



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

***ACTUARIAL VALUATION
DECEMBER 31, 2007***

<p>CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM</p>
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June 1, 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, 2007 and presents cost figures for the year beginning July 1, 2008.

The recommended Employer contribution for the fiscal year beginning July 1, 2008 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, 2007, 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 black ink that reads "Althea A. Schwartz". The signature is fluid and cursive, with a large, stylized 'S' at the end.

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

AAS 10 CSP2007AutoVal

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

We have performed an actuarial valuation of the Connecticut Probate Judges & Employees Retirement System as of December 31, 2007 to determine the contributions for the Fiscal Year beginning July 1, 2008.

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.

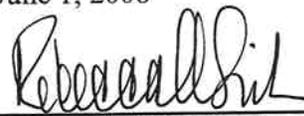
This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, we request that it be copied in its entirety, including this section. We understand that the System may distribute this report to its auditor 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 1, 2008



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

SECTION I EXECUTIVE SUMMARY

HIGHLIGHTS

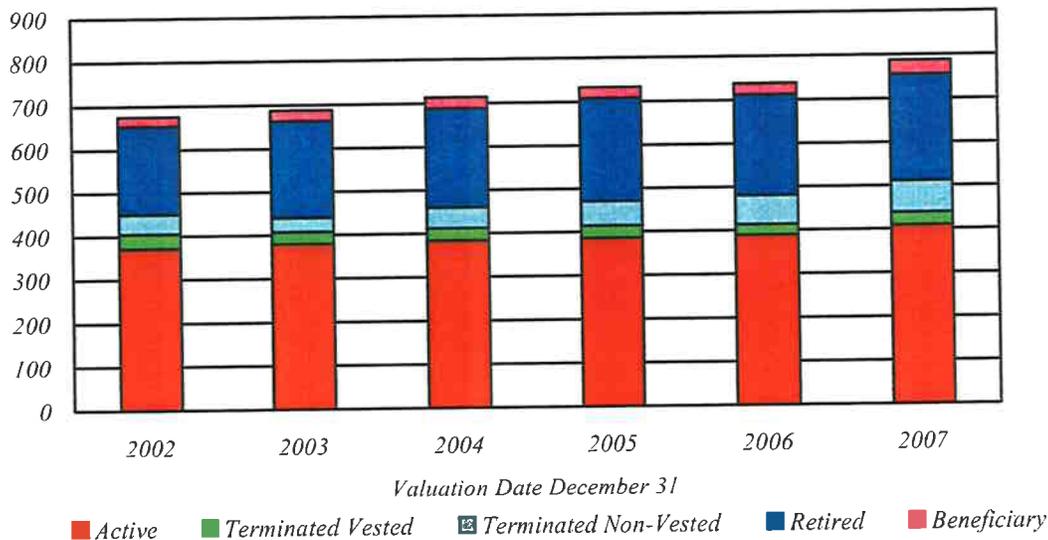
Participants

The membership data was provided as of December 31, 2007 and included actual compensation reported for calendar year 2007. 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, 2006.

The active population increased from 389 to 409 participants. The active population now consists of 115 Judges and 294 Employees. The number of participants in pay status grew from 258 to 277, and the terminated vested population increased from 24 to 28. There are 74 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

