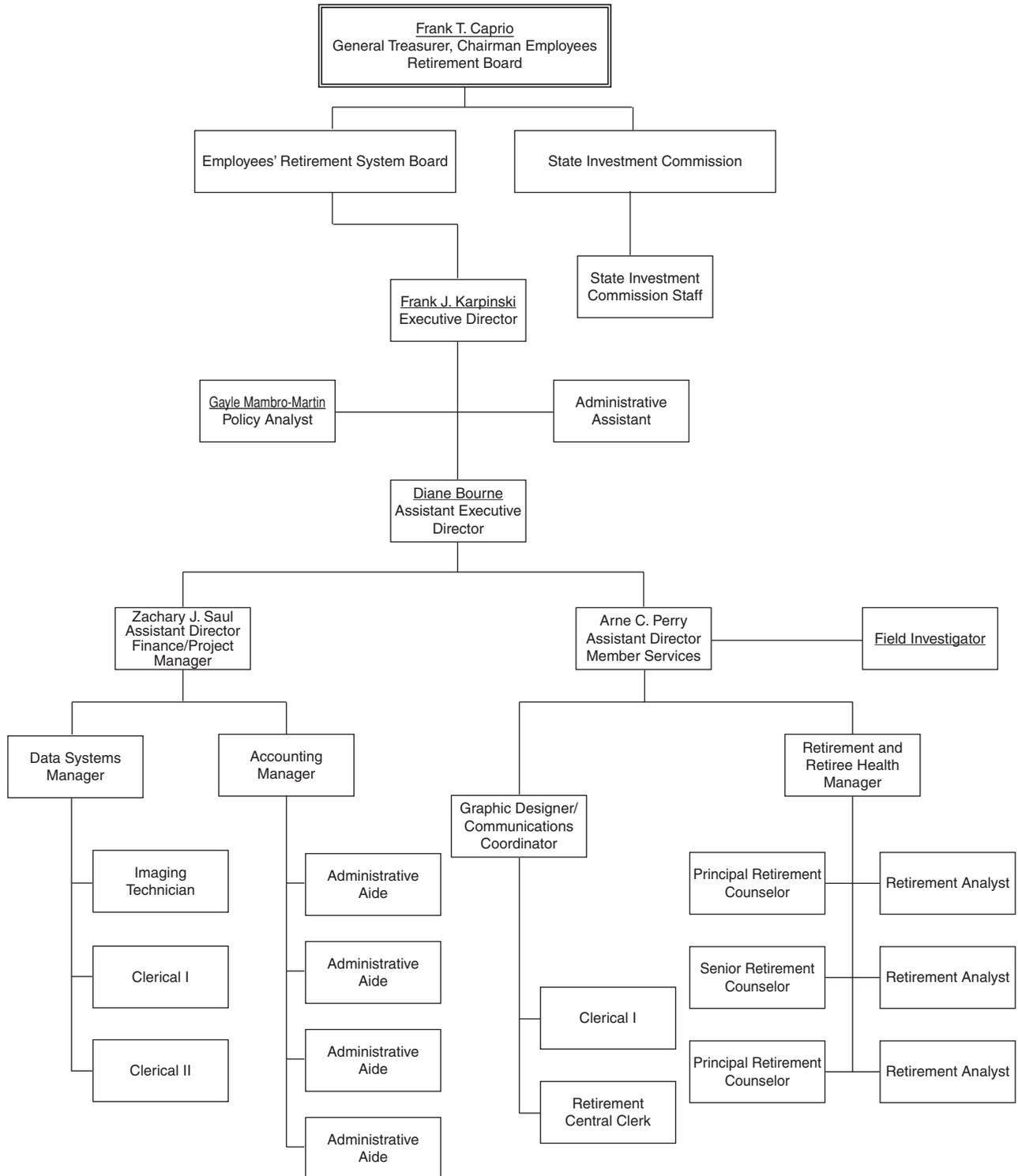
Kenneth E. Goodreau, CMT, *Deputy Treasurer for Finance*

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, Speaker Murphy, President Montalbano and Secretary of State Mollis:

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, 2007. 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 2007 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 June 30, 2007 financial statements are issued prior to the completion of the 2007 Actuarial Valuation, the notes to the financial statements reflect the most current actuarial valuation available at the time which is as of June 30, 2006.

Gabriel, Roeder, Smith & Company (GRS) serves as the system's actuary. Thus, the report concludes with GRS's June 30, 2007 actuarial valuation of our system.

Membership

As of June 30, 2007, active membership in the Employees' and Municipal Employees' Retirement System totaled 35,051. There are currently 44 judges contributing to the Judicial Retirement Plan and 179 state police contributing to the State Police Retirement Plan. A total of 23,419 retiree's 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 2007 included \$ 513,770,249 in contributions from employers and employees and a net investment gain of \$ 1,331,120,216. 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 2007 were \$647,678,370.

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, 2007 amounted to \$7,590,382

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 retiree's, 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.

For the State employees, the funded ratio increased from 54.6 % to 57.5 % during the period July 1, 2006 to June 30, 2007, while for teachers the ratio increased from 52.7 % to 55.4 % over the same period. During the same period, the funded ratio decreased from 86.8% to 83.8% for the judges and for the state police from 86.0% to 76.1% (*the decreases in funded ratios for the judges and state police are due to legislative changes from articles 35 and 22 respectively of the Governors 2008 budget*). These are based on the Entry Age Normal funding method effective June 30, 1999. 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 80-82 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. It is authorized, created and established in the office of the General Treasurer. The membership consists of the general treasurer, ex officio, or a deputy general treasurer as his or her designee, who acts as chairperson, the director of administration, ex officio, or any assistant director of administration as his or her designee, who acts as secretary, a director of the higher education assistance authority, or his or her designee to be appointed by the general treasurer, an active or retired 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, two (2) members of the general public to be appointed by the general treasurer, and three (3) members of the general public to be appointed by the governor. The members of the general public appointed by the governor and the general treasurer must be qualified by training or experience in the field of investment or finance.

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 William E. O'Gara, Esquire, of the law firm Pannone, Lopes & Devereaux, 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 Subcommittee, 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.



Reports to Members

An annual statement of account for the period ending December 31, 2007 was mailed to each active member in August, 2008. The statement provides to each member an accounting of the amount of his/her contributions credited to his or her account. This real time information is also found on the system's web site at www.ersri.org

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 his 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.

Handwritten signature of Frank J. Karpinski in black ink.

Frank J. Karpinski
Executive Director

Handwritten signature of Zachary J. Saul in black ink.

Zachary J. Saul
Assistant Director - Finance



2007 RETIREMENT LEGISLATION

No major benefit legislation was enacted by the General Assembly during the 2007 session. However, some significant pieces of legislation were enacted. Here is a summary of the relevant legislation.

S672/H5215 SUBSTITUTE A

This act amended Rhode Island General Law (RIGL) §45-21.2-9 relating to police and fire retirement on accidental disability. The act made two amendments: the first reduced the amount of time from the date of the accident that an application for accidental disability benefits can be made from either an alleged accident or a reinjury or aggravation of the accident. Prior to its passage, members were required to file an application for disability within 5 years of the alleged accident. The change now reduces the time to 18 months. The second change made by S 672/H5215 was to provide a definition of the words "reinjury" and "aggravation". The act affects members filing for accidental disability after July 6, 2007.

S43/H5062 SUBSTITUTE A

This bill amends multiple laws for Judges' contributions making them consistent with state employees, teachers and municipal employees. This act provides that whenever any Judge dies before retirement with no surviving spouse or minor child(ren), the accumulated contribution would be credited to a judicial retirement benefits account to be distributed to a designated beneficiary or to the estate.

S405/H5519 SUBSTITUTE A

This bill also amends multiple laws for Judges' retirement. This act provides that whenever a Judge, Justice or Magistrate would be granted a leave of absence without pay, such absence would not be credited towards active service time for the purposes of retirement.

S963SUBSTITUTE A

S963 amends RIGL §45-21.2-5 and creates §45-21.2-6.3. Both acts make changes to the number of years of service required for a retirement allowance to police officers in the town of Richmond.

EMPLOYEES' RETIREMENT SYSTEM
OF RHODE ISLAND

FINANCIAL SECTION

FINANCIAL SECTION



ERNEST 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 plans which comprise the Employees' Retirement System of the State of Rhode Island (the System) as of June 30, 2007 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.

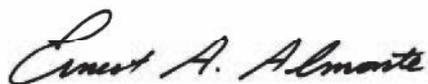
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that 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 opinions.

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, 2007, 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, 2007, 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 our report dated January 8, 2008 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 16 and the Schedules of Funding Progress and the Schedules of Contributions from the Employers and Other Contributing Entity on pages 35 and 36 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

January 8, 2008



Management's Discussion and Analysis

Management of the Employees' Retirement System of the State of Rhode Island (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, 2007. 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 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 each have separate plans. The *Statements of Fiduciary Net Assets* provide a snapshot of the financial position of the System at June 30, 2007. The *Statements of Changes in Fiduciary Net Assets* summarize 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, 2007

- The System's fiduciary net assets increased by \$1.2 billion from \$7.3 billion at June 30, 2006 to \$8.5 billion at June 30, 2007.
- Total pension benefits paid to members were \$647.7 million, an increase of \$39.8 million or 6.55% compared to the fiscal year ended June 30, 2006.
- Total employee and employer contributions into the System's plans increased \$91.9 million compared to the prior year. Total contributions from both employers and employees at June 30, 2007 were \$513.8 million.
- The System incurred a net gain from investing activities of \$1.33 billion for the fiscal year ended June 30, 2007. Included in this amount is \$2.6 million in securities lending income.

Assets, Liabilities and Fiduciary Net Assets (in millions)

| | <u>June 30, 2007</u> | <u>June 30, 2006</u> |
|--|----------------------|----------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 11.4 | \$ 22.0 |
| Investments | 8,432.9 | 7,271.9 |
| Contributions and other receivables | 62.1 | 30.8 |
| Due from other plans | - | 0.3 |
| Invested securities lending collateral | 1,329.2 | 1,400.4 |
| Property and equipment | <u>9.5</u> | <u>11.3</u> |
| Total assets | <u>9,845.1</u> | <u>8,736.7</u> |
| Liabilities: | | |
| Accounts payable | 7.1 | 6.8 |
| Due to other plans | - | 0.3 |
| Securities lending liability | <u>1,329.2</u> | <u>1,400.4</u> |
| Total liabilities | <u>1,336.3</u> | <u>1,407.5</u> |
| Net assets: | <u>\$ 8,508.8</u> | <u>\$ 7,329.2</u> |



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

| | Year Ended <u>June 30, 2007</u> | Year Ended <u>June 30, 2006</u> |
|--------------------------------|--|--|
| Additions: | | |
| Contributions | \$ 513.8 | \$ 421.9 |
| Net investment gain | 1,331.1 | 782.1 |
| Miscellaneous revenue | <u>.5</u> | <u> </u> |
| Total Additions | <u>1,845.4</u> | <u>1,204.0</u> |
| Deductions: | | |
| Benefits | 647.7 | 607.8 |
| Refunds of contributions | 10.5 | 9.8 |
| Administrative expenses | <u>7.6</u> | <u>7.0</u> |
| Total Deductions | <u>665.8</u> | <u>624.6</u> |
| Increase in Net Assets: | 1,179.6 | 579.4 |
| Net Assets: | | |
| Beginning of year | <u>7,329.2</u> | <u>6,749.8</u> |
| End of year | <u>\$ 8,508.8</u> | <u>\$ 7,329.2</u> |

Investments

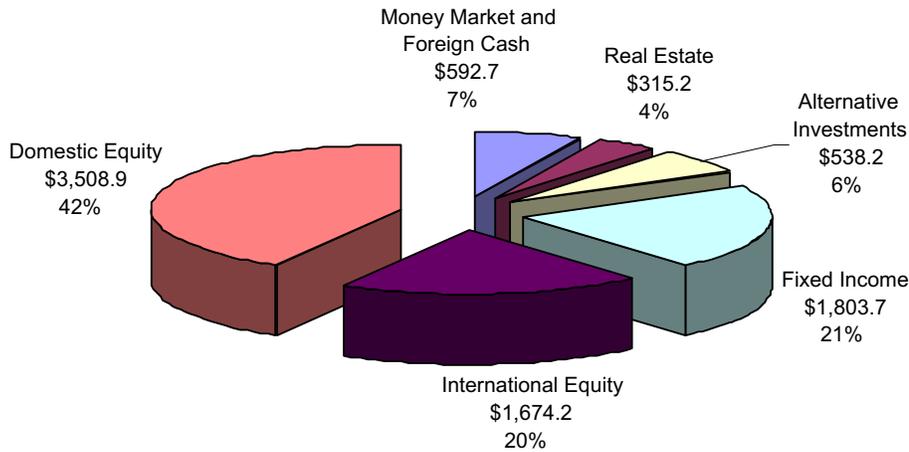
The State Investment Commission (SIC) establishes long-term asset allocation policy and monitors investment performance of the plan. An asset/liability (A/L) study is conducted every two to three years to identify an optimal diversified investment portfolio that maximizes return within an acceptable 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 at June 30, 2007.

| Fiscal 2007 – Asset Allocation Targets | |
|---|-------|
| Domestic Equity | 42.5% |
| International Equity | 20.0% |
| Fixed Income | 25.0% |
| Alternative Investments | 7.5% |
| Real Estate | 5.0% |



Asset Allocation – Actual
Fair value (in millions) at June 30, 2007



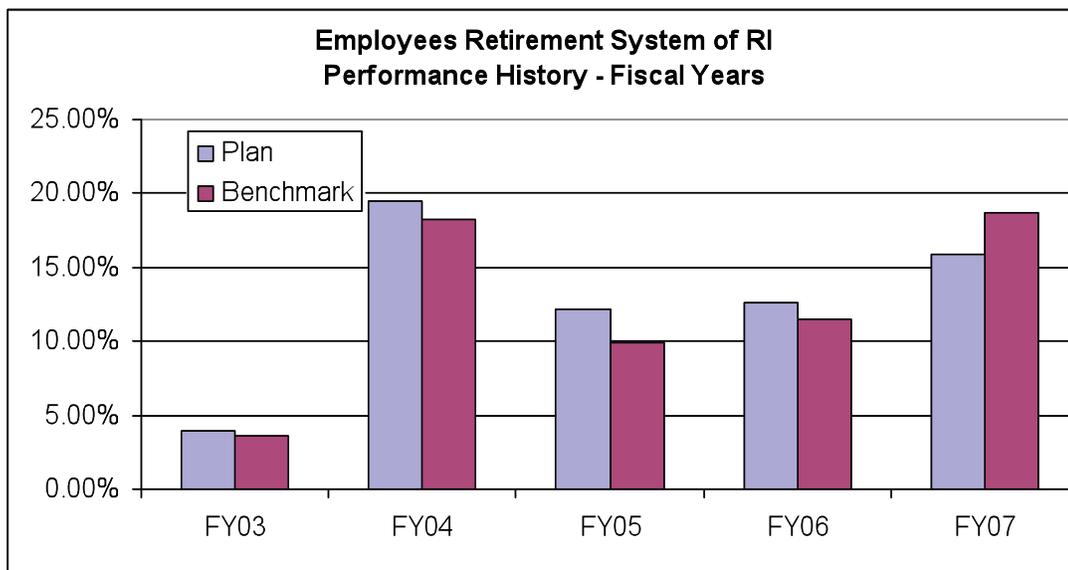
The domestic equity component includes fixed income securities as part of an enhanced equity index portfolio benchmarked to the S&P 500. The unusually high amount of money market and foreign cash held at June 30, 2007 was temporary and resulted from the termination of a portfolio manager and the reallocation of assets to better match the overall asset allocation targets highlighted above.

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, 2007 were 15.84%, 13.31% and 12.37%, respectively.

For fiscal year 2007, the fund underperformed its composite benchmark by 284 basis points (bps). The 3-year period beat the benchmark by 3 bps and the 5-year period beat the benchmark by 19 bps.





For the fiscal year ended June 30, 2007 the fund's domestic equity portfolio was up 19.29% (vs. 20.59% for the S&P 500), the international portfolio posted a 27.58% return (vs. 30.15% for the MSCI ACWI ex US) and the fixed income composite returned 6.39% (vs. 6.12% for the Lehman Aggregate). The private equity portfolio realized an internal rate of return of 25.7%. Since inception, the private equity composite has generated an internal rate of return of 17.2%.

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, 2006), the funded ratio decreased to 54.6% for State Employees and 52.7% for Teachers within the Employees' Retirement System plan. The funded ratio for the Judges' plan decreased to 86.8%. The State Police plan's funded ratio increased to 86.0%. The Municipal Employees' Retirement System Plan's funded ratio slightly declined with an overall average ratio of 87.1%.

Details of the funded status of each plan within the System are included in the Schedules of Funding Progress on page 35.

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

Next Year's Contribution Rates

Employer contribution rates for fiscal 2008 increased for State employees (18.40% for fiscal 2007 compared to 20.77% for fiscal 2008) and teachers (19.64% for fiscal 2007 compared to 22.01% for fiscal 2008), decreased for state police (31.78% for fiscal 2007 compared to 31.00% for fiscal 2008) and decreased for judges (36.07% for fiscal 2007 compared to 32.07% for fiscal 2008). The fiscal 2008 employer contribution rates are based upon an actuarial valuation performed at June 30, 2005.

A new provision in the General Laws {section 35-6-1(d)} provides for a transfer to the Employees' Retirement System if general revenues of the State, in the completed fiscal year, exceed estimates adopted for that year as contained in the final enacted State budget. The transfer would be made by the State Controller upon issuance of the audited financial statements of the State. Any amounts transferred to the Employees' Retirement System pursuant to this section of the General Laws would be considered employer contributions in excess of the annual required contribution as determined by the actuary consistent with other applicable sections of the General Laws as described in Note 5. No amount has been recognized as due from the State at June 30, 2007 to the System since the fiscal 2007 audit of the State's financial statements has not been completed.

Contacting the 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 Fiduciary Net Assets
As of June 30, 2007

| Assets | <i>ERS</i> | <i>MERS</i> | <i>SPRBT</i> | <i>JRBT</i> | <i>Total (Memorandum Only)</i> |
|--|------------------------|------------------------|---------------------|---------------------|------------------------------------|
| Cash and cash equivalents (Note 3) | \$8,743,879 | \$1,825,389 | \$513,481 | \$293,555 | \$11,376,304 |
| Receivables | | | | | |
| Contributions | 24,922,323 | 4,241,380 | - | - | 29,163,703 |
| Due from State for teachers | 29,259,187 | - | - | - | 29,259,187 |
| Other | 3,640,135 | 16,147 | - | - | 3,656,282 |
| Total receivables | <u>57,821,645</u> | <u>4,257,527</u> | <u>-</u> | <u>-</u> | <u>62,079,172</u> |
| Investments at fair value (Note 3) | | | | | |
| Equity in short-term investment fund | 8,008,962 | 2,715,802 | - | - | 10,724,764 |
| Equity in pooled trust | 7,160,044,761 | 1,179,911,785 | 49,939,134 | 32,258,639 | 8,422,154,319 |
| Total investments before lending activities | <u>7,168,053,723</u> | <u>1,182,627,587</u> | <u>49,939,134</u> | <u>32,258,639</u> | <u>8,432,879,083</u> |
| Invested securities lending collateral (Note 3) | 1,130,045,027 | 186,220,857 | 7,881,530 | 5,091,173 | 1,329,238,587 |
| Property and equipment at cost net of accumulated depreciation (Note 4) | 8,292,139 | 1,223,131 | 21,639 | 13,935 | 9,550,844 |
| Total Assets | <u>8,372,956,413</u> | <u>1,376,154,491</u> | <u>58,355,784</u> | <u>37,657,302</u> | <u>9,845,123,990</u> |
| Securities lending liability (Note 3) | 1,130,045,027 | 186,220,857 | 7,881,530 | 5,091,173 | 1,329,238,587 |
| Accounts payable | 6,058,368 | 982,285 | 28,995 | 17,172 | 7,086,820 |
| Total Liabilities | <u>1,136,103,395</u> | <u>187,203,142</u> | <u>7,910,525</u> | <u>5,108,345</u> | <u>1,336,325,407</u> |
| (A schedule of funding progress for each plan is presented on page 34) | <u>\$7,236,853,018</u> | <u>\$1,188,951,349</u> | <u>\$50,445,259</u> | <u>\$32,548,957</u> | <u>\$8,508,798,583</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, 2007

| | <u>ERS</u> | <u>MERS</u> | <u>SPRBT</u> | <u>JRBT</u> | <i>Total (Memorandum Only)</i> |
|--|------------------------|------------------------|---------------------|---------------------|------------------------------------|
| Additions | | | | | |
| Contributions | | | | | |
| Member contributions | \$152,416,076 | \$22,493,866 | \$1,111,947 | \$576,930 | \$176,598,819 |
| Employer contributions | 229,547,428 | 26,697,326 | 4,038,828 | 2,362,671 | 262,646,253 |
| State contribution for teachers | 70,531,472 | - | - | - | 70,531,472 |
| Interest on service credits purchased | 3,524,006 | 469,699 | - | - | 3,993,705 |
| Total contributions | <u>456,018,982</u> | <u>49,660,891</u> | <u>5,150,775</u> | <u>2,939,601</u> | <u>513,770,249</u> |
| Investment Income | | | | | |
| Net appreciation in fair value of investments | 960,880,966 | 157,191,692 | 6,274,161 | 4,104,644 | 1,128,451,463 |
| Interest | 94,722,334 | 15,390,528 | 612,571 | 400,024 | 111,125,457 |
| Dividends | 73,686,278 | 12,056,231 | 482,647 | 315,947 | 86,541,103 |
| Other investment income | 23,544,688 | 3,903,633 | 153,429 | 100,439 | 27,702,189 |
| | <u>1,152,834,266</u> | <u>188,542,084</u> | <u>7,522,808</u> | <u>4,921,054</u> | <u>1,353,820,212</u> |
| Less investment expense | (21,437,002) | (3,594,999) | (144,186) | (94,503) | (25,270,690) |
| Net investment income | <u>1,131,397,264</u> | <u>184,947,085</u> | <u>7,378,622</u> | <u>4,826,551</u> | <u>1,328,549,522</u> |
| Securities Lending | | | | | |
| Securities lending income | 59,009,881 | 9,720,874 | 410,816 | 265,324 | 69,406,895 |
| Less securities lending expense | (56,820,436) | (9,363,477) | (396,296) | (255,992) | (66,836,201) |
| Net securities lending income | <u>2,189,445</u> | <u>357,397</u> | <u>14,520</u> | <u>9,332</u> | <u>2,570,694</u> |
| Total net investment income | <u>1,133,586,709</u> | <u>185,304,482</u> | <u>7,393,142</u> | <u>4,835,883</u> | <u>1,331,120,216</u> |
| Miscellaneous revenue | 520,785 | 36,109 | - | - | 556,894 |
| Total Additions | <u>1,590,126,476</u> | <u>235,001,482</u> | <u>12,543,917</u> | <u>7,775,484</u> | <u>1,845,447,359</u> |
| Deductions | | | | | |
| Benefits | | | | | |
| Retirement benefits | 446,777,622 | 42,905,129 | 170,725 | 246,308 | 490,099,784 |
| Cost of living adjustments | 117,631,987 | 6,698,781 | 6,000 | 16,419 | 124,353,187 |
| SRA Plus option | 27,104,187 | 1,838,588 | - | - | 28,942,775 |
| Supplemental benefits | 1,105,624 | - | - | - | 1,105,624 |
| Death benefits | 2,543,800 | 633,200 | - | - | 3,177,000 |
| Total benefits | <u>595,163,220</u> | <u>52,075,698</u> | <u>176,725</u> | <u>262,727</u> | <u>647,678,370</u> |
| Refund of contributions | 8,702,974 | 1,829,668 | 23,869 | 32 | 10,556,543 |
| Administrative expense | 6,528,489 | 1,012,248 | 30,053 | 19,592 | 7,590,382 |
| Total Deductions | <u>610,394,683</u> | <u>54,917,614</u> | <u>230,647</u> | <u>282,351</u> | <u>665,825,295</u> |
| Net Increase | 979,731,793 | 180,083,868 | 12,313,270 | 7,493,133 | 1,179,622,064 |
| Net assets held in trust for pension benefits | | | | | |
| Beginning of year | <u>6,257,121,225</u> | <u>1,008,867,481</u> | <u>38,131,989</u> | <u>25,055,824</u> | <u>7,329,176,519</u> |
| End of year | <u>\$7,236,853,018</u> | <u>\$1,188,951,349</u> | <u>\$50,445,259</u> | <u>\$32,548,957</u> | <u>\$8,508,798,583</u> |

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



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

1. Plan Descriptions

(a). General

The Employees' Retirement System of the State 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 was authorized, created and established in the Office of the General Treasurer as an independent retirement board to hold and administer, in trust, the funds of the retirement system. The fifteen members of the retirement board are: the general treasurer or his or her designee who shall be a subordinate within the general treasurer's office; the director of administration or his or her designee who shall be a subordinate within the department of administration; a representative of the budget office or his or her designee from within the budget office, who shall be appointed by the director of administration; 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; two (2) retired members of the retirement system to be elected by retired members of the system; and four (4) public members, all of whom shall be competent by training or experience in the field of finance, accounting or pensions; two (2) of the public members shall be appointed by the governor, one of whom shall serve an initial term of three (3) years and one of whom shall serve an initial term of four (4) years and until his or her successor is appointed and qualified; and two (2) of the public members shall be appointed by the general treasurer, one of whom shall serve an initial term of three (3) years and one of whom shall serve an initial term of four (4) years and until his or her successor is appointed and qualified. Thereafter, the term of these four (4) public members shall be for four (4) years or until their successors are appointed and qualified by the Senate.



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

(a). General

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

A summary of membership in the plans as of the June 30, 2006 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 | 10,041 | 2,424 | 7,677 | 5,140 | 25,282 |
| Teachers | 8,873 | 2,165 | 7,121 | 7,222 | 25,381 |
| <u>MERS</u> | | | | | |
| General Employees | 3,614 | 2,025 | 2,890 | 4,071 | 12,600 |
| Public Safety | 393 | 92 | 625 | 676 | 1,786 |
| <u>SPRBT</u> | 3 | 2 | - | 179 | 184 |
| <u>JRBT</u> | 3 | - | 8 | 37 | 48 |
| <i>Total by type</i> | 22,927 | 6,708 | 18,321 | 17,325 | 65,281 |

(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 a two-tier benefit structure referred to as *Schedules A and B*.



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

Schedule A Benefits

Schedule A benefits are available to members who possess 10 years or more of contributory service on or before July 1, 2005. Schedule A 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.

Schedule B Benefits

Schedule B benefits are provided to members who have less than 10 years of contributory service on or before July 1, 2005. For Schedule B members, the plan provides unreduced benefits of 1.6% of earnings for each of the first ten years of service; 1.8% for each of the next ten years; 2.0% per year for years 21 through 25 inclusive; 2.25% per year for years 26 through 30 inclusive; 2.50% per year for years 31 through 37 inclusive and 2.25% for the 38th year. Only single life, and joint and survivor options are available. The maximum benefit is 75% of his or her average highest three (3) years of compensation after 38 years of service. Such benefits are available to members at least age 65 with 10 years of service, or after 29 years of service and age 59. Actuarially reduced retirement is available at age 55 and 20 years of service, the benefit is reduced actuarially for each month that the age of the member is less than sixty-five (65) years.

On the month following the third anniversary date of the retirement, and on the month following the anniversary date of each succeeding year, a cost-of-living increase of 3% (compounded annually) or the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor Statistics, determined as of September 30 of the prior calendar year, whichever is less is provided for Schedule B members.

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, annually. 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's benefits are payable following the death 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. In January, a yearly cost-of-living adjustment for spouse's benefits is paid and based on the annual social security adjustment.

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:



**EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007**

| <u>Highest Annual Salary</u> | <u>Spousal Monthly Minimum Benefit</u> |
|------------------------------|--|
| \$17,000 or less | \$750 |
| \$17,001 to \$25,000 | \$875 |
| \$25,001 to \$33,000 | \$1,000 |
| \$33,001 to \$40,000 | \$1,125 |
| \$40,001 and over | \$1,250 |

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. | 67 |
| Municipal police and fire departments. | 43 |
| Total participating units as of June 30, 2006 | <u>110</u> |

(3) State Police Retirement Benefits Trust (SPRBT)

The State Police Retirement Benefits Trust was established under Rhode Island General Law Section 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



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

Notes to Financial Statements

Fiscal Year Ended June 30, 2007

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. For judges appointed subsequent to July 2, 1997, salary is the average highest three (3) consecutive years of compensation. 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. For judges appointed subsequent to July 2, 1997, salary is the average highest three (3) consecutive years of compensation. 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 withheld from payroll. 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 securities and domestic and international stocks is generally based on published market prices and quotations from national security exchanges and securities pricing services.



**EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007**

Commingled funds consist of institutional domestic and international equity index funds and a short duration fixed income fund. 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.

Other investments that are not traded on a national security exchange (primarily private equity and real estate investments) are generally valued based on audited December 31 net asset values adjusted for cash flows for the period January 1 to June 30 (which principally include additional investments and partnership distributions).

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 respectively. Depreciation of the Line of Business System commences as each stage is implemented. Property 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, 2007, the carrying amounts of the plans' cash deposits are listed below:

| | <u>ERS</u> | <u>MERS</u> | <u>SPRBT</u> | <u>JRBT</u> |
|---------------------|-------------|-------------|--------------|-------------|
| <i>Book balance</i> | \$8,743,879 | \$1,825,389 | \$513,481 | \$293,555 |
| <i>Bank balance</i> | \$9,230,388 | \$1,909,977 | \$512,454 | \$292,897 |

The bank and book balances represent the plans' deposits in short-term trust accounts which include demand deposit accounts, bank money market accounts, overnight repurchase agreements and a certificate of deposit (ERS \$1,000,000). Of the bank balance, \$4,782,178 is covered by federal depository insurance. The remaining bank balance of \$7,163,538 is fully collateralized.

In accordance with Rhode Island General Law 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, 2007.



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

(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 Law 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. Investment expense is allocated to each plan based on the plan's units in the Short-term Investment Fund and the Pooled Trust at the end of each month.

The following table presents the fair value of investments by type at June 30, 2007:

| <u>Investment Type</u> | <u>Fair Value</u> |
|---|-------------------------|
| US Government Securities | \$ 560,390,706 |
| US Government Agency Securities | 495,087,007 |
| Collateralized Mortgage Obligations | 51,930,373 |
| Corporate Bonds | 576,195,739 |
| Domestic Equity Securities | 1,195,689,299 |
| International Equity Securities | 1,496,935,420 |
| Foreign Currencies | 32,484,923 |
| Private Equity | 538,178,238 |
| Real Estate | 315,196,507 |
| Money Market Mutual Fund | 560,214,264 |
| Commingled Fund - Fixed Income | 120,121,976 |
| Commingled Funds - Domestic Equity | 2,313,257,211 |
| Commingled Funds - International Equity | 177,197,420 |
| Investments at Fair Value | \$ 8,432,879,083 |
| Securities Lending Collateral Pool | 1,329,238,587 |
| Total | \$ 9,762,117,670 |



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

(c). Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Duration is a measure of a debt security's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. The System manages its exposure to interest rate risk by comparing each fixed income manager portfolio's effective duration against a predetermined benchmark index based on that manager's mandate. The fixed income indices currently used by the System are:

- Salomon Brothers Broad Investment Grade Bond Index
- Lehman Brothers MBS Fixed Rate Index
- Lehman Corporate Index

At June 30, 2007, no fixed income manager was outside of the policy guidelines.

The following table shows the System's fixed income investments by type, fair value and the effective duration at June 30, 2007:

| Investment Type: | Fair Value (in thousands) | Effective Duration |
|-------------------------------------|--------------------------------------|-------------------------------|
| U.S. Government Securities | \$ 560,391 | 5.94 |
| U.S. Government Agency Securities | 495,087 | 5.57 |
| Collateralized Mortgage Obligations | 51,930 | 2.71 |
| Corporate Bonds | 576,196 | 4.88 |
| Total Fixed Income | <u>\$1,683,604</u> | 5.40 |

The System also invested in a short-term money market mutual fund that held investments with an average maturity of 32 days. The duration of investments held in a fixed income commingled fund was .17 years.

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 U.S. Government Agency Securities and Collateralized Mortgage Obligations in the table above. 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.



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

(d). Credit Risk

The System directs its investment managers to maintain well diversified portfolios by sector, credit rating and issuer using the prudent person standard, which is the standard of care employed solely in the interest of the participants and beneficiaries of the funds and for the exclusive purpose of providing benefits to participants and defraying reasonable expenses of administering the funds.

