

**St. Paul Teachers' Retirement Fund Association**

*Actuarial Valuation and Review  
as of July 1, 2007*

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November 29, 2007

Mr. Phillip Kapler  
St. Paul Teachers' Retirement Fund Association  
1619 Dayton Avenue, Room 309  
Saint Paul, MN 55104-6206

Dear Mr. Kapler:

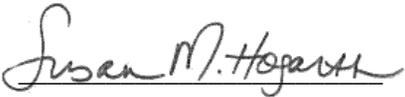
We are pleased to submit this Actuarial Valuation and Review as of July 1, 2007. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2008 and analyzes the preceding year's experience.

The census information on which our calculations were based was prepared by the Fund and the financial information was provided by the Fund. That assistance is gratefully acknowledged. The actuarial calculations were completed under our supervision.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion the assumptions used in the valuation are consistent with those in the statute, and reasonably represent the experience of the plan.

Sincerely,

THE SEGAL COMPANY

By:     
Thomas D. Levy, FSA, FCIA, MAAA, EA    Andre Latia, FSA, MAAA, EA    Susan M. Hogarth, EA, MAAA  
Senior Vice President and Chief Actuary    Senior Vice President and Consulting Actuary    Consulting Actuary

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## SECTION 1

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## **SECTION 1: Valuation Summary for the St. Paul Teachers' Retirement Fund Association**

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### **Purpose**

This report has been prepared by The Segal Company to present a valuation of the St. Paul Teachers' Retirement Fund Association as of July 1, 2007. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- Section 356.215 of the Minnesota Statutes;
- The benefit provisions of the Retirement Fund, as prescribed in the bylaws, governing statutes and policies of the Fund;
- The characteristics of covered active members, inactive vested members, pensioners, survivors and beneficiaries as of July 1, 2007, provided by the Fund;
- The assets of the Fund as of June 30, 2007, provided by the Fund;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions regarding employee terminations, retirement, death, etc.

## SECTION 1: Valuation Summary for the St. Paul Teachers' Retirement Fund Association

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### Significant Issues in Valuation Year

The following key findings were the result of this actuarial valuation:

- The actuarial accrued liability funded ratio based on the actuarial value of assets over the actuarial accrued liability as of July 1, 2007 is 73.01% compared to 69.11% as of July 1, 2006. This ratio is a measure of funding status; its history is a measure of funding progress.
- The statutory contribution rate under Chapter 354A is equal to 16.07% of payroll compared to the required contribution rate under Chapter 356 of 24.10% of payroll. Therefore, the contribution deficiency is 8.03% of payroll as of July 1, 2007, compared to the contribution deficiency as of July 1, 2006 of 8.70% of payroll. The required contribution rate determination assumes an amortization date for the Fund of June 30, 2021, due to the 2002 legislative assumption changes adding one year to the original amortization date of June 30, 2020, set by Section 356.215 of the Minnesota Statutes. Each year there is a contribution deficiency leads to an increased deficiency in all future years. The FY2007 shortfall increased the required rate for FY2008 (and each succeeding year through FY2021) by 0.92% of payroll.
- The required contribution rate under an amortization period of 30 years is 18.02% of payroll, thus reducing the contribution deficiency to 1.95% of payroll.
- The active member population has been steadily decreasing from July 1, 2004 to July 1, 2007, and the inactive/pay status (non-actives) population has been steadily increasing. The ratio of non-actives to actives has increased to 1.11 for the year ended June 30, 2007.
- The data reported for benefit service purposes for the July 1, 2007 actuarial valuation was corrected to exclude combined service. This resulted in a decrease to the actuarial accrued liability of \$26,652,749.
- The report shows that the statutory funding rate is significantly less than the required rate. In the absence of exceptionally favorable future experience, this difference is expected to increase over time. We strongly recommend that this shortfall be addressed promptly, so that the funded position does not continue to deteriorate.
- There were no changes in plan provisions or actuarial cost methods since the prior valuation.
- The only change in actuarial assumptions since the prior valuation is to the assumption used for the benefit increases after retirement (cost of living adjustment – COLA). The current COLA assumption of a 2.00% annual automatic increase plus periodic investment-gain-funded adjustments is replaced with a two-year pilot program of an estimated assumption to provide 2.70% for two years effective with the January 1, 2008 and January 1, 2009 benefit increases, and 2.00% for all years thereafter. This assumption change resulted in an increase to the Unfunded Actuarial Accrued Liability (UAAL) of \$11,293,789, hence increasing the Supplemental Contribution by \$1,025,636 and increasing the Contribution Deficiency by 0.44% of payroll.

## SECTION 1: Valuation Summary for the St. Paul Teachers' Retirement Fund Association

### Summary of Key Valuation Results

|   | 2007            | 2006            |
|---|-----------------|-----------------|
| <b>Contributions (% of payroll) for plan year beginning July 1:</b>         |                 |                 |
| Statutory – Chapter 354A  | 16.07%          | 16.33%          |
| Required – Chapter 356  | 24.10%          | 25.03%          |
| Sufficiency/(Deficiency)  | -8.03%          | -8.70%          |
| <b>Funding elements for plan year beginning July 1:</b>                     |                 |                 |
| Normal cost   | \$21,099,816    | \$21,575,645    |
| Market value of assets  | 1,156,017,206   | 1,005,745,229   |
| Actuarial value of assets (AVA)   | 1,015,722,034   | 938,919,005     |
| Actuarial accrued liability (AAL)   | 1,391,297,918   | 1,358,619,906   |
| Unfunded/(Overfunded) actuarial accrued liability                           | 375,575,884     | 419,700,901     |
| <b>Funded ratios:</b>   |                 |                 |
| <u>Accrued Benefit Funded Ratio</u>   | 75.48%          | 71.90%          |
| Current assets (AVA)  | \$1,015,722,034 | \$938,919,005   |
| Current benefit obligations   | 1,345,611,315   | 1,305,809,497   |
| <u>Projected Benefit Funded Ratio</u>                                       | 86.54%          | 84.22%          |
| Current and expected future assets  | \$1,389,721,823 | \$1,328,442,124 |
| Current and expected future benefit obligations (Present Value of Benefits) | 1,605,847,494   | 1,577,289,001   |
| <b>GASB 25/27 for plan year beginning July 1:</b>                           |                 |                 |
| Annual required employer contributions                                      | \$43,923,513    | \$40,373,190    |
| Accrued Liability Funded Ratio (AVA/AAL)                                    | 73.01%          | 69.11%          |
| Covered actual payroll  | \$229,172,337   | \$226,350,763   |
| <b>Demographic data for plan year beginning July 1:</b>                     |                 |                 |
| Number of pensioners, survivors and beneficiaries                           | 2,738           | 2,624           |
| Number of vested terminated members   | 1,693           | 1,447           |
| Number of other non-vested terminated members                               | 1,538           | 1,671           |
| Number of active members  | 3,841           | 4,052           |
| Number of members on leave of absence*                                      | 141             | 150             |
| Total projected payroll**   | \$233,099,133   | \$234,213,344   |
| Average annual compensation (projected dollars)                             | 58,538          | 55,739          |

\* Members on leave of absence are treated as active members.

\*\* Calculated as covered actual payroll, projected one year with salary scale. Also, includes members on leave of absence.

**SECTION 2: Valuation Results for the St. Paul Teachers' Retirement Fund Association**

**A. MEMBER DATA**

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, vested terminated members, pensioners, survivors and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, C, D, E and F.

*A historical perspective of how the member population has changed over the past several valuations can be seen in this chart.*

**CHART 1**  
**Member Population: 2002 – 2007**

| <b>Year Ended<br/>June 30</b> | <b>Active<br/>Members*</b> | <b>Vested Terminated<br/>Members**</b> | <b>Pensioners, Survivors<br/>and Beneficiaries</b> | <b>Ratio of Non-Actives<br/>to Actives</b> |
|-------------------------------|----------------------------|--|--|--|
| 2002                          | 4,306                      | 815                                    | 2,136  | 0.69                                       |
| 2003                          | 4,331                      | 858                                    | 2,248  | 0.72                                       |
| 2004                          | 4,568                      | 1,261                                  | 2,361  | 0.79                                       |
| 2005                          | 4,349                      | 1,368                                  | 2,505  | 0.89                                       |
| 2006                          | 4,202                      | 1,447                                  | 2,624  | 0.97                                       |
| 2007                          | 3,982                      | 1,693                                  | 2,738  | 1.11                                       |

\* For years after 2003, includes members on leave of absence.

\*\* Excludes terminated members due a refund of employee contributions

**SECTION 2: Valuation Results for the St. Paul Teachers' Retirement Fund Association**

**Active Members**

Plan costs are affected by the age, years of service and payroll of active members. In this year's valuation, there were 3,982 active members (including 141 members on leave of absence) with an average age of 44.9, average years of service of 10.9 years and average projected compensation of \$58,538. The 4,202 active members (including 150 members on leave of absence) in the prior valuation had an average age of 44.6, average service of 11.4 years and average projected compensation of \$55,739.

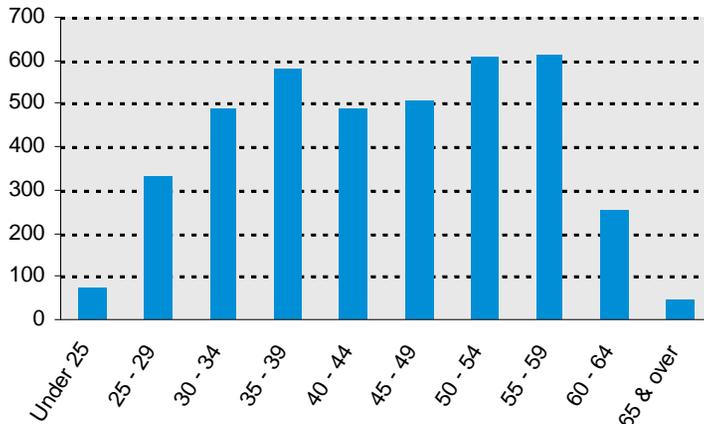
**Inactive Members**

In this year's valuation, there were 1,693 members with a vested right to a deferred or immediate vested benefit.

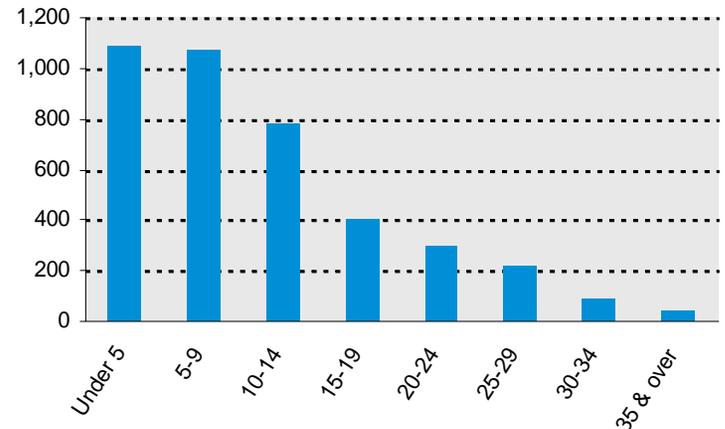
In addition, there were 1,538 other non-vested terminated members entitled to a return of their employee contributions.

*These graphs show a distribution of active members by age and by years of service.*

**CHART 2**  
**Distribution of Active Members by Age as of June 30, 2007**



**CHART 3**  
**Distribution of Active Members by Years of Service as of June 30, 2007**



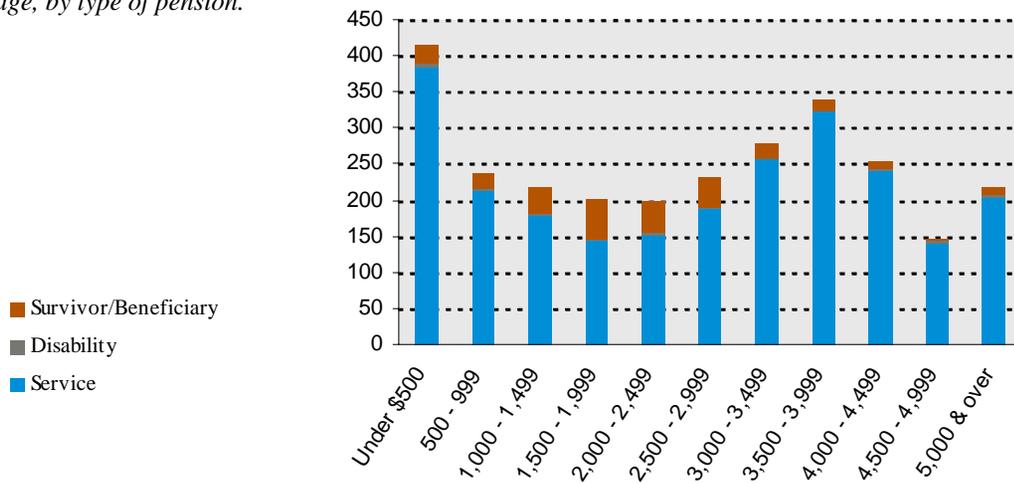
**SECTION 2: Valuation Results for the St. Paul Teachers' Retirement Fund Association**

**Pensioners, Survivors and Beneficiaries**

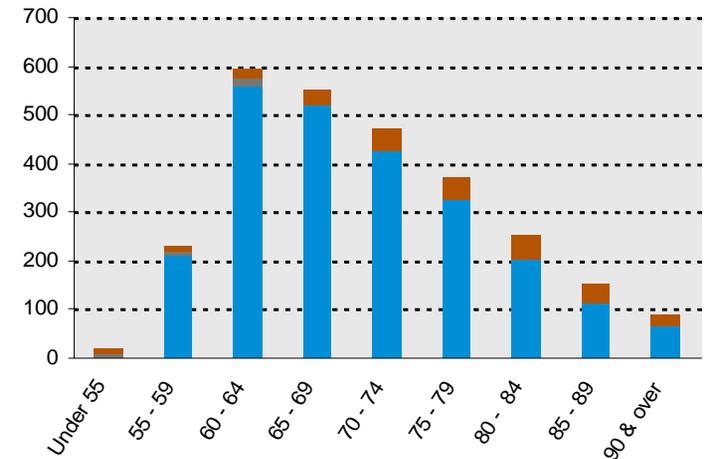
As of June 30, 2007, 2,454 pensioners (including 24 disabled participants) and 284 survivors and beneficiaries were receiving total monthly benefits of \$7,235,297. For comparison, in the previous valuation, there were 2,344 pensioners (including 25 disabled participants) and 280 survivors and beneficiaries receiving monthly benefits of \$6,814,792.

