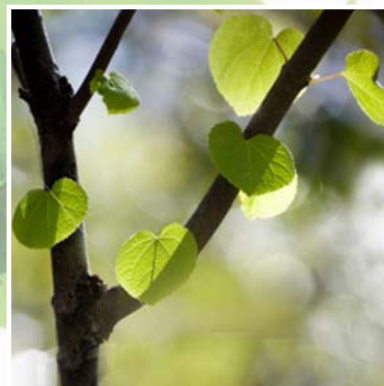
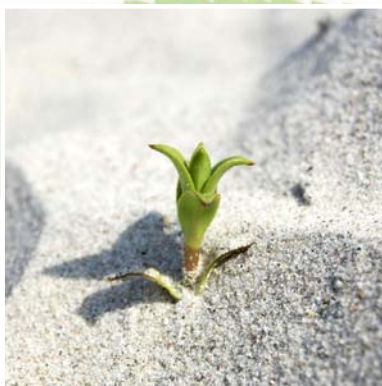


2009

Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 2009

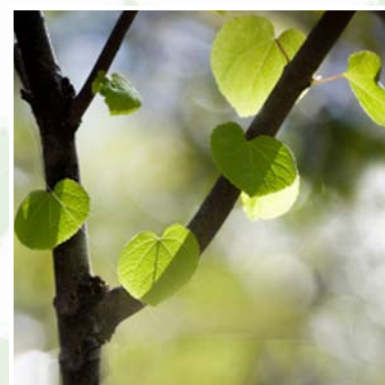
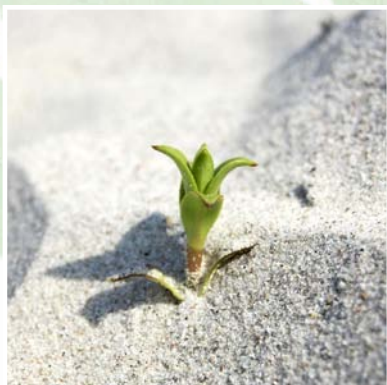
The Public Employees' Retirement Fund is a discretely presented component unit of the state of Indiana.



PERF is a trust and an independent body, corporate and politic. The fund is not a department or agency of the state of Indiana, but is an independent instrumentality exercising essential government functions. (Indiana Code Sections 5-10.3-2-1(b) and 5-10.2-2-1).

2009

Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 2009

The Public Employees' Retirement Fund is a discretely presented component unit of the state of Indiana.

Public Employees' Retirement Fund
1977 Police Officers' and Firefighters' Pension
and Disability Fund
Judges' Retirement System
State Excise Police, Gaming Agent, Gaming Control
Officer and Conservation Enforcement Officers'
Retirement Plan
Prosecuting Attorneys' Retirement Fund
Legislators' Retirement System

- *Defined Contribution Plan*
- *Defined Benefit Plan*

State Employees' Death Benefit Fund
Public Safety Officers' Special Death Benefit Fund
Pension Relief Fund

Prepared By

Public Employees' Retirement Fund • 143 West Market Street
Indianapolis, IN 46204 • Toll-free: (888) 526-1687
www.perf.in.gov • questions@perf.in.gov

Indiana
PERF
Public Employees' Retirement Fund



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Public Employees' Retirement Fund



Letter of Transmittal



Terren B. Magid
Executive Director

December 2009

Dear Board Members:

With the global economy experiencing the deepest crisis in decades, PERF, along with all institutional investors, experienced one of its most challenging years ever. Notwithstanding the unprecedented disruption in the financial markets, I'm pleased to report that the Indiana Public Employees' Retirement Fund (PERF) remains in solid financial condition, despite the global recession. Our funded status remains sound and we received an unqualified audit report from the Indiana State Board of Accounts (SBoA) including, for the first time in memory, zero findings.

These accomplishments are a testimony to our commitment to accountable, prudent management which I believe you will find reflected in the pages of this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009.

Financial Management: PERF management and staff are very proud to have received an unqualified audit opinion for fiscal year 2009, our fourth consecutive clean opinion. This result is affirmation of PERF's continuing commitment to accurately and completely represent the financial condition of this organization. It is also the product of PERF's ongoing focus on effective processes and controls and strong desire to provide its members and employers with the integrity and transparency they deserve in the management of their pension systems. Even in these challenging economic times, members and employers should take great confidence in PERF's ability to prudently manage the funds with accountability.

We are equally proud to have received no audit findings for the first time anyone at PERF or the SBoA can remember. In fiscal year 2004 PERF received a qualified audit opinion with 30 specific findings regarding areas of needed improvement. Diligent and persistent efforts to turn around PERF's performance resulted in a reduced number of findings each year since 2004 culminating in zero findings in fiscal year 2009. Again, the steady progress toward this result is a testament to the sound financial processes and controls to which the PERF management and staff have been firmly committed these last four years.

Five-year Process & Systems Strategic Plan: Fund management continues on our path of improvement with our focus squarely on our mission of Excellence in Customer Service. PERF has embarked on year three of the five-year process and systems strategic plan it started in 2007. When completed, PERF will operate using a state-of-the-art financial system; a more user friendly, web-based tool to transact business with our sponsoring employers; and a more efficient and intuitive benefits administration system. Moreover, PERF plans to offer its members daily valuation and investment election changes for the ASA accounts in 2010. In short, PERF's services offerings will be more aligned with the types of offerings participants have come to expect from leading 21st century financial services companies, while being more efficient and cost effective.

Market Performance: Without question, the 2009 fiscal year presented significant challenges to pension funds throughout the world. Indiana PERF was no exception. Investments at the fund performed better than the market during an extremely challenging year. In a global recession that saw Standard & Poor's 500 Index drop 26.2 percent in the year, PERF's



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www.perf.in.gov ■ (888) 526-1687

2009 Comprehensive Annual Financial Report

Letter of Transmittal

investment loss was 20.6 percent. However, from January through June of 2009, PERF's investment return of 6.1 percent was nearly twice the broader stock market growth as measured by a 3.2 percent gain in the S&P 500.

Solid Funding: PERF funds reached an aggregate funded status of 99.6 percent at the July 1, 2008 start of the fund's 2009 fiscal year. Nationally, state pension plans were funded at about 77 percent according to the 2009 Wilshire Report on State Retirement Systems. We are pleased with this overall funded status and continue to work to achieve and maintain full funding. While the full short-term impact of the global recession on funded status is not fully reflected in this annual report, it will continue to be reflected gradually in reports in the coming years. We are confident that our long-term approach to prudent investment management will allow us to maintain a solid funded ratio over the decades to come.

Customer Service: The PERF team remains unrelenting its commitment to continually improve customer service. During the fiscal year, we learned that our customer service scores had improved by more than 30 percent since 2004, placing PERF among the top pension plans according to national research. This is the conclusion of a report by CEM Benchmarking, a Toronto-based international pension benchmarking company. The report reflects in-depth research comparing PERF with 39 leading U.S. pension funds. In 2004, PERF scored seven out of 100 in its ability to process new retirements, according to CEM. In 2008, this improved dramatically to a score of 82, with 98 percent of new retirements processed on a timely basis.

Accountability and National Excellence: Following this letter you'll see a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), and an Achievement Award from the Public Pension Coordinating Council (PPCC). The GFOA certification for PERF's 2008 annual report marks the third straight year that a PERF annual report has achieved this recognition. The PPCC award recognizes PERF's excellence in meeting professional standards for plan design and administration. This recognition rates PERF's system management and administration among an exclusive handful of public retirement systems in the nation and also marks the third consecutive year we have achieved this distinction.

Background Information

As of June 30, 2009, PERF was responsible for the investment of approximately \$12.4 billion in net assets. In total, PERF paid monthly retirement, disability and survivor benefits to 65,455 benefit recipients, served 153,856 members actively employed in public service and worked in partnership with 1,215 participating employers statewide.

This report provides detailed information on the performance of all retirement plans administered by PERF, including:

- Public Employees' Retirement Fund
- 1977 Police Officers' and Firefighters' Pension and Disability Fund
- Judges' Retirement System
- State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan
- Prosecuting Attorneys' Retirement Fund
- Legislators' Retirement System

PERF also administers two special death benefit funds for public safety officers and state employees who die in the line of duty. In addition, PERF manages the Pension Relief Fund, which was created by the Indiana General Assembly to address the unfunded pension obligations of the police officers' and firefighters' pension systems of Indiana's cities and towns. PERF is not responsible for the administration of those local pension funds, which have been closed to new membership since the creation of the 1977 Police Officers' and Firefighters' Pension and Disability Fund. However, PERF makes disbursements from funds provided by the General Assembly to the local police and firefighter units throughout the state that are still obliged to pay benefits under those former plans.

Public Employees' Retirement Fund



Letter of Transmittal

Management's Responsibility for Financial Reporting

PERF's management prepared the financial statements included in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. PERF's management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of PERF's operations.

The Indiana State Board of Accounts (SBoA), PERF's external auditor, has conducted an audit of the general purpose financial statements in accordance with generally accepted auditing standards, performing work as it deemed necessary to express an opinion in their report.

The SBoA completed their audit of PERF's financial statements for the fiscal year ending June 30, 2009, on September 30, 2009. As noted previously, the results show PERF has made significant progress in improving the quality of its financial processes over a period of four years.

Reporting Financial Information

PERF's management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization. This system includes the written policies and procedures of the Board of Trustees.

Management also is charged with recording these transactions as necessary to maintain accountability for assets, and to permit preparation of financial statements in accordance with generally accepted accounting principles.

For financial reporting purposes, PERF follows the Governmental Accounting Standards Board (GASB) Statement No. 25 Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and Statement No. 50 Pension Disclosures. PERF has also implemented Statement No. 51, Accounting and Financial Reporting for Intangible Assets. Assets of PERF are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the Required Supplementary Information following the Notes to the Financial Statements.

The GASB issued Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This statement establishes financial reporting standards for state and local governments. The Management Discussion and Analysis is contained within the Financial Section and serves to supplement the Introductory Section of the Comprehensive Annual Financial Report, as well as financial statements, notes and supplementary information within the Financial Section.

Economic Condition

PERF's economic condition is based primarily upon investment results and contributions from members and employers. Mercer Investment Consulting evaluated the year-end investment portfolio. The return comparison begins on page 80.

Investments & Asset Allocation

As of June 30, 2009, the Consolidated Retirement Investment Fund (CRIF) had a market value of \$11.8 billion, a decline of \$3.1 billion since June 30, 2008. The decrease in assets was due to negative investment performance over the one-year period, particularly in the equity markets. The Investment Section includes an in-depth discussion of the CRIF and the investment policies guiding the Board of Trustees in their decision making. The Board of Trustees continues to make progress in diversifying the assets of PERF and adjusting its risk and return profile in order to deliver the growth and earnings needed to meet future benefit obligations.

Prudent diversification through strategic asset allocation is fundamental to the Board of Trustees' overall investment policy. The policy is designed to provide an optimal mix of asset classes in order to meet PERF's return objectives, while maintaining appropriate diversification and risk control. PERF continues to incorporate traditional assets (cash, domestic and international stocks, and domestic fixed income) while also incorporating nontraditional assets (such as real estate and private equity) into the target asset mix.

2009 Comprehensive Annual Financial Report

Letter of Transmittal

The investment portfolio mix at fair value for fiscal year ended June 30, 2009, was approximately 31.9 percent fixed income, 50.5 percent public equities, 16.5 percent in alternative investments and 1.1 percent residual cash within the fund. Of the total portfolio as of June 30, 2009, the equity portfolio was comprised of 27 percent domestic equity, 8.4 percent global equity, and 15.1 percent international equity.

Funding

The health of a retirement system is measured by its ability to fund current and future benefit obligations of its members, which is represented by its funding level. Adequate funding levels reflect the ratio between total actuarial assets compared to total actuarial accrued liabilities. Total CRIF returns of negative 20.6 percent were below actuarial assumptions of 7.25 percent. However, it should be noted the 7.25 percent assumption is based on a long-term, multi-year strategy. Notwithstanding the volatility of recent market conditions, PERF and its investments remain in sound, stable condition. The actuarial accrued liability of PERF is a measure of the present value of actuarial accrued liabilities estimated to be payable in the future to all current retirees, beneficiaries and employees for service earned to date. The funding ratio is the percentage computed by dividing the actuarial value of net assets available for benefits by the actuarial accrued liability. This ratio provides an indication of the funding status of the plan and generally, the greater this percentage, the stronger the plan.

The accumulated balance of funds derived from the excess of additions over deductions is referred to as the net assets held in trust for pension benefits in the Statement of Changes in Fiduciary Net Assets in the Financial Section of this report. Actuarial accrued liability, funding status and progress for the plans are presented in the Required Supplementary Information Schedule of Funding Progress and Note 5 of the Notes to the Financial Statements.

Actuarial Survey Valuation

An actuarial review of PERF is performed annually. An assumption experience study is performed every three to five years. The actuarial firm, McCreedy & Keene, completed the experience study, actuarial reviews and valuations. In addition, the firm served as technical advisor to PERF. Actuarial certification and supporting statistics are included in the Actuarial and Statistical sections of this report.

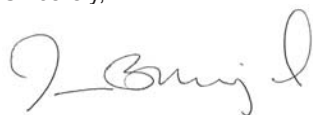
Acknowledgements

This 2009 Comprehensive Annual Financial Report represents our commitment to a constructive spirit of full disclosure to clearly communicate our financial story and to motivate interested individuals to read this document. It is intended to provide information for use as the basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the assets contributed by our members and employers.

Our success in achieving this level of public accountability would not be possible without the effective teamwork and committed service of PERF's staff and advisors.

Our members, employers and the people of the state of Indiana have bestowed on us significant confidence and trust in the management of this fund. We are committed to living up to, and exceeding, their high expectations. In addition, on behalf of the entire PERF team, I thank the Board of Trustees, Governor Mitch Daniels, the members of the Pension Management Oversight Commission, the Indiana General Assembly and the many public employees and employers who strongly encourage us to continually raise the bar of service to our customers.

Sincerely,



Terren B. Magid
Executive Director



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2009***

Presented to

Indiana Public Employees' Retirement Fund

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, reading 'Alan H. Winkle'.

Alan H. Winkle
Program Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Employees' Retirement Fund of Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Public Employees' Retirement Fund



Administrative Organization

Mitch Daniels
Governor

Becky Skillman
Lt. Governor

Executive Team

Terren Magid
Executive Director

Steven Barley
Deputy Director
Chief Operations Officer

David Huffman
Deputy Director
Chief Technology Officer

Kathryn Cimera
General Counsel

Janell Gurney
Director of Human Resources

Jeffrey Hutson
Chief Communication Officer

Wisty Malone
Director of Internal Audit

Todd Williams
Chief Financial Officer

Shawn Wischmeier
Chief Investment Officer

Professional Consultants¹

McCready and Keene, Inc.
7941 Castleway Drive
Indianapolis, IN 46250-0460

Mercer Investment Consulting, Inc.
10 South Wacker Drive, Ste. 1700
Chicago, IL 60606-7500

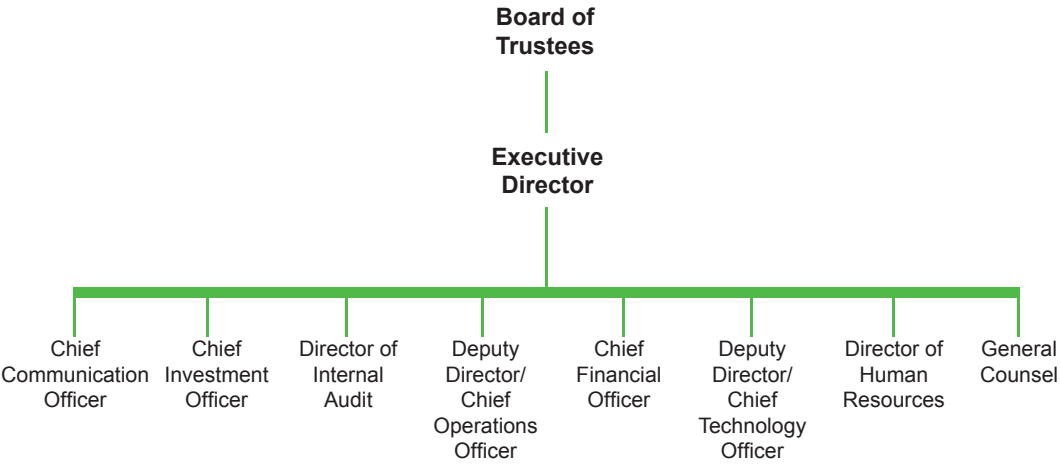
Strategic Investment Solutions, Inc.
333 Bush Street, Suite 2000
San Francisco, CA 94104

¹A complete list of investment professionals who have provided services to PERF can be found on pages # and #.



Executive Team

Organizational Chart



2009 Comprehensive Annual Financial Report

PERF Board of Trustees & Executive Team

Board of Trustees



Ken Cochran
Chair



Kevin Boehnlein
Vice Chairman



Cynthia Walsh



Ryan Kitchell



Matt Murphy



Robert Welch

Executive Team



Terren Magid
Executive Director



Steven Barley
Chief Operations Officer



David Huffman
Chief Technology Officer



Todd Williams
Chief Financial Officer



Janell Gurney
Director of Human Resources



Jeffrey Hutson
Chief Communication Officer



Shawn Wischmeier
Chief Investment Officer



Kathryn Cimera
General Counsel



Wisty Malone
Director of Internal Audit

Public Employees' Retirement Fund



Fund Highlights: Public Employees' Retirement Fund

Membership and Eligibility

The Public Employees' Retirement Fund (PERF Plan) includes eligible state and local government employees.

MEMBERS RECEIVING RETIREMENT BENEFITS

Age	Years of Service	Allowance Reduction
50 up to 59	15 or more	11% at age 59, additional 5% for each year under age 59
55	Age at retirement plus total years of service equals 85 or more	None
60	15 or more	None
65	10 or more	None
65	8 or more ¹	None

¹A member who has at least eight years of PERF Plan service as a county clerk, county auditor, county recorder, county treasurer, county sheriff or county coroner is eligible for normal retirement after reaching age 65. This change in the law applies only to members retiring after June 30, 2002. Public Law 73-2002 also provides that a member serving as state auditor, state treasurer or secretary of state, and whose term commences after the November 5, 2002 election, be vested with at least eight years of creditable service.

BENEFIT FORMULA

Annual Benefit = (Years of Creditable Service x
Average Annual Compensation x .011) +
Annuity Savings Account²

²Members can elect at retirement to receive their Annuity Savings Account as a monthly supplement to their defined pension benefit or in a total distribution.

Cost of Living Allowance

Cost of living allowances are passed by the Indiana General Assembly on an ad hoc basis.

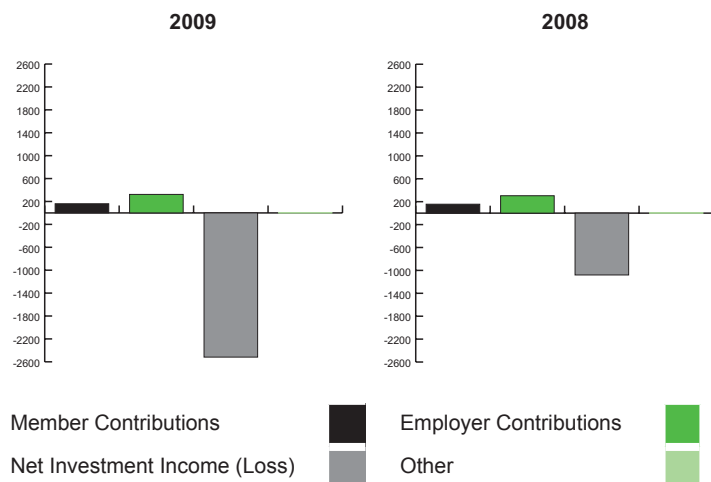
Contribution Rates

- The amount (rate) of employer contributions is adopted by the PERF Board of Trustees based on recommendations by PERF's actuary.
- Members are required to contribute 3 percent of gross wages to their Annuity Savings Account, and employers have the option of making all or part of this contribution on behalf of the member. Members may also voluntarily contribute up to an additional 10 percent of their wages into their Annuity Savings Account.

2009 Comprehensive Annual Financial Report

Fund Highlights: Public Employees' Retirement Fund (continued)

Additions by Source
For Fiscal Year Ended June 30 (in millions)

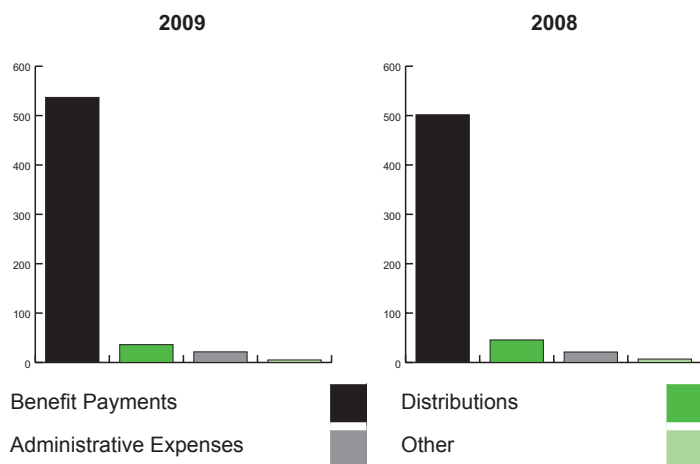


For fiscal year ended June 30
(in millions)

Additions by Source

	2009	2008
Member Contributions	\$ 160.0	\$ 155.7
Employer Contributions	323.2	303.9
Net Investment Income (Loss)	(2,517.9)	(1,079.9)
Other	3.1	6.6
Totals	\$ (2,031.6)	\$ (613.7)

Deductions by Type
For Fiscal Year Ended June 30 (in millions)

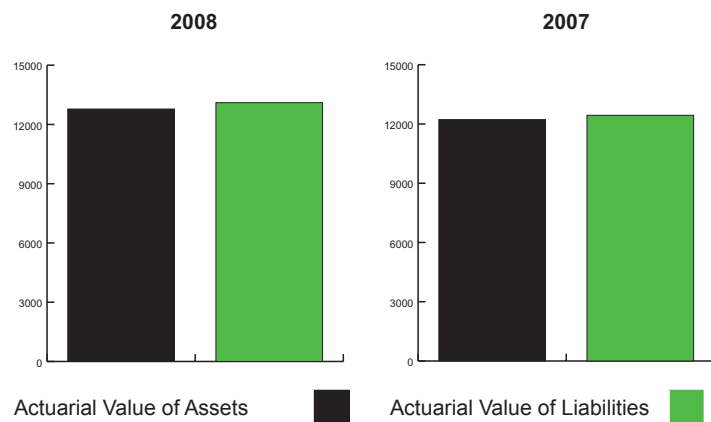


For fiscal year ended June 30
(in millions)

Deductions by Type

	2009	2008
Benefit Payments	\$ 536.8	\$ 501.6
Distributions	36.1	45.6
Administrative Expenses	21.5	21.2
Other	5.1	6.9
Totals	\$ 599.5	\$ 575.3

Funding Progress
Actuarial Study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

Funding Progress

	2008	2007
Actuarial Value of Assets	\$ 12,780.1	\$ 12,220.9
Actuarial Value of Liabilities	13,103.2	12,439.8
Funding Ratios	97.5%	98.2%

Public Employees' Retirement Fund



Fund Highlights: 1977 Police Officers' and Firefighters' Pension and Disability Fund

Membership and Eligibility

1977 Police Officers' and Firefighters' Pension and Disability Fund provides coverage to full-time sworn officers of a police force of an Indiana city or town and full-time firefighters employed by an Indiana city, town or township.

MEMBERS RECEIVING RETIREMENT BENEFITS

Age	Years of Service	Actuarial Reduction
50	20 or more	Actuarial reduction of 14 percent at age 50 which decreases uniformly from age 50 to age 52 on a monthly basis
52	20 or more	None

BENEFIT FORMULA

Annual Benefit =

Monthly Benefit = 50 percent¹ of first-class salary for 20 years of service.

¹This percentage is increased by 1 percent for each six months of active service accumulated after 20 years of service (to a maximum of 32 years, or 74 percent).

Cost of Living Allowance

Cost of living allowance is a percentage determined by statute equal to the change in the Consumer Price Index, but not in excess of a 3 percent increase.

Contribution Rates

- Members contribute 6 percent of first-class salary for the term of their employment up to 32 years. Employers have the option of making all or part of this contribution on behalf of the member.
- Employer contribution rates are adopted by the PERF Board of Trustees based on recommendations by PERF's actuary.

2009 Comprehensive Annual Financial Report

Fund Highlights: 1977 Police Officers' and Firefighters' Pension and Disability Fund (continued)

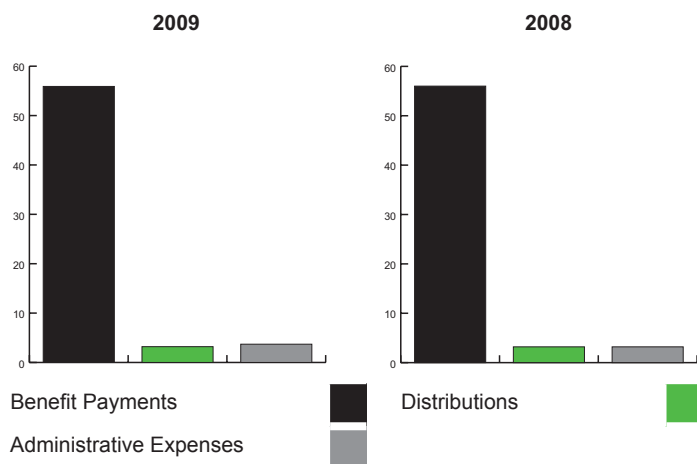
Additions by Source
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

	2009	2008
Additions by Source		
Member Contributions	\$ 38.5	\$ 36.8
Employer Contributions	130.0	129.5
Net Investment Income (Loss)	(662.6)	(265.7)
Other	0.2	0.1
Totals	\$ (493.9)	\$ (99.3)

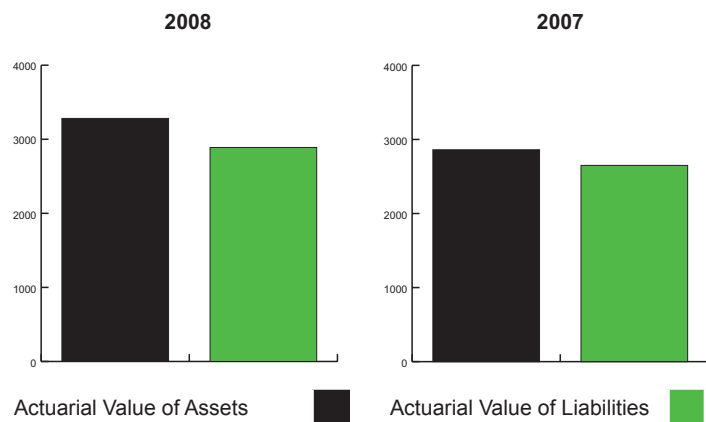
Deductions by Type
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

	2009	2008
Deductions by Type		
Benefit Payments	\$ 55.9	\$ 56.0
Distributions	3.2	3.2
Administrative Expenses	3.7	3.2
Totals	\$ 62.8	\$ 62.4

Funding Progress
Actuarial Study as of January 1 (in millions)



Actuarial Study as of January 1
(in millions)

	2008	2007
Funding Progress		
Actuarial Value of Assets	\$ 3,281.5	\$ 2,860.5
Actuarial Value of Liabilities	2,889.3	2,649.5
Funding Ratios	113.6%	108.0%

Public Employees' Retirement Fund



Fund Highlights: Judges' Retirement System

Membership and Eligibility

The Judges' Retirement System includes any person who has served, is serving or shall serve as a regular judge of the Supreme Court of the state of Indiana, Circuit Court of any Judicial Court, Indiana Tax Court or County Courts including: Circuit, Superior, Criminal, Probate, Juvenile and Municipal Courts.

MEMBERS RECEIVING RETIREMENT BENEFITS

Age	Years of Service	Allowance Reduction
55	Age at retirement plus total years of service equals 85 or more	None
62	8 or more	0.1% for each month that retirement precedes age 65
65	8 or more	None

BENEFIT FORMULA

Annual Benefit = Salary at Retirement¹ x Percentage Below

Years of Service	Percentage	Years of Service	Percentage
8	24%	16	54%
9	27	17	55
10	30	18	56
11	33	19	57
12	50	20	58
13	51	21	59
14	52	22 or more	60
15	53	—	—

¹Benefit calculations for the 1977 System (those who began service as a judge before September 1, 1985) are based on the current salary of the judge's position from which they retired. The 1985 System (those who began service as a judge after August 31, 1985) uses the salary paid to the participant when they retired or the salary paid for the office the participant held at the time of the participant's separation, depending on the participant's separation date and date of retirement application.

Cost of Living Allowance

For the 1977 System, the cost of living allowance is a percentage increase equal to the increase in the salary of the judge's position from which the judge retired. For the 1985 System, a 2 percent cost-of-living allowance is payable January 1, 2009 to participants, survivors and beneficiaries, up to December 31, 2009.

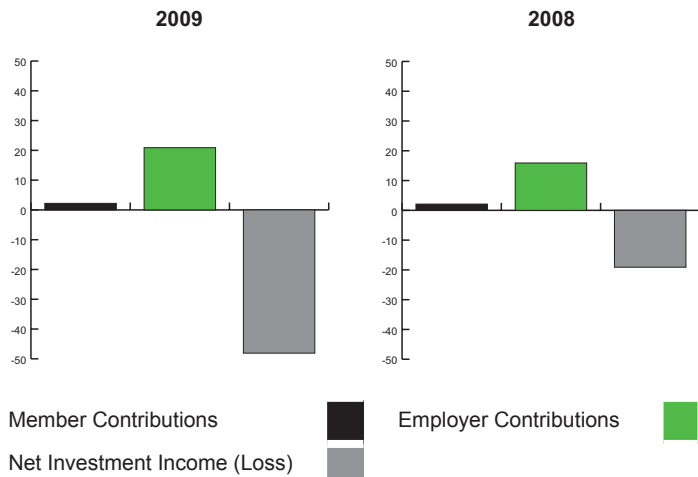
Contribution Rates

- Employees contribute 6 percent of the judge's statutory salary until 22 years of service have been completed.
- Employer contributions are determined by the Indiana General Assembly as biennial appropriations from the state's General Fund.

2009 Comprehensive Annual Financial Report

Fund Highlights: Judges' Retirement System (continued)

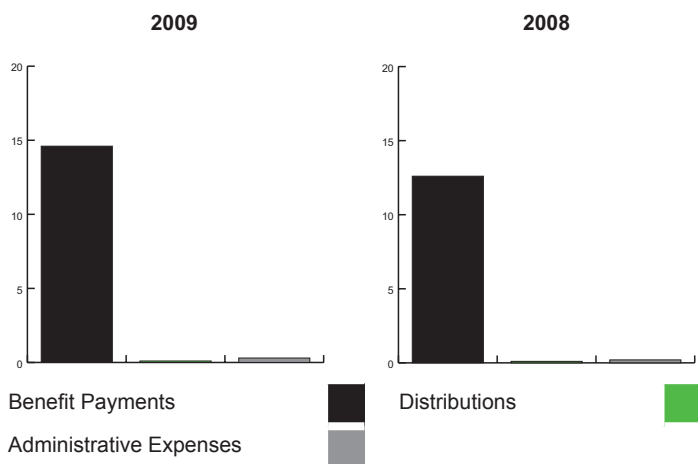
Additions by Source
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

	2009	2008
Additions by Source		
Member Contributions	\$ 2.2	\$ 2.1
Employer Contributions	20.9	15.9
Net Investment Income (Loss)	(48.1)	(19.1)
Totals	\$ (25.0)	\$ (1.1)

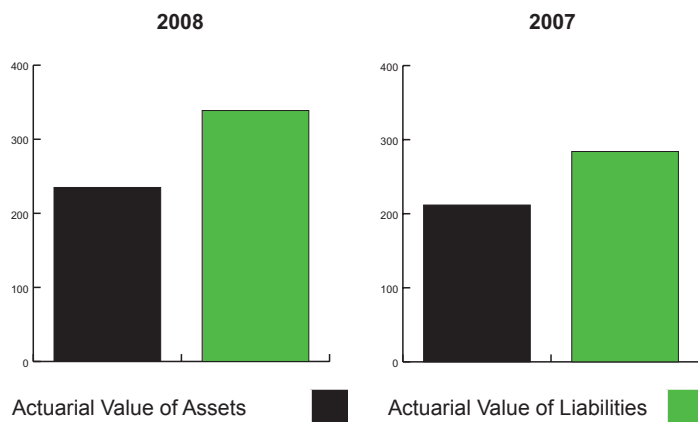
Deductions by Type
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

	2009	2008
Deductions by Type		
Benefit Payments	\$ 14.6	\$ 12.6
Distributions	0.1	0.1
Administrative Expenses	0.3	0.2
Totals	\$ 15.0	\$ 12.9

Funding Progress
Actuarial Study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

	2008	2007
Funding Progress		
Actuarial Value of Assets	\$ 234.9	\$ 211.7
Actuarial Value of Liabilities	338.8	284.0
Funding Ratios	69.3%	74.6%

Public Employees' Retirement Fund



Fund Highlights: State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

Membership and Eligibility

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan includes employees engaged exclusively in the performance of law enforcement duties of the (1) Indiana Department of Natural Resources, (2) Indiana Alcohol and Tobacco Commission and (3) any Indiana state excise police officer, Indiana state conservation enforcement officer or gaming agent.

MEMBERS RECEIVING RETIREMENT BENEFITS

Age	Years of Service	Allowance Reduction
45	15 or more	0.25% for each full month that retirement precedes age 60
50	25 or more	None
55	Age at retirement plus total years of service equals 85 or more	None
65	Mandatory retirement at age 65	None

BENEFIT FORMULA

$$\text{Annual Benefit} = 25 \text{ percent}^1 \times \text{Average Annual Salary}^2$$

¹This percentage is increased by 1.67 percent of average annual salary for each completed year of creditable service after 10 years. However, the total percentage may not exceed 75 percent.

²Average Annual Salary is defined as the average annual salary of an officer during the five years of highest annual salary in the 10 years immediately preceding an officer's retirement date.

Cost of Living Allowance

Cost of living allowance is applied at the same rate as was passed by the Indiana General Assembly for the Public Employees' Retirement Fund.

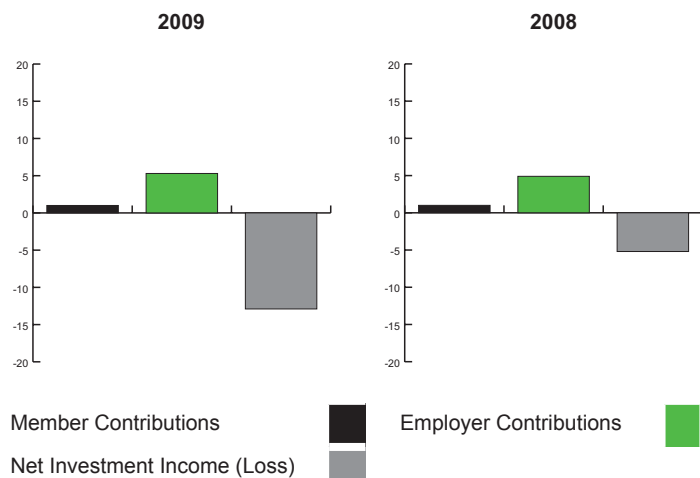
Contribution Rates

- Members contribute 4 percent of their annual salary.
- Employer contributions are adopted by the PERF Board of Trustees based on recommendations by PERF's actuary.

2009 Comprehensive Annual Financial Report

Fund Highlights: State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (continued)

Additions by Source
For Fiscal Year Ended June 30 (in millions)

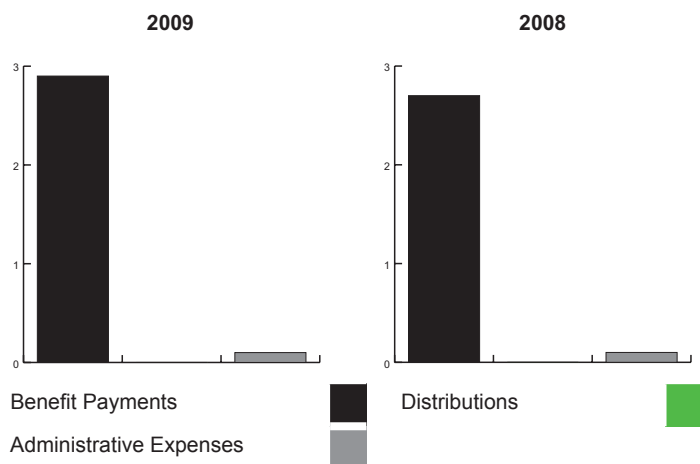


For fiscal year ended June 30
(in millions)

Additions by Source

	2009	2008
Member Contributions	\$ 1.0	\$ 1.0
Employer Contributions	5.3	4.9
Net Investment Income (Loss)	(12.9)	(5.2)
Totals	\$ (6.6)	\$ 0.7

Deductions by Type
For Fiscal Year Ended June 30 (in millions)

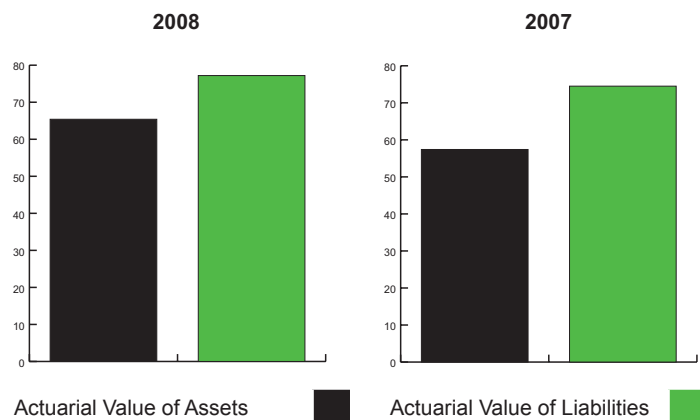


For fiscal year ended June 30
(in millions)

Deductions by Type

	2009	2008
Benefit Payments	\$ 2.9	\$ 2.7
Distributions	-	-
Administrative Expenses	0.1	0.1
Totals	\$ 3.0	\$ 2.8

Funding Progress
Actuarial Study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

Funding Progress

	2008	2007
Actuarial Value of Assets	\$ 65.4	\$ 57.4
Actuarial Value of Liabilities	77.2	74.5
Funding Ratios	84.7%	77.1%

Public Employees' Retirement Fund



Fund Highlights: Prosecuting Attorneys' Retirement Fund

Membership and Eligibility

The Prosecuting Attorneys' Retirement Fund (PARF) includes prosecuting attorneys, chief deputy prosecuting attorneys and other deputy prosecuting attorneys paid by the state. PARF members are also members of the PERF Plan. According to statute, benefits payable from PARF are reduced by any benefits payable from the PERF Plan.

MEMBERS RECEIVING RETIREMENT BENEFITS

Age	Years of Service	Allowance Reduction
62	8 or more	0.25% for each full month that retirement precedes age 65
65	8 or more	None

BENEFIT FORMULA

Annual Benefit = Highest Annual Salary (state-paid portion only) at Retirement x Percentage Below

Years of Service	Percentage	Years of Service	Percentage
Less than 8	0%	15	53%
8	24	16	54
9	27	17	55
10	30	18	56
11	33	19	57
12	50	20	58
13	51	21	59
14	52	22 or more	60

Cost of Living Allowance

No cost of living allowance is available.

