

Annual Financial Report

for the fiscal year ending June 30, 2002

Honorable Paul J. Tavares, General Treasurer



Employees Retirement System of Rhode Island

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**EMPLOYEES RETIREMENT SYSTEM
OF RHODE ISLAND**

INTRODUCTORY SECTION

INTRODUCTORY SECTION

“A retirement system is hereby established and placed under the management of the retirement board for the purpose of providing retirement allowances for employees of the state of Rhode Island under the provisions of Chapters 8 to 10, inclusive, of this title. The retirement system so created shall begin operation as of the first day of July, 1936. It shall have the power and privileges of a corporation, and shall be known as the “employees retirement system of the state of Rhode Island,” and by that name all of its business shall be transacted, all of its funds invested, and all of its cash and securities and other property held.”

—Section Two of Chapter 2334 of the Public Laws of 1936



**The Honorable Donald L. Carcieri
Governor, State of Rhode Island and Providence Plantations
State House
Providence, Rhode Island 02903**

Dear Governor Carcieri:

In accordance with Rhode Island General Laws, 36-8-8 and 45-21-34, enclosed is the Sixty-sixth Annual Financial Report of the *Employees' Retirement System* and the Forty-fifth Annual Financial Report of the *Municipal Employees Retirement System* of the State of Rhode Island for transmittal to the General Assembly.

This report also contains an accounting of the State Police Retirement Plan and the Judicial Retirement Plan.

The report covers the fiscal year ending June 30, 2002.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul J. Tavares".

**Paul J. Tavares, General Treasurer & Chairman of the Board
Employees Retirement System of Rhode Island**



Employees Retirement Board (as of January 1, 2002)

Paul J. Tavares, *Chairperson, General Treasurer*
William B. Finelli, *Vice-Chairperson, Teacher Representative*
Ponzi A. Angelone, *C.L.U., Public Representative*
Daniel L. Beardsley, *Rhode Island League of Cities and Towns*
Michael R. Boyce, *Retired Member Representative*
Louis M. Prata, *Municipal Representative*
Senator John Roney, *Senate Finance Committee, Designee*
Representative Gordon D. Fox, *House Finance Committee, Designee*
Sandra Murphy Crowe, *Director of Administration, Designee*
John P. Maguire, *Teacher Representative*
John Marginson, *Public Representative*
Michael C. Reis, *State Employee Representative*
Rosemary Booth Gallogly, *State Budget Officer/Executive Director*
Michael F. O'Keefe, *House Fiscal Advisor*
Linda C. Riendeau, *State Employee Representative*

Employees' Retirement System of Rhode Island Administration (as of January 1, 2002)

Frank J. Karpinski, *Executive Director*
Diane S. Bourne, *Assistant Executive Director*
Octavio F. Cunha, *Assistant Director - Member Services*
Todd T. San Bento, *Assistant Director - Finance*
David D. Barricelli, *Board Counsel*

State Investment Commission (as of January 1, 2002)

Paul J. Tavares, *Chairperson, General Treasurer*
Rosemary Booth Gallogly, *Director of Administration's Designee*
J. Michael Costello, *Governor's Appointee*
Senator Daniel DaPonte, *Senate Finance Committee Designee*
Dr. Robert J. McKenna, *Higher Education Assistance Authority Chairman*
Marcia Reback, *General Treasurer's Appointee*
James E. Thorsen, *Governor's Appointee*
Mr. William J. Whitty, *Governor's Appointee*
Frank J. Karpinski, *Executive Director, Non-voting member*

By statute, the State Investment Commission is responsible for the investment of the assets of the Employees Retirement System and the Municipal Employees Retirement System.

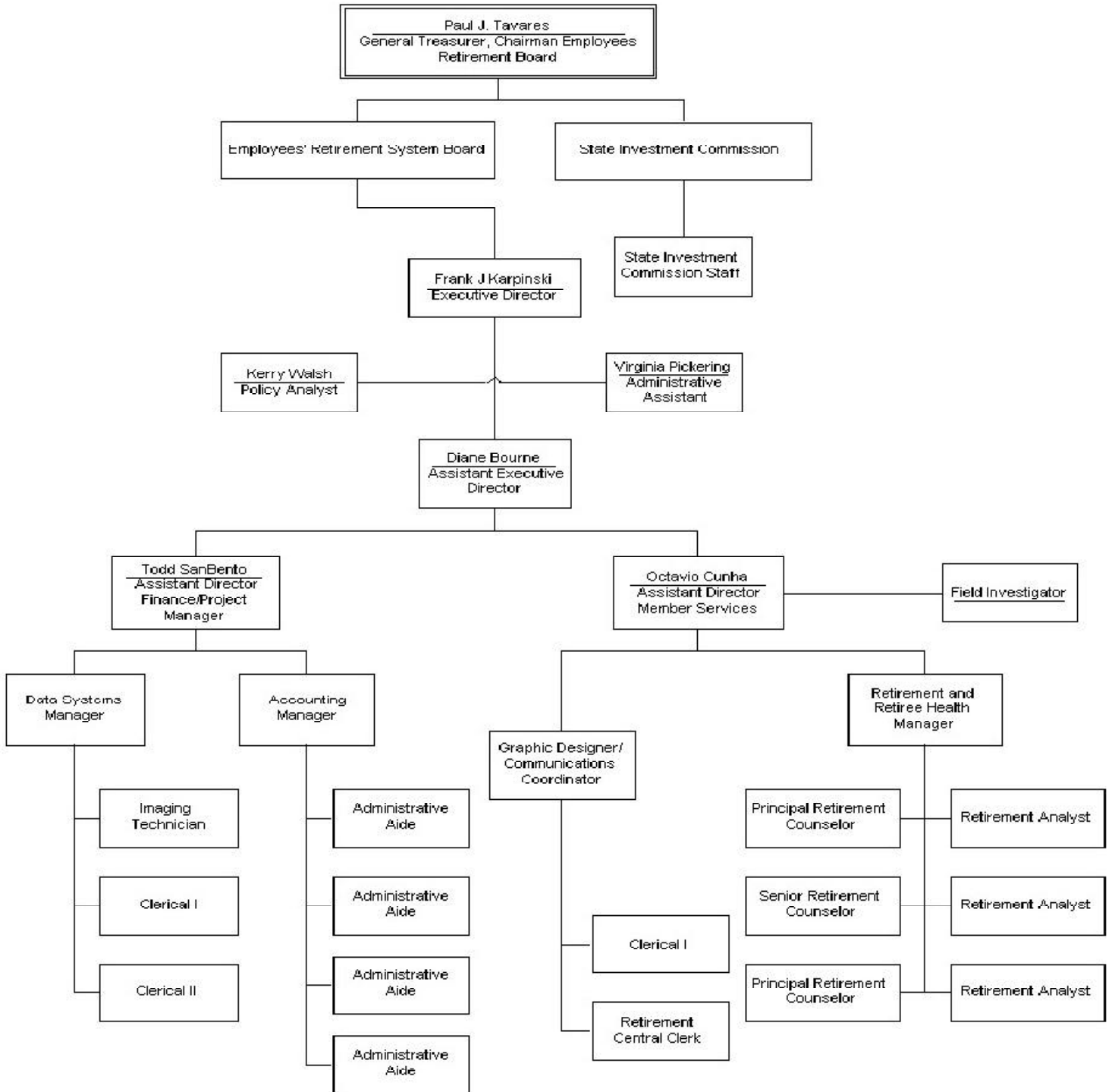
Joan M. Caine, CFA, *Deputy Treasurer for Finance*

Wilshire Associates, Inc., *Consultant to State Investment Commission*

State Street Bank and Trust, *ERSRI and MERS Custodian Bank*



Employees Retirement System of Rhode Island Organizational Chart





Dear Governor Carcieri and Members of the Rhode Island General Assembly:

We are pleased to present you with this Annual Financial Report of the Employees' Retirement System of Rhode Island (ERSRI) and the Municipal Employees Retirement System (MERS) for the fiscal year ending June 30, 2002. As required by R.I.G.L. 36-8-8, this report is intended to provide the Governor, the General Assembly, members, and beneficiaries of the system and the public with current financial information and an overall status report on the operation of the system.

This report also contains financial information on the status of the State Police Retirement Plan and the Judicial Retirement Plan that commenced in 1987 and 1989.

The report is divided into three sections. The introductory section presents the system's organization, summarizes plan benefits, and provides a review of 2002 retirement legislation. The second section contains the audited financial statements of the following retirement plans:

- (1) The Employees Retirement System of Rhode Island, which includes the retirement assets of all state employees and public school teachers;
- (2) The Municipal Employees Retirement System, which is the municipal retirement plan covering participating municipal units (each unit is valued independently);
- (3) The Judicial Retirement Plan;
- (4) The State Police Retirement Plan.

Because the financial statements are due prior to the completion of the 2002 Actuarial Valuation, the notes to the financial statements reflect the most current actuarial valuation for 2001.

Gabriel, Roeder, Smith & Company (GRS) serves as the system's actuary. Thus, the report concludes with GRS's June 30, 2002 actuarial valuation of our system.

Membership

As of June 30, 2002, active membership in the Employees' and Municipal Employees' Retirement System totaled 36,631. There are currently 39 judges contributing to the Judicial Retirement Plan and 150 state police contributing to the State Police Retirement Plan. A total of 20,392 retirees and beneficiaries were receiving benefits from the system.

Accounting Basis

The financial statements have been prepared in accordance with generally accepted accounting principles and Governmental Accounting Standards Board Statement Number 25 (GASB No. 25) using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred. Dividend income is recorded on the ex-dividend date. Interest income is accrued daily. Finally, investments are recorded at fair market value.

Financial Highlights

The major sources of revenue for all ERSRI plans are employee and employer contributions, and investment earnings. Total revenues for fiscal year 2002 included \$261,774,579 in contributions from employers and employees and a net investment loss of \$508,897,897. The expenditures of the fund consist primarily of payments made to members and beneficiaries for retirement, disability, death, or survivor benefits. In total, benefits payments for fiscal year 2002 were \$434,582,126.



Administrative expenses of the retirement system and the cost of maintaining the retirement system are paid from a restricted receipt account that is used solely to pay such expenses. This account is reimbursed through the transfer of 1.5% of the investment income from the retirement fund. Any non-encumbered funds at June 30th are transferred back to the retirement fund. Administrative expenses incurred by the system for the year ended June 30, 2002 amounted to \$3,964,865.

Funding

The actuary determines the actuarial accrued liability of the Plans, which is a measure of the present value of accrued liabilities estimated to be payable in the future to current retirees, beneficiaries, and employees for service earned to date. The percentage computed by dividing the actuarial value of net assets for benefits by the actuarial accrued liability is referred to as the funded ratio. The higher the funded ratio, the greater the degree of overall financial health and stability for the pension fund.

As of June 30, 2002, ERSRI was 71.7% funded for state employees, a decrease of 6.2% from the prior year. The funded ratio for teachers for June 30, 2002 was 73.2%, a decrease of 4.2% from the prior year. The Judicial Retirement Benefits Trust (JRBT) was 68.5% funded, a decrease of 7.9% over the previous year while the State Police Retirement Benefits Trust (SPRBT) was 75.5% funded, a decrease of 10.9% over the previous year. The Municipal Employees Retirement System (MERS) prepares separate valuations for each participating unit. Consequently, each unit has its own funding ratio that can be found on pages 77-80 of this report.

Investment Services

Assets are invested under the direction and authority of the State Investment Commission (SIC) which meets on a monthly basis. In addition to the General Treasurer who serves as Chairperson, members of the SIC include director of administration, ex officio, or any assistant director of administration as his or her designee, who shall act as secretary, the chairperson of the finance committee of the senate, or any senator as his designee, the chairperson of the finance committee of the house of representatives, ex officio, or his or her designee, the chairperson of the higher education assistance authority, ex officio, or his or her designee, an active teacher, state, or municipal employee member of the retirement system or official from the teacher, state, or municipal employee unions to be appointed by the general treasurer; the executive director of the state retirement board, who shall be a nonvoting member, and three (3) members to be appointed by the governor, each for a term of three (3) years and until his or her successor is appointed and qualified. Wilshire Associates of Pittsburgh, Pennsylvania, serves as investment consultant to the State Investment Commission. State Street Bank and Trust of Boston, Massachusetts, serves as the pension fund custodian.

Professional Services

W. Michael Carter of Gabriel, Roeder, Smith & Company provides actuarial services to the retirement system while David D. Barricelli, Esquire, of the law firm Hinckley Allen & Snyder, Providence, Rhode Island serves as retirement board general counsel. Private attorneys are hired on a per diem basis to serve as hearing officers for the system on disputed retirement issues.

In addition to Dr. Christopher Ley who serves as the Medical Advisor to the Board's Disability Sub-Committee, the system hires independent physicians who conduct medical exams of the system's disability applicants. Finally, the Office of the Auditor General conducts an annual financial audit of the entire retirement system.

Disbursements from the fund are processed through the centralized controls of the State Controller, under the supervision of the Department of Administration.

Reports to Members

An annual statement of account for the period ending December 31, 2001 was mailed to each active member in November 2002. The statement provides to each member an accounting of the amount of his/her contributions credited to his/her account along with a summary of this financial report. Active and retired members also receive newsletters and other notices on an ad hoc basis.



Acknowledgments

The preparation of this report is possible only through the combined efforts of many individuals. We would like to thank Michael Carter and our actuarial team at Gabriel, Roeder, Smith & Company, the Office of the Auditor General, and the Office of the State Controller. We would especially like to thank Todd San Bento, Assistant Director for Finance for the Employees' Retirement System, who prepared the financial statements and Lisa Trahan, Communications Coordinator, who helped with the production of the final report.

We welcome your comments on the issuance of this report.

A handwritten signature in black ink, appearing to read "Paul J. Tavares".

**General Treasurer Paul J. Tavares, Chairman of the Board
and Members of the Retirement Board
Employees Retirement System of Rhode Island**



2002 RETIREMENT LEGISLATION

No major benefit changes were enacted by the General Assembly. However, several significant pieces of legislation were enacted by the Rhode Island General Assembly. Here is a summary of the relevant legislation.

Public Law 20-387 - An Act Relating to State Affairs and Government – Administrative Procedures

Administrative Procedures Act

This act removed the exemption of the Employees Retirement System of Rhode Island (ERSRD) from the administrative procedures act. The Administrative Procedures act is the section of legislation used for administrative hearings on decisions made by the Board.

Public Law 02-383 - An Act Relating to Education – Teachers Retirement

Definitions and Teaching after Retirement

This act eliminated the term “substitute” from the definition of the word “teacher.” Additionally, this act allows retired athletic coaches to be employed after retirement in the same manner as retired teachers.

Public Law 02-202 - An Act Relating to Retirement System – Contributions and Benefits

Post Retirement Employment

This act would include mayors, town administrators and members of part time municipal boards or commissions to those elected officials exempted from suspension of retirement benefits during time of employment or re-employment. Further, any member who has retired under the provisions of titles 16, 36, or 45 may be employed or re-employed by any municipality within the state which has not accepted the provisions of chapter 21 of title 45 and which does not participate in the municipal employees’ retirement system. A mayor or town administrator may not receive a pension from such employment and also work as a mayor or town administrator unless the pension is suspended.

Public Law 02-315 – An Act Relating to Employees Retirement System

Military Service Credits

This act allows pension exemptions from a military retirement system to count as credit in the state system. This bill is the result of litigation against the Employees’ Retirement System of Rhode Island. In the case AUGUST ALMEIDA, et al. VS RETIREMENT BOARD OF THE EMPLOYEES RETIREMENT SYSTEM, et al (C.A. NO. 98-383-L), Judge Lagueux found that Rhode Island General Laws 36-10-9(5) was preempted by the Uniform Services Employment and Reemployment Rights Act. Therefore, this legislation was required in order to make Rhode Island laws comply with federal law.

Public Law 02-299 – An Act Relating to Towns and Cities - Burrillville - Optional Retirement for Police and Firefighter’s

Burrillville Police

This act provided for a modified optional twenty year retirement on service allowance for members of the Burrillville Police Department.

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**EMPLOYEES RETIREMENT SYSTEM
OF RHODE ISLAND**

FINANCIAL SECTION

FINANCIAL SECTION

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ERNEST A. ALMONTE, CPA, CFE
AUDITOR GENERAL
EALMONTE@OAG.STATE.RI.US

STATE OF RHODE ISLAND and PROVIDENCE PLANTATIONS
GENERAL ASSEMBLY

OFFICE of the AUDITOR GENERAL

- ◆ INTEGRITY
- ◆ RELIABILITY
- ◆ INDEPENDENCE
- ◆ ACCOUNTABILITY

INDEPENDENT AUDITOR'S REPORT

JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS:

We have audited the basic financial statements of the State of Rhode Island and Providence Plantations Employees' Retirement System (the System) as of June 30, 2002 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the System's management. 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1(a), the financial statements referred to above present only the plan net assets and changes in plan net assets of the Pension Trust Funds of the State of Rhode Island and Providence Plantations (the State) and are not intended to present fairly the financial position and results of operation of the State, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the plans within the System as of June 30, 2002, and the changes in plan net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the financial statements, the System adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 23, 2003 on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on page 3 and the Schedules of Funding Progress and the Schedules of Contributions from the Employers and Other Contributing Entity on pages 25 and 26 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



Ernest A. Almonte, CPA, CFE
Auditor General

May 23, 2003



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Statements of Plan Net Assets
June 30, 2002

	<u>ERS</u>	<u>MERS</u>	<u>SPRBT</u>	<u>JRBT</u>	<u>Total (Memorandum Only)</u>
Assets					
Cash and cash equivalents <i>(Note 3)</i>	\$ 4,319,155	\$ 119,480	\$ 217,403	\$ 137,623	\$ 4,793,661
Receivables	22,105,123	3,178,581	601,843	71,737	25,957,284
Due from State for teachers	15,486,158	-	-	-	15,486,158
Due from other plans	690,017	7,624,417	11,257	-	8,325,691
Other receivables	2,356,727	153,160	2,427	1,548	2,513,862
Total receivables	<u>40,638,025</u>	<u>10,956,158</u>	<u>615,527</u>	<u>73,285</u>	<u>52,282,995</u>
Investments at fair value <i>(Note 3)</i>					
Equity in Short-term Investment Fund	-	192,745	-	-	192,745
Equity in Pooled Trust	4,677,732,344	694,171,365	13,649,793	8,816,963	5,394,370,465
Plan Specific investments	23,071,604	-	-	-	23,071,604
Total Investments before lending activities	<u>4,700,803,948</u>	<u>694,364,110</u>	<u>13,649,793</u>	<u>8,816,963</u>	<u>5,417,634,814</u>
Invested securities lending collateral <i>(Note 3)</i>	457,123,111	67,836,534	1,333,843	861,583	527,155,071
Property and equipment at cost net of accumulated depreciation <i>(Note 4)</i>					
Line of business system (net of accumulated depreciation \$500,653)	10,659,782	1,558,434	22,751	14,638	12,255,605
Computer equipment (net of accumulated depreciation \$269,071)	398,671	58,205	785	509	458,170
Total property and equipment	<u>11,058,453</u>	<u>1,616,639</u>	<u>23,536</u>	<u>15,147</u>	<u>12,713,775</u>
Total Assets	<u>5,213,942,692</u>	<u>774,892,921</u>	<u>15,840,102</u>	<u>9,904,601</u>	<u>6,014,580,316</u>
Liabilities					
Securities lending liability	457,123,111	67,836,534	1,333,843	861,583	527,155,071
Accounts payable	4,215,226	607,415	11,117	7,406	4,841,164
Due to other plans	7,635,674	690,017	-	-	8,325,691
Total Liabilities	<u>468,974,011</u>	<u>69,133,966</u>	<u>1,344,960</u>	<u>868,989</u>	<u>540,321,926</u>
Fund Equity					
Net assets held in trust for pension benefits (A schedule of funding progress for each plan is presented on page 34.)	<u>\$ 4,744,968,681</u>	<u>\$ 705,758,955</u>	<u>\$ 14,495,142</u>	<u>\$ 9,035,612</u>	<u>\$ 5,474,258,390</u>

The accompanying notes are an integral part of this statement.



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
Statements of Changes In Plan Net Assets
Fiscal Year ended June 30, 2002

	<u>ERS</u>	<u>MERS</u>	<u>SPRBT</u>	<u>JRBT</u>	<i>Total (Memorandum Only)</i>
Additions					
Contributions					
Member contributions	\$ 123,331,860	\$ 17,189,764	\$ 777,566	\$ 415,930	\$ 141,715,120
Employer contributions	77,350,743	7,536,081	2,405,041	1,458,093	88,749,958
State contributions for teachers	30,763,337	-	-	-	30,763,337
Interest on service credits purchased	506,900	39,264	-	-	546,164
Total contributions	<u>231,952,840</u>	<u>24,765,109</u>	<u>3,182,607</u>	<u>1,874,023</u>	<u>261,774,579</u>
Investment Income					
Net depreciation in fair value of investments	(580,968,521)	(85,650,427)	(1,532,293)	(983,458)	(669,134,699)
Interest	102,208,513	14,906,241	264,192	169,868	117,548,814
Dividends	33,313,674	4,925,530	89,762	57,761	38,386,727
Other investment income	17,056,720	2,526,125	46,118	29,679	19,658,642
	<u>(428,389,614)</u>	<u>(63,292,531)</u>	<u>(1,132,221)</u>	<u>(726,150)</u>	<u>(493,540,516)</u>
Less investment expense	<u>(15,590,226)</u>	<u>(2,303,805)</u>	<u>(41,234)</u>	<u>(26,908)</u>	<u>(17,962,173)</u>
Net loss from investing activities	<u>(443,979,840)</u>	<u>(65,596,336)</u>	<u>(1,173,455)</u>	<u>(753,058)</u>	<u>(511,502,689)</u>
Securities Lending					
Securities lending income	11,816,332	1,753,530	34,479	22,271	13,626,612
Less securities lending expense	(9,557,583)	(1,418,335)	(27,888)	(18,014)	(11,021,820)
Net securities lending income	<u>2,258,749</u>	<u>335,195</u>	<u>6,591</u>	<u>4,257</u>	<u>2,604,792</u>
Total net investment loss	<u>(441,721,091)</u>	<u>(65,261,141)</u>	<u>(1,166,864)</u>	<u>(748,801)</u>	<u>(508,897,897)</u>
Miscellaneous revenue	76,909	2,892	-	-	79,801
Total Additions	<u>(209,691,342)</u>	<u>(40,493,140)</u>	<u>2,015,743</u>	<u>1,125,222</u>	<u>(247,043,517)</u>
Deductions					
Benefits					
Retirement benefits	301,800,162	30,194,293	48,303	92,136	332,134,894
Cost of living adjustments	72,195,532	3,400,388	-	-	75,595,920
SRA Plus (option)	21,332,209	1,278,271	-	-	22,610,480
Supplemental benefits	990,597	-	-	-	990,597
Death benefits	2,651,797	598,438	-	-	3,250,235
Total benefits	<u>398,970,297</u>	<u>35,471,390</u>	<u>48,303</u>	<u>92,136</u>	<u>434,582,126</u>
Refund of contributions	4,599,751	1,064,306	9,480	-	5,673,537
Administrative expense	3,448,299	504,099	7,597	4,870	3,964,865
Total Deductions	<u>407,018,347</u>	<u>37,039,795</u>	<u>65,380</u>	<u>97,006</u>	<u>444,220,528</u>
Net Increase (Decrease)	(616,709,689)	(77,532,935)	1,950,363	1,028,216	(691,264,045)
Net assets held in trust for pension benefits					
Beginning of year	<u>5,361,678,370</u>	<u>783,291,890</u>	<u>12,544,779</u>	<u>8,007,396</u>	<u>6,165,522,435</u>
End of year	<u>\$ 4,744,968,681</u>	<u>\$ 705,758,955</u>	<u>\$ 14,495,142</u>	<u>\$ 9,035,612</u>	<u>\$ 5,474,258,390</u>

The accompanying notes are an integral part of this statement.



NOTES TO FINANCIAL STATEMENTS

1. Plan Descriptions

(a.) General

The Employees' Retirement System of Rhode Island (the "System") acts as a common investment and administrative agent for pension benefits to be provided for four defined benefit retirement plans as listed below:

<u>Plan Name</u>	<u>Type of Plan</u>
Employees' Retirement System (<i>ERS</i>)	Cost-sharing multiple-employer defined benefit plan
Municipal Employees' Retirement System (<i>MERS</i>)	Agent multiple-employer defined benefit plan
State Police Retirement Benefits Trust (<i>SPRBT</i>)	Single-employer defined benefit plan
Judicial Retirement Benefits Trust (<i>JRBT</i>)	Single-employer defined benefit plan

Although the assets of the plans are commingled for investment purposes, each plan's assets are accounted for separately and may be used only for the payment of benefits to the members of that plan, in accordance with the terms of that plan.

The System's financial statements are included as Pension Trust Funds within the Trust and Agency Funds in the Comprehensive Annual Financial Report of the State of Rhode Island and Providence Plantations.

The System is administered by the State of Rhode Island Retirement Board which consists of 15 members: the general treasurer; the director of administration or his or her designee; the budget officer or his or her designee; the fiscal advisor to the house finance committee or his or her designee; the president of the league of cities and towns or his or her designee; two (2) active State employee members of the retirement system or officials from state employee unions to be elected by active State employees; two (2) active teacher members of the retirement system or officials from a teachers union to be elected by active teachers; one active municipal employee member of the retirement system or an official from a municipal employees union to be elected by active municipal employees; one retired member of the retirement system to be elected by retired members of the System; the chairperson of the house finance committee or his or her designee; the chairperson of the senate finance committee or his or her designee; and two (2) public representatives, one of whom shall be a C.L.U. competent in the area of pension benefits, shall be appointed by the governor and whose term shall be for four (4) years, or until their successors are appointed.

The System's purpose is to provide retirement benefits to state employees, public school teachers, general municipal employees, public safety employees, state police officers and judges.



A summary of membership in the plans as of the June 30, 2001 actuarial valuation is listed below.

	<i>Retirees and beneficiaries</i>	<i>Terminated plan members entitled to but not yet receiving benefits</i>	<i>Active Vested</i>	<i>Active Non-vested</i>	<i>Total by Plan</i>
ERS					
State Employees	9,225	1,800	9,049	4,545	24,619
Teachers	6,875	1,392	7,561	6,531	22,359
MERS					
General Employees	3,230	1,183	2,744	3,883	11,040
Public Safety	287	52	525	544	1,408
SPRET	-	-	-	151	151
JRET	-	-	-	35	36
<i>Total by type</i>	19,618	4,427	19,879	15,689	59,613

(b) Membership and Benefit Provisions

(1) Employees' Retirement System (ERS)

The ERS was established under section two of chapter 2334 of the Rhode Island Public Laws of 1936 and placed under the management of the Retirement Board for the purpose of providing retirement allowances for employees of the State of Rhode Island under the provisions of chapters 8 to 10, inclusive, of title 36, and public school teachers under the provisions of chapters 15 to 17, inclusive, of title 16 of the Rhode Island General Laws.

The plan covers most State employees other than certain personnel at the State colleges and university (principally faculty and administrative personnel). Elected officials may become members on an optional basis. Membership in the plan is compulsory for teachers, including superintendents, principals, school nurses, and certain other school officials in the public schools in the cities and towns. Rhode Island Airport Corporation (RIAC) employees hired before July 1, 1993 are also covered and have the same benefits as State employees. Rhode Island Economic Development Corporation (RIEDC) employees who were (1) active contributing members and employees of the Department of Economic Development of the State of Rhode Island before October 31, 1995, and (2) elected to continue membership in the plan are also covered and have the same benefits as State employees. Narragansett Bay Water Quality District Commission employees who are members of a collective bargaining unit are also covered and have the same benefits as State employees.

