



	2010	2001-10
Fund Size	\$10.79 billion	↑ 23%**
Unfunded Liabilities	\$4.07 billion	↑ 773%**

MEMBERS		
	2010	2001-10
Members	126,015	↑ 9%**
Average Age	48.2	
Average Service	9.8 years	

NEW RETIREES		
	2010	2001-10
Retirees	66,127	↑ 12%**
Average Service	23.5 years	
Average Age at Retirement	64 years	
Average Pension	\$13,908/yr.	↑ 36%**

	2010	2001-10
Employee Contributions	\$301.6 million	↑ 57%**
Employer Contributions	\$462.3 million	↑ 40%**

Age and Service Eligibility*



Age **55** with **30** years
 Age **60** with **25** years
 Age **62** with **10** years

SERS vs. National Averages*

SERS	NATIONAL
<i>Final Average Salary (FAS) at Retirement</i> \$29,644	<i>Average Individual Income</i> \$41,673
<i>Average Retirement Age</i> 64 years	<i>Average Retirement Age</i> 65.4 years
<i>SERS COLA</i> 3% <small>Became fixed at 3% in 2002</small>	<i>Average CPI Increase</i> 2.4%**
	<i>Average National Life Expectancy</i> 78.7 years

Average of New SERS Retirees with 30 Years and 20 Years of Service



	30 Years	20 Years
1961-70	8%	22%
1971-80	6%	26%
1981-90	7%	32%
1991-2000	13%	52%
2001-10	25%	63%
2011-18	25%	57%

* As of 2010
 ** Average over 10 years



For the decade ended in

2010

Investments

AVERAGE ANNUAL RETURN

3.12%**

ASSUMED RATE OF RETURN

8%*

SERS Asset Allocation *	SERS Returns*	Policy Benchmark*
US Equity	29%	17.2%
Non-US Equity	26%	15.4%
Private Equity	9.2%	13.4%
Fixed Income	25.8%	17.0%
Real Estate	9.2%	-16.1%
Short Term	0.8%	0.4%
	100%	0.1%

Hedge funds became part of the US Equity and Fixed Income portfolios in 2008.

Contribution Rates*

MEMBER

10%***

EMPLOYER

14%

Health Care

Total Health Care Expenses

\$236.9 million*

Percentage of Total Benefits Paid

23.7%*

Health Care Fund Balance

\$325 million*

(2003) Medicare Part A Premium

Established premium for those without Medicare Part A and 25 or more years of service to be the same the premium for those with Medicare Part A and B

Premium Increase

(2004) Increased zero premium categories to 15% premium

(2006) Increased lowest premium categories from 15% to 17.5%

(2005) Premium Discount Program

Established 25% premium discount for those at or below 125% of the federal poverty level

(2008) Premium Subsidy

Required 20 years of service for new service retiree subsidy; 25 years of service for spousal subsidy

Eligibility

(2008) Required eligibility for school employer health care at separation as eligibility for subsidy

(2008) Allowed one-time option for waived eligibility for Medicare to enroll in the Medicare Advantage plan

Health Care Funding

(2008) Changed funding target for the Health Care Fund from 150% of claims to a 20-year solvency

(2010) Confirmed pay-as-you-go funding when 20-year solvency is not achieved

Benefit Changes

2001

Retirement formula increased from **2.1%** to **2.2%** of final average salary for each year of service under 30 years

2001

Increased maximum pension from **90%** to **100%** of FAS

2003

SERS developed **partial-lump sum payment** (PLOP) option

2002

COLA changed to fixed **3%**, regardless of change in CPI

2006

Reemployed retirees can receive a **refund** of contributions in lieu of a monthly benefit at age 65

2008 Pension Reform

- Minimum retirement age set at 55
- Must have at least 10 years of service credit to receive pension
- Increased early retirement eligibility to age 62 with 10 years and age 60 with 5 years
- Revised calculation for those who retire before age 65 or with less than 30 years

Retirement Board

The Board was expanded from seven to **nine** members in FY2005 (added three investment experts).

* As of 2010

** Average over 10 years

*** Member contribution rate increased to 10% in 2004