MERCER
Human Resource Consulting

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Oregon PERS

December 31, 2005 Actuarial Valuation Results

Bill Hallmark and Annette Strand

MMC Marsh & McLennan Companies

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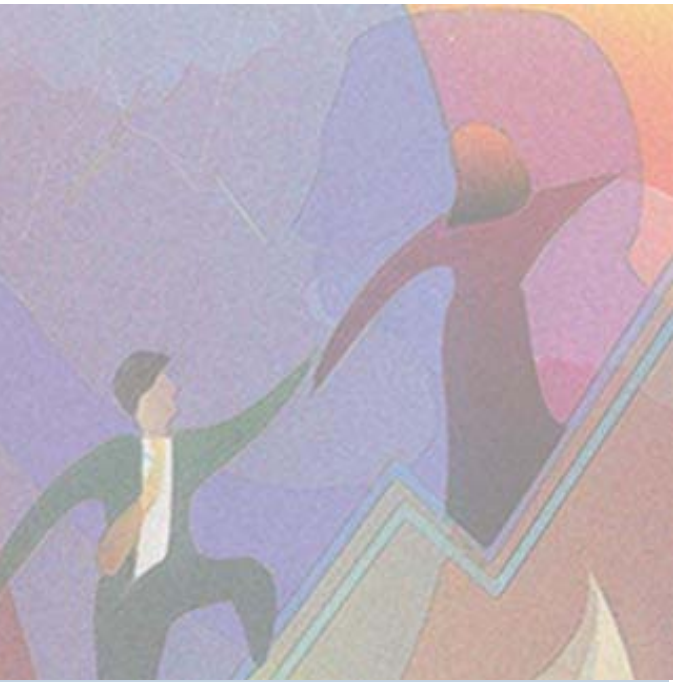


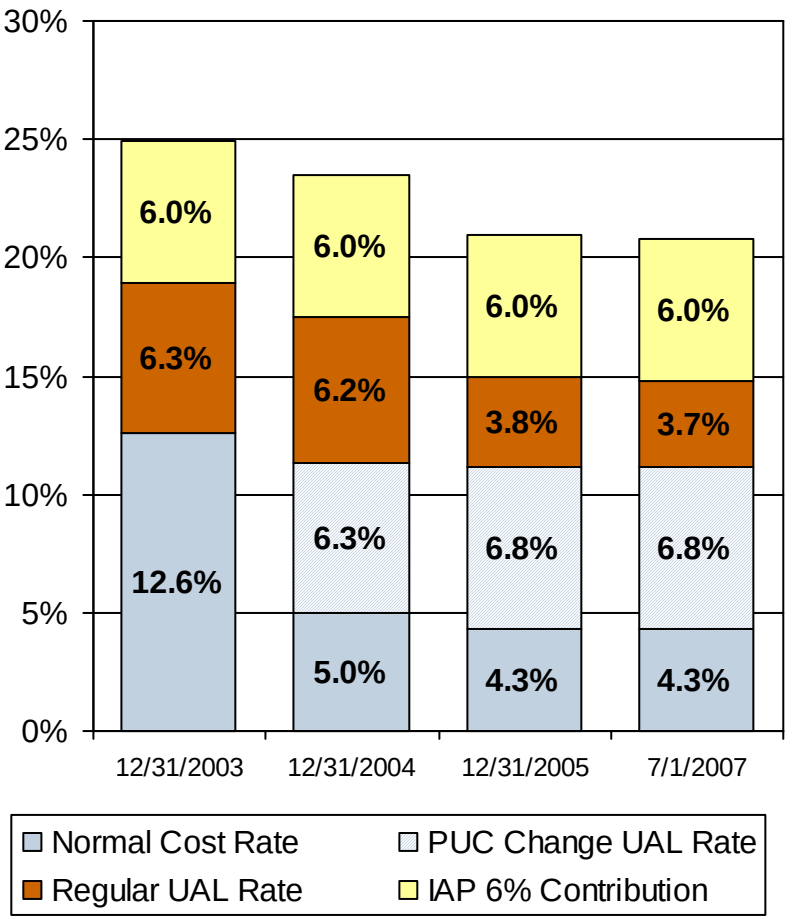
Key Findings

Key Findings
Overview

- First valuation of OPSRP
  - Contribution rates are lower than current rates, reflecting
    - Actual data
    - Immature plan population
    - Changes in methods and assumptions
- Tier 1/Tier 2 actuarial valuation results
  - Contribution rates are slightly lower than prior projections, reflecting
    - Assumption changes
    - Actual impact of the deployment of reserves
    - Actual effect of Strunk/Eugene decisions on member account balances, and estimated effect on retiree benefits
  - Funded status continues to improve
    - UAL without side accounts has been reduced to $4.6 billion
    - With side accounts, Tier 1/Tier 2 is in a surplus position

Key Findings
Average Tier 1/Tier 2 Contribution Rates

- The average normal cost rate declined since the prior valuation as a result of the assumption changes.
- The UAL rate for the change to the PUC method increased due to the change to the payroll growth assumption and the lower than expected growth in payroll.
- The average regular UAL rate decreased since the last valuation reflecting:
  - Deployment of reserves
  - Actual 2005 earnings



Key Findings
Change in Tier 1/Tier 2 Employer Contribution Rate

Prior Projected 7/1/2007 Tier 1/Tier 2 Employer Contribution Rate	**16.1%**
Assumption Changes	
Retirement rates	(0.6%)
Total/partial lump sum rates	(0.4%)
Mortality rates	0.3%
Withdrawal/disability rates	(0.1%)
Salary scale	(0.4%)
Total assumption changes	**(1.2%)**
Other Gains/Losses	(0.1%)
7/1/2007 Tier 1/Tier 2 Employer Contribution Rate	**14.8%**
IAP 6% Contribution	**6.0%**

- With the 12/31/2004 valuation, we projected the average employer contribution rate to be 16.1%
- At the July Board meeting, a number of assumption changes were adopted that reduced the average employer contribution rate by 1.2%
- Other gains and losses including demographic experience and variations from our estimates of the impact of deploying reserves and the Strunk/Eugene implementation had a very minor impact on rates

