STATE OF IOWA
JUDICIAL RETIREMENT FUND

Actuarial Valuation Report
as of July 1, 2006

Milliman, Inc.
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Prepared: October, 2006

ACTUARIAL VALUATION OF THE STATE OF IOWA
JUDICIAL RETIREMENT FUND

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October 18, 2006

State of Iowa Judicial Retirement Fund
State Court Administrator's Office
1111 E. Court Ave.
Des Moines, IA 50319

Dear State Court Administrator:

At your request, we have performed the biennial actuarial valuation of the Iowa Judicial Retirement Fund as of July 1, 2006 for the year ending June 30, 2007. The major findings of the valuation are contained in this report. This report reflects the benefit provisions in effect as of July 1, 2006, which include the changes passed by the 2006 Legislature. There was no change in actuarial assumptions or methods from the prior (July 1, 2004) valuation.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the State Court Administrator's Office. This information includes, but is not limited to, statutory provisions, member data and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, amplifying Opinions, and supporting Recommendations of the American Academy of Actuaries.

We further certify that all costs, liabilities, rates of interest and other factors for the System have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting the System. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions. The State Court Administrator has the final decision regarding the appropriateness of the assumptions and has adopted them as indicated in Appendix A.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for the System. Actuarial computations under GASB Statements No. 25 and 27 are for purposes of fulfilling financial accounting requirements. The computations prepared for these two purposes may differ as disclosed in our report. The calculations in this report have been made on a basis consistent with our understanding of the System's funding requirements and goals, and of GASB Statements No. 25 and 27. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Milliman's work product was prepared exclusively for the Iowa Judicial Retirement Fund for a specific and limited purpose. It is a complex technical analysis that assumes a high level of knowledge concerning the Iowa Judicial Retirement Fund operations, and uses the Iowa Judicial Retirement Fund's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

I, Patrice A. Beckham, F.S.A., am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

I, Brent A. Banister, F.S.A., am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

We respectfully submit the following report and look forward to discussing it with you.

MILLIMAN, Inc.

Sincerely,

Patrice Beckham

Patrice A. Beckham, F.S.A.
Consulting Actuary

Brent A. Banister, F.S.A.
Actuary

SECTION I

INTRODUCTION

SECTION I

INTRODUCTION

The purpose of this report is to present the results of the July 1, 2006 actuarial valuation of the State of Iowa Judicial Retirement Fund. The valuation assumptions and cost methods were unchanged from the prior (July 1, 2004) valuation. Legislation passed in 2006 made significant changes to the plan provisions. These changes are reflected in the valuation results.

Section I of the report is a summary of the principal results of the valuation.

Section II of the report provides details of the assets and liabilities used in the actuarial valuation.

Section III of the report provides the calculation of the Annual Required Contribution, the Net Pension Obligation, and the Annual Pension Cost. Much of this information is necessary for compliance with Statements Number 25 and 27 of the Governmental Accounting Standards Board.

The Appendices provide a summary of the data, methods and assumptions used in the preparation of this report. The assumptions and methods used in our calculation are acceptable for purposes of GASB as well as for purposes of determining an appropriate level of contributions that should be made to the fund.

The highlights of the valuation are:

	Actuarial Valuation Date	
Funded Status	**July 1, 2006**	**July 1, 2004**
Actuarial Accrued Liability	$123.7M	$99.1M
Actuarial Assets	86.1	78.0
Unfunded Actuarial Accrued Liability	37.6	21.1
Funded Ratio	70%	79%

There was a liability loss from experience since the last valuation. There was also a small actuarial loss on the actuarial value of assets over the two year period.

The actuarial required contribution (ARC) increased significantly due to the combined impact of an increase in the unfunded actuarial liability and a reduction in the amortization period to 20 years.

