

2013

New York State and Local Retirement System

Comprehensive Annual Financial Report

For Fiscal Year Ended March 31, 2013

A pension trust fund of the State of New York



New York State and Local Retirement System

New York State Office of the State Comptroller
Thomas P. DiNapoli

2013 Comprehensive Annual Financial Report

For Fiscal Year Ended March 31, 2013

New York State and Local Retirement System

Employees' Retirement System

Police and Fire Retirement System

A pension trust fund of the State of New York



Prepared by the staff of the
New York State and Local Retirement System
110 State Street • Albany, NY 12244

Contents

Introduction

Professional Awards.....	7
Letter of Transmittal.....	9
Administrative Organization.....	14
Advisory Committees	14
New York State and Local Retirement System Organization Chart	17
Overview of the New York State & Local Retirement System.....	18
By the Numbers	23
Members and Retirees	23
Retirees in New York State.....	24
Annual Benefit Payments Within New York State.....	25
Annual Benefit Payments Within the United States	26
Annual Benefit Payments Outside the United States.....	26

Financial

Independent Auditors' Report.....	29
Management's Discussion and Analysis	31
Statement of Plan Net Position	35
Statement of Changes in Plan Net Position.....	36
Notes to Financial Statements — Year Ended March 31, 2013.....	37
Required Supplementary Information.....	56
Schedule of Funding Progress	56
Schedule of Employer Contributions	57
Additional Supplementary Information.....	58
Schedule of Administrative Expenses	58
Schedule of Investment Expenses.....	59
Schedule of Consulting Fees.....	60
Independent Auditors' Report on Internal Control.....	61

Investment

Overview of Investments.....	65
Investment Results	74
Investment Summary	75

Contents

continued

Asset Allocation — March 31, 2013	76
Global Equity Performance.....	77
Domestic Equity Portfolio — Ten Largest Holdings	80
Fixed Income Portfolio and Comparison	81
Fixed Income Performance	82
Fixed Income Portfolio — Ten Largest Holdings	83
Real Estate Portfolio	84
Alternative Investments Summary.....	85
Domestic Equity Management Fees.....	86
Domestic Equity Commissions.....	87
International Equity Management Fees	89
International Equity Commissions.....	90
Domestic Bond Transactions.....	93
Real Estate Management and Incentive Fees (Expensed).....	94
Real Estate Management and Incentive Fees (Capitalized)	95
Private Equity Management Fees (Expensed)	96
Private Equity Management Fees (Capitalized).....	97
Absolute Return Strategy Management and Incentive Fees.....	98
Opportunistic Funds Management and Incentive Fees	100
Consultant and Advisor Fees.....	101

Actuarial

Statement of the Actuary	105
Actuarial Funding and Valuation	107
Elements of the Actuarial Valuation.....	109
Actuarial Valuation Balance Sheets.....	113
Local Government Employers' Final Contribution Rates for Select Plans.....	115
Contribution Rate Trend for Local Governments.....	117
Employer Contributions	120
Historical Trends.....	122
Changes in Contributions	123
Solvency Test.....	124
Schedule of Active Member Data.....	125
Schedule of Retired Members and Beneficiaries	126

Statistical

Schedule of Additions to Plan Net Assets	129
Schedule of Investment Income	130
Schedule of Deductions from Plan Net Assets	131
Schedule of Total Changes in Plan Net Assets	132
Service Retirees — ERS	134
Service Retirees — PFRS	136
Disability Retirees — ERS	138
Disability Retirees — PFRS	140
New Option Selections	142
Option Selection — Total Payments	143
Average Pension Benefits Paid During Year Shown	144
Average Benefit Pay Types	145
New Benefits — Service Retirements by Age and Service	147
New Benefits — Accidental and Ordinary Death	148
Combined System Participants	149
Membership by Age and Years of Service	150
Membership by Tier	151
Membership by Status	152
Number of Employers	152
Membership by Employer Type	153
Average Salary by Employer Type	154
Members and Salaries by Plan — ERS	155
Members and Salaries by Plan — PFRS	156
Pensioners and Beneficiaries by Age	158
Pensioners and Beneficiaries — ERS	159
Pensioners and Beneficiaries — PFRS	160
Local Government Salaries and Billings — ERS	161
Local Government Salaries and Billings — PFRS	163
Contributions Recorded 2004–2013	165
20-Year Summary	166
Notes to 20-Year Summary	168

Introduction

Contents

Professional Awards.....	7
Letter of Transmittal.....	9
Administrative Organization.....	14
Advisory Committees	14
New York State and Local Retirement System Organization Chart	17
Overview of the New York State & Local Retirement System.....	18
By the Numbers	23
Members and Retirees	23
Retirees in New York State.....	24
Annual Benefit Payments Within New York State.....	25
Annual Benefit Payments Within the United States	26
Annual Benefit Payments Outside the United States.....	26



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**New York State and Local
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For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

March 31, 2012

Executive Director/CEO



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2012***

Presented to

New York State and Local Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script, reading 'Alan H. Winkle'.

Alan H. Winkle
Program Administrator

Letter of Transmittal



Office of the New York State Comptroller
Thomas P. DiNapoli
New York State and Local Retirement System
Employees' Retirement System
Police and Fire Retirement System
110 State Street, Albany, New York 12244-0001

Phone: 1-866-805-0990
518-474-7736
Fax: 518-402-4433
Web: www.osc.state.ny.us/retire



September 30, 2013

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the New York State and Local Retirement System (the System) for the fiscal year ended March 31, 2013. Responsibility for the accuracy of the data, and the completeness and fairness of the report, including all disclosures, rests with the System. All disclosures necessary and required to enable the public and the financial community to gain an understanding of the System's financial activities have been included.

We believe the enclosed financial statements and data are fairly presented in all material respects and are reported in a manner designed to present the financial position and results of the System's operations accurately. This report is intended to provide complete and reliable information as a basis for making management decisions, adhering to, and complying with, legal provisions, and ensuring responsible stewardship of the System's assets.

The CAFR is presented in five sections: introduction, financial, investment, actuarial and statistical. The introduction includes this transmittal letter, a listing of prominent individuals in financial services, business, government and labor who help ensure the successful operation of the System, an organization chart and an overview of the System's operations.

The financial section was prepared to conform with generally accepted accounting principles (GAAP) for governmental units, as set forth by the Governmental Accounting Standards Board (GASB), as well as the reporting requirements prescribed by the Government Finance Officers Association of the United States and Canada (GFOA). GAAP are uniform minimum standards of, and guidelines for, financial accounting and reporting. They establish the framework within which financial transactions are recorded and reported, resulting in financial statements that provide comparability between government entities, consistency between accounting periods and reliability for both internal and external users of financial statements.

The System's transactions are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to provide reasonable assurance regarding the safekeeping of assets and the fair presentation of the financial statements and supporting schedules.

The financial section features a Management's Discussion and Analysis (MD&A). GASB requires that the System provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the financial section immediately following the report of the independent auditors.

The investment section provides an overview of the System's investment program and other portfolio information. The actuarial section details the System's funding status and presents other information related to risks, uncertainties and long-term trends. Lastly, the statistical section includes financial and demographic information, typically presented on a multi-year basis.

The System was awarded a Certificate of Achievement for Excellence in Financial Reporting from GFOA for its CAFR for the fiscal year ended March 31, 2012. The Certificate of Achievement is a prestigious national award recognizing excellence in the preparation of state and local government financial reports. GFOA awards these certificates to those governments whose comprehensive annual financial reports meet or exceed the Association's strict criteria. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report which conforms to program standards and which satisfies both generally accepted accounting principles and applicable legal requirements.

The System has received this prestigious award for each of the past nine years. We believe that our current report continues to meet the Certificate of Achievement program requirements and are submitting it to the GFOA for consideration again this year.

The System comprises the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). The assets of ERS and PFRS are held in the Common Retirement Fund (the Fund) and managed by the Division of Pension Investment and Cash Management in the Office of the State Comptroller.

With more than one million participants, the System is one of the largest public retirement systems in the nation. While the average system administers eight plans, ours manages 346.

The System offers retirement benefits for members who reach specific ages or have completed a specified number of years of service, depending on the system and plan in which they are enrolled, as well as disability and death benefits. At the end of fiscal year 2012-13, there were a total of 1,061,010 members, retirees and beneficiaries, and 3,029 participating employers.

This letter highlights some of the System's operations for the 2012-13 fiscal year, in order to enable readers to obtain a reasonable understanding of the System's financial affairs, as well as its internal controls, for this period.

Funding

The Fund's assets come from three main sources: employee or member contributions, employer contributions and investment income. Over the last two decades, investments have provided more than 80 percent of the Fund's income.

The System is committed to meeting its long-term benefit obligations prudently and fairly. Since member contributions are fixed by law, the System's funding objective is to stabilize employer contributions as a percentage of payroll over time, moderating the burden on taxpayers. Annual employer contributions are determined on an actuarial basis and actual employer contributions are the greater of a minimum contribution of 4.5 percent of member payroll or the actuarial contributions.

A funded ratio is a measure of assets to liabilities. A ratio of 100 percent indicates employer contributions will approximate the expected long-term rates. If a funded ratio is above 100 percent, employer contributions will generally be less than the expected long-term rates; employer contributions will generally be more than the expected long-term rates if a funded ratio is below 100 percent.

As of April 1, 2012, the funded ratio of ERS was 87.2 percent, while the funded ratio of PFRS was 87.9 percent. According to the Public Fund Survey of the National Association of State Retirement Administrators, the average funded ratio of public plans is 75 percent.

A detailed discussion of the System's funding is provided in the actuarial section of this report.

Investments

An independent review of our operations has shown that the Common Retirement Fund is one of the most transparently and ethically managed public pension funds in the country. A review released in February 2013 by Funston Advisory Services found that the Fund is well-run, operates with industry-leading openness and invests effectively on behalf of its members.

Among its findings, the Funston review concluded that the Fund: makes appropriate use of external managers; is a leader in most categories of data and policy disclosure; and has adopted policies and practices concerning conflicts of interest for investment managers, consultants and advisers that are consistent with prevailing industry practices.

I am very proud of the results of this review. We will continue to improve our operations and make changes wherever they are needed. Overall, the review is a validation that we are on the right path.

Our investment policies are designed to obtain optimal risk-adjusted returns. As a result, we continue to see steady growth in our investment returns.

We target investments of 30 percent of our portfolio in fixed income assets (bonds and Treasury Inflation-Protected Securities or “TIPS”) and 70 percent in equity, including domestic and international public equities as well as real estate, absolute return strategies, mortgages, opportunistic funds and private equity investments. This diversified strategy protects our members and New York’s taxpayers. We are gratified that our investment policies have once again proven to be a prudent approach to sustaining the solvency and soundness of the System. At the end of the 2012-13 fiscal year, the annual valuation of the Fund was \$160.7 billion. Prior to the recession, in fiscal year 2006-07, the annual valuation of the Fund was at \$154.6 billion.

Accounting Practices

My staff is responsible for identifying control objectives relating to the protection of assets and the proper recording of all transactions to permit the preparation of financial statements in accordance with generally accepted accounting principles. Since the objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements, we have designed, implemented and maintained adequate internal controls to provide reasonable assurance that our control objectives are achieved.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that the valuation of costs and benefits requires estimates and judgments by management. The internal control system includes the organization plan, the appropriate segregation of duties and responsibilities, the implementation of sound practices in the performance of duties, and the employment of personnel whose capabilities are commensurate with their responsibilities.

Financial information and internal controls are subject to examination by the New York State Department of Financial Services. Additionally, KPMG LLP, an independent certified public accounting firm, audits the System’s financial statements. KPMG’s opinion appears on page 29 of this report. Lastly, pursuant to the New York State Government Accountability, Audit and Internal Control Act, the System is subject to an audit of its internal controls every three years.

We believe the internal controls in effect during the fiscal year ended March 31, 2013 adequately safeguard the System’s assets and provide reasonable assurance regarding the proper recording of financial transactions.

Programs and Initiatives

There are more than one million New Yorkers who depend on the Common Retirement Fund for their financial security, and 18 million taxpayers who expect us to do our job right.

Consequently, after years of planning, preparation and study, we have begun a project to redesign the computer systems used here at the New York State & Local Retirement System for the past 25 years. Accenture LLP, a global management and technology services company, has been chosen to partner with us in this critical overhaul.

More information about the redesign, as well as about other key programs and initiatives, is highlighted in the Overview of the New York State & Local Retirement System by the Executive Deputy Comptroller for the Retirement System, and the Overview of Investments by the Chief Investment Officer of our Division of Pension Investment & Cash Management.

Acknowledgements

I would like to convey my gratitude to the staff in the Divisions of Retirement Services and Pension Investment and Cash Management. I respect their professionalism and dedication. Without their efforts, this report would not be possible.

I also wish to express my thanks to the members of my advisory councils and committees for their dedicated service and commitment to the System's members. Their continued support, expertise and guidance are deeply appreciated.

I am confident you will find this report to be a complete and reliable accounting of the System.

Sincerely,



Thomas P. DiNapoli
State Comptroller

Administrative Organization

Advisory Committees

Advisory Council for the Retirement System

Honorable Peter J. Abbate, Jr.

Chairman
Assembly Governmental Employees Committee
New York State Assembly

Stephen J. Acquario

Executive Director
New York State Association of Counties

Peter A. Baynes

Executive Director
New York State Conference of Mayors

Jerry Boone

Commissioner and President
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New York State Department of Civil Service

Heather Briccetti

President & CEO
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Mario Cilento

President
New York State AFL-CIO

Gerry Geist

Executive Director
Association of Towns of the State of New York

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New York State Senate

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Director
Governor's Office of Employee Relations

Don Kelly

Director of Research
Civil Service Employees Association

Susan M. Kent

President
New York State Public Employees Federation

Timothy G. Kremer

Executive Director
New York State School Boards Association

Jim Lyman

Executive Director
Council 82, AFSCME

Bing Markee

Legislative Director
New York State Association of P.B.A.s

Michael McManus

President
Professional Fire Fighters Association

Joel H. Moser

Partner
Bingham McCutchen LLP

Andrew Pallotta

Executive Vice President
New York State United Teachers

Donn Rowe

President
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Police Benevolent Association

Raymond Santander

Assistant Director
AFSCME District Council 37

Richard Wells

President
Police Conference of New York, Inc.

Stanley Winter

President
Retired Public Employees Association, Inc.

Barbara Zaron

President
New York State Organization of
Management Confidential Employees

Administrative Organization

continued

Investment Advisory Committee

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CEO & Chief Investment Officer
Kuramo Capital Management

Amy Chen

Chief Investment Officer
Smithsonian Institution

Timothy C. Collins

CEO & Senior Managing Director
Ripplewood Holdings, LLC

Jacques Jiha, Ph.D.

Executive Vice President, COO & CFO
Earl G. Graves, Ltd./Black Enterprise

Hugh Johnson

Chairman & Chief Investment Officer
Hugh Johnson Advisors, LLC

Douglas Phillips

Senior Vice President
Institutional Resources
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Hapoalim Securities USA, Inc.

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Director, Special Projects
CFA Institute

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Developer

Actuarial Advisory Committee

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Mutual of America Life Insurance Company

Armand DePalo

(Retired)

Michael Heller

Vice President — Actuarial Consulting Services
Teachers Insurance and Annuity Association —
College Retirement Equities Fund

Teri E. Landin

(Retired)

Stanley Talbi

Executive Vice President
Metropolitan Life Insurance

Audit Advisory Committee

Eugene Farley

Director, M.S. in Accounting Program
Siena College

Gary Johnson

Director
Governor's Office of Employee Relations

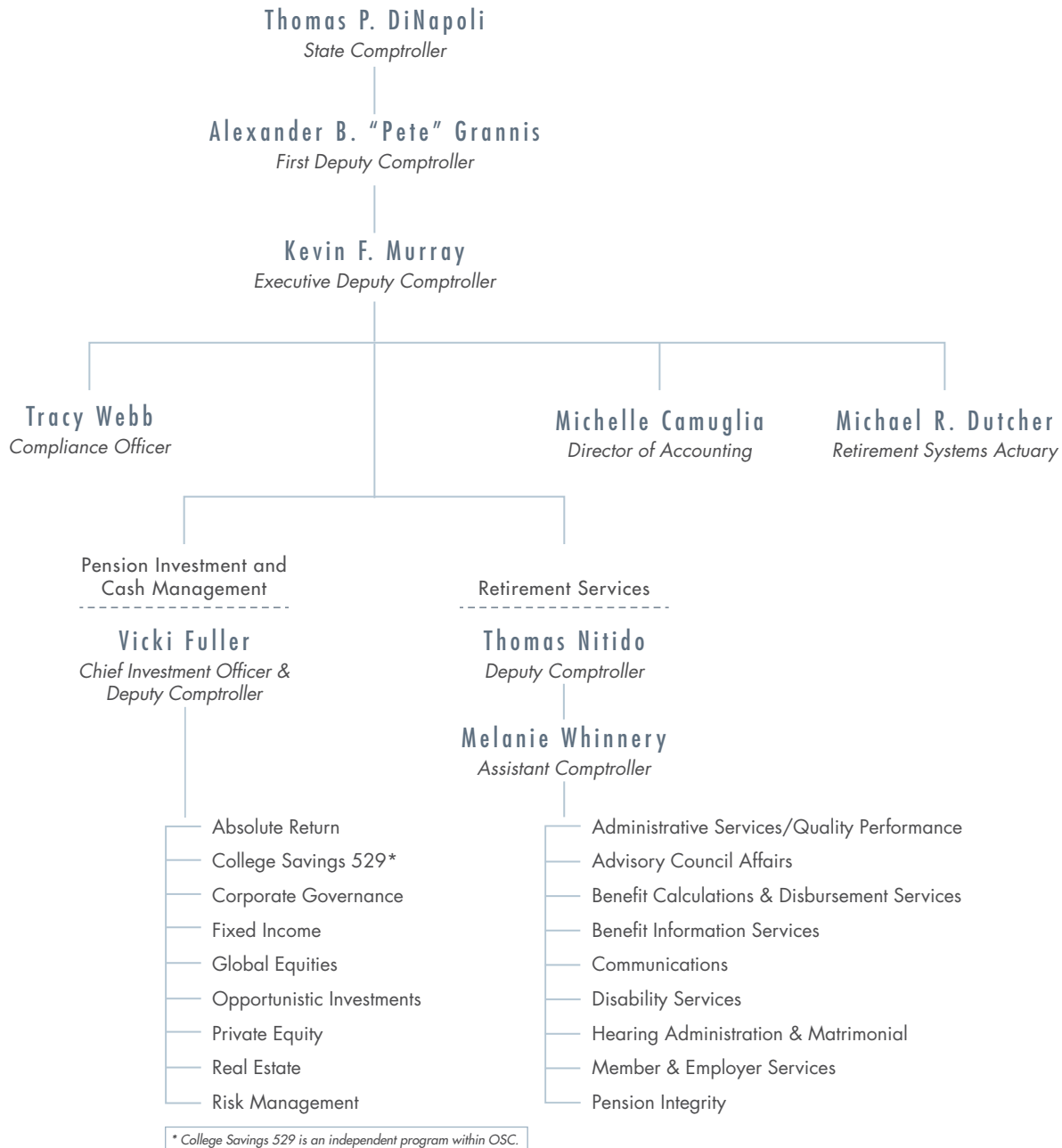
Alan Lubin

(Retired)

Stanley Winter

President
Retired Public Employees Association

New York State and Local Retirement System Organization Chart



Notes:

Information regarding investment managers and consultants can be found in the Investment Section on pages 86, 89 and 94 – 100.
 Information regarding consultants other than investment advisors can be found on page 60 in the Financial Section.

Overview of the New York State & Local Retirement System

Report from Executive Deputy Comptroller Kevin F. Murray

At the New York State & Local Retirement System, we continue to focus on our core fiduciary responsibility to our members, retirees and beneficiaries to properly fund and deliver secure pensions through sound investment and actuarial practices and efficient administration of benefits.

I am pleased to have this opportunity to tell you about the work we have done during the last fiscal year.

Building a Better Retirement System

After several years of planning, we are beginning the redesign of the computer systems that the Retirement System has used for more than 25 years.

Our objective is to make it easier for members and retirees to understand and manage their benefits, to provide better tools for our employer partners to work with the System, and to help us do our jobs more efficiently. Above all, the goal of this redesign effort is to provide exceptional and responsive customer service.

Much has been done to lay the groundwork for our new systems. For example, we have converted millions of paper documents to electronic files. In the past, these paper records were stored off-site — creating logistical hurdles for staff members doing casework. Today, the converted electronic files are available on our staff's computer desktops.

System modernization will bring big changes, but it also presents a tremendous opportunity. The redesign work we do over the next few years will produce customer service enhancements that will positively impact our business and our members and retirees for many years to come.

The Fund Going Forward

An independent review of the New York State Common Retirement Fund released in February 2013 by Funston Advisory Services found that the Fund is well-run, operates with an industry-leading level of transparency and invests effectively on behalf of its members. The New York State Department of Financial Services (DFS) now requires an independent review of the Fund every three years — a reform that Comptroller DiNapoli advocated.

DFS is statutorily required to perform an examination of the System at least every five years. DFS examiners were on site from April through September 2012 and we will report on their findings when the examination is complete.

Since December 2009, we've had a compliance officer in place, whose job is to ensure that we operate the Fund in accordance with applicable federal and State laws and regulations, while maintaining the highest ethical standards and increasing transparency. Having a compliance officer also underscores our commitment to making certain that our internal controls are maintained and that the Fund is being managed properly.

Overview of the New York State & Local Retirement System

continued

Report from Executive Deputy Comptroller Kevin F. Murray

Vicki Fuller, our new Chief Investment Officer (CIO), understands this commitment. With 30 years of investment experience, she has a track record of generating exceptional risk-adjusted returns which will prove invaluable to us.

The Fund performed well in the fiscal year ending March 31, 2013. As the economy continues to recover, I am confident that the Fund will continue to produce positive returns.

Meeting the Challenges of Tier 6

A new online application makes it possible for employers to securely check the contribution rates for their Tier 6 employees. Verifying member contribution rates is especially important for Tier 6 members because that tier, which was established in 2012, mandates variable contribution rates (VCR) based on each member's annual wage.

There will be more activity related to Tier 6 in the coming months — including how we will process death benefits, costs for previous service, membership transfers and tier reinstatements — but we are confident that this Tier 6 work will be successfully handled by our capable, hardworking staff.

Reducing Errors, Fraud and Abuse

Over the last year, our reviews of post-retirement employment uncovered more than \$1 million in benefit overpayments subject to recovery.

Chapter 206 of the Laws of 2011, which Comptroller DiNapoli sponsored, allows Retirement System staff to compare System records with wage information reported by public employers to the New York State Department of Taxation and Finance. This procedure enables us to identify retirees who are collecting both a service retirement benefit and a local government salary that exceeds the post-retirement earnings limit.

Our Pension Integrity Bureau (PIB) has been helping our employers determine how they should classify professional service providers. Those who provide services as independent contractors or consultants are ineligible to join the Retirement System or to receive member service credit. These reviews of professional service providers have been conducted since 2008.

Our PIB staff members have been working hard to reduce the inventory of open cases to prevent improper pension credit and delays in processing cases. Although some 30,000 cases existed five years ago, that inventory has today been reduced to below 10,000. The important work of this bureau helps ensure that only those who are eligible receive credit and that the credit they receive is accurate.

Improving Our Service

Providing good customer service means helping our members get the benefits they have earned in an efficient manner. Our Benefit Calculations & Disbursement Services (BCDS) Bureau staff has reduced the balance of pending retirement calculations from 7,706 at the end of last fiscal year to 6,532 at the end of this fiscal year. This 15 percent backlog reduction was particularly noteworthy when you consider that we received 19,790 new retirement applications during that same time period.

BCDS personnel also reduced the average time it now takes to complete a final calculation of a retiree's benefit by 23 percent.

Helping Our Members

During the past year, we introduced several improvements to services we provide our members.

For example, members may now contact our Call Center to receive a projection of their retirement benefits. These projections are typically mailed overnight, which reduces the time members have to wait for an estimate of their retirement benefit to just a few days.

Retirement benefits are considered marital property and any division must be stated in the form of a domestic relations order (DRO) — a legal document that gives us specific instructions on how a member's benefits should be distributed. Our Retirement Communications and Hearing Administration & Matrimonial Bureaus recently developed an online worksheet that attorneys or members can use to draft a proposed DRO. The worksheet guides members through the process to help ensure their proposals are complete and meet legal requirements. DRO proposals that are prepared using this form are given priority review.

Helping Our Retirees And Beneficiaries

This year, we also created a new database for the Survivor Benefits Program. This program is available to all New York State employees, regardless of whether they are Retirement System members. Non-members and members who chose the Single Life Allowance option must choose a beneficiary for this benefit. The database stores information on more than 85,000 beneficiaries and makes it readily available to staff when needed, replacing the previous manual tracking method.

Mail service is sometimes disrupted by nature's unpredictability, as Superstorm Sandy reminded us all in 2012. That is one reason why we encourage pensioners to take advantage of our convenient and secure Direct Deposit service. In fact, we feel so strongly about the security that electronic payments provide that we are pursuing legislation which would require the System to pay pensioners' benefits by either direct deposit or debit card with few exceptions.

Overview of the New York State & Local Retirement System

continued

Report from Executive Deputy Comptroller Kevin F. Murray

Helping Our Employer Partners

During the 2012-2013 fiscal year, we expanded the services we offer participating employers by providing them online access to their estimates and annual invoices. The new Estimate and Invoice Application also gives employers information about how billing figures are calculated, answers frequently asked questions and, if revisions are necessary, updates figures overnight. This service is not only convenient and timely — it is also cost-effective, as it eliminated four annual mailings.

Investing in Our Staff

Within the next five years, 70,000 State employees will be 55 or older, which means 18 percent of the State workforce will be eligible for retirement. As of March 31, 2013, 20 percent of our own Retirement System staff was already eligible to retire. Three years ago, to prepare for the loss of institutional knowledge that would result from such a large number of retirements, we established our Supervisory Academy. This training program was so popular that three more sessions soon followed.

This year, we implemented our Non-Supervisory Development Program, which is designed to build a solid foundation of abilities and skills that can benefit those employees who are not in supervisory roles. This succession planning is crucial if we are to continue to provide the exceptional service that our members, pensioners and employers deserve.

Milestone Moments

We are pleased to report that, as of July 2012, all of our participating employers now report member salary and service information to us electronically. Our Retirement Internet Reporting (RIR) program, which debuted in May 2000, was the first of its kind among public retirement systems in the country.

In September 2012, our Benefit Information Services (BIS) Bureau responded to its 200,000th email. The first 100,000 emails we received came over a 6 ½ year period, from 2001 through 2007. It took less than five years for us to receive the second group of 100,000 emails.

New Laws Affecting Members and Retirees

Accidental Death Benefits

Chapter 285 of the Laws of 2012 increases certain special accidental death benefits paid to widows, widowers or the deceased member's children.

Overview of the New York State & Local Retirement System

continued

Report from Executive Deputy Comptroller Kevin F. Murray

Permanent Partial Lump Sum (PLS)

Chapter 391 of the Laws of 2012 makes permanent the right of certain Police and Fire Retirement System (PFRS) members covered by 20- or 25-year retirement plans, and who have been eligible to retire for at least one year, to receive partial lump sum (PLS) distributions when they retire. PFRS members who choose a PLS receive a reduced lifetime monthly benefit.

Earnings Limit Eliminated

Chapter 55 of the Laws of 2013 eliminates the earnings limitation for retired police officers who are employed as school resource officers.

Alternate Contribution Stabilization Program

Chapter 57 of the Laws of 2013 authorizes the Comptroller to establish an alternative to the Contribution Stabilization Program enacted in 2010. The Alternate Contribution Stabilization Program provides participating cities, counties, towns, villages, school districts, BOCES and four public hospitals with an option to pay a portion of their annual contribution over a twelve-year period with interest. The new program first applies to the invoice due February 1, 2014, which can be prepaid on December 15, 2013.

Fiscal year 2013 saw many exciting changes — the advent of our pension system modernization project, additional services for members, pensioners and employers and a new Chief Investment Officer — all of which support our commitment to a strong, effective and ethically managed Fund.

Next year promises to bring additional changes as we continue with our multiyear system redesign, implement the changes required by Tier 6 and look for ways to improve our service.

We must also begin to work toward implementing two new Governmental Accounting Standards Board (GASB) standards. One of these impacts the Retirement System's financial statements in 2015, while the other impacts our employers' financial statements in future periods. These regulations require state and local governments to change some aspects of accounting and financial reporting, and are intended to result in financial statements that provide a clearer picture of the impact of a system's financial obligations.

In next year's report, we will advise you about that, as well as all the other things we are doing to continue to be among the best public retirement systems in the nation.

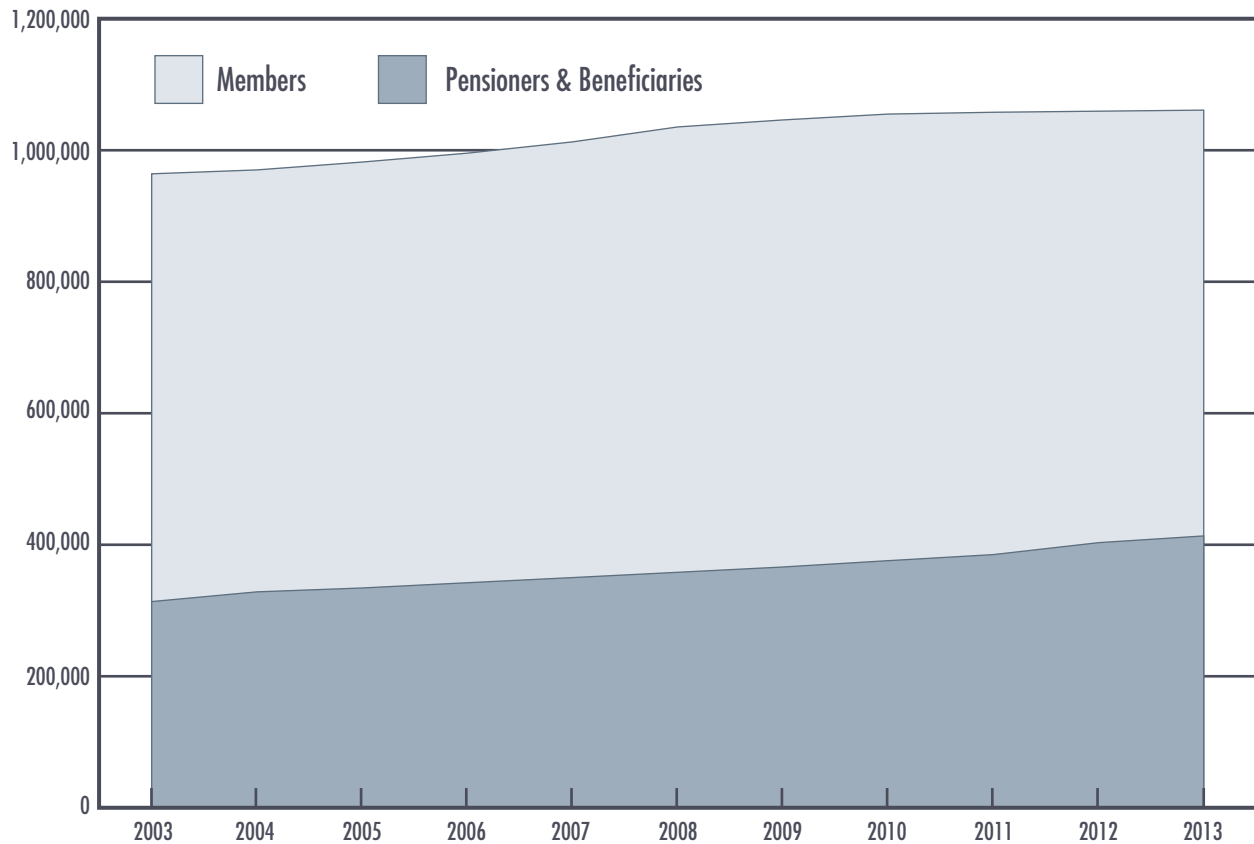
By the Numbers

Members and Retirees

Overall membership in the Retirement System is 1,061,010. This includes 647,574 members and 413,436 retirees and beneficiaries. The number of retirees is increasing more quickly than our members. For example, in 1993, retirees represented 30 percent of the System's members. By the 2013 fiscal year, that number had increased to approximately 39 percent.

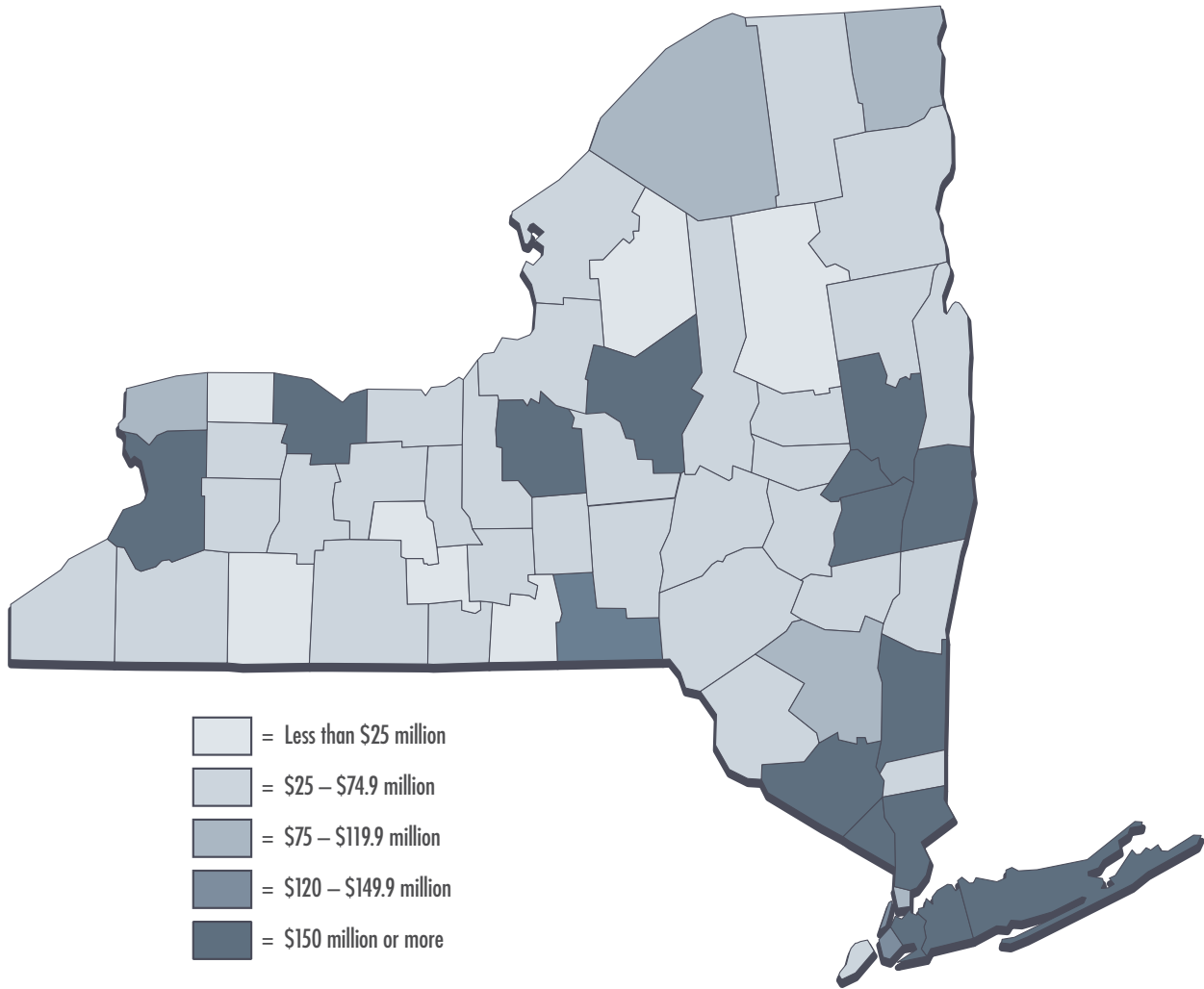
The value of the pension plan's net position at the end of the fiscal year was \$164.2 billion.

Benefit payments continue to rise, reflecting improvements in final average salaries over the past decades, cost-of-living adjustment (COLA) payments and benefit improvements enacted over the years. For example, in 1993, benefit payments were approaching \$2.3 billion, while this year's payments totaled approximately \$9.4 billion.



Retirees in New York State

Of the 413,436 retirees and beneficiaries in the Retirement System, 324,044 (78 percent) remain New York State residents. As such, benefit payments surpassing \$7.5 billion this year alone reach the State's communities and businesses, representing the System's greatest impact on the State's economy.



Annual Benefit Payments Within New York State

As of March 31, 2013.

County	Recipients	Annual Payments
Albany	17,024	\$ 471,627,556
Allegany	1,507	24,812,429
Bronx	3,409	82,486,163
Broome	7,018	123,221,773
Cattaraugus	3,163	56,035,232
Cayuga	2,719	54,420,143
Chautauqua	4,208	74,398,467
Chemung	3,235	66,012,597
Chenango	1,830	29,909,945
Clinton	3,685	82,019,808
Columbia	2,764	62,070,404
Cortland	1,560	27,163,984
Delaware	1,716	30,675,379
Dutchess	8,737	215,290,147
Erie	27,236	610,192,897
Essex	1,777	33,326,150
Franklin	2,507	49,676,627
Fulton	1,951	35,124,868
Genesee	1,997	38,418,310
Greene	2,215	49,212,899
Hamilton	405	7,486,334
Herkimer	2,122	34,735,557
Jefferson	2,901	55,342,736
Kings	5,216	136,413,867
Lewis	1,000	14,855,281
Livingston	2,655	53,605,564
Madison	2,243	40,106,436
Monroe	14,617	289,975,506
Montgomery	2,146	42,183,477
Nassau	21,294	623,752,466
New York	4,296	124,686,931
Niagara	5,501	110,616,649

County	Recipients	Annual Payments
NY Military	8	\$ 111,800
Oneida	9,053	187,552,238
Onondaga	12,196	243,048,401
Ontario	2,993	55,069,678
Orange	7,916	185,334,380
Orleans	1,392	24,950,681
Oswego	3,697	64,100,269
Otsego	1,984	32,914,028
Putnam	2,076	57,490,932
Queens	5,771	154,577,526
Rensselaer	7,936	205,222,955
Richmond	2,390	67,196,134
Rockland	6,294	165,801,861
Saratoga	8,940	229,887,799
Schenectady	7,382	185,653,614
Schoharie	1,386	28,114,076
Schuyler	743	13,561,466
Seneca	1,400	25,400,038
St. Lawrence	4,501	87,317,177
Steuben	2,935	52,567,005
Suffolk	31,486	895,416,082
Sullivan	2,647	57,317,448
Tioga	1,396	21,731,459
Tompkins	2,560	49,010,955
Ulster	5,230	109,396,949
Warren	2,565	51,849,551
Washington	2,394	48,057,198
Wayne	2,988	51,913,635
Westchester	14,620	402,712,021
Wyoming	1,801	36,351,169
Yates	710	11,542,472
Total	324,044	\$ 7,551,027,583

By the Numbers

continued

Annual Benefit Payments Within the United States

As of March 31, 2013.

State	Recipients	Annual Payments
Alabama	763	\$ 12,112,061
Alaska	62	934,943
Arizona	2,665	49,728,740
Arkansas	144	1,900,695
California	2,214	34,355,290
Colorado	725	11,584,793
Connecticut	2,070	42,445,049
Delaware	570	12,503,957
Florida	33,885	674,817,104
Georgia	3,311	60,150,635
Guam	2	12,444
Hawaii	106	1,836,230
Idaho	78	1,331,017
Illinois	337	4,756,279
Indiana	261	3,442,354
Iowa	70	917,678
Kansas	101	1,294,322
Kentucky	317	4,536,793
Louisiana	168	2,184,577
Maine	555	9,943,706
Maryland	1,367	23,485,963
Massachusetts	1,467	26,267,533
Michigan	329	4,362,446
Minnesota	137	1,755,486
Mississippi	191	2,898,450
Missouri	247	3,583,519
Montana	109	1,871,612

State	Recipients	Annual Payments
Nebraska	63	\$ 825,939
Nevada	1,363	29,306,476
New Hampshire	587	11,674,904
New Jersey	7,057	224,104,041
New Mexico	433	7,419,946
New York	324,044	7,551,027,583
North Carolina	7,727	147,144,364
North Dakota	13	137,701
Ohio	707	10,125,218
Oklahoma	163	1,991,204
Oregon	274	4,415,886
Pennsylvania	4,109	80,609,750
Puerto Rico	492	6,617,680
Rhode Island	237	3,745,550
South Carolina	4,661	95,319,324
South Dakota	72	1,260,571
Tennessee	1,383	26,709,094
Texas	1,877	30,531,133
Utah	122	1,861,860
Vermont	571	10,564,984
Virginia	3,560	63,777,394
Washington	436	7,129,708
Washington, D.C.	114	1,975,100
West Virginia	202	3,409,941
Wisconsin	140	2,087,131
Wyoming	64	1,144,470
Total	412,722	\$ 9,319,930,629

Annual Benefit Payments Outside the United States

As of March 31, 2013.

Total Recipients	Total Annual Payments
714	\$ 10,130,947

Financial

Contents

Independent Auditors' Report	29
Management's Discussion and Analysis	31
Statement of Plan Net Position	35
Statement of Changes in Plan Net Position.....	36
Notes to Financial Statements.....	37
Required Supplementary Information.....	56
Schedule of Funding Progress	56
Schedule of Employer Contributions	57
Additional Supplementary Information.....	58
Schedule of Administrative Expenses	58
Schedule of Investment Expenses	59
Schedule of Consulting Fees.....	60
Independent Auditors' Report on Internal Control.....	61

Independent Auditors' Report



KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Trustee
New York State and Local Retirement System:

We have audited the accompanying statements of plan net position of the New York State and Local Retirement System (the System) as of March 31, 2013, the related statement of changes in plan net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the net position of the System as of March 31, 2013, and the changes in its net position for the year then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementary information as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the System's basic financial statements. The accompanying additional supplementary information as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introduction, investment, actuarial, and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2013 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

KPMG LLP

July 15, 2013

Management's Discussion and Analysis

The following overview of the financial activity of the New York State and Local Retirement System (the System) for the fiscal year ended March 31, 2013 is intended to provide the reader with an analysis of the System's overall financial position. The System is comprised of the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employees' Group Life Insurance Plan (GLIP). This management's discussion and analysis should be read in conjunction with the basic financial statements of the System, which follow.

