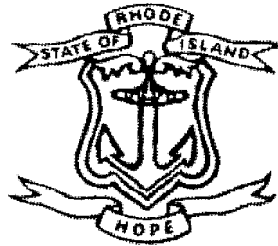


# **EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND**



## **Annual Financial Report** *for the fiscal year ending June 30, 2000*

**Honorable Paul J. Tavares, General Treasurer**



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# EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND



INTRODUCTORY  
SECTION

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

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





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

Dear Governor Almond:

In accordance with Rhode Island General Laws, 36-8-8 and 45-21-34, enclosed is the Sixty-fourth Annual Financial Report of the Employees' Retirement System and the Forty-third 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, 2000.

Respectfully submitted,

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

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



**Employees Retirement Board (as of January 1, 2000)**

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

**Employees' Retirement System of Rhode Island Administration (as of January 1, 2000)**

James M. Reilly, Acting Executive Director  
Diane S. Bourne, Assistant Director-Member Services  
Frank S. Karpinski, Assistant Director-Finance  
David D. Barricelli, Board Counsel

**State Investment Commission (as of January 1, 2000)**

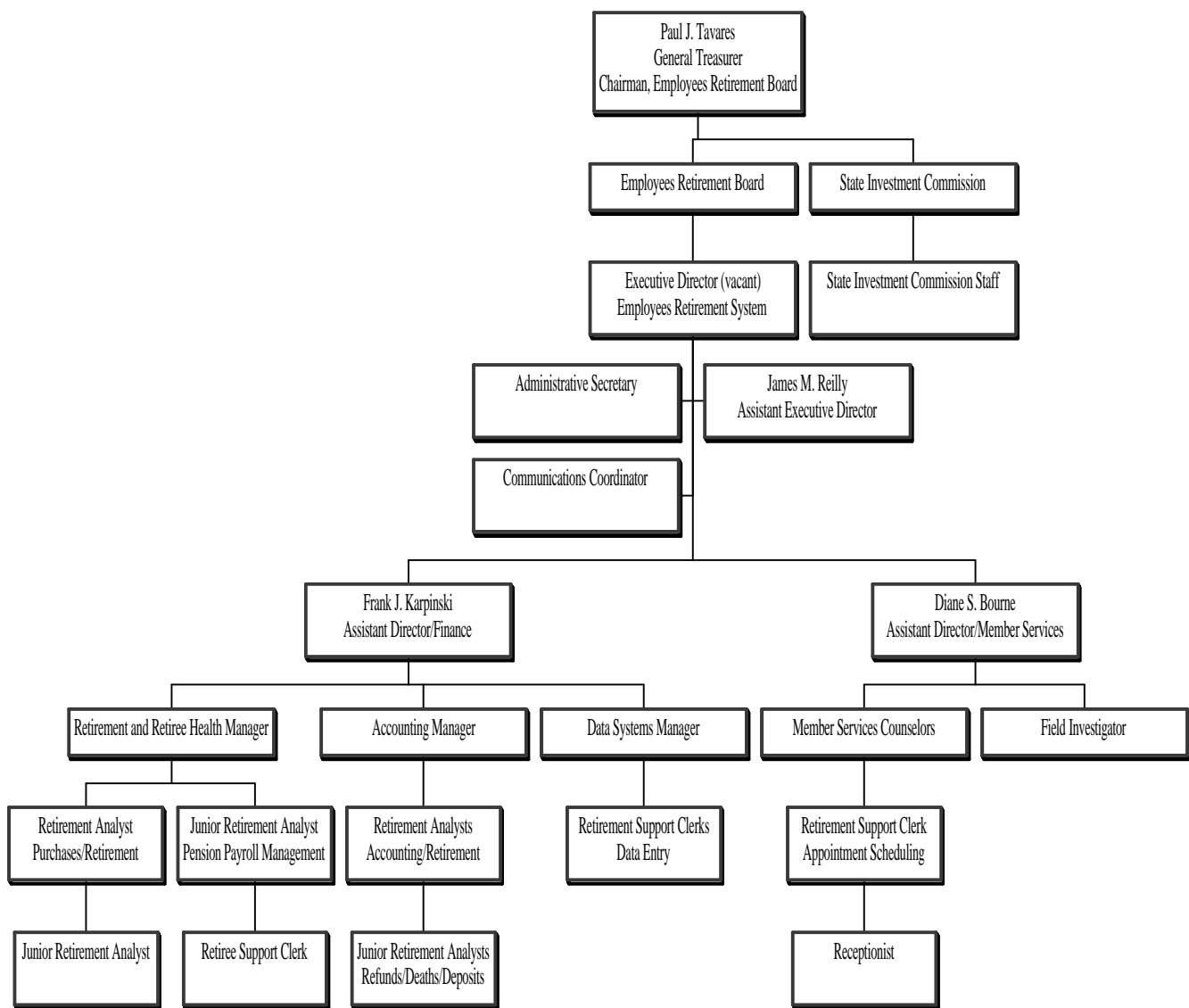
Paul J. Tavares, Chairperson, General Treasurer  
B. Gen. Jack A. Apperson, Governor's Appointee  
Robert L. Carl, Jr., PhD, Department of Administration  
J. Michael Costello, Governor's Appointee  
Representative Mark B. Heffner, House Finance Committee Designee  
Senator Daniel P. Connors, Senate Finance Committee Designee  
Dr. Robert J. McKenna, Governor's Appointee  
James E. Thorson, Governor's Appointee  
Marcia Reback, General Treasurer'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.

Michael Mello, Treasury Chief of Staff  
Wilshire Associates, Inc., Consultant to State Investment Commission  
State Street Bank and Trust, Custodian Bank



# Employees Retirement System of Rhode Island Organizational Chart





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

We are pleased to present to you this Annual Financial Report of the Employees' Retirement System of Rhode Island (ERSRI) and the Municipal Employees Retirement System (MERS) for the fiscal year ending June 30, 2000. 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, summaries plan benefits, and provides a review of 2000 retirement legislation. The second section contains the audited financial statements of the following retirement and health 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.  
(At the time of the preparation of the financial statements, the 2000 actuarial valuation had not been completed. Consequently, the notes to the financial statements reflect the 1999 actuarial valuation.)

Watson Wyatt Worldwide serves as the system's actuary. Thus, the report concludes with Watson's June 30, 2000 actuarial valuation of our system.

### **Membership**

As of June 30, 2000, active membership in the Employees' and Municipal Employees' Retirement System totaled 34,326. There are currently 31 judges contributing to the Judicial Retirement Plan and 152 state police contributing to the State Police Retirement Plan. A total of 19,220 retirees and beneficiaries were receiving benefits from the system.

### **Accounting Basis**

The financial statements have been prepared in accordance with generally accepted accounting principles 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 contributions, employer contributions, and investment earnings. Total revenues for fiscal year 2000 were \$ 873,409,555. The expenditures of the fund consist primarily of payments made to members and beneficiaries for retirement, disability, death or survivor benefits. In total, benefits payments for fiscal year 2000 were \$375,433,915.



Administrative expenses of the retirement system and the cost of maintaining the retirement system are paid from a restricted receipt account that is used solely to pay such expenses. This account is reimbursed through the transfer of 1.5 % of the investment income from the retirement fund. Any non-encumbered funds at June 30th are transferred back to the retirement fund. Administrative expenses incurred by the system for the year ended June 30, 2000 amounted to \$ 2,626,158.

### **Funding**

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

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

As of June 30, 2000 utilizing the newly adopted funding method, ERSRI was 81.6% funded for state employees, a decrease of 2.8% from the restated prior year. The funding ratio for teachers for June 30, 2000 was 80.6%, a decrease of 1.5% from the restated prior year. The Judicial Retirement Benefits Trust (JRBT) was 75.9% funded, an increase of 1.4% over the previous restated year while the State Police Retirement Benefits Trust (SPRBT) was 81.5% funded, an increase of 3.3% over the previous year. The Municipal Employees Retirement System (MERS) prepares separate valuations for each participating unit. Consequently, each unit has its own funding ratio that can be found on pages 75-78 of this report.

### **Investment Services**

Assets are invested under the direction and authority of the State Investment Commission (SIC) that meets on a monthly basis. In addition to the General Treasurer who serves as Chairperson, members of the SIC include the Director of the Department of Administration, the Chairpersons of the House and Senate Finance Committees and three members appointed by the Governor. The Executive Director of the retirement system is a non-voting member of the State Investment Commission.

Wilshire Associates of Pittsburgh, Pennsylvania, serves as pension consultant to the State Investment Commission. State Street Bank and Trust serves as the pension fund custodian.

### **Professional Services**

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

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

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



### Reports to Members

An annual statement of account for the period ending December 31, 1999 was mailed to each active member in April 2000. The statement provides to each member an accounting of the amount of his/her contributions credited to his/her account along with a summary of this financial report. Active and retired members also receive newsletters and other notices on an ad hoc basis.

### Acknowledgments

The preparation of this report is possible only through the combined efforts of many individuals. We would like to thank Michael Carter and our actuarial team at Watson Wyatt Worldwide, the Office of the Auditor General, and the Office of the Controller. We would especially like to thank Todd San Bento, Accounting Manager for the Employees' Retirement System, who prepared the financial statements and Lisa Trahan, Communications Coordinator, who helped with the production of the final report.

We welcome your comments on the issuance of this report.

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

General Treasurer Paul J. Tavares, Chairman

& Members of the Retirement Board  
Employees Retirement System of Rhode Island



## 2000 RETIREMENT LEGISLATION

2000 was not a year in which significant retirement legislation was passed by the Rhode Island General Assembly. However, those retirement bills that were passed by the General Assembly and signed into law are detailed below.

### General Assembly Legislation

*Public Laws 00-334 and 00-458, Teachers' Retirement (amends R.I.G.L. 316-16-24)*

These amendments, effective July 20, 2000, allow retired teachers to substitute for an absent classroom teacher at state and R.I. public schools for up to 90 days (or 180 half-days of 3 hours or less) in any one school year, and still collect a retirement benefit.

*Public Law 00-199, Membership and Service Credits*

The passage and enactment of this law on July 13, 2000 allows ERSRI members to participate in a tax-qualified, ERISA-covered union retirement plan while retaining membership and benefits from ERSRI.

*Public Laws 00-349, 00-468, and 00-495, Post retirement employment (amends R.I.G.L. 36-10-36)*

Section 36-10-36, which allows retired ERSRI and MERS retirees to be employed on a part-time bases by any state college, university or state school for providing classroom instruction, academic advising or coaching, was amended to allow compensation of up to \$12,000 gross pay in a calendar year. The \$12,000 limit also applies to ERSRI retired teachers and state employees (those certified while active employees) who provide classroom instruction in driver education or motorcycle driver education courses for the department of elementary and secondary education. The amendments were effective July 20, 2000.



**EMPLOYEES RETIREMENT SYSTEM  
OF RHODE ISLAND**



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ERNEST A. ALMONTE, CPA, CFE  
Auditor General

GENERAL ASSEMBLY

Office of the Auditor General

1145 Main Street  
Pawtucket, Rhode Island 02860-4807

OFFICE  
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FAX  
(401) 222-2111

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying statements of plan net assets of the State of Rhode Island and Providence Plantations Employees' Retirement System (the System) as of June 30, 2000 and the related statements of changes in plan net assets for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

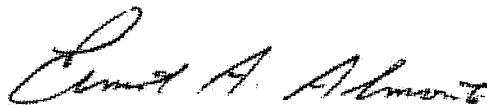
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the plans within the System as of June 30, 2000, and the changes in plan net assets for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 3, 2000 on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Schedules of Funding Progress and the Schedules of Contributions from the Employers and Other Contributing Entity on pages 18 and 19 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



Ernest A. Almonte, CPA, CFE  
Auditor General

November 3, 2000



**EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND**  
**Statements of Plan Net Assets**  
**June 30, 2000**

	<u>ERS</u>	<u>MERS</u>	<u>SPRBT</u>	<u>JRBT</u>	<u>Total (Memorandum Only)</u>
<b>Assets</b>					
Cash and cash equivalents (Note 3)	\$317,943	\$77,332	\$152,424	\$100,324	\$648,023
<b>Receivables</b>					
Member contributions	7,616,569	1,285,553	-	-	8,902,122
Employer contributions	8,371,093	578,494	-	-	8,949,587
Due from state for teachers	8,555,891	-	-	-	8,555,891
Miscellaneous	1,542,819	242,599	3,286	2,279	1,790,983
Total receivables	<u>26,086,372</u>	<u>2,106,646</u>	<u>3,286</u>	<u>2,279</u>	<u>28,198,583</u>
<b>Investments, at fair value (Note 3)</b>					
Equity in Short-Term Investment Fund	4,442,089	416,204	-	-	4,858,293
Equity in Pooled Trust	6,098,620,862	892,446,996	11,377,097	7,405,683	7,009,850,638
Plan specific investments	27,445,150	-	-	-	27,445,150
Total investments	<u>6,130,508,101</u>	<u>892,863,200</u>	<u>11,377,097</u>	<u>7,405,683</u>	<u>7,042,154,081</u>
Total assets	6,156,912,416	895,047,178	11,532,807	7,508,286	7,071,000,687
<b>Liabilities</b>					
Accounts and vouchers payable	3,462,358	529,722	6,314	4,111	4,002,505
Total liabilities	<u>3,462,358</u>	<u>529,722</u>	<u>6,314</u>	<u>4,111</u>	<u>4,002,505</u>
<b>Net assets held in trust for pension benefits (A schedule of funding progress for each plan is presented on page 34.)</b>					
	<u>\$6,153,450,058</u>	<u>\$894,517,456</u>	<u>\$11,526,493</u>	<u>\$7,504,175</u>	<u>\$7,066,998,182</u>

*See notes to financial statements.*



**EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND**  
**Statements of Changes In Plan Net Assets**  
**Fiscal Year ended June 30, 2000**

	ERS	MERS	SPRBT	JRBT	Total (Memorandum Only)
<b>Additions</b>					
Contributions					
Member contributions	\$111,461,614	\$14,188,637	\$495,937	\$289,165	\$126,435,353
Employer contributions	104,498,837	5,823,861	1,508,778	1,007,618	112,839,094
State contributions for teachers	40,719,407	-	-	-	40,719,407
Interest on service credits purchased	939,160	127,247	-	-	1,066,407
Service credit transfer payments	177,291	71,010	-	-	248,301
Total contributions	<u>257,796,309</u>	<u>20,210,755</u>	<u>2,004,715</u>	<u>1,296,783</u>	<u>281,308,562</u>
Investment income					
Net appreciation in fair value of investments	342,181,350	50,210,425	607,613	395,953	393,395,341
Interest	129,834,614	18,739,265	215,017	139,990	148,928,886
Dividends	40,717,718	5,960,810	69,362	45,158	46,793,048
Other investment income	21,687,155	3,088,533	36,251	23,599	24,835,538
	<u>534,420,837</u>	<u>77,999,033</u>	<u>928,243</u>	<u>604,700</u>	<u>613,952,813</u>
Less investment expense	<u>19,017,066</u>	<u>2,781,708</u>	<u>32,091</u>	<u>20,955</u>	<u>21,851,820</u>
Net investment income	<u>515,403,771</u>	<u>75,217,325</u>	<u>896,152</u>	<u>583,745</u>	<u>592,100,993</u>
Total additions	<u>773,200,080</u>	<u>95,428,080</u>	<u>2,900,867</u>	<u>1,880,528</u>	<u>873,409,555</u>
<b>Deductions</b>					
Benefits					
Retirement benefits	253,419,163	27,045,803	-	-	280,464,966
Cost of living adjustment	59,573,173	2,431,315	-	-	62,004,488
SRA Plus (option)	16,960,821	1,184,614	-	-	18,145,435
Supplemental benefits	922,803	-	-	-	922,803
Death benefits post-retirement	2,380,464	658,943	-	-	3,039,407
Death benefits pre-retirement	<u>356,800</u>	<u>94,400</u>	-	-	<u>451,200</u>
Total benefits	333,613,224	31,415,075	-	-	365,028,299
Refund of contributions	6,326,341	1,204,816	-	-	7,531,157
Administrative expense	2,287,909	334,047	2,626	1,576	2,626,158
Service credit transfer payments	71,010	177,291	-	-	248,301
Total deductions	<u>342,298,484</u>	<u>33,131,229</u>	<u>2,626</u>	<u>1,576</u>	<u>375,433,915</u>
Net increase	430,901,596	62,296,851	2,898,241	1,878,952	497,975,640
<b>Net assets held in trust for pension benefits</b>					
Beginning of year	<u>5,722,548,462</u>	<u>832,220,605</u>	<u>8,628,252</u>	<u>5,625,223</u>	<u>6,569,022,542</u>
End of year	<u>\$6,153,450,058</u>	<u>\$894,517,456</u>	<u>\$11,526,493</u>	<u>\$7,504,175</u>	<u>\$7,066,998,182</u>

See notes to financial statements.



## NOTES TO FINANCIAL STATEMENTS

### 1. Plan Descriptions

#### (a.) *General*

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

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

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

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

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

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



**EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND**

A summary of membership in the plans as of the June 30, 1999 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>
<b>ERS</b>					
State Employees	9,067	1,882	8,762	4,607	24,318
Teachers	6,043	1,286	7,313	5,969	20,611
<b>MERS</b>					
General Employees	3,139	894	2,578	3,425	10,036
Public Safety	251	31	424	556	1,262
<b>SPRBT</b>	-	-	-	130	130
<b>JRBT</b>	-	-	-	29	29
<i>Total by type</i>	18,500	4,093	19,077	14,716	56,386

**(b). Membership and Benefit Provisions**

*(1) Employees' Retirement System (ERS)*

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

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

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





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

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

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

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

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

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

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

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



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

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

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

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

Municipalities, housing authorities, water and sewer districts.	63
Municipal police and fire departments.	<u>45</u>
Total participating units as of June 30, 2000	108

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

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

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

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

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



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

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

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

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

## 2. **Summary of Significant Accounting Policies**

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

### *Basis of Accounting*

The financial statements of the System are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Dividend income is recorded on the ex-dividend date. Investment transactions are recorded on a trade date basis.

### *Method Used to Value Investments*

Investments are recorded in the financial statements at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller - that is, other than a forced liquidation sale. The fair value of fixed income and domestic and international stocks are generally based on published market prices and quotations from national security exchanges and securities pricing services. Real estate is primarily valued on appraisals by independent appraisers or as adjusted by the general partner. Other securities and investments that are not traded on a national security exchange are valued by the respective fund manager.

### *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.



*Foreign Currency Exchange Contracts*

The System may enter into foreign currency exchange contracts to minimize the short-term impact of foreign currency fluctuations on foreign investments. The gains or losses on these 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.

*Futures Contracts*

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

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded.

*Mortgage-Backed Securities*

The System invests in various mortgage-backed securities, such as collateralized mortgage obligations (CMO). They are reported in aggregate as U.S. Government and Agency Securities in the disclosure of custodial credit risk (See Note 3 on Investments). 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.

*Memorandum Only - Total Columns*

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

**3. Cash Deposits and Investments**

*(a.) Cash Deposits and Cash Equivalents*

At June 30, 2000, the carrying amounts of the plans' cash deposits, including cash overdrafts, are listed below:

	<u>ERS</u>	<u>MERS</u>	<u>SPRBT</u>	<u>JRBT</u>
Book balance	\$317,943	\$77,332	\$152,424	\$100,324
Bank balance	\$799,816	\$178,514	\$152,678	\$100,539

The bank balances represent the plans' deposits in short-term trust accounts that are covered by federal depository insurance. The book and bank balances include certificates of deposits of \$500,000 in ERS and \$100,000 in MERS.



In accordance with Rhode Island General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent of time deposits with maturities greater than sixty days. Any of these institutions that do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent of deposits, regardless of maturity. None of the System's deposits was required to be collateralized at June 30, 2000.

**(b.) Investments**

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

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

Certain investments are not pooled and are held by only one plan (plan specific investments). As of June 30, 2000, the ERS held investments in bonds issued by the R.I. Housing and Mortgage Finance Corporation having a fair value of \$3,844,884. This entity is included as a discretely presented proprietary component unit in the State of Rhode Island's Comprehensive Annual Financial Report. The ERS also holds a loan receivable with a fair market value of \$22,890,000. This loan is secured by real estate located in Rhode Island.