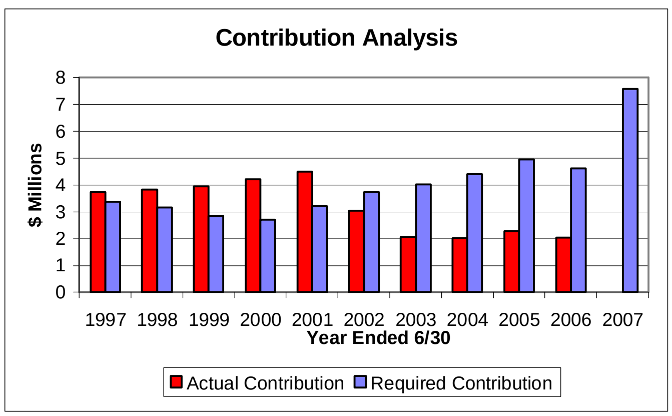
	Actuarial Valuation Date	
Required Contribution Rate	**July 1, 2006**	**July 1, 2004**
1. Normal Cost	$3,996,957	$3,339,360
2. Amortization Payment	3,542,224	1,735,510
3. Interest to Year End	603,135	405,989
4. Total Contribution (1) + (2) + (3)	8,142,316	5,480,859
5. Expected Member Contributions	581,335	1,086,470
6. State Contributions (4) – (5)	$7,560,981	$4,394,389
7. State Contribution Rate	31.4%	21.0%

The unfunded actuarial liability (UAL) increased from $21.1 million on July 1, 2004 to $37.6 million on July 1, 2006. Several factors contributed to the increase in the unfunded actuarial liability:

- The Fund experienced an actuarial loss of $5.0 million for the two year period ending June 30, 2006. Actuarial experience (gain or loss) is measured by comparing the expected UAL based on all actuarial assumptions being met and the actual UAL.

- Changes to the benefit structure passed by the 2006 Legislature increased the benefit multiplier from 3.0% per year of service to 3.25%, and changed the eligibility for unreduced benefits to age 50 with 20 years of service. It also provided that the member contribution rate would be reduced if the State contributes less than the statutory contribution rate. This benefit enhancement package increased the UAL by $7.2 million. The Fund's retirement assumption was not changed at this time because of the uncertainty as to how these changes will impact membership behavior over the long term. If Judges utilize the earlier retirement provisions more than expected under the current assumption, the cost impact of the benefit change will be greater than shown in this report.

- The UAL also increased because actual contributions were less than the actuarial contribution rate. From July 1, 2004 to July 1, 2006, actual contributions to the Fund were more than $5 million below the actuarial required rate. The lower contribution amount translates directly to an increase in the UAL and a decrease in the funded ratio. The graph below summarizes the actual and the actuarial employer contributions in recent years.



In the past five years the State has contributed far less than the actuarial contribution. If the State continues to contribute significantly below the actuarial contribution rate, the funded ratio will continue to decline and the contribution rate will increase, which will threaten the long term funding of the System. As the actuary for the plan, we strongly urge the State to increase the contribution levels to an amount at/near the actuarial rate. The longer the State delays funding the System at the actuarial contribution rate, the higher the ultimate contribution rate will be.

The State Court Administrator is required to notify the Public Retirement Systems Committee, in writing, when it is anticipated that the Judicial Retirement System is within two fiscal years of attaining fully funded status (ratio of actuarial assets to actuarial liability is 90%). If all actuarial assumptions are met during the period July 1, 2006 to June 30, 2008, it is not anticipated that the Judicial Retirement System will be fully funded (the funded ratio of assets to actuarial accrued liability will equal or exceed 100 percent).

