

REVISED

**AGENDA AND NOTICE OF MEETING
STATE OF WISCONSIN
EMPLOYEE TRUST FUNDS BOARD**

Friday, September 19, 2008

8:30 a.m.

**Holiday Inn Hotel and Suites
1109 Fourier Drive
Madison, Wisconsin**

Documents for this meeting are available on-line at:

http://etf.wi.gov/boards/board_etf.htm

To request a printed copy of any of the agenda items, please contact
Ann McCarthy, at (608) 261-0736.

 *Denotes action item*

- 8:30 a.m.  1. **Consideration of Minutes of Previous Meetings (June 27, 2008 and August 27, 2008)**
- 8:35 a.m. 2. **Announcements**
- 8:40 a.m. 3. **Committee Reports**
- **Personnel Evaluation Committee Report**
- 8:45 a.m.  4. **Approvals**
- **Gain/Loss Analysis of Experience Among Active Members During Calendar Year 2007 (Mark Buis, Gabriel, Roeder, Smith & Company)**
 - **Delegation of Authority to Hire Tax Counsel**
- 9:15 a.m. 5. **Consultant Report**
- **Cost Effective Measurement (CEM) Study (Jon Kranz and CEM Staff)**
- 9:45 a.m. 6. **Operational Updates**
- **Secretary's Report**
 - **Long Term Disability Insurance (LTDI) Annual Valuation**
 - **Miscellaneous**
 - **Future Items for Discussion**
- 10:05 a.m. **Break**

The meeting location is handicap accessible. If you need other special accommodations due to a disability, please contact Ann McCarthy, Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931. Telephone: (608) 261-0736. Wisconsin Relay Service 7-1-1. E-mail: ann.mccarthy@etf.state.wi.us

- 10:15 a.m.  7. **Board Discussion and Consideration**
- **Design Philosophy of the Wisconsin Retirement System: Core vs. Variable (Sari King, John Vincent, and Department Staff)**
 - **2009-2011 Biennial Budget (Bob Conlin, Jon Kranz, and Department of Administration Staff)**
- 12:00 p.m. 8. **Adjournment**

Times shown are estimates only and agenda items may be taken out of order at Board chair's discretion.

MINUTES OF MEETING
STATE OF WISCONSIN
EMPLOYEE TRUST FUNDS BOARD

Friday, June 27, 2008

Holiday Inn Hotel and Suites
1109 Fourier Drive
Madison, Wisconsin

BOARD PRESENT:

Marilyn Wigdahl, Chair
John David
Jennifer Donnelly
Rosemary Finora
Theron Fisher
Rick Gale
Kathleen Kreul
Irena Macek
Wayne McCaffery
Gary Sherman
Nancy Thompson

BOARD PRESENT BY PHONE:

Robert Niendorf, Secretary

BOARD NOT PRESENT:

Wayne Koessler, Vice-Chair

PARTICIPATING ETF STAFF:

Dave Stella, Secretary
Bob Conlin, Deputy Secretary
Sari King, Administrator, Division of Retirement Services
Pam Henning, Administrator, Division of Management Services
Ann McCarthy, Board Liaison

OTHERS PRESENT:

Jere Bauer, Legislative Fiscal Bureau
Michelle Baxter, Division of Trust Finance and Employer Services
Keith Bozarth, State of Wisconsin Investment Board
John Brown, former ETF Board Member
Mark Buis, Gabriel, Roeder, Smith, and Company
Jerry Dietzel, Division of Trust Finance and Employer Services
Sandy Drew, State of Wisconsin Investment Board
Rhonda Dunn, Office of the Secretary
Lisa Ellinger, Division of Insurance Services

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Charlotte Gibson, Department of Justice
Jean Gilding, Division of Retirement Services
Tim Gustafson, Deloitte Consulting
Vicki Hearing, State of Wisconsin Investment Board
Nathan Heimler, Legislative Audit Bureau
Allen Hesselbacker, Legislative Audit Bureau
Lynn Jarzombek, Division of Retirement Services
Ken Johnson, State of Wisconsin Investment Board
Andy Kamphuis, Legislative Audit Bureau
Nancy Ketterhagen, Office of the Secretary
Tom Korpady, Division of Insurance Services
Jon Kranz, Office of Internal Audit and Budget
Ron Mensink, State of Wisconsin Investment Board
Paul Ostrowski, Office of State Employment Relations
Linda Owen, Division of Retirement Services
Rose Stephenson, University of Wisconsin System
Administration
Matt Stohr, Director, Legislation, Communications, and
Planning
Jill Thomas, Office of State Employment Relations
John Vincent, Division of Trust Finance and Employer
Services
Sharon Walk, Division of Management Services
Bob Willett, Division of Trust Finance and Employer
Services
Nancy Williams, Ennis Knupp and Associates
Art Zimmerman, Legislative Fiscal Bureau

Marilyn Wigdahl, Chair, called the meeting of the Employee Trust Funds Board (Board) to order at 8:31 a.m.

CONSIDERATION OF PREVIOUS MEETING MINUTES

Motion: Ms. Thompson moved approval of the minutes of the March 14, 2008, meeting as submitted by the Board Liaison. Mr. David seconded the motion, which passed without objection on a voice vote.

ANNOUNCEMENTS

Recognition of Outgoing Board Member Sari King, Administrator, Division of Retirement Services, presented John Brown with a plaque and thanked him for his 18 years of service to the Employee Trust Funds Board.

Introductions of New Board Members Dave Stella, Secretary, Department of Employee Trust Funds (Department), welcomed new Board member John David. The Wisconsin Retirement (WR) Board appointed Mr. David on June 26, 2008, to replace Mr. Brown.

SECTION 40.65 DUTY DISABILITY PROGRAM ACTUARIAL REVIEW

Mr. Stella introduced Tim Gustafson from Deloitte Consulting to the Board. Mr. Gustafson referred to the report entitled *Section 40.65 Duty Disability Program Actuarial Review as of December 31, 2007*. He reviewed the Program's experience during 2007, gave an estimate of the State's liability as of December 31, 2007, and provided an analysis of current funding levels. He stated that the present premium level continues to meet the Board's funding policy and, therefore, no premium increase is recommended at this time.

Motion: Mr. David moved to accept the actuary's report and adopt the recommendation to maintain the current rates. Mr. McCaffery seconded the motion, which passed without objection on a voice vote.

ACCUMULATED SICK LEAVE CONVERSION CREDIT (ASLCC) PROGRAM ANNUAL ACTUARIAL VALUATION REVIEW

Mark Buis of Gabriel, Roeder, Smith & Company, provided a summary of the report entitled *Accumulated Sick Leave Conversion Credit Program Annual Actuarial Valuation – December 31, 2007*. He explained the development of normal costs for the base ASLCC Program as well as the supplemental plan. The financial objectives of the ASLCC Program are to establish and receive contributions to support benefits that will remain approximately level from year to year. The report establishes recommended contribution rates for the 2009 calendar year.

Motion: Ms. Thompson moved to accept the actuary's report and adopt the recommended rates. Ms. Kreul seconded the motion, which passed without objection on a voice vote.

WISCONSIN RETIREMENT SYSTEM TWENTY-SEVENTH ANNUAL ACTUARIAL VALUATION AS OF DECEMBER 31, 2007

Mr. Buis provided an overview of the report entitled *Wisconsin Retirement System Twenty-Seventh Annual Actuarial Valuation as of December 31, 2007*. The valuation reflects the actuarial experience, trends and projections for non-retired participants covered by the Wisconsin Retirement System (WRS). The report establishes recommended contribution rates for the 2009 calendar year in conformance with Chapter 40 of the Wisconsin Statutes. Mr. Buis reported that the WRS continues to operate in accordance with actuarial principles of level percent-of-payroll financing and he noted that the plan is fully funded.

Motion: Mr. Fisher moved to accept the actuary's report and adopt the recommended rates. Ms. Finora seconded the motion, which passed without objection on a voice vote.

CONSULTANT REPORT – GOVERNANCE STUDY PRESENTATION

Ms. King reminded the Board that at its December 14, 2007, meeting, the Board moved to contract with Ennis, Knupp and Associates, Inc. (Ennis Knupp) to provide consultation services for a governance study. She introduced Nancy Williams from Ennis Knupp.

Ms. Williams presented the report entitled *Administrative Authority Review* to the Board. She discussed the three areas on which the study focused: best governance practices, comparisons to other systems, and fiduciary responsibilities.

Best Governance Practices Ennis Knupp compared the Department's practices to "best practices," which are the ideal elements of good governance. While the Department has many positive governance features, certain elements of good governance are missing. These include budget setting authority, staffing authority including compensation, procurement flexibility, and the ability to choose the provider of legal and auditing services.

Comparisons to Other Systems The WRS was compared with 20 other public pension funds. These funds were chosen based upon their asset size, membership size and geographic location. A comparison was also made with the State of Wisconsin Investment Board (SWIB) because SWIB has a parallel fiduciary responsibility and serves the same pension fund beneficiaries as the WRS. Ms. Williams noted that the WRS had less flexibility and autonomy than 70% of the large statewide plans surveyed.

Fiduciary Responsibilities Ms. Williams noted that Chapter 40 establishes the WRS as a public trust and that each of the Board members and the Secretary of the Department are fiduciaries. As fiduciaries, the duties of loyalty and prudence must be adhered to. The study's findings show that Wisconsin law gives non-fiduciaries the ability to restrict the Department's budget, staffing ability and procurement processes, which hinders the ability of the Secretary and the Board to carry out their fiduciary and statutory obligations.

In summary, Ms. Williams recommended that the Board and Department pursue governance structure change to the WRS in order to serve the system participants better and to meet fiduciary obligations.

The Board members discussed the governance study and how it related to the Department's budget. A special meeting to discuss the 2009-2011 biennial budget was considered.

Motion: Mr. Sherman moved that the Board hold a special meeting in August to discuss the Department budget and further moved that the Board invite Department of Administration Executive staff to the September Board meeting, by letter from the Board Chair. Mr. Gale seconded the motion, which passed without objection on a voice vote.

OPERATIONAL UPDATES

Ms. King referred members to the informational reports in their binders.

The Board took a break from 9:55 a.m. to 10:10 a.m.

Mr. Gale left at the break.

BOARD DISCUSSION – DESIGN PHILOSOPHY OF THE WISCONSIN RETIREMENT SYSTEM: CORE VS. VARIABLE

Bob Conlin, Deputy Secretary, referred the Board members to the memo regarding the Core and Variable funds. He explained that the topic was previously discussed at the December 2007 and March 2008 meetings. The Board discussed the Core and Variable funds and possible changes to the design.

Keith Bozarth and Ron Mensink, State of Wisconsin Investment Board staff, presented information on the Core and Variable funds in response to questions from Board members.

Motion: Mr. McCaffery moved that the Board recommend to the legislature that the Variable fund be phased out. Ms. Kreul seconded the motion, which passed on the following vote.

Members voting aye: J. David, J. Donnelly, R. Finora, K. Kreul, I. Macek, W. McCaffery, G. Sherman, N. Thompson, M. Wigdahl

Members voting nay: T. Fisher, R. Niendorf

Mr. Conlin indicated that staff would provide the Board with options for phasing out the Variable fund at the September Board meeting.

MOTION TO CONVENE IN CLOSED SESSION

Ms. Wigdahl announced that the Board would convene in closed session pursuant to the exemptions contained in Wis. Stat. § 19.85 (1) (a) and (c) for quasi-judicial deliberations on appeal matters and to discuss personnel matters related to the annual performance evaluation of the Department Secretary. Mr. Stella and Ms. Henning were invited to remain during portions of the personnel matter discussion. Ms. Gibson, Ms. Walk, and Ms. McCarthy were invited to remain during discussion of the appeal.

Motion: Ms. Thompson moved to convene in closed session, pursuant to the exemptions contained in Wis. Stat. § 19.85 (1) (a) and (c) for quasi-judicial deliberations on appeal matters and to discuss personnel matters involving the annual performance evaluation of the Department Secretary. Mr. Fisher seconded the motion, which passed on the following roll call vote.

Members voting aye: J. David, J. Donnelly, R. Finora, T. Fisher, K. Kreul, I. Macek, W. McCaffery, R. Niendorf, G. Sherman, N. Thompson, M. Wigdahl

Members voting nay: none

The Board convened in closed session at 11:02 a.m. and reconvened in open session at 12:00 p.m.

ANNOUNCEMENT OF ACTION TAKEN ON BUSINESS DELIBERATED ON DURING CLOSED SESSION

Ms. Wigdahl announced that the Board took the following actions during the closed session:

PERSONNEL MATTERS

Secretary Stella and Ms. Henning discussed personnel matters with the Board regarding the performance evaluation of the Department Secretary.

APPEALS

- **Appeal 2007-004-ETF**-The Board adopted the hearing examiner's decision with amendments.

ADJOURNMENT

Motion: Ms. Thompson moved adjournment. Ms. Kreul seconded the motion, which passed without objection on a voice vote.

The meeting of the Employee Trust Funds Board adjourned at 12:02 p.m.

Date Approved: _____

Signed: _____

Robert Niendorf, Secretary
Employee Trust Funds Board

MINUTES OF MEETING
STATE OF WISCONSIN
EMPLOYEE TRUST FUNDS BOARD

Wednesday, August 27, 2008

Holiday Inn Hotel and Suites
1109 Fourier Drive
Madison, Wisconsin

BOARD PRESENT:

Marilyn Wigdahl, Chair
Wayne Koessler, Vice-Chair
Robert Niendorf, Secretary
John David
Jennifer Donnelly
Rosemary Finora
Rick Gale
Kathleen Kreul
Gary Sherman
Nancy Thompson

BOARD NOT PRESENT:

Theron Fisher
Irena Macek
Wayne McCaffery

PARTICIPATING ETF STAFF:

Dave Stella, Secretary
Bob Conlin, Deputy Secretary
Jon Kranz, Director, Office of Internal Audit and Budget
Matt Stohr, Director, Legislation, Communications, and
Planning
Ann McCarthy, Board Liaison

OTHERS PRESENT:

Brian Belford, Legislative Audit Bureau
Rhonda Dunn, Office of the Secretary
Sari King, Administrator, Division of Retirement Services
Art Zimmerman, Legislative Fiscal Bureau

Marilyn Wigdahl, Chair, called the meeting of the Employee Trust Funds Board (Board) to order at 9:00 a.m.

DEPARTMENT OF EMPLOYEE TRUST FUNDS 2009-2011 PROPOSED BIENNIAL BUDGET

Bob Conlin, Jon Kranz and Matt Stohr discussed the Department's 2009-2011 Proposed Biennial Budget with the Board in order to garner the Board's support in anticipation of the September 19 Board meeting. As part of the presentation, they addressed the demographic and related service challenges of the Department, the corresponding budgetary needs of the Department, and possible solutions the Department will propose as part of its 2009-2011 budget request.

Board members discussed the Department's budget request. Board members asked for some additional information at the September 19 meeting including historical staff-to-member ratios and projected staff-to-member ratios.

The Board discussed its desire to explain the Department's budgetary needs to the Department of Administration (DOA) at the September Board meeting. The Board also discussed how it could help support the Department's budget request with the administration and Legislature. Staff informed the Board that the budget proposal would be on the agenda of the September Board meeting and that DOA staff was scheduled to attend.

Motion: Mr. Gale moved that the Board support the Department's proposed 2009-2011 biennial budget request and further moved to recommend that the Board and Department discuss this proposed budget with Department of Administration Executive staff at the September Board meeting. Ms. Kreul seconded the motion, which passed without objection on a voice vote.

ADJOURNMENT

Motion: Mr. David moved adjournment. Ms. Thompson seconded the motion, which passed without objection on a voice vote.

The meeting of the Employee Trust Funds Board adjourned at 11:21 a.m.

Date Approved: _____

Signed: _____

Robert Niendorf, Secretary
Employee Trust Funds Board

Alternatives for the Variable Fund

Option A

Leave the Variable Fund open, but proactively expand participant education on concerns about the risk/return ratio of Variable Fund investments and the potential negative effects of Variable participation on Wisconsin Retirement System (WRS) benefits. This will better enable participants to make well-informed decisions about whether to elect or cancel Variable participation. *Note: This option does not phase out the Variable Fund, but is intended to provide comprehensive participant education on the risk/return of participation.*

Pros

- All current and future participants retain the choice of electing and canceling Variable participation.
- No statutory changes are required.
- No administrative or Information Technology (IT) changes are necessary.
- No exposure to legal challenges for eliminating existing participant rights.

Cons

- Participants can still elect Variable participation, and may assume that the Variable Fund option would not be offered if it contained a high level of risk.
- Participants whose benefits are decreased due to Variable participation may blame the Department and the ETF Board for continuing to provide an option that negatively affected their benefits.

Option B

Close the Variable Fund to new employees who begin WRS participation on or after the effective date of the change.

- Participants who began WRS coverage before the effective date of the closure would still be eligible to elect Variable participation at any time.
- Participants whose elections to participate in the Variable Fund were effective prior to the date the Fund is closed continue to make Variable contributions until such time as they may elect to cancel their Variable participation.
- Proactively expand participant education on concerns about the risk/return ratio of Variable Fund investments and the potential negative effects of Variable participation on WRS benefits.

Pros

- This closure option affects a minimal number of participants.
- Least exposure of the Variable closure options to a legal challenge because existing rights are not taken away.

Cons

- New participants who cannot elect Variable participation may feel discriminated against because they do not have the same choices available to other participants.
- Since existing participants would have an open-ended Variable enrollment period, the life of the Variable Fund could be extended considerably.
- Any closure of the Variable Fund would require a statutory change.
- Costly administrative and IT changes would be necessary.

Option C

Close the Variable Fund to new employees who begin WRS participation on or after the effective date of the change and close the Variable Fund to existing WRS covered employees not currently participating in the Variable Fund.

- Participants whose elections to participate in the Variable Fund were effective prior to the date the Fund is closed continue to make Variable Fund contributions until such time as they may elect to cancel participation.
- Proactively expand participant education on concerns about the risk/return ratio of Variable Fund investments and the potential negative effects of Variable participation on WRS benefits.

Pros

- Participants could still enroll in Variable before the effective date of the closure.
- Because this is how the Variable Fund was closed in 1980, there may be less exposure to legal challenges.

Cons

- After the Variable Fund closes, some participants may express concern that they cannot elect participation, particularly when the Variable Fund outperforms the Core Fund.
- Administrative and IT changes would be necessary.
- Since existing participants would have an open-ended Variable enrollment period, the life of the Variable Fund could be extended considerably which could have a negative impact of the viability of the Fund.
- Any closure of the Variable Fund would require a statutory change.

Option D

Close the Variable Fund to all new contributions.

- Proactively expand participant education on concerns about the risk/return ratio of Variable Fund investments and the potential negative effects of Variable participation on WRS benefits.

Pros

- This option would limit participants' exposure to inherent investment risks of the Variable Fund.
- Unless they choose to cancel Variable participation, existing participants could still retire with a Variable annuity based on their previous Variable Fund contributions and interest.

Cons

- Prohibiting existing Variable participants from making future contributions could be perceived as a take-away of their rights.
- May be significantly more vulnerable to a legal challenge.
- Costly administrative and IT changes would be necessary.
- Any closure of the Variable Fund would require a statutory change.

Options Relative to Existing Variable Fund Balances

The following presents options for the treatment of existing Variable Fund balances if the Variable Fund is closed to all new contributions.

Option 1:

Participants can leave their Variable contributions in the Fund until such time as they elect to cancel participation, and cannot make any new Variable contributions.

Pros

- This option would maintain the Variable Fund as an investment option.
- From an administrative standpoint, this option would not require as many administrative changes as other options.
- For example, it would not require as many policy related decisions or as much education of, or communication to, participants.

Cons

- Administrative changes would still be necessary.
- This option would prohibit new elections, which could be viewed as discriminatory by new participants.
- Similar to the options listed throughout, this would require statutory changes.

Option 2:

Transfer participants' Variable Fund balances/annuities to the Core Fund *conditionally only*, as though they had filed a conditional Variable cancellation form in the year before the Fund is closed. This means that each individual's Variable balance would only transfer to the Core Fund when the participant does not have a Variable deficiency.

Pros

- The Variable Fund would cease to exist as soon as no participant had a Variable deficiency, alleviating the State of Wisconsin Investment Board's (SWIB) concerns about achieving an optimal risk/return ratio in the Variable Fund.

Cons

- Participants' Variable accounts and annuities being involuntarily transferred to the Core Fund could be viewed as a take-away of their existing statutory rights.
- Significant administrative and IT changes would be necessary.

Option 3:

Transfer participants' Variable Fund balances and annuities to the Core Fund *immediately* when the Variable Fund is closed, regardless of whether they have an excess or deficiency. Annual Core Fund interest would be subsequently credited to residual Variable excess or deficiency balances as provided under current law.

Pros

- The Variable Fund would immediately cease to exist, and all WRS Funds would immediately be invested in the (Core) Fund with the most optimal risk/return ratio.
- Since the Variable Fund would immediately cease to exist, there could be no unfavorable comparisons with Core Fund investment returns and what the Variable Fund would have earned if it still existed.

Cons

- Participants with residual deficiencies would be significantly harmed because their deficiencies will grow annually, based on Core Fund effective interest rates.
- Increases the likelihood of legal challenges from participants.
- Significant administrative and IT changes would be necessary.

Option 4:

Transfer participants' Variable Fund balances and annuities to the Core Fund immediately when the Variable Fund is closed (January 1). Participants' Variable excess balances and annuities that are at least "breaking even" would transfer as-is, and residual Variable excess balances would be credited with annual Core Fund interest as under current law. Participants with a Variable deficiency or whose annuities are "behind" would be "made whole" by eliminating their Variable deficiencies or increasing their annuities to the amount they would be receiving if they had never participated in the Variable Fund.

Pros

- The Variable Fund would immediately cease to exist, and all WRS Funds would immediately be invested in the Core Fund, with the most optimal risk/return ratio.
- The mandatory immediate transfer of their Variable Funds to the Core Fund would not harm participants.

Cons

- This option would require transferring Funds from the employer reserve to make up the shortfall between participants' actual account balance or annuities and what it would be if they were not being made whole.
- This option would require statutory authority to transfer Funds from the employer reserve to make participants with a deficiency "whole," which in turn would place upward pressure on both employee and employer contribution rates.
- This option would be extremely vulnerable to a successful legal challenge from both participants and employers.
- Significant administrative and IT changes would be necessary.



STATE OF WISCONSIN
Department of Employee Trust Funds

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SECRETARY

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Summary of the Employee Trust Funds FY 2009-2011 Biennial Budget Request

This is a summary of the fiscal year (FY) 2009-2011 biennial budget request for the Department of Employee Trust Funds (Department). The period covered by this request is July 1, 2009 – June 30, 2011.

As you are aware, the Department currently has a relatively low administrative cost but, in turn, we offer Wisconsin Retirement System (WRS) participants fewer services and longer wait times due to a lack of resources. The Department has taken many steps to improve services through the use of technology and administrative process redesign, however, those efforts alone will not allow the Board and the Department to carry out their fiduciary responsibilities to participants. That is especially true considering the fact the “eligible to retire” population alone is expected to increase more than 18% from fiscal year 2007 to fiscal year 2011. Looking further into the future, our actuary projects that our annuitant population will more than double in 30 years. It isn’t a question of if our workload will increase; rather it is a question of how quickly it will increase. The current budgetary system does not allow us to plan for, or be ready for, this workload issue when it occurs.

More must be done to address our current and future challenges and to make sure we are able to provide contractually defined benefits to WRS participants. We feel our budget request contains mechanisms and solutions to meet these challenges.

What is driving this request?

1) Increasing workload associated with the retirement of the baby boom generation.

- a. Eligible to retire population expected to increase 18.1 % from FY 2007 to FY 2011.
- b. New annuities expected to increase 19.9% from FY 2007 to FY 2011.
- c. The annuitant population will increase to more than 165,000 from the current level of approximately 145,000 from FY 2007 to FY 2011.

2) The current model used to provide the agency with expenditure and position authority is inflexible and hinders the ability to create and implement long-term strategies to address an increasing workload.

- a. The current model requires that the Department predict precise workload levels one to two years in advance of the actual activity.
- b. The Department must “compete” with other agencies for resources, even though the Department is 100% funded from the Public Employee Trust Fund and not state tax funds.

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- c. Should actual workload during the biennium increase significantly more than predicted, the only option is to request emergency funding or further reduce service levels.
 - d. The current "annual" appropriation model makes it difficult, if not impossible, to effectively create and implement long-term strategies to address the workload issues associated with the retirement of the "baby boom" generation. Under the current system, funding commitments are limited to no more than two years.
- 3) The current process for obtaining position and expenditure authority is not a "best practice" in terms of Trust governance as identified in a governance study performed by Ennis Knupp and Associates (presented at the June 2008 ETF Board Meeting). In addition, based on the Ennis Knupp report, staff recommends that statutory ambiguities regarding the Board's and Department's authority to contract for goods and services be clarified.**
- 4) The desire to increase service levels to participants to at least the median of peer public pension systems.**
- a. Current service levels are well below the median of our peers according to a recent Cost Effective Measurement (CEM) Benchmarking report for FY 2007.
 1. CEM is an independent research firm that, on a global basis, performs benchmarking studies for pension administration, pension investment performance and departments of motor vehicles service levels. The peer system used by CEM for the WRS was independently selected by CEM based on comparable systems.
 2. In the FY 2007 study, the WRS service score was 60 compared to the peer system median of 73-the higher the score, the higher the service level.
 3. In the FY 2007 study, the annual WRS cost per participant (active and annuitant) was \$53 compared to the peer median of \$65.
- 5) Participants are increasingly demanding more information and higher levels of service when making important decisions about retirement and other fringe benefits.**

How does the biennial budget request address these needs?

The Department's budget request will consist of 7 different elements:

- 1) Request a change from the current annual appropriation model to a continuing appropriation.**
 - a. Annual expenditure authority amounts would be based on the peer system median amount per participant (CEM information will be used initially with adjustments to account for the benefit programs not included in the CEM analysis).
 - b. Unused expenditure authority in a given fiscal year would carry forward to the next fiscal year (builds a reserve to accommodate workload spikes).

- c. Board concurrence would need to be obtained if workload metrics indicate that it is necessary for the Department to exceed the peer median amount per participant in a given fiscal year.
- d. Expenditure authority would be \$35,952,600 for FY 2010 and \$37,981,500 for FY 2011 based on the most recent CEM data. For the current fiscal year (FY 2009) the Department's budget authority is \$25,011,900.
- e. The expenditure authority requested above is equivalent to 4.4 basis points of the WRS assets or 0.71% of annual benefit payments.

2) Request the creation of a passive review process to create or delete position authority.

- a. The Department would request the creation or deletion of positions based on actual workload metrics.
- b. The Department's position level would not exceed the peer system median ratio of participants to full-time equivalent (FTE) positions without Board approval.
- c. For FY 2007, the WRS ratio of participants (active and annuitant) per FTE was 2,495/1 compared to the peer median of 1,790/1.
- d. Based on internal Department projections and actuarial data, the number of new positions required to address some of the workload issues will be 25.0 FTE for FY 2010 and 24.0 FTE for FY 2011.
- e. The peer system median position limit (adjusted to account for the programs not included in the CEM analysis) would be 283.39 FTE or 62.59 more FTE positions than currently authorized for the current FY 2009 year.

3) Request statutory changes to eliminate current ambiguities regarding the Board's independent ability to contract for necessary goods and services.

4) Request changes to require annual reporting by the Department regarding the use of funds, positions, and contracting authority to the Joint Committee on Finance and the Department of Administration to enhance accountability and transparency.

5) Request appropriate funding levels for the GPR annuity supplements for certain pre-1974 retirees— this will be a decrease from current funding levels.

6) Request a capital budget associated with obtaining a new headquarters facility.

7) Request statutory changes to improve efficiencies and effectiveness of the insurance programs.

- a. Statutory change to authorize the Group Insurance Board (GIB) to contract for actuarial assistance for its programs and removal of that authority from the ETF Board (s. 40.03 (1) (d) & (6) (d)).

- b. Statutory change to clarify that GIB may modify benefits to allow for the incorporation of wellness incentives (s. 40.03 (6) (c)).
- c. Statutory change to broaden the authority of GIB to hire for data collection and analysis services (s. 40.03 (6) (j)).
- d. Statutory change to eliminate GIB approval of optional insurances (s. 20.921 (1) (a) 3).
- f. Statutory change to provide additional flexibility to determine long-term care insurance options (s. 40.55).

Summary of the most recent three ETF biennial budget requests

Fiscal Biennium	ETF Request		Enacted Budget		Enacted/Requested	
	FTE	New Funding	FTE	New Funding	FTE	New Funding
FY 2007-2009	63.00	\$ 14,748,200	24.50	\$ 10,997,700	38.9%	74.6%
FY 2005-2007	4.50	\$ 1,199,100	1.75	\$ 1,034,500	38.9%	86.3%
FY 2003-2005	27.80	\$ 7,097,700	10.00	\$ 4,179,100	36.0%	58.9%
	95.30	\$ 23,045,000	36.25	\$ 16,211,300	38.0%	70.3%

New funding amount is the biennial total (on-going and one-time) less standard budget.



Wisconsin Retirement System

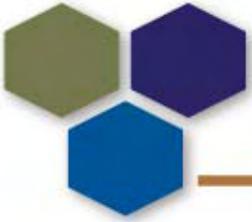
2007 Gain (Loss) Analysis

September 2008

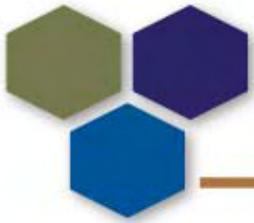
GRS

Gabriel Roeder Smith & Company
Consultants & Actuaries
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A Gain (Loss) Analysis measures differences between actual and assumed experience in each Risk Area.



WRS Assumption Risk Areas

Demographic

Normal retirement

Early retirement

Death-in-service

Disability

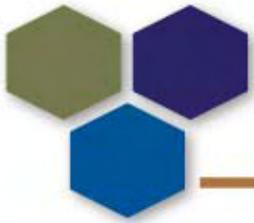
Other separations

Economic

Salary increases

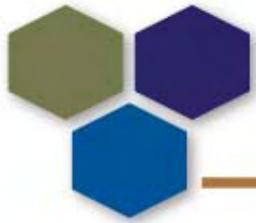
Investment return

There are other risk areas, but they are not germane to the Gain/Loss Analysis.



Why Have A Gain (Loss) Analysis?

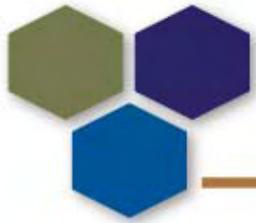
- ◆ It is a year-by-year measure of the operation of assumptions
- ◆ To understand the nature of risk
- ◆ To determine when assumption changes are needed
- ◆ To gain an understanding of reasons for contribution rate changes



Components of Total Gain (Loss)

	Gain (Loss) in Millions	
	2006	2007
Economic Risk	\$ 454	\$1,057
Decrement Risk	(13)	(21)
Other Activity	(227)	(242)
Total Gain (Loss)	\$ 214	\$ 794
Effect of Assumption changes	(377)	0
Net Gain/(Loss)	\$(163)	\$ 794

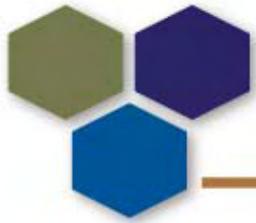
(see page 9)



Investment Earnings in 2007 (Active Participants)

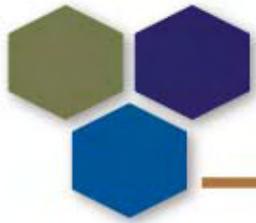
	<u>\$ Millions</u>
A. Average balance on Participant and Employer Accumulation Reserves	\$36,342
B. Expected earnings: 7.8%	2,835
C. Earnings credited to Participant and Employer Accumulation Reserves	4,379
D. Gain (loss) from earnings: C - B	\$ 1,544

(see page 12)



Investment Earnings in 2007 (Active Participants)

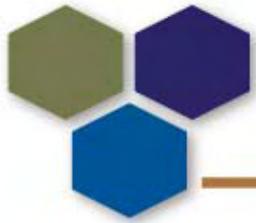
- ◆ \$978 million is total asset gain for the year
- ◆ However, part of the total gain is allocated to Variable Excess accounts
- ◆ Some of the gain flows through to members via the operation of Money Purchase minimum benefits
- ◆ Must net these out to determine remaining core fund gain or loss
- ◆ Remaining portion affects contribution rates



Investment Earnings in 2007 (Active Participants)

	<u>\$ Millions</u>
Gross Gain for the Year	\$1,544
Less Estimated Gain Due to Money Purchase and Variable Excess Effects	<u>566</u>
Net Core Fund Asset Gain	\$978

(see page 12)

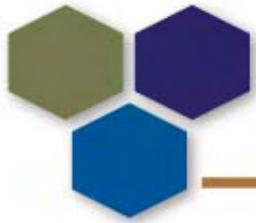


Salary Related Gain (Loss)

Pay increases varied among groups producing a gain in total.

	Gain (Loss)
	<u>\$ Millions</u>
General	\$78.6
Exec. & Elected	\$(0.2)
Prot. w/Soc. Sec.	\$0.3
Prot. w/o Soc. Sec.	\$0.8
	<u>\$79.5</u>

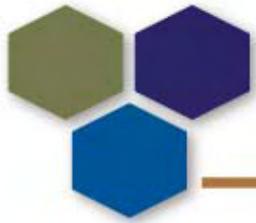
(see pages 9, 11)



Population Development During 2007

	<u>Actual</u>	<u>Expected</u>
Beginning Census	260,302	
(-) Normal Retirement	3,162	3,561
(-) Early Retirement	3,579	3,805
(-) Death	324	281
(-) Disability Retirement		
- Total Approved	249	321
- Less Pending	53	
- Net New	196	
(-) Other Separations	11,592	10,606
(-) Transfers Out	1,183	
(+) Transfers In	1,183	
(+) New Entrants	19,554	
Ending Census	261,003	

(see page 4)



Population Development During 2007

Normal Retirements: Varied by group and gender, overall fewer normal retirements than expected.

Early Retirements: Less than assumed in most groups, overall producing a small loss.

Death: Higher than expected, producing small loss.

Disabilities: Less than expected, producing a gain in most groups.

Other Separations: Varied by group, gender and service. Other separations among short service participants were higher than expected, among longer service participants less than expected. The net result was a loss.

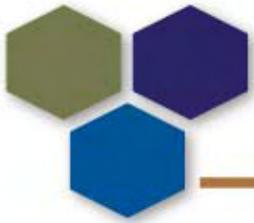


Comparative Schedule of Experience

Divisions Combined

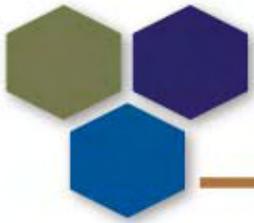
	<u>2006</u>	<u>2007</u>
Normal Retirement	\$ (1.7)	\$ 4.9
Early Retirement	(8.2)	(8.1)
Disability Retirement	14.8	13.5
Death	(1.3)	(2.9)
Other Separations	<u>(16.6)</u>	<u>(28.4)</u>
Total	\$ (13.0)	\$ (21.0)

(see page 9)



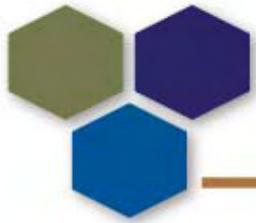
Gain/Loss Analysis-2007 Experience





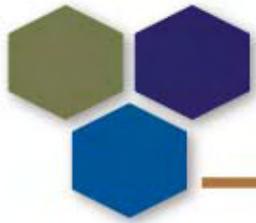
Explanation of Gain or Loss Due to “Other” Risk Areas

- ◆ Primarily due to difference between actual and expected reserve transfers – difference between what we estimate a benefit to be versus what is actually calculated at time of retirement
- ◆ Re-established liability is unexpected liability from new or rehired employees with prior service
- ◆ Remaining unexplained loss is very small in relative terms (0.1% of accrued liabilities)



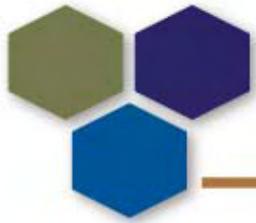
How Does Gain (Loss) Affect the Total Contribution Rate?

- ◆ Normal cost contribution for most groups decreased from the prior year
- ◆ Total net gain of \$794.3 million primarily due to favorable investment performance



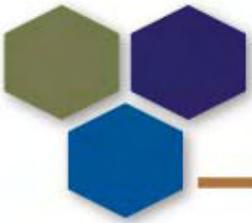
Funding Value of Assets (\$ millions)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Market value BOY	\$75,981	\$ -	\$ -	\$ -	\$ -
Market value EOY	80,351	-	-	-	-
Funding Value Beginning of Year	68,996				
Net External Cash Flow	(1,908)				
Investment income					
• Actual Investment Income	6,368	-	-	-	-
• Expected Investment Income	<u>5,307</u>	-	-	-	-
• Amount for phase-in	1,061	-	-	-	-
Phased-in recognition					
• Current year	212	-	-	-	-
• First prior year	1,065	212	-	-	-
• Second prior year	86	1,065	212	-	-
• Third prior year	518	86	1,065	212	-
• Fourth prior year	<u>1,341</u>	<u>518</u>	<u>86</u>	<u>1,065</u>	<u>212</u>
• Total MRA recognition	3,222	1,881	1,363	1,277	212
Funding Value End of year	75,617				
Market Value ROR - Actual	8.1%				



Concluding Remarks

- ◆ Recognition of prior asset gains are expected over next few years – possibly offset by poor investment return for 2008
- ◆ This Gain (Loss) Analysis is the second in a regular 3-year experience cycle
- ◆ This study together with the 2006 and 2008 study will form the basis for the next experience study
- ◆ The next experience study will be reported in December 2009 and implemented in the December 31, 2009 valuations



- ◆ Circular 230 Notice: Pursuant to regulations issued by the IRS, to the extent this presentation concerns tax matters, it is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) marketing or recommending to another party any tax-related matter addressed within. Each taxpayer should seek advice based on the individual's circumstances from an independent tax advisor.
- ◆ This presentation shall not be construed to provide tax advice, legal advice or investment advice.

WISCONSIN RETIREMENT SYSTEM

**GAIN/LOSS ANALYSIS OF EXPERIENCE AMONG ACTIVE MEMBERS
DURING CALENDAR YEAR 2007**

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12	Gain(Loss) from Investment Income
	<i>Decrement Assumption Experience</i>
A1-A9	Withdrawal Experience
B1-B6	Disability Experience
C1-C6	Pay Increases and Merit and Longevity Portion
D1-D16	Normal and Early Retirement Experience
E1	Mortality Experience
	<i>Active Participants Included in Valuations</i>
F1-F4	Active Participants in 12/31/2007 Valuation
	<i>Appendix</i>
G1-G4	Actuarial Methods

August 28, 2008

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

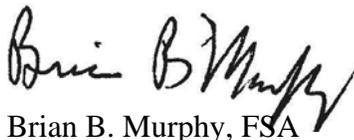
Ladies and Gentlemen:

The results of the *Gain/Loss Analysis of Experience Among Active Participants* of the Wisconsin Retirement System, *covering the calendar year 2007 are presented in this report.* (The results of the December 31, 2007 regular annual actuarial valuation of active members were submitted in our report dated June 11, 2008.)

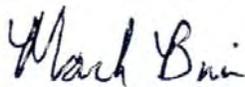
Your Secretary and staff furnished the statistical data concerning active participant changes and related financial information that was required for this analysis. The actuary did not audit the data. The actuarial assumptions used are shown in the Appendix portion of the December 31, 2007 annual actuarial valuation of active participants.

To the best of our knowledge, this report is complete and accurate and was made in accordance with generally recognized actuarial methods. The actuaries submitting this statement are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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 2007

	General	Executive & Elected	Protective		Total	Expected
			With S.S.	Without S.S.		
Beginning Census	236,877	1,436	19,297	2,692	260,302	
(-) Normal Retirement	2,819	49	243	51	3,162	3,561
(-) Early Retirement	3,468	29	73	9	3,579	3,805
(-) Death	298	4	21	1	324	281
(-) Disability Retirement						
-Total Disabilities approved	221	0	23	5	249	321
-Less Pending at Beginning of Year	51	0	1	1	53	
-Net new from active status	170	0	22	4	196	
(-) Other Separations	10,974	69	514	35	11,592	10,606
(-) Transfers Out	1,030	24	125	4	1,183	
(+) Transfers In	856	61	242	24	1,183	
(+) New Entrants	18,150	105	1,216	83	19,554	
Ending Census	237,124	1,427	19,757	2,695	261,003	

This schedule reconciles the active member populations reported in connection with the 2006 and 2007 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 if the actual total counts might be equal to or less than expected. The net result for this past year was a small gain.

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

Deaths among active participants were higher than expected. The net result for the past year was a small loss. While a gain is typical in such circumstances, a loss can occur depending on the distribution of people who die and what they might have done otherwise. For example, if a young person quits, a benefit of one times accumulated employee required contributions is paid. If the same person dies, a value of twice the contributions is paid.

Disabilities were less than expected and produced a gain in most 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 an actuarial loss.

In total, the population risk areas (retirement, death, disability, and other separations) produced a small actuarial loss in 2007.

COMMENTS

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

Investment Return activity produced a gain for all groups. However, the investment gain of \$1.5 billion was partially absorbed by \$566.2 million gain in the combined value of variable excess benefits and money purchase benefits, resulting in a net gain of \$978 million.

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

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 about \$211 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 \$16 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 \$49 million.

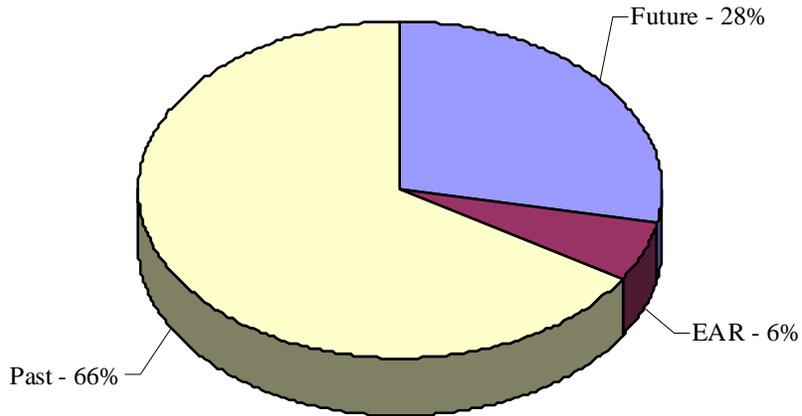
Contribution Rate Change

In total, the plan experienced a net gain of \$794.2 million. Gains were primarily attributable to favorable investment return. As a result, the total normal cost contribution decreased for most valuation groups.

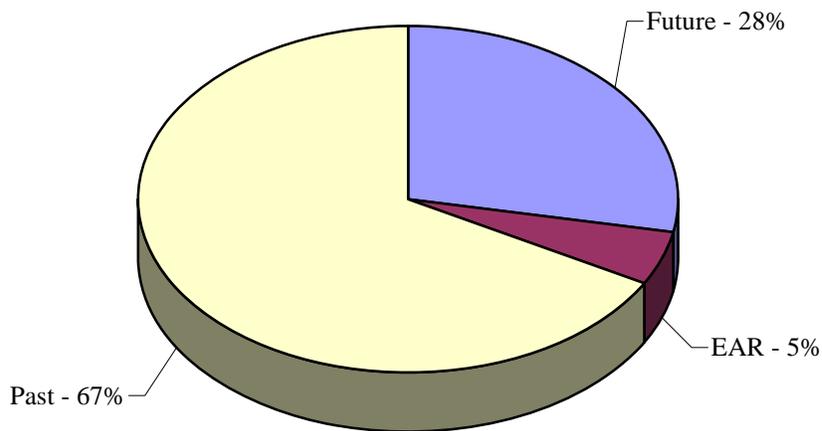
This Gain/Loss Analysis is the second in the normal three-year experience cycle. It will be part of the basis for the experience investigation covering the period January 1, 2006 to December 31, 2008.

FINANCING RETIREMENT SYSTEM BENEFIT LIABILITIES AT DECEMBER 31

2007 - \$51.5 Billion



2006 - \$49.4 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
2007 EXPERIENCE
DIVISIONS COMBINED**



ACTUARIAL GAINS & LOSSES DURING CALENDAR YEAR 2007
(\$ MILLIONS)

Type of Activity	General	Executive & Elected	Protective		Total
			With S.S.	Without S.S.	
Decrement Risk Areas					
Normal Retirement	\$ 1.8	\$(0.4)	\$ 2.6	\$0.9	\$ 4.9
Early Retirement	(8.3)	(0.4)	0.4	0.2	(8.1)
Death with Benefit	(3.0)	(0.1)	0.1	0.1	(2.9)
Disability Retirement	14.1	0.1	(0.7)	0.0	13.5
Other Separations	(24.3)	0.4	(3.9)	(0.6)	(28.4)
Economic Risk Areas					
Salary Increases	78.6	(0.2)	0.3	0.8	79.5
Investment Return	830.8	10.2	102.2	34.8	978.0
Other Activity (See Page 10)	(210.4)	(6.1)	(21.2)	(4.6)	(242.3)
Total Gain(Loss)	\$ 679.3	\$ 3.5	\$ 79.8	\$ 31.6	\$ 794.2
-% of accrued liability	2.1%	1.2%	2.5%	4.1%	2.1%

ANALYSIS OF OTHER ACTIVITY
(\$ MILLIONS)

	General	Executive & Elected	Protective		Total
			With S.S.	Without S.S.	
Expected Reserve Transfers					
Normal Retirement	\$1,291	\$20	\$ 115	\$40	\$1,466
Early Retirement	1,051	7	35	6	1,099
Death	44	0	5	0	49
Disability Retirement	51	0	8	2	61
Deferred Retirement	273	7	19	6	305
Expected Total Reserve Transfers	2,710	34	182	54	2,980
Actual Reserve Transfer (From Retiree Report)	2,899	41	190	61	3,191
Reserve Difference	(189)	(7)	(8)	(7)	(211)
Expected Refunds	39	0	2	0	41
Actual Refunds	22	0	2	1	25
Refund Difference	17	0	0	(1)	16
Re-established liability	(45)	1	(4)	(1)	(49)
Total Explained Difference	(217)	(7)	(12)	(9)	(244)
Unknown Difference	7	1	(10)	4	2
Total Other Activity	\$ (210)	\$ (6)	\$ (21)	\$ (5)	\$ (242)

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							
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
2007	(6.5)	14.1	(27.3)	78.6	830.8	(210.4)	679.3
EXECUTIVE & ELECTED							
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)
2007	(0.8)	0.1	0.3	(0.2)	10.2	(6.1)	3.5
PROTECTIVE WITH SOCIAL SECURITY							
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
2007	3.0	(0.7)	(3.8)	0.3	102.2	(21.2)	79.8
PROTECTIVE WITHOUT SOCIAL SECURITY							
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
2007	1.1	-	(0.5)	0.8	34.8	(4.6)	31.6

* Includes separation due to death.

GAIN (LOSS) FROM INVESTMENT INCOME DURING CALENDAR YEAR 2007
(\$ MILLIONS)

	General	Executive & Elected	Protective		Total
			With SS	Without SS	
(1) Beginning of Year Active Participant Assets					
(a) Participant Accumulation Reserve	\$14,212.8	\$114.8	\$1,088.7	\$328.8	\$15,745.1
(b) PAR Closing Adjustment	(44.8)	(1.5)	55.9	(5.4)	4.2
(c) Employer Accumulation Reserve	18,684.9	179.0	2,128.2	544.6	21,536.7
(d) EAR Closing Adjustment	63.1	1.7	(54.6)	6.0	16.2
(e) Total	32,916.0	294.0	3,218.2	874.0	37,302.2
(2) End of Year Active Participant Assets					
(a) Participant Accumulation Reserve	14,946.8	109.4	1,234.1	337.6	16,627.9
(b) Employer Accumulation Reserve	20,040.7	188.6	2,297.9	604.6	23,131.8
(c) Total	34,987.5	298.0	3,532.0	942.2	39,759.7
(3) Investment Earnings Credited					
(a) Participant Accumulation Reserve	1,628.0	12.3	126.8	37.4	1,804.5
(b) Employer Accumulation Reserve	2,245.1	21.8	241.0	66.5	2,574.4
(c) Total	3,873.1	34.1	367.8	103.9	4,378.9
(4) Average Balance: $.5 \times \{(1e)+(2c)-(3c)\}$	32,015.2	279.0	3,191.2	856.2	36,341.6
(5) Expected Earnings: $.078 \times (4)$	2,497.2	21.8	248.9	66.8	2,834.7
(6) Gain (Loss) for year from investment experience: $(3c)-(5)$	1,375.9	12.3	118.9	37.1	1,544.2
(7) Portion applied to Change in Variable Excess Reserve and Money Purchase Minimum Benefit	545.1	2.1	16.7	2.3	566.2
(8) Remaining Gain (Loss): (6)-(7)	\$ 830.8	\$ 10.2	\$ 102.2	\$ 34.8	\$ 978.0

SECTION A

WITHDRAWAL EXPERIENCE

**GENERAL MALES
WITHDRAWAL EXPERIENCE**

Male Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	380	1,811	0.2098	0.2100	380
2	491	3,072	0.1598	0.1300	399
3	247	2,362	0.1046	0.0950	224
4	162	1,816	0.0892	0.0750	136
5	129	1,675	0.0770	0.0550	92
6	118	1,712	0.0689	0.0450	77
7	90	1,961	0.0459	0.0400	78
8	98	1,802	0.0544	0.0375	68
9	54	1,604	0.0337	0.0350	56
10	52	1,481	0.0351	0.0325	48
Totals	1,821	19,296	0.0944	0.0807	1,558

Male Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	4	0.0000	0.0300	-
30-34	8	233	0.0343	0.0300	7
35-39	18	1,294	0.0139	0.0230	30
40-44	37	2,777	0.0133	0.0180	50
45-49	72	4,941	0.0146	0.0140	69
50-54	61	6,435	0.0095	0.0130	84
Over 54	63	-	N/A		63
Totals	259	15,684	0.0165	0.0193	303

**GENERAL FEMALES
WITHDRAWAL EXPERIENCE**

Female Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	1,008	4,983	0.2023	0.2000	997
2	1,254	7,708	0.1627	0.1400	1,079
3	700	5,798	0.1207	0.1000	580
4	460	5,143	0.0894	0.0800	411
5	346	4,648	0.0744	0.0700	325
6	313	4,199	0.0745	0.0600	252
7	254	4,071	0.0624	0.0500	204
8	190	3,458	0.0549	0.0450	156
9	144	3,120	0.0462	0.0425	133
10	104	2,560	0.0406	0.0400	102
Totals	4,773	45,688	0.1045	0.0928	4,239

Female Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	1	8	0.1250	0.0400	-
30-34	14	379	0.0369	0.0350	13
35-39	56	1,905	0.0294	0.0300	57
40-44	109	3,907	0.0279	0.0250	98
45-49	142	6,835	0.0208	0.0200	137
50-54	171	9,216	0.0186	0.0180	166
Over 54	118	-	N/A		118
Totals	611	22,250	0.0275	0.0265	589

**PUBLIC SCHOOLS MALES
WITHDRAWAL EXPERIENCE**

Male Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	76	592	0.1284	0.1400	83
2	97	973	0.0997	0.1100	107
3	69	974	0.0708	0.0700	68
4	49	906	0.0541	0.0525	48
5	38	830	0.0458	0.0400	33
6	43	925	0.0465	0.0325	30
7	31	981	0.0316	0.0275	27
8	23	937	0.0245	0.0250	23
9	16	894	0.0179	0.0225	20
10	24	868	0.0276	0.0200	17
Totals	466	8,880	0.0525	0.0514	456

Male Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	-	N/A	0.0200	-
30-34	1	196	0.0051	0.0160	3
35-39	14	1,654	0.0085	0.0130	22
40-44	26	2,135	0.0122	0.0115	25
45-49	21	2,256	0.0093	0.0100	23
50-54	23	2,938	0.0078	0.0090	26
Over 54	25	-	N/A		25
Totals	110	9,179	0.0120	0.0135	124

**PUBLIC SCHOOLS FEMALES
WITHDRAWAL EXPERIENCE**

Female Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	209	1,694	0.1234	0.1100	186
2	289	3,020	0.0957	0.0900	272
3	208	2,792	0.0745	0.0700	195
4	165	2,610	0.0632	0.0600	157
5	116	2,505	0.0463	0.0500	125
6	116	2,609	0.0445	0.0425	111
7	100	2,678	0.0373	0.0375	100
8	94	2,602	0.0361	0.0325	85
9	71	2,470	0.0287	0.0275	68
10	70	2,183	0.0321	0.0250	55
Totals	1,438	25,163	0.0571	0.0538	1,354

Female Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	1	0.0000	0.0250	-
30-34	7	470	0.0149	0.0200	9
35-39	59	3,942	0.0150	0.0160	63
40-44	51	5,024	0.0102	0.0130	65
45-49	80	5,339	0.0150	0.0110	59
50-54	81	7,142	0.0113	0.0100	71
Over 54	53	-	N/A		53
Totals	331	21,918	0.0151	0.0146	320

**UNIVERSITY MALES
WITHDRAWAL EXPERIENCE**

Male Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	81	370	0.2189	0.2000	74
2	111	586	0.1894	0.1600	94
3	89	570	0.1561	0.1300	74
4	52	544	0.0956	0.1100	60
5	36	433	0.0831	0.0900	39
6	33	423	0.0780	0.0750	32
7	32	434	0.0737	0.0600	26
8	24	405	0.0593	0.0500	20
9	22	354	0.0621	0.0400	14
10	13	287	0.0453	0.0350	10
Totals	493	4,406	0.1119	0.1005	443

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	2	159	0.0126	0.0350	6
40-44	9	336	0.0268	0.0325	11
45-49	17	655	0.0260	0.0250	16
50-54	21	1,049	0.0200	0.0150	16
Over 54	3	-	N/A		3
Totals	53	2,215	0.0239	0.0239	53

**UNIVERSITY FEMALES
WITHDRAWAL EXPERIENCE**

Female Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	78	411	0.1898	0.2000	82
2	137	719	0.1905	0.1700	122
3	93	628	0.1481	0.1400	88
4	71	611	0.1162	0.1200	73
5	45	462	0.0974	0.1000	46
6	42	462	0.0909	0.0900	42
7	36	445	0.0809	0.0800	36
8	23	370	0.0622	0.0700	26
9	21	362	0.0580	0.0625	23
10	15	309	0.0485	0.0550	17
Totals	561	4,779	0.1174	0.1161	555

Female Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	-	N/A	0.0550	-
30-34	2	20	0.1000	0.0550	1
35-39	5	174	0.0287	0.0550	10
40-44	11	372	0.0296	0.0420	16
45-49	15	640	0.0234	0.0280	18
50-54	15	916	0.0164	0.0160	15
Over 54	10	-	N/A		10
Totals	58	2,122	0.0273	0.0330	70

**PROTECTIVE WITH SOCIAL SECURITY
WITHDRAWAL EXPERIENCE**

Male and Female Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	83	527	0.1575	0.1200	63
2	74	932	0.0794	0.0650	61
3	41	800	0.0513	0.0450	36
4	41	855	0.0480	0.0410	35
5	46	814	0.0565	0.0325	26
6	33	959	0.0344	0.0300	29
7	39	1,170	0.0333	0.0275	32
8	15	941	0.0159	0.0250	24
9	31	936	0.0331	0.0225	21
10	13	882	0.0147	0.0200	18
Totals	416	8,816	0.0472	0.0391	345

Male and Female Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	1	12	0.0833	0.0200	-
30-34	5	474	0.0105	0.0200	9
35-39	26	2,116	0.0123	0.0160	34
40-44	20	2,300	0.0087	0.0130	30
45-49	24	2,255	0.0106	0.0110	25
50-54	14	470	0.0298	0.0100	5
Over 54	8	-	N/A		8
Totals	98	7,627	0.0128	0.0146	111

**PROTECTIVE WITHOUT SOCIAL SECURITY
WITHDRAWAL EXPERIENCE**

Male and Female Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	4	23	0.1739	0.0500	1
2	4	111	0.0360	0.0300	3
3	-	62	0.0000	0.0200	1
4	1	78	0.0128	0.0150	1
5	-	89	0.0000	0.0140	1
6	1	66	0.0152	0.0130	1
7	1	124	0.0081	0.0120	1
8	-	134	0.0000	0.0110	1
9	1	131	0.0076	0.0100	1
10	-	118	0.0000	0.0090	1
Totals	12	936	0.0128	0.0128	12

Male and Female Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	-	N/A	0.0090	-
30-34	-	55	0.0000	0.0080	-
35-39	1	296	0.0034	0.0080	2
40-44	2	394	0.0051	0.0080	3
45-49	6	469	0.0128	0.0070	3
50-54	11	89	0.1236	0.0070	1
Totals	20	1,303	0.0153	0.0069	9

**EXECUTIVE AND ELECTED MALES
WITHDRAWAL EXPERIENCE**

Male and Female Service-Based Withdrawals

Service Index	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
1	9	56	0.1607	0.1600	9
2	9	90	0.1000	0.1400	13
3	10	72	0.1389	0.1200	9
4	4	44	0.0909	0.1000	4
5	10	51	0.1961	0.0950	5
6	2	16	0.1250	0.0900	1
7	3	32	0.0938	0.0850	3
8	-	15	0.0000	0.0800	1
9	3	34	0.0882	0.0750	3
10	1	13	0.0769	0.0700	1
Totals	51	423	0.1206	0.1158	49

Male and Female Age-Based Withdrawals

Age	Withdrawals	Exposure	Crude Rates	Current Rates	Expected Withdrawals
25-29	-	-	N/A	0.0700	-
30-34	-	1	0.0000	0.0700	-
35-39	-	11	0.0000	0.0700	1
40-44	3	50	0.0600	0.0500	3
45-49	3	92	0.0326	0.0450	4
50-54	10	158	0.0633	0.0400	6
Over 54	2	-	N/A		2
Totals	18	312	0.0577	0.0513	16

SECTION B

DISABILITY EXPERIENCE

**GENERAL
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2007**

Male Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0001	-
20-24	-	16	0.0000	0.0001	-
25-29	-	596	0.0000	0.0001	-
30-34	-	1,799	0.0000	0.0001	-
35-39	-	3,116	0.0000	0.0003	1
40-44	1	4,572	0.0002	0.0008	4
45-49	10	6,916	0.0014	0.0011	7
50-54	13	8,079	0.0016	0.0030	24
55-59	13	6,517	0.0020	0.0053	35
60-64	10	2,681	0.0037	0.0105	28
65-69	-	375	0.0000	0.0040	2
70-74	-	158	0.0000	0.0036	1
75 and over	-	-	N/A	0.0036	-
Totals	47	34,825	0.0013	0.0029	102

Female Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0001	-
20-24	-	70	0.0000	0.0001	-
25-29	-	1,143	0.0000	0.0001	-
30-34	-	3,035	0.0000	0.0004	1
35-39	3	4,725	0.0006	0.0005	2
40-44	4	7,484	0.0005	0.0008	6
45-49	9	11,704	0.0008	0.0010	12
50-54	21	13,754	0.0015	0.0018	25
55-59	23	10,914	0.0021	0.0034	37
60-64	10	5,487	0.0018	0.0043	23
65-69	-	794	0.0000	0.0034	3
70-74	-	207	0.0000	0.0029	1
75 and over	-	-	N/A	0.0029	-
Totals	70	59,317	0.0012	0.0019	110

The people shown on this page are cases involving \$40.63 disability benefits and includes those who were either active or inactive with pending benefits at the beginning of the year. The LTDI plan is described in a separate report.

**PUBLIC SCHOOLS
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2007**

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	-	411	0.0000	0.0001	-
30-34	-	2,204	0.0000	0.0001	-
35-39	-	2,829	0.0000	0.0001	-
40-44	-	2,782	0.0000	0.0003	1
45-49	1	2,715	0.0004	0.0006	2
50-54	3	3,289	0.0009	0.0022	7
55-59	3	2,656	0.0011	0.0029	8
60-64	1	643	0.0016	0.0051	3
65-69	-	51	0.0000	0.0072	-
70-74	-	18	0.0000	0.0075	-
75 and over	-	-	N/A	0.0075	-
Totals	8	17,598	0.0005	0.0012	21

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	1	1,360	0.0007	0.0001	-
30-34	-	5,602	0.0000	0.0001	1
35-39	-	6,658	0.0000	0.0001	1
40-44	1	6,690	0.0001	0.0004	2
45-49	2	6,962	0.0003	0.0013	9
50-54	8	8,527	0.0009	0.0018	15
55-59	14	7,423	0.0019	0.0028	20
60-64	9	2,104	0.0043	0.0038	8
65-69	1	141	0.0071	0.0022	-
70-74	-	27	0.0000	0.0018	-
75 and over	-	-	N/A	0.0018	-
Totals	36	45,494	0.0008	0.0012	56

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**UNIVERSITY
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2007**

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	1	47	0.0213	0.0001	-
30-34	-	272	0.0000	0.0001	-
35-39	-	677	0.0000	0.0001	-
40-44	-	887	0.0000	0.0001	-
45-49	-	1,082	0.0000	0.0004	-
50-54	1	1,352	0.0007	0.0006	1
55-59	-	1,190	0.0000	0.0020	2
60-64	1	670	0.0015	0.0019	1
65-69	-	60	0.0000	0.0024	-
70-74	-	13	0.0000	0.0021	-
75 and over	-	-	N/A	0.0021	-
Totals	3	6,250	0.0005	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	-	97	0.0000	0.0001	-
30-34	-	340	0.0000	0.0001	-
35-39	-	644	0.0000	0.0005	-
40-44	-	890	0.0000	0.0007	1
45-49	2	1,060	0.0019	0.0005	1
50-54	1	1,245	0.0008	0.0013	2
55-59	-	1,110	0.0000	0.0017	2
60-64	3	533	0.0056	0.0027	1
65-69	-	53	0.0000	0.0018	-
70-74	-	10	0.0000	0.0015	-
75 and over	-	-	N/A	0.0015	-
Totals	6	5,982	0.0010	0.0012	7

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**PROTECTIVE WITH SOCIAL SECURITY
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2007**

Male and Female Disability Experience

Age	Disabilities	Exposure	Crude Rates	Current Rates	Expected Disabilities
Under 20	-	-	N/A	0.0002	-
20-24	-	18	0.0000	0.0002	-
25-29	1	1,013	0.0010	0.0002	-
30-34	-	2,451	0.0000	0.0002	-
35-39	2	3,324	0.0006	0.0004	1
40-44	1	2,896	0.0003	0.0005	1
45-49	6	2,644	0.0023	0.0008	2
50-54	11	1,809	0.0061	0.0013	2
55-59	1	266	0.0038	0.0280	7
60-64	-	106	0.0000	0.0300	3
65-69	-	23	0.0000	0.0020	-
70-74	-	-	N/A	0.0020	-
75 and over	-	-	N/A	0.0020	-
Totals	22	14,550	0.0015	0.0011	16

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**PROTECTIVE WITHOUT SOCIAL SECURITY
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2007**

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	-	82	0.0000	0.0005	-
30-34	-	316	0.0000	0.0005	-
35-39	1	483	0.0021	0.0005	-
40-44	-	463	0.0000	0.0009	-
45-49	1	497	0.0020	0.0018	1
50-54	2	313	0.0064	0.0126	4
55-59	-	6	0.0000	0.0018	-
60-64	-	3	0.0000	0.0018	-
65-69	-	-	N/A	0.0018	-
70-74	-	-	N/A	0.0018	-
75 and over	-	-	N/A	0.0018	-
Totals	4	2,163	0.0018	0.0023	5

The people shown on this page are cases involving \$40.63 disability benefits and includes those who were either active or inactive with pending benefits at the beginning of the year. The LTDI plan is described in a separate report.

**EXECUTIVE AND ELECTED
DISABILITY EXPERIENCE
DURING CALENDAR YEAR 2007**

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	-	12	0.0000	0.0000	-
35-39	-	35	0.0000	0.0001	-
40-44	-	71	0.0000	0.0002	-
45-49	-	120	0.0000	0.0003	-
50-54	-	203	0.0000	0.0005	-
55-59	-	243	0.0000	0.0020	-
60-64	-	107	0.0000	0.0018	-
65-69	-	31	0.0000	0.0015	-
70-74	-	13	0.0000	0.0015	-
75 and over	-	-	N/A	0.0015	-
Totals	-	837	N/A	N/A	-

The people shown on this page are cases involving \$40.63 disability benefits and includes those who were either active or inactive with pending benefits at the beginning of the year. The LTDI plan is described in a separate report.

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	35,403	9.61 %	7.60 %
6-10	30,709	5.45 %	6.10 %
11-15	18,701	4.89 %	5.50 %
16-20	16,104	4.66 %	5.30 %
21-25	10,336	4.50 %	5.10 %
26-30	8,357	4.42 %	4.90 %
31-35	4,164	4.13 %	4.70 %
36-40	1,052	4.34 %	4.50 %
Over 40	132	4.47 %	4.50 %
Total	124,958		

PUBLIC SCHOOLS
MERIT & LONGEVITY PAY INCREASE ASSUMPTION

Service-Based Pay Increase Experience

Service Group		Total % Increase	
Beginning of Year	Number	Actual	Expected
1-5	15,800	12.51 %	9.60 %
6-10	18,077	6.49 %	7.70 %
11-15	13,656	5.43 %	6.40 %
16-20	11,655	3.72 %	5.30 %
21-25	7,142	3.00 %	4.80 %
26-30	5,605	2.86 %	4.40 %
31-35	3,748	2.61 %	4.40 %
36-40	741	2.77 %	4.30 %
Over 40	86	1.79 %	4.30 %
Total	76,510		

UNIVERSITY
MERIT & LONGEVITY PAY INCREASE ASSUMPTION

Service-Based Pay Increase Experience

Service Group		Total % Increase	
Beginning of Year	Number	Actual	Expected
1-5	4,616	16.21 %	7.60 %
6-10	4,194	6.31 %	7.10 %
11-15	2,368	5.89 %	6.60 %
16-20	2,164	4.78 %	6.10 %
21-25	1,480	4.56 %	5.60 %
26-30	953	3.89 %	5.30 %
31-35	582	4.22 %	5.10 %
36-40	234	3.22 %	4.80 %
Over 40	58	2.61 %	4.70 %
Total	16,649		

**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	3,608	11.49 %	9.10 %
6-10	4,933	5.21 %	5.90 %
11-15	3,670	5.47 %	5.10 %
16-20	2,816	5.48 %	5.00 %
21-25	1,770	5.53 %	4.90 %
26-30	1,182	5.13 %	4.80 %
31-35	288	4.39 %	4.70 %
36-40	28	3.14 %	4.60 %
Over 40	4	3.93 %	4.50 %
Total	18,299		

**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	350	15.74 %	8.85 %
6-10	573	4.61 %	5.65 %
11-15	508	5.09 %	4.85 %
16-20	519	4.21 %	4.75 %
21-25	345	4.34 %	4.65 %
26-30	247	5.15 %	4.55 %
31-35	43	4.47 %	4.45 %
36-40	3	2.96 %	4.35 %
Over 40	-	N/A	4.25 %
Total	2,588		

**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	378	5.81 %	5.30 %
6-10	183	6.28 %	5.20 %
11-15	183	5.18 %	5.10 %
16-20	158	5.18 %	5.00 %
21-25	142	4.14 %	4.80 %
26-30	113	4.16 %	4.60 %
31-35	75	4.29 %	4.50 %
36-40	22	4.06 %	4.10 %
Over 40	7	5.08 %	4.10 %
Total	1,261		

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	80	374	0.2139	0.2500	94
58	71	358	0.1983	0.2500	90
59	65	339	0.1917	0.2500	85
60	57	300	0.1900	0.2500	75
61	43	224	0.1920	0.2000	45
62	35	124	0.2823	0.3500	43
63	32	95	0.3368	0.3500	33
64	17	77	0.2208	0.2500	19
65	60	373	0.1609	0.2500	93
66	63	259	0.2432	0.2500	65
67	22	203	0.1084	0.1000	20
68	13	145	0.0897	0.1000	15
69	8	143	0.0559	0.1000	14
70	16	111	0.1441	0.1000	11
71	9	112	0.0804	0.1000	11
72	6	90	0.0667	0.1000	9
73	9	79	0.1139	0.1000	8
74	2	54	0.0370	0.1000	5
Totals	608	3,460	0.1757	0.2124	735
75 & Over	15	252			252
Totals	623	3,712			987

GENERAL MALES
EARLY RETIREMENT EXPERIENCE

Male Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	102	1,808	0.0564	0.0750	136
56	80	1,702	0.0470	0.0750	128
57	49	1,112	0.0441	0.0400	44
58	39	972	0.0401	0.0500	49
59	54	923	0.0585	0.0500	46
60	60	802	0.0748	0.0750	60
61	37	676	0.0547	0.0700	47
62	57	461	0.1236	0.1800	83
63	69	390	0.1769	0.1800	70
64	60	352	0.1705	0.1500	53
Totals	607	9,198	0.0660	0.0778	716

**GENERAL FEMALES
NORMAL RETIREMENT EXPERIENCE**

Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	50	310	0.1613	0.2000	62
58	46	302	0.1523	0.2000	60
59	40	224	0.1786	0.2000	45
60	43	204	0.2108	0.2000	41
61	36	164	0.2195	0.2000	33
62	30	114	0.2632	0.3000	34
63	26	95	0.2737	0.3000	29
64	21	79	0.2658	0.2500	20
65	137	744	0.1841	0.2500	186
66	122	444	0.2748	0.2500	111
67	59	357	0.1653	0.1500	54
68	40	251	0.1594	0.1000	25
69	19	183	0.1038	0.1000	18
70	29	172	0.1686	0.1000	17
71	15	142	0.1056	0.1000	14
72	10	104	0.0962	0.1000	10
73	8	84	0.0952	0.1000	8
74	5	63	0.0794	0.1000	6
Totals	736	4,036	0.1824	0.1915	773
75 & Over	24	263			263
Totals	760	4,299			1,036

**GENERAL FEMALES
EARLY RETIREMENT EXPERIENCE**

Female Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	114	2,687	0.0424	0.0525	141
56	118	2,570	0.0459	0.0525	135
57	74	1,977	0.0374	0.0400	79
58	88	1,860	0.0473	0.0500	93
59	73	1,820	0.0401	0.0500	91
60	121	1,635	0.0740	0.0750	123
61	102	1,330	0.0767	0.0750	100
62	132	979	0.1348	0.1500	147
63	116	830	0.1398	0.1500	125
64	95	713	0.1332	0.1500	107
Totals	1,033	16,401	0.0630	0.0696	1,141

**PUBLIC SCHOOL MALES
NORMAL RETIREMENT EXPERIENCE**

Male Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	146	398	0.3668	0.4000	159
58	85	271	0.3137	0.3500	95
59	58	193	0.3005	0.3000	58
60	50	168	0.2976	0.3000	50
61	35	114	0.3070	0.3000	34
62	29	65	0.4462	0.4000	26
63	15	48	0.3125	0.4000	19
64	15	52	0.2885	0.2500	13
65	17	77	0.2208	0.2500	19
66	11	55	0.2000	0.2500	14
67	3	24	0.1250	0.1500	4
68	6	26	0.2308	0.1500	4
69	4	25	0.1600	0.2000	5
70	1	12	0.0833	0.2000	2
71	1	9	0.1111	0.2000	2
72	1	6	0.1667	0.2000	1
73	3	8	0.3750	0.2000	2
74	-	4	0.0000	0.2000	1
Totals	480	1,555	0.3087	0.3267	508
75 & Over	3	22			22
Totals	483	1,577			530

**PUBLIC SCHOOL MALES
EARLY RETIREMENT EXPERIENCE**

Male Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	115	818	0.1406	0.1500	123
56	123	881	0.1396	0.1500	132
57	52	364	0.1429	0.1500	55
58	28	322	0.0870	0.1500	48
59	38	271	0.1402	0.1000	27
60	30	227	0.1322	0.1500	34
61	19	185	0.1027	0.1500	28
62	19	108	0.1759	0.2500	27
63	10	70	0.1429	0.2500	18
64	8	53	0.1509	0.1500	8
Totals	442	3,299	0.1340	0.1516	500

**PUBLIC SCHOOL FEMALES
NORMAL RETIREMENT EXPERIENCE**

Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	197	568	0.3468	0.3000	170
58	144	428	0.3364	0.3000	128
59	82	309	0.2654	0.3000	93
60	79	246	0.3211	0.3000	74
61	38	126	0.3016	0.3500	44
62	28	74	0.3784	0.4000	30
63	15	65	0.2308	0.3500	23
64	15	37	0.4054	0.2500	9
65	59	188	0.3138	0.3000	56
66	42	111	0.3784	0.2500	28
67	14	69	0.2029	0.2500	17
68	8	60	0.1333	0.2000	12
69	4	34	0.1176	0.2000	7
70	2	26	0.0769	0.2000	5
71	3	23	0.1304	0.2000	5
72	2	22	0.0909	0.2000	4
73	2	14	0.1429	0.2000	3
74	-	11	0.0000	0.2000	2
Totals	734	2,411	0.3044	0.2945	710
75 & Over	2	29			29
Totals	736	2,440			739

**PUBLIC SCHOOL FEMALES
EARLY RETIREMENT EXPERIENCE**

Female Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	244	2,135	0.1143	0.1100	235
56	246	2,078	0.1184	0.1100	229
57	122	1,268	0.0962	0.1100	139
58	107	1,038	0.1031	0.1200	125
59	114	904	0.1261	0.1200	108
60	109	785	0.1389	0.1500	118
61	79	508	0.1555	0.1500	76
62	64	345	0.1855	0.2500	86
63	62	278	0.2230	0.2000	56
64	32	188	0.1702	0.1500	28
Totals	1,179	9,527	0.1238	0.1260	1,200

**UNIVERSITY MALES
NORMAL RETIREMENT EXPERIENCE**

Male Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	4	36	0.1111	0.2000	7
58	8	35	0.2286	0.1500	5
59	5	38	0.1316	0.1500	6
60	12	62	0.1935	0.1500	9
61	9	70	0.1286	0.1700	12
62	7	60	0.1167	0.1700	10
63	10	57	0.1754	0.1700	10
64	7	61	0.1148	0.1700	10
65	11	119	0.0924	0.2000	24
66	30	94	0.3191	0.2000	19
67	12	75	0.1600	0.2000	15
68	8	54	0.1481	0.2000	11
69	8	37	0.2162	0.2000	7
70	4	31	0.1290	0.2000	6
71	4	25	0.1600	0.2000	5
72	1	13	0.0769	0.2000	3
73	-	11	0.0000	0.2000	2
74	-	12	0.0000	0.2000	2
Totals	140	890	0.1573	0.1831	163
75 & Over	3	28			28
Totals	143	918			191

**UNIVERSITY MALES
EARLY RETIREMENT EXPERIENCE**

Male Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	8	279	0.0287	0.0500	14
56	9	291	0.0309	0.0500	15
57	9	243	0.0370	0.0300	7
58	6	202	0.0297	0.0350	7
59	3	175	0.0171	0.0350	6
60	9	192	0.0469	0.0550	11
61	6	165	0.0364	0.0750	12
62	8	120	0.0667	0.1000	12
63	15	112	0.1339	0.0900	10
64	8	81	0.0988	0.0800	6
Totals	81	1,860	0.0435	0.0538	100

**UNIVERSITY FEMALES
NORMAL RETIREMENT EXPERIENCE**

Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	5	28	0.1786	0.1500	4
58	5	29	0.1724	0.1500	4
59	3	32	0.0938	0.1500	5
60	3	24	0.1250	0.1500	4
61	3	29	0.1034	0.2500	7
62	3	23	0.1304	0.2500	6
63	3	21	0.1429	0.2000	4
64	4	11	0.3636	0.2000	2
65	11	64	0.1719	0.2000	13
66	10	44	0.2273	0.2000	9
67	6	37	0.1622	0.2000	7
68	5	29	0.1724	0.2000	6
69	3	12	0.2500	0.2000	2
70	1	5	0.2000	0.2000	1
71	3	9	0.3333	0.2000	2
72	2	7	0.2857	0.2000	1
73	1	3	0.3333	0.2000	1
74	1	4	0.2500	0.2000	1
Totals	72	411	0.1752	0.1922	79
75 & Over	2	11			11
Totals	74	422			90

**UNIVERSITY FEMALES
EARLY RETIREMENT EXPERIENCE**

Female Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	14	271	0.0517	0.0600	16
56	14	290	0.0483	0.0600	17
57	11	196	0.0561	0.0500	10
58	8	175	0.0457	0.0600	10
59	10	178	0.0562	0.0800	14
60	12	150	0.0800	0.1000	15
61	14	124	0.1129	0.0750	9
62	19	130	0.1462	0.1500	20
63	8	69	0.1159	0.1500	10
64	16	60	0.2667	0.1500	9
Totals	126	1,643	0.0767	0.0791	130

**PROTECTIVE WITH SOCIAL SECURITY
NORMAL RETIREMENT EXPERIENCE**

Male and Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
50	25	377	0.0663	0.0800	30
51	27	333	0.0811	0.0800	27
52	27	288	0.0938	0.0800	23
53	57	279	0.2043	0.3000	84
54	39	304	0.1283	0.2000	61
55	26	283	0.0919	0.2000	57
56	19	223	0.0852	0.1800	40
57	16	184	0.0870	0.1800	33
58	17	142	0.1197	0.1800	26
59	6	104	0.0577	0.1800	19
60	15	111	0.1351	0.1800	20
61	10	84	0.1190	0.1800	15
62	9	41	0.2195	0.2000	8
63	9	35	0.2571	0.3000	11
64	2	18	0.1111	0.2000	4
65	6	18	0.3333	0.3000	5
66	3	12	0.2500	0.2500	3
67	1	7	0.1429	0.2500	2
68	-	5	0.0000	0.2500	1
69	1	3	0.3333	0.2500	1
70	-	-	N/A	1.0000	-
71	1	1	1.0000	1.0000	1
72	-	1	0.0000	1.0000	1
73	-	-	N/A	1.0000	-
74	-	-	N/A	1.0000	-
Totals	316	2,853	0.1108	0.1654	472
75 & Over	-	1			1
Totals	316	2,854			473

**PROTECTIVE WITHOUT SOCIAL SECURITY
NORMAL RETIREMENT EXPERIENCE**

Male and Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
50	2	68	0.0294	0.0300	2
51	3	64	0.0469	0.0300	2
52	4	65	0.0615	0.0700	5
53	10	60	0.1667	0.2500	15
54	17	75	0.2267	0.3000	23
55	8	43	0.1860	0.3000	13
56	4	31	0.1290	0.3000	9
57	8	26	0.3077	0.3500	9
58	1	3	0.3333	0.3000	1
59	1	3	0.3333	0.2000	1
60	-	6	0.0000	0.2000	1
61	-	2	0.0000	0.2000	-
62	1	4	0.2500	0.2000	1
63	1	1	1.0000	0.2000	-
64	-	1	0.0000	0.2000	-
65	-	1	0.0000	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	60	453	0.1325	0.1810	82
75 & Over	-	-	N/A		-
Totals	60	453			82

**EXECUTIVE AND ELECTED
NORMAL RETIREMENT EXPERIENCE**

Male and Female Age-Based Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
57	3	13	0.2308	0.1500	2
58	-	11	0.0000	0.1500	2
59	6	17	0.3529	0.1500	3
60	2	12	0.1667	0.1500	2
61	-	8	0.0000	0.1500	1
62	5	35	0.1429	0.1000	4
63	9	36	0.2500	0.1000	4
64	4	26	0.1538	0.1000	3
65	2	27	0.0741	0.1000	3
66	2	17	0.1176	0.2000	3
67	3	10	0.3000	0.2000	2
68	4	12	0.3333	0.2000	2
69	3	14	0.2143	0.2000	3
70	1	6	0.1667	0.1000	1
71	3	5	0.6000	0.1000	1
72	2	7	0.2857	0.1000	1
73	-	5	0.0000	0.1000	1
74	-	3	0.0000	0.1000	-
Totals	49	264	0.1856	0.1439	38
75 & Over	-	19			19
Totals	49	283			57

**EXECUTIVE AND ELECTED
EARLY RETIREMENT EXPERIENCE**

Male and Female Age-Based Early Retirement Experience

Age	Retirements	Exposure	Crude Rates	Current Rates	Expected Retirements
55	2	60	0.0333	0.0600	4
56	1	55	0.0182	0.0600	3
57	5	40	0.1250	0.0400	2
58	2	42	0.0476	0.0400	2
59	5	46	0.1087	0.0400	2
60	7	37	0.1892	0.0600	2
61	5	35	0.1429	0.0600	2
62	-	14	0.0000	0.0400	1
63	2	7	0.2857	0.0400	-
64	-	11	0.0000	0.0400	-
Over 64	-	71	0.0000		
Totals	29	418			18

SECTION E

MORTALITY EXPERIENCE

DEATH-IN-SERVICE

Male

Age	Deaths	Exposure	Crude Rates	Current Rates	Expected Deaths
Under 20	-	31	0.0000	0.0002	-
20-24	1	1,506	0.0007	0.0003	-
25-29	3	6,704	0.0004	0.0004	2
30-34	1	9,435	0.0001	0.0004	4
35-39	5	12,151	0.0004	0.0005	6
40-44	7	13,087	0.0005	0.0006	8
45-49	29	15,268	0.0019	0.0010	15
50-54	33	16,697	0.0020	0.0017	28
55-59	33	14,707	0.0022	0.0027	40
60-64	26	6,784	0.0038	0.0037	25
65-69	17	1,825	0.0093	0.0065	12
70-74	13	599	0.0217	0.0112	7
75 and over	7	-	N/A	0.0214	-
Totals	175	98,794	0.0018	0.0015	147

Female

Age	Deaths	Exposure	Crude Rates	Current Rates	Expected Deaths
Under 20	-	77	0.0000	0.0001	-
20-24	1	2,719	0.0004	0.0001	-
25-29	-	12,200	0.0000	0.0001	1
30-34	2	14,536	0.0001	0.0002	2
35-39	4	17,503	0.0002	0.0002	4
40-44	13	21,226	0.0006	0.0003	7
45-49	28	25,978	0.0011	0.0005	13
50-54	23	27,955	0.0008	0.0008	23
55-59	41	24,485	0.0017	0.0017	42
60-64	21	10,792	0.0019	0.0025	27
65-69	7	2,675	0.0026	0.0038	10
70-74	3	699	0.0043	0.0068	5
75 and over	6	-	N/A	0.0122	-
Totals	149	160,845	0.0009	0.0008	134

SECTION F

ACTIVE PARTICIPANTS IN VALUATIONS

ACTIVE PARTICIPANTS AS OF DECEMBER 31, 2007
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	168							168	\$ 2,676,894
20-24	4,621	39						4,660	110,759,473
25-29	14,881	2,500	15					17,396	573,817,665
30-34	9,094	10,849	1,291	4				21,238	836,344,911
35-39	8,156	8,383	7,827	1,368	17			25,751	1,109,493,517
40-44	8,550	7,648	6,294	7,055	1,199	12		30,758	1,347,528,011
45-49	8,741	8,479	6,210	6,588	5,598	1,826	71	37,513	1,641,272,469
50-54	6,351	7,639	6,236	6,482	5,557	6,385	2,614	41,264	1,920,892,347
55	994	1,280	1,158	1,314	1,055	1,156	1,422	8,379	408,929,347
56	982	1,179	1,157	1,268	1,086	1,081	1,436	8,189	401,448,436
57	855	1,047	1,000	1,202	978	947	1,454	7,483	367,742,205
58	771	898	883	1,035	833	784	1,127	6,331	311,296,457
59	725	801	815	946	754	699	959	5,699	275,876,281
60	666	702	700	834	763	531	817	5,013	234,706,863
61	635	646	664	762	683	494	700	4,584	218,338,363
62	411	397	424	454	391	293	417	2,787	128,708,834
63	378	337	321	392	309	212	305	2,254	99,858,577
64	306	299	252	299	259	171	262	1,848	81,617,247
65	261	261	226	230	202	142	182	1,504	65,022,553
66	216	162	122	123	103	74	118	918	37,768,690
67	175	122	92	93	56	43	84	665	24,360,513
68	180	84	58	77	43	24	64	530	18,934,505
69	143	65	53	53	38	24	44	420	14,631,679
70	129	50	41	35	30	19	37	341	11,165,397
71	117	60	20	16	20	11	21	265	7,398,699
72	122	41	34	17	14	6	27	261	7,041,904
73	85	36	16	15	12	6	12	182	4,750,440
74	77	39	16	12	9	3	12	168	3,858,645
75 & Up	274	134	43	24	24	12	44	555	11,642,020
Totals	69,064	54,177	35,968	30,698	20,033	14,955	12,229	237,124	\$10,277,882,942

ACTIVE PARTICIPANTS AS OF DECEMBER 31, 2007
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	8							8	\$ 222,793
20-24	789	6						795	25,288,267
25-29	1,709	812	7					2,528	108,084,671
30-34	719	1,805	512	4				3,040	149,821,382
35-39	439	1,090	1,716	441				3,686	194,266,245
40-44	286	536	821	1,215	304	2		3,164	177,953,672
45-49	209	364	420	674	844	326	4	2,841	165,819,274
50	31	56	46	104	142	179	14	572	34,261,169
51	40	55	37	79	101	195	24	531	31,795,581
52	41	44	53	58	96	131	38	461	27,047,493
53	30	34	48	69	88	130	65	464	27,987,625
54	19	27	34	59	56	64	48	307	18,219,149
55	21	40	35	47	50	48	37	278	15,766,087
56	15	31	27	41	55	32	37	238	13,463,014
57	16	33	20	29	37	39	32	206	11,670,112
58	11	14	14	32	29	24	34	158	9,232,937
59	13	19	21	20	21	15	22	131	6,920,970
60	10	22	13	16	16	14	11	102	5,545,698
61	9	12	12	14	17	10	11	85	4,401,848
62	3	6	12	13	6	9	7	56	3,118,426
63	4	7	6	2	2	3	4	28	1,477,082
64	5	1	4	4	2	3	4	23	1,096,386
65	4	3	2	2	2		1	14	538,359
66	3	6	2	4		2		17	713,584
67	2	1	2		2	1		8	344,431
68	1	2	1	1				5	202,667
69			2			1	2	5	278,824
70 & Up	4	1	1					6	99,327
Totals	4,441	5,027	3,868	2,928	1,870	1,228	395	19,757	\$1,035,637,073

ACTIVE PARTICIPANTS AS OF DECEMBER 31, 2007
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	52							52	\$ 2,089,566
25-29	180	65						245	12,352,178
30-34	81	235	65					381	22,555,551
35-39	52	182	228	73				535	33,451,133
40-44	16	71	145	185	46	1		464	30,339,223
45-49	8	23	67	146	190	68	1	503	35,248,788
50	2	2	7	24	31	33	2	101	7,177,609
51			6	20	23	32	2	83	5,999,250
52			1	14	21	31	7	74	5,535,592
53			4	14	24	30	5	77	5,656,490
54	3	1	3	10	18	17	9	61	4,506,600
55			1	8	4	15	12	40	2,827,842
56			1	4	5	8	13	31	2,271,123
57		1	1	2	4	9	5	22	1,717,607
58		1		1	2	4	3	11	875,641
59						1		1	99,176
60	1				1	2	1	5	422,161
61		1	1			2	1	5	353,560
62									
63		1					1	2	83,197
64						1		1	71,520
65					1			1	54,953
Totals	395	583	530	501	370	254	62	2,695	\$173,688,760

ACTIVE PARTICIPANTS AS OF DECEMBER 31, 2007
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	6	1						7	\$ 192,875
30-34	24	10	2					36	2,010,874
35-39	37	21	14	2				74	4,047,580
40-44	54	17	24	22	5			122	7,331,472
45-49	53	32	27	41	19	8		180	12,315,800
50-54	77	35	29	36	33	38	15	263	17,561,153
55	10	7	4	11	7	7	10	56	4,348,352
56	12	11	5	11	16	13	8	76	5,997,619
57	19	5	8	8	8	7	8	63	4,448,016
58	15	10	6	11	9	3	9	63	4,368,449
59	5	9	6	9	9	8	11	57	4,930,580
60	20	7	11	4	8	6	8	64	4,518,590
61	17	9	5	2	9	7	11	60	4,443,720
62	10	5	5	6	5	4	9	44	3,238,237
63	7	4	5	6	6	4	6	38	3,427,137
64	9	4	6	6	4	1	5	35	2,259,378
65	16	5	1	5	6	1	5	39	2,742,591
66	1	1	4	4	2		2	14	1,210,543
67	8	2	3	3	1	1	5	23	1,438,810
68	7	1	2	1		1	1	13	457,691
69	9	1	1	1	3	1	1	17	663,151
70	3	1	3				4	11	613,034
71	5	2	1			1		9	417,041
72	2	2	1		1			6	228,024
73	6	3		1	1		1	12	313,433
74	3	2					1	6	176,249
75 & Up	19	7	7	2	1		3	39	937,950
Totals	454	214	180	192	153	111	123	1,427	\$94,638,349

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, 2007

	General	Executive & Elected Officials	Protective Occupation		Total
			With Soc. Sec	Without Soc. Sec.	
\$ Millions					
1. Present Value of Future Benefits for Non-Retired	\$45,103.4	\$377.4	\$4,914.6	\$1,133.9	\$51,529.3
2. Present Value of Future Entry Age Normal Costs	12,288.6	84.7	1,775.2	367.1	14,515.6
3. Entry Age Accrued Liability: (1)-(2)	32,814.8	292.7	3,139.4	766.8	37,013.7
4. Non-Retired Assets-WRS	34,987.5	298.0	3,532.0	942.2	39,759.7
-LTDI	154.5	1.3	26.8	7.0	189.6
-Total	35,142.0	299.3	3,558.8	949.2	39,949.3
5. Entry Age Unfunded Accrued Liability:(3)-(4)	(2,327.2)	(6.6)	(419.4)	(182.4)	(2,935.6)
6. WRS Frozen Unfunded Accrued Liability	271.4	0.7	8.0	7.7	287.8
7. EAR:(6)-(5)	\$ 2,598.6	\$ 7.3	\$ 427.4	\$ 190.1	\$ 3,223.4

ACTUAL VS. EXPECTED CHANGES IN EXPERIENCE AMORTIZATION RESERVE (EAR) - CALENDAR YEAR 2007
(\$ MILLIONS)

	December 31, 2007				
	General	Executive & Elected	Protective		Total
			With S.S.	Without S.S.	
(1) Entry Age UAAL at start of year	\$ (1,625.9)	\$ (3.3)	\$ (336.6)	\$ (149.8)	\$ (2,115.6)
(2) Normal cost from last valuation (Total)	1,264.7	11.8	165.3	37.7	1,479.5
(3) Actual contributions	1,163.8	11.4	142.9	27.4	1,345.5
(4) Interest	(122.9)	(0.2)	(25.4)	(11.3)	(159.8)
(5) Expected UAAL before changes: (1) + (2) - (3) + (4)	(1,647.9)	(3.1)	(339.6)	(150.8)	(2,141.4)
(6) Change from experience study	0.0	0.0	0.0	0.0	0.0
(7) Other changes	0.0	0.0	0.0	0.0	0.0
(8) Expected UAAL after changes: (5) + (6) + (7)	(1,647.9)	(3.1)	(339.6)	(150.8)	(2,141.4)
(9) Actual Entry Age UAAL at end of year	(2,327.2)	(6.6)	(419.4)	(182.4)	(2,935.6)
(10) Gain (loss): (8) - (9)	\$ 679.3	\$ 3.5	\$ 79.8	\$ 31.6	\$ 794.2

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.

August 28, 2008

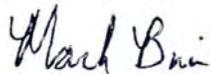
Mr. David Stella, Deputy Secretary
Wisconsin Department of Employee Trust Funds
801 West Badger Road
Madison, Wisconsin 53713

Re: 2007 Gain Loss Analysis

Dear Dave:

Enclosed are 75 bound copies of this report.

Sincerely,



Mark Buis

MB:lr
Enclosures



STATE OF WISCONSIN
Department of Employee Trust Funds
David A. Stella
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax (608) 267-4549
<http://etf.wi.gov>

CORRESPONDENCE MEMORANDUM

DATE: August 25, 2008
TO: Employee Trust Funds Board
FROM: Bob Conlin, Deputy Secretary
SUBJECT: Delegation of Authority to Solicit Proposals For and Contract With Federal Tax Counsel

The Board is asked to delegate to the Department the authority to solicit proposals for and contract with federal tax counsel. In addition, a volunteer from the Board is sought to serve on a panel to evaluate the proposals.

Background

State law requires both the Board and the Department to ensure that the Wisconsin Retirement System (WRS) complies with and is administered in a manner consistent with the Internal Revenue Code (IRC). [Wis. Stats. §40.03 (1)(am) and (2)(t)] Federal tax law, and a pension system's compliance with it, is a highly complex and specialized field of the law. The Department believes it and the Board would benefit by retaining tax counsel who has experience representing public retirement plans before the Internal Revenue Service (IRS).

The Board is authorized by law to employ or select any legal contractors as are required for the administration of the Trust Fund. [Wis. Stats. §40.03 (1)(c)] The Board may also delegate its powers or duties as deemed necessary or desirable. [Wis. Stats. §40.03 (1)(L)]

The Department administers many complex employee benefit plans, including the WRS. All of them are affected in some manner by the IRC. It has been over 10 years since the Department has undertaken a thorough review of its compliance with the IRC with the assistance of tax counsel. We believe it is time to do so again and to have counsel retained in order to more regularly review WRS compliance with changes in the tax law and benefit changes under state law.

Historically, the IRS has not examined public retirement plans like the WRS to determine if the plans are in compliance with the IRC. The IRS has limited knowledge of how public plans operate. Recently, however, the IRS has indicated a significant interest in verifying public plans' compliance with the IRC. At a recent governmental plans round table discussion sponsored by the IRS, the IRS announced that it intends to begin surveying public retirement plans to obtain information about how public plans operate, in an effort to "find out if there are any issues [they]

Board	Mtg Date	Item #
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need to be involved in.” The IRS anticipates sending extensive surveys to approximately 25 public retirement plans later this fall, possibly to be followed by surveys of approximately 200 public retirement plans. In addition, the IRS is encouraging public retirement plans to seek a determination letter that formally provides qualified tax status for the plan.

Although participants at the round table were assured that their responses to the surveys would not directly lead to audits of plans, many public plan executives and attorneys are skeptical. If the IRS conducts audits, public plan administrators would have to devote a great deal of time and resources to provide the IRS with information.

Justification

The Department believes it is important and beneficial to have the ability to consult with counsel who specializes in tax law, has experience handling tax matters before the IRS, and has experience working with public pension plans on a regular basis. Engaging outside tax counsel to assist in determining the WRS' compliance with the IRC would benefit the Board and Department in a number of ways, including:

- Helping ensure that the Board and Department meet their respective statutory duties to operate the WRS in compliance with the IRC.
- Being able to better identify any compliance issues and take preemptive corrective action outside of the IRS audit process.
- Assisting in securing a favorable IRS determination letter confirming WRS compliance with the IRC.

The Department anticipates soliciting proposals for and entering a 1-year contract, with extensions possible, with an experienced law firm. The Department anticipates expending no more than \$50,000 in the current fiscal year for tax counsel services. It is anticipated that in future years, as the Department seeks more comprehensive assistance from counsel, this cost will increase. Once a relationship is established with counsel, the Department will be able to establish a better plan for the use of counsel services.



STATE OF WISCONSIN
Department of Employee Trust Funds
David A. Stella
SECRETARY

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Madison WI 53707-7931
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CORRESPONDENCE MEMORANDUM

DATE: September 9, 2008
TO: Employee Trust Funds Board
FROM: Jon Kranz, Director
Office of Internal Audit and Budget
SUBJECT: Cost Effective Management (CEM) Study

The attached report is for informational purposes only. No Board action is required.

Attached is the executive summary of the recently completed pension administration benchmarking report performed by CEM Benchmarking Incorporated. This report analyzes the cost and service levels of selected pension administration functions of the Department as compared to peer public retirement systems. The period covered by the attached report is fiscal year 2007 (July 1, 2006 – June 30, 2007). Note that the CEM report only addresses the retirement and disability programs (other Department-administered programs such as health and life insurance are excluded).

Bruce Hopkins of CEM will be discussing the key findings at the September Employee Trust Funds Board meeting. A copy of the complete report will be distributed at the meeting.

Please contact me at (608) 267-0908 should you desire any additional information.

attachment

Reviewed and approved by Robert J. Conlin, Deputy Secretary

Signature Date

Board	Mtg Date	Item #
ETF	09/19/08	5

Defined Benefit Administration Benchmarking Analysis

FY 2007

Wisconsin DETF
August 20, 2008 - Final

CEM Benchmarking Inc.
80 Richmond Street West, Suite 1300, Toronto, ON, M5H 2A4
Tel: 416-369-0568 Fax: 416-369-0879
www.cembenchmarking.com



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"What gets measured, gets managed" - This report is a management tool. It can be used to:

Improve your customer service levels

- Learn from the best in the pension community
- Learn what others are doing that you are not

Better understand your business

- Managers: Step back and take stock in what you do
- Employees: Provides point of reference for service level

Measure and manage your performance

- Identify what is important
- Keeps operations “front & center”
- Monitor your annual progress using an outside benchmark
- Serves as a catalyst for change

77 leading global pension systems participate in the benchmarking service

Current Participants			
<u>United States</u>	Ohio PERS	HOOPP	GBF
Arizona SRS	Ohio SERS	Hydro Quebec	
CalPERS	Oklahoma PERS	LAPP	
CalSTRS	Oregon PERS	OMERS	
Colorado PERA	Pennsylvania PSERS	Ontario Teachers	
Connecticut Teachers	Pennsylvania SERS	OPTrust	<u>Other European</u>
Delaware PERS	ERS of Rhode Island	Nova Scotia Pension Agency	Pension Danmark
Idaho PERS	San Bernardino County ERA	PWGSC	
Illinois MRF	South Carolina RS	RCMP	
Indiana PERF	South Dakota RS		<u>Australia</u>
Indiana State TRF	STRS Ohio	<u>The Netherlands</u>	Australia Post
Iowa PERS	Texas County & District RS	ABP	ComSuper
KPERS	Texas MRS	BPF Bouw	ESSS
LACERA	TRS Louisiana	Bpf Landbouw	Health Super
Michigan ORS	Virginia RS	BPF Metalektro	Pillar
Michigan MERS	Washington State DRS	Pensioenfonds Metaal en Techniek	QSuper
Minnesota Teachers	Wisconsin DETF	PF Horeca en Catering	RBF Tasmania
MOSERS		PGGM	Super SA
Nevada PERS		Rabobank	UniSuper
New Hampshire RS	<u>Canada</u>	SPH	
New Jersey DP&B*	APA	SSPF SPN	
NYC TRS	BC Pension Corporation	SPMS	
North Carolina RS	Canada Post	KLM	
NYSLRS	Defence Canada	BPF Schoonmaak	

* We have not yet received clean data from this system. Therefore, this system is excluded from the analysis.

When evaluating costs and performance, the most relevant comparisons are to systems similar to you in membership and nationality. Your peer group consists of U.S. participants closest to you in membership size.

