THE STATE POLICE RETIREMENT SYSTEM
OF NEW JERSEY
ANNUAL REPORT
OF THE ACTUARY
PREPARED AS OF JULY 1, 2010

REVISED FOR CHAPTER 78, P.L. 2011

buckconsultants

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August 12, 2011

Board of Trustees
The State Police Retirement System
of New Jersey
Trenton, New Jersey 08625

Members of the Board:

The law governing the operation of the State Police Retirement System of New Jersey provides for annual actuarial valuations of the System. The results of the July 1, 2010 valuation are submitted in this report, which also includes a comparison with the preceding year's valuation.

The valuation shows the financial condition of the Plan as of July 1, 2010 and gives the basis for determining the recommended annual contribution for the plan year beginning July 1, 2010.

The valuation was prepared on the basis of the demographic assumptions that were determined from the July 1, 2005 – June 30, 2008 Experience Study and approved by the Board of Trustees at the May 2009 Board meeting and the economic assumptions which were approved by the Treasurer (these include an investment return rate of 8.25% per annum and assumed future salary increases of 5.45% per annum).

The valuation reflects the final provisions of the Appropriation Act for fiscal year 2010. The fiscal year 2010 recommended pension contribution of $82,485,012 has been reduced to $0. The valuation also reflects the potential effect of the Appropriation Act for fiscal year 2011. The fiscal year 2011 recommended pension contribution of $103,745,281 has been reduced to $0. This amount may be subject to change per the requirements of the State's fiscal year 2011 spending plan. Lastly, the valuation reflects the provisions of Chapter 1, P.L. 2010 which allows the State Treasurer to reduce the recommended pension contribution for the 2012 fiscal year to no less than 1/7th of the recommended contribution.

The valuation also reflects the benefit provisions of Chapter 1, P.L. 2010, which changed the maximum compensation upon which benefits and contributions are based and the averaging period for final compensation for members hired on or after May 22, 2010.

Lastly, the valuation reflects the provisions of Chapter 78, P.L. 2011, which increases Member Contributions from 7.5% to 9.0% of compensation, suspends future cost of living adjustments for current and future retirees and beneficiaries until reactivated as permitted by law and changes the method for amortizing the Retirement System's unfunded accrued liability.

The report does not take into account any changes in U.S. equity prices and bond yields that have occurred after the valuation date. Taking these into account may significantly change the market and actuarial value of assets shown. The effect of these events on any funded ratios shown, and on Retirement System calculations, is not known. Retirement System funding and financial accounting rules generally prohibit reflection of changes in assets and underlying economic conditions that occur after the valuation date.

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To the best of our knowledge, this report is complete and accurate. The valuation was performed by, and under the supervision of, independent qualified actuaries who are members of the American Academy of Actuaries with experience in performing valuations for public retirement systems.

The valuation was prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board and generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the System, and on actuarial assumptions that are individually and in the aggregate internally consistent and reasonable based on the actual experience of the System.

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

Respectfully submitted,

Janet H. Cranna, F.S.A., E.A., M.A.A.A., F.C.A.
Principal, Consulting Actuary

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REPORT ON THE ANNUAL
VALUATION OF
THE STATE POLICE RETIREMENT SYSTEM
OF NEW JERSEY
PREPARED AS OF JULY 1, 2010

SECTION I - SUMMARY OF KEY RESULTS

The State Police Retirement System of New Jersey became effective July 1, 1965 under terms of Chapter 89 of the Laws of 1965. This report, prepared as of July 1, 2010, presents the results of the annual actuarial valuation of the Fund.

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

Valuation Data	After Reflecting Chapter 78, P.L. 2011 July 1, 2010	Prior to Reflecting Chapter 78, P.L. 2011 July 1, 2010	July 1, 2009
Number of Members	3,030	3,030	3,016
Annual Compensation	$ 289,980,657	$ 289,980,657	$ 287,267,502
Number of Pensioners and Beneficiaries	2,652	2,652	2,585
Total Annual Allowance	$ 138,873,702	$ 138,873,702	$ 133,573,198
<u>Assets</u>			
Market Value of Assets	$ 1,656,194,924*	$ 1,656,194,924*	$ 1,564,180,409
Valuation Assets	$ 2,019,350,048*	$ 2,019,350,048*	$ 2,067,242,877
<u>Contribution Amounts</u>			
Pension Contribution			
a) Recommended Contribution			
Normal Contribution	$ 46,230,040	$ 58,383,406	$ 57,663,508
Accrued Liability Contribution	43,441,704	55,120,136	46,081,773
Total Pension Contribution	$ 89,671,744	$ 113,503,542	$ 103,745,281#
b) Chapter 1, P.L. 2010 Minimum Contribution			
Normal Contribution	$ 6,604,291	$ 8,340,487	N/A
Accrued Liability Contribution	6,205,958	7,874,305	N/A
Total Pension Contribution	$ 12,810,249**	$ 16,214,792**	N/A
Non-Contributory Group Insurance Premium	$ 1,800,000	$ 1,800,000	$ 1,600,000

* Assets include a fiscal year 2011 receivable contribution of $0 instead of the $103,745,281 contribution recommended for the July 1, 2009 valuation (potential effect of the Appropriation Act for fiscal year 2011).

** Chapter 1, P.L. 2010 allows the State to make a contribution for fiscal year 2012 equal to 1/7th of the recommended contribution. The contribution could be subject to change per the requirements of the State's fiscal year 2012 spending plan.

\# The recommended contribution could be subject to reduction in accordance with the provisions of the Appropriation Act for fiscal year 2011.

The major benefit and contribution provisions of the statute as reflected in the valuation are summarized in Appendix A.

The valuation reflects the final provisions of the Appropriation Act for fiscal year 2010, which allowed the State Treasurer to reduce the State normal and accrued liability contributions for fiscal year 2010 of $82,485,012 to $0. (This amount excludes the estimated premium paid to the Non-Contributory Insurance Fund of $1,546,000 for the lump sum death benefit during active service.)

The valuation also reflects the potential impact of the Appropriation Act for fiscal year 2011, which allows the State Treasurer to reduce the State normal and accrued liability contributions for fiscal year 2011 of $103,745,281 to $0. (This amount excludes the estimated premium paid to the Non-Contributory Insurance Fund of $1,600,000 for the lump sum death benefit during active service.) Accordingly, no fiscal year 2011 State appropriation receivable was recognized for purposes of this valuation.

The valuation also reflects the provisions of Chapter 1, P.L. 2010 which provided that for members hired on or after May 22, 2010, the amount of compensation used for employer and member contributions and benefits under the System cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act. The legislation also amended the definition of final compensation for members hired on or after May 22, 2010 to be the average annual compensation for service for which contributions are made during any three fiscal years of membership providing the largest possible benefit to the member or the member's beneficiary. Further, the legislation allows the State Treasurer to phase in to the full recommended pension contribution. The State would be in compliance with its funding requirement provided the State makes a payment of at least 1/7th of the full contribution, as computed by the actuaries, in the State fiscal year commencing July 1, 2011 and makes a payment in each subsequent fiscal year that increases by at least an additional 1/7th until payment of the full contribution is made in the seventh fiscal year and thereafter.

The valuation also reflects Chapter 78, P.L. 2011, which increases member contributions from 7.5% to 9.0% of compensation. In addition, Chapter 78, P.L. 2011 suspends cost of living adjustments for all current and future retirees and beneficiaries until reactivated as permitted by law; however, Chapter 78, P.L. 2011 does not reduce the benefits for cost of living adjustments that were made in prior years.

Chapter 78, P.L. 2011 also provides that when a target funded ratio for the System is achieved, the pension committee created by Chapter 78, P.L. 2011 will have the discretionary authority to modify the member contribution rate, formula for calculation of final compensation or final salary, fraction used to calculate a retirement allowance, age at which a member may be eligible and the benefits for service or early retirement, and benefits provided for disability retirement. The pension committee will not have authority to change the number of years required for vesting.

The pension committee will have the authority to reactivate the cost of living adjustment on pensions and modify the basis for the calculation of the cost of living adjustment and set the duration and extent of the activation. The pension committee must give priority consideration to the reactivation of the cost of living adjustment. No decision of the pension committee shall be implemented if the direct or indirect result of the decision will be that the System's funded ratio falls below the target funded ratio in any valuation period during the 30 years following the implementation of the decision. The "target funded ratio" is determined as the ratio of the actuarial value of assets to the actuarially determined accrued liabilities expressed as a percentage that will be 75 percent in State fiscal year 2012, and increased annually by equal increments in each of the subsequent seven fiscal years, until the ratio reaches 80 percent at which it is to remain for all subsequent fiscal years.

The valuation was prepared on the basis of the demographic assumptions that were determined from the July 1, 2005 – June 30, 2008 Experience Study and approved by the Board of Trustees at the May 2009 Board meeting and the economic assumptions which were approved by the Treasurer (these include an investment return rate of 8.25% per annum and assumed future salary increases of 5.45% per annum). The actuarial assumptions and methods used for valuing the Fund are summarized in Appendix B. Chapter 78, P.L. 2011 changed the methodology used to amortize the unfunded accrued liability. Beginning with the July 1, 2010 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars, it will amortize the unfunded accrued liability over an open 30 year period. Beginning with the July 1, 2019 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars it will amortize the unfunded accrued liability over a closed 30 year period (i.e., for each subsequent actuarial valuation, the amortization period will decrease by one year.) Beginning with the July 1, 2029 actuarial valuation when the remaining amortization period reaches 20 years, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 20 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 20 years, the accrued liability contribution shall be computed for that valuation year using a 20 year amortization period.