STATE OF IOWA
JUDICIAL RETIREMENT FUND
SUMMARY OF PRINCIPAL VALUATION RESULTS

	Actuarial Valuation as of July 1, 2004	Actuarial Valuation as of July 1, 2006
Asset and Liability Information		
Normal Cost	$ 3,339,360	$ 3,996,957
Actuarial Accrued Liability	99,124,087	123,670,177
Market Value of Assets	78,023,555	86,109,848
Unfunded Actuarial Accrued Liability	$21,101,032	$37,560,329
Funded Ratio	78.7%	69.6%
Contribution and Cost Information		
Annual Required Contribution	$ 4,394,389	$ 7,560,981
Annual Required Contribution Rate	21.0%	31.4%
Annual Pension Cost	4,385,487	7,367,201
Annual Pension Cost as a Percentage of Pay	21.0%	30.6%
Summary of Data		
Active Judges	193	197
Senior Judges and Retired Senior Judges	43	45
Retired Judges	60	58
Beneficiaries of Deceased Judges	38	41
Inactive Judges with Contributions Remaining in the System	9	9
Total	**343**	**350**
Active Participant Statistics		
Total Compensation	$ 20,893,660	$ 24,093,810
Average Compensation	108,257	122,304
Average Age	55.0	56.5
Average Service	12.3	13.4

SECTION II

SUMMARY OF VALUATION RESULTS

SECTION II

SUMMARY OF VALUATION RESULTS

STATEMENT OF CHANGES IN PLAN NET ASSETS

	Year End June 30, 2006	Year End June 30, 2005
Additions		
1. Contributions		
a. State	$ 2,039,664	$ 2,039,664
b. Members	1,103,844	1,042,199
c. Total Contributions (a + b)	3,143,508	3,081,863
2. Investment Income		
a. Interest	$ 1,460,171	$ 1,463,307
b. Dividends	623,206	600,084
c. Gain on Sale of Investments	5,045,712	3,512,463
d. Net Appreciation	(311,075)	310,353
e. Investment Expenses	(368,650)	(385,469)
f. Total Investment Income (a + b + c + d + e)	6,449,364	5,500,738
3. Total Additions (1c + 2f)	$9,592,872	$ 8,582,601
Deductions		
4. Deductions		
a. Benefit Payments	$ 5,083,248	$ 4,992,457
b. Administrative Expense	5,275	7,700
c. Total Deductions (a + b)	5,088,523	5,000,157
5. Net Increase (3 – 4c)	$ 4,504,349	$ 3,582,444
6. Net Assets Held in Trust for Pension Benefits		
a. Beginning of Year	81,605,499	78,023,055
b. End of Year	86,109,848	81,605,499

SECTION II

SUMMARY OF VALUATION RESULTS

UNFUNDED ACTUARIAL ACCRUED LIABLITY
as of July 1, 2006

1. Actuarial Accrued Liability		
a. Active Employees:		
Retirement Benefits	$	73,887,408
Pre-Retirement Death Benefits		2,285,494
Withdrawal Benefits		10,472
Total	$	76,183,374
b. Members with Deferred Benefits	$	1,280,120
c. Members Receiving Benefits	$	46,206,683
d. Total Actuarial Accrued Liability (a + b + c)	$	123,670,177
2. Actuarial Value of Assets	$	86,109,848
3. Unfunded Actuarial Accrued Liability (1.d – 2)	$	37,560,329

SECTION II

SUMMARY OF VALUATION RESULTS

ACTUARIAL BALANCE SHEET
July 1, 2006

ASSETS

Market value of assets	$	86,109,848
Present value of future normal costs		31,283,099
Payments on Unfunded Actuarial Accrued Liability	$	37,560,329
Total Net Assets	$	154,953,276

LIABILITIES

Present Value of Projected Benefits:		
Active Members		
Retirement Benefits	$	104,123,267
Pre-Retirement Death Benefits		3,321,786
Withdrawal Benefits		21,420
Members with Deferred Benefits		1,280,120
Members Receiving Benefits	$	46,206,683
Total Liabilities	$	154,953,276

SECTION II

SUMMARY OF VALUATION RESULTS

ACTUARIAL GAIN/(LOSS)
July 1, 2006

The actuarial gain/(loss) is comprised of both the liability and the actuarial asset gain/(loss). Each of these represents the difference between the expected and actual values as of July 1, 2006.

