

***JUDGES, FAMILY SUPPORT MAGISTRATES,
AND COMPENSATION COMMISSIONERS
RETIREMENT SYSTEM***

***ACTUARIAL VALUATION
JUNE 30, 2006***



Milliman

Consultants and Actuaries

80 Lambertson Road
Windsor, CT 06095-2126
Tel +1 860 687.2110
Fax +1 860 687.2111
www.milliman.com

November 3, 2006

State of Connecticut
State Employees Retirement Commission
55 Elm Street
Hartford, CT 06106

Re: Connecticut State Judges, Family Support Magistrates, and Compensation
Commissioners Retirement System July 1, 2006 Actuarial Valuation

Members of the Commission:

At your request, we have made a full actuarial valuation of the Connecticut State Judges, Family Support Magistrates, and Compensation Commissioners Retirement System as of July 1, 2006. The results of the valuation are contained in the following report.

Section I contains an Executive Summary in which we present the principal results of this valuation. Details regarding System assets and liabilities are found in Sections II and III, respectively. The Appendices contain information regarding System membership, an outline of the benefit provisions, and a description of the actuarial methods and assumptions employed in this valuation.

The recommended Employer contribution is \$13,433,610 for the fiscal year beginning July 1, 2007 and \$14,172,454 for the fiscal year beginning July 1, 2008.

Respectfully submitted,

Rebecca A. Sielman, F.S.A.

Principal and Consulting Actuary

RAS/cyg 10 CSJ2006Val&Report

JUDGES, FAMILY SUPPORT MAGISTRATES, AND COMPENSATION COMMISSIONERS RETIREMENT SYSTEM

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SECTION I

EXECUTIVE SUMMARY

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

We have performed an actuarial valuation of the Connecticut State Judges, Family Support Magistrates, and Compensation Commissioners Retirement System as of June 30, 2006 to determine the contributions for the Fiscal Years beginning July 1, 2007 and July 1, 2008. The results of this valuation, along with supporting data, are set forth in the following report.

Milliman's work product was prepared exclusively for the System for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning the System's operations, and uses the System's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

In preparing this report, we relied without audit on employee census data and financial information as of the valuation date, furnished by the State of Connecticut. This information includes, but is not limited to, statutory provisions, employee data, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, 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 actuarial assumptions and methods 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.

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

This report may not be used for purposes other than those listed on the following page 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 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.

MILLIMAN INC.

November 3, 2006



Rebecca A. Sielman, F.S.A.

Principal and Consulting Actuary

JUDGES, FAMILY SUPPORT MAGISTRATES, AND COMPENSATION COMMISSIONERS RETIREMENT SYSTEM

EXECUTIVE SUMMARY PURPOSE OF REPORT

Starting with the June 30, 1998 valuation, complete actuarial valuations are performed only every other year. This report presents the results of the June 30, 2006 full actuarial valuation of the Connecticut State Judges, Family Support Magistrates, and Compensation Commissioners Retirement System. The primary purposes for performing the valuation are:

- to determine the Employer contribution for the Fiscal Year beginning July 1, 2007;
- to determine the Employer contribution for the Fiscal Year beginning July 1, 2008;
- to disclose asset and liability measures as of June 30, 2006; and
- to analyze and report on trends in System assets and liabilities over the past several years.

ORGANIZATION OF THE EXECUTIVE SUMMARY

The executive summary contains the following information:

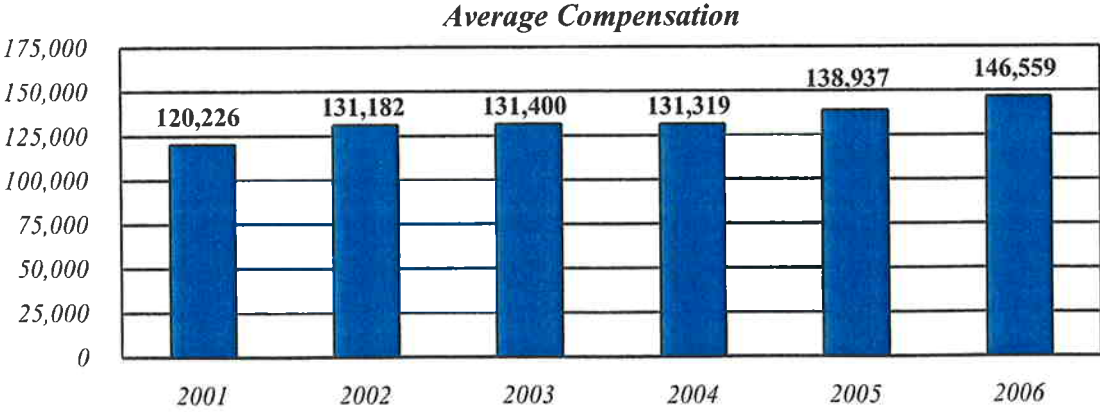
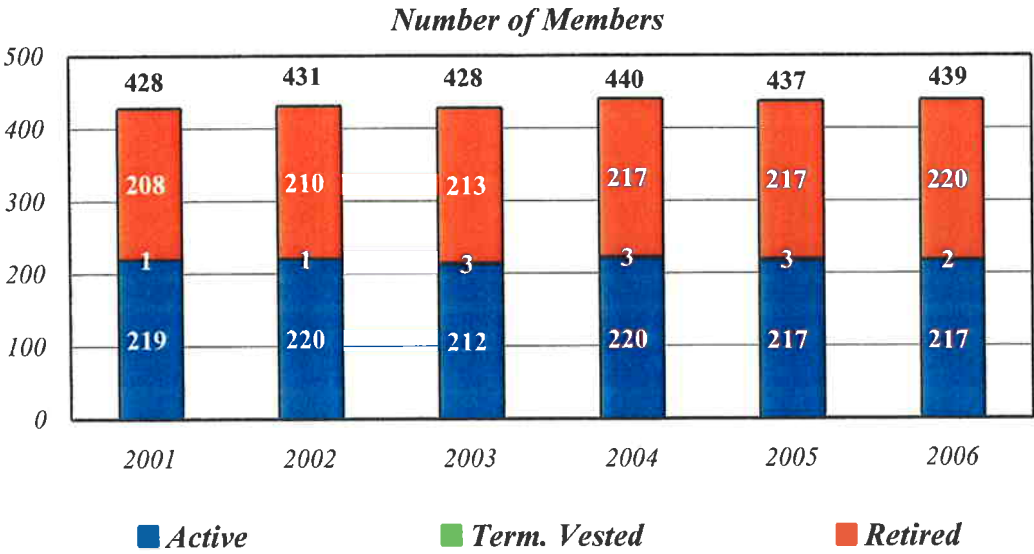
- **Highlights...** shows graphically, key results for several years.
- **Discussion of Results...** highlights the major events influencing this valuation.
- **Principal Results...** contains a summary of comparative statistics for the current and prior valuations.

JUDGES, FAMILY SUPPORT MAGISTRATES, AND COMPENSATION COMMISSIONERS RETIREMENT SYSTEM

EXECUTIVE SUMMARY HIGHLIGHTS

Participants

The number of System members is summarized in the first graph below. The membership of the System increased slightly. The second graph below shows historical average compensation figures.



More statistics on System membership can be found in Appendix A.

JUDGES, FAMILY SUPPORT MAGISTRATES, AND COMPENSATION COMMISSIONERS RETIREMENT SYSTEM

EXECUTIVE SUMMARY HIGHLIGHTS

Assets

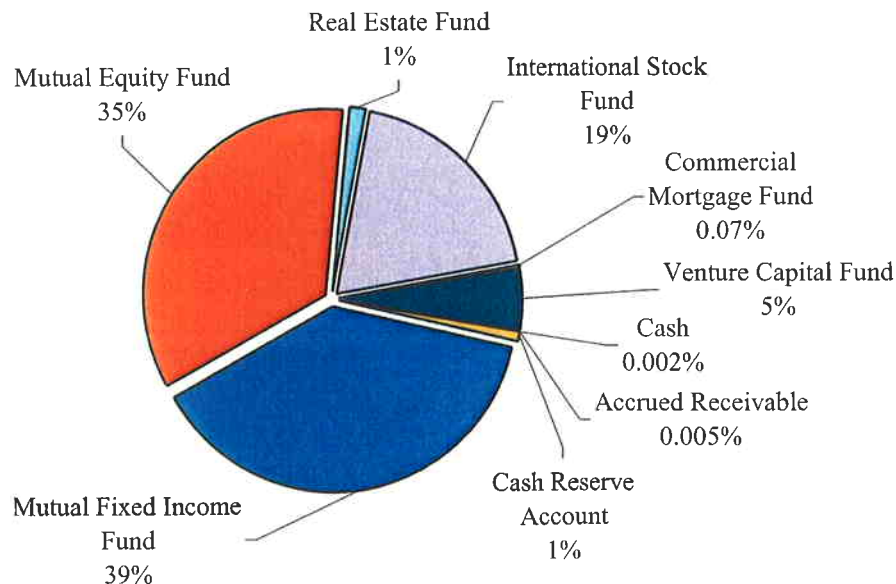
The performance of the fund from June 30, 2005 through June 30, 2006 was strong, reflecting market conditions for the period. The Market Value of Assets as of June 30, 2006 was \$164,193,044 compared to \$152,712,773 as of June 30, 2005.