The System's investments (at fair value) are categorized in the following table to give an indication of the level of risk assumed by the entity at June 30, 2000:

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

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

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



	<i>Short-term Investment Fund</i>	<i>Pooled Trust</i>	<i>Plan Specific</i>
<i><u>Investments - Category I</u></i>			
U.S. Government and Agency Securities	\$ -	\$ 1,306,557,383	\$ -
Corporate Bonds and Notes	-	661,086,166	26,734,884
Foreign Bonds	-	53,280,510	-
Equity Securities	-	3,110,991,365	-
Foreign Equity Securities	-	832,894,123	-
Domestic Unit Investment Trust	-	211,445,791	-
Foreign Unit Investment Trust	-	312,918,277	-
Subtotal	-	6,489,173,615	26,734,884
<i><u>Investments not categorized</u></i>			
Real Estate and Venture Capital Limited Partnerships	-	372,460,261	-
Money Market Mutual Funds	4,790,996	271,611,055	-
Subtotal	4,790,996	644,071,316	-
Total	\$ 4,790,996	\$ 7,133,244,931	\$ 26,734,884
<i>Reconciliation to investments on Statements of Plan Net Assets</i>			
Total above	4,790,996	7,133,244,931	26,734,884
Net investment payable and receivable	67,297	(127,973,694)	710,266
Foreign Cash *	-	4,579,401	-
Investments on Statements of Plan Net Assets	\$ 4,858,293	\$ 7,009,850,638	\$ 27,445,150

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



(c.) *Forward Foreign Currency Contracts*

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

**4. Contributions and Reserves**

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

(a.) *Funding Policy*

ERS, SPRBT and JRBT

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

MERS

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

Administrative Expenses

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



**(b). Contributions**

The table below displays the contribution rates for the year ending June 30, 2000:

<b>Plan</b>	<b>Employee</b>	<b>Employer</b>
<b>ERS</b>		
State Employees	8.75%	8.57%
Teachers	9.50%	
<i>Municipal funded</i>		<i>8.43% (7.19% for towns not participating in the 1990 early retirement incentive)</i>
<i>State funded</i>		<i>6.21% (5.38% for towns not participating in the 1990 early retirement incentive)</i>
<b>MERS</b>		
General Employees	6.00% (additional 1% with a cost-of-living adjustment)	63 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)	45 Municipal police and fire departments contributed various actuarially determined rates.
<b>SPRBT</b>	8.75%	26.62%
<b>JRBT</b>	8.75%	30.49%

**5. Commitments**

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





**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedules Of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Unfunded Frozen Actuarial Liability (UFAL) (b)	Frozen Actuarial Liability (c) = (a + b)	Funded Ratio (a / c)	Covered Payroll (d)	UFAL as a Percentage of Covered Payroll (b / d)
<b>ERS (State Employees)</b>						
6/30/99	\$2,201,890,748	\$497,589,001	\$2,699,479,749	81.6%	\$494,815,513	100.6%
6/30/98	2,075,619,300	500,662,800	2,576,282,100	80.6%	477,319,600	104.9%
6/30/97	1,810,447,600	502,116,100	2,312,563,700	78.3%	443,709,300	113.2%
6/30/96	1,529,403,200	444,814,700	1,974,217,900	77.5%	452,608,500	98.3%
6/30/95	1,345,530,000	442,370,600	1,787,900,600	75.3%	440,574,000	100.4%
6/30/94	1,234,373,500	438,794,100	1,673,167,600	73.8%	454,687,000	96.5%
<b>ERS (Teachers)</b>						
6/30/99	\$3,259,015,814	\$952,042,896	\$4,211,058,710	77.4%	\$673,484,467	141.4%
6/30/98	3,045,858,900	953,864,000	3,999,722,800	76.2%	636,246,600	149.9%
6/30/97	2,626,621,500	953,031,000	3,579,652,500	73.4%	604,076,600	157.8%
6/30/96	2,181,535,900	767,893,900	2,949,429,800	74.0%	556,114,500	138.1%
6/30/95	1,824,102,300	762,202,100	2,586,304,400	70.5%	507,125,000	150.3%
6/30/94	1,642,292,300	754,727,900	2,397,020,200	68.5%	485,325,000	155.5%
<b>SPRBT</b>						
6/30/99	\$8,480,657	\$587,349	\$9,068,006	93.5%	\$7,502,433	7.8%
6/30/98	6,756,900	581,300	7,338,200	92.1%	7,211,900	8.1%
6/30/97	4,861,600	574,300	5,435,900	89.4%	5,371,000	10.7%
6/30/96	3,115,500	560,200	3,675,700	84.8%	4,948,800	11.3%
6/30/95	1,858,800	545,700	2,404,500	77.3%	4,751,100	11.5%
6/30/94	926,300	530,800	1,457,100	63.6%	3,060,300	17.3%
<b>JRBT</b>						
6/30/99	\$5,521,693	\$956,560	\$6,478,253	85.2%	\$3,169,183	30.2%
6/30/98	4,120,000	928,800	5,048,900	81.6%	3,040,000	30.6%
6/30/97	2,607,482	900,845	3,508,327	74.3%	2,815,218	32.0%
6/30/96	1,345,100	40,800	1,385,900	97.1%	2,596,900	1.6%
6/30/95	801,300	39,700	841,000	95.3%	2,398,400	1.7%
6/30/94	462,800	38,500	501,300	92.3%	1,521,700	2.5%
<b>MERS</b>						
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)
6/30/99	\$805,493,262	\$635,863,479	\$(169,629,783)	126.7%	\$191,234,546	(88.7)%
6/30/98	737,745,574	572,905,862	(164,839,712)	128.8%	181,260,006	(90.9)%
6/30/97	667,632,428	502,247,591	(165,384,837)	132.9%	167,527,881	(98.7)%
6/30/96	564,388,311	465,004,064	(99,384,247)	121.4%	153,750,203	(64.6)%
6/30/95	485,074,227	416,731,907	(68,342,320)	116.4%	151,125,008	(45.2)%
6/30/94	445,340,947	369,782,138	(75,558,809)	120.4%	133,213,341	(56.7)%

See notes to required supplementary information.



**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedules Of Contributions From The Employers**  
**And Other Contributing Entity**

**ERS**

Fiscal Year Ended <u>June 30</u>	<u>State Employees</u>		<u>Teachers (State)</u>		<u>Teachers (Employers)</u>	
	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2000	44,353,675	100%	40,719,407	100%	57,667,528	100%
1999	48,526,064	100%	30,202,943	100%	42,373,952	100%
1998	51,310,092	100%	35,005,382	100%	52,040,574	100%
1997	45,403,827	100%	34,871,679	100%	48,945,845	100%
1996	42,949,692	100%	30,779,586	100%	47,238,332	100%
1995	52,569,291	66%	36,922,896	81%	50,217,729	100%

**MERS**

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2000	5,823,861	100%
1999	6,608,642	100%
1998	5,139,666	100%
1997	8,734,795	100%
1996	4,600,276	100%
1995	4,481,460	100%

**SPRBT**

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2000	1,508,778	100%
1999	631,386	100%
1998	602,630	100%
1997	453,621	100%
1996	717,874	100%
1995	606,150	100%

**JRBT**

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2000	1,007,617	100%
1999	737,414	100%
1998	744,054	100%
1997	618,513	100%
1996	260,299	100%
1995	155,840	100%

*See notes to required supplementary information.*



## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

### 1. Schedules of Funding Progress

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

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

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

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

Employer costs for fiscal year ending June 30, 2002 is based on the valuation results and data as of June 30, 1999.

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

### 2. Schedules of Employer Contributions

In the fiscal year ended June 30, 1994, the contributions to MERS reflect a reduction mainly due to a mark-to-market of the assets and change to the salary growth assumption from a graduated scale to a fixed 4.5% annually.

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

In the fiscal year ended June 30, 1995, ERS contributed less than 100% of the required contribution. This is the result of fiscal year 1991 supplemental budget legislation; whereby, the State of Rhode Island (the State) withdrew \$20,788,812 from ERS. The Internal Revenue Service (IRS) determined that this action was in violation of Section 401(a) of the Internal Revenue Code (the Code). On February 4, 1994, the District Director of the IRS approved an agreement between the State and the IRS whereby the State agreed to repay to the ERS by no later than December 31, 1994, \$20,788,812 plus accrued interest at eight percent (8%) compounded monthly retroactive to March 1, 1991. As of December 31, 1994, the State repaid the amount withdrawn plus interest by designating current year contributions as payment of the obligation.

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



3. Actuarial Assumptions and Methods

	ERS				
	State Employees	Teachers	MERS	SPRBT	JRBT
Valuation Date	6/30/99	6/30/99	6/30/99	6/30/99	6/30/99
Actuarial Cost Method	Frozen Entry Age	Frozen Entry Age	Entry Age Normal	Frozen Entry Age	Frozen Entry Age
Amortization Method	Level Percent of Payroll - Closed	Level Percent of Payroll - Closed	<i>Initial base:</i> Level dollar - Closed <i>All subsequent changes:</i> Level Percent of Payroll - Open	Level Percent of Payroll - Closed	Level Percent of Payroll - Closed
Equivalent Single Remaining Amortization Period	16 years	17 years	Various	23 years	28 years
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	3 Year Market Value	5 Year Smoothed Market	5 Year Smoothed Market
Actuarial Assumptions					
Investment Rate of Return	8.25%	8.25%	8.25%	8.25%	8.25%
Projected Salary Increases	4.75% to 8.75%	4.25% to 13.25%	<i>General Employees:</i> 4.75% to 10.75% <i>Police &amp; Fire Employees:</i> 5.00% to 15.00%	5.00% to 15.00%	5.50%
Inflation	3.50%	3.50%	3.50%	3.50%	3.50%
Cost of Living Adjustments	3.0% compounded	3.0% compounded	3.0% Non-compounded	\$1,500 per annum	3.0% (see Note 1(b)(4)) to the financial statements



ERNEST A. ALMONTE, CPA, CFE  
Auditor General

State of Rhode Island and Providence Plantations

GENERAL ASSEMBLY

## Office of the Auditor General

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Pawtucket, Rhode Island 02860-4807

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

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

We have audited the statements of plan net assets of the State of Rhode Island and Providence Plantations Employees' Retirement System (the System) as of June 30, 2000 and the related statements of changes in plan net assets for the year then ended, and have issued our report thereon dated November 3, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

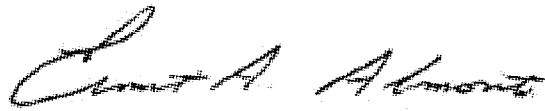
As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination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

### Internal Control Over Financial Reporting

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

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

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

  
Ernest A. Almonte, CPA, CFE  
Auditor General

November 3, 2000

**EMPLOYEES RETIREMENT SYSTEM  
OF RHODE ISLAND**



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August 30, 2001

Watson Wyatt & Company

Suite 4200  
2001 Ross Avenue  
Dallas, TX 75201-2989

Telephone 214 530 4200  
Fax 214 530 4250

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

Dear Members of the Board:

**Subject: Actuarial Valuation as of June 30, 2000**

This is the June 30, 2000 actuarial valuation of the Employees' Retirement System of Rhode Island (ERSRI), as it applies to state employees and teachers. This report describes the current actuarial condition of ERSRI, determines recommended employer contribution rates, and analyzes changes in these contribution rates. Valuations are prepared annually, as of June 30, the last day of the ERSRI plan year. Not covered in this report are the Municipal Employees' Retirement System, the State Police Retirement Benefits Trust, the Judicial Retirement Benefits Trust, or the Teachers Survivors Plan, even though assets for ERSRI and these other programs are commingled for investment purposes.

Under Rhode Island General Laws, the employer contribution rates for state employees and for teachers are certified annually by the Employees' Retirement Board. These rates are determined actuarially, based on the plan provisions in effect as of the valuation date, the actuarial assumptions adopted by the Board, and the methodology set forth in the statutes. The Board's current policy is that the contribution rates determined by a given actuarial valuation become effective two years after the valuation date. For example, the rates determined by this June 30, 2000 actuarial valuation will be applicable for the year beginning July 1, 2002 and ending June 30, 2003.

#### **Financing objectives**

The actuarial cost method and the amortization periods are set by statute. The contribution rates are intended to be sufficient to pay normal cost and to amortize unfunded actuarial accrued liability (UAAL) in level payments over a fixed period of 29 years. The funding period is set by the Board of Trustees, and is considered reasonable by the actuary.

#### **Progress toward realization of financing objectives**

The funded ratio (the ratio of the actuarial value of assets to the unfunded actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. For the state employees, the funded ratio is 81.6%, while for teachers the ratio is 80.6%. These are based on the Entry Age Normal funding method effective June 30, 1999.



The employer contribution rate increased for state employees, from 5.59% to 7.68%, and for teachers, from 9.95% to 11.97%. The increase in the contribution rates was the result of the adoption of the new actuarial assumptions discussed below.

#### **Benefit provisions**

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2000. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.

#### **Assumptions and methods**

In connection with this valuation, we carried out a review of actual plan experience for the last several years. Based on this review, we recommend a number of changes in the actuarial assumptions, and the Board adopted all the recommendations. The one exception was that we recommend leaving the investment return assumption unchanged at 8.00%, but the Board adopted an 8.25% investment return assumption instead. This report was prepared using the 8.25% rate adopted by the Board. The assumption changes were:

- Future salary increase rates
- Mortality rates
- Retirement rates
- Termination rates
- Disability rates
- Inflation rate

The funding method was changed to Entry Age Normal with a fixed 30 year amortization for the unfunded actuarial liability, effective June 30, 1999. Therefore, we have restated the results for last year's valuation.

#### **Data**

The System's staff supplied member data for retired, active and inactive members as of June 30, 2000. 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, 2000.

#### **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




Members of the Board  
August 30, 2001  
Page 3

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, and both are experienced in performing valuations for large public retirement systems.

Sincerely,

  
C. Leonora Kwan, ASA, MAAA  
Actuary



W. Michael Carter, FSA, MAAA  
Actuary

n/b

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Actuarial Valuation - June 30, 2000

STATE EMPLOYEES

Item	2000	Restated 1999	1999
<b>Membership</b>			
· Number of			
- Active members	13,305	13,369	13,369
- Retirees and beneficiaries	9,250	9,067	9,067
- Inactive members	<u>1,730</u>	<u>1,882</u>	<u>1,882</u>
- Total	24,285	24,318	24,318
· Payroll supplied by ERSRI	\$ 499,070,777	\$ 476,020,909	\$ 476,020,909
<b>Contribution rates</b>			
· Member	8.75%	8.75%	8.75%
· Employer	7.68%	5.59%	8.72%
<b>Assets</b>			
· Market value	\$ 2,375,631,073	\$ 2,228,766,512	\$ 2,228,766,512
· Actuarial value	2,345,319,663	2,201,890,748	2,201,890,748
· Return on market value	9.1%	10.1%	10.1%
· Return on actuarial value	8.8%	14.7%	14.7%
· Employer contribution	\$ 44,386,071	\$ 48,499,917	\$ 48,499,917
<b>Actuarial Information</b>			
· Employer Normal cost %	0.21%	0.05%	(1.05%)
· Unfunded accrued liability (UAAL)	\$ 529,585,884	\$ 405,506,581	\$ 497,589,001
· Amortization percentage	7.47%	5.54%	9.77%
· Funding period	29 years	30 years	16 years
· GASB funded ratio	81.6%	84.4%	81.6%
<b>Projected employer contribution</b>			
· Fiscal year ending June 30,	<b>2003</b>	<b>2002</b>	<b>2002</b>
- Projected payroll (millions)	\$ 549.2	\$ 530.1	\$ 530.1
- Projected employer contribution (millions)	\$ 42.2	\$ 29.6	\$ 46.2



## Actuarial Valuation - June 30, 2000

## TEACHERS

Item	2000	Restated 1999	1999
<b>Membership</b>			
· Number of			
- Active members	13,607	13,282	13,282
- Retirees and beneficiaries	6,486	6,043	6,043
- Inactive members	<u>1,245</u>	<u>1,286</u>	<u>1,286</u>
- Total	21,338	20,611	20,611
· Payroll supplied by ERSRI	\$ 658,603,139	\$ 632,777,429	\$ 632,777,429
<b>Contribution rates</b>			
· Member	9.50%	9.50%	9.50%
· Employer	11.97%	9.95%	13.18%
· State Share	5.04%	4.22%	5.61%
· Local employer share	6.93%	5.73%	7.57%
<b>Assets</b>			
· Market value	\$ 3,570,250,173	\$ 3,303,567,692	\$ 3,303,567,692
· Actuarial value	3,514,399,312	3,259,015,814	3,259,015,814
· Return on market value	9.1%	10.1%	10.1%
· Return on actuarial value	8.8%	14.7%	14.7%
· Employer contribution (state & local)	\$ 99,296,418	\$ 72,516,012	\$ 72,516,012
<b>Actuarial Information</b>			
· Employer Normal cost %	3.18%	2.84%	0.16%
· Unfunded accrued liability (UAAL)	\$ 845,481,950	\$ 708,513,358	\$ 952,042,896
· Amortization percentage	8.79%	7.11%	13.2%
· Funding period	29 years	30 years	17 years
· GASB funded ratio	80.6%	82.1%	77.4%
<b>Projected employer contribution</b>			
· Fiscal year ending June 30,	<b>2003</b>	<b>2002</b>	<b>2002</b>
· Projected payroll (millions)	\$ 746.0	\$ 721.5	\$ 721.5
· Projected employer contribution (millions)	\$ 89.3	\$ 71.8	\$ 95.1
· State share (millions)	\$ 37.6	\$ 30.4	\$ 40.5
· Local employer share (millions)	\$ 51.7	\$ 41.4	\$ 54.6



**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, 2002.

The rate consists of two pieces: the normal cost rate and the amortization rate. The normal cost rate is the Entry Age Normal cost as a percent of pay. The amortization rate is the unfunded actuarial liability amortized over 29 years as a level percent of pay.

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

	Local	State	Total
Amortization for FY 91 and 92 deferrals	0.00%	0.42%	0.42%
Normal cost and all other amortizations	<u>6.93%</u>	<u>4.62%</u>	<u>11.55%</u>
Total	6.93%	5.04%	11.97%

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%	0.42%	0.42%
Normal cost and all other amortizations	<u>6.31%</u>	<u>4.21%</u>	<u>10.52%</u>
Total	6.31%	4.63%	10.94%



## SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

### Valuation Date

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

### Actuarial Cost Method

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

The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 8.25 percent), of each participant's expected benefit payable at retirement or death is determined, based on his age, service, sex and compensation. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.

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 30 years from June 30, 1999.

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

### Actuarial Value of Assets

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



**Actuarial Assumptions**

**Economic Assumptions**

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

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

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

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





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

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

### Demographic Assumptions

- Mortality rates (for active and retired members)
- Healthy males - Based on the 1994 Group Annuity Mortality Tables for males. Rates are set forward one year.
- Healthy females - Based on the 1994 Group Annuity Mortality Tables for females.
- Disabled males - PBGC Table Va for disabled males eligible for Social Security disability benefits
- Disabled females - PBGC Table VIa for disabled females eligible for Social Security disability benefits.

Sample rates are shown below:

#### Expected Deaths per 100 Lives

Age (1)	Healthy Males (2)	Healthy Females (3)	Disabled Males (4)	Disabled Females (5)
25	0.07	0.03	4.83	2.63
30	0.08	0.04	3.62	2.37
35	0.09	0.05	2.78	2.14
40	0.12	0.07	2.82	2.09
45	0.17	0.10	3.22	2.24
50	0.29	0.14	3.83	2.57
55	0.49	0.23	4.82	2.95
60	0.90	0.44	6.03	3.31
65	1.62	0.86	6.78	3.70
70	2.60	1.37	7.39	4.11
75	4.09	2.27	8.42	4.92
80	6.86	3.94	11.28	7.46



*Disability rates:* Sample rates are shown below.

<b>Expected Disabilities per 1,000 Lives</b>								
Age	State	State	State	State	Teachers	Teachers	Teachers	Teachers
	Ordinary	Accidental	Ordinary	Accidental	Ordinary	Accidental	Ordinary	Accidental
	Males	Males	Females	Females	Males	Males	Females	Females
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
25	0.25	0.20	0.36	0.09	0.15	0.08	0.15	0.08
30	0.30	0.25	0.44	0.11	0.18	0.10	0.18	0.10
35	0.41	0.34	0.60	0.15	0.24	0.13	0.24	0.13
40	0.61	0.50	0.88	0.22	0.36	0.19	0.36	0.19
45	0.99	0.81	1.44	0.36	0.59	0.32	0.59	0.32
50	1.68	1.37	2.44	0.61	0.99	0.54	0.99	0.54
55	2.78	2.27	4.04	1.01	1.65	0.89	1.65	0.89
60	3.88	3.17	5.64	1.41	2.30	1.24	2.30	1.24
65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

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

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



Termination rates (continued):

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

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



*Termination rates (continued):*

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



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

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



### **Other Assumptions**

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

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

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

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

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

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

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

### **Participant Data**

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

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

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

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



## SUMMARY OF BENEFIT PROVISIONS

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

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

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

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

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

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

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

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

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

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



*Retirement*

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

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

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

The maximum benefit is 80% of FAC.

