

MINNESOTA
STATE
RETIREMENT
SYSTEM



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COMPREHENSIVE ANNUAL REPORT
July 1, 1989 — June 30, 1990

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
of the
MINNESOTA STATE RETIREMENT SYSTEM**

July 1, 1989 — June 30, 1990

**Paul L. Groschen
Executive Director
Minnesota State Retirement System
529 Jackson Street at 10th
St. Paul, MN 55101**

**MINNESOTA STATE RETIREMENT SYSTEM
COMPREHENSIVE ANNUAL REPORT
FISCAL YEAR ENDED JUNE 30, 1990**

TABLE OF CONTENTS

Introductory Section

PAGE

3	Letter of Transmittal
5	Board of Directors
6	Chair's Report
7	Summary of Plans

Financial Section

13	Auditors Opinion
	Combined Financial Statements
14	Combined Balance Sheet
15	Combined Statement of Revenues, Expenses and Changes in Reserve
16	Notes to the Financial Statements
25	Required Supplemental Information
	Combining and Individual Fund Statements
30	Combining Balance Sheet
31	Combining Statement of Revenues, Expenses and Changes in Reserves
	Statement of Revenues, Expenses and Changes in Reserves
32	State Employees Retirement Fund
33	State Patrol Retirement Fund
34	Correctional Employees Retirement Fund
35	Judges Retirement Fund
36	Legislative Retirement Plan
37	Elective State Officers Retirement Plan
38	Statement of Changes in Assets, Liabilities and Reserves
39	Schedule of Administrative Expenses

Actuarial Section

40	Actuary's Certification Letter
42	Summary of Actuarial Assumptions and Methods
43	Required Reserves and Rate Comparison
44	Solvency Test — Funding Ratio
46	Unfunded Accrued Liability

Statistical Section

48	Investment Results and Distribution of Investments
51	Summary Data
50	Active Employee Data
51	Employees Eligible to an Immediate Annuity
52	Refund Statistics
53	Retired Members by Type of Benefit
56	Deferred Compensation Plan
57	Unclassified Employees Retirement Plan



MINNESOTA STATE RETIREMENT SYSTEM

529 JACKSON STREET AT 10TH
ST. PAUL, MINNESOTA 55101
(612) 296-2761
FAX (612) 297-5238

OFFICERS

Executive Director
Paul L. Groschen
Assistant Directors
Douglas Mewhorter
Arvin Herman

LETTER OF TRANSMITTAL

To the Board of Directors
Minnesota State Retirement System

The Minnesota State Retirement System (MSRS) is proud to submit the comprehensive annual report for the fiscal year ended June 30, 1990. This report includes a summary of the System, financial statements, actuarial reports and statistical data. The information should be useful in understanding the System and its current status.

Accounting System and Reports

This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).

Our internal accounting controls are designed to provide reasonable assurance regarding the safekeeping and reliability of all financial records. Transactions are reported on the accrual basis of accounting.

A summary of this report is included in a newsletter sent to all active and retired members of the plans.

Revenues

Employee contributions, employer contributions, and investment income provide the funding for the System. Contributions and investment income for fiscal year 1990 were \$400.3 million. This represents a 12.2% increase from fiscal year 1989 due to increased investment earnings and contributions.

Expenses

The expenses of the System consist of annuity benefits, refunds of contributions, interest on refunds, and administrative expenses. Expenses for fiscal year 1990 were \$108.6 million, an increase of 9.6% from fiscal year 1989. Revenues exceeded expenses by \$291.7 million.

BOARD OF DIRECTORS

Elected Members

Francis C. Marshall, Chair
General Plan
Department of Transportation
419 Transportation Building
St. Paul, MN 55155

Richard K. Hull
State Patrol Plan
MN State Patrol, Dist. 2400
3489 Hadley Avenue No.
Oakdale, MN 55128

John Johnson
MTC Representative
312 Central Avenue, Room 438
Minneapolis, MN 55414

Abigail Robles
General Plan
Department of Revenue
10 River Park Plaza
St. Paul, MN 55146

Luther Thompson
General Plan
Department of Public Service
American Center Building
160 E. Kellogg Blvd.
St. Paul, MN 55101

Robert A. Whitaker
Retiree Representative
1303 Watson Avenue
St. Paul, MN 55116

Allen D. Willie
General Plan
University of Minnesota
1919 University Ave., Room 290
St. Paul, MN 55104

Kenneth Yozamp
Correctional Plan
Minnesota Correctional Facility
Box B
St. Cloud, MN 56302

Appointed Members

Otto Bang
American Agency, Inc.
5851 Cedar Lake Road
St. Louis Park, MN 55416

Mel Hansen
4505 - 28th Avenue So.
Minneapolis, MN 55406

The Honorable Michael A. McGrat
State Treasurer
303 Administration Building
St. Paul, MN 55155

Investments

The assets of MSRS are invested by the State Board of Investment. The overall time weighted rate of return for the basic funds was 10.8%. Investments contributed 65.9% of the \$253.3 million total income of the System. Of the total investment income, 71% is from the basic retirement funds and the remaining 29% is from the participation in the Minnesota Post Retirement Investment Fund.

Funding

For Fiscal Year 1990, all funded plans made progress toward full funding by the required year 2020. The State Employees Plan was 77.85% funded, the Correctional Plan 94.84% funded, and the State Patrol Plan 89.56% funded. The actuarial valuation has determined that the current contributions are sufficient for the State Employees Plan, the Correctional Plan and State Patrol Plan. The actuarial section of this report has the detailed actuarial results.

The Judges Plan and the Legislative Plan are partially on a terminal funding basis and partially on a "pay-as-you-go" basis. The Elective Officers Plan is on a "pay-as-you-go" basis. The Unclassified and Deferred Compensation Plans are defined contribution plans and consequently, are totally funded.

Professional Services

Actuarial services are provided for MSRS by DeLoitte and Touche. The actuarial valuation data included in this report is provided by the Wyatt Company, under contract with the Legislative Commission on Pensions and Retirement. Legal counsel is provided by Merwin Peterson of the State Attorney General's Office. The System's medical advisor is the State Department of Health. The annual financial audit is conducted by the State Legislative Auditor.

Administration

Continued effort was made to bring the highest quality of service to the covered employees. This year, a comprehensive benefit statement was issued to each participant. The statement provided employee service credit, benefits earned to date, and retirement benefits at various projected retirement dates.

Acknowledgments

This report is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means for determining responsible stewardship for assets contributed by the members and their employers.

I would like to take this opportunity to express my gratitude to the Board of Directors, staff, the advisors, and to the many people who worked so diligently to assure the successful operation of the System.

Respectfully submitted,



Paul L. Groschen
Executive Director

**MINNESOTA STATE RETIREMENT SYSTEM
ADMINISTRATIVE ORGANIZATION
JUNE 30, 1990**

BOARD OF DIRECTORS

Francis Marshall, Chairman
Department of Transportation
6300 South Concord Avenue
Edina, Minnesota 55424
Telephone 612/296-3420
Term: March 7, 1988-March 2, 1992
Elected — State Employee

Kenneth Yozamp, Vice-Chair
Department of Corrections
4125 Shadowood Drive Northeast
Sauk Rapids, Minnesota 56379
Telephone 612/255-5000
Term: March 7, 1988-March 2, 1992
Elected — Correctional Plan Member

Otto T. Bang
5200 Duggan Plaza
Edina, Minnesota 55435
Telephone 612/593-8703
Term: September 29, 1988-January 7, 1991
Appointed — Public Member

Mel Hansen
4505 — 28th Avenue South
Minneapolis, Minnesota 55406
Telephone 612/722-2182
Term: January 2, 1989-January 4, 1993
Appointed — Public Member

Richard K. Hull
Minnesota State Patrol
623 Nightingade Blvd.
Stillwater, MN 55082
Telephone 612/779-1254
Term: March 5, 1990-March 7, 1994
Elected — State Patrol Member

John Johnson
Metropolitan Transit Commission
12857 Polk Street Northeast
Blaine, Minnesota 55434
Telephone 612/379-2914
Term: March 7, 1988-March 2, 1992
Appointed — MTC/TOD Designate

Michael McGrath
State Treasurer
4410 West 98th Street Circle
Bloomington, Minnesota 55437
Telephone 612/296-7091
Term: January 19, 1987-January 7, 1991
Appointed — Constitutional Officer

Abigail Robles
Department of Revenue
1171 Kruse
West St. Paul, Minnesota 55118
Telephone 612/297-1835
Term: July 19-March 2, 1992
Appointed — State Employee

Luther Thompson
Department of Public Service
6148 Valley Creek Road
Woodbury, Minnesota 55125
Telephone 612/296-1065
Term: March 5, 1990-March 7, 1994
Elected — State Employee

Robert A. Whitaker
1303 Watson Avenue
St. Paul, Minnesota 55116
Telephone 612/698-3315
Term: March 7, 1988-March 2, 1992
Elected — Retired State Employee

Allen D. Willie
11967 Radisson Road N.E.
Blaine, Minnesota 55434
Telephone 612/625-5898
Term: March 5, 1990-March 7, 1994
Elected — State Employee

OFFICERS

Paul L. Groschen, Executive Director

Assistant Directors

Douglas Mewhorter, Employee Services and Records

Arvin L. Herman, Finance and Systems



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St. Louis Park, MN 55416

Mel Hansen
4505 - 28th Avenue So.
Minneapolis, MN 55406

The Honorable Michael A. McGrath
State Treasurer
303 Administration Building
St. Paul, MN 55155

TO: Members and Annuitants of the
Minnesota State Retirement System

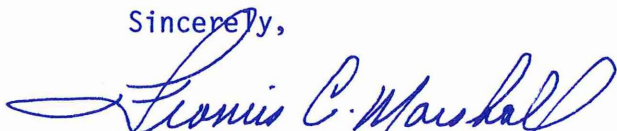
This year has been one of stability and financial improvement for the Minnesota State Retirement System. The funding level (projected assets versus projected liabilities for future retirements) improved for all funded plans. The contribution rates were also sufficient to fully fund the plans by the year 2020 as required, even though selected rates were reduced at the beginning of the fiscal year.

The 1990 legislature did approve an early retirement incentive window from May 6, 1990 to June 30, 1990. Eligible employees, totaling 369, retired in the window period and received employer paid medical insurance to age 65.

Retirees will receive a 5.1% increase in January 1991 and received a 4.04% increase in January 1990. The five year average increase is 6.8%. These increases are provided by investment earnings in excess of the 5% required earnings of the Minnesota Post Retirement Investment Fund.

We welcome new elected board members Allen Willie and Richard Hull. Luther Thompson was also re-elected to the board. Abigail Robles was appointed to the board to fill the unexpired term of Bernard Weber who retired. As the current chair, I look forward to working with the board, MSRS staff, and participants to insure a sound and secure retirement future.

Sincerely,


Francis C. Marshall, Chair
MSRS Board of Directors

SUMMARY OF RETIREMENT PLANS**PURPOSE**

The Minnesota State Retirement System was established by the State Legislature in 1929 to provide retirement benefits to State employees. The System currently administers seven defined benefit plans and two defined contribution plans for most State employees and selected other public employees.

ADMINISTRATION

The administration of the System is governed by an eleven member Board of Directors. The Board includes four elected General Plan members, one elected State Patrol plan member, one elected Correctional Plan member, one elected retired member, one designated Metropolitan Transit Commission employee and three appointed by the Governor.

The management of the System is vested with the Executive Director who administers the plans in accordance with Minnesota Law and the policies of the Board. The following is a description of plans included in this report.

Defined Benefit Plans**General Employees Plan**

- (a) Coverage and Contributions — Most state employees, and selected metropolitan agency employees. Contributions are 4.15% employee and 4.29% employer.
- (b) Benefit Formula
 - 1% of high five year salary for first 10 years plus 1½% for each year over 10 with subsidized early retirement adjustment.
 - or, 1½% for all years of service with actuarial equivalent early retirement reduction.
- (c) Retirement age and years of service
 - Age 65 with one year service — no reduction.
 - Age 62 with 30 years service — no reduction.
 - Rule of 90 — no reduction.
 - Age 55 with 3 years service — reduced from age 65.
 - At any age with 30 years service — reduced from age 62.
 - Total and permanent disability with 3 years service.
- (d) Surviving Spouse Benefit
 - If employee was at least age 50 with 3 years of service at date of death, generally, the spouse is eligible for a 100% joint and survivor annuity starting when the employee would have attained age 55, or a refund.
- (e) Refunds
 - Contributions with 6% interest.
- (f) Annuity and Disability Options
 - 100% joint and survivor with bounce back.
 - 50% joint and survivor with bounce back.
 - 15 year period certain and life thereafter.

SUMMARY OF RETIREMENT PLANS (Continued)

Military Affairs and Transportation Pilots Plans

Provisions different from General Plan.

- (a) Coverage and Contributions
 - Employees required to retire from federal military status at age 60 or 62 and pilots. Contributions are 5.75% employees and 5.89% employers.
- (b) Retirement Age and Years of Service
 - Age 60, 62 for pilots, with at least 5 years of service — no reduction.
- (c) Disability
 - Unable to perform job disability with 5 years service
 - Formula as general plan with no reduction.
 - Pilots get 75% of salary for maximum of 5 years.

State Patrol Retirement Plan

- (a) Coverage and Contributions
 - State of Minnesota Highway Patrolmen, conservation officers and crime bureau officers. Contributions are 8.5% employee and 14.88% employer.
- (b) Benefit Formula
 - 2½% of high five successive years salary for each year of service.
- (c) Retirement Age and Years of Service
 - Age 55 with 3 years of service — no reduction.
 - Age 50 with 3 years service — reduced from age 55.
 - Disability same as Correctional Officers Plan.
- (d) Survivor Benefits
 - Death of member in service — spouse gets 20% of final average salary. With 10 or more years of service, changes to a 100% joint and survivor annuity amount as of the date the employee would have attained age 55.
 - Children get 10% of final average salary per child plus \$20 per month prorated equally to such children until age 18 or 22 if a student, or until married. Total benefit limited to 40% of final average salary.
 - Refund with 6% interest if no survivor benefit payable.
- (e) Refunds
 - Contributions with 6% interest.
- (f) Annuity and Disability Option
 - 100% joint and survivor with bounce back.
 - 50% joint and survivor with bounce back.

SUMMARY OF RETIREMENT PLANS (Continued)

Correctional Employees Plan

Provisions different from General Plan

(a) Coverage and Contributions

- State employees who have direct contact with inmates at Minnesota Correctional Facilities. Contributions are 4.9% employee and 6.27% employer.

(b) Benefit Formula

- 2½% of high five year average salary for each year of service to a maximum of 75%, payable for 84 months or until age 65, then reverts to General Plan formula.

(c) Retirement Age and Years of Service

- Age 55 with 3 years service
- Age 50 with 3 years service, reduced from age 55.
- Unable to perform job disability with 3 years service.
- If disability is job related, benefit is equal to 50% of high five average salary plus 2½% for each year in excess of 20.

Judges Retirement Plan

(a) Coverage and Contributions

- All Minnesota District, Appellate and Supreme Court Judges. Non-Social Security judges pay the Social Security rate plus .50%. Social Security judges pay 1.25% and the Social Security rate after the maximum is reached. Employer contributions are from a general fund appropriation as needed.