*These graphs show a distribution of the current pensioners, survivors and beneficiaries based on their monthly amount and age, by type of pension.*

**CHART 4**  
**Distribution of Pensioners, Survivors and Beneficiaries by Type and by Monthly Amount as of June 30, 2007**



**CHART 5**  
**Distribution of Pensioners, Survivors and Beneficiaries by Type and by Age as of June 30, 2007**



**SECTION 2: Valuation Results for the St. Paul Teachers' Retirement Fund Association**

**B. FINANCIAL INFORMATION**

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Minnesota Statutes require an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Both the actuarial value and market value of assets are representations of the Fund's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Fund's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

*The chart shows the determination of the actuarial value of assets as of the valuation date.*

**CHART 6  
Determination of Actuarial Value of Assets for Year Ended June 30, 2007**

|  | Original Amount | % Not Recognized |                        |
|--|-----------------|------------------|------------------------|
| 1. Market value of assets available for benefits               |                 |                  | \$1,156,017,206        |
| 2. Calculation of unrecognized return                          |                 |                  |                        |
| (a) Year ended June 30, 2007                                   | \$114,209,326   | 80%              | \$91,367,461           |
| (b) Year ended June 30, 2006                                   | 36,135,488      | 60%              | 21,681,293             |
| (c) Year ended June 30, 2005                                   | 26,860,009      | 40%              | 10,744,004             |
| (d) Year ended June 30, 2004                                   | 82,512,072      | 20%              | <u>16,502,414</u>      |
| (e) Total unrecognized return                                  |                 |                  | \$140,295,172          |
| 3. Actuarial value of assets: (1) - (2e)<br>("Current Assets") |                 |                  | <u>\$1,015,722,034</u> |
| 4. Actuarial value as a percent of market value                |                 |                  | <u>87.86%</u>          |

**SECTION 2: Valuation Results for the St. Paul Teachers' Retirement Fund Association**

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**C. ACTUARIAL EXPERIENCE**

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution

requirements to remain stable, assumptions should approximate experience. If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

For the plan year ended June 30, 2007, the total gain is \$76,105,934, of which a gain of \$46,420,607 is from investments, a gain of \$26,652,749 is from service data reported, and a gain of \$3,032,578 is from all other sources. The net experience variation from individual sources other than investments and service data reported was 0.2% of the actuarial accrued liability and includes age/service retirements, disability mortality (pre and post-retirement), withdrawal, and salary increases. The data reported for benefit service purposes was corrected to exclude combined service.

*This chart provides a summary of the actuarial experience during the past year.*

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**CHART 7**  
**Actuarial Experience for Year Ended June 30, 2007**

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|   |                  |
|---|------------------|
| 1. Net gain from investments            | \$46,420,607     |
| 2. Net gain from service data reported  | 26,652,749       |
| 3. Net gain from other experience       | <u>3,032,578</u> |
| 4. Net experience gain: (1) + (2) + (3) | \$76,105,934     |

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## SECTION 2: Valuation Results for the St. Paul Teachers' Retirement Fund Association

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### **D. INFORMATION REQUIRED BY THE GASB**

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

Critical information to GASB is the historical comparison of the GASB required contribution to the actual contributions. This comparison demonstrates whether a plan is being funded in accordance with the GASB actuarially required contributions. Section 4, Exhibit III presents a schedule of this information for the Fund.

The other critical piece of information regarding the Fund's financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of the plan as calculated under GASB. High ratios indicate a well-funded plan with assets sufficient to pay most benefits. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other factors.

GASB requires that the actuarial value of assets be used to determine the funded ratio, as shown in Section 4, Exhibit IV.

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT A**

**Table of Plan Coverage**

| <b>Category</b>                               | <b>Year Ended June 30</b> |               | <b>Change From Prior Year</b> |
|---|---------------------------|---------------|-------------------------------|
|   | <b>2007</b>               | <b>2006</b>   |                               |
| <b>Active members in valuation*:</b>          |                           |               |                               |
| Number  | 3,982                     | 4,202         | -5.2%                         |
| Average age                                   | 44.9                      | 44.6          | N/A                           |
| Average service                               | 10.9                      | 11.4          | N/A                           |
| Total projected payroll                       | \$233,099,133             | \$234,213,344 | -0.5%                         |
| Average projected compensation                | 58,538                    | 55,739        | 5.0%                          |
| Total active vested members                   | 3,335                     | 3,415         | -2.3%                         |
| <b>Vested terminated members</b>              | 1,693                     | 1,447         | 17.0%                         |
| <b>Retired participants/Alternate payees:</b> |                           |               |                               |
| Number in pay status                          | 2,430                     | 2,319         | 4.8%                          |
| Average age                                   | 70.6                      | 70.5          | N/A                           |
| Average monthly benefit                       | \$2,697                   | \$2,657       | 1.5%                          |
| <b>Disabled members:</b>                      |                           |               |                               |
| Number in pay status                          | 24                        | 25            | -4.0%                         |
| Average age                                   | 58.7                      | 58.7          | N/A                           |
| Average monthly benefit                       | \$2,648                   | \$2,525       | 4.9%                          |
| <b>Other non-vested terminated members</b>    | 1,538                     | 1,671         | -8.0%                         |
| <b>Survivors/Beneficiaries:</b>               |                           |               |                               |
| Number in pay status                          | 284                       | 280           | 1.4%                          |
| Average age                                   | 76.1                      | 75.2          | N/A                           |
| Average monthly benefit                       | \$2,180                   | \$2,104       | 3.6%                          |

\* For 2006, includes 150 members on leave of absence, and for 2007, includes 141 members on leave of absence.

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT B-1**

**Members in Active Service as of June 30, 2007  
By Age, Years of Service, and Average Projected Compensation - Total**

| Age       | Years of Service |          |          |          |          |          |          |          |           |
|-----------|------------------|----------|----------|----------|----------|----------|----------|----------|-----------|
|           | Total            | Under 5  | 5-9      | 10-14    | 15-19    | 20-24    | 25-29    | 30-34    | 35 & Over |
| Under 25  | 75               | 75       | --       | --       | --       | --       | --       | --       | --        |
|           | \$14,060         | \$14,060 | --       | --       | --       | --       | --       | --       | --        |
| 25 - 29   | 333              | 273      | 60       | --       | --       | --       | --       | --       | --        |
|           | 40,317           | 38,232   | \$49,806 | --       | --       | --       | --       | --       | --        |
| 30 - 34   | 488              | 176      | 269      | 43       | --       | --       | --       | --       | --        |
|           | 49,530           | 43,251   | 51,725   | \$61,500 | --       | --       | --       | --       | --        |
| 35 - 39   | 580              | 137      | 238      | 196      | 9        | --       | --       | --       | --        |
|           | 56,196           | 42,767   | 55,470   | 66,011   | \$66,082 | --       | --       | --       | --        |
| 40 - 44   | 486              | 105      | 121      | 156      | 79       | 25       | --       | --       | --        |
|           | 62,524           | 43,649   | 59,502   | 67,876   | 74,845   | \$84,097 | --       | --       | --        |
| 45 - 49   | 506              | 88       | 136      | 113      | 91       | 67       | 11       | --       | --        |
|           | 63,421           | 36,675   | 60,302   | 69,716   | 72,893   | 79,709   | \$73,692 | --       | --        |
| 50 - 54   | 607              | 94       | 109      | 115      | 90       | 92       | 94       | 13       | --        |
|           | 65,186           | 36,554   | 56,700   | 67,765   | 71,560   | 74,177   | 82,651   | \$86,503 | --        |
| 55 - 59   | 611              | 79       | 101      | 111      | 82       | 77       | 87       | 58       | 16        |
|           | 67,834           | 32,821   | 59,764   | 68,943   | 73,648   | 78,444   | 77,728   | 85,121   | \$86,631  |
| 60 - 64   | 252              | 39       | 32       | 44       | 48       | 35       | 20       | 15       | 19        |
|           | 65,946           | 27,836   | 54,567   | 72,021   | 72,342   | 75,260   | 81,768   | 80,537   | 87,774    |
| 65 & Over | 44               | 20       | 9        | 4        | 3        | 2        | 3        | --       | 3         |
|           | 39,654           | 7,992    | 39,678   | 69,473   | 74,554   | 73,109   | 91,291   | --       | 102,057   |
| Total     | 3,982            | 1,086    | 1,075    | 782      | 402      | 298      | 215      | 86       | 38        |
|           | \$58,538         | \$36,876 | \$55,651 | \$67,700 | \$72,926 | \$77,476 | \$80,239 | \$84,530 | \$88,420  |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT B-2**

**Members in Active Service as of June 30, 2007  
By Age, Years of Service, and Average Projected Compensation - Basic**

| Age       | Years of Service |         |     |       |       |          |          |          |           |
|-----------|------------------|---------|-----|-------|-------|----------|----------|----------|-----------|
|           | Total            | Under 5 | 5-9 | 10-14 | 15-19 | 20-24    | 25-29    | 30-34    | 35 & Over |
| Under 25  | --               | --      | --  | --    | --    | --       | --       | --       | --        |
| 25 - 29   | --               | --      | --  | --    | --    | --       | --       | --       | --        |
| 30 - 34   | --               | --      | --  | --    | --    | --       | --       | --       | --        |
| 35 - 39   | --               | --      | --  | --    | --    | --       | --       | --       | --        |
| 40 - 44   | --               | --      | --  | --    | --    | --       | --       | --       | --        |
| 45 - 49   | --               | --      | --  | --    | --    | --       | --       | --       | --        |
| 50 - 54   | 29               | --      | --  | --    | --    | 4        | 14       | 11       | --        |
| 55 - 59   | \$81,072         | --      | --  | --    | --    | \$65,931 | \$81,092 | \$86,553 | --        |
| 60 - 64   | 90               | --      | --  | --    | --    | 4        | 25       | 45       | 16        |
| 65 & Over | 3                | --      | --  | --    | --    | --       | --       | --       | 3         |
|           | 83,425           | --      | --  | --    | --    | 78,212   | 78,403   | 85,539   | \$86,631  |
|           | 31               | --      | --  | --    | --    | 1        | 1        | 12       | 17        |
|           | 83,877           | --      | --  | --    | --    | 81,553   | 88,856   | 79,530   | 86,789    |
|           | 102,057          | --      | --  | --    | --    | --       | --       | --       | 102,057   |
| Total     | 153              | --      | --  | --    | --    | 9        | 40       | 68       | 36        |
|           | \$83,436         | --      | --  | --    | --    | \$73,125 | \$79,605 | \$84,642 | \$87,991  |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT B-3**

