



*CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM*

*ACTUARIAL VALUATION  
DECEMBER 31, 2008*



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June 5, 2008

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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, 2008 and presents cost figures for the year beginning July 1, 2009.

The recommended Employer contribution for the fiscal year beginning July 1, 2009 is \$125,986. 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, 2008, 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,

A handwritten signature in blue ink that reads "Althea A. Schwartz".

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

AAS 10 CSP2008AutoVal

<p><b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b></p>
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**TABLE OF CONTENTS**

<u>SECTION</u>	<u>PAGE</u>
	<i>LETTER OF TRANSMITTAL</i>
	<i>CERTIFICATION</i> <span style="float: right;">1</span>
<i>I</i>	<i>EXECUTIVE SUMMARY</i> <span style="float: right;">2</span>
<i>II</i>	<i>ASSETS</i>
	<i>A. Summary of Fund Transactions - Market Value</i> <span style="float: right;">9</span>
	<i>B. Calculation of Health Services Cost Receivable</i> <span style="float: right;">10</span>
	<i>C. Breakdown of Investments</i> <span style="float: right;">11</span>
	<i>D. Actuarial Value of Assets</i> <span style="float: right;">12</span>
<i>III</i>	<i>SYSTEM LIABILITIES</i>
	<i>A. System Liabilities on Valuation Date</i> <span style="float: right;">13</span>
	<i>B. Funded Status - Accrued Liabilities</i> <span style="float: right;">14</span>
	<i>C. Funded Status - Current Liability</i> <span style="float: right;">15</span>
<i>IV</i>	<i>SYSTEM CONTRIBUTIONS</i> <span style="float: right;">16</span>
<i>V</i>	<i>GASB #25 INFORMATION</i>
	<i>A. Introduction</i> <span style="float: right;">17</span>
	<i>B. Statement of Plan Net Assets</i> <span style="float: right;">18</span>
	<i>C. Statement of Changes in Plan Net Assets</i> <span style="float: right;">19</span>
	<i>D. Schedule of Funding Progress</i> <span style="float: right;">20</span>
	<i>E. Schedule of Employer Contributions</i> <span style="float: right;">21</span>
<i>VI</i>	<i>MEMBERSHIP DATA</i>
	<i>A. Summary of Membership</i> <span style="float: right;">22</span>
	<i>B. Reconciliation of Active Members</i> <span style="float: right;">23</span>
	<i>C. Statistics for Active Members</i> <span style="float: right;">24</span>
	<i>D. Distribution of Active Participants - Judges</i> <span style="float: right;">25</span>
	<i>E. Distribution of Active Participants - Employees</i> <span style="float: right;">26</span>
	<i>F. Inactive Members</i> <span style="float: right;">27</span>
<i>VII</i>	<i>ACTUARIAL METHOD AND ASSUMPTIONS</i>
	<i>A. Actuarial Funding Method</i> <span style="float: right;">28</span>
	<i>B. Actuarial Assumptions</i> <span style="float: right;">29</span>
<i>VIII</i>	<i>SUMMARY OF PLAN PROVISIONS</i> <span style="float: right;">30</span>

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**CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM**

We have performed an actuarial valuation of the Connecticut Probate Judges & Employees Retirement System as of December 31, 2008 to determine the contributions for the Fiscal Year beginning July 1, 2009.

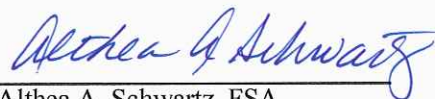
In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the State of Connecticut. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent 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.

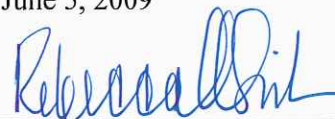
This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, we request that it be copied in its entirety, including this section. We understand that the System may distribute this report to its auditor 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.**



Althea A. Schwartz, FSA  
Consulting Actuary  
Joint Board Enrollment #08-4350

June 5, 2009



Rebecca A. Sielman, FSA  
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**CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I  
EXECUTIVE SUMMARY**