(b) Benefit Formula

- 2½% of high five years average salary within the last 10 years of service for each year of service prior to July 1, 1980 plus 3% of same average salary for service after June 30, 1980.
- Benefit is reduced by 50% of primary benefit amount payable from Social Security.

(c) Retirement Age and Years of Service

- Age 70 with 1 year service — no reduction.
- Age 65 with 5 years service — no reduction.
- Age 62 with 5 years service — reduced from age 65.

(d) Disability

- Unable to perform the duties.
- Continuation of full salary for two years, then as computed under the formula with no reduction, subject to minimum of 25% of high five year salary. Benefit is reduced by 50% of primary amount payable from Social Security.

(e) Survivor Benefits

- Spouse eligible for 60% of normal annuity subject to a minimum of 25% of final average salary. If covered by Social Security, normal annuity amount is reduced by 50% of judge's primary benefit amount from Social Security.

(f) Refunds

- Contributions with 5% interest.

(g) Annuity and Disability Options

- 100% joint and survivor, with or without bounce back.
- 50% joint and survivor, with or without bounce back.
- 10 year certain and life thereafter.
- 15 year certain and life thereafter.

SUMMARY OF RETIREMENT SYSTEM PLANS (Continued)

General Fund

Legislators Retirement Plan

- (a) Coverage and Contributions
 - All legislators. Contributions are 9% employee and as needed from general fund appropriation for employer.
- (b) Benefit Formula
 - 2½% of high five year average salary.
- (c) Retirement age and years of service
 - Age 62 with 6 years of service — No reduction.
 - Age 60 with 6 years of service — Reduced from age 62.
- (d) Survivor benefits
 - Spouse gets 50% of benefit.
 - First child gets 25%, the next two children get 12.5% for a maximum of 100% of member benefit.
- (e) Refunds
 - Contributions with 6% interest.

Elective Officers Plan

- (a) Coverage and Contributions
 - Elected Constitutional Officers. Contributions are 9% employee and as needed from general fund appropriation for employer.
- (b) Benefit Formula
 - 2½% of high five year average salary.
- (c) Retirement age and years of service
 - Age 62 with 8 years of service — No reduction.
 - Age 60 with 8 years of service — Reduced from age 62.
- (d) Survivor benefits
 - Spouse gets 50% of benefit.
 - First child gets 25%, the next two children get 12.5% for a maximum of 100% of member benefit.
- (e) Refunds
 - Contributions with 6% interest.

SUMMARY OF RETIREMENT SYSTEM PLANS (Continued)

Defined Contribution Plan

Unclassified Employees Plan

- (a) Coverage and Contributions
 - Certain specified employees of the State of Minnesota in unclassified positions. Contributions are 4% employee and 6% employer.
- (b) Benefits
 - Withdrawal of account balance or annuity benefit based on age and 5% interest assumption.
- (c) Retirement Age and Years of Service
 - Age 55 with any length of service.
- (d) Refunds
 - Value of account.
- (e) Annuity and Disability Option
 - 100% joint and survivor with bounce back.
 - 50% joint and survivor with bounce back.
 - 15 year period certain.

Agency Fund

Deferred Compensation Plan — IRS Code 457

- (a) Coverage and Contributions
 - Optional for all State employees and employees of political subdivisions. Contributions are tax deferred with a \$10 per pay period minimum and a 25% of gross compensation or \$7,500 maximum.
- (b) Investment Selection
 - Minnesota Supplemental Investment Fund
 - Income Share Account.
 - Growth Share Account.
 - Money Market Account.
 - Common Stock Index Account.
 - Guaranteed Return Account.
 - Bond Market Account
 - Minnesota Mutual Life Insurance Company
 - Fixed annuity contract.
 - Variable annuity contract.
 - Great West Life Assurance Company
 - Daily Interest Guarantee Fund.
 - Guaranteed Certificate Fund — 30, 60 and 84 month.
 - Growth Fund.
- (c) Withdrawal Events
 - Termination of service or death.
 - Unforeseeable emergency.

SUMMARY OF RETIREMENT SYSTEM PLANS (Continued)

(d) Withdrawal Options

- Minnesota Supplemental Investment Fund
 - Lump sum.
 - Lump sum purchase of a fixed or variable annuity contract.
 - Monthly installment over a period specified.
- Insurance Companies
 - The life of the participant.
 - The life of the participant or a period certain, whichever is greater.
 - The joint lifetime of the participant and a named beneficiary.
 - Term certain payment.

These summary plan descriptions are not intended to be all inclusive, they are provided for general information purposes only.

INDEPENDENT AUDITOR'S REPORT

Members of the Board
and
Executive Director
Minnesota State Retirement System

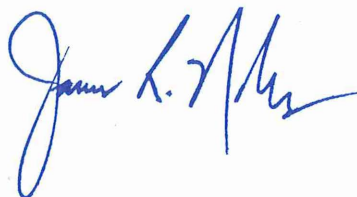
We have audited the accompanying financial statements of the Minnesota State Retirement System and the combining and individual fund financial statements of the system as of and for the year ended June 30, 1990, as presented in the financial section of this report. These financial statements are the responsibility of the system's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As explained in Note 2, investments are valued at cost or amortized cost as required by generally accepted accounting principles. Minnesota statutes require valuation of all securities at cost plus one-third of unrealized capital gains or losses. Since the statutory provision deviates from generally accepted accounting principles, the basic statements are not in compliance with the statute. Note 8 contains the disclosures which must be considered together with the basic financial statements to achieve statutory reporting requirements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Minnesota State Retirement System at June 30, 1990, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of the individual funds of the Minnesota State Retirement System at June 30, 1990, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles. In addition, except for the valuation of securities, as discussed in the preceding paragraph, the aforementioned financial statements are in compliance with the reporting requirements of Minn. Stat. Section 356.20.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole and on the combining and individual fund financial statements. The supplemental schedule of administrative expenses, which is the responsibility of the system's management is presented for purposes of additional analysis and is not a required part of the financial statements of the Minnesota State Retirement System. The information has been subjected to the auditing procedures applied in the audit of the combined, combining, and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of the respective individual funds taken as a whole.



James R. Nobles
Legislative Auditor



John Asmussen, CPA
Deputy Legislative Auditor

November 13, 1990

**COMBINED BALANCE SHEET
JUNE 30, 1990
(In Thousands)**

		<u>Defined Contribution Fund</u>	<u>Agency Fund</u>	<u>Memorandum Only</u>	
	<u>Defined Benefit Funds</u>	<u>Unclassified Retirement Fund</u>	<u>Deferred Compensation Fund</u>	<u>1990 Totals</u>	<u>1989 Totals</u>
ASSETS					
Cash	\$ 41	\$ 19	\$ 95	\$ 155	\$ 20
Short-term investments (at cost)	23,906	698	1,574	26,178	28,804
Accounts receivable:					
Member contributions	2,140	93	2,702	4,935	2,751
Employer contributions	2,113	137	0	2,250	1,526
Other	9	0	51	60	68
Accrued Interest	97	0	1	98	132
Due from MPRI fund	1,811	0	0	1,811	69
Due from other plans	359	7	0	366	279
Due from other funds	4,505	0	0	4,505	3,997
Fixed Investments (at cost)	414,430	0	0	414,430	298,233
Equity Investments (at cost)	1,022,109	0	0	1,022,109	939,419
Deposits with Insurance Companies	0	0	330,334	330,334	265,258
Fixed Assets	100	0	0	100	58
Restricted Assets	916,720	73,367	156,552	1,146,639	1,037,801
	<u>\$2,388,340</u>	<u>\$ 74,321</u>	<u>\$ 491,309</u>	<u>\$2,953,970</u>	<u>\$2,578,415</u>
LIABILITIES					
Accounts Payable					
Accrued expenses	\$ 375	\$ 1	\$ 12	\$ 388	\$ 280
Deferred Revenue	29	0	0	29	32
Due to MPRI fund	674	0	0	674	1,458
Due to other plans	289	32	46	367	279
	<u>\$ 1,367</u>	<u>\$ 33</u>	<u>\$ 58</u>	<u>\$ 1,458</u>	<u>\$ 2,049</u>
RESERVES					
MPRI Fund reserve	\$ 916,720	\$ 0	\$ 0	\$ 916,720	\$ 837,730
Member reserve	399,093	74,288	491,251	964,632	825,103
NonMPRI Fund reserve	31,310	0	0	31,310	30,576
State reserve	1,773,394	0	0	1,773,394	1,614,924
Total Required Reserves	<u>\$3,120,517</u>	<u>\$ 74,288</u>	<u>\$ 491,251</u>	<u>\$3,686,056</u>	<u>\$3,308,333</u>
Unfunded accrued liability (at cost)	(733,544)	0	0	(733,544)	(731,967)
Net Reserves	<u>\$2,386,973</u>	<u>\$ 74,288</u>	<u>\$ 491,251</u>	<u>\$2,952,512</u>	<u>\$2,576,366</u>
Total Liabilities and Reserves	<u>\$2,388,340</u>	<u>\$ 74,321</u>	<u>\$ 491,309</u>	<u>\$2,953,970</u>	<u>\$2,578,415</u>

See notes to Financial Statements.

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1990
(In Thousands)**

	<u>Defined Benefit Funds</u>	<u>Defined Contribution Fund</u>	<u>Memorandum Only</u>	
		<u>Unclassified Retirement Fund</u>	<u>1990 Totals</u>	<u>1989 Totals</u>
Operating Revenues:				
Member contributions	\$ 61,526	\$ 0	\$ 61,526	\$ 49,271
Employer contributions	66,319	0	66,319	53,741
General Fund appropriations	6,062	0	6,062	5,031
Investment income	142,061	53	142,114	125,092
MPRI Fund income	74,909	0	74,909	87,289
Gain/Loss on Investments	35,384	0	35,384	23,282
Realized and unrealized gains	0	6,941	6,941	7,260
Other Income	71	0	71	47
 Total Operating Revenues	 <u>\$ 386,332</u>	 <u>\$ 6,994</u>	 <u>\$ 393,326</u>	 <u>\$ 351,013</u>
 Operating Expenses:				
Annuity benefits	\$ 92,293	\$ 0	\$ 92,293	\$ 84,521
Refunds	7,085	0	7,085	7,072
Interest on refunds	1,424	0	1,424	1,266
Interest to MPRI Fund	1,205	0	1,205	566
Administrative expenses	1,826	212	2,038	1,841
Investment fees	2,462	0	2,462	1,408
 Total Operating Expenses	 <u>\$ 106,295</u>	 <u>\$ 212</u>	 <u>\$ 106,507</u>	 <u>\$ 96,674</u>
 Other Changes in Reserves:				
Member contributions	\$ 0	\$ 3,018	\$ 3,018	\$ 2,400
Employer contributions	0	4,004	4,004	3,465
Member withdrawals	0	(2,132)	(2,132)	(1,840)
Transfers to General Fund	0	0	0	(532)
Plan transfers	(677)	677	0	0
Total Other Charges	<u>\$ (677)</u>	<u>\$ 5,567</u>	<u>\$ 4,890</u>	<u>\$ 3,493</u>
Net Reserve Additions	279,360	12,349	291,709	257,832
 Reserve Balance at June 30, 1989	 <u>\$2,107,613</u>	 <u>\$ 61,939</u>	 <u>\$2,169,552</u>	 <u>\$1,911,720</u>
Reserve Balance at June 30, 1990	<u>\$2,386,973</u>	<u>\$ 74,288</u>	<u>\$2,461,261</u>	<u>\$2,169,552</u>

See notes to Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE SYSTEM

The Minnesota State Retirement System is the administrator of a multiple-employer, cost-sharing public employee retirement system. It consists of five defined benefit funds, one defined contribution fund and one agency fund. The System is a part of the State of Minnesota's reporting entity and is included with their fiduciary funds. At June 30, 1990, the number of employers participating in the various funds was:

State of Minnesota	1
University of Minnesota	1
Counties	31
Cities	62
School Districts	87
Other Employers	60
	<u>242</u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The basic financial statements were prepared using the accrual basis of accounting in accordance with the National Council of Governmental Accounting, Statement 1, "Governmental Accounting and Financial Reporting Principles."

(b) Investments

Short-term and equity investments are reported at cost. Fixed income securities are reported at amortized cost. Market value at June 30, 1990 was \$1.8 billion. At June 30, 1989, the market value of all investments was \$1.6 billion. Space restrictions make it impractical to print the entire investment portfolio in this report. However a portfolio list is available upon request.

(c) Risk Categories

Investments are classified according to their level of risk into the following categories:

- 1 — Investments which are insured or registered, or for which the securities are held by the state or its agent in the state's name.
- 2 — Investments which are uninsured or unregistered, and for which the securities are held by a broker or dealer's trust department or agent in the state's name.
- 3 — Same as Category 2 but the securities are not held in the state's name.

(d) Restricted Assets

Restricted assets are the MSRS funds' participation in various investment trust funds administered by the State Board of Investment. For the defined benefit funds, these amounts are invested in the MPRI Fund. For the defined contribution and agency funds, these amounts are invested in the Minnesota Supplemental Investment (MSI) Fund.

(e) Fixed Assets

Fixed assets consist entirely of office equipment and fixtures which were capitalized at cost at the time of acquisition. Depreciation is computed on the straight-line method over estimated useful lives ranging from 3-20 years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(f) Reserves

(1) Employee Reserve

The Employee reserve is credited with the cumulative employee contributions. Upon retirement these contributions are combined with the necessary state reserve funds and transferred to the MPRI Fund to provide an annuity. Employees who terminate their employment prior to retirement may elect to receive a refund of their contributions plus interest or a deferred annuity.

(2) State Reserve

The State reserve is credited with all investment earnings and employer contributions. Also included in this reserve is the unfunded accrued liability which is the actuarially determined amount necessary to place the retirement fund on a fully funded basis.

(3) MPRI Fund Reserve

The MPRI Fund reserve equals the corresponding assets invested in the MPRI Fund, the proceeds from which are used to pay the monthly pension benefits of eligible retirees. This amount is adjusted annually to fully fund the actuarial value of benefits remaining.

(4) NonMPRI Fund Reserve

The NonMPRI Fund reserve is the unfunded actuarial value of future benefits to be paid to retirees and beneficiaries who are not eligible to participate in the MPRI Fund.

(g) Deposits with Insurance Companies

Deposits with Insurance Companies is the Deferred Compensation Fund combined participant account balances and annuity contracts held by authorized insurance companies.

(h) Actuarial Valuations

Actuarial valuations and experience studies are performed annually. The entry age normal method, a projected benefit cost method, is used to value the funds with contributions being made as a level percentage of covered employee salaries. A salary scale of 6½% and interest assumption of 8½% are prescribed by statute.

3. CASH AND INVESTMENTS

(a) Cash

MSRS cash is deposited into state treasury accounts. At June 30, 1990 and throughout the fiscal year then ended, these accounts were secured by pledged collateral and deposit insurance to the extent required by Minnesota statutes.

(b) Investment Policies

Pursuant to Minnesota statutes, the assets of the MSRS funds are pooled with those of other funds and invested by the State Board of Investment. These investments are restricted to obligations and stocks of the United States and Canadian governments, their agencies and their registered corporations; short-term obligations of specific high quality; and various alternative investments prescribed in statute are limited to 35% of the fund pool.

