



# South Dakota Retirement System

## SDRS and Cement Plant Retirement Fund Projected Funded Status as of June 30, 2012

June 6, 2012



# SDRS Projected Funded Status as of June 30, 2012

<u>If Investment Return for Year Ending June 30, 2012 is</u>	<u>Actuarial Value Funded Ratio at June 30, 2012<sup>(1)</sup></u>	<u>Market Value Funded Ratio at June 30, 2012<sup>(1)</sup></u>	<u>Additional Unfunded Actuarial Accrued Liability as of June 30, 2012<sup>(1)(2)</sup></u>	<u>Cushion/(Deficit) As of June 30, 2012<sup>(1)(3)</sup></u>
(2.50%)	96%	93%	N/A	\$ (273M)
0.00%	96%	96%	N/A	(77M)
2.50%	96%	98%	N/A	119M
5.00%	96%	100%	N/A	315M
7.75%	96%	103%	N/A	531M
At June 30, 2011	96%	103%	N/A	\$ 502
At June 30, 2010	96%	88%	N/A	(623)

<sup>(1)</sup> Before consideration of liability gains/losses for year ending June 30, 2012.

<sup>(2)</sup> The Actuarial Value of Assets cannot be less than 80% or more than 120% of the Market Value of Assets. If the Actuarial Value reaches 120% of Market Value, the Actuarial Value is decreased and additional Unfunded Liabilities are created.

<sup>(3)</sup> The Cushion is the amount by which the Market Value of Assets exceeds the Actuarial Value of Assets. The Deficit is the amount by which the Market Value of Assets is less than the Actuarial Value of Assets.



# SDRS Projected Required Investment Return

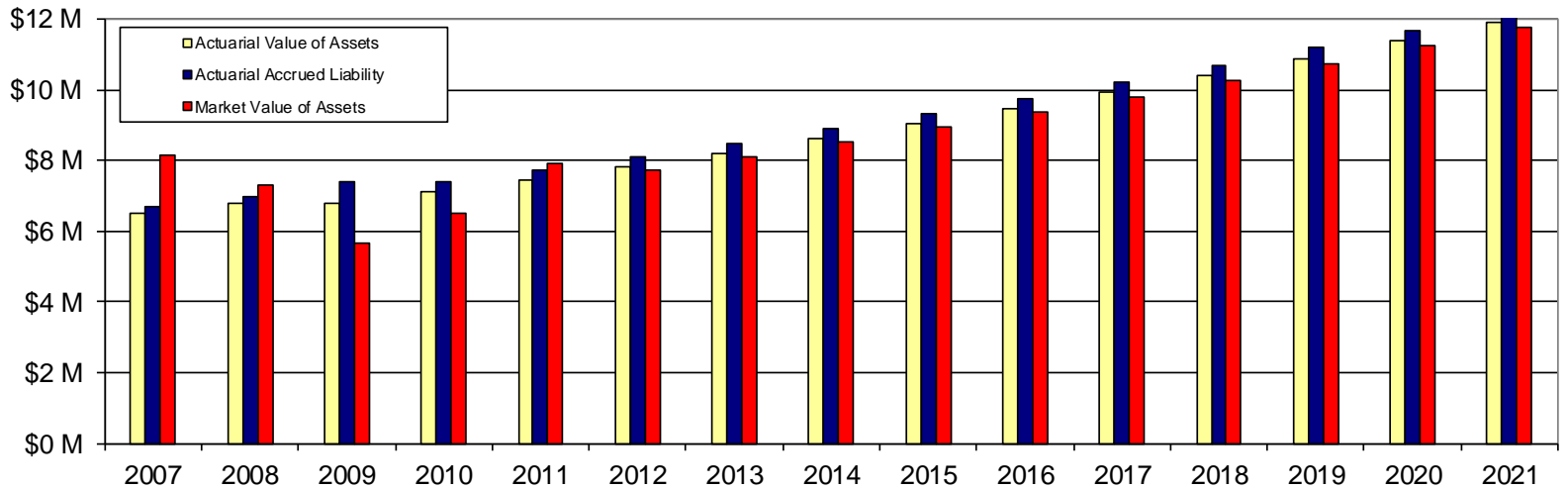
**Minimum Annual Investment Return Required  
to **Eliminate Remaining Deficit** / Utilize Existing Cushion Over**

<u>If Investment Return For Year Ending June 30, 2011 is</u>	<u>Five Years</u>	<u>Ten Years</u>	<u>Twenty Years</u>	<u>Thirty Years</u>
(2.50%)	8.6%	8.2%	8.0%	8.0%
0.00%	8.0%	7.9%	7.8%	7.8%
2.50%	7.4%	7.6%	7.6%	7.7%
5.00%	6.9%	7.3%	7.5%	7.7%
7.75%	6.3%	7.0%	7.4%	7.5%