Correctional Officers receive a benefit computed under a different formula:

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

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

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





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

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

#### *Disability Retirement*

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

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

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

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

#### *Deferred Termination Benefit*

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

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

Payment Form: The same as for Retirement above.

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

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

#### *Withdrawal (Refund) Benefit*

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

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



*Death Benefit of Active or Inactive Members*

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

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

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

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

*Optional Forms of Payment*

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

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

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

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

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

*Post-retirement Benefit Increase*

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



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

Item	June 30, 2000	June 30, 1999
(1)	(2)	(3)
<b>A. Total ERSRI assets</b>		
1. Cash and cash equivalents	\$ 317,943	\$ -
2. Receivables:		
a. Employer and member contributions	\$ 15,987,662	\$ 15,838,431
b. Due from state for teachers	8,555,891	6,514,467
c. Net investment income and other	<u>1,542,819</u>	<u>88,209</u>
d. Total receivables	\$ 26,086,372	\$ 22,441,107
3. Investments		
a. Short-term investment fund	\$ 4,442,089	\$ 193,022
b. Pooled trust	6,098,620,862	5,683,181,388
c. Plan specific investments	<u>27,445,150</u>	<u>27,786,464</u>
d. Total	\$ 6,130,508,101	\$ 5,711,160,874
4. Total assets	\$ 6,156,912,416	\$ 5,733,601,981
5. Liabilities		
a. Cash Overdraft	\$ -	\$ 6,785,725
b. Benefits payable	-	653,985
c. Accounts and vouches payable	<u>3,462,358</u>	<u>3,613,809</u>
d. Total liabilities	\$ 3,462,358	\$ 11,053,519
7. Total market value of assets available for benefits Total (Item 4 - Item 5)	\$ 6,153,450,058	\$ 5,722,548,462
<b>B. Breakdown</b>		
1. State employees	\$ 2,375,631,073	\$ 2,228,766,512
2. Teachers	3,570,250,175	3,303,567,692
3. Teachers' survivors benefits	207,568,810	190,214,258
4. Reserve for certain employees	<u>-</u>	<u>-</u>
5. Total	\$ 6,153,450,058	\$ 5,722,548,462



RECONCILIATION OF PLAN NET ASSETS

Item	Year Ending 06/30/2000	
	State Employees	Teachers
(1)	(2)	(3)
1. Market value of assets at beginning of year	\$ 2,228,766,512	\$ 3,303,567,692
Reserve for certain employees	-	-
Adjusted market value of assets at BOY	\$ 2,228,766,512	\$ 3,303,567,692
2. Contributions		
a. Members	\$ 45,334,753	\$ 64,314,209
b. Legislative	75	-
c. State	44,386,071	40,719,407
d. Local employers	-	58,577,011
e. Service purchases	890,018	1,199,025
f. Total	\$ 90,610,917	\$ 164,809,652
3. Investment earnings, net of investment and administrative expenses	\$ 194,597,488	\$ 299,247,232
4. Expenditures for the year		
a. Benefit payments	\$(100,219,646)	\$ (150,410,469)
b. Cost-of-living adjustments	(27,317,743)	(32,255,431)
c. Post-retirement death benefits	(1,688,643)	(691,467)
d. Pre-retirement death benefits	(291,200)	(65,600)
e. Social security supplements	(4,480,149)	(12,480,672)
f. Supplemental pensions	(238,915)	(683,888)
g. Refunds	(4,452,882)	(1,445,589)
h. Total expenditures	\$ (138,689,178)	\$ (198,033,116)
5. Transfers and other adjustments	\$ 345,334	\$ 658,713
6. Market value of assets at end of year	\$ 2,375,631,073	\$ 3,570,250,173

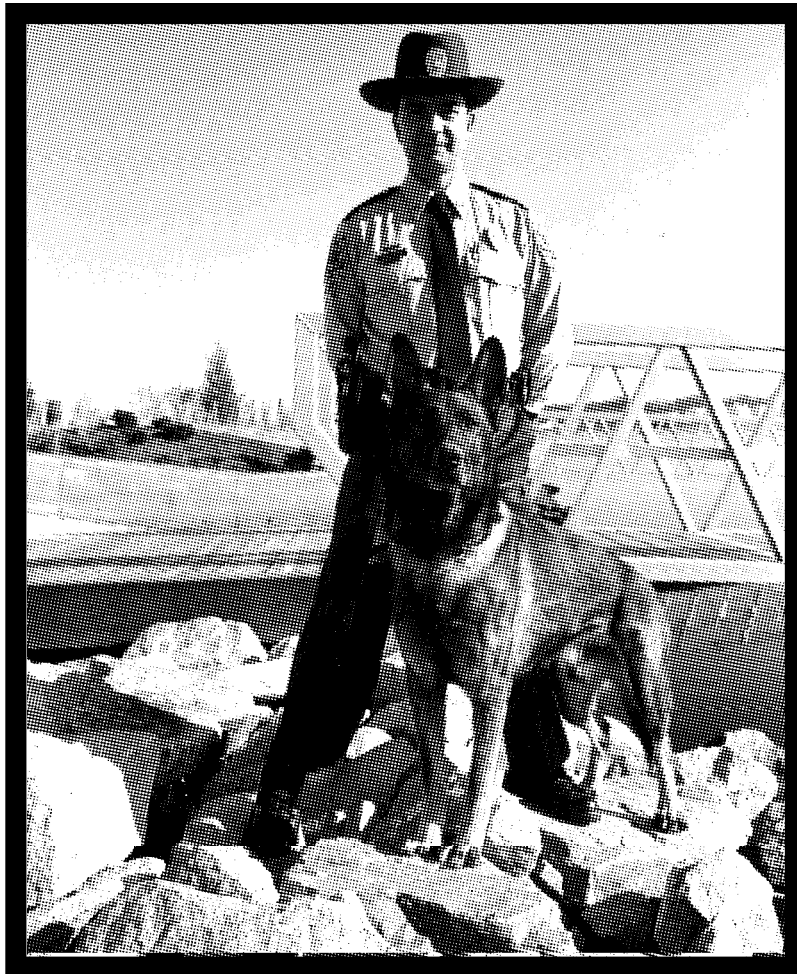


## ANALYSIS OF CHANGE IN EMPLOYER COST

Basis	State Employees	Teachers
(1)	(2)	(3)
1. Employer fiscal 2002 cost	5.59%	9.95%
2. Impact of changes, gains and losses		
a. Liability experience (gain)/loss	0.34%	0.39%
b. Asset experience (gain)/loss	-0.15%	-0.20%
c. Assumption changes	1.90%	1.83%
d. Asset method change	N/A	N/A
e. Changes in provisions	N/A	N/A
f. Total	2.09%	2.02%
3. Employer fiscal 2003 cost	7.68%	11.97%

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**MUNICIPAL EMPLOYEES  
RETIREMENT SYSTEM**



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*“It is the express intention of the legislature by the passage of this chapter to provide an actuarially financed retirement system for municipal employees, properly integrated with the federal Social Security Act, to the end that adequate benefits may be established for the employees of any municipality who become superannuated or other incapacitated while in service, and whereby the employees may be assisted in accumulating reserves for themselves and their dependents to satisfactorily meet the conditions incident to old age, death, disability, and termination of the employees, in the interest of maintaining and promoting efficiency and economy in the administration of government.”*

—Section One of Chapter 2784 of the Public Laws of 1951





June 6, 2001

Watson Wyatt & Company

Suite 4200  
2001 Ross Avenue  
Dallas, TX 75201-2989

Telephone: 214 530 4200  
Fax: 214 530 4250

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

Dear Members of the Board:

**Subject: Actuarial Valuation as of June 30, 2000**

This is the June 30, 2000 actuarial valuation of the Municipal Employees' Retirement System (MERS). Separate liabilities and contribution rates are determined for each of the participating units. Valuations are prepared annually as of June 30, the last day of the plan year.

Under Rhode Island General Laws, the employer contribution rates for the units participating within MERS are certified annually by the Employees' Retirement Board. These rates are determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methodology adopted by the Board. 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, 2000 actuarial valuation will be applicable for the year beginning July 1, 2002 and ending June 30, 2003.

#### **Financing objectives and funding policy**

The actuarial cost method and the amortization periods are set by board policy. The entry age cost method is used. (This method is different from the frozen entry age method specified by statute for the other Rhode Island retirement systems: the Employees' Retirement System of Rhode Island, the Judicial Retirement Benefit Trust, and the State Police Retirement Benefit Trust.) Each MERS unit contributes the employer normal cost plus an amount required to amortize the unfunded actuarial accrued liability (UAAL). The amortization cost is actually the sum of two pieces: (i) the initial UAAL at the adoption of MERS (or from June 30, 1988, if later), is amortized in level payments over a 25-year closed period, and (ii) any subsequent gains, losses or other changes are amortized as a level percentage of the payroll for current active members. This approach should produce relatively level contribution rates over time.



### **Progress toward realization of financing objectives**

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

In addition, the employer contribution rates decreased or remained level for most units. Of the 109 participating units, only 25 had rate increases. The employer required contribution rate remained unchanged, as compared to last year's valuation rate, for the average General Employee Unit and increased from 5.68% to 5.74% of covered payroll for the average Police & Fire Unit.

### **Benefit provisions**

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2000. The benefit provisions are summarized in Appendix B.

### **Assumptions and methods**

The actuarial assumptions have been changed as a result of the experience study approved by the Board on May 9, 2001. The actuarial methods remain unchanged from the prior valuation. These assumptions and method are described in Appendix A.

### **Data**

The System's staff supplied member data for retired, active and inactive members as of June 30, 2000. 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, 2000.

### **Certification**

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

Members of the Board  
June 6, 2001  
Page 3



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

Sincerely,

A handwritten signature in black ink, appearing to read 'Leonora Kwan', written in a cursive style.

C. Leonora Kwan, ASA, MAAA  
Actuary

A handwritten signature in black ink, appearing to read 'John J. Garrett', written in a cursive style.

John J. Garrett, ASA, MAAA  
Actuary

A handwritten signature in black ink, appearing to read 'W. Michael Carter', written in a cursive style.

W. Michael Carter, FSA, MAAA  
Vice President

nfb

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## **GASB 25 AND FUNDING PROGRESS**

Accounting requirements for MERS are set by Governmental Accounting Standards Board Statement No. 25 (GASB 25). The *Schedule of Funding Progress* tables on pages 75-78 show a summary of the funded ratios and other information for MERS as of June 30, 2000.

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

For MERS, the calculated contribution rate shown in the *Contribution Rates* tables on pages 68-71 is the ARC. The *Equivalent Single Amortization Period* tables on pages 79-81 demonstrate that the average amortization period is less than the maximum period allowed under GASB for all MERS units.

## **CONTRIBUTION RATES**

The employer contribution rates for MERS are determined actuarially. The rates determined in this valuation become effective two years after the valuation date, i.e., as of July 1, 2002.

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

The *Contribution Rates* tables on pages 68-71 show the member contribution rate, the employer normal cost rate, amortization rate and the total employer contribution rate. These rates are applicable to the fiscal year ending June 30, 2003. The *Comparison of Employer Contribution Rates* tables on pages 72-74 compare the total employer contribution rate with those rates determined in the two prior actuarial valuations. Finally, the *Schedule of Funding Progress* tables on pages 75-78 show the components used to determine the employer contribution rate in dollar amounts.



**CONTRIBUTION RATES  
FOR FISCAL YEAR ENDING JUNE 30, 2003**

Number	Unit Unit	Code(s)	Member Rate	Employer Rate		
				Employer Normal Cost	Amortization Rate	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>General Employee Units</b>						
3001	Barrington		6.00%	3.40%	(25.40%)	0.00%
3002	Bristol	B	7.00%	2.40%	(11.99%)	0.00%
3003	Burrillville	C	7.00%	4.08%	(20.63%)	0.00%
3004	Central Falls		6.00%	1.75%	8.95%	10.70%
3005	Charlestown	C	7.00%	2.66%	3.11%	5.77%
3007	Cranston	B	7.00%	3.73%	(20.62%)	0.00%
3008	Cumberland		6.00%	2.84%	(1.70%)	1.14%
3009	East Greenwich		6.00%	2.58%	(31.57%)	0.00%
3010	East Providence	B	7.00%	3.40%	1.23%	4.63%
3011	Exeter/West Greenwich	B	7.00%	4.48%	2.58%	7.06%
3012	Foster		6.00%	2.96%	(2.19%)	0.77%
3013	Glocester	C	7.00%	4.06%	(0.35%)	3.71%
3014	Hopkinton	C	7.00%	4.11%	(16.64%)	0.00%
3015	Jamestown	C	7.00%	3.25%	(2.91%)	0.34%
3016	Johnston	C	7.00%	3.81%	(8.01%)	0.00%
3017	Lincoln		6.00%	3.76%	(3.07%)	0.69%
3019	Middletown	C,2	7.00%	3.08%	5.09%	8.17%
3021	Newport	B	7.00%	2.93%	(2.54%)	0.39%
3022	New Shoreham	B	7.00%	3.17%	(3.41%)	0.00%
3023	North Kingstown	C	7.00%	3.90%	(4.47%)	0.00%
3024	North Providence		6.00%	2.38%	(20.50%)	0.00%
3025	North Smithfield	B	7.00%	4.53%	(33.43%)	0.00%
3026	Pawtucket	C	7.00%	2.97%	(11.46%)	0.00%
3027	Union Fire District		6.00%	1.19%	1.87%	3.06%
3029	Richmond		6.00%	3.43%	(4.77%)	0.00%
3030	Scituate	B	7.00%	3.53%	(6.78%)	0.00%
3031	Smithfield		6.00%	3.05%	(26.75%)	0.00%
3032	South Kingstown	B	7.00%	3.57%	(14.75%)	0.00%
3033	Tiverton		6.00%	3.14%	(41.45%)	0.00%
3034	Warren	C	7.00%	3.28%	0.04%	3.32%
3036	Westerly		6.00%	1.10%	267.31%	268.41%
3037	West Greenwich		6.00%	2.85%	(1.91%)	0.94%
3039	Woonsocket	B	7.00%	3.59%	(28.94%)	0.00%
3040	Chariho School District		6.00%	2.83%	(5.18%)	0.00%
3041	Foster/Glocester	B	7.00%	4.67%	5.10%	9.77%
3042	Tiogue Fire & Lighting	C	7.00%	1.91%	9.94%	11.85%
3043	Narragansett Housing		6.00%	0.60%	(1.14%)	0.00%
3045	Coventry Lighting District	C	7.00%	3.22%	3.82%	7.04%
3046	Hope Valley Fire	C	7.00%	4.31%	(9.84%)	0.00%
3050	East Greenwich Housing	C	7.00%	4.25%	19.31%	23.56%
3051	Cranston Housing	C	7.00%	4.65%	(11.80%)	0.00%
3052	East Providence Housing	B	7.00%	5.01%	(18.19%)	0.00%
3053	Pawtucket Housing	B	7.00%	3.49%	(37.75%)	0.00%
3056	Cumberland Housing	C	7.00%	4.31%	(7.83%)	0.00%
3057	Lincoln Housing	B	7.00%	5.56%	(58.68%)	0.00%
3059	Bristol Housing		6.00%	1.59%	(54.77%)	0.00%



**CONTRIBUTION RATES  
FOR FISCAL YEAR ENDING JUNE 30, 2003**

Unit Number	Unit	Code(s)	Member Rate	Employer Rate		
				Employer Normal Cost	Amortization Rate	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>General Employee Units</b>						
3065	Burrillville Housing		6.00%	.32%	(45.36%)	0.00%
3066	North Providence Housing	B	7.00%	5.74%	0.35%	6.09%
3067	East Smithfield Water	C	7.00%	5.42%	(34.61%)	0.00%
3068	Greenville Water		6.00%	1.22%	(25.71%)	0.00%
3069	Newport Housing	C	7.00%	5.35%	(21.39%)	0.00%
3071	Warren Housing	B	7.00%	5.02%	(42.55%)	0.00%
3072	Johnston Housing		6.00%	1.46%	(21.43%)	0.00%
3077	Tiverton Local 2670A	C	7.00%	4.79%	(17.66%)	0.00%
3078	Barrington DPW	C	7.00%	1.91%	(33.14%)	0.00%
3079	Coventry Housing		6.00%	3.00%	(12.65%)	0.00%
3080	South Kingstown Housing	C	7.00%	6.45%	1.09%	7.54%
3083	West Warwick Housing	B	7.00%	4.41%	(10.78%)	0.00%
3084	Smithfield Housing		6.00%	1.68%	(9.78%)	0.00%
3096	Central Falls Housing		6.00%	3.65%	(2.43%)	1.22%
3098	Lime Rock Administrative Services		6.00%	2.41%	0.57%	2.98%
3099	Central Falls Schools	C	7.00%	4.17%	(3.01%)	1.16%
3100	Bristol/Warren Schools	B	7.00%	4.54%	(12.92%)	0.00%
<b>General Employee Units Averages</b>			<b>6.63%</b>	<b>3.42%</b>	<b>(12.81%)</b>	<b>0.00%</b>
<b>Police &amp; Fire Units</b>						
4016	Johnston Fire	D,2	8.00%	10.23%	0.19%	10.42%
4029	Richmond Fire District		7.00%	6.24%	(1.13%)	5.11%
4031	Smithfield Police	C,2	8.00%	6.71%	(0.03%)	6.68%
4042	Valley Falls Fire	D	8.00%	9.64%	8.05%	17.69%
4046	Lime Rock Fire	3	---	---	---	---
4047	North Smithfield Voluntary Fire	D	8.00%	11.19%	(16.18%)	0.00%
4050	East Greenwich Fire	C,D	9.00%	10.83%	(4.14%)	6.69%
4054	East Greenwich Police	C,D	9.00%	14.16%	(14.64%)	0.00%
4055	North Kingstown Fire	C,D	9.00%	13.68%	(3.83%)	9.85%
4056	North Kingstown Police	C,D	9.00%	10.69%	(10.34%)	0.35%
4057	Harris Fire Department	C	8.00%	7.70%	23.38%	31.08%
4058	North Providence Fire	D	8.00%	8.11%	(7.15%)	0.96%
4059	Barrington Fire (25)	C	8.00%	8.76%	(1.16%)	7.60%
4060	Barrington Police	D	8.00%	7.64%	(4.01%)	3.63%
4061	Barrington Fire (20)	C,D	9.00%	11.48%	(59.10%)	0.00%
4062	Warren Police	C,D	9.00%	10.18%	1.51%	11.69%
4063	South Kingstown Police	B,1	9.00%	6.78%	(34.49%)	0.00%
4064	Primrose Volunteer Fire	B,D	9.00%	10.19%	(12.33%)	0.00%
4073	Scituate Police	3	---	---	---	---
4076	North Smithfield Police	C,D	9.00%	13.16%	(8.88%)	4.28%
4077	Tiverton Fire	D	8.00%	9.00%	(25.81%)	0.00%
4082	Foster Police	C,D	9.00%	12.55%	(10.26%)	2.29%
4085	Woonsocket Police	C,D	9.00%	12.71%	(4.13%)	8.58%
4086	Charlestown Police	C,D	9.00%	11.15%	9.81%	20.96%
4087	Hopkinton Police	C,D	9.00%	15.71%	(7.80%)	7.91%



**CONTRIBUTION RATES  
FOR FISCAL YEAR ENDING JUNE 30, 2003**

Unit Number	Unit	Code(s)	Member Rate	Employer Rate		Total
				Employer Normal Cost	Amortization Rate	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Police &amp; Fire Units</b>						
4088	Glocester Police	C,D	9.00%	12.75%	(2.76%)	9.99%
4089	West Greenwich Police/Rescue	D	8.00%	8.89%	(1.19%)	7.70%
4090	Burrillville Police	C,D	9.00%	13.18%	2.02%	15.20%
4091	Cumberland Rescue	C,D	9.00%	12.57%	(0.83%)	11.74%
4092	Washington Fire	D	8.00%	10.09%	0.10%	10.19%
4093	Woonsocket Fire	C,D	9.00%	13.18%	(2.50%)	10.68%
4094	Bristol Fire		7.00%	7.36%	(16.32%)	0.00%
4095	Cumberland Hill Fire	C,D	9.00%	8.50%	0.01%	8.51%
4096	Bristol Police	C,D	9.00%	14.61%	(2.09%)	12.52%
4098	Coventry Fire	D	8.00%	10.03%	4.40%	14.43%
4099	South Kingstown EMT	C,D	9.00%	13.84%	(2.11%)	11.73%
4100	Tiogue Fire		7.00%	5.75%	9.88%	15.63%
4101	North Cumberland	D	8.00%	9.67%	2.47%	12.14%
4102	Central Coventry Fire	D	8.00%	9.35%	2.07%	11.42%
4103	Hopkins Hill Fire	D	8.00%	9.96%	(3.27%)	6.69%
4104	Cranston Police	C,D,4	10.00%	14.30%	1.34%	15.64%
4105	Cranston Fire	C,D,4	10.00%	13.75%	1.63%	15.38%
4106	Cumberland Fire	B,D	9.00%	12.31%	7.36%	19.67%
4107	Lincoln Rescue		7.00%	5.31%	(3.34%)	1.97%
4108	New Shoreham Police	B	8.00%	6.59%	2.37%	8.96%
4109	Warren Fire	D	8.00%	11.69%	34.86%	46.55%
<b>Police &amp; Fire Units Averages</b>			<b>8.48%</b>	<b>11.46%</b>	<b>(5.67%)</b>	<b>5.79%</b>
<i>All MERS UNITS AVERAGES</i>			<i>7.39%</i>	<i>5.03%</i>	<i>(11.36%)</i>	<i>0.00%</i>

- 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 2000 valuation.
- 3 - Closed unit.
- 4 - Cranston Fire and Police are contributing 10% due to special plan provision.