(c) Investment Risk

All MSRS investments were classified as Risk Category 1.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(d) Investment Values

Market values and costs of investments were as follows (In Thousands):

	<u>Total</u>	<u>State Employees Fund</u>	<u>State Patrol Fund</u>	<u>Correctional Employees Fund</u>	<u>Judges Fund</u>
At Market:					
Short-Term	\$ 23,910	\$ 20,389	\$ 1,427	\$ 1,859	\$ 235
Debt Security	410,710	364,924	27,318	17,651	817
Pooled Equity	<u>1,161,117</u>	<u>1,031,500</u>	<u>77,216</u>	<u>49,893</u>	<u>2,508</u>
Total	\$1,595,737	\$1,416,813	\$105,961	\$69,403	\$3,560
At Cost:					
Short-Term	\$ 23,906	\$ 20,385	\$ 1,427	\$ 1,859	\$ 235
Debt Security	414,430	368,116	27,611	17,798	905
Pooled Equity	<u>1,022,108</u>	<u>906,742</u>	<u>68,726</u>	<u>43,954</u>	<u>2,686</u>
Total	\$1,460,444	\$1,295,243	\$97,764	\$63,611	\$3,826

4. CAPITAL EQUIPMENT

Cost of Equipment and Fixtures	\$306,229
Less: Accumulated Depreciation	<u>(206,640)</u>
Undepreciated Cost	<u>\$ 99,589</u>

5. MINNESOTA POST RETIREMENT INVESTMENT FUND (MPRI Fund)

- (a) MPRI Fund is a joint investment fund for retired members. When members retire, the money required to pay the annuity for the expected life is transferred to the MPRI Fund. Participation in the MPRI Fund is shown as the required reserves as determined by the actuary.
- (b) MPRI Fund income represents the 5% earnings on the required reserves for fiscal year 1990 plus the 1989 income used to pay the January, 1990 benefit increase. Income in excess of 5% was distributed according to Minnesota Statutes, Section 11A.18, Subdivision 9.

6. DEFERRED COMPENSATION FUND

All member contributions to the Deferred Compensation Fund remain the property and responsibility of the participating employers. MSRS is responsible for exercising due care in the administration of the fund.

7. LEASES

The office facilities and twenty parking spaces are leased by an agreement through September 30, 1991, requiring an annual rent payment of \$99,904.

8. ACTUARIAL VALUATIONS

Minnesota Statutes require annual actuarial valuations using the entry age normal cost method with an 8½% interest rate assumption and a 6½% salary increase assumption.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Minnesota Statutes also provide that actuarial valuations include one third of unrealized market value gains or losses. The lower of cost or market is required on the balance sheet. The following shows the unfunded liability with each method.

	Unfunded Liability (In Thousands)			
	Cost Basis		Actuarial Basis	
	1990	1989	1990	1989
State Employees Retirement Fund	\$640,280	\$632,270	\$599,758	\$585,144
State Patrol Retirement Fund	24,377	30,400	21,644	27,163
Correctional Employees Retirement Fund	7,702	9,477	5,272	7,243
Judges Retirement Fund	41,191	41,529	41,280	41,502
Legislative Retirement Fund	18,574	16,504	18,574	16,504
Elective State Officers Retirement Fund	1,920	1,786	1,920	1,786

9. PENSION BENEFIT OBLIGATION

The pension benefit obligation is a standardized measure of the actuarial present value of credited projected benefits. It is intended to help statement users to assess the funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. The assumptions are the same as those of the statutory method, however the method of computation is different. These valuations are as of June 30, 1990.

	(In Thousands)					
	State Employees Retirement Fund	State Patrol Retirement Fund	Correctional Employees Retirement Fund	Judges Retirement Fund	Legislative Retirement Fund	Elective State Officers Retirement Fund
Retirees and beneficiaries receiving benefits and terminated employees not receiving benefits	\$ 805,724	\$ 95,947	\$35,659	\$36,278	\$17,527	\$1,099
Current Employees:						
Accumulated employee contributions including allocated investment income	510,045	32,468	17,419	6,218	4,224	366
Employee financed-vested	867,448	54,297	31,038	18,232	6,372	513
Employer financed-nonvested	<u>144,950</u>	<u>15,647</u>	<u>3,438</u>	<u>7,759</u>	<u>1,531</u>	<u>130</u>
Total Pension Benefit Obligation	2,328,167	198,359	87,554	68,487	29,654	2,108
Net assets available for benefits (Cost Basis)	<u>2,067,688</u>	<u>182,966</u>	<u>95,015</u>	<u>28,205</u>	<u>12,748</u>	<u>351</u>
Unfunded (Assets in Excess of) Pension Benefit	\$ 260,479	\$ 15,393	\$(7,461)	\$40,282	\$16,906	\$1,757

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. COMPARISON OF CONTRIBUTIONS

The contribution rates for each of the defined benefit funds are not actuarilly determined but rather are set by statute. These rates are intended to be sufficient to fully fund the actuarial liabilities by the year 2020. Annual reviews are made by the actuary to determine their sufficiency. Comparisons of the actual to the actuarially required contributions are as follows:

Year Ended June 30, 1990:	(In Thousands)					
	State Employees Retirement Fund	State Patrol Retirement Fund	Correctional Employees Retirement Fund	Judges Retirement Fund	Legislative Retirement Plan	Elective State Officers Retirement Plan
Employee Contributions as a % of payroll	\$ 55,671 4.34%	\$2,568 8.50%	\$1,925 4.90%	\$ 779 4.30%	\$ 546 9.00%	\$ 36 9.00%
Employer Contributions as a % of payroll	\$ 57,200 4.51%	\$5,706 18.90%	\$3,412 8.70%	\$ 0 N/A	\$ 0 N/A	\$ 0 N/A
Total Contributions Made as a % of payroll	\$112,871 8.85%	\$8,274 27.40%	\$5,337 13.60%	\$779 4.30%	\$546 9.00%	\$ 36 9.00%
Required Contributions (per actuary) as a % of payroll	\$102,156 8.14%	\$6,585 21.84%	\$4,239 10.87%	\$4,649 24.30%	\$1,847 31.52%	\$136 33.75%
Funding Surplus (Deficit)	\$10,715	\$1,689	\$1,098	\$(3,870)	\$(1,301)	\$(100)

11. DESCRIPTIONS OF INDIVIDUAL DEFINED BENEFIT FUNDS

(a) State Employees Retirement Fund

The State Employees Retirement Fund includes the General Employees Plan, a multiple-employer, cost-sharing plan, and the Military Affairs and Transportation Pilots Plan, a single-employer plan. Only certain employees of the Departments of Military Affairs and Transportation are eligible to be members of the Military Affairs and Transportation Pilots Plan, but all state employees who are not members of another plan are members of the General Employees Plan.

Membership statistics at June 30, 1990 were as follows:

Members receiving benefits:	
Retirees	12,486
Beneficiaries	899
Terminated members:	
Vested, not receiving benefits	1,824
Nonvested	4,638
Active members:	
Vested	34,869
Nonvested	14,707
Total	69,423
Annualized Payroll (06/30/90)	\$1,485,867,000

Minnesota Statutes, Section 352.04 require that eligible employees contribute 4.34% of their total compensation with a matching employer contribution of 4.51% through June 30, 1990. Effective July 1, 1990, those rates are 4.15% and 4.29% respectively. Retirement benefits may be computed by two methods: the step formula and the level formula. Step formula benefits are 1% of the high five year average salary plus 1½% for each year over ten. It also includes full benefits under the "Rule of 90." In contrast, the level formula does not include the "Rule of 90," benefits are 1½% of the high five year average salary for all years of service and full benefits are available at the "normal retirement age."

At the time of retirement, members first employed prior to July 1, 1989 will have their benefit computed under the method providing the higher amount. Those employed July 1 or later are only eligible for the level formula method.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(b) State Patrol Retirement Fund

The State Patrol Retirement Fund includes only the State Patrol Retirement Plan, a single-employer plan. Membership is limited to only those state employees who are state troopers, conservation officers, or crime bureau officers.

Membership statistics at June 30, 1990 were as follows:

Members receiving benefits:	
Retirees	360
Beneficiaries	105
Terminated members:	
Vested, not receiving benefits	23
Nonvested	4
Active members:	
Vested	629
Nonvested	159
Total	1,280
Annualized Payroll (06/30/90)	\$34,423,000

Minnesota Statutes, Section 352.91 requires that eligible employees contribute 8.50% of their total compensation; the employer contribution is 18.90%. Effective July 1, 1990, the employer contribution is 14.88%. Members become eligible for normal retirement benefits upon reaching the age of 55 with a minimum of three years of service. The benefit is 2½% of the high five year average salary for each year of service.

(c) Correctional Employees Retirement Fund

The Correctional Employees Retirement Fund includes only the Correctional Plan, a single-employer plan. Membership is limited to only those state employees who have direct responsibility for inmates at Minnesota correctional facilities.

Membership statistics at June 30, 1990 were as follows:

Members receiving benefits:	
Retirees	349
Beneficiaries	15
Terminated members:	
Vested, not receiving benefits	113
Nonvested	45
Active members:	
Vested	1,039
Nonvested	377
Total	1,938
Annualized Payroll (06/30/90)	\$44,473,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Minnesota Statutes, Section 352.91 requires that eligible employees contribute 4.90% of their total compensation; the matching employer contribution is 8.70%. Effective July 1, 1990, the employer contribution is 6.27%.

Members become eligible for normal retirement benefits at age 55 with a minimum of three years of service. The benefit is 2½% of the high five year average salary for each year of service for 84 months or until age 65. At age 65 or after 84 months, benefits revert to those of the General Employees Plan.

(d) Judges Retirement Fund

The Judges Retirement Fund includes only the Judges Retirement Plan, a single-employer plan. Active membership is limited to Minnesota district, appellate and Supreme Court judges. Retirees also include municipal and county court judges.

Membership statistics at June 30, 1990 were as follows:

Members receiving benefits:	
Retirees	114
Beneficiaries	64
Terminated members:	
Vested, not receiving benefits	2
Nonvested	1
Active members:	
Vested	182
Nonvested	80
Total	443
Annualized Payroll (06/30/90)	\$21,445,000

Minnesota Statutes, Section 490.123 specifies that member salary deductions are equal to the Social Security rate plus 1¼% of salary if they are covered by Social Security. The Social Security contribution is first satisfied by the deductions paid to the Social Security Administration. Once the FICA-taxable wage maximum is reached the full deductions are credited to the Judges Plan. Members not covered by Social Security contribute the Social Security amount plus an additional one-half percent.

This single-employer plan is terminally funded. Employer contributions are made only at the time of retirement.

Members become eligible for retirement benefits upon reaching the age of 65 with five years of service, 62 with 5 years of service and a reduced benefit, or mandatory retirement at age 70 and one year of service. The benefit is 2½% of the high five year average salary within the last 10 years for each year of service prior to July 1, 1980 plus 3% of same average salary for service after June 30, 1980.

(e) General Fund Plans

The General Fund Plans include the Legislative Retirement Plan and the Elective State Officers Plan, both of which are single-employer plans. Members of the Minnesota House of Representatives and Senate are included in the Legislative Retirement Plan; the Elective State Officers Plan includes only the elected constitutional officers.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Membership statistics at June 30, 1990 were as follows:

	<u>Legislative Retirement Plan</u>	<u>Elective State Officers Plan</u>
Members receiving benefits:		
Retirees	126	3
Beneficiaries	37	5
Terminated members:		
Vested, not receiving benefits	101	6
Nonvested	3	0
Active members:		
Vested	130	3
Nonvested	71	3
Totals	468	20
Annualized Payroll (06/30/90)	\$5,894,000	\$453,000

Minnesota Statutes, Sections 3A.03 and 352C.09 require that legislators contribute 9.00% of their regular salary, including certain per diem payments and elected officers contribute 9.00% of their salary. These plans are funded by annual appropriations from the state's General Fund.

Legislators become eligible for retirement benefits upon reaching the age of 62 with 6 years of service or for a reduced benefit at age 60 with the same service. The benefit is 2½% of the high five year average salary but not to exceed their final salary. The Elective State Officers Plan has the same benefit eligibility requirements except 8 years of service is required.

12. DEFINED CONTRIBUTION PLAN

The Unclassified Fund includes only the Unclassified Employees Retirement Plan, a multiple-employer defined contribution plan. Membership is limited to certain specified employees of the State of Minnesota and various other statutorily specified entities. Membership statistics at June 30, 1990 were as follows:

Active members	1,673
Inactive members	518
Annualized Payroll (06/30/90)	\$72,908,000

Minnesota Statutes, Section 352D.01-.12 authorize creation of this plan and specify contribution rates of 4% for the employee and 6% for the employer. Member benefits vest only to the extent of the value of their accounts; i.e., cumulative employee contributions and employer contributions plus investment income less administrative expenses. Retirement and disability benefits are available through conversion, at the member's option, to the General Employee Plan provided they have at least 10 years of service.

13. OPTIONAL RETIREMENT ANNUITIES

In the defined benefit funds, two joint and survivor annuity options are available. Either 50% or 100% joint and survivor options may be elected. Annuities take the form of joint and survivor options with reversion to the single-life amount if the beneficiary predeceases. A fifteen year certain and life thereafter option is available, and for the Judges Plan a 10 year certain option is provided. Legislative and Elective State Officer plans have no options but automatically provide a 50% continuance to a surviving spouse.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**14. REQUIRED SUPPLEMENTAL INFORMATION**

Ten-year historical trend information designed to provide information about progress in accumulating sufficient assets to pay benefits when due is presented on the pages which follow. Certain information was not available for all funds.

15. EARLY RETIREMENT INCENTIVE PROGRAM

The 1990 Legislature enacted a special early retirement incentive program as part of an attempt to reduce the cost of state government. This incentive was in effect from May 16 to June 30, 1990 and was only available to certain members of MSRS plans. Persons who participated will receive limited state paid insurance contributions after retirement.