**HIGHLIGHTS**

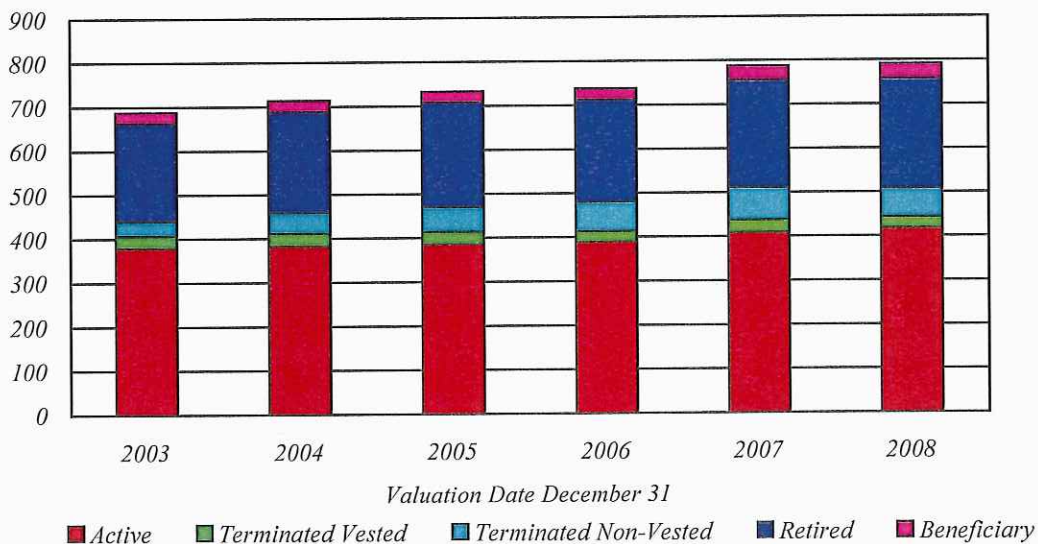
**Participants**

The membership data was provided as of December 31, 2008 and included actual compensation reported for calendar year 2008. 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, 2007.

The active population increased from 409 to 418 participants. The active population now consists of 115 Judges and 303 Employees. The number of participants in pay status grew from 277 to 283, and the terminated vested population decreased from 28 to 25. There are 65 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***

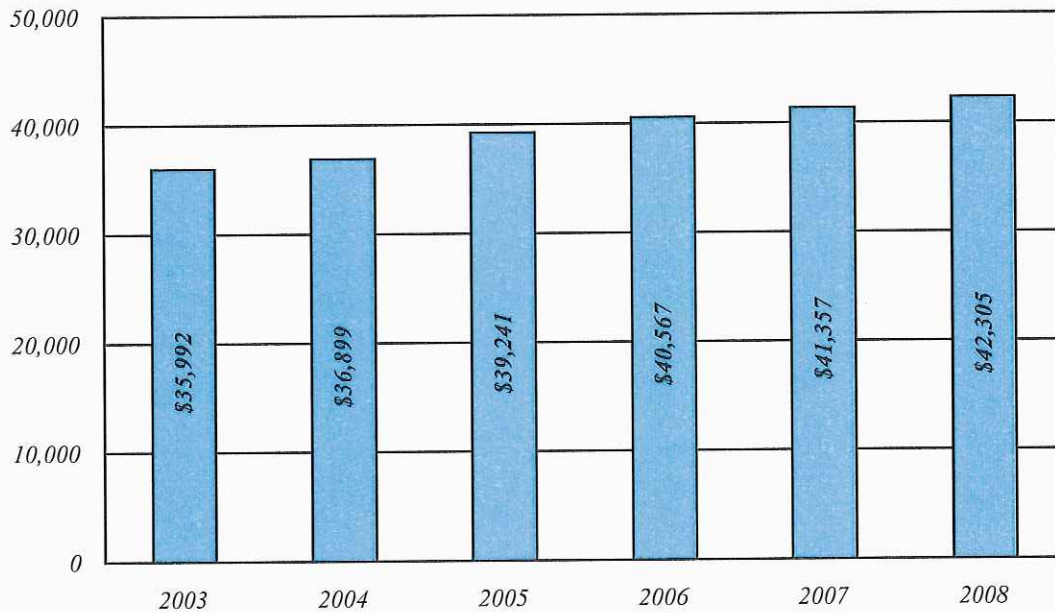


**CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I  
EXECUTIVE SUMMARY**

**HIGHLIGHTS**

*Average Compensation*



Total payroll increased from \$16,914,912 as of December 31, 2007 to \$17,683,334 as of December 31, 2008. Average compensation increased from \$41,357 to \$42,305 over this period. This annualized increase of 2.3% is lower than our salary growth assumption of 6.0%. For members who were active in both valuations, average compensation increased by 3.6%.

**CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I  
EXECUTIVE SUMMARY**

**HIGHLIGHTS**

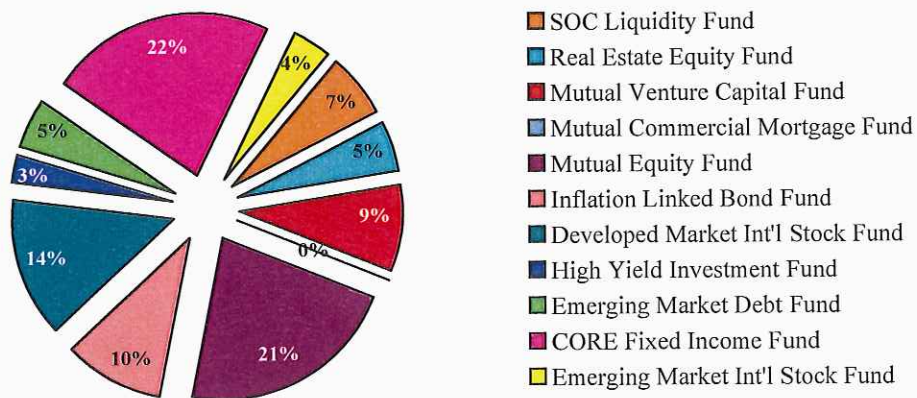
**Assets**

Due to general market conditions, the actual return on a market value basis was -21.92% compared to 7.18% for the prior year. The Market Value of Assets as of December 31, 2008 was \$65,177,241 compared to \$86,591,319 as of December 31, 2007.

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, 2008 was \$78,212,689 compared to \$86,325,073 as of December 31, 2007. The rate of return on this basis was -6.33% compared to 8.59% for the prior year. This represents a loss compared to the assumed rate of return of 8.50% for that period.

During 2008, the fund received \$299,764 in Member contributions. The fund was also used as a 'pass through' for Health Services Costs, with \$2,722,814 transferred in from the Probate Administration Fund and \$2,722,814 disbursed. As of December 31, 2008 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, 2008 as follows:



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



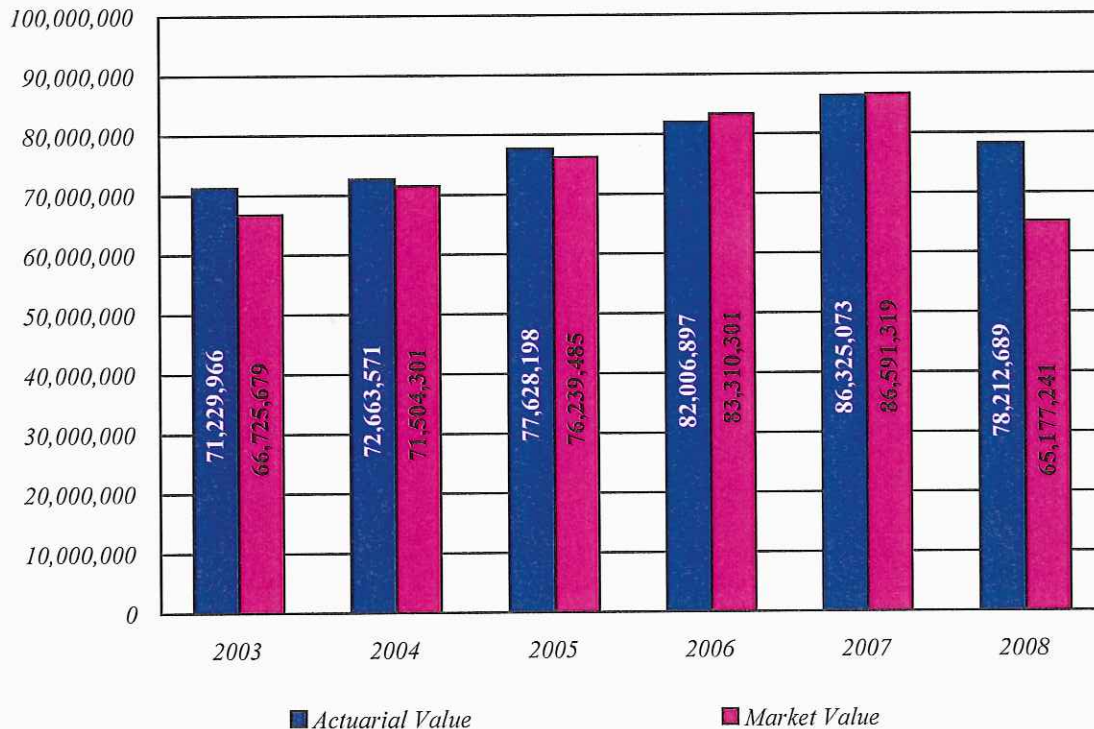
**CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I  
EXECUTIVE SUMMARY**

**HIGHLIGHTS**

Historical information on the plan assets is shown below:

*Plan Assets*



Please note that the Actuarial Value currently is less than the Market Value by \$13.0 million. This figure represents market losses that will be gradually recognized over the coming years. This process will exert upward pressure on the State's contribution, unless there are offsetting market gains.



**CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I  
EXECUTIVE SUMMARY**

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**HIGHLIGHTS**

**Assumption Changes**

Connecticut General Statutes mandate that the experience of the Connecticut State Employees Retirement System (SERS) be studied every five years to examine the continued appropriateness of the actuarial assumptions. In 2008 we performed such a study of the SERS experience covering the period 2003 – 2007. As a result of this study, the Actuarial Subcommittee of the Retirement Commission adopted a number of changes to the actuarial assumptions for this System. Please see Appendix C of this report for a detailed summary of the changes. In brief, the changes are:

***Economic Assumptions***

Interest Rate - lowered from 8.50% to 8.25%

Salary Scale - lowered from 6.00% to 5.00%

COLA - lowered from 3.00% to 2.50%

Social Security Wage Base - lowered from 3.50% to 3.00%

***Demographic Assumptions***

Healthy Mortality - updated from 1994 GAM table to RP-2000 table with margin for future mortality improvements

Disabled Mortality - updated from PBGC table to RP-2000 table

Disability - decreased rates of disability

**Method Change**

The Actuarial Subcommittee of the Retirement Commission adopted a change in the actuarial funding method from the Aggregate Cost Method to the Projected Unit Credit Cost Method. Under the new method, the Unfunded Actuarial Accrued Liability is amortized over a declining 20 year period using level dollar amortization.

**CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I  
EXECUTIVE SUMMARY**

**HIGHLIGHTS**

**Contributions**

The primary purpose of our actuarial valuation is to take the asset and membership information discussed on the previous pages, apply our actuarial methods and assumptions, and determine a contribution amount that will continue the System on a sound funding basis. The resulting contribution for the 2009-10 fiscal year is:

Employer Normal Cost	\$1,920,714
Net Amortization Payment Towards Unfunded Actuarial Accrued Liability	(1,799,624)
Interest Reflecting Timing of Contributions	4,896
Total Employer Cost	125,986
Total Employer Cost as a Percent of Payroll	0.7%

<b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b>
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**SECTION I  
EXECUTIVE SUMMARY**

**PRINCIPAL RESULTS**

	<i>As of December 31, 2007</i>	<i>As of December 31, 2008</i>
<b><u>Membership</u></b>		
Active Membership		
Number of Members	409	418
Payroll	\$16,914,912	\$17,683,334
Average Pay	41,357	42,305
Inactive Membership		
Number of Inactive Members	379	373
Annual Retired Members Benefits	\$2,978,904	\$3,136,722
Average Annual Retired Members Benefits	\$10,754	\$11,084
<b><u>Assets and Liabilities</u></b>		
Assets		
Market Value	\$86,591,319	\$65,177,241
Actuarial Value	86,325,073	78,212,689
Actuarial Accrued Liability		
Active Members	N/A	\$29,888,956
Terminated Vested Members	N/A	1,652,345
Members in Pay Status	N/A	<u>27,895,378</u>
Total Actuarial Accrued Liability	N/A	59,436,679
Unfunded Actuarial Accrued Liability	N/A	(18,776,010)
<b><u>Employer Contribution</u></b>		
Normal Cost	N/A	\$1,920,714
Amortization Payment of Unfunded Liability	N/A	(1,799,624)
Interest	N/A	4,896
Total Employer Contribution	\$0	125,986
Total Contribution as a Percent of Payroll	0.00%	0.72%



<b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b>
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**SECTION II  
SYSTEM ASSETS**

**A. Summary of Fund Transactions**

<b>Market Value as of January 1, 2008</b>		\$86,591,319
Prior Year Adjustment		613,270
<b>Contributions</b>		
State	\$0	
Federal	0	
Employee	299,764	
Health Services Cost	2,722,814	
		3,022,578
<b>Investment Income</b>		
Interest & Dividends	\$2,824,475	
Change in Accrued Interest	4,306	
Realized Gains	6,673,015	
Expenses	(10,153)	
Change in Unrealized Gains	(28,783,227)	
		(19,291,584)
<b>Disbursements</b>		
Benefit Payments	3,015,554	
Member Refunds	19,974	
Health Services Costs	2,722,814	
		5,758,342
<b>Market Value as of December 31, 2008</b>		65,177,241
Pension Contribution Receivable for FY 08-09		0
Health Services Cost Receivable for FY 08-09 (See Section IIB)		0
<b>Adjusted Market Value as of December 31, 2008</b>		65,177,241
<b>Rate of Return as of December 31, 2008</b>		-21.92%
<b>Rate of Return as of December 31, 2007</b>		7.18%
<b>Change in Rate of Return</b>		Down 29.10%

**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)
2006	2,342,959.48	2,342,959.48	0.00
2007	2,680,441.00	2,680,441.00	0.00
2008	2,722,814.03	2,722,814.03	<u>0.00</u>
<b>Total Receivable/(Prepaid)</b>			<b>0.00</b>

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, the monies to cover the cost of health insurance are transferred on a monthly basis 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.