Each manager's portfolio composition is aligned with a benchmark and is constructed based on specific guidelines that are reflective of the manager's mandate. An example of a high yield fixed income manager's guidelines is as follows:

- No single industry is expected to represent more than 20% of the portfolio's market value.
- No single issue is expected to represent more than 5% of the portfolio's market value.
- The portfolio, once fully invested, is expected to include a minimum of 70 individual holdings.
- The portfolio quality is expected to be invested in high yield below investment grade fixed income securities.
- The weighted average credit quality is expected to maintain a minimum rating of "B" using either Moody's or Standard and Poor's credit ratings.

The System's exposure to credit risk as of June 30, 2007 is as follows

| Rating (1) | Collateralized Mortgage Obligations | U.S. Government Agency Obligations | Corporate Bonds |
|-------------------|---|--|-----------------------|
| Aaa | \$ 21,689,885 | \$ 495,087,007 | \$ 59,533,536 |
| Aa | 105,984 | | 76,750,299 |
| A | 2,053,365 | | 155,793,903 |
| Baa | 10,907,176 | | 103,762,595 |
| Ba | 845,877 | | 39,571,118 |
| B | | | 57,741,167 |
| Caa | | | |
| Ca | | | |
| C | | | |
| Not rated | 16,328,086 | | 83,043,121 |
| Fair Value | \$ 51,930,373 | \$ 495,087,007 | \$ 576,195,739 |

(1) Moody's Investors Service

The System's investment in a short-term money market mutual fund was unrated but held investments with an average quality rating of A-1+ / P-1. The System's investment in a fixed income commingled fund was unrated but held investments with an average quality rating of AA-.



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

(e). Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a System's investments in a single issuer. There is no single issuer exposure within the System's portfolio that comprises 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

(f). Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At June 30, 2007 all securities were registered in the name of the System (or in the nominee name of its custodial agent) and were held in the possession of the System's custodial bank, State Street Bank and Trust.

(g). Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. Portfolios are diversified to limit foreign currency and security risk and the System's investment asset allocation policy targets non-US equity investments at 20%. The System may enter into foreign currency exchange contracts to minimize the short-term impact of foreign currency fluctuations on foreign investments.

The System's exposure to foreign currency risk at June 30, 2007, was as follows:

| Currency | Cash | Equities | Private Equity | Total |
|--------------------|----------------------|-------------------------|----------------------|-------------------------|
| Australian Dollar | \$ 539,319 | \$ 95,300,628 | \$ | \$ 95,839,947 |
| Brazilian Real | - | 6,535,052 | | 6,535,052 |
| Canadian Dollar | 853,099 | 68,101,148 | 5,674,082 | 74,628,329 |
| Danish Krone | 6,132 | 2,793,737 | | 2,799,869 |
| Euro Currency | 7,975,204 | 529,435,960 | 59,696,667 | 597,107,831 |
| Hong Kong Dollar | 1,111,002 | 36,386,444 | | 37,497,446 |
| Hungarian Forint | 11,227 | 1,890,798 | | 1,902,025 |
| Indonesian Rupiah | 332,470 | 1,623,198 | | 1,955,668 |
| Israeli Shekel | - | 3,463,516 | | 3,463,516 |
| Japanese Yen | 1,969,556 | 273,187,003 | | 275,156,559 |
| Malaysian Ringgit | - | 3,736,423 | | 3,736,423 |
| Mexican Peso | 15,199 | 4,492,649 | | 4,507,848 |
| New Zealand Dollar | 21,309 | 5,992,896 | | 6,014,205 |
| Norwegian Krone | 1,988 | 4,735,249 | | 4,737,237 |
| Pound Sterling | 2,403,145 | 296,928,878 | | 299,332,023 |
| Russian Ruble | - | 2,519,172 | | 2,519,172 |
| Singapore Dollar | 241,576 | 19,939,721 | | 20,181,297 |
| South African Rand | 162,906 | 4,462,740 | | 4,625,646 |
| South Korean Won | 2,200,866 | 22,768,248 | | 24,969,114 |
| Swedish Krona | 14,363,429 | 15,452,357 | 6,084,118 | 35,899,904 |
| Swiss Franc | 276,496 | 74,380,009 | | 74,656,505 |
| Taiwan Dollar | - | 18,680,189 | | 18,680,189 |
| Thailand Baht | - | 4,129,405 | | 4,129,405 |
| Total | \$ 32,484,923 | \$ 1,496,935,420 | \$ 71,454,867 | \$ 1,600,875,210 |

The System also had exposure to foreign currency risk through its investment in international commingled equity funds which totaled \$177,197,420.



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

(h). 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 and futures contracts. 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 enters 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 Fiduciary 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 uses 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.

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 credit default swaps.

The System 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 System when the price of a security underlying the short sale increases and the System is subject to a higher cost to purchase the security in order to cover the position.

(i). Securities Lending

Policies of the State Investment Commission permit the System 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 not less than 100% of the market value of the domestic securities on loan and at not less than 100% of the market value of the international securities on loan. In practice, securities on loan are collateralized at 102%. There are no restrictions on the amount of loans that can be made. 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. At June 30, 2007 the investment pool had a weighted average maturity of 48 days and an average final maturity of 168 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 borrowers or lending agent.

At June 30, 2007, 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 \$1,364,492,149 (fair value), and the collateral received for those securities on loan was \$1,399,810,228 (fair value).



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

4. Property and Equipment

Property and equipment consist of the line of business system and computer equipment at historical cost. Balances at June 30, 2007 were:

| | ERS | MERS | SPRBT | JRBT | Total |
|----------------------------|---------------|--------------|-----------|-----------|---------------|
| Line of Business System | \$ 15,544,862 | \$ 2,287,991 | \$ 38,781 | \$ 24,973 | \$ 17,896,607 |
| Equipment | 160,074 | 25,213 | 842 | 550 | 186,679 |
| Property and Equipment | 15,704,936 | 2,313,204 | 39,623 | 25,523 | 18,083,286 |
| Accumulated Depreciation | (7,412,797) | (1,090,073) | (17,984) | (11,588) | (8,532,442) |
| Net Property and Equipment | \$ 8,292,139 | \$ 1,223,131 | \$ 21,639 | \$ 13,935 | \$9,550,844 |

5. Contributions

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.

Effective July 1, 2005, the law as amended requires, in addition to the contributions provided for by the funding policy, commencing in fiscal year 2006, and each year thereafter, for each fiscal year in which the actuarially determined state contribution rate for state employees and teachers is lower than that for the prior fiscal year, the governor shall include an appropriation to that system equivalent to twenty percent (20%) of the rate reduction to be applied to the actuarial accrued liability. The amounts to be appropriated shall be included in the annual appropriation bill and shall be paid by the general treasurer into the retirement system. The retirement system's actuary shall not adjust the computation of the annual required contribution for the year in which supplemental contributions are received; such contributions once made may be treated as reducing the actuarial liability remaining for amortization in the next following actuarial valuation to be performed.

(b). Contributions

Employer contribution rates for fiscal 2007 were developed based on an actuarial valuation performed as of June 30, 2004. The table below displays the contribution rates for the year ending June 30, 2007:



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

| Plan | Employee | Employer |
|-------------------------|---|---|
| ERS | | |
| State Employees | 8.75% | 18.40% |
| Teachers | 9.50% | |
| <i>Municipal funded</i> | | <i>11.62% (10.96% for towns not participating in the 1990 early retirement incentive)</i> |
| <i>State funded</i> | | <i>8.02% (7.57% for towns not participating in the 1990 early retirement incentive)</i> |
| MERS | | |
| General Employees | 6.00% (additional 1% with a cost-of-living adjustment) | 67 Municipalities, housing authorities, water and sewer districts contributed various actuarially determined rates. |
| Public Safety | 7.00% (additional 1% with a cost-of-living adjustment and /or 1% with a 20 year service plan), Cranston Police & Cranston Fire are contributing 10% due to special plan provisions. | 43 Municipal police and fire departments contributed various actuarially determined rates. |
| SPRBT | 8.75% | 31.78% |
| JRBT | 8.75% | 36.07% |

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 are 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-employment benefits for state employees is reflected in an internal service fund of the State.

8. Commitments

The State Investment Commission has committed to fund certain private equity and real estate investment managers at a predetermined subscription amount. Outstanding unfunded investment commitments at June 30, 2007 totaled \$493 million. These commitments will be funded through cash available within the pooled investment trust generated through investment income and/or liquidation of other investments.



**EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
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) | | | | | | |
| 6/30/2006 | \$2,256,979,077 | \$4,131,157,601 | \$1,874,178,524 | 54.6% | \$644,980,127 | 290.6% |
| 6/30/2005 | 2,163,391,323 | 3,843,518,875 | 1,680,127,552 | 56.3% | 606,474,789 | 277.0% |
| 6/30/2004 | 2,202,900,345 | 3,694,787,818 | 1,491,887,473 | 59.6% | 606,087,585 | 246.2% |
| 6/30/2003± | 2,267,673,016 | 3,517,352,031 | 1,249,679,015 | 64.5% | 606,102,182 | 206.2% |
| 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% |
| ERS (Teachers) | | | | | | |
| 6/30/2006 | \$3,394,086,565 | \$6,444,693,666 | \$3,050,607,101 | 52.7% | \$914,985,746 | 333.4% |
| 6/30/2005 | 3,280,977,321 | 5,919,156,211 | 2,638,178,890 | 55.4% | 898,051,154 | 293.8% |
| 6/30/2004 | 3,340,527,073 | 5,634,195,435 | 2,293,668,362 | 59.3% | 866,532,598 | 264.7% |
| 6/30/2003± | 3,427,685,554 | 5,341,627,416 | 1,913,941,862 | 64.2% | 834,642,391 | 229.3% |
| 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% |
| SPRBT | | | | | | |
| 6/30/2006 | \$36,314,689 | \$42,216,142 | \$5,901,453 | 86.0% | \$13,474,588 | 43.8% |
| 6/30/2005 | 29,616,896 | 37,510,992 | 7,894,096 | 79.0% | 13,225,400 | 59.7% |
| 6/30/2004 | 24,767,014 | 32,689,173 | 7,922,160 | 75.8% | 11,421,880 | 69.4% |
| 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% |
| JRBT | | | | | | |
| 6/30/2006 | \$23,873,009 | \$27,504,102 | \$3,631,093 | 86.8% | \$6,313,069 | 57.5% |
| 6/30/2005 | 19,347,372 | 22,250,728 | 2,903,356 | 87.0% | 5,684,585 | 51.1% |
| 6/30/2004 | 16,019,053 | 21,845,744 | 5,826,691 | 73.3% | 5,637,865 | 103.3% |
| 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% |
| MERS | | | | | | |
| 6/30/2006 | \$945,876,282 | \$1,085,648,196 | \$139,771,914 | 87.1% | \$281,291,831 | 49.7% |
| 6/30/2005 | 886,964,787 | 1,017,254,365 | 130,289,578 | 87.2% | 265,123,725 | 49.1% |
| 6/30/2004 | 879,449,653 | 943,536,048 | 64,086,395 | 93.2% | 258,985,220 | 24.7% |
| 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)% |

± Restated June 30, 2003 actuarial value after adopting Article 7, Substitute A as Amended

See notes to required supplementary information.



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Contributions From the Employers
And Other Contributing Entity

ERS

| Fiscal Year Ended | State Employees | | Teachers (State) | | Teachers (Employers) | |
|----------------------|---------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------------|---------------------------|
| | Annual Required Contribution | Percentage Contributed | Annual Required Contribution | Percentage Contributed | Annual Required Contribution | Percentage Contributed |
| June 30 | | | | | | |
| 2007 | \$118,300,522 | 100% | \$70,531,472 | 100% | \$109,415,227 | 100% |
| 2006 | 91,254,063 | 100% | 54,537,733 | 100% | 83,794,372 | 100% |
| 2005 | 66,087,984 | 100% | 48,834,755 | 100% | 73,006,173 | 100% |
| 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% |

MERS

| Fiscal Year Ended | Annual Required Contribution | Percentage Contributed |
|----------------------|---------------------------------|---------------------------|
| June 30 | | |
| 2007 | \$26,697,326 | 100% |
| 2006 | 20,127,099 | 100% |
| 2005 | 13,081,956 | 100% |
| 2004 | 9,406,147 | 100% |
| 2003 | 6,485,065 | 100% |
| 2002 | 7,536,081 | 100% |

SPRBT

| Fiscal Year Ended | Annual Required Contribution | Percentage Contributed |
|----------------------|---------------------------------|---------------------------|
| June 30 | | |
| 2007 | \$4,038,828 | 100% |
| 2006 | 3,174,903 | 100% |
| 2005 | 2,614,503 | 100% |
| 2004 | 2,224,191 | 100% |
| 2003 | 2,256,770 | 100% |
| 2002 | 2,405,041 | 100% |

JRBT

| Fiscal Year Ended | Annual Required Contribution | Percentage Contributed |
|----------------------|---------------------------------|---------------------------|
| June 30 | | |
| 2007 | \$2,362,671 | 100% |
| 2006 | 2,291,665 | 100% |
| 2005 | 2,056,558 | 100% |
| 2004 | 1,830,204 | 100% |
| 2003 | 1,656,965 | 100% |
| 2002 | 1,458,093 | 100% |

See notes to required supplementary information



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Required Supplementary Information
Fiscal Year Ended June 30, 2007

1. Actuarial Assumptions and Methods

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, June 30, 2006, follows.

| | ERS | | | | |
|---|--|---|---|-----------------------------------|---|
| | State Employees | Teachers | MERS | SPRBT | JRBT |
| Valuation Date | 6/30/06 | 6/30/06 | 6/30/06 | 6/30/06 | 6/30/06 |
| 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 | 23 years | 23 years | 23 Years | 23 years | 23 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 9.00% | 4.50% to 13.25% | <i>General Employees</i> 4.50% to 8.50% <i>Police & Fire Employees</i> 4.75% to 14.75% | 4.50% to 12.50% | 4.50% |
| Inflation | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Cost of Living Adjustments | Schedule A Members -3.0% compounded Schedule B Members - 2.5% | Schedule A Members - 3.0% compounded Schedule B Members - 2.5% | 3.0% Non-compounded | \$1,500 per annum | 3.0% (see Note 1(b)(4)) to the financial statements |

Schedule A - ERS members are those with 10 years or more of contributory service on or before July 1, 2005.

Schedule B - ERS members are those with less than 10 years of contributory service on or before July 1, 2005. The plan provisions for Schedule A and B members are described in Note 1(b) to the financial statements entitled *Plan Descriptions – Membership and Benefit Provisions*.



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Notes to Required Supplementary Information
Fiscal Year Ended June 30, 2007

2. Schedules of Funding Progress

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

Changes affecting the June 30, 2006 actuarial valuation:

Material changes were made to increase the salary, payroll growth and termination assumptions. In addition, there were changes in the Post-retirement mortality rates for non-disabled retirees. Currently rates are based on the 1994 Group Annuity Mortality Tables for males and females, with adjustments to the tables for male teachers and male state employees. The tables are then compared to the A/E ratio (actual deaths to expected deaths). It was determined the tables for state employees required no changes. However, the A/E ratios for teachers were lower than the acceptable actuarial ranges. Therefore, new mortality tables have been constructed and adopted for teachers based on teacher mortality rates in another state with similar life expectancies. The pre-termination mortality currently uses the post-retirement mortality assumption. The rates for pre-termination mortality are computed at a rate equal to 65% of the post-retirement rates.

The base salary rate for ERS and MERS General Employees remained unchanged. Judges base salary rates decreased from 5.25% to 4.50% and State Police decreased from 5.00% to 4.50%. The salary rate increase for state employees changed from 4.50% - 8.25% to 4.50% - 9.00%. Teachers changed from a range of 4.50% - 17.00% to 4.50% - 13.25%. MERS General Employees changed from a range of 4.50% - 9.00% to 4.50% - 8.50%. MERS Police & Fire Employees changed from a range of 5.00% - 15.50% to 4.75% - 14.75%.

The payroll growth rate was increased from 3.75% to 4.25% for ERS and MERS; it also increased from 3.75% to 4.5% for State Police and decreased from 5.25% to 4.5% for Judges.

The marriage assumption for members being married has been changed from 100% to 85%.

Changes affecting the June 30, 2003 actuarial 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. The June 30, 2003 actuarial accrued liability was restated to reflect the amendment to the law governing benefits for state employees and teachers effective July 1, 2005 – see note 1(b) to the financial statements entitled *Plan Descriptions – Membership and Benefit Provisions*.

Changes affecting the June 30, 2002 actuarial 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.

The actuarial value of assets for MERS was changed from a three-year smoothed market technique to a five-year smoothed market technique.

3. 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 began using the entry age normal cost method as the basis for determining employer costs in fiscal year 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.

EMPLOYEES' RETIREMENT SYSTEM
OF RHODE ISLAND

ACTUARIAL INFORMATION

ERSRI ACTUARIAL INFORMATION

June 11, 2008

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, 2007

This is the June 30, 2007 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, 2007 actuarial valuation will be applicable for the year beginning July 1, 2009 and ending June 30, 2010.

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, 22 years from June 30, 2007). 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 reflected in this valuation are those which were in effect on June 30, 2007. No material changes in the benefit provisions were made since the preceding valuation. The benefit provisions are summarized in Appendix B.

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 is 57.5% (increased from 54.6% last year), while for teachers the ratio is 55.4% (increased from 52.7% last year).

For the June 30, 2007 valuation, the employer contribution rate decreased for state employees, from 21.13% to 20.69%, and for teachers, from 25.03% to 23.88%. For both state employees and teachers, the changes were principally due to the recognition of deferred asset gains from prior valuations.

In addition to the contributions determined as a percentage of member payroll, Rhode Island General Laws Section 36-10-2(g) requires the Governor to include in the annual budget an additional contribution equal to 20% of the savings due to the decrease in the contribution rate since the prior year. For Teachers, this is based only on the State's share of the employer contribution rate. The Governor will be required to include amounts of \$631,259 for State Employees and \$959,240 for Teachers in the budget for the fiscal year ending June 30, 2010. This will be applied against the unfunded actuarial accrued liability.

An analysis of the changes in the employer contribution rates appears on Table 10A. An analysis of the changes in the unfunded actuarial accrued liability appears on Table 10C.

Assumptions and methods

All assumptions and methods are described in Appendix A and are unchanged from the last valuation. The actuarial assumptions were last changed as a result of the experience study approved by the Board on June 13, 2007. 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 and the calculated contribution rates.

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, 2007. 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, 2007.

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 Enrolled Actuaries, 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



Joseph P. Newton, FSA, MAAA
Consultant



J. Christian Conradi, ASA, MAAA
Senior Consultant

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Actuarial Valuation - June 30, 2007
Executive Summary (State Employees)

| Item | Valuation Date: | |
|--|-----------------|-----------------|
| | June 30, 2007 | June 30, 2006 |
| Membership | | |
| • Number of: | | |
| - Active members | 12,572 | 12,817 |
| - Retirees and beneficiaries | 10,163 | 10,041 |
| - Inactive members | 2,405 | 2,424 |
| - Total | <u>25,140</u> | <u>25,282</u> |
| • Payroll supplied by ERSRI | \$626,192,680 | \$611,698,223 |
| Contribution rates | | |
| • Member | 8.75% | 8.75% |
| • Employer | 20.69% | 21.13% |
| Assets | | |
| • Market value | \$2,791,619,718 | \$2,409,378,699 |
| • Actuarial value | 2,493,428,522 | 2,256,979,077 |
| • Return on market value | 18.2% | 11.6% |
| • Return on actuarial value | 13.0% | 7.4% |
| • Employer contribution | \$118,389,603 | \$91,254,063 |
| • Ratio of actuarial value to market value | 89.3% | 93.7% |
| Actuarial Information | | |
| • Employer normal cost % | 1.64% | 1.61% |
| • Unamortized actuarial accrued liability (UAAL) | \$1,839,460,296 | \$1,874,178,524 |
| • Amortization rate | 19.05% | 19.52% |
| • Funding period | 22 years | 23 years |
| • GASB funded ratio | 57.5% | 54.6% |
| Projected employer contribution | | |
| • Fiscal year ending June 30, | 2010 | 2009 |
| • Projected payroll (millions) | \$717.3 | \$701.0 |
| • Projected employer contribution (millions) | 148.4 | 148.1 |



**Actuarial Valuation - June 30, 2007
Executive Summary (Teachers)**

Valuation Date:

| Item | June 30, 2007 | June 30, 2006 |
|--|-----------------|-----------------|
| Membership | | |
| • Number of: | | |
| - Active members | 14,146 | 14,343 |
| - Retirees and beneficiaries | 9,118 | 8,873 |
| - Inactive members | 2,257 | 2,165 |
| - Total | <u>25,521</u> | <u>25,381</u> |
| • Payroll supplied by ERSRI | \$902,193,640 | \$859,367,272 |
| Contribution rates | | |
| • Member | 9.50% | 9.50% |
| • Employer | 23.88% | 25.03% |
| • State share | 9.71% | 10.17% |
| • Local employer share | 14.17% | 14.86% |
| Assets | | |
| • Market value | \$4,185,381,396 | \$3,623,938,636 |
| • Actuarial value | 3,737,981,686 | 3,394,086,565 |
| • Return on market value | 18.2% | 11.6% |
| • Return on actuarial value | 13.0% | 7.4% |
| • Employer contribution (state & local) | \$179,916,390 | \$138,332,998 |
| • Ratio of actuarial value to market value | 89.3% | 93.7% |
| Actuarial Information | | |
| • Employer normal cost % | 2.33% | 2.32% |
| • Unamortized actuarial accrued liability (UAAL) | \$3,012,143,550 | \$3,050,607,101 |
| • Amortization percentage | 21.55% | 22.71% |
| • Funding period | 22 years | 23 years |
| • GASB funded ratio | 55.4% | 52.7% |
| Projected employer contribution | | |
| • Fiscal year ending June 30, | 2010 | 2009 |
| • Projected payroll (millions) | \$1,042.7 | \$994.4 |
| • Projected employer contribution (millions) | 249.0 | 248.9 |
| • State share (millions) | 101.2 | 101.1 |
| • Local employer share (millions) | 147.8 | 147.8 |



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, 2009.

The rate consists of two pieces: the normal cost rate and the amortization rate. The normal cost rate is the employer's Entry Age normal cost, expressed as a percent of pay. The amortization rate is the contribution required to amortize the unfunded actuarial liability over 22 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 charge 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% | 0.26% | 0.26% |
| Normal cost and all other amortizations | <u>14.17%</u> | <u>9.45%</u> | <u>23.62%</u> |
| Total | 14.17% | 9.71% | 23.88% |

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% | 0.26% | 0.26% |
| Normal cost and all other amortizations | <u>13.53%</u> | <u>9.02%</u> | <u>22.55%</u> |
| Total | 13.53% | 9.28% | 22.81% |

Impact of Decrease in Contribution Rates

Under Rhode Island General Laws (RIGL) §36-10-2(g), if the State's actuarially determined contribution rate for state employees or for teachers for a fiscal year will be less than in the preceding fiscal year, the Governor is required to include an appropriation to ERSRI in the fiscal year budget equal to 20% of the reduction. Because the contribution rates for FY 2010 are less than the rates for 2009 for both state employees and teachers, this section will come into play for the first time since it was enacted. The following table shows the calculation of the amounts to be included in the budget, in accordance with §36-10-2(g):

| Employees' Retirement System of Rhode Island | | | |
|--|--|-----------------|-----------------|
| Calculation of Budget Appropriation Under RIGL Section 36-10-2(g) | | | |
| | Item | State Employees | Teachers |
| A. | Prior valuation date | June 30, 2006 | June 30, 2006 |
| B.1. | Total employer contribution rate (prior valuation) | 21.13% | 25.03% |
| B.2. | State share for Teachers | | 10.17% |
| C. | Current valuation date | June 30, 2007 | June 30, 2007 |
| D.1. | Total employer contribution rate (current valuation) | 20.69% | 23.88% |
| D.2. | State share for Teachers | | 9.71% |
| E. | Contribution for fiscal year ending | June 30, 2010 | June 30, 2010 |
| F. | Pay projected for this fiscal year | \$717,340,241 | \$1,042,652,395 |
| G. | Decrease in State's contribution rate | 0.44% | 0.46% |
| H. | Decrease in State's contribution | \$3,156,297 | \$4,796,201 |
| I. | 20% of decrease to be appropriated | \$631,259 | \$959,240 |

**Financial Data and Experience**

Assets for ERSRI are held in trust and are commingled with those of several other plans and programs for investment purposes. The State Treasurer is responsible for setting the asset allocation policy and for investing the funds. The ERSRI assets are then allocated by the system's staff among State Employees, Teachers, and the Teachers' Survivor Benefits Plan.

The Table on page 59 shows the net plan assets for ERSRI in total, and it shows the breakdown between State Employees, Teachers and the Teachers' Survivor Benefit Plan. The Table on page 60 shows a reconciliation of the assets for State Employees and Teachers between the previous valuation and this valuation. The table on page 46 shows the distribution of investments by category-72% of assets are held in equities, including real estate and private equity-and the Table on page 46 shows a historical summary of the return rates. As can be seen, the net market value rate of return was 18.2% for the year ended June 30, 2007, and the return on an actuarial asset value basis was 13.0%.

The average annual return based on the market value of assets over the last ten years (July 1, 1997 - June 30, 2007) was 7.37%. This is less than the current 8.25% annual investment return assumption. The average annual return based on the actuarial value of assets over the same period was 6.59%.

All returns above are net of both investment and administrative expenses, so may differ from other information provided by the General Treasurer's office or the investment managers and advisors.

The System's staff provided all of the financial information used in this report.

Distribution of Assets at Market Value & History of Investment Return Rates

| Distribution of Assets at Market Value | | | History of Investment Return Rates | | |
|---|----------------------|----------------------|---|---------------|------------------|
| (Percentage of Total Investments) | | | Year Ending | Market | Actuarial |
| <u>Item</u> | <u>June 30, 2007</u> | <u>June 30, 2006</u> | <u>June 30 of</u> | | |
| (1) | (2) | (3) | (1) | (2) | (3) |
| Cash & cash equivalents | 6.6% | 2.3% | 1995 | 17.0% | 10.2% |
| U.S. government & agency securities | 12.5% | 14.5% | 1996 | 13.7% | 13.7% |
| Corporate bonds & notes | 8.9% | 8.7% | 1997 | 19.1% | 19.1% |
| Foreign bonds | 0.0% | 0.5% | 1998 | 16.1% | 16.5% |
| U.S. equity securities | 41.6% | 40.8% | 1999 | 10.1% | 14.7% |
| Foreign equity securities | 19.9% | 22.7% | 2000 | 9.1% | 8.8% |
| Real estate, venture capital, other | 10.5% | 10.5% | 2001 | (11.0%) | 4.9% |
| Total investments | 100.0% | 100.0% | 2002 | (8.4%) | 0.9% |
| | | | 2003 | 2.6% | (0.8%) |
| | | | 2004 | 18.7% | 0.4% |
| | | | 2005 | 11.4% | 1.8% |
| | | | 2006 | 11.6% | 7.4% |
| | | | 2007 | 18.2% | 13.0% |
| | | | Average Returns: | | |
| | | | Last 5 Years | 12.37% | 4.24% |
| | | | Last 10 Years | 7.37% | 6.59% |



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 (EAN) 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 (UAAL).

1. First, the actuarial present value of future benefits is determined by discounting the projected benefits for each member back to the valuation date using the assumed investment return rate as the discount rate. For active members, the projected benefits are based on the member's age, service, sex and compensation, and based on the actuarial assumptions. The calculations take into account the probability of the member's death, disability, or termination of employment prior to becoming eligible for a retirement benefit, as well as the possibility of the member will remain in service and receive a service retirement benefit. Future salary increases are anticipated. The present value of the expected benefits payable to all active members 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. Liabilities for future members are not included.
2. The employer contributions required to support the benefits are determined as a level percentage of salary, and consist of a normal contribution and an amortization contribution.
3. The normal contribution is determined using the Entry Age Normal method. Under this method, a calculation is made to determine the rate of contribution which, if applied to the compensation of each new member during the entire period of anticipated covered service, would be required to meet the cost of all benefits payable on his behalf. The salary-weighted average of these rates is the normal cost rate. The normal cost rate is determined using the plan provisions applicable to members becoming participants after June 30, 2005, i.e., the provisions for Schedule B members.
4. The employer normal cost rate is equal to (i) the normal cost rate, minus (ii) the member contribution rate.
5. The actuarial accrued liability is equal to the present value of all benefits less the present value of future normal costs. The unfunded actuarial accrued liability (UAAL) is then determined as (i) the actuarial accrued liability, minus (ii) the actuarial value of assets.
6. The amortization contribution rate is the level percentage of payroll required to reduce the UAAL to zero over the remaining amortization period. The UAAL is being amortized over the remainder of a closed 30-year period from June 30, 1999. The employer contribution rate determined by this valuation will not be effective until two years after the valuation date. The determination of the contribution rate reflects this deferral. The unfunded actuarial accrued liability (UAAL) and covered payroll are projected forward for two years, and we then determine the amortization charge required to amortize the UAAL over the remaining amortization period from that point. In projecting the UAAL, we increase the UAAL for interest at the assumed rate and we decrease it for the amortization payments. The amortization payments for these two years are determined by subtracting the current employer normal cost from the known contribution rates for these years, based on the two prior actuarial valuations. Contributions are assumed to be 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: The sum of (i) a 4.50% wage inflation assumption (composed of a 3.00% price inflation assumption and a 1.50% additional general increase), and (ii) a service-related component as shown below:

| 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 | 4.50% | 9.00% |
| 1 | 4.00 | 8.50 |
| 2 | 3.50 | 8.00 |
| 3 | 3.00 | 7.50 |
| 4 | 2.75 | 7.25 |
| 5 | 2.50 | 7.00 |
| 6 | 2.00 | 6.50 |
| 7 | 1.50 | 6.00 |
| 8 | 1.25 | 5.75 |
| 9 | 1.00 | 5.50 |
| 10 | 0.75 | 5.25 |
| 11 | 0.50 | 5.00 |
| 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 | 8.75% | 13.25% |
| 1 | 7.50 | 12.00 |
| 2 | 6.25 | 10.75 |
| 3 | 5.75 | 10.25 |
| 4 | 5.25 | 9.75 |
| 5 | 4.50 | 9.00 |
| 6 | 4.00 | 8.50 |
| 7 | 3.50 | 8.00 |
| 8 | 3.00 | 7.50 |
| 9 | 2.00 | 6.50 |
| 10 | 1.25 | 5.75 |
| 11 | 1.00 | 5.50 |
| 12 | 0.50 | 5.00 |
| 13 | 0.25 | 4.75 |
| 14 | 0.00 | 4.50 |
| 15 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 year following the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption. For employees with less than one year of service, the reported rate of pay is used rather than the fiscal year salary paid.

Payroll growth rate: In the amortization of the unfunded actuarial accrued liability, payroll is assumed to increase 4.25% per year. This increase rate is solely due to the effect of wage inflation on salaries, with no allowance for future membership growth.

Post-retirement Benefit Increase: For members with at least 10 years of contributory service as of June 30, 2005 (i.e., Schedule A members) and for all members receiving a disability benefit, the post-retirement benefit increases are equal to 3.00% by statute. They are not a function of the actual increases in the cost of living. For members with less than 10 years of contributory service as of June 30, 2005, i.e., Schedule B members, members receive a compound increase each year equal to the increase in the CPI, but limited to 3.00%. This limit lowers the expected increases granted in each year below the inflation assumption of 3.00%. The assumed average increase received for this group of employees is 2.50%.

Demographic Assumptions

Post-termination mortality rates (non-disabled)

- Male state employees: Based on the 1994 Group Annuity Mortality Tables for males set forward one year.
- Female state employees: Based on the 1994 Group Annuity Mortality Tables for females.
- GRS table based on male teacher experience
- 95% of rates in a GRS table based on female teacher experience.

Sample rates are shown below:

| Number of Deaths per 100 | | | | |
|--------------------------|-----------------|---------|----------|---------|
| Age | State Employees | | Teachers | |
| | Males | Females | Males | Females |
| 50 | 0.29 | 0.14 | 0.28 | 0.15 |
| 55 | 0.49 | 0.23 | 0.48 | 0.36 |
| 60 | 0.90 | 0.44 | 0.45 | 0.45 |
| 65 | 1.62 | 0.86 | 0.57 | 0.41 |
| 70 | 2.60 | 1.37 | 1.50 | 0.85 |
| 75 | 4.09 | 2.27 | 2.49 | 1.35 |
| 80 | 6.86 | 3.94 | 4.93 | 3.01 |



- Post-retirement mortality (disabled lives): One set of rates is used for both state employees and teachers
- Males: 65% of the PBGC Table Va for disabled males eligible for Social Security disability benefits
- Females: 100% of the PBGC Table VIa for disabled females eligible for Social Security disability benefits.