Key Findings
Tier 1/Tier 2 Employer Contribution Rates by Group

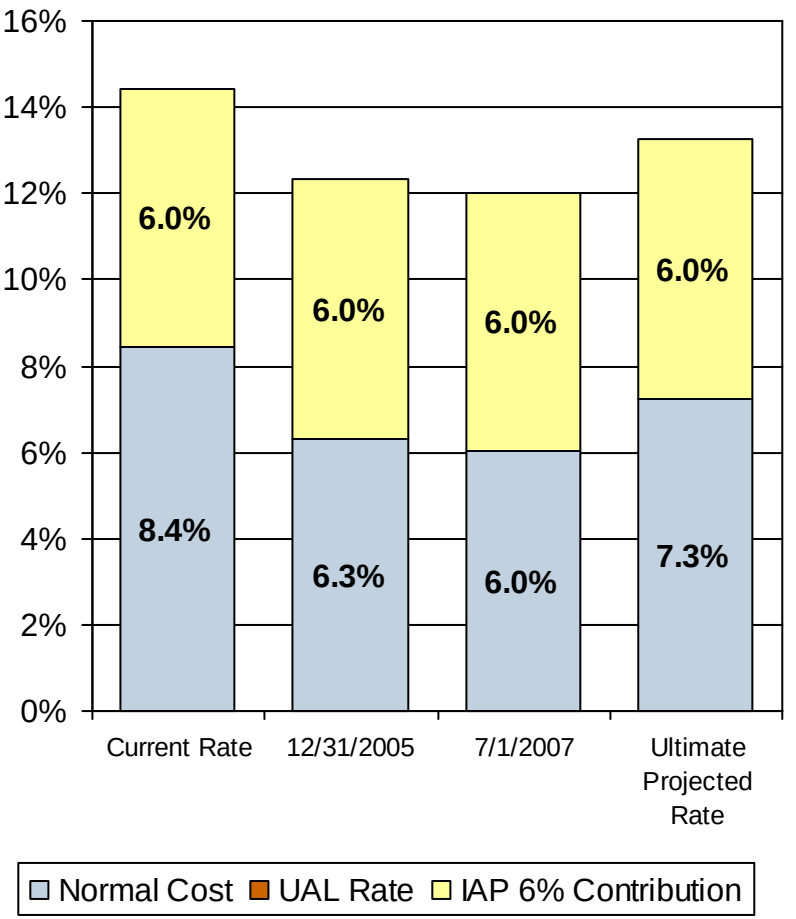
Tier 1/Tier 2 Employer Rates	SLGRP	Independ-ents*	School Districts	Judiciary (Includes Member Contribution)	System-Wide
7/1/2005	15.3%	11.5%	17.0%	30.4%	15.4%
7/1/2007 Normal Cost	4.6%	4.7%	3.5%	31.2%	4.3%
7/1/2007 UAL	9.6%	4.5%	14.1%	(5.5%)	10.5%
7/1/2007 Employer Rate	14.2%	9.2%	17.6%	25.7%	14.8%
Average 7/1/2007 Side Account Rate Relief	(6.3%)	(0.7%)	(9.7%)	N/A	(6.7%)
Average 7/1/2007 Net Employer Rate	**7.9%**	**8.5%**	**7.9%**	**25.7%**	**8.1%**

- While system-wide rates are projected to average 14.8%, rates vary significantly by pool and employer.

* *Assumes election of phase-in rate for 7/1/2005, and does not reflect the collar for 2007*

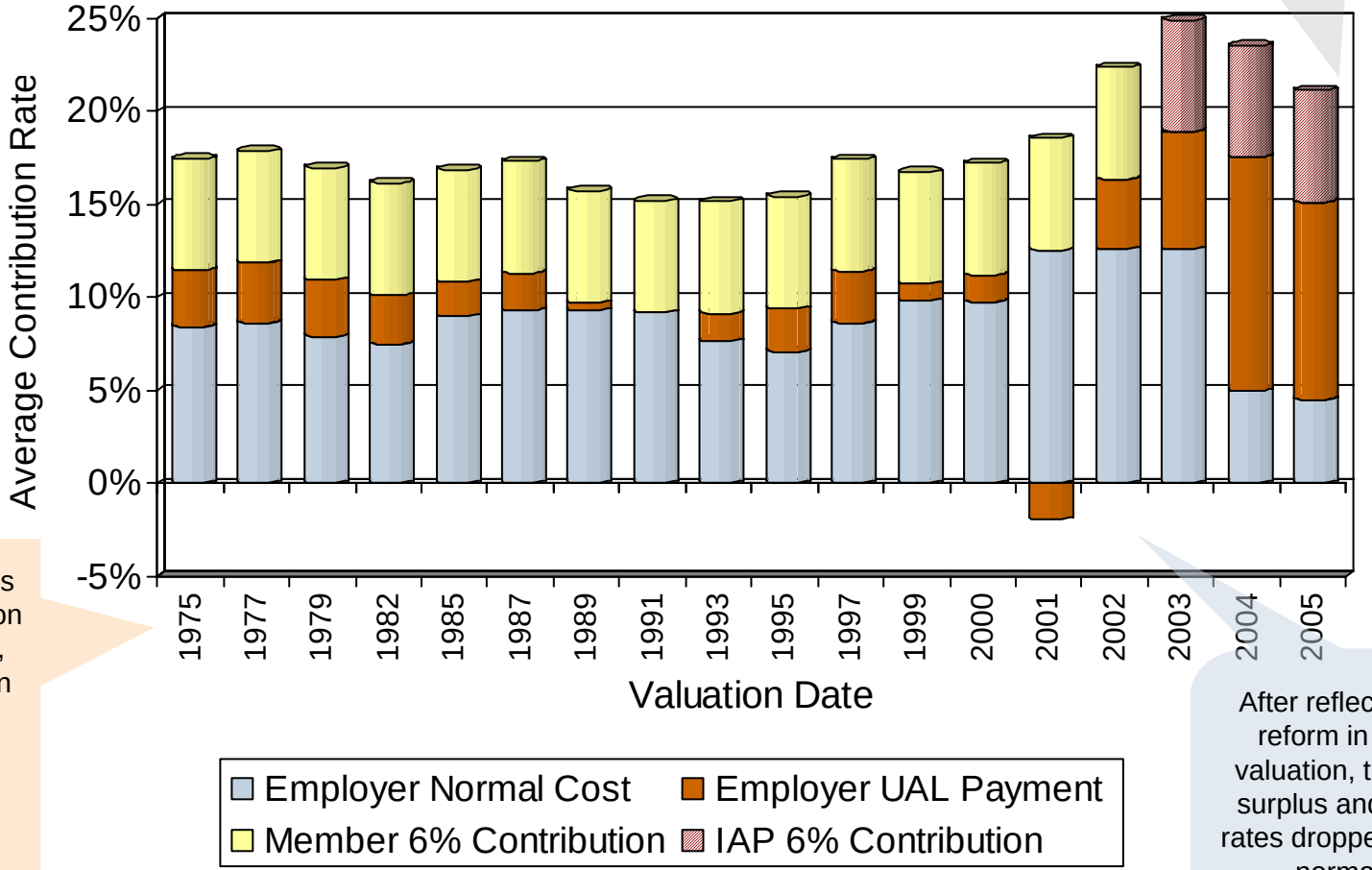
Key Findings
Average OPSRP Contribution Rates

- The average normal cost rate declined from the estimates made by Milliman during the Legislative session.
- These rates reflect different methods, assumptions and data than those used by Milliman. There may be some volatility in this rate from year to year until the population matures and stabilizes.
- As OPSRP matures, we expect the normal cost to gradually increase to an ultimate rate of approximately 7.3%.
- There is a slight surplus in the plan now, but when spread over combined payroll, the UAL rate is still 0.00%.



