

PSPRS - SPECIFICATIONS FOR PENSION PLAN MODIFICATIONS

A. "New Hires"

1. *Normal Retirement* – Age 55 with minimum of 25 years of service.
2. *Early retirement* - Age 50 with 25 years of service, but with a 6% per year actuarial reduction for each year under age 55.
3. *Benefit Formula* - 2.25% per year of service times Final Average Compensation (FAC); maximum increased from 80% to 90% as a percentage of FAC.
4. *DROP* - No DROP.
5. *Final Average Compensation* - "Highest five consecutive years" of compensation for benefit calculation.
6. *Post retirement survivor benefit* - 50% of retiree's benefit; if retiree elects a percentage higher than 50% at the time of retirement, actuarial reduction in retirement benefit required.
7. *Permanent COLA* – annual increase equal to rate of inflation as measured by CPI but capped at 2% per year.
8. Returns on "New Hire" Contributions and Assets remain in underlying Fund.
9. *Refunds* – 'EE contributions only; no 'ER matching.
10. *Employee Contribution rate* – same provision as for current actives.

B. "Current Actives"

1. *DROP* - Modifications for actives not yet in DROP
 - a. Employee contributions required on DROP salary.
 - b. 2% per year rate of interest credited to DROP accounts.
2. *Employee Contribution rate* – 1% per year increase each of next two years beginning Fiscal Year 2012 but with "maintenance of effort" provision so that employer rates do not automatically go down with no net gain for the Plan.
3. *Maximum Benefit* - Increase from 80% to 90% as percentage of FAC.
4. *Post-Retirement Adjustment Mechanism (The "Reserve")*
 - a. If Funding Ratio (at Market Value) is between 70% and 80% in-flow limited to 50%.
 - b. If Funding Ratio (at Market Value) is less than 70% no new in-flows.

Arizona Public Safety Personnel Retirement System
Summary of Stochastic projections

<u>Study</u>	<u>Current Actives</u>	<u>New Hires</u>	<u>Funded % in 2030</u>		<u>Cont. Rate in 2030</u>		<u>Ultimate Normal Cost</u>	
			<u>Total</u>	<u>Change*</u>	<u>Total</u>	<u>Change*</u>	<u>Total</u>	<u>Change*</u>
Baseline	No changes	No changes	70.3%	N/A	43.8%	N/A	19.8%	N/A
Alternate 4a	Restrictive COLA	Same as Current	74.8%	N/A	34.3%	N/A	19.8%	N/A
Alternate 4b	Restrictive COLA (based on AVA)	Same as Current	74.9%	0.1%	34.3%	N/A	19.8%	N/A
Alternate 5	Restrictive COLA ; 4% EE contribution	Same as Current	79.3%	4.5%	33.9%	-0.4%	19.8%	0.0%
Alternate 6	Restrictive COLA	Retirement at 25 yrs	74.5%	-0.3%	33.1%	-1.2%	18.5%	-1.3%
Alternate 7	Restrictive COLA	2.25% multiplier	74.5%	-0.3%	33.0%	-1.3%	18.5%	-1.3%
Alternate 8a	Restrictive COLA	2% compound capped COLA	75.9%	1.1%	35.4%	1.1%	22.9%	3.1%
Alternate 8b	Restrictive COLA	No COLA	75.0%	0.2%	32.8%	-1.5%	19.8%	0.0%
Alternate 9	Restrictive COLA	5 Year AFC	74.6%	-0.2%	33.5%	-0.8%	19.0%	-0.8%
Alternate 10	Restrictive COLA	Retiree paid spouse benefit	74.5%	-0.3%	33.3%	-1.0%	18.7%	-1.1%
Alternate 11	Restrictive COLA; 2% interest on DROP	No DROP	75.0%	0.2%	31.3%	-3.0%	18.7%	-1.1%
Alternate 12	ALL changes	All changes	79.9%	5.1%	28.6%	-5.7%	16.7%	-3.0%

* Change represents the change from Alternate 4a

Funded % in 2030 represents 75% probability that the funded % will be equal to or greater than the given level

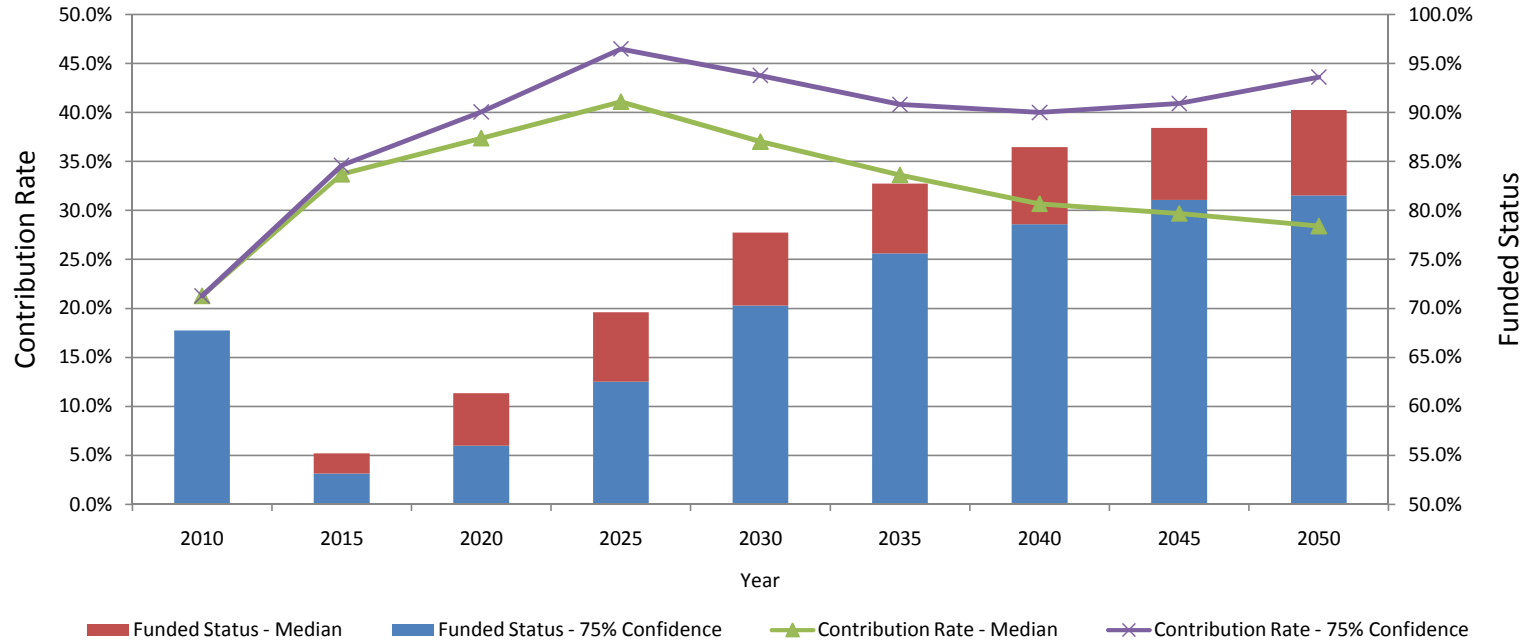
Contribution Rate in 2030 represents 75% probability that the contribution rate will be equal to or less than the given rate

Ultimate Normal Cost represents the ultimate cost of the system (not reduced for employee contributions) based on new hires once the system is 100% funded

The ultimate Normal Cost for the baseline scenario is understated because it ignores the operation of the COLA

The projections of funded % assume recommended contributions will be made. To the extent that less than the recommended contribution is made, funded %'s will be lower than shown in these projections.

PSPRS Projection Results Baseline

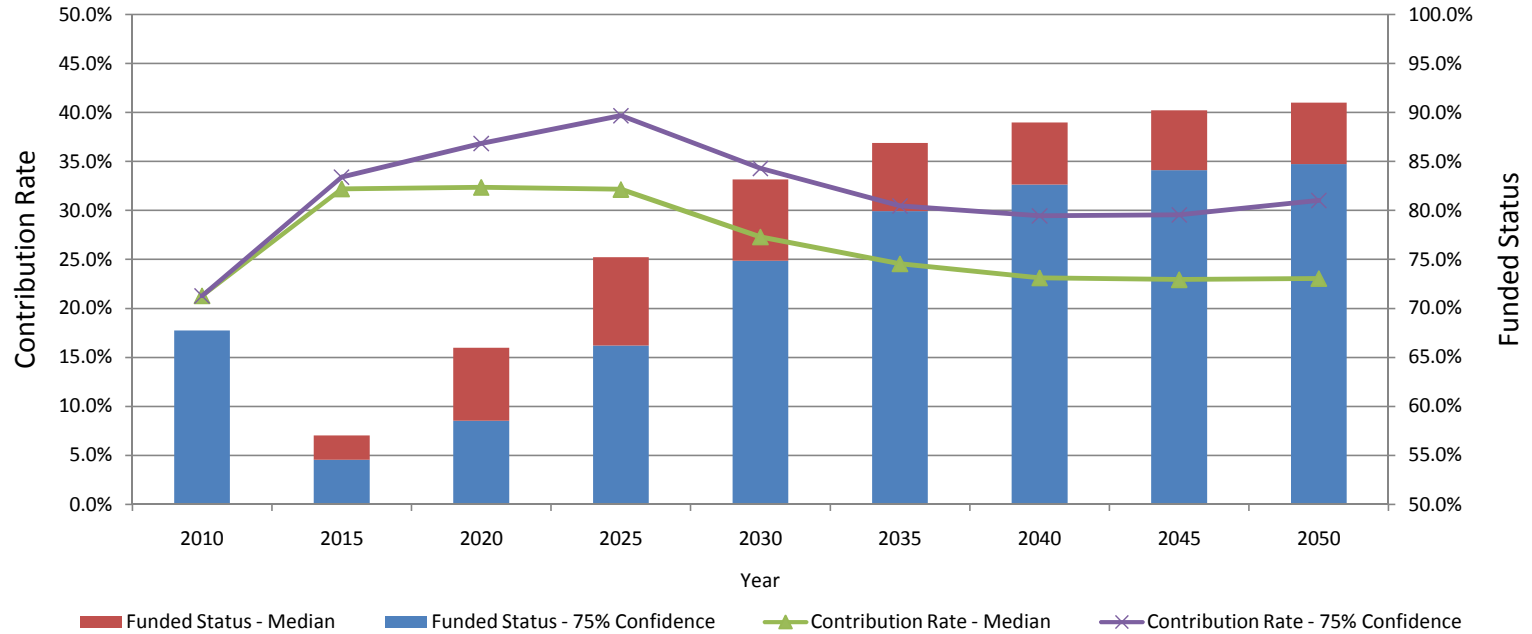


Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	38.4%	48.4%	58.0%	66.1%	63.2%	68.5%	89.8%	89.7%
25th Percentile	21.3%	34.6%	40.1%	46.5%	43.8%	40.8%	40.0%	40.9%	43.6%
Median	21.3%	33.7%	37.4%	41.1%	37.0%	33.6%	30.7%	29.7%	28.4%
75th Percentile	21.3%	32.8%	34.6%	35.5%	29.9%	23.6%	18.6%	12.5%	5.2%
95th Percentile	21.3%	25.9%	14.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	50.3%	49.7%	54.7%	62.6%	66.8%	70.3%	70.8%	72.1%
25th Percentile	67.7%	53.1%	56.0%	62.5%	70.3%	75.6%	78.6%	81.1%	81.5%
Median	67.7%	55.2%	61.3%	69.6%	77.7%	82.7%	86.4%	88.4%	90.2%
75th Percentile	67.7%	57.3%	66.1%	76.4%	84.8%	90.9%	95.0%	99.5%	103.4%
95th Percentile	67.7%	59.9%	74.2%	87.5%	99.0%	111.9%	127.8%	144.0%	158.9%

Baseline:

Current benefit provisions for existing actives and new hires
Current COLA program

PSPRS Projection Results Alternate 4a

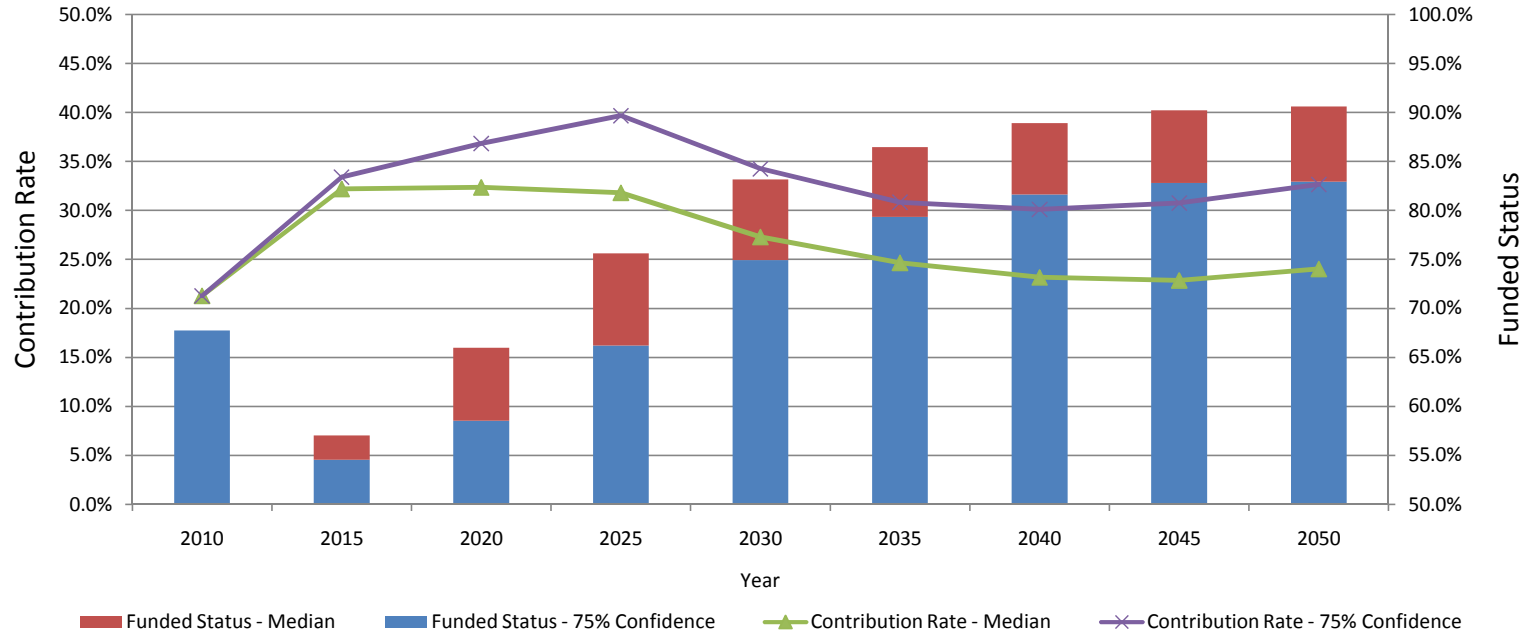


	2010	2015	2020	2025	2030	2035	2040	2045	2050
Contribution Rates									
5th Percentile	21.3%	38.0%	46.0%	55.4%	56.5%	49.9%	50.3%	63.4%	78.4%
25th Percentile	21.3%	33.4%	36.8%	39.7%	34.3%	30.5%	29.4%	29.6%	31.0%
Median	21.3%	32.2%	32.4%	32.1%	27.3%	24.5%	23.1%	22.9%	23.0%
75th Percentile	21.3%	30.6%	28.4%	25.5%	21.4%	17.8%	15.5%	12.3%	8.8%
95th Percentile	21.3%	25.4%	12.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Funded Rate									
5th Percentile	67.7%	50.9%	51.3%	56.6%	64.4%	68.8%	72.9%	73.2%	74.5%
25th Percentile	67.7%	54.5%	58.5%	66.2%	74.8%	79.9%	82.6%	84.1%	84.7%
Median	67.7%	57.0%	66.0%	75.2%	83.2%	86.9%	89.0%	90.2%	91.0%
75th Percentile	67.7%	60.5%	72.4%	83.9%	90.3%	94.0%	96.7%	99.6%	102.5%
95th Percentile	67.7%	65.8%	82.8%	94.2%	104.2%	114.7%	128.2%	144.4%	152.3%

Alternate 4a:

Current benefit provisions for existing actives and new hires
Restrictive COLA program based on Market Value of Assets

PSPRS Projection Results Alternate 4b

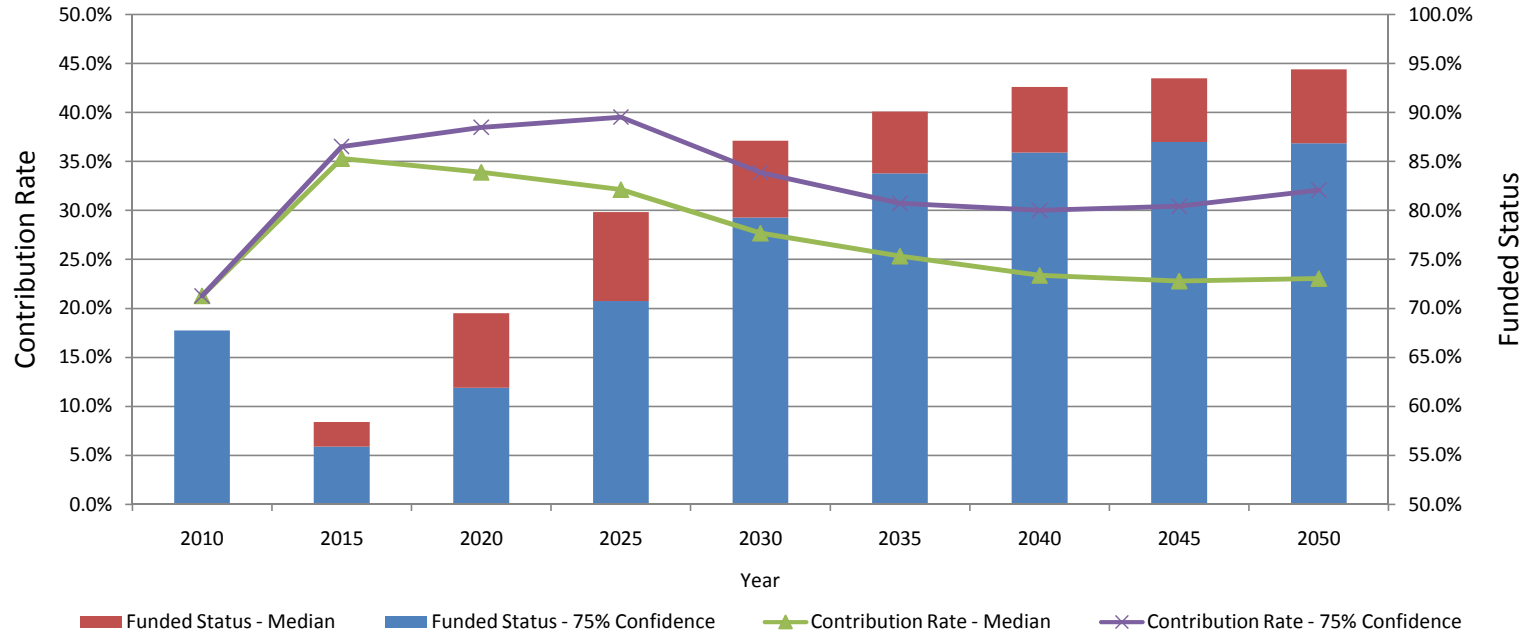


	2010	2015	2020	2025	2030	2035	2040	2045	2050
Contribution Rates									
5th Percentile	21.3%	38.0%	46.0%	55.4%	56.5%	48.8%	50.6%	60.1%	75.4%
25th Percentile	21.3%	33.4%	36.8%	39.7%	34.3%	30.8%	30.1%	30.7%	32.6%
Median	21.3%	32.2%	32.4%	31.8%	27.3%	24.7%	23.2%	22.9%	24.0%
75th Percentile	21.3%	30.6%	28.2%	24.4%	19.7%	16.6%	14.3%	12.2%	8.6%
95th Percentile	21.3%	23.5%	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Funded Rate									
5th Percentile	67.7%	50.9%	51.3%	56.6%	64.4%	68.8%	72.6%	73.0%	73.8%
25th Percentile	67.7%	54.5%	58.5%	66.2%	74.9%	79.3%	81.6%	82.8%	82.9%
Median	67.7%	57.0%	66.0%	75.6%	83.2%	86.5%	88.9%	90.2%	90.6%
75th Percentile	67.7%	60.5%	72.8%	85.0%	91.9%	95.4%	97.5%	99.8%	102.4%
95th Percentile	67.7%	65.8%	85.4%	97.8%	106.6%	117.9%	130.1%	144.1%	151.2%

Alternate 4b:

Current benefit provisions for existing actives and new hires
Restrictive COLA program based on Actuarial Value of Assets

PSPRS Projection Results Alternate 5

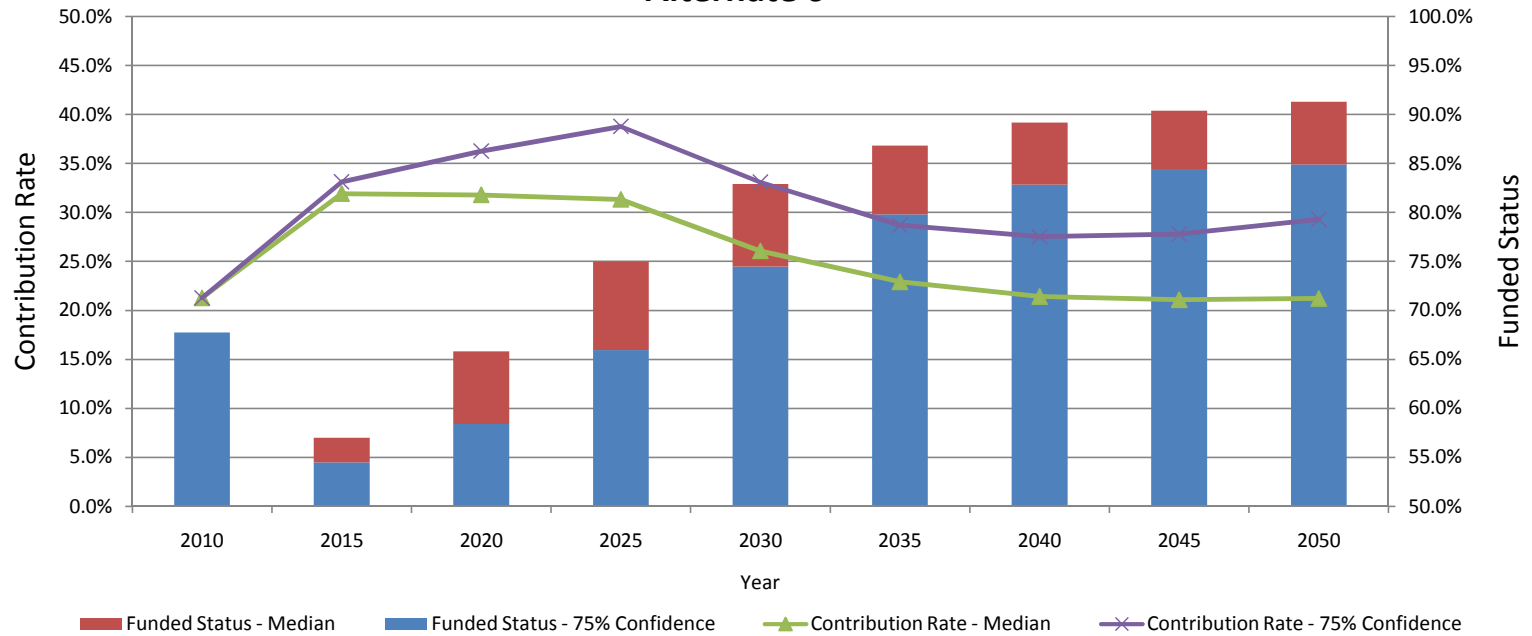


Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	41.1%	47.9%	56.0%	57.2%	50.5%	52.3%	66.3%	80.6%
25th Percentile	21.3%	36.5%	38.5%	39.5%	33.9%	30.7%	30.0%	30.4%	32.1%
Median	21.3%	35.3%	33.9%	32.1%	27.7%	25.3%	23.4%	22.8%	23.0%
75th Percentile	21.3%	33.7%	30.1%	26.1%	21.2%	17.5%	14.6%	10.4%	6.1%
95th Percentile	21.3%	28.5%	13.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.3%	54.7%	60.8%	68.4%	73.1%	76.6%	76.6%	76.8%
25th Percentile	67.7%	55.9%	61.9%	70.7%	79.3%	83.8%	85.9%	87.0%	86.8%
Median	67.7%	58.4%	69.5%	79.8%	87.1%	90.1%	92.6%	93.5%	94.4%
75th Percentile	67.7%	61.8%	76.0%	87.6%	94.4%	98.3%	101.1%	104.1%	106.9%
95th Percentile	67.7%	67.1%	85.9%	98.4%	109.9%	123.7%	138.1%	159.9%	165.7%

