

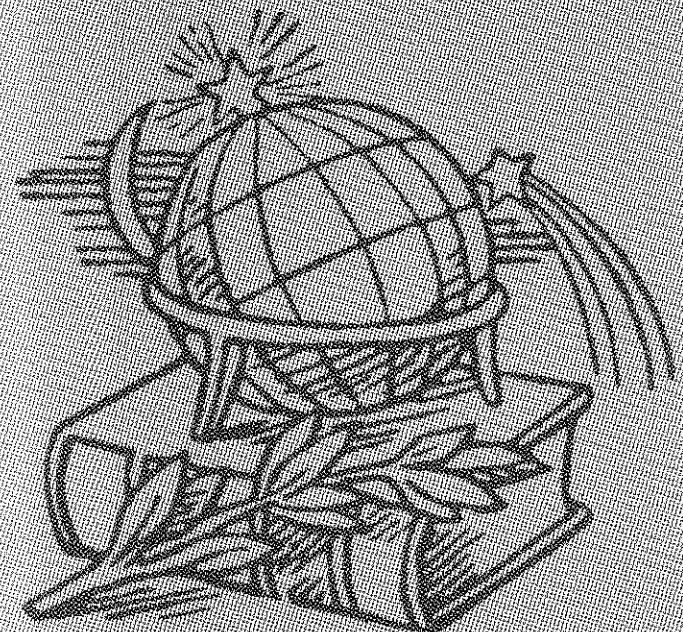
Connecticut State Teachers' Retirement System

NOVEMBER 16, 1994

CONTRIBUTION
REQUIREMENT
FOR FISCAL YEAR
1995/1996

PRESENTED BY
THE WYATT COMPANY

Wyatt



Connecticut State Teachers' Retirement System

Actuarial Valuation Results - July 1994

November 16, 1994

Presented by

The Wyatt Company

Connecticut State Teachers' Retirement System

Why do an actuarial valuation?

Connecticut State Teachers' Retirement System

Why do an actuarial valuation?

Purpose of the actuarial valuation

- **For Advanced Funding of Benefits**
- **For Analysis of Funded Status**
- **For Determining Effect of Plan Amendments**

1989 Experience
Study

Connecticut State Teachers' Retirement System ~~Study~~ 1995 Experience Actuarial Assumptions in 1994 Actuarial Valuation *study*