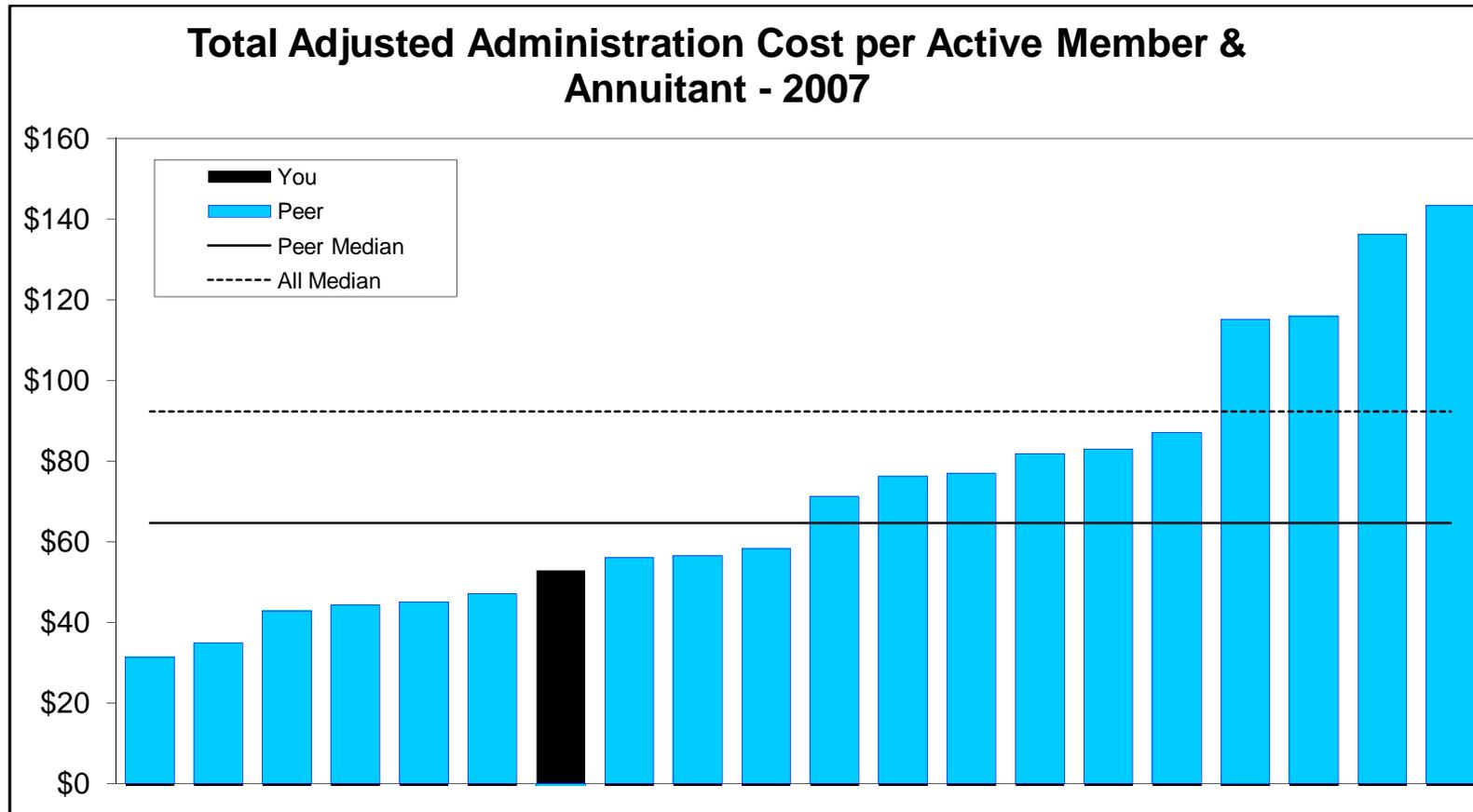
Custom Peer Group for Wisconsin DETF	Membership (000s)		
	Annuitants	Active Members	Total
Arizona SRS	89	224	313
CalPERS	455	823	1,278
CalSTRS	216	456	671
Colorado PERA	78	217	295
Illinois MRF	87	178	265
Indiana PERF	84	156	240
Iowa PERS	85	165	250
KPERS	66	151	217
Michigan ORS	213	329	542
North Carolina RS	209	488	696
NYSLRS	350	552	902
Ohio PERS	160	382	542
Oregon PERS	115	172	287
Pennsylvania PSERS	162	263	425
Pennsylvania SERS	107	111	218
South Carolina RS	115	236	351
STRS Ohio	146	206	351
Virginia RS	131	339	470
Washington State DRS	123	297	420
Wisconsin DETF	140	260	400
Average	156	300	457
Median	127	248	376

This analysis is based on your Total Adjusted Administration Cost of \$21.1 million.

Total Adjusted Administration Cost for Wisconsin DETF			
Activity		\$000s	%
1	Paying Annuity Pensions	553	2.6%
2	Annuity Pension Inceptions (non-disability)	1,284	6.1%
3	Pension Benefit Estimates	1,477	7.0%
4A	1-on-1 Member Counseling	942	4.5%
4B	Group Retirement Counseling	119	0.6%
5	Member Contacts: Calls, Emails, Letters	1,606	7.6%
6	Mass Communication to Members and Annuitants	950	4.5%
7A-C	Collections and Data Maintenance	1,561	7.4%
7D	Service to Employers	1,094	5.2%
8	Refunds, Transfers-out, Terminating Payments	456	2.2%
9	Purchases and Transfers-in	310	1.5%
10	Disability	3,552	16.8%
11A-D	Financial Control and Governance	1,732	8.2%
12A-C	Plan Design and Rules Development	313	1.5%
13	Major Projects	5,166	24.5%
Total Administration Cost per survey		21,113	
Adjustments:			
	<i>subtract</i>		
	13 Major Projects	-5,166	-24.5%
	<i>add</i>		
	1-year average Major Project cost	5,166	24.5%
Total Adjusted Administration Cost		\$21,113	100.0%

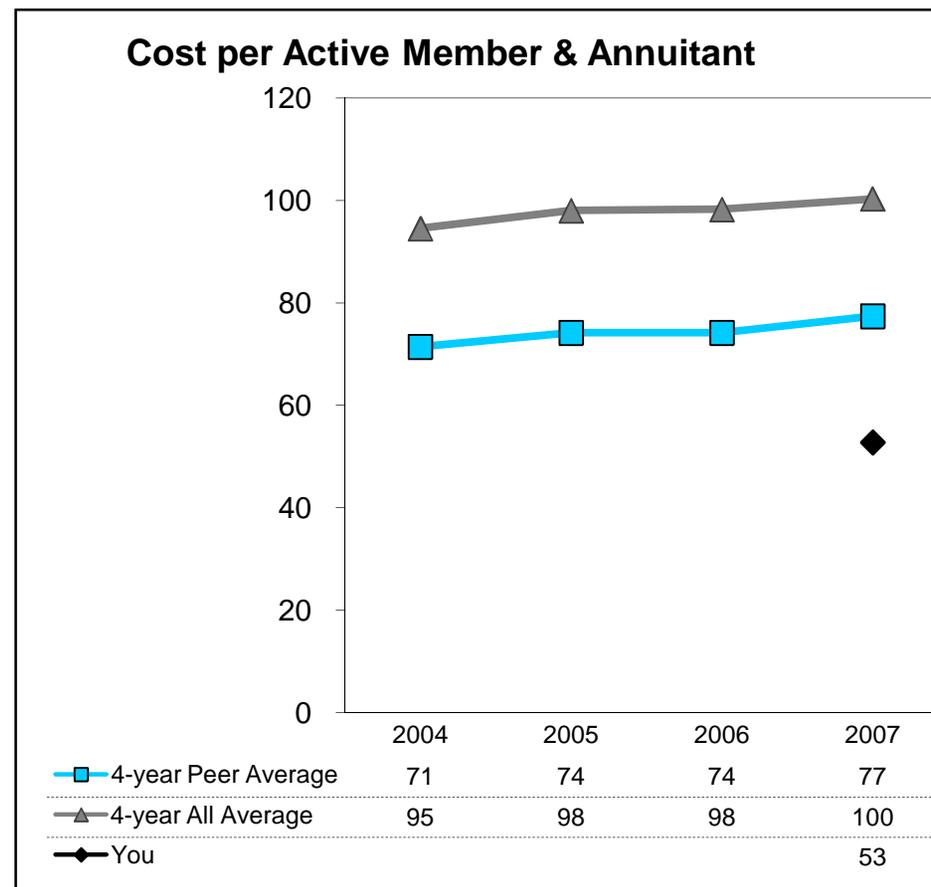
*Non-pension and Supplemental Benefits are excluded from this analysis as they are not comparable between participants. Specifically, your costs of \$3,365.7K were not included in your Total Adjusted Benefit Administration cost.

Your Total Adjusted Administration Cost was \$53 per Active Member & Annuitant. This was below the peer median of \$65.



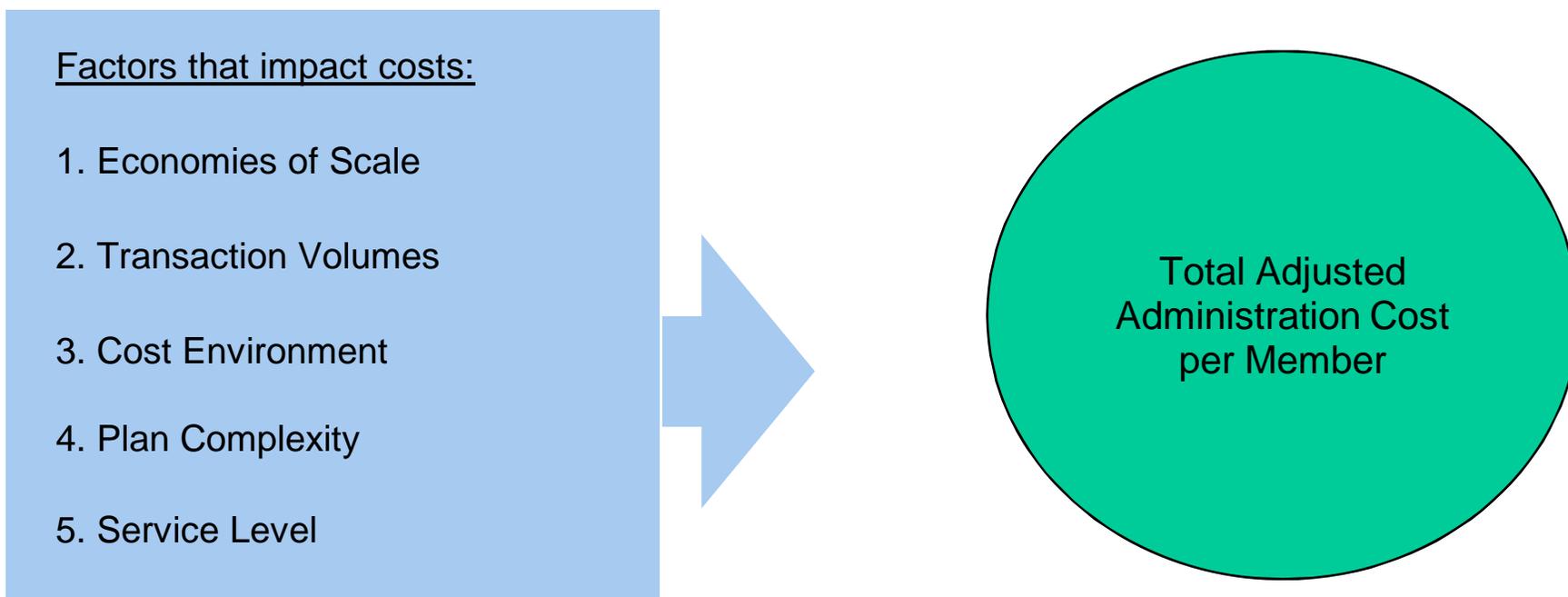
Cost Trends

- Costs increased 1.5% per annum for the average 4-year participant.



The 4-year Peer and All are those systems that have provided 4 consecutive years of data (15 of your 20 peers, 38 of the 77 participants).

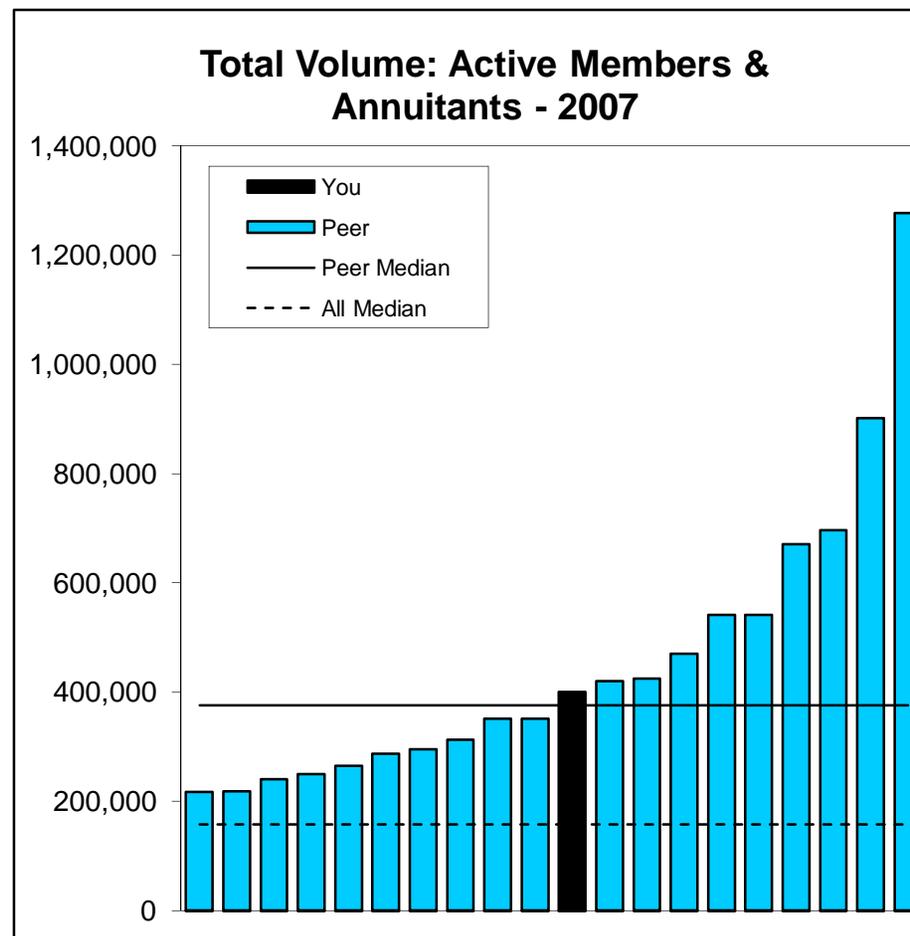
We measure and compare 5 factors that impact costs. Economies of Scale, Transaction Volumes and Cost Environment have the largest impact.



1. Economies of Scale

Your peers are the participants closest to you in size. Therefore, comparisons within your peer group are not materially impacted by economies of scale.

The scale measure is your Total Volume, which was 400,000 Active Members & Annuitants. This compared to a peer median of 375,550.

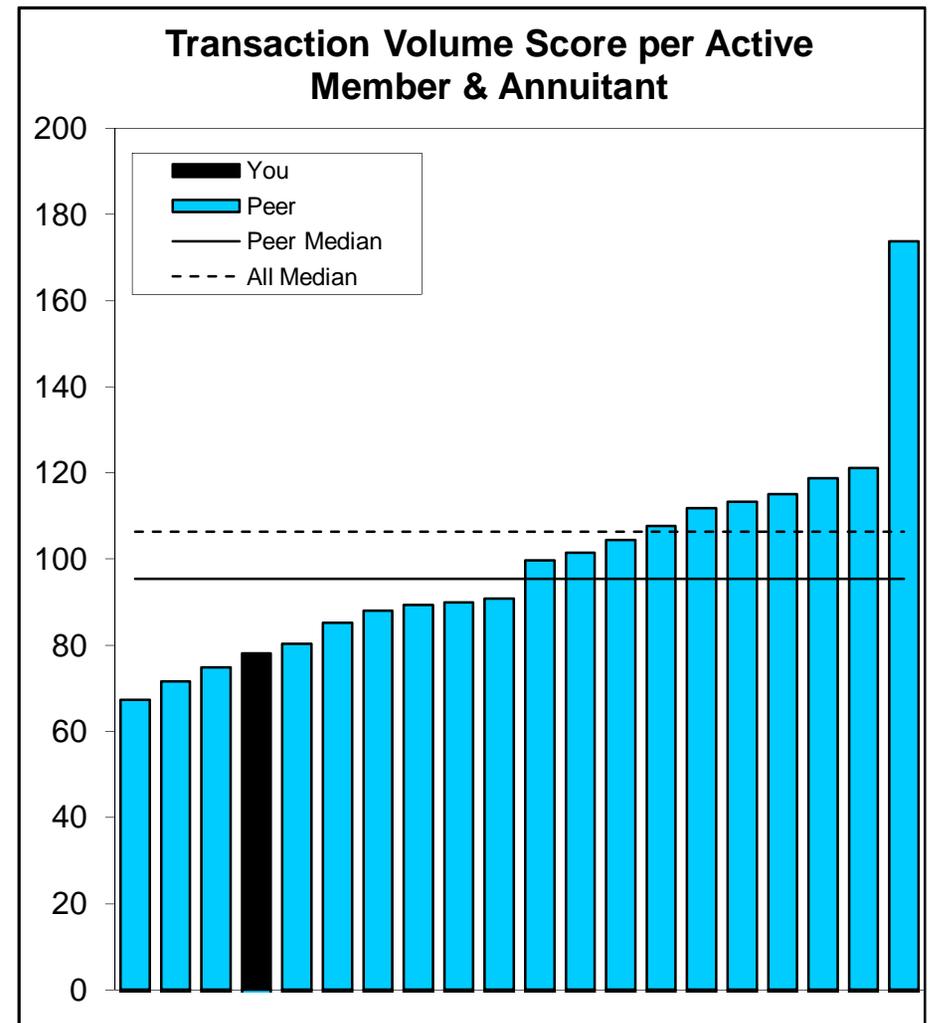


2. Transaction Volumes

Your Transaction Volume Score was 18% below the peer median. This suggests that you do fewer transactions and/or a less costly mix of transactions per Active Member & Annuitant.

The Transaction Volume Score summarizes in a single number the 80 different pension administration transaction types compared in this report.

It is higher cost to do more transactions per member. Therefore, it is important to understand how and why your transaction volumes differ.



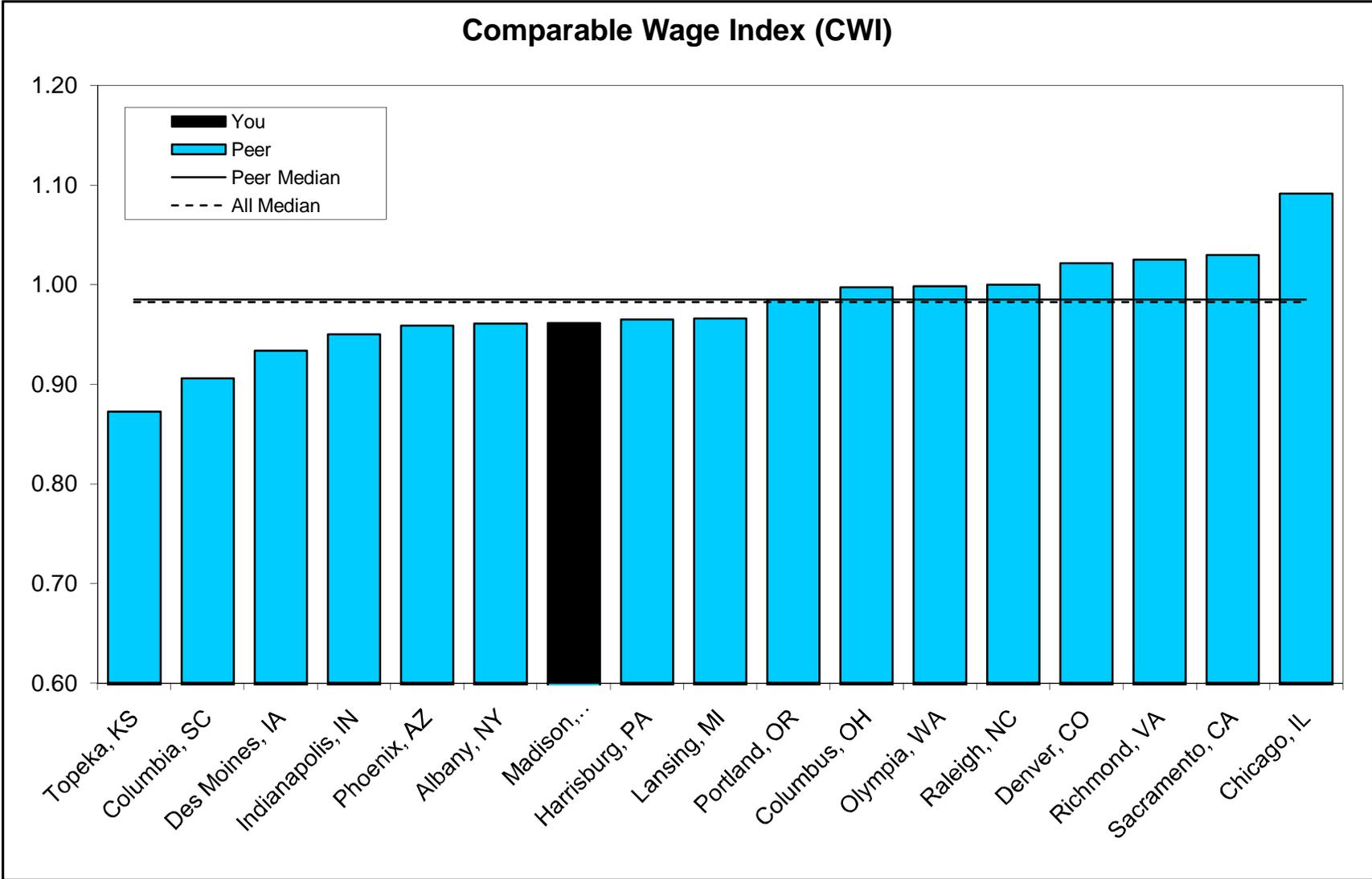
**2. Transaction Volumes**

Here are some examples of where you did fewer transactions:

- Calls, Emails and Letters - You had 455 Calls, Emails and Letters for every 1000 Active Members & Annuitants versus a peer average of 951.
- Purchases & Transfers-in - You had 3 Purchases & Transfers-in for every 1000 Active Members & Annuitants versus a peer average of 11.
- Governance transactions - Fewer oversight meetings - You had 25 oversight meetings (i.e., Board, Advisory Committee, etc) which was less than the peer average of 29.
- Members Counseled 1-on-1 - You counseled 18 members for every 1000 Active Members & Annuitants versus a peer average of 37.
- Data from Employers transactions - Fewer retroactive changes - You changed 21,278 member records because of retroactive transactions which equals 82 retroactive changes per 1000 active members versus a peer average of 110 retroactive changes per 1000.
- Plan Design transactions - You had no material legislative changes or other unusual events that materially impacted your costs whereas 40% of your peers had. You do not do Activity 12C Lobbying, Educating, Influencing Change whereas 80% of your peers do.

3. Cost Environment

Your cost environment is 2.4% lower cost than the peer median.



CWI is based on the wages of college-educated workers within a given geographical area. It is normalized at 1 to be the national average.

Source: "A Comparable Wage Approach to Geographic Cost Adjustment", National Center for Education Statistics. Latest available data is for 2004.

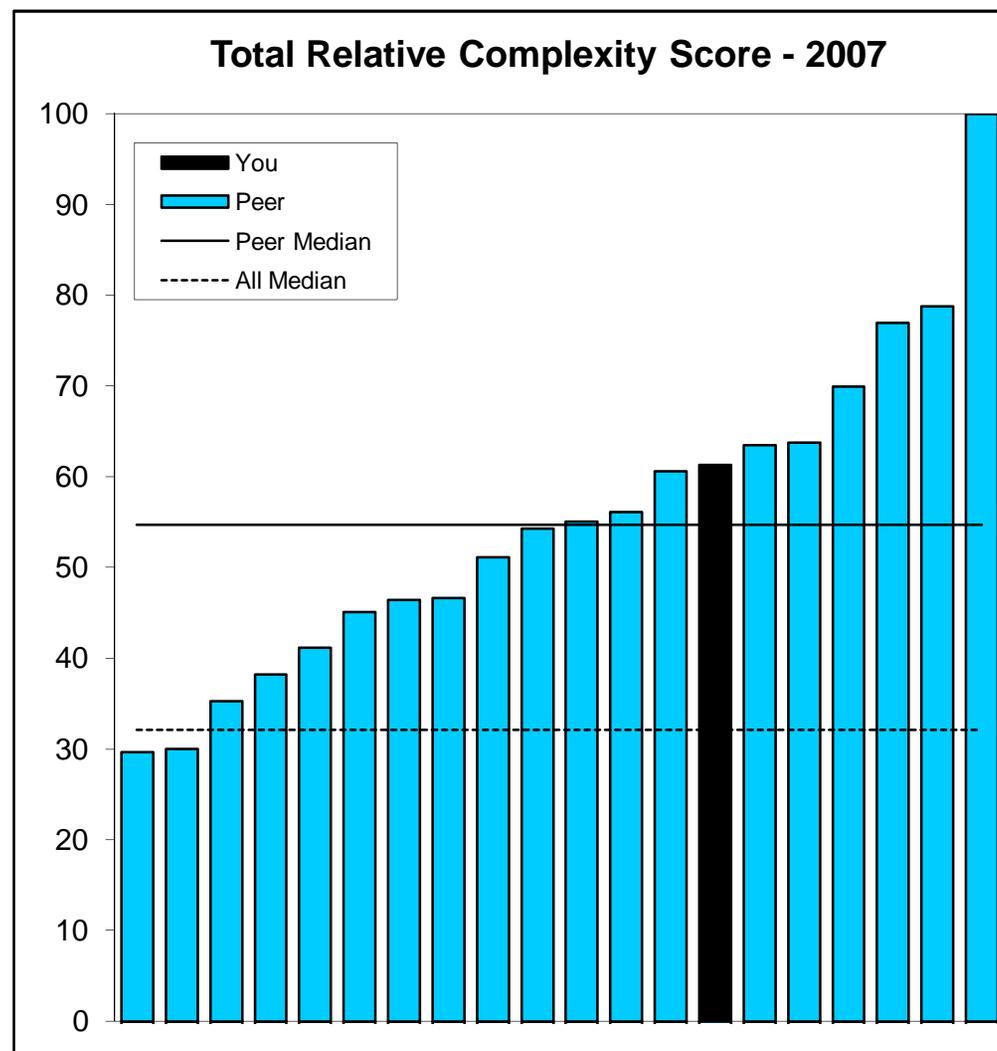
4. Plan Complexity

Your Complexity was above the peer median.

Plan Complexity is not a good predictor of costs because:

- DB plans are already extremely complex. Thus additional incremental differences cause only a relatively minor impact.
- For many plans, a large part of their complexity is caused by, and confined to, low volume member segments.

The volume of complex transactions, however, does predict costs. These volumes are reflected in the Transaction Volume Score.



4. Plan Complexity

Your Relative Complexity by underlying cause compared to your peers as follows:

Many participants are curious about why they do not have a higher complexity rating.

The most complex participant is CalPERS. Their participating local employers can extensively customize their rule sets. For example, their employers can select their own benefit multipliers, final salary definition, retirement age, cost of living adjustment rules, disability benefit rules etc. Their complexity from Customization Choices is 100 versus your score of 22.

The second most complex participant has a long history of grandfathered changes to their benefit formula and fragmented rules related to different counties and cities. They have over 81 different multipliers and 8 different possible salary definitions that could apply in their benefit formula. Their complexity from Multiple Benefit Formula is 100 versus your score of 26.

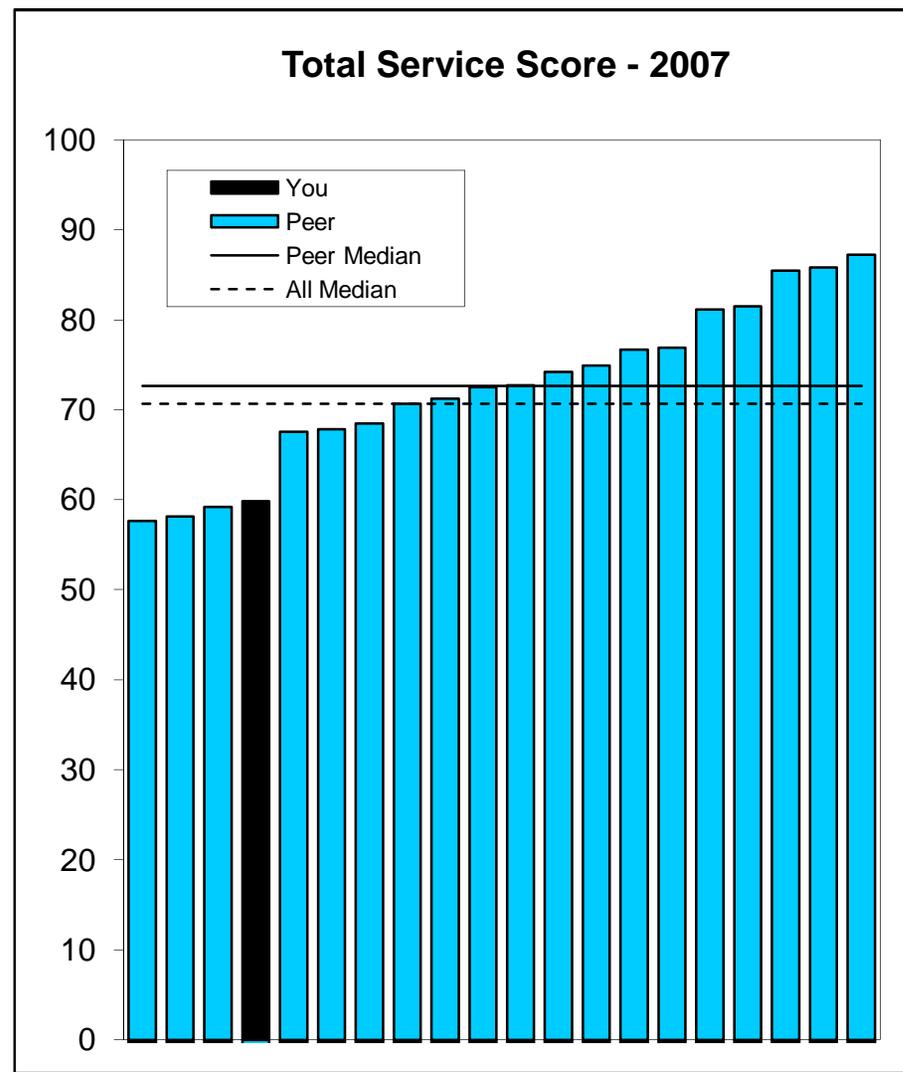
Relative Complexity Ratings by Cause				
<i>Complexity: 0 least - 100 most</i>				
Weight	Underlying Cause	Your	Peer Avg	
15.0%	A. Pension Payment Options	59	59	
20.0%	B. Customization Choices	22	10	
10.0%	C. Multiple Plan Types and Overlays	89	36	
16.0%	D. Multiple Benefit Formula	26	47	
3.0%	E. External Reciprocity	35	27	
4.0%	F. COLA Rules	12	30	
3.0%	G. Contribution Rates	58	51	
4.0%	H. Variable Compensation	100	81	
3.0%	I. Service Credit Rules	59	56	
3.0%	J. Divorce Rules	100	68	
5.5%	K. Purchase Rules	55	68	
4.0%	L. Refund Rules	27	63	
6.0%	M. Disability Rules	85	83	
0.5%	N. Translation	0	9	
3.0%	O. Defined Contribution Plan Rules	0	18	
100.0%	Weighted Average (before scaling)	48	44	
	Scaled Total Complexity	61	55	

5. Service Level

Your Total Service Score was 60. This is below the peer median of 73.

Service scores are not a good predictor of costs because:

- Costs are driven much more by the volume of service transactions (i.e., the # of calls, # of counseling sessions, etc.) than they are by their timeliness, availability or quality.
- High cost activities such as Collections and Data Maintenance, Governance and Financial Control, Plan Policy / Design and Major Projects do not have service measures.



5. Service Level

Examples of key service measures included in your Service score.

Select Key Service Metrics	You	Peer Avg
<u>Member Contacts</u>		
• % of calls resulting in desired outcomes (versus busy signals, messages, hang-ups)	54%	87%
• Average total wait time including time negotiating auto attendants, etc.	283 secs	175 secs
• Will you provide benefit estimates over the telephone?	No	65%Yes
<u>Website</u>		
• Can members access their own data in a secure environment?	No	75%Yes
• Do you have an online calculator?	Yes	100%Yes
• Are all, some or none of your forms available online?	Some	41%All
• # of other website tools offered such as making non-financial changes online, etc.	1	3
<u>Member Statements</u>		
• How current is the data in member statements when mailed?	4.0 mos	3.2 mos
• Do statements provide an estimate of the future pension entitlement?	Yes	75%Yes
<u>Pension Inceptions</u>		
• What % of annuity pension inceptions are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check?	99%	84%

5. Service Level

Your Service Scores by Activity compared to your peers as follows:

Service Scores by Activity			
Weight	Activity	Your Score	Peer Avg
18.9%	1 Paying Annuity Pensions	94	96
7.9%	2 Annuity Pension Inceptions (non-disability)	82	67
5.0%	3 Pension Benefit Estimates	39	64
11.3%	4A-B Counseling	59	80
21.5%	5 Member Contacts: Calls, Emails, Letters	34	57
21.8%	6 Mass Communication to Members and Annuitants	56	69
	a) Member Presentations (15%)	41	77
	b) Website (35%)	38	58
	c) Newsletters (15%)	79	78
	d) Member Statements (30%)	77	77
	e) Other Mass Communication (5%)	40	50
4.0%	7D Service to Employers	66	71
0.3%	8 Refunds, Transfers-out, Terminating Payments	40	66
3.3%	9 Purchases and Transfers-in	18	62
5.1%	10 Disability	66	74
1.0%	Disaster Recovery	90	84
100.0%	Total Service Score (Average)	60	72
	Total Service Score (Median)		73

We do not have service measures for the activities 7A-C Collections, Data and Billing, activity 11 Governance and Financial Control or activity 12 Plan Design.

5. Service Level

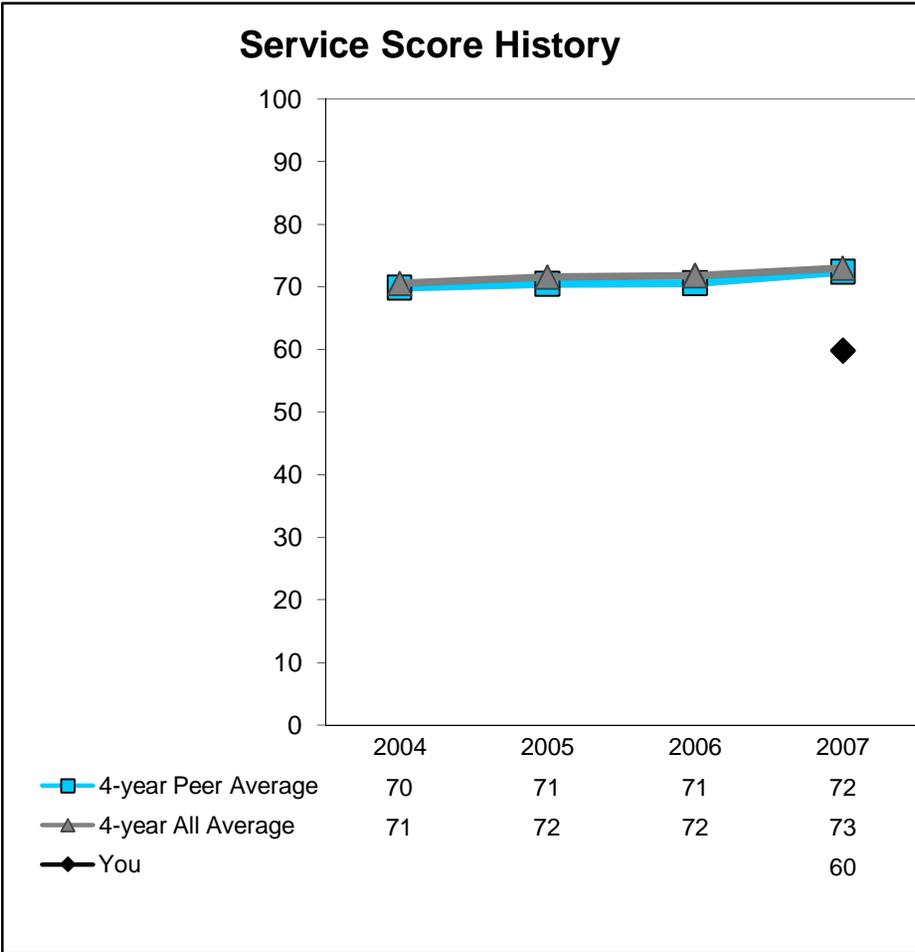
Examples of changes you could make that would improve your Total Service score by 20.7 points.

This excerpt shows a selection of things you could do to improve your Total Service score. CEM is not recommending these changes. Higher service is not necessarily optimal or cost effective. We include this analysis because many participants want to know what they would have to do to achieve a higher score. The Service section shows in detail what you would need to do to achieve a perfect score for each activity.

- Satisfaction Surveying (+5.1 potential additional points) - A perfect score requires that you do single-activity-focused satisfaction surveying for all key activities, survey only members who recently experienced the service, survey as soon as possible after the member experienced the service, be able to summarize results by service representative and survey on a frequent random-sample basis. You do not survey.
- Call Outcomes (+5.5) - A perfect score requires that all calls either get through to a knowledgeable person or are satisfied by a self serve option. 45.9% of your calls during business hours do not get through. Instead they result in either busy signals, hang-ups or messages. This was more than the peer average of 13.4%.
- Call Wait Time (+5.2) - A perfect score requires that callers immediately reach a knowledgeable person with no waiting. Your callers wait 283 seconds on average. This was slower than the peer average of 175 seconds.
- Website Tools and Transactions (+2.5) - A perfect score requires that members can do the following transactions online: estimate the cost of purchasing service credit, register for counseling sessions/presentations, change addresses, change beneficiaries, change family information, change direct deposit information, view tax receipts, view annuity payments, apply for retirement, view status of disability application, use a "secure mailbox", and download a member statement. Of all those services, your members are only able to estimate the cost of purchasing service credit.
- Purchase Estimate Timeliness (+2.4) - To achieve a perfect score, you need to be able to provide a service credit purchase estimate within one day. It takes you 45 days on average to provide a written service credit cost purchase estimate. This was slower than the peer average of 19 days.

Service Trends

- Service Scores increased 0.6 points per annum for the average 4-year participant.



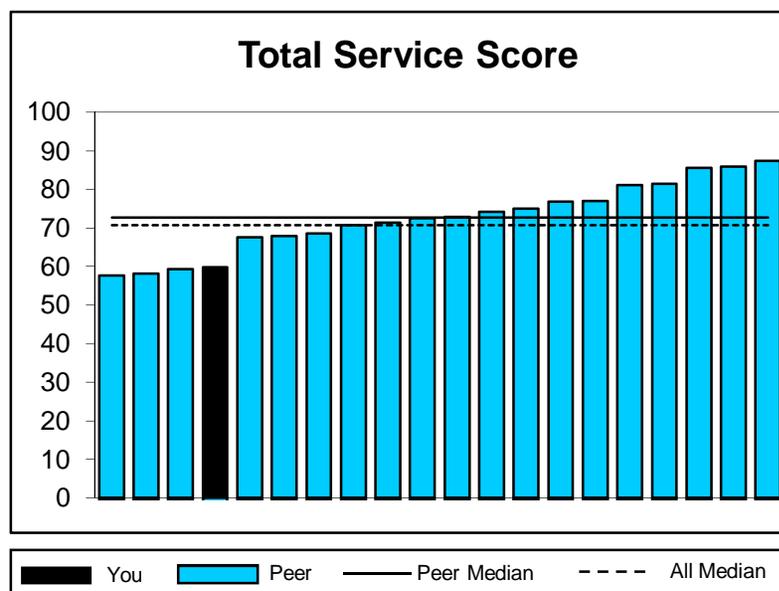
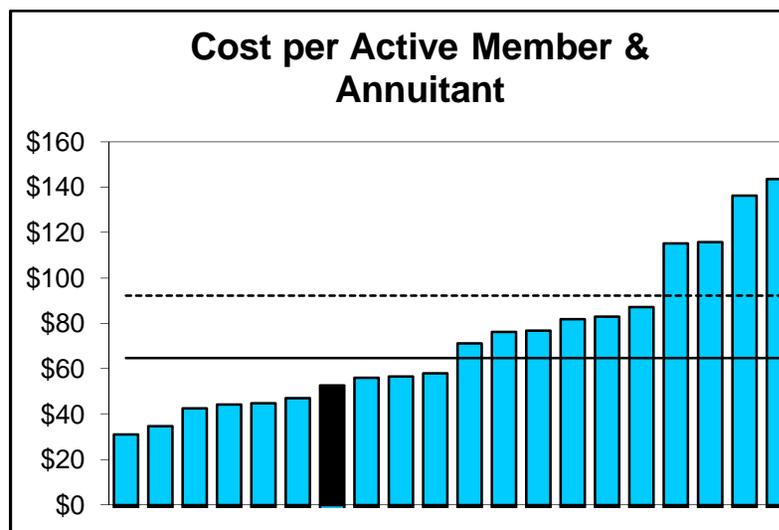
The 4-year Peer and All are those systems that have provided 4 consecutive years of data (15 of your 20 peers, 38 of the 77 participants).

Key Takeaways

1. Your Total Cost of \$53 per Active Member & Annuitant was below the peer median of \$65.

2. Your Total Service Score of 60 was below the peer median of 73.

- 45.9% of your calls during business hours did not get through.
- Your callers wait 283 seconds on average.
- You do not do member satisfaction surveying.



In addition to this report, the CEM service includes forums for identifying best practices and sharing knowledge and ideas

1) Best Practice Research

Every year CEM publishes best practice research.

- Online Secure Member Areas (2007)
- Pension Call Centers (2006)
- Member Statements (2005, 2001)
- Collections and Data Maintenance Business Process Review (2004)
- Websites (2003)
- Disability Benefit Brochure Content (2003)
- Member Handbooks and Brochures (2003)
- Satisfaction Surveying Methodology (2002)

2) The Online Peer Network

Participants can post new questions and access the online library of more than 200 pension administration related questions and answers. (www.cembenchmarking.com)

3) World Conference (May 20 - 22, 2009 in Denver, CO)

This conference focuses on sharing best practices and networking. The 2009 conference will be co-hosted by the Colorado Public Employee's Retirement Association.

Online transactions ranked by usage (Data from CEM's most recent research)

Tool	Do you offer this tool?	% of participants offering tool	Average Transactions per 1000 Active and Annuitant Members
Benefit Calculators			
- not linked to member data	No	9%	Not Available
- linked to salary and service data	No	58%	318.1
- in non-secure area	Yes	60%	89.5
View salary or service without downloading	No	59%	52.1
Download forms	Yes	95%	32.9
Change address	No	51%	23.7
Register for counseling sessions or presentations	No	40%	8.3
Download member statement (i.e., Adobe format)	No	31%	8.0
Change beneficiary	No	23%	4.1
Download duplicate tax receipts	No	32%	3.6
View annuity payment details	No	32%	3.1
Secure mailbox	No	14%	2.3
Change marital status or dependents	No	26%	1.3
Change banking information for direct deposit	No	15%	0.3
Apply for retirement	No	9%	0.3
Estimate cost of purchasing service credit	Yes	51%	0.3
View status of disability application	No	10%	0.0

PEER CHARACTERISTICS

This section contains:

- Your custom Peer Group.
- A comparison of the characteristics of all participants.
- Calculation and comparisons of your Activity Volume to Staff Ratios.

The most relevant comparisons are to systems similar to you in total membership and nationality. Your custom Peer Group consists of the following 20 systems:

Custom Peer Group for Wisconsin DETF	Membership (000s)		Active
	Active	Annuitant	Members & Annuitants
Arizona SRS	224	89	313
CalPERS	823	455	1,278
CalSTRS	456	216	671
Colorado PERA	217	78	295
Illinois MRF	178	87	265
Indiana PERF	156	84	240
Iowa PERS	165	85	250
KPERS	151	66	217
Michigan ORS	329	213	542
North Carolina RS	488	209	696
NYSLRS	552	350	902
Ohio PERS	382	160	542
Oregon PERS	172	115	287
Pennsylvania PSERS	263	162	425
Pennsylvania SERS	111	107	218
South Carolina RS	236	115	351
STRS Ohio	206	146	351
Virginia RS	339	131	470
Washington State DRS	297	123	420
Wisconsin DETF	260	140	400
Average	300	156	457
Median	248	127	376

Note: Inactive members are excluded from the Total Membership when selecting your peers because they are much less costly to administer than either active members or annuitants. Inactive members are also excluded from the denominator when determining Total Cost per Member. The impact of excluding inactive members is discussed in detail at the end of Section 3 Total Costs.

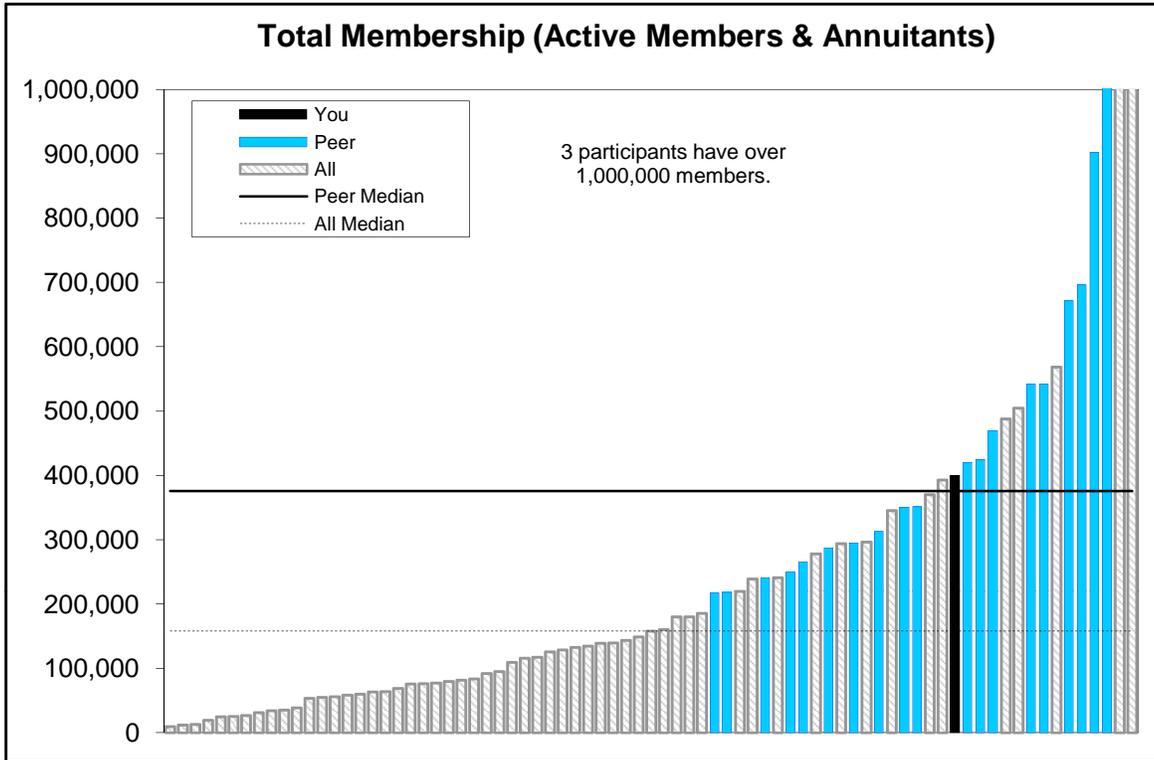
Participant Profiles

Participant	Membership			Member Groups				Plan Types				Optional Benefits											
	Active Members	Annuitants	Inactive Members	State/ Country Employees	City or County Only	Teachers	School	Police and/or Fire	Participating Local Employers	Other (Judges etc)	Corporate	Industry	DB	Cash Balance	DB/ Cash Balance	Drop	DC	Hybrid DB/ DC	Administer Retiree Healthcare	Tax deferred savings plans	Home Mortgages	Loans to Members	Investments are part of this organization
United States																							
Arizona SRS	224	89	194	Y		Y	Y		Y	Y			Y				Y	Y					Y
CalPERS	823	455	264	Y		Y	Y	Y	Y			Y						Y					Y
CalSTRS	456	216	142			Y						Y	Y						Y	Y			Y
Colorado PERA	217	78	138	Y		Y	Y		Y	Y					Y			Y	Y		Y		Y
Illinois MRF	178	87	113			Y	Y	Y				Y											Y
Indiana PERF	156	84	300	Y		Y	Y	Y	Y			Y					Y						Y
Iowa PERS	165	85	62	Y		Y	Y	Y	Y	Y		Y											Y
KPERS	151	66	41	Y		Y	Y	Y	Y	Y		Y											Y
Michigan ORS	329	213	22	Y		Y	Y	Y		Y				Y				Y					
North Carolina RS	488	209	76	Y		Y	Y	Y	Y	Y		Y											
NYSLRS	552	350	111	Y		Y	Y	Y	Y			Y									Y		Y
Ohio PERS	382	160	365	Y		Y		Y	Y			Y	Y				Y	Y					Y
Oregon PERS	172	115	44	Y		Y	Y	Y	Y	Y			Y				Y	Y	Y				Y
Pennsylvania PSERS	263	162	94	Y		Y	Y					Y						Y					Y
Pennsylvania SERS	111	107	5	Y		Y	Y	Y		Y								Y					Y
South Carolina RS	236	115	141	Y		Y	Y	Y	Y	Y		Y		Y	Y								
STRS Ohio	206	146	126			Y						Y			Y	Y		Y					Y
Virginia RS	339	131	113	Y		Y	Y	Y	Y	Y		Y											Y
Washington State DRS	297	123	177	Y		Y	Y	Y	Y	Y		Y					Y		Y				
Wisconsin DETF	260	140	134	Y		Y	Y	Y	Y	Y			Y					Y	Y				
Connecticut Teachers	54	28	9			Y						Y						Y					
Delaware PERS	43	22	1	Y		Y	Y	Y	Y	Y		Y											
ERS of Rhode Island	36	23	7	Y		Y	Y	Y	Y	Y		Y											
Idaho PERS	66	30	23	Y		Y	Y	Y	Y	Y							Y		Y				Y
Indiana State TRF	73	42	38			Y											Y	Y					Y
LACERA	89	51	7		Y							Y						Y		Y			Y
Michigan MERS	38	23	6					Y	Y	Y		Y											Y
Minnesota Teachers	78	47	36			Y						Y											
MOSERS	55	29	16	Y		Y	Y	Y		Y		Y											Y
Nevada PERS	104	36	11	Y		Y	Y	Y		Y		Y											Y
New Hampshire RS	56	22	2	Y		Y	Y	Y	Y			Y											Y
NYC TRS	111	69	11		Y	Y	Y					Y					Y						Y
Ohio SERS	123	63	93			Y						Y											Y
Oklahoma PERS	45	24	4	Y					Y	Y		Y											Y
San Bernardino County	19	8	3					Y				Y					Y						Y
South Dakota RS	37	19	14	Y		Y	Y	Y	Y	Y		Y											
Texas County and	125	33	30					Y	Y	Y			Y										Y
Texas MRS	102	33	25					Y					Y										Y
TRS Louisiana	90	60	16			Y						Y			Y	Y							Y

Participant Profiles

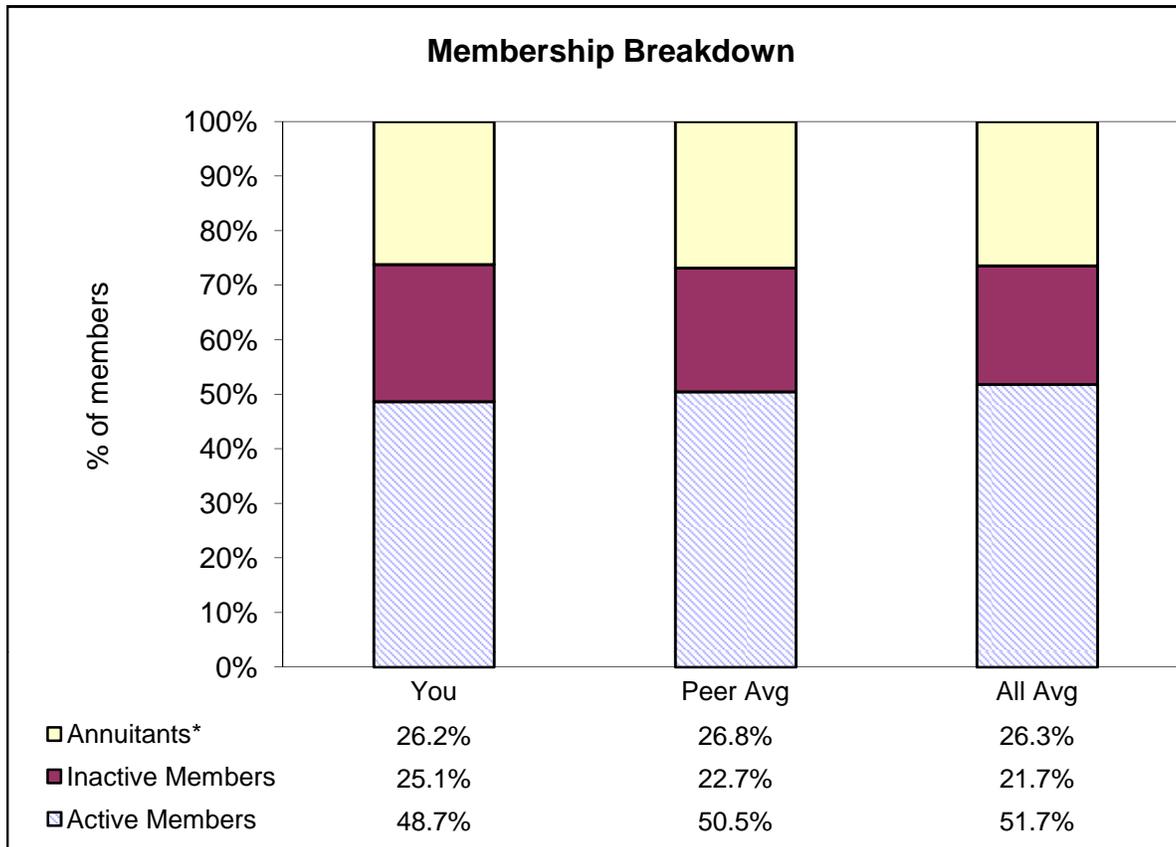
Participant	Membership			Member Groups							Plan Types					Optional Benefits									
	Active Members	Annuitants	Inactive Members	State/ Country	City or County	Teachers	School	Police and/or Fire	Participating Local	Other (Judges etc)	Corporate	Industry	DB	Cash Balance	DB/ Cash Balance	Drop	DC	Hybrid DB/DC	Administer	Retiree Healthcare	Tax deferred savings plans	Home Mortgages	Loans to Members	Investments are part of this organization	
Canada																									
APA	177	64	30	Y		Y	Y	Y	Y			Y													
BC Pension Corporation	259	111	56	Y	Y	Y	Y	Y	Y			Y	Y												
Canada Post	64	13	0	Y						Y		Y													
Defence Canada	72	108	0						Y			Y													
HOOPP	157	63	13	Y				Y			Y	Y													Y
Hydro Quebec	23	12	1	Y	Y							Y						Y	Y						Y
LAPP	123	38	19			Y	Y	Y				Y													
Nova Scotia Pension	29	24	7	Y	Y	Y	Y	Y	Y			Y													Y
OMERS	242	103	35			Y	Y	Y	Y	Y		Y													Y
Ontario Teachers	170	108	75	Y	Y	Y						Y													Y
OPTrust	53	23	3	Y								Y													Y
PWGSC	283	222	5					Y				Y													
RCMP	20	14	0	Y			Y	Y	Y			Y						Y							
Australia																									
Australia Post	39	0	10							Y	Y						Y								Y
ComSuper Military	54	64	66	Y					Y	Y	Y							Y							
ComSuper Public	164	130	110	Y	Y	Y	Y	Y	Y			Y	Y					Y							
ESSSuper	59	51	39	Y	Y	Y	Y		Y	Y	Y	Y	Y											Y	
Health Super DB	6	4	3	Y								Y		Y			Y								Y
Pillar DB	81	51	16	Y								Y	Y												
QSuper DB	90	2	46	Y								Y						Y							
RBF Tasmania DB	12	8	19	Y			Y					Y						Y							Y
Super SA DB	11	15	4	Y	Y	Y					Y	Y					Y	Y							
Unisuper DB	59	5	0									Y	Y				Y	Y							Y
The Netherlands																									
ABP	1112	644	848	Y	Y	Y	Y	Y	Y	Y	Y	Y													Y
BPF Bouw	269	219	463	Y								Y	Y	Y											Y
Bpf Landbouw	91	53	522	Y								Y	Y												Y
BPF Metalektro	156	141	344	Y								Y	Y												
BPF Schoonmaak	113	16	450	Y								Y	Y												Y
Pensioenfonds Metaal en Techniek	418	151	607	Y								Y	Y					Y							Y
Pensioenfonds voor de Grafische Bedrijven	44	35	187	Y								Y	Y												Y
PF Horeca en Catering	216	23	546	Y				Y				Y	Y												Y
PGGM	1127	203	704									Y	Y												Y
Rabobank	45	10	34	Y				Y	Y	Y	Y	Y													Y
SSPF SPN	12	20	7									Y	Y												
Stichting Algemeen Pensioenfonds KLM	16	9	8									Y	Y												Y
Stichting Pensioenfonds Medisch Specialisten	7	5	1									Y	Y												Y
Stichting Pensioenfonds voor Huisartsen	8	5	2									Y	Y												Y
Denmark																									
Pension Danmark	374	19	151	Y								Y						Y							Y

Your Total Membership (Active Members & Annuitants) of 400,000 is above the peer median of 375,550.



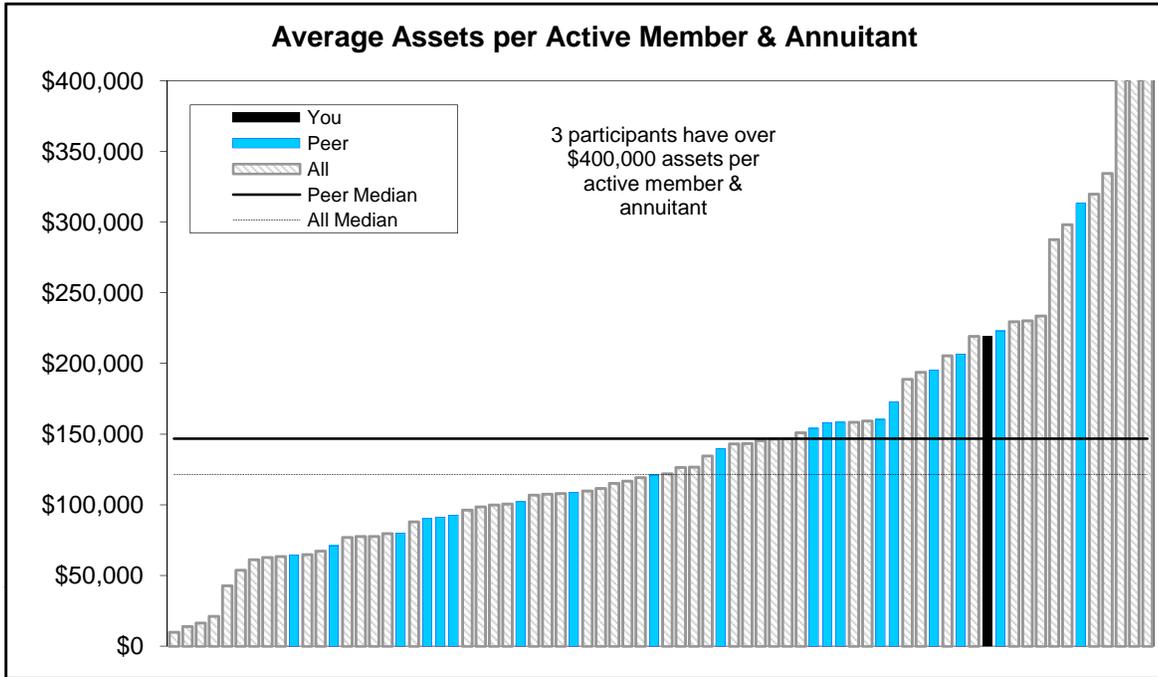
Inactive members are excluded from the Total Membership when selecting your peers because they are much less costly to administer than either active members or annuitants. Inactive members are also excluded from the denominator when determining Total Cost per Member. The impact of excluding inactive members is discussed in detail in section 3 Total Costs.

Comparison of Membership Mix

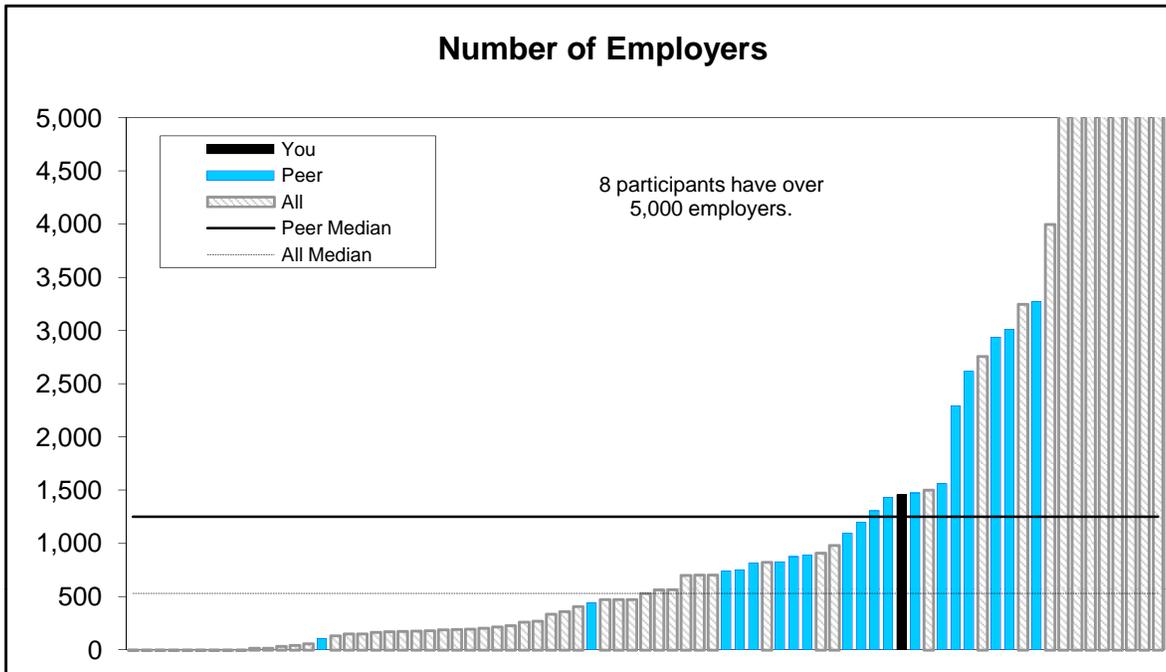


*Your membership mix has a large impact on the work you do and your costs. This impact is discussed in Section 3 Total Costs.

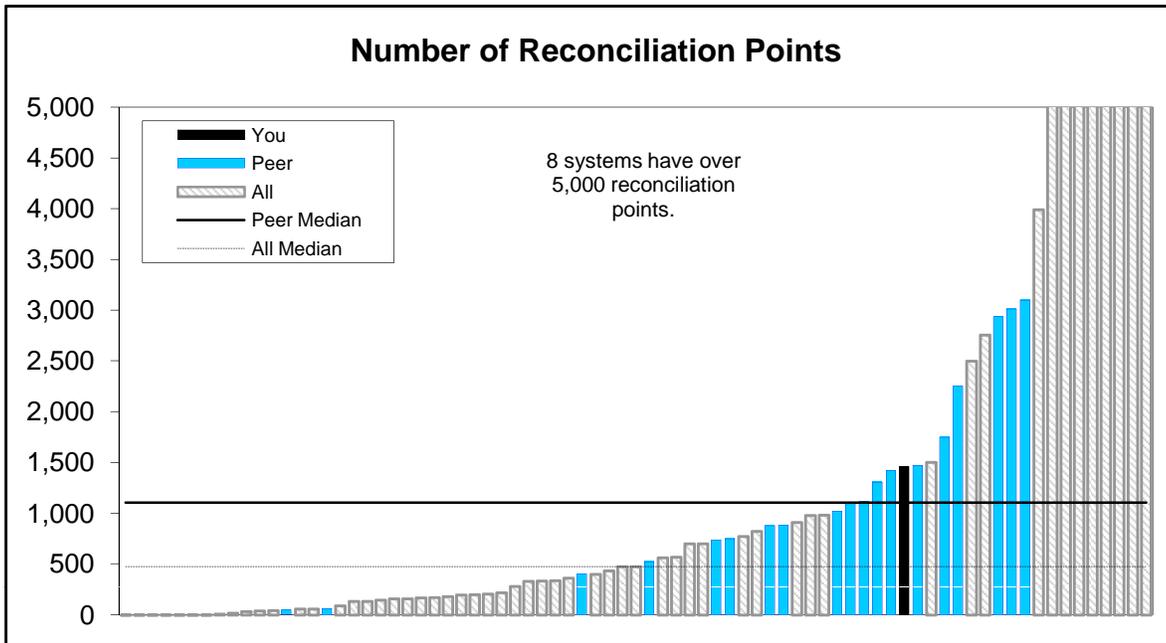
Your Average Assets per Active Member & Annuitant of \$219,500 is above the peer median of \$146,906.



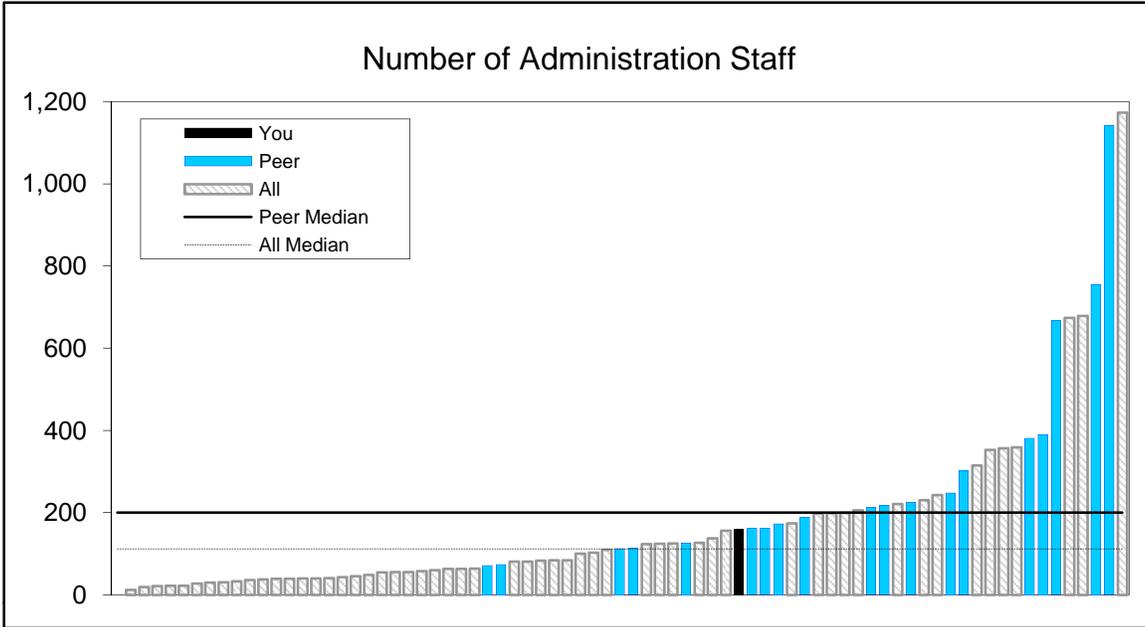
You have 1,456 employers. This is above the peer median of 1,251.



Your system reconciles money issues with 1,456 reconciliation points. This is above the peer median of 1,105.

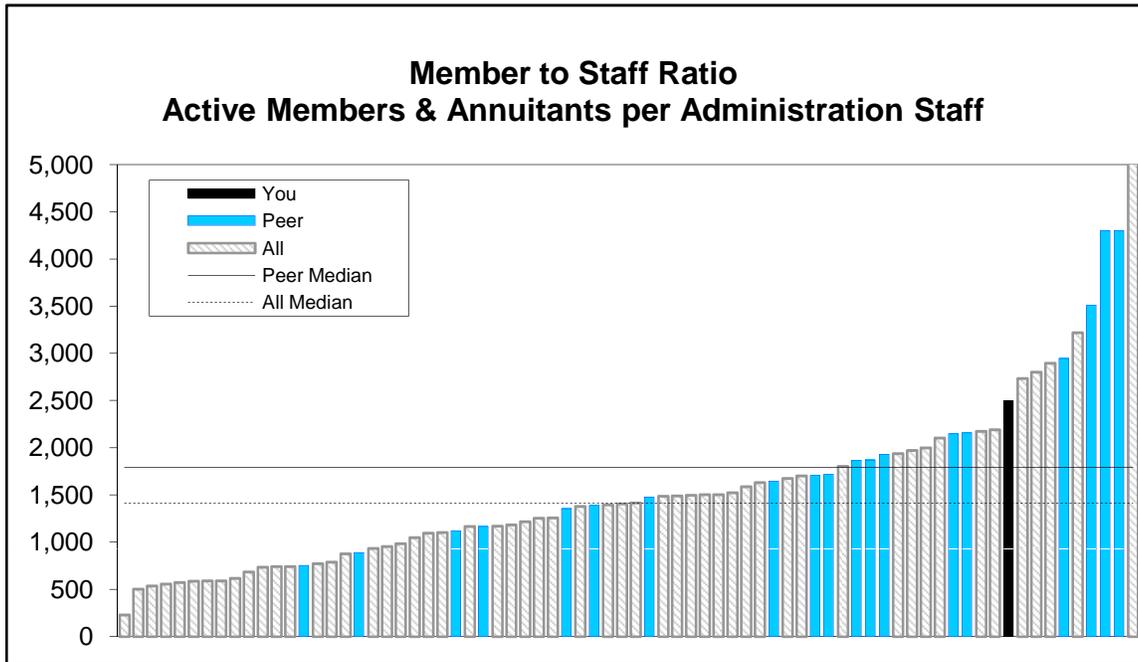


You have 160 administration staff. This is below the peer median of 200.



Your Administration Staff	You
Q13 a) Pension plan administration?	160
Total Administration Staff	160

Member to Staff Ratio: You administer 2,495 Active Members & Annuitants per full-time equivalent (FTE) staff. This is above the peer median of 1,790.



Activity Volume to Activity Staff Ratios

Calculation and Comparisons of Your Activity Volume to Staff Ratios							
Activity	Your FTE* (A)	Your Activity Volumes (B)	Activity Volume to Staff Ratios				
			You (B ÷ A)	Peer Median	All Median	Peer Avg	
1 Paying Pensions	3.5	140,000 Annuitants	39,548	13,634	10,667	19,963	
2 Pension Inceptions	14.3	10,115 New Payee Inceptions	705	615	432	666	
3 Benefit Estimates	16.3	17,769 Written Estimates	1,091	1,386	1,375	2,619	
4A 1-on-1 Counseling	10.2	7,284 Members Counseled 1-on-1	711	1,175	1,175	1,301	
4B Group Counseling	1.3	1,192 Members Counseled in Groups	910	1,095	935	1,079	
5 Member Contacts	20.6	181,929 Calls, Emails and Letters	8,832	11,608	11,093	12,842	
6 Mass Communication	5.6	260,000 Active Members	46,429	37,018	21,250	49,756	
7A Data from Employers	6.3	260,000 Active Members	41,534	19,910	12,017	24,822	
7B Data Not from Employers	6.4	400,000 Active Members & Annuitants	62,598	84,023	45,000	129,162	
7C Billing and Inspection	0.1	1,456 Employers	11,200	857	689	3,665	
7D Service to Employers	7.6	1,456 Employers	191	227	185	328	
8 Refunds & Transfers-out	5.0	8,836 Refunds and Transfers-Out	1,781	2,723	1,307	3,637	
9 Purchases and Transfers-in	3.1	1,000 Purchases & Transfers-in	325	388	453	643	
10 Disability	9.3	1,971 Disability Applications	212	181	83	253	
11A Board of Directors	3.5	400,000 Active Members & Annuitants	114,286	175,450	86,051	305,326	
11B Financial Control	2.2	400,000 Active Members & Annuitants	179,372	38,967	31,055	65,220	
11C Board Consulting	0.0	400,000 Active Members & Annuitants	n/a	278,193	143,750	902,005	
11D Marketing, PR	0.3	400,000 Active Members & Annuitants	1,333,333	307,836	289,304	1,014,054	
12A Rules Interpretation	1.0	260,000 Active Members	260,000	98,563	46,923	132,733	
12B Design, New Rules	0.8	260,000 Active Members	320,988	152,796	80,351	616,694	
12C Influencing Change	0.0	260,000 Active Members	n/a	152,858	102,334	318,736	
13 Major Projects	14.9	400,000 Active Members & Annuitants	26,936	34,335	25,982	113,422	
Indirect FTE	28.2						
TOTAL - Average	160.3	400,000 Active Members & Annuitants	2,495			2,036	
TOTAL - Median			2,495			1,790	

* FTE = Full-time equivalent staff. Your FTE Staff by Activity includes both direct staff, management and attributed support staff.

TOTAL COSTS

This section addresses the following four key questions:

- Are your Total Costs higher or lower than your peers?
- How have your Total Costs changed over time?
- Where are you spending more or less? Why?
- Are your Total Costs reasonable?

Your Total Pension Administration Cost per the survey was \$21.1 million.

Your Pension Administration Costs by Activity Wisconsin DETF	
Activity	Cost in \$000s
1 Paying Annuity Pensions	553
2 Annuity Pension Inceptions (non-disability)	1,284
3 Pension Benefit Estimates	1,477
4A 1-on-1 Member Counseling	942
4B Group Retirement Counseling	119
5 Member Contacts: Calls, Emails, Letters	1,606
6 Mass Communication to Members and Annuitants	950
7A Data and Money from Employers	780
7B Data Not from Employers	763
7C Billing and Inspection of Employers	17
7D Service to Employers	1,094
8 Refunds, Transfers-out, Terminating Payments	456
9 Purchases and Transfers-in	310
10 Disability	3,552
11A Board of Directors	1,374
11B Financial Administration and Control	304
11C Board Consulting/ Strategic Projects	0
11D Marketing, PR	55
12A Rules Interpretation	172
12B Design, New Rules	141
12C Lobbying, Educating, Influencing Change	0
13 Major Projects	5,166
Total Pension Administration Cost	\$21,113

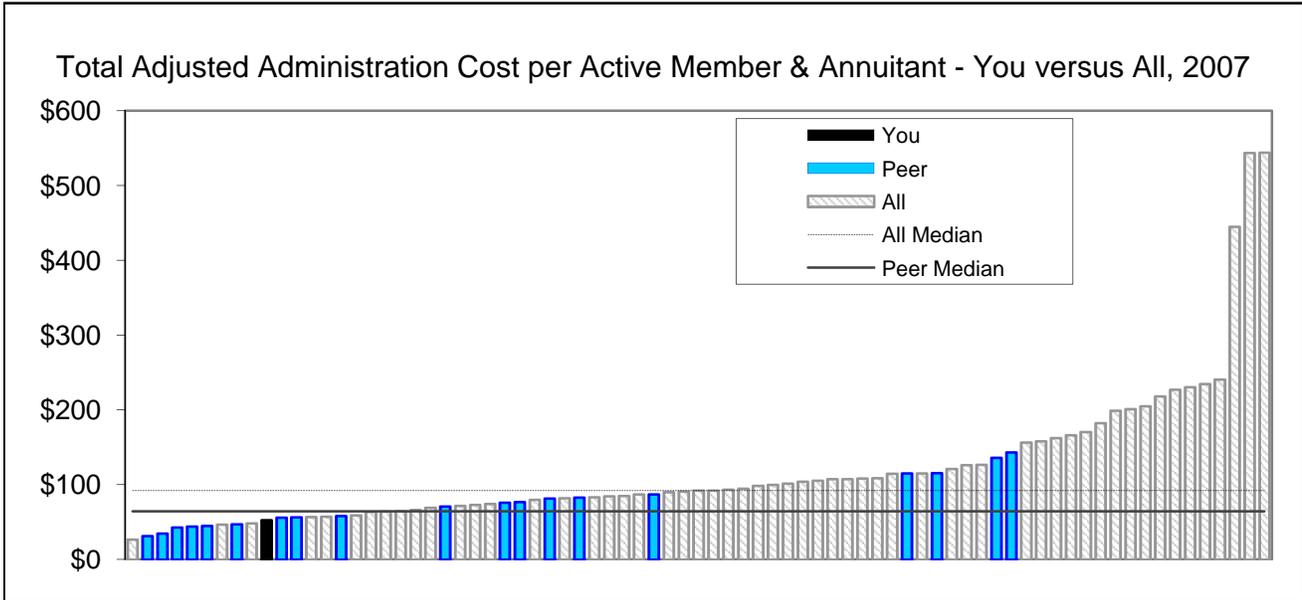
We make an adjustment to your total costs before comparing them to other participants. We use a multi-year average cost for Major Projects.

Calculation of Your Total Adjusted Administration Cost (i.e. the costs compared in this report)		
	\$000s	\$s per Active Member & Annuitant
Start with: Total Pension Administration Cost per the survey	\$21,113	\$52.8
<i>Subtract:</i> Cost of activity 13 Major Projects	-\$5,166	-\$12.9
<i>Add:</i> 1-year average Major Projects cost	\$5,166	\$12.9
Equals: Total Adjusted Administration Cost	\$21,113	\$52.8

Why do we make this adjustment?

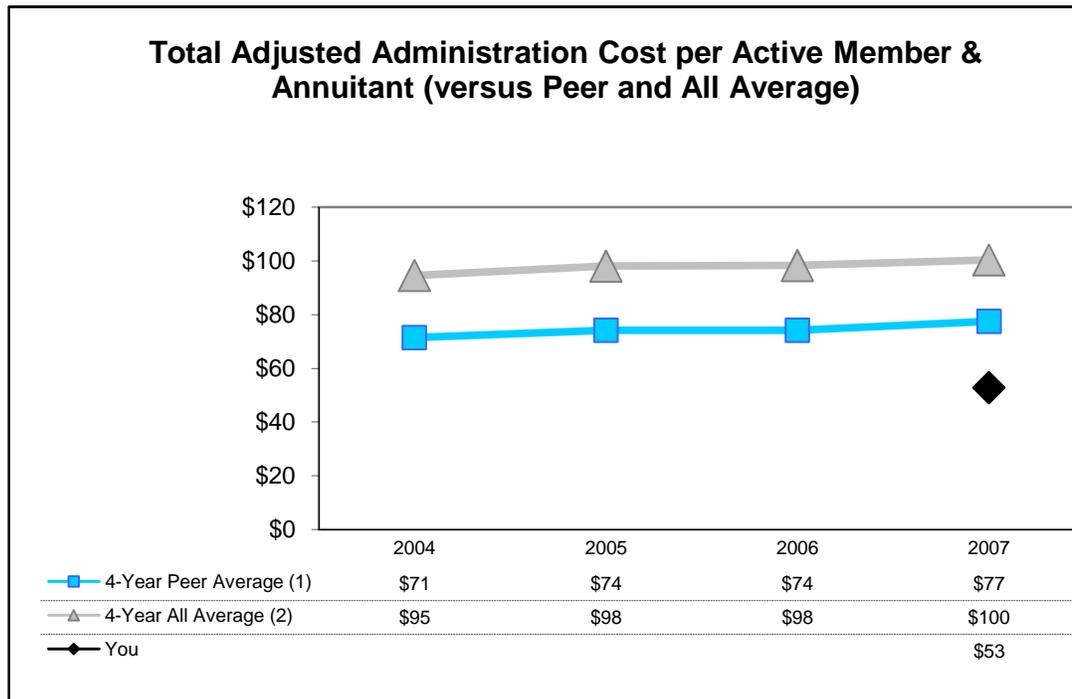
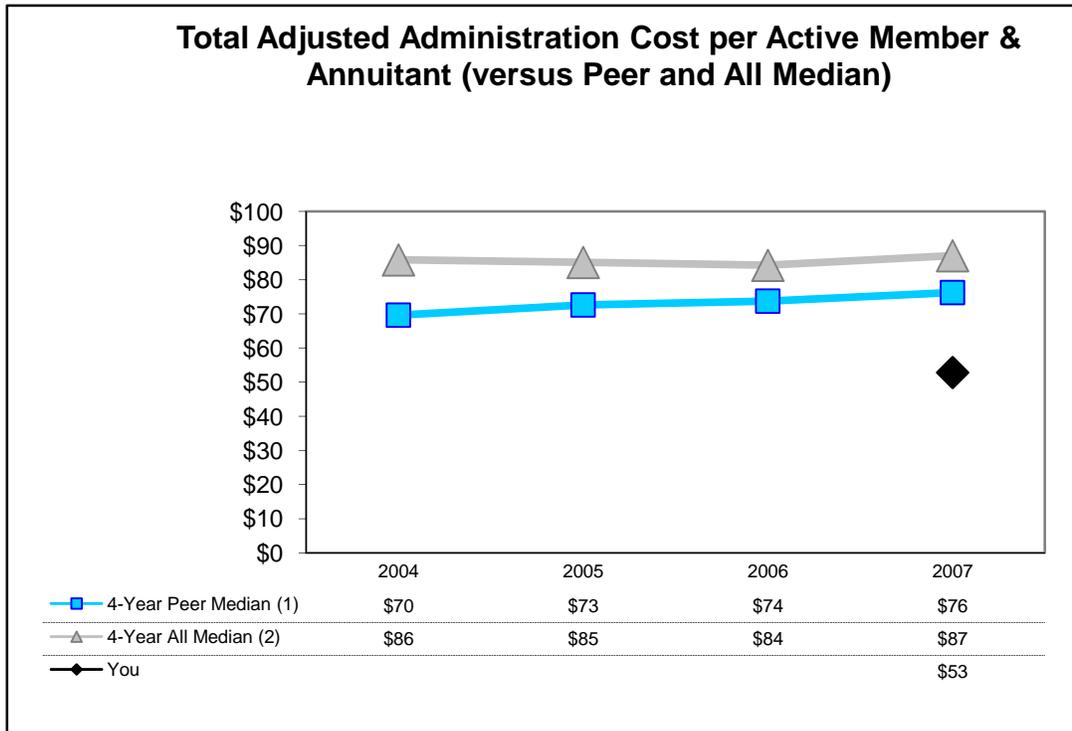
The cost for Activity 13 Major Projects can be very volatile, i.e., high one year and low the next. Therefore, we use a multi-year average cost instead of a single year cost because it provides a better estimate of the ongoing long-term amount. Your multi-year average was based on 1-year of data. Specifically: 2007: \$5,166,200.

Your Total Adjusted Administration Cost was \$53 per Active Member & Annuitant. This was below the peer median of \$65.



Foreign Currency Conversion: All currency amounts have been converted to USDs using Purchasing Power Parity figures as per the OECD. Appendix B shows the detailed currency conversions.

Your cost history



- (1) 4-Year Peers are participants in your peer group who have participated for 4 consecutive years (15 of your 20 peers).
 (2) 4-Year All is comprised of participants who have participated for 4 consecutive years or more (38 of the 77 participants).

Foreign Currency Conversion: All foreign currency amounts have been converted to USDs using Purchasing Power Parity figures as per the OECD. Appendix B shows the detailed currency conversions.

Detailed comparisons of spending by Category and Activity.

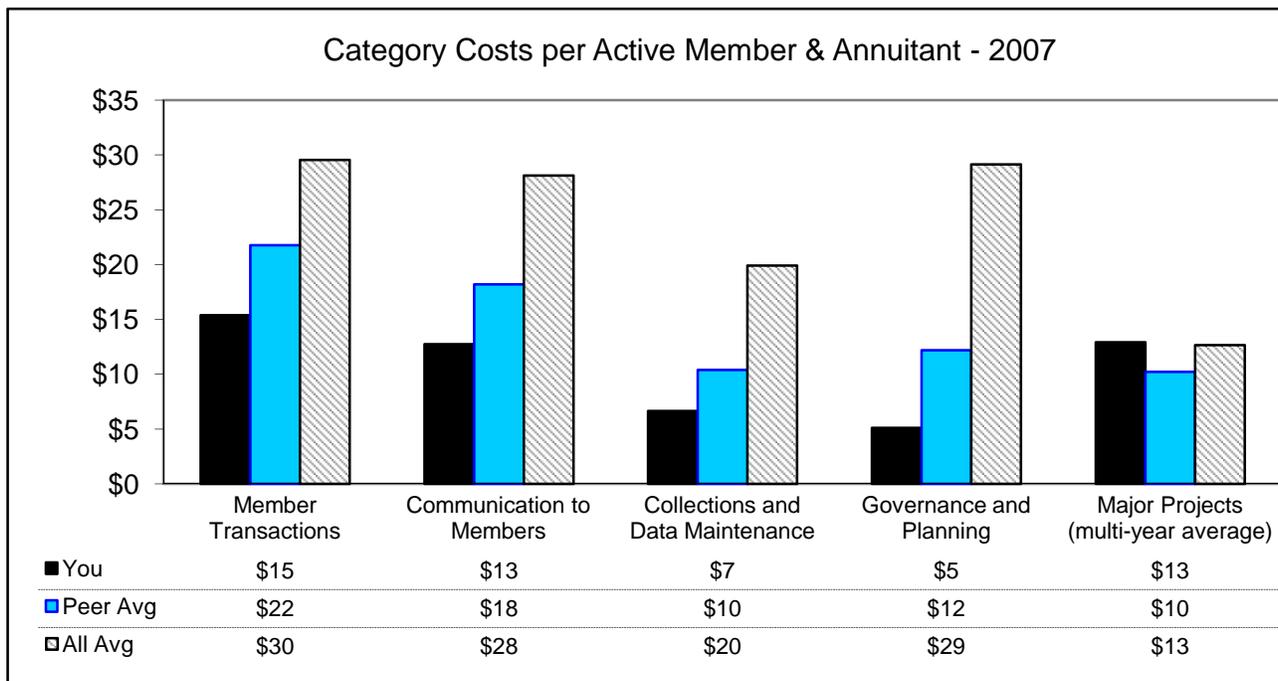
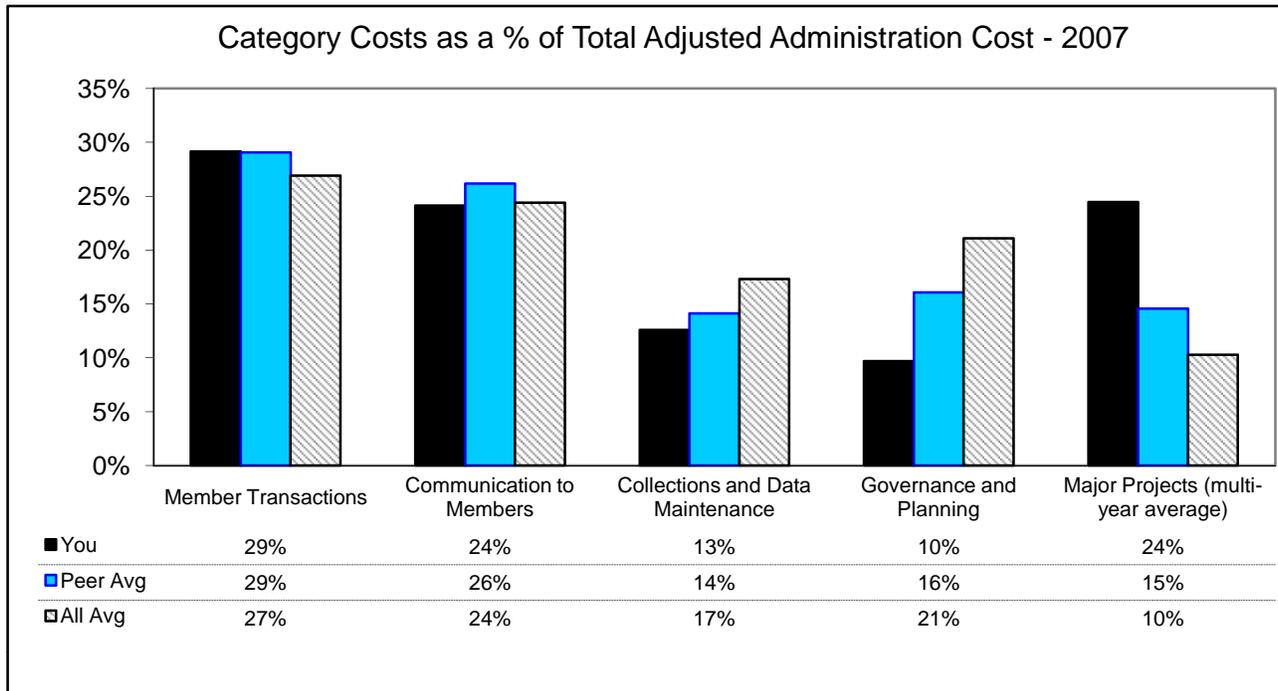
Adjusted Administration Costs by Category and Activity						
Activities and Summary Categories	% of Total Cost			\$Cost per Active Member & Annuitant*		
	You	Peer Avg	All Avg	You	Peer Avg	All Avg
<u>Member Transactions</u>						
1 Paying Pensions	2.6%	5.8%	5.6%	1.38	4.17	6.01
2 Pension Inceptions	6.1%	8.9%	7.9%	3.21	7.13	8.28
8 Refunds & Transfers-out	2.2%	3.2%	4.6%	1.14	2.44	5.42
9 Purchases and Transfers-in	1.5%	4.3%	4.3%	0.77	3.19	4.50
10 Disability	16.8%	6.9%	4.3%	8.88	4.84	4.86
	29.1%	29.1%	26.9%	15.38	21.78	\$29.53**
<u>Communication to Members</u>						
3 Benefit Estimates	7.0%	4.3%	3.9%	3.69	2.98	4.92
4A 1-on-1 Counseling	4.5%	4.1%	2.8%	2.35	2.91	3.73
4B Group Counseling	0.6%	0.7%	0.6%	0.30	0.51	0.75
5 Member Contacts	7.6%	11.2%	10.3%	4.02	7.69	10.66
6 Mass Communication	4.5%	5.8%	6.8%	2.37	4.11	8.06
	24.1%	26.2%	24.4%	12.73	18.20	28.12
<u>Collections and Data Maintenance</u>						
7A Data from Employers	3.7%	6.8%	9.2%	1.95	5.03	10.28
7B Data Not from Employers	3.6%	2.5%	3.1%	1.91	1.81	4.82
7C Billing and Inspection	0.1%	1.2%	1.6%	0.04	0.88	1.63
7D Service to Employers	5.2%	3.7%	3.4%	2.73	2.66	3.18
	12.6%	14.1%	17.3%	6.64	10.38	19.92
<u>Governance and Planning</u>						
11A Board of Directors	6.5%	1.9%	3.8%	3.43	1.27	5.94
11B Financial Control	1.4%	7.5%	8.3%	0.76	5.40	10.63
11C Board Consulting	0.0%	1.7%	2.5%	0.00	1.55	3.76
11D Marketing, PR	0.3%	0.7%	0.8%	0.14	0.68	1.07
12A Rules Interpretation	0.8%	2.3%	2.6%	0.43	1.70	3.13
12B Design, New Rules	0.7%	1.2%	1.7%	0.35	0.93	2.26
12C Influencing Change	0.0%	0.8%	1.1%	n/a	0.67	1.38
	9.7%	16.1%	21.1%	5.11	12.20	\$29.14**
<u>Major Projects</u>						
13 Major Projects (multi-year average)	24.5%	14.6%	10.3%	12.92	10.21	12.65
Total Adjusted Administration Cost - Avg	100%	100%	100%	\$52.78	\$72.77	\$119.35
Total Adjusted Administration Cost - Median				\$64.64	\$92.20	

* The denominator used in this section, i.e. Active Members & Annuitants, is different from that used in the Activity Costs section. In this section we focus on why your total cost per member is different from your peers, whereas the Activity Costs section focuses on why your total cost per key cost driver (such as 'cost per member counseled' for Counseling) is different.

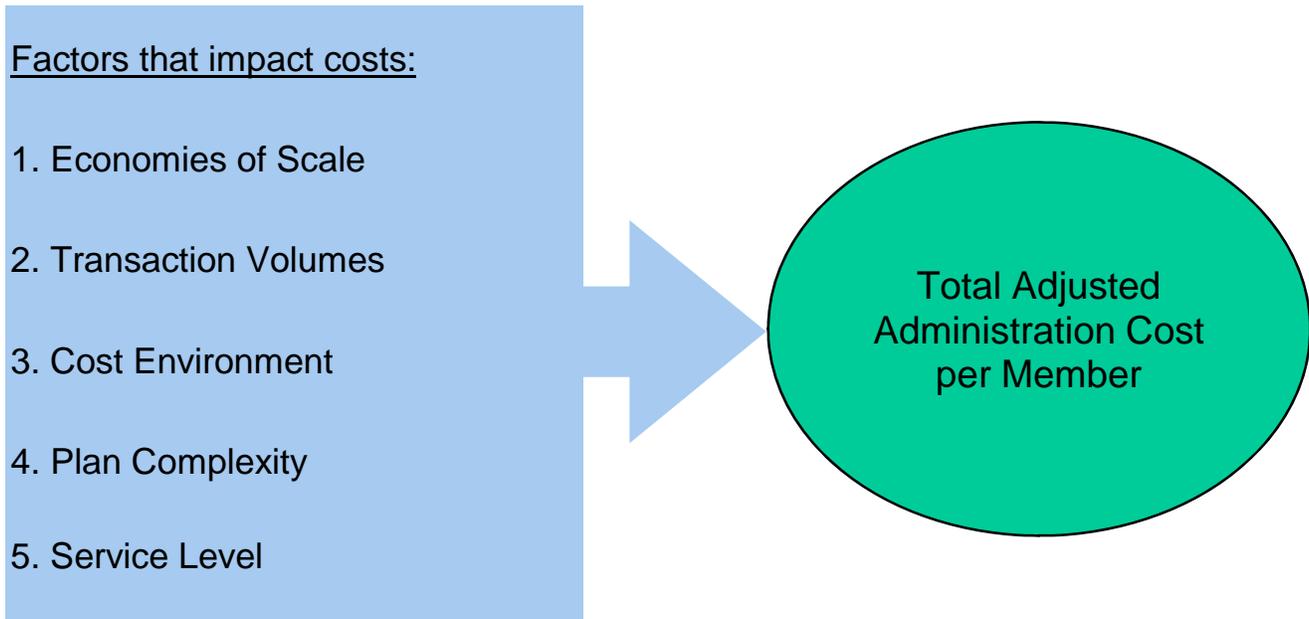
** The totals for "Member Transactions" and "Governance and Planning" include costs for some activities that are specific to our Dutch clients. We do not show these activities in your report. Therefore the total All-Average category costs differ slightly from the sum of the activities indicated in these two categories. However, the difference is minor. For "Member Transactions", the additional cost is \$0.47 per active member and annuitant. For "Governance and Planning", the additional cost is \$0.97 per active member and annuitant.

Graphical comparisons of spending by category.

(Depicting data from the previous page)



We measure and compare 5 factors that impact costs.



1. Economies of Scale

Are you benefiting from Economies of Scale? All else being equal, higher Volume relative to your peers allows you to spread your costs over a larger base and benefit from lower per unit costs.

2. Transaction Volumes

The Transaction Volume Score equals the sum of your Activity transaction volumes multiplied by our estimate of the average cost for each type of transaction. Examples of transaction types include 1-on-1 counseling sessions, pension estimates, pension inceptions and responding to member calls. Refer to Section 6 Transaction Volume Score for details.

3. Cost Environment

The more expensive the location you are in, the higher your costs.

4. Plan Complexity

How complex are your rules and regulations? All else being equal, the higher your Complexity relative to your peers, the higher your costs. For more details, see Section 7 - Plan Complexity.

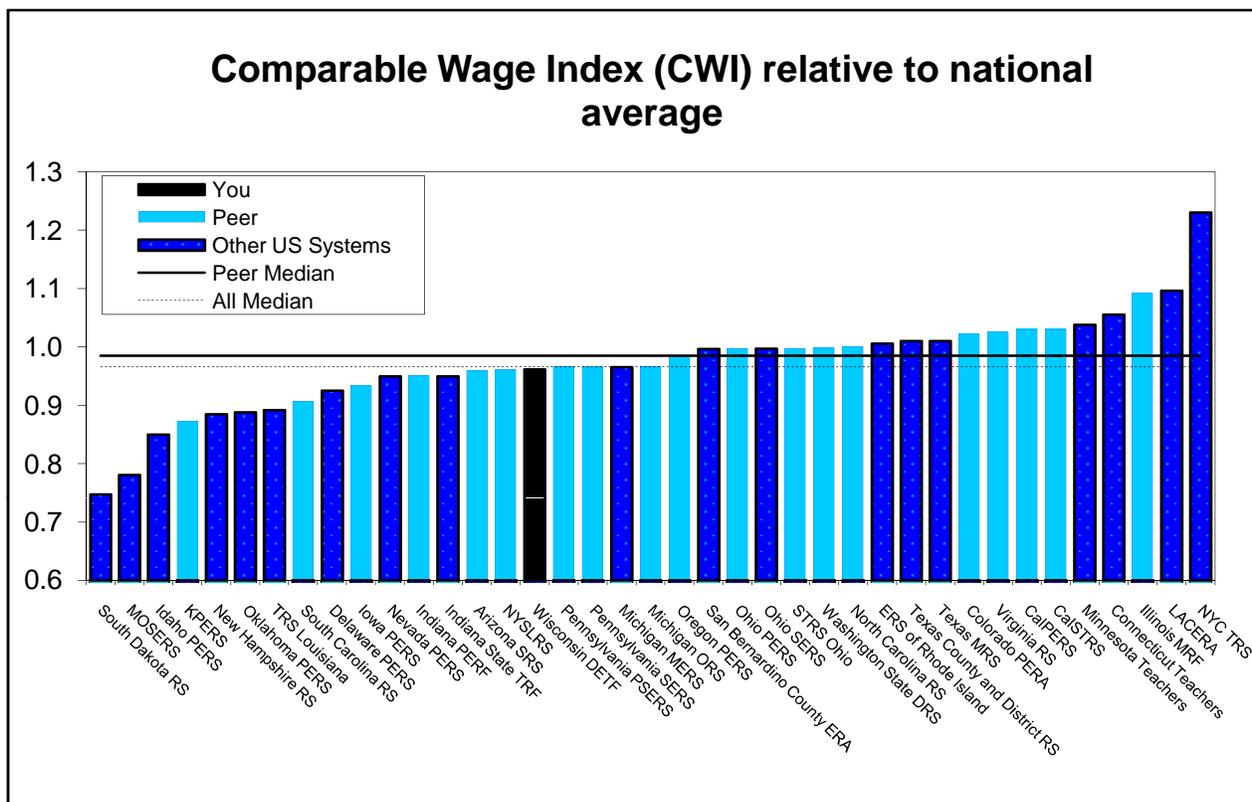
5. Service Level

How well do you service your members in terms of timeliness, availability, capability and quality? All else being equal, the higher your Service Score relative to your peers, the higher your costs. For more details, see Section 5 - Service Levels.

Each of the 5 cost factors above can affect your total costs. This is especially true for outlier participants. For example, a participant with an extremely high service score will be impacted more by Service Levels than a participant with average service. Similarly, participants with the lowest volumes are more impacted by their scale disadvantage.

Your cost environment is 2.4% less expensive than the peer median.

There is a 48.3% difference in comparable salaries between NYC TRS, situated in the highest cost environment, and South Dakota RS, situated in the lowest cost environment.



CWI is based on the wages of college-educated workers within a given geographical area. It is normalized at 1 to be the national average. Source: "A Comparable Wage Approach to Geographic Cost Adjustment", National Center for Education Statistics. Latest available data is for 2004.

How you compare on the 5 cost factors that we measure.

Cost Factor	Measure	You	Peer Median	Cost Impact (You vs Peer)
1. Economies of Scale	Total Active Members & Annuitants	400,000	375,550	Neutral
2. Transaction Volumes	Total Transaction Volume Score	78	95	Decreasing
3. Cost Environment	Comparable Wage Index (CWI)**	0.96	0.98	Neutral
4. Plan Complexity	Total Relative Complexity	61	55	Increasing
5. Service Level	Total Service Score	60	73	Decreasing

*** CWI is based on the wages of college-educated workers within a given geographical area. It is normalized at 1 to be the national average. Source: "A Comparable Wage Approach to Geographic Cost Adjustment", National Center for Education Statistics. Latest available data is for 2004.*

How well do the various Cost Factors predict cost?

Regression Results								
Independent Variables	USD Participant Data				All Participant Data			
	#	coefficient	t statistic ¹	r-squared ^{2,3}	#	coefficient	t statistic ¹	r-squared ^{2,3}
<u>Single Variable</u>								
Total Transaction Volume Score	40	1.4	5.0	40%	86	1.8	14.4	71%
Total Service Score	40	0.2	0.2	0%	86	-1.9	-1.9	4%
Total Relative Complexity	40	1.0	2.2	11%	86	-1.3	-2.7	8%
Total Volume: Log 10 of Active Members & Annuitants	40	-40.0	-1.9	8%	86	-109.5	-6.6	34%
Cost Environment	40	289.9	3.0	20%	86	332.9	2.0	5%
<u>Adjusted Multiple Regression</u>								
• Cost Environment								
• Total Transaction Volume Score	40	1.0	3.5	51%	86	1.7	10.6	74%
• Total Volume: Log 10 of Active Members & Annuitants		-34.7	-1.9			-23.1	-1.7	

Preliminary analysis suggests that the three most important predictors of total costs are:

- Transaction Volume Score - The Transaction Volume Score summarizes your transaction volumes and types in one number. Not surprisingly, as your volume of transaction types increases, your Actual Costs also increase. It is a very powerful predictor of total actual costs.
- Economies of Scale - As Total Volume increases costs decrease due to economies of scale.
- Cost Environment - Costs increase in more expensive cost environments.

Service Scores are not a good predictor of cost. This is because many services, such as a pension estimate, require similar amounts of work regardless of whether it is delivered to a member in 1 day (i.e. high service) or in 1 month (i.e. lower service). It is also because there are no material service scores for the following high cost activities Collections and Data Maintenance, Governance and Financial Control, Plan Policy & Design and Major Projects.

