

**WISCONSIN RETIREMENT SYSTEM
GAIN/LOSS ANALYSIS OF EXPERIENCE AMONG ACTIVE MEMBERS
DURING CALENDAR YEAR 2006**

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August 27, 2007

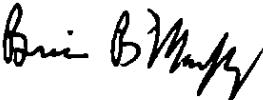
The Employee Trust Funds Board
Wisconsin Retirement System
801 West Badger Road
Madison, Wisconsin 53713

Ladies and Gentlemen:

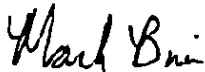
The results of the *Gain/Loss Analysis of Experience Among Active Participants* of the Wisconsin Retirement System, *covering the calendar year 2006 are presented in this report.* (The results of the December 31, 2006 regular annual actuarial valuation of active members were submitted in our report dated June 6, 2007.)

Your Secretary and staff furnished the statistical data concerning active participant changes and related financial information that was required for this analysis. The actuary did not audit the data. The actuarial assumptions used are shown in the Appendix portion of the December 31, 2006 annual actuarial valuation of active participants.

Respectfully submitted,



Brian B. Murphy, FSA



Mark Buis, FSA

BBM/MB:lr

ACTIVE MEMBER GAIN/LOSS ANALYSIS

Introduction

Purpose of Gain/Loss Analysis. Regular actuarial valuations provide information about the composite change in computed contribution rates and total liabilities -- whether or not the rates and related liabilities are increasing or decreasing, and by how much. However, valuations do not show the portion of the change attributable to each risk area within the retirement system financial mechanism: the rate of investment income on plan assets; the rates of withdrawal of active participants who leave covered employment; the rates of mortality; the rates of disability; the rates of salary increases; and the assumed ages at actual retirement. In an actuarial valuation, assumptions are made as to what these rates will be for the next year and for decades in the future.

The objective of a gain and loss analysis is to determine the portion of the change that is attributable to each risk area.

The fact that actual experience differs from assumed experience should be expected. The future cannot be predicted with complete precision. Further, year-to-year statistical fluctuations occur, even in very large groups. This year's report reflects just a single year's experience. Changes in the valuation assumed experience for a risk area should be made only when the differences between assumed and actual experience have been observed to be sizable and persistent. One year's gain and loss analysis may or may not be indicative of *long-term trends, which are the basis of actuarial assumptions*. In the Wisconsin Retirement System, longer term trends are reviewed in connection with the regular 3-year investigation of experience (the most recent 3-year investigation covered the period January 1, 2003 to December 31, 2005). It is the results of the 3-year investigation that lead to recommendations for changes in the actuarial assumptions.

POPULATION DEVELOPMENT DURING CALENDAR YEAR 2006

	General	Executive & Elected	Protective		Total	Expected
			With S.S.	Without S.S.		
Beginning Census	237,501	1,452	19,036	2,689	260,678	
(-) Normal Retirement	2,761	24	288	67	3,140	3,290
(-) Early Retirement	3,357	17	84	6	3,464	3,691
(-) Death	268	2	19	2	291	277
(-) Disability Retirement						
-Total Disabilities approved	240	0	13	7	260	315
-Less Pending at Beginning of Year	55	0	1	1	57	
-Net new from active status	185	0	12	6	203	
(-) Other Separations	11,373	76	510	28	11,987	10,725
(-) Transfers Out	879	13	99	4	995	
(+) Transfers In	770	28	181	16	995	
(+) New Entrants	17,429	88	1,092	100	18,709	
Ending Census	236,877	1,436	19,297	2,692	260,302	

This schedule reconciles the active member populations reported in connection with the 2005 and 2006 valuations on an actual and expected basis. Assumptions related to population development are a primary focus of the gain/loss analysis. They generally tend to be more stable than economic assumptions, and therefore, measurements have more meaning.

COMMENTS

Population Results (refer to schedules on Pages 4 and 9)

Normal Retirements varied by group and gender. Overall, there were fewer normal retirements than expected. In general, fewer normal retirements than assumed often creates a gain. However, looking at counts alone is not always an accurate predictor of whether a gain or loss occurs. If there are fewer retirements in shorter service, lower paid groups and more retirements than expected in longer service, higher paid groups, there will be a net loss to the System even though the actual total counts might be equal to or less than expected.

Early Retirements were less than expected in most groups, overall producing a small loss.

Deaths among active participants were close to expected, overall producing a small loss.

Disabilities were less than expected and produced a gain in all groups. This means that the reserves needed for the disability benefit were slightly smaller than the reserves that had been held for retirement benefits.

Other Separations varied by group, gender, and service. Other separations among short (under 10 years) service were higher than expected. Separations among longer service participants were slightly less than expected. The net result was a small actuarial loss.

In total, the population risk areas (retirement, death, disability, and other separations) produced a small actuarial loss in 2006.

Economic Results (refer to schedules on Pages 9 and 12)

Investment Return activity produced a gain for all groups. However, the investment gain of \$749 million was partially absorbed by \$405 million gain in the combined value of variable excess benefits and money purchase benefits, resulting in a net gain of \$344 million.

Pay Increases were less than expected in most groups, producing a gain.

COMMENTS

Other Analysis (refer to schedule on Page 10)

The schedule on page 10 analyzes gains or losses due to sources other than the demographic and economic areas. The **Reserve difference** produced a loss of \$162 million. This typically means that the actual benefits calculated for new retirees were higher than those estimated by our valuation software. This is most often due to higher pay or service amounts used in the actual benefit calculation than the pay or service amounts estimated by our valuation data. For refunds, the opposite was true. Actual refunds were lower than the expected refunds producing a **Refund difference** gain of about \$19 million. **Re-established liability** represents the liability for new or rehired active members who were not active in the prior year. Typically, it is expected a new hire will have very little liability. However, often new members appear with more than one year of service or with liability greater than contributions made on their behalf. Although this amount is difficult to determine accurately due to the timing of contribution amounts, we estimate the Re-established liability loss at about \$43 million.

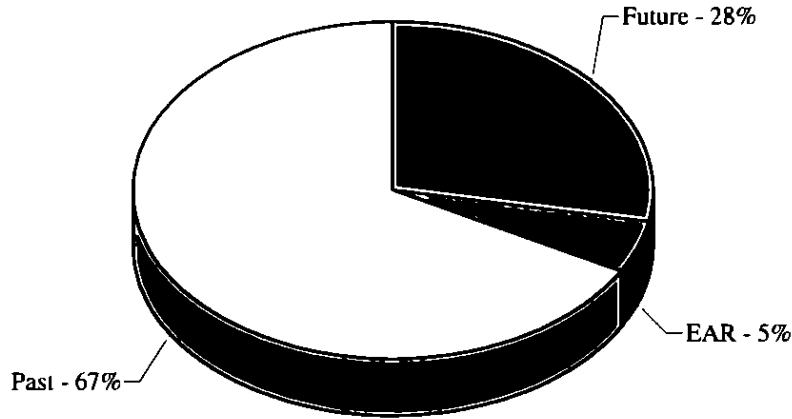
Contribution Rate Change

In total, the plan experienced a net gain of \$207.5 million. Gains due to favorable investment performance and lower than expected salary increases were offset by increases in liability associated with changes in the actuarial assumptions. As a result, the total normal cost contribution remained constant for each valuation group.

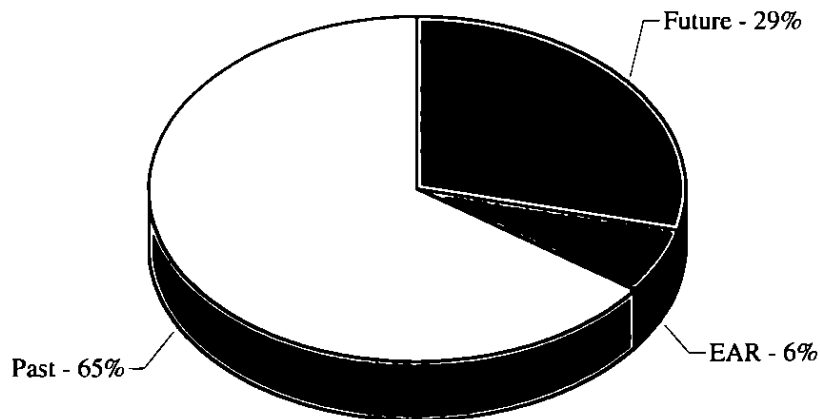
This Gain/Loss Analysis is the first in the normal three-year experience cycle. It will be part of the basis for the experience investigation covering the period January 1, 2006 to December 31, 2008.