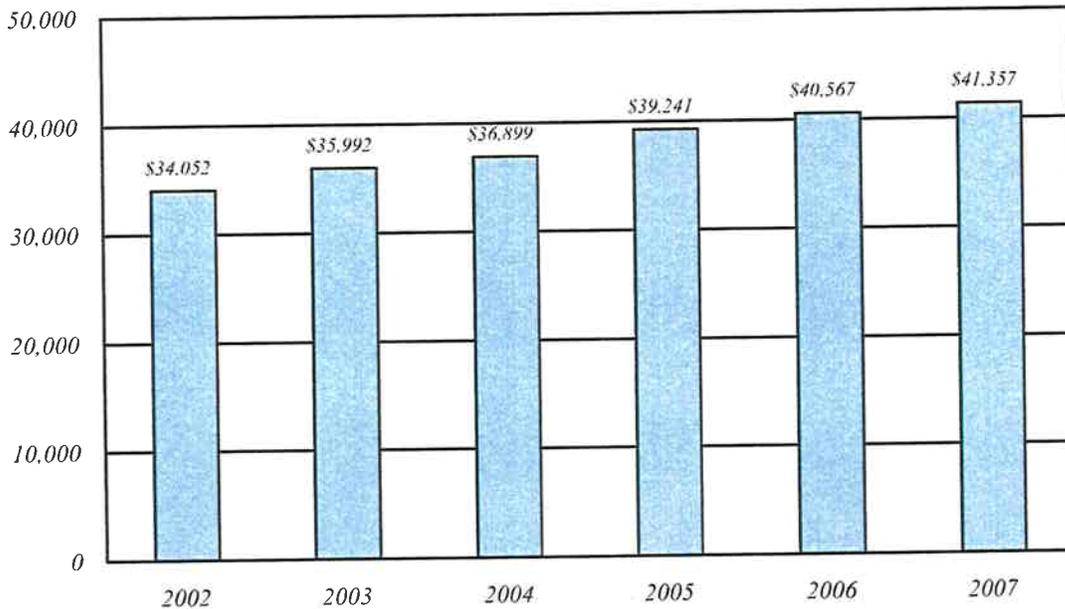


**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I
EXECUTIVE SUMMARY**

HIGHLIGHTS

Average Compensation



Total payroll increased from \$15,780,754 as of December 31, 2006 to \$16,914,912 as of December 31, 2007. Average compensation increased from \$40,567 to \$41,357 over this period. This annualized increase of 1.9% is lower than our salary growth assumption of 6.0%. For members who were active in both valuations, average compensation increased by 4.8%.

CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM

SECTION I EXECUTIVE SUMMARY

HIGHLIGHTS

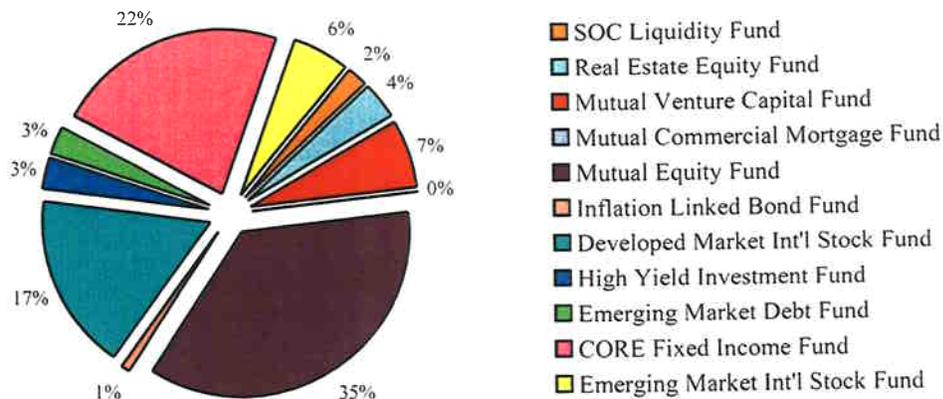
Assets

The performance of the fund in 2007 was modestly lower than our long-term expected return on assets. The Market Value of Assets as of December 31, 2007 was \$86,591,319 compared to \$83,310,301 as of December 31, 2006. The rate of return on a market value basis was 7.18% compared to 12.68% 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, 2007 was \$86,325,073 compared to \$82,006,897 as of December 31, 2006. The rate of return on this basis was 8.59% compared to 8.93% for the prior year. This represents a small gain compared to the assumed rate of return of 8.5% for that period.

