

Employer contributions for covered employees (excluding participating municipalities) to the System totalling \$588,785,000 (13.1% of covered payroll) for fiscal year 1992 were made in accordance with actuarially determined contribution requirements based on an actuarial valuation performed as of June 30, 1990. This amount consisted of \$331,217,000 normal cost and \$257,568,000 amortization of the unfunded actuarial accrued liability (7.4% and 5.7%, respectively, of covered payroll). Employee contributions to the System for fiscal year 1992 were \$108,555,000 (2.4% of covered payroll).

The liquidation period for the unfunded actuarial accrued liabilities (as provided by law) is 28 years from June 30, 1992. 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 1992 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.

For the year ended June 30, 1992, net assets available at cost were sufficient to fund 67.4% of the pension benefit obligation (\$11,884,463,000 ÷ \$17,625,026,000). At June 30, 1992, the unfunded pension benefit obligation (\$5,740,563,000) represented 127.9% of the annual payroll for covered employees (\$4,487,636,000). The contribution to the System (\$588,785,000) for fiscal year 1992 represented 13.1% of annual covered payroll. Trend information for the System excluding the participating municipalities prior to fiscal year 1992 is unavailable.

Three-Year Historical Trend Information for the Total 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)	(7) Employer Contributions	(8) Employer Contributions as a Percentage of Annual Covered Payroll (7)÷(5)
1990	\$10,251,637	\$16,672,354	61.5%	\$6,420,717	\$4,682,550	137.1%	\$593,004	12.7%
1991	11,325,358	18,381,046	61.6	7,055,688	5,071,804	139.1	633,995	12.5
1992	12,725,613	18,671,653	68.2	5,946,040	5,023,781	118.4	659,128	13.1

Ten-year historical trend information for the System 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 types financial statements.

Changes in the System's fund balance for the year ended June 30, 1992, were as follows (amounts expressed in thousands):

	Fund Balance(a)	
	Employee Annuity Savings Fund(b)	Retirement Accumulation Fund(c)
Balance, July 1, 1991	\$1,449,116	\$ 9,876,242
Increases:		
Member contributions	121,524	
Employer contributions		659,128
Investment and other income		1,331,648
Decreases:		
Benefit payments		(655,358)
Refunds	(40,562)	
Administrative expenses		(16,125)
Transfers to the Employee Annuity Savings Fund for interest credited to members' accounts	92,103	(92,103)
Transfers to the Retirement Accumulation Fund for contributions of retiring members	(100,821)	100,821
Balance, June 30, 1992	\$1,521,360	\$11,204,253

(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.