

Actuarial Assumptions

The assumptions used for the actuarial valuation were recommended by the actuary and adopted by the Board of Pension Trustees based upon an ongoing analysis of the plans' experience. Differences between assumed and actual experience (actuarial gains and losses) are part of the unfunded actuarial liabilities. The following significant assumptions were used in the actuarial valuations as of July 1, 2002:

1. a rate of return on investments of 8.5% compounded annually (adopted 1990);
2. projected salary increases of 5% compounded annually, attributable to inflation (adopted 1983);
3. additional projected salary increases ranging from ½% to 5% per year attributable to seniority, productivity, and merit (adopted 1985);
4. rates of mortality are based on the 1983 Group Annuity Mortality Table in all cases except for the Diamond State Port Corporation Plan which uses the UP-84 Mortality Table with ages set forward two years for males and set back three years for females (adopted 1984). Sample rates from all of these tables follow:

<u>Age</u>	<u>1983 GAM</u>		<u>UP84 (+2, -3)</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
35	0.09%	0.05%	0.16%	0.12%
40	0.12%	0.07%	0.26%	0.16%
45	0.22%	0.10%	0.42%	0.26%
50	0.39%	0.16%	0.69%	0.42%
55	0.61%	0.25%	1.08%	0.69%
60	0.92%	0.42%	1.70%	1.08%

5. rates of termination of service, disablement, and retirement are based on continuous monitoring of actual experience (adopted 1999); and
6. the aggregate active member payroll is assumed to increase by 4% annually (adopted 1976).

Summary of Plan Provisions and Changes in Plan Provisions

The plans valued are those described on pages 30-34 of the Financial Section. As of July 1, 2002, there were no significant plan changes in any of the plans, which are not reflected in the aforementioned plan descriptions.

Schedule of Active Member Valuation Data

Plan:	Fiscal Year Ended	Number of Members	Annualized Covered Payroll <i>(Expressed in thousands)</i>		Annual Average Pay	% Increase in Average Pay
State Employees'	6/30/2002	31,951	\$	1,351,112	\$ 42,287	6.5%
	6/30/2001	31,989		1,270,632	39,721	5.2%
	6/30/2000	31,740		1,198,626	37,764	6.1%
	6/30/1999	31,634		1,125,857	35,590	(0.1%)
	6/30/1998	30,031		1,070,052	35,632	4.9%
	6/30/1997	30,163		1,024,976	33,981	1.9%
Special	The Special Plan has no Active Members					
New State Police	6/30/2002	553	\$	281	\$ 54,758	6.8%
	6/30/2001	539		27,624	51,250	5.7%
	6/30/2000	527		25,558	48,497	6.4%
	6/30/1999	516		23,518	45,578	5.3%
	6/30/1998	496		21,462	43,270	4.6%
	6/30/1997	465		19,227	41,348	4.5%
Judiciary	6/30/2002	53	\$	7,329	\$ 138,283	8.5%
	6/30/2001	50		6,371	127,420	7.8%
	6/30/2000	49		5,794	118,245	0.1%
	6/30/1999	48		5,673	118,118	8.5%
	6/30/1998	47		5,118	108,894	(1.0%)
	6/30/1997	45		4,948	109,959	3.3%
County & Municipal Police/Firefighters'	6/30/2002	505	\$	21,342	\$ 42,261	4.1%
	6/30/2001	483		19,605	40,590	3.4%
	6/30/2000	459		18,011	39,240	4.9%
	6/30/1999	407		15,230	37,420	13.1%
	6/30/1998	354		11,712	33,085	5.9%
	6/30/1997	295		9,215	31,237	4.7%



Schedule of Active Member Valuation Data (continued)