The approximate rate of return on a market value basis was 9.44%, compared to 9.75% for the prior year.

As part of the valuation process, we smooth market fluctuations to determine the Actuarial Value of Assets. The Actuarial Value of Assets as of June 30, 2006 was \$169,666,234 compared to \$160,322,228 as of June 30, 2005.

During 2005-06 the State made contributions totaling \$11,730,025. In addition, member contributions of \$1,490,884 were received. This cash inflow was less than the cash outflow of \$16,027,706 in benefit payments, refunds and expenses.

The plan held investments on June 30, 2006 as follows:



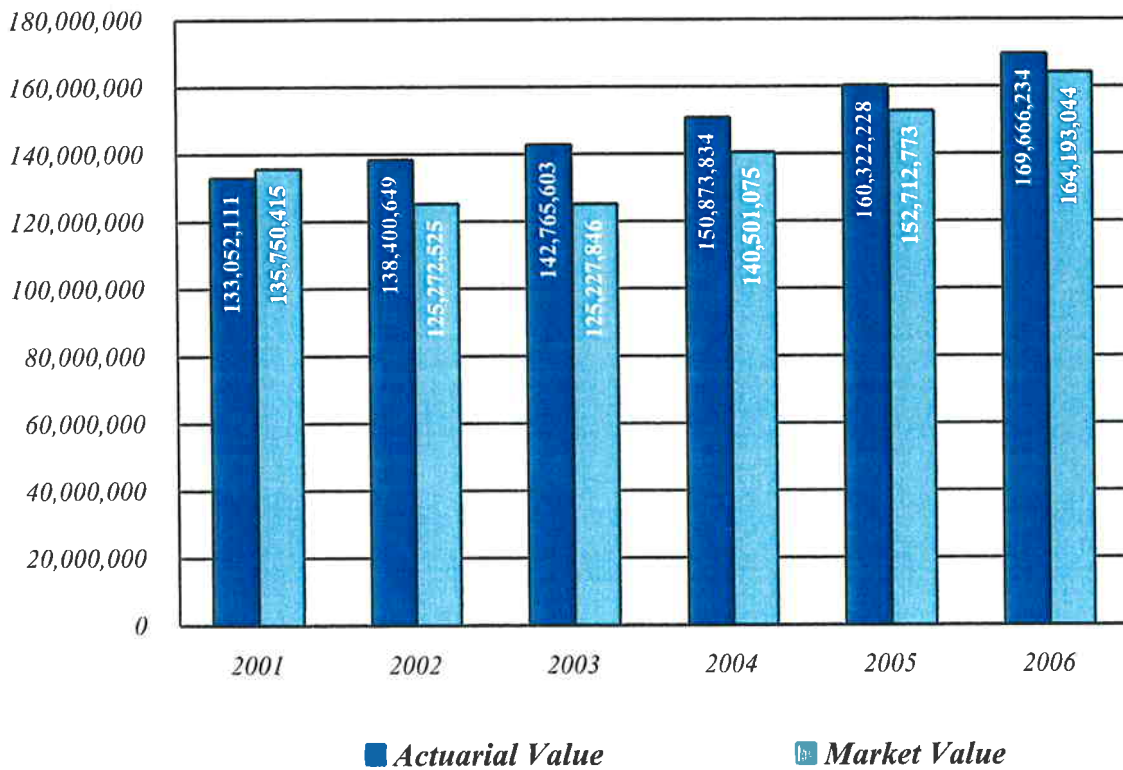
More details on the plan assets can be found in Section II.

JUDGES, FAMILY SUPPORT MAGISTRATES, AND COMPENSATION COMMISSIONERS RETIREMENT SYSTEM

EXECUTIVE SUMMARY HIGHLIGHTS

Assets (continued)

Historical information on the level of System assets is shown below:



JUDGES, FAMILY SUPPORT MAGISTRATES, AND COMPENSATION COMMISSIONERS RETIREMENT SYSTEM

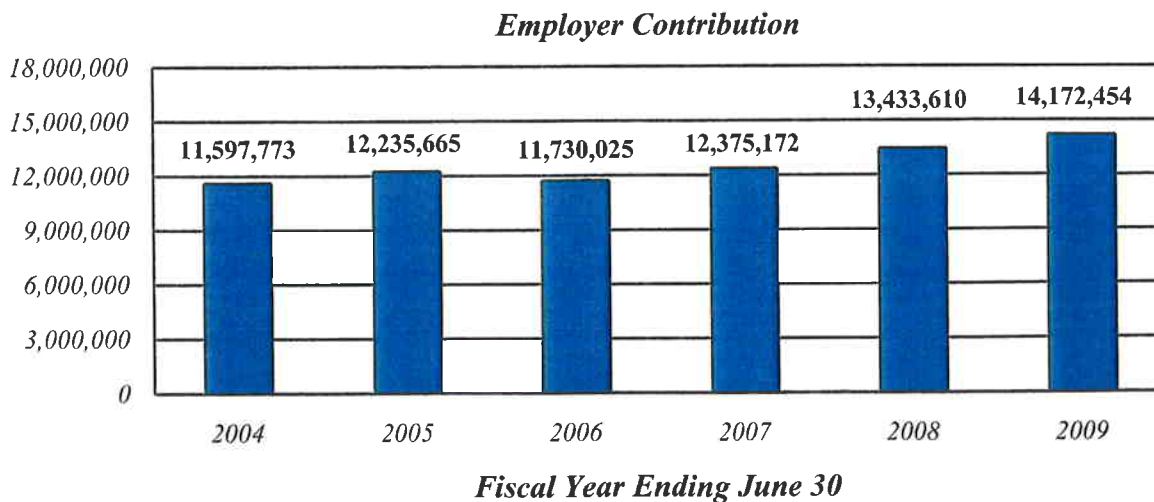
EXECUTIVE SUMMARY HIGHLIGHTS

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 contributions for the two fiscal years in the coming biennial budget cycle are:

<i>(\$ millions)</i>	<i>Fiscal Year</i>	
	<i>July 1, 2007 to June 30, 2008</i>	<i>July 1, 2008 to June 30, 2009</i>
Employer Normal Cost	\$8,704,772	\$9,183,530
Net Amortization Payment Towards Unfunded Actuarial Accrued Liability	4,728,838	4,988,924
Total Employer Cost	13,433,610	14,172,454
Total Employer Cost as a Percent of Payroll	42.2%	42.2%

More details on the development of the contributions and the allocation of the contributions to the three groups covered by the System can be found in Section IV. Historical contribution amounts are shown below.



**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

**EXECUTIVE SUMMARY
PRINCIPAL RESULTS**

	<i>As of June 30, 2004</i>	<i>As of June 30, 2005</i>	<i>As of June 30, 2006</i>
<u>Membership</u>			
Active Membership			
Number of Members	220	217	217
Payroll	\$28,890,267	\$30,149,222	\$31,803,233
Average Pay	131,319	138,937	146,559
Inactive Membership			
Number of Inactive Members	220	220	222
Annual Retired Members Benefits	\$14,496,210	\$15,455,979	\$16,430,182
Avg. Annual Retired Members Benefits	66,803	71,226	74,683
<u>Assets and Liabilities</u>			
Assets			
Market Value	\$140,501,075	\$152,712,773	\$164,193,044
Actuarial Value	150,873,834	160,322,228	169,666,234
Actuarial Accrued Liability			
Inactive Members	\$139,262,212	\$146,964,451	\$153,501,597
Active Members	80,586,472	88,042,833	93,369,898
Total Actuarial Accrued Liability	219,848,684	235,007,284	246,871,495
Unfunded Actuarial Accrued Liability	68,974,850	74,685,056	77,205,261
<u>Employer Contribution</u>			
First fiscal year in budget cycle	<i>FY 2005-06</i>		<i>FY 2007-08</i>
Normal Cost	\$7,732,397		\$8,704,772
Amortization Payment of Unfunded Liability	3,997,628		4,728,838
Total Employer Contribution	11,730,025		13,433,610
Total Contribution as a Percent of Payroll	40.6%		42.2%
Second fiscal year in budget cycle	<i>FY 2006-07</i>		<i>FY 2008-09</i>
Normal Cost	\$8,157,675		\$9,183,530
Amortization Payment of Unfunded Liability	4,217,497		4,988,924
Total Employer Contribution	12,375,172		14,172,454
Total Contribution as a Percent of Payroll	40.6%		42.2%

SECTION II

ASSETS

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

**SYSTEM ASSETS
Table II-1**

Summary of Fund Transactions

	<u>July 1, 2004 to June 30, 2005</u>	<u>July 1, 2005 to June 30, 2006</u>
Market Value as of July 1	\$140,501,075	\$152,712,773
Contributions		
State	12,235,665	11,730,025
Employee	1,430,192	1,490,884
Total	<u>13,665,857</u>	<u>13,220,909</u>
Investment Income		
Interest and Dividends	6,070,208	5,957,421
Accounts Receivable	0	0
Realized Gains	(2,784)	150,479
Change in Unrealized Gains	7,580,782	8,179,168
Total	<u>13,648,206</u>	<u>14,287,068</u>
Disbursements		
Annuity Payments	15,084,905	15,893,207
Operating Expenses	17,460	(530)
Employee Refunds	0	135,029
Total	<u>15,102,365</u>	<u>16,027,706</u>
Market Value as of June 30	152,712,773	164,193,044
Approximate Rate of Return	9.75%	9.44%