Sample rates are shown below:

| Number of Deaths per 100 | | |
|--------------------------|-------|---------|
| Age | Males | Females |
| 25 | 3.14 | 2.63 |
| 30 | 2.35 | 2.37 |
| 35 | 1.81 | 2.14 |
| 40 | 1.83 | 2.09 |
| 45 | 2.09 | 2.24 |
| 50 | 2.49 | 2.57 |
| 55 | 3.13 | 2.95 |
| 60 | 3.92 | 3.31 |
| 65 | 4.41 | 3.70 |
| 70 | 4.80 | 4.11 |
| 75 | 5.47 | 4.92 |
| 80 | 7.33 | 7.46 |

Pre-retirement mortality: 65% of the post-termination mortality rates. Sample rates are shown below:

| Number of Deaths per 100 | | | | |
|--------------------------|-----------------|---------|----------|---------|
| Age | State Employees | | Teachers | |
| | Males | Females | Males | Females |
| 25 | 0.05 | 0.02 | 0.05 | 0.02 |
| 30 | 0.05 | 0.02 | 0.06 | 0.02 |
| 35 | 0.06 | 0.03 | 0.06 | 0.03 |
| 40 | 0.08 | 0.05 | 0.07 | 0.05 |
| 45 | 0.11 | 0.06 | 0.11 | 0.06 |
| 50 | 0.19 | 0.09 | 0.18 | 0.09 |
| 55 | 0.32 | 0.15 | 0.31 | 0.23 |
| 60 | 0.58 | 0.29 | 0.29 | 0.29 |
| 65 | 1.06 | 0.56 | 0.37 | 0.27 |
| 70 | 1.69 | 0.89 | 0.97 | 0.55 |



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

| Age | Number of Disabilities per 1,000 | | | | | | | |
|-----|----------------------------------|------------------------------|------------------------------|--------------------------------|-------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| | State Ordinary Males | State Accidental Males | State Ordinary Females | State Accidental Females | Teachers Ordinary Males | Teachers Accidental Males | Teachers Ordinary Females | Teachers Accidental Females |
| | 25 | 0.32 | 0.20 | 0.45 | 0.09 | 0.15 | 0.08 | 0.16 |
| 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) are a function of the member's sex and service. Termination rates are not applied to members eligible for retirement. Rates are shown below:

| Service | State Employees | | Teachers | |
|---------|-----------------|---------|----------|---------|
| | Males | Females | Males | Females |
| 0 | 0.2400 | 0.1200 | 0.1700 | 0.1300 |
| 1 | 0.0882 | 0.1000 | 0.0900 | 0.0759 |
| 2 | 0.0761 | 0.0778 | 0.0562 | 0.0656 |
| 3 | 0.0656 | 0.0682 | 0.0455 | 0.0566 |
| 4 | 0.0565 | 0.0599 | 0.0364 | 0.0486 |
| 5 | 0.0487 | 0.0526 | 0.0289 | 0.0418 |
| 6 | 0.0421 | 0.0463 | 0.0229 | 0.0359 |
| 7 | 0.0366 | 0.0409 | 0.0181 | 0.0309 |
| 8 | 0.0321 | 0.0363 | 0.0145 | 0.0267 |
| 9 | 0.0285 | 0.0325 | 0.0120 | 0.0233 |
| 10 | 0.0257 | 0.0293 | 0.0104 | 0.0205 |
| 11 | 0.0235 | 0.0267 | 0.0095 | 0.0183 |
| 12 | 0.0219 | 0.0246 | 0.0094 | 0.0165 |
| 13 | 0.0208 | 0.0228 | 0.0094 | 0.0152 |
| 14 | 0.0199 | 0.0214 | 0.0094 | 0.0142 |
| 15 | 0.0194 | 0.0202 | 0.0094 | 0.0134 |
| 16 | 0.0189 | 0.0191 | 0.0094 | 0.0128 |
| 17 | 0.0185 | 0.0181 | 0.0094 | 0.0122 |
| 18 | 0.0179 | 0.0170 | 0.0094 | 0.0116 |
| 19 | 0.0172 | 0.0158 | 0.0094 | 0.0109 |
| 20 | 0.0162 | 0.0144 | 0.0094 | 0.0101 |
| 21 | 0.0147 | 0.0128 | 0.0094 | 0.0090 |
| 22 | 0.0127 | 0.0107 | 0.0094 | 0.0075 |
| 23 | 0.0101 | 0.0082 | 0.0094 | 0.0056 |
| 24 | 0.0068 | 0.0051 | 0.0094 | 0.0033 |



Retirement rates (unreduced):

Separate male and female rates, based on schedule, age and service. For members who reach 28 years of service before age 60, service-based rates are used. For members who reach age 60 before reaching 28 years of service, age-based rates are used instead. Legislators have the same rates as state employees shown below except 100% are assumed to retire at age 62 and completion of 10 years of service if still active. The following tables show the probabilities of retirement.

| State Employees Excluding Corrections – Schedule A Members | | | | | | | |
|--|-----------|-------------|-----------|-----------------|-----------|-------------|-----------|
| Males | | | | Females | | | |
| Service (00/28) | | Age (60/10) | | Service (00/28) | | Age (60/10) | |
| Service | Ret. Rate | Age | Ret. Rate | Service | Ret. Rate | Age | Ret. Rate |
| 28 | 17.5% | 60 | 10.0% | 28 | 20.0% | 60 | 15.0% |
| 29 | 13.0% | 61 | 5.0% | 29 | 15.0% | 61 | 10.0% |
| 30 | 13.0% | 62 | 17.5% | 30 | 15.0% | 62 | 20.0% |
| 31 | 13.0% | 63 | 15.0% | 31 | 15.0% | 63 | 15.0% |
| 32 | 13.0% | 64 | 15.0% | 32 | 15.0% | 64 | 15.0% |
| 33 | 17.5% | 65 | 20.0% | 33 | 15.0% | 65 | 20.0% |
| 34 | 17.5% | 66 | 17.5% | 34 | 15.0% | 66 | 25.0% |
| 35 | 40.0% | 67 | 17.5% | 35 | 40.0% | 67 | 20.0% |
| 36 | 35.0% | 68 | 17.5% | 36 | 30.0% | 68 | 20.0% |
| 37 | 35.0% | 69 | 17.5% | 37 | 30.0% | 69 | 20.0% |
| 38 | 35.0% | 70 | 17.5% | 38 | 30.0% | 70 | 20.0% |
| 39 | 35.0% | 71 | 17.5% | 39 | 30.0% | 71 | 20.0% |
| 40 | 100.0% | 72 | 17.5% | 40 | 100.0% | 72 | 20.0% |
| | | 73 | 17.5% | | | 73 | 20.0% |
| | | 74 | 17.5% | | | 74 | 20.0% |
| | | 75 | 100.0% | | | 75 | 100.0% |

Schedule B members: 60% of members are assumed to retire when first eligible, either at age 59 with 29 years of service, or at age 65 with 10 years of service. The rates in the table above are applied after first eligibility.

| Teachers Excluding Corrections – Schedule A Members | | | | | | | |
|---|-----------|-------------|-----------|-----------------|-----------|-------------|-----------|
| Males | | | | Females | | | |
| Service (00/28) | | Age (60/10) | | Service (00/28) | | Age (60/10) | |
| Service | Ret. Rate | Age | Ret. Rate | Service | Ret. Rate | Age | Ret. Rate |
| 28 | 25.0% | 60 | 20.0% | 28 | 20.0% | 60 | 20.0% |
| 29 | 15.0% | 61 | 15.0% | 29 | 15.0% | 61 | 15.0% |
| 30 | 20.0% | 62 | 30.0% | 30 | 20.0% | 62 | 25.0% |
| 31 | 20.0% | 63 | 25.0% | 31 | 20.0% | 63 | 20.0% |
| 32 | 30.0% | 64 | 10.0% | 32 | 30.0% | 64 | 20.0% |
| 33 | 30.0% | 65 | 25.0% | 33 | 30.0% | 65 | 35.0% |
| 34 | 40.0% | 66 | 25.0% | 34 | 35.0% | 66 | 25.0% |
| 35 | 55.0% | 67 | 25.0% | 35 | 50.0% | 67 | 25.0% |
| 36 | 40.0% | 68 | 25.0% | 36 | 40.0% | 68 | 25.0% |
| 37 | 40.0% | 69 | 25.0% | 37 | 40.0% | 69 | 25.0% |
| 38 | 40.0% | 70 | 25.0% | 38 | 40.0% | 70 | 25.0% |
| 39 | 40.0% | 71 | 25.0% | 39 | 40.0% | 71 | 25.0% |
| 40 | 100.0% | 72 | 25.0% | 40 | 100.0% | 72 | 25.0% |
| | | 73 | 25.0% | | | 73 | 25.0% |
| | | 74 | 25.0% | | | 74 | 25.0% |
| | | 75 | 100.0% | | | 75 | 100.0% |



Schedule B members: 75% of members who reach age 59 with 29 years of service before age 65 are assumed to retire when first eligible, at age 59 with 29 years of service. 75% of other members are expected to retire when first eligible, at age 65 with 10 years of service. The rates in the table above are applied after first eligibility.

Retirement rates (continued):

For correctional officers: A set of unisex rates, indexed by service, as shown below. All members still active are assumed to retire at age 65 with 10 years of service.

| Corrections Service | Ret. Rate |
|----------------------------|------------------|
| 20 | 5.0% |
| 21 | 5.0% |
| 22 | 5.0% |
| 23 | 5.0% |
| 24 | 5.0% |
| 25 | 5.0% |
| 26 | 5.0% |
| 27 | 5.0% |
| 28 | 5.0% |
| 29 | 5.0% |
| 30 | 13.0% |
| 31 | 13.0% |
| 32 | 13.0% |
| 33 | 20.0% |
| 34 | 20.0% |
| 35 | 35.0% |
| 36 | 25.0% |
| 37 | 25.0% |
| 38 | 25.0% |
| 39 | 25.0% |
| 40 | 100.0% |

Reduced retirement for Schedule B members (state employees and teachers, males and females). Rates based on age as shown below:

| Retirement Age | Retirement Rate |
|-----------------------|------------------------|
| 55 | 0% |
| 56 | 0% |
| 57 | 0% |
| 58 | 0% |
| 59 | 1% |
| 60 | 2% |
| 61 | 2% |
| 62 | 2% |
| 63 | 3% |
| 64 | 4% |



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.

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.

Investment and 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 1.0. For vested inactive members, the multiple is 8.0 for members with 25 or more years of service, 3.0 for vested inactive members age 45 or older with less than 25 years of service, and 1.0 for other vested inactive 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 are 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 fiscal year preceding the valuation date. However, for members with less than one year of service, the current rate of salary was used. 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 30.00% 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.

In fiscal years beginning after June 30, 2005, if the State's contribution on behalf of state employees decreases, the State shall appropriate an additional amount to the retirement trust. Such amount shall be equal to 20% of any decrease in expected contributions.



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:

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

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

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. Optional forms of payment are available; see Item 16 below.

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

Disability Retirement

Eligibility: A member is eligible provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

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

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

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

Deferred Termination Benefit

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

Monthly Benefit: The monthly benefit is based on the retirement formula described above. Both FAC and service are determined at the time the member leaves active employment. Benefits may commence 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 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 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 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 3.00% 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, 2007 | June 30, 2006 |
|---|-------------------------|-------------------------|
| (1) | (2) | (3) |
| A. Total ERSRI assets | | |
| A. Total ERSRI assets | | |
| 1. Cash and cash equivalents | \$ 8,743,879 | \$ 20,712,778 |
| 2. Receivables: | | |
| a. Transfers receivable | \$ - | \$ 234,326 |
| b. Member and employer contributions | 24,922,323 | 12,271,741 |
| c. Due from state for teachers | 29,259,187 | 12,567,666 |
| d. Net investment income and other | 3,640,135 | 1,819,001 |
| e. Total receivables | <u>\$ 57,821,645</u> | <u>\$ 26,892,734</u> |
| 3. Investments | | |
| a. Short-term investment fund | \$ 8,008,962 | \$ 18,198,822 |
| b. Pooled trust | 7,160,044,761 | 6,166,733,865 |
| c. Plan specific investments | 0 | 20,485,512 |
| d. Invested securities lending collateral | 1,130,045,027 | 1,195,023,630 |
| e. Total | <u>\$ 8,298,098,750</u> | <u>\$ 7,400,441,829</u> |
| 4. Total property and equipment | \$ 8,292,139 | \$ 9,878,640 |
| 5. Total assets | \$ 8,372,956,413 | \$ 7,457,925,981 |
| 6. Liabilities | | |
| a. Transfers payable | \$ - | \$ 53,295 |
| b. Accounts and vouchers payable | 6,058,368 | 5,727,831 |
| c. Securities lending liability | 1,130,045,027 | 1,195,023,630 |
| d. Total liabilities | <u>\$ 1,136,103,395</u> | <u>\$ 1,200,804,756</u> |
| 7. Total market value of assets available for benefits (Item 5 - Item 6) | \$ 7,236,853,018 | \$ 6,257,121,225 |
| B. Breakdown | | |
| 1. State employees | \$ 2,791,619,718 | \$ 2,409,378,699 |
| 2. Teachers | 4,185,381,396 | 3,623,938,636 |
| 3. Teachers' survivors benefits | 259,851,904 | 223,803,890 |
| 4. Total | <u>\$ 7,236,853,018</u> | <u>\$ 6,257,121,225</u> |



RECONCILIATION OF PLAN NET ASSETS

| Item | Year Ending 06/30/2007 | |
|---|------------------------|------------------|
| | State Employees | Teachers |
| (1) | (2) | (3) |
| 1. Market value of assets at beginning of year | \$ 2,409,378,699 | \$ 3,623,938,636 |
| Current year prior period adjustments | 0 | 0 |
| Adjusted market value of assets at BOY | \$ 2,409,378,699 | \$ 3,623,938,636 |
| 2. Contributions | | |
| a. Members | \$ 56,486,467 | \$ 90,141,287 |
| b. State | 118,389,603 | 70,531,472 |
| c. Local employers | 0 | 109,384,918 |
| d. Reimbursement of Supplemental Pensions | 174,229 | 948,047 |
| e. Service purchases | 1,782,763 | 7,373,785 |
| f. Total | \$ 176,833,062 | \$ 278,379,509 |
| 3. Investment earnings, net of investment and administrative expenses | \$ 434,762,795 | \$ 651,826,552 |
| 4. Expenditures for the year | | |
| a. Benefit payments | \$ (165,967,402) | \$ (275,802,189) |
| b. Cost-of-living adjustments | (47,366,813) | (69,935,703) |
| c. Death benefits | (1,675,800) | (868,000) |
| d. Social security supplements | (9,313,636) | (17,790,551) |
| e. Supplemental pensions | (157,344) | (948,280) |
| f. Refunds | (4,873,843) | (3,418,578) |
| g. Total expenditures | \$ (229,354,838) | \$ (368,763,301) |
| 5. Transfers and other adjustments | \$ 0 | \$ 0 |
| 6. Market value of assets at end of year | \$ 2,791,619,718 | \$ 4,185,381,396 |



ANALYSIS OF CHANGE IN EMPLOYER COST

| Basis | State Employees | Teachers |
|---|-----------------|----------|
| (1) | (2) | (3) |
| 1. Employer contribution rates from prior valuation | 21.13% | 25.03% |
| 2. Impact of changes, gains and losses | | |
| a. Non-salary liability experience (gain)/loss | 0.30% | 0.02% |
| b. Salary (gain)/loss | 0.08% | 0.27% |
| c. Total payroll growth (gain)/loss | 0.43% | (0.15%) |
| d. Investment experience (gain)/loss | (1.25%) | (1.29%) |
| e. Changes in assumptions | 0.00% | 0.00% |
| f. Changes in plan provisions | 0.00% | 0.00% |
| e. Total | (0.44%) | (1.15%) |
| 3. Employer contribution rates from current valuation | 20.69% | 23.88% |

MERS ACTUARIAL INFORMATION

**MUNICIPAL EMPLOYEES
RETIREMENT SYSTEM**

ACTUARIAL INFORMATION

July 9, 2008

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, 2007

This is the June 30, 2007 actuarial valuation of the Municipal Employees' Retirement System (MERS). This report describes the current actuarial condition of MERS, determines recommended employer contribution rates, and analyzes changes in these contribution rates. 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 is 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, 2007 actuarial valuation will be applicable for the year beginning July 1, 2009 and ending June 30, 2010.

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; 22 years as of June 30, 2007). 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 90.3%, increased from 87.1% in the prior valuation.

There are currently 110 units participating in MERS, 67 covering general employees and 43 covering police and/or fire employees. Of these 110 units, 8 had no change in contribution rate, 79 had their rate decrease, and 23 had their rate increase. Ten units have no required contribution rate. Of the 67 general employee units, 47 had rate decreases, while 32 of the 43 police/fire units had rate decreases. An analysis of the changes in the employer contribution rates appears on page 77. Actuarial gains on assets were responsible for most of the decreases.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2007. 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 page 68. Changes in elections are discussed on page 67.

Assumptions and methods

All assumptions and methods are described in Appendix A and are unchanged from the last valuation. The actuarial assumptions were last changed as a result of the experience study approved by the Board on June 13, 2007. We believe the assumptions are internally consistent and are reasonable, based on the actual experience of MERS.

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 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, 2007. We did not audit this data, but we did apply a number of tests to the data, and we concluded

Members of the Board
July 9, 2008
Page 3

that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2007.

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, 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



Joseph P. Newton, FSA, MAAA
Consultant



J. Christian Conradi, ASA, 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 on page 80 shows a summary of the funded ratios and other information for MERS as of June 30, 2007.

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 on page 68 is the ARC. The amortization period is 30 years as of June 30, 1999, and there are 22 years remaining as of June 30, 2007. 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, in this case as of July 1, 2009.

Each rate consists of two pieces: the employer 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 22 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 schedule on page 68 shows 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, 2010. The schedule on page 71 compares the total employer contribution rate with those rates determined in the two prior actuarial valuations. The schedule on page 74 shows the components used to determine the employer contribution rate in dollar amounts. Finally, the schedule on page 77 shows the major components of the rate change for each unit.



BENEFIT PROVISIONS

A summary of the benefit provisions for MERS can be referred to on page 92. There were no material changes in the benefit provisions since the preceding valuation.

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.

One benefit provision change was made since the prior valuation. Rhode Island General Law §45-21.2-6.3 contains special provisions that apply to employees of Richmond Police. The Town adopted these provisions on April 3, 2008, and they have been reflected in this valuation. Under these special provisions, members are eligible to retire after attaining 22 years of service. The retirement benefit for a member with 22 or more years of service was improved to 50.00% x Final Average Compensation (FAC), plus 2.2727% x FAC x Years of Service in Excess of 22, with a maximum benefit equal to 75% of FAC.

During the prior fiscal year, Smithfield Police added a number of officers to their MERS unit. These were officers who were previously covered under a separate plan. Credit was granted for their prior service.

No new unit joined MERS since the prior valuation. No units closed or withdrew or subdivided.

There are 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, 2010**

| 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 | | | | | | | |
| 3002 | 1012 1019 | Bristol | B | 7.00% | 5.46% | 7.45% | 12.91% |
| 3003 | 1032 1033 | Burrillville | C | 7.00% | 6.27% | (1.60%) | 4.67% |
| 3004 | 1052 | Central Falls | | 6.00% | 4.88% | 4.03% | 8.91% |
| 3005 | 1082 | Charlestown | C | 7.00% | 4.99% | 5.74% | 10.73% |
| 3007 | 1112 1113 | Cranston | B | 7.00% | 6.36% | (1.14%) | 5.22% |
| 3008 | 1122 1123 | Cumberland | | 6.00% | 5.05% | 4.26% | 9.31% |
| 3009 | 1152 1153 | East Greenwich | | 6.00% | 4.67% | (25.85%) | 0.00% |
| 3010 | 1162 1163 | East Providence | B | 7.00% | 6.02% | 10.02% | 16.04% |
| 3011 | 1183 | Exeter/West Greenwich | B | 7.00% | 6.85% | 3.10% | 9.95% |
| 3012 | 1192 1193 | Foster | | 6.00% | 4.82% | 2.02% | 6.84% |
| 3013 | 1212 1213 | Glocester | C | 7.00% | 5.99% | 4.41% | 10.40% |
| 3014 | 1262 | Hopkinton | C | 7.00% | 6.99% | (3.04%) | 3.95% |
| 3015 | 1272 1273 | Jamestown | C | 7.00% | 5.92% | 6.07% | 11.99% |
| 3016 | 1282 1283 | Johnston | C | 7.00% | 6.67% | 3.36% | 10.03% |
| 3017 | 1302 1303 | Lincoln | | 6.00% | 5.31% | 1.24% | 6.55% |
| 3019 | 1322 1323 | Middletown | C | 7.00% | 5.74% | 4.99% | 10.73% |
| 3021 | 1352 1353 1354 | Newport | B | 7.00% | 5.63% | 8.88% | 14.51% |
| 3022 | 1342 1343 | New Shoreham | B | 7.00% | 6.54% | 2.23% | 8.77% |
| 3023 | 1372 1373 | North Kingstown | C | 7.00% | 6.25% | 5.81% | 12.06% |
| 3024 | 1382 1383 | North Providence | | 6.00% | 4.83% | (4.27%) | 0.56% |
| 3025 | 1392 1393 | North Smithfield | B | 7.00% | 6.54% | (5.12%) | 1.42% |
| 3026 | 1412 1413 | Pawtucket | C | 7.00% | 5.76% | 4.98% | 10.74% |
| 3027 | 1515 | Union Fire District | | 6.00% | 4.22% | 1.67% | 5.89% |
| 3029 | 1452 | Richmond | | 6.00% | 5.64% | 1.10% | 6.74% |
| 3030 | 1462 1463 | Scituate | B | 7.00% | 6.71% | 5.45% | 12.16% |
| 3031 | 1472 1473 | Smithfield | C | 7.00% | 6.84% | (1.40%) | 5.44% |
| 3032 | 1492 1493 | South Kingstown | B | 7.00% | 6.09% | 0.83% | 6.92% |
| 3033 | 1532 1533 | Tiverton | C | 7.00% | 6.49% | (3.62%) | 2.87% |
| 3034 | 1562 | Warren | C | 7.00% | 5.18% | 10.44% | 15.62% |
| 3036 | 1622 1623 | Westerly | | 6.00% | 2.67% | 49.82% | 52.49% |
| 3037 | 1602 | West Greenwich | C | 7.00% | 6.26% | 5.81% | 12.07% |
| 3039 | 1632 1633 | Woonsocket | B | 7.00% | 6.15% | (3.80%) | 2.35% |
| 3040 | 1073 | Charlho School District | C | 7.00% | 6.27% | 4.03% | 10.30% |
| 3041 | 1203 | Foster/Glocester | B | 7.00% | 7.00% | 4.85% | 11.85% |
| 3042 | 1528 | Tiogue Fire & Lighting | C,5 | 7.00% | 0.00% | 0.00% | 0.00% |
| 3043 | 1336 | Narragansett Housing | C | 7.00% | 4.93% | 2.59% | 7.52% |
| 3045 | 1098 | Coventry Lighting District | C | 7.00% | 4.12% | (59.10%) | 0.00% |
| 3046 | 1242 | Hope Valley Fire | C | 7.00% | 5.61% | (2.75%) | 2.86% |
| 3050 | 1156 | East Greenwich Housing | C | 7.00% | 6.28% | 3.03% | 9.31% |
| 3051 | 1116 | Cranston Housing | C | 7.00% | 6.27% | (2.66%) | 3.61% |
| 3052 | 1166 | East Providence Housing | B | 7.00% | 7.71% | (3.76%) | 3.95% |
| 3053 | 1416 | Pawtucket Housing | B | 7.00% | 5.98% | (12.71%) | 0.00% |
| 3056 | 1126 | Cumberland Housing | C | 7.00% | 6.61% | (2.18%) | 4.43% |
| 3057 | 1306 | Lincoln Housing | B | 7.00% | 7.84% | 1.41% | 9.25% |
| 3059 | 1016 | Bristol Housing | | 6.00% | 4.28% | (15.40%) | 0.00% |
| 3065 | 1036 | Burrillville Housing | B | 7.00% | 6.90% | (8.83%) | 0.00% |
| 3066 | 1386 | North Providence Housing | B | 7.00% | 6.80% | 17.10% | 23.90% |



**Contribution Rates
For Fiscal Year Ending June 30, 2010**

| 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 | | | | | | | |
| 3067 | 1177 | East Smithfield Water | C | 7.00% | 5.79% | (3.20%) | 2.59% |
| 3068 | 1227 | Greenville Water | B | 7.00% | 5.83% | (8.99%) | 0.00% |
| 3069 | 1356 | Newport Housing | C | 7.00% | 6.55% | 3.13% | 9.68% |
| 3071 | 1566 | Warren Housing | B | 7.00% | 7.75% | (1.09%) | 6.66% |
| 3072 | 1286 | Johnston Housing | | 6.00% | 5.26% | (2.10%) | 3.16% |
| 3077 | 1538 | Tiverton Local 2670A | C | 7.00% | 6.13% | (0.37%) | 5.76% |
| 3078 | 1002 1003 1007 1009 | Barrington COLA | C | 7.00% | 6.32% | (3.42%) | 2.90% |
| 3079 | 1096 | Coventry Housing | | 6.00% | 4.79% | (1.55%) | 3.24% |
| 3080 | 1496 | South Kingstown Housing | C | 7.00% | 7.33% | (0.90%) | 6.43% |
| 3081 | 1403 | N. RI Collaborative Adm. Services | C | 7.00% | 7.05% | 2.43% | 9.48% |
| 3083 | 1616 | West Warwick Housing | B | 7.00% | 5.35% | 2.73% | 8.08% |
| 3084 | 1476 | Smithfield Housing | | 6.00% | 3.96% | (6.20%) | 0.00% |
| 3094 | 1478 | Smithfield COLA | C | 7.00% | 6.22% | (0.66%) | 5.56% |
| 3096 | 1056 | Central Falls Housing | C | 7.00% | 6.42% | 6.61% | 13.03% |
| 3098 | 1293 | Lime Rock Administrative Services | | 6.00% | 3.69% | 1.42% | 5.11% |
| 3099 | 1063 | Central Falls Schools | C | 7.00% | 6.91% | 1.22% | 8.13% |
| 3100 | 1023 | Bristol/Warren Schools | B | 7.00% | 6.50% | 3.86% | 10.36% |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 7.00% | 6.33% | 0.67% | 7.00% |
| 3102 | 1712 | Harrisville Fire District (ADMIN) | C | 7.00% | 5.13% | 3.81% | 8.94% |
| 3103 | 1702 | Albion Fire District (ADMIN) | C | 7.00% | 5.09% | 10.21% | 15.30% |
| General Employee Units Averages | | | | 6.90% | 6.06% | 2.24% | 8.50% |
| Police & Fire Units | | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 8.00% | 9.19% | (0.20%) | 8.99% |
| 4029 | 1454 | Richmond Police | 6 | 7.00% | 8.69% | 2.45% | 11.14% |
| 4031 | 1474 | Smithfield Police | C,D | 9.00% | 12.26% | 9.11% | 21.37% |
| 4042 | 1555 | Valley Falls Fire | D | 8.00% | 8.60% | (0.64%) | 7.96% |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 9.00% | 12.34% | 2.41% | 14.75% |
| 4050 | 1155 | East Greenwich Fire | C,D | 9.00% | 12.94% | 5.34% | 18.28% |
| 4054 | 1154 | East Greenwich Police | C,D | 9.00% | 12.62% | 0.47% | 13.09% |
| 4055 | 1375 | North Kingstown Fire | C,D | 9.00% | 12.12% | 5.40% | 17.52% |
| 4056 | 1374 | North Kingstown Police | C,D | 9.00% | 12.24% | 8.76% | 21.00% |
| 4058 | 1385 | North Providence Fire | D | 8.00% | 8.79% | 2.66% | 11.45% |
| 4059 | 1008 | Barrington Fire (25) | C | 8.00% | 10.98% | 4.51% | 15.49% |
| 4060 | 1004 | Barrington Police | C,D | 9.00% | 12.16% | 14.58% | 26.74% |
| 4061 | 1005 | Barrington Fire (20) | C,D | 9.00% | 11.84% | (4.77%) | 7.07% |
| 4062 | 1564 1565 | Warren Police & Fire | C,D | 9.00% | 11.65% | 12.06% | 23.71% |
| 4063 | 1494 | South Kingstown Police | B,1 | 9.00% | 12.36% | (0.12%) | 12.24% |
| 4073 | 1464 | Scituate Police | 5 | 7.00% | 0.00% | 0.00% | 0.00% |
| 4076 | 1394 | North Smithfield Police | C,D | 9.00% | 12.15% | 1.05% | 13.20% |
| 4077 | 1534 | Tiverton Fire | C,D | 9.00% | 12.61% | (3.43%) | 9.18% |
| 4082 | 1194 | Foster Police | C,D | 9.00% | 12.87% | 3.95% | 16.82% |
| 4085 | 1634 | Woonsocket Police | C,D | 9.00% | 11.86% | 1.36% | 13.22% |
| 4086 | 1084 | Charlestown Police | C,D | 9.00% | 12.32% | 11.20% | 23.52% |



**Contribution Rates
For Fiscal Year Ending June 30, 2010**

| 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) |
| Police & Fire Units | | | | | | | |
| 4087 | 1264 | Hopkinton Police | C,D,6 | 9.00% | 14.35% | 4.08% | 18.43% |
| 4088 | 1214 | Glocester Police | C,D | 9.00% | 12.40% | 5.98% | 18.38% |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 9.00% | 12.72% | 6.07% | 18.79% |
| 4090 | 1034 | Burrillville Police | C,D,6 | 10.20% | 12.33% | (0.10%) | 12.23% |
| 4091 | 1148 | Cumberland Rescue | C,D | 9.00% | 12.49% | (3.67%) | 8.82% |
| 4093 | 1635 | Woonsocket Fire | C,D | 9.00% | 12.05% | (0.12%) | 11.93% |
| 4094 | 1015 | Bristol Fire | D | 8.00% | 9.89% | (16.10%) | 0.00% |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 9.00% | 12.52% | 7.31% | 19.83% |
| 4096 | 1014 | Bristol Police | C,D | 9.00% | 12.65% | (1.62%) | 11.03% |
| 4098 | 1095 | Coventry Fire | D | 8.00% | 8.65% | 2.22% | 10.87% |
| 4099 | 1505 | South Kingstown EMT | C,D | 9.00% | 12.82% | (6.74%) | 6.08% |
| 4101 | 1365 | North Cumberland | D | 8.00% | 8.60% | 2.70% | 11.30% |
| 4102 | 1045 1235 1525 1585 | Central Coventry Fire | C,D | 9.00% | 12.08% | 7.25% | 19.33% |
| 4103 | 1255 | Hopkins Hill Fire | D | 8.00% | 9.22% | 0.72% | 9.94% |
| 4104 | 1114 | Cranston Police | C,D,4 | 10.00% | 13.35% | 1.95% | 15.30% |
| 4105 | 1115 | Cranston Fire | C,D,4 | 10.00% | 13.09% | 1.28% | 14.37% |
| 4106 | 1125 | Cumberland Fire | B,D | 9.00% | 12.87% | 7.83% | 20.70% |
| 4107 | 1305 | Lincoln Rescue | C | 8.00% | 10.75% | 4.42% | 15.17% |
| 4108 | 1344 | New Shoreham Police | B,D | 9.00% | 14.15% | 12.48% | 26.63% |
| 4109 | 1324 | Middletown Police & Fire | C,D | 9.00% | 13.72% | (0.05%) | 13.67% |
| 4110 | 1715 | Harrisville Fire District | C,D | 9.00% | 12.06% | 1.63% | 13.69% |
| 4111 | 1705 | Albion Fire District | C | 8.00% | 12.15% | 8.60% | 20.75% |
| Police & Fire Units Averages | | | | 9.04% | 11.99% | 2.85% | 14.85% |
| All MERS Units Averages | | | | 7.40% | 7.46% | 2.39% | 10.00% |

B - Municipality has adopted COLA Plan B

C - Municipality has adopted COLA Plan C

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

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

2 - New unit in 2007 valuation.