FINANCING RETIREMENT SYSTEM BENEFIT LIABILITIES AT DECEMBER 31

2006 - \$49.4 Billion

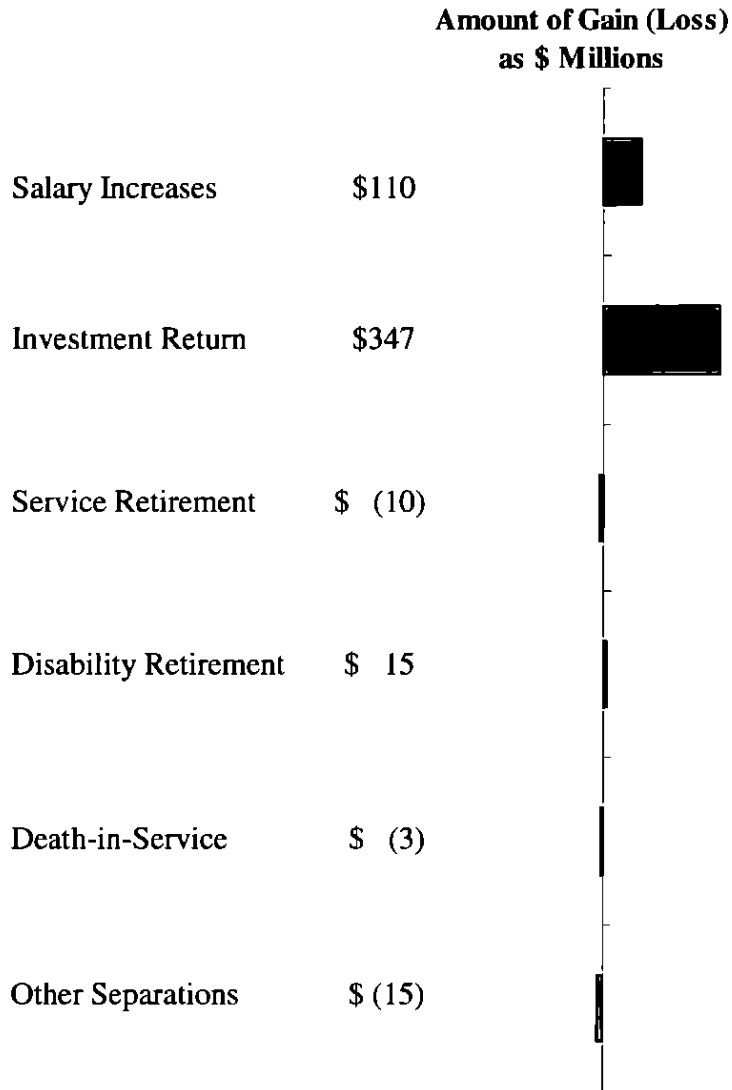


2005 - \$47.3 Billion



The gain/loss analysis studies changes in entry age normal accrued liabilities which are reflected in the Experience Amortization Reserve (EAR) as shown on page G-4. Future liabilities are financed via normal cost contributions each year as they accrue. Past liabilities are financed by application of present assets and unfunded liability contributions. The liabilities assigned to the EAR are technically part of the future. However, as part of the valuation method, they are financed as though they were part of the past. The EAR amortization period is selected each year to minimize short term contribution rate fluctuations.

**GAIN/LOSS ANALYSIS
2006 EXPERIENCE
DIVISIONS COMBINED**



ACTUARIAL GAINS & LOSSES DURING CALENDAR YEAR 2006
(\$ MILLIONS)

Type of Activity	General	Executive & Elected	Protective		Total
			With S.S.	Without S.S.	
Decrement Risk Areas					
Normal Retirement	\$ (0.1)	\$ 0.4	\$ (1.5)	\$ (0.5)	\$ (1.7)
Early Retirement	(8.4)	0.0	(0.1)	0.3	(8.2)
Death with Benefit	(1.5)	0.0	0.3	(0.1)	(1.3)
Disability Retirement	13.5	0.1	0.5	0.7	14.8
Other Separations	(13.3)	(0.6)	(2.3)	(0.4)	(16.6)
Economic Risk Areas					
Salary Increases	124.8	2.6	(21.3)	3.6	109.7
Investment Return	277.3	1.1	51.0	14.6	344.0
Other Activity (See Page 10)	(192.0)	(5.0)	(24.6)	(4.9)	(226.5)
Total Gain(Loss)	\$ 200.3	\$(1.4)	\$ 2.0	\$ 13.3	\$ 214.2
- % of accrued liability	0.7%	(0.5)%	0.1%	1.9%	0.7%
Effect of Assumption Changes	\$(370.4)	\$(7.4)	\$ 1.5	\$ (1.2)	\$(377.5)
Net Gain/(Loss) after change in Assumptions	\$(170.1)	\$(8.8)	\$ 3.5	\$ 12.1	\$(163.3)

In connection with the Experience Study covering the period 2003-2005, certain assumptions were changed resulting in an increase in accrued liability of \$377.5 million.

ANALYSIS OF OTHER ACTIVITY
(\$ MILLIONS)

	General	Executive & Elected	Protective		Total
			With S.S.	Without S.S.	
Expected Reserve Transfers					
Normal Retirement	\$1,165	\$7	\$ 126	\$49	\$1,347
Early Retirement	994	5	40	4	1,043
Death	32	0	2	0	34
Disability Retirement	59	0	4	3	66
Deferred Retirement	262	5	18	7	292
Expected Total Reserve Transfers	2,512	17	190	63	2,782
Actual Reserve Transfer (From Retiree Report)	2,659	21	197	67	2,944
Reserve Difference	(147)	(4)	(7)	(4)	(162)
Expected Refunds	43	0	2	0	45
Actual Refunds	23	0	2	1	26
Refund Difference	20	0	0	(1)	19
Re-established liability	(37)	(1)	(4)	(1)	(43)
Total Explained Difference	(164)	(5)	(11)	(6)	(186)
Unknown Difference	(28)	0	(14)	1	(41)
Total Other Activity	\$ (192)	\$ (5)	\$ (25)	\$ (5)	\$ (227)

This schedule analyzes reserve transfers and contribution refunds and shows the portion of "other" activity that can be explained by those sources.

**COMPARATIVE SCHEDULE OF EXPERIENCE
5-YEAR HISTORY OF GAINS AND (LOSSES)
(\$ MILLIONS)**

Year	Normal & Early Retmt.	Disability Retmt.	Other Separations*	Salary Increases	Investment Return	Other	Total
GENERAL							
2002	\$ (3.1)	\$ 7.2	\$ (23.7)	\$ 160.8	\$ (285.6)	\$ (339.6)	\$ (484.0)
2003	(5.4)	10.3	(16.2)	80.5	(165.3)	(181.1)	(277.2)
2004	(1.0)	13.4	(10.3)	116.6	41.6	(190.2)	(29.9)
2005	(3.9)	15.8	(5.0)	231.8	(211.5)	(166.6)	(139.4)
2006	(8.5)	13.5	(14.8)	124.8	277.3	(192.0)	200.3
EXECUTIVE & ELECTED							
2002	\$ 0.4	\$ 0.1	\$ (0.1)	\$ 2.0	\$ 1.8	\$ (3.7)	\$ 0.5
2003	(1.6)	0.1	2.4	3.2	(5.2)	(7.2)	(8.3)
2004	(0.6)	0.1	0.5	2.2	(0.6)	(4.5)	(2.9)
2005	0.4	0.1	0.7	3.5	(3.3)	(4.5)	(3.1)
2006	0.4	0.1	(0.6)	2.6	1.1	(5.0)	(1.4)
PROTECTIVE WITH SOCIAL SECURITY							
2002	\$ (0.2)	\$ 1.1	\$ -	\$ 35.7	\$ (106.3)	\$ (12.9)	\$ (82.6)
2003	(0.9)	1.3	0.7	6.6	21.2	(22.2)	6.7
2004	0.5	1.1	(0.6)	22.8	6.5	(12.7)	17.6
2005	1.1	0.5	3.0	47.8	(33.6)	(13.4)	5.4
2006	(1.6)	0.5	(2.0)	(21.3)	51.0	(24.6)	2.0
PROTECTIVE WITHOUT SOCIAL SECURITY							
2002	\$ (0.3)	\$ 0.2	\$ (0.3)	\$ 2.3	\$ (23.9)	\$ (6.4)	\$ (28.4)
2003	0.2	0.5	(0.8)	2.9	0.3	3.2	6.3
2004	1.6	0.6	(0.2)	6.2	2.3	(3.2)	7.3
2005	1.0	0.6	0.1	6.4	(9.9)	(2.7)	(4.5)
2006	(0.2)	0.7	(0.5)	3.6	14.6	(4.9)	13.3

* Includes separation due to death.