During 2007, the fund received \$294,646 in Member contributions. The fund was also used as a 'pass through' for Health Services Costs, with \$2,680,441 transferred in from the Probate Administration Fund and \$2,680,441 disbursed. As of December 31, 2007 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, 2007 as follows:



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

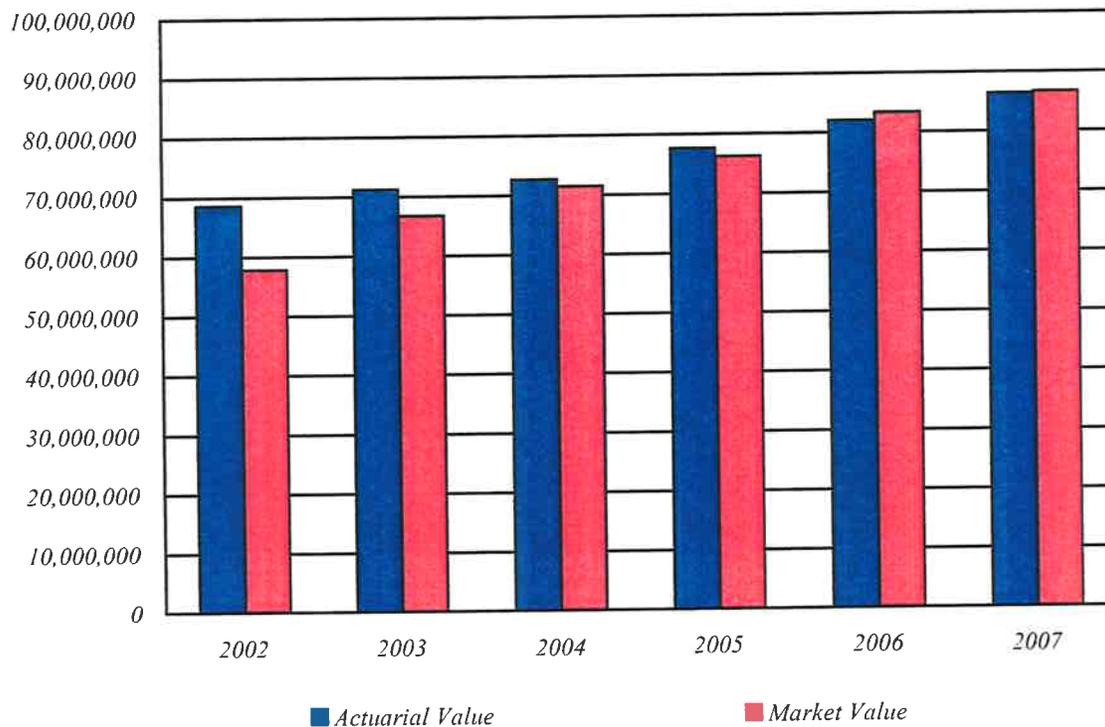
**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**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 \$0.3 million. This figure represents investment gains that will be gradually recognized over the next five years. This process will exert downward pressure on the State's contribution, unless there are offsetting market losses.

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I
EXECUTIVE SUMMARY**

HIGHLIGHTS

Contributions

The recommended Employer contribution for Fiscal Year 2008-2009 is \$0.

Changes in Actuarial Methods and Assumptions

We have modified the retirement assumption to reflect that active members have generally been retiring later than their normal retirement ages.

In concluding this executive summary, we present on the following page comparative statistics and actuarial information on both the December 31, 2006 and December 31, 2007 valuations.