Contribution Rates

- Members contribute 6 percent of the state-paid portion of their annual salary.
- Employer contributions are adopted by the PERF Board of Trustees based on recommendations by PERF's actuary.

2009 Comprehensive Annual Financial Report

Fund Highlights: Prosecuting Attorneys' Retirement Fund (continued)

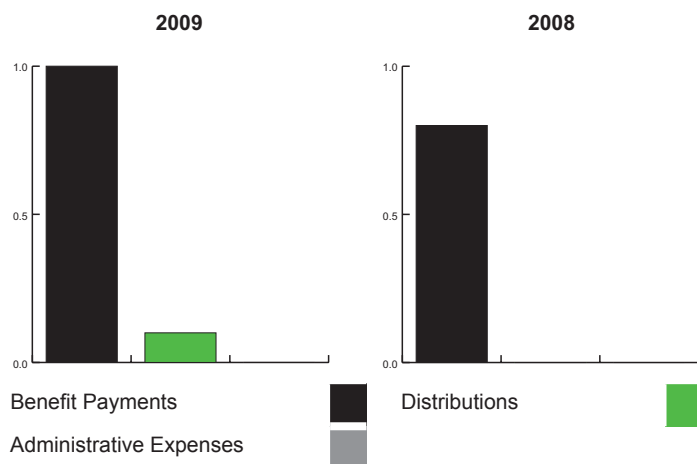
Additions by Source
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

	2009	2008
Additions by Source		
Member Contributions	\$ 1.3	\$ 1.2
Employer Contributions	0.2	0.2
Net Investment Income (Loss)	(5.3)	(2.1)
Totals	\$ (3.8)	\$ (0.7)

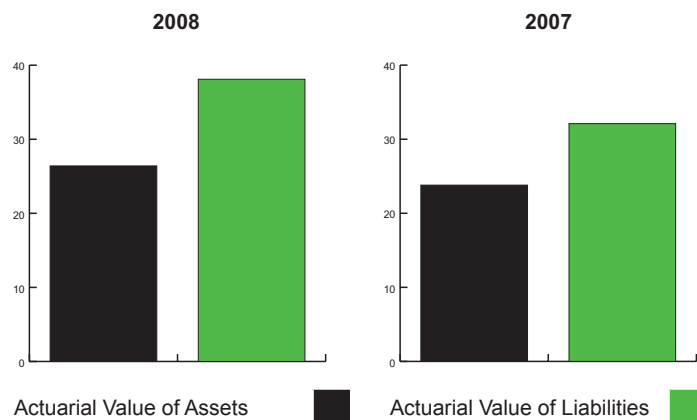
Deductions by Type
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

	2009	2008
Deductions by Type		
Benefit Payments	\$ 1.0	\$ 0.8
Distributions	0.1	-
Administrative Expenses	-	-
Totals	\$ 1.1	\$ 0.8

Funding Progress
Actuarial Study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

	2008	2007
Funding Progress		
Actuarial Value of Assets	\$ 26.4	\$ 23.8
Actuarial Value of Liabilities	38.1	32.1
Funding Ratios	69.2%	74.3%

Public Employees' Retirement Fund



Fund Highlights: Legislators' Retirement System — Defined Benefit Plan

Membership and Eligibility

The Legislators' Retirement System Defined Benefit Plan includes only legislators of the state of Indiana who were serving on April 30, 1989, and elected participation. Legislators elected or appointed after April 30, 1989 participate in the Legislators' Defined Contribution Plan.¹

MEMBERS RECEIVING RETIREMENT BENEFITS

Age	Years of Service	Allowance Reduction
55	10 or more ²	Benefit reduced using early retirement formula ³
55	Age at retirement plus total years of service as a member of the General Assembly equals 85 or more	None
60	15 or more	None
65	10 or more ⁴	None

¹ The Legislators' Retirement System also includes a defined contribution plan available to all legislators of the state of Indiana who serve in the Indiana General Assembly on or after April 30, 1989. Members contribute 5 percent of their annual salary. The state of Indiana contribution rate is a percentage that is the sum of: 1) the state's employer contribution rate for state employees, and 2) the rate the state pays on behalf of state employees to their Annuity Savings Accounts. This rate, by statute, cannot exceed the total contribution rate paid that year by the state to PERF for state employees.

² Has terminated service as a member of the Indiana General Assembly and is not receiving nor is entitled to receive a salary from the state.

³ Early Retirement Benefit Formula:

Step 1: 780 months (65 years) – age at retirement in full months = [x].

Step 2: If [x] is equal to or less than 60, then multiply [x] by 0.1 percent to obtain a product [y]. If [x] is greater than 60, then multiply 0.4167 percent by the difference between 60 and the remainder [x]. Then take this product and add 6 percent to obtain a sum [y].

Step 3: Then subtract [y] from 100 percent to determine the percentage of age 65 retirement benefit received.

⁴ Has terminated service as a member of the Indiana General Assembly, is not receiving nor is entitled to receive a salary from the state, and is not receiving and has not previously received a reduced monthly benefit under this plan.

BENEFIT FORMULA

Lesser of:

- \$40 x Years of service before November 8, 1989 or
- Highest consecutive three-year average annual salary at termination ÷ 12

Legislators elected or appointed after April 30, 1989 participate in the Legislators' Defined Contribution Plan.

Cost of Living Allowance

Cost of living allowance is applied at the same rate as was passed by the Indiana General Assembly for the PERF Plan.

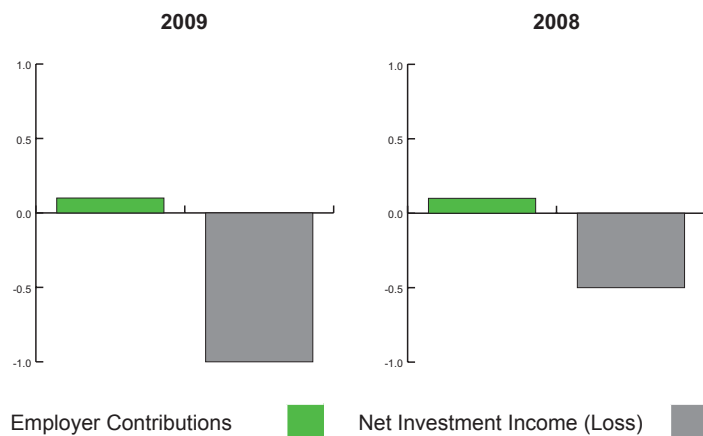
Contribution Rates

Employer contributions are adopted by the PERF Board of Trustees based on recommendations of PERF's actuary.

2009 Comprehensive Annual Financial Report

Fund Highlights: Legislators' Retirement System — Defined Benefit Plan (continued)

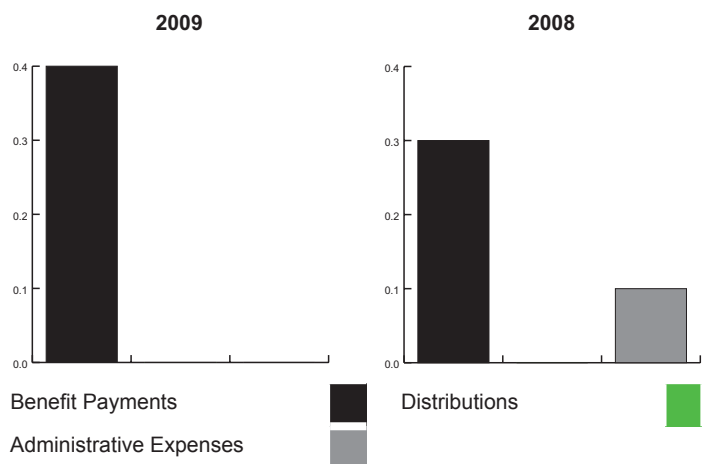
Additions by Source
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

	2009	2008
Additions by Source		
Employer Contributions	\$ 0.1	\$ 0.1
Net Investment Income (Loss)	(1.0)	(0.5)
Totals	\$ (0.9)	\$ (0.4)

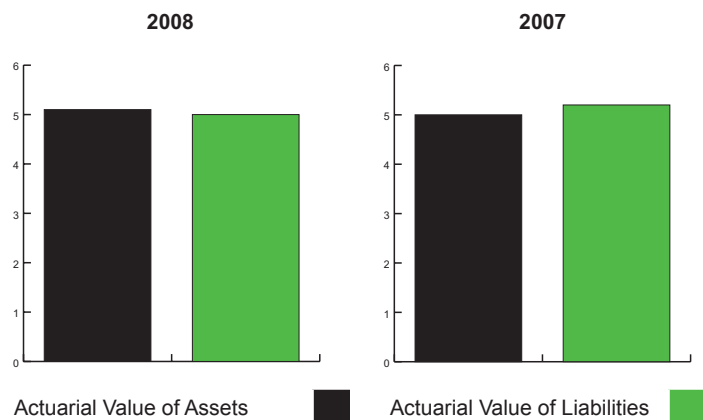
Deductions by Type
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

	2009	2008
Deductions by Type		
Benefit Payments	\$ 0.4	\$ 0.3
Distributions	-	-
Administrative Expenses	-	0.1
Totals	\$ 0.4	\$ 0.4

Funding Progress
Actuarial Study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

	2008	2007
Funding Progress		
Actuarial Value of Assets	\$ 5.1	\$ 5.0
Actuarial Value of Liabilities	5.0	5.2
Funding Ratios	101.6%	97.4%

2009 Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

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Independent Auditors' Report



STATE OF INDIANA AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF PUBLIC EMPLOYEES' RETIREMENT FUND BOARD OF TRUSTEES

We have audited the accompanying financial statements of the Public Employees' Retirement Fund Board of Trustees (PERF), as of and for the year ended June 30, 2009. These basic financial statements are the responsibility of the Public Employees' Retirement Fund Board of Trustees' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the plan net assets of the fiduciary funds of the Public Employees' Retirement Fund Board of Trustees as of June 30, 2009, and the changes in the plan net assets of the fiduciary funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, Schedule of Funding Progress, Schedule of Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The Introductory Section, Administrative Expenses, Investment Expenses, Contractual and Professional Service Expenses, Investment Section, Actuarial Section, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Administrative Expenses, Investment Expenses, and Contractual and Professional Service Expenses have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section, Investment Section, Actuarial Section, and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

State Board of Accounts
STATE BOARD OF ACCOUNTS

September 30, 2009

Public Employees' Retirement Fund



Management's Discussion and Analysis

This section presents Management's Discussion and Analysis (MD&A) of the Public Employees' Retirement Fund of Indiana (PERF) financial statements for the year ended June 30, 2009. The MD&A is presented as a narrative overview and analysis in conjunction with the Letter of Transmittal included in the Introductory Section of the *PERF Comprehensive Annual Financial Report*. This section should be read in conjunction with the Financial Statements, Notes to the Financial Statements, Required Supplementary Information and Other Supplementary Information.

The following retirement plans are included in the PERF financial statements: Public Employees' Retirement Fund (PERF plan); 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund); Judges' Retirement System (JRS); State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (E, G & C plan); Prosecuting Attorneys' Retirement Fund (PARF); Legislators' Defined Contribution Plan (LDC plan) and Legislators' Defined Benefit Plan (LDB plan). Also included in the financial statements are non-retirement funds managed by PERF: the Public Safety Officers' Special Death Benefit Fund (PSO Special Death Benefit Fund); the State Employees' Death Benefit Fund (SE Death Benefit Fund) and the Pension Relief Fund (PR Fund). See Notes to the Financial Statements for descriptions of these retirement plans and non-retirement funds.

Financial Highlights

- Total net assets of PERF were \$12.4 billion as of June 30, 2009. Net assets of the retirement plans, which are held in trust to meet future benefit payments, were \$12.3 billion as of June 30, 2009.
- Total net assets of PERF decreased by \$3.3 billion, or 21.1 percent, from the prior year. The decrease was due primarily to negative investment returns.
- Net assets of the PR Fund, which are held in trust for pool participants, were \$105.4 million as of June 30, 2009, compared to \$172.4 million as of June 30, 2008. PR Fund distributions are mandated by state law and continue to outpace revenues.
- Substantially all of the investments for the retirement plans and funds administered by PERF are pooled in the Consolidated Retirement Investment Fund (CRIF). The CRIF rate of return on investments for the year declined 20.6 percent (gross of fees) on a market value basis, compared to last year's decline of 7.9 percent. The decline was due primarily to negative returns in the public equity segment.
- As of July 1, 2008, the date of the most recent actuarial valuation, the Public Employees' Retirement Fund, the largest pension plan administered by PERF, is funded actuarially at 97.5 percent. This represents a decrease from the 98.2 percent funded level as of July 1, 2007. Employer contributions are adjusted annually based on actuarial computations to fund the plan.

Overview of the Financial Statements

The Statement of Fiduciary Net Assets presents information on PERF's assets and liabilities and the resulting net assets held in trust for pension benefits, employee death benefits and pool participants. This statement reflects PERF's investments at fair value, along with cash and short-term investments, receivables, and other assets and liabilities. This statement indicates the resources available to pay future pension and death benefits and gives a snapshot at a particular point in time.

2009 Comprehensive Annual Financial Report

Management's Discussion and Analysis (continued)

The Statement of Changes in Fiduciary Net Assets presents information showing how PERF's net assets held in trust for pension benefits, death benefits and pool participants changed during the years ended June 30, 2008 and June 30, 2009. It reflects contributions by members and employers along with deductions for retirement benefits, distributions, PR Fund distributions and withdrawals, and administrative expenses. Investment income and losses during the period are also presented, showing income and/or losses from investing and securities lending activities.

Financial Analysis

Total assets of PERF were \$16.6 billion as of June 30, 2009, compared to \$18.9 billion as of June 30, 2008. The decrease in total assets was due primarily to negative investment returns.

Total liabilities were \$4.1 billion as of June 30, 2009, compared to \$3.2 billion as of June 30, 2008. The increase was due to increases in investment related transactions not yet settled and an increase in securities lending activity at year end.

A summary of PERF's net assets is presented below:

Net Assets (dollars in thousands)

	June 30, 2009	June 30, 2008	% Change
Assets			
Cash and Cash Equivalents	\$ 1,197,416	\$ 747,349	60.2 %
Securities Lending Collateral	2,367,249	2,036,840	16.2
Receivables and Prepaids	1,384,453	959,110	44.3
Investments	11,597,110	15,145,752	(23.4)
Capital Assets (Net)	6,306	2,926	115.5
Total Assets	\$ 16,552,534	\$ 18,891,977	(12.4)%
Liabilities			
Securities Lending Collateral	\$ 2,367,249	\$ 2,036,840	16.2 %
Other Current Liabilities	1,762,510	1,117,814	57.7
Long-Term Liabilities	243	244	(.4)
Total Liabilities	\$ 4,130,002	\$ 3,154,898	30.9 %
Total Net Assets	\$ 12,422,533	\$ 15,737,079	(21.1)%

Public Employees' Retirement Fund



Management's Discussion and Analysis (continued)

A summary of net assets by fund compared to the prior year is as follows:

Summary of Net Assets by Fund (dollars in thousands)

	June 30, 2009	June 30, 2008	% Change
Public Employees' Retirement Fund	\$ 9,442,336	\$ 12,073,470	(21.8)%
1977 Police Officers' and Firefighters' Pension and Disability Fund	2,591,674	3,148,396	(17.7)
Judges' Retirement System	179,428	219,426	(18.2)
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	51,404	61,076	(15.8)
Prosecuting Attorneys' Retirement Fund	19,696	24,613	(20.0)
Legislators' Defined Contribution Plan	19,778	24,298	(18.6)
Legislators' Defined Benefit Plan	3,368	4,674	(27.9)
Public Safety Officers' Special Death Benefit Fund	2,842	2,459	15.6
State Employees' Death Benefit Fund	6,566	6,251	5.0
Pension Relief Fund	105,441	172,416	(38.8)
Total	\$ 12,422,533	\$ 15,737,079	(21.1)%

Substantially all of the investments for the retirement plans and funds administered by PERF are pooled in the CRIF. The investments of the non-retirement funds administered by PERF are not included in the CRIF. The following table presents PERF's investment allocation in the CRIF compared to PERF's target investment allocation and the prior year allocation. The PERF Board of Trustees approved a change to the long-term target asset allocation on October 17, 2008. This will cause some allocations to be outside their target ranges as the portfolio is rebalanced to the new long-term target asset allocation.

	June 30, 2009 Actual	June 30, 2009 Target	Allowable Range ¹	June 30, 2008 Actual
Domestic Equity	27.0%	15%	10 to 20%	39.3 %
International Equity	15.1	15	10 to 20	18.2
Fixed Income	24.6	20	15 to 25	17.6
Global Equity	8.4	10	5 to 15	9.8
TIPS	7.3	10	5 to 15	6.6
Alternative Investments	16.5	30	25 to 35	7.3
Cash	1.1	-	-	1.2
Total	100%	100%		100%

¹See Notes to the Financial Statements, Note 6 for additional information.

2009 Comprehensive Annual Financial Report

Management's Discussion and Analysis (continued)

A summary of changes in net assets compared to the prior year is as follows:

Changes in Net Assets (dollars in thousands)

	June 30, 2009	June 30, 2008	% Change
Additions			
Member Contributions	\$ 204,391	\$ 198,132	3.2 %
Employer Contributions	479,578	454,474	5.5
Contributions to PR Fund:			
From the state of Indiana	109,533	61,521	78.0
Other Contributions from the state	539	517	4.3
Net Investment Income / (Loss)	(3,256,830)	(1,371,497)	(137.5)
Transfers from Teachers' Retirement Fund (TRF)	3,402	6,419	(47.0)
Other	166	405	(59.0)
Total Additions	\$ (2,459,221)	\$ (650,029)	(278.3)%
Deductions			
Benefits	612,083	\$ 575,030	6.4%
Distributions	40,742	49,977	(18.5)
Transfers to Teachers' Retirement Fund (TRF)	5,137	6,847	(25.0)
Pension Relief Distributions	167,279	134,948	24.0
Local Unit Withdrawals ¹	4,020	2,422	66.0
Administrative Expenses	26,064	24,963	4.4
Total Deductions	\$ 855,325	\$ 794,187	7.7 %
Increase (Decrease) in Net Assets	\$ (3,314,546)	\$ (1,444,216)	(129.5)%
Change in Net Assets Held In Trust For:			
Pension Benefits	\$ (3,248,269)	\$ (1,370,606)	(137.0)%
Future Death Benefits ¹	698	681	2.5
State and Local Units ²	(66,975)	(74,291)	(9.8)

¹Other Employee Benefit Trust Funds.

²Pension Relief Fund only.

Additions

Additions needed to fund benefits for the pension trust funds are accumulated through member and employer contributions, and net returns on invested funds. Member contributions for the year ended June 30, 2009, totaled \$204.4 million. This represents an increase of \$6.2 million or 3.2 percent, compared to the prior year. Employer contributions were \$479.6 million, an increase of \$25.1 million or 5.5 percent. Employer contributions are adjusted annually based on actuarial computations to fund the plan.

PERF recognized a net investment loss of \$3.3 billion for the year ended June 30, 2009, compared to a net investment loss of \$1.4 billion the prior year. The total rate of return on the CRIF was negative 21.0 percent (net of fees) compared to a 7.9 percent loss the prior year.

Public Employees' Retirement Fund



Management's Discussion and Analysis (continued)

Indiana law effective for the fiscal year ended June 30, 2002, permitted cities and towns to defer receiving their earmarked relief payments from the PR Fund. The deferred amounts remain invested in the fund and are available to those cities and towns at their request. There were no deferrals during the year ended June 30, 2009. The state of Indiana makes contributions to the PR Fund by way of appropriations, certain tax receipts and lottery funds. These contributions totaled \$109.5 million for the fiscal year ended June 30, 2009, and \$61.5 million for the fiscal year ended June 30, 2008.

Deductions

The deductions from PERF's net assets held in trust for pension benefits include retirement, disability and survivor benefits, distributions of contributions and interest/earnings or losses to former members, and administrative expenses. For the year ended June 30, 2009, benefits amounted to \$612.1 million, an increase of \$37.1 million or 6.4 percent from the prior year. The increase in benefits was due primarily to an increase in the number of retirees from 63,081 at June 30, 2008 to 65,455 at June 30, 2009. Distributions paid out to former members were \$40.7 million, which represents a decrease of \$9.2 million or 18.5 percent from the prior year. The decrease is primarily due to \$1.8 million in minimum balance distributions that were processed in fiscal year 2008, as well as the impact of the market value decline on annuity savings account balances.

The cost of administering PERF's retirement plans and non-retirement funds, excluding investment manager expenses, amounted to \$26.1 million, an increase of \$1.1 million or 4.4 percent, compared to the prior year. The increase was due primarily to support costs for modernization projects which were launched in order to expand customer service and create operating efficiencies.

Historical Trends

A pension fund is fully funded when it has enough money in reserve to meet all expected future obligations to participants. The funded ratios of the defined benefit pension plans administered by PERF as of the latest actuarial valuations were as follows:

	July 1, 2008	July 1, 2007
PERF	97.5%	98.2%
JRS	69.3	74.6
E, G & C plan	84.7	77.1
PARF	69.2	74.3
LDB plan	101.6	97.4
	January 1, 2008	January 1, 2007
1977 Fund	113.6%	108.0%

An analysis of the funding progress, employer contributions and a discussion of actuarial assumptions and methods is set forth in Note 5 and in the Required Supplementary Information of the Financial Section.

Public Employees' Retirement Fund



Statement of Fiduciary Net Assets

As of June 30, 2009 (with Comparative Totals as of June 30, 2008)*

	Pension Trust Funds				
	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	Judges' Retirement System	State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	Prosecuting Attorneys' Retirement Fund
<i>(dollars in thousands)</i>					
Assets					
Cash and Cash Equivalents	\$ 874,391	\$ 282,017	\$ 20,262	\$ 5,047	\$ 1,900
Securities Lending Collateral	1,795,972	515,274	35,490	10,279	3,960
Receivables					
Contributions	99,402	40,058	101	292	58
Investment Income	34,426	9,873	680	197	76
Due From Other Funds	19,518	95	43	5	-
Investment and Contract Sales	893,879	256,459	17,664	5,116	1,971
Member Loans	-	-	-	-	-
Miscellaneous Receivable	446	221	-	-	-
Due From Teachers' Retirement Fund	1,633	-	-	-	-
Total Receivables	1,049,304	306,706	18,488	5,610	2,105
Prepaid Expenses	29	-	-	-	-
Investments					
Debt Securities	2,872,422	824,112	56,761	16,440	6,334
Equity Securities	3,230,548	926,860	63,838	18,490	7,123
Mutual Funds and Collective Trust Funds	1,673,823	379,363	26,129	7,568	2,916
Other	1,033,821	296,593	20,428	5,917	2,279
Total Investments	8,810,615	2,426,929	167,157	48,414	18,652
Capital Assets					
Land	547	-	-	-	-
Building	2,893	-	-	-	-
Computer Software & Equipment	3,629	-	-	-	-
Accumulated Depreciation	(763)	-	-	-	-
Total Capital Assets	6,306	-	-	-	-
Total Assets	12,536,617	3,530,925	241,397	69,350	26,617
Liabilities					
Accounts Payable	15,783	15	1	1	2
Salaries and Benefits Payable	771	-	-	-	-
Investments Payable	1,280,756	367,454	25,309	7,330	2,824
Due to Teachers' Retirement Fund	618	-	-	-	-
Deferred Revenue	-	40,000	-	-	-
Securities Lending Collateral	1,795,972	515,274	35,490	10,279	3,960
Due to Other Funds	138	16,509	1,169	336	135
Total Current Liabilities	3,094,038	939,252	61,969	17,946	6,921
Compensated Absences Liability-Long Term	243	-	-	-	-
Total Liabilities	3,094,281	939,252	61,969	17,946	6,921
Net Assets Held in Trust for:					
Pension Benefits	9,442,336	2,591,674	179,428	51,404	19,696
Future Death Benefits	-	-	-	-	-
State and Local Units	-	-	-	-	-
Total Net Assets Held in Trust	\$ 9,442,336	\$ 2,591,674	\$ 179,428	\$ 51,404	\$ 19,696

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		Other Employment Benefit Trust Funds				Investment Trust Fund	
Legislators' Retirement System		State Employees' Death Benefit Fund		Public Safety Officers' Special Death Benefit Fund		Pension Relief Fund	
Defined Contribution Plan	Defined Benefit Plan						
						2009 Totals	2008 Totals
\$ 5,182	\$ 328	\$ 426	\$ 194	\$ 7,669	\$ 1,197,416	\$ 747,349	
1,759	680	2,678	1,157	-	2,367,249	2,036,840	
31	-	-	-	-	139,942	138,587	
35	13	66	28	2	45,396	44,421	
-	1	-	-	-	19,662	19,454	
875	339	22	11	-	1,176,336	755,281	
773	-	-	-	-	773	779	
15	-	-	-	-	682	-	
-	-	-	-	-	1,633	588	
1,729	353	88	39	2	1,384,424	959,110	
-	-	-	-	-	29	-	
2,813	1,088	6,133	2,787	-	3,788,890	3,520,868	
3,164	1,224	-	-	-	4,251,248	7,246,835	
7,290	501	-	-	98,933	2,196,523	3,375,763	
1,012	392	-	-	6	1,360,449	1,002,286	
14,279	3,205	6,133	2,787	98,939	11,597,110	15,145,752	
-	-	-	-	-	547	547	
-	-	-	-	-	2,893	2,893	
-	-	-	-	-	3,629	87	
-	-	-	-	-	(763)	(601)	
-	-	-	-	-	6,306	2,926	
22,950	4,567	9,325	4,177	106,610	16,552,534	18,891,977	
8	1	5	152	10	15,978	12,151	
-	-	-	-	-	771	703	
1,277	485	35	10	-	1,685,480	1,082,596	
-	-	-	-	-	618	2,910	
-	-	-	-	-	40,000	-	
1,759	680	2,678	1,157	-	2,367,249	2,036,840	
127	32	41	16	1,159	19,662	19,454	
3,171	1,198	2,759	1,335	1,169	4,129,758	3,154,654	
-	-	-	-	-	243	244	
3,171	1,198	2,759	1,335	1,169	4,130,002	3,154,898	
19,778	3,368	-	-	-	12,307,684	15,555,953	
-	-	6,566	2,842	-	9,408	8,710	
-	-	-	-	105,441	105,441	172,416	
\$ 19,778	\$ 3,368	\$ 6,566	\$ 2,842	\$ 105,441	\$ 12,422,533	\$ 15,737,079	

Public Employees' Retirement Fund



Statement of Changes in Fiduciary Net Assets

For the year ended June 30, 2009 (with Comparative Totals for the year ended June 30, 2008)*

	Pension Trust Funds				
		1977 Police		State Excise Police,	
	Public	Officers' and		Gaming Agent,	
	Employees'	Firefighters'	Judges'	Gaming Control Officer	Prosecuting
	Retirement	Pension and	Retirement	and Conservation	Attorneys'
	Fund	Disability Fund	System	Enforcement Officers'	Retirement
	Fund			Retirement Plan	Fund
<i>(dollars in thousands)</i>					
Additions					
Contributions:					
Members	\$ 160,034	\$ 38,520	\$ 2,196	\$ 1,025	\$ 1,274
Employers	323,151	130,002	20,861	5,294	170
Other Contributions from State of Indiana:					
Cigarette Tax	-	-	-	-	-
Alcohol Tax	-	-	-	-	-
Bail Bond and Private University Fees	-	-	-	-	-
Pension Relief State Appropriation	-	-	-	-	-
Lottery Proceeds	-	-	-	-	-
Total Contributions	483,185	168,522	23,057	6,319	1,444
Investment Income					
Investment Income (Loss)	(2,483,844)	(653,722)	(47,559)	(12,774)	(5,185)
Securities Lending Income	27,094	7,539	535	148	59
Less Investment Expenses:					
Securities Lending Expenses	(12,790)	(3,538)	(252)	(69)	(27)
Other Investment Expenses	(48,415)	(12,960)	(918)	(256)	(101)
Net Investment Income (Loss)	(2,517,955)	(662,681)	(48,194)	(12,951)	(5,254)
Other Additions					
Intergovernmental Transfers -					
Other Retirement Funds	3,115	131	151	5	-
Miscellaneous Income	32	115	-	-	-
Total Other Additions	3,147	246	151	5	-
Total Additions	(2,031,623)	(493,913)	(24,986)	(6,627)	(3,810)
Deductions					
Pension and Disability Benefits	536,783	55,560	14,649	2,915	1,007
Death Benefits	-	306	-	-	-
Distribution of Contributions and Interest	36,099	3,172	55	36	55
Intergovernmental Transfers -					
Other Retirement Funds	5,132	5	-	-	-
Pension Relief Distributions	-	-	-	-	-
Local Unit Withdrawals	-	-	-	-	-
Administrative Expenses	21,497	3,766	308	94	45
Total Deductions	599,511	62,809	15,012	3,045	1,107
Net Increase (Decrease)	(2,631,134)	(556,722)	(39,998)	(9,672)	(4,917)
Beginning Net Assets Held in Trust for:					
Pension Benefits	12,073,470	3,148,396	219,426	61,076	24,613
Future Death Benefits	-	-	-	-	-
State and Local Units	-	-	-	-	-
Ending Net Assets Held in Trust	\$ 9,442,336	\$ 2,591,674	\$ 179,428	\$ 51,404	\$ 19,696

2009 Comprehensive Annual Financial Report

				Other Employee Benefit		Investment			
				Trust Funds		Trust Fund			
Legislators' Retirement System									
				State	Public				
				Employees'	Safety				
Defined	Defined	Death	Officers'			Pension			
Contribution	Benefit	Benefit	Special Death			Relief			
Plan	Plan	Fund	Benefit Fund			Fund	2009 Totals	2008 Totals	
\$	1,342	\$	-	\$	-	\$	-	\$	204,391
	-		100		-		-		479,578
	-		-		-		27,811		27,811
	-		-		-		3,111		3,111
	-		-		539		-		539
	-		-		-		48,611		48,611
	-		-		-		30,000		30,000
	1,342		100		-		539		109,533
							109,533		794,041
									714,644
	(4,391)		(1,024)		405		158		(3,860)
	29		11		18		10		-
									35,443
	(14)		(5)		(7)		(4)		-
	(119)		(19)		(42)		(17)		(924)
									(3,211,796)
									(1,323,363)
	(4,495)		(1,037)		374		147		(4,784)
									(3,256,830)
									(1,371,497)
	-		-		-		-		3,402
	4		15		-		-		166
									405
	4		15		-		-		-
									3,568
									6,824
	(3,149)		(922)		374		686		104,749
									104,749
									(2,459,221)
									(650,029)
	-		363		-		-		611,277
	-		-		50		300		150
	1,325		-		-		-		-
									40,742
	-		-		-		-		-
	-		-		-		-		5,137
	-		-		-		167,279		167,279
	-		-		-		4,020		4,020
	46		21		9		3		275
									26,064
	1,371		384		59		303		171,724
									855,325
	(4,520)		(1,306)		315		383		(66,975)
									(3,314,546)
									(1,444,216)
	24,298		4,674		-		-		-
	-		-		6,251		2,459		-
	-		-		-		-		172,416
									172,416
									246,707
\$	19,778	\$	3,368	\$	6,566	\$	2,842	\$	105,441
									105,441
									12,422,533
									15,737,079

Public Employees' Retirement Fund



Notes to the Financial Statements – June 30, 2009

Note 1. Description of Retirement Plans

(A) Public Employees' Retirement Fund

The Public Employees' Retirement Fund of Indiana Plan (PERF Plan) is a defined benefit multiple-employer public employee retirement system that acts as a common investment and administrative agent for units of state and local governments in Indiana. Established by the Indiana Legislature in 1945 and governed through the Public Employees' Retirement Fund of Indiana (PERF) Board of Trustees by Indiana Code (IC) 5-10.2 and IC 5-10.3, this trust fund provides a retirement program for most officers and employees of the state of Indiana who are not eligible for another program.

The PERF Plan also covers many officers and employees of municipalities of the state, including counties, cities, towns, townships and school corporations. The political subdivisions become participants by ordinance or resolution of the governing body, which specifies the classifications of employees who will become members of the plan. The ordinance or resolution is filed with and approved by the PERF Board of Trustees. In order to be a member, employees hired after June 30, 1982, except employees of a participating school corporation, must occupy positions normally requiring performance of service of more than 1,000 hours during a year. Effective July 1, 2008, members who have at least one year of service in both PERF and the Teachers' Retirement Fund (TRF) have the option of choosing from which of these funds they would like to retire.

At June 30, 2009, the number of participating political subdivisions was 1,200. At July 1, 2008, the PERF Plan membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	62,424
Terminated employees entitled to benefits but not yet receiving them	15,450
Active employees: vested and non-vested	140,146
Total	218,020
Total covered payroll (<i>dollars in thousands</i>)	\$ 4,600,354

The PERF Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's Annuity Savings Account. The employer contribution rate is based on an actuarial valuation and is adopted by the PERF Board of Trustees in accordance with IC 5-10.2-2-11. The Annuity Savings Account consists of the member's contributions, set by statute at 3 percent of compensation as defined by IC 5-10.2-3-2, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their annuity savings accounts.

The pension benefit vests after 10 years of creditable service. The vesting period is eight years for certain elected officials. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's Annuity Savings Account instead of receiving the amount as an annuity. The Annuity Savings Account may be withdrawn at any

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Notes to the Financial Statements (continued) – June 30, 2009

time should a member terminate employment prior to being vested. Prior to January 1, 2009 withdrawal of the Annuity Savings Account by a vested member prior to retirement resulted in forfeiture of the related pension benefit. However, effective January 1, 2009, a member who is vested, terminated his or her employment after December 31, 2008, and has not performed any service in a PERF covered position for 90 days may withdraw their Annuity Savings Account and upon becoming eligible for retirement will still be entitled to receive his or her pension. A member who withdrew their annuity and terminated his or her employment prior to January 1, 2009, and/or failed to wait the 90 day period, forfeits his or her pension benefit.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of PERF plan covered employment. The average annual compensation in this calculation is an average of the member's highest 20 calendar quarters' salaries during PERF plan covered employment. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's salary.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of PERF Plan covered employment is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension, ranging from 44 to 94 percent of the pension benefit described above.

The PERF Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse or surviving dependent children. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

As of January 1, 2009, a cost of living adjustment (COLA) was effective for certain participants, survivors and beneficiaries of the PERF Plan who retired or became disabled before January 1, 2008. The COLA amount for members who retired after December 1999 was 2 percent, and the amount for members who retired before January 1, 2000 was 2.5 percent.

(B) 1977 Police Officers' and Firefighters' Pension and Disability Fund

The 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) is a defined benefit, multiple-employer,

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

cost-sharing public employee retirement system. It was established in 1977 and is governed by IC 36-8-8 to provide coverage to full-time sworn officers of a police force of an Indiana city or town and full-time firefighters employed by an Indiana city, town, township or county.

At June 30, 2009, the number of participating employer units totaled 163 (which include 257 police and fire departments). At January 1, 2008, the 1977 Fund membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	2,548
Terminated employees entitled to benefits but not yet receiving them	190
Active employees: vested and non-vested	12,611
Total	15,349
Total covered payroll (<i>dollars in thousands</i>)	\$ 603,963

A member is required by statute to contribute 6 percent of a first-class officer's or firefighter's salary for the term of their employment up to 32 years. The accumulated value of the member's contribution, including interest, may be withdrawn if the member terminates employment prior to completing 20 years of service. The actuary determines employer contributions, subject to approval by PERF Board of Trustees.

A member who retires at or after the age of 52 with 20 years of service is entitled to 50 percent of the salary of a first-class officer, as reported by the employer in the year the 1977 Fund member ended service plus 1 percent of that salary for each six months of active service over 20 years to a maximum of 12 years.

The 1977 Fund also provides disability and survivor benefits. An active member may file an application for disability benefits. A determination is then made as to whether the member has a covered impairment and whether the impairment was incurred in the line of duty or not. The calculation for disability benefits is based on when the member was first hired, the type of impairment and other factors. In addition, the heirs or estate of a fund member may be entitled to receive \$12,000 upon the member's death.

If a member dies while receiving retirement or disability benefits, there are provisions for the surviving spouse and child(ren) to receive a portion of the benefits. The member's surviving spouse is entitled to a monthly benefit equal to 60 percent of the member's monthly benefit during the spouse's lifetime. Each of the member's surviving child(ren) is entitled to a monthly benefit equal to 20 percent of the member's monthly benefit until the age of 18 or age 23 if a full-time student. If there is no eligible surviving spouse or child(ren), a dependent parent(s) may receive 50 percent of the member's monthly benefit during their lifetime.

There was no cost of living adjustment (COLA) for the year ended June 30, 2009.

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Notes to the Financial Statements (continued) – June 30, 2009

(C) Judges' Retirement System

The Judges' Retirement System is a single employer public employee retirement system and a defined benefit plan established in 1953, and is governed through the PERF Board of Trustees by IC 33-38-6, IC 33-38-7 and IC 33-38-8. Coverage is for any person who has served, is serving or shall serve as a regular judge of the (1) Supreme Court of the state of Indiana, (2) Circuit Court of any Judicial Court, (3) Indiana Tax Court or (4) county courts including: Circuit, Superior, Criminal, Probate, Juvenile, and Municipal Courts. Indiana Code 33-38-8 applies to judges beginning service after August 31, 1985.

The Judges' Retirement System consists of two plans: the 1977 System and the 1985 System. The 1977 System includes all individuals who began service as a judge before September 1, 1985, unless the individual, within ten days after becoming a judge, filed an irrevocable election not to participate in the 1977 System. The 1985 System covers all individuals who: (1) began service as a judge after August 31, 1985 and (2) are not participants in the 1977 System. The 1985 System is mandatory for all new judges.

At July 1, 2008, the Judges' Retirement System membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	276
Terminated employees entitled to benefits but not yet receiving them	93
Active employees: vested and non-vested	267
Total	636
Total covered payroll (dollars in thousands)	\$ 33,729

Member contributions are established by statute at 6 percent of total statutory compensation paid by the state of Indiana, deducted from the member's salary and remitted by the Auditor of State. However, no contribution is required and no such amounts shall be paid by the member for more than 22 years of service.

Employer contributions are determined by the Indiana General Assembly as biennial appropriations from the state's General Fund. Indiana Code 33-38-6-17 provides that this appropriation include only funds sufficient to cover the aggregate liability of the fund for benefits to the end of the biennium on an actuarially funded basis. The statute also provides for remittance of docket fees and court fees which are considered employer contributions.

The Judges' Retirement System provides retirement, permanent disability and death benefits. Retirement benefits vest after eight years of creditable service. Judges who retire at or after age 65 with eight years of creditable service (or are at least 55 years of age and the participant's age in years plus the participant's years of service is at least 85) are entitled to an annual retirement benefit, payable monthly for life, in an amount calculated in accordance with statute.