**SUPPLEMENTAL INFORMATION
ANALYSIS OF FUNDING PROGRESS
(IN THOUSANDS)
Unaudited**

<u>Fiscal Year</u>	<u>Net Assets Available for Benefits (Cost)</u>	<u>Pension Benefit Obligation</u>	<u>Percentage Funded</u>	<u>Unfunded Pension Benefit Obligation</u>	<u>Annual Covered Payroll (Historical)</u>	<u>Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll</u>
STATE EMPLOYEES RETIREMENT FUND:						
1986*	\$1,370,049	\$1,439,134	95.2	\$ 69,085	\$ 998,258	6.9
1987*	1,585,971	1,650,993	96.1	65,022	1,058,471	6.1
1988	1,609,381	1,775,445	90.6	166,064	1,091,511	15.2
1989	1,824,416	2,109,272	86.5	284,856	1,163,800	24.5
1990	2,067,688	2,328,167	88.8	260,479	1,254,991	20.8
*Note: Includes the Correctional Employees Retirement Fund.						
STATE PATROL RETIREMENT FUND:						
1986	\$118,175	\$142,626	82.9	\$24,451	\$24,163	101.2
1987	136,397	153,107	89.1	16,710	25,132	66.5
1988	146,068	167,349	87.3	21,281	26,085	81.6
1989	164,033	184,250	89.0	20,217	27,765	72.8
1990	182,966	198,359	92.2	15,393	30,150	51.1
CORRECTIONAL EMPLOYEES RETIREMENT FUND:						
1988*	\$72,446	\$69,142	104.8	\$(3,304)	\$33,155	(10.0)
1989	83,206	79,143	105.1	(4,063)	35,475	(11.5)
1990	95,015	87,554	108.5	(7,461)	38,999	(19.1)
**Note: Prior years were included in the State Employees Retirement Fund until July 1, 1987.						
JUDGES RETIREMENT FUND:						
1986	\$15,983	\$51,178	31.2	\$35,195	\$14,913	236.0
1987	18,781	53,677	35.0	34,896	15,644	223.1
1988	20,774	59,389	35.0	38,615	16,102	239.8
1989	23,325	64,106	36.4	40,781	18,006	226.5
1990	28,205	68,487	41.2	40,282	19,134	210.5
LEGISLATIVE RETIREMENT PLAN:						
1986	\$ 9,535	\$20,532	46.4	\$10,997	\$4,366	251.9
1987	11,158	21,950	50.8	10,792	4,786	225.5
1988	11,857	23,758	49.9	11,901	4,386	271.3
1989	12,317	26,998	45.6	14,629	4,668	313.4
1990	12,748	29,654	43.0	16,906	5,859	288.5
ELECTED STATE OFFICERS RETIREMENT PLAN:						
1986	\$230	\$1,555	14.8	\$1,325	\$344	385.2
1987	246	1,619	15.2	1,373	355	386.8
1988	281	1,757	16.0	1,476	365	404.4
1989	314	1,938	16.2	1,624	387	419.6
1990	351	2,108	16.7	1,757	404	434.9

**SUPPLEMENTAL INFORMATION
REVENUES BY SOURCES
(IN THOUSANDS)**

STATE EMPLOYEES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1981*	\$28,317	\$45,027	\$ 65,934	\$ 220	\$139,498
1982*	28,388	45,335	91,972	1,823	167,518
1983*	37,306	29,137	91,100	1,952	159,495
1984*	33,343	50,640	83,322	1,355	168,660
1985*	35,220	37,625	108,531	1,331	182,707
1986*	38,356	40,565	161,728	1,299	241,948
1987*	40,625	42,911	192,178	1,245	276,959
1988	41,632	42,951	136,396	1,201	222,180
1989	43,957	45,401	205,180	1,099	295,637
1990	55,671	57,200	220,092	29	332,992

*Note: Includes the Correctional Employees Retirement Fund.

STATE PATROL RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1981	\$1,283	\$3,842	\$ 5,795	\$ 4	\$10,924
1982	1,341	4,009	6,260	63	11,673
1983	1,961	3,909	7,585	70	13,525
1984	1,877	4,638	6,776	59	13,350
1985	1,964	4,362	9,145	63	15,534
1986	2,062	4,598	13,686	62	20,408
1987	2,164	4,778	16,462	63	23,467
1988	2,244	4,971	12,976	62	20,253
1989	2,367	5,256	17,746	59	25,428
1990	2,568	5,706	18,870	3	27,147

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1988*	\$1,753	\$3,089	\$5,721	\$0	\$10,563
1989	1,748	3,084	9,254	0	14,086
1990	1,925	3,412	10,133	0	15,470

*Note: Prior years were included in the State Employees Retirement Fund until July 1, 1987.

**SUPPLEMENTAL INFORMATION
REVENUES BY SOURCES
(IN THOUSANDS)**

JUDGES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1981	\$490	\$1,164	\$ 742	\$ 0	\$2,396
1982	469	525	858	0	1,852
1983	527	2,624	976	0	4,127
1984	466	1,671	951	86	3,174
1985	501	2,226	1,219	84	4,030
1986	562	2,173	1,661	81	4,477
1987	563	2,405	2,699	62	5,729
1988	565	2,650	1,980	57	5,252
1989	733	2,875	2,443	44	6,095
1990	779	5,500	2,494	39	8,812

LEGISLATIVE RETIREMENT PLAN:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1981	\$340	\$0	\$ 67	\$1,745	\$2,152
1982	263	0	167	769	1,199
1983	377	0	243	1,681	2,301
1984	331	0	305	794	1,430
1985	357	0	620	604	1,581
1986	387	0	749	981	2,117
1987	430	0	979	1,847	3,256
1988	397	0	976	925	2,298
1989	431	0	980	860	2,271
1990	546	0	764	451	1,761

ELECTIVE STATE OFFICERS RETIREMENT PLAN:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1981	\$24	\$0	\$0	\$ 87	\$111
1982	24	0	0	86	110
1983	26	0	0	135	161
1984	27	0	0	101	128
1985	29	0	0	95	124
1986	31	0	0	101	132
1987	32	0	0	132	164
1988	34	0	0	132	166
1989	35	0	0	141	176
1990	36	0	0	112	148

**SUPPLEMENTAL INFORMATION
EXPENSES BY TYPE
(IN THOUSANDS)**

STATE EMPLOYEES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1981*	\$25,100	\$1,335	\$ 6,886	\$ 126	\$33,447
1982*	28,783	955	9,310	1	39,049
1983*	33,420	933	6,048	227	40,628
1984*	37,137	1,406	14,800	11,563	64,906
1985*	42,957	1,372	7,500	1,266	53,095
1986*	49,432	1,357	7,724	1,374	59,887
1987*	57,057	1,449	7,996	1,475	67,977
1988	63,697	1,550	7,490	1,958	74,695
1989	69,603	1,166	7,898	1,969	80,636
1990	76,040	1,542	8,203	3,230	89,015

*Note: Includes the Correctional Employees Retirement Fund.

STATE PATROL RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1981	\$1,724	\$53	\$ 41	\$ 5	\$1,823
1982	2,082	41	87	0	2,210
1983	2,826	41	49	17	2,933
1984	3,431	47	279	802	4,559
1985	3,970	54	6	80	4,110
1986	4,646	59	52	88	4,845
1987	5,431	74	99	93	5,697
1988	6,263	58	9	178	6,508
1989	7,186	66	78	137	7,467
1990	7,847	76	27	264	8,214

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1988*	\$2,678	\$ 82	\$196	\$ 50	\$3,006
1989	2,964	87	270	91	3,412
1990	3,187	116	248	141	3,692

*Note: Prior years were included in the State Employees Retirement Fund.

**SUPPLEMENTAL INFORMATION
EXPENSES BY TYPE
(IN THOUSANDS)**

JUDGES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1981	\$1,443	\$34	\$ 47	\$ 0	\$1,524
1982	1,574	26	26	0	1,626
1983	1,769	26	23	1	1,819
1984	1,979	28	108	262	2,377
1985	2,158	29	1	6	2,194
1986	2,391	32	0	6	2,429
1987	2,726	34	0	7	2,767
1988	3,110	38	6	14	3,168
1989	3,451	47	24	21	3,543
1990	3,846	55	1	30	3,932

LEGISLATIVE RETIREMENT PLAN:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1981	\$ 419	\$ 9	\$ 49	\$ 0	\$ 477
1982	526	15	12	0	553
1983	601	21	96	0	718
1984	696	27	53	0	776
1985	784	31	119	0	934
1986	885	29	3	63	980
1987	1,038	34	130	0	1,202
1988	1,149	31	19	2	1,201
1989	1,211	36	15	1	1,263
1990	1,263	37	30	1	1,331

ELECTIVE STATE OFFICERS RETIREMENT PLAN:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1981	\$ 86	\$ 0	\$ 0	\$0	\$ 86
1982	86	0	0	0	86
1983	89	1	44	0	134
1984	95	3	3	0	101
1985	102	4	17	0	123
1986	99	2	0	2	103
1987	97	2	17	0	116
1988	97	2	0	0	99
1989	105	1	0	0	106
1990	111	1	0	0	112

**COMBINING BALANCE SHEET
DEFINED BENEFIT FUNDS
JUNE 30, 1990
(In Thousands)**

	<u>State Employees</u>	<u>State Patrol</u>	<u>Correctional Employees</u>	<u>Judges</u>	<u>Legislators</u>	<u>Elected State Officers</u>	<u>Memorandum Only 1990 Totals</u>
ASSETS							
Cash	\$ 21	\$ 6	\$ 6	\$ 8	\$ 0	\$ 0	\$ 41
Short-term investments (cost)	20,385	1,427	1,859	235	0	0	23,906
Accounts receivable							
Member contributions	1,995	77	67	0	0	1	2,140
Employer contributions	1,833	172	108	0	0	0	2,113
Other	9	0	0	0	0	0	9
Accrued Interest	86	6	5	0	0	0	97
Due from MPRI fund	1,629	87	95	0	0	0	1,811
Due from other plans	359	0	0	0	0	0	359
Due from other funds	0	0	0	0	4,154	351	4,505
Fixed investments (at cost)	368,116	27,611	17,798	905	0	0	414,430
Equity Investments (at cost)	906,742	68,727	43,953	2,687	0	0	1,022,109
Fixed Assets	100	0	0	0			100
Restricted Assets	766,790	84,931	31,241	24,949	8,809	0	916,720
	<u>\$2,068,065</u>	<u>\$183,044</u>	<u>\$95,132</u>	<u>\$28,784</u>	<u>\$12,963</u>	<u>\$ 352</u>	<u>\$2,388,340</u>
LIABILITIES							
Accounts Payable	\$ 370	\$ 3	\$ 2	\$ 0	\$ 0	\$ 0	\$ 375
Accrued expenses	0	0	0	29	0	0	29
Deferred Revenue	0	0	0	496	178	0	674
Due to MPRI fund	0	0	0	54	37	1	289
Due to other plans	7	75	115				
	<u>\$ 377</u>	<u>\$ 78</u>	<u>\$ 117</u>	<u>\$ 579</u>	<u>\$ 215</u>	<u>\$ 1</u>	<u>\$ 1,367</u>
RESERVES							
MRPI Fund reserve	\$ 766,790	\$ 84,931	\$31,241	\$24,949	\$ 8,809	\$ 0	\$ 916,720
Member reserve	355,216	21,276	13,452	4,683	4,117	349	399,093
NonMPRI Fund reserve	6,715	8,863	0	11,171	3,852	709	31,310
State reserve	1,579,247	92,273	57,524	28,593	14,544	1,213	1,773,394
Total Required Reserves	\$2,707,968	\$207,343	\$102,217	\$69,396	\$31,322	\$2,271	\$3,120,517
Unfunded accrued liability (at cost)	(640,280)	(24,377)	(7,202)	(41,191)	(18,574)	(1,920)	(733,544)
Net Reserves	<u>\$2,067,688</u>	<u>\$182,966</u>	<u>\$95,015</u>	<u>\$28,205</u>	<u>\$12,748</u>	<u>\$ 351</u>	<u>\$2,386,973</u>
Total Liabilities and Reserves	<u>\$2,068,065</u>	<u>\$183,044</u>	<u>\$95,132</u>	<u>\$28,784</u>	<u>\$12,963</u>	<u>\$ 352</u>	<u>\$2,388,340</u>

See notes to Financial Statements.

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RESERVES
DEFINED BENEFIT FUNDS
YEAR ENDED JUNE 30, 1990
(In Thousands)**

	<u>State Employees</u>	<u>State Patrol</u>	<u>Correctional Employees</u>	<u>Judges</u>	<u>Legislators</u>	<u>Elected State Officers</u>	<u>Memorandum Only 1990 Totals</u>
Operating Revenues:							
Member contributions	\$ 55,671	\$ 2,568	\$ 1,926	\$ 779	\$ 546	\$ 37	\$ 61,527
Employer contributions	57,200	5,706	3,412	0	0	0	66,318
General Fund appropriations	0	0	0	5,500	451	112	6,063
Investment income	125,915	9,517	6,132	498	0	0	142,062
MPRI Fund income	62,801	7,008	2,529	1,806	765	0	74,909
Gain/Loss on Investments	31,376	2,345	1,472	190	0	0	35,383
Other income	<u>29</u>	<u>3</u>	<u>1</u>	<u>39</u>	<u>0</u>	<u>0</u>	<u>72</u>
Total Operating Revenues	<u>\$ 332,992</u>	<u>\$ 27,147</u>	<u>\$15,472</u>	<u>\$ 8,812</u>	<u>\$ 1,762</u>	<u>\$ 149</u>	<u>\$ 386,334</u>
Operating Expenses:							
Annuity benefits	\$ 76,040	\$ 7,846	\$ 3,188	\$ 3,845	\$ 1,263	\$ 111	\$ 92,293
Refunds	6,829	23	204	1	28	0	7,085
Interest on refunds	1,374	4	44	0	2	0	1,424
Interest to MPRI Fund	1,046	101	35	22	1	0	1,205
Administrative expenses	1,542	76	116	55	37	1	1,827
Investment fees	<u>2,184</u>	<u>164</u>	<u>106</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>2,463</u>
Total Operating Expenses	<u>\$ 89,015</u>	<u>\$ 8,214</u>	<u>\$ 3,693</u>	<u>\$ 3,932</u>	<u>\$1,331</u>	<u>\$ 112</u>	<u>\$ 106,297</u>
Other Changes in Reserves:							
Plan transfers	<u>\$ (705)</u>	<u>\$ 0</u>	<u>\$ 29</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (676)</u>
Total Other Changes	<u>\$ (705)</u>	<u>\$ 0</u>	<u>\$ 29</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (676)</u>
Net Reserve Additions	\$ 243,272	\$ 18,933	\$11,808	\$ 4,880	\$ 431	\$ 37	\$ 279,361
Reserve Balance at June 30, 1989	<u>\$1,824,416</u>	<u>\$164,033</u>	<u>\$83,207</u>	<u>\$23,325</u>	<u>\$12,317</u>	<u>\$ 314</u>	<u>\$2,107,612</u>
Reserve Balance at June 30, 1990	<u>\$2,067,688</u>	<u>\$182,966</u>	<u>\$95,015</u>	<u>\$28,205</u>	<u>\$12,748</u>	<u>\$ 351</u>	<u>\$2,386,973</u>

See notes to Financial Statements.