Key Findings
Historical Perspective on Contribution Rates

Effective, 12/31/2005, contribution rates are a weighted average of Tier 1/Tier 2 and OPSRP rates.



Note that these rates are as of the valuation date. For example, the 2003 rate shown is the 18.9% calculated at 12/31/2003 that becomes 19.7% effective 7/1/2005.

After reflecting PERS reform in the 2001 valuation, there was a surplus and employer rates dropped below the normal cost.

Key Findings
Average 7/1/2007 Employer Contribution Rates

	Payroll		
	Tier 1 /Tier 2	OPSRP GS	OPSRP P&F
Normal Cost	4.3%*	5.8%	9.1%
Tier 1/Tier 2 UAL	10.5%	10.5%	10.5%
OPSRP UAL	0.0%	0.0%	0.0%
Employer Rate	**14.8%**	**16.3%**	**19.6%**
Side Account	(6.7%)	(6.7%)	(6.7%)
Net Employer Rate	8.1%	9.6%	12.9%

- Employers pay the normal cost rate applicable to each portion of their payroll. For Tier 1/Tier 2, we calculate a blended normal cost rate for each employer, but for OPSRP we do not.
- Employers pay the same UAL rate on all of their payroll. That is, the Tier 1/Tier 2 UAL rate is charged against both Tier 1/Tier 2 and OPSRP payroll, and the OPSRP UAL rate is charged against both OPSRP and Tier 1/Tier 2 payroll.
- Side account rate relief is also applied to all payroll.
- As a result, employers are likely to pay a higher contribution rate on their OPSRP payroll than on their Tier 1/Tier 2 payroll, but the higher rate is due to the Tier 1/Tier 2 UAL.

** 14% of Tier 1/Tier 2 members have no normal cost reflecting the impact of the frozen Money Match formula.*

Key Findings
Funded Status

Valuation	OPSRP	Tier 1/Tier 2	
		Excluding Side Funds	**Including Side Funds**
12/31/2003*	N/A	85%	95%
12/31/2004	N/A	84%	95%
12/31/2005	102%	91%	104%

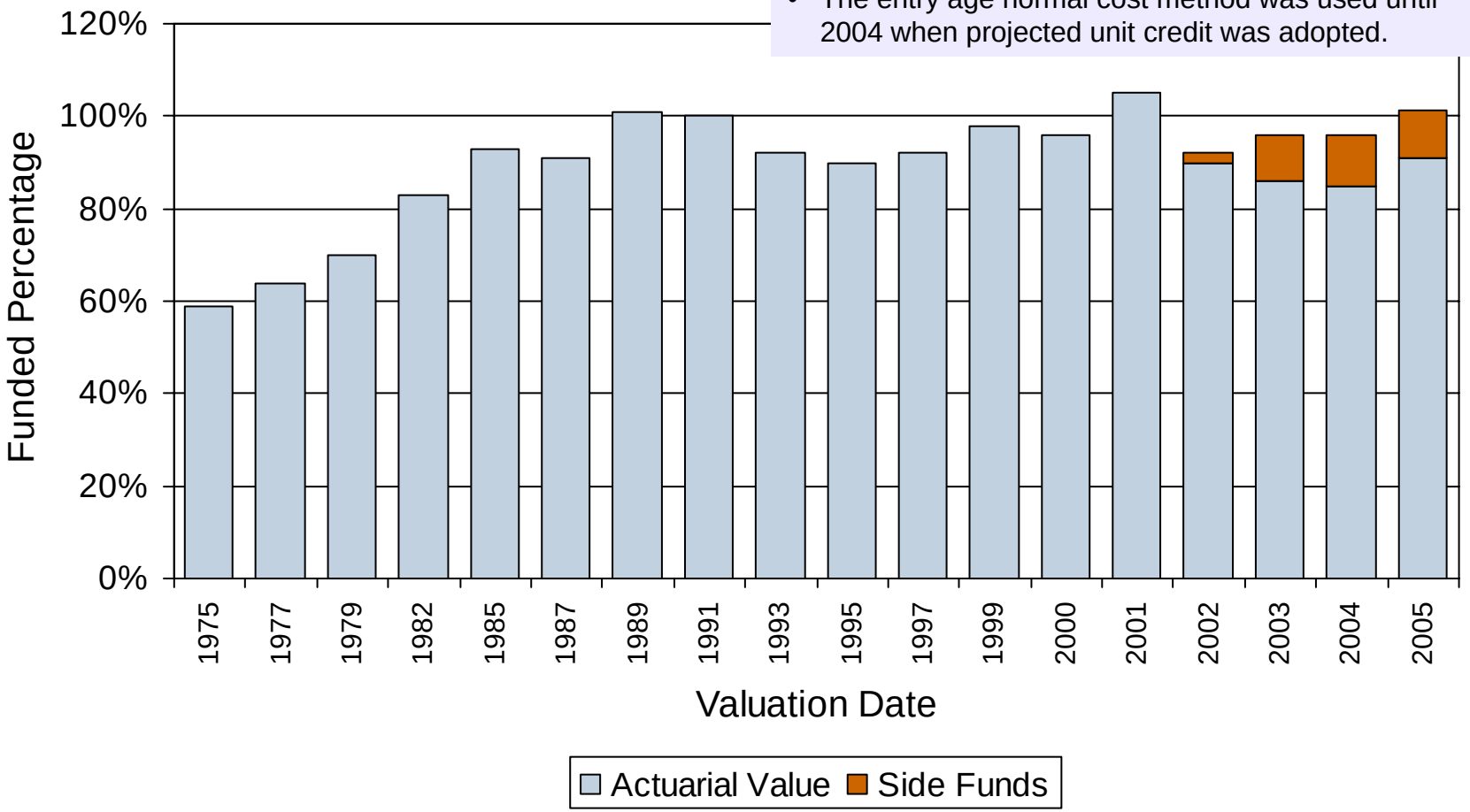
- Funded status has continued to improve with the good investment returns over the last three years.
- Side accounts now account for a significant portion of assets. Including side accounts, the fund is in a surplus position.