The plan provides unreduced benefits of 1.7% of earnings for each of the first ten years of service; 1.9% for each of the next ten years; 3.0% per year for each of the next fourteen years; and 2% for the 35th year. Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62). The maximum benefit is 80% of final average earnings after 35 years of service. Such benefits are available to members at least age 60 with 10 years of service, or after 28 years at any age. A different benefit formula applies to State correctional officers who may retire at age 50 if they have 20 years of service. Benefits for all employees are based on the average of the highest three consecutive years' earnings, exclusive of overtime.



On the third January after retirement, a cost-of-living increase of 3% (compounded annually) is provided independent of actual changes in the consumer price index. The plan also provides nonservice-connected disability benefits after five years of service; service-connected disability pensions with no minimum service requirement; vested benefits after ten years of service; survivor's benefits for service-connected death; and certain lump sum death benefits.

The plan also provides benefits to legislators elected to office prior to January 1, 1995, of \$600 for every year served up to a maximum of \$12,000. Such benefits are available to legislators 55 and over with at least 8 years of service or, at any age with 20 or more years of service.

The plan provides a survivor benefit to public school teachers via a "Teachers Survivor Benefits Fund" in lieu of Social Security. Not all school districts participate in the plan. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective city, town, or school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

Spouse, parents, family and children benefits are payable following the decease of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children's benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full time student, and was dependent upon the member at the time of the member's death. Family benefits are provided if at the time of the member's death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member's wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

The Teachers Survivor Benefits Fund provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

<u>Highest Annual Salary</u>	<u>Spousal Monthly Minimum Benefit</u>
\$17,000 or less	\$600
\$17,001 to \$25,000	\$700
\$25,001 to \$33,000	\$800
\$33,001 to \$40,000	\$900
\$40,001 and over	\$1,000

Benefits payable to children and families are equal to the spousal benefit multiplied by the percentage below:

Parent and 1 Child	Parent and 2 Children	Parent and more than 2 Children	One Child Alone	Two Children Alone	Three or more Children Alone
150%	175%	175%	75%	150%	175%



(2) Municipal Employees' Retirement System (MERS)

The MERS was established under section one of chapter 2784 of the Rhode Island Public Laws of 1951 and placed under the management of the Retirement Board for the purpose of providing retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate.

The plan generally provides retirement benefits equal to 2% of a member's final average salary multiplied by the number of years of total service up to a maximum of 75%. Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62). Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. An optional cost-of-living provision may be elected for police and fire personnel and general employees. An option may be elected to provide a 20 year service pension with a benefit equal to 2.5% for each year of service up to a maximum of 75% for police and fire personnel. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime.

The plan also provides nonservice-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement; vested benefits after 10 years of service; survivor's benefits; and certain lump sum death benefits. A summary of participating employers is listed below:

Municipalities, housing authorities, water and sewer districts.	62
Municipal police and fire departments.	44
Total participating units as of June 30, 2001	106

(3) State Police Retirement Benefits Trust (SPRBT)

The State Police Retirement Benefits Trust was established under Rhode Island General Laws 42-28-22.1 and was placed under the management of the Retirement Board for the purpose of providing retirement allowances to State Police.

The plan covers all State Police and Superintendents hired after July 1, 1987.

The plan generally provides retirement benefits equal to 50% of final salary after 20 years of service, plus 3.0% of final salary times service in excess of 20 years through 25 years to a maximum of 65% of final salary. Such benefits are available to members after 20 years of service regardless of age. The Superintendent of the State Police will receive 50% of his/her final salary and may retire after attainment of age 60 and 10 years of service. A cost-of-living adjustment of \$1,500 per annum beginning on January 1st of the year in which a member attains his/her third anniversary of retirement is provided to all members. Benefits are based on the final base salary earned at retirement including longevity increment, holiday pay, clothing allowance and up to 400 overtime hours.

The plan also provides nonservice-connected disability benefits after 10 years of service and service-connected disability pensions with no minimum service requirement.



(4) *Judicial Retirement Benefits Trust (JRBT)*

The Judicial Retirement Benefits Trust was established under Rhode Island General Laws 8-8.2-7; 8-3-16; 8-8-10.1; 28-30-18.1; and was placed under the management of the Retirement Board for the purpose of providing retirement allowances to Justices of the Traffic Tribunal, Supreme, Superior, Family, District and Workers Compensation courts.

The plan covers all Judges appointed after December 31, 1989.

The plan generally provides retirement benefits equal to 75% of the final salary at the time of retirement after 20 years of service, or 10 years of service and attainment of age 65. Judges retiring after 20 years of service after age 65 or 15 years of service after age 70 will receive full retirement benefits which is the final salary at time of retirement. On the third January after the date of retirement, a cost-of-living increase amounting to 3% not compounded is provided to Supreme, Superior, Family and District Court Judges, independent of actual changes in the consumer price index. Traffic Tribunal and Workers' Compensation Court Judges, on the third January after the date of retirement, receive a cost-of-living increase amounting to 3% compounded annually.

2. Summary of Significant Accounting Policies

These financial statements were prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) has the responsibility for establishing generally accepted accounting principles for defined benefit pension plans established by governmental entities. In accordance with GASB Statement No. 20, in the absence of specific guidance from a GASB pronouncement, pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 have been followed.

Basis of Accounting

The financial statements of the System are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Dividend income is recorded on the ex-dividend date. Investment transactions are recorded on a trade date basis. The gains or losses on foreign currency exchange contracts are included in income in the period in which the exchange rates change. Gains and losses on contracts which hedge specific foreign currency denominated commitments are deferred and recognized in the period in which the transaction is completed.

GASB Statement No. 34 - Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments and GASB Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus, were adopted by ERSRI effective July 1, 2001. The adoption of these standards required the presentation of the System's Management Discussion and Analysis (MD&A).

Method Used to Value Investments

Investments are recorded in the financial statements at fair value. Fair value is 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 - that is, other than a forced liquidation sale. The fair value of fixed income and domestic and international stocks are generally based on published market prices and quotations from national security exchanges and securities pricing services. Real estate is primarily valued on appraisals by independent appraisers or as adjusted by the general partner. Other securities and investments that are not traded on a national security exchange are valued by the respective fund manager. Unit Investment Trusts (UIT) consist primarily of domestic and international institutional funds. The fair value of the UITs are based on the reported share value of the respective fund. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. Short-term investments are stated at cost which approximates fair value.



Cash and Cash Equivalents

Cash represents cash held in trust in a financial institution. Cash equivalents are highly liquid investments with a maturity of three months or less at the time of purchase.

Property and Equipment

These assets represent the Line of Business System and computer equipment recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives, ten and five years respectfully. Depreciation of the Line of Business System commences as each stage is implemented. Stage 1 was implemented on December 1, 2001. Property, plant and equipment is allocated to each plan based on its proportionate share of net assets.

Memorandum Only - Total Columns

Total columns on the financial statements are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns are not comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

3. Cash Deposits and Investments

(a.) Cash Deposits and Cash Equivalents

At June 30, 2002, the carrying amounts of the plans’ cash deposits, including cash overdrafts, are listed below:

	<u>ERS</u>	<u>MERS</u>	<u>SPRBT</u>	<u>JRBT</u>	<u>Total</u>
<i>Book balance</i>	\$4,030,682	\$(54,314)	\$(3,877)	\$126	3,972,617
<i>Bank balance</i>	\$4,095,504	\$43,128	\$ -	\$ -	4,138,632

The bank balances represent the plans’ deposits in short-term trust accounts that are covered by federal depository insurance. The book and bank balances include a certificate of deposit of \$4 million in ERS with a maturity of less than sixty days. At the end of each business day, the excess bank balances are invested in overnight repurchase agreements, which are categorized in the following table as category 1 investments (see Note 3(b). Investments).

In accordance with Rhode Island General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent of time deposits with maturities greater than sixty days. Any of these institutions that do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent of deposits, regardless of maturity. None of the System’s deposits were required to be collateralized at June 30, 2002.

(b.) Investments

The State Investment Commission oversees all investments made by the State of Rhode Island, including those made for the System. Investment managers engaged by the Commission, at their discretion and in accordance with the investment objectives and guidelines for the System, make certain investments. The General Treasurer makes certain short-term investments on a daily basis. Rhode Island General Laws, Section 35-10-11 (b)(3) requires that all investments shall be made in securities as would be acquired by prudent persons of discretion and intelligence who are seeking a reasonable income and the preservation of capital.



On July 1, 1992, the State Investment Commission pooled the assets of the ERS with the assets of the MERS for investment purposes only, and assigned units to the plans based on their respective share of market value. On September 29, 1994 and November 1, 1995, the assets of the SPRBT and the JRBT, respectively, were added to the pool for investment purposes only. The custodian bank (State Street Bank) holds most assets of the System in two pooled trusts, Short-term Investment Trust and Pooled Trust. Each plan holds units in the trusts. The number of units held by each plan is a function of each plan's respective contributions to or withdrawals from the trust.

Certain investments are not pooled and are held by only one plan (Plan specific investments). As of June 30, 2002, the ERS held a loan receivable with a fair value of \$22,450,000. This loan is secured by commercial real estate located in Rhode Island.

The System's investments (at fair value) are categorized in the following table to give an indication of the level of risk assumed by the entity at June 30, 2002:

Category 1 includes insured or registered, or securities held by the System or its agent in the System's name.

Category 2 includes uninsured and unregistered, with securities held by the counterparty's trust department or agent in the System's name.

Category 3 includes uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the System's name.



	<i>Short-term Investment Fund</i>	<i>Pooled Trust</i>	<i>Plan Specific</i>
<i>Investments - Category 1</i>			
U.S. Government and Agency Securities			
Not on securities loan	\$ -	\$ 468,710,168	\$ -
On loan for securities collateral	-	24,906,086	-
Domestic Corporate Bonds and Notes	-	683,709,273	22,450,000
Foreign Bonds	-	57,077,682	-
Domestic Equity Securities			
Not on securities loan	-	971,054,172	-
On loan for securities collateral	-	123,685	-
Foreign Equity Securities			
Not on securities loan	-	825,978,449	-
On loan for securities collateral	-	64,449	-
Unit Investment Trust	-	1,406,148,209	-
Repurchase agreements	-	821,044	-
Subtotal	-	<u>4,438,593,267</u>	<u>22,450,000</u>
<i>Investments not categorized</i>			
Real Estate and Alternative Investment Partnerships	-	288,874,012	-
Money Market Mutual Funds	169,564	165,677,927	-
Investments held by broker-dealers under securities loans with cash collateral			
U.S. Government and Agency Securities	-	154,690,524	-
Domestic Corporate Bonds and Notes	-	41,735,824	-
Domestic Equity Securities	-	119,709,892	-
Foreign Equity Securities	-	199,169,978	-
Securities lending short-term collateral investment pool	-	527,155,071	-
Subtotal	<u>169,564</u>	<u>1,497,013,228</u>	-
Total	<u>\$ 169,564</u>	<u>\$ 5,935,606,495</u>	<u>\$ 22,450,000</u>
<i>Reconciliation to investments on Statements of Plan Net Assets</i>			
Total above	169,564	5,935,606,495	22,450,000
Net investment payable and receivable	23,181	(18,442,341)	621,604
Foreign Cash *	-	4,526,258	-
Domestic Cash *	-	656,168	-
Securities lending short-term collateral investment pool	-	(527,155,071)	-
Cash equivalents	-	(821,044)	-
Investments on Statements of Plan Net Assets	<u>\$ 192,745</u>	<u>\$ 5,394,370,465</u>	<u>\$ 23,071,604</u>

*Deposits at the System's custodian bank, which consist of uncollateralized deposits in foreign banks, are not covered by United States federal depository insurance.



(c.) *Derivatives and Other Similar Investments*

Some of the System's investment managers are allowed to invest in certain derivative type transactions, including forward foreign currency transactions, futures contracts and mortgage-backed securities. Through the Unit Investment Trusts (UIT), the System also indirectly holds derivative type instruments. Information on the extent of the use, and holdings of derivative securities by the UITs is not readily available.

Forward Foreign Currency Contracts – The System may enter into foreign currency exchange contracts to minimize the short-term impact of foreign currency fluctuations on foreign investments. These contracts involve risk in excess of the amount reflected in the System's Statements of Plan Net Assets. The face or contract amount in U.S. dollars reflects the total exposure the System has in that particular currency contract. By policy, no more than 50% of actively managed Foreign Equity securities (at fair value) may be hedged into the base currency (US Dollars). The U.S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service. Losses may arise due to changes in the value of the foreign currency or if the counterparty does not perform under the contract.

Futures contracts – The System may use futures to manage its exposure to the stock, money market, and bond markets and the fluctuations in interest rates and currency values. Buying futures tend to increase the System's exposure to the underlying instrument. Selling futures tend to decrease the System's exposure to the underlying instrument, or hedge other System investments. Losses may arise from changes in the value of the underlying instruments, if there is an illiquid secondary market for the contracts, or if the counterparties do not perform under the contract terms.

Mortgage-Backed Securities – The System invests in various mortgage-backed securities, such as collateralized mortgage obligations (CMO), interest-only and principal-only (PO) strips. They are reported in aggregate as U.S. Government and Agency Securities in the disclosure of custodial credit risk. CMO's are bonds that are collateralized by whole loan mortgages, mortgage pass-through securities or stripped mortgage-backed securities. Income is derived from payments and prepayments of principal and interest generated from collateral mortgages. Cash flows are distributed to different investment classes or tranches in accordance with the CMO's established payment order. Some CMO tranches have more stable cash flows relative to changes in interest rates while others are significantly sensitive to interest rate fluctuations. The System may invest in interest-only (IO) and principal-only strips (PO) in part to hedge against a rise in interest rates. Interest-only strips are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to pre-payments by mortgagees, which may result from a decline in interest rates. Principal-only strips receive principal cash flows from the underlying mortgages. In periods of rising interest rates, homeowners tend to make fewer mortgage prepayments.

Short Sales – The Unit Investment Trusts (UIT) may sell a security they do not own in anticipation of a decline in the fair value of that security. Short sales may increase the risk of loss to the UIT when the price of a security underlying the short sale increases and the UIT is subject to a higher cost to purchase the security in order to cover the position.

(d.) *Securities Lending*

Policies of the State Investment Commission permit use of investments to enter into securities lending transactions. The System has contracted with State Street Bank & Trust Company (SSB) as third party securities lending agent to lend the System's debt and equity securities for cash, securities and sovereign debt of foreign countries as collateral at 102% of the market value of the domestic securities on loan and 105% of the market value of the international securities on loan. There are no restrictions on the amount of loans that can be made. There have been no violations of the provisions of the contract. Securities on loan at year-end for cash collateral are presented as not categorized in the preceding table. Securities on loan for noncash collateral are classified according to the category for the collateral. The contract with the lending agent requires them to indemnify the System if the borrowers fail to return the securities. Either the System or the borrower can terminate all securities loans on demand. The cash collateral received on security loans was invested in the lending agent's short-term investment pool for an average duration of 69 days and a weighted average maturity of 144 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The System is not permitted to pledge or sell collateral securities received unless the borrower defaults. There were no losses during the fiscal year resulting from default of the borrower or lending agent.



At June 30, 2002, management believes the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers does not exceed the amounts the borrowers owe the System. The securities on loan at year-end were \$540,400,489 (fair value), and the collateral received for those securities on loan was \$552,779,734 (fair value).

4. Property, Plant and Equipment

Property, plant and equipment consist of the line of business system and computer equipment at historical cost. Balances at June 30, 2002 were:

	ERS	MERS	SPRBT	JRBT	Total
Line of Business System	\$ 11,095,389	\$ 1,622,036	\$ 23,628	\$ 15,205	\$ 12,756,258
Depreciation	435,607	63,602	877	567	500,653
Net Line of Business System	\$ 10,659,782	\$ 1,558,434	\$ 22,751	\$ 14,638	\$ 12,255,605
Equipment	\$ 632,835	\$ 92,372	\$ 1,234	\$ 800	\$ 727,241
Depreciation	234,164	34,167	449	291	269,071
Net Equipment	\$ 398,671	\$ 58,205	\$ 785	\$ 509	\$ 458,170

5. Contributions and Reserves

Contribution requirements for plan members and employers are established pursuant to Rhode Island General Laws. Employers are required to contribute at an actuarially determined rate. Plan member contributions are fixed by statute.

(a.) Funding Policy

ERS, SPRBT and JRBT

The The funding policy, as set forth in Rhode Island General Laws, Section 36-10-2 provides for actuarially determined periodic contributions to the plans. The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability. The valuation is prepared on the projected benefit basis, under which the present value, at the assumed rate of return (currently 8.25 percent), of each participant’s expected benefit payable at retirement or death is determined, based on age, service, gender and compensation.

The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution. The normal contribution is determined using the “entry age normal” method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of his anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on his behalf. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over a period not to exceed 30 years from June 30, 1999.

MERS

The funding policy, as set forth in Rhode Island General Laws, Section 45-21-42 provides for actuarially determined periodic contributions to the plans. Each employer’s contribution to the plans includes normal cost and a payment, where applicable, to amortize the unfunded actuarial accrued liability. The normal cost is determined using the Entry Age Normal cost method. In 1989, the rules regarding the amortizing of the unfunded liability were changed. The new rules provided that the unfunded liability in 1988 will be amortized over the remainder of a 25-year period which commenced on the date the unit joined the plan. Subsequent divergences from the actuarial assumptions are funded over the projected future salaries of active members.



Administrative Expenses

Administrative costs of the System are financed through investment earnings up to a maximum of 1.5% as reported in the audited financial statements for the next preceding fiscal year.

(b.) Contributions

The table below displays the contribution rates for the year ending June 30, 2002:

Plan	Employee	Employer
ERS		
State Employees	8.75%	5.59
Teachers	9.50%	
<i>Municipal funded</i>		5.73% (4.90% for towns not participating in the 1990 early retirement incentive)
<i>State funded</i>		4.22% (3.67% for towns not participating in the 1990 early retirement incentive)
MERS		
General Employees	6.00% (additional 1% with a cost-of-living adjustment)	62 Municipalities, housing authorities, water and sewer districts contributed various actuarially determined rates.
Public Safety	7.00% (additional 1% with a cost-of-living adjustment and /or 1% with a 20 year service plan), Cranston Police & Fire are contributing 10% due to special plan provisions.	44 Municipal police and fire departments contributed various actuarially determined rates.
SPRBT	8.75%	27.10%
JRBT	8.75%	30.66%

6. Commitments

The Retirement System has contracted with a systems integration firm to design and build a new pension administration system. The total cost to the System is estimated at \$17.8 million, of which \$12.7 million has been recorded as Property and Equipment. The remaining cost is estimated at \$5.1 million. This will be financed in the same manner as other administrative expenses of the System. Full implementation is expected by the second quarter of fiscal 2004.



REQUIRED SUPPLEMENTARY INFORMATION
Schedules Of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	** Actuarial Accrued Liability (AAL) - Entry Age - (b)	*** Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAI as a Percentage of Covered Payroll ((b - a) / c)
ERS (State Employees)						
6/30/2001	\$ 2,406,278,029	\$ 3,089,247,738	\$ 682,969,709	77.90%	\$539,015,218	126.7%
6/30/2000	2,345,319,663	2,874,905,547	529,585,884	81.6%	517,632,152	102.3%
6/30/1999*	2,201,890,748	2,607,397,329	405,506,581	84.4%	494,815,513	82.0%
6/30/1998	2,075,619,320	2,576,282,134	500,662,814	80.6%	477,319,627	104.9%
6/30/1997	1,810,447,649	2,312,563,765	502,116,116	78.3%	443,709,290	113.2%
6/30/1996	1,529,403,200	1,974,217,900	444,814,700	77.5%	452,608,500	98.3%
ERS (Teachers)						
6/30/2001	\$ 3,619,863,426	\$ 4,679,288,010	\$1,059,424,584	77.4%	\$748,460,527	141.5%
6/30/2000	3,514,399,312	4,359,881,262	845,481,950	80.6%	703,201,056	120.2%
6/30/1999*	3,259,015,814	3,967,529,172	708,513,358	82.1%	673,484,467	105.2%
6/30/1998	3,045,858,851	3,999,722,806	953,863,955	76.2%	636,246,593	149.9%
6/30/1997	2,626,621,502	3,579,652,537	953,031,035	73.4%	604,076,573	157.8%
6/30/1996	2,181,535,900	2,949,429,800	767,893,900	74.0%	556,114,500	138.1%
SPRBT						
6/30/2001	\$ 14,386,064	\$ 16,649,820	\$ 2,263,756	86.4%	\$ 9,139,418	24.8%
6/30/2000	11,336,596	13,917,343	2,580,747	81.5%	8,916,914	28.9%
6/30/1999*	8,480,657	10,841,544	2,360,887	78.2%	7,502,433	31.5%
6/30/1998	6,756,892	7,338,161	581,269	92.1%	7,211,874	8.1%
6/30/1997	4,861,569	5,435,913	574,344	89.4%	5,370,985	10.7%
6/30/1996	3,115,500	3,675,700	560,200	84.8%	4,948,800	11.3%
JRBT						
6/30/00	\$ 7,374,851	\$ 9,719,608	2,344,757	75.9%	\$ 3,533,354	66.4%
6/30/2001	9,190,325	12,026,257	2,835,932	76.4%	4,092,423	69.3%
6/30/2000	7,374,851	9,719,608	2,344,757	75.9%	3,533,354	66.4%
6/30/1999*	5,521,693	7,415,237	1,893,544	74.5%	3,169,183	59.7%
6/30/1998	4,120,032	5,048,855	928,823	81.6%	3,039,957	30.6%
6/30/1997	2,607,482	3,508,327	900,845	74.3%	2,815,218	32.0%
6/30/1996	1,345,100	1,385,900	40,800	97.1%	2,596,900	1.6%
MERS						
6/30/2001	\$ 895,475,425	\$ 758,089,758	\$ (137,385,667)	118.1%	\$225,827,136	(60.8)%
6/30/2000	885,392,216	710,616,311	(174,775,905)	124.6%	207,834,738	(84.1)%
6/30/1999	805,493,262	635,863,479	(169,629,783)	126.7%	191,234,546	(88.7)%
6/30/1998	737,745,574	572,905,862	(164,839,712)	128.8%	181,260,006	(90.9)%
6/30/1997	667,632,428	502,247,591	(165,384,837)	132.9%	167,527,881	(98.7)%
6/30/1996	564,388,311	465,004,064	(99,384,247)	121.4%	153,750,203	(64.6)%

See notes to required supplementary information

* Restated numbers based on Entry Age Normal funding method

** Frozen Actuarial Liability for ERS, SPRBT, JRBT for plan years 1998 and prior

*** Unfunded Frozen Actuarial Liability for ERS, SPRBT, JRBT for plan years 1998 and prior



REQUIRED SUPPLEMENTARY INFORMATION

**Schedules Of Contributions From The Employers
And Other Contributing Entity**

ERS

Fiscal Year Ended <u>June 30</u>	<u>State Employees</u>		<u>Teachers (State)</u>		<u>Teachers (Employers)</u>	
	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2002	\$ 31,801,645	100%	\$ 30,763,337	100%	\$ 44,391,050	100%
2001	44,540,998	100%	35,365,234	100%	48,153,386	100%
2000	44,353,675	100%	40,719,407	100%	57,667,528	100%
1999	48,526,064	100%	30,202,943	100%	42,373,952	100%
1998	51,310,092	100%	35,005,382	100%	52,040,574	100%
1997	45,403,827	100%	34,871,679	100%	48,945,845	100%

MERS

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2002	7,536,081	100%
2001	6,092,688	100%
2000	5,823,861	100%
1999	6,608,642	100%
1998	5,139,666	100%
1997	8,734,795	100%

SPRBT

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2002	7,536,081	100%
2001	6,092,688	100%
2000	5,823,861	100%
1999	6,608,642	100%
1998	5,139,666	100%
1997	8,734,795	100%

JRBT

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2002	1,458,093	100%
2001	1,163,571	100%
2000	1,007,618	100%
1999	737,414	100%
1998	744,054	100%
1997	618,513	100%

See notes to required supplementary information



NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

1. Schedules of Funding Progress

Effective with the June 30, 1999 valuation, which was restated, certain actuarial assumptions were changed. Specifically, the actuarial cost method for ERS, SPRBT and JRBT were set to Entry Age Normal and the amortization period was changed to 30 years. The inflation assumption was decreased from 3.5% to 3.0%.

Effective with the June 30, 1999 valuation, the actuarial value of assets was developed using a five-year smoothed market technique for ERS, SPRBT and JRBT.

Effective with the June 30, 1998 valuation, the actuarial value of assets was developed using a four-year moving average technique for ERS, SPRBT and JRBT. The MERS actuarial value of assets was developed using a three-year smoothed of the market value of assets.

Effective with the June 30, 1997 valuation, certain actuarial assumptions were changed due to an experience study. Specifically, the actuarial value of assets for ERS, MERS, SPRBT and JRBT was reset to equal the fair market value of assets at June 30, 1997. The investment rate of return was increased from 8.00% to 8.25%. Projected salary increases were changed from a fixed percentage to a sliding scale based on age and service. The inflation assumption was increased to 3.5% from 3.0%.

Effective with the June 30, 1996 valuation, the actuarial value of assets for ERS and MERS was reset to equal the market value of assets at June 30, 1996.

Employer costs for fiscal year ending June 30, 2004 is based on the valuation results and data as of June 30, 2001.

The MERS funded ratio is a composite of all units in the plan. The System performs a separate valuation for each unit.

2. Schedules of Employer Contributions

Employer contributions for the ERS plan included in the Schedules of Contributions from the Employers and Other Contributing Entity do not include Teacher Survivor Benefits as described in Note 1 (b) and any employer contributions related to supplemental pension benefits that are attributable and paid by a specific employer. These amounts are not included in the annual required contribution.

The System adopted the entry age normal cost method as the basis for determining employer costs in fiscal 2002 for ERS, SPRBT and JRBT. Under this method, the unfunded liabilities of the three plans will be amortized over a 30 year period from June 30, 1999. This represents a change in the funding policy from the frozen entry age cost method with an amortization period of 16 years. As a result of the new funding policy, the annual required employer contribution for state employees and teachers decreased in fiscal 2002.

The MERS contributions for the fiscal year ended June 30, 1997 include a \$3,843,955 transfer from a new unit joining the plan.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.



3. Actuarial Assumptions and Methods

	ERS				
	<i>State Employees</i>	<i>Teachers</i>	MERS	SPRBT	JRBT
Valuation Date	6/30/01	6/30/01	6/30/01	6/30/01	6/30/01
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Payroll – Closed	Level Percent of Payroll – Closed	<i>Initial base:</i> Level dollar – Closed <i>All subsequent changes:</i> Level Percent of Payroll – Open	Level Percent of Payroll – Closed	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	28 years	28 years	Various	28 years	28 years
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	3 Year Smoothed Market Value	5 Year Smoothed Market	5 Year Smoothed Market
Actuarial Assumptions					
Investment Rate of Return	8.25%	8.25%	8.25%	8.25%	8.25%
Projected Salary Increases	4.25% to 14.25%	4.25% to 16.75%	<i>General Employees</i> 4.25% to 10.25% <i>Police & Fire Employees</i> 5.00% TO 15.00%	5.00% to 15.00%	5.50%
Inflation	3.00%	3.00%	3.00%	3.00%	3.00%
Cost of Living Adjustments	3.0% compounded	3.0% compounded	3.0% Non-compounded	\$1,500 per annum	3.0% (see Note 1(b)(4) to the financial statements)



STATE OF RHODE ISLAND and PROVIDENCE PLANTATIONS

GENERAL ASSEMBLY

OFFICE of the AUDITOR GENERAL

ERNEST A. ALMONTE, CPA, CFE
AUDITOR GENERAL
EALMONTE@OAG.STATE.RI.US

- ◆ INTEGRITY
- ◆ RELIABILITY
- ◆ INDEPENDENCE
- ◆ ACCOUNTABILITY

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS:

We have audited the statements of plan net assets of the State of Rhode Island and Providence Plantations Employees' Retirement System (the System) as of June 30, 2002 and the related statements of changes in plan net assets for the year then ended, and have issued our report thereon dated May 23, 2003. 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 of America.