COMPARISON OF EMPLOYER CONTRIBUTION RATES

Unit Number	Unit	Code(s)	June 30, 2000 Actuarial Valuation for FY 2003	June 30, 1999 Actuarial Valuation for FY 2002	June 30, 1998 Actuarial Valuation for FY 2001
(1)	(2)	(3)	(4)	(5)	(6)
<b>General Employee Units</b>					
3001	Barrington		0.00%	0.00%	0.00%
3002	Bristol	B	0.00%	0.00%	0.00%
3003	Burrillville	C	0.00%	0.00%	0.00%
3004	Central Falls		10.70%	11.27%	13.20%
3005	Charlestown	C	5.77%	7.45%	8.76%
3007	Cranston	B	0.00%	0.00%	0.00%
3008	Cumberland		1.14%	0.83%	1.28%
3009	East Greenwich		0.00%	0.00%	0.00%
3010	East Providence	B	4.63%	3.40%	2.51%
3011	Exeter/West Greenwich	B	7.06%	4.78%	0.00%
3012	Foster		0.77%	2.53%	3.33%
3013	Glocester	C	3.71%	5.31%	6.43%
3014	Hopkinton	C	0.00%	0.00%	0.00%
3015	Jamestown	C	0.34%	0.00%	0.00%
3016	Johnston	C	0.00%	0.00%	0.00%
3017	Lincoln		0.69%	3.82%	6.06%
3019	Middletown	C,2	8.17%	0.32%	6.06%
3021	Newport	B	0.39%	0.32%	0.82%
3022	New Shoreham	B	0.00%	2.41%	0.77%
3023	North Kingstown	C	0.00%	0.00%	0.36%
3024	North Providence		0.00%	0.00%	0.00%
3025	North Smithfield	B	0.00%	0.00%	0.00%
3026	Pawtucket	C	0.00%	0.00%	0.00%
3027	Union Fire District		3.06%	6.76%	6.79%
3029	Richmond		0.00%	0.00%	0.00%
3030	Scituate	B	0.00%	0.00%	0.00%
3031	Smithfield		0.00%	0.00%	0.00%
3032	South Kingstown	B	0.00%	0.00%	0.00%
3033	Tiverton		0.00%	0.00%	0.00%
3034	Warren	C	3.32%	1.41%	1.23%
3036	Westerly		268.41%	226.16%	140.27%
3037	West Greenwich		0.94%	0.50%	4.21%
3039	Woonsocket	B	0.00%	0.00%	0.00%
3040	Chariho School District		0.00%	0.00%	0.00%
3041	Foster/Glocester	B	9.77%	9.21%	10.10%
3042	Tiogue Fire & Lighting	C	11.85%	16.02%	13.63%
3043	Narragansett Housing		0.00%	0.40%	1.36%
3045	Coventry Lighting District	C	7.04%	0.00%	0.00%
3046	Hope Valley Fire	C	0.00%	0.00%	0.00%
3050	East Greenwich Housing	C	23.56%	21.97%	14.84%
3051	Cranston Housing	C	0.00%	0.00%	0.00%
3052	East Providence Housing	B	0.00%	0.00%	0.00%
3053	Pawtucket Housing	B	0.00%	0.00%	0.00%
3056	Cumberland Housing	C	0.00%	0.00%	0.00%





**COMPARISON OF EMPLOYER CONTRIBUTION RATES**

Unit Number	Unit	Code(s)	June 30, 2000 Actuarial Valuation for FY 2003	June 30, 1999 Actuarial Valuation for FY 2002	June 30, 1998 Actuarial Valuation for FY 2001
(1)	(2)	(3)	(4)	(5)	(6)
<b>General Employee Units</b>					
3057	Lincoln Housing	B	0.00%	0.00%	0.00%
3059	Bristol Housing		0.00%	0.00%	0.00%
3065	Burrillville Housing		0.00%	0.00%	0.00%
3066	North Providence Housing	B	6.09%	0.00%	0.00%
3067	East Smithfield Water	C	0.00%	0.00%	0.00%
3068	Greenville Water		0.00%	0.00%	0.00%
3069	Newport Housing	C	0.00%	0.00%	0.00%
3071	Warren Housing	B	0.00%	0.00%	0.00%
3072	Johnston Housing		0.00%	0.00%	0.00%
3077	Tiverton Local 2670A	C	0.00%	0.00%	0.00%
3078	Barrington DPW	C	0.00%	0.00%	0.00%
3079	Coventry Housing		0.00%	0.00%	0.00%
3080	South Kingstown Housing	C	7.54%	---	---
3083	West Warwick Housing	B	0.00%	0.00%	0.00%
3084	Smithfield Housing		0.00%	0.13%	0.83%
3096	Central Falls Housing		1.22%	2.32%	3.97%
3098	Lime Rock Administrative Services		2.98%	0.88%	1.91%
3099	Central Falls Schools	C	1.16%	3.01%	4.60%
3100	Bristol/Warren Schools	B	0.00%	0.00%	0.00%
<b>General Employee Units Average</b>			<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Police &amp; Fire Units</b>					
4016	Johnston Fire	D,2	10.42%	---	---
4029	Richmond Fire District		5.11%	5.94%	5.57%
4031	Smithfield Police	C,2	6.68%	---	---
4042	Valley Falls Fire	D	17.69%	21.88%	23.72%
4046	Lime Rock Fire	3	---	---	---
4047	North Smithfield Voluntary Fire	D	0.00%	1.74%	0.00%
4050	East Greenwich Fire	C,D	6.69%	4.74%	4.94%
4054	East Greenwich Police	C,D	0.00%	0.00%	0.00%
4055	North Kingstown Fire	C,D	9.85%	1.96%	0.00%
4056	North Kingstown Police	C,D	0.35%	0.00%	0.00%
4057	Harris Fire Department	C	31.08%	11.05%	12.36%
4058	North Providence Fire	D	0.96%	0.00%	1.03%
4059	Barrington Fire (25)	C	7.60%	8.89%	4.65%
4060	Barrington Police	D	3.63%	10.44%	2.48%
4061	Barrington Fire (20)	C,D	0.00%	0.00%	0.00%
4062	Warren Police	C,D	11.69%	13.41%	13.46%
4063	South Kingstown Police	B,1	0.00%	0.00%	0.00%
4064	Primrose Volunteer Fire	B,D	0.00%	0.00%	0.00%
4073	Scituate Police	3	---	---	---
4076	North Smithfield Police	C,D	4.28%	3.56%	0.54%
4077	Tiverton Fire	D	0.00%	0.00%	0.00%
4082	Foster Police	C,D	2.29%	0.00%	0.00%



COMPARISON OF EMPLOYER CONTRIBUTION RATES

Unit Number	Unit	Code(s)	June 30, 2000 Actuarial Valuation for FY 2003	June 30, 1999 Actuarial Valuation for FY 2002	June 30, 1998 Actuarial Valuation for FY 2001
(1)	(2)	(3)	(4)	(5)	(6)
<b>Police &amp; Fire Units</b>					
4085	Woonsocket Police	C,D	8.58%	9.18%	9.95%
4086	Charlestown Police	C,D	20.96%	19.67%	24.67%
4087	Hopkinton Police	C,D	7.91%	5.34%	7.54%
4088	Glocester Police	C,D	9.99%	9.19%	10.12%
4089	West Greenwich Police/Rescue	D	7.70%	9.56%	13.20%
4090	Burrillville Police	C,D	15.20%	15.63%	16.14%
4091	Cumberland Rescue	C,D	11.74%	10.92%	4.69%
4092	Washington Fire	D	10.19%	7.08%	9.10%
4093	Woonsocket Fire	C,D	10.68%	10.91%	12.01%
4094	Bristol Fire		0.00%	0.00%	0.00%
4095	Cumberland Hill Fire	C,D	8.51%	10.67%	17.19%
4096	Bristol Police	C,D	12.52%	14.65%	36.96%
4098	Coventry Fire	D	14.43%	17.39%	0.80%
4099	South Kingstown EMT	C,D	11.73%	12.37%	13.53%
4100	Tiogoe Fire		15.63%	17.24%	17.30%
4101	North Cumberland	D	12.14%	14.22%	15.53%
4102	Central Coventry Fire	D	11.42%	12.48%	11.44%
4103	Hopkins Hill Fire	D	6.69%	7.93%	4.89%
4104	Cranston Police	C,D,4	15.64%	21.12%	16.51%
4105	Cranston Fire	C,D,4	15.38%	21.18%	19.32%
4106	Cumberland Fire	B,D	19.67%	20.04%	2.55%
4107	Lincoln Rescue		1.97%	3.12%	3.53%
4108	New Shoreham Police	B	8.96%	10.21%	10.45%
4109	Warren Fire	D	46.55%	45.72%	48.30%
<b>Police &amp; Fire Units Average</b>			<b>5.79%</b>	<b>5.68%</b>	<b>5.41%</b>
<b>ALL MERS UNITS AVERAGE</b>			<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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 2000 valuation.

3 - Closed unit.

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



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	UAAL as % of Payroll(6)/(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>General Employee Units</b>								
3001	Barrington		18,095,998	11,292,451	(6,803,547)	160.2%	3,615,830	(188.2%)
3002	Bristol	B	13,936,533	11,437,615	(2,498,918)	121.8%	2,716,763	(92.0%)
3003	Burrillville	C	17,990,278	11,912,294	(6,077,984)	151.0%	3,954,131	(153.7%)
3004	Central Falls		2,841,658	3,749,443	907,785	75.8%	1,202,787	75.5%
3005	Charlestown	C	2,087,016	2,377,882	290,866	87.8%	1,065,701	27.3%
3007	Cranston	B	116,320,955	84,889,059	(31,431,896)	137.0%	20,538,476	(153.0%)
3008	Cumberland		15,319,153	14,583,007	(736,146)	105.0%	5,956,516	(12.4%)
3009	East Greenwich		18,343,283	9,662,229	(8,681,054)	189.8%	3,829,231	(226.7%)
3010	East Providence	B	59,480,547	60,729,414	1,248,867	97.9%	13,789,177	9.1%
3011	Exeter/West Greenwich	B	3,954,906	4,322,374	367,468	91.5%	1,853,869	19.8%
3012	Foster		1,959,885	1,784,412	(175,473)	109.8%	758,309	(23.1%)
3013	Glocester	C	3,245,330	3,203,504	(41,826)	101.3%	1,477,587	(2.8%)
3014	Hopkinton	C	2,441,720	1,445,672	(996,048)	168.9%	795,719	(125.2%)
3015	Jamestown	C	5,778,638	5,349,045	(429,593)	108.0%	1,901,646	(22.6%)
3016	Johnston	C	28,081,824	23,331,777	(4,750,047)	120.4%	7,733,061	(61.4%)
3017	Lincoln		644,597	545,722	(98,875)	118.1%	475,715	(20.8%)
3019	Middletown	C,2	2,069,707	2,718,728	649,021	76.1%	1,174,209	55.3%
3021	Newport	B	42,186,744	40,314,770	(1,871,974)	104.6%	9,736,206	(19.2%)
3022	New Shoreham	B	2,417,419	2,108,964	(308,455)	114.6%	1,272,518	(24.2%)
3023	North Kingstown	C	27,773,145	25,079,454	(2,693,691)	110.7%	8,377,608	(32.2%)
3024	North Providence		23,939,536	14,944,127	(8,995,409)	160.2%	5,749,097	(156.5%)
3025	North Smithfield	B	11,853,227	6,820,272	(5,032,955)	173.8%	2,152,762	(233.8%)
3026	Pawtucket	C	84,948,606	70,496,696	(14,451,910)	120.5%	17,523,129	(82.5%)
3027	Union Fire District		104,155	114,022	9,867	91.3%	82,587	11.9%
3029	Richmond		1,024,030	836,071	(187,959)	122.5%	495,827	(37.9%)
3030	Scituate	B	8,399,335	7,404,337	(994,998)	113.4%	2,075,867	(47.9%)
3031	Smithfield		18,608,131	10,510,899	(8,097,232)	177.0%	4,241,794	(190.9%)
3032	South Kingstown	B	29,765,086	20,960,897	(8,804,189)	142.0%	7,862,461	(112.0%)
3033	Tiverton		9,813,703	5,369,495	(4,444,208)	182.8%	1,643,899	(270.3%)
3034	Warren	C	5,043,521	5,046,545	3,025	99.9%	1,114,250	0.3%
3036	Westerly		696,029	1,223,603	527,574	56.9%	45,938	1148.4%
3037	West Greenwich		1,185,218	1,111,751	(73,467)	106.6%	521,343	(14.1%)
3039	Woonsocket	B	57,492,491	36,424,337	(21,068,154)	157.8%	9,910,462	(212.6%)
3040	Chariho School District		7,053,450	5,816,515	(1,236,935)	121.3%	3,160,840	(39.1%)
3041	Foster/Glocester	B	3,003,528	3,350,062	346,534	89.7%	1,002,981	34.6%
3042	Tiogue Fire & Lighting	C	37,311	45,266	7,955	82.4%	8,246	96.5%
3043	Narragansett Housing		109,671	100,942	(8,729)	108.6%	94,554	(9.2%)
3045	Coventry Lighting Dist.	C	984,816	1,040,992	56,176	94.6%	147,616	38.1%



SCHEDULE OF FUNDING PROGRESS

Unit Number	Unit	Code(s)	Actuarial Value of Assets (AVA)	Actuarial Liability (AAL)	Unfunded Actuarial Liability (UAAL) (5) - (4)	Funded Ratio (4)/(5)	Annual Covered Payroll	UAAL as % of Payroll(6)/(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>General Employee Units</b>								
3046	Hope Valley Fire	C	173,547	146,369	(27,178)	118.6%	77,089	(35.3%)
3050	East Greenwich Hsg	C	102,120	302,264	200,144	33.8%	145,297	137.7%
3051	Cranston Housing	C	2,608,099	2,063,010	(545,089)	126.4%	543,207	(100.3%)
3052	East Providence Hsg	B	2,098,296	1,530,927	(567,369)	137.1%	464,353	(122.2%)
3053	Pawtucket Housing	B	8,920,799	4,526,578	(4,394,221)	197.1%	1,530,802	(287.1%)
3056	Cumberland Housing	C	902,583	650,007	(252,576)	138.9%	416,310	(60.7%)
3057	Lincoln Housing	B	1,342,889	974,010	(368,879)	137.9%	104,780	(352.1%)
3059	Bristol Housing		1,494,724	730,632	(764,092)	204.6%	258,290	(295.8%)
3065	Burrillville Housing		657,168	308,184	(348,984)	213.2%	122,049	(285.9%)
3066	North Providence Hsg	B	915,334	921,114	5,780	99.4%	231,059	2.5%
3067	East Smithfield Water	C	593,952	312,331	(281,621)	190.2%	165,863	(169.8%)
3068	Greenville Water		754,453	364,875	(389,578)	206.8%	178,624	(218.1%)
3069	Newport Housing	C	5,344,048	3,120,677	(2,223,371)	171.2%	1,450,554	(153.3%)
3071	Warren Housing	B	1,047,488	663,605	(383,883)	157.8%	191,247	(200.7%)
3072	Johnston Housing		825,080	535,199	(289,881)	154.2%	256,738	(112.9%)
3077	Tiverton Local 2670A	C	2,419,106	1,658,324	(760,782)	145.9%	589,061	(129.2%)
3078	Barrington DPW	C	5,331,125	2,921,864	(2,409,261)	182.5%	959,292	(251.1%)
3079	Coventry Housing		780,238	449,350	(330,888)	173.6%	296,408	(111.6%)
3080	South Kingstown Hsg	C	52,949	60,375	7,426	87.7%	71,739	10.4%
3083	West Warwick Housing	B	813,521	638,486	(175,035)	127.4%	220,869	(79.2%)
3084	Smithfield Housing		159,430	89,953	(69,477)	177.2%	75,630	(91.9%)
3096	Central Falls Housing		1,374,128	1,315,967	(58,161)	104.4%	463,500	(12.5%)
3098	Lime Rock Admin Svcs		79,817	83,761	3,944	95.3%	72,219	5.5%
3099	Central Falls Schools	C	5,373,215	4,740,728	(632,487)	113.3%	3,070,215	(20.6%)
3100	Bristol/Warren Schools	B	12,137,936	8,792,545	(3,345,391)	138.0%	3,397,270	(98.5%)
<b>General Employee Units Subtotal</b>			<b>\$705,333,224</b>	<b>\$550,355,780</b>	<b>\$(154,977,444)</b>	<b>128.2%</b>	<b>\$165,411,177</b>	<b>(93.7%)</b>
<b>Police &amp; Fire Units</b>								
4016	Johnston Fire	D,2	24,089	29,887	5,798	80.6%	275,479	2.1%
4029	Richmond Fire District		180,355	148,245	(32,110)	121.7%	205,733	(15.6%)
4031	Smithfield Police	C,2	18,376	17,611	(765)	104.3%	170,782	(0.4%)
4042	Valley Falls Fire	D	1,620,444	1,938,058	317,614	83.6%	448,004	70.9%
4046	Lime Rock Fire	3	0	0	0	-	0	-
4047	N Smithfield Vol Fire	D	917,823	513,341	(404,482)	178.8%	287,409	(140.7%)
4050	East Greenwich Fire	C,D	6,931,131	6,519,964	(411,167)	106.3%	1,075,118	(38.2%)
4054	East Greenwich Police	C,D	9,498,722	7,574,403	(1,924,319)	125.4%	1,232,191	(156.2%)



**SCHEDULE OF FUNDING PROGRESS**

Unit Number	Unit	Code(s)	Actuarial Value of Assets (AVA)	Actuarial Liability (AAL)	Unfunded Actuarial Liability (UAAL) (5) - (4)	Funded Ratio (4)/(5)	Annual Covered Payroll	UAAL as % of Payroll(6)/(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Police &amp; Fire Units</b>								
4055	N Kingstown Fire	C,D	20,021,727	18,946,070	(1,075,657)	105.7%	3,077,298	(35.0%)
4056	N Kingstown Police	C,D	12,197,066	10,262,549	(1,934,517)	118.9%	1,997,601	(96.8%)
4057	Harris Fire Dept	C	89,982	303,341	213,359	29.7%	62,802	339.7%
4058	North Providence Fire	D	19,555,347	16,702,207	(2,853,140)	117.1%	4,264,258	(66.9%)
4059	Barrington Fire (25)	C	157,492	123,708	(33,784)	127.3%	212,085	(15.9%)
4060	Barrington Police	D	5,981,622	5,617,245	(364,377)	106.5%	973,339	(37.4%)
4061	Barrington Fire (20)	C,D	9,272,149	7,157,436	(2,114,713)	129.5%	598,109	(353.6%)
4062	Warren Police	C,D	6,206,274	6,355,847	149,573	97.6%	991,441	15.1%
4063	S Kingstown Police	B,1	16,458,981	12,304,374	(4,154,607)	133.8%	1,964,453	(211.5%)
4064	Primrose Vol Fire	B,D	1,977,466	1,590,589	(386,877)	124.3%	317,091	(122.0%)
4073	Scituate Police	3	169,035	36,079	(132,956)	468.5%	0	-
4076	N Smithfield Police	C,D	5,556,691	4,869,485	(687,206)	114.1%	932,769	(73.7%)
4077	Tiverton Fire	D	6,763,065	4,530,453	(2,232,612)	149.3%	914,629	(244.1%)
4082	Foster Police	C,D	1,449,804	1,241,434	(208,370)	116.8%	273,800	(76.1%)
4085	Woonsocket Police	C,D	14,042,544	12,135,393	(1,907,151)	115.7%	4,280,801	(44.6%)
4086	Charlestown Police	C,D	2,439,034	3,015,132	576,098	80.9%	622,671	92.5%
4087	Hopkinton Police	C,D	1,878,435	1,531,400	(347,035)	122.7%	435,223	(79.7%)
4088	Glocester Police	C,D	2,172,787	1,991,604	(181,183)	109.1%	611,553	(29.6%)
4089	W Greenwich Pol/Rsq	D	1,118,913	1,085,136	(33,777)	103.1%	288,846	(11.7%)
4090	Burrillville Police	C,D	4,106,524	4,287,480	180,956	95.8%	863,556	21.0%
4091	Cumberland Rescue	C,D	1,651,466	1,597,079	(54,387)	103.4%	539,724	(10.1%)
4092	Washington Fire	D	933,244	936,546	3,302	99.6%	326,398	1.0%
4093	Woonsocket Fire	C,D	9,568,207	8,557,127	(1,011,080)	111.8%	3,621,436	(27.9%)
4094	Bristol Fire		145,908	84,416	(61,492)	172.8%	50,153	(122.6%)
4095	Cumberland Hill Fire	C,D	2,113,484	2,113,860	376	100.0%	342,078	0.1%
4096	Bristol Police	C,D	196,119	98,209	(97,910)	199.7%	301,832	(32.4%)
4098	Coventry Fire	D	1,211,340	1,369,885	158,545	88.4%	413,230	38.4%
4099	S Kingstown EMT	C,D	594,789	474,250	(120,539)	125.4%	433,615	(27.8%)
4100	Tiogue Fire		187,969	330,905	142,936	56.8%	128,011	111.7%
4101	North Cumberland	D	1,345,875	1,442,774	96,899	93.3%	490,369	19.8%
4102	Central Coventry Fire	D	1,121,723	1,180,626	58,903	95.0%	485,979	12.1%
4103	Hopkins Hill Fire	D	182,899	135,008	(47,891)	135.5%	120,356	(39.8%)
4104	Cranston Police	C,D,4	2,523,530	2,935,798	412,268	86.0%	2,587,362	15.9%
4105	Cranston Fire	C,D,4	4,597,259	5,304,752	707,493	86.7%	4,040,026	17.5%



**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	UAAL as % of Payroll(6)/(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Police &amp; Fire Units</b>								
4106	Cumberland Fire	B,D	1,444,586	1,683,879	239,293	85.8%	363,856	65.8%
4107	Lincoln Rescue		983,045	648,515	(334,530)	151.6%	569,491	(58.7%)
4108	New Shoreham Police	B	317,209	374,306	57,097	84.7%	187,462	30.5%
4109	Warren Fire	D	134,462	164,125	29,663	81.9%	45,142	65.7%
<b>Police &amp; Fire Units Subtotal</b>			<b>\$180,058,992</b>	<b>\$160,260,531</b>	<b>(19,798,461)</b>	<b>112.4%</b>	<b>\$42,423,561</b>	<b>(46.7%)</b>
<b>All MERS Units Total</b>			<b>885,392,216</b>	<b>710,616,311</b>	<b>(174,775,905)</b>	<b>124.6%</b>	<b>207,834,738</b>	<b>(84.1%)</b>

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 2000 valuation.