3 - Closed unit.

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

5 - This unit has no active members.

6 - Special plan provisions apply to this unit.



COMPARISON OF EMPLOYER CONTRIBUTION RATES

| Unit Number | | Unit | Code(s) | June 30, 2007 | June 30, 2006 | June 30, 2005 |
|-------------------------------|----------------|----------------------------|---------|---------------------------------------|---------------------------------------|---------------------------------------|
| Old | New | | | Actuarial Valuation for FY 2010 | Actuarial Valuation for FY 2009 | Actuarial Valuation for FY 2008 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| General Employee Units | | | | | | |
| 3002 | 1012 1019 | Bristol | B | 12.91% | 14.11% | 10.23% |
| 3003 | 1032 1033 | Burrillville | C | 4.67% | 5.94% | 4.74% |
| 3004 | 1052 | Central Falls | | 8.91% | 8.87% | 7.81% |
| 3005 | 1082 | Charlestown | C | 10.73% | 11.66% | 8.68% |
| 3007 | 1112 1113 | Cranston | B | 5.22% | 6.32% | 5.44% |
| 3008 | 1122 1123 | Cumberland | | 9.31% | 10.10% | 9.49% |
| 3009 | 1152 1153 | East Greenwich | | 0.00% | 0.00% | 0.00% |
| 3010 | 1162 1163 | East Providence | B | 16.04% | 16.52% | 15.03% |
| 3011 | 1183 | Exeter/West Greenwich | B | 9.95% | 10.16% | 9.24% |
| 3012 | 1192 1193 | Foster | | 6.84% | 6.43% | 6.85% |
| 3013 | 1212 1213 | Glocester | C | 10.40% | 10.33% | 10.22% |
| 3014 | 1262 | Hopkinton | C | 3.95% | 6.80% | 6.06% |
| 3015 | 1272 1273 | Jamestown | C | 11.99% | 12.16% | 10.53% |
| 3016 | 1282 1283 | Johnston | C | 10.03% | 11.04% | 10.90% |
| 3017 | 1302 1303 | Lincoln | | 6.55% | 7.43% | 8.14% |
| 3019 | 1322 1323 | Middletown | C | 10.73% | 11.65% | 9.97% |
| 3021 | 1352 1353 1354 | Newport | B | 14.51% | 14.58% | 13.27% |
| 3022 | 1342 1343 | New Shoreham | B | 8.77% | 9.08% | 8.88% |
| 3023 | 1372 1373 | North Kingstown | C | 12.06% | 12.71% | 11.74% |
| 3024 | 1382 1383 | North Providence | | 0.56% | 2.53% | 0.00% |
| 3025 | 1392 1393 | North Smithfield | B | 1.42% | 2.69% | 0.61% |
| 3026 | 1412 1413 | Pawtucket | C | 10.74% | 11.87% | 9.61% |
| 3027 | 1515 | Union Fire District | | 5.89% | 6.54% | 6.39% |
| 3029 | 1452 | Richmond | | 6.74% | 6.37% | 7.01% |
| 3030 | 1462 1463 | Scituate | B | 12.16% | 12.11% | 11.07% |
| 3031 | 1472 1473 | Smithfield | C | 5.44% | 5.97% | 4.71% |
| 3032 | 1492 1493 | South Kingstown | B | 6.92% | 7.81% | 6.68% |
| 3033 | 1532 1533 | Tiverton | C | 2.87% | 2.35% | 2.55% |
| 3034 | 1562 | Warren | C | 15.62% | 13.88% | 12.29% |
| 3036 | 1622 1623 | Westerly | | 52.49% | 63.17% | 62.48% |
| 3037 | 1602 | West Greenwich | C | 12.07% | 13.49% | 12.30% |
| 3039 | 1632 1633 | Woonsocket | B | 2.35% | 3.29% | 1.55% |
| 3040 | 1073 | Chariho School District | C | 10.30% | 10.92% | 9.83% |
| 3041 | 1203 | Foster/Glocester | B | 11.85% | 13.08% | 12.82% |
| 3042 | 1528 | Tiogue Fire & Lighting | C,5 | 0.00% | 0.00% | 0.00% |
| 3043 | 1336 | Narragansett Housing | C | 7.52% | 7.64% | 5.65% |
| 3045 | 1098 | Coventry Lighting District | C | 0.00% | 0.00% | 0.00% |
| 3046 | 1242 | Hope Valley Fire | C | 2.86% | 3.67% | 5.73% |
| 3050 | 1156 | East Greenwich Housing | C | 9.31% | 9.19% | 9.72% |
| 3051 | 1116 | Cranston Housing | C | 3.61% | 5.07% | 3.88% |
| 3052 | 1166 | East Providence Housing | B | 3.95% | 4.87% | 6.11% |
| 3053 | 1416 | Pawtucket Housing | B | 0.00% | 0.00% | 0.00% |
| 3056 | 1126 | Cumberland Housing | C | 4.43% | 6.97% | 5.69% |
| 3057 | 1306 | Lincoln Housing | B | 9.25% | 9.60% | 8.88% |



COMPARISON OF EMPLOYER CONTRIBUTION RATES

| Unit Number | | Unit | Code(s) | June 30, 2007 | June 30, 2006 | June 30, 2005 |
|---------------------------------------|---------------------|-----------------------------------|---------|---------------------------------|---------------------------------|---------------------------------|
| Old | New | | | Actuarial Valuation for FY 2010 | Actuarial Valuation for FY 2009 | Actuarial Valuation for FY 2008 |
| (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% | 0.23% | 0.19% |
| 3066 | 1386 | North Providence Housing | B | 23.90% | 22.84% | 22.18% |
| 3067 | 1177 | East Smithfield Water | C | 2.59% | 0.00% | 0.00% |
| 3068 | 1227 | Greenville Water | B | 0.00% | 0.00% | 0.00% |
| 3069 | 1356 | Newport Housing | C | 9.68% | 9.01% | 7.57% |
| 3071 | 1566 | Warren Housing | B | 6.66% | 10.27% | 8.24% |
| 3072 | 1286 | Johnston Housing | | 3.16% | 3.49% | 2.70% |
| 3077 | 1538 | Tiverton Local 2670A | C | 5.76% | 6.70% | 7.01% |
| 3078 | 1002 1003 1007 1009 | Barrington COLA | C | 2.90% | 4.29% | 1.57% |
| 3079 | 1096 | Coventry Housing | | 3.24% | 3.87% | 2.66% |
| 3080 | 1496 | South Kingstown Housing | C | 6.43% | 8.41% | 7.00% |
| 3081 | 1403 | N. RI Collaborative Adm. Services | C | 9.48% | 9.53% | 8.84% |
| 3083 | 1616 | West Warwick Housing | B | 8.08% | 8.72% | 9.45% |
| 3084 | 1476 | Smithfield Housing | | 0.00% | 3.63% | 1.13% |
| 3094 | 1478 | Smithfield COLA | C | 5.56% | 5.43% | 3.63% |
| 3096 | 1056 | Central Falls Housing | C | 13.03% | 13.28% | 14.11% |
| 3098 | 1293 | Lime Rock Administrative Services | | 5.11% | 5.14% | 5.21% |
| 3099 | 1063 | Central Falls Schools | C | 8.13% | 8.22% | 8.38% |
| 3100 | 1023 | Bristol/Warren Schools | B | 10.36% | 10.80% | 9.70% |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 7.00% | 7.71% | 5.43% |
| 3102 | 1712 | Harrisville Fire District (ADMIN) | C | 8.94% | 8.34% | 5.68% |
| 3103 | 1702 | Albion Fire District (ADMIN) | C | 15.30% | 13.96% | 16.16% |
| General Employee Units Average | | | | 8.50% | 9.27% | 8.10% |
| Police & Fire Units | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 8.99% | 10.45% | 9.86% |
| 4029 | 1454 | Richmond Police | 6 | 11.14% | 11.56% | 9.64% |
| 4031 | 1474 | Smithfield Police | C,D | 21.37% | 28.04% | 11.56% |
| 4042 | 1555 | Valley Falls Fire | D | 7.96% | 11.06% | 15.02% |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 14.75% | 15.84% | 19.14% |
| 4050 | 1155 | East Greenwich Fire | C,D | 18.28% | 19.92% | 21.57% |
| 4054 | 1154 | East Greenwich Police | C,D | 13.09% | 14.87% | 16.97% |
| 4055 | 1375 | North Kingstown Fire | C,D | 17.52% | 19.55% | 24.27% |
| 4056 | 1374 | North Kingstown Police | C,D | 21.00% | 20.49% | 24.60% |
| 4058 | 1385 | North Providence Fire | D | 11.45% | 11.38% | 11.51% |
| 4059 | 1008 | Barrington Fire (25) | C | 15.49% | 19.25% | 16.43% |
| 4060 | 1004 | Barrington Police | C,D | 26.74% | 27.97% | 32.61% |
| 4061 | 1005 | Barrington Fire (20) | C,D | 7.07% | 13.59% | 18.74% |
| 4062 | 1564 1565 | Warren Police & Fire | C,D | 23.71% | 26.11% | 29.88% |
| 4063 | 1494 | South Kingstown Police | B,1 | 12.24% | 14.39% | 16.29% |



COMPARISON OF EMPLOYER CONTRIBUTION RATES

| Unit Number | | Unit | Code(s) | June 30, 2007 | June 30, 2006 | June 30, 2005 |
|--|---------------------|------------------------------|---------|---------------------------------|---------------------------------|---------------------------------|
| Old | New | | | Actuarial Valuation for FY 2010 | Actuarial Valuation for FY 2009 | Actuarial Valuation for FY 2008 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| Police & Fire Units | | | | | | |
| 4073 | 1464 | Scituate Police | 5 | 0.00% | 0.00% | 0.00% |
| 4076 | 1394 | North Smithfield Police | C,D | 13.20% | 14.90% | 19.15% |
| 4077 | 1534 | Tiverton Fire | C,D | 9.18% | 11.00% | 11.39% |
| 4082 | 1194 | Foster Police | C,D | 16.82% | 22.08% | 21.25% |
| 4085 | 1634 | Woonsocket Police | C,D | 13.22% | 14.23% | 17.84% |
| 4086 | 1084 | Charlestown Police | C,D | 23.52% | 24.19% | 30.00% |
| 4087 | 1264 | Hopkinton Police | C,D,6 | 18.43% | 19.02% | 21.40% |
| 4088 | 1214 | Glocester Police | C,D | 18.38% | 18.11% | 21.41% |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 18.79% | 17.18% | 19.22% |
| 4090 | 1034 | Burrillville Police | C,D,6 | 12.23% | 16.41% | 23.32% |
| 4091 | 1148 | Cumberland Rescue | C,D | 8.82% | 8.62% | 13.30% |
| 4093 | 1635 | Woonsocket Fire | C,D | 11.93% | 12.88% | 15.96% |
| 4094 | 1015 | Bristol Fire | D | 0.00% | 0.00% | 8.01% |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 19.83% | 20.37% | 21.99% |
| 4096 | 1014 | Bristol Police | C,D | 11.03% | 11.97% | 12.02% |
| 4098 | 1095 | Coventry Fire | D | 10.87% | 12.32% | 14.72% |
| 4099 | 1505 | South Kingstown EMT | C,D | 6.08% | 6.53% | 10.49% |
| 4101 | 1365 | North Cumberland | D | 11.30% | 12.72% | 15.97% |
| 4102 | 1045 1235 1525 1585 | Central Coventry Fire | C,D | 19.33% | 19.80% | 22.94% |
| 4103 | 1255 | Hopkins Hill Fire | D | 9.94% | 10.75% | 12.83% |
| 4104 | 1114 | Cranston Police | C,D,4 | 15.30% | 15.25% | 18.46% |
| 4105 | 1115 | Cranston Fire | C,D,4 | 14.37% | 15.46% | 19.02% |
| 4106 | 1125 | Cumberland Fire | B,D | 20.70% | 22.41% | 20.31% |
| 4107 | 1305 | Lincoln Rescue | C | 15.17% | 16.70% | 13.37% |
| 4108 | 1344 | New Shoreham Police | B,D | 26.63% | 21.64% | 24.31% |
| 4109 | 1324 | Middletown Police & Fire | C,D | 13.67% | 12.69% | 11.41% |
| 4110 | 1715 | Harrisville Fire District | C,D | 13.69% | 12.99% | 17.87% |
| 4111 | 1705 | Albion Fire District | C | 20.75% | 21.66% | 23.83% |
| Police & Fire Units Average | | | | 14.85% | 15.61% | 18.27% |
| All MERS Units Average | | | | 10.00% | 10.69% | 10.27% |

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 2007 valuation.

3 - Closed unit.

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

5 - This unit has no active members.

6 - Special plan provisions apply to this unit.



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 | | | | | | | |
| 3002 | 1012 1019 | Bristol | B | 3,923,147 | 496,941 | 18,198,588 | 13,748,288 |
| 3003 | 1032 1033 | Burrillville | C | 5,327,953 | 717,640 | 19,913,112 | 21,163,146 |
| 3004 | 1052 | Central Falls | | 3,041,044 | 336,356 | 6,249,573 | 4,375,243 |
| 3005 | 1082 | Charlestown | C | 1,401,757 | 170,914 | 4,722,506 | 3,496,090 |
| 3007 | 1112 1113 | Cranston | B | 26,200,633 | 3,528,171 | 114,975,371 | 119,233,735 |
| 3008 | 1122 1123 | Cumberland | | 7,994,747 | 893,892 | 21,987,295 | 16,641,567 |
| 3009 | 1152 1153 | East Greenwich | | 1,065,758 | 114,445 | 4,872,345 | 8,680,821 |
| 3010 | 1162 1163 | East Providence | B | 18,398,786 | 2,433,068 | 87,210,070 | 58,865,692 |
| 3011 | 1183 | Exeter/West Greenwich | B | 2,093,067 | 294,635 | 6,932,109 | 5,941,199 |
| 3012 | 1192 1193 | Foster | | 1,102,183 | 121,219 | 2,844,598 | 2,504,657 |
| 3013 | 1212 1213 | Glocester | C | 2,284,364 | 297,824 | 6,727,948 | 5,177,807 |
| 3014 | 1262 | Hopkinton | C | 1,259,335 | 178,649 | 2,799,696 | 3,331,291 |
| 3015 | 1272 1273 | Jamestown | C | 2,908,901 | 378,864 | 9,938,439 | 7,252,617 |
| 3016 | 1282 1283 | Johnston | C | 9,037,436 | 1,246,784 | 33,643,759 | 28,777,664 |
| 3017 | 1302 1303 | Lincoln | | 889,984 | 102,247 | 1,333,269 | 1,139,172 |
| 3019 | 1322 1323 | Middletown | C | 4,674,046 | 601,184 | 13,842,877 | 10,238,856 |
| 3021 | 1352 1353 1354 | Newport | B | 10,913,761 | 1,400,744 | 57,719,476 | 42,883,619 |
| 3022 | 1342 1343 | New Shoreham | B | 2,026,568 | 279,788 | 4,421,529 | 3,711,018 |
| 3023 | 1372 1373 | North Kingstown | C | 11,892,435 | 1,587,685 | 45,590,461 | 34,880,408 |
| 3024 | 1382 1383 | North Providence | | 7,043,277 | 770,132 | 21,088,666 | 25,640,652 |
| 3025 | 1392 1393 | North Smithfield | B | 2,919,440 | 402,070 | 10,532,213 | 12,839,829 |
| 3026 | 1412 1413 | Pawtucket | C | 21,302,805 | 2,748,545 | 102,071,377 | 85,712,099 |
| 3027 | 1515 | Union Fire District | | 184,366 | 18,829 | 296,817 | 247,363 |
| 3029 | 1452 | Richmond | | 709,510 | 82,926 | 1,350,829 | 1,229,996 |
| 3030 | 1462 1463 | Scituate | B | 2,819,660 | 385,442 | 10,912,517 | 8,569,559 |
| 3031 | 1472 1473 | Smithfield | C | 2,645,711 | 367,628 | 9,852,321 | 10,664,845 |
| 3032 | 1492 1493 | South Kingstown | B | 11,840,906 | 1,568,507 | 39,465,592 | 37,879,928 |
| 3033 | 1532 1533 | Tiverton | C | 2,879,235 | 390,350 | 8,633,679 | 10,274,621 |
| 3034 | 1562 | Warren | C | 1,560,479 | 194,330 | 6,765,366 | 4,324,983 |
| 3036 | 1622 1623 | Westerly | | 60,043 | 5,396 | 974,219 | 504,608 |
| 3037 | 1602 | West Greenwich | C | 921,184 | 124,507 | 2,546,636 | 1,729,958 |
| 3039 | 1632 1633 | Woonsocket | B | 13,026,953 | 1,730,734 | 53,392,281 | 61,019,862 |
| 3040 | 1073 | Chariho School District | C | 4,700,381 | 636,137 | 13,354,584 | 10,500,830 |
| 3041 | 1203 | Foster/Glocester | B | 1,620,284 | 228,391 | 5,565,013 | 4,313,629 |
| 3042 | 1528 | Tiogue Fire & Lighting | C,5 | - | - | 5,314 | 35,609 |
| 3043 | 1336 | Narragansett Housing | C | 163,700 | 20,063 | 292,377 | 229,782 |
| 3045 | 1098 | Coventry Lighting District | C | 72,736 | 7,594 | 787,709 | 1,366,469 |
| 3046 | 1242 | Hope Valley Fire | C | 106,680 | 13,223 | 270,357 | 311,362 |
| 3050 | 1156 | East Greenwich Housing | C | 439,489 | 59,107 | 920,882 | 713,480 |
| 3051 | 1116 | Cranston Housing | C | 886,498 | 119,278 | 2,870,258 | 3,218,309 |
| 3052 | 1166 | East Providence Housing | B | 574,601 | 82,558 | 2,172,959 | 2,488,508 |
| 3053 | 1416 | Pawtucket Housing | B | 1,969,171 | 257,876 | 7,199,905 | 10,795,535 |
| 3056 | 1126 | Cumberland Housing | C | 426,521 | 59,343 | 945,974 | 1,073,972 |
| 3057 | 1306 | Lincoln Housing | B | 506,555 | 76,706 | 1,413,957 | 1,303,285 |



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 | | | | | | | |
| 3059 | 1016 | Bristol Housing | | 313,913 | 33,002 | 1,054,654 | 1,734,435 |
| 3065 | 1036 | Burrillville Housing | B | 166,566 | 23,371 | 665,340 | 885,688 |
| 3066 | 1386 | North Providence Housing | B | 255,436 | 35,776 | 1,429,613 | 762,812 |
| 3067 | 1177 | East Smithfield Water | C | 124,356 | 16,384 | 683,460 | 751,502 |
| 3068 | 1227 | Greenville Water | B | 209,399 | 27,572 | 676,502 | 953,314 |
| 3069 | 1356 | Newport Housing | C | 1,359,842 | 185,918 | 7,138,963 | 6,520,925 |
| 3071 | 1566 | Warren Housing | B | 225,660 | 32,859 | 1,144,572 | 1,170,896 |
| 3072 | 1286 | Johnston Housing | | 333,539 | 37,404 | 821,124 | 929,534 |
| 3077 | 1538 | Tiverton Local 2670A | C | 928,517 | 123,785 | 2,915,477 | 2,948,965 |
| 3078 | 1002 1003 1007 1009 | Barrington COLA | C | 6,706,205 | 906,981 | 23,207,091 | 26,750,298 |
| 3079 | 1096 | Coventry Housing | | 405,042 | 44,705 | 645,240 | 742,271 |
| 3080 | 1496 | South Kingstown Housing | C | 200,437 | 29,580 | 146,161 | 169,263 |
| 3081 | 1403 | N. RI Collaborative Adm. Services | C | 1,875,591 | 271,416 | 2,457,462 | 1,759,093 |
| 3083 | 1616 | West Warwick Housing | B | 343,186 | 42,693 | 1,199,447 | 1,049,055 |
| 3084 | 1476 | Smithfield Housing | | 105,100 | 10,762 | 175,210 | 266,081 |
| 3094 | 1478 | Smithfield COLA | C | 3,623,441 | 485,129 | 9,838,208 | 10,282,249 |
| 3096 | 1056 | Central Falls Housing | C | 799,858 | 109,789 | 2,126,989 | 1,294,586 |
| 3098 | 1293 | Lime Rock Administrative Services | | 76,606 | 7,635 | 171,450 | 154,762 |
| 3099 | 1063 | Central Falls Schools | C | 4,665,691 | 660,364 | 10,620,610 | 9,723,848 |
| 3100 | 1023 | Bristol/Warren Schools | B | 4,147,143 | 569,073 | 15,847,826 | 13,392,434 |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 4,912,694 | 665,683 | 13,748,300 | 13,285,452 |
| 3102 | 1712 | Harrisville Fire District (ADMIN) | C | 189,845 | 23,784 | 352,114 | 247,781 |
| 3103 | 1702 | Albion Fire District (ADMIN) | C | 37,194 | 4,624 | 100,511 | 42,578 |
| General Employee Units Subtotal | | | | \$227,821,351 | \$29,879,011 | \$865,065,519 | \$784,849,786 |
| Police & Fire Units | | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 1,565,638 | 281,684 | 1,299,565 | 1,312,361 |
| 4029 | 1454 | Richmond Police | 6 | 422,237 | 69,617 | 605,282 | 447,218 |
| 4031 | 1474 | Smithfield Police | C,D | 2,269,775 | 501,795 | 5,658,675 | 2,300,407 |
| 4042 | 1555 | Valley Falls Fire | D | 685,083 | 115,797 | 2,682,689 | 2,680,574 |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 1,006,949 | 223,593 | 4,682,709 | 4,248,861 |
| 4050 | 1155 | East Greenwich Fire | C,D | 2,112,367 | 479,225 | 10,523,945 | 8,662,445 |
| 4054 | 1154 | East Greenwich Police | C,D | 1,842,137 | 414,554 | 11,282,475 | 11,043,019 |
| 4055 | 1375 | North Kingstown Fire | C,D | 4,087,061 | 874,286 | 27,091,707 | 23,310,758 |
| 4056 | 1374 | North Kingstown Police | C,D | 2,688,493 | 584,784 | 18,638,857 | 14,896,951 |
| 4058 | 1385 | North Providence Fire | D | 5,136,014 | 879,966 | 27,195,461 | 25,084,022 |
| 4059 | 1008 | Barrington Fire (25) | C | 580,053 | 116,628 | 976,825 | 533,812 |
| 4060 | 1004 | Barrington Police | C,D | 1,261,594 | 273,939 | 9,399,054 | 6,473,584 |
| 4061 | 1005 | Barrington Fire (20) | C,D | 611,788 | 125,647 | 8,217,978 | 8,554,860 |
| 4062 | 1564 1565 | Warren Police & Fire | C,D | 1,328,237 | 275,697 | 9,490,288 | 6,911,300 |
| 4063 | 1494 | South Kingstown Police | B,1 | 2,672,801 | 571,924 | 19,694,461 | 19,576,836 |
| 4073 | 1464 | Scituate Police | 5 | - | - | 35,629 | 166,375 |
| 4076 | 1394 | North Smithfield Police | C,D | 1,191,456 | 257,819 | 7,348,461 | 7,064,639 |



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 | | | | | | | |
| 4077 | 1534 | Tiverton Fire | C,D | 1,445,152 | 325,643 | 6,918,138 | 7,629,752 |
| 4082 | 1194 | Foster Police | C,D | 328,396 | 75,217 | 2,172,650 | 1,935,289 |
| 4085 | 1634 | Woonsocket Police | C,D | 5,302,042 | 1,137,495 | 27,041,050 | 25,626,820 |
| 4086 | 1084 | Charlestown Police | C,D | 1,127,881 | 245,428 | 6,943,458 | 4,902,698 |
| 4087 | 1264 | Hopkinton Police | C,D,6 | 858,728 | 206,530 | 3,921,947 | 3,350,280 |
| 4088 | 1214 | Glocester Police | C,D | 919,906 | 198,049 | 4,610,411 | 3,732,717 |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 598,499 | 134,559 | 2,716,740 | 2,157,945 |
| 4090 | 1034 | Burrillville Police | C,D,6 | 1,195,875 | 276,330 | 6,544,766 | 6,379,836 |
| 4091 | 1148 | Cumberland Rescue | C,D | 952,281 | 211,777 | 2,852,603 | 3,356,013 |
| 4093 | 1635 | Woonsocket Fire | C,D | 5,992,040 | 1,299,961 | 21,811,906 | 21,626,894 |
| 4094 | 1015 | Bristol Fire | D | 43,099 | 7,976 | 158,231 | 256,093 |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 649,906 | 136,830 | 3,983,655 | 3,227,836 |
| 4096 | 1014 | Bristol Police | C,D | 1,324,382 | 299,548 | 1,622,068 | 1,932,568 |
| 4098 | 1095 | Coventry Fire | D | 572,715 | 97,891 | 2,311,559 | 2,086,044 |
| 4099 | 1505 | South Kingstown EMT | C,D | 645,767 | 147,497 | 1,239,119 | 1,888,256 |
| 4101 | 1365 | North Cumberland | D | 705,365 | 114,436 | 2,795,463 | 2,459,197 |
| 4102 | 1045 1235 1525 1585 | Central Coventry Fire | C,D | 1,683,926 | 365,521 | 6,421,977 | 4,461,370 |
| 4103 | 1255 | Hopkins Hill Fire | D | 461,486 | 82,481 | 754,195 | 685,448 |
| 4104 | 1114 | Cranston Police | C,D,4 | 5,919,968 | 1,440,329 | 14,016,539 | 12,036,859 |
| 4105 | 1115 | Cranston Fire | C,D,4 | 7,177,565 | 1,721,069 | 22,445,308 | 20,613,833 |
| 4106 | 1125 | Cumberland Fire | B,D | 628,885 | 141,306 | 3,208,452 | 2,440,419 |
| 4107 | 1305 | Lincoln Rescue | C | 678,188 | 124,730 | 2,154,798 | 1,687,967 |
| 4108 | 1344 | New Shoreham Police | B,D | 209,013 | 51,287 | 1,149,748 | 749,397 |
| 4109 | 1324 | Middletown Police & Fire | C,D | 1,113,023 | 270,438 | 536,554 | 583,149 |
| 4110 | 1715 | Harrisville Fire District | C,D | 234,865 | 50,439 | 492,676 | 424,850 |
| 4111 | 1705 | Albion Fire District | C | 182,584 | 38,572 | 519,899 | 266,329 |
| Police & Fire Units Subtotal | | | | \$70,413,220 | \$15,248,294 | \$314,167,970 | \$279,765,878 |
| All MERS Units Total | | | | \$298,234,571 | \$45,127,305 | \$1,179,233,489 | \$1,064,615,664 |

- 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 2007 valuation.
- 3 - Closed unit.
- 4 - Cranston Fire and Police are contributing 10% due to special plan provision.
- 5 - This unit has no active members.
- 6 - Special plan provisions apply to this unit.



EXPLANATION OF RATE CHANGES

All rates are gross: before recognizing 0% minimum contribution rate

| | | | Source of Rate Change | | | | | |
|-------------------------------|----------------|----------------------------|-----------------------|-----------|----------|------------|-----------|---------------|
| Unit Number | | Unit | June 30, 2006 | Non-Asset | | Asset | | June 30, 2007 |
| Old | New | | Actuarial | (Gains)/ | (Gains)/ | Assumption | Provision | |
| (1) | (2) | (3) | Valuation | Losses | Losses | Change | Changes | Valuation |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| General Employee Units | | | | | | | | |
| 3002 | 1012 1019 | Bristol | 14.11% | (0.12%) | (1.08%) | - | - | 12.91% |
| 3003 | 1032 1033 | Burrillville | 5.94% | (0.05%) | (1.22%) | - | - | 4.67% |
| 3004 | 1052 | Central Falls | 8.87% | 0.48% | (0.44%) | - | - | 8.91% |
| 3005 | 1082 | Charlestown | 11.66% | (0.16%) | (0.77%) | - | - | 10.73% |
| 3007 | 1112 1113 | Cranston | 6.32% | 0.31% | (1.41%) | - | - | 5.22% |
| 3008 | 1122 1123 | Cumberland | 10.10% | (0.15%) | (0.64%) | - | - | 9.31% |
| 3009 | 1152 1153 | East Greenwich | (19.00%) | 0.33% | (2.51%) | - | - | (21.18%) |
| 3010 | 1162 1163 | East Providence | 16.52% | 0.51% | (0.99%) | - | - | 16.04% |
| 3011 | 1183 | Exeter/West Greenwich | 10.16% | 0.66% | (0.87%) | - | - | 9.95% |
| 3012 | 1192 1193 | Foster | 6.43% | 1.11% | (0.70%) | - | - | 6.84% |
| 3013 | 1212 1213 | Glocester | 10.33% | 0.77% | (0.70%) | - | - | 10.40% |
| 3014 | 1262 | Hopkinton | 6.80% | (2.04%) | (0.81%) | - | - | 3.95% |
| 3015 | 1272 1273 | Jamestown | 12.16% | 0.60% | (0.77%) | - | - | 11.99% |
| 3016 | 1282 1283 | Johnston | 11.04% | (0.03%) | (0.98%) | - | - | 10.03% |
| 3017 | 1302 1303 | Lincoln | 7.43% | (0.48%) | (0.40%) | - | - | 6.55% |
| 3019 | 1322 1323 | Middletown | 11.65% | (0.24%) | (0.68%) | - | - | 10.73% |
| 3021 | 1352 1353 1354 | Newport | 14.58% | 1.14% | (1.21%) | - | - | 14.51% |
| 3022 | 1342 1343 | New Shoreham | 9.08% | 0.26% | (0.57%) | - | - | 8.77% |
| 3023 | 1372 1373 | North Kingstown | 12.71% | 0.26% | (0.91%) | - | - | 12.06% |
| 3024 | 1382 1383 | North Providence | 2.53% | (0.84%) | (1.13%) | - | - | 0.56% |
| 3025 | 1392 1393 | North Smithfield | 2.69% | 0.08% | (1.35%) | - | - | 1.42% |
| 3026 | 1412 1413 | Pawtucket | 11.87% | 0.11% | (1.24%) | - | - | 10.74% |
| 3027 | 1515 | Union Fire District | 6.54% | (0.24%) | (0.41%) | - | - | 5.89% |
| 3029 | 1452 | Richmond | 6.37% | 0.90% | (0.53%) | - | - | 6.74% |
| 3030 | 1462 1463 | Scituate | 12.11% | 0.99% | (0.94%) | - | - | 12.16% |
| 3031 | 1472 1473 | Smithfield | 5.97% | 0.71% | (1.24%) | - | - | 5.44% |
| 3032 | 1492 1493 | South Kingstown | 7.81% | 0.09% | (0.98%) | - | - | 6.92% |
| 3033 | 1532 1533 | Tiverton | 2.35% | 1.62% | (1.10%) | - | - | 2.87% |
| 3034 | 1562 | Warren | 13.88% | 2.59% | (0.85%) | - | - | 15.62% |
| 3036 | 1622 1623 | Westerly | 63.17% | (8.07%) | (2.61%) | - | - | 52.49% |
| 3037 | 1602 | West Greenwich | 13.49% | (0.84%) | (0.58%) | - | - | 12.07% |
| 3039 | 1632 1633 | Woonsocket | 3.29% | 0.50% | (1.44%) | - | - | 2.35% |
| 3040 | 1073 | Chariho School District | 10.92% | 0.07% | (0.69%) | - | - | 10.30% |
| 3041 | 1203 | Foster/Glocester | 13.08% | (0.41%) | (0.82%) | - | - | 11.85% |
| 3043 | 1336 | Narragansett Housing | 7.64% | 0.32% | (0.44%) | - | - | 7.52% |
| 3045 | 1098 | Coventry Lighting District | (23.23%) | (25.90%) | (5.85%) | - | - | (54.98%) |
| 3046 | 1242 | Hope Valley Fire | 3.67% | 0.10% | (0.91%) | - | - | 2.86% |
| 3050 | 1156 | East Greenwich Housing | 9.19% | 0.62% | (0.50%) | - | - | 9.31% |
| 3051 | 1116 | Cranston Housing | 5.07% | (0.34%) | (1.12%) | - | - | 3.61% |
| 3052 | 1166 | East Providence Housing | 4.87% | 0.42% | (1.34%) | - | - | 3.95% |
| 3053 | 1416 | Pawtucket Housing | (3.82%) | (1.21%) | (1.70%) | - | - | (6.73%) |
| 3056 | 1126 | Cumberland Housing | 6.97% | (1.77%) | (0.77%) | - | - | 4.43% |
| 3057 | 1306 | Lincoln Housing | 9.60% | 0.44% | (0.79%) | - | - | 9.25% |
| 3059 | 1016 | Bristol Housing | (9.69%) | 0.27% | (1.70%) | - | - | (11.12%) |
| 3065 | 1036 | Burrillville Housing | 0.23% | (0.52%) | (1.64%) | - | - | (1.93%) |