Alternate 5:

Current benefit provisions for existing actives and new hires
 Restrictive COLA program
 Additional 4% of pay member contributions, phased in over 4 years

PSPRS Projection Results Alternate 6



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	37.7%	45.5%	54.5%	55.0%	47.7%	48.0%	59.8%	76.3%
25th Percentile	21.3%	33.1%	36.3%	38.8%	33.1%	28.7%	27.5%	27.8%	29.3%
Median	21.3%	31.9%	31.8%	31.3%	26.1%	22.9%	21.4%	21.1%	21.2%
75th Percentile	21.3%	30.3%	27.8%	24.7%	20.3%	16.5%	13.7%	10.3%	6.9%
95th Percentile	21.3%	25.2%	11.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	50.9%	51.1%	56.3%	63.9%	68.5%	73.2%	73.5%	74.6%
25th Percentile	67.7%	54.5%	58.4%	65.9%	74.5%	79.8%	82.8%	84.3%	84.9%
Median	67.7%	57.0%	65.8%	75.0%	82.9%	86.8%	89.2%	90.4%	91.3%
75th Percentile	67.7%	60.4%	72.4%	83.8%	90.1%	94.0%	96.8%	100.3%	102.9%
95th Percentile	67.7%	65.8%	82.8%	94.1%	104.1%	114.5%	129.0%	147.1%	155.5%

Alternate 6:

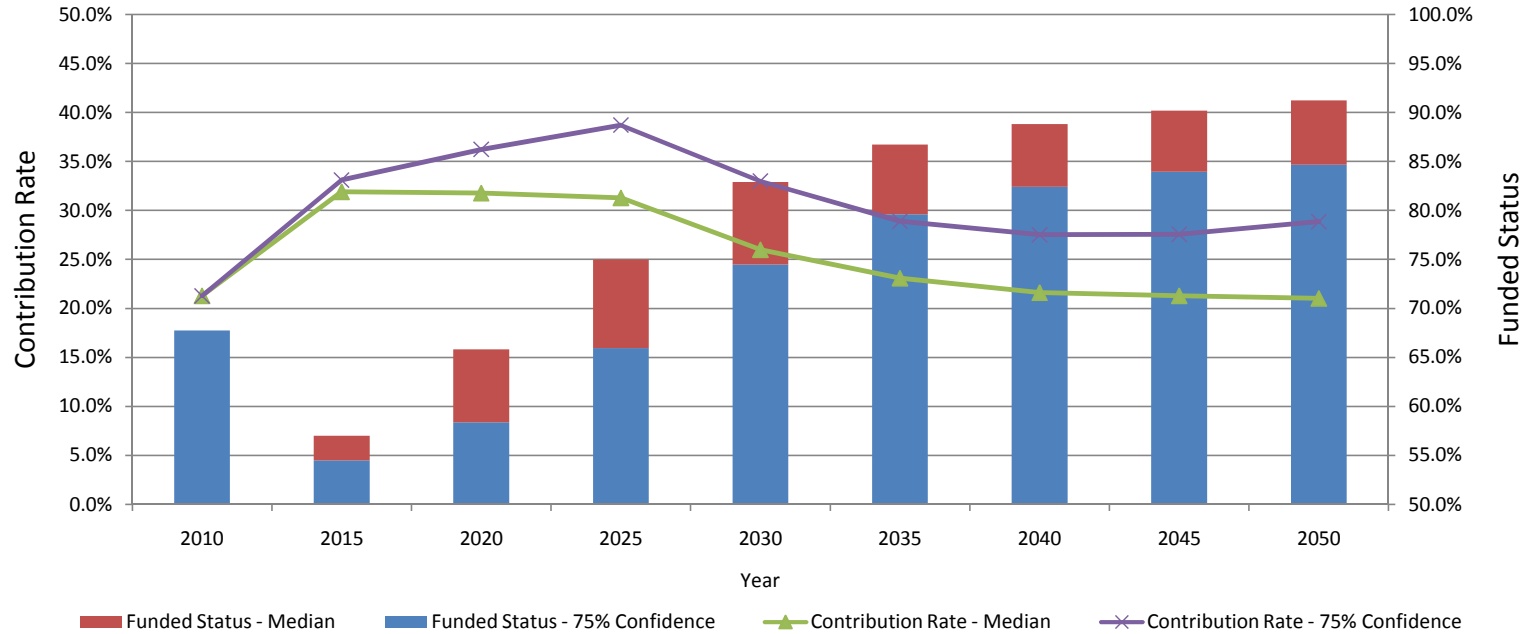
Existing actives

- Current benefit provisions
- Restrictive COLA program

New hires

- Retirement after 25 years of service
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 7



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	37.7%	45.4%	54.4%	54.9%	46.9%	48.3%	60.1%	75.3%
25th Percentile	21.3%	33.1%	36.2%	38.7%	33.0%	28.9%	27.5%	27.6%	28.9%
Median	21.3%	31.9%	31.8%	31.3%	26.0%	23.1%	21.6%	21.3%	21.0%
75th Percentile	21.3%	30.3%	27.8%	24.6%	20.3%	16.6%	14.1%	11.1%	7.1%
95th Percentile	21.3%	25.1%	11.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	50.9%	51.1%	56.3%	63.9%	68.2%	72.4%	72.8%	74.3%
25th Percentile	67.7%	54.5%	58.4%	65.9%	74.5%	79.6%	82.4%	83.9%	84.6%
Median	67.7%	57.0%	65.8%	75.0%	82.9%	86.7%	88.8%	90.2%	91.2%
75th Percentile	67.7%	60.4%	72.4%	83.8%	90.1%	93.8%	96.6%	99.6%	102.6%
95th Percentile	67.7%	65.7%	82.8%	94.1%	104.1%	114.2%	127.5%	143.9%	152.7%

Alternate 7:

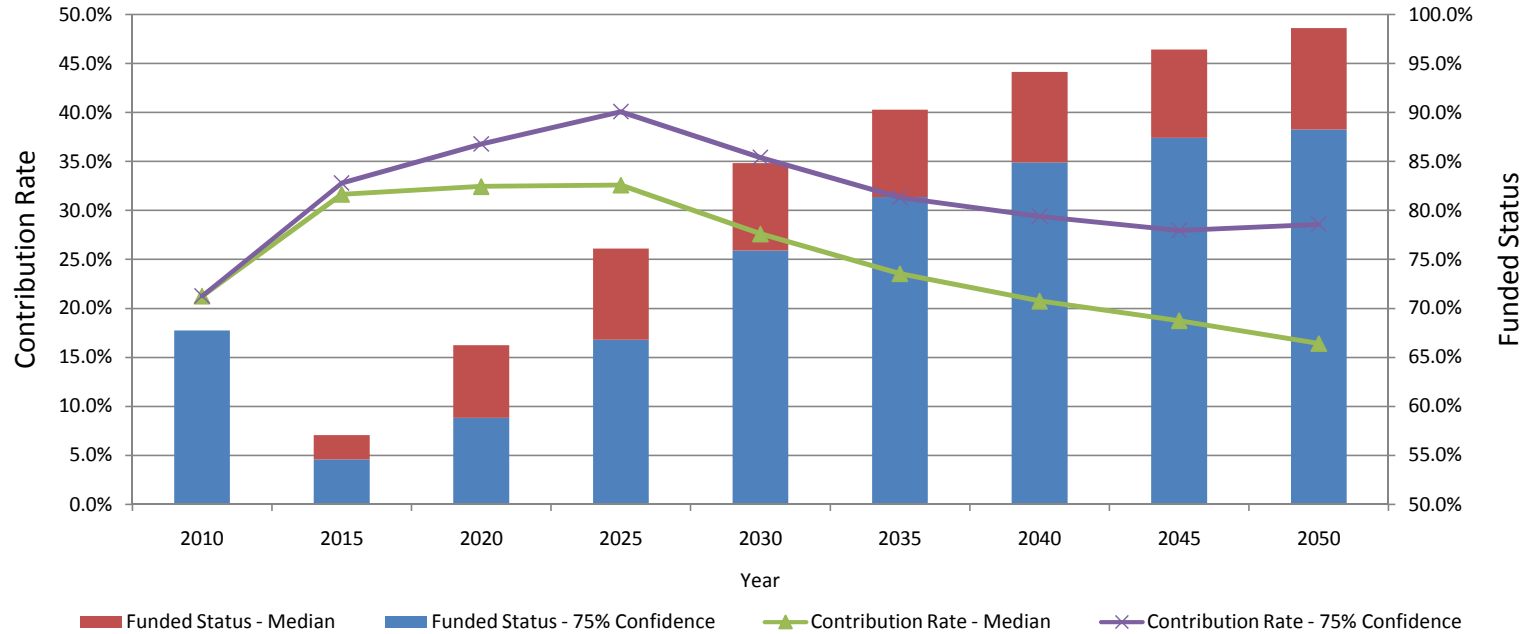
Existing actives

- Current benefit provisions
- Restrictive COLA program

New hires

- 2.25% of FAC multiplier for all years of service
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 8a



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	37.3%	45.7%	55.4%	57.3%	50.7%	51.6%	59.5%	66.2%
25th Percentile	21.3%	32.8%	36.8%	40.1%	35.4%	31.3%	29.4%	28.0%	28.6%
Median	21.3%	31.6%	32.4%	32.6%	27.6%	23.5%	20.7%	18.8%	16.4%
75th Percentile	21.3%	30.1%	28.5%	25.6%	21.0%	16.6%	11.9%	7.4%	3.4%
95th Percentile	21.3%	24.1%	11.8%	5.3%	5.2%	0.0%	0.0%	0.0%	0.0%
Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	51.0%	51.6%	57.4%	65.4%	70.2%	74.3%	74.9%	76.1%
25th Percentile	67.7%	54.6%	58.8%	66.8%	75.9%	81.4%	84.9%	87.4%	88.3%
Median	67.7%	57.1%	66.2%	76.1%	84.8%	90.3%	94.1%	96.4%	98.6%
75th Percentile	67.7%	60.5%	72.9%	85.0%	92.7%	97.8%	102.8%	107.5%	112.5%
95th Percentile	67.7%	65.8%	83.7%	95.8%	106.8%	117.6%	128.3%	142.7%	152.3%

Alternate 8a:

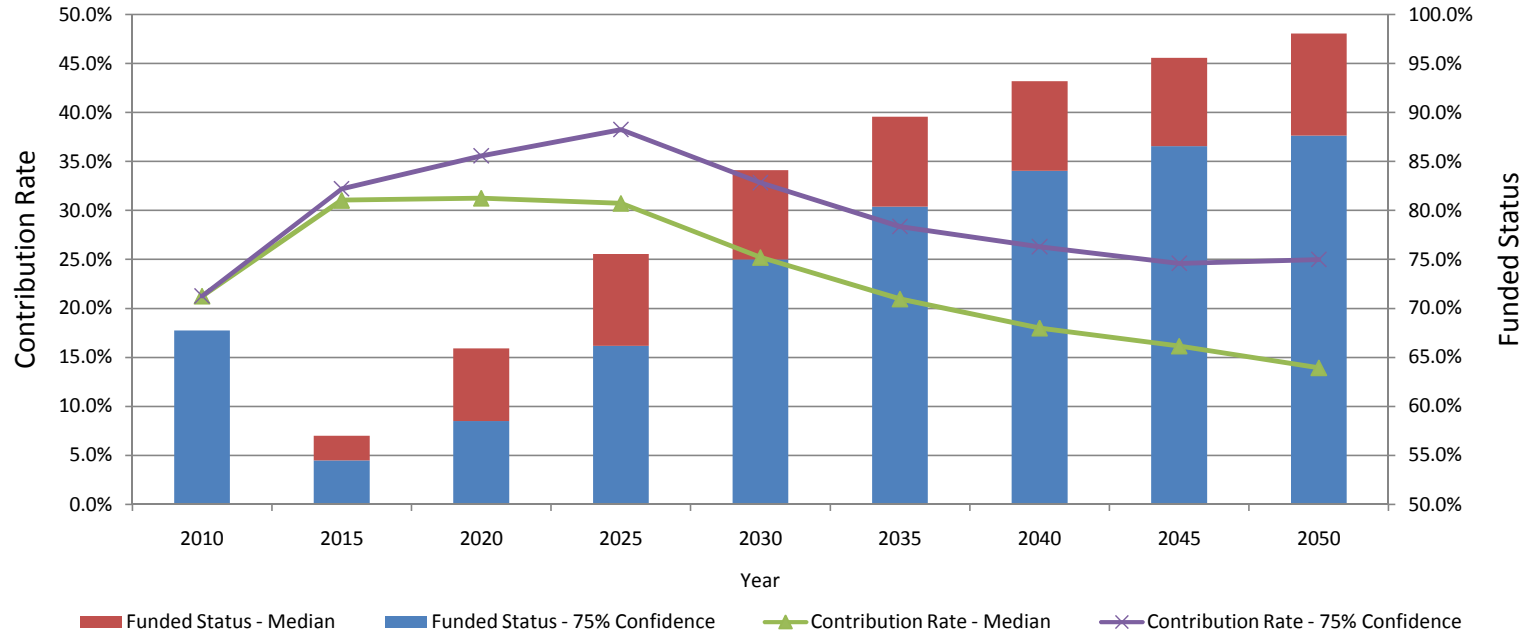
Existing actives

- Current benefit provisions
- Restrictive COLA program

New hires

- Permanent COLA tied to CPI, not to exceed 2% per year
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 8b



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	36.7%	44.5%	53.4%	54.1%	46.8%	47.5%	53.8%	60.0%
25th Percentile	21.3%	32.2%	35.6%	38.2%	32.8%	28.3%	26.3%	24.6%	25.0%
Median	21.3%	31.0%	31.2%	30.7%	25.2%	21.0%	18.0%	16.2%	13.9%
75th Percentile	21.3%	29.5%	27.3%	23.9%	18.7%	14.4%	9.8%	5.9%	2.5%
95th Percentile	21.3%	23.5%	10.7%	4.1%	3.7%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	50.9%	51.2%	56.6%	64.4%	68.8%	72.9%	74.0%	75.0%
25th Percentile	67.7%	54.5%	58.5%	66.2%	75.0%	80.4%	84.0%	86.5%	87.6%
Median	67.7%	57.0%	65.9%	75.5%	84.1%	89.5%	93.2%	95.5%	98.0%
75th Percentile	67.7%	60.4%	72.6%	84.6%	92.2%	97.2%	102.0%	106.9%	112.0%
95th Percentile	67.7%	65.7%	83.5%	95.6%	106.5%	117.4%	128.8%	145.0%	155.0%

Alternate 8b:

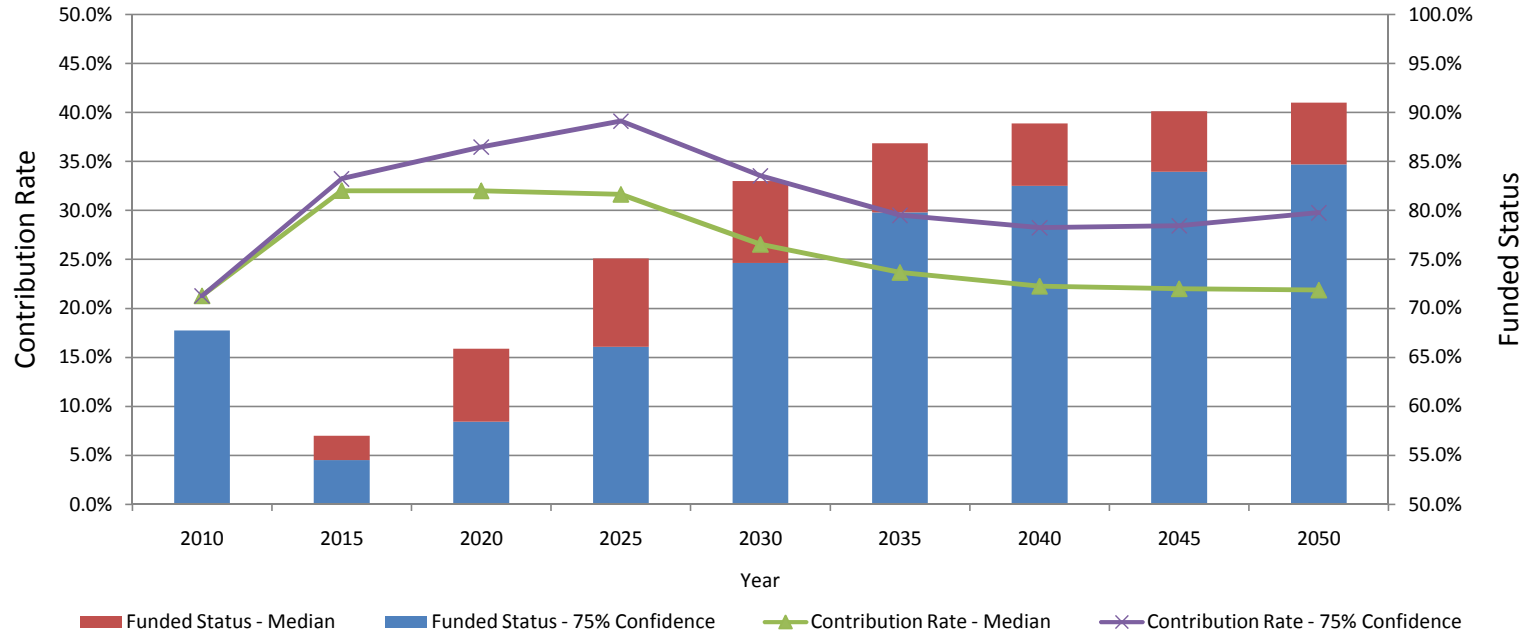
Existing actives

- Current benefit provisions
- Restrictive COLA program

New hires

- No COLA
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 9



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	37.8%	45.7%	54.8%	55.6%	48.8%	49.1%	61.5%	76.5%
25th Percentile	21.3%	33.2%	36.5%	39.1%	33.5%	29.5%	28.2%	28.4%	29.8%
Median	21.3%	32.0%	32.0%	31.6%	26.5%	23.7%	22.3%	22.0%	21.9%
75th Percentile	21.3%	30.4%	28.0%	25.0%	20.8%	17.1%	14.8%	11.7%	7.9%
95th Percentile	21.3%	25.3%	12.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	50.9%	51.2%	56.4%	64.1%	68.4%	72.6%	72.9%	74.4%
25th Percentile	67.7%	54.5%	58.4%	66.1%	74.6%	79.8%	82.5%	83.9%	84.7%
Median	67.7%	57.0%	65.9%	75.1%	83.0%	86.9%	88.9%	90.1%	91.0%
75th Percentile	67.7%	60.5%	72.4%	83.8%	90.2%	93.9%	96.6%	99.5%	102.5%
95th Percentile	67.7%	65.8%	82.8%	94.2%	104.2%	114.4%	127.7%	144.5%	152.2%

Alternate 9:

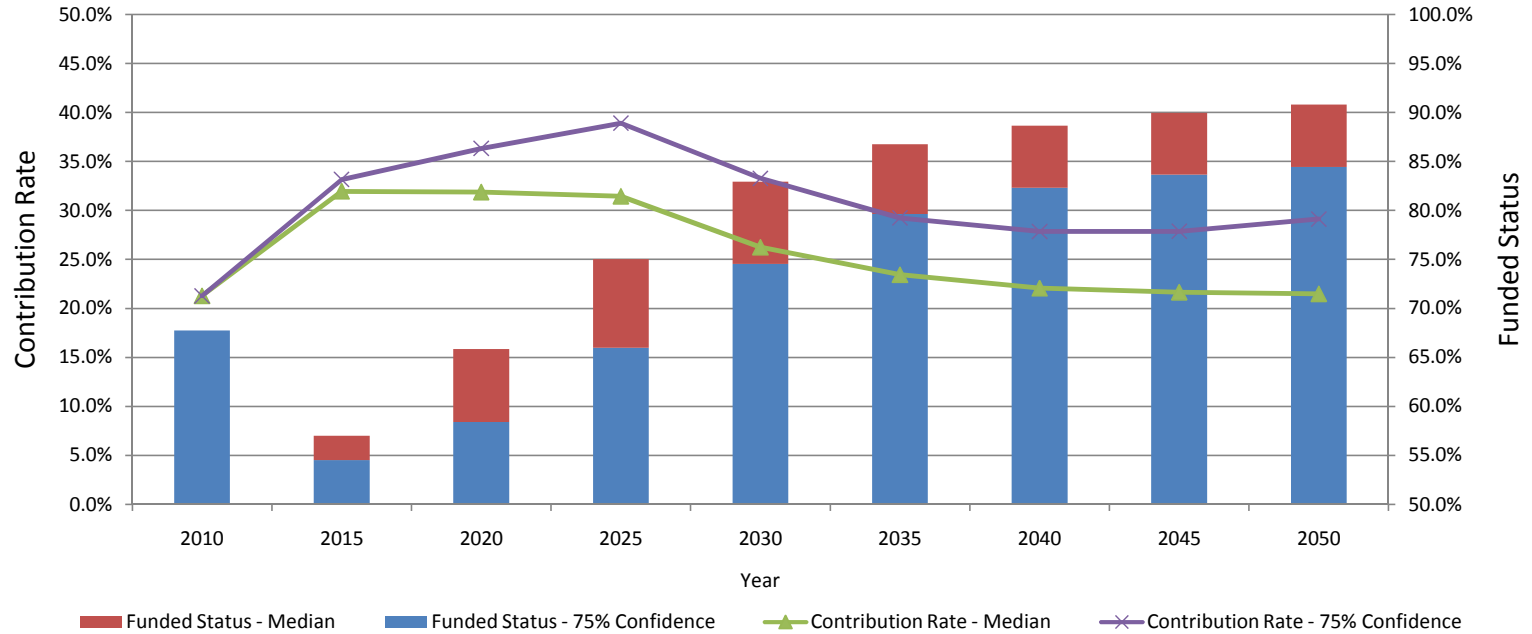
Existing actives

- Current benefit provisions
- Restrictive COLA program

New hires

- 5 year final average compensation
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 10



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	37.8%	45.6%	54.6%	55.2%	48.5%	48.7%	61.1%	75.3%
25th Percentile	21.3%	33.2%	36.3%	38.9%	33.3%	29.2%	27.8%	27.9%	29.1%
Median	21.3%	32.0%	31.9%	31.5%	26.3%	23.4%	22.1%	21.7%	21.5%
75th Percentile	21.3%	30.4%	27.9%	24.8%	20.5%	16.9%	14.9%	12.0%	8.3%
95th Percentile	21.3%	25.2%	12.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	50.9%	51.1%	56.3%	64.0%	68.2%	72.2%	72.5%	74.0%
25th Percentile	67.7%	54.5%	58.4%	66.0%	74.5%	79.6%	82.3%	83.6%	84.4%
Median	67.7%	57.0%	65.8%	75.0%	82.9%	86.7%	88.6%	89.9%	90.8%
75th Percentile	67.7%	60.4%	72.4%	83.8%	90.1%	93.8%	96.3%	99.2%	102.0%
95th Percentile	67.7%	65.8%	82.8%	94.2%	104.1%	114.2%	126.8%	143.3%	150.1%

Alternate 10:

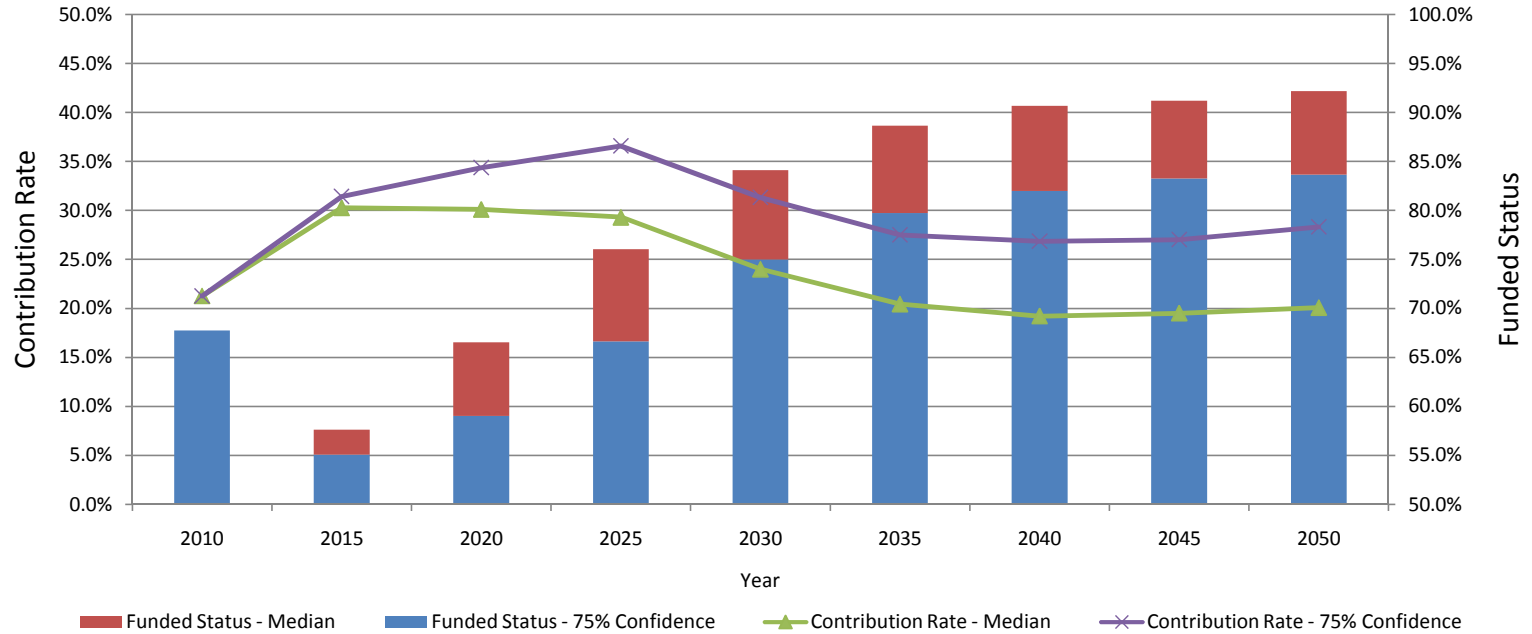
Existing actives

- Current benefit provisions
- Restrictive COLA program

New hires

- Fully actuarially reduced post-retirement survivor benefit
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 11



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	35.9%	43.3%	51.5%	51.8%	44.8%	45.7%	54.5%	62.0%
25th Percentile	21.3%	31.4%	34.4%	36.6%	31.3%	27.5%	26.9%	27.0%	28.3%
Median	21.3%	30.3%	30.1%	29.3%	24.0%	20.4%	19.2%	19.5%	20.1%
75th Percentile	21.3%	28.7%	26.2%	22.7%	17.7%	13.9%	11.4%	10.0%	9.4%
95th Percentile	21.3%	23.4%	9.6%	3.9%	3.7%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	51.5%	51.6%	56.8%	64.5%	68.6%	71.8%	72.5%	73.6%
25th Percentile	67.7%	55.1%	59.0%	66.6%	75.0%	79.7%	82.0%	83.2%	83.6%
Median	67.7%	57.6%	66.5%	76.0%	84.1%	88.6%	90.7%	91.2%	92.2%
75th Percentile	67.7%	61.1%	73.3%	85.0%	92.1%	96.4%	99.3%	102.0%	104.7%
95th Percentile	67.7%	66.4%	84.3%	95.6%	106.9%	117.3%	127.9%	137.1%	142.5%

Alternate 11:

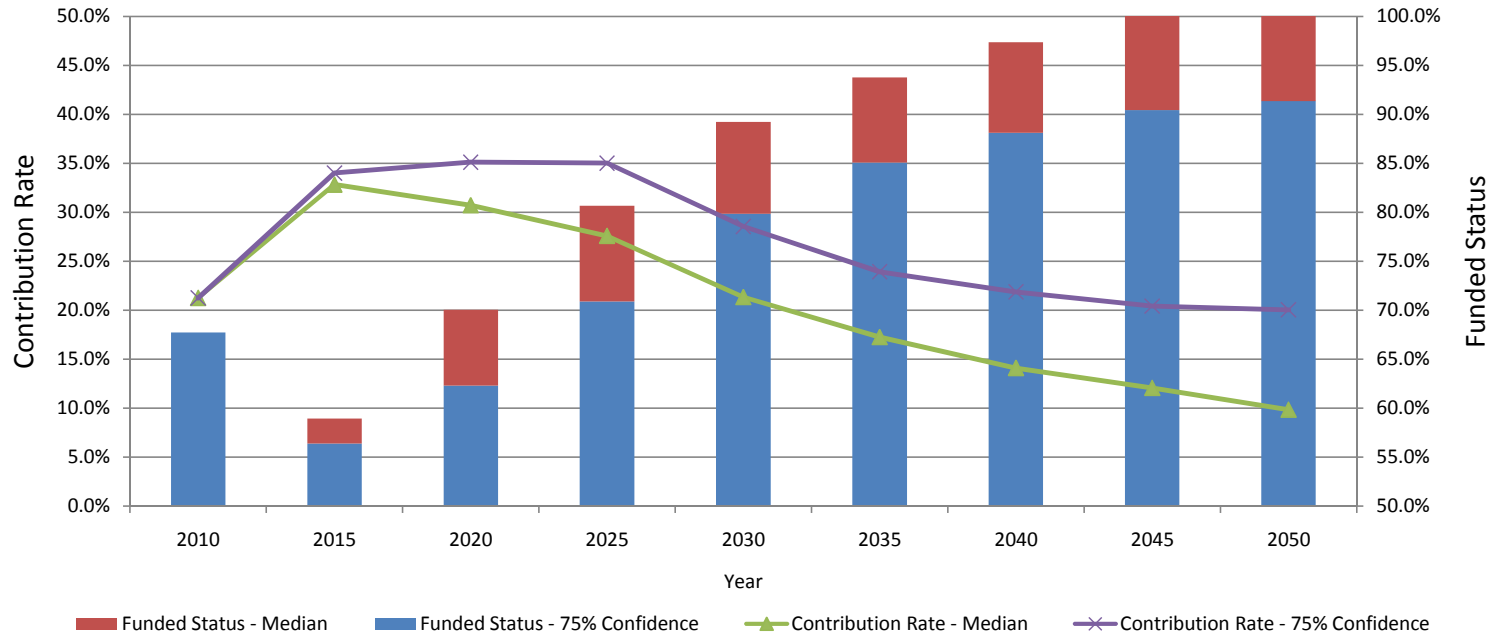
Existing actives

- Current benefit provisions
- Restrictive COLA program
- Member contributions required on DROP pay
- Interest credited to DROP account is 2.0% per year

New hires

- No DROP
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 12



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	38.5%	44.1%	50.7%	50.3%	43.0%	42.6%	48.6%	49.9%
25th Percentile	21.3%	34.0%	35.1%	35.0%	28.6%	23.9%	21.9%	20.4%	20.0%
Median	21.3%	32.8%	30.7%	27.6%	21.3%	17.3%	14.1%	12.1%	9.8%
75th Percentile	21.3%	31.3%	27.0%	21.4%	15.3%	10.1%	6.1%	2.9%	0.0%
95th Percentile	21.3%	26.0%	10.0%	3.0%	2.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.7%	54.9%	60.9%	68.2%	72.5%	76.2%	76.4%	77.8%
25th Percentile	67.7%	56.4%	62.3%	70.9%	79.9%	85.1%	88.1%	90.4%	91.4%
Median	67.7%	58.9%	70.1%	80.7%	89.2%	93.8%	97.4%	100.1%	102.7%
75th Percentile	67.7%	62.4%	76.8%	89.5%	96.8%	102.0%	107.0%	112.8%	119.2%
95th Percentile	67.7%	67.8%	87.4%	100.5%	113.0%	125.8%	138.4%	157.2%	173.2%

Alternate 12:

Existing actives

- Current benefit provisions
- Restrictive COLA program
- Member contributions required on DROP pay
- Interest credited to DROP account is 2.0% per year
- Additional 4% of pay member contributions, phased in over 4 years

New hires

- Retirement after 25 years of service
- 2.25% of FAC multiplier for all years of service
- Permanent COLA tied to CPI, not to exceed 2% per year
- 5 year final average compensation
- Fully actuarially reduced post-retirement survivor benefit
- No DROP
- All other benefit provisions the same as current actives
- Additional 4% of pay member contributions, phased in over 4 years

Arizona Public Safety Personnel Retirement System
Summary of Stochastic projections

<u>Study</u>	<u>Current Actives</u>	<u>New Hires</u>	<u>Funded % in 2030</u>		<u>Cont. Rate in 2030</u>		<u>Ultimate Normal Cost</u>	
			<u>Total</u>	<u>Change*</u>	<u>Total</u>	<u>Change*</u>	<u>Total</u>	<u>Change*</u>
Alternate 13	Final 5, Restrict COLA, 4% EE cont, 2% DROP Interest	Same as Current	79.3%	N/A	32.4%	N/A	18.4%	N/A
Alternate 13a	Final 5, Restrict COLA, 4% EE cont, avg DROP Interest, EE Cont on DROP pay	Same as Current	80.6%	N/A	31.5%	N/A	18.6%	N/A
Alternate 14a	Same as 13a	Retirement at 25 yrs	80.3%	-0.3%	30.4%	-1.1%	17.4%	-1.2%
Alternate 14b	Same as 13a	Retirement at 50 and 25 yrs	80.2%	-0.4%	29.9%	-1.6%	16.9%	-1.7%
Alternate 14c	Same as 13a	Retirement at 52.5 and 25 yrs	80.1%	-0.5%	29.6%	-1.9%	16.5%	-2.1%
Alternate 15	Same as 13a	2.25% multiplier	80.3%	-0.3%	30.3%	-1.2%	17.2%	-1.4%
Alternate 16	Same as 13a	No DROP	80.5%	-0.1%	31.0%	-0.5%	18.0%	-0.6%
Alternate 17	Same as 13a	50% Spouse Benefit	80.5%	-0.1%	31.2%	-0.3%	18.2%	-0.4%
Alternate 18a	Same as 13a	2% Capped Compound COLA	81.1%	0.5%	33.0%	1.5%	21.5%	2.9%
Alternate 18b	Same as 13a	2% Capped Simple COLA	81.0%	0.4%	32.7%	1.2%	21.1%	2.5%
Alternate 18c	Same as 13a	No COLA	80.4%	-0.2%	30.4%	-1.1%	18.6%	0.0%
Alternate 18d	Same as 13a	COLA Reserve with 11% Threshold	80.3%	-0.3%	30.7%	-0.8%	18.6%	0.0%

* Change represents the change from Alternate 13a

Funded % in 2030 represents 75% probability that the funded % will be equal to or greater than the given level

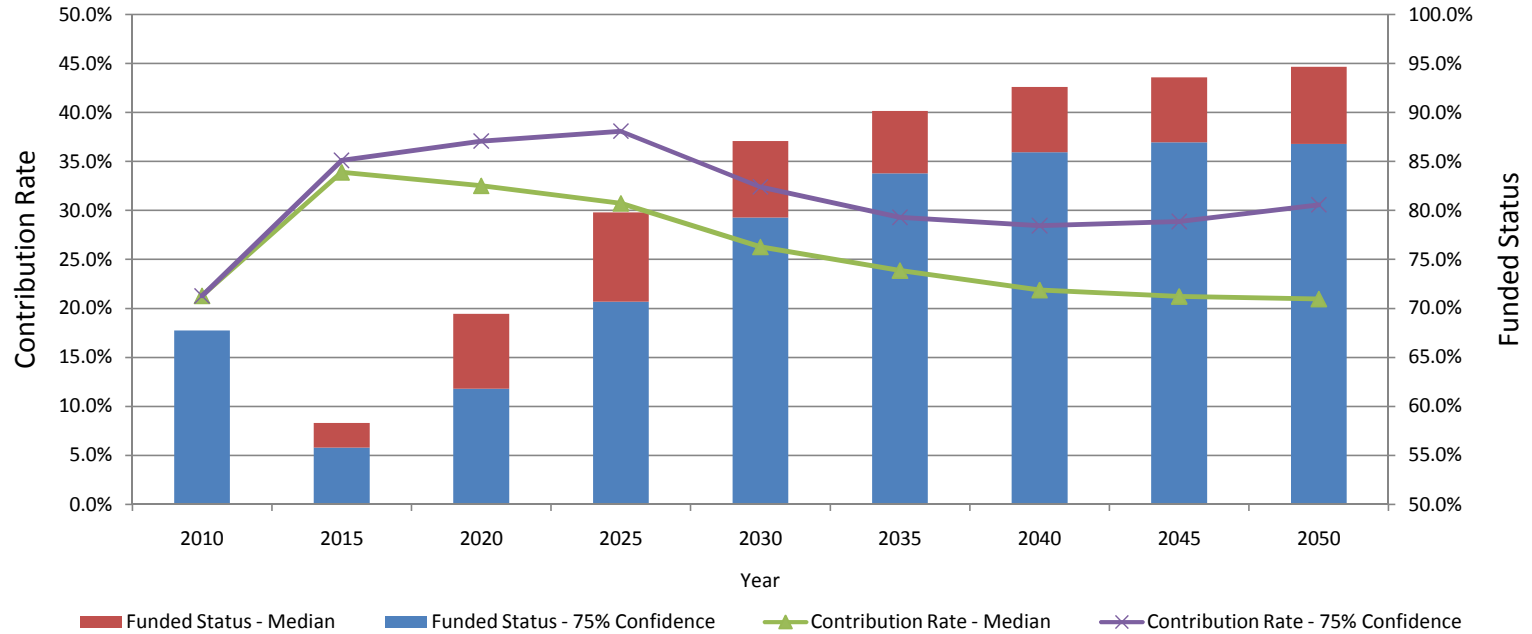
Contribution Rate in 2030 represents 75% probability that the contribution rate will be equal to or less than the given rate

Ultimate Normal Cost represents the ultimate cost of the system (not reduced for employee contributions) based on new hires once the system is 100% funded

The ultimate Normal Cost for all scenarios that have the COLA reserve mechanism is understated because it ignores the operation of the COLA (does not prefund the COLA).

The projections of funded % assume recommended contributions will be made. To the extent that less than the recommended contribution is made, funded %'s will be lower than shown in these projections.

PSPRS Projection Results Alternate 13



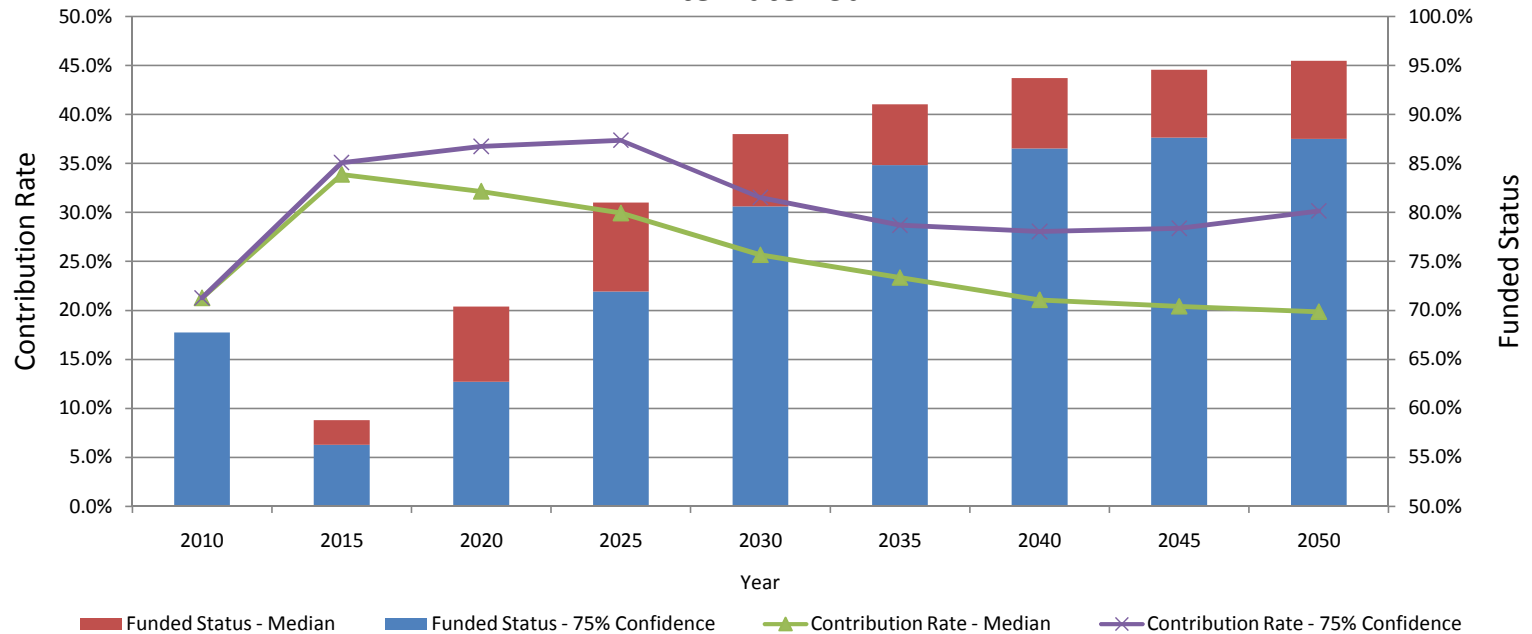
Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.7%	46.4%	54.5%	55.7%	49.0%	50.8%	64.7%	77.3%
25th Percentile	21.3%	35.1%	37.1%	38.1%	32.4%	29.3%	28.4%	28.9%	30.6%
Median	21.3%	33.9%	32.5%	30.7%	26.3%	23.9%	21.9%	21.2%	21.0%
75th Percentile	21.3%	32.3%	28.7%	24.7%	19.9%	15.9%	12.8%	8.5%	4.0%
95th Percentile	21.3%	27.1%	12.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.2%	54.6%	60.8%	68.4%	73.1%	76.6%	76.2%	76.7%
25th Percentile	67.7%	55.8%	61.8%	70.7%	79.3%	83.8%	85.9%	86.9%	86.8%
Median	67.7%	58.3%	69.4%	79.8%	87.1%	90.1%	92.6%	93.6%	94.6%
75th Percentile	67.7%	61.8%	75.9%	87.6%	94.5%	98.5%	101.3%	104.3%	107.3%
95th Percentile	67.7%	67.1%	85.8%	98.4%	110.5%	125.4%	140.9%	162.0%	170.1%

Alternate 13

5 year Final Average Compensation for existing actives and new hires
 Restrictive COLA program based on Market Value of Assets
 Additional 4% of pay member contributions, phased in over 4 years
 Interest rate on the DROP account is capped at 2% per year
 All other benefit provisions are the same as current provisions

PSPRS Projection Results Alternate 13a



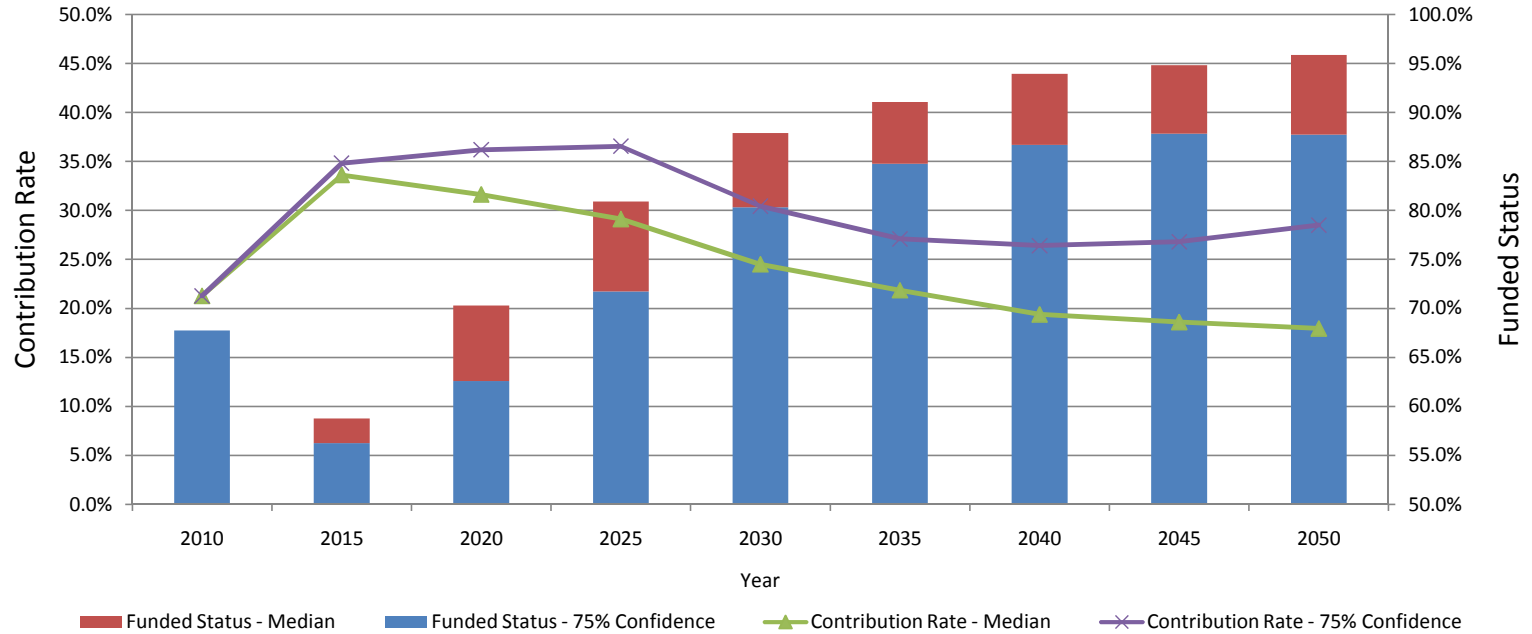
Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.7%	46.2%	54.1%	55.3%	48.5%	50.5%	64.7%	76.4%
25th Percentile	21.3%	35.1%	36.7%	37.4%	31.5%	28.7%	28.1%	28.4%	30.2%
Median	21.3%	33.9%	32.2%	29.9%	25.7%	23.3%	21.1%	20.4%	19.9%
75th Percentile	21.3%	32.3%	28.4%	24.1%	18.8%	14.6%	11.4%	7.2%	2.1%
95th Percentile	21.3%	27.0%	11.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.6%	55.5%	62.0%	69.6%	74.4%	77.5%	76.8%	77.4%
25th Percentile	67.7%	56.3%	62.7%	71.9%	80.6%	84.8%	86.5%	87.6%	87.5%
Median	67.7%	58.8%	70.4%	81.0%	88.0%	91.0%	93.7%	94.5%	95.5%
75th Percentile	67.7%	62.2%	76.8%	88.8%	95.5%	99.8%	102.7%	105.8%	109.0%
95th Percentile	67.7%	67.5%	86.3%	99.4%	111.9%	126.3%	142.5%	166.6%	179.0%

Alternate 13a

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

PSPRS Projection Results Alternate 14a



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.5%	45.7%	53.2%	53.9%	46.5%	48.3%	62.5%	73.1%
25th Percentile	21.3%	34.8%	36.2%	36.6%	30.4%	27.1%	26.4%	26.8%	28.5%
Median	21.3%	33.6%	31.6%	29.1%	24.5%	21.9%	19.4%	18.6%	18.0%
75th Percentile	21.3%	32.0%	27.9%	23.3%	17.8%	13.4%	9.8%	5.1%	0.0%
95th Percentile	21.3%	26.8%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.6%	55.3%	61.7%	69.2%	74.2%	77.8%	77.1%	77.6%
25th Percentile	67.7%	56.2%	62.6%	71.7%	80.3%	84.7%	86.7%	87.8%	87.7%
Median	67.7%	58.8%	70.3%	80.9%	87.9%	91.0%	93.9%	94.8%	95.9%
75th Percentile	67.7%	62.2%	76.7%	88.8%	95.4%	99.9%	103.1%	106.5%	109.8%
95th Percentile	67.7%	67.5%	86.2%	99.7%	111.9%	126.5%	144.7%	169.4%	185.2%