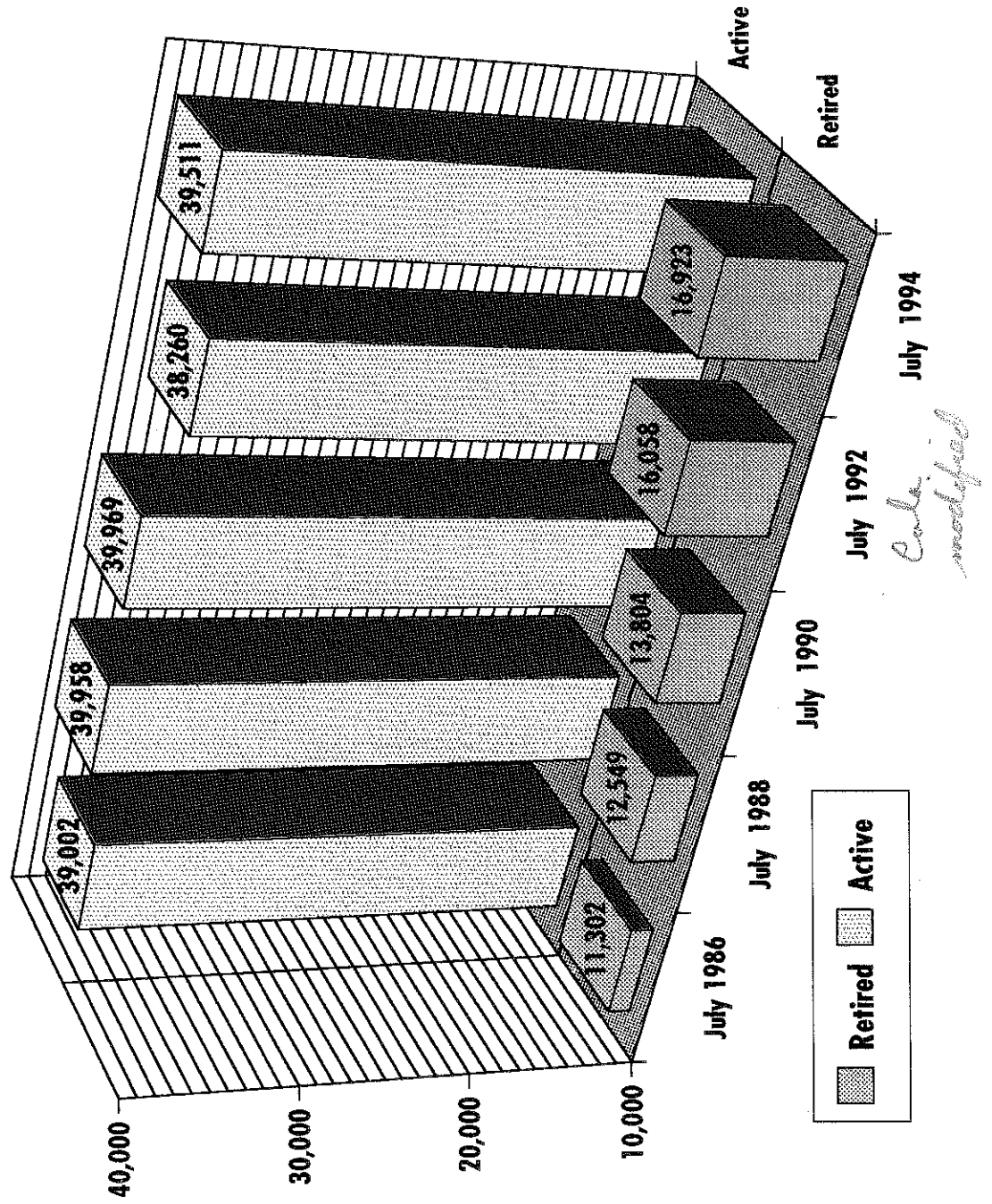
*long term assumptions
+ address plan liability
in ball park*

Interest Rate	8.5% per year
Salary Increases	Years of Service
	Less than 15
	More than 15
	8.00% - 3