Compliance

As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the System's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable Conditions

The System implemented a new member contribution and financial reporting database during fiscal 2002. We found the following weaknesses in the System's controls over financial reporting:

1. Contributions for payrolls between July 2001 and November 2001 at the time of data conversion were duplicated in the general ledger (People Soft) and the ANCHOR line of business system. Adjustments were made to eliminate the duplication for financial reporting purposes; however, corrections to individual employer accounts for this period have not been completed. As a result, delinquent contributions were not adequately tracked and reported by the new accounting system during fiscal 2002.
2. Data entry errors occurred during the fiscal year which resulted in incorrect cash postings to employer accounts. Since correction of the entries would have required other extensive adjustments, offline manual records of contributions by employer were maintained to supplement system generated data. Additional controls should be implemented over the data entry process to ensure correct posting to employer accounts.
3. Controls to ensure the detail contribution database is reconciled to the financial reporting system were not operational during the fiscal year. This feature was programmed as part of the new system but was not performed throughout the fiscal year.

These issues related to the implementation of the new accounting system should be resolved to enhance control over financial reporting.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider

Joint Committee on Legislative Services

Page 3

items 1, 2, and 3 to be material weaknesses. We also noted other matters involving the internal control over financial reporting, which we will report to management of the System in a separate letter.

This report is intended solely for the information and use of the members of the Retirement Board, management, and the Joint Committee on Legislative Services, General Assembly, State of Rhode Island and Providence Plantations and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Ernest A. Almonte". The signature is written in a cursive style with a large initial 'E'.

Ernest A. Almonte, CPA, CFE
Auditor General

May 23, 2003

**EMPLOYEES RETIREMENT SYSTEM
OF RHODE ISLAND**

ACTUARIAL INFORMATION

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GABRIEL, ROEDER, SMITH & COMPANY
Consultants & Actuaries

5605 N. MacArthur Blvd. • Suite 870 • Irving, Texas 75038-2631 • 469-524-0000 • fax 469-524-0003

August 29, 2003

Board of Trustees
Employees' Retirement System of Rhode Island
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation as of June 30, 2002

This is the June 30, 2002 actuarial valuation of the Employees' Retirement System of Rhode Island (ERSRI), which covers state employees and teachers. This report describes the current actuarial condition of ERSRI, determines recommended employer contribution rates, and analyzes changes in these contribution rates. Valuations are prepared annually, as of June 30, the last day of the ERSRI plan year. Not covered in this report are the Municipal Employees' Retirement System, the State Police Retirement Benefits Trust, the Judicial Retirement Benefits Trust, and the Teachers Survivors Plan, even though assets for ERSRI and these other programs are commingled for investment purposes.

Under Rhode Island General Laws, the employer contribution rates for state employees and for teachers are certified annually by the Employees' Retirement Board. These rates are determined actuarially, based on the plan provisions in effect as of the valuation date, the actuarial assumptions adopted by the Board, and the methodology set forth in the statutes. The Board's current policy is that the contribution rates determined by a given actuarial valuation become effective two years after the valuation date. For example, the rates determined by this June 30, 2002 actuarial valuation will be applicable for the year beginning July 1, 2004 and ending June 30, 2005.

Financing objectives

The actuarial cost method and the amortization periods are set by statute. Contribution rates and liabilities are computed using the Entry Age actuarial cost method. The employer contribution rate is the sum of two pieces: the employer normal cost rate and the amortization rate. The normal cost rate is determined as a percent of pay. The employer normal cost is the difference between this and the member contribution rate. The amortization rate is determined as a level percent of pay. It is the amount required to amortize the unfunded actuarial accrued liability over a closed period (30 years as of June 30, 1999). The amortization rate is adjusted

for the two-year deferral in contribution rates. Separate employer contribution rates are determined for state employees and for teachers.

Progress toward realization of financing objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. For the state employees, the funded ratio is 71.7%, while for teachers the ratio is 73.2%.

The employer contribution rate increased for state employees, from 9.60% to 11.51%, and for teachers, from 13.72% to 14.84%. The increase in the contribution rates was the result of the actuarial investment losses during FY 2001 and FY 2002.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2002. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.

Assumptions and methods

Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the plan's actuary. The last review of the assumptions and methods were done in association with the June 30, 2000 actuarial valuation. All assumptions and methods are described in Appendix A and are unchanged from the last valuation.

Data

The System's staff supplied member data for retired, active and inactive members as of June 30, 2002. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2002.

Certification

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

Members of the Board
August 29, 2003
Page 3

The undersigned are independent actuaries. Both are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and they are experienced in performing valuations for large public retirement systems.

Sincerely,
Gabriel, Roeder, Smith & Company



J. Christian Conradi, ASA, MAAA
Senior Consultant



W. Michael Carter, FSA, MAAA
Senior Consultant

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Actuarial Valuation - June 30, 2002

Executive Summary (State Employees)

Item	2002	2001
Membership		
• Number of:		
- Active members	13,795	13,594
- Retirees and beneficiaries	9,426	9,225
- Inactive members	<u>1,569</u>	<u>1,800</u>
- Total	24,619	24,619
• Payroll supplied by ERSRI	\$ 563,002,274	\$ 520,929,741
Contribution rates		
• Member	8.75%	8.75%
• Employer	11.51%	9.60%
Assets		
• Market value	\$ 1,931,019,880	\$ 2,070,325,723
• Actuarial value	\$ 2,353,855,871	\$ 2,406,278,029
• Return on market value	-8.4%	-11.0%
• Return on actuarial value	0.9%	4.9%
• Employer contribution	\$ 31,840,749	\$ 44,482,312
• Ratio of actuarial value to market value	128.6%	116.2%
Actuarial Information		
• Employer normal cost %	0.32%	0.20%
• Unamortized actuarial accrued liability (UAAL)	\$ 930,271,090	\$ 682,969,709
• Amortization percentage	11.19%	9.40%
• Funding period	27 years	28 years
• GASB funded ratio	71.7%	77.9%
Projected employer contribution		
• Fiscal year ending June 30,	2005	2004
• Projected payroll (millions)	\$ 622.6	\$ 571.8
• Projected employer contribution (millions)	\$ 71.7	\$ 54.9



Actuarial Valuation - June 30, 2002

Executive Summary (Teachers)

Item	2002	2001
Membership		
• Number of		
- Active members	14,710	14,092
- Retirees and beneficiaries	7,311	6,875
- Inactive members	1,042	1,392
- Total	23,063	22,359
• Payroll supplied by ERSRI	\$ 735,288,788	\$ 697,429,469
Contribution rates		
• Member	9.50%	9.50%
• Employer	14.84%	113.72%
• State share	6.12%	5.73%
• Local employer share	8.99%	7.99%
Assets		
• Market value	\$ 2,754,225,451	\$ 3,111,666,873
• Actuarial value	3,553,823,995	3,619,863,426
• Return on market value	-8.4%	-11.0%
• Return on actuarial value	0.9%	4.9%
• Employer contribution (state & local)	\$ 74,648,349	\$ 83,519,617
• Ratio of actuarial value to market value	129.0%	116.3%
Actuarial Information		
• Normal cost %	3.35%	3.21%
• Unamortized actuarial accrued liability (UAAL)	\$1,303,179,0664	\$ 1,059,424,584
• Amortization percentage	11.49%	10.51%
• Funding period	27 years	28 years
• GASB funded ratio	73.2%	77.4%
Projected employer contribution		
• Fiscal year ending June 30,	2005	2004
• Projected payroll (millions)	\$ 840.2	\$ 794.0
• Projected employer contribution (millions)	124.7	108.9
• State share (millions)	51.4	45.5
• Local employer share (millions)	73.3	63.4



CONTRIBUTION RATES

The employer contribution rates for ERSRI are determined actuarially. Separate rates are determined for State Employees and for Teachers. The rates determined in this valuation become effective two years after the valuation date, i.e., as of July 1, 2004.

The rate consists of two pieces: the normal cost rate and the amortization rate. The normal cost rate is the Entry Age Normal cost as a percent of pay. The amortization rate is the unfunded actuarial liability amortized over 27 years as a level percent of pay.

For the Teachers, the State of Rhode Island pays 40% of the rate, adjusted so that the State pays the entire amortization charges for the 1990/91 and 1991/92 deferrals, and the town or city employing the teacher pays the balance.

	Local	State	Total
Amortization for FY 91 and 92 deferrals	0.00%	0.30%	0.30%
Normal cost and all other amortizations	<u>8.72%</u>	<u>5.82%</u>	<u>14.54%</u>
Total	8.72%	6.12%	14.84%

Five towns or cities—Burrillville, East Greenwich, Little Compton, New Shoreham, and North Smithfield—did not participate in the 1990 early retirement window for teachers, and an adjusted contribution rate is charged for these:

	Local	State	Total
Amortization for FY 91 and 92 deferrals	0.00%	0.30%	0.30%
Normal cost and all other amortizations	<u>7.99%</u>	<u>5.32%</u>	<u>13.31%</u>
Total	7.99%	5.62%	13.61%



SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability.

1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 8.25 percent), of each participant's expected benefit payable at retirement or death is determined, based on his age, service, sex and compensation. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.
2. The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of his anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on his behalf.
4. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over 30 years from June 30, 1999.

The contribution rate determined by this valuation will not be effective until two years later, and the determination of the rate reflects this deferral. It is assumed that there will be no change in the employer normal cost rate due to the deferral, and it is assumed that payments are, on average, made at mid-year.

Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administration and investment expenses.



ACTUARIAL ASSUMPTIONS

Economic Assumptions

Investment return: 8.25% per year, compounded annually, composed of an assumed 3.00% inflation rate and a 5.25% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

Salary increase rate: A service-related component, plus a 3.00% inflation component, plus a general increase, as follows:

State Employees		
Years of Service	Service-related Component	Total Annual Rate of Increase Including 3.00% Inflation Component and 1.25% General Increase Rate
(1)	(2)	(3)
0	10.00%	14.25%
1	3.00	7.25
2	2.50	6.75
3	2.00	6.25
4	1.75	6.00
5	1.50	5.75
6	1.25	5.50
7	1.00	5.25
8	0.75	5.00
9	0.50	4.75
10 or more	0.00	4.25

Teachers		
Years of Service	Service-related Component	Total Annual Rate of Increase Including 3.00% Inflation Component and 1.25% General Increase Rate
(1)	(2)	(3)
0	12.50%	16.75%
1	7.75	12.00
2	6.00	10.25
3	5.50	9.75
4	4.75	9.00
5	3.50	7.75
6	3.25	7.50
7	3.00	7.25
8	2.75	7.00
9	1.00	5.25
10 or more	0.00	4.25



Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, annualized if necessary, and then increased by the salary increase assumption.

Payroll growth rate: In the amortization of the unfunded actuarial accrued liability, payroll is assumed to increase 3.00% per year. This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.

Demographic Assumptions

Mortality rates (for active and retired members)

- **Healthy males** – Based on the 1994 Group Annuity Mortality Tables for males. Rates are set forward one year.
- **Healthy females** - Based on the 1994 Group Annuity Mortality Tables for females.
- **Disabled males** - PBGC Table Va for disabled males eligible for Social Security disability benefits
- **Disabled females** - PBGC Table VIa for disabled females eligible for Social Security disability benefits.

Sample rates are shown below:

Expected Deaths per 100 Lives				
Age	Healthy Males	Healthy Females	Disabled Males	Disabled Females
(1)	(2)	(3)	(6)	(7)
25	0.07	0.03	4.83	2.63
30	0.08	0.04	3.62	2.37
35	0.09	0.05	2.78	2.14
40	0.12	0.07	2.82	2.09
45	0.17	0.10	3.22	2.24
50	0.29	0.14	3.83	2.57
55	0.49	0.23	4.82	2.95
60	0.90	0.44	6.03	3.31
65	1.62	0.86	6.78	3.70
70	2.60	1.37	7.39	4.11
75	4.09	2.27	8.42	4.92
80	6.86	3.94	11.28	7.46



Disability rates: Sample rates are shown below.

Expected Disabilities per 1,000 Lives								
Age	State	State	State	State	Teachers	Teachers	Teachers	Teachers
	Ordinary	Accidental	Ordinary	Accidental	Ordinary	Accidental	Ordinary	Accidental
	Males	Males	Females	Females	Males	Males	Females	Females
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
25	0.25	0.20	0.36	0.09	0.15	0.08	0.15	0.08
30	0.30	0.25	0.44	0.11	0.18	0.10	0.18	0.10
35	0.41	0.34	0.60	0.15	0.24	0.13	0.24	0.13
40	0.61	0.50	0.88	0.22	0.36	0.19	0.36	0.19
45	0.99	0.81	1.44	0.36	0.59	0.32	0.59	0.32
50	1.68	1.37	2.44	0.61	0.99	0.54	0.99	0.54
55	2.78	2.27	4.04	1.01	1.65	0.89	1.65	0.89
60	3.88	3.17	5.64	1.41	2.30	1.24	2.30	1.24
65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Termination rates (for causes other than death, disability or retirement):

Termination rates are a function of the member's sex, age and service. Termination rates are not applied after a member becomes eligible for a retirement benefit. Rates at selected ages are shown.

Active Male Members - State Employees						
Age	Years of Service					
	0	1	2	3	4	5+
20	0.3942	0.3512	0.3047	0.2591	0.2182	0.1488
25	0.3306	0.2902	0.2501	0.2076	0.1601	0.1019
30	0.2477	0.2300	0.2025	0.1652	0.1174	0.0677
35	0.1983	0.1859	0.1620	0.1275	0.0834	0.0422
40	0.1740	0.1557	0.1285	0.0951	0.0595	0.0291
45	0.1770	0.1401	0.1020	0.0683	0.0464	0.0365
50	0.2087	0.1394	0.0825	0.0471	0.0453	0.0766
55	0.2706	0.1540	0.0697	0.0316	0.0569	0.1595
60	0.3634	0.1841	0.0635	0.0217	0.0809	0.2872
65	0.4849	0.2287	0.0638	0.0175	0.1227	0.4906
70	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000



Termination rates (continued):

Active Female Members - State Employees						
	Years of Service					
Age	0	1	2	3	4	5+
20	0.3105	0.2823	0.2555	0.2285	0.2008	0.1628
25	0.2851	0.2424	0.2025	0.1671	0.1369	0.1164
30	0.2551	0.2057	0.1627	0.1257	0.0952	0.0805
35	0.2362	0.1821	0.1359	0.0979	0.0677	0.0513
40	0.2246	0.1690	0.1219	0.0846	0.0557	0.0326
45	0.2192	0.1649	0.1203	0.0858	0.0601	0.0317
50	0.2183	0.1682	0.1304	0.1013	0.0817	0.0575
55	0.2211	0.1777	0.1520	0.1314	0.1211	0.1174
60	0.2270	0.1930	0.1851	0.1758	0.1777	0.2119
65	0.2357	0.2135	0.2296	0.2375	0.2608	0.3638
70	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Active Male Members - Teachers						
	Years of Service					
Age	0	1	2	3	4	5+
20	0.2430	0.1142	0.0544	0.0318	0.0282	0.0456
25	0.1990	0.0947	0.0463	0.0242	0.0175	0.0267
30	0.1431	0.0789	0.0426	0.0217	0.0129	0.0154
35	0.1135	0.0727	0.0434	0.0232	0.0127	0.0096
40	0.1035	0.0752	0.0491	0.0289	0.0170	0.0103
45	0.1134	0.0870	0.0602	0.0391	0.0261	0.0194
50	0.1431	0.1085	0.0770	0.0537	0.0399	0.0391
55	0.1924	0.1399	0.0996	0.0730	0.0585	0.0709
60	0.2613	0.1813	0.1281	0.0967	0.0817	0.1146
65	0.3481	0.2317	0.1625	0.1263	0.1125	0.1794
70	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000



Termination rates (continued):

Age	Active Female Members – Teachers					
	Years of Service					
	0	1	2	3	4	5+
20	0.0923	0.0912	0.0887	0.0784	0.0746	0.0705
25	0.0929	0.0822	0.0674	0.0541	0.0481	0.0512
30	0.1007	0.0753	0.0530	0.0386	0.0314	0.0359
35	0.1109	0.0723	0.0453	0.0294	0.0207	0.0233
40	0.1168	0.0724	0.0436	0.0264	0.0170	0.0151
45	0.1161	0.0746	0.0472	0.0297	0.0204	0.0142
50	0.1102	0.0783	0.0554	0.0388	0.0314	0.0244
55	0.0989	0.0831	0.0678	0.0535	0.0502	0.0484
60	0.0822	0.0889	0.0842	0.0735	0.0764	0.0862
65	0.0606	0.0958	0.1047	0.0999	0.1142	0.1469
70	0.0606	0.0000	0.0000	0.0000	0.0000	0.0000



Retirement rates: Separate male and female rates, based on age. Sample rates are below.

Expected Retirements per 100 Lives				
Age	State Employees		Teachers	
	Males	Females	Males	Females
(1)	(2)	(3)	(4)	(5)
45	10	10	10	5
46	10	10	10	6
47	10	10	10	7
48	10	10	10	8
49	10	10	10	10
50	15	10	16	12
51	15	10	18	14
52	15	10	20	16
53	15	10	22	18
54	15	10	24	20
55	15	15	26	22
56	16	16	28	24
57	17	17	30	26
58	18	18	33	28
59	20	20	36	30
60	25	20	40	35
61	10	15	20	15
62	25	30	25	25
63	15	20	20	20
64	15	25	15	25
65	25	30	25	35
66	20	25	20	25
67	20	25	20	25
68	20	25	20	25
69	20	25	20	25
70	100	100	100	100



Other Assumptions

Percent married: 100% of employees are assumed to be married.

Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.

Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an annuity.

Percent electing deferred termination benefit: Vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.

There will be no recoveries once disabled.

No surviving spouse will remarry and there will be no children's benefit.

Assumed age for commencement of deferred benefits: Members electing to receive a deferred benefit are assumed to commence receipt at the first age at which unreduced benefits are available.

Administrative expenses: The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

Inactive members: Liabilities for inactive members were approximated as a multiple of their member contribution account balances. For nonvested members, the multiple was one, and for vested inactive members, the multiple was between three and eight, depending on age and service.

Participant Data

Participant data was supplied on electronic files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

The data for an active members included birthdate, sex, service, salary and employee contribution account balance. For retired members and beneficiaries, the data included date of birth, sex, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and a form of payment code.

Salaries supplied for the current year was based on the earnings for the year preceding the valuation date. This salary was adjusted by the salary increase rate for one year.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.



SUMMARY OF BENEFIT PROVISIONS

Effective Date and Authority: The Employees' Retirement System of Rhode Island (ERSRI) became effective on July 1, 1936 for state employees and on July 1, 1949 for teachers. Benefits for state employees are described in Rhode Island General Laws, Title 36, Chapters 8-10, and benefits for teachers are described in Rhode Island General Laws, Title 16, Chapters 15-17.

Plan Year: A twelve-month period ending June 30th.

Administration: ERSRI is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy.

Type of Plan: ERSRI is a qualified governmental defined benefit retirement plan. Separate contribution rates are determined for state employees and for teachers. For Governmental Accounting Standards Board purposes, it is a cost-sharing multiple employer plan.

Eligibility: Most Rhode Island state employees and certified public school teachers participate in ERSRI. State police officers, state judges, and teachers and administrators in the public colleges and universities are covered by their own separate systems, and are therefore excluded. Certain elected state officials are excluded unless they make an election to join ERSRI. Superintendents, principals, business agents and other administrators participate as teachers. Non-certified public school employees, such as teacher's aides, janitors, secretaries, and bus drivers, cannot participate in ERSRI, although they may be covered by the Municipal Employees Retirement System (MERS) or a separate plan maintained by the town or city. Eligible employees become members at their date of employment.

Employee Contributions: State employees generally contribute 8.75% of their salary per year, although members of the General Assembly who elect to participate contribute 30.0% of salary per year. Teachers contribute 9.50% per year. The state "picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h). At their option, the city or town employing a teacher may also pick up their members' contributions.

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Employer Contributions: For state employees, the state contributes an actuarially determined percentage of the member's salary. For teachers, the state contributes 40% of the employer contribution rate and the city, town or other local employer contributes the remaining 60%. (This basic 40-60 split is further adjusted, since the state bears the cost of repaying certain amounts taken from the trust in the early 1990's.) Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods, such as time spent teaching at a public school in another state, by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Average Compensation (FAC): The average of the member's highest three consecutive annual salaries. Monthly benefits are based on one-twelfth of this amount.



Retirement

Eligibility: All members are eligible for retirement on or after age 60 if they have credit for 10 years of service, or at any age if they have credit for 28 years of service. Correctional officers are also eligible for retirement if they have reached age 50 and have credit for 20 years of service. Members of the General Assembly who elect to participate may are eligible for retirement if they have reached age 55 and have credit for 8 years of service, or at any age if they have credit for 20 years of service.

Monthly Benefit: For most state employees and for all teachers, the retirement benefit is a percentage of the member’s monthly FAC. This percentage is a function of the member’s service, determined using the following schedule:

For Service In	Years	Benefit Percentage Earned
The first 10 years of service	1 – 10	1.7% per year
The next 10 years of service	11 – 20	1.9% per year
The next 14 years of service	21 – 34	3.0% per year
The next 1 year of service	35	2.0% per year

The maximum benefit is 80% of FAC.

Correctional Officers receive a benefit computed under a different formula:

For Service In	Years	Benefit Percentage Earned
The first 30 years of service	1 – 30	2.0% per year
The next 1 year of service	31	6.0% per year
The next 1 year of service	32	5.0% per year
The next 1 year of service	33	4.0% per year
The next 1 year of service	34	3.0% per year
The next 14 years of service	35	2.0% per year

The maximum benefit for correctional officers is also 80% of FAC.

Finally, members of the General Assembly who elect to participate receive \$50 per month for each year of service, up to a maximum benefit of \$1,000 per month, i.e., a maximum of 20 years of service.

Payment Form: Benefits are paid as a monthly life annuity. See section ‘Optional Forms of Payment.’

Death benefit: After retirement, death benefits are based on the form of annuity elected. If no option is elected, i.e., if payments are made as a life annuity, there is a minimum death benefit equal to the sum of the member’s contributions without interest, less the sum of the monthly benefit payments made before the member’s death. In addition, a lump-sum death benefit is payable upon the death of any retired member, regardless of option elected. This lump sum is equal to a percentage of the lump-sum death benefit that was available to the member at the time of retirement. The percentage is 100% in the first year of retirement, 75% in the second year, 50% in the third year, and 25% in the fourth and subsequent years of retirement. However, in no event will the lump sum death benefit be less than \$4,000.



Disability Retirement

Eligibility: A member is eligible provided he/she has credit for at least five years of service or if the disability is work-related.

Ordinary Disability Benefit: The benefit payable under the retirement formula, using FAC and service at the time of disability, but not less than 10 years of service.

Occupational Disability Benefit: An annual annuity equal to two-thirds of salary at the time of disability.

Payment Form: The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump-sum to the member's beneficiary. All alternative forms of payment except for the Social Security Option are permitted in the case of disability retirement.

Deferred Termination Benefit

Eligibility: A member with at least ten years of service (eight years for members of the general Assembly) is vested. A vested member who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

Monthly Benefit: The monthly benefit is based on the retirement formula described above. Both FAC and service are determined at the time the member leaves active employment. Benefits may commence at age 60 or at such earlier age that the member has met the requirements for a retirement benefit.

Payment Form: The same as for Retirement above.

Death Benefit before retirement: A member who dies after leaving active service but before retiring is entitled to receive a benefit as described below.

Death Benefit after Retirement: The same as for Retirement above.

Withdrawal (Refund) Benefit

Eligibility: All members leaving covered employment with less than ten years of service are eligible. Optionally, vested members (those with ten or more years of service) may withdraw their accumulated contributions in lieu of the deferred benefits otherwise due.

Benefit: The member who withdraws receives a lump-sum payment of equal to the sum of his/her employee contributions. No interest is credited on these contributions.

Death Benefit of Active or Inactive Members

Eligibility: Death must have occurred while an active or an inactive, non-retired member.

Basic Benefit: Upon the death of a nonvested member, or upon the death of an inactive, vested member, or upon the death of an active, unmarried member, a refund of the member's contributions (without interest) is paid. Upon the death of a vested, married, active member, the spouse may elect (i) the refund benefit described above, or (ii) a life annuity paid to the spouse or beneficiary. The amount of the annuity is equal to the amount which would have been paid had the member retired at the time of his death and elected the Joint and 100% Survivor option. If the member was not eligible for retirement, the annuity benefit is reduced 6% per year from the date at which the member would have been eligible had he or she remained in service.

Lump-sum Benefit: \$800 per year of service, with a maximum benefit of \$16,000 and a minimum of \$4,000.

Accidental Duty-related Death Benefit: If a member dies as the result of an accident while in the course of his or her duties, in lieu of the above benefits the member's spouse may elect to receive (i) a refund of all contributions made (including interest), and (ii) an annual life annuity equal to 50% of the member's salary at the time of death. The annuity benefit stops when the spouse remarries or dies, although it may be continued to any children under age 18 or to any dependent parents.



Optional Forms of Payment

In addition to a life annuity, ERSRI offers members these optional forms of payment on an actuarially equivalent basis:

Option 1 (Joint and 100% Survivor) - A life annuity payable while either the participant or his beneficiary is alive.

Option 2 (Joint and 50% Survivor) - A life annuity payable to the member while both the member and beneficiary are alive, reducing to 50% of this amount if the member predeceases the beneficiary.

Social Security Option - An annuity paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Actuarial equivalence is based on tables adopted by the Employees' Retirement Board.

Post-retirement Benefit Increase

Members receive a 3% compound increase in their retirement benefit each year, beginning in January of the year in which the member reaches the third anniversary of retirement. This increase is not tied in any way to actual increases in the cost of living.