Financial Highlights

- The net position of the System held in trust to pay pension benefits was \$164.22 billion as of March 31, 2013. This amount reflects an increase of \$10.83 billion from the prior fiscal year. This change is primarily the result of the net appreciation of the fair value of the investment portfolio. Investment appreciation for the fiscal years ended March 31, 2013 and 2012 is \$11.59 billion and \$4.96 billion, respectively.
- The System's funding objective is to meet long-term benefit obligations through member and employer contributions and investment earnings. The funded ratio is the ratio of actuarially determined assets against actuarial liabilities. The funded ratio for April 1, 2012 is: ERS 87.2 percent, PFRS 87.9 percent.
- Retirement and death benefits paid this year totaled \$9.45 billion to 413,436 annuitants as compared to \$8.86 billion to 403,174 annuitants for last year. The increase is due to the number of new retirees.
- Contributions from employers increased from \$4.59 billion last year to \$5.34 billion this year. The increase in contributions is attributable to higher billing rates.
- The System's investments reported a positive return of 10.38 percent for the current year and a positive return of 5.96 percent for last year.

Overview of the Financial Statements

The financial statements consist of the statement of plan net position, statement of changes in plan net position, and the notes to the financial statements. The required supplementary information that appears after the notes to the financial statements is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board. The additional supplementary information following the required supplementary information is also not required, but management has chosen to include such information.

The statement of plan net position reflects the resources available to pay members, retirees and beneficiaries at the close of the System's fiscal year. This statement also provides information about the fair value and composition of the System's net position.

The statement of changes in plan net position presents the changes to the System's net position for the fiscal year, including net investment income, net appreciation or depreciation in fair value of the investment portfolio, and contributions from members and employers. Benefits and administrative expenses paid by the System are included under the deductions section of the statement.

Management's Discussion and Analysis

continued

The notes to the financial statements are an integral part of the basic financial statements and provide additional information about the plans of the System. The financial statement notes include plan descriptions, significant accounting policies, funded status and funding progress, System reserves, deposit and investment risk disclosure, derivatives, securities lending program, federal income tax status, commitments, and contingencies.

The required supplementary schedules include information about funding progress using the entry age normal funding method to approximate the funding status of the System. The aggregate actuarial funding method, which does not identify or separately amortize unfunded actuarial liabilities, is utilized by the System for funding purposes. In addition, employer contributions for the current year and the previous five years are reported.

The additional supplementary information includes schedules of administrative expenses, investment expenses, and consulting fees.

Analysis of Overall Financial Position of the System

The purpose of the System's investments is to provide for long-term growth, while also ensuring a reliable cash flow that meets the funding requirements of the near-term pension obligation. To achieve these goals, the investments are allocated to a variety of asset types and strategies in order to meet the current funding needs and future growth requirements of the pension liability. Equity-related investments are included for their long-term return and growth characteristics, while fixed income and debt-related investments are included in the allocation for their ability to control investment risk and provide for a reliable cash flow that meets the funding requirements of the pension payments. It is important to note that the change from year to year is due not only to changes in fair values, but also to purchases, sales, and redemptions. Tables 1, 2, and 3 summarize and compare financial data for the current and prior years.

Table 1

Summary schedule of plan net position as of March 31, 2013, as compared to March 31, 2012, follows:

	(In Thousands)			Percentage Change
	2013	2012	Dollar Change	
Assets:				
Investments	\$ 160,660,829	\$ 150,658,883	\$ 10,001,946	6.6%
Securities lending collateral — invested	8,372,067	4,895,247	3,476,820	71.0
Receivables and other assets	5,704,399	4,037,749	1,666,650	41.3
Total assets	174,737,295	159,591,879	15,145,416	9.5
Liabilities:				
Securities lending obligations	8,385,115	5,077,571	3,307,544	65.1
Payables and other liabilities	2,130,348	1,119,874	1,010,474	90.2
Total liabilities	10,515,463	6,197,445	4,318,018	69.7
Net position, restricted for pension benefits	\$ 164,221,832	\$ 153,394,434	\$ 10,827,398	7.1%

Management's Discussion and Analysis

continued

The plan net position of the System totaled \$164.22 billion as of March 31, 2013, an increase of \$10.83 billion from the prior fiscal year.

Table 2

Schedule of invested assets as of March 31, 2013, as compared to March 31, 2012, follows:

	(In Thousands)			Percentage Change
	2013	2012	Dollar Change	
Short-term investments	\$ 6,461,328	\$ 7,397,691	\$ (936,363)	(12.7)%
Government bonds	27,131,218	23,419,191	3,712,027	15.9
Corporate bonds	10,990,780	10,021,324	969,456	9.7
Exchange-traded fixed income funds	437,474	—	437,474	100.0
Domestic equity	56,948,897	55,888,530	1,060,367	1.9
International equity	26,100,590	23,170,630	2,929,960	12.6
Private equity	14,072,639	14,925,933	(853,294)	(5.7)
Absolute return strategy investments	6,124,694	5,165,712	958,982	18.6
Opportunistic funds	385,081	527,440	(142,359)	(27.0)
Real estate and mortgage loans	12,008,128	10,142,432	1,865,696	18.4
Total investments	\$ 160,660,829	\$ 150,658,883	\$ 10,001,946	6.6%

The largest percentage increases to the invested assets were in exchange-traded fixed income funds (ETFs), absolute return strategy investments and real estate and mortgage loans, which represent 0.3 percent, 3.8 percent and 7.5 percent of the portfolio, respectively. The Common Retirement Fund (the Fund) added two ETFs to the fixed income portfolio. The addition of these funds is within the strategic plan of the fixed income portfolio. The Fund also added capital to the absolute return strategy portfolio to fulfill the allocation and to capitalize on the dynamic opportunity set across global markets. The recovery of real estate market fundamentals has been driven by the availability of inexpensive debt capital, albeit at lower amounts than in the past. Lenders have also been willing to restructure debt as, generally speaking, property values across all the property types have risen. The Fund capitalized on this market momentum and structured investment transactions to enhance the performance of the portfolio in light of the improving market environment.

Management's Discussion and Analysis

continued

Table 3

Summary schedule of changes in plan net position for the year ended March 31, 2013, as compared to the year ended March 31, 2012, follows:

	(In Thousands)			Percentage Change
	2013	2012	Dollar Change	
Additions:				
Net investment income	\$ 14,717,622	\$ 7,868,313	\$ 6,849,309	87.0%
Total contributions	5,737,032	5,016,050	720,982	14.4
Total additions	20,454,654	12,884,363	7,570,291	58.8
Deductions:				
Total benefits paid	(9,521,536)	(8,937,831)	(583,705)	6.5
Administrative expenses	(105,720)	(100,649)	(5,071)	5.0
Total deductions	(9,627,256)	(9,038,480)	(588,776)	6.5
Net increase	10,827,398	3,845,883	6,981,515	181.5
Net position, restricted for pension benefits — beginning of year	153,394,434	149,548,551	3,845,883	2.6
Net position, restricted for pension benefits — end of year	\$ 164,221,832	\$ 153,394,434	\$ 10,827,398	7.1%

The change in net investment income is primarily attributable to the increase in the net appreciation in fair value of investments from 2012 to 2013. The increase in total contributions is attributable to the change in employer billing rates.

Economic Factors and Rates of Return

The Fund posted a strong investment performance for the fiscal year ended March 31, 2013, with a net gain of 10.38 percent, reflecting the global growth momentum in the financial markets during that time. This was the fourth year of positive performance for the Fund following the fiscal crisis of 2008.

While the Fund benefitted from strong growth in the global economy last year, market volatility and concerns about the global economy persist — including the pace of fiscal tightening across the global markets, the recovery of domestic jobs and housing, and credit conditions in Europe and the emerging markets.

Requests for Information

This financial report is designed to provide a general overview of the System's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244-0001. The report can also be accessed on the Comptroller's website at www.osc.state.ny.us/pension/cafr.htm.

Statement of Plan Net Position

As of March 31, 2013.

	(In Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
Assets:			
Investments (notes 2, 5 and 6):			
Short-term investments	\$ 5,486,881	\$ 974,447	\$ 6,461,328
Government bonds	23,039,499	4,091,719	27,131,218
Corporate bonds	9,333,236	1,657,544	10,990,780
Exchange traded fixed income funds	371,498	65,976	437,474
Domestic equity	48,360,308	8,588,589	56,948,897
International equity	22,164,302	3,936,288	26,100,590
Private equity	11,950,313	2,122,326	14,072,639
Absolute return strategy investments	5,201,015	923,679	6,124,694
Opportunistic funds	327,006	58,075	385,081
Real estate and mortgage loans	10,197,156	1,810,972	12,008,128
Total investments	136,431,214	24,229,615	160,660,829
Securities lending collateral — Invested (note 7)	7,109,457	1,262,610	8,372,067
Forward foreign exchange contracts (note 6)	1,082,928	192,324	1,275,252
Receivables:			
Employers' contributions	2,340,245	238,402	2,578,647
Members' contributions	5,234	48	5,282
Member loans	1,082,025	2,032	1,084,057
Investment income	354,757	63,003	417,760
Investment sales	175,663	31,197	206,860
Other	64,318	28,005	92,323
Total receivables	4,022,242	362,687	4,384,929
Capital assets, at cost, net of accumulated depreciation	37,549	6,669	44,218
Total assets	148,683,390	26,053,905	174,737,295
Liabilities:			
Securities lending obligations (note 7)	7,120,537	1,264,578	8,385,115
Forward foreign exchange contracts (note 6)	1,088,816	193,369	1,282,185
Accounts payable — investments	446,857	79,360	526,217
Accounts payable — benefits	156,160	25,055	181,215
Other liabilities (note 2)	124,028	16,703	140,731
Total liabilities	8,936,398	1,579,065	10,515,463
Net position, restricted for pension benefits	\$ 139,746,992	\$ 24,474,840	\$ 164,221,832

See accompanying notes to financial statements.

Statement of Changes in Plan Net Position

Year Ended March 31, 2013.

	(In Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
Additions:			
Income from investing activities:			
Net appreciation in fair value of investments	\$ 9,842,787	\$ 1,749,576	\$ 11,592,363
Interest income	1,183,991	210,451	1,394,442
Dividend income	1,284,578	228,330	1,512,908
Other income	558,953	99,352	658,305
Less investment expenses	(398,856)	(70,896)	(469,752)
Total income from investing activities	12,471,453	2,216,813	14,688,266
Income from securities lending activities:			
Securities lending income	13,884	2,468	16,352
Securities lending rebates	13,810	2,455	16,265
Securities lending management fees	(2,769)	(492)	(3,261)
Total income from securities lending activities	24,925	4,431	29,356
Total net investment income	12,496,378	2,221,244	14,717,622
Contributions:			
Employers	4,524,395	811,650	5,336,045
Members	264,788	4,346	269,134
Interest on accounts receivable	50,970	7,060	58,030
Other	71,961	1,862	73,823
Total contributions	4,912,114	824,918	5,737,032
Total additions	17,408,492	3,046,162	20,454,654
Deductions:			
Benefits paid:			
Retirement benefits	(7,826,778)	(1,429,274)	(9,256,052)
Death benefits	(177,113)	(17,057)	(194,170)
Other, net	(71,515)	201	(71,314)
Total benefits paid	(8,075,406)	(1,446,130)	(9,521,536)
Administrative expenses	(92,134)	(13,586)	(105,720)
Total deductions	(8,167,540)	(1,459,716)	(9,627,256)
Net increase	9,240,952	1,586,446	10,827,398
Net position, restricted for pension benefits — beginning of year	130,506,040	22,888,394	153,394,434
Net position, restricted for pension benefits — end of year	\$ 139,746,992	\$ 24,474,840	\$ 164,221,832

See accompanying notes to financial statements.

Notes to Financial Statements — Year Ended March 31, 2013

1. Description of Plans

The Comptroller of the State of New York serves as sole trustee of the New York State Common Retirement Fund (the Fund) and administrative head of the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employees' Group Life Insurance Plan (GLIP). GLIP provides death benefits in the form of life insurance. These entities are collectively referred to as the New York State and Local Retirement System (the System). The net position of the System is held in the Fund, which was established to hold all net assets and record changes in plan net position allocated to the System. In these statements, GLIP amounts are apportioned to and included in ERS and PFRS.

System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL) and are guaranteed by the New York State (the State) Constitution. Once a public employer elects to participate in the System, the election is irrevocable. The System cannot be terminated and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by an act of the State Legislature.

Generally, members of the System are employees of the State and its municipalities, other than New York City.

ERS and PFRS are cost-sharing, multiple-employer defined benefit pension plans. The System is included in the State's financial report as a pension trust fund.

As of March 31, 2013 and 2012, the number of participating employers for ERS and PFRS consisted of the following:

	ERS		PFRS	
	2013	2012	2013	2012
State	1	1	1	1
Counties	57	57	4	4
Cities	61	61	61	61
Towns	912	912	205	206
Villages	489	491	376	376
School districts	700	699	–	–
Miscellaneous	784	795	34	34
Total	3,004	3,016	681	682

As of March 31, 2013 and 2012, the System membership for ERS and PFRS consisted of the following:

	ERS		PFRS	
	2013	2012	2013	2012
Retirees and beneficiaries currently receiving benefits	380,899	371,468	32,537	31,706
Active members	498,266	505,575	30,780	31,024
Inactive members	115,664	116,532	2,864	3,093
Total members and benefit recipients	994,829	993,575	66,181	65,823

(a) Membership Tiers

Pension legislation enacted in 1973, 1976, 1983, 2009 and 2012 established distinct classes of membership. For convenience, the System uses a tier concept to distinguish these groups, generally:

ERS

- Tier 1** Those persons who last became members before July 1, 1973.
- Tier 2** Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3** Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4** Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5** Those persons who last became members on or after January 1, 2010, but before April 1, 2012.
- Tier 6** Those persons who first became members on or after April 1, 2012.

PFRS

- Tier 1** Those persons who last became members before July 31, 1973.
- Tier 2** Those persons who last became members on or after July 31, 1973, but before July 1, 2009.
- Tier 3** Those persons who last became members on or after July 1, 2009, but before January 9, 2010.
- Tier 4** N/A
- Tier 5** Those persons who last became members on or after January 9, 2010, but before April 1, 2012, or who were previously PFRS Tier 3 members who elected to become Tier 5.
- Tier 6** Those persons who first became members on or after April 1, 2012.

Vesting

Members who joined the System prior to January 1, 2010 need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) require 10 years of service credit to be 100 percent vested.

(b) Benefits

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with more than 20 years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4 and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for Tier 3, 4, 5 and 6 members is the ordinary benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; and (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting. Revenue is recognized when earned, and liabilities are recognized when incurred. Employer contributions are recognized when due, pursuant to statutory requirements and formal commitments. Member contributions are based on when member salaries are earned and are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment sales and purchases are recorded on a trade-date basis. The amounts shown on the financial statements are allocated between ERS and PFRS based on each system's monthly average equity in the Fund.

(b) Method Used to Value Investments

Investments are reported at fair value. Fair value is defined as the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller. Due to the nature of investments, it is reasonable that changes in the value of investments will occur in the near future and changes could materially affect the amounts reported.

Equity securities traded on a national or international exchange are reported at current quoted market values.

Bonds are primarily reported at fair values obtained from independent pricing services.

Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments.

Direct investments in real estate are valued based on independent appraisals made every three years or according to the fund agreement.

Real estate partnerships are reported at values provided by general partners. These values are based on discounted cash flows, comparative sales, capitalization rates applied to net operating income, or cost, if none of the preceding fit a property's attributes and strategy.

Private equity, opportunistic funds and absolute return strategy investments are reported at fair value as determined by the investment manager. Private equity investment managers value nonpublicly traded assets at current fair value, taking into consideration the financial performance of the issuer, cash flow analysis, recent sales prices, market comparable transactions, a new round of financing, a change in economic conditions, and other pertinent information. Fair value is determined using the best information available for a hypothetical transaction at the measurement date, not using forced sale or fire-sale pricing.

The Fund trades in foreign exchange contracts in the normal course of its investing activities in order to manage exposure to market risks. Such contracts, which are generally for a period of less than one year, are used to purchase and sell foreign currency at a guaranteed future price. These contracts are recorded at market value using foreign currency exchange rates.

(c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies. These estimates are subject to a certain amount of uncertainty in the near term, which could result in changes in the values reported for those assets in the statement of plan net position. Because of the inherent uncertainty in privately held securities, the fair value may differ from the values that would have been used if a ready market for such securities existed, and the difference can be material. Estimates also affect the reported amounts of income/additions and expenses/deductions during the reporting period. Actual results could differ from these estimates.

(d) Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement of Governmental Accounting Standards No. 67, *Financial Reporting for Pension Plans — an amendment of GASB Statement No. 25*, and Statement of Governmental Accounting Standards No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27*. GASB Statement No. 67 addresses reporting by pension plans that administer benefits for governments, and will require the System to include more extensive note disclosures and required supplementary information, including information about pension plan governance, investment policies (asset allocation), and the annual money-weighted rates of return on pension plan investments. The System will be subject to the provisions of GASB Statement No. 67 beginning with the fiscal year ending March 31, 2015. GASB Statement No. 67 replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB Statement No. 67 builds upon the existing framework for financial reports of defined benefit pension plans and enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans.

GASB Statement No. 68, which primarily relates to reporting by governments that provide pensions to their employees, is effective for fiscal years beginning after June 15, 2014.

The System is evaluating the impact of the new GASB standards but expects that related communications with participating employers will require significant effort due to the complexity of the required reporting and disclosures.

(e) Member Loan Programs

Members are entitled to participate in a loan program that allows them to borrow up to 75 percent of their member contributions. Repayment of outstanding amounts is generally made through payroll deductions within five years. The interest rate charged for member loans is fixed at 1 percent below the actuarial interest rate at the time the loan is granted. The loan rate for loans issued during the fiscal year ended March 31, 2013 was 6.5 percent.

(f) Benefits Payable

Benefits payable represent payments due on account of death and retirement on or before March 31, 2013, for which final calculations had not been completed and paid as of that date.

(g) Other Liabilities

Other liabilities include a cash managed balance, which represents disbursements issued on previous business days, which are funded when presented for payment at the issuing bank. Other liabilities total \$140.73 million, of which \$75.33 million represents tax withholding payments due to the Internal Revenue Service.

(h) Capital Assets

Capital assets are capitalized at cost and depreciated on a straight-line basis over the related assets' estimated useful lives.

During the fiscal year ended March 31, 2011, the System began capitalizing outlays associated with its data imaging, filing, and storage system. As of March 31, 2013, capitalized outlays for the project total \$21.2 million. This project is currently ongoing and is expected to be completed in the fiscal year ending 2017, at which time amortization of the capitalized costs will begin.

(i) Contributions Required

Participating employers are required under the RSSL to contribute annually to the System. Delinquent annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2013, the applicable interest rate was 7.5 percent.

(j) System Expenses

The System receives an allocation from employer contributions, which are designated by law to cover all noninvestment-related operating expenses. Investment expenses are offset directly by investment income.

(k) Required Contribution Rates

Tier 3, 4 and 5 members must contribute 3 percent of their salary. As a result of RSSL Article 19, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Tier 6 members are required to contribute for all years of service.

(l) Contributions Receivable

Employers' contributions receivable are presented net of withdrawals, refunds, advance employer payments, and credits due employers. Receivable amounts from participating employers include \$117.17 million for amortization of retirement incentives, new plan adoptions and retroactive membership. Receivable amounts from the State for other amortizations total \$123.15 million.

The Retirement and Social Security Law includes several provisions related to the amortization of employer contribution amounts. These include:

Chapter 260 of the Laws of 2004 authorized employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for the fiscal year ended 2005 that exceeded 7 percent of payroll. The amortized amount receivable from the State as of March 31, 2013 is \$120.8 million and from participating employers is \$25.5 million.

Chapter 260 of the Laws of 2004 authorized employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for the fiscal year ended 2006 that exceeded 9.5 percent of payroll. The amortized amount receivable from the State as of March 31, 2013 is \$55.37 million and from participating employers is \$10.88 million.

Chapter 260 of the Laws of 2004 authorized local employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for the fiscal year ended 2007 that exceeded 10.5 percent of payroll. The amortized amount receivable from participating employers as of March 31, 2013 is \$11.17 million.

Chapter 57 of the Laws of 2010 authorized the State and local employers to amortize a portion of their annual pension costs during periods when actuarial contribution rates exceed thresholds established by the statute. Amortized amounts will be paid in equal annual installments over a ten-year period including a rate of interest set by the Comptroller annually. Employers may prepay these amounts at any time without penalty. The first payment will be due in the fiscal year following the decision to amortize. Chapter 57 further provides that when contribution rates fall below legally specified levels and all outstanding amortizations have been paid, employers that elected to amortize will be required to pay additional moneys into reserve funds, specific to each employer, which will be used to offset their contributions in the future. These reserve funds will be invested separately from pension assets.

For the annual bill for the fiscal year ended 2011, the statutory amortization threshold is 9.5 percent of payroll for ERS and 17.5 percent for PFRS. The Comptroller has set an interest rate of 5 percent. The amortized amount receivable from the State as of March 31, 2013 is \$209.75 million and from participating employers is \$36.73 million.

For the annual bill for the fiscal year ended 2012, the statutory amortization threshold is 10.5 percent of payroll for ERS and 18.5 percent for PFRS. The Comptroller has set an interest rate of 3.75 percent. The amortized amount receivable from the State as of March 31, 2013 is \$517.03 million and from participating employers is \$194.15 million.

For the annual bill for the fiscal year ended 2013, the statutory amortization threshold is 11.5 percent of payroll for ERS and 19.5 percent for PFRS. The Comptroller has set an interest rate of 3.0 percent. The amortized amount receivable from the State as of March 31, 2013 is \$780.43 million and from participating employers is \$370.73 million.

3. Funded Status and Funding Progress

Funding Policy

Funding of the System is accomplished through member and employer contributions and the investment earnings on these contributions, according to the RSSL. The System uses the aggregate actuarial funding method, which does not identify or separately amortize unfunded actuarial accrued liabilities. As required under GASB Statement No. 50, *Pension Disclosures (an amendment of GASB No. 25 and No. 27)*, the following is a schedule of funding progress using the entry age normal funding method to approximate the funding status of the System as of the most recent actuarial valuation date. This actuarial valuation for the fiscal year ended 2013, performed on April 1, 2012, determined employer contributions for the year ended March 31, 2014.

The funded status of the System as of April 1, 2012, the most recent valuation date, is as follows (in millions):

Actuarial Valuation Date	Actuarial Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
ERS						
April 1, 2012	\$ 125,751	\$ 144,170	\$ 18,419	87.2%	\$ 24,291	75.8%
PFRS						
April 1, 2012	\$ 22,058	\$ 25,096	\$ 3,038	87.9%	\$ 3,191	95.2%

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Significant actuarial assumptions used in the April 1, 2012 valuation to determine employer contributions for the year ending March 31, 2014 were as follows:

Interest rate		7.5%
Salary scale	ERS	4.9%
	PFRS	6.0%
Decrement tables	April 1, 2005 – March 31, 2010 System's experience	
Inflation rate		2.7%

The actuarial asset value for domestic bonds and mortgages is amortized value. Short-term investments are at market value. Normally, all other investments use a five-year moving average of market values method assuming a 7 percent rate of expected appreciation. This method immediately recognizes regular investment income (interest and dividends) while phasing in unexpected appreciation/depreciation over a five-year period. It treats realized or unrealized gains (or losses) in the same manner.

Generally, participating employers that have adopted the same benefit plans contribute at the same rate of payroll. The total employer contribution rate as a percentage of salary includes rates for administrative expenses, GLIP, and supplemental benefits. GLIP is a one-year term insurance plan. Consequently, the GLIP rates are determined so as to pay for the current year's GLIP costs. Similarly, the administrative rates are determined so as to pay the current year's administrative expenses. Employers may make other contributions due to: legislation, such as retirement incentives; the ten-year amortization of part of their bills for the fiscal years ended 2005, 2006 and 2007; and deficiency payments, which an employer may incur when joining the System and are payable for up to 25 years. The following average employer contribution rates exclude certain contributions such as the ten-year amortization. The average contribution rate for ERS for the fiscal year ended March 31, 2013, was approximately 18.9 percent of payroll. The average employer contribution rate for PFRS for the fiscal year ended March 31, 2013, was approximately 25.8 percent of payroll.

4. System Reserves

The legally required reserves, as covered by provisions of the RSSL, are maintained by the System, are fully funded as of March 31, 2013, and are described below:

- Annuity Savings Funds — Funds in which contributions of Tier 1 and Tier 2 members are accumulated.
- Annuity Reserve Funds — Funds from which member contribution annuities are paid.
- Pension Accumulation Funds — Funds in which employer contributions and income from the investments of the System are accumulated.
- Pension Reserve Funds — Funds from which pensions are paid.
- Designated Annuitant Funds — Funds from which beneficiary annuities are paid.
- Loan Insurance Funds — Funds that provide loan insurance coverage for members with existing non-default loan balances at time of death.

- Group Life Insurance Plan Reserve — Reserves that provide group term death benefits not to exceed \$50,000, payable upon the death of eligible members.
- Coescalation (COESC) Contribution Funds — Funds in which contributions are accumulated. These funds are transferred to the Pension Accumulation Fund at retirement.

As of March 31, 2013, the System reserves for ERS and PFRS consisted of the following:

	(In Thousands)	
	ERS	PFRS
Annuity savings	\$ 7,870	\$ 32,484
Annuity reserve	101,675	10,416
Pension accumulation	60,140,341	11,751,016
Pension reserve	71,015,098	12,653,266
Designated annuitant	55,663	18,633
Loan insurance	2,242	103
Group Life Insurance Plan reserve	95,959	3,846
COESC contributions	8,328,144	5,076
Total	\$ 139,746,992	\$ 24,474,840

5. Deposit and Investment Risk Disclosure

(a) Custodial Credit Risk for Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Fund or are held either by the counterparty or the counterparty's trust department or agent, but not in the name of the Fund.

Equity and fixed income investments owned directly by the Fund, which trade in the United States (U.S.) markets, are held at the Fund's custodian, in separate accounts, in the name of the Comptroller of the State of New York in Trust for the Fund. These securities are typically held in electronic form through the Federal Book Entry System and by the Depository Trust Company (DTC) and its subsidiaries acting as an agent of the Fund's custodian bank. Securities held directly by the Fund that trade in markets outside the U.S. are held by a subsidiary of the Fund's custodian bank in the local market, a bank performing custodial services in the local market acting as an agent for the Fund's custodian bank, and in some foreign markets, the securities are held in electronic form by a DTC subsidiary or an organization similar to DTC. Directly held investments include short-term and long-term fixed income and domestic and international equity separately managed accounts. The aforementioned investments have the lowest custodial risk.

Equity investments held indirectly by the Fund via limited partnerships, commingled investment funds, joint ventures, and other similar vehicles are held in custody by an organization contracted by the general partner and/or the investment management firm responsible for the management of each investment organization.

Title to real estate invested in by the Fund is held either by a real estate holding company or a real estate investment fund. Ownership of mortgage assets is documented by the Fund's holding of original mortgage and note documents by the Office of the State Comptroller's Division of Pension Investment and Cash Management.

(b) Custodial Credit Risk for Deposits

Deposits are exposed to custodial credit risk if the deposits are not covered by depository insurance or deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging institution's trust department or agent, but not in the name of the Fund.

In accordance with existing policies and procedures, the Division of Pension Investment and Cash Management in the Office of the State Comptroller monitors deposit balances for the purpose of determining collateralization levels. Collateral sufficient to cover all uninsured deposits is held at the State's custodial bank.

(c) Interest Rate Risk

The System has interest rate risk, which is the risk that changes in market interest rates will adversely affect the fair value of the Fund's fixed income securities. To address changing economic factors and their impact on various sectors of the economy, the Division's staff meets periodically to discuss the investment strategy for the Fixed Income portfolio. Several factors are taken into account when formulating this strategy, including sector weightings and the current duration of the portfolio.

The price volatility of the Fund's fixed income holdings is measured by duration. Modified duration is a measure of the price sensitivity of a bond to interest rate movements. Modified duration follows the concept that interest rates and bond prices move in opposite directions.

As of March 31, 2013, the duration of the fixed income portfolio is as follows:

Bond Category	Fair Value (In Thousands)	Percentage of Bond Portfolio	Modified Duration (In Years)
Treasury	\$ 5,368,292	13.9%	8.14
Federal agency	2,359,627	6.1	4.27
Mortgage-backed	9,356,431	24.3	3.11
Corporate	8,896,819	23.1	5.81
ETF fixed income	437,474	1.1	8.57
Core Portfolio Average Duration			5.23
Treasury Inflation-Protected Securities (TIPS)	12,140,829	31.5	9.99
Total	\$ 38,559,472	100.0%	

(d) Credit Risk of Debt Securities

State statutes and the System's investment policies require that corporate fixed income obligations must be investment grade at the time of their acquisition. A bond is considered investment grade if its credit rating is Baa by Moody's or BBB- by Standard & Poor's. Long-term bond ratings as of March 31, 2013, are as follows (dollars in thousands):

Quality Rating	Fair Value	Percentage of Fair Value
AAA	\$ 28,492,881	73.89%
AA	2,472,676	6.41
A	4,911,448	12.74
BAA	2,362,785	6.13
BBB	293,356	0.76
BB	13,392	0.03
B	12,934	0.03
Total	\$ 38,559,472	100.00%

(e) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer.

As of March 31, 2013, the System did not hold any investments in any one issuer that would represent 5 percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and pooled investments are excluded from the regulation in the following paragraph.

Issuer limits for investments held by the Fund are established for each investment area by RSSL Article 2, Section 13 and Article 4A, Sections 176, 177, and 313 and policy guidelines adopted by the Division of Pension Investment and Cash Management.

Short-term fixed income investments are generally limited to the following investment types maturing in one year or less:

- Obligations for which the full faith and credit of the U.S. is pledged to provide payment of interest and principal.
- Obligations issued by any Federal Home Loan Bank or obligations fully guaranteed as to principal and interest by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation.
- Commercial paper that has the highest rating by two nationally recognized rating services. A maximum of \$500 million of the short-term portfolio may be invested in any one commercial paper issuer.
- Simultaneous purchase and sale of U.S. Treasury obligations may be executed with Primary Government Dealers. A maximum of \$200 million may be invested with any one Primary Government Dealer.

Fixed income investments are generally limited to the following investment types with maturities longer than one year:

- Obligations for which the full faith and credit of the U.S. is pledged to provide payment of principal and interest.
- Obligations payable in U.S. dollars issued by any department, agency, or political subdivision of the U.S. government or issued by any corporation, company, or other issuer of any kind or description created or existing under the laws of the U.S., any state of the U.S., District of Columbia or Commonwealth of Puerto Rico, and obligations of Canada or any province or city of Canada, provided each obligation shall be rated investment grade by two nationally recognized rating services. The aggregate investment by the Fund in the obligations of any one issuer shall not exceed 2 percent of the assets of the Fund or 5 percent of the direct liabilities of the issuer.
- Interest-bearing obligations payable in U.S. funds at the time the investments are rated in one of the four highest rating grades by each rating service that has rated such obligations. The aggregate amount invested in the obligations of any single issuer may not exceed 1 percent of the assets of the Fund.
- Bonds issued or guaranteed by the State of Israel payable in U.S. dollars, not to exceed 5 percent of the assets of the Fund.
- Obligations issued or guaranteed by the International Bank for Reconstruction and Development, Inter-American Development Bank, Asian Development Bank, or the African Development Bank.

(f) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Fund has exposure through direct investments in international equities, international equity commingled funds, international real estate investments, international absolute return strategies, international private equity investments and international opportunistic funds. The Fund's asset allocation and investment policies allow for active and passive investments in international securities. The Fund permits the managers of direct investments in international equities to use forward currency contracts to manage their exposure to foreign currencies relative to the U.S. dollar. Where the Fund participates in commingled funds, limited partnerships, or other investment arrangements, the decision whether or not to use forward currency contracts to manage their foreign currency exposure is left up to the individual investment managers. To address the impact of changes in exchange rates, only forward foreign exchange contracts of one year or less are allowed when used to lessen portfolio volatility or hedge the portfolio's currency exposure.

Notes to Financial Statements

continued

Foreign investments included in the statement of plan net position as of March 31, 2013 are as follows (in thousands of U.S. dollars):

	Equity	Cash	Real Estate	Private Equity, Opportunistic and Absolute Return Strategy Funds	2013 Total
Angolan Kwanza	\$ —	\$ —	\$ —	\$ 2,301	\$ 2,301
Argentine Peso	—	—	526	95,604	96,130
Australian Dollar	512,290	2,746	121,848	104,003	740,887
Bahamian Dollar	—	—	950	5,393	6,343
Barbadian Dollar	—	—	90	—	90
Bermudian Dollar	—	—	1,807	407,905	409,712
Brazilian Real	180,745	342	63,610	73,768	318,465
British Pound Sterling	2,097,774	6,489	404,721	790,732	3,299,716
Bulgarian Lev	—	—	46	9,813	9,859
Canadian Dollar	187,781	289	22,904	293,702	504,676
Cayman Islands Dollar	—	—	—	1,955,249	1,955,249
Central African CFA Franc	—	—	51	79	130
Chilean Peso	9,981	—	—	(2,985)	6,996
Chinese Yuan	—	—	289,885	334,606	624,491
Columbian Peso	12,208	—	137	14,283	26,628
Congolese Franc	—	—	—	98	98
Costa Rican Colón	—	—	92	36	128
Croatian Kuna	—	—	31	139	170
Czech Koruna	2,064	—	14,919	12,540	29,523
Danish Krone	165,359	531	41,483	38,142	245,515
Egyptian Pound	2,817	33	1,690	179	4,719
Ethiopian Birr	—	—	300	—	300
Euro	2,865,793	75,249	1,019,776	2,366,113	6,326,931
Ghanaian Cedi	—	—	—	4,894	4,894
Hong Kong Dollar	634,155	507	30,781	73,273	738,716
Hungarian Forint	4,358	28	2,841	11,287	18,514
Icelandic Króna	—	—	19	85,585	85,604
Indian Rupee	96,439	682	40,436	181,400	318,957
Indonesian Rupiah	46,637	147	336	80,639	127,759
Israeli Shekel	5,972	13	1,931	135,130	143,046
Japanese Yen	2,078,956	3,673	202,587	345,228	2,630,444
Kazakhstani Tenge	—	—	—	10,117	10,117
Kenyan Shilling	—	—	264	—	264
Kuwaiti Dinar	—	—	130	—	130
Latvian Lats	—	—	445	10,220	10,665
Libyan Dinar	—	—	—	102	102

Notes to Financial Statements

continued

	Equity	Cash	Real Estate	Private Equity, Opportunistic and Absolute Return Strategy Funds	2013 Total
Macanese Pataca	\$ —	\$ —	\$ —	\$ 96	\$ 96
Malaysian Ringgit	39,304	7	226	13,660	53,197
Maldivian Rufiyaa	—	—	860	—	860
Mauritian Rupee	—	—	345	8,221	8,566
Mexican Peso	70,211	114	28,184	235,534	334,043
Mongolian Togrog	—	—	—	157	157
New Taiwan Dollar	203,307	976	143	11,081	215,507
New Zealand Dollar	243	14	185	3,092	3,534
Nigerian Naira	—	—	420	14,312	14,732
Norwegian Krone	71,118	8	6	63,652	134,784
Pakistani Rupee	—	—	—	437	437
Panamanian Balboa	—	—	38	48,003	48,041
Peruvian Nuevo Sol	—	1	15	26,508	26,524
Philippine Peso	34,003	9	20	17,855	51,887
Polish Zloty	53,743	35	38,564	454	92,796
Romanian Leu	—	—	5,245	946	6,191
Russian Ruble	—	—	19,640	189,323	208,963
Saudi Riyal	—	—	3,158	327	3,485
Singapore Dollar	214,926	2,509	11,173	7,301	235,909
South African Rand	94,727	184	491	78,400	173,802
South Korean Won	313,505	51	2,592	65,601	381,749
Sri Lankan Rupee	—	—	83	9,375	9,458
Swedish Krona	408,747	1,294	149,283	72,044	631,368
Swiss Franc	938,535	841	17,372	57,231	1,013,979
Thai Baht	93,479	23	2,670	19,926	116,098
Trinidad and Tobago Dollar	—	—	89	—	89
Turkish Lira	70,682	92	12,235	119,189	202,198
Ukrainian Hryvnia	—	—	5,260	4,785	10,045
United Arab Emirates Dirham	—	—	4,317	3,699	8,016
Uruguayan Peso	—	—	—	9,745	9,745
Venezuelan Bolivar	—	—	2,107	78,292	80,399
Vietnamese Dong	—	—	98	3,248	3,346
Zambian Kwacha	—	—	—	2,994	2,994
Other	—	—	286	85	371
Total subject to foreign currency risk	11,509,859	96,887	2,569,741	8,605,148	22,781,635
Commingled international equity in U.S. Dollars	12,360,117	—	—	—	12,360,117
Foreign investments in U.S. Dollars	2,230,614	—	1,221	3,822,634	6,054,469
Total foreign investments	\$ 26,100,590	\$ 96,887	\$ 2,570,962	\$ 12,427,782	\$ 41,196,221

6. Derivatives

A derivative is generally defined as an investment contract or security with a value that depends on, or is derived from, the value of an underlying asset, reference rate or financial index. The System has classified the following as derivatives:

Forward Currency Contracts

The System may enter into forward currency contracts to manage exposure to fluctuations in foreign currency exchange rates on portfolio holdings. The System also enters into forward exchange contracts to settle future obligations. A forward exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. A contract is classified as a forward contract when the settlement date is more than two days after the trade date. Risk associated with such contracts includes movement in the value of a foreign currency relative to the U.S. dollar. The contracts are valued at forward exchange rates and include net appreciation/depreciation in the statement of plan net position. Realized gain or loss on forward currency contracts is the difference between the original contract and the closing value of such contract and is included in the statement of changes in plan net position.

The table below summarizes the fair value of foreign currency contracts, asset (liability) as of March 31, 2013 (in thousands of U.S. dollars):

Currency	Forward Currency Contracts	Spot Currency Contracts	Totals
Australian Dollar	\$ 6,725	\$ –	\$ 6,725
Brazilian Real	195	(648)	(453)
British Pound Sterling	(20,476)	–	(20,476)
Canadian Dollar	12,665	–	12,665
Danish Krone	(1,748)	–	(1,748)
Euro	23,400	–	23,400
Hong Kong Dollar	(47,983)	–	(47,983)
Indian Rupee	(1,093)	–	(1,093)
Indonesian Rupiah	–	(56)	(56)
Japanese Yen	(133,666)	(839)	(134,505)
Malaysian Ringgitt	–	946	946
Mexican Peso	(734)	–	(734)
Swedish Krona	(536)	–	(536)
Swiss Franc	23,466	–	23,466
U.S. Dollar	132,852	593	133,445
Total	\$ (6,933)	\$ (4)	\$ (6,937)

7. Securities Lending Program

RSSL Section 177-d authorizes the Fund to enter into security loan agreements with broker/dealers and state or national banks. The Fund has designated its master custodian bank (the custodian) to manage a securities lending program. This program is subject to a written contract between the Fund and the custodian who acts as security lending agent for the Fund. The custodian is authorized to lend securities within the borrower limits and guidelines established by the Fund. Types of collateral received from borrowers for securities loaned are cash, government securities, and obligations of federal agencies. The custodian is authorized to invest the cash collateral in short-term investments that are legal for the Fund. These include domestic corporate and bank notes, U.S. Treasury obligations, obligations of federal agencies, repurchase agreements, and specific asset-backed securities. All rights of ownership to securities pledged as collateral remain with the borrower except in the event of default. As of March 31, 2013, there were no violations of legal or contractual provisions. The Fund has not experienced any losses resulting from the default of a borrower or lending agent during the year ended March 31, 2013, or in the history of the program.

The Fund lends fixed income, domestic equity, and international equity securities to approved broker/dealers. Collateral for securities loaned equals 102 percent of fair market value for domestic securities and 105 percent for international securities. Credit risk associated with the investment of cash collateral pledged by borrowers is mitigated by the maturity restrictions, percentage limitations, and rating requirements for individual asset classes included in the Fund's reinvestment guidelines. The custodian acknowledges responsibility to reimburse the Fund for losses that might arise from managing the program in a manner inconsistent with the contract. The Fund manages its market risk by recording investments at market value daily and maintaining the value of the collateral held by the Fund in excess of the value of the securities loaned. As of March 31, 2013, the fair value of securities on loan was \$14.87 billion. The associated collateral was \$15.21 billion, of which \$8.51 billion was cash collateral and \$6.70 billion was securities. The cash collateral has been reinvested in other instruments which had a fair value of \$8.37 billion as of March 31, 2013. The securities lending obligations were \$8.39 billion. The unrealized loss in invested cash collateral on March 31, 2013 was \$13.05 million, which is reported in the statement of changes in plan net position as part of "Net appreciation in fair value of investments."

All open security loans can be terminated on demand by either the Fund or borrower. To provide sufficient liquidity, the policy of the Fund is to maintain a minimum of 10 percent collateral in overnight investments. While the Securities Lending Investment Guidelines allow investments up to a maximum of three years for U.S. Treasury and federal agency obligations and one year for all other investments, the average term of open security loans at March 31, 2013 was 24 days. All loans were open loans. There were no direct matching loans.