	5.50%

Rates of Retirement	Age	Rate
	56 - 59	5%
	60 - 64	15%
	65	20%
	65 - 70	from 24% to 40%
	70 - 75	from 52% to 100%

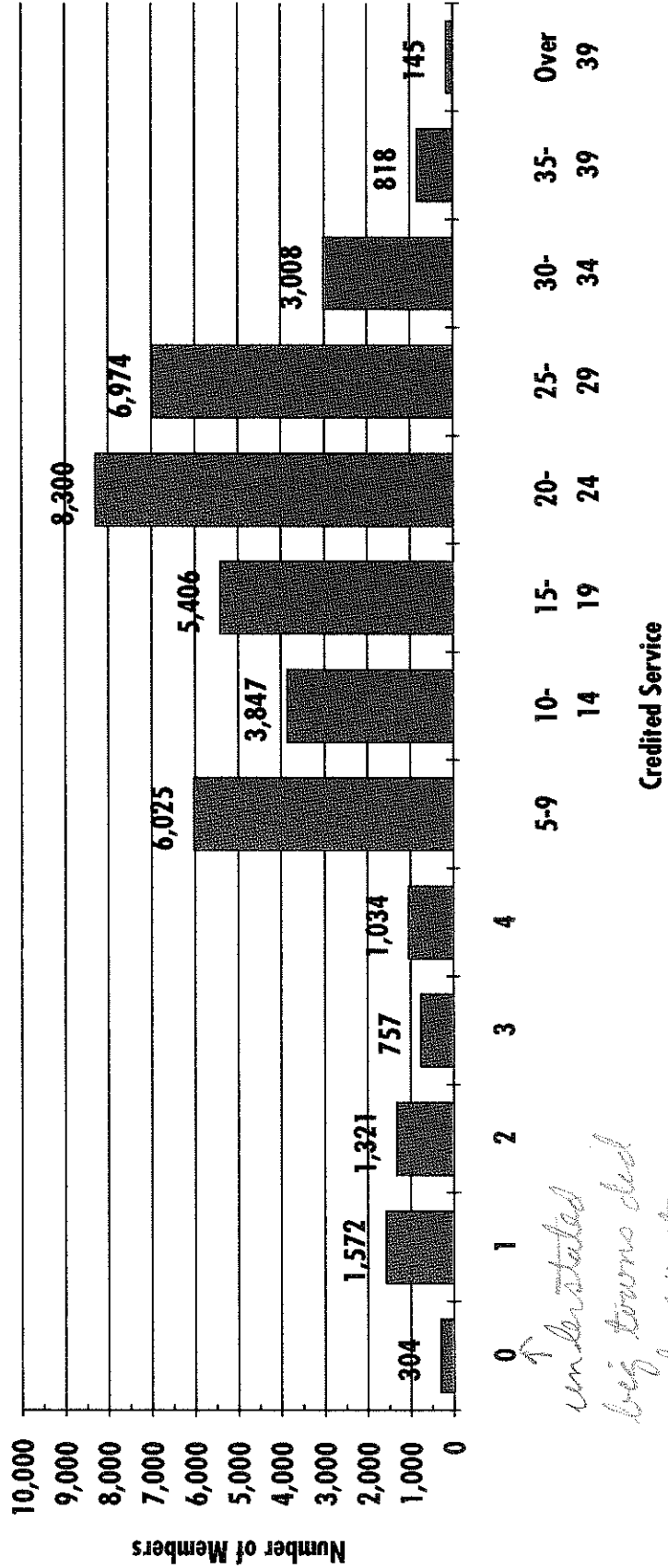
Connecticut State Teachers' Retirement System