There were no other changes to the actuarial assumptions and methods used in the prior valuation.

The combination of the plan provisions, actuarial assumptions and member and beneficiary data is used to generate the overall required level of employer contributions. These contributions are composed of two separate portions, an "accrued liability contribution" and a "normal contribution". The recommended contribution is developed in Section III F.

The valuation generates a balance sheet which summarizes in some detail the total present and prospective assets and liabilities of the Fund. A summary comparison of the balance sheets as of July 1, 2009 and July 1, 2010 is set forth in the following table. The allocation of assets among the various investment alternatives is shown in graphic form on page 7.

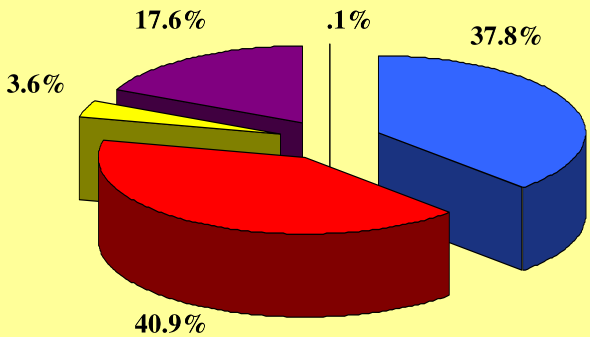
TABLE I

COMPARATIVE BALANCE SHEET

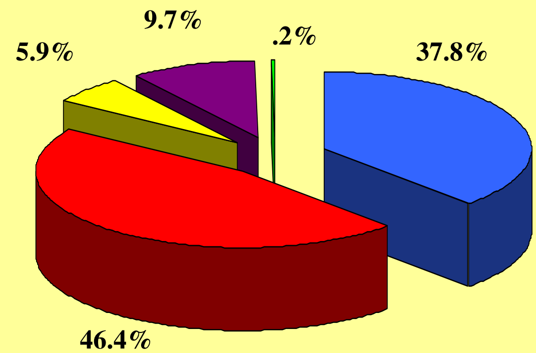
	After Reflecting Chapter 78, P.L. 2011	Prior to Reflecting Chapter 78, P.L. 2011	
	2010	**2010**	**2009**
ASSETS			
Actuarial Value of assets of Fund	$ 2,019,350,048	$ 2,019,350,048	$ 2,067,242,877
Unfunded accrued liability/(surplus)	477,744,089	906,926,624	758,212,691
Total Assets	$ 2,497,094,137	$ 2,926,276,672	$ 2,825,455,568
LIABILITIES			
Present value of benefits to present beneficiaries payable from the Retirement Reserve Fund	$ 1,466,806,024	$ 1,704,927,307	$ 1,647,110,535
Present value of benefits to present active members	1,030,288,113	1,221,349,365	1,178,345,033
Total Liabilities	$ 2,497,094,137	$ 2,926,276,672	$ 2,825,455,568

THE STATE POLICE RETIREMENT SYSTEM OF NEW JERSEY

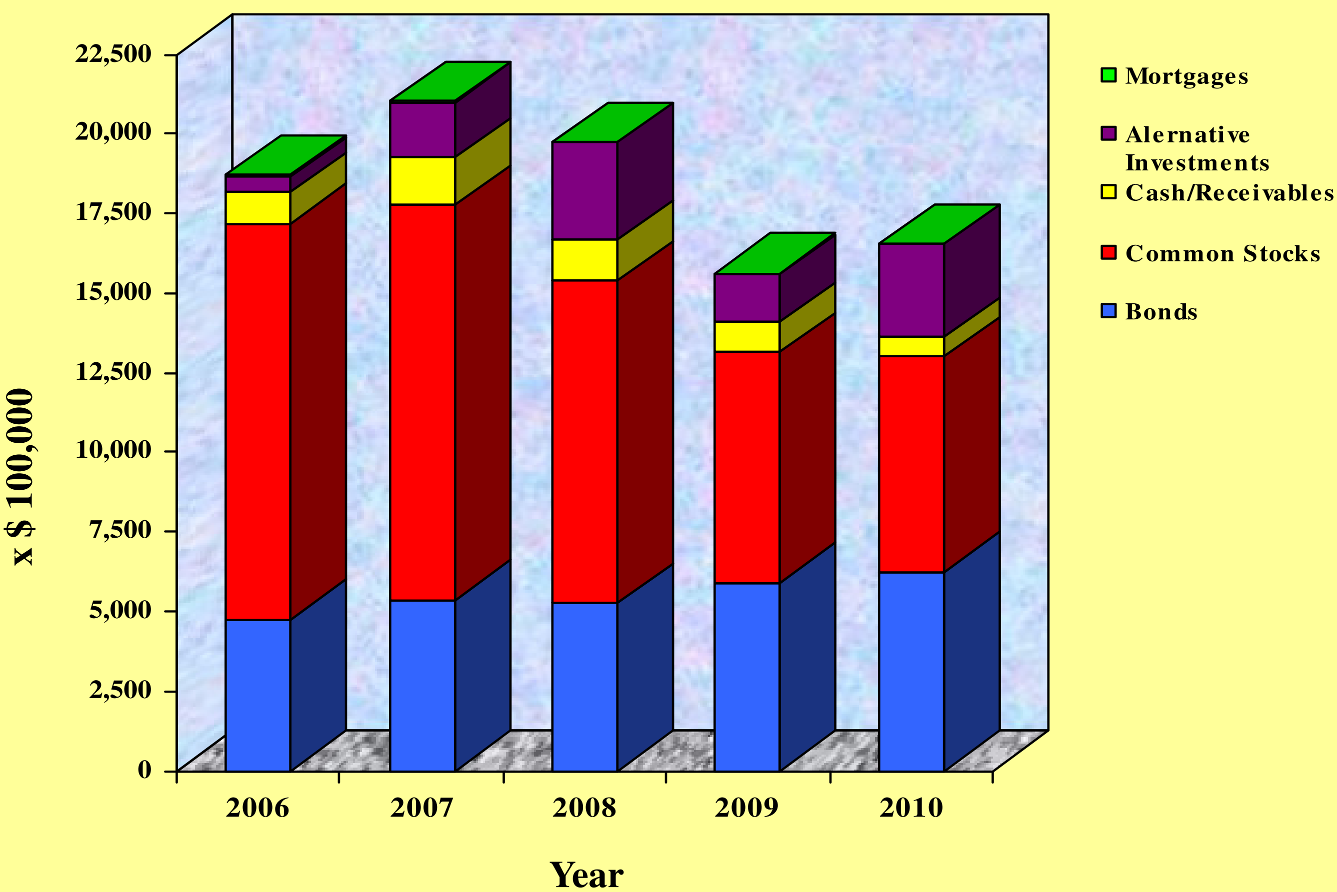
ASSET ALLOCATION MARKET VALUE



2010



2009



SECTION II - EMPLOYEE DATA

The data employed for the valuations were furnished to the actuary by the Division of Pensions and Benefits. The following summarizes and compares the Fund membership as of July 1, 2009 and July 1, 2010 by various categories.

ACTIVE MEMBERSHIP

Group	2010		2009	
	Number	Annual Compensation	Number	Annual Compensation
Men	2,913	$ 279,027,807	2,898	$ 276,419,475
Women	117	$ 10,952,850	118	$ 10,848,027

RETIRED MEMBERS AND BENEFICIARIES

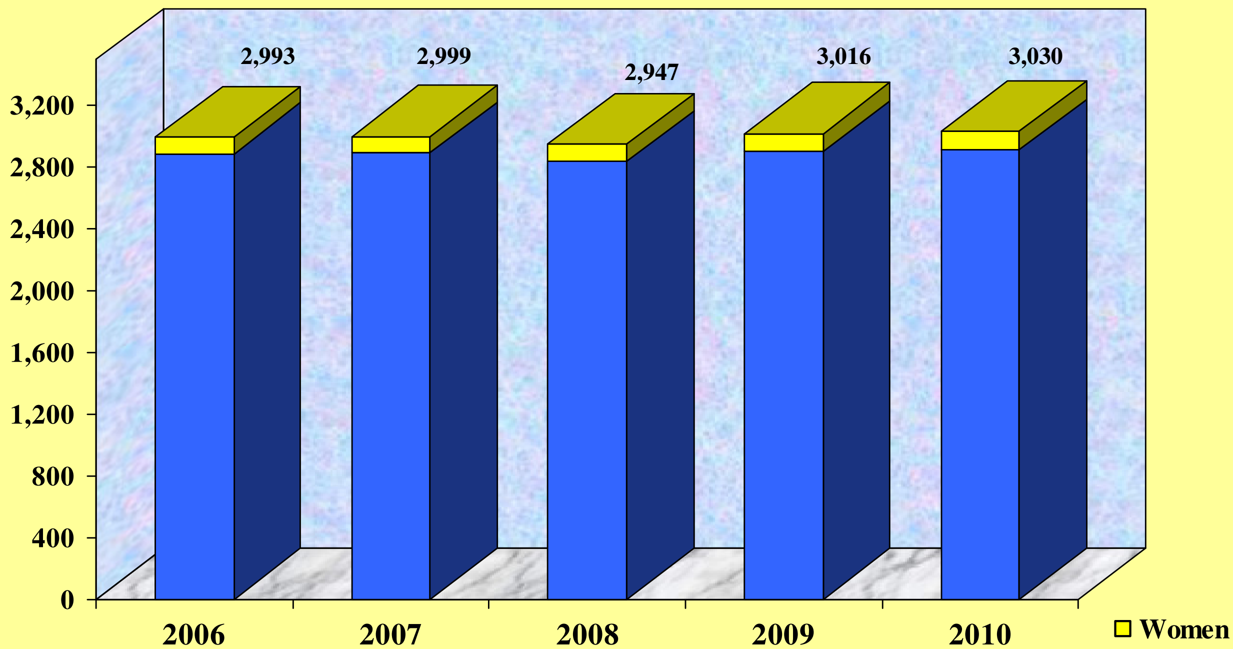
Group	2010		2009	
	Number	Annual Allowances	Number	Annual Allowances
Service Retirements	2,036	$ 116,713,617	1,992	$ 112,562,970
Ordinary Disability Retirements	129	$ 3,990,172	122	$ 3,733,781
Accidental Disability Retirements	123	$ 6,279,338	116	$ 5,857,181
Beneficiaries of Deceased Pensioners	300	$ 9,453,180	287	$ 8,901,367
Beneficiaries of Deceased Active Employees	64	$ 2,437,395	68	$ 2,517,899