On March 4, 2013, a securities lending collateral deficiency was realized in the amount of \$127.14 million and agreed to be repaid to the lending agent through future earnings commencing with revenues earned effective April 1, 2013 and continuing in the future until the deficiency has been reimbursed in full. The securities lending collateral deficiency is due to a loss in the reinvestment of cash collateral. Investment guidelines have been strengthened to mitigate future losses.

The collateral pool is valued at fair value obtained from independent pricing services.

8. Federal Income Tax Status

ERS and PFRS are qualified defined benefit retirement plans under Section 401(a) of the Internal Revenue Code and are exempt from federal income taxes. ERS and PFRS last received favorable determination letters from the Internal Revenue Service dated July 19, 2012 stating that ERS and PFRS are in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the System's financial statements.

9. Commitments

As of March 31, 2013, the System had contractual commitments totaling \$6.33 billion to fund future private equity investments and \$1.88 billion to fund future real estate investments.

10. Contingencies

The System is a defendant in litigation involving individual benefit payments, participant eligibility, and other issues arising from its normal activities. Management of the System believes there will be no material adverse effect on the basic financial statements as a result of the outcome of these matters.

Required Supplementary Information

Schedule of Funding Progress Year Ended March 31, 2013 (Unaudited)

The System uses the aggregate funding method, which does not identify or separately amortize unfunded actuarial liabilities. The aggregate funding method sets the actuarial accrued liability equal to the actuarial value of assets so there is no unfunded actuarial accrued liability. All of the cost comes from the present value of future normal costs; there is no amortization of the unfunded actuarial accrued liability. With the actuarial accrued liability set equal to the actuarial value of assets, there is an implied funding ratio of 100 percent unless disclosed using another method. Therefore, we have provided below a schedule of funding progress using the entry age normal funding method to approximate the funding status of the System. Every April 1st, an actuarial valuation is performed, which determines employer contributions for the year ending the next succeeding March 31st. For example, the fiscal year ending 2013 actuarial valuation performed on April 1, 2012 determined employer contributions for the fiscal year ending March 31, 2014.

1. The average employer contribution rates for ERS for fiscal years ending 2013 and 2014 were approximately 18.9 percent of projected payroll and 20.9 percent of projected payroll, respectively.
2. The average employer contribution rates for PFRS for fiscal years ending 2013 and 2014 were approximately 25.8 percent of projected payroll and 28.9 percent of projected payroll, respectively.
3. These average employer contribution rates exclude certain contributions such as the 17-year amortization and the 10-year amortization available for the bills for fiscal years ended 2006, 2007, and 2008.

(In Millions)

Actuarial Valuation Date	Actuarial Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
ERS						
April 1, 2007	\$ 121,116	\$ 114,525	\$ (6,591)	105.8%	\$ 22,018	(29.9)%
April 1, 2008	128,916	120,183	(8,733)	107.3	22,779	(38.3)
April 1, 2009	126,438	125,136	(1,302)	101.0	24,099	(5.4)
April 1, 2010	125,482	133,574	8,092	93.9	24,972	32.4
April 1, 2011	126,395	140,087	13,692	90.2	24,389	56.1
April 1, 2012	125,751	144,170	18,419	87.2	24,291	75.8
PFRS						
April 1, 2007	\$ 21,379	\$ 20,074	\$ (1,305)	106.5%	\$ 2,825	(46.2)%
April 1, 2008	22,767	21,072	(1,695)	108.0	2,926	(57.9)
April 1, 2009	22,423	21,597	(826)	103.8	2,970	(27.8)
April 1, 2010	22,230	22,998	768	96.7	3,113	24.7
April 1, 2011	22,205	24,169	1,964	91.9	3,146	62.4
April 1, 2012	22,058	25,096	3,038	87.9	3,191	95.2

See accompanying independent auditors' report.

Required Supplementary Information

continued

Schedule of Employer Contributions (Unaudited) (In Thousands)

Annual Required Contributions *Employees' Retirement System*

Year ended March 31	Annual Required Contributions			Percentage Contribution
	New York State	Local Employers	Total	
2008	\$ 892,480	\$ 1,242,474	\$ 2,134,954	100%
2009	802,655	1,160,758	1,963,413	100
2010	808,129	1,071,080	1,879,209	100
2011	1,659,288	1,963,350	3,622,638	100
2012	1,649,528	2,229,189	3,878,717	100
2013	1,798,608	2,725,787	4,524,395	100

Annual Required Contributions *Police and Fire Retirement System*

Year ended March 31	Annual Required Contributions			Percentage Contribution
	New York State	Local Employers	Total	
2008	\$ 115,294	\$ 398,200	\$ 513,494	100%
2009	86,575	406,235	492,810	100
2010	89,335	375,678	465,013	100
2011	99,668	442,265	541,933	100
2012	136,064	570,396	706,460	100
2013	151,536	660,114	811,650	100

The annual required contributions (ARC) include the employers' normal costs, the GLIP amounts, and other supplemental amounts amortized over the collection period. In addition, due to statutory contribution provisions, State contributions may vary from the ARC to allow for under/overpayment of amounts for a one-year period.

See accompanying independent auditors' report.

Additional Supplementary Information

Schedule of Administrative Expenses Years Ended March 31, 2013 and 2012

(In Thousands)

	2013	2012
Personal services:		
Salaries	\$ 52,717	\$ 51,695
Overtime salaries	2,523	2,884
Fringe benefits	<u>30,646</u>	<u>27,209</u>
Total personal services	85,886	81,788
Building occupancy expenses:		
Building, lease, and condominium fees	3,713	3,486
Utilities and municipal assessments	152	140
Office supplies and services	257	110
Telephone	<u>662</u>	<u>768</u>
Total building occupancy expenses	4,784	4,504
Computer expenses:		
IT hardware lease/purchases	628	1,043
IT supplies and maintenance/agency mainframe	7,797	7,174
IT consulting services	<u>28</u>	<u>316</u>
Total computer expenses	8,453	8,533
Personal and operating expenses:		
Training	114	76
Travel and auto expense — includes pre-retirement seminars	942	761
Postage — includes member and retiree communication	1,996	1,697
Printing — includes member and retiree communication	494	516
Subscriptions/memberships	<u>122</u>	<u>227</u>
Total personal and operating expenses	3,668	3,277
Professional expenses:		
Medical/clinical services	1,673	1,473
Consulting services	<u>1,256</u>	<u>1,074</u>
Total professional expenses	2,929	2,547
Total	\$ 105,720	\$ 100,649

See accompanying independent auditors' report.

Additional Supplementary Information

continued

Schedule of Investment Expenses Years Ended March 31, 2013 and 2012

(In Thousands)

	2013	2012
Investment expenses:		
Investment management and incentive fees:		
Absolute return strategy funds	\$ 163,248	\$ 110,670
Private equity	120,869	128,712
International equity	71,813	64,260
Real estate	62,351	69,747
Domestic equity	27,353	25,505
Opportunistic funds	8,423	6,063
Total investment management and incentive fees	454,057	404,957
Investment-related expenses:		
Mortgage loan servicing fees	2,914	2,822
EDP expenses/licenses	2,855	2,594
Private equity consulting and monitoring	2,120	2,645
Legal fees	1,915	4,353
Audit and audit-related fees	1,051	200
Absolute return strategy consulting and monitoring	1,011	1,865
Administrative expenses	935	1,390
Custodial fees	645	396
Real estate consulting and monitoring	591	661
Global equity consulting	575	330
General consulting	520	753
Fixed income consulting and monitoring	500	500
Domestic equity consulting and monitoring	63	62
Total investment-related expenses	15,695	18,571
Total investment expenses	\$ 469,752	\$ 423,528
<p>"Audit and audit-related fees" include expenses incurred for the System's fiduciary review. The report can be accessed on the Comptroller's website at www.osc.state.ny.us/pension/snapshot.htm.</p>		

See accompanying independent auditors' report.

Additional Supplementary Information

continued

Schedule of Consulting Fees Year Ended March 31, 2013

Fees in excess of \$25,000 paid to outside professionals other than investment advisors.

	Amount	Nature
Funston Advisory Services, LLC	\$ 878,000	Fiduciary Review Services
Day Pitney, LLP	507,353	Legal
First Choice Evaluations	371,440	Medical Services
Morgan, Lewis & Bockius, LLP	344,962	Legal
Department of Financial Services	322,484	Regulatory Oversight Services
Foster Pepper, PLLC	249,314	Legal
Garnet River, LLC	247,869	IT Services
IBM Corporation	232,530	IT Services
D & D Associates	218,385	Medical Services
Bernstein Litowitz Berger & Grossman, LLP	182,478	Legal
KPMG LLP	172,704	Auditor
Regional Orthopaedics, PLLC	131,175	Medical Services
K&L Gates	129,369	Legal
Herrick Feinstein, LLP	128,979	Legal
Hunton & Williams, LLP	96,247	Legal
John S. Mazella MD, PC	91,100	Medical Services
Groom Law Group	71,832	Tax Consultant
Jeffrey M. Meyer, MD	66,304	Medical Services
Avaya, Inc.	59,068	IT Services
Nixon Peabody, LLP	57,923	Legal
Louis Benton	53,950	Medical Services
DeNovo Legal	51,405	Legal
DALCO Reporting, Inc.	41,075	Court Reporting
Riverside Orthopaedic & Sports Medicine Associates	40,350	Medical Services
Steven Fayer, MD	40,100	Medical Services
CEM Benchmarking, Inc.	40,000	Industry Measurement Survey
Seward & Kissell	30,896	Legal
Simaren Corporation	29,238	Security Services
Sanford Lewis, Attorney	27,978	Legal

See accompanying independent auditors' report.

Independent Auditors' Report on Internal Control



KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Trustee
New York State and Local Retirement System:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the New York State and Local Retirement System (the System), which comprise the statement of plan net position as of March 31, 2013, and the related statement of changes in plan net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 15, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

July 15, 2013

Investment

Contents

Overview of Investments.....	65
Investment Results	74
Investment Summary	75
Asset Allocation — March 31, 2013	76
Global Equity Performance.....	77
Domestic Equity Portfolio — Ten Largest Holdings	80
Fixed Income Portfolio and Comparison	81
Fixed Income Performance	82
Fixed Income Portfolio — Ten Largest Holdings	83
Real Estate Portfolio	84
Alternative Investments Summary.....	85
Domestic Equity Management Fees.....	86
Domestic Equity Commissions	87
International Equity Management Fees	89
International Equity Commissions.....	90
Domestic Bond Transactions.....	93
Real Estate Management and Incentive Fees (Expensed).....	94
Real Estate Management and Incentive Fees (Capitalized)	95
Private Equity Management Fees (Expensed)	96
Private Equity Management Fees (Capitalized).....	97
Absolute Return Strategy Management and Incentive Fees.....	98
Opportunistic Funds Management and Incentive Fees	100
Consultant and Advisor Fees.....	101

Overview of Investments

Overall Objectives and Performance

The Division of Pension Investment and Cash Management is responsible for the management of the assets of the Common Retirement Fund (the Fund). The Fund's primary objectives are to provide the means to pay benefits to the System's participants and to minimize employer contributions through an investment program designed to protect and enhance the long-term value of the assets. The Fund's asset allocation policy was constructed to meet these objectives by achieving a maximum level of return consistent with policies on liquidity, diversification and investment risk. Investments in equities, although historically volatile, provide superior long-term performance and growth characteristics, while fixed income investments provide more predictable cash flow to meet the System's funding requirements and pension obligations.

The Fund posted a strong investment performance for the fiscal year ended March 31, 2013, with a net gain of 10.38 percent, reflecting the global growth momentum in the financial markets during that time. This was the fourth consecutive year of positive performance for the Fund following the fiscal crisis of 2008.

The Fund's positive performance reflects gains across all asset classes. The global equity portfolio returned 13.1 percent, the core fixed income portfolio returned 4.7 percent and Treasury Inflation-Protected Securities (TIPS) returned 7.7 percent. The real estate portfolio returned 11.1 percent, the private equity portfolio returned 11.8 percent and the absolute return strategies portfolio returned 8.0 percent.

The sound investment framework provided by the Fund's asset allocation and diversification policies enabled it to generate strong positive returns as the economy continued to recover. With its long-term investment approach, the Fund remains positioned to continue to provide sufficient cash flow to fund pension payments.

While the Fund benefitted from strong growth in the global economy last year, market volatility and concerns about the global economy continue to exist — including the pace of fiscal tightening across the global markets, the recovery of domestic jobs and housing, and credit conditions in Europe and the Emerging Markets.

The investment performance information provided in this section of the Comprehensive Annual Financial Report was calculated using a daily time-weighted rate of return.

Pension Risk Management

The Fund has a dedicated Pension Risk Management (PRM) program. Created in the 2011 reporting period, the PRM has the goals of enabling multidimensional risk analysis and risk mitigation, fostering greater transparency and utilizing critical risk intelligence to integrate risk awareness throughout the Division. During the last twelve months, PRM staff has implemented a suite of risk tools and risk exposure reports to assist in monitoring across the Fund. In addition, PRM staff coordinated periodic discussions with investment staff to help establish a risk mindset in daily fund investment practices, reviewed total plan and asset class risk reports, performed simulations of portfolio performance under various stress scenarios and supported staff with independent reviews of new manager commitments.

Global Equities

The global equity portfolio is designed to provide capital appreciation and to generate income. During the fiscal year ended March 31, 2013, staff continued to implement the recommendations of the Global Equity strategic plan that outlined the direction and goals for the Fund's public equity program. The public equity program reflects a more global approach to the overall equity allocation and emphasizes the use of passive investment vehicles in the more efficient segments of the equity markets. This allows the Fund to maintain broad market exposure but at a reduced cost.

U.S. Equities, the largest allocation in the Fund at 36 percent, produced the best returns for all asset classes for the fiscal year ending March 31, 2013, up 14.48 percent. This marked the fourth year in a row of positive returns as markets continued to recover from the global financial crisis. Investors managed to overcome uncertainties surrounding U.S. and European elections, the U.S. budget fiscal cliff and the subsequent sequester cuts, as well as mixed economic news. Investors focused less on macroeconomic events, which had led to increased volatility and high market correlations, and returned to valuing the condition of corporate balance sheets. Despite moderate earnings growth, stock valuations remain attractive versus historical averages, and an improving economy should continue to support equity prices. The annual return of mid-cap and small-cap equities were 17.15 percent and 17.08 percent, respectively.

The Fund's non-U.S. equity portfolio returned 9.47 percent for the fiscal year, beating the MSCI ACWI ex U.S. benchmark return of 8.8 percent. The Global Equity portfolio, primarily utilizing active managers with purely global mandates, and benchmarked to the MSCI ACWI Index, returned 13.88 percent. The Fund's investments in emerging markets returned 4.54 percent. Although performance moderated in the past fiscal year, staff continues to view opportunities in emerging markets as very attractive, due to low government debt and superior Gross Domestic Product growth relative to developed economies.

Fixed Income

The fixed income portfolio is designed to provide a reliable flow of income to help address the cash flow needs of the Fund and provide downside protection against the volatility of the Fund's strategic investments in equity and equity-like assets. The Fund accomplishes these goals by investing in both long-term and short-term assets. Currently the fixed income assets are managed internally with the assistance of a fixed income advisor.

During the fiscal year ended March 31, 2013, staff reviewed the long-term fixed income portfolio in anticipation of rising interest rates and positioned the portfolio in an effort to mitigate the interest rate risk while remaining within the legal framework of the portfolio. The Fund follows the Barclays Aggregate Index and looks to add value through sector weights and security selection, and to a lesser extent through duration management. The short-term fixed income portfolio provides liquidity to meet monthly pension fund liabilities as well as cash to fund investments in all the Fund's other asset classes.

Overview of Investments

continued

The long-term fixed income portfolio consists of U.S. Treasury Securities, government-sponsored agency debentures, corporate bonds, commercial mortgage-backed securities, mortgages, and asset-backed securities. The Fund also has a large allocation of Treasury inflation-protected securities (TIPS). The Fund's short-term fixed income portfolio may be invested in high quality commercial paper, U.S. Treasury bills, bank certificates of deposit, agency discount notes, and short duration corporate and asset-backed securities.

The Fund's core long-term fixed income portfolio (excluding TIPS) returned 4.65 percent for the year, comparing favorably to 3.77 percent for the Barclays Capital Aggregate Bond Index. Commercial mortgage-backed securities were the best-performing sector in the core portfolio, followed by corporate bonds. The Fund's TIPS portfolio, which assists in hedging U.S. inflation risk, returned 7.67 percent, compared to the Salomon Smith Barney TIPS Index of 5.71 percent. Short-term cash investments returned 0.32 percent for the fiscal year. The Fund has 22 approved broker-dealer firms to execute trades in the long-term and short-term fixed-income portfolios. Almost one-quarter of these trading partners are women- and minority-owned firms. Women- and minority-owned firms continue to play a central role in the Fund's long-term and short-term fixed income strategy, executing over 24 percent of all long-term trades and 22 percent of all short-term broker-initiated trades.

The Fund participates in a securities lending program by lending a portion of its fixed income and equity securities to qualified counterparties providing incremental income to the Fund. The securities lending program earned \$29 million in revenue for the fiscal year.

Real Estate

The real estate program's primary investment objective is to increase the overall performance of the Fund over multiyear periods, while reducing the volatility and lowering the risk of the overall portfolio. To accomplish this, staff expects to take advantage of its knowledge of the marketplace, and leverage its experience in partnering with operators, managers and advisors as it seeks opportunities and strategies that provide growth and scale to the Fund.

As of March 31, 2013, real estate represented 7.0 percent of the total Fund and produced a one-year total return of 11.1 percent. During the fiscal year, the real estate market fundamentals continued to stabilize for most major property types, with multifamily leading this momentum. This marked the third year of improved performance for the Fund's real estate portfolio.

The recovery of real estate market fundamentals has been driven by the availability of inexpensive debt capital, albeit at lower amounts than in the past. Lenders have also been willing to restructure debt as, generally speaking, property values across all the property types have risen. The Fund capitalized on this market momentum and structured investment transactions to enhance the performance of the portfolio in light of the improving market environment.

Overview of Investments

continued

As the broader economic recovery continues, the current real estate portfolio is strategically positioned to continue to increase in value given the strong fundamentals of the existing properties. A significant percentage of the real estate portfolio assets are located in primary markets that have demonstrated tenant demand for high, “institutional quality” assets. During the fiscal year, market activity has continued to be concentrated in prime assets in prime locations in gateway cities.

Real estate portfolio risk is mitigated by the diversification by property type, geography, investment strategy and the focus on selecting best-in-class joint venture partners, managers, consultants and advisors. In order to achieve long-term appreciation and sustainable investment returns, the real estate staff will continue to rely on its existing advisors and investment managers, who have demonstrated expertise in these markets.

As noted above, the real estate staff uses multiple investment strategies as another form of diversification. These strategies include: core strategies, value-added strategies, and opportunistic strategies. Core strategies include well-located, well-leased, and well-maintained properties whose primary purpose in the portfolio is to provide a reliable source of current income, along with value appreciation commensurate with the surrounding market. These assets are often in irreplaceable locations and are of “trophy” quality. “Value-added” investments include under-managed real estate that will be repositioned and re-leased as the economy recovers. Opportunistic investments include strategies such as development or substantial renovation.

Another dimension of the real estate strategy is a focus on “green” investments. Real estate assets are by their nature long-term investments, and the movement toward green investments is a sound investment policy. Many of our assets are Leadership in Energy and Environmental Design (LEED) certified. LEED is a set of objective standards by which owners and managers can measure the efficiency of assets. Staff understands that tenants prefer to lease assets in LEED-certified buildings, justifying the focus on this objective. Finally, the Fund recognizes the talent and expertise of small and minority managers in the real estate arena. Subject to meeting the Fund’s fiduciary duties to the System’s retirees and beneficiaries, investing with these up-and-coming managers is a focus for the real estate staff that is expected to be rewarded over the years by excellent performance.

Alternative Investments

Private Equity

The Fund’s private equity portfolio is designed to generate long-term returns that exceed those of public equities. As of March 31, 2013, the private equity program generated a one-year time-weighted return of 11.75 percent and a ten-year return of 14.91 percent.

The Fund seeks to participate in private equity investments primarily through private equity partnerships, which are pooled funds managed by specialized investment managers for the purposes of making structured investments in private companies. Private equity investments are generally held for long-term appreciation and are less liquid than publicly traded securities.

The Fund seeks to partner with the very best private equity investors, including emerging and diverse managers, across various investment strategies such as leveraged buyouts, growth equity, venture capital, distressed debt, turnarounds, restructurings, and other special situations. The Fund will also commit capital to private equity at a disciplined pace to ensure the diversification of the

Overview of Investments

continued

portfolio over time. In addition, the Fund seeks to commit capital across various geographies, including to international managers who have the expertise to source attractive investment opportunities in emerging global markets and industries that show high potential for economic growth and capital appreciation, which will further enhance the diversification of the portfolio.

Because private equity investments involve long-term contractual commitments to a manager, the Fund will seek to invest with private equity managers who have the ability to consistently deliver superior returns. The Fund can better achieve such superior returns through active portfolio management, which requires frequent and direct interaction with investment managers to monitor performance and ensure proper alignment of interests between manager and investor.

Absolute Return Strategies

The absolute return strategies portfolio invests with hedge fund managers on a global basis across various asset classes and securities. The portfolio seeks to establish long-term partnerships with investment managers who have the ability to consistently deliver top-quartile returns and who partner with the Fund to better align investor and fund manager interests.

The portfolio, as of March 31, 2013, consists of roughly 25 core investments across strategies including hedged equity, credit, global macro, managed futures, distressed debt and emerging markets. The Fund seeks diversification through a multimanager and multistrategy approach, typically investing in vehicles that generate uncorrelated returns and those which can lower the overall risk and volatility of the portfolio. Additionally, the absolute return strategies portfolio has committed \$200 million to The Rock Creek Group for an emerging manager hedge fund portfolio that focuses on newer firms with assets under management of less than \$500 million and on women-and minority-owned fund managers.

As of March 31, 2013, the absolute return strategy program generated a return of 8.0 percent for the fiscal year beating the HFRX Global Hedge Fund Index return of 2.7 percent.

Green Strategic Investment Program

The Fund established the Green Strategic Investment Program in the fiscal year ending March 31, 2009, committing to invest \$500 million in environmentally-focused investment strategies across all asset classes. Companies that have developed and adhere to sustainable business practices strengthen their competitive position in the market, which enhances the potential for increased returns for the Fund.

In public equity, the Fund continues to invest in two index funds focusing on sustainability and climate change. The HSBC Climate Change Index Fund and the FTSE Environmental Technology 50 invest in companies finding solutions to the challenges of climate change and energy scarcity. The Fund's investment in Generation, a leading provider of sustainable investment solutions, ended the fiscal year with \$613 million under management.

The Fund continues to invest in World Bank green bonds which support projects in the World Bank's member countries that meet specific criteria for low carbon development. Purchasing these bonds provided a rare opportunity for the Fund to support climate change solutions within its fixed income portfolio at competitive prices.

Affordable Housing Permanent Loan Program

In 1991, the Common Retirement Fund developed programs to support the rehabilitation and development of affordable housing in New York State. The Affordable Housing Permanent Loan Program generates a market rate of return and provides additional diversification to the Fund while adding the opportunity to support affordable housing. Under the program, Community Preservation Corporation (CPC) originates affordable housing mortgages across New York State that would otherwise not be considered due to their small size, credit quality or location, when compared to the mainstream portfolio. CPC provides the construction or rehabilitation financing, and when the property is constructed or renovated, CPC sells the permanent loans to the Fund. Mortgages are 100 percent insured by the State of New York Mortgage Agency (SONYMA). An exception to this would be a loan placed on a cooperative housing project (a “co-op”), in which case the loan would be 50 percent guaranteed by SONYMA.

Through this program with the CPC, the Fund has been able to provide moderate-income and low-income families across the State with the opportunity to rent affordable housing. By purchasing permanent mortgages, the Fund provides for the production of affordable new multifamily housing and the revitalization of deteriorated or obsolete housing units. Special housing for the State’s senior citizens is also part of the program.

In 2009, the Common Retirement Fund increased its program to purchase mortgages from the Community Preservation Corporation from \$500 million to \$700 million. Since the inception of this program in 1991, 15,593 units representing \$631.9 million have been completed and 1,777 are in the pipeline. In the 2012-13 fiscal year, the Fund invested in affordable housing throughout the State, including Dutchess, Erie, Nassau, Onondaga, Orange and Westchester counties. The Fund remains dedicated to analyzing additional investment opportunities in affordable housing, so long as the investment structures and potential returns fulfill the fiduciary mandate of the overall pension fund to its beneficiaries and retirees.

Helping NY/Equity Real Estate Investments

Beyond the CPC program discussed above, the Fund invests in commercial real estate properties located in New York State and elsewhere through a mix of investment structures such as joint ventures, commingled funds and club fund investments. These investments generate a market rate of return and in many cases benefit residents of New York State. The Fund owns shopping centers, office buildings, residential properties and hotels. Through these investment vehicles, the Fund has been able to acquire, develop, re-lease and reposition properties that are in need of upgrading with the goal of increasing property values. This portfolio of New York properties has been negatively impacted, as has the entire real estate portfolio, due to the global economic crisis. New York properties, particularly those that are in central business districts, however, have rebounded in value as investors seek to buy stabilized, in-fill assets in gateway cities such as New York City.

Examples of investments in the New York portfolio are as follows: the Fund invested in the development of a 361 unit rental apartment building that set aside 20 percent of the units for affordable rental housing pursuant to the New York City Department of Housing Preservation and Development’s 421-a program. Also, the Fund established an investment fund to make value-added investments in New York State through the Excelsior Real Estate Funds. This fund focuses on multifamily, office, senior

Overview of Investments

continued

housing, retail and other primary property types and is designed to invest in ground-up development, redevelopment and repositioning of commercial property throughout the State.

The Fund has also invested in the development of workforce-for-sale housing in the New York State and Tri-State regions. Together with the New York City pension funds, the Fund invests in a club fund with a mandate to invest across all real estate asset classes, including office, multifamily residential and retail within the five boroughs. The Fund is committed to continuing to evaluate investment opportunities in New York, provided the investments meet the diversification needs of the portfolio.

New York Business Development Corporation

The Fund seeks to diversify its investments and achieve a risk-adjusted rate of return through a commitment to the New York Business Development Corporation. NYBDC underwrites loans to small businesses in New York State, often with guarantees from the Small Business Administration, for working capital, equipment, the acquisition of real property, capital improvements and the refinancing of existing loans. NYBDC has successfully completed loans to a wide range of business enterprises including retailers, restaurants, small manufacturers and a variety of other service businesses across the State. By focusing exclusively on small business lending, NYBDC can frequently offer more favorable terms than other lenders. NYBDC has a goal of making at least 25 percent of its loans to women- or minority-owned businesses.

The Common Retirement Fund has been an investor in NYBDC since 1987 with commitments totaling \$400 million. In 2010, the Fund approved a fourth \$100 million commitment to support NYBDC's small business loan program. Since this program began in 1987, NYBDC has made 995 loans totaling \$323 million to businesses that employ over 19,500 New Yorkers. During the fiscal year ending March 31, 2013, NYBDC made 27 loans totaling \$12.0 million.

Financing for Businesses in New York State

In 2000, the Fund initiated the New York State Private Equity Investment Program. The In-State Program is designed to generate a market rate of return consistent with the risk of private equity while increasing the diversification of the Fund's investment portfolio and expanding the availability of capital for New York State businesses. By making sound strategic investments in new and expanding New York companies and making equity capital available to small businesses often overlooked by investment professionals in this asset class, the program is also proving to be an important contributor to the State's economy. The In-State Program provides a model for how the pension fund can identify profitable investment opportunities and generate market rate returns, while supporting business development and job growth in New York State.

As of March 31, 2013, the Fund's private equity portfolio included investments in over 200 New York businesses with a value of \$1.2 billion. This figure reflects only the Fund's share of these investments; the total value of New York companies held by the Fund's partnerships was more than \$26 billion as of September 30, 2012 (the most recent data available). Included in the fund's New York State portfolio are: Flat World Knowledge in Ossining, PACS Industries in Bethpage, AccuMed in Buffalo, Auburn Armature in Auburn, Movable Ink in New York City, 5Linx in Rochester, WhoSay in Albany, Advion BioSciences in Ithaca, and Climax Manufacturing in Lowville.

Overview of Investments

continued

In addition, as of March 31, 2013, the Fund had commitments totaling \$1.03 billion to eighteen different private equity managers. These commitments are devoted exclusively to New York State investment opportunities. The eighteen managers in the program are:

- *Ascend Ventures*, a technology venture fund located in New York City.
- *Ascent Biomedical Ventures NY*, a New York City-based venture capital fund focusing on life sciences.
- *CSFB New York Co-Investment Fund*, a fund that makes investments alongside other private equity funds investing in New York State.
- *Contour Venture Partners*, an early stage venture fund based in New York City.
- *DeltaPoint Capital*, a growth equity fund located in Rochester.
- *DFJ Gotham*, a New York City-based fund focused on early-stage venture capital investments.
- *Easton Hunt Capital Partners*, a New York City-based fund that pursues a broad strategy of investing in companies in a wide range of industries and stages of development.
- *EA Technology Ventures*, a venture capital fund focusing on information and energy technology located in Albany.
- *Founders Equity*, a New York City-based fund that makes growth equity investments.
- *Tribeca Venture Partners (fka Greenhill SAVP New York)*, a New York City-based early-stage applied technology venture firm focused on investing in business information and technology-enabled services companies.
- *High Peaks Ventures*, an Albany-based early stage venture capital fund.
- *Hudson River Co-Investment Fund*, a special situations fund managed by Hamilton Lane Advisors that makes investments alongside other private equity managers in New York.
- *Milestone Venture Partners*, a New York City-based fund that focuses on companies providing technology-enhanced businesses services.
- *Paladin Homeland Security Fund (NY)*, a Washington, D.C.-based fund that opened a New York office to invest in companies that address a broad range of government and commercial security needs.
- *SoftBank Capital NY*, a New York City and Buffalo-based fund that invests in digital media and technologies that leverage broadband.
- *Summer Street Capital Partners*, a growth equity investment fund located in Buffalo.
- *Trillium Lakefront Partners NY*, a Rochester-based fund that focuses on investing in technology companies in upstate New York.
- *Wheatley Partners*, a technology venture fund with a focus on information and medical technology located in New York City and Long Island.

Corporate Governance

During the fiscal year ended March 31, 2013, the corporate governance staff monitored the Common Retirement Fund's portfolio companies for compliance with best practices that helped assure that: (i) the Fund's investments were not subject to undue risks; and (ii) the companies functioned in a sustainable fashion that would enhance long-term shareholder value. Further, the Fund actively sought reforms that aimed to enhance corporate risk oversight and management, transparency and accountability. Staff also voted proxies for the Fund's shares in over 1,900 U.S. and international corporations. The following shareholder engagements were initiated during the 2012-13 fiscal year:

- **Board Accountability:** The Comptroller continued to file proposals requesting that boards adopt best practices that make them more accountable to shareholders. The Fund filed six proposals on issues including requiring annual election of directors and promoting independence and diversity in board selection. Four of the proposals were withdrawn with agreement.
- **Extractive Industries:** Four resolutions were filed with oil and mining companies asking those companies to commit to placing independent directors with environmental expertise on their boards, and the Fund continued to engage gas companies on the risks of hydraulic fracturing. Resolutions were also filed with companies in this sector focusing on climate change issues and environmental remediation.
- **Global Labor Standards/Workers' Rights:** The Fund participated in an international engagement on workers' rights coordinated by the United Nations' Principles for Responsible Investment (PRI) campaign. In addition, the Fund submitted resolutions to seven portfolio companies designed to promote improved labor and environmental standards in their overseas operations and those of their significant suppliers.
- **Political Spending Disclosure:** Resolutions were filed at 24 S&P 500 companies in the Fund portfolio asking for annual disclosure of political contributions made with corporate funds. Resolutions at seven companies were withdrawn when the companies agreed to make the requested disclosures. Qualcomm established a new policy on disclosure of political contributions in response to the Fund's Books and Records request.
- **Sexual Orientation:** The Comptroller filed shareholder resolutions with seven Fortune 500 and Fortune 1000 companies in the Fund portfolio asking them to implement non-discrimination policies based on sexual orientation and gender identity. Four of these companies responded to the initiative by agreeing to put anti-discrimination policies in place.
- **Climate Risk/Environmental Remediation:** The Comptroller filed shareholder resolutions at eight Fortune 500 portfolio companies asking them to take steps to limit environmental risks arising from their operations.

Investment Results

Based on Market Values as of March 31, 2013.

	Annualized Rate of Return			
	1 Year	3 Years	5 Years	10 Years
Total Fund	10.38%	10.25%	4.43%	8.67%
Global Equity	13.12	10.70	4.41	9.29
Private Equity	11.75	12.90	4.36	14.91
Equity Real Estate	11.08	18.31	(4.22)	10.62
Absolute Return Strategy	7.95	4.41	1.31	—
Treasury Inflation Indexed Securities	7.67	11.23	7.26	7.52
Core Fixed Income	4.65	7.10	6.76	6.25
Short-Term Investments	0.32	0.39	0.71	2.38
Benchmarks				
MSCI All Country World Index Free	10.55	7.78	2.06	9.36
Cambridge U.S. Private Equity Index	13.81	15.04	6.03	15.10
National Council of Real Estate Investment Fiduciaries (NCREIF)	10.54	12.63	2.13	8.44
HFRX Global Hedge Fund Index	2.74	0.45	(2.36)	1.68
Salomon Smith Barney Inflation Linked Index	5.71	8.81	5.98	—
Barclays Capital Aggregate Bond Index	3.77	5.52	5.47	5.02
<p>These figures are for investment management purposes and may not agree with audited statements.</p> <p>Investment return calculations were prepared using a time-weighted rate of return. Private Equity and Real Estate are reported on a three-month lag and Absolute Return Strategy on a one-month lag (adjusted by cash flows).</p>				

Investment Summary

The following table summarizes the market values for March 31, 2013 and 2012 (In Thousands):

Asset Type	Market Value March 31, 2013	Percentage of Total Market Value	Market Value March 31, 2012	Percentage of Total Market Value
Domestic Equity	\$ 56,948,897	35.5%	\$ 55,888,530	37.1%
International Equity	26,100,590	16.2	23,170,630	15.4
Private Equity	14,072,639	8.8	14,925,933	9.9
Absolute Return Strategies	6,124,694	3.8	5,165,712	3.4
Opportunistic Funds	385,081	0.2	527,440	0.3
Real Estate	11,195,421	7.0	9,339,491	6.2
Core Fixed Income	38,559,472	24.0	33,440,515	22.2
Mortgage Loans	812,707	0.5	802,941	0.5
Short-Term Investments	6,461,328	4.0	7,397,691	5.0
Total Investments	\$ 160,660,829	100.0%	\$ 150,658,883	100.0%

Asset Allocation — March 31, 2013*

The Fund diversifies its assets among various classes including domestic and international equity, fixed income, inflation-indexed securities, real estate, private equity, and absolute return strategies.

Asset liability studies, conducted periodically with help from an investment consultant, identify the optimal mix of assets to meet the growth requirements of the System's pension obligations while controlling risk as measured by return volatility. In the fiscal year ended March 31, 2010, the Fund completed an asset liability analysis and adopted a new Long-Term Policy Allocation, as reflected in the schedule below. As part of the new policy, the Fund added an opportunistic portfolio and a real asset portfolio. The opportunistic portfolio is meant to provide greater flexibility to take advantage of opportunities that may not fit under traditional asset categories. The real assets portfolio will invest in inflation hedging strategies such as commodities, infrastructure, natural resource energy and timberland. These real asset investments are also intended to provide a diversification benefit to the overall Fund. In addition, to limit some long-term volatility, the new Long-Term Policy Allocation reduces exposure to domestic and international equities.

As implementation of the new Long-Term Policy Allocation is expected to take several years, the Fund established an Interim Policy Allocation for the transition period.

The Fund has formal rebalancing guidelines which ensure a disciplined process for meeting asset allocation goals, as well as allocation ranges for individual asset classes which minimize unnecessary turnover.

Asset Type	Long-Term Policy Allocation	Allocation as of March 31, 2013	Current Interim Policy
Equity			
Domestic Equity	30.0%	36.0%	36.0%
International Equity	13.0	17.0	15.5
Alternatives			
Private Equity	10.0	8.6	9.0
Real Estate	6.0	6.8	6.0
Absolute Return	4.0	3.2	3.0
Opportunistic Portfolio	4.0	0.2	1.0
Real Asset	3.0	0.0	0.0
Bonds, Cash & Mortgages	22.0%	20.6%	21.0%
Inflation Indexed Bonds	8.0%	7.6%	8.5%

* A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2013 is available on our website at www.osc.state.ny.us.

Global Equity Performance

For the Fiscal Year Ending March 31, 2013.

	Total Assets (\$ In Millions)	Annualized Rate of Return				Inception Date	Since Inception Performance	Benchmark Performance*
		1 Year	3 Years	5 Years	10 Years			
Total Global Equity	\$ 84,881.4	13.12%	10.70%	4.41%	9.29%			
MSCI All Country World Index Free		10.55%	7.78%	2.06%	9.36%			
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Total Large Cap Composite	\$ 44,376.6	13.86%	12.66%	5.75%	8.44%	2/1/83	10.97%	10.95%
CRF S&P 500 Index Fund	42,223.3	13.85	12.63	5.86	8.56	8/1/78	11.44	11.41
FIS Group	815.5	11.36	11.60	5.51	–	11/1/03	6.51	6.88
Aronson+Johnson+Ortiz	957.5	17.68	14.85	6.93	–	12/1/04	6.47	5.49
Piedmont Investment Advisors	380.3	10.95	9.71	–	–	3/1/10	11.65	14.76
S&P 500 Index		13.96%	12.67%	5.81%	8.53%			
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Total Mid Cap Composite	\$ 6,234.7	17.15%	15.17%	9.20%	12.28%	7/1/91	11.91%	12.56%
CRF S&P 400 Midcap Fund	3,807.5	18.07	14.97	9.91	12.47	11/1/91	12.06	12.09
Progress Investment	1,376.5	15.15	14.79	7.93	12.52	9/1/94	11.63	10.87
New Amsterdam Partners	367.2	14.47	18.92	10.75	12.33	9/1/94	12.65	10.87
GlobeFlex Capital	343.2	19.47	17.19	9.49	–	9/1/03	11.78	10.02
Sasco Capital	340.3	15.75	15.56	8.37	–	7/1/05	9.20	7.41
S&P 400 Index		17.83%	15.12%	9.85%	12.45%			
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Total Small Cap Composite	\$ 6,153.0	17.08%	14.38%	9.52%	12.12%	7/1/91	10.30%	9.98%
CRF S&P 600 Index Fund	1,325.6	16.13	14.84	9.21	–	10/1/05	7.09	6.95
BGI R2000 Index Fund	2,835.9	16.60	13.64	8.44	11.59	11/1/01	8.82	8.96
Brown Capital	626.0	22.60	20.01	16.58	15.48	9/1/94	14.72	8.93
EARNEST Partners	615.2	16.68	13.44	7.81	12.42	6/1/01	9.66	8.33
Systematic Financial	480.5	16.54	13.99	8.84	10.76	9/1/02	9.61	9.82
Lombardia Capital Partners	269.8	16.15	14.29	–	–	5/1/08	10.74	6.73
Russell 2000 Index		16.30%	13.45%	8.24%	11.52%			
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Steinberg Asset Management	\$ 162.0	15.29%	14.10%	4.57%	–%	7/1/05	7.11%	5.27%
Russell 3000 Index		14.56%	12.97%	6.32%	9.15%			
<hr/>								
Total Long-Only Alpha Composite	\$ 708.1	17.39%	–%	–%	–%	9/1/11	22.00%	5.21%
Valueact Capital Partners II, LP	387.5	18.27	–	–	–	9/1/11	21.94	5.21
Triar Partners Strategic Fund I, LP	238.4	16.57	–	–	–	10/1/11	23.9	9.91
Triar Partners Strategic Fund II, LP	82.2					1/1/13	6.46	4.87
HFRI Equity Hedge Index		5.88%	3.74%	2.28%	6.52%			

* Benchmarks for all accounts will vary according to mandate.

Global Equity Performance

continued

For the Fiscal Year Ending March 31, 2013.

	Total Assets (\$ In Millions)	Annualized Rate of Return			Inception Date	Since Inception Performance	Benchmark Performance*
		1 Year	3 Years	5 Years			
Total Progress Composite	\$ 1,376.5	15.15%	14.79%	7.93%	9/01/94	11.63%	10.87%
Apex Capital Management	74.4	12.39	18.45	11.72	3/01/08	11.17	8.61
Bennett Lawrence	216.9	7.83	18.45	7.06	7/01/05	7.29	7.70
Cardinal Capital Management	235.0	19.69	15.82	9.49	9/01/03	11.05	10.19
Channing Capital	126.2	22.83	14.16	8.75	7/01/05	6.92	7.41
Credo Capital Management	51.2	(1.28)	9.44	3.40	3/01/08	3.18	7.47
Denali Advisors	149.0	22.01	13.77	9.15	3/01/08	8.81	8.17
Fan Asset Management	158.4	10.44	12.31	6.54	12/01/99	4.94	6.80
GW Capital	34.7	21.00	16.11	–	5/01/08	9.00	7.97
Holland Capital	167.0	15.76	15.39	8.31	7/01/05	7.81	7.77
Piedmont Investment	163.7	17.83	13.14	7.54	7/01/05	7.68	7.69
Russell MidCap Index		17.30%	14.62%	8.37%			
Total FIS Composite	\$ 815.5	11.36%	11.60%	5.51%	11/01/03	6.51%	6.88%
Apex Capital	48.6	6.89	13.55	7.05	11/01/03	6.25	6.58
BRC Investment	58.6	16.99	–	–	6/07/10	18.06	17.06
Credo Capital Management	12.4	(1.25)	9.45	–	11/10/08	16.00	20.78
Denali Advisors	62.9	13.76	8.79	3.88	11/01/03	7.55	7.02
Herndon Capital Growth	64.2	5.53	–	–	11/01/11	12.11	17.61
Herndon Capital Value	100.4	12.19	–	–	6/07/10	19.18	17.21
Mastrapasqua Asset Management	62.6	3.76	9.92	4.70	8/01/06	6.44	7.34
Oakbrook Investments	64.9	18.21	–	–	7/01/10	21.10	20.53
Oakbrook Growth	43.4	10.52	14.43	7.88	2/01/06	7.19	6.25
Profit Investments	42.3	12.31	11.60	7.29	11/01/03	7.74	6.88
Seizert Capital	104.9	17.07	–	–	6/07/10	17.06	17.21
Stux Capital Management	92.4	10.17	11.10	–	11/10/08	15.10	15.80
The Edgar Lomax Company	57.9	13.31	13.34	–	11/10/08	14.79	14.14
Russell 1000 Index		14.43%	12.93%	6.15%			

* Benchmarks for all accounts will vary according to mandate.