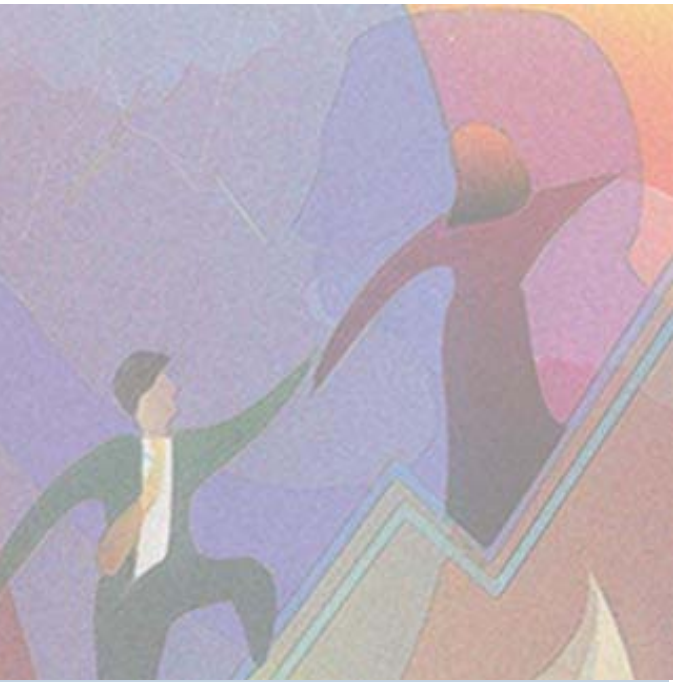
** 12/31/2003 data is reported using the entry age normal cost method and market value of assets.*

Key Findings
Historical Funded Status

When comparing historical funded status, please note that there have been a number of changes including:

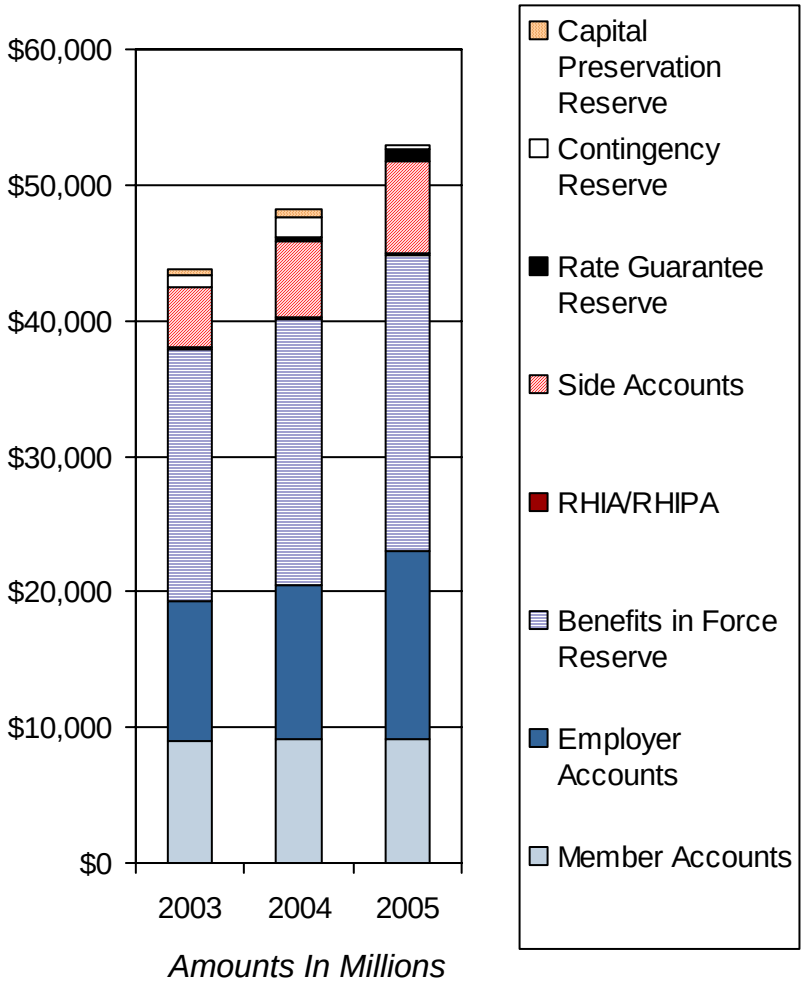
- Money Match benefits were not valued until the mid 1990s.
- A smoothed value of assets was used from 2000 through 2003.
- PERS reform was valued beginning in 2001.
- The entry age normal cost method was used until 2004 when projected unit credit was adopted.





12/31/2005 Tier 1/Tier 2 Valuation

12/31/2005 Tier 1/Tier 2 Valuation
Total Assets



- Valuation assets used to set pooled employer contribution rates exclude:
  - The Capital Preservation Reserve,
  - The Contingency Reserve,
  - The Rate Guarantee Reserve, and
  - Side accounts
- Valuation assets (and the rate guarantee reserve) are growing faster than expected due to:
  - Deployment of reserves
  - Higher rate of earnings than expected
- Total valuation assets increased 12% from $40.2 billion on 12/31/2004 to $44.8 billion on 12/31/2005.
- With side accounts, assets increased nearly 13% from $45.8 billion on 12/31/2004 to $51.5 billion on 12/31/2005

12/31/2005 Tier 1/Tier 2 Valuation
Growth of Side Accounts

	SLGRP	Independ-ents	School Districts	System-Wide
12/31/2004 Side Account Balance	$2,867.4	$35.0	$2,653.8	$5,556.2
New Deposits	154.0	61.1	460.8	675.9
Amortization to Employer Reserves	(182.3)	(3.5)	(170.3)	(356.1)
Earnings	388.2	6.8	396.3	791.2
12/31/2005 Side Account Balance	$3,227.2	$99.4	$3,340.5	$6,667.1
Outstanding Principal on Pension Obligation Bonds	$3,538.5	$236.4	$2,614.0	$6,388.9

Amounts In Millions

- Prior to 2002, supplemental payments were applied directly to the employer's reserve. As a result, there were no supplemental payments for school districts.
- After 2001, supplemental payments established a side account for the individual employer that is used to offset regularly scheduled contributions. However, supplemental payments made by SLGRP employers are used first to payoff the transition liability before establishing a side account.

12/31/2005 Tier 1/Tier 2 Valuation
Normal Cost

- The average normal cost rate declined from 5.0% in the last valuation to 4.3% in this valuation primarily due to assumption changes.
- The normal cost for retiree healthcare benefits decreased primarily due to the lower expected participation rates.