Alternate 14a:

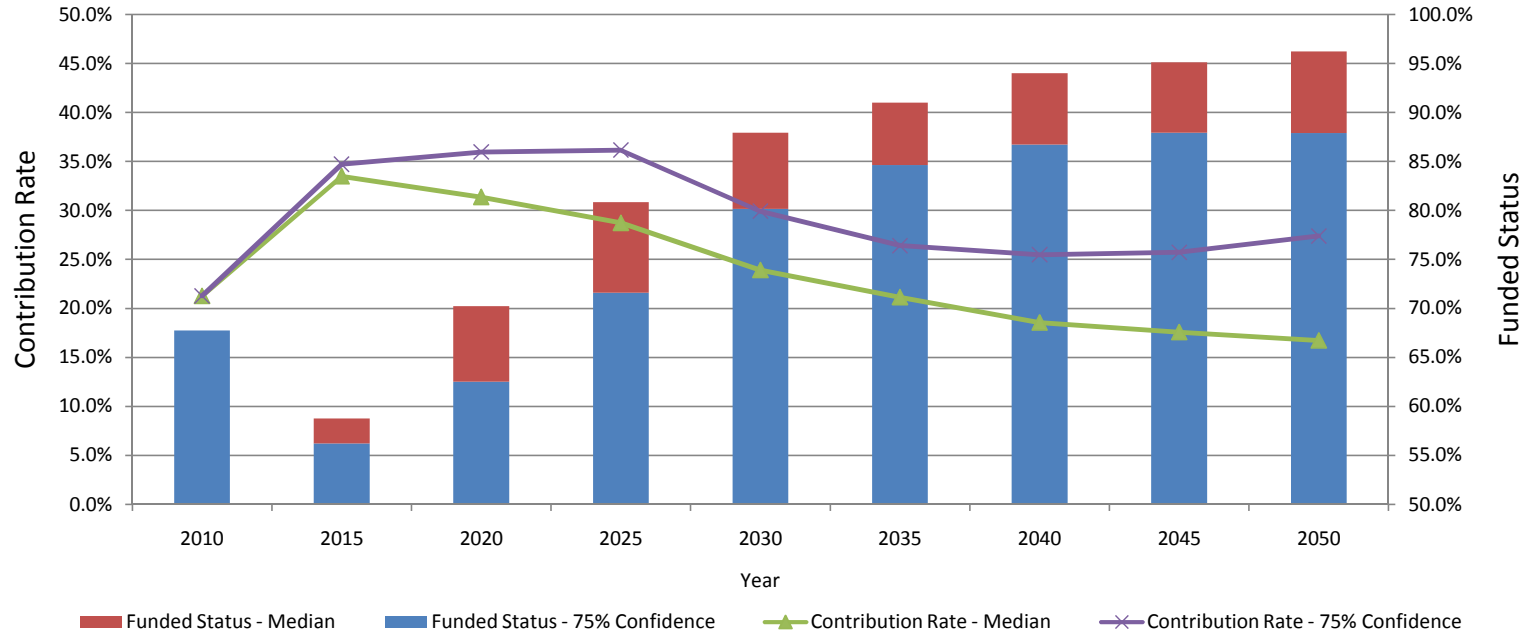
Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

- Retirement after 25 years of service
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 14b



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.3%	45.4%	52.7%	53.3%	45.7%	46.9%	60.7%	70.6%
25th Percentile	21.3%	34.7%	36.0%	36.2%	29.9%	26.4%	25.5%	25.7%	27.4%
Median	21.3%	33.5%	31.4%	28.7%	23.9%	21.2%	18.6%	17.6%	16.7%
75th Percentile	21.3%	31.9%	27.6%	22.9%	17.2%	12.8%	9.2%	4.2%	0.0%
95th Percentile	21.3%	26.6%	10.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.6%	55.3%	61.5%	69.1%	74.0%	77.8%	77.4%	77.7%
25th Percentile	67.7%	56.2%	62.5%	71.6%	80.2%	84.6%	86.7%	87.9%	87.9%
Median	67.7%	58.7%	70.2%	80.8%	87.9%	91.0%	94.0%	95.1%	96.2%
75th Percentile	67.7%	62.2%	76.6%	88.7%	95.6%	99.8%	103.2%	106.8%	110.5%
95th Percentile	67.7%	67.5%	86.7%	99.7%	112.0%	127.3%	145.0%	170.7%	187.7%

Alternate 14b:

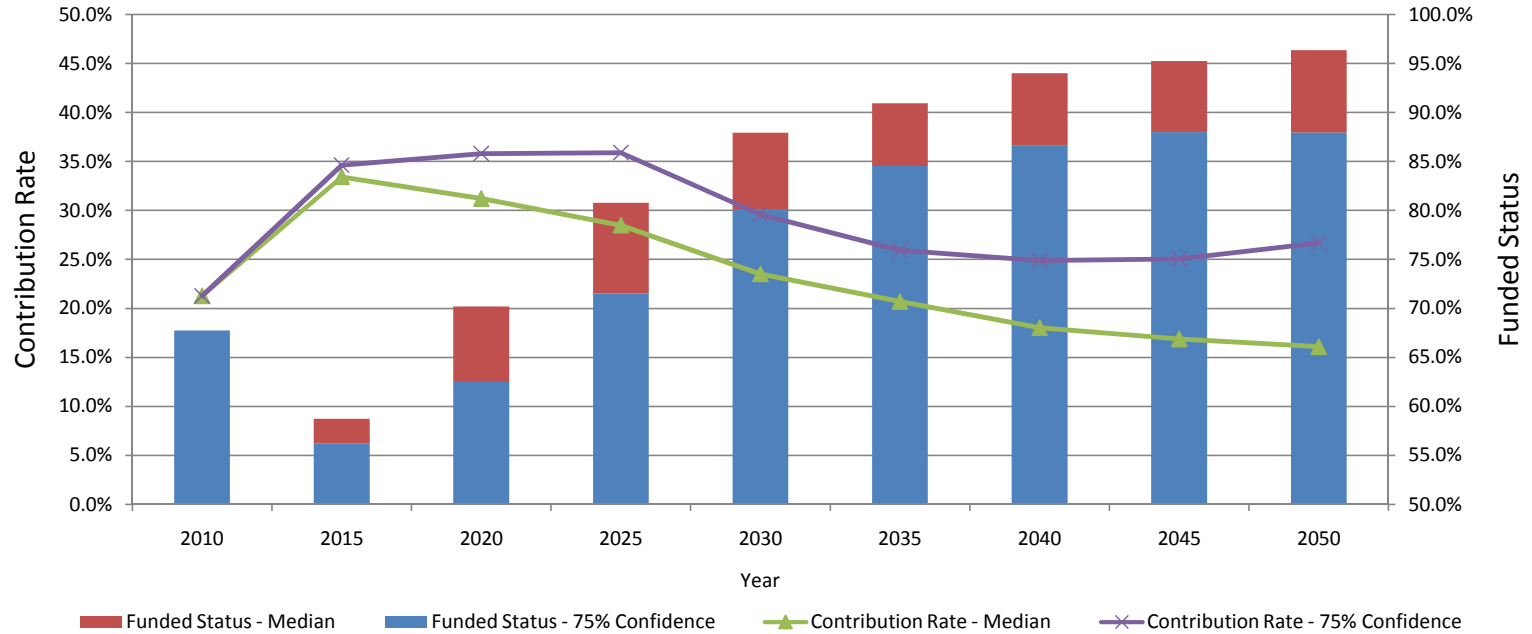
Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

- Normal retirement at age 50 with 25 years of service
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 14c



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.3%	45.2%	52.4%	52.8%	45.2%	46.0%	59.5%	69.0%
25th Percentile	21.3%	34.6%	35.8%	35.9%	29.6%	25.9%	24.9%	25.0%	26.7%
Median	21.3%	33.4%	31.2%	28.5%	23.5%	20.7%	18.0%	16.9%	16.1%
75th Percentile	21.3%	31.8%	27.4%	22.6%	16.9%	12.5%	8.8%	3.7%	0.0%
95th Percentile	21.3%	26.6%	10.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.6%	55.2%	61.5%	69.0%	73.9%	77.7%	77.5%	77.3%
25th Percentile	67.7%	56.2%	62.5%	71.5%	80.1%	84.5%	86.6%	88.0%	87.9%
Median	67.7%	58.7%	70.2%	80.8%	87.9%	90.9%	94.0%	95.2%	96.3%
75th Percentile	67.7%	62.2%	76.6%	88.7%	95.6%	99.7%	103.1%	107.0%	110.9%
95th Percentile	67.7%	67.5%	86.6%	99.7%	112.0%	127.5%	145.2%	172.1%	189.1%

Alternate 14c:

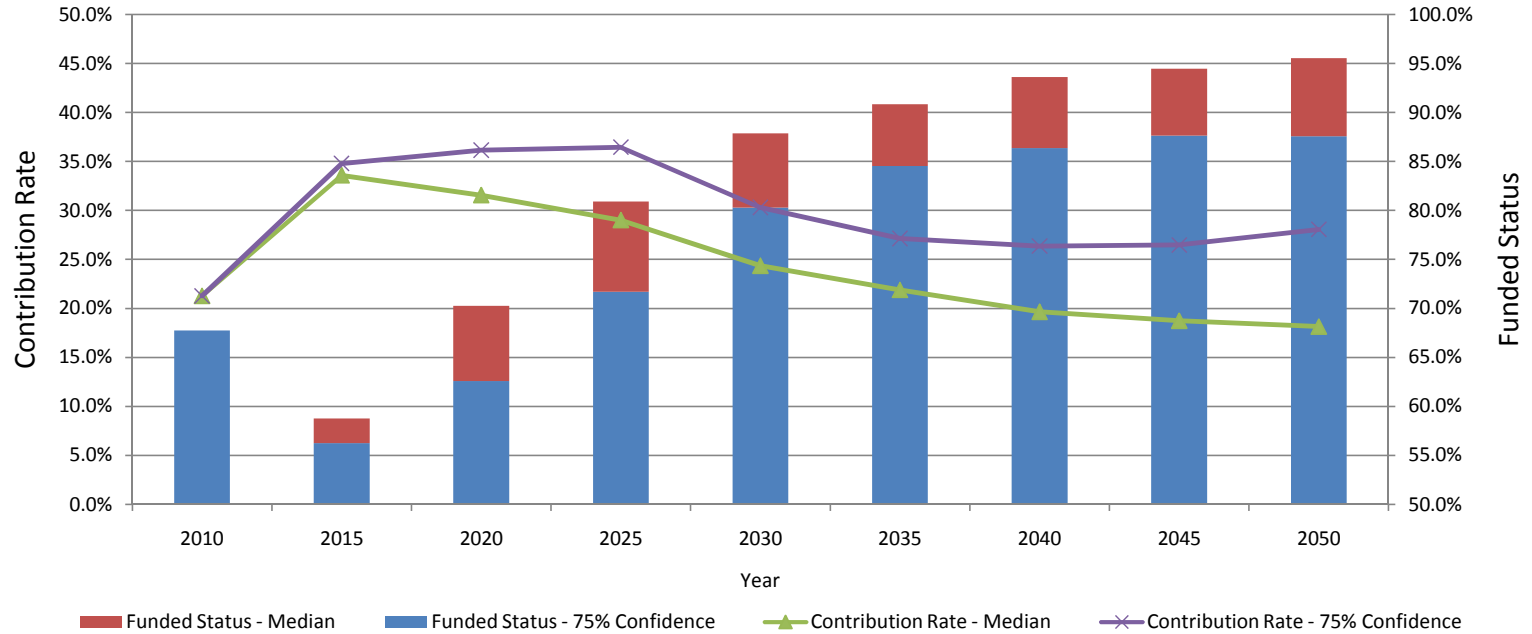
Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

- Normal retirement at age 52.5 with 25 years of service
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 15



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.4%	45.6%	53.1%	53.8%	46.7%	48.3%	61.8%	72.8%
25th Percentile	21.3%	34.8%	36.1%	36.4%	30.3%	27.1%	26.4%	26.5%	28.1%
Median	21.3%	33.6%	31.6%	29.0%	24.4%	21.9%	19.7%	18.7%	18.1%
75th Percentile	21.3%	32.0%	27.8%	23.2%	17.7%	13.5%	10.2%	6.0%	0.8%
95th Percentile	21.3%	26.7%	11.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.6%	55.3%	61.6%	69.2%	73.9%	77.1%	76.7%	77.3%
25th Percentile	67.7%	56.2%	62.6%	71.7%	80.3%	84.5%	86.3%	87.6%	87.6%
Median	67.7%	58.7%	70.3%	80.9%	87.9%	90.8%	93.6%	94.5%	95.5%
75th Percentile	67.7%	62.2%	76.6%	88.8%	95.4%	99.6%	102.5%	105.7%	109.4%
95th Percentile	67.7%	67.5%	86.2%	99.7%	111.9%	126.3%	143.6%	167.7%	182.0%

Alternate 15:

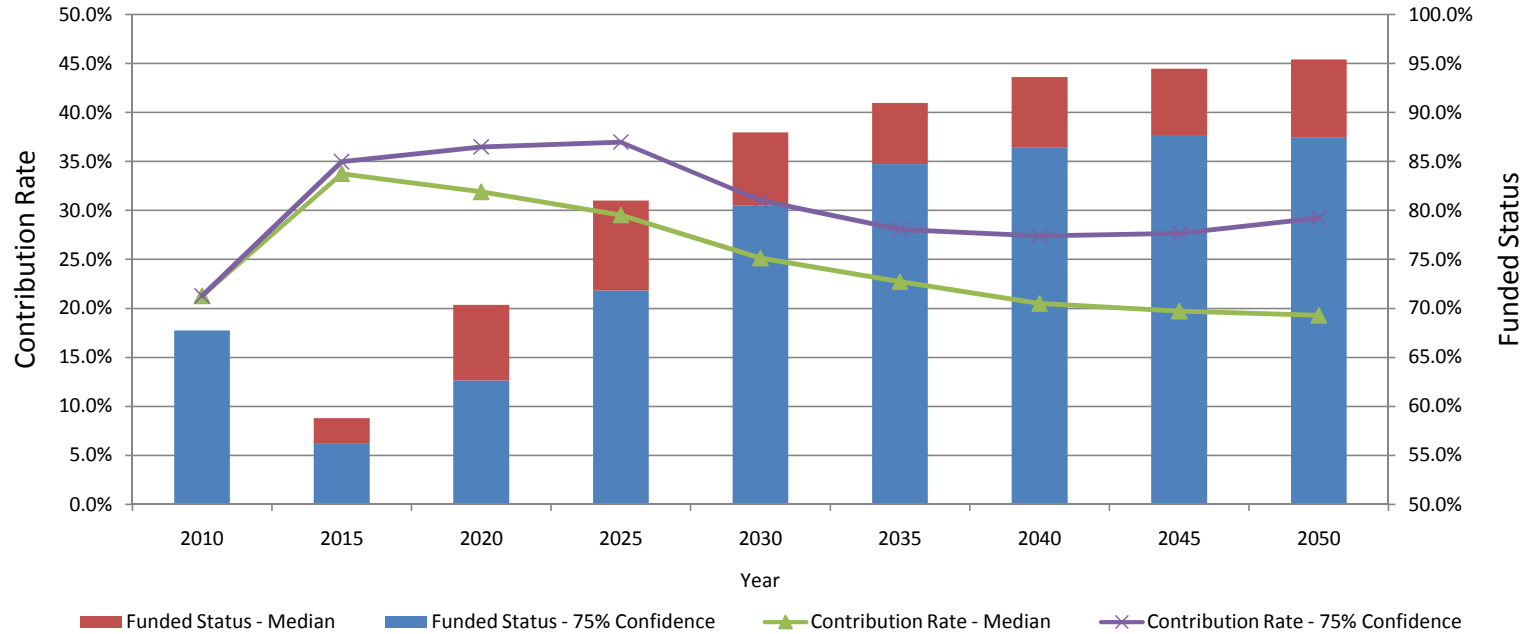
Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

- 2.25% of FAC multiplier for all years of service
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 16



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.6%	45.9%	53.6%	54.6%	47.8%	49.6%	63.4%	75.0%
25th Percentile	21.3%	35.0%	36.5%	37.0%	31.0%	28.1%	27.4%	27.6%	29.2%
Median	21.3%	33.7%	31.9%	29.5%	25.1%	22.7%	20.5%	19.7%	19.3%
75th Percentile	21.3%	32.1%	28.1%	23.7%	18.4%	14.2%	11.0%	6.8%	1.9%
95th Percentile	21.3%	26.9%	11.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.6%	55.4%	61.8%	69.4%	74.2%	77.3%	76.7%	77.2%
25th Percentile	67.7%	56.2%	62.6%	71.8%	80.5%	84.7%	86.4%	87.6%	87.4%
Median	67.7%	58.8%	70.3%	81.0%	87.9%	91.0%	93.6%	94.5%	95.4%
75th Percentile	67.7%	62.2%	76.7%	88.7%	95.4%	99.7%	102.6%	105.6%	108.9%
95th Percentile	67.7%	67.5%	86.3%	99.4%	111.9%	126.2%	142.8%	166.9%	180.0%

Alternate 16:

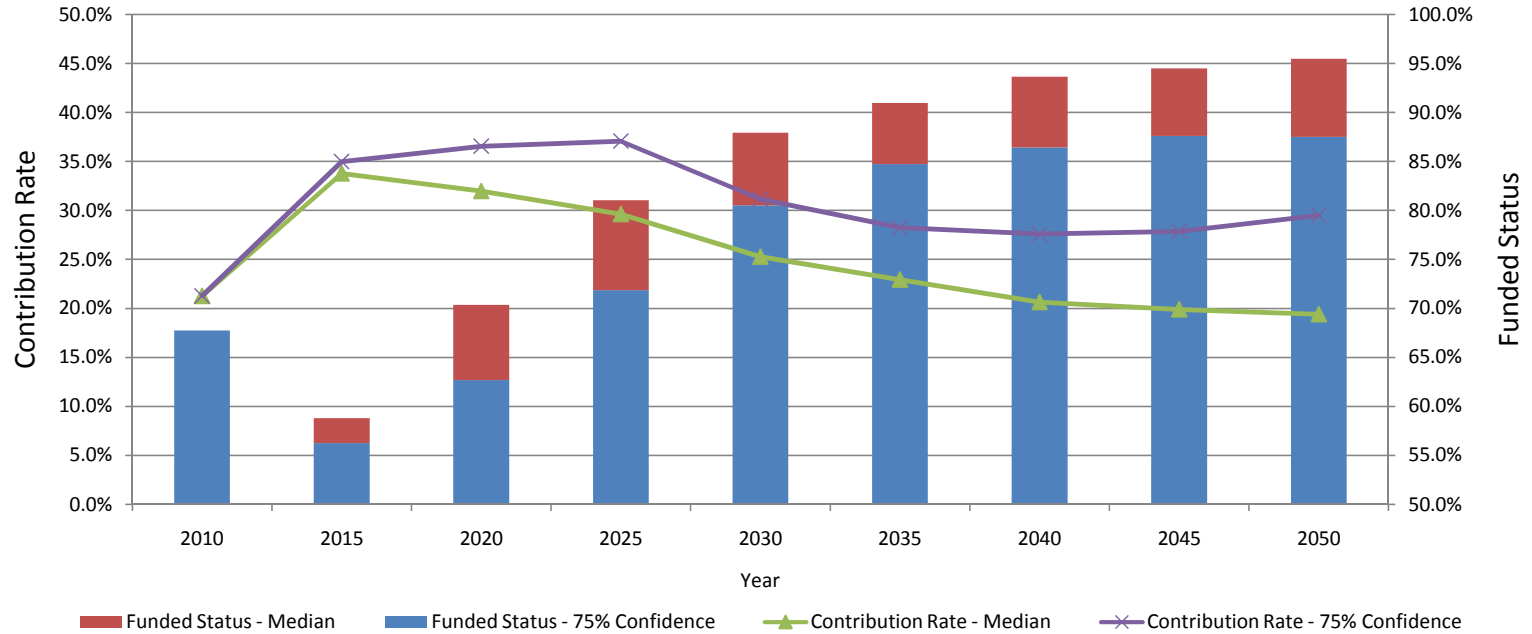
Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

- No DROP
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 17



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.6%	46.0%	53.8%	54.8%	48.0%	49.9%	63.8%	75.4%
25th Percentile	21.3%	35.0%	36.6%	37.1%	31.2%	28.3%	27.6%	27.9%	29.5%
Median	21.3%	33.8%	32.0%	29.6%	25.3%	22.9%	20.7%	19.9%	19.4%
75th Percentile	21.3%	32.2%	28.2%	23.8%	18.5%	14.3%	11.1%	6.9%	2.1%
95th Percentile	21.3%	26.9%	11.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.6%	55.4%	61.9%	69.5%	74.2%	77.4%	76.7%	77.3%
25th Percentile	67.7%	56.2%	62.7%	71.9%	80.5%	84.7%	86.4%	87.6%	87.5%
Median	67.7%	58.8%	70.3%	81.0%	87.9%	91.0%	93.6%	94.5%	95.5%
75th Percentile	67.7%	62.2%	76.7%	88.7%	95.4%	99.7%	102.5%	105.7%	108.9%
95th Percentile	67.7%	67.5%	86.3%	99.4%	111.9%	126.2%	142.5%	166.7%	179.8%

Alternate 17:

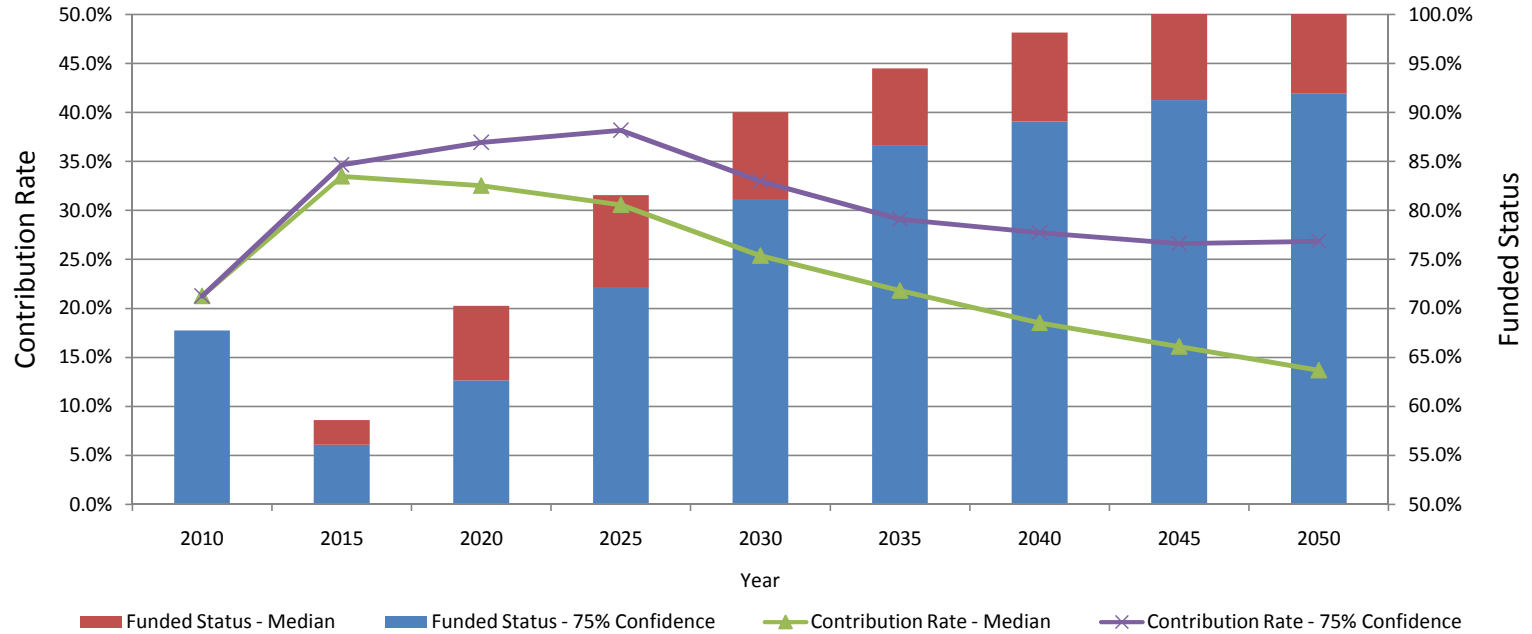
Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