Plan Membership - Active and Retired



Connecticut State Teachers' Retirement System

Active Members as of July 1994 - by Credited Service Group

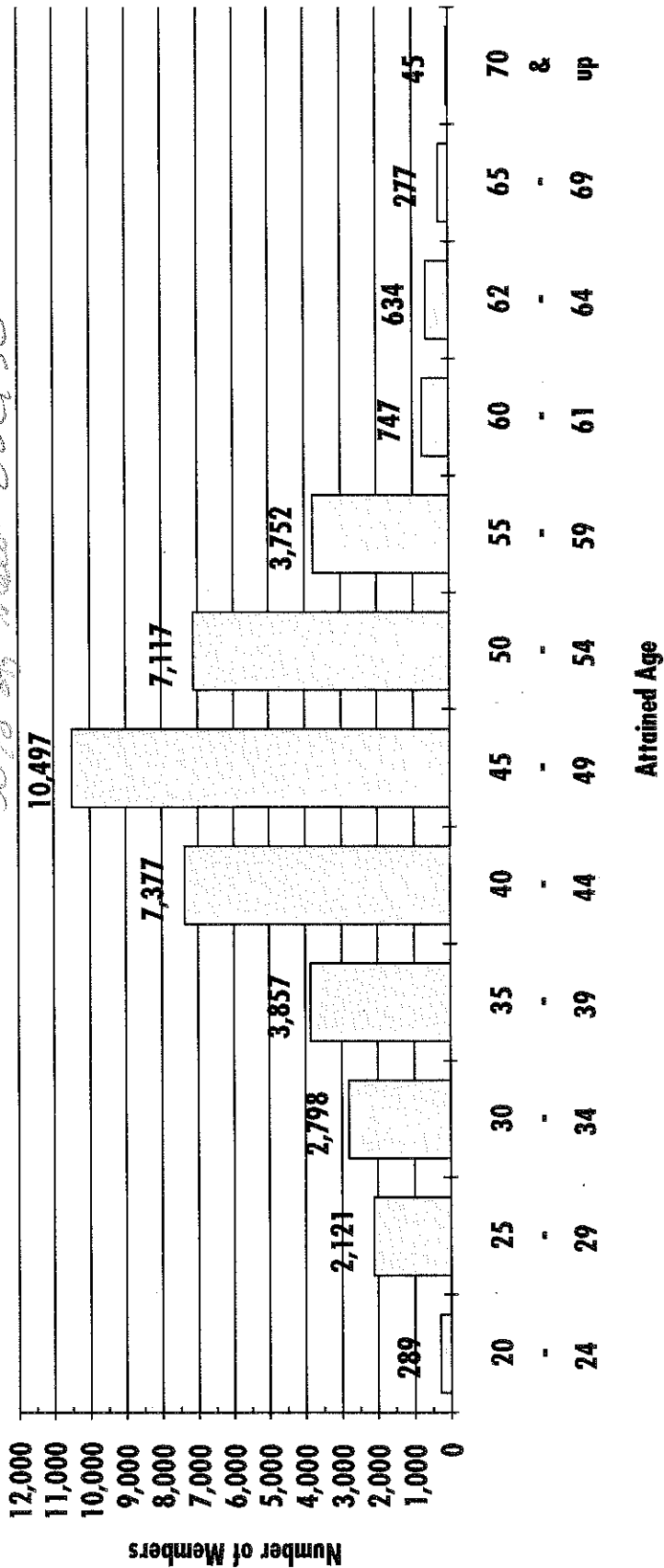


*↑ understated
big towns did
not report*

Connecticut State Teachers' Retirement System

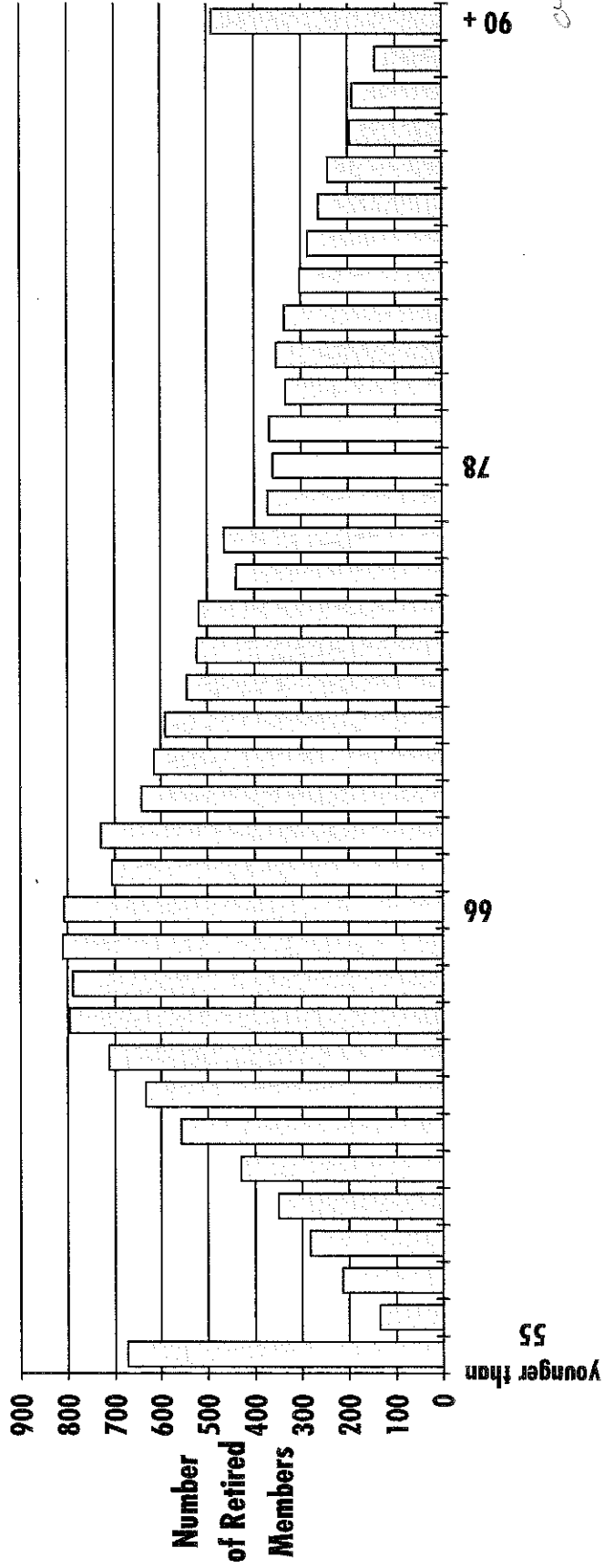
Active Members as of July 1994 - by Age Group