	Valuation	
	12/31/2005	12/31/2004
T-1, General	2.18%	2.80%
T-1, P&F	9.99%	8.52%
T-1, Average	**3.08%**	**3.45%**
T-2, General	5.13%	6.29%
T-2, P&F	10.88%	11.24%
T-2, Average	**5.87%**	**6.91%**
Retiree Healthcare	0.13%	0.20%
System Average	**4.30%**	**5.00%**

12/31/2005 Tier 1/Tier 2 Valuation
Actuarial Accrued Liabilities

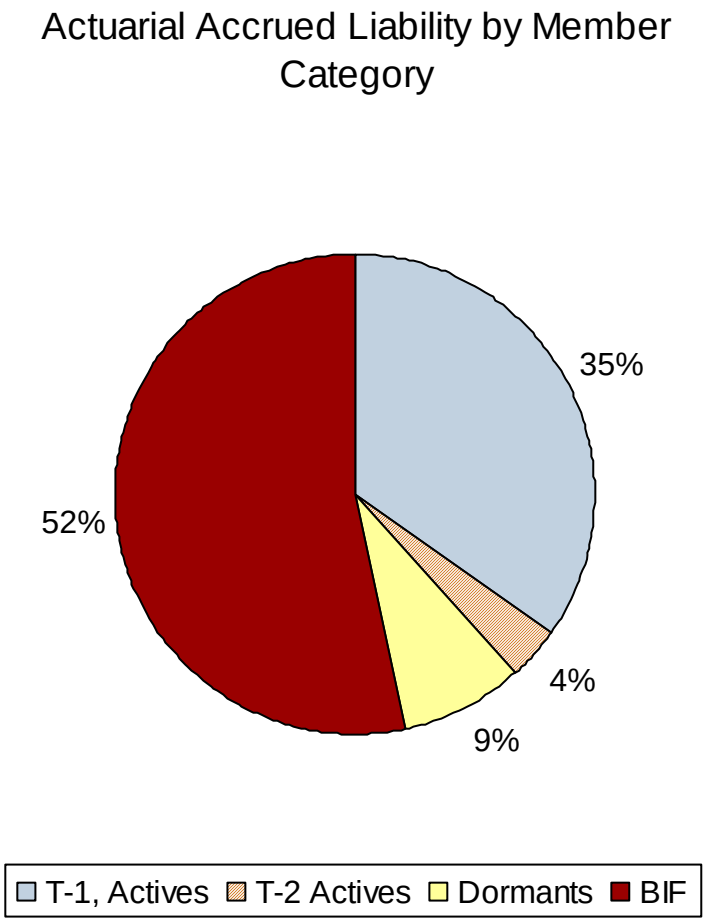
	Valuation	
	12/31/2005	12/31/2004
T-1, General	$15,269	$15,244
T-1, P&F	$1,801	$1,753
T-1, Total	**$17,070**	**$16,996**
T-2, General	$1,472	$1,385
T-2, P&F	$309	$261
T-2, Total	**$1,781**	**$1,646**
Dormant	$4,187	$3,792
Benefits in Force	$26,202	$24,965
Retiree Healthcare	$523	$585
System Total	**$49,240**	**$47,399**

Amounts In Millions

- Overall, liabilities increased about 3.9% since the last valuation
- Tier 1 active liabilities remained approximately level, reflecting the low normal cost rate and retirements
- Tier 2 active liabilities are the fastest growing segment, increasing 8% since the last valuation
- Liabilities for benefits in force continue to represent the majority of the Tier 1/Tier 2 liability

12/31/2005 Tier 1/Tier 2 Valuation
Actuarial Accrued Liabilities

- Approximately 61% of the System's accrued liability is for members who are no longer actively working in Tier 1 /Tier 2 covered employment.
- Most of the rest of the accrued liability is for Tier 1 members, many of whom are likely to retire within the next 10 years.



12/31/2005 Tier 1/Tier 2 Valuation
Funded Status Measures

- **Unfunded Accrued Liability Before Side Funds**
  - The UAL before side funds is used to calculate the employer contribution rates for the SLGRP and School District pools.
  - The side funds are treated as prepaid contributions for the individual employers who have made supplemental contributions.
- **Unfunded Accrued Liability After Side Funds**
  - The UAL after side funds is used to report the funded status of the system as a whole.
  - Side funds are held within the PERS Trust and are available to pay PERS benefits.
- **Net Obligation**
  - The net obligation is the UAL after side funds adjusted for the outstanding principal on pension obligation bonds
  - This measure is not used by PERS, but can be used in a broader financial context to understand the outstanding obligations related to PERS

12/31/2005 Tier 1/Tier 2 Valuation
Unfunded Accrued Liability – Pension Only

	12/31/2005 Valuation					12/31/2004
	SLGRP	Independ-ents	School Districts	Judiciary	System-Wide*	System-Wide*
Accrued Liability	$24,450	$4,431	$20,152	$144	$49,240	$47,399
Assets	$22,329	$4,489	$17,755	$154	$44,660	$40,024
Unfunded Accrued Liability	**$2,121**	**$(58)**	**$2,397**	**$(10)**	**$4,580**	**$7,374**
Side Funds	$3,227	$99	$3,341	$0	$6,667	$5,556
UAL – Side Funds	**$(1,106)**	**$(158)**	**$(943)**	**$(10)**	**$(2,087)**	**$1,818**
POBs	$3,539	$236	$2,614	$0	$6,389	$5,516
Net Obligations	**$2,433**	**$79**	**$1,671**	**$(10)**	**$4,302**	**$7,334**

** System-wide results include Multnomah Fire District #10*

Amounts In Millions

12/31/2005 Tier 1/Tier 2 Valuation
Unfunded Accrued Liability – Pension Only

Amounts In Millions

	12/31/2005 Valuation					12/31/2004
	SLGRP	Independ-ents	School Districts	Judiciary	System-Wide*	System-Wide*
Payroll (T1/T2 + OPSRP)	$3,463	$963	$2,349	$16	$6,792	$6,772
UAL	$2,121	$(58)	$2,397	$(10)	$4,580	$7,374
UAL as % of Payroll	**61%**	**(6%)**	**102%**	**(64%)**	**67%**	**109%**
UAL – Side Funds	$(1,106)	$(158)	$(943)	$(10)	$(2,087)	$1,818
Net UAL as % of Payroll	**(32%)**	**(16%)**	**(40%)**	**(64%)**	**(31%)**	**27%**
UAL – Side Funds + POBs	$2,433	$79	$1,671	$(10)	$4,302	$7,334
Net Obligation as % of Payroll	**70%**	**8%**	**71%**	**(64%)**	**63%**	**108%**

