

NEBRASKA PUBLIC EMPLOYEES
RETIREMENT SYSTEMS
STATE PATROL RETIREMENT SYSTEM
2005

Fiftieth Actuarial Report for
State Fiscal Year Ending June 30, 2007
and
System Plan Year Beginning July 1, 2005

December 2005

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM

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December 5, 2005

Public Employees Retirement Board
Nebraska Public Employees Retirement System
Post Office Box 94816
Lincoln, NE 68509

**RE Certification of Actuarial Valuation
State Patrol Retirement System**

Ladies and Gentlemen:

This report summarizes the results of the actuarial valuation of the State Patrol Retirement System as of July 1, 2005 performed by Buck Consultants, LLC.

The actuarial valuation is based on unaudited financial and member data provided to us by the Nebraska Public Employees Retirement System as summarized in this report. The benefits considered are those delineated in Nebraska State Statutes, effective as amended July 1, 2005.

All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. This report fully and fairly discloses the actuarial position of the plan.

An actuarial experience analysis was last completed in parallel with the July 1, 2002, valuation. In our opinion, the assumptions represent reasonable expectations and our best estimate of the anticipated experience under the plan. A summary of the actuarial assumptions used in this actuarial valuation are shown in Exhibit 10.

Based on the results of our actuarial valuation, an additional contribution to the State Patrol Retirement System will keep it actuarially sound. Annual funding required from the State as defined under statute for current plan members is equal to the member contributions and appropriations, plus an additional payment necessary to meet the actuarially required contribution. For the 2006/2007 fiscal year, the State's additional payment requirement is \$1,080,050.

We are available to answer any questions on the material contained in this report, or to provide explanations to further details as may be appropriate.

Respectively submitted,

BUCK CONSULTANTS, LLC.

David H. Slisinsky, A.S.A., E.A., M.A.A.A.
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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM

**SUMMARY OF ACTUARIAL REPORT FOR CONTRIBUTION REQUIREMENTS AND
FUNDED STATUS FOR PLAN YEAR 2005/2006**

The main purposes of this report are:

1. To determine the level of State contributions for the fiscal year ending June 30, 2007, sufficient to meet the funding policy defined under Nebraska State statutes;
2. To review the current funded status of the system; and
3. To compare actual and expected experience under the plan during the plan year beginning July 1, 2004 and ending June 30, 2005.

The 2005 actuarial valuation is based upon the plan provisions as of July 1, 2005, as described in Exhibit 8. The actuarial methods and assumptions are described in Exhibits 9 and 10.

Highlights from the current valuation:

1. An additional State contribution is required for the 2006/2007 fiscal year to meet the actuarially required contribution. Expected member contributions and State contributions fall short of the total funding requirement. The system's actuarial liability has increased by \$4,951,263 from \$14,658,792 as of July 1, 2004 to \$19,610,055 as of July 1, 2005.
2. A loss was experienced on the Actuarial Value of Assets during the 2004/2005 plan year. The annual rate of return on Market Value was 9.5%. The rate of return on Actuarial Value of 3.6% fell short of the 8% assumed investment return rate by 4.4%, resulting in a decrease to the Actuarial Value by \$9,513,651.
3. The plan experienced a decremental loss in the actuarial accrued liability since the July 1, 2004 actuarial valuation, primarily due to fewer terminations than expected during the year. The actuarial accrued liability increased by \$273,799 as a result of decremental experience.
4. The funded status of the system as measured by the ratio of the system assets over the Pension Benefit Obligation (PBO) decreased. The PBO is calculated using the Projected Unit Credit Method, which determines the benefit by using service at the valuation date and projecting salary to assumed termination or retirement. Since the July 1, 2004 actuarial valuation, the funded percentage on Actuarial Value decreased from 96.3% to 93.0%. This decrease was primarily due to the fewer number of terminations than expected.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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EXECUTIVE SUMMARY

Basic Actuarial Valuation Results

The 2005 actuarial valuation results are based upon the plan provisions as of July 1, 2005 as described in Exhibit 8. The actuarial methods and assumptions are described in detail in Exhibits 9 and 10, respectively.

1. State Contribution

The State's funding policy is to contribute 15% of pay during the 2005/2006 and 2006/2007 plan years and 13% thereafter, pay required appropriations through the 2010/2011 Fiscal Year, and make additional payments if necessary, to meet the actuarially required contribution. The member contribution rate is 13% of pay during the 2005/2006 and 2006/2007 plan years and 12% thereafter. The actuarially required contribution is equal to the normal cost plus an amortization payment for unfunded liabilities. Unfunded liabilities created due to experience gains or losses, plan changes or assumption changes are amortized over 25 years.

Total expected State funding for the 2005/2006 plan year is \$3,766,098. Member contributions and matching State contributions and appropriations are not expected to meet the total actuarially required funding. The additional State funding required for the 2005/2006 plan year, payable July 1, 2006, is \$1,080,050.

The actuarial accrued liability exceeds the actuarial value of assets as of the valuation date. As a result, the unfunded actuarial accrued liability is \$16,195,198.

History of Expected State Contributions			
Plan Year	State Contribution*	Additional Contributions	Total
2005/2006	\$ 3,766,098	\$ 1,080,050	\$ 4,846,148
2004/2005	3,050,645	948,654	3,999,299
2003/2004	2,745,970	434,202	3,180,172
2002/2003	2,413,762	0	2,413,762
2001/2002	2,257,610	0	2,257,610
2000/2001	1,958,304	0	1,958,304
1999/2000	2,298,256**	0	2,298,256**
1998/1999	1,753,478	0	1,753,478
1997/1998	1,714,946	0	1,714,946
1996/1997	1,728,778	0	1,728,778
1995/1996	1,340,120	0	1,340,120

* Includes State Appropriations.

