

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OF NEW JERSEY
REPORT ON AN INVESTIGATION OF EXPERIENCE
PREPARED AS OF JUNE 30, 2008**

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May 29, 2009

Board of Trustees
Public Employees' Retirement System
of New Jersey
Trenton, New Jersey 08625-0295

Ladies and Gentlemen:

This year an actuarial investigation of the mortality, service and compensation experience of the members and beneficiaries of the retirement system was made in accordance with the provisions of Section 19 of Chapter 15A of the New Jersey Statutes. This Section specifies that such an investigation shall be made once in every three-year period. The results of this investigation are described in detail in the attached report. I am available at the Board's convenience to discuss this report.

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

Respectfully submitted,



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

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**REPORT ON AN INVESTIGATION OF THE EXPERIENCE OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY
PREPARED AS OF JUNE 30, 2008**

I. INTRODUCTION

Section 19 of Chapter 15A of the New Jersey Statutes provides that once in every three-year period the actuary shall examine in detail the mortality, service and compensation experience of the members and beneficiaries of the Retirement System. This investigation is designed to assure that the tables used for determining expected liabilities of the Retirement System are consistent with recent experience. If tables are not updated periodically, the liabilities of the System may be overstated or understated, and resulting contributions either too large or too small to fund the actual accruing liabilities.

This report summarizes the Retirement System experience for the period from July 1, 2005 to June 30, 2008. Experience for State employees and for employees of the various local employers participating in the System was examined separately for active members. No separate examination was made for retired members and beneficiaries since similar mortality experience should be anticipated for these groups.

Also, this study examined the effect of the following legislations:

- Chapter 366, P.L. 2001 established a special Prosecutors Part for certain members of the System. The eligibility requirements and benefits payable under this Part are similar to those applicable under the Police and Firemen's Retirement System ("PFRS"). Beginning

with the June 30, 2005 experience study, we have separately analyzed the retirement pattern of prosecutor members.

- Chapter 259, P.L. 2001 created special retirement benefits, similar to those provided in the Judicial Retirement System, for members employed as Workers Compensation Judges. However, Chapter 92, P.L. 2007 closed the Workers Compensation Judges Part of the System to new members enrolled after June 8, 2007. Due to the small number of Workers Compensation Judges and the closure of this Part of the System, their experience will no longer be analyzed separately. The remaining members of the Workers Compensation Judges Part of the System will continue to use the State assumptions.
- Chapter 103, P.L. 2007 changed member contribution rates from 5.0% to 5.5% of compensation effective, generally, July 1, 2007 for State employees and July 1, 2008 for Local employees. The legislation also provided that for members hired on or after July 1, 2007, the amount of compensation used for employer and member contributions and benefits under the System for new members on or after July 1, 2007 cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act. The legislation also amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1/12 percent for each month (up to 60 months) the retirement date precedes age 60 plus 1/4 percent for each month the retirement date precedes age 55. At this time,

there is not enough data to analyze the effect that this legislation will have on the assumptions.

To avoid inflating assumed future rates of retirement that are not representative of “normal” retirement experience, we removed the effects of Chapter 21, P.L. 2008, Chapter 126, P.L. 2000, Chapter 127, P.L. 2003, Chapter 128, P.L. 2003 and Chapter 129, P.L. 2003 which provided Early Retirement Incentive (ERI) programs for the State and local employees. To remove the effect of the ERI’s, all members who elected to retire under one of the ERI programs were excluded from the examination of the active members’ experience portion of this study.

II. EXAMINATION OF EXPERIENCE

The experience among active members has been compared with the experience expected according to the active service tables, the retirement tables and the salary increase assumption which were developed on the basis of the three-year experience investigation for the period ended June 30, 2005. The experience among beneficiaries has also been compared with the experience expected according to the mortality tables that were also developed from the three-year experience investigation for the period ended June 30, 2005.

In the case of withdrawals who are receiving a refund of accumulated deductions, since the Board has adopted select rates of withdrawal, the data for employees with less than three years of service were tabulated separately from the data for employees with three or more years of service but prior to retirement eligibility. However, in investigating the experience with respect to death, disability,

vested withdrawal entitled to a deferred benefit or early retirement and service retirement, the employees were not divided according to select and ultimate years of service but were treated in one group. The expected number of separations from service on account of withdrawal, death, disability and service retirement were calculated by multiplying the rates of separation used as a basis for the active service tables by the number of those exposed to risk. The actual number of those who had separated from service was then compared with the expected number. The following tables give the results of these comparisons. If the ratio of actual to expected is 1.000, the tables have exactly predicted what actually occurred. If the ratio of actual to expected is greater than 1.000, then the tables have underestimated actual experience. If the ratio is less than 1.000, then the tables have overstated actual experience.

Table 1 examines experience for State employees, while Table 2 considers experience for employees of local employers.

For the Board's convenience, we have prepared a series of graphs, which present the statistical data.

TABLE 1

**COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES**

WITHDRAWALS RECEIVING REFUND OF ACCUMULATED DEDUCTIONS

YEARS OF SERVICE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
0	All	4,458	2,920.19	1.527
1	All	1,805	2,866.28	.630
2	All	1,254	1,798.07	.697
Ultimate	20	4	21.51	.186
	25	216	510.67	.423
	30	572	787.38	.726
	35	564	667.95	.844
	40	450	529.76	.849
	45	402	524.67	.766
	50	319	468.23	.681
	55	324	511.37	.634
Subtotal Ultimate		2,851	4,021.54	.709
Total Withdrawals All Years		10,368	11,606.08	.893

TABLE 1
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES
(continued)

DEATHS DUE TO ORDINARY CAUSE

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS			
		Actual	Expected	Ratio of Actual to Expected	
Male	20	1	.56	1.786	
	25	4	3.44	1.163	
	30	5	5.24	.954	
	35	6	7.58	.792	
	40	10	13.84	.723	
	45	23	24.95	.922	
	50	42	44.20	.950	
	55	50	62.29	.803	
	60	43	59.78	.719	
	65	29	32.01	.906	
	69	4	7.49	.534	
		Total	217	261.38	.830
	Female	20	1	.79	1.266
25		4	6.62	.604	
30		3	9.76	.307	
35		9	14.32	.628	
40		14	24.56	.570	
45		23	41.79	.550	
50		45	66.77	.674	
55		67	86.64	.773	
60		55	83.01	.663	
65		40	45.55	.878	
69		5	8.57	.583	
		Total	266	388.38	.685
		Grand Total	483	649.76	.743

TABLE 1
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES
(continued)

DEATHS DUE TO ACCIDENTAL CAUSES

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS			
		Actual	Expected	Ratio of Actual to Expected	
Male and Female	20	0	.03	.000	
	25	0	.20	.000	
	30	0	.25	.000	
	35	0	.26	.000	
	40	0	.34	.000	
	45	0	.43	.000	
	50	0	.47	.000	
	55	0	.42	.000	
	60	0	.31	.000	
	65	0	.12	.000	
	69	0	.02	.000	
	Total		0	2.85	.000

TABLE 1
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES
(continued)

DISABILITY RETIREMENTS

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
Due to Ordinary Causes	30	1	.61	1.639
	35	15	14.80	1.014
	40	64	56.90	1.125
	45	111	124.53	.891
	50	155	183.84	.843
	55	165	259.34	.636
	60	198	317.09	.624
	65	110	131.32	.838
	69	19	23.77	.799
	Total		838	1,112.20
Due to Accidental Causes	20	0	.03	.000
	25	2	.26	7.692
	30	0	.84	.000
	35	3	2.44	1.230
	40	3	5.10	.588
	45	13	8.17	1.591
	50	15	11.14	1.346
	55	11	13.58	.810
	60	9	12.10	.744
	65	3	5.76	.521
	69	0	.99	.000
	Total		59	60.41
Due to All Causes	Grand Total	897	1,172.61	.765

TABLE 1
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES
(continued)

DEFERRED VESTED, EARLY AND SERVICE RETIREMENTS

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
Deferred Vested and Early Retirement	20	0	.00	.000
	25	0	.00	.000
	30	1	.00	.000
	35	9	2.77	3.249
	40	11	8.95	1.229
	45	92	62.64	1.469
	50	405	214.09	1.892
	55	483	203.17	2.377
	Total		1,001	491.63
Service Retirement	55	405	405.17	1.000
	56	310	268.46	1.155
	57	301	253.46	1.188
	58	270	232.40	1.162
	59	270	387.87	.696
	60	688	542.53	1.268
	61	426	429.35	.992
	62	562	751.32	.748
	63	381	507.50	.751
	64	347	451.65	.768
	65	321	529.00	.607
	66	220	295.92	.743
	67	160	190.95	.838
	68	133	160.65	.828
69	91	127.95	.711	
Total		4,885	5,534.18	.883
Due to All Causes	Grand Total	5,886	6,025.81	.977

TABLE 1
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART
SERVICE RETIREMENTS

AGE	Age 55 with Less Than 20 Years of Service			With 20 Years of Service		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
40				0	.00	.000
45				0	.26	.000
50				0	.49	.000
53				0	.25	.000
54				1	.05	20.000
55	0	.06	.000	0	.00	.000
56	0	.06	.000	0	.00	.000
57	0	.03	.000	0	.00	.000
58	0	.08	.000	0	.00	.000
59	0	.08	.000	0	.00	.000
60	0	.11	.000	0	.05	.000
61	1	.08	12.500	0	.00	.000
62	0	.05	.000	0	.00	.000
63	0	.03	.000	1	.15	6.667
64	0	.05	.000	0	.00	.000
65	0	.03	.000	0	.00	.000
66	0	.02	.000	0	.00	.000
67	0	.00	.000	1	.38	2.667
68	0	.00	.000	1	.38	2.667
69	0	.00	.000	0	.00	.000
Total	1	.68	1.471	4	2.00	2.000

TABLE 1
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART
SERVICE RETIREMENTS

AGE	With 21 to 24 Years of Service			With More Than 24 Years of Service		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
40	0	.00	.000	0	.00	.000
45	0	.00	.000	0	.00	.000
50	0	.00	.000	9	3.55	2.538
53	0	.00	.000	3	1.04	2.872
54	0	.00	.000	1	.70	1.429
55	0	.00	.000	4	1.21	3.293
56	0	.00	.000	3	.87	3.448
57	0	.00	.000	1	.17	5.882
58	0	.00	.000	1	.34	2.900
59	0	.00	.000	1	1.14	.879
60	0	.00	.000	2	.91	2.198
61	0	.00	.000	1	.91	1.102
62	0	.00	.000	0	.00	.000
63	0	.00	.000	0	.00	.000
64	0	.00	.000	1	.76	1.316
65	0	.00	.000	2	2.00	1.000
66	0	.00	.000	0	.00	.000
67	0	.00	.000	0	.00	.000
68	0	.00	.000	0	.00	.000
69	0	.00	.000	0	1.00	.000
Total	0	0.00	0.000	29	14.61	1.986

TABLE 2

**COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES**

WITHDRAWALS RECEIVING REFUND OF ACCUMULATED DEDUCTIONS

YEARS OF SERVICE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
0	All	11,496	7,744.14	1.484
1	All	5,891	7,390.14	.797
2	All	3,822	3,622.62	1.055
Ultimate	20	24	103.80	.231
	25	585	1,080.58	.541
	30	1,116	1,519.26	.735
	35	1,167	1,339.79	.871
	40	1,380	1,747.46	.790
	45	1,802	2,303.17	.782
	50	1,662	2,131.57	.780
	55	1,422	1,930.82	.736
Subtotal Ultimate		9,158	12,156.45	.753
Total Withdrawals All Years		30,367	30,913.35	.982

TABLE 2
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES
(continued)

DEATHS DUE TO ORDINARY CAUSES

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS			
		Actual	Expected	Ratio of Actual to Expected	
Males	20	0	1.81	.000	
	25	6	6.22	.965	
	30	11	8.35	1.317	
	35	27	13.51	1.999	
	40	29	28.11	1.032	
	45	53	53.94	.983	
	50	109	93.01	1.172	
	55	126	121.12	1.040	
	60	133	141.09	.943	
	65	114	111.59	1.022	
	69	33	33.13	.996	
	Total		641	611.88	1.048
	Female	20	2	1.69	1.183
25		1	7.67	.130	
30		5	9.89	.506	
35		12	17.40	.690	
40		23	41.04	.560	
45		46	89.67	.513	
50		88	159.23	.553	
55		103	202.00	.510	
60		127	227.74	.558	
65		90	160.88	.559	
69		34	41.76	.814	
Total			531	958.97	.554
Grand Total			1,172	1,570.85	.746

TABLE 2
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES
(continued)

DEATHS DUE TO ACCIDENTAL CAUSES

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS			
		Actual	Expected	Ratio of Actual to Expected	
Male and Female	20	0	.09	.000	
	25	0	.34	.000	
	30	0	.36	.000	
	35	0	.48	.000	
	40	0	.74	.000	
	45	0	1.04	.000	
	50	0	1.14	.000	
	55	0	.99	.000	
	60	0	.78	.000	
	65	0	.40	.000	
	69	0	.09	.000	
	Total		0	6.45	.000

TABLE 2
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES
(continued)

DISABILITY RETIREMENTS

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
Due to Ordinary Causes	30	1	1.76	.568
	35	22	25.80	.853
	40	87	92.20	.944
	45	171	163.37	1.047
	50	286	292.00	.979
	55	344	430.88	.798
	60	408	501.23	.814
	65	287	300.44	.955
	69	65	73.96	.879
		Total	1,671	1,881.64
Due to Accidental Causes	20	0	.09	.000
	25	0	.89	.000
	30	0	1.46	.000
	35	4	2.19	1.826
	40	8	5.99	1.336
	45	12	10.96	1.095
	50	10	16.66	.600
	55	20	17.88	1.119
	60	11	17.75	.620
	65	7	10.08	.694
	69	3	2.24	1.339
		Total	75	86.19
Due to All Causes	Grand Total	1,746	1,967.83	.887

TABLE 2
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES
(continued)

DEFERRED VESTED, EARLY AND SERVICE RETIREMENTS

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
Deferred Vested and Early Retirement	20	0	.00	.000
	25	0	.00	.000
	30	2	.46	4.346
	35	7	4.35	1.608
	40	19	13.80	1.377
	45	98	94.09	1.042
	50	431	346.67	1.243
	55	797	434.63	1.834
	Total	1,354	893.99	1.515
Service Retirement	55	556	308.88	1.800
	56	281	292.38	.961
	57	284	288.76	.984
	58	295	300.69	.981
	59	340	747.89	.455
	60	1,676	1,282.48	1.307
	61	1,052	1,134.76	.927
	62	1,403	1,992.65	.704
	63	1,062	1,129.06	.941
	64	866	996.13	.869
	65	1,137	1,801.26	.631
	66	827	1,010.68	.818
	67	636	752.80	.845
68	485	545.28	.889	
69	461	486.95	.947	
	Total	11,361	13,070.63	.869
Due to all Causes	Grand Total	12,715	13,964.62	.911

TABLE 2
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART
SERVICE RETIREMENTS

AGE	Age 55 with Less Than 20 Years of Service			With 20 Years of Service		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
40				0	.03	.000
45				1	1.20	.833
50				2	1.20	1.670
53				1	.25	4.00
54				0	.05	.000
55	0	.37	.000	0	.05	.000
56	0	.37	.000	0	.05	.000
57	1	.34	2.941	0	.05	.000
58	0	.24	.000	1	.15	6.667
59	0	.18	.000	0	.05	.000
60	0	.15	.000	1	.05	20.000
61	1	.12	8.333	1	.15	6.667
62	0	.15	.000	0	.00	.000
63	1	.12	8.333	0	.00	.000
64	0	.12	.000	1	.38	2.667
65	1	.06	16.667	1	.38	2.632
66	0	.03	.000	0	.00	.000
67	0	.06	.000	0	.00	.000
68	0	.00	.000	0	.38	.000
69	0	.00	.000	0	.00	.000
Total	4	2.31	1.732	9	4.41	2.040

TABLE 2
COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART
SERVICE RETIREMENTS

AGE	With 21 to 24 Years of Service			With More Than 24 Years of Service		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
40	0	.00	.000	0	.00	.000
45	0	.00	.000	0	.00	.000
50	0	.00	.000	6	4.31	1.392
53	0	.00	.000	2	3.50	.571
54	0	.00	.000	4	3.49	1.145
55	0	.00	.000	6	3.67	1.635
56	0	.00	.000	4	2.45	1.633
57	0	.00	.000	6	2.79	2.151
58	0	.00	.000	5	3.14	1.590
59	0	.00	.000	3	2.96	1.014
60	0	.00	.000	6	2.96	2.029
61	0	.00	.000	0	1.37	.000
62	0	.00	.000	2	1.60	1.252
63	0	.00	.000	4	1.60	2.503
64	0	.00	.000	0	1.89	.000
65	1	.00	.000	1	4.00	.250
66	0	.00	.000	2	3.00	.667
67	0	.00	.000	1	2.00	.500
68	0	.00	.000	0	1.00	.000
69	1	.00	.000	0	1.00	.000
Total	2	.00	0.000	52	46.73	1.113

Based on the salary increase assumption, the expected salaries of those members who remain in service from year to year were obtained and these expected salaries were compared with the actual salaries. This comparison is summarized in the following tables, with Table 3 showing values for State employees and Table 4 for employees of local employers. Again, a ratio of actual to expected of 1.000 would indicate actual salary increases were identical to anticipated increases, greater than 1.000 indicates salaries have increased faster than anticipated, and less than 1.000 indicates salaries have increased slower than anticipated.

TABLE 3

**COMPARISON OF ACTUAL AND EXPECTED SALARIES OF MEMBERS
STATE EMPLOYEES**

CENTRAL AGE OF GROUP	SALARIES AT END OF YEAR		
	Actual	Expected	Ratio of Actual to Expected
20	\$ 51,237,166	\$ 49,110,371	1.0433
25	525,938,485	509,268,331	1.0327
30	810,405,876	792,510,493	1.0226
35	1,031,864,467	1,015,235,238	1.0164
40	1,509,050,381	1,492,586,986	1.0110
45	2,054,258,402	2,037,276,383	1.0083
50	2,382,270,499	2,366,017,456	1.0069
55	2,144,493,312	2,128,606,203	1.0075
60	1,398,939,633	1,386,284,722	1.0091
65	495,301,887	489,276,129	1.0123
Total	\$ 12,403,760,108	\$ 12,266,172,312	1.0112

TABLE 4

**COMPARISON OF ACTUAL AND EXPECTED SALARIES OF MEMBERS
LOCAL EMPLOYEES**

CENTRAL AGE OF GROUP	SALARIES AT END OF YEAR		
	Actual	Expected	Ratio of Actual to Expected
20	\$ 105,254,625	\$ 100,729,750	1.0449
25	596,541,491	582,906,385	1.0234
30	873,908,536	864,877,694	1.0104
35	1,378,920,448	1,370,000,076	1.0065
40	2,209,225,496	2,194,368,526	1.0068
45	3,157,154,567	3,137,255,687	1.0063
50	3,668,837,944	3,650,532,209	1.0050
55	3,332,491,279	3,321,480,070	1.0033
60	2,494,508,096	2,486,731,908	1.0031
65	1,097,813,257	1,092,514,424	1.0049
Total	\$ 18,914,655,739	\$ 18,801,396,729	1.0060

The following tables give a comparison of the actual and expected deaths among retired members and their beneficiaries. In obtaining the expected deaths, the rates of mortality employed as a basis for the mortality tables last adopted by the Board for pensioners and their beneficiaries were used. As noted earlier, experience was not separately analyzed for employees of the State and local employers. A ratio of actual to expected of 1.000 means deaths occurred exactly as anticipated, higher than 1.000 means more deaths occurred than expected, and less than 1.000 means fewer deaths occurred than expected.

TABLE 5

**COMPARISON OF ACTUAL AND EXPECTED CASES OF DEATH
AMONG RETIRED MEMBERS
STATE AND LOCAL COMBINED**

NUMBER OF DEATHS

CENTRAL AGE OF GROUP	MEN			WOMEN		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
Service Retirements, Early Retirements and Deferred Vested Benefits Which Have Become Payable						
50	8	2.3	3.478	1	2.2	.455
55	39	22.1	1.765	35	15.6	2.244
60	131	103.5	1.266	100	88.4	1.131
65	315	299.4	1.052	239	329.1	.726
70	600	578.1	1.038	486	619.4	.785
75	932	1,032.0	.903	883	1,042.3	.847
80	1,270	1,494.1	.850	1,175	1,463.7	.803
85	1,258	1,539.7	.817	1,258	1,603.2	.785
90	805	979.9	.822	996	1,121.4	.888
95 and over	340	386.7	.879	552	542.2	1.018
Total	5,698	6,437.8	0.885	5,725	6,827.5	0.839
Disability Retirements						
45 and under	24	41.9	.573	15	29.8	.503
50	39	46.6	.837	32	47.9	.668
55	64	80.0	.800	49	77.3	.634
60	84	119.4	.704	80	103.5	.773
65	105	157.3	.668	120	141.0	.851
70	112	137.1	.817	123	128.4	.958
75	92	94.6	.973	71	83.0	.855
80	50	60.7	.824	37	57.6	.642
85	39	43.4	.899	37	40.8	.907
90	10	13.0	.769	7	16.2	.432
95 and over	1	3.5	.286	2	2.6	.769
Total	620	797.5	.777	573	728.1	.787

TABLE 6

**COMPARISON OF ACTUAL AND EXPECTED CASES OF DEATH AMONG
DEPENDENTS OF ACTIVE AND RETIRED MEMBERS WHO HAVE DIED
STATE AND LOCAL COMBINED**

NUMBER OF DEATHS

CENTRAL AGE OF GROUP	MEN			WOMEN		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
Dependents of Members Who Died While in Active Service						
65	0	.0	.000	0	.0	.000
70	0	.2	.000	0	.2	.000
75	0	.0	.000	0	.0	.000
80	0	.0	.000	0	.7	.000
85	0	.0	.000	1	1.8	.556
90	0	.0	.000	2	4.7	.426
95 and over	0	.0	.000	1	3.6	.278
Total	0	.2	.000	4	11.0	0.364
Dependents of Deceased Pensioners						
45 and under	1	.6	1.667	2	.6	3.333
50	1	.9	1.111	1	1.3	.769
55	1	1.8	.556	5	2.8	1.786
60	4	3.5	1.143	14	8.0	1.750
65	5	7.7	.649	34	21.5	1.581
70	6	15.8	.380	50	56.1	.891
75	11	27.1	.406	119	144.7	.822
80	35	43.0	.814	256	291.2	.879
85	44	56.5	.779	344	468.5	.734
90	30	31.6	.949	326	375.5	.868
95 and over	12	15.5	.774	220	246.3	.893
Total	150	204.0	.735	1,371	1,616.5	.848

III. COMMENTS AND GENERAL RECOMMENDATION OF THE ACTUARY

RATES OF WITHDRAWALS RECEIVING REFUND OF ACCUMULATED DEDUCTIONS

Beginning with this study, the withdrawal experience of employees during their first, second and third years of service is evaluated separately. Table 1 shows that, for State employees, actual withdrawals during the first year of service have been about 153% of the number expected. Conversely, actual withdrawals during the second and third year of service have been about 63% and 70%, respectively, of the number expected. Therefore, we recommend an increase in the rates during the first year of service and a decrease in the rates during the second and third years of service. For withdrawals with three or more years of service, actual withdrawals are about 71% of the number expected. This result is consistent with the prior study and we recommend a decrease in these rates.