1. Expected actuarial accrued liability		
a. Actuarial accrued liability at July 1, 2004	$	99,124,087
b. Normal cost at July 1, 2004		3,339,360
c. Benefit payments for fiscal year ending June 30, 2005		(4,992,457)
d. Interest on (a), (b), and (c)		8,001,219
e. Expected actuarial accrued liability at July 1, 2005 (a) + (b) + (c) + (d) + (e)	$	105,472,209
f. Normal cost at July 1, 2005		3,305,857
g. Benefit payments for fiscal year ending June 30, 2006		(5,083,248)
h. Interest on (e), (f), and (g)		8,502,827
i. Change in benefit structure		7,208,672
j. Expected actuarial accrued liability at July 1, 2006 (e) + (f) + (g) + (h) + (i)	$	119,406,317
2. Actuarial accrued liability at July 1, 2006	$	123,670,177
3. Actuarial accrued liability gain/(loss) (1e) - (2)	$	(4,263,860)
4. Expected actuarial value of assets		
a. Actuarial value of assets at July 1, 2004	$	78,023,055
b. Contributions for fiscal year ending June 30, 2005		3,081,863
c. Benefit payments and administrative expenses for fiscal year ending June 30, 2006		(4,992,457)
d. Interest on (a), (b), and (c)		6,166,892
e. Expected actuarial value of assets at July 1, 2005 (a) + (b) + (c) + (d)	$	82,279,353
f. Contributions for fiscal year ending June 30, 2006	$	3,143,508
g. Benefit payments and administrative expenses for fiscal year ending June 30, 2006		(5,083,248)
h. Interest on (e), (f), and (g)		6,506,252
i. Expected actuarial value of assets at July 1, 2006	$	86,845,865
5. Actuarial value of assets at July 1, 2006	$	86,109,848
6. Actuarial value of assets gain/(loss) (5) - (4i)	$	(736,017)
7. Net actuarial gain/(loss) (3) + (6)	$	(4,999,877)

SECTION II

SUMMARY OF VALUATION RESULTS

DETERMINATION OF REQUIRED CONTRIBUTION RATE

1.	**Normal Cost**		
	Retirement Benefits	$	3,835,614
	Pre-Retirement Death Benefits		156,648
	Withdrawal Benefits		4,695
	Total	$	3,996,957
2.	**Unfunded Actuarial Accrued Liability**		
	Actuarial Accrued Liability	$	123,670,177
	Actuarial Value of Assets		86,109,848
	Unfunded Actuarial Accrued Liability (UAAL)		37,560,329
3.	**Amortization Payment on UAAL**		
	(over 20 years)	$	3,542,224
4.	**Total Contribution at End of Year**		
	[(1) + (3)] x 1.08	$	8,142,316
5.	**Projected Payroll for Fiscal Year**	$	24,093,810
6.	**Expected Employee Contributions**		
	2.32% x (5)	$	558,976
7.	**Interest to End of Year**		
	(6) x .04	$	22,359
8.	**Member Contributions at End of Year**		
	(6) + (7)	$	581,335
9.	**State Contribution at End of Year**		
	(4) – (8)	$	7,560,981
10.	**State Contribution Rate**		
	(9) / (5)		31.4%

SECTION III

PLAN ACCOUNTING INFORMATION

SECTION III

PLAN ACCOUNTING INFORMATION

Schedule of Funding Progress (In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL/ Covered Payroll ((b – a)/c)
July 1, 1997	$45,894	$59,786	$13,892	77%	$15,721	88%
July 1, 1998	55,048	65,243	10,195	84%	16,824	61%
July 1, 1999	61,869	68,768	6,899	90%	17,023	41%
July 1, 2000	71,693	82,070	10,377	87%	19,295	54%
July 1, 2001	72,375	87,800	15,425	82%	19,896	78%
July 1, 2002	67,707	88,051	20,344	77%	19,878	102%
July 1, 2003	70,018	93,561	23,543	75%	20,712	114%
July 1, 2004	78,023	99,124	21,101	79%	20,894	101%
July 1, 2005	81,605	105,472	23,867	77%	20,684	115%
July 1, 2006	86,110	123,670	37,560	70%	24,094	156%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
June 30, 1997	$3,368,976	111%
June 30, 1998	3,150,939	121%
June 30, 1999	2,858,734	138%
June 30, 2000	2,700,338	156%
June 30, 2001	3,209,370	140%
June 30, 2002	3,738,659	81%
June 30, 2003	4,024,203	51%
June 30, 2004	4,401,516	46%
June 30, 2005	4,394,389	46%
June 30, 2006	4,614,846	44%