3 - Closed unit.

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



## EQUIVALENT SINGLE AMORTIZATION PERIOD

Unit Number (1)	Unit (2)	Code(s) (3)	Employer Contribution Rate (4)	Amortization Period (5)
<b>General Employee Units</b>				
3001	Barrington		0.00%	9
3002	Bristol	B	0.00%	9
3003	Burrillville	C	0.00%	8
3004	Central Falls		10.70%	10
3005	Charlestown	C	5.77%	10
3007	Cranston	B	0.00%	8
3008	Cumberland		1.14%	8
3009	East Greenwich		0.00%	8
3010	East Providence	B	4.63%	8
3011	Exeter/West Greenwich	B	7.06%	9
3012	Foster		0.77%	13
3013	Glocester	C	3.71%	9
3014	Hopkinton	C	0.00%	9
3015	Jamestown	C	0.34%	9
3016	Johnston	C	0.00%	9
3017	Lincoln		0.69%	8
3019	Middletown	C,2	8.17%	14
3021	Newport	B	0.39%	9
3022	New Shoreham	B	0.00%	8
3023	North Kingstown	C	0.00%	8
3024	North Providence		0.00%	9
3025	North Smithfield	B	0.00%	8
3026	Pawtucket	C	0.00%	8
3027	Union Fire District		3.06%	7
3029	Richmond		0.00%	9
3030	Scituate	B	0.00%	8
3031	Smithfield		0.00%	8
3032	South Kingstown	B	0.00%	9
3033	Tiverton		0.00%	7
3034	Warren	C	3.32%	8
3036	Westerly		268.41%	4
3037	West Greenwich		0.94%	8
3039	Woonsocket	B	0.00%	8
3040	Chariho School District		0.00%	9
3041	Foster/Glocester	B	9.77%	8
3042	Tiogue Fire & Lighting	C	11.85%	12
3043	Narragansett Housing		0.00%	9
3045	Coventry Lighting District	C	7.04%	12
3046	Hope Valley Fire	C	0.00%	4
3050	East Greenwich Housing	C	23.56%	8
3051	Cranston Housing	C	0.00%	10
3052	East Providence Housing	B	0.00%	7
3053	Pawtucket Housing	B	0.00%	9
3056	Cumberland Housing	C	0.00%	9
3057	Lincoln Housing	B	0.00%	7
3059	Bristol Housing		0.00%	6
3065	Burrillville Housing		0.00%	7
3066	North Providence Housing	B	6.09%	8
3067	East Smithfield Water	C	0.00%	5



**EQUIVALENT SINGLE AMORTIZATION PERIOD**

Unit Number (1)	Unit (2)	Code(s) (3)	Employer Contribution Rate (4)	Amortization Period (5)
<b>General Employee Units</b>				
3068	Greenville Water		0.00%	10
3069	Newport Housing	C	0.00%	8
3071	Warren Housing	B	0.00%	5
3072	Johnston Housing		0.00%	6
3077	Tiverton Local 2670A	C	0.00%	8
3078	Barrington DPW	C	0.00%	9
3079	Coventry Housing		0.00%	10
3080	South Kingstown Housing	C	7.54%	11
3083	West Warwick Housing	B	0.00%	8
3084	Smithfield Housing		0.00%	11
3096	Central Falls Housing		1.22%	6
3098	Lime Rock Administrative Services		2.98%	12
3099	Central Falls Schools	C	1.16%	8
3100	Bristol/Warren Schools	B	0.00%	9
<b>General Employee Units Average</b>			<b>0.00%</b>	<b>8</b>
<b>Police &amp; Fire Units</b>				
4016	Johnston Fire	D,2	10.42%	14
4029	Richmond Fire District		5.11%	20
4031	Smithfield Police	C,2	6.68%	22
4042	Valley Falls Fire	D	17.69%	10
4046	Lime Rock Fire	3	---	---
4047	North Smithfield Voluntary Fire	D	0.00%	10
4050	East Greenwich Fire	C,D	6.69%	11
4054	East Greenwich Police	C,D	0.00%	13
4055	North Kingstown Fire	C,D	9.85%	11
4056	North Kingstown Police	C,D	0.35%	11
4057	Harris Fire Department	C	31.08%	21
4058	North Providence Fire	D	0.96%	11
4059	Barrington Fire (25)	C	7.60%	19
4060	Barrington Police	D	3.63%	11
4061	Barrington Fire (20)	C,D	0.00%	7
4062	Warren Police	C,D	11.69%	12
4063	South Kingstown Police	B,1	0.00%	7
4064	Primrose Volunteer Fire	B,D	0.00%	12
4073	Scituate Police	3	---	---
4076	North Smithfield Police	C,D	4.28%	10
4077	Tiverton Fire	D	0.00%	11
4082	Foster Police	C,D	2.29%	8
4085	Woonsocket Police	C,D	8.58%	14
4086	Charlestown Police	C,D	20.96%	11
4087	Hopkinton Police	C,D	7.91%	13
4088	Glocester Police	C,D	9.99%	14
4089	West Greenwich Police/Rescue	D	7.70%	12
4090	Burrillville Police	C,D	15.20%	13
4091	Cumberland Rescue	C,D	11.74%	16
4092	Washington Fire	D	10.19%	12
4093	Woonsocket Fire	C,D	10.68%	14
4094	Bristol Fire		0.00%	9





**EQUIVALENT SINGLE AMORTIZATION PERIOD**

Unit Number (1)	Unit (2)	Code(s) (3)	Employer Contribution Rate (4)	Amortization Period (5)
<b>Police &amp; Fire Units</b>				
4095	Cumberland Hill Fire	C,D	8.51%	14
4096	Bristol Police	C,D	12.52%	24
4098	Coventry Fire	D	14.43%	10
4099	South Kingstown EMT	C,D	11.73%	18
4100	Tiogue Fire		15.63%	15
4101	North Cumberland	D	12.14%	9
4102	Central Coventry Fire	D	11.42%	6
4103	Hopkins Hill Fire	D	6.69%	16
4104	Cranston Police	C,D,4	15.64%	16
4105	Cranston Fire	C,D,4	15.38%	14
4106	Cumberland Fire	B,D	19.67%	11
4107	Lincoln Rescue		1.97%	31
4108	New Shoreham Police	B	8.96%	18
4109	Warren Fire	D	46.55%	2
<b>Police &amp; Fire Units Average</b>			<b>5.79%</b>	<b>10</b>
<i>All MERS Units Average</i>			<i>0.00%</i>	<i>8</i>

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 2000 valuation.

3 - Closed unit.

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MUNICIPAL RESERVES

<u>Unit Name</u>	<u>Unit Code</u>	<u>Members Reserve</u>	<u>Employers Accumulation</u>	<u>Retirement Reserve</u>	<u>Total Reserve</u>
Town Of Barrington	3001	1,834,354.06	-5,765,377.95	18,664,948.73	14,733,924.84
Town Of Bristol	3002	1,564,566.99	-2,196,995.13	11,979,678.67	11,347,250.53
Town Of Burrillville	3003	2,251,115.50	-470,952.42	12,867,683.77	14,647,846.85
Town Of Central Falls	3004	614,621.09	-286,915.02	1,985,997.48	2,313,703.55
Town Of Charlestown	3005	457,903.28	215,821.64	1,025,542.23	1,699,267.15
City Of Cranston	3007	12,246,934.15	-13,497,609.80	95,960,246.24	94,709,570.60
Town Of Cumberland	3008	2,132,197.59	-3,015,099.09	13,355,893.84	12,472,992.34
Town Of East Greenwich	3009	1,956,939.27	-1,956,389.22	14,934,716.20	14,935,266.25
City Of East Providence	3010	7,332,751.16	-15,726,048.97	56,822,895.58	48,429,597.77
Town Of Exeter/West Greenwich	3011	626,461.72	-5,896.23	2,599,554.94	3,220,120.42
Town Of Foster	3012	387,312.24	-287,795.23	1,496,238.97	1,595,755.98
Town Of Glocester	3013	655,526.58	-374,586.13	2,361,436.62	2,642,377.07
Town Of Hopkinton	3014	276,889.03	-155,471.60	1,866,653.41	1,988,070.84
Town Of Jamestown	3015	846,349.51	-1,192,398.40	5,051,068.33	4,705,019.45
Town Of Johnston	3016	3,214,923.39	-6,500,310.99	26,149,862.11	22,864,474.51
Town Of Lincoln	3017	136,810.56	189,360.19	198,665.92	524,836.68
Town Of Middletown	3019	64,499.96	1,352,759.28	267,914.97	1,685,174.21
City Of Newport	3021	5,864,484.65	-8,677,962.78	37,162,305.60	34,348,827.47
Town Of New Shoreham	3022	421,508.34	-260,577.81	1,807,353.47	1,968,284.00
Town Of North Kingstown	3023	3,965,109.12	-5,235,856.83	23,883,892.95	22,613,145.25
City Of North Providence	3024	2,739,196.18	-4,537,227.78	21,289,817.35	19,491,785.75
Town Of North Smithfield	3025	1,101,524.90	-1,115,977.67	9,665,457.09	9,651,004.32
City Of Pawtucket	3026	10,910,423.21	-16,667,309.16	74,922,806.98	69,165,921.02
Union Fire District	3027	33,670.75	24,162.46	26,970.64	84,803.85
Town Of Richmond	3029	161,220.49	-69,825.13	742,379.18	833,774.54
Town Of Scituate	3030	1,040,614.46	-390,064.33	6,188,264.35	6,838,814.48
Town Of Smithfield	3031	1,838,589.38	-2,335,404.10	15,647,723.00	15,150,908.28
Town Of South Kingstown	3032	3,788,630.91	-2,651,163.53	23,097,534.38	24,235,001.76
Town Of Tiverton	3033	818,640.39	-1,586,662.80	8,758,427.92	7,990,405.52
Town Of Warren	3034	499,768.85	-2,491,935.30	6,098,646.33	4,106,479.88
Town Of Westerly	3036	77,308.54	18,815.22	470,588.97	566,712.73
Town Of West Greenwich	3037	202,395.00	-124,016.02	886,636.57	965,015.54
Town Of Woonsocket	3039	4,833,542.16	-9,085,017.53	51,062,380.14	46,810,904.77
Chariho Regional School District	3040	1,302,252.55	-181,715.17	4,622,445.40	5,742,982.78
Foster-Glocester School District	3041	478,414.23	-122,993.66	2,090,078.95	2,445,499.52
Tiogou Fire/ Lighting	3042	3,081.35	-7,377.12	34,674.37	30,378.60
Narragansett Housing Authority	3043	29,276.25	21,483.12	38,535.89	89,295.26
Coventry Fire/Lighting District	3045	85,584.19	309,246.68	407,015.01	801,845.88
Hope Valley/Wyoming Fire Dist	3046	21,866.74	51,440.53	67,996.55	141,303.82
East Greenwich Hsg Authority	3050	23,432.72	37,676.99	22,037.02	83,146.73
Cranston Housing Authority	3051	327,819.12	-145,428.42	1,941,147.18	2,123,537.88
East Providence Hsg Authority	3052	212,747.71	-262,139.03	1,757,842.84	1,708,451.51
Pawtucket Housing Authority	3053	973,582.72	-734,553.07	7,024,365.26	7,263,394.91
Cumberland Housing Authority	3056	125,735.43	-215,469.61	824,625.30	734,891.12
Lincoln Housing Authority	3057	109,285.44	-166,328.30	1,150,434.89	1,093,392.03
Bristol Housing Authority	3059	156,810.75	26,806.84	1,033,399.90	1,217,017.49
Burrillville Housing Authority	3065	69,906.00	29,828.83	435,336.96	535,071.79
North Providence Hsg Authority	3066	70,852.69	-269,865.86	944,286.61	745,273.44
East Smithfield Water District	3067	83,163.89	94,400.40	306,036.88	483,601.17
Greenville Water District	3068	71,400.41	-63,079.68	605,962.02	614,282.75



## MUNICIPAL RESERVES

<u>Unit Name</u>	<u>Unit Code</u>	<u>Members Reserve</u>	<u>Employers Accumulation</u>	<u>Retirement Reserve</u>	<u>Total Reserve</u>
Newport Housing Authority	3069	1,880,511.95	119,777.17	2,350,883.28	4,351,172.40
Warren Housing Authority	3071	122,108.84	71,999.03	658,766.66	852,874.53
Johnston Housing Authority	3072	101,802.21	-44,572.90	614,558.01	671,787.32
Tiverton Local 2670A	3077	357,108.74	581,467.90	1,031,081.39	1,969,658.03
Barrington DPW	3078	660,072.06	2,155,033.59	1,525,544.43	4,340,650.08
Coventry Housing Authority	3079	69,888.23	-204,702.62	770,090.84	635,276.44
South Kingstown Hsg Authority	3080	5,520.90	-8,500.44	46,091.22	43,111.68
West Warwick Hsg Authority	3083	120,483.77	10,313.77	531,578.51	662,376.05
Smithfield Housing Authority	3084	39,673.57	-36,622.81	126,758.94	129,809.70
Central Falls Housing Authority	3096	153,715.03	-88,792.91	1,053,905.02	1,118,827.14
Limerock Administrative Services	3098	20,785.30	12,872.73	31,329.35	64,987.38
Central Falls Regional School	3099	947,932.31	786,102.83	2,640,884.81	4,374,919.95
Bristol/Warren School Dept	3100	1,431,635.29	-1,889,470.06	10,340,652.03	9,882,817.26
Johnston Fire	4016	11,295.68	6,071.16	2,246.71	19,613.55
Richmond Police	4029	59,398.22	50,993.72	36,455.07	146,847.01
Smithfield Police	4031	8,516.44	4,731.35	1,713.84	14,961.63
Valley Falls Fire District	4042	234,189.96	192,552.95	892,637.35	1,319,380.26
N Smithfield Volunteer Fire Dist	4047	173,846.09	186,639.55	386,813.75	747,299.39
East Greenwich Fire District	4050	783,241.68	-1,429,083.87	6,289,231.64	5,643,389.45
East Greenwich Police Dept	4054	808,481.35	-1,259,533.46	8,184,997.01	7,733,944.91
North Kingstown Fire Dept	4055	1,949,645.85	-4,435,772.00	18,787,996.60	16,301,870.45
North Kingstown Police Dept	4056	1,507,785.63	1,955,373.68	6,467,801.68	9,930,961.00
Harris Fire & Lighting District	4057	20,830.84	37,512.24	14,920.84	73,263.92
North Providence Fire Dept	4058	3,036,612.01	-198,051.21	13,083,579.18	15,922,139.98
Barrington Fire (25 Year Plan)	4059	60,008.21	31,945.43	36,277.69	128,231.33
Barrington Police	4060	673,153.27	-2,769,460.60	6,966,598.08	4,870,290.75
Barrington Fire Department	4061	637,181.72	-2,187,762.58	9,100,048.29	7,549,467.43
Warren Police Department	4062	604,578.71	-1,655,390.09	6,104,016.01	5,053,204.64
South Kingstown Police	4063	1,809,752.41	-368,783.77	11,960,082.12	13,401,050.75
Primrose Volunteer Fire Dept	4064	174,154.30	235,906.49	1,200,009.63	1,610,070.42
Scituate Police	4073	0.00	0.00	137,629.92	137,629.92
North Smithfield Police Dept	4076	534,293.19	-911,435.88	4,901,450.52	4,524,307.83
Tiverton Fire Department	4077	723,965.75	-580,934.95	5,363,517.87	5,506,548.68
Foster Police	4082	172,599.66	-84,408.10	1,092,252.20	1,180,443.76
Woonsocket Police	4085	2,670,676.51	1,812,856.97	6,950,032.57	11,433,566.05
Charlestown Police Department	4086	426,602.43	-143,558.54	1,702,839.37	1,985,883.26
Hopkinton Police	4087	296,163.87	204,566.48	1,028,708.61	1,529,438.96
Glocester Police Department	4088	334,300.59	194,157.30	1,240,644.70	1,769,102.59
West Greenwich Police & Rescue	4089	155,829.63	-96,005.38	851,204.71	911,028.96
Burrillville Police Department	4090	514,833.85	-487,421.78	3,316,156.53	3,343,568.60
Cumberland Rescue	4091	257,348.76	-178,974.86	1,266,264.57	1,344,638.47
Washington Fire Department	4092	134,006.53	-104,762.90	730,611.97	759,855.60
Woonsocket Fire Department	4093	2,139,964.19	1,870,315.80	3,780,240.72	7,790,520.71
Bristol Fire Department	4094	27,461.48	28,914.92	62,423.60	118,800.00
Cumberland Hill Fire Department	4095	259,045.87	562,724.53	899,047.24	1,720,817.64
Bristol Police	4096	49,264.40	79,891.91	30,525.23	159,681.54
Coventry Fire Department	4098	196,679.44	-19,522.55	809,126.90	986,283.79
South Kingstown EMT	4099	146,954.18	177,775.44	159,553.22	484,282.84
Tiogue Fire Department	4100	35,470.68	-260,047.13	377,622.90	153,046.46
North Cumberland Fire Dept	4101	218,022.79	-102,069.46	979,870.54	1,095,823.87



**MUNICIPAL RESERVES**

<u>Unit Name</u>	<u>Unit Code</u>	<u>Members Reserve</u>	<u>Employers Accumulation</u>	<u>Retirement Reserve</u>	<u>Total Reserve</u>
Central Coventry Fire Dept	4102	185,223.89	-134,990.23	863,083.56	913,317.22
Hopkins Hill Fire Department	4103	43,153.83	31,794.07	73,969.89	148,917.79
Cranston Fire Department	4104	778,060.93	770,060.55	506,559.67	2,054,681.15
Cranston Police Department	4105	1,530,058.07	1,275,443.85	937,627.48	3,743,129.40
Cumberland Fire Department	4106	219,329.21	4,887.74	951,978.17	1,176,195.12
Lincoln Rescue	4107	188,812.18	242,322.86	369,268.79	800,403.83
New Shoreham Police	4108	91,586.30	64,614.31	102,073.53	258,274.14
Warren Fire	4109	16,106.49	54,940.14	38,433.90	109,480.53



## SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

### Valuation Date

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

### Actuarial Cost Method

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

The employer normal cost rate is the total normal cost rate, less the member contribution rate. The total normal cost rate is the level percentage-of-pay contribution which would theoretically pay for all benefits if it had been made each year from the inception of the plan and if there had never been any changes of benefits, any changes of assumptions or methods, or any experience gains or losses. The normal costs are determined on an individual basis.

