

State Employees' Pension Plan

Plan Description and Eligibility: The State Employees' Pension Plan is a cost-sharing multiple employer defined benefit plan that covers virtually all full-time or regular part-time employees of the State, including employees of other affiliated entities.

Service Benefits: Final average monthly compensation multiplied by 2.0% and multiplied by years of credited service prior to January 1 1997, plus final average compensation multiplied by 1.85% and multiplied by years of credited service after December 31, 1996, subject to minimum limitations. For this plan, final average monthly compensation is the monthly average of the highest three years of compensation.

Vesting: 5 years of credited service.

Retirement: Age 62 with 5 years of credited service; age 60 with 15 years of credited service; or after 30 years of credited service.

Disability Benefits: Same as Service Benefits. Employee must have 5 years of credited service.

Survivor Benefits: If employee is receiving a pension or is active with at least 5 years of credited service, eligible survivor receives 50% (or 75% with 3% reduction of benefit) of the benefit the employee would have received at age 62.

Contributions:

Employer - determined by Board of Pension Trustees.
Employee - 3% of earnings in excess of \$6,000.

Death Benefit: \$7,000 per member.

Special Pension Plan

Plan Description and Eligibility: The Special Pension Plan is a cost-sharing multiple employer defined benefit plan that covers benefits granted to certain retirees or groups of retirees through legislation passed by the General Assembly.

Service Benefits: Defined by special legislation.

Vesting: Not applicable.

Retirement: Not applicable.

Disability Benefits: Not applicable.

Survivor Benefits: Same as State Employees' Plan.

Contributions: Employer contributions are actuarially determined and fully funded in advance by the General Assembly.

Death Benefit: \$7,000 per member.

New State Police Pension Plan

Plan Description and Eligibility: The New State Police Pension Plan is a single-employer defined benefit plan that covers all State police officers appointed on or after July 1, 1980.

Service Benefits: 2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. For this plan, final average monthly compensation is the monthly average of the highest three consecutive years of compensation.

Vesting: 10 years of credited service.

Retirement: Age 62 with 10 years of credited service; age plus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

Disability Benefits:

Duty - Total Disability - 75% of final average compensation plus 10% for each dependent not to exceed 25% for all dependents.

Partial Disability - calculated the same as Service Benefits, subject to minimum 50% of final average compensation.

Ordinary - Same as Benefits.

Survivor Benefits: If employee is receiving a pension, the eligible survivor receives 50% of pension; if employee is active, eligible survivor receives 50% of compensation.

Contributions:

Employer - determined by Board of Pension Trustees.
Employee - 7% of compensation.

Death Benefit: \$7,000 per member.



Judiciary Pension Plans (Closed and Revised)

Plan Description and Eligibility:

The Closed Judiciary Pension Plan is a single-employer defined benefit plan that covers members of State Judiciary appointed before July 1, 1980.

The Revised Judiciary Pension Plan is a single-employer defined benefit plan that covers members of State Judiciary appointed on or after July 1, 1980 or members appointed before July 1, 1980 who accept the provisions of this Plan.

Assets of one plan can be used to satisfy the liabilities of the other plan.

Service Benefits:

Closed - 3% of final average compensation multiplied by years of credited service, subject to maximum and minimum limitations.

Revised - 1/24th of final average monthly compensation multiplied by years of service up to 12 years, plus 1/48th of final average monthly compensation, multiplied by years of service from 13 to 24 years, subject to maximum limitations.

For this plan, final average monthly compensation is the monthly average of the highest three consecutive years of compensation.

Vesting: 12 years of credited service.

Retirement:

Closed - Age 65 with 12 years of credited service, or any age with 24 years of credited service.

Revised - Age 62 with 12 years of credited service, or any age with 24 years of credited service.

Disability Benefits: Same as Service Benefits.

Survivor Benefits:

Closed - If employee is receiving a pension, then eligible survivor receives 2/3 of pension; if employee is active with 12 years of credited service, then eligible survivor receives 2/3 of pension the employee would have been eligible to receive.

Revised - If employee is receiving a pension, then eligible survivor receives 1/2 of pension (2/3 with 3% reduction); if employee is active, eligible survivor receives 2/3 of pension the employee would have received at age 62.