Appendix C provides a detailed distribution between groups.

Graphic presentations of the statistical data on membership for the five preceding years are shown on the following pages.

THE STATE POLICE RETIREMENT SYSTEM OF NEW JERSEY

SUMMARY OF ACTIVE PARTICIPATION



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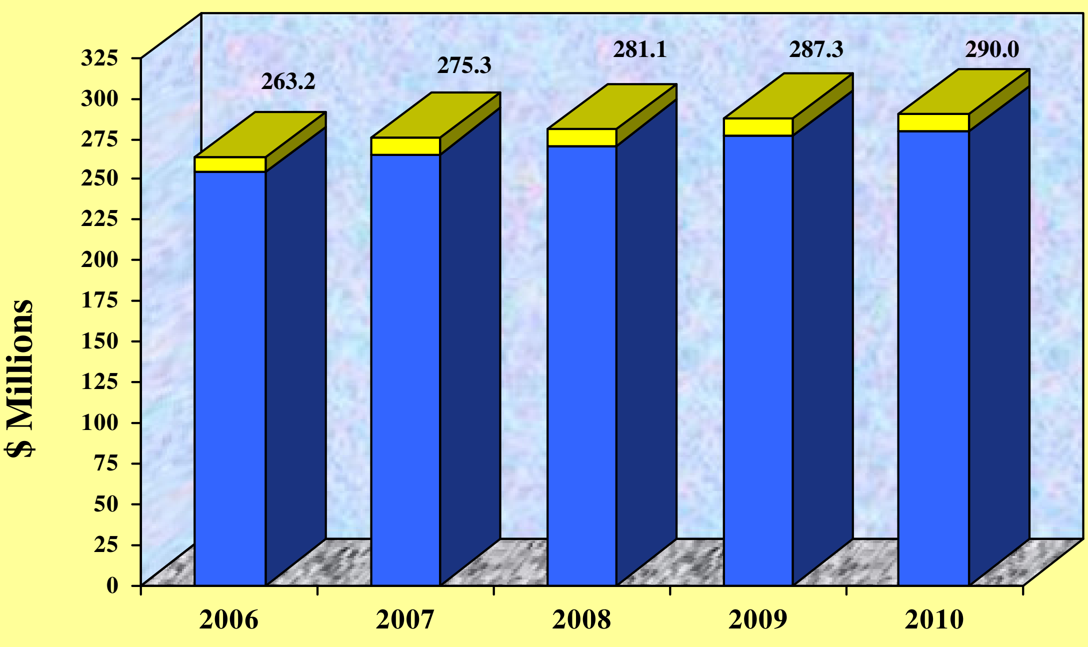
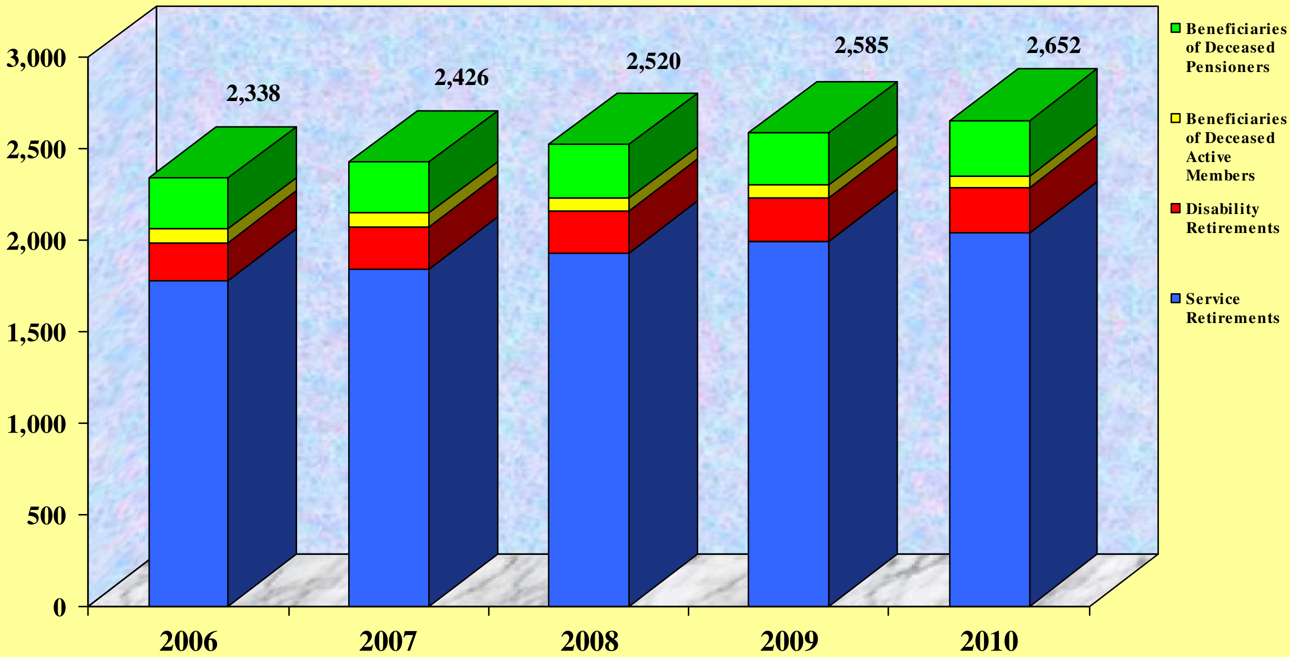


Salary

THE STATE POLICE RETIREMENT SYSTEM OF NEW JERSEY

SUMMARY OF RETIRED PARTICIPATION



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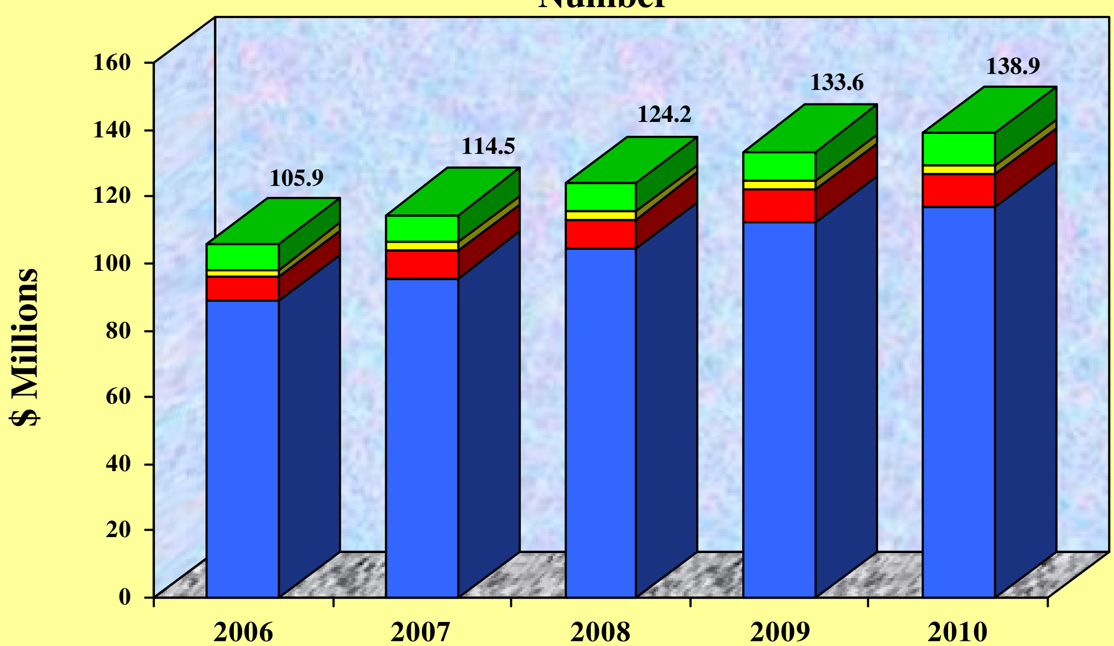