Plan:	Fiscal Year Ended	Number of Members	Annualized Covered Payroll (Expressed in thousands)	Annual Average Pay	% Increase in Average Pay
County & Municipal	6/30/2002	90	\$ 2,545	\$ 28,278	4.9%
Other Employees'	6/30/2001	85	2,292	26,965	(0.4%)
	6/30/2000	74	2,004	27,081	9.5%
	6/30/1999	69	1,706	24,725	8.9%
	6/30/1998	61	1,385	22,705	(7.7%)
	6/30/1997	52	1,279	24,595	16.7%
Volunteer Firemen's	6/30/2002	4,856	\$ -	\$ -	-
	6/30/2001	4,769	-	-	-
	6/30/2000	4,579	-	-	-
	6/30/1999	4,706	-	-	-
	6/30/1998	4,651	-	-	-
	6/30/1997	4,621	-	-	-
Diamond State Port	6/30/2002	280	\$ 9,354	\$ 33,407	3.4%
Corporation	6/30/2001	272	8,788	32,309	(4.9%)
	6/30/2000	227	7,715	33,987	(7.9%)
	6/30/1999	207	7,637	36,894	0.3%
	6/30/1998	183	6,731	36,781	(1.7%)
	6/30/1997	110	4,116	37,422	9.1%
Closed State Police	6/30/2002	40	\$ 3,105	\$ 77,625	7.6%
	6/30/2001	45	3,247	72,156	5.8%
	6/30/2000	57	3,888	68,211	3.8%
	6/30/1999	75	4,930	65,733	4.6%
	6/30/1998	87	5,466	62,828	6.6%
	6/30/1997	97	5,716	58,929	6.7%

Schedule of Retirants and Beneficiaries Added to and Removed from Rolls

Plan:	Fiscal Year Ended	Additions	Deletions	Year-end Total	Annual Allowances <i>(Expressed in thousands)</i>	% Increase in Annual Allowances	Average Annual Allowances
State Employees'	6/30/2002	1241	659	16,233	\$ 197,940	12.9%	\$ 12,194
	6/30/2001	1,174	722	15,651	175,312	10.2%	11,201
	6/30/2000	1,135	611	15,199	159,122	9.4%	10,469
	6/30/1999	1,076	536	14,675	145,391	9.3%	9,907
	6/30/1998	892	566	14,135	133,018	7.7%	9,410
	6/30/1997	892	594	13,809	123,478	8.6%	8,942
Special	6/30/2002	1	4	36	\$ 125	(7.4%)	\$ 3,472
	6/30/2001	2	5	39	135	1.5%	3,462
	6/30/2000	-	1	42	133	0.8%	3,167
	6/30/1999	2	4	43	132	5.6%	3,070
	6/30/1998	2	-	45	125	(3.0%)	2,895
	6/30/1997	2	4	43	129	(2.7%)	2,985
New State Police	6/30/2002	6	1	16	\$ 460	59.2%	\$ 28,750
	6/30/2001	6	-	11	289	74.1%	26,273
	6/30/2000	-	-	5	166	46.9%	33,200
	6/30/1999	-	-	5	113	(7.4%)	22,600
	6/30/1998	-	-	5	122	41.1%	24,372
	6/30/1997	1	-	5	87	0.9%	17,272
Judiciary	6/30/2002	2	3	37	\$ 1,889	(3.1%)	\$ 51,054
	6/30/2001	4	3	38	1,949	18.7%	51,289
	6/30/2000	5	1	37	1,642	9.6%	44,378
	6/30/1999	3	-	33	1,498	10.5%	45,394
	6/30/1998	5	3	30	1,356	6.8%	45,203
	6/30/1997	-	2	28	1,268	7.2%	45,333
County & Municipal Police/Firefighters'	6/30/2002	1	1	11	\$ 178	17.9%	\$ 16,182
	6/30/2001	6	-	11	151	118.8%	13,727
	6/30/2000	-	-	5	69	6.2%	13,800
	6/30/1999	2	-	5	65	85.7%	13,000
	6/30/1998	-	-	3	35	10.5%	11,795
	6/30/1997	-	-	3	32	1.7%	10,672



Schedule of Retirants and Beneficiaries Added to and Removed from Rolls *(continued)*