**STATE EMPLOYEES RETIREMENT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1990
(In Thousands)**

	<u>Total</u>	<u>Member Reserve</u>	<u>Non-MPRIIF Reserve</u>	<u>MPRIIF Reserve</u>	<u>State Reserve</u>
Operating Revenues:					
Member Contributions	\$ 55,671	\$ 55,211	\$ 0	\$ 0	\$ 460
Employer Contributions	57,200	0	0	0	57,200
Investment Income	125,915	0	0	0	125,915
MPRI Fund Income	62,801	0	0	62,801	0
Gain (Loss) in Investments	31,376	0	0	0	31,376
Other income	29	0	0	0	29
Total Operating Revenues	\$ 332,992	\$ 55,211	\$ 0	\$ 62,801	\$ 214,980
Operating Expenses:					
Annuity Benefits	\$ 76,040	\$ 0	\$ 1,387	\$ 74,653	\$ 0
Refunds	6,829	6,829	0	0	0
Interest on Refunds	1,374	0	0	0	1,374
Interest to MPRI Fund	1,046	0	0	0	1,046
Administrative Expenses	1,542	0	0	0	1,542
Investment Fees	2,184	0	0	0	2,184
Total Operating Expenses	\$ 89,015	\$ 6,829	\$ 1,387	\$ 74,653	\$ 6,146
Other Changes in Reserves:					
Actuarial Transfers	\$ 0	\$ 0	\$ 2,530	\$ 5,129	\$ (7,659)
Inactive Employee Transfers	0	(58)	0	0	58
New Annuity Transfers	0	(9,128)	0	71,548	(62,420)
Plan Transfers	(705)	(283)	0	0	(422)
Total Other Changes	\$ (705)	\$ (9,469)	\$ 2,530	\$ 76,677	\$ (70,443)
Net Reserve Additions	\$ 243,272	\$ 38,913	\$ 1,143	\$ 64,825	\$ 138,391
Balance June 30, 1989*	\$1,824,416	\$316,302	\$ 5,572	\$701,965	\$ 800,577
Balance June 30, 1990**	<u>\$2,067,688</u>	<u>\$355,215</u>	<u>\$ 6,715</u>	<u>\$766,790</u>	<u>\$ 938,968</u>

*Includes a reduction for Unfunded Liabilities of \$632,270,000. FY 1989 Unfunded Liability increase was \$126,175,000.

**Includes a reduction for Unfunded Liabilities of \$640,280,000. FY 1990 Unfunded Liability increase was \$8,010,000.

See notes to Financial Statements.

STATE PATROL RETIREMENT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1990
(In Thousands)

	<u>Total</u>	<u>Member Reserve</u>	<u>Non-MPRIF Reserve</u>	<u>MPRIF Reserve</u>	<u>State Reserve</u>
Operating Revenues:					
Member Contributions	\$ 2,568	\$ 2,567	\$ 0	\$ 0	\$ 1
Employer Contributions	5,706	0	0	0	5,706
Investment Income	9,517	0	0	0	9,517
MPRI Fund Income	7,008	0	0	7,008	0
Gain (Loss) on Investments	2,345	0	0	0	2,345
Other Income	2	0	0	0	2
Total Operating Revenues	<u>\$ 27,146</u>	<u>\$ 2,567</u>	<u>\$0</u>	<u>\$ 7,008</u>	<u>\$17,571</u>
Operating Expenses:					
Annuity Benefits	\$ 7,847	\$ 0	\$ 482	\$ 7,365	\$ 0
Refunds	0	0	0	0	0
Interest on Refunds	27	23	0	0	4
Interest to MPRI Fund	100	0	0	0	100
Administrative Expenses	76	0	0	0	76
Investment Fees	164	0	0	0	164
Total Operating Expenses	<u>\$ 8,214</u>	<u>\$ 23</u>	<u>\$ 482</u>	<u>\$ 7,365</u>	<u>\$ 344</u>
Other Changes in Reserves:					
Actuarial Adjustments	\$ 0	\$ 0	\$ 798	559	\$(1,357)
Inactive Employee Transfers	0	(5)	0	0	5
New Annuity Transfers	0	(846)	291	6,264	(5,709)
Plan Transfers	0	0	0	0	0
Total Other Changes	<u>\$ 0</u>	<u>\$(851)</u>	<u>\$ 1,089</u>	<u>\$ 6,823</u>	<u>\$(7,061)</u>
Net Reserve Additions	\$ 18,932	\$ 1,693	\$ 607	\$ 6,466	\$10,166
Balance June 30, 1989*	\$164,034	\$19,583	\$8,256	\$78,465	\$57,730
Balance June 30, 1990**	<u>\$182,966</u>	<u>\$21,276</u>	<u>\$8,863</u>	<u>\$84,931</u>	<u>\$67,896</u>

*Includes a reduction for Unfunded Liabilities of \$30,400,000. FY 1989 Unfunded Liability decrease was \$1,406,000.

**Includes a reduction for Unfunded Liabilities of \$24,377,000. FY 1990 Unfunded Liability decrease was \$6,023,000.

See notes to Financial Statements.

**CORRECTIONAL EMPLOYEES RETIREMENT PLAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1990
(In Thousands)**

	<u>Total</u>	<u>Member Reserve</u>	<u>MPRI Fund Reserve</u>	<u>State Reserve</u>
Operating Revenues:				
Member Contributions	\$ 1,925	\$ 1,922	\$ 0	\$ 3
Employer Contributions	3,412	0	0	3,412
Investment Income	6,132	0	0	6,132
MPRI Fund Income	2,529	0	2,529	0
Gain (Loss) on Investments	1,472	0	0	1,472
Other Income	1	0	0	1
Total Operating Revenues	<u>\$15,471</u>	<u>\$ 1,922</u>	<u>\$ 2,529</u>	<u>\$11,020</u>
Operating Expenses:				
Annuity Benefits	\$ 3,188	\$ 0	\$ 3,188	\$ 0
Refunds	203	203	0	0
Interest on Refunds	44	0	0	44
Interest to MPRI Fund	35	0	0	35
Administrative Expense	116	0	0	116
Investment Fees	106	0	0	106
Total Operating Expenses	<u>\$ 3,692</u>	<u>\$ 203</u>	<u>\$ 3,188</u>	<u>\$ 301</u>
Other Changes in Reserves:				
Actuarial Transfers	\$ 0	\$ 0	\$ 83	\$ (83)
Inactive Employee Transfers	0	67	0	(67)
New Annuity Transfers	0	(398)	3,453	(3,055)
Plan Transfers	29	11	0	18
Total Other Changes	<u>\$ 29</u>	<u>\$ (320)</u>	<u>\$ 3,536</u>	<u>\$ (3,187)</u>
Net Reserve Additions	\$11,808	\$ 1,399	\$ 2,877	\$ 7,532
Balance June 30, 1989*	\$83,207	\$12,053	\$28,364	\$42,790
Balance June 30, 1990**	<u>\$95,015</u>	<u>\$13,452</u>	<u>\$31,241</u>	<u>\$50,322</u>

*Includes a reduction for Unfunded Liabilities of \$9,477,000. FY 1989 Unfunded Liability increase was \$ 469,000.

**Includes a reduction for Unfunded Liabilities of \$7,202,000. FY 1990 Unfunded Liability decrease was \$2,275,000.

See notes to Financial Statements.

JUDGES RETIREMENT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1990
(In Thousands)

	<u>Total</u>	<u>Member Reserve</u>	<u>Non-MPRIF Reserve</u>	<u>MPRIF Reserve</u>	<u>State Reserve</u>
Operating Revenues:					
Member Contributions	\$ 779	\$ 776	\$ 0	\$ 0	\$ 3
General Fund Appropriations	5,500	0	0	0	5,500
Investment Income	498	0	0	0	498
MPRI Fund Income	1,806	0	0	1,806	0
Gain (Loss) on Investments	190	0	0	0	190
Other Income	39	0	0	0	39
Total Operating Revenues	<u>\$ 8,812</u>	<u>\$ 776</u>	<u>\$ 0</u>	<u>\$ 1,806</u>	<u>\$ 6,230</u>
Operating Expenses:					
Annuity Benefits	3,845	0	1,382	2,463	0
Refunds	1	1	0	0	0
Interest on Refunds	0	0	0	0	0
Interest to MPRI Fund	22	0	0	0	22
Administrative Expenses	55	0	0	0	55
Investment Fees	9	0	0	0	9
Total Operating Expenses	<u>\$ 3,932</u>	<u>\$ 1</u>	<u>\$ 1,382</u>	<u>\$ 2,463</u>	<u>\$ 86</u>
Other Changes in Reserves:					
Actuarial Adjustments	0	0	158	432	(590)
Survivor Contribution					
Transfers	0	(3)	0	0	3
New Annuity Transfers	0	(566)	0	5,005	(4,439)
Total Other Changes	<u>\$ 0</u>	<u>\$ (569)</u>	<u>\$ 158</u>	<u>\$ 5,437</u>	<u>\$(5,026)</u>
Net Reserve Additions	\$ 4,880	\$ 206	\$ (1,224)	\$ 4,780	\$ 1,118
Balance June 30, 1989*	<u>\$ 23,325</u>	<u>\$ 4,477</u>	<u>\$ 12,395</u>	<u>\$ 20,169</u>	<u>\$(13,716)</u>
Balance June 30, 1990**	<u>\$ 28,205</u>	<u>\$ 4,683</u>	<u>\$ 11,171</u>	<u>\$ 24,949</u>	<u>\$(12,598)</u>

*Includes a reduction for Unfunded Liabilities of \$41,529,000. FY 1989 Unfunded Liability increase was \$2,594,000.
 **Includes a reduction for Unfunded Liabilities of \$41,191,000. FY 1990 Unfunded Liability decrease was \$ 338,000.

See notes to Financial Statements.

**LEGISLATIVE RETIREMENT PLAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1990
(In Thousands)**

	<u>Total</u>	<u>Member Reserve</u>	<u>Non-MPRIF Reserve</u>	<u>MPRIF Reserve</u>	<u>State Reserve</u>
Operating Revenues:					
Member Contributions	\$ 546	\$ 543	\$ 0	\$ 0	\$ 3
General Fund Appropriations	451	0	0	0	451
MPRI Fund Income	764	0	0	764	0
Total Revenues	<u>\$ 1,761</u>	<u>\$ 543</u>	<u>\$ 0</u>	<u>\$ 764</u>	<u>\$ 454</u>
Operating Expenses:					
Annuity Benefits	\$ 1,089	\$ 0	\$ 0	\$ 1,089	\$ 0
Survivor Benefits	173	0	173	0	0
Refunds	21	21	0	0	0
Refunds Upon Death	7	7	0	0	0
Interest on Refunds	2	0	0	0	2
Interest to MPRI Fund	1	0	0	0	1
Administrative Expenses	37	0	0	0	36
Total Expenses	<u>\$ 1,330</u>	<u>\$ 28</u>	<u>\$ 173</u>	<u>\$ 1,089</u>	<u>\$ 39</u>
Other Changes in Reserves:					
Actuarial Transfers	0	0	383	178	(561)
New Annuity Transfers	0	(12)	0	189	(177)
Inactive Employee Transfers	0	(8)	0	0	8
Total Other Changes	<u>\$ 0</u>	<u>\$ (20)</u>	<u>\$ 383</u>	<u>\$ 367</u>	<u>\$ (730)</u>
Net Reserve Additions	\$ 431	\$ 495	\$ 209	\$ 42	\$ (315)
Balance June 30, 1989*	\$ 12,317	\$ 3,622	\$ 3,643	\$ 8,767	\$ (3,715)
Balance June 30, 1990**	<u>\$ 12,748</u>	<u>\$ 4,117</u>	<u>\$ 3,852</u>	<u>\$ 8,809</u>	<u>\$ (4,030)</u>

*Includes a reduction for Unfunded Liabilities of \$16,504,000. FY 1989 Unfunded Liability increase was \$3,479,000.
**Includes a reduction for Unfunded Liabilities of \$18,574,000. FY 1990 Unfunded Liability increase was \$2,070,000.

See notes to Financial Statements.

**ELECTIVE STATE OFFICERS RETIREMENT PLAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1990
(In Thousands)**

	<u>Total</u>	<u>Member Reserve</u>	<u>Non- MPRIIF Reserve</u>	<u>State Reserve</u>
Operating Revenues:				
Member Contributions	\$ 36	\$ 36	\$ 0	\$ 0
General Fund Appropriations	112	0	0	112
Total Revenues	<u>\$ 148</u>	<u>\$ 36</u>	<u>\$ 0</u>	<u>\$ 112</u>
Operating Expenses:				
Annuity Benefits	\$ 62	\$ 0	\$ 62	\$ 0
Survivor Benefits	48	0	48	0
Refunds	0	0	0	0
Interest on Refunds	0	0	0	0
Administrative Expenses	1	0	0	1
Total Expenses	<u>\$ 111</u>	<u>\$ 0</u>	<u>\$ 110</u>	<u>\$ 1</u>
Other Changes in Reserves:				
Actuarial Adjustments	\$ 0	\$ 0	\$ 109	\$ (109)
Transfers to General Fund	0	0	0	0
Total Other Changes	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 109</u>	<u>\$ (109)</u>
Net Reserve Additions	\$ 37	\$ 36	\$ (1)	\$ 2
Balance June 30, 1989*	\$ 314	\$ 314	\$ 710	\$ (710)
Balance June 30, 1990**	<u>\$ 351</u>	<u>\$ 350</u>	<u>\$ 709</u>	<u>\$ (708)</u>

*Includes a reduction for Unfunded Liabilities of \$1,787,000. FY 1989 Unfunded Liability increase was \$139,000.

**Includes a reduction for Unfunded Liabilities of \$1,920,000. FY 1990 Unfunded Liability increase was \$133,000.

See Notes to Financial Statements.

DEFERRED COMPENSATION FUND
STATEMENT OF CHANGES IN ASSETS, LIABILITIES AND RESERVES
YEAR ENDED JUNE 30, 1990
(In Thousands)

	<u>Balance</u> <u>July 1, 1989</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 1990</u>
ASSETS				
Cash	\$ 19	\$ 40,852	\$ 40,776	\$ 95
Short-term investments (at cost)	1,365	13,760	13,551	1,574
Accounts Receivable:				
Member contributions	1,201	2,702	1,201	2,702
Accrued Investment Income	0	1	0	1
Other	45	51	45	51
Deposits With Insurance Companies	265,259	95,860	30,785	330,334
Restricted Assets	<u>138,960</u>	<u>31,868</u>	<u>14,276</u>	<u>156,552</u>
TOTAL ASSETS	<u>\$406,849</u>	<u>\$185,094</u>	<u>\$100,634</u>	<u>\$491,309</u>
LIABILITIES AND RESERVES				
Accounts Payable — Accrued Expenses	\$ 10	\$ 12	\$ 10	\$ 12
Due to Other Funds	24	46	24	46
Member Reserves	<u>406,815</u>	<u>115,895</u>	<u>31,459</u>	<u>491,251</u>
TOTAL LIABILITIES AND RESERVES	<u>\$406,849</u>	<u>\$115,953</u>	<u>\$ 31,493</u>	<u>\$491,309</u>

See notes to Financial Statements

**MINNESOTA STATE RETIREMENT SYSTEM
SCHEDULE OF ADMINISTRATIVE EXPENSES
YEAR ENDED JUNE 30, 1990
(In Thousands)**

	<u>1990</u>	<u>1989</u>
Personal Services:		
Staff salaries	\$1,226	\$1,129
Social Security	87	84
Retirement	55	47
Insurance	93	80
Total	<u>\$1,461</u>	<u>\$1,340</u>
Professional Services:		
Actuarial	\$ 146	\$ 136
Data processing	224	201
Disability examinations	14	10
Legal counsel	12	8
Other professional services	107	118
Total	<u>\$ 503</u>	<u>\$ 473</u>
Communication:		
Printing	\$ 63	\$ 35
Telephone	10	6
Postage	81	91
Travel	3	4
Subscriptions and memberships	4	3
Total	<u>\$ 161</u>	<u>\$ 139</u>
Rentals:		
Office space	\$ 98	\$ 94
Total	<u>\$ 98</u>	<u>\$ 94</u>
Miscellaneous:		
Utilities	\$ 15	\$ 14
Supplies	40	24
Repairs and maintenance agreements	18	19
Department head and board member expense	19	16
Statewide indirect cost	71	27
Depreciation	27	22
Other purchased services	8	5
Total	<u>\$ 198</u>	<u>\$ 127</u>
Total Operating Expenses	<u>\$2,421</u>	<u>\$2,173</u>
Expenses Distributed by Fund:		
State Employees	\$1,542	\$1,410
State Patrol	76	66
Correctional	116	87
Judges Retirement	55	47
Unclassified Employees	212	194
Deferred Compensation	383	332
Legislators	36	36
Elected Officials	1	1
Total Distribution	<u>\$2,421</u>	<u>\$2,173</u>

THE *Wyatt* COMPANY

ACTUARIAL SERVICES
COMPENSATION PROGRAMS
ADMINISTRATIVE SYSTEMS
INTERNATIONAL SERVICES
ORGANIZATION SURVEYS

15TH FLOOR
8400 NORMANDALE LAKE BOULEVARD
MINNEAPOLIS, MINNESOTA 55437

(612) 921-8700

EMPLOYEE BENEFITS
EMPLOYEE COMMUNICATIONS
RISK MANAGEMENT
INSURANCE CONSULTING
HEALTH CARE CONSULTING

December 27, 1990

PERSONAL AND CONFIDENTIAL

Board of Directors
Minnesota State Retirement System
529 Jackson Street at 10th
St. Paul, Minnesota 55101

Members of the Board:

We have completed our annual actuarial valuation as of July 1, 1990 for the following six plans:

- . State Employees Retirement Fund
- . Correctional Employees Retirement Fund
- . State Patrol Retirement Fund
- . Judges Retirement Fund
- . Legislators Retirement Plan
- . Elective State Officers Retirement Plan

The valuation of each plan provides a comparison of the Statutory contribution to the required contribution. The Statutory contribution consists of employee and employer contributions. The required contribution under Chapter 356 consists of the normal cost, a supplemental contribution which will amortize the unfunded liability as a level percentage of pay by 2020 and an allowance for expenses.