The annual retirement benefit for a participant equals the product of the salary that was paid to the participant at the time of separation from service, multiplied by a percentage for years of service as defined in the statute. The statute provides for the percentage to be prorated for partial years of service. If the annual retirement benefit of a participant who began service as

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

a judge before July 1, 1977, as computed per IC 33-38-7-11, is less than the amount the participant would have received under IC 33-38-6 as in effect on June 30, 1977, the participant is entitled to receive the greater amount as the participant's annual retirement benefit. The benefits of the retired judges that were former participants in the 1977 System are increased by the same percentage increase as the active judges' salary.

A reduced amount is paid for early retirements that may be selected upon attainment of age 62. There is no vesting requirement for permanent disability benefits.

Surviving spouses or dependent child(ren) are entitled to benefits if the participant had qualified to receive a retirement or disability benefit, or had completed at least eight years of service and was in service as a judge.

Participants, survivors and beneficiaries of the 1985 System who were receiving a monthly benefit as of December 31, 2008 received a 2 percent cost of living adjustment. Cost of living increases for the 1985 System are determined by statute.

(D) State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

The State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (E, G & C Plan) was established in 1972 and is governed by IC 5-10-5.5, as amended. The E, G & C Plan is a single employer defined benefit plan for certain employees of the (1) Indiana Department of Natural Resources, (2) Indiana Alcohol and Tobacco Commission and (3) any Indiana state excise police officer, Indiana state conservation enforcement officer, gaming agent or any gaming control officer who is engaged exclusively in the performance of law enforcement duties.

At July 1, 2008, the E, G & C Plan membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	137
Terminated employees entitled to benefits but not yet receiving them	20
Active employees: vested and non-vested	410
Total	567
Total covered payroll (dollars in thousands)	\$ 21,333

Members are required by statute to contribute 4 percent of the member's annual salary to the E, G & C Plan. If a member leaves covered employment or dies before 15 years of creditable service, accumulated member contributions plus interest, as credited by the PERF Board of Trustees, are distributed to the member, designated beneficiary or the member's estate. The state of Indiana, as the employer, is required by statute to contribute the remaining amount necessary to actuarially fund the benefits.

The E, G & C Plan provides retirement, disability and survivor benefits. Generally, retirement benefits vest after 15 years of creditable service. Each participant is required to retire on or before the first day of the month following the participant's 65th birthday. However, officers who become a participant after reaching 50 years of age are required to retire on the earlier of: (1) the first day of the month following the participant's 65th birthday or (2) the first day of the month following the

2009 Comprehensive Annual Financial Report

Notes to the Financial Statements (continued) – June 30, 2009

completion of 15 years of service. A participant who is at least 55 years of age and the sum of the participant's years of creditable service and age in years equals at least 85 may retire and become eligible for full retirement benefits. In addition, a participant may elect full retirement benefits at age 50 with 25 years of service. A step-rate benefits formula specified by statute is used to calculate benefits that are payable monthly for life. A reduced benefit is provided for early retirements that are elected upon attainment of age 45 with 15 years of creditable service. The retirement benefit is increased 1.67 percent of the participant's average annual salary for each year of service after 10 years.

Participants with one year of creditable service may purchase service credit for prior service in a position covered by any Indiana public retirement fund as defined under IC 5-10-5.5-7.5.

A participant is entitled to receive creditable service for the time the participant receives disability benefits under a state disability plan established under IC 5-10-8-7.

If nominated by the member, the surviving spouse or the parent(s) is entitled to an annual survivors' allowance for life equal to 50 percent of the amount the participant would have been entitled to if he/she had retired. If nominated and eligible, surviving unmarried minor child(ren) are entitled to an annual survivors' allowance equal to 50 percent of the amount the participant would have been entitled to if he/she had retired, divided equally between or among all nominated and eligible children. This benefit will continue until the child reaches 18 years of age or marries.

There is no vesting requirement for entitlement to the E, G & C Plan's permanent and temporary disability benefits. The disability benefit calculation is based on whether the disability arose in the line of duty, the degree of impairment as determined by PERF's medical authority, and the participant's monthly salary.

COLA increases for E, G & C Plan are equal to the increase for the PERF Plan subject to the general assembly providing sufficient funding for the increased cost of benefits.

(E) Prosecuting Attorneys' Retirement Fund

The Prosecuting Attorneys' Retirement Fund (PARF) was established in 1989 and is governed by IC 33-39-7. PARF is a single employer defined benefit plan and is for individuals who serve as a (1) prosecuting attorney, (2) chief deputy prosecuting attorney or (3) certain other deputy prosecuting attorneys paid by the state of Indiana. These individuals' salaries are paid from the General Fund of the state of Indiana.

At July 1, 2008, the PARF membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	26
Terminated employees entitled to benefits but not yet receiving them	119
Active employees: vested and non-vested	209
Total	354
Total covered payroll (dollars in thousands)	\$ 20,617

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

Members contribute 6 percent of their salary. They receive annual interest earnings of 5.5 percent in accordance with statute.

PARF provides retirement, disability and survivor benefits. A participant is entitled to a retirement benefit if the participant is at least 65 years of age (62 years for reduced benefits), has at least eight years of service, has ceased service in a PARF covered position and is not receiving, nor is entitled to receive, any salary for services currently performed except for services rendered as a senior prosecuting attorney under IC 33-39-7-15.

The amount of the annual retirement benefit for a participant who is at least 65 years of age is the product of the highest annual salary that was paid to the participant, multiplied by a percentage based on the participant's years of service. The percentages range from 24 percent for eight years of service to 60 percent for 22 or more years of service. If the participant is at least 62 years of age, the participant is entitled to receive a reduced annual retirement benefit that equals the benefit, as calculated above, reduced by 0.25 percent for each month that the participant's age at retirement precedes the participant's 65th birthday.

Retirement benefits payable to a participant are reduced by the defined benefit portion of the pension, if any, that would be payable to the participant from the PERF Plan if the participant had retired from the PERF Plan on the date the participant's retirement from PARF occurred. Members of this fund are also participating members of the PERF Plan. The state of Indiana has elected to pay the 3 percent employee contribution for the member's Annuity Savings Account in the PERF plan.

PARF also provides disability and survivor benefits. A participant who has at least five years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the participant has qualified for social security disability benefits and has furnished proof of the qualification. The amount of the annual benefit payable to a participant for disability benefits is equal to the product of the annual salary that was paid to the participant at the time of separation from service multiplied by a percentage based on the participant's years of service. The percentages range from 40 percent for five to 10 years of service to 50 percent for 20 or more years of service.

The surviving spouse of a participant who dies is entitled to benefits if on the date of the participant's death the participant has a PARF benefit, has completed at least eight years in a covered position, or has met the requirements for a disability benefit.

The surviving spouse is entitled to a benefit for life equal to the greater of \$7,000 annually or 50 percent of the retirement benefit the participant was drawing at the time of death, or to which the participant would have been entitled had the participant retired and begun receiving retirement benefits on the date of death, with reductions as necessary for early retirement. If there is not a surviving spouse, there are provisions for dependents to receive benefits.

All disability benefits payable from PARF and benefits payable to a surviving spouse or dependent child(ren) are reduced by the amounts, if any, that would be payable under the PERF plan.

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Notes to the Financial Statements (continued) – June 30, 2009

(F) Legislators' Retirement System

The Legislators' Retirement System was established in 1989 by IC 2-3.5. The retirement system is for certain members of the General Assembly of the state of Indiana as specified by the provisions of the statute.

The Legislators' Retirement System is comprised of two separate and distinct plans. The Legislators' Defined Benefit Plan (LDB Plan) (IC 2-3.5-4), a single employer defined benefit plan, applies to each member of the General Assembly who was serving on April 30, 1989, and filed an election under IC 2-3.5-3-1(b). The Legislators' Defined Contribution Plan (LDC Plan) (IC 2-3.5-5) applies to each member of the General Assembly who was serving on April 30, 1989, and filed an election under IC 2-3.5-3-1(b), and each member of the General Assembly who is elected or appointed after April 30, 1989.

At July 1, 2008, the Legislators' Retirement System membership consisted of:

	Defined Benefit Plan	Defined Contribution Plan
Retirees, disabilitants and beneficiaries receiving benefits	44	-
Terminated employees entitled to benefits but not yet receiving them	35	-
Active employees: vested and non-vested	34	213
Total	113	213
Total covered payroll (<i>dollars in thousands</i>)		\$ 5,464

Legislators' Defined Contribution Plan

Each participant in the LDC Plan shall make employee contributions of 5 percent of salary received for services rendered after June 30, 1989. The employer contribution prior to January 1, 2009 was equal to 20 percent of the annual salary received by each participant for services rendered after June 30, 1989 and was appropriated from the state of Indiana general fund. Effective January 1, 2009 the employer contribution rate is established each year by PERF and is confirmed by the State Budget Agency. The contribution rate is a percentage that is the sum of: 1) the state's employer contribution rate for state employees, and 2) the rate the state pays on behalf of state employees to their Annuity Savings Accounts. This rate, by statute, cannot exceed the total contribution rate paid that year by the state to PERF for state employees.

Investments in the members' accounts are individually directed and controlled by plan participants who direct the investment of their account balances among several investment options of varying degrees of risk and return potential. The investment options include the Consolidated Retirement Investment Fund (CRIF), Bond Fund, Money Market Fund, Small Cap Stock Fund, S&P 500 Stock Index Fund and International Equity Index Fund. Members may make changes to their investment directions daily. Investments of the plan are reported at fair value.

A participant of the LDC Plan who terminates service as a member of the General Assembly is entitled to withdraw both the employee and employer contributions to the LDC Plan. The amount available for withdrawal is the fair market value of the participant's account on the payment date. Account balances are fully vested to the participants. The withdrawn amount

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

can be paid in a lump sum, a partial lump sum, a monthly annuity as purchased by the PERF board, or a series of monthly installment payments over 60, 120, or 180 months as elected by the participant.

If a participant dies while a member of the General Assembly or after terminating service as a member, but prior to withdrawing from the LDC Plan, the participant's account is to be paid to the beneficiary(ies) or to the survivor(s) if there is no properly designated beneficiary, or if no beneficiary survives the participant. The amount to be paid is the fair market value of the participant's account (employer and employee contributions) on the payment date.

A member of the LDB Plan, under certain circumstances, may also be a member of the LDC Plan.

Legislators' Defined Benefit Plan

The amount required to actuarially fund participants' retirement benefits, as determined by the PERF Board of Trustees on the recommendation of the actuary, is to be appropriated from the state of Indiana General Fund in the month of July of each year of the biennium.

The LDB Plan provides retirement, disability and survivor benefits. Members of the General Assembly who began service after April 30, 1989, are not members of this plan.

A participant is entitled to an unreduced monthly retirement benefit if the participant is at least 65 years of age and has at least 10 years as a member of the General Assembly; is at least 55 years of age and whose years of service as a member of the General Assembly plus years of age equal at least 85; or is at least 60 years of age and has at least 15 years of service as a member of the General Assembly. To qualify for a monthly retirement benefit, the member must have terminated service as a member of the General Assembly, has at least 10 years of service as a member of the General Assembly and is not receiving, nor is entitled to receive, a salary from the state.

The monthly retirement benefit is the lesser of \$40 multiplied by the total years of service completed by the participant as a member of the General Assembly before November 8, 1989, or the highest consecutive three-year average annual salary of the participant under IC 2-3-1-1 at the date the participant's service as a member of the General Assembly is terminated, divided by 12.

A participant who has reached at least age 55, has terminated service as a member of the General Assembly, has at least 10 years of service as a member of the General Assembly, and is not receiving, nor is entitled to receive, a salary from the state of Indiana is eligible for early retirement with a reduced benefit. The actual reduction is based on the participant's age and ranges from one-tenth of 1 percent to 56 percent of the monthly retirement as calculated above.

The LDB Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the member has qualified for social security disability and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. If a participant dies while receiving retirement benefits, or had completed at least 10 years of service as a member of the General Assembly, or was permanently disabled and receiving

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Notes to the Financial Statements (continued) – June 30, 2009

disability benefits from the system, the surviving spouse is entitled to receive survivor benefits. The benefits are for life and are equal to 50 percent of the amount of retirement benefits that the participant was receiving at the time of death or that the participant would have been entitled to receive at 55 years of age, or at the date of death, whichever is later. If there is not a surviving spouse, there are provisions for dependents to receive benefits.

COLA increases for the LDB plan are equal to the increase for the PERF Plan as determined by statute passed by the Indiana General Assembly on an ad hoc basis and are generally based on date of retirement, and other eligibility factors.

Note 2. Description of Non-Retirement Funds

(A) State Employees' Death Benefit Fund

Indiana Code 5-10-11 established the State Employees' Death Benefit program. Under the program a death benefit of \$50,000 is to be paid to the surviving spouse or, if there is no surviving spouse, to the surviving child(ren) (to be shared equally) of a state of Indiana employee who dies in the line of duty as defined in the statute.

The law provides that "[t]he state shall provide these benefits by purchasing group life insurance or by establishing a program of self-insurance." It was determined that a program of self-insurance would be established, and effective with the state's pay period ended October 23, 1993, the state assessed state agencies 0.1 percent of gross pay to fund this program. Because of the size of the fund and the infrequency of payments, collection of the assessment ceased November 1999.

(B) Public Safety Officers' Special Death Benefit Fund

Indiana Code 5-10-10 established the Special Death Benefit Fund. The fund was established for the purpose of paying a lump sum death benefit of \$150,000 to the surviving spouse or child(ren) of a public safety officer (as defined by IC 5-10-10-4) or other eligible officers (as defined by IC 5-10-10-4.5) who dies in the line of duty. If there is no surviving spouse or child(ren), the benefit is paid to the parent(s) in equal shares. The fund consists of bail bond fees remitted under IC 35-33-8-3.2, payments under IC 5-10-10-4.5, and investment earnings of the fund.

(C) Pension Relief Fund

The Pension Relief Fund (PR Fund) was created by the Indiana General Assembly in 1977 (IC 5-10.3-11). The purpose of the PR Fund is to give financial relief to pension funds maintained by units of local government for their police officers' and firefighters' retirement plan benefits.

The PR Fund's additions are derived from contributions from the state of Indiana from a portion of cigarette and alcohol taxes, a portion of the state's lottery proceeds, investment income earned and appropriations from the General Assembly.

Distributions are made from the PR Fund to units of local government by June 30 and September 30. Prior to January 1, 2009 the distribution was based on a statutory formula consisting of two separate computations: the "K portion" and the "M portion." The "K portion" is based on the number of retirees and amount of benefits projected to be paid during the current year, and the "M portion" is based on the maximum ad valorem tax levy established for each participating municipality. In

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

addition, distribution from the PR Fund is made to cover death benefits for surviving spouses of members of the 1925, 1937 and 1953 local pension funds in excess of 30 percent of the salary of a first-class patrolman or a first-class firefighter.

Effective January 1, 2009 the distribution is determined by an estimate of the total amount of pension, disability and survivors benefits from the 1925 police pension fund, the 1937 firefighters' fund and the 1953 police pension fund. The estimate is prepared on a city by city basis, and on a departmental basis. The distribution is offset by whatever distributions are to be made from the Public Deposit Insurance Fund.

In addition, distribution from the PR Fund is made to cover death benefits for surviving spouses of members of the 1925, 1937 and 1953 local pension funds in excess of 30 percent of the salary of a first-class patrolman or a first-class firefighter.

The PR Fund also pays a lump sum line of duty death benefit of \$150,000. The benefit is paid to the surviving spouse or, if there is no surviving spouse, to the surviving child(ren) of a member of the 1977 Fund who dies in the line of duty as defined by IC 36-8-8-20. If there is no surviving spouse or child(ren), the benefit is paid to the parent(s) in equal shares.

Units of local government are permitted to defer receiving their earmarked relief payments from the PR Fund. The deferred amounts remain invested in the fund and are available to the units of local government at their request. As of June 30, 2009, units of local government had investments with a market value of approximately \$7.2 million on deposit in the PR Fund. In the fund's financial statements, the earmarked relief payments are reflected as distributions, and the deferred amounts are reflected as additions from units of local government.

Note 3. Summary of Significant Accounting Policies

Listed below are significant accounting policies adhered to by the PERF Board of Trustees.

(A) Reporting Entity

PERF is an independent body corporate and politic exercising essential government functions. The financial statements presented in this report represent only those funds for which the PERF Board of Trustees has responsibility and are not intended to represent the financial position or results of operations of the state of Indiana or all of the retirement and benefit plans administered by the state. Although PERF is not a state agency, it is a discretely presented component unit of the state of Indiana for financial statement reporting purposes.

The following funds are included in the financial statements:

- Public Employees' Retirement Fund (PERF Plan);
- 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund);
- Judges' Retirement System;
- State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (E, G & C Plan);
- Prosecuting Attorneys' Retirement Fund (PARF);
- Legislators' Defined Contribution Plan (LDC Plan);

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Notes to the Financial Statements (continued) – June 30, 2009

- Legislators' Defined Benefit Plan (LDB Plan);
- State Employees' Death Benefit Fund;
- Public Safety Officers' Special Death Benefit Fund; and
- Pension Relief Fund (PR Fund).

See Notes 1 and 2 for descriptions of these plans.

(B) Basis of Accounting

The financial statements of PERF have been prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with generally accepted accounting principles as applied to government units. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for established governmental accounting and financial reporting principles. PERF applies all applicable GASB pronouncements in accounting and reporting for its operations.

The PERF Board of Trustees administers seven pension trust funds, two death benefit funds accounted for as other employee benefit trust funds, and an investment trust fund. These fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

The PERF Board of Trustees also has general fund accounts on the Auditor of State's accounting system. These are used to transfer general fund appropriations to certain funds. The accounts themselves are not included in these financial statements, but the appropriations are included as contribution in the funds for which the appropriations were made.

(C) Contributions

Contributions are recognized as revenues when due, pursuant to formal commitments as well as statutory or contractual requirements. Employers are not required to submit the contributions until the month following the end of the quarter. The estimates for contributions receivable at year-end for each of the retirement funds were determined on the basis that best represents that fund's receivable. The different bases include actual third quarter contributions received during the quarter ended June 30, 2009, actual contributions received in July for workdays in June, or a combination of the two.

(D) Benefits and Distributions

Pension benefits are recognized when due and payable. Initial benefits payments are made after processing the retirement applications. Annuity savings accounts distributions (refunds) are recognized when the distribution applications are due and payable.

(E) Administrative Expenses

An annual budget for the administrative expenses of PERF is reviewed and approved by the PERF Board of Trustees. Administrative expenses are paid from plan assets and investment earnings.



Notes to the Financial Statements (continued) – June 30, 2009

The PERF Plan pays the administrative expenses of all the funds. At June 30, a receivable is established in the PERF Plan and a payable in the other funds for the amount due to the PERF Plan for the other funds' administrative expenses.

(F) Deposits and Investments

At June 30, the Treasurer of State acted as the official custodian of the cash and securities of the funds, except for securities held by banks or trust companies under custodial agreements with PERF. The PERF Board of Trustees contracts with investment counsel, trust companies or banks to assist PERF in its investment program. The PERF Board of Trustees is required to diversify investments in accordance with the prudent investor standards. The investment policy statement adopted by the PERF Board of Trustees and the asset allocation approved by the PERF Board of Trustees contain limits and goals for each type of investment portfolio and specifies prohibited transactions. See Note 6 for more information.

(G) Method Used to Value Investments

GASB Statement Nos. 25 and 50 require that investments of defined benefit plans be reported at fair value. Short-term investments are reported at market value when available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the official closing price at current exchange rates. Fair values of collective trust funds are determined by the fair value per share of the pool's underlying portfolio as provided by the trustee. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Values for limited partnership interests are those estimates most recently provided by the general manager, plus or minus cash flows transacted since the valuation date.

(H) Investment Unit Trust Accounting

In order to provide a consolidated rate of return for the pension funds and effectively invest in a diversified manner, the PERF Board of Trustees has directed that investment unit trust accounting be implemented and that the investments be commingled as allowed by state statutes. Unit trust accounting involves assigning units to each fund based on the share of the fund's investment fair value to the total fair value of the consolidated investments. The custodian bank prepares consolidated bank statements and fund statements that show the unit trust accounting activity. Investment earnings and appreciation increase the per unit value of all participating funds. Deposits and withdrawals for each fund change the number of units held by each fund. These changes are recorded at the unit value on the transaction date. Investment earnings or losses and fees for the total consolidated fund are allocated to each of the pension funds on a monthly basis using the pro rata fair value share at month end.

The CRIF is an internal investment pool as defined by the GASB. It is comprised of investment bank accounts that are maintained individually for each of the contracted investment managers. The CRIF includes all investments and transactions of the pension funds, except for the PERF Plan members' annuity savings accounts directed outside the guaranteed fund and a short-term investment account. The LDC Plan also has investment options other than the CRIF. The non-retirement funds administered by PERF are not included in the CRIF.

In accordance with GASB criteria for internal investment pools, the assets and liabilities of the CRIF are allocated pro rata to each of the retirement funds within the pool. This includes cash equivalents, securities lending collateral, accounts

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Notes to the Financial Statements (continued) – June 30, 2009

receivable and payable to brokers, accrued interest and the investment holdings. The financial statements recognize the investment purchases and sales on the trade date as required by the GASB.

The PERF Plan members' annuity savings accounts directed to the S&P 500 Stock Index Fund are commingled and included with those portfolios maintained for the PR Fund. The unit trust method is used to separately account for the transactions and balances owned by the PERF Plan members' annuity savings accounts and the PR Fund.

(I) Investment and Contract Sales Receivables and Investments Payable

Investment and contract sales receivables and investments payable consists primarily of forward currency contracts, spot currency contracts, and receivables or payables for securities purchased or sold but not settled as of June 30, 2009.

(J) Other Investments

Other investments include warrants, overdrafts and investment in shares of limited liability partnerships.

(K) Building

PERF owns and resides in the building at 143 W. Market Street. The building is depreciated over 20 years using the straight-line method. At June 30, 2009 the accumulated depreciation on the building was approximately \$709,000.

(L) Equipment

Equipment with a cost of \$20,000 or more is capitalized at its original cost and depreciation is recognized in administrative expenses. Depreciation is computed on the straight-line method over the estimated useful life of the assets. Accumulated depreciation as of June 30, 2009, was approximately \$54,000. No new equipment was capitalized during the year.

(M) Intangible Assets

PERF is in the process of implementing new computer systems. Charges incurred for development of internally generated computer software in the amount of \$3.5 million were capitalized as of June 30, 2009. The systems are not yet operational, and no amortization has been calculated as of June 30, 2009.

(N) Inventories

Inventories of consumable supplies are not recognized on the *Statement of Fiduciary Net Assets* since they are considered immaterial. Purchases of consumable supplies are recognized as expenses at the time of purchase.

(O) Reserves and Designations

Listed below are the legally required reserves and other designations of fund equity.

1. Member Reserve – The member reserve represents member contributions made by or on behalf of the members plus any interest earned, less amounts distributed or transferred to the benefits in force reserve for retirement, disability or other benefits. For the PERF Plan, this reserve is the members' annuity savings accounts. Member reserves are fully funded.

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

2. Employer Reserve – This reserve consists of the accumulated employer contributions, plus earnings, less transfers made to the benefits in force reserve of the actuarial pension cost. The funding status of the employer reserve is outlined in Note 5 and accompanying Required Supplementary Information.

3. Benefits in Force – This reserve represents the actuarially determined present value of future benefits for all members who are currently retired or disabled and survivors of members who died in service. The accumulated contributions of the members who elect to annuitize their annuity savings accounts and the actuarial pension cost are transferred to the reserve upon retirement or disability. This reserve is fully funded based on the latest actuarial valuation.

4. Undistributed Investment Income Reserve – This reserve is credited with all investment earnings. Interest transfers are made periodically during the year to the other reserves as allowed or required by the individual funds' statutes. The transfers are at rates established by the PERF Board of Trustees, statutes or the actual earning rates of the investment options, depending on the statutes of the individual funds. The budget for the next fiscal year is transferred to the administrative expense designation. Any remaining balance (positive or negative) is transferred to the employer reserve and allocated to the employers of the fund.

(dollars in thousands)

Retirement Funds	Member Reserve	Employer Reserve	Benefits in Force	Undistributed Income
PERF Fund	\$ 2,669,318	\$ 2,420,587	\$ 4,227,620	\$ -
1977 Fund	571,534	1,317,753	702,387	-
Judges' Retirement System	21,649	(11,209)	168,988	-
E, G & C Plan	5,274	16,573	29,557	-
PARF	19,240	(6,573)	7,029	-
Legislators' Retirement System –				
LDC Plan	19,778	N/A	N/A	-
LDB Plan	N/A	1,354	2,014	-

5. Administrative Expense – This designation represents the following fiscal year's administrative budget in the PERF Plan, which initially pays administrative expenses. The budget for the fiscal year ending June 30, 2010 includes total expenditures of approximately \$124.8 million, including investment manager fees.

(P) Compensated Absences

PERF's full-time employees are permitted to accumulate earned but unused vacation and sick pay benefits. Vacation leave accumulates at the rate of one day per month and sick leave at the rate of one day every two months plus an extra day every four months. Bonus vacation days are awarded upon completion of five, 10 and 20 years of employment with PERF and/or the state of Indiana. Personal leave days are earned at the rate of one day every four months; any personal leave accumulated in excess of three days automatically becomes part of the sick leave balance. Upon separation from service, employees in good standing will be paid for a maximum of 30 unused vacation leave days.

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Notes to the Financial Statements (continued) – June 30, 2009

No liability is reported for unpaid accumulated sick leave. Vacation and personal leave and the salary related payments that are expected to be liquidated are reported as Compensated Absences Liability.

(Q) PERF Annual Pension Cost and Net Pension Obligation

PERF is a discretely presented component unit of the state of Indiana, and PERF employees are combined with the state of Indiana for actuarial purposes.

The Annual Pension Cost and Net Pension Obligations, and the historical trend information for the state of Indiana PERF Plan are as follows:

Annual Pension Cost and Net Pension Obligation (Asset) (dollars in thousands):

Annual required contribution	99,135
Interest on net pension obligation	(3,868)
Adjustment to annual required contribution	4,408
Annual pension cost	99,675
Contributions made	(106,867)
Increase (decrease) in net pension obligation	(7,192)
Net pension obligation, beginning of year	(53,349)
Net pension obligation, end of year	(60,541)
 Contribution rate	 6.5%

Three-Year Trend Information

(dollars in thousands)

Actuarial Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
July 1, 2008	99,675	107.2%	(60,541)
July 1, 2007	97,043	92.5%	(53,349)
July 1, 2006	88,720	82.2%	(60,591)

(R) Transfers to and from Teachers' Retirement Fund

If a member who has service in both TRF and PERF chooses to retire from a PERF Plan, PERF will use the member's TRF service and Annuity Savings Account balance at the time of retirement to calculate the member's retirement benefit. Likewise, if such a member chooses to retire from a TRF covered position, TRF will use the member's PERF service and Annuity Savings Account balance. The respective fund sets up a receivable for both the Annuity Savings Account and the calculated reserve for the pension for those members retiring from their fund with service in the other fund. The receivable is included as a line item in the receivable section of the *Statement of Fiduciary Net Assets*. Likewise, a payable is set up for the amount due to the other fund, in the liabilities section of the *Statement of Fiduciary Net Assets*.



Notes to the Financial Statements (continued) – June 30, 2009

(S) Adoption of New Accounting Standard

In June 2007, the GASB issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets, as an amendment of GASB Statements No. 34 and No. 42 effective for periods beginning after June 15, 2009. The provisions of Statement No. 51 clarify reporting requirements for intangible assets, particularly in the areas of recognition, initial measurement, and amortization thereby enhancing the comparability of the reporting of such assets. PERF has implemented the provisions of Statement No. 51 for the fiscal year ended June 30, 2009.

Note 4. Contributions Required and Contributions Made

(A) Public Employees' Retirement Fund

The state of Indiana and any political subdivision that elects to participate in the PERF Plan is obligated by statute to make contributions to the plan. The required contributions are determined by the PERF Board of Trustees based on actuarial investigation and valuation. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension portion of the retirement benefit (normal cost) and the amortization of unfunded liabilities.

The actuarial cost method used in the valuation is the entry age normal cost method in accordance with IC 5-10.2-2-9. Under this method as supplied to the PERF Plan, a normal cost is determined for each active participant which is the level percentage of compensation needed as an annual contribution from entry age to retirement age to fund projected benefits.

The unfunded actuarial accrued liability on any valuation date is the accumulated value of such normal costs for each non-retired participant from entry date to the valuation date less the value of assets for non-retired members at that date. This unfunded actuarial liability is compared to the expected unfunded actuarial accrued liability, which is determined as the prior valuation unfunded liability reduced by scheduled amortization payments and increased by interest at the actuarially assumed rate. Any changes between the actual actuarial accrued liability and expected actuarial accrued liability due to changes in benefit levels (excluding COLAs), changes in actuarial assumptions, and actuarial experience gains or losses are amortized over a 30-year period.

The actuary calculates actuarial assets using an asset smoothing method for the determination of the employer actuarially required contribution. Under the smoothing method, actuarial assets are equal to 75 percent of the expected actuarial assets plus 25 percent of the market value of assets. The expected actuarial value of assets is equal to the preceding year's actuarial assets adjusted for non-investment related transactions and increased by interest at the actuarially assumed rate.

The required contribution levels are determined under the assumption that a 1.5 percent COLA will be granted in each future year, applying not only to then current retirees, but also to active members who have yet to retire. The full effect of a 1.5 percent annual COLA is handled on a pre-funded basis.

(B) 1977 Police Officers' and Firefighters' Pension and Disability Fund

The funding policy for the 1977 Fund is mandated by statute that requires quarterly remittances of member and employer contributions based on percentages of locally established estimated salary rates rather than actual payroll. The member

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Notes to the Financial Statements (continued) – June 30, 2009

contribution rate is not actuarially determined but was established by statute at 6 percent of the salary of a first-class officer or firefighter.

The employer contribution rate is actuarially determined using the entry age normal cost method. The total required to actuarially fund normal cost is reduced by the total estimated member contributions. As the 1977 Fund is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. All participating employers are required to contribute 19.5 percent of the salary of a first-class officer or firefighter during the calendar year.

(C) Judges' Retirement System

Employer contribution requirements for the Judges' Retirement System are not actuarially determined but are established by statute (IC 33-38-6-17) and appropriations. There is an appropriation from the state of Indiana General Fund for each biennium to the Judges' Retirement System based on the recommendation of the actuary.

(D) State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

The funding policy for the E,G & C Plan provides for biennial appropriations authorized by the Indiana General Assembly which, when combined with anticipated member contributions, are sufficient to actuarially fund benefits (normal cost), amortize the unfunded accrued liability over 30 years and prevent the state's unfunded accrued liability from increasing. State of Indiana statute defines the funding policy. Effective July 1, 2007, member contributions, defined by statute as 4 percent of annual salary, are remitted to the fund upon each payroll.

The significant actuarial assumptions used to determine contribution requirements include: rate of return on the investment of present and future assets of 7.25 percent per year, compounded annually; projected salary increases of 4.5 percent per year, compounded annually; and assets valued by smoothed market value basis.

(E) Prosecuting Attorneys' Retirement Fund

The amount required to actuarially fund the PARF participants' retirement benefits, as determined by the PERF Board of Trustees on the recommendation of the actuary, is to be appropriated from the state of Indiana General Fund. Members contribute 6 percent of the state paid portion of their annual salary.

(F) Legislators' Retirement System

For the LDC Plan, each participant is required to contribute 5 percent of annual salary. In addition, the state of Indiana is required to contribute a percentage of the member's annual salary on behalf of the participant as determined by PERF and confirmed by the State Budget Agency each year. Effective January 1, 2009 the rate was established at 9.3 percent. For the LDB Plan, the amount required to actuarially fund participants' retirement benefits, as determined by the PERF Board of Trustees on the recommendation of the actuary, is to be appropriated from the state of Indiana General Fund.

(G) Other Contribution Information

Beginning with the July 1, 2007 actuarial valuations for the PERF Plan, E,G & C Plan, and PARF, smoothing rules were

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

applied to the employer contribution rate to help reduce wide variations in the employer contribution rates from year to year. Beginning with the January 1, 2007 actuarial valuation for the 1977 Fund, the same smoothing rules were applied.

Note 5. Funded Status and Funding Progress – Pension Plans

The funded status of each plan as of July 1, 2008, the most recent actuarial valuation date except 1977 Fund which is as of January 1, 2008, is as follows:

Retirement Plans (dollars in thousands)	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL or (Funding Excess) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL or (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c)
PERF Plan	\$ 12,780,116	\$ 13,103,221	\$ 323,105	97.5%	\$ 4,600,354	7.0 %
1977 Fund	3,281,480	2,889,295	(392,185)	113.6%	603,963	(64.9)
Judges' Retirement System	234,881	338,749	103,868	69.3%	33,729	307.9
E,G & C Plan	65,375	77,177	11,802	84.7%	21,333	55.3
PARF	26,350	38,069	11,719	69.2%	20,617	56.8
LDB Plan	5,120	5,039	(81)	101.6%	N/A	N/A

Actuarial valuations involve estimates of the value of reported amounts, such as salaries and credited service, and assumptions about the probability of events far into the future, such as employment terminations, deaths, disabilities, and retirements. Because of these estimates and assumptions, actuarially determined amounts are subject to periodic review and potential revision depending on results as compared to actual experience and reasonably anticipated future experience.

If a defined benefit pension plan is being funded based on reasonable actuarial funding methods and reasonable actuarial assumptions, then the actuarial value of plan assets and the actuarial accrued liability for benefits should, over time, approach equality. The required *Schedule of Funding Progress* immediately following the *Notes to the Financial Statements* presents multi-year trend information which should illustrate this trend. However it should be noted that, from year-to-year, plan enhancements and actual plan experience different from that assumed will make year-to-year comparisons variable.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

The calculations upon which an actuarial valuation are determined are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of cost sharing between the employer and the plan members.

Actuarial calculations reflect a long term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the

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Notes to the Financial Statements (continued) – June 30, 2009

employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Additional information as of the latest actuarial valuation follows:

	PERF Plan	Judges' Retirement System	E, G & C Plan
Valuation Date	July 1, 2008	July 1, 2008	July 1, 2008
Actuarial Cost Method	Entry Age Normal Cost	Pay-as-you-go	Entry Age Normal Cost
Amortization Method	Level Dollar, Closed Amortization Period	N/A	Level Dollar, Closed Amortization Period
Remaining Amortization Period	30 Years	N/A	29 Years
Asset Valuation Method	Smoothed Market Value Basis	N/A	Smoothed Market Value Basis

Actuarial Assumptions:

Investment Rate of Return	7.25%	N/A	7.25%
Projected Salary Increases	4%	4%	4.50%
Postretirement Benefit Increases ²	N/A	4%	N/A
Cost of Living Increases	1.50%	N/A	1.50%

	1977 Fund	PARF	LDB Plan
Valuation Date	January 1, 2008	July 1, 2008	July 1, 2008
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost	Accrued Benefit (Unit Credit)
Amortization Method	Level Dollar, Open Amortization Period	Level Dollar, Closed Amortization Period	Level Dollar, Closed Amortization Period
Remaining Amortization Period	30 Years	29 Years	14 Years
Asset Valuation Method	Smoothed Market Value Basis	Smoothed Market Value Basis	Smoothed Market Value Basis

Actuarial Assumptions:

Investment Rate of Return	7.25%	7.25%	7.25%
Projected Salary Increases	4%	4%	3%
Postretirement Benefit Increases	N/A	N/A	N/A
Cost of Living Increases	2.75%	N/A	1.50%



Note 6. Deposits and Investments

Investment Guidelines and Limitations:

The Indiana General Assembly enacted the prudent investor standard to apply to the PERF Board of Trustees and govern all its investments. Under the statute (IC 5-10.3-5-3(a)), the PERF Board of Trustees must “invest its assets with the care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.” The PERF Board of Trustees also is required to diversify such investments in accordance with the prudent investor standard.

Within these governing statutes, the PERF Board of Trustees has broad authority to invest the assets of the plans. The PERF Board of Trustees utilizes external investment managers, each with specific mandates to implement the investment program. Depending on the mandate and the contractual agreement with the investment manager, investments may be managed in separate accounts, commingled accounts, mutual funds or other structures acceptable to the PERF Board of Trustees.

The PERF Board of Trustees approved a new asset allocation for the CRIF on October 17, 2008.

Asset Classes	Target Norm	Allowable Ranges
Equities - Domestic	15%	10% - 20%
Equities - International	15	10 - 20
Equities - Global	10	5 - 15
Fixed Income - Core & Core-Opportunistic	20	15 - 25
Fixed Income - TIPS	10	5 - 15
Alternatives – Private Equity	10	5 - 15
Alternatives – Real Assets	10	5 - 15
Alternatives – Absolute Return	10	5 - 15

Investments in the PERF annuity savings accounts and the LDC Plan are directed by the members in each plan and as such the asset allocation will differ from that of the CRIF. The PR Fund is invested to a target of 70 percent Fixed Income – Core and 30 percent Equities – Domestic. The Special Death Benefit Funds are 100 percent fixed income.

The following investment types, unless otherwise approved by the PERF Board of Trustees, are prohibited by the PERF investment policy statement (PERF's IPS) as adopted by the PERF Board of Trustees.

- Short sales of any kind.
- Repurchase agreements that may create any kind of leverage in the portfolio.
- Repurchase agreements as non cash equivalents.
- Purchases of letter or restricted stock.
- Buying or selling on margin.
- Purchases of futures and options.

2009 Comprehensive Annual Financial Report

Notes to the Financial Statements (continued) – June 30, 2009

- Entrance into swap agreements.
- Purchases of derivative securities which have any of the following characteristics: leverage, indexed principal payment or links to indices representing investments.
- Purchases of interest only or principal only collateralized mortgage obligations.
- Any transaction that would be a “prohibited transaction” under the Internal Revenue Code Section 503.
- Purchases of inverse floaters.

Custodial Credit Risk

Custodial credit risk is the risk that PERF will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party if the counterparty fails. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of PERF and are held by either the counterparty or the counterparty trust department's agent, but not in PERF's name.

There was no custodial credit risk for investments including investments related to securities lending collateral as of June 30, 2009. Per IC 5-10.3-5-4(a) and IC 5-10.3-5-5, securities held for the fund are held by banks under custodial agreements in the fund's name. While PERF's Investment Policy Statement does not specify custodial risk, statutes provide certain custodial requirements.

Deposit Risks

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution. Deposits held in the two demand deposit accounts are carried at cost and are insured up to \$250,000 each. Deposits in the demand accounts held in excess of \$250,000 are not collateralized. Deposits with the Indiana Treasurer of State are entirely insured. Deposits held with the investment custodian are insured up to \$250,000.