<p><b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b></p>
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**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:

	<i>Amount</i>	<i>% of Total</i>
Cash	\$5,033.93	0.01%
<u>Investments</u>		
SOC Liquidity Fund	4,238,507.68	6.50%
Real Estate Equity Fund	3,116,256.07	4.78%
Mutual Venture Capital Fund	5,744,728.02	8.81%
Mutual Equity Fund	14,167,769.15	21.74%
Developed Market Int'l Stock Fund	9,052,030.53	13.89%
Emerging Market Debt Fund	3,183,365.39	4.88%
Emerging Market Int'l Stock Fund	2,540,168.78	3.90%
CORE Fixed Income Fund	14,708,765.21	22.57%
High Yield Investment Fund	1,920,606.88	2.95%
Inflation Linked Bond Fund	6,473,463.13	9.93%
Mutual Commercial Mortgage Fund	22,240.83	0.03%
Total Non-Cash Investments	65,167,901.67	99.98%
Accrued Interest	4,305.78	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, 2008	65,177,241.38	100.00%



<p><b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b></p>
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**SECTION II  
SYSTEM ASSETS**

**D. Development of Actuarial Value of Assets**

	<i>Market Value</i>	<i>Actuarial Value</i>
1. Value as of December 31, 2007	\$86,591,319	\$86,325,073
2. Contributions	3,022,578	3,022,578
3. Benefit Payments and Refunds	5,758,343	5,758,343
4. Expected Investment Income on (1) + (2) - (3)	7,246,363	7,223,732
5. Expected Value as of December 31, 2008 (1) + (2) - (3) + (4)	91,101,917	90,813,040
6. Market Value as of December 31, 2008	65,177,241	N/A
7. Actual MVA - Expected AVA	N/A	(25,635,799)
8. Preliminary Actuarial Value: (5) + 20% of (7)	N/A	85,685,880
9. Final Value: [(8) within +/- 20% of (6)]	N/A	78,212,689
10. Gain/(Loss) Market Value Basis: (6) - (5) Actuarial Value Basis: (9) - (5)	(25,924,676)	(12,600,351)
11. Rate of Return	-21.92%	-6.33%

<p><b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b></p>
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**SECTION III  
SYSTEM LIABILITIES**

**A. System Liabilities on the Valuation Date**

	<i>As of December 31, 2007</i>	<i>As of December 31, 2008</i>
1. Liabilities for Members in Pay Status	N/A	\$27,895,378
2. Liabilities for Terminated Vested Members	N/A	1,652,345
3. Inactive Actuarial Accrued Liability: (1)+(2)	N/A	29,547,723
4. Active Members Actuarial Accrued Liability	N/A	29,888,956
5. Total Actuarial Accrued Liability: (3)+(4)	N/A	59,436,679
6. Actuarial Value of Assets	N/A	78,212,689
7. Total Unfunded Actuarial Accrued Liability: (5)-(6)	N/A	(18,776,010)
8. Funded Ratio: (6)/(5)	N/A	131.6%

<p><b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b></p>
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**SECTION III  
SYSTEM LIABILITIES**

**B. Funded Status - Accrued Liabilities**

	<u>As of December 31, 2007</u>	<u>As of December 31, 2008</u>
1. Present Value of Vested Benefits		
Active Members	\$15,995,361	\$18,150,899
Members In Pay Status	27,119,215	27,895,378
Terminated Vested Members	<u>2,293,880</u>	<u>1,652,345</u>
Total	45,408,456	47,698,622
2. Present Value of Non-Vested Benefits	2,475,691	2,998,742
3. Present Value of Accrued Benefits: (1) + (2)	47,884,147	50,697,364
4. Net Market Value of Assets (see Section IIA)	86,591,319	65,177,241
5. Vested Funded Ratio: (4)/(1)	190.69%	136.64%
6. Funded Ratio: (4)/(3)	180.84%	128.56%



<p><b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b></p>
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**SECTION III  
SYSTEM LIABILITIES**

**C. Funded Status - Current Liability for Section 420 Transfers**

	<i>As of December 31, 2007</i>	<i>As of December 31, 2008</i>
1. Current Liability for Vested Benefits		
Active Members	N/A	\$23,530,796
Members in Pay Status	N/A	32,172,902
Terminated Vested Members	N/A	<u>2,094,645</u>
Total	N/A	57,798,343
2. Current Liability for Non-Vested Benefits	N/A	4,689,605
3. Total Current Liability: (1) + (2)	N/A	62,487,948
4. Net Market Value of Assets (see Section IIA)	N/A	65,177,241
5. Current Liability interest Rate	N/A	6.29%

**CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION IV  
SYSTEM CONTRIBUTIONS**

**Development of Employer Contribution**

	<u><b>2008 Plan Year</b></u>	<u><b>2009 Plan Year</b></u>
1. Unfunded Actuarial Accrued Liability	N/A	(\$18,776,010)
2. Amortization Period	N/A	20
3. Amortization Payment	N/A	(1,799,624)
4. Total Normal Cost	N/A	2,244,547
5. Expected Employee Contributions	N/A	323,833
6. Employer Normal Cost: (4)-(5)	N/A	1,920,714
7. Interest on (3) + (6) assuming monthly payments	N/A	4,896
8. Annual Required Contribution: (3)+(6)+(7)	0	125,986
9. Total Payroll Projected for Fiscal Year*	16,858,013	17,620,344
10. Total Employer Cost as a Percent of Payroll: (8)/(9)	0.00%	0.72%

\* 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.



