

***CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM***

***ACTUARIAL VALUATION
DECEMBER 31, 2005***



Milliman

Consultants and Actuaries

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This is to certify that we have prepared an actuarial valuation of the Connecticut Probate Judges & Employees Retirement System as of December 31, 2005.

The valuation was made with respect to the following members:

- a. 263 Retired Members and Beneficiaries.
- b. 386 Active Members with total annual payroll as of December 31, 2005 of \$15,146,797.
- c. 28 Vested Former Members.
- d. 56 Non-vested Former Members.

Based on the above data and the attached actuarial method and assumptions, we determined the following assets and liabilities as of the valuation date:

1. System Liability:	
a. Active Members	\$50,646,950
b. Retired Members and Beneficiaries	24,865,866
c. Vested Former Members	1,703,651
d. Non-vested Former Members	56,497
e. Total	77,272,964
2. Assets in fund (at market value)	76,239,485
3. Unfunded Accrued Liability (Item 1e less Item 2)	1,033,479
4. Present Value of Vested Benefits	43,189,768
5. Funded Ratio (Item 2 divided by Item 4)	176.52%

Based on the valuation as of December 31, 2005, projected costs are \$0 for the fiscal year beginning July 1, 2006.

Sincerely,

MILLIMAN INC.

Althea A. Schwartz, F.S.A.
Principal and Consulting Actuary

May 16, 2005

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

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May 16, 2006

State of Connecticut
State Employees Retirement Commission
55 Elm Street
Hartford, CT 06105

Members of the Commission:

We are pleased to provide this actuarial report for the Connecticut Probate Judges & Employees Retirement System. The report shows the financial status as of December 31, 2005 and presents cost figures for the year beginning July 1, 2006.

The recommended Employer contribution for the fiscal year beginning July 1, 2006 is \$0. The development of the contribution can be found in Section IV.

An overview of the valuation can be found in the Executive Summary in Section I.

In our opinion, this report fairly presents the financial and actuarial position of the Connecticut Probate Judges & Employees Retirement System as of December 31, 2005, in accordance with generally accepted actuarial principles applied on a basis consistent with the prior valuation. We also certify that, to the best of our knowledge and belief, this report is both complete and accurate.

Respectfully submitted,

Althea A. Schwartz, F.S.A.
Consulting Actuary

AAS 10 CSP2006AutoVal

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

We have performed an actuarial valuation of the Connecticut Probate Judges & Employees Retirement System as of January 1, 2006 to determine the contributions for the Fiscal Year beginning July 1, 2006.

In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the State of Connecticut. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.


The calculations reported herein have been made on a basis consistent with our understanding of the Connecticut General Statutes with guidance from the Retirement Commission. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements.

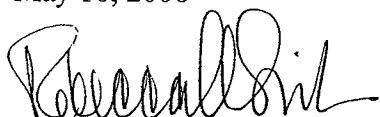
On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices based on the actuarial methods and assumptions adopted by the System. Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. Actual experience will not conform exactly to the assumptions made for this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience. We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, we request that it be copied in its entirety, including this section. We understand that the System may distribute this report to its auditor in connection with its audit. We will consent to this distribution as long as the work is distributed in its entirety, and the auditor is advised to have an actuary review the work. Milliman does not intend to benefit any third party recipient of its work product, including the auditor, and does not intend to create any legal duty from Milliman to the auditor even if Milliman consents to the release of its work product. In the event that the auditor's audit reveals any error or inaccuracy in the data underlying this report, Milliman requests that the auditor or the System notify Milliman as soon as possible.

MILLIMAN INC.