EXPLANATION OF RATE CHANGES

All rates are gross: before recognizing 0% minimum contribution rate

| | | | Source of Rate Change | | | | | |
|--|---------------------|-----------------------------------|-----------------------|--------------|----------------|------------|-----------|---------------|
| Unit Number | | | June 30, 2006 | Non-Asset | Asset | Assumption | Provision | June 30, 2007 |
| Old | New | Unit | Actuarial | (Gains)/ | (Gains)/ | Change | Changes | Actuarial |
| (1) | (2) | (3) | Valuation | Losses | Losses | (7) | (8) | Valuation |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| General Employee Units | | | | | | | | |
| 3066 | 1386 | North Providence Housing | 22.84% | 1.98% | (0.92%) | - | - | 23.90% |
| 3067 | 1177 | East Smithfield Water | (0.24%) | 4.69% | (1.86%) | - | - | 2.59% |
| 3068 | 1227 | Greenville Water | (2.34%) | 0.59% | (1.41%) | - | - | (3.16%) |
| 3069 | 1356 | Newport Housing | 9.01% | 2.15% | (1.48%) | - | - | 9.68% |
| 3071 | 1566 | Warren Housing | 10.27% | (2.01%) | (1.60%) | - | - | 6.66% |
| 3072 | 1286 | Johnston Housing | 3.49% | 0.53% | (0.86%) | - | - | 3.16% |
| 3077 | 1538 | Tiverton Local 2670A | 6.70% | 0.03% | (0.97%) | - | - | 5.76% |
| 3078 | 1002 1003 1007 1009 | Barrington COLA | 4.29% | (0.16%) | (1.23%) | - | - | 2.90% |
| 3079 | 1096 | Coventry Housing | 3.87% | (0.06%) | (0.57%) | - | - | 3.24% |
| 3080 | 1496 | South Kingstown Housing | 8.41% | (1.72%) | (0.26%) | - | - | 6.43% |
| 3081 | 1403 | N. RI Collaborative Adm. Services | 9.53% | 0.24% | (0.29%) | - | - | 9.48% |
| 3083 | 1616 | West Warwick Housing | 8.72% | 0.30% | (0.94%) | - | - | 8.08% |
| 3084 | 1476 | Smithfield Housing | 3.63% | (5.09%) | (0.78%) | - | - | (2.24%) |
| 3094 | 1478 | Smithfield COLA | 5.43% | 1.01% | (0.88%) | - | - | 5.56% |
| 3096 | 1056 | Central Falls Housing | 13.28% | 0.25% | (0.50%) | - | - | 13.03% |
| 3098 | 1293 | Lime Rock Administrative Services | 5.14% | 0.59% | (0.62%) | - | - | 5.11% |
| 3099 | 1063 | Central Falls Schools | 8.22% | 0.55% | (0.64%) | - | - | 8.13% |
| 3100 | 1023 | Bristol/Warren Schools | 10.80% | 0.55% | (0.99%) | - | - | 10.36% |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | 7.71% | 0.12% | (0.83%) | - | - | 7.00% |
| 3102 | 1712 | Harrisville Fire District (ADMIN) | 8.34% | 1.00% | (0.40%) | - | - | 8.94% |
| 3103 | 1702 | Albion Fire District (ADMIN) | 13.96% | 1.70% | (0.36%) | - | - | 15.30% |
| General Employee Units Averages | | | 9.27% | 0.26% | (1.03%) | - | - | 8.50% |
| Police & Fire Units | | | | | | | | |
| 4016 | 1285 | Johnston Fire | 10.45% | (1.21%) | (0.25%) | - | - | 8.99% |
| 4029 | 1454 | Richmond Police | 11.56% | (1.52%) | (0.32%) | - | 1.42% | 11.14% |
| 4031 | 1474 | Smithfield Police | 28.04% | (6.50%) | (0.17%) | - | - | 21.37% |
| 4042 | 1555 | Valley Falls Fire | 11.06% | (1.89%) | (1.21%) | - | - | 7.96% |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | 15.84% | 0.20% | (1.29%) | - | - | 14.75% |
| 4050 | 1155 | East Greenwich Fire | 19.92% | (0.39%) | (1.25%) | - | - | 18.28% |
| 4054 | 1154 | East Greenwich Police | 14.87% | 0.06% | (1.84%) | - | - | 13.09% |
| 4055 | 1375 | North Kingstown Fire | 19.55% | (0.28%) | (1.75%) | - | - | 17.52% |
| 4056 | 1374 | North Kingstown Police | 20.49% | 2.21% | (1.70%) | - | - | 21.00% |
| 4058 | 1385 | North Providence Fire | 11.38% | 1.57% | (1.50%) | - | - | 11.45% |
| 4059 | 1008 | Barrington Fire (25) | 19.25% | (3.49%) | (0.27%) | - | - | 15.49% |
| 4060 | 1004 | Barrington Police | 27.97% | 0.36% | (1.59%) | - | - | 26.74% |
| 4061 | 1005 | Barrington Fire (20) | 13.59% | (2.17%) | (4.35%) | - | - | 7.07% |
| 4062 | 1564 1565 | Warren Police & Fire | 26.11% | (0.79%) | (1.61%) | - | - | 23.71% |
| 4063 | 1494 | South Kingstown Police | 14.39% | 0.09% | (2.24%) | - | - | 12.24% |
| 4073 | 1464 | Scituate Police | 0.00% | 0.00% | 0.00% | - | - | 0.00% |
| 4076 | 1394 | North Smithfield Police | 14.90% | 0.14% | (1.84%) | - | - | 13.20% |
| 4077 | 1534 | Tiverton Fire | 11.00% | (0.20%) | (1.62%) | - | - | 9.18% |
| 4082 | 1194 | Foster Police | 22.08% | (3.48%) | (1.78%) | - | - | 16.82% |
| 4085 | 1634 | Woonsocket Police | 14.23% | 0.48% | (1.49%) | - | - | 13.22% |
| 4086 | 1084 | Charlestown Police | 24.19% | 0.67% | (1.34%) | - | - | 23.52% |

**EXPLANATION OF RATE CHANGES**

All rates are gross: before recognizing 0% minimum contribution rate

| Unit Number | | Unit | June 30, 2006 Actuarial Valuation | Source of Rate Change | | | | June 30, 2007 Actuarial Valuation |
|---|---------------------|------------------------------|---|---------------------------------|-----------------------------|----------------------|----------------------|---|
| Old | New | | | Non-Asset (Gains)/ Losses | Asset (Gains)/ Losses | Assumption Change | Provision Changes | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Police & Fire Units | | | | | | | | |
| 4087 | 1264 | Hopkinton Police | 19.02% | 0.61% | (1.20%) | - | - | 18.43% |
| 4088 | 1214 | Glocester Police | 18.11% | 1.51% | (1.24%) | - | - | 18.38% |
| 4089 | 1604 | West Greenwich Police/Rescue | 17.18% | 2.71% | (1.10%) | - | - | 18.79% |
| 4090 | 1034 | Burrillville Police | 16.41% | (2.53%) | (1.65%) | - | - | 12.23% |
| 4091 | 1148 | Cumberland Rescue | 8.62% | 1.28% | (1.08%) | - | - | 8.82% |
| 4093 | 1635 | Woonsocket Fire | 12.88% | 0.16% | (1.11%) | - | - | 11.93% |
| 4094 | 1015 | Bristol Fire | (3.23%) | (1.14%) | (1.84%) | - | - | (6.21%) |
| 4095 | 1135 | Cumberland Hill Fire | 20.37% | 0.98% | (1.52%) | - | - | 19.83% |
| 4096 | 1014 | Bristol Police | 11.97% | (0.50%) | (0.44%) | - | - | 11.03% |
| 4098 | 1095 | Coventry Fire | 12.32% | (0.33%) | (1.12%) | - | - | 10.87% |
| 4099 | 1505 | South Kingstown EMT | 6.53% | 0.44% | (0.89%) | - | - | 6.08% |
| 4101 | 1365 | North Cumberland | 12.72% | (0.34%) | (1.08%) | - | - | 11.30% |
| 4102 | 1045 1235 1525 1585 | Central Coventry Fire | 19.80% | 0.34% | (0.81%) | - | - | 19.33% |
| 4103 | 1255 | Hopkins Hill Fire | 10.75% | (0.35%) | (0.46%) | - | - | 9.94% |
| 4104 | 1114 | Cranston Police | 15.25% | 0.67% | (0.62%) | - | - | 15.30% |
| 4105 | 1115 | Cranston Fire | 15.46% | (0.21%) | (0.88%) | - | - | 14.37% |
| 4106 | 1125 | Cumberland Fire | 22.41% | (0.52%) | (1.19%) | - | - | 20.70% |
| 4107 | 1305 | Lincoln Rescue | 16.70% | (0.77%) | (0.76%) | - | - | 15.17% |
| 4108 | 1344 | New Shoreham Police | 21.64% | 6.06% | (1.07%) | - | - | 26.63% |
| 4109 | 1324 | Middletown Police & Fire | 12.69% | 1.14% | (0.16%) | - | - | 13.67% |
| 4110 | 1715 | Harrisville Fire District | 12.99% | 1.25% | (0.55%) | - | - | 13.69% |
| 4111 | 1705 | Albion Fire District | 21.66% | (0.47%) | (0.44%) | - | - | 20.75% |
| Police & Fire Units Averages | | | 15.61% | 0.14% | (0.89%) | - | - | 14.85% |
| All MERS Units Averages | | | 10.69% | 0.31% | (1.00%) | - | - | 10.00% |

Units with no active members are excluded from this exhibit



SCHEDULE OF FUNDING PROGRESS

| Unit Number | | Unit | Code(s) | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) (5) - (4) | Funded Ratio (4)/(5) | Annual Covered Payroll |
|-------------------------------|----------------|----------------------------|---------|---------------------------------|-----------------------------------|---|----------------------|------------------------|
| Old | New | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| General Employee Units | | | | | | | | |
| 3002 | 1012 1019 | Bristol | B | 13,748,288 | 18,198,588 | 4,450,300 | 75.5% | 3,923,147 |
| 3003 | 1032 1033 | Burrillville | C | 21,163,146 | 19,913,112 | (1,250,035) | 106.3% | 5,327,953 |
| 3004 | 1052 | Central Falls | | 4,375,243 | 6,249,573 | 1,874,330 | 70.0% | 3,041,044 |
| 3005 | 1082 | Charlestown | C | 3,496,090 | 4,722,506 | 1,226,415 | 74.0% | 1,401,757 |
| 3007 | 1112 1113 | Cranston | B | 119,233,735 | 114,975,371 | (4,258,364) | 103.7% | 26,200,633 |
| 3008 | 1122 1123 | Cumberland | | 16,641,567 | 21,987,295 | 5,345,728 | 75.7% | 7,994,747 |
| 3009 | 1152 1153 | East Greenwich | | 8,680,821 | 4,872,345 | (3,808,476) | 178.2% | 1,065,758 |
| 3010 | 1162 1163 | East Providence | B | 58,865,692 | 87,210,070 | 28,344,378 | 67.5% | 18,398,786 |
| 3011 | 1183 | Exeter/West Greenwich | B | 5,941,199 | 6,932,109 | 990,909 | 85.7% | 2,093,067 |
| 3012 | 1192 1193 | Foster | | 2,504,657 | 2,844,598 | 339,941 | 88.0% | 1,102,183 |
| 3013 | 1212 1213 | Glocester | C | 5,177,807 | 6,727,948 | 1,550,140 | 77.0% | 2,284,364 |
| 3014 | 1262 | Hopkinton | C | 3,331,291 | 2,799,696 | (531,595) | 119.0% | 1,259,335 |
| 3015 | 1272 1273 | Jamestown | C | 7,252,617 | 9,938,439 | 2,685,822 | 73.0% | 2,908,901 |
| 3016 | 1282 1283 | Johnston | C | 28,777,664 | 33,643,759 | 4,866,096 | 85.5% | 9,037,436 |
| 3017 | 1302 1303 | Lincoln | | 1,139,172 | 1,333,269 | 194,098 | 85.4% | 889,984 |
| 3019 | 1322 1323 | Middletown | C | 10,238,856 | 13,842,877 | 3,604,020 | 74.0% | 4,674,046 |
| 3021 | 1352 1353 1354 | Newport | B | 42,883,619 | 57,719,476 | 14,835,857 | 74.3% | 10,913,761 |
| 3022 | 1342 1343 | New Shoreham | B | 3,711,018 | 4,421,529 | 710,511 | 83.9% | 2,026,568 |
| 3023 | 1372 1373 | North Kingstown | C | 34,880,408 | 45,590,461 | 10,710,052 | 76.5% | 11,892,435 |
| 3024 | 1382 1383 | North Providence | | 25,640,652 | 21,088,666 | (4,551,986) | 121.6% | 7,043,277 |
| 3025 | 1392 1393 | North Smithfield | B | 12,839,829 | 10,532,213 | (2,307,615) | 121.9% | 2,919,440 |
| 3026 | 1412 1413 | Pawtucket | C | 85,712,099 | 102,071,377 | 16,359,277 | 84.0% | 21,302,805 |
| 3027 | 1515 | Union Fire District | | 247,363 | 296,817 | 49,454 | 83.3% | 184,366 |
| 3029 | 1452 | Richmond | | 1,229,996 | 1,350,829 | 120,833 | 91.1% | 709,510 |
| 3030 | 1462 1463 | Scituate | B | 8,569,559 | 10,912,517 | 2,342,958 | 78.5% | 2,819,660 |
| 3031 | 1472 1473 | Smithfield | C | 10,664,845 | 9,852,321 | (812,525) | 108.2% | 2,645,711 |
| 3032 | 1492 1493 | South Kingstown | B | 37,879,928 | 39,465,592 | 1,585,663 | 96.0% | 11,840,906 |
| 3033 | 1532 1533 | Tiverton | C | 10,274,621 | 8,633,679 | (1,640,943) | 119.0% | 2,879,235 |
| 3034 | 1562 | Warren | C | 4,324,983 | 6,765,366 | 2,440,384 | 63.9% | 1,560,479 |
| 3036 | 1622 1623 | Westerly | | 504,608 | 974,219 | 469,611 | 51.8% | 60,043 |
| 3037 | 1602 | West Greenwich | C | 1,729,958 | 2,546,636 | 816,678 | 67.9% | 921,184 |
| 3039 | 1632 1633 | Woonsocket | B | 61,019,862 | 53,392,281 | (7,627,581) | 114.3% | 13,026,953 |
| 3040 | 1073 | Chariho School District | C | 10,500,830 | 13,354,584 | 2,853,754 | 78.6% | 4,700,381 |
| 3041 | 1203 | Foster/Glocester | B | 4,313,629 | 5,565,013 | 1,251,384 | 77.5% | 1,620,284 |
| 3042 | 1528 | Tiogue Fire & Lighting | C,5 | 35,609 | 5,314 | (30,294) | 670.1% | 0 |
| 3043 | 1336 | Narragansett Housing | C | 229,782 | 292,377 | 62,595 | 78.6% | 163,700 |
| 3045 | 1098 | Coventry Lighting District | C | 1,366,469 | 787,709 | (578,760) | 173.5% | 72,736 |
| 3046 | 1242 | Hope Valley Fire | C | 311,362 | 270,357 | (41,005) | 115.2% | 106,680 |
| 3050 | 1156 | East Greenwich Housing | C | 713,480 | 920,882 | 207,402 | 77.5% | 439,489 |
| 3051 | 1116 | Cranston Housing | C | 3,218,309 | 2,870,258 | (348,050) | 112.1% | 886,498 |
| 3052 | 1166 | East Providence Housing | B | 2,488,508 | 2,172,959 | (315,550) | 114.5% | 574,601 |
| 3053 | 1416 | Pawtucket Housing | B | 10,795,535 | 7,199,905 | (3,595,630) | 149.9% | 1,969,171 |
| 3056 | 1126 | Cumberland Housing | C | 1,073,972 | 945,974 | (127,998) | 113.5% | 426,521 |
| 3057 | 1306 | Lincoln Housing | B | 1,303,285 | 1,413,957 | 110,672 | 92.2% | 506,555 |
| 3059 | 1016 | Bristol Housing | | 1,734,435 | 1,054,654 | (679,781) | 164.5% | 313,913 |
| 3065 | 1036 | Burrillville Housing | B | 885,688 | 665,340 | (220,348) | 133.1% | 166,566 |
| 3066 | 1386 | North Providence Housing | B | 762,812 | 1,429,613 | 666,800 | 53.4% | 255,436 |



SCHEDULE OF FUNDING PROGRESS

| Unit Number | | Unit | Code(s) | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) (5) - (4) | Funded Ratio (4)/(5) | Annual Covered Payroll |
|--|---------------------|-----------------------------------|---------|---------------------------------|-----------------------------------|---|----------------------|------------------------|
| Old | New | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| General Employee Units | | | | | | | | |
| 3067 | 1177 | East Smithfield Water | C | 751,502 | 683,460 | (68,042) | 110.0% | 124,356 |
| 3068 | 1227 | Greenville Water | B | 953,314 | 676,502 | (276,812) | 140.9% | 209,399 |
| 3069 | 1356 | Newport Housing | C | 6,520,925 | 7,138,963 | 618,038 | 91.3% | 1,359,842 |
| 3071 | 1566 | Warren Housing | B | 1,170,896 | 1,144,572 | (26,324) | 102.3% | 225,660 |
| 3072 | 1286 | Johnston Housing | | 929,534 | 821,124 | (108,410) | 113.2% | 333,539 |
| 3077 | 1538 | Tiverton Local 2670A | C | 2,948,965 | 2,915,477 | (33,488) | 101.1% | 928,517 |
| 3078 | 1002 1003 1007 1009 | Barrington COLA | C | 26,750,298 | 23,207,091 | (3,543,207) | 115.3% | 6,706,205 |
| 3079 | 1096 | Coventry Housing | | 742,271 | 645,240 | (97,031) | 115.0% | 405,042 |
| 3080 | 1496 | South Kingstown Housing | C | 169,263 | 146,161 | (23,102) | 115.8% | 200,437 |
| 3081 | 1403 | N. RI Collaborative Adm. Services | C | 1,759,093 | 2,457,462 | 698,369 | 71.6% | 1,875,591 |
| 3083 | 1616 | West Warwick Housing | B | 1,049,055 | 1,199,447 | 150,392 | 87.5% | 343,186 |
| 3084 | 1476 | Smithfield Housing | | 266,081 | 175,210 | (90,871) | 151.9% | 105,100 |
| 3094 | 1478 | Smithfield COLA | C | 10,282,249 | 9,838,208 | (444,041) | 104.5% | 3,623,441 |
| 3096 | 1056 | Central Falls Housing | C | 1,294,586 | 2,126,989 | 832,403 | 60.9% | 799,858 |
| 3098 | 1293 | Lime Rock Administrative Services | | 154,762 | 171,450 | 16,688 | 90.3% | 76,606 |
| 3099 | 1063 | Central Falls Schools | C | 9,723,848 | 10,620,610 | 896,762 | 91.6% | 4,665,691 |
| 3100 | 1023 | Bristol/Warren Schools | B | 13,392,434 | 15,847,826 | 2,455,391 | 84.5% | 4,147,143 |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 13,285,452 | 13,748,300 | 462,848 | 96.6% | 4,912,694 |
| 3102 | 1712 | Harrisville Fire District (ADMIN) | C | 247,781 | 352,114 | 104,333 | 70.4% | 189,845 |
| 3103 | 1702 | Albion Fire District (ADMIN) | C | 42,578 | 100,511 | 57,933 | 42.4% | 37,194 |
| General Employee Units Subtotal | | | | \$784,849,786 | \$865,065,519 | \$80,215,733 | 90.7% | \$227,821,351 |
| Police & Fire Units | | | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 1,312,361 | 1,299,565 | (12,797) | 101.0% | 1,565,638 |
| 4029 | 1454 | Richmond Police | 6 | 447,218 | 605,282 | 158,064 | 73.9% | 422,237 |
| 4031 | 1474 | Smithfield Police | C,D | 2,300,407 | 5,658,675 | 3,358,268 | 40.7% | 2,269,775 |
| 4042 | 1555 | Valley Falls Fire | D | 2,680,574 | 2,682,689 | 2,116 | 99.9% | 685,083 |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 4,248,861 | 4,682,709 | 433,848 | 90.7% | 1,006,949 |
| 4050 | 1155 | East Greenwich Fire | C,D | 8,662,445 | 10,523,945 | 1,861,500 | 82.3% | 2,112,367 |
| 4054 | 1154 | East Greenwich Police | C,D | 11,043,019 | 11,282,475 | 239,456 | 97.9% | 1,842,137 |
| 4055 | 1375 | North Kingstown Fire | C,D | 23,310,758 | 27,091,707 | 3,780,949 | 86.0% | 4,087,061 |
| 4056 | 1374 | North Kingstown Police | C,D | 14,896,951 | 18,638,857 | 3,741,906 | 79.9% | 2,688,493 |
| 4058 | 1385 | North Providence Fire | D | 25,084,022 | 27,195,461 | 2,111,439 | 92.2% | 5,136,014 |
| 4059 | 1008 | Barrington Fire (25) | C | 533,812 | 976,825 | 443,013 | 54.6% | 580,053 |
| 4060 | 1004 | Barrington Police | C,D | 6,473,584 | 9,399,054 | 2,925,470 | 68.9% | 1,261,594 |
| 4061 | 1005 | Barrington Fire (20) | C,D | 8,554,860 | 8,217,978 | (336,882) | 104.1% | 611,788 |
| 4062 | 1564 1565 | Warren Police & Fire | C,D | 6,911,300 | 9,490,288 | 2,578,988 | 72.8% | 1,328,237 |
| 4063 | 1494 | South Kingstown Police | B,1 | 19,576,836 | 19,694,461 | 117,625 | 99.4% | 2,672,801 |
| 4073 | 1464 | Scituate Police | 5 | 166,375 | 35,629 | (130,746) | 467.0% | 0 |
| 4076 | 1394 | North Smithfield Police | C,D | 7,064,639 | 7,348,461 | 283,821 | 96.1% | 1,191,456 |
| 4077 | 1534 | Tiverton Fire | C,D | 7,629,752 | 6,918,138 | (711,614) | 110.3% | 1,445,152 |
| 4082 | 1194 | Foster Police | C,D | 1,935,289 | 2,172,650 | 237,362 | 89.1% | 328,396 |
| 4085 | 1634 | Woonsocket Police | C,D | 25,626,820 | 27,041,050 | 1,414,229 | 94.8% | 5,302,042 |
| 4086 | 1084 | Charlestown Police | C,D | 4,902,698 | 6,943,458 | 2,040,760 | 70.6% | 1,127,881 |
| 4087 | 1264 | Hopkinton Police | C,D,6 | 3,350,280 | 3,921,947 | 571,668 | 85.4% | 858,728 |
| 4088 | 1214 | Glocester Police | C,D | 3,732,717 | 4,610,411 | 877,695 | 81.0% | 919,906 |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 2,157,945 | 2,716,740 | 558,795 | 79.4% | 598,499 |
| 4090 | 1034 | Burrillville Police | C,D,6 | 6,379,836 | 6,544,766 | 164,930 | 97.5% | 1,195,875 |



SCHEDULE OF FUNDING PROGRESS

| Unit Number | | Unit | Code(s) | Actuarial Value of Assets (AVA) | Actuarial Liability (AAL) | Unfunded Actuarial Liability (UAL) (5) - (4) | Funded Ratio (4)/(5) | Annual Covered Payroll |
|---|---------------------|---------------------------|---------|---------------------------------|-----------------------------|--|----------------------|----------------------------|
| Old | New | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Police & Fire Units | | | | | | | | |
| 4091 | 1148 | Cumberland Rescue | C,D | 3,356,013 | 2,852,603 | (503,410) | 117.6% | 952,281 |
| 4093 | 1635 | Woonsocket Fire | C,D | 21,626,894 | 21,811,906 | 185,012 | 99.2% | 5,992,040 |
| 4094 | 1015 | Bristol Fire | D | 256,093 | 158,231 | (97,862) | 161.8% | 43,099 |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 3,227,836 | 3,983,655 | 755,819 | 81.0% | 649,906 |
| 4096 | 1014 | Bristol Police | C,D | 1,932,568 | 1,622,068 | (310,500) | 119.1% | 1,324,382 |
| 4098 | 1095 | Coventry Fire | D | 2,086,044 | 2,311,559 | 225,515 | 90.2% | 572,715 |
| 4099 | 1505 | South Kingstown EMT | C,D | 1,888,256 | 1,239,119 | (649,137) | 152.4% | 645,767 |
| 4101 | 1365 | North Cumberland | D | 2,459,197 | 2,795,463 | 336,266 | 88.0% | 705,365 |
| 4102 | 1045 1235 1525 1585 | Central Coventry Fire | C,D | 4,461,370 | 6,421,977 | 1,960,607 | 69.5% | 1,683,926 |
| 4103 | 1255 | Hopkins Hill Fire | D | 685,448 | 754,195 | 68,747 | 90.9% | 461,486 |
| 4104 | 1114 | Cranston Police | C,D,4 | 12,036,859 | 14,016,539 | 1,979,680 | 85.9% | 5,919,968 |
| 4105 | 1115 | Cranston Fire | C,D,4 | 20,613,833 | 22,445,308 | 1,831,475 | 91.8% | 7,177,565 |
| 4106 | 1125 | Cumberland Fire | B,D | 2,440,419 | 3,208,452 | 768,033 | 76.1% | 628,885 |
| 4107 | 1305 | Lincoln Rescue | C | 1,687,967 | 2,154,798 | 466,831 | 78.3% | 678,188 |
| 4108 | 1344 | New Shoreham Police | B,D | 749,397 | 1,149,748 | 400,351 | 65.2% | 209,013 |
| 4109 | 1324 | Middletown Police & Fire | C,D | 583,149 | 536,554 | (46,595) | 108.7% | 1,113,023 |
| 4110 | 1715 | Harrisville Fire District | C,D | 424,850 | 492,676 | 67,826 | 86.2% | 234,865 |
| 4111 | 1705 | Albion Fire District | C | 266,329 | 519,899 | 253,569 | 51.2% | 182,584 |
| Police & Fire Units Subtotal | | | | <u>\$279,765,878</u> | <u>\$314,167,970</u> | <u>\$34,402,092</u> | 89.0% | <u>\$70,413,220</u> |
| All MERS Units Total | | | | 1,064,615,664 | 1,179,233,489 | 114,617,825 | 90.3% | 298,234,571 |

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 2007 valuation.

3 - Closed unit.

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

5 - This unit has no active members.

6 - Special plan provisions apply to this unit.



ASSET VALUES

| Unit Number | | Unit | Code(s) | Market Value of Assets | Actuarial Value of Assets |
|-------------------------------|----------------|----------------------------|---------|---------------------------|------------------------------|
| Old | New | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) |
| General Employee Units | | | | | |
| 3002 | 1012 1019 | Bristol | B | \$15,367,474 | \$13,748,288 |
| 3003 | 1032 1033 | Burrillville | C | 23,655,608 | 21,163,146 |
| 3004 | 1052 | Central Falls | | 4,890,531 | 4,375,243 |
| 3005 | 1082 | Charlestown | C | 3,907,837 | 3,496,090 |
| 3007 | 1112 1113 | Cranston | B | 133,276,330 | 119,233,735 |
| 3008 | 1122 1123 | Cumberland | | 18,601,505 | 16,641,567 |
| 3009 | 1152 1153 | East Greenwich | | 9,703,193 | 8,680,821 |
| 3010 | 1162 1163 | East Providence | B | 65,798,521 | 58,865,692 |
| 3011 | 1183 | Exeter/West Greenwich | B | 6,640,916 | 5,941,199 |
| 3012 | 1192 1193 | Foster | | 2,799,639 | 2,504,657 |
| 3013 | 1212 1213 | Glocester | C | 5,787,617 | 5,177,807 |
| 3014 | 1262 | Hopkinton | C | 3,723,629 | 3,331,291 |
| 3015 | 1272 1273 | Jamestown | C | 8,106,784 | 7,252,617 |
| 3016 | 1282 1283 | Johnston | C | 32,166,915 | 28,777,664 |
| 3017 | 1302 1303 | Lincoln | | 1,273,336 | 1,139,172 |
| 3019 | 1322 1323 | Middletown | C | 11,444,724 | 10,238,856 |
| 3021 | 1352 1353 1354 | Newport | B | 47,934,180 | 42,883,619 |
| 3022 | 1342 1343 | New Shoreham | B | 4,148,079 | 3,711,018 |
| 3023 | 1372 1373 | North Kingstown | C | 38,988,402 | 34,880,408 |
| 3024 | 1382 1383 | North Providence | | 28,660,446 | 25,640,652 |
| 3025 | 1392 1393 | North Smithfield | B | 14,352,022 | 12,839,829 |
| 3026 | 1412 1413 | Pawtucket | C | 95,806,728 | 85,712,099 |
| 3027 | 1515 | Union Fire District | | 276,496 | 247,363 |
| 3029 | 1452 | Richmond | | 1,374,857 | 1,229,996 |
| 3030 | 1462 1463 | Scituate | B | 9,578,827 | 8,569,559 |
| 3031 | 1472 1473 | Smithfield | C | 11,920,883 | 10,664,845 |
| 3032 | 1492 1493 | South Kingstown | B | 42,341,187 | 37,879,928 |
| 3033 | 1532 1533 | Tiverton | C | 11,484,701 | 10,274,621 |
| 3034 | 1562 | Warren | C | 4,834,352 | 4,324,983 |
| 3036 | 1622 1623 | Westerly | | 564,037 | 504,608 |
| 3037 | 1602 | West Greenwich | C | 1,933,701 | 1,729,958 |
| 3039 | 1632 1633 | Woonsocket | B | 68,206,395 | 61,019,862 |
| 3040 | 1073 | Chariho School District | C | 11,737,551 | 10,500,830 |
| 3041 | 1203 | Foster/Glocester | B | 4,821,661 | 4,313,629 |
| 3042 | 1528 | Tiogue Fire & Lighting | C,5 | 39,802 | 35,609 |
| 3043 | 1336 | Narragansett Housing | C | 256,844 | 229,782 |
| 3045 | 1098 | Coventry Lighting District | C | 1,527,403 | 1,366,469 |
| 3046 | 1242 | Hope Valley Fire | C | 348,033 | 311,362 |
| 3050 | 1156 | East Greenwich Housing | C | 797,509 | 713,480 |
| 3051 | 1116 | Cranston Housing | C | 3,597,341 | 3,218,309 |
| 3052 | 1166 | East Providence Housing | B | 2,781,589 | 2,488,508 |
| 3053 | 1416 | Pawtucket Housing | B | 12,066,965 | 10,795,535 |
| 3056 | 1126 | Cumberland Housing | C | 1,200,458 | 1,073,972 |
| 3057 | 1306 | Lincoln Housing | B | 1,456,778 | 1,303,285 |