** Includes accrued State contributions of \$436,759.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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2. Asset Values

The total assets of the system as of the current and prior valuation date at both market value and actuarial value, and the rate of return during the period is as follows:

	July 1, 2004	July 1, 2005	Annual Rate of Return
(a) Market value	\$206,369,362	\$221,307,954	9.5%
(b) Actuarial value, an adjusted value intended to reduce the effect of market fluctuations (See Exhibit 1B)	\$216,422,556	\$219,831,273	3.6%

3. Actuarial Liability/(Reserve)

The actuarial liability of the system is the excess of the total benefit obligation (present value of future benefits) over the projected financial resources (sum of (i) the actuarial value of assets, (ii) the present value of future member and matching State contributions, and (iii) the present value of future State appropriations). If the projected financial resources exceed the total benefit obligation, the system has a Reserve. The actuarial position of the system as of the current and prior valuation dates are as follows:

	July 1, 2004	July 1, 2005
(a) Present value of future benefits	\$ 280,994,281	\$ 293,279,644
(b) Actuarial value of assets	216,422,556	219,831,273
(c) Present value of future member contributions	24,022,349	25,018,678
(d) Present value of matching State contributions	24,022,349	27,103,568
(e) Present value of future State appropriations*	<u>1,868,235</u>	<u>1,716,070</u>
(f) Actuarial Liability/(Reserve) [(a) - (b) - (c) - (d) - (e)]	\$ 14,658,792	\$ 19,610,055

*Includes appropriation for COLA benefit under LB 137.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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4. Pension Benefit Obligation (PBO)

The Pension Benefit Obligation represents a standardized disclosure measure of the present value of pension benefits payable in the future, which incorporates the effects of projected salary increases, based on service earned at the valuation date. The measure is intended to provide information regarding the Plan's funded status on an ongoing-concern basis, progress made in accumulating sufficient assets to pay benefits when due, and comparability to other plans.

Funded Status	July 1, 2004	July 1, 2005
(a) Pension Benefit Obligation		
i) retirees, disabled members and beneficiaries receiving benefits and deferred vested members not yet receiving benefits	\$ 131,301,887	\$ 138,427,564
ii) active members	<u>93,358,173</u>	<u>98,063,999</u>
iii) total pension benefit obligation	\$ 224,660,060	\$ 236,491,563
(b) Assets available for benefit (actuarial value)	<u>216,422,556</u>	<u>219,831,273</u>
(c) Unfunded Pension Benefit Obligation/(Reserve)	\$ 8,237,504	\$ 16,660,290
(d) Funded percentage on actuarial value of assets [(b) ÷ (a)(iii)]	96.3%	93.0%

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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5. Benefit Accrual Cost

The cost of benefits accruing over an active member's working career can be expressed as a level percentage of compensation. This cost represents the true cost of accruing benefits since it is not adjusted for any overfunding or underfunding which may exist on the valuation date. It is determined using the Entry Age Actuarial Cost Method and is also called the Normal Cost. The level benefit accrual cost determined during the current and prior valuation dates are as follows:

	July 1, 2004	July 1, 2005
(a) Benefit accrual cost amount	\$ 6,197,796	\$ 6,354,865
(b) Annual compensation	\$ 22,640,907	\$ 22,882,413
(c) Benefit accrual cost rate [(a) ÷ (b)]	27.374%	27.772%

6. Forecast of Disbursements

A forecast of the annual benefit disbursements expected over the next thirty years is presented in Exhibit 7. This forecast is based on the same actuarial assumptions with respect to salary increases and decrement rates used to determine the funding requirements. The forecast should be a useful guide in discussing the cash-flow needs of the system with investment managers and in projecting the future financing needs of the system.

7. Actuarial Methods and Assumptions

The required contribution developed in this report is an estimate of the amount necessary to provide ongoing benefits to plan members assuming the system is funded in a systematic manner. These estimates are based upon the actuarial method defined under State Statutes to allocate the total cost of the plan to various years and actuarial assumptions regarding the return on investments, salary rates, employee termination rates, mortality rates and other risk factors. The actuarial method used to determine the actuarial contribution requirement is the Entry Age Actuarial Cost Method.

The actuarial assumptions represent the expected long-term experience of the system on an explicit basis for each risk area considered. The experience is reviewed periodically. Where necessary, changes are recommended by the actuary and adopted by the Public Employees Retirement Board.

A summary of the actuarial methods and assumptions used in the current valuation is presented in Exhibits 9 and 10, respectively.

***NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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EXECUTIVE SUMMARY

8. Changes Since the Last Actuarial Valuation

Per LB 503, the Nebraska State Patrol's Statutory Member and Employer Contribution Rates increased. The Member contribution rate increases to 13% from July 1, 2005 to July 1, 2007, and 12% thereafter. The employer contribution rate increases to 15% from July 1, 2005 to July 1, 2007, and 13% thereafter. There have been no other changes in the actuarial cost method, assumptions or plan provisions since the last actuarial valuation as of July 1, 2004.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM**

SYSTEM ASSETS

A. Summary of Assets	Market Value as of June 30, 2004	Market Value as of June 30, 2005
1. Cash and Equivalents	\$ 51,640	\$ 57,150
2. Investments	202,068,223	218,462,918
3. Capital Assets	1,555,835	1,271,195
4. Receivables and Prepaids	4,317,335	2,933,077
5. Accounts Payable	(1,623,671)	(1,416,386)
6. Net Assets Available for Pension Benefits Considered [1 + 2 + 3 + 4 + 5]	\$ 206,369,362	\$ 221,307,954

B. Development of Actuarial Value of Assets	Amount
1. Actuarial Value of Assets as of July 1, 2004	\$ 216,422,556
2. Unrecognized Return as of July 1, 2004	(10,053,194)
3. Contributions	
(a) Member	\$ 2,838,765
(b) State	2,838,765
(c) State appropriations	333,736
(d) Total	\$ 6,011,266
4. Distributions	
(a) Benefit payments	\$ 10,142,646
(b) Refund of contributions	127,161
(c) Total	\$ 10,269,807
5. Expected Return at 8% on	
(a) Item 1	\$ 17,313,805
(b) Item 2	(804,256)
(c) Item 3 (d)	235,825
(d) Item 4 (c)	368,720
(e) Total [(a) + (b) + (c) - (d)]	\$ 16,376,654
6. Actual Return on Market Value for Plan Year, Net of Expenses	\$ 19,197,133
7. Return to be Spread for Plan Year [6 - 5(e)]	\$ 2,820,479