Notes to the Required Schedules:

1. The cost method is the Projected Unit Credit.
2. The assets are shown at fair market value.
3. Economic assumptions are as follows: Inflation rate of 3.00%.
   Investment return rate of 8.00%.
   Salary increases of 5% per year.
   Post-retirement benefit increases vary from 0.00% to 5.00%.
4. The amortization method is an open period of 30 years determined as a level dollar amount.

SECTION III

PLAN ACCOUNTING INFORMATION

Determination of Annual Required Contribution (ARC)

In Accordance with Statement No. 25 of the
Governmental Accounting Standards Board

Determination of Annual Required Contribution (ARC)

1. a. Normal Cost at July 1, 2006	$ 3,996,957
b. Interest for Year	319,756
c. Total Normal Cost as of June 30, 2007	4,316,713
2. a. Unfunded Actuarial Accrued Liability (UAAL)	$37,560,329
b. Amortization Factor to Recognize UAAL Over 20 Years	12.1584
c. Amortization Amount of Beginning of Year (a ÷ b)	3,542,225
d. Interest for Year (c x .08)	283,378
e. Amortization Amount at End of Year	3,825,603
3. Total Annual Required Contribution	$ 8,142,316
4. Portion Paid by Employee Contributions	
a. Annual Payroll for Upcoming Plan Year	$24,093,810
b. Employee Contribution Rate	2.32%
c. Employee Contributions (a x b)	558,976
d. Interest on Employee Contributions	22,359
e. Employee Contributions as of June 30, 2007	581,335
5. Annual Required Contribution (ARC) (3 – 4.e.)	$ 7,560,981
6. Annual Required Contribution (ARC) as a Percentage of Pay	31.4%

SECTION III

PLAN ACCOUNTING INFORMATION

Development of the Net Pension Obligation and Annual Pension Cost

In Accordance with Statement No. 27 of the Governmental Accounting Standards Board

Determination of Net Pension Obligation

Net Pension Obligation as of July 1, 2005	$6,306,584
Annual Pension Cost for the Year Ended June 30, 2006	4,600,654
Employer Contributions for the Year Ended June 30, 2006	2,039,664
Net Pension Obligation as of June 30, 2006 (1) + (2) - (3)	$8,867,574

Determination of Annual Pension Cost

1. Annual Required Contribution (ARC)	$7,560,981
2. a. Net Pension Obligation (NPO)	8,867,574
b. Interest Rate	8.00%
c. Interest on NPO	709,406
3. a. NPO	8,867,574
b. Amortization Factor	9.8181
c. Adjustment to ARC	903,186
4. Annual Pension Cost (1 + 2.c. – 3.c.)	7,367,201
5. Annual Pension Cost as a Percentage of Pay	30.6%

APPENDIX A

ACTUARIAL ASSUMPTIONS AND METHODS

ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions

Interest	8% per annum.
Mortality	1983 Group Mortality Table for males and females.
Turnover	1.0% per year for all participants under age 45. The termination rate experienced by the system has been very small, and this trend is assumed to continue.
Rate of Disablement; Disabled Life Mortality	No incidence of disability was assumed.
Salary Increases	Salaries will increase 5.0% per annum. This was based on a review of the salary increases granted during the period since 1982.
Incidence of Retirement	The following table indicates the assumed rate of retirement at each age.

Age	Rate
50 - 55	1%
56	1
57	2
58	2
59	3
60	3
61	4
62	10
63	5
64	5
65	20
66	15
67	15
68	100

Spouse's Benefit	85% of employees were assumed married, with the spouse four years younger.
Internal Revenue Service Limits on Recognized Pay	The limit is assumed to increase based on cost of living increases of 3.0% per year.
Retiring Judges Electing Senior Judge Status	75%.

