

**THE STATE POLICE RETIREMENT SYSTEM  
OF NEW JERSEY  
ANNUAL REPORT  
OF THE ACTUARY  
PREPARED AS OF JULY 1, 2012**



February 15, 2013

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, 2012 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, 2012 and gives the basis for determining the recommended annual contribution for the plan year beginning July 1, 2012.

As required under Section 32 of Chapter 89, P.L. 1965, experience studies are performed once in every three year period. The valuation was prepared on the basis of the demographic assumptions that were determined from the July 1, 2008 – June 30, 2011 Experience Study and approved by the Board of Trustees at the September 25, 2012 Board meeting. The Treasurer has recommended a change in the economic assumptions used for the valuation. The rate of investment return has been revised from 7.95% per annum to 7.90% per annum. The assumed future salary increases have been revised to be 3.45% per annum for fiscal year ending 2012 through fiscal year ending 2021 and 4.45% per annum for fiscal years ending 2022 and thereafter. These assumptions will remain in effect for valuation purposes until such time the Board or the Treasurer recommends revised assumptions.

The valuation reflects the State contributions under Chapter 1, P.L. 2010. The fiscal year 2012 recommended pension contribution of \$89,671,744 has been reduced to \$ 12,810,000. The fiscal year 2013 recommended pension contribution of \$89,535,903 has been reduced to \$25,581,686. This amount may be subject to change per the requirements of the State's fiscal year 2013 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 2014 fiscal year to no less than 3/7<sup>th</sup> of the recommended contribution.

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.

Board of Trustees  
February 15, 2013  
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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, 2012

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, 2012, 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	July 1, 2012	July 1, 2011
Number of Members	2,721	2,844
Annual Compensation	\$ 283,219,927	\$ 275,219,752
Number of Pensioners and Beneficiaries	3,030	2,818
Total Annual Allowance	\$ 169,491,353	\$ 152,950,538
<u>Assets</u>		
Market Value of Assets	\$ 1,755,429,511*	\$ 1,820,438,444
Valuation Assets	\$ 1,995,388,133*	\$ 2,015,624,130
<u>Contribution Rates</u>		
Pension Contribution		
a) Recommended Contribution		
Normal Contribution	13.78%	14.34%
Accrued Liability Contribution	24.00	18.19
Total Pension Contribution	37.78%	32.53%
b) Chapter 1, P.L. 2010 Minimum Contribution		
Normal Contribution	5.90%	4.10%
Accrued Liability Contribution	10.28	5.20
Total Pension Contribution**	16.18%	9.30%
Non-Contributory Group Insurance Premium	0.67%	0.73%
<u>Contribution Amounts</u>		
Pension Contribution		
a) Recommended Contribution		
Normal Contribution	\$ 39,015,307	\$ 39,467,678
Accrued Liability Contribution	67,962,316	50,068,225
Total Pension Contribution	\$ 106,977,623	\$ 89,535,903
b) Chapter 1, P.L. 2010 Minimum Contribution		
Normal Contribution	\$ 16,720,846	\$ 11,276,479
Accrued Liability Contribution	29,126,707	14,305,207
Total Pension Contribution**	\$ 45,847,553	\$ 25,581,686
Non-Contributory Group Insurance Premium	\$ 1,900,000	\$ 2,000,000

\* Assets include a fiscal year 2013 receivable contribution of \$25,581,686 instead of the \$89,535,903 contribution recommended for the July 1, 2011 valuation (potential effect of Chapter 1, P.L. 2010.)

\*\* Chapter 1, P.L. 2010 allows the State to make a contribution for fiscal year 2014 equal to 3/7<sup>th</sup> of the recommended contribution and for fiscal year 2013 equal to 2/7<sup>th</sup> of the recommended contribution. The contributions could be subject to change per the requirements of the State's fiscal year 2014 and 2013 spending plans.

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

The valuation reflects the final State contribution under Chapter 1, P.L. 2010 for fiscal year 2012, which allowed the State Treasurer to reduce the State normal and accrued liability contributions for fiscal year 2012 of \$89,671,744 to \$12,810,000. (This amount excludes the premium paid to the Non-Contributory Insurance Fund of \$735,607 for the lump sum death benefits.)

The valuation also reflects the potential impact of Chapter 1, P.L. 2010, which allows the State Treasurer to reduce the State normal and accrued liability contributions for fiscal year 2013 to no less than 2/7<sup>th</sup> of the full recommended pension contribution. Therefore, the fiscal year 2013 recommended pension contribution of \$89,535,903 has been reduced to \$25,581,686 and has been recognized as a receivable contribution for purposes of this valuation. (This amount excludes the estimated premium paid to the Non-Contributory Insurance Fund of \$2,000,000 for lump sum death benefits.)

There were no other changes to the benefit and contribution provisions.

As required under Chapter 89, P.L. 1965 experience studies are performed once in every three year period. The valuation was prepared on the basis of the demographic assumptions that were determined from the July 1, 2008 – June 30, 2011 Experience Study and approved by the Board of Trustees at the September 25, 2012 Board meeting. The Treasurer has recommended a change in the economic assumptions used for the valuation. The rate of investment return has been revised from 7.95% per annum to 7.90% per annum. The assumed future salary increases have been revised to be 3.45% per annum for fiscal year ending 2012 through fiscal year ending 2021 and 4.45% per annum for fiscal years ending 2022 and thereafter. These assumptions will remain in effect for valuation purposes until such time the Board or the Treasurer recommends revised assumptions.

There were no other changes to the actuarial assumptions and methods used in the prior valuation. The actuarial assumptions and methods used for valuing the Fund are summarized in Appendix B.

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.