Global Equity Performance

continued

For the Fiscal Year Ending March 31, 2013.

	Total Assets (\$ In Millions)	Annualized Rate of Return				Inception Date	Since Inception Performance	Benchmark Performance*
		1 Year	3 Years	5 Years	10 Years			
Brandes Investment	\$ 1,008.7	11.23%	7.38%	(0.26)%	9.02%	11/01/99	6.15%	3.58%
Generation Investment	612.8	17.63	9.65	–	–	4/08/09	19.91	17.08
Templeton Investment	1,935.3	17.16	–	–	–	3/01/11	8.34	5.09
T. Rowe Price	625.2	7.09	–	–	–	3/01/11	4.14	5.09
First Pacific	215.2	–	–	–	–	11/01/12	7.61	17.58
FTSE Environmental Technology 50	83.1	6.42	(5.24)	–	–	11/01/09	(3.80)	(5.18)
HSBC Climate Change ex Nuclear	104.4	6.76	1.65	–	–	11/01/09	3.46	1.28
MSCI All Country World Index Free		10.55%	7.78%	2.06%	9.36%			
Acadian Asset Management	\$ 1,297.6	11.21%	7.26%	(1.15)%	–%	11/01/04	7.19%	6.59%
BGI Global World ex U.S.	8,045.4	8.63	4.71	(0.08)	–	11/01/04	6.87	6.59
The Boston Co.	428.9	8.01	1.59	1.05	–	4/01/05	4.57	5.47
MSCI All Country World Free ex U.S.		8.36%	4.41%	(0.39)%	10.93%			
Capital Guardian	\$ 1,597.3	13.07%	6.93%	0.37%	9.87%	9/01/89	7.54%	4.50%
Morgan Stanley International A/P	2,710.9	11.78	4.87	0.37	10.46	8/01/94	6.57	4.69
Mondrian Investment	1,223.1	6.97	4.68	(0.78)	10.55	1/01/98	6.95	4.65
Baillie Gifford	1,664.2	16.95	10.08	3.66	11.94	2/01/99	5.64	3.69
Baring International A/P	1,551.6	11.65	6.04	1.12	10.76	4/01/02	7.48	6.19
MSCI EAFE Index		11.25%	5.00%	(0.89)%	9.69%			
Cap Guardian Emerging Growth	\$ 1,140.3	0.14%	0.54%	0.03%	16.88%	12/01/91	10.62%	9.26%
Morgan Stanley Emerging Market	970.2	8.26	5.97	0.94	17.77	10/01/93	8.46	7.44
Genesis Investment Management	652.7	7.97	–	–	–	3/01/12	5.04	(1.33)
Quantitative Management Associates	1,033.3	5.10	–	–	–	2/01/12	7.51	3.81
MSCI Emerging Markets Index		1.96%	3.27%	1.09%	17.05%			
Cevian Capital II, LP	\$ 273.2	10.02%	–%	–%	–%	9/01/11	21.76%	5.21%
HFRI Equity Hedge Index		5.88%	3.74%	2.28%	6.52%			
* Benchmarks for all accounts will vary according to mandate.								

Domestic Equity Portfolio — Ten Largest Holdings

For the Fiscal Year Ending March 31, 2013.

Company	Shares	Market Value	% of Domestic Equity
Exxon Mobil Corp.	14,440,946	\$ 1,301,273,644	2.3%
Apple, Inc.	2,934,242	1,298,783,536	2.3
General Electric Company	32,177,986	743,955,036	1.3
Chevron Corp.	6,202,902	737,028,785	1.3
International Business Machines Corp.	3,219,653	686,751,985	1.2
Johnson & Johnson	8,422,497	686,686,180	1.2
Pfizer Inc.	23,630,257	681,969,217	1.2
Microsoft Corp.	23,715,504	678,500,569	1.2
Proctor & Gamble Company	8,521,915	656,698,770	1.2
Google Inc.	823,600	653,963,108	1.2

Fixed Income Portfolio and Comparison

As of March 31, 2013.

Sector	Market Value (Millions)	Market Value Percent	Modified Duration	Current Yield
Treasuries	\$ 5,368	20.3%	8.14	1.56%
Agencies	2,360	8.9	4.27	1.02
Mortgages	9,356	35.4	3.11	1.88
Corporates	8,897	33.7	5.81	2.20
ETFs	437	1.7	8.57	N/A
Totals	\$ 26,418	100.0%	5.23	1.88%
TIPS	\$ 12,141		9.99	1.40%

Fixed Income Performance

As of March 31, 2013.

	Annual Rate of Return		
	1 Year	3 Years	5 Years
Common Retirement Fund — Core	4.65%	7.10%	6.76%
Treasuries	5.10	9.20	7.03
Agencies	3.79	6.74	5.84
Mortgages	3.29	5.98	6.30
Corporates	5.79	6.58	6.82
Barclays Capital Aggregate Bond Index	3.77	5.52	5.47
Common Retirement Fund — TIPS	7.67	11.23	7.26
Salomon Smith Barney — TIPS Index	5.71	8.81	5.98

Fixed Income Portfolio — Ten Largest Holdings*

As of March 31, 2013.

Issue	Market Value (Millions)	Percent of Fixed Income
Treasury Inflation Indexed Securities Due 4/15/29	\$ 2,659.4	6.90%
Treasury Inflation Indexed Securities Due 1/15/25	2,064.8	5.35
Treasury Inflation Indexed Securities Due 4/15/28	1,694.4	4.39
Treasury Inflation Indexed Securities Due 1/15/17	1,304.2	3.38
Treasury Inflation Indexed Securities Due 4/15/32	1,146.1	2.97
Treasury Inflation Indexed Securities Due 1/15/29	749.1	1.94
Treasury Inflation Indexed Securities Due 7/15/13	713.3	1.85
Treasury Bond Due 2/15/21	438.7	1.14
Treasury Inflation Indexed Securities Due 1/15/26	407.6	1.06
Treasury Inflation Indexed Securities Due 1/15/16	387.9	1.01
Total	\$ 11,565.5	29.99%

* A detailed listing of the New York State and Local Retirement System's assets as of March 31, 2013 is on our website at www.osc.state.ny.us.

Real Estate Portfolio

As of March 31, 2013.

	Equity Amount*	Percent	Mortgage Amount	Percent
Property Diversification				
Industrial/R&D	\$ 898,759,577	8.0%	\$ —	0.0%
Land for Development	—	0.0	—	0.0
Lodging	1,157,152,956	10.3	—	0.0
Office	3,561,334,825	31.7	152,285,306	18.7
Other	1,853,691,629	16.5	569,851	0.1
Residential	1,336,904,871	11.9	411,406,686	50.6
Retail	2,426,650,859	21.6	248,445,695	30.6
Total	\$ 11,234,494,717	100.0%	\$ 812,707,538	100.0%
Regional Diversification				
Northeast	\$ 2,854,703,539	25.4%	\$ 811,927,549	99.9%
Mideast	944,075,186	8.4	—	0.0
Southeast	708,056,390	6.3	569,851	0.1
Southwest	748,516,755	6.7	—	0.0
Midwest	415,842,642	3.7	210,138	0.0
Mountain	325,930,719	2.9	—	0.0
Pacific	2,483,816,859	22.1	—	0.0
Other	2,753,552,627	24.5	—	0.0
Total	\$ 11,234,494,717	100.0%	\$ 812,707,538	100.0%
* Note: Based on NYSCRF full real estate portfolio market value. These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.				

Opportunistic Real Estate

# of Active Partnerships	Capital Committed (Millions)	Capital Contributed (Millions)	Current Market Value (Millions)	Cumulative Distributions (Millions)	Total Value / Exposure (Millions)
77	\$ 11,758.6	\$ 10,160.6	\$ 6,253.7	\$ 3,824.8	\$ 10,078.5
These figures may not agree with the audited statements because certain investments have been reclassified for investment management purposes.					

Alternative Investments Summary

As of March 31, 2013.

	Number of Partnerships	Capital Committed	Capital Contributed	Net Asset Value	Cumulative Distributions	Total Value
Buyout	144	\$ 21,434,037,305	\$ 17,230,344,324	\$ 10,352,614,385	\$ 15,866,536,135	\$ 26,219,150,520
Distressed/Turnaround	27	2,533,720,000	1,705,793,990	948,138,644	1,401,779,918	2,349,918,562
Growth	33	3,521,500,256	2,152,503,215	803,907,710	2,884,458,639	3,688,366,349
Other Opportunistic	6	473,051,891	460,963,443	77,691,683	549,517,763	627,209,446
Venture	42	3,573,298,060	3,291,039,566	1,815,157,629	1,683,043,468	3,498,201,097
Opportunistic Funds	4	680,000,000	531,523,324	385,081,306	256,459,987	641,541,293
Other	N/A	N/A	75,128,975	75,128,975	N/A	75,128,975
Total*	256	\$ 32,215,607,512	\$ 25,447,296,837	\$ 14,457,720,332	\$ 22,641,795,910	\$ 37,099,516,242
* The total figures include the Fund's private equity investments, Public-Private Investment Program (PPIP) Investments, and other investments through the New York Business Development Corporation (NYBDC).						

Domestic Equity Management Fees

For the Fiscal Year Ended March 31, 2013.

Apex Capital Management, Inc.	\$ 319,544
Aronson + Johnson + Ortiz, LP	1,144,892
Bennett Lawrence Management, LLC	978,713
BlackRock Institutional Trust Company, NA	661,683
BRC Investment Management, LLC	151,255
Brown Capital Management, Inc.	4,123,074
Cardinal Capital Management, LLC	709,636
Channing Capital Management, LLC	312,932
Credo Capital Management, LLC	191,274
Denali Advisors, LLC	526,359
Earnest Partners, LLC	2,051,143
Edgar Lomax Company	153,019
Fan Asset Management, LLC	557,599
FIS Group, Inc.	1,813,199
Globeflex Capital, LP	993,144
GW Capital, Inc.	152,691
Herndon Capital Management, LLC	395,609
Holland Capital Management, LP	450,829
Lombardia Capital Partners, LLC	1,093,269
Mastrapasqua Asset Management, Inc.	193,897
Moody Aldrich Partners, LLC	61,493
New Amsterdam Partners, LLC	803,913
OakBrook Investments, LLC	319,059
Piedmont Investment Advisors, LLC	1,402,228
Profit Investment Management, LLC	120,777
Progress Investment Management Company	2,653,682
SASCO Capital, Inc.	1,151,105
Seizert Capital Partners, LLC	284,365
Steinberg Asset Management, LLC	805,814
Stux Capital Management, LLC	228,060
Systematic Financial Management, LP	2,548,467
Total	\$ 27,352,724

Domestic Equity Commissions

For the Fiscal Year Ended March 31, 2013.

Broker	Shares	Commission \$ U.S.
Abel Noser Corp.	126,423	\$ 2,527
Access Securities, Inc.	21,920	548
Albert Fried & Company, LLC	532,660	19,743
Altrushare Securities, Inc.	430,154	8,603
American Portfolios Financial	42,691	1,708
Ancora Securities, Inc.	80,870	2,830
Assent LLC	49,200	2,460
Avian Securities LLC	4,100	82
Avondale Partners, LLC	106,430	4,257
Baird Robert W. & Company, Inc.	2,117,587	79,334
Barclays Capital, Inc.	23,938,107	465,756
Baypoint Trading, LLC	3,956,691	156,195
Blaylock & Company, Inc.	4,739,484	99,569
Bley Investment Group	6,341	190
Bloomberg Tradebook, LLC	12,545,859	238,251
BMO Capital Markets	177,300	5,319
BNY Brokerage	16,367,748	431,760
BOE Securities, Inc.	878,190	23,685
Brean Murray, Carret & Co., LLC	14,635	585
Broadcourt Capital	10,310	309
Brown Brothers Harriman & Company	80,790	2,424
Buckingham Research Group, Inc.	147,643	5,068
C L King & Associates, Inc.	6,516,894	130,865
Cabrera Capital Markets, Inc.	7,315,458	181,749
Cantor Fitzgerald & Company	6,515,749	193,062
CastleOak Securities, LP	5,274,400	105,488
Capital Institutional Services, Inc.	4,661,815	126,272
Cheevers & Company	1,555,440	25,360
Citation Group	884,816	26,544
Citigroup Global Markets, Inc.	4,414,401	116,627
CJS Securities, Inc.	23,800	866
Collins Stewart, LLC	428,425	14,995
Compass Point Research & Trading, LLC	90,320	4,391
Cowen & Company, LLC	426,602	14,593
Craig-Hallum Capital Group, LLC	902,900	28,031
Credit Research & Trading Capital Group, LLC	246,730	8,128

Broker	Shares	Commission \$ U.S.
Credit Suisse Securities, Ltd.	9,936,073	\$ 251,930
CSI U.S. Institutional Desk	35,982	720
Custom Equity Research, Inc. dba Summer Street Research Partners	7,180	215
Dahlman Rose & Company	56,725	2,006
Davenport & Company of Virginia	78,519	2,417
Deutsche Bank Alex Brown	312,970	12,635
Deutsche Bank Securities, Inc.	11,815,128	147,247
Direct Access Partners, LLC	5,607,258	225,387
Divine Capital Markets, LLC	82,444	3,298
Donaldson, Lufkin & Jenrette	167,600	6,704
Fidelity Capital Markets	554,900	11,098
First Clearing Corp.	79,270	2,952
Fox River Execution Technology, LLC	197,650	1,977
Friedman Billings & Ramsey	666,930	21,722
Gardner Rich & Company	660,581	19,817
Goldman Sachs & Company	11,914,697	239,602
Gordon, Haskett & Company	216,640	7,582
Great Pacific Securities, Inc.	5,214,183	104,284
Greentree Brokerage Services, Inc.	96,961	1,939
Griswold Company	3,084,600	61,692
Guggenheim Securities, LLC	23,244	697
Guzman & Company	13,514,428	259,161
Height Securities, LLC	18,761	563
Howard Weil, Inc.	112,628	4,095
HSBC Brokerage (USA), Inc.	1,485,900	29,718
ICAP Corporates, LLC	114,967	2,299
Instinet	26,456,603	431,278
Invermed Associates, Inc.	15,290	535
Investment Technology Group	55,254,063	886,810
ISI Group, Inc.	1,907,348	64,567
Island Trader Securities, Inc./Telsey Advisory Group	251,803	10,396
Ivy Securities	272,000	5,476
Jackson Partners & Associates, Inc.	632,110	19,633
Jackson Securities, Inc.	2,531,599	41,036
Janney Montgomery Scott, Inc.	122,399	5,433

Domestic Equity Commissions

continued

Broker	Shares	Commission \$ U.S.
Jefferies & Company, Inc.	12,421,100	\$ 274,003
JMP Securities	94,960	2,189
Johnson Rice & Company, LLC	168,801	6,185
Jones Trading Institutional Services, LLC	1,777,733	42,542
J.P. Morgan Securities, Inc.	8,275,542	243,050
Keefe Bruyette & Wood, Inc.	1,149,894	36,876
Knight Equity Markets, LP	11,694,238	175,314
Lazard Capital Markets, LLC	6,470	194
Leerink Swann & Company	92,075	3,353
Lek Securities Corp.	271,100	10,348
Liquidnet, Inc.	22,576,132	338,307
Longbow Securities, LLC	653,255	21,000
Loop Capital Markets, LLC	15,015,306	322,931
Lynch Jones & Ryan, Inc.	393,261	8,020
M Ramsey King Securities, Inc.	1,119,744	30,596
Macquarie Securities (USA), Inc	133,050	3,992
Maxim Group	127,000	3,810
McDonald & Company Securities, Inc.	740,045	24,221
Merrill Lynch Pierce Fenner & Smith, Inc.	15,249,739	363,108
Midwood Securities, Inc.	456,282	13,688
Mischler Financial Group, Inc.	1,009,962	32,872
MKM Partners, LLC	2,700	81
Magavero Lee & Company, Inc.	384,155	13,911
Morgan Keegan & Company, Inc.	1,189,803	46,416
Morgan Stanley & Company, Inc.	9,343,692	238,838
MR Beal & Company	7,171,864	157,295
Muriel Siebert & Company, Inc.	3,871,305	77,886
National Financial Services Corp.	1,213,300	12,133
Native One Institutional Trading, LLC	1,846,600	18,466
Needham & Company	1,488,267	48,813
Nomura Securities International, Inc.	680,800	8,510
North South Capital, LLC	60,743	2,048
Northpoint Trading Partners, LLC	122,300	1,529
O'Neil, William & Company, Inc.	18,045	541
Oppenheimer & Company, Inc.	975,216	36,849
Percival Financial Partners, Ltd.	342,717	12,444

Broker	Shares	Commission \$ U.S.
Pickering Energy Partners, Inc.	65,040	\$ 2,276
Piper Jaffray	2,106,709	55,268
Pulse Trading, LLC	5,933,759	60,526
Raymond James & Associates, Inc.	556,529	19,227
RBC Capital Markets	2,085,678	70,085
Rochdale Securities Corp.	947,850	29,140
Rosenblatt Securities, LLC	2,637,340	36,309
Samuel A Ramirez & Company, Inc.	5,503,162	110,520
Sandler O'Neill & Partners, LP	249,750	7,520
Sanford C. Bernstein & Company, LLC	9,263,636	217,801
Scotia Capital, Inc.	66,327	2,449
Scott & Stringfellow, Inc.	758,374	25,725
SG Americas Securities, LLC	17,067,394	173,224
Sidoti & Company, LLC	549,160	21,582
Simmons & Company International	32,322	1,069
State Street Global Markets, LLC	5,272,608	112,565
Stephens, Inc.	431,963	20,391
Sterne Agee & Leach, Inc.	1,120,745	25,316
Stifel Nicolaus & Company, Inc.	5,245,023	170,139
Strategas Securities, LLC	383,007	12,263
Sturdivant and Company, Inc.	5,333,686	107,975
SunTrust Capital Markets, Inc.	688,954	25,246
ThinkEquity Partners, LLC	141,985	5,328
Topeka Capital Markets, Inc.	2,157,240	22,274
UBS Securities, LLC	2,832,411	90,837
USCA Securities, LLC	28,560	1,000
Vandham Securities Corp.	133,190	5,328
Wedbush Morgan Securities, Inc.	297,768	11,062
Weeden & Company	5,295,965	121,746
Wells Fargo Securities, LLC	3,100,594	76,313
Western International Securities, Inc.	111,120	2,778
William Blair & Company	483,166	18,981
Williams Capital Group, LP	11,279,188	244,806
Wolfe Trahan Securities	137,700	5,508
Wunderlich Securities, Inc.	6,260	219
Total	473,573,676	\$ 9,960,250

International Equity Management Fees

For the Fiscal Year Ended March 31, 2013.

Acadian Asset Management, LLC	\$ 4,120,476
Baillie Gifford Overseas, Ltd.	4,208,596
Baring Asset Management	3,791,961
BlackRock Institutional Trust Company, NA	3,278,368
Boston Company, LLC	2,016,090
Brandes Investment Partners, LP	3,464,928
Capital Guardian Emerging Markets	6,869,066
Capital Guardian Trust Company	4,810,057
First Pacific Advisors, LLC	610,103
Generation Investment Management, LLP	7,935,551
Genesis Investment Management, LLP	3,655,085
Mondrian Investment Partners, Inc.	3,501,070
Morgan Stanley Emerging Markets Fund, Inc.	7,556,800
Morgan Stanley Investment Management, Inc.	6,328,734
Quantitative Management Associates, LLC	2,712,863
T. Rowe Price Associates, Inc.	3,230,297
Templeton Investment Counsel, LLC	3,723,060
Total	\$ 71,813,105

International Equity Commissions

For the Fiscal Year Ended March 31, 2013.

Broker	Shares	Commission \$ U.S.
ABG Securities	1,412,755	\$ 40,128
ABN AMRO, Inc.	1,717	122
Academy Securities Inc.	52,200	1,044
Allen & Company, Inc.	10,300	387
Allen & Company, LLC	43,800	1,585
Antique Stock Broking, Ltd.	6,806	150
Avondale Partners, LLC	25,300	1,012
B-Trade Services, LLC	175,100	1,313
Baird Robert W. & Company, Inc.	232,130	9,670
Banco Bradesco S.A.	119,300	2,201
Banco Itau	524,500	12,782
Banco Pactual S.A.	163,000	4,719
Banco Santander	18,059	3,520
Bank Am Bellevue	5,242	107
Bank Berenberg	3,149	621
Bank Vontobel AG	33,113	2,259
Bank of America	15,221	657
Bank of New York/Mellon	2,105,451	6,618
Barclays Bank	97,809,152	600,911
Baypoint Trading, LLC	510,980	4,875
Beacon Capital	137,600	6,379
Berenberg Bank	887,227	16,613
Blaylock & Partners	31,500	1,260
Bloomberg Tradebook, LLC	17,269,862	123,258
BMO Capital Markets	218,100	7,549
BNP Paribas Securities Corp.	28,172,587	79,984
BOE Securities, Inc.	2,900	116
Brean Murray, Foster Securities, Inc.	113,200	5,529
Brean Murray, Carret & Co., LLC	50,200	2,008
Brockhouse & Cooper, Inc.	7,435,929	52,817
Brown Brothers Harriman	713,410	913
BTIG, LLC	1,578,880	24,227
Buckingham Research Group, Inc.	22,000	880
CL King & Associates, Inc.	15,800	500
Cabrera Capital Markets, Inc.	11,889,300	27,159

Broker	Shares	Commission \$ U.S.
Canaccord Adams, Inc.	336,197	\$ 7,133
Canadian Imperial Bank	73,400	2,271
Cantor Fitzgerald & Company	356,586	2,644
Carnegie Fondkommission	242,855	5,303
Cheuvreux	430,651	19,594
China International Corp.	131,500	833
CIBC World Markets Corp.	454,540	16,828
CIMB Securities	1,453,010	1,856
Citigroup Global Markets, Inc.	111,047,703	451,026
Collins Stewart, Inc.	14,290	56
Credit Agricole Indosuez Cheuvreux	2,833,720	56,577
Credit Lyonnais Securities, Inc.	23,697,323	139,985
Credit Suisse Securities (USA)	50,000	244
Credit Suisse Securities, Ltd.	70,630,131	707,760
Daewoo Securities	55,829	1,347
Dahlman Rose & Company	9,200	368
Daiwa Securities America, Inc.	63,568,671	48,853
Danske Securities	68,997	7,330
Davy Stockbrokers	12,826	315
Deutsche Bank Securities, Inc.	164,417,067	647,845
Dougherty & Company LLC	18,600	744
Dowling & Partners	10,000	400
Drexel Hamilton LLC	247,100	2,422
Dundee Securities Corp.	12,400	251
Enskilda	616,502	19,336
Exane, Inc.	13,937	65
Exane, Paris	1,209,277	27,177
Execution, Ltd.	7,294,555	19,363
Findentiis Equities	18,541	737
First Analysis Securities	5,100	153
First Southwest Company	16,000	320
Fox River Execution Technology, LLC	1,558,708	14,447
Fraser Mackenzie	360,764	12,498
Friedman Billings & Ramsey	4,500	180
Gardner Rich & Company	45,000	338

International Equity Commissions

continued

Broker	Shares	Commission \$ U.S.
Goldman Sachs International, Ltd.	203,075,246	\$ 585,927
Goodbody Stockbrokers	245,303	6,919
Guggenheim Securities, LLC	76,500	3,060
Guzman & Company	265,929	1,027
Handelsbanken	83,246	3,657
Helvea S.A.	30,096	2,133
Hibernia Southcoast Capital, Inc.	15,500	620
Hong Kong Shanghai Bank	22,097,879	75,908
Howard Weil, Inc.	186,300	8,732
HSBC Bank plc London	685,383	5,024
HSBC Brokerage (USA), Inc.	139,520,002	229,823
HSBC Securities (Asia), Inc.	543,000	2,872
HSBC Securities (USA), Inc.	417,600	1,071
HSBC Securities, Inc.	46,081,635	130,447
India Infoline, Ltd.	382,932	4,288
ING Barings, LLC	16,399	1,043
Instinet	21,425,625	73,182
Investec Henderson Crosthwaite	1,155,374	18,149
Investment Technology Group	12,201,643	39,745
ISI Group, Inc.	741,430	21,684
Ixis Corporate & Investment Bank	33,892	1,846
J & E Davy	1,051,791	8,441
Jackson Securities, Inc.	19,600	392
Janney Montgomery Scott, Inc.	111,900	4,080
Jefferies & Company, Inc.	6,175,935	79,977
Johnson Rice & Company, LLC	44,303	1,521
Jones & Associates, Inc.	1,276,000	7,661
JonesTrading	2,300	46
J.P. Morgan Securities (Asia Pacific), Ltd.	3,159,000	1,081
J.P. Morgan Securities (Far East), Ltd.	33,750	825
J.P. Morgan Securities Australia, Ltd.	47,650	334
J.P. Morgan Securities, Inc.	39,252,016	375,549
J.P. Morgan Securities, Ltd.	798,022	5,139
Jyske Bank	392,706	16,665
Keefe Bruyette & Wood, Inc.	303,047	11,890
Kempen & Company	112,041	5,092

Broker	Shares	Commission \$ U.S.
Kepler Equities	274,527	\$ 15,828
KeyBanc Capital Markets, Inc.	33,200	1,328
King Securities	3,600	72
Knight Equity Markets, LP	522,812	8,039
Kotak Securities	41,764	2,797
Lazard Capital Markets, LLC	239,900	9,917
Leerink Swann & Company	52,300	2,092
Liberum Capital, Ltd.	279,429	6,208
Liquidnet, Inc.	3,533,659	37,873
Loop Capital Markets, LLC	4,272,372	23,439
M. M. Warburg & Company	40,719	1,384
M. Ramsey King Securities, Inc.	47,400	1,422
Macquarie Equities, Ltd.	29,001,805	182,937
Mainfirst Bank AG	202,664	17,840
Mediobanca S.p.A.	280,724	2,552
Merrill Lynch Pierce Fenner & Smith, Inc.	198,185,174	607,361
Mitsubishi Finance International	133,800	3,257
Mizuho Securities	2,060,400	32,586
Morgan Stanley & Company, Inc.	159,704,592	620,413
Motilal Oswal Securities, Ltd.	15,932	638
National Bank Financial	500	20
NCB Stockbroker	13,325	162
Needham & Company	33,300	1,332
Nikko Citigroup, Ltd.	1,600	406
Nmas1 Equities	184,291	2,911
Noble Financial Capital	8,200	328
Nomura Securities International	29,043,362	137,276
Numis Securities, Ltd.	554,049	2,037
Oddo Securities	10,123	541
Pacific Crest Securities	233,300	8,647
Penserra Securities, Inc.	9,600	192
Pershing, LLC	981,322	12,557
Peters & Company, Ltd.	15,900	559
Piper Jaffray	645,414	23,777
Portales Partners, LLC	109,247	4,370
Princeton Securities	21,030	421

International Equity Commissions

continued

Broker	Shares	Commission \$ U.S.
Pulse Trading, LLC	117,250	\$ 1,173
Rabo Securities	44,844	1,183
Raymond James & Associates, Inc.	683,370	28,233
RBC Capital Markets	4,570,692	75,547
Redburn Partners, LLP	20,337,709	27,603
Royal Bank of Canada Dominion Securities	1,786,507	10,171
RS Platou	11,700	468
Samsung Securities	25,674	1,544
Samuel A. Ramirez & Company, Inc.	2,900	58
Sanford C. Bernstein & Company, LLC	73,535,547	276,339
Santander Investment Securities, Inc.	304,604	5,582
Scotia Capital, Inc.	690,790	24,953
SEB Copenhagen	2,264,983	28,747
SG Americas Securities, LLC	407,586	11,065
SG Cowen Securities Corp.	36,700	1,468
Sidoti & Company, LLC	1,000	40
Simmons & Company International	232,300	11,110
Societe Generale Securities Corp.	22,856,363	121,850
Sprott Securities, Ltd.	16,600	673
Standard Chartered Bank	914,145	5,111
State Street Global Markets, LLC	302,298	2,904
Sterne Agee & Leach, Inc.	321,021	14,005
Stifel Nicolaus & Company, Inc.	1,093,822	37,228
Suntrust Capital Markets, Inc.	9,100	364
Susquehanna Partners	350,700	10,720
Svenska International Equities	562,310	16,828
TD Securities, Inc.	917,910	11,041
Themis Trading, LLC	52,315	1,046
Topeka Capital Markets, Inc.	600	12
Toronto Dominion Bank	286,000	9,983
Troika	99,057	2,794
UBS Securities, LLC	178,902,897	535,676
VTB Capital plc/Euroclear	232,148	4,863
Weeden & Company	1,544,885	39,646
Wells Fargo & Company	449,924	11,240
Wells Fargo Investments, LLC	46,300	463

Broker	Shares	Commission \$ U.S.
William Blair & Company	647,624	\$ 28,680
Williams Capital Group, LP	53,300	1,066
Wood & Company	1,174	266
Woori Investment & Securities Company, Ltd.	29,370	699
Wunderlich Securities, Inc.	24,800	992
Total	1,870,742,380	\$ 8,133,275

Domestic Bond Transactions

For the Fiscal Year Ended March 31, 2013.

Summarized by Broker or Direct Issuer

Long-Term Broker	Par \$ U.S.
Bank America Merrill Lynch	\$ 842,129,586
Barclays Capital, Inc.	591,666,001
CastleOak Securities, LP	178,000,000
Citigroup Global Markets, Inc.	557,794,056
Deutsche Bank Securities, Inc.	163,000,000
Development Corp. for Israel	5,000,000
Goldman Sachs & Company	538,449,597
Great Pacific Securities, Inc.	1,057,756,645
HSBC Securities, Inc.	12,750,000
J.P. Morgan Securities, Inc.	749,131,373
Morgan Stanley & Company, Inc.	1,339,383,664
Muriel Siebert & Company, Inc.	439,471,083
RBC Capital Markets	440,163,000
Wells Fargo & Company	811,202,045
Williams Capital Group, LP	202,999,998
Total	\$ 7,928,897,048.00

Short-Term Broker	Par \$ U.S.
Bank America Merrill Lynch	\$ 13,719,544,000
Barclays Capital, Inc.	597,145,000
CastleOak Securities, LP	88,186,000
Citigroup Global Markets, Inc.	2,650,235,000
Credit Suisse Securities, Ltd.	2,695,716,000
Deutsche Bank Securities, Inc.	17,426,701,000
General Electric Capital Corp.	5,475,718,000
Goldman Sachs & Company	3,161,670,000
Great Pacific Securities, Inc.	10,674,860,000
HSBC Securities, Inc.	7,410,000
J.P. Morgan Securities, Inc.	5,752,217,000
Morgan Stanley & Company, Inc.	1,016,379,000
Muriel Siebert & Company, Inc.	363,474,000
Toronto Dominion Bank	2,898,860,000
Toyota Motor Credit Corp.	1,850,910,000
Wells Fargo & Company	580,787,174
Williams Capital Group, LP	8,147,956,000
Total	\$ 77,107,768,174

Real Estate Management and Incentive Fees (Expensed)

For the Fiscal Year Ended March 31, 2013.

	Management Fees	Incentive Fees	Total
AREA Property Partners	\$ 1,566,998	\$	\$ 1,566,998
Artemis Real Estate Partners, LLC	2,743,151		2,743,151
Blackstone Real Estate Advisors	13,571,305		13,571,305
Canyon-Johnson Realty Advisors, LLC	183,575		183,575
Carlyle Group	4,062,395		4,062,395
Cherokee Advisors, LLC	442,674		442,674
CIF-H GP, LLC (Cayuga Lake Fund, LP)	2,679,211		2,679,211
CIF-V GP, LLC (Seneca Lake Fund, LP)	887,513		887,513
CIM Group, LP	2,402,035		2,402,035
Clarion Partners	2,670,123		2,670,123
Colony Capital Asia, Ltd.	543,940		543,940
Cypress Grove International Management, LLC	655,909		655,909
Franklin Templeton Institutional, LLC (Lake Montauk)	347,239		347,239
Genesis Workforce Housing Fund II, LLC	267,992		267,992
Heitman Capital Management, LLC	7,007,757		7,007,757
J.P. Morgan Investment Management, Inc.	4,240,980	159,813	4,400,793
Lake Hempstead Fund, LP	243,929		243,929
Lake Success Fund, LP	332,678		332,678
LaSalle Investment Management, Inc.	788,100		788,100
Morgan Stanley Group	2,201,906		2,201,906
Redwood Grove International Management, LLC	429,211		429,211
Rockpoint Real Estate Funds	3,560,609		3,560,609
Stockbridge Real Estate Funds	7,184,066		7,184,066
Westbrook Realty Management	3,177,454		3,177,454
Total	\$ 62,190,751	\$ 159,813	\$ 62,350,564

Real Estate Management and Incentive Fees (Capitalized)

For the Fiscal Year Ended March 31, 2013.

	Management Fees	Incentive Fees	Total
ACA Advisors (Aetos)	\$ 530,812	\$	\$ 530,812
AREA Property Partners	2,089,057		2,089,057
BCP Strategic Partners (Beacon)	5,409,587		5,409,587
CBRE Global Investors Luxembourg S.à.r.l.	903,756		903,756
City Investment Fund Associates, LLC	1,153,329		1,153,329
Colony Advisors, LLC	4,456,074		4,456,074
Cypress Grove International Management, LLC (CGI Co-Investment Fund)	49,762		49,762
Genesis Workforce Housing Fund II, LLC	105,166		105,166
Heitman Capital Management, LLC	1,749,718		1,749,718
J.P. Morgan Investment Management, Inc.	18,771		18,771
Kimex	127,469		127,469
Landmark Partners	6,637		6,637
Lazard Freres Real Estate Investors, LLC (LF Strategic)	71,817		71,817
LSP (Lone Star)	1,025,899		1,025,899
Metropolitan Workforce Housing Fund, LLC	551,173		551,173
Noble Investment Management, LLC	1,057,520		1,057,520
Praedium	1,809,561		1,809,561
Redwood Grove International Management B, LLC (RGI Co-Investment Fund)	181,990		181,990
RREEF America, LLC	187,421		187,421
Stockbridge Real Estate Funds	591,370		591,370
Warburg Pincus, LLC	460,862		460,862
Total	\$ 22,537,751	\$ 0	\$ 22,537,751

Private Equity Management Fees (Expensed)

For the Fiscal Year Ended March 31, 2013.

57 Stars, LLC	\$ 500,000
Access Capital Advisors, LLC	1,127,518
ACON Investments, LLC	2,097,497
Aisling Capital, LLC	770,665
Apax Partners U.S.	95,815
Apollo Management, LP	5,528,576
Ares Management, LLC	1,995,756
Ascent Biomedical Ventures	918,999
Asia Alternatives Management, LLC	971,999
Banc of America Capital Investors, LP	1,441,017
Blackstone Group, LP	4,513,455
Blum Capital Partners, LP	260,241
Brait Capital Partners, Ltd.	383,337
Brazos Private Equity Partners, LLP	37,648
Carlyle Group	5,047,729
CCMP Capital Advisors, LLC	152,174
Centerbridge Partners, LP	1,613,407
Charterhouse Capital Partners	1,182,534
Clearlake Capital Group, LP	127,190
Contour Venture Partners	200,000
Credit Suisse	1,082,880
CVC Capital Partners	4,557,675
DeltaPoint Capital Management, LLC	584,918
Draper Fisher Jurvetson	607,134
EQT Partners	1,090,323
Ethos Private Equity	296,784
Fairview Capital Partners, Inc.	1,541,007
Falcon Investment Advisors, LLC	566,399
Farol Asset Management, LP	383,831
FountainVest Partners (Asia), Ltd.	1,110,616
Freeman, Spogli & Company	1,044,144
GenNx360 Capital Partners	1,665,651
Gilde, LP	431,605
Goldman, Sachs & Company	126,266
Hamilton Lane Advisors, LLC	4,739,165
HarbourVest Partners, LLC	1,950,000
Hellman & Friedman Investors, Inc.	4,344,016
High Peaks Venture Partners	770,481
Hony Capital	1,965,577
Hudson Capital GP, LLC	1,251,506
InterMedia Advisors, LLC	944,733

Irving Place Capital Advisors	\$ 1,315,116
JMI Equity	452,823
J.P. Morgan Partners, LLC	4,458,374
Kelso & Company	3,743,123
KKR & Company, LP	2,674,356
KSL Capital Partners, LLC	1,830,744
Leonard Green & Partners, LP	1,513,941
Levine Leichtman Capital Partners, Inc.	480,653
Lindsay Goldberg & Company, LLC	4,453,164
Lion Capital, LLP	960,340
Madison Dearborn Partners, Inc.	371,025
Markstone Capital Group	995,058
Milestone Managers, LLC	357,781
Muller & Monroe Asset Management, LLC	1,051,438
New Mountain Capital, LLC	1,168,976
Paladin Capital Group	249,990
Palladium Equity Partners	1,570,211
Patria Investimentos	1,493,836
Performance Equity Management, LLC	1,341,114
Providence Equity Partners, LLC	2,605,708
Quadrangle Group	1,074,375
SAIF Partners	1,880,000
Searchlight Capital Partners	2,656,070
Snow Phipps Group, LLC	1,768,464
SoftBank Capital	642,231
StepStone Group, LLC	188,753
Strategic Co-Investment Partners Management, LLC	615,222
Summer Street Capital Partners, LLC	1,000,718
TA Associates, LP	701,462
TFSI Management	710,263
Thomas H. Lee Partners, LP	1,434,127
TLP Management, LLC	322,575
TPG Capital	6,144,098
Tribeca Venture Partners	200,097
Vestar Capital Partners, Inc.	41,533
Vista Equity Partners	4,068,428
Warburg Pincus, LLC	2,352,980
Wheatley NY Partners, LLC	270,012
Yucaipa Companies, LLC	1,689,978
Total	\$ 120,869,425

Private Equity Management Fees (Capitalized)

For the Fiscal Year Ended March 31, 2013.

Aisling Capital, LLC	\$ 34,096
Apax Partners U.S.	175,576
Ascend Ventures Management, LLC	17,980
Avenue Capital Group	1,836,004
Behrman Brothers Management Corp.	149,968
Blackstone Group, LP	387,136
Blum Capital Partners, LP	44,131
Bridgepoint Capital, Ltd.	2,271,166
Cerberus Capital Management, LP	348,324
Cinven Capital Management, Ltd.	122,019
Clearwater Capital Partners	1,976,401
Clessidra Capital Partners	731,191
Cypress Associates, LLC	158,340
Easton Capital Investment Group	173,249
First Albany Companies, Inc.	368,795
Founders NY	34,869
HarbourVest Partners, LLC	4,398,547
HM Capital Partners I, LP	685,912
Horsley Bridge Partners, Inc.	282,036
Institutional Venture Partners	1,070,755
Invesco Private Capital	458,664
Lexington Partners	218,537
Madison Dearborn Partners, Inc.	78,723
Oaktree Capital Management, LP	4,816,166
Rosemount Capital Management, LLC	1,569,788
SAIF Partners	883,389
StepStone Group, LLC	201,241
TA Associates	1,941,871
Venture Capital Fund of America	865,360
Warburg Pincus, LLC	4,072,192
Total	\$ 30,372,426

Absolute Return Strategy Management and Incentive Fees

For the Fiscal Year Ended March 31, 2013.