# SDRS Funded Status Projection

## One Year at 0%, Then 7.75% Annual Return on Market Value of Assets



Market Value Funded Ratio	121%	105%	76%	88%	103%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%
Actuarial Value Funded Ratio	97%	97%	92%	96%	96%	96%	97%	97%	97%	97%	97%	97%	97%	97%	98%
MVA to AVA Ratio	125%	108%	83%	91%	107%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%
% Actuarially Required Contribution Made	100%	100%	91%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



# Cement Plant Retirement Fund

## Projected Funded Status

### as of June 30, 2012

**Includes \$1 Million Contribution on June 30, 2012**

If Investment Return for Year Ending <u>June 30, 2012 is</u>	Market Value Funded Ratio <u>at June 30, 2012<sup>(1)</sup></u>	Unfunded Actuarial Accrued Liability as of <u>June 30, 2012<sup>(1)</sup></u>
(2.50%)	83%	\$ 9.4M
0.00%	85%	8.2M
2.50%	87%	7.0M
5.00%	89%	5.8M
7.75%	92%	4.5M
Estimated June 30, 2011	91%	\$ 5.1M
At June 30, 2010	72%	15.0M
At June 30, 2008	89%	6.1M

<sup>(1)</sup> Before consideration of liability gains/losses for year ending June 30, 2012.



# Cement Plant Retirement Fund

## Projected Required Investment Return

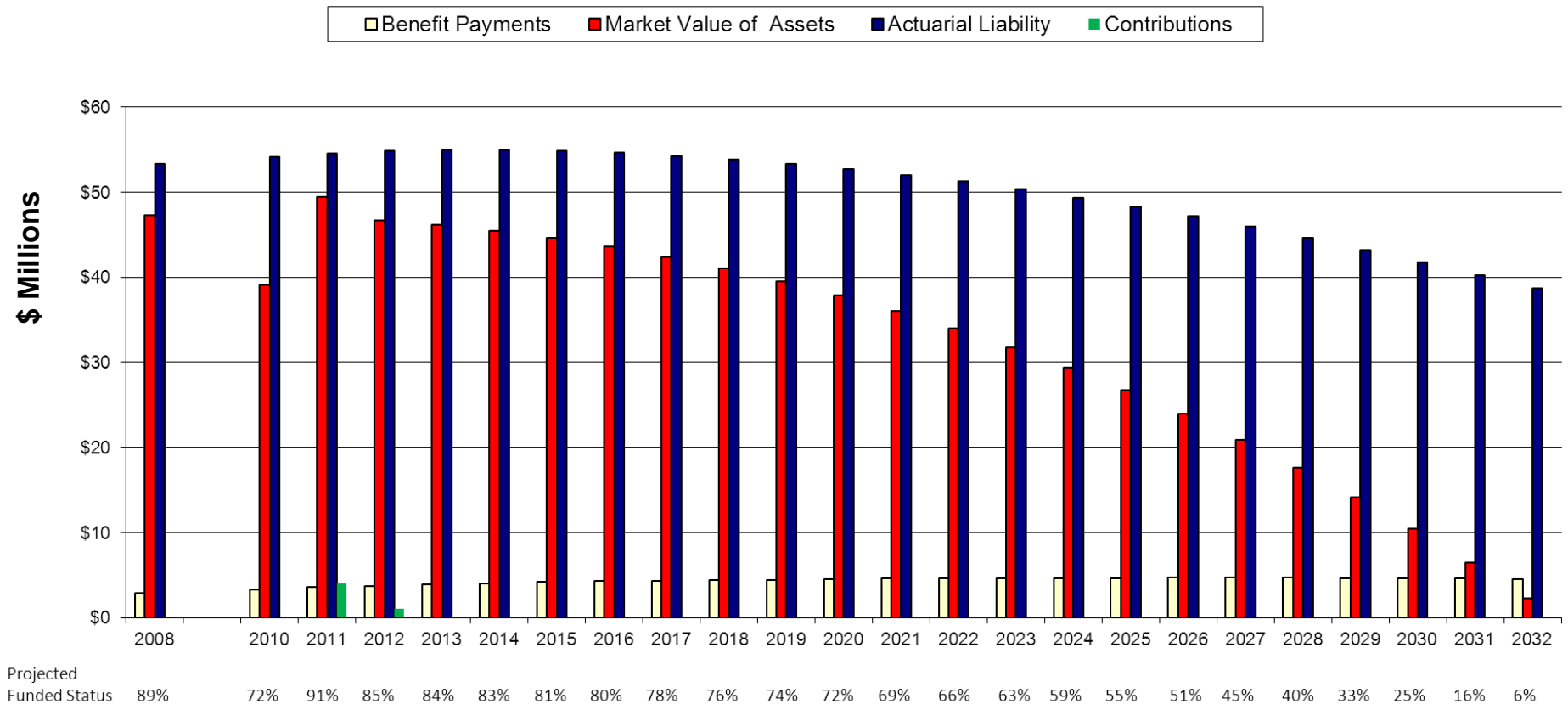
**Minimum Annual Investment Return Required to  
Eliminate Unfunded Actuarial Accrued Liability  
Includes \$1 Million Contribution on June 30, 2012**