** System-wide results include Multnomah Fire District #10*

12/31/2005 Tier 1/Tier 2 Valuation
7/1/2007 Contribution Rates Before Collar

	SLGRP	Independ-ents	School Districts	Judiciary (Including Member Contributions)	System-Wide
Pension					
Normal Cost	4.41%	4.62%	3.44%	31.00%	4.17%
Regular UAL	2.94%	(1.56%)	5.37%	(0.99%)	3.27%
PUC Change UAL	6.41%	5.92%	8.29%	(17.61%)	6.91%
Multnomah FD #10	0.16%	0.10%	0.10%	0.10%	0.13%
Total Pension	**13.92%**	**9.08%**	**17.20%**	**12.50%**	**14.48%**
Retiree Healthcare					
Normal Cost	0.15%	0.11%	0.11%	0.18%	0.13%
Regular UAL	0.41%	0.33%	0.33%	0.42%	0.35%
PUC Change UAL	(0.13%)	(0.07%)	(0.07%)	(0.13%)	(0.09%)
Total Healthcare	**0.43%**	**0.37%**	**0.37%**	**0.47%**	**0.39%**
18-Month Delay	(0.10%)	(0.23%)	0.07%	(1.93%)	(0.07%)
Employer Contribution Rate	**14.25%**	**9.22%**	**17.64%**	**11.04%**	**14.80%**

12/31/2005 Tier 1/Tier 2 Valuation
Adjustments for Collar and Side Accounts

	SLGRP*	Independents**	School Districts	Judiciary (Excluding member contributions)	System-Wide
Collar Calculation					
Current contribution rate	15.31%	11.50%	16.97%	23.38%	15.40%
Size of collar	3.06%	3.00%	3.39%	4.68%	3.08%
Minimum rate	12.25%	8.50%	13.58%	18.70%	12.32%
Maximum rate	18.37%	14.50%	20.36%	28.06%	18.48%
Application of Collar					
Rate before collar	14.25%	9.22%	17.64%	4.04%	14.80%
Rate after collar	**14.25%**	**9.22%**	**17.64%**	**18.70%**	**14.80%**
Effect of collar	0.00%	0.00%	0.00%	14.66%	0.00%
Adjustment for Side Accounts					
Side Account Relief	(6.37%)	(0.71%)	(9.72%)	N/A	(6.71%)
Net Employer Contribution Rate	**7.88%**	**8.51%**	**7.92%**	**18.70%**	**8.10%**

*SLGRP employers may also have an additional adjustment for a transition liability/surplus or pre-SLGRP pooled liability

** For independent employers, the collar calculation is performed on an individual basis

12/31/2005 Tier 1/Tier 2 Valuation
Employers Joining the State & Local Government Rate Pool (SLGRP)

- Effective 1/1/2006, a number of independent employers joined the SLGRP
- SLGRP normal cost rates in this valuation reflect the addition of these employers
- The SLGRP UAL rate is not affected by new employers joining the pool as a transition liability or surplus is established such that the pooled UAL rate remains unchanged.
- 6 of the employers joining the pool had a transition liability and 36 of the employers had a transition surplus

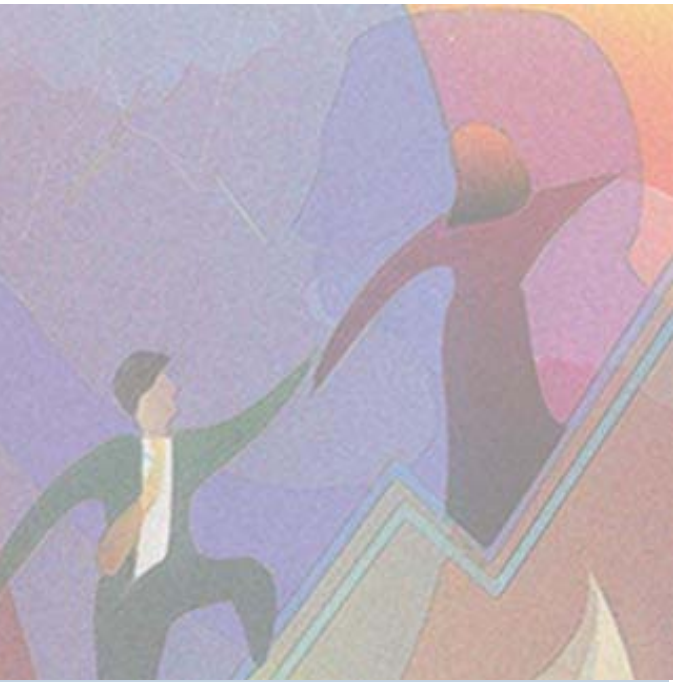
Amounts In Millions

	Joining SLGRP	Current SLGRP
Primary Employers	42	275
Active Employees	513	62,795
Payroll	$24.0	$3,064.8
Assets	$123.5	$22,377.2
Accrued Liability	$118.5	$24,331.8
Normal Cost	$1.6	$134.7

12/31/2005 Tier 1/Tier 2 Valuation
Independent Employers

Number of Active Employees	Number of Independent Employers
500 or more	7
100 to 500	12
50 to 100	12
10 to 50	38
1 to 10	87

- On the whole, the System is returning to historical norms, but individual employers still experience a wide range of results, particularly small independent employers
- This year 42 independent employers joined the SLGRP. There are 218 employers who remain independent, 156 of whom have active employees
- Most of these employers have less than 10 active Tier 1/Tier 2 employees. They are essentially self-insuring disability, death and retirement benefits, so their contribution rates will vary significantly with their experience



12/31/2005 OPSRP Valuation

12/31/2005 OPSRP Valuation
Active Demographic Comparisons

	General Service			Police & Fire		
	Tier 1	Tier 2	OPSRP	Tier 1	Tier 2	OPSRP
Count	65,573	54,949	22,771	6,369	5,627	1,212
Average Age	50.9	43.6	39.5	46.1	38.5	34.8
Average Service	17.1	5.6	1.3	16.7	5.9	1.4
Average Salary	$48,248	$36,168	$25,975	$62,466	$49,753	$36,946

- Not surprisingly, OPSRP members tend to be younger and lower paid than Tier 1 or Tier 2 members.
- OPSRP represents about 15% of the total active membership, and about 10% of total active payroll.

