



OFFICE OF THE AUDITOR GENERAL
 WILLIAM G. HOLLAND

SUPPLEMENTAL DIGEST TO RETIREMENT SYSTEMS' AUDITS
For the years ending June 30, 2001 and June 30, 2000

According to figures provided by the retirement systems, the cumulative unfunded actuarial accrued liability for the five State-financed retirement systems as of June 30, 2001 was \$24.98 billion. The unfunded liability increased about \$9.4 billion (60%) during FY 01.

Unfunded Actuarial Accrued Liability and Funded Ratio For the Fiscal Years Ending June 30, 2000 and 2001 (millions)								
Retirement System	(a)		(b)		(c)		(d)	
	Accrued Liability		Value of Assets		Unfunded Accrued Liability [col. (a) - col. (b)]		Funded Ratio [col. (b)/(a)]	
	2000	2001	2000	2001	2000	2001	2000	2001
Teachers'	\$35,886	\$39,167	\$24,481	\$23,316	\$11,405	\$15,851	68.2%	59.5%
State Universities	\$13,679	\$14,915	\$12,064	\$10,753	\$1,615	\$4,162	88.2%	72.1%
State Employees'	\$10,913	\$12,572	\$8,911	\$8,277	\$2,002	\$4,295	81.7%	65.8%
Judges'	\$871	\$937	\$423	\$382	\$448	\$555	48.5%	40.7%
General Assembly	\$169	\$178	\$70	\$62	\$99	\$116	41.6%	34.9%
TOTAL	\$61,518	\$67,769	\$45,949	\$42,790	\$15,569	\$24,979	---	

In FY 1996 a State funding law became effective changing State retirement funding practices. Public Act 88-0593 provided for a stated 50 year funding plan which included a 15 year phase-in period. State contributions are to be made through a continuing appropriation instead of the annual budgetary process. The law was designed to increase pension funding incrementally until a 90% funded level is achieved.

Continuing Appropriations for Pensions (millions)								
Retirement System	FY 2000		FY 2001		FY 2002 ⁽¹⁾		FY 2003 ⁽²⁾	
	Increase required over previous year	Total Appropriation	Increase required over previous year	Total Appropriation	Increase required over previous year	Total Appropriation	Increase required over previous year	Estimated Appropriation Requirement
Teachers'	\$66.6	\$640.1	\$84.8	\$724.9	\$90.5	\$815.4	\$114.7	\$930.1
State Universities	\$7.0	\$224.6	\$8.0	\$232.6	\$7.8	\$240.4	\$29.2	\$269.6
State Employees'	\$21.3	\$327.4	\$27.1	\$354.5	\$12.6	\$367.1	\$31.7	\$398.8
Judges'	\$3.1	\$21.4	\$2.8	\$24.2	\$3.3	\$27.5	\$3.9	\$31.4
General Assembly	\$5	\$4.0	\$3	\$4.3	\$4	\$4.7	\$5	\$5.2
TOTAL	\$98.5	\$1,217.5	\$123.0	\$1,340.5	\$114.6	\$1,455.1	\$180.0	\$1,635.1

Notes: ⁽¹⁾ Unaudited ⁽²⁾ Unaudited, estimate provided by Retirement Systems