Contributions:

Employer - determined by Board of Pension Trustees.

Employee -

Closed - \$500 per year for the first 25 years of service.

Revised - 3% of earnings that exceed \$6,000 per year, plus 2% of earnings that exceed the Social Security Wage Base for the first 24 years of service.

Death Benefit: Not applicable.

County & Municipal Police/Firefighters' Pension Plan

Plan Description and Eligibility: County & Municipal Police/Firefighters' Pension Plan, both FICA and Non-FICA, are cost-sharing multiple employer defined benefit plans that cover police officers/firemen employed by a county or municipality of the State which has become part of the Plan.

Service Benefits: 1/40th of final average monthly compensation multiplied by years of credited service, subject to limitations. For this plan, final average monthly compensation is the monthly average of the highest three consecutive years of compensation.

Vesting: 10 years of credited service.

Retirement: Age 62 with 10 years of service; age plus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

Disability Benefits:

Duty - Total Disability - 75% of final average compensation plus 10% for each dependent not to exceed 25% for all dependents.

Partial Disability - calculated the same as Service Benefits, subject to minimum 50% of final average compensation.

Ordinary - Same as Service Benefits.

Survivor Benefits: If employee is receiving a pension, then eligible survivor receives 50% of pension; if employee is active, eligible survivor receives 50% of pension the employee would have received at age 62.

Contributions:

Employer -determined by Board of Pension Trustees.

Employee - FICA covered - 5% of compensation.

Non-FICA covered - 7% of compensation.

Death Benefit: Not applicable.



County & Municipal Other Employees' Pension Plan

Plan Description and Eligibility: County & Municipal Other Employees' Pension Plan is a cost-sharing multiple employer defined benefit plan that covers employees of counties or municipalities which have become part of the Plan.

Service Benefits: 1/60th of final average monthly compensation multiplied by years of credited service, subject to maximum limitations. For this plan, final average monthly compensation is the monthly average of the highest five years of compensation.

Vesting: 5 years of credited service.

Retirement: Age 62 with 5 years of credited service; age 60 with 15 years of credited service; or 30 years of credited service.

Disability Benefits: Same as Service Benefits. Employee must have 5 years of credited service.

Survivor Benefits: If employee is receiving a pension or is active with at least 5 years of credited service, then eligible survivor receives 50% of pension the employee would have received at age 62.

Contributions:
Employer - determined by Board of Pension Trustees.

Employee - 3% of earnings in excess of \$6,000, plus 2% of earnings that exceed the Social Security Wage Base.

Death Benefit: Not applicable.

Volunteer Firemen's Pension Plan

Plan Description and Eligibility: The Volunteer Firemen's Pension Plan is a cost-sharing multiple employer defined benefit plan which covers all actively participating volunteers of fire departments, ladies auxiliaries, or ambulance organizations within the State of Delaware.

Service Benefits: \$5 multiplied by years of credited service (not to exceed 25 years) per month.

Vesting: 10 years of credited service.

Retirement: Age 60 with 10 years credited service.

Disability Benefits: Not applicable.

Survivor Benefits: Not applicable.

Contributions:
Employer - determined by Board of Pension Trustees.

Volunteer Member - \$60 per member per year.

Death Benefit: Not applicable.

Diamond State Port Corporation Pension Plan

Plan Description and Eligibility: The Diamond State Port Corporation Pension Plan is a single-employer defined benefit plan which covers all employees of the Diamond State Port Corporation.

Service Benefits: 1.75% of final average monthly compensation multiplied by the years of credited service (not to exceed 30 years). For this plan, final average monthly compensation is the monthly average of the highest consecutive five years of compensation within the last ten years of employment.

Vesting: 5 years of credited service.

Retirement: Age 65 with 5 years of credited service; or age (not less than 55 years) plus credited service equals 90.

Disability Benefits: Same as Service Benefits. Employee must have 15 years of credited service.

Survivor Benefits: If employee is receiving a pension or is active with at least 15 years of credited service, then eligible survivor receives 50% of pension the employee would have received at age 65.

Contributions:
Employer - determined by Board of Pension Trustees.

Employee - 2% of compensation.

Death Benefit: Not applicable.

Closed State Police Pension Plan

Plan Description and Eligibility: The Closed State Police Pension Plan is a single-employer defined benefit plan that covers all State police officers appointed before July 1, 1980.