Cash Deposits (dollars in thousands)	Total	JP Morgan Chase	National City Bank	Bank of New York Mellon
Demand deposit account – carrying value	\$ 919.1	\$ 795.5	\$ 61.9	\$ 61.7
Demand deposit account – bank balance	85,070.6	77,103.3	83.1	7,884.2
Held with Treasurer of State	54,657.9	-	-	-
Held with investment custodian:				
Cash	32,248.8	-	-	-

Credit Risk

PERF's IPS sets credit quality rating guidelines and benchmark indices for each of its sub-asset classes and is outlined in each portfolio manager contract. The guidelines and benchmarks are as follows: the Enhanced Index and Core fixed income portfolio (excluding TIPS) must maintain an average credit quality rating of at least A1 (Moody's) or the equivalent; securities must be rated at least Baa3 (Moody's) or the equivalent at the time of purchase unless specifically approved by the PERF Board of Trustees. The Core-Opportunistic fixed income portfolio must maintain an average credit quality rating of at least investment grade by Moody's or the equivalent. The benchmark for the fixed income portfolio is the Barclays Capital Aggregate Bond Index and Barclays Capital Universal Bond Index; and the Treasury Inflation Protection Securities (TIPS)

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

portfolio must substantially match the quality of its benchmark, the Barclays Capital US TIPS Index. The quality rating of investments in debt securities as described by the Nationally Recognized Statistical Rating Organization (NRSRO) Standard and Poor's at June 30, 2009 is as follows:

Quality Rating (dollars in millions)	Fair Value	% of Portfolio
AAA	\$ 2,692.1	54.4 %
AA	88.3	1.8
A	347.7	7.0
A-1	109.8	2.2
BBB	457.4	9.3
BB	79.0	1.6
B	49.5	1.0
CCC	21.3	0.4
CC	5.4	0.1
C	0.7	0.0
D	0.2	0.0
Not Rated	1,097.6	22.2
Total	\$ 4,949.0	100 %

The credit risk schedule includes debt securities, short-term money market funds, bond mutual funds and bond commingled funds. Of the total fair value reported, approximately \$2.3 billion (46.2 percent) is AAA rated US Treasury, US Agency or US Agency Mortgage Backed Securities. The remaining balance of approximately \$2.6 billion (53.8 percent) consists of corporate debt, short-term custodial money market funds, commingled or mutual funds, municipal securities, asset-backed, mortgage-backed securities, and emerging markets debt of various credit quality ratings.

The \$1.1 billion not rated by Standard & Poor's is primarily in money market funds, mutual funds or commingled funds.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. PERF's IPS limits the purchase of securities of any one issuer (with the exception of the US Government and its agencies) to an initial cost of 5 percent or two times the benchmark weight of the market value of an investment manager's portfolio, whichever is greater. Through capital appreciation, no such holding should exceed 10 percent of the market value of the total holdings of such investment manager's portfolio, unless the Board approves an exception.

For investment managers contracted to manage concentrated portfolios, exposure to the securities issued by a single issuer (with the exception of the U.S. Government and its agencies) is limited to 7.5 percent or two times the benchmark weight of the market value of the investment manager's portfolio, whichever is greater. Through capital appreciation, no such holdings should exceed 15 percent of the market value of the total holdings of the investment manager's portfolio, unless the Board approves an exception.

At June 30, 2009, there was no concentration of credit risk for the CRIF.

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Notes to the Financial Statements (continued) – June 30, 2009

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. Duration is a measure of interest rate risk. The greater the duration of a bond or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates and vice-versa. Duration is an indicator of a bond price's sensitivity to a 100 basis point change in interest rates.

PERF's IPS sets duration guidelines for the fixed income investment portfolio. The Indexed and Enhanced Index fixed income portfolios must substantially match the duration characteristics of the benchmark index. The Core fixed income portfolio limits the duration of the portfolio to not vary more than 20 percent above or below the duration of the applicable benchmark index. The duration of the Core-Opportunistic portfolio may not vary more than 5 years above or below the duration of the benchmark index.

Duration information is provided below:

Investment Type (dollars in millions)	Net Asset Fair Value	% of Net Asset Fair Value	Duration
Short-term Investment Fund	\$ 879.6	15.9 %	0.00
Government & Agency Obligations	1,285.7	23.2	4.35
Residential & Commercial Mortgage- Backed Securities	1,367.1	24.7	2.52
Corporate Bonds	1,050.4	18.9	5.46
Asset-backed	117.6	2.1	0.92
Municipal Securities	21.6	0.4	7.90
Other ¹	822.0	14.8	1.17
Total Net Asset Fair Value	\$ 5,544.0	100 %	2.89

¹ Includes mutual funds, collective trusts, and derivatives

PERF investments are directly, or indirectly, sensitive to changes in the interest rate environment. Some derivative products, identified in the derivatives financial instruments section, are also sensitive to interest rate risk. Debt securities, debt securities mutual funds and commingled funds, and short-term cash and cash-equivalents represent the portions of the portfolio most sensitive to interest rate risk and are included in the duration information.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. PERF's foreign currency exposure is focused primarily in international and global equity holdings. Futures currency contracts are reported in the following schedule at gross exposure value. Forward currency contracts values include both receivables and payables.

PERF's IPS refers to foreign currency guidelines that are linked directly, or indirectly, to the benchmark indices for each sub-asset class or as outlined in each portfolio manager contract. The equity portfolio sub-asset classes have specific guidelines for international equities and global equity investments. Certain sub-asset classes do not allow emerging markets

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

investments while some allow up to 30 percent of market value to be held in emerging markets. PERF has exposure to foreign currency fluctuation as follows:

Currency (dollars in millions)	Equity Securities	Debt Securities	Contracts, Currencies, or Money Market Securities	Total Fair Value	% of Foreign Currency	% of Total Investments (USD)
Euro	\$ 513.7	\$ 17.6	\$ 132.5	\$ 663.8	31.7%	5.7%
Japanese Yen	313.2	0.0	88.0	401.2	19.1	3.5
Pound Sterling	258.8	0.3	77.3	336.5	16.0	2.9
Australian Dollar	104.0	4.2	26.9	135.2	6.5	1.2
Hong Kong Dollar	112.0	0.0	5.7	117.7	5.6	1.0
Swiss Franc	77.0	0.0	3.2	80.1	3.8	0.7
Other	230.4	37.6	94.5	362.5	17.3	3.1
Total	\$ 1,609.1	\$ 59.7	\$ 428.1	\$ 2,097.0	100.0%	18.1%

Securities Lending

Indiana Code 5-10.2-2-13(d) provides that the PERF Board of Trustees may authorize a custodian bank to enter into a securities lending program agreement under which securities held by the custodian on behalf of PERF may be loaned. The purpose of such a program is to provide additional revenue for PERF.

Statute requires that collateral initially in excess of the total market value of the loaned securities must be pledged by the borrower and must be maintained at no less than the total market value of the loaned securities. The PERF Board of Trustees requires that collateral securities and cash be initially pledged at 102 percent of the market value of the securities lent. No more than 40 percent of CRIF's total assets may be lent at one time. The custodian bank and/or its securities lending subagents provide 100 percent indemnification to the PERF Board of Trustees and the CRIF against borrower default, overnight market risk and failure to return loaned securities. Securities received as collateral cannot be pledged or sold by the PERF Board of Trustees unless the borrower defaults. PERF retains the market value risk with respect to the investment of the cash collateral. During the reporting period through June 30, 2009, PERF experienced a credit event that negatively impacted the value of the collateral pool. Given PERF's high liquidity profile, this event did not materially impact the liquidity of the securities lending portfolio. PERF will inject capital into the pool during fiscal year 2010 to bring the value of the collateral pool back to 102 percent of the market value of securities lent.

Cash collateral investments are subject to the investment guidelines specified by PERF's IPS. It states that the maximum weighted average days to maturity may not exceed 60. The average term to maturity of the cash collateral portfolio was approximately 17 days at June 30, 2009. The securities lending agent matches the maturities of the cash collateral investments with stated securities loans' termination dates. Cash collateral received for open-ended loans that can be terminated on demand are invested with varying maturities.

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Notes to the Financial Statements (continued) – June 30, 2009

The fair value of securities lent for cash collateral at June 30, 2009

Investment Type <i>(dollars in millions)</i>	Loan Value
Government Obligation	\$ 903.8
Corporate Bonds	75.6
Equities	1,336.8
Total Fair Value	\$ 2,316.2

The credit quality of the cash collateral investments as described by Standard and Poor's at June 30, 2009

Investments Quality Rating <i>(dollars in millions)</i>	Fair Value	Percent of Portfolio
AAA	\$ 83.3	3.5%
AA	80.0	3.4
A-1 and A-1+	2,118.8	89.5
A2	25.0	1.1
Not Rated	60.1	2.5
Total	\$ 2,367.2	100%

The majority of A-1 and A-1+ collateral investments are commercial paper. The majority of the Not Rated collateral investments are money market funds.

At June 30, 2009, PERF had loaned approximately \$36.2 million US Treasury and government agency obligations for securities collateral. The securities collateral value was approximately \$36.9 million which represented 102 percent coverage.

Derivative Financial Instruments

PERF's IPS authorizes the use of derivative instruments as a meaningful component of the strategies within the absolute return and commodities allocations. The fair value of total investments in the absolute return portfolio was \$716 million and the fair value of total investments in the commodities portfolio was \$349 million at June 30, 2009. PERF's directly held investments in derivatives are not leveraged. In the case of an obligation to purchase (long a financial future or a call option), the full value of the obligation is held in cash or cash equivalents. For obligations to sell (short a financial future or buy a put option), the reference security is held in the portfolio. Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. These limits are approved by the PERF Board of Trustees, and the risk positions of the investment managers are reviewed on a periodic basis to monitor compliance with the limits. During the year, PERF's derivative investments included but were not limited to, foreign currency forward contracts, SWAPS, options, and futures.

Foreign currency forward contracts are used to hedge against the currency risk in PERF's foreign equity stock and debt security portfolios. A foreign currency forward contract is an agreement to buy or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed-upon price. Fluctuations in the market value of foreign currency forward contracts are marked to market on a daily basis.

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

At June 30, 2009, PERF's investments included the following currency forwards balances (dollars in millions):

Forward Currency Contract Receivables	\$451.8
Forward Currency Contract Payables	\$452.5

PERF's investment managers use financial futures to replicate an underlying security or index they intend to hold or sell in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security. Additionally, PERF's investment managers use futures contracts to adjust the portfolio risk exposure. A financial futures contract is an agreement to buy or sell a specific amount at a specified delivery or maturity date for an agreed-upon price. Financial future positions are recorded with a corresponding offset, which results in a carrying value equal to zero. As the market value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to, or received from, the clearinghouse. The cash or securities to fulfill these obligations are held in the investment portfolio. Futures contracts may be used for the purpose of investing cash flows or modifying duration but in no event may leverage be created by any individual security or combination of securities. At June 30, 2009, PERF's notional value of directly held futures totaled \$1.4 billion.

Note 7. Long Term Commitments for Alternative Investments

PERF had entered into long term commitments for funding alternative investments in private equity and private real estate of approximately \$2.9 billion as of June 30, 2009. The fund has disbursed approximately \$1.0 billion toward the commitments as of June 30, 2009. The expected investment term of these commitments extend through 2028. These amounts include five Euro-denominated and one Norwegian Kroner-denominated commitments to limited liability partnerships converted to United States dollars at the closing exchange rate as of June 30, 2009.

Note 8. Risk Management

PERF is exposed to various risks of loss. These losses include damage to property owned, personal injury or property damage liabilities incurred by an officer, agent or employee, malfeasance and theft by employees, certain employee health and death benefits, and unemployment and worker's compensation costs for employees.

PERF's policy is generally not to purchase commercial insurance for the risk of losses to which it is exposed. Instead it records as an expense any loss as the liability is incurred or replacement items are purchased. PERF does carry general liability, property, and business interruption insurance, as well as a blanket bond and excess coverage on specific employees. The PERF Board of Trustees administers the state of Indiana's risk financing activity for the state employees' death benefits.

Note 9. Required and Other Supplementary Information

The historical trend information designed to provide information about PERF's progress in accumulating sufficient assets to pay benefits when due is *Required Supplementary Information*. The schedules are included immediately following the *Notes to the Financial Statements*. Other Supplementary Information is presented for the purpose of additional analysis and is not a required part of the Financial Statements.

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Notes to the Financial Statements (continued) – June 30, 2009

Note 10. Subsequent Events

Deferred Revenue

Subsequent to the year end, \$40 million of deferred revenue in the 1977 Fund was changed from allotted funds to appropriated funds by the State Budget Agency.

Legislative Changes

Below is a summary of significant legislative changes that are effective July 1, 2009.

Public Employees' Retirement Fund

- Liability for a PERF member's unfunded service credit when member retires will be charged against employer account.
- An employee beneficiary of a sheriff's retirement plan may transfer certain amounts from a prior PERF retirement fund to purchase service credit.

1977 Police Officers' and Firefighters' Pension and Disability Fund

- A fund member with at least one year of 1977 Fund service credit may purchase up to two years of military service under certain conditions.
- A member of 1977 Fund receiving a disability benefit based upon certain determinations may be entitled to receive the disability benefit for the remainder of the disabled member's life. Upon reaching age 52, the disabled member is entitled to receive a monthly supplemental benefit. Time spent on disability up to 20 years is considered active service for retirement benefit.
- An employee beneficiary of a sheriff's retirement plan may transfer certain amounts from a prior 1977 Fund retirement fund to purchase service credit.

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

- An employee beneficiary of a sheriff's retirement plan may transfer certain amounts from a prior E,G&C Plan retirement fund to purchase service credit.

Judges' Retirement System (effective July 1, 2010)

- Full-time magistrates serving after July 1, 2010 are eligible to participate beginning on the later of January 1, 2011 or the date the person begins service as a full-time magistrate. Full-time magistrates serving before July 1, 2010 who make an election pursuant to IC 33-38-8-10.5 are eligible to participate on or after January 1, 2011.
- For participants who apply to receive a retirement benefit prior to January 1, 2010, and for those who separate from service prior to January 1, 2010 and who are eligible for a retirement benefit in the fiscal years beginning after June 30, 2010, participants will receive a cost of living allowance of a percentage increase equal to the increase in the salary of the judges' position from which the judge retired.

Public Employees' Retirement Fund



Required Supplementary Information: Schedule of Funding Progress (dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL or (Funding Excess) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL or (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c)
Public Employees' Retirement Fund						
7/1/2003	\$ 9,293,952	\$ 9,034,573	\$ (259,379)	102.9%	\$ 3,952,230	(6.6)%
7/1/2004	9,853,976	9,844,353	(9,623)	100.1	4,198,942	(0.2)
7/1/2005	10,471,937	10,858,322	386,385	96.4	4,318,450	8.9
7/1/2006	11,177,971	11,450,928	272,957	97.6	4,322,180	6.3
7/1/2007	12,220,934	12,439,798	218,864	98.2	4,385,676	5.0
7/1/2008	12,780,116	13,103,221	323,105	97.5	4,600,354	7.0
Judges' Retirement System						
7/1/2003	126,152	206,846	80,694	61.0%	25,400	317.7 %
7/1/2004	135,798	209,992	74,194	64.7	25,693	288.8
7/1/2005	151,003	272,855	121,852	55.3	32,231	378.1
7/1/2006	178,276	272,997	94,721	65.3	34,065	278.1
7/1/2007	211,747	283,995	72,248	74.6	29,712	243.2
7/1/2008	234,881	338,749	103,868	69.3	33,729	307.9
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan						
7/1/2003	37,286	52,006	14,720	71.7%	11,944	123.2 %
7/1/2004	38,772	50,010	11,238	77.5	10,209	110.1
7/1/2005	41,663	59,964	18,301	69.5	13,223	138.4
7/1/2006	48,496	64,765	16,269	74.9	14,892	109.2
7/1/2007	57,414	74,451	17,037	77.1	17,715	96.2
7/1/2008	65,375	77,177	11,802	84.7	21,333	55.3
1977 Police Officers' and Firefighters' Pension and Disability Fund						
1/1/2003	1,660,445	1,766,846	106,401	94.0%	432,954	24.6 %
1/1/2004	1,797,124	1,875,518	78,394	95.8	469,750	16.7
1/1/2005	1,976,905	2,064,171	87,266	95.8	493,707	17.7
1/1/2006	2,347,986	2,415,053	67,067	97.2	522,227	12.8
1/1/2007	2,860,512	2,649,525	(210,987)	108.0	557,644	(37.8)
1/1/2008	3,281,480	2,889,295	(392,185)	113.6	603,963	(64.9)
Prosecuting Attorneys' Retirement Fund						
7/1/2003	12,758	15,685	2,927	81.3%	13,159	22.2 %
7/1/2004	14,655	22,588	7,933	64.9	15,149	52.4
7/1/2005	16,876	25,744	8,868	65.6	16,659	53.2
7/1/2006	20,053	29,184	9,131	68.7	19,225	47.5
7/1/2007	23,815	32,052	8,237	74.3	18,092	45.5
7/1/2008	26,350	38,069	11,719	69.2	20,617	56.8
Legislators' Retirement System - Defined Benefit Plan						
7/1/2003	4,200	4,948	748	84.9%	N/A ¹	N/A ¹
7/1/2004	4,206	4,856	650	86.6	N/A ¹	N/A ¹
7/1/2005	4,339	4,999	660	86.8	N/A ¹	N/A ¹
7/1/2006	4,721	5,232	511	90.2	N/A ¹	N/A ¹
7/1/2007	5,035	5,169	134	97.4	N/A ¹	N/A ¹
7/1/2008	5,120	5,039	(81)	101.6	N/A ¹	N/A ¹

¹ Benefit formula is primarily based on service, rather than compensation.

See Note 5. Funded Status and Funding Progress for the actuarial methods and assumptions used in preparing this schedule.

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Required Supplementary Information: Schedule of Employer Contributions (dollars in thousands)

Public Employees' Retirement Fund			Judges' Retirement System		
Year Ended June 30	Annual Required Contributions	Percentage Contributed	Year Ended June 30	Annual Required Contributions	Percentage Contributed
2004	\$ 182,674 ¹	128.6 ¹ %	2004	\$ 10,488	123.6%
2005	212,658 ¹	97.0 ¹	2005	10,064	134.5
2006	248,120 ¹	92.9 ¹	2006	14,932	90.7
2007	275,171 ¹	92.2 ¹	2007	12,249	119.7
2008	291,397 ¹	104.3 ¹	2008	10,028	158.8
2009	316,059	102.2	2009	16,131	129.3

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan			1977 Police Officers' and Firefighters' Pension and Disability Fund		
Year Ended June 30	Annual Required Contributions	Percentage Contributed	Year Ended December 31	Annual Required Contributions	Percentage Contributed
2004	\$ 2,190	96.8%	2003	\$ 87,253	108.9%
2005	1,867	116.0	2004	92,833	110.8
2006	2,710	92.2	2005	97,286	111.8
2007	3,128	107.4	2006	102,964	139.0
2008	3,676	132.0	2007	108,741	112.7
2009	4,427	119.6	2008	117,773	112.6

Prosecuting Attorneys' Retirement Fund			Legislators' Retirement System Defined Benefit Plan		
Year Ended June 30	Annual Required Contributions	Percentage Contributed	Year Ended June 30	Annual Required Contributions	Percentage Contributed
2004	\$ 144	647.9%	2004	\$ 95	216.8%
2005	889	108.1	2005	89	231.5
2006	952	17.9	2006	91	109.9
2007	1,044	18.2	2007	120	83.3
2008	1,040	16.3	2008	66	151.5
2009	1,340	12.7	2009	45	222.2

¹ Prior year data has been restated to reflect the smoothing rules.

See accompanying Note 5 to the Financial Statements.

Public Employees' Retirement Fund



Other Supplementary Information:

Administrative Expenses – Year Ended June 30, 2009

(dollars in thousands)

Personnel Services:

Salaries and Wages	\$ 8,171
Employee Benefits	3,216
Supplemental Services	673
Total Personnel Services	12,060

Contractual and Professional Services:

Actuarial	134
Legal	699
Consultants	1,789
Contractual Services	1,352
Information System Development Services	6,048
Total Contractual and Professional Services	10,022

Communications:

Telephone	114
Postage	689
Printing	421
Other	17
Total Communications	1,241

Miscellaneous:

Data Processing	471
Travel	226
Training	101
Supplies and Maintenance	342
Dues and Subscriptions	74
Office Supplies	59
Office Equipment	457
Operating and Other Expenses	1,011
Total Miscellaneous	2,741

Total Administrative Expenses

\$ 26,064

Allocation of Administrative Expenses:

Public Employees' Retirement Fund	21,498
1977 Police Officers' and Firefighters' Pension and Disability Fund	3,766
Judges' Retirement System	308
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	93
Prosecuting Attorneys' Retirement Fund	45
Legislators' Retirement System - Defined Contribution Plan	46
Legislators' Retirement System - Defined Benefit Plan	21
State Employees' Death Benefit Fund	9
Public Safety Officers' Special Death Benefit Fund	3
Pension Relief Fund	275

Total Administrative Expenses Allocation

\$ 26,064

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Other Supplementary Information:

Investment Expenses – Year Ended June 30, 2009

(dollars in thousands)

Investment Expenses

Custodial and Consulting

J. P. Morgan Investment Mgmt Inc.	Custodial Fees	\$	462
Aksia LLC	Investment Consulting		450
ORG Portfolio Management LLC	Investment Consulting		229
Mercer Investment Consulting	Investment Consulting		225
Strategic Investment Solutions	Investment Consulting		192
RiskMetrics Group	Investment Consulting		42
McLagan Partners, Inc.	Investment Consulting		2

Total Custodial and Consulting			1,602
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Domestic Equity

Barclays Global Investors	Equity - Large Cap Core		2,742
Artisan	Equity - Mid Cap Value		1,214
Times Square Capital Management	Equity - Small Cap Growth		1,119
Turner Investment Partners	Equity - Large Cap Growth		1,104
T Rowe Price Structured	Equity - Large Cap Core		1,092
Numeric Investors, LP	Equity - Small Cap Value		1,089
Wells Capital Management	Equity - Mid Cap Growth		1,072
Leading Edge Investment Advisors	Equity - Large Cap Value		387
Sands Capital Management	Equity - Large Cap Growth		258
RhumbLine Investment Advisers	Equity - Large Cap Core and Large Cap Core		187
State Street Global Advisors	Equity - Small and Large Cap Value		142
Russell Implementation Services	Equity - Large Cap Core		4

Total Domestic Equity			10,410
------------------------------	--	--	---------------

International Equity

Barclays Global Investors	Equity - International Core		2,143
Baillie Gifford and Company	Equity - International Growth		2,068
Mondrian Investment Partners Limited	Equity - International Value		1,288
Schroder Investment Management North America, Inc.			881

Total International Equity			6,380
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Global Equity

Invesco	Equity - Global Core		1,371
Brandes Investment Partners	Equity - Global Value		1,266
Capital Guardian Trust Company	Equity - Global Growth		970
Russell Implementation Services	Equity - Global Core		14

Total Global Equity			3,621
----------------------------	--	--	--------------

Fixed Income

Goldman Sachs	Fixed Income - Core Opportunistic		2,135
Pacific Investment Management Company	Fixed Income - Core Opportunistic		1,225
BlackRock Financial Management, Inc.	Fixed Income - Core Active		973
Loomis Sayles	Fixed Income - Core Opportunistic		909

Public Employees' Retirement Fund



Other Supplementary Information:

Investment Expenses (continued) – Year Ended June 30, 2009

Reams Asset Management Co.	Fixed Income - Core Active	464
Taplin, Canida & Habacht	Fixed Income - Core Active	407
Hughes Capital Management, Inc.	Fixed Income - Core Active	221
Russell Implementation Services	Fixed Income	191
Northern Trust Company	Fixed Income - TIPS Index	170
Northern Trust Company	Fixed Income - Core Opportunistic	26
Allegiant	Fixed Income - Core Active	14
Barclays Global Investors	Fixed Income - Core	10
Seix Investment Advisors	Fixed Income - Core Active	(21)
Western Assets Management Co.	Fixed Income - Core Active	(49)
Total Fixed Income		6,675
Alternative Investments		
Blackstone	Absolute Return	1,504
PAAMCO	Absolute Return	1,184
Cerberus Institutional Partners, Series Four	Private Equity	1,109
Walton Street Fund VI	Real Estate	1,109
MBK Partners Fund II, LP	Private Equity	1,107
Crestview Partners II	Private Equity	936
Lindsay Goldberg & Bassemer II, LP	Private Equity	936
Blackstone Real Estate Partners VI, LP	Real Estate	900
Indiana Investment Fund, LP	Private Equity	894
Lion Capital Fund II, LP	Private Equity	867
Terra Firma Capital Partners III, LP	Private Equity	845
Wayzata Opportunities Fund II, L.P.	Private Equity	802
Warburg Pincus X, LP	Private Equity	750
Greenpark International Investors III, LP	Private Equity	749
Natural Gas Partners IX, LP	Private Equity	749
Actis Emerging Markets 3, LP	Private Equity	738
Energy Capital Partners I, LP	Private Equity	724
WLR Recovery Fund IV, LP	Private Equity	704
Herkules Private Equity III	Private Equity	703
New Mountain Partners III, LP	Private Equity	699
CVC European Equity Partners V, LP	Private Equity	658
Lindsay Goldberg III, LP	Private Equity	624
EnCap Energy Capital Fund VII, LP	Private Equity	622
Advent International GPE VI, LP	Private Equity	610
OCM Asia Principal Opportunities FundLP	Private Equity	598
Silver Lake Partners III, LP	Private Equity	593
Horsley Bridge IX, LP	Private Equity	531
OCM Opportunities Fund VII, LP	Private Equity	517
PACVEN Walden International Venture Fund VI, LP	Private Equity	506
Lexington Capital Partners VI-B, LP	Private Equity	491
Lehman Crossroads Fund XVIII- Venture Capital, LP	Private Equity	475
Horsley Bridge International IV, LP	Private Equity	456
Ares Capital Opportunities Fund III, LP	Private Equity	455

2009 Comprehensive Annual Financial Report

Other Supplementary Information:

Investment Expenses (continued)– Year Ended June 30, 2009

Tower Brook	Private Equity	455
Falcon Strategic Partners III	Private Equity	439
Technology Partners Fund VIII, LP	Private Equity	428
Court Square Capital Partners II, LP	Private Equity	426
Merit Mezzanine Fund IV, LP	Private Equity	425
EnCap Energy Infrastructure Fund	Private Equity	396
Brentwood Associates Fund IV, LP	Private Equity	389
Arch Venture Fund VII, LP	Private Equity	387
Avenue Special Situations Fund V, L.P.	Private Equity	375
Loomis Salyes Bank Loan	Absolute Return	374
OCM Opportunities Fund VI, LP	Private Equity	363
Dorchester	Absolute Return	352
Mill Road Capital I, LP	Private Equity	336
Lehman Brothers VCAF	Private Equity	333
Indiana - Gresham Investment Management	Commodities	323
Vista Equity Partners III, LP	Private Equity	322
Invesco	Real Estate	290
House Investments - Real Estate Opportunity Fund III, L.P.	Real Estate	278
Bridgewater	Absolute Return	260
Hellman & Friedman Capital Partners VI, LP	Private Equity	246
York Special Opportunities Fund, LP	Private Equity	229
Lindsay Goldberg & Bassemer I, LP	Private Equity	215
Credit Suisse VCAF	Private Equity	197
Arch Venture Fund VI, LP	Private Equity	195
Paulson Advanatage	Absolute Return	193
E.I.I. Realty Securities, Inc.	Real Estate	182
House Investments - Real Estate Opportunities Fund IV, LP	Real Estate	172
Goldman Sachs Asset Management LP	Commodities	161
Caspian Corporate Loan	Absolute Return	117
A.M. Pappas Life Science Ventures IV	Private Equity	94
GSO Capital Opportunities Fund, LP	Private Equity	93
Viking Global	Absolute Return	65
Scale Venture Partners III, LP	Private Equity	64
Crestview Partners II Secondary	Private Equity	57
Indiana Future Fund I, LP	Private Equity	56
Horsley Bridge Growth VIII, LP	Private Equity	41
Prima Mortgage Investment Trust	Real Estate	17
House Investments - Real Estate Opportunities Fund III-A, LP	Real Estate	5
Colony Credit Opportunity Fund, LP	Real Estate	(142)
Total Alternative Investments		34,353
Short Term Investments		
J. P. Morgan Investment Mgmt Inc.	Sweep fees	730
Total Investment Expenses		\$ 63,771

Public Employees' Retirement Fund



Other Supplementary Information: Contractual and Professional Services Expenses Year Ended June 30, 2009

(dollars in thousands)

Vendor Name	Fee	Nature of Services
Indiana Office of Technology	\$ 6,133	IT System Development and Network Support
Affiliated Computer Services, Inc.	709	Record Keeper Fees
MMY Consulting, Inc.	636	Project Management and Data Clean-up
Clifton Gunderson, LLP	566	Processing and Reconciling Services
Ernst & Young	387	Accounting and Process Documentation Services
Robert Half	238	Project Management and Data Clean-up
Ice Miller Legal & Business Advisors	189	Legal Services
Foster Pepper, LLC	181	Legal Services
McCready and Keene, Inc.	134	Actuarial Services
Baker & Daniels	114	Legal Services
Ryan Consulting Group	113	Report Development and Processing
Kirkpatrick & Lockhart Preston Gates Ellis, LLP	110	Legal Services
Kreig Devault, LLP	93	Legal Services
Teachers' Retirement Fund	69	IT Shared Services
AIRvan Consulting LLC	60	Market Research Services
The Registry, Inc.	38	Project Management and Data Clean-up
CEM Benchmarking Inc.	35	Benchmarking Services
Omkar Markand, M.D.	34	Medical Consulting - Police & Fire Fund
Barada Associates, Inc.	25	Background Checks
WorkSmart	21	Project Management and Data Clean-up
The Anderson Group Consulting, LLC	20	Data Entry Services
LexisNexis	20	Address Search Services
Accurint	16	Search Engine Fees
Stephenson Morow & Semler	14	Legal Services
Other Contractual and Professional Services	67	Other Services
Total Contractual and Professional Services Expense		\$ 10,022

2009 Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

Investment Section

74 Report on Investment Activity

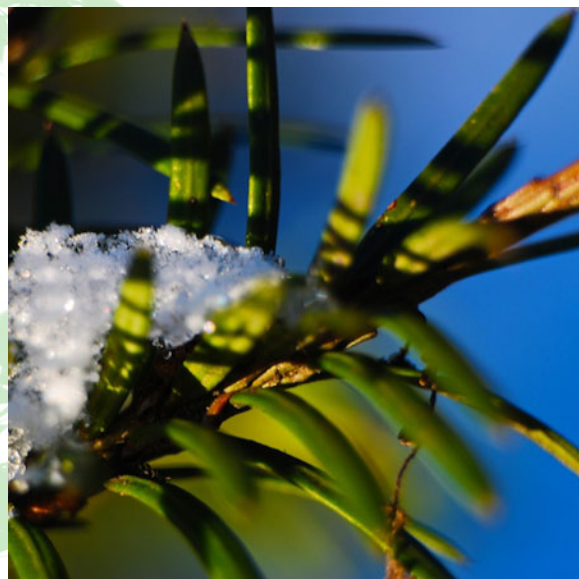
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Public Employees' Retirement Fund



Report on Investment Activity

MERCER

Investment Consulting

10 South Wacker Drive, Suite 1700
Chicago, IL 60606-7500
312 902 7147 Fax 312 902 7640
douglas.krystio@mercer.com
www.mercerIC.com

August 28, 2009

Board of Trustees

State of Indiana Public Employees' Retirement Fund

143 West Market Street

Indianapolis, IN 46204

Dear Trustees:

Mercer is pleased to present the State of Indiana Consolidated Retirement Investment Fund (CRIF) results for the fiscal year ended June 30, 2009.

As of June 30, 2009, the CRIF had a market value of \$11.8 billion, a decline of \$3.1 billion since June 30, 2008. The decrease in assets was due to negative investment performance over the one-year period, particularly in the equity markets. During the previous twelve months:

- The US economy witnessed a credit crunch, financial crisis and deep recession. GDP growth was negative in all four quarters and many well-known financial institutions, including Lehman Brothers, Merrill Lynch and Wachovia failed or were bought by stronger firms. As global demand weakened, commodity prices fell substantially before rebounding in the second quarter of 2009. Housing prices continued their fall before showing signs of stabilization in the second quarter of 2009. Both equity and credit markets experienced turmoil during the period; however, like commodity and home prices, they showed signs of life in the second quarter as the markets anticipated the economy emerging from recession. In response to the headwinds facing the economy, the Federal Reserve slashed interest rates from 2.00% to a range of 0.00 – 0.25% and foresee relatively low rates for an extended period of time.
- The U.S. equity markets experienced severe declines over the trailing one-year period. The S&P 500 Index, an index of domestic large capitalization stocks, declined 26.2% while smaller capitalization stocks, as measured by the Russell 2000 Index, fell 25.0%. Growth outperformed value in both the large and small cap spaces. The consumer staples (-13.1%) and health care (-13.6%) were the best performing sectors on a relative basis in the S&P 500 Index while the energy (-42.7%) and financials (-40.7%) sectors significantly lagged the greater market.
- Developed international equity markets trailed their domestic counterparts during the period, returning -31.0% in U.S. dollar terms, as measured by the MSCI EAFE (Europe, Australasia, and Far East) Index. Hong Kong (-15.4%)

2009 Comprehensive Annual Financial Report

Report on Investment Activity (continued)

and Spain (-22.6%) were among the top performing developed markets while Ireland (-66.4%) and Austria (-58.5%) underperformed. Emerging markets continued to outperform the developed markets, dropping 27.8% in U.S. dollar terms over the same time period, as measured by the MSCI Emerging Markets Index. Columbia (+3.5%) and the Philippines (+2.3%) lead all emerging markets as Russia (-61.1%) and Poland (-51.6%) lagged.

- The investment grade fixed income market performed well over the trailing one-year period, returning 6.0% as measured by the Barclays Capital Aggregate Bond Index. Longer-term bonds (+5.4%) performed roughly in line with intermediate-term issues (+5.3%). High yield bonds significantly lagged investment grade issues over the same period, returning -2.4%, as measured by the Barclays Capital High Yield Bond Index. The mortgage sector, as measured by the Barclays Capital Mortgage-Backed Securities Index, returned 9.4%, while Treasuries, as measured by the Barclays Capital Treasury Index, returned 6.5%.

Within this environment, the CRIF declined 20.6% (gross of fees) during the one-year period ended June 30, 2009, lagging the -20.1% Target Reference Index return and the -19.1% Dynamic Index return. Three-year (-4.6%) and five-year (+1.1%) performance lagged the benchmarks. Underperformance can partially be attributed to underperformance in the domestic equity, global equity and fixed income segments of the Fund. Conversely, the alternative investments segment outperformed its benchmark despite posting negative absolute returns.

The CRIF's domestic equity managers collectively depreciated 27.2% (gross of fees) during the trailing year, lagging the Russell 3000 Index return of -26.6%. The Fund's international equity segment returned -30.3% (gross of fees) for the trailing twelve months, outpacing the MSCI ACWI Ex-US Index by 0.6%. This segment also exceeded its benchmark over the trailing three- and five-year periods. The global equity portion declined 29.6% (gross of fees), lagging the MSCI ACWI Index by 0.3%. This portion also lagged its benchmark over the three- and five-year periods.

The fixed income portion of the Fund, excluding Treasury Inflation Protection Securities (TIPS), returned 3.3% (gross of fees) over the trailing one-year period, falling short of the blended Barclays Capital Aggregate Bond Index / Barclays Capital US Universal Index return of 5.5%. The Fund's TIPS manager declined 1.7% (gross of fees) over the same one-year period, trailing the Barclays Capital US TIPS Index by 0.6%. The combined fixed income portfolio lagged the blended index over the three- and five-year periods.

While it was a challenging period for the Fund and the capital markets in general, Mercer has confidence in the Fund's structure and managers as the markets return to normalcy.

Sincerely,



Douglas J. Kryscio, CFA
Principal

Public Employees' Retirement Fund



Outline of Investment Policies

The PERF Board of Trustees serves as the ultimate fiduciary of PERF. The PERF Board of Trustees is comprised of six members. Five members are appointed by the governor of Indiana and the sixth is the director of the state's budget agency or his/her designee. One must be a member of the PERF plan with at least 10 years of creditable service. No more than three of the trustees may be of the same political affiliation. The PERF Board of Trustees appoints the executive director of PERF subject to the approval of the governor.

The PERF Board of Trustees operates under the prudent investor standard in overseeing investment activities, acting "with the care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims."

Prior to May 1997, PERF was prohibited from investing in equities. At that time, the PERF Board of Trustees authorized re-balancing the portfolio by investing in diversified equity asset classes. As stated in the *Notes to the Financial Statements*, the Consolidated Retirement Investment Fund (CRIF) includes all investments and transactions of the pension trust funds. The other employee benefit trust and investment trust funds administered by PERF are excluded from the CRIF. A breakdown of each pension trust fund's share of the CRIF and the asset allocation of the total portfolio is provided in this section.

The investment policy statement (PERF's IPS) and corresponding addenda cover all assets under the PERF Board of Trustees' control. The purpose of the Investment Policy is to:

- Set forth appropriate and prudent investment policies in consideration of the needs of PERF legal requirements applicable to PERF and to direct investment of the Fund's assets.
- Establish criteria against which the investment managers are to be measured.
- Communicate the investment policies, objectives, guidelines and performance criteria of the PERF Board of Trustees to the staff, investment managers, consultants and all other interested parties.
- Serve as a review document to guide the ongoing oversight of the investments of PERF.
- Demonstrate that the PERF Board of Trustees is fulfilling its fiduciary responsibilities in the management of the investments of PERF solely in the interests of members and their beneficiaries.

Maintenance of adequate funding to provide for the payments of the plans' actuarially determined liabilities over time at a reasonable cost to the members, the employers, and the taxpayers of the state is the primary consideration. In order to determine the appropriate asset allocation and diversification of PERF to meet the objectives described above, the PERF Board of Trustees conducts asset and liability modeling studies as necessary. In addition, the asset allocation is reviewed by the Board of Trustees periodically, but no less frequently than every three years.

The investment portfolio includes long-term commitments to the following asset classes: domestic equity, domestic fixed income, global equity, international equity, Treasury Inflation Protected Securities (TIPS) and alternative investments.

The PERF Board of Trustees employs professional investment managers selected through a due diligence search process. This process incorporates the state of Indiana's statutory requirements supported by staff and consultant coordination and analysis. It is the PERF Board of Trustees' intent that the selection process be open to all qualified organizations wishing to participate.

2009 Comprehensive Annual Financial Report

Outline of Investment Policies (continued)

Investment managers are required to comply with stated investment guidelines detailed in PERF's IPS. Investment manager performance is measured against applicable benchmarks as well as a comparable peer group of investment managers.

The Guaranteed Fund provides a guarantee of the value of an individual's contributions plus any interest credited. As set by the PERF Board of Trustees, the actual investments of the Guaranteed Fund are the same as the general PERF portfolio. The PERF Board of Trustees annually establishes the interest crediting rate for the Guaranteed Fund based on a uniform methodology. The interest crediting rate for the Guaranteed Fund during the last 10 years is included in the Investment Highlights of this section on page 81.