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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SYSTEM ASSETS

B. Development of Actuarial Value of Assets		Amount																								
8.	Total Market Value of Assets as of July 1, 2005	\$ 221,307,954																								
9.	Return to be Spread																									
	<table border="1"> <thead> <tr> <th>Plan Year</th> <th>Return to be Spread</th> <th>Unrecognized Percent</th> <th>Unrecognized Return</th> </tr> </thead> <tbody> <tr> <td>2004/2005</td> <td>\$ 2,820,479</td> <td>80%</td> <td>\$ 2,256,383</td> </tr> <tr> <td>2003/2004</td> <td>11,450,232</td> <td>60%</td> <td>6,870,139</td> </tr> <tr> <td>2002/2003</td> <td>(5,534,531)</td> <td>40%</td> <td>(2,213,812)</td> </tr> <tr> <td>2001/2002</td> <td>(27,180,143)</td> <td>20%</td> <td>(5,436,029)</td> </tr> <tr> <td colspan="3">Total</td> <td>\$ 1,476,681</td> </tr> </tbody> </table>	Plan Year	Return to be Spread	Unrecognized Percent	Unrecognized Return	2004/2005	\$ 2,820,479	80%	\$ 2,256,383	2003/2004	11,450,232	60%	6,870,139	2002/2003	(5,534,531)	40%	(2,213,812)	2001/2002	(27,180,143)	20%	(5,436,029)	Total			\$ 1,476,681	
Plan Year	Return to be Spread	Unrecognized Percent	Unrecognized Return																							
2004/2005	\$ 2,820,479	80%	\$ 2,256,383																							
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2001/2002	(27,180,143)	20%	(5,436,029)																							
Total			\$ 1,476,681																							
10.	Total Actuarial Value of Assets at July 1, 2005 [8 - 9]	\$ 219,831,273																								
11.	Ratio of Actuarial Value to Market Value [10 ÷ 8]	99.3%																								

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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SYSTEM ASSETS

C. Change in Asset Values During 2004/2005	Actuarial Value	Market Value
1. Asset value as of July 1, 2004	\$ 216,422,556	\$ 206,369,362
2. Contributions for 2004/2005		
(a) Member contributions paid during the year	\$ 2,838,765	\$ 2,838,765
(b) State contributions paid	2,838,765	2,838,765
(c) State appropriations for the year	<u>333,736</u>	<u>333,736</u>
(d) Contributions for 2004/2005 [(a) + (b) + (c)]	\$ 6,011,266	\$ 6,011,266
3. Disbursements for 2004/2005		
(a) Benefit payments	\$ 10,142,646	\$ 10,142,646
(b) Expenses and fees	960,563	960,563
(c) Refund of contributions	<u>127,161</u>	<u>127,161</u>
(d) Disbursements for 2004/2005 [(a) + (b) + (c)]	\$ 11,230,370	\$ 11,230,370
4. Investment return for 2004/2005	\$ 8,627,821	\$ 20,157,651
5. Asset value as of July 1, 2005 [1 + 2(d) - 3(d) + 4]	\$ 219,831,273	\$ 221,307,954
6. Approximate rate of investment return, net of expenses	3.6%	9.5%

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM**

ACTUARIAL CONTRIBUTION REQUIREMENT

A. Development of Actuarially Required Funding Rate	July 1, 2005
1. Actuarial present value of benefits	
(a) Active members	\$ 154,852,080
(b) Inactive members	537,068
(c) Retired members, disabilities and beneficiaries	<u>137,890,496</u>
(d) Total	\$ 293,279,644
2. Present Value of Future Normal Costs	<u>57,253,173</u>
3. Total Actuarial Accrued Liability [1(d) - 2]	\$ 236,026,471
4. Actuarial Value of Assets	<u>219,831,273</u>
5. Unfunded Actuarial Accrued Liability/(Reserve) [3 - 4]	\$ 16,195,198
6. 25-Year Amortization of the Unfunded Actuarial Accrued Liability/(Reserve)	
(a) Amount	\$ 1,466,953
(b) Amount as % of Pay	6.41%
7. Normal Cost	
(a) Amount	\$ 6,354,865
(b) Amount as % of Pay	27.77%
8. Total Actuarially Required Contribution	
(a) Amount	\$ 7,821,818
(b) Amount as % of Pay	34.18%

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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ACTUARIAL CONTRIBUTION REQUIREMENT

B. Development of Additional State Contributions for Fiscal Year 2006/2007	Annual Amount as a % of Pay
1. Actuarially Required Contribution	
(a) Total Contribution Amount	\$ 7,821,818
(b) State Appropriations	210,220
(c) Expected State Appropriation for LB 137 COLA benefit	<u>123,516</u>
(d) Net Contribution Amount [1(a) - 1(b) - 1(c)]	\$ 7,488,082
(e) Net Amount as % of Pay	32.72%
2. Statutory Contribution Rates during 2005/2006	
(a) Employee Contribution Rate	13.00%
(b) Employer Contribution Rate	<u>15.00%</u>
(c) Total Employee/Employer Contribution Rate [2(a) + 2(b)]	28.00%
3. Additional Required State Contribution	
(a) Additional Required State Contribution Rate [1(e) - 2(c), not less than 0.00%]	4.72%
(b) Additional Required State Contribution Amount	\$ 1,080,050

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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ACTUARIAL CONTRIBUTION REQUIREMENT

