

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
Gain/(Loss) Analysis as of June 30, 2002

	Active Liability	Inactive Liability	Total Liability	Actuarial Value of Assets	Unfunded Actuarial Liability
Balance as of June 30, 2001	5,204,978,452	6,900,387,955	12,105,366,407	7,638,853,784	4,466,512,623
<i>from Table III-1 of the 2001 valuation report</i>					
Employer normal cost	250,507,799		250,507,799		250,507,799
<i>from the 2001 interim valuation; we did not show this figure in our report</i>					
Employer contributions				415,492,599	(415,492,599)
<i>for FY 2001-02 as determined by the June 30, 2000 valuation</i>					
Employee contributions	43,740,156		43,740,156	43,740,156	0
<i>from the 2001 interim valuation; we did not show this figure in our report</i>					
Benefit payments	(22,207,739)	(617,892,239)	(640,099,978)	(640,099,978)	0
<i>from the 2001 interim valuation; we did not show this figure in our report</i>					
Expected interest	452,865,432	562,815,183	1,015,680,615	642,359,984	373,320,631
Asset gains/losses from prior years				31,415,513	(31,415,513)
Shift from active to inactive	(490,640,808)	452,943,478	(37,697,330)		(37,697,330)
<i>our projection method uses the actuarial assumptions for terminations, retirements, etc. to anticipate movements from active to inactive status</i>					
New actives	16,013,307		16,013,307		16,013,307
<i>our open group projection method assumes a constant number of active members and 5% overall payroll growth, so we expect new active members will replace terminating and retiring members</i>					
Expected balance as of June 30, 2002	5,455,256,599	7,298,254,377	12,753,510,976	8,131,762,058	4,621,748,918
<i>from the 2001 interim valuation; we did not show this figure in our report</i>					
Cash flow different than expected					
<i>there were small differences in the actual cash flows (contributions in, benefit payments out) compared to what our 2001 valuation predicted</i>					
Employee contributions	5,837,219		5,837,219	5,837,219	0
Employer contributions			0	0	0
Benefit payments	(385,143)	(10,715,948)	(11,101,091)	(11,101,091)	0
Interest	209,278	(411,332)	(202,054)	(202,054)	0
Investment Performance				(232,612,155)	232,612,155
<i>the market value on June 30, 2002 was more than \$1.1 billion lower than expected; this is recognized in the actuarial value over a five year period</i>					
Salaries, Benefits, and Other Data					
Actual salary changes	43,424,332		43,424,332		43,424,332
<i>total payroll was .38% lower than projected from the 2001 valuation</i>					
Actual COLA increases		(2,976,750)	(2,976,750)		(2,976,750)
<i>the COLA granted to pre-1980 retirees was lower than assumed</i>					
Non-COLA benefit changes		(1,785,896)	(1,785,896)		(1,785,896)
<i>eg. benefit finalizations</i>					
Other data changes	(3,061,221)	3,652,315	591,094		591,094
<i>eg. changes in dates of birth, gender, active group, form of payment, etc.</i>					
Demographic Movements					
Shift from active to inactive	121,207,014	(46,165,238)	75,041,776		75,041,776
<i>fewer active members terminated or retired than assumed</i>					
Shift from inactive to active	606,458	(1,559,648)	(953,190)		(953,190)
<i>18 inactive members returned to active status</i>					
Actual new actives	(8,088,542)		(8,088,542)		(8,088,542)
<i>the 2001 projection anticipated 5,126 new active members; there were a total of 3,134 actual new members with less than a year of service</i>					
New actives with past service	11,599,918		11,599,918		11,599,918
<i>there were 596 new active members who have more than a year of service; these represent rehires or members returning from workers compensation or other leaves who were counted as terminations in prior valuations</i>					
Inactive status changes		(36,287,864)	(36,287,864)		(36,287,864)
<i>eg. healthy retiree to disabled retiree, terminated vested to retiree, etc.</i>					
Other decremental forces	6,877,882	(29,372,336)	(22,494,454)		(22,494,454)
Balance from June 30, 2002 valuation	5,633,483,794	7,172,631,680	12,806,115,474	7,893,683,977	4,912,431,497

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
Gain/(Loss) Analysis as of June 30, 2002

	Tier I Haz. Duty	Tier I Plan B	Tier I Plan C	Tier II Other	Tier II Haz. Duty	Tier IIA Other	Tier IIA Haz. Duty	Total Active Members
Active members on June 30, 2001	1,120	11,695	661	22,779	6,764	9,862	1,986	54,867
Members who left active status								
Vested termination	(1)	(18)	0	(67)	(28)	0	0	(114)
Retired	(125)	(470)	(38)	(238)	(25)	0	0	(896)
Death with surviving beneficiary	0	(2)	(1)	(5)	(1)	0	0	(9)
Disabled	(13)	(46)	(5)	(87)	(21)	0	0	(172)
Nonvested withdrawal, single death, refund	(21)	(127)	(13)	(1,118)	(127)	(1,622)	(109)	(3,137)
Total	(160)	(663)	(57)	(1,515)	(202)	(1,622)	(109)	(4,328)
Net transfers between groups	0	2	1	(17)	12	(37)	39	0
Members who entered active status								
New member with less than 1 year of service	0	10	0	85	7	2,571	461	3,134
New member with more than 1 year of service	0	23	1	147	24	316	85	596
Returned from inactive status	0	6	0	9	3	0	0	18
Total	0	39	1	241	34	2,887	546	3,748
Active members on June 30, 2002	960	11,073	606	21,488	6,608	11,090	2,462	54,287

What we expected to happen based on the 2001 projection

	Tier I Haz. Duty	Tier I Plan B	Tier I Plan C	Tier II Other	Tier II Haz. Duty	Tier IIA Other	Tier IIA Haz. Duty	Total Active Members
Members expected to leave active status								
Terminations	(4)	(183)	(8)	(912)	(118)	(1,993)	(160)	(3,378)
Retirements	(145)	(580)	(70)	(615)	(17)	(77)	(1)	(1,505)
Deaths	(3)	(31)	(2)	(42)	(10)	(13)	(2)	(103)
Disabilities	(3)	(39)	(4)	(60)	(13)	(18)	(3)	(140)
Total	(155)	(833)	(84)	(1,629)	(158)	(2,101)	(166)	(5,126)
Expected new active members	0	0	0	0	0	4,647	479	5,126
Expected active members on June 30, 2002	965	10,862	577	21,150	6,606	12,408	2,299	54,867

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
Gain/(Loss) Analysis as of June 30, 2002

	<i>Terminated Vested</i>	<i>Healthy Retirees</i>	<i>Disabled Retirees</i>	<i>Beneficiaries</i>	<i>Total Inactive Members</i>
<i>What actually happened</i>					
<i>Inactive members on June 30, 2001</i>	1,370	27,197	1,629	3,449	33,645
<i>Members who left inactive status</i>					
Out of System, reason unknown	13	927	72	510	1,522
Returned to active status	18	0	0	0	18
Total	31	927	72	510	1,540
<i>Members who changed status within inactive group</i>					
Terminated Vested to Healthy Retired	(85)	85	0	0	0
Healthy Retired to Beneficiary	0	0	0	0	0
Disabled Retired to Beneficiary	0	0	0	0	0
Healthy Retired to Disabled Retired	0	(950)	950	0	0
Disabled Retired to Healthy Retired	0	1	(1)	0	0
Total	(85)	(864)	949	0	0
<i>Members who entered inactive status</i>					
New, not from active status	128	106	39	281	554
New from active status	114	896	172	9	1,191
Total	242	1,002	211	290	1,745
<i>Inactive members on June 30, 2002</i>	1,496	26,408	2,717	3,229	33,850

