

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS

June 30, 2009

(Expressed in Thousands)

| | Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b) - (a) | Funded Ratio (a) / (b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|-----------------------------------|----------------|-------------------------------|---------------------------------------|-------------------------------|------------------------|---------------------|---|
| | | | (1) | | | (3) | |
| Retiree Health Benefit (2) | 12-31-08 | \$ 434,769 | \$ 28,288,439 | \$ 27,853,670 | 1.5% | \$ 15,295,560 | 182.1% |
| | 12-31-07 | 296,500 | 28,890,120 | 28,593,620 | 1.0% | 14,810,279 | 193.1% |
| | 12-31-05 | 139,175 | 23,925,139 | 23,785,964 | 0.6% | 12,359,975 | 192.4% |
| Disability Income | 12-31-08 | \$ 350,145 | \$ 477,574 | \$ 127,429 | 73.3% | \$ 14,493,066 | 0.9% |
| | 12-31-07 | 326,674 | 474,614 | 147,940 | 68.8% | 13,849,158 | 1.1% |
| | 12-31-06 | 302,632 | 459,284 | 156,652 | 65.9% | 12,736,915 | 1.2% |
| | 12-31-05 | 279,286 | 438,186 | 158,900 | 63.7% | 11,928,558 | 1.3% |

(1) The Retiree Health Benefit AAL has been prepared using the projected unit credit cost method.

The Disability Income AAL has been prepared using the entry age actuarial cost method. The information presented is intended to approximate the funding progress of the plan as required by GASB Statements 43 and 45.

(2) The State legislature recently enacted legislation, which established service-based contributions for employees hired October 1, 2006 or later (February 1, 2007 for legislators). The valuation dated December 31, 2007 and subsequent valuations include the impact of this legislation. A valuation was not done for December 31, 2006.

(3) Buck Consulting reported the unadjusted covered payroll for the DIPNC long-term disability benefits. Aon Consulting reported the adjusted, annualized payroll for postemployment health benefits.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS**

For the Fiscal Years Ended June 30, 2007-2009

(Expressed in Thousands)

| | | <u>State Fiscal Year</u> | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> |
|-------------------------------|-----|----------------------------------|---|-----------------------------------|
| Retiree Health Benefit | (1) | 2009 | \$ 2,674,416 | 31% |
| | | 2008 | 2,714,184 | 22% |
| | | 2007 | 2,389,583 | 22% |
| Disability Income | | 2009 | \$ 78,314 | 102% |
| | | 2008 | 73,470 | 102% |
| | | 2007 | 70,116 | 102% |

- (1) For fiscal year ending June 30, 2009, total contributions as defined by the actuary are the total net retiree benefits paid by the State Health Plan plus employer contributions deposited to the Retiree Health Benefit Fund less payments from the Fund to the State Health Plan during the fiscal year.
For prior fiscal years, total contributions were only the employer contributions deposited to the Retiree Health Benefit Fund.