Total Plan Complexity, by itself, is also not a good predictor of Total Cost for most plans. There are two reasons why this may occur. First, most defined benefit plans are already extremely complex, so incremental differences will not cause substantial cost differences. Second, the complexity for many systems is limited to a very small portion of their members, so the cost involved with managing their complexity is confined.

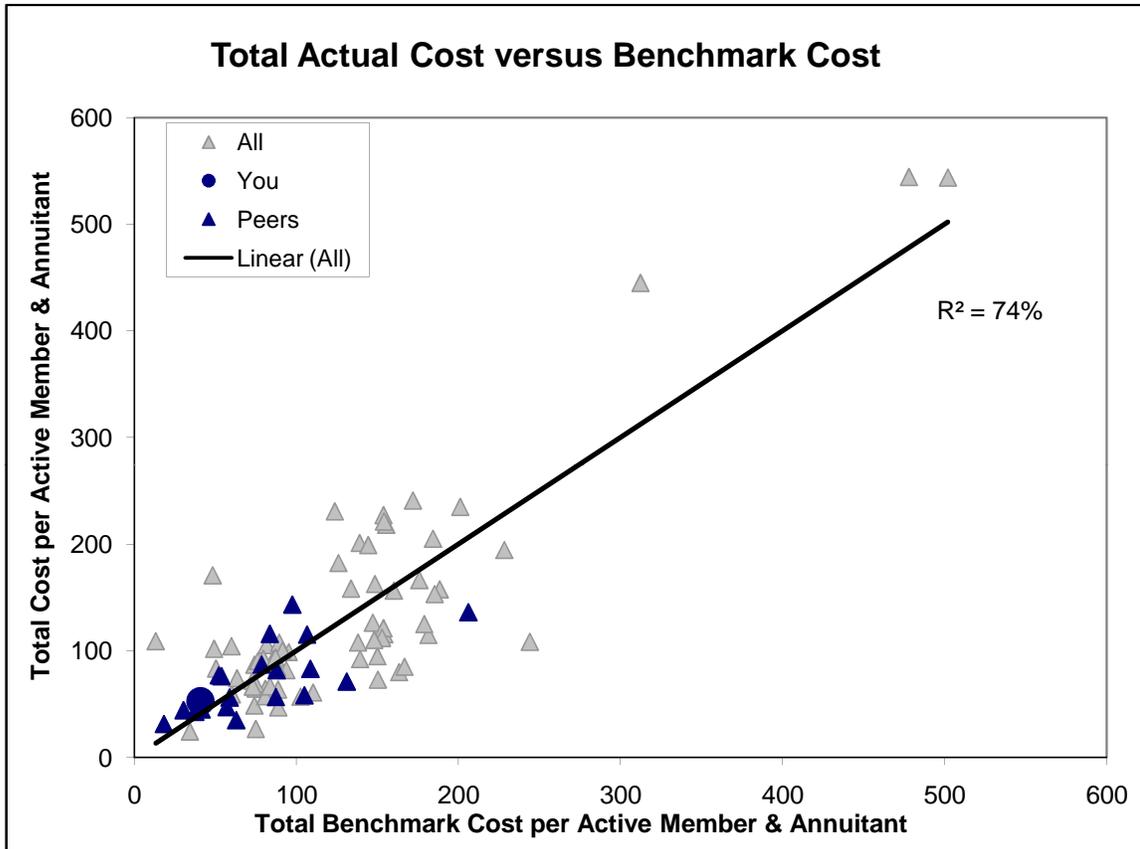
Based on observation rather than statistics, we find that each of these measures become more important at the extremes. The participants with the highest service, most complexity and lowest volume tend to be higher cost. At the other extreme, participants with the lowest service tend to be low cost.

Footnotes:

1. The 't' statistics indicate whether or not a variable is useful in predicting costs. Generally, a t-statistic with an absolute value greater than 1.8 (i.e. either less than -1.8 or greater than +1.8) indicates that the variable is significant.
2. The r-squared indicates the amount of differences in cost that a variable explains. The greater the r-squared the higher the explanatory power. For instance an R-squared of 36% means that 36% of differences in cost are explained by that variable alone.
3. One new Australian participant has been excluded from the regression analysis because their data requires further investigation.

Our best predictor of Total Cost is the regression equation that combines the measures for transaction volume, economies of scale and cost environment.

CEM research shows that costs increase when transaction volumes per member increase and when total membership volumes decrease.



Your Benchmark Cost, shown in the graph above, is based on the regression equation that uses the Transaction Volume Score and Total Volume measures. It is then adjusted for differences in the Cost Environment. In combination, these three measures are our best predictors of Total Cost. Together they explained 74% of differences in costs between world participants.

Benchmark Cost Analysis

Your Total Cost was higher than predicted given your Transaction Volume Score, total volumes and cost environment.

Benchmark Cost Analysis	
Cost per Active Member & Annuitant	
Actual Cost	\$53
Benchmark Cost	\$41
Difference	\$12

This suggests that your system is high cost. But this conclusion is only an indicator and must be interpreted very cautiously.

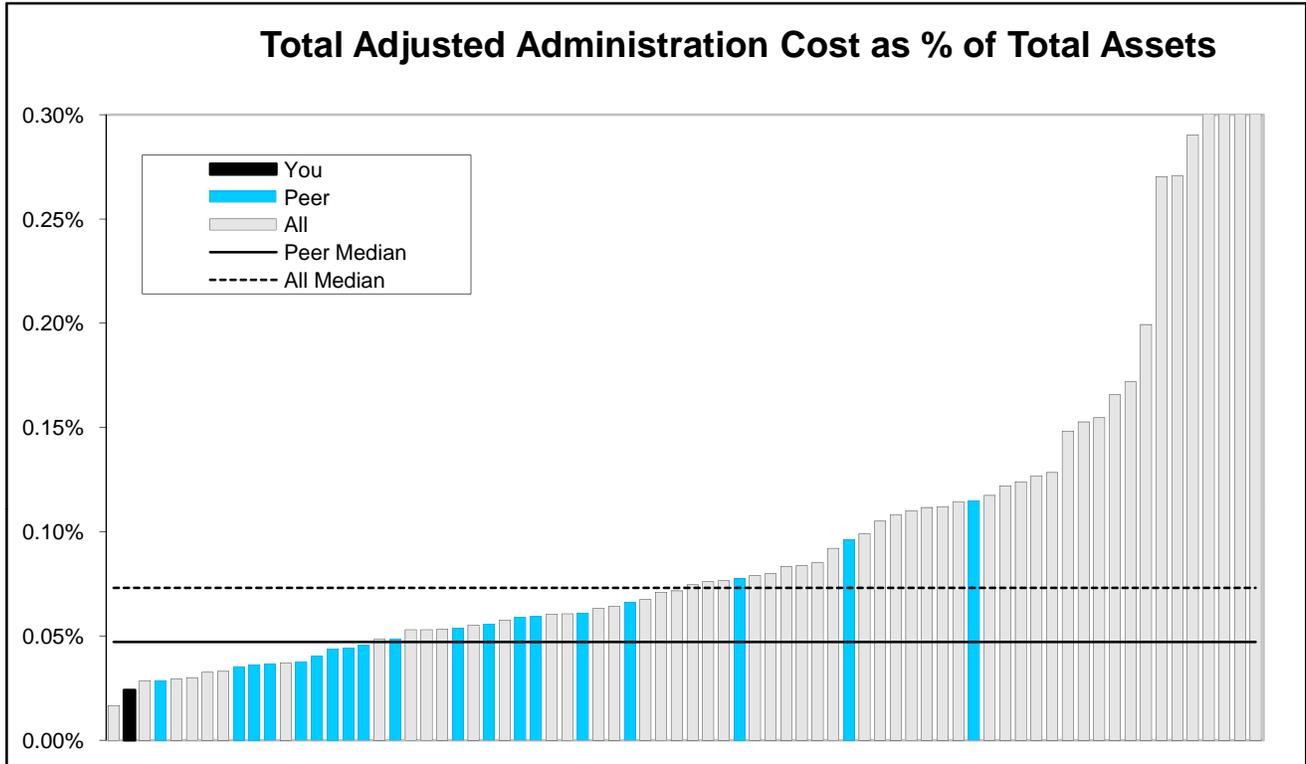
Primary reasons why your cost may differ from the benchmark cost are:

- Differences in the effectiveness of historic IT implementation
- Differences in Major Project costs, caused partly by differences in IT investment cycles.
- Extremes of complexity, service and transaction volumes that are not captured by the model.

Your Benchmark Cost, shown in the table above, is based on the regression equation that uses the Transaction Volume Score and Total Volume measures. It is then adjusted for differences in the Cost Environment. In combination, these three measures are our best predictors of Total Cost. Together they explained 74% of differences in costs between world participants.

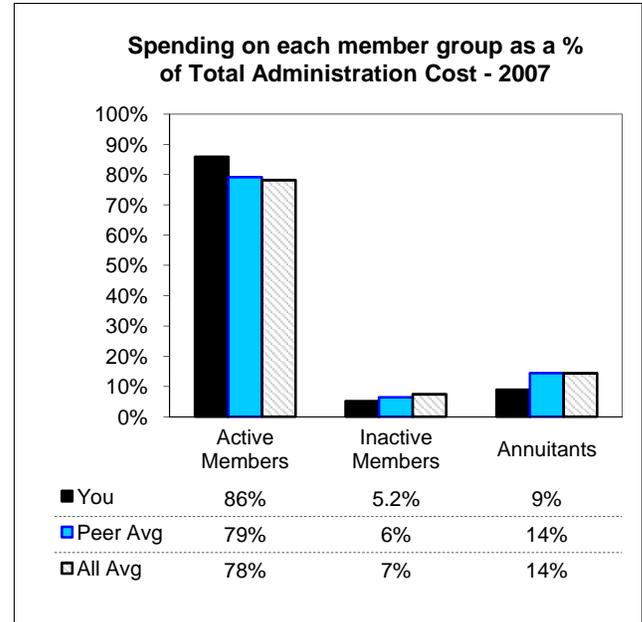
The Benchmark Cost equation is based on the most recent data from each of the 86 different systems that have participated during at least one of the past 4 years. The regression equation is: Benchmark Cost = $(39.98 + -23.08 \times \text{Log}_{10} \text{ of Total Volume} + 1.68 \times \text{Transaction Volume Score}) \times \text{Comparable Wage Index} / (0.98)$

Your Total Adjusted Administration Cost as a percentage of Total Assets was 0.02%. This was lower than the peer median of 0.05%.



Differences in membership mix and spending by member group impact your costs.

We determined the proportion of your total cost that you spend on each member group. The following pages show the detailed calculations of your costs for each member group, including comparisons to other participants.

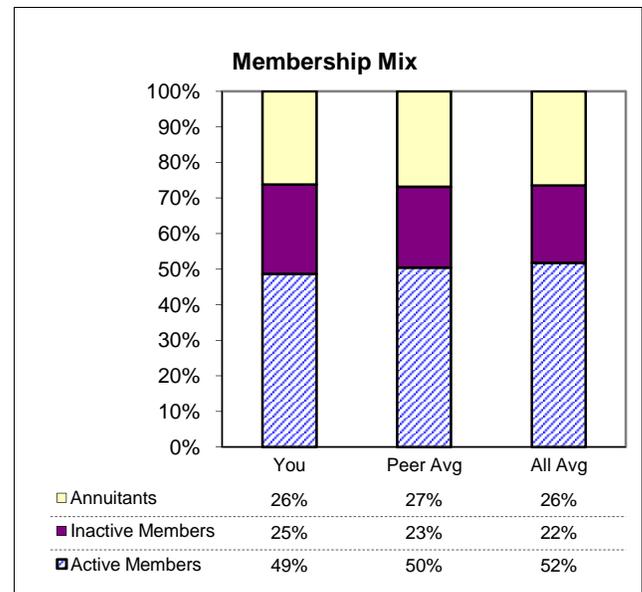


Why?

A primary reason why participants spend a higher or lower proportion of their total cost on different member groups is differences in their membership mix.

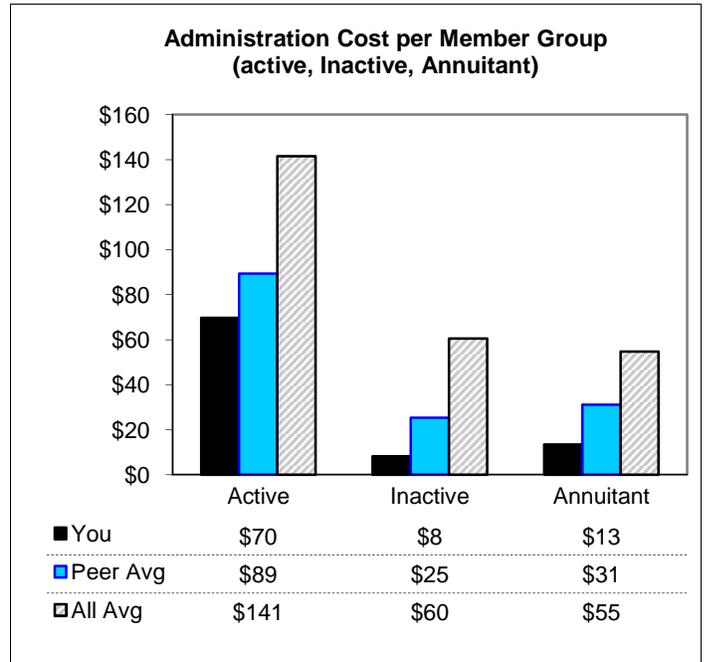
You have a higher proportion of inactive members and lower proportion of active members relative to the average of your peers.

Another reason why participants may spend more or less on different member groups is differences in the relative Transaction Types and Volumes for each member group (refer to Section 4 - Activity Costs & Volumes).



Cost per Member Group

The 'all average' cost per inactive is only \$60 versus \$55 per annuitant and \$141 per active member. Inactive Members are less costly to administer because they require few regular services such as collections, service data maintenance or pension payments. The calculation of your cost for each type of member is shown on the next page.



Calculation of your cost per member group.

Calculation of Your Cost per Member Group (i.e., active, Inactive and Annuitant)*							
Activities and Summary Categories	Total Activity Cost (A)	(%) Active (B)	(%) Inactive (C)	(%) Annuitant (D)	(\$ Active (A x B))	(\$ Inactive (A x C))	(\$ Annuitant (A x D))
<u>Member Transactions</u>							
1 Paying Pensions	\$552.9	0.0%	0.0%	100.0%	\$0	\$0	\$553
2 Pension Inceptions	\$1,283.6	77.0%	12.1%	10.9%	\$988	\$155	\$140
8 Refunds & Transfers-out	\$455.8	57.6%	42.4%	0.0%	\$263	\$193	\$0
9 Purchases and Transfers-in	\$309.6	100.0%	0.0%	0.0%	\$310	\$0	\$0
10 Disability	\$3,551.9	100.0%	0.0%	0.0%	\$3,552	\$0	\$0
	\$6,153.8				\$5,112	\$349	\$693
<u>Communication to Members</u>							
3 Benefit Estimates	\$1,477.0	92.7%	7.3%	0.0%	\$1,369	\$108	\$0
4A 1-on-1 Counseling	\$941.9	98.5%	1.5%	0.0%	\$927	\$15	\$0
4B Group Counseling	\$118.6	98.5%	1.5%	0.0%	\$117	\$2	\$0
5 Member Contacts	\$1,606.4	75.7%	3.9%	20.4%	\$1,216	\$63	\$327
6 Mass Communication	\$949.7	85.0%	5.8%	9.2%	\$807	\$55	\$87
	\$5,093.6				\$4,437	\$242	\$414
<u>Collections and Data Maintenance</u>							
7A Data from Employers	\$780.1	100.0%	0.0%	0.0%	\$780	\$0	\$0
7B Data Not from Employers	\$763.4	65.4%	16.9%	17.7%	\$499	\$129	\$135
7C Billing and Inspection	\$17.0	100.0%	0.0%	0.0%	\$17	\$0	\$0
7D Service to Employers	\$1,093.8	100.0%	0.0%	0.0%	\$1,094	\$0	\$0
	\$2,654.3				\$2,390	\$129	\$135
<u>Governance and Planning</u>							
11A Board of Directors	\$1,373.9	85.9%	5.2%	8.9%	\$1,180	\$71	\$123
11B Financial Control	\$303.7	85.9%	5.2%	8.9%	\$261	\$16	\$27
11C Board Consulting	\$0.0	n/a	n/a	n/a	n/a	n/a	n/a
11D Marketing, PR	\$54.5	85.9%	5.2%	8.9%	\$47	\$3	\$5
12A Rules Interpretation	\$171.9	85.9%	5.2%	8.9%	\$148	\$9	\$15
12B Design, New Rules	\$140.6	85.9%	5.2%	8.9%	\$121	\$7	\$13
12C Influencing Change	\$0.0	n/a	n/a	n/a	n/a	n/a	n/a
	\$2,044.6				\$1,756	\$106	\$183
<u>Major Projects</u>							
13 Major Projects (multi-year average)	\$5,166.2	85.9%	5.2%	8.9%	\$4,437	\$268	\$462
Total Administration Costs (E)	\$21,112.5	85.9%	5.2%	8.9%	\$18,132	\$1,094	\$1,887
# of Members (F)					260,000	134,000	140,000
Cost per type of member (E ÷ F)					\$70	\$8	\$13

* The method used to calculate the % Active, % Inactive, and % Annuitant is shown on the next page.

Due to rounding, percentages shown in the table may not add to 100%.

Method for Attributing Costs between Active, Annuitant and Inactive Members		
Activity	Attribution Method	
1	Paying Pensions	100% annuitants
2	Pension Inceptions	Pro rata based on weighted inceptions: <ul style="list-style-type: none"> • service retirements of active members (Q27a) weighted 100% • new inceptions annuitants (Q27d + Q.165.2) weighted 50% + changes in gross caused by annuitants circumstances (Q32.1) weighted 10% • retirements of inactive members (Q27b) weighted 100%
3	Benefit Estimates	Pro rata between active and inactive members based on: <ul style="list-style-type: none"> • service retirements of active members (Q27a) weighted 100% • retirements of inactive members (Q27b) weighted 50%
4A	1-on-1 Counseling	Pro rata between actives and inactives based on: <ul style="list-style-type: none"> • service retirements of active members (Q27a) weighted 100% • retirements of inactive members (Q27b) weighted 10%
4B	Group Counseling	per 4A above
5	Member Contacts	Pro rata based on weighted membership: <ul style="list-style-type: none"> • active members weighted 100% • annuitants weighted 50% • inactive members weighted 10%
6	Mass Communication	Pro rata based on weighted membership: <ul style="list-style-type: none"> • active members weighted 150% • annuitants weighted up to 45% (15% for website, etc + 15% if you send them newsletters + 15% if you send them annual report/summary) • inactive members weighted up to 40% (10% for website, etc + 10% if you send them member statements + 10% if you send them newsletters + 10% if you send them annual report/summary)
7A	Data from Employers	100% active members
7B	Data Not from Employers	Pro rata based on weighted membership: <ul style="list-style-type: none"> • active members weighted up to 200% (66% because of divorce + 66% if you maintain their addresses + 66% if you collect contributions directly from members or if members deal directly with you when selecting or changing plan options) • annuitants weighted up to 100% (50% because of divorce + 50% for maintaining their addresses) • inactive members weighted up to 100% (50% because of divorce + 50% if you maintain their addresses)
7C	Billing and Inspection	100% active members
7D	Service to Employers	100% active members
8	Refunds & Transfers-out	Pro rata based on: <ul style="list-style-type: none"> • active members weighted 70% • inactive members weighted 100%
9	Purchases and Transfers-in	100% active members
10	Disability	100% active members
11A	Board of Directors	Pro rata based on ratio of the sum of Activity 1 - 10 costs attributed to Actives, Annuitants and Inactives using rules above.
11B	Financial Control	per 11A above
11C	Board Consulting	per 11A above
11D	Marketing, PR	per 11A above
12A	Rules Interpretation	per 11A above
12B	Design, New Rules	per 11A above
12C	Influencing Change	per 11A above
13	Major Projects	per 11A above

Transaction Volumes per Annuitant

It is more costly to do more transactions so it is important to understand how and why your transaction volumes differ. The following five pages show how your transaction volumes compare by member type.

Annuitant Transactions	You	Peer Avg	All Avg
a) Payments per annuitant per year	12.0	11.7	13.3
• % paid by check	13%	12%	6%
• % paid by EFT	87%	88%	94%
• % failed check payments (of checks)	0.31%	0.78%	1.09%
• % failed EFT payments (of EFT payments)	0.07%	0.08%	0.08%
b) Mailings per Annuitant			
• Payment Advices	2.0	3.2	3.8
• Newsletters	3.0	2.8	2.6
• Summary or Popular Annual Reports	0.0	0.5	0.5
• Annual Reports	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>
Total Mailings	5.0	6.6	7.0
c) Work days with payment runs	50	152	101
d) Status checking as a % of annuitants			
• Income confirmation	0.0%	4.7%	2.0%
• School status confirmations	0.0%	0.3%	0.5%
• Proof of life affidavits	<u>0.0%</u>	<u>0.1%</u>	<u>4.9%</u>
Total	0.0%	5.1%	7.4%
e) New payee inceptions, as a % of annuitants, resulting from:			
• Inceptions to survivors, partners, ex-partners or dependents *	0.10%	0.05%	0.20%
• Divorce of an annuitant	0.03%	0.07%	0.09%
f) Changes in gross amount paid as a result of changes in annuitant's individual circumstances as % of annuitants	2.4%	0.4%	1.7%
g) Refunds & Transfers Out			
• One-time death payments as % of annuitants	0.26%	1.41%	1.05%
h) Calls, Emails and Letters per 1000 Annuitants			
• Incoming and Outgoing Calls with Service Reps *	265	570	628
• email queries *	5	8	18
• Correspondence received from members *	13	54	66

*Calls, emails and letters are attributed between active, annuitant and inactive members per the methodology described on page 18.

Transaction Volumes per Inactive Member

Inactive Member Transactions	You	Peer Avg	All Avg
a) Refunds* to inactive members, per 1000 inactive members	28.0	53.0	58.0
b) New payee inceptions to inactive members, per 1000 inactive members	8.2	27.7	28.6
• Written Estimates* per new payee inception	1.2	0.7	1.0
• Service credit purchases* per new payee inception	0.0	0.1	0.1
c) Mailings per Inactive Member			
• Newsletters	1.0	1.3	1.0
• Member Statements	1.0	1.2	1.0
• Annual Reports	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>
Total Mailings per inactive member	2.0	2.4	2.1
d) Calls, Emails and Letters per 1000 Inactive Members			
• Incoming and Outgoing Calls with Service Reps *	53	114	126
• email queries *	3	4	8
• Correspondence received from members *	9	26	34
e) Data maintenance			
• Do you maintain the data of inactive members?	yes	84% yes	78% yes
• Number of lost inactive members found, per 1000 inactive members	0.2	8.6	6.6

* Volumes of items identified with an asterisk are attributed between active, annuitant and inactive members per the methodology described on page 18.

Transaction Volumes per Active Member (Page 1 of 3)

Active Member Transactions	You	Peer Avg	All Avg
a) New Payee Inceptions per 1000 Active Members:			
• Inceptions to survivors, partners, ex-partners or dependents *	3.9	2.9	3.9
• Service Retirement	<u>26.9</u>	<u>26.8</u>	<u>22.7</u>
Total New Payee Inceptions	30.8	29.7	26.7
Extra work related to New Payee Inceptions per new payee inceptions			
• Written Estimates*	2.35	1.89	7.47
• Active Members Counseled 1-on-1*	1.02	1.93	21.44
• Active Members Counseled in groups*	0.17	0.33	0.66
Extra work related to New Payee Inceptions as a % of new payee inceptions			
• Inceptions requiring adjustments because based on non-final data	81.4%	59.9%	37.1%
• Inceptions requiring customized designer options	0.0%	1.5%	8.1%
• Inceptions requiring manual calculations	18.6%	36.4%	33.7%
• Appeals of pension inceptions	0.2%	0.5%	2.3%
• Inceptions with final salary reciprocity with external systems	0.0%	1.5%	1.0%
b) Mailings per Active Member			
• Newsletters	3.0	3.1	2.6
• Member Statements	1.0	1.2	1.2
• Summary or Popular Annual Reports	0.0	0.5	0.5
• General brochure with summary of benefits	0.0	0.2	0.3
• Annual Reports	0.0	0.1	0.1
• Welcome Kits	0.1	0.1	0.1
• Letters informing members when they are about to become **: <ul style="list-style-type: none"> • Vested for pension benefits • Vested for disability benefits • Eligible for retirement • Other 	0.00	0.02	0.02
	0.00	0.01	0.02
	0.00	0.01	0.02
	<u>0.05</u>	<u>0.02</u>	<u>0.03</u>
Total Mailings	4.1	5.1	4.8
c) Calls, Emails and Letters per 1000 Active Members			
• Incoming and Outgoing Calls with Service Reps *	530	1,139	1,277
• email queries *	23	39	92
• Correspondence received from members *	65	271	340
d) Presentations and Benefit Fairs per 1000 active members	0.38	1.21	3.36
e) Purchases and Transfers-in per 1000 active members			
• Service credit purchases *	3.8	16.4	16.5
• Upgrades or 'Top-ups'	0.0	0.2	0.4
• Individual transfers-in from external DB systems	0.0	0.9	6.3
• Collective transfers-in from external DB systems	<u>0.0</u>	<u>0.1</u>	<u>2.0</u>
Total Purchases & Transfers-in	3.8	17.6	25.2

* Volumes of items identified with an asterisk are attributed between active, annuitant and inactive members per the methodology described on page 18.

** Your volumes were estimated by assuming that each type of milestone letter you send out goes to 5% of your active members

Transaction Volumes per Active Member (Page 2 of 3)

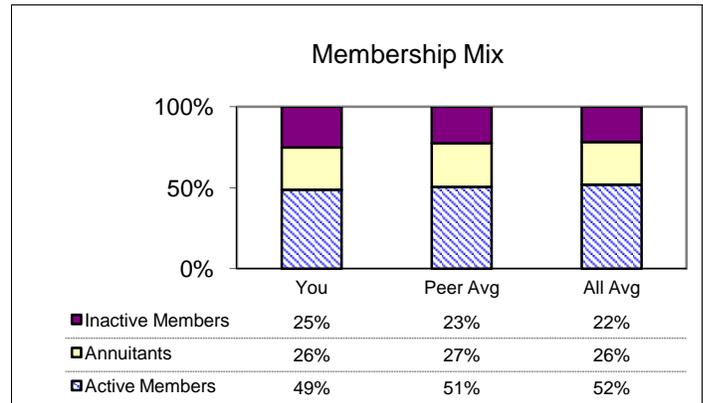
Active Member Transactions	You	Peer Avg	All Avg
Extra work relating to Purchases & Transfers-in as a % of total Purchases & Transfers-in			
• Estimates that did not result in a purchase or transfers-in	107.20%	110.93%	77.94%
• Required manual calculations	0.00%	21.57%	19.31%
• Installment payments paid directly from members	0.00%	0.05%	0.09%
• Installment payments paid through payroll deduction	0.00%	0.03%	0.09%
f) Refunds & Transfers Out, per 1000 active members			
• Refunds to exiting members or divorced spouses	19.95	43.91	29.30
• Refunds to survivors or beneficiaries when a member dies before retirement?	0.40	2.35	1.95
• Refunds of excess contributions	0.00	1.61	2.28
• Individual transfers-out to external pension systems	4.26	5.89	8.74
• Collective transfers-out to external pension systems	0.00	0.13	0.09
• Individual 'roll-overs' to internal accumulation accounts	0.00	0.67	3.91
• Lump-sum payouts or commuted value terminations at retirement	7.98	0.03	8.74
• Partial withdrawals for financial hardship or on compassionate grounds	0.00	0.00	0.37
• Partial withdrawals for members reaching an eligible age	0.00	0.00	0.64
• Partial withdrawals for members prior to retirement for other reasons			
	<u>0.00</u>	<u>0.00</u>	<u>0.31</u>
Total Refunds and Transfers-Out	32.60	54.60	56.33
Extra work relating to Refunds and Transfers-Out as a % of total Refunds and Transfers-Out			
• % of refunds requiring manual calculations	0.7%	15.3%	21.8%
g) Disability			
• Applications for disability pension/lump sums, per 1000 active members	2.75	3.13	2.34
• Applications for short-term disability, per 1000 active members	<u>4.83</u>	<u>1.06</u>	<u>0.65</u>
Total Disability Applications	7.58	4.18	2.99
Extra work relating to Disability Applications as a % of total Disability Applications			
• Applications for occupational disability	100.0%	51.7%	78.3%
• Independent medical examinations for disability assessments	0.5%	46.2%	60.6%
• Inceptions of disability payments	95.0%	66.4%	60.3%
• Appeals of disability decisions	1.9%	6.6%	7.4%
Extra disability work, per 1000 disabled annuitants:			
• Reimbursements to employers for short-term disability	0.00	1.43	0.62
• Changes in disability payments for reasons other than death	0.00	83.75	71.25
• Number of checks of disabled member income	1014.25	395.25	437.54
• Number of rehabilitation cases handled	0.00	0.53	0.27
Extra disability work, per 1000 active members:			
• Number of health reviews of new members	0.00	0.19	0.45

Transaction Volumes per Active Member (Page 3 of 3)

Active Member Transactions	You	Peer Avg	All Avg
h) Collections and Reconciliation			
• # of employers	1,456	1,454	2,979
• # of exiting employers	0	10	225
• # of new employers joining your System	17	16	209
• # of employers, state agencies, departments and/or service providers etc that you deal with for:			
- Collecting member data	1,456	1,260	2,212
- Validating member data	1,456	1,353	2,263
- Collecting contributions	1,456	1,238	2,829
- Reconciling money issues	1,456	1,302	2,851
• Number of times asked to assist in determining whether an employee was eligible or not last year as a % of active members	0.8%	4.7%	1.7%
i) Data Not From Employers			
• Instructions for selecting or changing DB plan options	9.6	4.9	6.0
• DC account instructions	0.0	6.3	26.8
• Member records changed due to retroactive transactions	81.8	111.6	59.0
• Divorces creating data maintenance work for your systems	0.0	2.9	2.8
j) Billing and Inspection			
• # of invoices per employer	1.0	7.0	28.0
• Reminder notices as a % of employers	0.0%	31.5%	69.0%
• Court orders re: delinquent accounts as a % of employers	0.0%	0.6%	3.1%
• Onsite audits/reviews as a % of employers	0.0%	1.6%	2.6%
• # of non-participating employers inspected by mail or telephone	0.0	0.0	68.7
• # of non-participating employers inspected by site visit	0.0	0.0	48.8
• # of non-participating employer appeals about obligation to participate	0.0	0.0	2.4
k) Employer Service			
• Incoming Calls per employer	10.3	21.7	249.3
• email queries per employer	0.2	13.0	118.5
• Employer Newsletters per year	36.0	7.6	5.3
• # of conferences	0.0	4.5	4.7
• # of presentations	20.0	51.3	48.8
• # of other site visits	0.0	131.9	139.4
• # of web pages for employers	315.0	245.8	143.8

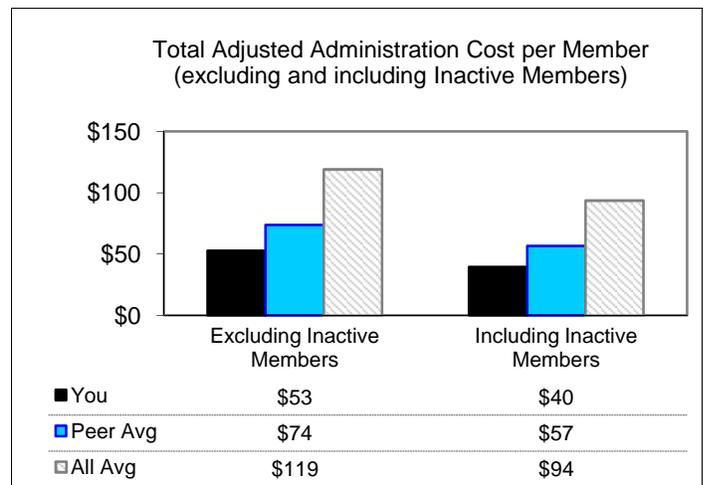
When determining Cost and Transaction Cost per member, the decision to include or exclude Inactive Members can impact how you compare to your peers.

Both cost and Transaction Cost per member would increase for all participants if Inactive Members were excluded from the denominator. The higher your proportion of Inactive Members, the greater the increase. You have a higher than than peer average proportion of Inactive Members (your 25% Inactive Members versus a peer average of 23%). Therefore your cost and Transaction Cost would increase more than your peers if Inactive Members were excluded (see below).



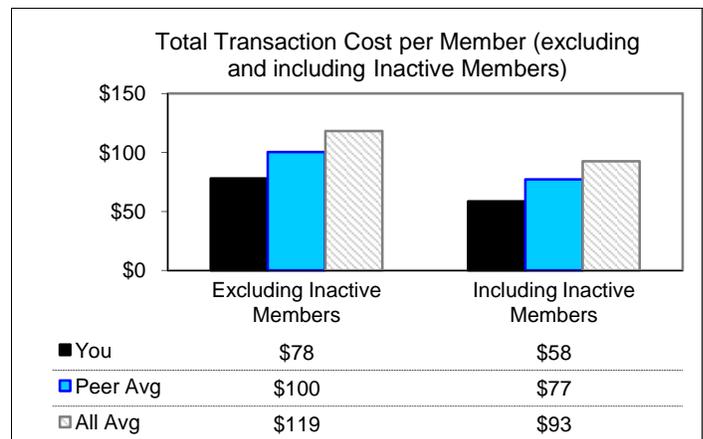
Cost

Your cost per member would increase more than your peers if Inactive Members were excluded. Your total cost per member would be 72% of the peer average if Inactive Members were excluded (i.e., your \$53 divided by the peer average of \$74) versus 70% when included (i.e., your \$40 divided by the peer average of \$57).



Transaction Cost

Your Transaction Cost per member would increase more than your peers if Inactive Members were excluded. Your total Transaction Cost per member would be 78% of the peer average if Inactive Members were excluded (i.e., your \$78 divided by the peer average of \$100) versus 76% when included (i.e., your \$58 divided by the peer average of \$77).



ACTIVITY COSTS & VOLUMES

This section contains:

- Your Costs per Activity and how they compare to your peers and all participants.
- Analysis of factors that impact Activity Costs.

Your Activity Costs

Activity	Your Cost (000s) (A)	Activity Volume (B)	Your Cost per Unit (A ÷ B)
1 Paying Pensions	\$553	140,000 Annuitants	\$4
2 Pension Inceptions	\$1,284	10,115 New Payee Inceptions	\$127
3 Benefit Estimates	\$1,477	17,769 Written Estimates	\$83
4A 1-on-1 Counseling	\$942	7,284 Members Counseled 1-on-1	\$129
4B Group Counseling	\$119	1,192 Members Counseled in Groups	\$99
5 Member Contacts	\$1,606	181,929 Calls, Emails and Letters	\$9
6 Mass Communication	\$950	260,000 Active Members	\$4
7A Data from Employers	\$780	260,000 Active Members	\$3
7B Data Not from Employers	\$763	400,000 Active Members & Annuitants	\$2
7C Billing and Inspection	\$17	1,456 Employers	\$12
7D Service to Employers	\$1,094	1,456 Employers	\$751
8 Refunds & Transfers-out	\$456	8,836 Refunds and Transfers-Out	\$52
9 Purchases and Transfers-in	\$310	1,000 Purchases & Transfers-in	\$310
10 Disability	\$3,552	1,971 Disability Applications	\$1,802
11A Board of Directors	\$1,374	400,000 Active Members & Annuitants	\$3
11B Financial Control	\$304	400,000 Active Members & Annuitants	\$1
11C Board Consulting	\$0	400,000 Active Members & Annuitants	\$0
11D Marketing, PR	\$55	400,000 Active Members & Annuitants	\$0
12A Rules Interpretation	\$172	260,000 Active Members	\$1
12B Design, New Rules	\$141	260,000 Active Members	\$1
12C Influencing Change	\$0	260,000 Active Members	\$0
13 Major Projects	\$5,166	400,000 Active Members & Annuitants	\$13
Total Administration Cost per survey*	\$21,113	400,000 Active Members & Annuitants	\$53
Adjustment re: Major Projects **	\$0		
Total Adjusted Administration Cost	\$21,113	400,000 Active Members & Annuitants	\$53

* Costs per the survey exclude cost that relate to the Investment Division, if any, and costs that relate to non-pension and optional benefit administration such as healthcare administration.

** The Adjustment equals the difference between your multi-year average and single-year cost for Activity 13 Major Projects. Major Projects costs can be very volatile - high one year and low the next. Therefore, we use the multi-year average cost because it provides a better estimate of the ongoing long-term amount. See Total Costs - Section 3 page 3 for the detailed calculation.

Comparison of Your Activity Costs

Activity	Cost per	You			Peer	All
		2007	2006	2005	Median	Median
1 Paying Pensions	Annuitant	\$4			\$13	\$15
2 Pension Inceptions	New Payee Inception	\$127			\$188	\$301
3 Benefit Estimates	Written Estimate	\$83			\$93	\$84
4A 1-on-1 Counseling	Member Counseled 1-on-1	\$129			\$90	\$99
4B Group Counseling	Member Counseled in Groups	\$99			\$100	\$95
5 Member Contacts	Call, Email and Letter	\$9			\$9	\$10
6 Mass Communication	Active Member	\$4			\$5	\$9
7A Data from Employers	Active Member	\$3			\$7	\$11
7B Data Not from Employers	Active Member & Annuitant	\$2			\$2	\$2
7C Billing and Inspection	Employer	\$12			\$153	\$141
7A-C Collections	Active Member & Annuitant	\$4			\$7	\$11
7D Service to Employers	Employer	\$751			\$471	\$706
8 Refunds & Transfers-out	Refund and Transfer-out	\$52			\$42	\$103
9 Purchases and Transfers-in	Purchase & Transfer-in	\$310			\$315	\$261
10A Premium Exemptions	Disabled Member	n/a			\$0	\$43
10 Disability	Disability Application	\$1,802			\$1,526	\$1,672
11A Board of Directors	Active Member & Annuitant	\$3			\$1	\$2
11B Financial Control	Active Member & Annuitant	\$1			\$4	\$6
11C Board Consulting	Active Member & Annuitant	\$0			\$1	\$1
11D Marketing, PR	Active Member & Annuitant	\$0			\$0	\$0
11E DNB Costs	Active Member & Annuitant	\$0			\$0	\$3
12A Rules Interpretation	Active Member	\$1			\$2	\$3
12B Design, New Rules	Active Member	\$1			\$1	\$2
12C Influencing Change	Active Member	\$0			\$1	\$1
13 Major Projects (multi-year average)	Active Member & Annuitant	\$13			\$7	\$7
Total Adjusted Administration Cost	Active Member & Annuitant	\$53			\$65	\$92

We show the peer 'median' (i.e., the middle value or 50th percentile) values instead of the 'average' because outlier data often skews averages in the direction of outlier values. Skewing is particularly acute with Activity Costs because participants with a low volume in an activity often have very high costs per unit.

Foreign Currency Conversion: All foreign currency amounts have been converted to USDs using Purchasing Power Parity figures as per the OECD. Appendix B shows the detailed currency conversions.

To help understand whether your costs are reasonable, we examine the following 5 key cost drivers for each Activity:

Cost Drivers that we measure:

1. Economies of Scale
2. Transaction Volumes
3. Cost Environment
4. Plan Complexity
5. Service Level

Activity Cost per
unit of Activity
Volume

Description and impact of the 5 Cost Drivers:

Each of the 5 cost drivers described below can impact your Activity costs. This is especially true for outlier participants. For example, the costs of a participant with extremely high service levels will be impacted more by service differences than a participant with average service. Similarly, participants with the lowest volumes are more impacted by their scale disadvantage.

The impact of each of the 5 cost drivers changes with different activities. Therefore, where we believe certain factors have a greater impact on an activity, we discuss those factors in further detail in this section.

1. Economies of Scale

Are you benefiting from Economies of Scale? All else being equal, higher Volume relative to your peers allows you to spread your costs over a larger base and benefit from lower per unit costs.

2. Transaction Volumes

The Transaction Volume Score equals the sum of your Activity transaction volumes multiplied by our estimate of the average cost for each type of transaction. Examples of transaction types include 1-on-1 counseling sessions, pension estimates, pension inception and responding to member calls. Refer to Section 6 Transaction Volume Score for details.

3. Cost Environment

The more expensive the location you are in, the higher your costs.

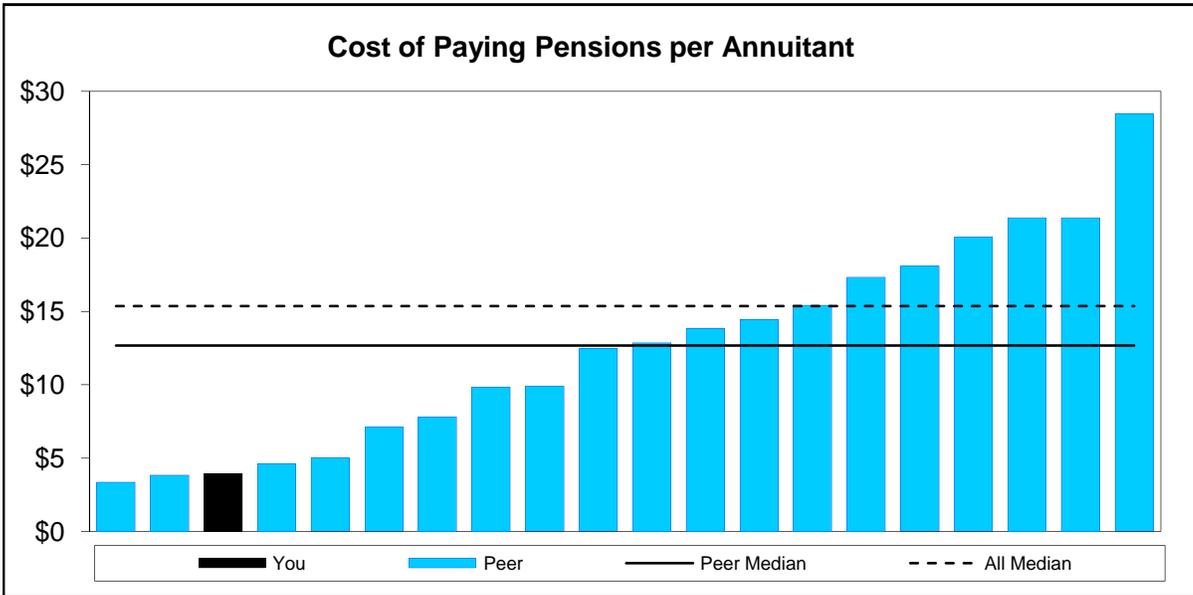
4. Plan Complexity

How complex are your rules and regulations? All else being equal, the higher your Complexity relative to your peers, the higher your costs. For more details, see Section 7 - Plan Complexity.

5. Service Level

How well do you service your members in terms of timeliness, availability, capability and quality? All else being equal, the higher your Service Score relative to your peers, the higher your costs. For more details, see Section 5 - Service Levels.

Your cost for Paying Pensions is \$4 per Annuitant. This is below the peer median of \$13.



Your Paying Pensions cost is \$4 per Annuitant. It was calculated by dividing your cost of \$553K for Paying Pensions by your 140,000 Annuitants.

Activity Volume: Annuitants		You
Q2 What is the breakdown of your total membership (as at the end of your fiscal year) between:		
c) Annuitants - Service Retirement?		132,200
d) Annuitants - Disability Retirement?		6,500
e) Annuitants - Survivor, Partner, Ex-partner, Dependents?		1,300
Total Annuitants		140,000

Is your cost for Paying Pensions reasonable?

Factors that impact your Paying Pensions cost per Annuitant			Cost Impact (You vs Peer)
	You	Peer Avg	
Transaction Volume Score per Annuitant	14	17	Decreasing
Service Score for Paying Pensions	94	96	Neutral
Relative Complexity from COLA Rules (0 least - 100 most)	12	30	Decreasing
Economies of Scale: # of Annuitants	140,000	155,379	Neutral

Differences in transaction types can have a big impact on costs for this activity. Your Transaction Volume Score was 14 per annuitant which was 18% below the peer average of 17. Your below average Transaction Volume Score reflects the net impact of:

a) Areas where you did fewer transactions than your peers:

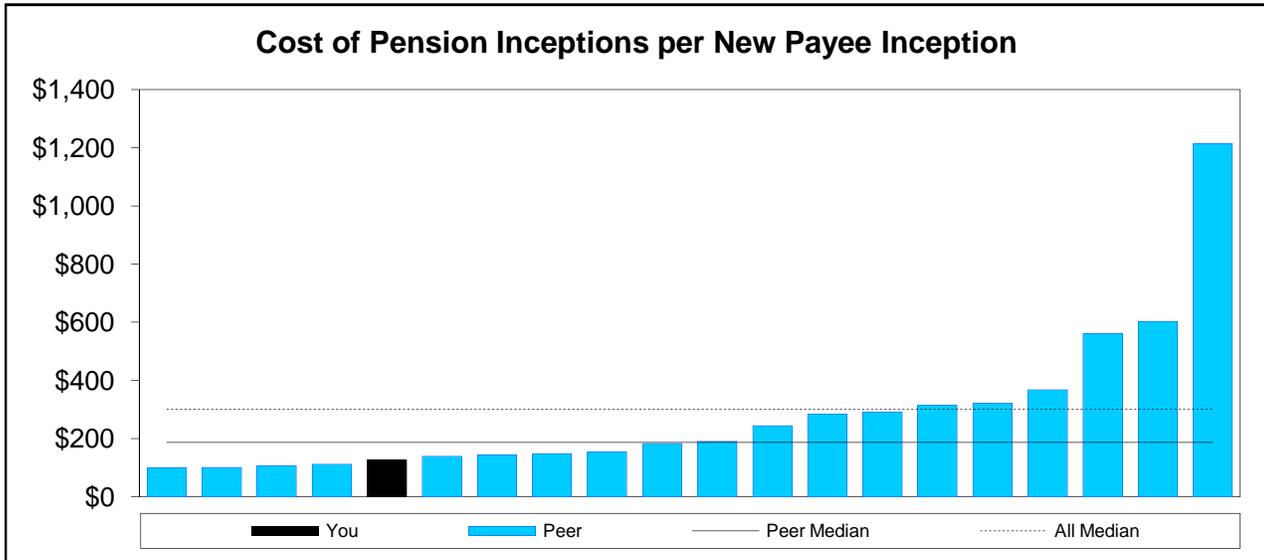
- Fewer payment advice mailings - You mailed 2.2 payment advices per annum per annuitant receiving EFT last year versus a peer average of 3.5.
- Fewer documents checked - You checked the income, school certificates and/or proof of life affidavits of 5,341 individuals which equals 3.8% of your new payee inceptions versus a peer average of 7.8%.
- Fewer lost or misdirected payments - Your 1,692 lost and/or misdirected EFT and check payments equaled 1.2% of your new payee inceptions versus a peer average of 1.9%.
- Fewer business days with payment runs - Your 50 days versus a peer average of 147 days.

b) Areas where you did more, or equal, transactions compared to your peers:

- More payments - You did 12.0 payments per annuitant versus a peer average of 11.7. (Note that this number differs slightly from your payment frequency primarily because of differences between end-of-year and average new payee inceptions).
- Higher proportion of more costly payments by check - You paid 12.9% of your payments by check versus a peer average of 12.1%. Paying by check is more costly than paying by EFT.

The most important part of the service score is paying regularly without interruption. Since all participants perform well on this service measure, it has no ability to predict costs.

Your cost for Pension Inceptions is \$127 per New Payee Inception. This is below the peer median of \$188.



Your Pension Inceptions cost is \$127 per New Payee Inception. It was calculated by dividing your cost of \$1,284K for Pension Inceptions by your 10,115 New Payee Inceptions.

Activity Volume: New Payee Inceptions	You	You %	Peer Avg %
Q27 How many annuity pension streams did you initiate to new payees that were:			
a) Active member service retirements?	7,000	69%	71%
b) Inactive member service retirements?	1,100	11%	14%
c) Disability retirements?	715	7%	5%
d) Inceptions to survivors, partners, ex-partners or dependents?	1,300	13%	10%
Total New Payee Inceptions	10,115	100%	100%

We exclude changes in the gross amount of incepted pensions from the activity volumes (but not from this activity's costs or transaction types). Changes in gross include cost of living adjustments, finalization of pensions initiated on non-final data, and changes resulting from changes in personal circumstances (such as turning 65 and beginning to receive social security). These changes to gross are excluded from volume because most participants tell us changes in gross tend to be relatively low cost, automated and applied without input from the annuitant.

Is your cost for Pension Inceptions reasonable?

Factors that impact your Pension Inceptions cost per New Payee Inception	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per New Payee Inception	318	319	Neutral
Service Score for Pension Inceptions	82	67	Increasing
Relative Complexity (0 least to 100 most) from:			
• Customization Choices	22	10	Increasing
• Pension Payment Options	59	59	Neutral
• Multiple Benefit Formula	26	47	Decreasing
• External Reciprocity	35	27	Increasing
• Multiple Plan Types and Overlays	89	36	Increasing
Economies of Scale: # of New Payee Inceptions	10,115	11,063	Neutral

Differences in transaction types can have a big impact on costs for this activity. Your Transaction Volume Score was 318 per new payee inception which was close to the peer average of 319. Your close to average Transaction Volume Score reflects the net impact of:

a) Areas where you did fewer transactions than your peers:

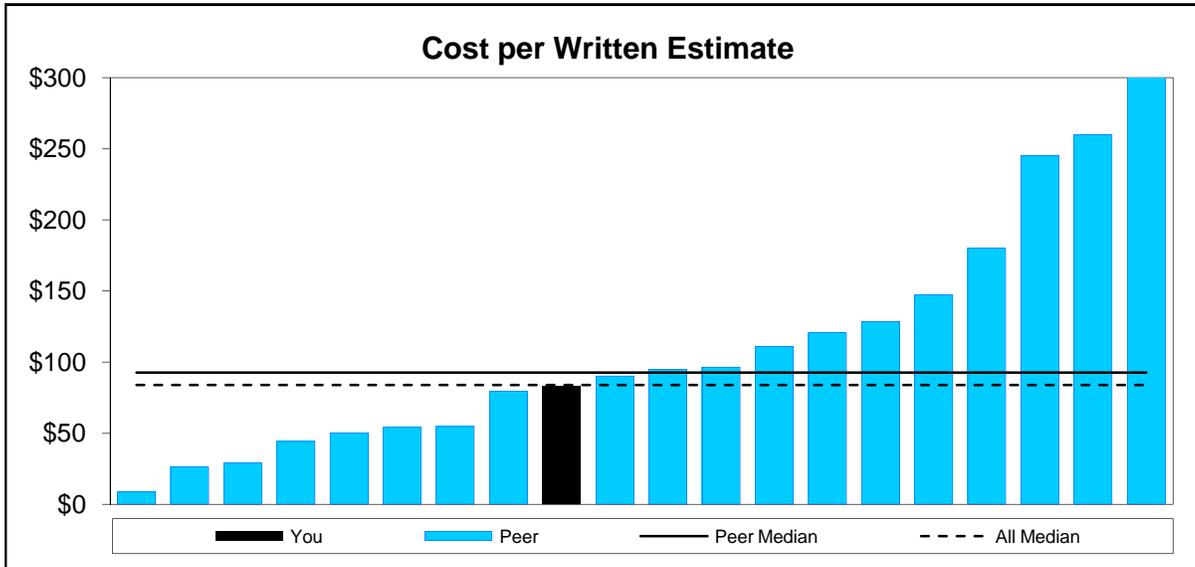
- Fewer manual calculations - 13% of your new payee inceptions required manual calculations versus a peer average of 22%.
- Fewer inceptions with 'joint-account reciprocity' - 0% of your new payee inceptions required 'joint-account' reciprocity with external systems versus a peer average of 3%.
- Fewer non-disability appeals - 0.17% of your new payee inceptions resulted in appeals versus a peer average of 0.30%.
- Fewer designer options - 0.0% of your new payee inceptions were customized designer options versus a peer average of 1.0%.
- Fewer inceptions with reciprocity - 0% of your new payee inceptions required 'final salary' reciprocity with external systems versus a peer average of 1%.

b) Areas where you did more, or equal, transactions compared to your peers:

- More changes in gross - You had 3,406 changes in the gross amount of annuity pensions paid as a result of changes in individual annuitants' personal circumstances, such as becoming eligible for social security, versus a peer average of 774.
- More adjustments - 56% of your new payee inceptions required adjustments because they were based on non-final or estimated data versus a peer average of 42%.
- Your types of new payee inceptions (refer to the table on the previous page) were slightly higher cost. For example, you had fewer lower-cost service retirements of inactive members (your 11% of new payee inceptions versus a peer average of 14%), and more slightly-higher-cost disability pension inceptions (your 7% of new payee inceptions versus a peer average of 5%).

Service levels also impact costs. The most important part of the Pension Inception Service Score is minimizing the interruption in cash flow between a member's last pay check and first pension check (or between a pensioner's last pension check and the survivor's first pension check).

Your cost for Benefit Estimates is \$83 per Written Estimate. This is slightly below the peer median of \$93.



Your Benefit Estimates cost is \$83 per Written Estimate. It was calculated by dividing your cost of \$1,477K for Benefit Estimates by your 17,769 Adjusted Written Estimates.

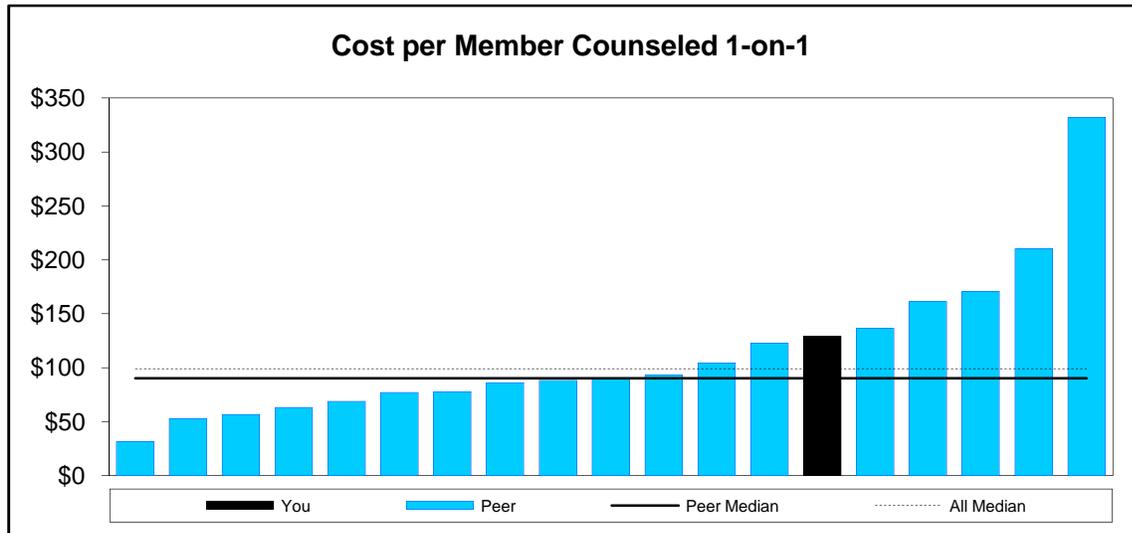
Activity Volume: Written Estimates	You
Q59 How many formal written estimates did you mail out pursuant to member requests? [Exclude estimates prepared during counseling sessions and not mailed in advance.]	17,769
Adjusted Estimates - You count each 'multiple-scenario-request' by a member as multiple estimates instead of a single estimate. Therefore, for comparability, we adjusted your total estimates (17,769 per Q59) by dividing it by your average number of scenarios per request (1.0 per Q61)	17,769

Is your cost for Benefit Estimates reasonable?

Factors that impact your Benefit Estimates cost per Written Estimate	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Written Estimate	122	137	Decreasing
Service Score for Benefit Estimates	39	64	Decreasing
Relative Complexity (0 least to 100 most) from:			
• Customization Choices	22	10	Increasing
• Pension Payment Options	59	59	Neutral
• Multiple Benefit Formula	26	47	Decreasing
• External Reciprocity	35	27	Increasing
• Multiple Plan Types and Overlays	89	36	Increasing
Economies of Scale: # of Written Estimates	17,769	14,038	Decreasing

Differences in the proportion of written estimates manually calculated (which is reflected in the Transaction Volume Score) can have a big impact on costs for this activity. Manually calculated written estimates are assumed to be higher cost than system generated written estimates because they usually reflect unusual circumstances. Your Transaction Volume Score was 122 per written estimates which was 11% below the peer average of 137. 2.0% of your written estimates required manual calculation versus a peer average of 14.2%.

Your cost for 1-on-1 Counseling is \$129 per Member Counseled 1-on-1. This is above the peer median of \$90.



Your 1-on-1 Counseling cost is \$129 per Member Counseled 1-on-1. It was calculated by dividing your cost of \$942K for 1-on-1 Counseling by your 7,284 Members Counseled 1-on-1.

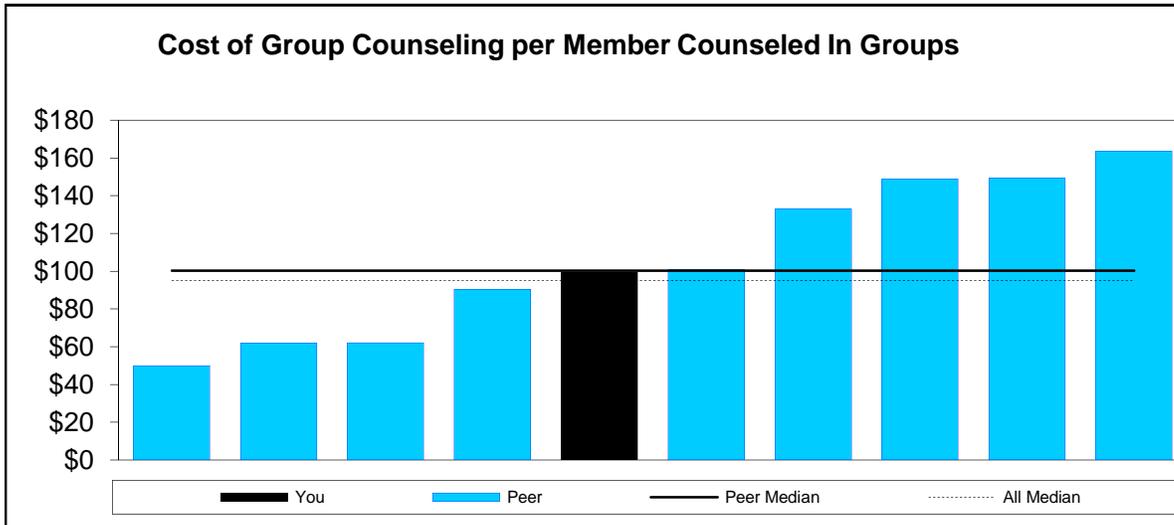
Activity Volume: Members Counseled 1-on-1	You	You %	Peer Avg %
Q68 Provide the number of members counseled 1-on-1 that were:			
a) Walk-in traffic counseled in-house?	3,999	55%	42%
b) Pre-scheduled in-house?	3,285	45%	31%
c) In the field at locations separate from the member's place of employment?	0	0%	18%
d) At member's place of employment?	0	0%	6%
e) Via teleconference?	0	0%	3%
Total	7,284	100%	100%

Is your cost for 1-on-1 Counseling reasonable?

Factors that impact your 1-on-1 Counseling cost per Member Counseled 1-on-1			Cost Impact (You vs Peer)
	You	Peer Avg	
Transaction Volume Score per Members Counseled 1-on-1	96	104	Decreasing
Service Score for 1-on-1 Counseling	59	80	Decreasing
Relative Complexity (0 least to 100 most) from:			
• Customization Choices	22	10	Increasing
• Pension Payment Options	59	59	Neutral
• Multiple Benefit Formula	26	47	Decreasing
• External Reciprocity	35	27	Increasing
• Multiple Plan Types and Overlays	89	36	Increasing
Economies of Scale: # of Members Counseled 1-on-1	7,284	16,237	Increasing

Differences in location of counseling sessions (which is reflected in the Transaction Volume Score) can have a big impact on costs for this activity. Your Transaction Volume Score was 96 per counseled member which was - 7% lower than the peer average of 104. More of your 1-on-1 counseling occurs in lower cost locations. You do all of your 1-on-1 counseling inhouse and over teleconference whereas your peers do an average of 25% of their 1-on-1 counseling in the field.

Your cost for Group Counseling is \$99 per Member Counseled in Groups. This is close to the peer median of \$100.



Your Group Counseling cost is \$99 per Member Counseled in Groups. It was calculated by dividing your cost of \$119K for Group Counseling by your 1,192 Members Counseled in Groups.

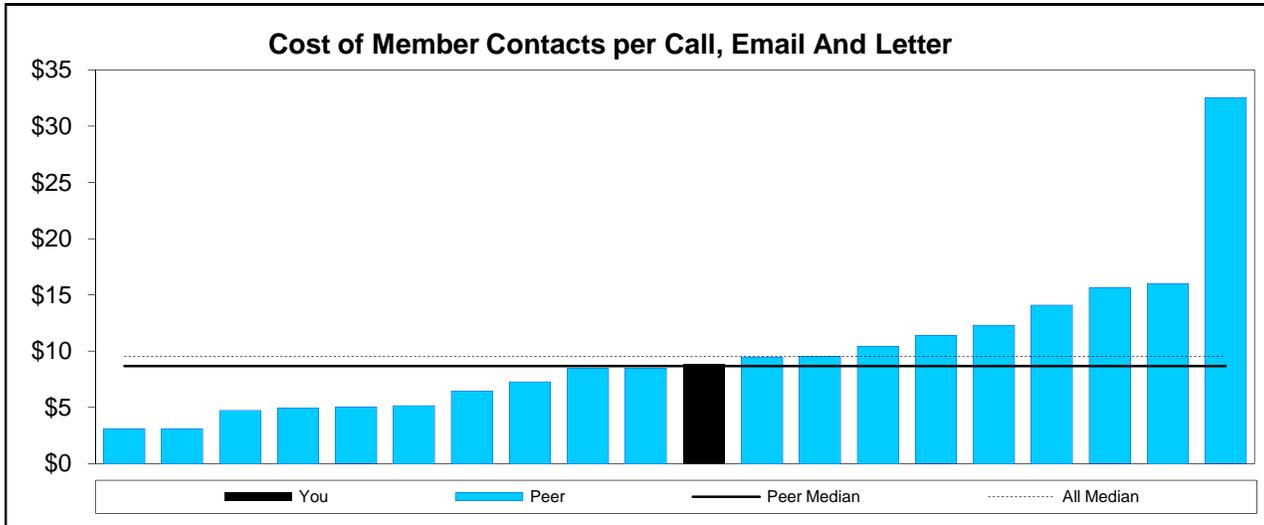
Activity Volume: Members Counseled In Groups		You
Q81	How many members, in total, were counseled in the group sessions?	1,192

Is your cost for Group Counseling reasonable?

Factors that impact your Group Counseling cost per Member Counseled in Groups	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Member Counseled In Groups	219	121	Increasing
Service Score for Group Counseling	59	80	Decreasing
Relative Complexity (0 least to 100 most) from:			
• Customization Choices	22	10	Increasing
• Pension Payment Options	59	59	Neutral
• Multiple Benefit Formula	26	47	Decreasing
• External Reciprocity	35	27	Increasing
• Multiple Plan Types and Overlays	89	36	Increasing
Economies of Scale: # of Members Counseled In Groups	1,192	2,006	Increasing

Differences in Transaction Volume Score per Member Counseled in Groups usually reflect differences in group size. Your Transaction Volume Score was 219 per Member Counseled in Groups which was 80% higher than the peer average of 121. You average 6 attendees per session versus a peer average of 22.

Your cost for Member Contacts is \$9 per Call, Email and Letter. This is equal to the peer median of \$9.



Your Member Contacts cost is \$9 per Call, Email and Letter. It was calculated by dividing your cost of \$1,606K for Member Contacts by your 181,929 Calls, Emails and Letters.

Activity Volume: Calls, Emails And Letters	You	You %	Peer Avg %
Q89 What were your volumes of:			
a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc)?	122,418	67%	61%
b) Outgoing calls from service representatives responding to messages (voice mail, receptionist, etc) or following-up on previous calls?	7,800	4%	9%
c) Incoming calls on a 'self-serve-only' information line?	3,063	2%	1%
d) Incoming calls satisfied by self-serve options, if any, on your member service line?	21,595	12%	10%
e) Responses to email queries from members?	7,053	4%	4%
f) Correspondence received from members?	20,000	11%	16%
Total Calls, Emails And Letters	181,929	100%	100%

Is your cost for Member Contacts reasonable?

Factors that impact your Member Contacts cost per Call, Email and Letter			Cost Impact (You vs Peer)
	You	Peer Avg	
Transaction Volume Score per Call, Email And Letter	10	10	Neutral
Service Score for Member Contacts	34	57	Decreasing
Relative Total Complexity (0 least - 100 most)	61	55	Increasing
Economies of Scale: # of Calls, Emails And Letters	181,929	442,241	Increasing

Differences in transaction types can have a big impact on costs for this activity. Your Transaction Volume Score was 10 per call, email and letter which was close to the peer average of 10. Your close to average Transaction Volume Score reflects the net impact of differences in your mix of types of calls, emails and letters (refer to the table on the previous page).

a) Mix differences causing a higher Transaction Volume Score:

- Fewer lower-cost letters (your 11% of calls, emails and letters versus a peer average of 16%). Letters are less costly than calls or emails because, by definition, only the cost of responding to simple requests and redirecting activity specific requests belongs in the contact center. Thus the bulk of the cost of responding to more complicated letters is included in other Activities. (For example, most of the cost of responding to a letter requesting a benefit estimate should be included in Activity 3 Benefit Estimates)
- More higher-cost incoming calls (your 67.3% of calls, emails and letters versus a peer average of 60.6%).
- More higher-cost email queries (your 3.9% of calls, emails and letters versus a peer average of 3.7%).

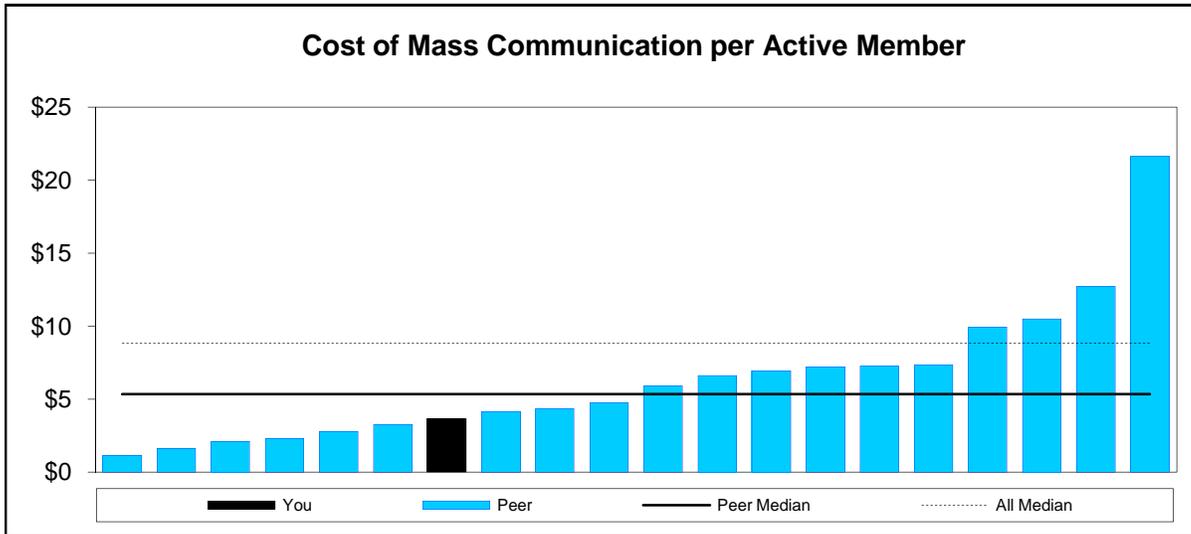
b) Partially offsetting mix differences causing a lower Transaction Volume Score:

- More lower-cost self-serve calls (your 13.6% of calls, emails and letters versus a peer average of 11.1%).
- Fewer slightly-higher-cost outgoing calls (your 4% of calls, emails and letters versus a peer average of 9%).

Service also impacts costs. The table below shows how your Call Outcomes and Wait Times compare to your peers. These metrics are part of your Service Score for Member Contacts.

Select Service Metrics	You	Peer Avg
What percent of calls result in desired outcomes (i.e., either reach a knowledgeable person or have needs satisfied by a self-serve option) as opposed to undesired outcomes (such as busy signals, messages, hang-ups).	54%	87%
What was the average total wait time in seconds to reach a knowledgeable person, including time waiting on hold, time navigating auto-attendant.	283 secs	175 secs

Your cost for Mass Communication is \$4 per Active Member. This is below the peer median of \$5.



Your Mass Communication cost is \$4 per Active Member. It was calculated by dividing your cost of \$950K for Mass Communication by your 260,000 Active Members.

Activity Volume: Active Members		You
Q2 What is the breakdown of your total membership (as at the end of your fiscal year) between:		
a) Active members?		260,000

Annuitants and Inactive Members are excluded from the activity volume because the bulk of mass communication transactions are done for active members.

Is your cost for Mass Communication reasonable?

Factors that impact your Mass Communication cost per Active Member	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Active Member	6	11	Decreasing
Service Score for Mass Communication	56	69	Decreasing
Relative Complexity (0 least to 100 most) from:			
• Customization Choices	22	10	Increasing
• Pension Payment Options	59	59	Neutral
• Multiple Benefit Formula	26	47	Decreasing
• External Reciprocity	35	27	Increasing
• Multiple Plan Types and Overlays	89	36	Increasing
• Translation	0	9	Decreasing
Economies of Scale: # of Active Members	260,000	300,222	Neutral

Service levels have a large impact on costs. The more Mass Communication services you offer your members, the greater your costs.

Differences in transaction types can have a big impact on costs for this activity. Your Transaction Volume Score was 6 per active member which was 45% below the peer average of 11. Your below average Transaction Volume Score reflects the net impact of:

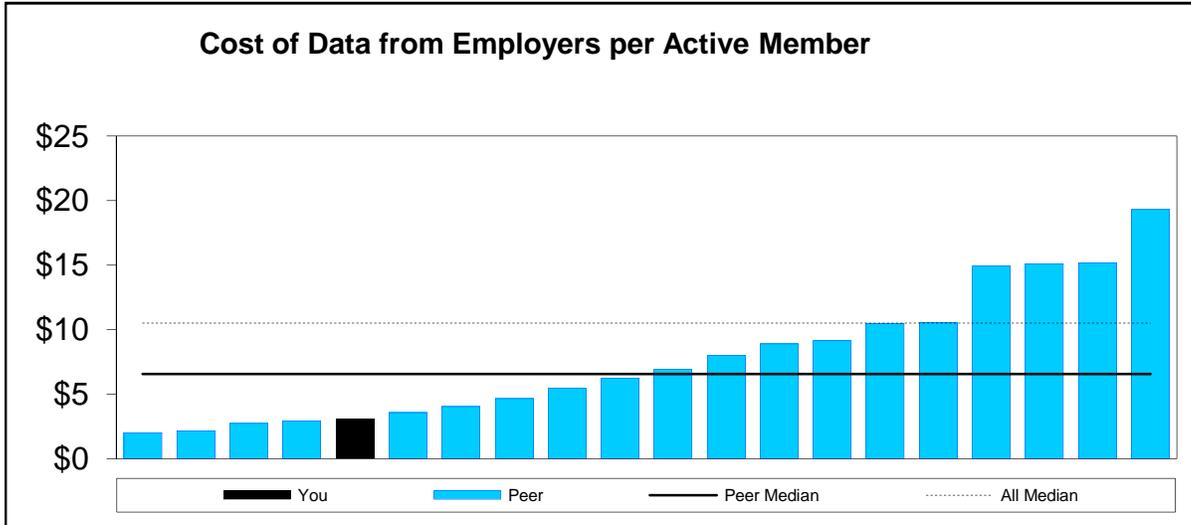
a) Areas where you did fewer transactions than your peers:

- You do not prepare and send a summary annual report to members every year; 48% of your peers do.
- You sent your newsletters in bulk through employers; 60% of your peers mail directly to members homes. Sending newsletters through employers is lower cost than mailing to members at home.
- Fewer inactive member statements - You send member statements to inactive members annually; 27% of your peers do not send statements to inactive members.
- You sent your member statements in bulk through employers; 60% of your peers mail directly to members homes. Sending member statements through employers is lower cost than mailing to members at home.
- You sent newsletters to inactive members 1 time per year which was less than the peer average of 1.3 times.
- You sent member statements to active members 1.0 time per year which was less than the peer average of 1.2.
- Your members do not have access to their own data in a secure web environment; 75% of your peers do.
 - You do not send brochures with a complete summary of the benefits to members every year; 15% of your peers do.
 - You sent newsletters to active members 3 times per year which was less than the peer average of 3.1.
 - Fewer presentations - You did 99 presentations to members versus a peer average of 399.
 - You do not prepare and send a annual report to members every year; 3% of your peers do.
 - Fewer welcome kits - You issued welcome kits to 6.5% of your active members versus a peer average of 8.6%.
 - Fewer benefit fairs - You hosted or participated in 14 benefit fairs versus a peer average of 44.
 - Fewer automatic letters - You sent out 50.0 automatic letters per 1000 active members informing of milestones such as eligibility for retirement, vesting for disability benefits, vesting for pension benefits, etc versus a peer average of 55.0 per 1000.

b) Areas where you did more, or equal, transactions compared to your peers:

- You sent newsletters to annuitants 3 times per year which was more than the peer average of 2.9.
- More web pages - You had 415 pages on the member portion of your website versus a peer average of 408.

Your cost for Data from Employers is \$3 per Active Member. This is below the peer median of \$7.



Your Data from Employers cost is \$3 per Active Member. It was calculated by dividing your cost of \$780K for Data from Employers by your 260,000 Active Members.

Activity Volume: Active Members		You
Q2 What is the breakdown of your total membership (as at the end of your fiscal year) between:		
a) Active members?		260,000

The number of Employers is also an important cost driver for this activity. However, since total costs are summarized and compared on a per Active Member & Annuitant basis, we use Active Members as the Activity Volume.

Is your cost for Data from Employers reasonable?

Factors that impact your Data from Employers cost per Active Member	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Active Member	13	16	Decreasing
Service Score *	n/a	n/a	
Relative Complexity (0 least to 100 most) from:			
• Customization Choices	22	10	Increasing
• Contribution Rates	58	51	Increasing
• Variable Compensation	100	81	Increasing
• Service Credit Rules	59	56	Increasing
• Defined Contribution Plan Rules	0	18	Decreasing
Economies of Scale: # of Active Members	260,000	300,222	Neutral

* We do not have a Service Score for Data from Employers.

The collection process is the first entry point for bad data. Success or failure here can impact your costs in other activities such as inceptions, estimates, counseling and member contacts.

We believe that the historic success and cost effectiveness of Information Technology (IT) implementation is a key reason for differences in the cost of this activity. Much of this process is automated. Therefore, if you have an IT infrastructure that performs well and was implemented cost effectively, it will benefit your costs today and for years to come.

Differences in transaction types can have a big impact on costs for this activity. Your Transaction Volume Score was 13 per active member which was 19% below the peer average of 16. Your below average Transaction Volume Score reflects the net impact of:

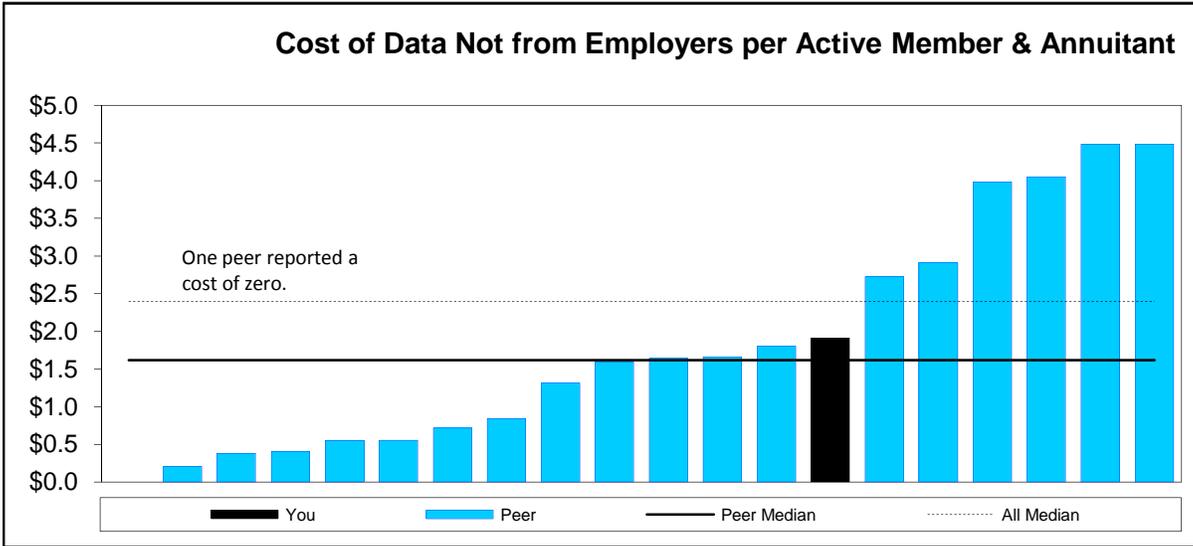
a) Areas where you did fewer transactions than your peers:

- Fewer retroactive changes - You changed 21,278 member records because of retroactive transactions which equals 82 retroactive changes per 1000 active members versus a peer average of 110 retroactive changes per 1000.
- Fewer new active members (excluding rehires) - New active members (excluding rehires) equaled 6.5% of your active members versus a peer average of 10.9%.
- Fewer new rehires - New rehires equaled 0.0% of your active members versus a peer average of 3.6%.
- Fewer exiting employers - 0.0 employers exited your system versus a peer average of 9.9.

b) Areas where you did more, or equal, transactions compared to your peers:

- More reconciling points - You deal with 1,456 employer payroll offices when reconciling money issues versus a peer average of 1,310.
- More validation points - You deal with 1,456 employer payroll offices when validating member data versus a peer average of 1,358.
- More new employers - 17 new employers joined your system versus a peer average of 16.

Your cost for Data Not from Employers is \$1.91 per Active Member & Annuitant. This is above the peer median of \$1.62.



Your Data Not from Employers cost is \$1.91 per Active Member & Annuitant. It was calculated by dividing your cost of \$763K for Data Not from Employers by your 400,000 Active Members & Annuitants.

Activity Volume: Active Members & Annuitants		You
Q2 What is the breakdown of your total membership (as at the end of your fiscal year) between:		
a) Active members?		260,000
c) Annuitants - Service Retirement?		132,200
d) Annuitants - Disability Retirement?		6,500
e) Annuitants - Survivor, Partner, Ex-partner, Dependents?		1,300
Total Annuitants		140,000
Total		400,000

Is your cost for Data Not from Employers reasonable?

Factors that impact your Data Not from Employers cost per Active Member & Annuitant	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Active Member & Annuitant	2	2	Neutral
Service Score *	n/a	n/a	
Relative Complexity (0 least to 100 most) from:			
• Divorce Rules	100	68	Increasing
• Defined Contribution Plan Rules	0	18	Decreasing
Economies of Scale: # of Active Members & Annuitants	400,000	456,631	Neutral

* We do not have a Service Measure for this Activity

Differences in transaction types can have a big impact on costs for this activity. Your Transaction Volume Score was 2 per active member & annuitant which was close to the peer average of 2. Your close to average Transaction Volume Score reflects the net impact of:

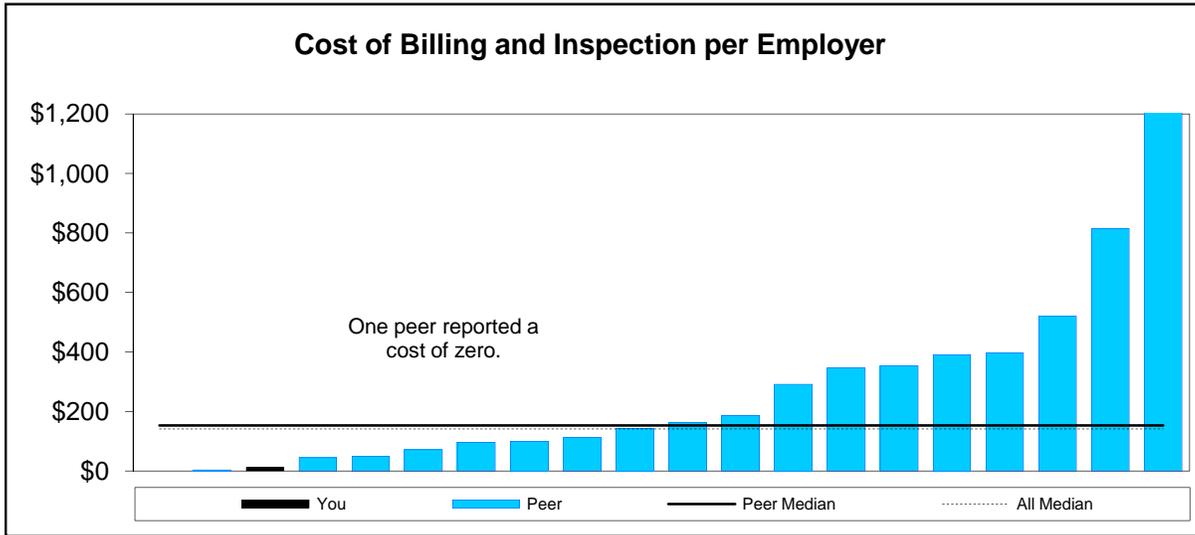
a) Areas where you did more transactions than your peers:

- More DB instructions direct from members - You received 2,500 instructions directly from members selecting or changing DB plan options which equals 6.3 instructions per 1000 active members & annuitants versus a peer average of 3.6 instructions per 1000.
- You actively maintain data for your inactive members; 15% of your peers do not.
- More annuitant data to maintain - You maintained the data of more annuitants relative to the activity volume (your annuitants equal 35.0% of your active members & annuitants versus a peer average of 34.3%).

b) Areas where you did fewer, or equal, transactions compared to your peers:

- Fewer searches - You did searches and found 208 lost inactive members or beneficiaries which equals 0.52 per 1000 active members & annuitants versus a peer average of 13.60 per 1000 active members & annuitants.
- Fewer members that you collect directly from - You collect contributions directly from 0 members or 0.00% of your active members & annuitants versus a peer average of 0.05%.
- Fewer active member divorces - You had 317 divorces of active members creating data maintenance work which equals 0.8 divorces per 1000 active members & annuitants versus a peer average of 1.1 per 1000 active members & annuitants.
- Fewer inactive member divorces - You had 93 divorces of inactive members creating data maintenance work which equals 0.2 divorces per 1000 active members & annuitants versus a peer average of 0.4 per 1000 active members & annuitants.

Your cost for Billing and Inspection is \$12 per Employer. This is below the peer median of \$153.



Your Billing and Inspection cost is \$12 per Employer. It was calculated by dividing your cost of \$17K for Billing and Inspection by your 1,456 Employers.

Activity Volume: Employers		You
Q142 a) # of employers at the end of your fiscal year?		1,456

Is your cost for Billing and Inspection reasonable?

Factors that impact your Billing and Inspection cost per Employer	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Employer	8	65	Decreasing
Service Score **			
Relative Complexity (0 least to 100 most) from:			
• Customization Choices	22	10	Increasing
• Contribution Rates	58	51	Increasing
Economies of Scale: # of Employers	1,456	1,454	Neutral

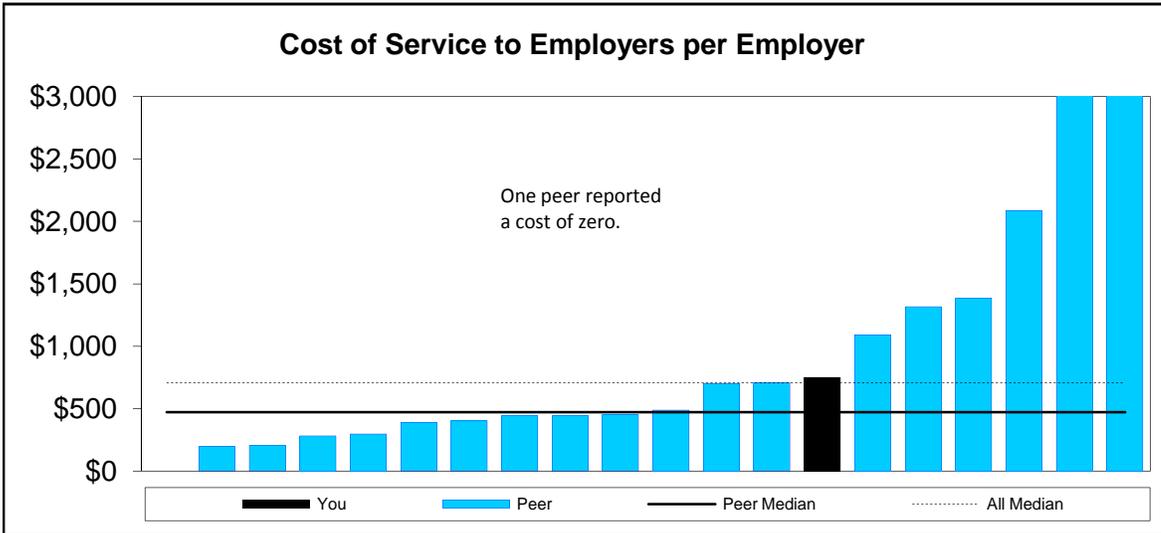
** We do not have a service measure for this activity.

Differences in transaction types can have a big impact on costs for this activity. Your Transaction Volume Score was 8 per employer which was 88% below the peer average of 65. Your below average Transaction Volume Score reflects the net impact of:

a) Areas where you did fewer transactions than your peers:

- Fewer invoices - You sent 1,456 invoices or payment advices which equals 1.0 per employer versus a peer average of 6.7. Invoices could be substantially more than 1 per employer if they are sent to multiple agencies at a single employer, or if they are sent multiple times per year.
- Fewer on-site reviews - You performed 0 on-site reviews, audits or inspections versus a peer average of 31.
- Fewer reminder notices - You sent 0 reminder notices which equals 0.0% of your employers versus a peer average of 29.9%.
- Equal court orders - You obtained 0 warrants of execution or court orders against delinquent employers which equals 0.00% of your employers versus a peer average of 0.52%.

Your cost for Service to Employers is \$751 per Employer. This is above the peer median of \$471.



Your Service to Employers cost is \$751 per Employer. It was calculated by dividing your cost of \$1,094K for Service to Employers by your 1,456 Employers.

Activity Volume: Employers		You
Q142 a) # of employers at the end of your fiscal year?		1,456

Is your cost for Service to Employers reasonable?

Factors that impact your Service to Employers cost per Employer	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Employer	493	903	Decreasing
Service Score for Service to Employers	66	71	Decreasing
Total Relative Complexity	61	55	Increasing
Economies of Scale: # of Employers	1,456	1,454	Neutral

Differences in transaction types can have a big impact on costs for this activity. Your Transaction Volume Score was 493 per employer which was 45% below the peer average of 903. Your below average Transaction Volume Score reflects the net impact of:

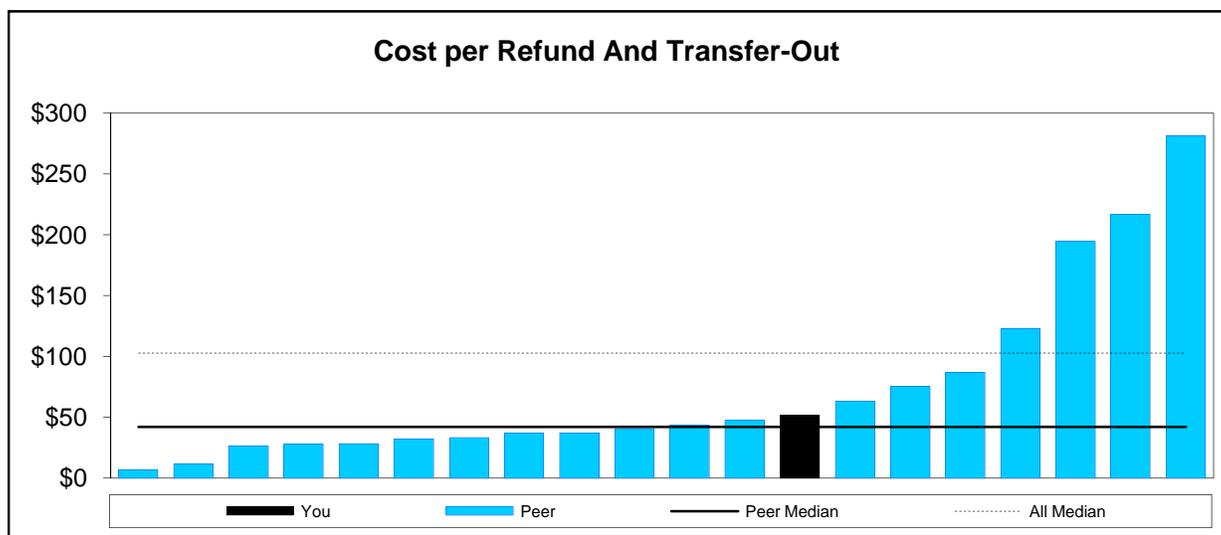
a) Areas where you did fewer transactions than your peers:

- Fewer email - You received 0.2 employer email queries per employer versus a peer average of 12.4.
- Fewer calls - You received 10.3 employer calls per employer versus a peer average of 21.2.
- Fewer conferences - You hosted 0 employer conferences which was less than the peer average of 4.3.
- Fewer other site visits - You did 0 employer site visits for reasons other than presentations which was less than the peer average of 125.
- Fewer presentations - You hosted 20 presentations to employers which was less than the peer average of 50.

b) Areas where you did more, or equal, transactions compared to your peers:

- More employer newsletters - You sent employer newsletters 36 times per employer last year versus a peer average of 9.
- More web pages - You had 315 pages on the employer portion of your website versus a peer average of 249.

Your cost for Refunds & Transfers-out is \$52 per Refund and Transfer-out. This is above the peer median of \$42.



Your Refunds & Transfers-out cost is \$52 per Refund and Transfer-out. It was calculated by dividing your cost of \$456K for Refunds & Transfers-out by your 8,836 Refunds and Transfers-Out.

Activity Volume: Refunds and Transfers-Out	You	You %	Peer Avg %
Q185 How many of the following terminating payments did you do last year:			
a) Refunds to exiting members?	5,188	59%	70%
b) Refunds to survivors, partners, ex-partners, dependents or beneficiaries?	104	1%	4%
c) Refunds of excess contributions?	0	0%	3%
d) One-time death payments?	360	4%	11%
e) Individual rollovers to other qualified retirement accounts or transfers-out to external pension systems?	1,108	13%	9%
f) Collective transfers-out to external pension systems?	0	0%	0%
g) Individual 'roll-overs' to internal accumulation accounts?	0	0%	1%
h) Lump-sum payouts or commuted value terminations at retirement excluding disability lump sums?	2,076	23%	1%
i) Early release of pension monies based on hardship grounds (only relevant in Australia)?	0	0%	0%
j) Partial withdrawals for financial hardship or on compassionate grounds?	0	0%	0%
k) Partial withdrawals for members reaching an eligible age?	0	0%	0%
l) Partial withdrawals of non-preserved funds (applicable in Australia)?	0	0%	0%
m) Partial withdrawals for members prior to retirement for other reasons?	0	0%	0%
Total	8,836	100%	100%

Is your cost for Refunds & Transfers-out reasonable?

Factors that impact your Refunds & Transfers-out cost per Refund and Transfer-Out	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Refund and Transfer-Out	106	97	Increasing
Service Score for Refunds & Transfers-out	40	66	Decreasing
Relative Complexity from Refund Rules (0 least - 100 most)	27	63	Decreasing
Economies of Scale: # of Refunds and Transfers-Out	8,836	16,577	Increasing

Differences in transaction types can have a big impact on costs for this activity. Your Transaction Volume Score was 106 per refund and transfer-out which was 9% above the peer average of 97. Your above average Transaction Volume Score reflects the net impact of:

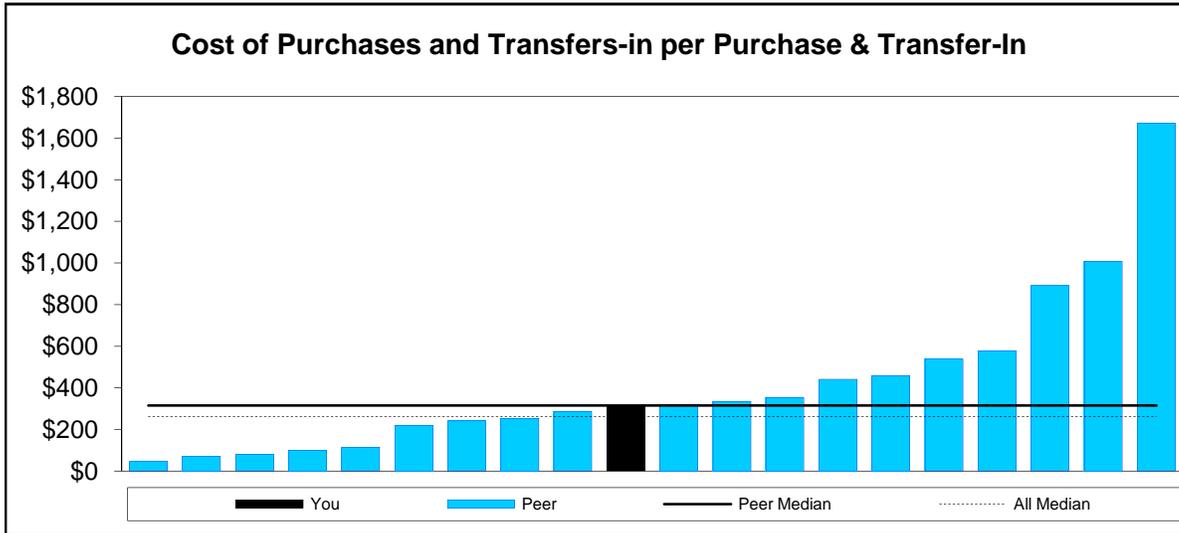
a) Areas where you did more transactions than your peers:

- More written estimates for refunds/ terminations/ transfer-outs. You prepared 2,197 written estimates for refunds/ terminations/ transfers-outs in response to member requests that did not result in a refund/ termination/ transfer-out versus a peer average of 387.
- Your types of refunds and transfers-out (refer to the table on the previous page) were higher cost than the peer average. For example you had more higher-cost commuted value payouts at retirement (your 23% of refunds and transfers-out versus a peer average of 1%) and fewer lower-cost one-time death payments (your 4% of refunds and transfers-out versus a peer average of 11%).

b) Areas where you did fewer, or equal, transactions compared to your peers:

- Fewer manual calculations. Manual calculations were required for 1% of your refunds and transfers-out versus a peer average of 15%. Manual calculations are assumed to reflect unusual complexity and to be higher cost than automated calculations.

Your cost for Purchases and Transfers-in is \$310 per Purchase & Transfer-in. This is close to the peer median of \$315.



Your Purchases and Transfers-in cost is \$310 per Purchase & Transfer-in. It was calculated by dividing your cost of \$310K for Purchases and Transfers-in by your 1,000 Purchases & Transfers-in.

Activity Volume: Purchases & Transfers-In	You	You %	Peer Avg %
Q196 Number of actual:			
a) Service credit purchases such as for prior refunded service, military service, etc.:		100%	96%
a1) By active members?	1,000		
a2) By inactive members?	0		
b) Upgrades or 'Top-ups' where members can improve their pensionable salary (but not service credit)?	0	0%	0%
c) Upgrades where members can pay to upgrade from an older retirement formula to a new retirement formula?	0	0%	1%
d) Individual transfers-in from external defined benefit systems?	0	0%	3%
e) Collective transfers-in from external systems? [i.e., Could occur when a new employer joins your system. Count each member collectively transferred-in.]	0	0%	1%
Total	1,000	100%	100%

Is your cost for Purchases and Transfers-in reasonable?

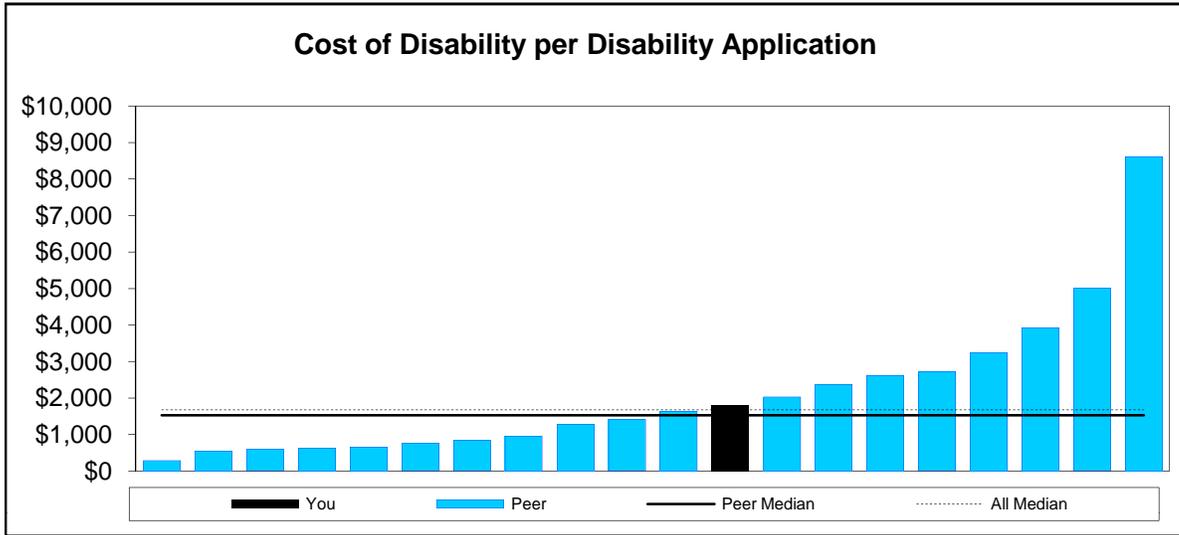
Factors that impact your Purchases and Transfers-in cost per Purchase & Transfer-in	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Purchase & Transfer-In	259	306	Decreasing
Service Score for Purchases and Transfers-in	18	62	Decreasing
Relative Complexity from Purchase Rules (0 least - 100 most)	55	68	Decreasing
Economies of Scale: # of Purchases & Transfers-In	1,000	5,146	Increasing

Differences in transaction types can have a big impact on costs for this activity. Your Transaction Volume Score was 259 per purchase & transfer-in which was 15% below the peer average of 306. Your below average Transaction Volume Score reflects the net impact of:

a) Areas where you did fewer transactions than your peers:

- Fewer installment payments via payroll deduction - Payments were made by installment via payroll deduction through employers for 0% of your purchases & transfers-in versus a peer average of 22%.
- Fewer manual calculations - 0% of your purchases & transfers-in required manual calculations versus a peer average of 20%. Manual calculations are assumed to reflect unusual complexity and to be higher cost than automated calculations.
- Fewer installment payments direct from members - Payments were made by installment direct from members for 0.00% of your purchases & transfers-in versus a peer average of 9.21%.
- Your types of purchases & transfers-in (refer to the table on the previous page) were lower cost than the peer average. For example you had fewer higher-cost individual transfers in from external defined benefit systems (your 0% of purchases & transfers-in versus a peer average of 3%) and more lower-cost service credit purchases (your 100% of purchases & transfers-in versus a peer average of 96%).
- Equal purchase estimates - You prepared 1.1 written estimates that did not result in a purchases & transfers-in for every one that did, versus a peer average of 1.1.

Your cost for Disability is \$1,802 per Disability Application. This is above the peer median of \$1,526.



Your Disability cost is \$1,802 per Disability Application. It was calculated by dividing your cost of \$3,552K for Disability by your 1,971 Disability Applications.

Activity Volume: Disability Applications		You
a) Applications for disability pensions/ long-term disability/ disability lump sums?		715
b) Applications for short-term disability (if you administer)?		1,256
Total		1,971

Is your cost for Disability reasonable?