Service Benefits: 50% of monthly salary.

Vesting / Retirement:
20 years of credited service or age 55.

Disability Benefits: Duty - 75% of monthly salary.
Ordinary - 50% of monthly salary.

Survivor Benefits: If employee is active or is receiving a service or service-related disability pension, the eligible survivor receives 75% of pension; if employee is receiving a non-service related disability pension, eligible survivor receives 50% of pension.

Contributions:
Employer - The Closed State Police Plan is funded on a pay-as-you-go basis.

Employee - 5% of salary with 20 years or less of credited service; 2% of salary with over 20 years credited service.

Death Benefit: \$7,000 per member.



2. Fund Descriptions and Contributions

County & Municipal Police & Firefighters' COLA Fund

During 1990, the State of Delaware passed legislation which established a mechanism for funding post-retirement increases granted by employers who participate in the County & Municipal Police/Firefighters' Pension Plans. This mechanism allows the State to appropriate funds to a separate COLA Fund managed by the Board of Pension Trustees (Board). The funds are generated by a 0.25% tax on the value of insurance premiums written within the State. The proceeds of the tax are transferred to the State and local governments on a per member basis. The portion of the tax payable relating to the State Police is re-directed into the COLA Fund. When a participating employer grants a post-retirement increase, funds are transferred from the COLA Fund to the employer. The participating employer must provide funds to match the State's contribution.

Post-Retirement Increase Fund

During 1993, the State of Delaware passed legislation which established a mechanism for funding ad hoc post-retirement increases granted by the General Assembly to employees retired under the State Employees' Plan, the New State Police Plan, and the Judiciary Plans (Closed and Revised) beginning in fiscal 1994. The mechanism allows the State to appropriate actuarially determined employer contributions to a separate Post-Retirement Increase Fund managed by the Board. When the Legislature grants an ad hoc post-retirement adjustment, funds are transferred from this Post-Retirement Increase Fund on a monthly basis based on a 5-year actuarial funding schedule to the appropriate pension plan from which the additional benefits are disbursed.

Investment Trust Fund

In June 1996, the State of Delaware passed legislation which established the Delaware Local Government Retirement Investment Pool (DELRIP) in the custody of the Board to allow local governments the option to pool their pension assets with the System. The DELRIP is an external investment pool that allows local governments to maximize their rate of return and reduce administrative expenses related to the investment of funds. There were two participating entities in the DELRIP as of June 30, 2002 which comprise the pool in its entirety.

The DELRIP is subject to the oversight of the System's Investment Committee and not subject to the regulatory oversight of the Securities and Exchange Commission (SEC). The System has not provided or obtained any legal binding guarantees during the year to support the value of shares. The fair value of the portion in the pool is the same as the value of the Master Trust shares.

Post-Retirement Health Insurance Premium Fund

In June 2000, the State of Delaware passed legislation which established a mechanism for funding the State's retiree health care costs for covered employees in the State Employees' Pension Plan. The mechanism allows the State to appropriate employer contributions to a separate fund managed by the Board. Upon legislative action, these funds will be used to pay the State's cost for health care premiums. Funding began in July 2001 in the amount of 0.65% of payroll.



3. Summary of Significant Accounting Policies

Reporting Entity

The management of all the Plans in the System is the responsibility of the Board. The Board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex-officio members. The daily operation of the System is the responsibility of the Office of Pensions. Although the assets of the Plans are commingled for investment purposes, each Plan's assets may be used only for the payment of benefits to the members of that Plan in accordance with the terms of that Plan.

Although separate financial statements are presented for the System as a whole, the System is also considered a component unit of the State of Delaware financial reporting entity.

Basis of Accounting

The financial statements are presented on the accrual basis. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each Plan.

The accompanying financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States.

Investments

All of the investment assets of the Plans, with the exception of the Closed State Police Pension Plan, are pooled and invested in a common Master Trust. Each of the Plans have equity in the Master Trust based on funds contributed and earnings allocated.

Investments are presented at fair value. Fair values are determined by quoted market prices, where available. Investments in real estate pooled funds are determined based on appraised values. Venture capital and other limited partnership values are determined based on appraised values which approximates fair value.