Table 2, employees of local employers, shows that actual withdrawals during the first year of service are about 148% of that expected. In contrast, actual withdrawals during the second year of service are 80% of that expected. Actual withdrawals during the third year of service are about 106% of that expected which is within an acceptable range. Therefore, we recommend an increase to the rates during the first year of service, a decrease in the rates during the second year of service and no change to the rates during the third year of service. The actual member withdrawals after the first three years are about 25% lower than expected. Therefore, we recommend a decrease in the rates.

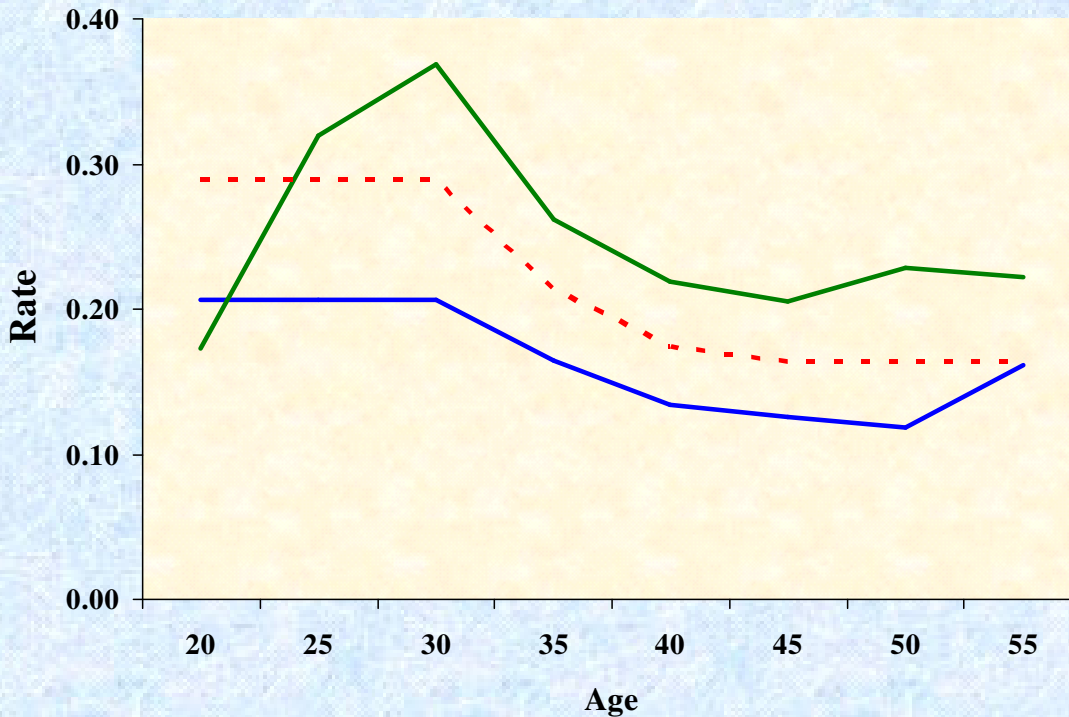
The following graphs show the current withdrawal rates, the actual withdrawal rates and the proposed rates.

Public Employees' Retirement System of New Jersey

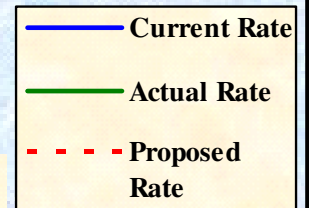
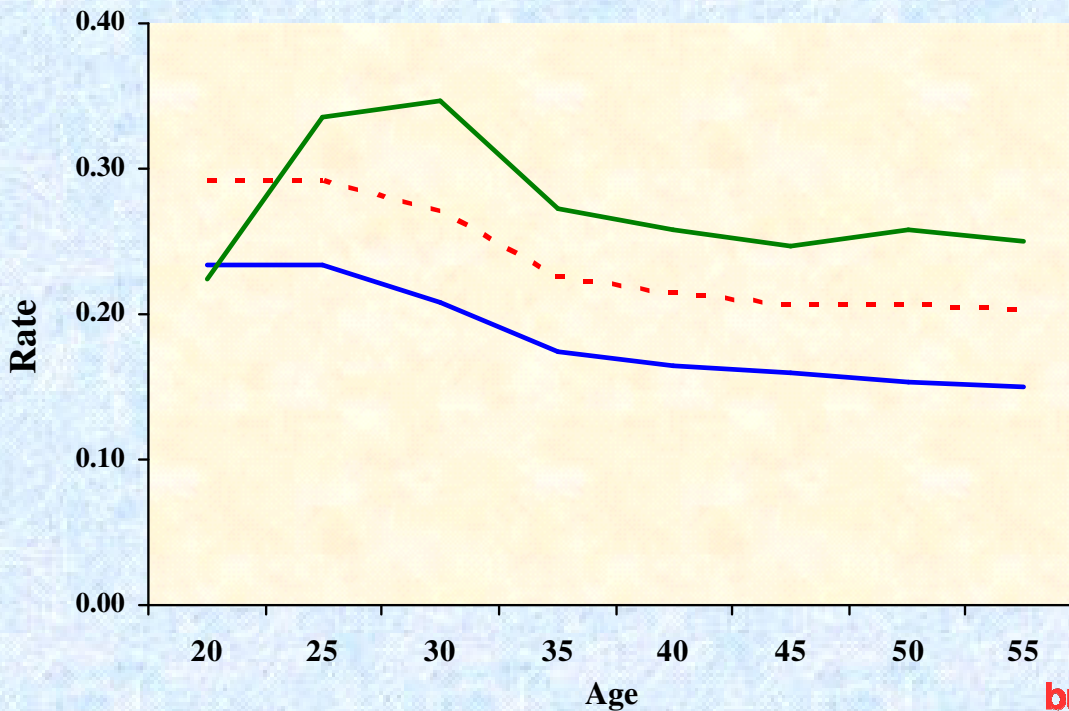
Withdrawals During First Year of Employment

July 1, 2005 through June 30, 2008

State Employees

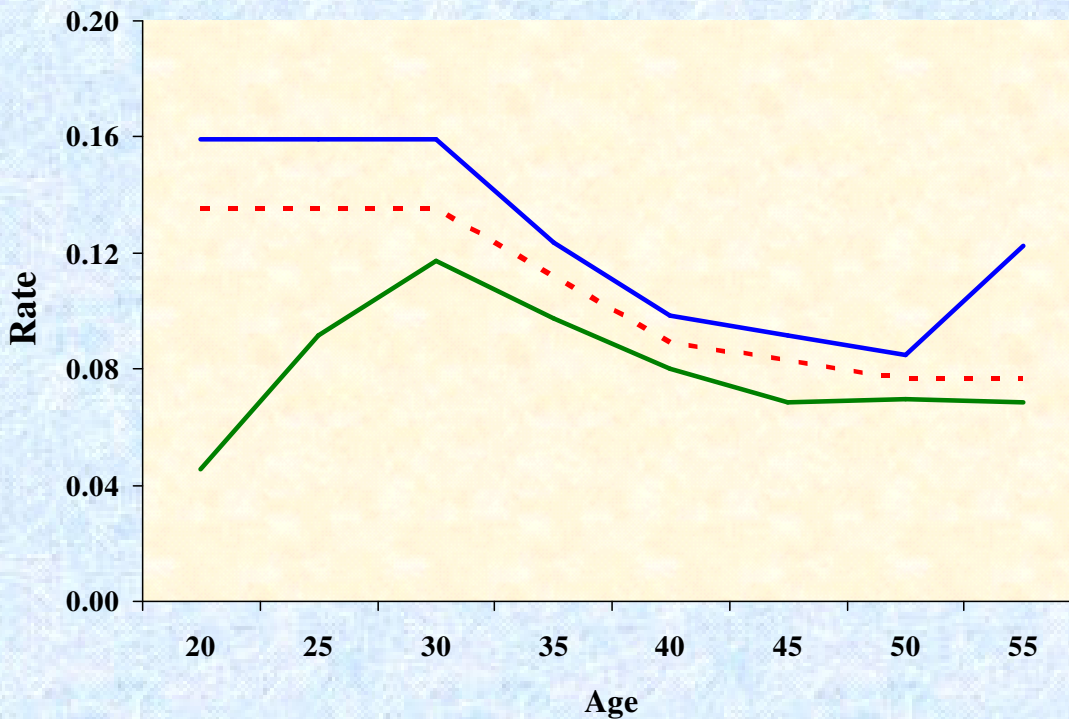


Employees of Local Employers

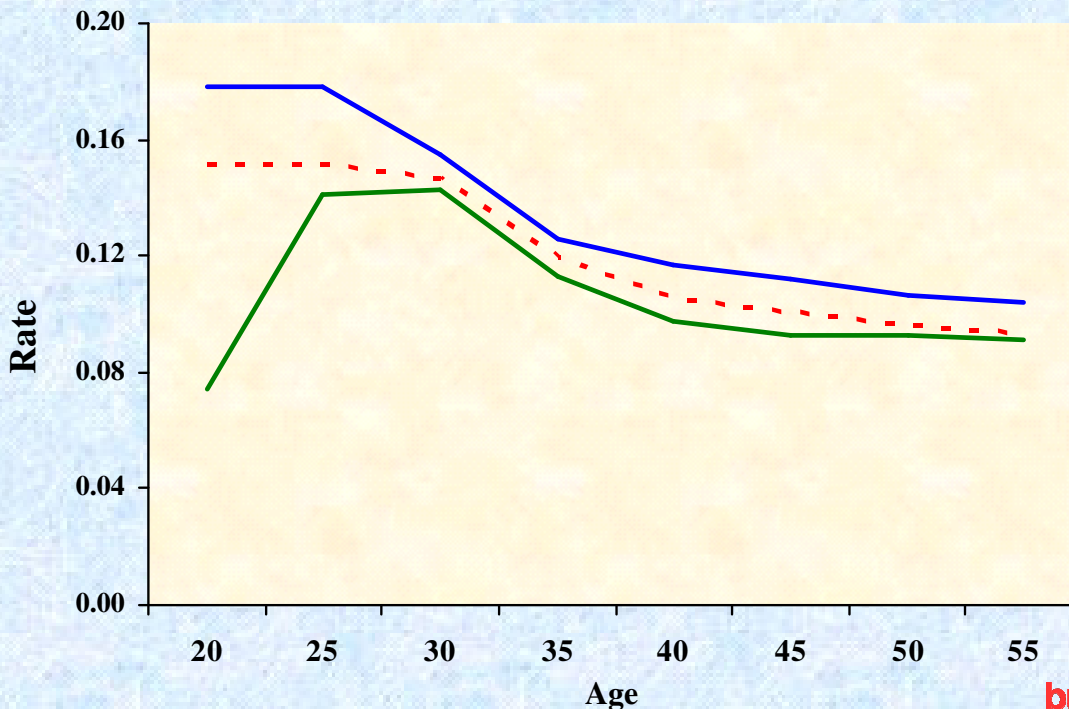


Public Employees' Retirement System of New Jersey
Withdrawals During Second Year of Employment
July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers



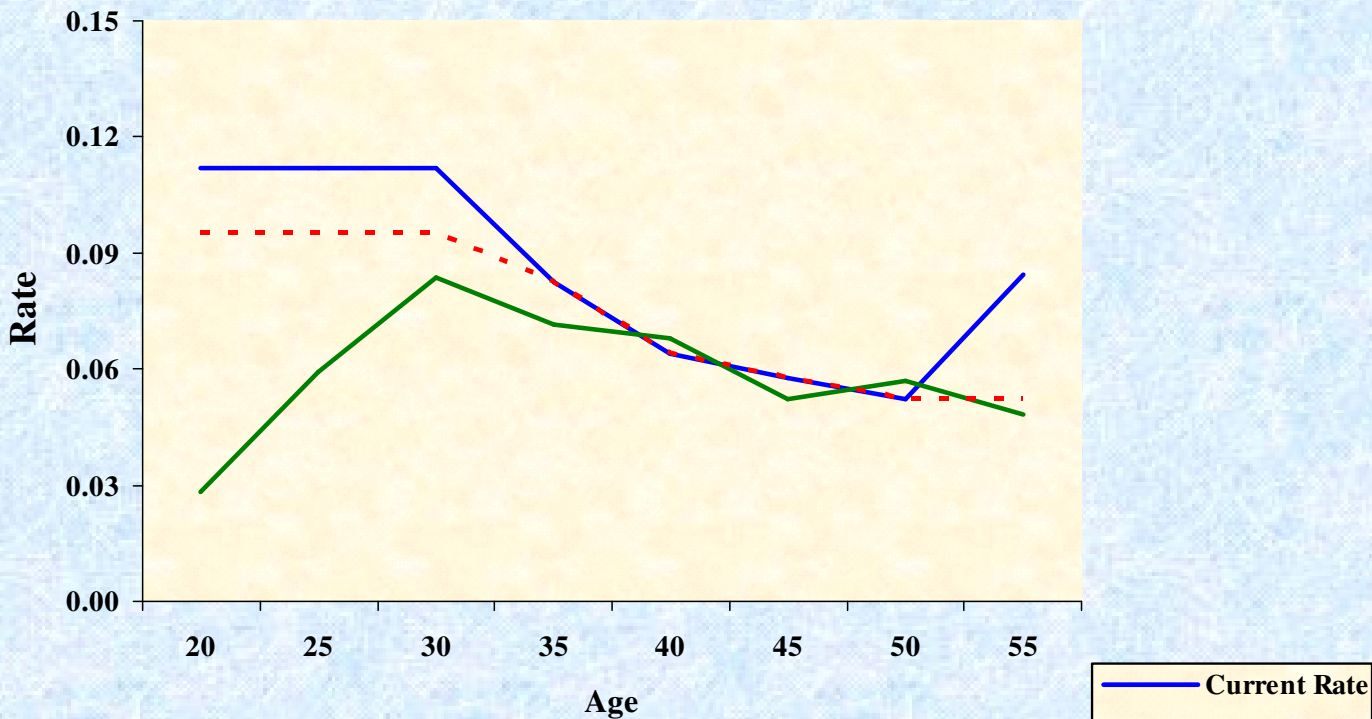
— Current Rate
— Actual Rate
- - - Proposed Rate

Public Employees' Retirement System of New Jersey

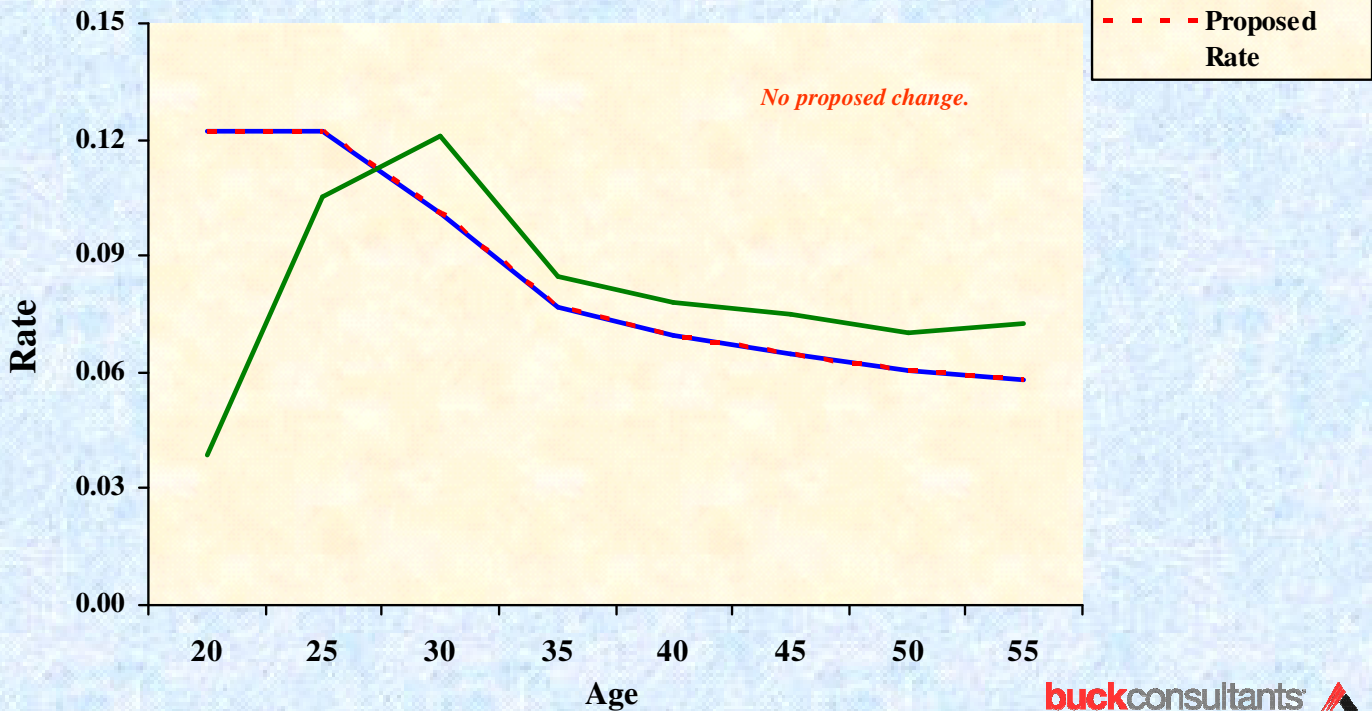
Withdrawals During Third Year of Employment

July 1, 2005 through June 30, 2008

State Employees



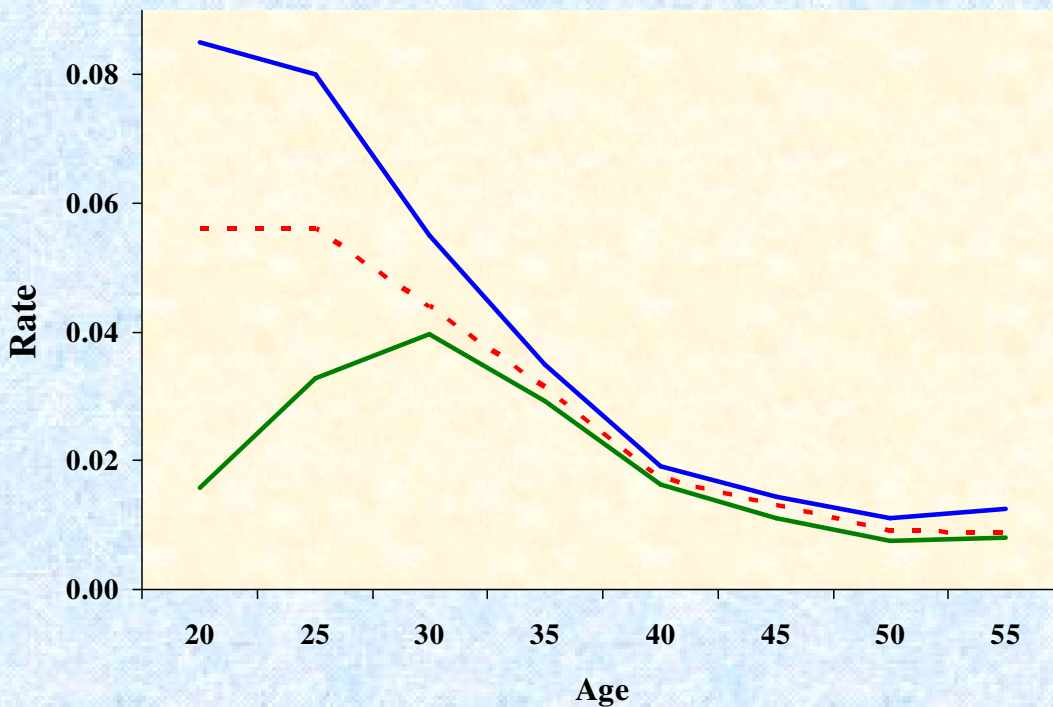
Employees of Local Employers



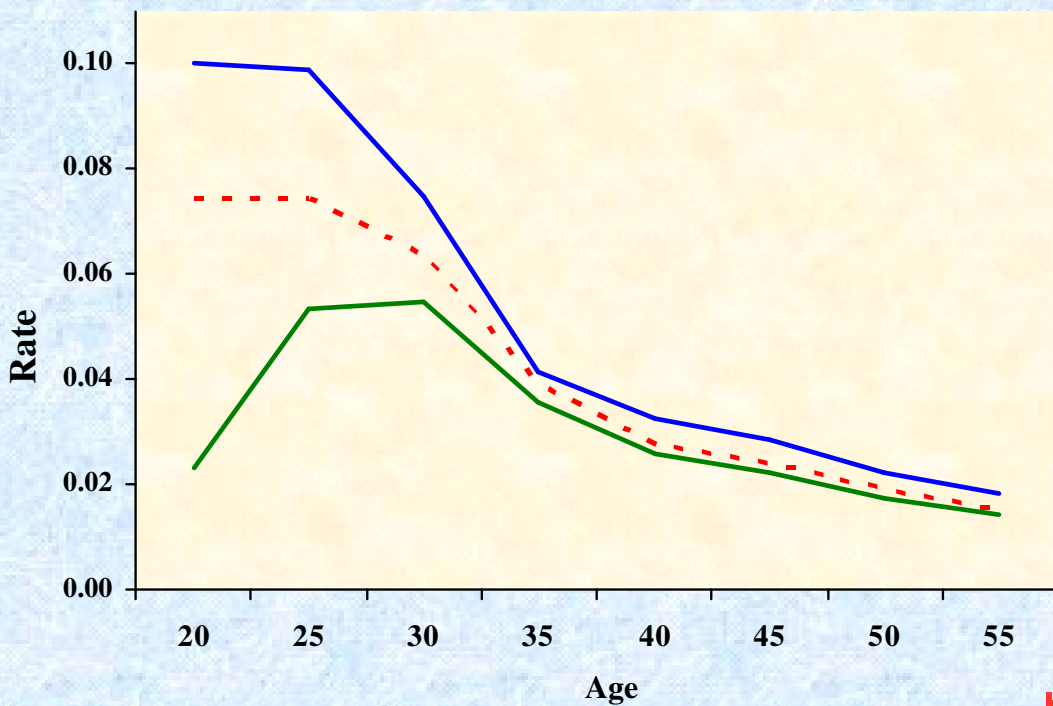
Public Employees' Retirement System of New Jersey

Ultimate Rates of Withdrawals
July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers



— Current Rate
— Actual Rate
- - - Proposed Rate

RATES OF DEATH AMONG ACTIVE MEMBERS

Since different benefits are paid upon ordinary and accidental death, the mortality experience with respect to these two causes of death was investigated separately. Tables 1 and 2 show that, with respect to both ordinary and accidental death, the total number of actual deaths was less than that expected. This pattern has held true for both State and employees of local employers over the past 27 years. In light of this pattern and the continued mortality improvement in the general population, we propose the use of a recently published mortality table for deaths due to ordinary causes. No change is recommended in the accidental death rates for either group since their experience is close to what was expected relative to the small incidence of this event. The graphs on pages 32 through 34 show the current, actual and proposed rates for ordinary and accidental deaths.