**Members in Active Service as of June 30, 2007  
By Age, Years of Service, and Average Projected Compensation - Coordinated**

| Age       | Years of Service |          |          |          |          |          |          |          |           |
|-----------|------------------|----------|----------|----------|----------|----------|----------|----------|-----------|
|           | Total            | Under 5  | 5-9      | 10-14    | 15-19    | 20-24    | 25-29    | 30-34    | 35 & Over |
| Under 25  | 75               | 75       | --       | --       | --       | --       | --       | --       | --        |
|           | \$14,060         | \$14,060 | --       | --       | --       | --       | --       | --       | --        |
| 25 - 29   | 333              | 273      | 60       | --       | --       | --       | --       | --       | --        |
|           | 40,317           | 38,232   | \$49,806 | --       | --       | --       | --       | --       | --        |
| 30 - 34   | 488              | 176      | 269      | 43       | --       | --       | --       | --       | --        |
|           | 49,530           | 43,251   | 51,725   | \$61,500 | --       | --       | --       | --       | --        |
| 35 - 39   | 580              | 137      | 238      | 196      | 9        | --       | --       | --       | --        |
|           | 56,196           | 42,767   | 55,470   | 66,011   | \$66,082 | --       | --       | --       | --        |
| 40 - 44   | 486              | 105      | 121      | 156      | 79       | 25       | --       | --       | --        |
|           | 62,524           | 43,649   | 59,502   | 67,876   | 74,845   | \$84,097 | --       | --       | --        |
| 45 - 49   | 506              | 88       | 136      | 113      | 91       | 67       | 11       | --       | --        |
|           | 63,421           | 36,675   | 60,302   | 69,716   | 72,893   | 79,709   | \$73,692 | --       | --        |
| 50 - 54   | 578              | 94       | 109      | 115      | 90       | 88       | 80       | 2        | --        |
|           | 64,389           | 36,554   | 56,700   | 67,765   | 71,560   | 74,552   | 82,923   | \$86,226 | --        |
| 55 - 59   | 521              | 79       | 101      | 111      | 82       | 73       | 62       | 13       | --        |
|           | 65,141           | 32,821   | 59,764   | 68,943   | 73,648   | 78,456   | 77,457   | 83,674   | --        |
| 60 - 64   | 221              | 39       | 32       | 44       | 48       | 34       | 19       | 3        | 2         |
|           | 63,431           | 27,836   | 54,567   | 72,021   | 72,342   | 75,075   | 81,395   | 84,564   | \$96,141  |
| 65 & Over | 41               | 20       | 9        | 4        | 3        | 2        | 3        | --       | --        |
|           | 35,088           | 7,992    | 39,678   | 69,473   | 74,554   | 73,109   | 91,291   | --       | --        |
| Total     | 3,829            | 1,086    | 1,075    | 782      | 402      | 289      | 175      | 18       | 2         |
|           | \$57,543         | \$36,876 | \$55,651 | \$67,700 | \$72,926 | \$77,611 | \$80,384 | \$84,106 | \$96,141  |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT C-1**

**Retired Participants and Alternate Payees as of June 30, 2007  
By Age, Years Retired and Average Annual Benefit - Total**

| Age       | Years Retired |          |          |          |          |          |          |          |          |           |
|-----------|---------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
|           | Total         | Under 5  | 5-9      | 10-14    | 15-19    | 20-24    | 25-29    | 30-34    | 35-39    | 40 & Over |
| Under 45  | --            | --       | --       | --       | --       | --       | --       | --       | --       | --        |
| 45 - 49   | --            | --       | --       | --       | --       | --       | --       | --       | --       | --        |
| 50 - 54   | --            | --       | --       | --       | --       | --       | --       | --       | --       | --        |
| 55 - 59   | 213           | 213      | --       | --       | --       | --       | --       | --       | --       | --        |
| 60 - 64   | \$33,356      | \$33,356 | --       | --       | --       | --       | --       | --       | --       | --        |
| 65 - 69   | 561           | 356      | 204      | 1        | --       | --       | --       | --       | --       | --        |
| 70 - 74   | 30,636        | 32,492   | \$27,493 | \$11,230 | --       | --       | --       | --       | --       | --        |
| 75 - 79   | 521           | 142      | 245      | 132      | 1        | --       | --       | 1        | --       | --        |
| 80 - 84   | 31,303        | 24,931   | 32,385   | 35,776   | \$61,056 | --       | --       | \$50,707 | --       | --        |
| 85 - 89   | 424           | 21       | 121      | 223      | 57       | 1        | --       | 1        | --       | --        |
| 90 & Over | 34,253        | 21,257   | 31,680   | 38,578   | 26,857   | \$55,522 | --       | 54,142   | --       | --        |
| Total     | 323           | 4        | 7        | 122      | 105      | 84       | --       | 1        | --       | --        |
|           | 38,291        | 8,183    | 14,274   | 46,564   | 35,904   | 32,437   | --       | 59,799   | --       | --        |
|           | 204           | 1        | 4        | 14       | 59       | 99       | 27       | --       | --       | --        |
|           | 31,695        | 29,102   | 21,664   | 45,952   | 35,827   | 29,698   | \$24,180 | --       | --       | --        |
|           | 114           | --       | 1        | --       | 12       | 48       | 50       | 3        | --       | --        |
|           | 28,020        | --       | 52,962   | --       | 34,636   | 26,577   | 27,380   | 26,982   | --       | --        |
|           | 70            | 4        | --       | --       | --       | 2        | 22       | 38       | 3        | 1         |
|           | 21,122        | 14,953   | --       | --       | --       | 22,060   | 22,046   | 21,369   | \$20,794 | \$15,199  |
| Total     | 2,430         | 741      | 582      | 492      | 234      | 234      | 99       | 44       | 3        | 1         |
|           | \$32,358      | \$30,743 | \$30,267 | \$39,961 | \$33,723 | \$30,086 | \$25,322 | \$24,037 | \$20,794 | \$15,199  |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT C-2**

**Retired Participants and Alternate Payees as of June 30, 2007  
By Age, Years Retired and Average Annual Benefit - Basic**

| Age          | Years Retired |            |            |            |            |            |           |           |          |           |
|--------------|---------------|------------|------------|------------|------------|------------|-----------|-----------|----------|-----------|
|              | Total         | Under 5    | 5-9        | 10-14      | 15-19      | 20-24      | 25-29     | 30-34     | 35-39    | 40 & Over |
| Under 45     | --            | --         | --         | --         | --         | --         | --        | --        | --       | --        |
| 45 - 49      | --            | --         | --         | --         | --         | --         | --        | --        | --       | --        |
| 50 - 54      | --            | --         | --         | --         | --         | --         | --        | --        | --       | --        |
| 55 - 59      | 154           | 154        | --         | --         | --         | --         | --        | --        | --       | --        |
| 60 - 64      | 377           | 212        | 164        | 1          | --         | --         | --        | --        | --       | --        |
| 65 - 69      | 335           | 44         | 176        | 113        | 1          | --         | --        | 1         | --       | --        |
| 70 - 74      | 323           | 5          | 70         | 190        | 56         | 1          | --        | 1         | --       | --        |
| 75 - 79      | 282           | --         | 1          | 99         | 97         | 84         | --        | 1         | --       | --        |
| 80 - 84      | 187           | --         | 1          | 11         | 53         | 96         | 26        | --        | --       | --        |
| 85 - 89      | 110           | --         | 1          | --         | 11         | 45         | 50        | 3         | --       | --        |
| 90 & Over    | 67            | 2          | --         | --         | --         | 2          | 21        | 38        | 3        | 1         |
|              | 21,883        | 25,484     | --         | --         | --         | 22,060     | 22,927    | 21,369    | \$20,794 | \$15,199  |
| <b>Total</b> | <b>1,835</b>  | <b>417</b> | <b>413</b> | <b>414</b> | <b>218</b> | <b>228</b> | <b>97</b> | <b>44</b> | <b>3</b> | <b>1</b>  |
|              | \$37,818      | \$41,125   | \$37,237   | \$44,586   | \$35,658   | \$30,746   | \$25,684  | \$24,037  | \$20,794 | \$15,199  |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT C-3**

**Retired Participants and Alternate Payees as of June 30, 2007  
By Age, Years Retired and Average Annual Benefit - Coordinated**

| Age          | Years Retired   |                 |                 |                 |                |                |                |           |           |           |
|--------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|-----------|-----------|-----------|
|              | Total           | Under 5         | 5-9             | 10-14           | 15-19          | 20-24          | 25-29          | 30-34     | 35 -39    | 40 & Over |
| Under 45     | --              | --              | --              | --              | --             | --             | --             | --        | --        | --        |
|              | --              | --              | --              | --              | --             | --             | --             | --        | --        | --        |
| 45 - 49      | --              | --              | --              | --              | --             | --             | --             | --        | --        | --        |
|              | --              | --              | --              | --              | --             | --             | --             | --        | --        | --        |
| 50 - 54      | --              | --              | --              | --              | --             | --             | --             | --        | --        | --        |
|              | --              | --              | --              | --              | --             | --             | --             | --        | --        | --        |
| 55 - 59      | 59              | 59              | --              | --              | --             | --             | --             | --        | --        | --        |
|              | \$17,064        | \$17,064        | --              | --              | --             | --             | --             | --        | --        | --        |
| 60 - 64      | 184             | 144             | 40              | --              | --             | --             | --             | --        | --        | --        |
|              | 18,466          | 20,197          | \$12,233        | --              | --             | --             | --             | --        | --        | --        |
| 65 - 69      | 186             | 98              | 69              | 19              | --             | --             | --             | --        | --        | --        |
|              | 14,350          | 15,547          | 13,350          | \$11,805        | --             | --             | --             | --        | --        | --        |
| 70 - 74      | 101             | 16              | 51              | 33              | 1              | --             | --             | --        | --        | --        |
|              | 13,117          | 7,618           | 13,430          | 15,517          | \$5,930        | --             | --             | --        | --        | --        |
| 75 - 79      | 41              | 4               | 6               | 23              | 8              | --             | --             | --        | --        | --        |
|              | 13,883          | 8,183           | 15,165          | 16,861          | 7,208          | --             | --             | --        | --        | --        |
| 80 - 84      | 17              | 1               | 3               | 3               | 6              | 3              | 1              | --        | --        | --        |
|              | 14,094          | 29,102          | 16,753          | 26,049          | 8,513          | \$6,340        | \$11,994       | --        | --        | --        |
| 85 - 89      | 4               | --              | --              | --              | 1              | 3              | --             | --        | --        | --        |
|              | 3,514           | --              | --              | --              | 2,995          | 3,687          | --             | --        | --        | --        |
| 90 & Over    | 3               | 2               | --              | --              | --             | --             | 1              | --        | --        | --        |
|              | 4,130           | 4,423           | --              | --              | --             | --             | 3,545          | --        | --        | --        |
| <b>Total</b> | <b>595</b>      | <b>324</b>      | <b>169</b>      | <b>78</b>       | <b>16</b>      | <b>6</b>       | <b>2</b>       | <b>--</b> | <b>--</b> | <b>--</b> |
|              | <b>\$15,519</b> | <b>\$17,381</b> | <b>\$13,235</b> | <b>\$15,414</b> | <b>\$7,354</b> | <b>\$5,014</b> | <b>\$7,770</b> | <b>--</b> | <b>--</b> | <b>--</b> |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT D-1**

**Disabled Members as of June 30, 2007  
By Age, Years Disabled and Average Annual Benefit – Total**

| Age          | Years Disabled  |                 |                 |                 |           |           |           |           |           |           |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|
|              | Total           | Under 5         | 5-9             | 10-14           | 15-19     | 20-24     | 25-29     | 30-34     | 35-39     | 40 & Over |
| Under 45     | --              | --              | --              | --              | --        | --        | --        | --        | --        | --        |
| 45 - 49      | 2               | 1               | --              | 1               | --        | --        | --        | --        | --        | --        |
|              | \$13,750        | \$22,385        | --              | \$5,115         | --        | --        | --        | --        | --        | --        |
| 50 - 54      | 4               | 3               | 1               | --              | --        | --        | --        | --        | --        | --        |
|              | 13,832          | 10,509          | \$23,799        | --              | --        | --        | --        | --        | --        | --        |
| 55 - 59      | 6               | 5               | 1               | --              | --        | --        | --        | --        | --        | --        |
|              | 32,347          | 37,043          | 8,867           | --              | --        | --        | --        | --        | --        | --        |
| 60 - 64      | 12              | 3               | 4               | 5               | --        | --        | --        | --        | --        | --        |
|              | 40,486          | 23,504          | 51,308          | 42,019          | --        | --        | --        | --        | --        | --        |
| 65 - 69      | --              | --              | --              | --              | --        | --        | --        | --        | --        | --        |
| 70 - 74      | --              | --              | --              | --              | --        | --        | --        | --        | --        | --        |
| 75 - 79      | --              | --              | --              | --              | --        | --        | --        | --        | --        | --        |
| 80 - 84      | --              | --              | --              | --              | --        | --        | --        | --        | --        | --        |
| 85 - 89      | --              | --              | --              | --              | --        | --        | --        | --        | --        | --        |
| 90 & Over    | --              | --              | --              | --              | --        | --        | --        | --        | --        | --        |
| <b>Total</b> | <b>24</b>       | <b>12</b>       | <b>6</b>        | <b>6</b>        | <b>--</b> | <b>--</b> | <b>--</b> | <b>--</b> | <b>--</b> | <b>--</b> |
|              | <b>\$31,781</b> | <b>\$25,803</b> | <b>\$39,649</b> | <b>\$35,868</b> | <b>--</b> | <b>--</b> | <b>--</b> | <b>--</b> | <b>--</b> | <b>--</b> |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT D-2**