C. Schedule of Amortization Bases	July 1, 2005 Remaining Payments	Date of Last Payment	Outstanding Balance as of July 1, 2005	Annual Contribution
1. 2004 Initial Unfunded Actuarial Accrued Liability Base	24	07/01/2029	\$ 5,660,454	\$ 517,325
2. 2005 Unfunded Actuarial Accrued Liability Base	25	07/01/2030	<u>10,534,744</u>	<u>949,628</u>
Total			\$ 16,195,198	\$ 1,466,953

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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ACTUARIAL (GAIN)/LOSS

A. Change in Actuarial Accrued Liability		
1.	Actual Actuarial Accrued Liability as of July 1, 2004	\$ 222,161,512
2.	Benefits accrued during the 2004/2005 plan year	6,197,796
3.	Benefit payments during the 2004/2005 plan year	10,269,807
4.	Interest at 8%	<u>17,647,343</u>
5.	Expected Actuarial Accrued Liability as of July 1, 2005 [1 + 2 - 3 + 4]	\$ 235,736,844
6.	Decremental (Gain)/Loss by Source	
	(a) Retirement	\$ 791,313
	(b) Termination	1,646,347
	(c) Disability	(376,027)
	(d) Pre-retirement mortality	(426,413)
	(e) Post-retirement mortality	251,327
	(f) Salary	(1,263,841)
	(g) New Entrants / Rehires	575,864
	(h) Data changes/miscellaneous	<u>(924,771)</u>
	(i) Total decremental (gain)/loss	\$ 273,799
7.	Change in Actuarial Assumptions	0
8.	Change in Plan Provisions	<u>15,828</u>
9.	Actual Actuarial Accrued Liability as of July 1, 2005 [5 + 6(i) + 7 + 8]	\$ 236,026,471
B. Change in Actuarial Value of Assets		
1.	Expected Actuarial Value of Assets as of July 1, 2005	\$ 229,344,924
2.	Actual Actuarial Value of Assets as of July 1, 2005	<u>219,831,273</u>
4.	Actuarial (Gain)/Loss from Asset Sources [1 - 2]	\$ 9,513,651
C. Total Actuarial (Gain)/Loss for the 2004/2005 plan year [A(6)(i) + B(3)]		
		\$ 9,787,450

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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ACTUARIAL BALANCE SHEET

A. Financial Resources	July 1, 2005
1. Actuarial Value of Assets	\$ 219,831,273
2. Present Value of Future Contributions	
(a) Member	\$ 25,018,678
(b) Employer	27,103,568
(c) State Appropriations	<u>1,716,070</u>
(d) Total	53,838,316
3. Actuarial Liability/(Reserve)	<u>19,610,055</u>
4. Total Assets [1 + 2(d) + 3]	\$ 293,279,644

B. Benefit Obligations	July 1, 2005
1. Present Value of Future Benefits	
(a) Active members	\$ 154,852,080
(b) Inactive members	537,068
(c) Retirees, disabilities and beneficiaries	<u>137,890,496</u>
(d) Total	\$ 293,279,644

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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ACCOUNTING INFORMATION

A. Pension Benefit Obligation under the Projected Unit Credit Cost Method

	July 1, 2004	July 1, 2005
Pension Benefit Obligation (PBO)		
Vested PBO		
(a) members currently receiving payments	\$ 130,817,914	\$ 137,890,496
(b) other members		
i) accumulated member contributions	26,525,602	27,476,124
ii) employer financed vested	<u>54,544,951</u>	<u>57,113,106</u>
Total Vested PBO	\$ 211,888,467	\$ 222,479,726
Nonvested PBO	<u>12,771,593</u>	<u>14,011,837</u>
Total PBO	\$ 224,660,060	\$ 236,491,563
Actuarial Value of Assets	<u>216,422,556</u>	<u>219,831,273</u>
Unfunded Pension Benefit Obligation (Reserve)	\$ 8,237,504	\$ 16,660,290
Funded Percentage		
(a) on vested PBO	102.1%	98.8%
(b) on total PBO	96.3%	93.0%

B. Change in Pension Benefit Obligation from July 1, 2004 to July 1, 2005

Pension Benefit Obligation at July 1, 2004	\$ 224,660,060
Increase/(Decrease) during Period	
Plan Provision Changes	\$ 0
Assumption/ Method Changes	0
Benefits Accumulated	5,235,356
Benefits Paid	(10,269,807)
Interest Cost	18,022,913
Plan Experience	<u>(1,156,959)</u>
Total Change	\$ 11,831,503
Pension Benefit Obligation at July 1, 2005	\$ 236,491,563

Exhibits 9 and 10 provide a more detailed summary of the underlying actuarial methods and assumptions used in the calculations of the Pension Benefit Obligation. The benefits valued are those in effect on July 1, 2005 and 2004, respectively, as outlined in Exhibit 8. The determination of the Pension Benefit Obligation has been made in accordance with generally accepted actuarial principles and practices.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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ACCOUNTING INFORMATION

C. Schedule of Employer Contributions - Disclosure Requirements Under GASB No. 25

Plan Year Ending	Annual Required Contributions	Percentage Contributed
June 30, 2005	\$ 3,876,356	82%
June 30, 2004	3,019,323	96%
June 30, 2003	2,652,857	100%
June 30, 2002	2,428,025	100%
June 30, 2001	2,257,610	100%
June 30, 2000	2,203,735	100%

D. Actuarial Assumptions, Method and Additional Information under GASB No. 25

Valuation Date	June 30, 2005
Actuarial Cost Method	Entry Age
Amortization Method	Level dollar amount, closed
Equivalent Single Amortization Period	25 years
Asset Valuation Method	5 year smoothed market
Actuarial Assumptions:	
Investment rate of return*	8.0%
Projected salary increases*	4.5% - 12.0%
*Includes inflation at	3.5%
Cost-of-living adjustment	2.5% with a floor benefit equal to 60% purchasing power of original benefit

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
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ACCOUNTING INFORMATION

