

The actuarially computed value of the unfunded accrued liabilities is greater than the unfunded actuarial present value of accumulated plan benefits principally because the method for determining the actuarial present value of accumulated plan benefits does not take into consideration anticipated future wage and salary increases and uses different rate assumptions.

For asset and investment management purposes, the State combined the assets of all State administered retirement and pension systems into a pooled trust fund. Accordingly, the financial statements for the State administered pension fund are presented on a combined basis in the fiduciary fund type financial statements. Individual retirement systems' equity in the pension fund balance (amounts expressed in thousands) as of June 30, 1987 is as follows:

	Fund Balance (a)	
	Employee Annuity Savings (b)	Retirement Accumulation Fund (c)
Employees' Retirement System	\$ 357,623	\$1,184,712
Teachers' Retirement System	752,356	2,331,146
State Police Retirement System	34,293	200,922
Employees' Pension System	4,231	681,450
Teachers' Pension System	6,107	582,147
Judges' Pension System	6,618	
Total	\$1,161,228	\$4,980,377

Changes in the pension fund balances (amounts expressed in thousands) for the year ended June 30, 1987, were as follows:

	Fund Balance (a)	
	Employee Annuity Savings (b)	Retirement Accumulation Fund (c)
Balance, July 1, 1986	\$1,088,212	\$4,139,032
Increases:		
Member contributions	105,263	
Employer contributions		539,265
Investment and other income		732,069
Decreases:		
Benefit payments		(436,614)
Refunds	(14,845)	
Administrative expenses		(10,777)
Transfers to the Employee Annuity Savings Fund for interest credited to members' accounts	47,109	(47,109)
Transfers to the Retirement Accumulation Fund for contributions of retiring members	(64,511)	64,511
Balance, June 30, 1987	\$1,161,228	\$4,980,377

(a) The consulting actuary annually determines the changes in fund balances resulting from transfers of employees from the Employees' and Teachers' Retirement Systems to the Employees' and Teachers' Pension Systems and allocations of investment income. Such changes for the year ended June 30, 1987, will be determined as a result of an uncompleted actuarial valuation as of July 1, 1987, and, accordingly, the amounts of such changes will be included in the financial statements for the year ending June 30, 1988.

(b) Contributions made by members together with interest thereon are credited to the Employee Annuity Savings Fund.

(c) Contributions made by the employer and investment income thereon are credited to the Retirement Accumulation Fund.