Public Employees' Retirement Fund

Investment Highlights



Investment Summary

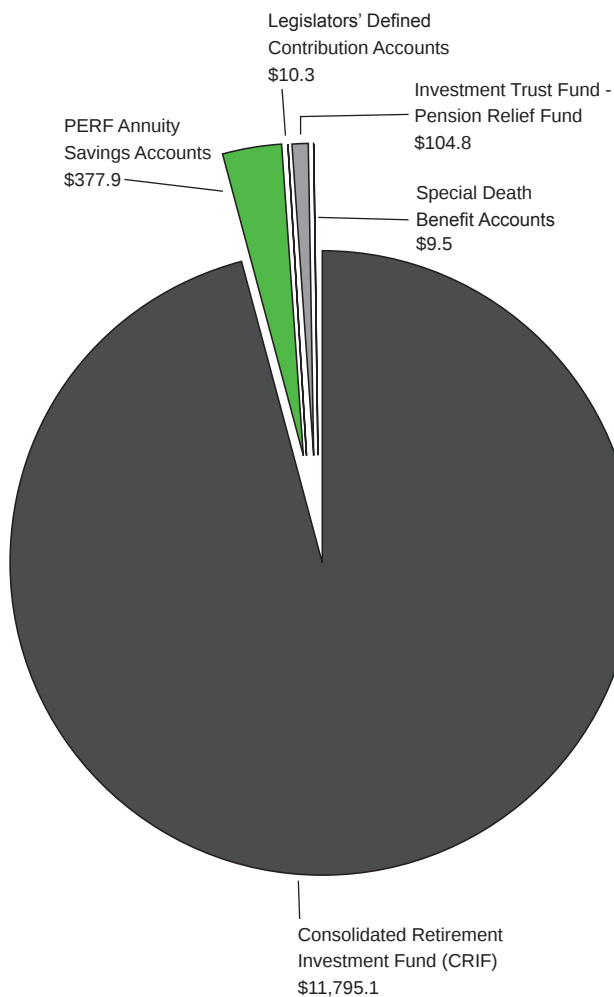
June 30, 2009
(dollars in millions)

Consolidated Retirement Investment Fund (CRIF)	\$ 11,795.1
PERF Annuity Savings Accounts ¹	377.9
Legislators' Defined Contribution Accounts ²	10.3
Investment Trust Fund - Pension Relief Fund	104.8
Special Death Benefit Accounts	9.5
Total Investments, Cash and Cash Equivalents³	\$ 12,297.6

¹Balances directed outside the Guaranteed Fund.

²Balances directed outside the Legislators' CRIF Option.

³Includes investment income receivable, from investment sales and investment purchase payable.



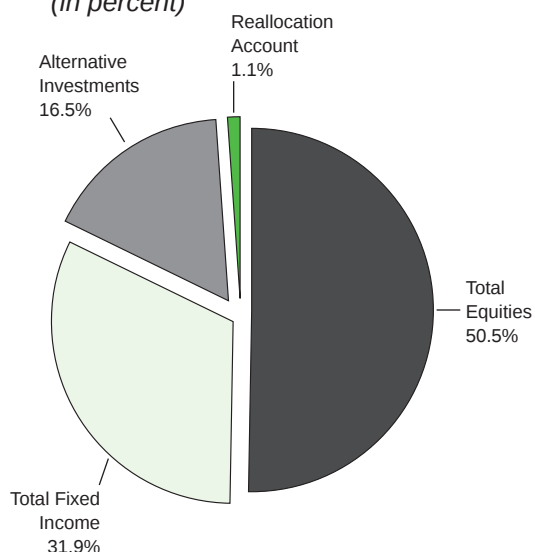
2009 Comprehensive Annual Financial Report

Investment Highlights (continued)

Consolidated Retirement Investment Fund (CRIF) Asset Allocation Summary

June 30, 2009

(in percent)

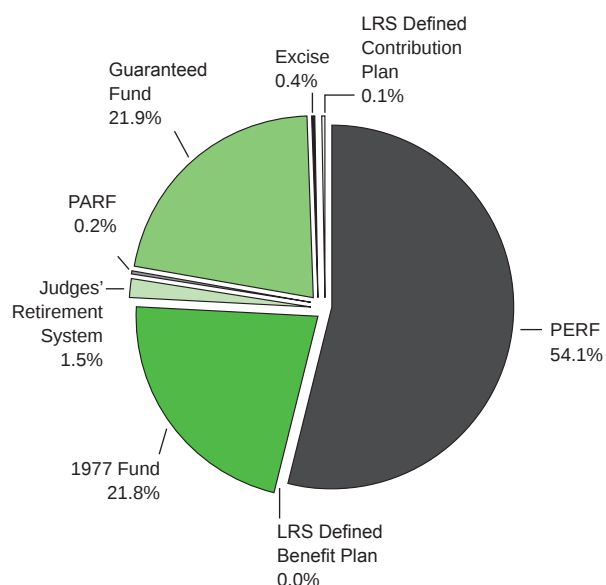


	June 30, 2009	June 30, 2008
Total Equities	50.5%	67.3%
Total Fixed Income	31.9	24.6
Alternative Investments	16.5	7.3
Reallocation Account ¹	1.1	0.8
Total Fund	100%	100%

¹ The Reallocation Account consists of residual cash within the fund.

Retirement Plans in the Consolidated Fund (CRIF)

June 30, 2009



	Assets (in millions)	Percent of Consolidated Fund
Public Employees' Retirement Fund (PERF)	\$ 6,384.6	54.1%
PERF (Guaranteed Fund)	2,578.6	21.9%
Judges' Retirement System	177.1	1.5%
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	51.3	0.4%
1977 Police Officers' and Firefighters' Pension and Disability Fund	2,571.6	21.8%
Prosecuting Attorneys' Retirement Fund	19.7	0.2%
Legislators' Retirement System - Defined Benefit Plan	3.4	0.0%
Legislators' Retirement System - Defined Contribution Plan	8.8	0.1%
Total Consolidated Fund	\$ 11,795.1	100%

Public Employees' Retirement Fund



Investment Highlights (continued)

Comparative Investment Results for Periods Ended June 30, 2009 (percent return)⁵

	1 yr ⁴	3 yr ⁴	5 yr ⁴
Total CRIF¹ Fund	(20.6) %	(4.6) %	1.1 %
vs. Mercer Public Funds Universe median ²	(18.1)	(2.9)	2.4
Target Reference Index ³	(20.1)	(3.2)	2.0
Total CRIF Domestic Equity	(27.2)	(9.7)	(2.5)
vs. Mercer Equity Universe median	(26.2)	(7.6)	(0.5)
Russell 3000 Index	(26.6)	(8.3)	(1.8)
S&P 500 Index	(26.2)	(8.2)	(2.2)
Total CRIF Global Equity	(29.6)	(9.0)	0.0
vs. Mercer Global Equity Universe median	(29.5)	(6.4)	2.2
MSCI ACWI Free Index	(29.3)	(7.0)	1.1
Total CRIF International Equity	(30.3)	(3.9)	6.5
vs. Mercer International Equity Universe median	(30.8)	(6.4)	4.0
ACWI Ex-US Index	(30.9)	(5.8)	4.5
MSCI EAFE Index	(31.0)	(7.5)	2.8
Total CRIF Fixed Income	2.1	5.4	4.7
vs. Mercer Core Investment Grade Universe median	6.3	6.5	5.2
Barclay's Capital Aggregate Index	6.0	6.4	5.0

Ten-Year Total CRIF Investment Rates of Return (dollars in millions)

	Market Value	Actuarial Basis	Rate of Return ²	Actuarial Assumed Rate
2000	\$ 9,315.1	8.5 %	6.7 %	7.25 %
2001	9,883.0	5.8	(2.5)	7.25
2002	9,627.8	3.1	(4.5)	7.25
2003	9,704.1	4.2	4.7	7.25
2004	11,338.2	6.3	16.3	7.25
2005	12,435.3	7.0	9.8	7.25
2006	13,694.9	7.9	10.7	7.25
2007	16,114.3	10.4	18.2	7.25
2008	14,851.0	5.3	(7.6)	7.25
2009	11,795.1	N/A ¹	(20.6)	7.25

¹N/A denotes not available.

²Based on performance calculations made by the fund's custodian, JP Morgan.

¹CRIF = Consolidated Retirement Investment Fund.

²Universe of Public Funds.

³Composed of passive indices for each asset class held at the target allocation.

⁴Gross of Fees.

⁵Based on performance calculations made by the fund's custodian, JP Morgan. The 1 yr, 3 yr and 5 yr are time-weighted rates of return for the year ended June 30, 2009.

Investment Summary June 30, 2009 (dollars in millions)

	Beginning Account Balance	Ending Account Balance	Percentage of Total Fair Value
Domestic Equity	\$ 5,838.7	\$ 3,183.3	27.0 %
Global Equity	1,454.0	991.7	8.4
International Equity	2,707.2	1,782.3	15.1
Total Equity	9,999.9	5,957.3	50.5 %
Alternative Investments	1,085.9	1,941.7	16.5
Fixed Income ¹	3,765.2	3,896.1	33.0
Total CRIF	\$ 14,851.0	\$ 11,795.1	100.0 %

¹Includes Reallocation Account for cash flow and allocation purposes.

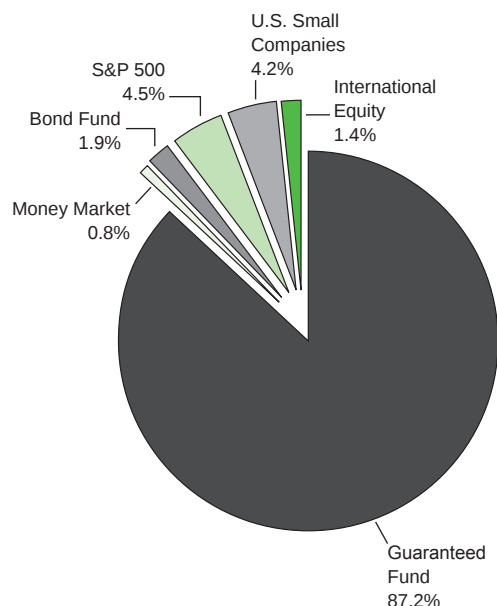
2009 Comprehensive Annual Financial Report

Investment Highlights (continued)

PERF Annuity Savings Account Investment Highlights by Dollar Amount

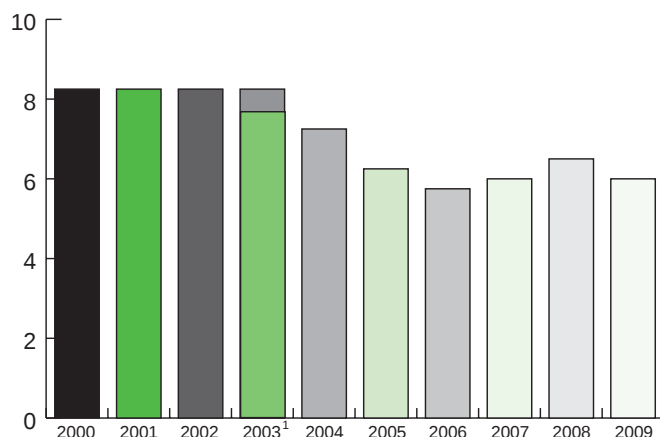
June 30, 2009

(dollars in millions)



Investment Option	Assets	Percent of Self-Directed Investments
Guaranteed Fund	\$ 2,578.6	87.2 %
Money Market Fund	22.2	0.8
Bond Fund	56.0	1.9
S&P 500 Stock Index Fund	132.7	4.5
U.S. Small Companies Stock Fund	124.6	4.2
International Equity Index Fund	42.5	1.4
Total Assets	\$ 2,956.6	100 %

PERF Guaranteed Fund Interest Crediting Rates for Past 10 Years Ended June 30



Year	Interest Crediting Rate
2000	8.25%
2001	8.25
2002	8.25
2003 ¹	8.25/7.75
2004	7.25
2005	6.25
2006	5.75
2007	6.00
2008	6.50
2009	6.00

¹For the fiscal year ended June 30, 2003, the interest crediting rate of the Guaranteed Fund is credited based on an annual rate of 8.25% for the first quarter and 7.75% for the remaining three quarters.

Public Employees' Retirement Fund



Investment Highlights (continued)

Self-Directed Investment Options PERF Annuity Savings Account Annualized Rate of Return by Investment Option²

For Period Ended June 30, 2009

Investment Option	1 yr ¹	3 yr ¹	5 yr ¹	Since Inception
Money Market Fund	1.5 %	3.8 %	3.6 %	4.8 %
Bond Fund	5.1	6.5	5.1	7.6
S&P 500 Stock Index Fund	(24.7)	(7.6)	(1.8)	1.0
U.S. Small Companies Stock Fund	(27.4)	(14.0)	(3.0)	8.9
International Equity Index Fund	(31.4)	(7.8)	2.5	4.6

¹Gross of Fees.

²Based on performance calculations made by the fund's custodian, JP Morgan. The 1yr, 3 yr, 5 yr and since inception rates are time-weighted rates of return for the year ended June 30, 2009.

Self-Directed Investment Options Legislators' Defined Contribution Plan Annualized Rate of Return by Investment Option³

For Period Ended June 30, 2009

Investment Option	1 yr ¹	3 yr ¹	5 yr ¹	Since Inception
CRIF	(20.6) %	(4.6) %	1.1 %	6.4 %
Money Market Fund	1.4	3.7	3.6	3.0
Bond Fund ²	5.0	6.4	N/A	4.4
S&P 500 Stock Index Fund ²	(25.6)	(8.2)	N/A	(2.3)
International Equity Index Fund ²	(30.8)	(8.1)	N/A	2.7
Royce Small Cap Stock Fund ²	(23.8)	(5.9)	N/A	1.6

¹Gross of Fees.

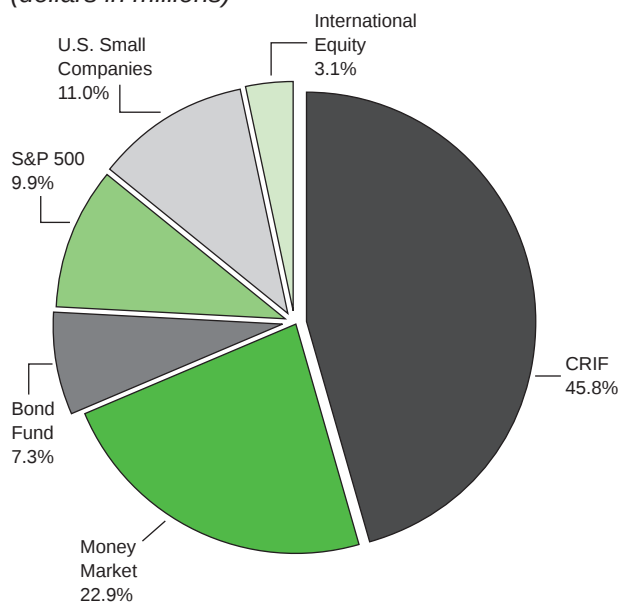
²Made available to plan participants on September 1, 2004.

³Based on performance calculations made by the fund's custodian, JP Morgan. The 1yr, 3 yr, 5 yr and since inception rates are time-weighted rates of return for the year ended June 30, 2009.

Legislators' Retirement Defined Contribution Plan Investment Highlights by Dollar Amount

June 30, 2009

(dollars in millions)



Investment Options	Assets	Percent of Self-Directed Investments
CRIF	\$ 8.8	45.8 %
Money Market Fund	4.4	22.9
Bond Fund	1.4	7.3
S&P 500 Stock Index Fund	1.9	9.9
U.S. Small Companies Stock Fund	2.1	11.0
International Equity Index Fund	0.6	3.1
Total Assets	\$ 19.2	100 %

2009 Comprehensive Annual Financial Report

List of Largest Assets Held

Largest Equity Holdings¹ (dollars in thousands)

Description	Shares	Market Value
Exxon Mobil Corp	1,180,109	\$ 82,501
Microsoft Corp	2,277,540	54,137
Johnson & Johnson	694,742	39,461
AT&T Inc.	1,579,008	39,223
Procter & Gamble Co.	735,961	37,608
Chevron Corp	513,151	33,996
International Bus Mach Corp	324,041	33,836
Apple Inc.	230,840	32,879
General Electric Co.	2,588,088	30,595
Wells Fargo & Co.	1,226,125	29,746
JPMorgan Chase & Co.	866,723	29,564
Pfizer Inc.	1,922,500	28,838
Intel Corp	1,695,282	28,057
Canon Inc.	833,600	27,714
Total S.A.	508,231	27,431

Largest Bond Holdings¹ (dollars in thousands)

Description	Maturity Date	Coupon Rate	Par Value	Market Value
US Treasury Inflation Bond	1/15/2025	2.375	\$ 46,795	\$ 54,980
US Treasury Inflation Note	7/15/2012	3.000	40,710	51,807
US Treasury Inflation Bond	4/15/2029	3.875	30,025	49,728
US Treasury Inflation Note	1/15/2014	2.000	37,780	44,990
US Treasury Inflation Bond	4/15/2028	3.625	27,000	43,586
US Treasury Inflation Note	7/15/2013	1.875	36,220	43,487
US Treasury Inflation Note	7/15/2014	2.000	33,850	39,538
US Treasury Inflation Note	4/15/2011	2.375	35,065	38,975
US Treasury Inflation Note	1/15/2015	1.625	33,995	38,065
US Treasury Inflation Note	1/15/2016	2.000	33,155	36,478
US Treasury Inflation Note	7/15/2015	1.875	31,250	34,925
US Treasury Inflation Note	7/15/2016	2.500	30,935	34,658
US Treasury Inflation Note	1/15/2017	2.375	29,000	32,327
US Treasury Inflation Note	1/15/2019	2.125	30,970	32,057
US Treasury Inflation Bond	1/15/2026	2.000	29,390	31,201

¹A complete list of portfolio holdings is available upon request.

Public Employees' Retirement Fund

Schedule of Commission Fees



Schedule of Commission Fees Top 10 Brokers' Total Commission Fees *(dollars in thousands)*

Broker	Commission Fee
Deutsche Bank	\$ 688
Citigroup	516
Morgan Stanley & Co, Inc.	473
JP Morgan Securities Inc.	448
Credit Suisse First Boston	412
Barclays Capital	381
Merrill Lynch	376
Goldman Sachs & Co	354
UBS AG	246
Liquidnet Inc.	236
Total of Top Ten Commission Fees	4,130
Other Brokers	2,760
Total	\$ 6,890

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Investment Professionals

CUSTODIAN

JP Morgan Chase
1 Chase Manhattan Plaza, 19th Floor
New York, NY 10005

CONSULTANTS

Aksia
599 Lexington Avenue, 46th Floor
New York, NY 10022

Mercer Investment Consulting, Inc.
10 South Wacker Drive, Suite 1700
Chicago, IL 60606-7500

ORG Real Property
15305 SW Sequoia Parkway, Suite 195
Portland, OR 97224

Plexus Group – Terminated 3/1/08
11150 Olympic Blvd, Suite 1000
Los Angeles, CA 90064

Strategic Investment Solutions, Inc.
333 Bush Street, Suite 2000
San Francisco, CA 94104

CRIF

DOMESTIC EQUITY

Artisan Partners Limited Partnership
5 Concourse Parkway NE, Suite 2120
Atlanta, GA 30328

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

Leading Edge Investment Advisors, LLC
601 California Street, Suite 1250
San Francisco, CA 94108

Numeric Investors, LLC
470 Atlantic Avenue, 6th Floor
Boston, MA 02210

Rhumblin Advisors
30 Rowes Wharf, Suite 350
Boston, MA 02110

Sands Capital Management, LLC –
Terminated 2/17/09
1101 Wilson Blvd., Suite 2300
Arlington, VA 22209

State Street Global Advisors
State Street Financial Center
One Lincoln Street, 33rd Floor
Boston, MA 02111

Times Square Capital Management, LLC
1177 Avenue of Americas, 39th Floor
New York, NY 10036-9998

T. Rowe Price
100 East Pratt Street
Baltimore, MD 21202-1009

Turner Investment Partners, Inc. –
Terminated 2/17/09
1205 Westlakes Drive, Suite 100
Berwyn, PA 19312

Wells Capital Management
900 East 96th Street, Suite 310
Indianapolis, IN 46240

GLOBAL EQUITY

Brandes Investment Partners, LP
11988 El Camino Real, Suite 500
PO Box 919048
San Diego, CA 92191-9048

Capital Guardian Trust Company –
Terminated 2/10/09
630 Fifth Avenue, 36th Floor
New York, NY 10111

Invesco
1360 Peachtree St., NE, Suite 100
One Midtown Plaza
Atlanta, GA 30309

INTERNATIONAL EQUITY

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

Baillie Gifford & Company
Calton Square
1 Greenside Row

Edinburgh EH1 3AN
Scotland, United Kingdom

Mondrian Investment Partners, Inc.
Two Commerce Square
2001 Market Street, Suite 3810
Philadelphia, PA 19103-7039

Schroders
875 Third Avenue
New York, NY 10022-6225

FIXED INCOME

BlackRock Financial Management, Inc.
40 E. 52nd St., 6th Floor
New York, NY 10022

Goldman Sachs Asset Management, L.P.
32 Old Slip, 32nd Floor
New York, NY 10005

Public Employees' Retirement Fund



Investment Professionals (continued)

FIXED INCOME, cont.

Hughes Capital Management, Inc.
916 Prince Street, 3rd Floor
Alexandria, VA 22314

Loomis, Sayles & Company, L.P.
One Financial Center
Boston, MA 02111

Northern Trust Global Investments
50 South LaSalle Street
M4 Quant Management
Chicago, IL 60675

Pacific Investment Management Company
840 Newport Center Drive, Suite 100
Newport Beach, CA 92660

Reams Asset Management Co., LLC
227 Washington Street, PO Box 727
Columbus, IN 47201-0727

Taplin, Canida & Habacht
1001 Brickell Bay Drive, Suite 2100
Miami, FL 33131

REAL ASSETS

The Blackstone Group
345 Park Avenue
New York, NY 10154

Colony Capital, LLC
1999 Avenue of the Starts, Suite 1200
Los Angeles, CA 90067

European Investors Inc.
717 Fifth Avenue, 10th Floor
New York, NY 10022

Goldman Sachs Asset Management, L.P.
32 Old Slip, 32nd Floor
New York, NY 10005

Gresham Investment Management LLC
67 Irving Place, 12th Floor
New York, NY 10003

House Investments
10401 North Meridian Street, Suite 275
Indianapolis, IN 46290-1090

Invesco Ltd.
One Midtown Plaza
1360 Peachtree Street, NE
Atlanta, GA 30309

Mesa West
11755 Wilshire Blvd., Suite 1670
Los Angeles, CA 90025

Prima Capital Advisors, LLC
2 Overhill Road, Suite 340
Scarsdale, NY 10583

Walton Street Capital
900 North Michigan Avenue, Suite 1900
Chicago, IL 60611

ABSOLUTE RETURN

Bridgewater Associates, Inc.
One Glendinning Place
Westport, CT 06880

Caspian Capital Advisors, LLC
500 Mamaroneck Avenue, Suite 101
Harrison, NY 10528

Dorchester Capital Advisors, LLC
11111 Santa Monica Blvd., Suite 1250
Los Angeles, CA 90025

Loomis Sayles & Company, L.P.
One Financial Center
Boston, MA 02111

Pacific Alternative Asset Mgt. Co.
(PAAMCO)
19540 Jamboree Road, Suite 400
Irving, CA 92612

Paulson and Co. Inc.
1251 Avenue of the Americas, 50th Floor
New York, NY 10020

The Blackstone Group
345 Park Avenue
New York, NY 10154

Viking Global Investors
280 Park Avenue
New York, NY 10017

PRIVATE EQUITY

Actis
2 More London Riverside
London SE1 2JT
United Kingdom

Advent International
111 Buckingham Palace Road
London SW1W 0SR
United Kingdom

Arch Venture Partners
8725 West Higgins Road, Suite 290
Chicago, IL 60631

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Investment Professionals (continued)

PRIVATE EQUITY, cont.

Ares Management, LLC 1999 Avenue of the Stars, 19th Floor Los Angeles, CA 90067	Encap Investments 1100 Louisiana Street, Suite 1100 Houston, TX 77002	Lindsay, Goldberg 630 Fifth Avenue, 30th Floor New York, NY 10111
Avenue Capital Partners 535 Madison Avenue, 15th Floor New York, NY 10022	Energy Capital Partners 51 John F. Kennedy Parkway, Suite 200 Short Hills, NJ 07078	Lion Capital, LLP 21 Grosvenor Place London SW1X 7HF United Kingdom
Brentwood Associates 11150 Santa Monica Blvd., Suite 1200 Los Angeles, CA 90025	Falcon Investment Advisors 21 Custom House Street, 10th Floor Boston, MA 02110	MBK Partners 4th Floor, Aksaka Intercity, 1-11-44 Aksaka, Minato-ku Tokyo, Japan 107-0052
Cerberus Institutional Partners 299 Park Avenue New York, NY 10171	Greenpark Capital 2-5 Old Bond Street London, W1S 4PD United Kingdom	Merit Capital Partners 303 West Madison Avenue, Suite 2100 Chicago, IL 60606
Clarity China Partners Capital Mansion, Suite #2101 6 Xin Yuan Nan Lu Chaoyang District, Beijing, China 100004	GSO Capital Partners 280 Park Avenue New York, NY 10017	Mill Road Capital 2 Soundview Drive, Suite 300 Greenwich, Ct 06830
Court Square Capital Partners Park Avenue Plaza 55 E 52nd St., 34th Floor New York, NY 10055	Hellman & Friedman Investors One Maritime Plaza, 12th Floor San Francisco, CA 94111	Natural Gas Partners 125 E. John Carpenter Freeway, Suite 600 Irving, TX 75062
Credit Suisse 11 Madison Avenue, 16th Floor New York, NY 10010	Herkules Capital Strandveien 50 P.O. Box 34 1324 Lysaker Norway	Neuberger Investment Management 190 South LaSalle Street, 26th Floor Chicago, IL 60603
Crestview Capital 667 Madison Avenue, 10th Floor New York, NY 10021	Horsley Bridge Partners 505 Montgomery Street San Francisco, CA 94111	New Mountain Capital One Market Street, Spear Tower, Suite 1735 San Francisco, CA 94105
CVC Capital Partners 111 Strand London WC2R 0AG United Kingdom	Lexington Partners 660 Madison Avenue New York, NY 10021	Oak Investment Partners One Gorham Island Westport, CT 06880

Public Employees' Retirement Fund



Investment Professionals (continued)

PRIVATE EQUITY, cont.

Oaktree Capital Management
333 S. Grand Avenue, 28th Floor
Los Angeles, CA 90071

PACVEN Walden Ventures
750 Battery Street, 7th Floor
San Francisco, Ca 94111

Pappas Ventures
2520 Meridian Parkway, Suite 400
Durham, NC 27713

Scale Venture Partners
950 Tower Lane, Suite 700
Foster City, Ca 94404

Silver Lake Partners
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025

Technology Partners
550 University Avenue
Palo Alto, CA 94301

Terra Firma Capital Partners
2 More London Riverside
London SE1 2AP
United Kingdom

TowerBrook Investors
430 Park Avenue
New York, NY 10022

Triton Investment Advisors, LLC
18672 Florida Street, Suite 202B
Huntington Beach, California 92648

Vista Equity Partners
150 California Street, 19th Floor
San Francisco, CA 94111

Warburg Pincus
466 Lexington Avenue
New York, NY 10017-3147

Wayzata Investment Partners
701 East Lake Street, Suite 300
Wayzata, MN 55391

White Deer Energy Management LLC
700 Louisiana Street, Suite 4770
Houston, Texas 77002

WL Ross & Company
1166 Avenue of the Americas, 27th Floor
New York, NY 10036

York Capital Management
767 Fifth Avenue, 17th Floor
New York, NY 10153

DEFINED CONTRIBUTION PLANS

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

Dimensional Fund Advisors, Inc.
1299 Ocean Avenue
Santa Monica, CA 90401

Northern Trust Global Investments
50 South LaSalle Street
M4 Quant Management
Chicago, IL 60675

Royce & Associates, LLC
1414 Avenues of the Americas, Suite 900
New York, NY 10019

JP Morgan Chase
3 Metro Tech Center, Fl. 5
Brooklyn, NY 11245

PENSION RELIEF FUND

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

SPECIAL DEATH FUNDS

Allegiant Asset Management Company
101 S. 5th Street
National City Tower – Loc. #T03F
Louisville, KY

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For the Fiscal Year Ended June 30, 2009

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Public Employees' Retirement Fund



Actuary's Certification Letter



McCready and Keene, Inc.

7941 Castleway Drive

PO Box 50460

Indianapolis, Indiana 46250-0460

July 31, 2009

Via E-Mail Only

Indiana Public Employees' Retirement Fund
Board of Trustees
143 West Market Street, Suite 500
Indianapolis, IN 46204

Dear Members of the Board:

Certification of Actuarial Valuations

The actuarial data presented in this report describes the current actuarial condition of the defined benefit pension plans ("Plans") administered by the Indiana Public Employees' Retirement Fund ("PERF"). Valuations are prepared annually as of July 1 for all Plans except the 1977 Police Officers' and Firefighters' Pension and Disability Fund which is annually as of January 1.

Under PERF statutes, employer contribution rates are certified annually for each Plan by the Board of Trustees. These rates are determined actuarially, based on the Board's funding policy. Contribution rates for the PERF Plan as determined by a given actuarial valuation become effective eighteen months after the valuation date (12 months for state employees). For example, the rates determined by the July 1, 2008 actuarial valuation were used by the Board when certifying the employer contribution rates for the year beginning January 1, 2010 (or for the year beginning July 1, 2009 for state employees). If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the recommended rates before certifying them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Funding Objectives and Funding Policy

In setting contribution rates, the Board's principal objectives have been:

- to set rates so that the unfunded actuarial accrued liability ("UAAL") will be amortized over a fixed period.
- to set rates so that they remain relatively level over time.

Funding Objectives and Funding Policy, continued

To accomplish this, the Board's funding policy requires that the employer contribution rate be equal to the sum of the employer normal cost rate (which pays the current year's cost) and an amortization rate which results in the amortization of the UAAL in equal installments.

The Board has historically adopted smoothing rules to the political subdivisions of PERF (except for State Employees) in the determination of the employer contribution rates to reduce the variability of these rates.

Beginning with 2007, the smoothing rules were extended to the determination of the employer contribution rates for PERF State employees and for the State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan, the 1977 Police Officers' and Firefighters Pension and Disability fund, and the Prosecuting Attorneys Retirement Fund.

For 2008 an additional smoothing rule was adopted which stated that any employer contribution amount or rate developed based on the 2008 valuation could not be less than the employer contribution amount or rate based on the 2007 valuation. This smoothing rule was

2009 Comprehensive Annual Financial Report

Actuary's Certification Letter

adopted in anticipation of the recent economic downturn much of which happened after the 2008 actuarial valuation dates. This new smoothing rule will be reconsidered in future years.

No membership growth is anticipated in setting the contribution rate. This is consistent with GASB #25, which prohibits anticipating membership growth in determining the minimum Annual Required Contribution ("ARC").

Under this policy, the objectives of amortizing the UAAL and maintaining relatively level contribution rates over time are achieved.

Progress Toward Realization of Financing Objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a Plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The combined funded ratio for all Plans remained relatively level from the preceding year due primarily to net actual experience close to the experience anticipated by the actuarial assumptions.

Benefit Provisions

The benefit provisions reflected in this report are those which were in effect on each Plan's valuation date. Both the Judges' Retirement System and the Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan reflect changes in benefit provisions from the 2007 valuations.

Assumptions and Methods

Actuarial assumptions and methods used in the valuation are set by the Board, based upon the recommendations of the actuary. The actuary reviews actual plan experience before making these recommendations. The last such review of actuarial assumptions was carried out in connection with the July 1, 2006 actuarial valuation for the PERF Plan and the January 1, 2003 actuarial valuation for the 1977 Municipal Police and Fire pension plan.

Data

Member data for retired, active and inactive members was supplied as of each Plan's valuation date by Indiana Office of Technology, a data vendor for PERF. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. Asset information for each Plan was supplied by PERF and Indiana Office of Technology.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of each Plan administered by PERF as of each Plan's 2008 valuation date.

We prepared the data contained within the exhibits in the "Actuarial Section" which include Summary of Actuarial Assumptions and Methods, the Reconciliation of Changes in Unfunded Actuarial Accrued Liabilities, the Solvency Tests, the Schedules of Active Member Valuation Data, and the Schedules of Retirees and Beneficiaries. In addition, we prepared the data for the Schedules of Funding Progress and Schedules of Employer Contributions in the "Financial Section." We have reviewed all of these exhibits for accuracy.

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Indiana state law and, where applicable, the Internal Revenue Code, Employee Retirement Income Security Act (ERISA), and the Statements of the Governmental Accounting Standards Board. We are each independent Enrolled Actuaries and Members of the American Academy of Actuaries and experienced in performing valuations for large public retirement systems.

If you have any questions or require additional information, please don't hesitate to contact us.

Sincerely,



Douglas Todd
A.S.A., M.A.A.A., E.A.
Senior Actuary

Richard E. Lenar
F.S.A., M.A.A.A., E.A.
Chief Actuary

Public Employees' Retirement Fund



Summary of Actuarial Assumptions and Methods as of July 1, 2008

Note 1: Prior to July 1, 2003, the COLA assumption was assumed to be 2 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2003, the time period for the actuarial assumption for COLA was changed from the remaining lifetime of the benefit recipient to five years from the valuation date. This change was applied to the Indiana Public Employees' Retirement Fund (PERF Plan), the State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan, and the Legislators' Defined Benefit Plan.

Note 2: Effective July 1, 2004, the COLA assumption was assumed to be 0.5 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2005, the COLA assumption was assumed to be 1 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2006, the COLA assumption was assumed to be 1.5 percent for the remaining lifetime of the benefit recipient. These changes were applied to the PERF Plan, the State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan, and the Legislators' Defined Benefit Plan. The PERF Plan plans to maintain the COLA assumption at 1.5 percent for the remaining lifetime of the benefit recipient.

Note 3: All systems are using the 1994 U.S. UP-94 (sex distinct) for post-retirement.

Note 4: Actuarial funding method for all systems is Entry Age Normal Cost, except for the Accrued Benefit (Unit Credit) funding method that is used for the Judges' Retirement System and the Legislators' Defined Benefit Plan. Actuarial experience gains and losses are amortized on a level dollar basis for all systems. The amortization period is closed for all systems except the 1977 Police Officers' and Firefighters' Pension and Disability Fund which has an open amortization period.

Note 5: Actuarial asset valuation method phases in the difference between expected investment return and actual investment return over a 4-year period for all systems, except the Judges' Retirement System.

Public Employees' Retirement Fund

July 1, 2008 Actuarial Valuation

Investment Return	Post-Retirement COLA	Salary Scale	Retirement Rates	Disability Rates	Termination Rates
7.25%	1.5%	Based on PERF Exp. 2000-2005 Sample Rates:	Based on PERF Exp. 2000-2005 Sample Rates:	Based on PERF Exp. 2000-2005 Sample Rates:	Based on PERF Exp. 2000-2005 Ultimate Sample Rates:
		Age Rate	Age Rate	Age Male Rate Female Rate	Age Male Rate Female Rate
		25 4%	60 13%	45 0.11% 0.09%	25 2% 2%
		35 4	62 29	50 0.20 0.16	30 2 2
		45 4	65 43	55 0.35 0.28	35 2 2
		60 4	70 39	60 0.62 0.49	45 2 2

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Summary of Actuarial Assumptions and Methods as of July 1, 2008

Judges' Retirement System

July 1, 2008 Actuarial Valuation

Investment Return	Post-Retirement COLA	Salary Scale	Retirement Rates		Disability Rates		Termination Rates	
7.25%	4% for 1977 System 4% for 1985 System Beginning January 1, 2010	4%	Based on Experience 2000-2005 Sample Rates:		1964 OASDI, Sample Rates:		Based on Experience 2000-2005 Sample Rates:	
			Age	Male and Female	Age	Male and Female	Age	Male and Female
			62	25%	40	0.22%	30	4%
			64	10	50	0.61	40	4
			65	25	60	1.63	50	4
			75	100	64	2.32	55	4

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

July 1, 2008 Actuarial Valuation

Investment Return	Post-Retirement COLA	Salary Scale	Retirement Rates		Disability Rates		Termination Rates	
7.25%	1.5%	4.5%	Based on Experience of current retirees Sample Rates:		150% of 1964 OASDI Sample Rates:		Sarason T-1 Sample Rates:	
			Age	Male and Female	Age	Rate	Age	Male and Female
			50	3%	40	0.33%	30	3.7%
			55 ¹	2 ¹	50	0.91	40	1.1
			60 ¹	20 ¹	60	2.44	50	0.0
			65 ¹	100 ¹	64	3.48	55	0.0

¹Effective July 1, 2008, the mandatory retirement age was changed from 60 years to 65 years.

1977 Police Officers' and Firefighters' Pension and Disability Fund

January 1, 2008 Actuarial Valuation

Investment Return	Post-Retirement COLA	Salary Scale	Retirement Rates		Disability Rates		Termination Rates (State)	
7.25%	2.75%	4%	Based on Actuarial Exp. Study 1998-2002 Sample Rates:		150% of 1964 OASDI Sample Rates:		Sarason T-1 Sample Rates:	
			Age	Male and Female	Age	Male and Female	Age	Male and Female
			50-51	10%	40	0.33%	30	3.7%
			52-64	20	50	0.91	40	1.1
			65-69	50	60	2.44	50	0.0
			70+	100	64	3.48	55	0.0

Public Employees' Retirement Fund



Summary of Actuarial Assumptions and Methods as of July 1, 2008

Prosecuting Attorneys' Retirement Fund

July 1, 2008 Actuarial Valuation

Investment Return	Post-Retirement COLA	Salary Scale	Retirement Rates	Disability Rates	Termination Rate															
7.25%	None	4%	Later of (a) age 65, or (b) 8 years service	Based on PERF Exp. 2000-2005 Sample Rates:	10% per year															
				<table><tr><th>Age</th><th>Male Rate</th><th>Female Rate</th></tr><tr><td>45</td><td>0.11%</td><td>0.09%</td></tr><tr><td>50</td><td>0.20</td><td>0.16</td></tr><tr><td>55</td><td>0.35</td><td>0.28</td></tr><tr><td>60</td><td>0.62</td><td>0.49</td></tr></table>	Age	Male Rate	Female Rate	45	0.11%	0.09%	50	0.20	0.16	55	0.35	0.28	60	0.62	0.49	
Age	Male Rate	Female Rate																		
45	0.11%	0.09%																		
50	0.20	0.16																		
55	0.35	0.28																		
60	0.62	0.49																		

Legislators' Defined Benefit Plan

July 1, 2008 Actuarial Valuation

Investment Return	Post-Retirement COLA	Salary Scale	Retirement Rates	Disability Rates	Termination Rates (State)
7.25%	1.5%	3%	Based on Experience Sample Rates:	75% of 1964 OASDI Sample Rates:	Sarason T-2 Sample Rates:
			AgeMale and Female	AgeMale and Female	AgeMale and Female
			5510%	400.17%	305.1%
			58-612	500.45	403.5
			62-645	601.22	500.4
			6550	641.74	550.0

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Reconciliation of Changes in Unfunded Actuarial Accrued Liabilities

(dollars in thousands)

System	July 1, 2007 UAAL ²	Amortized Payments, Prior Year	Interest for Year	Liability (Gain) / Loss	Asset (Gain) / Loss	Change in Benefit Provisions or Assumptions	July 1, 2008 UAAL ²
Public Employees' Retirement Fund	\$ 218,864	\$ (17,041)	\$ 14,632	\$ (128,899)	\$ 235,549	\$ 0	\$ 323,105
Judges' Retirement System	72,248	(5,622)	4,831	(5,234)	(2,168)	39,813	103,868
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	17,037	(1,326)	1,139	(616)	(541)	(3,891)	11,802
1977 Police Officers' and Firefighters' Pension and Disability Fund ¹	(210,987)	16,253	(14,118)	(79,253)	(104,080)	0	(392,185)
Prosecuting Attorneys' Retirement Fund	8,237	(641)	551	3,794	(222)	0	11,719
Legislators' Defined Benefit Plan	134	(14)	8	(182)	(27)	0	(81)

¹ Beginning date of January 1, 2007 rather than July 1, 2007, and ending date of January 1, 2008 rather than July 1, 2008.