Administrative Expenses

Expenses for the administration of the System are budgeted and approved by the Board and are paid from investment earnings.



4. Deposits and Investments

Investment Policy

There are no State statutes setting forth allowable investments for the System. The investment decisions are dictated by the internal investment policy established by the Board as outlined below:

- maintain a minimum of 20 - 25% of total assets of the System in fixed income investments such as bonds and cash equivalents (assets with maturity of less than one year);
- conduct an ongoing review of prospective risk levels and rates of return available from all classes of assets eligible for investment;
- employ a diversity of investment managers with demonstrated skills in managing funds through different styles of management with expertise in particular kinds of assets such as stocks, bonds, real estate, mortgages, venture capital, money market instruments, or combinations thereof; and
- closely monitor the performance of all investment managers not only in relation to specific absolute objectives, but also in relation to other fund managers following the same investment objectives.

For the year ended June 30, 2002, the System has operated in all material respects in accordance with these policies.

Deposits

The bank balance and carrying amount of the System's deposits totaled \$1,009,000 as of June 30, 2002. The System's cash represents pooled deposits held by the State Treasurer's Office, which are uninsured and uncollateralized.

Investments

The following table presents the System's investments as of June 30, 2002, categorized to give an indication of the level of risk assumed by the System. The categories of investment risk are:

1. Insured or registered investments, or securities held by the System or its agent in the System's name.
2. Uninsured or unregistered investments, with securities held by the counterparty's trust department or agent in the System's name.
3. Uninsured and unregistered investments, with securities held by the counterparty in the System's name or held by the counterparty's trust department or agent but not in the System's name.

Investments not evidenced by securities are not categorized. Such investments include venture capital, limited partnerships, open-end mutual funds, and real estate. Pooled investments represent those investments in which the System owns units of the pool rather than specific securities. As a result, such investments cannot be categorized as to credit risk.

No significant changes occurred in the various categories of credit risk of the System's investments during the year ended June 30, 2002.

Summary of Investment Risk

<i>(Expressed in thousands)</i>	Category	Category	Category	Securities not Subject to Classification of Credit Risk	Fair Value as of June 30, 2002
	1	2	3		
Domestic Fixed Income	\$ 981,328	—	—	\$ —	\$ 981,328
Domestic Equities	1,220,326	—	—	—	1,220,326
Pooled Equity & Fixed Income	—	—	—	1,735,275	1,735,275
Private Investments	—	—	—	481,688	481,688
Short-Term Investments*	86,850	—	—	—	86,850
Foreign Equities	347,892	—	—	—	347,892
	\$ 2,636,396	—	—	\$ 2,216,963	\$ 4,853,359

*Short Term Investments primarily includes Commercial Paper and Overnight Deposits

Investments in Excess of 5% of Net Assets Held in Trust for Pension Benefits

The following managers have investments at fair value in excess of 5% of the System’s net assets held in trust for pension benefits as of June 30, 2002:

	Fair Value <i>(Expressed in thousands)</i>
Mellon Capital Asset Allocation Fund	\$ 1,071,657
Mellon Capital Global Asset Allocation Fund	663,618
Lincoln Capital - Fixed	345,010
T. Rowe Price High Yield Bonds	252,342

Management Fees

The System has paid \$12.3 million and \$12.1 million in management fees to the venture capital limited partnerships for the year ended June 30, 2002 and 2001, respectively. These fees are netted against investment income.

Investment Commitments

The System has made commitments to invest up to an additional \$196.4 million in venture capital limited partnerships in varying amounts as of June 30, 2002, to be drawn down as called over a period of years.

Risk Management

Risks of loss to which the System is exposed, other than routine investment losses, are covered by the System. Fixed assets used by the System are considered to be the property of the State of Delaware and total approximately \$331,000. Risk of loss relative to worker’s compensation, self-insurance, theft, torts, etc., is assumed by the State of Delaware.



Foreign Investments/Forward Exchange Contracts

Foreign investments pertain to investments in foreign equity securities, bonds issued by foreign entities and foreign short-term investments and money market funds.