RATES OF DISABILITY RETIREMENT

For disability retirements, ordinary and accidental disability rates are examined separately. Tables 1 and 2 indicate that for both State and employees of local employers, overall, the tables presently in use result in the actual number of ordinary disabilities being less than the expected number of ordinary disabilities. This is inconsistent with the results of the four prior studies. Therefore, we recommend no changes to the current rates at this time. We will closely monitor this assumption in the next study to see if a reversal in the ordinary disability pattern has occurred.

Similarly, Tables 1 and 2 indicate that for both State and employees of local employers, the accidental disability rates presently in use result in a slightly lower than expected number of actual

accidental disabilities but are well within an acceptable range due to the relatively small incidence of the event. We recommend no change in the rates.

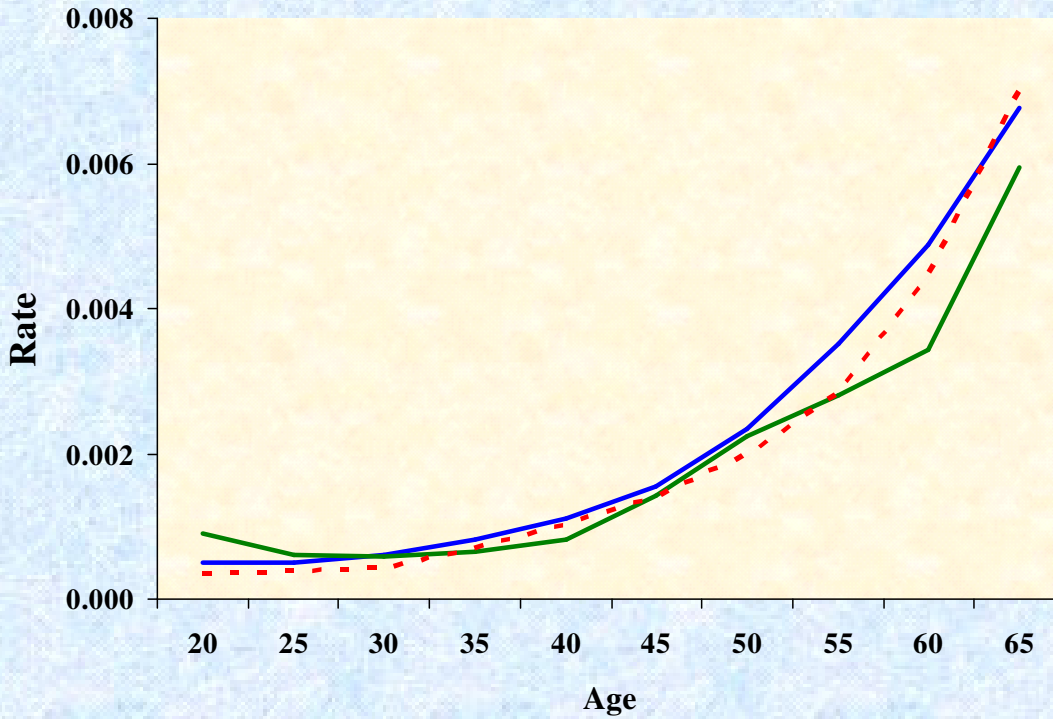
The graphs on pages 35 and 36 show the current, actual and proposed rates for ordinary and accidental disabilities.

Public Employees' Retirement System of New Jersey

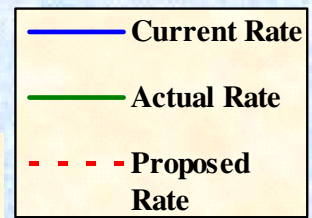
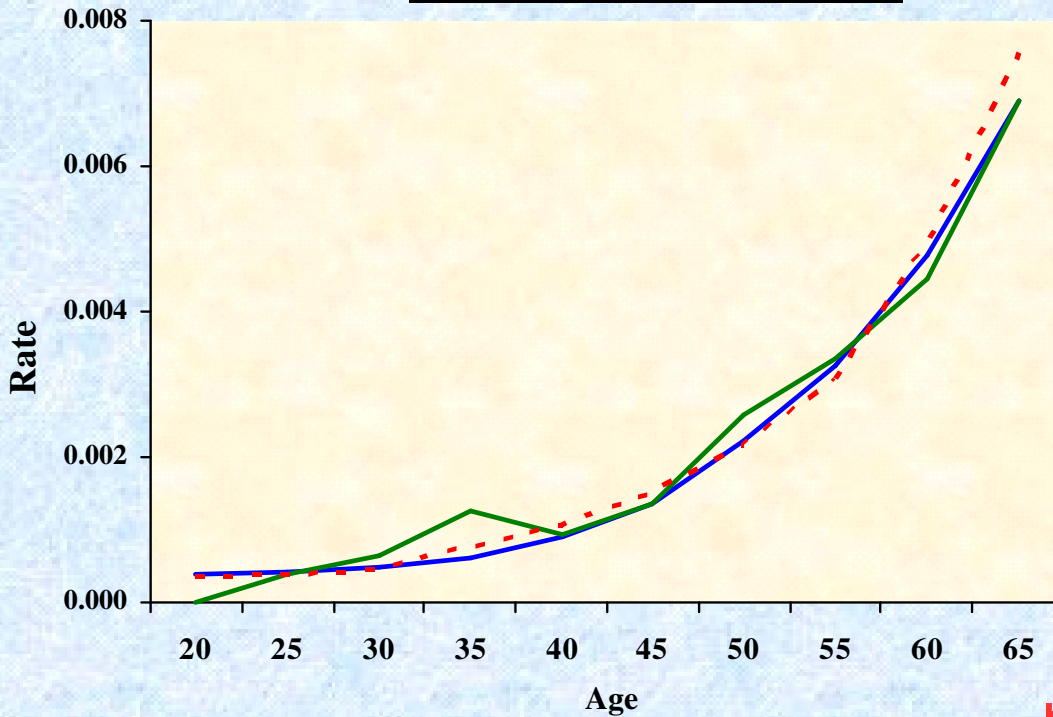
Ordinary Death Male – Active Members

July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers

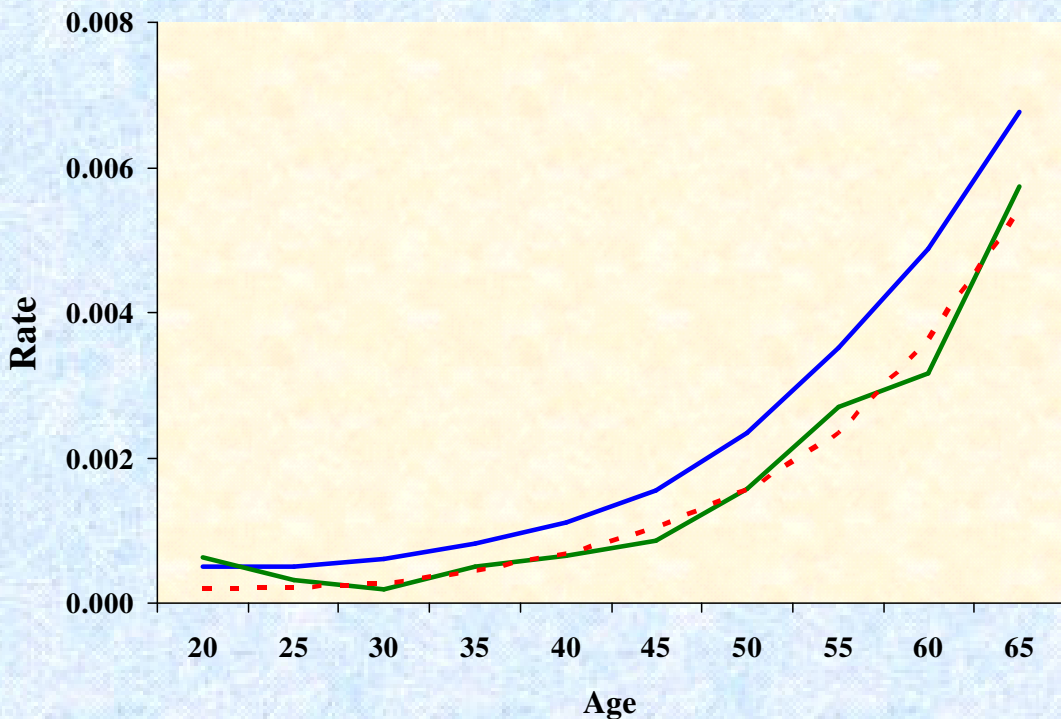


Public Employees' Retirement System of New Jersey

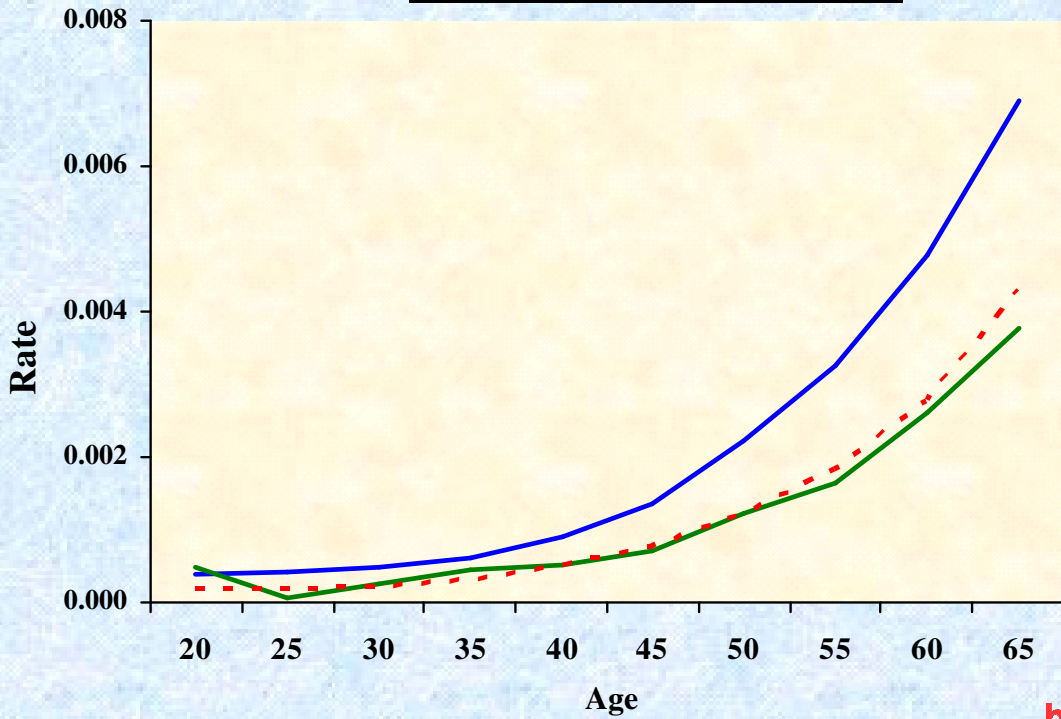
Ordinary Death Female – Active Members

July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers



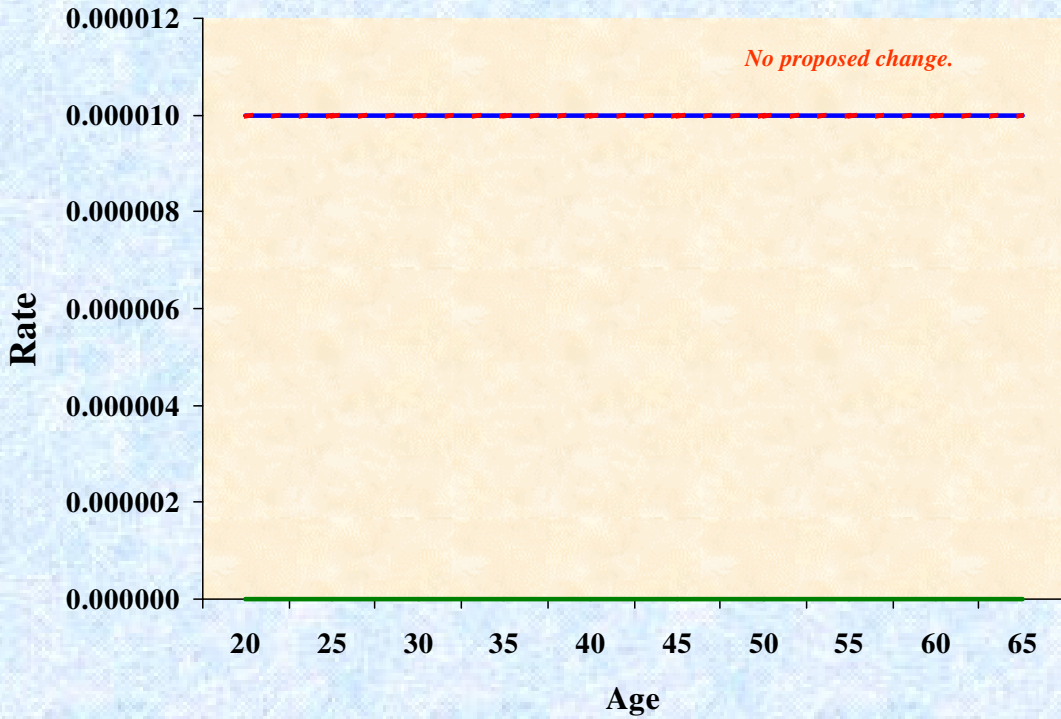
	Current Rate
	Actual Rate
	Proposed Rate

Public Employees' Retirement System of New Jersey

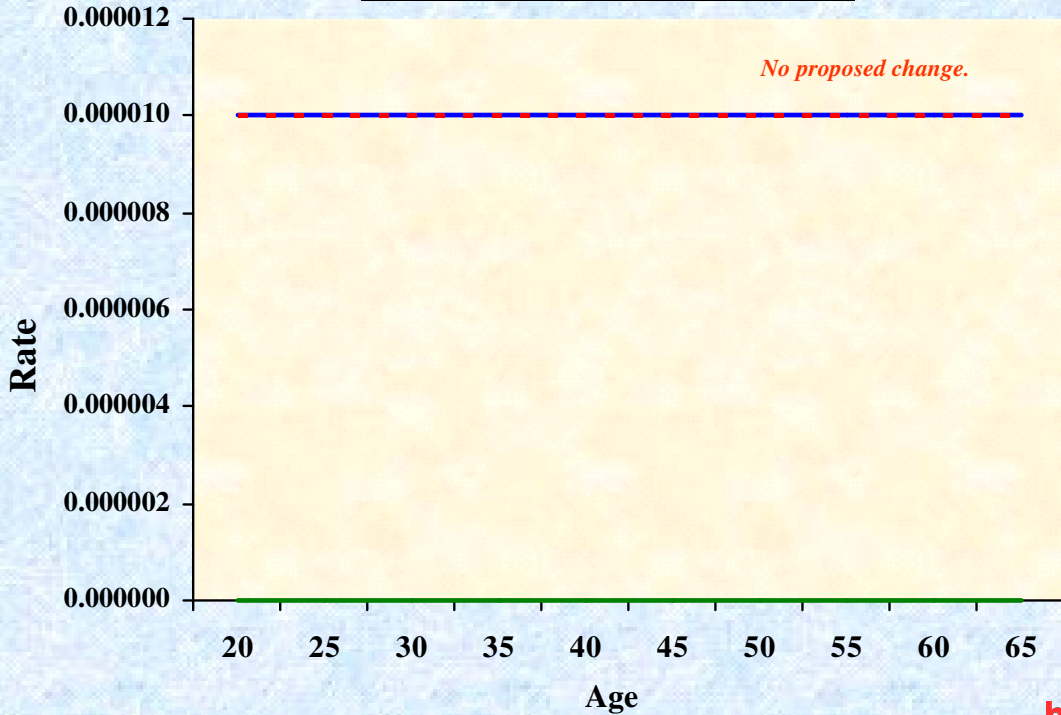
Accidental Death - Active Members

July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers

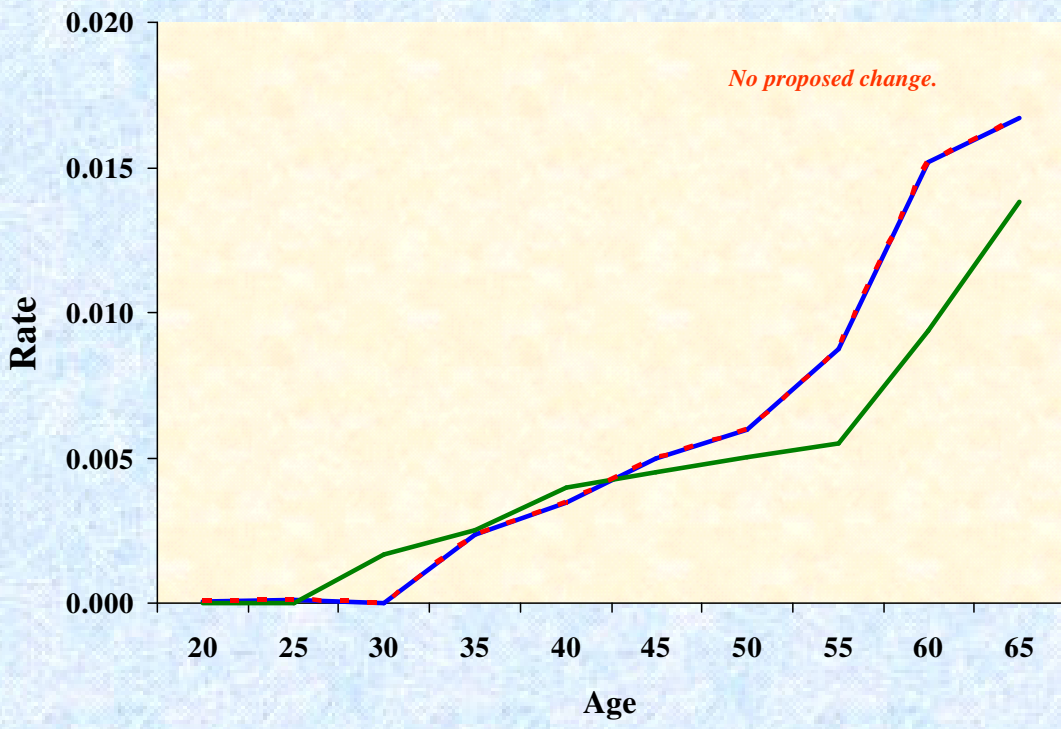


— Current Rate
— Actual Rate
- - - Proposed Rate

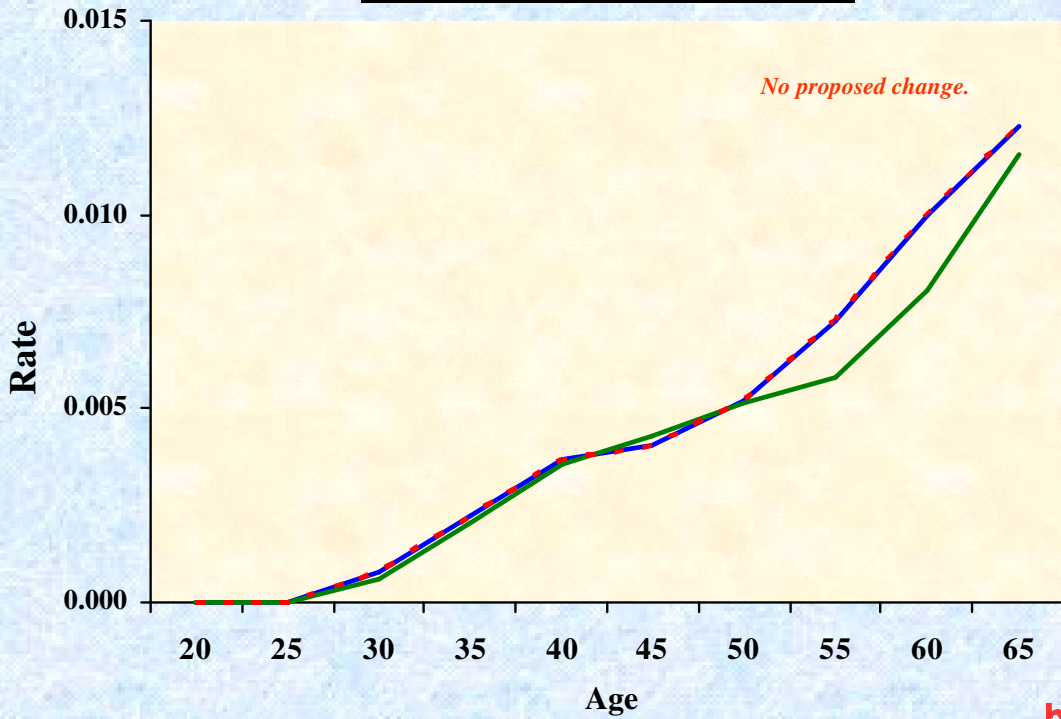
Public Employees' Retirement System of New Jersey

Ordinary Disability Retirement
 July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers

