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Post-it® Fax Note	7671	Date	4/12	# of pages	2
To	Frank Miano		From	C. Gellman	
Co./Dept.	OKM		Co.	OFA	
Phone #		Phone #	240 0200		
Fax #	418-6490		Fax #	240 0052	

April 11, 2002

Mr. William Sudol, Administrator
Connecticut State Teachers'
Retirement System
21 Grand Street
Hartford, Connecticut 06106

Re: Partial Amortization Schedule Related to sHB 5769.

Dear Bill:

In response to your request, we have prepared the enclosed schedule showing the effect of sHB 5769 (the graduated reduction from 35 to 32 years of service required for an unreduced benefit at any age) over the next few years.

Please notice that the outstanding incremental Unfunded Actuarial Accrued Liability (UAAL) resulting from this proposal grows from \$77,816,877 as of June 30, 2000 to \$103,947,350 precisely because of the operation of level-percent-of-pay amortization (the first several years' payments in dollars are less than the interest on the outstanding balance - the "yuppie mortgage" concept at work).

You can also see that both the incremental Normal Cost and the amortization of the outstanding UAAL remain constant as percent of the Member Payroll throughout.

Please call Mark Johnson or me with any questions.

Sincerely,

Brian F. Dunn

BFD:lr
Enclosure
CC: Clare Barnett

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
AMORTIZATION SCHEDULE FOR COST OF PROPOSAL (sHB 5769)

6/30/2000 Payroll \$2,501,471,017
 Payroll Increase Assumption 5.00%
 Increase in Unfunded Liability due to Proposal \$77,816,877
 Valuation Interest Rate 8.50%

Fiscal Year	Years of Service in Proposal	Unfunded Liability due to Proposal at EOY	Projected Payroll	Increase in State Contributions				TOTAL INCREASE as a % of Member Payroll	TOTAL INCREASE in Contribution (\$)
				FOR ADDITIONAL UAAL as a % of Member Payroll	FOR ADDITIONAL UAAL Contribution (\$)	FOR NORMAL COST as a % of Member Payroll	FOR NORMAL COST Contribution(\$)		
1999-2000	35	\$ 77,816,877	\$ 2,501,471,017	0.16%	\$ 4,412,595	0.19%	\$ 5,239,956	0.35%	\$ 9,652,551
2000-2001	35	84,431,312	2,626,544,568	0.16%	4,633,225	0.19%	5,501,954	0.35%	10,135,179
2001-2002	35	87,010,382	2,757,871,796	0.16%	4,864,886	0.19%	5,777,052	0.35%	10,641,938
2002-2003	35	89,578,816	2,895,765,385	0.16%	5,108,130	0.19%	6,065,905	0.35%	11,174,035
2003-2004	35	92,124,182	3,040,553,655	0.16%	5,363,537	0.19%	6,369,200	0.35%	11,732,736
2004-2005	34	94,632,464	3,192,581,338	0.16%	5,631,713	0.19%	6,687,660	0.35%	12,319,373
2005-2006	34	97,087,835	3,352,210,405	0.16%	5,913,299	0.19%	7,022,043	0.35%	12,935,342
2006-2007	33	99,472,494	3,519,820,925	0.16%	6,208,954	0.19%	7,373,145	0.35%	13,582,109
2007-2008	33	101,766,458	3,685,811,972	0.16%					
2008-2009	32	103,947,350	3,880,602,570	0.16%					

Note that rates calculated in 6/30/2000 valuation (on which the proposal was based) are for State contributions payable in the Fiscal Years 2001-2002 and 2002-2003.