12/31/2005 OPSRP Valuation
Part-Time Employees

- Under OPSRP, part-time employees earn a partial year of service, and employers report the number of hours required to be considered full-time (for most employers 2000 hours are required).
- For part-time employees, pay is converted to a full-time equivalent pay.
- For example, a member who worked 1000 hours and earned $20,000 would be credited with 0.5 years of service and with full time equivalent pay of $40,000.
- Under Tier 1/Tier 2, this member would have earned a full year of service, and no full time equivalency adjustment would have been made to pay ($20,000).

Employee Group	Percentage Part-Time*
School Districts	42%
Other General Service	25%
Police & Fire	10%
Total	**31%**

** For purposes of this valuation, any member reported with at least 80% of the hours required to be full-time was considered full-time. Approximately 22% were reported with less than 100%, but more than 80% of the hours needed to be considered full-time.*

12/31/2005 OPSRP Valuation
Assets

	2005	2004
Assets, January 1	**$ 5.4**	**$ 0**
Contributions	49.3	10.8
Earnings	3.6	0.5
Expenses	(3.3)	(5.9)
Benefit Payments	0	0
Assets, December 31	**$ 55.0**	**$ 5.4**

Amounts In Millions

- Assets for OPSRP are very small compared to the rest of PERS.
- First year contributions were very low reflecting, among other things, that no contributions are collected until an employee completes the 6-month waiting period.
- Administrative expenses are the biggest draw on assets as the initial set up costs are incurred.

12/31/2005 OPSRP Valuation
Administrative Expenses

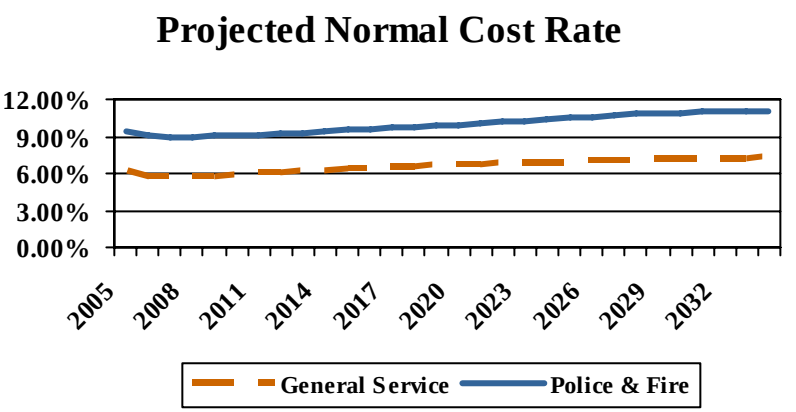
- Initial start-up expenses for OPSRP have been significant relative to total OPSRP assets
- For Tier 1/Tier 2, we assume administrative expenses are about 5 basis points when we develop the expected rate of return
- For OPSRP, we recommend an administrative expense assumption of $6.7 million per year be added to the normal cost
  - $4.8 million in regular allocated expenses
  - $1.9 million in start-up IT expenses (this charge expires in 2009)
- Initially this assumption adds about 98 basis points to the normal cost rate, but as OPSRP payroll grows and the IT start-up charge expires, the impact of the expense assumption will diminish
  - We expect the administrative expenses to decline to around 10 basis points after about 10 years and ultimately be similar to those for Tier 1/Tier 2.
  - We will revisit this assumption with each experience study to set an appropriate addition to the normal cost

12/31/2005 OPSRP Valuation
Normal Cost

- Because of the immaturity of the OPSRP plan, we expect the normal cost to be low in the first few years when virtually no one is vested and termination rates are relatively high.
- In the long run, we expect the normal cost to gradually increase to approximately:
  - 7.25% for general service
  - 11.00% for police and fire

Amounts In Millions

	General Service	Police & Fire	Total
Normal cost (including expenses)	$ 38.5	$ 4.6	$ 43.1
OPSRP Payroll	$ 632.3	$ 48.4	$ 680.7
Normal cost rate	6.1%	9.4%	6.3%



12/31/2005 OPSRP Valuation
Unfunded Accrued Liability

OPSRP UAL Rate	
Accrued liability	
General Service	$ 47.3
Police & Fire	5.9
Dormant	0.5
Total	**$ 53.8**
Assets	**$ 55.0**
Unfunded Accrued Liability	**$ (1.2)**
Combined Payroll	$ 6,791.7
16-year amortization factor	11.825
UAL Rate	**0.00%**

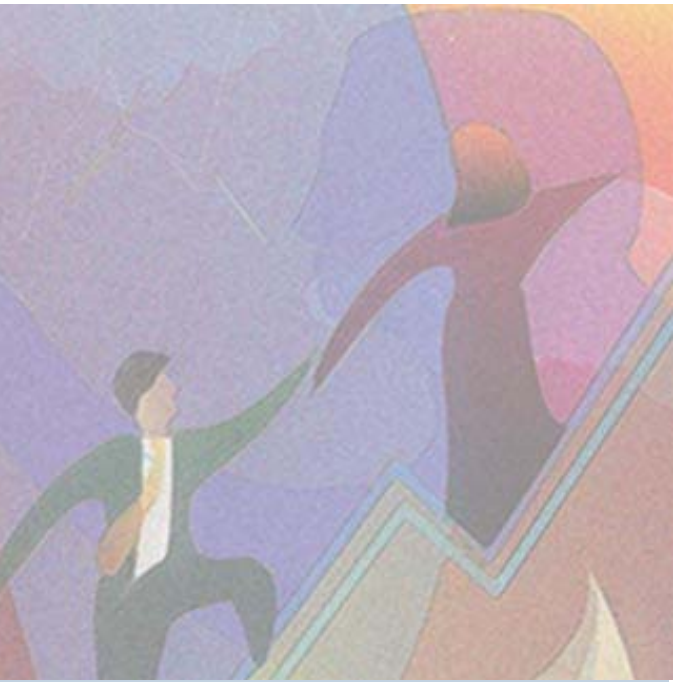
- With current contribution rates higher than the normal cost calculated in the valuation and good investment returns, we would expect OPSRP to be in a surplus position.
- The 6-month waiting period and start-up expenses, however, have nearly cancelled these gains.
- The surplus of $1.2 million does not affect contribution rates because it is amortized over the entire $6.8 billion payroll.