Factors that impact your Disability cost per Disability Application	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Disability Application	759	2,064	Decreasing
Service Score for Disability	66	74	Decreasing
Relative Complexity from Disability Rules (0 least - 100 most)	85	83	Neutral
Economies of Scale: # of Disability Applications	1,971	1,245	Decreasing

Differences in transaction types can have a big impact on costs for this activity. Your Transaction Volume Score was 759 per disability application which was 63% below the peer average of 2,064. Your below average Transaction Volume Score reflects the net impact of:

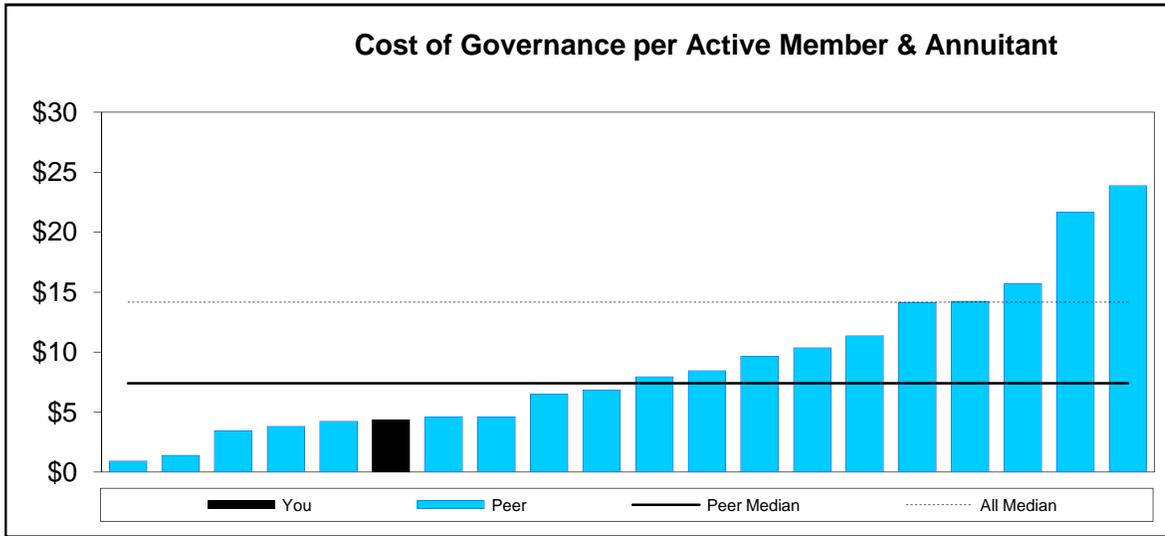
a) Areas where you did fewer transactions than your peers:

- Fewer independent medical examinations - Independent medical examinations paid for by you equaled 1% of your disability applications versus a peer average of 44%.
- Fewer higher-cost occupational disability - 0% of your disability applications were for occupational disability versus a peer average of 9%.
- Fewer appeals - Appeals equaled 1.9% of your disability applications versus a peer average of 6.3%.
- Fewer changes in disability payments - You had 0 change in disability payments for reasons other than death which was below the peer average of 498.
- You had a lower proportion of higher-cost long-term disability applications (your 36% of your disability applications versus a peer average of 87%) and a higher proportion of lower-cost short term disability applications (your 64% of your disability applications versus a peer average of 13%).
- Fewer checks of income - You did 4,912 checks of disabled member income which equals 2.5 per 1000 units of activity volume (i.e., disability applications). This was less than the peer average of 4.4 per 1000.
- Fewer rehabilitation cases - You handled 0 rehabilitation cases which was less than the peer average of 2.34.
- Fewer new member health reviews - You reviewed the health status of 0 new members which was less than the peer average of 36.
- Fewer reimbursements - You had 0 reimbursements to employers for short-term disability which was less than the peer average of 15.

b) Areas where you did more, or equal, transactions compared to your peers:

- More disability inceptions - 95% of your disability applications resulted in inceptions versus a peer average of 68%.

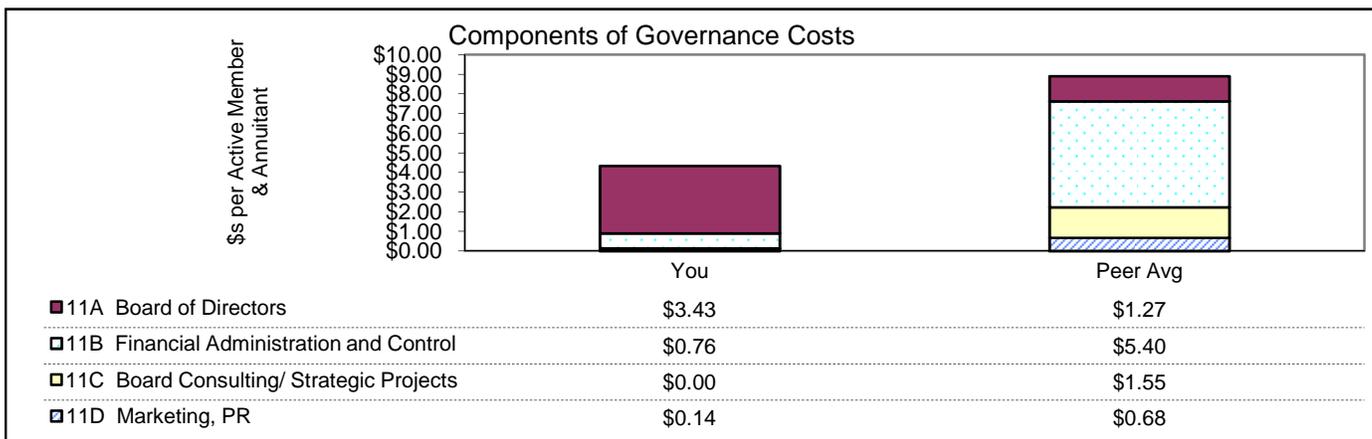
Your cost for Governance is \$4 per Active Member & Annuitant. This is below the peer median of \$7.



Your Governance cost is \$4 per Active Member & Annuitant. It was calculated by dividing your cost of \$1,732K for Governance by your 400,000 Active Members & Annuitants.

Activity Volume: Active Members & Annuitants		You
Q2 What is the breakdown of your total membership (as at the		
a) Active members?		260,000
Annuitants		140,000
Total		400,000

The chart below shows how the breakdown of your Governance costs compares to your peers.



Is your cost for Governance reasonable?

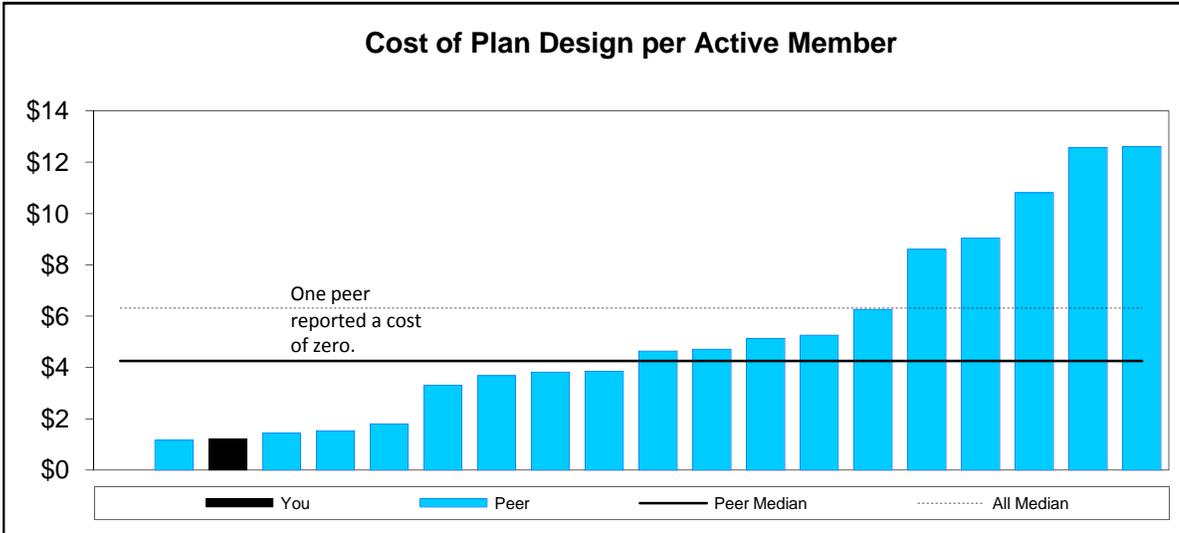
Factors that impact your Governance cost per Active Member & Annuitant	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Active Member & Annuitant			
11A Board of Directors	0.82	1.66	Decreasing
11B Financial Administration and Control	9.83	9.99	Neutral
11C Board Consulting/ Strategic Projects	3.76	3.76	Neutral
11D Marketing, PR	<u>0.00</u>	<u>1.35</u>	Decreasing
Total	14.41	16.76	Decreasing
Service Score for Disaster Recovery	90	84	Increasing
Relative Total Complexity (0 least - 100 most)	61	55	Increasing
Economies of Scale: # of Active Members & Annuitants	400,000	456,631	Neutral

Of the above factors, we believe that Economies of Scale has the biggest impact on Governance costs. A large portion of Governance costs are fixed costs, therefore, participants with a larger volume of Active Members & Annuitants will have a bigger base over which to spread the costs. In other words, they benefit from economies of scale.

Your Transaction Volume Score was 14.41 per active member & annuitant which was 14% below the peer average of 16.76. Your below average Transaction Volume Score reflects the net impact of:

- a) Areas where you did fewer transactions than your peers:
 - Fewer oversight meetings - You had 25 oversight meetings (i.e., Board, Advisory Committee, etc) which was less than the peer average of 29.
 - Fewer actuarial analyses - You did 4 actuarial analyses for funding or billing purposes which was less than the peer average of 118.
- b) Areas where you did more, or equal, transactions compared to your peers:
 - More - You do Activity 11D Marketing, PR whereas 25% of your peers do not.
 - Equal - The transaction types for Activity 11C Board Consulting/ Strategic Projects are assumed to be the same for all systems (i.e., \$3.76 per active member & annuitant).

Your cost for Plan Design is \$1 per Active Member. This is below the peer median of \$4.

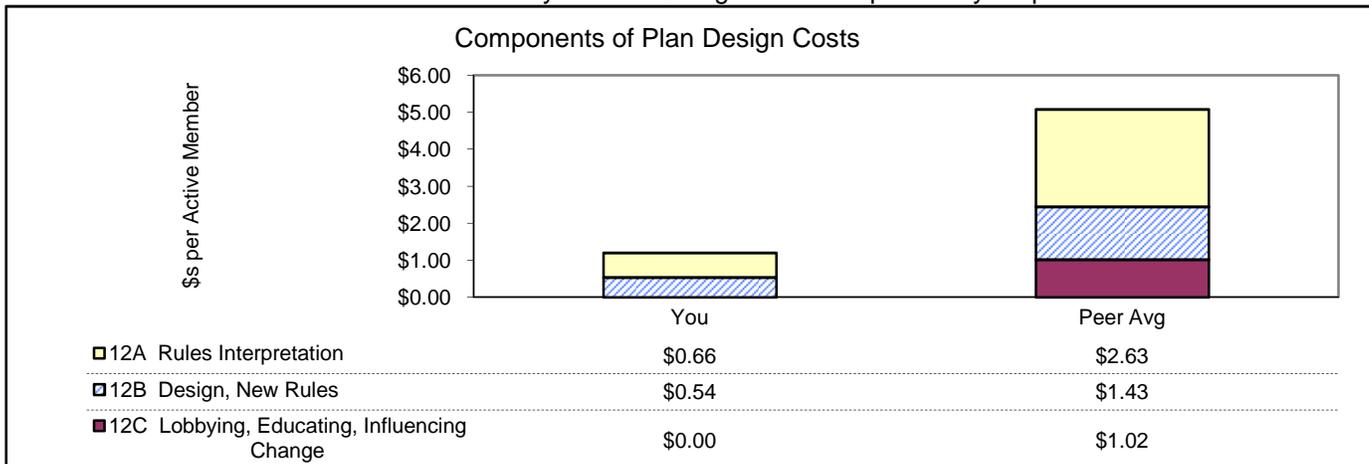


Your Plan Design cost is \$1 per Active Member. It was calculated by dividing your cost of \$313K for Plan Design by your 260,000 Active Members.

Activity Volume: Active Members		You
Q2 What is the breakdown of your total membership (as at the end of your fiscal year) between:		
a) Active members?		260,000

Annuitants are excluded from the activity volume because most plan design changes are usually focused on active members.

The chart below shows how the breakdown of your Plan Design costs compares to your peers.



Is your cost for Plan Design reasonable?

Factors that impact your Plan Design cost per Active Member	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Active Member			
12A Rules Interpretation	4.69	4.69	Neutral
12B Design, New Rules	0.00	0.57	Decreasing
12C Lobbying, Educating, Influencing Change	<u>0.00</u>	<u>1.58</u>	Decreasing
Total	4.69	6.84	Decreasing
Service Score *	n/a	n/a	
Relative Total Complexity (0 least - 100 most)	61	55	Increasing
Economies of Scale: # of Active Members	260,000	300,222	Neutral

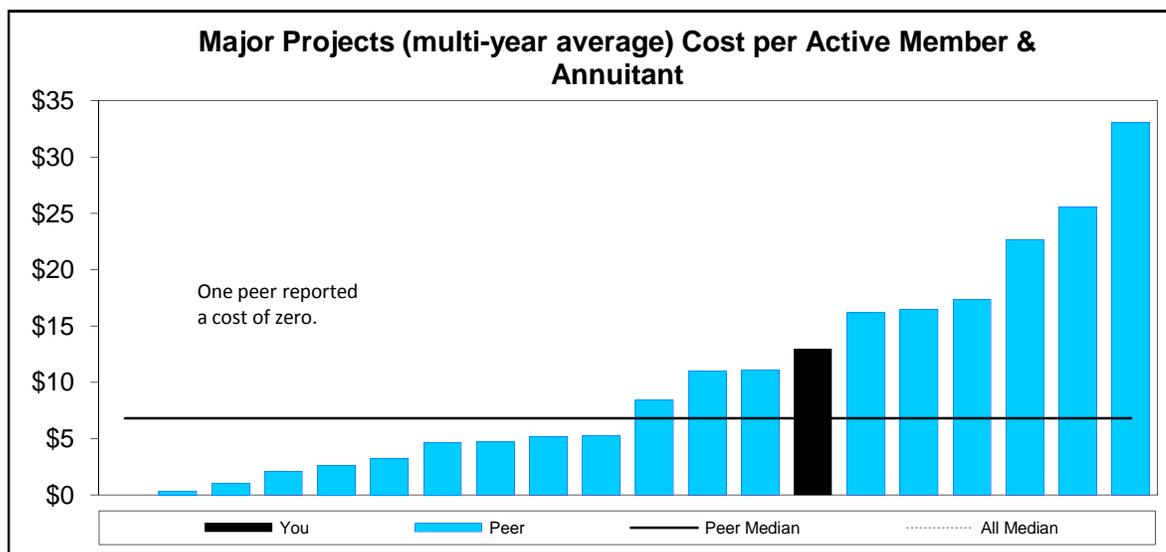
* We do not have a Service Measure for this Activity.

We believe that Economies of Scale, Complexity and Transaction Volume Score all have a significant impact on Plan Design costs.

Your Transaction Volume Score was 4.69 per active member which was 31% below the peer average of 6.84. Your below average Transaction Volume Score reflects the net impact of:

- a) Areas where you did fewer transactions than your peers:
- Fewer - You do not do Activity 12C Lobbying, Educating, Influencing Change whereas 80% of your peers
 - You did not material legislative changes or other unusual events that materially impacted your costs whereas 40% of your peers had.
 - Fewer actuarial "what if" analyses - You paid for 0 actuarial cost "what if" analyses which was less than the peer average of 93.
 - Fewer amended contracts for existing employers - You had 0 contracts for existing employers that were re-negotiated or amended which was less than the peer average of 13.
 - Fewer contracts for new employers - You had 0 contracts for new employers which was less than the peer average of 4.
- b) Areas where you did more, or equal, transactions compared to your peers:
- Equal - The transaction types for Activity 12A Rules Interpretation are assumed to be the same for all systems (i.e., \$4.69 per active member).

Your cost for Major Projects (multi-year average) is \$13 per Active Member & Annuitant. This is above the peer median of \$7.



Your Major Projects (multi-year average) cost is \$13 per Active Member & Annuitant. It was calculated by dividing your cost of \$5,166K for Major Projects (multi-year average) by your 400,000 Active Members & Annuitants.

Activity Volume: Active Members & Annuitants		You
Q2 What is the breakdown of your total membership (as at the end of your fiscal year) between:		
a) Active members?		260,000
c) Annuitants - Service Retirement?		132,200
d) Annuitants - Disability Retirement?		6,500
e) Annuitants - Survivor, Partner, Ex-partner, Dependents?		1,300
Total Annuitants		140,000
Total		400,000

Calculation of Your Multi-Year Average Major Project Cost	
Year	Cost (\$000s)
2007	\$5,166
2006	n/a
2005	n/a
1-Year Average	\$5,166

Is your cost for Major Projects (multi-year average) reasonable?

Factors that impact your Major Projects (multi-year average) cost per Active Member & Annuitant	You	Peer Avg	Cost Impact (You vs Peer)
Transaction Volume Score per Active Member & Annuitant	13	13	Neutral
Total Service Score	60	72	Increasing
Relative Complexity from Total Relative Complexity (0 least - 100 most)	61	55	Increasing
Economies of Scale: # of Active Members & Annuitants	400,000	456,631	Neutral

We believe economies of scale has the biggest impact on costs for this Activity. Systems with more members have a cost advantage because they have a greater base over which to spread the substantial fixed costs of developing the IT infrastructure necessary for pension systems to operate.

Relative Complexity also has a large impact. It is more expensive to develop IT systems for complex systems.

The Transaction Volume Score is assumed to have no impact. All pension administrators are assumed to require similar IT projects (i.e., the key transactions for this Activity). Therefore, the Transaction Volume Score per Active Member & Annuitant is identical for all pension administrators for this Activity. (Note that the methodology for calculating Transaction Volume Score has changed from prior years. In prior years the Transaction Volume Score varied widely for this activity because it included the impacts of both transaction type differences and economies of scale. The economy of scale impact is now excluded and considered separately).

Comparison of Activity Costs - Quartile Summary

Activity	Cost per	You	Peer 2007							All 2007						
			Max	75th	Med	25th	Min	Avg	#	Max	75th	Med	25th	Min	Avg	#
1 Paying Pensions	Annuitant	4	28	18	13	7	3	13	20	167	21	15	10	3	21	76
2 Pension Inceptions	New Payee Inception	127	1,213	316	188	137	101	286	20	1,306	473	301	154	41	366	76
3 Benefit Estimates	Written Estimate	83	384	133	93	53	9	114	20	7,586	239	84	48	9	391	73
4A 1-on-1 Counseling	Member Counseled 1-on-1	129	332	133	90	73	31	108	19	7,267	212	99	65	12	253	68
4B Group Counseling	Member Counseled in Groups	99	163	145	100	69	50	53	10	965	158	95	47	6	63	28
4A-B Counseling	Member Counseled	125	296	130	89	73	31	110	20	800	163	92	69	12	136	69
5 Member Contacts	Call, Email and Letter	9	32	12	9	5	3	10	20	44	14	10	6	1	12	77
6 Mass Communication	Active Member	4	22	7	5	3	1	6	20	58	17	9	4	1	13	77
7A Data from Employers	Active Member	3	19	10	7	3	2	8	20	102	20	11	7	0	16	77
7B Data Not from Employers	Active Member & Annuitant	2	4	3	2	1	0	2	20	73	4	2	1	0	5	77
7C Billing and Inspection	Employer	12	1,726	363	153	66	0	291	20	22,000	391	141	44	0	640	77
7A-C Collections	Active Member & Annuitant	4	17	9	7	4	1	8	20	103	19	11	8	0	17	77
7D Service to Employers	Employer	751	3,574	1,149	471	367	0	913	20	268,000	1,985	706	214	0	6,624	77
8 Refunds & Transfers-out	Refund and Transfer-out	52	281	78	42	31	7	73	20	4,198	208	103	40	7	239	76
9 Purchases and Transfers-in	Purchase & Transfer-in	310	1,670	480	315	194	46	416	20	1,670	542	261	145	12	342	68
10 Disability	Disability Application	1,802	8,613	2,649	1,526	735	284	2,098	20	25,897	2,892	1,672	712	284	2,057	55
11A Board of Directors	Active Member & Annuitant	3	4	2	1	1	0	1	20	75	7	2	1	0	6	77
11B Financial Control	Active Member & Annuitant	1	19	6	4	3	1	5	20	101	12	6	3	1	11	77
11C Board Consulting	Active Member & Annuitant	0	14	1	1	0	0	2	20	78	3	1	0	0	4	77
11D Marketing, PR	Active Member & Annuitant	0	4	1	0	0	0	1	20	14	1	0	0	0	1	77
11A-D Governance	Active Member & Annuitant	4	24	12	7	4	1	9	20	227	21	14	8	1	22	77
12A Rules Interpretation	Active Member	1	8	4	2	1	0	3	20	41	6	3	1	0	5	77
12B Design, New Rules	Active Member	1	5	2	1	0	0	1	20	46	3	2	0	0	4	77
12C Influencing Change	Active Member	0	4	2	1	0	0	1	20	35	2	1	0	0	2	77
12A-C Plan Design	Active Member	1	13	7	4	2	0	5	20	111	12	6	4	0	11	77
13 Major Projects (multi-year average)	Active Member & Annuitant	13	33	16	7	3	0	10	20	95	16	7	2	0	13	77
Total Adjusted Administration Cost	Active Member & Annuitant	53	143	84	65	47	31	73	20	544	127	92	66	27	119	77

In prior year reports we did not include multi-year average Major Project costs in total costs.

Instead we used the current year's Major Project costs and showed the total including and excluding this cost.

Some participants want to see the prior years' format for continuity. Therefore, these two totals are shown below.

Total excluding Major Projects	Active Member & Annuitant	40	127	73	60	40	20	62.6	20	498	114	81	60	20	107	77
13 Major Projects (2007)	Active Member & Annuitant	13	43	14	8	3	0	11.7	20	94	13	7	0	0	12	77
Total including 2007 Major Projects	Active Member & Annuitant	53	146	86	65	47	32	74.3	20	546	138	92	71	27	119	77

Activity Cost History

Activity	Cost per	You				4-Year peer Median (1)					4-Year All Median (2)				
		2007	2006	2005	2004	2007	2006	2005	2004	#	2007	2006	2005	2004	#
1 Paying Pensions	Annuitant	4				14	13	14	15	37	14	13	14	15	37
2 Pension Inceptions	New Payee Inception	127				315	305	248	234	37	315	305	248	234	37
3 Benefit Estimates	Written Estimate	83				79	82	78	64	37	79	82	78	64	37
4A 1-on-1 Counseling	Member Counseled 1-on-1	129				89	92	97	101	35	89	92	97	101	35
4B Group Counseling	Member Counseled in Groups	99				76	81	65	71	14	76	81	65	71	14
5 Member Contacts	Call, Email and Letter	9				9	9	9	8	38	9	9	9	8	38
6 Mass Communication	Active Member	4				9	8	8	9	38	9	8	8	9	38
7A Data from Employers	Active Member	3				10	11	10	9	38	10	11	10	9	38
7B Data Not from Employers	Active Member & Annuitant	2				3	2	2	1	38	3	2	2	1	38
7C Billing and Inspection	Employer	12				140	152	160	115	38	140	152	160	115	38
7A-C Collections	Active Member & Annuitant	4				10	10	10	9	38	10	10	10	9	38
7D Service to Employers	Employer	751				760	652	529	539	38	760	652	529	539	38
8 Refunds & Transfers-out	Refund and Transfer-out	52				97	111	123	124	38	97	111	123	124	38
9 Purchases and Transfers-in	Purchase & Transfer-in	310				246	237	251	213	36	246	237	251	213	36
10 Disability	Disability Application	1802				1722	1164	1418	1433	27	1722	1164	1418	1433	27
11A Board of Directors	Active Member & Annuitant	3				2	2	2	2	38	2	2	2	2	38
11B Financial Control	Active Member & Annuitant	1				5	5	5	5	38	5	5	5	5	38
11C Board Consulting	Active Member & Annuitant	0				1	1	1	0	38	1	1	1	0	38
11D Marketing, PR	Active Member & Annuitant	0				0	0	0	0	38	0	0	0	0	38
11A-D Governance	Active Member & Annuitant	4				11	11	9	10	38	11	11	9	10	38
12A Rules Interpretation	Active Member	1				3	3	2	2	38	3	3	2	2	38
12B Design, New Rules	Active Member	1				2	2	1	1	38	2	2	1	1	38
12C Influencing Change	Active Member	0				0	0	0	0	38	0	0	0	0	38
12A-C Plan Design	Active Member	1				6	5	4	4	38	6	5	4	4	38
13 Major Projects (multi-year average) (3)	Active Member & Annuitant	13				8	9	10	12	38	8	9	10	12	38
Total Adjusted Administration Cost	Active Member & Annuitant	53				87	84	85	86	38	87	84	85	86	38

In prior year reports we did not include multi-year average Major Project costs in total costs. Instead we used the current year's Major Project costs and showed the total including and excluding this cost.

Some participants want to see the prior years' format for continuity. Therefore, these two totals are shown below.

Total excluding Major Projects	Active Member & Annuitant	40				74	72	71	70	38	74	72	71	70	38
13 Major Projects (2007)	Active Member & Annuitant	13				8	7	9	11	38	8	7	9	11	38
Total including 2007 Major Projects	Active Member & Annuitant	53				90	83	78	90	38	90	83	78	90	38

(1) 4-Year Peers are members of your peer group who have participated for 4 consecutive years (15 of your 20 peers) and have data in each of the consecutive years for the cost being compared.

(2) 4-Year All is comprised of participants who have participated for 4 consecutive years or more (38 of the 77 participants) and have data in each of the consecutive years for the cost being compared.

(3) Your multi-year average Major Project cost was based on 1 year of data (\$5,166 for 2007).

Foreign country Conversion: All foreign currency amounts have been converted to USDs using Purchasing Power Parity figures as per the OECD. Appendix B shows the detailed currency conversions.

Activity Cost History

Activity	Cost per	You				4-Year peer Average (1)					4-Year All Average (2)				
		2007	2006	2005	2004	2007	2006	2005	2004	#	2007	2006	2005	2004	#
1 Paying Pensions	Annuitant	4				8	9	13	10	37	8	9	13	10	37
2 Pension Inceptions	New Payee Inception	127				172	196	206	176	37	172	196	206	176	37
3 Benefit Estimates	Written Estimate	83				185	130	176	128	37	185	130	176	128	37
4A 1-on-1 Counseling	Member Counseled 1-on-1	129				66	78	81	64	35	66	78	81	64	35
4B Group Counseling	Member Counseled in Groups	99				21	31	31	32	14	21	31	31	32	14
5 Member Contacts	Call, Email and Letter	9				5	6	7	6	38	5	6	7	6	38
6 Mass Communication	Active Member	4				6	7	8	7	38	6	7	8	7	38
7A Data from Employers	Active Member	3				7	9	11	8	38	7	9	11	8	38
7B Data Not from Employers	Active Member & Annuitant	2				1	2	2	1	38	1	2	2	1	38
7C Billing and Inspection	Employer	12				449	722	876	855	38	449	722	876	855	38
7A-C Collections	Active Member & Annuitant	4				7	8	9	8	38	7	8	9	8	38
7D Service to Employers	Employer	751				4634	5176	6001	4727	38	4634	5176	6001	4727	38
8 Refunds & Transfers-out	Refund and Transfer-out	52				70	93	104	95	38	70	93	104	95	38
9 Purchases and Transfers-in	Purchase & Transfer-in	310				169	172	186	155	36	169	172	186	155	36
10 Disability	Disability Application	1802				1013	1178	1198	1545	27	1013	1178	1198	1545	27
11A Board of Directors	Active Member & Annuitant	3				1	2	2	2	38	1	2	2	2	38
11B Financial Control	Active Member & Annuitant	1				4	5	6	5	38	4	5	6	5	38
11C Board Consulting	Active Member & Annuitant	0				1	1	1	1	38	1	1	1	1	38
11D Marketing, PR	Active Member & Annuitant	0				0	0	0	0	38	0	0	0	0	38
11A-D Governance	Active Member & Annuitant	4				8	9	9	8	38	8	9	9	8	38
12A Rules Interpretation	Active Member	1				2	2	3	2	38	2	2	3	2	38
12B Design, New Rules	Active Member	1				1	2	2	1	38	1	2	2	1	38
12C Influencing Change	Active Member	0				1	1	0	0	38	1	1	0	0	38
12A-C Plan Design	Active Member	1				3	4	5	4	38	3	4	5	4	38
13 Major Projects (multi-year average) (3)	Active Member & Annuitant	13				6	7	9	9	38	6	7	9	9	38
Total Adjusted Administration Cost	Active Member & Annuitant	53				50	58	68	59	38	50	58	68	59	38

In prior year reports we did not include multi-year average Major Project costs in total costs. Instead we used the current year's Major Project costs and showed the total including and excluding this cost.

Some participants want to see the prior years' format for continuity. Therefore, these two totals are shown below.

Total excluding Major Projects	Active Member & Annuitant	40				44	51	59	50	38	44	51	59	50	38
13 Major Projects (2007)	Active Member & Annuitant	13				6	7	9	7	38	6	7	9	7	38
Total including 2007 Major Projects	Active Member & Annuitant	53				49	58	68	57	38	49	58	68	57	38

(1) 4-Year Peers are members of your peer group who have participated for 4 consecutive years (15 of your 20 peers) and have data in each of the consecutive years for the cost being compared.

(2) 4-Year All is comprised of participants who have participated for 4 consecutive years or more (38 of the 77 participants) and have data in each of the consecutive years for the cost being compared.

(3) Your multi-year average Major Project cost was based on 1 year of data (\$5,166 for 2007).

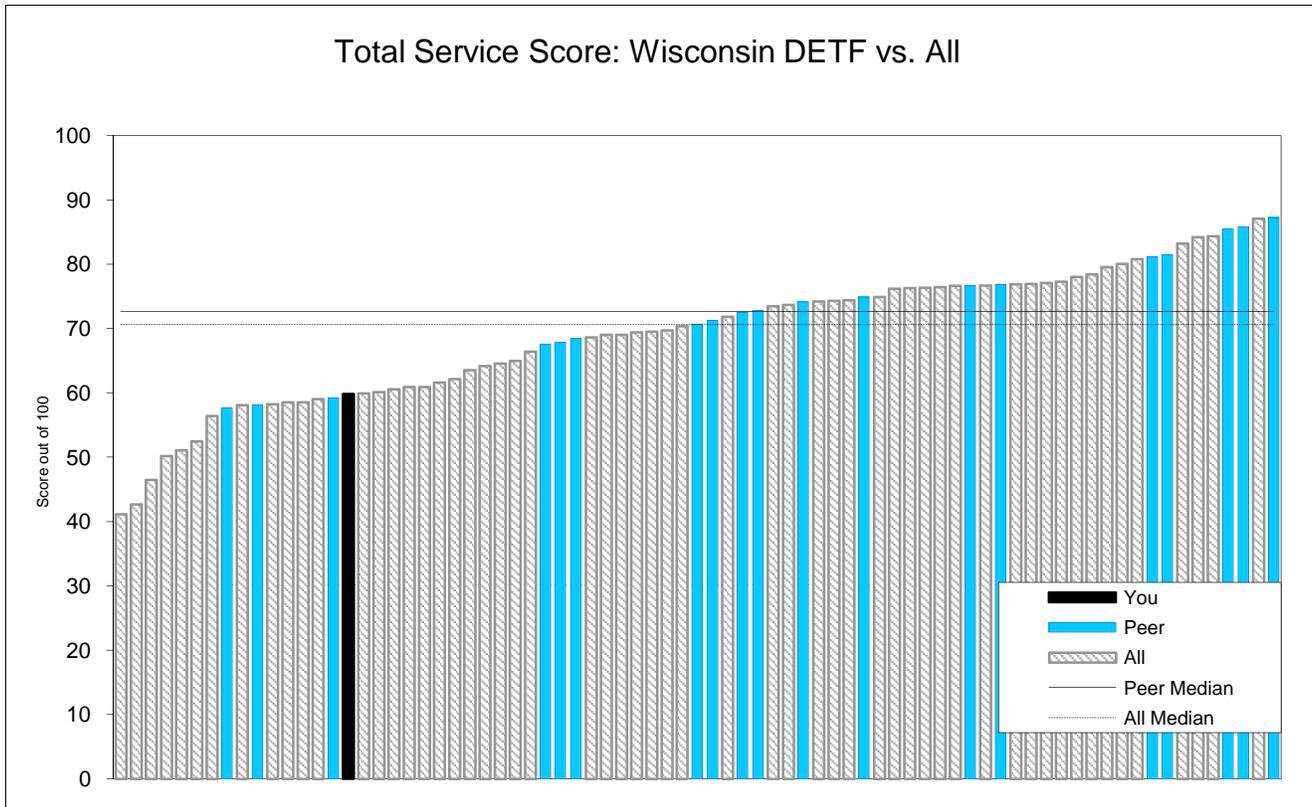
Foreign country Conversion: All foreign currency amounts have been converted to USDs using Purchasing Power Parity figures as per the OECD. Appendix B shows the detailed currency conversions.

SERVICE LEVELS

This section:

1. Analyzes your current service levels relative to your peers, and other Retirement Systems in the U.S., Canada, Australia and the Netherlands to identify what you do and how it compares to others.
2. Identifies areas where you may be able to improve, or reduce, your service levels.
3. Provides details of the methodology and criteria we used to evaluate your service levels.

Your Total Service Score is 60. This compares to a peer median of 73 and an all participant median of 71.



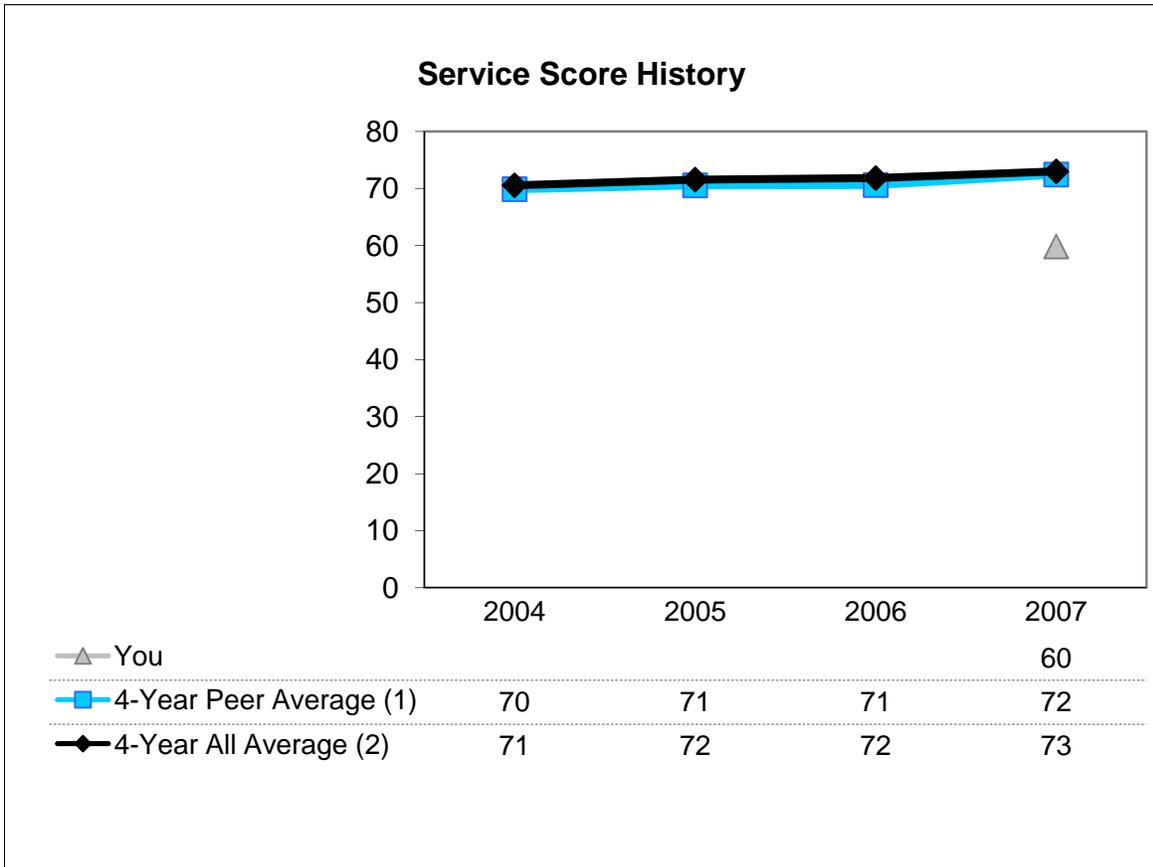
Interpreting your Service Results

Higher service scores are not necessarily better. This is because:

- Service is defined as: *'Anything a member would like, before considering costs'*. As this definition does not consider costs, high service may not always be cost effective or optimal. For example, it is higher service to have a call center open 24 hours a day but few Systems would be able to justify the cost.
- Our 'weights' are an approximation of the importance of an individual service element. These weights will not always reflect the relative importance that you or your members attach to an individual service element.

The service measures are most useful for identifying what you are doing differently than your peers. Understanding these differences can give you ideas on how you may want to improve, *or reduce*, the service you provide to your members.

Service Score History



Historic Scores are Restated

The Service Score calculation methodology has improved over time based on participant feedback. The current 2007 Service Score methodology was applied retroactively to recalculate your 2006, 2005 and 2004 scores. If a service question was not asked in 2006 or 2005 we used your response from the year when the question was first asked as a default.

Footnotes:

- (1) 4-Year Peers are members of your peer group who have participated for 4 consecutive years (15 of your 20 peers).
- (2) 4-Year All is comprised of participants who have participated for 4 consecutive years or more (38 of the 77 participants).

Service Scores by Activity and weights used to determine your Total Service Score

Activity	Weight	Your Service Scores (1)				2007 Average	
		2007	2006	2005	2004	Peer	All
1 Paying Annuity Pensions	18.9%	93.7	n/a	n/a	n/a	95.8	95.2
2 Annuity Pension Inceptions (non-disability)	7.9%	81.8	n/a	n/a	n/a	67.0	73.6
3 Pension Benefit Estimates	5.0%	38.5	n/a	n/a	n/a	63.6	63.3
4A-B Counseling	11.3%	59.1	n/a	n/a	n/a	79.6	69.6
5 Member Contacts: Calls, Emails, Letters	21.5%	33.8	n/a	n/a	n/a	57.0	58.3
6 Mass Communication to Members and Annuitants	21.8%	56.3	n/a	n/a	n/a	68.9	62.9
<i>Mass communication is comprised of:</i>							
a) Member Presentations (15%)		41.0	n/a	n/a	n/a	77.4	58.7
b) Website (35%)		38.0	n/a	n/a	n/a	57.5	51.0
c) Newsletters (15%)		79.0	n/a	n/a	n/a	77.8	68.8
d) Member Statements (30%)		76.5	n/a	n/a	n/a	76.5	76.8
e) Other Mass Communication (5%)		40.0	n/a	n/a	n/a	50.0	58.1
7D Service to Employers (2)	4.0%	66.0	n/a	n/a	n/a	71.1	60.4
8 Refunds, Transfers-out, Terminating Payments	0.3%	40.0	n/a	n/a	n/a	66.4	56.9
9 Purchases and Transfers-in	3.3%	18.0	n/a	n/a	n/a	61.6	60.9
10 Disability	5.1%	66.0	n/a	n/a	n/a	74.2	71.5
Disaster Recovery	1.0%	89.5	n/a	n/a	n/a	83.6	81.8
Total Service Score - Average	100.0%	59.8	n/a	n/a	n/a	72.5	69.3
Total Service Score - Median						72.6	70.6

(1) The Service Score calculation methodology has improved over time based on participant feedback. The current 2007 Service Score methodology was applied retroactively to recalculate your 2006 and 2005 scores. If a service question was not asked in 2006 or 2005 we used your response from the year when the question was first asked as a default.

(2) We do not have service measures for the activities 7A-C Collections, Data and Billing, activity 11 Governance and Financial Control or activity 12 Plan Design.

How did we determine the weights for each activity?

CEM considered the following 7 criteria to determine the weights used to calculate your Total Service Score:

1. Feedback from Participants

The weights reflect feedback from participants solicited at on-site meetings, symposiums and peer conferences.

2. Relative Cost of Each Activity

The average participant spends 10.3% of its annual budget for Member Contacts (calls, emails, letters) versus 2.8% for 1-on-1 Counseling. Thus, based solely on relative cost, Member Contacts is 3.7 times more important than 1-on-1 Counseling.

3. Relative Volume of Each Activity (i.e., How many times does the service 'touch' a member?)

The average participant initiates 24 pensions and receives 1,095 calls for every 1,000 active members and annuitants. Thus, based solely on relative volume, Calls are 46 times more important than Pension Inceptions.

4. Expectations Based on External Experience

Members have external comparisons for receiving payments, telephone calls and annual statements, but they have no direct experience with the pension inception process. Thus, based solely on external experience, Paying Pensions, Contact Center and Communication to Members are more important than Inceptions.

5. Personalized Human Contact

Research shows that the points of human contact provide the greatest opportunity for generating customer satisfaction. Thus, based solely on personalized human contact, Counseling and Calls are much more important than 'no contact' activities such as the Website or Paying Annuity Pensions.

6. About Members' Money

Nothing gets a member's attention faster than his or her own money. So, based solely on this criteria, activities such as Member Statements and Paying Annuity Pensions are much more important than newsletters or brochures.

7. Mission Critical

Paying pensions is mission critical. Providing counseling is not.

Comparison of Service by Activity - Quartile Summary

2007

Activity	You	Peer 2007						All 2007							
		Max	75th	Med	25th	Min	Avg	#	Max	75th	Med	25th	Min	Avg	#
1 Paying Pensions	94	100	98	96	93	91	96	20	100	98	95	93	91	95	76
2 Pension Inceptions	82	90	79	73	60	5	67	20	98	85	78	68	5	74	76
3 Benefit Estimates	39	97	71	66	54	33	64	20	98	76	64	51	17	63	77
4A-B Counseling	59	99	92	81	72	44	80	20	99	86	77	68	0	70	77
5 Member Contacts	34	89	73	55	42	27	57	20	89	72	61	46	15	58	77
6 Mass Communication	56	83	77	70	64	48	69	20	89	74	65	56	27	63	77
<i>Mass communication is comprised of:</i>															
a) Member Presentations	41	97	91	81	65	41	77	20	97	83	65	44	0	59	77
b) Website	38	83	68	62	43	35	58	20	94	64	54	40	3	51	77
c) Newsletters	79	97	90	79	69	30	78	20	97	86	78	65	0	69	77
d) Member Statements	77	94	90	79	71	42	77	20	100	91	81	69	5	77	77
e) Other Mass Communication	40	77	64	54	41	0	50	20	90	75	62	50	0	58	77
7D Service to Employers *	66	94	83	76	63	34	71	20	100	78	68	47	0	60	77
8 Refunds & Transfers-out	40	100	80	75	57	0	66	20	100	81	75	13	0	57	77
9 Purchases and Transfers-in	18	91	84	70	49	0	62	20	100	82	70	45	0	61	73
10 Disability	66	95	87	80	71	13	74	20	95	88	80	66	0	71	70
Disaster Recovery	90	100	91	88	73	62	84	20	100	96	88	72	0	82	77
Total Service Score	60	87	78	73	68	58	72	20	87	77	71	61	41	69	77

2006

Activity	You	Peer 2006						All 2006							
		Max	75th	Med	25th	Min	Avg	#	Max	75th	Med	25th	Min	Avg	#
1 Paying Pensions	n/a	100	98	96	95	91	96	18	100	98	96	93	91	96	63
2 Pension Inceptions	n/a	90	74	71	54	6	63	18	98	88	79	70	6	76	63
3 Benefit Estimates	n/a	99	72	61	55	36	63	18	99	74	65	54	17	63	64
4A-B Counseling	n/a	99	85	81	78	30	79	18	99	86	79	69	0	72	64
5 Member Contacts	n/a	84	69	57	41	26	56	18	89	72	63	48	26	61	64
6 Mass Communication	n/a	83	73	66	59	49	66	18	90	72	62	57	29	63	64
<i>Mass communication is comprised of:</i>															
a) Member Presentations	n/a	97	87	83	74	49	78	18	97	83	70	44	0	60	64
b) Website	n/a	80	61	57	42	35	54	18	94	61	52	39	10	50	64
c) Newsletters	n/a	97	89	82	69	30	78	18	97	86	79	65	0	72	64
d) Member Statements	n/a	94	88	74	64	38	72	18	100	89	79	71	5	77	64
e) Other Mass Communication	n/a	80	64	54	28	10	49	18	90	75	64	50	0	58	64
7D Service to Employers *	n/a	94	82	76	55	35	68	18	94	79	64	41	0	58	64
8 Refunds & Transfers-out	n/a	90	80	72	60	0	66	18	96	80	63	10	0	52	64
9 Purchases and Transfers-in	n/a	91	81	64	49	0	60	18	91	81	68	51	0	63	63
10 Disability	n/a	95	90	82	74	0	73	17	95	88	82	73	0	75	58
Disaster Recovery	n/a	100	91	88	78	62	84	18	100	95	86	73	31	83	64
Total Service Score	n/a	88	76	72	64	56	71	18	88	76	72	65	42	71	64

* We do not have Service measures for the activities 7A-C Collections, Data and Billing, activity 11 Governance and Financial Control or activity 12 Plan Design.

Comparison of Service by Activity - Quartile Summary

2005

Activity	You	Peer 2005						All 2005							
		Max	75th	Med	25th	Min	Avg	#	Max	75th	Med	25th	Min	Avg	#
1 Paying Pensions	n/a	100	98	96	94	91	96	17	100	97	96	93	91	95	54
2 Pension Inceptions	n/a	90	80	73	61	15	66	17	97	87	79	69	11	74	54
3 Benefit Estimates	n/a	99	71	68	57	26	65	17	100	77	67	55	23	65	55
4A-B Counseling	n/a	99	88	78	72	30	78	17	99	87	76	69	0	73	55
5 Member Contacts	n/a	86	74	56	44	18	57	17	87	75	63	50	18	62	55
6 Mass Communication	n/a	85	74	67	59	41	65	17	89	71	65	57	27	63	55
<i>Mass communication is comprised of:</i>															
a) Member Presentations	n/a	95	85	76	65	3	71	17	95	84	70	47	0	61	55
b) Website	n/a	86	62	45	38	35	52	17	91	60	51	40	0	50	55
c) Newsletters	n/a	97	90	79	70	30	77	17	97	86	78	67	0	72	55
d) Member Statements	n/a	94	87	79	60	38	73	17	100	87	81	72	0	77	55
e) Other Mass Communication	n/a	75	62	50	41	0	46	17	90	75	62	50	0	58	55
7D Service to Employers *	n/a	94	82	76	53	31	70	17	94	81	70	43	0	60	55
8 Refunds & Transfers-out	n/a	90	80	71	55	0	63	17	90	79	60	16	0	52	55
9 Purchases and Transfers-in	n/a	91	82	62	23	0	52	16	91	81	72	42	0	60	52
10 Disability	n/a	95	85	77	71	0	69	16	95	88	75	68	0	72	50
Disaster Recovery	n/a	100	98	91	80	62	87	17	100	97	87	72	51	84	55
Total Service Score	n/a	88	80	69	62	54	71	17	88	79	71	65	42	71	55

2004

Activity	You	Peer 2004						All 2004							
		Max	75th	Med	25th	Min	Avg	#	Max	75th	Med	25th	Min	Avg	#
1 Paying Pensions	n/a	100	97	96	94	91	96	17	100	97	95	93	91	95	60
2 Pension Inceptions	n/a	85	77	68	60	8	62	17	97	86	78	67	8	72	60
3 Benefit Estimates	n/a	99	75	67	61	15	64	17	100	77	66	49	15	62	61
4A-B Counseling	n/a	99	87	80	72	5	77	17	99	85	80	70	0	73	61
5 Member Contacts	n/a	86	64	52	46	34	56	17	87	72	62	51	19	60	61
6 Mass Communication	n/a	84	68	58	52	41	60	17	88	68	61	52	22	59	61
<i>Mass communication is comprised of:</i>															
a) Member Presentations	n/a	93	81	72	64	29	70	17	100	77	67	46	0	57	61
b) Website	n/a	83	59	40	35	35	48	17	91	57	40	35	0	44	61
c) Newsletters	n/a	95	86	79	69	30	73	17	97	83	78	65	0	68	61
d) Member Statements	n/a	92	82	72	49	38	67	17	99	86	80	64	0	74	61
e) Other Mass Communication	n/a	75	60	50	20	0	41	17	90	72	60	45	0	54	61
7D Service to Employers *	n/a	94	82	70	53	31	66	17	94	76	59	35	0	54	61
8 Refunds & Transfers-out	n/a	81	80	62	55	0	57	17	90	76	60	23	0	51	61
9 Purchases and Transfers-in	n/a	90	82	63	23	0	53	16	100	82	69	25	0	57	58
10 Disability	n/a	95	83	76	66	0	70	16	95	88	77	66	0	72	55
Disaster Recovery	n/a	100	95	91	66	48	83	17	100	98	85	67	35	81	61
Total Service Score	n/a	88	75	68	61	51	69	17	88	75	70	63	43	69	61

* We do not have Service measures for the activities 7A-C Collections, Data and Billing, activity 11 Governance and Financial Control or activity 12 Plan Design.

Examples of key service measures included in your total service score.

This page shows a sample of Key Service Metrics that we have weighted highly because we believe they are particularly important service measures from a member's perspective.

Select Key Service Metrics	You	Average	
		Peer	All
<u>Pension Inceptions</u>			
<ul style="list-style-type: none"> What % of annuity pension inceptions are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check? 	99%	84%	86%
<u>Member Contacts</u>			
<ul style="list-style-type: none"> What percent of calls result in desired outcomes (reach knowledgeable person, needs satisfied by self-serve options) as opposed to undesired outcomes (such as busy signals, messages, hang-ups)? 	54.1%	86.6%	89.2%
<ul style="list-style-type: none"> What was the average total wait time in seconds to reach a knowledgeable person, including time waiting on hold, time navigating auto-attendant, receptionist redirection time, etc? 	283 sec	175 sec	118 sec
<ul style="list-style-type: none"> Can you provide members with an immediate real time estimate of their benefits at retirement over the telephone? 	No	65%Yes	65%Yes
<u>Website</u>			
<ul style="list-style-type: none"> Are all, some or none of your forms available online? 	Some	41%All	41%All
<ul style="list-style-type: none"> Does your website have a secure member area where members can access their own data? 	No	75%Yes	75%Yes
<ul style="list-style-type: none"> Do you have an online calculator on your website? 	Yes	60%Yes	60%Yes
<u>Member Statements</u>			
<ul style="list-style-type: none"> On average, how current is an active member's data in the statements that the member receives (in months)? 	4.0	3.2	3.4
<ul style="list-style-type: none"> Do your statements for active members include: An estimate of the future pension entitlement (or in Australia, the lump sum benefit payout at retirement) based on age scenario modeling or assuming the member continues to work until earliest possible retirement? 	Yes	75%Yes	81%Yes

Where can you potentially improve your score?

Activity	Weight	2007 Score	Potential Improvement to Total Service Score if You increase Activity Score to 100 (1)
1 Paying Annuity Pensions	18.9%	94	1.2 points
2 Annuity Pension Inceptions (non-disability)	7.9%	82	1.4 points
3 Pension Benefit Estimates	5.0%	39	3.1 points
4A-B Counseling	11.3%	59	4.6 points
5 Member Contacts: Calls, Emails, Letters	21.5%	34	14.3 points
6 Mass Communication to Members and Annuitants			
a) Member Presentations	3.3%	41	1.9 points
b) Website	7.6%	38	4.7 points
c) Newsletters	3.3%	79	0.7 points
d) Member Statements	6.5%	77	1.5 points
e) Other Mass Communication	<u>1.1%</u>	<u>40</u>	<u>0.7 points</u>
	21.8%	56	9.5 points
7D Service to Employers (2)	4.0%	66	1.4 points
8 Refunds, Transfers-out, Terminating Payments	0.3%	40	0.2 points
9 Purchases and Transfers-in	3.3%	18	2.7 points
10 Disability	5.1%	66	1.7 points
Disaster Recovery	1.0%	90	0.1 points
Total Service Score	100%	60	40.2 points

- (1) The 'Potential Improvement to Total Service Score' equals 100 minus your 2007 score multiplied by the weight used to determine the Total Service Score.
- (2) We do not have Service measures for the activities 7A-C Collections, Data and Billing, activity 11 Governance and Financial Control or activity 12 Plan Design.

What would you have to do to achieve a perfect score of 100?

CEM is not recommending these changes. Higher service is not necessarily optimal or cost effective. We include this summary analysis because many participants want to know what they would have to do to achieve a higher score. Given this context, you could add as much as 40.2 points (from 59.8 to 100.0) to your Total Service Score if you enhanced service in each Activity as follows:

1 Paying Pensions (+1.2 potential additional points toward Total Service Score)

- Paying on Time (+0.2) - A perfect score requires that all regular payments must reach annuitants on time. On average 0.9% of your payments were late or misdirected. This was above the peer average of 0.4%.
- Payment Advices (+0.8) - A perfect score requires that you send payment advices with every payment, that you use payment advices to communicate brief messages and be able to comply with a member's request not to send payment advices. You do not send payment advices with every payment. You do not use payment advices to communicate messages. You cannot comply with a member's request not to send payment advices. New annuitants are not asked to choose whether or not they want to receive payment advices.
- Banking Services (+0.2) - A perfect score requires that you provide 7 or more of the 14 identified banking services. You provide 5. This was equal to the peer average of 5.

2 Pension Inceptions (+1.4 potential additional points toward Total Service Score)

- Cashflow Interruptions (+0.6) - To achieve a perfect score, there must not be an interruption of cashflow greater than 1 month between the final pay check and the first pension check. Although much less important, the pension amount needs to be final (i.e., not based on estimates) or finalized quickly. On average 99% of your inceptions are paid without causing an interruption of cash flow. This was slightly better than the peer average of 84%. Some of your initial pension payments are based on estimated data.
- Survivor Pensions (+0.0) - To achieve a perfect score, survivor pensions need to be initiated automatically without requiring an application and they must be paid without an interruption of cash flow to the survivor. On average, 95% of your survivor inceptions are paid without an interruption of cash flow. This was better than the peer average of 59%.
- Inceptions Satisfaction (+0.8) - A perfect score requires that you do satisfaction surveying focused on inceptions, survey only members who started pensions, survey as soon as possible after the member has started their pension, and survey on a frequent (i.e., continuous or 26 or more times per year), random-sample basis. You did not survey.

3 Estimates (+3.1 potential additional points toward Total Service Score)

- Speed of Turnaround (+1.5) - To achieve a perfect score, you need to be able to provide an estimate on the same day as it is requested. You also need to regularly measure and track your turnaround performance. It takes you 65 days on average to provide formal written pension estimates. This was slower than the peer average of 15 days.
- Content (+0.4) - A perfect score requires that written estimates indicate whether or not the pension is inflation protected, discuss how the pension is impacted by social security (if applicable), discuss scenarios that could improve the pension and model alternative retirement payment options. You do not indicate whether or not the pension is inflation protected.

- Estimates Satisfaction (+0.5) - A perfect score requires that you do satisfaction surveying focused on estimates, survey only members who recently received an estimate, survey as soon as possible after the member has received an estimate and survey on a frequent (i.e., continuous or 26 or more times per year), random-sample basis. You did not survey.
- Non Written Estimates (+0.7) - A perfect score requires that you offer alternative sources for a Benefits Estimate apart from the traditional written estimates. You require that members be within a certain time period of potential retirement before they can request an estimate. 80% of your peers permit estimates at any time. You do not provide an estimate to members over the phone.

4 Counseling (+4.6 potential additional points toward Total Service Score)

- Availability (+0.2) - To achieve a perfect score, you need to freely provide counseling and offer counseling after normal working hours. You do not offer counseling after normal working hours.
- 1-on-1 versus Group (+0.0) - A perfect score requires that all of your counseling be 1-on-1. Otherwise, the higher the average attendance per session, the lower your score. On average, you counseled 1.13 members per session.
- Field Locations (+1.5) - To achieve a perfect score you need to provide counseling in 50 different locations (or 10 if you are a city or county). Although less important, locations need to be separate from employers. You have 1 field locations. 100% of these locations are separate from employers.
- Walk-ins (+0.6) - A perfect score requires that walk-in counseling be available with no wait times, that you have slack in your system with counselors specifically available for walk-in counseling and that no walk-in members are turned away or leave because the wait is too long. Your walk-in members wait an average of 20 minutes for a session.
- Pre-Scheduled (1-on-1 or Group) (+0.6) - A perfect score requires that you offer pre-scheduled counseling with no wait times. Your average wait time is 35 days to meet with a counselor.
- Counseling Capability (+0.7) - A perfect score requires that you be able to generate new pension estimates in all locations during in-house and in-the-field counseling sessions, that all 1-on-1 sessions take place in a private office with a door and that you review counselors for coaching purposes on a regular basis. You cannot provide new written estimates during 1-on-1 counseling sessions in the field. You cannot provide service purchase credit estimates during counseling sessions in the field. You do not provide a private office with a door for your counseling sessions for walk-in traffic, in-house on a pre-scheduled basis or in the field. You do not review 1-on-1 counseling sessions for coaching purposes on a regular basis. You do not review group counseling sessions for coaching purposes on a regular basis.
- Counseling Satisfaction (+1.1) - A perfect score requires that you do satisfaction surveying focused on both group and 1-on-1 counseling, survey only members who have been recently counseled, survey as soon as possible after the counselling session, and survey on a frequent (i.e., continuous or 26 or more times per year), random-sample basis. You did not survey about 1-on-1 counseling. You did not survey about group counseling.

5 Member Contacts (+14.3 potential additional points toward Total Service Score)

- Call Outcomes (+5.5) - A perfect score requires that all calls either get through to a knowledgeable person or are satisfied by a self serve option. 45.9% of your calls during business hours do not get through. Instead they result in either busy signals, hang-ups or messages. This was more than the peer average of 13.4%.

- Call Wait Time (+5.2) - A perfect score requires that callers immediately reach a knowledgeable person with no waiting. Your callers wait 283 seconds on average. This was slower than the peer average of 175 seconds.
- Email Response Time (+0.3) - A perfect score requires a one day response time for emails. Your average response time is 2.0 days. This was close to the peer average of 2.0 days.
- Menu Layers (+1.3) - A perfect score requires that callers immediately reach a service representative without navigating menu layers or receptionists. Your members must navigate 2.0 menu layers. The peer average is 1.5 layers and/or receptionists.
- CRM and Other Capabilities (+0.7) - A perfect score requires that you have all 23 of the capabilities identified in the 'CRM and Other Capability' score. You do not have 5 of the capabilities. For example: You do not use tools to help you project call volumes. You cannot (or will not) provide estimates of benefits at retirement over the phone. You do not offer voice mail as an alternative to queuing. You do not offer voice mail after hours.
- First Contact Satisfaction (+0.2) - A perfect score requires that 100% of callers be satisfied by their first contact without transfer or call back. It also requires that you monitor and keep track of this percentage. 70.0% of your callers are satisfied by their first contact. This was below the peer average of 89.0%. 24.0% of your callers were transferred after the first contact. This was below the peer average of 6.1%. 6.0% of your callers are calling back because their needs were not satisfied with the first call. This was slightly below the peer average of 5.4%. 20.0% of your calls were placed on hold after reaching a knowledgeable person. This is was below than your peers' 15.1% calls placed on hold. Your calls had an average hold time of 90.0 seconds after reaching a knowledgeable person. This is was slightly below than your peers' 81.5 seconds average hold time.
- Call Quality Monitoring (+0.4) - A perfect score requires that you review a typical agent's calls at least 4 times a month against a written standard and the review is based on listening in on recordings. You monitor a typical agents calls 45 times per month. You listen in on a live call.
- Call Satisfaction Surveying (+0.6) - A perfect score requires that you do satisfaction surveying focused on member calls, survey only members who have recently called, survey as soon as possible after the member has called and survey on a frequent (i.e., continuous or 26 or more times per year), random-sample basis. You surveyed 12 times. You cannot summarize results by service representative.

6a Presentations to Members (+1.9 potential additional points toward Total Service Score)

- Targeting (+0.1) - A perfect score requires that you have at least 4 or more different types of targeted presentations. You had 2 different types of targeted presentations.
- Group Size (+1.1) - A perfect score requires that you have an average of 10 people or less per presentation. You had an average of 87 attendees per presentation. This was above the peer average of 45.
- Coaching (+0.1) - To achieve a perfect score, you need to review presenters for coaching purposes on a regular basis. You did not review presenters for coaching purposes.
- Presentation Satisfaction (+0.5) - A perfect score requires that you do satisfaction surveying focused on presentations, survey only members who recently attended presentations, survey as soon as possible after the presentation, be able to summarize results by presenter and survey on a frequent (i.e., continuous or 26 or more times per year), random-sample basis. You did not survey.

6b Member Website (+4.7 potential additional points toward Total Service Score)

- Benefit Calculators (+0.8) - To achieve a perfect score, you need to have an interactive benefit calculator on your website that is linked to a member's data. You have a benefit calculator but it is not linked to the member's actual account data. 51% of your peers have calculators linked to members data.
- Salary and Service Credit (+0.5) - A perfect score requires that members be able to access both salary and service credit data that is up-to-date to the most recent pay period and that there is a complete annual history of each. You do not show salary/service credit information on-line. 41% of your peers do.
- Other tools and Transactions (+2.5) - A perfect score requires that members can do the following transactions online: estimate the cost of purchasing service credit, register for counseling sessions/presentations, change addresses, change beneficiaries, change family information, change direct deposit information, view tax receipts, view annuity payments, apply for retirement, view status of disability application, use a "secure mailbox", and download a member statement. Your members cannot: register for counseling sessions/workshops, make address changes, change beneficiaries, change family information, change direct deposit information, view tax receipts, view payment stubs, apply for retirement, view status of disability application, use a "secure mailbox", download member statement.
- Design (+0.5) - A perfect score requires that your members can get online without waiting for a password in the mail, that the site welcomes members by name, and that members do not have to acknowledge a disclaimer every time they log-in or use the calculator.
- Satisfaction Surveying (+0.4) - A perfect score requires you to survey your members' website experience. You do not survey your members.

6c Newsletters (+0.7 potential additional points toward Total Service Score)

- Newsletters (+0.7) - A perfect score requires that you send separately targeted newsletters to both active members and retirees at least 4 times per year, that you send a newsletter to inactive members at least once per year, that newsletters be sent directly to active members' homes (or give choice of at home or through their employer), and that newsletters can be delivered electronically if requested. You send 3 times per year to active members. You send 3 times per year to retirees. You do not send newsletters directly to member homes.

6d Member Statements (+1.5 potential additional points toward Total Service Score)

- Timeliness and Accuracy (+1.2) - A perfect score requires that data on member statements be current to within one month, that you receive no complaints about data accuracy, that you send the statements directly to members' homes (or give members the choice of at home or through employer) and that you send statements to inactive members. The data on your member statements is 4.0 months out of date on average by the time it reaches your members. This was more out of date than the peer average of 3.2 months. 1.0% of your members complain about data errors on their member statements. This was slightly better than the peer average of 1.3%. You do not send directly to member homes.
- Member Statement Content (+0.3) - A perfect score requires that statements show total service credit, earnings the pension will be based on, a historical summary of earnings and service credit earned each year, current refund value and an estimate of the future pension entitlement. Your statements do not show a historical summary of earnings and service credit earned each year.

6e Other Mass Communication (+0.7 potential additional points toward Total Service Score)

- Milestone Event Communication (+0.2) - A perfect score requires that you issue new member welcome kits and that you notify members when they become vested and when they become eligible for pension benefits. You do not send letters informing members when they become vested for pension benefits or eligible for retirement.
- General Communication (+0.3) - A perfect score requires that you send a brochure with a complete summary of benefits to members every year and send either a full or summary annual report to both active members and retirees. You do not send your members a brochure with a complete summary of benefits every year, 15% of your peers do. You do not send an annual report or summary annual report to either active members or retirees.
- Feedback (+0.1) - To achieve a perfect score, you need to solicit member feedback on your publications through focus group or surveys. You do not actively solicit feedback.
- Translation (+0.1) - To achieve a perfect score, you need to translate publications into a language other than English. You do not translate member statements, the annual report, newsletters, the member website or brochures.

7D Service to Employers (+1.4 potential additional points toward Total Service Score)

- Employer Presentations (+0.2) - To achieve a perfect score, you need to offer at least 3 different targeted types of presentations to employers. You had 2 different types of targeted presentations.
- Employer Satisfaction (+0.7) - To achieve a perfect score, you need to measure employer satisfaction at least 10 times per year and have Service Level Agreements with employers. You did not survey. You do not have Service Level Agreements with your employers.
- Employer Reporting Software (+0.5) - To achieve a perfect score, you need to maintain either generalized or customized reporting software for your employers. This reporting software should be web-based, integrate collections and billing and provide real time error checking and feedback. You do not maintain customized reporting software for any of your employer collection points. Your reporting software cannot integrate both data collection and billing. Your reporting software cannot provide real time error checking and feedback.

8 Refunds, Lump-sums, Transfers-out (+0.2 potential additional points toward Total Service Score)

- Transfer-out Timeliness (+0.1) - To achieve a perfect score, you need to complete individual transfers-out within 10 days. You complete transfers-out in 120.0 days on average. This was slower than the peer average of 56 days.
- Satisfaction (+0.0) - A perfect score requires that you do satisfaction surveying that focuses primarily on terminating payments (i.e., refunds, transfers-out or lump-sums), survey only members who received a terminating payment, survey members as soon as possible after receiving a terminating payment, and survey on a frequent (i.e., continuous or 26 or more times per year), random-sample basis. You did not survey.

9 Purchases, Transfers-in (+2.7 potential additional points)

- Purchase Estimate Timeliness (+2.4) - To achieve a perfect score, you need to be able to provide a service credit purchase estimate within one day. It takes you 45 days on average to provide a written service credit cost purchase estimate. This was slower than the peer average of 19 days.

- Satisfaction (+0.3) - A perfect score requires that you do satisfaction surveying focused on purchases (or transfers-in for Canadian, Australian and Dutch systems), survey only members who have recently done purchases, survey as soon as possible after the purchase and survey on a frequent (i.e., continuous or 26 or more times per year), random-sample basis. You did not survey.

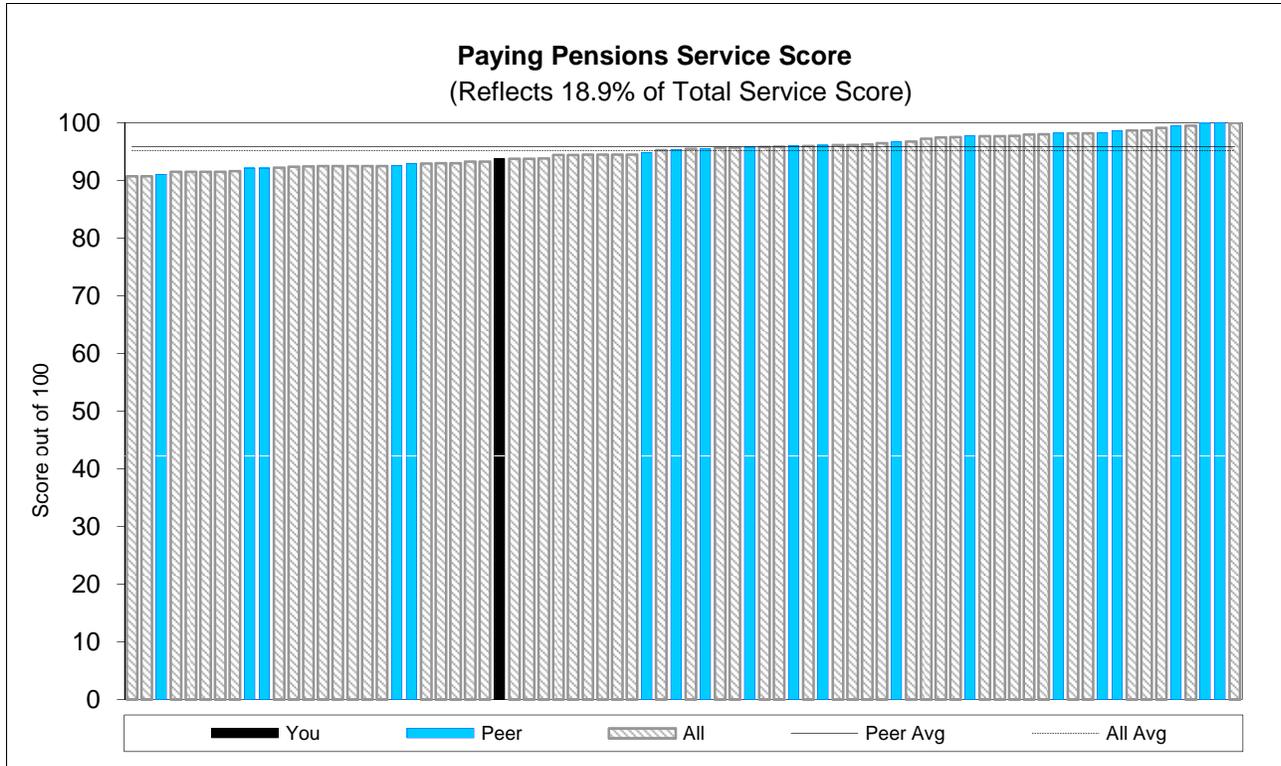
10 Disability (+1.7 potential additional points toward Total Service Score)

- Timeliness (+1.2) - A perfect score requires that you return a decision on a disability applications within one month. It takes you 4.0 months, on average, to return a decision on disability applications. This was slower than the peer average of 2.8 months.
- Disability Satisfaction (+0.5) - A perfect score requires that you do satisfaction surveying focused on disability, survey only members who have recently experienced the disability application process, survey as soon as possible after the application process and survey on a frequent (i.e., continuous or 26 or more times per year), random-sample basis. You did not survey.
- Expiration of Coverage (+0.1) - To achieve a perfect score, you need to notify inactive members that their disability coverage will be expiring. You do not notify.

Disaster Recovery (+0.1 potential additional points toward Total Service Score)

- Disaster Recovery (+0.1) - A perfect score requires that you have back-up equipment and premises and, if your principal locations becomes inoperable, that you can resume normal operations with minimal delay. You have back-up equipment and premises arranged. If your principal location becomes inoperable due to a disaster, it would take 3 days to continue paying pension payments to retirees, 15 days to begin doing new pension inceptions at normal volumes, 3 days to begin collecting data and money from employers and 3 days to respond to member calls at close to current service levels.

Your service score for Paying Pensions is 94 out of 100. This compares to averages of 96 for your peers and 95 for All participants.



Breakdown of Your Paying Pensions Service Score

	<u>Weight</u>	<u>Score out of 100</u>		
		<u>You</u>	<u>Peer Avg</u>	<u>All Avg</u>
A. Paying On Time	90%	99.1	99.6	99.8
B. Payment Advices	5%	15.0	55.0	50.6
C. Banking Services	5%	75.0	68.8	57.5
Weighted Total	100%	93.7	95.8	95.2

The methodology and data used to determine each of your scores above is described in detail on the following pages.

A. Paying On Time

90% of Paying Pensions Service Score

	You	Peer Avg	All Avg
1. Service Score for Paying On Time	99	100	100

2. Calculation of your Paying On Time Score

99 = 100 less:
 - 100 x percent of regular payments late or misdirected
 [You: 0.90% late or misdirected]

Interpreting the Scoring Formula

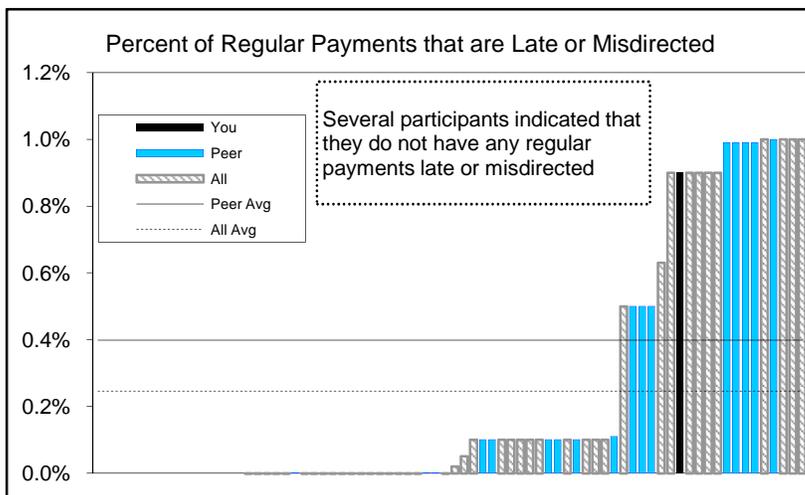
- Paying pensions on time is a critical component of all retirement systems. A perfect score requires that all regular payments are paid on time to the correct annuitants.

3. Data used to determine the Paying On Time Score

You Peer Avg All Avg

Q21 On average over the course of a year, what proportion of your regular payments to existing annuitants are more than 7 days late vis-à-vis the normal monthly or bi-weekly payment cycle? [The most common cause of late payments is old addresses or old EFT instructions that result in misdirected payments.]

0.90% 0.40% 0.25%



B. Payment Advices

5% of Paying Pensions Service Score

	You	Peer Avg	All Avg
1. Service Score for Payment Advices	15	55	51

2. Calculation of your Payment Advices Score

- 15 = + 35 if you send payment advices detailing the gross payment and deductions with every payment, 15 if advice sent quarterly or every time payment changes [You: everytime payment changes]
- + 30 if you provide messages on the payment advice [You: No]
- + 35 if members can choose whether or not they receive payment advices or if you can comply with a request not to send a payment advice [You: no]

Interpreting the Scoring Formula

- Some members prefer not to receive payment advices as they generate unnecessary mail and paper. Therefore, Systems that can comply with a members request not to send payment advices receive a higher score.
- Providing messages on payment advices can be an effective communication tool.

3. Data used to determine the Payment Advices Score	You	Peer Avg	All Avg
Q23 Do you use payment advices (i.e., check stubs) to communicate brief messages to annuitants with payments?	No	70%Yes	57%Yes
Q24 Do you send payment advices, with your check and/or EFT payments, detailing the gross payment and deductions (i.e. check stubs):			
a) With every payment?	No	55%Yes	53%Yes
b) Every time the payment amount changes?	Yes	75%Yes	69%Yes
c) Either annually, or bi-annually, or quarterly?	No	32%Yes	36%Yes
a) EFT: With every payment?	No	15%Yes	21%Yes
b) EFT: Every time the payment amount changes?	Yes	75%Yes	75%Yes
c) EFT: Either annually, or bi-annually, or quarterly?	No	50%Yes	53%Yes
Q25 If you send payment advices to members:			
a) Can you comply with a member's request not to send them payment advices?	No	28%Yes	31%Yes
b) Are new annuitants asked to choose whether or not they want to receive payment advices (i.e. check stubs)?	No	11%Yes	5%Yes

C. Banking Services

5% of Paying Pensions Service Score

	You	Peer Avg	All Avg
1. Service Score for Banking Services	75	69	58

2. Calculation of your Banking Services Score

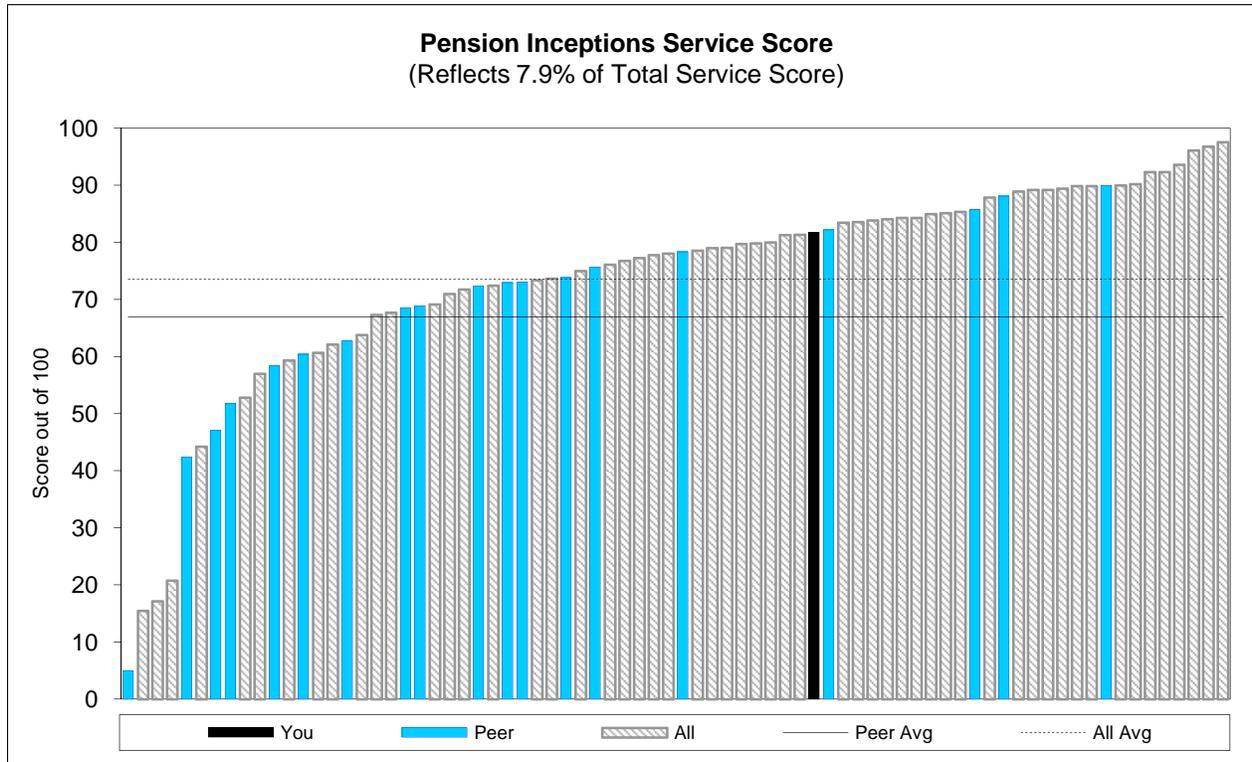
75 = + 15 x number of banking services offered, to a maximum score of 100
 [You: 5 banking services]

Interpreting the Scoring Formula

- A perfect score requires that you offer at least 7 of the banking services described below.

3. Data used to determine the Banking Services Score	You	Peer Avg	All Avg
Q22 Will you issue a pension payment in a foreign currency if the member requests it?	No	0%Yes	13%Yes
Q26 At the request of an annuitant, or a third-party, will you deduct amounts from his/ her regular annuity payments and pay them on his/ her behalf to a third party for:			
a) Healthcare?	Yes	95%Yes	68%Yes
b) Dental and/or vision coverage?	Yes	80%Yes	58%Yes
c) Other special health coverage's such as long-term care, cancer?	Yes	65%Yes	38%Yes
d) Optional life insurance?	Yes	55%Yes	38%Yes
e) Car insurance?	No	5%Yes	5%Yes
f) Home insurance?	No	5%Yes	7%Yes
g) Retiree association or union dues?	No	50%Yes	42%Yes
h) Home mortgages?	No	0%Yes	3%Yes
i) Savings plans such as savings bonds or DC plans?	No	5%Yes	13%Yes
j) Charitable contributions?	No	15%Yes	14%Yes
k) Loan repayments?	No	5%Yes	7%Yes
l) Prescription card?	No	10%Yes	8%Yes
m) Mandatory deductions including taxes, Divorce decrees or QDROs, Family Support, Child Support, Garnishment or liens on wages for things such as bankruptcy, etc.?	Yes	95%Yes	96%Yes
Number of 'Yes' Responses	5.0	4.9	4.2

Your service score for Pension Inceptions is 82 out of 100. This compares to averages of 67 for your peers and 74 for All participants.



Breakdown of Your Pension Inceptions Service Score				
		Score out of 100		
	Weight	You	Peer Avg	All Avg
A. Cashflow Interruptions	70%	89.0	79.4	85.7
B. Survivor Pensions	10%	95.0	45.0	53.2
C. Red Tape	10%	100.0	37.0	55.8
D. Satisfaction Surveying	10%	0.0	31.7	27.3
Weighted Total	100%	81.8	67.0	73.6

The methodology and data used to determine each of your scores above is described in detail on the following pages.

A. Cashflow Interruptions

70% of Pension Inceptions Service Score

	You	Peer Avg	All Avg
1. Service Score for Cashflow Interruptions	89	79	86

2. Calculation of your Cashflow Interruptions Score

89 = 100 x percent of inceptions that occur within 1 month of final pay check [You: 99.0%]

Deduction for Use of Estimates Rather than Final Data:

- 10 x (percent of pensions based on estimates [You: 100.0%] x average number of months to finalize [You: 6 months] / 6)

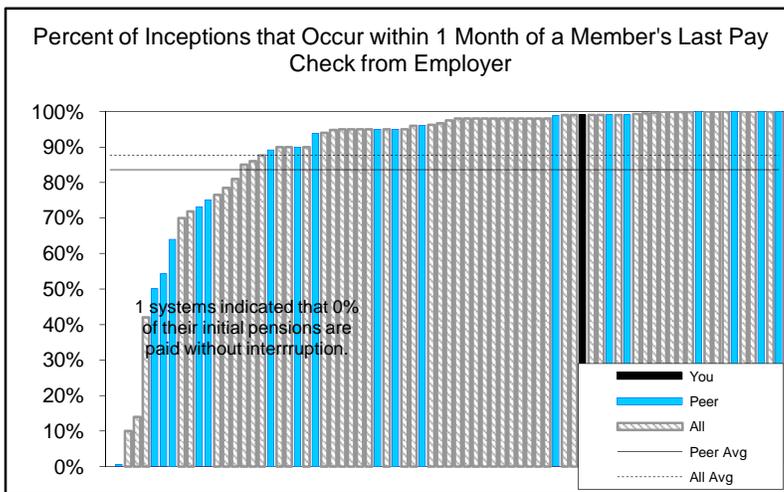
Subject to a maximum deduction of 10 and a minimum score of 0

Interpreting the Scoring Formula

- Cashflow interruptions can cause hardships and irritation for members.

3. Data used to determine the Cashflow Interruptions Score

	You	Peer Avg	All Avg
Q34 What % of annuity pension inceptions are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check?	99.0%	83.6%	87.6%



Q35 Will you initiate an annuity pension based on existing data or estimates, recognizing that you will have to finalize the payments later after you get final data?	Yes	85%	Yes	68%	Yes
a) If yes, what proportion of your service retirement inceptions to retiring active members (per Q27a) was based on existing data or estimates?	100.0%	73.0%	51.6%		
b) On average, how long did it take to finalize service-retirement inceptions based on estimates? (in months)	6.0	5.2	3.4		

B. Survivor Pensions

10% of Pension Inceptions Service Score

	You	Peer Avg	All Avg
1. Service Score for Survivor Pensions	95	45	53

2. Calculation of your Survivor Pensions Score

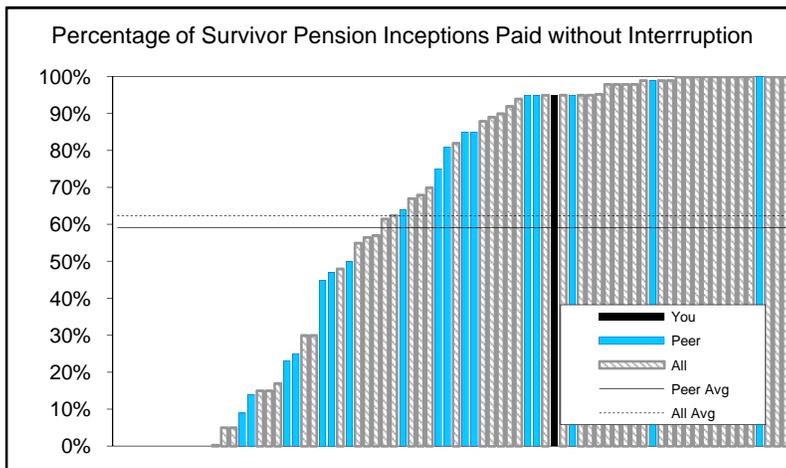
95 = 100 x percent of pension paid without interruption to survivors [You: 95%]
 - 25 if a survivor needs to apply for a survivor pension [You: No]
 Subject to a minimum score of 0

Interpreting the Scoring Formula

- An interruption in a pension benefit at the death of the primary annuitant creates potential hardship for the survivor at a difficult time. A perfect score requires that you can continue paying an uninterrupted pension without requiring the survivor to apply for the benefit.

3. Data used to determine the Survivor Pensions Score

	You	Peer Avg	All Avg
Q38 What % of survivor pension inceptions are paid without an interruption of cash flow between the pensioner's final pension check and the survivor's first pension check?	95%	59%	62%



Q37 Do survivors need to apply for a survivor pension after the death of a retired member, even if the survivor is known to the pension fund?	No	65%	Yes	53%	Yes
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C. Red Tape

10% of Pension Inceptions Service Score

	You	Peer Avg	All Avg
1. Service Score for Red Tape	100	37	56

2. Calculation of your Red Tape Score

100 = + 80 if you do not require notarization of retirement applications [You do not require]
 or 40 if you require notarization of only some retirement applications
 or 0 if you require notarization for all retirement applications

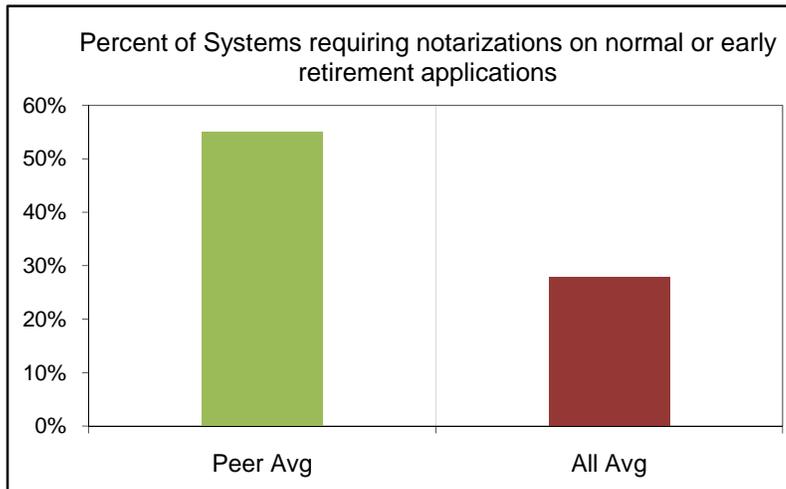
+ 20 if you do not require birth/marriage certificates before incepting a pension
 or 0 if you do require birth/marriage certificates before incepting a pension [You do not require]

Interpreting the Scoring Formula

- Extra red tape creates work for members and may not provide additional protection for the System. For example, notarizations can be fraudulent. Many systems have decided that the potential risk reduction does not justify the inconvenience caused to members.

3. Data used to determine the Red Tape Score

	You	Peer Avg	All Avg
Q39 Do you require notarization of normal or early retirement applications? (yes, some, no)	No 55%	Yes 28%	Yes



Q36 Do you require birth certificates and/or marriage certificates before incepting a pension?	No 57%	Yes 78%	Yes
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D. Satisfaction Surveying

10% of Pension Inceptions Service Score

	You	Peer Avg	All Avg
1. Service Score for Satisfaction Surveying	0	32	27

2. Calculation of your Satisfaction Surveying Score

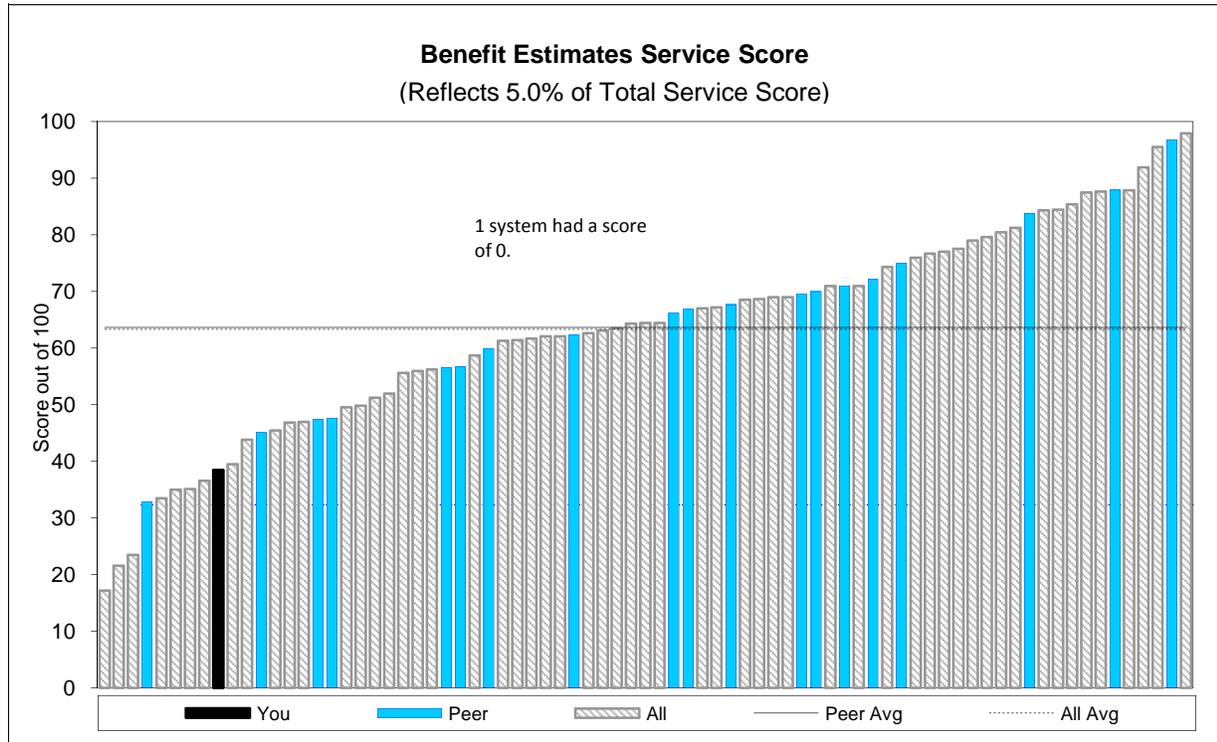
- 0 = + 20 if survey focuses only on the annuity pension inception process
[You: did not survey]
- + 60 if the longest length of time between the pension inception and survey is
14 days or less, otherwise 74 - # of days [You: did not survey]
- + 20 x (100% if surveys are continuous or more than 26 times per year, 80% if monthly or more,
60% if quarterly or more, 25% if once per year or more) [You: did not survey]

Interpreting the Scoring Formula

- Best practice satisfaction surveying is single activity focused, sent only to members who have recently received the service, can be summarized by the person that did the work, is performed on a frequent random-sample basis and results are communicated widely. If you measure satisfaction, we assume you do a better job of managing and improving it.

3. Data used to determine the Satisfaction Surveying Score	You	Peer Avg	All Avg
Q39.1 Did you survey member satisfaction with regard to annuity pension inceptions in your most recently completed fiscal year?	No	55%Yes	45%Yes
If yes:			
a) Did the survey focus primarily on the inceptions?	n/a	64%Yes	76%Yes
b) What is the longest possible length of time between the pension inception and the survey, in days (i.e., If you sent a survey to a sample of members that incepted pensions in the past year, then 365 days)?	n/a	101	116
c) How many times did you survey member satisfaction with pension inceptions in your most recently completed fiscal year?	n/a	35.6	73.5

Your service score for Benefit Estimates is 39 out of 100. This compares to averages of 64 for your peers and 63 for All participants.



Breakdown of Your Benefit Estimates Service Score				
		Score out of 100		
	Weight	You	Peer Avg	All Avg
A. Speed of Turnaround	30%	0.0	63.5	69.4
B. Content	25%	70.0	64.0	62.7
C. Satisfaction Surveying	10%	0.0	15.1	18.6
D. Alternative Channels	35%	60.0	77.4	75.5
Weighted Total	100%	38.5	63.6	63.3

The methodology and data used to determine each of your scores above is described in detail on the following pages.

A. Speed of Turnaround

30% of Benefit Estimates Service Score

	You	Peer Avg	All Avg
1. Service Score for Speed of Turnaround	0	64	69

2. Calculation of your Speed of Turnaround Score

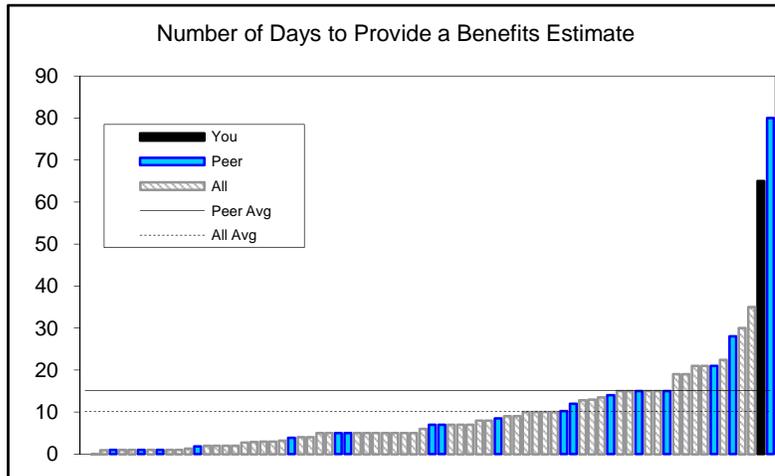
0 = 100 less:
 - 3 x number of days to provide a written estimate [You: 65.0 days]
 - 10 if you do not regularly measure the time to provide an estimate [You regularly measure]

Interpreting the Scoring Formula

- A perfect score requires that you can turnaround an estimate the same day as the request. From a member's perspective, receiving a requested estimate quickly is higher service.
- We assume that it is higher service if you regularly measure turnaround time because we believe that what gets measured gets managed.

3. Data used to determine the Speed of Turnaround Score

	You	Peer Avg	All Avg
Q62 On average, how many days does it take to provide a formal written estimate from the time of initial request from a member?	65.0	15.1	10.2
a) Is this a number you regularly measure and track (versus being an estimate)?	Yes	70%Yes	65%Yes



B. Content

25% of Benefit Estimates Service Score

	You	Peer Avg	All Avg
1. Service Score for Content	70	64	63

2. Calculation of your Content Score			
70	=	+ 30 if you clearly address if and how the pension benefit is inflation protected [You: No]	
		+ 15 if you discuss the effects of social security [You: Yes]	
		+ 15 if you discuss alternative scenarios that could improve benefit [You: Yes]	
		+ 40 if you model alternative retirement options [You: Yes]	
<u>Interpreting the Scoring Formula</u>			
<ul style="list-style-type: none"> The more members understand about how their pension benefit is affected by inflation, social security, etc. the better they can plan for retirement. A perfect score requires that you provide all this information on a written estimate. 			

3. Data used to determine the Content Score			
	You	Peer Avg	All Avg
Q65	Do your written annuity pension estimates (including cover letters etc. sent with the estimate):		
a)	Clearly address if and how the pension benefit is inflation protected (or not protected)?	No 25%	Yes 53%
b)	If your pension is coordinated with or reduced by social security (or CPP in Canada or AOW in the Netherlands) is the impact explained?	Yes 50%	Yes 61%
c)	Discuss alternative scenarios that could improve the benefit such as purchasing service credit or working longer?	Yes 50%	Yes 55%
d)	Model alternative retirement payment options?	Yes 100%	Yes 77%

C. Satisfaction Surveying

10% of Benefit Estimates Service Score

	You	Peer Avg	All Avg
1. Service Score for Satisfaction Surveying	0	15	19

2. Calculation of your Satisfaction Surveying Score

- 0 = + 20 if survey focuses primarily on written estimates [You: did not survey]
- +60 if the longest length of time between the survey and receipt of an estimate is 14 days or less [You: did not survey]
- + 20 x (100% if surveys are continuous or more than 26 times per year, 80% if monthly, 60% if quarterly, 25% if once per year) [You: did not survey]

Interpreting the Scoring Formula

- Best practice satisfaction surveying is single activity focused, sent only to members who have recently received the service, can be summarized by the person that did the work, is performed on a frequent random-sample basis and results are communicated widely. If you measure satisfaction, we assume you do a better job of managing and improving it.

3. Data used to determine the Satisfaction Surveying Score		You	Peer Avg	All Avg
Q66	Did you survey satisfaction with regard to Written Estimates in your most recently completed fiscal year?	No	30%Yes	36%Yes
	If yes:			
	a) Did the survey focus primarily on Written Estimates?	n/a	33%Yes	67%Yes
	b) What is the longest possible length of time between sending the written estimate and the survey, in days (i.e., If you sent a survey to a sample of members that received written estimates in the past year, then 365 days).	n/a	42	98
	c) How many times did you survey member satisfaction with written pension estimates in your most recently completed fiscal year?	n/a	87.8	88.3

D. Alternative Channels

35% of Benefit Estimates Service Score

	You	Peer Avg	All Avg
1. Service Score for Alternative Channels	60	77	76

2. Calculation of your Alternative Channels Score

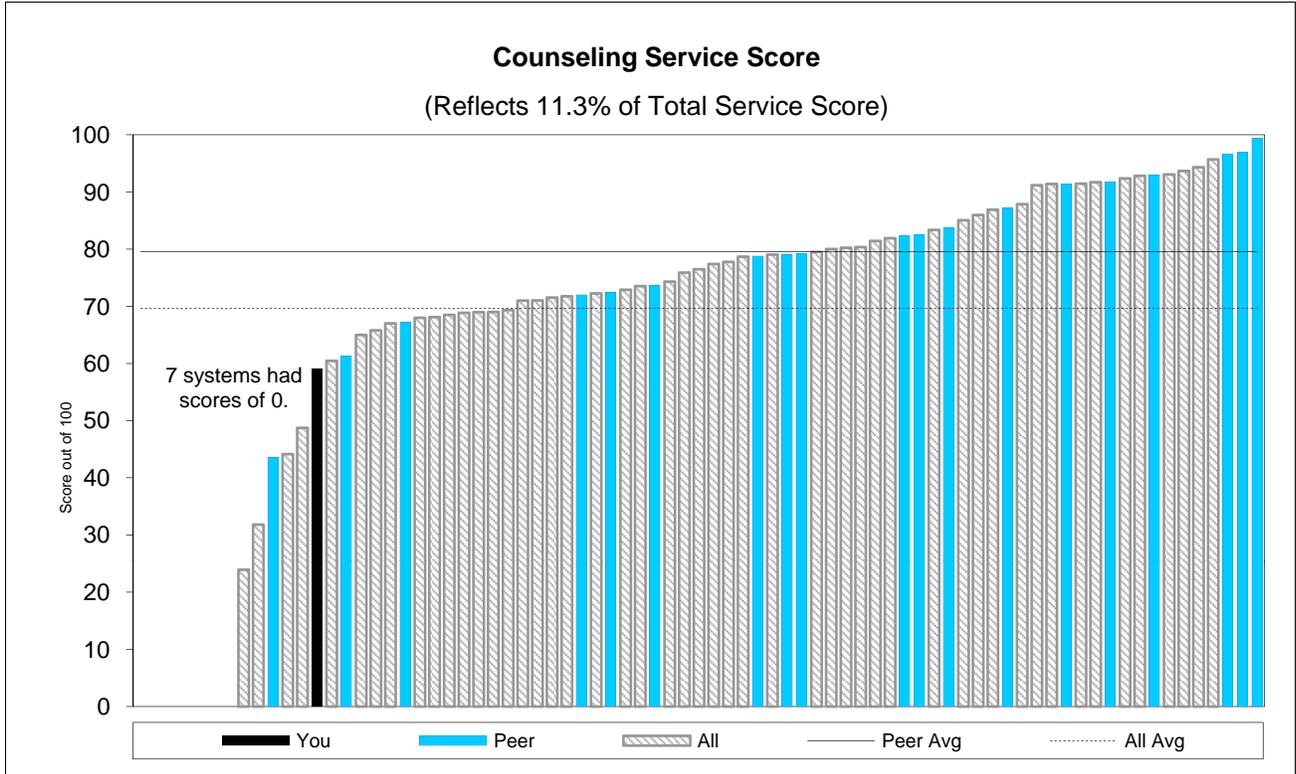
60 = + 100 if you also offer estimates via member statement, website and call center, otherwise, 67 if you offer 2 alternatives, 33 if you offer 1, 0 if you offer none, [You: 2 alternatives]
 less:
 - 7 if members cannot request a written estimate at any time [You: No, they cannot]
 - 7 if you place a limit on the number of written estimates [You: No limits]

Interpreting the Scoring Formula

- More choices in obtaining a pension estimate provides greater access and convenience for your members.