Annual Allowances

SECTION III - ASSETS, LIABILITIES AND CONTRIBUTIONS

A. Market Value of Assets as of June 30, 2010

1. Assets

a.	Cash	$	367,042
b.	Securities Lending Collateral		398,837
c.	Accounts Receivable		210,757
d.	Investment Holdings		1,634,719,183
e.	Interest Receivable on Investments		7,958,900
f.	Employer Contribution Receivable – NCGI		386,631
g.	Members' Contributions Receivable		776
h.	Dividends Receivable		1,695,143
i.	Loans Receivable		22,954,330
j.	Interest Receivable – Member Loans		16,116
k.	Total	$	1,668,707,715

2. Liabilities

a.	Pension Payroll Payable	$	7,921,453
b.	Securities Lending Collateral and Rebates Payable		395,196
c.	Pension Adjustment Payroll Payable		1,939,018
d.	Withholdings Payable		1,831,868
e.	Securities Purchased in Transit		1,575
f.	Accounts Payable – Other		37,050
g.	Death Benefits Payable		386,631
h.	Total	$	12,512,791

3.	Preliminary Market Value of Assets as of June 30, 2010: 1(k) - 2(h)	$	1,656,194,924
4.	State Appropriations Receivable		0 *
5.	Market Value of Assets as of June 30, 2010: 3. + 4.	$	1,656,194,924 **

* The fiscal year 2011 recommended contribution of $103,745,281 has been reduced to $0 to reflect the potential impact of the Appropriation Act for fiscal year 2011. This amount may be subject to change per the requirements of the State's fiscal year 2011 spending plan.

** Excludes assets held in the Non-Contributory Group Insurance Fund.

B. Reconciliation of Market Value of Assets: June 30, 2009 to June 30, 2010

1.	Market Value of Assets as of June 30, 2009		$	1,560,900,409
2.	Increases			
	a.	Pension Contributions		
		Members' Contributions	$	18,663,134
		Transfer from Other Systems		161,997
	b.	Employers' Contributions		
		State Appropriations		0
		Non-Contributory Group Insurance		1,018,200
		Transfer from Other Systems		210,468
		Administrative Fee Loans		6,912
	c.	Income		
		Per Statement		214,479,134
	d.	Total	$	234,539,845
3.	Decreases			
	a.	Benefits Provided by Members		
		Withdrawals – Members' Contributions		
		Regular	$	92,446
		Suspense		102,344
		Adjustment – Member Account Loans – State		166
	b.	Benefits Provided by Employers and Members		
		Retirement Allowances		114,055,702
	c.	Benefits Provided by Employers		
		Benefit Expense – Pension Adjustment		23,448,600
		Administrative Expense		532,353
		Administrative Expense Loans		4,568
		Adjusted Member Accounts Expense- State		(9,049)
		NCGI Premium Expense		1,018,200
	d.	Total	$	139,245,330
4.	Preliminary Market Value of Assets as of June 30, 2010: 1. + 2.(d) – 3.(d)		$	1,656,194,924
5.	State Appropriations Receivable			0 *
6.	Market Value of Assets as of June 30, 2010: 4. + 5.		$	1,656,194,924 **

* The fiscal year 2011 recommended contribution of $103,745,281 has been reduced to $0 to reflect the potential impact of the Appropriation Act for fiscal year 2011. This amount may be subject to change per the requirements of the State's fiscal year 2011 spending plan.

** Excludes assets held in the Non-Contributory Group Insurance Fund.

C. Development of Actuarial Value of Assets as of July 1, 2010

The actuarial value of plan assets is determined using a five-year average market value with write up. The following summary shows the development of the actuarial value of plan assets for the current valuation:

1.	Actuarial Value of Assets as of July 1, 2009	$	2,063,962,877
2.	Net Cash Flow (excluding investment income)		(119,184,619)
3.	Expected Investment Income at 8.25%		
	a. Interest on assets as of July 1, 2009	$	170,276,937
	b. Interest on Net Cash Flow		(4,916,366)
	c. Total	$	165,360,571
4.	Expected Actuarial Value of Assets as of July 1, 2010: 1. + 2. + 3.(c)	$	2,110,138,829
5.	20% of Difference from Preliminary Market Value of Assets		(90,788,781)
6.	Receivable Employer Contributions		0*
7.	Actuarial Value of Assets as of July 1, 2010 = 4. + 5. + 6.	$	2,019,350,048**

* The fiscal year 2011 recommended contribution of $103,745,281 has been reduced to $0 to reflect the potential impact of the Appropriation Act for fiscal year 2011. This amount may be subject to change per the requirements of the State's fiscal year 2011 spending plan.

** Excludes assets held in the Non-Contributory Group Insurance Fund.

D. Present Value of Projected Benefits as of July 1, 2010

			After Reflecting Chapter 78, P.L. 2011		Prior to Reflecting Chapter 78, P.L. 2011
1.	Retirees and Beneficiaries				
	a. Service Retirements	$	1,238,333,959	$	1,442,936,700
	b. Disability Retirements		116,697,574		138,885,094
	c. Beneficiaries		92,690,448		104,021,470
	d. Death Benefits		19,084,043		19,084,043
	e. Total	$	1,466,806,024	$	1,704,927,307
2.	Terminated Vested Members	$	0	$	0
3.	Contributing Active Participants	$	944,207,866	$	1,120,743,065
	a. Service Retirement		21,334,373		25,568,530
	b. Ordinary Disability		24,544,967		29,246,412
	c. Accidental Disability		9,030,668		10,789,769
	d. Ordinary Death		8,853,723		10,138,585
	e. Accidental Death		1,255,395		1,548,006
	f. Vested Termination		230,517		222,544
	g. Withdrawal Benefits		8,245,489		8,245,489
	h. Lump Sum Death Benefits*	$	1,017,702,998	$	1,206,502,400
	i. Total				
4.	Non-Contributing Active Participants	$	12,585,115	$	14,846,965
5.	Total Present Value of Benefits = 1.(e) + 2. + 3.(i) + 4.	$	2,497,094,137	$	2,926,276,672

*Excludes lump sum death benefits payable during active service.

E. Development of Normal Cost as of July 1, 2010

		After Reflecting Chapter 78, P.L. 2011	Prior to Reflecting Chapter 78, P.L. 2011
1.	Service Retirement	$ 53,721,881	$ 63,714,134
2.	Ordinary Disability	2,114,042	2,544,643
3.	Accidental Disability	2,479,988	2,968,899
4.	Ordinary Death	831,696	997,813
5.	Accidental Death	1,008,030	1,127,338
6.	Vested Termination	138,701	171,469
7.	Withdrawal Benefits	53,339	50,509
8.	Lump Sum Death Benefits*	518,497	518,497
9.	Total Pension Normal Cost* = 1. + 2. + 3. + 4. + 5. + 6. + 7. + 8.	$ 60,866,174	$ 72,093,302

*Excludes Non-Contributory Group Insurance Premium (term cost for lump sum death benefits payable during active service.)

F. Development of Recommended State Pension Contributions

		After Reflecting Chapter 78, P.L. 2011	Prior to Reflecting Chapter 78, P.L. 2011
1.	Present Value of Benefits	$ 2,497,094,137	$ 2,926,276,672
2.	Actuarial Value of Assets	2,019,350,048	2,019,350,048
3.	Unfunded Actuarial Accrued Liability/(Surplus) = 1. - 2.	$ 477,744,089	$ 906,926,624
4.	Amortization Period	30	30
5.	Amortization of Unfunded Actuarial Accrued Liability payable July 1, 2011	$ 43,441,704[Ø]	$ 55,120,136[ØØ]
6. (a)	Gross Normal Cost (excluding Non-Contributory Group Insurance Premium)	$ 60,866,174	$ 72,093,302
(b)	Expected Member Contributions*	18,159,440	18,159,440
(c)	State Normal Cost = (a) - (b)	$ 42,706,734	$ 53,933,862
(d)	State Normal Cost payable July 1, 2011 = (c) * 1.0825	$ 46,230,040	$ 58,383,406
7.	Total Recommended Pension Contribution as of July 1, 2011 = 5. + 6.(d)	$ 89,671,744	$ 113,503,542

*Reflects only member contributions of 7.5% of compensation. Based on discussions with the Division of Pension and Benefits, any member contributions in excess of 7.5% of compensation shall not reduce the State's normal cost contribution.

[Ø] Amortization is level dollar.

[ØØ] Amortization is level percent of pay.

G. Development of Chapter 1, P.L. 2010 Minimum Contributions

		After Reflecting Chapter 78, P.L. 2011	Prior to Reflecting Chapter 78, P.L. 2011
1.	State Normal Cost payable July 1, 2011 = F.6. x 1/7	$ 6,604,291	$ 8,340,487
2.	Amortization of Unfunded Actuarial Accrued Liability payable July 1, 2011 = F.5. x 1/7	6,205,958	7,874,305
3.	Total Minimum Contribution = 1. + 2.	$ 12,810,249*	$ 16,214,792*

*Contribution could be subject to change per the requirements of the State's fiscal year 2012 spending plan.

H. Non-Contributory Group Insurance Premium (One-Year Term Cost)

	After Reflecting Chapter 78, P.L. 2011	Prior to Reflecting Chapter 78, P.L. 2011
	$ 1,800,000	$ 1,800,000

SECTION IV - COMMENTS CONCERNING THE VALUATION

The variation in liabilities and contributions reflects the System's actual experience during the year. The System experienced a net actuarial loss during the year that ended June 30, 2010.