Adjustment to Benefit for Senior Judges

Became Senior Judge	Adjustment
Before 1/1/93	5% for life
1/1/93 to 7/1/94	5% to age 78
7/1/94 and later	3.75% to age 78

Asset Valuation Method

The actuarial value of assets is equal to the market value of assets and was provided by the Office of the Court Administrator.

Actuarial Cost Method

Liabilities and contributions shown in this report are computed using the Projected Unit Credit method of funding.

The objective under this method is to fund each participant's benefits under the Plan as they would accrue, taking into consideration future salary increases. Thus, the total pension to which each participant is expected to become entitled, is broken down into units, each associated with a year of past or future credited service. When this method is introduced, there will be an initial liability for benefits credited for service prior to that date, and to the extent that the liability is not covered by assets of the Plan, there is an unfunded liability to be funded over a chosen period in accordance with an amortization schedule.

A description of the calculation follows:

An individual's accrued benefit for valuation purposes related to a particular separation date is the accrued benefit described under the Plan but determined using the projected salary that would be used in the calculation of the benefit on the expected separation date.

The benefit deemed to accrue for an individual during a plan year is the excess of the accrued benefit for valuation purposes at the end of the plan year over the accrued benefit for valuation purposes at the beginning of the plan year. Both accrued benefits are calculated from the same projection to the various anticipated separation dates.

An individual's accrued liability is the present value of the accrued benefit for valuation purposes at the beginning of the plan year, and the normal cost is the present value of the benefit deemed to accrue in the plan year.

The Plan's normal cost is the sum of the individual normal costs, and the Plan's accrued liability is the sum of the accrued liabilities for all participants under the Plan.

Amortization Method

Level Dollar Amortization Method

The amount to be amortized is divided into equal dollar amounts to be paid over a given number of years; part of each payment is interest and part is principal (similar to a mortgage payment on a building). Because payroll can be expected to increase as a result of inflation, level dollar payments generally represent a decreasing percentage of payroll; in dollars adjusted for inflation, the payments can be expected to decrease over time.

Open Amortization Period (Open Basis)

An open amortization period (open basis) is one that begins again or is recalculated at each actuarial valuation date. Within a maximum number of years specified by law or policy (for example, 30 years), the period may increase, decrease, or remain stable.

The amortization factor is based on the valuation interest rate and a 30-year amortization period.

1. the actuarial present value of projected pension benefits for all participants determined using the assumptions shown below for normal cost, minus the actuarial value of assets (as reported by the System), both as of the current valuation date, divided by

2. the actuarial present value of the expected future valuation earnings for all active participants from the current valuation date to the assumed retirement age.

Actuarial gains and losses are reflected in this accrual rate and are spread over the current and future years' normal costs. Experience gains will reduce and experience losses will increase future normal cost accrual rates.

APPENDIX B

SUMMARY OF PLAN PROVISIONS

STATE OF IOWA
JUDICIAL RETIREMENT FUND

Summary of Plan Provisions

An actuarial valuation involves the projection of the amount and timing of future benefit payments. Summarized below are the principal provisions of the plan which were used to estimate future benefit payments.

Credited Service	All years of service as a judge are credited.
Average Monthly Salary	Average monthly basic salary for highest three years as a judge. Each year's pay is limited to the compensation limit in Section 401(a)(17) of the Internal Revenue Code.
Accrued Benefit	The benefit payable at Normal Retirement Date which the judge has earned based on average earnings and credited service to date.
Normal Form	The normal form of payment is an annuity payable for the life of the judge with one-half such amount payable to an eligible surviving spouse with a guarantee that payments totaling at least the amount of the judge's contributions will be made.
Eligible Spouse	A spouse is eligible if married to the judge for at least the one year preceding death.
Retirement Eligibility	Age 65 with a minimum of four years service or 20 years of service and age 50.
Mandatory Retirement Date	Age 78 for judges participating in the Senior Judge Program.
Monthly Retirement Benefit	Effective July 1, 2006, 3.25% of Average Monthly Salary times years of credited service subject to a maximum of 65% of final earnings. Prior to 2006 the formula was 3% of average monthly salary times years of service subject to a maximum of 50% until July 1, 1998, 52% from July 1, 1998 until June 30, 2000, 56% from July 1, 2000 to June 30, 2001, 60% effective July 1, 2001. Commencing July 1, 1992, a judge or a survivor of a judge who retired before June 1, 1977, shall receive a minimum monthly annuity payment of $500.
Disability Retirement	Upon total and permanent disability with a minimum of four years of credited service, the Judge receives the accrued benefit.