PLAN NET ASSETS
(Assets at Market or Fair Value)

Item (1)	June 30, 2002 (2)	June 30, 2001 (3)
A. Total ERSRI assets		
1. Cash and cash equivalents	\$ 4,319,155	\$ 685,257
2. Receivables:		
a. Transfers receivable	\$ 374,110	\$ -
b. Employer and member contributions	\$ 22,105,123	\$ 21,091,478
c. Due from state for teachers	15,486,158	7,568,759
d. Net investment income and other	2,356,727	1,340,768
e. Total receivables	\$ 40,322,118	\$ 30,001,005
3. Investments		
a. Short-term investment fund	\$ (7,365,699)	\$ 4,322,868
b. Pooled trust	4,677,732,344	5,296,571,916
c. Plan specific investments	23,071,604	27,325,594
d. Invested securities lending collateral	457,123,111	381,179,145
e. Total	\$ 5,150,561,360	\$ 5,709,399,523
4. Total property and equipment	\$ 11,058,453	\$ 7,935,873
5. Total assets	\$ 5,206,261,086	\$ 5,748,021,658
6. Liabilities		
a. Cash Overdraft	\$ -	\$ -
b. Benefits payable	-	-
c. Accounts and vouchers payable	4,169,294	5,164,143
d. Securities lending liability	457,123,111	381,179,145
e. Total liabilities	\$ 461,292,405	\$ 386,343,288
7. Total market value of assets available for benefits Total (Item 4 - Item 5)	\$ 4,744,968,681	\$ 5,361,678,370
B. Breakdown		
1. State employees	\$ 1,831,019,880	\$ 2,070,325,723
2. Teachers	2,754,225,451	3,111,666,873
3. Teachers' survivors benefits	159,723,350	179,685,774
4. Reserve for certain employees	-	-
5. Total	\$ 4,744,968,681	\$ 5,361,678,370



RECONCILIATION OF PLAN NET ASSETS

Item	Year Ending 06/30/2002	
	State Employees	Teachers
(1)	(2)	(3)
1. Market value of assets at beginning of year	\$ 2,070,325,723	\$ 3,111,666,873
Reserve for certain employees	-	-
Adjusted market value of assets at BOY	\$ 2,070,325,723	\$ 3,111,666,873
2. Contributions		
a. Members	\$ 50,011,335	\$ 72,376,644
b. Legislative	-	-
c. State	31,840,749	30,763,337
d. Local employers	-	43,885,012
e. Reimbursement of Supplement Pensions	197,478	806,403
f. Service purchases	338,896	460,769
g. Total	\$ 82,388,458	\$ 148,292,165
3. Investment earnings, net of investment and administrative expenses	\$ (165,826,200)	\$ (261,591,103)
4. Expenditures for the year		
a. Benefit payments	\$ (113,019,764)	\$ (185,641,298)
b. Cost-of-living adjustments	(32,280,101)	(39,911,002)
c. Death benefits	(1,837,020)	(814,777)
d. Social security supplements	(5,590,229)	(15,741,981)
e. Supplemental pensions	(215,739)	(774,858)
f. Refunds	(2,925,248)	(1,258,568)
g. Total expenditures	\$ (155,868,101)	\$ (244,142,484)
5. Transfers and other adjustments	\$ -	\$ -
6. Market value of assets at end of year	\$ 1,831,019,880	\$ 2,754,225,451



ANALYSIS OF CHANGE IN EMPLOYER COST

Basis	State Employees	Teachers
(1)	(2)	(3)
1. Employer fiscal 2004 cost	9.60%	13.72%
2. Impact of changes, gains and losses		
a. Liability experience (gain)/loss	-0.42%	-1.46%
b. Effect of FY 2002 return less than 8.25%	0.89%	0.98%
c. Effect of continuing recognition of prior years' investment gains and losses (FY 1999 through FY 2001)	1.44%	1.60%
d. Changes in provisions	N/A	N/A
e. Total	1.91%	1.12%
3. Employer fiscal 2005 cost	11.51%	14.84%

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**MUNICIPAL EMPLOYEES
RETIREMENT SYSTEM
ACTUARIAL INFORMATION**

MERS ACTUARIAL INFORMATION

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August 29, 2003

Municipal Employees' Retirement System
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation as of June 30, 2002

This is the June 30, 2002 actuarial valuation of the Municipal Employees' Retirement System (MERS). Separate liabilities and contribution rates are determined for each of the participating units. Valuations are prepared annually as of June 30, the last day of the plan year.

Under Rhode Island General Laws, the employer contribution rates for the units participating within MERS are certified annually by the Employees' Retirement Board. These rates are determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methodology adopted by the Board. Where known, we have also reflected adoption of a COLA provision or the 20-year retirement provision, even if the effective date was after the valuation date. The Board's current policy is that the contribution rates determined by a given actuarial valuation become effective two years after the valuation date. For example, the rates determined by this June 30, 2002 actuarial valuation will be applicable for the year beginning July 1, 2004 and ending June 30, 2005.

Financing objectives and funding policy

The actuarial cost method and the amortization periods are set by board policy. Contribution rates and liabilities are computed using the Entry Age actuarial cost method. The employer contribution rate is the sum of two pieces: the employer normal cost rate and the amortization rate. The normal cost rate is determined as a percent of pay. The employer normal cost is the difference between this and the member contribution rate. The amortization rate is determined as a level percent of pay. It is the amount required to amortize the unfunded actuarial accrued liability over a closed period (30 years as of June 30, 1999). The amortization rate is adjusted for the two-year deferral in contribution rates.

Progress toward realization of financing objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The funded ratio of the average unit in MERS is about 111%, a decrease from the prior year (118%).

There are currently 109 units participating in MERS, 65 covering general employees and 44 covering police and/or fire employees. Of these 109 units, 29 have no required contribution rate, one is a new unit, 18 had rate decreases and 61 had rate increases. Those rate increases were principally due to the actuarial investment losses in FY 2001 and FY 2002.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2002. We have also reflected the known adoption of COLA B, COLA C, or the 20-year retirement provision, even if the effective date and/or the adoption date occurred after the valuation date. The benefit provisions are summarized in Appendix B, and each unit's individual election is indicated by a code in column 4 on Table 1.

Assumptions and methods

The actuarial assumptions used in this report are unchanged from last year; however, the Board approved two method changes since the last actuarial valuation report. First, the method used to compute the actuarial value of assets was changed from a three-year smoothing method to a five-year smoothing method. Second, the method of amortization unfunded actuarial accrued liability was modified to parallel the method used by the Employees' Retirement System—a level percent of pay amortization payment over a closed amortization period (30 years from June 30, 1999). The assumptions and method are summarized in Appendix A.

Data

The System's staff supplied member data for retired, active and inactive members as of June 30, 2002. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2002.

Certification

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

Members of the Board
August 29, 2003
Page 3

The undersigned are independent actuaries. Both are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and both are experienced in performing valuations for large public retirement systems.

Sincerely,
Gabriel, Roeder, Smith & Company



J. Christian Conradi, ASA, MAAA
Senior Consultant



W. Michael Carter, FSA, MAAA
Senior Consultant

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GASB 25 AND FUNDING PROGRESS

Accounting requirements for MERS are set by Governmental Accounting Standards Board Statement No. 25 (GASB 25). The *Schedule of Funding Progress* tables on pages 77-80 show a summary of the funded ratios and other information for MERS as of June 30, 2002.

GASB 25 requires that plans calculate an Annual Required Contribution (ARC), and, if actual contributions received are less than the ARC, this must be disclosed. The ARC must be calculated in accordance with certain parameters. In particular, it must include a payment to amortize the unfunded actuarial accrued liability. This amortization payment eventually will have to be computed using a funding period no greater than 30 years, but a 40-year maximum amortization period may be used during a ten-year transition period. Further, the amortization payment included in the ARC may be computed as a level amount, or it may be computed as an amount that increases with payroll. However, if payments are computed on a level percent of payroll approach, the payroll growth assumption may not anticipate future membership growth.

For MERS, the calculated contribution rate shown in the *Contribution Rates* tables on pages 71-73 is the ARC.

CONTRIBUTION RATES

The employer contribution rates for MERS are determined actuarially. The rates determined in this valuation become effective two years after the valuation date, i.e., as of July 1, 2004.

The rate consists of two pieces: the normal cost rate and the amortization rate. The normal cost and actuarial accrued liability are determined using the Entry Age actuarial cost method. The employer normal cost is the difference between (i) the normal cost rate, determined as a level percent of pay, and (ii) the member contribution rate. The unfunded actuarial accrued liability is amortized as a level percent of payroll over a closed period. The period is 30 years as measured from June 30, 1999, or 27 years as of the valuation date. The amortization rate is adjusted for the fact that the contribution rate set by this valuation is deferred for two years, and other amortization rates may apply for the next two years.

The *Contribution Rates* tables on pages 71-73 show the member contribution rate, the employer normal cost rate, the amortization rate and the total employer contribution rate. These rates are applicable to the fiscal year ending June 30, 2005. The *Comparison of Employer Contribution Rates* tables on pages 74-76 compare the total employer contribution rate with those rates determined in the two prior actuarial valuations.

CHANGES IN BENEFIT PROVISIONS

Individual units may elect certain optional provisions, including an annual benefit increase of 3% of the original benefit amount (i.e., a "simple" increase) applicable to future retirees only (COIA C), the same increase applicable to both current and future retirees (COIA B), or the 20-year retirement provision for police/fire units. Since the proper valuation, the following changes were made:

<u>Unit</u>	<u>Adopted</u>
Bristol Fire	COIA C

One new unit--Middletown Police and Fire--joined MERS since the prior valuation. No units closed or withdrew or merged or subdivided. Some employee groups were transferred from the Town of Barrington to Barrington COIA, and some new employee groups were added to the Town of Middletown.

There were no ancillary benefits--e.g, cost of living benefits--that are currently provided by a source independent of MERS but that might be deemed a MERS liability if continued beyond the availability of funding by the current funding source.



**Contribution Rates
For Fiscal Year Ending June 30, 2005**

Unit Number		Unit	Code(s)	Member Rate	Employer Rate		Total
Old	New				Employer Normal Cost	Amortization Rate	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
General Employee Units							
3001	1002	Barrington		6.00%	1.57%	(89.23%)	0.00%
3002	1012	Bristol	B	7.00%	2.45%	(2.28%)	0.17%
3003	1032	Burrillville	C	7.00%	4.11%	(6.89%)	0.00%
3004	1052	Central Falls		6.00%	1.85%	3.09%	4.94%
3005	1082	Charlestown	C	7.00%	2.30%	1.60%	3.90%
3007	1112	Cranston	B	7.00%	3.82%	(7.37%)	0.00%
3008	1122	Cumberland		6.00%	3.00%	1.66%	4.65%
3009	1152	East Greenwich		6.00%	2.62%	(12.01%)	0.00%
3010	1162	East Providence	B	7.00%	3.57%	3.86%	7.43%
3011	1183	Exeter/West Greenwich	B	7.00%	5.04%	0.04%	5.08%
3012	1192	Foster		6.00%	3.58%	0.35%	3.94%
3013	1212	Glocester	C	7.00%	3.77%	1.74%	5.51%
3014	1262	Hopkinton	C	7.00%	4.00%	(5.57%)	0.00%
3015	1272	Jamestown	C	7.00%	3.69%	1.43%	5.12%
3016	1282	Johnston	C	7.00%	3.78%	(1.31%)	2.47%
3017	1302	Lincoln		6.00%	3.69%	(0.27%)	3.41%
3019	1322	Middletown	C	7.00%	3.67%	(2.03%)	1.64%
3021	1352	Newport	B	7.00%	3.14%	2.35%	5.49%
3022	1342	New Shoreham	B	7.00%	3.17%	0.06%	3.23%
3023	1372	North Kingstown	C	7.00%	3.85%	2.14%	5.99%
3024	1382	North Providence		6.00%	2.41%	(7.89%)	0.00%
3025	1392	North Smithfield	B	7.00%	4.45%	(9.24%)	0.00%
3026	1412	Pawtucket	C	7.00%	3.25%	(1.55%)	1.70%
3027	1515	Union Fire District		6.00%	1.57%	(1.92%)	0.00%
3029	1452	Richmond		6.00%	3.46%	(1.93%)	1.52%
3030	1462	Scituate	B	7.00%	4.03%	0.70%	4.73%
3031	1472	Smithfield		6.00%	3.07%	(11.98%)	0.00%
3032	1492	South Kingstown	B	7.00%	3.72%	(3.40%)	0.32%
3033	1532	Tiverton		6.00%	2.97%	(12.89%)	0.00%
3034	1562	Warren	C	7.00%	2.94%	3.29%	6.23%
3036	1622	Westerly		6.00%	1.05%	40.57%	41.62%
3037	1602	West Greenwich		6.00%	3.58%	(0.22%)	3.36%
3039	1632	Woonsocket	B	7.00%	3.77%	(12.22%)	0.00%
3040	1073	Chariho School District		6.00%	3.12%	(1.68%)	1.44%
3041	1203	Foster/Glocester	B	7.00%	4.58%	1.86%	6.44%
3042	1528	Tiogue Fire & Lighting	C,5	7.00%	N/A	N/A	*
3043	1336	Narragansett Housing	C	7.00%	1.12%	1.08%	2.20%
3045	1098	Coventry Lighting District	C	7.00%	3.92%	(18.73%)	0.00%
3046	1242	Hope Valley Fire	C	7.00%	4.71%	(0.61%)	4.10%
3050	1156	East Greenwich Housing	C	7.00%	3.87%	7.67%	11.53%
3051	1116	Cranston Housing	C	7.00%	4.19%	(7.78%)	0.00%
3052	1166	East Providence Housing	B	7.00%	5.36%	(5.59%)	0.00%
3053	1416	Pawtucket Housing	B	7.00%	3.26%	(15.52%)	0.00%
3056	1126	Cumberland Housing	C	7.00%	4.55%	(3.44%)	1.11%
3057	1306	Lincoln Housing	B	7.00%	4.91%	(5.78%)	0.00%



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

Contribution Rates
For Fiscal Year Ending June 30, 2005

Unit Number		Unit	Code(s)	Member Rate	Employer Rate		Total
Old	New				Employer Normal Cost	Amortization Rate	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
General Employee Units							
3059	1016	Bristol Housing		6.00%	3.14%	(24.15%)	0.00%
3065	1036	Burrillville Housing		6.00%	3.32%	(19.51%)	0.00%
3066	1386	North Providence Housing	B	7.00%	5.40%	7.02%	12.42%
3067	1177	East Smithfield Water	C	7.00%	5.34%	(13.37%)	0.00%
3068	1227	Greenville Water		6.00%	1.18%	(15.88%)	0.00%
3069	1356	Newport Housing	C	7.00%	4.49%	(4.23%)	0.26%
3071	1566	Warren Housing	B	7.00%	5.54%	(7.62%)	0.00%
3072	1286	Johnston Housing		6.00%	1.82%	(5.91%)	0.00%
3077	1538	Tiverton Local 2670A	C	7.00%	4.91%	(5.05%)	0.00%
3078	1009	Barrington COLA	C	7.00%	4.49%	(6.93%)	0.00%
3079	1096	Coventry Housing		6.00%	2.95%	(6.34%)	0.00%
3080	1496	South Kingstown Housing	C	7.00%	5.75%	(0.78%)	4.97%
3081	1403	N. RI Collaborative Adm. Services	C	7.00%	4.86%	(0.94%)	3.92%
3083	1616	West Warwick Housing	B	7.00%	4.42%	(1.66%)	2.76%
3084	1476	Smithfield Housing		6.00%	1.61%	(5.11%)	0.00%
3094	1478	Smithfield COLA	C	7.00%	4.00%	(6.19%)	0.00%
3096	1056	Central Falls Housing		6.00%	3.87%	0.68%	4.55%
3098	1293	Lime Rock Administrative Services		6.00%	3.33%	(2.25%)	1.08%
3099	1063	Central Falls Schools	C	7.00%	4.47%	(0.32%)	4.15%
3100	1023	Bristol/Warren Schools	B	7.00%	4.86%	(3.44%)	1.42%
General Employee Units Averages				6.83%	3.60%	(3.33%)	0.27%
Police & Fire Units							
4016	1285	Johnston Fire	D	8.00%	11.71%	0.39%	12.10%
4029	1454	Richmond Fire District		7.00%	7.01%	3.82%	10.83%
4031	1474	Smithfield Police	C,D	9.00%	13.55%	2.29%	15.84%
4042	1555	Valley Falls Fire	D	8.00%	8.73%	5.02%	13.76%
4047	1395	North Smithfield Voluntary Fire	B,D	9.00%	15.23%	6.12%	21.34%
4050	1155	East Greenwich Fire	C,D	9.00%	14.52%	0.67%	15.19%
4054	1154	East Greenwich Police	C,D	9.00%	14.65%	(5.25%)	9.39%
4055	1375	North Kingstown Fire	C,D	9.00%	13.00%	1.46%	14.46%
4056	1374	North Kingstown Police	C,D	9.00%	13.54%	2.36%	15.90%
4057	1235	Harris Fire Department	C	8.00%	8.74%	12.79%	21.53%
4058	1385	North Providence Fire	D	8.00%	9.32%	(0.93%)	8.39%
4059	1008	Barrington Fire (25)	C	8.00%	9.14%	(2.90%)	6.24%
4060	1004	Barrington Police	C,D	9.00%	13.11%	14.25%	27.35%
4061	1005	Barrington Fire (20)	C,D	9.00%	10.94%	(20.92%)	0.00%
4062	1564	Warren Police & Fire	C,D	9.00%	11.85%	7.64%	19.49%
4063	1494	South Kingstown Police	B,1	9.00%	9.22%	(6.92%)	2.30%
4073	1464	Scituate Police	3	—	—	—	—
4076	1394	North Smithfield Police	C,D	9.00%	13.84%	3.66%	17.50%
4077	1534	Tiverton Fire	D	8.00%	10.31%	(11.27%)	0.00%
4082	1194	Foster Police	C,D	9.00%	14.09%	1.56%	15.65%
4085	1634	Woonsocket Police	C,D	9.00%	13.61%	(1.00%)	12.61%
4086	1084	Charlestown Police	C,D	9.00%	13.09%	9.40%	22.48%



**Contribution Rates
For Fiscal Year Ending June 30, 2005**

Unit Number		Unit	Code(s)	Member Rate	Employer Rate		Total
Old	New				Employer Normal Cost	Amortization Rate	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Police & Fire Units							
4087	1264	Hopkinton Police	C,D	9.00%	13.38%	(4.39%)	8.99%
4088	1214	Glocester Police	C,D	9.00%	13.29%	0.79%	14.08%
4089	1604	West Greenwich Police/Rescue	C,D	9.00%	13.93%	8.41%	22.34%
4090	1034	Burrillville Police	C,D	9.00%	14.60%	4.30%	18.89%
4091	1148	Cumberland Rescue	C,D	9.00%	14.90%	(1.95%)	12.95%
4092	1585	Washington Fire	D	8.00%	9.06%	1.98%	11.04%
4093	1635	Woonsocket Fire	C,D	9.00%	14.36%	(1.83%)	12.53%
4094	1015	Bristol Fire	C	9.00%	9.75%	(0.13%)	9.62%
4095	1135	Cumberland Hill Fire	C,D	9.00%	13.43%	6.07%	19.50%
4096	1014	Bristol Police	C,D	9.00%	15.85%	(1.33%)	14.52%
4098	1095	Coventry Fire	D	8.00%	8.32%	5.89%	14.21%
4099	1505	South Kingstown EMT	C,D	9.00%	14.83%	(1.18%)	13.64%
4100	1525	Tiogue Fire		7.00%	6.84%	5.52%	12.36%
4101	1365	North Cumberland	D	8.00%	10.71%	2.52%	13.23%
4102	1045	Central Coventry Fire	C,D	9.00%	14.68%	2.36%	17.05%
4103	1255	Hopkins Hill Fire	D	8.00%	10.67%	2.72%	13.39%
4104	1114	Cranston Police	C,D,4	10.00%	14.53%	1.82%	16.35%
4105	1115	Cranston Fire	C,D,4	10.00%	14.34%	3.82%	18.16%
4106	1125	Cumberland Fire	B,D	9.00%	15.83%	6.62%	22.45%
4107	1305	Lincoln Rescue		7.00%	6.18%	0.51%	6.69%
4108	1344	New Shoreham Police	B,D	9.00%	13.90%	8.96%	22.86%
1324	1324	Middletown Police & Fire	C,D,2	9.00%	15.42%	1.33%	16.75%
Police & Fire Units Averages				8.95%	12.77%	0.61%	13.37%
All MERS Units Averages				7.25%	5.40%	(2.55%)	2.85%

B - Municipality has adopted COIA Plan B

C - Municipality has adopted COIA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 2002 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.

5 - This unit has no active members.

*** - There is no actives in unit 3042, this payment is the amortization amount amortized for 5 years.**



COMPARISON OF EMPLOYER CONTRIBUTION RATES

Unit Number		Unit	Code(s)	June 30, 2002	June 30, 2001	June 30, 2000
Old	New			Actuarial Valuation for FY 2004	Actuarial Valuation for FY 2003	Actuarial Valuation for FY 2002
(1)	(2)	(3)	(4)	(5)	(6)	(7)
General Employee Units						
3001	1002	Barrington		0.00%	0.00%	0.00%
3002	1012	Bristol	B	0.17%	0.00%	0.00%
3003	1032	Burrillville	C	0.00%	0.00%	0.00%
3004	1052	Central Falls		4.94%	7.50%	10.70%
3005	1082	Charlestown	C	3.90%	1.78%	5.77%
3007	1112	Cranston	B	0.00%	0.00%	0.00%
3008	1122	Cumberland		4.65%	2.55%	1.14%
3009	1152	East Greenwich		0.00%	0.00%	0.00%
3010	1162	East Providence	B	7.43%	7.85%	4.63%
3011	1183	Exeter/West Greenwich	B	5.08%	4.01%	7.06%
3012	1192	Foster		3.94%	1.03%	0.77%
3013	1212	Glocester	C	5.51%	5.62%	3.71%
3014	1262	Hopkinton	C	0.00%	0.00%	0.00%
3015	1272	Jamestown	C	5.12%	2.82%	0.34%
3016	1282	Johnston	C	2.47%	0.00%	0.00%
3017	1302	Lincoln		3.41%	3.47%	0.69%
3019	1322	Middletown	C	1.64%	1.87%	8.17%
3021	1352	Newport	B	5.49%	3.61%	0.39%
3022	1342	New Shoreham	B	3.23%	0.39%	0.00%
3023	1372	North Kingstown	C	5.99%	1.90%	0.00%
3024	1382	North Providence		0.00%	0.00%	0.00%
3025	1392	North Smithfield	B	0.00%	0.00%	0.00%
3026	1412	Pawtucket	C	1.70%	0.00%	0.00%
3027	1515	Union Fire District		0.00%	4.22%	3.06%
3029	1452	Richmond		1.52%	0.00%	0.00%
3030	1462	Scituate	B	4.73%	0.00%	0.00%
3031	1472	Smithfield		0.00%	0.00%	0.00%
3032	1492	South Kingstown	B	0.32%	0.00%	0.00%
3033	1532	Tiverton		0.00%	0.00%	0.00%
3034	1562	Warren	C	6.23%	6.16%	3.32%
3036	1622	Westerly		41.62%	289.17%	268.41%
3037	1602	West Greenwich		3.36%	0.89%	0.94%
3039	1632	Woonsocket	B	0.00%	0.00%	0.00%
3040	1073	Chariho School District		1.44%	0.00%	0.00%
3041	1203	Foster/Glocester	B	6.44%	10.52%	9.77%
3042	1528	Tiogue Fire & Lighting	C,5	N/A	N/A	11.85%
3043	1336	Narragansett Housing	C	2.20%	2.40%	0.00%
3045	1098	Coventry Lighting District	C	0.00%	0.00%	7.04%
3046	1242	Hope Valley Fire	C	4.10%	2.13%	0.00%
3050	1156	East Greenwich Housing	C	11.53%	21.00%	23.56%
3051	1116	Cranston Housing	C	0.00%	0.00%	0.00%
3052	1166	East Providence Housing	B	0.00%	0.00%	0.00%
3053	1416	Pawtucket Housing	B	0.00%	0.00%	0.00%
3056	1126	Cumberland Housing	C	1.11%	0.00%	0.00%
3057	1306	Lincoln Housing	B	0.00%	0.00%	0.00%



COMPARISON OF EMPLOYER CONTRIBUTION RATES

Unit Number		Unit	Code(s)	June 30, 2002	June 30, 2001	June 30, 2000
Old	New			Actuarial Valuation for FY 2004	Actuarial Valuation for FY 2003	Actuarial Valuation for FY 2002
(1)	(2)	(3)	(4)	(5)	(6)	(7)
General Employee Units						
3059	1016	Bristol Housing		0.00%	0.00%	0.00%
3065	1036	Burrillville Housing		0.00%	0.00%	0.00%
3066	1386	North Providence Housing	B	12.42%	11.76%	6.09%
3067	1177	East Smithfield Water	C	0.00%	0.00%	0.00%
3068	1227	Greenville Water		0.00%	0.00%	0.00%
3069	1356	Newport Housing	C	0.26%	0.00%	0.00%
3071	1566	Warren Housing	B	0.00%	0.00%	0.00%
3072	1286	Johnston Housing		0.00%	0.00%	0.00%
3077	1538	Tiverton Local 2670A	C	0.00%	0.00%	0.00%
3078	1009	Barrington COLA	C	0.00%	0.00%	0.00%
3079	1096	Coventry Housing		0.00%	0.00%	0.00%
3080	1496	South Kingstown Housing	C	4.97%	1.58%	7.54%
3081	1403	N. RI Collaborative Adm. Services	C	3.92%	3.90%	3.90%
3083	1616	West Warwick Housing	B	2.76%	0.00%	0.00%
3084	1476	Smithfield Housing		0.00%	0.00%	0.00%
3094	1478	Smithfield COLA	C	0.00%	3.80%	3.80%
3096	1056	Central Falls Housing		4.55%	2.82%	1.22%
3098	1293	Lime Rock Administrative Services		1.08%	0.00%	2.98%
3099	1063	Central Falls Schools	C	4.15%	3.09%	1.16%
3100	1023	Bristol/Warren Schools	B	1.42%	0.00%	0.00%
General Employee Units Average				0.27%	0.00%	0.00%
Police & Fire Units						
4016	1285	Johnston Fire	D	12.10%	10.54%	10.42%
4029	1454	Richmond Fire District		10.83%	4.30%	5.11%
4031	1474	Smithfield Police	C,D	15.84%	12.83%	6.68%
4042	1555	Valley Falls Fire	D	13.76%	20.90%	17.69%
4047	1395	North Smithfield Voluntary Fire	B,D	21.34%	7.02%	0.00%
4050	1155	East Greenwich Fire	C,D	15.19%	5.78%	6.69%
4054	1154	East Greenwich Police	C,D	9.39%	0.00%	0.00%
4055	1375	North Kingstown Fire	C,D	14.46%	9.93%	6.59%
4056	1374	North Kingstown Police	C,D	15.90%	8.00%	0.35%
4057	1235	Harris Fire Department	C	21.53%	20.87%	31.08%
4058	1385	North Providence Fire	D	8.39%	1.64%	0.96%
4059	1008	Barrington Fire (25)	C	6.24%	7.13%	7.60%
4060	1004	Barrington Police	C,D	27.35%	18.72%	3.63%
4061	1005	Barrington Fire (20)	C,D	0.00%	0.00%	0.00%
4062	1564	Warren Police & Fire	C,D	19.49%	19.31%	11.69%
4063	1494	South Kingstown Police	B,1	2.30%	0.00%	0.00%
4073	1464	Scituate Police	3	---	---	---
4076	1394	North Smithfield Police	C,D	17.50%	8.82%	4.28%
4077	1534	Tiverton Fire	D	0.00%	0.00%	0.00%
4082	1194	Foster Police	C,D	15.65%	3.52%	2.29%
4085	1634	Woonsocket Police	C,D	12.61%	9.89%	8.58%



COMPARISON OF EMPLOYER CONTRIBUTION RATES

Unit Number		Unit	Code(s)	June 30, 2002	June 30, 2001	June 30, 2000
Old	New			Actuarial Valuation for FY 2004	Actuarial Valuation for FY 2003	Actuarial Valuation for FY 2002
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Police & Fire Units						
4086	1084	Charlestown Police	C,D	22.48%	18.11%	20.96%
4087	1264	Hopkinton Police	C,D	8.99%	6.25%	7.91%
4088	1214	Glocester Police	C,D	14.08%	10.06%	9.99%
4089	1604	West Greenwich Police/Rescue	C,D	22.34%	18.99%	7.70%
4090	1034	Burrillville Police	C,D	18.89%	17.73%	15.20%
4091	1148	Cumberland Rescue	C,D	12.95%	9.61%	11.74%
4092	1585	Washington Fire	D	11.04%	9.84%	10.19%
4093	1635	Woonsocket Fire	C,D	12.53%	10.95%	10.68%
4094	1015	Bristol Fire	C	9.62%	1.00%	0.00%
4095	1135	Cumberland Hill Fire	C,D	19.50%	16.87%	8.51%
4096	1014	Bristol Police	C,D	14.52%	13.11%	12.52%
4098	1095	Coventry Fire	D	14.21%	19.71%	14.43%
4099	1505	South Kingstown EMT	C,D	13.64%	10.99%	11.73%
4100	1525	Tiogue Fire		12.36%	16.29%	15.63%
4101	1365	North Cumberland	D	13.23%	14.95%	12.14%
4102	1045	Central Coventry Fire	C,D	17.05%	18.25%	11.42%
4103	1255	Hopkins Hill Fire	D	13.39%	5.43%	6.69%
4104	1114	Cranston Police	C,D,4	16.35%	16.53%	15.64%
4105	1115	Cranston Fire	C,D,4	18.16%	17.55%	15.38%
4106	1125	Cumberland Fire	B,D	22.45%	24.02%	19.67%
4107	1305	Lincoln Rescue		6.69%	5.95%	1.97%
4108	1344	New Shoreham Police	B,D	22.86%	24.36%	8.96%
1324	1324	Middletown Police & Fire	C,D,2	16.75%	14.93%	14.93%
Police & Fire Units Average				13.37%	8.18%	5.79%
<i>All MERS Units Average</i>				<i>2.85%</i>	<i>0.00%</i>	<i>0.00%</i>

B - Municipality has adopted COIA Plan B

C - Municipality has adopted COIA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 2002 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.