Plan:	Fiscal Year Ended	Additions	Deletions	Year-end Total	Annual Allowances <i>(Expressed in thousands)</i>	% Increase in Annual Allowances	Average Annual Allowances
County & Municipal	6/30/2002	1	-	11	\$ 41	57.7%	\$ 3,727
Other Employees'	6/30/2001	1	-	10	26	23.8%	2,600
	6/30/2000	1	-	9	21	50.0%	2,333
	6/30/1999	1	-	8	14	(6.7%)	1,750
	6/30/1998	-	-	7	15	0.0%	2,161
	6/30/1997	-	-	7	15	1.9%	2,161
Volunteer Firemen	6/30/2002	86	48	1,169	\$ 1,016	4.6%	\$ 869
	6/30/2001	60	32	1,131	971	5.5%	859
	6/30/2000	66	42	1,103	920	3.4%	834
	6/30/1999	73	33	1,079	890	6.5%	825
	6/30/1998	68	38	1,039	836	3.1%	805
	6/30/1997	68	50	1,009	811	2.7%	804
Diamond State Port Corporation	6/30/2002	4	-	14	\$ 153	56.1%	\$ 10,929
	6/30/2001	3	-	10	98	30.7%	9,800
	6/30/2000	1	1	7	75	(14.8%)	10,714
	6/30/1999	2	1	7	88	66.0%	12,571
	6/30/1998	1	-	6	53	64.8%	8,894
	6/30/1997	4	-	5	33	1,292.0%	6,476
Closed State Police	6/30/2002	10	10	548	\$ 18,167	6.6%	\$ 33,151
	6/30/2001	13	6	548	17,040	6.0%	31,095
	6/30/2000	22	4	541	16,078	3.9%	29,719
	6/30/1999	21	14	523	15,481	3.1%	29,600
	6/30/1998	16	11	516	15,018	3.8%	29,105
	6/30/1997	15	12	511	14,465	4.1%	28,308

Solvency Test

(Dollar values expressed in thousands)

Plan:	Valuation Date	Aggregate Accrued Liabilities for						Portion of			
		Active Member		Active Member		Active Member		Accrued Liabilities			
		Contributions	Retirants & Beneficiaries	Contributions	Employer Financed	Contributions	Market Value of	by Reported Assets			
	(1)	(2)	(3)	Reported Assets	(1)	(2)	(3)				
State Employees'	6/30/2002	\$ 361,334	\$ 1,768,363	\$ 2,392,035	\$ 4,635,565	100%	100%	105%			
	6/30/2001	343,466	1,597,526	2,291,252	5,057,849	100%	100%	136%			
	6/30/2000	325,684	1,453,396	1,990,516	5,428,898	100%	100%	183%			
	6/30/1999	307,831	1,333,509	1,708,787	4,700,554	100%	100%	179%			
	6/30/1998	291,421	1,231,545	1,612,699	4,277,736	100%	100%	171%			
	6/30/1997	269,295	1,154,814	1,391,686	3,651,457	100%	100%	160%			
Special	6/30/2002	\$ -	\$ 742	\$ -	\$ 1,765	-	238%	-			
	6/30/2001	-	993	-	2,049	-	206%	-			
	6/30/2000	-	834	-	2,325	-	279%	-			
	6/30/1999	-	826	-	2,131	-	258%	-			
	6/30/1998	-	899	-	2,090	-	232%	-			
	6/30/1997	-	797	-	1,906	-	239%	-			
New State Police	6/30/2002	\$ 16,838	\$ 5,057	\$ 70,033	\$ 100,637	100%	100%	112%			
	6/30/2001	14,571	2,909	62,560	102,804	100%	100%	136%			
	6/30/2000	12,600	1,495	54,272	104,462	100%	100%	167%			
	6/30/1999	10,680	1,319	42,714	85,827	100%	100%	173%			
	6/30/1998	9,258	1,337	36,483	73,521	100%	100%	172%			
	6/30/1997	8,064	1,188	31,373	58,929	100%	100%	158%			
Judiciary	6/30/2002	\$ 2,300	\$ 15,705	\$ 12,117	\$ 26,945	100%	100%	74%			
	6/30/2001	1,932	16,622	11,081	28,629	100%	100%	91%			
	6/30/2000	1,803	14,727	11,578	30,293	100%	100%	119%			
	6/30/1999	1,064	12,131	12,207	25,494	100%	100%	101%			
	6/30/1998	1,437	11,463	11,275	22,698	100%	100%	87%			
	6/30/1997	1,331	9,704	10,637	18,958	100%	100%	74%			
County & Municipal Police/Firefighters'	6/30/2002	\$ 6,114	\$ 1,838	\$ 22,392	\$ 31,671	100%	100%	106%			
	6/30/2001	4,748	1,950	22,767	29,694	100%	100%	101%			
	6/30/2000	3,287	643	19,652	27,560	100%	100%	120%			
	6/30/1999	2,096	643	14,958	20,212	100%	100%	117%			
	6/30/1998	1,803	303	10,762	15,145	100%	100%	121%			
	6/30/1997	1,330	304	7,752	10,959	100%	100%	120%			