**Disabled Members as of June 30, 2007  
By Age, Years Disabled and Average Annual Benefit – Basic**

| Age          | Years Disabled |          |          |          |       |       |       |       |       |           |
|--------------|----------------|----------|----------|----------|-------|-------|-------|-------|-------|-----------|
|              | Total          | Under 5  | 5-9      | 10-14    | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40 & Over |
| Under 45     | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|              | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 45 - 49      | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|              | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 50 - 54      | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|              | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 55 - 59      | 4              | 4        | --       | --       | --    | --    | --    | --    | --    | --        |
|              | \$45,955       | \$45,955 | --       | --       | --    | --    | --    | --    | --    | --        |
| 60 - 64      | 8              | 1        | 4        | 3        | --    | --    | --    | --    | --    | --        |
|              | 50,986         | 34,575   | \$51,308 | \$56,027 | --    | --    | --    | --    | --    | --        |
| 65 - 69      | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|              | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 70 - 74      | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|              | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 75 - 79      | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|              | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 80 - 84      | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|              | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 85 - 89      | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|              | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 90 & Over    | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|              | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| <b>Total</b> | 12             | 5        | 4        | 3        | --    | --    | --    | --    | --    | --        |
|              | \$49,309       | \$43,679 | \$51,308 | \$56,027 | --    | --    | --    | --    | --    | --        |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT D-3**

**Disabled Members as of June 30, 2007  
By Age, Years Disabled and Average Annual Benefit - Coordinated**

| Age       | Years Disabled |          |          |          |       |       |       |       |       |           |
|-----------|----------------|----------|----------|----------|-------|-------|-------|-------|-------|-----------|
|           | Total          | Under 5  | 5-9      | 10-14    | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40 & Over |
| Under 45  | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|           | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 45 - 49   | 2              | 1        | --       | 1        | --    | --    | --    | --    | --    | --        |
|           | \$13,750       | \$22,385 | --       | \$5,115  | --    | --    | --    | --    | --    | --        |
| 50 - 54   | 4              | 3        | 1        | --       | --    | --    | --    | --    | --    | --        |
|           | 13,832         | 10,509   | \$23,799 | --       | --    | --    | --    | --    | --    | --        |
| 55 - 59   | 2              | 1        | 1        | --       | --    | --    | --    | --    | --    | --        |
|           | 5,130          | 1,393    | 8,867    | --       | --    | --    | --    | --    | --    | --        |
| 60 - 64   | 4              | 2        | --       | 2        | --    | --    | --    | --    | --    | --        |
|           | 19,488         | 17,969   | --       | 21,008   | --    | --    | --    | --    | --    | --        |
| 65 - 69   | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|           | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 70 - 74   | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|           | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 75 - 79   | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|           | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 80 - 84   | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|           | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 85 - 89   | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|           | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| 90 & Over | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
|           | --             | --       | --       | --       | --    | --    | --    | --    | --    | --        |
| Total     | 12             | 7        | 2        | 3        | --    | --    | --    | --    | --    | --        |
|           | \$14,253       | \$13,035 | \$16,333 | \$15,710 | --    | --    | --    | --    | --    | --        |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT E-1**

**Survivors and Beneficiaries as of June 30, 2007  
By Age, Years Since Death and Average Annual Benefit - Total**

| Age       | Years Since Death |          |          |          |          |          |          |          |           |
|-----------|-------------------|----------|----------|----------|----------|----------|----------|----------|-----------|
|           | Total             | Under 5  | 5-9      | 10-14    | 15-19    | 20-24    | 25-29    | 30-34    | 35 & Over |
| Under 45  | 4                 | --       | 4        | --       | --       | --       | --       | --       | --        |
|           | \$11,186          | --       | \$11,186 | --       | --       | --       | --       | --       | --        |
| 45 - 49   | 4                 | 1        | 2        | 1        | --       | --       | --       | --       | --        |
|           | 12,737            | \$36,142 | 6,063    | \$2,678  | --       | --       | --       | --       | --        |
| 50 - 54   | 7                 | 1        | 5        | --       | --       | --       | --       | --       | 1         |
|           | 9,913             | 17,620   | 9,684    | --       | --       | --       | --       | --       | \$3,350   |
| 55 - 59   | 10                | 3        | 2        | 2        | 2        | --       | 1        | --       | --        |
|           | 20,309            | 13,634   | 16,595   | 23,940   | \$31,315 | --       | \$18,491 | --       | --        |
| 60 - 64   | 20                | 3        | 6        | 5        | 4        | 2        | --       | --       | --        |
|           | 26,004            | 37,472   | 17,822   | 35,224   | 22,750   | \$16,809 | --       | --       | --        |
| 65 - 69   | 29                | 1        | 6        | 14       | 4        | 2        | 2        | --       | --        |
|           | 32,799            | 22,998   | 38,586   | 37,614   | 26,252   | 12,860   | 19,663   | --       | --        |
| 70 - 74   | 46                | --       | 8        | 6        | 20       | 10       | 1        | 1        | --        |
|           | 31,670            | --       | 34,571   | 45,027   | 33,106   | 21,903   | 15,834   | \$13,099 | --        |
| 75 - 79   | 49                | --       | 1        | 1        | 13       | 24       | 6        | 4        | --        |
|           | 28,156            | --       | 31,321   | 47,375   | 31,053   | 28,218   | 17,997   | 28,008   | --        |
| 80 - 84   | 48                | --       | --       | 2        | 7        | 27       | 10       | 2        | --        |
|           | 27,739            | --       | --       | 6,938    | 40,681   | 27,067   | 25,689   | 22,564   | --        |
| 85 - 89   | 40                | --       | --       | --       | 2        | 9        | 18       | 11       | --        |
|           | 22,201            | --       | --       | --       | 55,821   | 25,839   | 17,531   | 20,755   | --        |
| 90 & Over | 27                | --       | --       | 2        | --       | 1        | 6        | 18       | --        |
|           | 19,827            | --       | --       | 2,069    | --       | 23,802   | 18,479   | 22,028   | --        |
| Total     | 284               | 9        | 34       | 33       | 52       | 75       | 44       | 36       | 1         |
|           | \$26,164          | \$25,564 | \$23,083 | \$32,995 | \$33,093 | \$25,903 | \$19,658 | \$22,085 | \$3,350   |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT E-2**

**Survivors and Beneficiaries as of June 30, 2007  
By Age, Years Since Death and Average Annual Benefit – Basic**

| Age          | Years Since Death |                 |                 |                 |                 |                 |                 |                 |                |
|--------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
|              | Total             | Under 5         | 5-9             | 10-14           | 15-19           | 20-24           | 25-29           | 30-34           | 35 & Over      |
| Under 45     | 1                 | --              | 1               | --              | --              | --              | --              | --              | --             |
|              | \$11,317          | --              | \$11,317        | --              | --              | --              | --              | --              | --             |
| 45 - 49      | --                | --              | --              | --              | --              | --              | --              | --              | --             |
|              | --                | --              | --              | --              | --              | --              | --              | --              | --             |
| 50 - 54      | 4                 | --              | 3               | --              | --              | --              | --              | --              | 1              |
|              | 9,670             | --              | 11,776          | --              | --              | --              | --              | --              | \$3,350        |
| 55 - 59      | 6                 | --              | 2               | 1               | 2               | --              | 1               | --              | --             |
|              | 24,972            | --              | 16,595          | \$35,524        | \$31,315        | --              | \$18,491        | --              | --             |
| 60 - 64      | 15                | 2               | 2               | 5               | 4               | 2               | --              | --              | --             |
|              | 28,893            | \$31,911        | 34,424          | 35,224          | 22,750          | \$16,809        | --              | --              | --             |
| 65 - 69      | 26                | --              | 4               | 14              | 4               | 2               | 2               | --              | --             |
|              | 33,884            | --              | 46,084          | 37,614          | 26,252          | 12,860          | 19,663          | --              | --             |
| 70 - 74      | 43                | --              | 7               | 6               | 18              | 10              | 1               | 1               | --             |
|              | 32,200            | --              | 33,739          | 45,027          | 35,016          | 21,903          | 15,834          | \$13,099        | --             |
| 75 - 79      | 49                | --              | 1               | 1               | 13              | 24              | 6               | 4               | --             |
|              | 28,156            | --              | 31,321          | 47,375          | 31,053          | 28,218          | 17,997          | 28,008          | --             |
| 80 - 84      | 46                | --              | --              | --              | 7               | 27              | 10              | 2               | --             |
|              | 28,643            | --              | --              | --              | 40,681          | 27,067          | 25,689          | 22,564          | --             |
| 85 - 89      | 40                | --              | --              | --              | 2               | 9               | 18              | 11              | --             |
|              | 22,201            | --              | --              | --              | 55,821          | 25,839          | 17,531          | 20,755          | --             |
| 90 & Over    | 25                | --              | --              | --              | --              | 1               | 6               | 18              | --             |
|              | 21,247            | --              | --              | --              | --              | 23,802          | 18,479          | 22,028          | --             |
| <b>Total</b> | <b>255</b>        | <b>2</b>        | <b>20</b>       | <b>27</b>       | <b>50</b>       | <b>75</b>       | <b>44</b>       | <b>36</b>       | <b>1</b>       |
|              | <b>\$27,511</b>   | <b>\$31,911</b> | <b>\$30,025</b> | <b>\$39,103</b> | <b>\$33,781</b> | <b>\$25,903</b> | <b>\$19,658</b> | <b>\$22,085</b> | <b>\$3,350</b> |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT E-3**

**Survivors and Beneficiaries as of June 30, 2007  
By Age, Years Since Death and Average Annual Benefit - Coordinated**

| Age          | Years Since Death |                 |                 |                |                 |           |           |           |           |
|--------------|-------------------|-----------------|-----------------|----------------|-----------------|-----------|-----------|-----------|-----------|
|              | Total             | Under 5         | 5-9             | 10-14          | 15-19           | 20-24     | 25-29     | 30-34     | 35 & Over |
| Under 45     | 3                 | --              | 3               | --             | --              | --        | --        | --        | --        |
|              | \$11,143          | --              | \$11,143        | --             | --              | --        | --        | --        | --        |
| 45 - 49      | 4                 | 1               | 2               | 1              | --              | --        | --        | --        | --        |
|              | 12,737            | \$36,142        | 6,063           | \$2,678        | --              | --        | --        | --        | --        |
| 50 - 54      | 3                 | 1               | 2               | --             | --              | --        | --        | --        | --        |
|              | 10,238            | 17,620          | 6,547           | --             | --              | --        | --        | --        | --        |
| 55 - 59      | 4                 | 3               | --              | 1              | --              | --        | --        | --        | --        |
|              | 13,314            | 13,634          | --              | 12,355         | --              | --        | --        | --        | --        |
| 60 - 64      | 5                 | 1               | 4               | --             | --              | --        | --        | --        | --        |
|              | 17,336            | 48,594          | 9,521           | --             | --              | --        | --        | --        | --        |
| 65 - 69      | 3                 | 1               | 2               | --             | --              | --        | --        | --        | --        |
|              | 23,393            | 22,998          | 23,591          | --             | --              | --        | --        | --        | --        |
| 70 - 74      | 3                 | --              | 1               | --             | 2               | --        | --        | --        | --        |
|              | 24,076            | --              | 40,394          | --             | \$15,917        | --        | --        | --        | --        |
| 75 - 79      | --                | --              | --              | --             | --              | --        | --        | --        | --        |
|              | --                | --              | --              | --             | --              | --        | --        | --        | --        |
| 80 - 84      | 2                 | --              | --              | 2              | --              | --        | --        | --        | --        |
|              | 6,938             | --              | --              | 6,938          | --              | --        | --        | --        | --        |
| 85 - 90      | --                | --              | --              | --             | --              | --        | --        | --        | --        |
|              | --                | --              | --              | --             | --              | --        | --        | --        | --        |
| 90 & Over    | 2                 | --              | --              | 2              | --              | --        | --        | --        | --        |
|              | 2,069             | --              | --              | 2,069          | --              | --        | --        | --        | --        |
| <b>Total</b> | <b>29</b>         | <b>7</b>        | <b>14</b>       | <b>6</b>       | <b>2</b>        | <b>--</b> | <b>--</b> | <b>--</b> | <b>--</b> |
|              | <b>\$14,326</b>   | <b>\$23,751</b> | <b>\$13,165</b> | <b>\$5,508</b> | <b>\$15,917</b> | <b>--</b> | <b>--</b> | <b>--</b> | <b>--</b> |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT F**