5 - This unit has no active members.



SCHEDULE OF FUNDING PROGRESS

Unit Number Old	Unit New	Unit	Code(s)	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (5) - (4)	Funded Ratio (4)/(5)	Annual Covered Payroll	UAAL as % of Payroll (6)/(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
General Employee Units									
3001	1002	Barrington		9,127,609	5,938,916	(3,188,693)	153.7%	271,581	(1174.1%)
3002	1012	Bristol	B	13,473,179	12,406,213	(1,066,966)	108.6%	3,109,069	(34.3%)
3003	1032	Burrillville	C	18,500,044	13,867,796	(4,632,248)	133.4%	4,735,621	(97.8%)
3004	1052	Central Falls		3,044,823	3,892,512	847,689	78.2%	1,557,028	54.4%
3005	1082	Charlestown	C	2,675,573	2,951,042	275,469	90.7%	1,185,347	23.2%
3007	1112	Cranston	B	115,259,090	91,029,401	(24,229,689)	126.6%	23,440,036	(103.4%)
3008	1122	Cumberland		14,900,415	16,271,611	1,371,196	91.6%	6,950,950	19.7%
3009	1152	East Greenwich		19,040,182	10,996,876	(8,043,306)	173.1%	4,958,257	(162.2%)
3010	1162	East Providence	B	57,346,016	66,511,441	9,165,425	86.2%	16,428,051	55.8%
3011	1183	Exeter/West Greenwich	B	4,320,884	4,362,904	42,020	99.0%	1,676,857	2.5%
3012	1192	Foster		1,982,769	1,986,659	3,890	99.8%	945,677	0.4%
3013	1212	Glocester	C	3,555,816	3,965,359	409,543	89.7%	1,724,027	23.8%
3014	1262	Hopkinton	C	2,577,384	1,803,133	(774,251)	142.9%	961,675	(80.5%)
3015	1272	Jonestown	C	5,705,406	6,032,109	326,703	94.6%	2,139,861	15.3%
3016	1282	Johnston	C	27,686,770	25,589,744	(2,097,026)	108.2%	8,686,322	(24.1%)
3017	1302	Lincoln		751,026	688,694	(62,332)	109.1%	942,944	(6.6%)
3019	1322	Middletown	C	5,947,384	5,159,070	(788,314)	115.3%	3,443,949	(22.9%)
3021	1352	Newport	B	41,024,221	43,891,378	2,867,157	93.5%	9,969,253	28.8%
3022	1342	New Shoreham	B	2,651,085	2,564,360	(86,725)	103.4%	1,876,746	(4.6%)
3023	1372	North Kingstown	C	28,506,420	30,754,335	2,247,915	92.7%	9,940,187	22.6%
3024	1382	North Providence		23,987,038	16,707,278	(7,279,760)	143.6%	6,763,181	(107.6%)
3025	1392	North Smithfield	B	11,843,703	8,052,941	(3,790,762)	147.1%	2,928,701	(129.4%)
3026	1412	Pawtucket	C	83,510,896	78,032,347	(5,478,549)	107.0%	21,188,697	(25.9%)
3027	1515	Union Fire District		137,963	118,795	(19,168)	116.1%	91,936	(20.8%)
3029	1452	Richmond		1,051,356	896,462	(154,894)	117.3%	488,432	(31.7%)
3030	1462	Scituate	B	8,216,623	8,275,202	58,579	99.3%	2,727,708	2.1%
3031	1472	Smithfield		10,990,379	7,481,123	(3,509,256)	146.9%	2,161,250	(162.4%)
3032	1492	South Kingstown	B	30,973,310	25,771,662	(5,201,648)	120.2%	10,166,090	(51.2%)
3033	1532	Tiverton		9,790,762	5,924,510	(3,866,252)	165.3%	2,218,609	(174.3%)
3034	1562	Warren	C	4,591,082	5,195,560	604,478	88.4%	1,311,731	46.1%
3036	1622	Westerly		617,429	1,218,242	600,813	50.7%	57,180	1050.7%
3037	1602	West Greenwich		1,296,543	1,248,521	(48,022)	103.8%	715,843	(6.7%)
3039	1632	Woonsocket	B	57,401,779	39,193,917	(18,207,862)	146.5%	10,931,289	(166.6%)
3040	1073	Charlton School District		7,567,550	6,572,710	(994,840)	115.1%	3,631,600	(27.4%)



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

SCHEDULE OF FUNDING PROGRESS

Unit Number Old New	Unit (3)	Code(s) (4)	Actuarial Value of Assets (AVA) (5)	Actuarial Accrued Liability (AAL) (6)	Unfunded Actuarial Accrued Liability (UAAL) (5) - (4) (7)	Funded Ratio (4)/(5) (8)	Annual Covered Payroll (9)	UAAL as % of Payroll (6)/(8) (10)
General Employee Units								
3041	1203	B	3,241,447	3,654,137	412,690	88.7%	1,191,673	34.6%
3042	1528	C,5	32,718	45,660	12,942	71.7%	0	-
3043	1336	C	131,057	149,533	18,476	87.6%	126,375	14.6%
3045	1098	C	1,075,440	842,252	(233,188)	127.7%	95,304	(244.7%)
3046	1242	C	197,307	185,611	(11,696)	106.3%	84,499	(13.8%)
3050	1156	C	192,926	390,013	197,087	49.5%	146,878	134.2%
3051	1116	C	2,685,377	1,918,519	(766,858)	140.0%	697,554	(109.9%)
3052	1166	B	2,124,500	1,679,420	(445,080)	126.5%	540,029	(82.4%)
3053	1416	B	9,286,310	5,247,183	(4,039,127)	177.0%	1,929,474	(209.3%)
3056	1126	C	928,938	639,642	(289,296)	145.2%	543,084	(53.3%)
3057	1306	B	1,283,038	979,634	(303,404)	131.0%	354,202	(85.7%)
3059	1016	B	1,552,461	726,335	(826,126)	213.7%	259,140	(318.8%)
3065	1036	B	716,459	374,567	(341,892)	191.3%	130,742	(261.5%)
3066	1386	B	877,994	1,154,622	276,628	76.0%	282,901	97.8%
3067	1177	C	654,860	392,918	(261,942)	166.7%	141,441	(185.2%)
3068	1227	C	804,170	412,320	(391,850)	195.0%	186,489	(210.1%)
3069	1356	C	5,670,594	4,654,906	(1,015,688)	121.8%	1,556,614	(65.2%)
3071	1566	B	1,087,967	861,057	(226,910)	126.4%	207,375	(109.4%)
3072	1286	B	862,249	649,341	(212,908)	132.8%	265,658	(80.1%)
3077	1538	C	2,505,098	1,994,362	(510,736)	125.6%	685,228	(74.5%)
3078	1009	C	14,508,302	9,439,886	(5,068,416)	153.7%	5,314,290	(95.4%)
3079	1096	C	782,143	485,544	(296,599)	161.1%	335,820	(88.3%)
3080	1496	C	70,262	49,486	(20,776)	142.0%	151,999	(13.7%)
3081	1403	C	464,079	263,260	(200,819)	176.3%	1,404,687	(14.3%)
3083	1616	B	830,076	748,610	(81,466)	110.9%	273,588	(29.8%)
3084	1476	C	181,739	123,532	(58,207)	147.1%	83,132	(70.0%)
3094	1478	C	7,834,834	5,488,213	(2,346,621)	142.8%	2,896,925	(81.0%)
3096	1056	C	1,262,277	1,293,181	30,904	97.6%	556,073	5.6%
3098	1293	C	93,830	75,605	(18,225)	124.1%	58,468	(31.2%)
3099	1063	C	6,400,528	6,067,020	(333,508)	105.5%	4,055,676	(8.2%)
3100	1023	B	12,230,034	10,201,694	(2,028,340)	119.9%	3,777,579	(53.7%)
General Employee Units Subtotal			\$ 710,621,526	\$ 616,540,886	\$ (94,080,640)	115.3%	\$ 198,658,582	(47.4%)



SCHEDULE OF FUNDING PROGRESS

Unit Number Old (1)	Unit New (2)	Unit (3)	Code(s) (4)	Actuarial Value of Assets (AVA) (5)	Actuarial Accrued Liability (AAL) (6)	Unfunded Actuarial Accrued Liability (UAAL) (5) - (4) (7)	Funded Ratio (4)/(5) (8)	Annual Covered Payroll (9)	UAAL as % of Payroll (6)/(8) (10)
Police & Fire Units									
4016	1285	Johnston Fire	D	122,997	145,757	22,760	84.4%	413,694	5.5%
4029	1454	Richmond Fire District		252,713	358,746	106,033	70.4%	225,420	47.0%
4031	1474	Smithfield Police	C,D	108,488	216,979	108,491	50.0%	356,483	30.4%
4042	1555	Valley Falls Fire	D	1,835,353	2,261,876	426,523	81.1%	508,203	83.9%
4047	1395	N Smithfield Vol. Fire	B,D	3,096,232	3,679,013	582,781	84.2%	914,715	63.7%
4050	1155	East Greenwich Fire	C,D	6,947,518	6,924,534	(22,984)	100.3%	1,099,526	(2.1%)
4054	1154	East Greenwich Police	C,D	9,644,679	8,183,403	(1,461,276)	117.9%	1,560,680	(93.6%)
4055	1375	North Kingstown Fire	C,D	19,873,191	20,244,577	371,386	98.2%	3,173,051	11.7%
4056	1374	North Kingstown Police	C,D	12,568,807	12,913,813	345,006	97.3%	1,951,474	17.7%
4057	1235	Harris Fire Department	C	106,503	367,365	260,862	29.0%	129,256	201.8%
4058	1385	North Providence Fire	D	20,513,649	19,313,380	(1,200,269)	106.2%	4,751,447	(25.3%)
4059	1008	Barrington Fire (25)	C	272,056	151,957	(120,099)	179.0%	297,784	(40.3%)
4060	1004	Barrington Police	C,D	5,925,677	7,714,190	1,788,513	76.8%	936,966	190.9%
4061	1005	Barrington Fire (20)	C,D	8,911,060	7,133,309	(1,777,751)	124.9%	609,109	(291.9%)
4062	1564	Warren Police & Fire	C,D	6,239,989	7,249,754	1,009,765	86.1%	931,899	108.4%
4063	1494	South Kingstown Police	B,1	17,157,466	14,614,651	(2,542,815)	117.4%	2,440,705	(104.2%)
4073	1464	Scituate Police	3	164,590	34,660	(129,930)	474.9%	0	-
4076	1394	North Smithfield Police	C,D	5,742,552	6,100,628	358,076	94.1%	1,012,254	35.4%
4077	1534	Tiverton Fire	D	6,731,364	4,871,639	(1,859,725)	138.2%	1,131,805	(164.3%)
4082	1194	Foster Police	C,D	1,542,025	1,547,367	5,342	99.7%	318,905	1.7%
4085	1634	Woonsocket Police	C,D	16,525,185	15,599,805	(925,380)	105.9%	4,707,970	(19.7%)
4086	1084	Charlestown Police	C,D	3,041,556	4,263,954	1,222,398	71.3%	874,118	139.8%
4087	1264	Hopkinton Police	C,D	2,208,586	1,770,301	(438,285)	124.8%	625,467	(70.1%)
4088	1214	Gloucester Police	C,D	2,497,096	2,532,611	35,515	98.6%	695,904	5.1%
4089	1604	W/Greenwich Police/RSQ	C,D	1,264,745	1,712,277	447,532	73.9%	388,935	115.1%
4090	1034	Burrillville Police	C,D	4,447,714	5,130,373	682,659	86.7%	1,097,479	62.2%
4091	1148	Cumberland Rescue	C,D	1,934,578	1,783,548	(151,030)	108.5%	541,351	(27.9%)
4092	1585	Washington Fire	D	1,030,946	1,133,846	102,900	90.9%	373,303	27.6%
4093	1635	Woonsocket Fire	C,D	11,866,865	10,761,174	(1,105,691)	110.3%	3,892,385	(28.4%)
4094	1015	Bristol Fire	C	168,539	154,393	(14,146)	109.2%	93,892	(15.1%)
4095	1135	Cumberland Hill Fire	C,D	2,341,748	2,749,206	407,458	85.2%	487,911	83.5%
4096	1014	Bristol Police	C,D	515,195	395,313	(119,882)	130.3%	580,992	(20.6%)



SCHEDULE OF FUNDING PROGRESS

Unit Number Old (1)	New (2)	Unit (3)	Code(s) (4)	Actuarial Value of Assets (AVA) (5)	Actuarial Accrued Liability (AAL) (6)	Unfunded Actuarial Accrued Liability (UAAL) (5) - (4) (7)	Funded Ratio (4)/(5) (8)	Annual Covered Payroll (9)	UAAL as % of Payroll (6)/(8) (10)
Police & Fire Units									
4098	1095	Coventry Fire	D	1,370,206	1,854,093	483,887	73.9%	533,371	90.7%
4099	1505	South Kingstown EMT	C,D	883,927	752,345	(131,582)	117.5%	643,577	(20.4%)
4100	1525	Tiogue Fire		207,143	376,641	169,498	55.0%	185,688	91.3%
4101	1365	North Cumberland	D	1,601,704	1,826,712	225,008	87.7%	557,833	40.3%
4102	1045	Central Coventry Fire	C,D	1,312,550	1,495,994	183,444	87.7%	491,044	37.4%
4103	1255	Hopkins Hill Fire	D	234,571	277,510	42,939	84.5%	150,497	28.5%
4104	1114	Cranston Police	C,D,4	4,343,311	5,155,337	812,026	84.2%	2,942,792	27.6%
4105	1115	Cranston Fire	C,D,4	7,870,598	10,697,631	2,827,033	73.6%	5,061,806	55.9%
4106	1125	Cumberland Fire	B,D	1,605,240	2,020,607	415,367	79.4%	405,777	102.4%
4107	1305	Lincoln Rescue		1,113,995	1,140,478	26,483	97.7%	650,646	4.1%
4108	1344	New Shoreham Police	B,D	428,968	700,736	271,768	61.2%	208,367	130.4%
1324	1324	Middletown Police & Fire	C,D,2	0	23,149	23,149	0.0%	113,413	20.4%
Police & Fire Units Subtotal				\$ 196,571,873	\$ 198,339,760	\$1,767,887	99.1%	\$ 49,067,894	3.6%
All MERS Units Total				907,193,399	814,857,497	(92,335,902)	111.3%	247,613,063	(37.3%)

B - Municipality has adopted COLA Plan B

C - Municipality has adopted COLA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 2002 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.

5 - This unit has no active members.



Asset Values					
Old Unit Number	New Unit Number	Unit	Code	Market Value of Assets of Assets	Actuarial Value of Assets
(1)	(2)	(3)	(4)	(5)	(6)
General Employee Units					
3001	1002	Barrington		\$ 7,100,902	\$ 9,127,609
3002	1012	Bristol	B	10,481,576	13,473,179
3003	1032	Burrillville	C	14,392,269	18,500,044
3004	1052	Central Falls		2,368,747	3,044,823
3005	1082	Charlestown	C	2,081,485	2,675,573
3007	1112	Cranston	B	89,666,806	115,259,090
3008	1122	Cumberland		11,591,907	14,900,415
3009	1152	East Greenwich		14,812,475	19,040,182
3010	1162	East Providence	B	44,612,829	57,346,016
3011	1183	Exeter/West Greenwich	B	3,361,469	4,320,884
3012	1192	Foster		1,542,512	1,982,769
3013	1212	Glocester	C	2,766,278	3,555,816
3014	1262	Hopkinton	C	2,005,098	2,577,384
3015	1272	Jamestown	C	4,438,570	5,705,406
3016	1282	Johnston	C	21,539,162	27,686,770
3017	1302	Lincoln		584,267	751,026
3019	1322	Middletown	C	4,626,819	5,947,384
3021	1352	Newport	B	31,915,148	41,024,221
3022	1342	New Shoreham	B	2,062,435	2,651,085
3023	1372	North Kingstown	C	22,176,816	28,506,420
3024	1382	North Providence		18,660,924	23,987,038
3025	1392	North Smithfield	B	9,213,911	11,843,703
3026	1412	Pawtucket	C	64,968,024	83,510,896
3027	1515	Union Fire District		107,330	137,963
3029	1452	Richmond		817,911	1,051,356
3030	1462	Scituate	B	6,392,193	8,216,623
3031	1472	Smithfield		8,550,061	10,990,379
3032	1492	South Kingstown	B	24,095,955	30,973,310
3033	1532	Tiverton		7,616,808	9,790,762
3034	1562	Warren	C	3,571,672	4,591,082
3036	1622	Westerly		480,335	617,429
3037	1602	West Greenwich		1,008,657	1,296,543
3039	1632	Woonsocket	B	44,656,211	57,401,779
3040	1073	Charlho School District		5,887,241	7,567,550
3041	1203	Foster/Glocester	B	2,521,712	3,241,447
3042	1528	Tiogue Fire & Lighting	C,5	25,453	32,718
3043	1336	Narragansett Housing	C	101,957	131,057
3045	1098	Coventry Lighting District	C	836,648	1,075,440
3046	1242	Hope Valley Fire	C	153,497	197,307
3050	1156	East Greenwich Housing	C	150,089	192,926
3051	1116	Cranston Housing	C	2,089,112	2,685,377
3052	1166	East Providence Housing	B	1,652,773	2,124,500
3053	1416	Pawtucket Housing	B	7,224,365	9,286,310
3056	1126	Cumberland Housing	C	722,675	928,938
3057	1306	Lincoln Housing	B	998,151	1,283,038
3059	1016	Bristol Housing		1,207,750	1,552,461
3065	1036	Burrillville Housing		557,376	716,459



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

Asset Values					
Old Unit Number	New Unit Number	Unit	Code	Market Value of Assets of Assets	Actuarial Value of Assets
(1)	(2)	(3)	(4)	(5)	(6)
General Employee Units					
3066	1386	North Providence Housing	B	683,043	877,994
3067	1177	East Smithfield Water	C	509,454	654,860
3068	1227	Greenville Water		625,611	804,170
3069	1356	Newport Housing	C	4,411,488	5,670,594
3071	1566	Warren Housing	B	846,394	1,087,967
3072	1286	Johnston Housing		670,794	862,249
3077	1538	Tiverton Local 2670A	C	1,948,863	2,505,098
3078	1009	Barrington COIA	C	11,286,859	14,508,302
3079	1096	Coventry Housing		608,475	782,143
3080	1496	South Kingstown Housing	C	54,661	70,262
3081	1403	N. RI Collaborative Adm. Services	C	361,034	464,079
3083	1616	West Warwick Housing	B	645,765	830,076
3084	1476	Smithfield Housing		141,386	181,739
3094	1478	Smithfield COIA	C	6,095,177	7,834,834
3096	1056	Central Falls Housing		982,000	1,262,277
3098	1293	Lime Rock Administrative Services		72,996	93,830
3099	1063	Central Falls Schools	C	4,979,346	6,400,528
3100	1023	Bristol/Warren Schools	B	9,514,461	12,230,034
General Employee Units Subtotal				\$ 552,834,163	\$ 710,621,526
Police & Fire Units					
4016	1285	Johnston Fire	D	\$ 95,686	\$ 122,997
4029	1454	Richmond Fire District		196,600	252,713
4031	1474	Smithfield Police	C,D	84,399	108,488
4042	1555	Valley Falls Fire	D	1,427,829	1,835,353
4047	1395	North Smithfield Voluntary Fire	B,D	2,408,740	3,096,232
4050	1155	East Greenwich Fire	C,D	5,404,882	6,947,518
4054	1154	East Greenwich Police	C,D	7,503,162	9,644,679
4055	1375	North Kingstown Fire	C,D	15,460,521	19,873,191
4056	1374	North Kingstown Police	C,D	9,778,012	12,568,807
4057	1235	Harris Fire Department	C	82,855	106,503
4058	1385	North Providence Fire	D	15,958,770	20,513,649
4059	1008	Barrington Fire (25)	C	211,648	272,056
4060	1004	Barrington Police	C,D	4,609,932	5,925,677
4061	1005	Barrington Fire (20)	C,D	6,932,436	8,911,060
4062	1564	Warren Police & Fire	C,D	4,854,454	6,239,989
4063	1494	South Kingstown Police	B,1	13,347,799	17,157,466
4073	1464	Scituate Police	3	128,044	164,590
4076	1394	North Smithfield Police	C,D	4,467,468	5,742,552
4077	1534	Tiverton Fire	D	5,236,723	6,731,364
4082	1194	Foster Police	C,D	1,199,631	1,542,025
4085	1634	Woonsocket Police	C,D	12,855,911	16,525,185
4086	1084	Charlestown Police	C,D	2,366,205	3,041,556
4087	1264	Hopkinton Police	C,D	1,718,189	2,208,586
4088	1214	Glocester Police	C,D	1,942,638	2,497,096
4089	1604	West Greenwich Police/Rescue	C,D	983,919	1,264,745
4090	1034	Burrillville Police	C,D	3,460,137	4,447,714



Asset Values

Old Unit Number	New Unit Number	Unit	Code	Market Value of Assets of Assets	Actuarial Value of Assets
(1)	(2)	(3)	(4)	(5)	(6)
General Employee Units					
4091	1148	Cumberland Rescue	C,D	1,505,022	1,934,578
4092	1585	Washington Fire	D	802,033	1,030,946
4093	1635	Woonsocket Fire	C,D	9,231,930	11,866,865
4094	1015	Bristol Fire	C	131,116	168,539
4095	1135	Cumberland Hill Fire	C,D	1,821,783	2,341,748
4096	1014	Bristol Police	C,D	400,801	515,195
4098	1095	Coventry Fire	D	1,065,964	1,370,206
4099	1505	South Kingstown EMT	C,D	687,659	883,927
4100	1525	Tiogue Fire		161,149	207,143
4101	1365	North Cumberland	D	1,246,060	1,601,704
4102	1045	Central Coventry Fire	C,D	1,021,109	1,312,550
4103	1255	Hopkins Hill Fire	D	182,486	234,571
4104	1114	Cranston Police	C,D,4	3,378,916	4,343,311
4105	1115	Cranston Fire	C,D,4	6,122,999	7,870,598
4106	1125	Cumberland Fire	B,D	1,248,810	1,605,240
4107	1305	Lincoln Rescue		866,642	1,113,995
4108	1344	New Shoreham Police	B,D	333,720	428,968
1324	1324	Middletown Police & Fire	C,D,2	0	0
Police & Fire Units Subtotal				\$ 152,924,789	\$ 196,571,873
All MERS Units Total				\$ 705,758,952	\$ 907,193,399

B - Municipality has adopted COIA Plan B

C - Municipality has adopted COIA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S. Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 2002 valuation.

3 - Closed unit.



SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial accrued liability.

The employer normal cost rate is the total normal cost rate, less the member contribution rate. The total normal cost rate is the level percentage-of-pay contribution which would theoretically pay for all benefits if it had been made each year from the inception of the plan and if there had never been any changes of benefits, any changes of assumptions or methods, or any experience gains or losses. The normal costs are determined on an individual basis.

The actuarial accrued liability is the difference between the actuarial present value of all future benefits and the actuarial present value of future normal costs. It is the amount to which the normal costs would have accumulated under the assumptions described in the preceding paragraph. The unfunded actuarial accrued liability (UAAL) is the difference between the actuarial accrued liability and the actuarial value of assets.

The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over a closed 30-year period from June 30, 1999.

The contribution rate determined by this valuation will not be effective until two years later. The calculated contribution rate is adjusted for the deferral period. Employer contributions are assumed to be made at the middle of the year.

Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.



Actuarial Assumptions

Economic Assumptions

Investment return: 8.25% per year, compounded annually, composed of an assumed 3.00% inflation rate and a 5.25% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

Salary increase rate: A service-related component, plus a 3.00% inflation component, plus a general increase, as follows:

General Employees		
Years of Service	Service-related Component	Total Annual Rate of Increase Including 3.00% Inflation Component and 1.25% General Increase Rate
(1)	(2)	(3)
0	6.00%	10.25%
1	5.00	9.25
2	2.75	7.00
3	2.50	6.75
4	2.25	6.50
5	2.00	6.25
6	0.75	5.00
7	0.50	4.75
8	0.25	4.50
9 or more	0.00	4.25

Police & Fire		
Years of Service	Service-related Component	Total Annual Rate of Increase Including 3.00% Inflation Component and 1.50% General Increase Rate
(1)	(2)	(3)
0	11.00%	15.50%
1	4.50	9.00
2	2.00	6.50
3	1.50	6.00
4	1.25	5.75
5 or more	0.50	5.00

Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, annualized if necessary, and then increased by the salary increase assumption.

Payroll growth rate: In the amortization of the portion of the unfunded accrued liability due to changes, gains and losses since inception, payroll is assumed to increase 3.00% per year. This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.



Demographic Assumptions

Mortality rates (for active and retired members):

- **Healthy males** – Based on the 1994 Group Annuity Mortality Table for males.
- **Healthy females** - Based on the 1994 Group Annuity Mortality Table for females.
- **Disabled males** - PBGC Table Va for disabled males eligible for Social Security disability benefits
- **Disabled females** - PBGC Table VIa for disabled females eligible for Social Security disability benefits.

Sample rates are shown below:

Expected Deaths per 100 Lives				
Age	Healthy Males	Healthy Females	Disabled Males	Disabled Females
(1)	(2)	(3)	(6)	(7)
25	0.07	0.03	4.83	2.63
30	0.08	0.04	3.62	2.37
35	0.09	0.05	2.78	2.14
40	0.11	0.07	2.82	2.09
45	0.16	0.10	3.22	2.24
50	0.26	0.14	3.83	2.57
55	0.44	0.23	4.82	2.95
60	0.80	0.44	6.03	3.31
65	1.45	0.86	6.78	3.70
70	2.37	1.37	7.39	4.11
75	3.72	2.27	8.42	4.92
80	6.20	3.94	11.28	7.46

Disability rates: Disability is assumed to occur in accordance with the following table with 35% of disabilities for general employees and 50% for police and fire considered occupational.