- Post-retirement survivor benefit is 50% of retiree's benefit
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 18a



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.1%	46.1%	54.4%	56.4%	50.1%	50.6%	60.8%	61.3%
25th Percentile	21.3%	34.7%	36.9%	38.2%	33.0%	29.1%	27.7%	26.6%	26.8%
Median	21.3%	33.5%	32.5%	30.6%	25.4%	21.8%	18.5%	16.1%	13.7%
75th Percentile	21.3%	31.9%	28.7%	24.0%	18.7%	13.6%	9.1%	4.3%	0.6%
95th Percentile	21.3%	26.6%	11.4%	5.1%	4.3%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.5%	55.5%	62.2%	70.0%	74.7%	78.2%	78.3%	79.6%
25th Percentile	67.7%	56.1%	62.6%	72.1%	81.1%	86.6%	89.1%	91.2%	91.9%
Median	67.7%	58.6%	70.3%	81.6%	90.0%	94.5%	98.1%	100.5%	102.5%
75th Percentile	67.7%	62.0%	76.8%	89.8%	97.4%	102.9%	107.7%	112.8%	118.2%
95th Percentile	67.7%	67.3%	87.4%	100.7%	113.5%	126.0%	138.1%	153.9%	165.1%

Alternate 18a:

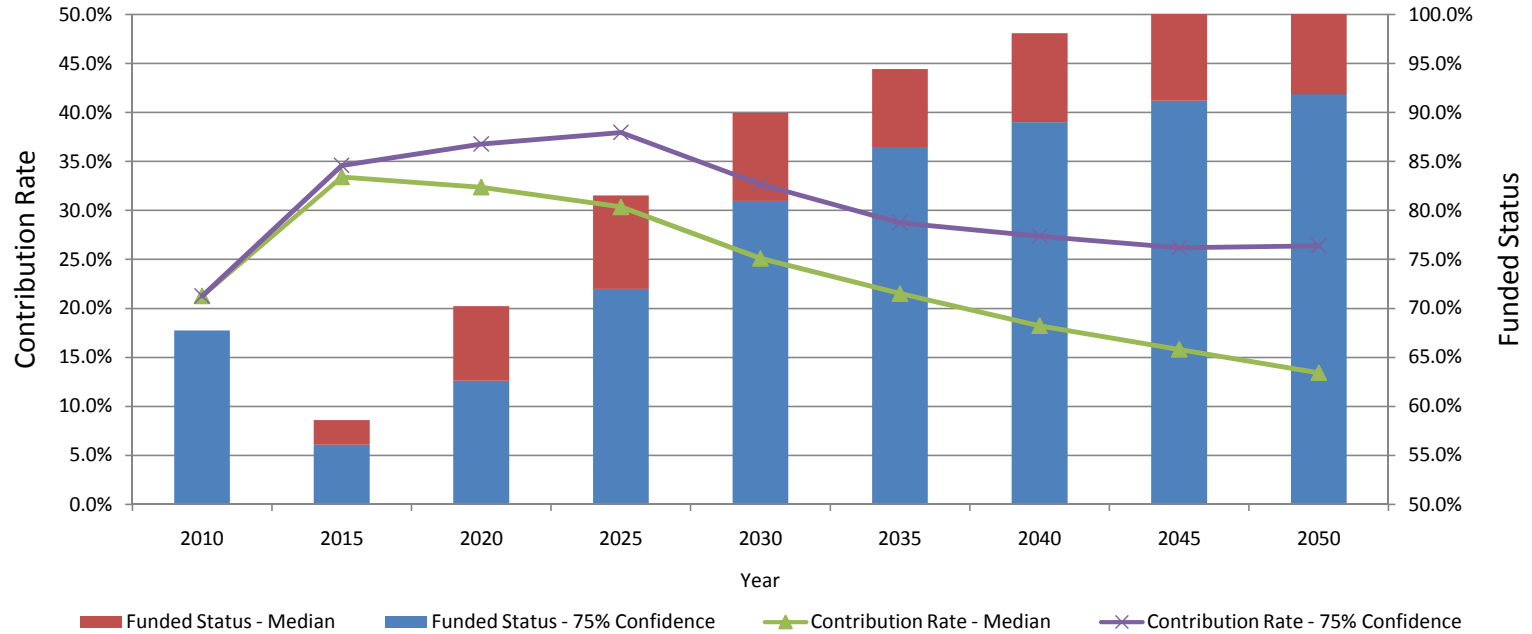
Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

- Permanent compound COLA tied to CPI, not to exceed 2% per year
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 18b



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.0%	45.9%	54.1%	56.0%	49.6%	50.2%	60.1%	60.6%
25th Percentile	21.3%	34.6%	36.8%	37.9%	32.7%	28.7%	27.4%	26.2%	26.4%
Median	21.3%	33.4%	32.4%	30.4%	25.1%	21.5%	18.2%	15.8%	13.4%
75th Percentile	21.3%	31.9%	28.6%	23.8%	18.4%	13.3%	8.9%	4.1%	0.3%
95th Percentile	21.3%	26.5%	11.3%	4.9%	4.1%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.5%	55.4%	62.2%	69.9%	74.6%	78.1%	78.3%	79.6%
25th Percentile	67.7%	56.1%	62.6%	72.0%	81.0%	86.5%	89.0%	91.2%	91.9%
Median	67.7%	58.6%	70.2%	81.5%	90.0%	94.4%	98.1%	100.4%	102.5%
75th Percentile	67.7%	62.0%	76.8%	89.8%	97.4%	102.8%	107.6%	112.8%	118.2%
95th Percentile	67.7%	67.3%	87.4%	100.7%	113.5%	126.0%	138.3%	154.2%	165.7%

Alternate 18b:

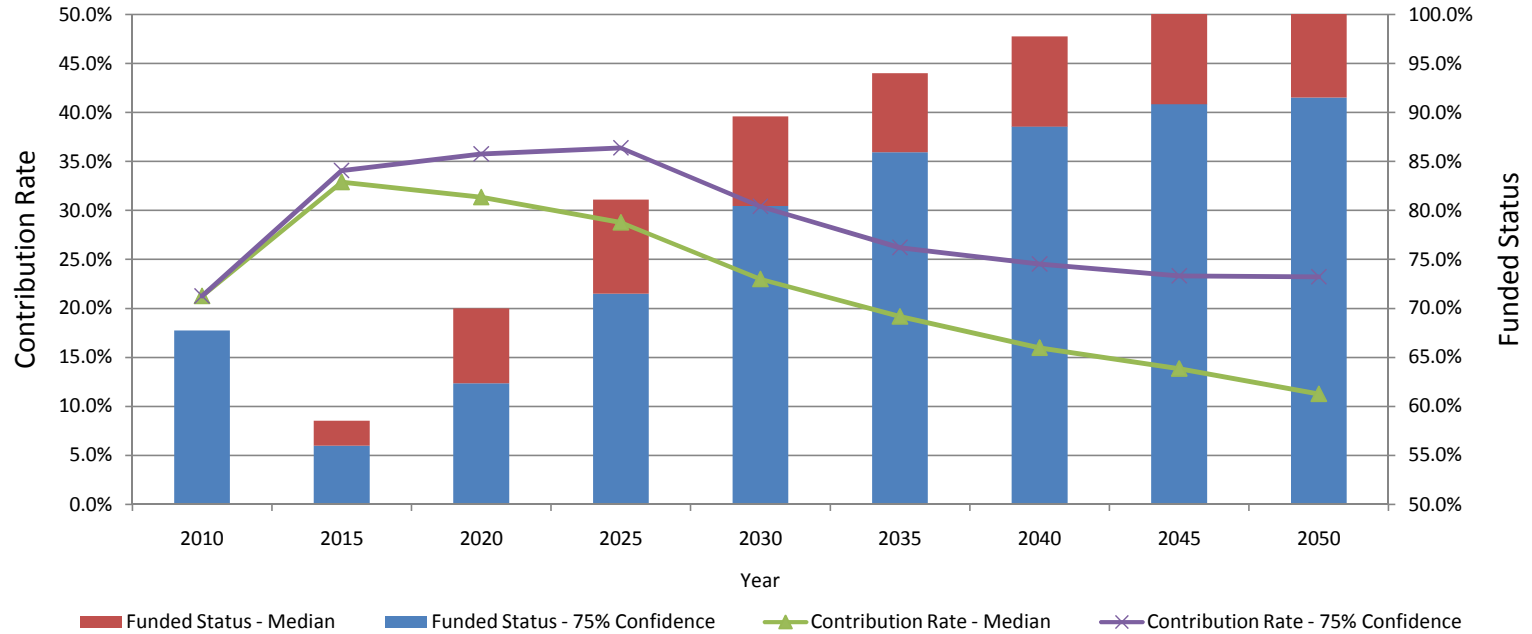
Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

- Permanent simple COLA tied to CPI, not to exceed 2% per year
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 18c



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	38.5%	44.9%	52.4%	53.3%	46.5%	46.6%	55.1%	55.2%
25th Percentile	21.3%	34.1%	35.8%	36.4%	30.4%	26.2%	24.5%	23.3%	23.2%
Median	21.3%	32.9%	31.3%	28.8%	23.0%	19.2%	16.0%	13.9%	11.3%
75th Percentile	21.3%	31.3%	27.6%	22.4%	16.5%	11.4%	7.2%	2.9%	0.0%
95th Percentile	21.3%	26.0%	10.3%	3.8%	2.9%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.4%	55.1%	61.6%	69.2%	73.9%	77.6%	77.6%	79.0%
25th Percentile	67.7%	56.0%	62.3%	71.5%	80.4%	85.9%	88.6%	90.8%	91.5%
Median	67.7%	58.5%	70.0%	81.1%	89.6%	94.0%	97.8%	100.1%	102.4%
75th Percentile	67.7%	62.0%	76.6%	89.6%	97.1%	102.6%	107.3%	112.6%	118.5%
95th Percentile	67.7%	67.2%	87.3%	100.6%	113.3%	126.1%	139.3%	156.3%	170.1%

Alternate 18c:

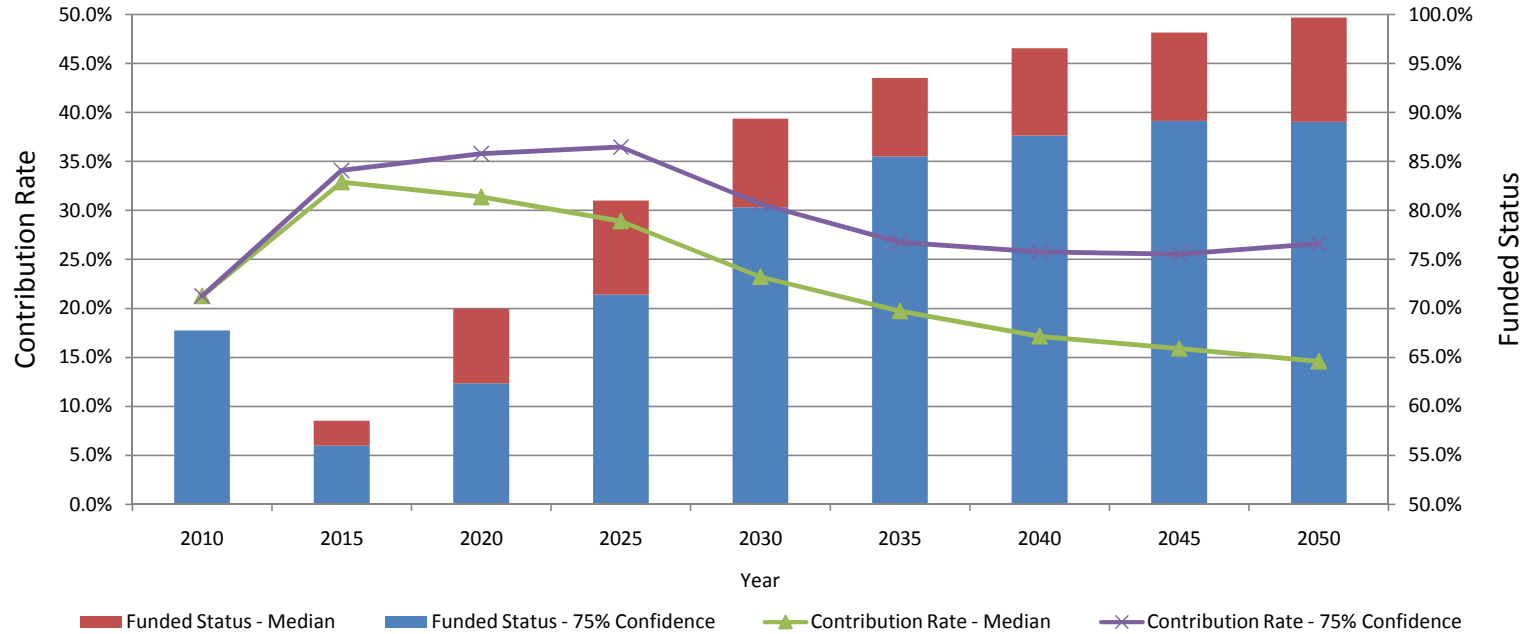
Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

- No COLA
- All other benefit provisions the same as current actives

PSPRS Projection Results Alternate 18d



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	38.5%	44.9%	52.4%	53.3%	47.0%	47.5%	57.6%	59.2%
25th Percentile	21.3%	34.1%	35.8%	36.5%	30.7%	26.8%	25.8%	25.5%	26.6%
Median	21.3%	32.9%	31.4%	28.9%	23.2%	19.7%	17.2%	15.9%	14.6%
75th Percentile	21.3%	31.3%	27.6%	22.5%	16.7%	11.9%	8.3%	5.0%	2.9%
95th Percentile	21.3%	26.0%	10.3%	3.9%	3.1%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.4%	55.1%	61.5%	69.1%	73.5%	76.8%	76.6%	77.4%
25th Percentile	67.7%	56.0%	62.3%	71.4%	80.3%	85.5%	87.6%	89.1%	89.0%
Median	67.7%	58.5%	70.0%	81.0%	89.4%	93.5%	96.5%	98.1%	99.7%
75th Percentile	67.7%	62.0%	76.5%	89.5%	96.9%	102.0%	106.1%	110.4%	114.8%
95th Percentile	67.7%	67.2%	87.2%	100.4%	113.0%	125.4%	137.9%	152.2%	162.6%

Alternate 18d:

Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

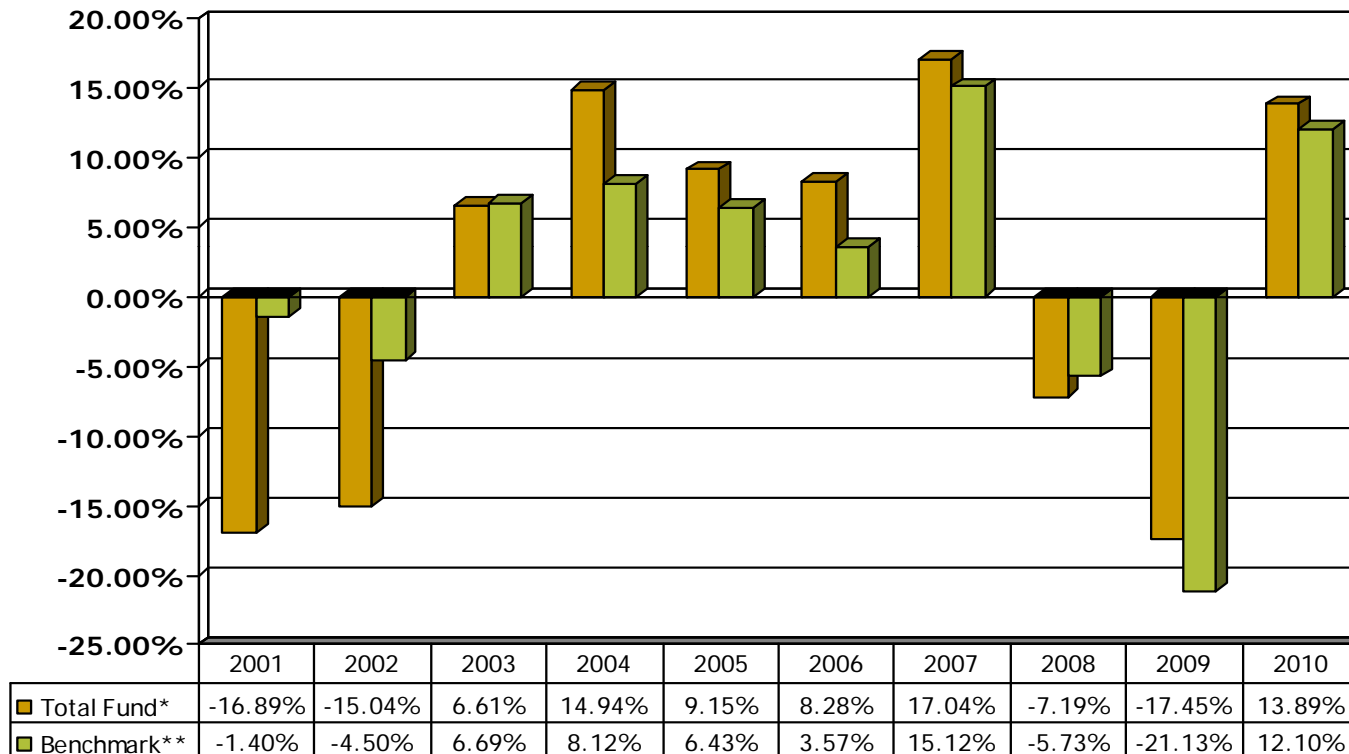
- COLA program - half of the excess investment return above 11% on new hire assets flows into the COLA reserve; COLA percent increase cannot exceed 2% per year.
- All other benefit provisions the same as current actives

Public Safety Personnel Retirement System
Corrections Officer Retirement Plan
Elected Officials' Retirement Plan

Fiscal Year 2010 Financial Report and
Prospects for the Future

Total Fund vs. Benchmark

FYE June 30

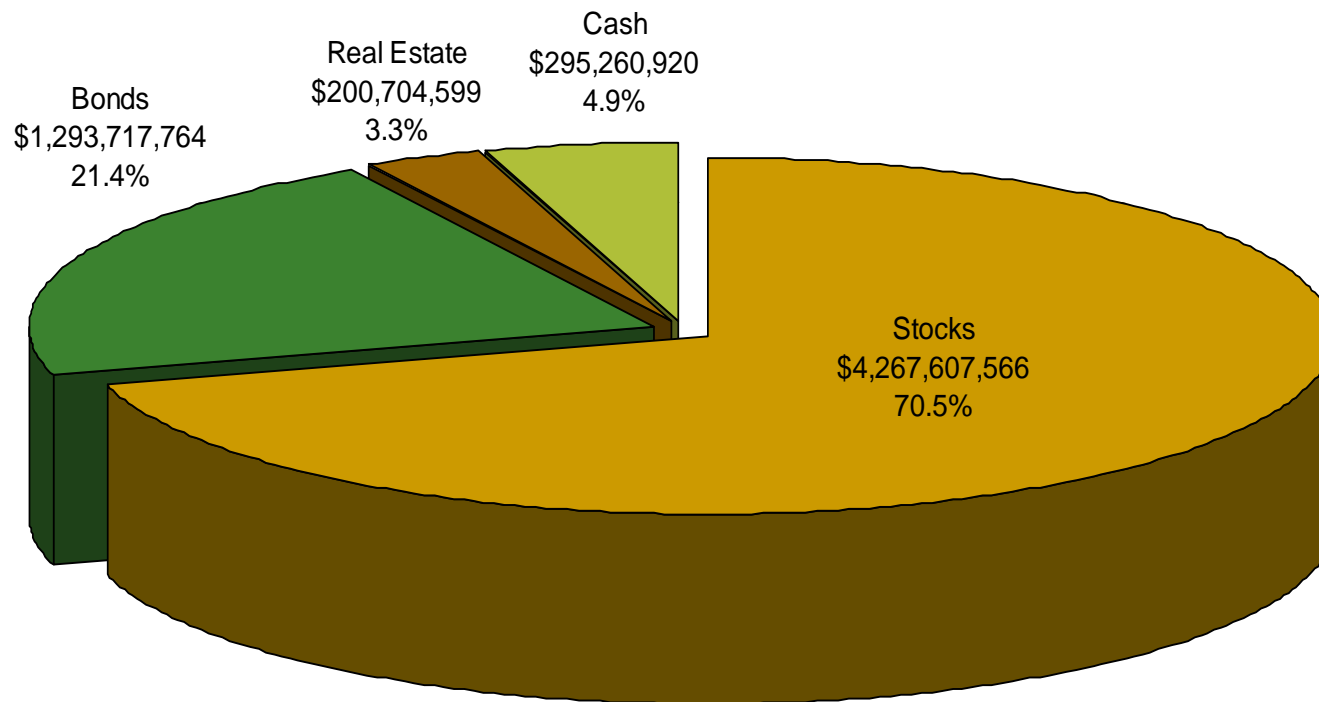


*Total Fund returns are gross of fees

** Benchmark 7/1/09-6/30/2010 30% Russell 3000, 20% MSCI World Ex-US, 20% BC Aggregate, 8% NCREIF MPI, 8% Russell 3000+100 bps, 8% ML US High Yield BB-B Rated Constrained, 5% CPI+200 bps and 1% 91-day T-Bill.