GAIN (LOSS) FROM INVESTMENT INCOME DURING CALENDAR YEAR 2006
(\$ MILLIONS)

	General	Executive & Elected	Protective		Total
			With SS	Without SS	
(1) Beginning of Year Active Participant Assets					
(a) Participant Accumulation Reserve	\$13,555.4	\$110.8	\$1,023.4	\$321.0	\$15,010.6
(b) PAR Closing Adjustment	39.6	0.4	2.1	0.9	43.0
(c) Employer Accumulation Reserve	17,949.8	167.9	1,976.8	517.7	20,612.2
(d) EAR Closing Adjustment	(76.8)	(0.6)	(11.0)	(2.0)	(90.4)
(e) Total	31,468.0	278.5	2,991.3	837.6	35,575.4
(2) End of Year Active Participant Assets					
(a) Participant Accumulation Reserve	14,212.8	114.8	1,088.7	328.8	15,745.1
(b) Employer Accumulation Reserve	18,684.9	179.0	2,128.2	544.6	21,536.7
(c) Total	32,897.7	293.8	3,216.9	873.4	37,281.8
(3) Investment Earnings Credited					
(a) Participant Accumulation Reserve	1,284.0	10.3	100.1	30.6	1,425.0
(b) Employer Accumulation Reserve	1,766.2	16.0	198.3	50.4	2,030.9
(c) Total	3,050.2	26.3	298.4	81.0	3,455.9
(4) Average Balance: $.5 \times \{(1e)+(2c)-(3c)\}$	30,657.8	273.0	2,954.9	815.0	34,700.7
(5) Expected Earnings: $.078 \times (4)$	2,391.3	21.3	230.5	63.6	2,706.7
(6) Gain (Loss) for year from investment experience: $(3c)-(5)$	658.9	5.0	67.9	17.4	749.2
(7) Portion applied to Change in Variable Excess Reserve and Money Purchase Minimum Benefit	381.6	3.9	16.9	2.8	405.2
(8) Remaining Gain (Loss): (6)-(7)	\$ 277.3	\$ 1.1	\$ 51.0	\$ 14.6	\$ 344.0

SECTION A
WITHDRAWAL EXPERIENCE

**GENERAL MALES
WITHDRAWAL EXPERIENCE**

Male Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	380	1,748	0.2174	0.2100	367
2	470	2,928	0.1605	0.1300	381
3	247	2,150	0.1149	0.0950	204
4	183	2,054	0.0891	0.0750	154
5	148	2,029	0.0729	0.0550	112
6	123	2,148	0.0573	0.0450	97
7	97	1,949	0.0498	0.0400	78
8	78	1,720	0.0453	0.0375	65
9	75	1,594	0.0471	0.0350	56
10	36	1,253	0.0287	0.0325	41
Totals	1,837	19,573	0.0939	0.0794	1,555

Male Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	6	0.0000	0.0300	-
30-34	6	221	0.0271	0.0300	7
35-39	21	1,358	0.0155	0.0230	31
40-44	48	2,929	0.0164	0.0180	53
45-49	77	5,061	0.0152	0.0140	71
50-54	87	6,685	0.0130	0.0130	87
Over 54	54	-	N/A		54
Totals	293	16,260	0.0180	0.0186	303

**GENERAL FEMALES
WITHDRAWAL EXPERIENCE**

Female Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	1,027	4,817	0.2132	0.2000	963
2	1,202	7,608	0.1580	0.1400	1,065
3	697	5,965	0.1168	0.1000	597
4	504	5,717	0.0882	0.0800	457
5	430	5,138	0.0837	0.0700	360
6	314	4,550	0.0690	0.0600	273
7	227	3,875	0.0586	0.0500	194
8	196	3,454	0.0567	0.0450	155
9	171	2,887	0.0592	0.0425	123
10	118	2,412	0.0489	0.0400	96
Totals	4,886	46,423	0.1052	0.0923	4,283

Female Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	8	0.0000	0.0400	-
30-34	19	369	0.0515	0.0350	13
35-39	64	2,014	0.0318	0.0300	60
40-44	99	4,012	0.0247	0.0250	100
45-49	136	7,127	0.0191	0.0200	143
50-54	164	9,038	0.0181	0.0180	163
Over 54	134	-	N/A		134
Totals	616	22,568	0.0273	0.0272	613

**PUBLIC SCHOOLS MALES
WITHDRAWAL EXPERIENCE**

Male Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	72	569	0.1265	0.1400	80
2	112	1,078	0.1039	0.1100	119
3	70	969	0.0722	0.0700	68
4	62	951	0.0652	0.0525	50
5	58	1,000	0.0580	0.0400	40
6	37	1,042	0.0355	0.0325	34
7	49	995	0.0492	0.0275	27
8	19	905	0.0210	0.0250	23
9	18	895	0.0201	0.0225	20
10	24	844	0.0284	0.0200	17
Totals	521	9,248	0.0563	0.0517	478

Male Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	-	N/A	0.0200	-
30-34	4	188	0.0213	0.0160	3
35-39	12	1,545	0.0078	0.0130	20
40-44	18	2,057	0.0088	0.0115	24
45-49	21	2,252	0.0093	0.0100	23
50-54	22	3,149	0.0070	0.0090	28
Over 54	29	-	N/A		29
Totals	106	9,191	0.0115	0.0138	127

**PUBLIC SCHOOLS FEMALES
WITHDRAWAL EXPERIENCE**

Female Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	183	1,710	0.1070	0.1100	188
2	310	3,059	0.1013	0.0900	275
3	230	2,795	0.0823	0.0700	196
4	204	2,779	0.0734	0.0600	167
5	183	2,834	0.0646	0.0500	142
6	145	2,817	0.0515	0.0425	120
7	120	2,733	0.0439	0.0375	102
8	73	2,535	0.0288	0.0325	82
9	66	2,289	0.0288	0.0275	63
10	62	2,094	0.0296	0.0250	52
Totals	1,576	25,645	0.0615	0.0541	1,387

Female Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	1	0.0000	0.0250	-
30-34	8	465	0.0172	0.0200	9
35-39	63	3,909	0.0161	0.0160	63
40-44	40	4,731	0.0085	0.0130	62
45-49	52	5,305	0.0098	0.0110	58
50-54	79	7,648	0.0103	0.0100	76
Over 54	54	-	N/A		54
Totals	296	22,059	0.0134	0.0146	322

**UNIVERSITY MALES
WITHDRAWAL EXPERIENCE**

Male Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	61	345	0.1768	0.2000	69
2	114	585	0.1949	0.1600	94
3	85	617	0.1378	0.1300	80
4	66	516	0.1279	0.1100	57
5	48	504	0.0952	0.0900	45
6	42	485	0.0866	0.0750	36
7	26	434	0.0599	0.0600	26
8	25	366	0.0683	0.0500	18
9	15	311	0.0482	0.0400	12
10	9	294	0.0306	0.0350	10
Totals	491	4,457	0.1102	0.1003	447

Male Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	-	N/A	0.0350	-
30-34	1	16	0.0625	0.0350	1
35-39	8	144	0.0556	0.0350	5
40-44	9	346	0.0260	0.0325	11
45-49	20	674	0.0297	0.0250	17
50-54	28	1,063	0.0263	0.0150	16
Over 54	6	-	N/A		6
Totals	72	2,243	0.0321	0.0250	56

**UNIVERSITY FEMALES
WITHDRAWAL EXPERIENCE**

Female Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	82	413	0.1985	0.2000	83
2	107	648	0.1651	0.1700	110
3	111	680	0.1632	0.1400	95
4	83	572	0.1451	0.1200	69
5	67	569	0.1178	0.1000	57
6	63	507	0.1243	0.0900	46
7	38	403	0.0943	0.0800	32
8	23	387	0.0594	0.0700	27
9	22	337	0.0653	0.0625	21
10	23	255	0.0902	0.0550	14
Totals	619	4,771	0.1297	0.1161	554

Female Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	-	N/A	0.0550	-
30-34	-	20	0.0000	0.0550	1
35-39	10	167	0.0599	0.0550	9
40-44	12	377	0.0318	0.0420	16
45-49	19	628	0.0303	0.0280	18
50-54	15	951	0.0158	0.0160	15
Over 54	4	-	N/A		4
Totals	60	2,143	0.0280	0.0294	63

**PROTECTIVE WITH SOCIAL SECURITY
WITHDRAWAL EXPERIENCE**

Male and Female Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	50	435	0.1149	0.1200	52
2	75	840	0.0893	0.0650	55
3	58	911	0.0637	0.0450	41
4	40	859	0.0466	0.0410	35
5	30	994	0.0302	0.0325	32
6	39	1,202	0.0324	0.0300	36
7	30	984	0.0305	0.0275	27
8	27	959	0.0282	0.0250	24
9	27	916	0.0295	0.0225	21
10	29	833	0.0348	0.0200	17
Totals	405	8,933	0.0453	0.0381	340

