SERS vs. National Averages*

**SERS**
- Final Average Salary (FAS) at Retirement: $20,230
- Average Retirement Age: 63.5 years

**NATIONAL**
- Average Individual Income: $32,155
- Average Retirement Age: 64.3 years

Average Consumer Price Index Increase: 3.17%**
(SERS COLA capped at 3%)

Average National Life Expectancy: 76.8 years

Age and Service Eligibility*

- Any Age with **30** years
- Age **55** with **25** years
- Age **60** with **5** years

* As of 2000
** Average over 10 years
*** SERS was 102% funded in 2000
**Investments**

AVERAGE ANNUAL RETURN

12.7%**

ASSUMED RATE OF RETURN

8.25%*

<table>
<thead>
<tr>
<th>SERS Asset Allocation*</th>
<th>SERS Returns* <code>Benchmark</code></th>
<th>Policy Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equity</td>
<td>49.4%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Non-U.S. Equity</td>
<td>15.7%</td>
<td>18.4%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>22.3%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>9.8%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>1.5%</td>
<td>118.5%</td>
</tr>
<tr>
<td>Cash</td>
<td>1.3%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* As of 2000
** Average over 10 years

**Contribution Rates***

<table>
<thead>
<tr>
<th>MEMBER</th>
<th>EMPLOYER</th>
</tr>
</thead>
<tbody>
<tr>
<td>9%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**Health Care**

Total Health Care Expenses

$140.6 million*

Percentage of Total Benefits Paid

26.7%*

Health Care Fund Balance

$252.3 million*

(1991) Established First Health Care Principles Statement

(1993-99) Premium Subsidy
Required newly eligible retirees to be age 65 to qualify for subsidy

Funding Target

(1994) Established Health Care Reserve Account and funding target of 125% of health care expenses

(1997) Increased funding target to no less than 150% of health care expenses; re-confirmed 150% target in 1998 and 2000

**Benefit Changes**

1992

All non-certificated public school employees, with minimal exceptions, required to contribute to SERS (HB 382)

1992

Separate annuity program established for reemployed retirees (HB 382)

1999

Retirement formula increased from 2.1% to 2.5% of final average salary for each year of service over 30 years

**Member Education**

SERS’ first pre-retirement education program (PREP) took place in 1997.

* As of 2000
** Average over 10 years