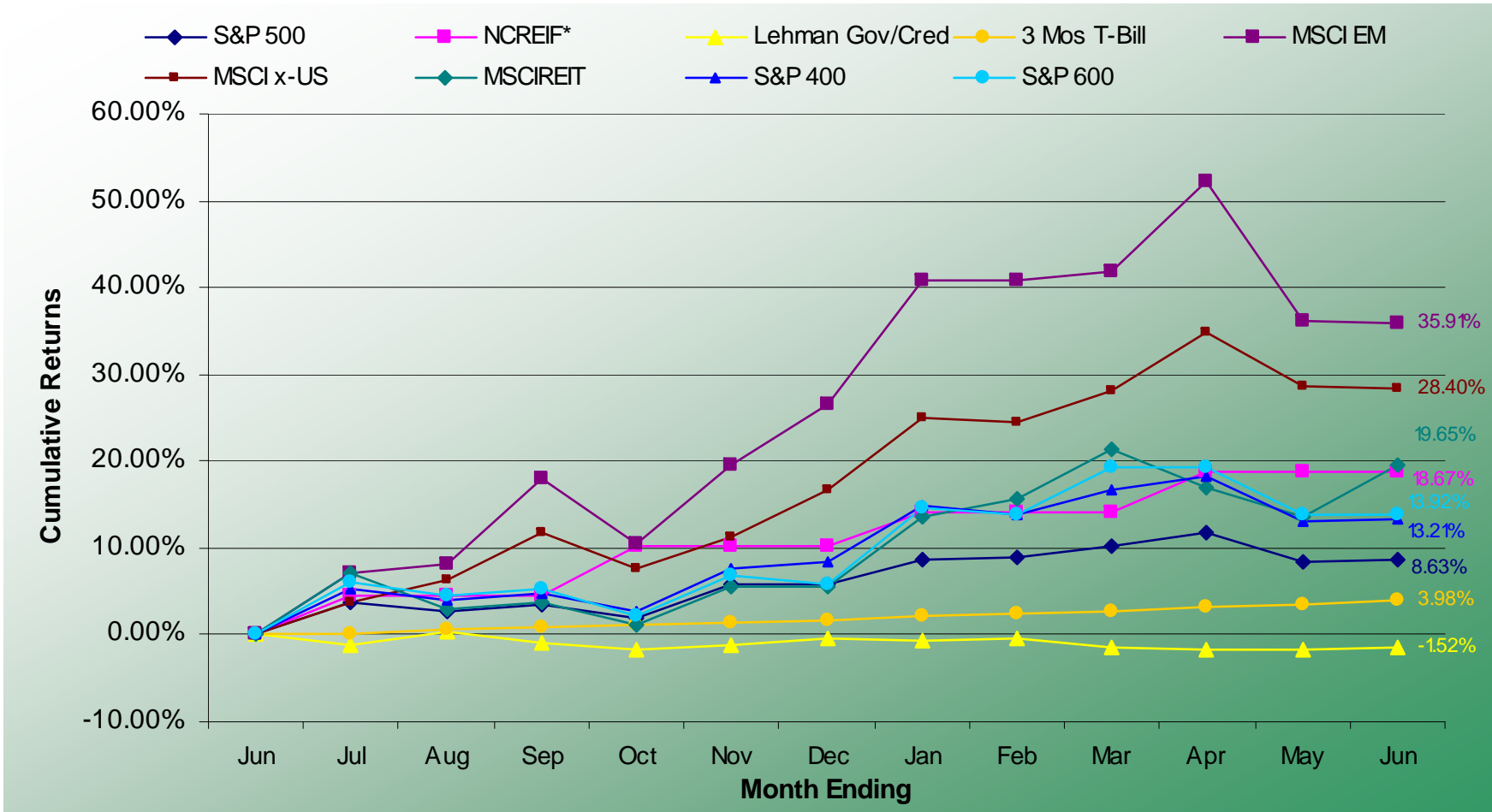
Asset Allocation

June 30, 2006 at Market



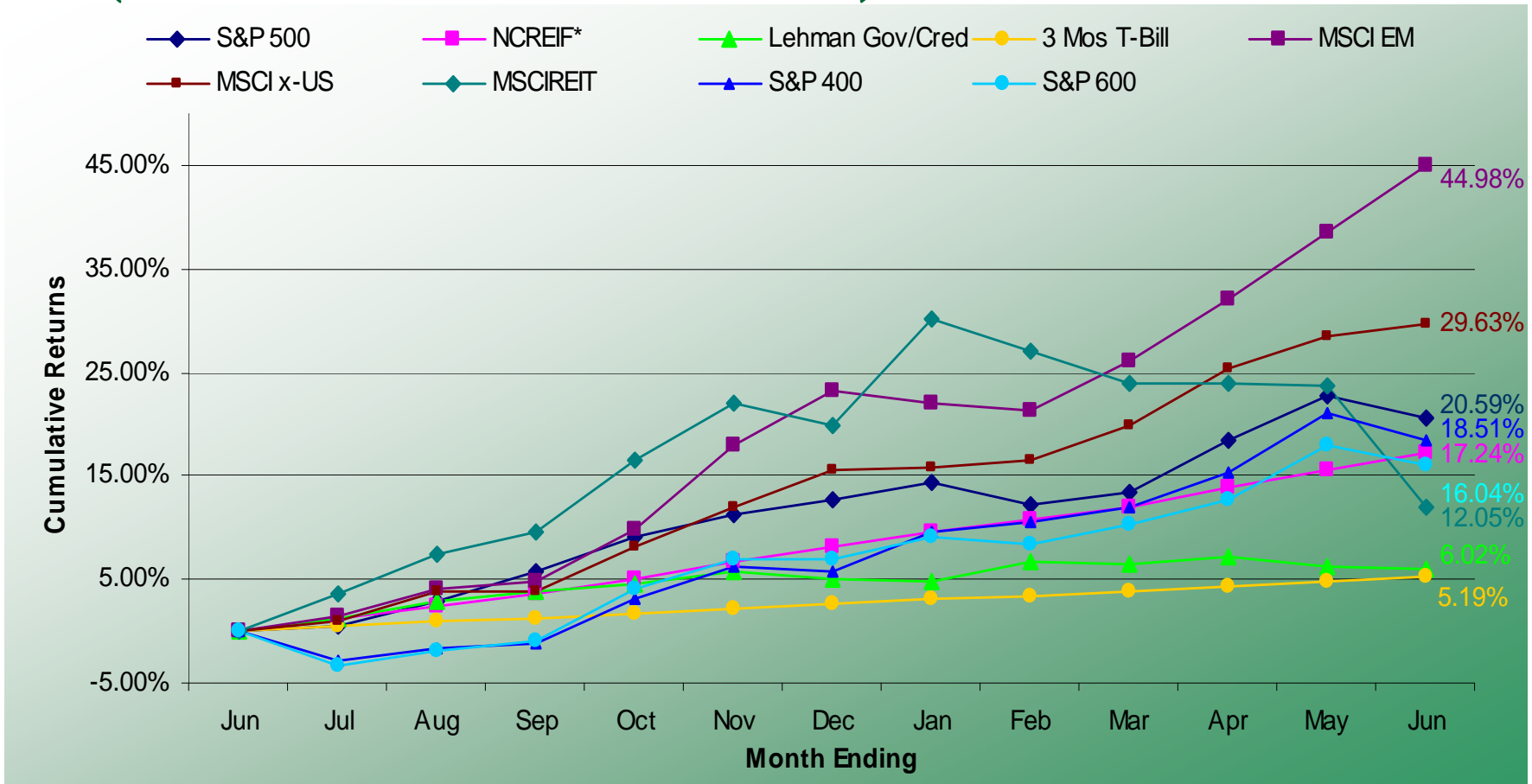
Annual Index Returns

(Fiscal 2005-06)



*Data only reported on a quarterly basis

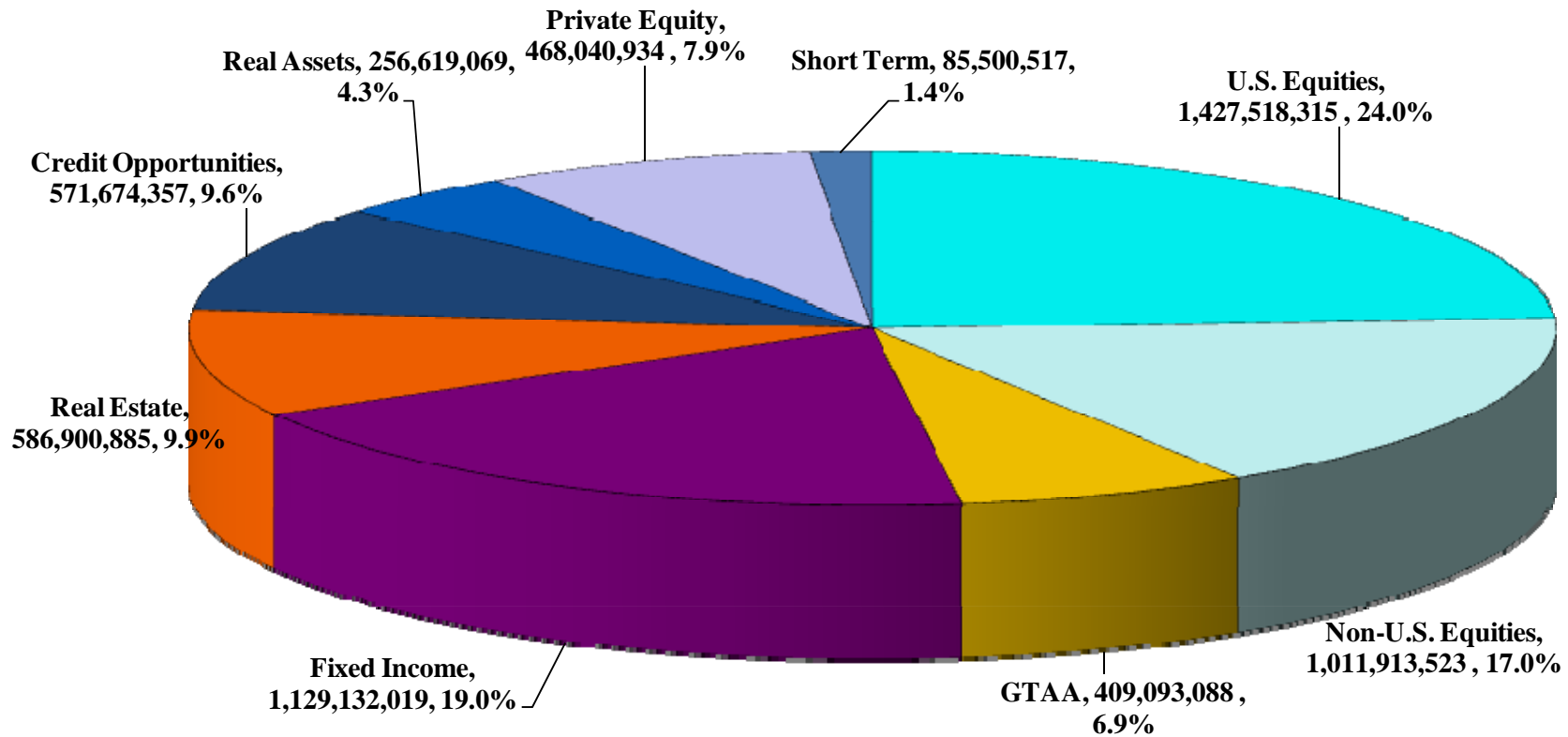
Annual Index Returns (Fiscal Year 2006-07)



*Return is based on 3 month smoothing of NCREIF's quarterly data.

Asset Allocation

June 30, 2010 at Market



Total Fund Rates of Return (Gross of fees)

			Target Benchmark	
	Month	FYTD	Month	FYTD
7/31/2009	5.59%	5.59%	5.53%	5.53%
8/31/2009	2.98%	8.73%	2.37%	8.04%
9/30/2009	3.22%	12.23%	3.13%	11.42%
10/31/2009	-0.99%	11.12%	-1.04%	10.27%
11/30/2009	3.36%	14.85%	3.02%	13.59%
12/31/2009	1.27%	16.31%	1.33%	15.11%
1/31/2010	-1.86%	14.16%	-1.90%	12.93%
2/28/2010	1.43%	15.78%	1.41%	14.52%
3/31/2010	3.53%	19.87%	3.97%	19.07%
4/30/2010	0.23%	20.15%	1.10%	20.39%
5/31/2010	-3.75%	15.65%	-5.07%	14.28%
6/30/2010	-1.52%	13.89%	-1.91%	12.10%

Target Fund Benchmark - (7/1/2009-6/30/2010) - 30% Russell 3000, 20% MSCI World Ex-US, 20% BC Capital Aggregate, 8% NCREIF NPI, 8% Russell 3000+100bps, 8% ML US High Yield BB_B Rated Constrained, 5% CPI+200bps and 1% 91 day T-Bill

Total Fund Performance

As of June 30, 2010

	1-Year	3-Years	5-Years
Total Fund	13.89%	-4.44%	2.03%
Rank*	32	51	83
Performance Benchmark	12.10%	5.89%	-0.13%
Median Public Fund*	13.4%	-4.4%	2.7%

- The Total Fund returned 13.89% over the Fiscal Year ending June 30, 2010 gross of fees
- Performance was above the benchmark over the fiscal year and also above the median public fund return
- The Total Fund Universe is comprised of Public Funds from the ICC Public Fund Universe and includes over 100 Public Funds over the five full years
- Rank shows how the performance of the Total Fund compared relative to other Public Funds

Investment Portfolio Returns

June 30, 2010

	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Total Fund*	13.89%	-4.44%	2.03%	0.44%
Benchmark**	12.10%	-5.89%	-0.13%	1.40%
ASRS	15.3%	-4.5%	2.5%	2.4%
COPERS	10.32%	-5.91%	1.13%	2.42%

*Returns shown are gross of fees; Net of fees return for the Total Fund was 13.47% for the fiscal year ended 6/30/2010

** Benchmark 7/1/09-6/30/2010 30% Russell 3000, 20% MSCI World Ex-US, 20% BC Capital Aggregate, 8% NCREIF MPI, 8% Russell 3000+100 bps, 8% ML US High Yield BB-B Rated Constrained, 5% CPI+200 bps and 1% 91-day T-Bill.

Index/Actual Total Returns

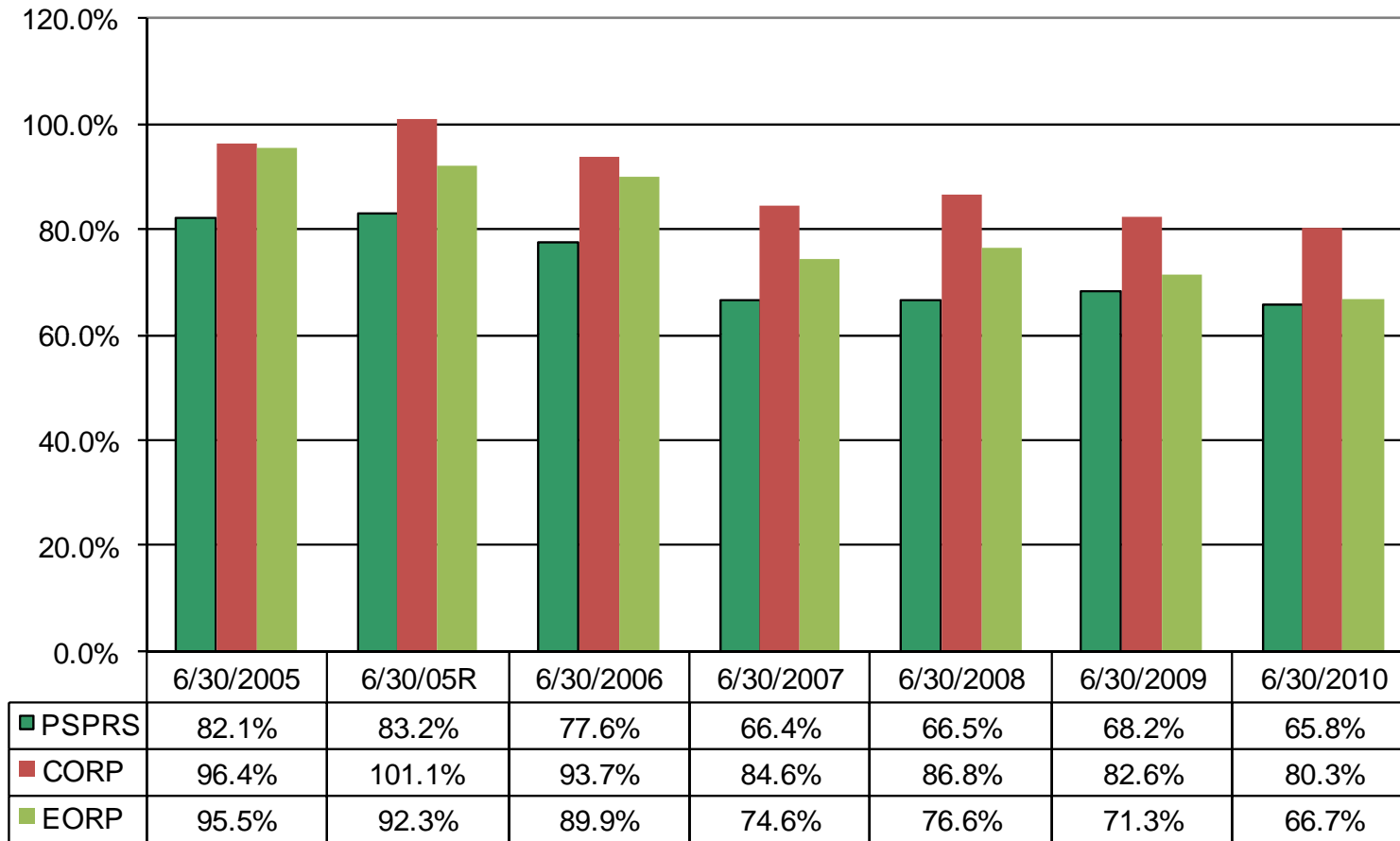
FY 2009-10

<u>Asset Class</u>	<u>Target Amount (\$)*</u>	<u>Allocation</u>	<u>Return</u>	<u>Contribution (\$)</u>	<u>Return **</u>	<u>Contribution (\$)</u>	<u>Contribution (\$)</u>
U.S. Equity	\$ 1,590,588,313	30%	15.72%	\$ 250,063,069	17.03%		
Non-U.S. Equity	\$ 1,060,392,209	20%	10.43%	\$ 110,555,327	9.11%		
Fixed Income	\$ 1,060,392,209	20%	9.50%	\$ 100,722,369	13.97%		
Credit Opportunities	\$ 424,156,884	8%	21.65%	\$ 91,834,143	34.56%		
Private Equity	\$ 424,156,884	8%	16.72%	\$ 70,924,986	28.59%		
Real Estate	\$ 424,156,884	8%	-1.48%	\$ (6,295,719)	-11.28%		
Real Assets	\$ 265,098,052	5%	2.92%	\$ 7,748,862	6.76%		
Cash	\$ 53,019,610	1%	0.16%	\$ 82,927	0.34%		
Total Fund	\$ 5,301,961,045	100%	12.10%	\$ 641,283,346	13.47%	\$ 713,988,584	\$ 72,705,239

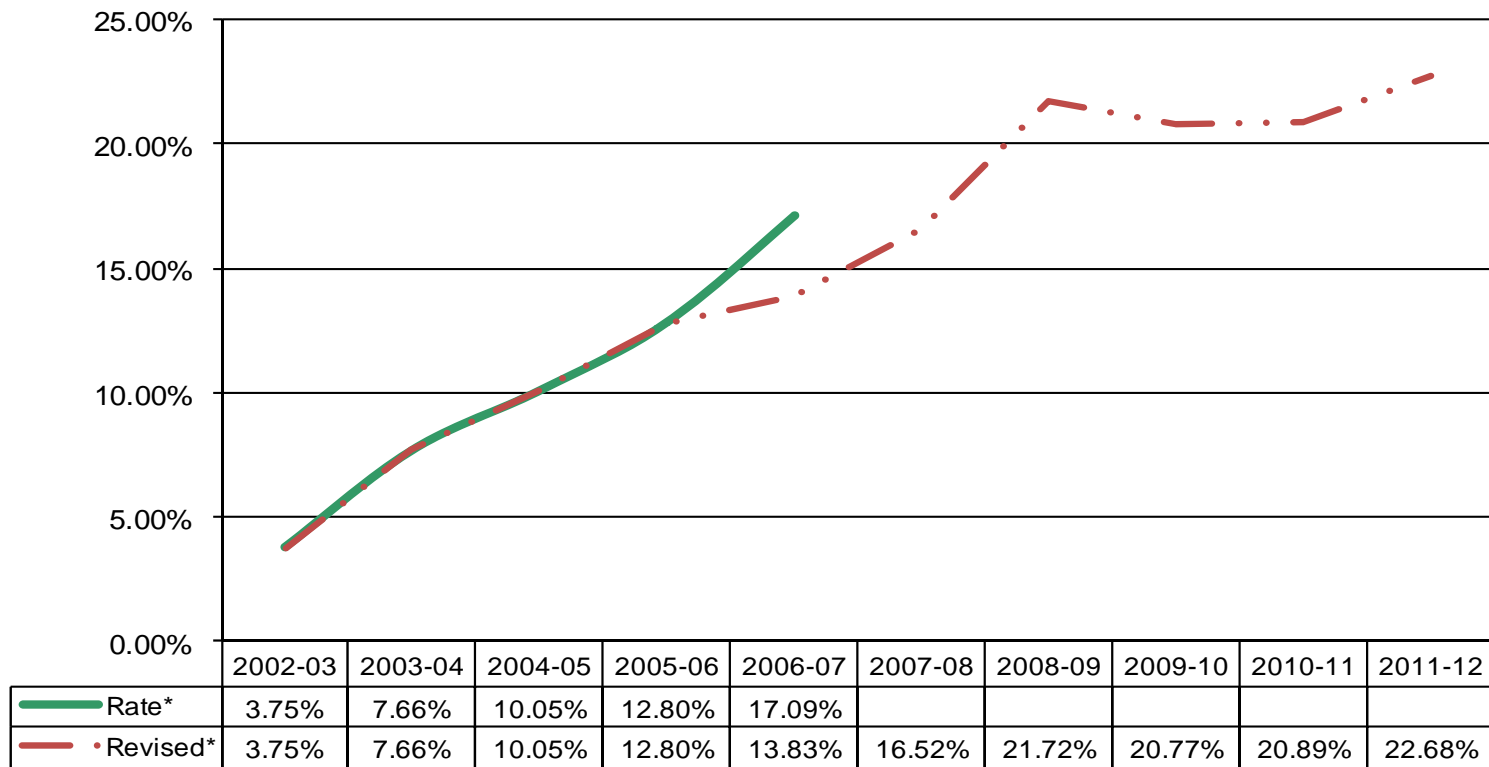
* Target Amount is based on total market value of the Fund as of 6/30/2009 at the old target allocation.

** Actual Return is net of fees return for the Total Fund; gross of fees return by asset class.

Funding Levels

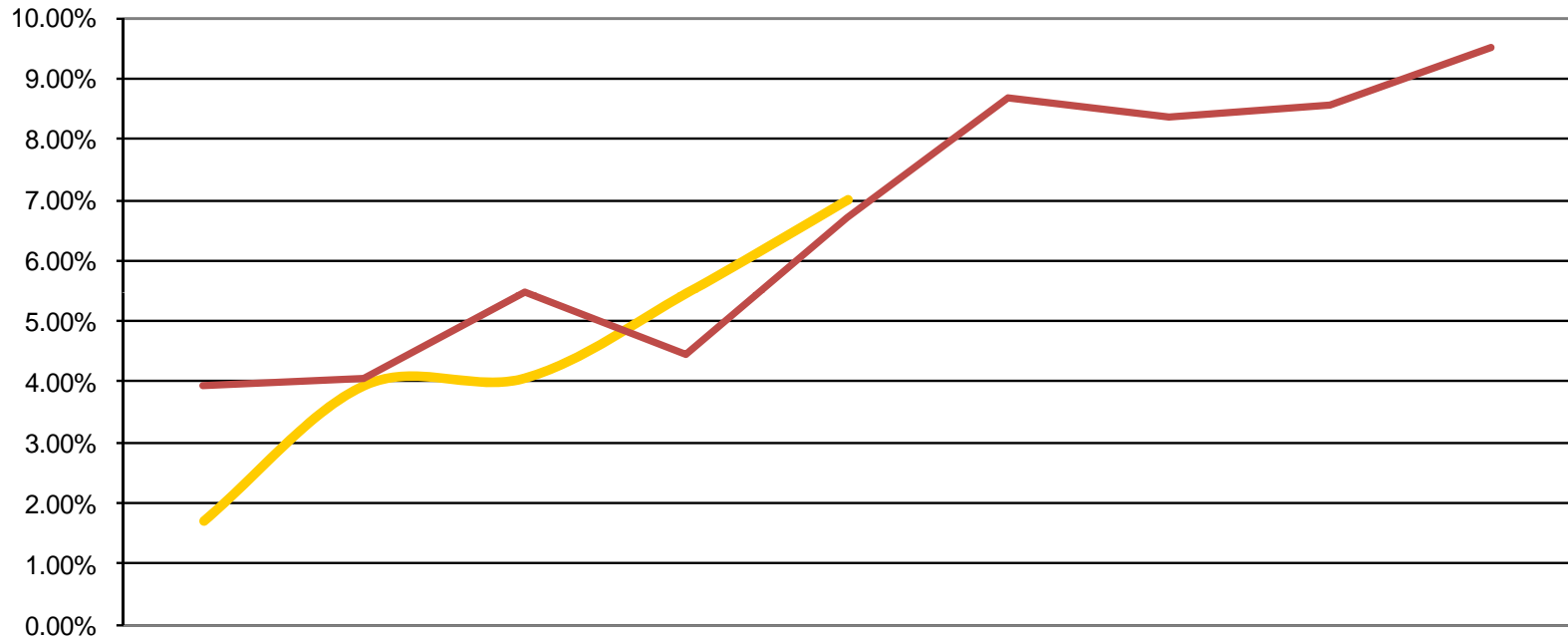


PSPRS – Aggregate Employer Rates



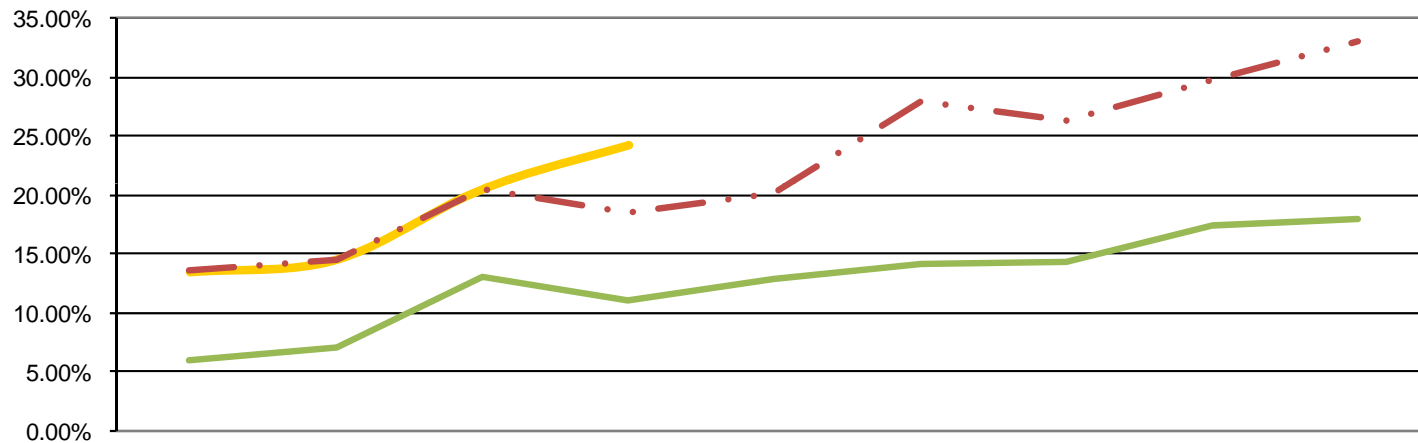
*The aggregate computed contribution rates before application of the statutory minimum