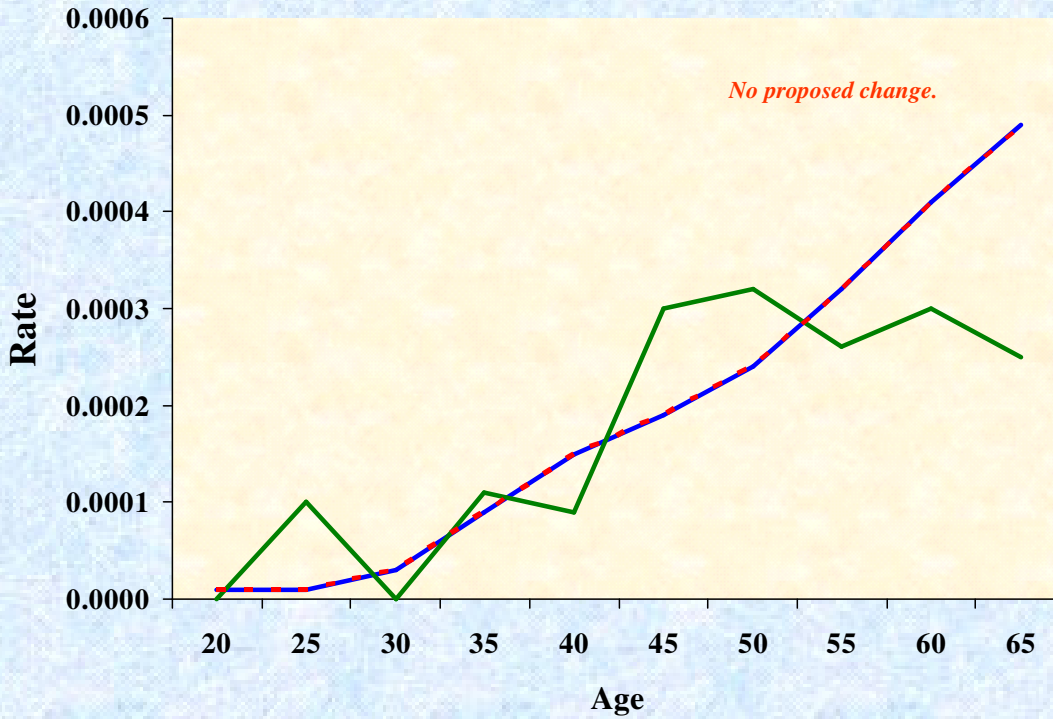


- Current Rate
- Actual Rate
- - - Proposed Rate

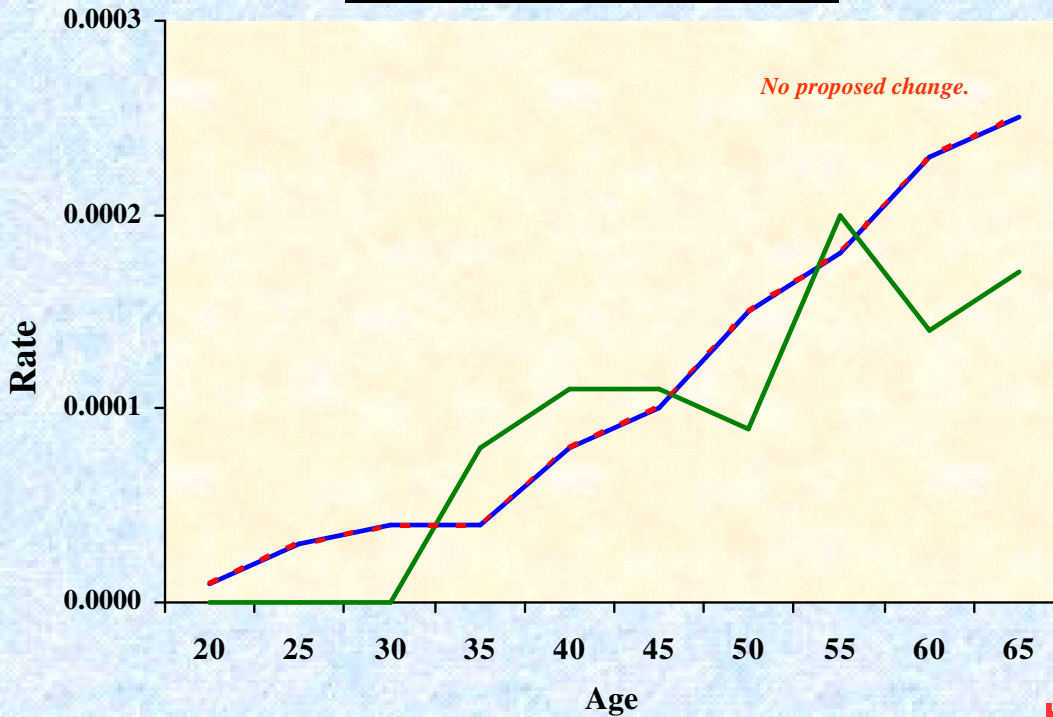
Public Employees' Retirement System of New Jersey

Accidental Disability Retirement
 July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers



- Current Rate
- Actual Rate
- - - Proposed Rate

RATES OF DEFERRED VESTED, EARLY AND SERVICE RETIREMENT

The Retirement System provides, upon withdrawal after 10 years of service, a deferred retirement allowance commencing at age 60 and, upon withdrawal (or retirement) after 25 years of service, a retirement allowance commencing immediately. Upon retirement, after the attainment of age 60 or after 25 years of service and the attainment of age 55, the retirement allowance payable is unreduced. All such withdrawals and retirements have been considered with vesting and service retirements in the experience.

Tables 1 and 2 show that, overall, actual withdrawals with a deferred benefit or early retirements with a reduced benefit entitlement have been significantly higher than anticipated for both State and employees of local employers. This is inconsistent with the results of the previous study and we recommend no changes to the current rates at this time. We will closely monitor this assumption in the next study to see if a reversal in the termination pattern has occurred.

With respect to service retirements, the experience indicates that, in total, actual retirements were considerably less than those expected both among State employees and employees of local employer groups. This is consistent with the prior study and, once again, could be due to the special Early Retirement Incentive (ERI) programs that were previously offered to eligible members. The ERI programs had a direct effect on the study since some of the retirements expected during the past three years actually occurred during the window period. While we excluded members who elected to retire under the ERI programs from this study, it is possible that some of the members would have retired even if the ERI programs had not been offered. We are

not making a recommendation as to possible rate changes at this time since the actual experience during this examination period is not indicative of the experience that can be expected in the future after the effect of the ERI programs wears off.

CHAPTER 366, P.L. 2001 – PROSECUTORS PART RATES OF SERVICE RETIREMENT

Chapter 366, P.L. 2001 provides benefits similar to those of the Police and Firemen's Retirement System (PFRS) to prosecutor members of the System who are not eligible for enrollment in PFRS. The original costs for Chapter 366 were based primarily on PERS assumptions determined in the June 30, 2002 experience study, except for retirements with 20 to 24 years of service which were based on PFRS rates developed in the June 30, 2001 experience study. Beginning with the June 30, 2005 experience study, we have separately analyzed the retirement pattern of prosecutor members.

Tables 1 and 2 show that, overall, actual retirements for State and local employer members who retire after age 54 with less than 20 years of service are greater than expected. The same trend holds true for members retiring with 20 years of service. However, the overall incidence is small and still within an acceptable range. Therefore, we recommend no changes to either of these rates at this time.

Table 1 shows that the experience for State employed individuals retiring with 21 to 24 years of service is in line with expected and no change to the rates is recommended. Table 2, on the other hand, shows that there were 2 local members who actually retired when no one was expected to retire. However, when compared to the 238 total number of local members exposed to these rates,

the 1% incidence is well within the acceptable range. Therefore, we recommend no changes to these rates at this time.

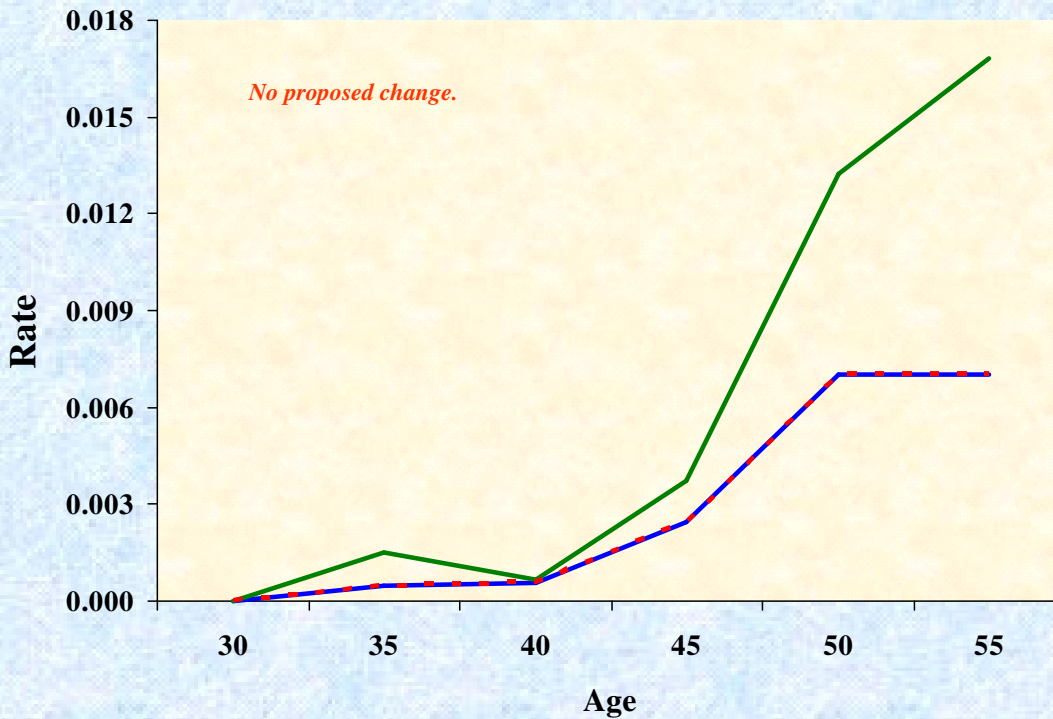
With respect to the retirement experience for State members with more than 24 years of service, Table 1 indicates that there are considerably more members retiring than expected. Therefore, we recommend increasing the retirement rates used for State members retiring with more than 24 years of service. In contrast, Table 2 shows that the actual retirements among local members are in line with expectations. We recommend no changes to retirement rates for local members retiring with more than 24 years of service.

Public Employees' Retirement System of New Jersey

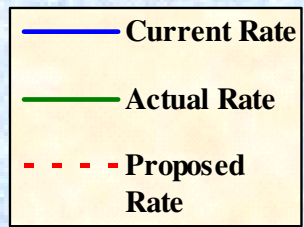
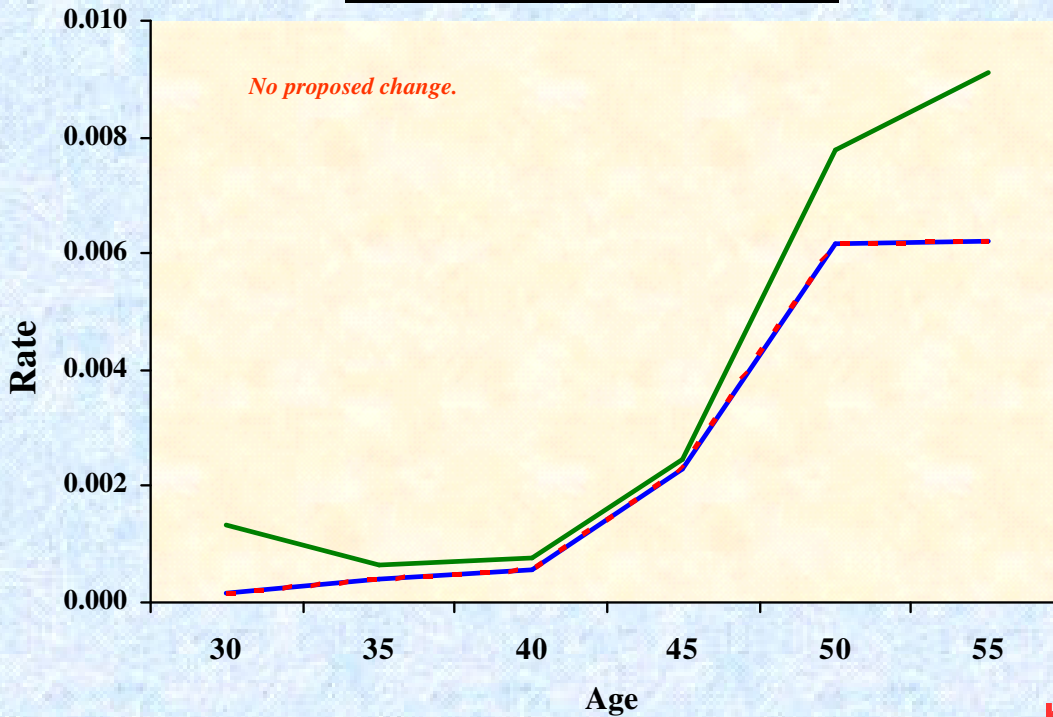
Deferred Vested and Early Retirement

July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers

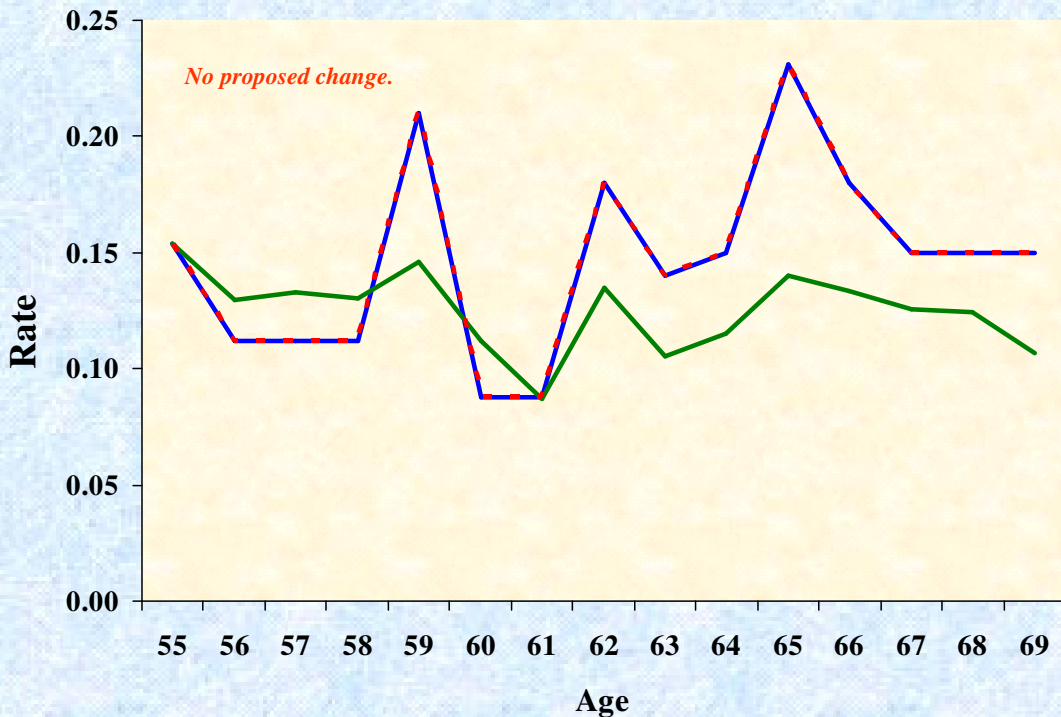


Public Employees' Retirement System of New Jersey

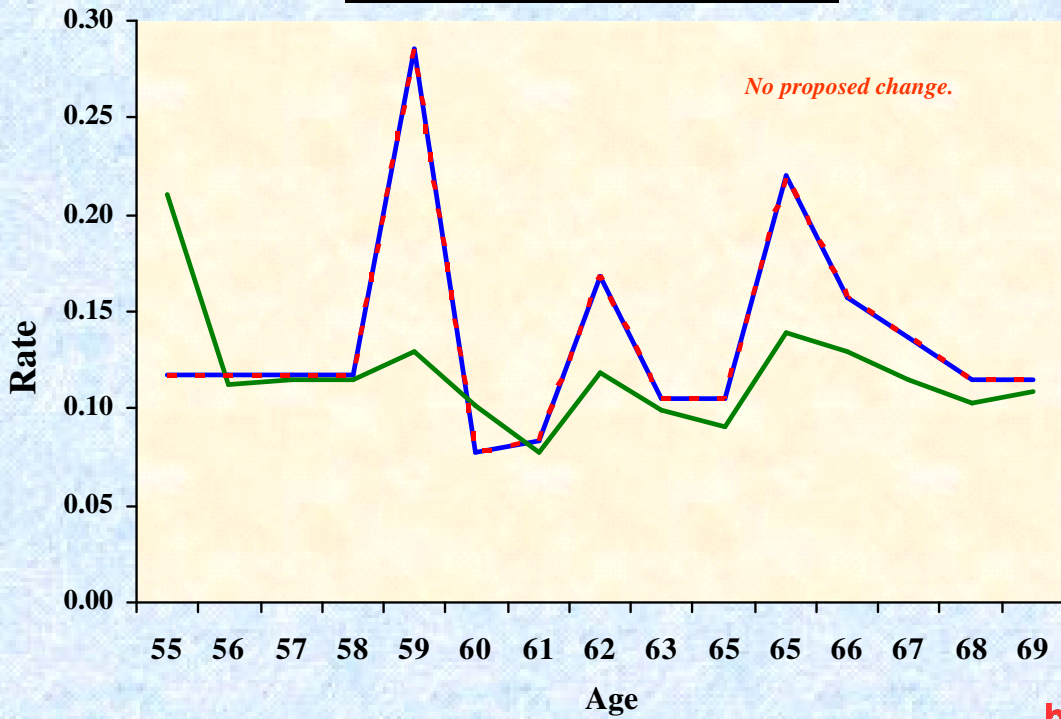
Service Retirement

July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers



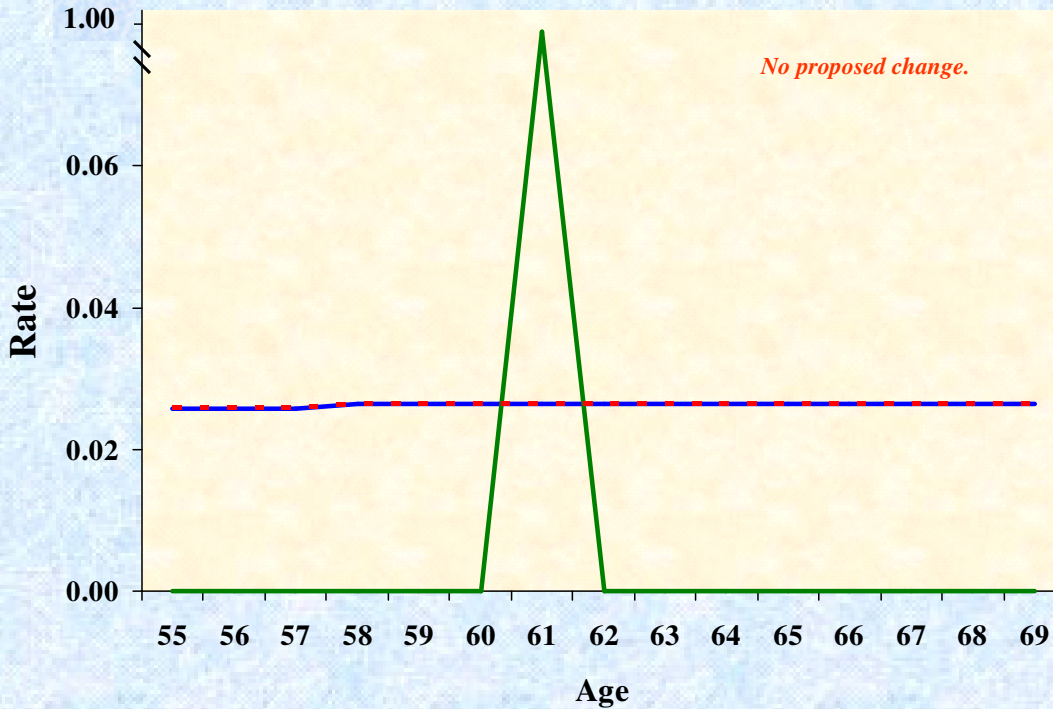
	Current Rate
	Actual Rate
	Proposed Rate

Public Employees' Retirement System of New Jersey

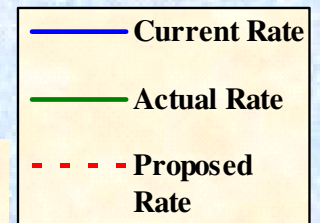
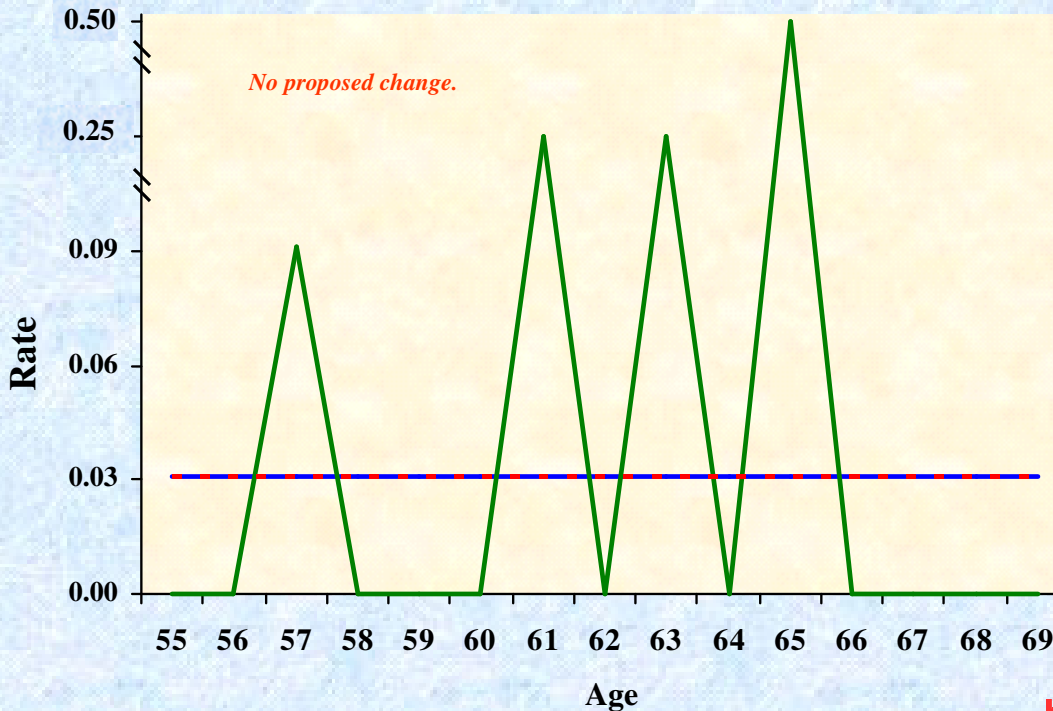
Prosecutors Part Rates of Service Retirement
Age 55 with Less than 20 Years of Service

