

West Virginia

Consolidated Public Retirement Board

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Annual Report
For Year Ending
June 30, 2006



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West Virginia Investment Management Board	
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WEST VIRGINIA
 CONSOLIDATED PUBLIC
 RETIREMENT BOARD (CPRB)

CPRB Board of Trustees:

Governor Joe Manchin, III

Chairman David L. Wyant
 Non-Member Citizen

Auditor / Vice-Chairman
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Treasurer
 John D. Perdue

Cabinet Secretary of Administration
 Robert Ferguson

David Anderson
 Member of Teachers Defined Contribution

LTC Stephen C. Tucker
 Member of State Police Death, Disability &
 Retirement Fund

E. Gene Davis
 Retirant of Teachers Retirement System

L. Paul Hardesty
 Non-Member Citizen

William B. McGinley
 Non-Member Citizen

D. Todd Murray
 Member of Deputy Sheriff Retirement System

Drema Evans
 Non-State Member of Public Employees
 Retirement System

Janet F. Wilson
 Non-Member Citizen

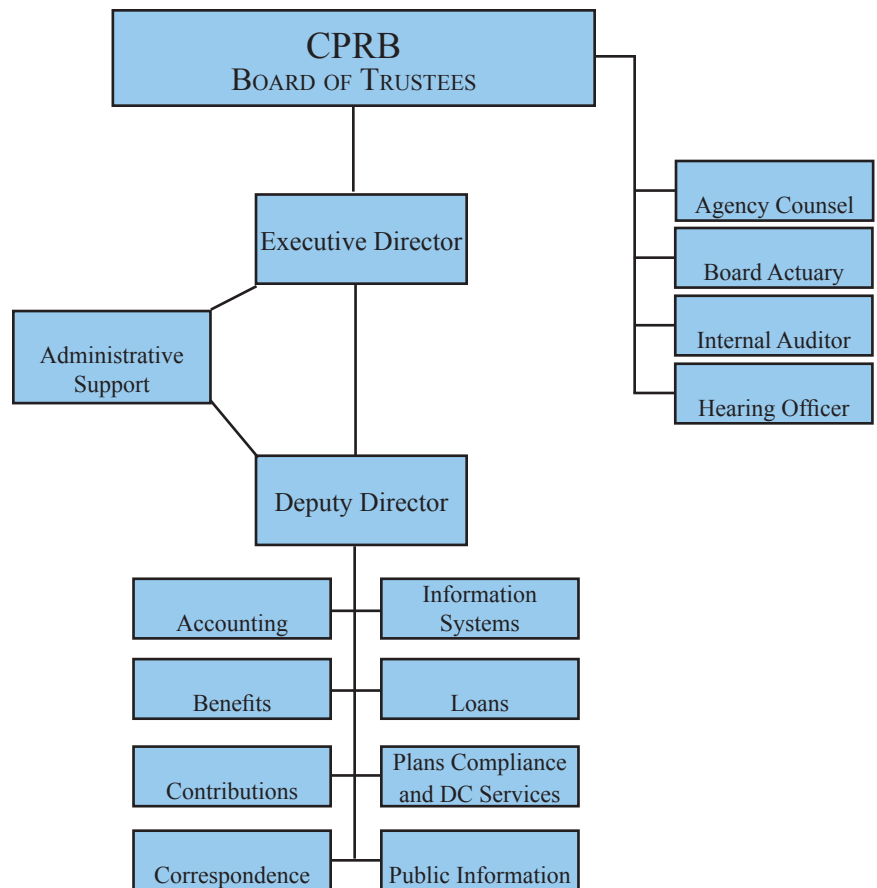
MISSION STATEMENT

The West Virginia Consolidated Public Retirement Board earnestly manages the collection of the members' contributions, guarantees that all transactions are completed according to the law and in a timely and accurate manner by a staff that is discerning, honest, and responsible.

VISION STATEMENT

The West Virginia Consolidated Public Retirement Board will be an agency that is knowledgeable, reliable, and trustworthy in its fiduciary responsibilities and will provide support and education to its employees empowering them to deliver effective, professional customer service that strengthens the members' confidence and satisfaction.

Serving Those Who Serve West Virginia



During the third extraordinary session of 1990, The West Virginia Legislature passed House Bill 311, a law establishing the West Virginia Consolidated Public Retirement Board, replacing the Public Employees Retirement Board and The Teachers' Retirement Board.