May 16, 2006


Althea A. Schwartz, FSA
Consulting Actuary
Joint Board Enrollment #05-4350


Rebecca A. Sielman, FSA
Consulting Actuary
Joint Board Enrollment #05-5063

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I
EXECUTIVE SUMMARY**

HIGHLIGHTS

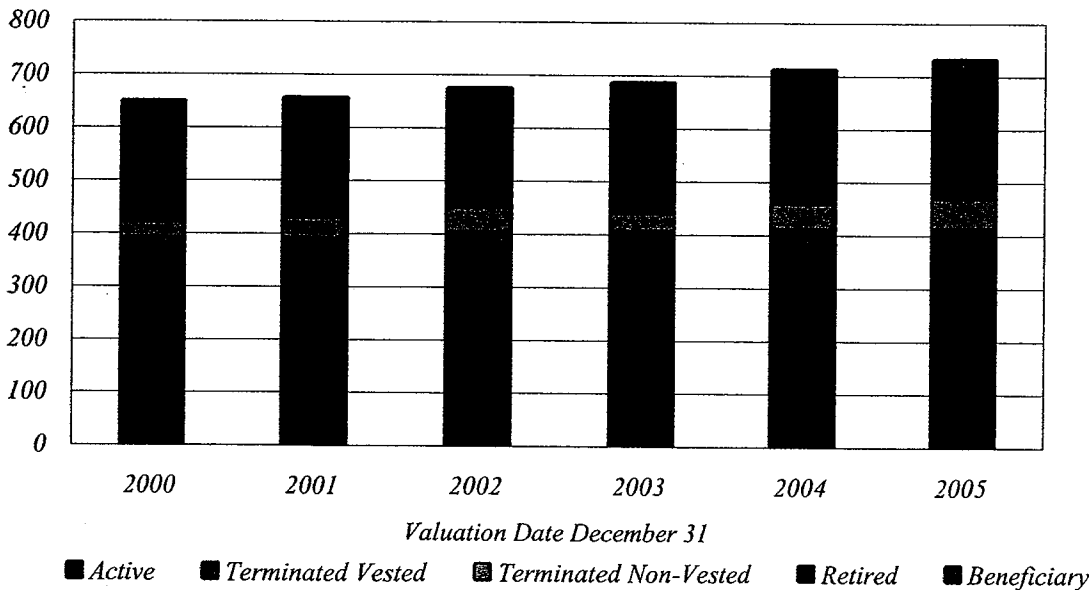
Participants

The membership data was provided as of December 31, 2005 and included actual compensation reported for calendar year 2005. We did not audit this data (nor the financial data); however, they appeared to be consistent with comparable data from the previous valuation, which was based on membership data as of December 31, 2004.

The active population increased from 383 to 386 participants. The active population now consists of 119 Judges and 267 Employees. The number of participants in pay status grew from 255 to 263, and the terminated vested population decreased from 29 to 28. There are 56 members who terminated without vested rights who have not yet received a refund of their employee contributions with interest.

More details on the plan population can be found in Section VI.

Number of Plan Participants

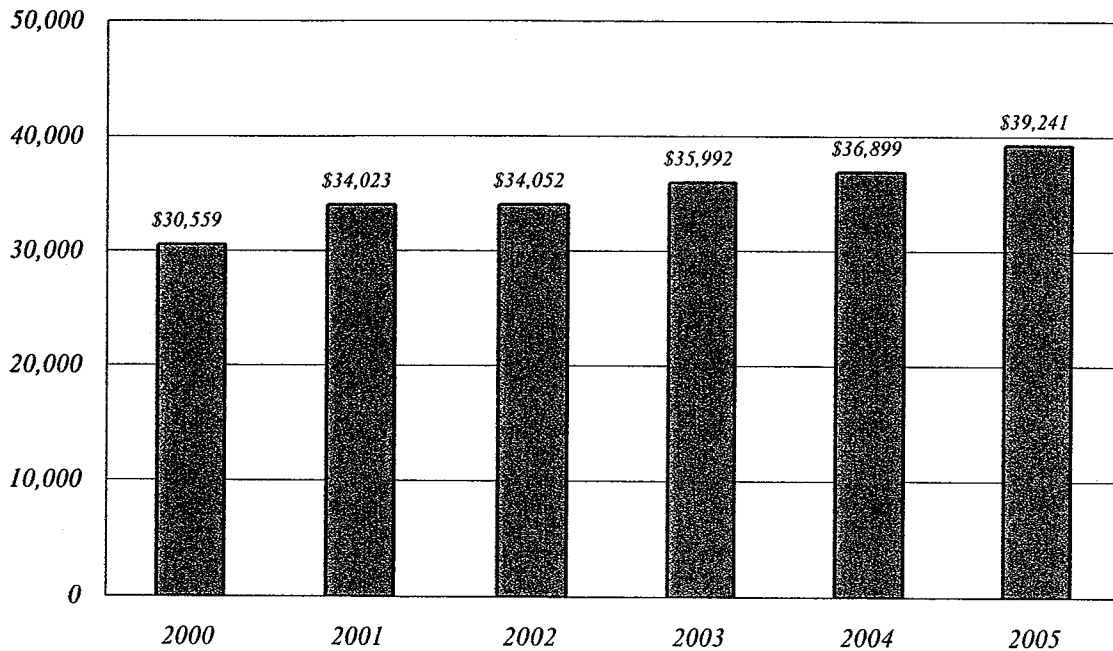


**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I
EXECUTIVE SUMMARY**

HIGHLIGHTS

Average Compensation



Total payroll increased from \$14,132,154 as of December 31, 2004 to \$15,146,797 as of December 31, 2005. Average compensation increased from \$36,899 to \$39,241 over this period. This annualized increase of 6.3% is slightly higher than our salary growth assumption of 6.0%.

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I
EXECUTIVE SUMMARY**

HIGHLIGHTS

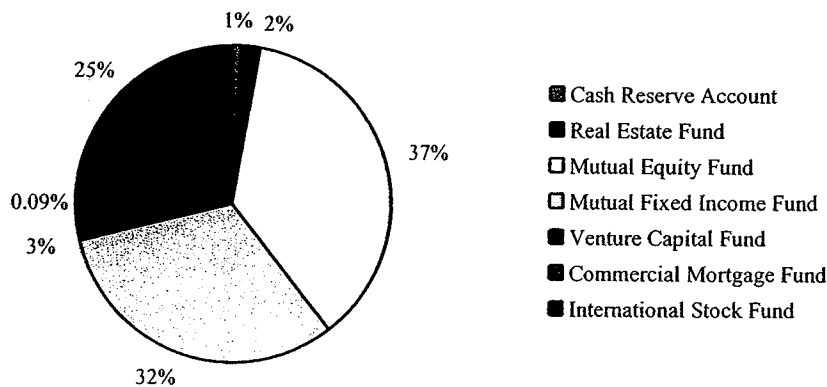
Assets

The performance of the fund in 2005 was modestly below our long-term expected return on assets. The Market Value of Assets as of December 31, 2005 was \$76,239,485 compared to \$71,504,301 as of December 31, 2004. The rate of return on a market value basis was 7.83% compared to 13.85% for the prior year. This rate assumes that the contributions and benefit payments were made on average half-way through the period.