CORP – Aggregate Employer Rates



	6/30/2004	6/30/2005	6/30/2006	6/30/2007	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012
Rate	1.71%	3.95%	4.07%	5.47%	7.01%				
Revised	3.95%	4.07%	5.47%	4.46%	6.72%	8.68%	8.38%	8.57%	9.50%

EORP – Employer Rates



	6/30/2004	6/30/2005	6/30/2006	6/30/2007	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012
— C & T	13.49%	14.54%	20.54%	24.27%					
— Revised	13.49%	14.54%	20.54%	18.55%	20.21%	28.00%	26.25%	29.79%	32.99%
— S & C	6.00%	7.00%	13.00%	11.00%	12.84%	14.05%	14.25%	17.42%	17.96%

Total Fund Changing Financial Status (in 000s)

<u>FYE</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Liabilities</u>	<u>Funded Ratio</u>	<u>Market Value*</u>	<u>Funded Ratio</u>
2000	\$5,294,936	\$4,169,958	127.0%	\$5,619,426	134.8%
2001	\$5,793,886	\$4,480,132	129.3%	\$4,688,259	104.6%
2002	\$5,818,181	\$5,056,396	115.1%	\$3,987,905	78.9%
2003	\$5,946,631	\$5,746,803	103.5%	\$4,207,662	73.2%
2004	\$5,951,310	\$6,292,029	94.6%	\$4,682,652	74.4%
2005	\$6,104,548	\$7,218,720	84.6%	\$5,105,869	70.7%
2005R	\$6,104,548	\$7,109,867	85.9%	\$5,105,869	71.8%
2006	\$6,271,480	\$7,867,623	79.7%	\$5,554,802	70.6%
2007	\$6,106,364	\$8,830,392	69.2%	\$6,160,387	69.8%
2008	\$6,650,684	\$9,507,482	70.0%	\$5,984,152	62.9%
2009	\$7,115,572	\$10,079,935	70.6%	\$5,030,674	49.9%
2010	\$7,330,790	\$10,749,599	68.2%	\$5,677,168	52.8%

*Market value does not include future benefit increase reserve

PSPRS Changing Financial Status (in 000s)

<u>FYE 06/30</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Liabilities</u>	<u>Funded Ratio</u>	<u>Market Value*</u>	<u>Funded Ratio</u>
2000	\$4,260,168	\$3,415,157	124.7%	\$4,516,110	132.2%
2001	\$4,661,941	\$3,674,758	126.9%	\$3,759,164	102.3%
2002	\$4,684,386	\$4,144,211	113.0%	\$3,193,862	77.1%
2003	\$4,781,377	\$4,739,613	100.9%	\$3,364,413	71.0%
2004	\$4,774,313	\$5,167,333	92.4%	\$3,741,116	72.4%
2005	\$4,886,963	\$5,951,937	82.1%	\$4,070,529	68.4%
2005R	\$4,886,963	\$5,872,736	83.2%	\$4,070,529	69.3%
2006	\$4,999,911	\$6,495,012	77.0%	\$4,415,684	68.0%
2007	\$4,829,521	\$7,268,291	66.4%	\$4,868,862	67.0%
2008	\$5,095,645	\$7,662,779	66.5%	\$4,519,329	59.0%
2009	\$5,445,497	\$7,989,451	68.2%	\$3,830,087	47.9%
2010	\$5,591,304	\$8,491,822	65.8%	\$4,310,574	50.8%

CORP Changing Financial Status (in 000s)

FYE 06/30	<u>Actuarial Asset Value</u>	<u>Actuarial Liabilities</u>	<u>Funded Ratio</u>	<u>Market Value*</u>	<u>Funded Ratio</u>
2000	\$704,991	\$501,323	140.6%	\$747,981	149.2%
2001	\$776,177	\$554,387	140.0%	\$637,372	115.0%
2002	\$782,446	\$632,238	123.8%	\$551,876	87.3%
2003	\$811,791	\$709,298	114.4%	\$592,230	83.5%
2004	\$833,621	\$795,775	104.8%	\$673,322	84.6%
2005	\$872,981	\$906,025	96.4%	\$747,458	82.5%
2005R	\$872,981	\$863,790	101.1%	\$747,458	86.5%
2006	\$919,868	\$981,208	93.7%	\$828,490	84.4%
2007	\$940,126	\$1,110,801	84.6%	\$952,511	85.7%
2008	\$1,207,026	\$1,390,363	86.8%	\$1,100,943	79.2%
2009	\$1,309,124	\$1,584,293	82.6%	\$945,891	59.7%
2010	\$1,382,144	\$1,722,006	80.3%	\$1,094,055	63.5%

*Market value does not include future benefit increase reserve

EORP Changing Financial Status (in 000s)

<u>FYE 06/30</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Liabilities</u>	<u>Funded</u>	<u>Market Value*</u>	<u>Funded</u>
2000	\$ 329,777	\$ 253,478	130.1%	\$ 355,335	140.2%
2001	\$ 355,768	\$ 250,987	141.7%	\$ 291,723	116.2%
2002	\$ 351,349	\$ 279,947	125.5%	\$ 242,167	86.5%
2003	\$ 353,463	\$ 297,892	118.7%	\$ 251,019	84.3%
2004	\$ 343,376	\$ 328,921	104.4%	\$ 268,214	81.5%
2005	\$ 344,604	\$ 360,758	95.5%	\$ 287,882	79.8%
2005R	\$ 344,604	\$ 373,341	92.3%	\$ 287,882	77.1%
2006	\$ 351,701	\$ 391,403	89.9%	\$ 310,629	79.4%
2007	\$ 336,717	\$ 451,299	74.6%	\$ 339,013	75.1%
2008	\$ 348,013	\$ 454,341	76.6%	\$ 313,881	69.1%
2009	\$ 360,950	\$ 506,191	71.3%	\$ 254,695	50.3%
2010	\$ 357,342	\$ 535,771	66.7%	\$ 272,539	50.9%

*Market value does not include future benefit increase reserve

Implications for the Future

- Employer Rates
- Post Retirement Benefit Increase Reserves

(after cost of July 1, 2010 post retirement adjustment)

- PSPRS: \$275.3M (July 1 adjustment = \$139.7M)
- CORP: \$18.7M (July 1 adjustment = \$21.3M)
- EORP: \$7.1M (July 1 adjustment = \$12.37M)
- \$128.6 million in new assets flowed into the reserve accounts for the plans (\$90.9M for PSPRS; \$22.8M for CORP; \$15.3M for EORP) as of 6/30/10
- 7-1-11 Percentage of future increase for CORP and EORP beneficiaries is contingent upon new assets flowing into the CORP and EORP accounts.

Post-Retirement Adjustment Reserve Balances

PSPRS Reserve		CORP Reserve		EORP Reserve	
Cost of 7/1/08 increase \$114.77 Million	Reserve Balance \$499.95 Million	Cost of 7/1/08 increase \$15.53 Million	Reserve Balance \$40.63 Million	Cost of 7/1/08 increase \$10.30 Million	Reserve Balance \$18.18 Million
Cost of 7/1/09 increase \$125.7 Million	Reserve Balance \$285.6 Million	Cost of 7/1/09 increase \$18.1 Million	Reserve Balance \$15.1 Million	Cost of 7/1/09 increase \$11.3 Million	Reserve Balance \$3.6 Million
Cost of 7/1/10 increase \$139.7 Million	Reserve Balance \$275.3 Million	Cost of 7/1/10 increase \$21.3 Million*	Reserve Balance \$18.7 Million*	Cost of 7/1/10 increase \$12.37 Million	Reserve Balance \$7.1 Million

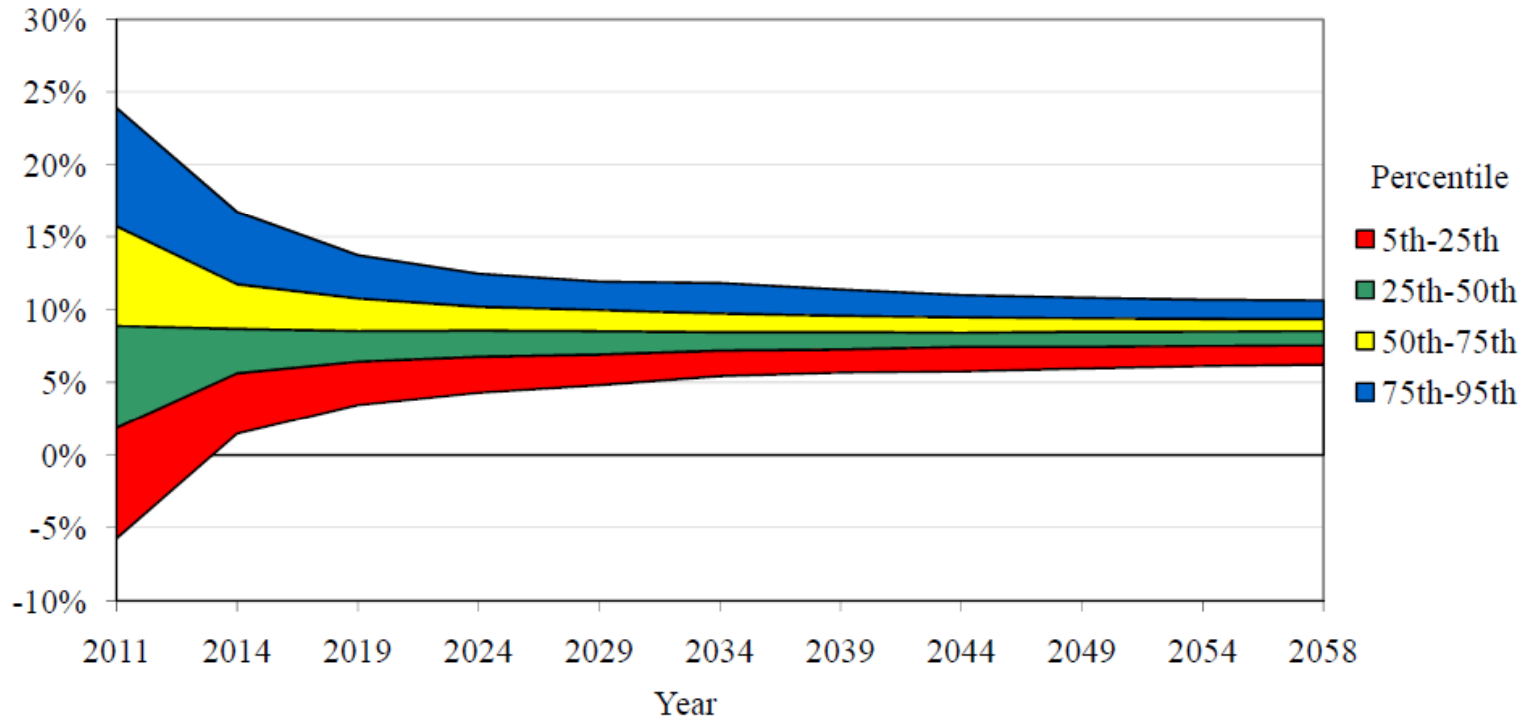
* The values for CORP are current estimates.

Funding Goal and Time Frame

Goal: To Return the PSPRS Plans to 80% Funding Status (or better)

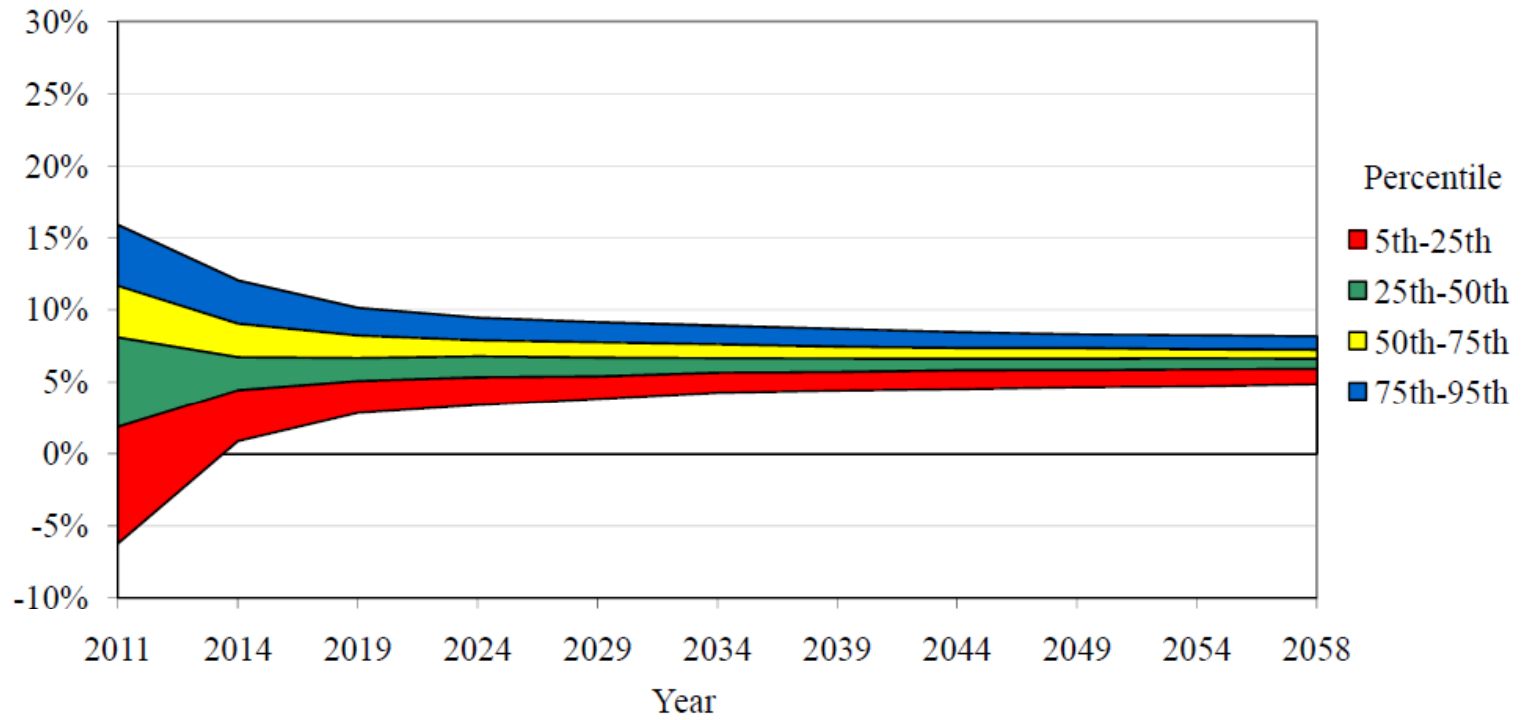
Time Frame: 75% (or higher) Probability of Achieving the Goal Within 10 to 20 Years

Compound return wo COLA



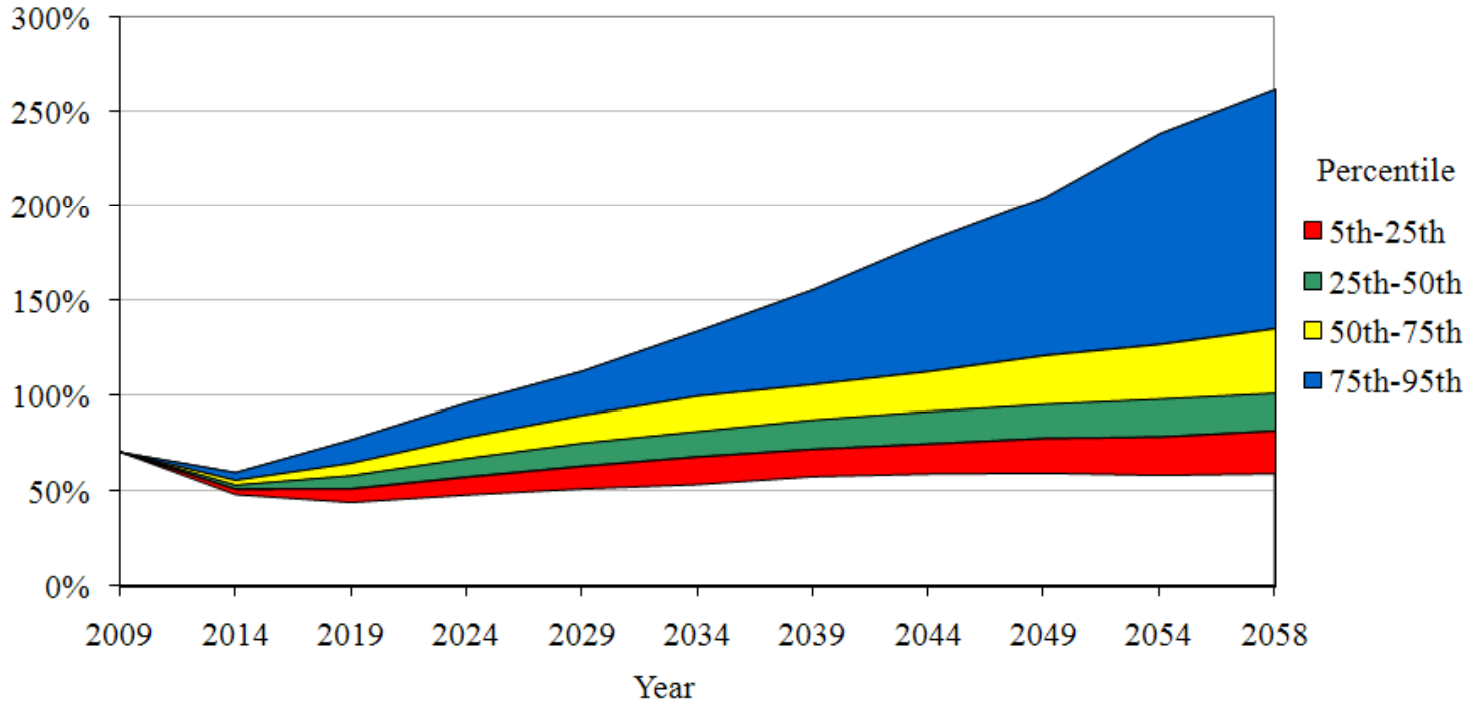
	2011	2014	2019	2024	2029	2034	2039	2044	2049	2054	2058
95th Percentile	23.9%	16.7%	13.7%	12.5%	11.9%	11.8%	11.4%	11.0%	10.8%	10.7%	10.6%
75th Percentile	15.7%	11.7%	10.8%	10.2%	10.0%	9.7%	9.6%	9.5%	9.4%	9.4%	9.3%
Median	8.9%	8.7%	8.5%	8.6%	8.5%	8.5%	8.5%	8.4%	8.5%	8.5%	8.5%
25th Percentile	1.9%	5.6%	6.4%	6.8%	6.9%	7.2%	7.3%	7.5%	7.5%	7.5%	7.6%
5th Percentile	-5.7%	1.5%	3.5%	4.3%	4.8%	5.5%	5.7%	5.8%	6.0%	6.1%	6.2%

Compound return w COLA



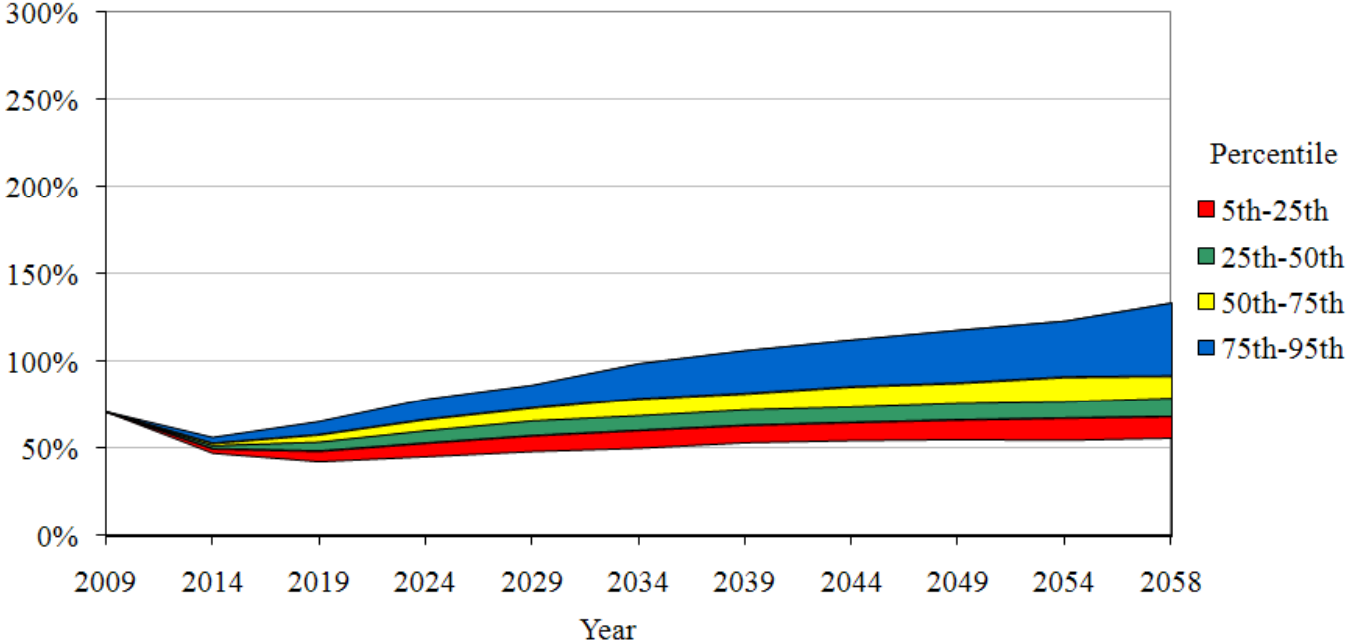
	2011	2014	2019	2024	2029	2034	2039	2044	2049	2054	2058
95th Percentile	15.8%	12.0%	10.1%	9.5%	9.1%	8.9%	8.7%	8.5%	8.3%	8.2%	8.2%
75th Percentile	11.6%	9.0%	8.2%	7.9%	7.8%	7.6%	7.5%	7.4%	7.4%	7.3%	7.2%
Median	8.1%	6.7%	6.7%	6.8%	6.7%	6.7%	6.6%	6.6%	6.6%	6.7%	6.6%
25th Percentile	1.9%	4.4%	5.1%	5.3%	5.4%	5.7%	5.7%	5.8%	5.8%	5.9%	5.9%
5th Percentile	-6.2%	0.9%	2.9%	3.4%	3.9%	4.3%	4.4%	4.5%	4.7%	4.7%	4.9%