July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers

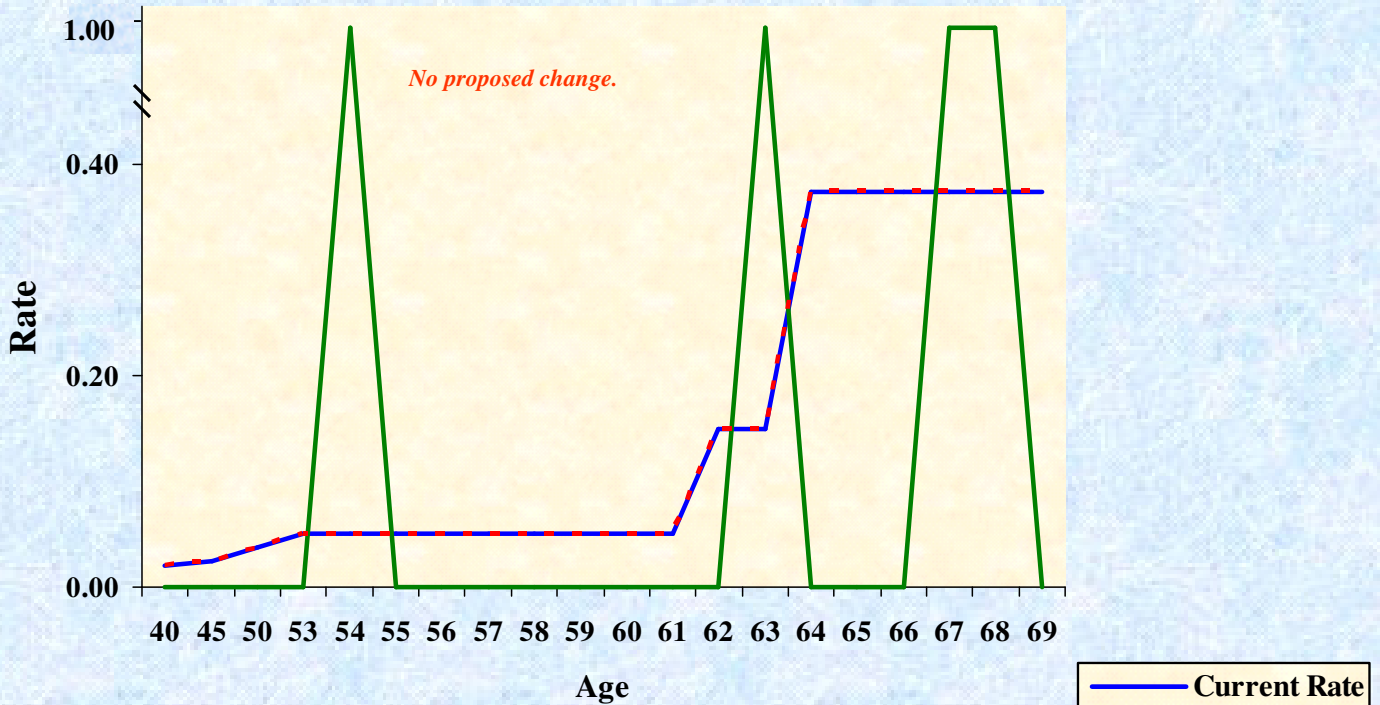


Public Employees' Retirement System of New Jersey

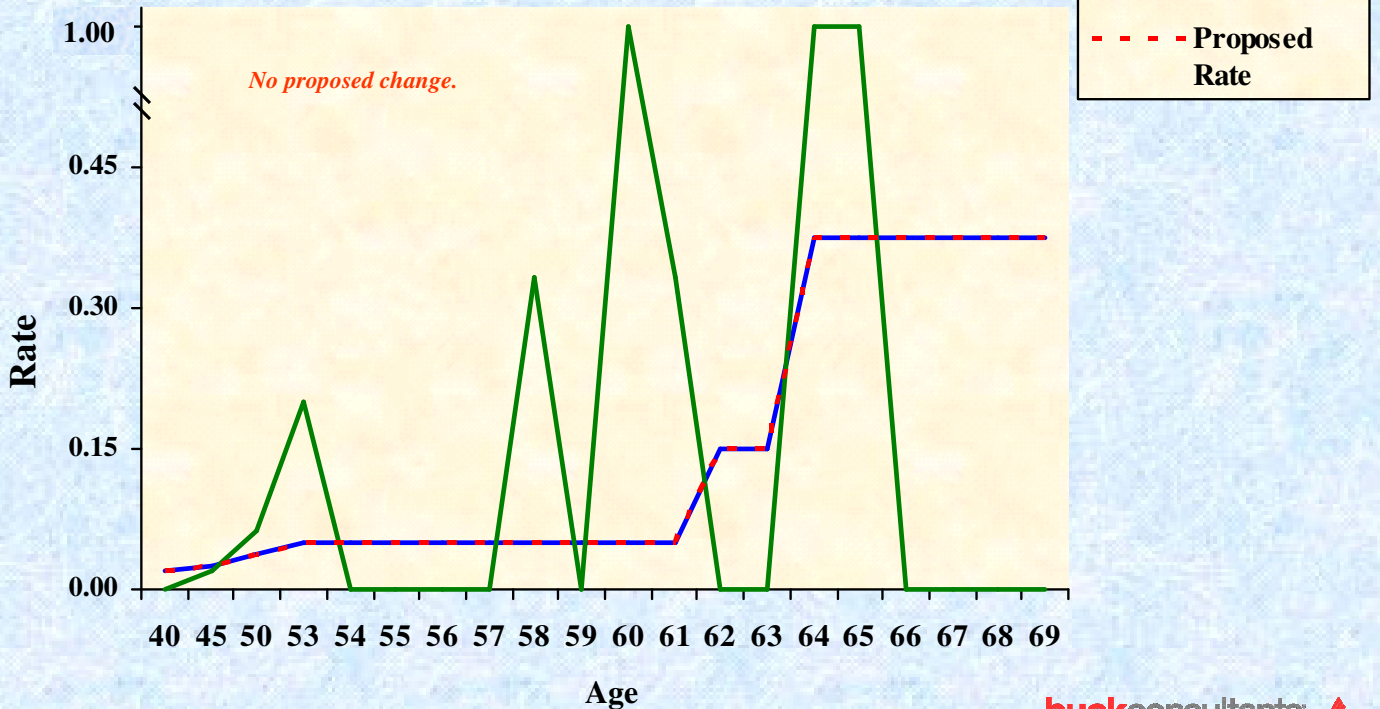
Prosecutors Part Rates of Service Retirement With 20 Years of Service

July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers

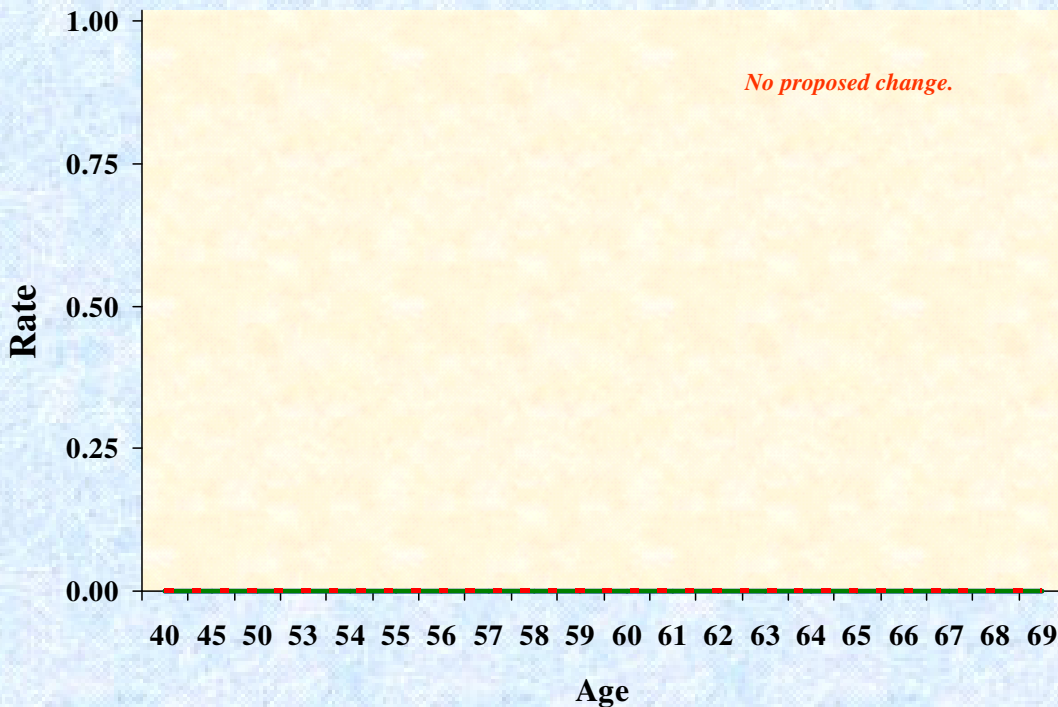


Public Employees' Retirement System of New Jersey

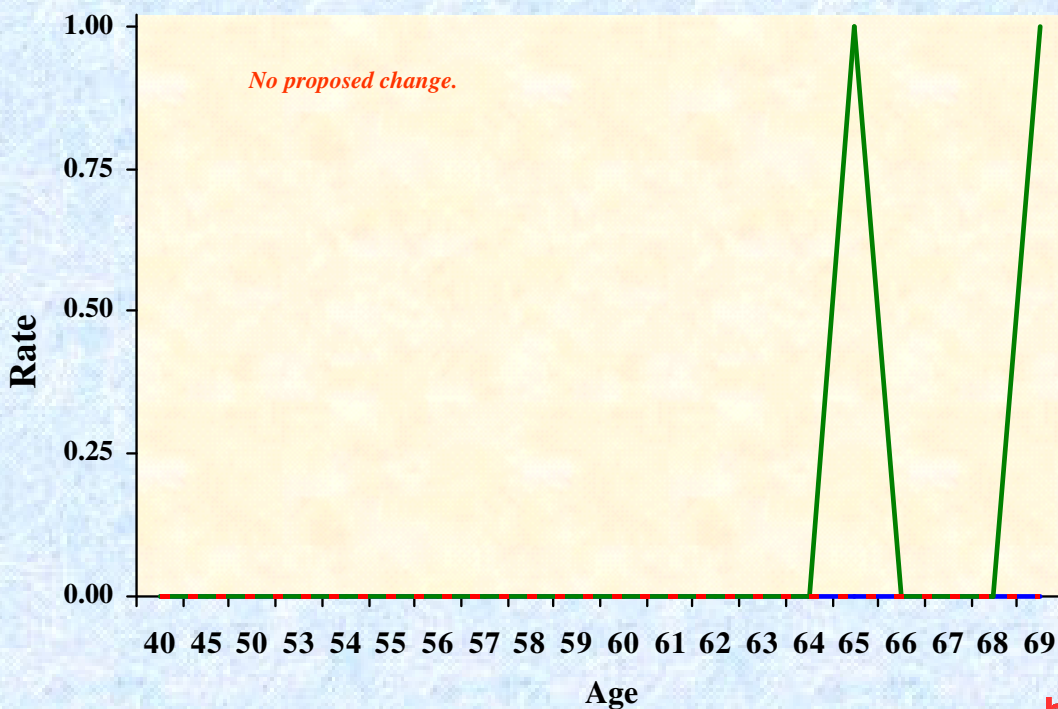
Prosecutors Part Rates of Service Retirement With 21 to 24 Years of Service

July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers



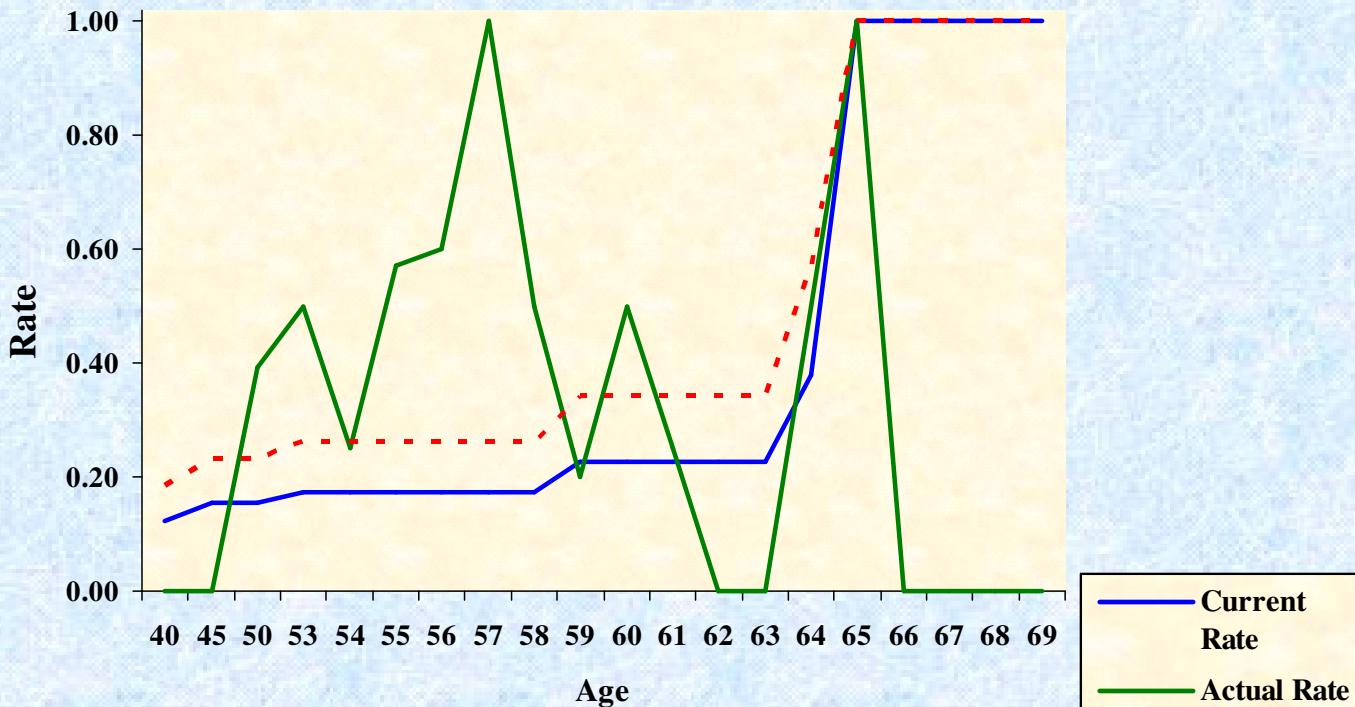
— Current Rate
— Actual Rate
- - - Proposed Rate

Public Employees' Retirement System of New Jersey

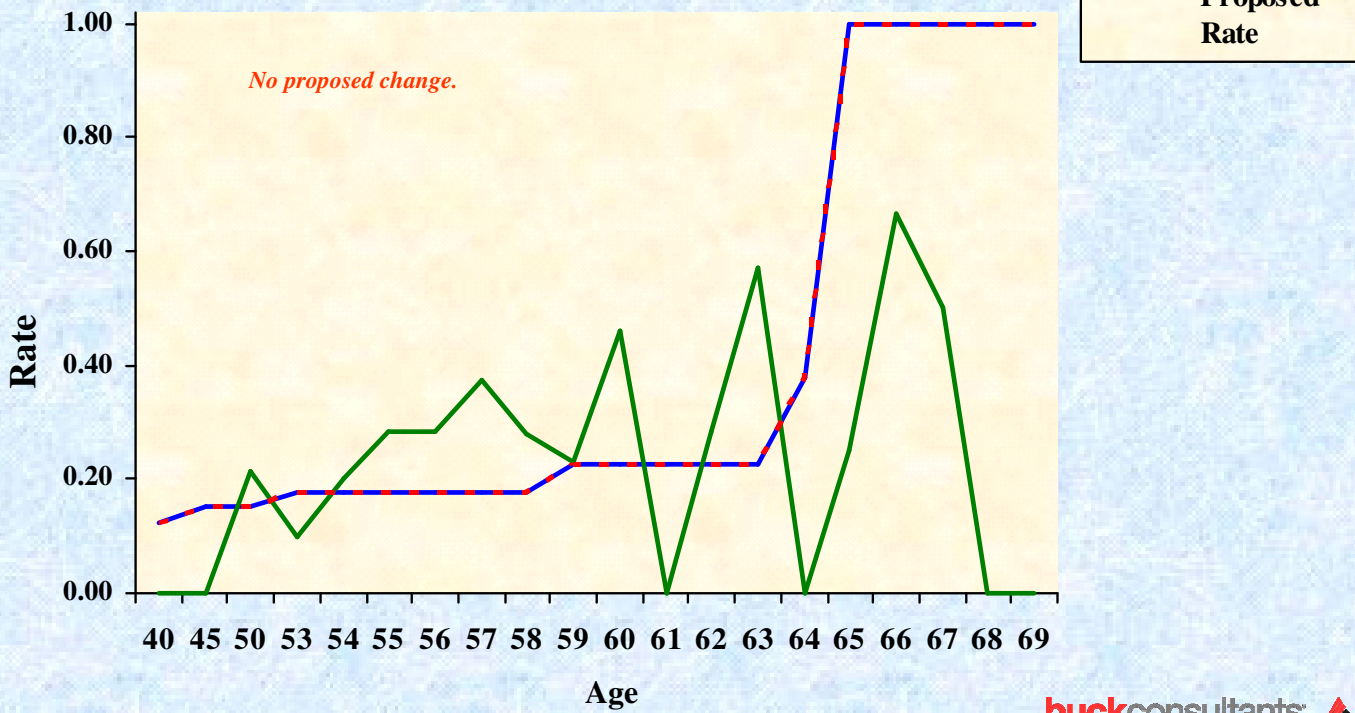
Prosecutors Part Rates of Service Retirement With More Than 24 Years of Service

July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers



RATES OF SALARY INCREASE

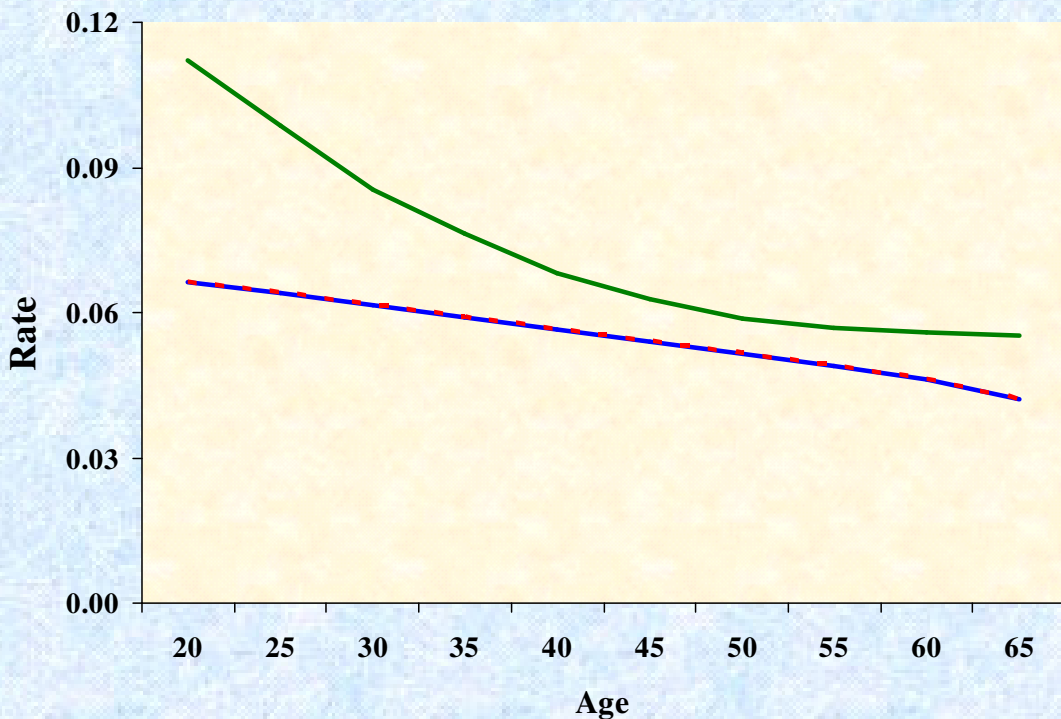
Tables 3 and 4 indicate that actual salary increases during the past three years were in line with the expected salary increases. Therefore, no change is recommended to the rates of salary increases at this time. The graph on page 47 shows the expected salary increases and the actual salary increases.

Public Employees' Retirement System of New Jersey

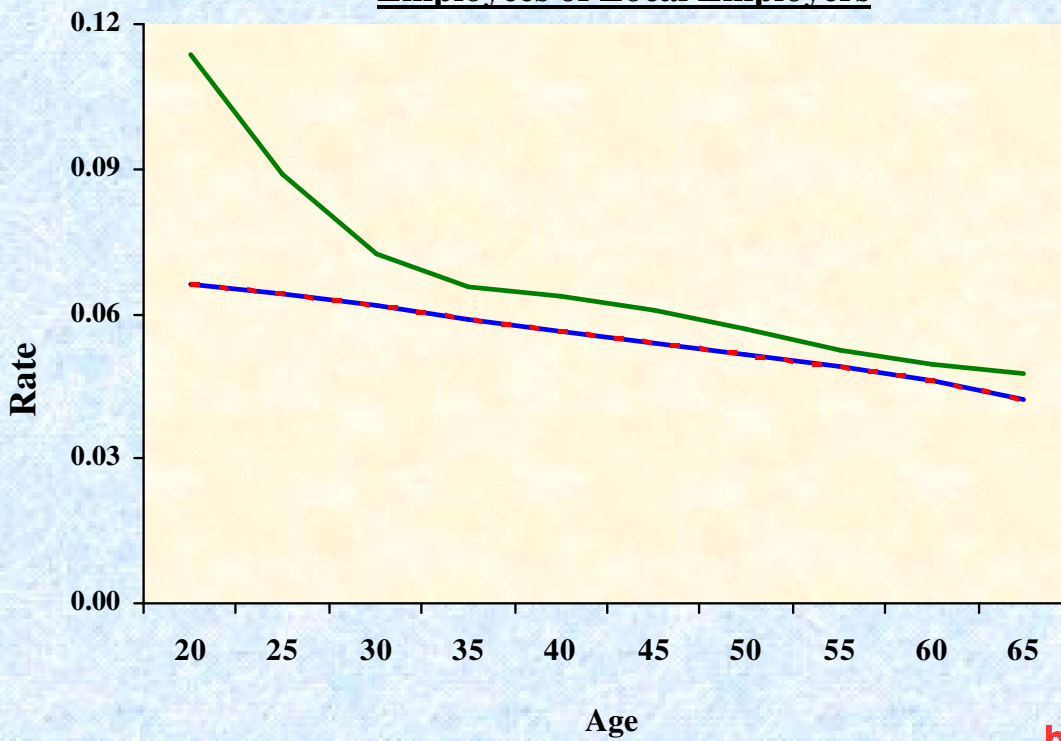
Salary Increases

July 1, 2005 through June 30, 2008

State Employees



Employees of Local Employers



	Current Rate
	Actual Rate
	Proposed Rate

RATES OF MORTALITY AMONG BENEFICIARIES

Tables 5 and 6 summarize the mortality experience with respect to members retired on account of service and disability and with respect to dependent beneficiaries in receipt of benefits. The experience varies by age and category. The overall actual experience indicates that the life expectancy for males and females of both State and local service retirees is significantly longer than what is anticipated by the present tables. Since this trend can be expected to continue, we recommend adjustments to the mortality tables adopted in the prior study.