Male and Female Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	7	0.0000	0.0200	-
30-34	12	479	0.0251	0.0200	10
35-39	29	2,039	0.0142	0.0160	33
40-44	26	2,209	0.0118	0.0130	29
45-49	23	2,265	0.0102	0.0110	25
50-54	14	438	0.0320	0.0100	4
Over 54	1	-	NA		1
Totals	105	7,437	0.0141	0.0137	102

**PROTECTIVE WITHOUT SOCIAL SECURITY
WITHDRAWAL EXPERIENCE**

Male and Female Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	1	33	0.0303	0.0500	2
2	3	62	0.0484	0.0300	2
3	2	79	0.0253	0.0200	2
4	3	88	0.0341	0.0150	1
5	1	68	0.0147	0.0140	1
6	1	124	0.0081	0.0130	2
7	1	134	0.0075	0.0120	2
8	-	132	0.0000	0.0110	1
9	-	116	0.0000	0.0100	1
10	-	124	0.0000	0.0090	1
Totals	12	960	0.0125	0.0156	15

Male and Female Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	1	0.0000	0.0090	-
30-34	1	52	0.0192	0.0080	-
35-39	3	258	0.0116	0.0080	2
40-44	3	423	0.0071	0.0080	3
45-49	2	470	0.0043	0.0070	3
50-54	7	87	0.0805	0.0070	1
Totals	16	1,291	0.0124	0.0070	9

**EXECUTIVE AND ELECTED MALES
WITHDRAWAL EXPERIENCE**

Male Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	11	41	0.2683	0.1600	7
2	19	128	0.1484	0.1400	18
3	15	60	0.2500	0.1200	7
4	12	75	0.1600	0.1000	8
5	-	27	0.0000	0.0950	3
6	4	34	0.1176	0.0900	3
7	3	21	0.1429	0.0850	2
8	-	34	0.0000	0.0800	3
9	-	13	0.0000	0.0750	1
10	1	36	0.0278	0.0700	3
Totals	65	469	0.1386	0.1173	55

Male Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	-	N/A	0.0700	-
30-34	-	-	N/A	0.0700	-
35-39	2	16	0.1250	0.0700	1
40-44	1	45	0.0222	0.0500	2
45-49	3	97	0.0309	0.0450	4
50-54	3	169	0.0178	0.0400	7
Over 54	2	-	N/A		2
Totals	11	327	0.0336	0.0489	16

SECTION B
DISABILITY EXPERIENCE

**GENERAL
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2006**

Male Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0001	-
20-24	-	27	0.0000	0.0001	-
25-29	-	668	0.0000	0.0001	-
30-34	-	1,835	0.0000	0.0001	-
35-39	-	3,228	0.0000	0.0003	1
40-44	1	4,898	0.0002	0.0008	4
45-49	7	7,101	0.0010	0.0011	8
50-54	23	8,305	0.0028	0.0030	25
55-59	15	6,310	0.0024	0.0053	34
60-64	6	2,401	0.0025	0.0105	25
65-69	-	336	0.0000	0.0040	1
70-74	-	141	0.0000	0.0036	1
75 and over	-	-	N/A	0.0036	-
Totals	52	35,250	0.0015	0.0028	99

Female Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0001	-
20-24	-	60	0.0000	0.0001	-
25-29	-	1,201	0.0000	0.0001	-
30-34	-	2,976	0.0000	0.0004	1
35-39	1	4,829	0.0002	0.0005	2
40-44	3	7,788	0.0004	0.0008	6
45-49	5	12,033	0.0004	0.0010	13
50-54	22	13,380	0.0016	0.0018	24
55-59	21	10,652	0.0020	0.0034	36
60-64	12	5,069	0.0024	0.0043	22
65-69	-	643	0.0000	0.0034	2
70-74	-	219	0.0000	0.0029	1
75 and over	-	-	N/A	0.0029	-
Totals	64	58,850	0.0011	0.0018	107

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**PUBLIC SCHOOLS
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2006**

Male Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0001	-
20-24	-	-	N/A	0.0001	-
25-29	-	439	0.0000	0.0001	-
30-34	-	2,147	0.0000	0.0001	-
35-39	-	2,817	0.0000	0.0001	-
40-44	1	2,739	0.0004	0.0003	1
45-49	1	2,748	0.0004	0.0006	2
50-54	7	3,503	0.0020	0.0022	8
55-59	10	2,886	0.0035	0.0029	8
60-64	5	553	0.0090	0.0051	3
65-69	-	49	0.0000	0.0072	-
70-74	-	14	0.0000	0.0075	-
75 and over	-	-	N/A	0.0075	-
Totals	24	17,895	0.0013	0.0012	22

Female Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0001	-
20-24	-	1	0.0000	0.0001	-
25-29	-	1,437	0.0000	0.0001	-
30-34	-	5,427	0.0000	0.0001	1
35-39	-	6,659	0.0000	0.0001	1
40-44	2	6,457	0.0003	0.0004	2
45-49	3	6,986	0.0004	0.0013	9
50-54	8	9,076	0.0009	0.0018	16
55-59	19	7,515	0.0025	0.0028	21
60-64	3	1,785	0.0017	0.0038	7
65-69	-	110	0.0000	0.0022	-
70-74	-	27	0.0000	0.0018	-
75 and over	-	-	N/A	0.0018	-
Totals	35	45,480	0.0008	0.0013	57

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**UNIVERSITY
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2006**

Male Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0001	-
20-24	-	-	N/A	0.0001	-
25-29	-	49	0.0000	0.0001	-
30-34	-	290	0.0000	0.0001	-
35-39	-	650	0.0000	0.0001	-
40-44	-	907	0.0000	0.0001	-
45-49	-	1,119	0.0000	0.0004	-
50-54	2	1,363	0.0015	0.0006	1
55-59	2	1,203	0.0017	0.0020	2
60-64	2	619	0.0032	0.0019	1
65-69	-	46	0.0000	0.0024	-
70-74	-	10	0.0000	0.0021	-
75 and over	-	-	N/A	0.0021	-
Totals	6	6,256	0.0010	0.0006	4

Female Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0001	-
20-24	-	-	N/A	0.0001	-
25-29	-	88	0.0000	0.0001	-
30-34	-	331	0.0000	0.0001	-
35-39	-	661	0.0000	0.0005	-
40-44	-	860	0.0000	0.0007	1
45-49	-	1,080	0.0000	0.0005	1
50-54	1	1,273	0.0008	0.0013	2
55-59	3	1,062	0.0028	0.0017	2
60-64	-	473	0.0000	0.0027	1
65-69	-	41	0.0000	0.0018	-
70-74	-	9	0.0000	0.0015	-
75 and over	-	-	N/A	0.0015	-
Totals	4	5,878	0.0007	0.0012	7

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**PROTECTIVE WITH SOCIAL SECURITY
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2006**

Male and Female Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0002	-
20-24	-	45	0.0000	0.0002	-
25-29	-	1,058	0.0000	0.0002	-
30-34	-	2,494	0.0000	0.0002	-
35-39	-	3,298	0.0000	0.0004	1
40-44	5	2,794	0.0018	0.0005	1
45-49	-	2,631	0.0000	0.0008	2
50-54	7	1,730	0.0040	0.0013	2
55-59	-	220	0.0000	0.0280	6
60-64	-	70	0.0000	0.0300	2
65-69	-	15	0.0000	0.0020	-
70-74	-	-	N/A	0.0020	-
75 and over	-	-	N/A	0.0020	-
Totals	12	14,355	0.0008	0.0010	14

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**PROTECTIVE WITH SOCIAL SECURITY
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2006**

Male and Female Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0005	-
20-24	-	-	N/A	0.0005	-
25-29	-	98	0.0000	0.0005	-
30-34	-	326	0.0000	0.0005	-
35-39	-	453	0.0000	0.0005	-
40-44	-	501	0.0000	0.0009	-
45-49	-	493	0.0000	0.0018	1
50-54	6	299	0.0201	0.0126	4
55-59	-	6	0.0000	0.0018	-
60-64	-	1	0.0000	0.0018	-
65-69	-	-	N/A	0.0018	-
70-74	-	-	N/A	0.0018	-
75 and over	-	-	N/A	0.0018	-
Totals	6	2,177	0.0028	0.0023	5

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**EXECUTIVE AND ELECTED
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2006**