The loss is primarily due to an actual return on System assets less than expected. For valuation purposes, an 8.25% per annum rate of return was assumed. The actual return on the Fund's actuarial value of assets was 3.72% for the period from July 1, 2009 through June 30, 2010. There was a liability gain due to experience among active and retired members.

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

A. Calculation of Actuarial Experience for the Year Ended June 30, 2010

1.	Unfunded Accrued Liability/(Surplus) as of July 1, 2009	$	758,212,691
2.	Gross Normal Cost as of July 1, 2009		71,316,191
3.	Interest on (1) and (2)		68,436,133
4.	Actual Members' Contributions Received		18,663,134
5.	Employers' Contributions (including receivable)		0
6.	Interest on Contributions		769,854
7.	Expected Unfunded Accrued Liability/(Surplus) as of July 1, 2010 = (1) + (2) + (3) - (4) - (5) - (6)	$	878,532,027
8.	Change in Unfunded Accrued Liability due to the Appropriation Act for fiscal year 2010		3,550,600*
9.	Change in Unfunded Liability due to Assumption Changes		0
10.	Change in Unfunded Accrued Liability due to the provisions of Chapter 78, P.L. 2011		(429,182.535)
11.	Actual Unfunded Accrued Liability as of July 1, 2010		477,744,089
12.	Actuarial (Gain)/Loss = (11) – (10) – (9) – (8) – (7)	$	24,843,997

* The anticipated Appropriation Act for fiscal year 2010 contribution of $3,280,000 has been reduced to $0 in accordance with the final provisions of the Appropriation Act for fiscal year 2010. The increase includes one year of interest.

B. Components of Actuarial Experience

1. Investment (Gain)/Loss	$	90,788,781
2. Other (Gain)/Loss, including mortality, cost of living adjustments less than expected, changes in employee data and salary increases greater than expected		(65,944,784)
3. Total Actuarial (Gain)/Loss	$	24,843,997

C. Funded Ratios

The following table presents the System's funded ratios based on the actuarial value of assets (including receivables) and market value basis (including receivables).

	After Reflecting Chapter 78, P.L. 2011	Prior to Reflecting Chapter 78, P.L. 2011		Change After Reflecting Chapter 78, P.L. 2011	Change Prior to Reflecting Chapter 78, P.L. 2011
	June 30, 2010 (1)	June 30, 2010 (2)	June 30, 2009 (3)	(1) – (3)	(2) – (3)
Actuarial Value of Assets	80.9%	69.0%	73.2%	7.7%	(4.2)%
Market Value of Assets	66.3%	56.6%	55.4%	10.9%	1.2%

There is a difference on a market value basis since the actuarial value smoothes the investment gains and losses over time. Since July 1, 2000, the funded ratio on a market value basis has decreased by 66.5%. This decrease is primarily due to investment losses experienced over the period, State contributions less than the GASB Annual Required Contribution, and the strengthening of actuarial assumptions.

As of June 30, 2010, the market value of assets is greater than the actuarial liability attributable to retirees. Furthermore, if the assets contained in the Annuity Savings Fund (ASF) of $188,624,395 are excluded, the funded ratio of the remaining market value of assets to the actuarial accrued liability for retirees is 100.1%.

As of June 30, 2010, the ratio of market value of assets to the prior year's benefit payment is 12.0. This is a simplistic measure of the number of years that the assets can cover benefit payments, excluding: future increases in those payments, State and member contributions, and investment income. This ratio decreased by 1% from the previous year's ratio of 12.1. If ASF assets are excluded, since they represent accumulated contributions from active and inactive members, the ratio is 10.7.

SECTION V - ACCOUNTING INFORMATION

Statement No. 5 of the Governmental Accounting Standards Board, issued November 1986, established standards of disclosure of pension information by public retirement systems. Statement No. 25 of the Governmental Accounting Standards Board, issued November 1994, established financial reporting standards for defined benefit pension plans and for the notes to the financial statements of defined contribution plans of state and local governmental liabilities and superseded Statement No. 5 effective for periods beginning after June 15, 1996. Statement No. 27, Accounting for Pensions by State and Local Governmental Employers superseded Statement 5 for employers participating in pension plans and is effective for periods beginning after June 15, 1997. Statement No. 50, Accounting for Pensions by State and Local Governmental Employers amends the note disclosure and required supplementary information (RSI) of Statements No. 25 and No. 27 to conform with applicable changes adopted in Statements No. 43 and 45 for Postemployment Benefit Plans other than Pension Plans. Statement No. 50 is intended to improve the transparency of reported information about pensions by State and Local governmental plans and employers. Statement No. 50 is effective for periods beginning after June 15, 2007.

The information required by Statements No. 25, No. 27 and No. 50 is presented in the following tables. These include the development of the Annual Required Contribution (ARC), the development of the Net Pension Obligation (NPO), the Schedule of Funding Progress and the Schedule of Employer Contributions.

(A) Development of the Annual Required Contribution (ARC) as of June 30, 2012 (Reflects Chapter 78, P.L. 2011):

1. Actuarial Value of Plan Assets as of June 30, 2010

(a)	Valuation Assets as of June 30, 2010	$ 2,019,350,048
(b)	Adjustment for Receivable Contributions included in (a)	0 *
(c)	Valuation Assets as of June 30, 2010 for GASB Disclosure = (a) - (b)	$ 2,019,350,048

* Receivable contribution for fiscal year 2011.

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2.	Actuarial Accrued Liability as of June 30, 2010	$ 2,497,094,137
3.	Unfunded Actuarial Accrued Liability/(Surplus) as of June 30, 2010 = 2. - 1. (Level Dollar)	$ 477,744,089
4.	Amortization of Unfunded Actuarial Accrued Liability/(Surplus) over 30 years	$ 40,130,904
5.	Normal Cost as of June 30, 2010 (excludes NCGIPF)	$ 42,706,734
6.	Annual Required Contribution as of June 30, 2012	
	(a) Annual Required Contribution as of June 30, 2010 = 4. + 5.	$ 82,837,638
	(b) Interest Adjustment to June 30, 2012	14,232,024
	(c) Non-Contributory Group Insurance Premium	1,800,000
	(d) Annual Required Contribution as of June 30, 2012 = (a) + (b) + (c)	$ 98,869,662

(B) <u>Development of the Net Pension Obligation (NPO) as of June 30, 2012 (Reflects Chapter 78, P.L. 2011):</u>

1.	Annual Required Contribution as of June 30, 2012	$ 98,869,662
2.	Interest on Net Pension Obligation	51,826,906
3.	Adjustment to Annual Required Contribution	(57,123,245)
4.	Annual Pension Cost = 1. + 2. + 3.	$ 93,573,323
5.	Expected Employer Contributions for Fiscal Year 2012	$ 14,610,249*
6.	Net Pension Obligation at June 30, 2011	$ 628,204,925**
7.	Increase in Net Pension Obligation = 4. - 5.	$ 78,963,074
8.	Net Pension Obligation at June 30, 2012 = 6. + 7.	$ 707,167,999

* The recommended contribution of $91,471,744 has been reduced to $14,610,249 in accordance with Chapter 1, P.L. 2010. This amount may be subject to change per the requirements of the State's fiscal year 2012 spending plan. Included in the Expected Employer Contribution for fiscal year 2012 is 100% of the Non-Contributory Group Insurance premium of $1,800,000.

** The June 30, 2011 Net Pension Obligation amount has been revised from the amount shown in the prior year's report to reflect the adjustment to the fiscal year 2010 employer contribution and fiscal year 2011 receivable employer contribution.

(C) Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (b-a) / c
6/30/2005	$ 1,922,443,732	$ 2,075,266,080	$ 152,822,348	92.6%	$ 241,813,372	63.2%
6/30/2006	$ 1,970,398,511	$ 2,319,656,532	$ 349,258,021	84.9%	$ 263,220,592	132.7%
6/30/2007	$ 2,066,754,160	$ 2,485,649,230	$ 418,895,070	83.1%	$ 275,301,995	152.2%
6/30/2008	$ 2,127,263,509	$ 2,609,164,869	$ 481,901,360	81.5%	$ 281,087,566	171.4%
6/30/2009	$ 2,063,962,877	$ 2,825,455,568	$ 761,492,691	73.0%	$ 287,267,502	265.1%
6/30/2010[Ø]	$ 2,019,350,048	$ 2,497,094,137	$ 477,744,089	80.9%	$ 289,980,657	164.8%

[Ø]Reflects Chapter 78, P.L. 2011.

(D) Schedule of Employer Contributions

Fiscal Year[##]	Annual Required Contribution	Employer Contribution	Percentage Contributed
2007	$ 56,502,006	$ 29,268,194	51.8%
2008	$ 78,761,279	$ 36,443,502*	46.3%
2009	$ 86,385,254	$ 5,574,860**	6.5%
2010	$ 91,411,237	$ 1,018,200[Ø]	1.1%
2011	$ 114,120,061	$ 1,600,000[ØØ]	1.4%
2012[###]	$ 98,869,662	$ 14,610,249[#]	14.8%

* The fiscal year 2008 recommended contribution of $70,942,933 has been reduced to $36,443,502 in accordance with the provisions of the Appropriation Act for fiscal year 2008.

** The fiscal year 2009 recommended contribution of $77,679,416 was originally reduced to $10,244,000 in anticipation of the provisions of the Appropriation Act for fiscal year 2009. The amount has been further reduced to $5,574,860 due to the final provisions of the Appropriation Act for fiscal year 2009.