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION I
EXECUTIVE SUMMARY**

PRINCIPAL RESULTS

	<i>As of December 31, 2006</i>	<i>As of December 31, 2007</i>
<u>Membership</u>		
Active Membership		
Number of Members	389	409
Payroll	\$15,780,754	\$16,914,912
Average Pay	40,567	41,357
Inactive Membership		
Number of Terminated Vested Members	24	28
Number of Terminated Non-vested Members	67	74
Number of Retired Members & Beneficiaries	258	277
Annual Retired Members Benefits	\$2,716,794	\$2,978,904
Average Annual Retired Members Benefits	\$10,530	\$10,754
<u>Assets and Liabilities</u>		
Assets		
Market Value	\$83,310,301	\$86,591,319
Actuarial Value	82,006,897	86,325,073
Liabilities (Present Value of Benefits)		
Active Members	\$54,863,911	\$54,476,157
Terminated Vested Members	1,777,735	2,239,853
Terminated Non-vested Members	54,326	54,027
Retired Members and Beneficiaries	<u>24,592,741</u>	<u>27,119,215</u>
Total Accrued Liability	81,288,713	83,889,252
<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, 2007		\$83,310,301
Contributions		
State	\$0	
Federal	0	
Employee	294,646	
Health Services Cost	2,680,441	
		2,975,087
Investment Income		
Interest & Dividends	\$3,362,423	
Change in Accrued Interest	(1,188)	
Realized Gains	1,605,601	
Change in Unrealized Gains	924,478	
		5,891,314
Disbursements		
Benefit Payments	\$2,894,176	
Member Refunds	10,766	
Health Services Costs	2,680,441	
Expenses	0	
		5,585,383
Market Value as of December 31, 2007		86,591,319
Pension Contribution Receivable for FY 07-08		0
Health Services Cost Receivable for FY 07-08 (See Section IIB)		0
Adjusted Market Value as of December 31, 2007		86,591,319
Rate of Return as of December 31, 2007		7.18%
Rate of Return as of December 31, 2006		12.68%
Change in Rate of Return		Down 5.50%

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	<u>0.00</u>
		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.

<p>CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM</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:

	<u>Amount</u>	<u>% of Total</u>
Cash	\$4,644.30	0.005%
<u>Investments</u>		
SOC Liquidity Fund	1,779,481.93	2.06%
Real Estate Equity Fund	3,053,650.71	3.53%
Mutual Venture Capital Fund	5,809,098.22	6.71%
Mutual Equity Fund	30,831,499.87	35.60%
Developed Market Int'l Stock Fund	14,787,068.36	17.08%
Emerging Market Debt Fund	2,389,422.63	2.76%
Emerging Market Int'l Stock Fund	4,882,043.73	5.64%
CORE Fixed Income Fund	19,422,582.05	22.42%
High Yield Investment Fund	2,656,346.63	3.07%
Inflation Linked Bond Fund	945,885.85	1.09%
Mutual Commercial Mortgage Fund	25,288.65	<u>0.03%</u>
Total Non-Cash Investments	86,582,368.63	99.99%
Accrued Interest	4,305.78	0.005%
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, 2007	 86,591,318.71	 100.00%

<p>CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM</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, 2006	\$83,310,301	\$82,006,897
(2) Contributions	2,975,087	2,975,087
(3) Benefit Payments and Refunds	5,585,383	5,585,383
(4) Expected Investment Income on (1) + (2) - (3)	6,972,701	6,861,911
(5) Expected Value as of December 31, 2007 (1) + (2) - (3) + (4)	87,672,706	86,258,512
(6) Market Value as of December 31, 2007	86,591,319	N/A
(7) Actual MVA - Expected AVA	N/A	332,807
(8) Preliminary Actuarial Value: (5) + 20% of (7)	N/A	86,325,073
(9) Final Value: [(8) within +/- 20% of (6)]	N/A	86,325,073
(10) Gain/(Loss) Market Value Basis: (6) - (5) Actuarial Value Basis: (9) - (5)	(1,081,387)	66,561
(11) Rate of Return	7.18%	8.59%

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 VI), 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, 2006</u>	<i>As of</i> <u>December 31, 2007</u>
ASSETS		
Retirement Fund (Adjusted Basis)	\$82,006,897	\$86,325,073
Present Value of Future Employer Normal Cost Contributions	0	0
Present Value of Future Member Contributions	<u>2,735,073</u>	<u>3,082,504</u>
Total Assets	84,741,970	89,407,577
LIABILITIES		
Present Value of Benefits		
Active Members	\$54,863,911	\$54,476,157
Retired Members	24,592,741	27,119,215
Terminated Non-vested Members	54,326	54,027
Terminated Vested Members	<u>1,777,735</u>	<u>2,239,853</u>
Total Liabilities	81,288,713	83,889,252
EXCESS OF ASSETS OVER LIABILITIES	3,453,257	5,518,325

CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM

**SECTION III
SYSTEM LIABILITIES**

B. Funded Status - Accrued Liabilities

	<u>As of December 31, 2006</u>	<u>As of December 31, 2007</u>
(1) Present Value of Vested Benefits		
Active Members	\$18,892,288	\$15,995,361
Retired Members & Beneficiaries	24,592,741	27,119,215
Terminated Non-Vested Members	54,326	54,027
Terminated Vested Members	<u>1,777,735</u>	<u>2,239,853</u>
Total	45,317,090	45,408,456
(2) Present Value of Non-Vested Benefits	2,828,834	2,475,691
(3) Present Value of Accrued Benefits: (1) + (2)	48,145,924	47,884,147
(4) Net Market Value of Assets (see Section IIA)	83,310,301	86,591,319
(5) Vested Funded Ratio: (4)/(1)	183.84%	190.69%
(6) Funded Ratio: (4)/(3)	173.04%	180.84%

<p>CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM</p>
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**SECTION IV
SYSTEM CONTRIBUTIONS**

Development of Employer Contribution

	<u>2007 Plan Year</u>	<u>2008 Plan Year</u>
(1) Present Value of Future Employer Normal Cost Contributions *	\$0	\$0
(2) Present Value of Future Salaries	145,846,804	180,529,440
(3) Employer Normal Cost as % of Salary: (1)/(2)	0.00%	0.00%
(4) Current Salary **	14,141,079	16,858,013
(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, 2007

Cash	\$4,644.30
 <u>Investments</u>	
SOC Liquidity Fund	1,779,481.93
Real Estate Equity Fund	3,053,650.71
Mutual Venture Capital Fund	5,809,098.22
Mutual Equity Fund	30,831,499.87
Developed Market Int'l Stock Fund	14,787,068.36
Emerging Market Debt Fund	2,389,422.63
Emerging Market Int'l Stock Fund	4,882,043.73
CORE Fixed Income Fund	19,422,582.05
High Yield Investment Fund	2,656,346.63
Inflation Linked Bond Fund	945,885.85
Mutual Commercial Mortgage Fund	<u>25,288.65</u>
Total Non-Cash Investments	86,582,368.63
 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, 2007	 86,591,318.71

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	294,646	
Health Services Cost	2,680,441	2,975,087

Investment Income

Interest & Dividends	3,362,423	
Change in Accrued Interest	(1,188)	
Realized Gains	1,605,601	
Change in Unrealized Gains	924,478	5,891,314

Total Additions

8,866,401

DEDUCTIONS

Adjustments

Prior Year Adjustment	0	
Change in Accrued Employer Contribution	0	
Change in Accrued Health Services Cost	0	0

Disbursements

Benefit Payments	2,894,176	
Member Refunds	10,766	
Health Services Costs	2,680,441	
Expenses	0	5,585,383

Total Deductions

5,585,383

NET INCREASE

3,281,018

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS

<i>Beginning of Year</i>	83,310,301
<i>End of Year</i>	86,591,319

**CONNECTICUT PROBATE JUDGES
& EMPLOYEES RETIREMENT SYSTEM**

**SECTION V
GASB #25 INFORMATION**

D. Schedule of Funding Progress

<i>Actuarial Valuation Date</i>	<i>(1) Actuarial Value of Assets</i>	<i>(2) Actuarial Accrued Liability (AAL)</i>	<i>(3) Unfunded AAL (UAAL) (2) - (1)</i>	<i>(4) Funded Ratio (1) / (2)</i>	<i>(5) Covered Payroll</i>	<i>(6) 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%

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.