3. Data used to determine the Alternative Channels Score	You	Peer Avg	All Avg
Q63 Can members request and obtain a written estimate at any time during their career?	No	80%Yes	85%Yes
Q64 Do you place a limit on the number of written estimates that a member can request?	No	20%Yes	16%Yes
Q105 Can and will you provide the following information on an immediate real-time basis to members over the phone? a) Estimates of benefits at retirement?	No	65%Yes	65%Yes
Q123 Indicate whether the following capabilities are available on your website and provide volumes: a) Benefit calculator in non-secure area? b) Benefit calculator in secure area not linked to member data? c) Benefit calculator in secure area linked to member's salary and service	Yes No No	85%Yes 20%Yes 60%Yes	60%Yes 9%Yes 58%Yes
Q134 Do your statements for active members include: e) An estimate of the future pension entitlement (or in Australia, the lump sum benefit payout at retirement) based on age scenario modeling or assuming the member continues to work until earliest possible retirement?	Yes	75%Yes	82%Yes

Your service score for Counseling is 59 out of 100. This compares to averages of 80 for your peers and 70 for All participants.



Breakdown of Your Counseling Service Score				
		Score out of 100		
	Weight	You	Peer Avg	All Avg
A. Availability	15%	90.0	93.3	83.7
B. 1-on-1 vs. Group Counseling	30%	99.3	92.6	83.3
C. Field Locations	15%	11.8	67.2	43.8
D. Wait Times	20%	50.0	78.5	74.4
E. Capability	10%	40.0	65.7	62.0
F. Satisfaction Surveying	10%	0.0	54.6	44.4
Weighted Total	100%	59.1	79.6	69.6

The methodology and data used to determine each of your scores above is described in detail on the following pages.

A. Availability

15% of Counseling Service Score

	You	Peer Avg	All Avg
1. Service Score for Availability	90	93	84

2. Calculation of your Availability Score
<p>90 = + 90 if either 1-on-1 or group counseling is freely available [You: yes],</p> <p>+ 10 if counseling is available in the evenings after normal working hours [You: no]</p> <p><u>Interpreting the Scoring Formula</u></p> <ul style="list-style-type: none"> Members prefer freely available access to counseling with no time period limits, no limits on the number of sessions, etc.

3. Data used to determine the Availability Score	You	Peer Avg	All Avg
Q69 Is 1-on-1 retirement counseling a freely available option for most members?	Yes	90%Yes	84%Yes
Q70 Do you limit 1-on-1 counseling by:			
a) Requiring that members be within a certain time period of earliest possible retirement?	Yes	20%Yes	10%Yes
b) Placing a limit on the number of counseling sessions a member can request?	No	0%Yes	1%Yes
c) Indicating that members should contact their employers or unions first for counseling?	No	0%Yes	1%Yes
d) Other (describe)?	No	20%Yes	6%Yes
Q72.1 Do you offer 1-on-1 counseling sessions after normal working hours, such as evenings, weekends and/or statutory holidays?	No	37%Yes	51%Yes
Q79 Do you offer group retirement counseling?	Yes	50%Yes	44%Yes
Q81.1 Is group retirement counseling a freely available option for most members? [If group retirement counseling is only done in unusual circumstances, or on an experimental basis, or only at the request of an employer then your answer should be no]	Yes	40%Yes	37%Yes
Q84 Do you offer pre-scheduled group retirement counseling sessions in the evenings after normal working hours?	No	70%Yes	71%Yes

B. 1-on-1 vs. Group Counseling

30% of Counseling Service Score

	You	Peer Avg	All Avg
1. Service Score for 1-on-1 vs. Group Counseling	99	93	83

2. Calculation of your 1-on-1 vs. Group Counseling Score

99 = 100 if all counseling is 1-on-1, otherwise 105 - 5 x average number of members counseled per session [You: 1.1 counseled per session]

- 10 if you do group counseling and there is not always sufficient time to meet with members after sessions [You: Yes sufficient time, so no deduction]

Interpreting the Scoring Formula

- A perfect score requires that you counsel all members 1-on-1. Otherwise the bigger the group the lower the score. For example, a group of 5 receives a score of 75 whereas a group of 10 receives a score of 55.
- 1-on-1 counseling and small groups are higher service than large groups because they provide greater opportunity for individual attention.

3. Data used to determine the 1-on-1 vs. Group Counseling Score		You	Peer Avg	All Avg
Q68.1	Total number of members counseled 1-on-1	7,284		
Q81	Total Number of Members Counseled in a Group	1,192		
	Total Number of Members Counseled (A)	8,476		
Q68.1	Total 1-on-1 Sessions	7,284		
Q80	Total Group Sessions	207		
	Total Sessions (B)	7,491		
	Average Number of Members Counseled per Session (A / B)	1.13	2.95	2.73
Q83	Is there always sufficient time to meet with any members that want to meet 1-on-1 after the group session?	Yes 70%	Yes 76%	Yes

C. Field Locations

15% of Counseling Service Score

	You	Peer Avg	All Avg
1. Service Score for Field Locations	12	67	44

2. Calculation of your Field Locations Score	
<p>12 = + 90 if you have 50 or more field counseling locations [You: 1 field locations], otherwise 90 x number of locations / 50 + 10 x percent of field locations that are separate from employer [You: 100% separate]</p> <p><u>Interpreting the Scoring Formula</u></p> <ul style="list-style-type: none"> • A combination of in-house and in-the-field locations provides the best access for members to meet with you. • The greater the number of field locations the greater the accessibility. • Field locations separate from the employer are preferred because they help preserve confidentiality and privacy. 	

3. Data used to determine the Field Locations Score		You	Peer Avg	All Avg
Q73	Do you provide either 1-on-1 or group counseling (as defined in Q79) in the field? If yes, indicate the number of different field locations where you provided either 1-on-1 or group retirement counseling last year that were at:	Yes	85%Yes	83%Yes
	a) Field offices staffed on a full-time basis and located in cities different from your main office?	1	4	3
	b) Intermittent locations (such as hotels, offices) separate from the member's place of employment?	0	84	64
	c) Member's place of employment?	0	112	200
Q80	How many group retirement counseling sessions did you host:			
	b) In field locations staffed by you on either a full-time or intermittent basis?	57	49	16
	c) At member's place of employment?	1	64	27
Total Number of Field Locations		1	158	185
Percent of Field Locations Separate From Employer		100%	61%	38%

D. Wait Times

20% of Counseling Service Score

	You	Peer Avg	All Avg
1. Service Score for Wait Times	50	78	74

2. Calculation of your Wait Times Score

50 = Walk-ins
 + 25 - 1.25 X average wait time for walk-ins in minutes, up to 20 minutes [You: 20.0 minutes]
 + 25 - 125 x percent of walk-ins turned away because wait is too long [You: 0.0% turned away]

Pre-Scheduled

+ 25 if you offer pre-scheduled counseling [You: Yes]
 + 25 - 1.25 X the lesser of your average wait time for an in-house or in-the-field pre-scheduled session in days, up to 20 days [You: 35.0 days]

Interpreting the Scoring Formula

- The lower the wait times, the better.
- Some people like to be able to schedule an appointment. Also, a pre-scheduled session gives you the opportunity to prepare in advance.

3. Data used to determine the Wait Times Score

	You	Peer Avg	All Avg
<u>Walk-ins</u>			
Q71 Do you provide counseling for walk-in traffic?	Yes	100%	96%
If yes:			
a) On average, how long does a walk-in member that requests a counseling session typically have to wait till they can meet with a counselor? (minutes)	20.0	11.2	7.4
b) Approximately what percentage of walk-in members requesting a counseling session are turned away, or scheduled for another time, or leave with their needs unsatisfied because they decide the wait is too long?	0.0%	1.5%	0.7%
<u>Pre-Scheduled</u>			
Q72 Do you offer prescheduled group or 1-on-1 counseling?	Yes	100%	97%
If yes:			
How long does a member that requests a pre-scheduled counseling session typically have to wait, in days, before he can meet with a counselor for either a 1-on-1 or group counseling session that takes place:			
a) In house?	35.0	5.9	5.8
b) In the field?	43.0	17.1	16.2

E. Capability

10% of Counseling Service Score

	You	Peer Avg	All Avg
1. Service Score for Capability	40	66	62

2. Calculation of your Capability Score

- 40 = Estimate Capability
 + 50 if you can provide a new written estimate during sessions [You: 2 of 3]
 16.7 for walk-in, 16.7 for pre-scheduled in-house and 16.7 for in-the-field
- Service Credit Capability
 + 10 if you can provide accurate service credit purchase cost estimates [You: 2 of 3]
 3.3 for walk-in, 3.3 for pre-scheduled in-house and 3.3 for in-the-field
- Private Office
 + 20 if counseling takes place in a private office with a door [You: 0 of 3]
 6.7 for walk-in, 6.7 for pre-scheduled in-house and 6.7 for in-the-field
- Coaching
 + 20 if you review counseling sessions for coaching purposes [You: no]

Interpreting the Scoring Formula

- Members needs are best met when you can have a complete discussion about their retirement options. This includes being able to provide alternative scenarios to answer 'what-if' questions as they arise during either group or 1-on-1 counseling sessions.
- Members feel more comfortable if they can discuss their retirement income in an office with a door. Also, if you review sessions for coaching purposes, this suggests that you monitor quality.

3. Data used to determine the Capability Score

	You	Peer Avg	All Avg
Q74 a) Do almost all sessions take place in a private office with a door (versus a cubicle, etc)?			
a1) For walk-in traffic?	No	79%Yes	86%Yes
a2) In-house on a prescheduled basis?	No	84%Yes	91%Yes
a3) In the field?	No	64%Yes	70%Yes
b) Do you have real-time access to the member's data (i.e., salary, service credit, refund value, beneficiaries, etc)?			
b1) For walk-in traffic?	Yes	100%Ye	98%Yes
b2) In-house on a prescheduled basis?	Yes	100%Ye	99%Yes
b3) In the field?	No	50%Yes	54%Yes
c) Can you provide new written estimates on a real-time basis for anybody that wants one?			
c1) For walk-in traffic?	Yes	95%Yes	94%Yes
c2) In-house on a prescheduled basis?	Yes	95%Yes	97%Yes
c3) In the field?	No	50%Yes	54%Yes

E. Capability (continued)

3. Data used to determine the Capability Score		You	Peer Avg	All Avg
	d) Can you provide accurate service credit purchase cost estimates on a real-time basis for anybody that wants one?			
	d1) For walk-in traffic?	Yes	68%	Yes 65%
	d2) In-house on a prescheduled basis?	Yes	68%	Yes 68%
	d3) In the field?	No	29%	Yes 37%
Q77	Do you review 1-on-1 counseling sessions for coaching purposes on a regular basis?	No	37%	Yes 37%
Q86	Do you review group counseling sessions for coaching purposes on a regular basis?	No	60%	Yes 62%
Q85	Can you provide new written estimates on a real-time basis for any member that requests one during group counseling sessions that take place:			
	a) In-house?	No	71%	Yes 70%
	b) In the field?	No	56%	Yes 52%

F. Satisfaction Surveying

10% of Counseling Service Score

	You	Peer Avg	All Avg
1. Service Score for Satisfaction Surveying	0	55	44

2. Calculation of your Satisfaction Surveying Score

- 0 = + 15 if survey focuses primarily on member counseling
[1-on-1: did not survey / Group: did not survey]
- + 55 if the longest time between the survey and when the member was counseled is less than 14 days
[1-on-1: n/a days / Group: n/a days]
- + 15 x (100% if surveys are continuous or more than 26 times per year, 80% if monthly, 60% if quarterly, 25% if once per year)
[1-on-1: did not survey / Group: did not survey]
- + 15 if you can summarize results by counselor
[1-on-1: did not survey / Group: did not survey]

(1) You offer both group and 1-on-1 counseling. Therefore 50% of the available points above relate to each of 1-on-1 and group counseling.

Interpreting the Scoring Formula

- Best practice satisfaction surveying is single activity focused, sent only to members who have recently received the service, can be summarized by the person that did the work, is performed on a frequent random-sample basis and results are communicated widely. If you measure satisfaction, we assume you do a better job of managing and improving it.

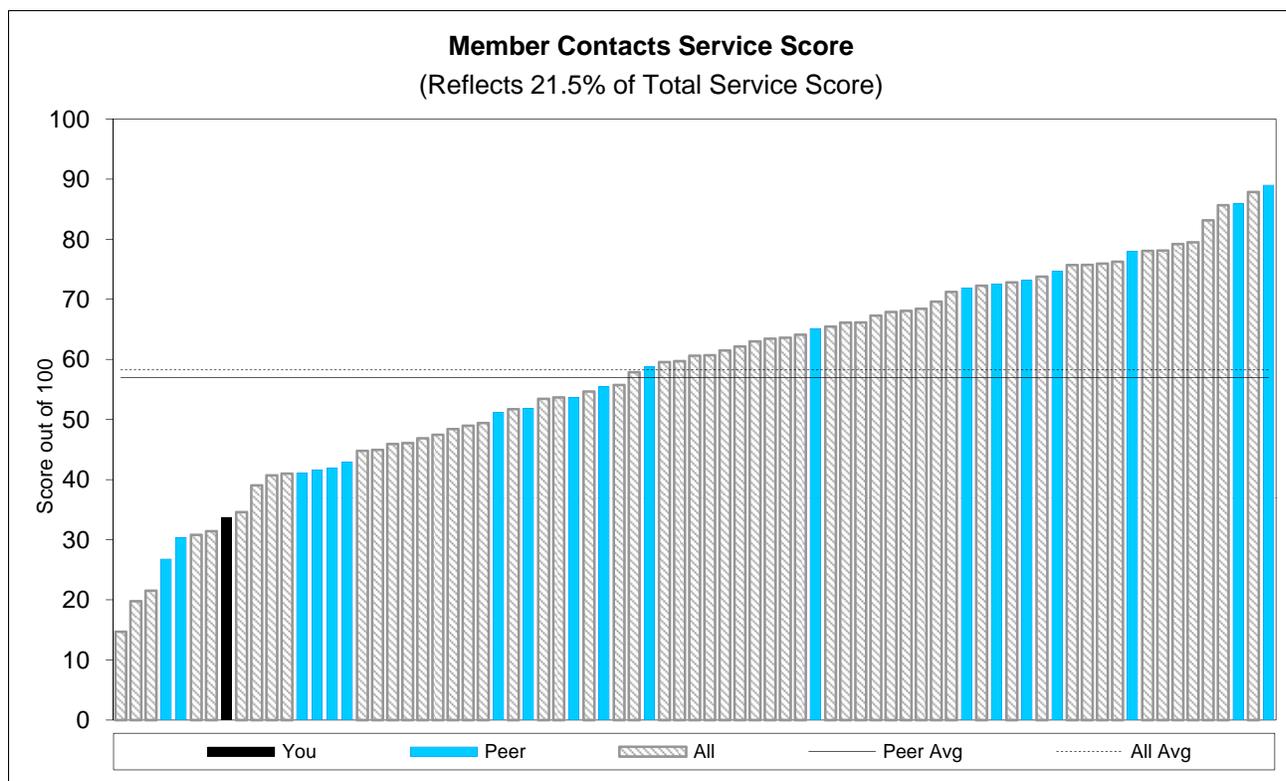
3. Data used to determine the Satisfaction Surveying Score

	You	Peer Avg	All Avg
Q78 Did you survey satisfaction with regard to 1-on-1 Counseling in your most recently completed fiscal year?	No	63%Yes	60%Yes
a) Did the survey focus primarily on 1-on-1 counseling?	n/a	75%Yes	80%Yes
b) Did you send the survey only to members that were counseled 1-on-1?	n/a	83%Yes	83%Yes
c) If yes to b) what is the longest possible length of time between the counseling session and the survey, in days (i.e., If you sent a survey to a sample of members that were counseled in the past year, then 365 days).	n/a	6	28
d) How many times did you survey member satisfaction with 1-on-1 counseling in your most recently completed fiscal year?	n/a	230	167
e) Can you summarize the results by counselor?	n/a	67%Yes	61%Yes

F. Satisfaction Surveying (continued)

Q88	Did you survey satisfaction with regard to Group Counseling in your most	No	60%Yes 56%Yes
	a) Did the survey focus primarily on group counseling?	n/a	100%Yes 84%Yes
	b) Did you send the survey only to members that were counseled in group sessions?	n/a	100%Yes 89%Yes
	b1) If yes to b) what is the longest possible length of time between the group counseling session and the survey, in days (i.e., If you sent a survey to a sample of members that were counseled in the past year, then 365 days).	n/a	3 1
	c) How many times did you survey member satisfaction with group counseling in your most recently completed fiscal year?	n/a	246 172
	d) Can you summarize the results by counselor?	n/a	100%Yes 84%Yes

Your service score for Member Contacts is 34 out of 100. This compares to averages of 57 for your peers and 58 for All participants.



Breakdown of Your Member Contacts Service Score

	<u>Weight</u>	<u>Score out of 100</u>		
		<u>You</u>	<u>Peer Avg</u>	<u>All Avg</u>
A. Call Outcomes	28%	8.8	53.3	59.9
B. Wait Time	27%	5.0	37.4	49.3
C. Menu Layers	15%	60.0	73.0	74.4
D. CRM and Other Capability *	15%	78.3	80.4	75.3
E. Satisfaction	5%	24.5	52.7	42.7
F. Quality Monitoring	10%	80.0	63.0	35.9
Weighted Total	100%	33.8	57.0	58.3

The methodology and data used to determine each of your scores above is described in detail on the following pages.

* CRM Capability = Customer Relationship Management Capability.

A. Call Outcomes

28% of Member Contacts Service Score

	You	Peer Avg	All Avg
1. Service Score for Call Outcomes	9	53	60

2. Calculation of your Call Outcomes Score

$$\begin{aligned}
 9 &= + 90 - (1,200 \times \text{percent of calls resulting in irritating outcomes}) \text{ [You: 0.0\%]} \\
 &\quad - (400 \times \text{percent of calls resulting in other undesired call outcomes during business hours}) \\
 &\quad \quad \text{[You: 45.9\%] (minimum score is 0)} \\
 &\quad + 10 \times (\text{hours your call center is open per week to a maximum of 50 [You: 43.8] / 50)
 \end{aligned}$$

Interpreting the Scoring Formula

- A perfect score requires 100% of calls to either get through to a knowledgeable person or to be satisfied by self serve options.
- Some undesired outcomes are worse than others. Irritating outcomes, such as busy signals after negotiating menu systems reduce your score more rapidly than other undesired outcomes, such as busy signals that occur before entering the system.

See next page for a detailed summary of call outcomes.

A. Call Outcomes (continued)

3. Data used to determine the Call Outcomes Score		You	Peer Avg	All Avg
<u>Desired Outcomes</u>				
Q89	a) Incoming calls that reach and are responded to by a knowledgeable service representative?	46.0%	74.3%	83.1%
Q90	c) Callers' needs satisfied by self serve options on your member service line?	<u>8.1%</u>	<u>12.3%</u>	<u>6.1%</u>
Total Desired Outcomes		54.1%	86.6%	89.2%
<u>Irritating Outcomes</u>				
	e) System hangs up on caller (or sends the caller back to the main menu) after he/she has waited in the queue longer than a pre-set time or if the queue becomes full?	n/a	0.1%	0.5%
	f) Busy signal (or message to call back later, or caller is bounced back to the main menu) after navigating an automated attendant menu?	<u>n/a</u>	<u>0.9%</u>	<u>0.5%</u>
Total Irritating Outcomes		0.0%	1.0%	1.0%
<u>Undesired Outcomes During Business Hours</u>				
	a) Receptionist takes a message?	n/a	0.3%	0.9%
	b) Voice mail takes a message during business hours?	n/a	3.3%	2.2%
	d) Abandoned calls i.e. caller hangs-up while in queue or on hold or in menu?	5.9%	6.5%	5.4%
	g) Busy signal, never enters the system?	40.0%	2.2%	0.8%
	h) Caller gets pre-recorded 'call another time' message during business hours (prior to navigating an automated attendant menu)?	n/a	0.0%	0.2%
	i) Call rings unanswered during business hours?	<u>n/a</u>	<u>0.0%</u>	<u>0.4%</u>
Total Undesired During Business Hours		45.9%	12.3%	9.9%
Total Outcomes		100.0%	100.0%	100.0%
Q96	How many hours per week is your 'call center' operational?	43.8	45.3	45.1

B. Wait Time

27% of Member Contacts Service Score

	You	Peer Avg	All Avg
1. Service Score for Wait Time	5	37	49

2. Calculation of your Wait Time Score

5 = Calls
 + 90 - time in seconds to reach a knowledgeable person [You: 283 secs] / 2

Emails
 + 10 if in 1 day or less
 otherwise, 15 - 5 x time in days to respond to an email [You: 2.0 days]

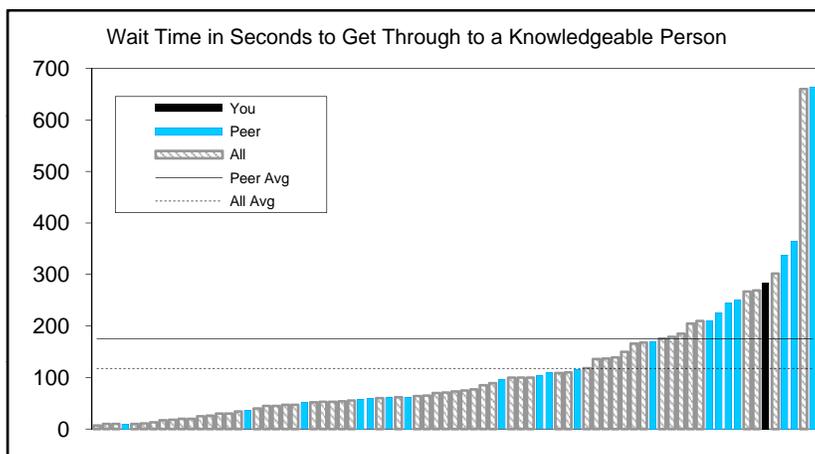
Both the Call and Email part scores are subject to a minimum of 0

Interpreting the Scoring Formula

- A perfect score requires callers to reach a knowledgeable person with no wait time and a 1 day or faster turnaround for emails.
- For every 2 seconds a caller waits, your score is reduced by 1. For example, if you have a 30 second wait time your score would be 85 (assuming also that you respond to email in less than 1 day). If your wait time increased to 60 seconds, your score would be reduced to 70.

3. Data used to determine the Wait Time Score

	You	Peer Avg	All Avg
Q91 Average total time in seconds for a caller to reach a knowledgeable person within your System. This includes:	283 secs	175 secs	118 secs
- Average time on hold waiting for a live person;			
- Average time navigating an auto-attendant; and			
- If a receptionist is first contact, average time for a caller to explain his/her needs and be redirected to a knowledgeable person.			



Q108 Can members communicate questions using email?	Yes	100%	Yes	96%	Yes
a) If yes, what is the average response time for email queries (business days)?	2.0	2.0	3.0		

C. Menu Layers

15% of Member Contacts Service Score

	You	Peer Avg	All Avg
1. Service Score for Menu Layers	60	73	74

2. Calculation of your Menu Layers Score

60 = 100 less:

- 10 if 1 menu layer, or
- 40 if 2 menu layers [You], or
- 80 if 3 menu layers, or
- 100 if 4 menu layers or more

(# of menu layers = Q91a + 1.8 if the first point of human contact after queuing is a receptionist)

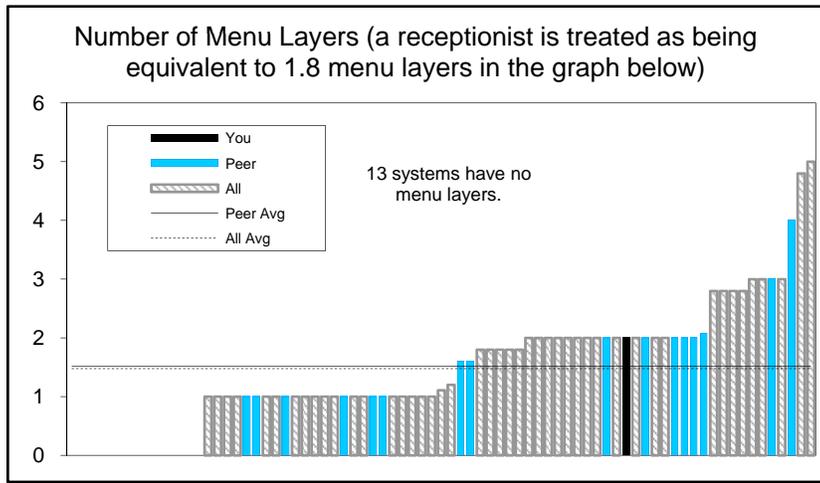
- 30 if a receptionist is the first point of contact [You: No]

Interpreting the Scoring Formula

- Members prefer to get through immediately to a knowledgeable person who can answer their questions.
- Irritation increases rapidly with the number of menu layers.
- Receptionists are often more irritating than a menu layer because of the need to explain your needs twice, incorrect redirection, etc.

3. Data used to determine the Menu Layers Score

	You	Peer Avg	All Avg
Q91 Are member calls responded to first by a recorded message or an automated attendant when your system is not busy?	Yes	90%Yes	77%Yes
If yes:			
a1) Average number of menu layers that must be navigated before a new caller can speak to a service representative?	2.0	1.7	1.6
d) Is the first point of human contact after queuing a receptionist?	No	0%Yes	7%Yes
Q93 Are member calls responded to first by a receptionist when your system is not busy?	No	0%Yes	9%Yes



D. CRM and Other Capability

15% of Member Contacts Service Score

	You	Peer Avg	All Avg
1. Service Score for CRM and Other Capability	78	80	75

2. Calculation of your CRM and Other Capability Score

$$78 = 100 \times \frac{\text{Total number of yes responses to CRM questions below [You: 18]}{23 \text{ that are applicable to you}}$$

Interpreting the Scoring Formula

- You can serve your members better if you have real time access to all of their records and have tools which will enable you to provide immediate, informed and accurate answers to their questions.
- Your ability to serve members is greatly reduced if your capabilities or policies prevent you from answering questions over the phone.

3. Data used to determine the CRM and Other Capability Score

	You	Peer Avg	All Avg
<u>Call Volume Projection</u>			
Q103 Do you have and use tools to help you project call volumes?	No	80%Yes	75%Yes
<u>Workflow System</u>			
Q104.1 Do your service representatives have real time access to a workflow system that lets them know the status of open items?	Yes	100%Yes	84%Yes
<u>Immediate Access</u>			
Q104 When a member calls in, do you have immediate computer access to the following member data:			
a) Record of the member's previous calls to the system?	Yes	85%Yes	66%Yes
b) Copies of recent correspondence on-line?	Yes	100%Yes	83%Yes
c) Knowledge based on-line help system available for use by the service representative?	Yes	75%Yes	73%Yes
d) Most recent member statement?	Yes	95%Yes	96%Yes
e) Account value?	Yes	100%Yes	91%Yes
f) Pensionable salary?	Yes	95%Yes	97%Yes
g) Salary history?	Yes	100%Yes	99%Yes
h) Total service credit?	Yes	100%Yes	96%Yes
i) Service credit history?	Yes	100%Yes	96%Yes
j) Beneficiary information?	Yes	100%Yes	95%Yes
k) Home address and phone number?	Yes	95%Yes	94%Yes
l) Non-pension benefit and optional elections?	Yes	94%Yes	80%Yes

continued on the next page

D. CRM and Other Capability (continued)

3. Data used to determine the CRM and Other Capability Score		You	Peer Avg	All Avg
<u>Provide over the Phone</u>				
Q105	Can and will you provide the following information on an immediate real-time basis to members over the phone?			
	a) Estimates of benefits at retirement?	No	65%Yes	65%Yes
	a1) If yes, can you easily model and provide alternate annuity payment scenarios?	n/a	100%Yes	88%Yes
	a2) If yes, is the estimate based on an interactive benefit calculator linked to the member's actual account data?	n/a	85%Yes	90%Yes
	b) Refund or transfer value assuming member exited employment at the time of the call?	Yes	75%Yes	64%Yes
	c) Pensionable salary?	Yes	75%Yes	78%Yes
	d) Total service credit?	Yes	85%Yes	81%Yes
	e) Service credit purchase cost estimates?	No	55%Yes	47%Yes
<u>Self Serve, Voice Mail, Toll Free</u>				
Q95	Do you have a toll free number (or a number where members are only charged the cost of a local call no matter where they are located) that members can call to get a real person (not just an info line)?	Yes	100%Yes	83%Yes
Q97	Does your system offer voice mail for responding to calls:			
	c) As an alternative to queuing?	No	30%Yes	35%Yes
	d) After hours?	No	30%Yes	54%Yes
Q107	Can your members order forms and publications using either an information line or self-serve options on your member service line?	Yes	75%Yes	42%Yes
Total Number of 'Yes' Responses		18	20	18
Applicable Number of 'Yes' Responses *		23	24	24

* If your response was 'n/a', it was not counted as part of the 'Applicable Number of Yes Responses' in the calculation of your score as these capabilities do not apply to you.

E. Satisfaction

5% of Member Contacts Service Score

	You	Peer Avg	All Avg
1. Service Score for Satisfaction	25	53	43

2. Calculation of your Satisfaction Score			
25	=	First Contact Satisfaction	
		+ 35 x percent of calls satisfied by first contact [You: 70%]	
		+ 10 if no calls placed on hold,	
		otherwise 10 - (%calls placed on hold x average hold time in seconds/4)	
		subject to a minimum of 0 [You: 20% placed on hold for an average of 90 seconds]	
		 Satisfaction Surveying	
		+ 15 if survey focuses primarily on member telephone calls [You: did not survey]	
		+ 30 if the longest length of time between the survey and telephone call is 14 days or less [You: did not survey]	
		+ 5 x (100% if surveys are continuous or more than 26 times per year, 80% if monthly, 60% if quarterly, 25% if once per year) [You: did not survey]	
		+ 5 if you can summarize results by service representative [You: did not survey]	
		 <u>Interpreting the Scoring Formula</u>	
		• Best practice satisfaction surveying is single activity focused, sent only to members who have recently received the service, can be summarized by the person that did the work, is performed on a frequent random-sample basis and results are communicated widely. If you measure satisfaction, we assume you do a better job of managing and improving it.	
		• It is higher service if a caller's questions are immediately satisfied by the first contact without being placed on hold or transferred.	

3. Data used to determine the Satisfaction Score				
		You	Peer Avg	All Avg
Q94	What is the % of calls placed on hold after a caller has reached a knowledgeable person?	20%	15%	15%
	a) What is the average hold time?	90	81.5	73.5
Q99	a) % of callers transferred after first contact? (exclude receptionists)	24%	6%	6%
	b) % of callers called back because their needs were not fully satisfied at first contact?	6%	5%	6%
	c) % of calls satisfied by the first contact?	70%	89%	88%
Q102	Did you survey satisfaction with regard to Member Telephone Calls in your most recently completed fiscal year?	No	60%Yes	45%Yes
	If yes:			
	a) Did the survey focus primarily on member telephone calls?	n/a	69%Yes	61%Yes
	b) Did you send the survey only to members that have called?	n/a	75%Yes	66%Yes
	c) What is the longest possible length of time between the members' call and the survey, in days (i.e., If you sent a survey to a sample of members that called in the past year, then 365 days).	n/a	32	75
	d) How many times did you survey member satisfaction with Member Telephone Calls in your most recently completed fiscal year?	n/a	70	56
	e) Can you summarize the results by service representative?	n/a	42%Yes	20%Yes
	f) Can you summarize the results by key topics discussed in the calls?	n/a	58%Yes	46%Yes

F. Quality Monitoring

10% of Member Contacts Service Score

	You	Peer Avg	All Avg
1. Service Score for Quality Monitoring	80	63	36

2. Calculation of your Quality Monitoring Score

$$80 = + 100 \times \frac{\text{\# of times you regularly review a typical agent's calls against a written standard per month}}{4}$$
 (up to a maximum of 100) and 0 if you do not review [You: 45]

- 20 if the review is based on listening in on a live call versus a recording [You: live]

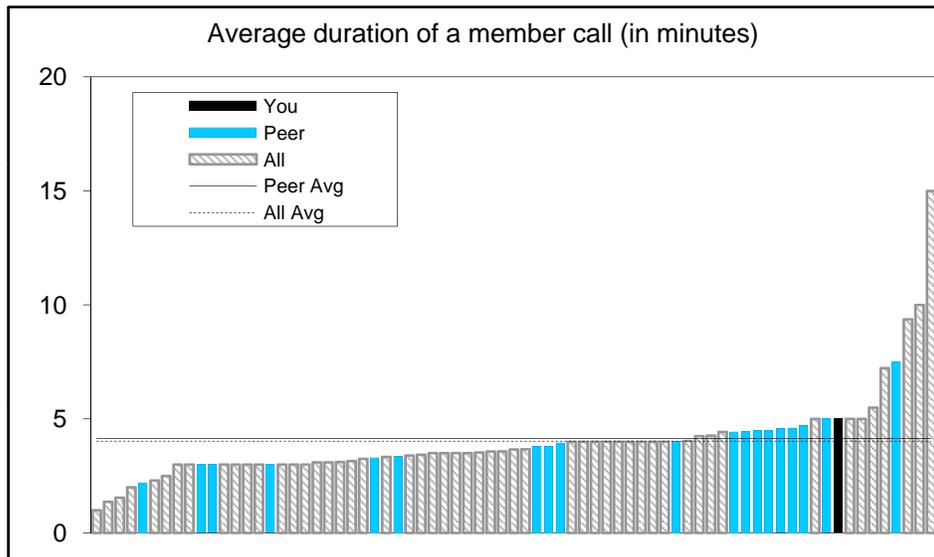
Interpreting the Scoring Formula

- We assume that it is higher service if you regularly monitor your agents conversations with your members. Monitoring recordings allows more time for review than listening in live. It also allows the agents to listen to themselves.

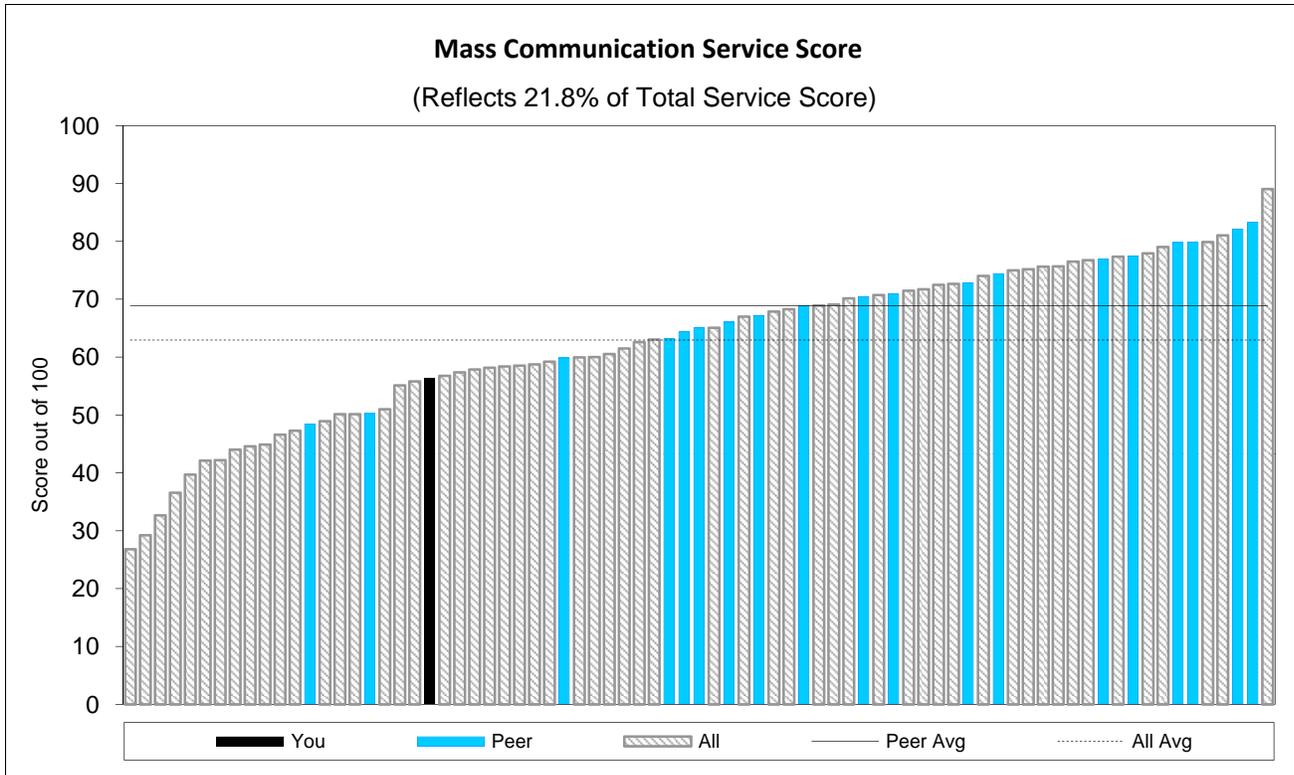
3. Data used to determine the Quality Monitoring Score

	You	Peer Avg	All Avg
Q101 Do you review your staff's responses to member calls for coaching purposes on a regular basis?	Yes	80%Yes	64%Yes
a) If yes, how many calls per agent per month (on average) do you monitor?	45.0	9.9	6.2
b) If yes, are you listening in on a live call or a recording?	live	44% live	42% live

CEM has begun collecting call duration statistics as a measure of quality, although this is not currently reflected in your Member Contacts Service Score. The following graph is provided for your interest:



Your service score for Mass Communication is 56 out of 100. This compares to averages of 69 for your peers and 63 for All participants.



Breakdown of Your Mass Communication Service Score		Score out of 100		
	Weight	You	Peer Avg	All Avg
A. Member Presentations	15%	41.0	77.4	58.7
B. Website	35%	38.0	57.5	51.0
C. Newsletters	15%	79.0	77.8	68.8
D. Member Statements	30%	76.5	76.5	76.8
E. Other Mass Communication	5%	40.0	50.0	58.1
Weighted Total	100%	56.3	68.9	62.9

The methodology and data used to determine each of your scores above is described in detail on the following pages.

A. Member Presentations

15% of Mass Communication Service Score

	You	Peer Avg	All Avg
1. Service Score for Member Presentations	41	77	59

2. Calculation of your Member Presentations Score

- 41 = Location and Availability
 + 30 if 50 or more locations,
 otherwise 30 x locations / 50 [You: 82]
 + 5 if you offer presentations in the evenings after normal working hours [You: Yes]

Types

- + 10 if you have 4 or more different targeted types of presentations (benefit fairs count as 1 type),
 otherwise 3 x number of types [You: 2 plus 1 for benefit fairs]

Group Size

- + 35 if average of 10 attendees or fewer per presentation,
 otherwise 40 - (average number of attendees / 2) [You: 87]

Coaching

- + 4 if you review presenters for coaching purposes [You: No]

Satisfaction Surveying

- + 3 if survey focuses primarily on member presentations [You: did not survey]
 + 8 if longest time between the survey and member attending presentation is 14 days or less
 [You: did not survey]
 + 3 x (100% if surveys are continuous or more than 26 times per year, 80% if monthly,
 60% if quarterly, 25% if once per year) [You: did not survey]
 + 2 if you can summarize results by presenter [You: did not survey]

Interpreting the Scoring Formula

- More choices of location and times provides easier access and convenience.
- Smaller groups are preferred to larger groups. They provide more opportunities for individual attention.
- Best practice satisfaction surveying is single activity focused, sent only to members who have recently received the service, can be summarized by the person that did the work, is performed on a frequent random-sample basis and results are communicated widely. If you measure satisfaction, we assume you do a better job of managing and improving it.

A. Member Presentations (continued)

3. Data used to determine the Member Presentations Score		You	Peer Avg	All Avg
	<u>Location</u>			
Q114	How many different locations did you use to offer presentations?	82	139	119
Q115	Do you offer presentations in the evenings after normal working hours?	Yes	90%Yes	82%Yes
	<u>Types</u>			
Q109	Do you host or participate in Benefit fairs?	Yes	100%Yes	69%Yes
Q113	Do you have specific presentations targeting the following member audiences:			
	a) New members?	Yes	71%Yes	58%Yes
	b) Members in mid career?	No	57%Yes	36%Yes
	c) Members approaching retirement or ready to retire?	No	86%Yes	76%Yes
	d) Retirees?	No	71%Yes	36%Yes
	e) Other? (Please describe)	No	43%Yes	33%Yes
	Total of presentation types plus 1 if you offer benefit fairs.	2	6	4
	<u>Group Size</u>			
Q112	What was the average number of attendees per presentation?	87	45	48
	<u>Coaching and Satisfaction</u>			
Q116	Do you review presenters for coaching purposes on a regular and recurring basis?	No	75%Yes	62%Yes
Q117	Did you survey satisfaction with regard to Presentations to Members in your most recently completed fiscal year?	No	85%Yes	75%Yes
	If yes:			
	a) Did the survey focus primarily on presentations?	n/a	94%Yes	86%Yes
	b) Did you send the survey only to members that attended presentations?	n/a	100%Yes	88%Yes
	c) What is the longest possible length of time between the presentation and the survey, in days (i.e., If you sent a survey to a sample of members that attended presentations in the past year, then 365 days).	n/a	3	14
	d) How many times did you survey in your most recently completed fiscal year?	n/a	211	184
	e) Can you summarize the results by presenter?	n/a	82%Yes	78%Yes

B. Website

35% of Mass Communication Service Score

	You	Peer Avg	All Avg
1. Service Score for Website	38	58	51
2. Calculation of your Website Score			
<p>38 = Forms + 10 if forms are available on-line [You: Yes]</p> <p>Benefit Calculators + 25 if you have an interactive calculator on your website [You: yes] + 10 if the calculator is linked to a member's data [You: No]</p> <p>Salary and Service Credit + 3 if you offer secure access to both salary and service credit data [You: No] + 3 if salary and service credit data is up-to-date to the most recent pay period [You: No] + 1 if a complete annual history of salary and service credit data is available [You: No]</p> <p>Other Transactions and Tools 3 for each of the following tools offered: estimate the cost of purchasing service credit online [You: Yes] register for counseling sessions and/or workshops [You: No] change address information [You: No] change beneficiaries [You: No] change family status [You: No] change annuity deposit banking information [You: No] view or print tax receipts [You: No] view payment stubs [You: No] apply for retirement online [You: No] check status of disability application [You: No] view correspondence in a "secure mailbox" [You: No] download member statement [You: No]</p> <p>Design + 4 if members can get on-line immediately upon registering [You: n/a] + 3 if you greet member by name upon log-in [You: n/a] - 4 if you force members to acknowledge a disclaimer every time they log-in or use the calculator [You: n/a]</p> <p>Satisfaction Surveying + 5 if you survey members on their website experience [You: No]</p> <p><u>Interpreting the Scoring Formula</u></p> <ul style="list-style-type: none"> Members visit your website looking for information. The more you can provide, the more tailored and customized to the member, and the easier it is to get on-line, the better. 			

B. Website (continued)

3. Data used to determine the Website Score		You	Peer Avg	All Avg
Q122	Does your website have a secure member area where members can access their own data? If yes:	No	75%Yes	75%Yes
	1) Are both salary and service data available?	No	67%Yes	57%Yes
	2) Is online data up-to-date to the most recent pay period?	No	44%Yes	43%Yes
	3) Is a complete annual history from the beginning of employment provided?	No	44%Yes	38%Yes
	c) Does your registration process enable close to real-time log-in for new	n/a	43%Yes	54%Yes
	d) Do you welcome the member by name on the home page of the secure	n/a	80%Yes	63%Yes
	e) Are users required to acknowledge a disclaimer every time they log in or	n/a	40%Yes	29%Yes
Q123	Indicate whether the following capabilities are available on your website and provide volumes:			
	a) Benefit calculator in non-secure area?	Yes	85%Yes	60%Yes
	b) Benefit calculator in secure area not linked to member data?	No	20%Yes	9%Yes
	c) Benefit calculator in secure area linked to member's salary and service	No	60%Yes	58%Yes
	d) Service credit purchase calculator?	Yes	47%Yes	51%Yes
	e) Download forms?	Yes	100%Yes	95%Yes
	f) Register for counseling sessions or presentations?	No	55%Yes	40%Yes
	g) Change address?	No	55%Yes	51%Yes
	h) Change beneficiary?	No	20%Yes	23%Yes
	i) Change family information? [i.e., marital status, partner, dependents]	No	43%Yes	26%Yes
	j) Change banking information for direct deposit?	No	5%Yes	15%Yes
	l) Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	No	50%Yes	32%Yes
	m) View annuity payment details? [i.e., gross amounts, deductions]	No	45%Yes	32%Yes
	n) Apply for retirement?	No	5%Yes	9%Yes
	o) View status of disability application?	No	0%Yes	10%Yes
	p) Secure mailbox?	No	20%Yes	14%Yes
	q) Download member statement (i.e., Adobe format)?	No	30%Yes	31%Yes
Q124	Did you survey member satisfaction with your website in your most recently completed fiscal year?	No	40%Yes	44%Yes

C. Newsletters

15% of Mass Communication Service Score

	You	Peer Avg	All Avg
1. Service Score for Newsletters	79	78	69
2. Calculation of your Newsletters Score			
<p>79 = Actives</p> <ul style="list-style-type: none"> + 33 if you send newsletters 4 or more times per year, 30 if 3 times, 25 if 2 times or 20 if 1 time [You: 3 times] + 5 if you send active member newsletters directly to members home, or they choose [You: no] <p>Retirees</p> <ul style="list-style-type: none"> + 38 if you send newsletters to retired members 4 or more times per year, 35 if 3 times, 30 if 2 times, 25 if 1 time [You: 3 times] <p>Inactives</p> <ul style="list-style-type: none"> + 9 if you send a newsletter to inactives at least annually [You: 1 time] <p>Target</p> <ul style="list-style-type: none"> + 10 if you have a separate newsletter targeted to active and retired members [You: No] <p>Electronic</p> <ul style="list-style-type: none"> + 5 if you can deliver electronically [You: Yes] 			
<u>Interpreting the Scoring Formula</u>			
<ul style="list-style-type: none"> • Communicating more frequently by newsletter is higher service. • Communicating by newsletter to active members and annuitants is equally important. Inactive members are less important. • Allowing members to choose whether they receive newsletters at home or through employer is highest service. Alternatively, sending newsletters directly to active members' homes rather than through employers is higher service because the newsletters are less likely to get lost. • Providing the choice of paper or electronic delivery is higher service. 			
3. Data used to determine the Newsletters Score			
	You	Peer Avg	All Avg
Q127 Do you send newsletters (and/ or news magazines), and if yes how frequently, to:			
a1) Active members - # of times per year?	3.0	3.1	2.6
b1) Retired members - # of times per year?	3.0	2.9	2.6
c1) All inactive members - # of times per year?	1.0	1.3	1.0
Q128 How do you direct newsletters to active members:			
a) Forward through employer?	Yes	42%Yes	30%Yes
b) Mail to their home?	No	58%Yes	78%Yes
c) Email to the member?	No	32%Yes	34%Yes
d) Home or employer depending on the member's choice?	No	0%Yes	3%Yes
Q129 a) Have a different newsletter for active and retired members?	No	80%Yes	73%Yes
Q126 Can members choose between receiving newsletters by mail versus electronically (i.e., email or email notice that it is now available on the secure portion of your website)?	Yes	40%Yes	30%Yes

D. Member Statements

30% of Mass Communication Service Score

	You	Peer Avg	All Avg
1. Service Score for Member Statements	77	77	77

2. Calculation of your Member Statements Score

- 77 = Accuracy and Timeliness
- + 10 if no complaints about data errors, otherwise 10 x (1 - 25 x percent of members that complain about data errors) or 0 if more than 4% of members complain about errors [You: 1.0%]
 - + 15 if data is current to 1 month, otherwise 17 - 2 x number of months out of date [You: 4.0 months]
 - + 10 if sent to a member's home, or choice of home or employer [You: no]
 - + 5 if sent to inactive members annually or more frequently, otherwise 5 X times per year on average [You: annually]
- Content
- + 10 if summarizes service credit [You: Yes]
 - + 10 if provides pensionable earnings [You: Yes]
 - + 5 if provides a historical summary of salary and service credit earned each year [You: No]
 - + 10 if shows refund value if you left at the statement date [You: Yes]
 - + 25 if shows estimate of future pension entitlement [You: Yes]

Interpreting the Scoring Formula

- Up-to-date, accurate member statements provide one of your best opportunities to communicate the value of the benefit to members.
- Showing an estimate of the future pension entitlement is more important than showing the refund value because the pension entitlement is potentially much more valuable.
- Allowing members to choose whether they receive member statements at home or through employer is highest service. Alternatively, sending member statements directly to active members' homes rather than through employers is higher service because the statements are less likely to get lost.

D. Member Statements (continued)

3. Data used to determine the Member Statements Score		You	Peer Avg	All Avg
Q130	How frequently do you send member statements to:		times per year	
	a) Active members?	1.00	1.20	1.17
	b) Inactive members? (annually = 1, every 2 years = 0.5 times per year on average, every 5 years = 0.2 times per year on average)	1.00	1.16	0.99
Q131	Approximately what % of members complain about the accuracy of data in their member statements?	1.0%	1.3%	1.1%
Q132	How do you send member statements to active members?			
	a) Forward through employer?	Yes	45%Yes	27%Yes
	b) Mail to their home?	No	65%Yes	86%Yes
	c) Home or employer depending on the member's choice?	No	0%Yes	3%Yes
Q133	On average, how current is an active member's data in the statements that the member receives (in months)?	4.0	3.2	3.4
Q134	Do your statements for active members include:			
	a) Total accumulated service credit?	Yes	100%Yes	91%Yes
	b) Pensionable earnings?	Yes	70%Yes	86%Yes
	c) A historical summary of salary and service credit earned each year?	No	45%Yes	28%Yes
	d) The refund value if you left at the statement date?	Yes	95%Yes	77%Yes
	e) An estimate of the future pension entitlement (or in Australia, the lump sum benefit payout at retirement) based on age scenario modeling or assuming the member continues to work until earliest possible retirement?	Yes	75%Yes	82%Yes

E. Other Mass Communication

5% of Mass Communication Service Score

	You	Peer Avg	All Avg
1. Service Score for Other Mass Communication	40	50	58

2. Calculation of your Other Mass Communication Score

- 40 = Milestone Event Communication
- + 40 if you issue a 'welcome' kit to new members [You: Yes]
 - + 10 if you send letters when members become vested for pension benefits [You: No]
 - + 10 if you send letters when members become eligible for retirement [You: No]

Feedback

- + 10 if you solicit member feedback on your publications through focus groups, or surveys [You: No]

Translation

- + 5 if you publish member statements, annual report, newsletters, website and brochures in a language other than English, otherwise 1 for each publication translated [You: 0 / 5 possible]

General Communication

- + 15 if you send a brochure with a complete summary of benefits every year, or 10 if every 2nd year [You: No]
- + 5 if you send either a full or summary annual report to active members [You: No]
- + 5 if you send either a full or summary annual report to retirees [You: No]

Interpreting the Scoring Formula

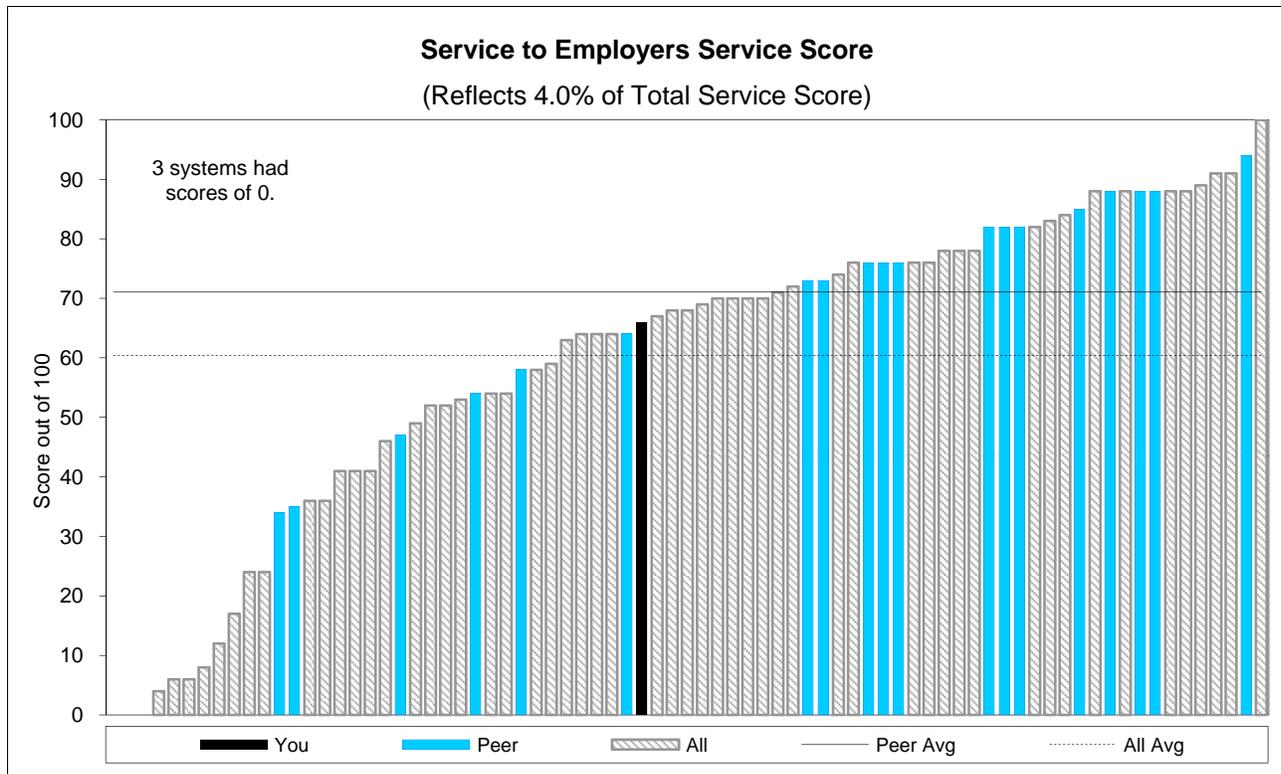
- Milestone events, such as joining the system, are good opportunities to communicate the value of the
- Actively soliciting feedback on your communication materials should lead to better materials.

3. Data used to determine the Other Mass Communication Score	You	Peer Avg	All Avg
Q135 Are new members issued a 'welcome' kit describing their benefits?	Yes	75%Yes	82%Yes
Q139 Do you automatically send out letters informing members when they become, or are about to become:			
a) Vested for pension benefits?	No	32%Yes	39%Yes
b) Vested for disability benefits?	No	16%Yes	35%Yes
c) Eligible for retirement?	No	20%Yes	40%Yes

E. Other Mass Communication (continued)

3. Data used to determine the Other Mass Communication Score		You	Peer Avg	All Avg
Q136	Do you send your members a general brochure with a complete summary of the benefits every year?	No	15%Yes	30%Yes
Q137	Do you prepare and send a summary of the annual report to:			
	a) All active members?	No	45%Yes	48%Yes
	b) All retirees?	No	50%Yes	45%Yes
Q138	Do you send the annual report to:			
	a) All active members?	No	0%Yes	10%Yes
	b) All retirees?	No	5%Yes	9%Yes
Q140	Do you actively solicit member feedback on your publications through:			
	a) Focus Groups?	No	35%Yes	40%Yes
	b) Tear out surveys or feedback cards in the publications themselves?	No	25%Yes	30%Yes
	c) Surveys sent to members who request a publication?	No	10%Yes	16%Yes
	d) Other (describe)	No	40%Yes	30%Yes
Q141	Do you publish any of the following materials in a language other than English (or other than French in Quebec and France), or in Braille?			
	a) Member statements?	No	5%Yes	13%Yes
	b) Annual report?	No	0%Yes	21%Yes
	c) Newsletters?	No	10%Yes	18%Yes
	d) Website?	No	10%Yes	23%Yes
	e) Brochures and pamphlets?	No	20%Yes	23%Yes

Your service score for Service to Employers is 66 out of 100. This compares to averages of 71 for your peers and 60 for All participants.



Breakdown of Your Service to Employers Service Score

	Weight	Score out of 100		
		You	Peer Avg	All Avg
A. Service to Employers	100%	66.0	71.1	60.4
Weighted Total	100%	66.0	71.1	60.4

The methodology and data used to determine each of your scores above is described in detail on the following pages.

A. Service to Employers

100% of Service to Employers Service Score

	You	Peer Avg	All Avg
1. Service Score for Service to Employers	66	71	60

2. Calculation of your Service to Employers Score

66 = Handbooks

- + 3 if you provide a manual or handbook for employers [You: Yes]
- + 2 if the manual or handbook is updated on a regular basis [You: Yes]

Website

- + 12 if you have an employer targeted section on your website [You: Yes]

Presentations

- + 12 if you have 3 or more different targeted types of presentations for employers, otherwise 4 x number of types [You: 2]

Newsletters

- + 12 if you send newsletters for employers 4 or more times per year, otherwise 3 x newsletter frequency [You: 36]

Satisfaction and Service Agreements

- + 12 if you survey employer satisfaction 10 or more times per year, 8 if 4 or more, 6 if 1 or more [You: did not survey]
- + 6 if you have service level agreements with your employers [You: No]

Reporting Software

- + 17 if you maintain either general or customized reporting software [You: Yes, Generalized]
- + 12 if the reporting software is web-based [You: Yes]
- + 6 if the software integrates collections and billing [You: No]
- + 6 if the software provides real time error checking and feedback [You: No]

Interpreting the Scoring Formula

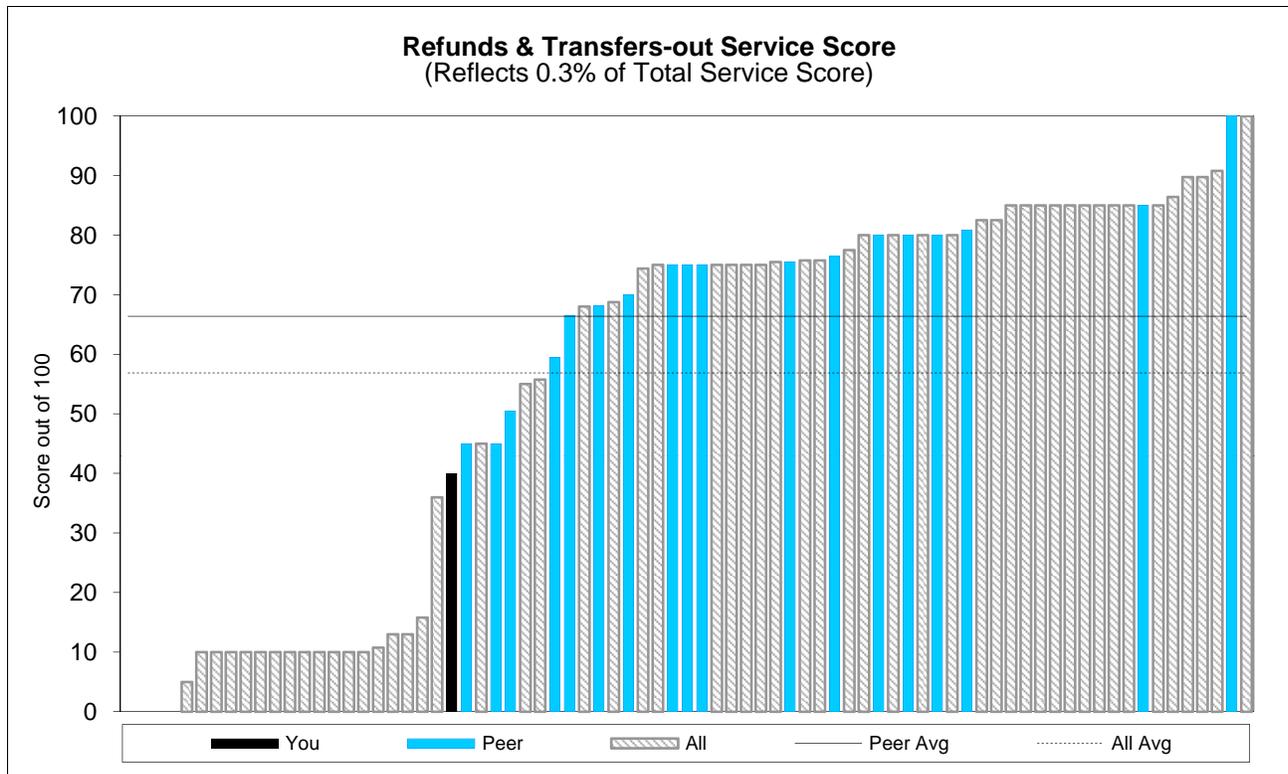
- Having staff dedicated to servicing employers, providing generalized and/or customized collections reporting software, up-to-date employer handbook, website, newsletter and training will help to reduce data errors and misinformation. Ultimately, this improves service to members.

3. Data used to determine the Service to Employers Score	You	Peer Avg	All Avg
Q181 Do you provide a manual or handbook for employers?	Yes	95%Yes	85%Yes
a) If yes, is this manual or handbook updated on a regular basis?	Yes	94%Yes	98%Yes

A. Service to Employers (continued)

3. Data used to determine the Service to Employers Score		You	Peer Avg	All Avg
Q176	Do you have an employer targeted section on your website, or a separate website for your employers?	Yes	100%Yes	88%Yes
Q177	How many different types of presentations did you give to employers?	2.0	5.3	4.8
Q178	Do you have a newsletter dedicated to employers that is different from the newsletter for members?	Yes	90%Yes	74%Yes
	a) If yes, how many times did you prepare and send an employer dedicated newsletter last year?	36.0	9.0	5.3
Q179	Do you survey employers' satisfaction with the services you provide to them in your most recently completed fiscal year?	No	55%Yes	46%Yes
	a) If yes, how many times did you survey employers in your most recently completed fiscal year?	n/a	137.2	66.0
Q182	Do you have Service Level agreements with your employers that clarifies both your service responsibilities and the employers and includes measurement and reporting vis-à-vis your responsibilities?	No	5%Yes	21%Yes
Q183	Do you offer and maintain generalized reporting software for your employer collection points?	Yes	90%Yes	75%Yes
	b) Is the application web-based? [i.e. You connect to it through a web browser]	Yes	94%Yes	91%Yes
	c) Can the software integrate both data collection and billing?	No	61%Yes	61%Yes
	d) Can it provide real time error checking and feedback versus data previously submitted by the employer? [For example, can it identify an unusual increase in an employee's salary.]	No	39%Yes	55%Yes
Q184	Do you maintain customized reporting software for any of your employer collection points? [For example, OPTrust maintains customized reporting software for its largest employer.]	No	16%Yes	23%Yes

Your service score for Refunds & Transfers-out is 40 out of 100. This compares to averages of 66 for your peers and 57 for All participants.



Breakdown of Your Refunds & Transfers-out Service Score		Score out of 100		
		Weight	You	Peer Avg
A. Refunds & Transfers-out	100%	40.0	66.4	56.9
Weighted Total	100%	40.0	66.4	56.9

The methodology and data used to determine each of your scores above is described in detail on the following pages.

A. Refunds & Transfers-out

	You	Peer Avg	All Avg
1. Service Score for Refunds & Transfers-out	40	66	57

2. Calculation of your Refunds & Transfers-out Score

- 40 = Timeliness
 + 75 if transfers-out are completed in 30 days or less,
 otherwise 90 - days to complete / 2 [You: 120.0 days]
- Satisfaction Surveying
 + 4 if survey focuses primarily on terminating payments [You: did not survey]
 + 8 if the longest time between the survey and terminating payment is 14 days or less,
 [You: did not survey]
 + 3 x (100% if surveys are continuous or more than 26 times per year, 80% if monthly,
 60% if quarterly, 25% if once per year) [You: did not survey]
- No Notarization
 + 10 if you do not require notarization for refund applications, 5 if some [You: do not require]

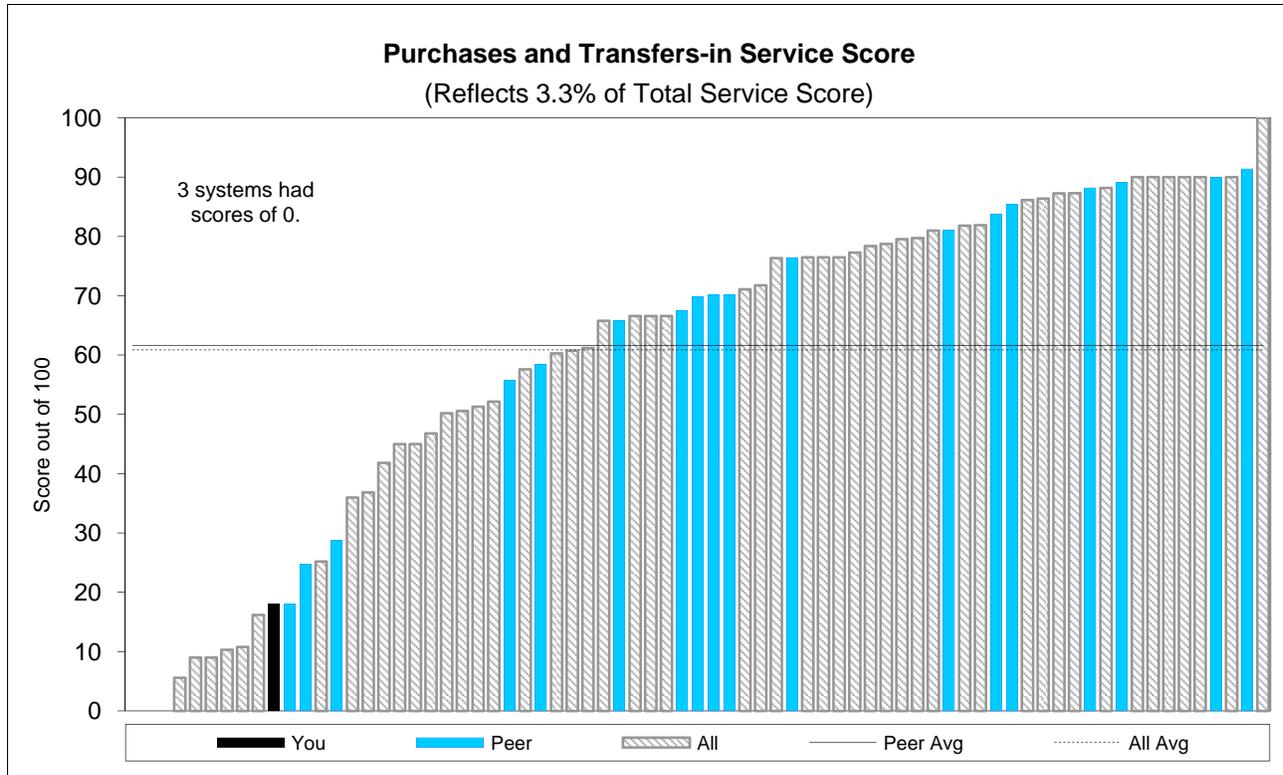
Interpreting the Scoring Formula

- Speed from request to completion is what matters to members, regardless of whether the delays are caused by internal or external parties.
- Best practice satisfaction surveying is single activity focused, sent only to members who have recently received the service, can be summarized by the person that did the work, is performed on a frequent random-sample basis and results are communicated widely. If you measure satisfaction, we assume you do a better job of managing and improving it.
- Obtaining notarizations creates work for members and may not provide additional protection for the System. For example, the notarization itself may be fraudulent. Many systems have decided that the potential risk reduction does not justify the inconvenience caused to members. Still, we recognize that refunds pose a much greater risk of loss to the System from fraud than an inception (with an inception you have smaller amounts and an ongoing trace) so the weight for refunds is small and should not materially impact your score if you require notarizations.

3. Data used to determine the Refunds & Transfers-out Score

	You	Peer Avg	All Avg
Q191 How long does it take on average for you to complete individual transfers-out to external systems, including delays caused by external parties, beginning from the time of: a) Initial request by the member (days)?	120.0	56.3	58.5
Q192 Did you survey satisfaction with terminating payments (i.e., Refunds, Lump-Sums or Transfers-Out) in your most recently completed fiscal year? If yes:	No	25%Yes	25%Yes
a) Did the survey focus primarily on terminating payments?	n/a	80%Yes	68%Yes
b) How many times did you survey member satisfaction with terminating payments in your most recently completed fiscal year?	n/a	154.0	85.5
c) What is the longest possible length of time between the termination (i.e., refund, transfer out, etc) and the survey, in days (i.e., If you sent a survey to a sample of members that received terminating payments in the past year, then 365 days)?	n/a	22	85
Q193 Do you require notarization of refund or transfer-out applications? (yes, some, no)	No	50%Yes	25%Yes

Your service score for Purchases and Transfers-in is 18 out of 100. This compares to averages of 62 for your peers and 61 for All participants.



Breakdown of Your Purchases and Transfers-in Service Score

	Weight	Score out of 100		
		You	Peer Avg	All Avg
A. Timeliness	90%	20.0	67.0	66.1
B. Satisfaction Surveying	10%	0.0	13.6	13.0
Weighted Total	100%	18.0	61.6	60.9

The methodology and data used to determine each of your scores above is described in detail on the following pages.

A. Timeliness

90% of Purchases and Transfers-in Service Score

	You	Peer Avg	All Avg
1. Service Score for Timeliness	20	67	66
2. Calculation of your Timeliness Score			
<p>20 = Service Credit Purchase Estimates + 80 if you can provide an estimate in 1 day or less, otherwise 82 - 2 x number of days to provide a purchase cost estimate [You: 45.0 days]</p> <p>Transfers-in + 20 if a member's transfer-in application is processed within 1 month, otherwise 22 - 2 x number of months to process transfer-in [You: 1 month] subject to a minimum score of 0</p> <p><u>Interpreting the Scoring Formula</u></p> <ul style="list-style-type: none"> • From a member perspective, faster is higher service. • The score for transfers-in is mostly based on your own timeliness. A small part of the score is based on the total time it takes to complete transfers-in (i.e. including delays caused by third parties). Speed from request to completion is what matters to members, regardless of whether the delays are caused by internal or external parties. 			
3. Data used to determine the Timeliness Score	You	Peer Avg	All Avg
Q200 On average, how many days does it take from the date of first request to provide a written service credit cost purchase estimate?	45	19	31
Q202 How long does it take on average for you to do individual transfers-in? [Months from request to completion including delays caused by external parties]	1.0	1.3	3.0

B. Satisfaction Surveying

10% of Purchases and Transfers-in Service Score

	You	Peer Avg	All Avg
1. Service Score for Satisfaction Surveying	0	14	13

2. Calculation of your Satisfaction Surveying Score

- 0 = + 30 if survey focuses primarily on purchases (or transfers-in) [You: did not survey]
 + 50 if the longest length of time between the survey and purchase transaction is 14 days or less [You: did not survey]
 + 20 X (100% if surveys are continuous or more than 26 times per year, 80% if monthly, 60% if quarterly, 25% if once per year) [You: did not survey]

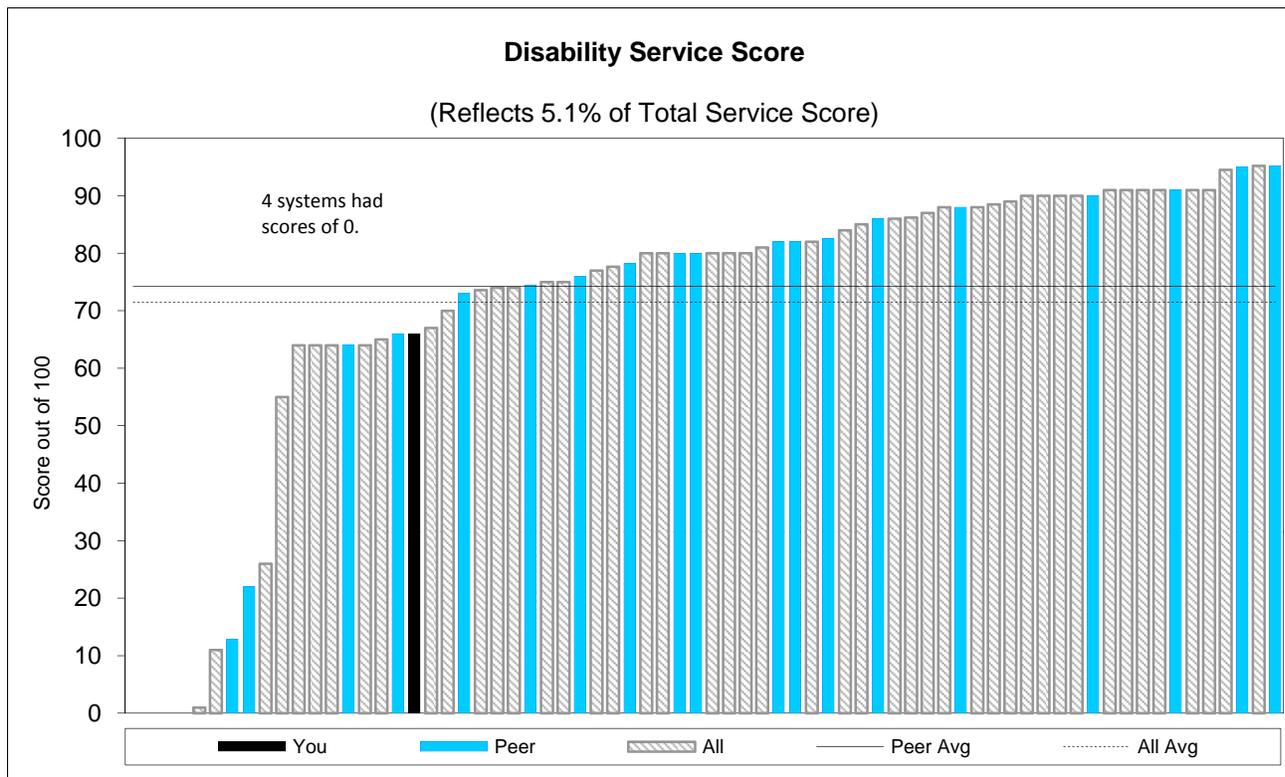
Interpreting the Scoring Formula

- Best practice satisfaction surveying is single activity focused, sent only to members who have recently received the service, can be summarized by the person that did the work, is performed on a frequent random-sample basis and results are communicated widely. If you measure satisfaction, we assume you do a better job of managing and improving it.

3. Data used to determine the Satisfaction Surveying Score

	You	Peer Avg	All Avg
Q203 Did you survey satisfaction with regard to Purchases (or Transfers-in for Canadian, Australian and Dutch systems) in your most recently completed fiscal year?	No	30%Yes	24%Yes
If yes:			
a) Did the survey focus primarily on purchases and/or transfers in?	n/a	67%Yes	72%Yes
b) What is the longest possible length of time between the service credit purchase and the survey, in days (i.e., If you sent a survey to a sample of members that purchased service credit in the past year, then 365 days)?	n/a	78	91
c) How many times did you survey member satisfaction with purchases or transfers-in in your most recently completed fiscal year?	n/a	169	131

Your service score for Disability is 66 out of 100. This compares to averages of 74 for your peers and 71 for All participants.



Breakdown of Your Disability Service Score				
		Score out of 100		
	Weight	You	Peer Avg	All Avg
A. Timeliness	80%	70.0	81.9	79.2
B. Satisfaction and No Notarization	20%	50.0	43.4	40.4
Weighted Total	100%	66.0	74.2	71.5

The methodology and data used to determine each of your scores above is described in detail on the following pages.

A. Timeliness

80% of Disability Service Score

	You	Peer Avg	All Avg
1. Service Score for Timeliness	70	82	79

2. Calculation of your Timeliness Score

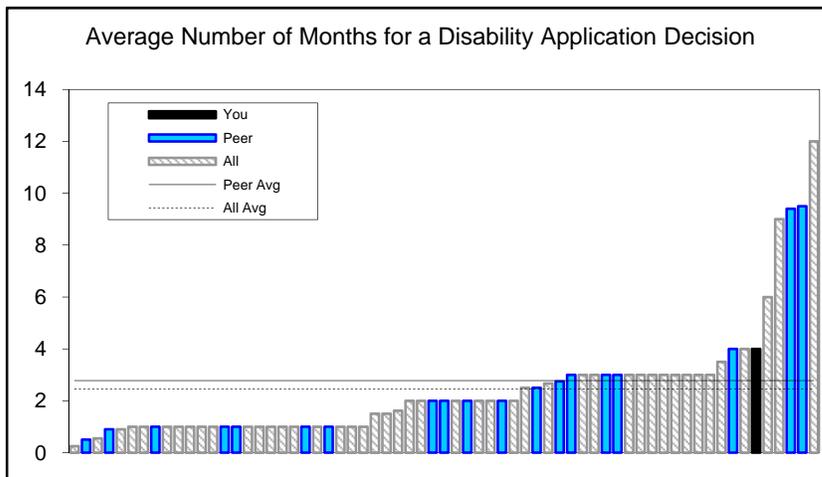
70 = + 100 if you return a decision on a disability application in 1 month or less, otherwise 110 - 10 x months to reach a decision [You: 4.0 months]

Interpreting the Scoring Formula

- From a member perspective, faster is higher service.

3. Data used to determine the Timeliness Score

	You	Peer Avg	All Avg
Q215 How many months, on average, does it take to return a decision on a disability application from the day of initial request to a decision?	4.0	2.8	2.5



B. Satisfaction and No Notarization

20% of Disability Service Score

	You	Peer Avg	All Avg
1. Service Score for Satisfaction and No Notarization	50	43	40

2. Calculation of your Satisfaction and No Notarization Score

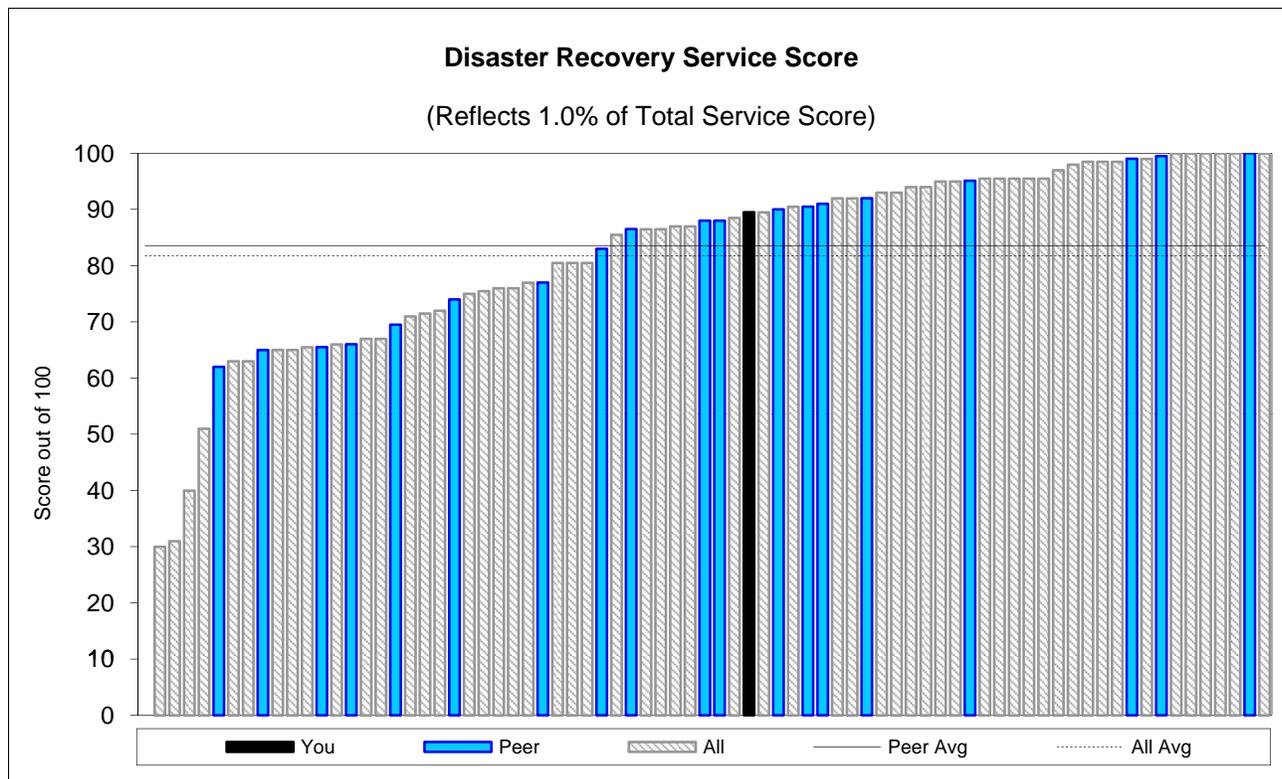
- 50 = No Notarization
 + 50 if you do not require notarization of disability applications [You: do not require]
- Satisfaction Surveying
 + 15 if survey focuses primarily on disability [You: did not survey]
 + 20 if the longest length of time between the disability decision and survey is 14 days or less [You: n/a days]
 + 10 x (100% if surveys are continuous or more than 26 times per year, 80% if monthly, 60% if quarterly, 25% if once per year) [You: did not survey]
- Other
 + 5 if you advise inactive members that their disability coverage will be expiring [You: No]

Interpreting the Scoring Formula

- Obtaining notarizations creates work for members and may not provide additional protection for the System. For example, the notarization itself may be fraudulent. Many systems have decided that the potential risk reduction does not justify the inconvenience caused to members.
- Best practice satisfaction surveying is single activity focused, sent only to members who have recently received the service, can be summarized by the person that did the work, is performed on a frequent random-sample basis and results are communicated widely. If you measure satisfaction, we assume you do a better job of managing and improving it.

3. Data used to determine the Satisfaction and No Notarization Score	You	Peer Avg	All Avg
Q218 Do you require notarization of disability applications (yes, some, no)?	No	30%Yes	27%Yes
Q219 Did you survey satisfaction with regard to the Disability Inception Process (or in Australia, the Disability Lump Sum Payout Process) in your most recently completed fiscal year?	No	40%Yes	30%Yes
If yes:			
a) Did the survey focus primarily on disability?	n/a	38%Yes	60%Yes
b) Did you send the survey only to members that applied for disability?	n/a	63%Yes	65%Yes
c) If yes to b) what is the longest possible length of time between a disability decision and sending the survey, in days (i.e., If you sent a survey to a sample of members that applied for disability in the past year, then 365 days)?	n/a	134	126
d) How many times did you survey member satisfaction with disability in your most recently completed fiscal year?	n/a	127.1	127.3
Q217 Do you proactively advise inactive members that their disability coverage will be expiring?	No	18%Yes	33%Yes

Your service score for Disaster Recovery is 90 out of 100. This compares to averages of 84 for your peers and 82 for All participants.



Breakdown of Your Disaster Recovery Service Score				
		Score out of 100		
	Weight	You	Peer Avg	All Avg
A. Disaster Recovery	100%	89.5	83.6	81.8
Weighted Total	100%	89.5	83.6	81.8

The methodology and data used to determine each of your scores above is described in detail on the following pages.

A. Disaster Recovery

100% of Disaster Recovery Service Score

	You	Peer Avg	All Avg
1. Service Score for Disaster Recovery	90	84	82

2. Calculation of your Disaster Recovery Score

- 90 = + 25 if you have back-up equipment and premises arranged [You: Yes]
- + 40 if you can continue paying annuities in 2 days or less,
otherwise 46 - 3 X days (0 minimum score) [You: 3.0 days]
- + 15 if you can return to normal inception volumes in 2 days or less,
otherwise 16 - days / 2 (0 minimum score) [You: 15.0 days]
- + 10 if you can collect data and money from employers in 2 days or less,
otherwise 11 - days / 2 (0 minimum score) [You: 3.0 days]
- + 10 if call center at current service levels in 2 days or less,
otherwise 11 - days / 2 (0 minimum score) [You: 3.0 days]

Interpreting the Scoring Formula

- Good service includes planning and preparing for unexpected events and disasters.

3. Data used to determine the Disaster Recovery Score

	You	Peer Avg	All Avg
Q235 Do you have back-up equipment and premises arranged for your operations if substantial damage occurs at your principal location?	Yes	100%Yes	92%Yes
Q236 If your principal location became inoperable due to some disaster (such as fire, tornado, etc), how long would it take in days for you to:		(Number of Days)	
a) Continue paying pension payments to retirees?	3.0	2.7	2.7
b) Begin doing new pension inceptions at normal volumes?	15.0	17.0	16.4
c) Collect data and money from employers?	3.0	12.2	10.5
d) Respond to member calls at close to current service levels?	3.0	13.2	13.4

Transaction Volume Score

This section shows:

- A summary of your Transaction Volume Score by Activity.
- A comparison of your Transaction Volume Score per Activity to your peers.
- The calculation of your Transaction Volume Score for each Activity.

The Total Transaction Volume Score summarizes your transaction volumes by type in a single number.

The Transaction Volume Score equals the sum of your Activity transaction volumes multiplied by our estimate of the average cost for each type of transaction (detailed calculations are shown in this section). Examples of transaction types include 1-on-1 counseling sessions, pension estimates, pension inceptions and responding to member calls.

Our estimate of the average cost for each type of transaction (i.e., the Transaction Cost per Type) is based on two things:

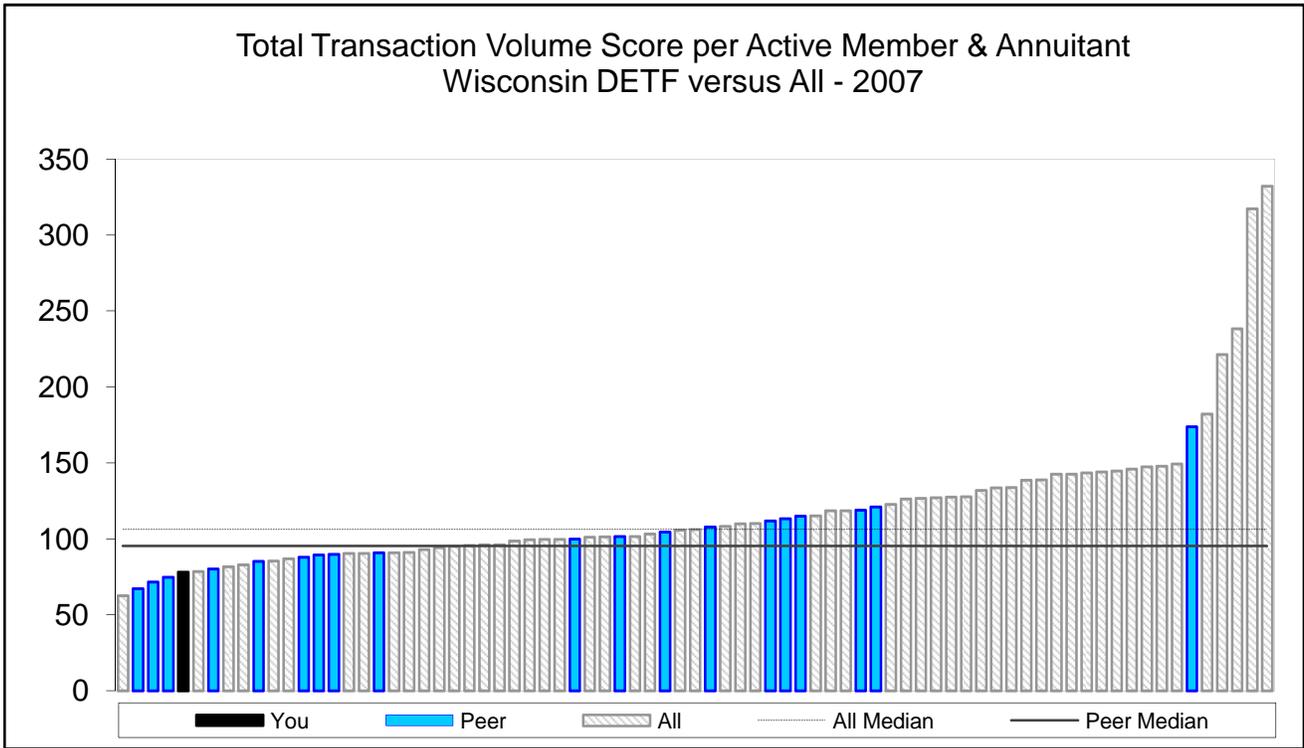
1. Estimated relative cost relationships. First, we determine the cost relationship between the different transaction types within each Activity. For example, we estimate that it is 44% more costly for a service representative to respond to an email than it is to make an outgoing call. Therefore, the Transaction Volume Score per email is 44% higher than the Transaction Volume Score per call (i.e., \$14.05 per email versus \$9.78 per call). Our estimates of the relative cost relationships are based on discussions with participants.
2. Standardization vis-à-vis average costs. The Transaction Volume Score for each transaction type within an Activity is adjusted until the all-participant average Transaction Volume Score for the Activity equals the all-participant average Actual Cost for that Activity. For example, if the all-participant average Actual Cost per Call, Email and Letter is 10% higher than the initially calculated Transaction Volume Score per Call, Email and Letter, we will increase the Transaction Volume Score for each transaction type within that Activity by 10% so that the all-participant average Transaction Volume Score will equal the all-participant average Actual Cost.

Total Transaction Volume Score

	You	Peer Median	All Median
Total Transaction Volume Score per Active Member & Annuitant	78	95	106

Your Total Transaction Volume Score is -18% below the peer median (your 78 versus 95). This suggests that you do fewer transactions and/or a less costly mix of transactions.

It is lower cost to do fewer transactions per member. Therefore, it is important to understand how and why your transaction volumes by type differ. The Transaction Volume Score measure provides a way of summarizing in a single number the 80 different transaction types that we compare. It equals your transaction volumes by type, such as the number of member calls or newsletters mailed, multiplied by our estimate of the average cost of all participants to perform each transaction type.



Calculation of Your Total Transaction Volume Score

Your Total Transaction Volume Score equals the sum of your Transaction Volume Scores for each Activity. Your Transaction Volume Score for each Activity equals the sum of your Activity transaction volumes multiplied by our estimate of the average cost for each type of transaction. The remainder of this Section shows the detailed calculations by Activity.

Calculation of Your Total Transaction Volume Score	
Activity	Total Transaction Volume Score in 000s
1 Paying Annuity Pensions	1,961.6
2 Annuity Pension Inceptions (non-disability)	3,215.8
3 Pension Benefit Estimates	2,176.6
4A 1-on-1 Member Counseling	700.4
4B Group Retirement Counseling	260.6
5 Member Contacts: Calls, Emails, Letters	1,782.0
6 Mass Communication to Members and Annuitants	1,627.6
7A Data and Money from Employers	3,273.6
7B Data Not from Employers	778.5
7C Billing and Inspection of Employers	12.0
7D Service to Employers	717.6
8 Refunds, Transfers-out, Terminating Payments	934.7
9 Purchases and Transfers-in	258.5
10 Disability	1,496.4
11A-D Financial Control and Governance	5,762.2
12A-C Plan Design and Rules Development	1,219.4
13 Major Projects (multi-year average)	5,059.8
Total Transaction Volume Score in 000s (A)	31,237.4
Active Member & Annuitant in 000s (B)	400.0
Total Transaction Volume Score per Active Member & Annuitant (A ÷ B)	78.1

Comparisons of Transaction Volume Scores by Activity

Relative Activity Volumes											
Activity	Activity Volume Units	Volume as a % of Active Members & Annuitants			Transaction Volume Score per unit of Activity Volume			Transaction Volume Score per Active Member & Annuitant			
		(A)			(B)			(A x B)			
		Your	Peer Avg	All Avg	Your	Peer Avg	All Avg	Your	Peer Avg	All Avg	
1	Paying Pensions	Annuitants	35.0%	34.0%	33.3%	14	17	21	5	6	6
2	Pension Inceptions	New Payee Inceptions	2.5%	2.5%	2.4%	318	319	350	8	8	8
3	Benefit Estimates	Written Estimates	4.4%	3.4%	3.7%	122	137	144	5	5	5
4A	1-on-1 Counseling	Members Counseled 1-on-1	1.8%	3.7%	3.5%	96	104	104	2	4	4
4B	Group Counseling	Members Counseled in Groups	0.3%	0.5%	0.7%	219	121	133	1	0	1
5	Member Contacts	Calls, Emails and Letters	45.5%	95.1%	109.5%	10	10	10	4	8	11
6	Mass Communication	Active Members	65.0%	65.7%	66.7%	6	11	13	4	7	8
7A	Data from Employers	Active Members	65.0%	65.7%	66.7%	13	16	16	8	11	10
7B	Data Not from Employers	Active Members & Annuitants	100.0%	100.0%	100.0%	2	2	5	2	2	5
7C	Billing and Inspection	Employers	0.4%	0.4%	2.5%	8	65	253	0	0	2
7D	Service to Employers	Employers	0.4%	0.4%	2.5%	493	903	9,601	2	2	3
8	Refunds & Transfers-out	Refunds and Transfers-Out	2.2%	4.0%	4.2%	106	97	150	2	4	5
9	Purchases and Transfers-in	Purchases & Transfers-in	0.3%	1.1%	1.7%	259	306	299	1	3	4
10	Disability	Disability Applications	0.5%	0.3%	0.2%	759	2,064	2,519	4	5	5
11A-D	Governance	Active Members & Annuitants	100.0%	100.0%	100.0%	14	17	22	14	17	22
12A-C	Plan Design	Active Members	65.0%	65.7%	66.7%	5	7	10	3	5	6
13	Major Projects (multi-year average)	Active Members & Annuitants	100.0%	100.0%	100.0%	13	13	13	13	13	13
Total Transaction Volume Score per Active Member & Annuitant - Average									78	99	119
Total Transaction Volume Score per Active Member & Annuitant - Median									78	95	106

The above table is very useful for understanding how your transaction volumes impact your Total Cost and your Activity Costs. Examples of how to interpret the measures are provided below:

(A): Volume as a % of Active Members & Annuitants

These columns show whether your Activity volumes are higher or lower. For example, your ratio of 45.5% for Member Contacts means that you get 45.5 calls, emails and letters per every 100 active members & annuitants. This was below the peer average of 95.1 calls, emails and letters per 100.

(B): Transaction Volume Score per unit of Activity Volume

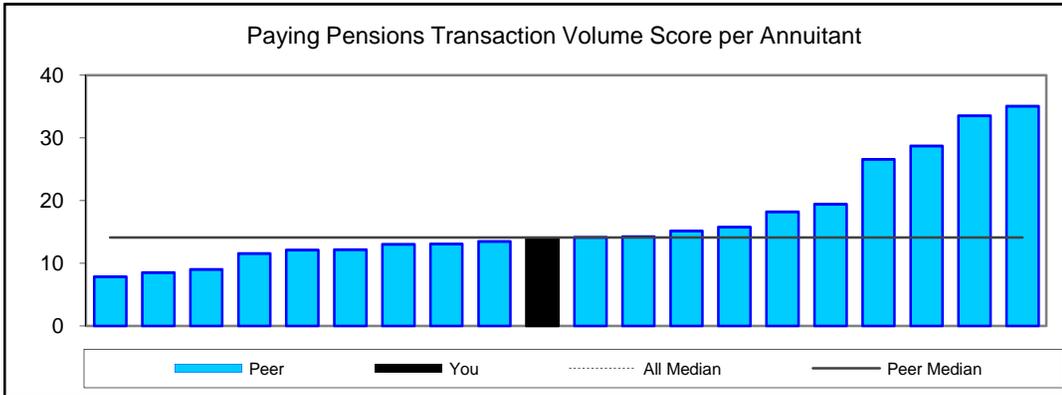
These columns primarily show whether you have a more costly mix of transactions types within an Activity. For example, participants with a higher cost per call, email and letter tend to have fewer automated attendant calls and more emails and calls responded to by customer service representatives.

(A x B): Transaction Volume Score per Active Member & Annuitant

These columns show the cumulative impact of differences in transaction volumes and types for each Activity, and they show how these differences impact your Total Cost. For example, your Transaction Volume Score for Member Contacts is 4 per Active Member & Annuitant. This was below the peer average of 8. This means that you either had lower transaction volumes and/or lower-cost transaction types for Member Contacts than your peers.

Transaction Volume Score for Paying Pensions

Your Paying Pensions Transaction Volume Score of 14.0 per annuitant is -1% below the peer median of 14.1. This indicates that you do fewer transactions and/or a less costly mix of transactions.

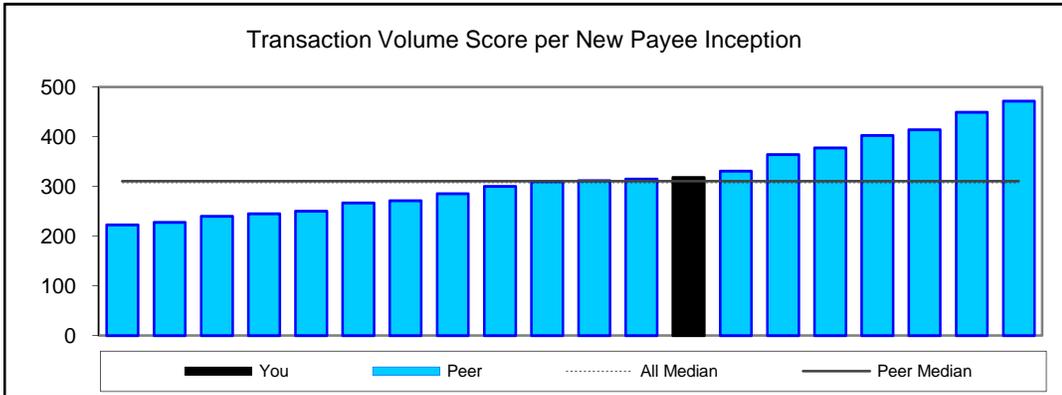


Calculation of Your Transaction Volume Score for Paying Pensions					
Paying Pensions Transaction Types	Your Transaction Volume	Cost per Transaction Type	Your Transaction Volume Score	Comparison of Volume as a % of Annuitants	
	(A)	(B)	(A x B)	You	Peer Avg
Q17 Number of:					
a) Checks issued to pay pensions including checks for adjustments and corrections?	216,548	\$2.73	590,821	154.7%	138.1%
b) EFT pension payments including EFT payments of adjustments and corrections?	1,462,120	\$0.55	797,838	1044.4%	1033.2%
c) Returned, misdirected or lost pension checks?	672	\$49.11	33,002	0.5%	1.1%
d) Failed or misdirected EFT payments?	1,020	\$49.11	50,093	0.7%	0.8%
e) Payment advices (i.e., 'check stubs' or gross/net specifications) sent pursuant to an EFT payment?	273,822	\$1.64	448,251	195.6%	314.0%
f) Business days when you do either normal or special payment runs? (max 250)	50	\$68.21	3,410	0.0%	0.1%
g) Checks of income of non-disabled pensioners?	0	\$21.42	0	0.0%	4.5%
h) School status checked?	0	\$21.42	0	0.0%	0.3%
i) Proof-of-life checks that require individual annuitants to provide affidavits or notarization or similar proof of life?	0	\$21.42	0	0.0%	0.1%
j) How many written confirmations of pensioner income or member account balances did you provide to third-parties?	5,341	\$7.14	38,139	3.8%	3.0%
Total Transaction Volume Score (D)			1,961,554		
Activity Volume: Annuitants (E)			140,000		
Transaction Volume Score per Annuitant (D ÷ E)			14.0		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

Transaction Volume Score for Pension Inceptions

Your Transaction Volume Score of 317.9 per new payee inception is 2% above the peer median of 310.5. This indicates that you do more transactions and/or a more costly mix of transactions.



Calculation of Your Transaction Volume Score for Pension Inceptions

Pension Inceptions Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of New Payee Inceptions	
				You	Peer Avg
<u>a. New annuitants</u>					
Q27 How many annuity pension streams did you initiate to new payees that were:					
a) Active member service retirements?	7,000	\$213.28	1,492,936	69.2%	70.9%
b) Inactive member service retirements?	1,100	\$159.96	175,953	10.9%	13.6%
c) Disability retirements?	715	\$213.28	152,493	7.1%	5.3%
d) Inceptions to survivors, partners, ex-partners or dependents?	1,300	\$191.95	249,534	12.9%	10.2%

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Transaction Volume Score for Pension Inceptions

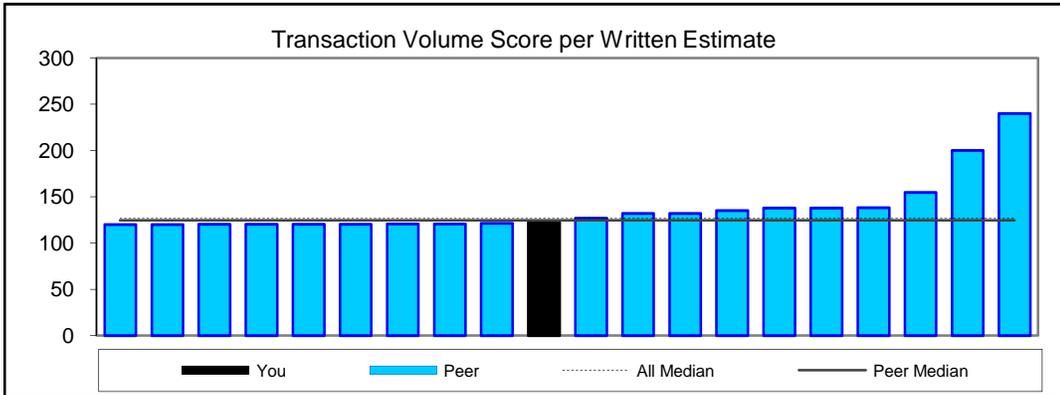
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Calculation of Your Transaction Volume Score for Pension Inceptions					
Pension Inceptions Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of New Payee Inceptions	
				You	Peer Avg
b. Extra work for new annuitant inceptions					
Q28 How many of the inceptions to new annuitants (per Q27) required:					
a) Manual calculations?	1,300	\$232.47	302,213	12.9%	22.3%
b) Adjustments because they were based on non-final or estimated data?	5,700	\$42.66	243,135	56.4%	42.5%
Q29 How many pension inceptions last year were customized designer options?	0	\$426.55	0	0.0%	1.0%
Q30 Approximately how many members retired last year where 'final salary' reciprocity with external systems affected their pensions?	2	\$213.23	426	0.0%	1.1%
Q31 How many members retired last year where these 'joint-account reciprocity' agreements with external systems affected their pensions?	0	\$426.55	0	0.0%	2.5%
Q33 How many appeals (non-disability) of pension inceptions did you have?	17	\$5,331.91	90,643	0.2%	0.3%
c. Changes in the gross amount of existing pensions					
Q32.1 How many changes in gross amount of annuity pensions paid occurred as a result of changes in an individual annuitant's personal circumstances?	3,406	\$149.29	508,494	33.7%	7.9%
Total Transaction Volume Score (D)			3,215,827		
Activity Volume: New Payee Inceptions (E)			10,115		
Transaction Volume Score per New Payee Inception (D ÷ E)			317.9		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

Transaction Volume Score for Benefit Estimates

Your Transaction Volume Score of 122.5 per written estimate is -2% below the peer median of 124.7. This indicates that you do fewer transactions and/or a less costly mix of transactions.