In conjunction with certain of these investments, the System has entered into forward exchange contracts to sell or purchase certain foreign currencies at specified rates at stated dates. At June 30, 2002, the System had sixteen (16) open forward exchange contracts in various foreign currencies at various rates and dates through July 18, 2002. At June 30, 2002, the aggregate unrealized loss on such open contracts was \$16.9 million.

Derivatives

Derivatives are instruments (securities or contracts) whose value is dependent on such things as stock or bond prices, interest rate levels, or currency exchange rates. In June 1994, the Board adopted a formal written policy on the use of derivatives. Only a few selected managers are permitted to use derivatives. In every case, the types of derivatives used and limits on their use are stated in the manager's contract and are monitored on an ongoing basis; so-called "exotic" derivatives and leverage are never used as appropriate investment vehicles. Managers authorized to use derivatives do so to reduce foreign exchange risk and minimize transaction costs. Managers may also use derivatives as part of an overall strategy to enhance returns.

The following lists principal categories of derivatives and their uses during the year:

Category	Purpose
Foreign exchange forward contracts	Hedge currency risk of investments denominated in foreign currencies
Exchange traded equity futures	Reduce transaction costs; hedge equity market risk; enhance return
Exchange traded fixed income futures	Reduce transaction costs; control portfolio duration; enhance return
Exchange traded options	Enhance return; reduce transaction costs
Asset backed securities	Enhance return

Generally, derivatives are subject both to market risk and to counterparty risk. The derivatives utilized by the System typically have no greater market risk than their physical counterparts, and in many cases are offset by exposures elsewhere in the portfolio (for example, a short S&P 500 futures contract partially hedging a long position in S&P 500 securities). Counterparty risk, the risk that the "other party" to a contract will default, is managed by utilization of exchange traded futures and options where practical (in which case the futures exchange is the counterparty and guarantees performance) and by careful screening of counterparties where use of exchange traded products is impractical or uneconomical.

Derivative securities are priced and accounted for at their fair value. For exchange traded securities such as futures and options, closing prices from the securities exchanges are used. For fixed income derivatives such as collateralized mortgage obligations (CMO), commercial pricing services (where available) or bid-side prices from a broker/dealer are used. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offset in the forward markets.

The Board believes that it is unlikely that any of the derivatives used by managers of the System could have a material adverse effect on its financial condition.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1 -- Schedule of Funding Progress

(Dollar values expressed in thousands)

Plan	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratios (1)/(2)	(5) Annualized Covered Payroll	(6)
							UAAL as a % of Covered Payroll (3)/(5)
State Employees'	6/30/2002	\$ 4,956,156	\$ 4,521,732	\$ (434,424)	109.6%	\$ 1,351,112	(32.2%)
	6/30/2001	4,759,031	4,232,244	(526,787)	112.4%	1,270,632	(41.5%)
	6/30/2000	4,409,079	3,769,596	(639,483)	117.0%	1,198,626	(53.4%)
	6/30/1999	3,888,852	3,350,127	(538,725)	116.1%	1,125,857	(47.9%)
	6/30/1998	3,440,272	3,135,665	(304,607)	109.7%	1,070,052	(28.5%)
	6/30/1997	3,011,521	2,815,795	(195,726)	107.0%	1,024,976	(19.1%)
Special	6/30/2002	\$ 1,832	\$ 742	\$ (1,090)	246.9%	N/A	N/A
	6/30/2001	1,866	993	(873)	187.9%	N/A	N/A
	6/30/2000	1,834	834	(1,000)	219.9%	N/A	N/A
	6/30/1999	1,720	826	(894)	208.2%	N/A	N/A
	6/30/1998	1,652	899	(753)	183.8%	N/A	N/A
	6/30/1997	1,557	797	(760)	195.4%	N/A	N/A
New State Police	6/30/2002	\$ 109,615	\$ 91,928	\$ (17,687)	119.2%	\$ 30,281	(58.4%)
	6/30/2001	99,138	80,040	(19,098)	123.9%	27,624	(69.1%)
	6/30/2000	86,810	68,367	(18,443)	127.0%	25,558	(72.2%)
	6/30/1999	72,425	54,713	(17,712)	132.4%	23,518	(75.3%)
	6/30/1998	60,191	47,078	(13,113)	127.9%	21,462	(61.1%)
	6/30/1997	49,238	40,625	(8,613)	121.2%	19,227	(44.8%)
Judiciary	6/30/2002	\$ 29,049	\$ 30,122	\$ 1,073	96.4%	\$ 7,329	14.6%
	6/30/2001	27,231	29,635	2,404	91.9%	6,371	37.7%
	6/30/2000	24,884	28,108	3,224	88.5%	5,794	55.6%
	6/30/1999	21,256	25,402	4,146	83.7%	5,673	73.1%
	6/30/1998	18,429	24,175	5,746	76.2%	5,118	112.3%
	6/30/1997	15,785	21,671	5,886	72.8%	4,948	119.0%
County & Municipal Police/Firefighters'	6/30/2002	\$ 35,053	\$ 30,344	\$ (4,709)	115.5%	\$ 21,342	(22.1%)
	6/30/2001	29,389	29,465	76	99.5%	19,605	1.1%
	6/30/2000	23,496	23,582	86	99.3%	18,011	1.4%
	6/30/1999	17,272	17,697	425	96.0%	15,230	8.6%
	6/30/1998	12,842	12,868	26	99.7%	11,712	0.6%
	6/30/1997	9,358	9,387	29	99.6%	9,215	0.7%