<p><b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b></p>
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**SECTION V  
GASB #25 INFORMATION**

**B. Statement of Plan Net Assets**

**December 31, 2008**

Cash	\$5,033.93
 <u>Investments</u>	
SOC Liquidity Fund	4,238,507.68
Real Estate Equity Fund	3,116,256.07
Mutual Venture Capital Fund	5,744,728.02
Mutual Equity Fund	14,167,769.15
Developed Market Int'l Stock Fund	9,052,030.53
Emerging Market Debt Fund	3,183,365.39
Emerging Market Int'l Stock Fund	2,540,168.78
CORE Fixed Income Fund	14,708,765.21
High Yield Investment Fund	1,920,606.88
Inflation Linked Bond Fund	6,473,463.13
Mutual Commercial Mortgage Fund	<u>22,240.83</u>
Total Non-Cash Investments	65,167,901.67
 Accrued Interest	 4,305.78
Pension Contribution Receivable/(Prepaid)	0.00
Health Services Cost Receivable/(Prepaid)	0.00
 Total Market Value of Assets as of December 31, 2008	 65,177,241.38

<b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b>
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**SECTION V  
GASB #25 INFORMATION**

**C. Statement of Changes in Plan Net Assets**

**ADDITIONS**

***Contributions***

State	\$0	
Federal	0	
Employee	299,764	
Health Services Cost	2,722,814	3,022,578

***Investment Income***

Interest & Dividends	2,824,475	
Change in Accrued Interest	4,306	
Realized Gains	6,673,015	
Expenses	(10,153)	
Change in Unrealized Gains	(28,783,227)	(19,291,584)

Prior Year Adjustment		613,270
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<b><i>Total Additions</i></b>		<b>(15,655,736)</b>
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**DEDUCTIONS**

***Adjustments***

Change in Accrued Employer Contribution	0	
Change in Accrued Health Services Cost	0	0

***Disbursements***

Benefit Payments	3,015,554	
Member Refunds	19,974	
Health Services Costs	2,722,814	5,758,342

<b><i>Total Deductions</i></b>		<b>5,758,342</b>
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<b><u>NET INCREASE</u></b>		<b>(21,414,078)</b>
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**NET ASSETS HELD IN TRUST FOR PENSION BENEFITS**

<b><i>Beginning of Year</i></b>		<b>86,591,319</b>
<b><i>End of Year</i></b>		<b>65,177,241</b>

**CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION V  
GASB #25 INFORMATION**

**D. Schedule of Funding Progress**

(1)	(2)	(3)	(4)	(5)	(6)	
<i>Actuarial Valuation Date</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL)*</i>	<i>Unfunded AAL (UAAL)* (2) - (1)</i>	<i>Funded Ratio (1) / (2)</i>	<i>Covered Payroll</i>	<i>UAAL as a Percentage of Covered Payroll [(2) - (1)] / (5)</i>
12/31/2007	\$86,325,073	\$60,630,780	(\$25,694,293)	142%	\$16,858,013	-152%
12/31/2008	78,212,689	59,436,679	(18,776,010)	132%	17,620,344	-107%

\* Per the requirements of GASB #50, plans that use the Aggregate Funding Method must prepare the Schedule of Funding Progress using the Entry Age Normal Funding Method to determine the Actuarial Accrued Liability. The amounts shown above for the December 31, 2007 valuation were prepared accordingly.

Effective with the December 31, 2008 valuation, the funding method is the Projected Unit Credit Cost Method.

**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>
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	0	100%
2008	0	0	100%
2009	0	0	100%
2010	125,986	n/a	n/a

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



<p><b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b></p>
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**SECTION VI  
MEMBERSHIP DATA**

**A. Summary of Membership**

	<i>As of December 31, 2007</i>	<i>As of December 31, 2008</i>
Current Employees:		
Vested:		
Judges	61	59
Employees	96	95
Not yet vested:		
Judges	54	56
Employees	198	208
Total Current Employees	409	418
Retirees and Beneficiaries currently receiving benefits	277	283
Terminated employees entitled to benefits but not yet receiving them	28	25
Terminated Non-Vested members whose employee contributions and interest have not been refunded	74	65
Total Members	788	791