Male and Female Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0000	-
20-24	-	-	N/A	0.0000	-
25-29	-	2	0.0000	0.0000	-
30-34	-	7	0.0000	0.0000	-
35-39	-	33	0.0000	0.0001	-
40-44	-	73	0.0000	0.0002	-
45-49	-	144	0.0000	0.0003	-
50-54	-	212	0.0000	0.0005	-
55-59	-	236	0.0000	0.0020	-
60-64	-	108	0.0000	0.0018	-
65-69	-	23	0.0000	0.0015	-
70-74	-	13	0.0000	0.0015	-
75 and over	-	-	N/A	0.0015	-
Totals	-	851	N/A	N/A	-

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SECTION C

**PAY INCREASES AND MERIT AND
LONGEVITY PORTION**

GENERAL
MERIT & LONGEVITY PAY INCREASE ASSUMPTION

Service-Based Pay Increase Experience

Service Group		Total % Increase	
Beginning of Year	Number	Actual	Expected
1-5	36,407	8.43 %	7.60 %
6-10	30,137	4.91 %	6.10 %
11-15	18,770	4.40 %	5.50 %
16-20	15,985	4.10 %	5.30 %
21-25	10,100	3.96 %	5.10 %
26-30	8,589	3.87 %	4.90 %
31-35	4,022	3.64 %	4.70 %
36-40	927	3.68 %	4.50 %
Over 40	103	2.74 %	4.50 %
Total	125,040		

PUBLIC SCHOOLS
MERIT & LONGEVITY PAY INCREASE ASSUMPTION

Service-Based Pay Increase Experience

Service Group		Total % Increase	
Beginning of Year	Number	Actual	Expected
1-5	16,482	12.40 %	9.60 %
6-10	17,969	6.87 %	7.70 %
11-15	13,409	5.64 %	6.40 %
16-20	11,396	3.89 %	5.30 %
21-25	6,792	3.24 %	4.80 %
26-30	6,214	2.89 %	4.40 %
31-35	4,125	2.75 %	4.40 %
36-40	722	2.77 %	4.30 %
Over 40	76	2.72 %	4.30 %
Total	77,185		

**UNIVERSITY
MERIT & LONGEVITY PAY INCREASE ASSUMPTION**

Service-Based Pay Increase Experience

Service Group		Total % Increase	
Beginning of Year	Number	Actual	Expected
1-5	4,673	13.38 %	7.60 %
6-10	4,070	4.45 %	7.10 %
11-15	2,300	3.64 %	6.60 %
16-20	2,139	3.41 %	6.10 %
21-25	1,456	2.87 %	5.60 %
26-30	975	2.73 %	5.30 %
31-35	554	2.63 %	5.10 %
36-40	232	1.82 %	4.80 %
Over 40	53	0.05 %	4.70 %
Total	16,452		

**PROTECTIVE WITH SOCIAL SECURITY
MERIT & LONGEVITY PAY INCREASE ASSUMPTION**

Male and Female Service-Based Pay Increase Experience

Service Group		Total % Increase	
Beginning of Year	Number	Actual	Expected
1-5	3,767	13.62 %	9.10 %
6-10	4,888	6.62 %	5.90 %
11-15	3,576	6.61 %	5.10 %
16-20	2,633	6.10 %	5.00 %
21-25	1,683	6.03 %	4.90 %
26-30	1,176	5.41 %	4.80 %
31-35	271	5.05 %	4.70 %
36-40	28	4.16 %	4.60 %
Over 40	2	4.24 %	4.50 %
Total	18,024		

**PROTECTIVE WITHOUT SOCIAL SECURITY
MERIT & LONGEVITY PAY INCREASE ASSUMPTION**

Male and Female Service-Based Pay Increase Experience

Service Group		Total % Increase	
Beginning of Year	Number	Actual	Expected
1-5	319	17.47 %	8.85 %
6-10	629	4.51 %	5.65 %
11-15	469	4.31 %	4.85 %
16-20	505	3.97 %	4.75 %
21-25	365	4.84 %	4.65 %
26-30	239	3.94 %	4.55 %
31-35	48	5.17 %	4.45 %
36-40	2	(0.72)%	4.35 %
Over 40	-	N/A	4.25 %
Total	2,576		

**EXECUTIVE AND ELECTED
MERIT & LONGEVITY PAY INCREASE ASSUMPTION**

Service-Based Pay Increase Experience

Service Group		Total % Increase	
Beginning of Year	Number	Actual	Expected
1-5	377	6.33 %	5.30 %
6-10	225	3.29 %	5.20 %
11-15	162	3.80 %	5.10 %
16-20	175	4.33 %	5.00 %
21-25	150	2.83 %	4.80 %
26-30	132	2.89 %	4.60 %
31-35	79	3.90 %	4.50 %
36-40	16	3.08 %	4.10 %
Over 40	4	1.87 %	4.10 %
Total	1,320		

SECTION D

NORMAL AND EARLY RETIREMENT EXPERIENCE

**GENERAL MALES
NORMAL RETIREMENT EXPERIENCE**

Male Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	77	380	0.2026	0.2500	95
58	97	398	0.2437	0.2500	100
59	52	310	0.1677	0.2500	78
60	52	245	0.2122	0.2500	61
61	32	143	0.2238	0.2000	29
62	45	130	0.3462	0.3500	45
63	40	111	0.3604	0.3500	39
64	20	64	0.3125	0.2500	16
65	55	309	0.1780	0.2500	77
66	50	245	0.2041	0.2500	61
67	45	180	0.2500	0.1000	18
68	16	155	0.1032	0.1000	16
69	16	122	0.1311	0.1000	12
70	13	126	0.1032	0.1000	13
71	8	102	0.0784	0.1000	10
72	10	89	0.1124	0.1000	9
73	5	60	0.0833	0.1000	6
74	9	73	0.1233	0.1000	7
Totals	642	3,242	0.1980	0.2134	692
75 & Over	29	241			241
Total	671	3,483			933

GENERAL MALES
EARLY RETIREMENT EXPERIENCE

Male Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	120	1,806	0.0664	0.0750	135
56	105	1,586	0.0662	0.0750	119
57	48	1,045	0.0459	0.0400	42
58	43	988	0.0435	0.0500	49
59	53	885	0.0599	0.0500	44
60	34	728	0.0467	0.0750	55
61	39	505	0.0772	0.0700	35
62	74	470	0.1574	0.1800	85
63	57	403	0.1414	0.1800	73
64	44	295	0.1492	0.1500	44
Totals	617	8,711	0.0708	0.0782	681

**GENERAL FEMALES
NORMAL RETIREMENT EXPERIENCE**

Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	65	314	0.2070	0.2000	63
58	64	264	0.2424	0.2000	53
59	41	213	0.1925	0.2000	43
60	39	166	0.2349	0.2000	33
61	22	120	0.1833	0.2000	24
62	30	112	0.2679	0.3000	34
63	23	89	0.2584	0.3000	27
64	19	50	0.3800	0.2500	13
65	150	617	0.2431	0.2500	154
66	116	475	0.2442	0.2500	119
67	51	304	0.1678	0.1500	46
68	48	234	0.2051	0.1000	23
69	36	208	0.1731	0.1000	21
70	34	180	0.1889	0.1000	18
71	29	138	0.2101	0.1000	14
72	13	98	0.1327	0.1000	10
73	12	75	0.1600	0.1000	8
74	12	85	0.1412	0.1000	9
Totals	804	3,742	0.2149	0.1903	712
75 & Over	37	240			240
Total	841	3,982			952

**GENERAL FEMALES
EARLY RETIREMENT EXPERIENCE**

Female Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	122	2,666	0.0458	0.0525	140
56	119	2,387	0.0499	0.0525	125
57	66	1,942	0.0340	0.0400	78
58	86	1,903	0.0452	0.0500	95
59	91	1,754	0.0519	0.0500	88
60	99	1,453	0.0681	0.0750	109
61	86	1,075	0.0800	0.0750	81
62	153	988	0.1549	0.1500	148
63	122	857	0.1424	0.1500	129
64	105	696	0.1509	0.1500	104
Totals	1,049	15,721	0.0667	0.0698	1,097

**PUBLIC SCHOOL MALES
NORMAL RETIREMENT EXPERIENCE**

Male Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	145	392	0.3699	0.4000	157
58	83	255	0.3255	0.3500	89
59	46	199	0.2312	0.3000	60
60	38	145	0.2621	0.3000	44
61	21	84	0.2500	0.3000	25
62	27	70	0.3857	0.4000	28
63	17	63	0.2698	0.4000	25
64	12	26	0.4615	0.2500	7
65	12	73	0.1644	0.2500	18
66	8	31	0.2581	0.2500	8
67	5	31	0.1613	0.1500	5
68	4	28	0.1429	0.1500	4
69	2	17	0.1176	0.2000	3
70	1	9	0.1111	0.2000	2
71	1	7	0.1429	0.2000	1
72	-	8	0.0000	0.2000	2
73	1	7	0.1429	0.2000	1
74	2	8	0.2500	0.2000	2
Totals	425	1,453	0.2925	0.3310	481
75 & Over	2	19			19
Total	427	1,472			500