The actuarial accrued liability is the difference between the actuarial present value of all future benefits and the actuarial present value of future normal costs. It is the amount to which the normal costs would have accumulated under the assumptions described in the preceding paragraph. The unfunded actuarial accrued liability (UAAL) is the difference between the actuarial accrued liability and the actuarial value of assets.

The UAAL is amortized in two separate pieces. First, the UAAL as of June 30, 1988, is amortized in level (not increasing with payroll) amounts. The amortization period is 25 years from the point the unit joined the system. Units that joined the system after June 30, 1988 have their initial liability amortized over 25 years from the time they join. The remainder of the UAAL is funded by a level percentage-of-pay contribution spread over future salaries of current active members. These two amortization payments are added, and then divided by payroll to determine the amortization rate.

The contribution rate determined by this valuation will not be effective until two years later. However, the calculated contribution rate is used without adjustment for the deferral period. Employer contributions are assumed to be made at the middle of the year.

### Actuarial Value of Assets

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



**Actuarial Assumptions**

**Economic Assumptions**

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

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

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

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

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

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



**Demographic Assumptions**

*Mortality rates* (for active and retired members):

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

Sample rates are shown below:

Expected Deaths per 100 Lives				
Age	Healthy Males	Healthy Females	Disabled Males	Disabled Females
(1)	(2)	(3)	(4)	(5)
25	0.07	0.03	4.83	2.63
30	0.08	0.04	3.62	2.37
35	0.09	0.05	2.78	2.14
40	0.11	0.07	2.82	2.09
45	0.16	0.10	3.22	2.24
50	0.26	0.14	3.83	2.57
55	0.44	0.23	4.82	2.95
60	0.80	0.44	6.03	3.31
65	1.45	0.86	6.78	3.70
70	2.37	1.37	7.39	4.11
75	3.72	2.27	8.42	4.92
80	6.20	3.94	11.28	7.46

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

Expected Disabilities Occurring per 100 Lives		
Age	General	Police & Fire
(1)	(2)	(3)
25	0.05	0.17
30	0.06	0.22
35	0.08	0.29
40	0.11	0.44
45	0.18	0.72
50	0.31	1.21
55	0.51	0.00
60	0.71	0.00
65	0.00	0.00



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

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

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





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

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

**Other Assumptions**

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

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

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



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

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

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

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

### **Participant Data**

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

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

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

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



## SUMMARY OF BENEFIT PROVISIONS

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

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

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

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

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

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

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

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

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

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



### *Retirement*

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

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

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

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

### *Disability Retirement*

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

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

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

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

### *Deferred Termination Benefit*

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

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

**Payment Form:** The same as for Retirement above.



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

Death Benefit after Retirement: The same as for Retirement on previous page.

#### *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.



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

**STATE POLICE  
RETIREMENT BENEFITS TRUST**



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Watson Wyatt & Company

Suite 4200  
2001 Ross Avenue  
Dallas, TX 75201-2989

Telephone 214 530 4200  
Fax 214 530 4250

August 30, 2001

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

Dear Members of the Board:

**Subject: Actuarial Valuation of SPRBT as of June 30, 2000**

This is the June 30, 2000 actuarial valuation of the State Police Retirement Benefits Trust (SPRBT). This report describes the current actuarial condition of the SPRBT, determines the recommended employer contribution rate, and analyzes changes in the contribution rate. Valuations are prepared annually, as of June 30, the last day of the SPRBT plan year. Benefits for state police officers hired before July 1, 1987 are funded by the state from general assets, on a pay-as-you-go basis, and are not included in this valuation.

Under Rhode Island General Laws, the employer contribution rate for state police is certified annually by the Employees' Retirement Board. This rate is determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methods adopted by the Board. 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, 2000 actuarial valuation will be applicable for the year beginning July 1, 2002 and ending June 30, 2003.

#### **Financing objectives and funding policy**

The actuarial cost method and the amortization periods are set by statute. The contribution rates are intended to be sufficient to pay normal cost and to amortize unfunded actuarial accrued liability (UAAL) in level payments over a fixed period of 29 years. The funding period is set by the Board of Trustees, and is considered reasonable by the actuary.

#### **Progress toward realization of financing objectives**

The funded ratio (the ratio of the actuarial value of assets to the unfunded actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The funded ratio, as can be seen on Table 3, increased from 78.2% to 81.5%. The employer contribution rate increased from 27.10% to 27.48%. This increase was due to assumption changes as a result of the recent experience study. The analysis of the changes in employer costs is set forth in Table 10.

#### **Benefit provisions**

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2000. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.



### Assumptions and methods

The actuarial assumptions were changed as a result of the experience study approved by the Board on May 9, 2001. The funding method was changed to Entry Age Normal with a fixed 30 year amortization for the unfunded liability, effective June 30, 1999. Therefore, we have restated the results from last year's valuation. All assumptions and methods are described in Appendix A.

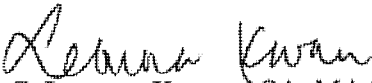
### Data

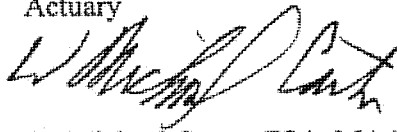
The System's staff supplied member data for active members as of June 30, 2000. (There were no retirees or inactive members.) We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2000.

### 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, and both are experienced in performing valuations for large public retirement systems.

Sincerely,

  
C. Leonora Kwan, ASA, MAAA  
Actuary

  
W. Michael Carter, FSA, MAAA  
Actuary

nlb



## STATE POLICE RETIREMENT BENEFIT TRUST

## Actuarial Valuation - June 30, 2000

Item	2000	1999 Restated	1999
<b>Membership</b>			
· Number of			
- Active members	152	130	130
- Retirees and beneficiaries	-	-	-
- Vested terminations	-	-	-
- Total	<u>152</u>	<u>130</u>	<u>130</u>
· Payroll	\$ 8,916,914	\$ 7,502,433	\$ 7,502,433
<b>Contribution rates</b>			
· Member	8.75%	8.75%	8.75%
· State	27.48%	27.10%	27.67%
<b>Assets</b>			
· Market value	\$ 11,526,493	\$ 8,628,252	\$ 8,628,252
· Actuarial value	11,336,596	8,480,657	8,480,657
· Return on market value	9.1%	10.1%	10.1%
· Return on actuarial value	8.8%	14.7%	14.7%
· Employer contributions	\$ 1,508,778	\$ 631,386	\$ 631,386
<b>Actuarial Information</b>			
· Normal cost %	24.87%	24.48%	26.92%
· Unfunded frozen accrued liability (UAAL)	\$ 2,580,747	\$ 2,360,887	\$ 587,349
· Unfunded cost percentage	2.61%	2.62%	0.75%
· Funding period	29 years	30 years	23 years
· GASB funded ratio	81.5%	78.2%	93.5%
<b>Projected employer contribution</b>			
· Fiscal year ending June 30	2003	2002	2002
· Projected payroll	\$ 7,650,131	\$ 6,510,266	\$ 6,510,266
· Projected employer contribution	2,102,256	1,764,482	1,801,415



## SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

### Valuation Date

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

### Actuarial Cost Method

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

The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 8.25 percent), of each participant's expected benefit payable at retirement or death is determined, based on his age, service, sex and compensation. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.

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 results over 30 years from June 30, 1999.

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

### Actuarial Value of Assets

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



**Actuarial Assumptions**

**Economic Assumptions**

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

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

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

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

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

**Demographic Assumptions**

*Mortality rates*

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

*Disability rates* - Rates are applied, with 50% of disabilities considered occupational:

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



*Termination rates* - None

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

**Other Assumptions**

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

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

*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 on a listing for active members. The data for an active members included birthdate, sex, equated date of hire, salary and employee contribution account balance. There are currently no retirees or beneficiaries.



## SUMMARY OF BENEFIT PROVISIONS

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

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

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

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

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

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

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

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

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

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

### *Retirement*

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

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

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

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



### *Disability Retirement*

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

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

Occupational Disability Benefit: 75% of Final Salary.

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

### *Refunds*

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

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

### *Death Benefit of Active Members*

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

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

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

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





**PLAN NET ASSETS**

(Assets at Market or Fair Value)

Item (1)	June 30, 2000 (2)	June 30, 1999 (3)
1. Cash and cash equivalents	\$ 152,424	\$ 124,303
2. Receivables:		
a. Employer and member contributions	\$ -	\$ -
b. Due from state for teachers	-	-
c. Net investment income and other	3,286	708
d. Total receivables	\$ 3,286	\$ 708
3. Investments		
a. Pooled trust	\$ 11,377,097	\$ 8,508,644
b. Plan specific investments	0	0
c. Total	\$ 11,377,097	\$ 8,508,644
4. Total assets	\$ 11,532,807	\$ 8,633,655
5. Liabilities		
a. Benefits payable	\$ -	\$ -
b. Accounts and vouches payable	6,314	5,403
c. Total liabilities	\$ 6,314	\$ 5,403
6. Total market value of assets available for benefits		
Total (Item 4 - Item 5)	\$ 11,526,493	\$ 8,628,252



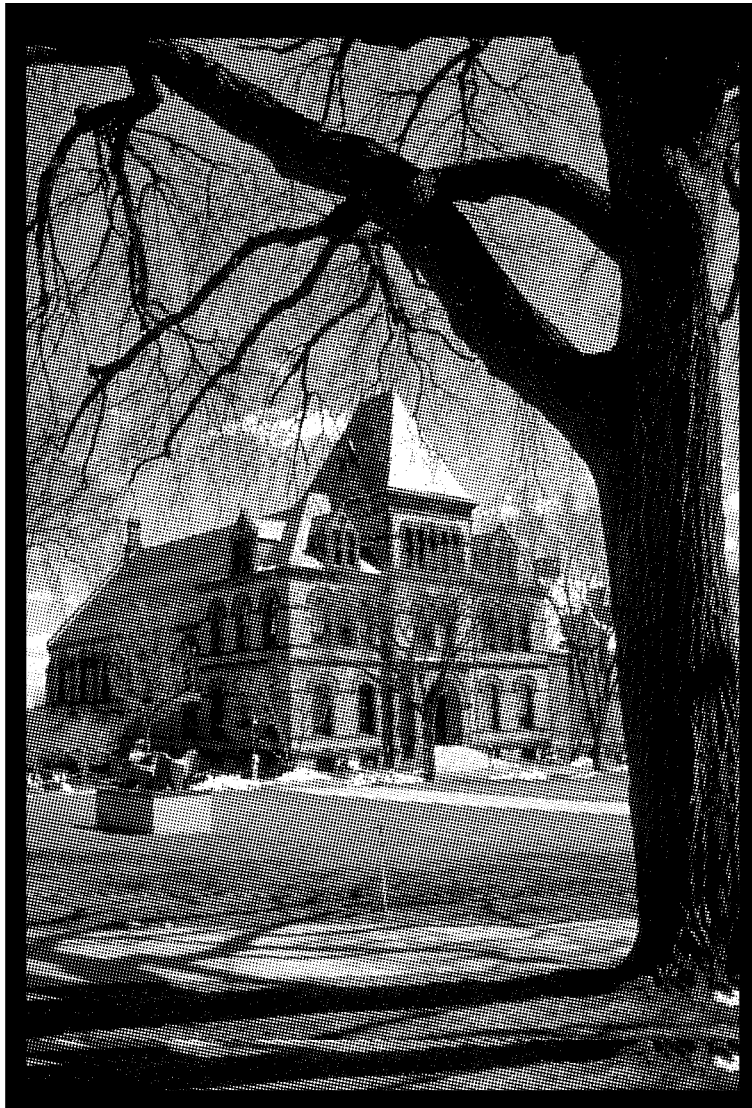
RECONCILIATION OF PLAN NET ASSETS

	<u>June 30, 2000</u>	<u>June 30, 1999</u>
1. Market value of assets as of beginning of year	\$ 8,628,252	\$ 6,729,626
2. Contributions		
a. Members	\$ 495,937	\$ 481,640
b. State	1,508,778	631,386
c. Service purchases	-	-
d. Total	<u>\$ 2,004,715</u>	<u>\$ 1,113,026</u>
3. Investment earnings, net of investment and administrative expenses	\$ 893,526	\$ 785,600
4. Expenditures for the year		
a. Benefit payments	\$ -	\$ -
b. Cost-of-living adjustments	-	-
c. Post-retirement death benefits	-	-
d. Pre-retirement death benefits	-	-
e. Social security supplements	-	-
f. Supplemental pensions	-	-
g. Refunds	-	-
h. Total expenditures	<u>\$ -</u>	<u>\$ -</u>
5. Transfers and other adjustments	\$ -	\$ -
6. Market value of assets at end of year	\$ 11,526,493	\$ 8,628,252

ANALYSIS OF CHANGE IN EMPLOYER COST

<u>Basis</u>	<u>Employer Cost</u>
1. Employer fiscal 2002 cost	27.10%
2. Impact of changes, gains and losses	
a. Liability experience (gain)/loss	(0.38%)
b. Asset experience (gain)/loss	(0.06%)
c. Assumption change	0.82%
d. Changes in provisions	<u>N/A</u>
e. Total	0.38%
3. Employer fiscal 2003 cost	27.48%

**JUDICIAL RETIREMENT  
BENEFITS TRUST**



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August 30, 2001

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

Watson Wyatt & Company

Suite 4200  
2001 Ross Avenue  
Dallas, TX 75201-2989  
Telephone 214 530 4200  
Fax 214 530 4250

Dear Members of the Board:

**Subject: Actuarial Valuation of the JRBT as of June 30, 2000**

This is the June 30, 2000 actuarial valuation of the Judicial Retirement Benefits Trust (JRBT). This report describes the current actuarial condition of the JRBT, determines the recommended employer contribution rate, and analyzes changes in the contribution rate. Valuations are prepared annually, as of June 30, the last day of the JRBT plan year. Benefits for state judges hired before January 1, 1990 are funded by the state from general assets, on a pay-as-you-go basis, and are not included in this valuation.

Under Rhode Island General Laws, the employer contribution rate for Judges is certified annually by the Employees' Retirement Board. This rate is determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methods adopted by the Board. 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, 2000 actuarial valuation will be applicable for the year beginning July 1, 2002 and ending June 30, 2003.

#### **Financing objectives and funding policy**

The actuarial cost method and the amortization periods are set by statute. The contribution rates are intended to be sufficient to pay normal cost and to amortize unfunded actuarial accrued liability (UAAL) in level payments over a fixed period of 29 years. The funding period is set by the Board of Trustees, and is considered reasonable by the actuary.

#### **Progress toward realization of financing objectives**

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The funded ratio, as can be seen on Table 3, increased from 74.5% to 75.9%. The employer contribution rate increased from 30.66% to 33.42%. This increase was due to assumption changes as a result of the recent experience study. The analysis of the changes in employer costs is set forth on Table 10.

#### **Benefit provisions**

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2000. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.



### Assumptions and methods

The actuarial assumptions were changed as a result of the experience study approved by the Board on May 9, 2001. All assumptions and methods are described in Appendix A. The funding method was changed to Entry Age Normal with a fixed 30-year amortization for the unfunded actuarial liability, effective June 30, 1999. Therefore, we have restated the results for last year's valuation.

### Data

The System's staff supplied member data for active members as of June 30, 2000. (There were no retired or inactive members.) We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2000.

### 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, and both are experienced in performing valuations for large public retirement systems.

Sincerely,

C. Leonora Kwan, ASA, MAAA  
Actuary

W. Michael Carter, FSA, MAAA  
Actuary

nlb



### JUDICIAL RETIREMENT BENEFIT TRUST

#### Actuarial Valuation - June 30, 2000

Item	2000	1999 Restated	1999
<b>Membership</b>			
• Number of			
- Active members	31	29	29
- Retirees and beneficiaries	-	-	-
- Inactive members	-	-	-
- Total	<u>31</u>	<u>29</u>	<u>29</u>
• Payroll supplied by ERSRI	\$ 3,533,354	\$ 3,169,183	\$ 3,169,183
<b>Contribution rates</b>			
• Member	8.75%	8.75%	8.75%
• State	33.42%	30.66%	31.58%
<b>Assets</b>			
• Market value	\$ 7,504,175	\$ 5,625,223	\$ 5,625,223
• Actuarial value	7,374,851	5,521,693	5,521,693
• Return on market value	9.1%	10.1%	10.1%
• Return on actuarial value	8.8%	14.7%	14.7%
• Employer contribution	\$ 1,007,618	\$ 737,414	\$ 737,414
<b>Actuarial Information</b>			
• Normal cost %	30.09%	27.73%	30.02%
• Unfunded actuarial accrued liability (UAAL)	\$ 2,344,757	\$ 1,893,544	\$ 956,560
• Amortization percentage	3.33%	2.93%	1.56%
• Funding period	29 years	30 years	28 years
• GASB funded ratio	75.9%	74.5%	85.2%
<b>Projected employer contribution</b>			
• Fiscal year ending June 30,	2003	2002	2002
• Projected payroll	4,149,010	3,721,386	3,721,386
• Projected employer contribution	\$ 1,386,599	\$ 1,140,977	\$ 1,175,298



## SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

### Valuation Date

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

### Actuarial Cost Method

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

The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 8.25 percent), of each participant's expected benefit payable at retirement or death is determined, based on his age, service, sex and compensation. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.

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 30 years from June 30, 1999.

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

### Actuarial Value of Assets

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





## Actuarial Assumptions

### Economic Assumptions

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

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

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

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

### Demographic Assumptions

#### *Mortality rates*

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

#### *Termination rates - None*

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

### Other Assumptions

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

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

*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 on a listing for active members. The data for active members included birth date, sex, equated date of hire, salary and employee contribution account balance. There are currently no retirees or beneficiaries.



## SUMMARY OF BENEFIT PROVISIONS

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

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

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

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

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

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

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

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

### *Full Retirement*

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

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

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

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



### *Reduced Retirement*

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

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

Payment Form: Same as for Full Retirement.

Death Benefit: Same as for Full Retirement.