Expected Disabilities Occurring per 100 Lives		
Age	General	Police & Fire
(1)	(2)	(3)
25	0.05	0.17
30	0.06	0.22
35	0.08	0.29
40	0.11	0.44
45	0.18	0.72
50	0.31	1.21
55	0.51	0.00
60	0.71	0.00
65	0.00	0.00



Termination rates (for causes other than death, disability or retirement): Termination rates are a function of the member's sex, age and service. Termination rates are not applied after a member becomes eligible for a retirement benefit. For police and firemen, no withdrawal rates are assumed. Rates at selected ages are shown:

Active Male Members - General Employees						
Years of Service						
Age	0	1	2	3	4	5+
20	0.1989	0.1979	0.1831	0.1580	0.1312	0.1148
25	0.1780	0.1634	0.1413	0.1179	0.0980	0.0883
30	0.1499	0.1297	0.1092	0.0908	0.0765	0.0700
35	0.1281	0.1056	0.0868	0.0725	0.0626	0.0575
40	0.1105	0.0894	0.0740	0.0636	0.0569	0.0517
45	0.0973	0.0811	0.0706	0.0642	0.0599	0.0539
50	0.0884	0.0805	0.0766	0.0744	0.0719	0.0653
55	0.0840	0.0877	0.0919	0.0944	0.0932	0.0874
60	0.0838	0.1024	0.1165	0.1241	0.1235	0.1202
65	0.0878	0.1243	0.1506	0.1655	0.1676	0.1713
70	0.0976	0.1573	0.1940	0.2055	0.1969	0.0000

Active Female Members - General Employees						
Years of Service						
Age	0	1	2	3	4	5+
20	0.2068	0.1830	0.1651	0.1570	0.1520	0.1433
25	0.1966	0.1639	0.1369	0.1179	0.1044	0.0963
30	0.1871	0.1462	0.1140	0.0896	0.0723	0.0647
35	0.1820	0.1342	0.0967	0.0682	0.0499	0.0436
40	0.1803	0.1266	0.0848	0.0546	0.0379	0.0345
45	0.1811	0.1231	0.0785	0.0490	0.0367	0.0400
50	0.1833	0.1228	0.0777	0.0519	0.0470	0.0637
55	0.1858	0.1252	0.0824	0.0637	0.0689	0.1088
60	0.1880	0.1298	0.0928	0.0844	0.1020	0.1753
65	0.1896	0.1365	0.1088	0.1158	0.1520	0.2783
70	0.1905	0.1464	0.1304	0.1474	0.1856	0.0000



Retirement rates: For general employees, separate male and female rates, based on age, as shown below. Police and Firemen are assumed to retire at the later of age 60 and completion of 10 years of service, or at the later of the age 55 and completion of 25 years of service, if earlier. For police and fire departments electing the optional plan paying unreduced benefits after 20 years of service, employees are assumed to retire at the later of age 55 and completion of 10 years of service, or at the later of age 50 and completion of 20 years of service, if earlier.

Expected Retirements per 100 Lives General Employees

Age	Males	Females
45	8	5
46	8	5
47	8	5
48	8	5
49	8	5
50	8	5
51	8	5
52	8	5
53	8	5
54	8	5
55	8	5
56	9	5
57	10	10
58	25	20
59	10	10
60	10	15
61	15	18
62	35	20
63	30	18
64	30	20
65	55	30
66	30	25
67	30	25
68	30	25
69	30	25
70	100	100



Other Assumptions

Percent married: 100% of employees are assumed to be married.

Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.

Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an annuity.

Percent electing deferred termination benefit: Vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.

Assumed age for commencement of deferred benefits: Members electing to receive a deferred benefit are assumed to commence receipt at the first age at which unreduced benefits are available.

Administrative expenses: The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

Inactive members: Liabilities for inactive members were approximated as a multiple of their member contribution account balances. For non-vested members, the multiple was one, and for vested inactive members, the multiple was between three and eight, depending on age and service.

Participant Data

Participant data was supplied on electronic files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

The data for active members included birthdate, sex, service, salary and employee contribution account balance. For retired members and beneficiaries, the data included date of birth, sex, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and a form of payment code.

Salary supplied for the current year was based on the earnings for the year preceding the valuation date. This salary was adjusted by the salary increase rate for one year.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.



SUMMARY OF BENEFIT PROVISIONS

Authority: The Municipal Employees' Retirement System (MERS) covers employees of certain participating Rhode Island municipalities and other local governmental units, such as housing authorities, water districts, etc. Benefits are described in Rhode Island General Laws, Title 45, Chapters 19, 19.1, 21, 21.1, 21.2, and 21.3.

Plan Year: A twelve-month period ending June 30th.

Administration: MERS is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy.

Type of Plan: MERS is a qualified governmental defined benefit retirement plan. Separate contribution rates are determined for each participating governmental unit. For Governmental Accounting Standards Board purposes, it is an agent multiple-employer plan.

Eligibility: General employees, police officers and firefighters employed by electing municipalities participate in MERS. Teachers and administrators are covered by the separate Employees' Retirement System of Rhode Island, but other school employees may be covered by MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be classified as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be classified as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a separate unit from the general employees, with separate contribution rates applicable.

Employee Contributions: General employees contribute 6.00% of their salary per year, and police officers and firefighters contribute 7.00%. In addition, if the municipality has elected one of the optional cost of living provisions, an additional member contribution of 1.00% of salary is required. If a municipality elects the optional 20-year retirement provision for its police officers and/or its firefighters, an additional contribution of 1.00% of salary will be required from these members. The municipality, at its election, may choose to "pick up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Employer Contributions: Each participating unit's contribution rate is determined actuarially. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Average Compensation (FAC): The average of the member's highest three consecutive annual salaries. Monthly benefits are based on one-twelfth of this amount.



Retirement

Eligibility: General employees are eligible for retirement on or after age 58 if they have credit for 10 or more years of service, or at any age if they have credit for at least 30 years of service. Members designated as police officers or firefighters may retire at or after age 55 with credit for at least 10 years of service, or at any age with credit for 25 or more years of service. Members may retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elects to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member may retire at any age with 20 or more years of service.

Monthly Benefit: 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). If the optional 20-year retirement provisions are adopted by the municipality, the benefit is 2.50% of the member's monthly FAC for each year of service, up to 30 years (75% of FAC maximum). If a police officer or firefighter not covered by the 20-year retirement provision retires before age 55 with at least 20, but less than 25, years of service, benefits are reduced 0.5% per month that the member's age at retirement is less than 55.

Payment Form: Benefits are paid as a monthly life annuity. Optional forms of payment are available; see below.

Death benefit: After retirement, death benefits are based on the form of annuity elected. If no option is elected, i.e., if payments are made as a life annuity, there is a minimum death benefit equal to the sum of the member's contributions without interest, less the sum of the monthly benefit payments made before the member's death. In addition, a lump-sum death benefit is payable upon the death of any retired member, regardless of option elected. This lump sum is equal to a percentage of the lump-sum death benefit that was available to the member at the time of retirement. The percentage is 100% in the first year of retirement, 75% in the second year, 50% in the third year, and 25% in the fourth and subsequent years of retirement. However, in no event will the lump sum death benefit be less than \$4,000.

Disability Retirement

Eligibility: A member is eligible provided he/she has credit for at least five years of service or if the disability is work-related.

Ordinary Disability Benefit: The benefit payable under the retirement formula, using FAC and service at the time of disability, but not less than 10 years of service.

Occupational Disability Benefit: An annual annuity equal to two-thirds of salary at the time of disability.

Payment Form: The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump-sum to the member's beneficiary. All alternative forms of payment except for the Social Security Option are permitted in the case of disability retirement.

Deferred Termination Benefit

Eligibility: A member with at least ten years of service is vested. A vested member who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.

Monthly Benefit: The monthly benefit is based on the retirement formula described above. Both FAC and service are determined at the time the member leaves active employment. Benefits may commence at age 58 or at such earlier age that the member has met the requirements for a retirement benefit.

Payment Form: The same as for Retirement above.

Death Benefit before Retirement: A member who dies after leaving active service but before retiring is entitled to receive a benefit as described on the next page in *Death Benefit of Active or Inactive Members*.

Death Benefit after Retirement: The same as for Retirement above.



Withdrawal (Refund) Benefit

Eligibility: All members leaving covered employment with less than ten years of service are eligible. Optionally, vested members (those with ten or more years of service) may withdraw their accumulated contributions in lieu of the deferred benefits otherwise due.

Benefit: The member who withdraws receives a lump-sum payment of equal to the sum of his/her employee contributions. No interest is credited on these contributions.

Death Benefit of Active or Inactive Members

Eligibility: Death must have occurred while an active member or while an inactive, non-retired member. The basic benefit plus the lump-sum benefit are paid on behalf of an active, general employee, and the special police/fire benefit and the lump-sum benefit are paid on behalf of an active police officer or firefighter. If the death was due to accidental, duty-related causes, the accidental death benefit is paid regardless of whether the employee is a general employee, a police officer, or a firefighter. Inactive members receive a refund of their accumulated contributions without interest.

Basic Benefit: Upon the death of a non-vested member, or upon the death of a vested, inactive member; or upon the death of an active, unmarried member, a refund of the member's contributions (without interest) is paid. Upon the death of a vested, married, active member, the spouse may elect (i) the refund benefit described above, or (ii) a life annuity paid to the spouse or beneficiary. The amount of the annuity is equal to the amount which would have been paid had the member retired at the time of his death and elected the Joint and 100% Survivor option. If the member was not eligible for retirement, the annuity benefit is reduced 6% per year from the date at which the member would have been eligible had he or she remained in service.

Lump-sum Benefit: \$800 per year of service, with a maximum benefit of \$16,000 and a minimum of \$4,000.

Special Police/Fire Death Benefit: In lieu of the basic benefit above, if a police officer or firefighter dies while an active member, an annuity of 30% of the member's salary will be paid to the member's spouse, for life or until remarriage. Children's benefits may also be payable.

Accidental Duty-related Death Benefit: If a member dies as the result of an accident while in the course of his or her duties, in lieu of the above benefits the member's spouse may elect to receive (i) a refund of all contributions made (including interest), and (ii) an annual life annuity equal to 50% of the member's salary at the time of death. The annuity benefit stops when the spouse remarries or dies, although it may be continued to any children under age 18 or to any dependent parents.

Optional Forms of Payment: In addition to a life annuity, MERS offers members these optional forms of payment on an actuarially equivalent basis:

Option 1 (Joint and 100% Survivor) - A life annuity payable while either the participant or his beneficiary is alive.

Option 2 (Joint and 50% Survivor) - A life annuity payable to the member while both the member and beneficiary are alive, reducing to 50% of this amount if the member predeceases the beneficiary.

Social Security Option – An annuity paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Actuarial equivalence is based on tables adopted by the Employees' Retirement Board.

Post-retirement Benefit Increase: Members employed by municipalities who elect one of the optional COIA provisions receive an increase equal to 3% of the original retirement benefit each year, beginning January 1 following the member's retirement. This increase is not tied in any way to actual increases in the cost of living and increases are not compounded. When a municipality elects coverage, it may elect either COIA C (covering only current and future active members and excluding members already retired) or COIA B (covering current retired members as well as current and future active members).

**STATE POLICE
RETIREMENT BENEFITS TRUST**

ACTUARIAL INFORMATION

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GABRIEL, ROEDER, SMITH & COMPANY

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August 29, 2003

Board of Trustees
State Police Retirement Benefits Trust
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation of SPRBT as of June 30, 2002

This is the June 30, 2002 actuarial valuation of the State Police Retirement Benefits Trust (SPRBT). This report describes the current actuarial condition of the SPRBT, determines the recommended employer contribution rate, and analyzes changes in the contribution rate. Valuations are prepared annually, as of June 30, the last day of the SPRBT plan year. Benefits for state police officers hired before July 1, 1987 are funded by the state from general assets, on a pay-as-you-go basis, and are not included in this valuation.

Under Rhode Island General Laws, the employer contribution rate for state police is certified annually by the Employees' Retirement Board. This rate is determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methods adopted by the Board or set by statute. The Board's current policy is that the contribution rate determined by a given actuarial valuation becomes effective two years after the valuation date. For example, the rate determined by the June 30, 2002 actuarial valuation will be applicable for the year beginning July 1, 2004 and ending June 30, 2005.

Financing objectives and funding policy

The actuarial cost method and the amortization periods are set by statute. Contribution rates and liabilities are computed using the Entry Age actuarial cost method. The employer contribution rate is the sum of two pieces: the employer normal cost rate and the amortization rate. The normal cost rate is determined as a percent of pay. The employer normal cost is the difference between this and the member contribution rate. The amortization rate is determined as a level percent of pay. It is the amount required to amortize the unfunded actuarial accrued liability over a closed period (30 years as of June 30, 1999). The amortization rate is adjusted for the two-year deferral in contribution rates.

Progress toward realization of financing objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The funded ratio, as can be seen on Table 3, decreased from 86.4% to 75.5%. The employer contribution rate increased from 26.77% to 28.87%. This increase was due to higher than expected salary increases, and the lower than

expected investment return. The analysis of the changes in employer costs is set forth in Table 10.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2002. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.

Assumptions and methods

All assumptions and methods are described in Appendix A, and all are unchanged from the last valuation.

Data

The System's staff supplied member data for active and inactive members as of June 30, 2002. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2002.

Certification

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries. Both are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and they are experienced in performing valuations for large public retirement systems.

Sincerely,
Gabriel, Roeder, Smith & Company



J. Christian Conradi, ASA, MAAA
Senior Consultant



W. Michael Carter, FSA, MAAA
Senior Consultant

nlb

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Actuarial Valuation - June 30, 2002

State Police Retirement Benefits Trust - Executive Summary

Item	2002	2001
Membership		
• Number of		
- Active members	150	151
- Retirees and beneficiaries	1	-
- Vested terminations	_____	_____
- Total	151	151
• Payroll for benefits	\$ 10,933,360	\$ 9,139,418
Contribution rates		
• Member	8.75%	8.75%
• State	28.87%	26.77%
Assets		
• Market value	\$ 14,495,142	\$ 12,544,779
• Actuarial value	17,770,149	14,386,064
• Return on market value	-8.4%	-11.0%
• Return on actuarial value	0.9%	4.9%
• Employer contribution	\$ 2,405,041	\$ 1,819,930
• Ratio of actuarial value to market value	122.6%	114.7%
Actuarial Information		
• Employer normal cost %	23.98%	24.43%
• Unfunded actuarial accrued liability (UAAL)	\$ 5,756,976	\$ 2,263,756
• Amortization rate	4.89%	2.34%
• Funding period	27 years	28 years
• GASB funded ratio	75.5%	86.4%
Projected employer contribution		
• Fiscal year ending June 30,	2005	2004
• Projected payroll for contributions	\$ 9,108,476	\$ 7,615,421
• Projected employer contribution	2,629,617	2,038,648



SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability.

1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 8.25 percent), of each participant's expected benefit payable at retirement or death is determined, based on his age, service, sex and compensation. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.
2. The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of his anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on his behalf.
4. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the results over 30 years from June 30, 1999.

The contribution rate determined by this valuation will not be effective until two years later, and the determination of the rate reflects this deferral. It is assumed that there will be no change in the employer normal cost rate due to the deferral, and it is assumed that payments are, on average, made at mid-year.

Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.



Actuarial Assumptions

Economic Assumptions

Investment return: 8.25% per year, compounded annually, composed of an assumed 3.00% inflation rate and a 5.25% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

Salary increase rate: Salaries are assumed to increase at the rates shown below. These rates include an inflationary increase of 3.00%, a general increase of 2.00%, and a service-related increase as shown below.

Years of Service	Service-related Component	Total Annual Rate of Increase Including 3.00% Inflation Component and 2.00% General Increase Rate
(1)	(2)	(3)
0	10.00%	15.00%
1	3.50	8.50
2	2.00	7.00
3	1.00	6.00
4 or more	0.00	5.00

Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption.

Payroll growth rate: In the amortization of the unfunded frozen liability, payroll is assumed to increase 3.00% per year. This assumption includes no allowance for future membership growth.

Demographic Assumptions

Mortality rates

- **Healthy males** – Based on the 1994 Group Annuity Mortality Table for males. Rates are set forward one year.
- **Healthy females** - Based on the 1994 Group Annuity Mortality Table for females.
- **Disabled males** - PBGC Table Va for disabled males eligible for Social Security disability benefits
- **Disabled females** - PBGC Table VIa for disabled females eligible for Social Security disability benefits.

15% of active member deaths are occupational



Disability rates – Rates are applied, with 50% of disabilities considered occupational, and assumes no recoveries once disabled:

Age	Rate
(1)	(2)
20	0.12%
25	0.17
30	0.22
35	0.29
40	0.44
45	0.72
50	1.21

Termination rates - None

Retirement rates – State police are assumed to retire after completion of 25 years of service, or if earlier, after reaching age 50 and completing 21 years of service.

Other Assumptions

Percent married: 85% of employees are assumed to be married.

Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses. No surviving spouse will remarry and there will be no children’s benefit.

Administrative expenses: The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

Participant Data

Participant data was supplied in electronic files for active and retired members. The data for an active member included birthdate, sex, service, salary and employee contribution account balance. For retired members and beneficiaries, the data included date of birth, sex, spouse’s date of birth (where applicable), amount of monthly benefit, date of retirement, and a form of payment code.



SUMMARY OF BENEFIT PROVISIONS

Effective Date and Authority: The State Police Retirement Benefits Plan (SPRBP) became effective on July 1, 1989 for state police officers originally hired on or after July 1, 1987. Benefits are described in Rhode Island General Laws, Title 42, Chapter 28.

Plan Year: A twelve-month period ending June 30th.

Administration: The State Police Retirement Benefits Plan is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy. Assets are commingled for investment purposes with those of the Employees' Retirement System of Rhode Island and various other plans and programs.

Type of Plan: The State Police Retirement Benefits Plan is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is a single-employer plan.

Eligibility: All state police officers, and the Superintendent of State Police, hired on or after July 1, 1987, participate in this plan. Benefits for state police officers hired before July 1, 1987 are being paid by the state from the general assets of the state, on a pay-as-you-go basis. Eligible employees become members at their date of employment.

Salary for Contribution Purposes: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Employee Contributions: State police officers contribute 8.75% of their salary per year. The state "picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

Employer Contributions: The state contributes an actuarially determined percentage of the member's annual salary. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Salary (Salary for Benefit Purposes): Benefits are determined using a different, more expansive, definition of salary than is used for determining member and employer contributions. Final Salary includes base pay, longevity increases, 400 hours of overtime pay, holiday pay and the member's clothing allowance. For members who work more than 25 years, the Final Salary shall not be more than the Final Salary in the 25th year. In determining monthly benefits, Final Salary is expressed as a monthly amount.

Retirement

Eligibility: All members are eligible for retirement at any age after completion of 20 years of service. (The Superintendent of State Police may retire on or after age 60 if he has credit for 10 years of service.)

Monthly Benefit: 50% of Final Salary, plus 3% of Final Salary for each year of service in excess of 20. (The Superintendent of State Police receives a benefit of 50% of Final Salary.) The maximum benefit is 65% of FAC.

Payment Form: Benefits are paid as a monthly life annuity. There are no optional forms of payment available.



Death benefit: After the death of a retired member, if the member was married, a benefit will be paid to the spouse equal to 2.00% of the member's Final Salary for each year of service. There is a minimum benefit of 25% of Final Salary. Benefits are increased one-third for each dependent child. The maximum benefit is 50% of Final Salary. Benefits may not begin before the spouse is age 40, and benefits stop upon the spouse's death or remarriage.

Disability Retirement

Eligibility: A member is eligible provided he/she has credit for at least ten years of service or if the disability is work-related.

Ordinary Disability Benefit: 2.00% of Final Salary for each year of service, but not less than 25% of Final Salary.

Occupational Disability Benefit: 75% of Final Salary.

Payment Form: The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity. The same provisions that apply upon the death of a retired member apply upon the death of a disabled member.

Refunds

Eligibility: All members leaving covered employment prior to eligibility for other benefits.

Benefit: A lump-sum payment equal to the sum of his/her employee contributions. No interest is credited on these contributions.

Death Benefit of Active Members

Eligibility: Death must have occurred from a service-related cause, or the member must have 10 or more years of service.

Ordinary Benefit: After the death of an active member, if the member was married, a benefit will be paid to the spouse equal to 2.00% of the member's Final Salary for each year of service. There is a minimum benefit of 25% of Final Salary. Benefits are increased one-third for each dependent child. The maximum benefit is 50% of Final Salary. Benefits may not begin before the spouse is age 40 without a dependent child, and benefits stop upon the spouse's death or remarriage.

Duty-related Death Benefit: 75% of Final Salary, paid to the spouse or other dependent relative. Benefits cease when the spouse or other relatives die or are no longer dependent.

Post-retirement Benefit Increase: Members receive an increase of \$1,500 per year (\$125.00 per month) beginning on the January 1 next following the third anniversary date of the retirement, and in every year thereafter. The increase applies to service retirement, disability retirement and death benefits. This increase is not tied in any way to actual increases in the cost of living.



PLAN NET ASSETS
(Assets at Market or Fair Value)

Item	June 30, 2002	June 30, 2001
(1)	(2)	(3)
1. Cash and cash equivalents	\$ 217,403	\$ 180,635
2. Receivables:		
a. Employer and member contributions	\$ 601,843	\$ -
b. Transfers receivable	11,257	-
c. Miscellaneous	<u>2,427</u>	<u>5,511</u>
d. Total receivables	\$ 615,527	\$ 5,511
3. Investments		
a. Pooled trust	\$ 13,649,793	\$ 12,354,404
b. Plan specific investments	-	-
c. Total	\$ 13,649,793	\$ 12,354,404
4. Invested securities lending collateral	\$ 1,333,843	\$ 889,111
5. Property and equipment (net of depreciation)	\$ 23,536	\$ 15,934
6. Total assets	\$ 15,840,102	\$ 13,445,595
7. Liabilities		
a. Benefits payable	\$ -	\$ -
b. Securities lending liability	1,333,843	889,111
c. Accounts and vouches payable	<u>11,117</u>	<u>11,705</u>
d. Total liabilities	\$ 1,344,960	\$ 900,816
8. Total market value of assets available for benefits		
Total (Item 6 - Item 7)	\$ 14,495,142	\$ 12,544,779



RECONCILIATION OF PLAN NET ASSETS

	<u>June 30, 2002</u>	<u>June 30, 2001</u>
1. Market value of assets as of beginning of year	\$ 12,544,779	\$ 11,526,493
2. Contributions		
a. Members	\$ 777,566	\$ 615,081
b. State	2,405,041	1,819,930
c. Service purchases	-	-
d. Total	<u>3,182,607</u>	<u>\$ 2,435,011</u>
3. Investment earnings, net of investment expenses	\$ (1,166,8640)	\$ (1,414,680)
4. Expenditures for the year		
a. Benefit payments	\$ (48,303)	\$ -
b. Cost-of living adjustments	-	-
c. Death benefits	-	-
d. Social security supplements	-	-
e. Supplemental pensions	-	-
f. Refunds	(9,480)	-
g. Administrative expense	(7,579)	-
h. Total expenditures	<u>\$ (65,380)</u>	<u>\$ (2,045)</u>
5. Transfers and other adjustments	\$ -	\$ -
6. Market value of assets at end of year	\$ 14,495,142	\$ 12,544,779

ANALYSIS OF CHANGE IN EMPLOYER COST

<u>Basis</u>	<u>Employer Cost</u>
1. Employer fiscal 2004 cost	26.77%
2. Impact of changes, gains and losses	
a. Liability experience (gain)/loss	1.14%
b. Asset experience (gain)/loss	0.42%
c. Effect of continuing recognition of prior years' investment gains and losses (FY 1999 through FY 2001)	0.54%
d. Changes in provisions	<u>N/A</u>
e. Total	2.10%
3. Employer fiscal 2005 cost	28.87%

**JUDICIAL RETIREMENT
BENEFITS TRUST**

ACTUARIAL INFORMATION

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August 29, 2003

Board of Trustees
Judicial Retirement Benefits Trust
40 Fountain Street, First Floor
Providence, RI 02903-1854

Dear Members of the Board:

Subject: Actuarial Valuation of the JRBT as of June 30, 2002

This is the June 30, 2002 actuarial valuation of the Judicial Retirement Benefits Trust (JRBT). This report describes the current actuarial condition of the JRBT, determines the recommended employer contribution rate, and analyzes changes in the contribution rate. Valuations are prepared annually, as of June 30, the last day of the JRBT plan year. Benefits for state judges hired before January 1, 1990 are funded by the state from general assets, on a pay-as-you-go basis, and are not included in this valuation.

Under Rhode Island General Laws, the employer contribution rate for Judges is certified annually by the Employees' Retirement Board. This rate is determined actuarially, based on the plan provisions in effect as of the valuation date and the actuarial assumptions and methods adopted by the Board or set by statute. The Board's current policy is that the contribution rate determined by a given actuarial valuation becomes effective two years after the valuation date. For example, the rate determined by the June 30, 2002 actuarial valuation will be applicable for the year beginning July 1, 2004 and ending June 30, 2005.

Financing objectives and funding policy

The actuarial cost method and the amortization periods are set by statute. Contribution rates and liabilities are computed using the Entry Age actuarial cost method. The employer contribution rate is the sum of two pieces: the employer normal cost rate and the amortization rate. The normal cost rate is determined as a percent of pay. The employer normal cost is the difference between this and the member contribution rate. The amortization rate is determined as a level percent of pay. It is the amount required to amortize the unfunded actuarial accrued liability over a closed period (30 years as of June 30, 1999). The amortization rate is adjusted for the two-year deferral in contribution rates.

Progress toward realization of financing objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The funded ratio, as can be seen on Table 3, decreased from 76.4% to 68.5%. The employer contribution rate increased from 33.90% to 36.19%. This increase was primarily due to the lower than expected investment return. The analysis of the changes in employer costs is set forth on Table 10.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on June 30, 2002. There were no material changes adopted since the previous actuarial valuation. The benefit provisions are summarized in Appendix B.

Assumptions and methods

All assumptions and methods are described in Appendix A and are unchanged from the last valuation.

Data

The System's staff supplied member data for active members and the one retiree as of June 30, 2002. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The System's staff also supplied asset data as of June 30, 2002.

Certification

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Rhode Island state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries. Both are Members of the Society of Actuaries and Members of the American Academy of Actuaries, and they are experienced in performing valuations for large public retirement systems.

Sincerely,
Gabriel, Roeder, Smith & Company



J. Christian Conradi, ASA, MAAA
Senior Consultant



W. Michael Carter, FSA, MAAA
Senior Consultant



Actuarial Valuation - June 30, 2002

Judicial Retirement Benefits Trust - Executive Summary

Item	2002	2001
Membership		
• Number of		
- Active members	39	35
- Retirees and beneficiaries	1	1
- Inactive members	-	-
- Total	40	36
• Payroll supplied by ERSRI	\$ 4,738,059	\$ 4,092,423
Contribution rates		
• Member	8.75%	8.75%
• State	36.19%	33.90%
Assets		
• Market value	\$ 9,035,612	\$ 8,007,396
• Actuarial value	\$ 11,129,208	\$ 9,190,325
• Return on market value	-8.4%	-11.0%
• Return on actuarial value	0.9%	4.9%
• Employer contribution	\$ 1,458,093	\$ 1,163,571
• Ratio of actuarial value to market value	123.2%	114.8%
Actuarial Information		
• Normal cost %	30.57%	30.34%
• Unfunded actuarial accrued liability (UAAL)	\$ 5,114,501	\$ 2,835,932
• Amortization percentage	5.62%	3.56%
• Funding period	27 years	28 years
• GASB funded ratio	68.5%	76.4%
Projected employer contribution		
• Fiscal year ending June 30,	2005	2004
• Projected payroll	\$ 5,563,600	\$ 4,805,492
• Projected employer contribution	\$ 2,013,467	\$ 1,629,062



SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation Date

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability.

1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 8.25 percent), of each participant's expected benefit payable at retirement or death is determined, based on his age, service, sex and compensation. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.
2. The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of his anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on his behalf.
4. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability and amortizing the result over 30 years from June 30, 1999.
5. The contribution rate determined by this valuation will not be effective until two years later, and the determination of the rate reflects this deferral. It is assumed that there will be no change in the employer normal cost rate due to the deferral, and it is assumed that payments are, on average, made at mid-year.

Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.



Actuarial Assumptions

Economic Assumptions

Investment return: 8.25% per year, compounded annually, composed of an assumed 3.00% inflation rate and a 5.25% net real rate of return. This rate represents the assumed return, net of all investment and administrative expenses.

Salary increase rate: Salaries are assumed to increase at the rate of 5.5% per year.

Salary increases are assumed to occur once a year, on July 1. Therefore the pay used for the period between the valuation date and the first anniversary of the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption.