The Consolidated Public Retirement Board is now responsible for the administration of all State retirement plans for educational employees, public employees, deputy sheriffs, judges, and public safety personnel with the exclusion of some higher educational plans. Although the Consolidated Public Retirement Board administers many retirement systems, the assets and the administration of each system remain separate and distinct.

PLAN PROVISIONS



PUBLIC EMPLOYEES RETIREMENT SYSTEM
SUMMARY OF PLAN PROVISIONS 2006

MEMBERSHIP The Public Employees Retirement System (PERS) was established on July 1, 1961 for the purpose of providing retirement benefits for employees of the State and other political sub-divisions. PERS has approximately 35,689 active members and approximately 20,026 retirants receiving annuity benefits. PERS is funded by employee and employer contributions.

Age	Years of Service	Benefit
55	Rule of 80 = Age plus contributing service equals 80 or more.	Full Benefits
60 and currently working	5 or more years of contributing service	Full Benefits
55 and currently working	10 or more years of credited service	Reduced Benefits
62 and not currently working	5 or more years of credited service	Full Benefits
62 and not currently working	5 or more years of credited service (may include military) and was hired prior to July 1, 2002; employed after July 1, 2002, must be 5 years of contributory service (military cannot be used).	Full Benefits
55 and not currently working	Rule of 80 = Age plus contributing service equals 80 or more.	Full Benefits
55 and not currently working	Between 20 and 24 years of service	Reduced Benefits
Less than 55 and not currently working	30 or more years of credited service	Reduced Benefits

BENEFIT FORMULA Final Average Salary x Years of Service x 2%
 Final Average Salary is the average annual salary from the highest 36 consecutive months within the last 10 years of employment.

CONTRIBUTION RATES An active member contributes 4.5% of his or her gross monthly salary to the plan. The employer contributes an additional 10.5% of the member's gross monthly salary for a total combined contribution equal to 15%. All employee contributions are tax deferred. Contributions as a percentage of payroll for members and employers are established by the CPRB, subject to legislative limitations. The expected contributions are reviewed to assure that they result in actuarially sound funding for the plan.

INTEREST Interest accrues at 4%.

Option	Description
Straight Life	A lifetime annuity payable monthly to the member determined under the full benefit formula without adjustment. There are no death benefits under this option
Option A - 100% Joint and Survivor	A reduced annuity payable monthly to the member for his or her lifetime. At the member's death, a beneficiary will receive the same amount for his or her lifetime.
Option B - 50% Joint and Survivor	A reduced annuity payable monthly to the member for his or her lifetime. At the member's death, a beneficiary will receive one-half amount for his or her lifetime.

SUMMARY OF PLAN PROVISIONS (CONTINUED)

DISABILITY BENEFITS **WORK RELATED DISABILITY** - An active member of PERS may qualify for a work related total and permanent disability retirement with no minimum years of service required. He or she must be receiving (or have received) Workers' Compensation benefits on account of such disability.

NON-WORK RELATED DISABILITY - A member must have 10 or more years of credited service to qualify for a non-work related total and permanent disability retirement.

Disability benefits shall not be less than 50% of a member's Final Average Salary. At age 65, the benefits are calculated on actual years of service, and may be reduced, but the straight life benefit or equivalent may not be less than 20% of the Final Average Salary.

DEATH BENEFITS

CATEGORY 1: LESS THAN 10 YEARS OF CREDITED SERVICE REGARDLESS OF ORIGINAL DATE OF HIRE OR MARITAL STATUS:

A member who has less than 10 years of credited service, regardless of marital status and regardless of original date of hire, may elect to name a beneficiary(ies) to receive a lump sum payment of his or her employee contributions plus 4% interest.

CATEGORY 2: HIRED FOR THE FIRST TIME BEFORE OR ON JUNE 9, 2006, HAS 10 OR MORE YEARS OF CREDITED SERVICE, AND IS MARRIED AT THE TIME OF DEATH:

A member of PERS who has 10 or more years of credited service, is married and was hired for the first time in PERS before or on June 9, 2006, may elect one of the following options on the Pre-Retirement Beneficiary form:

(A) The member may elect a 100% Joint and Survivor, calculated as if the member had retired the day preceding the date of his or her death, paid to his or her surviving spouse. The member may also elect to name an alternative beneficiary, who has an "insurable interest" in the life of the member, to receive the 100% Joint and Survivor annuity if the surviving spouse pre-deceases the member OR the member may elect to name a beneficiary to receive a lump sum payment of his or her employee contributions plus 4% interest if the surviving spouse pre-deceases the member.