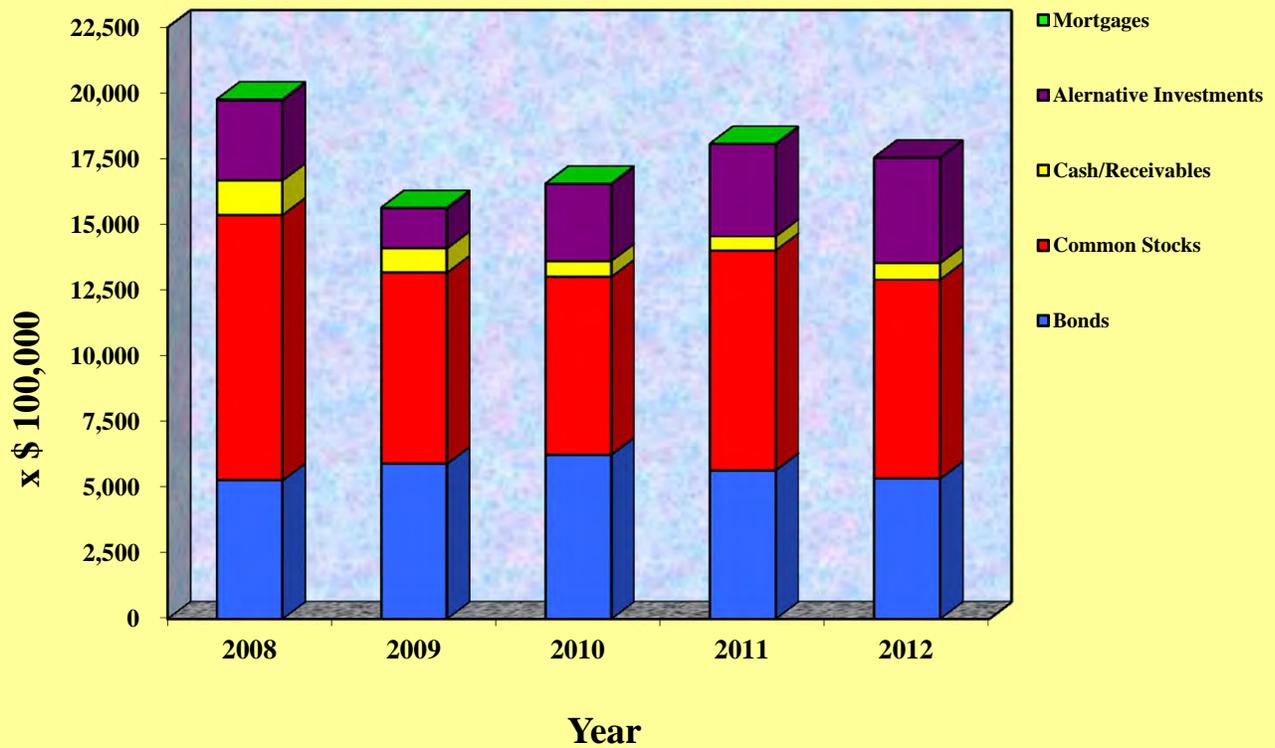
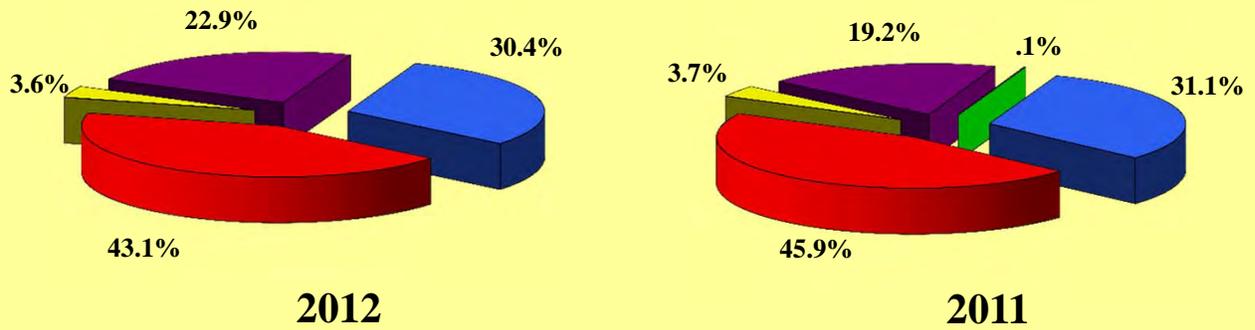
The valuation generates a balance sheet which summarizes in some detail the total present and prospective assets and liabilities of the Fund. A summary comparison of the balance sheets as of July 1, 2011 and July 1, 2012 is set forth in the following table. The allocation of assets among the various investment alternatives is shown in graphic form on page 6.

**TABLE I**  
**COMPARATIVE BALANCE SHEET**

	<b>2012</b>	<b>2011</b>
<b><u>ASSETS</u></b>		
Actuarial value of assets of Fund	\$ 1,995,388,133	\$ 2,015,624,130
Unfunded accrued liability/(surplus)	772,380,680	566,326,716
Total Assets	\$ 2,767,768,813	\$ 2,581,950,846
<b><u>LIABILITIES</u></b>		
Present value of benefits to present beneficiaries payable from the Retirement Reserve Fund	\$ 1,822,707,659	\$ 1,634,856,377
Present value of benefits to present active members and terminated vested members	945,061,154	947,094,469
Total Liabilities	\$ 2,767,768,813	\$ 2,581,950,846

# THE STATE POLICE RETIREMENT SYSTEM OF NEW JERSEY

## ASSET ALLOCATION MARKET VALUE



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, 2011 and July 1, 2012 by various categories.

**ACTIVE MEMBERSHIP**

Group	2012		2011	
	Number	Annual Compensation	Number	Annual Compensation
Men	2,607	\$ 271,904,629	2,736	\$ 265,021,985
Women	114	\$ 11,315,298	108	\$ 10,197,767