	Management Fees	Incentive Fees	Total
Angelo, Gordon & Company, LP	\$ 1,596,540	\$ 3,020,600	\$ 4,617,140
Apollo Value Advisors, LP	0	49,346	49,346
Apollo Value Management, LP	30,419	0	30,419
BlueCrest Capital Management, LLP	6,084,968	884,298	6,969,266
Brevan Howard Offshore Management, Ltd.	4,814,977	2,693,493	7,508,470
Brigade Capital GP, LLC	0	2,954,763	2,954,763
Brigade Capital Management, LLC	2,697,616	0	2,697,616
Brookside Capital, LLC	1,519,869	(248,416)	1,271,453
Canyon Capital Advisors LLC	4,328	0	4,328
Cevian Capital (Malta), Ltd.	1,983,840	0	1,983,840
Cevian Capital, Ltd.	1,983,840	0	1,983,840
COMAC Capital, LLP	3,618,679	0	3,618,679
Contrarian Capital Management, LLC	2,582	21,210	23,792
D.E. Shaw & Company, LP	10,097,110	22,312,506	32,409,616
Diamondback Capital Management, LLC	1,443,932	0	1,443,932
Discovery Capital Management, LLC	2,634,796	7,552,362	10,187,158
Drawbridge Special Opportunities Advisors, LLC	776,453	0	776,453
Drawbridge Special Opportunities GP, LLC	0	1,536,718	1,536,718
Elm Ridge Capital Management, LLC	2,032,321	0	2,032,321
Galton Capital Group, LLC	0	167,091	167,091
GLG Partners, LP	130	0	130
GoldenTree Asset Management, LP	75,367	0	75,367
Gramercy Advisors, LLC	650,910	0	650,910
Guggenheim Advisors, LLC	1,317	0	1,317
HealthCor Capital, LP	0	(781,810)	(781,810)
HealthCor Management, LP	2,064,720	0	2,064,720
Highfields Associates, LLC	0	6,748,284	6,748,284
Highfields Capital Management, LP	2,996,019	0	2,996,019
Highland Capital Management, LP	453	0	453
King Street Capital Management, LP	2,781,129	5,382,891	8,164,020
Lansdowne Partners, Ltd. Partnership	2,365,518	740,975	3,106,493
Marathon Asset Management, LP	500,324	0	500,324
Marathon Credit Opportunity Fund GP, LLC	0	79,096	79,096
Mariner Investment Group, LLC	2,234,974	3,039,391	5,274,365

Absolute Return Strategy Management and Incentive Fees

continued

	Management Fees	Incentive Fees	Total
Marshall Wace (GPI), Ltd.	259,241	0	259,241
Meditor Group, Ltd.	3,617,343	411,703	4,029,046
Mezzacappa Investors II, LLC	121,904	0	121,904
Normandy, Ltd.	22,435	0	22,435
OZ Advisors, LP	0	1,947,250	1,947,250
OZ Management II, LP	4,966,341	0	4,966,341
Paulson & Company, Inc.	511,725	0	511,725
Pennant Capital Management, LLC	2,341,378	0	2,341,378
Pennant General Partner, LLC	0	3,937,913	3,937,913
Perella Weinberg Partners Xerion Capital, LP	1,664,564	0	1,664,564
Pharo Global Advisors, Ltd.	2,068,581	1,733,387	3,801,968
Pine River Domestic Management, LP	375,000	771,780	1,146,780
Plainfield Asset Management, LLC	7,045	0	7,045
Schultze Asset Management, LLC	90,816	0	90,816
Schultze Management Group, LLC	0	1,889	1,889
SR Financial, LLC	401,920	0	401,920
The Rock Creek Group L.P.	1,527,612	0	1,527,612
Trian Fund Management, LP	3,119,830	0	3,119,830
Trian Partners Strategic Investment Fund GP, LP	0	7,261,419	7,261,419
Trian Partners Strategic Investment Fund II GP, LP	0	954,710	954,710
ValueAct Capital Management, LP	3,199,984	0	3,199,984
Viking Global Investors, LP	4,489,698	0	4,489,698
Viking Global Performance, LLC	0	5,253,594	5,253,594
York European Opportunities Offshore Holdings, LLC	1,043,301	0	1,043,301
Total	\$ 84,821,849	\$ 78,426,443	\$ 163,248,292

Opportunistic Funds Management and Incentive Fees

For the Fiscal Year Ended March 31, 2013.

	Management Fees	Incentive Fees	Total
Finisterre Capital, LLP	\$ 2,455,247	\$ 4,612,209	\$ 7,067,456
Invesco Institutional (N.A.), Inc.	514,677	0	514,677
Oaktree/Arctic Slope PPIP Private Fund GP, LP	117,746	0	117,746
York Distressed Mortgage Holdings, LLC	722,775	0	722,775
Total	\$ 3,810,445	\$ 4,612,209	\$ 8,422,654

Consultant and Advisor Fees

For the Fiscal Year Ended March 31, 2013.

A. Gary Shilling & Company, Inc.	\$ 30,000
Albourne America, LLC	400,000
Bank of New York Mellon	610,578
FX Transparency, LLC	25,000
Hewitt EnnisKnupp, Inc.	550,000
J.P. Morgan Asset Management, Inc.	155,393
LP Capital Advisors, LLC	1,824,407
Pension Consulting Alliance, Inc.	140,000
RV Kuhns & Associates, Inc.	490,000
Smith Graham & Company Investment Advisors, LP	500,000
Stockbridge Risk Management, Inc.	16,434
Townsend Group	574,693
Wilshire Associates, Inc.	63,630
Total	\$ 5,380,135

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Actuarial

Contents

Statement of the Actuary	105
Actuarial Funding and Valuation	107
Elements of the Actuarial Valuation.....	109
Actuarial Valuation Balance Sheets.....	113
Local Government Employers' Final Contribution Rates for Select Plans.....	115
Contribution Rate Trend for Local Governments.....	117
Employer Contributions.....	120
Historical Trends.....	122
Changes in Contributions.....	123
Solvency Test.....	124
Schedule of Active Member Data.....	125
Schedule of Retired Members and Beneficiaries	126

Statement of the Actuary

September 30, 2013

As the Actuary for the Employees' Retirement System (ERS) and the Police and Fire Retirement System (PFRS), it is my duty to ensure that the New York State and Local Retirement System (the System) properly funds the retirement benefits of members, retirees and beneficiaries in order to ensure that adequate assets are being accumulated to pay benefits as they become due. The System has a funding objective of employer contributions that, over time, are a level percent of payroll.

We annually perform actuarial valuations which determine the annual contributions required of employers. The most recent valuation was performed on April 1, 2012 and will determine the employer contribution rates for 2014. A valuation relies on data for current active and retired members and beneficiaries as of a given date called the valuation date. Some of the required data to perform a valuation for active members includes date of birth, salary and credited service. For retired members and beneficiaries, dates of birth, monthly benefits and benefit option are some of the required data elements. In preparation for the valuation we extensively validate the System's data by running reasonableness tests and account for every individual on a year-to-year basis. Also, we review the information contained in the financial statements.

For active members, the valuation projects expected benefits at retirement, death and withdrawal based on estimated pay and service, as well as the member's plan benefit formula. For retirees, the valuation determines the present value of payments expected to be made for the retiree's and beneficiary's lifetimes.

Since benefit security is the System's primary objective, all obligations, rates of interest and other factors must be determined on the basis of reasonable actuarial assumptions and methods. The types of assumptions that must be made include both demographic (rates of employee mortality, disability, turnover and retirement) and economic (interest rates, inflation and salary growth). Therefore, in their calculations, actuaries must make assumptions about these uncertainties.

The Actuary performs annual experience studies, ascertaining how closely the System's experience is conforming to the assumptions used. If significant differences occur that the Actuary believes may indicate permanent shifts, the Actuary may recommend assumption changes to reduce the expected differences.

The System retains an external auditor to independently review its financial records every year. Furthermore, an Actuarial Advisory Committee meets annually to review the actuarial assumptions and the results of the actuarial valuation. The System also engages the services of an outside actuarial consultant to perform a review every five years; similarly, every five years, the System is audited by the New York State Department of Financial Services. Lastly, the Comptroller of the State of New York, in his role as sole trustee of the System, established an Office of Internal Audit to help fulfill his fiduciary objectives.

The April 1, 2011 valuation for determining 2013 employer contribution rates was performed under my direction and supervision, using the assumptions adopted by the Comptroller as of April 1, 2010.

Our assumptions and methods meet the Governmental Accounting Standards Board 25 standards and a summary is included later in this section. I am responsible for all of the valuation results and other actuarial calculations contained in this report. I prepared the Schedule of Funding Progress but, while I prepared the employer contribution rates that determined the 2013 employer billing, I did not prepare the Schedule of Employer Contributions.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial practices which are consistent with the principles prescribed by the Actuarial Standards Board as well as the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.



Michael Dutcher, E.A., A.S.A., M.A.A.A

Actuary

New York State and Local Employees' Retirement System

New York State and Local Police and Fire Retirement System

Actuarial Funding and Valuation

Actuarial Funding

An actuarial funding method is a procedure for allocating the costs of a retirement system to particular time periods. It does not determine how much a system will ultimately cost; rather, it determines that portion of the estimated total cost that is to be allocated to a particular year.

For 70 years, the actuarial funding method used by the System was the aggregate method (AGG). Then, Chapter 210 of the Laws of 1990 changed the funding method to a modified projected unit credit (PUC) method beginning in the fiscal year ending March 31, 1991 (referred to as fiscal year 1991). This law was challenged and the challenge was upheld by the Supreme Court. On appeal, both the appellate division and the Court of Appeals unanimously agreed with the Supreme Court. These decisions allowed the Comptroller to return to the aggregate funding method, beginning with the 1995 fiscal year. To ease the transition in the Employees' Retirement System (ERS), and to help prevent budget crises among participating employers, the Comptroller devised a plan to phase-in non-GLIP (New York State Public Employees' Group Life Insurance Plan) rates beginning in the 1995 fiscal year when the rates were zero. The rates increased by 1.5 percent per year until 1999, when the transition would cease. However, due to excellent investment gains and favorable experience, almost all ERS employer bills were below the transition rates in 1997, and in 1998, all were below the transition rates, so the transition ceased in 1998.

Actuarial Valuation

At the beginning of the fiscal year, the Actuary, by law, determines the System's actuarial assets and liabilities. The actuarial valuation is important since it determines each year's employer contributions. Chapter 49 of the Laws of 2003 mandates that the actuarial valuation undertaken on the first day of a fiscal year be used to determine contribution rates for the next succeeding fiscal year.

Each valuation gives a long-term picture of the System currently, and over the coming years. In this, it differs markedly from the March 31 point-in-time snapshot of the System provided by the Financial Statements. The two measurements serve different purposes and use different techniques.

Two examples help make this clear:

- The actuarial assets for valuation purposes include the current value of all the future contributions employers and employees will make on behalf of current members. The Financial Statement balance sheet asset figure includes only contributions paid or incurred through this fiscal year.
- The actuarial assets smooth out the ups and downs of common stock performance by using a multi-year smoothing procedure. Techniques like this are widely practiced and professionally recommended to protect employers from volatile contribution rates. The Financial Statements, on the other hand, simply present market values of assets on the last day of the fiscal year.

Aggregate Actuarial Funding Method

Actuarial liabilities are the current values (called the actuarial present values) of the benefits the Retirement System expects to pay to current members, retirees and beneficiaries. The actuarial present value of benefits is calculated by projecting the amount of future retirement, death and disability benefits (based on past and future service) to be paid and then discounting for interest earnings, employee turnover and other contingencies.

The actuarial present value of the contributions that employers must make to the System to fund the projected benefit payment is equal to the actuarial liabilities, minus the actuarial value of present assets.

Under the aggregate funding method, the difference between the actuarial liabilities described above and the actuarial value of present assets is funded as a level percentage of salary over the future working lifetimes of current members.

Elements of the Actuarial Valuation

Actuarial Assumptions

The actuarial assumptions for employer contribution rates for the fiscal year ending 2013 were adopted effective April 1, 2010. These assumptions and their predecessors are shown below. All assumptions presume ongoing Systems:

Fiscal Year Ended 3/31	Salary Scale*	Interest Rate		Multiple-Decrement Tables based on Systems' Experience	
		ERS	PFRS		
1987 – 88	Inflation Productivity & Merit 5.00% <u>2.30%</u> 7.30%			8.00%	4/1/81–3/31/86 experience
1989 – 92	Inflation Productivity & Merit 5.00% <u>2.00%</u> 7.00%			8.75%	4/1/81–3/31/86 experience
1993 – 96	Inflation Productivity & Merit 5.00% <u>2.00%</u> 7.00%			8.75%	4/1/86–3/31/91 experience
		ERS	PFRS		
1997 – 98	Inflation Productivity & Merit 4.75% <u>1.25%</u> 6.00%	4.75%	<u>1.75%</u> 6.50%	8.50%	4/1/90–3/31/95 experience
1999 – 2000	Inflation Productivity & Merit 3.50% <u>2.50%</u> 6.00%	3.50%	<u>3.00%</u> 6.50%	8.50%	4/1/90–3/31/95 experience
2001	Inflation Productivity & Merit 3.00% <u>2.50%</u> 5.50%	3.00%	<u>3.00%</u> 6.00%	8.00%	4/1/90–3/31/95 experience
2002 – 04	Inflation Productivity & Merit 3.00% <u>2.90%</u> 5.90%	3.00%	<u>3.90%</u> 6.90%	8.00%	4/1/95–3/31/00 experience
2005	Inflation Productivity & Merit 3.00% <u>2.40%</u> 5.40%	3.00%	<u>3.90%</u> 6.90%	8.00%	4/1/95–3/31/00 experience
2006	Inflation Productivity & Merit 3.00% <u>2.40%</u> 5.40%	3.00%	<u>3.90%</u> 6.90%	8.00%	4/1/95–3/31/00 experience with subsequent adjustments
2007 – 11	Inflation Productivity & Merit 3.00% <u>2.40%</u> 5.40%	3.00%	<u>3.70%</u> 6.70%	8.00%	4/1/00–3/31/05 experience with subsequent adjustments
2012 – 13	Inflation Productivity & Merit 2.70% <u>2.20%</u> 4.90%	2.70%	<u>3.30%</u> 6.00%	7.50%	4/1/05–3/31/10 experience
* This is an approximate value. Salary scales vary by age and plan and are based on each System's experience.					

Elements of the Actuarial Valuation

continued

Selected Actuarial Assumptions used in the April 1, 2011 Valuation

These illustrations are used to determine the number of people we anticipate will be dying, retiring, becoming disabled, withdrawing, etc. Demographic assumptions below show counts per 10,000 members. Assumptions are computed by the Actuary and adopted by the Comptroller. They are based on recent member experience.

Service Retirement — ERS

Age	Service (in years)		
	<20	20 – 29.99	≥ 30
Tier 1			
55	1,566	2,977	5,586
60	982	1,600	1,930
65	2,050	2,553	2,321
Tier 2–4			
55	592	821	4,185
60	489	781	1,994
65	1,576	2,579	2,775
Tier 5			
55	477	662	821
60	393	630	781
65	1,576	2,579	2,775

Service Retirement — PFRS

Service	20-year (All Tiers)	20-year with add'l 60ths (All Tiers)
20	2,165	847
25	1,188	541
30	945	1,681

Service Retirees — Mortality

Age	Male Clerk	Female Clerk	PFRS
55	61	32	38
60	59	55	49
70	136	123	126
80	352	301	445

Disability Retirees — Mortality

Age	Male	Female	PFRS
30	10	10	6
40	16	15	7
60	212	233	63
80	761	532	510

Elements of the Actuarial Valuation

continued

Disability Retirement — Ordinary and Accidental

Age	ERS Ord	ERS Acc	PFRS Ord*	PFRS Acc
35	7	0	13	18
40	15	1	25	38
45	23	1	31	47
50	38	1	47	43

* includes performance of duty.

Ordinary Death

Age	ERS	PFRS
35	7	4
40	9	4
45	11	6
50	16	9

Withdrawal — ERS (Ten-year ultimate rates)

Age	ERS
35	222
40	183
45	162
50	125

Withdrawal — PFRS

Service	PFRS
5	121
10	55
15	43

Salary Scale — Annual Percentage Increase

Service	ERS	PFRS
5	5.92	7.41
10	4.86	4.85
15	4.40	4.41
20	4.06	4.42
25	3.81	4.22

Elements of the Actuarial Valuation

continued

Actuarial Value of Assets

Most of the assets of the ERS, PFRS, and Group Life Insurance Plan (GLIP) are pooled in the Common Retirement Fund for investment purposes. The actuarial asset values for bonds and mortgages are amortized values. Short-term investments are valued at market value. Normally, all other investments (stocks, commingled funds, real estate, business investments, etc.) use a five-year moving average of market values method assuming a 7 percent rate of expected appreciation. For fiscal year 2013, the April 1, 2011 valuation reflects a full five-year smoothing method.

The GLIP values investments at market value. In the April 1, 2011 valuation of the System and Insurance Plan for fiscal year 2013, the difference between market and actuarial value of smoothed investments, was:

	Investments (In Millions)
Market Value	\$ 147,237
Actuarial Value	145,918
Difference	\$ (1,319)

Administrative Expenses

The cost of administering the System is borne by the State and local employers on a current disbursement basis.

Group Life Insurance Plan (GLIP)

GLIP provides for up to \$50,000 of member and certain post-retirement death benefits to be paid as life insurance. All benefits provided are on a one-year term insurance basis. Participating employers are billed each year based on the aggregate of anticipated claims for the plan year. Premiums are set so that the reserve will, at its lowest amount during any year, be approximately equal to payables. Payables is an estimate of the amount of claims currently being processed, plus claims incurred but not yet reported.

Deficiency Costs

An employer may also have a deficiency contribution. When a new employer joins a System, any past service liability is paid for by separate annual payments over a period of up to 25 years. These payments are not affected by the funding method.

Rate and Contribution Comparability

For comparability, unless stated otherwise, rates and contributions assume a payment date of February 1 before the fiscal year end. Presenting the State rates and contributions as of this payment date provides for comparability of State and local government rates and costs.

Actuarial Valuation Balance Sheets

Used to determine employer contributions for the fiscal year ending March 31; in millions of dollars, as calculated April 1, 2010 and April 1, 2011.

	2012	2013
	(In Millions)	
ERS		
Actuarial Assets		
Actuarial Value of Present Assets:		
Held for Current Retirees & Beneficiaries	\$ 62,692	\$ 67,412
Held for Members	54,811	50,769
Members' Contributions	7,979	8,214
Total	\$ 125,482	\$ 126,395
Actuarial Present Value of Prospective Contributions:		
From Employers	\$ 31,572	\$ 36,909
From Members	1,105	1,221
Total	\$ 32,677	\$ 38,130
Total Actuarial Assets	\$ 158,159	\$ 164,525
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Retirees & Beneficiaries:		
Service Retirement Benefits	\$ 59,149	\$ 63,751
Disability Retirement Benefits	3,429	3,548
Death Benefits	114	113
Total	\$ 62,692	\$ 67,412
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$ 91,873	\$ 93,301
Disability Retirement Benefits	1,794	1,810
Death Benefits	1,190	1,185
Other	610	816
Total	\$ 95,467	\$ 97,112
Total Actuarial Liabilities	\$ 158,159	\$ 164,524

Actuarial Valuation Balance Sheets

continued

	2012	2013
	(In Millions)	
PFRS		
Actuarial Assets		
Actuarial Value of Present Assets:		
Held for Current Retirees & Beneficiaries	\$ 12,891	\$ 13,383
Held for Members	9,312	8,793
Members' Contributions	27	29
Total	\$ 22,230	\$ 22,205
Actuarial Present Value of Prospective Contributions:		
From Employers	\$ 6,360	\$ 7,541
From Members	16	32
Total	\$ 6,376	\$ 7,573
Total Actuarial Assets	\$ 28,606	\$ 29,778
Actuarial Liabilities		
Actuarial Present Value of Benefits for Current Retirees & Beneficiaries:		
Service Retirement Benefits	\$ 10,323	\$ 10,735
Disability Retirement Benefits	2,443	2,513
Death Benefits	125	134
Total	\$ 12,891	\$ 13,382
Actuarial Present Value of Benefits for Members:		
Service Retirement Benefits	\$ 13,809	\$ 14,441
Disability Retirement Benefits	1,520	1,595
Death Benefits	279	285
Other	107	74
Total	\$ 15,715	\$ 16,395
Total Actuarial Liabilities	\$ 28,606	\$ 29,777

New York Public Employees' Group Life Insurance Plan

	2012	2013
	(In Millions)	
Actuarial Assets		
Assets		
Investments	\$ 131	\$ 137
Premiums Receivable	—	—
Total Assets	\$ 131	\$ 137
Liabilities		
Managed Overdraft (cash)	4	4
Claims Being Processed	31	33
Claims Unreported	16	15
Reserve for Mortality Fluctuations	80	85
Total Liabilities	\$ 131	\$ 137

Local Government Employers' Final Contribution Rates for Select Plans

For the fiscal year ending March 31, 2013, assuming a February 1, 2013 payment.

All rates exclude any contribution rates due to amortization payments, prior years' adjustments, deficiency costs, retirement incentive programs and certain benefits electable by local governments, such as credit for unused sick leave or one-year final average salary. All rates include Group Life Insurance.

	Plan ID	Percentage of Payroll				
		Tier 1	Tier 2	Tiers 3 & 4	Tier 5	Tier 6
ERS						
Age-based plans						
Basic, Age 55, Age 60 Contributory	71-a	12.4	11.5	n/a	n/a	n/a
Article 14	A14	n/a	n/a	18.4	n/a	n/a
Article 15	A15	n/a	n/a	18.4	14.9	9.9
Guaranteed Benefits	75-e	22.9	20.7	n/a	n/a	n/a
Career	75-g	24.1	22.0	n/a	n/a	n/a
New Career	75-h/75-i	25.2	23.0	n/a	n/a	n/a
25-year plans						
Sheriffs and Deputies	89-a	27.5	25.7	n/a	n/a	n/a
Article 14B Sheriffs — 25-year	551	25.7	25.2	22.5	20.2	14.4
Article 14B Sheriffs — 25-year + 1/60th	551-e	27.5	27.3	24.4	21.6	15.8
full service for 1/60th	551-ee	28.5	28.3	25.4	22.5	16.4
County Law Enforcement	89-e, etc.	27.6	27.3	19.9	17.5	11.8
20-year plans						
Sheriffs and Deputies	89-b	32.0	26.1	n/a	n/a	n/a
additional 1/60th	89-b(m)	32.2	27.6	n/a	n/a	n/a
Article 14B Sheriffs — 20-year	552	32.1	31.8	28.9	26.1	20.0
Article 14B Sheriffs — 20-year + 1/60th	553	32.1	31.8	29.1	26.5	20.8
full service for 1/60th	553b	33.3	33.1	30.3	27.5	21.6
Detective Investigators	89-d	31.2	31.0	n/a	n/a	n/a
additional 1/60th	89-d(m)	31.4	31.1	n/a	n/a	n/a

Local Government Employers' Final Contribution Rates For Select Plans

continued

	Plan ID	Percentage of Payroll				
		Tier 1	Tier 2	Tier 3	Tier 5*	Tier 6*
PFRS						
Age-based plans						
Basic, Age 55, Age 60 Contributory	371-a	12.8	11.2	11.2	7.0	2.9
Guaranteed Benefits	375-e	19.6	16.2	16.2	11.8	7.0
Career	375-g	21.3	17.6	17.6	13.1	8.2
New Career	375-i	22.1	18.1	18.1	13.6	8.5
Improved Career	375-j	22.1	18.1	18.1	13.6	8.5
25-year plans						
Contributory	384	n/a	n/a	n/a	16.5	11.4
additional 1/60th	384(f)	n/a	n/a	n/a	18.0	12.8
Non-Contributory	384	21.2	21.2	21.2	20.4	18.4
additional 1/60th	384(f)	23.1	22.9	22.9	21.9	19.9
20-year plans						
Contributory	384-d	n/a	n/a	n/a	20.1	14.6
additional 1/60th	384-e	n/a	n/a	n/a	20.5	14.9
Non-Contributory	384-d	25.7	25.1	24.2	24.1	21.6
additional 1/60th	384-e	26.1	25.4	24.2	24.4	22.0
* Age based plans in Tier 5 and Tier 6 are contributory.						

Contribution Rate Trend for Local Governments

Rates prior to 2006 are based on a payment date of December 15. Beginning in 2006, the rates are based on a February 1 payment date. Each rate is applied to the salary of members covered by that particular plan. Rates were calculated under the aggregate method. All rates include Group Life Insurance and administrative rates.

Actual costs borne by employers are shown in the Statistical Section.

Plan Name (Section)	Percentage of Payroll									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
ERS										
Guaranteed Benefit (75-e)										
Tier 1	4.9	15.8	13.7	12.0	10.9	9.7	8.4	13.8	19.4	22.9
Tier 2	4.9	13.2	11.7	10.9	9.9	8.8	7.6	12.5	17.5	20.7
Career (75-g)										
Tier 1	4.9	16.6	14.4	12.7	11.5	10.3	8.9	14.6	20.4	24.1
Tier 2	4.9	14.1	12.5	11.6	10.5	9.4	8.1	13.3	18.6	22.0
New Career (75-i)										
Tier 1	4.9	17.2	15.0	13.2	12.0	10.7	9.2	15.2	21.3	25.2
Tier 2	4.9	14.7	13.0	12.1	11.0	9.8	8.5	13.9	19.5	23.0
Article 14/15 — Tier 3	4.9	11.4	10.2	9.7	8.8	7.9	6.9	11.2	15.6	18.4
Article 15 — Tier 4	4.9	11.4	10.2	9.7	8.8	7.9	6.9	11.2	15.6	18.4
Article 15 — Tier 5									12.6	14.9
Article 15 — Tier 6										9.9

Contribution Rate Trend for Local Governments

continued

Plan Name (Section)	Percentage of Payroll									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PFRS										
Guaranteed Benefit (375-e)										
Tier 1	4.6	12.7	11.6	12.2	11.9	11.2	10.8	13.2	16.1	19.6
Tiers 2 & 3	4.6	10.5	9.3	10.1	9.7	9.5	9.2	11.1	13.0	16.2
Tier 5*									9.3	11.8
Tier 6*										7.0
Career (375-g)										
Tier 1	4.6	13.8	12.6	13.4	13.0	12.3	11.8	14.4	17.6	21.3
Tiers 2 & 3	4.6	11.4	10.2	11.1	10.7	10.4	10.0	12.1	14.2	17.6
Tier 5*									10.4	13.1
Tier 6*										8.2
New Career (375-i)										
Tier 1	4.6	14.3	13.0	13.8	13.5	12.7	12.2	14.9	18.1	22.1
Tiers 2 & 3	4.6	11.7	10.4	11.3	10.9	10.7	10.3	12.5	14.6	18.1
Tier 5*									10.8	13.6
Tier 6*										8.5
25-Year (384) — Contributory										
Tiers 1, 2 & 3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tier 5									13.7	16.5
Tier 6										11.4
25-Year + 1/60ths (384(f)) — Contributory										
Tiers 1, 2 & 3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tier 5									15.0	18.0
Tier 6										12.8
25-Year (384) — Non-Contributory										
Tier 1	4.6	14.1	12.8	13.5	13.3	12.5	11.9	14.7	17.7	21.2
Tiers 2 & 3	4.6	13.3	12.1	13.4	13.2	12.5	11.9	14.7	17.6	21.2
Tier 5									16.9	20.4
Tier 6										18.4
25-Year + 1/60ths (384(f)) — Non-Contributory										
Tier 1	4.6	14.4	13.1	14.0	13.8	12.9	12.4	15.2	19.2	23.1
Tiers 2 & 3	4.6	14.1	12.8	13.6	13.3	12.7	12.2	15.0	19.0	22.9
Tier 5									18.3	21.9
Tier 6										19.9
* Age based plans in Tier 5 and Tier 6 are contributory.										

Contribution Rate Trend for Local Governments

continued

Plan Name (Section)	Percentage of Payroll									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
20-Year (384-d) — Contributory										
Tiers 1 & 2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tier 3									n/a	n/a
Tier 5									16.7	20.1
Tier 6										14.6
20-Year + 1/60ths (384-e) — Contributory										
Tiers 1 & 2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tier 3									n/a	n/a
Tier 5									17.0	20.5
Tier 6										14.9
20-Year (384-d) — Non-Contributory										
Tier 1	4.6	16.0	14.8	15.7	15.5	14.9	14.2	17.4	21.5	25.7
Tier 2	4.6	15.2	14.2	15.0	14.7	14.5	13.8	16.8	20.9	25.1
Tier 3									20.4	24.2
Tier 5									20.0	24.1
Tier 6										21.6
20-Year + 1/60ths (384-e) — Non-Contributory										
Tier 1										
1990-1998 elections (avg.)	15.3	27.4	26.2	26.9	26.7	20.5	19.9	23.1	21.8	26.1
all other years	4.6	16.7	15.4	16.1	15.9	15.1	14.5	17.7	21.8	26.1
Tier 2										
1990-1998 elections (avg.)	6.8	18.3	16.9	17.7	17.1	15.9	15.3	18.4	21.2	25.4
all other years	4.6	16.3	15.1	16.0	15.7	15.0	14.4	17.5	21.2	25.4
Tier 3									20.4	24.2
Tier 5									20.3	24.4
Tier 6										22.0

Employer Contributions

Contributions here may differ from those appearing elsewhere in the Actuarial Section because this section deals only with the contributions attributable to the single year shown. Actual contributions may include adjustments due to previous years, such as amortization payments/credits and reconciliation of other years' bills. In addition, in 2005, 2006 and 2007, employers could amortize a portion of their contributions. The following amounts show their total obligation. The average rates below are for normal, administrative and Group Life Insurance contributions.

Comparison of Employer Contributions*

For fiscal years ending 2013 and 2012 (In Millions)

	2013 Contribution			2012 Contribution		
	Salary	Contribution	Avg. Rate	Salary	Contribution	Avg. Rate
ERS						
Tier 1	\$ 326	\$ 83	25.4%	\$ 387	\$ 83	21.5%
Tier 2	381	89	23.3	454	90	19.8
Tiers 3 & 4	21,857	4,167	19.1	22,259	3,585	16.1
Tier 5	1,480	228	15.4	1,191	154	12.9
Tier 6	361	41	11.3	n/a	n/a	n/a
Total	\$ 24,405	\$ 4,607	18.9%	\$ 24,291	\$ 3,912	16.1%
PFRS						
Tier 1	\$ 19	6	29.6%	\$ 24	\$ 6	25.4%
Tier 2	3,017	781	25.9	3,090	665	21.5
Tier 3	12	3	23.4	12	2	19.6
Tier 5	91	19	21.3	65	12	17.9
Tier 6	24	4	15.3	n/a	n/a	n/a
Total	\$ 3,163	\$ 813	25.7%	\$ 3,191	\$ 685	21.5%

Deficiency contributions for FY2013 (as of 2/1/13) totaled \$2,151,619.

Incentive contributions for FY2013 (as of 2/1/13) totaled \$63,379,617.

* Numbers may not add up due to rounding.

Employer Contributions

continued

Final Employer Contributions by Employer Type*

Attributable to fiscal year 2013 costs only (In Millions)

Employer	Normal	Administrative	GLIP	Total
ERS				
State	\$ 1,870	\$ 40	\$ 35	\$ 1,946
Counties	811	17	15	844
Cities	116	3	3	121
Towns	268	6	6	280
Villages	81	2	2	85
Miscellaneous	692	16	16	724
Schools	582	13	13	608
Total	\$ 4,420	\$ 98	\$ 90	\$ 4,607
PFRS				
State	\$ 148	\$ 3	\$ 1	\$ 151
Counties	186	4	1	190
Cities	228	5	1	234
Towns	87	2	0	89
Villages	70	1	0	72
Miscellaneous	75	2	0	77
Total	\$ 794	\$ 16	\$ 3	\$ 813

Employer Contributions by Tier*

(In Millions)

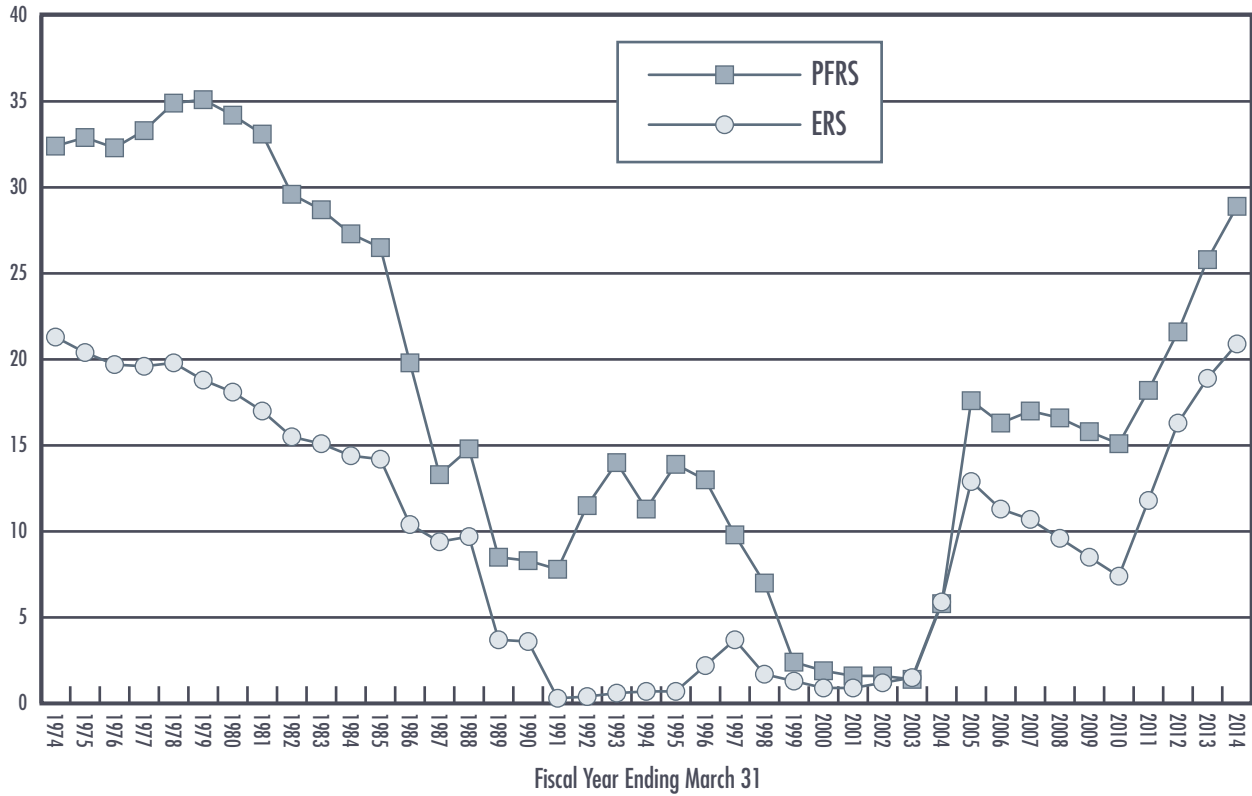
	2013 (as of 2/1/13)		2012 (as of 2/1/12)	
	Employer Contributions Attributable to Year	Percent	Employer Contributions Attributable to Year	Percent
ERS				
Tier 1	\$ 83	1.8%	\$ 83	2.1%
Tier 2	89	1.9	90	2.3
Tiers 3 & 4	4,167	90.4	3,585	91.6
Tier 5	228	5.0	154	3.9
Tier 6	41	0.9	n/a	n/a
Total	\$ 4,607	100.0%	\$ 3,912	100.0%
PFRS				
Tier 1	\$ 6	0.7%	\$ 6	0.9%
Tier 2	781	96.1	665	97.1
Tier 3	3	0.4	2	0.3
Tier 5	19	2.4	12	1.7
Tier 6	4	0.4	n/a	n/a
Total	\$ 813	100.0%	\$ 685	100.0%

* Numbers may not add up due to rounding.

Historical Trends

The State is obligated to pay its bill on March 1, one month before the end of the fiscal year. Through 2004, local employers paid their bills by December 15, three and one-half months before the end of the fiscal year. Beginning in 2005, the payment date for local employers was changed to February 1.

Trends in Employer Contributions



Changes in Contributions

The System's experience in many areas (employee salary growth or decrease, investment return, legislative enactments of benefits) is assessed and quantified yearly. Each element exerts an increasing, decreasing or neutral pressure on contributions to be charged for that year.

Analysis of Changes (by source)

Experience during one fiscal year produces the increase or decrease in contributions for the following year.

(In Millions)

	Contributions Billed for Preceding Year	Salary Growth	Return on Investments ^(a)	Assumption Changes	Change in Benefits	Other Adjustments	Projected Contributions for Year Shown ^(b)
ERS							
2004	292	n/a	n/a	680	n/a	188	1,160
2005	1,157	(300)	1,881	n/a	n/a	(85)	2,653
2006	2,652	124	(746)	23	n/a	399	2,452
2007	2,395	112	51	n/a	n/a	(191)	2,367
2008	2,316	93	(147)	n/a	n/a	(91)	2,171
2009	2,018	88	(192)	n/a	n/a	(79)	1,835
2010	1,854	135	1,098	(75)	n/a	130	3,142
2011	3,029	89	782	417	n/a	(71)	4,246
2012	3,948	15	570	202	n/a	(81)	4,654
2013	4,627	119	870	(9)	n/a	(343)	5,264
PFRS							
2004	32	n/a	n/a	102	n/a	8	142
2005	144	(28)	339	n/a	n/a	(1)	454
2006	446	21	(119)	4	n/a	80	432
2007	430	21	6	n/a	n/a	16	473
2008	476	22	(24)	n/a	n/a	12	486
2009	487	26	(29)	8	n/a	(1)	491
2010	474	31	152	(13)	n/a	(42)	602
2011	576	10	117	22	n/a	(31)	694
2012	693	18	93	(8)	n/a	53	849
2013	827	25	142	(1)	n/a	(36)	957
(a) For 2005, this amount is the investment loss relative to the minimum contribution of 2004.							
(b) This is an estimated figure. Minor adjustments, mostly salary related, result in the final contribution figure for the year as shown in the Contributions Billed Column.							

Solvency Test

The System is funded in accordance with the aggregate method. The following solvency test is one means of checking the System's funding progress. In this test, the System's actuarial value of assets is compared to:

- (1) member contributions on deposit;
- (2) the liabilities for future benefits to persons who have retired; and
- (3) the employer financed liabilities for service already rendered by active members.

The accrued liabilities in this chart are calculated in accordance with the entry age normal method.

Valuation Date	Accrued Liability (In Millions)				Actuarial Assets (In Millions)	Portion of Actuarial Accrued Liabilities Covered by Actuarial Assets		
	Member Contributions (1)	Retiree (2)	Active (3)	Total (1) + (2) + (3)		(1)	(2)	(3)
ERS								
4/1/05	\$ 6,474	\$ 45,679	\$ 50,071	\$ 102,224	\$ 105,088	100.0%	100.0%	105.7%
4/1/06	6,792	48,601	52,392	107,785	112,209	100.0	100.0	108.4
4/1/07	7,112	51,231	56,182	114,525	121,116	100.0	100.0	111.7
4/1/08	7,430	54,945	57,808	120,183	128,916	100.0	100.0	115.1
4/1/09	7,718	57,419	59,999	125,136	126,438	100.0	100.0	102.2
4/1/10	7,979	62,692	62,903	133,574	125,482	100.0	100.0	87.1
4/1/11	8,214	67,412	64,461	140,087	126,395	100.0	100.0	78.8
4/1/12	8,177	75,210	60,783	144,170	125,751	100.0	100.0	69.7
PFRS								
4/1/05	\$ 18	\$ 9,533	\$ 8,251	\$ 17,802	\$ 18,657	100.0%	100.0%	110.4%
4/1/06	21	10,169	8,663	18,853	19,827	100.0	100.0	111.2
4/1/07	22	10,638	9,414	20,074	21,379	100.0	100.0	113.9
4/1/08	22	11,156	9,894	21,072	22,767	100.0	100.0	117.1
4/1/09	26	11,588	9,983	21,597	22,423	100.0	100.0	108.3
4/1/10	27	12,891	10,080	22,998	22,230	100.0	100.0	92.4
4/1/11	29	13,383	10,757	24,169	22,205	100.0	100.0	81.7
4/1/12	33	14,060	11,003	25,096	22,058	100.0	100.0	72.4

Schedule of Active Member Data

FYE March 31	Active Members	Annual Member Payroll (In Millions)	% Increase in Annual Member Payroll	Average Salary
ERS				
2003	502,872	\$ 18,969	1.1 %	\$ 37,721
2004	507,241	19,575	3.2	38,591
2005	508,856	20,218	3.3	39,733
2006	513,016	20,919	3.5	40,776
2007	519,203	22,018	5.3	42,408
2008	528,435	22,779	3.5	43,106
2009	530,023	24,099	5.8	45,468
2010	529,466	24,972	3.6	47,164
2011	513,092	24,389	(2.3)	47,534
2012	505,575	24,291	(0.4)	48,046
PFRS				
2003	32,419	\$ 2,322	(0.7)%	\$ 71,631
2004	32,359	2,459	5.9	75,987
2005	32,388	2,531	2.9	78,149
2006	32,469	2,712	7.1	83,518
2007	32,811	2,825	4.2	86,099
2008	33,089	2,926	3.6	88,440
2009	33,052	2,970	1.5	89,854
2010	32,449	3,113	4.8	95,934
2011	31,659	3,146	1.0	99,357
2012	31,024	3,191	1.4	102,850

Schedule of Retired Members and Beneficiaries

Added to and Removed from Benefit Payroll

Fiscal Year	Number of Retired Members and Beneficiaries		Annual Benefits of Retired Members and Beneficiaries		Total Number of Retired Members and Beneficiaries	Total Annual Benefit	Percentage Increase in Total Annual Benefits	Average Annual Benefit
	Added During the Year	Removed During the Year	Added During the Year	Removed During the Year				
ERS								
2003	18,197	11,853	\$ 426,684,543	\$ 132,184,921	287,341	\$ 4,247,321,222	7.45%	\$ 14,781
2004	25,929	11,742	664,359,794	133,836,233	301,528	4,777,844,783	12.49	15,845
2005	16,902	11,899	359,819,587	140,495,573	306,531	4,997,168,797	4.59	16,302
2006	20,121	12,815	444,562,616	142,494,586	313,837	5,299,236,827	6.04	16,885
2007	19,780	12,504	453,890,020	144,683,098	321,113	5,608,443,749	5.83	17,466
2008	20,787	13,174	538,291,047	156,937,687	328,726	5,989,797,109	6.80	18,221
2009	21,585	14,038	565,713,502	173,445,214	336,273	6,382,065,397	6.55	18,979
2010	22,885	14,052	604,707,420	181,343,790	345,106	6,805,429,027	6.63	19,720
2011	22,733	13,899	683,435,574	186,508,676	353,940	7,302,355,926	7.30	20,632
2012	31,906	14,378	990,541,993	198,660,208	371,468	8,094,237,711	10.84	21,790
PFRS								
2003	1,297	648	\$ 76,534,113	\$ 15,646,434	26,256	\$ 841,362,108	7.80%	\$ 32,045
2004	1,248	675	75,509,272	16,735,085	26,829	900,136,295	6.99	33,551
2005	1,588	697	91,631,714	18,120,868	27,720	973,647,141	8.17	35,124
2006	1,404	716	85,412,810	18,880,308	28,408	1,040,179,643	6.83	36,616
2007	1,230	685	74,195,781	18,847,992	28,953	1,095,527,432	5.32	37,838
2008	1,157	727	73,592,416	20,604,380	29,383	1,148,515,468	4.84	39,088
2009	1,270	748	85,132,844	21,203,012	29,905	1,212,445,300	5.57	40,543
2010	1,606	814	106,721,728	25,637,123	30,697	1,293,529,905	6.69	42,139
2011	1,184	790	80,517,204	24,073,826	31,091	1,349,973,282	4.36	43,420
2012	1,403	788	97,599,791	23,890,471	31,706	1,423,682,602	5.46	44,903
ERS — Annual benefits are based on option 0 benefits plus COLA.								
PFRS — Annual benefits are based on option 0 benefits (prior to option selection and partial lump sum distribution) plus COLA.								