The actual number of deaths for males and females on account of disability indicates that State and local retirees are living longer. Since this trend can be expected to continue, we recommend updating the rates to use recently published mortality tables for disabled lives.

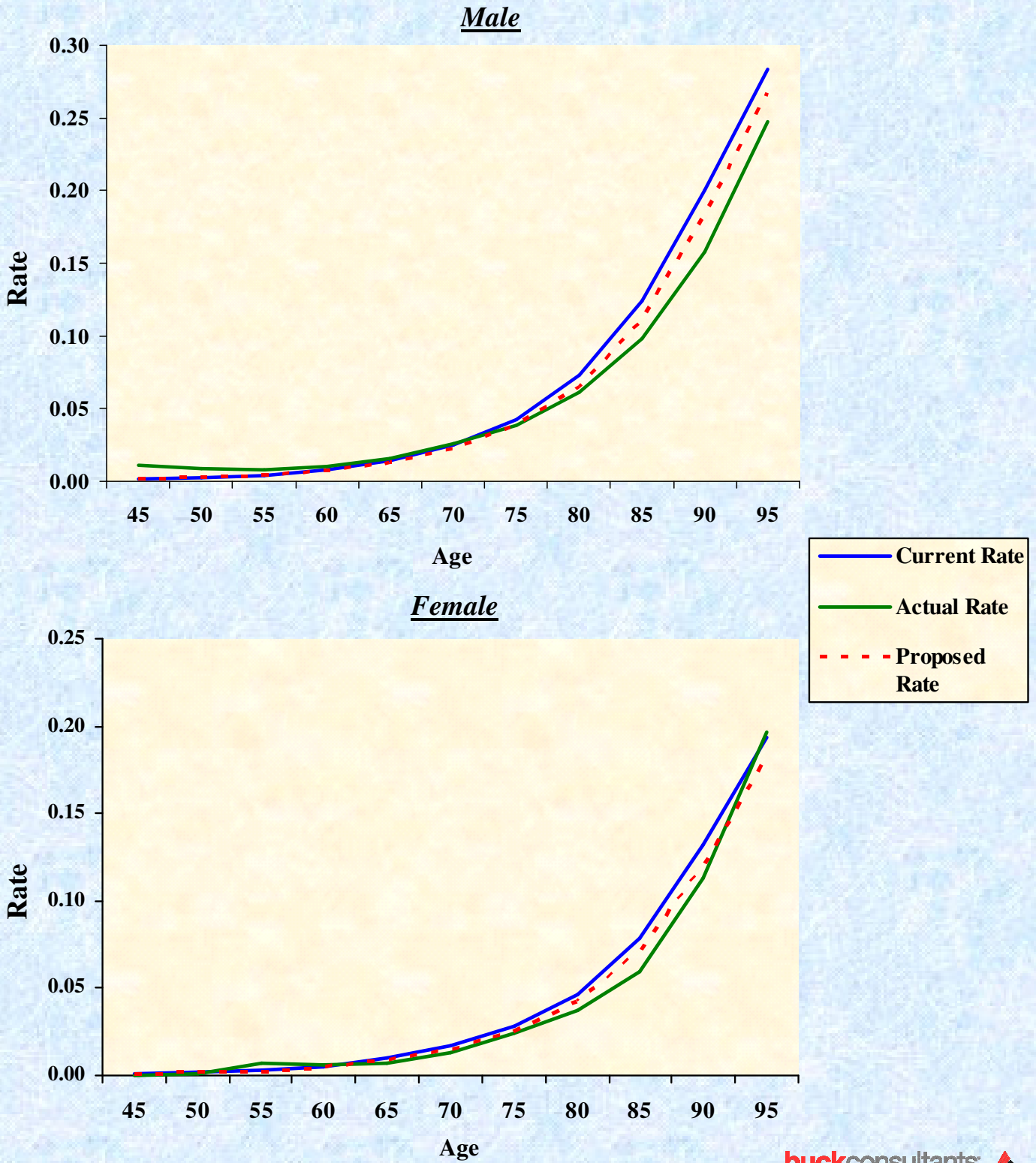
The actual number of deaths for male and female dependents of deceased pensioners and beneficiaries in receipt of active death benefits is also significantly lower than expected and we recommend updating the rates to use recently published mortality tables.

The following graphs show the current rates, the actual rates and the proposed rates of mortality for the System's beneficiaries.

Public Employees' Retirement System of New Jersey

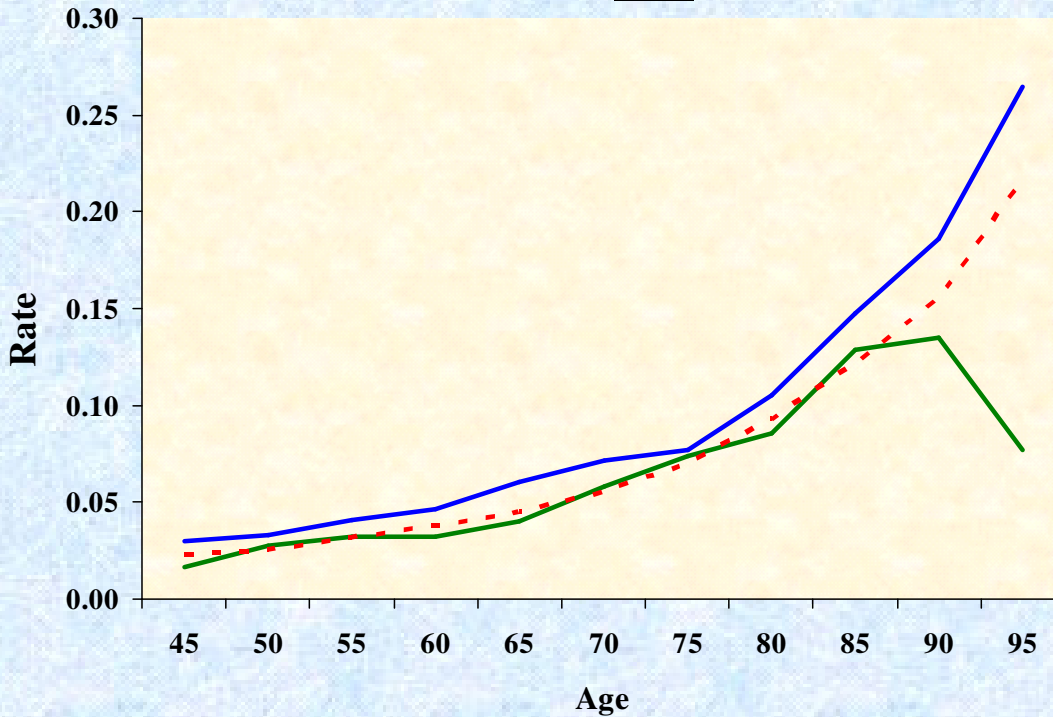
Rates of Mortality for Retired Members on Account of Service

July 1, 2005 through June 30, 2008

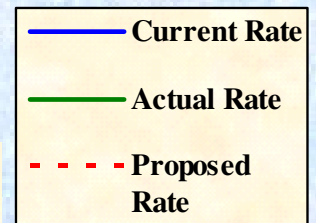
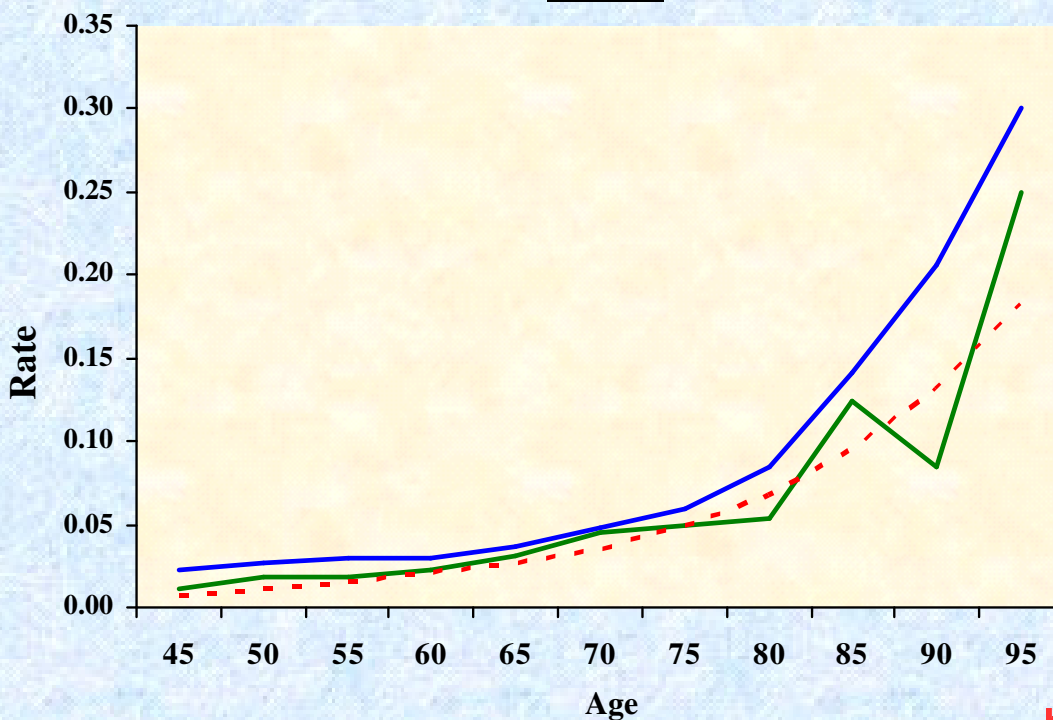


Public Employees' Retirement System of New Jersey
Rates of Mortality for Retired Members on Account of Disability
July 1, 2005 through June 30, 2008

Male



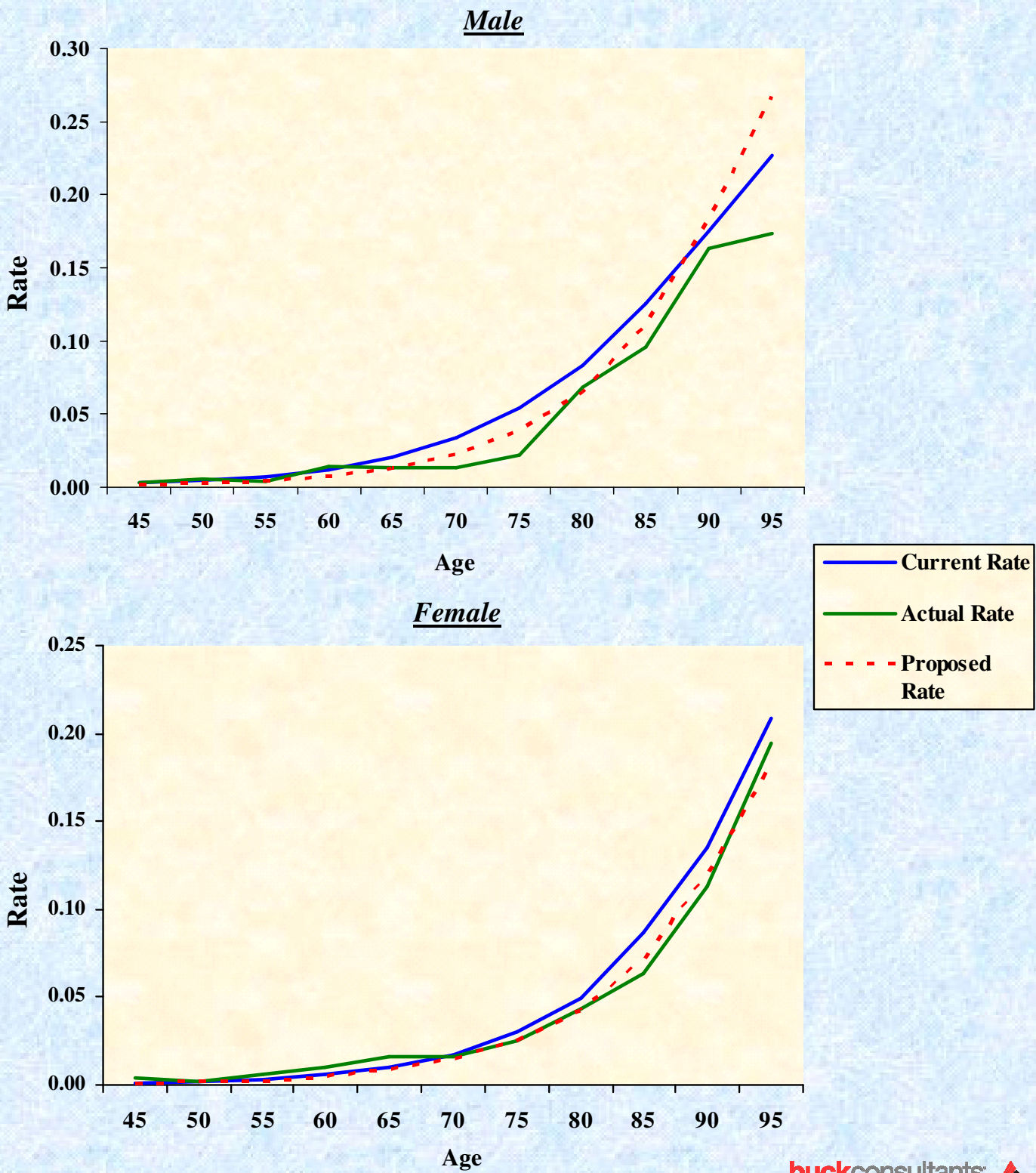
Female



Public Employees' Retirement System of New Jersey

Rates of Mortality for Beneficiaries of Deceased Members

July 1, 2005 through June 30, 2008



INTEREST RATE ASSUMPTION (DISCOUNT RATE)

As part of the actuarial investigation of the System, the interest rate assumption is analyzed in relation to the current underlying economic conditions.

The interest rate assumption includes two components, inflation and the real rate of return. The following analysis examines each of these components.

Inflation

There are various guides which may be considered when analyzing the inflation component. One well known published index is the U.S. Consumer Price Index (CPI-W). The following chart summarizes the changes in the U.S. Consumer Price Index since January 1, 2005:

CALENDAR YEAR	INCREASE
2005	3.5%
2006	3.2%
2007	2.9%
2008	4.1%

The increases in the CPI rate trend for the longer period 1980-2008 are equivalent to an annual rate of about 3.8%. Therefore an inflation assumption in the range of 3.0% to 4.0% appears reasonable in the long term.

Real Interest Rate

The real rate of return on investments (total rate less the inflation component) is sensitive to the investment strategy adopted by the Division of Investments. For informational purposes, the estimated total rates of return earned by the System, based on both the market and actuarial values of the assets, over the past three years are shown below:

NJ-PERS HISTORICAL NOMINAL AND REAL RATE OF RETURN

YEAR ENDING	ESTIMATED RATE OF RETURN		COST OF LIVING INCREASE*	THEORETICAL REAL RATE OF RETURN		CUMULATIVE (ANNUAL)	
	Market Basis	Actuarial Basis		Market Basis	Actuarial Basis	Market Basis	Actuarial Basis
6/30/2008	(1.40)%	6.83%	5.55%	(6.58)%	1.21%	3.36%	2.52%
6/30/2007	15.28%	7.96%	2.67%	12.28%	5.15%	8.71%	3.18%
6/30/2006	9.97%	5.78%	4.47%	5.26%	1.25%	5.26%	1.25%

*Based on the ratio of the CPI-W as of each year's ending date to the prior year amounts.

The following table summarizes certain information derived from the 2008 Ibbotson study of returns on various asset classes. This study is one of the most widely quoted reference works on investment rates of return and uses the period 1926-2008 for source material. The arithmetic and geometric mean rates of return over this period, as well as their associated standard deviations (which measure the expected spread around the arithmetic mean), were computed both in total and in real terms. The figures presented below are in real terms, i.e., net of inflation:

HISTORICAL REAL RATES OF RETURN*
FOR VARIOUS TYPES OF INVESTMENTS

TYPE OF INVESTMENT	ARITHMETIC MEAN	STANDARD DEVIATION	GEOMETRIC MEAN
Common Stocks - Large Cap	8.5%	20.6%	6.4%
Common Stocks - Small Cap	13.0%	32.3%	8.4%
Long-term Government Bonds	3.1%	10.5%	2.6%
Long-term Corporate Bonds	3.2%	9.6%	2.8%
Hedge Funds	7.2%	8.5%	6.9%
U.S. Treasury Bills	0.8%	0.8%	0.7%

*Derived from Ibbotson study for period 1926-2008.

The geometric mean represents the constant annual rate of return which, when earned over the same period, would have produced the same overall results at the end of the period. It is, therefore, the one to consider when attempting to predict the level rate of return for the future.

The real interest rate should be assumed to lie somewhere between 2.6% (the expected real rate on long-term risk-less securities) and 8.4% (the expected real rate on small cap common stocks), depending upon the expected portfolio mix in the System's investment policy.

Based on the System's asset allocation and expected real returns, the real interest rate should range between 4.75% and 5.00%. The following table shows the asset allocation and expected real returns for various asset classes:

	ASSET ALLOCATION	REAL RETURN
Bonds*	26.7%	2.7%
Stocks – Large Cap	46.4%	6.4%
– Small Cap	3.0%	8.4%
Mortgages	0.2%	3.2%
Alternative Investments	12.5%	6.9%
Cash	11.2%	0.7%
Average	100.0%	4.9%

*Analysis assumes that the bond component is split evenly between Government and Corporate bonds.

The above real rate coupled with the inflation assumption of 3.0% to 4.0% discussed previously would produce a nominal interest rate of 8.0% to 9.0%. This analysis supports the continued use of the current interest rate of 8.25%.

IV. PROPOSED NEW ASSUMPTIONS

The experience investigation for the period from July 1, 2005 to June 30, 2008 indicates the need for certain changes in the active service tables and the mortality tables for retired members and dependent beneficiaries. The proposed changes are summarized as follows:

<u>Rates</u>	<u>Proposed Changes</u>	
	<u>State</u>	<u>Local</u>
Active Service Tables		
• Withdrawal prior to eligibility for a benefit during first year of employment	Increase	Increase
• Withdrawal prior to eligibility for a benefit during second year of employment	Decrease	Decrease
• Withdrawal prior to eligibility for a benefit during third year of employment	Decrease	No Change
• Withdrawal after the first three years of employment (Ultimate withdrawal)	Decrease	Decrease
• Ordinary death	*	*
• Accidental death	No Change	No Change
• Ordinary disability	No Change	No Change
• Accidental disability	No Change	No Change
• Deferred vested and early retirement	No Change	No Change
• Service retirement	No Change	No Change
• Chapter 366, P.L. 2001		
• Age 55 with less than 20 years of service	No Change	No Change
• With 20 years of service	No Change	No Change
• With 21 to 24 years of service	No Change	No Change
• With more than 24 years of service	Increase	No Change
• Salary increase	No Change	No Change

<u>Rates</u>	<u>Proposed Changes</u>	
	<u>Male</u>	<u>Female</u>
Mortality Tables		
• Retired members on account of service	**	**
• Retired members on account of disability	***	***
• Beneficiaries of members	**	**

* The proposed change is to adopt the RP-2000 Employee Preretirement mortality table for male and female active participants. For State, both male and female mortality tables are set back 1 year. For employees of Local employers, the female mortality table is set back 4 years.

** The proposed change is to adopt the RP-2000 Combined Healthy mortality tables for male and female retired members with the female mortality table set back 1 year.

*** The proposed change is to adopt the RP-2000 Disabled mortality tables for male and female retired members with the male mortality table set back 3 years and female mortality table set back 1 year.

The following tables give a comparison of the present, actual and proposed average rates of separation from active service and average rates of mortality for retirement members at quinquennial ages.