**RETIRED MEMBERS AND BENEFICIARIES**

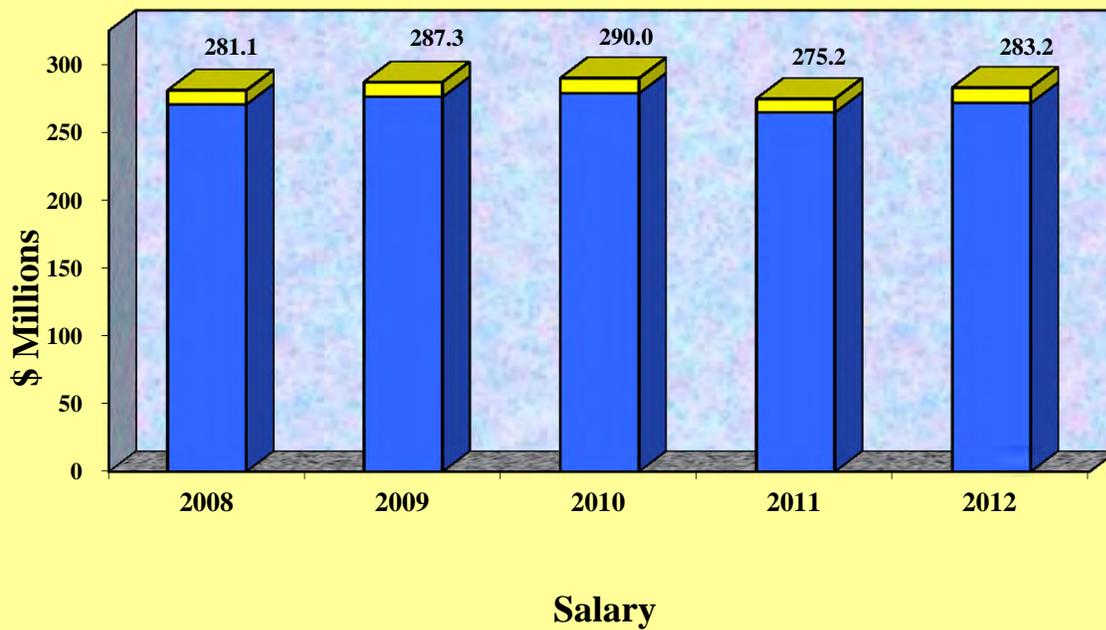
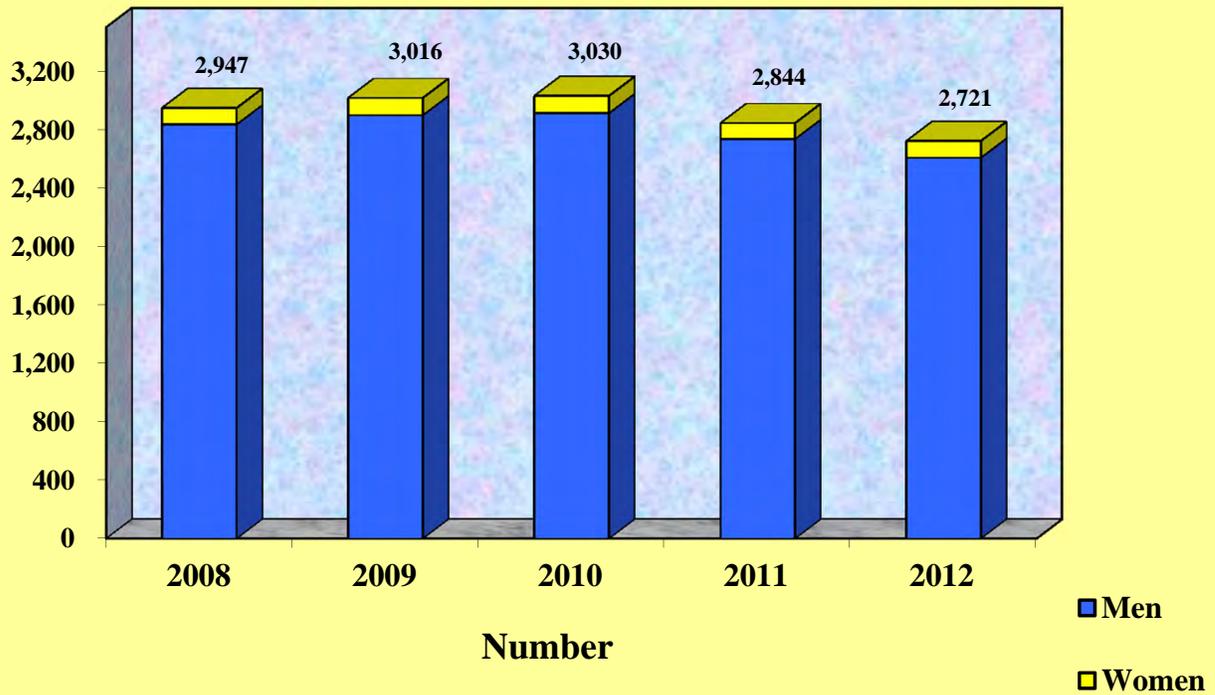
Group	2012		2011	
	Number	Annual Allowances	Number	Annual Allowances
Service Retirements	2,366	\$ 144,028,362	2,181	\$ 129,127,114
Ordinary Disability Retirements	134	\$ 4,612,430	127	\$ 4,210,163
Accidental Disability Retirements	140	\$ 7,551,546	130	\$ 6,888,228
Beneficiaries of Deceased Pensioners	329	\$ 10,777,588	313	\$ 10,174,626
Beneficiaries of Deceased Active Employees	61	\$ 2,521,427	67	\$ 2,550,407

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.

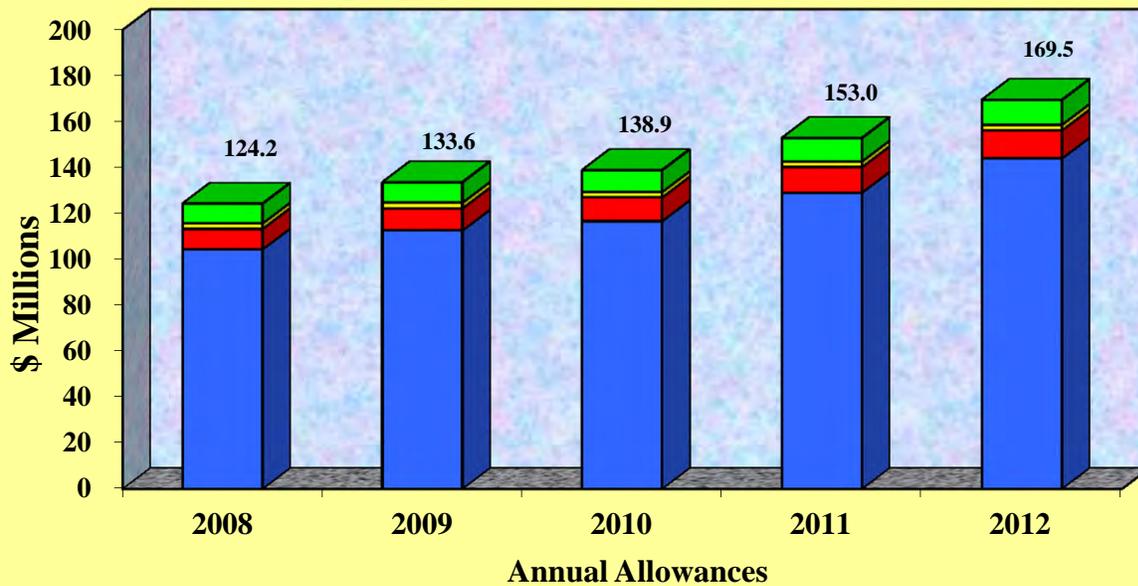
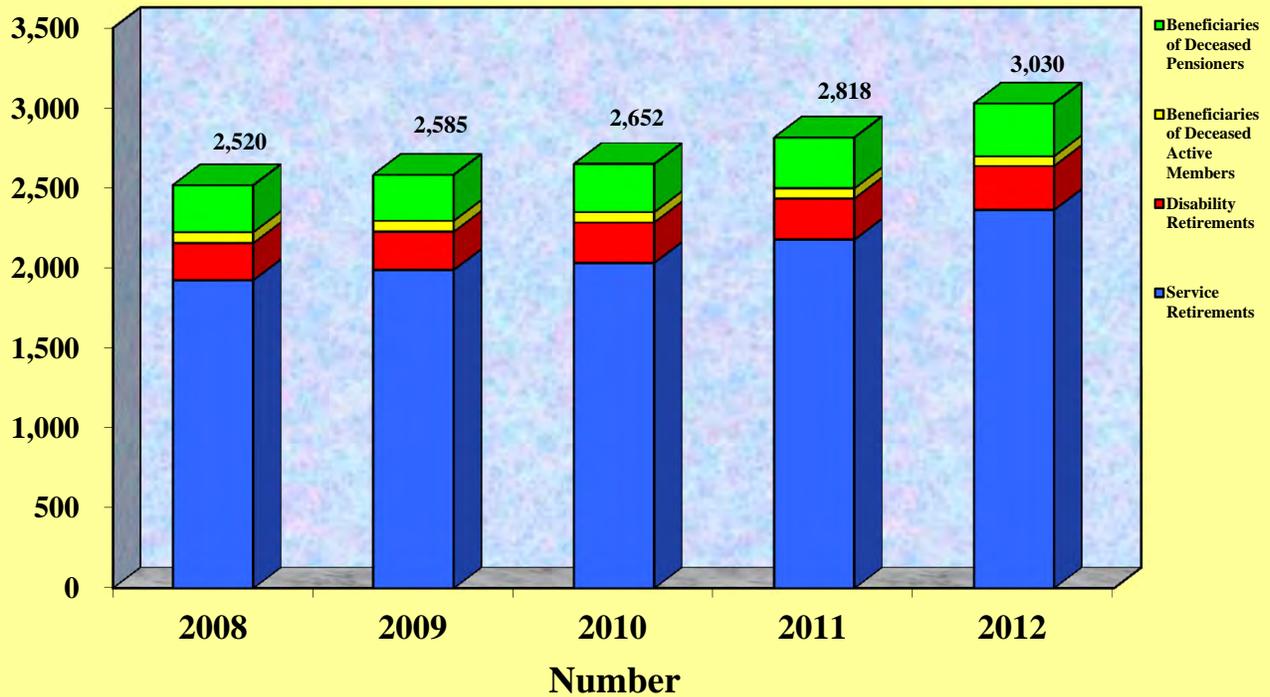
# THE STATE POLICE RETIREMENT SYSTEM OF NEW JERSEY