E. Schedule of Funding Progress Under GASB No. 25

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Accrued Liabilities (UAL) (b-a)	Funded Ratio (a÷b)	Covered Payroll (c)	UAL as a % of Covered Payroll [(b-a)/c]
June 30, 2005	\$ 219,831,273	\$ 236,026,471	\$ 16,195,198	93.1%	\$ 22,882,413	70.8%
June 30, 2004	216,422,556	222,161,512	5,738,956	97.4%	22,640,907	25.3%
June 30, 2003	214,657,454	210,930,784	(3,726,670)	101.8%	21,929,399	(17.0)%
June 30, 2002	214,527,994	197,615,091	(16,912,903)	108.6%	18,846,776	(89.7)%
June 30, 2001	208,372,640	187,284,490	(21,088,150)	111.3%	16,727,477	(126.1)%
June 30, 2000	193,019,673	169,545,801	(23,473,872)	113.8%	15,789,104	(148.7)%

NOTE: The Actuarial Cost Method was changed from Frozen Entry Age to Entry Age as of June 30, 2002, per LB 407.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM

SUMMARY OF MEMBER DATA

A. Active Members	July 1, 2004	July 1, 2005
1. Number of active members		
(a) Before assumed retirement age	489	473
(b) Beyond assumed retirement age	<u>0</u>	<u>0</u>
(c) Total	489	473
2. Annual considered compensation		
(a) Before assumed retirement age	\$ 22,640,907	\$ 22,882,413
(b) Beyond assumed retirement age	<u>0</u>	<u>0</u>
(c) Total	\$ 22,640,907	\$ 22,882,413
3. Accumulated contributions	\$ 26,041,629	\$ 26,939,056
4. Active member averages		
(a) Age	38.3	38.9
(b) Service	11.2	11.6
(c) Compensation	\$ 46,300	\$ 48,377
(d) Accumulated contributions	\$ 53,255	\$ 56,954
B. Inactive Members		
1. Number of inactive members	15	10
2. Accumulated member contributions	\$ 483,973	\$ 537,068
3. Inactive member averages		
(a) Age (vesteds only)	44.1	45.4
(b) Accumulated member contributions	\$ 32,265	\$ 53,707
C. Retired and Disabled Members and Beneficiaries		
1. Number of members		
(a) Retired	246	255
(b) Disabled	5	6
(c) Beneficiaries	<u>50</u>	<u>55</u>
(d) Total	301	316
2. Annual benefits		
(a) Retired	\$ 8,767,370	\$ 9,442,146
(b) Disabled	141,285	178,483
(c) Beneficiaries	<u>871,167</u>	<u>999,961</u>
(d) Total	\$ 9,779,822	\$ 10,620,590

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM**

SUMMARY OF MEMBER DATA

D. Distribution of Retired and Disabled Members and Beneficiaries as of July 1, 2005

Age Range	Number	Annual Benefit	Average Annual Benefit
59 & Under	114	\$ 4,625,148	\$ 40,571
60-64	48	1,822,676	37,972
65-69	55	1,699,494	30,900
70-74	33	873,327	26,464
75-79	35	870,741	24,878
80-84	23	549,156	23,876
85-89	7	167,879	23,983
90 & Over	1	12,169	12,169
Total	316	\$ 10,620,590	\$ 33,609

E. Member Data Reconciliation

	Active Members	Inactive Members				Total
		With Deferred Benefits	Terminated With Balance	Retired Members and Beneficiaries	Disabled Members	
As of July 1, 2004	489	7	8	296	5	805
Changes in status						
a) Normal & early retirements	(13)	0	0	13	0	0
b) Became payable	0	0	0	0	0	0
c) Deaths	(1)	0	0	(6)	0	(7)
d) Nonvested terminations	(2)	0	2	0	0	0
e) Vested terminations	(2)	2	0	0	0	0
f) Contribution refund	(3)	0	(3)	0	0	(6)
g) Beneficiaries in receipt	0	0	0	5	0	5
h) Disability retirements	(1)	0	0	0	1	0
i) Return to active service	6	(3)	(3)	0	0	0
j) Expired or forfeited benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total changes in status	(16)	(1)	(4)	12	1	(8)
New entrants / Data Changes						
a) Without prior service	0	0	0	0	0	0
b) With prior service	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>
Total new members	0	0	0	2	0	2
Net change	(16)	(1)	(4)	14	1	(6)
As of July 1, 2005	473	6	4	310	6	799