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
EXECUTIVE SUMMARY

PRINCIPAL RESULTS

	<u>June 30, 2000</u>	<u>June 30, 2002</u>
<u>SERS Membership</u>		
Active Membership		
Number of Active Members	54,616	54,287
Payroll (\$millions)	\$2,652.0	\$2,852.1
Average Pay	48,555	52,539 <i>8.2%</i>
Inactive Membership		
Number of Inactive Members	33,238	33,850
Annual Retired Members' Benefits (\$millions)	\$597.5	\$655.1
Average Annual Retired Members' Benefits	18,614	20,248
<u>Assets and Liabilities (\$ millions)</u>		
Assets		
Market Value	\$8,284.5	\$7,088.9
Actuarial Value	7,196.0	7,893.7
Liabilities		
Active Members	4,875.6	5,633.5
Inactive Members	6,636.5	7,172.6
Total Actuarial Liability	11,512.2	12,806.1
Unfunded Actuarial Liability	4,316.1	4,912.4
<u>Employer Contributions</u>		
First fiscal year in budget cycle	<i>FY 2001-02</i>	<i>FY 2003-04</i>
Normal Cost	\$254,856,678	\$271,856,543
Amortization Payment of Unfunded Liability	<u>160,635,921</u>	<u>219,746,616</u>
Total Employer Contribution	415,492,599	491,603,159
Total Contribution as a Percent of Payroll	14.92%	16.42%
Second fiscal year in budget cycle	<i>FY 2002-03</i>	<i>FY 2004-05</i>
Normal Cost	\$265,853,449	\$280,857,803
Amortization Payment of Unfunded Liability	<u>160,049,025</u>	<u>242,143,894</u>
Total Employer Contribution	425,902,474	523,001,697
Total Contribution as a Percent of Payroll	14.57%	16.63%

**CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SERS ASSETS**

TABLE II-1

***Market Value of Assets
Summary of Fund Transactions***

	<i>July 1, 2000 to June 30, 2001</i>	<i>July 1, 2001 to June 30, 2002</i>
<i>Market Value as of July 1</i>	\$8,284,499,079	\$7,783,625,739
<i>Contributions</i>		
State	289,128,616	321,203,059
Federal	86,494,566	94,289,540
Fringe Benefit Transfers	0	0
Employee	46,088,785	49,577,375
Total	<u>421,711,967</u>	<u>465,069,974</u>
<i>Investment Income Net of Expenses</i>		
Interest & Dividends	276,669,027	271,445,717
Realized Gains	(2,140,298)	1,341,884
Change in Unrealized Gains	(577,599,050)	(781,112,866)
Expenses	(340,513)	(271,967)
Total	<u>(303,410,834)</u>	<u>(508,597,232)</u>
<i>Disbursements</i>		
Benefit Payments	614,117,205	645,951,309
Employee Refunds	5,057,268	5,249,760
Total	<u>619,174,473</u>	<u>651,201,069</u>
<i>Market Value as of June 30</i>	7,783,625,739	7,088,897,412
<i>Approximate Net Rate of Return</i>	-3.71%	-6.61%

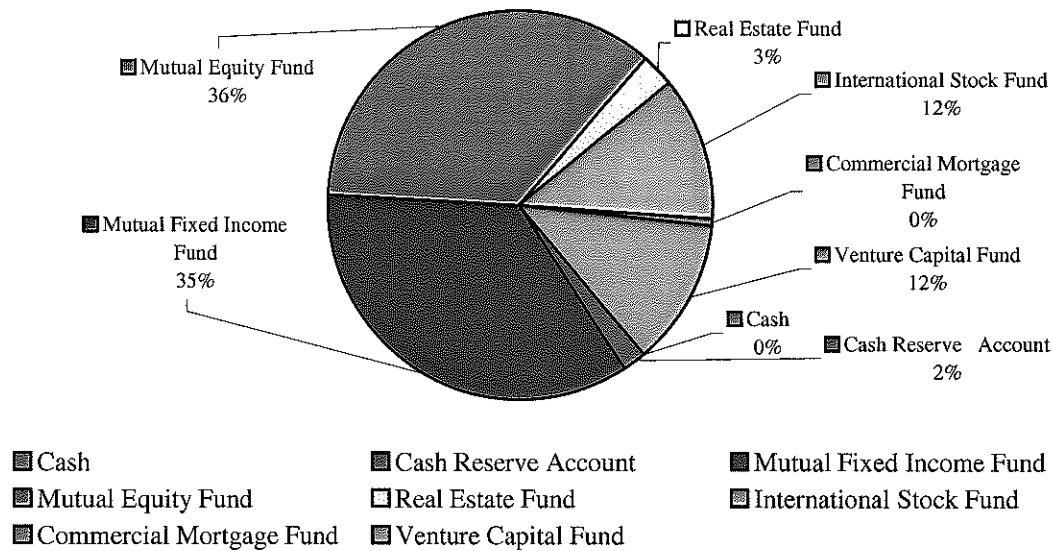
**CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SERS ASSETS**

TABLE II-2

***Market Value of Assets
Breakdown on June 30, 2002***

The following is the Market Value of the State Employees Retirement Fund assets as reported to us by the Retirement Division:

	<i>Amount</i>	<i>% of Total</i>
Cash	(\$1,611,584)	-0.02%
Accrued Interest	0	0.00%
Investments:		
Cash Reserve Account	145,879,960	2.06%
Mutual Fixed Income Fund	2,476,160,338	34.93%
Mutual Equity Fund	2,524,497,173	35.60%
Real Estate Fund	181,346,385	2.56%
International Stock Fund	858,264,653	12.11%
Commercial Mortgage Fund	28,142,768	0.40%
Venture Capital Fund	876,217,719	12.36%
Total Market Value as of June 30, 2002	7,088,897,412	100.00%



**CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SERS ASSETS**

TABLE II-3

Development of Actuarial Value of Assets

	<u>Market Value</u>	<u>Actuarial Value</u>
1. Value on July 1, 2001	\$7,783,625,739	\$7,638,853,784
2. Contributions during 2001-02	465,069,974	465,069,974
3. Benefit Payments during 2001-02	651,201,070	651,201,070
4. Expected Investment Income on (1)+(2)-(3)	654,463,546	642,157,930
5. Expected Value on June 30, 2002: (1)+(2)-(3)+(4)	8,251,958,189	8,094,880,618
6. Market Value on June 30, 2002	7,088,897,412	N/A
7. Market Value - Actuarial Value on June 30, 2002	N/A	(1,005,983,206)
8. Preliminary Actuarial Value: (5) + 20% of (7)	N/A	7,893,683,977
9. Final Value on June 30, 2002: (8) within +/- 20% of Market Value		7,893,683,977

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SERS ASSETS

TABLE II-4

Development of Asset Gain/(Loss)

	<i>Market Value</i>	<i>Actuarial Value</i>
1. Value on July 1, 2001	\$7,783,625,739	\$7,638,853,784
2. Contributions during 2001-02	465,069,974	465,069,974
3. Benefit Payments during 2001-02	651,201,070	651,201,070
4. Expected Investment Income on (1)+(2)-(3)	654,463,546	642,157,930
5. Expected Value on June 30, 2002: (1)+(2)-(3)+(4)	8,251,958,189	8,094,880,618
6. Actual Investment Income	(508,597,231)	440,961,289
7. Asset Gain/Loss: (6) - (4)	(1,163,060,777)	(201,196,641)
8. Rate of Return as of June 30, 2002	-6.61%	5.84%
9. Rate of Return as of June 30, 2001	-3.71%	9.02%
10. Change	-2.90%	-3.18%

**CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SERS ASSETS**

TABLE II-5

Projection of Assets to Next Two Fiscal Years

	<u>Market Value</u>	<u>Actuarial Value</u>
1. Value on June 30, 2002	\$7,088,897,412	\$7,893,683,977
2. Expected Contributions during 2002-03	472,312,037	472,312,037
3. Expected Benefit Payments during 2002-03	672,919,499	672,919,499
4. Expected Investment Income on (1)+(2)-(3)	594,855,962	663,262,820
5. Expected Value on June 30, 2003: (1)+(2)-(3)+(4)	7,483,145,912	8,356,339,335
6. Market Value - Actuarial Value on June 30, 2003	N/A	(873,193,423)
7. Preliminary Actuarial Value: (5) + 20% of (6)	N/A	8,181,700,650
8. Final Value on June 30, 2003: (7) within +/- 20% of Market Value	7,483,145,912	8,181,700,650
9. Expected Contributions during 2003-04	541,817,208	541,817,208
10. Expected Benefit Payments during 2003-04	714,934,550	714,934,550
11. Expected Investment Income on (8)+(9)-(10)	629,422,293	688,799,445
12. Expected Value on June 30, 2004: (8)+(9)-(10)+(11)	7,939,450,863	8,697,382,753
13. Market Value - Actuarial Value as of June 30, 2004	N/A	(757,931,890)
14. Preliminary Actuarial Value: (12) + 20% of (13)	N/A	8,545,796,375
15. Final Value on June 30, 2004: (14) within +/- 20% of Market Value	7,939,450,863	8,545,796,375

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SERS LIABILITIES

TABLE III-1

SERS Liabilities on Valuation Date

	<i>June 30, 2000</i>	<i>June 30, 2001</i>	<i>June 30, 2002</i>
<i>Tier I Actives</i>			
Hazardous Duty	\$436,212,671	\$420,534,167	\$397,745,951
Plan B	2,569,689,643	2,682,458,583	2,809,912,639
Plan C	143,428,013	147,180,639	151,860,367
<i>Total</i>	3,149,330,327	3,250,173,389	3,359,518,957
<i>Tier II Actives</i>			
Hazardous Duty	640,307,597	720,779,237	849,417,103
All Others	1,039,423,122	1,153,522,215	1,305,025,543
<i>Total</i>	1,679,730,719	1,874,301,452	2,154,442,646
<i>Tier IIIA Actives</i>			
Hazardous Duty	17,056,369	30,243,989	46,392,204
All Others	29,493,801	50,259,622	73,129,987
<i>Total</i>	46,550,170	80,503,611	119,522,191
<i>Total Actives</i>	4,875,611,216	5,204,978,452	5,633,483,794
<i>Retirees</i>			
Pre-1980	500,980,489	459,051,303	413,936,953
1980-1997 Fixed COLA	5,694,884,504	5,654,138,639	5,542,842,696
1997+ Variable COLA	349,077,134	661,196,383	1,073,364,890
<i>Total</i>	6,544,942,127	6,774,386,325	7,030,144,539
<i>Deferred Vesteds</i>	91,601,549	126,001,630	142,487,141
<i>Total Actuarial Liability</i>	11,512,154,892	12,105,366,407	12,806,115,474

**CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SERS LIABILITIES**

TABLE III-2

Projection of Liabilities to Next Two Fiscal Years

	<u>June 30, 2003</u>	<u>June 30, 2004</u>
<i>Tier I Actives</i>		
Hazardous Duty	\$350,633,395	\$301,137,731
Plan B	2,824,439,873	2,854,194,616
Plan C	138,923,478	134,519,121
<i>Total</i>	<u>3,313,996,746</u>	<u>3,289,851,468</u>
<i>Tier II Actives</i>		
Hazardous Duty	978,297,209	1,119,112,884
All Others	1,394,755,458	1,493,357,802
<i>Total</i>	<u>2,373,052,667</u>	<u>2,612,470,686</u>
<i>Tier IIIA Actives</i>		
Hazardous Duty	66,078,090	91,868,358
All Others	105,791,447	149,402,904
<i>Total</i>	<u>171,869,537</u>	<u>241,271,262</u>
<i>Total Actives</i>	5,858,918,950	6,143,593,416
<i>Retirees</i>		
Pre-1980	387,326,712	360,803,460
1980-1997 Fixed COLA	5,476,366,649	5,399,006,698
1997+ Variable COLA	1,572,618,717	2,071,142,054
<i>Total</i>	<u>7,436,312,078</u>	<u>7,830,952,212</u>
<i>Deferred Vesteds</i>	175,144,957	211,153,501
<i>Total Actuarial Liability</i>	13,470,375,985	14,185,699,129

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SERS CONTRIBUTIONS

TABLE IV-1

Projected Unit Credit Normal Cost on Valuation Date

	<i>June 30, 2000</i>	<i>June 30, 2002</i>
<i>Normal Cost in Dollars</i>		
Tier I Hazardous Duty	\$15,013,357	\$11,827,124
Tier I Plan B	87,421,114	89,685,678
Tier I Plan C	3,557,648	3,481,022
Tier II Hazardous Duty	46,230,241	53,684,716
Tier II All Others	80,009,538	88,045,807
Tier IIA Hazardous Duty	3,933,716	7,239,892
Tier IIA All Others	5,443,678	9,341,772
<i>Total</i>	241,609,292	263,306,011
<i>Normal Cost as a Percent of Payroll</i>		
Tier I Hazardous Duty	18.03%	17.10%
Tier I Plan B	11.68%	12.21%
Tier I Plan C	9.13%	9.42%
Tier II Hazardous Duty	12.95%	14.45%
Tier II All Others	7.21%	7.77%
Tier IIA Hazardous Duty	6.68%	6.93%
Tier IIA All Others	2.13%	2.32%
<i>Total</i>	9.11%	9.23%

**CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SERS CONTRIBUTIONS**

TABLE IV-2

Projection of Normal Cost to Next Two Fiscal Years

	<i>June 30, 2003</i>	<i>June 30, 2004</i>
<i>Normal Cost in Dollars</i>		
Tier I Hazardous Duty	\$9,811,545	\$7,996,547
Tier I Plan B	88,319,010	86,684,070
Tier I Plan C	3,294,914	3,117,710
Tier II Hazardous Duty	58,217,017	62,520,469
Tier II All Others	89,194,391	90,150,275
Tier IIA Hazardous Duty	9,392,610	11,807,513
Tier IIA All Others	13,627,056	18,581,219
<i>Total</i>	271,856,543	280,857,803
<i>Normal Cost as a Percent of Payroll</i>		
Tier I Hazardous Duty	16.48%	15.94%
Tier I Plan B	12.56%	12.82%
Tier I Plan C	10.12%	10.33%
Tier II Hazardous Duty	15.24%	15.93%
Tier II All Others	8.05%	8.28%
Tier IIA Hazardous Duty	7.17%	7.45%
Tier IIA All Others	2.35%	2.48%
<i>Total</i>	9.08%	8.93%

*CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SERS CONTRIBUTIONS*

TABLE IV-3

Projected Unit Credit Total Costs For Fiscal Year 2003-04

1.	Actuarial Liability as of June 30, 2003	\$13,470,375,985
2.	Actuarial Value of Assets as of June 30, 2003	8,181,700,650
3.	Unfunded Actuarial Liability as of June 30, 2003: (1) - (2)	5,288,675,335
4.	Amortization Period	29 Years
5.	Amortization Payment Towards Unfunded Actuarial Liability	290,512,660
6.	SEBAC IV Asset Adjustment Amortization Payment	(29,333,914)
7.	SEBAC V Asset Adjustment Amortization Payment	(41,432,130)
8.	Net Amortization Payment: (5) + (6) + (7)	219,746,616
9.	Employer Normal Cost	271,856,543
10.	Total Employer Cost for Fiscal Year 2003-04: (8) + (9)	491,603,159
11.	Projected Payroll	2,994,758,047
12.	Total Employer Cost Percent: (10) / (11)	16.42%

*CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SERS CONTRIBUTIONS*

TABLE IV-4

Projected Unit Credit Total Costs For Fiscal Year 2004-05

1.	Actuarial Liability as of June 30, 2004	\$14,185,699,129
2.	Actuarial Value of Assets as of June 30, 2004	8,545,796,375
3.	Unfunded Actuarial Liability as of June 30, 2004: (1) - (2)	5,639,902,754
4.	Amortization Period	28 Years
5.	Amortization Payment Towards Unfunded Actuarial Liability	316,448,241
6.	SEBAC IV Asset Adjustment Amortization Payment	(30,800,610)
7.	SEBAC V Asset Adjustment Amortization Payment	(43,503,737)
8.	Net Amortization Payment: (5) + (6) + (7)	242,143,894
9.	Employer Normal Cost	280,857,803
10.	Total Employer Cost for Fiscal Year 2004-05: (8) + (9)	523,001,697
11.	Projected Payroll	3,144,531,772
12.	Total Employer Cost Percent: (10) / (11)	16.63%

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SUMMARY STATISTICS ON SERS MEMBERSHIP

TABLE A-1

Summary of Active Membership Data

We received data on a total of 54,468 eligible active members for our June 30, 2002 valuation. Of the active records submitted to us, 181 (0.3%) were rejected due to missing or invalid dates of birth and/or hire. Cost calculations were not revised to reflect these records. The following analysis compares this data with prior years' data.

	<u>June 30, 2000</u>	<u>June 30, 2001</u>	<u>June 30, 2002</u>
Total Employees	54,616	54,867	54,287
Total Earnings (\$ millions)	\$2,652.0	\$2,726.6	\$2,852.1
Average Earnings	\$48,555	\$49,696	\$52,539

Earnings figures as of July 1 are actual amounts paid during the previous July 1 to June 30 period, adjusted for anticipated increases and merit adjustments effective on the valuation date; new entrant earnings are annualized. Earnings for FY 1999-00 have been adjusted downward to remove the 27th paycheck paid during that period because the higher actual earnings are not an appropriate basis for projecting future earnings.

These figures are broken down by Plan on the following page.

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SUMMARY STATISTICS ON SERS MEMBERSHIP

TABLE A-2a

Detail of Active Membership Data by Plan

	<u>June 30, 2000</u>	<u>June 30, 2001</u>	<u>June 30, 2002</u>
<i>Number of Members</i>			
Tier I Hazardous Duty	1,243	1,120	960
Tier I Plan B	12,149	11,695	11,073
Tier I Plan C	695	661	606
Tier II Hazardous Duty	6,896	6,764	6,608
Tier II Others	23,795	22,779	21,488
Tier IIA Hazardous Duty	1,567	1,986	2,462
Tier IIA Others	8,271	9,862	11,090
Total	<u>54,616</u>	<u>54,867</u>	<u>54,287</u>
<i>Total Annual Compensation (\$ Millions)</i>			
Tier I Hazardous Duty	\$83.3	\$76.1	\$69.1
Tier I Plan B	748.5	736.5	734.3
Tier I Plan C	39.0	37.7	37.0
Tier II Hazardous Duty	357.1	355.3	371.5
Tier II Others	1,109.5	1,107.7	1,132.7
Tier IIA Hazardous Duty	58.9	81.1	104.5
Tier IIA Others	255.7	332.2	403.0
Total	<u>2,652.0</u>	<u>2,726.6</u>	<u>2,852.1</u>
<i>Average Compensation</i>			
Tier I Hazardous Duty	\$66,977	\$67,937	\$72,043
Tier I Plan B	61,611	62,980	66,313
Tier I Plan C	56,083	57,105	61,003
Tier II Hazardous Duty	51,778	52,526	56,230
Tier II Others	46,627	48,630	52,712
Tier IIA Hazardous Duty	37,607	40,843	42,462
Tier IIA Others	30,912	33,682	36,336
Total	48,555	49,696	52,539

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SUMMARY STATISTICS ON SERS MEMBERSHIP

TABLE A-2b

Detail of Active Membership Data by Plan

	<i>June 30, 2000</i>	<i>June 30, 2001</i>	<i>June 30, 2002</i>
<i>Average Age</i>			
Tier I Hazardous Duty	47.5	48.3	48.9
Tier I Plan B	50.0	50.8	51.4
Tier I Plan C	53.0	53.6	54.1
Tier II Hazardous Duty	39.3	40.2	41.1
Tier II Others	44.0	44.9	45.7
Tier IIA Hazardous Duty	32.8	33.7	34.5
Tier IIA Others	37.7	38.4	39.0
Total	43.7	44.2	44.6
<i>Average Service</i>			
Tier I Hazardous Duty	20.0	20.9	21.6
Tier I Plan B	22.4	23.3	24.0
Tier I Plan C	23.1	24.0	24.9
Tier II Hazardous Duty	9.1	10.2	11.1
Tier II Others	10.3	11.3	12.3
Tier IIA Hazardous Duty	1.3	2.0	2.5
Tier IIA Others	1.4	1.9	2.4
Total	11.7	12.1	12.4

CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SUMMARY STATISTICS ON SERS MEMBERSHIP

TABLE A-3

Summary of Inactive Membership Data

	<i>June 30, 2000</i>	<i>June 30, 2001</i>	<i>June 30, 2002</i>
<i>Retired Pre-1980</i>			
Number	5,869	5,410	4,931
Total Annual Benefits (\$ 000s)	\$69,277	\$66,400	\$61,327
Average Annual Benefit	11,804	12,274	12,437
<i>Retired 1980-1997, Fixed COLA</i>			
Number	24,760	24,345	23,687
Total Annual Benefits (\$ 000s)	\$501,184	\$508,490	\$510,754
Average Annual Benefit	20,242	20,887	21,563
<i>Retired 1997+, Variable COLA</i>			
Number	1,472	2,520	3,736
Total Annual Benefits (\$ 000s)	\$27,074	\$50,848	\$83,020
Average Annual Benefit	18,393	20,178	22,222
<i>Total Retired Members</i>			
Number	32,101	32,275	32,354
Total Annual Benefits (\$ 000s)	\$597,536	\$625,737	\$655,101
Average Annual Benefit	18,614	19,388	20,248
<i>Terminated Vested Members</i>			
Number	1,137	1,370	1,496
Total Annual Benefits (\$ 000s)	\$10,749	\$14,692	\$16,644
Average Annual Benefit	9,454	10,724	11,126