Calculation of Your Transaction Volume Score for Benefit Estimates

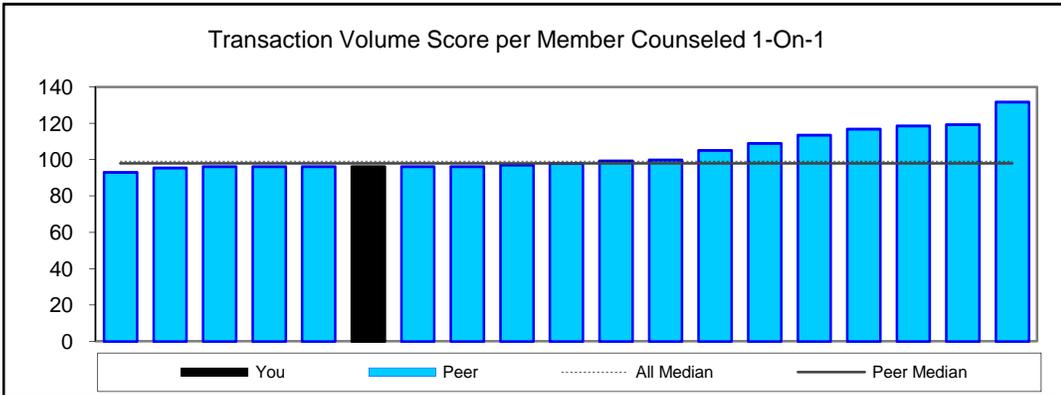
Benefit Estimates Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Written Estimates	
				You	Peer Avg
How many adjusted* written estimates did you mail out that required:					
• required manual calculations (Q60)	355	\$240.14	85,249	2.0%	14.2%
• used automated calculations (Q59 - Q60)	17,414	\$120.10	2,091,360	<u>98.0%</u>	<u>85.8%</u>
				100.0%	100.0%
Total Transaction Volume Score (D)			2,176,609		
Activity Volume: Written Estimates (E)*			17,769		
Transaction Volume Score per Written Estimate (D ÷ E)			122.5		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

* You count each 'multiple-scenario-request' by a member as multiple estimates instead of a single estimate. Therefore, for comparability, we adjusted your total estimates (17,769 per Q59) by dividing it by your average number of scenarios per request (1.0 per Q61)

Transaction Volume Score for 1-on-1 Counseling

Your Transaction Volume Score of 96.2 per member counseled 1-on-1 is -2% below the peer median of 97.9. This indicates that you do fewer transactions and/or a less costly mix of transactions.

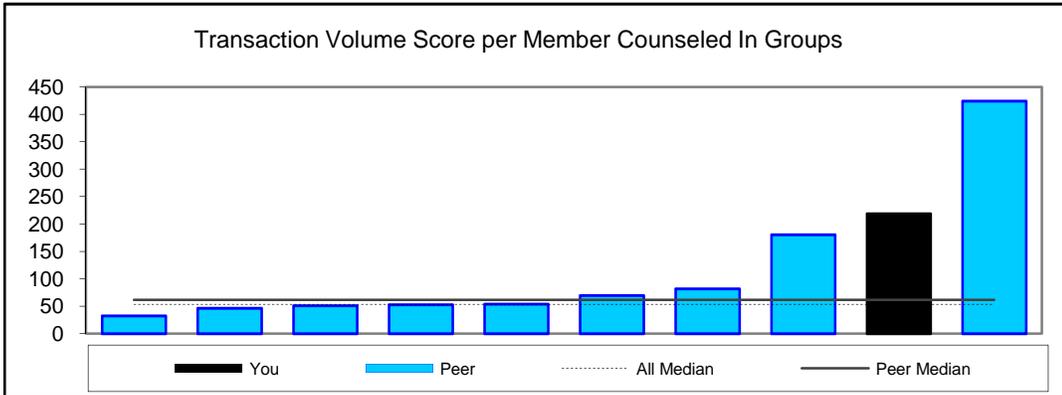


Calculation of Your Transaction Volume Score for 1-on-1 Counseling					
1-on-1 Counseling Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Members Counseled 1-on-1	
				You	Peer Avg
Q68 Provide the number of members counseled 1-on-1 that were:					
a) Walk-in traffic counseled in-house? [Include only if the member actually sees a counselor. Do NOT include 'walk-through' traffic (i.e., picking up brochures or forms) where needs can be met by the receptionist.]	3,999	\$96.16	384,542	54.9%	41.5%
b) Pre-scheduled in-house?	3,285	\$96.16	315,884	45.1%	31.3%
c) In the field at locations separate from the member's place of employment?	0	\$134.62	0	0.0%	18.1%
d) At member's place of employment?	0	\$115.39	0	0.0%	6.5%
e) Via teleconference? [For example, Ohio Teachers does a small fraction of its retirement counseling sessions by teleconference. The session takes an hour and covers material forwarded in advance.]	0	\$76.93	0	0.0%	2.6%
Total	7,284			100.0%	100.0%
Total Transaction Volume Score (D)			700,425		
Activity Volume: Members Counseled 1-on-1 (E)			7,284		
Transaction Volume Score per Member Counseled 1-on-1 (D ÷ E)			96.2		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

Transaction Volume Score for Group Counseling

Your Transaction Volume Score of 218.7 per member counseled in groups is 254% above the peer median of 61.8. This indicates that you do more transactions and/or a more costly mix of transactions.

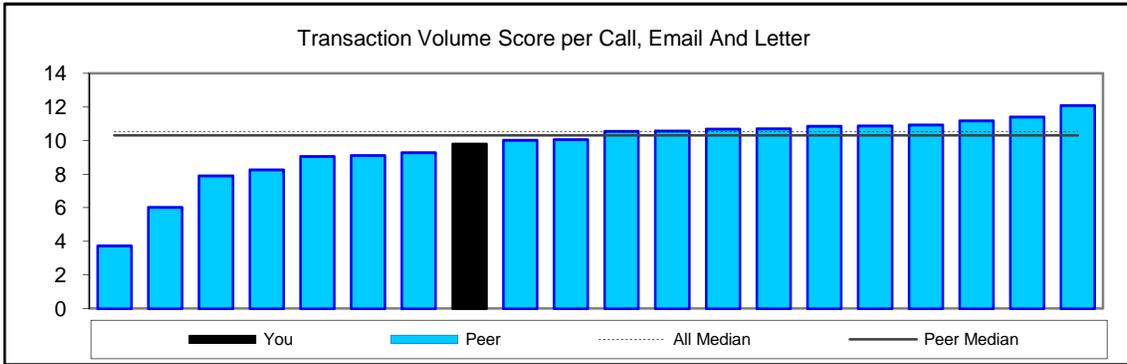


Calculation of Your Transaction Volume Score for Group Counseling					
Group Counseling Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Members Counseled in Groups	
				You	Peer Avg
Q80 How many group retirement counseling sessions did you host:					
a) In-house?	149	\$1,133.23	168,851	12.5%	2.3%
b) In field locations staffed by you on either a full-time or intermittent basis?	57	\$1,586.52	90,432	4.8%	2.4%
c) At member's place of employment?	1	\$1,359.88	1,360	0.1%	4.2%
Total	207				
Total Transaction Volume Score (D)			260,643		
Activity Volume: Members Counseled in Groups (E)			1,192		
Transaction Volume Score per Member Counseled in Groups (D ÷ E)			218.7		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

Transaction Volume Score for Member Contacts

Your Member Contacts Transaction Volume Score of 9.8 per call, email and letter is -5% below the peer median of 10.3. This indicates that you do a less costly mix of calls, emails and letters.

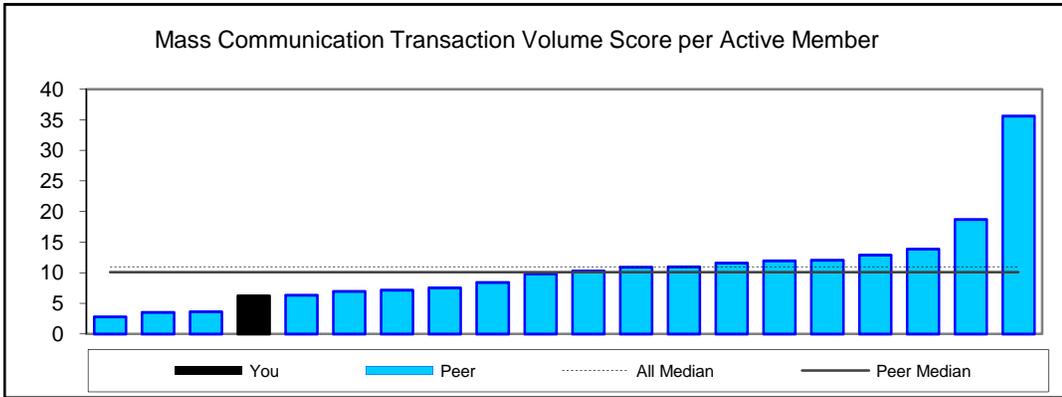


Calculation of Your Transaction Volume Score for Member Contacts					
Member Contacts Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Calls, Emails and Letters	
				You	Peer Avg
Q89					
a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc)?	122,418	\$12.22	1,496,146	67.3%	60.6%
b) Outgoing calls from service representatives responding to messages (voice mail, receptionist, etc) or following-up on previous calls?	7,800	\$9.78	76,263	4.3%	9.1%
c) Incoming calls on a 'self-serve-only' information line? [A 'self-serve-only' line does not include the option to speak to a service representative.]	3,063	\$0.14	437	1.7%	0.6%
d) Incoming calls satisfied by self-serve options, if any, on your member service line? [A 'member service line' includes the option to speak to a service representative.]	21,595	\$0.14	3,080	11.9%	10.5%
e) Responses to email queries from members?	7,053	\$14.05	99,129	3.9%	3.7%
f) Correspondence received from members? [Include all correspondence from members even if it was not directed to the contact center and even if the correspondence did not require action.]	20,000	\$5.35	106,966	11.0%	15.6%
Total Transaction Volume Score (D)			1,782,020		
Activity Volume: Calls, Emails and Letters (E)			181,929		
Transaction Volume Score per Call, Email and Letter (D ÷ E)			9.8		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

Transaction Volume Score for Mass Communication

Your Mass Communication Transaction Volume Score of 6.3 per active member is -38% below the peer median of 10.1. This indicates that you do fewer transactions and/or a less costly mix of transactions.



Calculation of Your Transaction Volume Score for Mass Communication					
Mass Communication Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Active Members	
				You	Peer Avg
Q109 How many benefit fairs did you host or participate in?	14	\$139.52	1,953	0.01%	0.02%
Q110 How many presentations to members or annuitants did you do that took place:					
a) In-house?	0	\$99.65	0	0.00%	0.01%
b) At member's place of employment?	9	\$119.58	1,076	0.00%	0.06%
c) In the field at locations separate from the member's place of employment?	90	\$139.52	12,556	0.03%	0.04%
	99			0.04%	0.12%
Q119 How many pages are on the member portion of your website?	415	\$298.96	124,069	0.16%	0.14%
Q122 Does your website have a secure member area where members can access their own data?	No	If yes, \$69,758 fixed cost	0	No	75%Yes
Q123 Indicate whether the following capabilities are available on your website and provide volumes:					
Benefit calculator	Yes	If yes, \$19,931 fixed cost	19,931	Yes	85%Yes
Total newsletters mailed to retirees = retirees X frequency per year sent to retirees (Q127)	420,000	\$1.12	468,771	161.54%	153.44%
Inactive Members X frequency per year sent to Inactive Members (Q127)	134,000	\$1.12	149,560	51.54%	86.79%

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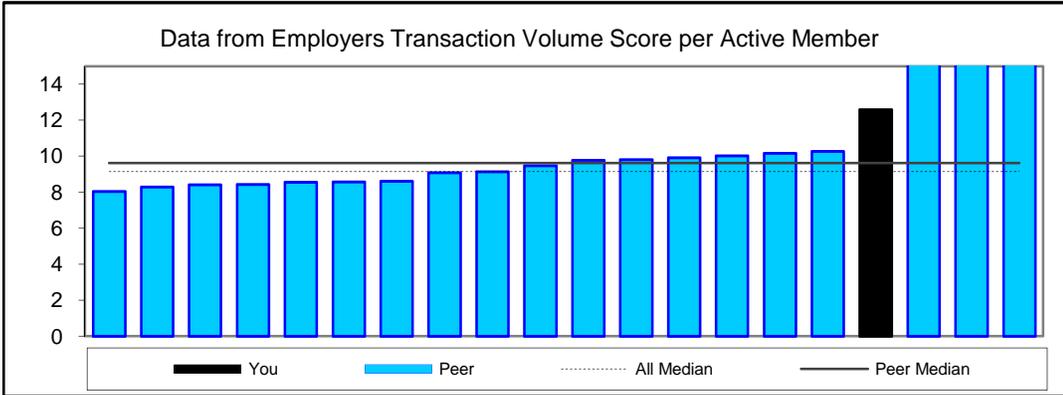
Transaction Volume Score for Mass Communication

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Calculation of Your Transaction Volume Score for Mass Communication					
Mass Communication Transaction Types	Your Transaction Volume	Cost per Transaction Type	Your Transaction Volume Score	Comparison of Volume as a % of Active Members	
	(A)	(B)	(A x B)	You	Peer Avg
Total newsletters mailed to Active Members' homes = Active Members X % receiving at home X frequency per year sent to Active Members (Q127, Q128)	0	\$1.12	0	0.0%	180.0%
Total newsletter shipped to Active Members through employers = Active Members X % receiving through employers X frequency per year sent to Active Members (Q127, Q128)	780,000	\$0.56	435,288	300.0%	125.0%
Total member statements mailed to Inactive Members = Inactive Members X frequency per year sent to Inactive Members (Q130)	134,000	\$1.40	186,950	51.5%	85.2%
Total member statements mailed to Active Members' homes = Active Members X frequency per year sent to Active Members. (Q130, Q132)	0	\$1.40	0	0.0%	80.0%
Total member statements for Active Members shipped in bulk through employers = Active Members X frequency per year sent to Active Members through employers. (Q130, Q132)	260,000	\$0.70	181,370	100.0%	40.0%
Q135 Welcome kits paid for by you (Estimated to equal your number of new members if you issue and pay for Welcome Kits).	16,784	\$1.40	23,416	6.5%	8.6%
Q136 Benefit brochures mailed.	0	\$1.40	0	0.0%	15.0%
Q137 Popular annual reports mailed.	0	\$1.74	0	0.0%	70.6%
Q138 Annual reports mailed.	0	\$1.74	0	0.0%	3.2%
Q139 Automatic letters mailed informing of milestones such as eligibility for retirement, vesting for disability benefits, vesting for pension benefits, etc. (Your volumes were estimated by assuming that each type of milestone letter you send out goes to 5% of your active members)	13,000	\$1.74	22,671	5.0%	5.5%
Total Transaction Volume Score (D)			1,627,612		
Activity Volume: Active Members (E)			260,000		
Transaction Volume Score per Active Member (D ÷ E)			6.3		

Transaction Volume Score for Data from Employers

Your Data from Employers Transaction Volume Score of 12.6 per active member is 31% above the peer median of 9.6. This indicates that you do more transactions and/or a more costly mix of transactions.



Calculation of Your Transaction Volume Score for Data from Employers					
Data from Employers Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Active Members	
				You	Peer Avg
New active members					
Q3a) New active members? Exclude re-hired inactive members. Include new active members from new employers.	16,784	\$8.04	135,024	6.5%	10.9%
Q3b) Re-hired inactive members?	0	\$8.04	0	0.0%	3.6%
Q142b) # of employers that joined your System during the fiscal year?	17				
First 50 new employers that joined your System during the fiscal year	17	\$1,813.84	30,835	0.0%	0.0%
Remaining new employers that joined your System during the fiscal year	0	\$181.38	0	0.0%	0.0%
Q142c) # of employers that exited your System during the fiscal year?	0				
First 50 employers that exited your System during the fiscal year	0	\$1,813.84	0	0.0%	0.0%
Remaining employers that exited your System during the fiscal year	0	\$181.38	0	0.0%	0.0%
Q144 How many 'reconciliation points' (i.e., employers, state agencies, departments and/or service providers etc) do you deal with when: a) Validating member data?	1,456	\$24.39	35,510	0.6%	0.5%

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Transaction Volume Score for Data from Employers

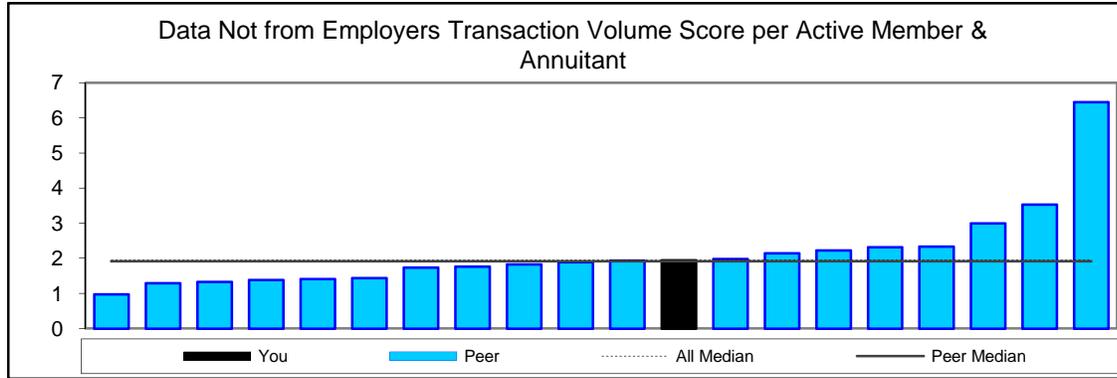
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Calculation of Your Transaction Volume Score for Data from Employers					
Data from Employers Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Active Members	
				You	Peer Avg
Q144 How many 'reconciliation points' (i.e., employers, state agencies, departments and/or service providers etc) do you deal with when: b) Reconciling money issues (i.e., contributions)?	1,456	\$24.39	35,510	0.6%	0.5%
Q146 a) How many times were you asked to assist in determining whether an employee was eligible or not last year?	2,000	\$48.78	97,554	0.8%	4.5%
Q148 b) How many members records needed to be changed because of the retroactive transactions?	21,278	\$48.78	1,037,967	8.2%	11.0%
The total number of active members is used as a proxy for active member data maintenance.	260,000	\$7.31	1,901,166	100.0%	100.0%
Total Transaction Volume Score (D)			3,273,567		
Activity Volume: Active Members (E)			260,000		
Transaction Volume Score per Active Member (D ÷ E)			12.6		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

Transaction Volume Score for Data Not from Employers

Your Data Not from Employers Transaction Volume Score of 2.0 per active member & annuitant is 2% above the peer median of 1.9. This indicates that you do more transactions and/or a more costly mix of transactions.



Calculation of Your Transaction Volume Score for Data Not from Employers					
Data Not from Employers Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Active Members & Annuitants	
				You	Peer Avg
<u>Collections direct from Members</u> Q164 a) How many members do you collect from directly?	0	\$109.66	0	0.0%	0.1%
<u>Account Transactions</u> Q164.1 Do members deal with you directly when selecting or changing plan options? a) How many instructions did you get directly from members selecting or changing DB plan options (exclude core Defined Contribution ("DC") plan instructions)? If you administer a DC plan or hybrid DB/ DC plan:	2,500	\$36.55	91,382	0.6%	0.4%
b) How many DC account instructions did you get directly from non-retired members? [DC account instructions include transfers between investment options, or changes by members of their investment-options selection for regular contributions]	0	\$36.55	0	0.0%	0.4%
<u>Divorce</u> Q165 How many divorces required you to set up future rights for ex-partners or dependents of: a) Active members?	317	\$201.91	64,006	0.08%	0.1%
b) Inactive members?	93	\$201.91	18,778	0.02%	0.0%

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Transaction Volume Score for Data Not from Employers

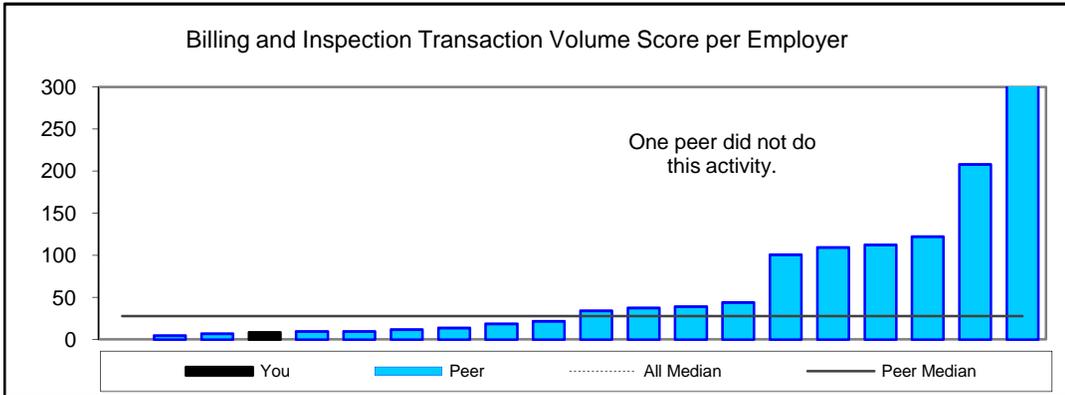
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Calculation of Your Transaction Volume Score for Data Not from Employers					
Data Not from Employers Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Active Members & Annuitants	
				You	Peer Avg
<u>Annuitant Data Maintenance</u> The total number of annuitants is used as a proxy for annuitant data maintenance.	140,000	\$2.20	307,945	35.0%	34.3%
<u>Inactive Member Data Maintenance</u> Q170 Do you actively keep track of the addresses of inactive members? If yes, # of inactive members	Yes 134,000	\$2.20	294,748	33.5%	30.2%
Q171 a) If yes, how many 'lost' inactive members or beneficiaries did you find pursuant to searches last year?	208	\$8.06	1,676	0.1%	1.4%
Total Transaction Volume Score (D)			778,534		
Activity Volume: Active Members & Annuitants (E)			400,000		
Transaction Volume Score per Active Member & Annuitant (D ÷ E)			1.9		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

Transaction Volume Score for Billing and Inspection

Your Billing and Inspection Transaction Volume Score of 8.3 per employer is -70% below the peer median of 27.8. This indicates that you do fewer transactions and/or a less costly mix of transactions.



Calculation of Your Transaction Volume Score for Billing and Inspection					
Billing and Inspection Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Employers	
				You	Peer Avg
<u>a. Billing/ Written Advices</u>					
Q173 a) How many invoices or 'advices' did you send to employers in total? [i.e., frequency per year that you invoice multiplied by the number of employers you invoice]	1,456	\$8.25	12,012	100.0%	666.8%
Q173 b) How many reminder notices, if any, did you send to employers?	0	\$8.25	0	0.0%	29.9%
Q173 c) How many warrants of execution or court orders did you obtain against delinquent employers?	0	\$30.47	0	0.0%	0.5%

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Transaction Volume Score for Billing and Inspection

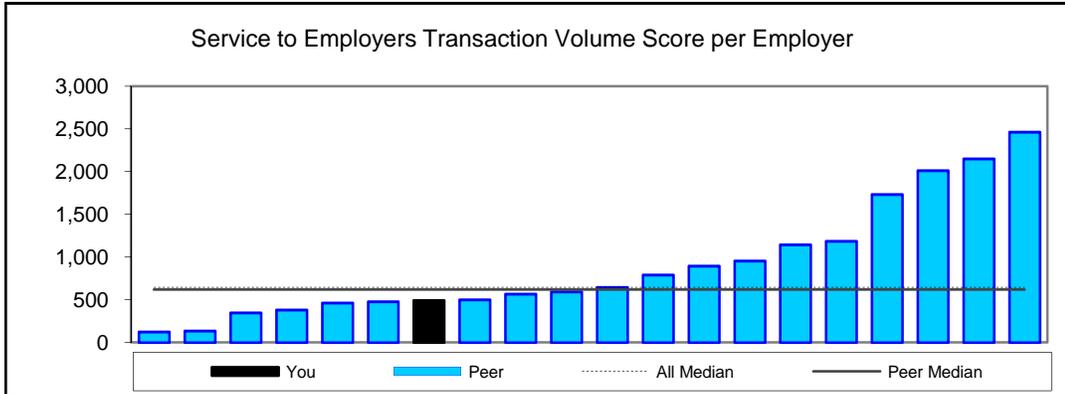
(Page 2 of 2)

Calculation of Your Transaction Volume Score for Billing and Inspection					
Billing and Inspection Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Employers	
				You	Peer Avg
b. Audits/ Reviews/ Inspection					
Q173.1 Do you perform on-site reviews (or audits or inspections) of your employers?	No			No	45%Yes
If yes:					
a) Number of on-site reviews (or audits or inspections) of your employers?	0	\$494.87	0	0.0%	1.5%
Q174 Do you inspect non-participating employers to see if they are obliged to participate in your System?	No			No	0%Yes
If yes:					
a) Number of non-participating employers inspected by mailed survey or telephone?	0	\$135.16	0	0.0%	0.0%
b) Number of non-participating employers inspected by site visits?	0	\$646.61	0	0.0%	0.0%
c) How many appeals about obligation to participate in the industry fund were initiated?	0	\$4,123.87	0	0.0%	0.0%
Total Transaction Volume Score (D)			12,012		
Activity Volume: Employers (E)			1,456		
Transaction Volume Score per Employer (D ÷ E)			8.3		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

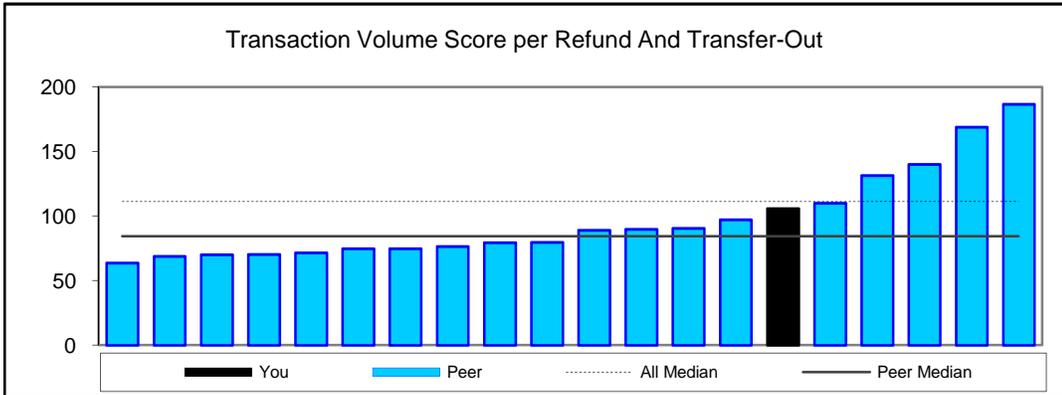
Transaction Volume Score for Service to Employers

Your Service to Employers Transaction Volume Score of 492.9 per employer is -21% below the peer median of 620.3. This indicates that you do fewer transactions and/or a less costly mix of transactions.



Transaction Volume Score for Refunds & Transfers-out

Your Transaction Volume Score of 105.8 per refund and transfer-out is 25% above the peer median of 84.3. This indicates that you do more transactions and/or a more costly mix of transactions.



Calculation of Your Transaction Volume Score for Refunds & Transfers-out

Refunds & Transfers-out Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Refunds and Transfers-Out	
				You	Peer Avg
Q185 How many of the following terminating payments did you do last year:					
a) Refunds to exiting members?	5,188	\$64.23	333,224	58.7%	70.3%
b) Refunds to survivors, partners, ex-partners, dependents or beneficiaries?	104	\$321.15	33,399	1.2%	4.3%
c) Refunds of excess contributions?	0	\$160.57	0	0.0%	2.9%
d) One-time death payments?	360	\$32.11	11,561	4.1%	11.4%
e) Individual rollovers to other qualified retirement accounts or transfers-out to external pension systems? [exclude members collectively transferred]	1,108	\$128.46	142,333	12.5%	9.1%
f) Collective transfers-out to external pension systems?	0	\$16.06	0	0.0%	0.2%
g) Individual 'roll-overs' to internal accumulation accounts?	0	\$64.23	0	0.0%	0.6%

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Transaction Volume Score for Refunds & Transfers-out

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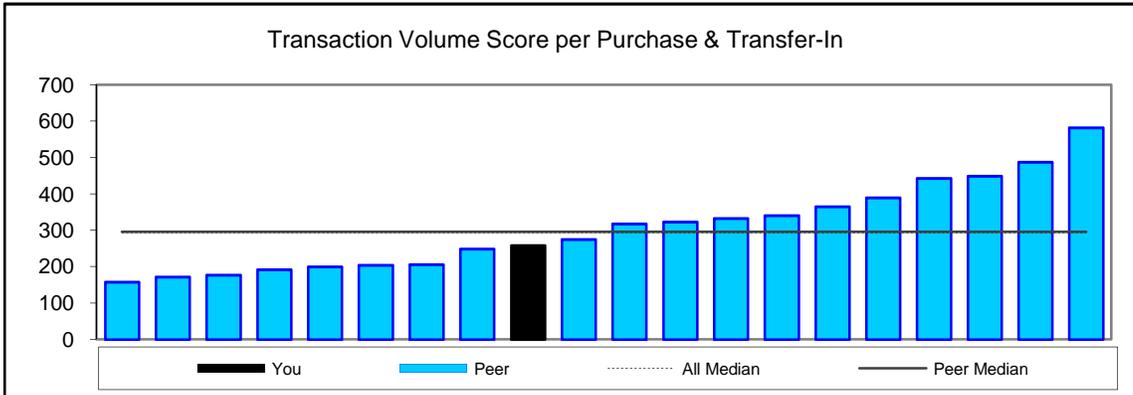
Calculation of Your Transaction Volume Score for Refunds & Transfers-out					
Refunds & Transfers-out Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Refunds and Transfers-Out	
				You	Peer Avg
h) Lump-sum payouts or commuted value terminations at retirement excluding disability lump sums?	2,076	\$128.46	266,682	23.5%	1.2%
i) Early release of pension monies based on hardship grounds (only relevant in Australia)?	0	\$321.15	0	0.0%	0.0%
j) Partial withdrawals for financial hardship or on compassionate grounds?	0	\$321.15	0	0.0%	0.0%
k) Partial withdrawals for members reaching an eligible age? [i.e., 65, etc]	0	\$64.23	0	0.0%	0.0%
l) Partial withdrawals of non-preserved funds (applicable in Australia)?	0	\$64.23	0	0.0%	0.0%
m) Partial withdrawals for members prior to retirement for other reasons (describe below)?	0	\$64.23	0	0.0%	0.0%
Q187 How many written estimates for refunds/ terminations/ transfer-outs did you prepare in response to member requests that did not result in a refund/ termination/ transfer-out?	2,197 (1)	\$64.23	141,103	24.9%	3.2%
<u>Manual calculations</u>					
Q186 How many of the above refunds/ terminations/ transfers out required you to do manual calculations?	66	\$96.34	6,359	0.7%	14.5%
Total Transaction Volume Score (D)			934,662		
Activity Volume: Refunds and Transfers-Out (E)			8,836		
Transaction Volume Score per Refund and Transfer-out (D ÷ E)			105.8		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

(1) Your response was Unknown. We used a default equal to the all-participant average ratio of this value to Refund and Transfer-out.

Transaction Volume Score for Purchases and Transfers-in

Your Transaction Volume Score of 258.5 per purchase & transfer-in is -13% below the peer median of 296.5. This indicates that you do fewer transactions and/or a less costly mix of transactions.

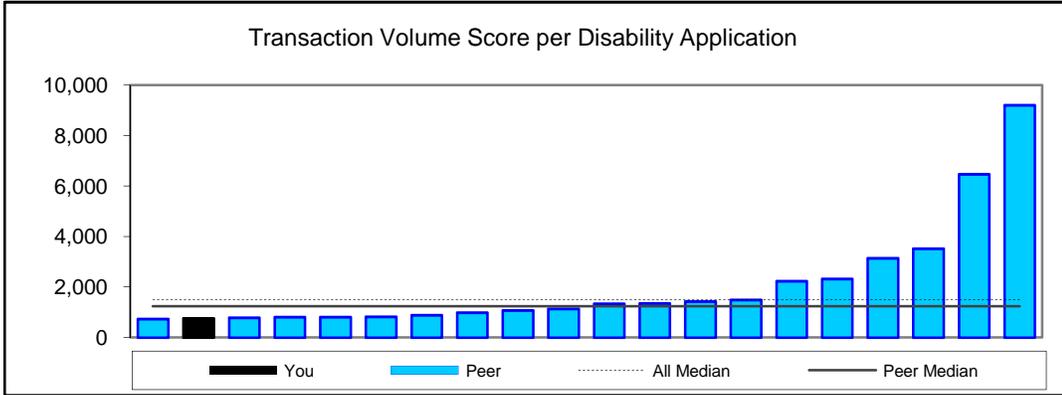


Calculation of Your Transaction Volume Score for Purchases and Transfers-in					
Purchases and Transfers-in Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Purchases & Transfers-in	
				You	Peer Avg
Q196 Number of actual:					
a) Service credit purchases such as for prior refunded service, military service, etc.:	1,000	\$124.78	124,779	100.0%	96.0%
b) Upgrades or 'Top-ups' where members can improve their pensionable salary (but not service credit)?	0	\$24.96	0	0.0%	0.0%
c) Upgrades where members can pay to upgrade from an older retirement formula to a new retirement formula?	0	\$24.96	0	0.0%	0.6%
d) Individual transfers-in from external defined benefit systems?	0	\$374.34	0	0.0%	2.7%
e) Collective transfers-in from external systems?	0	\$12.48	0	0.0%	0.7%
				100.0%	100.0%
Estimates					
Q198 How many written purchase, upgrade, or transfer-in estimates did you prepare in response to member requests that did not result in a purchase or transfer-in?	1,072	\$124.78	133,763	107.2%	110.7%
Manual Calculations					
Q197 How many of the purchases, upgrades and transfers-in (Q196) required you to do manual calculations?	0	\$62.39	0	0.0%	20.5%
Installment Payments					
Q199c1) Installment payments direct from members?	0	\$124.78	0	0.0%	9.2%
Q199d1) Installment payments via payroll deduction through employers?	0	\$62.39	0	0.0%	21.5%
Total Transaction Volume Score (D)			258,541		
Activity Volume: Purchases & Transfers-In (E)			1,000		
Transaction Volume Score per Purchase & Transfer-In (D ÷ E)			258.5		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

Transaction Volume Score for Disability

Your Disability Transaction Volume Score of 759.2 per disability application is -39% below the peer median of 1,238.8. This indicates that you do fewer transactions and/or a less costly mix of transactions.



Calculation of Your Transaction Volume Score for Disability					
Disability Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Disability Applications	
				You	Peer Avg
Q210 Number of:					
<u>Applications</u>					
a) Applications for disability pensions/ long-term disability/ disability lump sums?	715	\$403	288,377	36.3%	87.2%
b) Applications for short-term disability (if you administer)?	1,256	\$269	337,717	63.7%	12.8%
<u>Medical Reviews and Examinations</u>					
c) Independent medical examinations for disability application assessment or reassessment paid for by you, if any?	10	\$2,151	21,511	0.5%	43.9%
d) How many new members did you review the health status of?	0	\$14	0	0.0%	6.9%
<u>New Inceptions and Changes</u>					
e) Inceptions of disability payments (or Disability Lump Sum payouts in Australia)?	1,872	\$359	671,132	95.0%	67.8%
f) Changes in disability payments for reasons other than death?	0	\$359	0	0.0%	20.9%
<u>Disability Appeals</u>					
g) Appeals of disability decisions?	38	\$2,868	108,987	1.9%	6.3%
<u>Disability Reimbursements</u>					
h) Number of reimbursements to employers for short term disability?	0	\$36	0	0.0%	1.0%

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Transaction Volume Score for Disability

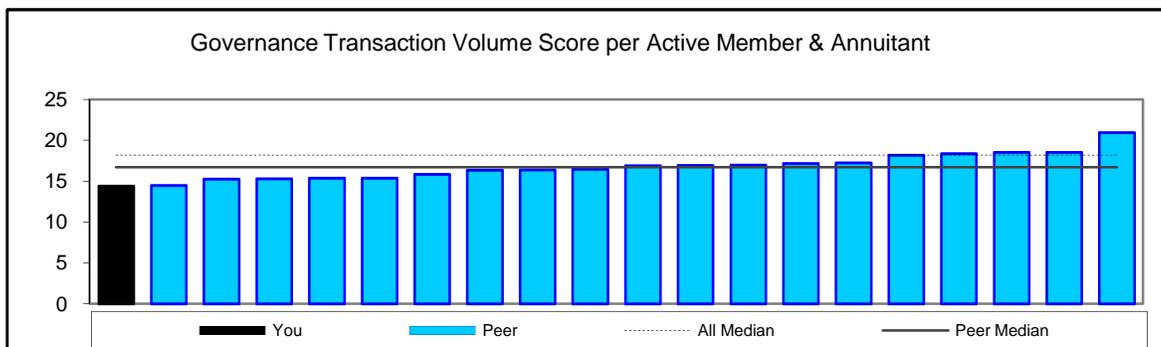
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Calculation of Your Transaction Volume Score for Disability					
Disability Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Disability Applications	
				You	Peer Avg
<u>Determining if disability occurred at work</u> Q211 Do you cover non-occupational disability? [Some systems only cover disabilities that happen at work.] Q211 a) If yes, does either the amount paid or the taxation of the disability benefit vary depending on whether the disability is occupational versus non-occupational? Q211 b) If yes to 'a' immediately above: Number of occupational disability applications?	Yes			Yes	100%Yes
	No			No	55%Yes
	0	\$1,793	0	0.0%	9.1%
<u>Income Checking</u> Q212 How many checks of disabled member income did you do last year?	4,912	\$14	68,686	249.2%	436.2%
<u>Rehabilitation</u> Q213 a) How many rehabilitation cases did you handle last year?	0	\$2,791	0	0.0%	0.3%
Total Transaction Volume Score (D)			1,496,410		
Activity Volume: Disability Applications (E)			1,971		
Transaction Volume Score per Disability Application (D ÷ E)			759.2		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

Transaction Volume Score for Governance

Your Governance Transaction Volume Score of 14.4 per active member & annuitant is -14% below the peer median of 16.7. This indicates that you do fewer transactions and/or a less costly mix of transactions.



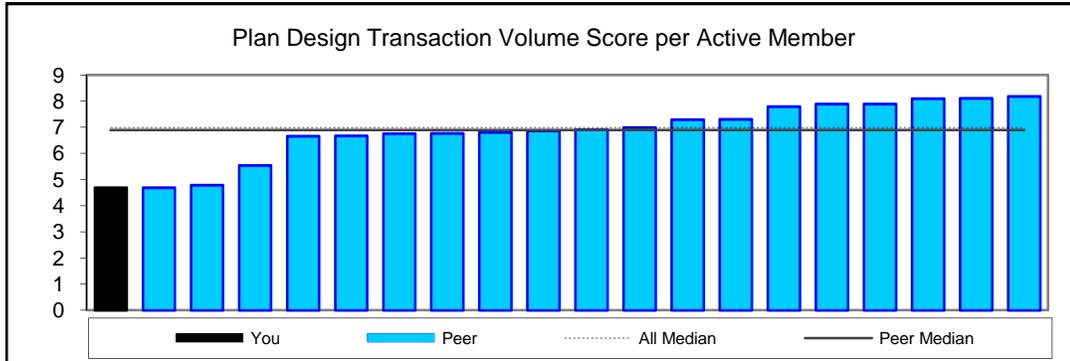
Calculation of Your Transaction Volume Score for Governance

Governance Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Active Members & Annuitants	
				You	Peer Avg
11A Board of Directors					
a) # of meetings for Board of Trustees?	4	\$22,178.19	88,713	0.001%	0.005%
b) # of meetings for Non-board legislative oversight committee?	1	\$22,178.19	22,178	0.000%	0.002%
c) # of meetings for Advisory committee?	8	\$22,178.36	177,427	0.002%	0.001%
d) # of meetings for Members' Council?	0	\$22,178.19	0	0.000%	0.000%
e) # of meetings for Other?	12	\$3,261.50	39,138	0.003%	0.000%
	25			0.006%	0.008%
11B Financial Administration and Control					
Proxy for financial reporting, budgeting and auditing transactions (assumed to equal \$9.81 per active member & annuitant for all systems).	400,000 (Active Members & Annuitants)	\$9.81	3,925,330	100.0%	100.0%
Q230 How many actuarial analyses did you do this year for funding or billing purposes?	4	\$1,482.89	5,932	0.0%	0.0%
11C Board Consulting/ Strategic Projects					
Proxy for activity 11C Board Consulting/ Strategic Projects transactions (assumed to equal \$3.76 per active member & annuitant for all systems).	400,000 (Active Members & Annuitants)	\$3.76	1,503,459	100.0%	100.0%
11D Marketing, PR					
Do you do Activity 11D Marketing, PR?	Yes			Yes	75%Yes
• If yes, proxy for Marketing, PR transactions (assumed to equal \$1.68 per active member & annuitant).	400,000 (Active Members & Annuitants)	\$1.68	0	100.0%	100.0%
Total Transaction Volume Score (D)			5,762,176		
Activity Volume: Active Members & Annuitants (E)			400,000		
Transaction Volume Score per Active Member & Annuitant (D ÷ E)			14.4		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

Transaction Volume Score for Plan Design

Your Plan Design Transaction Volume Score of 4.7 per active member is -32% below the peer median of 6.9. This indicates that you do fewer transactions and/or a less costly mix of transactions.

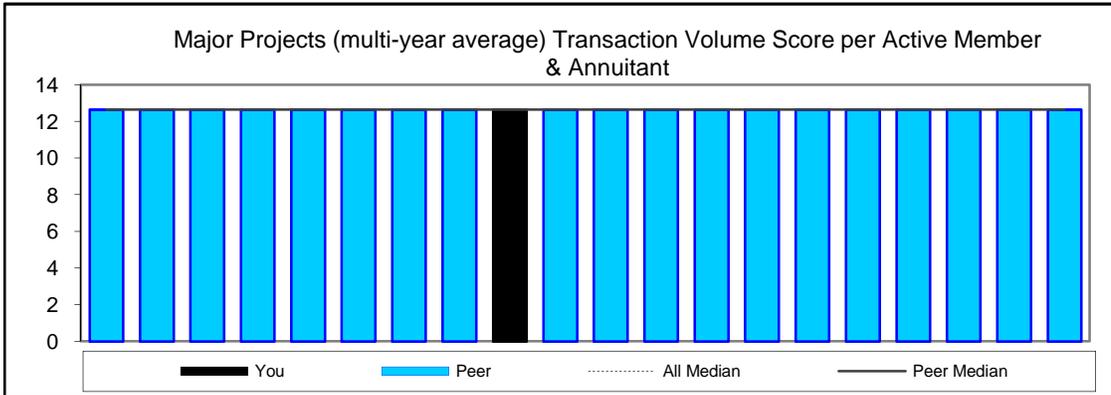


Calculation of Your Transaction Volume Score for Plan Design					
Plan Design Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Active Members	
				You	Peer Avg
12A Rules Interpretation Proxy for activity 12A Rules Interpretation transactions (assumed to equal \$4.69 per active member for all systems).	260,000 (Active Members)	\$4.69	1,219,429	100.0%	100.0%
12B Design, New Rules Q237 Did you have any material legislative changes or other unusual events that materially affected your costs and/ or service in the most recent fiscal year?	No	\$239,617.49	0	No	40% Yes
Q238 How many: a) Contracts for potential participating employers that required effort?	0	\$500.68	0	0.0%	0.0%
b) Existing employer contracts were re-negotiated or amended and needed customization of the rules set?	0	\$500.68	0	0.0%	0.0%
Q239 How many actuarial cost "what if" analyses did you perform for employers, legislators or Pension Boards where you incurred the cost?	0	\$1,001.35	0	0.0%	0.0%
12C Lobbying, Educating, Influencing Change Do you do Activity 12C Lobbying, Educating, Influencing Change? • If yes, proxy for Influencing Change transactions (assumed to equal \$1.97 per active member).	No			No	80% Yes
	0 (Active Members)	\$1.97	0	0.0%	80%
Total Transaction Volume Score (D)			1,219,429		
Activity Volume: Active Members (E)			260,000		
Transaction Volume Score per Active Member (D ÷ E)			4.7		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

Transaction Volume Score for Major Projects (multi-year average)

Your Major Projects (multi-year average) Transaction Volume Score of 12.7 per active member & annuitant equals the peer median because the transactions for this activity are assumed to be identical for all systems.



Calculation of Your Transaction Volume Score for Major Projects (multi-year average)					
Major Projects (multi-year average) Transaction Types	Your Transaction Volume (A)	Cost per Transaction Type (B)	Your Transaction Volume Score (A x B)	Comparison of Volume as a % of Active Members & Annuitants	
				You	Peer Avg
<p>All pension administrators are assumed to require similar IT projects (i.e., the key transactions for this Activity). Therefore, the Transaction Type Cost is assumed to be identical for all pension administrators for this Activity. (Note that the methodology for calculating Transaction Type Cost has changed from prior years. It used to include the impact of economies of scale by assuming a fixed cost. The economy of scale impact is now excluded and considered separately).</p> <ul style="list-style-type: none"> Average Transaction Type cost per Active Member & Annuitant. 	400,000 (Active Members & Annuitants)	\$12.65	5,059,756	100.0%	100.0%
Total Transaction Volume Score (D)			5,059,756		
Activity Volume: Active Members & Annuitants (E)			400,000		
Transaction Volume Score per Active Member & Annuitant (D ÷ E)			12.6		

Manual calculations may differ slightly from those shown due to rounding and spacing limitations.

PLAN COMPLEXITY

This section:

- Compares your Total Relative Plan Complexity level to your peers, and other retirement systems, in the U.S., Canada, Australia and the Netherlands.
- Identifies the Causes of Retirement Plan Complexity and Provides comparisons to your peers to identify where you are more complex and how your complexity compares to other retirement plans.

Complexity Score Calculation

Complexity is caused by two factors:

1. Multiple member groups with different rule sets.
2. Complex rules. For example, many systems need to keep track of multiple mortality tables that depend on the member's hire date.

This section summarizes your Relative Complexity in total and by underlying cause.

Use Caution When Interpreting Your Results

The Complexity Scores are relative measures. Relative measures rank all participants from relatively least to relatively most complex on a scale of 0 to 100. A low Relative Complexity score does not mean that your system is not complex, rather it means that your system is relatively less complex than your peers. All retirement systems are extremely complex, so even the system that has a 0 Total Relative Complexity score is still extremely complex.

Scaling Methodology

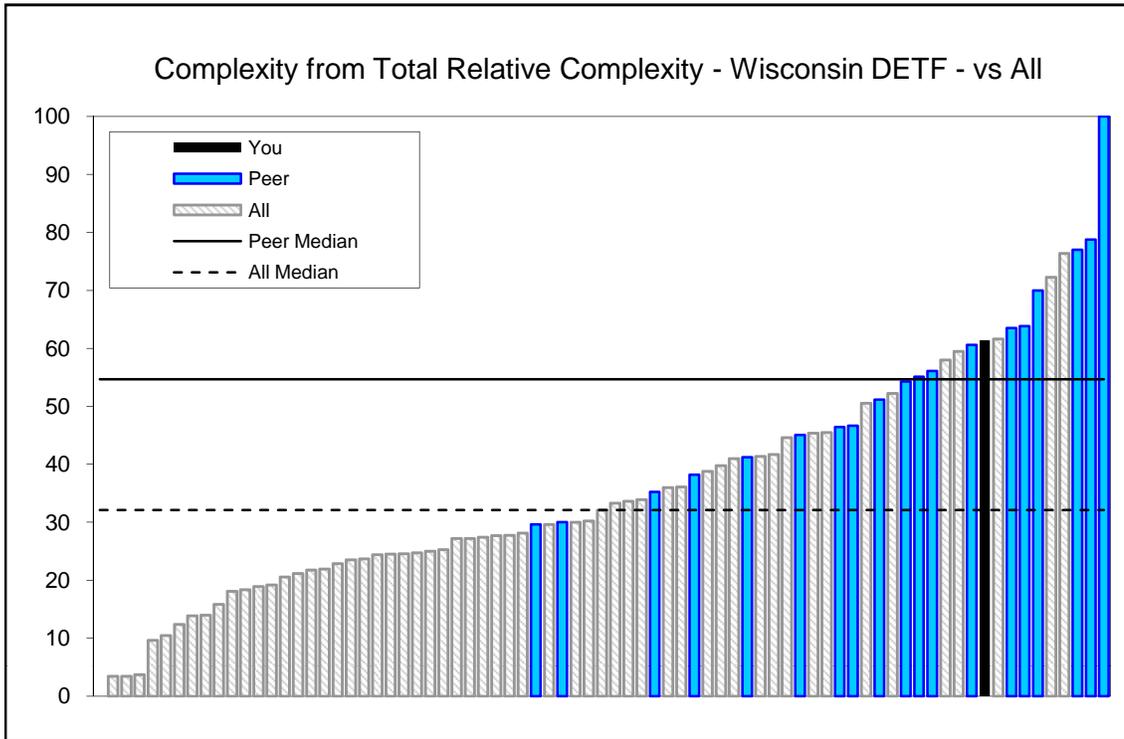
Scaling your responses from 0 (least complex) to 100 (most complex) is done extensively throughout this section. The benefit of scaling is that all results and responses are converted to, and compared on, the same scale. This is true whether the responses range from 3 to 800 or from 1 to 3. The lowest response is always converted to 0 and the highest response is always converted to 100.

Your Scaled Score =

$$100 \times (\text{your response} - \text{minimum response}) / (\text{maximum response} - \text{minimum response})$$

Often, complexity relationships are not linear. For example, the difference in complexity between a system with 1 retirement formula for all members versus a system with 10 different retirement formula is much greater than the difference in complexity between a system with 10 retirement formula and a system with 20 retirement formula. Each additional retirement formula causes smaller and smaller increments in complexity. These diminishing increments in complexity are reflected mathematically by raising the responses to the power of 0.3 prior to using the scaling formula.

You are relatively more complex than the peer median.



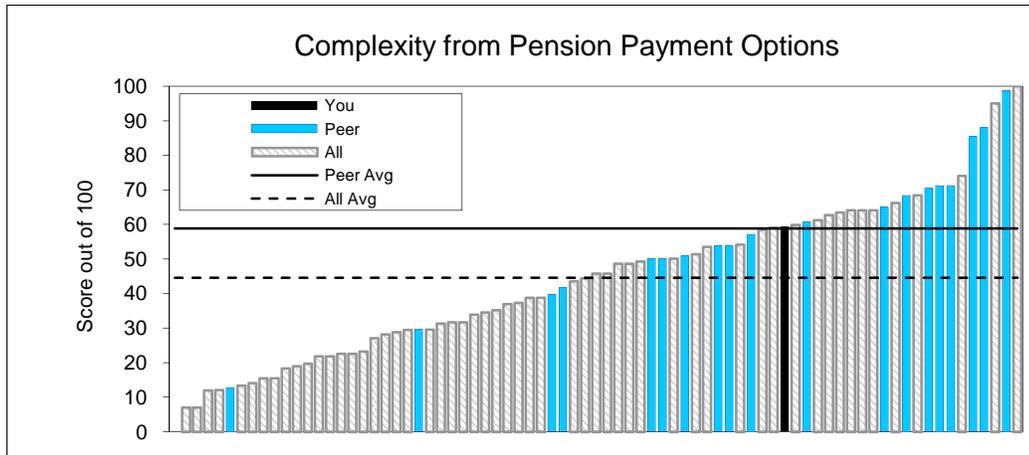
Your Total Relative Complexity equals the scaled weighted average of your Complexity by Cause.

Summary of Your Relative Complexity by Cause					
Cause	Weight	<u>Relative Complexity</u> <u>(0 least - 100 most)</u>			
		You	Peer Avg	All Avg	
A Pension Payment Options	15.0%	59	59	45	
B Customization Choices	20.0%	22	10	7	
C Multiple Plan Types and Overlays	10.0%	89	36	29	
D Multiple Benefit Formula	16.0%	26	47	35	
E External Reciprocity	3.0%	35	27	13	
F COLA Rules	4.0%	12	30	31	
G Contribution Rates	3.0%	58	51	44	
H Variable Compensation	4.0%	100	81	67	
I Service Credit Rules	3.0%	59	56	47	
J Divorce Rules	3.0%	100	68	67	
K Purchase Rules	5.5%	55	68	45	
L Refund Rules	4.0%	27	63	51	
M Disability Rules	6.0%	85	83	61	
N Translation	0.5%	0	9	20	
O Defined Contribution Plan Rules	3.0%	0	18	8	
Weighted Average (before scaling)	100.0%	48	44	34	
Scaled Total Complexity - Average		61	55	36	
Scaled Total Complexity - Median		61	55	32	

The remainder of this section shows the calculations of your Relative Complexity by Cause.

A. Pension Payment Options Complexity

15.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
10%	<p>Q29 Do you have a designer option where members can design virtually any actuarially sound cash flow they choose? <i>Complexity: 100 if yes, otherwise 0</i></p>	No 0	25% 25	21% 21
30%	<p>Q40 Do you offer "joint and survivor or beneficiary" options that are: a) Reduced to Spouse Only? b) Reduced to Last Survivor? c) "Reversion" or "Pop-up"? <i>Complexity: 100 if all 3 types (yes to a, b and c), 85 if both reduced to spouse and reduced to last (yes to a and b), 75 if reversion and either reduced to spouse or reduced to last (yes to c and either a or b), otherwise 0.</i></p>	Yes Yes Yes 100	70% 30% 90% 64	75% 21% 47% 37
10%	<p>Q41 How many Joint and Beneficiary or Survivor percentages (i.e., 100% Survivor, 50% Survivor, etc.) do you permit? <i>Complexity: 100 if unlimited, otherwise maximum of 100 and 10 X number of percentages</i></p>	2 20	4 63	4 56
10%	<p>Q41.1 How many mortality tables do you keep track of for determining joint and survivor or beneficiary options? <i>Complexity: Scaled measure where the system that tracks the most mortality tables gets 100 and the least 0</i></p>	1 24	8 33	3 28

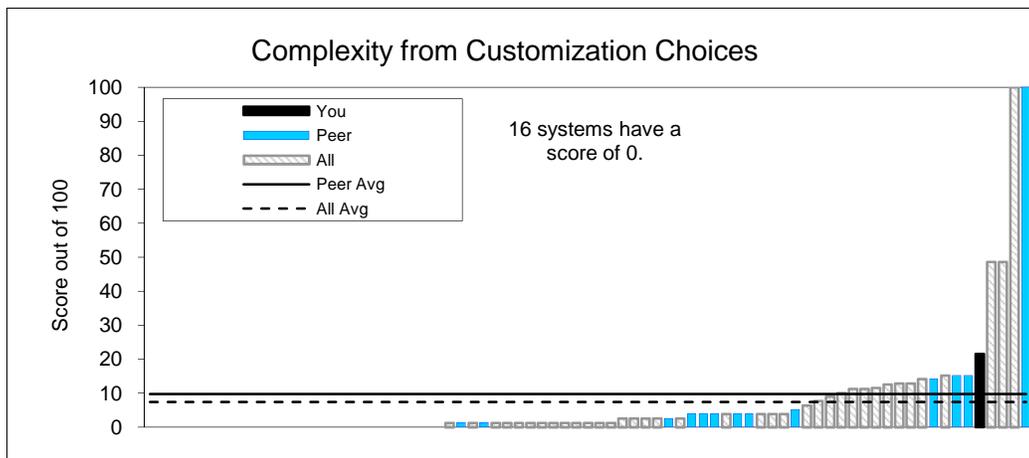
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A. Pension Payment Options Complexity (page 2 of 2)

Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
10%	<p>Q42 Do any of your retirement formula for members explicitly subtract estimated Social Security (or CPP in Canada) when determining the benefit?</p> <p>a) If yes, is this true for all of your members or are some pensions reduced to reflect Social Security and others not?</p> <p>b) If yes, do you have a "Level Income" option for early retirees that pays a higher benefit to members prior to age 65 and then reduces the benefit at age 65 when social security (or CPP in Canada) starts to be paid?</p> <p><i>Complexity: 50 if you adjust for social security + 25 if you adjust for some members but not all + 25 if you have a level income for early retirees</i></p>	No n/a n/a 0	45%Yes 0%All 25%Yes 40	51%Yes 22%All 40%Yes 43
5%	<p>Q43 Do you have "High/ Low" or "Low/High" options that are not tied to social security?</p> <p><i>Complexity: 100 if yes, otherwise 0</i></p>	No 0	10%Yes 10	22%Yes 22
5%	<p>Q44 Do you offer "Annuity Certain" options?</p> <p><i>Complexity: 100 if yes, otherwise 0</i></p>	Yes 100	50%Yes 50	42%Yes 42
5%	<p>Q45 Can a member choose between a COLA protected and a non-COLA pension?</p> <p><i>Complexity: 100 if yes, otherwise 0</i></p>	No 0	0%Yes 0	1%Yes 1
5%	<p>Q46 Do you have a 'Back Drop' option?</p> <p><i>Complexity: 100 if yes, otherwise 0</i></p>	No 0	15%Yes 15	10%Yes 10
5%	<p>Q47 At retirement, can a member convert:</p> <p>a) Part of his benefit into a partial lump sum payment?</p> <p>b) All of his benefit into a lump sum or commuted value payment?</p> <p><i>Complexity: 100 if yes to a or b, 0 if no</i></p>	No No 0	60%Yes 35%Yes 70	39%Yes 30%Yes 49
5%	<p>Q48 Are members permitted to retire mid-month (in which case they receive a partial pension payment for the remainder of the month) or are they always assumed to retire on a set day (usually the first or the last day) of the month?</p> <p><i>Complexity: 100 if any, otherwise 0</i></p>	Any 100	35%Any 35	39%Any 39
100%	<p>Weighted Average (before scaling - see note on page 1)</p> <p>Scaled Complexity Score for Pension Payment Options</p>	44 59	44 59	34 45

B. Customization Choices Complexity

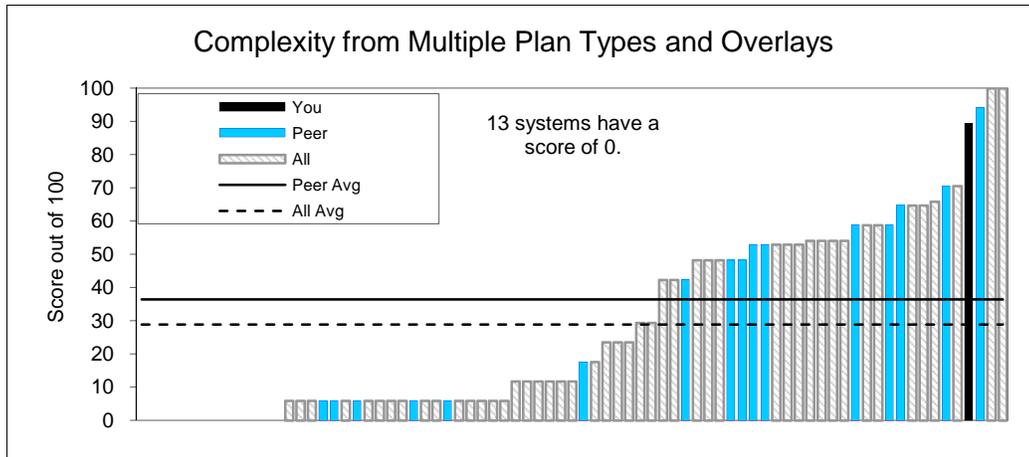
20.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	Q240 Can either existing employers, or a new employer joining your system, choose:			
	a) Whether they offer early retirement, or a window of early retirement?	No	25%Yes	16%Yes
	b) Whether or not part-time employees are eligible?	No	10%Yes	12%Yes
	c) Whether employee contributions are paid pre or post tax?	No	45%Yes	21%Yes
	d) Whether they pay for employee contributions themselves, or not?	Yes	40%Yes	30%Yes
	e) Position coverage based on predetermined rule sets?	No	20%Yes	13%Yes
	f) Contribution levels and/ or match rates?	No	5%Yes	12%Yes
	g) To pay for one-time improvements in retiree or member benefits?	Yes	10%Yes	22%Yes
	Q241 When new employers join your system, do they have the flexibility to customize any of the following items? If yes, indicate the number of standard choices for that item.			
	a1) Benefit Program Multipliers	n/a	0	12
	b1) Final Salary Definition	n/a	0	0
	c1) Qualifying for retirement/ Years of Service	n/a	1	0
	d1) Cost of Living Adjustment Rules	n/a	0	0
	e1) Vesting Period	n/a	0	0
	f1) Service Credit Purchase Categories	5	1	0
	g1) Death benefit coverage	n/a	0	0
	h1) Disability Coverage Rules	2	0	0
	i1) Choice as to whether and how contributions and benefits are coordinated with social security	n/a	0	0
	j1) Other	n/a	2	1
	Total Customization Choices [Sum of 1 for each yes in Q240 + sum of # of choices in Q241]	9	6	15
90%	Complexity: Scaled measure where the system with the most Customization Choices receives 100 and the least 0	13	9	7
10%	Q242 Can an existing employer change any of the choices (from Q241) (effectively creating a new or altered rule set) at any time?	Yes	20%Yes	16%Yes
10%	Complexity: 100 if yes, otherwise 0	100	20	16
100%	Weighted Average (before scaling - see note on page 1)	22	10	7
	Scaled Complexity Score for Customization Choices	22	10	7

C. Multiple Plan Types and Overlays Complexity

10.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	<p><u>Plan Types</u></p> <p>Q4 Which of the following descriptions best describes the non-optional benefit plans that you administer for each of your member groups:</p> <p>a) Traditional Defined Benefit ("DB")?</p> <p>b) DC Cash Balance (aka Money Purchase)?</p> <p>c) Hybrid DB/ DC Cash Balance?</p> <p>d) Hybrid DB/ Money Match?</p> <p>e) DROP savings?</p> <p>f) Defined Contribution ("DC")?</p> <p>g) Hybrid DB/ DC where:</p> <p>g1) DC is for member contributions?</p> <p>g2) DC is for superior performance payouts?</p> <p>g3) DC is a FICA replacement plan for employers that do not contribute to social security?</p> <p>g4) DB is capped. DC is either optional or mandatory for income above a certain level?</p> <p>g5) DC is mandatory for income (or contributions) above a certain level. DC is an option for members with income below this level?</p> <p>h) Other (describe)?</p> <p>Total number of different plan types. Hybrid plans count as 2 types.</p>			
45%	<p>Complexity: 100 if 3 or more different plan types, 80 if 2, 0 if 1</p>	80	51	37
		No	90%Yes	88%Yes
		No	5%Yes	3%Yes
		Yes	10%Yes	12%Yes
		No	5%Yes	1%Yes
		No	10%Yes	4%Yes
		No	15%Yes	13%Yes
		No	25%Yes	14%Yes
		No	0%Yes	1%Yes
		No	0%Yes	0%Yes
		No	0%Yes	0%Yes
		No	0%Yes	0%Yes
		<u>No</u>	<u>10%Yes</u>	<u>6%Yes</u>
		2.0	2.1	1.7

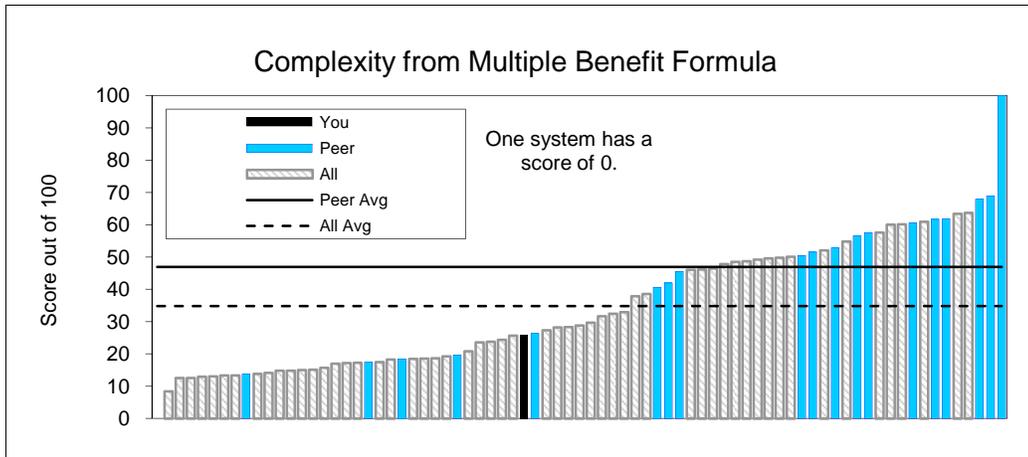
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C. Multiple Plan Types and Overlays Complexity (page 2 of 2)

Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	<u>Overlays</u>			
5%	<p>Q5.1 Do you have a Highly Compensated Employee replacement benefit program for employees that exceed legal or contractual limits of maximum pensionable earnings? <i>Complexity: 100 if yes, otherwise 0</i></p>	No 0	60% 60	47% 47
30%	<p>Q5 Do members in any of your defined benefit plan(s) have the option of electing:</p> <p>a) A 'variable investment option' that can increase or decrease the value of a member's future DB pension depending on the investment performance of a 'variable fund'? <i>Complexity: 100 if yes, otherwise 0</i></p>	Yes 100	10% 10	5% 5
10%	<p>b) A 'pension savings overlay'? <i>Complexity: 100 if yes, otherwise 0</i></p>	Yes 100	20% 20	19% 19
10%	<p>c) To change their contribution rate in order to get either more money at retirement or earlier eligibility to retire? [For example, some of the Australian DB plans permit the employee to contribute at a higher rate causing benefits to accrue more quickly so the member's defined benefit at retirement will be greater.] <i>Complexity: 100 if yes, otherwise 0</i></p>	No 0	0% 0	22% 22
100%	<p>Weighted Average (before scaling - see note on page 1) Scaled Complexity Score for Multiple Plan Types and Overlays</p>	76 89	31 36	25 29

D. Multiple Benefit Formula Complexity

16.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
25%	Q49 How many different rule sets do you have that apply to member groups or subsets of a member group for qualifying for an unreduced retirement formula? <i>Complexity: Scaled measure where the system with the most rule sets gets 100 and the least 0</i>	13	10	7
	Q50 Can members retire earlier than the age required for an unreduced retirement formula? <i>Complexity: 100 if yes, 0 if no</i>	Yes 100	100% 100	78% 78
20%	Q51 How many different salary definitions could apply in retirement formula calculations? <i>Complexity: Scaled measure where the system with the most Salary Definitions receives 100 and the least 0</i>	2 14	5 29	3 21
	Q52 How many different 'formula percentage' rule sets could apply in unreduced retirement formulas? <i>Complexity: Scaled measure where the system with the most rule sets gets 100 and the least 0</i>	8 30	10 27	7 22

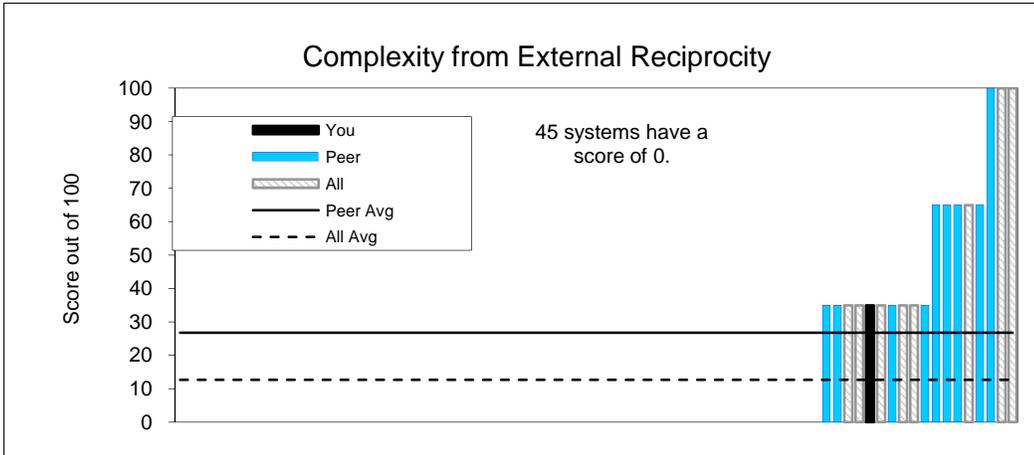
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D. Multiple Benefit Formula Complexity (page 2 of 2)

Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
10%	<p>Q54 In the event of an active member that results in a pension inception for a survivor, indicate which of the following benefit calculation methodologies could apply:</p> <p>a) Dependent Based - Monthly benefit depends on the number of qualified survivors. Service credit is not used to determine the amount of the benefit.</p> <p>b) Retirement Based. Member must have met the age and service requirements for service retirement at the time of death. The normal service retirement formula is used assuming the member retired before death and provided the maximum joint and survivor benefit to the qualified survivor.</p> <p>c) Service Credit Based. Benefit equals a percentage of salary that increases with the amount of service credit the member had earned until he died.</p> <p>d) The normal service retirement formula is improved by assuming the deceased member worked until eligible for retirement.</p> <p>e) The normal service retirement formula is improved by assuming the deceased member worked until eligible for retirement, plus, if there are dependent children the benefit is further improved until the children reach a certain age.</p> <p>f) Other (describe)</p> <p><i>Complexity: Scaled measure where the system with the most death rule types gets 100 and the least 0</i></p>	Yes	55%Yes	29%Yes
		Some	70%Yes	33%Yes
		No	45%Yes	51%Yes
		No	20%Yes	34%Yes
		No	5%Yes	22%Yes
		No	15%Yes	17%Yes
		45	59	56
20%	<p>Q159 Do you have different employers with different benefit formula?</p> <p>If yes, which of the following happens when a member moves from one employer that you administer to another with a different benefit formula?</p> <p>a) Each system uses its own formula and salary data to determine the benefit.</p> <p>b) Each system applies its own formula but uses either the salary earned in the last system, or the highest salary (or salaries) in either system.</p> <p>c) The highest formula will apply.</p> <p>d) The formula of the plan where the member works last will apply.</p> <p>e) Other (describe)</p> <p><i>Complexity: 100 if b or c apply, 80 if d or e, 60 if a, otherwise 0</i></p>	No	70%Yes	52%Yes
		n/a	15%Yes	21%Yes
		n/a	35%Yes	16%Yes
		n/a	5%Yes	4%Yes
		n/a	25%Yes	17%Yes
		n/a	10%Yes	13%Yes
		0	64	42
100%	<p>Weighted Average (before scaling - see note on page 1)</p> <p>Scaled Complexity Score for Multiple Benefit Formula</p>	22	37	28
		26	47	35

E. External Reciprocity Complexity

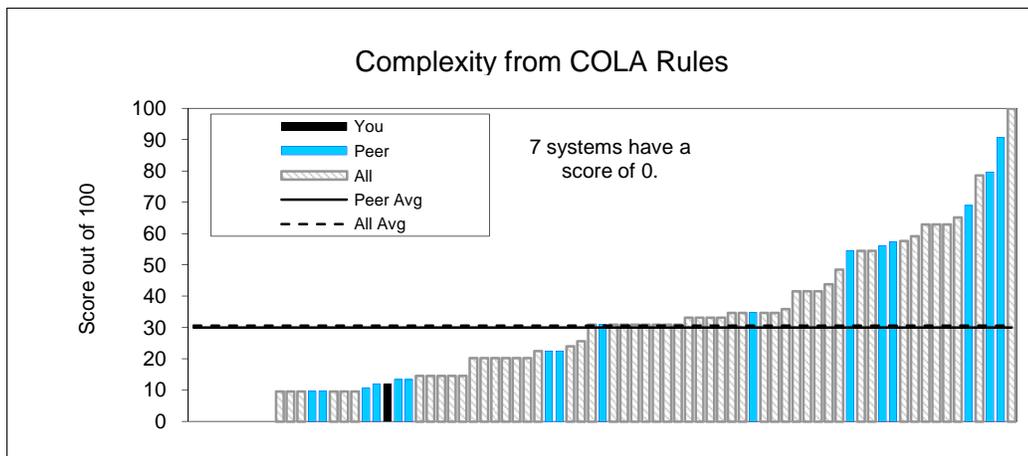
3.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
35%	<u>Final Salary Reciprocity</u> Q30 Do you have agreements with external Systems where you both agree to use the member's final salary from the System where the member worked immediately prior to retirement in the benefit calculation? Otherwise, each System pays the "dual" member a pension benefit based on its own rules for determining the benefit. Neither credit nor money are transferred between Systems. Complexity: 100 if yes, otherwise 0	Yes 100	30% 30	17% 17
65%	<u>Joint Account Reciprocity</u> Q31 Do you have agreements with external Systems where the member may combine internal and external credit to form one joint account? Complexity: 100 if yes, otherwise 0	No 0	25% 25	10% 10
100%	Weighted Average (before scaling - see note on page 1) Scaled Complexity Score for External Reciprocity	35 35	27 27	13 13

F. COLA Rules Complexity

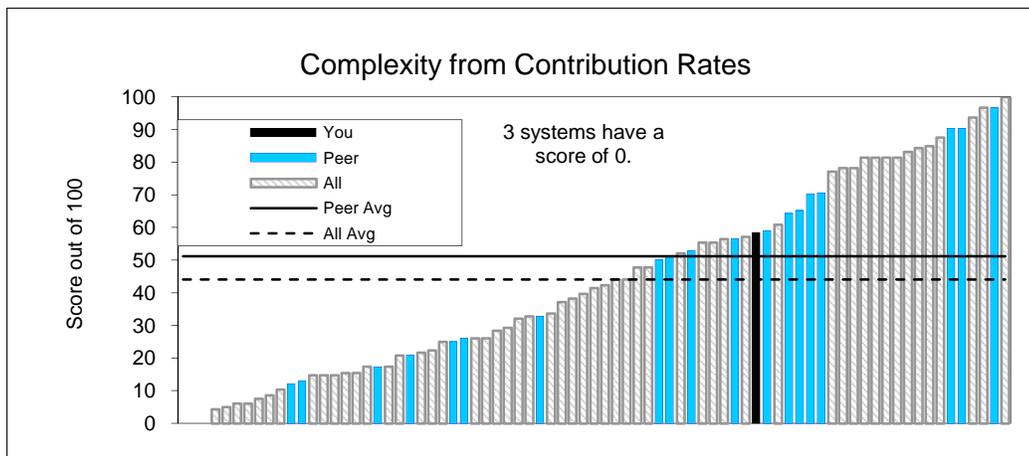
4.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
20%	<u>Multiple COLA rule sets</u> Q56 How many different contractual cost of living adjustment ("COLA") rule sets do you have for retired, and if applicable, inactive members? <i>Complexity: Scaled measure where the system with the most rule sets receives 100 and least receives 0</i>	2	3	2
		56	49	50
40%	<u>Carry forwards</u> Q57 a) Do you have cost of living adjustment ("COLA") clauses that carry forward inflation that exceeds a cap (versus no cap or no carry forward or no COLA etc.)? <i>Complexity: 100 if yes, otherwise 0</i>	No 0	30%Yes 30	18%Yes 18
10%	<u>Conditional COLA</u> Q57 b) Do you have conditional COLA based on the level of funding? <i>Complexity: 100 if yes, otherwise 0</i>	No 0	25%Yes 25	36%Yes 36
20%	<u>Umbrella COLA</u> Q57 c) Do you have umbrella legislation that guarantees the purchasing power of an annuitants' pension will not fall below a certain level? <i>Complexity: 100 if yes, otherwise 0</i>	No 0	15%Yes 15	17%Yes 17
5%	<u>COLA for Inactives</u> Q58 Do you have contractual COLA clauses that increase the base pensionable earnings of inactive members? <i>Complexity: 100 if yes, otherwise 0</i>	No 0	10%Yes 10	47%Yes 47
5%	a) If yes, are these COLA increases the same as they are for annuitants? <i>Complexity: 100 if yes, otherwise 0</i>	n/a 0	5%Yes 5	43%Yes 43
100%	Weighted Average (before scaling - see note on page 1) Scaled Complexity Score for COLA Rules	11 12	28 30	29 31

G. Contribution Rates Complexity

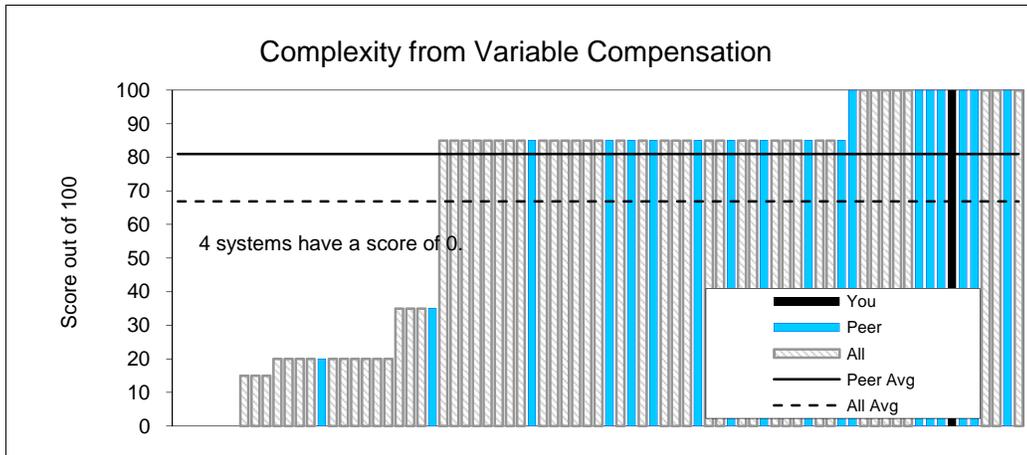
3.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	<u>Multiple Contribution Percentages</u>			
	Q147 How many different contribution percentages do you collect from:			
	a) Employers?	1456	502	187
40%	<i>Complexity: 100 if 10 or more, otherwise 10 X number of contribution percentages subject to a maximum of 100.</i>	100	73	57
	b) Members?	4	9	216
40%	<i>Complexity: 100 if 10 or more, otherwise 10 X number of contribution percentages subject to a maximum of 100.</i>	40	41	46
	<u>Multiple Contribution Alternatives</u>			
	Q161 Which of the following payment methods for employee contributions occur in the plans that you administer:			
	a) No employee contributions?	No	35%Yes	22%Yes
	b) Employer pays his part and also the employee contributions?	Yes	55%Yes	51%Yes
	c) Employer withholds employee contributions pre-tax from his salary?	No	95%Yes	88%Yes
	d) Employer withholds employee contributions post-tax from his salary?	Yes	65%Yes	44%Yes
17%	<i>Complexity: 100 if all 4 methods are possible, 66 if 3 methods, 33 if 2 methods, 0 if 1 method.</i>	33	50	35
	Q162 Do you have any other special contributions in addition to the regular employee and employer contributions?	No	35%Yes	51%Yes
3%	<i>Complexity: 100 if yes, otherwise 0</i>	0	35	51
100%	Weighted Average (before scaling - see note on page 1)	62	55	49
	Scaled Complexity Score for Contribution Rates	58	51	44

H. Variable Compensation Complexity

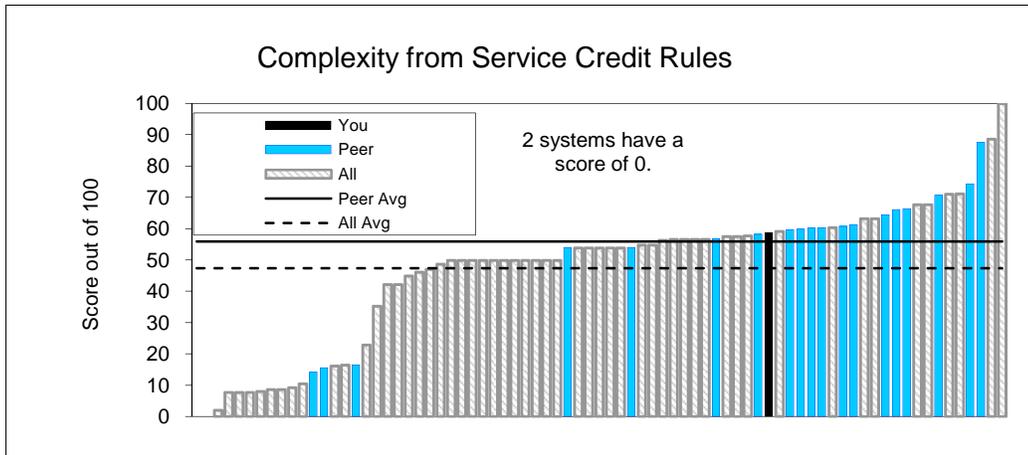
4.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
20%	Q152 Indicate which of the following forms of variable compensation are paid in your system.			
	a) Bonuses?	Yes	85%Yes	78%Yes
	b) Allowances, such as remote location pay or 'high risk' duty allowance or a car allowance?	Yes	80%Yes	81%Yes
	c) Overtime pay?	Yes	95%Yes	71%Yes
	d) Commissions or similar payments such as fees paid to sheriffs for process serving?	Yes	40%Yes	35%Yes
	<i>Complexity: 100 if variable compensation is paid in your system, otherwise 0.</i>	100	95	88
65%	Q152 If this type of compensation is paid in your system, is all, some or none included in pensionable earnings?			
	a1) Bonuses?	All	16%All	25%All
	b1) Allowances, such as remote location pay or 'high risk' duty allowance or a car allowance?	Some	6%All	23%All
	c1) Overtime pay?	All	80%All	44%All
	d1) Commissions or similar payments such as fees paid to sheriffs for process serving?	All	15%All	14%All
	<i>Complexity: 100 if some types of variable compensation paid are included and some are not (i.e., either any of the above is 'some' or there is a mix of 'all' and 'none'), otherwise 0.</i>	100	85	69
15%	Q153 When determining a member's pensionable earnings does a cap on salary increases apply?	Yes	45%Yes	30%Yes
	<i>Complexity: 100 if yes, 0 if no</i>	100	45	30
100%	Weighted Average (before scaling - see note on page 1)	100	81	67
	Scaled Complexity Score for Variable Compensation	100	81	67

I. Service Credit Rules Complexity

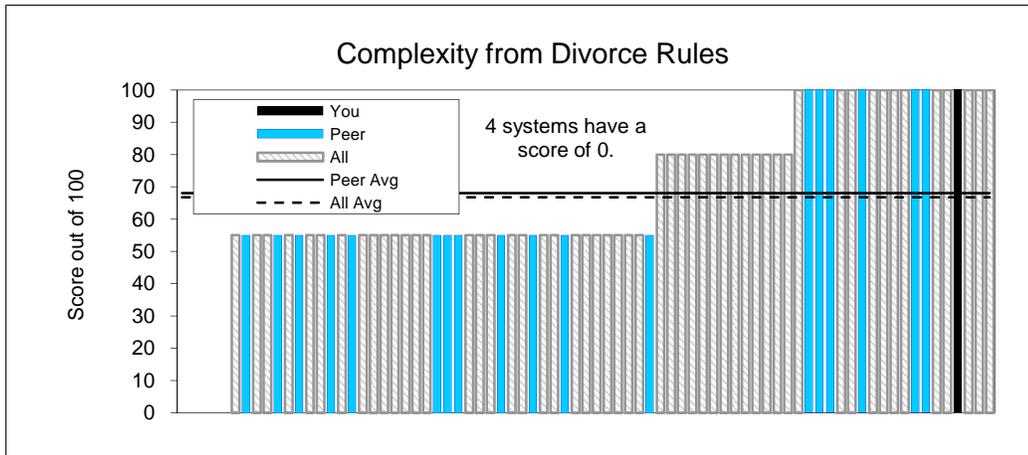
3.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
5%	<p>Q146 Are you sometimes asked by employers to determine the eligibility of members? <i>Complexity: 100 if yes, otherwise 0</i></p>	Yes 100	90% 90	82% 82
5%	<p>Q157 How many different vesting periods do you have that apply to active members? <i>Complexity: Scaled measure where the system with the most different vesting periods receives 100 and least receives 0</i></p>	0 0	2 61	2 47
30%	<p>Q158 b) Casual/ temporary/ intermittent/ seasonal employees to be members? <i>Complexity: 100 if yes, otherwise 0</i></p>	Yes 100	80% 80	75% 75
30%	<p>Q155 How many different definitions do you have for a "full year" of service credit? <i>Complexity: Scaled measure where the system with the most different definitions receives 100 and least receives 0</i></p>	2 6	4 13	5 9
30%	<p>Q156 Does your system have more than one payroll year for determining service credit? a) If yes, how many different payroll years exist in your system? <i>Complexity: Scaled measure where the system with the most different payroll years receives 100 and least receives 0</i></p>	Yes 2 13	35% 3 12	19% 1 6
100%	<p>Weighted Average (before scaling - see note on page 1) Scaled Complexity Score for Service Credit Rules</p>	41 59	39 56	33 47

J. Divorce Rules Complexity

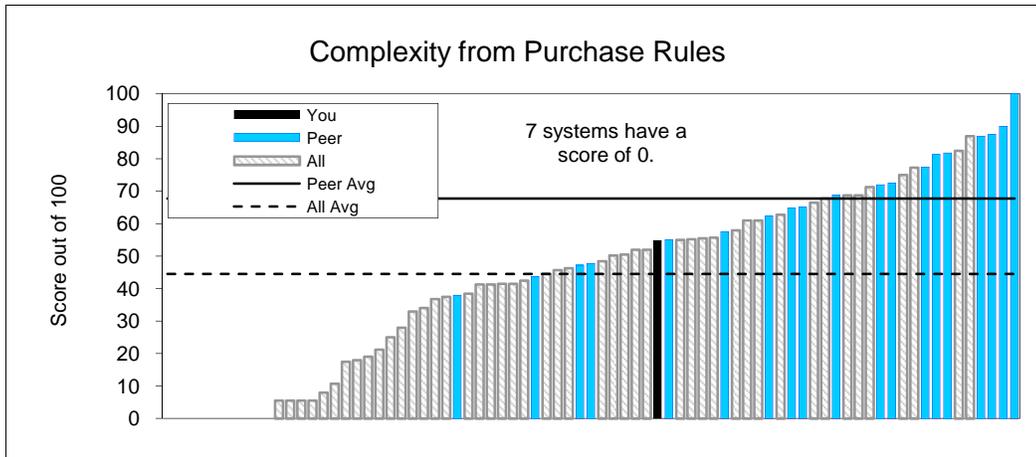
3.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	<p>Q166 Choose the statement that best describes how divorce settlements for active members (or divorce decrees or QDROS, or QILDROS, or Division of Benefit Orders, etc.) impact your system. If you have different rules for different plans, choose the statement that applies to the largest number of cases.</p> <p>a) Minimal impact. Law prevents you from paying the pension to anybody except the member and the member's specified beneficiaries.</p> <p>b) Minimal impact unless children are involved. With children you may be required to redirect payment.</p> <p>c) A portion of the pension is paid to the ex-spouse, but ONLY when the member begins receiving benefits.</p> <p>d) A portion of the pension is paid to the ex-spouse. The ex-spouse can initiate the pension at a time different than the member provided that eligibility conditions are met.</p> <p>e) Other (describe)</p>			
100%	Complexity: 100 if yes to d, 55 if yes to c or e, 5 if yes to b, otherwise 0	No No No Yes No	10% 0% 60% 35% 0%	8% 0% 47% 25% 8%
100%	Weighted Average (before scaling - see note on page 1) Scaled Complexity Score for Divorce Rules	100 100	68 68	67 67

K. Purchase Rules Complexity

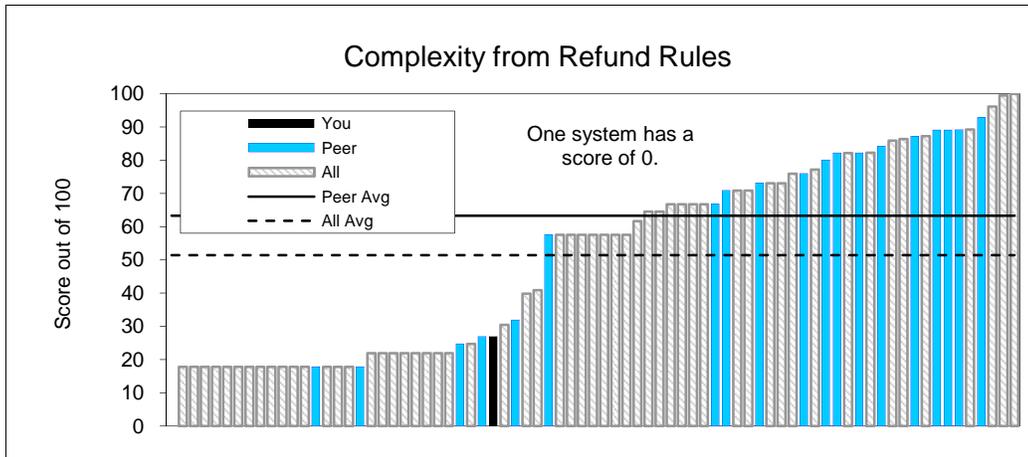
5.5% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
25%	<p>Q199 What was the breakdown of payment methods for purchases and upgrades:</p> <p>a) Rollover from tax qualified plans such as 401(a) or 401(k) or Conduit IRA or KEOGH in the US; or RRSP plans in Canada?</p> <p>b) Lump sum payments from members?</p> <p>c) Installment payments direct from members?</p> <p>d) Installment payments via payroll deduction through employers?</p> <p><i>Complexity: 10 if rollover + 10 if lump sum direct from member + 40 if installment direct from member + 40 if installment through payroll deduction</i></p>	<p>Yes 95% Yes 100% No 60% No 75%</p>	<p>Yes 69% Yes 75% Yes 44% Yes 55%</p>	20 74 54
	<p>Q204 How many different service credit purchase categories do you have with different definitions and/or eligibility requirements?</p> <p><i>Complexity: 7 X the number of categories (subject to a maximum of 100)</i></p>	7 49	14 80	8 50
	<p>Q205 How many different service credit purchase calculation formula or methodologies do you have?</p> <p><i>Complexity: 15 X the number of formula (subject to a maximum of 100)</i></p>	9 100	6 80	4 52
	<p>Q206 Are your service credit purchase rules (category definitions, eligibility requirements and calculation methodologies):</p> <p>a) Essentially identical for all your members?</p> <p>b) Similar for all member groups, albeit with some differences?</p> <p>c) Very different for different member groups?</p> <p><i>Complexity: 100 if very different for all member groups, 50 if some differences between member groups, otherwise 0</i></p>	<p>No 40% Yes 45% No 15%</p>	<p>Yes 57% Yes 29% Yes 8%</p>	50 38 22
100%	<p>Weighted Average (before scaling - see note on page 1)</p> <p>Scaled Complexity Score for Purchase Rules</p>	55 55	68 68	45 45

L. Refund Rules Complexity

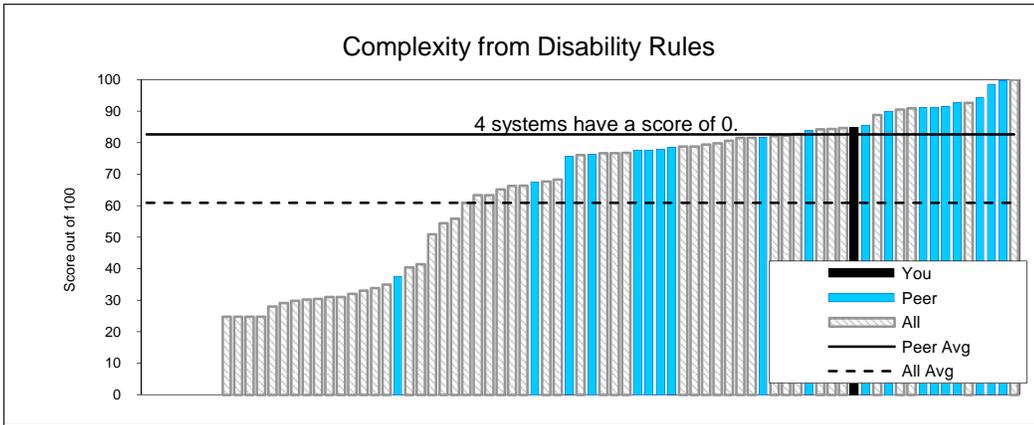
4.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	Q194 Do you pay a one-time death payment when a member, retiree or the retiree's beneficiary dies (separate from the survivor pension)?	No	70%Yes	58%Yes
	a) If yes, how many different one-time death payment rule sets do you have?	n/a	3	2
67%	<i>Complexity: Scaled measure where the system with the most different rule sets gets 100 and the system with the least gets 0</i>	0	49	37
	Q195 How many different refund formulas do you have?	4	3	2
33%	<i>Complexity: Scaled measure where the system with the most different refund formula gets 100 and the system with the least gets 0</i>	66	57	51
100%	Weighted Average (before scaling - see note on page 1)	22	52	42
	Scaled Complexity Score for Refund Rules	27	63	51

M. Disability Rules Complexity

6.0% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
20%	<p>Q207 Do you administer: a) Long-term disability/ disability pensions/ disability lump sums? <i>Complexity: 100 if you administer, otherwise 0</i></p> <p><u>An independent decision process is more difficult to administer</u> Q220 How do you determine whether a member qualifies for long-term disability/ disability pension? c) Process independent of social security, worker's compensation and employer decisions? <i>Complexity: 100 if yes, otherwise 0</i></p> <p><u>Less strict definitions of long-term disability/ disability pensions can be more difficult to administer than strict definitions</u></p> <p>Q221 Which of the following descriptions best describes the MINIMUM level of disability necessary to be eligible for a long-term disability/ disability pension?</p> <p>a) Disabling injury or illness that prevents you from performing your current job duties (even though you might be able to perform other jobs) and expected to be permanent (or for some systems - persist longer than 6 or 12 months).</p> <p>b) Disabling injury or illness that prevents the member from performing current and 'other' jobs that he/she is qualified for and/or can become qualified to do in a reasonable period of time and expected to be permanent (or for some systems - persist longer than 6 or 12 months). Sometimes but not always the 'other job' is defined as not able to earn a certain level (i.e., 75%) of pre-disability earnings.</p> <p>c) Totally and permanently incapacitated and member is not reasonably expected to recover from disabling medical condition or not expected to ever work again.</p>	<p>Yes 100</p> <p>Yes 100</p> <p>No No Yes</p>	<p>100% 100</p> <p>95% 95</p> <p>55% 25% 30%</p>	<p>91% 91</p> <p>66% 66</p> <p>39% 23% 26%</p>

continued on the following page

M. Disability Rules Complexity (page 2 of 3)

Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
15%	d) Other (describe) <i>Complexity: If your decision process is independent (i.e., yes to Q220c), then 100 if yes to Q221b, 90 if yes to Q221a, 50 if yes to Q221a, otherwise 0</i>	No	20%Yes	16%Yes
		50	77	55
10%	<u>Determining if disability occurred at work</u> Q211 Do you cover non-occupational disability? a) If yes, does either the amount paid or the taxation of the disability benefit vary depending on whether the disability is occupational versus non-occupational? <i>Complexity: 100 if you have to determine whether or not the disability occurred at work and you have an independent decision process, otherwise 0</i>	Yes	100%Yes	82%Yes
		No	55%Yes	25%Yes
		100	95	65
10%	<u>Multiple Disability Rule Sets Increases Administrative complexity</u> Q223 How many different rule sets with different definitions or benefits do you have that apply to member groups or subsets of a member group for: a) Long-term disability/ disability pensions? <i>The Complexity measure scales the responses so that the system with the most rule sets equals 100 and the least equals 0</i>	4	6	3
		46	48	35
5%	<u>Short-term Disability</u> Q207 Do you administer: b) Short-term disability? Q223 How many different rule sets with different definitions or benefits do you have that apply to member groups or subsets of a member group for: b) Short-term disability (if you administer it yourself)? <i>The Complexity measure scales the responses so that the system with the most rule sets equals 100 and the least equals 0</i>	Yes	25%Yes	16%Yes
		1	1	0
		35	11	7
5%	Q222 If you administer short-term disability: a) Are the short-term and long-term disability/ disability pension processes closely entwined? b) Are the disability definitions, other than the expected duration of disability, the same for both long-term and short-term disability? c) Are there materially different approval processes for short-term and long-term disability/ disability pensions? <i>Complexity: 100 if different definitions and approval processes (i.e., no to b and yes to c), 75 if approval processes or definitions are very different (either no to b or yes to c), otherwise 0.</i>	Yes	15%Yes	12%Yes
		No	5%Yes	5%Yes
		Yes	15%Yes	5%Yes
		100	15	8

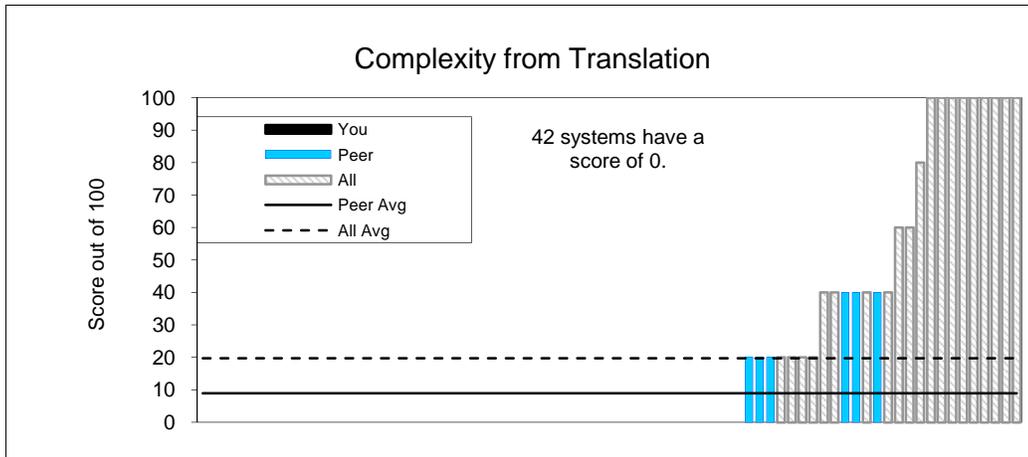
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M. Disability Rules Complexity (page 3 of 3)

Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	<u>Coordination with other disability benefits can increase complexity because it requires explaining and checking</u> Q224 Do you reduce payments if member qualifies or receives: a) disability social security? b) worker's compensation? c) other public funds, e.g. federal military disability? d) income protection plans/other disability insurance? e) employer sick leave and annual leave pay? f) unemployment compensation? g) income from other employment? h) other (describe)? Total yes responses for disability coordination	Yes Yes No No No Yes Yes Yes Yes	45% 65% 25% 20% 45% 20% 70% 15%	Yes Yes Yes Yes Yes Yes Yes Yes Yes 3 66 85% 20% 16% 67
5%	<i>The Complexity measure scales the responses so that the system with the most yes responses equals 100 and the least equals 0</i>	93	66	39
	<u>Income Checking</u> Q212 Do you check the income of disabled members after they have started receiving disability payments? Complexity: 100 if yes, otherwise 0	Yes 100	85% 85	Yes 51 51
10%	<u>Rehabilitation</u> Q213 Do you have a rehabilitation program focused on retraining/ rehabilitating annuitants on disability? Complexity: 100 if yes, otherwise 0	No 0	20% 20	Yes 8 8
	<u>Income Adjustments</u> Q214 Will you pay a disabled member that returns to work at a salary lower than he previously earned: a) The difference between his old salary (or his old disability benefit) and his new lower salary? b) An amount that is potentially greater than the difference between his old salary and his new lower salary? Complexity: 100 if yes to b, 80 if yes to a, otherwise 0	No No 0	25% 0% 20	Yes 16% 12 12
10%	Weighted Average (before scaling - see note on page 1) Scaled Complexity Score for Disability Rules	68 85	67 83	49 61

N. Translation Complexity

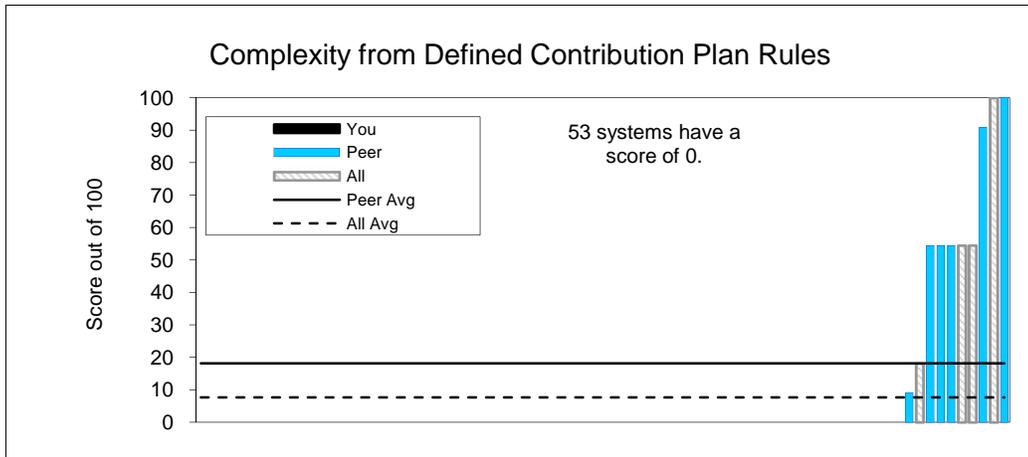
0.5% of Total Complexity Score



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
100%	<p>Q141 Do you publish any of the following materials in a language other than English (or other than French in Quebec and France), or in Braille?</p> <p>a) Member statements? b) Annual report? c) Newsletters? d) Website? e) Brochures and pamphlets?</p> <p><i>Complexity: 100 if you translate all 5 of the above materials, 80 if 4, 60 if 3, 40 if 2, 20 if 1, otherwise 0.</i></p>	No 5% No 0% No 10% No 10% No 20%	Yes 13% Yes 21% Yes 18% Yes 23% Yes 23%	0 9 20
100%	Weighted Average (before scaling - see note on page 1) Scaled Complexity Score for Translation	0 0	9 9	20 20

O. Defined Contribution Plan Rules Complexity

3.0% of Total Complexity Score



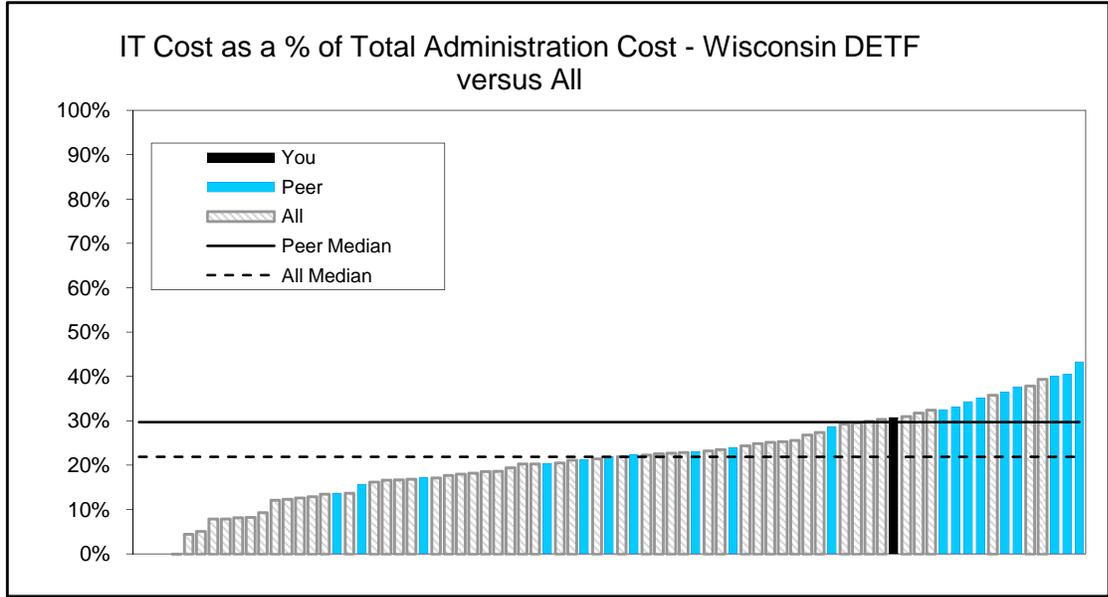
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
31%	<u>Investment Options for core DC and hybrid DB/ DC plans</u> Q5.91 Are your members allowed to select investment options? a) If yes, how many investment options do you offer members? <i>Complexity: Scaled measure where the system which offers the most investment options receives 100 and the least 0</i>	n/a	25%Yes 3	13%Yes 1
	<u>Investment Option Flexibility</u> Q5.95 How frequently can a member: a) Transfer existing account balances between fund options? <i>Complexity: 100 if daily, 80 if weekly, 60 if monthly, 40 if quarterly, 20 if annually, otherwise 0.</i>	n/a	63	26
	<u>Fees</u> Q5.96 Do you charge the employer and/or member an account maintenance or administration fee? Q5.97 Do you charge transaction fees? <i>Complexity: 100 if you charge either account maintenance or administration fees</i>	n/a	25%Yes 0%Yes	12%Yes 1%Yes
6%	<u>Loans</u> Q5.98 Do you permit members to borrow money from their defined contribution account while still employed? <i>Complexity: 100 if yes, otherwise 0</i>	0	25	10
31%	<u>Loans</u> Q5.98 Do you permit members to borrow money from their defined contribution account while still employed? <i>Complexity: 100 if yes, otherwise 0</i>	n/a	10%Yes 10	5%Yes 5
100%	Weighted Average (before scaling - see note on page 1) Scaled Complexity Score for Defined Contribution Plan Rules	0	13	5
		0	18	8

CRM AND MAJOR PROJECTS

This section contains:

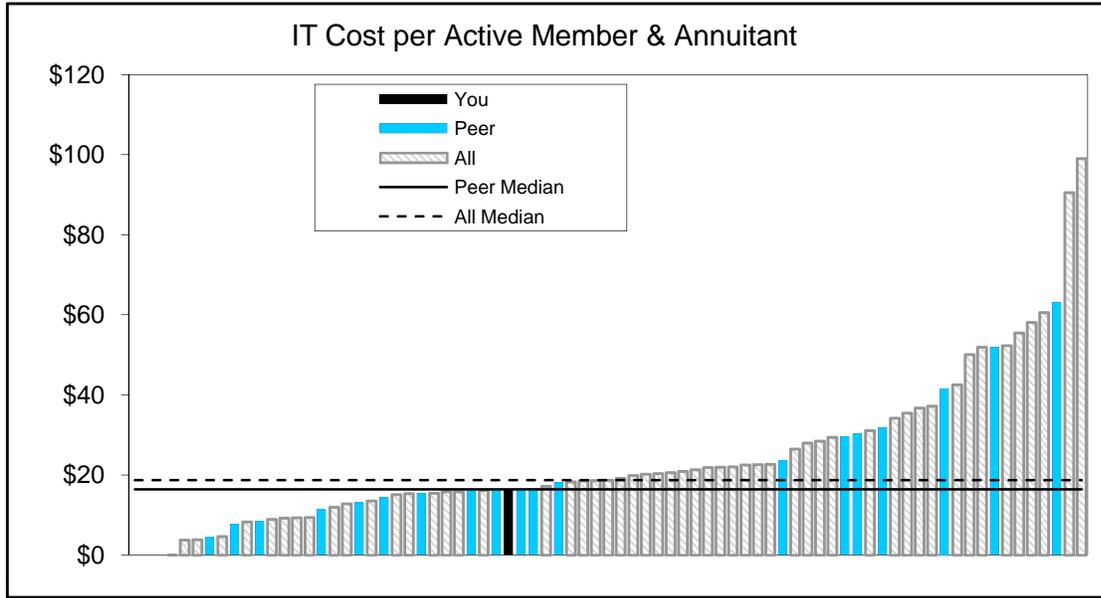
- Your IT Cost as a % of Total Cost compared to your peers.
- Indicators of CRM Capability.
- Comparison of Activity costs including Major Project Costs.