*Average 45.3 25% over age 40
50% of over over 30*



Connecticut State Teachers' Retirement System

Retired Members as of July 1994 - by Age Group



oldest 10%

Attained Age

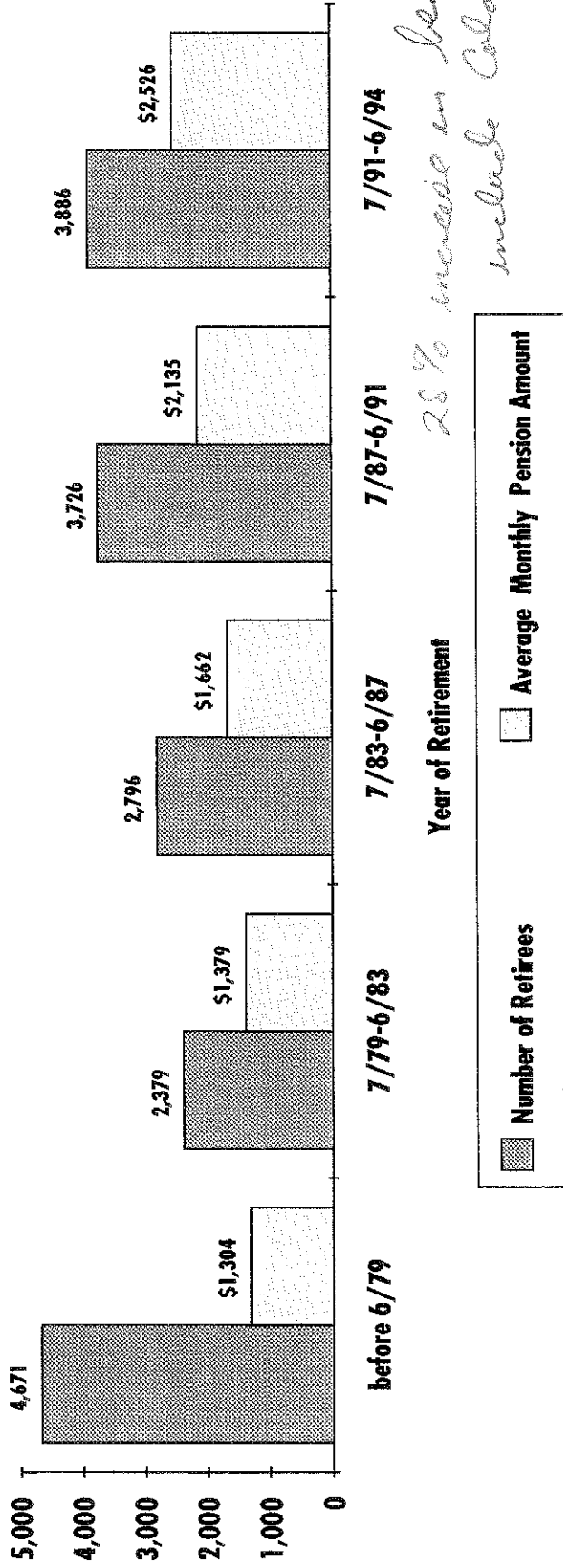
include survivors

55
↑ younger than

Connecticut State Teachers' Retirement System

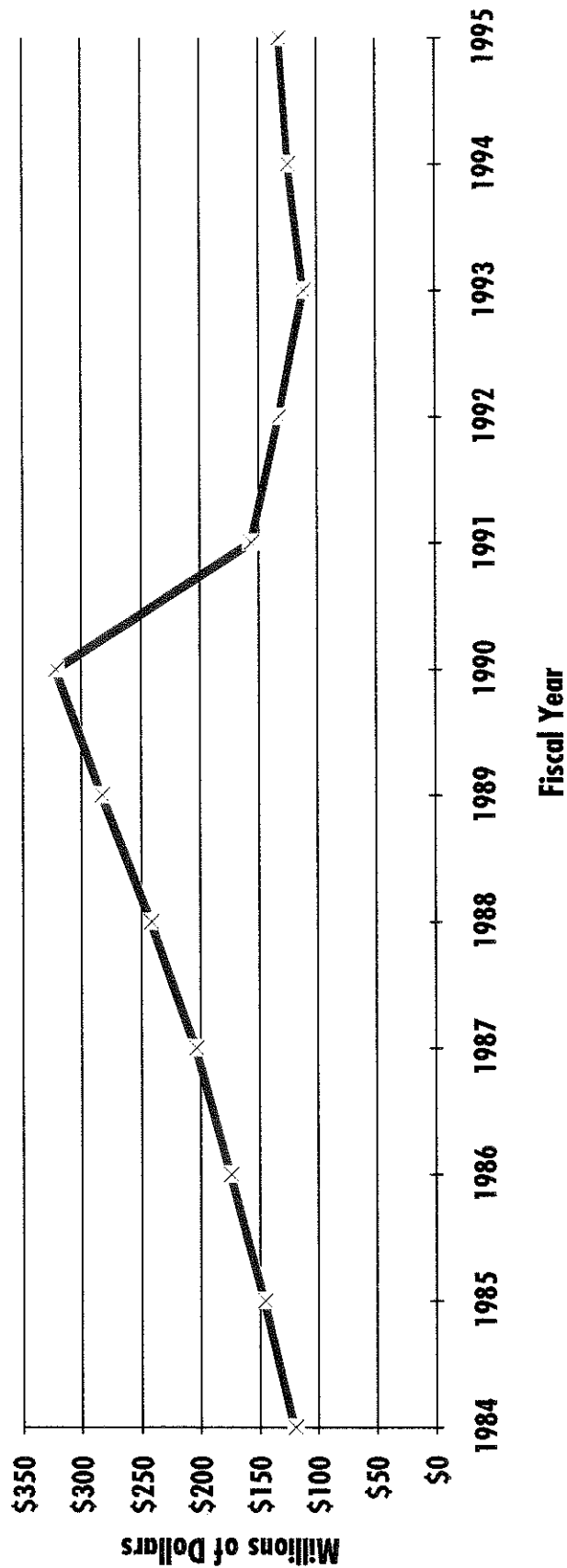
Retired Members as of July 1994