A plan has a contribution sufficiency if the Statutory contribution exceeds the required contribution, or a contribution deficiency if the required contribution is larger than the Statutory contribution. The Statutory contribution rate was decreased this year in the State Employees, the Correctional Employees and the State Patrol plans. Estimated employer Statutory contributions were recognized for the Judges, Legislators and Elective State Officers plans. The Judges plan and the Legislators have a contribution deficiency. The remaining four MSRS plans had a contribution sufficiency.

There were no significant changes in plan provisions, other than the changes in the Statutory contribution rates, since the prior valuation. All actuarial assumptions are the same as in the prior valuation.

Board of Directors
December 27, 1990
Page 2

The current funding level based on the actuarial accrued liability determined by the entry age normal cost method and the asset value used for valuation purposes is as follows:

State Employees	78%
Correctional Employees	95
State Patrol	90
Judges	41
Legislators	41
Elective State Officers	15

The low percentages for Judges, Legislators and Elective State Officers reflect the deferral of employer contributions to the time of retirement.

The valuations were performed by using the actuarial cost methods and actuarial assumptions that are described in a separate table of this report.

We certify that to the best of our knowledge and belief, this actuarial valuation was performed in accordance with the requirements of Section 356.215 Minnesota Statutes and the requirements of the Standards for Actuarial Work. The financial information and employee data used in the actuarial valuation are those submitted to us by the Minnesota State Retirement System.

Very truly yours,



Robert E. Perkins
Consulting Actuary

REP:kp

COST METHOD AND ASSUMPTIONS

Actuarial Cost Method

Entry Age Normal with costs allocated as level percentage of payroll.

Assumptions

1. Retirement
State Employees Plan, Graded rates from age 58 with 25% of those eligible for Rule of 90 retiring each year; Correctional Plan, age 58; State Patrol, age 58 if hired after June 30, 1961, age 63 if hired before July 1, 1961; Judges Plan, age 68; Elective Officers and Legislators, age 62.
2. Mortality
1971 Group Annuity Mortality Table with a 8 year set back for females. The Combined Annuity Table for disabilitants.
3. Separation
Graded rates based on actual experiences.
4. Expense
State Employees Plan (.29% of payroll); Correctional Plan (.56%); State Patrol (.79%); Judges (.35%); Elective Officers (.37%); Legislative (.75%).
5. Interest
8.5% pre-retirement — 5% post-retirement
6. Salary increases
6.5% per year
7. Contribution Refund
Employees withdrawing are assumed to take the larger of a refund or a deferred benefit.
8. Social Security
Correctional Plan, based on the present law and 6.5% salary scale. Only state service earning used. Judges Plan, \$975 per month primary amount, 7.65% contribution rate with \$51,300 covered salary.
9. Asset Valuation
Cost plus $\frac{1}{3}$ unrealized gains or losses.

**REQUIRED RESERVES
JULY 1, 1990
(In Thousands)**

	<u>State Employees Fund</u>	<u>Correctional Fund</u>	<u>State Patrol Fund</u>	<u>Judges Fund</u>	<u>Elective Officers Plan</u>	<u>Legislative Plan</u>
Active Members						
Retirement Annuities	\$1,455,781	\$50,770	\$ 93,049	\$28,953	\$1,153	\$ 13,438
Disability Benefits	69,138	1,199	7,256	1,511	0	0
Survivors Benefits	83,571	1,963	3,932	2,504	20	460
Deferred Retirements	325,765	13,384	7,281	0	0	28
Refunds	(32,011)	(758)	(122)	150	(1)	(131)
Total	<u>\$1,902,244</u>	<u>\$ 66,558</u>	<u>\$111,396</u>	<u>\$33,118</u>	<u>\$1,172</u>	<u>\$13,795</u>
Deferred Retirements	\$ 29,938	\$ 4,274	\$ 2,096	\$ 154	\$ 390	\$ 4,843
Former Members Not Vested	2,281	144	57	4	0	23
Annuitants in MPRIF	766,790	31,241	84,931	24,949	0	8,809
Annuitants Not in MPRIF	<u>6,715</u>	<u>0</u>	<u>8,863</u>	<u>11,171</u>	<u>709</u>	<u>3,852</u>
Total Required Reserves	<u><u>\$2,707,968</u></u>	<u><u>\$102,217</u></u>	<u><u>\$207,343</u></u>	<u><u>\$69,396</u></u>	<u><u>\$2,271</u></u>	<u><u>\$31,322</u></u>

ACTUAL COMPARED TO RECOMMENDED RATES

	<u>Actual Contribution Rates</u>			<u>Recommended Rate</u>
	<u>Employee</u>	<u>Employer</u>	<u>Total</u>	
State Employees Fund	4.15%	4.29%	8.44%	8.17%
Correctional Fund	4.90	6.27	11.17	10.73
State Patrol Fund	8.50	14.88	23.38	22.15
Judges Fund	4.31 (1)	0.0 (2)	4.31	23.59
Elected Officers Plan	9.00	0.0 (2)	9.00	32.62
Legislative Plan	9.00	0.0 (2)	9.00	34.84

(1) Represents average rate of receipts.

(2) Employer contributions are appropriated directly from State General Fund as needed.

SOLVENCY TEST — FUNDING RATIO

(In Thousands)

Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Employer Financed Portion	Reported Assets	Portion Covered By Reported Assets			Funding Ratio
					(1)	(2)	(3)	
STATE EMPLOYEES RETIREMENT FUND								
<u>Aggregate Accrued Liabilities</u>								
6-30-81	\$153,318	\$230,625	\$ 477,716	\$ 675,227	100	100	61.0	78.4
6-30-82	165,800	282,185	590,922	783,650	100	100	56.8	75.4
6-30-83	192,707	313,795	660,622	902,506	100	100	59.9	77.3
6-30-84	205,711	356,599	749,240	966,003	100	100	57.9	75.9
6-30-85	225,879	424,798	868,262	1,158,383	100	100	58.5	76.3
6-30-86	248,006	497,345	993,546	1,370,049	100	100	62.9	78.8
6-30-87	271,658	586,695	1,107,870	1,585,971	100	100	65.7	80.7
6-30-88*	286,714	649,064	1,179,698	1,644,145	100	100	60.0	77.7
6-30-89	316,302	714,269	1,426,115	1,871,542	100	100	58.9	76.2
6-30-90	355,216	773,505	1,579,247	2,108,210	100	100	62.0	77.8
CORRECTIONAL PLAN								
6-30-88*	\$10,965	\$25,435	\$45,054	\$74,065	100	100	83.6	90.9
6-30-89	12,053	28,492	52,139	85,441	100	100	86.1	92.2
6-30-90	13,452	31,241	57,524	96,945	100	100	90.8	94.8
STATE PATROL RETIREMENT FUND								
6-30-81	\$10,252	\$20,256	\$70,010	\$ 58,720	100	100	40.3	58.4
6-30-82	10,955	25,504	74,997	68,183	100	100	42.3	61.2
6-30-83	12,172	31,992	88,010	78,775	100	100	39.3	59.6
6-30-84	12,762	41,150	65,770	86,785	100	100	50.0	72.5
6-30-85	14,213	50,657	69,569	100,486	100	100	51.2	74.7
6-30-86	15,361	61,006	72,157	118,175	100	100	57.9	79.6
6-30-87	16,856	68,457	75,315	136,397	100	100	67.8	84.9
6-30-88	17,863	80,185	77,014	148,355	100	100	65.3	84.7
6-30-89	19,583	87,385	87,466	167,271	100	100	68.9	86.0
6-30-90	21,276	93,794	92,273	185,699	100	100	76.5	89.6
JUDGES RETIREMENT FUND								
6-30-81	\$2,178	\$13,156	\$17,282	\$ 8,514	100	48.4	0	26.1
6-30-82	2,535	14,817	17,875	8,740	100	41.9	0	24.8
6-30-83	2,858	16,973	20,725	11,049	100	48.3	0	27.2
6-30-84	3,063	18,181	21,134	11,792	100	52.0	0	27.8
6-30-85	3,310	20,218	23,315	13,784	100	51.8	0	29.4
6-30-86	3,670	21,786	25,645	15,983	100	56.5	0	31.3
6-30-87	3,829	26,595	23,610	18,781	100	56.2	0	34.8
6-30-88	4,018	29,949	25,741	20,670	100	55.9	0	34.8
6-30-89	4,477	32,564	27,813	23,352	100	70.3	0	36.0
6-30-90	4,683	36,120	28,593	28,116	100	64.9	0	40.5

*The Correctional Plan was included with the State Employees Retirement Plan until July 1, 1987.

SOLVENCY TEST — FUNDING RATIO
(In Thousands)

<u>Valuation Date</u>	<u>(1) Active Member Contributions</u>	<u>(2) Retirees and Beneficiaries</u>	<u>(3) Employer Financed Portion</u>	<u>Reported Assets</u>	<u>Portion Covered By Reported Assets</u>			<u>Funding Ratio</u>
					<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	
ELECTIVE OFFICERS PLAN								
6-30-85	\$197	\$917	\$ 631	\$197	100	0	0	11.3
6-30-86	228	741	737	230	100	0	0	13.5
6-30-87	245	718	837	246	100	0	0	13.7
6-30-88	278	720	931	281	100	0	0	14.6
6-30-89	313	710	1,078	315	100	0	0	15.0
6-30-90	349	709	1,213	351	100	0	0	15.5
LEGISLATIVE PLAN								
6-30-85	\$2,417	\$ 8,384	\$ 7,344	\$ 8,398	100	71.3	0	46.3
6-30-86	2,742	9,593	9,256	9,535	100	70.8	0	44.2
6-30-87	2,937	11,354	8,792	11,158	100	72.4	0	48.3
6-30-88	3,296	12,009	9,577	11,857	100	71.3	0	47.7
6-30-89	3,622	12,410	12,789	12,317	100	70.0	0	42.7
6-30-90	4,117	12,661	14,544	12,748	100	68.2	0	40.7

UNFUNDED ACCRUED LIABILITY (UAL)
(In Thousands)

<u>Valuation Date</u>	<u>Aggregate Accrued Liabilities</u>	<u>Reported Assets</u>	<u>UAL</u>	<u>Member Payroll</u>	<u>UAL As a % Payroll</u>
STATE EMPLOYEES RETIREMENT FUND					
6-30-81	\$ 861,658	\$ 675,227	\$186,431	\$ 796,297	23.4
6-30-82	1,038,907	783,650	255,258	830,395	30.7
6-30-83	1,167,124	902,506	264,618	893,430	29.6
6-30-84	1,311,550	996,003	315,547	949,9511	33.2
6-30-85	1,518,939	1,158,383	360,556	1,079,715	33.4
6-30-86	1,738,897	1,370,049	368,848	1,169,240	31.5
6-30-87	1,966,223	1,585,971	380,252	1,243,198	30.6
6-30-88	2,115,476	1,644,145	471,331	1,316,671	35.8
6-30-89	2,456,686	1,871,542	585,144	1,418,160	41.3
6-30-90	2,707,968	2,108,210	599,758	1,513,522	39.6
CORRECTIONAL PLAN					
6-30-88*	\$ 81,454	\$ 74,065	\$ 7,389	\$ 38,807	19.0
6-30-89	92,684	85,441	7,243	41,976	17.3
6-30-90	102,217	96,945	5,272	47,075	11.2
STATE PATROL RETIREMENT FUND					
6-30-81	\$ 100,518	\$ 58,720	\$ 41,798	\$ 19,967	209.3
6-30-82	111,456	68,183	43,272	20,923	206.8
6-30-83	132,175	78,775	53,400	23,067	231.5
6-30-84	119,682	86,785	32,898	23,016	142.9
6-30-85	134,440	100,486	33,953	25,876	131.2
6-30-86	148,524	118,175	30,349	27,474	110.5
6-30-87	160,628	136,397	24,231	28,583	84.8
6-30-88	175,062	148,355	26,707	29,267	91.3
6-30-89	194,434	167,271	27,163	32,591	83.3
6-30-90	207,343	185,699	21,644	34,423	62.9
JUDGES RETIREMENT FUND					
6-30-81	\$ 32,615	\$ 8,514	\$ 23,101	\$ 10,619	227.0
6-30-82	35,217	8,740	26,477	10,616	249.4
6-30-83	40,556	11,049	29,507	12,685	232.6
6-30-84	42,378	11,792	30,586	14,083	217.2
6-30-85	46,843	13,784	33,058	15,146	218.3
6-30-86	51,102	15,983	35,119	16,616	211.4
6-30-87	54,034	18,781	35,253	15,999	220.3
6-30-88	59,708	20,760	38,948	17,109	227.6
6-30-89	64,854	23,352	41,502	18,759	221.2
6-30-90	69,396	28,116	41,280	20,662	199.8

*The Correctional Plan was included with the State Employees Retirement Fund until July 1, 1987.