Amounts In Millions

12/31/2005 OPSRP Valuation
7/1/2007 Contribution Rates

	General Service	Police & Fire	Weighted Average Rate
Regular Normal Cost	5.61%	8.51%	5.82%
Pre-Retirement Disability Normal Cost	0.48%	0.90%	0.51%
UAL Rate	0.00%	0.00%	0.00%
18-Month Delay	-0.27%	-0.32%	-0.30%
Preliminary employer contribution rate	**5.82%**	**9.09%**	**6.03%**
Current contribution rate	8.04%	11.65%	8.44%
Minimum rate			5.44%
Maximum rate			11.44%
Adjustment due to collar	0.00%	0.00%	0.00%
Final employer contribution rate	**5.82%**	**9.09%**	**6.03%**

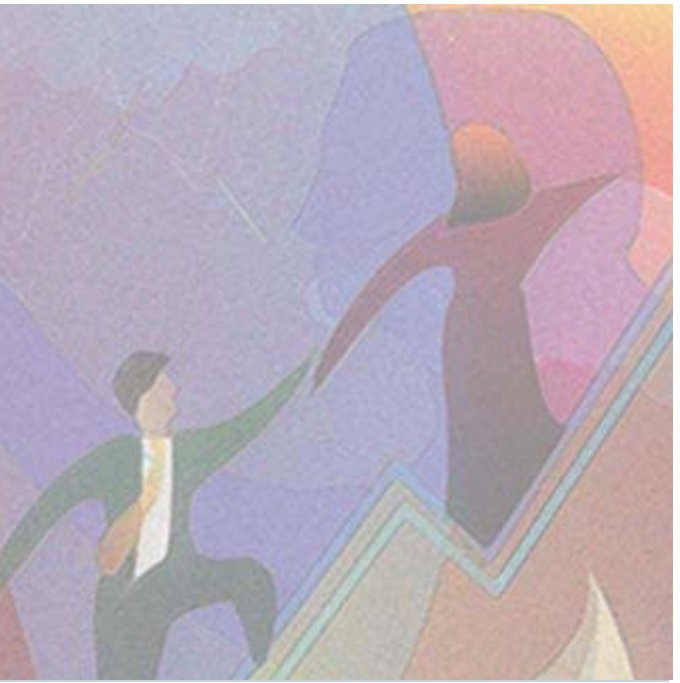
The collar is applied to the weighted average OPSRP contribution rate so that there is a single UAL rate for the pool.



Next Steps

Next Steps

- Today
  - Board approves (or does not approve) expense assumption for OPSRP
- November meeting
  - Individual employer rates and reports
  - Tier 1/Tier 2 system-wide report
  - OPSRP report
  - Adoption of employer contribution rates for 2007-09 biennium



Appendix

Appendix
Assumption Changes

- Economic Assumptions
  - Reduce inflation assumption from 3.00% to 2.75%
  - Update healthcare trend assumption
- Demographic Assumptions
  - Increase setback for male retiree mortality
  - Update disabled retiree mortality and ratios for non-retired mortality
  - Restructure and update retirement rate assumptions
  - Restructure and update termination rate assumptions
  - Consolidate disability rate assumptions
  - Reduce School District salary merit increase assumption
  - Update other minor assumptions
- Allocation Procedures
  - Change service segment allocation procedure

Appendix
Summary of 2005 Legislation Impacting PERS

- A member eligible to receive benefits under both Tier 1/Tier 2 and OPSRP may use their combined creditable service (Tier 1/Tier 2) and retirement credits (OPSRP) to determine eligibility for benefits, such as non-duty disability, “30 and out”, vesting, etc.
- A member entitled to retire under both Tier 1/Tier 2 may retire from the OPSRP Pension Program at the earliest retirement age they would be entitled to retire under the Tier 1/ Tier 2 Program.
- “Pop-up” survivor options are added to the OPSRP Pension Program.
- “Final Average Salary” definition is changed to “earned when paid” for all Tier 2 and OPSRP members, except for those members employed by local governments.
- Normal retirement age under the OPSRP Pension Program for a member retiring from service as a school member is the earlier of age 65 or 58, if the member has been an active member in 30 or more calendar years.

Appendix
Summary of 2005 Legislation Impacting PERS (continued)

- Under Tier 1/Tier 2, an inactive member may retire at the age of 50 if the last covered position held by the member was a P&F position. The member may receive an unreduced benefit, if the member had 25 years of creditable service, and the last covered position was a qualifying P&F position.
- Academic members of community colleges are assumed to work 1,200 hours on a full-time equivalent basis. A member will be credited with a minimum of 1,200 hours if they are employed on a 1.0 full-time equivalent basis or 600 hours if they are employed 0.375 full-time equivalent on a 12-month basis, or 0.50 full-time equivalent on a 9-month basis, regardless of actual hours worked.

Appendix
Tier 1/Tier 2 Normal Cost

	12/31/2005 Valuation					12/31/2004
	SLGRP	Independents	School Districts	Judiciary (includes Member Contributions)	System-Wide	System-Wide
T-1, General	1.83%	1.75%	2.35%	31.00%	2.18%	2.80%
T-1, P&F	9.76%	10.47%	14.00%	0.00%	9.99%	8.52%
T-1, Average	**3.17%**	**3.82%**	**2.37%**	**31.00%**	**3.08%**	**3.45%**
T-2, General	5.10%	4.59%	5.37%	0.00%	5.13%	6.29%
T-2, P&F	11.10%	10.13%	14.25%	0.00%	10.88%	11.24%
T-2, Average	**6.21%**	**5.67%**	**5.39%**	**0.00%**	**5.87%**	**6.91%**
Retiree Healthcare	0.15%	0.11%	0.11%	0.18%	0.13%	0.20%
System Average	**4.56%**	**4.73%**	**3.55%**	**31.18%**	**4.30%**	**5.00%**

- The average normal cost rate declined from 5.0% in the last valuation to 4.3% in this valuation primarily due to assumption changes.

Appendix
Tier 1/Tier 2 Actuarial Accrued Liabilities

	12/31/2005 Valuation					12/31/2004
	SLGRP	Independ-ents	School Districts	Judiciary	System-Wide*	System-Wide*
T-1, General	$7,375	$1,279	$6,544	$71	$15,269	$15,244
T-1, P&F	$1,275	$521	$5	$0	$1,801	$1,752
T-1, Total	**$8,650**	**$1,800**	**$6,549**	**$71**	**$17,070**	**$16,996**
T-2, General	$734	$205	$533	$0	$1,472	$1,385
T-2, P&F	$240	$67	$2	$0	$309	$261
T-2, Total	**$974**	**$272**	**$535**	**$0**	**$1,781**	**$1,646**
Dormant	$2,458	$380	$1,345	$4	$4,187	$3,792
Benefits in Force	$12,369	$1,979	$11,724	$69	$26,202	$24,965
Pension Total	**$24,450**	**$4,431**	**$20,152**	**$144**	**$49,240**	**$47,399**
Retiree Healthcare					$523	$585
System Total					**$49,763**	**$47,984**

** System-wide results include Multnomah Fire District #10*

Amounts In Millions