Ø The fiscal year 2010 recommended contribution of $84,031,012 was originally reduced to $4,826,000 in anticipation of the provisions of the Appropriation Act for fiscal year 2010. The amount has been further reduced to $1,018,200 due to the final provisions of the Appropriations Act for fiscal year 2010.

ØØ The fiscal year 2011 recommended contribution of $105,345,281 has been reduced to $1,600,000 in anticipation of the provisions of the Appropriation Act for fiscal year 2011.

\# The recommended contribution of $91,471,744 has been reduced to $14,610,249 for fiscal year 2012 in accordance with Chapter 1, P.L. 2010. This amount could be subject to change per the requirements of the State's fiscal year 2012 spending plan.

\## The contribution amounts reflect premiums paid to the Non-Contributory Group Insurance Premium Fund.

\### Reflects Chapter 78, P.L. 2011.

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

Valuation Date	June 30, 2010
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar, Open
Remaining Amortization Period	30 years
Asset Valuation Method	Five-Year Average of Market Value
Actuarial Assumptions:	
Investment Rate of Return	8.25%
Projected Salary Increase	5.45%
Cost of Living Adjustments	0.00%

SECTION VI - LEVEL OF FUNDING

Although the value of accrued benefits and the funding ratios shown in the previous section are required for the State's financial statements, it is instructive to also look at these values under an alternative approach. For this purpose, we are presenting liabilities determined on a Financial Accounting Standards Board Statement No. 87 Accumulated Benefit Obligation (ABO) basis. This is the same approach as GASB Statement No. 25 except that no assumption is made as to future salary increases.

FASB 87 ABO Funded Ratios Actuarial present value of accumulated benefits:	June 30, 2010[Ø]	June 30, 2009
Vested benefits		
Participants currently receiving payments	$ 1,466,806,024	$ 1,647,110,535
Other participants	675,431,659	846,954,876
	$ 2,142,237,683	$ 2,494,065,411
Non-vested benefits	123,495,425	144,469,551
Total	$ 2,265,733,108	$ 2,638,534,962
Assets at market value	$ 1,656,194,924	$ 1,564,180,409
Ratio of assets to total present value	73.1%	59.3%

[Ø]Reflects Chapter 78, P.L. 2011.

As in the case of the Governmental Accounting Standard Board Statement No. 25, the actuarial present value of vested and non-vested accrued benefits was based on an interest rate of 8.25% for both 2010 and 2009.

APPENDIX A

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

Eligibility for Membership

All members of the former State Police and Benevolent Fund: full-time commissioned officers, non-commissioned officers or troopers of the Division of State Police. Membership is a condition of employment.

1. Definitions

Plan Year	The 12-month period beginning on July 1 and ending on June 30.
Service	Service rendered while a member as described above.
Credited Service	A year is credited for each year of service as an officer or trooper in the State Police. Service with other State Retirement Systems is included in the calculation of the retirement benefit at the rate of 1% of final compensation for each year of service credit.
Compensation	Based on contractual salary, including maintenance allowance, received by the member in the last 12 months of credited service preceding retirement, termination or death. Compensation does not include individual salary adjustments granted primarily in anticipation of the retirement or for temporary or extracurricular duties beyond the ordinary work day. (Effective June 30, 1996, Chapter 113, P.L. 1997 provided that the amount of compensation used for employer and member contributions and benefits under the program cannot exceed the compensation limitation of Section 401(a)(17) of the Internal Revenue Code; Chapter 1, P.L. 2010 provides that for members hired on or after May 22, 2010, the amount of compensation used for employer and member contributions and benefits under the System cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act.)
Final Compensation	Average compensation received by member in last 12 months of credited service preceding retirement or death. Such term includes the value of the member's maintenance allowance for the same period. (Chapter 1, P.L. 2010 provides that for members hired on or after May 22, 2010, Final Compensation means the average annual salary for service for which contributions are made during any three fiscal years of membership providing the largest possible benefit to the member or the member's beneficiary. Such term shall include the value of the member's maintenance allowance.)

Aggregate Contributions	The sum of all amounts deducted from the compensation of a member or contributed by him or on his behalf. For contribution purposes, compensation does not include overtime, bonuses, maintenance or any adjustments before retirement.
Adjusted Final Compensation	The amount of compensation or compensation as adjusted, as the case may be, increased by the same percentage increase which is applied in any adjustments of the compensation schedule of active members after the member's death and before the date on which the deceased member of the retirement system would have accrued 25 years of service under an assumption of continuous service, at which time that amount will become fixed. Adjustments to compensation or adjusted compensation shall take effect at the same time as any adjustments in the compensation schedule of active members.

2. <u>Benefits</u>

Service Retirement

Mandatory retirement at age 55. Voluntary retirement prior to age 55 with 20 years of credited service. Benefit is an annual retirement allowance equal to the greater of (a), (b), or (c), as follows:

(a) 50% of final compensation;

(b) For members retiring with 25 or more years of service, 65% of final compensation, <u>plus</u> 1% for each year of service in excess of 25 years, to a maximum of 70% of final compensation.

(c) For members as of August 29, 1985 who would not have 20 years of service by age 55, benefit as defined in (a) above. For members as of August 29, 1985 who would have 20 years of service but would not have 25 years of service at age 55, benefit as defined in (a) above plus 3% for each year of service in excess of 20 years.

Vested Termination

Termination of service prior to age 55. Benefit for 10 to 20 years of Service - Refund of aggregate contributions, or a deferred life annuity beginning at age 55 equal to 2% of final compensation for each year of service up to 20 years.

Death Benefits

Before Retirement

Death of an active member of the plan. Benefit is equal to:

(a) Lump sum payment equal to 3-1/2 times compensation, plus

(b) Spousal life annuity of 50% of final compensation payable until spouse's death or remarriage. If there is no surviving spouse, or upon death or remarriage, a total of 20%, 35% or 50% of final compensation payable to one, two or three dependent children. If there is no surviving spouse (or dependent children), 25% or 40% of final compensation to one or two dependent parents.

Minimum benefit: Aggregate contributions.

After Retirement

Death of a retired member of the plan. The benefit is equal to:

(a) Lump sum of 50% of compensation, plus

(b) Spousal life annuity of 50% of final compensation payable until spouse's death or remarriage. If there is no surviving spouse, or upon death or remarriage, a total of 20%, 35% or 50% of final compensation payable to one, two or three dependent children, respectively.

Accidental Death

Death of an active member of the plan resulting during performance of duties. Benefit is equal to:

(a) Lump sum payment equal to 3-1/2 times compensation, plus

(b) Spousal life annuity of 70% of adjusted final compensation payable until spouse's death. If there is no surviving spouse, or upon death of the surviving spouse, a total of 20%, 35% or 50% of adjusted final compensation payable to one, two or three dependent children. If there is no surviving spouse or dependent children, 25% or 40% of adjusted final compensation to one or two dependent parents.

Ordinary Disability Retirement

Mentally or physically incapacitated for the performance of his usual duty and of any other available duty in the Division of State Police and such incapacity is likely to be permanent.

(a) The benefit for members with less than four years of service is a refund of the member's aggregate contributions.

(b) For members with at least four years of service, the benefit is an immediate life annuity equal to 40% of final compensation plus 1-1/2% of final compensation for years of creditable service in excess of 26-2/3.

(c) For members who are forced to retire with 20 but less than 25 years of service, the benefit is 50% of the member's final compensation plus 3% of final compensation for each year of service in excess of 20 years, to a maximum of 65% of final compensation.

For death following disability retirement, a lump sum equal to 3-1/2 times compensation if death occurs prior to age 55 or 1/2 of compensation after age 55.

Accidental Disability Retirement

Totally and permanently disabled as a direct result of a traumatic event occurring during and as a result of his regular or assigned duties. Benefit is an immediate life annuity equal to 2/3 of final compensation. Upon death after disability retirement, lump sum benefit of 3-1/2 times final compensation if death occurs before 55 and 1/2 times final compensation if death occurs after 55.

Loan Provision

Eligible if an active member of the State Police Retirement System with at least 3 years of contributory service. If eligible, a member may borrow an amount which is greater than $50, but not more than 50% of aggregate contributions. The loan accrues interest at a rate set by the State Treasurer, which is based on a commercially reasonable rate as required by the Internal Revenue Code. An administrative fee may be charged for the loan.

Member Contributions

Each member contributes 7.5% of Compensation. Chapter 78, P.L. 2011 increased Member Contributions from 7.5% to 9.0% of Compensation effective October 2011.

APPENDIX B

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

VALUATION INTEREST RATE: 8.25% per annum, compounded annually.

COLA: No future COLA is assumed.

SALARY INCREASES: Salaries are assumed to increase by 5.45% per year.

TERMINATION: Withdrawal rates vary by length of service. Illustrative rates are shown below:

	Lives per Thousand	
Age	Less Than 5 Years of Service	Five to Nineteen Years of Service
25	5.0	0.0
30	5.0	4.0
35	8.3	1.0
40	0.0	1.5
45	0.0	2.0
50	0.0	0.0

SEPARATIONS FROM SERVICE: Representative mortality, disability and retirement rates are as follows:

	Annual Rates of*				
	Ordinary Death				
Age	**Male**	**Female**	**Accidental Death**	**Ordinary Disability**	**Accidental Disability**
25	0.4	0.2	0.4	0.6	0.3
30	0.4	0.3	0.5	0.9	0.5
35	0.6	0.5	0.5	2.4	1.9
40	0.9	0.7	0.5	2.5	2.1
45	1.2	1.1	0.6	3.1	2.1
50	1.7	1.7	0.9	5.4	2.2

*Per one thousand lives.