**Reconciliation of Member Data**

|                                     | Active<br>Members | Leave<br>of<br>Absence | Vested<br>Terminated<br>Members | Other<br>Non-Vested<br>Terminated<br>Members | Retired<br>Participants | Disabled | Survivors and<br>Beneficiaries | Alternate<br>Payees | Total |
|-------------------------------------|-------------------|------------------------|---------------------------------|--|-------------------------|----------|--------------------------------|---------------------|-------|
| A. Number as of June 30, 2006       | 4,052             | 150                    | 1,447                           | 1,671  | 2,302                   | 25       | 280                            | 17                  | 9,944 |
| B. Additions                        | 246               | 81                     | 346                             | 344  | 162                     | 4        | 17                             | 1                   | 1,201 |
| C. Deletions:                       |                   |                        |                                 |  |                         |          |                                |                     |       |
| 1. Retirements                      | -116              | -6                     | -32                             | -1   | --                      | --       | --                             | --                  | -155  |
| 2. Disability                       | --                | -2                     | -2                              | --   | --                      | --       | --                             | --                  | -4    |
| 3. Died with beneficiary            | --                | --                     | --                              | --   | -16                     | --       | --                             | --                  | -16   |
| 4. Died without beneficiary         | -3                | -1                     | -1                              | -1   | -35                     | -1       | -11                            | --                  | -53   |
| 5. Terminated – deferred            | -162              | -21                    | --                              | -158   | --                      | --       | --                             | --                  | -341  |
| 6. Terminated –<br>other non-vested | -198              | -3                     | -9                              | --   | --                      | --       | --                             | --                  | -210  |
| 7. Refunds                          | -30               | -3                     | -39                             | -148   | --                      | --       | --                             | --                  | -220  |
| 8. Rehired as active                | 131               | -54                    | -17                             | -60  | --                      | --       | --                             | --                  | --    |
| 9. Leave of absence                 | -79               | --                     | --                              | --   | --                      | --       | --                             | --                  | -79   |
| 10. Expired benefits                | --                | --                     | --                              | --   | --                      | --       | -2                             | -1                  | -3    |
| 11. Disability to Retirement        | --                | --                     | --                              | --   | --                      | -4       | --                             | --                  | -4    |
| 12. Write-offs                      | --                | --                     | --                              | -109   | --                      | --       | --                             | --                  | -109  |
| D. Data adjustments                 | --                | --                     | --                              | --   | --                      | --       | --                             | --                  | --    |
| E. Total as of June 30, 2007        | 3,841             | 141                    | 1,693                           | 1,538  | 2,413                   | 24       | 284                            | 17                  | 9,951 |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT G**

**Change in Assets Available for Benefits for Year Ended June 30, 2007**

|  | <b>Market Value</b> | <b>Cost Value</b>  |
|--|---------------------|--------------------|
| A. Assets available at beginning of year (BOY)                 | \$1,005,745,229     | \$740,961,588      |
| B. Operating revenues  |                     |                    |
| 1. Member contributions  | \$13,438,323        | \$13,438,323       |
| 2. Employer contributions                                      | 19,666,200          | 19,666,200         |
| 3. Supplemental contributions                                  | 4,451,216           | 4,451,216          |
| 4. Investment income   | 14,828,201          | 14,828,201         |
| 5. Investment expenses   | (5,064,712)         | (5,064,712)        |
| 6. Net realized gain/(loss)                                    | 68,161,550          | 68,161,550         |
| 7. Other   | --                  | --                 |
| 8. Net change in unrealized gain/(loss)                        | <u>119,757,675</u>  | <u>--</u>          |
| 9. Total operating revenues                                    | \$235,238,453       | \$115,480,778      |
| C. Operating expenses:   |                     |                    |
| 1. Service retirements   | \$74,687,758        | \$74,687,758       |
| 2. Disability benefits   | 764,047             | 764,047            |
| 3. Survivor benefits   | 7,357,396           | 7,357,396          |
| 4. Refunds   | 1,461,575           | 1,461,575          |
| 5. Administrative expenses                                     | <u>695,700</u>      | <u>695,700</u>     |
| 6. Total operating expenses                                    | \$84,966,476        | \$84,966,476       |
| D. Change in accounting method                                 | --                  | --                 |
| E. Assets available at end of year (EOY)                       | \$1,156,017,206     | \$771,475,890      |
| F. Determination of current year gross asset return            |                     |                    |
| 1. Average balance:  |                     |                    |
| (a) Assets available at BOY: (A)                               |                     | \$1,005,745,229    |
| (b) Assets available at EOY: (E)                               |                     | 1,156,017,206      |
| (c) Average balance [(a) + (b) – Net Investment Income] / 2    |                     | 982,039,861        |
| [Net Investment Income: (B.4) + (B.5) + (B.6) + (B.7) + (B.8)] |                     |                    |
| 2. Expected return: 8.50% x (F.1)                              |                     | \$83,473,388       |
| 3. Actual return: (B.4) + (B.5) + (B.6) + (B.7) + (B.8)        |                     | <u>197,682,714</u> |
| 4. Current year gross asset return: (F.3) – (F.2)              |                     | \$114,209,326      |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT H**

**Accounting Balance Sheet for Year Ended June 30, 2007**

|  | <b>Market Value</b>    | <b>Cost Value</b>    |
|--|------------------------|----------------------|
| <b>Assets</b>  |                        |                      |
| Cash, equivalents, short-term securities                                 | \$3,605,645            | \$3,605,645          |
| Investments:   |                        |                      |
| Fixed income   | \$211,582,459          | \$176,995,935        |
| Equity   | 832,740,246            | 511,622,065          |
| Real estate  | 94,698,295             | 72,342,059           |
| Alternative  | 13,187,663             | 6,707,288            |
| Other assets*  | <u>26,685,637</u>      | <u>26,685,637</u>    |
| Total assets   | \$1,182,499,945        | \$797,958,629        |
| <b>Amounts currently payable</b>   | \$26,482,739           | \$26,482,739         |
| <b>Assets available for benefits</b>                                     |                        |                      |
| Member reserves  | \$131,352,390          | \$131,352,390        |
| Employer reserves  | <u>1,024,664,816</u>   | <u>640,123,500</u>   |
| Total assets available for benefits                                      | \$1,156,017,206        | \$771,475,890        |
| <b>Total amounts currently payable and assets available for benefits</b> | <u>\$1,182,499,945</u> | <u>\$797,958,629</u> |
| <b>Net assets at Market/Cost value</b>                                   | <u>\$1,182,499,945</u> | <u>\$797,958,629</u> |

\* *Other Assets:*

*Accounts Receivable:*

|                           |                   |
|---------------------------|-------------------|
| Employer contribution     | \$2,205,743       |
| Employee contribution     | 97,693            |
| Interest receivable       | 858,762           |
| Dividend receivable       | 224,975           |
| Sale of securities        | <u>23,280,949</u> |
| Total accounts receivable | \$26,668,122      |
| Fixed assets              | <u>17,515</u>     |
| Total other assets        | \$26,685,637      |

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT I**

**Actuarial Value of Assets Calculation History Through June 30, 2007**

| <b>Year Ended<br/>June 30</b> | <b>Employer<br/>Contributions</b> | <b>Employee<br/>Contributions</b> | <b>Supplemental<br/>Contributions</b> | <b>Net<br/>Investment<br/>Return*</b> | <b>Administrative<br/>Expenses</b> | <b>Benefit<br/>Payments</b> | <b>Actuarial<br/>Value of<br/>Assets at<br/>End of Year</b> |
|-------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|------------------------------------|-----------------------------|---|
| 2002                          | --                                | --                                | --                                    | --                                    | --                                 | --                          | \$899,572,000   |
| 2003                          | \$19,186,000                      | \$14,222,000                      | \$4,184,000                           | \$26,429,000                          | \$499,000                          | \$64,334,000                | \$898,760,000   |
| 2004                          | 19,578,315                        | 14,307,616                        | 4,192,761                             | 31,417,083                            | 515,715                            | 68,880,328                  | \$898,859,732   |
| 2005                          | 19,635,230                        | 13,586,719                        | 4,197,761                             | 43,082,139                            | 558,573                            | 73,510,494                  | \$905,292,514   |
| 2006                          | 19,815,130                        | 13,453,021                        | 4,199,761                             | 76,316,514                            | 590,852                            | 79,567,083                  | \$938,919,005   |
| 2007                          | 19,666,200                        | 13,438,323                        | 4,451,216                             | 124,213,766                           | 695,700                            | 84,270,776                  | \$1,015,722,034   |

\* *Net Investment Return on an Actuarial Value of Assets basis and net of investment fees.*

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT J**

**Development of Unfunded/(Overfunded) Actuarial Accrued Liability for Year Ended June 30, 2007**

|   |                   |                      |
|---|-------------------|----------------------|
| 1. Unfunded/(Overfunded) actuarial accrued liability at beginning of year             |                   | \$419,700,901        |
| 2. Normal cost at beginning of year, including expenses                               |                   | 22,271,345           |
| 3. Total contributions  |                   | 37,555,739           |
| 4. Interest   |                   |                      |
| (a) For whole year on (1) + (2)   | \$37,567,641      |                      |
| (b) For half year on (3)  | <u>1,596,119</u>  |                      |
| (c) Total interest: (4a) – (4b)   |                   | <u>35,971,522</u>    |
| 5. Expected unfunded/(overfunded) actuarial accrued liability: (1) + (2) – (3) + (4c) |                   | \$440,388,029        |
| 6. Changes due to (gain)/loss from:   |                   |                      |
| (a) Investments   | -\$46,420,607     |                      |
| (b) Service data reported   | -26,652,749       |                      |
| (c) Demographics*   | <u>-3,032,578</u> |                      |
| (d) Total changes due to (gain)/loss  |                   | <u>-\$76,105,934</u> |
| 7. Changes due to assumption changes  |                   | <u>\$11,293,789</u>  |
| 8. Unfunded/(Overfunded) actuarial accrued liability at end of year                   |                   | <u>\$375,575,884</u> |

\* Includes (gain)/loss due to age/service retirements, disability, mortality (pre and post-retirement), withdrawal and salary increases.

**SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association**

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**EXHIBIT K**

**Definitions of Pension Terms**

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The following list defines certain technical terms for the convenience of the reader:

**Assumptions or Actuarial Assumptions:**

The estimates on which the cost of the Fund is calculated including:

- (a) Investment return — the rate of investment yield that the Fund will earn over the long-term future;
- (b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;
- (c) Retirement rates — the rate or probability of retirement at a given age;
- (d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

**Normal Cost:**

The amount of contributions required to fund the benefit allocated to the current year of service.

**Actuarial Accrued Liability For Actives:**

The equivalent of the accumulated normal costs allocated to the years before the valuation date.

**Actuarial Accrued Liability For Pensioners:**

The single sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.

**Unfunded Actuarial Accrued Liability:**

The extent to which the actuarial accrued liability of the Fund exceeds the assets of the Fund. There is a wide range of approaches to paying off the unfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

### SECTION 3: Supplemental Information for the St. Paul Teachers' Retirement Fund Association

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#### **Amortization of the Unfunded**

**Actuarial Accrued Liability:** Payments made over a period of years equal in value to the Fund's unfunded actuarial accrued liability.

#### **Investment Return:**

The rate of earnings of the Fund from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.

#### **Accrued Benefit Funded Ratio:**

A current year funded status that measures the percent of benefits covered by Current Assets. This ratio is based on benefits earned to the valuation date (accrued service) and includes future salary increases to retirement. The liability for these benefits is defined as the Current Benefit Obligations. The Accrued Benefit Funded Ratio is calculated as the Actuarial Value of Assets (Current Assets) divided by the Current Benefit Obligations.

#### **Projected Benefit Funded Ratio:**

A projected funded status that measures contribution sufficiency/deficiency, which is based on a present value of all plan benefits for the lifetime of all plan members. The liability for these benefits is defined as the Current and Expected Future Benefit Obligations, or Present Value of Benefits. The Current and Expected Future Assets are determined as the sum of the Actuarial Value of Assets (Current Assets), the Present Value of Expected Future Statutory Supplemental Contributions and the Present Value of Future Normal Costs. The Projected Benefit Funded Ratio is calculated as the Current and Expected Future Assets divided by the Current and Expected Future Benefit Obligations. If the ratio is equal to or more than 100%, there is a contribution sufficiency, and if it is less than 100% there is a contribution deficiency.