ASSET VALUES

| Unit Number | | Unit | Code(s) | Market Value of Assets | Actuarial Value of Assets |
|--|---------------------|-----------------------------------|---------|---------------------------|------------------------------|
| Old | New | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) |
| General Employee Units | | | | | |
| 3059 | 1016 | Bristol Housing | | 1,938,706 | 1,734,435 |
| 3065 | 1036 | Burrillville Housing | B | 989,999 | 885,688 |
| 3066 | 1386 | North Providence Housing | B | 852,652 | 762,812 |
| 3067 | 1177 | East Smithfield Water | C | 840,009 | 751,502 |
| 3068 | 1227 | Greenville Water | B | 1,065,589 | 953,314 |
| 3069 | 1356 | Newport Housing | C | 7,288,919 | 6,520,925 |
| 3071 | 1566 | Warren Housing | B | 1,308,796 | 1,170,896 |
| 3072 | 1286 | Johnston Housing | | 1,039,009 | 929,534 |
| 3077 | 1538 | Tiverton Local 2670A | C | 3,296,275 | 2,948,965 |
| 3078 | 1002 1003 1007 1009 | Barrington COLA | C | 29,900,778 | 26,750,298 |
| 3079 | 1096 | Coventry Housing | | 829,691 | 742,271 |
| 3080 | 1496 | South Kingstown Housing | C | 189,198 | 169,263 |
| 3081 | 1403 | N. RI Collaborative Adm. Services | C | 1,966,268 | 1,759,093 |
| 3083 | 1616 | West Warwick Housing | B | 1,172,607 | 1,049,055 |
| 3084 | 1476 | Smithfield Housing | | 297,419 | 266,081 |
| 3094 | 1478 | Smithfield COLA | C | 11,493,227 | 10,282,249 |
| 3096 | 1056 | Central Falls Housing | C | 1,447,054 | 1,294,586 |
| 3098 | 1293 | Lime Rock Administrative Services | | 172,989 | 154,762 |
| 3099 | 1063 | Central Falls Schools | C | 10,869,061 | 9,723,848 |
| 3100 | 1023 | Bristol/Warren Schools | B | 14,969,710 | 13,392,434 |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 14,850,128 | 13,285,452 |
| 3102 | 1712 | Harrisville Fire District (ADMIN) | C | 276,964 | 247,781 |
| 3103 | 1702 | Albion Fire District (ADMIN) | C | 47,593 | 42,578 |
| General Employee Units Subtotal | | | | \$877,284,426 | \$784,849,786 |
| Police & Fire Units | | | | | |
| 4016 | 1285 | Johnston Fire | D | \$1,466,923 | \$1,312,361 |
| 4029 | 1454 | Richmond Police | 6 | 499,889 | 447,218 |
| 4031 | 1474 | Smithfield Police | C,D | 2,460,911 | 2,300,407 |
| 4042 | 1555 | Valley Falls Fire | D | 2,996,274 | 2,680,574 |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 4,749,265 | 4,248,861 |
| 4050 | 1155 | East Greenwich Fire | C,D | 9,682,653 | 8,662,445 |
| 4054 | 1154 | East Greenwich Police | C,D | 12,343,596 | 11,043,019 |
| 4055 | 1375 | North Kingstown Fire | C,D | 26,056,152 | 23,310,758 |
| 4056 | 1374 | North Kingstown Police | C,D | 16,651,420 | 14,896,951 |
| 4058 | 1385 | North Providence Fire | D | 28,038,259 | 25,084,022 |
| 4059 | 1008 | Barrington Fire (25) | C | 596,681 | 533,812 |
| 4060 | 1004 | Barrington Police | C,D | 7,236,002 | 6,473,584 |
| 4061 | 1005 | Barrington Fire (20) | C,D | 9,562,397 | 8,554,860 |
| 4062 | 1564 1565 | Warren Police & Fire | C,D | 7,725,269 | 6,911,300 |
| 4063 | 1494 | South Kingstown Police | B,1 | 21,882,471 | 19,576,836 |
| 4073 | 1464 | Scituate Police | 5 | 185,969 | 166,375 |
| 4076 | 1394 | North Smithfield Police | C,D | 7,896,668 | 7,064,639 |
| 4077 | 1534 | Tiverton Fire | C,D | 8,528,336 | 7,629,752 |
| 4082 | 1194 | Foster Police | C,D | 2,163,215 | 1,935,289 |



ASSET VALUES

| Unit Number | | Unit | Code(s) | Market Value of Assets | Actuarial Value of Assets |
|---|---------------------|------------------------------|---------|---------------------------|------------------------------|
| Old | New | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) |
| Police & Fire Units | | | | | |
| 4085 | 1634 | Woonsocket Police | C,D | 28,644,985 | 25,626,820 |
| 4086 | 1084 | Charlestown Police | C,D | 5,480,107 | 4,902,698 |
| 4087 | 1264 | Hopkinton Police | C,D,6 | 3,744,854 | 3,350,280 |
| 4088 | 1214 | Glocester Police | C,D | 4,172,332 | 3,732,717 |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 2,412,094 | 2,157,945 |
| 4090 | 1034 | Burrillville Police | C,D,6 | 7,131,213 | 6,379,836 |
| 4091 | 1148 | Cumberland Rescue | C,D | 3,751,263 | 3,356,013 |
| 4093 | 1635 | Woonsocket Fire | C,D | 24,173,973 | 21,626,894 |
| 4094 | 1015 | Bristol Fire | D | 286,253 | 256,093 |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 3,607,990 | 3,227,836 |
| 4096 | 1014 | Bristol Police | C,D | 2,160,173 | 1,932,568 |
| 4098 | 1095 | Coventry Fire | D | 2,331,725 | 2,086,044 |
| 4099 | 1505 | South Kingstown EMT | C,D | 2,110,642 | 1,888,256 |
| 4101 | 1365 | North Cumberland | D | 2,748,825 | 2,459,197 |
| 4102 | 1045 1235 1525 1585 | Central Coventry Fire | C,D | 4,986,802 | 4,461,370 |
| 4103 | 1255 | Hopkins Hill Fire | D | 766,175 | 685,448 |
| 4104 | 1114 | Cranston Police | C,D,4 | 13,454,484 | 12,036,859 |
| 4105 | 1115 | Cranston Fire | C,D,4 | 23,041,600 | 20,613,833 |
| 4106 | 1125 | Cumberland Fire | B,D | 2,727,836 | 2,440,419 |
| 4107 | 1305 | Lincoln Rescue | C | 1,886,765 | 1,687,967 |
| 4108 | 1344 | New Shoreham Police | B,D | 837,656 | 749,397 |
| 4109 | 1324 | Middletown Police & Fire | C,D | 651,828 | 583,149 |
| 4110 | 1715 | Harrisville Fire District | C,D | 474,886 | 424,850 |
| 4111 | 1705 | Albion Fire District | C | 297,696 | 266,329 |
| Police & Fire Units Subtotal | | | | \$312,604,510 | \$279,765,878 |
| All MERS Units Total | | | | \$1,189,888,936 | \$1,064,615,664 |

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 2007 valuation.

3 - Closed unit.

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

5 - This unit has no active members.

6 - Special plan provisions apply to this 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 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 (UAAL).

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 amortization contribution rate is the level percentage of payroll required to reduce the UAAL to zero over the remaining amortization period. The UAAL is being amortized over the remainder of a closed 30-year period from June 30, 1999. The employer contribution rate determined by this valuation will not be effective until two years after the valuation date. The determination of the contribution rate reflects this deferral. The unfunded actuarial accrued liability (UAAL) and covered payroll are projected forward for two years, and we then determine the amortization charge required to amortize the UAAL over the remaining amortization period from that point. In projecting the UAAL, we increase the UAAL for interest at the assumed rate and we decrease it for the amortization payments. The amortization payments for these two years are determined by subtracting the current employer normal cost from the known contribution rates for these years, based on the two prior actuarial valuations. Contributions are assumed to be 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. The actuarial value is calculated in the aggregate for all units combined, and then it is allocated to each unit in ratio to that unit's market value.



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: For general employees, the sum of (i) a 4.50% wage inflation assumption (composed of a 3.00% price inflation assumption and a 1.50% additional general increase), and (ii) a service-related component as shown below:

| General Employees | | |
|--------------------------|---------------------------|----------------|
| Years of Service | Service-related Component | Total Increase |
| 0 | 4.00% | 8.50% |
| 1 | 3.50 | 8.00 |
| 2 | 3.00 | 7.50 |
| 3 | 2.75 | 7.25 |
| 4 | 2.50 | 7.00 |
| 5 | 2.25 | 6.75 |
| 6 | 1.50 | 6.00 |
| 7 | 1.00 | 5.50 |
| 8 | 0.75 | 5.25 |
| 9 | 0.50 | 5.00 |
| 10 or more | 0.00 | 4.50 |

For police / fire employees, the sum of (i) a 4.75% wage inflation assumption (composed of a 3.00% price inflation assumption and a 1.75% additional general increase), and (ii) a service-related component as shown below:

| Police / Fire Employees | | |
|--------------------------------|---------------------------|----------------|
| Years of Service | Service-related Component | Total Increase |
| 0 | 10.00% | 14.75% |
| 1 | 8.50 | 13.25 |
| 2 | 5.00 | 9.75 |
| 3 | 2.00 | 6.75 |
| 4 | 1.75 | 6.50 |
| 5 | 1.50 | 6.25 |
| 6 | 0.50 | 5.25 |
| 7 | 0.25 | 5.00 |
| 8 | 0.25 | 5.00 |
| 9 | 0.25 | 5.00 |
| 10 or more | 0.00 | 4.75 |

Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period year following the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption. For employees with less than one year of service, the reported rate of pay is used rather than the fiscal year salary paid.

Payroll growth rate: In the amortization of the unfunded actuarial accrued liability, payroll is assumed to increase 4.25% per year. This increase rate is solely due to the effect of wage inflation on salaries, with no allowance for future membership growth.



Demographic Assumptions

Post-retirement mortality rates:

- Male employees – Based on the 1994 Group Annuity Mortality Tables for males set forward one year.
- Female employees – 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:

| Age | Number of Deaths per 100 | | | |
|-----|--------------------------|-----------------|----------------|------------------|
| | Healthy Males | Healthy Females | Disabled Males | Disabled Females |
| 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 |

Pre-retirement mortality (combined ordinary and duty): 65% multiplier of the post-retirement mortality.

Sample rates are shown below:

| Age | Number of Deaths per 100 | |
|-----|--------------------------|---------|
| | Males | Females |
| 25 | 0.05 | 0.02 |
| 30 | 0.05 | 0.02 |
| 35 | 0.06 | 0.03 |
| 40 | 0.08 | 0.05 |
| 45 | 0.11 | 0.06 |
| 50 | 0.19 | 0.09 |
| 55 | 0.32 | 0.15 |
| 60 | 0.58 | 0.29 |
| 65 | 1.06 | 0.56 |

Disability rates: Sample rates per 1,000 active members are shown below. Ordinary disability rates are not applied to members eligible for retirement.

| Age | Number of Disabilities per 1000 | | | | | |
|-----|------------------------------------|--------------------------------------|--------------------------------------|--|--|--|
| | General Employees, Ordinary, Males | General Employees, Accidental, Males | General Employees, Ordinary, Females | General Employees, Accidental, Females | Police & Fire, Ordinary, Males & Females | Police & Fire, Accidental, Males & Females |
| 25 | 0.63 | 0.23 | 0.27 | 0.09 | 0.43 | 2.98 |
| 30 | 0.77 | 0.28 | 0.33 | 0.11 | 0.55 | 3.85 |
| 35 | 1.05 | 0.38 | 0.45 | 0.15 | 0.73 | 5.08 |
| 40 | 1.54 | 0.55 | 0.66 | 0.22 | 1.10 | 7.70 |
| 45 | 2.52 | 0.90 | 1.08 | 0.36 | 1.80 | 12.60 |
| 50 | 4.27 | 1.53 | 1.83 | 0.61 | 3.03 | 21.18 |
| 55 | 7.07 | 2.53 | 3.03 | 1.01 | 3.03 | 21.18 |
| 60 | 9.87 | 3.53 | 4.23 | 1.41 | 3.03 | 21.18 |
| 65 | 0.00 | 0.00 | 0.00 | 0.00 | 3.03 | 21.18 |



Termination rates (for causes other than death, disability or retirement) are a function of the member's service. Termination rates are not applied to members eligible for retirement. Rates are shown below:

| Years of Service | Males General Employees | Female General Employees | Police & Fire, Males & Females |
|------------------|-------------------------|--------------------------|--------------------------------|
| 0 | 0.1750 | 0.1800 | 0.1000 |
| 1 | 0.0959 | 0.1069 | 0.0528 |
| 2 | 0.0825 | 0.0906 | 0.0481 |
| 3 | 0.0713 | 0.0769 | 0.0436 |
| 4 | 0.0618 | 0.0653 | 0.0394 |
| 5 | 0.0541 | 0.0558 | 0.0354 |
| 6 | 0.0480 | 0.0481 | 0.0316 |
| 7 | 0.0431 | 0.0420 | 0.0281 |
| 8 | 0.0395 | 0.0374 | 0.0249 |
| 9 | 0.0368 | 0.0341 | 0.0219 |
| 10 | 0.0350 | 0.0318 | 0.0191 |
| 11 | 0.0338 | 0.0304 | 0.0166 |
| 12 | 0.0330 | 0.0297 | 0.0143 |
| 13 | 0.0326 | 0.0295 | 0.0123 |
| 14 | 0.0323 | 0.0295 | 0.0105 |
| 15 | 0.0319 | 0.0297 | 0.0090 |
| 16 | 0.0312 | 0.0297 | 0.0077 |
| 17 | 0.0302 | 0.0295 | 0.0067 |
| 18 | 0.0285 | 0.0287 | 0.0059 |
| 19 | 0.0261 | 0.0273 | 0.0000 |
| 20 | 0.0227 | 0.0250 | 0.0000 |
| 21 | 0.0182 | 0.0217 | 0.0000 |
| 22 | 0.0124 | 0.0170 | 0.0000 |
| 23 | 0.0052 | 0.0110 | 0.0000 |
| 24 | 0.0052 | 0.0032 | 0.0000 |



Retirement rates: Separate male and female rates for general employees. For members who reach 30 years of service before age 58, service-based rates are used. For other members, age-based rates are used.

| General Employees | | | | | | | |
|--------------------------|-----------|-------------|-----------|-----------------|-----------|-------------|-----------|
| Males | | | | Females | | | |
| Service (00/30) | Ret. Rate | Age (58/10) | Ret. Rate | Service (00/30) | Ret. Rate | Age (58/10) | Ret. Rate |
| 30 | 30.0% | 58 | 15.0% | 30 | 20.0% | 58 | 15.0% |
| 31 | 25.0% | 59 | 10.0% | 31 | 15.0% | 59 | 10.0% |
| 32 | 15.0% | 60 | 10.0% | 32 | 7.5% | 60 | 10.0% |
| 33 | 15.0% | 61 | 10.0% | 33 | 7.5% | 61 | 10.0% |
| 34 | 15.0% | 62 | 30.0% | 34 | 7.5% | 62 | 20.0% |
| 35 | 25.0% | 63 | 25.0% | 35 | 15.0% | 63 | 15.0% |
| 36 | 25.0% | 64 | 25.0% | 36 | 20.0% | 64 | 15.0% |
| 37 | 25.0% | 65 | 25.0% | 37 | 20.0% | 65 | 20.0% |
| 38 | 25.0% | 66 | 30.0% | 38 | 15.0% | 66 | 20.0% |
| 39 | 25.0% | 67 | 30.0% | 39 | 15.0% | 67 | 20.0% |
| 40 | 100.0% | 68 | 30.0% | 40 | 100.0% | 68 | 20.0% |
| | | 69 | 30.0% | | | 69 | 20.0% |
| | | 70 | 20.0% | | | 70 | 20.0% |
| | | 71 | 20.0% | | | 71 | 20.0% |
| | | 72 | 20.0% | | | 72 | 20.0% |
| | | 73 | 20.0% | | | 73 | 20.0% |
| | | 74 | 20.0% | | | 74 | 20.0% |
| | | 75 | 100.0% | | | 75 | 100.0% |

Unisex, service based rates are used for police and fire. Rates depend on whether the unit has elected the optional 20-year retirement provisions. All members are assumed to retire upon reaching age 65 with at least ten years of service.

| Police and Fire | | |
|------------------------|--|--|
| Years of Service | Units with the Optional 20-year retirement election* | Units without the Optional 20-year retirement election |
| 20 | 15.0% | |
| 21 | 10.0% | |
| 22 | 5.0% | |
| 23 | 5.0% | |
| 24 | 10.0% | |
| 25 | 12.0% | 50.0% |
| 26 | 12.0% | 12.0% |
| 27 | 14.0% | 14.0% |
| 28 | 16.0% | 16.0% |
| 29 | 18.0% | 18.0% |
| 30+ | 35.0% | 35.0% |

*These rates were used for Richmond Police for service from 22 to 32 years.



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.

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.

Investment and 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 non-vested inactive members, the multiple is 1.0. For vested inactive members, the multiple is 8.0 for members with 25 or more years of service, 3.0 for vested inactive members who are age 45 or older with less than 25 years of service, and 1.0 for other vested inactive members younger than age 45.

Decrement timing: For all members, decrements 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 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. However, for members with less than one year of service, the current rate of salary was used. 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 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: 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 and the member has attained 20 years of service, the benefit is 2.50% of the member's monthly FAC for each year of service, up to 30 years (75% of FAC maximum). If a police officer or firefighter not covered by the 20-year retirement provision retires before age 55 with at least 20, but less than 25, years of service, benefits are reduced 0.5% per month that the member's age at retirement is less than 55.

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

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

Disability Retirement

Eligibility: A member is eligible provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

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 in the *Death Benefit of Active or Inactive Members section*.

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).



Special Provisions Applying to Specific Units

Some units have specific provisions that apply only to that unit. The following summarizes those provisions:

- a. Rhode Island General Law §45-21.2-22.1 contains special provisions that apply to employees of Burrillville Police, but only if adopted by the Town of Burrillville. The Town adopted these provisions effective July 1, 2006. Under these special provisions, the retirement benefit for a member with 20 or more years of service is improved. The new formula is $60.00\% \times \text{Final Average Compensation (FAC)}$, plus $1.50\% \times \text{FAC} \times \text{Years of Service in Excess of 20}$, with a maximum benefit equal to 75% of FAC. In addition to this benefit change, the member contribution rate increased from 9.00% to 10.20%.
- b. Rhode Island General Law § 45-21.2-6.1, § 45-21.2-5(5), and § 45-21.2-14(d) contain special provisions that apply to members of the South Kingstown police department. Under these special provisions, the member receives a retirement allowance which is a life annuity terminable at the death of the annuitant, and is an amount equal to the sum of two and one-half percent (2.5%) of final compensation multiplied by the years of service accrued after July 1, 1993 and two percent (2%) of final compensation multiplied by the years of service accrued prior to July 1, 1993. The annual retirement allowance in no event shall exceed seventy-five percent (75%) of final compensation. The member contribution rate is 8.00%, plus 1.00% for the adoption of the optional COLA, for a total of 9.00%.
- c. Rhode Island General Law § 45-21.2-5 (9) contains special provisions that apply to members of the Hopkinton police department. Under these special provisions, the final compensation for benefit computation is based on the members' highest year of earnings. In addition, the members shall receive a three percent (3%) escalation of their pension payment compounded each year on January 1st following the year of retirement and continuing on an annual basis on that date. The member contribution rate is 9.00%. Compensation for benefit purposes includes base, longevity, and holiday pay.
- d. Rhode Island General Law § 45-21.2-5 (7) and § 45-21.2-14 contain special provisions that apply to members of the Cranston fire department hired after July 1, 1995 or with less than 5 years of service at that date. Under these special provisions, the final compensation for benefit computation is based on the members' highest year of earnings. In addition, the members shall receive a three percent (3%) escalation of their pension payment compounded each year on January 1st following the year of retirement and continuing on an annual basis on that date. The member contribution rate is 10.00%. Compensation for benefit purposes includes base, longevity, and holiday pay.
- e. Rhode Island General Law §§ 45-21.2-5 (8) and § 45-21.2-14 contain special provisions that apply to members of the Cranston police department hired after July 1, 1995 or with less than 5 years of service at that date. Under these special provisions, the final compensation for benefit computation is based on the members' highest year of earnings. In addition, the members shall receive a three percent (3%) escalation of their pension payment compounded each year on January 1st following the year of retirement and continuing on an annual basis on that date. The member contribution rate is 10.00%. Compensation for benefit purposes includes base, longevity, and holiday pay.
- f. Rhode Island General Law §§ 45-21.2-6.3 contains special provisions that apply to employees of Richmond Police. The Town adopted these provisions on April 3, 2008, effective July 1, 2008. Under these special provisions, members are eligible to retire after attaining 22 years of service. The retirement benefit for a member with 22 or more years of service was improved to $50.00\% \times \text{Final Average Compensation (FAC)}$, plus $2.2727\% \times \text{FAC} \times \text{Years of Service in Excess of 22}$, with a maximum benefit equal to 75% of FAC.

STATE POLICE ACTUARIAL INFORMATION

STATE POLICE

RETIREMENT BENEFITS TRUST

ACTUARIAL INFORMATION

June 11, 2008

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, 2007

This is the June 30, 2007 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, 2007 actuarial valuation will be applicable for the year beginning July 1, 2009 and ending June 30, 2010.

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, 22 years as of June 30, 2007). 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 86.0% to 90.2%. The employer contribution rate decreased from 30.06% to 29.72%. An analysis of the changes in the employer contribution rate appears on page 107. An analysis of the changes in the unfunded actuarial accrued liability appears on Table 10c.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2007. 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 last changed as a result of the experience study approved by the Board on June 13, 2007. We believe the assumptions are internally consistent and are reasonable, based on the actual experience of SPRBT.

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 and the calculated contribution rates.

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, 2007. 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, 2007.

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
June 11, 2008
Page 3

Accounting Standards Board. The undersigned are independent actuaries. Both are Enrolled Actuaries, 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



Joseph P. Newton, FSA, MAAA
Consultant



J. Christian Conradi, ASA, MAAA
Senior Consultant

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Actuarial Valuation - June 30, 2007

State Police Retirement Benefits Trust - Executive Summary

| Item | Valuation Date: | |
|---|-----------------|--------------|
| | June 30, 2007 | July 1, 2006 |
| Membership | | |
| • Number of: | | |
| - Active members | 179 | 179 |
| - Retirees and beneficiaries | 3 | 3 |
| - Inactive members | 2 | 2 |
| - Total | 184 | 184 |
| • Payroll for benefits | \$15,836,354 | \$13,474,588 |
| Contribution rates | | |
| • Member | 8.75% | 8.75% |
| • State | 29.72% | 30.06% |
| Assets | | |
| • Market value | \$50,445,259 | \$38,131,989 |
| • Actuarial value | 45,996,910 | 36,314,689 |
| • Return on market value | 18.1% | 11.6% |
| • Return on actuarial value | 12.2% | 8.8% |
| • Employer contribution | \$4,038,828 | \$3,174,903 |
| • Ratio of actuarial value to market value | 91.2% | 95.2% |
| Actuarial Information | | |
| • Employer normal cost % | 27.00% | 26.65% |
| • Unfunded actuarial accrued liability (UAAL) | \$5,006,583 | \$5,901,453 |
| • Amortization rate | 2.72% | 3.41% |
| • Funding period | 22 years | 23 years |
| • GASB funded ratio | 90.2% | 86.0% |
| Projected employer contribution | | |
| • Fiscal year ending June 30, | 2010 | 2009 |
| • Projected payroll for contributions | \$12,984,954 | \$11,717,316 |
| • Projected employer contribution | 3,859,128 | 3,522,225 |



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 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 (UAAL).

1. First, the actuarial present value of future benefits is determined by discounting the projected benefits for each member back to the valuation date using the assumed investment return rate as the discount rate. For active members, the projected benefits are based on the member's age, service, sex and compensation, and based on the actuarial assumptions. The calculations take into account the probability of the member's death, disability, or termination of employment prior to becoming eligible for a retirement benefit, as well as the possibility of the member will remain in service and receive a service retirement benefit. Future salary increases are anticipated. The present value of the expected benefits payable to all active members 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. Liabilities for future members are not included.
2. The employer contributions required to support the benefits are determined as a level percentage of salary, and consist of a normal contribution and an amortization contribution.
3. The normal contribution is determined using the Entry Age method. Under this method, a calculation is made to determine the rate of contribution which, if applied to the compensation of each new member during the entire period of anticipated covered service, would be required to meet the cost of all benefits payable on his behalf. The salary-weighted average of these rates is the normal cost rate.
4. The employer normal cost rate is equal to (i) the normal cost rate, minus (ii) the member contribution rate.
5. The actuarial accrued liability is equal to the present value of all benefits less the present value of future normal costs. The unfunded actuarial accrued liability (UAAL) is then determined as (i) the actuarial accrued liability, minus (ii) the actuarial value of assets.
6. The amortization contribution rate is the level percentage of payroll required to reduce the UAAL to zero over the remaining amortization period. The UAAL is being amortized over the remainder of a closed 30-year period from June 30, 1999. The employer contribution rate determined by this valuation will not be effective until two years after the valuation date. The determination of the contribution rate reflects this deferral. The unfunded actuarial accrued liability (UAAL) and covered payroll are projected forward for two years, and we then determine the amortization charge required to amortize the UAAL over the remaining amortization period from that point. In projecting the UAAL, we increase the UAAL for interest at the assumed rate and we decrease it for the amortization payments. The amortization payments for these two years are determined by subtracting the current employer normal cost from the known contribution rates for these years, based on the two prior actuarial valuations. Contributions are assumed to be 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: Salary increase rate: The sum of (i) a 4.50% wage inflation assumption (composed of a 3.00% price inflation assumption and a 1.50% additional general increase), and (ii) a service-related component as shown below:

| Years of Service | Service-related Component | Total Increase |
|------------------|---------------------------|----------------|
| 0 | 4.25% | 8.75% |
| 1 | 4.00 | 8.50 |
| 2 | 4.00 | 8.50 |
| 3 | 8.00 | 12.50 |
| 4 | 5.00 | 9.50 |
| 5 | 3.25 | 7.75 |
| 6 | 1.25 | 5.75 |
| 7 | 1.25 | 5.75 |
| 8 | 1.00 | 5.50 |
| 9 | 1.00 | 5.50 |
| 10-14 | 0.75 | 5.25 |
| 15-19 | 0.50 | 5.00 |
| 20-24 | 0.25 | 4.75 |
| 25&up | 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, increased by the salary increase assumption.

Payroll growth rate: In the amortization of the unfunded frozen liability, payroll is assumed to increase 4.50% per year. This assumption includes no allowance for future membership growth.

Demographic Assumptions*Post-termination 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.

Pre-retirement mortality: 65% of the post-termination mortality rates. 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 |
|-----|-------|
| 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 20 years of service, in accordance with the probabilities shown below. 100% are assumed to retire at age 60 and completion of 20 years of service if still active.

| State Police | |
|--------------|-----------|
| Service | Ret. Rate |
| 20 | 25.0% |
| 21 | 15.0% |
| 22 | 10.0% |
| 23 | 20.0% |
| 24 | 30.0% |
| 25 | 100.0% |

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 members included birthdate, sex, service, salary and employee contribution account balance. We were also supplied with a separate file 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 Trust (SPRBT) 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 Trust 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. 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 Trust 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, 2007 | June 30, 2006 |
|--|---------------|---------------|
| (1) | (2) | (3) |
| 1. Cash and cash equivalents | \$ 513,481 | \$ 456,182 |
| 2. Receivables: | | |
| a. Employer and member contributions | \$ - | \$ - |
| b. Transfers receivable | - | - |
| c. Miscellaneous | - | \$ 10,965 |
| d. Total receivables | \$ - | \$ 10,965 |
| 3. Investments | | |
| a. Pooled trust | \$ 49,939,134 | \$ 37,780,844 |
| b. Plan specific investments | - | - |
| c. Total | \$ 49,939,134 | \$ 37,780,844 |
| 4. Invested securities lending collateral | \$ 7,881,530 | \$ 7,274,705 |
| 5. Property and equipment (net of depreciation) | \$ 21,639 | \$ 25,685 |
| 6. Total assets | \$ 58,355,784 | \$ 45,548,381 |
| 7. Liabilities | | |
| a. Due to other plans | \$ - | \$ 116,318 |
| b. Securities lending liability | 7,881,530 | 7,274,705 |
| c. Accounts and vouchers payable | 28,995 | 25,369 |
| d. Total liabilities | \$ 7,910,525 | \$ 7,416,392 |
| 8. Total market value of assets available for benefits | | |
| Total (Item 6 - Item 7) | \$ 50,445,259 | \$ 38,131,989 |



RECONCILIATION OF PLAN NET ASSETS

| | <u>June 30, 2007</u> | <u>June 30, 2006</u> |
|--|----------------------|----------------------|
| 1. Market value of assets as of beginning of year | \$ 38,131,989 | \$ 30,457,966 |
| 2. Contributions | | |
| a. Members | \$ 1,111,947 | \$ 886,140 |
| b. State | 4,038,828 | 3,174,903 |
| c. Service purchases | - | - |
| d. Miscellaneous revenue | - | - |
| e. Total | <u>\$ 5,150,775</u> | <u>\$ 4,061,043</u> |
| 3. Investment earnings, net of investment expenses | \$ 7,393,142 | \$ 3,778,371 |
| 4. Expenditures for the year | | |
| a. Benefit payments | \$ (170,725) | \$ (144,723) |
| b. Cost-of-living adjustments | (6,000) | (4,375) |
| c. Death benefits | - | - |
| d. Social security supplements | - | - |
| e. Supplemental pensions | - | - |
| f. Refunds | (23,869) | - |
| g. Administrative expenses | (30,053) | (16,293) |
| h. Total expenditures | <u>\$ (230,647)</u> | <u>\$ (165,391)</u> |
| 5. Transfers and other adjustments | \$ - | \$ - |
| 6. Market value of assets at end of year | \$ 50,445,259 | \$ 38,131,989 |

ANALYSIS OF CHANGE IN EMPLOYER COST

| <u>Basis</u> | <u>Employer Cost</u> |
|--|----------------------|
| 1. Employer contribution rates from prior valuation | 30.06% |
| 2. Impact of changes, gains and losses | |
| a. Non-salary liability experience (gain)/loss | 0.16% |
| b. Salary (gain)/loss | 0.74% |
| c. Total payroll growth (gain)/loss | (0.25%) |
| d. Investment experience (gain)/loss | (0.99%) |
| e. Changes in assumptions | 0.00% |
| f. Changes in plan provisions | 0.00% |
| g. Total | <u>(0.34%)</u> |
| 3. Employer contributions rates from current valuation | 29.72% |

JUDICIAL ACTUARIAL INFORMATION

**JUDICIAL RETIREMENT
BENEFITS TRUST**

ACTUARIAL INFORMATION

June 11, 2008

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, 2007

This is the June 30, 2007 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, 2007 actuarial valuation will be applicable for the year beginning July 1, 2009 and ending June 30, 2010.

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, 22 years from June 30, 2007). 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 86.8% to 91.3%. The employer contribution rate decreased from 32.35% to 31.04%. An analysis of the changes in the employer contribution rate appears on Table 10a. An analysis of the changes in the unfunded actuarial accrued liability appears on Table 10c.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2007. 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 last changed as a result of the experience study approved by the Board on June 13, 2007. We believe the assumptions are internally consistent and are reasonable, based on the actual experience of JRBT.

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 and the calculated contribution rates.

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, 2007. 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, 2007.

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.

Board of Trustees
June 11, 2008
Page 3

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 Enrolled Actuaries, 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



Joseph P. Newton, FSA, MAAA
Consultant



J. Christian Conradi, ASA, MAAA
Senior Consultant

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Actuarial Valuation - June 30, 2007

Judicial Retirement Benefits Trust - Executive Summary

| Item | Valuation Date: | |
|---|-----------------|--------------|
| | June 30, 2007 | July 1, 2006 |
| Membership | | |
| • Number of: | | |
| - Active members | 44 | 45 |
| - Retirees and beneficiaries | 5 | 3 |
| - Inactive members | - | - |
| - Total | 49 | 48 |
| • Payroll supplied by ERSRI, annualized | \$6,451,666 | \$6,313,069 |
| Contribution rates | | |
| • Member | 8.75% | 8.75% |
| • State | 31.04% | 32.35% |
| Assets | | |
| • Market value | \$32,548,957 | \$25,055,824 |
| • Actuarial value | 29,630,637 | 23,873,009 |
| • Return on market value | 18.2% | 11.6% |
| • Return on actuarial value | 12.2% | 8.8% |
| • Employer contribution | \$2,362,671 | \$2,291,665 |
| • Ratio of actuarial value to market value | 91.0% | 95.3% |
| Actuarial Information | | |
| • Employer normal cost % | 28.38% | 28.99% |
| • Unfunded actuarial accrued liability (UAAL) | \$2,828,446 | \$3,631,093 |
| • Amortization rate | 2.66% | 3.36% |
| • Funding period | 22 years | 23 years |
| • GASB funded ratio | 91.3% | 86.8% |
| Projected employer contribution | | |
| • Fiscal year ending June 30, | 2010 | 2009 |
| • Projected payroll | \$7,362,423 | \$7,204,260 |
| • Projected employer contribution | 2,285,296 | 2,330,578 |



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 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 (UAAL).