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM**

SUMMARY OF MEMBER DATA

F. Age and Service Distribution of Active Members as of July 1, 2005

Age Last Birthday		0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 34	Total
20-24	Number	5	0	0	0	0	0	0	0	5
	Total Salary	\$ 182,565	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 182,565
	Average Sal.	\$ 36,513	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,513
25-29	Number	65	5	0	0	0	0	0	0	70
	Total Salary	\$ 2,477,003	\$ 199,858	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,676,861
	Average Sal.	\$ 38,108	\$ 39,972	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,241
30-34	Number	42	55	2	0	0	0	0	0	99
	Total Salary	\$ 1,660,056	\$ 2,366,634	\$ 94,355	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,121,045
	Average Sal.	\$ 39,525	\$ 43,030	\$ 47,178	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,627
35-39	Number	21	28	31	10	0	0	0	0	90
	Total Salary	\$ 830,373	\$ 1,277,646	\$ 1,556,397	\$ 526,486	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,190,902
	Average Sal.	\$ 39,542	\$ 45,630	\$ 50,206	\$ 52,649	\$ 0	\$ 0	\$ 0	\$ 0	\$ 46,566
40-44	Number	12	6	14	38	14	0	0	0	84
	Total Salary	\$ 571,492	\$ 270,009	\$ 720,840	\$ 2,183,985	\$ 785,232	\$ 0	\$ 0	\$ 0	\$ 4,531,558
	Average Sal.	\$ 47,624	\$ 45,002	\$ 51,489	\$ 57,473	\$ 56,088	\$ 0	\$ 0	\$ 0	\$ 53,947
45-49	Number	6	3	5	15	26	26	0	0	81
	Total Salary	\$ 304,279	\$ 142,026	\$ 261,270	\$ 838,503	\$ 1,468,697	\$ 1,565,002	\$ 0	\$ 0	\$ 4,579,777
	Average Sal.	\$ 50,713	\$ 47,342	\$ 52,254	\$ 55,900	\$ 56,488	\$ 60,192	\$ 0	\$ 0	\$ 56,540
50-54	Number	6	2	2	3	8	14	0	0	35
	Total Salary	\$ 321,102	\$ 107,405	\$ 89,716	\$ 150,146	\$ 434,307	\$ 938,698	\$ 0	\$ 0	\$ 2,041,374
	Average Sal.	\$ 53,517	\$ 53,702	\$ 44,858	\$ 50,049	\$ 54,288	\$ 67,050	\$ 0	\$ 0	\$ 58,325
55 & Up	Number	1	1	0	2	0	1	2	2	9
	Total Salary	\$ 57,462	\$ 56,483	\$ 0	\$ 91,136	\$ 0	\$ 53,598	\$ 152,685	\$ 146,967	\$ 558,331
	Average Sal.	\$ 57,462	\$ 56,483	\$ 0	\$ 45,568	\$ 0	\$ 53,598	\$ 76,343	\$ 73,484	\$ 62,037
TOTAL	Number	158	100	54	68	48	41	2	2	473
	Total Salary	\$ 6,404,332	\$ 4,420,061	\$ 2,722,578	\$ 3,790,255	\$ 2,688,236	\$ 2,557,298	\$ 152,685	\$ 146,967	\$ 22,882,413
	Average Sal.	\$ 40,534	\$ 44,201	\$ 50,418	\$ 55,739	\$ 56,005	\$ 62,373	\$ 76,343	\$ 73,484	\$ 48,377

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM

FORECAST OF EXPECTED DISBURSEMENTS

Plan Year Ending June 30	Active Employees	Retired and Disabled Members and Beneficiaries	Total
2006	\$ 492,263	\$ 10,589,489	\$ 11,081,752
2007	1,305,964	10,767,320	12,073,284
2008	2,025,262	10,938,971	12,964,233
2009	2,761,679	11,103,312	13,864,991
2010	3,574,624	11,259,228	14,833,852
2011	4,226,399	11,405,534	15,631,933
2012	4,924,075	11,541,830	16,465,905
2013	5,888,251	11,666,563	17,554,814
2014	7,011,330	11,780,969	18,792,299
2015	8,219,211	11,880,887	20,100,098
2016	\$ 9,191,014	\$ 11,965,415	\$ 21,156,429
2017	10,224,884	12,032,543	22,257,427
2018	11,262,318	12,083,131	23,345,449
2019	12,443,453	12,114,647	24,558,100
2020	13,717,844	12,124,560	25,842,404
2021	15,102,540	12,112,365	27,214,905
2022	16,514,600	12,075,528	28,590,128
2023	18,024,533	12,012,444	30,036,977
2024	19,684,082	11,922,153	31,606,235
2025	21,633,021	11,802,177	33,435,198
2026	\$ 23,653,850	\$ 11,650,976	\$ 35,304,826
2027	25,790,379	11,469,151	37,259,530
2028	28,092,106	11,252,771	39,344,877
2029	30,505,568	11,001,019	41,506,587
2030	32,451,679	10,713,356	43,165,035
2031	34,289,124	10,392,187	44,681,311
2032	35,977,184	10,036,027	46,013,211
2033	37,449,682	9,646,147	47,095,829
2034	38,568,205	9,224,742	47,792,947
2035	39,764,233	8,774,594	48,538,827

Note: These amounts exclude distributions for vested inactive members eligible to receive future benefit payments. Benefit amounts for these members have not yet been determined.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM**

SUMMARY OF PLAN PROVISIONS

Member	Any member of the Nebraska State Patrol, permanent force.
Participation Date	Date of becoming a member.
Definitions	
<i>Covered pay</i>	Gross annual earnings subject to contributions. For a patrol officer with service prior to January 4, 1979, total salary includes pay for unused sick leave accrued during his final three years of service, and pay for unused vacation leave (including leave not allowed to be carried over).
<i>Final average earnings</i>	The average of the highest three 12-month periods of covered pay, ending on the earlier of the participant's termination date or retirement date. For a patrol officer with service prior to January 4, 1979, it includes pay for 25% of unused sick leave accrued during his final three years of service, and pay for unused vacation leave (including leave not allowed to be carried over).
<i>Fiscal year</i>	Twelve month period ending June 30.
<i>Member and employer contributions</i>	13% of monthly salary for the 2005/2006 and 2006/2007 plan years, 12% thereafter, plus 11% of pay received at termination for unused sick leave and vacation leave for a patrol officer with service prior to January 4, 1979. Such contributions are credited with regular interest in conformity with the statutes. Employer contributions are 15% of monthly salary for the 2005/2006 and 2006/2007 plan years, 13% thereafter.
<i>Pension benefit</i>	3% of final average salary times pension service. The benefit is subject to a maximum of 75% of Final Average Salary. Effective July 1, 2001, an automatic annual cost-of-living adjustment (COLA) equal to the CPI-W index, with a maximum increase of 2.5% in any one year is provided for current and future retirees by LB 711. Also provided is a minimum floor benefit equal to 60% of the purchasing power of the original benefit.
<i>Normal Retirement Date (NRD)</i>	First of month coinciding with or next following the completion of ten years of service and attaining age 55, or attaining age 60 regardless of service.
<i>Pension service</i>	Length of service includes all service with the Nebraska State Patrol, permanent force, computed to the nearest one-twelfth year, plus declared emergency service in the armed forces.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM**

SUMMARY OF PLAN PROVISIONS

Eligibility for Benefits

<i>Deferred vested</i>	Termination for reasons other than death, disability, or retirement after completing at least six years of pension service.
<i>Disability retirement</i>	Retirement by reason of disability as defined by statute.
<i>Early retirement</i>	Retirement before NRD and on or after both attaining age 50 and completing ten years of pension service.
<i>Normal retirement</i>	Retire on NRD.
<i>Postponed retirement</i>	Retire after NRD.
<i>Post-retirement death benefit</i>	Death after retirement with surviving spouse or dependent children under age 19. For non-disability retirement, the surviving spouse must have been married to the member at the date of retirement.
<i>Pre-retirement death benefit</i>	Death prior to retirement.