## SUMMARY OF ACTIVE PARTICIPATION



# THE STATE POLICE RETIREMENT SYSTEM OF NEW JERSEY

## SUMMARY OF RETIRED PARTICIPATION



SECTION III - ASSETS, LIABILITIES AND CONTRIBUTIONS

**A. Market Value of Assets as of June 30, 2012**

1.	Assets		
a.	Cash	\$	14,482,638
b.	Securities Lending Collateral		29,163,423
c.	Accounts Receivable		62,372
d.	Investment Holdings		1,709,074,059
e.	Interest Receivable on Investments		148
f.	Employer Contribution Receivable – NCGI		76,940
g.	Members’ Contributions Receivable		776
h.	Dividends Receivable		0
i.	Loans Receivable		19,845,996
j.	Interest Receivable – Member Loans		<u>231,386</u>
k.	Total	\$	1,772,937,738
2.	Liabilities		
a.	Pension Payroll Payable	\$	9,884,245
b.	Securities Lending Collateral and Rebates Payable		29,118,498
c.	Pension Adjustment Payroll Payable		1,992,513
d.	Withholdings Payable		1,963,643
e.	Securities Purchased in Transit		0
f.	Accounts Payable – Other		54,074
g.	Death Benefits Payable		<u>76,940</u>
h.	Total	\$	43,089,913
3.	Preliminary Market Value of Assets as of June 30, 2012: 1(k) - 2(h)	\$	1,729,847,825
4.	State Appropriations Receivable		<u>25,581,686</u> *
5.	Market Value of Assets as of June 30, 2012: 3. + 4.	\$	1,755,429,511 **

\* The fiscal year 2013 recommended pension contribution of \$89,535,903 has been reduced to \$25,581,686 to reflect Chapter 1, P.L. 2010. This amount may be subject to change per the requirements of the State’s fiscal year 2013 spending plan.

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

**B. Reconciliation of Market Value of Assets: June 30, 2011 to June 30, 2012**

1.	Market Value of Assets as of June 30, 2011	\$	1,807,628,195
2.	Increases		
a.	Pension Contributions		
	Members' Contributions	\$	23,124,399
	Transfer from Other Systems		137,400
b.	Employers' Contributions		
	State Appropriations		12,810,000
	Non-Contributory Group Insurance		735,607
	Transfer from Other Systems		0
	Administrative Fee Loans		4,128
c.	Income		
	Per Statement		<u>48,915,745</u>
d.	Total	\$	<u>85,727,279</u>
3.	Decreases		
a.	Benefits Provided by Members		
	Withdrawals – Members' Contributions		
	Regular	\$	114,990
	Suspense		28,576
	Adjustment – Member Account Loans – State		(247)
b.	Benefits Provided by Employers and Members		
	Retirement Allowances		138,282,207
c.	Benefits Provided by Employers		
	Benefit Expense – Pension Adjustment		24,047,555
	Administrative Expense		279,748
	Administrative Expense Loans		6,736
	Adjusted Member Accounts Expense- State		12,477
	NCGI Premium Expense		<u>735,607</u>
d.	Total	\$	<u>163,507,649</u>
4.	Preliminary Market Value of Assets as of June 30, 2012: 1. + 2.(d) – 3.(d)	\$	1,729,847,825
5.	State Appropriations Receivable		<u>25,581,686</u> *
6.	Market Value of Assets as of June 30, 2012: 4. + 5.	\$	1,755,429,511 **

\* The fiscal year 2013 recommended pension contribution of \$89,535,903 has been reduced to \$25,581,686 to reflect Chapter 1, P.L. 2010. This amount may be subject to change per the requirements of the State's fiscal year 2013 spending plan.

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

### C. Development of Actuarial Value of Assets as of July 1, 2012

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, 2011	\$	2,002,813,881
2.	Net Cash Flow (excluding investment income)		(126,696,115)
3.	Expected Investment Income at 7.95%		
	a. Interest on assets as of July 1, 2011	\$	159,223,704
	b. Interest on Net Cash Flow		<u>(5,545,368)</u>
	c. Total	\$	153,678,336
4.	Expected Actuarial Value of Assets as of July 1, 2012:		
	1. + 2. + 3.(c)	\$	2,029,796,102
5.	20% of Difference from Preliminary Market Value of Assets		(59,989,655)
6.	Receivable Employer Contributions		<u>25,581,686</u> *
7.	Actuarial Value of Assets as of July 1, 2012 = 4. + 5. + 6.	\$	1,995,388,133 **

\* The fiscal year 2013 recommended pension contribution of \$89,535,903 has been reduced to \$25,581,686 to reflect Chapter 1, P.L. 2010. This amount may be subject to change per the requirements of the State's fiscal year 2013 spending plan.

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

### D. Present Value of Projected Benefits as of July 1, 2012

1.	Retirees and Beneficiaries		
	a. Service Retirements	\$	1,579,520,904
	b. Disability Retirements		140,376,900
	c. Beneficiaries		<u>102,809,855</u>
	d. Total	\$	1,822,707,659
2.	Terminated Vested Members	\$	0
3.	Contributing Active Participants		
	a. Service Retirement	\$	869,333,190
	b. Ordinary Disability		21,453,396
	c. Accidental Disability		24,263,426
	d. Ordinary Death		8,154,377
	e. Accidental Death		8,305,894
	f. Vested Termination		1,551,240
	g. Withdrawal Benefits		<u>198,666</u>
	h. Total	\$	933,260,189
4.	Non-Contributing Active Participants	\$	11,800,965
5.	Total Present Value of Benefits* =		
	1.(d) + 2. + 3.(h) + 4.	\$	2,767,768,813

\*Excludes lump sum death benefits payable from the Non-Contributory Group Insurance Premium Fund.