Funded Rate w/o COLA



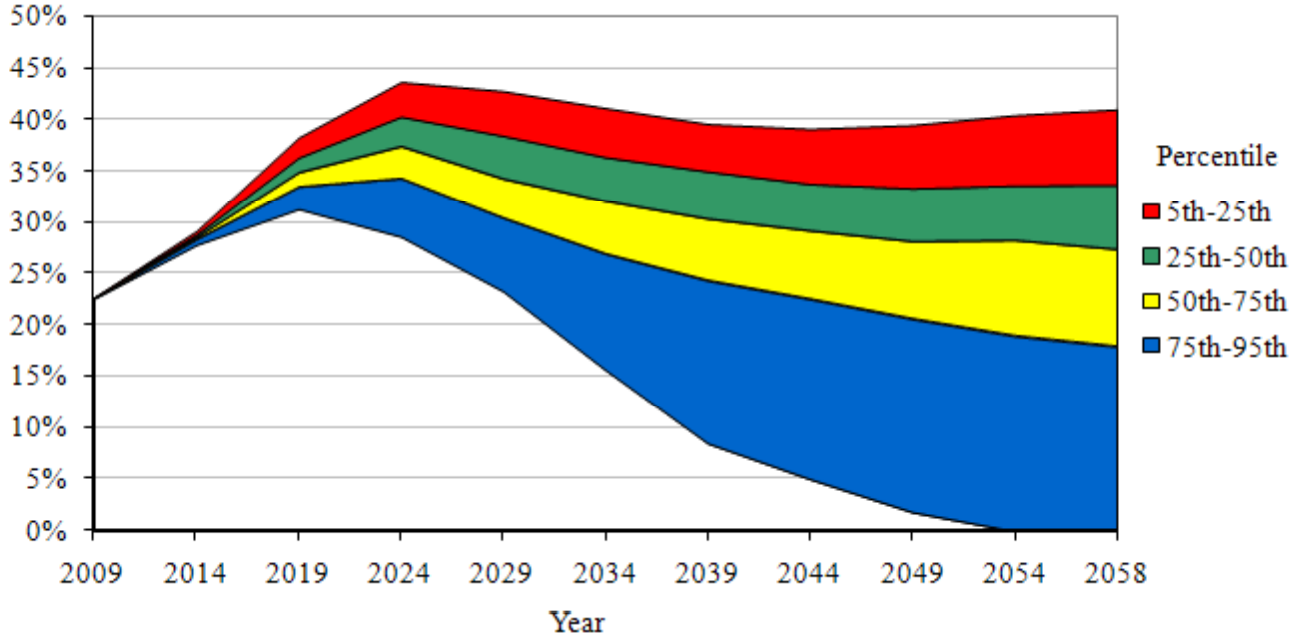
	2009	2014	2019	2024	2029	2034	2039	2044	2049	2054	2058
5th Percentile	71.1%	48.8%	44.6%	48.6%	51.8%	54.1%	58.2%	59.5%	60.0%	58.9%	59.7%
25th Percentile	71.1%	51.5%	51.7%	57.9%	63.5%	68.4%	72.4%	75.2%	78.1%	78.9%	82.0%
Median	71.1%	53.4%	58.4%	67.4%	75.5%	81.5%	87.6%	92.0%	95.7%	98.5%	101.5%
75th Percentile	71.1%	56.2%	65.2%	78.7%	90.3%	100.4%	106.5%	113.3%	121.7%	127.6%	135.9%
95th Percentile	71.1%	60.3%	77.4%	96.7%	113.3%	134.4%	156.3%	182.1%	204.9%	239.0%	262.5%

Funded Rate w COLA



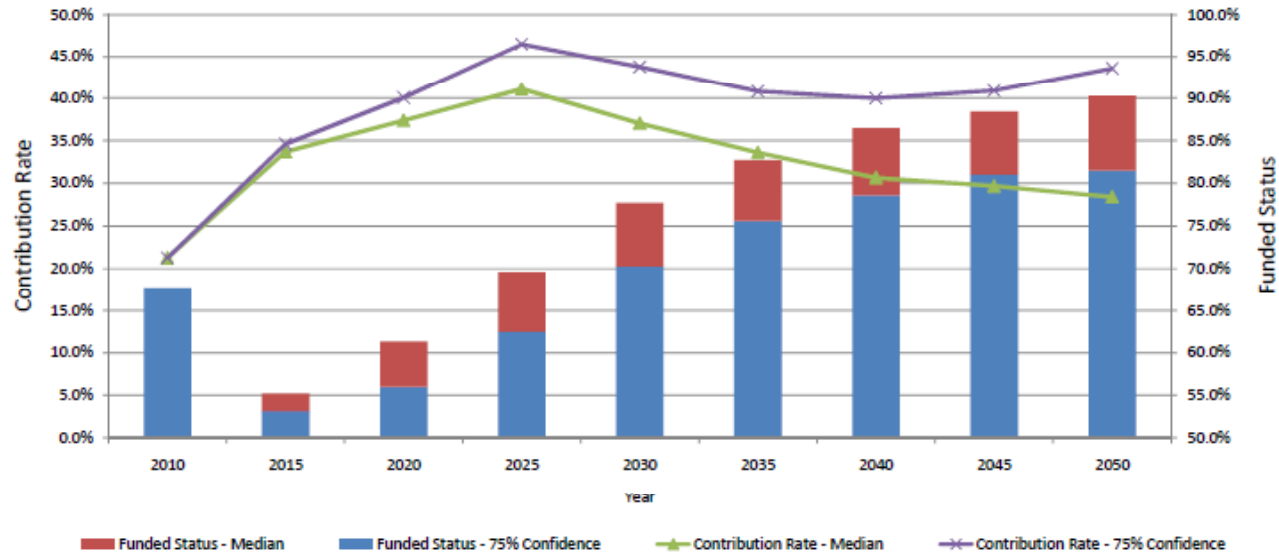
	2009	2014	2019	2024	2029	2034	2039	2044	2049	2054	2058
5th Percentile	71.1%	47.6%	42.7%	45.5%	48.5%	50.4%	53.6%	54.8%	55.3%	54.9%	56.2%
25th Percentile	71.1%	49.9%	48.6%	53.2%	57.3%	60.4%	63.3%	65.0%	66.4%	67.5%	68.4%
Median	71.1%	51.5%	53.5%	60.1%	65.7%	68.7%	72.1%	73.7%	75.8%	76.8%	78.8%
75th Percentile	71.1%	53.0%	58.0%	66.8%	73.5%	78.9%	81.9%	85.9%	88.0%	91.5%	92.0%
95th Percentile	71.1%	56.3%	65.4%	78.4%	86.6%	98.9%	106.5%	112.5%	118.1%	123.3%	133.7%

Contribution w COLA



	2009	2014	2019	2024	2029	2034	2039	2044	2049	2054	2058
5th Percentile	22.6%	29.1%	38.3%	43.7%	42.8%	41.2%	39.6%	39.1%	39.5%	40.5%	41.0%
25th Percentile	22.6%	28.8%	36.4%	40.3%	38.5%	36.4%	35.0%	33.8%	33.3%	33.6%	33.7%
Median	22.6%	28.6%	34.9%	37.5%	34.3%	32.1%	30.4%	29.2%	28.1%	28.3%	27.4%
75th Percentile	22.6%	28.4%	33.6%	34.4%	30.5%	27.0%	24.4%	22.6%	20.6%	19.0%	17.9%
95th Percentile	22.6%	27.9%	31.4%	28.7%	23.3%	15.7%	8.5%	5.0%	1.8%	0.0%	0.0%

PSPRS Projection Results Baseline



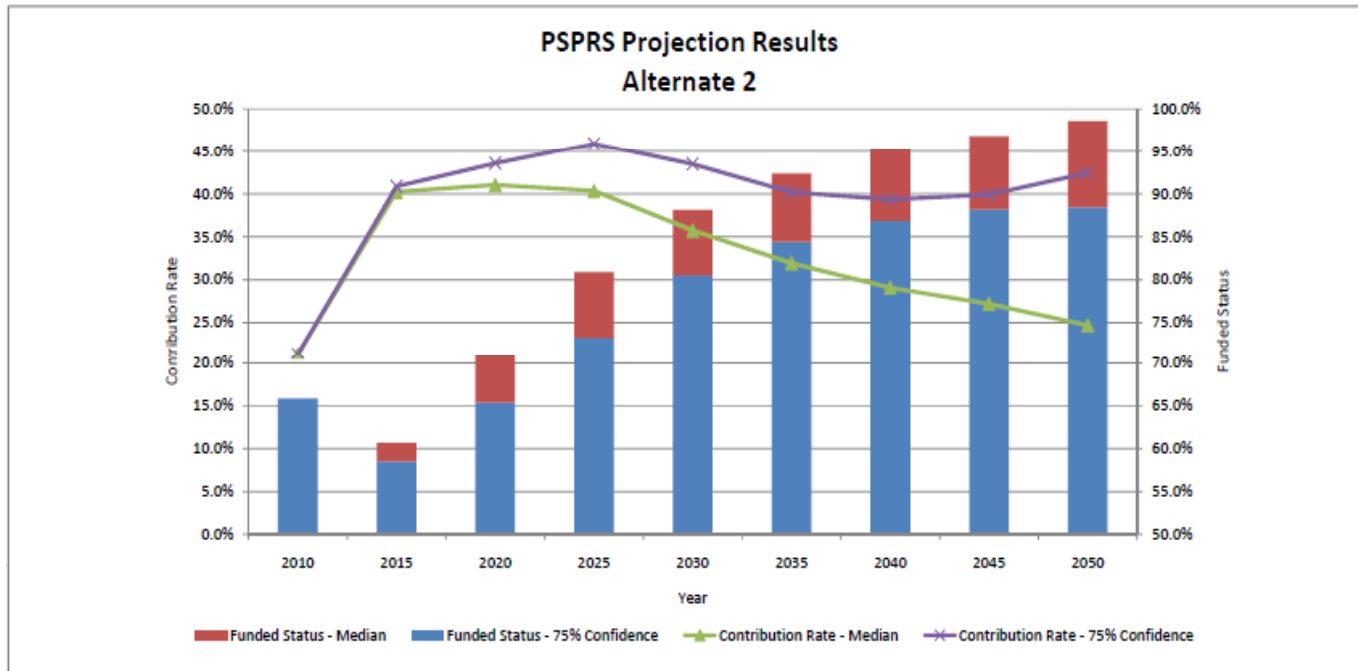
Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	38.4%	48.4%	58.0%	66.1%	63.2%	68.5%	89.8%	89.7%
25th Percentile	21.3%	34.6%	40.1%	46.5%	43.8%	40.8%	40.0%	40.9%	43.6%
Median	21.3%	33.7%	37.4%	41.1%	37.0%	33.6%	30.7%	29.7%	28.4%
75th Percentile	21.3%	32.8%	34.6%	35.5%	29.9%	23.6%	18.6%	12.5%	5.2%
95th Percentile	21.3%	25.9%	14.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	50.3%	49.7%	54.7%	62.6%	66.8%	70.3%	70.8%	72.1%
25th Percentile	67.7%	53.1%	56.0%	62.5%	70.3%	75.6%	78.6%	81.1%	81.5%
Median	67.7%	55.2%	61.3%	69.6%	77.7%	82.7%	86.4%	88.4%	90.2%
75th Percentile	67.7%	57.3%	66.1%	76.4%	84.8%	90.9%	95.0%	99.5%	103.4%
95th Percentile	67.7%	59.9%	74.2%	87.5%	99.0%	111.9%	127.8%	144.0%	158.9%

Baseline:

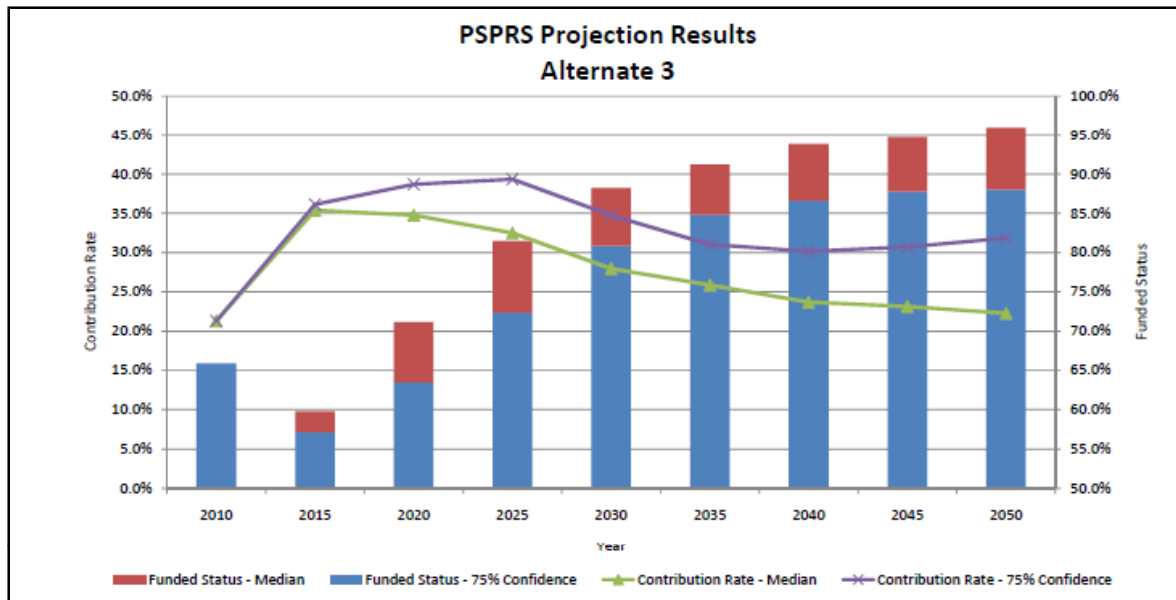
Current benefit provisions for existing actives and new hires

Current COLA program



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	43.4%	51.5%	58.4%	67.5%	66.2%	72.9%	90.1%	91.4%
25th Percentile	21.3%	40.9%	43.6%	45.9%	43.5%	40.2%	39.3%	39.9%	42.4%
Median	21.3%	40.2%	41.0%	40.3%	35.7%	31.9%	29.1%	27.2%	24.7%
75th Percentile	21.3%	39.6%	38.5%	34.5%	26.9%	19.8%	15.0%	7.2%	0.0%
95th Percentile	21.3%	34.6%	20.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	65.8%	55.4%	59.0%	64.8%	71.6%	75.0%	77.9%	78.0%	78.3%
25th Percentile	65.8%	58.5%	65.3%	73.3%	80.5%	84.4%	86.9%	88.2%	88.4%
Median	65.8%	60.6%	70.9%	80.9%	88.1%	92.3%	95.2%	96.8%	98.6%
75th Percentile	65.8%	62.9%	76.1%	87.7%	96.1%	101.1%	105.1%	108.6%	111.9%
95th Percentile	65.8%	67.5%	85.0%	100.8%	112.3%	123.1%	133.0%	143.8%	153.8%



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.6%	47.9%	54.9%	57.2%	53.1%	53.6%	63.5%	78.6%
25th Percentile	21.3%	36.1%	38.7%	39.3%	34.7%	31.0%	30.1%	30.7%	31.8%
Median	21.3%	35.4%	34.8%	32.5%	28.0%	25.9%	23.7%	23.1%	22.3%
75th Percentile	21.3%	34.2%	31.2%	26.5%	21.4%	17.4%	14.9%	10.9%	6.3%
95th Percentile	21.3%	30.3%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	65.8%	53.5%	56.1%	62.3%	69.6%	74.3%	77.5%	77.4%	78.4%
25th Percentile	65.8%	57.1%	63.4%	72.4%	80.8%	84.8%	86.6%	87.8%	88.0%
Median	65.8%	59.7%	71.2%	81.5%	88.2%	91.2%	93.8%	94.7%	96.0%
75th Percentile	65.8%	63.2%	77.6%	89.2%	95.5%	99.7%	102.3%	104.9%	107.2%
95th Percentile	65.8%	68.5%	87.8%	99.8%	110.9%	119.7%	128.0%	136.8%	143.6%

SPECIFICATIONS FOR PSPRS PLAN MODIFICATIONS

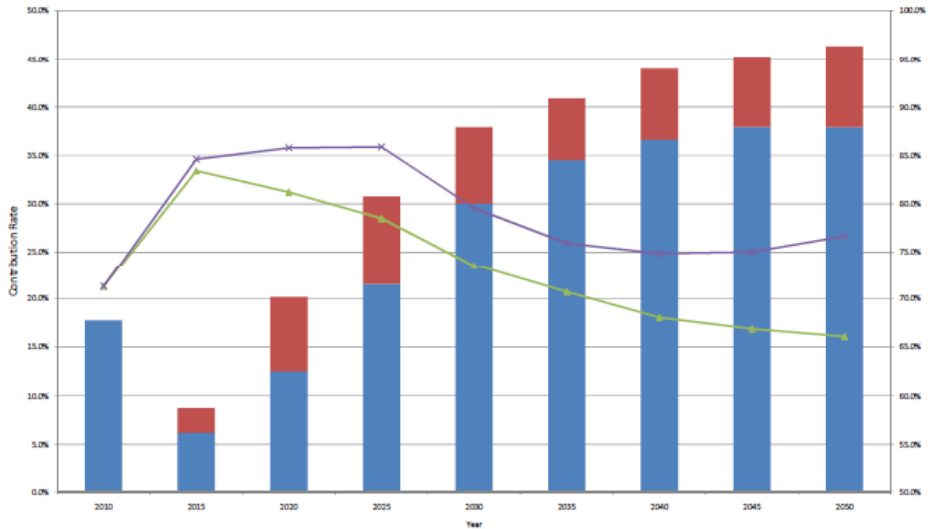
“New Hires”

- Minimum of 25 yrs. of service and age 52.5 for “normal retirement.”
- If 25 years of service but less than 25 years of “credited service,” pension amount reduced by 4% for each year of credited service under 25 years.
- “Highest five consecutive years” of compensation for benefit calculation.
- Contribution rate – same as for current actives.

“Current Actives”

- DROP Modifications for actives not yet in DROP
 - ‘EE contributions required on DROP salary.
 - Interest rate credited to DROP accounts equal to one-half of the actual rate of return of the Plan for the preceding fiscal year, subject to a maximum equal to the actuarial assumed rate of return (currently 8.25%) and a minimum of 2%.
- ‘EE Contribution rate – 1% per yr. increase each of next four yrs. beginning FY’12 but with “maintenance of effort” provision so that employer rates do not automatically go down with no net gain for the Plan. Following FY’15 and once the aggregate employer rate accounts for no more than two-thirds of the total required contribution rate, the employer and employee contribution rates shall be maintained in a two-thirds to one-third proportion, subject however, to a minimum employer rate of 8% (except for employers whose rate is currently less than 8%; theirs would be a minimum of 5%) and a minimum employee rate of 7.65%.
- Post-Retirement Adjustment Mechanism (The “Reserve”)
 - If Funding Ratio (at mkt. val.) is > 70% but < 80% In-Flow of “excess return” assets would be limited to 50% of what the In-Flow would otherwise be.
 - If Funding Ratio (at mkt. val.) is 70% or < NO New In-Flows.

**PSPRS Projection Results
Alternate 14c**



Alternate 14c:

Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

- Normal retirement at age 52.5 with 25 years of service
- All other benefit provisions the same as current actives

■ Funded Status - Median ■ Funded Status - 75% Confidence ▲ Contribution Rate - Median ✕ Contribution Rate - 75% Confidence

Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.3%	45.2%	52.4%	52.8%	45.2%	46.0%	59.5%	69.0%
25th Percentile	21.3%	34.6%	35.8%	35.9%	29.6%	25.9%	24.9%	25.0%	26.7%
Median	21.3%	33.4%	31.2%	28.5%	23.5%	20.7%	18.0%	16.9%	16.1%
75th Percentile	21.3%	31.8%	27.4%	22.6%	16.9%	12.5%	8.8%	3.7%	0.0%
95th Percentile	21.3%	26.6%	10.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.6%	55.2%	61.5%	69.0%	73.9%	77.7%	77.5%	77.3%
25th Percentile	67.7%	56.2%	62.5%	71.5%	80.1%	84.5%	86.6%	88.0%	87.9%
Median	67.7%	58.7%	70.2%	80.8%	87.9%	90.9%	94.0%	95.2%	96.3%
75th Percentile	67.7%	62.2%	76.6%	88.7%	95.6%	99.7%	103.1%	107.0%	110.9%
95th Percentile	67.7%	67.5%	86.6%	99.7%	112.0%	127.5%	145.2%	172.1%	189.1%

LAW ENFORCEMENT GROUPS (APA, AZCOPS, FOP, ARPO)

SPECIFICATIONS FOR PSPRS PLAN CHANGES

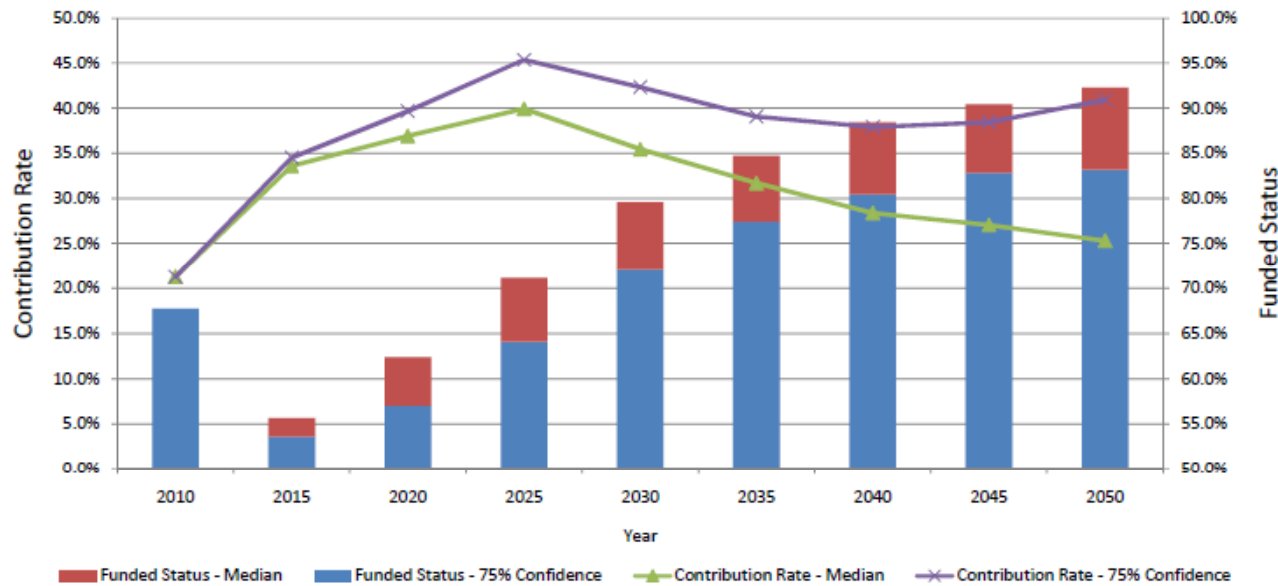
A. “New Hires”

- 20 year retirement with a 50% benefit calculated by a 5 year FAC;
- No 2.5% retroactive escalator at 25 years of service (standard accrual will continue at 2% past 20 years of service);
- 2% increase in the employee contribution rate;
- Maximum pension benefit of 70% at 30 years of service;
- Restructure COLA (Reserves Account): 4% maximum award. Determine yearly COLA based on CPI. If CPI is above 4%, amount above would go back into the primary fund;
- Annual Leave buyouts would not be included in final retirement pension determination.

B. Current Actives and Retirees

- New DROP participants continue to pay full amount of employee contribution during participation;
- Employers pay a reduced contribution amount for DROP participants equal to an amount the employer would pay when a new officer/firefighter is hired (not at the current salary rate of the DROP participant).

PSPRS Projection Results Alternate 19



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	38.4%	48.0%	57.1%	65.0%	61.6%	66.6%	87.6%	86.2%
25th Percentile	21.3%	34.5%	39.7%	45.4%	42.3%	39.1%	37.9%	38.5%	40.9%
Median	21.3%	33.6%	36.9%	39.9%	35.5%	31.7%	28.4%	27.1%	25.3%
75th Percentile	21.3%	32.7%	34.1%	34.3%	28.2%	21.5%	16.0%	9.6%	2.2%
95th Percentile	21.3%	25.8%	13.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	50.8%	50.7%	56.1%	64.1%	68.3%	72.1%	72.4%	73.5%
25th Percentile	67.7%	53.6%	57.0%	64.1%	72.1%	77.4%	80.4%	82.8%	83.2%
Median	67.7%	55.7%	62.4%	71.2%	79.6%	84.7%	88.4%	90.4%	92.2%
75th Percentile	67.7%	57.8%	67.3%	78.1%	86.9%	93.1%	97.3%	102.3%	106.2%
95th Percentile	67.7%	60.5%	75.3%	89.2%	101.9%	114.9%	134.5%	154.4%	168.3%