Monthly Benefits Paid Upon the Following Events

<i>Normal retirement</i>	Pension benefit determined as of NRD.
<i>Early retirement</i>	Pension benefit determined as of early retirement date, reduced by 5/9% for each month that commencement (which must be after age 50 and ten years of service) of payment precedes the earlier of age 55 or completion of 25 years of service. No reduction is made after 25 years of service.
<i>Postponed retirement</i>	Monthly pension benefit determined as of actual retirement date.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM**

SUMMARY OF PLAN PROVISIONS

Termination with deferred vested benefit

Refund of contributions with regular interest or a percentage of the pension benefit determined as of termination date, reduced by 5/9% for each month that commencement (which must be after age 50 and ten years of service) of payment precedes the earlier of age 55 or completion of 25 years of service. This percentage is based upon completed years of pension service as follows:

<u>Years</u>	<u>Vested Percentage</u>
5 and under	0%
6	20
7	40
8	60
9	80
10 or more	100

Disability retirement

A monthly benefit equal to 50% of current monthly salary at the date of disablement for members with less than 17 years of service.

For members with more than 17 years of service, a monthly benefit equal to the product of 3% of final monthly salary, times total years of service subject to a maximum of 75% of final average monthly salary.

Pre-retirement death benefits

Surviving spouse or dependent children under age 19: Benefit is computed as if member retired for disability on the date of death. This benefit is payable to the surviving spouse as long as spouse has dependent children under age 19. If spouse dies or remarries, 75% of this benefit continues to children until the youngest attains age 19. If there are no dependent children under age 19, 75% of this benefit is payable to the surviving spouse until death or remarriage.

No surviving spouse or dependent children under age 19: A lump sum equal to the member's contributions plus regular interest.

Post-retirement death benefits

100% of member's annuity is payable to the surviving spouse provided spouse has dependent children under 19. If there is no surviving spouse or spouse dies or remarries, 75% of member's annuity continues to children until the youngest attains age 19. If there are no dependent children under age 19, 75% of member's annuity continues to surviving spouse.

Forms of payment

Normal form is 75% Joint and Survivor benefit. Members may also elect a refund of contributions. If there is no surviving spouse or dependent children under age 19, the member's accumulated contributions with interest are paid to the beneficiary or estate.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM**

SUMMARY OF PLAN PROVISIONS

State Appropriations

LB 700, passed in 1996, provided for annual cost of living increases of 0.3%, beginning in the sixth year after retirement for members ceasing employment on or after April 10, 1996. Funding for these benefits shall be made by the State into the State Patrol Purchasing Power Stabilization Fund. Beginning with the 1996/1997 fiscal year, the funding shall be 3.04888% of \$6,895,000, or \$210,220 will be made for each year through the 2010/2011 Fiscal Year.

LB 137 provides cost-of-living benefits for members who retired prior to 1985. This benefit is funded by an annual state appropriation and declines over time.

LB 674, passed in 2000 (effective July 1, 2001), provided for an annual cost-of-living increase equal to the CPI-W index, with a maximum of 2% in any one year, a minimum floor benefit equal to 60% of the purchasing power of the original benefit and the elimination of the State Patrol Purchasing Power Stabilization Fund. The existing assets in the State Patrol PPSF were transferred to the Nebraska State Patrol Retirement Fund. The State appropriation continues, as defined above to the Nebraska Patrol Retirement Fund through the 2010/2011 Fiscal Year. LB 711, passed in 2001, increased the maximum annual cost-of-living increase in any one year from 2% to 2.5%.

Benefits Reflected in Valuation

All benefits were valued, including future cost of living increases granted by LB 711.

Plan Provisions Effective After June 30, 2003

No future changes in plan provisions were recognized in determining the GASB 25 funded status and in determining the actuarial soundness of statutory contribution levels.

Changes in Plan Provisions Since Prior Year

Per LB 503, the Statutory Member Contribution Rate increased from 12% to 13% for the 2005/2006 and 2006/2007 plan years and 12% thereafter. The Statutory Employer Contribution Rate was increased from 12% to 15% for the 2005/2006 and 2006/2007 plan years and 13% thereafter. There were no other changes in the Plan Provisions since the last valuation as of July 1, 2004.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM

SUMMARY OF ACTUARIAL METHODS AND PROCEDURES AS OF JULY 1, 2005

A. ACTUARIAL METHODS

- 1. Calculation of Normal Cost and Actuarial Accrued Liability:** The method used to determine the normal cost and actuarial accrued liability was the Entry Age Actuarial Cost Method described below.

Entry Age Actuarial Cost Method

Projected pension and preretirement spouse's death benefits were determined for all active members under age 60. Cost factors designed to produce annual costs as a constant percentage of each member's expected compensation in each year from the assumed entry age to the assumed retirement age were applied to the projected benefits to determine the normal cost (the portion of the total cost of the plan allocated to the current year under the method). The normal cost is determined by summing intermediate results for active members under age 60 and determining an average normal cost rate which is then related to the total payroll of active members under age 60. The actuarial assumptions shown in Exhibit 10 were used in determining the projected benefits and cost factors. The actuarial accrued liability for active members (the portion of the total cost of the plan allocated to prior years under the method) was determined as the excess of the actuarial present value of projected benefits over the actuarial present value of future normal costs.

The actuarial accrued liability for retired members and their beneficiaries currently receiving benefits, active members age 60 and over, terminated vested members and disabled members not yet receiving benefits was determined as the actuarial present value of the benefits expected to be paid. No future normal costs are payable for these members.