Your Total IT Cost is 31% of your Total Administration Cost. This is slightly above the peer median of 30%.



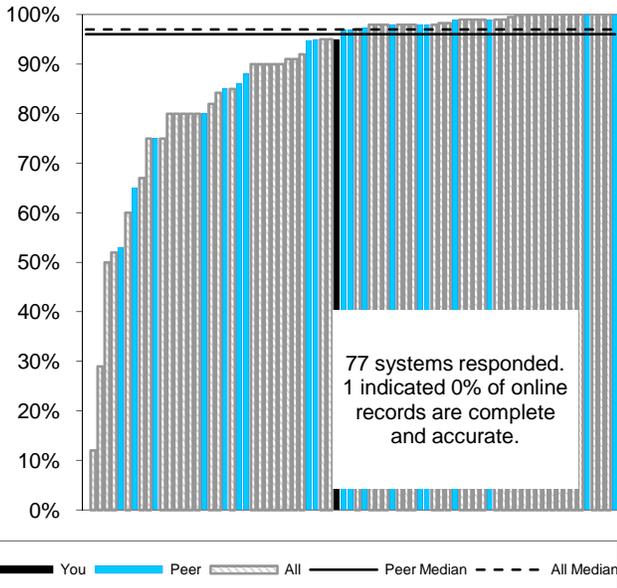
Your Total IT Costs	
Q11.1 What was your total cost of Information Technology ("IT") and Information Systems ("IS") for Pension Administration for the most recent fiscal year?	
a) DB Administration excluding Non-Pension and Optional Benefits?	\$6,494
Total IT Costs	\$6,494

Your IT Cost per Active Member & Annuitant is \$16. This is close to the peer median of \$16.

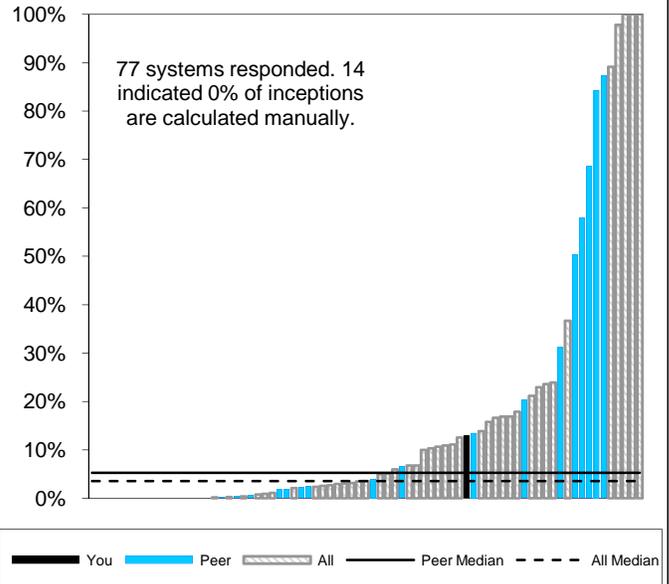


Indicators of CRM Capability

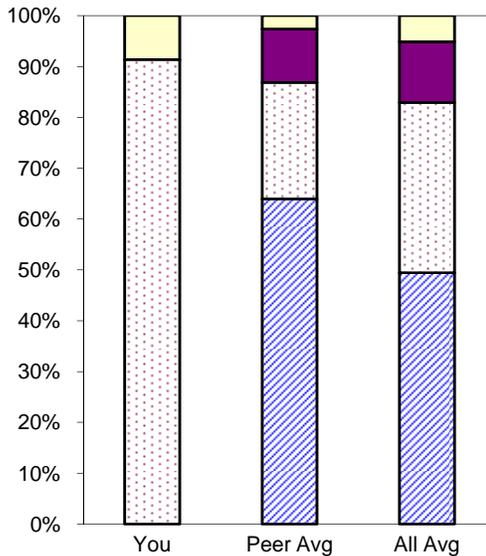
% of Online Records that are Complete and Accurate



% of Annuity Pension Inceptions Calculated Manually

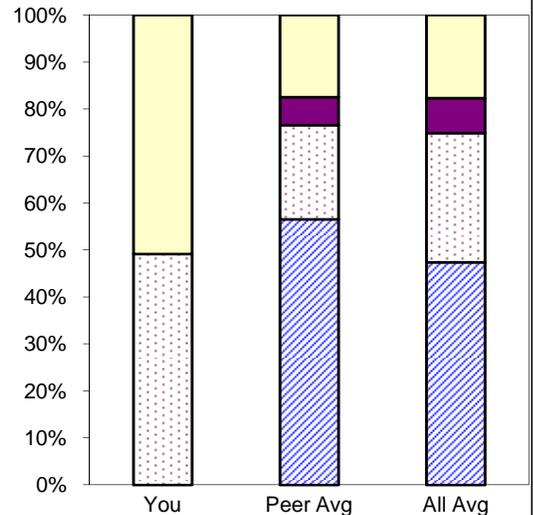


% of Active Member Data Received in Various Data



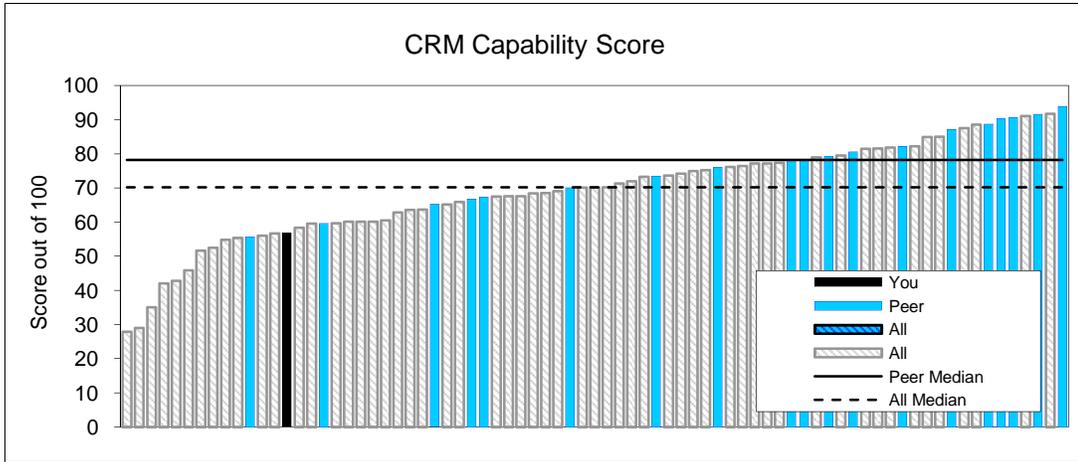
■ % of Members: Paper Data	8.6%	2.6%	5.1%
■ % of Members: Computer Readable	0.0%	10.5%	11.9%
■ % of Members: Mostly Electronic	91.4%	22.9%	33.5%
■ % of Members: 100% Electronic	0.0%	64.0%	49.4%

% of Collection Points by Data Format



■ % of Collection Points: Paper Data	50.9%	17.5%	17.6%
■ % of Collection Points: Computer Readable Data	0.0%	6.0%	7.4%
■ % of Collection Points: Mostly Electronic Data	49.1%	20.0%	27.5%
■ % of Collection Points: 100% Electronic Data	0.0%	56.5%	47.4%

Calculation and Comparison of your CRM Capability Score



Weight	Relevant Questions and Scoring	You	Peer Avg	All Avg
	CRM/ Call Capability			
5%	Q103 Do you have and use tools to help you project call volumes? <i>Score: 100 if yes, otherwise 0</i>	No 0	80%Yes 80	75%Yes 75
	Q104 When a member calls in, do you have immediate computer access to the following member data:			0
	a) Record of the member's previous calls to the system?	Yes	85%Yes	66%Yes
	b) Copies of recent correspondence on-line?	Yes	100%Yes	83%Yes
	c) Knowledge based on-line help system available for use by the service representative?	Yes	75%Yes	73%Yes
15%	<i>Score: 100 if all available, otherwise 33.3 for each yes</i>	100	87	74
	Q104 When a member calls in, do you have immediate computer access to the following member data:			
	d) Most recent member statement?	Yes	95%Yes	96%Yes
	e) Account value?	Yes	100%Yes	91%Yes
	f) Pensionable salary?	Yes	95%Yes	97%Yes
	g) Salary history?	Yes	100%Yes	99%Yes
	h) Total service credit?	Yes	100%Yes	96%Yes
	i) Service credit history?	Yes	100%Yes	96%Yes
	j) Beneficiary information?	Yes	100%Yes	95%Yes
	k) Home address and phone number?	Yes	95%Yes	94%Yes
	l) Non-pension benefit and optional elections?	Yes	85%Yes	69%Yes
10%	<i>Score: 100 if all available, otherwise 11.1 for each yes</i>	100	98	94
	Q105 Can and will you provide the following information on an immediate real-time basis to members over the phone?			
	a) Estimates of benefits at retirement?	No	65%Yes	65%Yes
	a1) If yes, can you easily model and provide alternate annuity payment scenarios?	n/a	65%Yes	57%Yes
	a2) If yes, is the estimate based on an interactive benefit calculator linked to the member's actual account data?	n/a	55%Yes	58%Yes
10%	<i>Score: 20 if yes to a1, 80 if yes to a2, otherwise 0</i>	0	57	58

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Calculation and Comparison of your CRM Capability Score

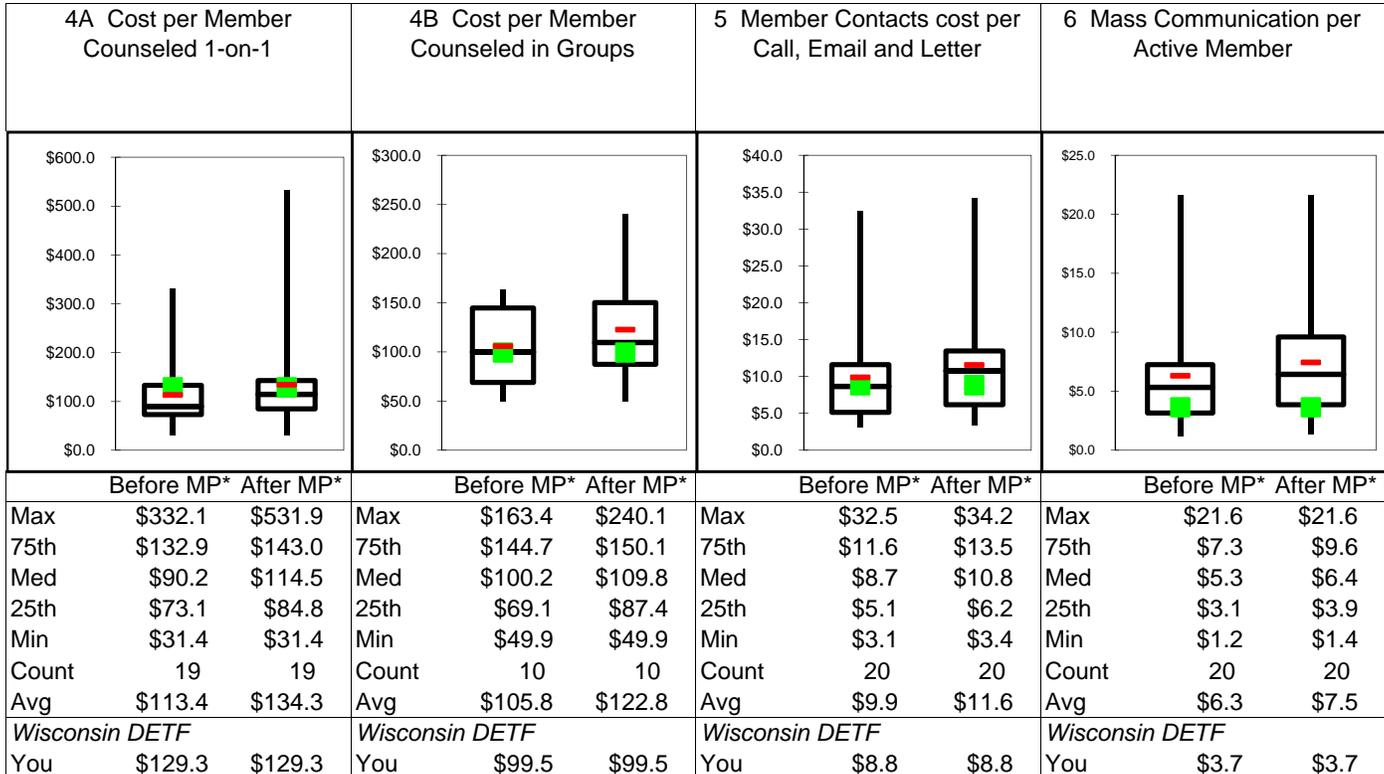
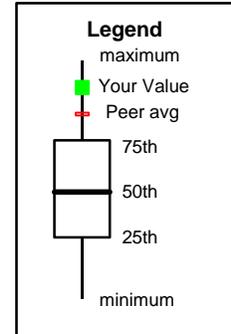
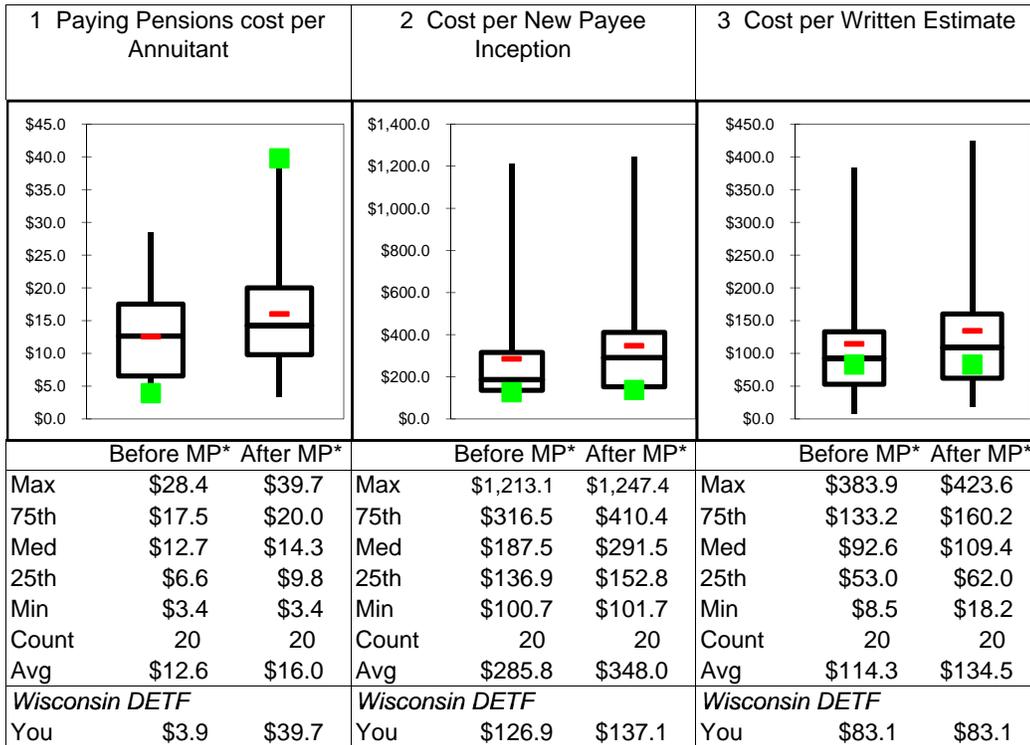
(page 2 of 2)

Weight	Relevant Questions and Scoring	You	Peer Avg	All Avg
	Q107 Can your members order forms and publications using either an information line or self-serve options on your member service line?	Yes	75%Yes	42%Yes
5%	Score: 100 if yes, otherwise 0	100	75	42
	Automation			
	% of pension inceptions requiring manual calculations (manual calculations for inceptions per Q104a / volume of inceptions)	13%	22%	17%
5%	Score: 100 - % that require manual calculations	87	78	83
	Document Imaging			
	Q106 Do you use imaging technology?	Yes	100%Yes	87%Yes
	a) Do you keep images of ALL incoming member correspondence and submitted forms?	No	85%Yes	71%Yes
	c) Have all historical documents also been imaged?	Yes	80%Yes	60%Yes
5%	Score: 60 if you use imaging, + 20 if you keep images of all incoming correspondence and forms, + 20 if all historical documents are imaged	80	93	78
	Data Collection			
	Q145 What is the breakdown of 'collection points' providing you with payroll data between the following formats and what is the total number of active members covered by each format?			
	a1) # active members: 100% Electronic	0%	64%	49%
	b1) # active members: Mostly Electronic	91%	23%	34%
	c1) # active members: Computer readable [i.e., via computer tape or disk]	0%	11%	12%
	d1) # active members: Paper	9%	3%	5%
5%	Score: 100 for % of data collected 100% electronically, + 90 for % of data collected mostly electronically, + 80 for % of data collected that is computer readable, otherwise 0	82	93	89
	Online Data Quality			
	Q149 What % of your active and inactive member on-line records are complete and accurate?	95%	90%	88%
5%	Score: 100 x % of online records that are complete and accurate	95	90	88
	Diagnostic Software			
	Q151 Do you have a diagnostic software system for detecting and correcting contribution errors?	No	80%Yes	73%Yes
5%	Score: 100 if yes, otherwise 0	0	80	73
	Integration			
	Q169 When you get an address change, how many systems do you need to update?	3.0	1.3	1.3
5%	Score: 100 if 1, otherwise 0	0	85	81
	Website			
25%	Member Website Capability Score (Refer to the Section 5 Service Levels - Activity 6: Mass Communication, Section B for details.)	38	58	51
100%	Total IT/ CRM Capability Score - Average	57	77	70
	Total IT/ CRM Capability Score - Median	57	78	70

Detailed Analysis of Your Major Project Costs

Activity	Activity Cost (A) (\$000s)	Attribution of Major Project costs in Activity 13 to the other 12 activities (B) (\$000s)	Cost including attribution of Activity 13 Costs (C) = (A+B) (\$000s)	Unit Cost including attribution of Major Project Costs	Activity Volume
				(\$s)	(per)
1 Paying Pensions	553	5,011	5,564	40	Annuitant
2 Pension Inceptions	1,284	103	1,387	137	New Payee Inception
3 Benefit Estimates	1,477	0	1,477	83	Written Estimate
4A 1-on-1 Counseling	942	0	942	129	Member Counseled 1-on-1
4B Group Counseling	119	0	119	99	Member Counseled in Groups
5 Member Contacts	1,606	0	1,606	9	Call, Email and Letter
6 Mass Communication	950	0	950	4	Active Member
7A Data from Employers	780	0	780	3	Active Member
7B Data Not from Employers	763	0	763	2	Active Member & Annuitant
7C Billing and Inspection	17	0	17	12	Employer
7D Service to Employers	1,094	0	1,094	751	Employers
8 Refunds & Transfers-out	456	52	508	57	Refund and Transfer-out
9 Purchases and Transfers-in	310	0	310	310	Purchase & Transfer-in
10 Disability	3,552	0	3,552	1,802	Disability Application
11A Board of Directors	1,374	0	1,374	3	Active Member & Annuitant
11B Financial Control	304	0	304	1	Active Member & Annuitant
11C Board Consulting	0	0	0	0	Active Member & Annuitant
11D Marketing, PR	55	0	55	0	Active Member & Annuitant
12A Rules Interpretation	172	0	172	1	Active Member
12B Design, New Rules	141	0	141	1	Active Member
12C Influencing Change	0	0	0	0	Active Member
13 Major Projects	5,166			n/a	Active Member & Annuitant
Total Pension Administration Cost	21,113	5,166	21,113		

Activity Costs, excluding and including attributed Major Project Costs ("MP") - You versus peer



(1) Before 'MP' denotes costs excluding the attribution of Major Projects. 'After MP' denotes costs including the attribution of Major Project costs.
 (2) This analysis only includes peers that attributed all Major Project costs across the activities. (3) If you did not attribute your Major Project costs then the comparison is not available.

Activity Costs, excluding and including attributed Major Project Costs ("MP") - You versus peer

7A Data from Employers cost per Active Member	7B Data Not from Employers cost per Active Member & Annuitant	7C Billing and Inspection cost per Employer	7D Service to Employers per Employers
Before MP* After MP*	Before MP* After MP*	Before MP* After MP*	Before MP* After MP*
Max \$19.3 \$28.9	Max \$4.5 \$10.8	Max \$1,725.9 \$2,023.0	Max \$3,574.4 \$4,805.8
75th \$10.5 \$13.4	75th \$2.8 \$3.6	75th \$362.6 \$362.6	75th \$1,148.9 \$1,175.9
Med \$6.6 \$8.1	Med \$1.6 \$1.9	Med \$153.1 \$222.0	Med \$470.7 \$711.4
25th \$3.4 \$4.5	25th \$0.6 \$0.7	25th \$66.2 \$93.3	25th \$366.7 \$426.4
Min \$2.0 \$2.7	Min \$0.0 \$0.0	Min \$0.0 \$0.0	Min \$0.0 \$0.0
Count 20 20	Count 20 20	Count 20 20	Count 20 20
Avg \$7.8 \$9.8	Avg \$1.8 \$2.5	Avg \$291.0 \$335.3	Avg \$913.4 \$1,161.1
<i>Wisconsin DETF</i>	<i>Wisconsin DETF</i>	<i>Wisconsin DETF</i>	<i>Wisconsin DETF</i>
You \$3.0 \$3.0	You \$1.9 \$1.9	You \$11.7 \$11.7	You \$751.2 \$751.2

8 Cost per Refund and Transfer-out	9 Cost per Purchase & Transfer-in	10 Disability cost per Disability Application
Before MP* After MP*	Before MP* After MP*	Before MP* After MP*
Max \$281.4 \$378.3	Max \$1,670.2 \$1,670.2	Max \$8,612.5 \$8,612.5
75th \$78.3 \$106.7	75th \$479.8 \$553.5	75th \$2,649.3 \$2,888.3
Med \$42.2 \$52.5	Med \$315.5 \$379.3	Med \$1,526.4 \$1,666.7
25th \$31.5 \$33.0	25th \$193.5 \$221.2	25th \$735.1 \$865.7
Min \$6.8 \$6.8	Min \$45.6 \$61.3	Min \$283.8 \$312.8
Count 20 20	Count 20 20	Count 20 20
Avg \$73.4 \$93.3	Avg \$416.0 \$498.5	Avg \$2,097.7 \$2,338.6
<i>Wisconsin DETF</i>	<i>Wisconsin DETF</i>	<i>Wisconsin DETF</i>
You \$51.6 \$57.4	You \$309.6 \$309.6	You \$1,802.1 \$1,802.1

(1) Before 'MP' denotes costs excluding the attribution of Major Projects. 'After MP' denotes costs including the attribution of Major Project costs.
 (2) This analysis only includes peers that attributed all Major Project costs across the activities. (3) If you did not attribute your Major Project costs then the comparison is not available.

Activity Costs, excluding and including attributed Major Project Costs ("MP") - You versus peer

11A Board of Directors cost per Active Member & Annuitant	11B Financial Control cost per Active Member & Annuitant	11C Board Consulting cost per Active Member & Annuitant	11D Marketing, PR per Active Member & Annuitant
Before MP* After MP*	Before MP* After MP*	Before MP* After MP*	Before MP* After MP*
Max \$4.3 \$4.3	Max \$19.3 \$29.2	Max \$13.8 \$13.8	Max \$4.2 \$4.3
75th \$1.5 \$1.6	75th \$5.5 \$5.8	75th \$1.4 \$1.9	75th \$0.9 \$0.9
Med \$1.0 \$1.0	Med \$4.2 \$5.0	Med \$0.6 \$0.7	Med \$0.1 \$0.1
25th \$0.6 \$0.7	25th \$2.7 \$2.7	25th \$0.2 \$0.2	25th \$0.0 \$0.0
Min \$0.0 \$0.0	Min \$0.7 \$0.8	Min \$0.0 \$0.0	Min \$0.0 \$0.0
Count 20 20	Count 20 20	Count 20 20	Count 20 20
Avg \$1.3 \$1.3	Avg \$5.4 \$6.3	Avg \$1.6 \$1.7	Avg \$0.7 \$0.7
<i>Wisconsin DETF</i>	<i>Wisconsin DETF</i>	<i>Wisconsin DETF</i>	<i>Wisconsin DETF</i>
You \$3.4 \$3.4	You \$0.8 \$0.8	You \$0.0 \$0.0	You \$0.1 \$0.1

12A Rules Interpretation cost per Active Member	12B Design, New Rules cost per Active Member	12C Influencing Change cost per Active Member
Before MP* After MP*	Before MP* After MP*	Before MP* After MP*
Max \$8.0 \$8.0	Max \$5.2 \$6.1	Max \$4.1 \$4.1
75th \$4.2 \$4.3	75th \$2.1 \$2.1	75th \$1.8 \$1.8
Med \$1.6 \$1.8	Med \$1.1 \$1.1	Med \$0.8 \$0.8
25th \$1.1 \$1.2	25th \$0.4 \$0.5	25th \$0.1 \$0.1
Min \$0.0 \$0.0	Min \$0.0 \$0.0	Min \$0.0 \$0.0
Count 20 20	Count 20 20	Count 20 20
Avg \$2.6 \$2.9	Avg \$1.4 \$1.6	Avg \$1.0 \$1.1
<i>Wisconsin DETF</i>	<i>Wisconsin DETF</i>	<i>Wisconsin DETF</i>
You \$0.7 \$0.7	You \$0.5 \$0.5	You \$0.0 \$0.0

(1) Before 'MP' denotes costs excluding the attribution of Major Projects. 'After MP' denotes costs including the attribution of Major Project costs.

(2) This analysis only includes peers that attributed all Major Project costs across the activities. (3) If you did not attribute your Major Project costs then the comparison is not available.

ACTIVITY DEFINITIONS

This section contains the definitions of each of the 13 Administrative Activities compared in this report.

Activity 1 Paying Annuity Pensions

Annuity Payments: paying incepted pensions to disability, early and normal retirees and their survivors, including:

- EFT processing.
- Check processing and postage.
- Resolving failed, misdirected and lost payments.
- Paying, but not calculating, adjustments to pensions. For example, many systems pay retroactive adjustments to pensions initiated based on incomplete data.
- Collecting overpayments.
- The processing of return payments from annuitant.
- Stopping pension payments upon death of an annuitant.

Deductions: processing deductions from the gross pension payment. For example:

- Processing and paying taxes and other governmental deductions, such as social security.
- Processing legally required deductions such as liens on wages ordered by a judge.
- Processing and effecting payment of optional deductions that the member can request, such as for health care or optional life insurance or union dues.
- Processing and mailing of check stubs or EFT payment advices.
- Processing and mailing of annual tax receipts to annuitants.
- Keeping track of the rules and regulations for deductions.

Confirming payment eligibility. This includes:

- Cross referencing pension payrolls with death records.
- Obtaining proof that someone is alive.
- Obtaining school certificates to ensure that dependents are still in school.
- Checking that the income of non-disabled pensioners does not exceed a limit. At a few systems, if a pensioner's income from other sources exceeds a certain amount (especially if he/ she returns to work within the system), his/her pension could be stopped or reduced.

If a sister organization performs any of the above tasks, then the costs incurred by the sister organization should be included here and in your Total Costs.

Do NOT include:

- The work of inflation adjustments. It belongs in Activity 2 Pension Inceptions.
- Maintaining banking, address and beneficiary data for retirees. These belong in Activity 7b Data not available from employers.

Activity 2 Annuity Pension Inceptions (nondisability)

New Annuitants: calculating, finalizing and arranging annuity pensions to new payees including:

- Early and normal service retirements.
- Death in-service or on-pension resulting in annuity payments to spouse or dependents.
- Divorce that results in new annuity pension streams.

Changes to Gross: anything that changes the gross amount of pensions (excluding disability pensions) paid to existing pensioners including:

- Adjusting pensions that were initiated based on incomplete or estimated data.
- Reductions to the annuity payment when pensioner begins receiving social security (NL: AOW, Canada: CPP).

-
- Cost of Living adjustments for pensioners.
 - Last survivor options that reduce the amount paid to the pensioner when a spouse dies.
 - High/Low construction: Reducing the gross annuity paid from the 'High' amount to the "Low" amount.
 - Pop-up options that increase the amount paid to the pensioner if spouse dies first.
 - Redesign of the payment option (such as changing from 0% survivor to 50% survivor) at request of the annuitant.

Appeals about annuity pension inceptions (non-disability) to new payees.

Activity 3 Written Pension Estimates (non-disability)

Preparing and sending (by mail or email) customized written estimates in response to requests from individual members regarding:

- Annuity pensions including early and service retirement.
- Giving customized written insight into pension consequences of divorce, death, layoffs, taxes, gaps in pension coverage, etc.
- Lump sum or commuted value payouts.

Do NOT include:

- Estimates for Transfers, Purchases or Refunds of Contributions. These belong in Activities 8 & 9.
- Estimates that the member did not request, such as estimates that are automatically sent out when the member is eligible to retire (these belong in Activity 2 Pension Inceptions) or estimates on member statements (these belong in Activity 6 Mass Communication).
- Non-written estimates such as verbal estimates provided over the phone or obtained by the member from the website.
- Time spent during a counseling session preparing written estimates. This belongs in Activity 4 Counseling.

Activity 4a Walk-in and 1-on-1 Member Counseling

- Walk-in traffic that meets with counselors.
- Pre-scheduled 1-on-1 retirement and other counseling.
- If written pension estimates are prepared during a counseling session the cost belongs in counseling and not in written estimates.

Activity 4b Group Retirement Counseling

Pre-scheduled retirement counseling done in groups where:

- All participants receive their own individualized retirement benefit estimates.
- Material covered is identical to a 1-on-1 retirement counseling session.
- The session leader is available afterwards for individual questions.

Otherwise, all group sessions and presentations for members belong in Activity 6.

Activity 5 Member Contacts: Calls, emails, Letters

The 'first-line' communication work for active, inactive and annuitant member inquiries.

First-line communication includes responding to general questions, initial requests for activity specific work to be performed (such as a request for a Written Estimate or a Refund of Contributions, death reporting, change of address or direct deposit or beneficiary), questions about account status or annual statements, advice given over the phone, etc. This activity includes member inquiries by:

- Telephone: waiting for calls, talking to members on the phone, redirecting calls, training Contact Center staff, auditing calls, call satisfaction surveying and long distance charges.
 - Automated information or self-serve lines (i.e. telephone lines where the member never needs to speak to a service representative and can navigate menu options where they request forms and publications, etc.). But do not include the cost of responding to requests for forms and publications. This belongs in Activity 6 Mass Communication.
 - Email: reading, responding to simple requests, redirecting activity specific requests.
 - Written correspondence: reading, responding to simple requests, redirecting activity specific requests.
-
- Contact Center hardware and software.

Do NOT include:

- Work performed after the call for activities where costs are collected separately. For example, if a member requests a written pension or benefit estimate, then the cost of preparing it belongs in Activity 3 Written Estimates and not here, even if the work is done in the Contact Center.
- Subsequent follow-up activity specific communication. For example, a disability applicant dealing directly with the disability division is not contact communication.

Activity 6 Mass Communication to Members and Annuitants

Any pension related communication that is sent to all members or groups of members. The cost should include design, printing, and mailing costs. Examples include:

- Group presentations.
 - Benefit Fairs.
 - Member Statements.
 - Brochures and Publications.
 - Newsletters and Information Letters.
 - Videos, CD-ROMS.
 - Website pension content targeted at members and annuitants. Includes design, development and maintenance of the member content as well as its pro rata share of the website infrastructure.
 - Annual Reports and Annual Report Summaries, but do not include the accounting and auditing costs incurred to prepare the annual report. These costs belong in Activity 11 Financial Control and Governance.
-
- Welcome kits.
 - Letter informing members when they reach or approach certain milestones such as becoming vested, eligible for disability, eligibility for retirement, etc.

Do NOT include:

- Pre-scheduled retirement counseling done in group sessions or 1-on-1. This belongs in Activity 4a and 4b.
- 1-on-1 correspondence. These costs belong in the activity to which the correspondence pertains. For example, correspondence re: pension estimates belongs in Activity 3. Written Estimates.
- Payment advices, check stubs, letters informing of changes in gross amount, and annual tax receipts prepared for retirees. These belong in Activity 1 Paying Pensions
- Employer targetted communication such as the employer portions of the website and employer newsletters. These belong in Activity 7d Service to Employers.

Activity 7a Data and Money from Employers

-
- Collection and cashing of member and employer contributions from employers.
 - Collection of member data (service credit, salary, personal information, employer, etc) from employers.
 - Reconciliation of required versus remitted money.
 - Analysis, correction and confirmation with employer of member data.
 - Setting up the data and money collection process for new employers.
 - Improving the data collection process for existing employers (i.e., converting paper systems to electronic, etc).
 - Registering member choices and instructions that are received through the employer. For example:
 - Some hybrid DB/ DC systems require that a member's DC instructions come through the employer.
 - Members at some Dutch systems can choose to contribute more to get early retirement. This choice is registered via the employer.

Activity 7b Data Not From Employers

Gathering and maintaining member data that is not provided by employers including:

- Retiree and Inactive data maintenance such as change of address, change of beneficiary, change in marital status, death, registering changes in payments, etc.
- Tracking 'lost' inactive members.
- If applicable, registering cost of living adjustments to the salary base of inactive members (a few systems do this).
- Registering the impact of divorce on the future rights of members. But do not include the work of estimating the impact of divorce which belongs in either Estimates, Counseling and or Contact Center. Also do not include the cost of changing or initiating pensions as a result of divorce. This belongs in Inceptions.
- Billing and collecting contributions directly from inactive members. For example, nurses in the Netherlands can continue to contribute to their pension even if they are inactive.
- Registering member choices and instructions that are received directly from the member. For example:
 - Defined Contribution instructions obtained directly from active, inactive or retired members, such as changes in asset allocation.
- Maintenance of surcharge debit accounts (applicable in Australia).

Do NOT include the cost of incepting new pensions or determining changes to the gross amount of the pension paid to retirees. This belongs in Activity 2.

Activity 7c Billing and Inspection

- Advising employers of the required contribution rate (but excluding the actuarial cost of determining the rates).
- Billing employers for regular contributions, special contributions to cover funding shortfalls, additional payments to retirees funded by the employer, etc.
- Collecting bad debts, including legal costs.
- Employer reviews or audits. For example, several systems perform on-site reviews of employers that have problems providing data and or contributions on a timely basis. They want to ensure that the employers are correctly fulfilling their obligations to their members.
- Inspection and enforcement of obligation to participate in the System (i.e., participation in some Dutch industry funds is mandatory if employer has certain characteristics).

Activity 7d Service to Employers

-
- Training employers.
 - Helping new employers.
 - Maintaining employer relationships.
 - Presentations, counseling, workshops for employers.
 - Publications and newsletters for employers (as opposed to materials sent to members through employers).

 - Employer helpdesk/ Employer Call Center.
 - Employer website including the design, development and maintenance as well as the pro rata share of the website infrastructure.
 - Advice, account management, HRM support re: pensions

Do not include marketing to employers. Marketing costs belong in Activity 11d. Marketing, PR.

Activity 8 Refunds, Transfers-out, Terminating Payments

Payments that terminate your relationship with a member:

- Refunds of contributions.
- Lump sum and commuted value payments.
- Pre-retirement death that results in a final payment (refund, commuted value, death payment).
- One time death payments that are supplemental to the annuity payments. Do not include the cost of paying or stopping the final pension payment which belong in Activity 1 Paying Annuity Pensions
- Hardship withdrawals (including partials).
- Individual rollovers of DB monies to internal DC accounts which effectively terminate the DB pension entitlement.
- Individual transfers-out of monies to authorized external systems.
- Collective transfers-out when an employer exits your system.

Payments to active members, e.g.

- Excess contribution refunds (For example, 50% Rule Refunds in Canada).

The activity also includes:

- Providing formal written estimates of terminating payments (excepting estimates for Lump Sums and Commuted Value Payments which belong in Activity 3 Estimates).
- Calculating, arranging and making estimated and final payments.
- Related tax deductions, filings and reporting sent to members and tax authorities.
- Reminders to speed up external parties.
- Collecting overpayments of lump sums or other terminating payments.
- '2nd line' Terminating Payment specific communication. For example, a Refund applicant dealing directly with the Refund division, subsequent to an initial request for a refund, is '2nd line' communication.

Activity 9 Purchases and Transfers-in

- Service credit purchases for refunded past service, military service, etc.
- Purchases that provide members with additional pensionable salary but not service credit. For example at Ontario Teachers' members receiving Long Term Income Protection benefits can increase their contributions so their pensionable salary keeps pace with the rate of inflation.
- Individual transfers-in/ rollover of monies from external retirement systems.
- Collective transfers in such as when a new employer is merged into your system.

The activity includes:

- Providing formal written estimates of purchases and transfers-in/ rollovers.
- Posting purchases and applying payments.
- Receiving purchase payments.
- Related tax reporting sent to members and tax authorities.
- '2nd line' Service Credit Purchases and Transfer-In specific communication. For example, a Purchases applicant dealing directly with the Purchase division, subsequent to an initial request for a Purchase, is '2nd line' communication.

Activity 10 Disability

Long term disability, and if you administer, short term disability. Include:

- Written disability estimates.
- Disability applications and inceptions.
- Disability appeals and complaints.
- Monitoring and reviewing disabled pensioners and/ or temporarily disabled members for continuing entitlement, including checks on income and medical reviews.
- Checks on eligibility of disability payments.
- Rehabilitation of disability recipients (very few systems perform this activity).
- Lump sum disability processing (applicable in Australia).
- Medical assessment reviews of new hires for eligibility for death and disability benefits.

Do NOT include paying disability pensions. This belongs in Activity 1 Paying Annuity Pensions.

Activity 11 Financial Control and Governance

A. Board of Directors or Trustees

- Board of Trustees: elections, fees, expenses, etc
- CEO's office, excluding time spent on investments.

Do Not include time spent on Investments.

B. Financial Administration and Control

- Budgeting and forecasting.
- Financial reporting including preparing the annual report.
- Auditing of Financial Statements.
- Actuarial work for financial reporting.
- Actuarial work to determine funding policy, contribution rates or billing rates.

Do NOT include:

- Quality control and internal auditing of activity processes. This belongs in the activities being audited.
- Printing and mailing of annual reports to members. This goes in Activity 6 Mass Communication to Members and Retirees.
- Administration work that pertains to the Investment division, such as investment accounting.
- Actuarial work related to quantifying the impact of proposed changes in the plan. This belong in Activity 12 Plan Design and Rules Development.)

C. Board Consulting/ Strategic Projects

- Benchmarking studies, strategic planning, fiduciary audits. But excluding portions relating to investments.

-
- 1/2 of Asset Liability studies (the other 1/2 is assumed to belong in investments).
 - Formulating an Actuarial and Governmental Policy document.

D. Marketing, PR

- Marketing costs to attract new employers, or new members, or to support the position of the pension fund within the industry or other interest groups.
- Media relations.
- General communication/ marketing to support the position of the pension fund in the society or in the industry.
- Memberships in Councils of Industry Funds, Company Funds or International Organizations.

Activity 12 Plan Design and Rules Development

A. Rules Interpretation

- Interpretation of existing rules sets and laws.
- Developing rules that simplify the interpretation of the plan contract and related legislation on behalf of staff, employers or members.
- Support to the communications department in writing brochures and other communication material.

B. Design, New Rules

- Plan contract amendments. Adding new participating employers.
- Actuarial work related to quantifying the impact of changes in the plan on behalf of unions, employers or legislators.
- New and existing plan/ product development.
- Strategic market research.

Do NOT include:

- Actuarial valuations for financial reporting or for determining funding/ contribution/ billing rates which belong in Activity 11 Financial Control and Governance.

C. Lobbying, Influencing Change

- Maintaining relationships with government, unions and employer organizations.
- Anticipating, influencing and lobbying for plan rule changes by the government, by unions, by employers, and by employer organizations.
- Costs of coordination with organizations of employers and employees.

Activity 13 Major Projects

Major Projects are long lived assets that could be (or are) capitalized and expensed over their useful life if you follow GAAP (Generally Accepted Accounting Principles). Examples of Major Projects include:

- Acquisitions of long lived assets such as computer hardware or a new building.
- Major software development projects that will have an extended life.

If you do not capitalize Major Projects, provide the actual costs expensed during the year. If you do capitalize Major Projects, include the depreciation or amortization cost of all past and current Major Projects. But do not include the current year's cash investment in Major Projects that are being capitalized.

Do NOT include:

- Major Projects that pertain to non-pension or optional benefits such as a new IT system for health care. These costs should be excluded from Total Pension Administration Costs per question 7.1. Non-Pension and Optional Benefits are defined in the comment field in question 7.1.

APPENDICES

Appendix A - Your Costs and Staff by Activity

Appendix B - Foreign Currency Conversion

Appendix C - Survey Responses (2005 - 2007)

Note:

Your data from prior years (i.e., 2006 and 2005) includes defaults for questions that were not asked in those years. These defaults are identified with an asterisk. The default equals your response from the first year the question was asked.

Appendix A - Your Costs and Staff by Activity

Wisconsin Department of Employee Trust Funds - June 2007

Activities (Activity definitions are in the comment fields below and also on the Activity Definitions tab)	Cost per Activity (\$000s)	Admin- istration Staff by Activity (#)	Approximate % of each Activity's cost that applies to:			Attribution of Activity 13 Major Project Costs to the other 12 activities (\$000s)
			Active Members (%)	Inactive Members (%)	Annuitants (%)	
1 Paying Annuity Pensions	552.9	3.5	0%	0%	100%	5,011.2
2 Annuity Pension Inceptions (non-disability)	1,283.6	14.3	77%	12%	11%	103.3
3 Pension Benefit Estimates	1,477.0	16.3	93%	7%	0%	0.0
4A 1-on-1 Member Counseling	941.9	10.2	98%	2%	0%	0.0
4B Group Retirement Counseling	118.6	1.3	98%	2%	0%	0.0
5 Member Contacts: Calls, Emails, Letters	1,606.4	20.6	76%	4%	20%	0.0
6 Mass Communication to Members and Annuitants	949.7	5.6	85%	6%	9%	0.0
7A Data and Money from Employers	780.1	6.3	100%	0%	0%	0.0
7B Data Not from Employers	763.4	6.4	65%	17%	18%	0.0
7C Billing and Inspection of Employers	17.0	0.1	100%	0%	0%	0.0
7D Service to Employers	1,093.8	7.6	100%	0%	0%	0.0
8 Refunds, Transfers-out, Terminating Payments	455.8	5.0	58%	42%	0%	51.7
9 Purchases and Transfers-in	309.6	3.1	100%	0%	0%	0.0
10 Disability	3,551.9	9.3	100%	0%	0%	0.0
11A Board of Directors	1,373.9	3.5	86%	5%	9%	0.0
11B Financial Administration and Control	303.7	2.2	86%	5%	9%	0.0
11C Board Consulting/ Strategic Projects	0.0	0.0	86%	5%	9%	0.0
11D Marketing, PR	54.5	0.3	86%	5%	9%	0.0
12A Rules Interpretation	171.9	1.0	86%	5%	9%	0.0
12B Design, New Rules	140.6	0.8	86%	5%	9%	0.0
12C Lobbying, Educating, Influencing Change	0.0	0.0	86%	5%	9%	0.0
13 Major Projects	5,166.2	14.9	86%	5%	9%	
Indirect FTE Staff		28.2				
TOTAL	21,112.5	160.5				5,166.2

Description of Major Projects	(\$000s)
13A Annuity Payment System Redesign (BPS)	5,166.2
13B n/a	n/a
13C n/a	n/a
13 Total Major Projects and Non-recurring	5,166.2

Appendix B - Foreign Currency Conversion

All currency amounts have been converted to USDs using Purchasing Power Parity figures per the OECD. The table below shows the foreign exchange conversion factors for the past 4 years.

Currency	2007	2006	2005	2004
US \$	1.000	1.000	1.000	1.000
Euro	1.161	1.149	1.112	1.099
Swedish kr	0.109	0.109	0.110	0.109
Canadian \$	0.820	0.813	0.801	0.800
Australian \$	0.699	0.719	0.724	0.735

* Source OECD Website, February 2008

Appendix C - Survey Responses

Wisconsin Department of Employee Trust Funds

Survey Question	Your Response			Peers 2007					All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count	
1. Membership and Plan Description														
1	What is the month of your fiscal year-end? [All questions in this survey are for your most recently completed fiscal year.]			June										
2	What is the breakdown of your total membership (as at the end of your fiscal year) between:													
	a) Active members?			260,000	822,624	247,950	110,972	300,222	20	1,126,700	110,972	6,000	176,639	77
	b) Inactive members? [Also called deferred members or preservers. A member is inactive if they have exited employment and still have rights with the system]			134,000	364,911	119,200	5,197	132,993	20	847,696	34,318	0	109,647	77
	c) Annuitants - Service Retirement?			132,200	182,875	109,690	68,711	119,873	7	376,722	30,820	0	66,600	33
	d) Annuitants - Disability Retirement?			6,500	75,046	7,073	606	12,225	20	75,046	2,533	0	6,813	69
	e) Annuitants - Survivor, Partner, Ex-partner, Dependents?			1,300	28,674	12,466	1,300	12,912	7	192,897	6,051	615	19,685	33
	Total Annuitants			140,000	455,200	125,000	66,000	159,467	19	740,290	51,412	0	89,701	73
	f) Retiree DC Accounts? [i.e., Allocated Pension Accounts in Australia, RRIFs in Canada.]			n/a	20,600	0	0	1,145	18	20,600	0	0	415	56
	Total Membership			534,000	1,542,100	526,600	223,299	589,625	20	2,699,926	191,000	13,685	373,817	77
3	Provide the number of:													
	a) New active members? Exclude re-hired inactive members. Include new active members from new employers.			16,784	104,300	25,816	8,565	31,126	20	125,338	10,800	0	20,169	77
	b) Re-hired inactive members?			0	20,497	12,343	0	10,906	7	54,900	2,355	0	7,723	33
	c) Active members exiting employment to inactive status? Include even if they were only briefly inactive prior to a refund or transfer-out. Exclude if the exit is caused by a service retirement.			14,450	53,500	15,975	2,978	19,767	20	132,651	4,800	0	14,626	77
	d1) Deaths - active members?			179	1,137	276	109	449	7	1,622	166	0	302	33
	d2) Deaths - inactive members?			unknown	2,096	19	0	342	7	2,601	74	0	395	33
	d3) Deaths - disability annuitants?			unknown	627	207	105	262	7	627	57	0	115	31
	d4) Deaths - service-retirement annuitants? [exclude partners, ex-partners, dependents and disability annuitants?]			unknown	5,067	2,719	0	2,587	7	13,812	1,004	0	1,927	33
	d5) Deaths - annuitants that are survivors, partners, ex-partners, dependents			unknown	2,102	766	0	899	7	7,161	307	0	843	33
3.1	Indicate 'yes' if your employers/ member groups can be described as the following (indicate all that apply):													
	a) Is your membership limited to a city or county?			No	0%Yes / 100%No				20	4%Yes / 96%No				77

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
b) Participating Local Employers (i.e. municipalities have a choice in participating in plan)?	Yes			70%Yes / 30%No				20	40%Yes / 60%No				77
c) State, Province, Country?	Yes			85%Yes / 15%No				20	68%Yes / 32%No				77
d) Teachers?	Yes			75%Yes / 25%No				20	44%Yes / 56%No				77
e) School Employees (Custodians, Admin. Staff)?	Yes			85%Yes / 15%No				20	47%Yes / 53%No				77
f) Safety (Police, Fire, Sheriff's Dept, etc) ?	Yes			75%Yes / 25%No				20	44%Yes / 56%No				77
g) Other (Judges, Legislators, etc)?	Yes			80%Yes / 20%No				20	45%Yes / 55%No				77
h) Corporate?	No			0%Yes / 100%No				20	10%Yes / 90%No				77
i) Industry?	No			0%Yes / 100%No				20	25%Yes / 75%No				77
i1) If Industry, describe the industry: n/a													
4 Which of the following descriptions best describes the non-optional benefit plans that you administer for each of your member groups: A plan is non-optional if members' must participate in it, or choose between it and alternatives. Do not include membership in benefit plans that are supplemental and optional such as deferred compensation 457, 403B or 401(k) plans. Do not include plans administered by a 3rd party.													
a) Traditional Defined Benefit ("DB")?	No			90%Yes / 10%No				20	88%Yes / 12%No				77
b) DC Cash Balance (aka Money Purchase)?	No			5%Yes / 95%No				20	3%Yes / 97%No				77
c) Hybrid DB/ DC Cash Balance?	Yes			10%Yes / 90%No				20	12%Yes / 88%No				77
d) Hybrid DB/ Money Match?	No			5%Yes / 95%No				20	1%Yes / 99%No				77
e) DROP savings?	No			10%Yes / 90%No				20	5%Yes / 95%No				63
f) Defined Contribution ("DC")?	No			15%Yes / 85%No				20	13%Yes / 87%No				77
g) Hybrid DB/ DC where:													
g1) DC is for member contributions?	No			25%Yes / 75%No				20	14%Yes / 86%No				77
g2) DC is for superior performance payouts?	No			0%Yes / 100%No				20	1%Yes / 99%No				77
g3) DC is a FICA replacement plan for employers that do not contribute to social security?	No			0%Yes / 100%No				20	0%Yes / 100%No				63
g4) DB is capped. DC is either optional or mandatory for income above a certain level?	No			0%Yes / 100%No				20	0%Yes / 100%No				64
g5) DC is mandatory for income (or contributions) above a certain level. DC is an option for members with income below this level?	No			0%Yes / 100%No				20	0%Yes / 100%No				64
h) Other (describe)? n/a	No			10%Yes / 90%No				20	6%Yes / 94%No				77
<u>Overlays</u>													
5 Do members in any of your defined benefit plan(s) have the option of electing: [These questions are not applicable for DC plans or the DC portion of hybrid DB/DC plans]													
a) A 'variable investment option' that can increase or decrease the value of a member's future DB pension depending on the investment performance of a 'variable fund'?	Yes			10%Yes / 90%No				20	5%Yes / 95%No				77

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
b) A 'pension savings overlay'? [Some Dutch systems have this option. The additional contributions are converted into an annuity at retirement. Interest is based on a fixed percentage or on the performance of the pension fund.] c) To change their contribution rate in order to get either more money at retirement or earlier eligibility to retire? [For example, some of the Australian DB plans permit the employee to contribute at a higher rate causing benefits to accrue more quickly so the member's defined benefit at retirement will be greater.]	Yes			20%Yes / 80%No				20	19%Yes / 81%No				77
	No			0%Yes / 100%No				20	22%Yes / 78%No				77
5.1 Do you have a Highly Compensated Employee replacement benefit program for employees that exceed legal or contractual limits of maximum pensionable earnings? <u>Organization Structure</u>	No			60%Yes / 40%No				20	48%Yes / 52%No				75
5.2 Does your board have an organization separate from the plan administrator that supports the Board and helps oversee the administrator? [This separate organization may also be responsible for public relations and select administrative duties and projects such as designing communication materials.]	No			0%Yes / 100%No				20	21%Yes / 79%No				77
5.3 Is your plan administered by a '3rd party' organization that administers multiple plans?	No			0%Yes / 100%No				20	18%Yes / 82%No				77
5.4 Are any plan administration activities performed by 3rd parties or sister organizations? [For example, the collection and data maintenance process for ABP is done by a sister entity.] a) If yes, describe: <u>Some disability program administration</u>	Yes			50%Yes / 50%No				20	38%Yes / 62%No				77
5.5 Is your organization directly responsible for both investments and pension administration?	No			75%Yes / 25%No				20	68%Yes / 32%No				77
5.6 What is the total value of your pension fund assets? <u>Non-Pension and Optional Benefits</u>	\$88												
5.99 Which of the following programs do you offer to members AND administer yourself?													
a) Pre-retirement Health?	Yes			15%Yes / 85%No				20	10%Yes / 90%No				63
b) Post-retirement Health?	Yes			45%Yes / 55%No				20	24%Yes / 76%No				63
c) Pre-retirement Dental and Vision?	No			5%Yes / 95%No				20	5%Yes / 95%No				63
d) Post-retirement Dental and Vision?	No			30%Yes / 70%No				20	16%Yes / 84%No				63
e) Long-Term Care Insurance?	Yes			30%Yes / 70%No				20	13%Yes / 87%No				63
f) Home Mortgages?	No			5%Yes / 95%No				20	3%Yes / 97%No				63
g) Loans to members?	No			10%Yes / 90%No				20	6%Yes / 94%No				63
h) Optional tax deferred savings plans (such as 457, 403, 401k, 401a, etc)?	Yes			30%Yes / 70%No				20	17%Yes / 83%No				63
i) Optional Life Insurance?	Yes			30%Yes / 70%No				20	25%Yes / 75%No				63

Survey Question	Your Response			Peers 2007				All Participants 2007							
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count		
j1 j2 j3 j4	j) Other (describe)? ERA (medical, dependent care, commuter benefits) Accumulated sick leave conversion (basic and supplemental) Disability programs (40.63, LTDI, ICI, Duty disability) n/a			Yes				32%Yes / 68%No				19			
2. Pension Administration Costs a) Total Costs Determining your total pension administration costs is extremely important. As long as you correctly identify your total pension administration costs, any subsequent errors attributing the costs to the various activities will be offsetting. Start with:															
6	Total Administrative Expenses as per your Financial Statements before any reduction for revenues or fees Subtract:			\$21,776											
7	Costs that relate to the Investment Division, if any, that are included in your Administrative Expenses as per your Financial Statements. You should also include any indirect investment			\$0											
7.1	Costs that relate to non-pension and optional benefit administration, if any, that are included in your Administrative Expenses. Include related indirect costs and related Major Project Costs. [Non-Pension and Optional Benefits are defined in detail in the comment field in this cell.]			\$3,366											
7.2	Costs that relate to non-recurring items or one-time expenditures that are clearly not related to the normal course of doing business. These should be extremely rare. i.e. repairing uninsured hurricane damage. (describe) n/a			\$0											
8	Other costs, if any, included in Administrative Expenses that are not related to administering the pension benefit. [Do NOT identify depreciation or amortization of administrative assets because administrative assets do relate to administering the pension benefit.]														
a.	EXAMPLE			n/a											
b.	EXAMPLE			n/a											
c.	EXAMPLE			n/a											
d.	EXAMPLE			n/a											
e.	EXAMPLE			n/a											
f.	EXAMPLE			n/a											
g.	EXAMPLE			n/a											
Add:															

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
<p>9 Costs not included in Administrative Expenses that relate to administering the pension. Possible examples include:</p> <ul style="list-style-type: none"> • Depreciation or amortization of administrative assets. • Operational costs financed by earlier reservations of money. • Occupancy costs (rent or interest or building depreciation etc), especially if the costs are paid by another government agency. • For DC systems, costs paid to third parties for member investment education and advice which are often hidden in bundled costs paid to investment providers. <p>Identify these costs, if any, below.</p> <p>a. <u>Disability programs third party administrator</u> \$2,703</p> <p>b. <u>EXAMPLE</u> \$0</p> <p>c. <u>EXAMPLE</u> \$0</p> <p>d. <u>EXAMPLE</u> \$0</p> <p>e. <u>EXAMPLE</u> \$0</p>													
<p>10 Total Pension Administration Costs</p> <p>b) Information Technology Costs</p>	\$21,113												
<p>11 What was your total cost for Information Technology ("IT") and Information Systems ("IS"), as defined below, broken down between:</p> <p>a) DB Administration excluding Non-Pension and Optional Benefits? \$6,494</p> <p>b) 'Core' DC Administration excluding Non-Pension and Optional Benefits? \$0</p> <p>c) Non-Pension and Optional Benefit Administration? \$577</p> <p>d) Investments and Investment Administration, if applicable? \$0</p> <p>Total IT/ IS Cost \$7,070</p> <p>IT/ IS includes the costs of:</p> <p>Exclude IT/ IS costs related to the Investment Division. Include the costs of:</p> <p>(i) the IT/ IS Division;</p> <p>(ii) IT/ IS Consultants;</p> <p>(iii) Special IT/ IS Project Costs; and</p> <p>(iv) Investments in hardware and software, including the cost of personal computers used outside the IT/ IS Division. [Some systems manage and budget all PC's from within the IT/ IS Division, while others allow users to purchase their own PC's. For comparability, include non-IT/IS Division PC's.]</p>													
<p>12 Are any of your IT services provided by a sister organization? [e.g. a central government/corporate division]</p> <p>a) If yes, are any of these services provided free of charge?</p>	Yes No			60%Yes / 40%No 0%Yes / 100%No			20 13	47%Yes / 53%No 8%Yes / 92%No				77 39	

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
a1) If free, describe the services: n/a													
c) Costs and Staffing by Activity													
13 In your organization, how many full-time-equivalent ("FTE") employees, including indirect support staff, do you have in:													
a) Pension plan administration?	160			1,141	200	71	294	20	1,173	113	13	185	76
b) Non-pension and optional benefit administration?	33			309	12	0	33	20	309	0	0	16	61
c) Investments and investment administration?	0			365	13	0	50	20	469	5	0	38	75
d) Other (not related to benefits of any kind, or investments)?	4			69	0	0	9	20	867	0	0	16	74
Total employees in your organization	197			1,815	229	80	386	20	2,480	138	0	248	77
14 See Appendix A - Your Costs and Staff by Activity.													
15 intentionally omitted													
3. Activity Specific Questions													
Activity 1 - Paying Annuity Pensions													
16 Do you administer annuity pensions? [If no, skip to question 67]	Yes			100%Yes / 0%No				20	99%Yes / 1%No				77
<u>A. Volumes that increase costs for Paying Pensions</u>													
17 Number of:													
<u>Payments</u>													
a) Checks issued to pay pensions including checks for adjustments and corrections?	216,548			811,833	152,658	26,295	219,541	20	811,833	21,970	0	78,443	77
b) EFT pension payments including EFT payments of adjustments and corrections?	1,462,120			4,806,996	1,400,373	520,723	1,621,413	20	9,001,572	520,723	0	999,781	77
<u>Returned, misdirected, lost payments</u>													
c) Returned, misdirected or lost pension checks?	672			5,230	757	128	1,653	20	5,230	106	0	578	77
d) Failed or misdirected EFT payments?	1,020			10,056	934	89	1,561	20	10,056	279	0	663	77
<u>Mailings separate from payments</u>													
e) Payment advices (i.e., 'check stubs' or gross/ net specifications) sent pursuant to an EFT payment? [Do NOT include payment advices sent with checks.]	273,822			4,795,937	292,320	0	641,220	20	9,058,662	78,768	0	381,154	77
<u>Payment Runs</u>													
f) Business days when you do either normal or special payment runs? [For example, some systems only do payment runs one day a month. Other systems will do them as frequently as daily (i.e., approximately 250 business days per year excluding weekends and holidays)] [# times per year]	50			250	149	12	147	20	251	52	0	101	77
<u>Eligibility Checking</u>													

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
g) Checks of income of non-disabled pensioners? [For most systems this does not apply. At a few systems, if a pensioner's income from other sources exceeds a certain amount, his/her pension could be stopped or reduced. Checks of disabled pensioners' income belong in question 212.]	0			162,844	0	0	9,476	20	162,844	0	0	4,779	77
h) School status checked? [For example, some systems will check that a dependent beneficiary is still eligible to receive a survivor pension benefit.]	0			3,906	0	0	391	20	3,931	7	0	259	77
i) Proof-of-life checks that require individual annuitants to provide affidavits or notarization or similar proof of life? <u>Income and Account Balance Confirmation</u>	0			3,000	2	0	248	20	21,037	12	0	1,135	77
j) How many written confirmations of pensioner income or member account balances did you provide to third-parties? [For example, Ohio SERS gets frequent requests to provide confirmation of income for social security or subsidized housing, etc. Similarly, they get requests to provide confirmation of account value from institutions providing loans to their members.] [# times per year]	5,341			9,174	4,001	0	4,235	20	544,411	741	0	12,486	77
18 Do you make payments to annuitants that are accounted for separately from the normal pension? a) If yes, describe the different payments? <u>GPR Annuity Supplements - Certain pre 1974 retirees;</u>	Yes			65%Yes / 35%No				20	43%Yes / 57%No				75
19 intentionally omitted													
20 intentionally omitted <u>B. Service Measures for Paying Pensions</u>													
21 On average over the course of a year, what proportion of your regular payments to existing annuitants are more than 7 days late vis-à-vis the normal monthly or bi-weekly payment cycle? [The most common cause of late payments is old addresses or old EFT instructions that result in misdirected payments.]	0.9%			1.0%	0.1%	0.0%	0.4%	20	1.0%	0.0%	0.0%	0.2%	76
22 Will you issue a pension payment in a foreign currency if the member requests it?	No			0%Yes / 100%No				20	13%Yes / 87%No				76
23 Do you use payment advices (i.e., check stubs) to communicate brief messages to annuitants with payments? [For example, explaining payment changes, or indicating that the next payment will be on the 2nd of the month because the 1st is not a banking day, or indicating that this is a final payment for a beneficiary turning 21, or asking annuitants to write their congressman about upcoming pension legislation, etc.]	No			70%Yes / 30%No				20	57%Yes / 43%No				76
24 Do you send payment advices, with your check and/or EFT payments, detailing the gross payment and deductions (i.e. check stubs): a) With every payment?	No			55%Yes / 45%No				20	53%Yes / 47%No				62

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
b) Every time the payment amount changes?	Yes			75%Yes / 25%No				20	69%Yes / 31%No				61
c) Either annually, or bi-annually, or quarterly?	No			32%Yes / 68%No				19	36%Yes / 64%No				58
c1) If either annually, or bi-annually, or quarterly then indicate the frequency. [# times per year]	n/a			4	1	1	2	6	12	1	1	2	21
a) EFT: With every payment?	No			15%Yes / 85%No				20	21%Yes / 79%No				76
b) EFT: Every time the payment amount changes?	Yes			75%Yes / 25%No				20	75%Yes / 25%No				76
c) EFT: Either annually, or bi-annually, or quarterly?	No			50%Yes / 50%No				20	53%Yes / 47%No				75
c1) If either annually, or bi-annually, or quarterly then indicate the frequency. [# times per year]	n/a			6	1	1	2	10	12	1	1	2	40
d) EFT: These details are provided to the bank with each payment and printed on the members' bank statements?	No			5%Yes / 95%No				20	23%Yes / 77%No				73
25 If you send payment advices to members:													
a) Can you comply with a member's request not to send them payment advices?	No			28%Yes / 72%No				18	31%Yes / 69%No				70
b) Are new annuitants asked to choose whether or not they want to receive payment advices (i.e. check stubs)?	No			11%Yes / 89%No				19	5%Yes / 95%No				73
26 At the request of an annuitant, or a third-party, will you deduct amounts from his/ her regular annuity payments and pay them on his/ her behalf to a third party for:													
a) Healthcare?	Yes			95%Yes / 5%No				20	68%Yes / 32%No				76
b) Dental and/or vision coverage?	Yes			80%Yes / 20%No				20	58%Yes / 42%No				76
c) Other special health coverage's such as long-term care, cancer?	Yes			65%Yes / 35%No				20	38%Yes / 62%No				76
d) Optional life insurance?	Yes			55%Yes / 45%No				20	38%Yes / 62%No				76
e) Car insurance?	No			5%Yes / 95%No				20	5%Yes / 95%No				76
f) Home insurance?	No			5%Yes / 95%No				20	7%Yes / 93%No				76
g) Retiree association or union dues?	No			50%Yes / 50%No				20	42%Yes / 58%No				76
h) Home mortgages?	No			0%Yes / 100%No				20	3%Yes / 97%No				76
i) Savings plans such as savings bonds or DC plans?	No			5%Yes / 95%No				20	13%Yes / 87%No				76
j) Charitable contributions?	No			15%Yes / 85%No				20	14%Yes / 86%No				76
k) Loan repayments?	No			5%Yes / 95%No				20	7%Yes / 93%No				76
l) Prescription card?	No			10%Yes / 90%No				20	8%Yes / 92%No				76
m) Mandatory deductions including taxes, Divorce decrees or QDROs, Family Support, Child Support, Garnishment or liens on wages for things such as bankruptcy, etc.?	Yes			95%Yes / 5%No				20	96%Yes / 4%No				76
n) Other (describe)? Collection of overpayments	Yes			30%Yes / 70%No				20	30%Yes / 70%No				74
Activity 2 - Annuity Pension Inceptions (non-disability)													
<u>A. Volumes that increase costs for Annuity Pension Inceptions</u>													
<u>a. New annuitants</u>													
27 How many annuity pension streams did you initiate to new payees that were:													

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
a) Active member service retirements?	7,000			21,883	7,003	2,527	7,669	20	21,883	2,328	0	3,849	77
b) Inactive member service retirements?	1,100			11,454	1,101	0	1,565	20	24,242	391	0	1,432	77
c) Disability retirements?	715			2,632	473	0	601	20	2,632	53	0	227	77
d) Inceptions to survivors, partners, ex-partners or dependents?	1,300			5,884	882	129	1,228	20	9,652	580	0	968	77
Total Annuity Pension Inceptions													
<u>b. Extra work for new annuitant inceptions</u>													
28 How many of the inceptions to new annuitants (per Q27) required:													
a) Manual calculations?	1,300			10,716	740	0	2,617	20	11,430	150	0	1,078	77
b) Adjustments because they were based on non-final or estimated data?	5,700			11,666	3,625	0	4,224	20	11,666	254	0	1,670	77
29 Do you have a designer option where members can design virtually any actuarially sound cash flow they choose? [Designer options need to be custom priced by an actuary.]	No			25%Yes / 75%No				20	21%Yes / 79%No				76
a) If yes, how many pension inceptions last year were customized designer options?	0			4,164	0	0	266	20	4,164	0	0	173	77
30 Do you have agreements with external Systems where you both agree to use the member's final salary from the System where the member worked immediately prior to retirement in the benefit calculation? Otherwise, each System pays the "dual" member a pension benefit based on its own rules for determining the benefit. Neither credit nor money are transferred between Systems.	Yes			30%Yes / 70%No				20	17%Yes / 83%No				76
a) If yes, approximately how many members retired last year where 'final salary' reciprocity with external systems affected their pensions?	2			1,224	0	0	144	20	1,224	0	0	47	77
31 Do you have agreements with external Systems where the member may combine internal and external credit to form one joint account? (The accounts remain separate until the member applies for a benefit, at which time either:	No			25%Yes / 75%No				20	11%Yes / 89%No				76
• the System with the most service credit for that person is responsible for the combined account, or													
• the System where the member worked last is responsible.)													
a) If yes, how many members retired last year where these 'joint-account reciprocity' agreements with external systems affected their pensions?	0			2,113	0	0	223	20	2,113	0	0	64	77
<u>c. Changes in the gross amount of existing pensions</u>													
32 Intentionally omitted													
32.1 How many changes in gross amount of annuity pensions paid occurred as a result of changes in an individual annuitant's personal circumstances?	3,406			3,406	471	0	774	20	68,792	296	0	1,959	77

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
<p>For example:</p> <ul style="list-style-type: none"> • When the spouse of an annuitant dies "Last survivor" options result in decreases, and "pop-up" or "reversion" options result in increases . [Do not include annuitant deaths that result in new pensions paid to spouses. These belong in question 27d above]. • When an annuitant or their beneficiary becomes eligible for social security, it often results in a reduction of the gross pension paid. • Redesign of the payment option, appeal decisions, high low options shifting to low, etc. 													
<p>32.2 How many changes in gross amount of annuity pensions paid to all, or a group of, annuitants occurred as a result of cost of living adjustments, or other reasons such as a one time payment based on fund performance, etc? [Count all annuitants impacted by each adjustment to gross. For example, if cost of living adjustments occur twice a year for everybody, then the number of changes will equal your number of annuitants multiplied by two.]</p> <p><u>d. Appeals</u></p>	125,000			432,110	110,098	0	119,335	20	750,131	37,862	0	77,937	77
<p>33 How many appeals (non-disability) of pension inceptions did you have?</p> <p><u>B. Service Measures for annuity pension inceptions</u></p>	17			185	18	0	32	20	939	2	0	42	77
<p>34 What % of annuity pension inceptions are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check?</p>	99%			100%	95%	1%	84%	20	100%	97%	0%	88%	76
<p>35 Will you initiate an annuity pension based on existing data or estimates, recognizing that you will have to finalize the payments later after you get final data?</p> <p>a) If yes, what proportion of your service retirement inceptions to retiring active members (per Q27a) was based on existing data or estimates?</p> <p>b) On average, how long did it take to finalize service-retirement inceptions based on estimates? (in months)</p>	Yes			85%Yes / 15%No				20	68%Yes / 32%No				76
	100%			100%	90%	4%	73%	17	100%	51%	0%	52%	52
	6			16	4	1	5	17	16	2	1	3	50
<p>36 Do you require birth certificates and/or marriage certificates before incepting a pension?</p>	No			57%Yes / 43%No				7	78%Yes / 22%No				18
<p>37 Do survivors need to apply for a survivor pension after the death of a retired member, even if the survivor is known to the pension fund?</p>	No			65%Yes / 35%No				20	53%Yes / 47%No				76
<p>38 What % of survivor pension inceptions are paid without an interruption of cash flow between the pensioner's final pension check and the survivor's first pension check?</p>	95%			100%	70%	0%	59%	20	100%	82%	0%	62%	76
<p>39 Do you require notarization of normal or early retirement applications? (yes, some, no)</p>	No			55%Yes / 40%No / 5%Some				20	28%Yes / 57%No / 16%Some				76

Survey Question	Your Response			Peers 2007					All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count		
a) If some, describe those that require versus those that do not: n/a <u>Member Satisfaction - What gets measured gets managed</u>															
39.1 Did you survey member satisfaction with regard to annuity pension inceptions in your most recently completed fiscal year? If yes: a) Did the survey focus primarily on the inceptions? [As opposed to including other unrelated activities such as Member Calls or Disability.] b) What is the longest possible length of time between the pension inception and the survey, in days (i.e., If you sent a survey to a sample of members that incepted pensions in the past year, then 365 days)? c) How many times did you survey member satisfaction with pension inceptions in your most recently completed fiscal year?	No			55%Yes / 45%No					20	45%Yes / 55%No					76
	n/a			64%Yes / 36%No					11	76%Yes / 24%No					34
	n/a			365	30	-7	101	11	365	30	-7	116	34		
	n/a			250	4	1	36	11	250	6	1	74	34		
<u>C. Factors that increase the complexity of work for Annuity Pension Inceptions</u> <u>(as well as for Estimates, Counseling, Contact Center, Communication)</u> <u>a. Retirement Payment Options. More payment options mean more complexity for Inceptions (as well as for Estimates, Counseling, Contact Center, Communication)</u>															
40 Do you offer "joint and survivor or beneficiary" options that are: a) Reduced to Spouse Only? [For example, If the retiree's spouse dies first, then the retiree's pension continues at the same level. However if the retiree dies first then the spouse receives a reduced pension (such as 70% for spouse)] b) Reduced to Last Survivor? [For example, if either the retiree or the spouse dies the survivor receives a reduced pension (such as 70%, etc).] c) "Reversion" or "Pop-up"? [For example, if the retiree's spouse dies first, the retiree's pension increases to an unmodified level. However, if the retiree dies first the pension does not increase for the surviving spouse (and it may decrease for the spouse)]	Yes			70%Yes / 30%No					20	76%Yes / 24%No					76
	Yes			30%Yes / 70%No					20	21%Yes / 79%No					76
	Yes			90%Yes / 10%No					20	47%Yes / 53%No					76
41 How many Joint and Beneficiary or Survivor percentages (i.e., 100% Survivor, 50% Survivor, etc.) do you permit? [If you permit any % selected by the member, then indicate "unlimited".] • unlimited?	2			17	3	2	4	12	20	3	1	4	49		
	No			43%unlimited / 57%No					14	43%unlimited / 57%No					65
41.1 How many mortality tables do you keep track of for determining joint and survivor or beneficiary options?	1			113	2	1	8	20	113	1	0	3	73		

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
[Most systems track only one table. But some systems calculate joint and survivor pensions using the mortality table that was in effect when the retiring member joined the system. Since mortality tables change from time to time, the result is that these systems are required to track numerous mortality tables.]													
42 Do any of your retirement formula for members explicitly subtract estimated Social Security (or CPP in Canada) when determining the benefit? a) If yes, is this true for all of your members or are some pensions reduced to reflect Social Security and others not? b) If yes, do you have a "Level Income" option for early retirees that pays a higher benefit to members prior to age 65 and then reduces the benefit at age 65 when social security (or CPP in Canada) starts to be paid?	No			45%Yes / 55%No				20	51%Yes / 49%No				76
	n/a			0%All / 100%Some				9	44%All / 56%Some				39
	n/a			56%Yes / 44%No				9	79%Yes / 21%No				39
43 Do you have "High/ Low" or "Low/High" options that are not tied to social security? [For example, a retiree might want higher payments for 10 years until a mortgage obligation is repaid, followed by lower payments.]	No			10%Yes / 90%No				20	22%Yes / 78%No				76
44 Do you offer "Annuity Certain" options? [For example, Annuity Certain options provide the annuitant with a monthly benefit for life. If the annuitant dies before a set guarantee period, monthly benefits continue to be paid to a beneficiary for the balance of the guarantee period.]	Yes			50%Yes / 50%No				20	42%Yes / 58%No				76
45 Can a member choose between a COLA protected and a non-COLA pension? [The only example we have seen provides a much higher FAS salary base for the non-COLA pension.]	No			0%Yes / 100%No				20	1%Yes / 99%No				76
46 Do you have a 'Back Drop' option? [For example, this option calculates your annuity pension as if you had retired at an earlier date so that it can also give you a lump sum payment based on the annuity payments you would have received between this earlier date and the actual retirement date.]	No			15%Yes / 85%No				20	11%Yes / 89%No				76
47 At retirement, can a member convert: a) Part of his benefit into a partial lump sum payment? b) All of his benefit into a lump sum or commuted value payment? [that can be rolled over to another fund, or investment account, etc]	No			60%Yes / 40%No				20	48%Yes / 52%No				62
	No			35%Yes / 65%No				20	37%Yes / 63%No				62
48 Are members permitted to retire mid-month (in which case they receive a partial pension payment for the remainder of the month) or are they always assumed to retire on a set day (usually the first or the last day) of the month? <u>b. Multiple Benefit Formula Rule Sets mean more complexity for Inceptions (and for Estimates, Counseling, Contact Center, Communication)</u>	Any			35%Any / 65%Set				20	39%Any / 61%Set				76

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
49 How many different rule sets do you have that apply to member groups or subsets of a member group for qualifying for an unreduced retirement formula?	13			91	5	1	10	20	91	4	1	7	76
50 Can members retire earlier than the age required for an unreduced retirement formula?	Yes			100%Yes / 0%No				20	97%Yes / 3%No				62
51 How many different salary definitions could apply in retirement formula calculations?	2			17	3	1	5	20	25	2	1	3	76
52 How many different 'formula percentage' rule sets could apply in unreduced retirement formulas?	8			91	6	1	10	20	91	3	0	7	76
53 Intentionally omitted													
54 In the event of an active member that results in a pension inception for a survivor, indicate which of the following benefit calculation methodologies could apply: a) Dependent Based - Monthly benefit depends on the number of qualified survivors. Service credit is not used to determine the amount of the benefit. b) Retirement Based. Member must have met the age and service requirements for service retirement at the time of death. The normal service retirement formula is used assuming the member retired before death and provided the maximum joint and survivor benefit to the qualified survivor. c) Service Credit Based. Benefit equals a percentage of salary that increases with the amount of service credit the member had earned until he died. d) The normal service retirement formula is improved by assuming the deceased member worked until eligible for retirement. e) The normal service retirement formula is improved by assuming the deceased member worked until eligible for retirement, plus, if there are dependent children the benefit is further improved until the children reach a certain age. f) Other (describe) n/a	Yes			55%Yes / 40%No / 5%Some				20	29%Yes / 63%No / 8%Some				76
	Some			70%Yes / 10%No / 20%Some				20	33%Yes / 58%No / 9%Some				76
	No			45%Yes / 40%No / 15%Some				20	51%Yes / 41%No / 8%Some				76
	No			20%Yes / 80%No / 0%Some				20	34%Yes / 59%No / 7%Some				76
	No			5%Yes / 95%No / 0%Some				20	22%Yes / 75%No / 3%Some				76
	No			15%Yes / 80%No / 5%Some				20	18%Yes / 81%No / 1%Some				73
55 Intentionally omitted <u>c. Inflation protection rules cause complexity for 'Changes to the Gross Amount of Pensions' which is part of Inceptions</u>													
56 How many different contractual cost of living adjustment ("COLA") rule sets do you have for retired, and if applicable, inactive members?	2			14	2	0	3	20	14	2	0	2	76
57 Do you have:													

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
a) Cost of living adjustment ("COLA") clauses that carry forward inflation that exceeds a cap (versus no cap or no carry forward or no COLA etc.)?	No			30%Yes / 70%No				20	18%Yes / 82%No				76
b) Conditional COLA based on the level of funding?	No			25%Yes / 75%No				20	37%Yes / 63%No				76
c) Umbrella legislation that guarantees the purchasing power of an annuitants' pension will not fall below a certain level? [An example of such legislated protection is the PPPA in California.]	No			15%Yes / 85%No				20	17%Yes / 83%No				76
58 Do you have contractual COLA clauses that increase the base pensionable earnings of inactive members?	No			10%Yes / 90%No				20	47%Yes / 53%No				76
a) If yes, are these COLA increases the same as they are for annuitants?	n/a			50%Yes / 50%No				2	92%Yes / 8%No				36
Activity 3 - Written Pension Estimates (non-disability)													
58.1 Do you offer written pension estimates to members? If not: go directly to Question 67 <u>A. Volumes that increase costs for Written Estimates</u>	Yes			100%Yes / 0%No				20	96%Yes / 4%No				77
59 How many formal written estimates did you mail out pursuant to member requests? [Exclude estimates prepared during counseling sessions and not mailed in advance.] (Note: Due to an unclear question, 2003 data incorrectly includes estimates prepared during counseling sessions.)	17,769			153,556	17,670	1,838	30,850	20	153,556	7,011	12	14,453	74
60 How many of the written estimates (Q59) required you to do manual calculations?	355			26,789	421	0	3,675	20	26,789	209	0	1,742	77
61 When a member requests multiple different estimate scenarios, do you count each scenario as an 'estimate' or do you count the 'multiple request' as a single estimate? a) If you count each scenario, what is the approximate average number of scenarios per request by a member? <u>B. Service Measures for Written Estimates</u>	Each Scen.			25%Single Est. / 75%Each Scen.				20	47%Single Est. / 53%Each Scen.				77
62 On average, how many days does it take to provide a formal written estimate from the time of initial request from a member? [Do not include time in the mail.] a) Is this a number you regularly measure and track (versus being an estimate)?	65			80	8	0	15	20	80	7	0	10	74
63 Can members request and obtain a written estimate at any time during their career? [As opposed to, for example, requiring that the member be within a certain time period of earliest potential retirement before they can request an estimate.] a) If no: describe the time constraint? <u>not earlier than 13 months prior to earliest possible retirement</u>	No			80%Yes / 20%No				20	85%Yes / 15%No				74
64 Do you place a limit on the number of written estimates that a member can request?	No			20%Yes / 80%No				20	16%Yes / 84%No				74

Survey Question	Your Response			Peers 2007					All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count	
a) If yes, describe the limit? n/a														
65 Do your written annuity pension estimates (including cover letters etc. sent with the estimate): a) Clearly address if and how the pension benefit is inflation protected (or not protected)? b) If your pension is coordinated with or reduced by social security (or CPP in Canada or AOW in the Netherlands) is the impact explained? c) Discuss alternative scenarios that could improve the benefit such as purchasing service credit or working longer? d) Model alternative retirement payment options? <u>Member Satisfaction - What gets measured gets managed</u>	No			25%Yes / 75%No					53%Yes / 47%No					74
	Yes			50%Yes / 50%No					61%Yes / 39%No					54
	Yes			50%Yes / 50%No					55%Yes / 45%No					73
	Yes			100%Yes / 0%No					77%Yes / 23%No					70
66 Did you survey satisfaction with regard to Written Estimates in your most recently completed fiscal year? If yes: a) Did the survey focus primarily on Written Estimates? [As opposed to including other unrelated activities such as Member Calls or Disability.] b) What is the longest possible length of time between sending the written estimate and the survey, in days (i.e., If you sent a survey to a sample of members that received written estimates in the past year, then 365 days). c) How many times did you survey member satisfaction with written pension estimates in your most recently completed fiscal year? Activity 4A - 1-on-1 Member Counseling	No			30%Yes / 70%No					36%Yes / 64%No					74
	n/a			33%Yes / 67%No					67%Yes / 33%No					27
	n/a			183	18	2	42	6	365	30	0	98	27	
	n/a			250	12	1	88	6	250	12	1	88	27	
67 Do you provide 1-on-1 counseling? A. Volumes that increase costs for 1-on-1 Counseling	Yes			95%Yes / 5%No					88%Yes / 12%No					77
68 Provide the number of members counseled 1-on-1 that were: a) Walk-in traffic counseled in-house? [Include only if the member actually sees a counselor. Do NOT include 'walk-through' traffic (i.e., picking up brochures or forms) where needs can be met by the receptionist.] b) Pre-scheduled in-house? c) In the field at locations separate from the member's place of employment? d) At member's place of employment? e) Via teleconference? [For example, Ohio Teachers does a small fraction of its retirement counseling sessions by teleconference. The session takes an hour and covers material forwarded in advance.]	3,999			58,027	1,680	0	6,361	20	58,027	283	0	2,616	77	
	3,285			31,164	1,653	0	4,011	20	31,164	334	0	1,505	77	
	0			22,538	84	0	3,234	20	22,538	16	0	1,131	77	
	0			25,988	1	0	1,950	20	25,988	0	0	877	77	
	0			7,061	0	0	682	20	7,061	0	0	259	77	

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
68.1 Total number of members counseled 1-on-1 <u>B. Service Measures for 1-on-1 Counseling</u>	7,284			73,904	6,092	0	15,469	20	73,904	2,115	0	6,188	77
69 Is 1-on-1 retirement counseling a freely available option for most members? [If the only 1-on-1 counseling you do is for VIPs, disability, exceptions and emergencies then your answer should be no.]	Yes			95%Yes / 5%No				19	96%Yes / 4%No				68
70 Do you limit 1-on-1 counseling by: a) Requiring that members be within a certain time period of earliest possible retirement? b) Placing a limit on the number of counseling sessions a member can request? c) Indicating that members should contact their employers or unions first for counseling? d) Other (describe)? n/a	Yes No No No			21%Yes / 79%No 0%Yes / 100%No 0%Yes / 100%No 21%Yes / 79%No				19 19 19 19	12%Yes / 88%No 1%Yes / 99%No 1%Yes / 99%No 8%Yes / 92%No				68 68 68 64
71 Do you provide counseling for walk-in traffic? If yes: a) On average, how long does a walk-in member that requests a counseling session typically have to wait till they can meet with a counselor? (minutes) b) Approximately what percentage of walk-in members requesting a counseling session are turned away, or scheduled for another time, or leave with their needs unsatisfied because they decide the wait is too long? <u>Wait times</u>	Yes 20 0%			100%Yes / 0%No 27 10 0 11 19 10% 0% 0% 2% 19				19	96%Yes / 4%No 27 5 0 7 65 10% 0% 0% 1% 65				68 65 65
72 Do you offer prescheduled group or 1-on-1 counseling? If yes: How long does a member that requests a pre-scheduled counseling session typically have to wait, in days, before he can meet with a counselor for either a 1-on-1 or group counseling session that takes place: a) In house? b) In the field?	Yes 35 43			100%Yes / 0%No 35 1 0 6 20 90 10 0 17 16				20	97%Yes / 3%No 45 1 0 6 67 90 9 0 16 54				70 67 54
72.1 Do you offer 1-on-1 counseling sessions after normal working hours, such as evenings, weekends and/or statutory holidays?	No			37%Yes / 63%No				19	51%Yes / 49%No				69
73 Do you provide either 1-on-1 or group counseling (as defined in Q79) in the field? If yes, indicate the number of different field locations where you provided either 1-on-1 or group retirement counseling last year that were at: a) Field offices staffed on a full-time basis and located in cities different from your main office?	Yes 1			85%Yes / 15%No 27 1 0 4 15				20	83%Yes / 17%No 27 1 0 3 41				70 41

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
b) Intermittent locations (such as hotels, offices) separate from the member's place of employment?	0			344	51	0	84	17	765	15	0	64	52
c) Member's place of employment?	0			500	49	0	112	15	4,616	13	0	200	54
<u>Capability</u>													
74	For 1-on-1 counseling sessions that are walk-ins, prescheduled in-house and in the field: During in-house 1-on-1 counseling sessions do you have real-time access to:												
	a) Do almost all sessions take place in a private office with a door (versus a cubicle, etc)?												
	a1) For walk-in traffic?			No	79%Yes / 21%No			19	86%Yes / 14%No			66	
	a2) In-house on a prescheduled basis?			No	84%Yes / 16%No			19	91%Yes / 9%No			67	
	a3) In the field?			No	64%Yes / 36%No			14	70%Yes / 30%No			54	
	b) Do you have real-time access to the member's data (i.e., salary, service credit, refund value, beneficiaries, etc)?												
	b1) For walk-in traffic?			Yes	100%Yes / 0%No			19	98%Yes / 2%No			66	
	b2) In-house on a prescheduled basis?			Yes	100%Yes / 0%No			19	99%Yes / 1%No			67	
	b3) In the field?			No	50%Yes / 50%No			14	54%Yes / 46%No			54	
	c) Can you provide new written estimates on a real-time basis for anybody that wants one?												
	c1) For walk-in traffic?			Yes	95%Yes / 5%No			19	94%Yes / 6%No			66	
	c2) In-house on a prescheduled basis?			Yes	95%Yes / 5%No			19	97%Yes / 3%No			67	
	c3) In the field?			No	50%Yes / 50%No			14	54%Yes / 46%No			54	
	d) Can you provide accurate service credit purchase cost estimates on a real-time basis for anybody that wants one?												
	d1) For walk-in traffic?			Yes	68%Yes / 32%No			19	65%Yes / 35%No			57	
	d2) In-house on a prescheduled basis?			Yes	68%Yes / 32%No			19	68%Yes / 32%No			57	
	d3) In the field?			No	29%Yes / 71%No			14	37%Yes / 63%No			46	
75	intentionally omitted												
76	intentionally omitted												
77	Do you review 1-on-1 counseling sessions for coaching purposes on a regular basis? [As opposed to intermittent, or only while training new counselors, etc.]			No	37%Yes / 63%No			19	37%Yes / 63%No			68	
78	Did you survey satisfaction with regard to 1-on-1 Counseling in your most recently completed fiscal year?			No	63%Yes / 37%No			19	60%Yes / 40%No			68	
	If yes:												
	a) Did the survey focus primarily on 1-on-1 counseling? [Versus including other activities.]			n/a	75%Yes / 25%No			12	80%Yes / 20%No			41	
	b) Did you send the survey only to members that were counseled 1-on-1? [Versus sending it to members who may or may not have been counseled such as a sample of the recently retired members or the general membership, etc.]			n/a	83%Yes / 17%No			12	83%Yes / 17%No			41	

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
c) If yes to b) what is the longest possible length of time between the counseling session and the survey, in days (i.e., If you sent a survey to a sample of members that were counseled in the past year, then 365 days).	n/a			30	4	0	6	10	365	2	0	28	36
d) How many times did you survey member satisfaction with 1-on-1 counseling in your most recently completed fiscal year?	n/a			250	250	12	230	12	250	250	1	167	41
e) Can you summarize the results by counselor?	n/a			67%Yes / 33%No				12	61%Yes / 39%No				41
Activity 4B - Group Retirement Counseling													
79 Do you offer group retirement counseling? A. Volumes that increase costs for Group Retirement Counseling	Yes			50%Yes / 50%No				20	44%Yes / 56%No				77
80 How many group retirement counseling sessions did you host:													
a) In-house?	149			149	0	0	15	20	149	0	0	7	77
b) In field locations staffed by you on either a full-time or intermittent basis?	57			350	0	0	49	20	350	0	0	16	77
c) At member's place of employment?	1			709	0	0	64	20	709	0	0	27	77
Total Group Sessions	207			1,059	165	36	254	10	1,059	48	1	113	34
81 How many members, in total, were counseled in the group sessions? B. Service Measures for Group Retirement Counseling	1,192			8,415	257	0	2,006	20	8,415	0	0	1,015	77
81.1 Is group retirement counseling a freely available option for most members? [If group retirement counseling is only done in unusual circumstances, or on an experimental basis, or only at the request of an employer then your answer should be no]	Yes			50%Yes / 50%No				16	57%Yes / 43%No				49
82 What is the average number of members counseled per group session?	6			47	20	6	22	10	233	27	5	37	34
83 Is there always sufficient time to meet with any members that want to meet 1-on-1 after the group session?	Yes			70%Yes / 30%No				10	76%Yes / 24%No				34
84 Do you offer pre-scheduled group retirement counseling sessions in the evenings after normal working hours?	No			70%Yes / 30%No				10	71%Yes / 29%No				34
85 Can you provide new written estimates on a real-time basis for any member that requests one during group counseling sessions that take place:													
a) In-house? [If applicable, some only offer in the field.]	No			71%Yes / 29%No				7	70%Yes / 30%No				23
b) In the field? [If applicable, some only offer in-house.]	No			56%Yes / 44%No				9	52%Yes / 48%No				29
86 Do you review group counseling sessions for coaching purposes on a regular basis? [As opposed to intermittent, or only while training new counselors, etc.]	No			60%Yes / 40%No				10	62%Yes / 38%No				34
87 Intentionally omitted <u>Member Satisfaction - What gets measured gets managed</u>													

Survey Question	Your Response			Peers 2007					All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count		
88 Did you survey satisfaction with regard to Group Counseling in your most recently completed fiscal year? If yes: a) Did the survey focus primarily on group counseling? [Versus including other activities.] b) Did you send the survey only to members that were counseled in group sessions? [Versus sending it to members who may or may not have been counseled such as a sample of the recently retired members or the general membership, etc.] b1) If yes to b) what is the longest possible length of time between the group counseling session and the survey, in days (i.e., If you sent a survey to a sample of members that were counseled in the past year, then 365 days). c) How many times did you survey member satisfaction with group counseling in your most recently completed fiscal year? d) Can you summarize the results by counselor? Activity 5 - Contact Center <u>A. Volumes</u>	No			60%Yes / 40%No					10	56%Yes / 44%No					34
	n/a			100%Yes / 0%No					6	84%Yes / 16%No					19
	n/a			100%Yes / 0%No					6	89%Yes / 11%No					19
	n/a			14	1	0	3	6	14	1	0	1	17		
	n/a			250	250	225	246	6	250	250	1	172	19		
	n/a			100%Yes / 0%No					6	84%Yes / 16%No					19
89 What were your volumes of: <u>Calls handled by service representatives</u> a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc)? b) Outgoing calls from service representatives responding to messages (voice mail, receptionist, etc) or following-up on previous calls? <u>Self Serve Calls</u> c) Incoming calls on a 'self-serve-only' information line? [A 'self-serve-only' line does not include the option to speak to a service representative.] d) Incoming calls satisfied by self-serve options, if any, on your member service line? [A 'member service line' includes the option to speak to a service representative.] <u>Email</u> e) Responses to email queries from members? <u>Written Correspondence</u> f) Correspondence received from members? [Include all correspondence from members even if it was not directed to the contact center and even if the correspondence did not require action.] <u>B. Service Measures for Calls to Service Representatives</u> <u>Good and Bad Call Outcomes</u>	122,418			570,394	190,108	83,542	219,137	20	570,394	88,576	4,950	120,498	77		
	7,800			163,786	16,460	0	32,484	20	163,786	9,256	0	17,411	77		
	3,063			29,840	0	0	2,301	20	78,604	0	0	1,732	77		
	21,595			1,165,108	18,013	0	89,269	20	1,165,108	0	0	25,701	77		
	7,053			33,403	10,590	3,832	12,524	20	220,560	4,445	0	11,374	77		
	20,000			414,675	25,000	422	86,526	20	414,675	18,685	422	46,265	77		

