Public School Employees' Retirement System of Pennsylvania

Projection of Contribution Rates and Funded Ratios As of June 30, 2006

Market Returns and Pension Rate Floors Set by User

Fiscal Year Ending June	Appropriation Payroll (thousands)	Fiscal Year Market Rate of Return	Pension Rate Floor	Employee Contribution Rate	Employer Normal Cost	Unfunded Liability Rate	Preliminary Employer Pension Rate	Health Care Contribution	Total Employer Contribution Rate	Funded Ratio
2006	11,505,093	15.26 %	4.00 %	7.16 %	7.61 %	(4.28) %	4.00 %	0.69 %	4.69 %	**81.2 %**
2007	11,821,951	8.50	4.00	7.21	6.62	(0.95)	5.67	0.74	6.46	82.1
2008	**12,881,244**	8.50	4.00	**7.25**	**6.68**	**(0.24)**	**6.44**	**0.69**	**7.13**	84.2
2009	13,218,270	8.50	4.00	7.28	6.64	(1.16)	5.48	0.72	6.20	85.1
2010	13,545,642	8.50	4.00	7.30	6.62	(2.61)	4.01	0.73	4.74	85.2
2011	13,870,025	8.50	4.00	7.32	6.60	(3.47)	3.13	0.73	4.73	84.4
2012	14,207,928	8.50	4.00	7.34	6.59	(4.05)	2.54	0.73	4.73	83.4
2013	14,567,273	8.50	4.00	7.37	6.56	11.45	18.01	0.72	18.73	84.6
2014	14,946,464	8.50	4.00	7.39	6.54	10.40	16.94	0.72	17.66	85.7
2015	15,355,101	8.50	4.00	7.40	6.53	9.20	15.73	0.71	16.44	86.6
2016	15,799,234	8.50	4.00	7.42	6.51	8.91	15.42	0.70	16.12	87.4
2017	16,286,901	8.50	4.00	7.43	6.50	8.64	15.14	0.69	15.83	88.2
2018	16,821,401	8.50	4.00	7.44	6.49	8.36	14.85	0.67	15.52	89.1
2019	17,397,237	8.50	4.00	7.45	6.48	8.08	14.56	0.67	15.23	89.9
2020	18,013,267	8.50	4.00	7.46	6.47	7.80	14.27	0.67	14.94	90.7
2021	18,669,503	8.50	4.00	7.47	6.46	7.53	13.99	0.67	14.66	91.5
2022	19,367,203	8.50	4.00	7.47	6.45	7.26	13.71	0.67	14.38	92.3
2023	20,103,203	8.50	4.00	7.47	6.45	6.99	13.44	0.67	14.11	93.1
2024	20,873,874	8.50	4.00	7.48	6.44	6.73	13.17	0.67	13.84	93.9
2025	21,677,116	8.50	4.00	7.48	6.44	6.48	12.92	0.67	13.59	94.7
2026	22,510,992	8.50	4.00	7.48	6.44	6.24	12.68	0.67	13.35	95.5
2027	23,369,726	8.50	4.00	7.48	6.43	6.01	12.44	0.67	13.11	96.3
2028	24,250,872	8.50	4.00	7.49	6.42	5.80	12.22	0.67	12.89	97.1
2029	25,155,686	8.50	4.00	7.49	6.42	5.59	12.01	0.67	12.68	97.8
2030	26,088,398	8.50	4.00	7.49	6.42	5.39	11.81	0.67	12.48	98.6
2031	27,049,232	8.50	4.00	7.49	6.42	5.20	11.62	0.67	12.29	99.4
2032	28,042,497	8.50	4.00	7.49	6.42	5.01	11.43	0.67	12.10	100.2
2033	29,070,924	8.50	4.00	7.49	6.41	2.54	8.95	0.67	9.62	100.6
2034	30,143,345	8.50	4.00	7.49	6.41	1.50	7.91	0.67	8.58	100.8
2035	31,269,350	8.50	4.00	7.50	6.40	0.40	6.80	0.67	7.47	100.9
2036	32,454,627	8.50	4.00	7.50	6.39	(0.52)	5.87	0.67	6.54	100.9

The projection of contribution rates is based on the assumption that there are no changes in demographics or economic assumptions, no changes in benefit provisions, and no actuarial gains or losses other than gains or losses on the actuarial value of assets that result from recognizing currently deferred gains or losses on the market value of assets.