As part of the valuation process, we smooth market fluctuations to determine the Actuarial Value of Assets. The Actuarial Value of Assets as of December 31, 2005 was \$77,628,198 compared to \$72,663,571 as of December 31, 2004. The rate of return on this basis was 8.02% compared to 8.11% for the prior year. This represents a small loss compared to the assumed rate of return of 8.5% for that period.

During 2005, the fund received \$246,597 in Member contributions. The fund was also used as a 'pass through' for Health Services Costs, with \$3,652,161 transferred in from the Probate Administration Fund and \$2,155,147 disbursed. As of December 31, 2005 there is an accrued Health Services Cost payable of \$0. See Section IIB for more details on these figures.

The plan held investments on December 31, 2005 as follows:



More details on the plan assets can be found in Section II.

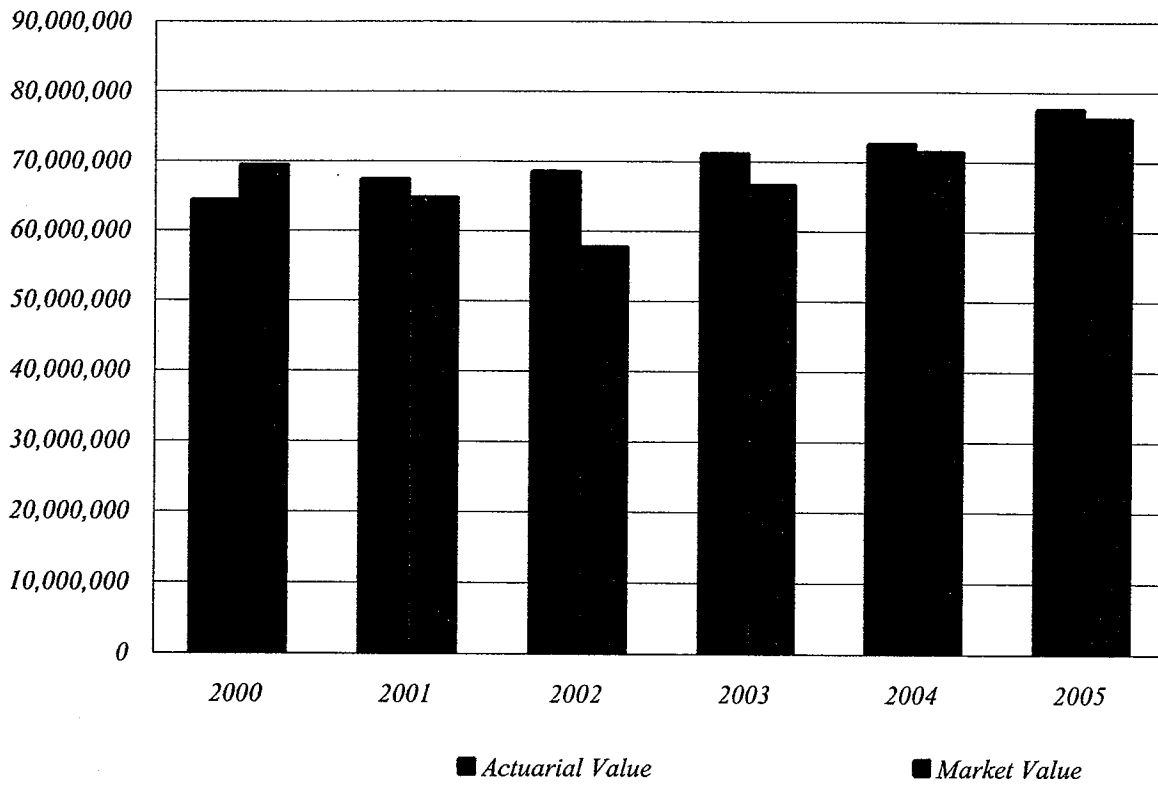
**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I
EXECUTIVE SUMMARY**

HIGHLIGHTS

Historical information on the plan assets is shown below:

Plan Assets



**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I
EXECUTIVE SUMMARY**

HIGHLIGHTS

Contributions

The recommended Employer contribution for Fiscal Year 2006-2007 is again \$0. No contribution is required primarily due to historically favorable investment performance. We expect that no contribution will be required for Fiscal Year 2007-2008 unless there is a significant change in the plan membership or there are large actuarial or investment losses during the current year.

Changes in Actuarial Methods and Assumptions

None.

In concluding this executive summary, we present on the following page comparative statistics and actuarial information on both the December 31, 2004 and December 31, 2005 valuations.