<b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b>
---

**SECTION VI  
MEMBERSHIP DATA**

**B. Reconciliation of Active Members**

	<i>Judges</i>	<i>Employees</i>	<i>Total</i>
<i>Actives as of December 31, 2007</i>	115	294	409
Retired	0	(7)	(7)
Died	0	(1)	(1)
Terminated Vested	0	(5)	(5)
Terminated Non-Vested	(1)	(4)	(5)
Transfer Out	0	0	0
Participants over Age 70	0	0	0
Lump Sum	0	(4)	(4)
New Participants	1	25	26
Rehired	0	5	5
Transfer In	0	0	0
	115	303	418
<i>Actives as of December 31, 2008</i>	115	303	418

<b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b>
---

**SECTION VI  
MEMBERSHIP DATA**

**C. Statistics for Active Members**

	<i>As of December 31, 2007</i>	<i>As of December 31, 2008</i>
<b><i>Number of Members:</i></b>		
Judges	115	115
Employees	<u>294</u>	<u>303</u>
Total	409	418
<b><i>Earnings:</i></b>		
Judges	\$7,035,334	\$7,061,467
Employees	<u>9,879,578</u>	<u>10,621,867</u>
Total	16,914,912	17,683,334
<b><i>Average Earnings:</i></b>		
Judges	\$61,177	\$61,404
Employees	33,604	35,056
Total	41,357	42,305
<b><i>Average Age:</i></b>		
Judges	55.4	56.3
Employees	48.7	48.9
Total	50.6	50.9
<b><i>Average Service:</i></b>		
Judges	12.4	13.0
Employees	8.2	8.3
Total	9.4	9.7

*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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 To 44	3	4	2	0	0	0	0	0	0	0	0	0	0	9
45 To 49	7	10	0	1	0	1	0	0	0	0	0	0	0	19
50 To 54	1	3	2	5	2	0	0	0	0	0	0	0	0	13
55 To 59	3	7	7	6	3	0	0	0	0	0	0	0	0	26
60 To 64	5	6	4	3	3	5	3	0	0	0	0	0	0	29
65 & Up	2	5	2	3	2	5	0	0	0	0	0	0	0	19
All Ages	21	35	17	18	10	11	3	0	0	0	0	0	0	115

	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45 To 49	33,333	62,435	74,043	0	0	0	0	0	0	0	0	0	0	55,314
50 To 54	48,369	68,034	0	110,085	0	26,750	0	0	0	0	0	0	0	60,830
55 To 59	56,943	47,075	81,810	73,805	70,043	0	0	0	0	0	0	0	0	66,992
60 To 64	43,252	55,565	59,478	49,157	65,028	0	0	0	0	0	0	0	0	54,811
65 & Up	62,978	86,581	42,475	66,940	84,431	51,669	173,162	0	0	0	0	0	0	65,965
All Ages	52,470	44,075	63,690	72,737	71,420	77,034	0	0	0	0	0	0	0	61,404

This work product was prepared solely for the System for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.



**CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION VI  
MEMBERSHIP DATA**

**E. Distribution of Active Participants - Employees**

	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	9	1	0	0	0	0	0	0	0	0	0	0	0	10
25 To 29	13	3	0	0	0	0	0	0	0	0	0	0	0	16
30 To 34	12	4	1	0	0	0	0	0	0	0	0	0	0	17
35 To 39	12	10	1	0	0	0	0	0	0	0	0	0	0	23
40 To 44	12	9	3	2	1	0	0	0	0	0	0	0	0	27
45 To 49	18	19	4	5	5	1	0	0	0	0	0	0	0	52
50 To 54	24	15	6	3	3	0	0	0	0	0	0	0	0	51
55 To 59	8	15	11	7	1	0	0	1	1	1	0	0	0	44
60 To 64	8	9	9	8	6	1	0	1	1	0	0	0	0	42
65 & Up	4	4	3	5	4	1	0	0	0	0	0	0	0	21
All Ages	120	89	38	30	20	3	1	2	0	0	0	0	0	303

	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	23,638	32,734	0	0	0	0	0	0	0	0	0	0	0	24,548
25 To 29	28,470	31,915	0	0	0	0	0	0	0	0	0	0	0	29,116
30 To 34	31,356	37,065	35,306	0	0	0	0	0	0	0	0	0	0	32,932
35 To 39	34,442	33,161	39,535	0	0	0	0	0	0	0	0	0	0	34,106
40 To 44	30,843	43,219	36,154	41,630	55,104	0	0	0	0	0	0	0	0	37,256
45 To 49	25,614	31,819	34,661	49,198	51,551	48,681	0	0	0	0	0	0	0	33,782
50 To 54	30,758	32,197	48,622	46,952	47,709	0	0	0	0	0	0	0	0	35,233
55 To 59	21,452	31,608	42,220	43,066	42,256	0	73,944	57,413	0	0	0	0	0	36,028
60 To 64	31,544	31,941	41,919	40,052	41,728	75,305	0	75,033	0	0	0	0	0	39,005
65 & Up	16,314	31,307	52,525	33,135	45,893	86,051	0	0	0	0	0	0	0	37,303
All Ages	28,592	33,389	42,446	41,922	46,609	70,012	73,944	66,223	0	0	0	0	0	35,056