² UAAL = Unfunded Actuarial Accrued Liability.

Public Employees' Retirement Fund



Solvency Test

		Actuarial Accrued Liabilities			
		(1)	(2)	(3)	(4)
		Active Member	Retirees and	Active Member	Total Actuarial
System	As of July 1	Contributions	Beneficiaries	(Employer Financed Portion)	Accrued Liabilities
Public Employees' Retirement Fund	2003 ¹	\$ 1,971,864	\$ 2,764,974	\$ 4,297,735	\$ 9,034,573
	2004 ¹	2,211,326	2,927,884	4,705,143	9,844,353
	2005 ¹	2,382,280	3,301,265	5,174,777	10,858,322
	2006 ¹	2,515,984	3,648,764	5,286,181	11,450,929
	2007 ¹	2,707,176	4,007,389	5,725,233	12,439,798
	2008 ¹	2,694,331	4,227,366	6,181,524	13,103,221
Judges' Retirement System	2003 ¹	\$ 12,595	\$ 111,781	\$ 82,470	\$ 206,846
	2004	18,415	105,922	85,655	209,992
	2005	19,515	137,631	115,709	272,855
	2006 ^{1,2}	20,861	134,272	117,865	272,998
	2007	21,276	143,645	119,074	283,995
	2008	22,243	155,177	161,329	338,749
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	2003 ¹	\$ 3,103	\$ 17,630	\$ 31,274	\$ 52,007
	2004 ¹	3,613	17,788	28,608	50,009
	2005 ¹	3,488	18,907	37,569	59,964
	2006 ^{1,2}	3,644	20,870	40,251	64,765
	2007 ²	3,527	24,606	46,318	74,451
	2008 ^{1,2}	4,314	28,902	43,961	77,177
1977 Police Officers' and Firefighters' Pension and Disability Fund (As of January 1 instead of July 1)	2003 ¹	\$ 307,929	\$ 457,766	\$ 1,001,150	\$ 1,766,845
	2004	344,775	452,755	1,077,988	1,875,518
	2005	362,908	436,606	1,264,657	2,064,171
	2006	403,643	503,498	1,507,912	2,415,053
	2007	455,476	546,628	1,647,421	2,649,525
	2008 ¹	498,662	655,827	1,734,806	2,889,295
Prosecuting Attorneys' Retirement Fund	2003 ¹	\$ 9,489	\$ 2,084	\$ 4,113	\$ 15,686
	2004	12,237	2,419	7,932	22,588
	2005	13,132	2,303	10,309	25,744
	2006 ¹	14,893	2,252	12,039	29,184
	2007	16,014	3,192	12,846	32,052
	2008 ¹	17,428	5,173	15,468	38,069
Legislators' Defined Benefit Plan	2003 ¹	\$ 0	\$ 2,278	\$ 2,670	\$ 4,948
	2004 ¹	0	2,128	2,728	4,856
	2005 ¹	0	2,121	2,878	4,999
	2006 ¹	0	2,270	2,962	5,232
	2007	0	2,432	2,737	5,169
	2008	0	2,258	2,781	5,039

¹ Actuarial assumptions and/or methods revised

² Improvement in benefit provisions

2009 Comprehensive Annual Financial Report

Solvency Test (continued)

(dollars in thousands)

System	Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Assets			
		(1)	(2)	(3)	(4)
Public Employees' Retirement Fund	\$ 9,293,952	100%	100%	100%	102.9%
	9,853,976	100%	100%	100%	100.1%
	10,471,937	100%	100%	92.5%	96.4%
	11,177,971	100%	100%	94.8%	97.6%
	12,220,934	100%	100%	96.2%	98.2%
	12,780,116	100%	100%	94.8%	97.5%
Judges' Retirement System	\$ 126,152	100%	100%	2.2%	61.0%
	135,798	100%	100%	13.4%	64.7%
	151,003	100%	95.5%	0.0%	55.3%
	178,276	100%	100%	19.6%	65.3%
	211,747	100%	100%	39.3%	74.6%
	234,881	100%	100%	35.6%	69.3%
State Excise Police, Gaming Agent, Gaming Control	\$ 37,286	100%	100%	52.9%	71.7%
Officer and Conservation Enforcement Officers'	38,772	100%	100%	60.7%	77.5%
Retirement Plan	41,663	100%	100%	51.3%	69.5%
	48,496	100%	100%	59.6%	74.9%
	57,414	100%	100%	63.2%	77.1%
	65,375	100%	100%	73.2%	84.7%
1977 Police Officers' and Firefighters'	\$ 1,660,445	100%	100%	89.4%	94.0%
Pension & Disability Fund	1,797,124	100%	100%	92.7%	95.8%
	1,976,905	100%	100%	93.1%	95.8%
	2,347,986	100%	100%	95.6%	97.2%
	2,860,512	100%	100%	100.0%	108.0%
	3,281,480	100%	100%	100.0%	113.6%
Prosecuting Attorneys' Retirement Fund	\$ 12,758	100%	100%	28.8%	81.3%
	14,655	100%	100%	0.0%	64.9%
	16,876	100%	100%	14.0%	65.6%
	20,053	100%	100%	24.2%	68.7%
	23,815	100%	100%	35.9%	74.3%
	26,350	100%	100%	24.2%	69.2%
Legislators' Defined Benefit Plan	\$ 4,200	N/A	100%	72.0%	84.9%
	4,206	N/A	100%	76.2%	86.6%
	4,339	N/A	100%	77.0%	86.8%
	4,721	N/A	100%	82.8%	90.2%
	5,035	N/A	100%	95.1%	97.4%
	5,120	N/A	100%	100.0%	101.6%

Public Employees' Retirement Fund



Schedules of Active Member Valuation Data

(dollars in thousands – except average)

System	As of July 1	Active Members	Active Members			
			Annual Payroll	Average Pay	Percent Increase	
Public Employees' Retirement Fund	2003	143,082	\$ 4,038,680 ²	\$ 28,226	5.0%	
	2004	142,913	4,214,390 ²	29,489	4.5	
	2005	141,428	4,318,450	30,535	3.5	
	2006	140,563	4,322,180	30,749	4.3	
	2007	138,863	4,385,676	31,583	2.7	
	2008	140,146	4,600,354	32,825	3.9	
Judges' Retirement System	2003	278	\$ 25,400	\$ 91,367	(0.2)%	
	2004	275	25,693	93,431	2.3	
	2005	282	32,231	114,293	22.3	
	2006	274	34,065	124,323	8.8	
	2007	258	29,712	115,163	(7.4)	
	2008	267	33,729	126,327	9.7	
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	2003	254	\$ 11,944	\$ 47,024	(5.6)%	
	2004	251	10,209	40,675	(13.5)	
	2005	262	13,223	50,469	24.1	
	2006	310	14,892	48,039	(4.8)	
	2007	344	17,715	51,497	7.2	
	2008	410	21,333	52,033	1.0	
1977 Police Officers' and Firefighters' Pension and Disability Fund	2003	10,737	\$ 432,954	\$ 40,324	3.6%	
	2004	11,238	469,750	41,800	3.7	
	2005	11,424	493,707	43,217	3.4	
	2006	11,728	522,227	44,528	3.0	
	2007	12,056	557,644	46,254	3.9	
	2008	12,611	603,963	47,892	3.5	
Prosecuting Attorneys' Retirement Fund	2003	218	\$ 13,159	\$ 60,360	(14.3)%	
	2004	214	15,149	70,790	17.3	
	2005	220	16,659	75,724	7.0	
	2006	218	19,225	88,188	16.5	
	2007	206	18,092	87,825	(0.4)	
	2008	209	20,617	98,646	12.3	
Legislators' Defined Benefit Plan ¹	2003	55	N/A	N/A	N/A	
	2004	50	N/A	N/A	N/A	
	2005	48	N/A	N/A	N/A	
	2006	46	N/A	N/A	N/A	
	2007	43	N/A	N/A	N/A	
	2008	34	N/A	N/A	N/A	

¹ Benefits are not based on annual payroll.

² Prior year totals have been restated.

2009 Comprehensive Annual Financial Report

Schedules of Retirants and Beneficiaries

(dollars in thousands – except average)

	Year Begin July 1	Added to Rolls		Removed From Rolls		Rolls - End of Year		% Increase in Annual Allowances	Average Annual Allowances ¹
		No.	Annual Allowances ¹	No.	Annual Allowances ¹	No.	Annual Allowances ¹		
Public Employees' Retirement Fund	2002	3,978	\$ 31,424	2,114	\$ 9,216	52,956	\$ 289,667	10.1%	\$ 5,470
	2003	3,975	34,244	2,577	12,511	54,354	325,711	12.4	5,992
	2004	4,499	35,845	1,732	8,358	57,121	354,285	8.8	6,202
	2005	3,403	29,572	2,241	14,440	58,283	377,611	6.6	6,479
	2006	4,633	42,653	2,584	15,229	60,332	412,745	9.3	6,841
	2007	5,376	43,915	3,284	18,022	62,424	436,749	5.8	6,996
Judges' Retirement System	2002	28	\$ 1,386	5	\$ 166	258	\$ 9,915	23.5%	\$ 38,430
	2003	8	313	4	208	262	9,854	(0.6)	37,609
	2004	13	667	11	374	264	12,272	24.5	46,485
	2005	12	868	7	474	269	12,983	5.8	48,266
	2006	18	976	8	409	279	13,899	7.1	49,819
	2007	23	1,257	26	991	276	14,754	6.1	53,455
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	2002	5	\$ 108	5	\$ 54	128	\$ 1,673	3.3%	\$ 13,067
	2003	4	116	4	58	128	1,738	3.9	13,580
	2004	4	114	4	65	128	1,787	2.8	13,962
	2005	5	127	1	26	132	1,888	5.6	14,304
	2006	13	359	5	74	140	2,176	15.2	15,539
	2007	9	302	12	119	137	2,518	15.8	18,382
1977 Police Officers' and Firefighters' Pension and Disability Fund (As of January 1 instead of July 1)	2002	90	\$ 1,558	50	\$ 767	1906	\$ 34,088	7.9%	\$ 17,885
	2003	65	1,320	65	1,215	1,906	34,258	0.5	17,974
	2004	14	255	22	387	1,898	33,706	(1.5)	17,759
	2005	257	5,493	28	554	2,127	38,648	14.7	18,170
	2006	172	3,860	34	592	2,265	41,973	8.6	18,531
	2007	333	8,101	50	886	2,548	49,537	18.0	19,442
Prosecuting Attorneys' Retirement Fund	2002	1	\$ 31	2	\$ 21	17	\$ 226	4.3%	\$ 13,266
	2003	2	38	1	7	18	257	13.8	14,259
	2004	0	0	0	0	18	249	(3.0)	13,831
	2005	0	0	0	0	18	249	0.1	13,850
	2006	4	121	2	32	20	338	35.6	16,905
	2007	7	207	1	14	26	522	54.3	20,068
Legislators' Defined Benefit Plan	2002	9	\$ 31	4	\$ 14	39	\$ 246	5.9%	\$ 6,301
	2003	0	0	0	0	39	246	0.0	6,303
	2004	0	0	0	0	39	244	(0.5)	6,268
	2005	2	12	2	9	39	260	6.2	6,658
	2006	6	31	0	0	45	283	9.1	6,298
	2007	1	0	2	10	44	274	(3.4)	6,223

¹ For PERF only, this includes employee annuities.

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For the Fiscal Year Ended June 30, 2009

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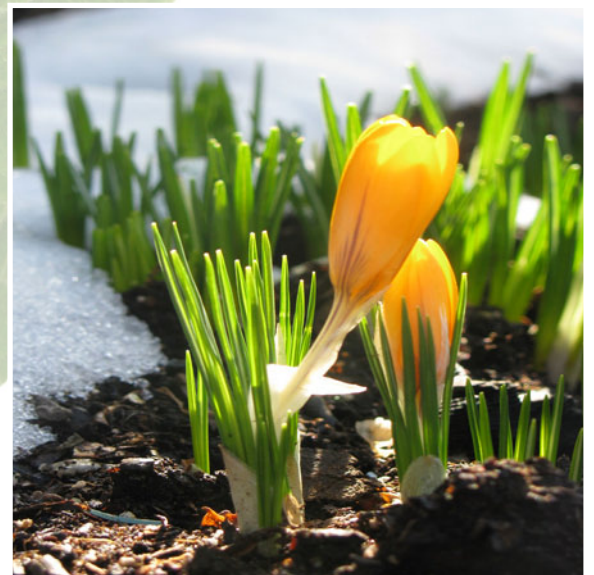
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Summary of Statistical Section

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his part of the *PERF Comprehensive Annual Financial Report* contains details for understanding what the financial statements, note disclosures and required supplementary information say about each of the Fund's overall financial health.

Contents

Financial Trends

The following schedules contain trend information to help the reader understand how the financial performance of each fund has changed over time:

- Schedule of Additions by Source
- Schedule of Deductions by Type
- Schedule of Benefit Deductions by Type
- Schedule of Changes in Net Assets

Demographic and Economic Information

The following schedules contain benefit and member data regarding the environment within the financial activities of each fund:

- Schedule of Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments
- Schedule of Average Death Benefit Payments
- Schedule of Participating Employers

Sources: Unless otherwise noted, the information in these schedules is obtained from the comprehensive annual financial reports for the relevant years.

Public Employees' Retirement Fund

Schedule of Additions by Source Year Ended June 30

(dollars in thousands)

	Year	Member Contributions	Employer Contributions	Employer Contributions as a Percent of Covered Payroll	Net Investment Income (Loss)	Transfers from Systems	Other Additions	Total Additions
Public Employees' Retirement Fund	2000	\$ 111,484	\$ 215,559	6.2%	\$ 535,004	\$ 1,036	\$ 238	\$ 863,321
	2001	113,969	198,744	5.5	(260,788)	2,057	348	54,330
	2002	119,377	208,020	5.2	(389,286)	1,251	446	(60,192)
	2003	128,828	213,370	5.1	340,970	-	2,272	685,440
	2004	135,963	234,918	5.2	1,351,210	2,364	18	1,724,473
	2005	136,009	206,323	4.6	896,408	2,982	560	1,242,282
	2006	145,753	230,357	4.7	1,093,658	1,495	46	1,471,309
	2007	147,740	260,150	6.0	2,024,539	2,658	183	2,435,270
	2008	155,728	303,877	7.0	(1,079,918)	6,355	288	(613,670)
	2009	160,034	323,151	7.0	(2,517,955)	3,115	32	(2,031,623)
Judges' Retirement System	2000	\$ 1,631	\$ 11,775	38.7%	\$ 6,591	\$ -	\$ -	\$ 19,997
	2001	1,604	12,279	41.3	(3,366)	-	10	10,527
	2002	1,515	12,543	41.8	(5,198)	-	-	8,860
	2003	1,558	13,276	42.6	6,238	-	-	21,072
	2004	1,560	12,965	49.9	20,780	-	1	35,306
	2005	1,569	13,540	51.8	14,815	-	-	29,924
	2006	1,839	13,537	44.2	18,291	18	-	33,685
	2007	1,925	14,662	43.0	35,419	-	-	52,006
	2008	2,062	15,920	53.6	(19,133)	64	-	(1,087)
	2009	2,196	20,861	61.8	(48,194)	151	-	(24,986)
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	2000	\$ 68	\$ 1,937	17.1%	\$ 2,270	\$ -	\$ -	\$ 4,275
	2001	70	2,026	16.2	(1,117)	-	-	979
	2002	69	1,904	15.2	(1,687)	-	-	286
	2003	68	1,951	15.7	1,627	-	-	3,646
	2004	74	2,120	15.9	5,971	-	-	8,165
	2005	68	2,164	16.8	4,093	-	-	6,325
	2006	96	2,498	18.9	4,907	-	10	7,511
	2007	129	3,359	22.6	9,508	-	-	12,996
	2008	981	4,854	27.4	(5,156)	-	-	679
	2009	1,025	5,294	24.8	(12,951)	5	-	(6,627)
1977 Police Officers' and Firefighters' Pension and Disability Fund	2000	\$ 21,145	\$ 73,535	21.0%	\$ 91,028	\$ 13	\$ 37	\$ 185,758
	2001	25,229	82,643	21.0	(45,778)	-	37	62,131
	2002	23,840	85,062	21.0	(70,509)	-	-	38,393
	2003	30,350	94,920	21.0	79,234	-	-	204,504
	2004	28,029	98,489	21.0	278,248	-	141	404,907
	2005	32,622	117,678	21.0	201,043	-	132	351,475
	2006	32,231	104,247	21.0	246,767	-	78	383,323
	2007	33,898	118,816	21.0	490,857	-	76	643,647
	2008	36,787	129,553	21.0	(265,745)	-	57	(99,348)
	2009	38,520	130,002	21.0	(662,681)	131	115	(493,913)
Prosecuting Attorneys' Retirement Fund	2000	\$ 830	\$ 275	2.0%	\$ 625	\$ -	\$ -	\$ 1,730
	2001	843	275	2.0	(322)	-	-	796
	2002	803	436	3.3	(524)	-	-	715
	2003	836	446	3.2	614	-	-	1,896
	2004	900	933	6.2	2,147	-	-	3,980
	2005	856	961	6.7	1,597	-	-	3,414
	2006	1,089	170	0.9	1,988	-	-	3,247
	2007	1,133	190	1.0	3,948	-	-	5,271
	2008	1,208	170	0.9	(2,108)	-	-	(730)
	2009	1,274	170	0.8	(5,254)	-	-	(3,810)

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Schedule of Additions by Source Year Ended June 30 (continued)

(dollars in thousands)

	Year	Member Contributions	Employer Contributions	Employer Contributions as a Percent of Covered Payroll	Net Investment Income (Loss)	Transfers from Systems	Other Additions	Total Additions
Legislators' Retirement System -- Defined Benefit Plan	2000	\$ -	\$ 170	-%	\$ 296	\$ -	\$ -	\$ 466
	2001	-	170	-	(157)	-	-	13
	2002	-	187	-	(233)	-	13	(33)
	2003	-	187	-	157	-	-	344
	2004	-	206	-	646	-	-	852
	2005	-	206	-	393	-	-	599
	2006	-	100	-	439	-	-	539
	2007	-	100	-	799	-	-	899
	2008	-	100	-	(523)	-	-	(423)
	2009	-	100	-	(1,037)	-	15	(922)
Legislators' Retirement System -- Defined Contribution Plan	2000	\$ 906	\$ -	-%	\$ 654	\$ -	\$ -	\$ 1,560
	2001	954	-	-	(393)	-	-	561
	2002	1,092	-	-	(446)	-	-	646
	2003	1,226	-	-	519	-	-	1,745
	2004	1,329	-	-	1,974	-	36	3,339
	2005	1,387	-	-	1,240	-	27	2,654
	2006	1,414	-	-	2,041	-	33	3,488
	2007	1,468	-	-	3,639	429	32	5,568
	2008	1,366	-	-	(1,741)	-	60	(315)
	2009	1,342	-	-	(4,495)	-	4	(3,149)
State Employees' Death Benefit Fund	2000	\$ -	\$ 356	0.1%	\$ 242	\$ -	\$ -	\$ 598
	2001	-	-	-	552	-	(1,091)	(539)
	2002	-	-	-	-	-	-	-
	2003	-	-	-	490	-	-	490
	2004	-	-	-	16	-	-	16
	2005	-	-	-	261	-	-	261
	2006	-	-	-	(13)	-	-	(13)
	2007	-	-	-	293	-	-	293
	2008	-	-	-	460	-	-	460
	2009	-	-	-	374	-	-	374
Public Safety Officers' Special Death Benefit Fund	2000	\$ -	\$ -	-%	\$ 153	\$ -	\$ 71	\$ 224
	2001	-	-	-	292	-	30	322
	2002	-	-	-	-	-	-	-
	2003	-	-	-	251	-	11	262
	2004	-	-	-	(4)	-	22	18
	2005	-	-	-	97	-	19	116
	2006	-	-	-	(5)	-	307	302
	2007	-	-	-	98	-	485	583
	2008	-	-	-	162	-	517	679
	2009	-	-	-	147	-	539	686
Pension Relief Fund	2000	\$ -	\$ -	-%	\$ 21,659	\$ -	\$ 68,991	\$ 90,650
	2001	-	-	-	18,687	-	68,134	86,821
	2002	-	-	-	5,144	-	95,762	100,906
	2003	-	-	-	35,519	-	67,351	102,870
	2004	-	-	-	21,740	-	61,695	83,435
	2005	-	-	-	19,991	-	61,834	81,825
	2006	-	-	-	6,945	-	63,051	69,996
	2007	-	-	-	28,826	-	63,993	92,819
	2008	-	-	-	2,205	-	61,521	63,726
	2009	-	-	-	(4,784)	-	109,533	104,749

Public Employees' Retirement Fund

Schedule of Deductions by Type Year Ended June 30

(dollars in thousands)

	Year	Benefit Payments	Distributions	Transfers to Systems	Administrative	Total Deductions
Public Employees' Retirement Fund	2000	\$ 270,819	\$ 33,943	\$ 1,768	\$ 5,991	\$ 312,521
	2001	283,055	28,884	2,415	8,451	322,805
	2002	297,293	29,104	1,254	14,567	342,218
	2003	322,754	29,637	3,847	9,247	365,485
	2004	361,454	32,906	2,781	13,418	410,559
	2005	375,843	35,009	3,973	15,605	430,430
	2006	418,567	65,804	5,110	14,273	503,754
	2007	466,009	48,334	6,795	17,943	539,081
	2008	501,637	45,610	6,844	21,183	575,274
	2009	536,783	36,099	5,132	21,497	599,511
Judges' Retirement System	2000	\$ 7,721	\$ 21	\$ -	\$ 156	\$ 7,898
	2001	8,201	59	-	199	8,459
	2002	8,355	2	-	250	8,607
	2003	8,611	46	-	110	8,767
	2004	9,041	45	-	197	9,283
	2005	9,487	119	-	134	9,740
	2006	11,215	6	-	149	11,370
	2007	11,664	72	-	194	11,930
	2008	12,579	50	-	244	12,873
	2009	14,649	55	-	308	15,012
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	2000	\$ 1,253	\$ 4	\$ -	\$ 143	\$ 1,400
	2001	1,420	1	-	151	1,572
	2002	1,571	-	-	239	1,810
	2003	1,711	40	-	40	1,791
	2004	1,821	-	-	63	1,884
	2005	1,919	15	-	40	1,974
	2006	2,102	-	12	47	2,161
	2007	2,373	3	-	64	2,440
	2008	2,681	11	-	83	2,775
	2009	2,915	36	-	94	3,045
1977 Police Officers' and Firefighters' Pension and Disability Fund	2000	\$ 26,083	\$ 1,972	\$ -	\$ 580	\$ 28,635
	2001	28,463	1,574	-	656	30,693
	2002	30,547	2,091	-	1,409	34,047
	2003	32,073	2,321	-	1,510	35,904
	2004	34,717	2,465	-	2,405	39,587
	2005	37,134	2,475	-	1,777	41,386
	2006	41,825	2,642	-	2,153	46,620
	2007	45,989	3,293	-	2,559	51,841
	2008	56,082	3,186	3	3,156	62,427
	2009	55,866	3,172	5	3,766	62,809
Prosecuting Attorneys' Retirement Fund	2000	\$ 216	\$ 54	\$ -	\$ 69	\$ 339
	2001	224	32	-	76	332
	2002	267	49	-	125	441
	2003	254	172	-	21	447
	2004	357	-	-	25	382
	2005	423	148	-	15	586
	2006	531	35	-	17	583
	2007	633	71	-	23	727
	2008	806	4	-	36	846
	2009	1,007	55	-	45	1,107

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Schedule of Deductions by Type Year Ended June 30 (continued)

(dollars in thousands)

	Year	Benefit Payments	Distributions	Transfers to Systems	Administrative	Total Deductions
Legislators' Retirement System --	2000	\$ 211	\$ -	\$ -	\$ 76	\$ 287
Defined Benefit Plan	2001	223	-	-	107	330
	2002	231	-	-	133	364
	2003	328	-	-	23	351
	2004	263	-	-	24	287
	2005	283	-	-	23	306
	2006	306	-	-	65	371
	2007	333	-	133	56	522
	2008	345	-	-	56	401
	2009	363	-	-	21	384
Legislators' Retirement System --	2000	\$ -	\$ 306	\$ -	\$ -	\$ 306
Defined Contribution Plan	2001	-	378	-	-	378
	2002	-	149	-	-	149
	2003	-	343	-	-	343
	2004	-	103	-	-	103
	2005	-	886	-	-	886
	2006	-	686	-	-	686
	2007	-	708	-	-	708
	2008	-	1,116	-	-	1,116
	2009	-	1,325	-	46	1,371
State Employees' Death Benefit Fund	2000	\$ -	\$ -	\$ -	\$ 63	\$ 63
	2001	100	-	-	73	173
	2002	-	-	-	-	-
	2003	200	-	-	3	203
	2004	50	-	-	6	56
	2005	100	-	-	4	104
	2006	50	-	-	4	54
	2007	-	-	-	4	4
	2008	-	-	-	6	6
	2009	50	-	-	9	59
Public Safety Officers' Special Death	2000	\$ 900	\$ -	\$ -	\$ 63	\$ 963
Benefit Fund	2001	450	-	-	73	523
	2002	-	-	-	-	-
	2003	150	-	-	2	152
	2004	600	-	-	3	603
	2005	300	-	-	1	301
	2006	150	-	-	1	151
	2007	150	-	-	1	151
	2008	450	-	-	2	452
	2009	300	-	-	3	303
Pension Relief Fund	2000	\$ 150	\$ 76,162	\$ -	\$ 252	\$ 76,564
	2001	825	79,735	-	292	80,852
	2002	450	196,579	-	444	197,473
	2003	150	101,281	-	307	101,738
	2004	300	109,467	-	421	110,188
	2005	450	119,319	-	246	120,015
	2006	-	128,147	-	228	128,375
	2007	150	142,994	-	183	143,327
	2008	450	137,370	-	197	138,017
	2009	150	171,299	-	275	171,724

Public Employees' Retirement Fund

Schedule of Benefit Deductions by Type Year Ended June 30

(dollars in thousands)

	Year	Pension Benefits	Disability Benefits	Death and Funeral Benefits	Total Benefits
Public Employees' Retirement Fund	2000	\$ 258,075	\$ 12,744	\$ -	\$ 270,819
	2001	269,415	13,640	-	283,055
	2002	282,294	14,999	-	297,293
	2003	305,908	16,843	-	322,751
	2004	346,878	14,576	-	361,454
	2005	350,810	25,032	1	375,843
	2006	391,173	27,394	-	418,567
	2007	433,463	32,546	-	466,009
	2008	467,994	33,643	-	501,637
	2009	500,214	36,569	-	536,783
Judges' Retirement System	2000	\$ 7,513	\$ 208	\$ -	\$ 7,721
	2001	7,974	227	-	8,201
	2002	8,176	179	-	8,355
	2003	8,491	120	-	8,611
	2004	9,004	37	-	9,041
	2005	9,393	94	-	9,487
	2006	11,102	113	-	11,215
	2007	11,554	110	-	11,664
	2008	12,514	65	-	12,579
	2009	14,595	54	-	14,649
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	2000	\$ 1,211	\$ 42	\$ -	\$ 1,253
	2001	1,377	43	-	1,420
	2002	1,523	48	-	1,571
	2003	1,644	67	-	1,711
	2004	1,795	26	-	1,821
	2005	1,850	69	-	1,919
	2006	2,039	63	-	2,102
	2007	2,309	64	-	2,373
	2008	2,616	65	-	2,681
	2009	2,855	60	-	2,915
1977 Police Officers' and Firefighters' Pension and Disability Fund	2000	\$ 18,995	\$ 6,993	\$ 96	\$ 26,084
	2001	20,583	7,724	156	28,463
	2002	22,089	8,359	99	30,547
	2003	23,002	8,765	306	32,073
	2004	30,538	4,121	58	34,717
	2005	26,967	10,158	9	37,134
	2006	30,427	11,389	9	41,825
	2007	33,661	12,256	72	45,989
	2008	42,790	13,184	108	56,082
	2009	41,019	14,541	306	55,866
Prosecuting Attorneys' Retirement Fund	2000	\$ 216	\$ -	\$ -	\$ 216
	2001	224	-	-	224
	2002	267	-	-	267
	2003	254	-	-	254
	2004	347	10	-	357

2009 Comprehensive Annual Financial Report

Schedule of Benefit Deductions by Type Year Ended June 30 (continued)

(dollars in thousands)

	Year	Pension Benefits	Disability Benefits	Death and Funeral Benefits	Total Benefits
Prosecuting Attorneys' Retirement Fund	2005	\$ 403	\$ 20	\$ -	\$ 423
	2006	512	19	-	531
	2007	614	19	-	633
	2008	787	19	-	806
	2009	988	19	-	1,007
Legislators' Retirement System -- Defined Benefit Plan	2000	\$ 211	\$ -	\$ -	\$ 211
	2001	223	-	-	223
	2002	231	-	-	231
	2003	322	6	-	328
	2004	261	2	-	263
	2005	280	3	-	283
	2006	303	3	-	306
	2007	330	3	-	333
	2008	342	3	-	345
	2009	360	3	-	363
State Employees' Death Benefit Fund	2000	\$ -	\$ -	\$ -	\$ -
	2001	-	-	100	100
	2002	-	-	-	-
	2003	-	-	200	200
	2004	-	-	50	50
	2005	-	-	100	100
	2006	-	-	50	50
	2007	-	-	-	-
	2008	-	-	-	-
	2009	-	-	50	50
Public Safety Officers' Special Death Benefit Fund	2000	\$ -	\$ -	\$ 900	\$ 900
	2001	-	-	450	450
	2002	-	-	-	-
	2003	-	-	150	150
	2004	-	-	600	600
	2005	-	-	300	300
	2006	-	-	150	150
	2007	-	-	150	150
	2008	-	-	450	450
	2009	-	-	300	300
Pension Relief Fund	2000	\$ -	\$ -	\$ 150	\$ 150
	2001	-	-	825	825
	2002	-	-	450	450
	2003	-	-	150	150
	2004	-	-	300	300
	2005	-	-	450	450
	2006	-	-	-	-
	2007	-	-	150	150
	2008	-	-	450	450
	2009	-	-	150	150

Public Employees' Retirement Fund

Schedule of Benefit Recipients by Type of Benefit Option Year Ended June 30, 2009

Number of Benefit Recipients by Benefit Option											
	Amount of Monthly Benefit (amounts in dollars)	1	2	3	4	5	6	7	8	9	Total
Public Employees' Retirement Fund	\$1-500	13,624	7,046	10,474	1,165	2,058	289	1,084	1,200	-	36,940
	501-1,000	6,274	4,514	4,894	877	1,566	151	873	434	-	19,583
	1,001-1,500	1,757	1,661	1,737	401	649	41	322	101	-	6,669
	1,501-2,000	503	577	597	173	243	23	114	17	-	2,247
	2,001-3,000	235	324	298	116	143	18	97	11	-	1,242
	over 3,000	31	53	46	18	28	2	19	2	-	199
	Total	22,424	14,175	18,046	2,750	4,687	524	2,509	1,765	-	66,880
Judges' Retirement System	\$1-1,000	-	-	-	-	19	-	-	-	-	19
	1,001-2,000	-	-	-	-	52	-	-	-	-	52
	2,001-3,000	-	-	-	-	37	-	-	-	-	37
	3,001-4,000	-	-	-	-	20	-	-	-	-	20
	4,001-5,000	-	-	-	-	7	-	-	-	-	7
	over 5,000	-	-	-	-	165	-	-	-	-	165
	Total	-	-	-	-	300	-	-	-	-	300
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	\$1-500	-	-	-	-	25	-	-	-	-	25
	501-1,000	-	-	-	-	34	-	-	-	-	34
	1,001-1,500	-	-	-	-	22	-	-	-	-	22
	1,501-2,000	-	-	-	-	17	-	-	-	-	17
	2,001-3,000	-	-	-	-	54	-	-	-	-	54
	over 3,000	-	-	-	-	7	-	-	-	-	7
	Total	-	-	-	-	159	-	-	-	-	159
1977 Police Officers' and Firefighters' Pension and Disability Fund	\$1-500	-	-	-	-	-	-	-	-	128	128
	501-1,000	-	-	-	-	-	-	-	-	235	235
	1,001-1,500	-	-	-	-	-	-	-	-	673	673
	1,501-2,000	-	-	-	-	-	-	-	-	854	854
	2,001-3,000	-	-	-	-	-	-	-	-	858	858
	over 3,000	-	-	-	-	-	-	-	-	39	39
	Total	-	-	-	-	-	-	-	-	2,787	2,787
Prosecuting Attorneys' Retirement Fund	\$1-500	-	-	-	-	6	-	-	-	-	6
	501-1,000	-	-	-	-	7	-	-	-	-	7
	1,001-1,500	-	-	-	-	11	-	-	-	-	11
	1,501-2,000	-	-	-	-	2	-	-	-	-	2
	2,001-3,000	-	-	-	-	5	-	-	-	-	5
	over 3,000	-	-	-	-	8	-	-	-	-	8
	Total	-	-	-	-	39	-	-	-	-	39
Legislators' Retirement System -- Defined Benefit Plan	\$1-500	-	-	-	-	30	-	-	-	-	30
	501-1,000	-	-	-	-	13	-	-	-	-	13
	1,001-1,500	-	-	-	-	9	-	-	-	-	9
	1,501-2,000	-	-	-	-	1	-	-	-	-	1
	2,001-3,000	-	-	-	-	-	-	-	-	-	0
	over 3,000	-	-	-	-	-	-	-	-	-	0
	Total	-	-	-	-	53	-	-	-	-	53

1-Monthly benefit for life. If retiree receives benefits for at least five years prior to their death, there is no benefit payable to a designated beneficiary. If retiree dies prior to receiving benefits for five years, the beneficiary will receive the remainder of those five years of monthly benefits or the present value of those remaining payments in a lump sum.

2-Monthly benefit for retiree's life. Upon retiree's death, no benefit payable to beneficiary.

3-Monthly benefit for retiree's life. Upon retiree's death, beneficiary receives the same monthly benefit for life.

4-Monthly benefit for retiree's life. Upon retiree's death, beneficiary receives two-thirds of the monthly benefit for life.

5-Monthly benefit for retiree's life. Upon retiree's death, beneficiary receives one-half of the monthly benefit for life.

6-Monthly benefit for retiree between the ages 50 and 62 who elects to integrate social security with the PERF benefit. At age 62, PERF benefit is reduced or terminated depending on the estimated monthly benefit from social security at age 62.

7-Monthly benefit for retiree's life. If retiree dies prior to receiving benefit for five years, beneficiary receives either a monthly benefit of the pension amount only for the remainder of the five years, or the present value of those pension payments in a lump sum. Beneficiary also receives a single payment of any residual balance remaining in retiree's Annuity Savings Account, if not already depleted.

8-Denotes members who are receiving a survivor benefit from this particular fund.

9-Monthly benefit for retiree's life. Upon retiree's death, surviving spouse receives 60 percent of monthly benefit for life and each surviving child receives 20 percent of monthly benefit until age 18 or 23 if enrolled in a secondary school or accredited college or university.