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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**EXHIBIT I**

**Summary of Actuarial Valuation Results**

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The valuation was made with respect to the following data supplied to us:

|  |       |       |
|--|-------|-------|
| 1. Pensioners as of the valuation date (including 284 survivors and beneficiaries in pay status) |       | 2,738 |
| 2. Members inactive during year ended June 30, 2007 with vested rights                           |       | 1,693 |
| 3. Members active during the year ended June 30, 2007*   |       | 3,982 |
| Fully vested   | 3,335 |       |
| Not vested   | 647   |       |
| 4. Other non-vested terminated members as of June 30, 2007                                       |       | 1,538 |

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\* *Includes 141 members on leave of absence.*

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT I (continued)**

**Summary of Actuarial Valuation Results**

|   | <b>Actuarial<br/>Present Value<br/>of Projected<br/>Benefits</b> | <b>Actuarial<br/>Present Value<br/>of Future<br/>Normal Costs</b> | <b>Actuarial<br/>Accrued<br/>Liability</b> |
|---|--|---|--|
| <b>A. Determination of Actuarial Accrued Liability</b>                                      |  |   |  |
| 1. Active members:  |  |   |  |
| (a) Retirement benefits   | \$602,193,391  | \$180,273,537   | \$421,919,854                              |
| (b) Disability benefits   | 12,147,257   | 5,495,142   | 6,652,115                                  |
| (c) Death benefits  | 11,617,201   | 5,064,308   | 6,552,893                                  |
| (d) Withdrawal benefits   | <u>25,109,668</u>  | <u>23,716,589</u>   | <u>1,393,079</u>                           |
| (e) Total   | \$651,067,517  | \$214,549,576   | \$436,517,941                              |
| 2. Vested terminated members  | \$47,601,410   | --  | \$47,601,410                               |
| 3. Other non-vested terminated members  | 1,722,091  | --  | 1,722,091                                  |
| 4. Annuitants   | <u>905,456,476</u>   | --  | <u>905,456,476</u>                         |
| 5. Total  | \$1,605,847,494  | \$214,549,576   | \$1,391,297,918                            |
| <b>B. Determination of Unfunded Actuarial Accrued Liability</b>                             |  |   |  |
| 1. Actuarial Accrued Liability  |  |   | \$1,391,297,918                            |
| 2. Actuarial Value of Assets  |  |   | <u>1,015,722,034</u>                       |
| 3. Unfunded Actuarial Accrued Liability: (B.1) – (B.2)                                      |  |   | \$375,575,884                              |
| <b>C. Determination of Supplemental Contribution Rate (Statutory Amortization Date)</b>     |  |   |  |
| 1. Present value of future payrolls through the amortization date of June 30, 2021          |  |   | \$2,545,687,468                            |
| 2. Supplemental contribution rate: (B.3) / (C.1)  |  |   | 14.75%                                     |
| <b>D. Determination of Supplemental Contribution Rate (Amortization period of 30 years)</b> |  |   |  |
| 1. Present value of future payrolls through the amortization date of June 30, 2036          |  |   | \$4,329,516,832                            |
| 2. Supplemental contribution rate: (B.3) / (D.1)  |  |   | 8.67%                                      |

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT II  
Actuarial Balance Sheet**

|   |                |                          |                      |                      |
|---|----------------|--------------------------|----------------------|----------------------|
| A. Current Assets   |                |                          |                      | \$1,015,722,034      |
| B. Expected Future Assets   |                |                          |                      |                      |
| 1. Present Value of Expected Future Statutory Supplemental Contributions                        |                |                          |                      | \$159,450,213        |
| 2. Present Value of Future Normal Costs   |                |                          |                      | <u>214,549,576</u>   |
| 3. Total Expected Future Assets   |                |                          |                      | \$373,999,789        |
| C. Total Current and Expected Future Assets   |                |                          |                      | \$1,389,721,823      |
| D. Current Benefit Obligations  |                |                          |                      |                      |
|   |                | <b><u>Non-Vested</u></b> | <b><u>Vested</u></b> | <b><u>Total</u></b>  |
| 1. Benefit recipients:  |                |                          |                      |                      |
| (a) Retirement annuities  |                | -                        | \$837,459,005        | \$837,459,005        |
| (b) Disability benefits   |                | -                        | 6,947,875            | 6,947,875            |
| (c) Beneficiaries   |                | -                        | 61,049,596           | 61,049,596           |
| 2. Vested terminated members  |                | -                        | 47,601,410           | 47,601,410           |
| 3. Other non-vested terminated members  |                | -                        | 1,722,091            | 1,722,091            |
| 4. Active members:  |                |                          |                      |                      |
| (a) Retirement benefits   | \$2,074,683    |                          | \$361,207,087        | \$363,281,770        |
| (b) Disability benefits   | 74,091         |                          | 6,764,937            | 6,839,028            |
| (c) Death benefits  | 74,441         |                          | 6,198,118            | 6,272,559            |
| (d) Withdrawal benefits   | <u>526,161</u> |                          | <u>13,911,820</u>    | <u>14,437,981</u>    |
| 5. Total Current Benefit Obligations  | \$2,749,376    |                          | \$1,342,861,939      | \$1,345,611,315      |
| E. Expected Future Benefit Obligations  |                |                          |                      | <u>\$260,236,179</u> |
| F. Total Current and Expected Future Benefit Obligations - Present Value of Benefits: (D.5 + E) |                |                          |                      | \$1,605,847,494      |
| G. Current Unfunded Actuarial Liability (D.5 - A)   |                |                          |                      | \$329,889,281        |
| H. Current and Future Unfunded Actuarial Liability (F - C)                                      |                |                          |                      | \$216,125,671        |

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT III**

**Supplementary Information Required by the GASB – Schedule of Employer Contributions**

| <b>Plan<br/>Year Ended<br/>June 30</b> | <b>Actuarially<br/>Required<br/>Contribution<br/>Rate<br/>(Prior Year)<br/>(a)</b> | <b>Actual<br/>Covered<br/>Payroll<br/>(b)</b> | <b>Actual<br/>Member<br/>Contributions<br/>(c)</b> | <b>Annual<br/>Required<br/>Contributions<br/>[(a) x (b)] – (c) = (d)</b> | <b>Actual<br/>Employer<br/>Contributions<sup>(1)</sup><br/>(e)</b> | <b>Percentage<br/>Contributed<br/>(e) / (d)</b> |
|--|--|---|--|--|--|---|
| 1991                                   | 18.86%   | 110,131,000                                   | 7,518,000  | 13,253,000   | 10,255,000   | 77.38%  |
| 1992                                   | 18.87%   | 115,274,000                                   | 7,821,000  | 13,931,000   | 10,489,000   | 75.29%  |
| 1993                                   | 19.74%   | 122,930,000                                   | 8,202,000  | 16,064,000   | 10,839,000   | 67.47%  |
| 1994                                   | 18.68%   | 129,308,000                                   | 9,100,000  | 15,055,000   | 11,736,000   | 77.95%  |
| 1995                                   | 18.63%   | 139,175,000                                   | 8,788,000  | 17,140,000   | 13,084,000   | 76.34%  |
| 1996                                   | 17.96%   | 145,677,000                                   | 9,093,000  | 17,071,000   | 15,101,000   | 88.46%  |
| 1997                                   | 16.97%   | 151,363,000                                   | 9,484,000  | 16,202,000   | 16,043,000   | 99.02%  |
| 1998                                   | 20.35%   | 168,564,000                                   | 11,057,000   | 23,246,000   | 21,702,000   | 93.36%  |
| 1999                                   | 18.82%   | 178,254,000                                   | 11,649,000   | 21,898,000   | 21,066,000   | 96.20%  |
| 2000                                   | 18.09%   | 187,950,000                                   | 13,184,000   | 20,816,000   | 22,622,000   | 108.68%   |
| 2001                                   | 16.57%   | 202,915,000                                   | 13,170,000   | 20,453,000   | 23,569,000   | 115.23%   |
| 2002                                   | 15.81%   | 201,456,000                                   | 14,468,000   | 17,382,000   | 24,216,000   | 139.32%   |
| 2003 <sup>(2)</sup>                    | 18.56%   | 205,655,000                                   | 14,222,000   | 23,948,000   | 23,370,000   | 97.59%  |
| 2004 <sup>(3)</sup>                    | 20.36%   | 221,685,475                                   | 14,307,616   | 30,827,547   | 23,771,076   | 77.11%  |
| 2005                                   | 21.59%   | 223,762,071                                   | 13,586,719   | 34,723,512   | 23,832,991   | 68.64%  |
| 2006                                   | 23.78%   | 226,350,763                                   | 13,453,021   | 40,373,190   | 24,014,891   | 59.48%  |
| 2007                                   | 25.03%   | 229,172,337                                   | 13,438,323   | 43,923,513   | 24,117,416   | 54.91%  |

(1) *Includes contributions from other sources (if applicable).*

(2) *Actuarially Required Contribution Rate prior to change in Actuarial Assumptions and Plan Provisions is 16.19%.*

(3) *Actual Covered Payroll is based on actual contributions received.*

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT IV**

**Supplementary Information Required by the GASB – Schedule of Funding Progress**

| <b>Actuarial Valuation Date</b> | <b>Actuarial Value of Assets (a)</b> | <b>Actuarial Accrued Liability (AAL) (b)</b> | <b>Unfunded/ (Overfunded) AAL (UAAL) (b) – (a)</b> | <b>Funded Ratio (a) / (b)</b> | <b>Actual Covered Payroll (Previous FY) (c)</b> | <b>UAAL as a Percentage of Covered Payroll [(b) – (a)] / (c)</b> |
|---------------------------------|--------------------------------------|--|--|-------------------------------|---|--|
| 07/01/1991                      | \$326,357,000                        | \$495,740,000                                | 169,383,000  | 65.83%                        | 110,131,000                                     | 153.80%  |
| 07/01/1992                      | 355,998,000                          | 533,865,000                                  | 177,867,000  | 66.68%                        | 115,274,000                                     | 154.30%  |
| 07/01/1993                      | 393,168,000                          | 571,059,000                                  | 177,891,000  | 68.85%                        | 122,930,000                                     | 144.71%  |
| 07/01/1994                      | 407,275,000                          | 596,441,000                                  | 189,166,000  | 68.28%                        | 129,308,000                                     | 146.29%  |
| 07/01/1995                      | 445,733,000                          | 633,070,000                                  | 187,337,000  | 70.41%                        | 139,175,000                                     | 134.61%  |
| 07/01/1996                      | 494,931,000                          | 664,072,000                                  | 169,141,000  | 74.53%                        | 145,677,000                                     | 116.11%  |
| 07/01/1997                      | 556,406,000                          | 805,066,000                                  | 248,660,000  | 69.11%                        | 151,363,000                                     | 164.28%  |
| 07/01/1998                      | 625,053,000                          | 861,584,000                                  | 236,531,000  | 72.55%                        | 168,564,000                                     | 140.32%  |
| 07/01/1999                      | 704,233,000                          | 938,847,000                                  | 234,614,000  | 75.01%                        | 178,254,000                                     | 131.62%  |
| 07/01/2000                      | 801,823,000                          | 998,253,000                                  | 196,430,000  | 80.32%                        | 187,950,000                                     | 104.51%  |
| 07/01/2001                      | 869,045,000                          | 1,060,931,000                                | 191,886,000  | 81.91%                        | 202,915,000                                     | 94.56%   |
| 07/01/2002                      | 899,572,000                          | 1,141,300,000                                | 241,728,000  | 78.82%                        | 201,456,000                                     | 119.99%  |
| 07/01/2003                      | 898,760,000                          | 1,189,361,000                                | 290,601,000  | 75.57%                        | 205,655,000                                     | 141.31%  |
| 07/01/2004                      | 898,859,732                          | 1,251,460,084                                | 352,600,352  | 71.82%                        | 221,685,475                                     | 159.05%  |
| 07/01/2005                      | 905,292,514                          | 1,299,831,584                                | 394,539,070  | 69.65%                        | 223,762,071                                     | 176.32%  |
| 07/01/2006                      | 938,919,005                          | 1,358,619,906                                | 419,700,901  | 69.11%                        | 226,350,763                                     | 185.42%  |
| 07/01/2007                      | 1,015,722,034                        | 1,391,297,918                                | 375,575,884  | 73.01%                        | 229,172,337                                     | 163.88%  |

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT V**

**Determination of Contribution Sufficiency – Total**

|   | July 1, 2007       |                     |
|---|--------------------|---------------------|
|   | Percent of Payroll | Dollar Amount       |
| <b>A. Statutory Contributions – Chapter 354A</b>                                |                    |                     |
| 1. Employee contributions   | 5.64%              | \$13,139,595        |
| 2. Employer contributions   | 8.52               | 19,861,736          |
| 3. Supplemental contributions   |                    |                     |
| (a) 1996 Legislation  | 0.64               | 1,484,216           |
| (b) 1997 Legislation  | <u>1.27</u>        | <u>2,967,000</u>    |
| 4. Total  | <u>16.07%</u>      | <u>\$37,452,547</u> |
| <b>B. Required Contributions – Chapter 356</b>                                  |                    |                     |
| 1. Normal Cost:   |                    |                     |
| (a) Retirement  | 7.73%              | \$18,022,376        |
| (b) Disability  | 0.22               | 513,197             |
| (c) Death   | 0.20               | 459,141             |
| (d) Withdrawal  | <u>0.90</u>        | <u>2,105,102</u>    |
| (e) Total   | <u>9.05%</u>       | <u>\$21,099,816</u> |
| 2. Supplemental contribution amortization                                       | 14.75%             | \$34,382,122        |
| 3. Allowance for administrative expenses  | <u>0.30</u>        | <u>699,297</u>      |
| 4. Total  | <u>24.10%</u>      | <u>\$56,181,235</u> |
| <b>C. Contribution Sufficiency / (Deficiency): (A.4) – (B.4)</b>                | -8.03%             | -\$18,728,688       |
| <b>Projected annual payroll for fiscal year beginning on the valuation date</b> |                    | \$233,099,133       |

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT VI**

**Determination of Contribution Sufficiency – Basic**

|   |                            |  | <b>July 1, 2007</b>       |                      |
|---|----------------------------|--|---------------------------|----------------------|
| <b>A. Statutory Contributions – Chapter 354A</b>                                |                            |  | <b>Percent of Payroll</b> | <b>Dollar Amount</b> |
| 1.  | Employee contributions     |  | 8.00%                     | \$1,021,256          |
| 2.  | Employer contributions     |  | 11.64                     | 1,485,928            |
| 3.  | Supplemental contributions |  |                           |                      |
|   | (a) 1996 Legislation       |  | 0.64                      | 81,700               |
|   | (b) 1997 Legislation       |  | <u>1.27</u>               | <u>162,124</u>       |
| 4.  | Total                      |  | <u>21.55%</u>             | <u>\$2,751,008</u>   |
| <b>B. Required Contributions – Chapter 356</b>                                  |                            |  |                           |                      |
| 1.  | Normal Cost:               |  |                           |                      |
|   | (a) Retirement             |  | 10.16%                    | \$1,296,698          |
|   | (b) Disability             |  | 0.36                      | 45,390               |
|   | (c) Death                  |  | 0.18                      | 22,710               |
|   | (d) Withdrawal             |  | <u>1.60</u>               | <u>204,273</u>       |
|   | (e) Total                  |  | <u>12.30%</u>             | <u>\$1,569,071</u>   |
| <b>Projected annual payroll for fiscal year beginning on the valuation date</b> |                            |  |                           | <b>\$12,765,702</b>  |