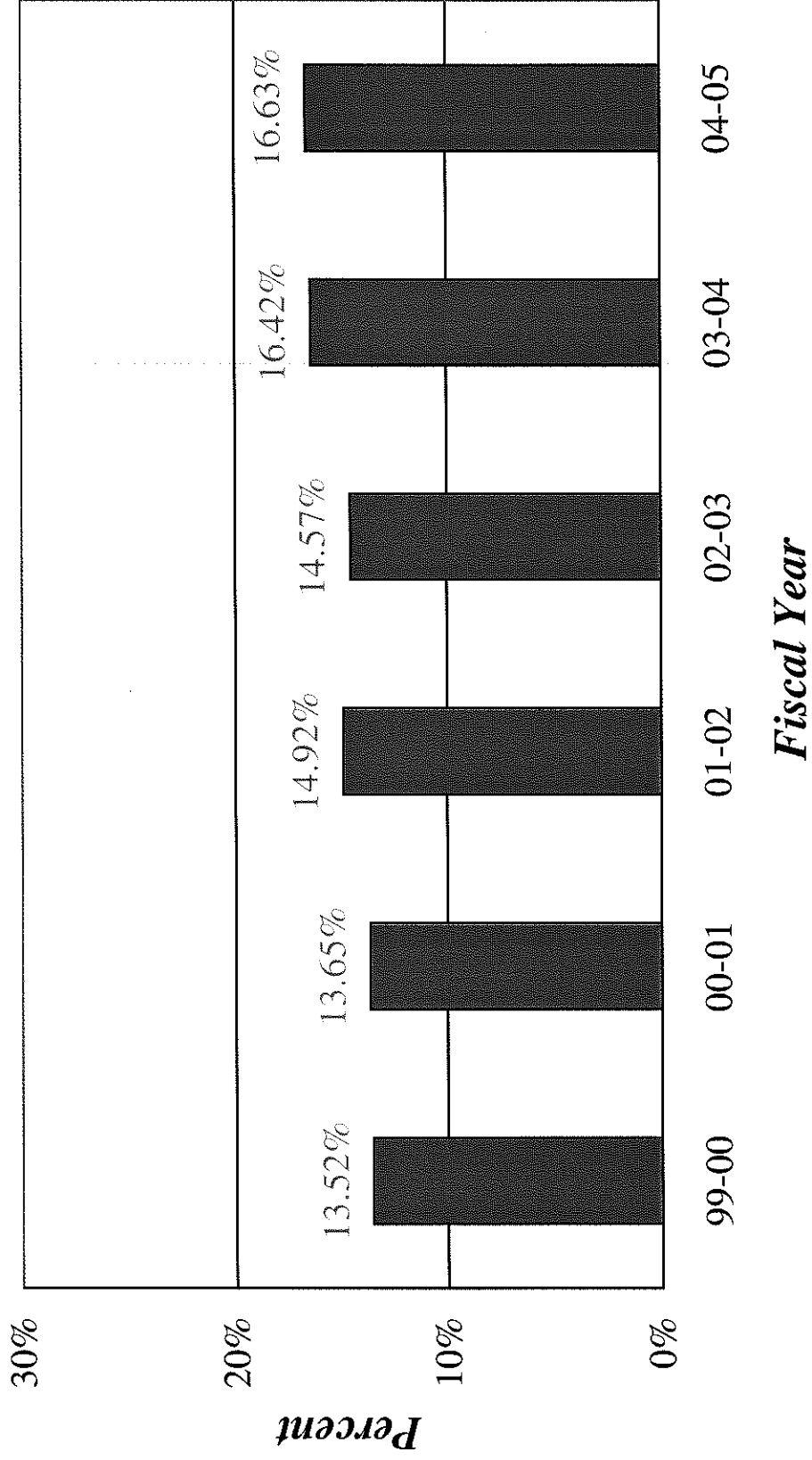
**CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM
SUMMARY STATISTICS ON SERS MEMBERSHIP**

TABLE A-4

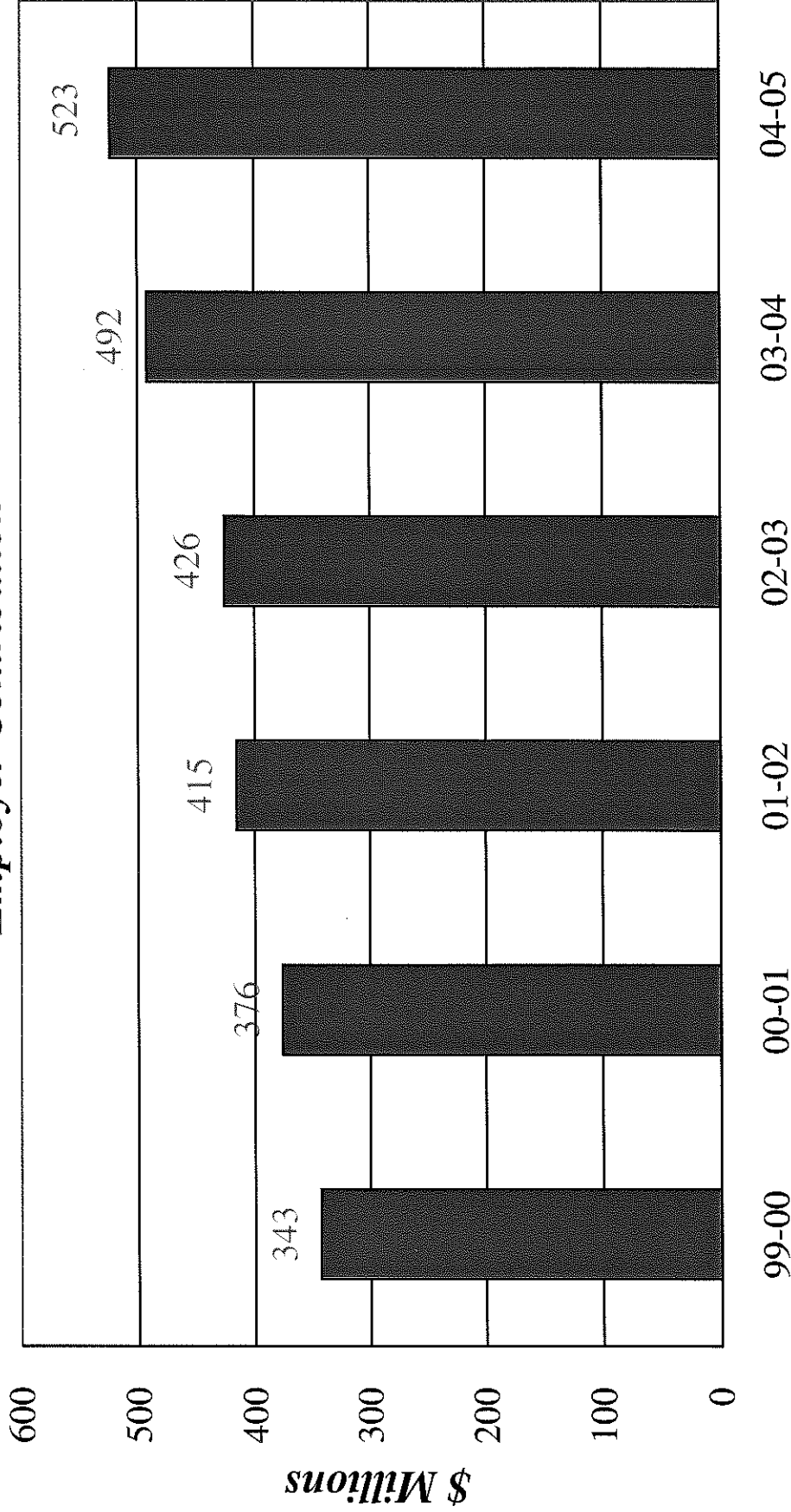
Reconciliation of Changes in Membership

	Active Members	Deferred Vested Members	Retired Members	Disabled Members	Beneficiaries	Total Members
Count as of June 30, 2001	54,867	1,370	27,197	1,629	3,449	88,512
Changed status within System						
to active status	18	(18)	0	0	0	0
to deferred vested status	(114)	114	0	0	0	0
to retired status	(896)	(85)	982	(1)	0	0
to disabled status	(172)	0	(950)	1,122	0	0
to beneficiary status	(9)	0	0	0	9	0
Left System	(3,137)	(13)	(927)	(72)	(510)	(4,659)
Entered System	<u>3,730</u>	<u>128</u>	<u>106</u>	<u>39</u>	<u>281</u>	<u>4,284</u>
Count as of June 30, 2002	54,287	1,496	26,408	2,717	3,229	88,137