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I
EXECUTIVE SUMMARY**

PRINCIPAL RESULTS

	<i>As of December 31, 2004</i>	<i>As of December 31, 2005</i>
<u>Membership</u>		
Active Membership		
Number of Members	383	386
Payroll	\$14,132,154	\$15,146,797
Average Pay	36,899	39,241
Inactive Membership		
Number of Terminated Vested Members	29	28
Number of Terminated Non-vested Members	47	56
Number of Retired Members & Beneficiaries	255	263
Annual Retired Members Benefits	\$2,582,379	\$2,733,035
Average Annual Retired Members Benefits	\$10,127	\$10,392
<u>Assets and Liabilities</u>		
Assets		
Market Value	\$71,504,301	\$76,239,485
Actuarial Value	72,663,571	77,628,198
Liabilities (Present Value of Benefits)		
Active Members	\$47,020,976	\$50,646,950
Terminated Vested Members	1,620,353	1,703,651
Terminated Non-vested Members	57,203	56,497
Retired Members and Beneficiaries	<u>23,910,884</u>	<u>24,865,866</u>
Total Accrued Liability	72,609,416	77,272,964
<u>Employer Contribution</u>		
Total Employer Contribution	\$0	\$0

CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM

**SECTION II
SYSTEM ASSETS**

A. Summary of Fund Transactions

Market Value as of January 1, 2005		\$70,007,287
Contributions		
State	\$0	
Federal	0	
Employee	246,597	
Health Services Cost	3,652,161	
		3,898,758
Investment Income		
Interest & Dividends	\$2,428,695	
Change in Accrued Interest	(1,073)	
Realized Gains	422,513	
Change in Unrealized Gains	4,212,104	
		7,062,239
Disbursements		
Benefit Payments	\$2,570,283	
Member Refunds	3,369	
Health Services Costs	2,155,147	
Expenses	0	
		4,728,799
Market Value as of December 31, 2005		76,239,485
Pension Contribution Receivable for FY 05-06		0
Health Services Cost Receivable for FY 05-06 (See Section IIB)		0
Adjusted Market Value as of December 31, 2005		76,239,485
Rate of Return as of December 31, 2005		7.83%
Rate of Return as of December 31, 2004		13.85%
Change in Rate of Return		Down 6.02%

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION II
SYSTEM ASSETS**

B. Calculation of Health Services Cost Receivable/(Prepaid)

<u>Calendar Year</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Receivable/(Prepaid)</u>
1995	\$353,872.00	\$335,041.00	(\$18,831.00)
1996	0.00	364,622.36	364,622.36
1997	366,110.28	505,317.35	139,207.07
1998	1,156,897.56	594,734.16	(562,163.40)
1999	979,286.79	867,211.36	(112,075.43)
2000	991,409.16	990,398.20	(1,010.96)
2001	1,137,271.44	1,086,182.09	(51,089.35)
2002	1,369,410.96	1,286,269.67	(83,141.29)
2003	1,704,662.16	1,605,483.31	(99,178.85)
2004	0.00	1,920,675.00	1,920,675.00
2005	3,652,160.81	2,155,146.66	(1,497,014.15)
Total Receivable/(Prepaid)			0.00

Pursuant to C.G.S. 45a-56, health insurance for retired Judges and Probate Court employees is provided through the State. Upon request of the Comptroller's office each year, the money for a given fiscal year to cover the cost of health insurance is transferred from the Probate Administration Fund to the Retirement Fund (the "receipts" shown above). Money is subsequently transferred out of the Retirement Fund (the "disbursements" shown above) to pay the insurance vendors.

For purposes of calculating the pension contribution, any accumulated receivable or prepaid health services monies is netted out of the Market Value of Assets.

CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM

**SECTION II
SYSTEM ASSETS**

C. Breakdown of Investments

The following is the Market Value of the Retirement Fund assets as reported to us by the Retirement Division:

	<u>Amount</u>	<u>% of Total</u>
Cash	\$9,664.88	0.01%
<u>Investments</u>		
Cash Reserve Account	648,966.19	0.85%
Real Estate Fund	1,363,073.97	1.79%
Mutual Equity Fund	28,086,020.45	36.83%
Mutual Fixed Income Fund	24,069,279.95	31.57%
Venture Capital Fund	2,644,729.00	3.47%
Commercial Mortgage Fund	67,001.86	0.09%
International Stock Fund	19,346,830.89	<u>25.38%</u>
Total Non-Cash Investments	<u>76,225,902.31</u>	99.99%
Accrued Interest	3,918.08	0.01%
Pension Contribution Receivable/(Prepaid)	0.00	0.00%
Health Services Cost Receivable/(Prepaid)	0.00	0.00%
 Total Market Value of Assets as of December 31, 2005	 76,239,485.27	 100.00%

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION II
SYSTEM ASSETS**

D. Development of Actuarial Value of Assets

	<u>Market Value</u>	<u>Actuarial Value</u>
(1) Value as of December 31, 2004	\$71,504,301	\$72,663,571
(2) Contributions	3,898,758	3,898,758
(3) Benefit Payments and Refunds	4,728,799	4,728,799
(4) Expected Investment Income on (1) + (2) - (3)	6,043,308	6,141,846
(5) Expected Value as of December 31, 2005 (1) + (2) - (3) + (4)	76,717,568	77,975,376
(6) Market Value as of December 31, 2005	76,239,485	N/A
(7) Actual MVA - Expected AVA	N/A	(1,735,891)
(8) Preliminary Actuarial Value: (5) + 20% of (7)	N/A	77,628,198
(9) Final Value: [(8) within +/- 20% of (6)]	N/A	77,628,198
(10) Gain/(Loss)	(478,083)	(347,178)
Market Value Basis: (6) - (5)		
Actuarial Value Basis: (9) - (5)		
(11) Rate of Return	7.83%	8.02%

CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM

**SECTION III
SYSTEM LIABILITIES**

A. Actuarial Balance Sheet

Based on the asset and membership information provided to us (and summarized in Sections II and IV), the actuarial method and assumptions described in Section VII, and our understanding of the benefit provisions embodied in Connecticut statutes as summarized in Section VIII, we have prepared the following valuation of assets and liabilities as of December 31:

	<i>As of</i> <u>December 31, 2004</u>	<i>As of</i> <u>December 31, 2005</u>
ASSETS		
Retirement Fund (Adjusted Basis)	\$72,663,571	\$77,628,198
Present Value of Future Employer Normal Cost Contributions	0	0
Present Value of Future Member Contributions	<u>2,645,066</u>	<u>2,692,551</u>
Total Assets	75,308,637	80,320,749
LIABILITIES		
Present Value of Benefits		
Active Members	\$47,020,976	\$50,646,950
Retired Members	23,910,884	24,865,866
Terminated Non-vested Members	57,203	56,497
Terminated Vested Members	<u>1,620,353</u>	<u>1,703,651</u>
Total Liabilities	72,609,416	77,272,964
EXCESS OF ASSETS OVER LIABILITIES	2,699,221	3,047,785

CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM

**SECTION III
SYSTEM LIABILITIES**

B. Funded Status - Accrued Liabilities

	<i>As of</i> <u>December 31, 2004</u>	<i>As of</i> <u>December 31, 2005</u>
(1) Present Value of Vested Benefits		
Active Members	\$15,776,290	\$16,563,754
Retired Members & Beneficiaries	23,910,884	24,865,866
Terminated Non-Vested Members	57,203	56,497
Terminated Vested Members	<u>1,620,353</u>	<u>1,703,651</u>
Total	41,364,730	43,189,768
(2) Present Value of Non-Vested Benefits	1,597,187	2,509,470
(3) Present Value of Accrued Benefits: (1) + (2)	42,961,917	45,699,238
(4) Net Market Value of Assets (see Section IIA)	71,504,301	76,239,485
(5) Vested Funded Ratio: (4)/(1)	172.86%	176.52%
(6) Funded Ratio: (4)/(3)	166.44%	166.83%

CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM

**SECTION IV
SYSTEM CONTRIBUTIONS**

Development of Employer Contribution

	<u>2005 Plan Year</u>	<u>2006 Plan Year</u>
(1) Present Value of Future Employer Normal Cost Contributions *	\$0	\$0
(2) Present Value of Future Salaries	135,259,119	141,959,508
(3) Employer Normal Cost as % of Salary: (1)/(2)	0.00%	0.00%
(4) Current Salary **	12,617,557	13,543,413
(5) Current Normal Cost: (3) x (4)	0	0
(6) Past Service Amortization	0	0
(7) Total Employer Contribution: (5) + (6)	0	0
(8) Employer Contribution with Interest to July 1	0	0

* *Not less than zero.*

** *Excludes salaries for participants beyond the assumed retirement age.*

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION V
GASB #25 INFORMATION**

A. Introduction

Government Accounting Standards Board Statement No. 25 requires that the Connecticut Probate Judges and Employees Retirement System disclose certain information on an annual basis regarding the funding of the System. In this section we present this information. Additional information regarding System Assets, the Actuarial Method and Assumptions and a summary of Plan Provisions can be found in Section II, VII and VIII, respectively.

The following tables present the information required by GASB #25:

<u>Table</u>	<u>Contents</u>
B	Statement of Plan Net Assets
C	Statement of Changes in Plan Net Assets
D	Schedule of Funding Progress
E	Schedule of Employer Contributions

The Connecticut Probate Judges and Employees Retirement System was created by the State of Connecticut to provide defined benefit pensions to its Probate Judges and Employees. The System is described in Chapter 801, State Employees Retirement Act, in sections 45a-34 to 45a-56 of the General Statutes of Connecticut.

The State's funding policy is to contribute each year an amount equal to the normal cost plus an amount representing amortization of the unfunded actuarial accrued liability. The actuarial assumptions used to calculate the figures reported herein are the same as those used to calculate the contribution level.

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION V
GASB #25 INFORMATION**

B. Statement of Plan Net Assets

December 31, 2005

Cash	\$9,664.88
<u>Investments</u>	
Cash Reserve Account	648,966.19
Real Estate Fund	1,363,073.97
Mutual Equity Fund	28,086,020.45
Mutual Fixed Income Fund	24,069,279.95
Venture Capital Fund	2,644,729.00
Commercial Mortgage Fund	67,001.86
International Stock Fund	<u>19,346,830.89</u>
Total Non-Cash Investments	76,225,902.31
Accrued Interest	3,918.08
Pension Contribution Receivable/(Prepaid)	0.00
Health Services Cost Receivable/(Prepaid)	0.00
Total Market Value of Assets as of December 31, 2005	76,239,485.27

CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM

**SECTION V
GASB #25 INFORMATION**

C. Statement of Changes in Plan Net Assets

ADDITIONS

Contributions

State	\$0	
Federal	0	
Employee	246,597	
Health Services Cost	3,652,161	
		3,898,758

Investment Income

Interest & Dividends	2,428,695	
Change in Accrued Interest	(1,073)	
Realized Gains	422,513	
Change in Unrealized Gains	4,212,104	
		7,062,239

Total Additions

10,960,997

DEDUCTIONS

Adjustments

Prior Year Adjustment	0	
Change in Accrued Employer Contribution	0	
Change in Accrued Health Services Cost	1,497,014	
		1,497,014

Disbursements

Benefit Payments	2,570,283	
Member Refunds	3,369	
Health Services Costs	2,155,147	
Expenses	0	
		4,728,799

Total Deductions

6,225,813

NET INCREASE

4,735,184

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS

<i>Beginning of Year</i>	71,504,301
<i>End of Year</i>	76,239,485

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION V
GASB #25 INFORMATION**

D. Schedule of Funding Progress

Because the UAAL is zero, the actuarial cost method becomes the "aggregate cost method" and a schedule of funding progress is not required.