**PUBLIC SCHOOL MALES
EARLY RETIREMENT EXPERIENCE**

Male Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	149	1,034	0.1441	0.1500	155
56	123	883	0.1393	0.1500	132
57	33	382	0.0864	0.1500	57
58	24	316	0.0759	0.1500	47
59	28	271	0.1033	0.1000	27
60	24	216	0.1111	0.1500	32
61	17	122	0.1393	0.1500	18
62	13	86	0.1512	0.2500	22
63	10	71	0.1408	0.2500	18
64	9	58	0.1552	0.1500	9
Totals	430	3,439	0.1250	0.1503	517

**PUBLIC SCHOOL FEMALES
NORMAL RETIREMENT EXPERIENCE**

Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	145	532	0.2726	0.3000	160
58	110	388	0.2835	0.3000	116
59	73	284	0.2570	0.3000	85
60	51	157	0.3248	0.3000	47
61	30	95	0.3158	0.3500	33
62	38	94	0.4043	0.4000	38
63	10	47	0.2128	0.3500	16
64	9	37	0.2432	0.2500	9
65	35	143	0.2448	0.3000	43
66	22	94	0.2340	0.2500	24
67	17	74	0.2297	0.2500	19
68	15	48	0.3125	0.2000	10
69	12	38	0.3158	0.2000	8
70	3	26	0.1154	0.2000	5
71	3	25	0.1200	0.2000	5
72	1	17	0.0588	0.2000	3
73	1	13	0.0769	0.2000	3
74	-	11	0.0000	0.2000	2
Totals	575	2,123	0.2708	0.2949	626
75 & Over	6	27			27
Total	581	2,150			653

**PUBLIC SCHOOL FEMALES
EARLY RETIREMENT EXPERIENCE**

Female Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	251	2,332	0.1076	0.1100	257
56	189	2,021	0.0935	0.1100	222
57	111	1,190	0.0933	0.1100	131
58	123	1,052	0.1169	0.1200	126
59	96	920	0.1043	0.1200	110
60	85	614	0.1384	0.1500	92
61	58	406	0.1429	0.1500	61
62	70	358	0.1955	0.2500	90
63	47	238	0.1975	0.2000	48
64	27	169	0.1598	0.1500	25
Totals	1,057	9,300	0.1137	0.1249	1,162

**UNIVERSITY MALES
NORMAL RETIREMENT EXPERIENCE**

Male Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	7	37	0.1892	0.2000	7
58	8	35	0.2286	0.1500	5
59	9	57	0.1579	0.1500	9
60	10	69	0.1449	0.1500	10
61	5	55	0.0909	0.1700	9
62	14	59	0.2373	0.1700	10
63	10	63	0.1587	0.1700	11
64	15	67	0.2239	0.1700	11
65	28	122	0.2295	0.2000	24
66	21	97	0.2165	0.2000	19
67	6	59	0.1017	0.2000	12
68	13	51	0.2549	0.2000	10
69	5	36	0.1389	0.2000	7
70	5	28	0.1786	0.2000	6
71	5	19	0.2632	0.2000	4
72	6	21	0.2857	0.2000	4
73	1	14	0.0714	0.2000	3
74	-	3	0.0000	0.2000	1
Totals	168	892	0.1883	0.1816	162
75 & Over	3	30			30
Total	171	922			192

**UNIVERSITY MALES
EARLY RETIREMENT EXPERIENCE**

Male Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	9	296	0.0304	0.0500	15
56	12	287	0.0418	0.0500	14
57	6	209	0.0287	0.0300	6
58	11	195	0.0564	0.0350	7
59	10	216	0.0463	0.0350	8
60	11	181	0.0608	0.0550	10
61	9	137	0.0657	0.0750	10
62	11	129	0.0853	0.1000	13
63	16	101	0.1584	0.0900	9
64	13	71	0.1831	0.0800	6
Totals	108	1,822	0.0593	0.0538	98

**UNIVERSITY FEMALES
NORMAL RETIREMENT EXPERIENCE**

Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	3	28	0.1071	0.1500	4
58	4	29	0.1379	0.1500	4
59	6	24	0.2500	0.1500	4
60	3	33	0.0909	0.1500	5
61	3	20	0.1500	0.2500	5
62	4	24	0.1667	0.2500	6
63	5	14	0.3571	0.2000	3
64	2	12	0.1667	0.2000	2
65	17	59	0.2881	0.2000	12
66	3	38	0.0789	0.2000	8
67	3	33	0.0909	0.2000	7
68	6	18	0.3333	0.2000	4
69	3	8	0.3750	0.2000	2
70	1	10	0.1000	0.2000	2
71	3	10	0.3000	0.2000	2
72	1	4	0.2500	0.2000	1
73	-	5	0.0000	0.2000	1
74	-	2	0.0000	0.2000	-
Totals	67	371	0.1806	0.1941	72
75 & Over	3	11			11
Total	70	382			83

**UNIVERSITY FEMALES
EARLY RETIREMENT EXPERIENCE**

Female Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	10	294	0.0340	0.0600	18
56	15	234	0.0641	0.0600	14
57	5	180	0.0278	0.0500	9
58	13	192	0.0677	0.0600	12
59	9	162	0.0556	0.0800	13
60	15	134	0.1119	0.1000	13
61	7	139	0.0504	0.0750	10
62	9	78	0.1154	0.1500	12
63	8	68	0.1176	0.1500	10
64	5	54	0.0926	0.1500	8
Totals	96	1,535	0.0625	0.0775	119

**PROTECTIVE WITH SOCIAL SECURITY
NORMAL RETIREMENT EXPERIENCE**

Male and Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
50	28	346	0.0809	0.0800	28
51	31	304	0.1020	0.0800	24
52	38	310	0.1226	0.0800	25
53	55	245	0.2245	0.3000	74
54	51	329	0.1550	0.2000	66
55	33	251	0.1315	0.2000	50
56	33	211	0.1564	0.1800	38
57	25	163	0.1534	0.1800	29
58	18	120	0.1500	0.1800	22
59	21	128	0.1641	0.1800	23
60	12	95	0.1263	0.1800	17
61	7	46	0.1522	0.1800	8
62	5	38	0.1316	0.2000	8
63	5	23	0.2174	0.3000	7
64	1	19	0.0526	0.2000	4
65	5	17	0.2941	0.3000	5
66	3	9	0.3333	0.2500	2
67	1	6	0.1667	0.2500	2
68	-	3	0.0000	0.2500	1
69	-	-	N/A	0.2500	-
70	-	1	0.0000	1.0000	1
71	-	1	0.0000	1.0000	1
72	-	-	N/A	1.0000	-
73	-	-	N/A	1.0000	-
74	-	-	N/A	1.0000	-
Totals	372	2,665	0.1396	0.1632	435
75 & Over	-	1			1
Total	372	2,666			436

**PROTECTIVE WITHOUT SOCIAL SECURITY
NORMAL RETIREMENT EXPERIENCE**

Male and Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
50	5	63	0.0794	0.0300	2
51	-	61	0.0000	0.0300	2
52	2	60	0.0333	0.0700	4
53	14	79	0.1772	0.2500	20
54	13	58	0.2241	0.3000	17
55	13	45	0.2889	0.3000	14
56	6	31	0.1935	0.3000	9
57	7	10	0.7000	0.3500	3
58	5	8	0.6250	0.3000	2
59	6	12	0.5000	0.2000	2
60	2	4	0.5000	0.2000	1
61	-	4	0.0000	0.2000	1
62	-	1	0.0000	0.2000	-
63	-	1	0.0000	0.2000	-
64	-	1	0.0000	0.2000	-
65	-	-	N/A	0.4000	-
66	-	-	N/A	0.4000	-
67	-	-	N/A	0.4000	-
68	-	-	N/A	0.4000	-
69	-	-	N/A	0.4000	-
70	-	-	N/A	1.0000	-
71	-	-	N/A	1.0000	-
72	-	-	N/A	1.0000	-
73	-	-	N/A	1.0000	-
74	-	-	N/A	1.0000	-
Totals	73	438	0.1667	0.1758	77
75 & Over	-	-	N/A		-
Total	73	438			77