TABLE 7
RATES OF SEPARATION FROM ACTIVE SERVICE
OF STATE EMPLOYEES

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Select Rates of Withdrawal For Members with 0 Years of Service			
20	0.2064	0.1731	0.2890
25	0.2064	0.3189	0.2890
30	0.2064	0.3682	0.2890
35	0.1641	0.2620	0.2133
40	0.1335	0.2186	0.1736
45	0.1257	0.2057	0.1633
50	0.1180	0.2286	0.1633
55	0.1608	0.2215	0.1633
Select Rates of Withdrawal For Members with 1 Year of Service			
20	0.1592	0.0454	0.1353
25	0.1592	0.0917	0.1353
30	0.1592	0.1170	0.1353
35	0.1237	0.0972	0.1113
40	0.0987	0.0799	0.0888
45	0.0918	0.0686	0.0826
50	0.0850	0.0699	0.0765
55	0.1226	0.0686	0.0765
Select Rates of Withdrawal For Members with 2 Years of Service			
20	0.1120	0.0282	0.0952
25	0.1120	0.0594	0.0952
30	0.1120	0.0838	0.0952
35	0.0823	0.0716	0.0823
40	0.0639	0.0681	0.0639
45	0.0579	0.0524	0.0579
50	0.0521	0.0571	0.0521
55	0.0845	0.0482	0.0521

TABLE 7
RATES OF SEPARATION FROM ACTIVE SERVICE
OF STATE EMPLOYEES

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Ultimate Rates of Withdrawal			
20	0.0850	0.0583	0.0560
25	0.0800	0.0327	0.0560
30	0.0550	0.0397	0.0440
35	0.0350	0.0293	0.0315
40	0.0192	0.0162	0.0173
45	0.0144	0.0110	0.0130
50	0.0112	0.0076	0.0090
55	0.0126	0.0081	0.0088

TABLE 7
RATES OF SEPARATION FROM ACTIVE SERVICE
OF STATE EMPLOYEES

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Male Ordinary Death			
20	0.0005	0.0009	0.0003
25	0.0005	0.0006	0.0004
30	0.0006	0.0006	0.0004
35	0.0008	0.0007	0.0007
40	0.0011	0.0008	0.0010
45	0.0016	0.0014	0.0014
50	0.0024	0.0022	0.0020
55	0.0035	0.0028	0.0028
60	0.0049	0.0034	0.0045
65	0.0068	0.0059	0.0070
Female Ordinary Death			
20	0.0005	0.0006	0.0002
25	0.0005	0.0003	0.0002
30	0.0006	0.0002	0.0003
35	0.0008	0.0005	0.0004
40	0.0011	0.0006	0.0007
45	0.0016	0.0009	0.0010
50	0.0024	0.0016	0.0016
55	0.0035	0.0027	0.0023
60	0.0049	0.0032	0.0036
65	0.0068	0.0057	0.0054
Accidental Death			
20	0.00001	0.00000	0.00001
25	0.00001	0.00000	0.00001
30	0.00001	0.00000	0.00001
35	0.00001	0.00000	0.00001
40	0.00001	0.00000	0.00001
45	0.00001	0.00000	0.00001
50	0.00001	0.00000	0.00001
55	0.00001	0.00000	0.00001
60	0.00001	0.00000	0.00001
65	0.00001	0.00000	0.00001

TABLE 7
RATES OF SEPARATION FROM ACTIVE SERVICE
OF STATE EMPLOYEES

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Ordinary Disability			
20	0.00005	0.00000	0.00005
25	0.00008	0.00000	0.00008
30	0.00090	0.00165	0.00090
35	0.00234	0.00253	0.00234
40	0.00347	0.00398	0.00347
45	0.00500	0.00448	0.00500
50	0.00598	0.00505	0.00598
55	0.00874	0.00552	0.00874
60	0.01520	0.00936	0.01520
65	0.01670	0.01381	0.01670
Accidental Disability			
20	0.00001	0.00000	0.00001
25	0.00001	0.00010	0.00001
30	0.00003	0.00000	0.00003
35	0.00009	0.00011	0.00009
40	0.00015	0.00009	0.00015
45	0.00019	0.00030	0.00019
50	0.00024	0.00032	0.00024
55	0.00032	0.00026	0.00032
60	0.00041	0.00030	0.00041
65	0.00049	0.00025	0.00049

TABLE 7
RATES OF SEPARATION FROM ACTIVE SERVICE
OF STATE EMPLOYEES

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Withdrawal after Eligibility for a Benefit (Deferred Vested and Early Retirement)			
30	0.0000	0.0000	0.0000
35	0.0005	0.0015	0.0005
40	0.0006	0.0007	0.0006
45	0.0025	0.0037	0.0025
50	0.0070	0.0132	0.0070
55	0.0070	0.0168	0.0070
Service Retirement			
55	0.1540	0.1539	0.1540
56	0.1120	0.1293	0.1120
57	0.1120	0.1330	0.1120
58	0.1120	0.1301	0.1120
59	0.2100	0.1462	0.2100
60	0.0880	0.1116	0.0880
61	0.0880	0.0873	0.0880
62	0.1800	0.1346	0.1800
63	0.1400	0.1051	0.1400
64	0.1500	0.1152	0.1500
65	0.2310	0.1402	0.2310
66	0.1800	0.1338	0.1800
67	0.1500	0.1257	0.1500
68	0.1500	0.1242	0.1500
69	0.1500	0.1067	0.1500

TABLE 7
RATES OF SEPARATION FROM ACTIVE SERVICE
OF STATE EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART

AGE	Age 55 with Less Than 20 Years of Service			With 20 Years of Service		
	PRESENT RATES	ACTUAL RATES	PROPOSED RATES	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
40				0.0200	0.0000	0.0200
45				0.0250	0.0000	0.0250
50				0.0375	0.0000	0.0375
53				0.0500	0.0000	0.0500
54				0.0500	1.0000	0.0500
55	0.0259	0.0000	0.0259	0.0500	0.0000	0.0500
56	0.0259	0.0000	0.0259	0.0500	0.0000	0.0500
57	0.0259	0.0000	0.0259	0.0500	0.0000	0.0500
58	0.0263	0.0000	0.0263	0.0500	0.0000	0.0500
59	0.0263	0.0000	0.0263	0.0500	0.0000	0.0500
60	0.0263	0.0000	0.0263	0.0500	0.0000	0.0500
61	0.0263	0.3333	0.0263	0.0500	0.0000	0.0500
62	0.0263	0.0000	0.0263	0.1500	0.0000	0.1500
63	0.0263	0.0000	0.0263	0.1500	1.0000	0.1500
64	0.0263	0.0000	0.0263	0.3750	0.0000	0.3750
65	0.0263	0.0000	0.0263	0.3750	0.0000	0.3750
66	0.0263	0.0000	0.0263	0.3750	0.0000	0.3750
67	0.0263	0.0000	0.0263	0.3750	1.0000	0.3750
68	0.0263	0.0000	0.0263	0.3750	1.0000	0.3750
69	0.0263	0.0000	0.0263	0.3750	0.0000	0.3750

TABLE 7
RATES OF SEPARATION FROM ACTIVE SERVICE
OF STATE EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART

AGE	With 21 to 24 Years of Service			With More than 24 Years of Service		
	PRESENT RATES	ACTUAL RATES	PROPOSED RATES	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
40	0.0000	0.0000	0.0000	0.1540	0.0000	0.2310
45	0.0000	0.0000	0.0000	0.1540	0.0000	0.2310
50	0.0000	0.0000	0.0000	0.1540	0.3913	0.2310
53	0.0000	0.0000	0.0000	0.1748	0.5000	0.2622
54	0.0000	0.0000	0.0000	0.1748	0.2500	0.2622
55	0.0000	0.0000	0.0000	0.1748	0.5714	0.2622
56	0.0000	0.0000	0.0000	0.1748	0.6000	0.2622
57	0.0000	0.0000	0.0000	0.1748	1.0000	0.2622
58	0.0000	0.0000	0.0000	0.1748	0.5000	0.2622
59	0.0000	0.0000	0.0000	0.2278	0.2000	0.3417
60	0.0000	0.0000	0.0000	0.2278	0.5000	0.3417
61	0.0000	0.0000	0.0000	0.2278	0.2500	0.3417
62	0.0000	0.0000	0.0000	0.2278	0.0000	0.3417
63	0.0000	0.0000	0.0000	0.2278	0.0000	0.3417
64	0.0000	0.0000	0.0000	0.3780	0.5000	0.5670
65	0.0000	0.0000	0.0000	1.0000	1.0000	1.0000
66	0.0000	0.0000	0.0000	1.0000	0.0000	1.0000
67	0.0000	0.0000	0.0000	1.0000	0.0000	1.0000
68	0.0000	0.0000	0.0000	1.0000	0.0000	1.0000
69	0.0000	0.0000	0.0000	1.0000	0.0000	1.0000

TABLE 8
RATES OF SEPARATION FROM ACTIVE SERVICE
EMPLOYEES OF LOCAL EMPLOYERS

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Select Rates of Withdrawal For Members with 0 Years of Service			
20	0.2338	0.2246	0.2923
25	0.2338	0.3362	0.2923
30	0.2083	0.3465	0.2708
35	0.1740	0.2722	0.2262
40	0.1646	0.2583	0.2140
45	0.1590	0.2465	0.2066
50	0.1532	0.2588	0.2068
55	0.1506	0.2499	0.2033
Select Rates of Withdrawal For Members with 1 Year of Service			
20	0.1779	0.0742	0.1512
25	0.1779	0.1414	0.1512
30	0.1548	0.1429	0.1471
35	0.1255	0.1128	0.1193
40	0.1171	0.0974	0.1054
45	0.1119	0.0928	0.1008
50	0.1068	0.0928	0.0961
55	0.1044	0.0912	0.0940
Select Rates of Withdrawal For Members with 2 Years of Service			
20	0.1219	0.0385	0.1219
25	0.1219	0.1055	0.1219
30	0.1012	0.1211	0.1012
35	0.0770	0.0847	0.0770
40	0.0695	0.0780	0.0695
45	0.0649	0.0752	0.0649
50	0.0602	0.0701	0.0602
55	0.0581	0.0728	0.0581

TABLE 8
RATES OF SEPARATION FROM ACTIVE SERVICE
EMPLOYEES OF LOCAL EMPLOYERS

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Ultimate Rates of Withdrawal			
20	0.1000	0.0231	0.0743
25	0.0990	0.0536	0.0743
30	0.0750	0.0548	0.0638
35	0.0412	0.0355	0.0391
40	0.0326	0.0256	0.0277
45	0.0285	0.0222	0.0242
50	0.0223	0.0174	0.0190
55	0.0182	0.0143	0.0154

TABLE 8
RATES OF SEPARATION FROM ACTIVE SERVICE
EMPLOYEES OF LOCAL EMPLOYERS

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Male Ordinary Death			
20	0.0004	0.0000	0.0004
25	0.0004	0.0004	0.0004
30	0.0005	0.0007	0.0005
35	0.0006	0.0013	0.0008
40	0.0009	0.0010	0.0011
45	0.0014	0.0013	0.0015
50	0.0022	0.0026	0.0022
55	0.0033	0.0034	0.0031
60	0.0048	0.0044	0.0049
65	0.0069	0.0069	0.0076
Female Ordinary Death			
20	0.0004	0.0005	0.0002
25	0.0004	0.0001	0.0002
30	0.0005	0.0003	0.0002
35	0.0006	0.0004	0.0003
40	0.0009	0.0005	0.0005
45	0.0014	0.0007	0.0008
50	0.0022	0.0012	0.0012
55	0.0033	0.0017	0.0018
60	0.0048	0.0026	0.0028
65	0.0069	0.0038	0.0043
Accidental Death			
20	0.00001	0.00000	0.00001
25	0.00001	0.00000	0.00001
30	0.00001	0.00000	0.00001
35	0.00001	0.00000	0.00001
40	0.00001	0.00000	0.00001
45	0.00001	0.00000	0.00001
50	0.00001	0.00000	0.00001
55	0.00001	0.00000	0.00001
60	0.00001	0.00000	0.00001
65	0.00001	0.00000	0.00001

TABLE 8
RATES OF SEPARATION FROM ACTIVE SERVICE
EMPLOYEES OF LOCAL EMPLOYERS

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Ordinary Disability			
20	0.00000	0.00000	0.00000
25	0.00000	0.00000	0.00000
30	0.00081	0.00059	0.00081
35	0.00224	0.00206	0.00224
40	0.00370	0.00354	0.00370
45	0.00407	0.00428	0.00407
50	0.00522	0.00514	0.00522
55	0.00725	0.00579	0.00725
60	0.00995	0.00802	0.00995
65	0.01227	0.01153	0.01227
Accidental Disability			
20	0.00001	0.00000	0.00001
25	0.00003	0.00000	0.00003
30	0.00004	0.00000	0.00004
35	0.00004	0.00008	0.00004
40	0.00008	0.00011	0.00008
45	0.00010	0.00011	0.00010
50	0.00015	0.00009	0.00015
55	0.00018	0.00020	0.00018
60	0.00023	0.00014	0.00023
65	0.00025	0.00017	0.00025

TABLE 8
RATES OF SEPARATION FROM ACTIVE SERVICE
EMPLOYEES OF LOCAL EMPLOYERS

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Withdrawal after Eligibility for a Benefit (Deferred Vested and Early Retirement)			
30	0.0003	0.0013	0.0003
35	0.0004	0.0007	0.0004
40	0.0006	0.0008	0.0006
45	0.0023	0.0025	0.0023
50	0.0062	0.0078	0.0062
55	0.0062	0.0091	0.0062
Service Retirement			
55	0.1170	0.2106	0.1170
56	0.1170	0.1124	0.1170
57	0.1170	0.1151	0.1170
58	0.1170	0.1148	0.1170
59	0.2860	0.1300	0.2860
60	0.0780	0.1019	0.0780
61	0.0840	0.0779	0.0840
62	0.1680	0.1183	0.1680
63	0.1050	0.0988	0.1050
64	0.1050	0.0913	0.1050
65	0.2205	0.1392	0.2205
66	0.1575	0.1289	0.1575
67	0.1365	0.1153	0.1365
68	0.1155	0.1027	0.1155
69	0.1155	0.1094	0.1155

TABLE 8
RATES OF SEPARATION FROM ACTIVE SERVICE
OF LOCAL EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART

AGE	Age 55 with Less Than 20 Years of Service			With 20 Years of Service		
	PRESENT RATES	ACTUAL RATES	PROPOSED RATES	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
40				0.0200	0.0000	0.0200
45				0.0250	0.0208	0.0250
50				0.0375	0.0625	0.0375
53				0.0500	0.2000	0.0500
54				0.0500	0.0000	0.0500
55	0.0306	0.0000	0.0306	0.0500	0.0000	0.0500
56	0.0306	0.0000	0.0306	0.0500	0.0000	0.0500
57	0.0306	0.0909	0.0306	0.0500	0.0000	0.0500
58	0.0306	0.0000	0.0306	0.0500	0.3333	0.0500
59	0.0306	0.0000	0.0306	0.0500	0.0000	0.0500
60	0.0306	0.0000	0.0306	0.0500	1.0000	0.0500
61	0.0306	0.2500	0.0306	0.0500	0.3333	0.0500
62	0.0306	0.0000	0.0306	0.1500	0.0000	0.1500
63	0.0306	0.2500	0.0306	0.1500	0.0000	0.1500
64	0.0306	0.0000	0.0306	0.3750	1.0000	0.3750
65	0.0306	0.5000	0.0306	0.3750	1.0000	0.3750
66	0.0306	0.0000	0.0306	0.3750	0.0000	0.3750
67	0.0306	0.0000	0.0306	0.3750	0.0000	0.3750
68	0.0306	0.0000	0.0306	0.3750	0.0000	0.3750
69	0.0306	0.0000	0.0306	0.3750	0.0000	0.3750

TABLE 8
RATES OF SEPARATION FROM ACTIVE SERVICE
OF LOCAL EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART

AGE	With 21 to 24 Years of Service			With More than 24 Years of Service		
	PRESENT RATES	ACTUAL RATES	PROPOSED RATES	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
40	0.0000	0.0000	0.0000	0.1540	0.0000	0.1540
45	0.0000	0.0000	0.0000	0.1540	0.0000	0.1540
50	0.0000	0.0000	0.0000	0.1540	0.2143	0.1540
53	0.0000	0.0000	0.0000	0.1748	0.1000	0.1748
54	0.0000	0.0000	0.0000	0.1748	0.2000	0.1748
55	0.0000	0.0000	0.0000	0.1748	0.2857	0.1748
56	0.0000	0.0000	0.0000	0.1748	0.2857	0.1748
57	0.0000	0.0000	0.0000	0.1748	0.3750	0.1748
58	0.0000	0.0000	0.0000	0.1748	0.2778	0.1748
59	0.0000	0.0000	0.0000	0.2278	0.2308	0.2278
60	0.0000	0.0000	0.0000	0.2278	0.4615	0.2278
61	0.0000	0.0000	0.0000	0.2278	0.0000	0.2278
62	0.0000	0.0000	0.0000	0.2278	0.2857	0.2278
63	0.0000	0.0000	0.0000	0.2278	0.5714	0.2278
64	0.0000	0.0000	0.0000	0.3780	0.0000	0.3780
65	0.0000	1.0000	0.0000	1.0000	0.2500	1.0000
66	0.0000	0.0000	0.0000	1.0000	0.6667	1.0000
67	0.0000	0.0000	0.0000	1.0000	0.5000	1.0000
68	0.0000	0.0000	0.0000	1.0000	0.0000	1.0000
69	0.0000	1.0000	0.0000	1.0000	0.0000	1.0000

TABLE 9
COMPARISON OF ACTUAL AND EXPECTED
SALARY INCREASES

STATE

AGE	CURRENT RATES	ACTUAL RATES	PROPOSED RATES
20	6.63%	11.21%	6.63%
25	6.40%	9.85%	6.40%
30	6.15%	8.55%	6.15%
35	5.90%	7.62%	5.90%
40	5.65%	6.81%	5.65%
45	5.40%	6.27%	5.40%
50	5.15%	5.87%	5.15%
55	4.90%	5.69%	4.90%
60	4.62%	5.60%	4.62%
65	4.21%	5.52%	4.21%

LOCAL EMPLOYERS

AGE	CURRENT RATES	ACTUAL RATES	PROPOSED RATES
20	6.63%	11.38%	6.63%
25	6.40%	8.87%	6.40%
30	6.15%	7.25%	6.15%
35	5.90%	6.58%	5.90%
40	5.65%	6.36%	5.65%
45	5.40%	6.06%	5.40%
50	5.15%	5.68%	5.15%
55	4.90%	5.25%	4.90%
60	4.62%	4.97%	4.62%
65	4.21%	4.74%	4.21%

TABLE 10
RATES OF MORTALITY FOR RETIRED MEMBERS ON ACCOUNT OF SERVICE
STATE AND LOCAL EMPLOYEES COMBINED
(continued)

Age	MALE			FEMALE		
	Present Rate	Actual Rate	Proposed Rate	Present Rate	Actual Rate	Proposed Rate
45	0.00162	0.01136	0.00151	0.00113	0.00000	0.00103
50	0.00244	0.00894	0.00222	0.00171	0.00084	0.00157
55	0.00420	0.00796	0.00373	0.00278	0.00661	0.00249
60	0.00783	0.01019	0.00688	0.00518	0.00622	0.00454
65	0.01448	0.01537	0.01290	0.00982	0.00719	0.00872
70	0.02485	0.02586	0.02235	0.01686	0.01325	0.01516
75	0.04259	0.03838	0.03824	0.02832	0.02394	0.02563
80	0.07291	0.06108	0.06539	0.04641	0.03693	0.04197
85	0.12399	0.09849	0.11182	0.07844	0.05989	0.07043
90	0.19997	0.15763	0.18336	0.13207	0.11283	0.11981
95	0.28345	0.24736	0.26712	0.19367	0.19679	0.18215

TABLE 10

RATES OF MORTALITY FOR RETIRED MEMBERS ON ACCOUNT OF DISABILITY

STATE AND LOCAL EMPLOYEES COMBINED

(continued)

Age	MALE			FEMALE		
	Present Rate	Actual Rate	Proposed Rate	Present Rate	Actual Rate	Proposed Rate
45	0.02950	0.01633	0.02257	0.02225	0.01157	0.00760
50	0.03303	0.02771	0.02513	0.02633	0.01766	0.01067
55	0.04060	0.03255	0.03156	0.02972	0.01892	0.01551
60	0.04603	0.03238	0.03804	0.03021	0.02325	0.02078
65	0.06063	0.04030	0.04508	0.03649	0.03090	0.02672
70	0.07125	0.05814	0.05467	0.04778	0.04521	0.03553
75	0.07718	0.07395	0.06973	0.05945	0.05000	0.04911
80	0.10508	0.08525	0.09244	0.08429	0.05301	0.06806
85	0.14730	0.12850	0.12201	0.14067	0.12437	0.09425
90	0.18634	0.13514	0.15532	0.20613	0.08485	0.13154
95	0.26434	0.07692	0.21683	0.30114	0.25000	0.18261

TABLE 10
RATES OF MORTALITY FOR ALL BENEFICIARIES OF DECEASED MEMBERS
STATE AND LOCAL EMPLOYEES COMBINED
(continued)

Age	MALE			FEMALE		
	Present Rate	Actual Rate	Proposed Rate	Present Rate	Actual Rate	Proposed Rate
45	0.00290	0.00350	0.00151	0.00140	0.00359	0.00103
50	0.00459	0.00548	0.00222	0.00207	0.00159	0.00157
55	0.00723	0.00398	0.00373	0.00340	0.00618	0.00249
60	0.01213	0.01382	0.00688	0.00579	0.01028	0.00454
65	0.02075	0.01340	0.01290	0.01002	0.01629	0.00872
70	0.03416	0.01306	0.02235	0.01758	0.01593	0.01516
75	0.05384	0.02191	0.03824	0.03007	0.02501	0.02563
80	0.08362	0.06816	0.06539	0.04939	0.04354	0.04197
85	0.12536	0.09607	0.11182	0.08680	0.06314	0.07043
90	0.17517	0.16304	0.18336	0.13502	0.11326	0.11981
95	0.22711	0.17391	0.26712	0.20835	0.19437	0.18215

V. COST IMPACT OF THE PROPOSED ASSUMPTIONS

The overall effect of the proposed changes in assumptions would be to increase the normal cost and accrued liability obligation for both State and local employers. The following chart presents a summary of the liabilities and contributions under the current and proposed assumptions using the July 1, 2008 valuation results:

	State		Local Employers	
	Current	Proposed	Current	Proposed
Actuarial Accrued Liability	\$ 17,072,702,680	\$ 17,701,122,185	\$ 23,173,183,973	\$ 24,032,427,379
Additional Accrued Liability		\$ 628,419,505		\$ 859,243,406
Unfunded Accrued Liability/(Surplus)	\$ 5,820,381,074	\$ 6,448,800,579	\$ 4,921,983,562	\$ 5,781,226,968
Required Contribution:				
• Normal Cost				
(i) Basic/COLA	\$ 182,517,184	\$ 201,875,066	\$ 247,913,268	\$ 276,019,714
(ii) Chapters 133, 259 and 366	40,114,791	42,810,012	61,059,548	64,685,137
• Accrued Liability Payment				
(i) Basic/COLA	352,590,013	390,844,877	318,539,722	371,149,224
(ii) Chapters 259 and 366	1,051,911	1,051,911	2,915,393	2,915,393
(iii) ERI Contributions	N/A	N/A	11,824,046	11,824,046
• Total Legislation Offsets	4,167,070	4,182,792	(63,974,941)	(67,600,530)
• Total Contributions	\$ 580,440,969	\$ 640,764,658	\$ 578,277,036	\$ 658,992,984
Additional Annual Contribution*		\$ 60,323,689		\$ 80,715,948

*The "true" additional annual cost (excluding reductions for Legislation Offsets) is \$60,307,967 for State and \$84,341,537 for local employers.

The calculations were based on the same data, actuarial methods and assumptions, including an 8.25% interest rate, as were used in the July 1, 2008 valuation with the exception of these proposed changes.

If the Board approves of these recommendations, the attached resolutions may be used in adopting the tables.

VI. RESOLUTIONS PROVIDING FOR ADOPTION OF
SERVICE AND MORTALITY TABLES FOR THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

WHEREAS, the investigation of the experience of members and beneficiaries of the Public Employees' Retirement System which was prepared as of June 30, 2008 indicated that the active service tables previously adopted by the Board required modification in order that they reflect more closely the actual past experience of the membership, and

WHEREAS, The actuary has prepared new tables, which he recommends for adoption, therefore be it

RESOLVED, That in accordance with Section 19 of Chapter 15A of the New Jersey Statutes, and on the basis of the recommendations of the actuary, the Board of Trustees hereby approves for use the attached active service tables for use in calculating the employers' rates of contribution and in valuing the liabilities on account of both active and retired members on and after July 1, 2009, and be it further

RESOLVED, That any resolutions heretofore adopted by the Board of Trustees with respect to mortality and service tables not inconsistent with the resolutions herein presented be continued in full force and effect.