Vesting

100% vesting for voluntary terminations after 4 years of credited service (6 years prior to July 1, 2006). 100% vesting for Judges' contributions at all times.

Pre-Retirement Death Benefit

Four years of service required. The death benefit payable to an eligible spouse is one-half the accrued benefit at the date of death. The death benefit shall commence on the later of the date of death or the date the spouse reaches age 60.

Judge's Required Contribution Rate

Effective July 1, 2000, 5% of salary (4% of salary before that date). Effective July 1, 2006, the required contribution rate is 6% multiplied by a fraction equal to the actual percentage rate contributed by the State divided by 23.7%.

Commencing with the first fiscal year in which the System attains fully funded status, and for each subsequent year, 50% of the required contribution rate.

State's Required Contribution Rate

For the fiscal year beginning July 1, 2006, and for each subsequent fiscal year until the system attains fully funded status, twenty-three and seven-tenths percent. Commencing with the first fiscal year in which the system attains fully funded status, and for each subsequent fiscal year, the percentage rate equal to fifty percent of the required contribution rate.

Annuity for Senior Judges and Retired Senior Judges

(a) Judges retiring and becoming Senior Judges before January 1, 1993:

The annuity for all senior judges or retired senior judges will be equal to 3% of the current base salary of the office in which the judge last served before retirement as a judge or senior judge, multiplied by the judge's years of service prior to retirement as a judge, subject to a maximum of 50% of such current base salary.

(b) Judges retiring and becoming Senior judges on or after January 1, 1993 and before July 1, 1994:

The annuity is the same as (a) above, except that the annuity will increase only until the year in which the judge attains age 78. At that point, it will remain the same until the judges' death.

(c) Judges retiring and becoming Senior Judges on or after July 1, 1994:

The annuity is the same as (b) above, except that the percentage increase of the annuity each year is only 75% of the amount that it would have been under (b).

(d) Judges retiring and becoming Senior Judges on or after July 1, 1998:

The annuity is the same as (c) above, except that the maximum benefit is 52% of the current base salary.

(e) Judges retiring and becoming Senior Judges on or after July 1, 2000:

The annuity is the same as (d) above, except that the maximum benefit is 56% of the current base salary.

(f) Judges retiring and becoming Senior Judges on or after July 1, 2001:

The annuity is the same as (e) above, except that the maximum benefit is 60% of the current base salary.

(g) Judges retiring and becoming Senior Judges on or after July 1, 2006: The percentage multiplier is 3.25% per year of service and the maximum benefit is 65% of the current base salary.

APPENDIX C

SYSTEM MEMBERSHIP INFORMATION

ACTIVE MEMBERS AS OF JULY 1, 2006

	Number of Employees			Annual Salaries		
Age	Male	Female	Total	Male	Female	Total
35-39	1	1	2	111,000	126,020	237,020
40-44	5	3	8	555,000	348,020	903,020
45-49	12	8	20	1,452,160	971,140	2,423,300
50-54	33	6	39	4,039,460	711,060	4,750,520
55-59	55	15	70	6,737,760	1,826,200	8,563,960
60-64	31	1	32	3,840,540	111,000	3,951,540
65-69	18	2	20	2,233,260	245,060	2,478,320
70 & over	6	0	6	786,130	0	786,130
Totals	161	36	197	19,755,310	4,338,500	24,093,810