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

SYSTEM ASSETS

Table II-2

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	\$3,099.27	0.00%
Accrued Receivable	7,617.89	0.00%
Cash Reserve Account	1,313,786.80	0.80%
Mutual Fixed Income Fund	63,195,752.00	38.49%
Mutual Equity Fund	56,723,992.44	34.55%
Real Estate Fund	2,336,456.81	1.42%
International Stock Fund	31,674,145.02	19.29%
Commercial Mortgage Fund	107,899.15	0.07%
Venture Capital Fund	8,830,295.23	5.38%
Total Investments	164,182,327.45	100.00%
Market Value of Assets as of June 30, 2006	164,193,044.61	100.00%

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

SYSTEM ASSETS
Table II-3

Development of Actuarial Value of Assets and Asset Gain/Loss

	<i>Market Value of Assets</i>	<i>Actuarial Value of Assets</i>
1. Value on July 1, 2005	\$152,712,773	\$160,322,228
2. Contributions	13,220,909	13,220,909
3. Benefit Payments, Refunds and Transfers	16,028,236	16,028,236
4. Expected Net Investment Income on (1) through (3)	12,872,827	13,519,630
5. Expected Value on June 30, 2006: (1)+(2)-(3)+(4)	162,778,273	171,034,531
6. Actual Market Value on June 30, 2006	164,193,044	
7. 20% of Difference Between Market Value [(6)] and Expected Actuarial Value [(5)] as of June 30, 2006		(1,368,297)
8. Actuarial Value of Assets as of June 30, 2006: (5) + (7), within 20% of (6)		169,666,234
9. Actual Investment Income	14,287,598	12,151,333
10. Asset Gain/Loss: (9) - (4)	1,414,771	(1,368,297)
11. Rate of Return as of June 30, 2006	9.44%	7.65%
12. Rate of Return as of June 30, 2005	9.75%	7.24%
13. Change	-0.31%	0.41%

SECTION III

SYSTEM LIABILITIES

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

**SYSTEM LIABILITIES
Table III-1**

System Liabilities on the Valuation Date

	<i>As of June 30, 2005</i>	<i>As of June 30, 2006</i>
1. Liabilities for Members in Pay Status	\$145,278,702	\$152,111,588
2. Liabilities for Terminated Vested Members	1,685,749	1,390,009
3. Total Inactive Actuarial Accrued Liability: (1)+(2)	146,964,451	153,501,597
4. Active Members Actuarial Accrued Liability	88,042,833	93,369,898
5. Total Actuarial Accrued Liability: (3)+(4)	235,007,284	246,871,495
6. Actuarial Value of Assets	160,322,228	169,666,234
7. Total Unfunded Actuarial Accrued Liability: (5)-(6)	74,685,056	77,205,261
8. Funded Ratio (6)/(5)	68.2%	68.7%

SECTION IV

SYSTEM CONTRIBUTIONS

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

**SYSTEM CONTRIBUTIONS
Table IV-1**

Development of Contribution for Following Fiscal Years

	<u>2007-08</u>	<u>2008-09</u>
(1) Unfunded Actuarial Accrued Liability	\$77,205,261	\$79,038,870
(2) Amortization Period	24	23
(3) Amortization Payment	4,728,838	4,988,924
(4) Total Normal Cost	10,365,344	10,935,435
(5) Expected Employee Contributions	1,660,572	1,751,905
(6) Employer Normal Cost: (4)-(5)	8,704,772	9,183,530
(7) Required Employer Contribution, Fiscal Year: (3)+(6)	13,433,610	14,172,454
(8) Total Payroll	31,803,233	33,552,411
(9) Total Employer Cost as a Percent of Payroll: (7)/(8)	42.24%	42.24%

Breakdown of Contribution by Group

	<u>Judges</u>	<u>Compensation Commissioners</u>	<u>Family Support Magistrates</u>	<u>Total</u>
Fiscal Year 2007-08				
Employer Normal Cost	\$8,010,589	\$506,938	\$187,245	\$8,704,772
Amortization Payment*	4,326,642	311,532	90,664	4,728,838
Total	12,337,231	818,470	277,909	13,433,610
Fiscal Year 2008-09				
Employer Normal Cost	\$8,451,167	\$534,819	\$197,544	\$9,183,530
Amortization Payment*	4,564,607	328,666	95,651	4,988,924
Total	13,015,774	863,485	293,195	14,172,454

* Allocation based on prorata share of total liability

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

GASB INFORMATION

Table V-1

Introduction

Government Accounting Standards Board Statement No. 25 requires that the Connecticut State Judges and Compensation Commissioners 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, a Summary of Plan Provisions and the Actuarial Method and Assumptions can be found in Section II and Appendices B and C, respectively.