**EXECUTIVE AND ELECTED
NORMAL RETIREMENT EXPERIENCE**

Male and Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	2	12	0.1667	0.1500	2
58	2	14	0.1429	0.1500	2
59	-	10	0.0000	0.1500	2
60	-	5	0.0000	0.1500	1
61	2	8	0.2500	0.1500	1
62	4	39	0.1026	0.1000	4
63	3	30	0.1000	0.1000	3
64	2	28	0.0714	0.1000	3
65	1	17	0.0588	0.1000	2
66	1	10	0.1000	0.2000	2
67	1	14	0.0714	0.2000	3
68	-	14	0.0000	0.2000	3
69	-	6	0.0000	0.2000	1
70	2	7	0.2857	0.1000	1
71	-	7	0.0000	0.1000	1
72	1	6	0.1667	0.1000	1
73	-	2	0.0000	0.1000	-
74	-	3	0.0000	0.1000	-
Totals	21	232	0.0905	0.1379	32
75 & Over	3	18			18
Total	24	250			50

**EXECUTIVE AND ELECTED
EARLY RETIREMENT EXPERIENCE**

Male and Female Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	-	53	0.0000	0.0600	3
56	-	50	0.0000	0.0600	3
57	1	42	0.0238	0.0400	2
58	2	49	0.0408	0.0400	2
59	3	42	0.0714	0.0400	2
60	3	39	0.0769	0.0600	2
61	-	30	0.0000	0.0600	2
62	1	12	0.0833	0.0400	-
63	4	14	0.2857	0.0400	1
64	-	6	0.0000	0.0400	-
Over 64	3	69	0.0435		
Totals	17	406			17

SECTION E
MORTALITY EXPERIENCE

DEATH-IN-SERVICE

Male

Age	Deaths	Exposure	Crude Rates	Current Rates	Expected Deaths
Under 20	-	32	0.0000	0.0002	-
20-24	-	1,535	0.0000	0.0003	-
25-29	-	6,852	0.0000	0.0004	3
30-34	7	9,457	0.0007	0.0004	4
35-39	2	12,232	0.0002	0.0005	6
40-44	10	13,420	0.0007	0.0006	9
45-49	12	15,552	0.0008	0.0010	15
50-54	35	17,129	0.0020	0.0017	29
55-59	40	14,694	0.0027	0.0027	40
60-64	15	6,053	0.0025	0.0037	23
65-69	5	1,649	0.0030	0.0065	11
70-74	6	595	0.0101	0.0112	7
75 and over	6	1	6.0000	0.0214	-
Totals	138	99,201	0.0014	0.0015	147

Female

Age	Deaths	Exposure	Crude Rates	Current Rates	Expected Deaths
Under 20	-	88	0.0000	0.0001	-
20-24	3	2,916	0.0010	0.0001	-
25-29	3	12,333	0.0002	0.0001	1
30-34	4	14,324	0.0003	0.0002	2
35-39	9	17,754	0.0005	0.0002	4
40-44	15	21,685	0.0007	0.0003	7
45-49	19	26,574	0.0007	0.0005	13
50-54	25	28,230	0.0009	0.0008	23
55-59	28	24,086	0.0012	0.0017	41
60-64	31	9,724	0.0032	0.0025	25
65-69	9	2,427	0.0037	0.0038	9
70-74	5	707	0.0071	0.0068	5
75 and over	2	-	N/A	0.0122	-
Totals	153	160,848	0.0010	0.0008	130

SECTION F

**ACTIVE PARTICIPANTS INCLUDED IN
VALUATIONS**

ACTIVE PARTICIPANTS AS OF DECEMBER 31, 2006
GENERAL PARTICIPANTS
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
15-19	203							203	\$ 3,181,913
20-24	4,557	35						4,592	105,317,536
25-29	14,612	2,643	16					17,271	552,745,351
30-34	8,861	10,645	1,236	9				20,751	788,496,564
35-39	8,269	8,685	7,616	1,395	22			25,987	1,079,597,284
40-44	8,938	7,956	6,256	6,801	1,313	44		31,308	1,308,606,841
45-49	8,964	8,757	6,124	6,702	5,471	2,260	65	38,343	1,620,290,401
50-54	6,494	7,518	6,250	6,554	5,399	7,018	2,728	41,961	1,903,652,341
55	1,061	1,281	1,208	1,342	1,128	1,312	1,592	8,924	427,151,883
56	923	1,124	1,098	1,248	965	1,160	1,548	8,066	388,931,510
57	848	969	960	1,132	853	967	1,414	7,143	346,551,564
58	776	873	888	1,020	816	785	1,103	6,261	297,248,479
59	736	778	755	993	742	647	925	5,576	257,442,174
60	709	712	737	900	710	612	792	5,172	240,732,081
61	452	456	479	536	432	339	463	3,157	142,169,651
62	445	402	382	480	384	295	381	2,769	120,952,475
63	363	356	305	369	290	230	301	2,214	95,313,625
64	313	310	266	293	227	193	222	1,824	76,959,411
65	254	211	176	206	154	123	158	1,282	52,198,292
66	216	147	118	117	77	64	116	855	32,298,011
67	205	114	77	102	44	35	75	652	23,291,080
68	151	91	59	60	38	29	64	492	17,106,227
69	142	59	46	49	31	21	46	394	12,557,497
70	135	62	27	26	24	19	28	321	9,119,155
71	122	57	30	20	20	10	30	289	8,101,367
72	94	41	22	20	15	8	16	216	5,601,615
73	88	39	21	15	9	5	13	190	4,178,681
74	73	20	14	16	2	2	13	140	3,146,757
75 & Up	249	136	42	31	13	12	41	524	10,515,320
Totals	69,253	54,477	35,208	30,436	19,179	16,190	12,134	236,877	\$9,933,455,086

ACTIVE PARTICIPANTS AS OF DECEMBER 31, 2006
PROTECTIVE PARTICIPANTS WITH SOCIAL SECURITY
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
15-19	17							17	\$ 417,888
20-24	704	22						726	23,048,953
25-29	1,589	845	6					2,440	102,158,190
30-34	753	1,876	454	1				3,084	147,061,549
35-39	455	1,137	1,631	449	3			3,675	186,616,624
40-44	298	543	759	1,150	327	4		3,081	166,697,656
45-49	229	341	401	630	822	406	7	2,836	159,637,167
50	45	53	45	83	125	203	15	569	32,405,254
51	44	48	53	64	100	146	24	479	26,844,924
52	36	37	51	72	104	153	47	500	29,206,112
53	22	31	43	54	71	95	51	367	21,268,713
54	28	37	38	49	61	65	34	312	17,026,390
55	24	25	34	36	64	45	36	264	14,479,242
56	20	34	23	30	38	49	29	223	12,277,590
57	14	10	22	32	29	20	43	170	9,627,296
58	12	22	20	25	21	16	23	139	7,119,688
59	12	25	10	19	17	14	11	108	5,669,360
60	12	12	18	21	15	12	16	106	5,451,983
61	3	10	13	10	8	11	9	64	3,559,674
62	6	7	6	3	4	8	6	40	2,173,576
63	6	1	6	6	3	4	5	31	1,470,213
64	5	3	3	4	1		2	18	664,615
65	4	5	3	8	1	2		23	920,355
66	2	2	2		2		1	9	433,613
67	1	2	1	1				5	190,111
68		3				1	2	6	318,721
69	1							1	10,920
70 & Up	1	1	1			1		4	97,008
Totals	4,343	5,132	3,643	2,747	1,816	1,255	361	19,297	\$976,853,385

ACTIVE PARTICIPANTS AS OF DECEMBER 31, 2006
PROTECTIVE PARTICIPANTS WITHOUT SOCIAL SECURITY
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	49							49	\$ 1,981,653
25-29	164	78						242	12,060,090
30-34	93	255	48					396	22,561,081
35-39	56	185	210	71				522	31,214,692
40-44	13	68	141	203	52			477	30,284,622
45-49	7	30	62	152	192	76		519	35,068,380
50	1		10	24	26	32	1	94	6,292,989
51		1		19	22	30	5	77	5,493,651
52			4	20	21	33	6	84	5,868,832
53	1	1	5	12	21	25	15	80	5,593,116
54			2	7	10	20	11	50	3,448,657
55	1		2	6	6	14	9	38	2,717,180
56		1	1	4	9	10	4	29	2,187,414
57	1			1	4	5	4	15	1,128,529
58					1	1	1	3	231,201
59	1				1	2	1	5	409,595
60		1	1		2		1	5	344,103
61									
62		1				1	2	4	230,285
63				1		1		2	147,163
64				1				1	52,521
Totals	387	621	486	521	367	250	60	2,692	\$167,315,754