**E. Development of Normal Cost as of July 1, 2012**

1.	Service Retirement	\$	47,514,629
2.	Ordinary Disability		2,032,561
3.	Accidental Disability		2,339,674
4.	Ordinary Death		717,346
5.	Accidental Death		889,523
6.	Vested Termination		154,566
7.	Withdrawal Benefits		<u>46,358</u>
8.	Total Pension Normal Cost*	\$	53,694,657
	= 1. + 2. + 3. + 4. + 5. + 6. + 7.		

\*Excludes lump sum death benefits payable from the Non-Contributory Group Insurance Premium Fund.

**F. Development of Recommended State Pension Contributions**

1.	Present Value of Benefits	\$	2,767,768,813
2.	Actuarial Value of Assets		<u>1,995,388,133</u>
3.	Unfunded Actuarial Accrued Liability/(Surplus) = 1. - 2.	\$	772,380,680
4.	Amortization Period		30
5.	Amortization of Unfunded Actuarial Accrued Liability payable July 1, 2013 (Level Dollar)	\$	67,962,316
6.	a. Gross Normal Cost (excluding Non-Contributory Group Insurance Premium)	\$	53,694,657
	b. Expected Member Contributions*		<u>17,535,892</u>
	c. State Normal Cost = (a) - (b)	\$	36,158,765
	d. State Normal Cost payable July 1, 2013 = (c) * 1.079	\$	39,015,307
7.	Total Recommended Pension Contribution as of July 1, 2013 = 5. + 6.(d)	\$	106,977,623

\* 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.

**G. Development of Chapter 1, P.L. 2010 Minimum Required Pension Contributions\***

1.	State Normal Cost payable July 1, 2013 = F.6(d). x 3/7	\$	16,720,846
2.	Amortization of Unfunded Actuarial Accrued Liability payable July 1, 2013 = F.5. x 3/7		<u>29,126,707</u>
3.	Total Minimum Contribution** = 1. + 2.	\$	45,847,553

\* Chapter 1, P.L. 2010 allows the State Treasurer to reduce the recommended contribution for the 2014 fiscal year to no less than 3/7<sup>th</sup> of the recommended contribution.

\*\*Contribution could be subject to change per the requirements of the State's fiscal year 2014 spending plan.

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

\$ 1,900,000

## 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, 2012.

The loss is primarily due to an actual return on System assets less than expected. For valuation purposes, a 7.95% per annum rate of return was assumed for the period July 1, 2011 through June 30, 2012. The actual return on the Fund's actuarial value of assets was 4.83% for this period for the period July 1, 2011 through June 30, 2012. There was a liability loss 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, 2012**

1.	Unfunded Accrued Liability/(Surplus) as of July 1, 2011	\$ 566,326,716
2.	Gross Normal Cost as of July 1, 2011	53,650,162
3.	Interest on (1) and (2) at 7.95%	49,288,162
4.	Actual Members' Contributions Received	23,124,399
5.	Employers' Contributions (including receivable)	25,581,686
6.	Interest on Contributions at 7.95%	<u>919,195</u>
7.	Expected Unfunded Accrued Liability/(Surplus) as of July 1, 2012 = (1) + (2) + (3) - (4) - (5) - (6)	\$ 619,639,760
8.	Change in Unfunded Accrued Liability due to the Revised Demographic Assumptions	30,836,414
9.	Change in Unfunded Accrued Liability due to the Revised Rate of Investment Return and Salary Scale Assumptions	(3,515,957)
10.	Actual Unfunded Accrued Liability as of July 1, 2012	<u>772,380,680</u>
11.	Actuarial (Gain)/Loss = (10) - (7) - (8) - (9)	\$ 125,420,463

### **B. Components of Actuarial Experience**

1.	Investment (Gain)/Loss	\$ 59,989,655
2.	Other (Gain)/Loss, including mortality, changes in employee data and salary increases different than expected	<u>65,430,808</u>
3.	Total Actuarial (Gain)/Loss	\$ 125,420,463

### 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).

	<b>June 30, 2012</b>	<b>June 30, 2011</b>	<b>Change</b>
<b>Actuarial Value of Assets*</b>	72.1%	78.1%	(6.0)%
<b>Market Value of Assets</b>	63.4%	70.5%	(7.1)%

\*Statutory funded ratio.

The System's statutory funded ratio is 78.1% and 72.1% as of June 30, 2011 and June 30, 2012, respectively. For purposes of Chapter 78, P.L. 2011, the "target funded ratio" is 75.714% and 76.428% for June 30, 2011 and June 30, 2012, respectively. Therefore, the System's statutory funded ratio reached the "target funded ratio" for June 30, 2011 but fell below the "target funded ratio" for June 30, 2012.

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 69.4%. 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, 2012, the market value of assets is less than the actuarial liability attributable to retirees. Furthermore, if the assets contained in the Annuity Savings Fund (ASF) of \$190,825,488 are excluded, the funded ratio of the remaining market value of assets to the actuarial accrued liability for retirees is 85.8%.

As of June 30, 2012, the ratio of market value of assets to the prior year's benefit payment is 10.8. 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 13% from the previous year's ratio of 12.4. If ASF assets are excluded, since they represent accumulated contributions from active and inactive members, the ratio is 9.6.

## 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, 2014**

1. Actuarial Value of Plan Assets as of June 30, 2012

(a)	Valuation Assets as of June 30, 2012	\$ 1,995,388,133
(b)	Adjustment for Receivable Contributions included in (a)	<u>25,581,686*</u>
(c)	Valuation Assets as of June 30, 2012 for GASB Disclosure = (a) - (b)	\$ 1,969,806,447

\* Receivable contribution for fiscal year 2013.

2.	Actuarial Accrued Liability as of June 30, 2012	\$2,767,768,813
3.	Unfunded Actuarial Accrued Liability/(Surplus) as of June 30, 2012 = 2. - 1.	\$ 797,962,366
4.	Amortization of Unfunded Actuarial Accrued Liability/(Surplus) over 30 years (Level Dollar)	\$ 65,072,535
5.	Normal Cost as of June 30, 2012 (excludes NCGIPF)	\$ 36,158,765
6.	Annual Required Contribution as of June 30, 2014	
	(a) Annual Required Contribution as of June 30, 2012 = 4. + 5.	\$ 101,231,300
	(b) Interest Adjustment to June 30, 2014	16,626,330
	(c) Non-Contributory Group Insurance Premium	<u>1,900,000</u>
	(d) Annual Required Contribution as of June 30, 2014 = (a) + (b) + (c)	\$ 119,757,630

**(B) Development of the Net Pension Obligation (NPO) as of June 30, 2014**

1.	Annual Required Contribution as of June 30, 2014	\$ 119,757,630
2.	Interest on Net Pension Obligation	61,116,523
3.	Adjustment to Annual Required Contribution	<u>(68,071,968)</u>
4.	Annual Pension Cost = 1. + 2. + 3.	\$ 112,802,185
5.	Expected Employer Contributions for Fiscal Year 2014	\$ 47,747,553*
6.	Net Pension Obligation at June 30, 2013	\$ 773,626,868**
7.	Increase in Net Pension Obligation = 4. - 5.	\$ 65,054,632
8.	Net Pension Obligation at June 30, 2014 = 6. + 7.	\$ 838,681,500

\* The recommended contribution of \$108,877,623 has been reduced to \$ 47,747,553 in accordance with Chapter 1, P.L. 2010. This amount may be subject to change per the requirements of the State's fiscal year 2014 spending plan. Included in the Expected Employer Contribution for fiscal year 2014 is 100% of the Non-Contributory Group Insurance premium of \$1,900,000.