UNFUNDED ACCRUED LIABILITY (UAL)
(In Thousands)

<u>Valuation Date</u>	<u>Aggregate Accrued Liabilities</u>	<u>Reported Assets</u>	<u>UAL</u>	<u>Member Payroll</u>	<u>UAL As a % Payroll</u>
ELECTIVE OFFICERS PLAN					
6-30-85	\$ 1,745	\$ 197	\$ 1,548	\$ 366	423.0
6-30-86	1,706	230	1,476	392	376.5
6-30-87	1,800	246	1,554	373	416.6
6-30-88	1,929	281	1,648	386	426.9
6-30-89	2,101	315	1,786	406	439.9
6-30-90	2,271	351	1,920	428	448.6
LEGISLATIVE PLAN					
6-30-85	\$ 18,145	\$ 8,398	\$ 9,747	\$ 4,507	216.3
6-30-86	21,591	9,535	12,056	4,880	247.0
6-30-87	23,083	11,158	11,925	4,765	250.3
6-30-88	24,882	11,857	13,025	4,932	264.1
6-30-89	28,821	12,317	16,504	5,179	318.7
6-30-90	31,322	12,748	18,574	5,465	339.9

**INVESTMENT RESULTS
COMPARED TO SELECTED PERFORMANCE STANDARDS**

	<u>FISCAL YEAR</u>					<u>ANNUALIZED</u>	
	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>3 YR.</u>	<u>5 YR.</u>
Rate of Return — Time Weighted							
Total Fund	26.2%	14.5%	-0.3%	15.5%	10.8	8.5%	13.0%
Composite Index*	25.4	14.1	1.2	16.2	9.8	8.9	13.0
Stocks, Bonds, Cash Only	29.0	15.8	-0.8	15.9	11.9	8.7	13.9
Median Fund**	25.1	13.1	1.1	14.3	10.0	8.9	13.3
Inflation	1.7	3.7	3.9	5.2	4.7	4.6	3.8

*60% Wilshire 5000/24% Salomon Broad Investment Grade Bond Index/10% Wilshire Real Estate Index/1% 91 Day T-Bills/2.5% Venture Capital Funds/2.5% Resource Funds since July 1989.

**Wilshire Assoc. Trust Universe Comparison Service (TUCS) median balanced portfolio. TUCS contains returns of more than 800 public and private funds.

DISTRIBUTION OF INVESTMENTS

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Basic Retirement Funds					
Common Stocks	64.1%	62.1%	60.6%	65.7%	61.3%
Bonds	23.7	21.2	22.5	20.8	25.9
Real Estate	7.3	7.9	8.9	7.9	7.4
Venture Capital	1.4	1.8	2.6	2.9	3.4
Resource Funds	0.9	1.3	1.5	1.5	1.2
Cash Equivalent	2.6	5.7	3.9	1.2	0.8
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

**SUMMARY DATA
FOR THE
FISCAL YEAR ENDED JUNE 30, 1990**

<u>ACTIVE EMPLOYEES</u>	<u>Number Beg. of Yr.</u>	<u>Increases New</u>	<u>Decreases</u>					<u>Number At End Of Year</u>			<u>Average Contributions</u>
			<u>Refunds</u>	<u>Annuities</u>	<u>Inactive</u>	<u>Death</u>	<u>Transfers</u>	<u>Total</u>	<u>Vested</u>	<u>Non-Vested</u>	
General Plan	48,644	6,755	2,615	751	2,386	64	(69)	49,516	34,869	14,647	\$ 6,887
Correctional Plan	1,317	200	49	21	45	1	15	1,416	1,039	377	8,919
Mil. Aff. Plan	10	0	0	0	0	0	0	10	6	4	11,620
State Patrol Plan	765	51	1	20	5	1	1	788	687	102	26,283
Judges Plan	256	24	0	16	0	2	0	262	182	80	17,776
Legislative Plan	201	4	1	0	2	1	0	201	132	69	15,977
Elective Officers	6	0	0	0	0	0	0	6	3	3	45,505

<u>INACTIVE EMPLOYEES</u>	<u>Number Beg. of Yr.</u>	<u>Increases</u>	<u>Decreases To</u>				<u>Number At End Of Year</u>			<u>Average Contributions</u>
			<u>Active</u>	<u>Annuity</u>	<u>Refunds</u>	<u>Retirement Fund</u>	<u>Total</u>	<u>Vested</u>	<u>Non-Vested</u>	
General Plan	5,278	2,553	209	84	494	593	6,462	1,824	4,638	\$ 2,025
Correctional Plan	115	76	4	3	9	17	158	113	45	4,811
Mil. Aff. Plan	1	0	0	0	0	0	1	1	0	5,324
State Patrol Plan	26	7	0	1	0	5	27	23	4	17,745
Judges Plan	3	0	0	0	0	0	3	2	1	14,348
Legislative Plan	111	2	2	3	4	0	104	101	3	8,345
Elective Officers	6	0	0	0	0	0	6	6	0	12,552

<u>ANNUITANTS</u>	<u>Number Beg. of Yr.</u>	<u>Increases</u>	<u>Decreases</u>		<u>Number End of Year</u>			<u>All Annuitants</u>			<u>New in Fiscal Year</u>		
			<u>Deaths</u>	<u>Transfers</u>	<u>Members</u>	<u>Survivor</u>	<u>Total</u>	<u>Age</u>	<u>Service</u>	<u>Benefit</u>	<u>Age</u>	<u>Service</u>	<u>Benefit</u>
General Plan	12,391	878	534	(30)	11,810	899	12,705	73.0	20.7	\$ 490	62.6	19.3	\$ 543
Correctional Plan	349	22	17	1	340	15	355	67.2	20.0	755	55.4	20.1	1,168
Mil. Aff. Plan	3	1	0	0	3	1	4	69.3	24.0	1,631	—	—	—
State Patrol Plan	441	31	20	(1)	346	105	451	66.4	26.2	1,257	57.5	27.2	1,912
Judges Plan	163	16	8	0	105	64	171	74.7	21.7	2,287	66.2	19.8	2,011
Legislative Plan	163	6	4	(1)	126	37	163	71.5	13.4	739	60.7	7.5	470
Elective Officers	8	0	0	0	5	3	8	76.8	14.9	1,750	—	—	—
Unclassified	21	3	0	0	24	0	24	69.5	7.9	283	64.2	11.0	346

<u>DISABILITANTS</u>	<u>Number Beg. of Yr.</u>	<u>Increases New</u>	<u>Decreases Deaths</u>	<u>Adjustments</u>	<u>Number End of Yr.</u>	<u>All Annuitants</u>			<u>New in Fiscal Year</u>		
						<u>Age</u>	<u>Service</u>	<u>Benefit</u>	<u>Age</u>	<u>Service</u>	<u>Benefit</u>
General Plan	665	72	57	(4)	676	66.5	17.2	343	52.7	16.6	\$ 371
Correctional Plan	12	1	2	(2)	9	54.3	16.3	707	41.0	8.3	309
State Patrol Plan	14	1	1	0	14	59.0	21.5	1,215	52.0	27.8	1,785
Judges Plan	5	1	0	3	9	68.0	19.3	2,148	65.0	26.4	2,324
Unclassified Plan	1	0	0	0	1	57.1	1.9	38	—	—	—

<u>REFUNDS</u>	<u>Number of Refunds</u>			<u>Average Age</u>		<u>Average Service</u>		<u>Vested Refunds</u>
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
General Plan	1,227	2,491	3,718	34.7	33.6	2.9	2.7	1,085
Correctional Plan	38	21	59	34.6	33.6	4.2	2.0	28
State Patrol Plan	2	0	2	33.0	—	5.6	—	2
Judges Plan	0	0	0	—	—	—	—	0
Legislative Plan	4	1	5	49.2	40.0	2.3	8.0	1

ACTIVE EMPLOYEES

Year Ending	Average Entry Age For New Members			Averages For All Members								
	Male	Female	Total	Entry Age			Attained Age			Service Credit		
				Male	Female	Total	Male	Female	Total	Male	Female	Total
STATE EMPLOYEES RETIREMENT FUND												
6/30/81	28.9	27.8	28.2	29.9	28.8	29.3	40.0	35.9	37.8	9.4	5.9	7.6
6/30/82	28.4	27.3	27.7	29.3	28.4	28.8	40.5	36.5	38.4	10.0	6.4	8.1
6/30/83	28.7	27.4	27.9	29.2	28.3	28.7	40.9	36.9	38.8	10.5	6.8	8.5
6/30/84	29.7	29.4	29.6	30.4	30.1	30.3	41.6	37.7	39.5	10.8	7.0	8.8
6/30/85	31.6	31.0	31.2	30.5	30.3	30.4	41.7	38.0	39.7	10.9	7.3	9.0
6/30/86	32.0	31.2	31.5	30.5	30.4	30.5	41.8	38.2	39.9	11.0	7.4	9.1
6/30/87	32.4	31.9	32.1	30.5	30.5	30.5	41.9	38.5	40.1	11.2	7.6	9.3
6/30/88	33.6	33.6	33.6	30.7	30.8	30.8	42.1	39.0	40.4	11.2	7.7	9.3
6/30/89	33.0	32.7	32.8	30.6	30.7	30.7	42.2	39.1	40.5	11.3	7.8	9.4
6/30/90	33.9	33.3	33.5	30.7	31.0	30.9	42.4	39.6	40.9	11.4	8.1	9.6
CORRECTIONAL OFFICERS RETIREMENT FUND												
6/30/81	28.4	29.2	28.6	28.5	29.8	28.6	36.2	36.7	36.3	7.1	6.0	7.0
6/30/82	27.7	27.3	27.9	28.0	28.7	28.1	36.0	36.9	36.1	7.0	6.5	6.9
6/30/83	26.5	28.3	26.7	27.7	28.8	27.8	35.4	36.5	35.5	6.7	6.4	6.7
6/30/84	28.7	32.4	29.3	28.8	31.1	29.1	35.6	36.2	35.7	6.7	4.4	6.4
6/30/85	29.2	28.6	29.0	28.9	30.4	29.1	35.2	36.2	36.1	7.2	4.8	6.9
6/30/86	29.8	32.1	30.4	29.0	31.1	29.3	36.8	36.2	36.7	7.7	5.2	7.4
6/30/87	30.0	30.0	30.0	29.1	30.8	29.3	37.3	35.9	37.1	8.2	5.2	7.8
6/30/88	29.8	31.5	30.3	29.1	31.0	29.4	37.7	36.2	37.5	8.6	5.2	8.1
6/30/89	29.6	29.3	29.5	29.1	30.2	29.3	38.0	35.5	37.7	8.8	5.2	8.2
6/30/90	30.5	31.1	30.7	29.2	30.3	29.4	38.0	35.4	37.5	8.7	5.0	8.1
STATE PATROL RETIREMENT FUND												
6/30/81	27.6	27.8	27.6	26.8	25.0	26.8	40.8	30.6	40.5	13.7	5.0	13.5
6/30/82	24.7	—	24.7	26.2	24.6	26.2	41.1	31.7	40.9	14.2	6.0	14.0
6/30/83	26.4	23.0	26.2	26.1	24.3	26.0	40.7	31.2	40.4	13.8	6.0	13.6
6/30/84	28.0	31.7	28.3	27.1	26.0	27.0	41.0	32.9	40.7	14.0	6.9	13.8
6/30/85	27.8	23.3	27.4	27.0	25.3	26.9	40.8	32.4	40.5	13.9	7.1	13.7
6/30/86	26.5	22.8	26.4	26.9	25.1	26.8	40.5	33.0	40.3	13.7	7.9	13.5
6/30/87	26.0	36.7	26.4	26.8	25.5	26.7	40.7	34.1	40.5	14.0	8.6	13.8
6/30/88	32.5	34.2	32.7	26.8	25.5	26.7	40.9	35.1	40.6	14.2	9.6	14.0
6/30/89	28.2	24.3	27.9	26.8	24.8	26.8	41.0	34.0	40.7	14.2	9.1	14.0
6/30/90	29.9	30.7	29.9	27.0	25.5	26.9	40.9	34.4	40.6	14.0	8.9	13.8
JUDGES RETIREMENT FUND												
6/30/81	44.8	33.0	43.8	41.2	41.4	41.2	53.5	45.9	53.2	11.9	4.6	11.6
6/30/82	41.3	—	41.3	41.3	41.8	41.3	53.9	46.9	53.7	12.2	5.2	12.0
6/30/83	41.7	37.8	41.0	41.2	40.4	41.2	53.6	44.4	53.0	11.9	4.1	11.5
6/30/84	43.6	44.0	43.7	41.7	41.8	41.7	54.0	45.5	53.3	12.1	3.7	11.4
6/30/85	38.0	25.4	34.2	41.5	41.5	41.5	53.8	45.7	53.1	12.2	4.2	11.5
6/30/86	48.1	38.7	47.2	41.7	41.4	41.7	54.3	46.4	53.5	12.4	5.0	11.8
6/30/87	45.6	48.6	46.4	41.7	42.8	41.8	54.0	48.1	53.4	12.2	5.2	11.5
6/30/88	44.9	43.2	44.6	41.8	43.0	42.0	53.9	48.0	53.2	11.9	5.0	11.1
6/30/89	47.7	—	44.7	42.1	43.0	42.2	54.1	49.0	53.6	11.9	6.0	11.3
6/30/90	43.8	43.0	43.6	41.9	43.0	42.0	53.4	49.1	52.8	11.3	6.0	10.7

EMPLOYEES ELIGIBLE TO AN IMMEDIATE ANNUITY ON JUNE 30, 1990

STATE EMPLOYEES RETIREMENT FUND

	<u>Male</u>	<u>Female</u>	<u>Total</u>
Full Benefit	510	441	951
Reduced Benefit Due To Early Retirement	2,785	2,340	5,125
Proportional Benefit (Age Equal To Or Greater Than 65, Service Less Than 10 Years)	33	37	70
Rule of 90	380	77	457
Employees Not Eligible To Immediate Benefit	<u>18,970</u>	<u>24,004</u>	<u>42,974</u>
Totals	22,678	26,899	49,577

CORRECTIONAL OFFICERS RETIREMENT FUND

Full Benefit	51	6	57
Employees Not Eligible To Immediate Benefit	<u>1,116</u>	<u>243</u>	<u>1,359</u>
Totals	1,167	249	1,416

STATE PATROL RETIREMENT FUND

Full Benefit	51	0	51
Employees Not Eligible To Immediate Benefit	<u>704</u>	<u>34</u>	<u>738</u>
Totals	755	34	789

JUDGES RETIREMENT FUND

Full Benefit	26	2	28
Reduced Benefit	20	1	21
Judges Not Eligible To Immediate Benefit	<u>182</u>	<u>30</u>	<u>212</u>
Totals	228	33	261

LEGISLATIVE PLAN

Full Benefit	13	1	14
Reduced Benefit	15	2	17
Members Not Eligible For Immediate Benefit	<u>134</u>	<u>36</u>	<u>170</u>
Totals	162	39	201

ELECTIVE OFFICERS PLAN

Full Benefit	1	0	1
Members Not Eligible For Immediate Benefit	<u>3</u>	<u>2</u>	<u>5</u>
Totals	4	2	6