2009 Comprehensive Annual Financial Report

Schedule of Average Benefit Payments Year Ended June 30

(amounts in dollars)

			Years of Service					
Year			5-9 ³	10-14	15-19	20-24	25-29	30+
Public Employees' Retirement Fund¹	2000	Average Monthly Defined Benefit	\$ 104	\$ 204	\$ 330	\$ 399	\$ 516	\$ 882
		Average Monthly Annuity	\$ 32	\$ 88	\$ 131	\$ 147	\$ 187	\$ 310
		Average Final Average Salary	\$ 18,862	\$ 20,092	\$ 23,691	\$ 22,024	\$ 21,930	\$ 28,912
		Number of Benefit Recipients	20	279	222	305	204	188
	2001	Average Monthly Defined Benefit	\$ 100	\$ 219	\$ 330	\$ 413	\$ 605	\$ 964
		Average Monthly Annuity	\$ 40	\$ 92	\$ 131	\$ 161	\$ 223	\$ 355
		Average Final Average Salary	\$ 16,582	\$ 20,783	\$ 23,691	\$ 22,597	\$ 26,717	\$ 31,823
		Number of Benefit Recipients	11	220	222	210	157	154
	2002	Average Monthly Defined Benefit	\$ 134	\$ 192	\$ 302	\$ 388	\$ 505	\$ 867
		Average Monthly Annuity	\$ 40	\$ 84	\$ 134	\$ 159	\$ 210	\$ 364
		Average Final Average Salary	\$ 19,717	\$ 20,278	\$ 23,903	\$ 22,435	\$ 24,229	\$ 31,447
		Number of Benefit Recipients	31	262	280	218	149	123
	2003	Average Monthly Defined Benefit	\$ 136	\$ 248	\$ 341	\$ 453	\$ 612	\$ 994
		Average Monthly Annuity	\$ 30	\$ 76	\$ 112	\$ 138	\$ 188	\$ 268
		Average Final Average Salary	\$ 18,492	\$ 20,986	\$ 23,385	\$ 24,026	\$ 26,228	\$ 31,972
		Number of Benefit Recipients	75	380	427	328	209	260
	2004	Average Monthly Defined Benefit	\$ 151	\$ 249	\$ 340	\$ 491	\$ 650	\$ 1,127
		Average Monthly Annuity	\$ 48	\$ 93	\$ 124	\$ 177	\$ 234	\$ 398
		Average Final Average Salary	\$ 17,976	\$ 18,941	\$ 21,873	\$ 25,337	\$ 26,288	\$ 33,592
		Number of Benefit Recipients	61	423	500	383	346	564
	2005	Average Monthly Defined Benefit	\$ 134	\$ 257	\$ 378	\$ 494	\$ 658	\$ 1,027
		Average Monthly Annuity	\$ 39	\$ 106	\$ 149	\$ 189	\$ 261	\$ 382
		Average Final Average Salary	\$ 17,570	\$ 22,404	\$ 24,371	\$ 25,748	\$ 27,534	\$ 32,644
		Number of Benefit Recipients	55	333	429	346	306	373
	2006	Average Monthly Defined Benefit	\$ 124	\$ 253	\$ 392	\$ 559	\$ 689	\$ 1,008
		Average Monthly Annuity	\$ 39	\$ 109	\$ 156	\$ 226	\$ 275	\$ 424
		Average Final Average Salary	\$ 18,213	\$ 21,193	\$ 26,040	\$ 27,899	\$ 28,258	\$ 33,756
		Number of Benefit Recipients	49	401	569	370	355	429
	2007	Average Monthly Defined Benefit	\$ 167	\$ 262	\$ 401	\$ 533	\$ 708	\$ 1,053
		Average Monthly Annuity	\$ 69	\$ 116	\$ 160	\$ 233	\$ 294	\$ 464
		Average Final Average Salary	\$ 21,898	\$ 23,477	\$ 26,348	\$ 27,749	\$ 29,535	\$ 35,162
		Number of Benefit Recipients	84	457	616	446	365	442
	2008	Average Monthly Defined Benefit	\$ 170	\$ 267	\$ 394	\$ 563	\$ 731	\$ 1,095
		Average Monthly Annuity	\$ 58	\$ 117	\$ 162	\$ 260	\$ 303	\$ 477
		Average Final Average Salary	\$ 21,233	\$ 21,731	\$ 25,681	\$ 29,038	\$ 29,485	\$ 36,157
		Number of Benefit Recipients	50	492	665	497	399	452
	2009	Average Monthly Defined Benefit	\$ 210	\$ 287	\$ 409	\$ 544	\$ 737	\$ 1,148
		Average Monthly Annuity	\$ 77	\$ 112	\$ 172	\$ 230	\$ 300	\$ 492
		Average Final Average Salary	\$ 23,910	\$ 24,131	\$ 27,058	\$ 29,322	\$ 31,213	\$ 37,909
		Number of Benefit Recipients	77	479	578	538	366	493
Public Employees' Retirement Fund²	2000	Average Monthly Defined Benefit	\$ 126	\$ 218	\$ 218	\$ 437	\$ 594	\$ 953
		Average Total ASA Distribution	\$ 5,498	\$ 10,462	\$ 10,462	\$ 21,203	\$ 29,080	\$ 42,117
		Average Final Average Salary	\$ 19,054	\$ 20,891	\$ 20,891	\$ 24,580	\$ 26,260	\$ 31,576
		Number of Benefit Recipients	37	272	272	338	246	238
	2001	Average Monthly Defined Benefit	\$ 110	\$ 217	\$ 217	\$ 446	\$ 597	\$ 1,035
		Average Total ASA Distribution	\$ 4,817	\$ 11,161	\$ 11,161	\$ 22,947	\$ 29,191	\$ 44,352
		Average Final Average Salary	\$ 19,810	\$ 19,869	\$ 19,869	\$ 24,866	\$ 26,046	\$ 33,862
		Number of Benefit Recipients	11	207	207	289	231	243
	2002	Average Monthly Defined Benefit	\$ 113	\$ 191	\$ 294	\$ 402	\$ 530	\$ 840
		Average Total ASA Distribution	\$ 4,527	\$ 10,411	\$ 14,847	\$ 19,289	\$ 24,338	\$ 39,530
		Average Final Average Salary	\$ 17,721	\$ 20,627	\$ 24,415	\$ 26,292	\$ 26,995	\$ 33,773
		Number of Benefit Recipients	38	233	355	361	255	290
	2003	Average Monthly Defined Benefit	\$ 148	\$ 252	\$ 348	\$ 507	\$ 672	\$ 1,039
		Average Total ASA Distribution	\$ 6,584	\$ 11,109	\$ 16,212	\$ 20,446	\$ 24,393	\$ 35,515
		Average Final Average Salary	\$ 21,488	\$ 22,491	\$ 25,601	\$ 27,491	\$ 29,760	\$ 33,529
		Number of Benefit Recipients	68	271	386	356	302	428

Public Employees' Retirement Fund

Schedule of Average Benefit Payments Year Ended June 30 (continued)

(amounts in dollars)

			Years of Service					
	Year		5-9 ³	10-14	15-19	20-24	25-29	30+
Public Employees' Retirement Fund²	2004	Average Monthly Defined Benefit	\$ 123	\$ 259	\$ 354	\$ 504	\$ 639	\$ 1,199
		Average Total ASA Distribution	\$ 5,394	\$ 9,350	\$ 12,848	\$ 14,247	\$ 15,566	\$ 21,413
		Average Final Average Salary	\$ 18,490	\$ 20,472	\$ 25,592	\$ 26,941	\$ 28,301	\$ 35,511
		Number of Benefit Recipients	57	211	324	295	229	421
	2005	Average Monthly Defined Benefit	\$ 145	\$ 251	\$ 407	\$ 573	\$ 830	\$ 1,239
		Average Total ASA Distribution	\$ 6,376	\$ 10,788	\$ 16,423	\$ 18,158	\$ 22,763	\$ 29,051
		Average Final Average Salary	\$ 21,333	\$ 22,108	\$ 27,920	\$ 28,587	\$ 31,503	\$ 35,383
		Number of Benefit Recipients	66	270	394	251	232	275
	2006	Average Monthly Defined Benefit	\$ 248	\$ 297	\$ 474	\$ 729	\$ 955	\$ 1,499
		Average Total ASA Distribution	\$ 7,158	\$ 11,961	\$ 18,694	\$ 22,715	\$ 28,879	\$ 44,937
		Average Final Average Salary	\$ 23,026	\$ 23,492	\$ 28,518	\$ 31,459	\$ 30,514	\$ 37,335
		Number of Benefit Recipients	50	223	420	256	241	354
	2007	Average Monthly Defined Benefit	\$ 193	\$ 318	\$ 438	\$ 621	\$ 884	\$ 1,312
		Average Total ASA Distribution	\$ 4,495	\$ 7,929	\$ 12,538	\$ 15,469	\$ 21,939	\$ 29,065
		Average Final Average Salary	\$ 21,564	\$ 24,300	\$ 29,078	\$ 30,182	\$ 32,080	\$ 36,101
		Number of Benefit Recipients	100	455	744	521	502	696
	2008	Average Monthly Defined Benefit	\$ 146	\$ 261	\$ 417	\$ 597	\$ 828	\$ 1,223
		Average Total ASA Distribution	\$ 4,917	\$ 8,256	\$ 13,578	\$ 16,522	\$ 20,341	\$ 30,627
		Average Final Average Salary	\$ 22,575	\$ 24,488	\$ 29,851	\$ 30,348	\$ 32,508	\$ 37,323
		Number of Benefit Recipients	70	459	798	613	512	696
	2009	Average Monthly Defined Benefit	\$ 276	\$ 430	\$ 601	\$ 849	\$ 1,144	\$ 1,871
		Average Total ASA Distribution	\$ 6,108	\$ 6,088	\$ 7,579	\$ 9,567	\$ 10,635	\$ 17,322
		Average Final Average Salary	\$ 24,842	\$ 25,491	\$ 30,472	\$ 32,721	\$ 33,909	\$ 39,535
		Number of Benefit Recipients	87	466	879	707	568	841

¹Members may choose to take the distribution of their Annuity Savings Account (ASA) in two ways. This represents those retirees who elected to receive their ASA as a supplement in addition to their monthly pension benefit.

²Members may choose to take the distribution of their Annuity Savings Account (ASA) in two ways. This represents those retirees who elected to receive their ASA balance as a total distribution at the time of retirement.

³Members with less than 10 years of service are receiving a disability benefit from PERF.

Judges' Retirement System	2000	Average Monthly Defined Benefit	\$ 2,081	\$ 3,722	\$ 4,275	\$ 4,500	\$ 5,250	\$ 4,500
		Average Final Average Salary	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 30,000	\$ 90,000
		Number of Benefit Recipients	1	—	1	1	4	1
	2001	Average Monthly Defined Benefit	\$ —	\$ 2,910	\$ 4,200	\$ 4,500	\$ 4,500	\$ 4,500
		Average Final Average Salary	\$ —	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
		Number of Benefit Recipients	—	2	1	6	6	1
	2002	Average Monthly Defined Benefit	\$ 1,783	\$ 1,972	\$ 3,947	\$ —	\$ 4,402	\$ 4,301
		Average Final Average Salary	\$ 90,000	\$ 90,000	\$ 90,000	\$ —	\$ 90,000	\$ 90,000
		Number of Benefit Recipients	1	3	1	—	1	1
	2003	Average Monthly Defined Benefit	\$ 1,469	\$ 2,485	\$ 4,146	\$ 4,356	\$ 4,500	\$ 4,500
		Average Final Average Salary	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
		Number of Benefit Recipients	2	5	3	2	6	1
	2004	Average Monthly Defined Benefit	\$ 1,800	\$ 3,615	\$ 3,832	\$ 3,648	\$ 4,500	\$ —
		Average Final Average Salary	\$ 90,000	\$ 90,000	\$ 90,000	\$ 60,000	\$ 90,000	\$ —
		Number of Benefit Recipients	1	1	1	3	1	—
	2005	Average Monthly Defined Benefit	\$ 1,840	\$ 2,237	\$ 2,024	\$ 4,599	\$ 4,599	\$ 4,599
		Average Final Average Salary	\$ 91,976	\$ 30,659	\$ —	\$ 91,976	\$ 90,000	\$ 91,976
		Number of Benefit Recipients	1	3	1	2	1	1
	2006	Average Monthly Defined Benefit	\$ —	\$ 4,470	\$ 3,869	\$ 4,709	\$ —	\$ 2,826
		Average Final Average Salary	\$ —	\$ 105,348	\$ 67,674	\$ 75,438	\$ —	\$ 113,022
		Number of Benefit Recipients	—	3	3	3	—	1
	2007	Average Monthly Defined Benefit	\$ 1,838	\$ 4,722	\$ 3,983	\$ 4,074	\$ 5,061	\$ —
		Average Final Average Salary	\$ 93,641	\$ 115,282	\$ 57,641	\$ 64,113	\$ 91,774	\$ —
		Number of Benefit Recipients	2	2	4	5	5	—

2009 Comprehensive Annual Financial Report

Schedule of Average Benefit Payments Year Ended June 30 (continued)

(amounts in dollars)

			Years of Service					
Year			5-9 ³	10-14	15-19	20-24	25-29	30+
Judges' Retirement System	2008	Average Monthly Defined Benefit	\$ 1,156	\$ 3,767	\$ 4,672	\$ 2,975	\$ 6,085	\$ 6,559
		Average Final Average Salary	\$ —	\$ 66,353	\$ 71,236	\$ 59,947	\$ 121,692	\$ 130,130
		Number of Benefit Recipients	1	5	2	2	1	2
	2009	Average Monthly Defined Benefit	\$ 3,010	\$ 5,410	\$ 5,516	\$ 6,838	\$ 6,282	\$ 5,890
		Average Final Average Salary	\$125,647	\$ 105,935	\$119,525	\$ 99,727	\$ 125,647	\$ 125,647
		Number of Benefit Recipients	1	12	11	5	7	8
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	2000	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ 974	\$ 1,857	\$ 2,141
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ 40,194	\$ 42,053	\$ 43,786
		Number of Benefit Recipients	—	—	—	2	1	2
	2001	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ 1,378	\$ 2,237	\$ 2,133
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ 38,168	\$ 49,728	\$ 43,351
		Number of Benefit Recipients	—	—	—	1	3	3
	2002	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ 1,011	\$ 1,838	\$ 2,173
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ 44,215	\$ 45,652	\$ 46,295
		Number of Benefit Recipients	—	—	—	1	3	3
	2003	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ 1,011	\$ 1,847	\$ 2,130
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ 44,215	\$ 48,242	\$ 45,251
		Number of Benefit Recipients	—	—	—	1	2	2
	2004	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,946
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 41,945
		Number of Benefit Recipients	—	—	—	—	—	4
	2005	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ 696	\$ 607	\$ 1,785
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ 28,106	\$ —	\$ 31,300
		Number of Benefit Recipients	—	—	—	1	1	3
	2006	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ —	\$ 1,208	\$ 2,304
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ —	\$ 35,234	\$ 49,386
		Number of Benefit Recipients	—	—	—	—	3	4
	2007	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ 1,346	\$ 1,969	\$ 2,558
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ 47,642	\$ 46,466	\$ 55,388
		Number of Benefit Recipients	—	—	—	2	4	7
	2008	Average Monthly Defined Benefit	\$ —	\$ —	\$ 398	\$ —	\$ 1,887	\$ 2,394
		Average Final Average Salary	\$ —	\$ —	\$ 20,048	\$ —	\$ 39,481	\$ 48,780
		Number of Benefit Recipients	—	—	1	—	5	9
	2009	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ 1,058	\$ 1,979	\$ 2,166
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ 24,100	\$ 45,375	\$ 51,871
		Number of Benefit Recipients	—	—	—	2	5	3

²Members may choose to take the distribution of their Annuity Savings Account (ASA) in two ways. This represents those retirees who elected to receive their ASA account balance as a total distribution at the time of retirement.

³Members in the Public Employees' Retirement Fund with less than 10 years of service, and members in the Judges' Retirement System with less than eight years of service, are receiving a disability benefit.

1977 Police Officers' and Firefighters' Pension and Disability Fund⁴	2000	Average Monthly Defined Benefit	\$ 1,320	\$ 1,510	\$ 1,343	\$ 1,276	\$ 1,563	\$ 2,433
		Average Final Average Salary	\$ 31,658	\$ 36,247	\$ 32,240	\$ 29,436	\$ 29,853	\$ 41,718
		Number of Benefit Recipients	7	15	7	104	18	2
	2001	Average Monthly Defined Benefit	\$ 1,441	\$ 1,478	\$ 4,200	\$ 1,490	\$ 1,915	\$ 1,800
		Average Final Average Salary	\$ 36,718	\$ 35,489	\$ 90,000	\$ 35,774	\$ 35,318	\$ 30,000
		Number of Benefit Recipients	9	9	1	15	5	1
	2002	Average Monthly Defined Benefit	\$ 1,219	\$ 1,552	\$ 1,348	\$ 1,432	\$ 2,352	\$ 1,798
		Average Final Average Salary	\$ 32,183	\$ 39,458	\$ 30,446	\$ 29,444	\$ 42,774	\$ 23,000
		Number of Benefit Recipients	2	5	4	50	1	1
	2003	Average Monthly Defined Benefit	\$ 1,087	\$ 1,411	\$ 885	\$ 1,430	\$ 1,392	\$ 819
		Average Final Average Salary	\$ 37,992	\$ 38,508	\$ 38,468	\$ 37,056	\$ 39,998	\$ 28,055
		Number of Benefit Recipients	17	10	21	58	10	3

Public Employees' Retirement Fund

Schedule of Average Benefit Payments Year Ended June 30 (continued)

(amounts in dollars)

(amounts in dollars)		Years of Service						
	Year		5-9 ³	10-14	15-19	20-24	25-29	30+
1977 Police Officers' and Firefighters' Pension and Disability Fund ⁴	2004	Average Monthly Defined Benefit	\$ 1,121	\$ 1,167	\$ 1,452	\$ 1,566	\$ 1,814	\$ 1,248
		Average Final Average Salary	\$ 36,790	\$ 29,968	\$ 34,631	\$ 33,285	\$ 32,382	\$ —
		Number of Benefit Recipients	10	13	14	65	18	7
	2005	Average Monthly Defined Benefit	\$ 1,651	\$ 1,426	\$ 1,477	\$ 1,594	\$ 1,964	\$ 1,551
		Average Final Average Salary	\$ 36,733	\$ 38,434	\$ 34,659	\$ 34,158	\$ 34,757	\$ 9,864
		Number of Benefit Recipients	9	10	13	46	28	9
	2006	Average Monthly Defined Benefit	\$ 1,895	\$ 1,496	\$ 1,580	\$ 1,646	\$ 2,056	\$ 1,300
		Average Final Average Salary	\$ 34,798	\$ 37,887	\$ 37,238	\$ 34,180	\$ 37,036	\$ 4,491
		Number of Benefit Recipients	5	9	18	67	49	10
	2007	Average Monthly Defined Benefit	\$ 1,495	\$ 1,767	\$ 1,524	\$ 1,712	\$ 2,145	\$ 1,140
		Average Final Average Salary	\$ 44,548	\$ 44,413	\$ 33,760	\$ 36,526	\$ 38,134	\$ —
		Number of Benefit Recipients	8	6	13	82	58	2
	2008	Average Monthly Defined Benefit	\$ 1,332	\$ 1,310	\$ 1,434	\$ 1,805	\$ 2,251	\$ 2,131
		Average Final Average Salary	\$ 36,089	\$ 43,705	\$ 33,028	\$ 38,350	\$ 40,654	\$ 26,818
		Number of Benefit Recipients	9	12	12	107	125	10
	2009	Average Monthly Defined Benefit	\$ 1,906	\$ 1,763	\$ 1,755	\$ 1,749	\$ 2,375	\$ 2,261
		Average Final Average Salary	\$ 45,753	\$ 41,007	\$ 39,988	\$ 39,766	\$ 43,964	\$ 28,487
		Number of Benefit Recipients	6	9	9	85	63	10
Prosecuting Attorneys' Retirement Fund	2000	Average Monthly Defined Benefit	\$ —	\$ 1,012	\$ 802	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ —	\$ 40,500	\$ 58,544	\$ —	\$ —	\$ —
		Number of Benefit Recipients	—	1	1	—	—	—
	2001	Average Monthly Defined Benefit	\$ —	\$ —	\$ 462	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ —	\$ —	\$ 32,008	\$ —	\$ —	\$ —
		Number of Benefit Recipients	—	—	1	—	—	—
	2002	Average Monthly Defined Benefit	\$ —	\$ 882	\$ —	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ —	\$ 40,500	\$ —	\$ —	\$ —	\$ —
		Number of Benefit Recipients	—	1	—	—	—	—
	2003	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ 2,552	\$ 1,321	\$ —
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ 90,000	\$ 54,006	\$ —
		Number of Benefit Recipients	—	—	—	1	3	—
	2004	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
		Number of Benefit Recipients	—	—	—	—	—	—
	2005	Average Monthly Defined Benefit	\$ —	\$ 429	\$ 444	\$ 940	\$ —	\$ 1,290
		Average Final Average Salary	\$ —	\$ 40,558	\$ 32,009	\$ 35,280	\$ —	\$ 92,461
		Number of Benefit Recipients	—	1	1	1	—	1
	2006	Average Monthly Defined Benefit	\$ —	\$ 1,674	\$ 1,012	\$ 2,916	\$ 1,028	\$ —
		Average Final Average Salary	\$ —	\$ 47,333	\$ 38,369	\$ 43,568	\$ 90,000	\$ —
		Number of Benefit Recipients	—	3	1	1	1	—
	2007	Average Monthly Defined Benefit	\$ —	\$ 2,133	\$ 3,328	\$ 3,485	\$ 3,730	\$ —
		Average Final Average Salary	\$ —	\$ 69,461	\$ 114,071	\$ 114,071	\$ 115,282	\$ —
		Number of Benefit Recipients	—	1	1	1	1	—
	2008	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ 2,793	\$ 3,730	\$ —
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ 81,122	\$ 115,282	\$ —
		Number of Benefit Recipients	—	—	—	3	1	—
2009	Average Monthly Defined Benefit	\$ 832	\$ 2,836	\$ 3,119	\$ 2,710	\$ —	\$ —	
	Average Final Average Salary	\$ 61,820	\$ 78,737	\$ 86,840	\$ 94,235	\$ —	\$ —	
	Number of Benefit Recipients	2	3	2	1	—	—	

³Members in the 1977 Fund with less than 20 years of service are receiving a disability benefit.

⁴Members with less than 20 years of service are receiving a disability benefit from the fund. After January 1, 1990 there are two disability programs under this fund. The original program is available only to members initially hired before January 1, 1990 and who elected not to be covered by the new program. The new program is applicable to members hired after December 31, 1989. Members deemed qualified under the original program are entitled to a benefit equal to at least that of a member with 20 years of service at age 52 and may be subject to annual medical review. The new program has three "classes" of impairment with varied entitlements based on the covered impairment.

2009 Comprehensive Annual Financial Report

Schedule of Average Benefit Payments Year Ended June 30 (continued)

(amounts in dollars)

			Years of Service					
Year			5-9 ³	10-14	15-19	20-24	25-29	30+
Legislators' Retirement System -- Defined Benefit Plan ⁵	2000	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
		Number of Benefit Recipients	—	—	—	—	—	—
	2001	Average Monthly Defined Benefit	\$ —	\$ 490	\$ 680	\$ 840	\$ —	\$ —
		Average Final Average Salary	\$ —	\$ 18,275	\$ 11,600	\$ 39,521	\$ —	\$ —
		Number of Benefit Recipients	—	1	1	1	—	—
	2002	Average Monthly Defined Benefit	\$ —	\$ 447	\$ —	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ —	\$ 11,600	\$ —	\$ —	\$ —	\$ —
		Number of Benefit Recipients	—	1	—	—	—	—
	2003	Average Monthly Defined Benefit	\$ 249	\$ 480	\$ —	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ 31,980	\$ 37,675	\$ —	\$ —	\$ —	\$ —
		Number of Benefit Recipients	3	1	—	—	—	—
	2004	Average Monthly Defined Benefit	\$ 230	\$ 338	\$ 640	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ 13,167	\$ 8,505	\$ 30,813	\$ —	\$ —	\$ —
		Number of Benefit Recipients	2	2	2	—	—	—
	2005	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
		Number of Benefit Recipients	—	—	—	—	—	—
	2006	Average Monthly Defined Benefit	\$ 270	\$ —	\$ —	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ 27,890	\$ —	\$ —	\$ —	\$ —	\$ —
		Number of Benefit Recipients	1	—	—	—	—	—
	2007	Average Monthly Defined Benefit	\$ 1,495	\$ 338	\$ 760	\$ 920	\$ —	\$ —
		Average Final Average Salary	\$ 44,548	\$ 25,036	\$ 35,354	\$ 33,554	\$ —	\$ —
		Number of Benefit Recipients	8	3	1	1	—	—
	2008	Average Monthly Defined Benefit	\$ 309	\$ 274	\$ 551	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ 26,119	\$ —	\$ —	\$ —	\$ —	\$ —
		Number of Benefit Recipients	2	1	1	—	—	—
	2009	Average Monthly Defined Benefit	\$ 284	\$ —	\$ —	\$ —	\$ —	\$ —
		Average Final Average Salary	\$ 27,584	\$ —	\$ —	\$ —	\$ —	\$ —
		Number of Benefit Recipients	2	—	—	—	—	—

³Members in the Legislators' Retirement System with less than 15 years of service are receiving a disability benefit.

⁵Benefit calculations for this fund are based on years of service, not final average salary.

Public Employees' Retirement Fund

Schedule of Average Death Benefit Payments Year Ended June 30

(amounts in dollars)

		State Employees' Death Benefit Fund ¹	Public Safety Officers' Special Death Benefit Fund ²	Pension Relief Fund ³
2000	Average Death Benefit	\$ —	\$ 150,000	\$ 150,000
	Average Final Average Salary	\$ —	N/A	N/A
	Number of Benefit Recipients	—	6	1
2001	Average Death Benefit	\$ 50,000	\$ 150,000	\$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	2	3	5
2002	Average Death Benefit	\$ —	\$ —	\$ 150,000
	Average Final Average Salary	\$ —	\$ —	N/A
	Number of Benefit Recipients	—	—	3
2003	Average Death Benefit	\$ 50,000	\$ 150,000	\$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	4	1	1
2004	Average Death Benefit	\$ 50,000	\$ 150,000	\$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	1	4	2
2005	Average Death Benefit	\$ 50,000	\$ 150,000	\$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	2	2	3
2006	Average Death Benefit	\$ 50,000	\$ 150,000	\$ —
	Average Final Average Salary	N/A	N/A	\$ —
	Number of Benefit Recipients	1	1	—
2007	Average Death Benefit	\$ —	\$ 150,000	\$ 150,000
	Average Final Average Salary	\$ —	N/A	N/A
	Number of Benefit Recipients	—	1	1
2008	Average Death Benefit	\$ —	\$ 150,000	\$ 150,000
	Average Final Average Salary	\$ —	N/A	N/A
	Number of Benefit Recipients	—	3	3
2009	Average Death Benefit	\$ 50,000	\$ 150,000	\$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	1	2	1

¹Death benefit of \$50,000 paid to the surviving spouse or child(ren) of a state employee who dies in the line of duty as defined in statute.

²Lump sum death benefit of \$150,000 paid to the surviving spouse or child(ren) of a public safety officer who dies in the line of duty as defined in statute. If there is no surviving spouse or child(ren), benefit is paid to the parent(s).

³Lump sum line of duty death benefit of \$150,000 paid to the surviving spouse or child(ren) of a member of the 1977 Fund who dies in the line of duty as defined in statute. If there is no surviving spouse or child(ren), benefit is paid to the parent(s).

2009 Comprehensive Annual Financial Report

Schedule of Changes in Net Assets Year Ended June 30

(dollars in thousands)

	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	Judges' Retirement System	State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	Prosecuting Attorneys' Retirement Fund	Legislators' Retirement System – Defined Contribution Plan	Legislators' Retirement System – Defined Benefit Plan	Employees' State Death Benefit Fund	Public Safety Officers' Special Death Benefit Fund	Pension Relief Fund	Total
2000	\$ 550,799	\$ 157,123	\$ 12,098	\$ 2,875	\$ 1,391	\$ 1,254	\$ 179	\$ 535	\$ (739)	\$ 14,086	\$ 739,601
2001	(268,479)	31,438	2,068	(593)	464	183	(317)	(712)	(201)	5,969	(230,180)
2002	(402,410)	4,359	253	(1,524)	274	497	(410)	-	-	(96,567)	(495,528)
2003	319,958	168,600	12,305	1,855	1,449	1,455	(7)	287	110	1,132	507,144
2004	1,313,914	365,320	26,023	6,281	3,598	3,236	565	(40)	(585)	(26,753)	1,691,559
2005	811,769	310,089	20,183	4,350	2,829	1,767	292	157	(185)	(38,190)	1,113,061
2006	967,555	336,703	22,315	5,350	2,664	2,802	168	(67)	151	(58,379)	1,279,262
2007	1,896,188	591,806	40,076	10,556	4,544	4,960	377	289	432	(50,508)	2,498,720
2008	(1,188,944)	(161,775)	(13,960)	(2,096)	(1,576)	(1,431)	(824)	454	227	(74,291)	(1,444,216)
2009	(2,631,134)	(556,722)	(39,998)	(9,672)	(4,917)	(4,520)	(1,306)	315	383	(66,975)	(3,314,546)

Public Employees' Retirement Fund

Schedule of Participating Employers¹ Year Ended June 30

PE = Public Employees' Retirement Fund; JU = 1977 and 1985 Judges' Retirement System; EC = State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan; 77 = 1977 Police Officers' and Firefighters' Pension and Disability Fund; PA = Prosecuting Attorneys' Retirement Fund; LE = Legislators' Retirement System

Employer's Name	Fund Name
State Employers	
State of Indiana	PE, JU, EC, PA, LE
Ball State University	PE
Bureau of Motor Vehicles Commission	PE
Indiana Board for Depositories	PE
Indiana Bond Bank	PE
Indiana Economic Development Corporation	PE
Indiana Finance Authority	PE
Indiana Homeland Security Foundation	PE
Indiana Housing and Community Development Authority	PE
Indiana Ports Commission	PE
Indiana Public Employees Retirement Fund	PE
Indiana Stadium And Convention Building Authority	PE
Indiana State Fair Commission	PE
Indiana State University	PE
Indiana University	PE
Ivy Tech Community College	PE
Little Calumet River Basin Development Commission	PE
Purdue University	PE
State Student Assistance Commission	PE
University of Southern Indiana	PE
Vincennes University	PE
White River State Park Development Commission	PE
Counties	
Adams County	PE
Allen County	PE
Bartholomew County	PE
Blackford County	PE
Boone County	PE
Brown County	PE
Carroll County	PE
Cass County	PE
Clark County	PE
Clay County	PE
Clinton County	PE
Crawford County	PE
Daviess County	PE
Dekalb County	PE
Dearborn County	PE
Decatur County	PE

¹The number of employees and percentage of employees covered for each employer is available upon request.

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Counties	
Delaware County	PE
Dubois County	PE
Elkhart County	PE
Fayette County	PE
Floyd County	PE
Franklin County	PE
Fulton County	PE
Gibson County	PE
Grant County	PE
Greene County	PE
Hamilton County	PE
Hancock County	PE
Harrison County	PE
Hendricks County	PE
Henry County	PE
Howard County	PE
Huntington County	PE
Jackson County	PE
Jasper County	PE
Jay County	PE
Jefferson County	PE
Johnson County	PE
Knox County	PE
Kosciusko County	PE
Lagrange County	PE
Laporte County	PE
Lake County	PE
Lawrence County	PE
Madison County	PE
Marion County	PE
Marshall County	PE
Martin County	PE
Miami County	PE
Monroe County	PE
Morgan County	PE
Newton County	PE
Noble County	PE
Orange County	PE
Owen County	PE
Parke County	PE
Perry County	PE
Pike County	PE
Porter County	PE

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Counties	
Posey County	PE
Pulaski County	PE
Putnam County	PE
Randolph County	PE
Ripley County	PE
Rush County	PE
St Joseph County	PE
Scott County	PE
Shelby County	PE
Spencer County	PE
Starke County	PE
Steuben County	PE
Tippecanoe County	PE
Union County	PE
Vanderburgh County	PE
Vermillion County	PE
Vigo County	PE
Wabash County	PE
Warren County	PE
Warrick County	PE
Washington County	PE
Wayne County	PE
Wells County	PE
White County	PE
Whitley County	PE
Cities and Towns	
City of Alexandria	PE, 77
City of Anderson	PE, 77
City of Angola	PE, 77
City of Attica	PE, 77
City of Auburn	PE, 77
City of Aurora	PE, 77
City of Batesville	PE, 77
City of Bedford	PE, 77
City of Beech Grove	PE, 77
City of Berne	PE, 77
City of Bicknell	77
City of Bloomington	PE, 77
City of Bluffton	PE, 77
City of Boonville	PE, 77
City of Brazil	77

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Cities and Towns	
City of Butler	PE, 77
City of Cannelton	77
City of Carmel	PE, 77
City of Charlestown	PE, 77
City of Clinton	PE, 77
City of Columbia City	PE, 77
City of Columbus	PE, 77
City of Connersville	PE, 77
City of Covington	77
City of Crawfordsville	PE, 77
City of Crown Point	PE, 77
City of Decatur	PE, 77
City of Delphi	PE, 77
City of Dunkirk	PE, 77
City of East Chicago	PE, 77
City of Elkhart	PE, 77
City of Elwood	PE, 77
City of Evansville	PE, 77
City of Fort Wayne	PE, 77
City of Frankfort	PE, 77
City of Franklin	PE, 77
City of Garrett	PE, 77
City of Gary	PE, 77
City of Gas City	PE, 77
City of Goshen	PE, 77
City of Greencastle	PE, 77
City of Greenfield	PE, 77
City of Greensburg	PE, 77
City of Greenwood	PE, 77
City of Hammond	PE, 77
City of Hartford City	PE, 77
City of Hobart	PE, 77
City of Huntingburg	PE, 77
City of Huntington	PE, 77
City of Indianapolis	PE, 77
City of Jasonville	PE, 77
City of Jasper	PE, 77
City of Jeffersonville	PE, 77
City of Kendallville	PE, 77
City of Knox	PE, 77
City of Kokomo	PE, 77
City of Lafayette	PE, 77

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Cities and Towns	
City of Lake Station	PE, 77
City of Laporte	PE, 77
City of Lawrence	PE, 77
City of Lawrenceburg	PE, 77
City of Lebanon	PE, 77
City of Ligonier	PE, 77
City of Linton	PE, 77
City of Logansport	PE, 77
City of Loogootee	PE, 77
City of Madison	PE, 77
City of Marion	PE, 77
City of Martinsville	PE, 77
City of Michigan City	PE, 77
City of Mishawaka	PE, 77
City of Mitchell	PE, 77
City of Monticello	PE, 77
City of Montpelier	PE, 77
City of Mount Vernon	77
City of Muncie	PE, 77
City of Nappanee	PE, 77
City of New Albany	PE, 77
City of New Castle	PE, 77
City of New Haven	PE, 77
City of Noblesville	PE, 77
City of North Vernon	PE, 77
City of Oakland City	PE, 77
City of Peru	PE, 77
City of Petersburg	PE, 77
City of Plymouth	PE, 77
City of Portage	PE, 77
City of Portland	PE, 77
City of Princeton	PE, 77
City of Rensselaer	PE, 77
City of Richmond	PE, 77
City of Rising Sun	PE, 77
City of Rochester	PE, 77
City of Rockport	PE
City of Rushville	PE, 77
City of Salem	PE, 77
City of Scottsburg	PE, 77
City of Seymour	PE, 77
City of Shelbyville	PE, 77

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Cities and Towns	
City of South Bend	PE, 77
City of Southport	PE
City of Sullivan	77
City of Tell City	PE, 77
City of Terre Haute	PE, 77
City of Tipton	77
City of Union City	PE, 77
City of Valparaiso	PE, 77
City of Vincennes	PE, 77
City of Wabash	PE, 77
City of Warsaw	PE, 77
City of Washington	PE, 77
City of West Lafayette	PE, 77
City of Westfield	PE, 77
City of Whiting	PE, 77
City of Winchester	PE, 77
City of Windfall	PE
Town of Advance	PE
Town of Akron	PE
Town of Albany	PE
Town of Albion	PE
Town of Andrews	PE
Town of Arcadia	PE
Town of Argos	PE, 77
Town of Ashley	PE
Town of Atlanta	PE
Town of Austin	PE, 77
Town of Avilla	PE
Town of Avon	77
Town of Bainbridge	PE
Town of Bargersville	77
Town of Battle Ground	PE
Town of Birdseye	PE
Town of Bloomfield	PE
Town of Boswell	PE
Town of Bourbon	PE
Town of Bremen	PE, 77
Town of Bristol	PE
Town of Brook	PE
Town of Brookston	PE
Town of Brookville	PE
Town of Brownsburg	PE, 77

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Cities and Towns	
Town of Bunker Hill	PE
Town of Burlington	PE
Town of Burns Harbor	PE
Town of Cambridge City-Western Wayne Regional District	PE
Town of Campbellsburg	PE
Town of Carbon	PE
Town of Carlisle	PE
Town of Cedar Lake	PE, 77
Town of Centerville	PE
Town of Chandler	PE
Town of Chesterfield	PE
Town of Chesterton	PE, 77
Town of Chrisney	PE
Town of Cicero	PE, 77
Town of Clarks Hill	PE
Town of Clarksville	PE, 77
Town of Clear Lake	PE
Town of Cloverdale	PE
Town of Colfax	PE
Town of Converse	PE
Town of Corydon	PE
Town of Crothersville	PE
Town of Culver	PE
Town of Cumberland	PE
Town of Cynthiana	PE
Town of Daleville	PE
Town of Danville	PE
Town of Darlington	PE
Town of Dayton	PE
Town of Dillsboro	PE
Town of Dublin	PE
Town of Dugger	PE
Town of Dyer	PE, 77
Town of Eaton	PE
Town of Edgewood	PE
Town of Edinburgh	PE
Town of Ellettsville	PE
Town of Fairmount	PE
Town of Farmland	PE
Town of Fishers	PE, 77
Town of Flora	PE
Town of Fort Branch	PE

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Cities and Towns	
Town of Fortville	PE
Town of Frankton	PE
Town of Fremont	PE
Town of French Lick	PE
Town of Gaston	PE
Town of Geneva	PE
Town of Grabill	PE
Town of Grandview	PE
Town of Greendale	PE, 77
Town of Greens Fork	PE
Town of Greentown	PE
Town of Griffith	PE, 77
Town of Hagerstown	PE
Town of Hamilton	PE
Town of Hamlet	PE
Town of Hanover	PE
Town of Harmony	PE
Town of Hebron	PE
Town of Highland	PE, 77
Town of Huntertown	PE
Town of Jamestown	PE
Town of Jonesboro	PE, 77
Town of Kingsford Heights	PE
Town of Knightstown	PE
Town of Ladoga	PE
Town of Lafontaine	PE
Town of Lagrange	PE
Town of Lagro	PE
Town of Lapaz	PE
Town of Lapel	PE
Town of Lewisville	PE
Town of Liberty	PE
Town of Long Beach	PE
Town of Lowell	PE, 77
Town of Lynn	PE
Town of Markle	PE
Town of Matthews	PE
Town of Mentone	PE
Town of Merrillville	PE, 77
Town of Middletown	PE
Town of Milan	PE
Town of Milford	PE

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Cities and Towns	
Town of Millersburg	PE
Town of Milton	PE
Town of Monon	PE
Town of Monroe	PE
Town of Monroe City	PE
Town of Monroeville	PE
Town of Mooresville	PE, 77
Town of Morocco	PE
Town of Mount Summit	PE
Town of Mulberry	PE
Town of Munster	PE, 77
Town of Nashville	PE
Town of New Carlisle	PE
Town of New Chicago	PE, 77
Town of New Harmony	PE
Town of New Palestine	PE
Town of New Pekin	PE
Town of New Ross	PE
Town of New Whiteland	PE
Town of Newburgh	PE
Town of North Judson	PE
Town of North Liberty	PE
Town of North Manchester	PE
Town of North Webster	PE
Town of Oaktown	PE
Town of Odon	PE
Town of Ogden Dunes	PE
Town of Oolitic	PE
Town of Orland	PE
Town of Orleans	PE
Town of Osgood	PE
Town of Ossian	PE, 77
Town of Otterbein	PE
Town of Paoli	PE
Town of Paragon	PE
Town of Pendleton	PE
Town of Pierceton	PE
Town of Pittsboro	PE
Town of Plainfield	PE, 77
Town of Porter	PE, 77
Town of Poseyville	PE
Town of Prince's Lakes	PE

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Cities and Towns	
Town of Remington	PE
Town of Roachdale	PE
Town of Rockville	PE
Town of Rome City	PE
Town of Rossville	PE
Town of Royal Center	PE
Town of Russiaville	PE
Town of Schererville	PE, 77
Town of Sellersburg	PE, 77
Town of Sharpsville	PE
Town of Shelburn	PE
Town of Shoals	PE
Town of South Whitley	PE
Town of Speedway	PE, 77
Town of Spencer	PE
Town of Spiceland	PE
Town of St John	PE, 77
Town of St Leon	PE
Town of Tennyson	PE
Town of Thorntown	PE
Town of Topeka	PE
Town of Trafalgar	77
Town of Trail Creek	PE
Town of Van Buren	PE
Town of Versailles	PE
Town of Walkerton	PE
Town of Wanatah	PE
Town of Waterloo	PE
Town of West Baden Springs	PE
Town of West Terre Haute	PE
Town of Westport	PE
Town of Whiteland	PE
Town of Whitestown	77
Town of Williamsport	PE
Town of Winamac	PE
Town of Winfield	PE
Town of Winona Lake	PE
Town of Winslow	PE
Town of Wolcott	PE
Town of Wolcottville	PE
Town of Woodburn	77
Town of Worthington	PE

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Cities and Towns	
Town of Yorktown	PE
Town of Zionsville	PE, 77
Townships	
Aboite Township-Allen County	PE
Adams Township-Allen County	PE
Adams Township-Hamilton County	PE
Adams Township-Parke County	PE
Anderson Township-Madison County	PE
Bainbridge Township-Dubois County	PE
Beaver Township-Newton County	PE
Beech Creek Township-Greene County	PE
Bloomfield Township-Lagrange County	PE
Bloomington Township-Monroe County	PE
Bourbon Township-Marshall County	PE
Brown Township-Hendricks County	PE
Brown Township-Morgan County	PE, 77
Buck Creek Township-Hancock County	PE, 77
Calumet Township-Lake County	PE
Cass County-Eel Township	PE
Cedar Creek Township-Lake County	PE
Center Township-Boone County	PE
Center Township-Delaware County	PE
Center Township-Grant County	PE
Center Township-Hendricks County	PE
Center Township-Howard County	PE
Center Township-Lake County	PE
Center Township-Laporte County	PE
Center Township-Marion County	PE
Center Township-Marshall County	PE
Center Township-Porter County	PE
Center Township-Vanderburgh County	PE
Centre Township-St Joseph County	PE
Charlestown Township-Clark County	PE
Chester Township-Wabash County	PE
Clay Township-Hamilton County	PE
Clay Township-Pike County	PE
Clay Township-St Joseph County	PE
Clear Creek Township-Monroe County	PE
Cleveland Township-Elkhart County	PE
Clinton Township-Vermillion County	PE
Columbia Township-Whitley County	PE
Columbus Township-Bartholomew County	PE