The Connecticut State Judges and Compensation Commissioners Retirement System was created by the State of Connecticut to provide defined benefit pensions to its Judges and Compensation Commissioners. The System is described in Chapter 872, State Employees Retirement Act, in Sections 51-49 to 51-51 of Title 51 of the General Statutes of Connecticut.

The State's funding policy is to contribute each year an amount equal to the normal cost plus amortization of the unfunded actuarial accrued liability as a level percent of pay over forty years. This funding policy commenced effective July 1, 1991. The prior policy amortized the unfunded actuarial accrued liability as a level dollar amount. The actuarial assumptions used to calculate the figures reported herein are the same as those used to calculate the contribution level.

SECTION V

GASB ACCOUNTING INFORMATION

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

**GASB INFORMATION
Table V-2**

Statement of Plan Net Assets

	<u>June 30, 2005</u>	<u>June 30, 2006</u>
Cash	(\$10,143.14)	\$3,099.27
Accrued Interest	7,617.89	7,617.89
Cash Reserve Account	8,717,705.61	1,313,786.80
Mutual Fixed Income Fund	54,291,322.82	63,195,752.00
Mutual Equity Fund	52,189,633.33	56,723,992.44
Real Estate Fund	2,222,743.52	2,336,456.81
International Stock Fund	26,200,594.23	31,674,145.02
Commercial Mortgage Fund	120,546.79	107,899.15
Venture Capital Fund	8,972,752.09	8,830,295.23
Total Investments	152,715,298.39	164,182,327.45
Total Including Cash & Accrued Interest	152,712,773.14	164,193,044.61

<p>JUDGES, FAMILY SUPPORT MAGISTRATES, AND COMPENSATION COMMISSIONERS RETIREMENT SYSTEM</p>
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GASB INFORMATION

Table V-3

Statement of Changes in Plan Net Assets

	<i>July 1, 2004 to June 30, 2005</i>	<i>July 1, 2005 to June 30, 2006</i>
<i>Additions</i>		
<i>Contributions</i>		
State	\$12,235,665	\$11,730,025
Employee	1,430,192	1,490,884
Total Contributions	13,665,857	13,220,909
<i>Net Investment Income</i>		
Interest and Dividends	6,070,208	5,957,421
Net Appreciation/(Depreciation)	7,577,998	8,329,647
Total Investment Income	13,648,206	14,287,068
Total Additions	27,314,063	27,507,977
<i>Deductions</i>		
Annuity Payments	15,084,905	15,893,207
Operating Expenses	17,460	(530)
Employee Refunds	0	135,029
Total Deductions	15,102,365	16,027,706
<i>Net Increase</i>	12,211,698	11,480,271
<i>Net assets held in trust for pension benefits</i>		
Beginning of Year	140,501,075	152,712,773
End of Year	152,712,773	164,193,044

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

GASB INFORMATION
Table V-4

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (PUC) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
September 30, 1992	\$52,037,030	\$130,656,481	\$78,619,451	39.83%	\$16,236,833	484.20%
September 30, 1993	57,187,405	141,261,843	84,074,438	40.48%	18,080,619	465.00%
September 30, 1994	63,188,466	148,009,756	84,821,290	42.69%	18,529,558	457.76%
September 30, 1995	70,473,662	154,656,281	84,182,619	45.57%	19,175,961	439.00%
September 30, 1996	77,824,631	161,529,462	83,704,831	48.18%	19,531,812	428.56%
September 30, 1997	87,835,885	167,483,678	79,647,793	52.44%	20,161,361	395.05%
June 30, 1998	98,117,716	168,054,084	69,936,368	58.38%	21,244,777	329.19%
June 30, 2000	123,448,718	181,700,328	58,251,610	67.94%	24,122,756	241.48%
June 30, 2001	133,052,111	193,755,586	60,703,475	68.67%	26,329,508	230.55%
June 30, 2002	138,400,649	209,353,663	70,953,014	66.11%	28,860,071	245.85%
June 30, 2003	142,765,603	211,097,452	68,331,849	67.63%	27,856,806	245.30%
June 30, 2004	150,873,834	219,848,684	68,974,850	68.63%	28,890,267	238.75%
June 30, 2005	160,322,228	235,007,284	74,685,056	68.22%	30,149,222	247.72%
June 30, 2006	169,666,234	246,871,495	77,205,261	68.73%	31,803,233	242.76%

No value is shown above for June 30, 1999 since an actuarial valuation was not performed as of that date.