Employer Contribution Rate

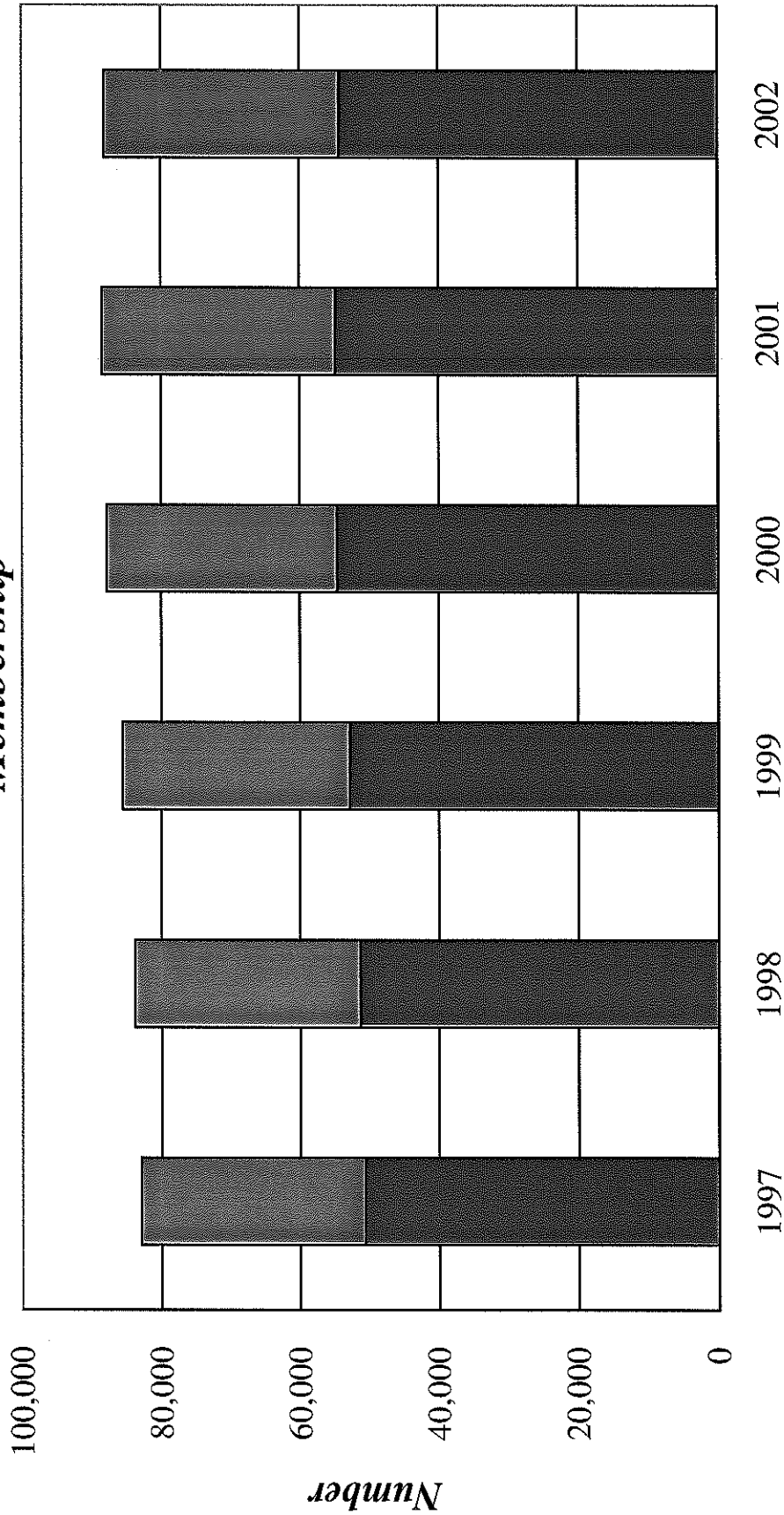


Employer Contribution



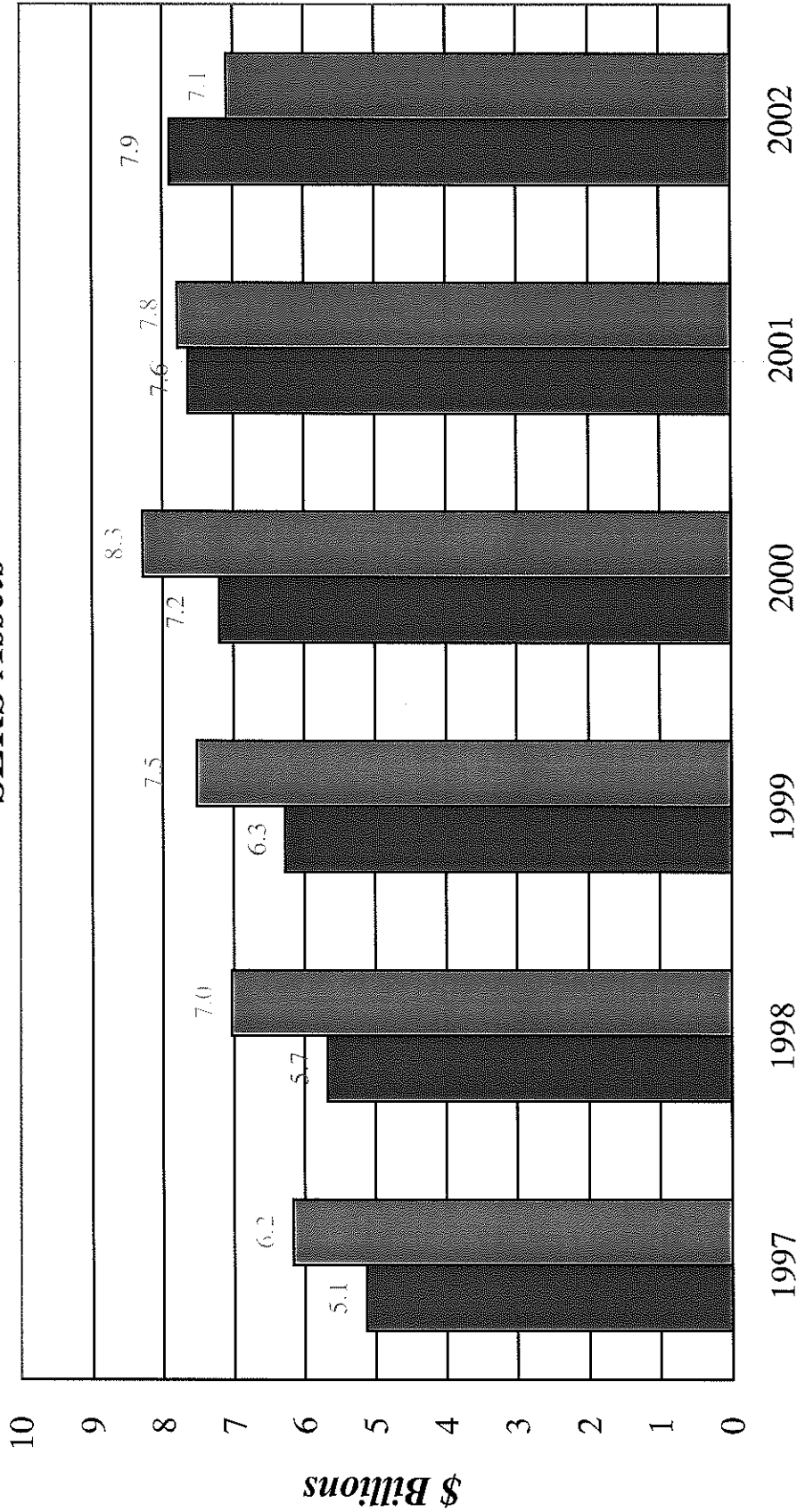
Fiscal Year

Membership



■ Active
■ Inactive

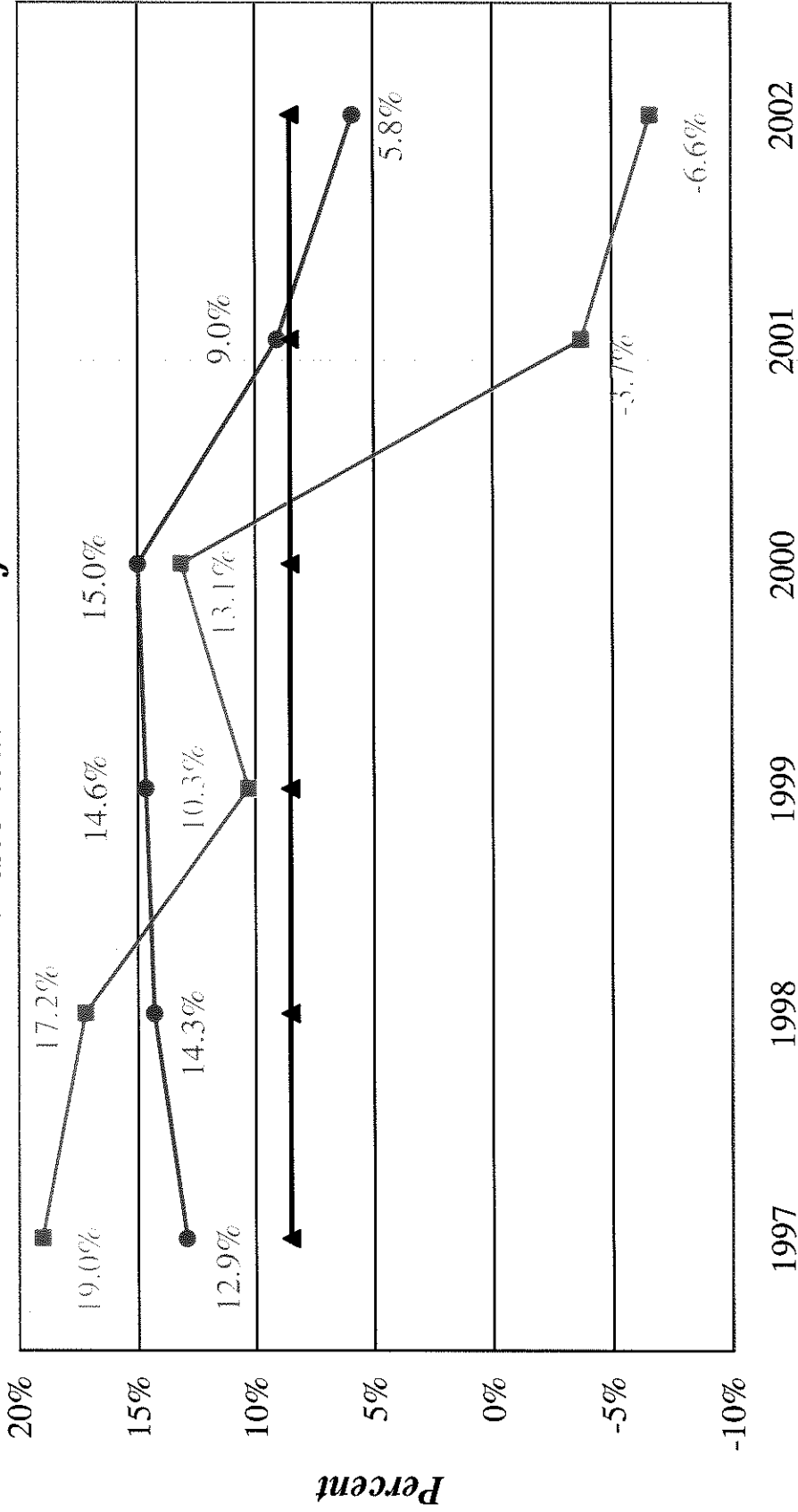