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

**EXHIBIT VII**

**Determination of Contribution Sufficiency – Coordinated**

|   |                            | <b>July 1, 2007</b>       |                      |
|---|----------------------------|---------------------------|----------------------|
| <b>A. Statutory Contributions – Chapter 354A</b>                                |                            | <b>Percent of Payroll</b> | <b>Dollar Amount</b> |
| 1.  | Employee contributions     | 5.50%                     | \$12,118,339         |
| 2.  | Employer contributions     | 8.34                      | 18,375,808           |
| 3.  | Supplemental contributions |                           |                      |
|   | (a) 1996 Legislation       | 0.64                      | 1,410,134            |
|   | (b) 1997 Legislation       | <u>1.27</u>               | <u>2,798,235</u>     |
| 4.  | Total                      | <u>15.75%</u>             | <u>\$34,702,516</u>  |
| <b>B. Required Contributions – Chapter 356</b>                                  |                            |                           |                      |
| 1.  | Normal Cost:               |                           |                      |
|   | (a) Retirement             | 7.59%                     | \$16,725,678         |
|   | (b) Disability             | 0.21                      | 467,807              |
|   | (c) Death                  | 0.20                      | 436,431              |
|   | (d) Withdrawal             | <u>0.86</u>               | <u>1,900,829</u>     |
|   | (e) Total                  | <u>8.86%</u>              | <u>\$19,530,745</u>  |
| <b>Projected annual payroll for fiscal year beginning on the valuation date</b> |                            |                           | <b>\$220,333,431</b> |

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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**EXHIBIT VIII**

**Supplementary Information Required by the GASB**

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|                                      |   |
|--------------------------------------|---|
| <b>Valuation date</b>                | July 1, 2007  |
| <b>Actuarial cost method</b>         | Entry Age Normal  |
| <b>Amortization method</b>           | Level percentage of payroll, assuming payroll increases of 5.00% per annum  |
| <b>Remaining amortization period</b> | 14 years remaining as of July 1, 2007   |
| <b>Asset valuation method</b>        | Market Value, adjusted for amortization obligations receivable at the end of each fiscal year, less a percentage of the Unrecognized Asset Return determined at the close of each of the four preceding fiscal years. Unrecognized Asset Return is the difference between actual net return on Market Value of Assets and the asset return expected during that fiscal year (based on the assumed interest rate employed in the July 1 Actuarial Valuation of the fiscal year). |

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**Actuarial assumptions:**

Investment rate of return:

|                            |  |
|----------------------------|--|
| Pre-retirement             | 8.50% per annum  |
| Post-retirement            | 8.50% per annum  |
| Projected salary increases | Select and ultimate rates by age, with ultimate rates of 5.00% - 6.90% |

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**Plan membership:**

|   |              |
|---|--------------|
| Pensioners, survivors and beneficiaries receiving benefits            | 2,738        |
| Terminated vested members entitled to, but not yet receiving benefits | 1,693        |
| Other terminated non-vested members                                   | 1,538        |
| Active members  | <u>3,982</u> |
| Total   | 9,951        |

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**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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**EXHIBIT IX**

**Actuarial Assumptions and Actuarial Cost Method**

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**Mortality Rates:**

*Healthy Pre-Retirement:*

Male: 1983 Group Annuity Mortality Table for males set back 7 years

Female: 1983 Group Annuity Mortality Table for females set back 5 years

*Healthy Post-Retirement:*

Male: 1983 Group Annuity Mortality Table for males set back 3 years

Female: 1983 Group Annuity Mortality Table for females set back 1 year

*Disability:*

Male: 1977 Railroad Retirement Board Mortality Table for Disabled Lives

Female: 1977 Railroad Retirement Board Mortality Table for Disabled Lives

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

**Summary of Rates:**

Shown below for selected ages:

| Age | Rate (%)                 |        |                           |        |            |            |                           |
|-----|--------------------------|--------|---------------------------|--------|------------|------------|---------------------------|
|     | Pre-Retirement Mortality |        | Post-Retirement Mortality |        | Withdrawal | Disability | Post-Disability Mortality |
|     | Male                     | Female | Male                      | Female |            |            |                           |
| 20  | 0.03                     | 0.02   | 0.03                      | 0.02   | 6.00       | 0.02       | 2.71                      |
| 25  | 0.04                     | 0.02   | 0.04                      | 0.02   | 4.50       | 0.02       | 2.72                      |
| 30  | 0.04                     | 0.03   | 0.05                      | 0.03   | 3.00       | 0.03       | 2.72                      |
| 35  | 0.05                     | 0.03   | 0.07                      | 0.04   | 2.25       | 0.03       | 2.73                      |
| 40  | 0.07                     | 0.05   | 0.10                      | 0.06   | 1.50       | 0.04       | 2.73                      |
| 45  | 0.10                     | 0.07   | 0.15                      | 0.09   | 1.25       | 0.06       | 2.74                      |
| 50  | 0.17                     | 0.10   | 0.28                      | 0.15   | 1.00       | 0.12       | 2.89                      |
| 55  | 0.31                     | 0.16   | 0.48                      | 0.23   | 0.50       | 0.24       | 3.71                      |
| 60  | 0.52                     | 0.25   | 0.71                      | 0.38   | 0.00       | 0.48       | 4.73                      |
| 65  | 0.77                     | 0.42   | 1.11                      | 0.64   | 0.00       | 0.00       | 5.98                      |

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

**Summary of Retirement Rates:** Shown below for selected age:

| Age        | Rate (%)  |   |   |   |
|------------|---|---|---|---|
|            | Basic Members Eligible for Rule of 90 Provision | Basic Members Not Eligible for Rule of 90 Provision | Coordinated Members Eligible for Rule of 90 Provision | Coordinated Members Not Eligible for Rule of 90 Provision |
| 54 & under | 40.00   | 0.00  | 40.00   | 0.00  |
| 55         | 40.00   | 10.00   | 40.00   | 5.00  |
| 60         | 40.00   | 10.00   | 40.00   | 5.00  |
| 65         | 40.00   | 40.00   | 40.00   | 20.00   |
| 70         | 50.00   | 50.00   | 40.00   | 40.00   |
| 75         | 80.00   | 80.00   | 80.00   | 80.00   |
| 80 & over  | 100.00  | 100.00  | 100.00  | 100.00  |

**Withdrawal Rates:** Select and ultimate rates are based on recent plan experience. Ultimate rates after the third year are shown in the rate table. Select rates are as follows:  
 First year: 40%  
 Second year: 10%  
 Third year: 6%

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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**Salary Increases:**

Reported salary for prior fiscal year, with new hires annualized, increased to current fiscal year and annually for each future year according to the ultimate rate table below. During a ten-year select period,  $0.30\% \times (10-T)$  where T is completed years of service is added to the ultimate rate.

| <b>Age</b>   | <b>Ultimate Rate of Annual Salary Increases</b> |
|--------------|---|
| Less than 22 | 6.90%   |
| 25           | 6.75  |
| 30           | 6.50  |
| 35           | 6.25  |
| 40           | 6.00  |
| 45           | 5.75  |
| 50           | 5.50  |
| 55           | 5.25  |
| 60 & Over    | 5.00  |

**Retirement Age:**

*Active Members:*

Active members are assumed to retire according to the graded rates shown in the rate table. Rates are applied beginning at the participant's first early retirement age.

*Deferred Members:*

Basic members are assumed to retire at age 60. Coordinated members are assumed to retire at age 63. If over the assumed retirement age, one year from valuation date.

*Other Non-Vested Members:*

Return of contributions is assumed to occur immediately.

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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|--|---|
| <b>Unknown Data for Members:</b>               | The submitted participant data has been reviewed for reasonableness and consistency with data submitted for prior valuations. We have not audited this data, and the results of this valuation may change based on the accuracy of the underlying data. In cases where submitted data was missing or incomplete, the following assumptions were applied:<br>Date of Birth: July 1, 1961 (vested terminated members)<br>July 1, 1935 (pensioners, survivors and beneficiaries)<br>Deferred Benefit: Calculate estimate using service at termination date. Salary at termination is estimated based on assumed termination date if not available. |
| <b>Percent Married:</b>                        | 85% of male members and 60% of female members are assumed to be married. Married members are assumed to have two children.  |
| <b>Age of Spouse:</b>                          | Female four years younger than male.  |
| <b>Net Investment Return:</b>                  |   |
| <i>Pre-Retirement:</i>                         | 8.50% per annum   |
| <i>Post-Retirement:</i>                        | 8.50% per annum   |
| <b>Administrative Expenses:</b>                | Prior year administrative expenses (excluding investment expenses) expressed as a percentage of prior year payroll.   |
| <b>Allowance for Combined Service Annuity:</b> | 7.00% load on liabilities for active members and 30.00% load on liabilities for former members.   |
| <b>Return of Contributions:</b>                | All employees withdrawing after becoming eligible for a deferred benefit were assumed to take the larger of their contributions accumulated with interest or the value of their deferred benefit.   |

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

|   |  |              |                |
|---|--|--------------|----------------|
| <b>Benefit Increases After Retirement (COLA):</b>           | 2.70% per annum, effective for January 1, 2008 and January 1, 2009 COLA increases. 2.00% per annum, for all years thereafter.  |              |                |
| <b>Optional Benefit Forms:</b>                              | Married members assumed to elect the following forms of benefit:   |              |                |
|   |  | <u>Males</u> | <u>Females</u> |
|   | Life Annuity Option  | 45%          | 80%            |
|   | 50% J&S Option   | 10%          | 10%            |
|   | 100% J&S Option  | 45%          | 10%            |
| <b>Asset Valuation Method:</b>                              | Market Value, adjusted for amortization obligations receivable at the end of each fiscal year, less a percentage of the Unrecognized Asset Return determined at the close of each of the four preceding fiscal years. Unrecognized Asset Return is the difference between actual net return on Market Value of Assets and the asset return expected during the fiscal year (based on the assumed interest rate employed in the July 1 Actuarial Valuation of the fiscal year). |              |                |
| <b>Actuarial Cost Method:</b>                               | Entry Age Normal Cost Method. Entry age is the age at the time the participant commenced employment. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are expressed as a level percentage of payroll, with Normal Cost determined as if the current benefit accrual rate had always been in effect.   |              |                |
| <b>Payment on the Unfunded Actuarial Accrued Liability:</b> | The Unfunded Actuarial Accrued Liability is amortized as level percentage of payroll each year to the statutory amortization date assuming payroll increases of 5.00% per annum.   |              |                |

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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**Supplemental Contributions:** The St. Paul School District and the State of Minnesota are scheduled to make the following supplemental contributions to the plan.

*1996 Legislation:* Supplemental contributions according to the following schedule:

| <u>Year</u> | <u>State</u> | <u>School</u> |
|-------------|--------------|---------------|
| 06/30/2007  | \$684,216    | \$800,000     |

*1997 Legislation:* Annual supplemental contribution of \$2,967,000 made on October 1.

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**Changes in Actuarial Assumptions and Cost Methods:**

There have been no changes made to the cost methods since the prior valuation.

The only change to the actuarial assumptions since the prior valuation is to the assumption for the benefit increases after retirement (cost of living adjustment – COLA). The current COLA assumption of 2.00% annual automatic increase and periodic investment-gain-funded adjustment based on 5-year average rates of return performance results, is replaced with a two-year pilot program of an adjustment equal to the increase in the federal Consumer Price Index up to 2.50% annually, if the fund fails to earn at least an 8.5% return or up to 5.00% if the annual return and 5-year average return equals at least 8.5%. This assumption is estimated to be 2.70% for two years effective with the January 1, 2008 and January 1, 2009 benefit increases, and 2.00% for all years thereafter.

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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**EXHIBIT X**

**Summary of Plan Provisions - Basic**

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This summary of provisions reflects the interpretation of applicable Statutes for purposes of preparing this valuation. This interpretation is not intended to create or rescind any benefit rights in conflict with any Minnesota Statutes.