Statistical

Contents

Schedule of Additions to Plan Net Assets.....	129
Schedule of Investment Income.....	130
Schedule of Deductions from Plan Net Assets.....	131
Schedule of Total Changes in Plan Net Assets.....	132
Service Retirees — ERS.....	134
Service Retirees — PFRS.....	136
Disability Retirees — ERS.....	138
Disability Retirees — PFRS.....	140
New Option Selections.....	142
Option Selection — Total Payments.....	143
Average Pension Benefits Paid During Year Shown.....	144
Average Benefit Pay Types.....	145
New Benefits — Service Retirements by Age and Service.....	147
New Benefits — Accidental and Ordinary Death.....	148
Combined System Participants.....	149
Membership by Age and Years of Service.....	150
Membership by Tier.....	151
Membership by Status.....	152
Number of Employers.....	152
Membership by Employer Type.....	153
Average Salary by Employer Type.....	154
Members and Salaries by Plan — ERS.....	155
Members and Salaries by Plan — PFRS.....	156
Pensioners and Beneficiaries by Age.....	158
Pensioners and Beneficiaries — ERS.....	159
Pensioners and Beneficiaries — PFRS.....	160
Local Government Salaries and Billings — ERS.....	161
Local Government Salaries and Billings — PFRS.....	163
Contributions Recorded 2004–2013.....	165
20-Year Summary.....	166
Notes to 20-Year Summary.....	168

Schedule of Additions to Plan Net Assets

(In Thousands)

Year Ending	Member Contributions	Employer Contributions	Contributions % of Payroll	Other Income*	Investment Income	Total
2013	\$ 269,134	\$ 5,336,045		\$ 131,853	\$ 14,717,622	\$ 20,454,654
ERS	264,788	4,524,395	18.9%	122,931	12,496,378	17,408,492
PFRS	4,346	811,650	25.8%	8,922	2,221,244	3,046,162
2012	\$ 273,247	\$ 4,585,178		\$ 157,625	\$ 7,868,313	\$ 12,884,363
ERS	268,545	3,878,717	16.3%	134,821	6,681,603	10,963,686
PFRS	4,702	706,461	21.6%	22,804	1,186,710	1,920,677
2011	\$ 286,199	\$ 4,164,571		\$ 127,709	\$ 19,339,896	\$ 23,918,375
ERS	284,486	3,622,638	11.9%	101,730	16,427,023	20,435,877
PFRS	1,713	541,933	18.2%	25,979	2,912,873	3,482,498
2010	\$ 284,291	\$ 2,344,222		\$ 81,981	\$ 28,422,361	\$ 31,132,855
ERS	282,791	1,879,209	7.4%	76,466	24,145,393	26,383,859
PFRS	1,500	465,013	15.1%	5,515	4,276,968	4,748,996
2009	\$ 273,316	\$ 2,456,223		\$ 155,918	\$ (40,428,820)	\$ (37,543,363)
ERS	268,991	1,963,413	8.5%	89,042	(34,368,280)	(32,046,834)
PFRS	4,325	492,810	15.8%	66,876	(6,060,540)	(5,496,529)
2008	\$ 265,676	\$ 2,648,448		\$ 116,112	\$ 3,163,728	\$ 6,193,964
ERS	263,098	2,134,954	9.6%	98,703	2,690,533	5,187,288
PFRS	2,578	513,494	16.6%	17,409	473,195	1,006,676
2007	\$ 250,158	\$ 2,718,551		\$ 131,863	\$ 17,416,082	\$ 20,516,654
ERS	247,237	2,216,087	10.7%	110,929	14,803,498	17,377,751
PFRS	2,921	502,464	17.0%	20,934	2,612,584	3,138,903
2006	\$ 241,173	\$ 2,782,147		\$ 94,556	\$ 17,615,876	\$ 20,733,752
ERS	237,686	2,348,721	11.3%	79,731	14,959,666	17,625,804
PFRS	3,487	433,426	16.3%	14,825	2,656,210	3,107,948
2005	\$ 227,308	\$ 2,964,842		\$ 122,769	\$ 9,679,978	\$ 12,994,897
ERS	224,459	2,509,503	12.9%	82,462	8,211,547	11,027,971
PFRS	2,849	455,339	17.6%	40,307	1,468,431	1,966,926
2004	\$ 221,871	\$ 1,286,455		\$ 77,148	\$ 27,334,752	\$ 28,920,226
ERS	217,335	1,125,520	5.9%	71,830	23,154,279	24,568,964
PFRS	4,536	160,935	5.8%	5,318	4,180,473	4,351,262

* Includes interest earned on member loans, interest on accounts receivable and transfers from other systems.

Schedule of Investment Income

(In Thousands)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net Change in Fair Value of Investments	\$ 11,592,363	\$ 4,958,927	\$ 16,740,555	\$ 25,631,185	\$ (43,720,432)	\$ (1,287,032)	\$ 13,538,322	\$ 14,449,770	\$ 6,603,713	\$ 24,279,817
Interest	1,394,442	1,379,423	1,426,941	1,540,095	1,722,343	1,976,372	1,816,416	1,474,863	1,388,250	1,474,952
Dividends	1,512,908	1,405,870	1,269,009	1,202,421	1,531,091	2,060,063	1,563,627	1,308,358	1,236,598	1,018,810
Real Estate and Mortgages	382,315	239,038	97,844	155,974	194,517	8,872	176,456	279,002	392,734	544,184
Alternative	377,664	170,225	234,940	109,603	49,646	150,360	170,689	137,393	188,346	154,397
Security Lending Income	32,617	33,323	31,328	62,224	545,934	1,335,474	1,248,865	811,972	318,612	122,074
International	146,314	153,157	46,127	5,748	23,223	379,185	276,755	270,128	119,595	32
Other Included Prior Year Adjustment	(247,988)	(44,790)	(57,241)	81,669	(44,810)	47,318	8,551	(158,570)	(89,315)	(11,327)
Security Lending Expenses	(3,261)	(3,332)	(2,744)	(2,080)	(367,584)	(1,217,664)	(1,209,216)	(772,192)	(293,477)	(103,326)
Investment Expenses	(469,752)	(423,528)	(446,863)	(364,478)	(362,748)	(289,220)	(174,383)	(184,848)	(185,078)	(144,861)
Net Investment Income	\$ 14,717,622	\$ 7,868,313	\$ 19,339,896	\$ 28,422,361	\$ (40,428,820)	\$ 3,163,728	\$ 17,416,082	\$ 17,615,876	\$ 9,679,978	\$ 27,334,752

Schedule of Deductions from Plan Net Assets

(In Thousands)

Year Ending	Retirement Allowances	Post-Retirement Supplements	Death Benefits	Separation from Service	Administrative Expenses	Other Expenses	Total
2013	\$ 8,669,843	\$ 586,209	\$ 194,170	\$ 29,265	\$ 105,720	\$ 42,049	\$ 9,627,256
ERS	7,339,678	487,100	177,113	28,294	92,134	43,221	8,167,540
PFRS	1,330,165	99,109	17,057	971	13,586	(1,172)	1,459,716
2012	\$ 8,109,356	\$ 568,466	\$ 184,960	\$ 29,789	\$ 100,649	\$ 45,260	\$ 9,038,480
ERS	6,845,843	470,310	172,340	28,866	87,232	44,949	7,649,540
PFRS	1,263,513	98,156	12,620	923	13,417	311	1,388,940
2011	\$ 7,717,007	\$ 555,255	\$ 192,265	\$ 27,745	\$ 101,333	\$ 27,951	\$ 8,621,566
ERS	6,520,651	457,931	179,301	26,653	87,760	29,328	7,301,624
PFRS	1,196,356	97,324	12,964	1,092	13,573	(1,377)	1,319,932
2010	\$ 6,931,780	\$ 548,321	\$ 183,023	\$ 25,805	\$ 100,029	\$ 29,943	\$ 7,818,901
ERS	5,807,070	451,277	170,188	23,940	86,769	29,318	6,568,562
PFRS	1,124,710	97,044	12,835	1,865	13,260	625	1,250,339
2009	\$ 6,497,135	\$ 534,487	\$ 180,491	\$ 31,680	\$ 99,229	\$ 21,706	\$ 7,364,728
ERS	5,431,840	439,000	173,580	29,577	86,727	23,775	6,184,499
PFRS	1,065,295	95,487	6,911	2,103	12,502	(2,069)	1,180,229
2008	\$ 6,142,751	\$ 511,069	\$ 181,693	\$ 29,841	\$ 90,304	\$ 17,680	\$ 6,973,338
ERS	5,135,670	418,423	169,688	27,919	78,849	17,896	5,848,445
PFRS	1,007,081	92,646	12,005	1,922	11,455	(216)	1,124,893
2007	\$ 5,722,875	\$ 495,908	\$ 164,632	\$ 29,331	\$ 79,772	\$ 18,985	\$ 6,511,503
ERS	4,777,587	405,264	153,660	27,034	69,893	18,363	5,451,801
PFRS	945,288	90,644	10,972	2,297	9,879	622	1,059,702
2006	\$ 5,388,590	\$ 479,128	\$ 161,249	\$ 27,320	\$ 78,506	\$ 16,581	\$ 6,151,374
ERS	4,498,131	390,703	149,847	25,691	68,836	17,164	5,150,372
PFRS	890,459	88,425	11,402	1,629	9,670	(583)	1,001,002
2005	\$ 5,041,053	\$ 471,796	\$ 161,857	\$ 30,705	\$ 65,324	(14,546)	\$ 5,756,189
ERS	4,216,367	384,666	151,265	29,187	56,748	(16,833)	4,821,400
PFRS	824,686	87,130	10,592	1,518	8,576	2,287	934,789
2004	\$ 4,722,003	\$ 468,144	\$ 157,314	\$ 29,849	\$ 69,612	\$ 46,967	\$ 5,493,889
ERS	3,931,334	382,305	149,473	27,572	61,129	45,595	4,597,408
PFRS	790,669	85,839	7,841	2,277	8,483	1,372	896,481

Schedule of Total Changes in Plan Net Assets

(In Thousands)

Year Ending	Member Contributions	Employer Contributions	Other Income	Investment Income	Total
2013	\$ 269,134	\$ 5,336,045	\$ 131,853	\$ 14,717,622	\$ 20,454,654
ERS	264,788	4,524,395	122,931	12,496,378	17,408,492
PFRS	4,346	811,650	8,922	2,221,244	3,046,162
2012	\$ 273,247	\$ 4,585,178	\$ 157,625	\$ 7,868,313	\$ 12,884,363
ERS	268,545	3,878,717	134,821	6,681,603	10,963,686
PFRS	4,702	706,461	22,804	1,186,710	1,920,677
2011	\$ 286,199	\$ 4,164,571	\$ 127,709	\$ 19,339,896	\$ 23,918,375
ERS	284,486	3,622,638	101,730	16,427,023	20,435,877
PFRS	1,713	541,933	25,979	2,912,873	3,482,498
2010	\$ 284,291	\$ 2,344,222	\$ 81,981	\$ 28,422,361	\$ 31,132,855
ERS	282,791	1,879,209	76,466	24,145,393	26,383,859
PFRS	1,500	465,013	5,515	4,276,968	4,748,996
2009	\$ 273,316	\$ 2,456,223	\$ 155,918	\$ (40,428,820)	\$ (37,543,363)
ERS	268,991	1,963,413	89,042	(34,368,280)	(32,046,834)
PFRS	4,325	492,810	66,876	(6,060,540)	(5,496,529)
2008	\$ 265,676	\$ 2,648,448	\$ 116,112	\$ 3,163,728	\$ 6,193,964
ERS	263,098	2,134,954	98,703	2,690,533	5,187,288
PFRS	2,578	513,494	17,409	473,195	1,006,676
2007	\$ 250,158	\$ 2,718,551	\$ 131,863	\$ 17,416,082	\$ 20,516,654
ERS	247,237	2,216,087	110,929	14,803,498	17,377,751
PFRS	2,921	502,464	20,934	2,612,584	3,138,903
2006	\$ 241,173	\$ 2,782,147	\$ 94,556	\$ 17,615,876	\$ 20,733,752
ERS	237,686	2,348,721	79,731	14,959,666	17,625,804
PFRS	3,487	433,426	14,825	2,656,210	3,107,948
2005	\$ 227,308	\$ 2,964,842	\$ 122,769	\$ 9,679,978	\$ 12,994,897
ERS	224,459	2,509,503	82,462	8,211,547	11,027,971
PFRS	2,849	455,339	40,307	1,468,431	1,966,926
2004	\$ 221,871	\$ 1,286,455	\$ 77,148	\$ 27,334,752	\$ 28,920,226
ERS	217,335	1,125,520	71,830	23,154,279	24,568,964
PFRS	4,536	160,935	5,318	4,180,473	4,351,262

continued

Retirement Allowances	Post-Retirement Supplement	Death Benefits	Separation from Service	Administrative Expenses	Other Expenses	Total	Net Increase / Decrease
\$ 8,669,843	\$ 586,209	\$ 194,170	\$ 29,265	\$ 105,720	\$ 42,049	\$ 9,627,256	\$ 10,827,398
7,339,678	487,100	177,113	28,294	92,134	43,221	8,167,540	9,240,952
1,330,165	99,109	17,057	971	13,586	(1,172)	1,459,716	1,586,446
\$ 8,109,356	\$ 568,466	\$ 184,960	\$ 29,789	\$ 100,649	\$ 45,260	\$ 9,038,480	\$ 3,845,883
6,845,843	470,310	172,340	28,866	87,232	44,949	7,649,540	3,314,146
1,263,513	98,156	12,620	923	13,417	311	1,388,940	531,737
\$ 7,717,007	\$ 555,255	\$ 192,265	\$ 27,745	\$ 101,333	\$ 27,951	\$ 8,621,556	\$ 15,296,819
6,520,651	457,931	179,301	26,653	87,760	29,328	7,301,624	13,134,253
1,196,356	97,324	12,964	1,092	13,573	(1,377)	1,319,932	2,162,566
\$ 6,931,780	\$ 548,321	\$ 183,023	\$ 25,805	\$ 100,029	\$ 29,943	\$ 7,818,901	\$ 23,313,954
5,807,070	451,277	170,188	23,940	86,769	29,318	6,568,562	19,815,297
1,124,710	97,044	12,835	1,865	13,260	625	1,250,339	3,498,657
\$ 6,497,135	\$ 534,487	\$ 180,491	\$ 31,680	\$ 99,229	\$ 21,706	\$ 7,364,728	\$ (44,908,091)
5,431,840	439,000	173,580	29,577	86,727	23,775	6,184,499	(38,231,333)
1,065,295	95,487	6,911	2,103	12,502	(2,069)	1,180,229	(6,676,758)
\$ 6,142,751	\$ 511,069	\$ 181,693	\$ 29,841	\$ 90,304	\$ 17,680	\$ 6,973,338	\$ (779,374)
5,135,670	418,423	169,688	27,919	78,849	17,896	5,848,445	(661,157)
1,007,081	92,646	12,005	1,922	11,455	(216)	1,124,893	(118,217)
\$ 5,722,875	\$ 495,908	\$ 164,632	\$ 29,331	\$ 79,772	\$ 18,985	\$ 6,511,503	\$ 14,005,151
4,777,587	405,264	153,660	27,034	69,893	18,363	5,451,801	11,925,950
945,288	90,644	10,972	2,297	9,879	622	1,059,702	2,079,201
\$ 5,388,590	\$ 479,128	\$ 161,249	\$ 27,320	\$ 78,506	\$ 16,581	\$ 6,151,374	\$ 14,582,378
4,498,131	390,703	149,847	25,691	68,836	17,164	5,150,372	12,475,432
890,459	88,425	11,402	1,629	9,670	(583)	1,001,002	2,106,946
\$ 5,041,053	\$ 471,796	\$ 161,857	\$ 30,705	\$ 65,324	\$ (14,546)	\$ 5,756,189	\$ 7,238,708
4,216,367	384,666	151,265	29,187	56,748	(16,833)	4,821,400	6,206,571
824,686	87,130	10,592	1,518	8,576	2,287	934,789	1,032,137
\$ 4,722,003	\$ 468,144	\$ 157,314	\$ 29,849	\$ 69,612	\$ 46,967	\$ 5,493,889	\$ 23,426,337
3,931,334	382,305	149,473	27,572	61,129	45,595	4,597,408	19,971,556
790,669	85,839	7,841	2,277	8,483	1,372	896,481	3,454,781

Service Retirees — ERS

As of March 31, 2013 — by age and years of service, number, average final average salary (Avg FAS) and average option 0 (prior to option selection) plus COLA (Avg Pen).

Years of Service	Nearest Age														
	Under 55			55–64			65–74			75–84			85 & Over		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
State															
Under 10	0	0	0	1,074	40,474	4,016	1,527	37,095	4,423	682	29,471	3,977	688	16,129	2,904
10 – 14	4	50,319	6,402	4,161	32,930	5,369	6,596	33,001	6,470	4,507	29,742	6,874	2,702	21,449	6,139
15 – 19	4	49,144	7,994	2,416	41,868	9,571	4,633	40,106	11,156	3,800	34,232	11,219	2,254	23,165	9,379
20 – 24	9	60,754	16,710	2,888	53,791	20,215	7,482	49,312	21,486	5,825	39,058	19,552	3,042	27,709	16,375
25 – 29	1,405	76,020	37,632	5,383	64,763	32,001	8,743	54,500	29,835	5,242	42,156	26,268	2,018	29,729	21,722
30 – 34	120	80,649	40,381	8,810	68,705	43,020	9,756	56,942	37,391	4,193	46,519	33,683	1,438	32,308	27,645
35 & Over	14	63,208	35,616	11,677	66,671	50,155	13,938	62,769	49,085	4,240	54,258	45,125	1,635	41,723	39,069
Total	1,556	76,038	37,548	36,409	59,585	34,197	52,675	51,941	29,837	28,489	40,641	23,184	13,777	27,598	17,203
Counties															
Under 10	0	0	0	947	35,707	3,493	1,473	34,044	4,038	547	27,966	3,871	441	12,849	2,488
10 – 14	3	44,889	5,328	2,596	32,458	5,275	4,144	31,589	6,167	3,073	26,209	6,051	1,704	18,204	5,200
15 – 19	4	39,441	6,740	1,509	39,596	9,097	3,110	38,207	10,518	2,546	30,199	9,932	1,601	21,131	8,521
20 – 24	244	69,735	36,273	2,000	48,989	19,021	4,298	45,158	19,896	3,089	34,868	17,316	1,523	25,285	14,451
25 – 29	303	85,406	43,761	2,072	59,652	29,612	3,763	50,170	27,337	2,331	38,498	23,744	865	28,051	19,824
30 – 34	26	79,259	44,164	3,438	61,518	38,687	3,441	52,779	34,687	1,352	42,018	30,078	450	30,796	25,148
35 & Over	9	68,591	42,897	3,916	64,638	48,396	4,087	62,319	48,580	1,152	49,655	41,381	390	36,326	33,555
Total	589	77,867	40,217	16,478	52,435	27,470	24,316	46,022	23,462	14,090	34,364	17,258	6,974	23,131	12,498
Cities															
Under 10	0	0	0	146	33,739	3,299	228	28,709	3,301	110	21,302	2,831	98	11,427	2,243
10 – 14	1	33,231	4,004	431	29,208	4,671	681	28,747	5,678	476	22,843	5,306	305	16,364	4,505
15 – 19	0	0	0	279	34,052	7,736	477	34,904	9,735	392	26,293	8,701	283	17,966	7,420
20 – 24	0	0	0	300	46,855	17,040	579	41,010	17,744	457	30,795	15,333	269	20,872	12,045
25 – 29	0	0	0	233	52,738	24,982	556	44,458	24,407	436	32,834	20,929	240	22,530	16,727
30 – 34	0	0	0	611	56,513	35,539	627	47,625	31,491	331	37,625	27,566	148	23,415	20,481
35 & Over	0	0	0	843	58,670	44,062	824	52,710	41,199	305	39,144	33,166	136	27,499	26,972
Total	1	33,231	4,004	2,843	48,311	26,185	3,972	41,422	21,853	2,507	30,437	16,602	1,479	19,893	11,932
Towns															
Under 10	0	0	0	312	29,399	2,983	660	27,290	3,290	295	23,422	3,110	152	13,301	2,253
10 – 14	0	0	0	591	32,884	5,422	1,218	29,687	5,844	1,005	25,039	5,664	479	18,446	5,039
15 – 19	1	30,981	5,106	443	37,777	8,809	972	36,217	9,992	863	29,068	9,373	422	21,225	8,066
20 – 24	0	0	0	440	49,341	18,221	1,277	43,931	19,129	975	34,619	17,030	417	24,753	13,977
25 – 29	2	55,923	23,215	363	57,537	27,485	1,007	47,736	26,115	738	37,189	22,441	272	28,218	19,188
30 – 34	7	79,596	39,190	818	63,333	39,857	979	51,045	33,436	492	41,113	29,206	166	30,333	23,518
35 & Over	1	55,348	31,537	1,397	72,108	54,629	1,216	59,726	46,544	409	46,179	37,794	110	34,235	30,659
Total	11	68,668	32,491	4,364	55,105	30,924	7,329	43,136	21,703	4,777	32,965	16,264	2,018	23,099	12,133

Service Retirees — ERS

continued

Years of Service	Nearest Age														
	Under 55			55–64			65–74			75–84			85 & Over		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
Villages															
Under 10	0	0	0	90	30,053	3,088	182	27,661	3,303	91	22,485	3,083	47	11,931	1,851
10–14	0	0	0	203	30,084	4,846	359	29,023	5,665	299	24,356	5,614	202	15,852	4,376
15–19	0	0	0	110	36,906	8,708	305	38,516	10,561	263	27,528	9,125	162	17,947	7,119
20–24	1	61,803	11,652	147	48,669	17,694	337	45,536	19,829	312	32,226	15,989	148	20,855	11,544
25–29	0	0	0	115	52,581	24,616	295	49,607	26,967	251	35,758	21,892	97	25,410	17,238
30–34	1	123,684	67,304	225	58,947	36,815	335	49,069	32,173	173	36,235	26,437	39	27,316	21,483
35 & Over	0	0	0	355	66,356	50,039	379	57,881	45,414	126	42,765	35,945	59	32,533	30,314
Total	2	92,743	39,478	1,245	50,516	27,067	2,192	43,593	22,118	1,515	31,191	15,805	754	20,168	10,784
Miscellaneous															
Under 10	0	0	0	778	45,574	4,396	1,066	40,860	4,801	310	32,376	4,264	197	16,602	2,953
10–14	1	29,295	3,138	1,527	42,595	6,850	2,475	39,269	7,637	1,504	31,473	7,143	667	21,198	5,806
15–19	3	70,712	11,396	1,091	53,749	12,130	2,001	45,886	12,659	1,153	34,981	11,181	519	23,552	9,199
20–24	4	79,321	20,177	1,438	62,173	22,474	2,766	54,220	23,280	1,327	40,522	19,386	595	28,158	15,932
25–29	0	0	0	1,015	69,310	32,649	2,167	60,083	32,174	1,009	46,635	28,289	460	32,041	22,518
30–34	9	72,402	36,736	2,042	76,287	47,773	1,793	65,533	42,407	818	52,425	37,102	313	37,582	30,569
35 & Over	3	74,165	39,992	2,146	77,214	57,877	2,366	73,590	57,263	838	61,371	50,205	335	45,462	40,684
Total	20	71,642	28,431	10,037	63,801	31,317	14,634	54,965	26,991	6,959	42,081	21,792	3,086	28,554	16,936
Schools															
Under 10	0	0	0	1,322	22,185	2,220	2,224	20,045	2,381	1,053	16,290	2,247	836	8,296	1,590
10–14	2	26,747	3,901	2,043	26,261	4,293	4,529	24,540	4,781	4,252	19,628	4,483	2,541	11,874	3,429
15–19	3	31,916	5,124	1,571	29,897	6,917	3,844	28,800	7,929	3,308	23,148	7,627	2,263	13,042	5,471
20–24	1	20,599	5,936	2,047	37,546	14,198	5,470	35,571	15,499	3,872	25,761	12,831	2,216	15,764	8,884
25–29	1	101,218	35,215	1,262	43,472	21,012	3,986	38,429	20,957	2,834	27,321	16,885	1,251	18,607	12,889
30–34	3	76,371	32,957	1,343	51,767	32,622	2,277	41,442	27,111	1,415	31,557	22,354	504	22,971	18,170
35 & Over	0	0	0	1,123	57,516	43,183	1,454	47,875	37,061	743	36,960	30,562	290	28,115	25,628
Total	10	50,017	16,320	10,711	36,951	15,914	23,784	32,718	14,353	17,477	24,402	11,360	9,901	14,601	7,557

Service Retirees — PFRS

As of March 31, 2013 — by age and years of service, number, average final average salary (avg FAS) and average option 0 (prior to option selection and partial lump sum distribution) plus COLA (Avg Pen).

Years of Service	Nearest Age														
	Under 40			40–49			50–59			60–69			70 & Over		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
State															
Under 10	0	0	0	0	0	0	1	20,139	1,860	3	29,224	3,470	11	21,814	4,290
10–14	0	0	0	0	0	0	9	44,099	8,967	25	28,787	6,054	25	11,568	2,842
15–19	0	0	0	0	0	0	2	39,053	12,216	16	39,915	12,513	17	18,656	7,822
20–24	0	0	0	167	115,442	61,189	378	90,593	48,239	356	53,951	31,891	853	28,851	23,022
25–29	0	0	0	42	125,149	74,293	256	114,202	69,736	249	75,672	46,995	369	42,937	32,192
30–34	0	0	0	0	0	0	136	126,477	85,768	349	95,046	64,904	310	54,647	41,888
35 & Over	0	0	0	0	0	0	13	124,437	84,607	157	102,261	75,008	170	67,281	53,777
Total	0	0	0	209	117,393	63,822	795	104,143	61,583	1,155	76,815	50,082	1,755	39,703	30,710
Counties															
Under 10	0	0	0	0	0	0	1	90,011	13,742	5	47,265	16,522	0	0	0
10–14	0	0	0	0	0	0	2	92,610	17,982	25	32,061	6,904	10	24,087	5,480
15–19	0	0	0	0	0	0	1	41,401	15,162	12	45,634	13,324	8	31,039	11,618
20–24	0	0	0	99	145,655	75,839	242	128,313	67,755	684	75,664	43,312	950	43,360	30,809
25–29	0	0	0	18	161,075	96,736	182	158,221	96,277	325	116,067	73,129	341	67,785	45,813
30–34	0	0	0	0	0	0	80	167,781	114,427	733	137,714	96,652	372	86,817	64,124
35 & Over	0	0	0	0	0	0	6	166,336	122,906	508	161,304	121,172	318	113,851	88,792
Total	0	0	0	117	148,027	79,054	514	145,107	85,361	2,292	119,523	81,243	1,999	66,681	48,588
Cities															
Under 10	0	0	0	0	0	0	3	28,805	3,909	5	71,156	9,884	5	20,256	10,256
10–14	0	0	0	0	0	0	29	35,592	7,139	83	24,537	5,417	37	14,503	3,457
15–19	0	0	0	0	0	0	15	46,263	13,144	35	34,887	11,682	30	21,132	7,631
20–24	0	0	0	451	89,721	45,681	1,199	78,742	40,737	1,409	51,161	29,171	1,357	30,390	22,384
25–29	0	0	0	24	106,060	61,194	479	99,811	58,751	688	74,198	44,415	759	40,476	28,192
30–34	0	0	0	0	0	0	188	112,796	73,821	788	84,689	56,806	874	52,258	39,250
35 & Over	0	0	0	0	0	0	20	101,611	70,395	489	93,980	68,940	658	63,650	51,101
Total	0	0	0	475	90,547	46,465	1,933	86,535	47,950	3,497	68,469	43,192	3,720	43,222	32,288
Towns															
Under 10	0	0	0	0	0	0	6	35,587	4,098	21	22,173	3,206	30	14,170	2,071
10–14	0	0	0	0	0	0	11	29,137	5,838	44	28,943	5,734	30	21,191	5,652
15–19	0	0	0	0	0	0	3	47,212	10,933	17	36,732	11,137	20	22,442	8,850
20–24	0	0	0	172	98,622	49,924	454	86,348	44,154	317	59,879	33,486	270	36,527	25,634
25–29	0	0	0	5	109,713	60,615	137	103,652	58,026	152	78,863	45,383	88	45,632	30,692
30–34	0	0	0	0	0	0	45	109,380	68,873	193	99,474	67,702	132	63,837	46,424
35 & Over	0	0	0	0	0	0	6	117,248	73,478	114	111,829	82,589	95	80,181	62,735
Total	0	0	0	177	98,935	50,226	662	90,187	47,821	858	76,083	47,207	665	47,265	33,261

Service Retirees — PFRS

continued

Years of Service	Nearest Age														
	Under 40			40–49			50–59			60–69			70 & Over		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
Villages															
Under 10	0	0	0	0	0	0	15	28,155	2,970	20	20,734	2,505	42	9,972	1,357
10 – 14	0	0	0	0	0	0	15	31,859	5,971	62	25,145	5,249	46	16,832	4,362
15 – 19	0	0	0	0	0	0	10	38,553	10,310	26	28,139	8,896	25	20,851	8,642
20 – 24	0	0	0	155	90,041	45,333	371	81,082	41,057	373	57,827	31,983	335	33,907	24,774
25 – 29	0	0	0	11	106,996	57,325	94	103,027	54,930	130	78,067	43,117	157	39,127	26,941
30 – 34	0	0	0	0	0	0	36	119,023	72,234	128	104,334	67,968	137	56,108	40,504
35 & Over	0	0	0	0	0	0	4	96,664	69,403	116	113,802	83,358	82	81,306	64,285
Total	0	0	0	166	91,165	46,128	545	83,895	43,139	855	71,321	42,703	824	40,740	28,911
Miscellaneous															
Under 10	0	0	0	0	0	0	2	58,834	5,996	2	58,211	6,568	1	101,364	8,700
10 – 14	0	0	0	0	0	0	2	59,868	12,982	7	37,302	7,571	11	17,840	4,382
15 – 19	0	0	0	0	0	0	2	66,889	18,792	9	51,152	16,314	1	59,403	32,424
20 – 24	0	0	0	6	98,590	49,327	150	123,636	65,051	305	98,822	54,135	287	32,774	27,562
25 – 29	0	0	0	4	136,593	77,479	94	145,599	88,499	167	132,649	81,847	85	61,773	40,787
30 – 34	0	0	0	0	0	0	35	180,647	124,022	146	161,845	110,929	75	95,231	68,065
35 & Over	0	0	0	0	0	0	1	223,062	156,179	46	150,982	111,901	85	98,249	76,380
Total	0	0	0	10	113,791	60,588	286	136,883	79,193	682	122,736	75,859	545	55,977	42,319

Disability Retirees — ERS

As of March 31, 2013 — by age and years of service, number, average final average salary (Avg FAS) and average option 0 (prior to option selection) plus COLA (Avg Pen).

Years of Service	Nearest Age														
	Under 55			55–64			65–74			75–84			85 & Over		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
State															
Under 10	233	30,717	15,044	365	24,086	11,060	246	21,078	10,671	128	18,611	8,653	58	14,024	7,966
10 – 14	579	40,553	16,995	1,062	34,933	13,495	834	28,187	11,919	459	22,084	10,224	109	14,883	9,415
15 – 19	517	46,737	19,635	1,034	39,561	16,341	900	32,729	15,443	382	24,642	14,305	111	18,142	12,869
20 – 24	398	51,605	22,478	934	44,721	19,678	698	37,461	20,885	249	24,897	18,431	49	14,891	13,169
25 – 29	210	57,875	31,184	525	49,527	25,592	397	38,101	23,610	101	27,598	21,732	30	16,706	17,469
30 – 34	38	54,043	27,835	227	46,576	27,550	146	38,753	26,012	36	28,456	24,432	6	17,268	19,379
35 & Over	1	41,698	24,046	56	47,409	29,912	27	40,459	29,118	4	33,775	28,476	0	0	0
Total	1,976	45,338	20,280	4,203	39,923	17,847	3,248	32,689	16,933	1,359	23,604	14,012	363	15,933	11,577
Counties															
Under 10	58	44,174	23,879	67	29,071	12,929	59	21,462	11,224	33	17,700	7,525	17	14,026	6,618
10 – 14	251	48,249	22,195	362	36,202	13,634	342	28,962	10,821	167	20,817	8,701	45	12,869	7,727
15 – 19	253	56,979	26,841	370	43,100	18,716	315	32,992	13,973	120	25,772	14,186	23	13,023	9,632
20 – 24	204	70,602	37,234	334	49,803	23,858	193	36,976	20,639	59	29,468	23,317	7	20,449	16,909
25 – 29	60	59,872	30,992	205	51,593	27,931	83	40,340	25,999	31	27,839	20,953	4	23,661	19,943
30 – 34	9	53,542	26,555	78	52,867	32,624	26	46,257	32,113	6	35,411	29,866	1	15,837	20,315
35 & Over	0	0	0	15	52,326	33,892	5	60,133	43,713	1	58,756	52,547	0	0	0
Total	835	56,964	28,073	1,431	44,108	20,597	1,023	32,797	15,601	417	24,043	13,574	97	14,131	9,281
Cities															
Under 10	10	34,462	12,233	22	22,405	9,265	16	22,170	11,683	13	21,270	10,663	3	14,914	13,355
10 – 14	43	40,266	13,671	77	29,716	10,448	71	28,160	10,910	38	18,569	8,762	13	10,026	9,022
15 – 19	39	43,375	14,495	95	36,866	13,295	67	32,708	12,198	26	19,696	11,390	9	11,030	7,846
20 – 24	26	44,498	15,994	60	37,020	15,776	46	30,504	16,213	19	19,766	17,115	5	20,262	15,899
25 – 29	7	51,258	22,639	57	40,285	19,531	34	34,703	21,560	12	25,430	18,135	2	5,951	11,078
30 – 34	5	57,141	29,224	20	41,141	24,291	8	32,009	18,828	2	15,405	13,992	2	14,134	18,579
35 & Over	1	59,183	34,810	3	45,259	28,194	0	0	0	0	0	0	1	22,668	26,061
Total	131	42,964	15,502	334	35,207	14,675	242	30,515	14,084	110	20,052	12,168	35	12,529	11,224
Towns															
Under 10	19	33,178	11,810	21	30,103	14,269	11	28,220	12,959	16	17,431	8,280	3	16,946	9,074
10 – 14	61	38,690	13,415	102	36,325	13,062	68	28,430	11,981	48	20,784	9,512	12	18,328	12,572
15 – 19	73	47,568	16,038	111	40,042	15,235	97	35,428	13,550	32	27,645	11,756	6	13,147	10,447
20 – 24	57	61,143	21,953	105	45,402	19,083	57	39,731	24,099	28	27,877	20,033	8	21,901	23,986
25 – 29	20	75,138	33,581	63	49,401	23,719	50	40,754	26,596	6	27,844	15,699	2	14,972	21,461
30 – 34	3	70,461	35,183	35	53,623	31,558	17	43,262	30,992	4	24,564	23,690	0	0	0
35 & Over	1	57,778	33,516	7	65,758	40,499	3	40,209	30,036	1	18,435	15,615	0	0	0
Total	234	50,085	18,271	444	42,790	18,489	303	35,771	18,455	135	23,892	12,820	31	17,897	15,341

Disability Retirees — ERS

continued

Years of Service	Nearest Age														
	Under 55			55-64			65-74			75-84			85 & Over		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
Villages															
Under 10	3	26,627	10,562	6	31,930	11,087	7	17,998	11,442	3	12,740	12,084	3	13,758	8,371
10 - 14	21	42,775	14,582	33	35,520	13,403	23	24,394	9,876	13	20,776	10,704	3	12,530	8,204
15 - 19	13	53,265	17,972	30	43,069	16,088	27	33,584	14,901	10	19,088	11,151	4	15,751	13,914
20 - 24	14	52,020	19,315	32	47,079	19,371	18	29,018	18,158	15	23,175	16,478	0	0	0
25 - 29	4	67,215	28,719	21	52,889	24,424	16	33,661	20,306	6	28,998	20,939	1	41,924	36,390
30 - 34	1	46,872	23,389	16	62,013	35,281	7	38,694	27,847	4	26,015	22,367	2	34,662	34,674
35 & Over	0	0	0	1	58,962	35,924	0	0	0	0	0	0	0	0	0
Total	56	48,475	17,504	139	45,498	19,602	98	29,853	15,880	51	22,056	14,690	13	19,470	16,240
Miscellaneous															
Under 10	29	33,498	12,240	43	28,199	11,045	30	26,871	10,685	22	20,338	10,013	5	19,440	10,794
10 - 14	100	43,539	14,973	233	43,479	14,090	152	34,716	11,236	66	23,926	10,290	11	13,440	9,283
15 - 19	91	51,871	17,390	236	43,466	15,010	159	38,317	14,474	38	26,203	12,874	9	18,032	15,126
20 - 24	75	56,003	20,470	158	50,732	19,136	61	43,548	19,354	30	25,448	16,229	2	38,366	39,361
25 - 29	31	57,243	24,613	97	51,780	24,712	29	41,947	27,494	15	34,517	26,316	2	25,583	23,479
30 - 34	5	62,586	28,911	44	56,355	32,193	12	46,984	30,743	6	41,342	32,086	0	0	0
35 & Over	0	0	0	8	51,442	35,232	1	28,043	20,976	1	37,830	34,359	0	0	0
Total	331	49,345	17,757	819	45,825	17,606	444	37,477	15,085	178	25,783	14,029	29	18,456	14,410
Schools															
Under 10	17	23,661	8,830	45	18,770	7,217	51	17,914	7,444	45	14,733	5,974	14	9,431	9,289
10 - 14	148	33,243	11,348	347	28,548	9,053	339	25,144	7,970	154	19,990	7,097	46	8,385	4,536
15 - 19	74	42,402	14,200	273	31,790	10,810	291	30,289	10,683	96	18,411	9,045	45	12,323	8,366
20 - 24	64	47,304	17,313	163	36,042	14,054	100	29,188	13,789	40	22,246	13,034	9	17,977	11,767
25 - 29	34	50,746	22,229	76	42,147	19,314	57	31,608	18,060	19	25,563	19,188	6	18,329	16,035
30 - 34	7	50,770	24,914	34	46,875	25,436	10	47,099	28,952	1	12,204	10,106	1	18,084	21,584
35 & Over	0	0	0	6	51,893	32,214	1	22,658	18,344	0	0	0	0	0	0
Total	344	39,442	14,298	944	32,217	11,900	849	27,639	10,491	355	19,427	8,806	121	11,257	7,759

Disability Retirees — PFRS

As of March 31, 2013 — by age and years of service, number, average final average salary (Avg FAS) and average option 0 (prior to option selection and partial lump sum distribution) plus COLA (Avg Pen).