TABLE 1
ACTIVE SERVICE AND RETIREMENT TABLES

AGE	SELECT RATES OF WITHDRAWAL – STATE EMPLOYEES			SELECT RATES OF WITHDRAWAL – LOCAL EMPLOYEES		
	1st Year	2nd Year	3rd Year	1st Year	2nd Year	3rd Year
20	0.28899	0.13532	0.09522	0.29229	0.15122	0.12193
21	0.28899	0.13532	0.09522	0.29229	0.15122	0.12193
22	0.28899	0.13532	0.09522	0.29229	0.15122	0.12193
23	0.28899	0.13532	0.09522	0.29229	0.15122	0.12193
24	0.28899	0.13532	0.09522	0.29229	0.15122	0.12193
25	0.28899	0.13532	0.09522	0.29229	0.15122	0.12193
26	0.28899	0.13532	0.09522	0.29229	0.15122	0.12193
27	0.28899	0.13532	0.09522	0.29229	0.15122	0.12193
28	0.28899	0.13532	0.09522	0.28590	0.15705	0.11067
29	0.28899	0.13532	0.09522	0.27804	0.15187	0.10578
30	0.28899	0.13532	0.09522	0.27019	0.14667	0.10089
31	0.28899	0.13532	0.09522	0.26333	0.14214	0.09662
32	0.28899	0.13532	0.09522	0.25645	0.13759	0.09223
33	0.22876	0.12026	0.09132	0.23644	0.12605	0.08341
34	0.21893	0.11671	0.08560	0.22993	0.12174	0.07936
35	0.20911	0.10831	0.07988	0.22342	0.11744	0.07530
36	0.20626	0.10658	0.07822	0.22147	0.11616	0.07409
37	0.20341	0.10486	0.07657	0.21953	0.11486	0.07288
38	0.17830	0.09167	0.06659	0.21757	0.10760	0.07167
39	0.17577	0.09014	0.06513	0.21563	0.10638	0.07045
40	0.17324	0.08861	0.06366	0.21368	0.10516	0.06924
41	0.17128	0.08741	0.06251	0.21230	0.10429	0.06837
42	0.16933	0.08622	0.06137	0.21090	0.10342	0.06752
43	0.16330	0.08502	0.06023	0.20952	0.10256	0.06665
44	0.16330	0.08383	0.05909	0.20814	0.10169	0.06579
45	0.16330	0.08264	0.05794	0.20675	0.10082	0.06493
46	0.16330	0.08136	0.05672	0.20517	0.09983	0.06394
47	0.16330	0.08008	0.05550	0.20358	0.09883	0.06295
48	0.16330	0.07654	0.05210	0.20976	0.09783	0.06196
49	0.16330	0.07654	0.05210	0.20810	0.09684	0.06097
50	0.16330	0.07654	0.05210	0.20646	0.09584	0.05998
51	0.16330	0.07654	0.05210	0.20544	0.09523	0.05937
52	0.16330	0.07654	0.05210	0.20443	0.09463	0.05876
53	0.16330	0.07654	0.05210	0.20332	0.09395	0.05816
54	0.16330	0.07654	0.05210	0.20332	0.09395	0.05756
55	0.16330	0.07654	0.05210	0.20332	0.09395	0.05694
56	0.16330	0.07654	0.05210	0.20332	0.09395	0.05826
57	0.16330	0.07654	0.05210	0.20332	0.09395	0.05958
58	0.16330	0.07654	0.05210	0.20332	0.09395	0.06090
59	0.16330	0.07654	0.05210	0.20332	0.09395	0.06222

ACTIVE SERVICE AND RETIREMENT TABLES
(CONTINUED)

AGE	RATES OF:									
	Ultimate Withdrawal				Death					
	Before Eligibility for Benefit		After Eligibility for Benefit* (Vested Termination)		Ordinary				Accidental	
	State Employees	Local Employees	State Employees	Local Employees	State		Local		State Employees	Local Employees
				Males	Females	Males	Females			
20	0.05600	0.07425			0.00033	0.00019	0.00034	0.00018	0.00001	0.00001
21	0.05600	0.07425			0.00034	0.00019	0.00036	0.00018	0.00001	0.00001
22	0.05600	0.07425			0.00036	0.00019	0.00037	0.00019	0.00001	0.00001
23	0.05864	0.07425			0.00037	0.00019	0.00037	0.00019	0.00001	0.00001
24	0.05864	0.07425			0.00037	0.00020	0.00038	0.00019	0.00001	0.00001
25	0.05864	0.07425			0.00038	0.00020	0.00038	0.00019	0.00001	0.00001
26	0.05424	0.07425			0.00038	0.00021	0.00038	0.00019	0.00001	0.00001
27	0.04985	0.07425			0.00038	0.00021	0.00038	0.00020	0.00001	0.00001
28	0.05263	0.06938			0.00038	0.00022	0.00039	0.00020	0.00001	0.00001
29	0.04754	0.06682			0.00039	0.00024	0.00041	0.00021	0.00001	0.00001
30	0.04245	0.06427	0.00000	0.00030	0.00041	0.00025	0.00044	0.00021	0.00001	0.00001
31	0.03995	0.06084	0.00000	0.00030	0.00044	0.00026	0.00050	0.00022	0.00001	0.00001
32	0.03746	0.05742	0.00000	0.00031	0.00050	0.00031	0.00056	0.00024	0.00001	0.00001
33	0.03500	0.04345	0.00040	0.00038	0.00056	0.00035	0.00063	0.00025	0.00001	0.00001
34	0.03250	0.04070	0.00044	0.00039	0.00063	0.00039	0.00070	0.00026	0.00001	0.00001
35	0.03000	0.03795	0.00048	0.00039	0.00070	0.00043	0.00077	0.00031	0.00001	0.00001
36	0.03000	0.03718	0.00048	0.00041	0.00077	0.00047	0.00084	0.00035	0.00001	0.00001
37	0.03000	0.03642	0.00048	0.00043	0.00084	0.00051	0.00090	0.00039	0.00001	0.00001
38	0.01799	0.02894	0.00053	0.00050	0.00090	0.00055	0.00096	0.00043	0.00001	0.00001
39	0.01799	0.02832	0.00053	0.00053	0.00096	0.00060	0.00102	0.00047	0.00001	0.00001
40	0.01799	0.02770	0.00053	0.00055	0.00102	0.00065	0.00108	0.00051	0.00001	0.00001
41	0.01679	0.02707	0.00057	0.00058	0.00108	0.00071	0.00114	0.00055	0.00001	0.00001
42	0.01561	0.02645	0.00060	0.00061	0.00114	0.00077	0.00121	0.00060	0.00001	0.00001
43	0.01467	0.02583	0.00167	0.00170	0.00121	0.00085	0.00130	0.00065	0.00001	0.00001
44	0.01345	0.02521	0.00176	0.00179	0.00130	0.00094	0.00140	0.00071	0.00001	0.00001
45	0.01223	0.02459	0.00185	0.00187	0.00140	0.00103	0.00151	0.00077	0.00001	0.00001
46	0.01223	0.02336	0.00297	0.00266	0.00151	0.00112	0.00162	0.00085	0.00001	0.00001
47	0.01223	0.02213	0.00409	0.00345	0.00162	0.00122	0.00173	0.00094	0.00001	0.00001
48	0.00896	0.02090	0.00700	0.00454	0.00173	0.00133	0.00186	0.00103	0.00001	0.00001
49	0.00896	0.01967	0.00700	0.00539	0.00186	0.00143	0.00200	0.00112	0.00001	0.00001
50	0.00896	0.01845	0.00700	0.00623	0.00200	0.00155	0.00214	0.00122	0.00001	0.00001
51	0.00896	0.01811	0.00700	0.00699	0.00214	0.00168	0.00229	0.00133	0.00001	0.00001
52	0.00896	0.01777	0.00700	0.00774	0.00229	0.00181	0.00245	0.00143	0.00001	0.00001
53	0.00882	0.01585	0.00700	0.00620	0.00245	0.00197	0.00262	0.00155	0.00001	0.00001
54	0.00882	0.01524	0.00700	0.00620	0.00262	0.00213	0.00281	0.00168	0.00001	0.00001
55	0.00882	0.01524	0.00700	0.00620	0.00281	0.00232	0.00303	0.00181	0.00001	0.00001
56	0.00882	0.01524	0.00700	0.00620	0.00303	0.00253	0.00331	0.00197	0.00001	0.00001
57	0.00882	0.01524	0.00700	0.00620	0.00331	0.00276	0.00363	0.00213	0.00001	0.00001
58	0.00882	0.01524	0.00700	0.00620	0.00363	0.00301	0.00400	0.00232	0.00001	0.00001
59	0.00882	0.01524	0.00700	0.00620	0.00400	0.00329	0.00441	0.00253	0.00001	0.00001
60					0.00441	0.00360	0.00488	0.00276	0.00001	0.00001
61					0.00488	0.00393	0.00538	0.00301	0.00001	0.00001
62					0.00538	0.00428	0.00592	0.00329	0.00001	0.00001
63					0.00592	0.00466	0.00647	0.00360	0.00001	0.00001
64					0.00647	0.00504	0.00703	0.00393	0.00001	0.00001
65					0.00703	0.00543	0.00757	0.00428	0.00001	0.00001
66					0.00757	0.00582	0.00810	0.00466	0.00001	0.00001
67					0.00810	0.00621	0.00860	0.00504	0.00001	0.00001
68					0.00860	0.00658	0.00907	0.00543	0.00001	0.00001
69					0.00907	0.00695	0.00951	0.00582	0.00001	0.00001

* The sum of the rates of withdrawal after eligibility for a benefit and those prior to eligibility are the rates assumed for members withdrawing with a benefit.

TABLE 1
ACTIVE SERVICE AND RETIREMENT TABLES
(CONTINUED)

AGE	RATES OF:					
	DISABILITY				Service Retirement	
	Ordinary		Accidental			
	State Employees	Local Employees	State Employees	Local Employees	State Employees	Local Employees
20	0.00005	0.00000	0.00001	0.00001		
21	0.00005	0.00000	0.00001	0.00001		
22	0.00005	0.00000	0.00001	0.00001		
23	0.00006	0.00000	0.00001	0.00002		
24	0.00006	0.00000	0.00001	0.00002		
25	0.00006	0.00000	0.00001	0.00002		
26	0.00009	0.00000	0.00001	0.00003		
27	0.00013	0.00000	0.00002	0.00004		
28	0.00067	0.00043	0.00002	0.00004		
29	0.00081	0.00057	0.00003	0.00004		
30	0.00097	0.00071	0.00003	0.00004		
31	0.00102	0.00101	0.00004	0.00004		
32	0.00106	0.00131	0.00005	0.00004		
33	0.00180	0.00162	0.00007	0.00004		
34	0.00210	0.00192	0.00008	0.00004		
35	0.00240	0.00222	0.00009	0.00004		
36	0.00260	0.00256	0.00010	0.00004		
37	0.00279	0.00289	0.00011	0.00006		
38	0.00299	0.00323	0.00013	0.00008		
39	0.00318	0.00356	0.00014	0.00008		
40	0.00338	0.00390	0.00015	0.00008		
41	0.00373	0.00391	0.00016	0.00008		
42	0.00408	0.00392	0.00017	0.00008		
43	0.00443	0.00392	0.00017	0.00009		
44	0.00478	0.00393	0.00018	0.00010		
45	0.00513	0.00394	0.00019	0.00010		
46	0.00526	0.00417	0.00020	0.00011		
47	0.00539	0.00440	0.00021	0.00012		
48	0.00551	0.00464	0.00021	0.00014		
49	0.00564	0.00487	0.00022	0.00014		
50	0.00577	0.00510	0.00023	0.00014		
51	0.00625	0.00553	0.00025	0.00015		
52	0.00674	0.00596	0.00027	0.00016		
53	0.00722	0.00663	0.00028	0.00016		
54	0.00771	0.00715	0.00030	0.00017		
55	0.00819	0.00768	0.00032	0.00018	0.15400	0.11700
56	0.00959	0.00750	0.00034	0.00019	0.11200	0.11700
57	0.01099	0.00729	0.00036	0.00020	0.11200	0.11700
58	0.01334	0.00885	0.00037	0.00021	0.11200	0.11700
59	0.01462	0.00980	0.00039	0.00022	0.21000	0.28600
60	0.01590	0.00992	0.00041	0.00023	0.08800	0.07800
61	0.01602	0.01037	0.00043	0.00023	0.08800	0.08400
62	0.01613	0.01083	0.00045	0.00025	0.18000	0.16800
63	0.01600	0.01128	0.00046	0.00025	0.14000	0.10500
64	0.01626	0.01174	0.00048	0.00025	0.15000	0.10500
65	0.01653	0.01219	0.00050	0.00025	0.23100	0.22100
66	0.01686	0.01277	0.00051	0.00025	0.18000	0.15800
67	0.01786	0.01335	0.00051	0.00025	0.15000	0.13700
68	0.01878	0.01393	0.00051	0.00025	0.15000	0.11600
69	0.01968	0.01451	0.00052	0.00025	0.15000	0.11600
70	0.00000	0.00000	0.00000	0.00000	1.00000	1.00000

TABLE 1
ACTIVE SERVICE AND RETIREMENT TABLE
(CONTINUED)

AGE	State and Local Employees Rates of: Prosecutors Part Service Retirement with Service					
	Less than 20 Years		20 Years	21 to 24 Years	More than 24 Years	
	State	Local			State	Local
20	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
22	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
23	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
24	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
25	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
26	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
27	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
28	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
29	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
30	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
31	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
32	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
33	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
34	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
36	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
37	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
38	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
39	0.00000	0.00000	0.02500	0.00000	0.23100	0.15400
40	0.00000	0.00000	0.02500	0.00000	0.23100	0.15400
41	0.00000	0.00000	0.02500	0.00000	0.23100	0.15400
42	0.00000	0.00000	0.02500	0.00000	0.23100	0.15400
43	0.00000	0.00000	0.02500	0.00000	0.23100	0.15400
44	0.00000	0.00000	0.02500	0.00000	0.23100	0.15400
45	0.00000	0.00000	0.02500	0.00000	0.23100	0.15400
46	0.00000	0.00000	0.02500	0.00000	0.23100	0.15400
47	0.00000	0.00000	0.02500	0.00000	0.23100	0.15400
48	0.00000	0.00000	0.03750	0.00000	0.23100	0.15400
49	0.00000	0.00000	0.03750	0.00000	0.23100	0.15400
50	0.00000	0.00000	0.03750	0.00000	0.23100	0.15400
51	0.00000	0.00000	0.03750	0.00000	0.23100	0.15400
52	0.00000	0.00000	0.03750	0.00000	0.23100	0.15400
53	0.00000	0.00000	0.05000	0.00000	0.26220	0.17480
54	0.00000	0.00000	0.05000	0.00000	0.26220	0.17480
55	0.02585	0.03060	0.05000	0.00000	0.26220	0.17480
56	0.02585	0.03060	0.05000	0.00000	0.26220	0.17480
57	0.02585	0.03060	0.05000	0.00000	0.26220	0.17480
58	0.02630	0.03060	0.05000	0.00000	0.26220	0.17480
59	0.02630	0.03060	0.05000	0.00000	0.34170	0.22780
60	0.02630	0.03060	0.05000	0.00000	0.34170	0.22780
61	0.02630	0.03060	0.05000	0.00000	0.34170	0.22780
62	0.02630	0.03060	0.15000	0.00000	0.34170	0.22780
63	0.02630	0.03060	0.15000	0.00000	0.34170	0.22780
64	0.02630	0.03060	0.37500	0.00000	0.56700	0.37800
65	0.02630	0.03060	0.37500	0.00000	1.00000	1.00000
66	0.02630	0.03060	0.37500	0.00000	1.00000	1.00000
67	0.02630	0.03060	0.37500	0.00000	1.00000	1.00000
68	0.02630	0.03060	0.37500	0.00000	1.00000	1.00000
69	0.02630	0.03060	0.37500	0.00000	1.00000	1.00000
70	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000

TABLE 2
ACTIVE SALARY INCREASE TABLE

Age	Increase Rate	Age	Increase Rate
20	0.0665	45	0.0540
21	0.0660	46	0.0535
22	0.0655	47	0.0530
23	0.0650	48	0.0525
24	0.0645	49	0.0520
25	0.0640	50	0.0515
26	0.0635	51	0.0510
27	0.0630	52	0.0505
28	0.0625	53	0.0500
29	0.0620	54	0.0495
30	0.0615	55	0.0490
31	0.0610	56	0.0485
32	0.0605	57	0.0480
33	0.0600	58	0.0475
34	0.0595	59	0.0470
35	0.0590	60	0.0465
36	0.0585	61	0.0455
37	0.0580	62	0.0445
38	0.0575	63	0.0435
39	0.0570	64	0.0425
40	0.0565	65	0.0415
41	0.0560	66	0.0415
42	0.0555	67	0.0415
43	0.0550	68	0.0415
44	0.0545	69	0.0415

TABLE 3
MORTALITY TABLES FOR SERVICE RETIREMENTS AND
BENEFICIARIES OF DECEASED MEMBERS

AGE	RATES OF MORTALITY		AGE	RATES OF MORTALITY	
	MEN	WOMEN		MEN	WOMEN
20	0.00034	0.00019	63	0.01001	0.00666
21	0.00036	0.00019	64	0.01128	0.00765
22	0.00037	0.00019	65	0.01274	0.00862
23	0.00037	0.00019	66	0.01441	0.00971
24	0.00038	0.00020	67	0.01608	0.01095
25	0.00038	0.00020	68	0.01787	0.01216
26	0.00038	0.00021	69	0.01980	0.01345
27	0.00038	0.00021	70	0.02221	0.01486
28	0.00039	0.00022	71	0.02457	0.01674
29	0.00041	0.00024	72	0.02728	0.01858
30	0.00044	0.00025	73	0.03039	0.02066
31	0.00050	0.00026	74	0.03390	0.02297
32	0.00056	0.00031	75	0.03783	0.02546
33	0.00063	0.00035	76	0.04217	0.02811
34	0.00070	0.00039	77	0.04691	0.03097
35	0.00077	0.00043	78	0.05212	0.03411
36	0.00084	0.00047	79	0.05793	0.03759
37	0.00090	0.00051	80	0.06437	0.04151
38	0.00096	0.00055	81	0.07204	0.04588
39	0.00102	0.00060	82	0.08049	0.05078
40	0.00108	0.00065	83	0.08972	0.05629
41	0.00114	0.00071	84	0.09978	0.06251
42	0.00121	0.00077	85	0.11076	0.06952
43	0.00130	0.00085	86	0.12280	0.07745
44	0.00140	0.00094	87	0.13604	0.08638
45	0.00151	0.00103	88	0.15059	0.09634
46	0.00162	0.00112	89	0.16642	0.10730
47	0.00173	0.00122	90	0.18341	0.11915
48	0.00186	0.00133	91	0.19977	0.13168
49	0.00200	0.00143	92	0.21661	0.14460
50	0.00214	0.00155	93	0.23366	0.15762
51	0.00245	0.00168	94	0.25069	0.17043
52	0.00267	0.00185	95	0.26749	0.18280
53	0.00292	0.00202	96	0.28391	0.19451
54	0.00320	0.00221	97	0.29985	0.20538
55	0.00362	0.00242	98	0.31530	0.21524
56	0.00420	0.00272	99	0.33021	0.22395
57	0.00469	0.00309	100	0.34456	0.23139
58	0.00527	0.00348	101	0.35863	0.23747
59	0.00595	0.00392	102	0.37169	0.24483
60	0.00675	0.00444	103	0.38304	0.25450
61	0.00768	0.00506	104	0.39200	0.26604
62	0.00876	0.00581	105	0.39789	0.27905

TABLE 3
MORTALITY TABLES FOR DISABILITY RETIREMENTS

AGE	RATES OF MORTALITY		AGE	RATES OF MORTALITY	
	MEN	WOMEN		MEN	WOMEN
20	0.00000	0.00000	63	0.04204	0.02408
21	0.00000	0.00000	64	0.04347	0.02529
22	0.00000	0.00745	65	0.04498	0.02660
23	0.00000	0.00745	66	0.04658	0.02803
24	0.02257	0.00745	67	0.04831	0.02959
25	0.02257	0.00745	68	0.05017	0.03132
26	0.02257	0.00745	69	0.05221	0.03323
27	0.02257	0.00745	70	0.05445	0.03534
28	0.02257	0.00745	71	0.05691	0.03763
29	0.02257	0.00745	72	0.05961	0.04014
30	0.02257	0.00745	73	0.06258	0.04285
31	0.02257	0.00745	74	0.06584	0.04577
32	0.02257	0.00745	75	0.06941	0.04890
33	0.02257	0.00745	76	0.07329	0.05223
34	0.02257	0.00745	77	0.07751	0.05578
35	0.02257	0.00745	78	0.08207	0.05954
36	0.02257	0.00745	79	0.08695	0.06354
37	0.02257	0.00745	80	0.09215	0.06779
38	0.02257	0.00745	81	0.09764	0.07231
39	0.02257	0.00745	82	0.10339	0.07713
40	0.02257	0.00745	83	0.10937	0.08230
41	0.02257	0.00745	84	0.11554	0.08784
42	0.02257	0.00745	85	0.12188	0.09379
43	0.02257	0.00745	86	0.12834	0.10020
44	0.02257	0.00745	87	0.13492	0.10710
45	0.02257	0.00745	88	0.14160	0.11451
46	0.02257	0.00745	89	0.14837	0.12246
47	0.02257	0.00818	90	0.15523	0.13097
48	0.02257	0.00896	91	0.16219	0.14005
49	0.02385	0.00977	92	0.16923	0.14970
50	0.02512	0.01063	93	0.18341	0.15992
51	0.02640	0.01153	94	0.19977	0.17043
52	0.02769	0.01248	95	0.21661	0.18280
53	0.02898	0.01346	96	0.23366	0.19451
54	0.03027	0.01446	97	0.25069	0.20538
55	0.03156	0.01550	98	0.26749	0.21524
56	0.03286	0.01654	99	0.28391	0.22395
57	0.03415	0.01760	100	0.29985	0.23139
58	0.03544	0.01865	101	0.31530	0.23747
59	0.03673	0.01971	102	0.33021	0.24483
60	0.03803	0.02077	103	0.34456	0.25450
61	0.03933	0.02184	104	0.35863	0.26604
62	0.04067	0.02294	105	0.37169	0.27905

ADOPTION AND CERTIFICATION OF TABLES AND PROCEDURES PRESENTED

The foregoing tables and procedures, recommended by the actuary for adoption by the Board of Trustees, were considered by the Board at its regular meeting on _____, 2009 and officially approved in accordance with the resolutions passed.

Secretary, Board of Trustees

_____, 2009