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

GASB INFORMATION
Table V-5

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>
1994	\$7,831,626	\$7,831,626	100%
1995	8,264,016	8,264,016	100%
1996	9,207,566	9,207,566	100%
1997	9,341,737	9,341,737	100%
1998	9,308,947	9,308,947	100%
1999	9,283,249	9,283,249	100%
2000	9,324,239	9,324,239	100%
2001	9,837,077	9,837,077	100%
2002	9,597,785	9,597,785	100%
2003	10,125,658	10,125,658	100%
2004	11,597,773	11,597,773	100%
2005	12,235,665	12,235,665	100%
2006	11,730,025	11,730,025	100%
2007	12,375,172	n/a	n/a
2008	13,433,610	n/a	n/a
2009	14,172,454	n/a	n/a

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

APPENDIX A

MEMBERSHIP DATA

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

MEMBERSHIP DATA

Table A-1

Summary of Membership

	<i>As of July 1, 2005</i>	<i>As of July 1, 2006</i>
<i>Current Employees with Vested Benefits</i>		
Judges	75	75
Compensation Commissioners	6	6
Family Support Magistrates	3	3
Total	84	84
<i>Current Employees Not Yet Vested</i>		
Judges	117	119
Compensation Commissioners	10	9
Family Support Magistrates	6	5
Total	133	133
<i>Total Current Employees</i>	217	217
<i>Former Employees Currently Receiving Benefits</i>	217	220
<i>Former Employees Entitled to Future Benefits</i>	3	2
<i>Total Former Employees</i>	220	222
<i>Total Members</i>	437	439

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

MEMBERSHIP DATA

Table A-2

Reconciliation of Active Members

	Judges	Compensation Commissioners	Family Support Magistrates	Total
Actives as of June 30, 2005	192	16	9	217
- Retired	(6)	(1)	0	(7)
- Died	0	0	(1)	(1)
- Terminated Vested	0	0	0	0
- Terminated Non-Vested	0	0	0	0
+/- Transfers	0	0	0	0
+ New Participants	8	0	0	8
+ Corrections	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Actives as of June 30, 2006	194	15	8	217

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

MEMBERSHIP DATA

Table A-3

Statistics for Active Members

	<u><i>As of July 1, 2005</i></u>	<u><i>As of July 1, 2006</i></u>
<i>Number of Participants</i>		
Judges	192	194
Compensation Commissioners	16	15
Family Support Magistrates	<u>9</u>	<u>8</u>
Total	217	217
<i>Earnings</i>		
Judges	\$26,921,527	\$28,686,109
Compensation Commissioners	2,191,853	2,155,185
Family Support Magistrates	<u>1,035,842</u>	<u>961,939</u>
Total	30,149,222	31,803,233
<i>Average Earnings</i>		
Judges	\$140,216	\$147,867
Compensation Commissioners	136,991	143,679
Family Support Magistrates	115,094	120,242
Total	138,937	146,559
<i>Average Age</i>		
Judges	56.4	56.9
Compensation Commissioners	56.2	56.3
Family Support Magistrates	59.0	58.0
Total	56.5	56.9
<i>Average Service</i>		
Judges	9.7	10.0
Compensation Commissioners	9.6	10.2
Family Support Magistrates	9.2	9.0
Total	9.7	10.0

Note: New entrant earnings have been annualized.

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

**EMPLOYEE DATA
Table A-4**

Analysis of Active Members by Age and Service

Age \ Service	Number of Members											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 25	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
30 to 34	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
40 to 44	8	5	0	0	0	0	0	0	0	0	0	0	13
45 to 49	10	7	2	0	0	0	0	0	0	0	0	0	19
50 to 54	9	20	12	5	0	0	0	0	0	0	0	0	46
55 to 59	8	24	19	11	0	0	0	0	0	0	0	0	62
60 to 64	6	13	7	12	8	1	0	0	0	0	0	0	47
65 & up	2	8	6	7	5	1	1	0	0	0	0	0	30
Total	43	77	46	35	13	2	1	0	0	0	0	0	217

Age \ Service	Average Salaries											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 25	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
30 to 34	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
40 to 44	138,554	145,646	0	0	0	0	0	0	0	0	0	0	141,282
45 to 49	144,287	145,607	146,616	0	0	0	0	0	0	0	0	0	145,018
50 to 54	143,535	146,519	147,787	151,459	0	0	0	0	0	0	0	0	146,803
55 to 59	144,727	147,197	148,214	151,494	0	0	0	0	0	0	0	0	147,952
60 to 64	145,051	142,669	145,025	145,930	150,619	167,660	0	0	0	0	0	0	146,042
65 & up	130,606	145,129	147,030	144,265	156,377	167,660	157,466	0	0	0	0	0	147,376
Total	142,615	145,796	147,393	148,136	152,834	167,660	157,466	0	0	0	0	0	146,559

This report 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.