Years of Service	Nearest Age														
	Under 40			40–49			50–59			60–69			70 & Over		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
State															
Under 10	9	79,201	45,166	27	54,792	34,234	40	36,135	22,398	35	22,180	17,785	10	10,014	20,103
10 – 14	1	105,151	52,576	20	72,127	41,258	32	47,533	28,069	37	30,972	22,286	45	15,743	20,737
15 – 19	0	0	0	19	91,724	55,415	47	63,737	37,217	48	39,502	27,565	96	21,337	21,853
20 – 24	0	0	0	11	105,801	72,982	38	90,822	59,269	49	49,234	33,533	66	33,908	30,086
25 – 29	0	0	0	2	137,540	103,155	22	106,837	70,821	30	70,177	46,456	30	43,460	34,050
30 – 34	0	0	0	0	0	0	7	114,723	80,590	15	98,713	69,831	12	50,067	41,720
35 & Over	0	0	0	0	0	0	0	0	0	7	90,531	69,265	8	66,495	54,378
Total	10	81,796	45,907	79	77,261	48,247	186	67,563	42,569	221	47,288	33,209	267	28,207	26,872
Counties															
Under 10	2	95,579	72,574	25	80,897	49,324	19	53,648	35,448	32	27,491	31,409	13	20,347	29,952
10 – 14	5	116,073	69,115	65	105,551	74,046	42	76,895	50,455	125	38,130	33,509	38	26,600	30,412
15 – 19	1	108,740	81,555	73	119,431	84,580	51	100,529	69,031	217	53,097	43,954	79	39,079	37,946
20 – 24	0	0	0	40	135,011	91,061	91	122,261	84,234	198	70,080	55,566	134	54,630	46,227
25 – 29	0	0	0	5	145,451	102,431	36	140,250	96,747	50	98,961	74,722	65	62,333	50,430
30 – 34	0	0	0	0	0	0	3	173,086	130,114	38	125,318	90,958	16	71,739	59,284
35 & Over	0	0	0	0	0	0	0	0	0	18	137,222	104,158	10	87,809	71,265
Total	8	110,033	71,535	208	114,083	78,726	242	107,727	73,767	678	63,752	51,329	355	50,030	44,159
Cities															
Under 10	6	81,067	44,084	49	56,115	35,805	51	42,254	27,780	32	26,904	21,945	13	11,561	21,660
10 – 14	6	70,413	42,418	98	65,826	40,913	108	50,922	32,031	112	29,130	22,968	46	17,135	20,394
15 – 19	2	67,969	42,409	91	71,937	46,012	137	61,285	39,223	147	37,043	28,475	86	24,790	23,041
20 – 24	0	0	0	45	91,898	57,771	142	75,000	47,182	228	47,720	34,639	132	35,461	31,274
25 – 29	0	0	0	2	156,777	78,389	59	90,312	59,243	92	63,282	42,951	140	39,452	32,392
30 – 34	0	0	0	0	0	0	15	95,039	60,365	60	73,462	49,993	96	44,256	35,604
35 & Over	0	0	0	0	0	0	0	0	0	15	72,638	45,387	30	57,672	45,198
Total	14	74,630	43,131	285	70,862	44,588	512	65,341	41,700	686	46,309	33,513	543	35,457	30,641
Towns															
Under 10	4	88,912	60,682	18	56,018	34,806	27	43,115	27,390	7	26,751	21,734	4	13,562	17,729
10 – 14	3	99,728	58,783	26	72,396	48,433	42	60,577	36,263	46	32,550	24,307	19	22,263	22,838
15 – 19	0	0	0	34	88,823	55,755	32	74,315	47,900	43	38,400	31,583	29	30,457	28,089
20 – 24	0	0	0	25	105,006	70,530	66	86,709	57,940	56	58,951	42,414	34	41,395	35,266
25 – 29	0	0	0	0	0	0	26	100,621	64,212	22	70,680	50,961	9	59,891	50,660
30 – 34	0	0	0	0	0	0	7	137,555	82,943	14	96,592	67,380	5	72,653	58,244
35 & Over	0	0	0	0	0	0	0	0	0	1	108,517	82,108	3	134,508	102,468
Total	7	93,547	59,868	103	82,871	53,832	200	76,941	49,348	189	51,073	37,831	103	39,551	34,689

Disability Retirees — PFRS

continued

Years of Service	Nearest Age														
	Under 40			40–49			50–59			60–69			70 & Over		
	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen	Number	Avg FAS	Avg Pen
Villages															
Under 10	2	58,216	35,227	20	58,473	35,201	28	39,331	25,320	22	20,484	21,714	2	9,732	17,245
10 – 14	3	73,156	39,813	33	78,949	53,435	36	60,897	37,717	40	35,557	26,843	17	18,948	22,022
15 – 19	1	115,869	57,934	38	89,252	56,563	46	70,633	44,640	57	48,150	36,797	28	27,656	26,185
20 – 24	0	0	0	16	101,145	63,603	50	82,710	52,310	49	61,378	44,969	29	37,684	33,952
25 – 29	0	0	0	0	0	0	11	96,881	64,272	22	86,587	56,105	15	44,181	36,127
30 – 34	0	0	0	0	0	0	3	130,828	65,414	6	100,417	77,327	5	49,749	37,723
35 & Over	0	0	0	0	0	0	0	0	0	6	90,719	53,137	3	55,907	46,850
Total	6	75,295	41,305	107	82,100	52,658	174	69,749	43,902	202	52,855	38,958	99	33,212	30,280
Miscellaneous															
Under 10	4	81,339	61,418	12	76,496	47,071	17	55,977	35,709	13	35,863	28,583	0	0	0
10 – 14	6	106,080	64,454	31	115,372	82,879	22	79,312	52,850	27	55,458	36,618	2	45,279	17,275
15 – 19	1	99,747	74,811	15	120,703	78,946	22	99,579	69,130	48	61,398	46,376	16	31,410	27,865
20 – 24	0	0	0	4	126,312	95,586	58	122,805	85,343	52	92,159	67,114	13	55,180	43,268
25 – 29	0	0	0	0	0	0	26	140,156	102,731	17	114,893	80,548	6	56,611	40,257
30 – 34	0	0	0	0	0	0	0	0	0	8	124,418	92,463	3	101,660	80,940
35 & Over	0	0	0	0	0	0	0	0	0	2	150,438	113,080	3	87,876	72,245
Total	11	96,508	64,291	62	109,843	75,817	145	107,958	75,252	167	77,559	56,356	43	51,598	40,558

New Option Selections

The \$ Amount column represents payment after the option selection and partial lump sum distribution.*

Options	2009		2010		2011		2012		2013	
	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount
ERS Females										
Single Life Allowance**	6,020	117,373,738	6,470	135,699,269	6,357	157,233,622	9,847	244,526,001	7,066	145,987,536
Cash Refund	139	2,952,850	137	3,440,980	68	1,726,027	69	1,813,098	26	931,274
Joint Allowance — Full	587	7,839,649	605	8,179,336	606	9,213,038	861	14,148,043	699	9,574,166
Joint Allowance — Half	107	2,316,682	130	2,857,915	125	3,341,251	189	5,485,019	132	3,476,859
Five Year Certain	170	3,540,592	174	4,035,895	143	3,654,514	211	5,788,347	149	3,346,546
Ten Year Certain	328	5,782,115	344	6,447,082	311	5,943,014	419	9,708,694	296	5,513,983
Pop-Up — Full	1,068	20,258,310	1,220	23,267,795	1,154	25,707,695	1,600	36,193,577	1,194	22,353,822
Pop-Up — Half	675	17,455,164	768	21,443,099	830	25,014,603	1,131	36,260,986	705	19,919,224
Other (Option 4)	351	9,943,735	513	14,718,088	559	18,639,606	804	27,448,210	526	15,976,185
Total	9,445	187,462,839	10,361	220,089,463	10,153	250,473,374	15,131	381,371,979	10,793	222,079,599
ERS Males										
Single Life Allowance**	2,913	78,050,419	3,073	87,195,113	3,131	104,062,350	4,739	153,233,477	3,314	91,200,227
Cash Refund	74	1,980,335	46	1,575,785	27	928,824	33	1,638,041	16	777,752
Joint Allowance — Full	1,829	47,655,930	1,788	49,472,665	1,730	53,676,380	2,555	80,606,825	1,798	45,969,725
Joint Allowance — Half	292	10,797,761	269	11,005,428	306	13,377,569	429	19,451,402	236	8,353,592
Five Year Certain	79	2,075,848	86	2,226,857	94	2,714,802	120	3,952,047	93	2,575,856
Ten Year Certain	229	5,917,116	238	6,195,158	246	7,362,695	324	9,913,276	208	5,481,097
Pop-Up — Full	1,826	51,456,191	1,943	56,611,837	1,723	55,839,349	2,537	83,585,224	1,726	49,381,516
Pop-Up — Half	652	24,941,333	697	27,219,634	757	32,626,784	1,069	44,906,134	616	23,124,767
Other (Option 4)	577	21,436,505	704	27,006,569	794	34,497,279	1,262	57,034,571	768	30,476,297
Total	8,471	244,311,441	8,844	268,509,049	8,808	305,086,035	13,068	454,321,001	8,775	257,340,833
PFRS Females										
Single Life Allowance**	55	3,230,599	74	4,376,135	42	2,657,247	57	3,496,158	105	6,768,155
Cash Refund	0	0	1	123,250	0	0	0	0	0	0
Joint Allowance — Full	1	26,776	9	312,730	3	228,283	3	90,382	5	202,829
Joint Allowance — Half	2	111,458	1	51,482	0	0	2	168,563	3	256,284
Five Year Certain	0	0	1	53,097	1	134,929	2	152,893	1	93,215
Ten Year Certain	4	215,773	9	500,229	8	477,772	6	442,145	9	764,107
Pop-Up — Full	9	420,387	12	637,082	10	553,586	11	595,115	11	696,482
Pop-Up — Half	6	277,268	6	322,506	4	321,162	5	262,928	4	176,756
Other (Option 4)	3	156,122	4	243,421	3	209,089	2	210,532	4	236,218
Total	80	4,438,387	117	6,619,935	71	4,582,071	88	5,418,718	142	9,194,052
PFRS Males										
Single Life Allowance**	357	20,828,207	445	26,893,720	311	19,885,227	423	25,769,728	456	30,408,806
Cash Refund	5	516,624	7	467,321	6	401,003	1	44,596	1	78,836
Joint Allowance — Full	138	7,854,616	190	10,876,836	148	8,289,809	161	9,062,001	167	12,048,353
Joint Allowance — Half	42	2,923,322	54	3,831,638	41	2,978,684	52	4,154,005	67	5,694,946
Five Year Certain	10	698,024	12	794,519	5	261,642	6	372,945	11	810,791
Ten Year Certain	40	2,393,248	39	2,333,741	20	1,218,286	26	1,729,546	47	2,801,198
Pop-Up — Full	195	9,659,792	273	13,319,717	174	9,127,129	211	10,693,161	219	12,422,440
Pop-Up — Half	120	8,473,124	139	10,487,412	94	6,026,504	136	10,128,505	166	11,990,873
Other (Option 4)	96	7,365,875	133	10,739,374	105	8,679,910	117	8,982,280	144	11,388,742
Total	1,003	60,712,837	1,292	79,744,284	904	56,868,198	1,133	70,936,772	1,278	87,644,989
* In 2013, 184 PFRS pensioners selected partial lump sums which totaled \$19,307,177.										
** Includes Option 0 and ½.										

Option Selection — Total Payments

The \$ Amount column represents payment after the option selection and partial lump sum distribution.*

Options	2009		2010		2011		2012		2013	
	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount	Number	\$ Amount
ERS Females										
Single Life Allowance**	120,829	1,546,867,498	123,418	1,651,966,005	125,963	1,778,387,368	131,577	1,986,711,063	134,734	2,097,523,060
Cash Refund	10,611	105,592,285	9,959	104,714,788	9,353	102,351,848	8,758	100,233,102	8,205	97,167,869
Joint Allowance — Full	6,796	63,159,337	7,134	68,984,032	7,473	75,659,051	8,052	87,382,895	8,472	94,438,499
Joint Allowance — Half	2,518	35,141,461	2,541	36,993,044	2,571	39,574,808	2,655	44,160,312	2,694	46,678,830
Five Year Certain	4,147	51,408,691	4,154	54,120,480	4,112	56,118,973	4,142	60,318,191	4,133	62,301,500
Ten Year Certain	6,307	67,904,510	6,396	72,182,741	6,462	76,116,358	6,644	83,605,226	6,669	86,834,748
Pop-Up — Full	9,850	134,321,140	10,900	156,246,377	11,880	180,512,529	13,289	214,674,185	14,280	234,957,928
Pop-Up — Half	9,988	176,454,432	10,546	195,702,899	11,174	218,408,531	12,074	252,090,560	12,537	269,247,425
Other (Option 4)	2,487	52,216,903	2,962	66,540,138	3,468	84,453,806	4,227	111,203,138	4,692	126,307,424
Total	173,533	2,233,066,261	178,010	2,407,450,508	182,456	2,611,583,271	191,418	2,940,378,671	196,416	3,115,457,282
ERS Males										
Single Life Allowance**	54,026	1,132,437,884	54,939	1,191,967,692	55,942	1,266,672,453	58,582	1,389,716,674	59,788	1,449,117,701
Cash Refund	6,601	118,139,799	6,196	114,530,603	5,774	110,133,454	5,389	106,841,326	5,043	102,915,632
Joint Allowance — Full	25,227	510,604,138	25,965	544,500,819	26,627	582,284,424	28,084	645,917,503	28,746	673,789,024
Joint Allowance — Half	9,505	252,076,795	9,316	255,647,747	9,144	260,218,588	9,130	271,792,548	8,876	270,583,032
Five Year Certain	2,045	39,662,201	2,025	40,538,860	1,990	41,634,759	2,000	44,325,066	2,003	45,773,736
Ten Year Certain	4,476	81,680,103	4,485	85,236,946	4,525	89,931,374	4,633	96,940,848	4,643	99,670,379
Pop-Up — Full	16,293	362,900,820	17,843	414,379,167	19,180	464,337,060	21,269	541,371,444	22,536	584,081,845
Pop-Up — Half	11,215	328,172,647	11,578	348,976,024	12,033	375,880,652	12,781	414,558,462	13,052	430,283,454
Other (Option 4)	4,456	148,099,493	5,072	173,735,025	5,775	206,388,513	6,945	261,383,004	7,600	289,382,235
Total	133,844	2,973,773,884	137,419	3,169,512,887	140,990	3,397,481,277	148,813	3,772,846,875	152,287	3,945,597,038
PFRS Females										
Single Life Allowance**	471	19,834,215	543	24,173,859	583	26,779,606	638	30,248,414	743	37,098,117
Cash Refund	5	171,250	5	293,594	5	293,595	5	295,261	5	295,261
Joint Allowance — Full	25	899,547	34	1,212,278	37	1,441,268	39	1,495,342	44	1,698,300
Joint Allowance — Half	11	422,207	12	473,968	12	473,968	13	569,194	16	825,479
Five Year Certain	8	214,260	9	267,357	10	402,287	12	555,181	13	648,397
Ten Year Certain	50	2,244,594	59	2,746,242	66	3,187,109	72	3,631,250	80	4,307,112
Pop-Up — Full	79	3,564,812	91	4,206,801	101	4,791,269	112	5,388,537	123	6,086,218
Pop-Up — Half	51	2,302,433	57	2,624,952	61	2,946,302	66	3,228,967	70	3,410,624
Other (Option 4)	12	759,290	16	1,003,261	19	1,214,436	21	1,426,365	25	1,662,583
Total	712	30,412,611	826	37,002,316	894	41,529,840	978	46,838,511	1,119	56,032,092
PFRS Males										
Single Life Allowance**	15,157	472,399,750	15,221	492,714,408	15,134	505,331,446	15,157	524,509,183	15,210	547,056,375
Cash Refund	1,838	56,260,625	1,780	55,450,594	1,720	54,117,611	1,653	52,698,493	1,601	51,632,893
Joint Allowance — Full	2,351	91,727,133	2,489	100,979,665	2,595	108,224,229	2,710	115,847,369	2,825	126,043,453
Joint Allowance — Half	1,338	57,803,257	1,357	60,695,908	1,338	61,942,344	1,352	65,139,874	1,381	69,844,520
Five Year Certain	390	12,801,439	384	13,146,036	383	13,227,537	379	13,342,340	377	13,799,772
Ten Year Certain	1,428	46,804,803	1,418	47,687,360	1,403	48,264,086	1,397	49,099,834	1,409	51,045,019
Pop-Up — Full	2,150	86,317,312	2,407	99,335,964	2,557	107,908,349	2,748	118,181,382	2,940	129,993,076
Pop-Up — Half	2,109	109,729,379	2,213	119,330,744	2,285	124,898,266	2,397	134,364,179	2,517	144,819,757
Other (Option 4)	798	56,544,319	923	66,855,781	1,016	74,869,627	1,129	83,685,215	1,269	95,023,807
Total	27,559	990,388,020	28,192	1,056,196,465	28,431	1,098,783,495	28,922	1,156,867,868	29,529	1,229,258,672

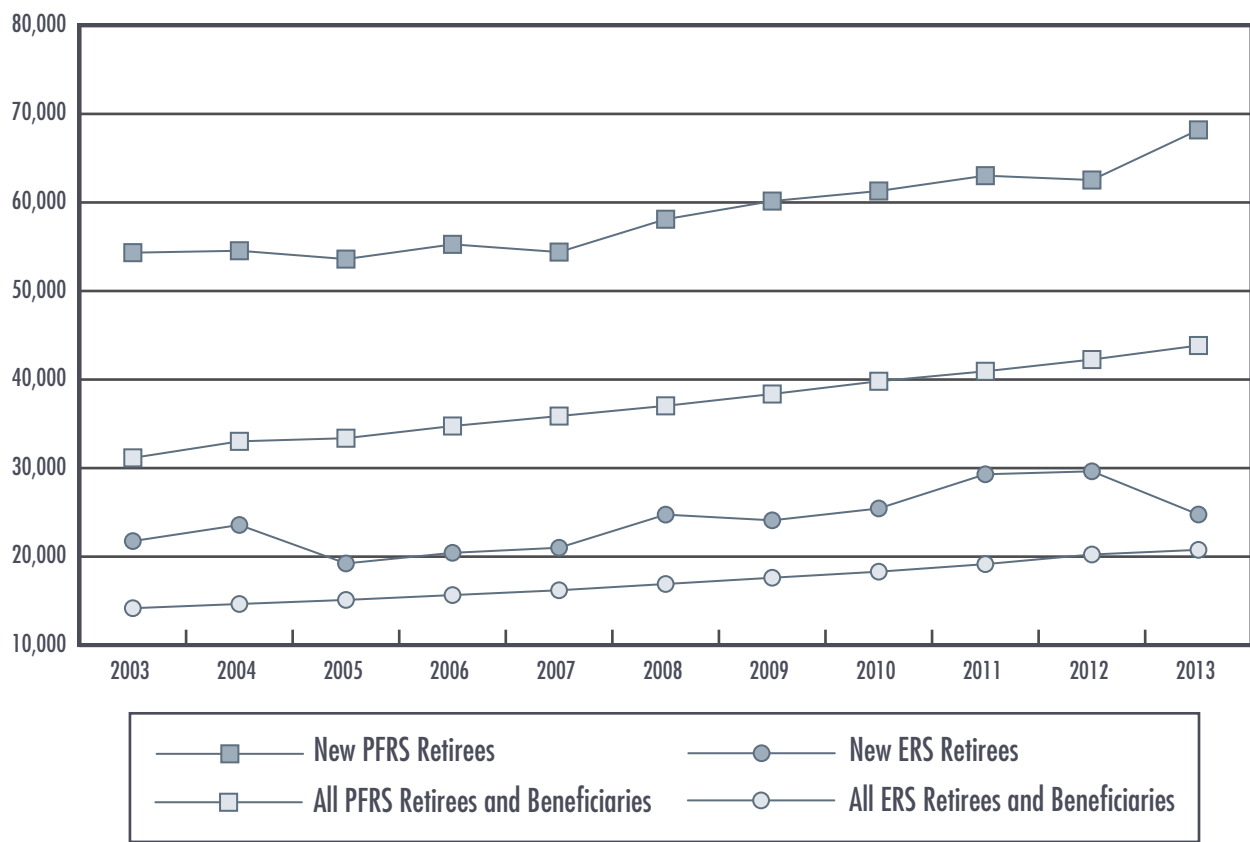
* In the five years since this program began, 695 PFRS pensioners have selected partial lump sums which totaled \$67,952,263.

** Includes Option 0 and ½.

Average Pension Benefits Paid During Year Shown

Average benefit payments to all retirees and beneficiaries receiving benefits during the year compared with average benefit payments to new retirees during the year. The benefit consists of actual payments (after option selection and partial lump sum distribution), plus COLA.

Year	ERS		PFRS	
	All Retirees & Beneficiaries	New Retirees	All Retirees & Beneficiaries	New Retirees
2003	\$ 14,176	\$ 21,755	\$ 31,154	\$ 54,330
2004	14,651	23,576	33,022	54,545
2005	15,110	19,231	33,375	53,604
2006	15,657	20,430	34,753	55,269
2007	16,202	21,004	35,877	54,397
2008	16,909	24,744	37,030	58,106
2009	17,615	24,100	38,367	60,158
2010	18,300	25,441	39,808	61,295
2011	19,151	29,300	40,932	63,026
2012	20,241	29,636	42,259	62,535
2013	20,766	24,756	43,844	68,197



Average Benefit Pay Types

New Benefits: ERS

These tables show the average unmodified retirement allowance (prior to option selection) awarded to Employees' Retirement System members retiring during the fiscal year ending March 31, 2013. The average allowances are shown for groupings based on years of service. The allowance is also expressed as a percentage of the average final average salary (FAS) of the grouping.

New Service Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	28	\$ 1,928	8
5 – 9	1,725	4,094	11
10 – 14	3,032	7,323	18
15 – 19	2,125	11,684	25
20 – 24	3,074	22,457	41
25 – 29	3,060	32,825	50
30 – 34	3,395	43,415	62
35 – 39	1,461	51,455	72
40 & Over	807	62,472	81
Total	18,707	\$ 26,547	42

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	0	0	0
10 – 14	1	57,224	74
15 – 19	0	0	0
20 – 24	0	0	0
25 – 29	1	16,102	38
30 – 34	0	0	0
35 – 39	0	0	0
40 & Over	0	0	0
Total	2	\$ 36,663	56

New Ordinary Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	2	\$ 4,537	33
5 – 9	6	12,662	32
10 – 14	222	13,997	30
15 – 19	176	17,643	32
20 – 24	187	20,867	36
25 – 29	139	26,506	44
30 – 34	46	29,633	50
35 – 39	4	35,612	58
40 & Over	0	0	0
Total	782	\$ 19,680	36

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	1	\$ 30,560	75
5 – 9	3	38,316	67
10 – 14	15	54,890	73
15 – 19	15	56,076	71
20 – 24	32	70,608	71
25 – 29	10	68,867	72
30 – 34	1	59,575	75
35 – 39	0	0	0
40 & Over	0	0	0
Total	77	\$ 62,567	72

Average Benefit Pay Types

continued

New Benefits: PFRS

These tables show the average unmodified retirement allowance (prior to option selection or partial lump sum distribution) awarded to Police and Fire Retirement System members retiring during the fiscal year ending March 31, 2013. The average allowances are shown for groupings based on years of service. The allowance is also expressed as a percentage of the average final salary (FAS) of the grouping.

New Service Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	11	4,439	13
10 – 14	26	8,792	20
15 – 19	14	19,099	29
20 – 24	386	55,487	52
25 – 29	395	80,578	60
30 – 34	287	92,085	66
35 – 39	111	89,274	68
40 & Over	25	111,261	79
Total	1,255	\$ 74,032	59

New Accidental Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	1	\$ 32,694	75
5 – 9	2	80,891	75
10 – 14	8	87,832	75
15 – 19	16	90,215	74
20 – 24	21	90,709	74
25 – 29	19	94,137	73
30 – 34	6	89,920	74
35 – 39	0	0	0
40 & Over	0	0	0
Total	73	\$ 90,049	74

New Ordinary Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	1	50,406	50
10 – 14	2	41,222	42
15 – 19	3	49,609	39
20 – 24	1	23,556	37
25 – 29	1	52,519	50
30 – 34	0	0	0
35 – 39	0	0	0
40 & Over	0	0	0
Total	8	\$ 44,719	42

New Performance of Duty Disability Retirements

Years of Service	Number Granted	Average Allowance	% of FAS
Under 5	0	\$ 0	0
5 – 9	6	48,630	50
10 – 14	11	44,394	50
15 – 19	22	48,118	50
20 – 24	24	50,299	50
25 – 29	12	59,534	51
30 – 34	5	64,387	50
35 – 39	4	34,572	50
40 & Over	0	0	0
Total	84	\$ 50,244	50

New Benefits — Service Retirements by Age and Service

During the fiscal year ending March 31, 2013, the number of members retiring, their average Single Life Allowance (prior to option selection or partial lump sum distribution) and the average allowance as a percentage of the average final average salary (FAS).

Years of Service	Age at Retirement											
	50 – 59			60 – 64			65 – 69			70 & Over		
	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%
ERS												
Under 5	0	\$ 0	0	13	\$ 685	6	11	\$ 3,455	9	4	\$ 1,773	11
5 – 9	556	3,407	9	630	4,213	11	368	4,878	12	171	4,209	12
10 – 14	1,077	5,498	14	955	8,020	19	664	9,118	20	336	7,640	20
15 – 19	749	9,027	20	681	12,595	27	484	13,721	28	211	13,504	28
20 – 24	826	19,331	34	1,229	23,342	42	743	23,921	44	276	23,930	44
25 – 29	980	33,291	46	1,238	31,888	52	653	33,528	53	189	34,116	53
30 – 34	1,793	44,143	62	1,117	42,981	62	333	42,994	62	152	38,938	63
35 – 39	809	49,278	72	434	54,924	72	145	54,723	72	73	48,478	72
40 & Over	168	56,775	79	401	59,759	80	140	71,440	82	98	70,528	86
Total	6,958	\$ 27,554	42	6,698	\$ 27,303	44	3,541	\$ 24,414	40	1,510	\$ 23,553	40

Years of Service	Age at Retirement											
	40 – 49			50 – 54			55 – 59			60 & Over		
	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%	Number	Allowance	%
PFRS												
Under 5	0	\$ 0	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0	0
5 – 9	0	0	0	0	0	0	8	4,396	12	3	4,552	17
10 – 14	0	0	0	0	0	0	20	8,151	20	6	10,931	22
15 – 19	0	0	0	0	0	0	10	13,900	26	4	32,097	37
20 – 24	249	55,908	52	107	58,110	53	22	40,677	51	8	48,013	51
25 – 29	62	77,786	59	198	80,839	60	109	80,536	61	26	85,419	62
30 – 34	0	0	0	34	91,335	65	166	90,386	66	87	95,619	68
35 – 39	0	0	0	0	0	0	24	82,532	67	87	91,134	69
40 & Over	0	0	0	0	0	0	0	0	0	25	111,261	79
Total	311	\$ 60,270	53	339	\$ 74,718	58	359	\$ 75,196	59	246	\$ 88,787	66

New Benefits — Accidental and Ordinary Death

Accidental Death Benefits

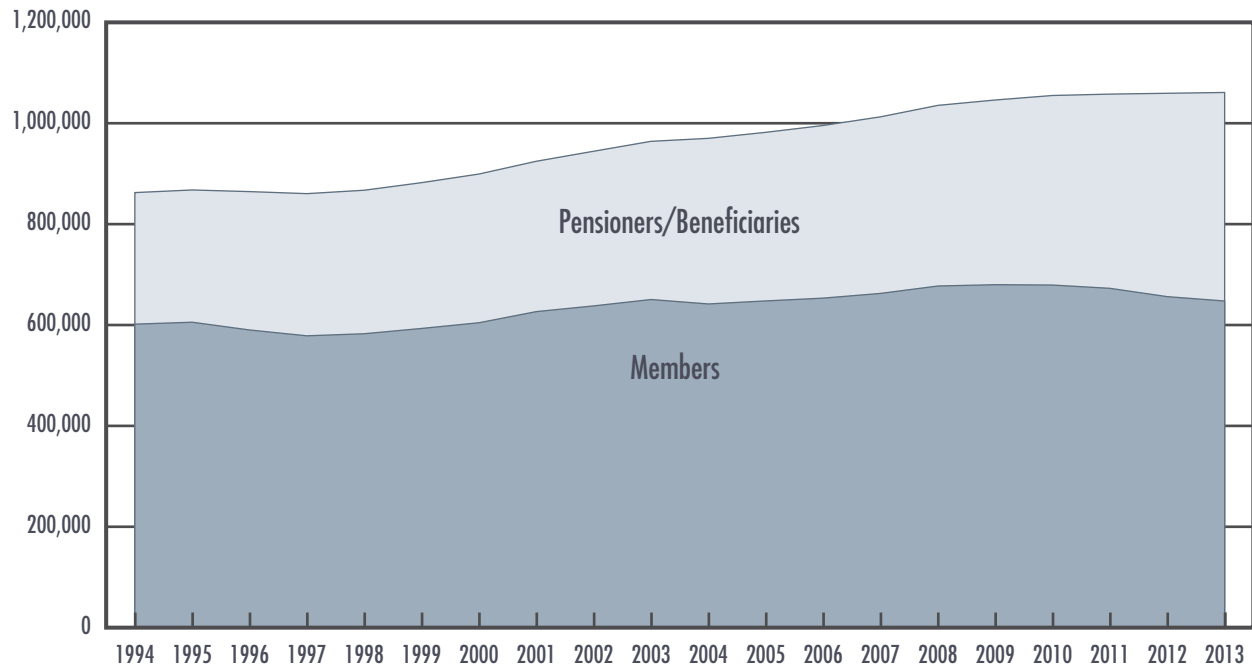
During the fiscal year ending March 31, 2013, the Employees' Retirement System approved three accidental death benefits, which averaged \$34,875. The Police and Fire Retirement System approved three accidental death benefits, which averaged \$45,425.

Ordinary Death Benefits

Years of Service	ERS			PFRS		
	Number Paid	Average Benefit	Percentage of Salary	Number Paid	Average Benefit	Percentage of Salary
Under 5	106	\$ 72,091	214.6	0	\$ 0	0
5 – 9	144	131,391	279.0	5	306,200	300.4
10 – 14	196	109,288	238.9	3	317,000	300.1
15 – 19	128	120,154	239.0	6	323,000	300.8
20 – 24	93	156,091	267.5	1	1,080,668	703.6
25 – 29	73	190,380	288.6	7	1,066,842	723.1
30 – 34	49	225,433	301.5	3	542,706	787.4
35 – 39	13	231,290	270.5	0	0	0
40 & Over	11	458,450	655.4	0	0	0
Total	813	\$ 136,374	260.5	25	\$ 583,867	493.4

Combined System Participants

Fiscal Year	Members	% Changed	Pensioners/ Beneficiaries	% Changed	Total Participants	% Changed
1994	601,710	0	260,788	1	862,498	0
1995	605,544	1	262,187	1	867,731	1
1996	590,130	(3)	274,330	5	864,460	0
1997	578,566	(2)	281,863	3	860,429	0
1998	582,689	1	284,515	1	867,204	1
1999	593,188	2	289,046	2	882,234	2
2000	604,479	2	294,835	2	899,314	2
2001	626,565	4	298,078	1	924,643	3
2002	637,896	2	306,604	3	944,500	2
2003	650,543	2	313,597	2	964,140	2
2004	641,721	(1)	328,357	5	970,078	1
2005	647,758	1	334,251	2	982,009	1
2006	653,291	1	342,245	2	995,536	1
2007	662,633	1	350,066	2	1,012,699	2
2008	677,321	2	358,109	2	1,035,430	2
2009	679,908	0	366,178	2	1,046,086	1
2010	679,217	0	375,803	3	1,055,020	1
2011	672,723	(1)	385,031	2	1,057,754	0
2012	656,224	(2)	403,174	5	1,059,398	0
2013	647,574	(1)	413,436	3	1,061,010	0

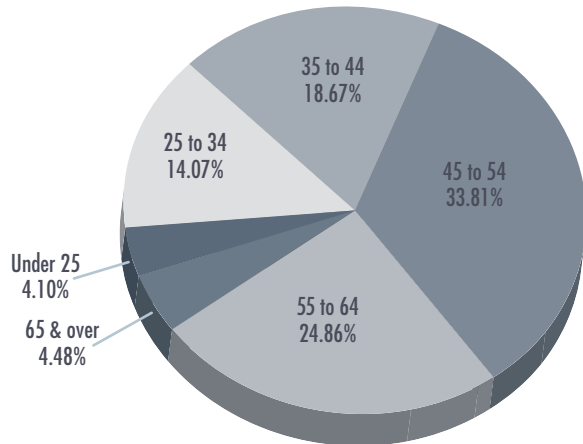


Membership by Age and Years of Service

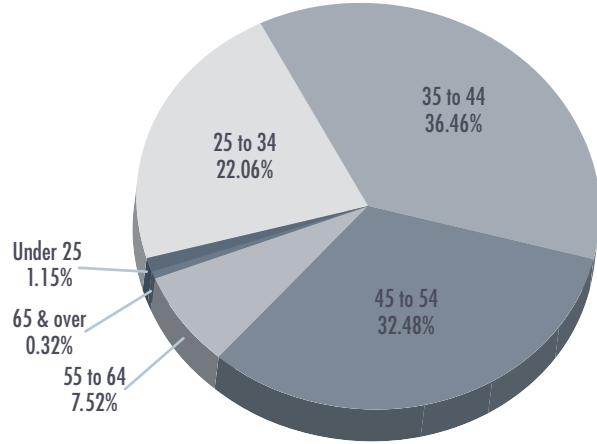
As of March 31, 2013.

Age	Years of Service											
	Total		0 – 4		5 – 9		10 – 19		20 – 29		30 & Over	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
ERS												
Total	613,930	100.00	180,961	29.48	131,251	21.38	167,909	27.35	101,347	16.51	32,462	5.29
Under 25	25,201	4.10	24,961	4.07	240	0.04	0	0	0	0	0	0
25 – 34	86,397	14.07	55,717	9.08	25,915	4.22	4,765	0.78	0	0	0	0
35 – 44	114,616	18.67	37,112	6.04	34,024	5.54	38,833	6.33	4,647	0.76	0	0
45 – 54	207,588	33.81	38,918	6.34	41,808	6.81	66,467	10.83	50,575	8.24	9,820	1.60
55 – 64	152,639	24.86	20,288	3.30	24,639	4.01	48,895	7.96	39,580	6.45	19,237	3.13
65 & Over	27,489	4.48	3,965	0.65	4,625	0.75	8,949	1.46	6,545	1.07	3,405	0.55
PFRS												
Total	33,644	100.00	5,470	16.26	6,948	20.65	11,349	33.73	8,112	24.11	1,765	5.25
Under 25	387	1.15	380	1.13	7	0.02	0	0	0	0	0	0
25 – 34	7,423	22.06	3,462	10.29	3,262	9.7	699	2.08	0	0	0	0
35 – 44	12,267	36.46	1,182	3.51	2,896	8.61	7,363	21.89	826	2.46	0	0
45 – 54	10,927	32.48	346	1.03	637	1.89	3,020	8.98	6,472	19.24	452	1.34
55 – 64	2,531	7.52	82	0.24	138	0.41	254	0.75	809	2.40	1,248	3.71
65 & Over	109	0.32	18	0.05	8	0.02	13	0.04	5	0.01	65	0.19

ERS



PFRS



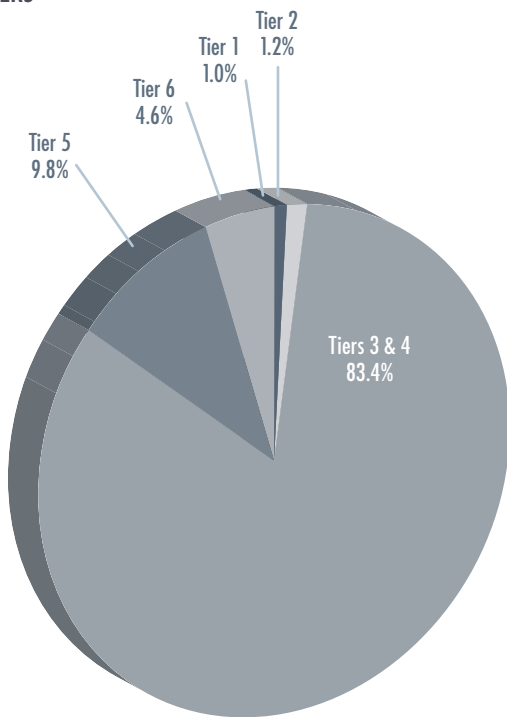
Membership by Tier

As of March 31, 2013.

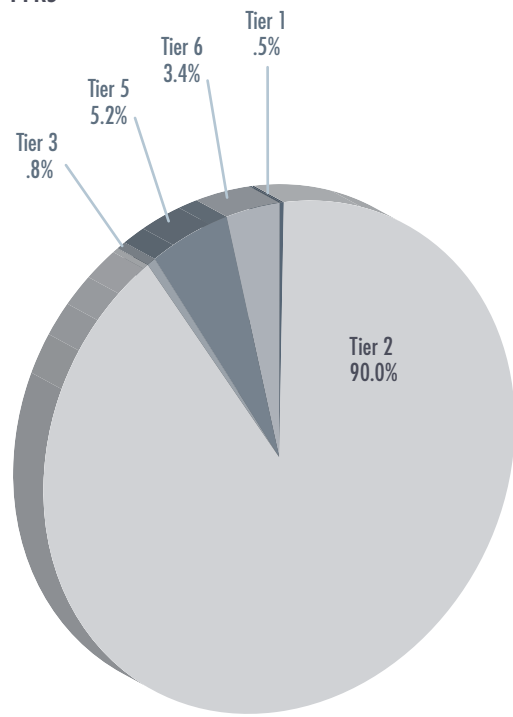
	ERS		PFRS		Total	
	Number	Percent	Number	Percent	Number	Percent
Tier 1	6,230	1.0	172	0.5	6,402	1.0
Tier 2	7,538	1.2	30,295	90.0	37,833	5.8
Tiers 3 & 4 *	511,757	83.4	263	0.8	512,020	79.1
Tier 5	59,931	9.8	1,764	5.2	61,695	9.5
Tier 6	28,474	4.6	1,150	3.4	29,624	4.6
Total **	613,930	100.0	33,644	100.0	647,574	100.0

* There is no Tier 4 in the Police and Fire Retirement System.
 ** Total may not add up to 100% due to rounding.

ERS



PFRS



Membership by Status

	ERS			PFRS		
	Active	Inactive	Total	Active	Inactive	Total
2004	507,241	98,914	606,155	32,359	3,207	35,566
2005	508,856	103,554	612,410	32,388	2,960	35,348
2006	513,016	104,973	617,989	32,469	2,833	35,302
2007	519,203	107,720	626,923	32,811	2,899	35,710
2008	528,435	112,684	641,119	33,089	3,113	36,202
2009	530,023	113,677	643,700	33,052	3,156	36,208
2010	505,575	116,532	622,107	31,024	3,093	34,117
2011	513,092	124,829	637,921	31,659	3,143	34,802
2012	505,575	116,532	622,107	31,024	3,093	34,117
2013	498,266	115,664	613,930	30,780	2,864	33,644

Number of Employers

As of March 31, 2013.

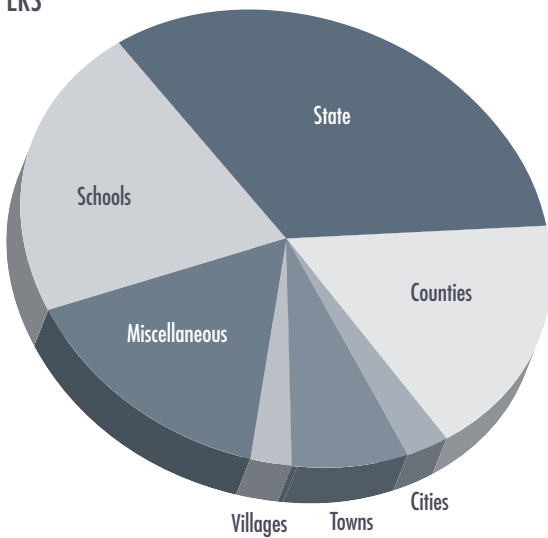
Category	ERS	PFRS
State	1	1
Counties	57	4
Cities	61	61
Towns	912	205
Villages	489	376
Miscellaneous	784	34
Schools	700	0
Total	3,004	681

Membership by Employer Type*

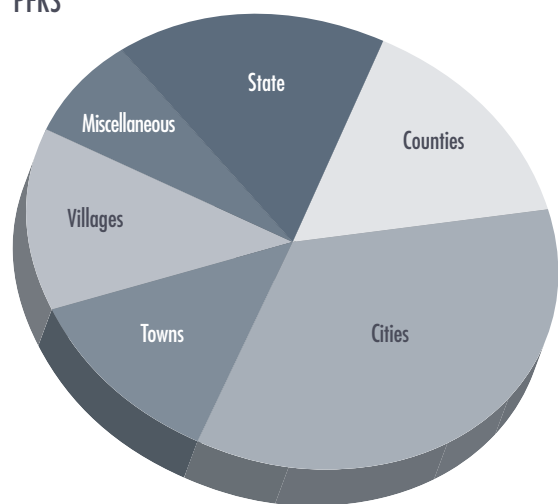
As of March 31, 2013.

	ERS		PFRS		Total	
	Total	Active	Total	Active	Total	Active
State	202,570	169,931	5,630	5,270	208,200	175,201
Counties	108,302	86,691	5,076	4,899	113,378	91,590
Cities	18,176	14,370	11,868	10,968	30,044	25,338
Towns	44,407	35,722	4,153	3,708	48,560	39,430
Villages	14,040	10,925	4,370	3,542	18,410	14,467
Miscellaneous	95,199	73,599	2,547	2,393	97,746	75,992
Schools	131,236	107,028	0	0	131,236	107,028
Total	613,930	498,266	33,644	30,780	647,574	529,046

ERS



PFRS



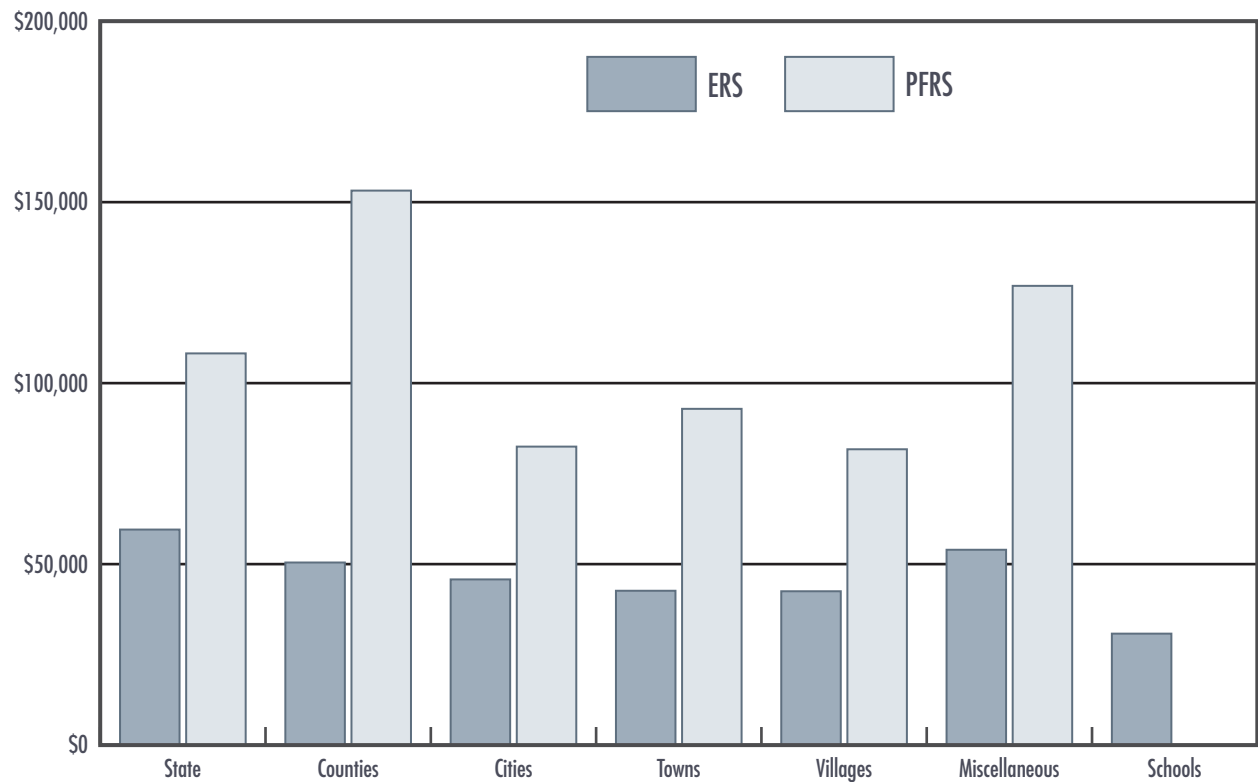
* A detailed listing of employers as of March 31, 2013 is on our website at www.osc.state.ny.us/retire/employers/index.php.