ACTIVE AGE / SERVICE DISTRIBUTION AS OF JULY 1, 2006

	Years of Service								
Age	0-4 Count	5-9 Count	10-14 Count	15-19 Count	20-24 Count	25-29 Count	30-34 Count	35 + Count	Total Count
35-39	2	0	0	0	0	0	0	0	**2**
40-44	3	4	1	0	0	0	0	0	**8**
45-49	4	8	6	1	1	0	0	0	**20**
50-54	8	13	10	4	4	0	0	0	**39**
55-59	8	14	17	12	16	3	0	0	**70**
60-64	2	4	6	8	4	6	2	0	**32**
65-69	0	0	8	2	6	3	1	0	**20**
70 & over	0	0	1	1	0	2	2	0	**6**
Totals	**27**	**43**	**49**	**28**	**31**	**14**	**5**	**0**	**197**

DEFERRED VESTED MEMBERS
as of July 1, 2006

	Number of Members			Annual Benefit		
Age	Male	Female	Total	Male	Female	Total
50	0	1	1	0	22,000	22,000
51	0	1	1	0	46,628	46,628
55	1	0	1	25,594	0	25,594
57	0	1	1	0	42,264	42,264
58	0	1	1	0	29,500	29,500
61	1	0	1	15,677	0	15,677
63	2	0	2	38,349	0	38,349
65	1	0	1	8,238	0	8,238
Totals	5	4	9	87,857	140,392	228,249

RETIREES AND BENEFICIARIES

as of July 1, 2006

	Number of Members				Annual Benefit			
Age	Retired	Senior	Beneficiaries	Total	Retired	Senior	Beneficiaries	Total
49	0	0	1	1	0	0	27,462	27,462
51	0	0	1	1	0	0	57,071	57,071
53	1	0	0	1	30,162	0	0	30,162
58	1	0	0	1	49,158	0	0	49,158
60	1	0	0	1	15,614	0	0	15,614
63	0	1	0	1	0	68,436	0	68,436
65	0	1	1	2	0	66,239	17,241	83,480
66	1	2	1	4	49,080	135,293	19,436	203,809
68	1	4	2	7	65,886	246,011	93,948	405,845
69	2	2	0	4	40,522	126,681	0	167,203
70	2	0	0	2	54,388	0	0	54,388
71	2	1	1	4	64,799	36,992	16,543	118,334
72	2	2	1	5	44,911	94,772	34,530	174,213
73	1	3	2	6	30,450	154,800	86,506	271,755
74	7	2	0	9	320,285	89,372	0	409,657
75	4	4	0	8	112,489	266,419	0	378,908
76	3	4	0	7	129,529	229,568	0	359,097
77	3	1	1	5	134,294	71,414	41,144	246,852
78	4	3	2	9	156,344	193,577	51,738	401,659
79	5	3	1	9	218,867	193,380	46,902	459,148
80	2	2	0	4	70,713	119,097	0	189,810
81	4	1	4	9	123,913	57,838	42,051	223,801
82	3	1	1	5	113,788	51,129	29,329	194,247
83	0	0	2	2	0	0	28,125	28,125
84	2	1	2	5	69,233	45,787	27,122	142,141
85	1	2	2	5	44,182	93,532	8,553	146,266
86	4	0	2	6	96,137	0	19,500	115,637
87	0	1	0	1	0	44,922	0	44,922
88	0	0	4	4	0	0	29,858	29,858
89	0	0	1	1	0	0	7,399	7,399
90	0	0	2	2	0	0	9,765	9,765
91	1	0	3	4	4,765	0	24,386	29,151
92	0	1	1	2	0	44,838	15,225	60,063
93	0	1	1	2	0	63,009	14,275	77,284
94	0	2	0	2	0	126,017	0	126,017
95	0	0	1	1	0	0	7,898	7,898
97	1	0	0	1	20,000	0	0	20,000
98	0	0	1	1	0	0	10,598	10,598
Totals	58	45	41	144	2,059,507	2,619,122	766,603	5,445,232