1. First, the actuarial present value of future benefits is determined by discounting the projected benefits for each member back to the valuation date using the assumed investment return rate as the discount rate. For active members, the projected benefits are based on the member's age, service, sex and compensation, and based on the actuarial assumptions. The calculations take into account the probability of the member's death, disability, or termination of employment prior to becoming eligible for a retirement benefit, as well as the possibility of the member will remain in service and receive a service retirement benefit. Future salary increases are anticipated. The present value of the expected benefits payable to all active members 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. Liabilities for future members are not included.
2. The employer contributions required to support the benefits are determined as a level percentage of salary, and consist of a normal contribution and an amortization contribution.
3. The normal contribution is determined using the Entry Age method. Under this method, a calculation is made to determine the rate of contribution which, if applied to the compensation of each new member during the entire period of anticipated covered service, would be required to meet the cost of all benefits payable on his behalf. The salary-weighted average of these rates is the normal cost rate.
4. The employer normal cost rate is equal to (i) the normal cost rate, minus (ii) the member contribution rate.
5. The actuarial accrued liability is equal to the present value of all benefits less the present value of future normal costs. The unfunded actuarial accrued liability (UAAL) is then determined as (i) the actuarial accrued liability, minus (ii) the actuarial value of assets.
6. The amortization contribution rate is the level percentage of payroll required to reduce the UAAL to zero over the remaining amortization period. The UAAL is being amortized over the remainder of a closed 30-year period from June 30, 1999. The employer contribution rate determined by this valuation will not be effective until two years after the valuation date. The determination of the contribution rate reflects this deferral. The unfunded actuarial accrued liability (UAAL) and covered payroll are projected forward for two years, and we then determine the amortization charge required to amortize the UAAL over the remaining amortization period from that point. In projecting the UAAL, we increase the UAAL for interest at the assumed rate and we decrease it for the amortization payments. The amortization payments for these two years are determined by subtracting the current employer normal cost from the known contribution rates for these years, based on the two prior actuarial valuations. Contributions are assumed to be 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 4.50% 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 4.50% per year. This assumption includes no allowance for future membership growth.

Demographic Assumptions

Post-termination 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.
- Pre-termination mortality rates – 65% of the mortality rates for non-disabled retirees
- Disability rates – None
- Termination rates - None

Retirement rates – 33% of members are assumed to retire when eligible for a reduced retirement benefit (age 65 with 10 years of service, or any age with 20 years of service). All other members 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 a 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 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 Benefits Trust (JRBT) 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 Benefits Trust 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. 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 Benefits Trust 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.

Final Average Compensation (FAC)

For judges who became members on or before July 2, 1997, one-twelfth of the judge's annual salary at the time of retirement.

For judges who became members after July 2, 1997, one-twelfth of the average of the judge's highest three consecutive annual salaries.

Benefits for death while an active member are based on the member's salary at the time of death, regardless of when the judge became a member.

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 FAC 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 FAC 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. If an active member dies without having a spouse or minor children, a refund is paid to the member's beneficiary.

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, 2007 | June 30, 2006 |
|--|---------------|---------------|
| (1) | (2) | (3) |
| 1. Cash and cash equivalents | \$ 293,555 | \$ 315,963 |
| 2. Receivables: | | |
| a. Employer and member contributions | \$ - | \$ - |
| b. Transfers receivable | - | - |
| c. Miscellaneous | - | 6,755 |
| d. Total receivables | \$ - | \$ 6,755 |
| 3. Investments | | |
| a. Pooled trust | \$ 32,258,639 | \$ 24,849,236 |
| b. Plan specific investments | - | - |
| c. Total | \$ 32,258,639 | \$ 24,849,236 |
| 4. Invested securities lending collateral | \$ 5,091,173 | \$ 4,784,720 |
| 5. Property and equipment | \$ 13,935 | \$ 16,543 |
| 6. Total assets | \$ 37,657,302 | \$ 29,973,217 |
| 7. Liabilities | | |
| a. Due to other plans | \$ - | \$ 118,008 |
| b. Securities lending liability | 5,091,173 | 4,784,720 |
| c. Accounts and vouchers payable | 17,172 | 14,665 |
| d. Total liabilities | \$ 5,108,345 | \$ 4,917,393 |
| 8. Total market value of assets available for benefits | | |
| Total (Item 6 - Item 7) | \$ 32,548,957 | \$ 25,055,824 |



RECONCILIATION OF PLAN NET ASSETS

| | June 30, 2007 | June 30, 2006 |
|--|---------------------|---------------------|
| 1. Market value of assets as of beginning of year | \$ 25,055,824 | \$ 19,892,509 |
| 2. Contributions | | |
| a. Members | \$ 576,930 | \$ 564,695 |
| b. State | 2,362,671 | 2,291,665 |
| c. Service purchases | - | - |
| d. Total | <u>\$ 2,939,601</u> | <u>\$ 2,856,360</u> |
| 3. Investment earnings, net of investment expenses | \$ 4,835,883 | \$ 2,478,300 |
| 4. Expenditures for the year | | |
| a. Benefit payments | \$ (246,308) | \$ (148,928) |
| b. Cost-of-living adjustments | (16,419) | (12,062) |
| c. Post-retirement death benefits | - | - |
| d. Pre-retirement death benefits | - | - |
| e. Social security supplements | - | - |
| f. Supplemental pensions | - | - |
| g. Refunds | (32) | - |
| h. Administrative expenses | (19,592) | (10,355) |
| i. Total expenditures | <u>\$ (282,351)</u> | <u>\$ (171,345)</u> |
| 5. Transfers and other adjustments | \$ - | \$ - |
| 6. Market value of assets at end of year | \$ 32,548,957 | \$ 25,055,824 |

ANALYSIS OF CHANGE IN EMPLOYER COST

| Basis | Employer Cost |
|---|---------------|
| 1. Employer contribution rates from prior valuation | 32.35% |
| 2. Impact of changes, gains and losses | |
| a. Non-salary liability experience (gain)/loss | (0.32%) |
| b. Salary (gain)/loss | 0.06% |
| c. Total payroll growth (gain)/loss | 0.09% |
| d. Investment experience (gain)/loss | (1.14%) |
| e. Changes in assumptions | 0.00% |
| f. Changes in plan provisions | <u>0.00%</u> |
| g. Total | (1.31%) |
| 3. Employer contribution rates from current valuation | 31.04% |

EMPLOYEES' RETIREMENT SYSTEM
OF RHODE ISLAND

STATISTICAL INFORMATION

STATISTICAL INFORMATION



**Distribution of Active Members by Age and by Years of Service (Teachers)
As of 06/30/2007
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 | 5 \$37,908 | 21 \$34,201 | 10 \$38,865 | 1 \$37,988 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 37 \$36,065 |
| 25-29 | 14 \$38,003 | 81 \$36,409 | 89 \$42,692 | 88 \$43,521 | 100 \$46,259 | 255 \$50,512 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 627 \$45,642 |
| 30-34 | 68 \$51,571 | 375 \$39,928 | 303 \$43,936 | 47 \$47,007 | 90 \$47,762 | 1,025 \$57,050 | 132 \$69,299 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 2,040 \$51,924 |
| 35-39 | 4 \$49,635 | 35 \$40,353 | 83 \$45,589 | 376 \$47,068 | 410 \$50,425 | 1,040 \$58,955 | 798 \$69,997 | 125 \$72,735 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 2,871 \$59,223 |
| 40-44 | 5 \$49,459 | 29 \$41,910 | 38 \$47,357 | 35 \$50,117 | 43 \$52,318 | 515 \$61,211 | 474 \$70,511 | 539 \$72,018 | 69 \$72,380 | 0 \$0 | 0 \$0 | 0 \$0 | 1,747 \$66,413 |
| 45-49 | 5 \$27,073 | 27 \$44,781 | 35 \$45,111 | 29 \$50,980 | 41 \$56,932 | 428 \$61,747 | 335 \$70,613 | 407 \$72,174 | 260 \$73,020 | 59 \$76,847 | 0 \$0 | 0 \$0 | 1,626 \$67,474 |
| 50-54 | 4 \$61,290 | 21 \$44,760 | 35 \$56,308 | 23 \$48,806 | 31 \$53,001 | 410 \$63,099 | 387 \$71,219 | 476 \$71,957 | 288 \$73,272 | 351 \$73,857 | 128 \$74,854 | 1 \$70,425 | 2,155 \$69,737 |
| 55-59 | 0 \$0 | 16 \$57,694 | 18 \$66,864 | 8 \$54,061 | 18 \$58,631 | 233 \$65,077 | 267 \$71,557 | 449 \$72,347 | 301 \$72,922 | 259 \$74,600 | 352 \$74,798 | 106 \$77,464 | 2,027 \$72,116 |
| 60-64 | 0 \$0 | 8 \$62,256 | 4 \$69,295 | 8 \$55,511 | 10 \$67,132 | 93 \$66,635 | 110 \$73,251 | 176 \$73,283 | 147 \$72,267 | 115 \$76,122 | 79 \$77,111 | 66 \$75,650 | 816 \$72,923 |
| 65 & Over | 0 \$0 | 1 \$48,077 | 0 \$0 | 1 \$45,246 | 2 \$39,401 | 16 \$69,852 | 23 \$70,846 | 47 \$71,974 | 38 \$73,028 | 30 \$75,300 | 14 \$76,601 | 28 \$77,691 | 200 \$72,919 |
| Total | 105 \$48,141 | 614 \$40,532 | 615 \$45,715 | 616 \$47,162 | 745 \$50,512 | 4,015 \$59,519 | 2,526 \$70,640 | 2,219 \$72,240 | 1,103 \$72,919 | 814 \$74,683 | 573 \$75,173 | 201 \$76,865 | 14,146 \$63,777 |



MEMBERSHIP DATA (TEACHERS)

| | June 30, 2007 (1) | June 30, 2006 (2) | June 30, 2005 (3) |
|------------------------------------|----------------------|----------------------|----------------------|
| 1. Active members | | | |
| a. Number | 14,146 | 14,343 | 14,469 |
| b. Number vested | 7,436 | 7,121 | 7,166 |
| c. Total payroll supplied by ERSRI | \$ 902,193,640 | \$ 859,367,272 | \$ 840,372,663 |
| d. Average salary | 63,777 | 59,915 | 58,081 |
| e. Average age | 44.6 | 44.3 | 44.1 |
| f. Average service | 12.5 | 12.2 | 12.1 |
| 2. Inactive members | | | |
| a. Number | 2,257 | 2,165 | 2,015 |
| 3. Service retirees | | | |
| a. Number | 8,479 | 8,244 | 7,916 |
| b. Total annual benefits | \$ 350,529,010 | \$ 331,004,050 | \$ 307,367,790 |
| c. Average annual benefit | 41,341 | 40,151 | 38,829 |
| d. Average age | 67.6 | 67.4 | 67.2 |
| 4. Disabled retirees | | | |
| a. Number | 253 | 242 | 245 |
| b. Total annual benefits | \$ 6,501,706 | \$ 5,973,869 | \$ 5,857,336 |
| c. Average annual benefit | 25,698 | 24,685 | 23,907 |
| d. Average age | 62.8 | 63.6 | 63.3 |
| 5. Beneficiaries and spouses | | | |
| a. Number | 386 | 387 | 404 |
| b. Total annual benefits | \$ 7,766,852 | \$ 7,637,146 | \$ 7,750,294 |
| c. Average annual benefit | 20,121 | 19,734 | 19,184 |
| d. Average age | 71.3 | 71.0 | 69.6 |



**Distribution of Active Members by Age and by Years of Service (State Employees)
As of 06/30/2007
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 | 18 \$32,694 | 25 \$32,435 | 19 \$28,758 | 7 \$28,941 | 1 \$31,842 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 70 \$31,146 |
| 25-29 | 50 \$37,948 | 48 \$38,450 | 66 \$37,160 | 41 \$40,203 | 28 \$37,357 | 70 \$37,045 | 1 \$36,997 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 304 \$37,893 |
| 30-34 | 300 \$36,696 | 64 \$39,842 | 56 \$40,024 | 56 \$41,573 | 37 \$40,449 | 304 \$44,166 | 28 \$41,315 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 845 \$40,482 |
| 35-39 | 22 \$42,945 | 398 \$39,564 | 360 \$35,986 | 196 \$40,643 | 103 \$42,537 | 447 \$45,176 | 206 \$52,516 | 166 \$47,780 | 2 \$47,830 | 0 \$0 | 0 \$0 | 0 \$0 | 1,900 \$42,649 |
| 40-44 | 41 \$45,345 | 48 \$38,207 | 35 \$35,900 | 53 \$41,300 | 35 \$43,409 | 322 \$47,011 | 237 \$53,070 | 511 \$50,820 | 164 \$49,123 | 1 \$40,058 | 0 \$0 | 0 \$0 | 1,447 \$48,679 |
| 45-49 | 36 \$49,457 | 54 \$34,296 | 42 \$45,029 | 36 \$32,733 | 51 \$46,572 | 374 \$47,650 | 254 \$53,456 | 482 \$52,651 | 440 \$58,285 | 247 \$52,999 | 12 \$49,375 | 0 \$0 | 2,028 \$51,865 |
| 50-54 | 34 \$42,116 | 63 \$38,303 | 43 \$39,862 | 52 \$42,412 | 38 \$44,992 | 353 \$45,272 | 240 \$52,260 | 411 \$53,906 | 342 \$59,742 | 455 \$59,102 | 262 \$56,246 | 8 \$53,216 | 2,301 \$53,298 |
| 55-59 | 17 \$41,276 | 35 \$42,659 | 38 \$48,109 | 32 \$38,007 | 30 \$47,091 | 226 \$45,846 | 202 \$52,283 | 328 \$51,366 | 299 \$58,139 | 294 \$60,687 | 287 \$66,573 | 82 \$58,819 | 1,870 \$55,388 |
| 60-64 | 11 \$44,337 | 16 \$45,317 | 17 \$50,138 | 12 \$39,426 | 13 \$46,835 | 124 \$47,190 | 125 \$48,989 | 243 \$50,439 | 222 \$54,373 | 198 \$59,160 | 107 \$63,578 | 73 \$61,874 | 1,161 \$53,818 |
| 65 & Over | 0 \$0 | 7 \$47,338 | 6 \$41,182 | 5 \$76,712 | 7 \$65,473 | 63 \$42,244 | 45 \$45,736 | 158 \$46,511 | 133 \$50,993 | 99 \$51,686 | 76 \$56,961 | 47 \$68,455 | 646 \$50,981 |
| Total | 529 \$39,131 | 758 \$39,052 | 682 \$38,101 | 490 \$40,389 | 343 \$43,848 | 2,283 \$45,566 | 1,338 \$51,908 | 2,299 \$51,278 | 1,602 \$56,470 | 1,294 \$57,724 | 744 \$61,246 | 210 \$61,824 | 12,572 \$49,809 |



MEMBERSHIP DATA (STATE EMPLOYEES)

| | <u>June 30, 2007</u> (1) | <u>June 30, 2006</u> (2) | <u>June 30, 2005</u> (3) |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| 1. Active members | | | |
| a. Number | 12,572 | 12,817 | 12,789 |
| b. Number vested | 7,487 | 7,677 | 7,997 |
| c. Total payroll supplied by ERSRI | \$ 626,192,680 | \$ 611,698,223 | \$ 575,746,603 |
| d. Average salary | 49,809 | 47,726 | 45,019 |
| e. Average age | 48.2 | 47.9 | 47.8 |
| f. Average service | 14.7 | 14.4 | 14.5 |
| 2. Inactive members | | | |
| a. Number | 2,405 | 2,424 | 2,343 |
| 3. Service retirees | | | |
| a. Number | 8,362 | 8,265 | 8,120 |
| b. Total annual benefits | \$ 198,858,810 | \$ 185,902,200 | \$ 173,107,820 |
| c. Average annual benefit | 23,781 | 22,493 | 21,319 |
| d. Average age | 72.7 | 72.7 | 72.7 |
| 4. Disabled retirees | | | |
| a. Number | 701 | 690 | 675 |
| b. Total annual benefits | \$ 11,899,261 | \$ 11,207,178 | \$ 10,442,049 |
| c. Average annual benefit | 16,975 | 16,242 | 15,470 |
| d. Average age | 62.7 | 62.5 | 62.4 |
| 5. Beneficiaries and spouses | | | |
| a. Number | 1,100 | 1,086 | 1,098 |
| b. Total annual benefits | \$ 16,093,714 | \$ 15,212,187 | \$ 14,950,539 |
| c. Average annual benefit | 14,631 | 14,008 | 13,616 |
| d. Average age | 76.7 | 76.3 | 75.6 |



HISTORICAL SUMMARY OF ACTIVE MEMBER DATA (State Employees & Teachers)

| 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 | | | | | | | | |
| 1997 | 12,865 | (0.9%) | 426 | (6.0%) | 33,103 | (5.1%) | 45.7 | 14.0 |
| 1998 | 13,105 | 1.9% | 458 | 7.6% | 34,963 | 5.6% | 46.4 | 14.4 |
| 1999 | 13,369 | 2.0% | 476 | 3.9% | 35,606 | 1.8% | 46.4 | 14.4 |
| 2000 | 13,305 | (0.5%) | 499 | 4.8% | 37,510 | 5.3% | 46.7 | 14.4 |
| 2001 | 13,594 | 2.2% | 521 | 4.4% | 38,321 | 2.2% | 46.9 | 14.5 |
| 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 |
| 2005 | 12,789 | (1.3%) | 576 | 0.0% | 45,019 | 1.3% | 47.8 | 14.5 |
| 2006 | 12,817 | 0.2% | 612 | 6.2% | 47,726 | 6.0% | 47.9 | 14.4 |
| 2007 | 12,572 | (1.9%) | 626 | 2.4% | 49,809 | 4.4% | 48.2 | 14.7 |
| Teachers | | | | | | | | |
| 1997 | 12,681 | 2.3% | 573 | 5.4% | 45,193 | 2.9% | 45.1 | 15.1 |
| 1998 | 12,883 | 1.6% | 598 | 4.4% | 46,453 | 2.8% | 45.0 | 14.9 |
| 1999 | 13,282 | 3.1% | 633 | 5.7% | 47,642 | 2.6% | 45.0 | 14.6 |
| 2000 | 13,607 | 2.4% | 659 | 4.0% | 48,402 | 1.6% | 44.7 | 14.0 |
| 2001 | 14,092 | 3.6% | 697 | 5.9% | 49,491 | 2.3% | 44.4 | 13.3 |
| 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 |
| 2005 | 14,469 | (0.6%) | 840 | 3.7% | 58,081 | 4.4% | 44.1 | 12.1 |
| 2006 | 14,343 | (0.9%) | 859 | 2.3% | 59,915 | 3.2% | 44.3 | 12.2 |
| 2007 | 14,146 | (1.4%) | 902 | 5.0% | 63,777 | 6.4% | 44.6 | 12.5 |



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
ACTIVE MEMBER STATISTICS**

| Unit Old | Number New | Unit | Code(s) | Active Employees as of June 30, 2007 | | | | Active Employees as of June 30, 2006 | | | |
|-------------------------------|----------------|----------------------------|---------|---|-------------|-----------------|----------------|---|-------------|-----------------|----------------|
| | | | | 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) | (12) |
| General Employee Units | | | | | | | | | | | |
| 3002 | 1012 1019 | Bristol | B | 101 | 47.7 | 11.9 | 38,843 | 102 | 47.6 | 11.7 | 39,628 |
| 3003 | 1032 1033 | Burrillville | C | 155 | 50.4 | 11.8 | 34,374 | 161 | 49.5 | 11.0 | 32,990 |
| 3004 | 1052 | Central Falls | | 85 | 47.2 | 7.6 | 35,777 | 85 | 46.8 | 7.4 | 34,859 |
| 3005 | 1082 | Charlestown | C | 34 | 45.5 | 11.7 | 41,228 | 38 | 43.9 | 10.7 | 39,057 |
| 3007 | 1112 1113 | Cranston | B | 879 | 51.5 | 10.7 | 29,807 | 869 | 50.7 | 10.3 | 28,425 |
| 3008 | 1122 1123 | Cumberland | | 267 | 51.0 | 9.3 | 29,943 | 269 | 50.2 | 8.7 | 28,663 |
| 3009 | 1152 1153 | East Greenwich | | 16 | 51.4 | 11.4 | 66,610 | 15 | 51.8 | 11.2 | 59,978 |
| 3010 | 1162 1163 | East Providence | B | 482 | 49.8 | 10.5 | 38,172 | 476 | 49.2 | 10.6 | 36,340 |
| 3011 | 1183 | Exeter/West Greenwich | B | 77 | 51.3 | 9.9 | 27,183 | 76 | 50.8 | 9.3 | 25,907 |
| 3012 | 1192 1193 | Foster | | 41 | 50.5 | 10.2 | 26,883 | 39 | 50.4 | 10.8 | 25,870 |
| 3013 | 1212 1213 | Glocester | C | 72 | 50.6 | 11.1 | 31,727 | 77 | 50.3 | 10.3 | 29,251 |
| 3014 | 1262 | Hopkinton | C | 32 | 52.2 | 8.9 | 39,354 | 36 | 51.6 | 8.2 | 37,763 |
| 3015 | 1272 1273 | Jamestown | C | 80 | 49.8 | 10.4 | 36,361 | 80 | 49.5 | 9.9 | 34,700 |
| 3016 | 1282 1283 | Johnston | C | 291 | 51.4 | 9.2 | 31,056 | 295 | 50.8 | 8.9 | 29,201 |
| 3017 | 1302 1303 | Lincoln | | 20 | 48.4 | 5.9 | 44,499 | 22 | 47.4 | 4.8 | 43,355 |
| 3019 | 1322 1323 | Middletown | C | 127 | 49.8 | 12.3 | 36,804 | 122 | 48.9 | 12.2 | 35,642 |
| 3021 | 1352 1353 1354 | Newport | B | 294 | 49.8 | 11.7 | 37,122 | 309 | 49.6 | 11.8 | 34,536 |
| 3022 | 1342 1343 | New Shoreham | B | 59 | 48.9 | 6.9 | 34,349 | 61 | 47.5 | 5.9 | 32,157 |
| 3023 | 1372 1373 | North Kingstown | C | 380 | 51.5 | 11.3 | 31,296 | 377 | 51.1 | 11.0 | 29,476 |
| 3024 | 1382 1383 | North Providence | | 257 | 49.8 | 9.8 | 27,406 | 249 | 49.3 | 10.3 | 27,415 |
| 3025 | 1392 1393 | North Smithfield | B | 95 | 49.3 | 8.4 | 30,731 | 93 | 49.8 | 9.0 | 30,537 |
| 3026 | 1412 1413 | Pawtucket | C | 626 | 49.1 | 11.4 | 34,030 | 629 | 48.7 | 11.6 | 33,615 |
| 3027 | 1515 | Union Fire District | | 5 | 53.0 | 11.0 | 36,873 | 4 | 56.4 | 11.1 | 35,205 |
| 3029 | 1452 | Richmond | | 26 | 51.0 | 6.1 | 27,289 | 23 | 50.4 | 5.8 | 24,516 |
| 3030 | 1462 1463 | Scituate | B | 100 | 51.1 | 8.8 | 28,197 | 101 | 50.6 | 7.9 | 28,064 |
| 3031 | 1472 1473 | Smithfield | C | 86 | 50.4 | 8.7 | 30,764 | 84 | 50.6 | 8.9 | 30,086 |
| 3032 | 1492 1493 | South Kingstown | B | 378 | 50.2 | 10.6 | 31,325 | 362 | 49.6 | 10.4 | 30,165 |
| 3033 | 1532 1533 | Tiverton | C | 84 | 50.7 | 8.9 | 34,277 | 77 | 50.2 | 9.1 | 32,780 |
| 3034 | 1562 | Warren | C | 43 | 44.9 | 9.3 | 36,290 | 44 | 43.9 | 9.2 | 36,130 |
| 3036 | 1622 1623 | Westerly | | 1 | 56.3 | 24.9 | 60,043 | 1 | 55.3 | 23.9 | 57,494 |
| 3037 | 1602 | West Greenwich | C | 25 | 49.3 | 11.3 | 36,847 | 25 | 49.0 | 10.5 | 34,764 |
| 3039 | 1632 1633 | Woonsocket | B | 421 | 50.9 | 11.0 | 30,943 | 436 | 50.4 | 10.4 | 28,985 |
| 3040 | 1073 | Chariho School District | C | 175 | 48.7 | 9.1 | 26,859 | 170 | 49.5 | 9.4 | 25,498 |
| 3041 | 1203 | Foster/Glocester | B | 56 | 50.6 | 9.2 | 28,934 | 51 | 51.6 | 10.1 | 29,061 |
| 3042 | 1528 | Tiogogue Fire & Lighting | C,5 | --- | --- | --- | --- | --- | --- | --- | --- |
| 3043 | 1336 | Narragansett Housing | C | 4 | 44.7 | 8.2 | 40,925 | 4 | 43.7 | 7.2 | 38,019 |
| 3045 | 1098 | Coventry Lighting District | C | 2 | 66.3 | 33.0 | 36,368 | 3 | 70.3 | 39.5 | 48,238 |
| 3046 | 1242 | Hope Valley Fire | C | 3 | 53.8 | 15.2 | 35,560 | 3 | 52.8 | 14.2 | 32,623 |
| 3050 | 1156 | East Greenwich Housing | C | 9 | 47.8 | 10.1 | 48,832 | 9 | 46.8 | 9.1 | 42,328 |
| 3051 | 1116 | Cranston Housing | C | 20 | 52.8 | 11.9 | 44,325 | 20 | 51.8 | 11.3 | 42,637 |
| 3052 | 1166 | East Providence Housing | B | 13 | 57.1 | 11.9 | 44,200 | 14 | 53.7 | 10.9 | 37,835 |
| 3053 | 1416 | Pawtucket Housing | B | 43 | 50.5 | 12.3 | 45,795 | 50 | 50.0 | 10.7 | 40,967 |
| 3056 | 1126 | Cumberland Housing | C | 11 | 47.5 | 7.5 | 38,775 | 13 | 46.8 | 6.5 | 36,906 |
| 3057 | 1306 | Lincoln Housing | B | 12 | 54.4 | 6.2 | 42,213 | 11 | 55.4 | 5.1 | 40,542 |
| 3059 | 1016 | Bristol Housing | | 9 | 45.7 | 8.6 | 34,879 | 8 | 49.7 | 8.6 | 33,517 |



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
ACTIVE MEMBER STATISTICS**

| Unit Old | Number New | Unit | Code(s) | Active Employees as of June 30, 2007 | | | | Active Employees as of June 30, 2006 | | | |
|-----------------------------------|---------------------|-----------------------------------|---------|---|-------------|-----------------|-----------------|---|-------------|-----------------|-----------------|
| | | | | 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) | (12) |
| General Employee Units | | | | | | | | | | | |
| 3065 | 1036 | Burrillville Housing | B | 4 | 53.9 | 13.4 | 41,642 | 4 | 52.9 | 12.4 | 39,335 |
| 3066 | 1386 | North Providence Housing | B | 7 | 50.7 | 8.3 | 36,491 | 8 | 51.4 | 6.8 | 35,029 |
| 3067 | 1177 | East Smithfield Water | C | 3 | 43.9 | 9.3 | 41,452 | 4 | 39.9 | 4.9 | 40,249 |
| 3068 | 1227 | Greenville Water | B | 4 | 47.0 | 9.1 | 52,350 | 4 | 46.0 | 8.1 | 48,365 |
| 3069 | 1356 | Newport Housing | C | 32 | 52.0 | 11.1 | 42,495 | 35 | 50.7 | 10.1 | 40,986 |
| 3071 | 1566 | Warren Housing | B | 6 | 56.5 | 10.4 | 37,610 | 5 | 58.9 | 11.2 | 37,394 |
| 3072 | 1286 | Johnston Housing | | 8 | 53.9 | 14.3 | 41,692 | 8 | 52.9 | 13.3 | 39,523 |
| 3077 | 1538 | Tiverton Local 2670A | C | 27 | 50.2 | 10.2 | 34,390 | 28 | 49.6 | 9.8 | 32,994 |
| 3078 | 1002 1003 1007 1009 | Barrington COLA | C | 188 | 51.0 | 10.8 | 35,671 | 184 | 50.1 | 10.0 | 35,049 |
| 3079 | 1096 | Coventry Housing | | 12 | 47.6 | 5.5 | 33,754 | 11 | 47.9 | 5.2 | 32,792 |
| 3080 | 1496 | South Kingstown Housing | C | 5 | 45.1 | 3.6 | 40,087 | 5 | 49.5 | 2.6 | 38,764 |
| 3081 | 1403 | N. RI Collaborative Adm. Services | C | 78 | 48.4 | 5.4 | 24,046 | 78 | 47.1 | 4.4 | 22,655 |
| 3083 | 1616 | West Warwick Housing | B | 8 | 57.2 | 14.9 | 42,898 | 8 | 56.2 | 13.9 | 40,020 |
| 3084 | 1476 | Smithfield Housing | | 3 | 47.2 | 11.7 | 35,033 | 3 | 46.2 | 10.7 | 33,414 |
| 3094 | 1478 | Smithfield COLA | C | 82 | 50.0 | 10.5 | 44,188 | 78 | 49.5 | 9.7 | 41,038 |
| 3096 | 1056 | Central Falls Housing | C | 20 | 46.4 | 5.9 | 39,993 | 19 | 43.9 | 5.8 | 37,489 |
| 3098 | 1293 | Lime Rock Administrative Services | | 2 | 51.3 | 15.0 | 38,303 | 2 | 50.3 | 14.0 | 35,474 |
| 3099 | 1063 | Central Falls Schools | C | 167 | 50.1 | 7.8 | 27,938 | 166 | 49.4 | 8.2 | 26,542 |
| 3100 | 1023 | Bristol/Warren Schools | B | 140 | 51.1 | 10.2 | 29,622 | 145 | 50.9 | 9.4 | 27,846 |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 166 | 50.0 | 9.5 | 29,595 | 168 | 49.2 | 9.3 | 28,037 |
| 3102 | 1712 | Harrisville Fire District (ADMIN) | C | 4 | 44.2 | 9.8 | 47,461 | 4 | 43.2 | 8.8 | 41,393 |
| 3103 | 1702 | Albion Fire District (ADMIN) | C | 1 | 49.9 | 15.1 | 37,194 | 1 | 48.9 | 14.3 | 28,856 |
| All General Employee Units | | | | 6,963 | 50.3 | 10.3 | \$32,719 | 6,961 | 49.8 | 10.1 | \$31,361 |
| Police & Fire Units | | | | | | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 31 | 38.3 | 4.4 | 50,504 | 26 | 37.1 | 4.7 | 43,878 |
| 4029 | 1454 | Richmond Police | | 11 | 34.2 | 4.7 | 38,385 | 11 | 34.3 | 4.7 | \$35,502 |
| 4031 | 1474 | Smithfield Police | C,D | 40 | 36.3 | 9.4 | 56,744 | 19 | 32.7 | 3.7 | 49,228 |
| 4042 | 1555 | Valley Falls Fire | D | 14 | 42.0 | 13.8 | 48,935 | 14 | 41.0 | 12.8 | 44,790 |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 21 | 41.5 | 8.9 | 47,950 | 21 | 41.0 | 9.2 | 46,234 |
| 4050 | 1155 | East Greenwich Fire | C,D | 41 | 41.1 | 10.1 | 51,521 | 40 | 40.7 | 9.6 | 48,049 |
| 4054 | 1154 | East Greenwich Police | C,D | 33 | 40.6 | 11.0 | 55,822 | 33 | 39.4 | 10.7 | 52,691 |
| 4055 | 1375 | North Kingstown Fire | C,D | 80 | 41.5 | 13.6 | 51,088 | 69 | 42.1 | 14.7 | 49,827 |
| 4056 | 1374 | North Kingstown Police | C,D | 50 | 38.4 | 11.1 | 53,770 | 47 | 38.5 | 12.0 | 50,436 |
| 4058 | 1385 | North Providence Fire | D | 97 | 41.3 | 13.4 | 52,949 | 100 | 41.0 | 13.2 | 52,127 |