ACTIVE PARTICIPANTS AS OF DECEMBER 31, 2006
ELECTIVE AND ELECTED OFFICIALS
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Ages	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24									
25-29	4	2						6	\$ 177,596
30-34	27	8						35	1,782,173
35-39	32	20	16					68	3,740,734
40-44	53	19	25	15	7			119	7,181,703
45-49	56	29	28	32	24	12		181	11,420,022
50-54	71	33	34	41	32	41	14	266	18,608,323
55	13	10	6	11	15	14	7	76	5,543,618
56	21	7	11	6	10	11	5	71	4,689,391
57	18	8	6	11	10	8	7	68	4,767,177
58	8	9	6	7	12	8	12	62	5,013,393
59	19	8	12	7	6	9	12	73	5,188,466
60	18	10	2	4	12	6	9	61	4,282,457
61	9	6	6	7	8	10	4	50	3,661,635
62	11	3	9	5	7	4	8	47	3,632,733
63	8	4	7	8	4	4	4	39	2,478,497
64	15	5	4	4	6	1	4	39	2,597,922
65	4	1	5	3	3		2	18	1,523,567
66	7	3	3	4	1	2	6	26	1,552,115
67	6	1	3	1	1	1	2	15	662,943
68	12	2		2	4	2	2	24	1,106,279
69	3	1	3				4	11	592,967
70	5	1	1			1	2	10	544,434
71	3	2	1	1	1	1	1	10	406,445
72	9	1		1	1	1	1	14	332,108
73	4	1					1	6	169,868
74	4		1			1		6	173,773
75 & Up	19	8	4	1	1		2	35	763,225
Totals	459	202	193	171	165	137	109	1,436	\$92,593,564

APPENDIX
ACTUARIAL METHODS

ACTUARIAL VALUATION METHOD

The actuarial funding method prescribed in the statute for WRS is the **Frozen Initial Liability Method**. Under this method, the amount of remaining unfunded accrued actuarial liabilities at any valuation date is affected only by the monthly amortization payments, compound interest, the added liability created by new employer units, and any added liabilities caused by changes in benefit provisions.

Actuarial gains or losses arising from the difference between actual and assumed experience are reflected in the determination of the normal cost. In this manner, experience gains or losses in any year are amortized (spread) over the average future working lifetime of the active participant group - a period of approximately 13 years. Hence, the computed normal cost is made up of two parts:

- The pure entry-age normal cost (EANC) determined without regard to past gains or losses, and
- an experience amortization component.

Section 40.04(1) of the Wisconsin Statutes provides authority to maintain accounts and reserves determined to be “useful in achieving the funds’ purposes - - -”. A fundamental WRS objective is stable contribution rates. Accordingly, based on the authority granted under Section 40.04, the experience portion of the normal cost is separately calculated each year and the amortization period is varied upward or downward in order to minimize short-term rate fluctuations.

ASSET VALUATION METHOD

An essential step in the valuation process is comparing valuation assets with computed liabilities. Computed liabilities result from actuarial calculations involving the covered population, the benefits, and actuarial assumptions. Valuation assets are those assets that are recognized and available to fund the System's liabilities. WRS assets are invested in the Core Investment Trust, and in the Variable Investment Trust, both of which are managed by the State of Wisconsin Investment Board (SWIB). Assets in the Variable Investment Trust are marked to market each year. Assets in the Core Investment Trust (most of the assets) are valued (or recognized) using an "asset valuation method."

Asset valuation methods are distinguished by the timing of the recognition of investment return. Total investment return is the sum of ordinary income and capital value changes. Under a pure market value approach, ordinary investment income and all capital value changes are recognized immediately. Because of market volatility, use of pure market values in retirement funding can result in volatile contribution rates and unstable financial ratios, contrary to WRS objectives.

The asset valuation method used for WRS valuations is statutory, and is referred to as the "Market Recognition Account" or MRA. Act 11 of 1999 closed the former Transaction Amortization Account (TAA) and created the Market Recognition Account. The MRA recognizes assumed return fully each year. Differences between actual and assumed return are phased in over a closed 5-year period. The objective is to give recognition to long-term changes in asset values while minimizing the effect of short-term fluctuations in the capital markets. In accordance with its smoothing objective, the MRA will tend to exceed the market value when the markets are doing poorly, and will fall short of the market value when markets are doing well. Some retirement systems set limits on the amount by which the recognized value of assets can differ from the market value.

The development of the Market Recognition Account is shown on the following page. The Core Investment Trust includes assets for other programs, such as Sick Leave, that are not related to the funding of the Wisconsin Retirement System, and does not include assets related to the Variable Investment Trust. Consequently, the asset value developed on the next page will not balance to the total system assets. ETF Staff maintains the breakdown of the separate asset accounts.

DEVELOPMENT OF EAR AS OF DECEMBER 31, 2006

	General	Executive & Elected Officials	Protective Occupation		Total
			With Soc. Sec	Without Soc. Sec.	
\$ Millions					
1. Present Value of Future Benefits for Non-Retired	\$43,343.1	\$375.3	\$4,599.1	\$1,087.6	\$49,405.1
2. Present Value of Future Entry Age Normal Costs	11,904.4	83.4	1,692.3	357.3	14,037.4
3. Entry Age Accrued Liability: (1)-(2)	31,438.7	291.9	2,906.8	730.3	35,367.7
4. Non-Retired Assets-WRS	32,897.7	293.8	3,217.0	873.4	37,281.9
-LTDI	166.9	1.4	26.4	6.7	201.4
-Total	33,064.6	295.2	3,243.4	880.1	37,483.3
5. Entry Age Unfunded Accrued Liability:(3)-(4)	(1,625.9)	(3.3)	(336.6)	(149.8)	(2,115.6)
6. WRS Frozen Unfunded Accrued Liability	298.9	0.8	11.1	9.7	320.5
7. EAR:(6)-(5)	\$ 1,924.8	\$ 4.1	\$ 347.7	\$ 159.5	\$ 2,436.1

ACTUAL VS. EXPECTED CHANGES IN EXPERIENCE AMORTIZATION RESERVE (EAR) - CALENDAR YEAR 2006
(\$ MILLIONS)

	December 31, 2006				
	General	Executive & Elected	Protective		Total
			With S.S.	Without S.S.	
(1) Entry Age UAAL at start of year	\$ (1,778.7)	\$ (11.7)	\$ (332.6)	\$ (138.7)	\$ (2,261.7)
(2) Normal cost from last valuation (Total)	1,225.0	11.4	155.2	35.4	1,427.0
(3) Actual contributions	1,108.1	10.9	130.7	24.0	1,273.7
(4) Interest	(134.2)	(0.9)	(25.0)	(10.4)	(170.5)
(5) Expected UAAL before changes: (1) + (2) - (3) + (4)	(1,796.0)	(12.1)	(333.1)	(137.7)	(2,278.9)
(6) Change from experience study	370.4	7.4	(1.5)	1.2	377.5
(7) Other changes	0.0	0.0	0.0	0.0	0.0
(8) Expected UAAL after changes: (5) + (6) + (7)	(1,425.6)	(4.7)	(334.6)	(136.5)	(1,901.4)
(9) Actual Entry Age UAAL at end of year	(1,625.9)	(3.3)	(336.6)	(149.8)	(2,115.6)
(10) Gain (loss): (8) - (9)	\$ 200.3	\$ (1.4)	\$ 2.0	\$ 13.3	\$ 214.2

The gain loss analysis is intended to explain the financial effect of differences between actual and assumed experience in basic risk areas: Investment Income, Pay increases, retirement rates, turnover rates, etc. In order for the gain loss analysis to proceed, the change in the Entry Age Unfunded Actuarial Accrued Liabilities from one year to the next is analyzed to remove the effect of expected changes. The table above develops this year's gain or loss (line 10) which is added to the Experience Amortization Reserve (EAR). When the EAR increases "unexpectedly," this is favorable experience and downward pressure is exerted on contribution rates. Similarly, an unexpected decrease in the EAR is unfavorable experience and upward pressure is exerted on contribution rates. In addition to the gain or (loss) described in line 10, non-recurring changes in lines 6 and 7 also may affect contribution rates.

By measuring gains and losses each year and, to the extent possible, determining the "responsible" assumptions, insight is gained into how well the actuarial assumptions estimate WRS liabilities. Such information aids in understanding financial effects of emerging trends and is particularly useful during preparation of the WRS experience study.



Gabriel Roeder Smith & Company
Consultants & Actuaries

One Towne Square
Suite 800
Southfield, MI 48076-3723

248.799.9000 phone
248.799.9020 fax
www.gabrielroeder.com

August 28, 2007

Mr. David Stella, Deputy Secretary
Wisconsin Department of Employee Trust Funds
801 West Badger Road
Madison, Wisconsin 53713

Re: 2006 Gain Loss Analysis

Dear Dave:

Enclosed are 75 bound copies of this report.

Sincerely,

Mark Buis

MB:lr
Enclosures