Solvency Test (continued)

(Dollar values expressed in thousands)

Plan:	Valuation Date	Aggregate Accrued Liabilities for						Portion of			
		Active Member		Retirants & Beneficiaries		Active Member Employer Financed		Accrued Liabilities			
		Contributions	(1)	Beneficiaries	(2)	Contributions	(3)	Market Value of Reported Assets	(1)	(2)	(3)
County & Municipal	6/30/2002	\$ 314	\$ 355	\$ 2,147	\$ 2,735	100%	100%	96%			
Other Employees'	6/30/2001	283	283	2,396	2,832	100%	100%	95%			
	6/30/2000	227	185	2,192	2,819	100%	100%	110%			
	6/30/1999	130	144	1,918	2,092	100%	100%	91%			
	6/30/1998	170	120	1,262	1,704	100%	100%	112%			
	6/30/1997	132	123	1,019	1,357	100%	100%	108%			
Volunteer Firemen's	6/30/2002	\$ 3,419	\$ 7,574	\$ 3,947	\$ 8,697	100%	70%	-			
	6/30/2001	2,308	7,186	4,343	9,536	100%	100%	1%			
	6/30/2000	2,784	6,887	3,757	10,254	100%	100%	8%			
	6/30/1999	2,744	6,655	3,678	8,897	100%	92%	-			
	6/30/1998	2,521	6,351	3,619	8,162	100%	89%	-			
	6/30/1997	2,311	6,053	3,648	6,901	100%	76%	-			
Diamond State Port Corporation	6/30/2002	\$ 997	\$ 1,252	\$ 4,368	\$ 6,015	100%	100%	86%			
	6/30/2001	670	913	4,035	6,115	100%	100%	112%			
	6/30/2000	626	584	4,012	6,053	100%	100%	121%			
	6/30/1999	542	624	3,785	4,777	100%	100%	95%			
	6/30/1998	632	467	3,369	3,833	100%	100%	84%			
	6/30/1997	337	431	3,094	2,891	100%	100%	69%			
Closed State Police	6/30/2002	\$ 1,643	\$ 288,736	\$ 28,308	\$ 2,209	100%	-	-			
	6/30/2001	2,757	274,477	28,960	2,009	73%	-	-			
	6/30/2000	3,248	264,722	34,825	1,687	52%	-	-			
	6/30/1999	4,021	256,445	43,970	1,345	33%	-	-			
	6/30/1998	4,285	255,383	48,896	1,029	24%	-	-			
	6/30/1997	4,374	250,364	50,021	731	17%	-	-			

Analysis of Financial Experience for the State Employees' Pension Plan

Gains/(Losses) in Accrued Liability During Years Ended June 30,
 Resulting from Differences Between Assumed Experience and Actuarial Experience
(Expressed in thousands)

Type of Activity	Gain/(Loss) for the Fiscal Years Ending June 30,					
	2002	2001	2000	1999	1998	1997
Investment Income on Actuarial Assets	\$ (80,148)	74,705	254,955	202,925	209,366	159,984
Combined Liability Experience	(2,626)	(182,632)*	4,349	39,854	3,073	60,984
Gain/(Loss) During Year from						
Financial Experience	\$ (82,774)	(107,927)	259,304	242,779	212,439	220,968
Non-Recurring Items	-	(12,431)**	(202,468)	(41,170)	(134,164)	(23,322)
Composite Gain/(Loss) During Year	\$ (82,774)	(131,358)	56,836	201,609	78,275	197,646

* Includes \$206 million in plan changes being treated as actuarial loss for funding purposes

** PRI increase of 1.5% funded from PRI Fund