Payroll growth rate: In the amortization of the unfunded frozen liability, payroll is assumed to increase 5.50% per year. This assumption includes no allowance for future membership growth.

Demographic Assumptions

Mortality rates

- **Healthy males** – Based on the 1994 Group Annuity Mortality Table for males. Rates are set forward one year.
- **Healthy females** - Based on the 1994 Group Annuity Mortality Table for females.
- **Disability rates** – None
- **Termination rates** - None

Retirement rates – Judges are assumed to retire when eligible for an unreduced retirement benefit (age 65 with 20 years of service, or age 70 with 15 years of service). Judges who have not reached eligibility for an unreduced retirement benefit by age 75 are assumed to terminate at age 75 and receive either a reduced retirement benefit, if eligible, or a refund.

Other Assumptions

Percent married: 85% of employees are assumed to be married.

Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.

No surviving spouse will remarry and there will be no children's benefit.

Administrative expenses: The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.

Participant Data

Participant data was supplied in an electronic files for active members and retirees. The data for active members included birth date, sex, service, salary and employee contribution account balance. For retired members and beneficiaries, the data included date of birth, sex, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and a form of payment code.



SUMMARY OF BENEFIT PROVISIONS

Effective Date and Authority: The Judicial Retirement Fund (JRF) became effective on January 1, 1990 for judges hired on or after that date. Benefits are described in Rhode Island General Laws, Title 8, Chapters 3, 8, and 16, Title 28, Chapter 30, and Title 31, Chapter 43.

Plan Year: A twelve-month period ending June 30th.

Administration: The Judicial Retirement Fund is administered by the Employees' Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy. Assets are commingled for investment purposes with those of the Employees' Retirement System of Rhode Island and various other plans and programs.

Type of Plan: The Judicial Retirement Fund is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is a single-employer plan.

Eligibility: All judges or justices of the supreme court, a superior court, a district court, a family court, an administrative adjudication court or a workers' compensation court participate in this plan if they were hired on or after January 1, 1990. (These are referred to collectively as state judges.) Benefits for state judges hired before January 1, 1990 are being paid by the state from the general assets of the state, on a pay-as-you-go basis. Eligible state judges become members at their date of employment.

Salary: Contributions are based on the judge's salary. Benefits are based on the judge's salary at the time of retirement.

Employee Contributions: State judges contribute 8.75% of their salary per year. The state "picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

Employer Contributions: The state contributes an actuarially determined percentage of the member's annual salary. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

Full Retirement

Eligibility: All judges are eligible for unreduced retirement at or after age 65 if the judge has served for 20 years, or at or after age 70 after 15 years of service.

Monthly Benefit: 100% of the judge's salary at retirement.

Payment Form: Benefits are paid as a monthly life annuity. There are no optional forms of payment available.

Death Benefit: After the death of a retired member, if the member was married, 50% of the retiree's benefit is paid to the surviving spouse for life (or until remarriage).

Reduced Retirement

Eligibility: A judge is eligible for a reduced retirement benefit at age 65 if the judge has served for 10 years, or at any age after 20 years of service.

Reduced Retirement Benefit: 75% of the judge's salary at retirement.

Payment Form: Same as for Full Retirement.

Death Benefit: Same as for Full Retirement.

**Refunds**

Eligibility: All judges leaving covered employment for a reason other than death or retirement.

Benefit: A lump-sum payment equal to the sum of his/her employee contributions. No interest is credited on these contributions.

Death Benefit of Active Members

After the death of an active member, if the member was married, a benefit will be paid to the spouse until his/her death or remarriage. The benefit is equal to 25% of the judge's salary at death if the member had less than seven years of service. If the judge had at least seven but less than 15 years of service, the benefit is equal to 1/3 of the judge's salary at death. If the judge had at least 15 years of service or if the judge was eligible for retirement, the spouse receives 50% of the judge's salary at death. Benefits are payable until the spouse's death or remarriage. Benefits may be paid to any minor children after the death of the spouse.

Post-retirement Benefit Increase: Members receive an increase equal to 3.00% of the original benefit each year, beginning in January of the year in which the member reaches the third anniversary of retirement. The increase applies to both retirement and death benefits. This increase is not tied in any way to actual increases in the cost of living. (Judges of the administrative adjudication and workers compensation courts receive a compound 3.00% increase, rather than a simple 3.00% increase.)

**PLAN NET ASSETS**
(Assets at Market or Fair Value)

Item	June 30, 2002	June 30, 2001
(1)	(2)	(3)
1. Cash and cash equivalents	\$ 137,623	\$ 114,309
2. Receivables:		
a. Employer and member contributions	\$ 71,737	\$ -
b. Due from state for teachers	-	-
c. Miscellaneous	1,548	4,032
d. Total receivables	\$ 73,285	\$ 4,032
3. Investments		
a. Pooled trust	\$ 8,816,963	\$ 7,886,266
b. Plan specific investments	-	-
c. Total	\$ 8,816,963	\$ 7,886,266
4. Invested securities lending collateral	\$ 861,583	\$ 567,552
5. Property and equipment	15,147	\$ 10,296
6. Total assets	\$ 9,904,601	\$ 8,582,455
7. Liabilities		
a. Benefits payable	\$ -	\$ -
b. Securities lending liability	861,583	567,552
c. Accounts and vouchers payable	7,406	7,507
d. Total liabilities	\$ 868,989	\$ 575,059
8. Total market value of assets available for benefits		
Total (Item 6 - Item 7)	\$ 9,035,612	\$ 8,007,396



RECONCILIATION OF PLAN NET ASSETS

	June 30, 2002	June 30, 2001
1. Market value of assets as of beginning of year	\$ 8,007,396	\$ 7,504,175
2. Contributions		
a. Members	\$ 415,930	\$ 330,424
b. State	1,458,093	1,163,571
c. Service purchases	-	-
d. Total	<u>\$ 1,874,023</u>	<u>\$ 1,493,995</u>
3. Investment earnings, net of investment and administrative expenses	\$ (748,801)	\$ (913,342)
4. Expenditures for the year		
a. Benefit payments	\$ (92,136)	\$ (76,524)
b. Cost-of-living adjustments	-	-
c. Post-retirement death benefits	-	-
d. Pre-retirement death benefits	-	-
e. Social security supplements	-	-
f. Supplemental pensions	-	-
g. Refunds	-	-
h. Administrative expenses	(4,870)	(908)
i. Total expenditures	<u>\$ (97,006)</u>	<u>\$ (77,432)</u>
5. Transfers and other adjustments	\$ -	\$ -
6. Market value of assets at end of year	\$ 9,035,612	\$ 8,007,396

ANALYSIS OF CHANGE IN EMPLOYER COST

Basis	Employer Cost
1. Employer fiscal 2004 cost	33.90%
2. Impact of changes, gains and losses	
a. Liability experience (gain)/loss	1.50%
b. Effect of FY 2002 return less than 8.25%	0.35%
c. Effect of continuing recognition of prior years' investment gains and losses (FY 1999 through FY 2001)	0.44%
d. Changes in provisions	<u>N/A</u>
e. Total	2.29%
3. Employer fiscal 2005 cost	36.19%

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**EMPLOYEES RETIREMENT SYSTEM
OF RHODE ISLAND**

STATISTICAL INFORMATION

STATISTICAL INFORMATION

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Distribution of Active Members by Age and by Years of Service (Teachers)
As of 06/30/2002

Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total		
	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	
Under 25	51	\$16,888	148	\$27,764	85	\$32,183	23	\$34,016	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$27,649	307
25-29	67	\$15,810	204	\$29,050	337	\$32,830	301	\$35,530	213	\$37,843	232	\$41,179	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$34,238	1,354
30-34	52	\$20,467	179	\$31,369	196	\$35,327	208	\$37,146	183	\$39,997	863	\$45,308	184	\$54,545	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$41,708	1,865
35-39	45	\$14,814	106	\$31,600	125	\$38,728	118	\$41,965	117	\$44,003	460	\$54,545	573	\$56,089	81	\$59,146	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$47,473	1,625
40-44	42	\$16,292	97	\$34,947	116	\$36,587	97	\$41,965	92	\$44,251	359	\$54,545	415	\$56,089	271	\$59,146	74	\$60,662	0	\$0	0	\$0	0	\$0	0	\$0	0	\$49,665	1,563
45-49	75	\$14,827	186	\$33,950	170	\$38,568	138	\$40,718	113	\$44,251	423	\$54,545	551	\$56,089	302	\$59,146	406	\$60,662	289	\$62,105	0	\$0	3	\$64,368	0	\$0	0	\$49,665	2,656
50-54	40	\$12,092	56	\$39,951	69	\$45,454	73	\$47,894	63	\$48,750	285	\$54,545	601	\$56,089	320	\$59,146	256	\$60,662	805	\$62,105	0	\$0	691	\$64,368	1	\$0	0	\$51,947	3,260
55-59	18	\$14,838	27	\$42,515	28	\$53,921	30	\$47,894	26	\$50,079	116	\$54,545	255	\$56,089	202	\$59,146	172	\$60,662	194	\$62,105	0	\$0	416	\$64,368	73	\$0	0	\$57,793	1,557
60-64	9	\$9,158	6	\$51,472	7	\$61,451	5	\$44,681	3	\$50,079	45	\$54,545	83	\$56,089	64	\$59,146	46	\$60,662	52	\$62,105	0	\$0	46	\$64,368	32	\$0	10	\$59,041	408
65-69	4	\$0	1	\$27,139	1	\$45,762	1	\$56,170	2	\$66,222	6	\$76,274	15	\$86,326	5	\$96,380	15	\$106,434	17	\$116,488	11	\$126,542	11	\$136,596	2	\$0	2	\$58,257	82
70 & Over	5	\$0	2	\$16,697	1	\$29,727	1	\$42,756	0	\$0	3	\$45,308	3	\$48,337	3	\$51,366	4	\$54,395	4	\$57,424	2	\$60,453	5	\$63,482	0	\$0	4	\$52,857	33
Total	408	\$15,394	1,012	\$32,074	1,135	\$36,579	995	\$38,877	812	\$41,442	2,792	\$48,028	2,680	\$51,147	1,248	\$58,802	973	\$66,678	1,359	\$74,558	1,172	\$82,423	1,088	\$90,293	108	\$0	16	\$44,891	14,710
		\$15,394	\$32,074	\$36,579	\$38,877	\$41,442	\$48,028	\$51,147	\$58,802	\$66,678	\$74,558	\$82,423	\$90,293	\$98,163	\$106,033	\$113,903	\$121,773	\$129,643	\$137,513	\$145,383	\$153,253	\$161,123	\$168,993	\$176,863	\$184,733	\$192,603	\$200,473	\$208,343	\$216,213



MEMBERSHIP DATA (TEACHERS)

	June 30, 2002	June 30, 2001
	(1)	(1)
1. Active members		
a. Number	14,710	14,092
b. Number vested	7,568	7,561
c. Total payroll supplied by ERSRI	\$ 735,288,788	\$ 697,429,469
d. Average salary	\$ 49,986	\$ 49,491
e. Average age	44.4	44.4
f. Average service	12.5	13.3
2. Inactive members		
a. Number	1,042	1,392
3. Service retirees		
a. Number	6,772	6,370
b. Total annual benefits	\$ 232,932,070	\$ 209,736,183
c. Average annual benefit	\$ 34,396	\$ 32,926
d. Average age	67.4	67.5
4. Disabled retirees		
a. Number	213	208
b. Total annual benefits	\$ 4,600,110	\$ 4,297,969
c. Average annual benefit	\$ 21,597	\$ 20,663
d. Average age	62.8	62.5
5. Beneficiaries and spouses		
a. Number	326	297
b. Total annual benefits	\$ 5,854,110	\$ 5,105,369
c. Average annual benefit	\$ 17,957	\$ 17,190
d. Average age	70.8	70.7



Distribution of Active Members by Age and by Years of Service (State Employees)
As of 06/30/2002
Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total	
	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.	Count & Avg Comp.
Under 25	63	\$10,341	45	\$26,476	37	\$27,158	14	\$27,338	3	\$29,881	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	163	\$20,110
25-29	103	\$15,840	125	\$29,034	123	\$31,894	95	\$33,078	46	\$36,108	52	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	544	\$29,012
30-34	74	\$16,499	106	\$32,066	142	\$35,347	116	\$34,712	111	\$38,840	254	\$32,164	7	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1,052	\$34,745
35-39	73	\$17,377	100	\$35,403	99	\$37,022	113	\$39,969	76	\$40,926	280	\$39,698	217	\$46,395	11	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1,557	\$38,181
40-44	77	\$16,153	112	\$33,693	100	\$36,717	100	\$37,022	75	\$42,001	292	\$41,014	520	\$46,395	487	\$41,825	321	\$40,037	46	\$0	0	\$0	0	\$0	0	\$0	2,130	\$40,595
45-49	215	\$6,722	91	\$28,823	94	\$31,588	121	\$33,735	81	\$41,963	264	\$41,827	478	\$47,456	380	\$47,278	523	\$44,703	473	\$0	0	\$0	35	\$0	0	\$0	2,755	\$40,143
50-54	47	\$17,642	57	\$34,041	62	\$37,015	71	\$38,920	66	\$41,338	236	\$40,094	381	\$43,833	342	\$45,833	396	\$49,521	499	\$54,979	284	\$51,901	224	\$45,474	8	\$0	2,389	\$45,968
55-59	34	\$19,220	22	\$30,906	30	\$34,271	36	\$39,955	33	\$41,807	157	\$43,056	318	\$46,800	313	\$46,800	328	\$50,808	284	\$51,068	198	\$52,490	43	\$0	1	1,797	\$45,391	
60-64	9	\$15,643	5	\$29,216	17	\$40,375	15	\$43,522	13	\$46,517	79	\$43,178	191	\$43,809	190	\$47,489	150	\$53,001	150	\$57,936	64	\$70,973	18	\$0	9	919	\$42,254	
65-69	0	\$0	2	\$50,449	3	\$42,505	4	\$43,522	3	\$33,155	15	\$41,562	74	\$40,752	58	\$38,854	57	\$47,983	57	\$83,854	24	\$70,973	6	\$0	5	304	\$43,031	
70 & Over	1	\$0	2	\$17,120	1	\$14,159	1	\$82,965	6	\$40,517	6	\$41,034	32	\$37,636	30	\$38,741	37	\$48,771	37	\$58,988	12	\$54,512	6	\$0	13	185	\$40,983	
Total	696	\$13,053	667	\$31,877	708	\$32,395	686	\$35,870	513	\$40,907	1,636	\$40,209	2,824	\$44,552	2,024	\$46,057	1,546	\$49,306	1,829	\$53,708	557	\$56,894	81	\$0	28	13,795	\$40,812	



MEMBERSHIP DATA (STATE EMPLOYEES)

	<u>June 30, 2002</u>	<u>June 30, 2001</u>
	(1)	(1)
1. Active members		
a. Number	13,795	13,594
b. Number vested	8,906	9,049
c. Total payroll supplied by ERSRI	\$ 563,002,274	\$ 520,929,741
d. Average salary	40,812	38,321
e. Average age	47.4	46.9
f. Average service	14.3	14.45
2. Inactive members		
a. Number	1,569	1,800
3. Service retirees		
a. Number	7,761	7,637
b. Total annual benefits	\$ 134,644,000	\$ 126,075,840
c. Average annual benefit	17,349	16,509
d. Average age	73.02	73.0
4. Disabled retirees		
a. Number	628	613
b. Total annual benefits	\$ 8,018,000	\$ 7,423,494
c. Average annual benefit	12,768	12,110
d. Average age	62.4	62.5
5. Beneficiaries and spouses		
a. Number	1,037	965
b. Total annual benefits	\$ 12,341,000	\$ 11,191,372
c. Average annual benefit	11,901	11,478
d. Average age	74.5	74.1



HISTORICAL SUMMARY OF ACTIVE MEMBER DATA

Valuation as of <u>June 30,</u>	Active Members		Covered Payroll		Average Salary		Average Age	Average Service
	<u>Number</u>	<u>Percent Increase</u>	<u>Amount in \$ Millions</u>	<u>Percent Increase</u>	<u>\$ Amount</u>	<u>Percent Increase</u>		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>State Employees</i>								
1996	12,976	-4.2%	\$453	0.4%	34,900	4.8%	45.5	13.7
1997	12,865	(0.9%)	426	(6.0%)	33,103	(5.1%)	45.7	14.0
1998	13,105	1.9%	458	7.6%	34,963	5.6%	46.4	14.4
1999	13,369	2.0%	476	3.9%	35,606	1.8%	46.4	14.4
2000	13,305	(0.5%)	499	4.8%	37,510	5.3%	46.7	14.4
2001	13,594	2.2%	521	4.4%	38,321	2.2%	46.9	14.5
2002	13,795	1.5%	563	8.1%	40,812	6.5%	47.4	14.3
<i>Teachers</i>								
1996	12,391	2.6%	\$544	9.6%	43,900	6.8%	44.9	15.5
1997	12,681	2.3%	573	5.4%	45,193	2.9%	45.1	15.1
1998	12,883	1.6%	598	4.4%	46,453	2.8%	45.0	14.9
1999	13,282	3.1%	633	5.7%	47,642	2.6%	45.0	14.6
2000	13,607	2.4%	659	4.0%	48,402	1.6%	44.7	14.0
2001	14,092	3.6%	697	5.9%	49,491	2.3%	44.4	13.3
2002	14,710	4.4%	735	5.4%	49,986	1.0%	44.4	12.5



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

ACTIVE MEMBER STATISTICS

Unit Number		Unit	Code(s)	Number	Active Employees as of June 30, 2002			Active Employees as of June 30, 2001			
Old	New				Avg Age	Avg Service	Avg Salary	Number	Avg Age	Avg Service	Avg Salary
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(11)
General Employee Units											
3001	1002	Barrington		11	40.6	8.3	\$ 23,199	81	47.0	7.7	\$ 22,183
3002	1012	Bristol	B	97	44.5	10.9	30,363	88	44.7	11.7	30,295
3003	1032	Burrillville	C	163	48.8	9.9	27,475	159	48.0	9.8	24,146
3004	1052	Central Falls		49	44.1	9.9	29,893	45	43.5	10.0	23,600
3005	1082	Charlestown	C	36	41.5	9.4	31,103	35	41.6	8.7	28,379
3007	1112	Cranston	B	883	48.7	9.7	25,175	856	48.1	9.9	23,664
3008	1122	Cumberland		263	48.2	8.4	24,872	264	47.6	7.8	20,859
3009	1152	East Greenwich		186	47.5	8.6	25,324	166	47.1	8.6	23,520
3010	1162	East Providence	B	493	47.2	9.2	31,517	491	47.0	9.1	30,355
3011	1183	Exeter/West Greenwich	B	70	49.5	9.7	22,729	68	48.7	9.5	20,646
3012	1192	Foster		46	48.3	8.4	19,508	41	48.2	8.4	17,861
3013	1212	Glocester	C	69	48.3	9.2	23,626	67	47.7	9.0	21,774
3014	1262	Hopkinton	C	32	49.6	7.5	28,388	29	48.5	7.3	27,007
3015	1272	Jamestown	C	72	46.8	7.5	28,030	72	45.3	7.9	26,577
3016	1282	Johnston	C	310	48.1	7.7	26,374	288	47.7	8.3	25,994
3017	1302	Lincoln		23	46.7	2.7	37,720	15	46.7	3.6	24,009
3019	1322	Middletown	C	91	46.0	7.8	35,251	39	43.9	9.5	31,395
3021	1352	Newport	B	314	47.8	11.6	30,102	312	47.8	11.9	28,282
3022	1342	New Shoreham	B	58	45.1	5.8	30,298	54	44.9	6.1	22,659
3023	1372	North Kingstown	C	354	48.9	10.7	26,617	345	48.9	10.9	24,538
3024	1382	North Providence		275	46.8	8.9	23,252	256	46.9	8.8	22,169
3025	1392	North Smithfield	B	104	47.5	7.6	26,589	94	47.7	7.0	21,464
3026	1412	Pawtucket	C	729	47.7	10.8	27,518	703	47.3	10.9	26,479
3027	1515	Union Fire District		3	55.0	10.0	29,240	3	54.0	11.7	28,972
3029	1452	Richmond		23	44.7	5.7	19,948	21	44.6	5.8	21,777
3030	1462	Scituate	B	111	47.7	6.5	23,139	99	48.3	7.6	19,746
3031	1472	Smithfield		75	50.0	8.0	27,190	69	50.8	8.9	26,046
3032	1492	South Kingstown	B	366	46.9	8.9	26,241	326	46.7	9.3	23,993
3033	1532	Tiverton		73	51.6	9.6	28,632	66	51.0	10.3	27,165
3034	1562	Warren	C	40	44.9	8.6	30,939	39	44.5	9.1	27,269
3036	1622	Westerly		1	51.0	19.0	54,849	1	50.0	18.0	47,144
3037	1602	West Greenwich		25	48.2	10.2	27,012	21	47.5	11.0	25,844
3039	1632	Woonsocket	B	437	47.1	8.6	23,593	428	46.9	8.9	22,700
3040	1073	Chariho School District		163	46.7	8.7	21,102	153	46.9	9.1	19,988
3041	1203	Foster/Glocester	B	48	50.5	9.7	23,461	46	50.3	9.6	22,496
3042	1528	Tiogue Fire & Lighting	C,5	---	---	---	---	---	---	---	---
3043	1336	Narragansett Housing	C	4	35.8	4.0	29,546	3	47.0	8.7	31,170
3045	1098	Coventry Lighting District	C	4	61.3	28.5	42,909	4	60.3	27.5	39,995
3046	1242	Hope Valley Fire	C	3	49.0	10.0	26,713	3	48.0	11.7	25,934
3050	1156	East Greenwich Housing	C	5	46.4	11.2	27,875	5	45.4	9.4	25,789
3051	1116	Cranston Housing	C	19	48.4	9.0	34,769	19	46.8	8.8	32,528
3052	1166	East Providence Housing	B	15	51.2	8.5	34,136	14	48.9	8.9	33,820
3053	1416	Pawtucket Housing	B	50	47.0	11.1	36,736	48	45.3	10.6	33,617
3056	1126	Cumberland Housing	C	16	43.8	3.8	31,577	16	44.0	3.9	24,289
3057	1306	Lincoln Housing	B	9	52.2	2.7	36,375	9	49.1	1.9	29,526



ACTIVE MEMBER STATISTICS

Unit Number		Unit	Code(s)	Active Employees as of June 30, 2002			Active Employees as of June 30, 2001				
Old	New			Number	Avg Age	Avg Service	Avg Salary	Number	Avg Age	Avg Service	Avg Salary
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(11)
General Employee Units											
3059	1016	Bristol Housing		9	50.7	10.8	27,050	9	47.9	11.8	23,831
3065	1036	Burrillville Housing		4	52.0	15.5	31,267	4	51.0	14.5	30,008
3066	1386	North Providence Hsg	B	9	51.1	8.8	29,766	8	48.8	6.6	28,887
3067	1177	East Smithfield Water	C	4	57.8	11.5	33,849	4	56.8	10.8	38,027
3068	1227	Greenville Water		4	45.0	13.0	44,330	4	44.0	12.0	42,773
3069	1356	Newport Housing	C	43	49.7	8.0	34,147	44	49.1	7.2	32,869
3071	1566	Warren Housing	B	6	55.2	12.2	32,898	6	54.2	12.0	26,077
3072	1286	Johnston Housing		8	52.6	11.9	31,610	8	51.6	10.0	30,205
3077	1538	Tiverton Local 2670A	C	22	50.5	9.2	29,435	24	49.9	9.8	25,648
3078	1009	Barrington COIA	C	164	49.2	9.0	30,485	87	50.2	13.6	26,497
3079	1096	Coventry Housing		11	43.2	4.7	28,534	12	42.1	4.3	28,123
3080	1496	South Kingstown Housing	C	5	41.2	1.0	27,758	1	45.0	2.0	28,936
3081	1403	N.RI Collabo. Adm. Svc.	C	71	42.3	1.4	18,039	51	42.9	0.9	15,213
3083	1616	West Warwick Housing	B	8	52.1	9.8	32,311	8	51.1	8.9	30,345
3084	1476	Smithfield Housing		3	43.0	12.0	26,569	3	42.0	11.3	25,453
3094	1478	Smithfield COIA	C	80	47.8	9.5	34,224	72	47.4	9.8	31,908
3096	1056	Central Falls Housing		17	46.7	5.2	30,575	16	47.9	4.4	26,460
3098	1293	Ilim Rock Adm. Scs.		2	46.5	10.0	27,989	2	45.5	10.0	24,842
3099	1063	Central Falls Schools	C	167	46.7	7.1	22,815	158	46.4	7.5	20,520
3100	1023	Bristol/Warren Schools	B	158	47.9	7.5	22,613	145	47.4	8.3	21,412
All General Employee Units				7,013	47.7	9.1	\$ 26,773	6,627	47.4	9.4	\$ 24,828
Police & Fire Units											
4016	1285	Johnston Fire	D	8	31.4	1.4	\$ 32,641	7	30.1	0.6	\$ 22,716
4016	1285	Johnston Fire	D	10	33.6	2.0	37,833	8	31.4	1.4	32,641
4029	1454	Richmond Fire District		9	34.1	3.2	23,091	7	37.9	4.9	\$ 26,439
4031	1474	Smithfield Police	C,D	8	26.4	2.1	40,818	6	25.8	1.5	35,347
4042	1555	Valley Falls Fire	D	12	38.5	11.5	40,023	12	38.0	11.5	39,540
4047	1395	N. Smithfield Vol. Fire	B,D	19	38.5	7.8	44,928	19	38.6	8.1	36,579
4050	1155	East Greenwich Fire	C,D	25	38.9	12.0	41,697	23	39.7	12.4	45,167
4054	1154	East Greenwich Police	C,D	32	37.4	10.0	46,015	29	38.0	10.9	45,251
4055	1375	North Kingstown Fire	C,D	75	38.8	11.7	39,805	66	39.2	13.0	38,568
4056	1374	North Kingstown Police	C,D	47	37.4	11.8	40,144	48	37.6	12.5	39,719
4057	1235	Harris Fire Department	C	4	32.0	5.5	29,997	4	31.0	4.5	24,828
4058	1385	North Providence Fire	D	101	40.5	13.5	45,076	102	39.3	13.1	42,879
4059	1008	Barrington Fire (25)	C	7	33.9	2.7	39,172	8	32.3	2.6	28,694
4060	1004	Barrington Police	C,D	21	39.6	12.5	45,034	23	40.6	13.8	42,455
4061	1005	Barrington Fire (20)	C,D	13	45.6	18.6	44,623	13	44.6	18.8	42,323
4062	1564	Warren Police & Fire	C,D	21	37.4	10.1	41,958	20	35.9	9.9	43,435
4063	1494	South Kingstown Police	B,1	52	40.0	14.2	44,023	49	41.1	15.9	40,945
4073	1464	Scituate Police	3	---	---	---	---	---	---	---	---
4076	1394	North Smithfield Police	C,D	21	40.1	12.8	45,800	21	43.4	12.4	43,230
4077	1534	Tiverton Fire	D	30	37.8	9.5	35,422	28	37.1	9.9	35,619
4082	1194	Foster Police	C,D	7	44.4	14.1	43,388	7	43.3	12.9	38,635
4085	1634	Woonsocket Police	C,D	96	36.9	11.2	46,516	96	36.3	10.8	43,403



ACTIVE MEMBER STATISTICS

Unit Number		Unit	Code(s)	Number	Active Employees as of June 30, 2002			Active Employees as of June 30, 2001			
Old	New				Avg Age	Avg Service	Avg Salary	Number	Avg Age	Avg Service	Avg Salary
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(11)
Police & Fire Units											
4086	1084	Charlestown Police	C,D	19	39.6	13.2	43,745	18	38.7	11.5	40,958
4087	1264	Hopkinton Police	C,D	16	37.3	8.7	36,440	14	37.9	10.0	35,832
4088	1214	Glocester Police	C,D	17	37.8	11.0	38,706	17	36.8	9.4	34,365
4089	1604	W. Greenwich P&Rsq	C,D	10	36.5	10.3	35,971	10	36.4	11.0	32,427
4090	1034	Burrillville Police	C,D	24	37.7	10.3	43,026	23	37.3	9.9	40,541
4091	1148	Cumberland Rescue	C,D	16	36.4	8.4	31,629	17	35.0	7.4	35,131
4092	1585	Washington Fire	D	9	38.2	9.7	38,951	9	37.8	9.3	36,605
4093	1635	Woonsocket Fire	C,D	94	36.2	9.9	39,220	93	35.6	9.2	39,300
4094	1015	Bristol Fire	C	2	49.5	7.5	43,061	2	48.5	6.5	33,051
4095	1135	Cumberland Hill Fire	C,D	13	35.8	11.5	37,996	12	36.3	11.4	31,344
4096	1014	Bristol Police	C,D	14	32.1	2.9	38,176	12	30.7	2.7	32,556
4098	1095	Coventry Fire	D	15	39.3	8.1	33,154	14	40.1	8.1	28,798
4099	1505	S. Kingstown EMT	C,D	18	32.1	4.5	32,954	13	33.8	5.2	30,189
4100	1525	Tiogou Fire		6	37.2	5.5	28,736	5	35.2	5.6	26,502
4101	1365	North Cumberland	D	14	39.4	11.4	37,788	14	38.3	10.6	38,550
4102	1045	Central Coventry Fire	C,D	12	35.4	7.6	38,105	12	35.7	7.3	34,837
4103	1255	Hopkins Hill Fire	D	4	36.3	8.8	35,753	4	31.8	5.0	30,350
4104	1114	Cranston Police	C,D,4	63	34.7	6.4	44,593	59	35.3	5.7	48,945
4105	1115	Cranston Fire	C,D,4	102	37.0	8.4	47,375	98	38.0	7.1	46,307
4106	1125	Cumberland Fire	B,D	11	40.4	9.0	34,737	11	39.4	7.6	31,951
4107	1305	Lincoln Rescue		17	34.6	7.7	35,904	19	34.3	7.4	31,920
4108	1344	New Shoreham Police	B,D	4	39.0	11.8	49,469	4	38.0	11.3	44,069
1324	1324	Middletown P&F	C,D,2	3	29.0	1.0	33,401	---	---	---	---
All Police & Fire Units				1,113	37.6	10.2	\$ 41,794	1,069	37.6	10.1	\$ 40,355
All MERS Units				8,126	46.3	9.3	28,830	7,696	46.1	9.5	\$ 26,985

B - Municipality has adopted COIA Plan B

C - Municipality has adopted COIA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S. Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 2002 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.



