

The liquidation period for the unfunded actuarial accrued liabilities (as provided by law) is 32 years from June 30, 1988. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligation.

The computation of the pension contribution requirements for fiscal year 1988 was based on the same actuarial assumptions, benefit provisions, actuarial funding method, and other significant factors used to determine pension contribution requirements in the previous year.

Retirement expenditures applicable to governmental fund types for the year ended June 30, 1988, aggregated approximately \$475,015,000. The excess of retirement expenditures over retirement costs of approximately \$47,009,000, is included in the general long-term debt account group.

*Three - Year Historical Trend Information for the System* (amounts expressed in thousands):

Fiscal Year	(1) Net Assets Available for Benefits at Cost	(2) Pension Benefit Obligation	(3) Percentage Funded (1) ÷ (2)	(4) Unfunded Pension Benefit Obligation (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4) ÷ (5)
1986	\$5,227,244	\$12,158,741	43.0%	\$6,931,497	\$3,318,766	208.9%
1987	6,141,605	13,170,031	46.6	7,028,426	3,606,508	194.9
1988	8,119,720	14,142,577	57.4	6,022,857	3,916,851	153.8

Ten - year historical trend information is available in a separate financial report issued by the System. This report presents information about progress made in accumulating sufficient assets to pay benefits when due.

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, as of June 30, 1988, is as follows (amounts expressed in thousands):

	Fund Balance (a)	
	Employee Annuity Savings (b)	Retirement Accumulation Fund (c)
Employees' Retirement System .....	\$ 385,035	\$1,653,393
Teachers' Retirement System .....	808,368	3,242,842
State Police Retirement System .....	36,958	275,632
Employees' Pension System .....	4,389	928,444
Teachers' Pension System .....	5,986	778,673
<b>Total .....</b>	<b>\$1,240,736</b>	<b>\$6,878,984</b>