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|                           |   |
|---------------------------|---|
| <b>Plan Year:</b>         | July 1 through June 30  |
| <b>Eligibility:</b>       | A teacher who is employed in a public school district, other than a charter school, located in the corporate limits of the City of St. Paul and who is not covered by the Social Security Act. Also includes employees of the St. Paul Teachers Retirement Fund.  |
| <b>Contributions:</b>     | Member: 8.00% of Salary.<br>Employer: 11.64% of Salary.   |
| <b>Allowable Service:</b> | All periods of service for which salary deductions were made and service during sabbatical leave. After June 30, 1974, St. Paul service for part-time teachers is granted on a proportional basis using actual duty days vs. the agreed number of annual duty days. Years of service credited prior to May 31, 1976 are not recomputed. |
| <b>Salary:</b>            | Total compensation. Excludes lump-sum payments for unused vacation leave or unused sick leave at separation.  |
| <b>Average Salary:</b>    | Average of the five highest years of Salary during the last ten years while making contributions or while disabled.   |

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**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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**Retirement:**

Normal Retirement Benefit:

*Age/Service Requirement:*

Age 65 and five years of Allowable Service. Proportionate Retirement Annuity is available for members working at age 65 who terminate with at least one year of Allowable Service.

*Amount:*

2.50% of Average Salary for each year of Allowable Service.

Early Retirement Benefit:

*Age/Service Requirement:*

An unreduced benefit is available upon the attainment of age 60 and 25 years of Allowable Service, or Rule of 90 (Age plus Allowable Service totals 90).

A reduced benefit is available upon the attainment of age 55 and five years of Allowable Service.

*Amount:*

The greater of (a) or (b):

- (a) 2.00% of Average Salary for each year of Allowable Service not to exceed 40 years with reduction of 0.25% for each month the member is under age 65 (age 60 if 25 years of Allowable Service). No reduction if age plus years of Allowable Service totals 90.
- (b) 2.50% of Average Salary for each year of Allowable Service assuming augmentation to age 65 at 3.00% per year and actuarial reduction for each month the member is under age 65.

*Form of Payment:*

Life annuity.

*Benefit Increases:*

Benefits are increased annually by a formula amount. Under permanent law, the increase is payable on January 1 each year to any retiree, survivor or beneficiary in pay status for 18 or more months when the increase is applied. The increase is guaranteed to be 2.00% each year, and may include an excess investment component if five-year annualized investment returns exceed the 8.50% assumed return. The excess return, less the quantity 1, minus any contribution deficiency, will be added to the 2.00% base increase.

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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For calendar years 2008 and 2009, the Association will pay a cost-of-living (COLA) adjustment under a pilot program authorized by the 2007 Legislature. The COLA is similar to that applied by the U.S. Social Security Administration, dividing the current year third quarter average of CPI-w Index values over the same average for the previous year. Benefit recipients in pay status for less than one year as of January 1 receive a pro-rated adjustment. If investment returns for the most recent one- and five-year period meet or exceed 8.50%, the COLA may cover inflation (so defined) up to a maximum of 5.00%. Otherwise, the full COLA limit is 2.50%. If the pilot program is not modified, benefit increase calculations will revert to the formula yet contained in permanent law.

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**Disability:**

|  |  |
|--|--|
| <i>Age/Service Requirement:</i>            | Totally and permanently disabled before the age of 65 with five years of St. Paul service.   |
| <i>Amount:</i>                             | An annuity of 75% of the annual contract salary for the last full year of service reduced by any Social Security and Workers' Compensation benefits.<br><br>Payments are recomputed as a retirement at age 65. Payments stop if disability ceases or death occurs. |
| <i>Form of Payment:</i>                    | Life annuity.  |
| <i>Benefit Increases:</i>                  | Same as for retirement.  |
| <u><i>Retirement After Disability:</i></u> |  |
| <i>Age/Service Requirement:</i>            | Age 65 with continued disability.  |
| <i>Amount:</i>                             | Normal Retirement Benefit based on Average Salary and Allowable Service as if member had continued in his latest position during the period of his disability.   |
| <i>Form of Payment:</i>                    | Life annuity.  |
| <i>Benefit Increases:</i>                  | Same as for retirement.  |

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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**Death:**

Family Benefit:

*Age/Service Requirement:*

Active member with five years of St. Paul service.

*Amount:*

Benefit of 15% of B.A. salary to spouse plus 25% of B.A. salary to each eligible child (maximum of two). B.A. salary is the maximum salary payable to a teacher holding a B.A. degree.

Spouse's benefits cease upon death or when the spouse elects to receive survivor's benefits. Such election does not affect benefits paid to children but total benefits may not exceed 90% of the member's final salary. Children's benefits cease upon marriage or age 18 (22 if full time student), unless a dependent disabled child.

Survivor's Benefits:

*Age/Service Requirement:*

Active or retired member with five years of St. Paul service. A surviving spouse must have been married to the member for three years at the time of his death or retirement, whichever occurs first.

*Amount:*

Survivor's payment of the 100% joint and survivor benefit earned by the member to the date of his death or his retirement, whichever occurs first.

*Benefit Increases:*

Same as for a retired person if payments have been made over one year. The allocation is based on the years of Allowable Service of the person on whose behalf the annuity is paid and the years receiving the payment.

Refund of Contributions:

*Age/Service Requirement:*

Death of a member or former member when Family Benefits and Survivor's Benefits are not payable.

*Amount:*

The excess of the member's contributions for retirees, or if active or vested terminated member, then member contributions with interest.

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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**Withdrawal:**

Deferred Annuity:

*Age/Service Requirement:* Five years of Allowable Service.

*Amount:* Benefit computed under law in effect at termination and increased by the following annual percentage:

- (a) 3.00% until January 1 of the year following the attainment of 55, and
- (b) 5.00% thereafter until the annuity begins.

Amount is payable as a normal or early retirement benefit.

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**Refund of Contributions:**

*Age/Service Requirement:* Termination of teaching service. Vested terminated members of 55 years of age or older are not eligible for a refund of contributions.

*Amount:* Member's contributions with 6.00% interest. A deferred annuity may be elected in lieu of a refund.

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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**EXHIBIT XI**

**Summary of Plan Provisions - Coordinated**

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This summary of provisions reflects the interpretation of applicable Statutes for purposes of preparing this valuation. This interpretation is not intended to create or rescind any benefit rights in conflict with any Minnesota Statutes.

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|                           |   |
|---------------------------|---|
| <b>Plan Year:</b>         | July 1 through June 30  |
| <b>Eligibility:</b>       | A teacher who is employed in a public school district, other than a charter school, located in the corporate limits of the City of St. Paul and who is covered by the Social Security Act. Also includes employees of the St. Paul Teachers Retirement Fund.  |
| <b>Contributions:</b>     | Member: 5.50% of Salary.<br><br>Employer: 8.34% of Salary.  |
| <b>Allowable Service:</b> | All periods of service for which salary deductions were made and service during sabbatical leave. After June 30, 1974, St. Paul service for part-time teachers is granted on a proportional basis using actual duty days vs. the agreed number of annual duty days. Years of service credited prior to May 31, 1976 are not recomputed. |
| <b>Salary:</b>            | Total compensation. Excludes lump-sum payments for unused vacation leave or unused sick leave at separation.  |
| <b>Average Salary:</b>    | Average of the five highest successive years of Salary. Average Salary is based on all Allowable Service if less than five years.   |

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## SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association

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### Retirement:

#### Normal Retirement Benefit:

##### *Age/Service Requirement:*

First hired before July 1, 1989:

- (a) Age 65 and three years of Allowable Service.
- (b) Proportionate Retirement Annuity is available at age 65 and one year of Allowable Service.

First hired after July 1, 1989:

- (a) The greater of age 65 or the age eligible for full Social Security retirement benefits (but not greater than age 66) and three years of Allowable Service.
- (b) Proportionate Retirement Annuity is available at Normal Retirement Age and one year of Allowable Service.

##### *Amount:*

1.70% of Average Salary for each year of Allowable Service.

#### Early Retirement Benefit:

##### *Age/Service Requirement:*

Age 55 and three years of Allowable Service. Any age with 30 years of Allowable Service. Rule of 90: Age plus Allowable Service totals 90.

##### *Amount:*

First hired before July 1, 1989:

The greater of (a) or (b):

- (a) 1.20% of Average Salary for each of the first ten years of Allowable Service plus 1.70% of Average Salary for each subsequent year of Allowable Service with reduction of 0.25% for each month the member is under age 65 (age 62 if 30 years of Allowable Service). No reduction if age plus years of Allowable Service totals 90.
- (b) 1.70% of Average Salary for each year of Allowable Service assuming augmentation to age 65 at 3.00% per year and actuarial reduction for each month the member is under age 65.

## SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association

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First hired after July 1, 1989:

1.70% of Average Salary for each year of Allowable Service assuming augmentation to Normal Retirement Age at 3.00% per year and actuarial reduction for each month the member is under Normal Retirement Age.

*Form of Payment:*

Life annuity. Actuarial equivalent options are:

- (a) Guaranteed refund,
- (b) 15 year certain and life, and
- (c) 50% or 100% joint and survivor with bounce back feature without additional reduction.

*Benefit Increases:*

Benefits are increased annually by a formula amount. Under permanent law, the increase is payable on January 1 each year to any retiree, survivor or beneficiary in pay status for 18 or more months when the increase is applied. The increase is guaranteed to be 2.00% each year, and may include an excess investment component if five-year annualized investment returns exceed the 8.50% assumed return. The excess return, less the quantity 1, minus any contribution deficiency, will be added to the 2.00% base increase.

For calendar years 2008 and 2009, the Association will pay a cost-of-living (COLA) adjustment under a pilot program authorized by the 2007 Legislature. The COLA is similar to that applied by the U.S. Social Security Administration, dividing the current year third quarter average of CPI-w Index values over the same average for the previous year. Benefit recipients in pay status for less than one year as of January 1 receive a pro-rated adjustment. If investment returns for the most recent one- and five-year period meet or exceed 8.50%, the COLA may cover inflation (so defined) up to a maximum of 5.00%. Otherwise, the full COLA limit is 2.50%. If the pilot program is not modified, benefit increase calculations will revert to the formula yet contained in permanent law.

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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**Disability:**

*Age/Service Requirement:* Totally and permanently disabled before Normal Retirement Age with three years of Allowable Service. Also, the last two of the years of Allowable Service must have been uninterrupted.

*Amount:* Normal Retirement Benefit based on Allowable Service and Average Salary at disability without reduction for commencement before Normal Retirement Age. Benefit is reduced by Workers' Compensation.

Payments are recomputed as a retirement benefit at the Normal Retirement Age. Payments stop if disability ceases or death occurs. Benefits may be reduced on resumption of partial employment.

*Form of Payment:* Same as for retirement.

*Benefit Increases:* Same as for retirement.

**Retirement After Disability:**

*Age/Service Requirement:* Normal Retirement Age with continued disability.

*Amount:* Any optional annuity continues, otherwise the larger of the disability benefit paid before Normal Retirement Age or the normal retirement benefit available at the Normal Retirement Age, or an actuarially equivalent optional annuity.

*Benefit Increases:* Same as for retirement.

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**Death:**

**Surviving Spouse Annuity:**

*Age/Service Requirement:* Any active member who dies with three years of Allowable Service prior to retirement or disability benefits commence.

Any former member who dies before retirement or disability benefits commence.

#### SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association

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|  |   |
|--|---|
| <i>Amount:</i>                         | Survivor's payment of the 100% joint and survivor benefit the member could have elected if terminated.<br><br>Upon the death of any vested active member, the benefit is calculated using 50.00% of otherwise applicable early retirement reduction from the member's age 55 to the member's benefit commencement age.<br><br>If a former or current active member had attained age 55 prior to death and had earned at least three years of Allowable Service prior to separation of service, benefits will commence immediately, reduced for early commencement from Normal Retirement Age. If a former member had earned at least 30 years of Allowable Service prior to separation of service, benefit will commence immediately, reduced for early commencement from age 62. If a former member dies prior to age 55, benefits are deferred to age 55. |
| <i>Benefit Increases:</i>              | Same as for a retired person if payments have been made over one year. The allocation is based on the years of Allowable Service of the person on whose behalf the annuity is paid and the years receiving the payment.   |
| <i><u>Refund of Contributions:</u></i> |   |
| <i>Age/Service Requirement:</i>        | Member or former member dies before receiving any disability or retirement benefits and Survivor's Benefits are not payable.  |
| <i>Amount:</i>                         | Member's contributions with 5.00% interest if death occurred before May 16, 1989 and 6.00% interest if death occurred after May 16, 1989.   |

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#### **Withdrawal:**

|                                 |  |
|---------------------------------|--|
| <i><u>Deferred Annuity:</u></i> |  |
| <i>Age/Service Requirement:</i> | Three years of Allowable Service.  |
| <i>Amount:</i>                  | For members hired before July 1, 2006, the benefit is computed under law in effect at termination and increased by the following annual percentage:<br><br>(a) 3.00% until January 1 of the year following the attainment of 55, and<br>(b) 5.00% thereafter until the annuity begins. |

**SECTION 4: Reporting Information for the St. Paul Teachers' Retirement Fund Association**

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For members hired after June 30, 2006, the benefit is computed under law in effect at termination and increased by 2.50% for all years.

Amount is payable as a normal or early retirement benefit.

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**Refund of Contributions:**

*Age/Service Requirement:* Termination of teaching service.

*Amount:* Member's contributions with 6.00% interest. A deferred annuity may be elected in lieu of a refund.

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**Changes in Plan Provisions:**

There have been no changes made to the plan provisions since the prior valuation.

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