REFUND STATISTICS

Year Ending	Number of Refunds			Age		Years Forfeited		Number Forfeiting Vested Rights
	Male	Female	Total	Male	Female	Male	Female	
STATE EMPLOYEES RETIREMENT FUND								
6-30-81	1,960	4,259	6,219	32.3	30.7	1.8	1.8	150
6-30-82	2,633	4,967	7,600	32.7	31.0	2.5	2.3	273
6-30-83	2,184	3,755	5,939	36.5	33.4	1.8	2.0	145
6-30-84	1,814	3,201	5,015	35.0	33.0	2.7	2.9	217
6-30-85	1,663	3,007	4,670	34.3	32.8	2.9	2.8	200
6-30-86	1,330	2,604	3,934	34.3	32.5	3.3	3.0	175
6-30-87	1,230	2,584	3,814	35.1	33.4	3.3	2.9	184
6-30-88	1,540	2,607	4,147	33.3	33.1	2.5	2.7	177
6-30-89	1,256	2,595	3,851	33.9	33.4	3.0	2.7	652
6-30-90	1,227	2,491	3,718	34.9	33.6	2.9	2.7	1,085
CORRECTIONAL OFFICERS RETIREMENT FUND								
6-30-81	82	19	101	31.7	32.5	2.1	2.1	3
6-30-82	86	11	97	31.8	34.3	2.9	3.1	3
6-30-83	67	12	79	32.5	34.4	2.6	1.6	1
6-30-84	69	10	79	32.6	29.7	3.6	2.5	3
6-30-85	68	16	84	31.6	31.9	2.6	3.5	2
6-30-86	66	20	86	31.5	31.6	3.5	2.2	2
6-30-87	56	15	71	32.3	31.6	3.8	2.4	2
6-30-88	48	10	58	31.1	29.4	3.2	2.7	2
6-30-89	42	20	62	32.7	34.6	4.3	2.9	19
6-30-90	38	21	59	34.6	33.6	4.2	2.0	28
STATE PATROL RETIREMENT FUND								
6-30-81	10	1	11	30.0	22.0	2.6	1.3	0
6-30-82	10	0	10	34.0	—	7.4	—	4
6-30-83	12	0	12	31.8	—	2.0	—	1
6-30-84	6	2	8	36.7	27.7	9.5	0.5	2
6-30-85	5	2	7	29.6	28.7	0.4	0.4	0
6-30-86	5	1	6	32.6	33.8	4.5	5.1	1
6-30-87	8	0	8	34.0	—	5.8	—	1
6-30-88	1	0	1	34.5	—	3.8	—	0
6-30-89	6	1	7	32.2	36.1	5.0	1.5	1
6-30-90	2	0	2	33.0	—	5.6	—	2
JUDGES RETIREMENT FUND								
6-30-81	5	0	5	53.6	—	6.4	—	0
6-30-82	2	1	3	49.5	47.0	6.5	8.0	0
6-30-83	3	0	3	49.7	—	5.7	—	0
6-30-84	1	0	1	42.2	—	1.4	—	0
6-30-85, 86, 87	0	0	0	—	—	—	—	0
6-30-88	0	1	1	—	37.9	—	3.5	0
6-30-89	1	0	1	63.5	—	14.4	—	1
6-30-90	0	0	0	—	—	—	—	0
LEGISLATIVE RETIREMENT PLAN								
6-30-88	1	0	1	43.5	—	1.0	—	0
6-30-89	7	1	8	43.8	50.0	4.7	2.0	—
6-30-90	4	1	5	42.9	40.0	2.3	8.0	1

**STATE EMPLOYEES RETIREMENT FUND
SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT**

Amount of Monthly Benefit	Deferred	Number of Retirees	Type of Retirement					Option Selected			
			1	2	3	4	5	Life	I	II	III
\$ 0- 199	514	3,740	3,240	206	284	0	10	2,937	721	61	21
200- 399	474	3,780	3,219	267	286	0	8	2,784	911	66	19
400- 599	353	2,277	1,983	146	142	0	6	1,632	613	24	8
600- 799	190	1,272	1,151	51	69	1	0	839	399	15	19
800- 999	98	871	816	12	42	0	1	511	343	8	9
1000-1199	63	584	555	7	21	1	0	315	260	3	6
1200-1399	45	404	377	6	20	1	0	188	208	4	4
1400-1599	19	224	217	1	6	0	0	106	113	1	4
1600-1799	22	134	130	0	3	1	0	67	66	1	0
1800-1999	9	75	73	0	2	0	0	25	50	0	0
Over 2000	26	86	86	0	0	0	0	31	55	0	0
Totals	1,813	13,447	11,847	696	875	4	25	9,435	3,739	183	90

Types

- 1 General Plan Annuitants
- 2 General Plan Disabilitants
- 3 General Plan Survivors
- 4 Military Affairs Plan
- 5 Unclassified Plan

Options:

- Life Straight Life Annuity
- I Joint & Survivor
- II Death While Eligible
- III Period Certain

**STATE PATROL RETIREMENT FUND
SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT**

Amount of Monthly Benefit	Deferred	Number of Retirees	Type of Retirement				Option Selected		
			1	2	3	4	Life	I	II
\$ 0- 199	2	2	2	0	0	0	2	0	0
200- 399	3	59	12	0	0	47	15	35	9
400- 599	1	36	14	0	1	21	14	17	5
600- 799	5	33	20	2	0	11	11	21	1
800- 999	2	21	12	3	1	5	5	15	1
1000-1199	1	30	25	1	0	4	13	16	1
1200-1399	2	43	35	1	0	7	15	26	2
1400-1599	2	52	47	1	1	3	16	35	1
1600-1799	2	46	42	0	1	3	18	28	0
1800-1999	2	53	48	1	0	4	20	31	2
Over 2000	1	90	89	1	0	0	67	23	0
Totals	23	465	346	10	4	105	196	247	22

Types

- 1 Retired Members
- 2 Disabilitants That Participate in the MPRIF
- 3 Disabilitants Not Participating in MPRIF
- 4 Survivors

Options:

- Life Full Life Annuity
- I Joint & Survivor
- II Death While Eligible

**JUDGES RETIREMENT FUND
SCHEDULE OF RETIRED JUDGES BY TYPE OF BENEFIT**

Amount of Monthly Benefit	Deferred	Number of Retirees	Type of Retirement					Option Selected			
			<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>Life</u>	<u>I</u>	<u>II</u>	<u>III</u>
\$ 0- 199	0	3	2	0	0	0	1	2	0	1	0
200- 399	0	3	0	0	0	0	3	3	0	0	0
400- 599	0	10	4	0	0	0	6	8	1	1	0
600- 799	1	7	1	0	0	0	6	7	0	0	0
800- 999	0	10	5	0	0	0	5	8	2	0	0
1000-1199	0	12	6	0	0	1	5	6	4	2	0
1200-1399	0	26	6	0	0	3	17	17	3	6	0
1400-1599	0	14	3	3	0	3	5	7	3	4	0
1600-1799	0	14	12	0	0	0	2	7	3	4	0
1800-1999	1	6	1	2	1	0	2	3	3	0	0
Over 2000	<u>0</u>	<u>76</u>	<u>67</u>	<u>3</u>	<u>0</u>	<u>2</u>	<u>4</u>	<u>21</u>	<u>30</u>	<u>19</u>	<u>6</u>
Totals	2	181	107	8	1	9	56	89	49	37	6

Types

- 1 Retired Members
- 2 Disabilitants That Participate in MPRIF
- 3 Disabilitants Not Participating in MPRIF
- 4 Survivors Who Participate in MPRIF
- 5 Survivors Who Do Not Participate in MPRIF

Options:

- Life Full Life Annuity
- I Joint & Survivor
- II Life + 50% Survivor
- III Period Certain

**CORRECTIONAL RETIREMENT FUND
SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT**

Amount of Monthly Benefit	Deferred	Number of Retirees	Type of Retirement			Option Selected		
			<u>1</u>	<u>2</u>	<u>3</u>	<u>Life</u>	<u>I</u>	<u>III</u>
\$ 0- 199	18	29	28	1	0	26	3	0
200- 399	23	60	54	1	5	48	12	0
400- 599	18	86	81	0	5	68	17	1
600- 799	17	68	61	6	1	57	11	0
800- 999	13	35	32	2	1	26	9	0
1000-1199	7	24	22	2	0	16	8	0
1200-1399	6	22	22	0	0	11	11	0
1400-1599	3	13	13	0	0	6	7	0
1600-1799	2	10	10	0	0	7	3	0
1800-1999	0	6	6	0	0	2	4	0
Over 2000	<u>6</u>	<u>11</u>	<u>11</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>8</u>	<u>0</u>
Totals	113	364	340	12	12	270	93	1

Types

- 1 Retired Members
- 2 Disabilitants
- 3 Survivors

Options:

- Life Full Life Annuity
- I Joint & Survivor
- III Period Certain

**LEGISLATORS AND ELECTED STATE OFFICERS
SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT**

Amount of Monthly Benefit	Deferred		Type of Retirement			
	Elected State Officers	Legislators	Elected State Officers		Legislative	
			Members	Survivor	Members	Survivor
\$ 0- 199	1	4	0	0	5	9
200- 399	2	14	0	1	27	18
400- 599	0	24	0	0	29	6
600- 799	2	14	0	2	23	4
800- 999	0	10	0	0	8	0
1000-1199	0	16	1	1	12	0
1200-1399	0	7	0	1	6	0
1400-1599	0	7	1	0	4	1
1600-1799	1	1	0	0	6	0
1800-1999	0	1	0	0	3	0
Over 2000	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>0</u>
Totals	6	99	3	5	125	38

DEFERRED COMPENSATION PLAN

These statistics include only participants in the Minnesota Supplemental Investment Fund and not the insurance company participants. On June 30, 1990, there were 6,446 active participants, 2,676 inactive participants and 688 in withdrawal status for a total of 9,810.

INVESTMENT PERFORMANCE

	<u>PER SHARE VALUES</u>		<u>RATE OF RETURN</u>	
	<u>June 30, 1989</u>	<u>June 30, 1990</u>	<u>FY 1990</u>	<u>5 Year Average</u>
Income Shares	\$30.67	\$34.05	11.0%	11.7%
Growth Shares	20.87	23.83	14.2%	12.3%
Common Stock Index	14.37	16.14	12.3%	15.5%*
Bond Market	12.91	13.77	6.7%	10.8%
	<u>Average Interest Rates</u>			
	<u>FY 1989</u>	<u>FY 1990</u>	<u>5 Year Average</u>	
Money market	9.2%	9.0%	7.8%	
	<u>November 3-Year Contract Interest Rates</u>			
	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Guaranteed Investment	8.45%	9.01%	8.4%	8.765%

*Wilshire 5000 Index (July 1985 — June 1986)

INVESTMENT DISTRIBUTION

	<u>Current Investments for June 1990</u>			<u>Total Investments as of June 30, 1990</u>		
	<u>% of Participants</u>	<u>% of Dollars</u>	<u>Average Invested</u>	<u>% of Participants</u>	<u>% of Dollars</u>	<u>Average Invested</u>
Income Shares	36.3%	25.5%	\$185	43.4%	20.0%	\$ 7,925
Growth Shares	19.9	11.6	154	29.0	12.0	7,123
Money Market	29.2	24.7	223	53.5	34.4	11,070
Stock Index	20.0	13.2	174	18.8	3.7	3,401
Guaranteed Invest. '87	—	—	—	14.1	9.0	11,034
Guaranteed Invest. '88	—	—	—	24.8	13.6	9,446
Guaranteed Invest. '89	23.4	22.2	251	23.7	6.0	4,374
Bond Market	4.8	2.6	148	5.0	1.0	3,685

PARTICIPANT DISTRIBUTION

	<u>Monthly Investment</u>							
	<u>Under \$50</u>	<u>\$50-\$99</u>	<u>\$100-\$199</u>	<u>\$200-\$299</u>	<u>\$300-\$399</u>	<u>\$400-\$499</u>	<u>\$500-\$599</u>	<u>Over \$600</u>
Age 24 and under	17	24	10	5	0	0	0	8
Age 25 thru 34	245	299	198	79	34	23	23	182
Age 35 thru 44	393	478	416	228	81	80	69	510
Age 45 thru 54	191	305	308	165	72	71	102	463
Age 55 thru 64	65	121	141	122	53	49	65	351
Age 65 and over	9	16	12	5	5	2	6	28

PARTICIPANT WITHDRAWALS

	<u>FY 1990 Number</u>	<u>Average Dollar</u>
Lump sum withdrawals:		
Partial Withdrawal	85	\$ 3,554
Full Withdrawal	160	\$ 6,266
Transfer to Insurance Co.	145	\$36,099
Survivor's Refund	11	\$25,288
Ongoing Withdrawals — June 30, 1990	688	\$ 559 per month

UNCLASSIFIED EMPLOYEES RETIREMENT PLAN

On June 30, 1990, there were 1,586 active participants and 604 inactive participants for a total of 2,190.

INVESTMENT PERFORMANCE

	<u>SHARE VALUES</u>		<u>RATE OF RETURN</u>	
	<u>June 30, 1989</u>	<u>June 30, 1990</u>	<u>FY 1990</u>	<u>5 Year Average</u>
Income Shares	\$30.67	\$34.05	11.0%	11.7%
Growth Shares	20.87	23.83	14.2%	12.3%
Common Stock Index	14.37	16.14	12.3%	15.5%*
Bond Market	12.91	13.77	6.7%	10.8%**

	<u>Average Interest Rates</u>		
	<u>FY 1989</u>	<u>FY 1990</u>	<u>5 Year Average</u>
Money Market	9.2%	9.0%	7.8%

November 3-Contract Interest Rates

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Guaranteed Investment	8.45%	9.01%	8.4%	8.765%

*Wilshire 5000 Index (July 1985 — June 1986)

**Salomon Brothers Broad Bond Index (July 1985 — June 1986)

INVESTMENT DISTRIBUTION

	<u>Current Investments for June 1990</u>			<u>Total Investments as of June 30, 1990</u>		
	<u>% of Participants</u>	<u>% of Dollars</u>	<u>Average Invested</u>	<u>% of Participants</u>	<u>% of Dollars</u>	<u>Average Invested</u>
Income Shares	69.2%	58.7%	\$383	78.4%	50.7%	\$21,856
Growth Shares	27.0	11.2	188	34.4	14.3	14,015
Money Market	25.5	15.9	281	31.3	20.3	21,916
Bond Market	11.1	4.2	192	12.6	2.7	7,381
Stock Index	11.1	4.8	280	11.5	3.2	9,404
Guaranteed Invest. '88	—	—	—	11.3	7.4	22,133
Guaranteed Invest. '89	8.1	5.0	296	7.6	1.1	5,273

PARTICIPANT DISTRIBUTION

	<u>Monthly Investment</u>							
	<u>Under \$50</u>	<u>\$50-\$99</u>	<u>\$100-\$199</u>	<u>\$200-\$299</u>	<u>\$300-\$399</u>	<u>\$400-\$499</u>	<u>\$500-\$599</u>	<u>Over \$600</u>
Age 24 and under	2	3	17	28	7	2	1	9
Age 25 thru 34	3	6	54	96	89	51	23	106
Age 35 thru 44	0	2	19	61	71	66	78	275
Age 45 thru 54	0	4	20	53	33	23	28	160
Age 55 thru 64	0	1	8	32	12	11	16	54
Age 65 and over	0	0	4	2	0	1	0	3

PARTICIPANT WITHDRAWALS

	<u>FY 1990 Number</u>	<u>Average Dollar</u>
Lump sum withdrawals:		
From active status	100	\$21,013
Survivors refund	0	—
Annuitants — June 30, 1990	24	\$ 283 per month

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