### *Refunds*

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

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

### *Death Benefit of Active Members*

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

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

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



**Plan Net Assets**

(Assets at Market or Fair Value)

Item	June 30, 2000	June 30, 1999
(1)	(2)	(3)
1. Cash and cash equivalents	\$ 100,324	\$ 115,114
2. Receivables:		
a. Employer and member contributions	\$ -	\$ -
b. Due from state for teachers	-	-
c. Net investment income and other	<u>2,279</u>	<u>858</u>
d. Total receivables	\$ 2,279	\$ 858
3. Investments		
a. Pooled trust	\$ 7,405,683	\$ 5,512,752
b. Plan specific investments	<u>0</u>	<u>0</u>
c. Total	\$ 7,405,683	\$ 5,512,752
4. Total assets	\$ 7,508,286	\$ 5,628,724
5. Liabilities		
a. Benefits payable	\$ -	\$ -
b. Accounts and vouches payable	<u>4,111</u>	<u>3,501</u>
c. Total liabilities	\$ 4,111	\$ 3,501
6. Total market value of assets available for benefits		
Total (Item 4 - Item 5)	\$ 7,504,175	\$ 5,625,223



## RECONCILIATION OF PLAN NET ASSETS

	June 30, 2000	June 30, 1999
1. Market value of assets as of beginning of year	\$ 5,625,223	\$ 4,102,792
2. Contributions		
a. Members	\$ 289,165	\$ 275,348
b. State	1,007,618	737,414
c. Service purchases	-	-
d. Total	<u>\$ 1,296,783</u>	<u>\$ 1,012,762</u>
3. Investment earnings, net of investment and administrative expenses	\$ 582,169	\$ 509,669
4. Expenditures for the year		
a. Benefit payments	\$ -	\$ -
b. Cost-of-living adjustments	-	-
c. Post-retirement death benefits	-	-
d. Pre-retirement death benefits	-	-
e. Social security supplements	-	-
f. Supplemental pensions	-	-
g. Refunds	-	-
h. Total expenditures	<u>\$ -</u>	<u>\$ -</u>
5. Transfers and other adjustments	\$ -	\$ -
6. Market value of assets at end of year	\$ 7,504,175	\$ 5,625,223



ANALYSIS OF CHANGE IN EMPLOYER COST

Basis	Employer Cost
1. Employer fiscal 2002 cost	30.66%
2. Impact of changes, gains and losses	
a. Liability experience (gain)/loss	0.23%
b. Asset experience (gain)/loss	(0.07%)
c. Assumption change	2.60%
f. Changes in provisions	N/A
g. Total	2.76%
3. Employer fiscal 2003 cost	33.42%

**EMPLOYEES RETIREMENT SYSTEM  
OF RHODE ISLAND**



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**DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (TEACHERS)**

As of 06/30/2000

**Years of Credited Service**

Attained Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.
Under 25	179 \$22,417	63 \$30,166	13 \$31,172	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	255 \$24,778
25-29	338 \$24,909	226 \$30,800	194 \$33,486	182 \$35,336	124 \$37,885	136 \$39,913	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	1,200 \$32,028
30-34	195 \$27,327	165 \$34,385	143 \$35,297	110 \$36,828	150 \$38,686	635 \$45,269	132 \$50,460	3 \$53,000	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	1,533 \$40,097
35-39	125 \$28,376	111 \$35,206	80 \$36,259	58 \$40,485	73 \$41,590	337 \$47,997	455 \$52,984	46 \$53,788	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	1,285 \$45,523
40-44	123 \$29,399	116 \$37,482	99 \$37,489	65 \$40,901	72 \$42,520	320 \$49,491	325 \$54,384	228 \$54,090	168 \$55,541	4 \$48,696	0 \$0	0 \$0	0 \$0	1,520 \$47,872
45-49	201 \$29,078	126 \$39,834	70 \$40,458	78 \$42,821	86 \$44,526	457 \$50,392	487 \$54,062	222 \$53,998	602 \$55,992	658 \$56,608	5 \$60,080	0 \$0	0 \$0	2,992 \$51,292
50-54	70 \$34,649	68 \$47,888	51 \$46,047	42 \$46,219	47 \$48,320	275 \$51,605	382 \$55,142	217 \$56,475	255 \$56,576	1,216 \$57,207	595 \$57,873	7 \$57,020	0 \$0	3,225 \$55,373
55-59	20 \$28,841	17 \$45,472	14 \$48,153	12 \$48,779	13 \$47,619	111 \$52,844	170 \$54,735	98 \$54,587	135 \$56,103	191 \$57,882	338 \$58,467	52 \$57,365	1 \$71,800	1,172 \$55,627
60-64	5 \$50,602	4 \$42,033	5 \$52,862	2 \$52,701	4 \$50,580	37 \$53,972	48 \$53,971	31 \$56,623	46 \$58,012	57 \$57,662	45 \$58,799	26 \$64,168	7 \$55,372	317 \$56,761
65-69	0 \$0	1 \$55,508	2 \$54,883	1 \$25,170	0 \$0	5 \$56,020	9 \$56,071	8 \$58,534	13 \$54,916	19 \$56,786	13 \$55,953	2 \$55,007	4 \$45,231	77 \$55,255
70 & Over	1 \$24,156	0 \$0	0 \$0	0 \$0	0 \$0	2 \$45,448	1 \$45,120	0 \$0	5 \$52,758	10 \$54,457	5 \$51,901	3 \$59,521	4 \$56,975	31 \$52,726
<b>Total</b>	<b>1,257</b> \$27,087	<b>897</b> \$35,744	<b>671</b> \$36,945	<b>550</b> \$39,065	<b>569</b> \$41,335	<b>2,315</b> \$48,225	<b>2,009</b> \$53,898	<b>853</b> \$54,844	<b>1,224</b> \$56,116	<b>2,155</b> \$57,063	<b>1,001</b> \$58,072	<b>90</b> \$59,323	<b>16</b> \$54,264	<b>13,607</b> \$48,402



MEMBERSHIP DATA (TEACHERS)

	June 30, 2000	June 30, 1999
	(1)	(2)
1. Active members		
a. Number	13,607	13,282
b. Number vested	7,351	7,313
c. Total payroll supplied by ERSRI	\$ 658,603,139	\$ 632,777,429
d. Average salary	48,402	\$ 47,642
e. Average age	44.7	45.0
f. Average service	14.0	14.6
2. Inactive members		
a. Number	1,245	1,286
3. Service retirees		
a. Number	5,999	5,564
b. Total annual benefits	\$ 187,873,191	\$ 164,910,545
c. Average annual benefit	31,317	\$ 29,639
d. Average age	68.1	68.7
4. Disabled retirees		
a. Number	206	206
b. Total annual benefits	\$ 4,039,174	\$ 3,837,136
c. Average annual benefit	19,608	\$ 18,627
d. Average age	62.5	62.2
5. Beneficiaries and spouses		
a. Number	281	273
b. Total annual benefits	\$ 4,602,594	\$ 4,276,243
c. Average annual benefit	\$ 16,379	\$ 15,664
d. Average age	70.2	69.9



**DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (STATE EMPLOYEES)**

**As of 06/30/2000**

**Years of Credited Service**

Attained Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.
Under 25	78 \$13,962	55 \$24,507	15 \$25,333	9 \$27,086	1 \$17,249	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	158 \$19,481
25-29	136 \$16,003	141 \$28,980	76 \$30,306	61 \$29,576	22 \$30,436	88 \$31,943	15 \$29,034	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	539 \$26,505
30-34	127 \$15,290	131 \$31,437	99 \$29,662	73 \$31,101	38 \$36,073	315 \$34,432	325 \$32,407	16 \$32,321	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	1,124 \$30,724
35-39	130 \$17,074	110 \$30,400	69 \$33,109	57 \$34,645	37 \$38,068	292 \$36,814	585 \$36,060	294 \$35,745	52 \$33,855	0 \$0	0 \$0	0 \$0	0 \$0	1,626 \$34,038
40-44	110 \$17,703	136 \$32,534	72 \$31,387	55 \$34,261	26 \$34,328	323 \$37,550	562 \$37,685	412 \$41,736	446 \$37,337	88 \$38,161	0 \$0	0 \$0	0 \$0	2,230 \$36,736
45-49	126 \$15,902	101 \$31,146	76 \$32,500	35 \$34,918	29 \$35,641	270 \$39,801	497 \$39,214	319 \$40,481	555 \$44,364	499 \$41,973	40 \$40,600	0 \$0	0 \$0	2,547 \$39,346
50-54	79 \$22,157	59 \$31,954	41 \$33,539	36 \$35,328	27 \$38,113	234 \$36,333	424 \$36,108	303 \$41,073	412 \$46,066	498 \$51,541	201 \$52,658	15 \$45,629	0 \$0	2,329 \$42,715
55-59	34 \$22,437	33 \$33,081	29 \$26,855	15 \$36,694	15 \$47,382	128 \$38,972	314 \$35,829	281 \$39,637	267 \$43,190	231 \$45,643	147 \$51,523	27 \$42,003	7 \$35,797	1,528 \$40,776
60-64	11 \$19,243	14 \$27,040	9 \$34,947	3 \$27,824	7 \$41,213	69 \$33,923	166 \$34,224	144 \$39,354	153 \$39,481	141 \$42,081	55 \$44,717	18 \$45,850	8 \$38,026	798 \$38,256
65-69	1 \$5,598	3 \$41,963	4 \$41,808	0 \$0	1 \$23,997	18 \$36,711	62 \$34,069	56 \$39,070	58 \$38,674	42 \$45,441	18 \$43,084	4 \$70,221	6 \$59,967	273 \$39,749
70 & Over	2 \$18,371	2 \$98,174	1 \$17,521	4 \$12,338	1 \$37,126	7 \$57,459	28 \$45,041	27 \$37,668	32 \$40,142	29 \$38,720	6 \$43,406	7 \$61,552	7 \$57,992	153 \$42,629
<b>Total</b>	<b>834</b> \$16,961	<b>785</b> \$30,757	<b>491</b> \$31,135	<b>348</b> \$32,628	<b>204</b> \$36,675	<b>1,744</b> \$36,798	<b>2,978</b> \$36,382	<b>1,852</b> \$39,735	<b>1,975</b> \$42,083	<b>1,528</b> \$45,470	<b>467</b> \$49,845	<b>71</b> \$47,261	<b>28</b> \$47,162	<b>13,305</b> \$37,510



MEMBERSHIP DATA (STATE EMPLOYEES)

	June 30, 2000	June 30, 1999
	(1)	(2)
1. Active members		
a. Number	13,305	13,369
b. Number vested	8,916	8,762
c. Total payroll supplied by ERSRI	\$ 499,070,777	\$ 476,020,909
d. Average salary	37,510	\$ 35,606
e. Average age	46.7	46.4
f. Average service	14.4	14.4
2. Inactive members		
a. Number	1,730	1,882
3. Service retirees		
a. Number	7,677	7,559
b. Total annual benefits	\$ 118,075,191	\$ 110,616,627
c. Average annual benefit	\$ 15,380	\$ 14,634
d. Average age	73.1	72.9
4. Disabled retirees		
a. Number	608	574
b. Total annual benefits	\$ 6,852,738	\$ 6,132,478
c. Average annual benefit	11,271	\$ 10,684
d. Average age	62.6	62.7
5. Beneficiaries and spouses		
a. Number	965	934
b. Total annual benefits	\$ 10,604,838	\$ 9,909,827
c. Average annual benefit	10,989	\$ 10,610
d. Average age	73.7	73.3



### HISTORICAL SUMMARY OF ACTIVE MEMBER DATA

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



ACTIVE MEMBER STATISTICS

Unit		Active Employees as of June 30, 2000					Active Employees as of June 30, 1999			
Number	Unit	Code(s)	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)
<b>General Employee Units</b>										
3001	Barrington		130	48.3	9.7	\$26,383	128	48.7	10.0	\$26,116
3002	Bristol	B	89	44.7	11.6	28,371	88	44.0	10.5	25,496
3003	Burrillville	C	146	48.0	10.2	24,848	139	48.0	10.8	24,216
3004	Central Falls		42	44.0	12.1	27,775	50	43.1	9.7	28,120
3005	Charlestown	C	33	42.2	9.4	30,704	34	40.7	8.0	27,665
3007	Cranston	B	797	48.2	10.3	24,057	789	48.2	10.1	22,533
3008	Cumberland		239	48.3	8.0	22,097	220	48.3	9.1	20,927
3009	East Greenwich		153	47.3	9.5	23,152	148	47.5	9.9	22,205
3010	East Providence	B	442	47.4	9.6	29,119	412	47.1	9.6	28,086
3011	Exeter/West Greenwich	B	69	47.9	9.1	25,237	67	47.2	8.5	20,433
3012	Foster		40	47.3	8.5	17,422	38	46.4	7.8	17,471
3013	Glocester	C	64	46.8	8.8	20,429	64	47.0	8.7	20,428
3014	Hopkinton	C	29	47.9	6.6	23,868	27	47.4	6.4	22,191
3015	Jamestown	C	60	45.6	8.9	29,866	59	44.4	7.2	26,650
3016	Johnston	C	264	47.6	8.5	24,387	240	47.5	9.2	21,964
3017	Lincoln		15	49.3	7.1	28,935	15	45.8	6.0	32,814
3019	Middletown	C,2	29	45.2	11.5	33,800	---	---	---	---
3021	Newport	B	319	47.2	12.2	27,482	309	47.0	12.3	26,968
3022	New Shoreham	B	43	46.0	6.8	25,387	42	46.0	6.7	25,046
3023	North Kingstown	C	328	48.7	11.1	24,115	326	47.9	10.5	22,455
3024	North Providence		257	46.5	8.8	20,753	242	46.3	8.8	20,607
3025	North Smithfield	B	89	48.1	7.9	22,618	94	47.2	7.4	21,518
3026	Pawtucket	C	673	47.5	11.3	24,197	651	47.3	11.7	24,242
3027	Union Fire District		3	53.0	10.7	26,200	3	52.0	9.7	25,250
3029	Richmond		21	43.9	5.8	19,604	19	47.0	8.1	21,393
3030	Scituate	B	97	49.1	8.6	19,802	92	48.5	8.0	18,437
3031	Smithfield		141	48.9	9.3	28,681	136	48.4	8.8	27,017
3032	South Kingstown	B	308	46.9	9.6	23,558	304	47.1	9.4	22,957
3033	Tiverton		59	50.9	11.2	25,688	59	50.9	11.3	24,216
3034	Warren	C	39	46.2	8.3	26,499	37	45.6	8.6	26,308
3036	Westerly		1	49.0	17.0	44,066	1	48.0	16.0	45,464
3037	West Greenwich		20	47.0	11.3	24,110	21	48.2	10.6	24,745
3039	Woonsocket	B	417	47.2	9.3	21,834	429	47.0	9.0	20,777
3040	Chariho School District		143	46.5	9.2	20,424	132	46.1	9.6	20,738
3041	Foster/Glocester	B	43	50.2	10.0	21,527	43	49.8	10.0	19,966
3042	Tiogue Fire & Lighting	C	1	36.0	3.0	7,725	1	35.0	2.0	7,350
3043	Narragansett Housing		3	46.0	8.3	30,012	3	45.0	6.7	28,383
3045	Coventry Lighting Dist	C	5	54.8	22.6	47,253	5	53.8	21.6	34,966
3046	Hope Valley Fire	C	3	47.0	9.3	22,117	1	64.0	20.0	38,658
3050	East Greenwich Hsg	C	5	44.4	8.4	25,684	5	39.6	8.4	28,401
3051	Cranston Housing	C	17	47.8	10.8	34,055	17	46.9	8.6	30,080
3052	East Providence Hsg	B	14	49.4	9.1	29,146	14	50.6	10.2	32,487
3053	Pawtucket Housing	B	43	45.9	11.0	34,036	44	46.0	10.7	35,521
3056	Cumberland Housing	C	14	43.3	4.4	26,743	10	45.8	4.7	28,018
3057	Lincoln Housing	B	3	54.3	12.0	33,473	8	52.6	6.4	23,116
3059	Bristol Housing		9	50.4	13.6	27,119	8	52.0	14.0	27,199



ACTIVE MEMBER STATISTICS

Unit		Active Employees as of June 30, 2000					Active Employees as of June 30, 1999			
Number	Unit	Code(s)	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)
<b>General Employee Units</b>										
3065	Burrillville Housing		4	50.0	13.5	29,144	4	49.0	12.5	27,410
3066	North Providence Hsg	B	8	48.3	5.9	21,780	7	47.6	11.0	28,774
3067	East Smithfield Water	C	4	55.8	9.8	39,584	4	54.8	8.8	38,210
3068	Greenville Water		4	43.0	11.0	42,127	4	42.0	10.0	40,206
3069	Newport Housing	C	43	48.4	6.8	29,736	42	49.2	8.0	29,544
3071	Warren Housing	B	6	56.7	15.5	30,545	6	55.7	14.5	29,316
3072	Johnston Housing		8	50.6	9.0	28,935	6	51.7	10.8	27,086
3077	Tiverton Local 2670A	C	21	48.7	10.1	26,912	22	51.7	11.4	28,514
3078	Barrington DPW	C	28	46.3	16.2	33,960	28	45.3	15.2	32,848
3079	Coventry Housing		11	40.6	3.3	22,565	9	44.1	4.7	23,718
3080	South Kingstown Hsg	C	2	45.0	2.5	33,281	---	---	---	---
3083	West Warwick Housing	B	7	49.1	9.0	27,521	7	47.9	9.3	26,570
3084	Smithfield Housing		3	41.0	10.3	24,163	3	40.0	9.3	22,925
3096	Central Falls Housing		14	46.8	5.1	28,307	12	50.5	7.8	32,455
3098	Lime Rock Adm Svcs		2	44.5	9.0	34,394	2	43.5	8.0	22,864
3099	Central Falls Schools	C	137	46.4	7.9	19,770	124	46.7	8.5	18,653
3100	Bristol/Warren Schools	B	149	47.4	8.8	20,828	149	46.5	7.9	19,903
<b>All General Employee Units</b>			<b>6,210</b>	<b>47.5</b>	<b>9.8</b>	<b>\$24,514</b>	<b>6,003</b>	<b>47.3</b>	<b>9.8</b>	<b>\$23,524</b>
<b>Police &amp; Fire Units</b>										
4016	Johnston Fire	D,2	7	30.1	0.6	22,716	---	---	---	---
4029	Richmond Police		7	36.7	5.4	27,758	7	35.7	4.4	\$26,033
4031	Smithfield Police	C,2	5	24.6	0.6	22,059	---	---	---	---
4042	Valley Falls Fire	D	12	37.0	9.9	35,430	12	36.0	9.5	33,900
4046	Lime Rock Fire	3	---	---	---	---	---	---	---	---
4047	N Smithfield Vol Fire	D	8	41.1	8.9	32,549	9	39.4	8.8	32,520
4050	East Greenwich Fire	C,D	24	38.5	14.6	42,308	25	39.2	11.5	40,582
4054	East Greenwich Police	C,D	29	37.8	11.7	45,590	30	37.4	11.1	40,069
4055	N Kingstown Fire	C,D	70	39.3	13.4	38,380	74	38.2	12.3	32,299
4056	N Kingstown Police	C,D	48	36.7	11.9	38,867	48	37.3	12.0	36,022
4057	Harris Fire	C	2	33.5	7.0	23,416	2	34.5	11.0	30,789
4058	North Providence Fire	D	102	38.6	14.5	40,827	97	37.7	12.1	40,295
4059	Barrington Fire (25)	C	5	32.8	3.6	39,939	5	31.8	2.6	35,086
4060	Barrington Police	D	24	39.3	12.4	40,063	23	38.7	11.9	44,733
4061	Barrington Fire (20)	C,D	16	44.2	19.4	40,825	16	43.2	17.4	39,588
4062	Warren Police	C,D	22	36.0	10.5	41,496	21	35.9	10.1	40,096
4063	S Kingstown Police	B,1	44	42.3	17.9	42,377	43	41.6	16.6	40,385
4064	Primrose Vol Fire	B,D	8	37.8	8.1	30,429	8	41.0	13.4	35,365
4073	Scituate Police	3	---	---	---	---	---	---	---	---
4076	N Smithfield Police	C,D	21	42.6	11.1	41,102	19	41.8	11.5	39,909
4077	Tiverton Fire	D	26	39.3	11.9	35,727	24	37.8	11.3	32,128
4082	Foster Police	C,D	7	42.3	12.4	37,190	7	41.3	10.9	35,117
4085	Woonsocket Police	C,D	95	35.5	10.0	41,899	93	35.0	9.4	38,050
4086	Charlestown Police	C,D	16	38.0	11.9	39,709	15	37.9	11.5	37,341
4087	Hopkinton Police	C,D	12	38.1	10.4	35,469	12	36.3	10.0	34,248
4088	Glocester Police	C,D	16	36.4	9.0	33,131	15	38.3	10.5	35,821



ACTIVE MEMBER STATISTICS

Unit Number	Unit	Code(s)	Active Employees as of June 30, 2000				Active Employees as of June 30, 1999			
			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)
<b>Police &amp; Fire Units</b>										
4089	W Greenwich Pol/Rsq	D	8	36.8	11.4	32,431	8	36.3	12.0	31,860
4090	Burrillville Police	C,D	20	36.5	10.2	40,651	21	35.3	9.1	38,848
4091	Cumberland Rescue	C,D	15	33.6	8.0	31,388	14	35.5	9.5	30,767
4092	Washington Fire	D	9	36.8	8.3	31,951	9	38.2	9.1	34,533
4093	Woonsocket Fire	C,D	87	34.9	8.7	38,951	84	34.3	8.2	36,180
4094	Bristol Fire		1	51.0	12.0	47,765	1	50.0	11.0	46,324
4095	Cumberland Hill Fire	C,D	10	39.6	15.0	33,242	10	44.0	18.1	34,570
4096	Bristol Police	C,D	9	29.2	1.4	23,223	6	29.3	2.7	24,509
4098	Coventry Fire	D	13	39.9	10.5	28,032	11	37.5	11.9	29,017
4099	S Kingstown EMT	C,D	13	32.2	4.8	31,176	13	32.2	3.8	26,545
4100	Tiogou Fire		5	34.2	4.6	21,646	4	33.8	4.8	19,455
4101	North Cumberland	D	14	37.3	9.4	32,383	14	38.2	8.7	29,976
4102	Central Coventry Fire	D	13	34.5	6.9	34,703	12	34.3	6.4	28,758
4103	Hopkins Hill Fire	D	4	34.3	6.0	28,368	4	33.3	5.0	27,211
4104	Cranston Police	C,D,4	57	35.3	4.7	43,334	54	34.6	4.1	38,895
4105	Cranston Fire	C,D,4	86	37.5	5.5	44,847	79	37.6	6.4	43,010
4106	Cumberland Fire	B,D	10	42.1	10.2	33,910	10	40.7	10.4	29,943
4107	Lincoln Rescue		16	34.9	8.1	33,648	16	33.9	7.1	30,277
4108	New Shoreham Police	B	4	37.0	10.5	43,831	4	36.0	9.3	35,383
4109	Warren Fire	D	1	53.0	15.0	42,993	1	52.0	14.0	41,340
<b>All Police &amp; Fire Units</b>			<b>1,021</b>	<b>37.3</b>	<b>10.4</b>	<b>\$39,017</b>	<b>980</b>	<b>37.1</b>	<b>10.0</b>	<b>\$36,918</b>
<i>All MERS Units</i>			<i>7,231</i>	<i>46.1</i>	<i>9.9</i>	<i>\$26,562</i>	<i>6,983</i>	<i>45.9</i>	<i>9.8</i>	<i>\$25,403</i>

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 2000 valuation.