MARRIAGE: Husbands are assumed to be 3 years older than wives. Among the active population, 83.3% of participants are assumed married. No children are assumed. Neither the percentage married nor number of children assumption is individually explicit but are considered as a single combined assumption.

VALUATION METHOD: Projected Unit Credit Method. This method essentially funds the System's benefits accrued to the valuation date. Experience gains and losses are recognized in future accrued liability contributions. In accordance with Chapter 78, P.L. 2011, beginning with the July 1, 2010 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars, it will amortize the unfunded accrued liability over an open 30 year period. Beginning with the July 1, 2019 actuarial valuation, the accrued liability contribution shall be computed so that if the contribution is paid annually in level dollars it will amortize the unfunded accrued liability over a closed 30 year period (i.e., for each subsequent valuation, the amortization period shall decrease by one year.) Beginning with the July 1, 2029 actuarial valuation, when the remaining amortization period reaches 20 years, any increase or decrease in the unfunded accrued liability as a result of actuarial losses or gains for subsequent valuation years shall serve to increase or decrease, respectively, the amortization period for the unfunded accrued liability, unless an increase in the amortization period will cause it to exceed 20 years. If an increase in the amortization period as a result of actuarial losses for a valuation year would exceed 20 years, the accrued liability contribution shall be computed for the valuation year using a 20 year amortization period.

Chapter 78, P.L. 2011 increased the member contributions from 7.5% to 9.0% of compensation. Based on discussions with the Division of Pension and Benefits, member contributions in excess of 7.5% of compensation shall not reduce the State normal cost contribution.

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

DEATHS AFTER RETIREMENT: For healthy inactive members and beneficiaries of deceased members the RP 2000 Combined Healthy Male (set back 3 years) and RP 2000 Combined Healthy Female Mortality tables are used. For disabled members the RP 2000 Combined Healthy Male (set forward 5 years) and RP 2000 Combined Healthy Female Mortality (set forward 5 years) tables are used. Illustrative rates of mortality are shown below:

	Lives per Thousand			
	Retired Members and Beneficiaries of Deceased Members		Disabled Members	
Age	**Males**	**Females**	**Males**	**Females**
55	2.7	2.7	6.8	5.1
60	4.7	5.1	12.7	9.7
65	8.8	9.7	22.2	16.7
70	16.1	16.7	37.8	28.1
75	27.3	28.1	64.4	45.9
80	46.9	45.9	110.8	77.5
85	80.5	77.5	183.4	131.7
90	136.0	131.7	267.5	194.5

RATES OF RETIREMENT: Rates of retirement vary by length of service and age (if more than 24 years of service) with 100% of those remaining at age 55 retiring at age 55. The rates are shown below:

Service	**Lives Per 100**
20	2.0
21	0.5
22	0.0
23	0.0
24	0.0
25	40.0
Greater than 25 :	
(a) through age 42	5.0
(b) ages 43-47	25.0
(c) ages 48-53	30.0
(d) age 54	55.0

<u>**APPENDIX C**</u>

TABULATIONS USED AS A BASIS FOR THE 2010 VALUATION

The following tables give a reconciliation of data from July 1, 2009 to June 30, 2010. Tables are also given showing active member number and salaries by age and length of service as of July 1, 2010 and showing the number and retirement allowances of beneficiaries classified by age as of July 1, 2010.

TABLE 1

RECONCILIATION OF DATA FROM JULY 1, 2009 TO JUNE 30, 2010

	Actives		Deferred	Retirees						Domestic Relations Beneficiaries		
	Contrib.	Noncontrib.	Vested	Service	Special	Deferred	Disabled	Beneficiaries	Dependents	Retirees	Disabilities	Total
Members as of July 1, 2009	2,973	43	0	420	1,464	4	219	349	6	104	19	5,601
Changed to Contributing	1	(1)										
Changed to Noncontributing	(14)	14										
Terminated Vested	(1)											(1)
Terminated Non-Vested	(1)	(12)										(13)
Service Retirement	(5)	(1)		6								
Special Retirement	(58)				58							
New Disabled	(11)	(1)					12					
New Death				(14)	(11)			(11)				(36)
Payments Began										8	2	10
Payments Ceased									(1)	(3)		(4)
New Actives	104											104
Rehires												
New Beneficiaries								21				21
Data Corrections												
Members as of June 30, 2010	2,988	42	0	412	1,511	4	231	359	5	109	21	5,682

TABLE 2

DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND SERVICE

AGE	SERVICE	1	5	10	15	20	25	30	35	TOTAL
20	Number									**0**
	Salary									**0**
25	Number	148	58							**206**
	Salary	10,133,426	4,343,071							**14,476,497**
30	Number	123	372	107	1					**603**
	Salary	8,505,716	29,028,402	9,419,314	69,087					**47,022,519**
35	Number	32	194	280	15					**521**
	Salary	2,198,530	15,333,861	26,211,148	1,485,143					**45,228,682**
40	Number		57	196	223	36	2			**514**
	Salary		4,559,414	19,327,033	23,344,564	3,816,450	233,830			**51,281,291**
45	Number			36	134	285	301	2		**758**
	Salary			3,483,234	14,065,402	31,125,606	34,541,962	231,194		**83,447,398**
50 and over	Number			2	17	95	251	63		**428**
	Salary			141,540	1,759,429	10,250,629	28,760,382	7,612,290		**48,524,270**
TOTAL	Number	**303**	**681**	**621**	**390**	**416**	**554**	**65**	**0**	**3,030**
	Salary	**20,837,672**	**53,264,748**	**58,582,269**	**40,723,625**	**45,192,685**	**63,536,174**	**7,843,484**	**0**	**289,980,657**

TABLE 3

THE NUMBER AND ANNUAL COMPENSATION OF ACTIVE MEMBERS DISTRIBUTED BY AGE AS OF JUNE 30, 2010

	MEN		WOMEN	
AGE	NUMBER	AMOUNT	NUMBER	AMOUNT
24	10	$ 680,114		
25	32	2,178,515	1	$ 69,087
26	43	2,959,975		
27	79	5,632,590	2	143,550
28	81	5,902,491	9	656,727
29	111	8,286,950	5	366,939
30	125	9,591,269	3	226,078
31	125	9,798,692	4	322,935
32	117	9,596,187	4	320,377
33	129	10,621,268	8	634,362
34	97	8,071,717	4	333,819
35	110	9,408,667	8	666,360
36	88	7,736,283	5	452,053
37	84	7,694,475	6	514,642
38	91	8,727,854	4	367,540
39	108	10,353,100	8	752,386
40	106	10,675,197	7	702,665
41	92	9,247,632	2	195,385
42	85	8,723,699	2	192,566
43	97	10,198,299	4	431,068
44	131	14,154,879	4	427,309
45	152	16,827,232	6	698,046
46	178	19,547,955	4	429,580
47	159	17,812,257	6	706,084
48	130	14,631,103	4	505,271
49	102	11,424,269	3	341,284
50	65	7,407,713	1	110,873
51	65	7,345,174	2	256,511
52	40	4,566,828		
53	41	4,725,360	1	129,352
54	40	4,500,063		
TOTAL	2,913	$ 279,027,807	117	$ 10,952,850

Of the 3,030 active members included in the June 30, 2010 valuation data, 1,696 are vested and 1,334 have not yet completed the vesting service requirement.

TABLE 4

THE NUMBER AND ANNUAL COMPENSATION OF ACTIVE MEMBERS DISTRIBUTED BY SERVICE AS OF JUNE 30, 2010

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
1	82	$ 5,435,132	1	$ 66,399
2	149	10,277,776	7	483,606
3	62	4,415,082	7	502,422
4	92	6,839,972	5	369,629
5	252	19,533,849	11	856,732
6	169	13,406,296	3	239,519
7	116	9,450,456	12	993,813
8	53	4,503,552	2	159,679
9	281	25,799,112	15	1,370,488
10	33	2,825,407	3	259,357
11	30	2,710,255	1	101,086
12	119	11,990,570	6	572,870
13	105	10,539,039	5	522,497
14	16	1,560,548		
15	152	15,813,922	10	1,087,640
16	103	10,882,295	5	540,349
17	84	8,882,826		
18	7	736,464		
19	7	706,423		
20	11	1,118,152	1	101,086
21	68	7,317,271	2	234,665
22	195	21,115,470	3	349,897
23	257	28,568,589	4	459,439
24	237	27,149,334	7	849,713
25	106	12,399,060	3	335,229
26	31	3,674,468	1	110,873
27	29	3,378,520		
28	39	4,656,744		
29	15	1,833,086	1	129,352
30	2	242,365	2	256,511
31	7	802,185		
32	3	356,918		
33	1	106,671		
TOTAL	2,913	$ 279,027,807	117	$ 10,952,850

Of the 3,030 active members included in the June 30, 2010 valuation data, 1,696 are vested and 1,334 have not yet completed the vesting service requirement.