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
ACTIVE MEMBER STATISTICS**

| Unit Old | Number New | Unit | Code(s) | Active Employees as of June 30, 2007 | | | | Active Employees as of June 30, 2006 | | | |
|-------------------------------|---------------------|------------------------------------|---------|---|-------------|-----------------|-----------------|---|-------------|-----------------|-----------------|
| | | | | 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) | (12) |
| General Employee Units | | | | | | | | | | | |
| 4059 | 1008 | Barrington Fire (25) | C | 14 | 36.8 | 3.9 | 41,432 | 7 | 33.1 | 6.0 | 47,731 |
| 4060 | 1004 | Barrington Police | C,D | 23 | 39.6 | 12.6 | 54,852 | 23 | 38.6 | 11.4 | 52,638 |
| 4061 | 1005 | Barrington Fire (20) | C,D | 11 | 50.3 | 24.4 | 55,617 | 11 | 49.3 | 23.4 | 53,500 |
| 4062 | 1564 1565 | Warren Police & Fire | C,D | 25 | 38.3 | 12.0 | 53,129 | 23 | 37.2 | 11.1 | 51,189 |
| 4063 | 1494 | South Kingstown Police | B,1 | 54 | 39.3 | 11.7 | 49,496 | 52 | 39.2 | 12.1 | 46,964 |
| 4073 | 1464 | Scituate Police | 5 | --- | --- | --- | --- | --- | --- | --- | --- |
| 4076 | 1394 | North Smithfield Police | C,D | 22 | 40.2 | 13.6 | 54,157 | 21 | 38.6 | 12.6 | 51,550 |
| 4077 | 1534 | Tiverton Fire | C,D | 33 | 39.2 | 9.7 | 43,792 | 33 | 38.2 | 8.7 | 41,180 |
| 4082 | 1194 | Foster Police | C,D | 7 | 40.1 | 10.3 | 46,914 | 6 | 41.4 | 11.0 | 51,085 |
| 4085 | 1634 | Woonsocket Police | C,D | 97 | 39.0 | 12.7 | 54,660 | 101 | 38.9 | 12.9 | 51,558 |
| 4086 | 1084 | Charlestown Police | C,D | 21 | 41.1 | 12.4 | 53,709 | 21 | 40.7 | 12.6 | 50,055 |
| 4087 | 1264 | Hopkinton Police | C,D,6 | 16 | 40.6 | 11.5 | 53,671 | 15 | 38.4 | 11.0 | 50,393 |
| 4088 | 1214 | Glocester Police | C,D | 18 | 40.4 | 10.7 | 51,106 | 19 | 40.1 | 10.3 | 46,382 |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 13 | 39.6 | 7.8 | 46,038 | 13 | 40.1 | 10.6 | 46,440 |
| 4090 | 1034 | Burrillville Police | C,D,6 | 24 | 42.5 | 14.3 | 49,828 | 23 | 42.0 | 14.4 | 49,116 |
| 4091 | 1148 | Cumberland Rescue | C,D | 19 | 38.1 | 8.6 | 50,120 | 18 | 37.8 | 8.2 | 44,745 |
| 4093 | 1635 | Woonsocket Fire | C,D | 110 | 39.4 | 12.5 | 54,473 | 111 | 38.9 | 11.9 | 51,347 |
| 4094 | 1015 | Bristol Fire | D | 1 | 50.5 | 6.5 | 43,099 | 1 | 49.5 | 5.5 | 44,969 |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 14 | 37.8 | 11.2 | 46,422 | 14 | 37.6 | 11.8 | 44,425 |
| 4096 | 1014 | Bristol Police | C,D | 27 | 35.9 | 5.5 | 49,051 | 26 | 35.1 | 4.7 | 46,498 |
| 4098 | 1095 | Coventry Fire | D | 12 | 41.3 | 12.4 | 47,726 | 12 | 40.3 | 11.4 | 43,880 |
| 4099 | 1505 | South Kingstown EMT | C,D | 16 | 37.5 | 7.6 | 40,360 | 15 | 35.7 | 7.6 | 37,674 |
| 4101 | 1365 | North Cumberland | D | 15 | 44.5 | 13.3 | 47,024 | 15 | 43.5 | 12.3 | 44,033 |
| 4102 | 1045 1235 1525 1585 | Central Coventry Fire | C,D | 38 | 38.2 | 10.5 | 44,314 | 39 | 36.8 | 9.3 | 41,126 |
| 4103 | 1255 | Hopkins Hill Fire | D | 11 | 44.1 | 8.8 | 41,953 | 11 | 43.1 | 7.8 | 39,812 |
| 4104 | 1114 | Cranston Police | C,D,4 | 113 | 36.7 | 7.5 | 52,389 | 113 | 35.7 | 6.7 | 43,912 |
| 4105 | 1115 | Cranston Fire | C,D,4 | 127 | 40.0 | 11.1 | 56,516 | 116 | 39.9 | 11.2 | 55,250 |
| 4106 | 1125 | Cumberland Fire | B,D | 14 | 42.7 | 11.6 | 44,920 | 14 | 41.7 | 10.6 | 42,937 |
| 4107 | 1305 | Lincoln Rescue | C | 16 | 40.6 | 9.0 | 42,387 | 16 | 39.6 | 8.1 | 41,049 |
| 4108 | 1344 | New Shoreham Police | B,D | 5 | 38.8 | 2.7 | 41,803 | 6 | 38.8 | 4.7 | 44,830 |
| 4109 | 1324 | Middletown Police & Fire | C,D | 27 | 36.0 | 2.4 | 41,223 | 17 | 34.0 | 2.0 | 38,896 |
| 4110 | 1715 | Harrisville Fire District | C,D | 5 | 37.3 | 7.7 | 46,973 | 5 | 36.3 | 6.7 | 40,129 |
| 4111 | 1705 | Albion Fire District | C | 4 | 43.0 | 9.4 | 45,646 | 4 | 42.0 | 8.4 | 43,736 |
| | | All Police & Fire Units | | 1,370 | 39.5 | 10.8 | \$51,397 | 1,301 | 39.0 | 10.6 | \$48,414 |
| | | All MERS Units | | 8,333 | 48.5 | 10.4 | \$35,790 | 8,262 | 48.1 | 10.2 | \$34,046 |

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 2007 valuation
 3 - Closed unit.
 4 - Cranston Fire and Police are contributing 10% due to special plan provision
 5 - This unit has no active members.
 6 - Special plan provisions apply to this unit.



MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Distribution of Active Members by Age and by Years of Service (General Employees)
As of 06/30/2007
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 \$29,210 | 4 \$25,221 | 6 \$28,990 | 3 \$27,688 | 3 \$24,215 | 3 \$28,906 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 29 \$27,908 |
| 25-29 | 16 \$28,774 | 30 \$28,812 | 11 \$32,349 | 14 \$32,826 | 15 \$32,450 | 43 \$32,595 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 129 \$31,229 |
| 30-34 | 21 \$28,336 | 20 \$32,301 | 16 \$31,863 | 15 \$31,797 | 20 \$31,163 | 86 \$36,408 | 15 \$36,808 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 193 \$33,857 |
| 35-39 | 25 \$27,608 | 31 \$27,860 | 20 \$40,473 | 24 \$28,843 | 25 \$29,774 | 159 \$34,249 | 67 \$35,247 | 46 \$40,783 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 397 \$33,962 |
| 40-44 | 35 \$25,337 | 38 \$28,034 | 45 \$28,481 | 56 \$27,136 | 56 \$31,747 | 299 \$32,442 | 117 \$40,699 | 139 \$40,995 | 40 \$40,724 | 1 \$44,696 | 0 \$0 | 0 \$0 | 826 \$34,340 |
| 45-49 | 38 \$25,090 | 58 \$26,459 | 45 \$27,541 | 41 \$26,755 | 79 \$28,043 | 430 \$29,322 | 206 \$34,388 | 170 \$37,123 | 63 \$45,042 | 39 \$44,399 | 0 \$0 | 0 \$0 | 1,169 \$32,175 |
| 50-54 | 282 \$27,732 | 205 \$26,624 | 186 \$29,472 | 190 \$27,503 | 161 \$27,727 | 473 \$29,295 | 257 \$31,877 | 226 \$35,735 | 79 \$42,494 | 74 \$44,210 | 26 \$41,314 | 2 \$62,785 | 2,161 \$30,728 |
| 55-59 | 23 \$42,219 | 23 \$25,140 | 23 \$33,012 | 28 \$33,644 | 29 \$24,865 | 255 \$31,978 | 222 \$31,759 | 252 \$34,520 | 128 \$39,384 | 63 \$43,556 | 27 \$47,718 | 17 \$49,119 | 1,090 \$34,664 |
| 60-64 | 7 \$30,437 | 12 \$32,007 | 17 \$32,979 | 18 \$26,979 | 18 \$32,366 | 147 \$29,745 | 108 \$31,761 | 150 \$32,461 | 85 \$34,621 | 53 \$44,446 | 16 \$46,840 | 10 \$60,212 | 641 \$33,616 |
| 65-69 | 8 \$38,034 | 4 \$19,262 | 5 \$24,771 | 6 \$28,741 | 7 \$19,049 | 69 \$30,501 | 54 \$34,715 | 69 \$35,769 | 34 \$38,952 | 38 \$36,432 | 24 \$37,048 | 10 \$39,750 | 328 \$34,310 |
| 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 |
| Total | 465 \$28,359 | 425 \$27,228 | 374 \$30,202 | 395 \$28,238 | 413 \$28,623 | 1,964 \$30,989 | 1,046 \$33,754 | 1,052 \$36,119 | 429 \$39,935 | 268 \$43,029 | 93 \$43,023 | 39 \$50,262 | 6,963 \$32,719 |



MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Distribution of Active Members by Age and by Years of Service (Police & Fire)
As of 06/30/2007
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 | 2 \$32,281 | 10 \$36,137 | 2 \$55,178 | 2 \$42,260 | 1 \$50,335 | 1 \$43,338 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 18 \$39,693 |
| 25-29 | 8 \$34,869 | 14 \$38,134 | 11 \$43,675 | 15 \$44,450 | 23 \$49,532 | 31 \$47,812 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 102 \$44,916 |
| 30-34 | 7 \$36,762 | 7 \$40,442 | 5 \$46,114 | 5 \$44,929 | 32 \$51,788 | 99 \$50,754 | 21 \$55,596 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 176 \$50,256 |
| 35-39 | 47 \$36,944 | 72 \$38,219 | 44 \$42,251 | 37 \$46,787 | 31 \$51,316 | 119 \$51,550 | 77 \$54,906 | 59 \$57,242 | 5 \$65,087 | 0 \$0 | 0 \$0 | 0 \$0 | 491 \$48,338 |
| 40-44 | 0 \$0 | 1 \$42,209 | 0 \$0 | 5 \$47,374 | 9 \$49,982 | 39 \$49,959 | 71 \$54,678 | 136 \$56,885 | 28 \$60,504 | 0 \$0 | 0 \$0 | 0 \$0 | 289 \$55,328 |
| 45-49 | 1 \$34,362 | 2 \$40,952 | 0 \$0 | 3 \$49,579 | 2 \$50,212 | 15 \$49,128 | 31 \$55,509 | 70 \$55,386 | 45 \$58,587 | 15 \$66,505 | 0 \$0 | 0 \$0 | 184 \$56,164 |
| 50-54 | 0 \$0 | 0 \$0 | 0 \$0 | 2 \$45,621 | 1 \$45,174 | 3 \$52,050 | 7 \$55,649 | 15 \$51,849 | 14 \$54,438 | 28 \$62,685 | 2 \$56,882 | 0 \$0 | 72 \$56,818 |
| 55-59 | 1 \$87,520 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 4 \$50,054 | 3 \$58,353 | 6 \$49,615 | 3 \$57,161 | 8 \$53,933 | 6 \$60,841 | 0 \$0 | 31 \$55,758 |
| 60-64 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 2 \$56,285 | 0 \$0 | 1 \$38,922 | 1 \$61,235 | 1 \$47,721 | 0 \$0 | 1 \$49,401 | 6 \$51,642 |
| 65-69 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$84,993 | 0 \$0 | 0 \$0 | 1 \$84,993 |
| 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 |
| Total | 66 \$37,259 | 106 \$38,247 | 62 \$43,232 | 69 \$46,143 | 99 \$50,839 | 313 \$50,603 | 210 \$55,061 | 287 \$56,115 | 96 \$58,863 | 53 \$62,584 | 8 \$59,851 | 1 \$0 | 1,370 \$51,396 |



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
RETIRED MEMBER STATISTICS**

| Unit Number | | | Retirees and Beneficiaries | | | | Retirees and Beneficiaries | | |
|-------------------------------|----------------|----------------------------|----------------------------|--------|----------|---------------------|----------------------------|----------|----------------------|
| | | | As of June 30, 2007 | | | | As of June 30, 2006 | | |
| Old | New | Unit | 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 | | | | | | | | | |
| 3002 | 1012 1019 | Bristol | B | 82 | 75.4 | 979 | 80 | 75.4 | 899 |
| 3003 | 1032 1033 | Burrillville | C | 77 | 73.0 | 863 | 75 | 72.5 | 830 |
| 3004 | 1052 | Central Falls | | 26 | 72.5 | 671 | 25 | 71.9 | 637 |
| 3005 | 1082 | Charlestown | C | 10 | 70.3 | 1,307 | 9 | 70.6 | 1,334 |
| 3007 | 1112 1113 | Cranston | B | 484 | 73.9 | 1,009 | 493 | 73.5 | 963 |
| 3008 | 1122 1123 | Cumberland | | 145 | 74.0 | 667 | 143 | 73.4 | 660 |
| 3009 | 1152 1153 | East Greenwich | | 70 | 76.0 | 498 | 73 | 75.7 | 515 |
| 3010 | 1162 1163 | East Providence | B | 343 | 71.6 | 1,291 | 330 | 71.3 | 1,247 |
| 3011 | 1183 | Exeter/West Greenwich | B | 22 | 66.5 | 931 | 20 | 66.3 | 875 |
| 3012 | 1192 1193 | Foster | | 15 | 73.4 | 639 | 14 | 74.1 | 557 |
| 3013 | 1212 1213 | Glocester | C | 22 | 69.0 | 732 | 19 | 68.4 | 670 |
| 3014 | 1262 | Hopkinton | C | 11 | 73.0 | 586 | 10 | 73.4 | 607 |
| 3015 | 1272 1273 | Jamestown | C | 25 | 67.3 | 1,188 | 23 | 66.9 | 1,180 |
| 3016 | 1282 1283 | Johnston | C | 165 | 75.0 | 937 | 165 | 74.6 | 895 |
| 3017 | 1302 1303 | Lincoln | | 3 | 65.8 | 1,759 | 3 | 64.8 | 1,759 |
| 3019 | 1322 1323 | Middletown | C | 14 | 64.1 | 1,303 | 13 | 63.3 | 1,121 |
| 3021 | 1352 1353 1354 | Newport | B | 204 | 71.8 | 1,262 | 192 | 72.2 | 1,183 |
| 3022 | 1342 1343 | New Shoreham | B | 13 | 73.4 | 826 | 12 | 71.1 | 843 |
| 3023 | 1372 1373 | North Kingstown | C | 155 | 72.5 | 951 | 150 | 72.8 | 897 |
| 3024 | 1382 1383 | North Providence | | 156 | 74.1 | 606 | 151 | 74.8 | 568 |
| 3025 | 1392 1393 | North Smithfield | B | 67 | 74.6 | 797 | 61 | 74.7 | 718 |
| 3026 | 1412 1413 | Pawtucket | C | 487 | 72.6 | 959 | 476 | 73.2 | 887 |
| 3027 | 1515 | Union Fire District | | --- | --- | --- | --- | --- | --- |
| 3029 | 1452 | Richmond | | 9 | 74.7 | 500 | 9 | 73.7 | 500 |
| 3030 | 1462 1463 | Scituate | B | 57 | 74.2 | 889 | 54 | 73.8 | 882 |
| 3031 | 1472 1473 | Smithfield | C | 83 | 74.4 | 673 | 80 | 74.6 | 647 |
| 3032 | 1492 1493 | South Kingstown | B | 116 | 72.1 | 924 | 113 | 71.4 | 899 |
| 3033 | 1532 1533 | Tiverton | C | 57 | 75.4 | 662 | 56 | 74.7 | 618 |
| 3034 | 1562 | Warren | C | 53 | 77.2 | 783 | 50 | 77.7 | 681 |
| 3036 | 1622 1623 | Westerly | | 8 | 79.2 | 1,132 | 9 | 78.7 | 1,155 |
| 3037 | 1602 | West Greenwich | C | 7 | 67.8 | 860 | 8 | 69.0 | 827 |
| 3039 | 1632 1633 | Woonsocket | B | 295 | 74.7 | 758 | 289 | 74.6 | 724 |
| 3040 | 1073 | Charlho School District | C | 37 | 66.3 | 998 | 31 | 65.5 | 903 |
| 3041 | 1203 | Foster/Glocester | B | 23 | 71.5 | 893 | 21 | 71.4 | 829 |
| 3042 | 1528 | Tiogue Fire & Lighting | C,5 | --- | --- | --- | --- | --- | --- |
| 3043 | 1336 | Narragansett Housing | C | 1 | 71.8 | 437 | 1 | 70.8 | 437 |
| 3045 | 1098 | Coventry Lighting District | C | 1 | 81.3 | 5275.3 | --- | --- | --- |
| 3046 | 1242 | Hope Valley Fire | C | --- | --- | --- | --- | --- | --- |
| 3050 | 1156 | East Greenwich Housing | C | --- | --- | --- | --- | --- | --- |
| 3051 | 1116 | Cranston Housing | C | 10 | 76.4 | 649 | 10 | 75.4 | 639 |
| 3052 | 1166 | East Providence Housing | B | 9 | 78.0 | 737 | 9 | 77.0 | 719 |
| 3053 | 1416 | Pawtucket Housing | B | 22 | 73.8 | 1,055 | 22 | 73.2 | 1,062 |
| 3056 | 1126 | Cumberland Housing | C | 5 | 74.5 | 711 | 5 | 73.5 | 708 |
| 3057 | 1306 | Lincoln Housing | B | 6 | 76.9 | 1,174 | 6 | 75.9 | 1,148 |
| 3059 | 1016 | Bristol Housing | | 5 | 73.1 | 1,069 | 5 | 72.1 | 1,069 |
| 3065 | 1036 | Burrillville Housing | B | 1 | 66.0 | 1,256 | 1 | 65.0 | 1,222 |
| 3066 | 1386 | North Providence Housing | B | 5 | 70.0 | 1,465 | 5 | 69.0 | 1,428 |
| 3067 | 1177 | East Smithfield Water | C | 3 | 67.2 | 876 | 3 | 66.2 | 852 |
| 3068 | 1227 | Greenville Water | B | 1 | 61.3 | 2,615 | 1 | 60.3 | 2,543 |
| 3069 | 1356 | Newport Housing | C | 21 | 64.5 | 1,754 | 19 | 64.5 | 1,647 |



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
RETIRED MEMBER STATISTICS**

| Unit Number | | | Retirees and Beneficiaries | | | | Retirees and Beneficiaries | | |
|-----------------------------------|-----------|-----------------------------------|----------------------------|--------------|-------------|---------------------|----------------------------|-------------|----------------------|
| | | | As of June 30, 2007 | | | | As of June 30, 2006 | | |
| Old | New | Unit | 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 | | | | | | | | | |
| 3071 | 1566 | Warren Housing | B | 4 | 67.7 | 1,428 | 4 | 66.7 | 1,390 |
| 3072 | 1286 | Johnston Housing | | 3 | 84.5 | 560 | 3 | 83.5 | 560 |
| 3077 | 1538 | Tiverton Local 2670A | C | 11 | 68.6 | 787 | 10 | 68.2 | 859 |
| 30781002 1003 1007 1009 | | Barrington COLA | C | 106 | 76.0 | 791 | 110 | 75.7 | 745 |
| 3079 | 1096 | Coventry Housing | | 7 | 75.4 | 484 | 7 | 74.4 | 656 |
| 3080 | 1496 | South Kingstown Housing | C | 1 | 86.1 | 246 | 1 | 85.1 | 246 |
| 3081 | 1403 | N. RI Collaborative Adm. Services | C | 4 | 56.7 | 1,598 | 4 | 55.7 | 1,555 |
| 3083 | 1616 | West Warwick Housing | B | 3 | 77.1 | 879 | 3 | 76.1 | 858 |
| 3084 | 1476 | Smithfield Housing | | --- | --- | --- | --- | --- | --- |
| 3094 | 1478 | Smithfield COLA | C | 12 | 66.2 | 1,737 | 12 | 65.5 | 1,531 |
| 3096 | 1056 | Central Falls Housing | C | 11 | 70.9 | 1,019 | 10 | 70.0 | 1,033 |
| 3098 | 1293 | Lime Rock Administrative Services | | --- | --- | --- | --- | --- | --- |
| 3099 | 1063 | Central Falls Schools | C | 33 | 66.4 | 851 | 26 | 67.7 | 754 |
| 3100 | 1023 | Bristol/Warren Schools | B | 70 | 67.4 | 970 | 65 | 66.9 | 991 |
| 3101 | 1157 | Town of E. Greenwich-COLA-NCE | C | 17 | 61.7 | 2,236 | 14 | 59.4 | 2,343 |
| 3102 | 1712 | Harrisville Fire District (ADMIN) | C | --- | --- | --- | --- | --- | --- |
| 3103 | 1702 | Albion Fire District (ADMIN) | C | --- | --- | --- | --- | --- | --- |
| All General Employee Units | | | | 3,713 | 73.0 | \$946 | 3,614 | 73.0 | \$897 |
| Police and Fire Units | | | | | | | | | |
| 4016 | 1285 | Johnston Fire | D | 1 | 44.2 | \$2,557 | 1 | 43.2 | \$2,557 |
| 4029 | 1454 | Richmond Police | 6 | 1 | 46.8 | 2,199 | 1 | 45.8 | 2,199 |
| 4031 | 1474 | Smithfield Police | C,D | 1 | 79.5 | 238 | 1 | 78.5 | 238 |
| 4042 | 1555 | Valley Falls Fire | D | 4 | 62.7 | 1,588 | 5 | 61.2 | 1,505 |
| 4047 | 1395 1435 | North Smithfield Voluntary Fire | B,D | 7 | 58.4 | 2,165 | 6 | 59.9 | 2,144 |
| 4050 | 1155 | East Greenwich Fire | C,D | 20 | 65.0 | 1,829 | 19 | 64.4 | 1,854 |
| 4054 | 1154 | East Greenwich Police | C,D | 18 | 60.7 | 2,285 | 18 | 61.8 | 2,204 |
| 4055 | 1375 | North Kingstown Fire | C,D | 48 | 65.3 | 1,953 | 48 | 65.2 | 1,887 |
| 4056 | 1374 | North Kingstown Police | C,D | 23 | 55.2 | 2,802 | 20 | 54.7 | 2,863 |
| 4058 | 1385 | North Providence Fire | D | 45 | 55.7 | 2,222 | 38 | 57.1 | 2,036 |
| 4059 | 1008 | Barrington Fire (25) | C | 1 | 61.0 | 3,908 | 1 | 60.0 | 3,803 |
| 4060 | 1004 | Barrington Police | C,D | 25 | 65.0 | 1,737 | 25 | 64.0 | 1,717 |
| 4061 | 1005 | Barrington Fire (20) | C,D | 29 | 68.6 | 1,363 | 30 | 67.5 | 1,369 |
| 4062 | 1564 1565 | Warren Police & Fire | C,D | 26 | 65.6 | 1,670 | 26 | 64.6 | 1,642 |
| 4063 | 1494 | South Kingstown Police | B,1 | 34 | 61.7 | 2,274 | 32 | 61.3 | 2,190 |
| 4073 | 1464 | Scituate Police | 5 | 1 | 78.0 | 497 | 1 | 77.0 | 497 |
| 4076 | 1394 | North Smithfield Police | C,D | 11 | 63.9 | 2,069 | 11 | 62.9 | 2,022 |
| 4077 | 1534 | Tiverton Fire | C,D | 18 | 62.4 | 1,624 | 18 | 61.4 | 1,609 |
| 4082 | 1194 | Foster Police | C,D | 5 | 59.1 | 1,715 | 5 | 58.1 | 1,680 |
| 4085 | 1634 | Woonsocket Police | C,D | 20 | 46.5 | 2,602 | 15 | 44.2 | 2,500 |
| 4086 | 1084 | Charlestown Police | C,D | 9 | 51.5 | 2,359 | 8 | 50.6 | 2,242 |
| 4087 | 1264 | Hopkinton Police | C,D,6 | 3 | 61.3 | 1,990 | 3 | 60.3 | 1,934 |
| 4088 | 1214 | Glocester Police | C,D | 8 | 56.0 | 1,476 | 7 | 55.5 | 1,299 |
| 4089 | 1604 | West Greenwich Police/Rescue | C,D | 5 | 55.7 | 2,073 | 3 | 60.9 | 1,573 |
| 4090 | 1034 | Burrillville Police | C,D,6 | 7 | 62.3 | 2,126 | 8 | 63.0 | 2,157 |
| 4091 | 1148 | Cumberland Rescue | C,D | 3 | 47.1 | 1,369 | 3 | 46.1 | 1,333 |



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEMBER STATISTICS**

| Unit Number | | | Retirees and Beneficiaries As of June 30, 2007 | | | | Retirees and Beneficiaries As of June 30, 2006 | | |
|------------------------------------|----------------|---------------------------|---|--------------|-------------|---------------------|---|-------------|----------------------|
| Old | New | Unit | 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 | | | | | | | | | |
| 4093 | 1635 | Woonsocket Fire | C,D | 5 | 37.9 | 2,347 | 3 | 34.3 | 1,998 |
| 4094 | 1015 | Bristol Fire | D | 1 | 57.9 | 1,019 | 1 | 56.9 | 1,019 |
| 4095 | 1135 | Cumberland Hill Fire | C,D | 6 | 54.6 | 2,292 | 5 | 54.3 | 2,265 |
| 4096 | 1014 | Bristol Police | C,D | --- | --- | --- | --- | --- | --- |
| 4098 | 1095 | Coventry Fire | D | 4 | 50.2 | 1,907 | 4 | 49.2 | 1,907 |
| 4099 | 1505 | South Kingstown EMT | C,D | --- | --- | --- | --- | --- | --- |
| 4101 | 1365 | North Cumberland | D | 4 | 48.0 | 1,714 | 4 | 47.0 | 1,714 |
| 41021045 | 1235 1525 1585 | Central Coventry Fire | C,D | 7 | 55.8 | 2,003 | 7 | 54.8 | 1,989 |
| 4103 | 1255 | Hopkins Hill Fire | D | --- | --- | --- | --- | --- | --- |
| 4104 | 1114 | Cranston Police | C,D,4 | 5 | 43.9 | 3,367 | 5 | 42.9 | 3,269 |
| 4105 | 1115 | Cranston Fire | C,D,4 | 1 | 44.3 | 3,561 | 1 | 43.3 | 3,457 |
| 4106 | 1125 | Cumberland Fire | B,D | 5 | 59.5 | 2,184 | 5 | 58.5 | 2,129 |
| 4107 | 1305 | Lincoln Rescue | C | 3 | 49.9 | 2,024 | 3 | 48.9 | 2,005 |
| 4108 | 1344 | New Shoreham Police | B,D | 2 | 46.2 | 2,825 | 1 | 46.9 | 3,344 |
| 4109 | 1324 | Middletown Police & Fire | C,D | --- | --- | --- | --- | --- | --- |
| 4110 | 1715 | Harrisville Fire District | C,D | --- | --- | --- | --- | --- | --- |
| 4111 | 1705 | Albion Fire District | C | 1 | 65.1 | 1,671 | 1 | 64.1 | 1,625 |
| All Police & Fire Units | | | | 417 | 59.8 | \$2,041 | 393 | 59.9 | \$1,961 |
| All MERS Units | | | | 4,130 | 71.7 | \$1,056 | 4,007 | 71.7 | \$1,001 |

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 2007 valuation

3 - Closed unit.

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

5 - This unit has no active members.

6 - Special plan provisions apply to this unit.



**Distribution of Active Members by Age and by Years of Service (State Police)
As of 06/30/2007
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 | 2 \$70,547 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 2 \$70,547 |
| 25-29 | 0 \$0 | 0 \$0 | 10 \$70,547 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 10 \$70,547 |
| 30-34 | 0 \$0 | 0 \$0 | 11 \$71,181 | 0 \$0 | 0 \$0 | 9 \$83,863 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 20 \$76,888 |
| 35-39 | 0 \$0 | 0 \$0 | 10 \$71,594 | 0 \$0 | 0 \$0 | 22 \$84,891 | 21 \$90,858 | 5 \$103,481 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 58 \$86,362 |
| 40-44 | 0 \$0 | 0 \$0 | 1 \$70,547 | 0 \$0 | 0 \$0 | 18 \$85,536 | 26 \$93,530 | 16 \$104,995 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 61 \$93,801 |
| 45-49 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 4 \$84,372 | 14 \$93,337 | 8 \$108,354 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 26 \$96,578 |
| 50-54 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$96,768 | 1 \$113,374 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 2 \$105,071 |
| 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 | 34 \$71,060 | 0 \$0 | 0 \$0 | 53 \$84,897 | 62 \$92,633 | 30 \$105,917 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 179 \$88,471 |



MEMBERSHIP DATA (STATE POLICE)

| | June 30, 2007 | June 30, 2006 |
|---|---------------|---------------|
| | (1) | (2) |
| 1. Active members | | |
| a. Number | 179 | 179 |
| b. Number vested | 0 | 0 |
| c. Total payroll supplied by State (for benefits) | \$ 15,836,354 | \$ 13,474,588 |
| d. Average salary | \$ 88,471 | \$ 75,277 |
| e. Average age | 38.9 | 37.9 |
| f. Average service | 10.6 | 9.6 |
| 2. Inactive members | | |
| a. Number | 2 | 2 |
| 3. Service retirees | | |
| a. Number | 1 | 1 |
| b. Total annual benefits | \$ 75,279 | \$ 73,779 |
| c. Average annual benefit | 75,279 | 73,779 |
| d. Average age | 68.6 | 67.6 |
| 4. Disabled retirees | | |
| a. Number | 2 | 2 |
| b. Total annual benefits | \$ 99,579 | \$ 95,911 |
| c. Average annual benefit | 49,790 | 47,956 |
| d. Average age | 40.9 | 39.9 |
| 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 |
| 2005 | 181 | 22.3% | \$13,225,400 | 15.8% | \$73,069 | (5.3%) | 36.9 | 8.6 |
| 2006 | 179 | (1.1%) | \$13,474,588 | 1.9% | \$75,277 | 3.0% | 37.9 | 9.6 |
| 2007 | 179 | (0.0%) | \$15,836,354 | 17.5% | \$88,471 | 17.5% | 38.9 | 10.6 |



**Distribution of Active Members by Age and by Years of Service (Judges)
As of 06/30/2007
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 30 | 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 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 |
| 40-44 | 0 \$0 | 0 \$0 | 1 \$127,069 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$127,069 |
| 45-49 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$131,148 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$131,148 |
| 50-54 | 1 \$139,877 | 0 \$0 | 1 \$133,423 | 1 \$162,806 | 1 \$153,199 | 5 \$137,286 | 2 \$145,975 | 2 \$150,510 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 13 \$143,746 |
| 55-59 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$139,877 | 0 \$0 | 3 \$146,538 | 2 \$159,039 | 4 \$164,274 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 10 \$155,466 |
| 60-64 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 2 \$148,635 | 2 \$136,650 | 3 \$148,419 | 1 \$149,306 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 8 \$145,641 |
| 65-69 | 0 \$0 | 0 \$0 | 1 \$147,964 | 1 \$133,423 | 0 \$0 | 0 \$0 | 4 \$145,260 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 6 \$143,738 |
| 70 & Over | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 5 \$148,505 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 5 \$148,505 |
| Total | 1 \$139,877 | 0 \$0 | 3 \$136,152 | 3 \$145,369 | 3 \$150,156 | 11 \$139,135 | 16 \$148,678 | 7 \$158,203 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 44 \$146,629 |



MEMBERSHIP DATA (STATE JUDGES)

| | June 30, 2007 | June 30, 2006 |
|---|---------------|---------------|
| | (1) | (2) |
| 1. Active members | | |
| a. Number | 44 | 45 |
| b. Number vested | 8 | 8 |
| c. Total annualized payroll supplied by State | \$ 6,451,666 | \$ 6,313,069 |
| d. Average salary | \$ 146,629 | \$ 140,290 |
| e. Average age | 59.0 | 58.3 |
| f. Average service | 9.8 | 9.0 |
| 2. Inactive members | | |
| a. Number | 0 | 0 |
| 3. Service retirees | | |
| a. Number | 2 | 1 |
| b. Total annual benefits | \$ 220,855 | \$ 103,192 |
| c. Average annual benefit | \$ 110,427 | \$ 103,192 |
| d. Average age | 72.2 | 78.0 |
| 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 | 3 | 2 |
| b. Total annual benefits | \$ 141,085 | \$ 105,827 |
| c. Average annual benefit | \$ 47,028 | \$ 52,913 |
| d. Average age | 72.0 | 75.8 |

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 |
| 2005 | 44 | 0.0% | 5,684,585 | 0.8% | 129,195 | 0.8% | 58.3 | 8.4 |
| 2006 | 45 | 2.3% | 6,313,069 | 11.1% | 140,290 | 8.6% | 58.3 | 9.0 |
| 2007 | 44 | (2.2%) | 6,451,666 | 2.2% | 146,629 | 4.5% | 59.0 | 9.8 |