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<b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b>
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**SECTION VI  
MEMBERSHIP DATA**

**F. Reconciliation of Inactive Members**

	<i>Terminated Vested Members</i>	<i>Members In Pay Status</i>	<i>Total Inactive Members</i>
<i>Inactive Members as of December 31, 2007</i>	28	277	305
Received refund	0	0	0
Retired from Terminated Vested Status	(5)	5	0
Retired from Active Status	0	7	7
Terminated Vested from Active Status	3	0	3
Died without surviving spouse	(1)	(6)	(7)
Died with surviving spouse	0	(3)	(3)
New surviving spouse	0	3	3
Correction - not vested, due refund	0	0	0
<i>Inactive Members as of December 31, 2008</i>	25	283	308

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

	<i>December 31, 2007</i>	<i>December 31, 2008</i>
<b><i>Number of Members:</i></b>		
Terminated Vested Members	28	25
Members in Pay Status	<u>277</u>	<u>283</u>
Total	305	308
<b><i>Total Annual Benefit:</i></b>		
Terminated Vested Members	\$241,950	\$186,905
Members in Pay Status	<u>2,978,904</u>	<u>3,136,722</u>
Total	3,220,854	3,323,627
<b><i>Average Annual Benefit:</i></b>		
Terminated Vested Members	\$8,641	\$7,476
Members in Pay Status	10,754	11,084
Total	10,560	10,791

**CONNECTICUT PROBATE JUDGES  
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION VII  
ACTUARIAL METHOD AND ASSUMPTIONS**

---

**A. Actuarial Funding Method**

Effective with the December 31, 2008 valuation, the actuarial valuation method used in the cost calculations is the ***Projected Unit Credit Cost Method***. Recommended annual contributions consist of two pieces: a Normal Cost Payment plus an Amortization Payment toward the Unfunded Actuarial Liability. The contribution is adjusted for interest to reflect mid-year payments.

The ***Actuarial Liability*** is determined directly as the present value of benefits accrued to date, where the accrued benefit for each Member is the pro-rata portion (based on service to date) of the ***projected*** benefit payable at death, disability, retirement or termination.

The ***Normal Cost*** is then similarly determined as the present value of the portion of the ***projected*** benefit attributable to the current year.

The ***Actuarial Value of Assets*** is determined by first projecting the Actuarial Value forward from the beginning of the prior fiscal year based on the actual cash flow during the fiscal year and the assumed interest rate. One-fifth of the difference between this expected actuarial value and the actual market value is added to the expected actuarial value to arrive at the Actuarial Value of Assets. The Actuarial Value is constrained to remain within +/- 20% of the Market Value.

The ***Unfunded Actuarial Liability*** is the Actuarial Liability less the Actuarial Value of Assets. The Unfunded Actuarial Liability is amortized as a level dollar amount over a declining number of years, starting with 20 years as of December 31, 2008.



<p><b>CONNECTICUT PROBATE JUDGES &amp; EMPLOYEES RETIREMENT SYSTEM</b></p>
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**SECTION VII  
ACTUARIAL METHOD AND ASSUMPTIONS**

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**B. Actuarial Assumptions**

<b><i>Interest Rate:</i></b>	8.25% (prior year - 8.50%).		
<b><i>Salary Scale:</i></b>	5.00% (prior year - 6.00%).		
<b><i>Cost of Living:</i></b>	2.50% (prior year - 3.00%).		
<b><i>Social Security Wage Base:</i></b>	3.00% (prior year - 3.50%).		
<b><i>Healthy Mortality:</i></b>	RP2000 Mortality Table for Annuitants and Non-annuitants projected with Scale AA 15 Years for Males and 25 Years for Females (prior year - 1994 Group Annuity Mortality Table for Males and Females).		
<b><i>Disabled Life Mortality:</i></b>	75% (males) and 115% (females) of the RP2000 Mortality Table for Disabled Annuitants (prior year - 80% (males) and 60% (females) of the PBGC Disabled Mortality Table).		
<b><i>Rate of Disability:</i></b>	30% of 1975 Social Security Table (prior year - table based on Connecticut State Employees Retirement System actual experience).		
<b><i>Turnover:</i></b>	<b><i>Age</i></b>	<b><i>Male</i></b>	<b><i>Female</i></b>
	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
<b><i>Retirement:</i></b>	<b><i>Age</i></b>	<b><i>Rate</i></b>	
	55-61	3%	
	62-64	10%	
	65-69	16%	
	70	100%	



**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**

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- 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**

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- 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.