The actuarial accrued liability under this method at any point in time is the theoretical amount of the fund that would have been accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of plan assets measured on the valuation date. The initial unfunded actuarial accrued liability established July 1, 2004 is amortized with a level dollar payment amount over 25 years. At subsequent valuation dates, amortization bases equal to changes in the unfunded actuarial accrued liability are established and amortized with a level dollar payment over a 25-year period. If the unfunded actuarial accrued liability is \$0 or less on the valuation date, all previous amortization bases are considered fully amortized.

Under this method, experience gains or losses, i.e., decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM

SUMMARY OF ACTUARIAL METHODS AND PROCEDURES AS OF JULY 1, 2005

2. **Calculation of the Actuarial Value of Assets:** The actuarial value of assets is based on a five-year smoothing method and is determined by spreading the effect of each year's investment return in excess of or below the expected return. The Market Value of assets at the valuation date is reduced by the sum of the following:
- (i) 80% of the return to be spread during the first year preceding the valuation date,
 - (ii) 60% of the return to be spread during the second year preceding the valuation date,
 - (iii) 40% of the return to be spread during the third year preceding the valuation date, and
 - (iv) 20% of the return to be spread during the fourth year preceding the valuation date.

The return to be spread is the difference between (1) the actual investment return on Market Value and (2) the expected return on Actuarial Value. Effective July 1, 2000, the expected return on Actuarial Value includes interest on the previous year's unrecognized return.

3. **Calculation of Pension Benefit Obligation:** The method used to determine the Pension Benefit Obligation was the Projected Unit Credit Actuarial Cost Method without service proration. Under this method, the benefit is based on salary projected to assumed termination or retirement and service as of the valuation date.

B. VALUATION PROCEDURES

No actuarial liability is included for participants who terminated without being vested prior to the valuation date, except those due a refund of contributions.

The compensation amounts used in the projection of benefits and liabilities for active members were prior plan year compensations.

In computing accrued benefits, average compensation was determined by applying the salary scale assumption to most recent compensation to construct any missing salary history.

Projected benefits were limited by the dollar limitation required by the Internal Revenue Code Section 415 as it applies to governmental plans and compensation limited by Section 401(a)(17).

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM**

c. Mortality rates under the mortality tables are shown below at sample ages:

Sample Age	Mortality Rates			
	Healthy Members		Disabled Members	
	Males	Females	Males	Females
30	.08%	.04%	.08%	.05%
40	.11	.07	.16	.09
50	.26	.14	.53	.22
60	.80	.44	1.31	.55
70	2.37	1.37	3.61	1.65
80	6.20	3.94	8.74	5.61

d. Life expectancies under the mortality tables are shown below at sample ages:

Sample Age	Life Expectancy (Years)			
	Healthy Members		Disabled Members	
	Males	Females	Males	Females
30	49.7	54.3	45.6	51.0
40	40.1	44.5	36.0	41.3
50	30.7	34.9	26.9	31.8
60	21.8	25.6	18.8	23.5
70	14.3	17.3	11.9	15.3
80	8.4	10.3	7.0	8.9

2. Retirement

Retirement is assumed to occur upon attaining certain age and service requirements. The retirement assumption varies depending on benefit eligibility age at retirement, and years elapsed since first eligible for benefits.

Those eligible for reduced early retirement (age 50 and 10 years of service) are assumed to retire at a rate of 21% in the first year eligible and 3% in the second and following years eligible.

Those eligible for unreduced early retirement (age 50 and 25 years of service or age 55 and 10 years of service) are assumed to retire at a rate of 75% in the first year eligible, 50% in the second year eligible, and 25% in the third and following years eligible.

Those reaching age 60 are assumed to retire at a rate of 100%.

3. Termination

3% at all ages.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM

SUMMARY OF ACTUARIAL ASSUMPTIONS AS OF JULY 1, 2005

4. Disability

Rates vary by age. Sample rates are as follows:

Age	Rate
25	.08%
30	.10%
35	.13%
40	.20%
45	.31%
50	.52%
55	.91%
60	1.36%

OTHER ASSUMPTIONS

1. Form of Payment

75% Joint & Survivor Annuity. Deferred vesteds are assumed to take a refund of contributions.

2. Marital Status

- a. Percent married
- b. Spouse's age

100% married
Females assumed to be three years younger than males.

3. Children

All members are assumed to have one dependent child at death or retirement. The child is assumed to be 28 years younger than the member, and is assumed to always survive until age 19.

3. Administrative Expense

Investment return is assumed to be net of expenses.

4. Cost of living adjustments

2.5% per annum, compounded annually, and 3.5% per annum, compounded annually, after reaching 60% purchasing power floor benefit.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE PATROL SYSTEM**

GLOSSARY OF TERMS

<i>Actuarial Accrued Liability</i>	Total accumulated cost to fund pension benefits arising from service in all prior years.
<i>Actuarial Cost Method</i>	Technique used to assign or allocate, in a systematic and consistent manner, the expected cost of a pension plan for a group of participants to the years of service that give rise to that cost.
<i>Actuarial Present Value of Future Benefits</i>	Amount which, together with future interest, is expected to be sufficient to pay all future benefits.
<i>Actuarial Valuation</i>	Study of probable amounts of future pension benefits and the necessary amount of contributions to fund those benefits.
<i>Actuary</i>	Person who performs mathematical calculations pertaining to pension and insurance benefits based on specific procedures and assumptions.
<i>Annual Required Contribution</i>	Disclosure measure of annual pension cost.
<i>GASB 25</i>	Governmental Accounting Standards Board Statement number 25 which specifies how the Annual Required Contribution is to be calculated.
<i>Normal Cost</i>	That portion of the actuarial present value of benefits assigned to a particular year in respect to an individual participant or the plan as a whole.
<i>Unfunded Actuarial Accrued Liability</i>	The portion of the actuarial accrued liability not offset by plan assets.
<i>Vested Benefits</i>	Benefits which are unconditionally guaranteed regardless of employment status.