TABLE 5

State Police Retirement System of New Jersey

(Based on the July 1, 2010 Actuarial Valuation)

	Service Retirement			Special Retirement (25 Years of Service)			Ordinary Disability			Accidental Disability			Survivors		
	Average Age At Retirement	Average Annual Benefit At Retirement		Average Age At Retirement	Average Annual Benefit At Retirement		Average Age At Retirement	Average Annual Benefit At Retirement		Average Age At Retirement	Average Annual Benefit At Retirement		Average Age At Retirement *	Average Annual Benefit At Retirement	
All Retirees	50.5	$	25,470	51.6	$	58,662	40.9	$	30,090	39.6	$	46,583	47.0	$	20,439
New Retirees	53.8	$	65,232	51.6	$	82,968	43.8	$	53,578	37.7	$	59,168	47.7	$	26,801

	All Retirements (excluding Survivors)		
	Average Age At Retirement	Average Annual Benefit At Retirement	
All Retirees	50.2	$	50,153

Note: The Average Annual Benefit at Retirement does not reflect COLA's granted after retirement.

** Calculated as of Member's Date of Retirement*

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED BY AGE AS OF JUNE 30, 2010

SERVICE RETIREMENTS

	MEN		WOMEN	
AGE	NUMBER	AMOUNT	NUMBER	AMOUNT
43	2	$ 112,477	1	$ 10,260
44	2	107,485	1	7,387
45	2	54,259	1	36,972
46	2	132,962		
47	8	642,140	3	63,128
48	11	864,158	2	29,746
49	21	1,621,734	8	228,596
50	12	903,505	7	289,265
51	47	3,647,620	11	346,062
52	51	3,858,734	11	275,262
53	57	4,391,176	7	387,983
54	63	4,759,291	6	271,366
55	53	3,961,955	9	299,751
56	83	6,169,694	7	359,859
57	51	3,779,051	5	82,006
58	61	4,416,786	1	42,406
59	70	4,676,511	5	78,054
60	50	3,506,363	2	36,229
61	69	4,716,091	5	143,197
62	67	4,123,759	1	18,000
63	89	5,718,279	9	201,942
64	97	5,788,399	8	160,376
65	75	4,366,767	8	144,422
66	68	3,751,343	1	16,049
67	90	4,989,188		
68	83	4,361,193	2	37,288
69	88	4,489,831	3	52,311
70	58	2,975,696		
71	46	2,382,204	3	76,247
72	51	2,467,543	3	63,690
73	29	1,393,039		
74	30	1,316,154	1	2,600
75	25	1,176,584		
76	17	832,775	1	25,652
77	16	676,481		
78	28	1,266,167		
79	36	1,555,390		
80	32	1,230,168		
81	25	976,909		
82	35	1,485,617		

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED BY AGE AS OF JUNE 30, 2010

SERVICE RETIREMENTS (CONTINUED)

	MEN		WOMEN	
AGE	**NUMBER**	**AMOUNT**	**NUMBER**	**AMOUNT**
83	22	$ 748,622		
84	17	540,000		
85	16	507,969		
86	17	518,639		
87	8	240,084		
88	7	186,041		
89	6	192,910		
90	3	107,392		
91	4	115,159		
92	1	26,809		
93	2	66,897		
95	1	31,507		
TOTAL	1,904	$ 112,927,509	132	$ 3,786,108

TABLE 7

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF BENEFICIARIES DISTRIBUTED BY AGE AS OF JUNE 30, 2010

BENEFICIARIES OF DECEASED PENSIONERS

	MEN		WOMEN	
AGE	NUMBER	AMOUNT	NUMBER	AMOUNT
47			1	$ 48,734
48			1	47,111
51			2	100,107
52	1	$ 9,956	1	40,227
53			3	118,111
54			1	61,239
56			2	68,651
57			1	36,113
58			2	74,820
59			1	53,478
60			5	240,489
62			7	280,107
63	1	9,981	10	411,323
64			4	153,355
65			6	241,564
66			5	194,687
67			9	307,646
68	1	40,829	11	459,680
69			8	252,629
70			9	307,220
71			4	159,184
72			12	413,524
73			5	153,827
74			6	175,824
75			7	226,639
76			6	179,405
77			10	314,688
78			18	533,716
79			15	411,310
80			15	431,475
81			15	432,633
82			17	446,628
83			13	393,277
84			11	309,163
85			10	247,736
86			7	199,209
87			7	182,954
88			4	102,813
89			3	72,792
90			5	121,580

TABLE 7

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF BENEFICIARIES DISTRIBUTED BY AGE AS OF JUNE 30, 2010

BENEFICIARIES OF DECEASED PENSIONERS (CONTINUED)

	MEN		WOMEN	
AGE	**NUMBER**	**AMOUNT**	**NUMBER**	**AMOUNT**
91			4	$ 83,502
92			6	146,111
93			2	43,585
94			2	46,351
95			2	26,331
96			1	19,386
97			1	21,480
TOTAL	3	$ 60,766	297	$ 9,392,414

TABLE 8

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF BENEFICIARIES DISTRIBUTED BY AGE AS OF JUNE 30, 2010

BENEFICIARIES OF DECEASED ACTIVE EMPLOYEES

	MEN		WOMEN	
AGE	**NUMBER**	**AMOUNT**	**NUMBER**	**AMOUNT**
34			1	$ 64,043
42			1	42,227
44			1	70,744
45			1	70,744
46			1	37,173
47			2	145,583
48			1	70,744
49			1	52,018
51			1	64,445
52			2	110,670
55			1	40,470
56			1	45,398
58			2	105,876
59			2	83,133
60			1	55,582
61			3	99,813
63			1	36,354
64			1	50,219
65			3	112,282
66			3	114,477
67			3	144,999
68			2	69,653
69			2	80,021
70			2	62,110
71			1	21,683
72			1	22,713
73			1	40,538
75			1	29,017
76			1	36,171
78			2	47,433
80			3	96,065
81			1	22,230
82			1	38,325
83			1	23,889
84			1	32,079
85			1	19,175
86			2	51,526
89			2	32,743
90			1	20,155

TABLE 8

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF BENEFICIARIES DISTRIBUTED BY AGE AS OF JUNE 30, 2010

BENEFICIARIES OF DECEASED ACTIVE EMPLOYEES (CONTINUED)

	MEN		WOMEN	
AGE	**NUMBER**	**AMOUNT**	**NUMBER**	**AMOUNT**
91			1	$ 17,385
94			1	15,753
TOTAL			61	$ 2,395,659

TABLE 9

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF BENEFICIARIES DISTRIBUTED BY AGE AS OF JUNE 30, 2010

CHILDREN OF DECEASED MEMBERS

	MEN		WOMEN	
AGE	**NUMBER**	**AMOUNT**	**NUMBER**	**AMOUNT**
13			1	$ 11,777
18			1	13,027
20	1	$ 16,932		
TOTAL	1	$ 16,932	2	$ 24,804

TABLE 10

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED BY AGE AS OF JUNE 30, 2010

ORDINARY DISABILITY RETIREMENTS

	MEN		WOMEN	
AGE	**NUMBER**	**AMOUNT**	**NUMBER**	**AMOUNT**
31	1	$ 31,670		
34	1	40,411		
39	2	80,822	1	$ 28,302
41	1	30,231		
42	3	85,935		
43	2	72,894		
44	8	300,834	2	29,140
45	4	111,613		
46	8	253,870	2	53,661
47	4	144,122	4	116,653
48	4	127,150	3	70,486
49	4	131,883	5	89,223
50	1	36,878	1	18,271
51	4	168,560	2	64,587
52	4	176,402	1	8,915
53	2	87,587	1	50,587
54	3	81,736	1	9,600
55	1	56,287		
56	4	203,893	1	25,959
57	2	82,975		
58	3	141,953		
59	2	28,897	1	8,141
60	1	26,042	1	21,592
61	1	50,428		
62	2	28,235		
63	4	130,898	1	32,174
65	3	84,649		
66	3	104,641	1	13,605
67	1	23,557		
68	3	81,562		
69	2	38,818		
70	5	119,587		
71	2	74,415		
72	3	56,594		
73	1	19,047		
82	1	18,159		
85	1	16,040		
TOTAL	101	$ 3,349,275	28	$ 640,897

TABLE 11

THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED BY AGE AS OF JUNE 30, 2010

ACCIDENTAL DISABILITY RETIREMENTS

	MEN		WOMEN	
AGE	**NUMBER**	**AMOUNT**	**NUMBER**	**AMOUNT**
28	1	$ 48,440	1	$ 49,612
29	1	47,453		
32	1	60,095		
35	1	57,981		
36	1	62,202		
37	3	157,773		
38	3	172,024		
39	4	243,075		
40	1	60,221		
41	1	49,491		
42	5	286,230		
43	6	350,636	1	56,440
44	3	162,150		
45	6	375,128	1	56,538
46	8	469,883	2	12,006
47	6	371,340	1	60,462
48	6	343,628		
49	8	416,806	3	21,551
50	5	291,196	1	40,542
51	1	59,962		
52	2	95,755	1	31,035
53	1	71,078	2	111,282
54	4	204,368		
55	1	63,265		
56	3	175,745		
58	3	148,928		
60	3	175,019	1	51,245
63	1	54,125		
64	1	35,903		
65	1	73,600		
66	2	64,292		
67	1	27,875		
68	5	159,333		
69	1	26,358		
70	1	24,959		
71	3	104,071		
72	1	44,859		
73	1	50,695		
79	1	28,700		
85	2	73,988		
TOTAL	109	$ 5,788,625	14	$ 490,713