\*\* The June 30, 2013 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 2012 employer contribution.

(C) **Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (b)</b>	<b>Unfunded Actuarial Accrued Liability (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (b-a)/c</b>
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 <sup>o</sup>	\$ 2,019,350,048	\$ 2,497,094,137	\$ 477,744,089	80.9%	\$ 289,980,657	164.8%
6/30/2011 <sup>o</sup>	\$ 2,002,813,881	\$ 2,581,950,846	\$ 579,136,965	77.6%	\$ 275,219,752	210.4%
6/30/2012 <sup>o</sup>	\$ 1,969,806,447	\$ 2,767,768,813	\$ 797,962,366	71.2%	\$ 283,219,927	281.7%

<sup>o</sup>Reflects Chapter 78, P.L. 2011.

(D) **Schedule of Employer Contributions**

<b>Fiscal Year<sup>#</sup></b>	<b>Annual Required Contribution</b>	<b>Employer Contribution</b>	<b>Percentage Contributed</b>
2009	\$ 86,385,254	\$ 5,574,860*	6.5%
2010	\$ 91,411,237	\$ 1,018,200**	1.1%
2011	\$ 114,120,061	\$ 2,201,604 <sup>o</sup>	1.9%
2012 <sup>##</sup>	\$ 98,869,662	\$ 13,545,607 <sup>oo</sup>	13.7%
2013 <sup>##</sup>	\$ 99,876,582	\$ 27,581,686 <sup>†</sup>	27.6%
2014 <sup>##</sup>	\$ 119,757,630	\$ 47,747,553 <sup>††</sup>	39.9%

\* The fiscal year 2009 recommended contribution of \$77,679,416 was reduced to \$5,574,860 in accordance with the provisions of the Appropriation Act for fiscal year 2009.

\*\* The fiscal year 2010 recommended contribution of \$84,031,012 was reduced to \$1,018,200 in accordance with the provisions of the Appropriation Act for fiscal year 2010.

<sup>o</sup> The fiscal year 2011 recommended contribution of \$105,345,281 was reduced to \$2,201,604 in accordance with provisions of the Appropriation Act for fiscal year 2011.

<sup>oo</sup> The fiscal year 2012 recommended contribution of \$91,471,744 was reduced to \$13,545,607 in accordance with Chapter 1, P.L. 2010.

<sup>†</sup> The fiscal year 2013 recommended contribution of \$91,535,903 has been reduced to \$27,581,686 in accordance with Chapter 1, P.L. 2010. This amount could be subject to change per the requirements of the State's fiscal year 2013 spending plan.

<sup>††</sup> The fiscal year 2014 recommended contribution of \$108,877,623 has been reduced to \$47,747,553 in accordance with Chapter 1, P.L. 2010. This amount could be subject to change per the requirements of the State's fiscal year 2014 spending plan.

<sup>#</sup> The contribution amounts reflect premiums paid to the Non-Contributory Group Insurance Premium Fund.

<sup>##</sup> 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, 2012
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	7.90%
Projected Salary Increase	3.45% for fiscal year ending 2012 through fiscal year ending 2021 and 4.45% for fiscal years ending 2022 and thereafter
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.

<u>FASB 87 ABO Funded Ratios</u>		
Actuarial present value of accumulated benefits:	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Vested benefits		
Participants currently receiving payments	\$ 1,822,707,659	\$ 1,634,856,377
Other participants	668,573,170	672,805,445
	\$ 2,491,280,829	\$ 2,307,661,822
Non-vested benefits	127,734,627	123,069,533
Total	\$ 2,619,015,456	\$ 2,430,731,355
Assets at market value	\$ 1,755,429,511	\$ 1,820,438,444
Ratio of assets to total present value	67.0%	74.9%

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 7.90% for 2012 and 7.95% for 2011.

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. Benefits

**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, plus 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.

**Non-Vested Termination** Termination of service prior to age 55 and less than 10 years of service – Return of aggregate contributions.

**Ordinary Death**

**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: 7.90% per annum, compounded annually.

COLA: No future COLA is assumed.

SALARY INCREASES: Salaries are assumed to increase by 3.45% per year for fiscal year ending 2012 through fiscal year ending 2021 and 4.45% per year for fiscal years ending 2022 and thereafter.

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

<u>Age</u>	<u>Lives per Thousand</u>	
	<u>Less Than 5 Years of Service</u>	<u>Five to Nineteen Years of Service</u>
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:

<u>Age</u>	<u>Ordinary Death**</u>		<u>Annual Rates of*</u>			
	<u>Male</u>	<u>Female</u>	<u>Accidental Death</u>	<u>Ordinary Disability</u>	<u>Accidental Disability</u>	
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.

\*\* RP-2000 Combined Healthy Male (set back 3 years) and RP-2000 Combined Healthy Female Mortality Tables projected on a generational basis from the base year of 2012 using Projection Scale AA. Rates shown above are unadjusted for Projection Scale AA.

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 the number of children assumption is individually explicit but are considered reasonable 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 projected on a generational basis from the base year of 2012 using Projection Scale AA. 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 unadjusted for Projection Scale AA are shown below:

<u>Age</u>	<u>Lives per Thousand</u>			
	<u>Retired Members and</u>		<u>Disabled Members</u>	
	<u>Beneficiaries of Deceased</u>			
	<u>Members</u>			
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
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:

<u>Service</u>	<u>Lives Per 100</u>
20	2.0
21	0.5
22	0.0
23	0.0
24	0.0
25	45.5

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

APPENDIX C

TABULATIONS USED AS A BASIS FOR THE 2012 VALUATION

The following tables give a reconciliation of data from July 1, 2011 to June 30, 2012. Tables are also given showing active member number and salaries by age and length of service as of July 1, 2012 and showing the number and retirement allowances of beneficiaries classified by age as of July 1, 2012.