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION V
GASB #25 INFORMATION**

E. Schedule of Employer Contributions

<i>Fiscal Year Ending June 30</i>	<i>Annual Required Contribution*</i>	<i>Actual Contribution*</i>	<i>% Required of Funded Contribution</i>
1997	\$322,093	\$322,093	100%
1998	190,543	190,543	100%
1999	18,458	18,458	100%
2000	0	0	100%
2001	0	0	100%
2002	0	0	100%
2003	0	0	100%
2004	0	0	100%
2005	0	0	100%
2006	0	0	100%
2007	0	n/a	n/a

* Reported on a fiscal year basis (7/1 - 6/30)

CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM

**SECTION VI
MEMBERSHIP DATA**

A. Summary of Membership

	<i>As of</i> <u>December 31, 2004</u>	<i>As of</i> <u>December 31, 2005</u>
Current Employees:		
Vested:		
Judges	74	72
Employees	104	102
Not yet vested:		
Judges	45	47
Employees	160	165
Total Current Employees	383	386
Retirees and Beneficiaries currently receiving benefits	255	263
Terminated employees entitled to benefits but not yet receiving them*	29	28
Terminated Non-Vested members whose employee contributions and interest have not been refunded	47	56
Total Members	714	733

* Includes five members that transferred from Employee to Judge status

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION VI
MEMBERSHIP DATA**

B. Reconciliation of Active Members

	<u>Judges</u>	<u>Employees</u>	<u>Total</u>
<i>Actives as of December 31, 2004</i>	119	264	383
Retired	(4)	(3)	(7)
Died	0	(1)	(1)
Terminated Vested	0	(2)	(2)
Terminated Non-Vested	0	(9)	(9)
Transfer Out	0	0	0
Participants over Age 70	0	0	0
Lump Sum	0	(1)	(1)
New Participants	4	19	23
Rehired	0	0	0
Transfer In	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Actives as of December 31, 2005</i>	119	267	386

CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM

**SECTION VI
MEMBERSHIP DATA**

C. Statistics for Active Members

	<i>As of</i> <u>December 31, 2004</u>	<i>As of</i> <u>December 31, 2005</u>
<i>Number of Members:</i>		
Judges	119	119
Employees	<u>264</u>	<u>267</u>
Total	383	386
<i>Earnings:</i>		
Judges	\$6,345,232	\$6,777,461
Employees	<u>7,786,922</u>	<u>8,369,336</u>
Total	14,132,154	15,146,797
<i>Average Earnings:</i>		
Judges	\$53,321	\$56,953
Employees	29,496	31,346
Total	36,899	39,241
<i>Average Age:</i>		
Judges	54.4	54.8
Employees	49.2	49.3
Total	50.9	51.0
<i>Average Service:</i>		
Judges	12.2	12.7
Employees	8.3	8.6
Total	9.5	9.8

Note: Earnings figures as of December 31 are actual amounts reported for the previous January 1 to December 31 period. Earnings for new members have been annualized.

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION VI
MEMBERSHIP DATA**

D. Distribution of Active Participants - Judges

	YEARS OF SERVICE											All Years		
	0 To 5	5 To 10	10 To 15	15 To 20	20 To 25	25 To 30	30 To 35	35 To 40	40 & Up					
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 To 24	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 To 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 To 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 To 39	1	2	0	0	0	0	0	0	0	0	0	0	0	3
40 To 44	5	7	1	0	0	0	0	0	0	0	0	0	0	13
45 To 49	3	3	6	2	0	0	0	0	0	0	0	0	0	14
50 To 54	5	5	11	5	0	0	0	0	0	0	0	0	0	26
55 To 59	5	4	8	4	2	3	2	2	0	0	0	0	0	28
60 To 64	3	3	6	3	2	6	0	0	0	0	0	0	0	23
65 & Up	1	1	2	3	1	3	1	0	0	0	0	0	0	12
All Ages	23	25	34	17	5	12	3	0	0	0	0	0	0	119

	AVERAGE SALARY											All Years		
	0 To 5	5 To 10	10 To 15	15 To 20	20 To 25	25 To 30	30 To 35	35 To 40	40 & Up					
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 To 24	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 To 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 To 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 To 39	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 To 44	73,472	55,334	0	0	0	0	0	0	0	0	0	0	0	61,380
45 To 49	55,249	76,695	78,060	0	0	0	0	0	0	0	0	0	0	68,552
50 To 54	67,549	57,339	72,690	50,559	0	0	0	0	0	0	0	0	0	65,138
55 To 59	50,389	43,287	57,555	51,927	0	0	0	0	0	0	0	0	0	52,351
60 To 64	83,028	83,374	57,461	64,741	106,324	42,806	48,552	0	0	0	0	0	0	68,052
65 & Up	58,333	72,449	46,864	63,405	74,263	67,647	0	0	0	0	0	0	0	61,659
All Ages	17,183	14,164	77,120	54,489	72,575	50,576	40,457	0	0	0	0	0	0	56,953