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Schedule 1 -- Schedule of Funding Progress

(Dollar values expressed in thousands)

Plan	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratios (1)/(2)	(5) Annualized Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)	
County & Municipal Other Employees'	6/30/2002	\$ 3,033	\$ 2,816	\$ (217)	107.7%	\$ 2,545		(8.5%)
	6/30/2001	2,794	2,962	168	94.3%	2,292		7.3%
	6/30/2000	2,410	2,604	194	92.5%	2,004		9.7%
	6/30/1999	1,783	2,272	489	78.5%	1,706		28.7%
	6/30/1998	1,419	1,552	133	91.4%	1,385		9.6%
	6/30/1997	1,152	1,274	122	90.4%	1,279		9.5%
Diamond State Port Authority	6/30/2002	\$ 6,675	\$ 6,617	\$ (58)	100.9%	\$ 9,354		(0.6%)
	6/30/2001	6,044	5,618	(426)	107.6%	8,788		(4.8%)
	6/30/2000	5,188	5,222	34	99.3%	7,715		0.4%
	6/30/1999	4,171	4,951	780	84.2%	7,637		10.2%
	6/30/1998	3,310	4,368	1,058	75.8%	6,731		15.7%
	6/30/1997	2,533	3,861	1,328	65.6%	4,116		32.3%
Closed State Police+	6/30/2002	\$ 2,036	\$ 318,687	\$ 316,651	0.6%	\$ 3,105		10,198.1%
	6/30/2001	1,749	306,194	304,445	0.6%	3,247		9,376.2%
	6/30/2000	1,468	302,795	301,327	0.5%	3,888		7,750.2%
	6/30/1999	1,164	304,438	303,274	0.4%	4,930		6,151.6%
	6/30/1998	832	308,564	307,732	0.3%	5,466		5,629.9%
	6/30/1997	587	304,758	304,171	0.2%	5,716		5,321.4%
							Active	++Cost per
							Members	Active Member
Volunteer Firemen's	6/30/2002	\$ 9,333	\$ 14,940	\$ 5,607	62.5%		4,856	\$ 1,155
	6/30/2001	9,022	13,837	4,815	65.2%		4,769	1,010
	6/30/2000	8,412	13,703	5,291	61.4%		4,579	1,155
	6/30/1999	7,447	13,077	5,630	56.9%		4,706	1,196
	6/30/1998	6,637	12,491	5,854	53.1%		4,651	1,259
	6/30/1997	5,775	12,011	6,236	48.1%		4,621	1,349

+ The Closed State Police Pension Plan is a pay-as-you-go pension plan.

++ Not expressed in thousands.



REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Schedule 2 -- Schedule of Employer Contributions

(Dollar values expressed in thousands)

Plan	Fiscal Year Ended	Annual Required Contributions	Percentage Contributed
State Employees*	6/30/2002	\$ 18,148	100.0%
	6/30/2001	20,542	100.0%
	6/30/2000	43,433	100.0%
	6/30/1999	52,338	100.0%
	6/30/1998	57,049	100.0%
	6/30/1997	58,525	100.0%
Special	6/30/2002	\$ -	-
	6/30/2001	-	-
	6/30/2000	-	-
	6/30/1999	-	-
	6/30/1998	-	-
	6/30/1997	-	-
New State Police*	6/30/2002	\$ 2,476	100.0%
	6/30/2001	2,480	100.0%
	6/30/2000	2,585	100.0%
	6/30/1999	2,624	100.0%
	6/30/1998	2,546	100.0%
	6/30/1997	1,913	100.0%
Judiciary*	6/30/2002	\$ 1,399	100.0%
	6/30/2001	1,333	100.0%
	6/30/2000	1,666	100.0%
	6/30/1999	1,327	100.0%
	6/30/1998	1,273	100.0%
	6/30/1997	1,199	100.0%
County & Municipal Police/Firefighters'	6/30/2002	\$ 2,779	100.0%
	6/30/2001	2,664	100.0%
	6/30/2000	2,771	100.0%
	6/30/1999	2,025	100.0%
	6/30/1998	1,651	100.0%
	6/30/1997	1,388	100.0%



REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Schedule 2 -- Schedule of Employer Contributions

(Dollar values expressed in thousands)

Plan	Fiscal Year Ended	Annual Required Contributions	Percentage Contributed
County & Municipal Other Employees'	6/30/2002	\$ 92	100.0%
	6/30/2001	165	100.0%
	6/30/2000	352	100.0%
	6/30/1999	158	100.0%
	6/30/1998	82	100.0%
	6/30/1997	116	100.0%
Volunteer Firemen's	6/30/2002	\$ 586	100.0%
	6/30/2001	618	100.0%
	6/30/2000	645	100.0%
	6/30/1999	660	100.0%
	6/30/1998	689	100.0%
	6/30/1997	721	100.0%
Diamond State Port Corporation	6/30/2002	\$ 341	100.0%
	6/30/2001	386	100.0%
	6/30/2000	389	100.0%
	6/30/1999	407	100.0%
	6/30/1998	384	100.0%
	6/30/1997	189	100.0%
Closed State Police	6/30/2002	\$ 27,831	64.0%
	6/30/2001	27,709	62.0%
	6/30/2000	28,208	57.5%
	6/30/1999	28,716	54.5%
	6/30/1998	28,420	53.0%
	6/30/1997	27,638	52.5%

* Totals do not include Post-Retirement Increase Fund Contributions.

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Schedule 3 -- Notes to Trend Data

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of the last actuarial valuation follows:

Plan	State Employees'	Special	New State Police	Judiciary	Closed State Police
Valuation Date	6/30/2002	6/30/2002	6/30/2002	6/30/2002	6/30/2002
Actuarial Cost Method	Entry Age Normal	N/A	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent Closed for Plan Bases and Open for Aggregate Gain/Loss	N/A	Level Percent Closed	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	13.95 years	N/A	18 years	19 years	34 years
Asset Valuation Method	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market
Actuarial Assumptions:					
Investment rate of return	8.5%	8.5%	8.5%	8.5%	8.5%
Projected Salary Increases*	6.00% - 9.89%	N/A	7.0%	5.5%	7.0%
Cost-of-living adjustments	Ad hoc	Ad hoc	Ad hoc	Ad hoc	Based on CPI

Plan	County & Municipal Police/Firefighters	County & Municipal Other Employees'	Volunteer Firemen's	Diamond State Port Corporation
Valuation Date	6/30/2002	6/30/2002	6/30/2002	6/30/2002
Actuarial Cost Method	Entry Age Normal **	Entry Age Normal **	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent Open	Level Percent Open	Level Dollar Closed	Level Percent Closed
Remaining Amortization Period	10 years	10 years	25 years	20 years
Asset Valuation Method	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market
Actuarial Assumptions:				
Investment rate of return	8.5%	8.5%	8.5%	8.5%
Projected Salary Increases*	7.0%	7.0%	N/A	5.0%
Cost-of-living adjustments	Ad hoc	Ad hoc	Ad hoc	Ad hoc

* Projected Salary Increases include an inflation component of 5% for all plans. A more detailed discussion of projected salary increases may be found on page 71.

** Actuarial Cost Method changed to Entry Age Normal from Frozen Initial Liability effective June 30, 2002.