<b>If Investment Return For Year Ending <u>June 30, 2012 is</u></b>	<b><u>Five Years</u></b>	<b><u>Ten Years</u></b>	<b><u>Twenty Years</u></b>	<b><u>Thirty Years</u></b>
(2.50%)	12.8%	10.8%	9.9%	9.8%
0.00%	12.1%	10.3%	9.6%	9.5%
2.50%	11.4%	9.9%	9.3%	9.2%
5.00%	10.7%	9.5%	9.0%	8.9%
7.75%	10.0%	9.1%	8.7%	8.6%



# Cement Plant Retirement Fund Funded Status Projection

**FY 2012 Return of 0%, Then 7.75% Annual Return on Market Value of Assets  
Includes \$1 Million Contribution in FY 2012**



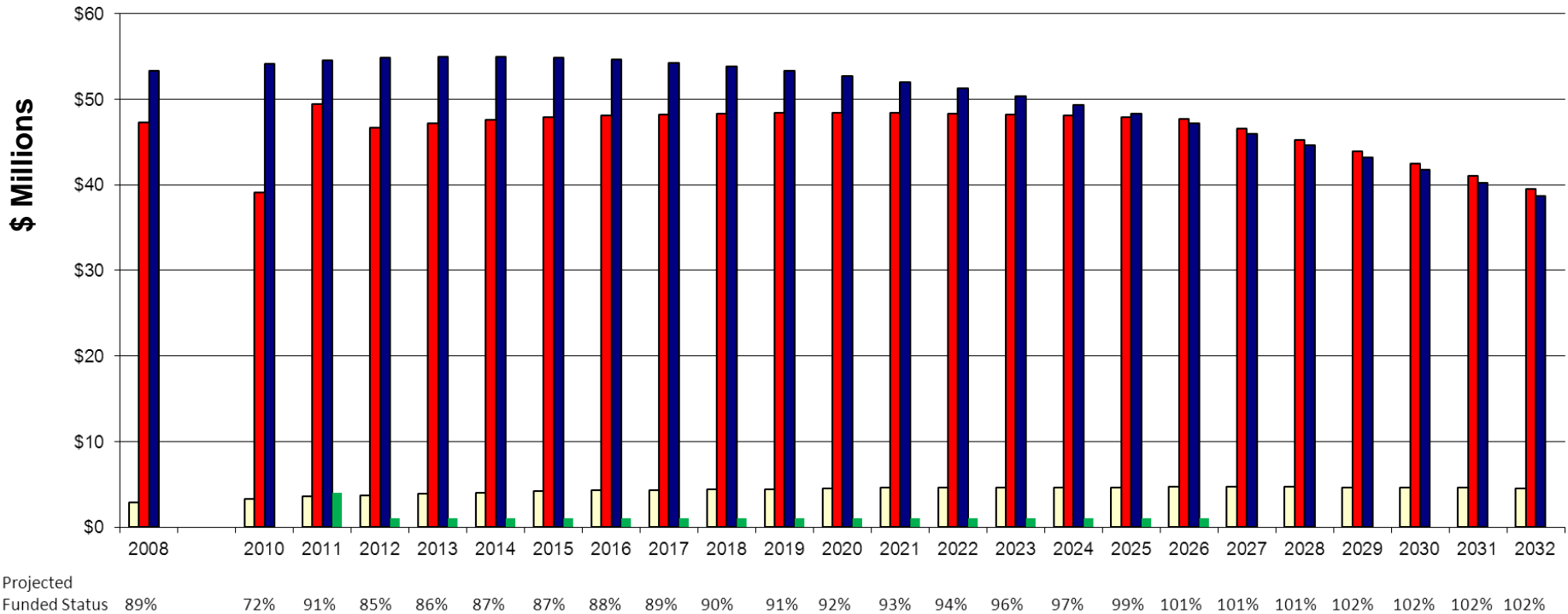
Includes additional contribution of approximately \$4 million received in fiscal 2011. Liabilities for 2011 are estimated.



# Cement Plant Retirement Fund Funded Status Projection

**FY 2012 Return of 0%, Then 7.75% Annual Return on Market Value of Assets  
Includes 15 Annual \$1 Million Contributions Beginning in FY 2012**

■ Benefit Payments   
 ■ Market Value of Assets   
 ■ Actuarial Liability   
 ■ Contributions



Includes additional contribution of approximately \$4 million received in fiscal 2011. Liabilities for 2011 are estimated.