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

MEMBERSHIP DATA

Table A-5

Inactive Members

	<i>Number</i>	<i>Total Annual Benefit</i>
<i>Members in Pay Status as of June 30, 2005</i>	217	\$15,455,979
- Died	(9)	
+ New Retirees	8	
+ Surviving Spouse	<u>4</u>	
<i>Members in Pay Status as of June 30, 2006</i>	220	16,430,182
 <i>Terminated Vested Members as of June 30, 2005</i>	 3	
- Retired	(1)	
+ New Terminated Vested	<u>0</u>	
 <i>Terminated Vested Members as of June 30, 2006</i>	 2	

APPENDIX B

SUMMARY OF PLAN PROVISIONS

<p>JUDGES, FAMILY SUPPORT MAGISTRATES, AND COMPENSATION COMMISSIONERS RETIREMENT SYSTEM</p>
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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 State Judges, Family Support Magistrates, and Compensation Commissioners 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.

Eligibility Any appointed Judge or Compensation Commissioner of the State of Connecticut.

Normal Retirement

Requirement Age 65 or 20 years of service. Retirement is mandatory at age 70.

Monthly Pension 66-2/3% of final compensation reduced for less than 10 years of service by a ratio of service to actual retirement divided by service to age 70, or 10 years, whichever is less.

Benefit Increase For members hired prior to 1981: benefits are increased in line with current compensation of an active member in the same position. For members hired after 1980: benefits are increased in line with a cost of living index, not to exceed 3% per year.

Compensation Basic salary plus longevity payments based on service as follows:

<i>Completed Years of Service</i>	<i>Annual Longevity as % of Compensation</i>
0 - 9	0.0%
10 - 14	1.5
15 - 19	3.0
20 - 24	4.5
25 or more	6.0

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

SUMMARY OF PLAN PROVISIONS

<i>Disability Benefit</i>	Any member becoming permanently disabled is entitled to 66-2/3% of final compensation.
<i>Death Benefit</i>	The spouse of any member who dies in active service is entitled to 33-1/3% of the final compensation of the member at the time of death. The spouse of any member who dies after retirement is entitled to 50% of the monthly benefit of the member at the time of death.
<i>Vesting</i>	
<i>Eligibility</i>	10 years of service.
<i>Benefit</i>	<i>Members hired before 1981:</i> 50% of the retirement benefit at 10 years increasing to 100% after 15 years. <i>Members hired after 1980:</i> 100% of the retirement benefit multiplied by the ratio of service at termination to service at the earliest retirement age.
<i>Employee Contributions</i>	Members contribute 5% of annual compensation. Upon withdrawal prior to benefit eligibility, contributions without interest are refunded.

APPENDIX C

ACTUARIAL METHOD AND ASSUMPTIONS

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

ACTUARIAL METHOD AND ASSUMPTIONS

Actuarial Funding Method

The actuarial valuation method used is the *Projected Unit Credit Cost Method*. Recommended annual contributions until the accrued liability is completely funded will consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The *Accrued 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 *Unfunded Accrued Liability* is the Accrued Liability less the Actuarial Value of Assets and less any Accrued Contributions. The Unfunded Accrued Liability is amortized as a level percent of payroll over a decreasing number of years, starting with 40 years on July 1, 1991.

The *Actuarial Value of Assets* is calculated by spreading recognition of gains and losses over five years, plus an additional write-up (or write-down) as necessary so that the final adjusted value is within 20% of market value.

**JUDGES, FAMILY SUPPORT MAGISTRATES, AND
COMPENSATION COMMISSIONERS RETIREMENT SYSTEM**

ACTUARIAL METHOD AND ASSUMPTIONS

Actuarial Assumptions

<i>Mortality</i>	1994 Group Annuity Mortality Table for males and females.
<i>Investment Return</i>	8½%.
<i>Salary Scale</i>	5½%.
<i>Payroll Growth Rate</i>	5½%.
<i>Rate of Disability</i>	Table based on Connecticut State Employees Retirement System actual experience.
<i>Disabled Life Mortality</i>	<i>Males:</i> 80% of PBGC Male Disabled Mortality. <i>Females:</i> 60% of PBGC Female Disabled Mortality.
<i>Turnover</i>	None.
<i>Cost of Living Increases</i>	5½% per year for members hired prior to January 1, 1981. 3% per year for members hired on or after January 1, 1981.
<i>Retirement Ages</i>	50% are assumed to retire at the later of age 65 and 10 years of service; 50% are assumed to retire at age 70.
<i>Spouse's Benefit</i>	80% of the members are assumed to be married. Husbands are assumed to be three years older than their wives.
<i>Expenses</i>	None.