Distribution by Year of Retirement



Connecticut State Teachers' Retirement System

State Contribution

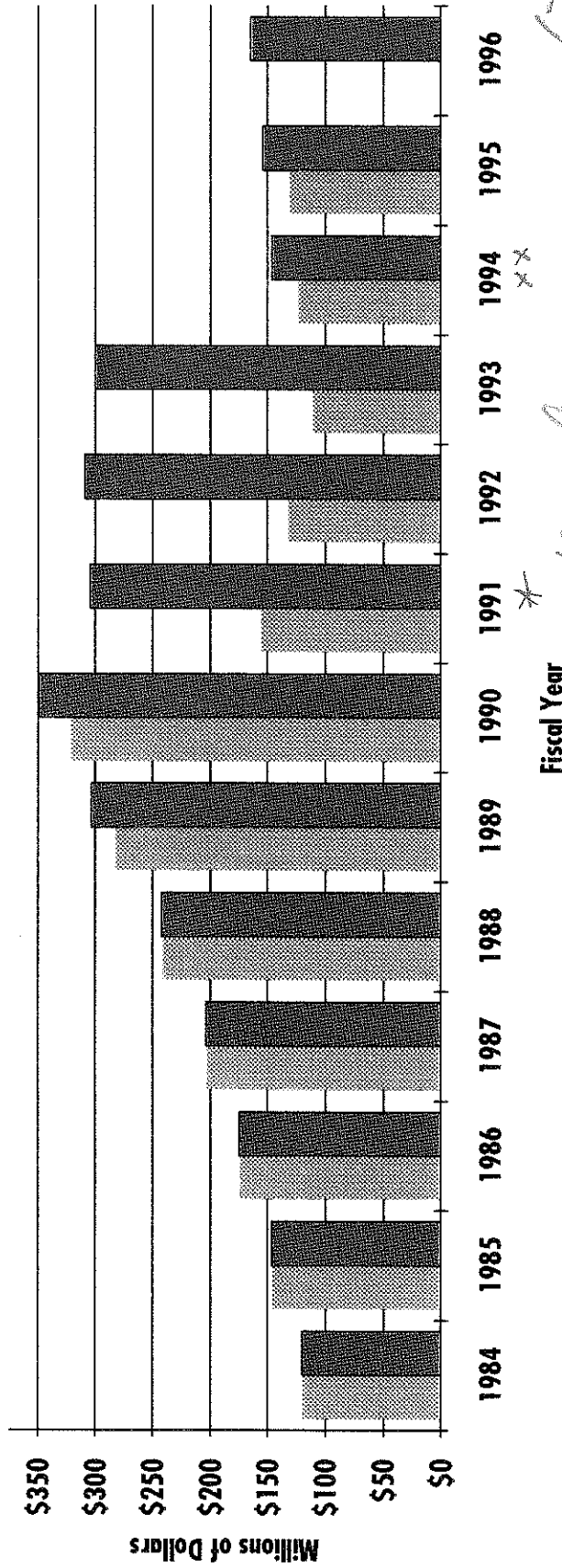


—x— State Contribution

also reflects removal of coln

State Teachers' Retirement System

Comparison of State Contribution with Required Contribution

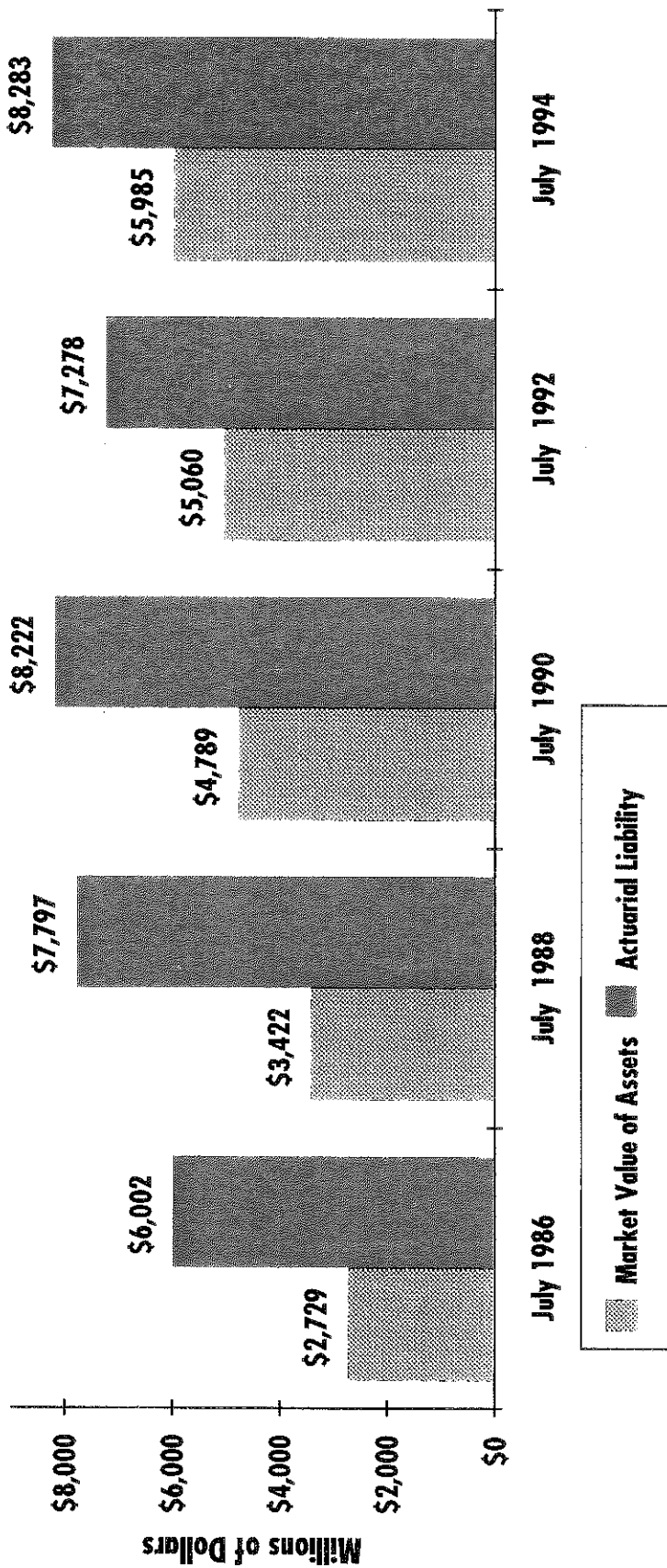


State Contribution
 Required Contribution