SERS Assets



June 30

■ Actuarial Value ■ Market Value

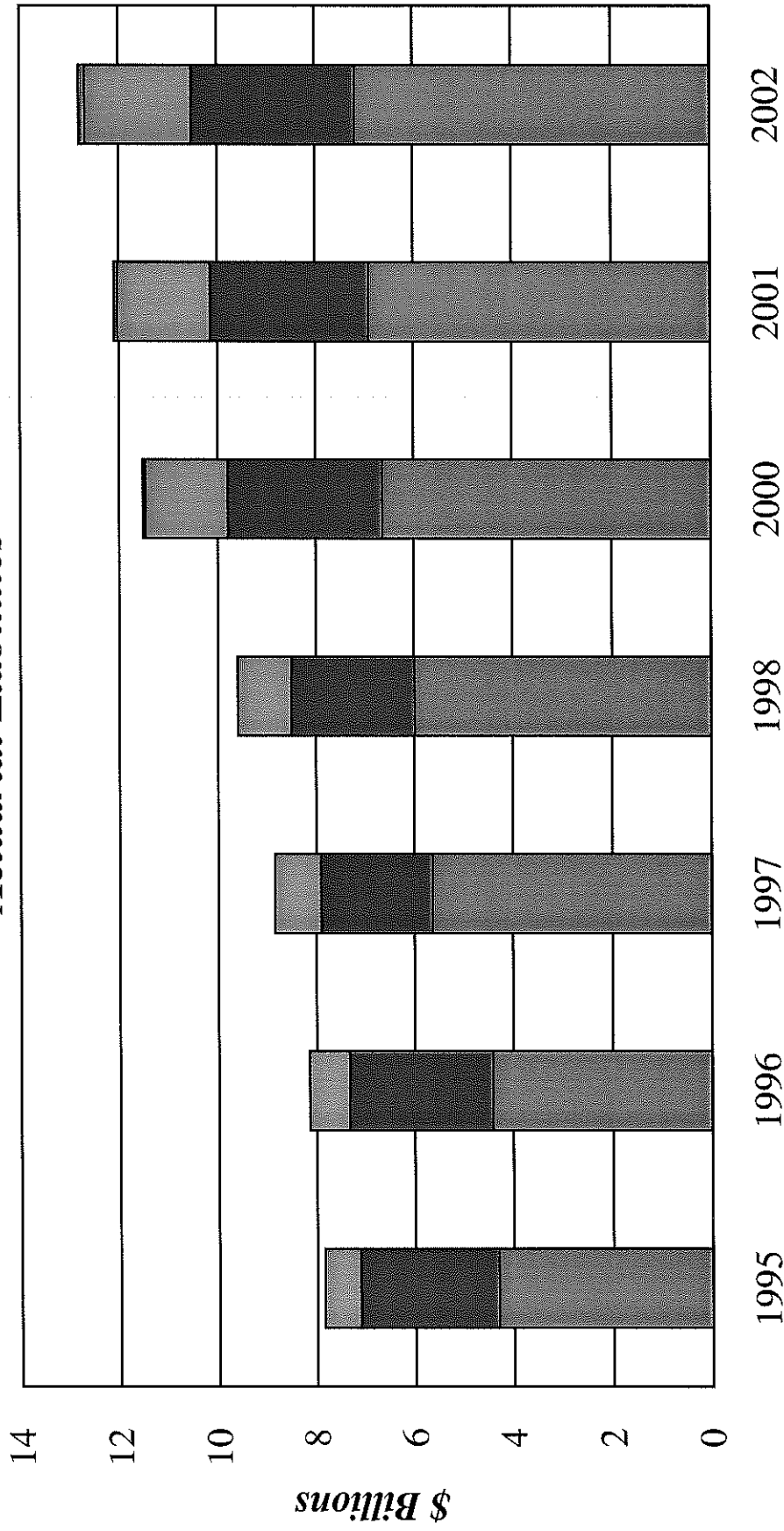
Historical Rates of Return



June 30

● Actuarial Value ■ Market Value ▲ Assumed Rate of Return

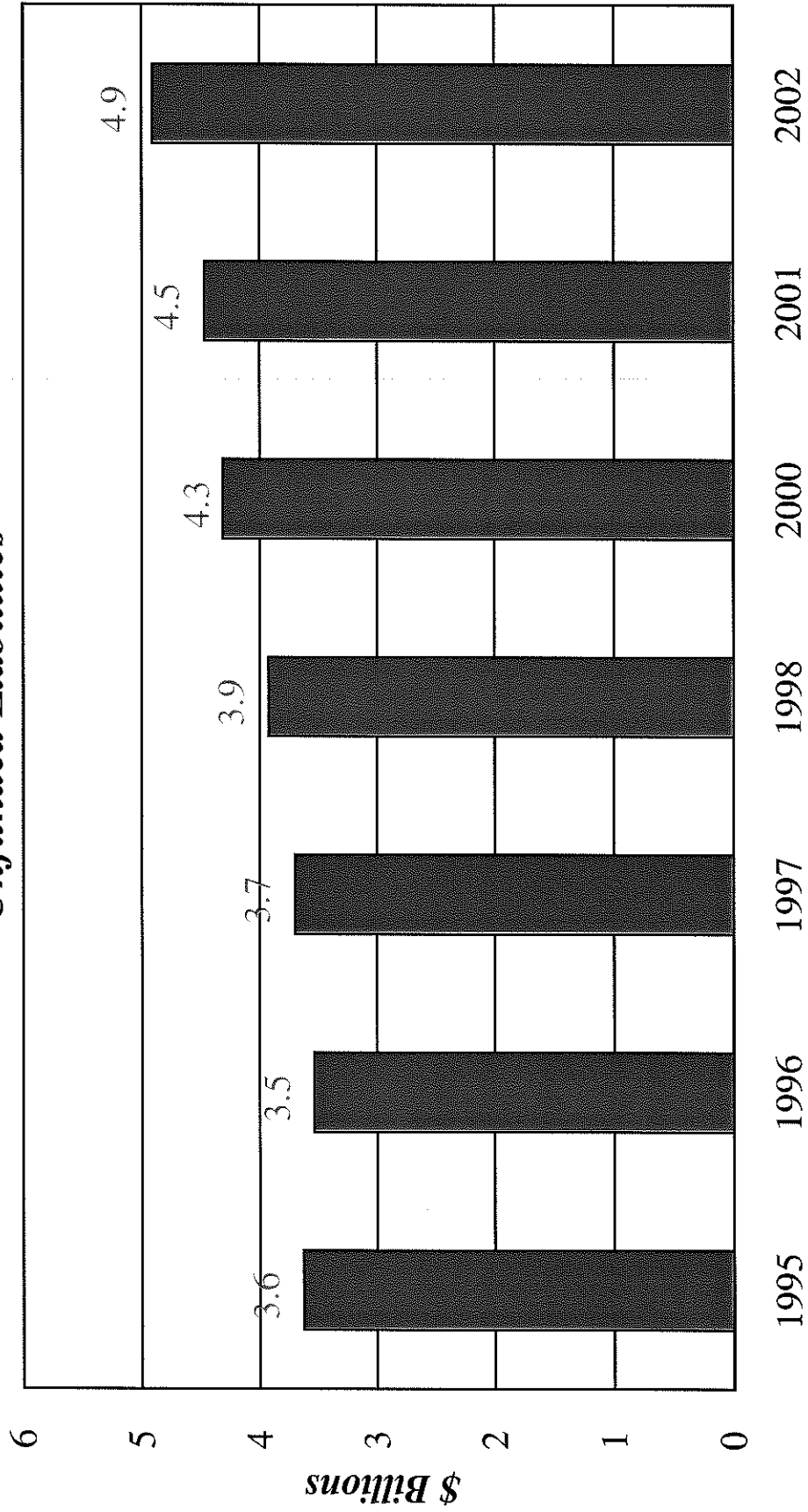