Average Salary by Employer Type

Fiscal year ending March 31, 2013.

	Average Salary	Total Members*	Salaries
ERS			
State	\$ 59,547	169,931	\$ 10,118,836,091
Counties	50,446	86,691	4,373,200,634
Cities	45,773	14,370	657,760,873
Towns	42,639	35,722	1,523,143,438
Villages	42,503	10,925	464,343,264
Miscellaneous	53,964	73,599	3,971,661,002
Schools	30,792	107,028	3,295,558,300
Total	\$ 48,979	498,266	\$ 24,404,503,604
PFRS			
State	\$ 108,214	5,270	\$ 570,289,161
Counties	153,190	4,899	750,476,757
Cities	82,463	10,968	904,451,562
Towns	92,898	3,708	344,465,612
Villages	81,728	3,542	289,479,074
Miscellaneous	126,873	2,393	303,608,028
Total	\$ 102,754	30,780	\$ 3,162,770,193

* Active members receiving salary.



Members and Salaries by Plan — ERS

As of March 31, 2013.

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries
Age 55/60 Contributory	7	\$ 209,833	5	\$ 158,455
Age 55 75-c	29	879,184	48	1,946,283
Age 55 75-e	12	396,871	18	488,724
Age 55 75-g	80	3,717,567	94	4,344,741
Age 55 75-h	2,036	151,949,048	2,366	172,357,457
Age 55 75-i	3,033	160,329,309	3,290	185,295,748
Regular Correction Officers/SHTA ¾ Disability	2	242,116	1	80,444
Correction Officers 89	34	3,669,171	81	8,296,247
Sheriffs 89-a	1	125,182	0	0
Sheriffs 89-b	0	0	1	61,314
Sheriffs 89-b(m)	1	87,473	2	123,389
Investigators 89-d	0	0	0	0
Investigators 89-d(m)	3	478,444	1	101,357
Sheriffs — 551	0	0	2	180,018
Sheriffs — 551e	0	0	0	0
Sheriffs — 552	2	156,862	1	74,592
Sheriffs — 553	2	220,249	6	541,542
Legislators 80-a	5	387,094	1	61,412
Unified Court Peace Officers	0	0	41	3,849,642
25-Year Correction Officers/Sheriffs/OMH	28	2,630,161	34	2,968,541
25-Year 1/60 Peace Officers, Amb Med Techs, Paramedics	2	216,087	2	205,290

	Tier 3 & 4	Tier 3 & 4 Salaries	Tier 5	Tier 5 Salaries	Tier 6	Tier 6 Salaries*
Article 14 & 15	372,749	\$ 18,898,391,313	47,899	\$ 1,371,739,335	26,699	\$ 332,019,274
Regular Correction Officers/SHTA ¾ Disability	426	40,413,088	7	225,552	26	436,072
Article 14 Correction Officers	18,436	1,575,674,448	962	49,842,487	1,222	21,070,069
Sheriffs — 551	332	23,755,544	6	202,312	5	82,275
Sheriffs — 551e	58	3,505,990	6	205,665	3	46,829
Sheriffs — 552	474	32,443,652	36	1,306,683	11	219,020
Sheriffs — 553	1,583	137,778,904	155	7,864,564	61	823,304
Unified Court Peace Officers	6,067	483,066,536	207	10,709,968	36	357,781
25-Year Correction Officers/Sheriffs/OMH	8,081	640,722,554	817	37,476,723	411	5,875,894
25-Year 1/60 Peace Officers, Amb Med Techs, Paramedics	170	15,555,866	7	257,988	0	0
20-Year 1/60 Investigators	18	2,750,090	1	99,280	0	0
Westchester County Criminal Investigators	23	2,671,867	1	82,830	0	0

* Reportable Tier 6 salaries are capped at the Governor's salary, which was \$179,000 for fiscal year 2013.

Members and Salaries by Plan — PFRS

As of March 31, 2013.

	Tier 1	Tier 1 Salaries	Tier 2	Tier 2 Salaries	Tier 3	Tier 3 Salaries
Age 55/60 Basic	0	\$ 0	53	\$ 603,415	2	\$ 32,392
Age 55 375-c	2	139,152	181	3,412,204	2	57,002
Age 55 375-e	0	0	38	795,938	1	48,563
Age 55 375-g	0	0	48	985,570	1	8,255
Age 55 375-h	1	110,820	1	101,354	0	0
Age 55 375-i	14	1,733,664	199	11,230,409	5	68,295
Age 55 375-j	0	0	5	495,865	0	0
State Police 381-b	1	144,446	4,274	503,901,082	3	89,548
Reg Park Police 383-a	2	262,149	248	19,006,821	1	21,224
EnCon Police 383-b	1	124,052	278	26,289,173	0	0
Forest Ranger 383-c	0	0	115	10,252,399	0	0
25-Year 384	1	54,354	55	2,181,079	16	953,277
25-Year 384(f)	2	248,187	97	10,476,429	70	4,180,566
20-Year 384-d	26	3,277,972	8,339	771,066,805	73	3,876,125
20-Year 1/60 384-e	83	13,014,441	13,703	1,656,231,911	40	3,055,895

Tier 5 Contributory	Tier 5 Contributory Salaries	Tier 5 Non-Contributory	Tier 5 Non-Contributory Salaries	Tier 6 Contributory	Tier 6 Contributory Salaries*	Tier 6 Non-Contributory	Tier 6 Non-Contributory Salaries*
15	\$ 129,603	0	\$ 0	6	\$ 19,272	0	\$ 0
32	355,340	0	0	18	58,993	0	0
8	177,085	0	0	2	13,610	0	0
6	59,606	0	0	4	33,010	0	0
0	0	0	0	0	0	0	0
25	707,060	0	0	16	113,361	0	0
0	0	0	0	0	0	0	0
13	549,783	0	0	298	8,740,226	0	0
0	0	0	0	34	696,082	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
15	523,762	7	498,075	8	89,561	0	0
2	149,488	6	402,218	1	4,943	4	108,250
662	31,934,330	168	9,278,386	382	5,727,405	8	286,297
585	39,110,566	105	6,838,787	358	7,317,014	11	317,245

* Reportable Tier 6 salaries are capped at the Governor's salary, which was \$179,000 for fiscal year 2013.

Pensioners and Beneficiaries by Age

As of March 31, 2013.

Age	ERS			PFRS		
	Pensioners & Beneficiaries	Pensioners	Beneficiaries	Pensioners & Beneficiaries	Pensioners	Beneficiaries
0 – 25	203	0	203	14	0	14
26 – 30	178	0	178	6	1	5
31 – 35	270	9	261	18	10	8
36 – 40	407	85	322	82	67	15
41 – 45	921	386	535	556	531	25
46 – 50	2,515	1,795	720	2,067	2,000	67
51 – 55	6,850	5,640	1,210	2,848	2,759	89
56 – 60	37,764	35,853	1,911	3,952	3,821	131
61 – 65	71,803	69,008	2,795	6,106	5,884	222
66 – 70	77,926	74,103	3,823	6,067	5,796	271
71 – 75	58,611	54,536	4,075	4,401	4,149	252
76 – 80	46,212	41,698	4,514	2,867	2,598	269
81 – 85	37,181	32,509	4,672	2,039	1,825	214
86 – 90	25,571	21,364	4,207	1,137	936	201
91 – 95	11,308	9,230	2,078	322	238	84
96 – 100	2,838	2,235	603	50	31	19
101+	341	252	89	5	2	3
Total	380,899	348,703	32,196	32,537	30,648	1,889

Pensioners and Beneficiaries — ERS

As of March 31, 2013 — by fiscal year of retirement: annual option 0 retirement benefit (prior to option selection) without annual cost-of-living adjustment (COLA), average COLA and total.

Year of Retirement	Number	Option 0 Benefit w/o COLA*	Average COLA	Total
1942	1	\$ 424	\$ 2,293	\$ 2,717
1943	0	0	0	0
1944	0	0	0	0
1945	0	0	0	0
1946	0	0	0	0
1947	0	0	0	0
1948	0	0	0	0
1949	0	0	0	0
1950	0	0	0	0
1951	0	0	0	0
1952	0	0	0	0
1953	0	0	0	0
1954	0	0	0	0
1955	1	2,107	6,350	8,457
1956	2	1,145	4,628	5,773
1957	0	0	0	0
1958	1	2,142	12,423	14,565
1959	2	2,145	5,832	7,977
1960	3	3,474	9,031	12,505
1961	1	1,219	2,942	4,161
1962	2	3,195	7,254	10,449
1963	5	1,676	6,244	7,921
1964	6	2,865	6,468	9,333
1965	6	4,717	12,745	17,462
1966	15	3,436	6,631	10,067
1967	14	2,305	5,575	7,880
1968	21	2,995	5,433	8,428
1969	40	2,900	4,962	7,862
1970	74	3,166	4,393	7,559
1971	100	4,106	5,439	9,545
1972	200	4,411	5,701	10,112
1973	281	4,569	5,366	9,935
1974	384	4,767	5,691	10,458
1975	489	4,943	5,104	10,047
1976	807	5,261	5,061	10,322
1977	1,089	5,137	4,852	9,989
1978	1,263	5,311	4,627	9,938

Year of Retirement	Number	Option 0 Benefit w/o COLA*	Average COLA	Total
1979	1,564	\$ 5,503	\$ 4,549	\$ 10,052
1980	1,915	5,529	3,835	9,364
1981	2,308	5,612	3,276	8,887
1982	2,793	6,220	3,194	9,414
1983	2,806	6,482	3,035	9,517
1984	4,477	8,559	3,630	12,189
1985	3,852	8,523	3,331	11,854
1986	4,799	9,027	3,287	12,314
1987	4,969	9,887	3,352	13,240
1988	5,041	10,865	3,336	14,202
1989	5,745	11,576	3,242	14,817
1990	6,413	12,962	3,093	16,055
1991	9,963	16,884	3,272	20,156
1992	9,434	14,207	2,769	16,976
1993	7,561	14,686	2,557	17,243
1994	6,740	14,750	2,351	17,101
1995	8,353	15,607	2,307	17,914
1996	14,369	20,272	2,445	22,717
1997	12,996	18,876	2,104	20,979
1998	9,759	16,809	1,695	18,503
1999	10,731	16,480	1,535	18,015
2000	12,706	17,803	1,417	19,221
2001	13,519	21,265	1,379	22,644
2002	11,248	19,395	1,174	20,570
2003	24,167	27,938	1,097	29,035
2004	12,174	19,427	766	20,192
2005	14,752	21,483	624	22,107
2006	16,195	22,323	474	22,797
2007	16,845	24,635	314	24,950
2008	17,317	26,418	193	26,611
2009	16,040	26,444	0	26,444
2010	18,358	28,010	0	28,010
2011	28,159	34,362	0	34,362
2012	17,994	27,142	0	27,142
2013	13,684	26,772	0	26,772

* 6,346 of the 32,196 beneficiaries are not eligible for COLA and are not included in the above counts.

Pensioners and Beneficiaries — PFRS

As of March 31, 2013 — by fiscal year of retirement: annual modified option 0 retirement benefit without annual cost-of-living adjustment (COLA), average COLA and total. Modified option 0 is the amount after reduction for a partial lump sum distribution.

Year of Retirement	Number	Option 0 Benefit w/o COLA*	Average COLA	Total
1942	1	\$ 2,029	\$ 21,285	\$ 23,314
1943	0	0	0	0
1944	0	0	0	0
1945	0	0	0	0
1946	0	0	0	0
1947	0	0	0	0
1948	0	0	0	0
1949	0	0	0	0
1950	0	0	0	0
1951	0	0	0	0
1952	0	0	0	0
1953	0	0	0	0
1954	1	2,357	14,394	16,751
1955	2	2,482	7,471	9,953
1956	1	3,614	21,069	24,683
1957	0	0	0	0
1958	0	0	0	0
1959	0	0	0	0
1960	1	3,478	18,800	22,278
1961	1	2,435	6,611	9,046
1962	0	0	0	0
1963	4	3,833	14,452	18,285
1964	1	4,864	17,480	22,344
1965	3	4,654	15,010	19,664
1966	4	7,836	15,912	23,748
1967	8	5,536	13,105	18,641
1968	15	4,702	11,632	16,334
1969	19	4,832	9,943	14,775
1970	30	5,987	12,301	18,289
1971	32	6,303	11,576	17,879
1972	147	7,253	12,737	19,990
1973	118	7,531	12,576	20,108
1974	168	7,978	12,726	20,705
1975	116	8,715	11,736	20,451
1976	146	9,604	11,436	21,040
1977	256	10,620	11,649	22,268
1978	262	10,781	11,250	22,031

Year of Retirement	Number	Option 0 Benefit w/o COLA*	Average COLA	Total
1979	328	\$ 11,393	\$ 10,607	\$ 21,999
1980	353	12,307	9,608	21,915
1981	326	13,247	8,317	21,564
1982	415	14,924	7,839	22,763
1983	454	15,687	7,369	23,056
1984	447	17,604	7,333	24,937
1985	531	19,297	6,865	26,162
1986	754	20,740	6,757	27,497
1987	804	23,062	6,634	29,696
1988	900	24,694	6,285	30,980
1989	936	25,016	5,821	30,837
1990	942	27,600	5,254	32,854
1991	1,046	30,869	4,774	35,643
1992	1,163	35,162	4,221	39,383
1993	1,070	34,130	3,879	38,010
1994	944	33,040	3,495	36,534
1995	821	37,620	3,061	40,681
1996	816	36,357	2,775	39,131
1997	810	40,439	2,475	42,913
1998	760	39,805	2,043	41,848
1999	781	40,590	1,886	42,476
2000	921	46,952	1,590	48,541
2001	1,118	52,818	1,468	54,287
2002	962	52,901	1,193	54,093
2003	1,287	60,550	977	61,528
2004	1,217	57,849	742	58,591
2005	1,103	58,319	528	58,848
2006	1,119	59,287	367	59,654
2007	1,113	60,353	245	60,598
2008	1,138	62,672	131	62,803
2009	1,082	65,808	0	65,808
2010	1,115	67,800	0	67,800
2011	1,266	68,223	0	68,223
2012	1,215	69,735	0	69,735
2013	777	70,302	0	70,302

* 367 of the 1,889 beneficiaries are not eligible for COLA and are not included in the above counts.

Local Government Salaries and Billings — ERS

Contributions include the normal cost of benefits including supplemental pensions and, in some cases, the Retirement Incentive Program, Deficiency Contributions that defray any liabilities an employer brings when it joins the System, the Group Life Insurance Plan (GLIP) and the administrative cost for the fiscal year. Amounts shown are due December 15th preceding the fiscal year end.

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
Counties						
2004	\$ 3,795,141,457	\$ 322,153,335	\$ 293,543,167	\$ —	\$ 13,356,806	\$ 15,253,362
2005	3,975,524,112	525,026,378	498,617,747	—	14,529,793	11,878,838
2006	3,973,182,698	464,679,243	438,815,394	—	13,890,586	11,973,263
2007	4,082,673,936	447,024,967	417,028,835	—	17,682,805	12,313,327
2008	4,216,431,872	422,160,637	394,084,911	—	11,157,933	16,917,793
2009	4,377,722,306	386,066,989	357,016,093	—	11,534,099	17,516,797
2010	4,440,975,009	348,633,573	319,242,145	—	15,718,947	13,672,481
2011	4,400,173,486	559,214,523	525,419,127	—	15,589,216	18,206,180
2012	4,443,930,817	776,404,451	748,265,831	—	14,983,770	13,154,850
2013	4,373,201,590	869,913,388	836,809,946	—	15,242,472	17,860,970
Cities						
2004	583,920,060	38,393,995	33,655,003	—	2,331,779	2,407,213
2005	587,616,268	78,322,434	74,067,881	—	2,431,174	1,823,379
2006	612,669,624	68,193,077	63,955,140	—	2,421,685	1,816,252
2007	625,077,477	65,850,318	60,796,905	—	3,158,385	1,895,028
2008	648,030,721	61,051,722	56,528,107	—	1,938,692	2,584,923
2009	669,808,943	54,817,726	50,114,905	—	2,015,498	2,687,323
2010	672,358,993	49,473,203	44,600,856	—	2,784,205	2,088,142
2011	660,882,586	78,687,818	73,186,068	—	2,750,875	2,750,875
2012	663,784,626	107,570,937	102,977,843	—	2,624,624	1,968,470
2013	657,761,044	124,229,355	118,894,947	—	2,667,204	2,667,204
Towns						
2004	1,207,515,635	72,030,307	61,780,774	577,779	4,866,863	4,804,891
2005	1,265,154,689	157,705,823	148,275,368	655,228	5,013,542	3,761,685
2006	1,318,853,035	143,799,692	134,049,741	678,480	5,182,369	3,889,102
2007	1,356,019,116	140,466,376	128,916,495	696,150	6,782,132	4,071,599
2008	1,417,734,849	131,248,138	120,766,233	677,721	4,200,582	5,603,602
2009	1,465,224,022	120,574,358	109,598,831	695,659	4,404,475	5,875,393
2010	1,483,730,590	108,762,029	97,393,459	717,958	6,084,843	4,565,769
2011	1,483,142,934	174,236,832	161,410,776	687,246	6,068,074	6,070,736
2012	1,499,756,171	243,005,724	232,009,841	701,186	5,881,293	4,413,404
2013	1,523,144,059	282,487,748	269,746,224	730,975	6,003,677	6,006,872

Local Government Salaries and Billings — ERS

continued

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
Villages						
2004	\$ 370,581,719	\$ 21,180,783	\$ 18,035,178	\$ 193,720	\$ 1,476,242	\$ 1,475,643
2005	381,930,243	48,209,003	45,295,775	205,354	1,547,360	1,160,514
2006	396,489,726	43,514,076	40,517,640	232,514	1,579,370	1,184,552
2007	411,425,147	42,088,503	38,567,121	240,460	2,050,581	1,230,341
2008	427,838,001	39,705,557	36,476,385	243,599	1,279,527	1,706,046
2009	444,961,775	36,293,410	32,947,899	231,780	1,334,454	1,779,277
2010	452,674,761	32,980,639	29,491,939	243,794	1,854,239	1,390,667
2011	453,586,842	53,044,335	49,083,776	251,569	1,854,495	1,854,495
2012	456,923,176	75,242,014	71,732,124	359,252	1,800,376	1,350,262
2013	464,343,459	84,603,712	80,734,045	210,055	1,829,806	1,829,806
Miscellaneous						
2004	2,965,176,890	190,554,899	165,913,695	704,728	11,993,022	11,943,454
2005	3,072,429,398	388,716,948	365,761,361	1,236,040	12,411,163	9,308,384
2006	3,318,406,341	362,539,880	338,428,405	1,038,366	13,184,634	9,888,475
2007	3,452,844,188	351,765,032	323,252,763	1,090,110	17,138,851	10,283,308
2008	3,612,130,156	333,088,130	307,009,697	1,016,328	10,741,056	14,321,049
2009	3,877,365,154	307,150,742	279,817,198	1,031,567	11,272,265	15,029,712
2010	4,053,679,047	288,402,076	258,729,069	1,396,742	16,157,869	12,118,396
2011	4,009,081,340	476,258,246	441,882,050	1,123,038	16,626,579	16,626,579
2012	4,074,206,349	705,637,232	676,397,501	1,117,975	16,069,562	12,052,194
2013	3,971,661,743	749,635,292	716,057,300	835,444	16,371,274	16,371,274
Schools						
2004	2,552,215,506	137,535,816	117,151,107	83,999	10,099,716	10,200,994
2005	2,638,325,172	324,251,317	305,400,864	82,793	10,724,381	8,043,279
2006	2,804,610,717	295,369,803	276,074,953	76,738	10,981,781	8,236,331
2007	2,892,495,432	295,496,975	272,049,180	87,908	14,599,932	8,759,955
2008	3,028,665,963	276,852,420	255,641,659	94,016	9,050,047	12,066,698
2009	3,179,510,771	258,982,162	236,727,573	107,511	9,491,589	12,655,489
2010	3,277,959,694	237,870,801	214,479,105	111,442	13,303,002	9,977,252
2011	3,299,608,584	387,560,100	360,157,255	414,165	13,494,340	13,494,340
2012	3,363,257,728	530,456,512	507,067,857	433,238	13,117,370	9,838,047
2013	3,295,559,464	623,154,200	595,786,408	426,060	13,470,866	13,470,866

Local Government Salaries and Billings — PFRS

Contributions include the normal cost of benefits including supplemental pensions, the Group Life Insurance Plan (GLIP) and the administrative cost for the fiscal year. Amounts shown are due December 15th preceding the fiscal year end.

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
Counties						
2004	\$ 610,067,673	\$ 39,836,533	\$ 36,912,877	\$ –	\$ 550,206	\$ 2,373,450
2005	637,722,466	117,568,271	115,040,396	–	–	2,527,875
2006	669,734,523	111,831,299	109,868,889	–	–	1,962,410
2007	686,235,014	121,577,173	118,828,521	–	–	2,748,652
2008	705,089,650	120,646,667	117,816,582	–	707,521	2,122,564
2009	705,233,176	117,939,533	115,751,728	–	–	2,187,805
2010	691,324,895	113,345,262	109,684,666	–	–	3,660,596
2011	774,589,528	128,266,705	124,105,246	–	693,576	3,467,883
2012	741,170,663	165,977,875	162,848,546	–	–	3,129,329
2013	750,476,797	186,487,909	182,070,522	–	736,230	3,681,157
Cities						
2004	751,505,609	48,737,822	45,020,390	–	724,846	2,992,586
2005	758,899,191	147,817,338	144,668,066	–	–	3,149,272
2006	788,096,235	131,076,054	128,739,253	–	–	2,336,801
2007	803,949,506	142,751,818	139,481,125	–	–	3,270,693
2008	862,509,071	142,311,942	138,966,064	–	836,467	2,509,411
2009	878,117,139	151,071,141	148,374,256	–	–	2,696,885
2010	898,507,065	146,455,535	141,869,364	–	–	4,586,171
2011	896,261,192	171,091,657	165,609,925	–	913,625	4,568,107
2012	919,665,789	202,376,328	198,704,804	–	–	3,671,524
2013	904,451,691	242,732,696	237,147,463	–	930,870	4,654,363
Towns						
2004	256,399,657	15,954,403	14,694,751	–	246,013	1,013,639
2005	268,098,727	47,286,150	46,217,472	–	–	1,068,678
2006	281,549,923	45,712,713	44,877,786	–	–	834,927
2007	293,260,663	50,495,562	49,326,214	–	–	1,169,348
2008	307,058,431	51,073,666	49,853,332	–	305,084	915,250
2009	321,618,843	53,509,018	52,550,766	–	–	958,252
2010	324,877,420	52,903,830	51,226,025	–	–	1,677,805
2011	333,981,112	60,280,009	58,310,352	–	328,283	1,641,374
2012	345,481,241	74,297,961	72,943,723	–	–	1,354,238
2013	344,465,630	90,102,480	88,024,012	–	346,422	1,732,046

Local Government Salaries and Billings — PFRS

continued

FYE	Salaries	Contributions	Normal	Deficiency	GLIP	Admin
Villages						
2004	\$ 228,232,646	\$ 12,613,728	\$ 11,474,812	\$ —	\$ 223,124	\$ 915,792
2005	236,766,570	39,044,844	38,088,252	—	—	956,592
2006	245,318,712	37,677,735	36,941,498	—	—	736,237
2007	251,789,449	40,309,964	39,301,296	—	—	1,008,668
2008	260,713,425	40,875,275	39,828,283	—	261,751	785,241
2009	271,083,935	41,155,426	40,339,680	—	—	815,746
2010	279,110,145	41,046,994	39,630,908	—	—	1,416,086
2011	284,144,385	49,801,862	48,105,170	—	282,784	1,413,908
2012	288,899,267	61,448,733	60,286,366	—	—	1,162,367
2013	289,479,125	72,871,202	71,130,551	—	290,108	1,450,543
Miscellaneous						
2004	196,674,046	17,859,051	16,667,270	—	242,166	949,615
2005	221,530,945	39,079,882	38,249,624	—	—	830,258
2006	230,403,597	40,016,217	39,322,040	—	—	694,177
2007	245,010,928	42,931,506	41,968,985	—	—	962,521
2008	266,355,184	44,355,212	43,330,386	—	256,207	768,619
2009	278,364,071	44,753,630	43,917,335	—	—	836,295
2010	276,719,595	44,766,923	43,309,191	—	—	1,457,732
2011	277,823,751	51,630,642	49,951,567	—	279,846	1,399,229
2012	305,193,545	60,344,419	59,216,144	—	—	1,128,275
2013	303,608,075	77,558,504	75,734,743	—	303,957	1,519,804

Contributions Recorded 2004 – 2013

(In Millions)

Contributions recorded are the amounts presented in the System's financial statements and include employer costs plus/minus any adjustments in amounts receivable and changes resulting from legislation.

Year Ended 3/31	Employer Contributions*	Member Contributions
2004		
Total	\$ 1,286.5	\$ 221.9
State	454.8	
Local	831.7	
2005		
Total	\$ 2,964.8	\$ 227.3
State	1,087.7	
Local	1,877.1	
2006		
Total	\$ 2,782.1	\$ 241.2
State	1,067.9	
Local	1,714.2	
2007		
Total	\$ 2,718.5	\$ 250.2
State	988.2	
Local	1,730.3	
2008		
Total	\$ 2,648.5	\$ 265.7
State	1,007.8	
Local	1,640.7	
* Includes employer premiums to Group Term Life Insurance Plan.		

Year Ended 3/31	Employer Contributions*	Member Contributions
2009		
Total	\$ 2,456.2	\$ 273.3
State	889.2	
Local	1,567.0	
2010		
Total	\$ 2,344.2	\$ 284.3
State	897.5	
Local	1,446.7	
2011		
Total	\$ 4,164.6	\$ 286.2
State	1,759.0	
Local	2,405.6	
2012		
Total	\$ 4,585.2	\$ 273.2
State	1,785.6	
Local	2,799.6	
2013		
Total	\$ 5,336.0	\$ 269.1
State	1,950.1	
Local	3,385.9	
* Includes employer premiums to Group Term Life Insurance Plan.		

20-Year Summary*

	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Participants	1,061,010	1,059,398	1,057,754	1,055,020	1,046,086	1,035,430	1,012,699	995,536	982,009
Number of Members	647,574	656,224	672,723	679,217	679,908	677,321	662,633	653,291	647,758
ERS (a)	613,930	622,107	637,921	643,875	643,700	641,119	626,923	617,989	612,410
State	202,570	203,274	213,089	216,582	219,741	220,216	215,296	211,041	208,899
Counties	108,302	111,051	114,111	115,722	116,515	117,084	115,944	115,472	118,006
Cities	18,176	18,420	18,667	18,897	18,893	18,992	18,843	18,891	18,979
Towns	44,407	44,644	44,416	44,361	43,403	43,203	41,989	41,393	40,561
Villages	14,040	14,051	14,165	14,150	14,000	13,891	13,597	13,388	13,106
Miscellaneous	95,199	97,225	98,115	97,960	97,272	95,601	92,736	90,879	86,791
Schools	131,236	133,442	135,358	136,203	133,876	132,132	128,518	126,925	126,068
PFRS (a)	33,644	34,117	34,802	35,342	36,208	36,202	35,710	35,302	35,348
State	5,630	5,548	5,779	5,973	6,222	6,223	6,219	5,955	6,038
Counties	5,076	5,372	5,499	5,560	5,841	5,898	5,873	5,850	5,833
Cities	11,868	11,974	12,137	12,289	12,433	12,414	12,206	12,147	12,113
Towns	4,153	4,178	4,205	4,249	4,340	4,364	4,295	4,261	4,217
Villages	4,370	4,433	4,512	4,547	4,592	4,621	4,591	4,641	4,653
Miscellaneous	2,547	2,612	2,670	2,724	2,780	2,682	2,526	2,448	2,494
Members by Tier (b)									
ERS Tier 1	6,230	7,551	10,718	13,395	16,829	20,513	25,053	29,492	34,980
ERS Tier 2	7,538	9,222	12,911	15,651	18,097	20,315	22,458	24,263	25,938
ERS Tiers 3 through 6	600,162	605,334	614,292	614,829	608,774	600,291	579,412	564,234	551,492
PFRS Tier 1	172	230	304	393	576	745	924	1,143	1,503
PFRS Tier 2	30,295	31,830	33,091	34,261	35,632	35,457	34,786	34,159	33,845
PFRS Tiers 3, 5 & 6	3,177	2,057	1,407	688	0	0	0	0	0
Pensioners & Beneficiaries	413,436	403,174	385,031	375,803	366,178	358,109	350,066	342,245	334,251
ERS	380,899	371,468	353,940	345,106	336,273	328,726	321,113	313,837	306,531
PFRS	32,537	31,706	31,091	30,697	29,905	29,383	28,953	28,408	27,720
Employers	3,029	3,040	3,039	3,035	3,026	3,021	3,010	3,001	2,993
ERS	3,004	3,016	3,016	3,011	3,001	2,995	2,983	2,974	2,967
PFRS	681	682	681	681	683	683	683	685	684
Benefit Payments (c)	\$ 9,450.2	\$ 8,862.8	\$ 8,464.6	\$ 7,663.1	\$ 7,212.1	\$ 6,835.6	\$ 6,383.4	\$ 6,028.9	\$ 5,674.7
Retirement Allowances	8,669.8	8,109.3	7,717.0	6,931.8	6,497.1	6,142.8	5,722.9	5,388.6	5,041.0
Death Benefits (Lump Sum)	194.2	185.0	192.3	183.0	180.5	181.7	164.6	161.2	161.9
COLA Payments	586.2	568.5	555.3	548.3	534.5	511.1	495.9	479.1	471.8
# of Service Retirements	19,962	28,259	19,092	19,193	17,979	17,261	16,390	16,827	14,533
# of Death Benefits Paid	844	879	984	955	935	1,014	832	932	1,041
# of Disability Retirements	1,026	1,161	844	1,421	1,020	950	1,227	1,267	1,463
Employer Contributions (d)	\$ 5,336.1	\$ 4,585.2	\$ 4,164.5	\$ 2,344.2	\$ 2,456.2	\$ 2,648.4	\$ 2,718.6	\$ 2,782.2	\$ 2,964.8
ERS	4,435.6	3,790.6	3,525.8	1,785.5	1,898.7	2,073.5	2,116.0	2,271.4	2,434.5
PFRS	808.5	706.4	538.8	465.0	492.8	510.6	502.5	433.4	455.3
Group Life Insurance Plan	92.0	88.2	99.9	93.7	64.7	64.3	100.1	77.3	75.0
Rate (as a % of Salary) (e)									
ERS	18.9%	16.3%	11.9%	7.4%	8.5%	9.6%	10.7%	11.3%	12.9%
PFRS	25.8%	21.6%	18.2%	15.1%	15.8%	16.6%	17.0%	16.3%	17.6%
Employee Contributions	\$ 269.1	\$ 273.2	\$ 286.2	\$ 284.3	\$ 273.3	\$ 265.7	\$ 250.2	\$ 241.2	\$ 227.3
ERS	264.8	268.5	284.5	282.8	269.0	263.1	247.2	237.7	224.5
PFRS	4.3	4.7	1.7	1.5	4.3	2.6	2.9	3.5	2.8
Investments (f)	\$ 160,660.8	\$ 150,658.9	\$ 147,237.0	\$ 132,500.2	\$ 108,960.7	\$ 153,877.7	\$ 154,575.5	\$ 140,453.3	\$ 126,083.5
Equities	83,049.5	79,059.2	79,945.0	72,674.0	47,871.0	83,153.7	90,119.7	88,550.9	80,917.2
Core Fixed Income	38,559.5	33,440.5	31,037.9	33,726.1	36,541.6	36,571.4	33,536.2	28,889.0	29,310.8
Commercial Mortgages	812.7	803.0	851.3	845.7	710.2	772.4	889.7	1,162.7	1,281.9
Short-term Investments	6,461.3	7,397.7	8,360.2	3,086.1	3,826.7	6,443.1	8,551.1	6,619.3	2,602.5
Private Equity	14,072.6	14,925.9	14,620.4	12,584.0	10,563.7	12,699.4	10,044.8	8,284.8	6,832.4
Equity Real Estate	11,195.4	9,339.5	7,631.0	5,551.1	7,066.5	8,909.4	6,752.7	5,430.7	4,634.0
Absolute Return Strategy	6,124.7	5,165.7	4,215.5	3,553.3	2,381.0	5,328.3	4,681.3	1,516.0	504.7
Opportunistic Funds	385.1	527.4	575.7	479.9	0.0	0.0	0.0	0.0	0.0
Rate of Return	10.4%	6.0%	14.6%	25.9%	(26.4)%	2.6%	12.6%	14.6%	8.5%
Core Fixed Income	4.7%	9.0%	8.0%	7.4%	2.4%	8.6%	6.0%	1.7%	3.0%
Equity Investments	12.5%	4.9%	17.1%	41.3%	(30.8)%	0.9%	15.0%	19.1%	10.6%
Administrative Cost	\$ 105.7	\$ 100.6	\$ 101.3	\$ 100.0	\$ 99.2	\$ 90.3	\$ 79.8	\$ 78.5	\$ 65.3
Financial Statement Assets	\$ 164,221.8	\$ 153,394.4	\$ 149,548.6	\$ 134,251.7	\$ 110,937.8	\$ 155,845.9	\$ 156,625.2	\$ 142,620.1	\$ 128,037.7

continued

2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
970,078	964,140	944,500	924,643	899,314	882,234	867,204	860,429	864,460	867,731	862,498
641,721	650,543	637,896	626,565	604,479	593,188	582,689	578,566	590,130	605,544	601,710
606,155	614,555	602,428	590,959	569,369	558,236	547,805	543,663	553,649	569,298	566,320
207,641	216,005	216,507	222,343	216,347	216,380	214,628	216,084	225,771	238,760	239,412
117,514	119,319	118,318	119,638	115,576	113,856	112,792	115,904	118,055	120,517	120,186
18,933	19,637	19,671	19,551	19,148	18,966	18,907	18,909	19,410	20,283	20,699
39,841	39,395	38,063	37,121	35,882	35,056	34,764	33,949	33,997	34,349	34,316
12,878	12,823	12,360	11,969	11,509	11,279	11,087	10,942	10,939	11,057	11,067
85,732	85,708	81,752	69,968	67,212	64,218	62,176	58,128	58,582	59,080	58,057
123,616	121,668	115,757	110,369	103,695	98,481	93,451	89,747	86,895	85,252	82,583
35,566	35,988	35,468	35,606	35,110	34,952	34,884	34,903	36,481	36,246	35,390
5,898	5,802	5,679	5,534	5,279	5,232	5,195	5,230	5,793	5,866	5,692
5,814	5,901	6,029	6,176	6,267	6,338	6,332	6,277	6,542	6,278	5,904
12,374	12,541	12,612	12,781	12,660	12,552	12,579	12,538	12,923	12,919	12,761
4,231	4,233	4,191	4,180	4,163	4,149	4,139	4,095	4,170	4,077	4,050
4,732	4,867	4,795	4,805	4,727	4,699	4,683	4,743	4,967	4,967	4,862
2,517	2,644	2,162	2,130	2,014	1,982	1,956	2,020	2,086	2,139	2,121
39,622	50,032	56,541	60,736	57,657	64,173	69,942	75,166	84,015	96,299	101,254
27,398	30,122	31,981	32,914	32,641	34,296	36,061	37,739	41,631	45,716	47,778
539,135	534,401	513,906	497,309	479,071	459,767	441,802	430,758	428,003	427,283	417,288
2,076	2,597	3,260	3,927	4,469	4,997	5,537	6,087	6,872	7,439	8,005
33,490	33,391	32,208	31,679	30,641	29,955	29,347	28,816	29,609	28,807	27,385
0	0	0	0	0	0	0	0	0	0	0
328,357	313,597	306,604	298,078	294,835	289,046	284,515	281,863	274,330	262,187	260,788
301,528	287,341	280,997	273,147	270,333	264,899	260,751	258,413	251,442	239,727	238,729
26,829	26,256	25,607	24,931	24,502	24,147	23,764	23,450	22,888	22,460	22,059
2,985	2,968	2,922	2,897	2,860	2,843	2,809	2,786	2,779	2,765	2,752
2,959	2,943	2,917	2,890	2,853	2,836	2,813	2,782	2,773	2,760	2,748
684	681	679	678	678	679	678	676	675	674	672
\$ 5,347.5	\$ 4,984.6	\$ 4,488.3	\$ 4,181.0	\$ 3,720.2	\$ 3,482.0	\$ 3,305.0	\$ 3,122.0	\$ 2,877.9	\$ 2,527.9	\$ 2,393.7
4,722.1	4,373.3	3,872.0	3,619.9	3,415.1	3,217.1	3,071.6	2,885.3	2,639.8	2,357.8	2,216.6
157.3	148.4	151.8	152.9	142.8	123.0	125.7	118.5	140.0	107.3	112.0
468.1	462.9	464.5	336.1	162.3	141.9	107.7	118.2	98.1	62.8	65.1
23,655	16,078	17,499	11,640	14,470	12,675	11,932	15,324	19,578	9,613	9,651
1,025	1,019	1,068	1,005	1,026	956	974	965	1,092	1,068	1,062
1,103	1,064	1,038	1,079	1,189	1,356	938	1,016	1,235	1,183	1,413
\$ 1,286.5	\$ 651.9	\$ 263.8	\$ 214.8	\$ 164.5	\$ 291.7	\$ 462.6	\$ 903.5	\$ 776.9	\$ 315.1	\$ 530.1
1,052.3	525.5	179.1	131.0	83.0	193.2	280.1	668.8	521.8	47.2	337.2
158.4	66.3	47.3	49.0	62.0	50.1	125.1	177.9	219.3	237.8	158.2
75.8	60.1	37.4	34.8	19.5	48.4	57.4	56.8	35.9	30.1	34.7
5.9%	1.5%	1.2%	0.9%	0.9%	1.3%	1.7%	3.7%	2.2%	0.7%	0.7%
5.8%	1.4%	1.6%	1.6%	1.9%	2.4%	7.0%	9.8%	13.0%	13.9%	11.3%
\$ 221.9	\$ 219.2	\$ 210.2	\$ 319.1	\$ 422.7	\$ 399.8	\$ 369.4	\$ 348.2	\$ 341.9	\$ 334.0	\$ 307.5
217.4	214.1	206.0	317.4	422.0	398.7	368.8	347.7	338.5	331.6	306.0
4.5	5.1	4.2	1.7	0.7	1.1	0.6	0.5	3.5	2.4	1.5
\$ 119,245.0	\$ 95,598.3	\$ 111,168.5	\$ 112,432.9	\$ 127,138.9	\$ 111,008.7	\$ 104,921.8	\$ 82,333.8	\$ 74,827.9	\$ 63,406.6	\$ 58,416.8
74,876.5	51,357.0	66,375.5	63,661.7	82,733.6	66,397.8	63,348.7	45,827.4	42,818.4	34,775.2	31,357.7
29,691.2	32,019.7	31,839.2	35,305.7	31,764.3	34,307.9	32,451.7	27,373.5	25,709.5	22,771.6	21,279.0
1,530.0	1,723.6	1,628.7	1,835.8	1,318.6	1,509.5	1,635.0	1,506.3	1,736.3	1,836.6	1,932.3
1,879.1	771.2	1,429.0	992.0	2,238.3	2,541.8	1,927.0	3,011.2	1,092.8	983.8	1,036.5
6,738.8	5,564.8	5,579.5	5,941.6	5,385.9	3,159.8	2,671.7	2,122.9	2,067.3	1,937.0	1,664.0
4,529.4	4,162.0	4,316.6	4,696.0	3,698.1	3,091.8	2,887.7	2,492.5	1,403.6	1,102.4	1,147.3
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28.8%	(10.2)%	2.8%	(8.7)%	17.8%	8.8%	30.4%	10.9%	21.8%	8.8%	6.9%
8.9%	16.8%	4.3%	14.1%	1.3%	6.6%	15.6%	4.3%	12.9%	4.8%	9.0%
42.8%	(24.3)%	2.9%	(20.3)%	25.3%	10.1%	47.2%	15.0%	29.7%	12.4%	5.1%
\$ 69.6	\$ 67.5	\$ 66.6	\$ 57.8	\$ 50.7	\$ 52.6	\$ 49.1	\$ 47.6	\$ 46.6	\$ 43.8	\$ 39.7
\$ 120,799.0	\$ 97,372.7	\$ 112,724.9	\$ 114,043.5	\$ 128,889.4	\$ 112,723.1	\$ 106,319.2	\$ 83,947.5	\$ 77,452.8	\$ 65,413.3	\$ 60,121.7

Notes to 20-Year Summary

* Combined Systems unless noted; \$ in millions; data as of March 31 fiscal year end.

- (a) Includes active members and inactive members identified with their last employer.
- (b) Tier 3 through 6 membership statistics are combined. Tier 6 was enacted on April 1, 2012.
- (c) Total does not include Employee Contributions Refunded or Other Benefits found in the Financial Statements.
- (d) Employer Contributions reflects increased employer billing rates from the fiscal year ended March 31, 2010 and costs associated with retirement incentives offered to members of ERS under RSSL Chapter 105 of the Laws of 2010.
- (e) Beginning in the 2006 fiscal year, all rates assume a February 1 payment date prior to the close of the fiscal year. Previous years assume rates based on a December 15 payment date. Contributions include normal, administrative, retirement incentive and deficiency costs.
- (f) Investments for 1995 and later years are shown at (and rate of return is calculated on) market value as required by GASB 25, which the System adopted that year. Pre-1995 fixed income investments are shown at book value, all others at market. Pre-1995 rates of return also reflect this valuation.

New York State Office of the State Comptroller
Thomas P. DiNapoli

New York State and Local Retirement System



Employees' Retirement System
Police and Fire Retirement System