* Year change assumption (interest)
 ** 4% colar's
 ** EEA

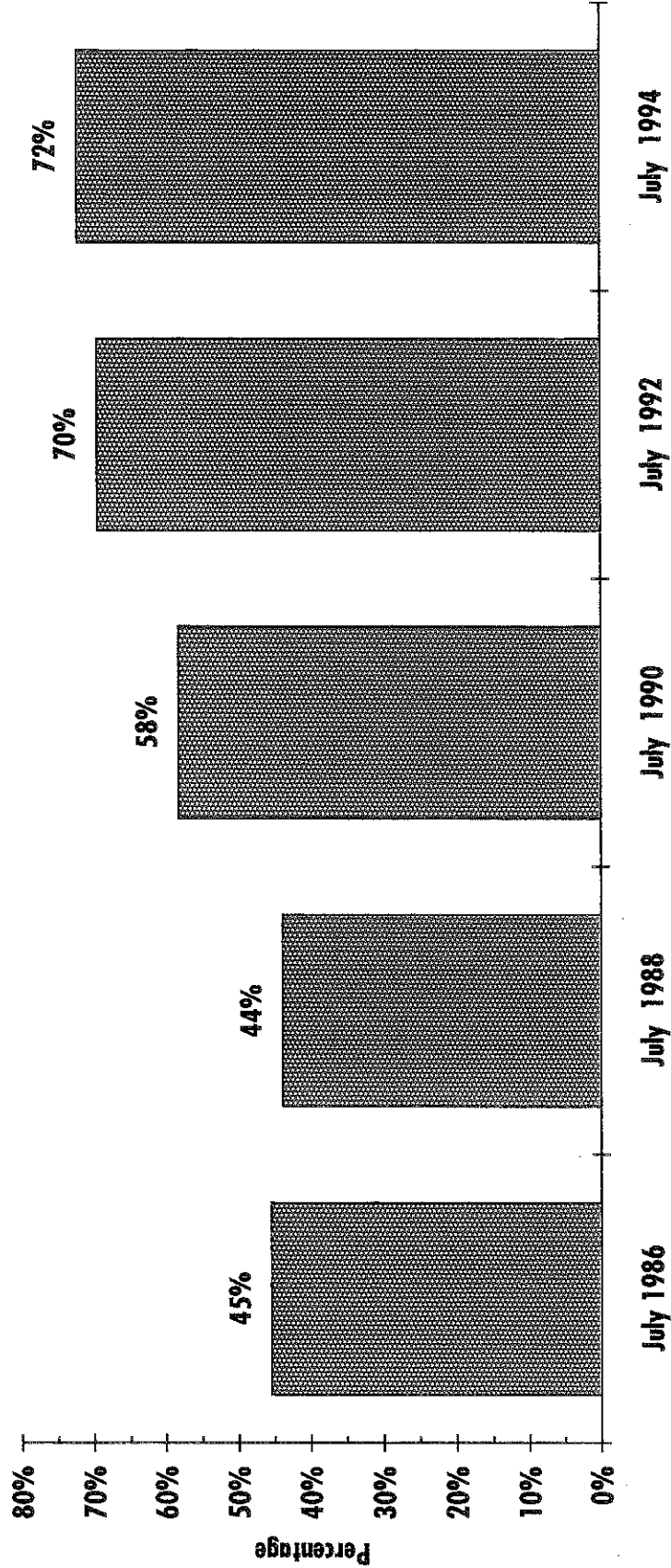
Connecticut State Teachers' Retirement System

Actuarial Funding Status



Connecticut State Teachers' Retirement System

Ratio of Market Value of Assets to Actuarial Liability



*Value of assets > retiree benefit
> accrued benefits (2 years ago 500m short)*

State Teachers' Retirement System
Contribution Requirement for Fiscal Year 1996

Normal Cost **\$ 53,501,000**

Amortization of Bases

Unfunded Liability

Pub Act 92 - 91

Pub Act 87 - 381

COLA, 7/92

Total Amortization

202,755,000

2,311,000

106,000

(98,942,000)

106,230,000

159,731,000

Contribution Requirement
(adjusted for quarterly payment)

\$ 164,650,000

\$ 175,000,000 96-97

38 yr left
18 yr
23 yr