Survey Question	Your Response			Peers 2007					All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count		
90	In the table below:														
	<ul style="list-style-type: none"> • In the first column indicate whether or not each described outcome can occur when a member calls into your system seeking a knowledgeable person during business hours. • If an outcome can occur, then in the second column indicate the volume. • If you do not know the volume, indicate 'unknown' in the second column and in the third column provide your best estimate of the % of total calls (i.e. ALL calls received during business hours) that this outcome represents. 														
	a) Receptionist takes a message?	No		10%Yes / 90%No					20	42%Yes / 58%No					77
	b) Voice mail takes a message during business hours?	No		35%Yes / 65%No					20	51%Yes / 49%No					77
	c) Callers' needs satisfied by self serve options on your member service line? [Volume should be the same as per question 89d above]	Yes		75%Yes / 25%No					20	35%Yes / 65%No					77
	d) Abandoned calls i.e. caller hangs-up while in queue or on hold or in menu?	Yes		100%Yes / 0%No					20	97%Yes / 3%No					77
	e) System hangs up on caller (or sends the caller back to the main menu) after he/she has waited in the queue longer than a pre-set time or if the queue becomes full?	No		10%Yes / 90%No					20	10%Yes / 90%No					77
	f) Busy signal (or message to call back later, or caller is bounced back to the main menu) after navigating an automated attendant menu?	No		15%Yes / 85%No					20	8%Yes / 92%No					77
	g) Busy signal, never enters the system?	Yes		40%Yes / 60%No					20	27%Yes / 73%No					77
	h) Caller gets pre-recorded 'call another time' message during business hours (prior to navigating an automated attendant menu)?	No		15%Yes / 85%No					20	13%Yes / 87%No					77
	i) Call rings unanswered during business hours?	No		5%Yes / 95%No					20	12%Yes / 88%No					77
	If the outcome can occur, what was the volume of each outcome?														
	a) Volume Receptionist takes a message?	n/a		10,525	6,463	2,400	6,463	2	10,525	565	0	1,572	32		
	b) Volume Voice mail takes a message during business hours?	n/a		99,787	6,500	100	21,546	7	99,787	1,156	0	5,844	39		
	c) Volume Callers' needs satisfied by self serve options on your member service line?	21,595		1,165,108	23,763	2,489	127,224	15	1,165,108	19,587	244	109,826	27		
	d) Volume Abandoned calls?	15,698		75,967	16,775	211	24,152	20	75,967	4,058	0	10,025	75		
	e) Volume System hangs up on caller after he/she has waited in the queue longer than a pre-set time or if the queue becomes full?	n/a		11,855	6,202	549	6,202	2	50,758	544	107	8,217	8		
	f) Volume Busy signal (or message to call back later) after navigating an automated attendant menu?	n/a		92,753	85,585	0	59,446	3	92,753	12,804	0	34,803	6		
	g) Volume Busy signal, never enters the system?	unknown		106,474	49	0	14,397	8	106,474	166	0	7,022	21		
	h) Volume Caller gets pre-recorded 'call another time' message during business hours (prior to navigating an automated attendant menu)?	n/a		1,722	910	0	877	3	20,303	910	0	3,270	10		
	i) Volume Call rings unanswered during business hours?	n/a		813	813	813	813	1	17,645	813	0	2,875	9		

Survey Question	Your Response			Peers 2007					All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count		
<p>If the outcome can occur but you do not know the volumes, estimate the % of calls where the outcome occurs.</p> <p>b) % Receptionist takes a message?</p> <p>c) % Voice mail takes a message during business hours?</p> <p>d) % Callers' needs satisfied by self serve options on your member service line?</p> <p>e) % Abandoned calls?</p> <p>f) % System hangs up on caller after he/she has waited in the queue longer than a pre-set time or if the queue becomes full?</p> <p>g) % Busy signal (or message to call back later) after navigating an automated attendant menu?</p> <p>h) % Busy signal, never enters the system?</p> <p>i) % Caller gets pre-recorded 'call another time' message during business hours (prior to navigating an automated attendant menu)?</p> <p>j) % Call rings unanswered during business hours?</p> <p><i>Participants should answer 'yes' to only one of the following questions Q91, Q92 or Q93 regarding wait times. If you have more than one telephone system, please respond according to the telephone system which is more prevalently used.</i></p> <p><u>Time to get through if a recorded message or an automated attendant typically answers first</u></p>	n/a			5%	5%	5%	5%	1	10%	1%	0%	2%	21		
	n/a							0	20%	1%	0%	4%	17		
	n/a							0	75%	38%	1%	38%	2		
	n/a			1%	1%	0%	1%	2	15%	2%	0%	4%	14		
	n/a							0	25%	1%	1%	9%	3		
	n/a							0	10%	7%	4%	7%	2		
	40%			40%	2%	0%	14%	3	40%	0%	0%	5%	11		
	n/a			0%	0%	0%	0%	1	10%	0%	0%	2%	7		
	n/a							0	5%	1%	0%	2%	4		
91	Yes			90%Yes / 10%No					20	77%Yes / 23%No					77
	2			4	2	0	2	18	5	1	0	2	59		
	2			6	2	0	2	20	6	2	0	2	69		
	2			2	1	0	1	20	5	1	0	1	69		
	80			105	38	16	46	18	300	30	8	43	59		
	203			619	80	11	147	17	619	50	0	91	56		
	No			0%Yes / 100%No					18	7%Yes / 93%No					59
	n/a							0	300	23	15	90	4		

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
d2) If receptionist, after the receptionist transfers the call, average time on hold or in queue prior to reaching a knowledgeable person or having a message taken?	n/a							0	120	75	30	75	4
e) Total time to get a knowledgeable person when an auto attendant responds first (b + c + if applicable, d1 + d2)? <u>Time to get through if a service representative typically answers first</u>	283			664	112	36	185	18	664	100	18	140	59
92 Are member calls responded to first by a Service Representative when the system is not busy? [If a recorded message or an automated attendant or receptionist answers first when the system is not busy then your answer should be no.] If yes: a) What is the average total time in seconds (including time on hold, time listening to messages or negotiating automated attendants or receptionists) to get through to a knowledgeable person for members calling your system? <u>Time to get through if a receptionist typically answers first</u>	No			10%Yes / 90%No				20	18%Yes / 82%No				77
	n/a			169	89	10	89	2	169	13	7	38	15
93 Are member calls responded to first by a receptionist when your system is not busy? [If a recorded message or automated attendant answers prior to the receptionist then your answer should be no.] If yes: a) Average time in seconds waiting in queue, or on hold, or with phone ringing for the receptionist? b) Average time in seconds to explain needs and be transferred by the receptionist to a knowledgeable person? c) After the receptionist transfers the call, average time in seconds on hold or in queue prior to reaching a knowledgeable person? d) Total time to get through to a knowledgeable person when a receptionist responds first (a + b + c)? <u>Availability, more is better from the members' perspective</u>	No			0%Yes / 100%No				20	9%Yes / 91%No				77
	n/a							0	45	10	5	16	7
	n/a							0	60	20	10	26	6
	n/a							0	45	15	4	21	7
	n/a							0	150	40	20	56	7
94 What is the % of calls placed on hold after a caller has reached a knowledgeable person? a) What is the average hold time?	20%			24%	15%	0%	15%	19	90%	15%	0%	15%	75
	90			165	74	74	81	18	180	74	0	74	74
94 intentionally omitted													
95 Do you have a toll free number (or a number where members are only charged the cost of a local call no matter where they are located) that members can call to get a real person (not just an info line)?	Yes			100%Yes / 0%No				20	83%Yes / 17%No				77
96 How many hours per week is your 'call center' operational? <u>Member choice</u>	44			55	45	35	45	20	65	45	28	45	77
97 Does your system offer voice mail for responding to calls:													

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
a) Instead of queuing during peak or overflow conditions? [i.e. forced, the caller does not have the option to wait in a queue when the queue becomes too long]	No			10%Yes / 90%No				20	17%Yes / 83%No				77
b) Instead of queuing? [i.e. forced, the caller does not have the option to wait in a queue even if the queue would be short]	No			10%Yes / 90%No				20	10%Yes / 90%No				77
c) As an alternative to queuing? [i.e., the caller has the option to exit the queue and leave a voice mail message]	No			30%Yes / 70%No				20	35%Yes / 65%No				77
d) After hours?	No			30%Yes / 70%No				20	54%Yes / 46%No				76
e) Only if a counselor has previously provided a member with his name and direct extension?	Yes			70%Yes / 30%No				20	38%Yes / 62%No				77
98 intentionally omitted													
<u>Quality: What gets measured gets managed</u>													
99 Provide the following and indicate whether the data is an estimate or actual data that you track:													
a) % of callers transferred after first contact? (exclude receptionists)	24%			24%	3%	0%	6%	18	33%	3%	0%	6%	72
b) % of callers called back because their needs were not fully satisfied at first contact?	6%			20%	4%	0%	5%	17	50%	3%	0%	6%	69
c) % of calls satisfied by the first contact?	70%			99%	93%	70%	89%	18	100%	90%	25%	88%	72
a1) Actual or Estimate % of callers transferred after first contact? (exclude receptionists)	1			1	1	0	1	18	1	0	0	0	72
b1) Actual or Estimate % of callers called back because their needs were not fully satisfied at first contact?	0			1	0	0	0	17	1	0	0	0	71
c1) Actual or Estimate % of calls satisfied by the first contact?	0			1	0	0	0	18	1	0	0	0	73
100 What is the average duration of a member call? (in minutes)	5			8	4	2	4	20	15	4	1	4	73
101 Do you review your staff's responses to member calls for coaching purposes on a regular basis? [As opposed to intermittent, or only while training new service representatives, etc]	Yes			80%Yes / 20%No				20	64%Yes / 36%No				77
a) If yes, how many calls per agent per month (on average) do you monitor?	45			45	5	1	10	16	45	4	0	6	49
b) If yes, are you listening in on a live call or a recording?	live			44%live / 56%recording				16	42%live / 58%recording				48
102 Did you survey satisfaction with regard to Member Telephone Calls in your most recently completed fiscal year?	No			60%Yes / 40%No				20	45%Yes / 55%No				77
If yes:													
a) Did the survey focus primarily on member telephone calls [versus including other activities]	n/a			69%Yes / 31%No				13	61%Yes / 39%No				36
b) Did you send the survey only to members that have called? [versus sending it to members who may or may not have called such as a sample of the general membership, etc.]	n/a			75%Yes / 25%No				12	66%Yes / 34%No				35
c) What is the longest possible length of time between the members' call and the survey, in days (i.e., If you sent a survey to a sample of members that called in the past year, then 365 days).	n/a			183	9	0	32	10	365	12	0	75	28

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
d) How many times did you survey member satisfaction with Member Telephone Calls in your most recently completed fiscal year?	n/a			250	8	1	70	12	250	4	0	56	35
e) Can you summarize the results by service representative?	n/a			42%Yes / 58%No				12	20%Yes / 80%No				
f) Can you summarize the results by key topics discussed in the calls?	n/a			58%Yes / 42%No				12	46%Yes / 54%No				
<u>Capability impacts speed and quality</u>													
103 Do you have and use tools to help you project call volumes?	No			80%Yes / 20%No				20	75%Yes / 25%No				
104 When a member calls in, do you have immediate computer access to the following member data:													
a) Record of the member's previous calls to the system?	Yes			85%Yes / 15%No				20	66%Yes / 34%No				
b) Copies of recent correspondence on-line?	Yes			100%Yes / 0%No / 0%Some				20	83%Yes / 17%No / 0%Some				
c) Knowledge based on-line help system available for use by the service representative?	Yes			75%Yes / 25%No				20	73%Yes / 27%No				
d) Most recent member statement?	Yes			95%Yes / 5%No				20	96%Yes / 4%No				
e) Account value?	Yes			100%Yes / 0%No				20	91%Yes / 9%No				
f) Pensionable salary?	Yes			95%Yes / 5%No				20	97%Yes / 3%No				
g) Salary history?	Yes			100%Yes / 0%No				20	99%Yes / 1%No				
h) Total service credit?	Yes			100%Yes / 0%No				20	96%Yes / 4%No				
i) Service credit history?	Yes			100%Yes / 0%No				20	96%Yes / 4%No				
j) Beneficiary information?	Yes			100%Yes / 0%No				20	95%Yes / 5%No				
k) Home address and phone number?	Yes			95%Yes / 5%No / 0%Some				20	94%Yes / 6%No / 0%Some				
l) Non-pension benefit and optional elections?	Yes			94%Yes / 6%No				18	80%Yes / 20%No				
m) If you administer a DC plan:													
m1) History of account transactions?	No			25%Yes / 75%No				20	26%Yes / 74%No				
m2) Rates of return for investment options?	No			25%Yes / 75%No				20	25%Yes / 75%No				
104.1 Do your service representatives have real time access to a workflow system that lets them know the status of open items?	Yes			100%Yes / 0%No				7	84%Yes / 16%No				
105 Can and will you provide the following information on an immediate real-time basis to members over the phone? [If you do not have real-time access to the information or if your policy is not to give the information over the phone because of security or other concerns then your answer should be 'no'.]													
a) Estimates of benefits at retirement?	No			65%Yes / 35%No				20	65%Yes / 35%No				
a1) If yes, can you easily model and provide alternate annuity payment scenarios? [I.e., joint and 50% survivor, joint and 70% survivor, etc.]	n/a			100%Yes / 0%No				13	88%Yes / 12%No				
a2) If yes, is the estimate based on an interactive benefit calculator linked to the member's actual account data?	n/a			85%Yes / 15%No				13	90%Yes / 10%No				
b) Refund or transfer value assuming member exited employment at the time of the call?	Yes			75%Yes / 25%No				20	64%Yes / 36%No				
c) Pensionable salary?	Yes			75%Yes / 25%No				20	78%Yes / 22%No				
d) Total service credit?	Yes			85%Yes / 15%No				20	81%Yes / 19%No				

Survey Question	Your Response			Peers 2007					All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count		
e) Service credit purchase cost estimates (or for Dutch funds: cost to repair gaps in pension rights)?	No			55%Yes / 45%No					20	47%Yes / 53%No					72
106 Do you use imaging technology? If yes: a) Do you keep images of ALL incoming member correspondence and submitted forms? b) If not all, describe the member documents you do keep images of below: All but a few such as address changes c) Have all historical documents also been imaged? <u>Self Serve Telephone Options</u>	Yes			100%Yes / 0%No					20	87%Yes / 13%No					77
	No			85%Yes / 15%No					20	82%Yes / 18%No					67
	Yes			80%Yes / 20%No					20	69%Yes / 31%No					67
107 Can your members order forms and publications using either an information line or self-serve options on your member service line?	Yes			75%Yes / 25%No					20	42%Yes / 58%No					77
108 Can members communicate questions using email? a) If yes, what is the average response time for email queries (business days)? Activity 6 Mass Communication to Members and Annuitants (Presentations, Website, Publications) <u>A. Volume and Service Measures for Member Presentations</u>	Yes			100%Yes / 0%No					20	96%Yes / 4%No					77
	2			10	2	1	2	20	30	2	0	3	74		
109 How many benefit fairs did you host or participate in?	14			182	33	1	44	20	608	6	0	38	77		
110 How many presentations to members or annuitants [DO NOT include group retirement counseling sessions, benefit fairs or presentations to employers] did you do that took place: a) In-house? b) At member's place of employment? c) In the field at locations separate from the member's place of employment? Total Presentations	0 9 90 99			1,370 904 672 2,673	1 125 61 191	0 0 0 54	81 200 118 389	20 20 20 20	1,370 1,234 672 2,673	0 37 13 90	0 0 0 0	25 147 50 219	77 77 77 77		
111 What was the total number of attendees at all of the presentations per question 110 above? [Do NOT include benefit fair attendees per question 109.]	8,610			73,800	8,560	1,643	11,983	20	73,800	4,500	0	6,602	71		
112 What was the average number of attendees per presentation?	87			100	42	14	45	20	450	34	0	48	66		
113 Do you have specific presentations targeting the following member audiences: a) New members? b) Members in mid career? c) Members approaching retirement or ready to retire? d) Retirees? e) Other? (Please describe) n/a	Yes No No No No			71%Yes / 29%No 57%Yes / 43%No 86%Yes / 14%No 71%Yes / 29%No 43%Yes / 57%No					7 7 7 7 7	58%Yes / 42%No 36%Yes / 64%No 76%Yes / 24%No 36%Yes / 64%No 33%Yes / 67%No					33 33 33 33 33

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
114 How many different locations did you use to offer presentations? [i.e., If you only do presentations in-house then your answer is 1. If you did presentations both in-house and at 15 different employer and/or offsite locations then your response should be 16.]	82			300	122	38	139	20	956	67	0	119	67
115 Do you offer presentations in the evenings after normal working hours?	Yes			90%Yes / 10%No				20	82%Yes / 18%No				68
116 Do you review presenters for coaching purposes on a regular and recurring basis? [As opposed to intermittent, or only while training new presenters, etc]	No			75%Yes / 25%No				20	62%Yes / 38%No				68
117 Did you survey satisfaction with regard to Presentations to Members in your most recently completed fiscal year? If yes: a) Did the survey focus primarily on presentations? [versus including other activities.] b) Did you send the survey only to members that attended presentations? [versus sending it to members who may or may not have attended presentations such as a sample of the general membership, etc.] c) What is the longest possible length of time between the presentation and the survey, in days (i.e., If you sent a survey to a sample of members that attended presentations in the past year, then 365 days). d) How many times did you survey in your most recently completed fiscal year? e) Can you summarize the results by presenter? <u>B. Volume and Service Measures for Member Websites, Benefit Calculators and Electronic Delivery</u>	No n/a n/a n/a n/a n/a n/a			85%Yes / 15%No 94%Yes / 6%No 100%Yes / 0%No 14 1 0 3 17 250 250 1 211 17 82%Yes / 18%No				20 17 17 17 17 17	75%Yes / 25%No 86%Yes / 14%No 88%Yes / 12%No 365 1 0 14 45 250 250 1 184 50 78%Yes / 22%No				67 51 51 45 50 50
118 intentionally omitted <u>Website</u>													
119 How many pages are on the member portion of your website? [Do not include pages that are PDF documents and pages targeted to employers or other user groups]	415			1,910	318	13	408	20	2,945	144	13	371	77
120 intentionally omitted													
121 Are all, some or none of your forms available online?	Some			40%All / 0%None / 60%Some				20	40%All / 3%None / 57%Some				77
122 Does your website have a secure member area where members can access their own data? If yes: a) How many unique members accessed the secure member area? [Count a member only once even if he visited multiple times.] b) How many visits in total were there by members to the secure member area? [Count each visit even if the same member visits multiple times.]	No n/a n/a			75%Yes / 25%No 92,719 23,981 1,800 31,211 13 794,899 102,596 2,700 222,150 14				20 13 14	75%Yes / 25%No 264,000 15,156 30 26,638 51 794,899 76,237 60 137,451 50				77 51 50

Survey Question	Your Response			Peers 2007					All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count		
c) Does your registration process enable close to real-time log-in for new registrants? [Answer no if new registrants have to wait for a password in the mail.]	n/a			43%Yes / 57%No					14	54%Yes / 46%No					50
d) Do you welcome the member by name on the home page of the secure member area?	n/a			80%Yes / 20%No					5	63%Yes / 38%No					24
e) Are users required to acknowledge a disclaimer every time they log in or before they can generate a pension estimate?	n/a			40%Yes / 60%No					5	29%Yes / 71%No					24
123 Indicate whether the following capabilities are available on your website and provide volumes:															
a) Benefit calculator in non-secure area?	Yes			85%Yes / 15%No					13	60%Yes / 40%No					52
b) Benefit calculator in secure area not linked to member data?	No			20%Yes / 80%No					10	9%Yes / 91%No					46
c) Benefit calculator in secure area linked to member's salary and service data?	No			60%Yes / 40%No					20	58%Yes / 42%No					77
d) Service credit purchase calculator?	Yes			47%Yes / 53%No					19	51%Yes / 49%No					51
e) Download forms?	Yes			100%Yes / 0%No					20	95%Yes / 5%No					77
f) Register for counseling sessions or presentations?	No			55%Yes / 45%No					20	40%Yes / 60%No					72
g) Change address?	No			55%Yes / 45%No					20	51%Yes / 49%No					63
h) Change beneficiary?	No			20%Yes / 80%No					20	23%Yes / 77%No					62
i) Change family information? [i.e., marital status, partner, dependents]	No			43%Yes / 57%No					7	26%Yes / 74%No					19
j) Change banking information for direct deposit?	No			5%Yes / 95%No					20	15%Yes / 85%No					61
k) Change tax withholding amount?	No			10%Yes / 90%No					20	16%Yes / 84%No					75
l) Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	No			50%Yes / 50%No					20	32%Yes / 68%No					74
m) View annuity payment details? [i.e., gross amounts, deductions]	No			45%Yes / 55%No					20	32%Yes / 68%No					76
n) Apply for retirement?	No			5%Yes / 95%No					20	9%Yes / 91%No					75
o) View status of disability application?	No			0%Yes / 100%No					10	10%Yes / 90%No					42
p) Secure mailbox?	No			20%Yes / 80%No					20	14%Yes / 86%No					69
q) Download member statement (i.e., Adobe format)?	No			30%Yes / 70%No					10	31%Yes / 69%No					42
r) View pensionable earnings and/or service without downloading?	No			63%Yes / 37%No					19	59%Yes / 41%No					66
If yes:															
1) Are both salary and service data available?	No			67%Yes / 33%No					18	57%Yes / 43%No					58
2) Is online data up-to-date to the most recent pay period?	No			44%Yes / 56%No					16	43%Yes / 57%No					53
3) Is a complete annual history from the beginning of employment provided?	No			44%Yes / 56%No					16	38%Yes / 62%No					52
s) If you administer a core DC or hybrid DB/ DC plan:															
1) Transfers between investment options?	new			100%Yes / 0%No					5	37%Yes / 63%No					27
2) Change investment option or deferral percentage selections for regular contributions?	new			100%Yes / 0%No					5	41%Yes / 59%No					27
3) Withdrawals?	new			0%Yes / 100%No					6	4%Yes / 96%No					27
If applicable, indicate															
a) # Benefit calculator in non-secure area?	63,000			364,306	70,774	15,036	109,151	10	364,306	22,769	0	46,666	38		

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
b) # Benefit calculator in secure area not linked to member data?	n/a							0					0
c) # Benefit calculator in secure area linked to member's salary and service data?	n/a			167,166	77,326	6,068	83,839	7	167,166	44,553	554	55,739	28
d) # Service credit purchase calculator?	unknown			0	0	0	0	11	1,800	0	0	77	40
e) # Download forms?	unknown			200,000	130,000	60,000	130,000	2	200,000	20,475	60	44,779	10
f) # Register for counseling sessions or presentations?	n/a			8,861	4,783	2,268	5,399	8	11,093	1,917	45	2,962	22
g) # Change address?	n/a			15,762	3,552	40	4,755	10	15,762	3,143	20	4,414	29
h) # Change beneficiary?	n/a			7,551	2,676	63	3,241	4	9,958	1,800	21	2,681	12
i) # Change family information?	n/a			18,053	18,053	18,053	18,053	1	18,053	14,264	10,475	14,264	2
j) # Change banking information for direct deposit?	n/a			44	44	44	44	1	2,011	116	44	394	7
k) # Change tax withholding amount?	n/a			2,321	2,321	2,321	2,321	1	2,321	428	96	661	9
l) # Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	n/a			19,003	3,247	180	6,977	7	19,003	3,247	52	5,191	11
m) # View annuity payment details? [i.e., gross amounts, deductions]	n/a			28,569	0	0	3,174	9	28,569	0	0	1,586	32
n) # Apply for retirement?	n/a			560	560	560	560	1	3,114	396	27	769	6
o) # View status of disability application?	n/a							0					0
p) # Secure mailbox?	n/a			26,887	0	0	3,187	10	26,887	0	0	1,326	34
q) # Download member statement (i.e., Adobe format)?	n/a			60,709	45,273	29,836	45,273	2	60,709	29,409	6,273	31,450	4
r) # View pensionable earnings and/or service without downloading?	n/a			203,057	138,922	74,786	138,922	2	203,057	44,181	4,313	67,437	10
124 Did you survey member satisfaction with your website in your most recently completed fiscal year?	No			40%Yes / 60%No				20	44%Yes / 56%No				77
a) Did the survey focus primarily on the website? [Versus including other activities.]	n/a			63%Yes / 38%No				8	50%Yes / 50%No				34
b) What is the longest possible length of time between when the member used the website and the survey, in days (i.e., If you sent a survey to a sample of members that used the website in the past year, then 365 days)?	n/a			395	1	0	122	7	395	91	0	177	29
125 intentionally omitted													
<u>C. Volume and Service Measures for Newsletters</u>													
<u>Electronic Delivery Option</u>													
126 Can members choose between receiving newsletters by mail versus electronically (i.e., email or email notice that it is now available on the secure portion of your website)?	Yes			40%Yes / 60%No				20	30%Yes / 70%No				77
a) If yes, indicate the number of members receiving newsletters electronically.													
127 Do you send newsletters (and/ or news magazines), and if yes how frequently, to: [# times per year]													
a) Active members?	Yes			95%Yes / 5%No				20	84%Yes / 16%No				77
b) Retired members?	Yes			100%Yes / 0%No				20	90%Yes / 10%No				77
c) All inactive members?	Yes			50%Yes / 50%No				20	43%Yes / 57%No				77

Survey Question	Your Response			Peers 2007					All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count	
d) Only inactive members that request it?	No			20%Yes / 80%No					27%Yes / 73%No					75
a1) Active members - # of times per year?	3			8	3	0	3	20	8	3	0	3	77	
b1) Retired members - # of times per year?	3			5	2	2	3	20	12	2	0	3	77	
c1) All inactive members - # of times per year?	1			5	1	0	1	20	5	0	0	1	77	
d1) Only inactive members that request it - # of times per year?	0			8	0	0	1	20	10	0	0	1	74	
128 How do you direct newsletters to active members:														
a) Forward through employer?	Yes			42%Yes / 58%No					30%Yes / 70%No					63
b) Mail to their home?	No			58%Yes / 42%No					78%Yes / 22%No					65
c) Email to the member?	No			32%Yes / 68%No					34%Yes / 66%No					65
d) Home or employer depending on the member's choice?	No			0%Yes / 100%No					3%Yes / 97%No					63
d1) If member's choice, what % chooses employer?	0%			0%	0%	0%	0%	20	1%	0%	0%	0%	77	
129 Do you:														
a) Have a different newsletter for active and retired members?	No			80%Yes / 20%No					73%Yes / 27%No					70
<u>D. Volume and Service Measures for Member Statements</u>														
<u>Volumes</u>														
130 How frequently do you send member statements to: [# times per year]														
a) Active members?	1			5	1	1	1	20	5	1	0	1	77	
b) Inactive members? (annually = 1, every 2 years = 0.5 times per year on average, every 5 years = 0.2 times per year on average)	1			5	1	0	1	19	5	1	0	1	76	
c) Retired members with Retiree Accounts (such as Allocated Pension Accounts in Australia or RRIFs in Canada)?	0			1	0	0	0	3	4	1	0	1	22	
131 Approximately what % of members complain about the accuracy of data in their member statements?	1%			10%	1%	0%	1%	19	15%	1%	0%	1%	76	
132 How do you send member statements to active members?														
a) Forward through employer?	Yes			45%Yes / 55%No					27%Yes / 73%No					74
b) Mail to their home?	No			65%Yes / 35%No					86%Yes / 14%No					76
c) Home or employer depending on the member's choice?	No			0%Yes / 100%No					3%Yes / 97%No					73
133 On average, how current is an active member's data in the statements that the member receives (in months)?	4			5	3	1	3	20	10	3	1	3	76	
<u>Member Statements</u>														
134 Do your statements for active members include:														
a) Total accumulated service credit?	Yes			100%Yes / 0%No					91%Yes / 9%No					76
b) Pensionable earnings?	Yes			70%Yes / 30%No					86%Yes / 14%No					76
c) A historical summary of salary and service credit earned each year?	No			45%Yes / 55%No					28%Yes / 72%No					76
d) The refund value if you left at the statement date?	Yes			95%Yes / 5%No					77%Yes / 23%No					75

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
e) An estimate of the future pension entitlement (or in Australia, the lump sum benefit payout at retirement) based on age scenario modeling or assuming the member continues to work until earliest possible retirement? <u>E. Volume and Service Measures for Other Mass Communication</u>	Yes			75%Yes / 25%No				20	82%Yes / 18%No				76
135 Are new members issued a 'welcome' kit describing their benefits? a) If yes, is the welcome kit issued (and paid for) by the employer or by you the pension administrator?	Yes			75%Yes / 25%No				20	82%Yes / 18%No				76
	Admin			7%Employer / 93%Admin				15	10%Employer / 90%Admin				62
136 Do you send your members a general brochure with a complete summary of the benefits every year?	No			15%Yes / 85%No				20	30%Yes / 70%No				77
137 Do you prepare and send a summary of the annual report to: [In the United States this is often called the Popular Annual Financial Report]: a) All active members? b) All retirees?	No			45%Yes / 55%No				20	48%Yes / 52%No				77
	No			50%Yes / 50%No				20	45%Yes / 55%No				77
138 Do you send the annual report to: a) All active members? b) All retirees? c) All inactives? d) Only to members (active/ inactive/ annuitants) who specifically ask to receive it?	No			0%Yes / 100%No				20	10%Yes / 90%No				77
	No			5%Yes / 95%No				20	9%Yes / 91%No				77
	No			0%Yes / 100%No				20	10%Yes / 90%No				77
	Yes			95%Yes / 5%No				20	82%Yes / 18%No				76
139 Do you automatically send out letters informing members when they become, or are about to become: a) Vested for pension benefits? b) Vested for disability benefits? c) Eligible for retirement? d) Other milestones? (describe below) Inactive members at age 69.5 and 70.5 (related to min. distribution regs)	No			32%Yes / 68%No				19	39%Yes / 61%No				75
	No			16%Yes / 84%No				19	35%Yes / 65%No				71
	No			20%Yes / 80%No				20	40%Yes / 60%No				77
	Yes			45%Yes / 55%No				20	60%Yes / 40%No				77
140 Do you actively solicit member feedback on your publications through: a) Focus Groups? b) Tear out surveys or feedback cards in the publications themselves? c) Surveys sent to members who request a publication? d) Other (describe) n/a	No			35%Yes / 65%No				20	40%Yes / 60%No				77
	No			25%Yes / 75%No				20	30%Yes / 70%No				77
	No			10%Yes / 90%No				20	16%Yes / 84%No				77
	No			40%Yes / 60%No				15	30%Yes / 70%No				61
141 Do you publish any of the following materials in a language other than English (or other than French in Quebec and France), or in Braille?													

Survey Question	Your Response			Peers 2007				All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count	
a) Member statements?	No			5%Yes / 95%No / 0%Some				20	13%Yes / 87%No / 0%Some				77	
b) Annual report?	No			0%Yes / 100%No / 0%Some				20	21%Yes / 79%No / 0%Some				77	
c) Newsletters?	No			10%Yes / 90%No / 0%Some				20	18%Yes / 82%No / 0%Some				77	
d) Website?	No			10%Yes / 90%No / 0%Some				20	23%Yes / 77%No / 0%Some				77	
e) Brochures and pamphlets?	No			20%Yes / 80%No / 0%Some				20	23%Yes / 77%No / 0%Some				77	
Activity 7A - Data and Money from Employers														
<u>A. Volumes that increase costs for Data and Money from Employers</u>														
142	a) # of employers at the end of your fiscal year?	1,456			3,270	1,251	108	1,454	20	39,786	530	1	2,979	77
	b) # of employers that joined your System during the fiscal year?	17			58	14	0	16	20	3,800	7	0	209	77
	c) # of employers that exited your System during the fiscal year?	0			75	4	0	10	20	4,700	2	0	225	77
143	How many 'collection points' (i.e., employers, state agencies, departments and/or service providers etc) do you deal with for collecting:													
	a) Member payroll data?	1,456			3,098	989	46	1,269	20	34,000	433	1	2,212	77
	b) Money (i.e., contributions)?	1,456			3,098	1,105	4	1,249	20	34,814	473	1	2,829	77
	[Your number of 'collection points' could be less than your number of employers if, for example, some of your payroll data comes from a central agency that processes payroll data from numerous employers and then provides it to you in a consolidated, integrated format.]													
144	How many 'reconciliation points' (i.e., employers, state agencies, departments and/or service providers etc) do you deal with when:													
	a) Validating member data?	1,456			3,098	1,211	2	1,358	20	34,000	473	1	2,263	77
	b) Reconciling money issues (i.e., contributions)?	1,456			3,098	1,105	46	1,310	20	34,818	473	1	2,851	77
145	What is the breakdown of 'collection points' providing you with payroll data between the following formats and what is the total number of active members covered by each format?													
	a) 100% electronic? [No manual intervention is required unless there are errors.]	0			2,781	673	0	703	20	19,495	42	0	875	77
	b) Mostly electronic? [For example, some systems receive files by internet and then must manually start a program that uploads the file.]	715			1,534	0	0	182	20	34,000	1	0	551	77
	c) Computer readable? [i.e., via computer tape or disk]	0			476	0	0	74	20	959	0	0	55	77
	d) Paper?	741			1,225	142	0	310	20	16,422	3	0	729	77
	Total number of active members covered by each format in 000s:													
	a1) # active members: 100% Electronic	0			488	172	0	164	19	37,600	34	0	848	76
	b1) # active members: Mostly Electronic	243			446	0	0	82	19	544,000	1	0	11,335	76
	c1) # active members: Computer readable [i.e., via computer tape or disk]	0			246	0	0	26	19	23,755	0	0	358	75
	d1) # active members: Paper	23			42	0	0	5	19	8,048	0	0	272	75

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
Total Active Members	266,000			266,000	211	0	13,517	20	544,000	111	0	16,082	77
146 Are you sometimes asked by employers to determine the eligibility of members? a) If yes, how many times were you asked to assist in determining whether an employee was eligible or not last year?	Yes 2,000			90%Yes / 10%No 66,215	2,000	0	11,220	20	82%Yes / 18%No 66,215	146	0	3,489	77
147 How many different contribution percentages do you collect from: a) Employers? [For example, single member group systems may have only one contribution percentage whereas some multi-plan systems may collect numerous different contribution rates from various participating employers.] b) Members? Retroactive transactions	1,456 4			3,418 101	15 4	1 1	502 9	20 20	3,418 8,048	4 4	1 0	187 216	77 76
148 Did you have to do any retroactive data adjustments this year as a result of changes to the pension rules or union contracts? Changes to the pension rules could be caused by legal decisions, new labor contracts and new legislation. For example: If the results of union negotiations become clear in July with effective date as per January 1st, all data since January 1st must be adjusted. Do NOT include adjustments of invoices sent in advance. a) If yes, describe: b) If yes, how many members records needed to be changed because of the retroactive transactions? <u>B. Data Quality</u>	Yes 21,278			30%Yes / 70%No 267,732			27,364	20	23%Yes / 77%No 350,000			12,507	77
149 What % of your active and inactive member on-line records are complete and accurate? <u>C. Factors that increase complexity of work for Data and Money from Employers (and for Communication)</u> <u>Work caused by Validation and Reconciliation</u>	95%			100%	96%	53%	90%	20	100%	97%	0%	88%	77
150 Intentionally omitted													
151 Do you have a diagnostic software system for detecting and correcting contribution errors? <u>Complexity of determining pensionable earnings</u>	No			80%Yes / 20%No				20	73%Yes / 27%No				77
152 Indicate which of the following forms of variable compensation are paid in your system. And, if paid, indicate whether all, some or none of that type of variable compensation is included in pensionable earnings. a) Bonuses? b) Allowances, such as remote location pay or 'high risk' duty allowance or a car allowance? c) Overtime pay?	Yes Yes Yes			85%Yes / 15%No 80%Yes / 20%No 95%Yes / 5%No				20 20 20	79%Yes / 21%No 82%Yes / 18%No 72%Yes / 28%No				76 76 76

Survey Question	Your Response			Peers 2007					All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count		
d) Commissions or similar payments such as fees paid to sheriffs for process serving? If this type of compensation is paid in your system, is all, some or none included in pensionable earnings?	Yes			40%Yes / 60%No					20	36%Yes / 64%No					76
a1) Bonuses?	All			18%All / 12%None / 71%Some					17	32%All / 10%None / 58%Some					60
b1) Allowances, such as remote location pay or 'high risk' duty allowance or a car allowance?	Some			6%All / 13%None / 81%Some					16	27%All / 11%None / 61%Some					62
c1) Overtime pay?	All			84%All / 0%None / 16%Some					19	62%All / 20%None / 18%Some					55
d1) Commissions or similar payments such as fees paid to sheriffs for process serving?	All			38%All / 0%None / 62%Some					8	42%All / 15%None / 42%Some					26
153 When determining a member's pensionable earnings does a cap on salary increases apply?	Yes			45%Yes / 55%No					20	30%Yes / 70%No					77
154 intentionally omitted <u>Complexity caused by Multiple Service Credit Rules</u>															
155 How many different definitions do you have for a "full year" of service credit?	2			11	4	1	4	20	100	2	1	5	77		
156 Does your system have more than one payroll year for determining service credit? For example, the teachers' year could be July - June with their service credit determined based on the time worked July - June and the public employees' year could be January to December with their service credit determined based on time worked January to December.	Yes			35%Yes / 65%No					20	19%Yes / 81%No					77
a) If yes, how many different payroll years exist in your system? <u>Complexity caused by Eligibility and Vesting Rules</u>	2			30	2	2	8	7	30	2	2	6	15		
157 How many different vesting periods do you have that apply to active members? [Your answer should be 0 if you have immediate vesting. Most North American systems have only one]	0			7	2	0	2	20	9	1	0	2	77		
158 Do you permit: a) Permanent part-time employees to be members? [An example of a permanent part-time employee is someone contracted to work 3 days a week.] b) Casual/ temporary/ intermittent/ seasonal employees to be members? [An example of a 'temporary' employee is an infrequent substitute teacher.] [# times per year] <u>Complexity caused by members moving between employers</u>	Yes			85%Yes / 15%No					20	95%Yes / 5%No					77
	Yes			80%Yes / 20%No					20	75%Yes / 25%No					77
159 Do you have different employers with different benefit formula? If yes, which of the following happens when a member moves from one employer that you administer to another with a different benefit formula? [For example, moves from PERS to Law Enforcement.] a) Each system uses its own formula and salary data to determine the benefit.	No			70%Yes / 30%No					20	52%Yes / 48%No					77
	n/a			20%Yes / 80%No					15	37%Yes / 63%No					43

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
b) Each system applies its own formula but uses either the salary earned in the last system, or the highest salary (or salaries) in either system. c) The highest formula will apply. d) The formula of the plan where the member works last will apply. e) Other (describe) n/a	n/a			50%Yes / 50%No				14	29%Yes / 71%No				41
	n/a			7%Yes / 93%No				14	7%Yes / 93%No				41
	n/a			36%Yes / 64%No				14	33%Yes / 68%No				40
	n/a			17%Yes / 83%No				12	30%Yes / 70%No				33
160	intentionally omitted												
161	Which of the following payment methods for employee contributions occur in the plans that you administer:												
a) No employee contributions?	No			35%Yes / 65%No				20	22%Yes / 78%No				77
b) Employer pays his part and also the employee contributions?	Yes			55%Yes / 45%No				20	51%Yes / 49%No				77
c) Employer withholds employee contributions pre-tax from his salary?	No			95%Yes / 5%No				20	88%Yes / 12%No				77
d) Employer withholds employee contributions post-tax from his salary?	Yes			65%Yes / 35%No				20	44%Yes / 56%No				77
162	Do you have any other special contributions in addition to the regular employee and employer contributions? [For example, Ohio SERS collects a surcharge for members who earn less than a minimum compensation amount.] a) If yes, describe: n/a												
	No			35%Yes / 65%No				20	51%Yes / 49%No				77
163	intentionally omitted Activity 7B Data direct from members and annuitants (or not available through employers) <u>A. Volumes that increase costs for Data Direct from Members and Annuitants</u>												
164	Do you collect pension contributions from any members directly? [For example, Nurses in the Netherlands can continue to contribute to their pension even if they are inactive. Do not include optional contributions such as to 401k savings plans] If yes: a) How many members do you collect from directly?												
	No			30%Yes / 70%No				20	43%Yes / 57%No				77
	0			2,374	0	0	255	20	8,420	0	0	739	77
164.1	Do members deal with you directly when selecting or changing plan options? [Indicate no if all instructions come through the employer or if members do not have options. Examples of possible plan options include: option to switch from core DB to DC or DROP plans, option to participate in variable investment option overlays, option to change their contribution rate, option to repair pension gaps, DC account instructions, etc] If yes:												
	Yes			35%Yes / 65%No				20	31%Yes / 69%No				77

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
a) How many instructions did you get directly from members selecting or changing DB plan options (exclude core Defined Contribution ("DC") plan instructions)? If you administer a DC plan or hybrid DB/ DC plan: b) How many DC account instructions did you get directly from non-retired members? [DC account instructions include transfers between investment options, or changes by members of their investment-options selection for regular contributions]	2,500			11,280	0	0	1,584	20	11,280	0	0	578	77
	0			15,609	0	0	1,137	20	15,609	0	0	774	77
165 How many divorces required you to set up future rights for ex-partners or dependents of: a) Active members? b) Inactive members?	317 93			3,668 735	276 103	0 0	539 167	20 20	3,668 735	73 10	0 0	220 55	77 77
165.1 When you set up future rights for an ex-partner, do you count them as an inactive member?	Yes			14%Yes / 86%No				7	17%Yes / 83%No				18
165.2 How many annuitant divorces resulted in incepting a separate pension to an ex-partner or dependents?	47			730	69	0	135	20	874	24	0	67	77
166 Choose the statement that best describes how divorce settlements for active members (or divorce decrees or QDROS, or QILDROS, or Division of Benefit Orders, etc.) impact your system. If you have different rules for different plans, choose the statement that applies to the largest number of cases. a) Minimal impact. Law prevents you from paying the pension to anybody except the member and the member's specified beneficiaries. b) Minimal impact unless children are involved. With children you may be required to redirect payment. c) A portion of the pension is paid to the ex-spouse, but ONLY when the member begins receiving benefits. d) A portion of the pension is paid to the ex-spouse. The ex-spouse can initiate the pension at a time different than the member provided that eligibility conditions are met. e) Other (describe) n/a	No No No Yes No			10%Yes / 90%No				20	10%Yes / 90%No				63
				0%Yes / 100%No				20	0%Yes / 100%No				63
				60%Yes / 40%No				20	57%Yes / 43%No				63
				35%Yes / 65%No				20	30%Yes / 70%No				63
				0%Yes / 100%No				20	10%Yes / 90%No				63
167 intentionally omitted													
168 intentionally omitted													
169 When you get an address change, how many systems do you need to update? <u>Cost caused by inactive members</u>	3			4	1	1	1	20	4	1	1	1	77
170 Do you actively keep track of the addresses of inactive members?	Yes			85%Yes / 15%No / 0%Some				20	78%Yes / 19%No / 3%Some				77
171 Are you required, by policy or by law, to actively seek out and initiate either a benefit or a refund for inactive vested members or inactive unvested members?	Yes			80%Yes / 20%No				20	81%Yes / 19%No				77

Survey Question	Your Response			Peers 2007					All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count	
<p>a) If yes, how many 'lost' inactive members or beneficiaries did you find pursuant to searches last year?</p> <p>Activity 7C Billing and Inspection <u>A. Volumes that increase costs for Billing and Inspection</u> <u>a. Billing/ Written Advices</u></p>	208			17,627	1,404	0	4,109	20	17,627	317	0	1,808	77	
172	<p>Do you:</p> <p>a) Send a written advice to employers that informs them of their required contribution rates and then rely on each employer to pay the correct contributions?</p> <p>b) Invoice employers in arrears based on actual member service and salary data?</p> <p>c) Invoice employers in advance based on estimated member service and salary data, and then adjust based on actual experience?</p>	Yes			85%Yes / 15%No			20	68%Yes / 32%No			76		
		No			60%Yes / 40%No			20	47%Yes / 53%No			76		
		No			5%Yes / 95%No			20	24%Yes / 76%No			76		
173	<p>If you answered 'yes' to questions 172a, b or c:</p> <p>a) How many invoices or 'advices' did you send to employers in total? [i.e., frequency per year that you invoice multiplied by the number of employers you invoice] [# times per year]</p> <p>b) How many reminder notices, if any, did you send to employers?</p> <p>c) How many warrants of execution or court orders did you obtain against delinquent employers?</p> <p><u>b. Audits/ Reviews/ Inspection</u></p>	1,456			59,048	2,553	0	7,734	20	378,571	830	0	17,011	77
		0			2,857	40	0	340	20	50,329	0	0	3,339	77
		0			294	0	0	15	20	30,758	0	0	541	77
173.1	<p>Do you perform on-site reviews (or audits or inspections) of your employers? [For example, several systems perform reviews of their employers that have problems providing data and or contributions on a timely basis to ensure that they are correctly fulfilling their obligations to their members.]</p> <p>If yes:</p> <p>a) Number of on-site reviews (or audits or inspections) of your employers?</p>	No			45%Yes / 55%No			20	29%Yes / 71%No			77		
		0			360	0	0	31	20	4,247	0	0	124	77
174	<p>Do you inspect non-participating employers to see if they are obliged to participate in your System? [Answer is likely 'no' for all North American and Australian systems. Participation in some Dutch industry funds is mandatory if the employer has certain characteristics.]</p> <p>If yes:</p> <p>a) Number of non-participating employers inspected by mailed survey or telephone?</p> <p>b) Number of non-participating employers inspected by site visits?</p> <p>c) How many appeals about obligation to participate in the industry fund were initiated?</p> <p>Activity 7D - Service to Employers</p>	No			0%Yes / 100%No			20	8%Yes / 92%No			76		
		0			0	0	0	0	20	2,400	0	0	69	77
		0			0	0	0	0	20	3,510	0	0	49	77
		0			0	0	0	0	20	139	0	0	2	77

Survey Question	Your Response			Peers 2007					All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count	
A. Volume and Service Measures for Service to Employers														
175	Number of:													
	a) Incoming calls from employers?			15,000	141,938	17,481	3,000	26,366	20	141,938	7,556	0	15,142	77
	b) Email queries from employers?			300	47,450	3,967	200	8,901	20	54,248	2,300	0	5,278	77
	c) Conferences for employers?			0	41	0	0	4	20	120	0	0	5	77
	d) Presentations given to employers such as orientation workshops or seminars on benefit changes, etc?			20	211	32	0	50	20	1,200	13	0	49	77
	e) Other site visits to employers (exclude presentations counted in 'd' above and exclude audits and reviews counted in Q173.1a)?			0	1,463	19	0	125	20	3,251	5	0	139	77
176	Do you have an employer targeted section on your website, or a separate website for your employers?			Yes	100%Yes / 0%No				20	88%Yes / 12%No				76
	a) If yes, how many web pages are there on the employer targeted portion of the website? [As opposed to the sections targeted to members or other users]			315	1,460	132	1	249	20	1,460	50	0	144	77
177	How many different types of presentations did you give to employers? [Presentations given to members are asked for separately in question 113.] Describe the topic for each different presentation type given to employers below:			2	16	5	1	5	20	16	4	1	5	63
a	Retirement Training													
b	ICI Training (Disability)													
c	n/a													
d	n/a													
e	n/a													
f	n/a													
g	n/a													
h	n/a													
i	n/a													
j	n/a													
178	Do you have a newsletter dedicated to employers that is different from the newsletter for members?			Yes	90%Yes / 10%No				20	74%Yes / 26%No				77
	a) If yes, how many times did you prepare and send an employer dedicated newsletter last year?			36	36	5	0	9	20	36	3	0	5	77
179	Do you survey employers' satisfaction with the services you provide to them in your most recently completed fiscal year?			No	55%Yes / 45%No				20	46%Yes / 54%No				76
	a) If yes, how many times did you survey employers in your most recently completed fiscal year?			n/a	250	250	1	137	11	250	2	0	66	35
180	Q180 - 181 intentionally omitted													
182	Do you have Service Level agreements with your employers that clarifies both your service responsibilities and the employers and includes measurement and reporting vis-à-vis your responsibilities?			No	5%Yes / 95%No				20	21%Yes / 79%No				76

Survey Question	Your Response			Peers 2007					All Participants 2007							
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count			
<u>Software Tools</u>																
183	Do you offer and maintain generalized reporting software for your employer collection points? If yes: a) How many of your employer collection points use the software? b) Is the application web-based? [i.e. You connect to it through a web browser] c) Can the software integrate both data collection and billing? d) Can it provide real time error checking and feedback versus data previously submitted by the employer? [For example, can it identify an unusual increase in an employee's salary.]			Yes	90%Yes / 10%No					20	75%Yes / 25%No					76
	715			2,787	668	41	821	18	20,000	317	1	1,455	57			
	Yes				94%Yes / 6%No					18	91%Yes / 9%No					57
	No				61%Yes / 39%No					18	61%Yes / 39%No					57
	No				39%Yes / 61%No					18	55%Yes / 45%No					58
184	Do you maintain customized reporting software for any of your employer collection points? [For example, OPTrust maintains customized reporting software for its largest employer.] <u>Factors that can help explain differences in total work volumes</u> Activity 8 - Refunds, Transfers-out, Terminating Payments <u>A. Volumes that increase costs for Terminations</u>			No	16%Yes / 84%No					19	23%Yes / 77%No					74
185	How many of the following terminating payments did you do last year: <u>Refunds</u> a) Refunds to exiting members? b) Refunds to survivors, partners, ex-partners, dependents or beneficiaries? [Do not include death payments] c) Refunds of excess contributions? <u>Death payments</u> d) One-time death payments? [For example, many systems pay a death payment, such as \$2,000 or \$5,000, when an annuitant dies.] <u>Transfers-out/Rollovers</u> e) Individual rollovers to other qualified retirement accounts or transfers-out to external pension systems? [exclude members collectively transferred] f) Collective transfers-out to external pension systems? [For example, when an employer exits the system. Count all members collectively transferred.] g) Individual 'roll-overs' to internal accumulation accounts? <u>Lump-sums, Commuted Values, Hardship Releases</u> h) Lump-sum payouts or commuted value terminations at retirement excluding disability lump sums? [Many Australian systems pay these in lieu of an annuity inception] i) Early release of pension monies based on hardship grounds (only relevant in Australia)?			5,188	27,931	11,625	3,352	11,591	20	27,931	3,113	0	5,099	77		
	104			1,883	595	0	667	20	2,027	140	-700	310	77			
	0			3,960	4	0	449	20	7,264	0	0	360	77			
	360			15,759	1,362	0	2,390	20	15,759	48	0	1,166	77			
	1,108			5,544	375	0	1,240	20	7,397	159	0	856	77			
	0			521	0	0	27	20	523	0	0	19	77			
	0			2,000	0	0	100	20	5,981	0	0	176	77			
	2,076			2,076	0	0	113	20	12,305	0	0	704	77			
	0			0	0	0	0	20	958	0	0	15	77			

Survey Question	Your Response			Peers 2007					All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count	
<u>Partial withdrawals</u>														
j) Partial withdrawals for financial hardship or on compassionate grounds?	0			0	0	0	0	20	944	0	0	20	77	
k) Partial withdrawals for members reaching an eligible age? [i.e., 65, etc]	0			0	0	0	0	20	1,580	0	0	42	77	
l) Partial withdrawals of non-preserved funds (applicable in Australia)?	0			0	0	0	0	20	1,828	0	0	40	77	
m) Partial withdrawals for members prior to retirement for other reasons (describe below)?	0			5	0	0	0	20	1,517	0	0	39	77	
Total Terminating Payments	n/a			43,037	14,071	4,568	16,118	20	43,037	5,778	0	8,249	77	
186	How many of the above refunds/ terminations/ transfers out required you to do manual calculations?			66	34,042	13	0	2,763	20	34,042	30	0	1,106	77
187	How many written estimates for refunds/ terminations/ transfer-outs did you prepare in response to member requests that did not result in a refund/ termination/ transfer-out?			unknown	4,062	0	0	387	20	10,462	210	0	1,091	77
<u>b. Service Measures for Terminating Payments (Refunds, Transfers-out)</u>														
Q188 - 190 intentionally omitted														
191	How long does it take on average for you to complete individual transfers-out to external systems, including delays caused by external parties, beginning from the time of:													
	a) Initial request by the member (days)?			120	300	44	3	56	19	551	30	0	59	60
192	Did you survey satisfaction with terminating payments (i.e., Refunds, Lump-Sums or Transfers-Out) in your most recently completed fiscal year?			No	25%Yes / 75%No				20	25%Yes / 75%No				75
	If yes:													
	a) Did the survey focus primarily on terminating payments? [Versus including other activities.]			n/a	80%Yes / 20%No				5	68%Yes / 32%No				19
	b) How many times did you survey member satisfaction with terminating payments in your most recently completed fiscal year?			n/a	250	250	8	154	5	250	12	1	86	19
	c) What is the longest possible length of time between the termination (i.e., refund, transfer out, etc) and the survey, in days (i.e., If you sent a survey to a sample of members that received terminating payments in the past year, then 365 days)?			n/a	30	30	5	22	5	365	30	0	85	19
193	Do you require notarization of refund or transfer-out applications? (yes, some, no)			No	50%Yes / 30%No / 20%Some				20	25%Yes / 62%No / 13%Some				76
	a) If some, describe those that require versus those that do not:			n/a										
<u>C. Complexity of Terminations</u>														

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
194 Do you pay a one-time death payment when a member, retiree or the retiree's beneficiary dies (separate from the survivor pension)? a) If yes, how many different one-time death payment rule sets do you have? [i.e., \$5,000, \$2,000 etc.]	No n/a			70%Yes / 30%No 7				20 14	58%Yes / 42%No 11				77 45
195 How many different refund formulas do you have? [For example, a few systems have different formulas for vested and non-vested members, or for different member groups.] Activity 9 - Purchases and Transfers-in <u>A. Volumes that increase costs for Purchases and Transfers-in</u>	4			7	3	1	3	20	16	2	1	2	75
196 Number of actual: <u>Purchases</u> a) Service credit purchases such as for prior refunded service, military service, etc.: a1) By active members? a2) By inactive members? <u>Upgrades</u> b) Upgrades or 'Top-ups' where members can improve their pensionable salary (but not service credit)? c) Upgrades where members can pay to upgrade from an older retirement formula to a new retirement formula? <u>Transfers-In</u> d) Individual transfers-in from external defined benefit systems? [For example, many systems have reciprocal agreements with 'sister' systems that permit members to transfer-in credit from the external System when they join their System and vice versa? The cost is usually based on the present value of the benefits accumulated in the "reciprocal" System versus the benefits that will be established in their System.] e) Collective transfers-in from external systems? [i.e., Could occur when a new employer joins your system. Count each member collectively transferred-in.] Total Actual Purchases and Transfers-In	1,000 0			19,414 2,894	3,209 0	300 0	4,640 221	20 20	30,940 2,894	555 0	0 0	2,567 87	77 77
	0			0	0	0	0	20	331	0	0	11	77
	0			676	0	0	65	20	989	0	0	30	77
	0			2,113	0	0	183	20	58,854	29	0	1,510	77
	0			434	0	0	36	20	14,495	0	0	397	77
	1,000			20,115	3,290	0	4,976	20	58,857	1,525	0	4,509	77
197 How many of the purchases, upgrades and transfers-in (Q196) required you to do manual calculations?	0			2,263	309	0	431	20	14,495	34	0	547	77
198 How many written purchase, upgrade, or transfer-in estimates did you prepare in response to member requests that did not result in a purchase or transfer-in?	1,072			16,709	2,869	22	4,381	20	16,709	649	0	2,373	77
199 What was the breakdown of payment methods for purchases and upgrades: a) Rollover from tax qualified plans such as 401(a) or 401(k) or Conduit IRA or KEOGH in the US; or RRSP plans in Canada? b) Lump sum payments from members?	Yes Yes			95%Yes / 5%No 100%Yes / 0%No				20 20	87%Yes / 13%No 85%Yes / 15%No				61 68

Survey Question	Your Response			Peers 2007				All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count	
c) Installment payments direct from members?	No			60%Yes / 40%No				20	52%Yes / 48%No				66	
d) Installment payments via payroll deduction through employers?	No			75%Yes / 25%No				20	63%Yes / 37%No				67	
a1) % Rollover from tax qualified plans such as 401(a) or 401(k) or Conduit IRA or KEOGH in the US; or RRSP plans in Canada?	66%			77%	30%	1%	33%	19	100%	20%	0%	28%	50	
b1) % Lump sum payments from members?	34%			100%	31%	4%	36%	19	100%	34%	0%	40%	55	
c1) % Installment payments direct from members?	0%			82%	0%	0%	9%	20	82%	0%	0%	3%	77	
d1) % Installment payments via payroll deduction through employers?	0%			74%	12%	0%	23%	20	100%	0%	0%	19%	77	
<u>B. Service Measures for Service Credit Purchases</u>														
200	On average, how many days does it take from the date of first request to provide a written service credit cost purchase estimate?			45	60	12	1	19	19	366	15	1	31	60
<u>C. Service Measures for Transfers-in</u>														
201	intentionally omitted													
202	How long does it take on average for you to do individual transfers-in? [Months from request to completion including delays caused by external parties]			1	3	1	0	1	14	18	2	0	3	48
203	Did you survey satisfaction with regard to Purchases (or Transfers-in for Canadian, Australian and Dutch systems) in your most recently completed fiscal year? If yes: a) Did the survey focus primarily on purchases and/or transfers in? [Versus including other activities] b) What is the longest possible length of time between the service credit purchase and the survey, in days (i.e., If you sent a survey to a sample of members that purchased service credit in the past year, then 365 days)? c) How many times did you survey member satisfaction with purchases or transfers-in in your most recently completed fiscal year?			No n/a n/a n/a	30%Yes / 70%No 67%Yes / 33%No				20 6	24%Yes / 76%No 72%Yes / 28%No			75 18	
				n/a	365	30	1	78	6	365	24	0	91	18
				n/a	250	250	2	169	6	250	151	1	131	18
<u>D. Complex purchase rules and rules that vary between member groups can increase the difficulty of doing purchases</u>														
204	How many different service credit purchase categories do you have with different definitions and/or eligibility requirements?			7	37	14	5	14	20	37	8	0	9	67
205	How many different service credit purchase calculation formula or methodologies do you have? For example, one system has the following 4 different cost calculation formula: • Previously refunded contributions X the actuarial earnings rate. • Salary X Contribution Rate (no interest) for active duty military service. • Salary X Contribution Rate X 5% per annum for out-of-state government, or private school teaching service			9	11	6	1	6	20	28	4	0	5	68

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
<ul style="list-style-type: none"> Actuarial Cost for up to 5 years of any non-government, non-teaching work done outside of the pension system. 													
206 Are your service credit purchase rules (category definitions, eligibility requirements and calculation methodologies): <ul style="list-style-type: none"> a) Essentially identical for all your members? b) Similar for all member groups, albeit with some differences? c) Very different for different member groups? Activity 10 - Disability	No			40%Yes / 60%No				20	63%Yes / 37%No				70
	Yes			45%Yes / 55%No				20	31%Yes / 69%No				70
	No			15%Yes / 85%No				20	9%Yes / 91%No				70
207 Do you administer: <ul style="list-style-type: none"> a) Long-term disability/ disability pensions/ disability lump sums? b) Short-term disability? 	Yes			100%Yes / 0%No				20	91%Yes / 9%No				77
	Yes			25%Yes / 75%No				20	16%Yes / 84%No				77
208 What happens to a disabled members' membership status													
209 What happens to disabled members' benefits when they reach regular retirement age? <ul style="list-style-type: none"> a) No change. Disabled member continues to receive the same disability payments. There are no new potential pension obligations. b) Disabled members receive the greater of their current disability benefit or service retirement based on their service credit earned to the date of disability [i.e. time on disability does not count as service credit.] c) Disabled members receive service retirement. Time on disability counts as eligible service credit. d) Other (describe) n/a <u>A. Volumes that increase costs for Disability</u>	Yes			80%Yes / 20%No				20	71%Yes / 29%No				58
	No			15%Yes / 85%No				20	9%Yes / 91%No				58
	No			35%Yes / 65%No				20	31%Yes / 69%No				58
	No			20%Yes / 80%No				20	16%Yes / 84%No				58
210 Number of: <ul style="list-style-type: none"> <u>Applications</u> a) Applications for disability pensions/ long-term disability/ disability lump sums? b) Applications for short-term disability (if you administer)? <u>Medical Reviews and Examinations</u> c) Independent medical examinations for disability application assessment or reassessment paid for by you, if any? d) How many new members did you review the health status of? [For example, ESSS conducts Medical Classification Reviews on their new members. A Medical Classification may reduce a member's entitlement to disability and or death benefits.] <u>New Inceptions and Changes</u> e) Inceptions of disability payments (or Disability Lump Sum payouts in Australia)? 	715			3,708	756	19	995	20	3,708	96	0	457	77
	1,256			3,252	0	0	250	20	3,252	0	0	85	77
	10			4,226	38	0	525	20	4,226	6	0	232	77
	0			271	0	0	36	20	1,208	0	0	50	77
	1,872			2,632	512	0	820	20	2,632	59	0	287	77

Survey Question	Your Response			Peers 2007					All Participants 2007				
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
f) Changes in disability payments for reasons other than death? [For example, disability payments could change if the recipient returns to work. Or the disability recipient could be determined no longer disabled, or his status could change from 75% disabled to 50% disabled.] <u>Disability Appeals</u> g) Appeals of disability decisions?	0			6,492	25	0	498	20	13,354	6	0	452	77
<u>Disability Reimbursements</u> h) Number of reimbursements to employers for short term disability?	38			515	43	0	87	20	803	2	0	42	77
<u>Determining if disability occurred at work</u> i) Number of reimbursements to employers for short term disability?	0			305	0	0	15	20	305	0	0	5	77
211 Do you cover non-occupational disability? [Some systems only cover disabilities that happen at work.] a) If yes, does either the amount paid or the taxation of the disability benefit vary depending on whether the disability is occupational versus non-occupational? b) If yes to 'a' immediately above: Number of occupational disability applications?	Yes			100%Yes / 0%No				20	95%Yes / 5%No				66
	No			55%Yes / 45%No				20	30%Yes / 70%No				64
<u>Income Checking</u> c) If yes to 'b' immediately above: Number of occupational disability applications?	0			1,570	9	0	182	20	1,570	0	0	54	77
212 Do you check the income of disabled members after they have started receiving disability payments? a) If yes, how many checks of disabled member income did you do last year?	Yes			85%Yes / 15%No				20	59%Yes / 41%No				66
<u>Rehabilitation</u> b) If yes, how many checks of disabled member income did you do last year?	4,912			24,518	2,459	0	4,710	20	75,896	0	0	2,455	77
213 Do you have a rehabilitation program focused on retraining/ rehabilitating annuitants on disability? a) If yes, how many rehabilitation cases did you handle last year?	No			20%Yes / 80%No				20	9%Yes / 91%No				66
<u>Income Adjustments</u> b) If yes, how many rehabilitation cases did you handle last year?	0			20	0	0	2	20	20	0	0	1	77
214 Will you pay a disabled member that returns to work at a salary lower than he previously earned: a) The difference between his old salary (or his old disability benefit) and his new lower salary? b) An amount that is potentially greater than the difference between his old salary and his new lower salary?	No			25%Yes / 75%No				20	20%Yes / 80%No				60
<u>B. Service Measures for Disability</u> c) An amount that is potentially greater than the difference between his old salary and his new lower salary?	No			0%Yes / 100%No				20	0%Yes / 100%No				60
215 How many months, on average, does it take to return a decision on a disability application from the day of initial request to a decision?	4			10	2	1	3	20	12	2	0	2	65
216 Do you have an expedited method for processing disability for a terminally ill member?	Yes			60%Yes / 40%No				20	62%Yes / 38%No				65

Survey Question	Your Response			Peers 2007					All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count		
217 Do you proactively advise inactive members that their disability coverage will be expiring? [For example New Jersey advises members at 18 months that disability coverage expires at 2 years.]	No			18%Yes / 82%No					17	33%Yes / 67%No					45
218 Do you require notarization of disability applications (yes, some, no)? a) If some, describe those that require versus those that do not: n/a	No			30%Yes / 70%No / 0%Some					20	27%Yes / 73%No / 0%Some					66
219 Did you survey satisfaction with regard to the Disability Inception Process (or in Australia, the Disability Lump Sum Payout Process) in your most recently completed fiscal year? If yes: a) Did the survey focus primarily on disability? [Versus including other activities.] b) Did you send the survey only to members that applied for disability? [Versus sending it to members who may or may not have been disabled such as a sample of the recently retired members or the general membership, etc.] c) If yes to b) what is the longest possible length of time between a disability decision and sending the survey, in days (i.e., If you sent a survey to a sample of members that applied for disability in the past year, then 365 days)? d) How many times did you survey member satisfaction with disability in your most recently completed fiscal year? <u>C. Disability Complexity and Process</u> <u>An independent decision process is more difficult to administer</u>	No			40%Yes / 60%No					20	30%Yes / 70%No					66
	n/a			38%Yes / 63%No					8	60%Yes / 40%No					20
	n/a			63%Yes / 38%No					8	65%Yes / 35%No					20
	n/a			365	55	1	134	8	365	55	1	126	18		
	n/a			250	129	1	127	8	250	131	1	127	18		
220 How do you determine whether a member qualifies for long-term disability/ disability pension? a) Follow the ruling of a government agency such as social security or worker's compensation? b) Employer decides? c) Process independent of social security, worker's compensation and employer decisions? [For example, many systems use independent internal processes or medical review boards or medical consultants.] d) Other (describe)? n/a <u>Less strict definitions of long-term disability/ disability pensions can be more difficult to administer than strict definitions</u>	No			25%Yes / 75%No					20	24%Yes / 76%No					66
	No			0%Yes / 95%No / 5%Some					20	2%Yes / 97%No / 2%Some					66
	Yes			95%Yes / 5%No					20	77%Yes / 23%No					66
	No			5%Yes / 95%No					20	8%Yes / 92%No					66
221 Which of the following descriptions best describes the MINIMUM level of disability necessary to be eligible for a long-term disability/ disability pension? [If you have different plans with different definitions, choose the definition that applies to the largest number of cases.]															

Survey Question	Your Response			Peers 2007				All Participants 2007					
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
<p>a) Disabling injury or illness that prevents you from performing your current job duties (even though you might be able to perform other jobs) and expected to be permanent (or for some systems - persist longer than 6 or 12 months).</p> <p>b) Disabling injury or illness that prevents the member from performing current and 'other' jobs that he/she is qualified for and/or can become qualified to do in a reasonable period of time and expected to be permanent (or for some systems - persist longer than 6 or 12 months). Sometimes but not always the 'other job' is defined as not able to earn a certain level (i.e., 75%) of pre-disability earnings.</p> <p>c) Totally and permanently incapacitated and member is not reasonably expected to recover from disabling medical condition or not expected to ever work again.</p> <p>d) Other (describe)</p> <p>No</p> <p><u>Short-term Disability</u></p>	No			55%Yes / 45%No				20	47%Yes / 53%No				64
	No			25%Yes / 75%No				20	28%Yes / 72%No				65
	Yes			30%Yes / 70%No				20	31%Yes / 69%No				65
	No			20%Yes / 80%No				20	18%Yes / 82%No				65
<p>222 If you administer short-term disability:</p> <p>a) Are the short-term and long-term disability/ disability pension processes closely entwined? [i.e., difficult to distinguish between costs of long-term/disability pensions and short term disability, same staff do both, similar approval processes]</p> <p>b) Are the disability definitions, other than the expected duration of disability, the same for both long-term and short-term disability? [For example, the only difference between the definition of long-term/ disability pensions and short-term disability at some systems is the disabling injury or illness is expected to last longer than 12 months for long-term.]</p> <p>c) Are there materially different approval processes for short-term and long-term disability/ disability pensions?</p> <p><u>Multiple Disability Rule Sets Increases Administrative complexity</u></p>	Yes			75%Yes / 25%No				4	82%Yes / 18%No				11
	No			25%Yes / 75%No				4	36%Yes / 64%No				11
	Yes			75%Yes / 25%No				4	36%Yes / 64%No				11
<p>223 How many different rule sets with different definitions or benefits do you have that apply to member groups or subsets of a member group for:</p> <p>a) Long-term disability/ disability pensions?</p> <p>b) Short-term disability (if you administer it yourself)?</p> <p><u>Coordination with other disability benefits can increase complexity because it requires explaining and checking</u></p>	4			28	3	1	6	20	28	2	1	4	66
	1			14	1	0	4	5	14	2	0	3	12
<p>224 Do you reduce payments if member qualifies or receives:</p> <p>a) disability social security?</p> <p>b) worker's compensation?</p> <p>c) other public funds, e.g. federal military disability?</p> <p>d) income protection plans/other disability insurance?</p> <p>e) employer sick leave and annual leave pay?</p>	Yes			45%Yes / 55%No				20	23%Yes / 77%No				66
	Yes			65%Yes / 35%No				20	46%Yes / 54%No				56
	No			25%Yes / 75%No				20	9%Yes / 91%No				65
	No			20%Yes / 80%No				20	9%Yes / 91%No				65
	No			45%Yes / 55%No				20	23%Yes / 77%No				65

Survey Question	Your Response			Peers 2007				All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count	
f) unemployment compensation?	Yes			21%Yes / 79%No				19	9%Yes / 91%No				64	
g) income from other employment?	Yes			70%Yes / 30%No				20	46%Yes / 54%No				65	
h) other (describe)? Other WRS (including retirement) benefits	Yes			16%Yes / 84%No				19	9%Yes / 91%No				64	
<u>Proxy for generosity of your disability benefit (we plan to test whether more generous programs have higher administration costs)</u>														
225	Total number of members receiving:													
	a) Long-term disability / disability pensions?			3,520	75,046	7,073	597	12,117	20	75,046	2,801	19	7,114	65
	b) Short-term disability (if you administer)?			1,323	1,940	1,100	6	1,036	4	1,940	154	6	603	10
226	What were your total payouts, in \$000s, for:													
	a) Long-term disability / disability pensions?			\$191,868										
	b) Short-term disability (if you administer)?			\$7,989										
Activity 11 - Financial Control and Governance														
<u>A. Volumes that increase costs for Financial Control and Governance</u>														
227	Indicate the oversight bodies that you reported to last year, and the number of meetings, excluding investment related meetings, that you participated in:													
	a) Board of Trustees?			Yes	85%Yes / 15%No				20	92%Yes / 8%No			77	
	b) Non-board legislative oversight committee?			Yes	70%Yes / 30%No				20	42%Yes / 58%No			77	
	c) Advisory committee?			No	45%Yes / 55%No				20	31%Yes / 69%No			77	
	d) Members' Council?			No	0%Yes / 100%No				20	19%Yes / 81%No			77	
	e) Other (describe below)? Advisory and appeals - JI, TR Bd, WRS Bd.			Yes	30%Yes / 70%No				20	34%Yes / 66%No			77	
	a1) # of meetings for Board of Trustees?			4	39	12	0	18	20	109	12	0	18	77
	b1) # of meetings for Non-board legislative oversight committee?			1	51	1	0	5	20	51	0	0	3	77
	c1) # of meetings for Advisory committee?			8	24	1	0	4	20	33	0	0	3	77
	d1) # of meetings for Members' Council?			0	0	0	0	0	20	8	0	0	1	77
	e1) # of meetings for Other?			12	12	0	0	2	20	120	0	0	5	77
228	intentionally omitted													
229	Does your Board have the power on its own to approve your operating budget? [i.e. your budget does not also have to be approved by a separate government representative, such as the Treasury, Legislature, Governor, Minister, General Assembly, etc.]			No	32%Yes / 68%No				19	52%Yes / 48%No			62	
230	How many actuarial analyses did you do this year for funding or billing purposes? [Do NOT include the number of actuarial "what if" analyses performed for either employers, legislators or Trustees. These are part of Plan Design and are asked for separately in question 239 below.]			4	2,063	8	1	118	20	2,463	4	0	84	77
x	Q231 - 234 intentionally omitted													

Survey Question	Your Response			Peers 2007					All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count		
235 Do you have back-up equipment and premises arranged for your operations if substantial damage occurs at your principal location?	Yes			100%Yes / 0%No					20	92%Yes / 8%No					77
236 If your principal location became inoperable due to some disaster (such as fire, tornado, etc), how long would it take in days for you to: a) Continue paying pension payments to retirees? b) Begin doing new pension inceptions at normal volumes? c) Collect data and money from employers? d) Respond to member calls at close to current service levels? Activity 12 - Plan Design and Rules Development <u>A. Volumes that cause work for Plan Design</u>	3 15 3 3			5 60 60 60	3 10 5 5	0 1 0 0	3 17 12 13	20 20 20 20	30 90 60 90	2 10 4 5	0 1 0 0	3 16 10 13	77 75 76 73		
237 Did you have any material legislative changes or other unusual events that materially affected your costs and/ or service in the most recent fiscal year? a) If yes, describe: n/a	No			40%Yes / 60%No					20	53%Yes / 47%No					77
238 How many: a) Contracts for potential participating employers that required effort? [For example, negotiating a contract for a new category or type of employer such as a new charter school.] b) Existing employer contracts were re-negotiated or amended and needed customization of the rules set?	0 0			29 201	0 0	0 0	4 13	20 20	400 264	0 0	0 0	15 9	77 77		
239 How many actuarial cost "what if" analyses [such as: "How will our pension cost change if we agree to the union's demand for an improved benefit?"] did you perform for employers, legislators or Pension Boards where you incurred the cost? <u>B. Customization Options increase the work of Plan Design and the complexity of almost all activities</u>	0			900	22	0	93	20	900	6	0	46	77		
240 Can either existing employers, or a new employer joining your system, choose: a) Whether they offer early retirement, or a window of early retirement? b) Whether or not part-time employees are eligible? c) Whether employee contributions are paid pre or post tax? d) Whether they pay for employee contributions themselves, or not? e) Position coverage based on predetermined rule sets? [For example, employers can choose from a list of pre-determined rules sets such as 1.5% X FAS for General and 2.5% X FAS for Law Enforcement. Employers may have flexibility to determine eligibility for each group.]	No No No Yes No			25%Yes / 75%No 10%Yes / 90%No 45%Yes / 55%No 40%Yes / 60%No 20%Yes / 80%No					20 20 20 20 20	16%Yes / 84%No 12%Yes / 88%No 21%Yes / 79%No 31%Yes / 69%No 13%Yes / 87%No					76 76 75 75 76

Survey Question	Your Response			Peers 2007					All Participants 2007						
	2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count		
f) Contribution levels and/ or match rates? [For example, at Texas MRS, employers can choose employee deposit rates of 5%, 6% or 7% and employer match rates of 1 to 1, 1.5 to 1 or 2 to 1. We think this only applies to money match and DC plans because for DB plans the promised benefit determines the contribution.]	No			5%Yes / 95%No					20	12%Yes / 88%No					76
g) To pay for one-time improvements in retiree or member benefits? [For example, Texas MRS' employers can elect to pay to improve the money purchase entitlement of their members.]	Yes			10%Yes / 90%No					20	23%Yes / 77%No					74
241 When new employers join your system, do they have the flexibility to customize any of the following items? If yes, indicate the number of standard choices for that item.															
a) Benefit Program Multipliers [i.e., 2% per year of service, 2.5% per year of service, etc]	No			5%Yes / 95%No					20	10%Yes / 90%No					72
b) Final Salary Definition [i.e., Sick Leave in or out, Final 1 year, Highest 5 consecutive years, etc]	No			10%Yes / 90%No					20	6%Yes / 94%No					72
c) Retirement eligibility rules (i.e., age and/or years of service required to retire).	No			10%Yes / 90%No					20	7%Yes / 93%No					72
d) Cost of Living Adjustment Rules [i.e., CPI capped at 2%, CPI uncapped, etc]	No			5%Yes / 95%No					20	7%Yes / 93%No					72
e) Vesting Period	No			0%Yes / 100%No					20	3%Yes / 97%No					60
f) Service Credit Purchase Categories	Yes			15%Yes / 85%No					20	13%Yes / 88%No					72
g) Death benefit coverage [i.e. One system has 3 choices: none, \$5,000 and \$10,000]	No			10%Yes / 90%No					20	11%Yes / 89%No					74
h) Disability Coverage Rules	Yes			10%Yes / 90%No					20	4%Yes / 96%No					74
i) Choice as to whether and how contributions and benefits are coordinated with social security	No			5%Yes / 95%No					19	3%Yes / 97%No					73
j) Other (describe)	No			19%Yes / 81%No					16	13%Yes / 87%No					68
n/a															
If yes, # of standard choices?															
a1) Benefit Program Multipliers [i.e., 2% per year of service, 2.5% per year of service, etc]	n/a			9	9	9	9	1	876	3	1	128	7		
b1) Final Salary Definition [i.e., Sick Leave in or out, Final 1 year, Highest 5 consecutive years, etc]	n/a			2	2	2	2	2	2	2	1	2	4		
c1) Qualifying for retirement/ Years of Service	n/a			8	5	2	5	2	8	4	1	5	5		
d1) Cost of Living Adjustment Rules [i.e., CPI capped at 2%, CPI uncapped, etc]	n/a			4	4	4	4	1	6	4	3	4	4		
e1) Vesting Period	n/a							0	3	3	2	3	2		
f1) Service Credit Purchase Categories	5			9	5	2	5	3	9	3	1	4	8		
g1) Death benefit coverage [i.e. One system has 3 choices: none, \$5,000 and \$10,000]	n/a			6	4	2	4	2	6	3	2	3	7		
h1) Disability Coverage Rules	2			2	2	2	2	2	2	2	2	2	3		
i1) Choice as to whether and how contributions and benefits are coordinated with social security	n/a			2	2	2	2	1	2	2	1	2	2		
j1) Other	n/a			30	2	1	11	3	30	2	1	7	9		

Survey Question		Your Response			Peers 2007					All Participants 2007				
		2007	2006	2005	Max.	Median	Min.	Avg	Count	Max.	Median	Min.	Avg	Count
242	Can an existing employer change any of the choices (from Q241) (effectively creating a new or altered rule set) at any time?	Yes			21%Yes / 79%No				19	16%Yes / 84%No				74
999	end													



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CORRESPONDENCE MEMORANDUM

DATE: September 19, 2008
TO: Employee Trust Funds Board
FROM: David Stella, Secretary
SUBJECT: Secretary's Report

This memo is my first Secretary's Report. As you recall, the board indicated that it would like to see a report from me at each ETF Board meeting to provide pertinent information and commentary about internal and external issues affecting the Department and the benefit plans we administer.

I. Federal and National Issues

Market Value of Liabilities (MVL) - This is an ongoing issue between the American Academy of Actuaries (AAA) and the public pension industry. MVL reflects pension plans' settlement cost or the amount the plan would owe if it were terminated and required to settle its liabilities with a so-called risk-free portfolio of bonds. MVL involves three elements that are not currently part of the conventional method for determining public sector pension liabilities. These elements are: 1) investment return based on a portfolio of high quality bonds; 2) use of the accrued benefit (plan termination) obligation; and 3) marking assets to market, which precludes smoothing of assets.

The AAA's Public Interest Committee held a public hearing on September 4th to take testimony in a public forum to hear views on the disclosure of market value of assets and liabilities for public pension plans. The committee will use information obtained through this forum to determine whether a statement from the Academy's board of directors on the issue is appropriately in the public interest.

Public pension plans oppose the use of this standard for many reasons, including that it would incorrectly state the status of the plan's funding and mislead the public about the actual financial condition of a pension plan. The hearing served as an opportunity for proponents and the opponents to publicly express views regarding MVL. The Committee is expected to study the commentary and make a recommendation to the AAA.

IRS Increased Scrutiny of Governmental Pension Plans - The IRS has stated its intent to significantly increase audits of governmental pension plans. On April 22, 2008 the IRS hosted a meeting with various representatives from the state and local governmental pension plans to communicate its intent. The IRS action plan is to issue multiple surveys to various public pension plans to determine the "status" of the plans and focus on "areas of concern" in their compliance

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efforts. The IRS shared a survey document with those in attendance. The consensus of the public pension plan community was that the survey was very problematic. The questionnaire reaches far beyond tax-qualification issues and asks open-ended questions dealing with ERISA standards that are inapplicable to public plans and are entirely outside the jurisdiction of the IRS. The proposed questionnaire includes such topics as "Plan Expenses," "Investment of Plan Assets," "Conflicts of Interest," and "Plan Governance" -- all of which Congress explicitly excluded from Federal regulation when it adopted ERISA, deciding instead that State and local government enforcement mechanisms were more effective than the IRC in appropriately addressing such issues with respect to state and local government plans.

Several questionnaire topics, such as "Provisions to Ensure that New Promises are Affordable," deal with issues that are not typically within the control of a plan, but fall more within the realm of the plan sponsor or other governing authority. Even when the questionnaire deals with more appropriate topics, such as "Demographic Information," "Basic Plan Document /Amendment Information," and "Operational Information," the specific questions are often vague, confusing, or more appropriate if asked of a private sector plan.

The public pension plan community enlisted the assistance of Ways and Means Chairman, Congressman Charles Rangel and other Committee members to engage the IRS in a dialogue to arrive a mutually agreeable approach in engaging public pension plans. A meeting will be held with Chairman Rangel, Congressmen Earl Pomeroy of North Dakota, and Sam Johnson of Texas on September 19th to discuss the areas of concern.

II. Internal ETF Issues/Activites

Results of Internal Privacy Study - This Spring, Governor Doyle issued a letter to the Secretaries of state agencies, informing them of the results of a state privacy assessment conducted by Metavante Corporation. The letter contained specific privacy directives to agencies based on the assessment and indicated that the Secretary of the Department of Administration would work with agencies to implement the directives. ETF has not been contacted yet by DOA, but ETF has appointed staff to an in-house workgroup to begin addressing the recommendations in the assessment and in the Governor's letter. The workgroup has found that ETF's policies and practices rate very well. Some of the recommendations and ETF's responses are identified below:

1. Appoint a Privacy Officer for the Department: ETF has had a privacy officer since early 2003.
2. Provide Privacy Training to Department Employees: ETF provides privacy training to each new employee and is in the planning stages to provide work-specific privacy training for the entire Department this year.
3. Develop Standardized Vendor Contract Language & Due Diligence Processes: ETF has HIPAA-compliant contracts with vendors, and has been directly addressing the security of personal information in contracts for several years, with an eye on consistent and stringent contract terms for safeguarding personal information.
4. Conduct Annual Risk Assessments of Privacy Policies and Practices: ETF recently conducted a survey of its privacy practices and policies; the LAB conducts an annual audit of ETF; in 2003, Deloitte conducted a significant privacy risk assessment of ETF; and is currently developing a Department-wide privacy audit that will be conducted internally.

5. Replace Social Security Numbers with Randomly Generated ID Numbers Wherever Possible: ETF is required to collect and use SSN's for tax-related processes, administration of the WRS and certain products related to Medicare D and Medicare Private Fee for service plans of the state health insurance program. The Department has implemented policies to reduce unnecessary use and transmission of full SSN's, and is examining options for eliminating the SSN as the primary identifier for WRS participants.

Mandatory Electronic Direct Deposit – The Department is in the process of developing a policy to require electronic direct deposit of WRS annuity payments. The Social Security Administration and many public retirement systems have adopted mandatory electronic deposit policies. While we are in the developmental stage of the policy, we believe that it will eliminate the risks of lost and stolen checks, postal system delays and delivery failures. Electronic direct deposit will also improve confidentiality of personal information. Even though almost 90% of our annuitants currently use electronic direct deposit, almost 181,000 checks are still produced and mailed annually. The Department estimates a savings of \$87,000 per year, not including labor savings, after the mandatory electronic deposit is implemented. As with any policy some flexibility and exceptions will be necessary to address individual circumstances.

Implementation of 2008 Wis Act 226 (Pension Protection Act) – The Department continues work on implementation of Wisconsin Act 226 which provides a tax exemption of up to \$3,000 for health insurance premiums paid from annuities of WRS annuitants who are retired public safety officers. An implementation team is developing the necessary policies, procedures, informational and enrollment procedures.

If the Board has questions on other topics or issues that you would like me to cover at a future Board meeting please let me know.



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CORRESPONDENCE MEMORANDUM

DATE: September 4, 2008
TO: Employee Trust Funds Board
FROM: Tom Korpady, Administrator
Division of Insurance Services
SUBJECT: Long Term Disability Insurance (LTDI) Plan Actuarial Report

The attached actuarial report on the LTDI plan is for your information only. No Board action is required.

The LTDI plan is a long-term disability insurance program provided by the Group Insurance Board (GIB) that offers disability benefit protection to members of the Wisconsin Retirement System (WRS). The plan is secured by the ETF Board under its authority in s.40.03 (1) (i), Wis. Stats. LTDI was developed as an alternative to disability retirement benefits under s.40.63, Wis. Stats., when, following passage of the federal Older Workers Benefit Protection Act, it was determined that the s.40.63, Wis. Stats. plan design may be discriminatory to older workers.

The LTDI plan is funded by premiums charged to the WRS. Due to adequate funding levels, premiums for the plan were suspended in 1999, and no premiums have been collected since that time. In this report, the actuary has recommended that this premium collection suspension remain in effect through calendar year 2009.

attachment

Reviewed and approved by Robert J. Conlin, Deputy Secretary

Signature Date

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The State of Wisconsin Group Insurance Board & Employee Trust Funds Board



Long-Term Disability
Insurance Plan
2009 Premium Development
As of December 31, 2007

Prepared By:
Timothy D. Gustafson, FSA, MAAA
Deloitte Consulting LLP

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I. Introduction

The purpose of this report is to summarize our actuarial review of the Long Term Disability Insurance (“LTDI”) Plan. Included are a brief review of the Plan’s experience during 2007, development of 2009 LTDI premiums, a summary of benefits paid and corresponding reserves, and an estimate of the Plan’s Reserve for Future Claims (“RFC”, or the fund surplus of the Plan).

The results of our review indicate that the LTDI Plan is in a strong financial position, with assets of \$325,385,011 and estimated liabilities of \$135,756,290. The asset balance does not include \$2.0 million in deferred market losses which will be smoothed over the next four years. The RFC has decreased in each of the last four years, primarily due to the Plan receiving no contributions for each of those years.

We recommend that contributions not be reinstated at this time.

In preparing this report, we have relied on claim information provided by Aetna and the Department of Employee Trust Funds. We have not audited this information, but have relied on it as submitted after making reasonableness checks as we deemed appropriate under the circumstances.

Deloitte Consulting LLP (“Deloitte Consulting”) and Gabriel, Roeder, Smith & Co. (“GRS”) shared the development of the LTDI numbers for December 31, 2007. The results of the GRS work are contained in a separate document. This report contains the Incurred Claims Reserve and the recommended premium rates for 2009, both of which were developed by Deloitte Consulting. Additional items, developed by GRS, are displayed in this report as required to support the recommended premiums.

II. 2007 Experience and Highlights

	<u>12/31/2007</u>	<u>12/31/2006</u>	<u>12/31/2005</u>	<u>12/31/2004</u>	<u>12/31/2003</u>	<u>12/31/2002</u>
LTDI Beg Assets	\$309,687,976	\$296,747,117	\$289,288,911	\$277,654,620	\$266,967,728	\$260,550,273
Closing Adjustments	(\$2,574,197)	(\$2,075,655)	(\$76,319)	(\$380,135)	(\$799,976)	\$417,059
Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Inv Earnings	\$37,442,701	\$28,493,846	\$18,444,252	\$21,943,394	\$19,403,498	\$12,394,761
Paid Claims	\$17,774,253	\$12,329,911	\$9,863,169	\$8,817,188	\$7,039,042	\$5,592,879
Expenses	\$1,397,216	\$1,147,421	\$1,046,558	\$1,111,780	\$877,588	\$801,486
LTDI Ending Assets	\$325,385,011	\$309,687,976	\$296,747,117	\$289,288,911	\$277,654,620	\$266,967,728
Incurred Claims Reserve	\$135,756,290	\$108,286,975	\$90,302,382	\$71,254,858	\$53,950,828	\$43,806,162
RFC	\$189,628,721	\$201,401,001	\$206,444,735	\$218,034,053	\$223,703,792	\$223,161,566
Regular Premium (% of payroll)	0.20%	0.19%	0.21%	0.22%	0.22%	0.24%
RFC Adjustment	-0.20%	-0.19%	-0.21%	-0.22%	-0.22%	-0.24%
Recommended Premium Rate	None - 2009	None – 2008	None – 2007	None – 2006	None – 2005	None – 2004

The funded status of the LTDI plan decreased slightly as evidenced by the approximately \$11.8 million decrease in the Reserve for Future Claims (“RFC”). While the Plan’s assets increased by 5.1%, the Incurred Claims Reserve (which includes both the Disabled Life and IBNR reserves) increased by 25.4%, which results in a decrease in the RFC from year end 2006 to year end 2007. The 25.4% Incurred Claims Reserve increase is explained in part by growth in both the number of open claims (increased 18.3% over the prior year) and the average net benefit (increased 5.1% over the prior year). As premiums have been suspended since 1999, we would expect the fund balance to decrease if the sum of the paid claims and the increase in the Incurred Claims Reserve is more than investment earnings. The Reserve for Future Claims does not include deferred market losses of \$2.0 million in 2007 which will be smoothed into the asset balance over the next four years. This large positive Reserve for Future Claims will enable the Plan to continue to suspend premium payments for another year.

III. Development of 2009 LTDI Premiums

Based Upon the 5-Year Adjustment of the RFC
as of December 31, 2007

			Protective		
	General	Executive & Elected	With Social Security	Without Social Security	Total
\$ in Millions					
1) Payroll	\$10,277.9	\$94.6	\$1,035.6	\$173.7	\$11,581.8
2) RFC	154.6	1.3	26.8	7.0	189.6
%’s of Active Member Payroll					
3) Regular Premium	0.18%	0.16%	0.31%	0.48%	0.20%
4) RFC Adjustment: 20% x (2)/(1)	(0.30)	(0.27)	(0.52)	(0.80)	(0.33)
5) 2009 LTDI Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Prior Year Rate	0.00%	0.00%	0.00%	0.00%	0.00%

*Items 1, 2, & 3 provided by GRS

2009 Premium Recommendation:

The 2009 premium rates shown above are based upon a continuation of the 20% (5 year) adjustment to the Reserve for Future Claims that was adopted by the Board in connection with the development of the 1996 rates and continued thereafter. The assets as calculated under this methodology have been sufficient to temporarily suspend premiums since 1999.

Premium rates merely designate amounts to be transferred from the WRS retirement fund to the LTDI fund, so reductions in premium rates only result in a different allocation of funds and not in a reduction in amounts collected. The plan continues to be well funded as evidenced by the large positive Reserve for Future Claims. The current funded status allows for substantial lead time for any changes necessary in the allocation of funds, in the event that claim levels increase dramatically in 2010 or beyond.

We recommend continuing the indefinite premium suspension as the the Plan continues to have a large positive fund balance.

IV. Benefits Being Paid and Reserves

By Year of Incurral as of December 31, 2007

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total
General & Teachers																
Number	4	6	9	19	11	41	43	52	59	85	140	105	173	216	116	1,079
Annual Benefits	74,232	108,768	118,087	273,758	146,699	611,363	650,577	611,682	669,151	1,093,073	1,816,320	1,233,975	2,069,706	2,688,979	2,568,621	14,734,990
Actuarial Present Value	376,002	477,012	801,889	1,425,688	771,352	3,582,993	4,128,412	3,614,352	4,769,828	7,705,985	11,763,527	9,307,077	16,146,117	21,685,719	18,481,990	105,037,944
Local Elected Official																
Number	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actuarial Present Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prot w/Social Sec																
Number	0	0	0	0	0	0	0	0	0	2	0	2	3	7	5	19
Annual Benefits	0	0	0	0	0	0	0	0	0	6,176	0	34,257	62,495	97,939	88,853	289,720
Actuarial Present Value	0	0	0	0	0	0	0	0	0	25,298	0	256,617	515,258	978,267	1,349,732	3,125,173
Prot w/out Social Sec																
Number	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	2
Annual Benefits	0	0	0	0	0	0	0	0	18,297	0	0	23,288	0	0	0	41,585
Actuarial Present Value	0	0	0	0	0	0	0	0	276,296	0	0	165,619	0	0	0	441,915
Totals																
Number	4	6	9	19	11	41	43	52	60	87	140	108	176	223	121	1,100
Annual Benefits	74,232	108,768	118,087	273,758	146,699	611,363	650,577	611,682	687,448	1,099,248	1,816,320	1,291,520	2,132,200	2,786,918	2,657,474	15,066,295
Actuarial Present Value	376,002	477,012	801,889	1,425,688	771,352	3,582,993	4,128,412	3,614,352	5,046,124	7,731,283	11,763,527	9,729,314	16,661,375	22,663,986	19,831,722	108,605,032

V. Development of Reserve for Future Claims (RFC)

December 31, 2007

LTDI Assets	<u>\$325,385,011</u>
Actuarial Present Value of:	
Claims in payment status as of December 31, 2007	\$108,605,032
Incurred but not reported claims (IBNR reserve)	<u>27,151,258</u>
<i>Total Incurred Claims Reserve</i>	<u>\$135,756,290</u>
Reserves for Future Claims (RFC)	<u>\$189,628,721</u>

The IBNR reserve amount is 25.0% of the total LTDI claims in payment status liability. The total liability increased 25.4% from 2006. The increase is due to a growth in the number of claims, as well as a 5.0% increase in average net benefit. The increases in open claims and liability are similar to the increases seen from 2005 to 2006.

Appendix 1

Assumptions

Mortality: The projected future benefit stream is reduced for mortality. The Wisconsin Projected Experience Table – 93 is used; 98% of male mortality and 97% of female mortality.

Set Forward: Male mortality is adjusted by incorporating a 12 year set forward (males only).

Recovery: No recoveries are assumed in the projected future benefit stream.

Benefit Period: Projected benefits cease at age 65.

Interest: 4.8% (which approximates a 7.8% valuation rate (reduced from 8% on February 1, 2004) with 3% annual benefit increases) is used to discount the projected future benefit stream to the valuation date.

IBNR: 25% of the Reserve for reported claims (reduced from 30% in 2005 to reflect the pattern of decreasing actual IBNR to total LTDI claims in payment status, the factor had been reduced from 35% to 30% in 1999).

Eligibility: 1) Employees who begin or resume covered WRS employment on or after October 16th, 1992 or 2) employees who have been continuously employed under the WRS since before October 16th, 1992, and are eligible for coverage under the WRS disability program, but elect coverage under the LTDI program. (At the 2007 Group Insurance Board meeting, the Board voted to extend the open election between programs indefinitely.)



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CORRESPONDENCE MEMORANDUM

DATE: September 9, 2008

TO: Employee Trust Funds (ETF) Board

FROM: Sari King, Administrator
Division of Retirement Services

John Vincent, Administrator
Division of Trust Finance and Employer Services

SUBJECT: Variable Fund

This memo is for information and discussion purposes. No action is required.

At the June ETF Board meeting the Board voted to recommend that the Variable Investment Fund be phased out, and requested that Department staff provide options to achieve this result. This can only be done through a statutory change. Before the Department forwards the Board's recommendation to phase out the Variable Fund to the Legislature, it would be prudent to explore alternatives and the ramifications of each option. Attached are options for consideration, with the presumption that any change to the Variable Fund would be effective on the first day of a calendar year.

attachment

Reviewed and approved by Robert J. Conlin, Deputy Secretary.

Signature

Date

Board	Mtg Date	Item #
ETF	09/19/08	7

Alternatives for the Variable Fund

Option A

Leave the Variable Fund open, but proactively expand participant education on concerns about the risk/return ratio of Variable Fund investments and the potential negative effects of Variable participation on Wisconsin Retirement System (WRS) benefits. This will better enable participants to make well-informed decisions about whether to elect or cancel Variable participation. *Note: This option does not phase out the Variable Fund, but is intended to provide comprehensive participant education on the risk/return of participation.*

Pros

- All current and future participants retain the choice of electing and canceling Variable participation.
- No statutory changes are required.
- No administrative or Information Technology (IT) changes are necessary.
- No exposure to legal challenges for eliminating existing participant rights.

Cons

- Participants can still elect Variable participation, and may assume that the Variable Fund option would not be offered if it contained a high level of risk.
- Participants whose benefits are decreased due to Variable participation may blame the Department and the ETF Board for continuing to provide an option that negatively affected their benefits.

Option B

Close the Variable Fund to new employees who begin WRS participation on or after the effective date of the change.

- Participants who began WRS coverage before the effective date of the closure would still be eligible to elect Variable participation at any time.
- Participants whose elections to participate in the Variable Fund were effective prior to the date the Fund is closed continue to make Variable contributions until such time as they may elect to cancel their Variable participation.
- Proactively expand participant education on concerns about the risk/return ratio of Variable Fund investments and the potential negative effects of Variable participation on WRS benefits.

Pros

- This closure option affects a minimal number of participants.
- Least exposure of the Variable closure options to a legal challenge because existing rights are not taken away.

Cons

- New participants who cannot elect Variable participation may feel discriminated against because they do not have the same choices available to other participants.
- Since existing participants would have an open-ended Variable enrollment period, the life of the Variable Fund could be extended considerably.
- Any closure of the Variable Fund would require a statutory change.
- Costly administrative and IT changes would be necessary.

Option C

Close the Variable Fund to new employees who begin WRS participation on or after the effective date of the change and close the Variable Fund to existing WRS covered employees not currently participating in the Variable Fund.

- Participants whose elections to participate in the Variable Fund were effective prior to the date the Fund is closed continue to make Variable Fund contributions until such time as they may elect to cancel participation.
- Proactively expand participant education on concerns about the risk/return ratio of Variable Fund investments and the potential negative effects of Variable participation on WRS benefits.

Pros

- Participants could still enroll in Variable before the effective date of the closure.
- Because this is how the Variable Fund was closed in 1980, there may be less exposure to legal challenges.

Cons

- After the Variable Fund closes, some participants may express concern that they cannot elect participation, particularly when the Variable Fund outperforms the Core Fund.
- Administrative and IT changes would be necessary.
- Since existing participants would have an open-ended Variable enrollment period, the life of the Variable Fund could be extended considerably which could have a negative impact of the viability of the Fund.
- Any closure of the Variable Fund would require a statutory change.

Option D

Close the Variable Fund to all new contributions.

- Proactively expand participant education on concerns about the risk/return ratio of Variable Fund investments and the potential negative effects of Variable participation on WRS benefits.

Pros

- This option would limit participants' exposure to inherent investment risks of the Variable Fund.
- Unless they choose to cancel Variable participation, existing participants could still retire with a Variable annuity based on their previous Variable Fund contributions and interest.

Cons

- Prohibiting existing Variable participants from making future contributions could be perceived as a take-away of their rights.
- May be significantly more vulnerable to a legal challenge.
- Costly administrative and IT changes would be necessary.
- Any closure of the Variable Fund would require a statutory change.

Options Relative to Existing Variable Fund Balances

The following presents options for the treatment of existing Variable Fund balances if the Variable Fund is closed to all new contributions.

Option 1:

Participants can leave their Variable contributions in the Fund until such time as they elect to cancel participation, and cannot make any new Variable contributions.

Pros

- This option would maintain the Variable Fund as an investment option.
- From an administrative standpoint, this option would not require as many administrative changes as other options.
- For example, it would not require as many policy related decisions or as much education of, or communication to, participants.

Cons

- Administrative changes would still be necessary.
- This option would prohibit new elections, which could be viewed as discriminatory by new participants.
- Similar to the options listed throughout, this would require statutory changes.

Option 2:

Transfer participants' Variable Fund balances/annuities to the Core Fund *conditionally only*, as though they had filed a conditional Variable cancellation form in the year before the Fund is closed. This means that each individual's Variable balance would only transfer to the Core Fund when the participant does not have a Variable deficiency.

Pros

- The Variable Fund would cease to exist as soon as no participant had a Variable deficiency, alleviating the State of Wisconsin Investment Board's (SWIB) concerns about achieving an optimal risk/return ratio in the Variable Fund.

Cons

- Participants' Variable accounts and annuities being involuntarily transferred to the Core Fund could be viewed as a take-away of their existing statutory rights.
- Significant administrative and IT changes would be necessary.

Option 3:

Transfer participants' Variable Fund balances and annuities to the Core Fund *immediately* when the Variable Fund is closed, regardless of whether they have an excess or deficiency. Annual Core Fund interest would be subsequently credited to residual Variable excess or deficiency balances as provided under current law.

Pros

- The Variable Fund would immediately cease to exist, and all WRS Funds would immediately be invested in the (Core) Fund with the most optimal risk/return ratio.
- Since the Variable Fund would immediately cease to exist, there could be no unfavorable comparisons with Core Fund investment returns and what the Variable Fund would have earned if it still existed.

Cons

- Participants with residual deficiencies would be significantly harmed because their deficiencies will grow annually, based on Core Fund effective interest rates.
- Increases the likelihood of legal challenges from participants.
- Significant administrative and IT changes would be necessary.

Option 4:

Transfer participants' Variable Fund balances and annuities to the Core Fund immediately when the Variable Fund is closed (January 1). Participants' Variable excess balances and annuities that are at least "breaking even" would transfer as-is, and residual Variable excess balances would be credited with annual Core Fund interest as under current law. Participants with a Variable deficiency or whose annuities are "behind" would be "made whole" by eliminating their Variable deficiencies or increasing their annuities to the amount they would be receiving if they had never participated in the Variable Fund.

Pros

- The Variable Fund would immediately cease to exist, and all WRS Funds would immediately be invested in the Core Fund, with the most optimal risk/return ratio.
- The mandatory immediate transfer of their Variable Funds to the Core Fund would not harm participants.

Cons

- This option would require transferring Funds from the employer reserve to make up the shortfall between participants' actual account balance or annuities and what it would be if they were not being made whole.
- This option would require statutory authority to transfer Funds from the employer reserve to make participants with a deficiency "whole," which in turn would place upward pressure on both employee and employer contribution rates.
- This option would be extremely vulnerable to a successful legal challenge from both participants and employers.
- Significant administrative and IT changes would be necessary.