**TABLE 1**

**RECONCILIATION OF DATA FROM JULY 1, 2011 TO JUNE 30, 2012**

	Actives		Deferred Vested	Retirees				Beneficiaries	Dependents	Domestic Relations Beneficiaries		Total
	Contrib.	Noncontrib.		Service	Special	Deferred	Disabled			Retirees	Disabilities	
Members as of July 1, 2011	2,809	35	0	400	1,655	4	239	373	7	122	18	5,662
Changed to Contributing	4	(4)										
Changed to Noncontributing	(9)	9										
Terminated Vested		(1)										(1)
Terminated Non-Vested	(1)											(1)
Service Retirement	(10)	(1)		11								
Special Retirement	(181)				181							
New Disabled	(14)						14					
New Death				(16)	(13)		(1)	(11)				(41)
Payments Began												
Payments Ceased									(1)	(1)	(1)	(3)
New Actives	85											85
Rehires												
New Beneficiaries								22		23	5	50
Data Corrections												
Members as of June 30, 2012	2,683	38	0	395	1,823	4	252	384	6	144	22	5,751

**TABLE 2**

**DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND SERVICE**

<b>AGE</b>	<b>SERVICE</b>	<b>1</b>	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>TOTAL</b>
<b>25</b>	Number	51	64							<b>115</b>
	Salary	3,644,572	5,045,792							<b>8,690,364</b>
<b>30</b>	Number	26	457	51						<b>534</b>
	Salary	1,854,962	39,372,137	4,792,486						<b>46,019,585</b>
<b>35</b>	Number	6	247	293	31					<b>577</b>
	Salary	428,773	21,981,454	29,970,826	3,297,818					<b>55,678,871</b>
<b>40</b>	Number		59	153	294	11	1			<b>518</b>
	Salary		5,347,665	16,072,796	33,251,485	1,255,176	111,995			<b>56,039,117</b>
<b>45</b>	Number			33	177	80	257	1		<b>548</b>
	Salary			3,441,184	20,313,018	9,308,334	31,398,575	126,037		<b>64,587,148</b>
<b>50 and over</b>	Number			5	25	29	331	37	2	<b>429</b>
	Salary			383,488	2,912,630	3,303,506	40,565,809	4,784,699	254,710	<b>52,204,842</b>
<b>TOTAL</b>	Number	<b>83</b>	<b>827</b>	<b>535</b>	<b>527</b>	<b>120</b>	<b>589</b>	<b>38</b>	<b>2</b>	<b>2,721</b>
	Salary	<b>5,928,307</b>	<b>71,747,048</b>	<b>54,660,780</b>	<b>59,774,951</b>	<b>13,867,016</b>	<b>72,076,379</b>	<b>4,910,736</b>	<b>254,710</b>	<b>283,219,927</b>

**TABLE 3**

**THE NUMBER AND ANNUAL COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED BY AGE  
AS OF JUNE 30, 2012**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
24	6	\$ 428,773	2	\$ 142,924
25	10	714,622	2	142,924
26	21	1,576,028	1	71,462
27	45	3,459,147	1	80,153
28	50	3,935,235	2	142,924
29	83	6,810,958	2	166,100
30	87	7,263,556	11	905,671
31	114	9,878,837	5	427,649
32	130	11,593,226	3	264,446
33	125	11,409,946	6	518,921
34	118	11,235,235	4	373,387
35	129	12,386,687	9	850,914
36	97	9,407,417	4	396,981
37	110	10,914,043	8	770,630
38	85	8,708,906	5	526,594
39	84	8,805,032	6	590,851
40	90	9,731,031	4	423,055
41	108	11,685,011	8	878,292
42	105	11,751,223	7	774,622
43	92	10,317,755	2	207,886
44	84	9,566,831	2	217,622
45	95	11,043,961	3	340,527
46	125	14,851,658	3	335,986
47	128	15,575,874	4	485,643
48	138	16,525,033	1	119,355
49	112	13,589,017	3	377,015
50	82	9,973,668	3	410,683
51	55	6,552,639	2	248,054
52	36	4,477,243	1	124,027
53	27	3,308,564		
54	36	4,427,473		
<b>TOTAL</b>	<b>2,607</b>	<b>\$ 271,904,629</b>	<b>114</b>	<b>\$ 11,315,298</b>

Of the 2,721 active members included in the June 30, 2012 valuation data, 1,657 are vested and 1,064 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, 2012**

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	65	\$ 4,645,043	11	\$ 786,084
1	2	142,924		
2	5	354,255		
3	79	6,097,446	1	77,256
4	149	11,901,094	7	561,072
5	63	5,173,674	7	581,351
6	94	8,010,813	5	426,839
7	251	22,664,457	12	1,083,018
8	165	15,652,222	3	286,345
9	115	11,166,644	12	1,187,757
10	57	5,598,448	3	289,972
11	274	29,157,868	14	1,478,152
12	35	3,422,213	3	306,127
13	31	3,173,895	1	108,811
14	117	13,067,086	6	650,177
15	104	11,483,074	5	568,824
16	17	1,838,827		
17	149	17,243,315	10	1,193,241
18	101	11,829,568	4	467,373
19	83	9,675,326		
20	7	801,192		
21	6	680,480		
22	14	1,570,986	1	111,995
23	67	7,937,403	2	260,921
24	179	21,493,010	3	372,813
25	207	25,491,312	2	256,249
26	103	12,919,178	1	136,894
27	26	3,301,725		
28	10	1,258,176	1	124,027
29	14	1,798,784		
30	11	1,427,877		
31	4	534,710		
32	1	136,894		
33	1	108,811		
34	1	145,899		
<b>TOTAL</b>	<b>2,607</b>	<b>\$ 271,904,629</b>	<b>114</b>	<b>\$ 11,315,298</b>

Of the 2,721 active members included in the June 30, 2012 valuation data, 1,657 are vested and 1,064 have not yet completed the vesting service requirement.

**TABLE 5**

**State Police Retirement System of New Jersey**

	Service Retirement		Special Retirement (25 Years of Service)		Ordinary Disability		Accidental Disability		Survivor	
	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*
<b>All Retirees</b>	50.6	\$ 27,733	51.3	\$ 63,148	41.8	\$ 33,662	40.0	\$ 50,623	46.9	\$ 21,828
<b>New Retirees</b>	53.5	\$ 56,663	50.4	\$ 82,635	52.4	\$ 81,647	44.1	\$ 73,099	48.2	\$ 24,922

	All Retirements (excluding Survivors)	
	Average Age At Retirement	Average Annual Benefit At Retirement*
<b>All Retirees</b>	50.1	\$ 55,370

\* 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, 2012**

**SERVICE RETIREMENTS**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
40			1	\$ 20,738
41			1	21,906
42				
43			2	22,573
44				
45	3	\$ 197,021	1	10,364
46	7	528,340	3	104,904
47	23	1,775,395	6	229,611
48	40	3,164,317	5	190,856
49	52	4,178,746	10	330,993
50	58	4,547,203	6	194,426
51	67	5,320,828	13	414,861
52	41	3,260,024	9	346,782
53	79	6,226,799	14	568,108
54	68	5,232,616	9	256,954
55	85	6,655,562	12	517,471
56	89	6,610,086	8	279,991
57	61	4,481,194	11	328,470
58	83	6,192,577	8	380,966
59	51	3,813,106	5	82,597
60	61	4,421,825	2	84,262
61	70	4,747,864	6	72,766
62	50	3,536,277	2	36,622
63	69	4,762,587	6	148,901
64	66	4,115,860	2	49,171
65	87	5,659,026	9	203,880
66	95	5,764,182	8	161,918
67	75	4,368,347	8	146,002
68	68	3,793,733	1	16,049
69	87	4,890,366		
70	82	4,369,516	1	12,000
71	86	4,440,412	3	52,772
72	58	3,010,405		
73	43	2,241,756	3	77,114
74	51	2,496,687	3	64,351
75	28	1,357,986		