Actuarial Liabilities



June 30

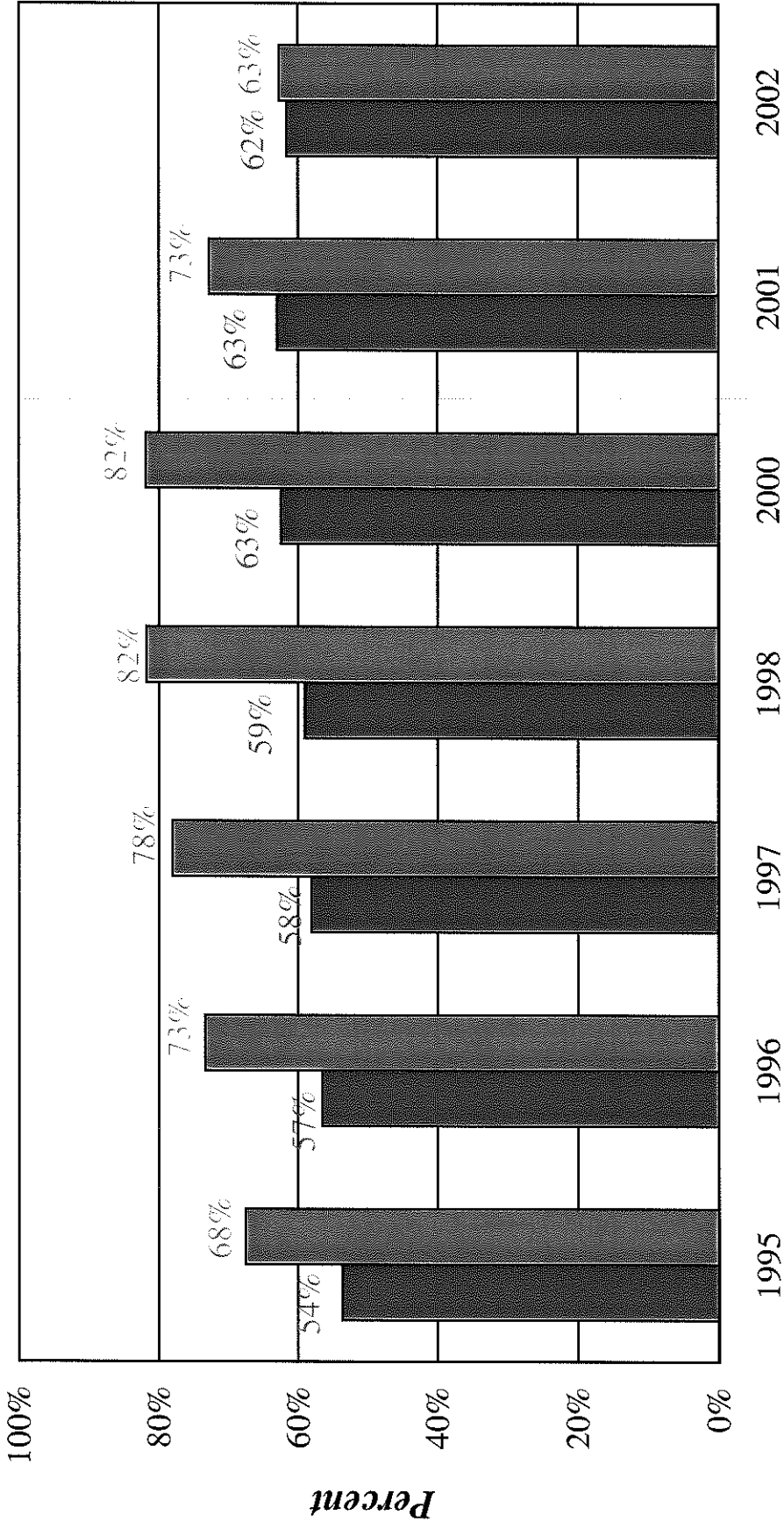
■ Inactives ■ Tier I Actives ■ Tier II Actives ■ Tier IIIA Actives

Unfunded Liabilities



June 30

Funded Ratios



June 30

■ Projected Basis

■ Current Basis