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION VI
MEMBERSHIP DATA**

E. Distribution of Active Participants - Employees

	YEARS OF SERVICE										
	0 To 5	5 To 10	10 To 15	15 To 20	20 To 25	25 To 30	30 To 35	35 To 40	40 & Up	All Years	
Under 20	1	0	0	0	0	0	0	0	0	0	1
20 To 24	7	1	0	0	0	0	0	0	0	0	8
25 To 29	8	1	0	0	0	0	0	0	0	0	9
30 To 34	7	9	0	0	0	0	0	0	0	0	16
35 To 39	7	5	3	0	0	0	0	0	0	0	15
40 To 44	15	10	5	3	1	1	0	0	0	0	35
45 To 49	23	16	1	5	1	0	0	0	0	0	46
50 To 54	5	17	10	4	0	0	2	0	0	0	38
55 To 59	17	8	11	6	1	0	1	0	0	0	44
60 To 64	4	7	9	10	4	1	0	0	0	0	35
65 & Up	1	6	4	7	2	0	0	0	0	0	20
All Ages	95	80	43	35	9	2	3	0	0	0	267

	AVERAGE SALARY										
	0 To 5	5 To 10	10 To 15	15 To 20	20 To 25	25 To 30	30 To 35	35 To 40	40 & Up	All Years	
Under 20	0	0	0	0	0	0	0	0	0	0	0
20 To 24	14,689	0	0	0	0	0	0	0	0	0	14,689
25 To 29	28,919	9,890	0	0	0	0	0	0	0	0	26,540
30 To 34	30,829	32,843	0	0	0	0	0	0	0	0	31,053
35 To 39	43,176	30,031	0	0	0	0	0	0	0	0	35,782
40 To 44	30,871	31,129	30,781	0	0	0	0	0	0	0	30,939
45 To 49	24,147	34,674	45,173	49,250	55,985	44,977	0	0	0	0	33,815
50 To 54	28,251	35,367	42,609	39,669	41,444	0	0	0	0	0	32,566
55 To 59	36,579	32,050	34,079	40,780	0	0	52,853	0	0	0	35,194
60 To 64	27,715	36,999	30,949	40,564	40,985	0	62,031	0	0	0	33,045
65 & Up	25,543	36,658	32,311	36,403	57,615	47,659	0	0	0	0	36,906
All Ages	8,398	25,389	34,677	47,141	29,962	0	0	0	0	0	31,346

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION VI
MEMBERSHIP DATA**

F. Reconciliation of Inactive Members

	<u>Terminated Vested Members</u>	<u>Members In Pay Status</u>	<u>Total Inactive Members</u>
<i>Inactive Members as of December 31, 2004</i>	29	255	284
Died	0	(2)	(2)
Received refund	0	0	0
Retired from Terminated Vested Status	(3)	3	0
Retired from Active Status	0	7	7
Terminated Vested from Active Status	2	0	2
Died with surviving spouse from Active Status	0	0	0
New surviving spouse	0	0	0
Correction	0	0	0
<i>Inactive Members as of December 31, 2005</i>	28	263	291

The following analysis compares key information on the inactive members from the prior valuation to the current valuation:

	<u>December 31, 2004</u>	<u>December 31, 2005</u>
<i>Number of Members:</i>		
Terminated Vested Members	29	28
Members in Pay Status	<u>255</u>	<u>263</u>
Total	284	291
<i>Total Annual Benefit:</i>		
Terminated Vested Members	\$172,428	\$177,605
Members in Pay Status	<u>2,582,379</u>	<u>2,733,035</u>
Total	2,754,807	2,910,640
<i>Average Annual Benefit:</i>		
Terminated Vested Members	\$5,946	\$6,343
Members in Pay Status	10,127	10,392
Total	9,700	10,002

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION VII
ACTUARIAL METHOD AND ASSUMPTIONS**

A. Actuarial Funding Method

As in the past, the actuarial valuation method used in the cost calculations is the *Frozen Entry Age Cost Method*. Recommended annual contributions consist of two pieces: a Normal Cost Payment plus an Amortization Payment toward the Unfunded Accrued Liability. When the Unfunded Accrued Liability is zero, the funding method becomes the *Aggregate Cost Method*.

Each of these funding methods begins by determining total plan liabilities as the present value of all benefits to be provided under the plan. For active participants, this liability reflects the total pension each member is expected to receive after retirement, not merely the portion accrued to date. For terminated vested members, the liability is the present value of benefits accrued during employment which will become payable upon retirement. For members in pay status, the liability is the present value of the benefits being paid.

In the first year of the plan, or any year when either the plan itself or the actuarial assumptions are substantially revised, the Normal Cost is determined as the total liability for current active participants funded as a level percent of pay from entry age to retirement, less expected employee contributions.

The Entry Age Normal Accrued Liability is then determined as the total of all plan liabilities (Present Value of Future Benefits) less the present value of amounts that will be paid as future Normal Costs (Present Value of Future Employer Normal Cost Contributions) and future Employee Contributions. The Unfunded Accrued Liability is this Accrued Liability less current Assets.