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Townships	
Concord Township-Elkhart County	PE
Decatur Township-Marion County	PE, 77
Delaware Township-Hamilton County	PE
Eel River Township-Hendricks County	PE
Etna-Troy Township-Whitley County	PE
Fairfield Township-Tippecanoe County	PE
Fairmount Township-Grant County	PE
Franklin Township-Harrison County	PE
Franklin Township-Marion County	PE, 77
Georgetown Township-Floyd County	PE
German Township-St Joseph County	PE
Grant Township-Newton County	PE
Guilford Civil Township-Hendricks County	PE
Hanover Township-Lake County	PE
Hanover Township-Shelby County	PE
Harris Township-St Joseph County	PE
Harrison Township-Vigo County	PE
Helt Township-Vermillion County	PE
Henry Township-Henry County	PE
Highland Township-Green County	PE
Hobart Township-Lake County	PE
Honey Creek Township-Vigo County	PE
Huntington Township-Huntington County	PE
Jackson Township-Harrison County	PE
Jackson Township-Jackson County	PE
Jackson Township-Wayne County	PE
Jamestown Township-Steuben County	PE
Jefferson Township-Grant County	PE
Jefferson Township-Greene County	PE
Jefferson Township-Pike County	PE
Jefferson Township-Whitley County	PE
Jeffersonville Township-Clark County	PE
Johnson Township-Lagrange County	PE
Johnson Township-Lagrange County	PE
Knight Township-Vanderburgh County	PE
Lafayette Township-Floyd County	PE
Lake Township-Kosciusko County	PE
Lawrence Township-Marion County	PE, 77
Lost Creek Township-Vigo County	PE
Madison Township-Dubois County	PE
Madison Township-Jefferson County	PE
Madison Township-Pike County	PE

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Townships	
Marion Township	PE
Maumee Civil Township	PE
Michigan Township-Laporte County	PE
Middle Township-Hendricks County	PE, 77
Middlebury Township	PE
Mount Pleasant Township-Delaware County	PE
New Albany Township Trustee	PE
Newbury Township-LaGrange County	PE
Noble Township-Wabash County	PE
Noblesville Township-Hamilton County	PE
North Civil Township	PE
North Township-Lake County	PE
Ohio Township-Warrick County	PE
Patoka Township-Gibson County	PE, 77
Penn Civil Township-St Joseph County	PE
Perry Clear Creek-Fire Protection District	77
Perry Township-Allen County	PE
Perry Township-Marion County	PE, 77
Perry Township-Martin County	PE
Perry Township-Monroe County	PE
Perry Township-Vanderburgh County	PE
Peru Township-Miami County	PE
Pigeon Township-Vanderburgh County	PE
Pike Township-Marion County	PE, 77
Pipecreek Township-Madison County	PE
Pleasant Township-Johnson County	PE
Pleasant Township-Steuben County	PE
Pleasant Township-Wabash County	PE
Portage Township-Porter County	PE
Portage Township-St Joseph County	PE
Posey Township-Fayette County	PE
Posey Township-Washington County	PE
Prairie Township-Kosciusko County	PE
Richland Township-Greene County	PE
Richland Township-Jay County	PE
Richland Township-Monroe County	PE
Root Township-Adams County	PE
Ross Township-Lake County	PE
Seward Township-Kosciusko County	PE
Shawswick Township-Lawrence County	PE
Spencer Township-Harrison County	PE
Springfield Township-Laporte County	PE

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Townships	
St John Township Trustee-Lake County	PE
St Joseph Township-Allen County	PE
Stafford Township-Greene County	PE
Stockton Township-Greene County	PE
Sugar Creek Township-Hancock County	77
Sugar Creek Township-Montgomery County	PE
Sugar Creek Township-Vigo County	PE
Taylor Township-Greene County	PE
Taylor Township-Howard County	PE
Thorncreek Township-Whitley County	PE
Tippecanoe Township-Kosciusko County	PE
Union Township-Adams County	PE
Union Township-Marshall County	PE
Union Township-Montgomery County	PE
Union Township-Whitley County	PE
Van Buren Township-Madison County	PE
Van Buren Township-Monroe County	PE
Vincennes Township-Knox County	PE
Warren Township-Marion County	PE
Warren Township-St Joseph County	PE
Washington Township-Adams County	PE
Washington Township-Daviess County	PE
Washington Township-Grant County	PE
Washington Township-Hamilton County	PE
Washington Township-Marion County	PE
Washington Township-Morgan County	PE, 77
Washington Township-Pike County	PE
Washington Township-Starke County	PE
Wayne Township-Marion County	PE, 77
Wayne Township-Wayne County	PE
West Creek Township-Lake County	PE
West Township-Marshall County	PE
Wheatfield Township-Jasper County	PE
White River Township-Randolph County	PE
White River Township Fire Protection District	PE, 77
Winfield Township-Lake County	PE
Wright Township-Greene County	PE
School Districts and Education	
21st Century Charter School-Fountain Square, Inc.	PE
21st Century Charter School-Gary, Inc.	PE
21st Century Charter School-Fall Creek	PE

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
School Districts and Education	
Adams Central Community Schools	PE
Alexandria Community School Corporation	PE
Anderson Community School Corporation	PE
Area 30 Career Center	PE
Argos Community Schools	PE
Attica Consolidated School Corporation	PE
Avon Community School Corporation	PE
Barr-Reeve Community Schools, Inc.	PE
Bartholomew Consolidated School Corporation	PE
Batesville Community School Corporation	PE
Baugo Community Schools	PE
Beech Grove City Schools	PE
Benton Community School Corporation	PE
Bloomfield School District	PE
Blue River Career Programs	PE
Blue River Special Education Cooperative	PE
Blue River Valley Schools	PE
Bluffton-Harrison Metropolitan School District	PE
Bremen Public Schools	PE
Brown County School Corporation	PE
Brownsburg Community School Corporation	PE
Brownstown Central Community School Corporation	PE
Cannelton City Schools	PE
Carmel-Clay Schools	PE
Carroll Consolidated School Corporation	PE
Cass Township Schools-Laporte County	PE
Caston School Corporation	PE
Center Grove Community School Corporation	PE
Centerville-Abington Community Schools	PE
Central Indiana Educational Service Center	PE
Central Noble Community School Corporation	PE
Challenge Foundation Academy Charter School	PE
Charles A Beard Memorial School Corporation	PE
Charles A Tindley Accelerated High School	PE
Christel House Academy	PE
Clarksville Community School Corporation	PE
Clay Community Schools	PE
Clinton Central School Corporation	PE
Clinton Prairie School Corporation	PE
Cloverdale Community School Corporation	PE
Community Montessori School	PE
Community School Corporation of Eastern Hancock County	PE

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
School Districts and Education	
Concord Community Schools	PE
Covered Bridge Special Education District	PE
Covington Community Schools	PE
Cowan Community School Corporation	PE
Crawford County Community School Corporation	PE
Crawfordsville Community School Corporation	PE
Crothersville Community Schools	PE
Crown Point Community School Corporation	PE
Culver Community School Corporation	PE
Daleville Community Schools	PE
Danville Community School Corporation	PE
Daviess-Martin Special Education Cooperative	PE
Decatur County Community Schools	PE
Decatur Discovery Academy, Inc.	PE
Dekalb County Central United School District	PE
Dekalb County Eastern Community School District	PE
Delaware Community School Corporation	PE
Delphi Community School Corporation	PE
Duneland School Corporation	PE
East Allen County Schools	PE
East Central Indiana Educational Service Center	PE
East Chicago School City	PE
East Chicago Lighthouse Charter School	PE
East Chicago Urban Enterprise Academy, Inc.	PE
East Gibson School Corporation	PE
East Noble School Corporation	PE
East Porter County School Corporation	PE
East Washington School Corporation	PE
Eastbrook Community School Corporation	PE
Eastern Howard School Corporation	PE
Eastern Pulaski Community School Corporation	PE
Edinburgh Community School Corporation	PE
Elkhart Community Schools	PE
Elwood Community School Corporation	PE
Evansville-Vanderburgh School Corporation	PE
Fairfield Community Schools	PE
Fayette County School Corporation	PE
Flanner House Elementary	PE
Flat Rock-Hawcreek School Corporation	PE
Frankfort Community Schools	PE
Franklin Community Schools	PE
Franklin County Community School Corporation	PE

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
School Districts and Education	
Franklin Township Community School Corporation	PE
Frankton-Lapel Community Schools	PE
Fremont Community Schools	PE
Frontier School Corporation	PE
Ft Wayne Community Schools	PE
Galileo Charter School	PE
Garrett-Keyser-Butler Community School District	PE
Gary Community School Corporation	PE
Gary Lighthouse Charter School	PE
Gibson-Pike-Warrick Special Education Cooperative	PE
Goshen Community Schools	PE
Greater Clark County Schools	PE
Greater Jasper Consolidated Schools	PE
Greater Randolph Interlocal Cooperative	PE
Greencastle Consolidated Schools	PE
Greenfield-Central Community School Corporation	PE
Greensburg Community Schools	PE
Greenwood Community School Corporation	PE
Griffith Public Schools	PE
Hamilton Community Schools	PE
Hamilton Heights School Corporation	PE
Hamilton Southeastern Schools	PE
Hammond Public Schools	PE
Hanover Community School Corporation	PE
Heartland Career Center	PE
Herron High School Charter School	PE
Hobart School City	PE
Huntington County Community School Corporation	PE
Indiana Math and Science Academy	PE
Indianapolis Lighthouse Charter School	PE
Indianapolis Public Schools Education Center	PE
Irvington Community School	PE
J.E.S.S.E. School Corporation	PE
Joshua Academy, Inc.	PE
Jac-Cen-Del Community School Corporation	PE
Jay School Corporation	PE
Jennings County School Corporation	PE
John Glenn School	PE
Johnson County Schools Special Services	PE
Kipp Indianapolis College Preparatory	PE
Kipp Lead College Preparatory, Inc.	PE
Knox Community School Corporation	PE

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
School Districts and Education	
Kokomo-Center Township Schools	PE
Lafayette School Corporation	PE
Lake Central School Corporation	PE
Lake Ridge Schools	PE
Lakeland School Corporation	PE
Lanesville Community School Corporation	PE
Laporte Community School Corporation	PE
Lawrence Early College High School	PE
Lawrenceburg Community School Corporation	PE
Liberty-Perry Community School Corporation	PE
Linton-Stockton School Corporation	PE
Logansport Community Schools	PE
Loogootee Community School Corporation	PE
Lost River Career Cooperative	PE
Maconaquah School Corporation	PE
Madison Area Educational Special Service	PE
Madison Consolidated Schools	PE
Madison Grant School Corporation	PE
Manchester Community Schools	PE
Marion-Adams Schools	PE
Marion Community Schools	PE
Merrillville Community School Corporation	PE
Metropolitan School District-Blackford County	PE
Metropolitan School District-Boone Township	PE
Metropolitan School District of Lawrence Township	PE
Metropolitan School District of Martinsville	PE
Metropolitan School District of Mt Vernon	PE
Metropolitan School District of North Posey County	PE
Metropolitan School District of Perry Township	PE
Metropolitan School District of Pike Township	PE
Metropolitan School District of Shakamak	PE
Metropolitan School District of Southwest Allen County	PE
Metropolitan School District of Steuben County	PE
Metropolitan School District of Wabash County	PE
Metropolitan School District of Warren County	PE
Metropolitan School District Warren Township	PE
Metropolitan School District Washington Township-Marion County	PE
Metropolitan School District of Wayne Township	PE
Michigan City Area Schools	PE
Middlebury Community School Corporation	PE
Milan Schools	PE
Mill Creek Community School Corporation	PE

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
School Districts and Education	
Mississinewa Community Schools	PE
Mitchell Community Schools	PE
Monroe Central School Corporation	PE
Monroe County Community School Corporation	PE
Monroe-Gregg School District	PE
Montessori Academy At Geist, Inc.	PE
Monument Lighthouse Charter School	PE
Mooresville Consolidated School Corporation	PE
Mt Pleasant Community School Corporation	PE
Mt Vernon Community School Corporation	PE
Muncie Community Schools	PE
Nettle Creek School Corporation	PE
New Albany-Floyd County School Corporation	PE
New Castle Community School Corporation	PE
New Prairie United School Corporation	PE
Nineveh Hensley Jackson United School Corporation	PE
Noblesville Consolidated Schools	PE
North Adams Community Schools	PE
North Daviess Community Schools	PE
North Gibson School Corporation	PE
North Harrison Community School Corporation	PE
North Judson-San Pierre Schools	PE
North Knox School Corporation	PE
North Lawrence Schools	PE
North Miami Community Schools	PE
North Montgomery School Corporation	PE
North Newton School Corporation	PE
North Putnam Community School Corporation	PE
North Vermillion Community School Corporation	PE
North White School Corporation	PE
Northeast Dubois County School Corporation	PE
Northeast School Corporation	PE
Northeastern Wayne Schools	PE
Northern Community Schools	PE
Northern Wells Community Schools	PE
Northwest Allen County Schools	PE
Northwest Hendricks Schools	PE
Northwest Indiana Special Education Cooperative	PE
Northwestern Consolidated School District of Shelby County	PE
Northwestern School Corporation-Howard County	PE
Oak Hill United School Corporation	PE
Old National Trail Special Services	PE

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
School Districts and Education	
Options Charter School-Carmel	PE
Options Charter School-Noblesville	PE
Oregon-Davis School Corporation	PE
Orleans Community Schools	PE
Paoli Community School Corporation	PE
Penn-Harris-Madison School Corporation	PE
Perry Central Community School Corporation	PE
Peru Community School Corporation	PE
Pike County School Corporation	PE
Pioneer Regional School Corporation	PE
Plainfield Community School Corporation	PE
Plymouth Community School Corporation	PE
Portage Township Schools	PE
Porter County Education Services	PE
Prairie Heights Community School Corporation	PE
Randolph Central School Corporation	PE
Randolph Eastern School Corporation	PE
Randolph Southern School Corporation	PE
Recovery High School At Fairbanks, Inc. (dba Hope Academy)	PE
Region 8 Education Service Center	PE
Renaissance Academy Charter School	PE
Rensselaer Central School Corporation	PE
Richland-Bean Blossom School Corporation	PE
Richmond Community Schools	PE
Rising Sun-Ohio County Community School Corporation	PE
River Forest Community School Corporation	PE
Rochester Community Schools	PE
Rockville Community Schools	PE
Rossville Consolidated School District	PE
Rural Community Schools, Inc.	PE
Rush County Schools	PE
Salem Community Schools-Washington County	PE
School City of Lake Station	PE
School City of Mishawaka	PE
School City of West Lafayette	PE
School Town of Highland	PE
School Town of Highland-Nw	PE
School Town of Munster	PE
Scott County School District 1	PE
Scott County School District 2	PE
Seymour Community Schools	PE
Shelby Eastern Schools	PE

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
School Districts and Education	
Shelbyville Central Schools	PE
Shenandoah School Corporation	PE
Shoals Community School Corporation	PE
Signature School	PE
Smith-Green Community Schools	PE
South Adams Schools	PE
South Bend Community School Corporation	PE
South Central Area Special Education Cooperative	PE
South Central Community School Corporation	PE
South Dearborn Community School Corporation	PE
South Gibson School Corporation	PE
South Harrison Community School Corporation	PE
South Henry School Corporation	PE
South Knox School Corporation	PE
South Madison Community School Corporation	PE
South Newton School	PE
South Putnam Community School Corporation	PE
South Ripley Community School Corporation	PE
South Spencer County School Corporation	PE
South Vermillion Community School Corporation	PE
Southeast Fountain School Corporation	PE
Southeast Neighborhood School of Excellence	PE
Southeastern Cass School Corporation	PE
Southeastern School Corporation	PE
Southern Hancock Community Schools	PE
Southern Wells Community Schools	PE
Southwest Dubois County School Corporation	PE
Southwest Parke Community School Corporation	PE
Southwest School Corporation of Sullivan County	PE
Southwestern Consolidated Schools of Shelby County	PE
Southwestern High School	PE
Southwestern Jefferson County Consolidated Schools	PE
Speedway Public Schools	PE
Spencer-Owen Community Schools	PE
Springs Valley Community Schools	PE
Sunman-Dearborn Community Schools	PE
Switzerland Community School Corporation	PE
Taylor Community Schools	PE
Tell City Schools	PE
The New Community School	PE
The Project School, Inc.	PE
Thea Bowan Leadership Academy	PE

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
School Districts and Education	
Tippecanoe School Corporation	PE
Tippecanoe Valley School Corporation	PE
Tipton Community School Corporation	PE
Tri-County School Corporation	PE
Tri-Creek School Corporation	PE
Triton Schools	PE
Turkey Run Community School Corporation	PE
Twin Lakes School Corporation	PE
Union County/College Corner Joint School District	PE
Union Township School Corporation	PE
Union-North United School Corporation	PE
Valparaiso Community Schools	PE
Veritas Academy Charter School	PE
Vigo County School Corporation	PE
Vincennes Community School Corporation	PE
Wa-Nee Community Schools	PE
Wabash City Schools	PE
Warrick County School Corporation	PE
Warsaw Community Schools	PE
Washington Community Schools	PE
Wawasee Community School Corporation	PE
Wes-Del Community Schools	PE
West Central Indiana Educational Service Center	PE
West Central School Corporation	PE
West Clark Community Schools	PE
West Gary Lighthouse Charter School	PE
West Lafayette School City	PE
West Noble School Corporation	PE
West Washington School Corporation	PE
Western School Corporation	PE
Western Wayne Schools	PE
Westview School Corporation	PE
White River Valley School Corporation	PE
Whiting School City	PE
Whitko Community School Corporation	PE
Whitley County Consolidated Schools	PE
Wilson Education Center	PE
Other Government Entities	
Adams County Public Library System	PE
Adams County-Solid Waste Management District	PE
Adams-Wells Special Services Cooperative	PE

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Other Government Entities	
Akron Public Library	PE
Alexandrian Public Library	PE
Allen County Public Library	PE
Anderson Public Library	PE
And-Tro Water Authority	PE
Argos Public Library	PE
Aurora Public Library	PE
Bargersville Community Fire Protection District	PE
Bartholomew County Library	PE
Bartholomew County-Solid Waste Management District	PE
Bedford Public Library	PE
Beech Grove Public Library	PE
Bell Memorial Public Library	PE
Ben Davis Conservancy District	PE
Benton County Highway	PE
Benton County Public Library	PE
Big Blue River Conservancy District	PE
Boonville-Warrick County Public Library	PE
Bourbon Public Library	PE
Brazil Public Library	PE
Bremen Public Library	PE
Bristol Public Library	PE
Brook Iroquois Township Public Library	PE
Brown County Public Library	PE
Brown County Solid Waste Management District	PE
Brownsburg Public Library	PE
Cambridge City Library	PE
Capital Improvements Board	PE
Carmel Public Library	PE
Cass County Solid Waste District	PE
Centerville Library	PE
Central Nine Career Center	PE
City of Anderson-City Utilities	PE
City of Anderson-Housing Authority	PE
City of Angola Housing Authority	PE
City of Bloomington-Public Transportation	PE
City of Bloomington-Utilities Department	PE
City of East Chicago-Waterway Management District	PE
City of Evansville-Water And Sewer Utility	PE
City of Frankfort-Utilities	PE
City of Hammond-Port Authority	PE
City of Hammond-Sanitary District	PE

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Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Other Government Entities	
City of Hammond-Water Works	PE
City of Indianapolis-Division of Housing	PE
City of Lawrence-Fort Harrison Refuse Authority	PE
City of Logansport-Utilities	PE
City of Michigan City-Redevelopment Department	PE
City of Muncie Housing Authority	PE
City of New Albany-Flood Control District	PE
Clarksville Sewage Department	PE
Clay Township Regional Waste District	PE
Clay Township-St Joseph County Poor Relief	PE
Clay-Owen-Vigo Solid Waste Management District	PE
Clinton Public Library	PE
Coatesville Library	PE
Connersville Utilities	PE
Converse-Jackson Township Library	PE
Cordry-Sweetwater Conservancy District	PE
Crawford County-Solid Waste District	PE
Crawfordsville Public Library	PE
Crown Point-Center Township Public Library	PE
Culver-Union Township Public Library	PE
Danville/Center Township Public Library	PE
Dearborn County-Solid Waste Management District	PE
Decatur County Board of Health	PE
Decatur County-Solid Waste District	PE
Decatur Housing Authority	PE
Delaware County Airport Authority	PE
Delaware County Housing Authority	PE
Delaware County Regional Wastewater District	PE
Delphi Public Library	PE
Dubois County Contractual Library	PE
East Central Indiana Solid Waste District	PE
East Chicago Public Library	PE
East Chicago Water Department	PE
Eckhart Public Library	PE
Elkhart County-Solid Waste Management District	PE
Elkhart Public Library	PE
Evansville Housing Authority	PE
Evansville Public Library	PE
Evansville Redevelopment Commission	PE
Evansville-Vanderburgh Airport Authority	PE
Evansville-Vanderburgh County Building Authority	PE
Fairmount Public Library	PE

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Other Government Entities	
Fayette County Public Library	PE
Flora-Monroe Public Library	PE
Florence Regional Sewage District	PE
Fort Branch-Johnson Township Public Library	PE
Fort Wayne City Utilities	PE
Fort Wayne Convention & Tourism Authority	PE
Fort Wayne Housing Authority	PE
Fort Wayne-Alen County Airport Authority	PE
Fortville-Vernon Township Public Library	PE
Frankfort Community Public Library	PE
Franklin County Public Library District	PE
Freeman Municipal Airport	PE
Fremont Public Library	PE
Fulton County Library	PE
Garrett Public Library	PE
Gary Municipal Airport Authority	PE
Gary Public Library	PE
Gas City-Mill Township Public Library	PE
Goshen Public Library	PE
Greater Lafayette Public Transportation Corporation	PE
Greentown & Eastern Howard Library	PE
Greenwood Library	PE
Hagerstown-Jefferson Township Public Library	PE
Hamilton County Solid Waste District	PE
Hamilton East Public Library	PE
Hamilton Lake Conservancy District	PE
Hamilton North Public Library	PE
Hammond Public Library	PE
Hancock County Public Library	PE
Harrison County - Solid Waste Management District	PE
Harrison County Public Library	PE
Hartford City Public Library	PE
Health & Hospital Corporation of Marion County	PE
Health & Hospital Corporation of Marion County-Wishard	PE
Hendricks County-Solid Waste Management District	PE
Housing Authority of The City of Kendallville	PE
Huntingburg Housing Authority	PE
Huntingburg Public Library	PE
Huntington Public Library	PE
Hussey-Mayfield Memorial Public Library	PE
Indiana 15 Regional Planning Commission	PE
Indiana Intelenet Commission	PE

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Other Government Entities	
Indianapolis Public Transportation Corporation	PE
Indianapolis-Airport Authority	PE
Indianapolis-Marion County Building Authority	PE
Indianapolis-Marion County Public Library	PE
Jackson County Public Library	PE
Jackson County Solid Waste Management District	PE
Jasper County Public Library	PE
Jasper Public Library	PE
Jay County Public Library	PE
Jeffersonville Flood Control District	PE
Jeffersonville Park & Recreation	PE
Jeffersonville Township Public Library	PE
Jennings County Public Library	PE
Johnson County Public Library	PE
Kankakee-Iroquois-Regional Planning Commission	PE
Kendallville Public Library	PE
Kentland Public Library	PE
Kewana-Union Township Public Library	PE
Knox County Housing Authority	PE
Knox County Public Library	PE
Kokomo Public Library	PE
Kosciusko County Highway Department	PE
Lagrange County Public Library	PE
Lagrange County-Sewer District	PE
Lake County Library	PE
Lake Lemon Conservancy District	PE
Laporte County Solid Waste Management District	PE
Laporte Municipal Airport Authority	PE
Laporte Public & County Libraries	PE
Lawrenceburg Flood Control District	PE
Lawrenceburg Public Library	PE
Lebanon Public Library	PE
Leo Cedarville Regional Sewer District	PE
Lincoln Heritage Public Library	PE
Linton Housing Authority	PE
Logansport Public Library	PE
Lowell Public Library	PE
Madison County-Job Source	PE
Madison-Jefferson Library	PE
Marion Public Library	PE
Melton Public Library	PE
Michiana Area Council of Governments	PE

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Other Government Entities	
Michigan City Library	PE
Middlebury Community Library	PE
Milford Public Library	PE
Mishawaka Public Library	PE
Mitchell Community Public Library	PE
Monon Town & Township Public Library	PE
Monroe County Public Library	PE
Monterey-Tippecanoe Public Library	PE
Montgomery County-Auditor	PE
Montgomery County-Highway Department	PE
Monticello-Union Township Public Library	PE
Montpelier Public Library	PE
Mooresville Public Library	PE
Morgan County Public Library	PE
Muncie Indiana Transit System	PE
Muncie Public Library	PE
Nappanee Public Library	PE
New Albany-Floyd County Public Library	PE
New Carlisle-Olive Township Library	PE
New Castle Housing Authority	PE
New Castle-Henry County Public Library	PE
New Paris Conservancy District	PE
Newport-Vermillion County Library	PE
Newton County Highway Department	PE
Noble County Library	PE
Noblesville Housing Authority	PE
North Madison County Public Library System	PE
Northeast Indiana Solid Waste Management District	PE
Northern Indiana Commuter Transportation District	PE
Northwest Indiana Health Department Cooperative	PE
Northwest Indiana Law Enforcement Academy	PE
Northwestern Indiana Regional Planning Commission	PE
Oak Hill Cemetery	PE
Oak Park Conservancy District	PE
Ohio County Public Library	PE
Ohio Township Public Library System	PE
Orange County-Highway Department	PE
Orleans Town & Township Public Library	PE
Owen County Public Library	PE
Paoli Public Library	PE
Patoka Lake Regional Water And Sewer District	PE
Peabody Public Library	PE

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Other Government Entities	
Pendleton Community Library	PE
Peru Public Library	PE
Peru Utilities	PE
Pike County Public Library	PE
Plainfield Public Library	PE
Plymouth Public Library	PE
Porter County Public Library System	PE
Porter County Solid Waste Management District	PE
Posey County-Highway Department	PE
Pulaski County Public Library	PE
Putnam County Public Library	PE
Randolph County-Solid Waste Management	PE
Region 3-A Development & Region Planning	PE
Regional Bus Authority	PE
Remington Carpenter Township Public Library	PE
Richmond Sanitary District	PE
Richmond-Morrison-Reeves Library	PE
Rising Sun Municipal Utilities	PE
Rockport-Housing Authority	PE
Rockville Public Library	PE
Rome City Housing Authority	PE
Royal Center Township Library	PE
Rushville Public Library	PE
Salem Public Library	PE
Scott County Public Library	PE
Scott County-Southeastern Indiana Solid Waste District	PE
Shelbyville-Shelby County Public Library	PE
Sheridan Public Library	PE
South Dearborn Regional Sewer District	PE
South Henry Regional Waste District	PE
South Whitley-Cleveland Township Public Library	PE
Southeastern Career Center	PE
Southern Indiana Development Commission	PE
Southwest Allen County Fire District	PE
Speedway Public Library	PE
Spencer County Public Library	PE
St Joseph County Airport Authority	PE
St Joseph County Public Library	PE
St Joseph County-Solid Waste Management District	PE
Starke County Airport Authority	PE
Starke County-Environmental Management District	PE
Steuben Lakes Regional Waste District	PE

Public Employees' Retirement Fund

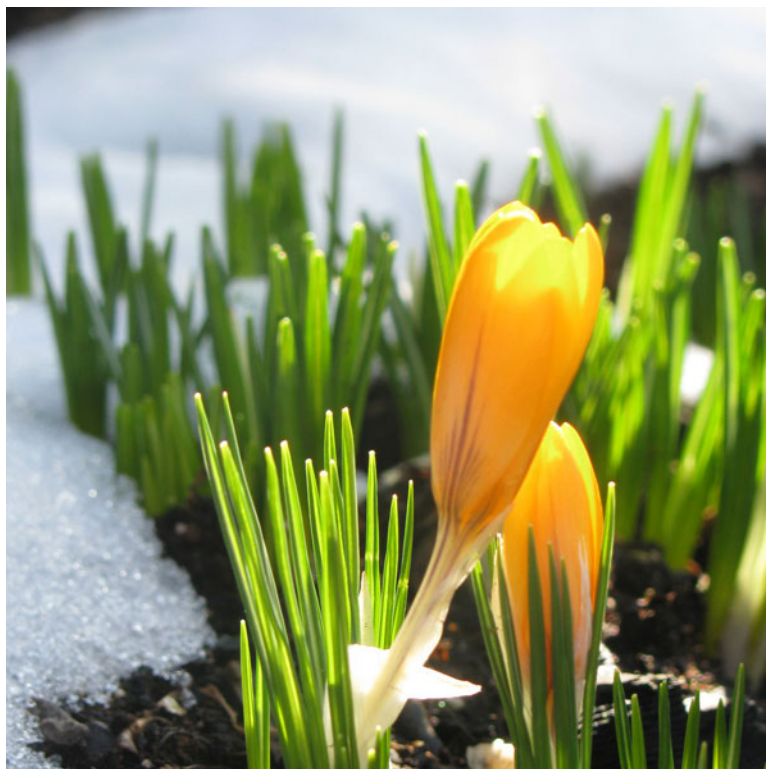
Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Other Government Entities	
Stucker Fork Conservancy District	PE
Sullivan County Public Library	PE
Swayzee Public Library	PE
Switzerland County Public Library	PE
Tell City-Perry County Public Library	PE
Terre Haute International Airport Authority	PE
The Indianapolis Local Public Improvement Bond Bank	PE
The Starke County Public Library System	PE
Three Rivers Solid Waste Management District	PE
Tippecanoe County Public Library	PE
Tipton County Library	PE
Town of Selma-Liberty Regional Waste District	PE
Twin Lakes Regional Sewer District-White County	PE
Twin Rivers Vocational Area	PE
Union City Library	PE
Union County Public Library	PE
Vigo County Public Library	PE
Vigo County-Convention And Tourism Bureau	PE
Vincennes Housing Authority	PE
Vincennes Township Fire Protection District	77
Vincennes Water Department	PE
Wabash Carnegie Library	PE
Wakarusa Public Library	PE
Walkerton-Lincoln Township Public Library	PE
Warren County Highway	PE
Warren Public Library	PE
Warrick County Solid Waste Management District	PE
Warsaw Community Public Library	PE
Washington Carnegie Library	PE
Washington Housing Authority	PE
Washington Township Public Library	PE
Washington Township Trustee Assessor	PE
Waterloo-Grant Township Public Library	PE
Wayne County-Highway Department	PE
Wells County Public Library	PE
West Central Conservancy District	PE
West Central Solid Waste District	PE
West Lafayette Public Library	PE
Westchester Public Library	PE
Westfield Public Library	PE
Whiting Public Library	PE
Whitley County Solid Waste Management District	PE

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name	Fund Name
Other Government Entities	
Wildcat Creek-Solid Waste District	PE
Willard Library of Evansville	PE
Williamsport-Washington Township Public Library	PE
Winchester Community Library	PE
Worthington-Jefferson Township Public Library	PE
Wright-Hageman Public Library	PE
Yorktown-Mt Pleasant Community Library	PE



Your goals ... our commitment.

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Indianapolis, IN 46204

Web: www.perf.in.gov

E-mail: questions@perf.in.gov

Tel: (888) 526-1687

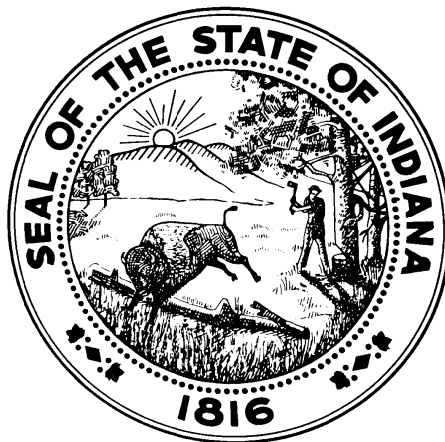
Fax: (866) 591-9441

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF

PUBLIC EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES
STATE OF INDIANA

July 1, 2008 to June 30, 2009



FILED
12/23/2009

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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Terren Magid	06-02-07 to 06-30-10
Chairman of the Board	Ken Cochran	06-17-05 to 06-30-12



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE PUBLIC EMPLOYEES' RETIREMENT FUND

We have audited the financial statements of the Public Employees' Retirement Fund Board of Trustees as of and for the year ended June 30, 2009, and have issued our opinion thereon dated September 30, 2009. The primary purpose of the audit was to report our opinion on the financial statements. We have included an unqualified opinion on the Public Employees' Retirement Fund's Financial Statements. This opinion and the financial transactions of this office can be viewed in the Public Employees' Retirement Fund of Indiana's Comprehensive Annual Report.

Although it is not explicitly stated, an unqualified audit report means that we did gather adequate audit evidence to support the assertions in the financial statements, that we are satisfied that the books and records are in agreement with the financial statements, and that we received all the information and explanations we considered necessary for the audit. We are also satisfied with the disclosures in the notes to the financial statements. The audit procedures are designed to give us reasonable assurance that the financial statements, taken as a whole, are free of material misstatement. It is the responsibility of management to ensure, that accurate and reliable accounting records are maintained and to implement effective controls.

The objective of the audit work is to enable us to give an opinion as to whether the financial statements show a true and fair view of the results for the year and the state of affairs at the year end. We design audit tests to provide reasonable assurance that the Public Employees' Retirement Fund financial statements are free from material error and to give us reasonable assurance that we will detect material misstatements in the financial statements or accounting records resulting from errors or fraud.

We utilized risk assessment procedures, test of controls, and substantive procedures during the course of the audit in order to develop our opinion. During the planning stages of the audit, we gained an in depth understanding of the processes and controls in place, we determined which audit areas were significant, and identified those areas with higher risk. We tested controls for significant areas to ensure that the controls which had been implemented were effective. Based on this assessment, we developed substantive audit procedures to develop our opinion on the financial statements. This approach allowed us to do an effective and efficient audit and receive sufficient audit evidence to support our opinion.

In planning and performing our audit, we considered the internal controls over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain conditions in the design or operation of one or more of the internal control components that, in our judgment, need to be communicated with management. We communicated these internal control related issues to management in accordance with SAS 112. We did not note any issues of noncompliance with statutes and board policies that, in our opinion, should be communicated to management.

We have discussed the contents of this report with the management of the Public Employees' Retirement Fund and their comments are included as appropriate. We would like to express our thanks to the management team and staff for all their help with the audit. The audit was completed in accordance with our jointly agreed upon timeframe and this could not have been possible without their cooperation.

STATE BOARD OF ACCOUNTS

September 30, 2009

PUBLIC EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES
EXIT CONFERENCE

The contents of this report were discussed on October 13, 2009, with Ken Cochran, Chairman of the Board; Terren Magid, Executive Director; Todd Williams, Chief Financial Officer; Wisty Malone, Chief Internal Auditor; and Beth Meyer, Senior Internal Auditor. The official response has been made a part of this report and may be found on pages 5 and 6.

November 30, 2009

OFFICIAL RESPONSE

State Board of Accounts
Indiana State Board of Accounts
302 West Washington Street
Room E418
Indianapolis, IN 46204

*Public Employees'
Retirement Fund*

*1977 Police Officers'
and Firefighters' Pension
and Disability Fund*

*Prosecuting Attorneys'
Retirement Fund*

*Legislators' Retirement
System*

*Excise Police, Gaming
Agents and Conservation
Enforcement Officers'
Retirement Plan*

*1977 and 1985 Judges'
Retirement Fund*

Dear Ladies and Gentlemen:

This letter serves as our response to the State Board of Accounts Audit Results and Comments for the Public Employees' Retirement Fund (PERF) dated June 30, 2009. The results of this audit were presented to PERF on October 13, 2009.

PERF management and staff are very proud to receive an unqualified opinion for fiscal year 2009, the fourth consecutive unqualified opinion. This result is affirmation of PERF's continuing commitment to accurately and completely represent the financial condition of this organization. As proud as we are about receiving our fourth consecutive unqualified audit opinion, we are equally proud to have received *no audit findings* for the first time anyone at PERF or the State Board of Accounts can remember, or perhaps ever. In fact, PERF staff has improved its audit results each year since 2004.

<i>Year</i>	<i>Audit Opinion</i>	<i>No. of Findings</i>
2004	Qualified	30
2005	Qualified	15
2006	Unqualified	11
2007	Unqualified	6
2008	Unqualified	2
2009	Unqualified	0

The steady progress toward the outstanding 2009 achievement is a testament to the sound financial processes and controls to which PERF management and staff have been firmly committed these last four years, as well as a strong desire to provide members and employers with the integrity and transparency they deserve in the management of their pension systems. Even in these challenging economic times, members and employers should take confidence in PERF's ability to prudently manage their funds.

PERF leadership is gratified not only that the audit process once again was completed in the timeframe agreed to by PERF and the SBOA, but for the first time was improved to include a much more thorough assessment of risks and controls. An audit conducted in such a professional manner by the SBOA should provide further assurance to PERF members and other stakeholders, including taxpayers and elected officials, that PERF is financially sound and professionally managed.

PERF continues to be a strong retirement system and management continues on its path of improvement with focus squarely on our mission of *Excellence in Customer Service*. PERF is in the midst of executing of a five-year strategic plan started in 2007. When completed, PERF will employ a state-of-the-art financial system; a more user friendly, web-based tool to transact business with our sponsoring employers; and a more efficient and intuitive benefits administration system. Moreover, PERF plans to offer its members daily valuation and investment election changes for the Annuity Savings Accounts (ASA) by mid-2010. In short, PERF's service offerings will be more aligned with those types of offerings participants have come to expect from leading 21st century financial institutions while being more efficient and cost effective for the benefit of our members.

Finally, in recognition of our customer service focus, PERF's achievements have once again received national recognition. For example, in 2009 PERF received the Government Finance Officers' Association certificate for the quality of its 2008 Comprehensive Annual Financial Report, the third consecutive time PERF has been recognized with this prestigious award. Likewise, PERF was recognized with the Public Pension Standards Award for 2009 by the Public Pension Coordinating Council for meeting high standards for plan funding and administration for the third time in as many years.

The PERF management team appreciates the comments, insights and the professionalism provided by the State Board of Accounts and looks forward to working with you to continue to improve our financial transparency and operations on behalf of our members and employers. You should know we do not look at the results of this 2009 audit as the end of a journey, but rather the beginning of a new path, built on the foundation of strong financial processes and controls to find even more efficiencies, and financial and operational improvements in the future.

Sincerely,

Terren B. Magid
Executive Director

*Public Employees'
Retirement Fund*

*1977 Police Officers'
and Firefighters' Pension
and Disability Fund*

*Prosecuting Attorneys'
Retirement Fund*

*Legislators' Retirement
System*

*Excise Police, Gaming
Agents and Conservation
Enforcement Officers'
Retirement Plan*

*1977 and 1985 Judges'
Retirement Fund*