**TABLE 6****THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012****SERVICE RETIREMENTS  
(CONTINUED)**

<b>AGE</b>	<b>MEN</b>		<b>WOMEN</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
76	30	\$ 1,331,970	1	\$ 2,600
77	24	1,133,324		
78	17	842,863	1	25,968
79	16	684,861		
80	27	1,230,524		
81	30	1,299,150		
82	28	1,109,804		
83	21	852,291		
84	35	1,504,587		
85	16	552,750		
86	15	481,247		
87	15	490,023		
88	12	355,929		
89	5	144,006		
90	3	75,202		
91	3	108,511		
92	2	83,057		
93	1	33,294		
94	1	27,208		
95	1	38,196		
97	1	31,975		
<b>TOTAL</b>	<b>2,186</b>	<b>\$ 138,571,415</b>	<b>180</b>	<b>\$ 5,456,947</b>

**TABLE 7**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**BENEFICIARIES OF DECEASED PENSIONERS**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
46			1	\$ 45,902
49			1	49,252
50			1	47,618
52				
53			3	153,297
54	1	\$ 10,100	1	40,675
55			5	224,658
56			1	61,868
57			1	49,065
58			2	69,443
59			1	36,516
60			2	75,671
61			1	54,071
62			9	416,517
63				
64			8	292,517
65	1	10,132	12	506,871
66			4	155,118
67			7	294,929
68			6	231,085
69			10	361,948
70	1	41,306	12	507,743
71			12	426,400
72			10	347,913
73			4	161,067
74			12	418,623
75			7	245,067
76			6	178,070
77			9	304,277
78			7	212,426
79			10	330,652

**TABLE 7**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**BENEFICIARIES OF DECEASED PENSIONERS  
(CONTINUED)**

<b>AGE</b>	<b>MEN</b>		<b>WOMEN</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
80			19	\$ 578,854
81			16	442,106
82			16	455,500
83			19	561,060
84			18	479,180
85			12	365,139
86			9	261,651
87			6	162,317
88			10	300,173
89			5	128,252
90			5	141,329
91			3	86,902
92			4	105,681
93			5	107,550
94			5	110,641
95			1	21,826
96			2	47,043
97			2	26,732
<b>TOTAL</b>	<b>3</b>	<b>\$ 61,538</b>	<b>322</b>	<b>\$ 10,681,195</b>

**TABLE 8**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**BENEFICIARIES OF DECEASED ACTIVE EMPLOYEES**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
32			1	\$ 66,297
36			1	75,469
37			1	47,113
44			1	42,679
46			1	76,449
47			1	76,449
48			1	37,577
49			2	151,689
50			1	76,449
51			1	52,511
53			1	65,123
54			2	111,851
57			1	40,928
58			1	45,884
60			2	107,005
61			2	84,074
62			1	56,211
63			3	100,966
65			1	36,769
66			1	50,776
67			3	113,570
68			3	115,826
69			3	146,710
70			1	47,768
71			2	80,957
72			2	62,886
73			1	21,964
75			1	41,037
77			1	29,387
78			1	36,622
80			2	48,074
82			3	97,247
83			1	22,518
84			1	38,740
85			1	24,205
86			1	32,548
87			1	19,466
88			2	52,289
91			2	33,242
92			1	20,460

**TABLE 8**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**BENEFICIARIES OF DECEASED ACTIVE EMPLOYEES  
(CONTINUED)**

<b>AGE</b>	<b>MEN</b>		<b>WOMEN</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
93			1	\$ 17,650
96			1	15,992
<b>TOTAL</b>			61	\$ 2,521,427

**TABLE 9**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF BENEFICIARIES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**CHILDREN OF DECEASED MEMBERS**

<b>AGE</b>	<b>MEN</b>		<b>WOMEN</b>	
	<b>NUMBER</b>	<b>AMOUNT</b>	<b>NUMBER</b>	<b>AMOUNT</b>
11			1	\$ 7,650
14				
15			1	11,905
16			1	7,650
17				
18				
19			1	7,650
<b>TOTAL</b>			4	\$ 34,855

**TABLE 10**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**ORDINARY DISABILITY RETIREMENTS**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
33	1	\$ 31,970		
36	1	40,794		
40	1	36,524		
41	1	40,556	1	\$ 28,593
43	1	30,554		
44	3	86,873		
45	2	73,660		
46	7	259,350	3	37,900
47	4	112,840		
48	8	281,429	3	119,446
49	5	214,822	4	119,781
50	5	198,204	3	71,064
51	5	195,046	3	72,623
52	1	37,270	1	18,497
53	6	302,669	2	65,299
54	4	178,259	1	9,007
55	4	248,077	1	51,125
56	4	168,996	1	9,996
57	1	56,880		
58	4	205,922	1	26,235
59	2	83,864		
60	3	143,500		
61	2	29,357	1	8,141
62	1	26,351	1	21,833
63	1	50,998		
64	2	28,573		
65	4	132,403	1	32,532
67	3	85,709		
68	3	105,885	1	13,757
69	1	23,847		
70	3	82,557		
71	2	39,317		
72	4	105,321		
73	2	75,309		
74	3	57,322		
75	1	19,311		
87	1	16,282		
<b>TOTAL</b>	<b>106</b>	<b>\$ 3,906,601</b>	<b>28</b>	<b>\$ 705,829</b>

**TABLE 11**

**THE NUMBER AND ANNUAL RETIREMENT  
ALLOWANCES OF RETIRED MEMBERS DISTRIBUTED  
BY AGE AS OF JUNE 30, 2012**

**ACCIDENTAL DISABILITY RETIREMENTS**

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
30	1	\$ 48,700	1	\$ 50,082
31	1	47,708		
33	1	67,815		
34	3	195,133		
37	1	58,530		
38	2	134,716		
39	3	159,400		
40	3	173,789		
41	5	315,415		
42	2	126,931		
43	1	50,017		
44	5	289,172		
45	7	436,321	2	147,646
46	4	259,952		
47	8	543,126	1	57,133
48	9	542,056	2	12,212
49	8	520,916	1	61,104
50	6	347,329		
51	8	421,420	3	27,717
52	4	264,376	1	40,988
53	4	269,782	1	3,380
54	2	96,843	1	31,413
55	1	71,460	2	112,506
56	4	206,630		
57	1	63,937		
58	3	177,645		
60	3	138,024	1	12,584
62	3	176,931	1	51,830
65	1	54,720		
66	1	36,349		
67	1	74,400		
68	2	65,090		
69	1	28,265		
70	5	161,462		
71	1	26,722		
72	1	25,289		
73	3	105,442		
74	1	45,399		
75	1	51,305		
81	1	29,096		
87	1	35,338		
<b>TOTAL</b>	<b>123</b>	<b>\$ 6,942,951</b>	<b>17</b>	<b>\$ 608,595</b>