Under the Frozen Entry Age Cost Method, the Unfunded Accrued Liability remains "frozen", i.e., it is brought forward by adding the prior year Normal Cost plus interest at the assumed rate to the prior Unfunded Accrued Liability and subtracting accrued contributions. The Present Value of Future Employer Normal Cost Contributions becomes the balancing item, determined by subtracting Current Assets, the Unfunded Accrued Liability, and the Present Value of Future Employee Contributions from Total Liabilities; thus it may be considered to represent the present value of the future Employer contributions required to fund benefits for current participants, adjusted to reflect actuarial gains and losses from past experience.

The Employer Normal Cost is then determined by spreading the Present Value of Future Employer Normal Cost Contributions over the future salaries of currently active members.

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION VII
ACTUARIAL METHOD AND ASSUMPTIONS**

B. Actuarial Assumptions

Healthy Mortality:	1994 Group Annuity Mortality Table.		
Interest Rate:	8.5%.		
Salary Scale:	6.0%.		
Rate of Disability:	Table based on Connecticut State Employees Retirement System actual experience.		
Disabled Mortality:	Healthy Mortality Table described above.		
Turnover:	<u>Age</u>	<u>Male</u>	<u>Female</u>
	20	5.00%	7.50%
	25	5.00	7.50
	30	2.50	3.75
	35	1.25	1.88
	40	0.75	1.25
	45	0.38	0.63
	50	0.00	0.00
	55	0.00	0.00
	60	0.00	0.00
Cost of Living Increases:	3% per year.		
Social Security Wage Base Increases:	3.5% compounded annually.		
Retirement Ages:	Judges - Age 67; Employees - Age 62		
Asset Valuation:	All gains or losses are smoothed, plus an additional write-up (or write-down) as necessary so that the final adjusted value is within 20% of market value.		

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION VIII
SUMMARY OF PLAN PROVISIONS**

This summary of plan provisions is based on our understanding of the benefits as described by the Connecticut General Statutes, summary plan descriptions, and the Connecticut Probate Judges and Employees Retirement System. It is intended only to describe the essential features of the plan. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

- Effective Date:** January 1, 1968.
- Eligibility Requirements:** *Judges* - All Judges of Probate (provided one full term is served by age 70).
Employees - All persons who are employed by any probate court for more than 430 hours per year.
- Normal Retirement Date:** *Judges* - The later of 62 or 10 years of service.
Employees - The later of 62 or 10 years of service.
- Mandatory Retirement:** *Judges* - Age 70 provided one full term is served.
Employees - Age 70 regardless of length of service. (However, an employee may continue to work past age 70 without additional pension credit, and will not make employee contributions.)
- Early Retirement:** *Judges* - After 10 years of credited service, with pension reduced actuarially except if the judge separates after age 60, the reduction shall be 1/4 of one percent for each month by which the judge's retirement precedes the attainment of age 62.
Employees - After 10 years of credited service, with pension reduced actuarially except if the employee separates after age 60, the reduction shall be 1/4 of one percent for each month by which the employee's retirement precedes the attainment of age 62.

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION VIII
SUMMARY OF PLAN PROVISIONS**

- Credited Service:*** All periods as Judge of Probate, Acting Judge of Probate or Employee of any probate court, plus a period of not more than 3 years of service as a member of the General Assembly or in the military.
- Final Average Compensation:*** *Judges* - Average annual compensation for the three highest paid years of service while serving in the probate court, provided the compensation for any one year does not exceed the maximum net annual income allowed by law.
- Employees* - The average annual rate of pay during the employee's three highest paid years of employment.
- Normal Retirement Benefit:*** *Judges and Employees not under Social Security:* 2% of Final Average Compensation times years of Credited Service.
- Judges and Employees under Social Security:* 1% of Final Average Compensation up to \$4,800 plus 2% of Final Average Compensation above \$4,800, times years of Credited Service.
- Minimum Benefit:*** \$360 per year.
- Vesting:*** 100% vesting after 10 years of service.
- Pre-Retirement Spouse's Benefit:*** If a member, who has been married for one year, dies before retirement but after the completion of the age and service requirements that would permit the member to retire upon the member's application, an immediate pension is payable to the surviving spouse equal to the average of (1) 50% of the member's benefit payable as a life annuity and (2) 50% of the member's reduced benefit payable as a joint and 50% survivor annuity.

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION VIII
SUMMARY OF PLAN PROVISIONS**

Disability Retirement: After 10 years of service, pension is based on the normal retirement formula to continue during permanent and total disability as determined by the Retirement Commission.

Optional Benefits at Retirement: Basic pension option is payable as a straight life annuity. Alternatively, a joint and last survivor annuity or a life annuity with either 10 or 20 years guaranteed may be elected.

Member Contributions: *Judges and Employees not under Social Security:* 3.75% of compensation.

Judges and Employees under Social Security: 1% of compensation up to the current Social Security Wage Base plus 3.75% of the excess.

Any judge or employee who terminates employment before becoming eligible for a retirement allowance may be refunded their contributions and interest. Any refund of the member's contributions due to the death of the member shall be paid without interest. If a terminated member is reemployed, they must return the contributions with interest to obtain credit for their prior service.

Cost of Living: The COLA is based on a percentage of increase or decrease in the nation-wide Consumer Price Index and is applied annually, on July 1, to the previous July 1 retirement benefit amount. The COLA is limited to three percent and no adjustment will be made if the increase or decrease of such index is less than one percent.

Note: Special retirement provisions apply to a judge whose probate district is merged with another district and who has not been elected to a term which begins or is subsequent to such consolidation.