**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>
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	0	100%
2008	0	0	100%
2009	0	n/a	n/a

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

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

A. Summary of Membership

	<i>As of <u>December 31, 2006</u></i>	<i>As of <u>December 31, 2007</u></i>
Current Employees:		
Vested:		
Judges	71	61
Employees	100	96
Not yet vested:		
Judges	46	54
Employees	172	198
Total Current Employees	389	409
Retirees and Beneficiaries currently receiving benefits	258	277
Terminated employees entitled to benefits but not yet receiving them	24	28
Terminated Non-Vested members whose employee contributions and interest have not been refunded	67	74
Total Members	738	788

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, 2006</i>	117	272	389
Retired	(11)	(10)	(21)
Died	0	0	0
Terminated Vested	0	(8)	(8)
Terminated Non-Vested	(1)	(8)	(9)
Transfer Out	(3)	(1)	(4)
Participants over Age 70	0	0	0
Lump Sum	(1)	(1)	(2)
New Participants	12	46	58
Rehired	1	1	2
Transfer In	1	3	4
	115	294	409
<i>Actives as of December 31, 2007</i>			

CONNECTICUT PROBATE JUDGES & EMPLOYEES RETIREMENT SYSTEM

**SECTION VI
MEMBERSHIP DATA**

C. Statistics for Active Members

	<i>As of</i> <u>December 31, 2006</u>	<i>As of</i> <u>December 31, 2007</u>
<i>Number of Members:</i>		
Judges	117	115
Employees	<u>272</u>	<u>294</u>
Total	389	409
 <i>Earnings:</i>		
Judges	\$6,930,574	\$7,035,334
Employees	<u>8,850,180</u>	<u>9,879,578</u>
Total	15,780,754	16,914,912
 <i>Average Earnings:</i>		
Judges	\$59,236	\$61,177
Employees	32,538	33,604
Total	40,567	41,357
 <i>Average Age:</i>		
Judges	55.5	55.4
Employees	49.5	48.7
Total	51.3	50.6
 <i>Average Service:</i>		
Judges	13.5	12.4
Employees	8.9	8.2
Total	10.3	9.4

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
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**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 24	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
30 To 34	0	0	0	0	0	0	0	0	0	0	0	0
35 To 39	2	0	0	0	0	0	0	0	0	0	0	2
40 To 44	4	8	1	0	0	0	0	0	0	0	0	13
45 To 49	8	3	1	3	0	1	0	0	0	0	0	16
50 To 54	5	3	5	5	1	0	0	0	0	0	0	19
55 To 59	5	3	7	4	3	1	0	0	0	0	0	23
60 To 64	6	4	2	6	4	5	3	0	0	0	0	30
65 To 69	0	4	2	2	1	2	0	1	0	0	0	12
70 & Up	0	0	0	0	0	0	0	0	0	0	0	0
All Ages	30	25	18	20	9	9	3	1	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 24	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
30 To 34	0	0	0	0	0	0	0	0	0	0	0	0
35 To 39	68,310	0	0	0	0	0	0	0	0	0	0	68,310
40 To 44	28,622	80,483	85,936	0	0	0	0	0	0	0	0	64,945
45 To 49	53,528	56,491	59,278	70,909	0	19,162	0	0	0	0	0	55,554
50 To 54	56,596	65,607	73,011	57,938	110,085	0	0	0	0	0	0	65,507
55 To 59	60,014	44,089	63,487	46,027	63,373	62,136	0	0	0	0	0	57,092
60 To 64	56,791	73,254	13,910	72,727	90,309	43,099	61,840	0	0	0	0	62,006
65 To 69	0	48,922	57,152	57,699	90,625	87,542	0	40,000	0	0	0	60,925
70 & Up	0	0	0	0	0	0	0	0	0	0	0	0
All Ages	53,438	65,245	60,933	61,914	83,563	52,431	61,840	40,000	0	0	0	61,177