3 - Closed unit.

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





**DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (POLICE & FIRE)**

**As of 06/30/2000**

**Years of Credited Service**

	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Attained	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count
Age	& Avg.	& Avg.	& Avg.	& Avg.	& Avg.	& Avg.	& Avg.	& Avg.	& Avg.	& Avg.	& Avg.	& Avg.	& Avg.	& Avg.
	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.	Comp.
Under 25	19	5	4	1	2	0	0	0	0	0	0	0	0	31
	\$15,943	\$29,519	\$32,703	\$35,337	\$42,188	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,614
25-29	27	23	34	15	21	27	1	0	0	0	0	0	0	148
	\$18,464	\$32,801	\$35,220	\$38,359	\$39,801	\$39,330	\$41,478	\$0	\$0	\$0	\$0	\$0	\$0	\$33,547
30-34	21	13	19	16	22	92	54	6	0	0	0	0	0	243
	\$19,578	\$31,781	\$36,732	\$37,537	\$40,196	\$40,865	\$41,319	\$42,799	\$0	\$0	\$0	\$0	\$0	\$38,085
35-39	9	5	11	9	10	78	123	36	15	0	0	0	0	296
	\$18,847	\$32,710	\$34,521	\$39,952	\$41,549	\$41,824	\$41,581	\$43,824	\$44,377	\$0	\$0	\$0	\$0	\$40,906
40-44	4	1	2	0	3	24	38	46	22	11	0	0	0	151
	\$23,312	\$28,961	\$40,105	\$0	\$38,320	\$42,745	\$41,042	\$43,333	\$44,233	\$46,129	\$0	\$0	\$0	\$42,230
45-49	0	0	1	2	2	8	8	16	26	14	4	0	0	81
	\$0	\$0	\$33,757	\$45,275	\$36,666	\$37,402	\$41,080	\$42,223	\$43,987	\$45,370	\$43,535	\$0	\$0	\$42,643
50-54	2	0	0	0	1	3	3	4	4	15	8	0	0	40
	\$14,662	\$0	\$0	\$0	\$58,197	\$33,276	\$43,045	\$42,456	\$43,775	\$44,562	\$43,462	\$0	\$0	\$41,938
55-59	0	0	0	0	0	0	0	0	2	7	1	2	0	12
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,251	\$46,771	\$38,740	\$38,740	\$0	\$45,343
60-64	1	6	2	4	1	1	1	2	0	0	1	0	0	19
	\$34,089	\$37,479	\$42,600	\$42,022	\$38,818	\$38,672	\$43,015	\$43,136	\$0	\$0	\$36,310	\$0	\$0	\$39,754
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70 & Over	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>83</b>	<b>53</b>	<b>73</b>	<b>47</b>	<b>62</b>	<b>233</b>	<b>228</b>	<b>110</b>	<b>69</b>	<b>47</b>	<b>14</b>	<b>2</b>	<b>0</b>	<b>1,021</b>
	\$18,541	\$32,690	\$35,686	\$38,926	\$40,408	\$40,976	\$41,437	\$43,268	\$44,320	\$45,498	\$42,634	\$38,740	\$0	\$39,017



**DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (GENERAL EMPLOYEES)**

**As of 06/30/2000**

**Years of Credited Service**

Attained Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>	Count & Avg. & Avg. <u>Comp.</u>
Under 25	39 \$9,931	17 \$22,758	11 \$23,832	3 \$19,423	0 \$0	2 \$28,001	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	72 \$15,981
25-29	56 \$12,941	35 \$25,696	26 \$22,544	17 \$26,655	15 \$24,156	40 \$24,308	6 \$23,519	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	195 \$21,226
30-34	70 \$15,517	62 \$21,550	25 \$22,974	28 \$24,330	29 \$27,519	111 \$27,896	99 \$29,812	2 \$26,568	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	426 \$24,828
35-39	116 \$11,707	78 \$21,801	62 \$20,482	49 \$20,140	46 \$24,521	172 \$26,565	173 \$29,789	42 \$30,138	3 \$34,713	0 \$0	0 \$0	0 \$0	0 \$0	741 \$23,665
40-44	129 \$11,784	101 \$19,440	102 \$20,811	72 \$19,862	73 \$23,370	248 \$23,823	195 \$27,844	70 \$32,767	54 \$31,200	5 \$34,015	0 \$0	0 \$0	0 \$0	1,049 \$23,097
45-49	109 \$11,437	89 \$23,178	67 \$20,034	62 \$19,910	71 \$22,683	312 \$23,538	260 \$26,949	108 \$31,752	91 \$34,206	59 \$32,106	11 \$35,860	0 \$0	0 \$0	1,239 \$24,760
50-54	72 \$12,563	58 \$24,494	57 \$21,948	51 \$20,916	50 \$23,465	212 \$24,122	285 \$25,643	118 \$29,601	70 \$33,466	56 \$36,092	38 \$38,617	4 \$40,074	0 \$0	1,071 \$25,885
55-59	29 \$11,815	28 \$20,724	29 \$22,564	24 \$18,646	17 \$27,065	140 \$25,575	188 \$25,982	99 \$25,486	94 \$30,950	64 \$33,525	21 \$33,037	13 \$33,256	0 \$0	746 \$26,346
60-64	14 \$9,601	14 \$26,508	13 \$24,276	11 \$23,581	6 \$26,198	88 \$25,538	105 \$25,001	55 \$26,939	67 \$28,133	44 \$29,794	7 \$31,996	4 \$47,846	2 \$32,067	430 \$26,203
65-69	4 \$2,158	2 \$10,416	7 \$13,138	4 \$14,158	4 \$21,583	22 \$25,145	42 \$25,509	18 \$24,788	23 \$20,646	19 \$25,758	2 \$25,182	2 \$20,512	1 \$24,140	150 \$22,766
70 & Over	3 \$4,261	4 \$17,043	1 \$13,185	1 \$15,724	0 \$0	12 \$20,029	26 \$18,972	7 \$24,601	13 \$23,312	4 \$26,689	13 \$17,942	1 \$9,225	6 \$32,505	91 \$20,472
<b>Total</b>	<b>641</b> \$12,053	<b>488</b> \$22,152	<b>400</b> \$21,209	<b>322</b> \$20,776	<b>311</b> \$24,057	<b>1,359</b> \$24,784	<b>1,379</b> \$26,878	<b>519</b> \$29,206	<b>415</b> \$30,883	<b>251</b> \$32,423	<b>92</b> \$33,296	<b>24</b> \$34,761	<b>9</b> \$31,478	<b>6,210</b> \$24,514



## RETIRED MEMBER STATISTICS

Unit Number	Unit	Code(s)	Retirees & Beneficiaries as of June 30, 2000			Retirees & Beneficiaries as of June 30, 1999		
			Number	Avg. Age	Avg. Monthly Benefit	Number	Avg. Age	Avg. Monthly Benefit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>General Employee Units</b>								
3001	Barrington		105	73.8	\$510	104	73.6	\$499
3002	Bristol	B	81	73.1	\$706	82	73.0	623
3003	Burrillville	C	68	71.9	\$587	65	71.9	567
3004	Central Falls		26	67.7	\$610	27	66.7	604
3005	Charlestown	C	5	69.6	\$1,094	5	68.6	1,067
3007	Cranston	B	463	71.9	\$789	460	71.5	761
3008	Cumberland		127	70.5	\$590	116	70.0	572
3009	East Greenwich		70	72.7	\$468	65	72.5	465
3010	East Providence	B	305	70.4	\$994	301	69.8	963
3011	Exeter/West Greenwich	B	13	68.6	\$636	14	68.1	744
3012	Foster		15	70.9	\$524	16	70.8	509
3013	Glocester	C	13	65.3	\$714	10	65.0	767
3014	Hopkinton	C	9	69.7	\$576	10	69.1	533
3015	Jamestown	C	20	67.9	\$989	21	68.1	950
3016	Johnston	C	147	71.6	\$723	138	71.6	665
3017	Lincoln		---	---	---	---	---	---
3019	Middletown	C,2	2	58.0	\$1,149	---	---	---
3021	Newport	B	177	71.9	\$903	180	72.4	835
3022	New Shoreham	B	7	67.3	\$882	7	66.3	857
3023	North Kingstown	C	117	71.8	\$614	119	71.3	629
3024	North Providence		136	72.1	\$500	134	71.6	510
3025	North Smithfield	B	63	73.6	\$459	65	72.7	444
3026	Pawtucket	C	427	72.2	\$685	415	72.2	640
3027	Union Fire District		---	---	---	---	---	---
3029	Richmond		8	70.9	\$446	6	72.7	204
3030	Scituate	B	47	73.6	\$600	46	72.7	605
3031	Smithfield		84	72.2	\$554	82	71.9	545
3032	South Kingstown	B	90	72.2	\$547	81	73.2	510
3033	Tiverton		55	73.1	\$502	53	72.5	500
3034	Warren	C	56	73.2	\$598	54	72.4	587
3036	Westerly		13	75.6	\$880	13	74.6	880
3037	West Greenwich		5	72.6	\$578	3	76.0	516
3039	Woonsocket	B	285	72.6	\$527	285	72.3	498
3040	Chariho School District		18	66.0	\$622	16	66.0	704
3041	Foster/Glocester	B	18	66.9	\$691	16	66.5	673
3042	Tiogue Fire & Lighting	C	1	64.0	\$296	1	63.0	288
3043	Narragansett Housing		---	---	---	---	---	---
3045	Coventry Lighting District	C	---	---	---	---	---	---
3046	Hope Valley Fire	C	---	---	---	---	---	---
3050	East Greenwich Housing	C	---	---	---	---	---	---
3051	Cranston Housing	C	9	70.6	\$584	9	69.6	575
3052	East Providence Housing	B	11	75.4	\$533	10	75.2	502
3053	Pawtucket Housing	B	21	76.1	\$652	20	75.7	601
3056	Cumberland Housing	C	5	70.8	\$700	5	69.8	700
3057	Lincoln Housing	B	5	71.8	\$1,030	4	74.0	959
3059	Bristol Housing		2	73.0	\$553	2	72.0	553



RETIRED MEMBER STATISTICS

Unit		Retirees & Beneficiaries as of June 30, 2000				Retirees & Beneficiaries as of June 30, 1999		
Number	Unit	Code(s)	Number	Avg. Age	Avg. Monthly Benefit	Number	Avg. Age	Avg. Monthly Benefit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>General Employee Units</b>								
3065	Burrillville Housing		---	---	---	---	---	---
3066	North Providence Housing	B	4	67.0	\$1,099	3	71.7	312
3067	East Smithfield Water	C	---	---	---	---	---	---
3068	Greenville Water		1	73.0	\$749	1	72.0	749
3069	Newport Housing	C	9	58.3	\$1,298	7	57.7	1,443
3071	Warren Housing	B	1	84.0	\$491	1	83.0	476
3072	Johnston Housing		3	77.7	\$560	3	76.7	560
3077	Tiverton Local 2670A	C	5	64.8	\$834	3	66.7	570
3078	Barrington DPW	C	1	63.0	\$1,483	1	62.0	1,442
3079	Coventry Housing		6	70.5	\$434	6	69.5	434
3080	South Kingstown Housing	C	1	79.0	\$246	1	78.0	246
3083	West Warwick Housing	B	3	70.0	\$730	3	69.0	700
3084	Smithfield Housing		---	---	---	1	76.0	572
3096	Central Falls Housing		9	66.4	\$1,064	8	67.0	966
3098	Lime Rock Adme Svcs		---	---	---	---	---	---
3099	Central Falls Schools	C	9	66.1	\$504	7	65.1	454
3100	Bristol/Warren Schools	B	35	64.9	\$770	34	63.9	807
<b>All General Employee Units</b>			<b>3,214</b>	<b>71.7</b>	<b>\$8,269</b>	<b>3,033</b>	<b>71.4</b>	<b>\$7,519</b>
<b>Police and Fire Units</b>								
4016	Johnston Fire	D,2	---	---	---	---	---	---
4029	Richmond Fire District		---	---	---	---	---	---
4031	Smithfield Police	C,2	---	---	---	---	---	---
4042	Valley Falls Fire	D	5	55.2	1,505	5	54.2	1,505
4046	Lime Rock Fire	3	---	---	---	---	---	---
4047	N Smithfield Vol Fire	D	---	---	---	---	---	---
4050	East Greenwich Fire	C,D	15	65.3	1,475	14	65.8	1,427
4054	East Greenwich Police	C,D	15	64.3	1,622	14	63.8	1,505
4055	North Kingstown Fire	C,D	45	64.0	1,427	43	64.4	1,320
4056	North Kingstown Police	C,D	9	53.0	2,378	7	50.7	2,213
4057	Harris Fire Department	C	1	31.0	1,571	---	---	---
4058	North Providence Fire	D	20	61.1	1,690	20	61.3	1,734
4059	Barrington Fire (25)	C	---	---	---	---	---	---
4060	Barrington Police	D	21	63.0	1,242	22	63.0	1,220
4061	Barrington Fire (20)	C,D	28	65.0	1,135	29	63.9	1,127
4062	Warren Police	C,D	22	62.6	1,191	21	62.5	1,232
4063	South Kingstown Police	B,1	17	61.8	1,276	17	60.8	1,258
4064	Primrose Volunteer Fire	B,D	3	58.7	1,425	1	85.0	349
4073	Scituate Police	3	1	71.0	497	1	70.0	497
4076	North Smithfield Police	C,D	8	59.8	1,727	8	58.8	1,688
4077	Tiverton Fire	D	15	62.6	1,104	15	61.8	1,036
4082	Foster Police	C,D	2	59.0	1,203	2	58.0	1,203
4085	Woonsocket Police	C,D	4	37.8	1,668	3	39.0	1,953
4086	Charlestown Police	C,D	3	42.3	1,791	3	41.3	1,760
4087	Hopkinton Police	C,D	1	73.0	978	1	72.0	951
4088	Gloicester Police	C,D	3	64.7	944	2	64.0	740



**RETIRED MEMBER STATISTICS**

Unit		Retirees & Beneficiaries as of June 30, 2000				Retirees & Beneficiaries as of June 30, 1999		
Number	Unit	Code(s)	Number	Avg. Age	Avg. Monthly Benefit	Number	Avg. Age	Avg. Monthly Benefit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Police and Fire Units</b>								
4089	W Greenwich Police/Rsq	D	2	60.5	1,575	2	59.5	1,575
4090	Burrillville Police	C,D	8	57.0	1,918	8	56.0	1,879
4091	Cumberland Rescue	C,D	3	40.3	1,193	2	41.0	852
4092	Washington Fire	D	1	46.0	2,552	---	---	---
4093	Woonsocket Fire	C,D	5	30.2	775	1	39.0	2,154
4094	Bristol Fire		---	---	---	---	---	---
4095	Cumberland Hill Fire	C,D	2	50.0	1,227	---	---	---
4096	Bristol Police	C,D	---	---	---	---	---	---
4098	Coventry Fire	D	2	27.5	1,192	2	26.5	1,192
4099	South Kingstown EMT	C,D	---	---	---	---	---	---
4100	Tiogue Fire		1	47.0	2,528	1	46.0	2,528
4101	North Cumberland	D	3	40.0	1,440	3	39.0	1,440
4102	Central Coventry Fire	D	2	59.5	2,187	2	58.5	2,187
4103	Hopkins Hill Fire	D	---	---	---	---	---	---
4104	Cranston Police	C,D,4	---	---	---	---	---	---
4105	Cranston Fire	C,D,4	---	---	---	---	---	---
4106	Cumberland Fire	B,D	3	53.7	1,519	2	62.0	1,872
4107	Lincoln Rescue		---	---	---	---	---	---
4108	New Shoreham Police	B	---	---	---	---	---	---
4109	Warren Fire	D	---	---	---	---	---	---
<b>All Police &amp; Fire Units</b>			<b>270</b>	<b>60.1</b>	<b>\$17,032</b>	<b>224</b>	<b>61.8</b>	<b>\$15,750</b>
<i>All MERS Units</i>			<i>3,484</i>	<i>70.8</i>	<i>\$8,948</i>	<i>3,257</i>	<i>70.8</i>	<i>\$8,085</i>

- 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 2000 valuation.
- 3 - Closed unit.
- 4 - Cranston Fire and Police are contributing 10% due to special plan provision.



**DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (STATE POLICE)**

As of 06/30/2000

**Years of Credited Service**

Attained Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.	Count & Avg. & Avg. Comp.
Under 25	4 \$48,182	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	4 \$48,182
25-29	9 \$48,182	0 \$0	12 \$54,309	0 \$0	0 \$0	5 \$62,055	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	26 \$53,678
30-34	7 \$48,182	1 \$61,472	17 \$54,309	0 \$0	0 \$0	49 \$61,869	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	74 \$58,832
35-39	0 \$0	0 \$0	4 \$54,309	0 \$0	0 \$0	29 \$61,803	3 \$61,472	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	36 \$60,943
40-44	2 \$48,182	0 \$0	1 \$54,309	0 \$0	0 \$0	7 \$62,231	1 \$71,203	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	11 \$59,772
45-49	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0
50-54	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0
55-59	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0
60-64	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	1 \$123,545	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	1 \$123,545
65-69	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0
70 & Over	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0
<b>Total</b>	22 \$48,182	1 \$61,472	34 \$54,309	0 \$0	0 \$0	91 \$62,564	4 \$63,905	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	152 \$58,664



**MEMBERSHIP DATA (STATE POLICE)**

	June 30, 2000 (1)	June 30, 1999 (2)
1. Active members		
a. Number	152	130
b. Number vested	0	0
c. Total payroll supplied by State (for benefits)	\$ 8,916,914	\$ 7,502,433
d. Average salary	\$ 58,664	\$ 57,711
e. Average age	33.7	33.3
f. Average service	5.5	5.4
2. Inactive members		
a. Number	0	0
3. Service retirees		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A
4. Disabled retirees		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A
5. Beneficiaries and spouses		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A

**HISTORICAL SUMMARY OF ACTIVE MEMBER DATA**

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



**DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND BY YEARS OF SERVICE (STATE JUDGES)**

**As of 06/30/2000**

**Years of Credited Service**

Attained Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.
Under 25	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0
25-29	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0
30-34	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0
35-39	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0
40-44	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	4 \$111,378	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	4 \$111,378
45-49	0 \$0	0 \$0	1 \$105,165	0 \$0	0 \$0	4 \$119,118	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	5 \$116,327
50-54	1 \$112,165	0 \$0	0 \$0	0 \$0	1 \$124,583	3 \$117,507	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	5 \$117,854
55-59	1 \$100,157	0 \$0	0 \$0	0 \$0	1 \$112,166	5 \$108,859	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	7 \$108,089
60-64	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	5 \$116,693	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	5 \$116,693
65-69	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	2 \$114,837	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	2 \$114,837
70 & Over	0 \$0	0 \$0	0 \$0	1 \$112,166	0 \$0	2 \$117,507	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	3 \$115,727
<b>Total</b>	<b>2</b> \$106,161	<b>0</b> \$0	<b>1</b> \$105,165	<b>1</b> \$112,166	<b>2</b> \$118,375	<b>25</b> \$114,678	<b>0</b> \$0	<b>0</b> \$0	<b>0</b> \$0	<b>0</b> \$0	<b>0</b> \$0	<b>0</b> \$0	<b>0</b> \$0	<b>31</b> \$113,979





**MEMBERSHIP DATA (STATE JUDGES)**

	June 30, 2000 (1)	June 30, 1999 (2)
1. Active members		
a. Number	31	29
b. Number vested	0	0
c. Total payroll supplied by State	\$ 3,533,354	\$ 3,169,183
d. Average salary	\$ 113,979	\$ 109,282
e. Average age	55.9	55.0
f. Average service	6.5	5.9
2. Inactive members		
a. Number	0	0
3. Service retirees		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A
4. Disabled retirees		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A
5. Beneficiaries and spouses		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A

**HISTORICAL SUMMARY OF ACTIVE MEMBER DATA**

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	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