Distribution of Active Members by Age and by Years of Service (General Employees)
 As of 06/30/2002
 Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total		
	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	Count	Avg Comp	
Under 25	48		16		10		2		0		0		0		0		0		0		0		0		0		0	102	
	\$22,860	\$22,902	\$23,721	\$23,824	\$21,651	\$21,651	\$33,824	\$33,824	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,102	\$23,102
25-29	61		25		19		17		30		0		0		0		0		0		0		0		0		0	215	
	\$21,714	\$23,356	\$25,790	\$28,928	\$24,938	\$24,938	\$28,928	\$27,500	\$27,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,332	\$24,332
30-34	83		58		50		24		88		60		60		2		0		0		0		0		0		0	431	
	\$26,483	\$24,252	\$24,863	\$28,828	\$28,196	\$28,196	\$26,828	\$28,630	\$28,630	\$32,735	\$32,735	\$28,630	\$32,735	\$29,777	\$29,777	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,466	\$27,466
35-39	101		90		74		36		160		172		49		2		2		0		0		0		0		0	817	
	\$22,066	\$22,255	\$25,101	\$25,743	\$23,376	\$23,376	\$25,743	\$28,858	\$28,858	\$31,792	\$31,792	\$28,858	\$31,792	\$32,362	\$32,362	\$0	\$0	\$34,193	\$34,193	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,737	\$26,737
40-44	126		116		102		81		263		206		66		47		4		4		4		0		0		0	1,162	
	\$22,821	\$19,196	\$19,864	\$25,025	\$22,968	\$22,968	\$25,025	\$25,612	\$29,920	\$29,920	\$36,494	\$36,494	\$35,327	\$35,327	\$36,494	\$36,494	\$30,266	\$30,266	\$36,494	\$30,266	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,400	\$25,400
45-49	111		119		104		69		305		270		104		95		48		95		48		1		0		0	1,344	
	\$24,247	\$20,301	\$21,487	\$23,758	\$25,491	\$25,491	\$23,758	\$24,205	\$28,656	\$28,656	\$33,548	\$33,548	\$30,685	\$30,685	\$37,264	\$37,264	\$34,362	\$34,362	\$37,264	\$34,362	\$28,716	\$28,716	\$0	\$0	\$0	\$0	\$26,608	\$26,608	
50-54	117		79		56		62		247		312		149		76		61		76		61		35		2		0	1,301	
	\$24,609	\$22,936	\$25,596	\$27,503	\$27,503	\$27,503	\$23,411	\$24,319	\$27,703	\$27,703	\$30,685	\$30,685	\$35,727	\$35,727	\$39,924	\$39,924	\$46,270	\$46,270	\$35,727	\$39,924	\$37,807	\$37,807	\$0	\$0	\$0	\$0	\$27,740	\$27,740	
55-59	36		39		28		41		145		214		149		93		45		93		45		20		5		0	859	
	\$22,238	\$23,090	\$25,056	\$24,408	\$22,783	\$22,783	\$24,408	\$26,107	\$26,428	\$26,428	\$29,131	\$29,131	\$34,189	\$34,189	\$38,946	\$38,946	\$41,701	\$41,701	\$34,189	\$38,946	\$42,531	\$42,531	\$0	\$0	\$0	\$0	\$28,178	\$28,178	
60-64	16		16		26		13		92		125		72		78		44		78		44		16		2		0	522	
	\$23,544	\$23,006	\$25,253	\$27,586	\$26,930	\$26,930	\$27,586	\$28,037	\$28,227	\$28,227	\$29,214	\$29,214	\$28,821	\$28,821	\$29,920	\$29,920	\$33,368	\$33,368	\$28,821	\$29,920	\$33,368	\$33,368	\$0	\$0	\$0	\$0	\$28,197	\$28,197	
65-69	3		3		7		8		29		37		22		22		21		22		21		6		1		0	160	
	\$18,407	\$31,406	\$29,267	\$24,894	\$28,906	\$28,906	\$24,894	\$26,613	\$26,613	\$25,505	\$25,505	\$27,596	\$27,596	\$24,881	\$24,881	\$31,800	\$31,800	\$27,596	\$24,881	\$32,208	\$32,208	\$0	\$0	\$0	\$0	\$0	\$25,847	\$25,847	
70 & Over	1		1		1		5		10		20		18		11		8		11		8		15		2		2	100	
	\$41,911	\$16,075	\$2,076	\$11,381	\$13,662	\$13,662	\$11,381	\$17,350	\$16,805	\$16,805	\$28,111	\$28,111	\$20,002	\$20,002	\$24,254	\$24,254	\$19,056	\$19,056	\$20,002	\$24,254	\$20,003	\$20,003	\$41,073	\$41,073	\$0	\$0	\$25,847	\$20,610	\$20,610
Total	703		562		477		358		1,369		1,416		631		424		231		424		231		93		12		2	7,013	
	\$23,569	\$21,741	\$23,274	\$24,758	\$24,985	\$24,985	\$24,758	\$25,856	\$28,559	\$28,559	\$30,888	\$30,888	\$33,712	\$33,712	\$34,595	\$34,595	\$35,132	\$35,132	\$33,712	\$34,595	\$34,729	\$34,729	\$41,073	\$41,073	\$0	\$0	\$26,773	\$26,773	



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

Distribution of Active Members by Age and by Years of Service (Police & Fire)
As of 06/30/2002
Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total			
	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.	Count	Avg Comp.		
Under 25	18	\$31,272	10	\$38,093	8	\$37,464	0	\$38,854	0	\$38,932	0	\$41,751	0	\$43,250	0	\$48,076	0	\$45,882	0	\$54,268	0	\$51,575	0	\$50,959	0	\$51,259	0	\$53,219	0	\$54,506
25-29	22	\$26,325	21	\$35,917	31	\$38,854	21	\$38,854	29	\$41,751	1	\$43,250	1	\$48,076	0	\$54,268	0	\$51,575	0	\$50,959	0	\$51,259	0	\$53,219	0	\$54,506	0	\$54,506	0	\$54,506
30-34	18	\$34,450	15	\$31,958	24	\$37,464	21	\$38,854	72	\$41,751	58	\$43,250	1	\$48,076	0	\$54,268	0	\$51,575	0	\$50,959	0	\$51,259	0	\$53,219	0	\$54,506	0	\$54,506	0	\$54,506
35-39	3	\$34,391	13	\$34,966	8	\$37,464	6	\$38,854	76	\$41,751	141	\$43,250	36	\$48,076	2	\$54,268	0	\$51,575	0	\$50,959	0	\$51,259	0	\$53,219	0	\$54,506	0	\$54,506	0	\$54,506
40-44	4	\$34,080	7	\$32,685	2	\$37,464	6	\$38,854	33	\$41,751	86	\$43,250	56	\$48,076	30	\$54,268	3	\$51,575	0	\$50,959	0	\$51,259	0	\$53,219	0	\$54,506	0	\$54,506	0	\$54,506
45-49	1	\$44,206	1	\$33,000	0	\$37,464	0	\$38,854	6	\$41,751	20	\$43,250	27	\$48,076	41	\$54,268	8	\$51,575	0	\$50,959	0	\$51,259	0	\$53,219	0	\$54,506	0	\$54,506	0	\$54,506
50-54	1	\$54,600	0	\$37,718	2	\$37,464	0	\$38,854	6	\$41,751	7	\$43,250	6	\$48,076	6	\$54,268	15	\$51,575	0	\$50,959	0	\$51,259	0	\$53,219	0	\$54,506	0	\$54,506	0	\$54,506
55-59	1	\$28,501	0	\$37,718	0	\$37,464	0	\$38,854	0	\$41,751	2	\$43,250	2	\$48,076	2	\$54,268	2	\$51,575	0	\$50,959	0	\$51,259	0	\$53,219	0	\$54,506	0	\$54,506	0	\$54,506
60-64	1	\$55,098	0	\$37,718	0	\$37,464	0	\$38,854	1	\$41,751	0	\$43,250	1	\$48,076	1	\$54,268	1	\$51,575	0	\$50,959	0	\$51,259	0	\$53,219	0	\$54,506	0	\$54,506	0	\$54,506
65-69	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
70 & Over	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
Total	69	\$31,653	67	\$31,358	75	\$38,058	54	\$39,720	223	\$42,815	315	\$43,375	129	\$45,550	79	\$48,801	29	\$50,403	9	\$43,796	9	\$43,796	0	\$0	0	\$0	0	\$0	1,113	\$41,794



RETIRED MEMBER STATISTICS

Unit Number		Unit	Code(s)	Retirees and Beneficiaries As of June 30, 2002			Retirees and Beneficiaries As of June 30, 2001		
Old	New			Number	Avg Age	Avg Monthly Benefit	Number	Avg Age	Avg Monthly Benefit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
General Employee Units									
3001	1002	Barrington		102	75.1	\$540	102	74.5	\$516
3002	1012	Bristol	B	76	73.8	\$775	78	73.5	731
3003	1032	Burrillville	C	71	72.0	\$662	69	71.9	628
3004	1052	Central Falls		25	69.1	\$657	25	68.1	657
3005	1082	Charlestown	C	7	69.1	\$1,348	6	69.5	1,143
3007	1112	Cranston	B	472	72.8	\$843	461	72.4	826
3008	1122	Cumberland		131	71.5	\$600	126	71.0	602
3009	1152	East Greenwich		70	73.7	\$499	71	73.2	481
3010	1162	East Providence	B	312	70.6	\$1,048	300	70.5	1,014
3011	1183	Exeter/West Greenwich	B	14	67.1	\$675	14	66.1	656
3012	1192	Foster		15	72.9	\$524	15	71.9	524
3013	1212	Glocester	C	17	66.4	\$663	14	66.1	699
3014	1262	Hopkinton	C	10	72.0	\$575	9	70.7	578
3015	1272	Jamestown	C	25	67.8	\$990	22	67.7	993
3016	1282	Johnston	C	149	72.8	\$759	147	72.2	728
3017	1302	Lincoln		1	63.0	\$3,037	1	62.0	3,037
3019	1322	Middletown	C	4	53.0	\$1,409	2	59.0	1,184
3021	1352	Newport	B	183	72.4	\$966	179	72.1	946
3022	1342	New Shoreham	B	8	68.0	\$1,027	7	68.3	907
3023	1372	North Kingstown	C	126	71.8	\$706	119	71.8	617
3024	1382	North Providence		143	72.9	\$529	139	72.2	520
3025	1392	North Smithfield	B	63	73.6	\$513	61	73.5	512
3026	1412	Pawtucket	C	433	72.7	\$743	423	72.4	729
3027	1515	Union Fire District		---	---	---	---	---	---
3029	1452	Richmond		8	72.9	\$446	8	71.9	446
3030	1462	Scituate	B	52	72.6	\$744	48	72.9	708
3031	1472	Smithfield		83	73.1	\$577	83	72.3	564
3032	1492	South Kingstown	B	101	71.3	\$666	97	71.6	639
3033	1532	Tiverton		56	74.5	\$536	54	73.8	502
3034	1562	Warren	C	52	74.1	\$631	55	74.0	594
3036	1622	Westerly		13	77.6	\$880	13	76.6	880
3037	1602	West Greenwich		4	72.0	\$637	4	71.0	637
3039	1632	Woonsocket	B	300	72.6	\$610	286	72.6	564
3040	1073	Charlho School District		22	63.5	\$543	21	63.0	556
3041	1203	Foster/Glocester	B	18	68.9	\$655	18	67.9	762
3042	1528	Tiogue Fire & Lighting	C,5	1	66.0	\$312	1	65.0	304
3043	1336	Narragansett Housing	C	1	67.0	437	---	---	---
3045	1098	Coventry Lighting District	C	---	---	---	---	---	---
3046	1242	Hope Valley Fire	C	---	---	---	---	---	---
3050	1156	East Greenwich Housing	C	---	---	---	---	---	---
3051	1116	Cranston Housing	C	10	71.9	\$597	10	70.9	588
3052	1166	East Providence Housing	B	10	76.9	\$593	10	75.9	578
3053	1416	Pawtucket Housing	B	17	76.5	\$732	18	76.1	704



RETIRED MEMBER STATISTICS

Unit Number		Unit	Code(s)	Retirees and Beneficiaries As of June 30, 2002			Retirees and Beneficiaries As of June 30, 2001		
Old	New			Number	Avg Age	Avg Monthly Benefit	Number	Avg Age	Avg Monthly Benefit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
General Employee Units									
3056	1126	Cumberland Housing	C	4	71.5	\$811	4	70.5	811
3057	1306	Lincoln Housing	B	6	72.0	\$1,047	6	71.0	1,021
3059	1016	Bristol Housing		3	71.7	\$614	3	70.7	614
3065	1036	Burrillville Housing		---	---	---	---	---	---
3066	1386	North Providence Housing	B	4	69.0	\$1,161	4	68.0	1,130
3067	1177	East Smithfield Water	C	1	61.0	623	---	---	---
3068	1227	Greenville Water		1	75.0	\$749	1	74.0	749
3069	1356	Newport Housing	C	11	61.4	\$1,308	10	59.9	1,256
3071	1566	Warren Housing	B	2	76.5	\$1,354	2	75.5	1,315
3072	1286	Johnston Housing		3	79.7	\$560	3	78.7	560
3077	1538	Tiverton Local 2670A	C	8	65.4	\$827	7	64.9	810
3078	1009	Barrington COLA	C	4	64.5	\$1,140	1	64.0	1,524
3079	1096	Coventry Housing		6	72.5	\$434	6	71.5	434
3080	1496	South Kingstown Housing	C	1	81.0	\$246	1	80.0	246
3081	1403	N. RI Collaborative Adm. Svcs	C	---	---	---	---	---	---
3083	1616	West Warwick Housing	B	3	72.0	\$773	3	71.0	752
3084	1476	Smithfield Housing		---	---	---	---	---	---
3094	1478	Smithfield COLA	C	5	64.0	\$1,813	1	59.0	1451
3096	1056	Central Falls Housing		9	67.6	\$1,032	9	67.4	1,064
3098	1293	Lime Rock Administrative Svcs		---	---	---	---	---	---
3099	1063	Central Falls Schools	C	15	65.5	\$551	12	65.5	546
3100	1023	Bristol/Warren Schools	B	45	65.3	\$903	41	64.8	935
All General Employee Units				3,336	72.1	\$8,927	3,230	71.9	\$8,648
Police and Fire Units									
4016	1285	Johnston Fire	D	---	---	---	---	---	---
4029	1454	Richmond Fire District		1	42.0	2,199	---	---	---
4031	1474	Smithfield Police	C,D	2	73.0	250	---	---	---
4042	1555	Valley Falls Fire	D	5	57.2	1,505	5	56.2	1,505
4047	1395	N. Smithfield Vol. Fire	B,D	4	60.5	1,712	---	---	---
4050	1155	East Greenwich Fire	C,D	16	66.1	1,561	15	66.3	1,482
4054	1154	East Greenwich Police	C,D	17	64.2	1,658	15	65.1	1,544
4055	1375	North Kingstown Fire	C,D	46	65.6	1,539	46	64.6	1,526
4056	1374	North Kingstown Police	C,D	15	54.6	2,680	11	53.8	2,575
4057	1235	Harris Fire Department	C	1	33.0	1,663	1	32.0	1,617
4058	1385	North Providence Fire	D	25	57.4	1,861	23	59.0	1,772
4059	1008	Barrington Fire (25)	C	---	---	---	---	---	---
4060	1004	Barrington Police	C,D	24	61.8	1,460	20	63.0	1,294
4061	1005	Barrington Fire (20)	C,D	30	65.5	1,205	30	65.0	1,196
4062	1564	Warren Police & Fire	C,D	26	63.8	1,395	25	62.1	1,416
4063	1494	South Kingstown Police	B,1	22	60.6	1,616	18	62.3	1,376
4073	1464	Scituate Police	3	1	73.0	497	1	72.0	497
4076	1394	North Smithfield Police	C,D	9	60.4	1,887	8	60.8	1,765



RETIRED MEMBER STATISTICS

Unit Number		Unit	Code(s)	Retirees and Beneficiaries As of June 30, 2002			Retirees and Beneficiaries As of June 30, 2001		
Old	New			Number	Avg Age	Avg Monthly Benefit	Number	Avg Age	Avg Monthly Benefit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
General Employee Units									
4077	1534	Tiverton Fire	D	18	63.1	1,305	17	62.9	1,237
4082	1194	Foster Police	C,D	2	61.0	1,203	2	60.0	1,203
4085	1634	Woonsocket Police	C,D	5	37.6	1,924	5	36.6	1,873
4086	1084	Charlestown Police	C,D	4	47.3	2,161	3	43.3	1,821
4087	1264	Hopkinton Police	C,D	1	75.0	1,041	1	74.0	1,010
4088	1214	Glocester Police	C,D	3	66.7	990	3	65.7	967
4089	1604	W. Greenwich Police/RSQ	C,D	3	56.7	1,517	2	61.5	1,575
4090	1034	Burrillville Police	C,D	8	59.0	1,998	8	58.0	1,958
4091	1148	Cumberland Rescue	C,D	3	42.3	1,231	1	38.0	1,933
4092	1585	Washington Fire	D	1	48.0	2,552	1	47.0	2,552
4093	1635	Woonsocket Fire	C,D	4	22.5	991	4	21.5	965
4094	1015	Bristol Fire	C	---	---	---	---	---	---
4095	1135	Cumberland Hill Fire	C,D	3	54.0	2,087	3	53.0	2,028
4096	1014	Bristol Police	C,D	---	---	---	---	---	---
4098	1095	Coventry Fire	D	5	41.8	1,209	4	35.8	1,374
4099	1505	South Kingstown EMT	C,D	---	---	---	---	---	---
4100	1525	Tiogue Fire		1	49.0	2,528	1	48.0	2,528
4101	1365	North Cumberland	D	3	42.0	1,440	3	41.0	1,440
4102	1045	Central Coventry Fire	C,D	2	61.5	2,187	2	60.5	2,187
4103	1255	Hopkins Hill Fire	D	---	---	---	---	---	---
4104	1114	Cranston Police	C,D,4	1	39.0	3,037	---	---	---
4105	1115	Cranston Fire	C,D,4	---	---	---	---	---	---
4106	1125	Cumberland Fire	B,D	4	56.5	1,769	4	55.5	1,720
4107	1305	Lincoln Rescue		2	46.5	\$2,042	2	45.5	2,042
4108	1344	New Shoreham Police	B,D	---	---	---	---	---	---
1324	1324	Middletown Police & Fire	C,D,2	---	---	---	---	---	---
All Police & Fire Units				317	60.2	\$19,175	287	60.1	\$18,307
<i>All MERS Units</i>				<i>3,653</i>	<i>71.1</i>	<i>\$9,817</i>	<i>3,517</i>	<i>70.9</i>	<i>\$9,436</i>

B - Municipality has adopted COIA Plan B

C - Municipality has adopted COIA Plan C

D - Municipality has adopted the "20-year" optional Police & Fire Plan

1 - S.Kingstown Police have a unique plan that provides 2.0% of salary for service prior to July 1, 1993, and 2.5% of salary for service on or after July 1, 1993.

2 - New unit in 2002 valuation.

3 - Closed unit.

4 - Cranston Fire and Police are contributing 10% due to special plan provision.



Distribution of Active Members by Age and by Years of Service (State Police)
As of 06/30/2002
Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total			
	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.		
Under 25	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
25-29	0	\$0	10	\$10	4	\$4	0	\$0	0	\$0	1	\$1	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	15	\$15
30-34	0	\$0	7	\$59,254	14	\$68,431	0	\$0	0	\$0	22	\$77,093	6	\$6	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	49	\$62,890
35-39	0	\$0	3	\$59,254	14	\$70,065	1	\$74,871	0	\$0	30	\$74,871	17	\$80,472	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	65	\$71,953
40-44	0	\$0	2	\$59,254	1	\$69,950	0	\$74,218	0	\$0	10	\$76,009	7	\$78,344	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	20	\$74,513
45-49	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1	\$75,323	0	\$84,022	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1	\$77,073
50-54	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$79,341	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1	\$79,341
55-59	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
60-64	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
65-69	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
70 & Over	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
Total	0	\$0	22	\$59,254	33	\$69,977	1	\$74,218	64	\$75,677	30	\$80,094	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	150	\$72,889



MEMBERSHIP DATA (STATE POLICE)

	June 30, 2002	June 30, 2001
	(1)	(2)
1. Active members		
a. Number	150	151
b. Number vested	0	0
c. Total payroll supplied by State (for benefits)	\$ 10,933,360	\$ 9,139,418
d. Average salary	\$ 72,889	\$ 60,526
e. Average age	35.5	34.7
f. Average service	7.5	6.6
2. Inactive members		
a. Number	0	0
3. Service retirees		
a. Number	1	0
b. Total annual benefits	\$ 69,279	\$ -
c. Average annual benefit	69,279	N/A
d. Average age	64.0	N/A
4. Disabled retirees		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A
5. Beneficiaries and spouses		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A

Historical Summary of Active Member Data (State Police)

Valuation as of June 30,	Active Members		Covered Payroll		Average		Average Age	Average Service
	Number	Percent Increase	Amount	Percent Increase	Amount	Percent Increase		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1996	97	---	\$4,948,746	---	\$51,018	---	31.1	3.8
1997	96	(1.0%)	\$5,370,985	8.5%	\$55,948	9.7%	32.2	4.8
1998	130	35.4%	\$7,211,874	34.3%	\$55,476	(0.8%)	32.3	4.4
1999	130	0.0%	\$7,502,433	4.0%	\$57,711	4.0%	33.3	5.4
2000	152	16.9%	\$8,916,914	18.9%	\$58,664	1.7%	33.7	5.5
2001	151	(0.7%)	\$9,139,418	2.5%	\$60,526	3.2%	34.7	6.6
2002	150	(0.7%)	\$10,933,360	19.6%	\$72,889	20.4%	35.5	7.5



EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

Distribution of Active Members by Age and by Years of Service (State Judges)
As of 06/30/2002
Years of Credited Service

Attained Age	0		1		2		3		4		5-9		10-14		15-19		20-24		25-29		30-34		35-39		40 & Over		Total			
	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.	Count	& Avg Comp.		
Under 25	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
25-29	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
30-34	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
35-39	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
40-44	0	\$0	2	\$107,287	0	\$0	0	\$0	0	\$0	1	\$120,151	2	\$118,016	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	5	\$114,152
45-49	1	\$112,651	4	\$118,366	0	\$0	0	\$0	1	\$112,651	0	\$0	0	\$0	1	\$126,207	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	7	\$117,853
50-54	0	\$0	0	\$0	1	\$125,353	0	\$0	0	\$0	3	\$125,780	4	\$132,293	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	8	\$128,983
55-59	0	\$0	2	\$110,859	1	\$107,287	0	\$0	0	\$0	4	\$115,152	1	\$123,380	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	8	\$114,124
60-64	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	4	\$137,682	0	\$0	0	\$0	1	\$110,792	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	5	\$132,304
65-69	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	3	\$119,439	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	3	\$119,439
70 & Over	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	3	\$125,873	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	3	\$125,873
Total	1	\$112,651	8	\$113,719	2	\$116,320	0	\$0	1	\$112,651	18	\$124,709	7	\$126,940	1	\$126,207	1	\$110,792	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	39	\$121,488



MEMBERSHIP DATA (STATE JUDGES)

	June 30, 2002	June 30, 2001
	(1)	(2)
1. Active members		
a. Number	39	35
b. Number vested	0	0
c. Total payroll supplied by State	\$ 4,738,059	\$ 4,092,423
d. Average salary	\$ 121,489	\$ 116,926
e. Average age	55.6	55.4
f. Average service	7.5	6.4
2. Inactive members		
a. Number	0	0
3. Service retirees		
a. Number	1	1
b. Total annual benefits	\$ 92,136	\$ 92,136
c. Average annual benefit	\$ 92,136	\$ 92,136
d. Average age	74.0	N/A
4. Disabled retirees		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A
5. Beneficiaries and spouses		
a. Number	0	0
b. Total annual benefits	\$ -	\$ -
c. Average annual benefit	N/A	N/A
d. Average age	N/A	N/A

Historical Summary of Active Member Data (State Judges)

Valuation as of June 30,	Active Members		Covered Payroll		Average		Average Age	Average Service
	Number	Percent Increase	Amount	Percent Increase	Amount	Percent Increase		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1996	27	---	\$ 2,596,860	---	\$ 96,180	---	51.5	3.2
1997	28	3.7%	\$ 2,815,218	8.4%	\$ 100,544	4.5%	53.0	4.1
1998	29	3.6%	\$ 3,039,957	8.0%	\$ 104,826	4.3%	54.0	4.9
1999	29	0.0%	\$ 3,169,183	4.3%	\$ 109,282	4.3%	55.0	5.9
2000	31	6.9%	\$ 3,533,354	11.5%	\$ 113,979	4.3%	55.9	6.5
2001	35	12.9%	\$ 4,092,423	15.8%	\$ 116,926	2.6%	55.4	6.4
2002	39	11.4%	\$ 4,738,059	15.8%	\$ 121,489	3.9%	55.6	7.5

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