This work product was prepared solely for Connecticut Probate Judges & Employees Retirement System for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit or assume 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 24	9	1	0	0	0	0	0	0	0	0	0	10
25 To 29	13	1	0	0	0	0	0	0	0	0	0	14
30 To 34	13	7	0	0	0	0	0	0	0	0	0	20
35 To 39	12	8	2	1	0	0	0	0	0	0	0	23
40 To 44	13	13	3	0	2	0	0	0	0	0	0	31
45 To 49	25	14	6	5	4	1	0	0	0	0	0	55
50 To 54	17	10	9	7	1	0	0	0	0	0	0	41
55 To 59	14	8	11	6	1	0	1	0	0	0	0	39
60 To 64	4	10	6	12	5	1	0	0	0	0	0	15
65 To 69	3	4	4	2	1	1	0	0	0	0	0	1
70 & Up	0	0	0	0	0	1	0	0	0	0	0	1
All Ages	123	76	41	33	14	4	1	2	0	0	0	294

	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 24	21,384	29,092	0	0	0	0	0	0	0	0	0	22,154
25 To 29	20,687	38,768	0	0	0	0	0	0	0	0	0	21,979
30 To 34	33,787	31,934	0	0	0	0	0	0	0	0	0	33,138
35 To 39	22,664	37,108	33,238	40,432	0	0	0	0	0	0	0	29,380
40 To 44	21,506	37,987	35,795	0	51,900	0	0	0	0	0	0	31,761
45 To 49	21,337	33,785	48,200	41,468	49,715	45,120	0	0	0	0	0	31,763
50 To 54	26,565	40,026	35,952	40,849	38,181	0	0	44,223	0	0	0	34,306
55 To 59	22,706	31,490	35,889	36,540	40,590	0	70,096	0	0	0	0	31,573
60 To 64	21,879	29,830	37,720	39,032	47,137	47,775	0	62,041	0	0	0	36,565
65 To 69	15,743	33,104	43,674	26,243	51,667	78,461	0	0	0	0	0	35,797
70 & Up	0	0	0	0	0	24,423	0	0	0	0	0	24,423
All Ages	23,494	34,710	38,596	38,601	47,770	48,945	70,096	53,132	0	0	0	33,604

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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, 2006</i>	24	258	282
Received refund	0	0	0
Retired from Terminated Vested Status	(4)	4	0
Retired from Active Status	0	21	21
Terminated Vested from Active Status	8	0	8
Died without surviving spouse	0	(6)	(6)
Died with surviving spouse	0	0	0
New surviving spouse	0	0	0
Correction - not vested, due refund	0	0	0
<i>Inactive Members as of December 31, 2007</i>	28	277	305

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

	<u>December 31, 2006</u>	<u>December 31, 2007</u>
<i>Number of Members:</i>		
Terminated Vested Members	24	28
Members in Pay Status	<u>258</u>	<u>277</u>
Total	282	305
<i>Total Annual Benefit:</i>		
Terminated Vested Members	\$195,858	\$241,950
Members in Pay Status	<u>2,716,794</u>	<u>2,978,904</u>
Total	2,912,652	3,220,854
<i>Average Annual Benefit:</i>		
Terminated Vested Members	\$8,161	\$8,641
Members in Pay Status	10,530	10,754
Total	10,329	10,560

**CONNECTICUT PROBATE JUDGES
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**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

Interest Rate: 8.5%.

Salary Scale: 6.0%.

Cost of Living: 3.0%.

Social Security Wage Base: 3.5%.

Mortality: 1994 Group Annuity Mortality Table.

Rate of Disability: Table based on Connecticut State Employees Retirement System actual experience.

Turnover:	Age	Male	Female
	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

Retirement:	Current Assumption		Prior Assumption
	Age	Rate	
	55-61	3%	
	62-64	10%	
	65-69	16%	
	70	100%	

Judges - 100% at age 67.
Employees - 100% at 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.