(B) If the "Spouse's Waiver of Survivorship Annuity" section is completed, the member may elect to have the 100% Joint and Survivor annuity, calculated as if the member had retired the day preceding the date of his or her death, paid to a named beneficiary who has an "insurable interest" in the life of the member OR the member may elect to name a beneficiary to receive a lump sum payment of his or her employee contributions plus 4% interest.

CATEGORY 3: HIRED FOR THE FIRST TIME BEFORE OR ON JUNE 9, 2006, HAS 10 OR MORE YEARS OF CREDITED SERVICE AND IS NOT MARRIED AT THE TIME OF DEATH:

A member of PERS who has 10 or more years of credited service, is not married and was hired for the first time in PERS before or on June 9, 2006, may elect one of the following options on the Pre-Retirement Beneficiary form:

(A) The member may elect to name a beneficiary(ies) to receive a lump sum payment of his or her employee contributions plus 4% interest.

(B) The member may elect to have a 100% Joint and Survivor annuity, calculated as if the member had retired the day preceding the date of his or her death, paid to a named beneficiary who has an "insurable interest" in the life of the member.

(C) The member may elect not to name a beneficiary and have his or her pre-retirement death benefit paid as a monthly annuity, calculated as though the member had retired as of the date of his or her death and elected a Straight Life annuity, to a minor child or children until the minor child or children attains age 21 or sooner marries or becomes emancipated.

**In no event shall any child or children receive more than \$250.00 per month.*

CATEGORY 4: HIRED FOR THE FIRST TIME AFTER JUNE 9, 2006, HAS 10 OR MORE YEARS OF CREDITED SERVICE AND IS MARRIED AT THE TIME OF DEATH:

A member of PERS who has 10 or more years of credited service, is married and was hired after June 9, 2006, may elect one of the following options on the Pre-Retirement Beneficiary form:

(A) The member may elect a 100% Joint and Survivor annuity, calculated as if the member had retired the day preceding the date of his or her death, paid to his or her surviving spouse. The member may also elect to name a beneficiary to receive a refund of his or her employee contributions plus 4% interest in the event the surviving spouse pre-deceases the member.

(B) If the "Spouse's Waiver of Survivorship Annuity" section is completed, the member may elect to have the 100% Joint and Survivor annuity, calculated as if the member had retired the day preceding the date of his or her death, paid to a child who is financially dependent upon the member by virtue of a permanent mental or physical disability, OR the member may elect to name a beneficiary to receive a lump sum payment of his or her employee contributions plus 4% interest.

**Evidence of disability must be provided and the disabled child must be named sole beneficiary.*

CATEGORY 5: HIRED FOR THE FIRST TIME AFTER JUNE 9, 2006, HAS 10 OR MORE YEARS OF CREDITED SERVICE AND IS NOT MARRIED AT THE TIME OF DEATH:

A member of PERS who has 10 or more years of credited service, is not married and was hired after June 9, 2006, may elect one of the following options on the Pre-Retirement Beneficiary form:

(A) The member may elect to name a beneficiary(ies) to receive a lump sum payment of his or her employee contributions plus 4% interest.

(B) The member may elect to have a 100% Joint and Survivor annuity, calculated as if the member had retired the day preceding the date of his or her death, paid to a child who is financially dependent upon the member by virtue of a permanent mental or physical disability.

**Evidence of disability must be provided and the disabled child must be named sole beneficiary.*

(C) The member may elect not to name a beneficiary and have his or her pre-retirement death benefit paid as a monthly annuity, calculated as though the member had retired as of the date of his or her death and elected a Straight Life annuity, to a minor child or children until the minor child or children attains age 21 or sooner marries or becomes emancipated.

**In no event shall any child or children receive more than \$250.00 per month.*

TEACHERS' RETIREMENT SYSTEM

SUMMARY OF PLAN PROVISIONS 2006

MEMBERSHIP The State Teachers' Retirement System (TRS) was established on July 1, 1941 for the purpose of providing retirement benefits for teachers and school service personnel of the State's 55 county public school systems, the State Department of Education, and the School for the Deaf and Blind TRS is a defined benefit plan that currently has approximately 18,633 active members and approximately 27,389 retired members. An active member contributes 6% of his or her gross monthly salary into the retirement plan. The employer contributes an additional 15% of the member's gross monthly salary into the plan for employees hired before July 1, 2005; 7.5% for employees hired for the first time on or after July 1, 2005. Chapter 18, Article 7A of the West Virginia Code establishes the plan provisions for TRS.

RETIREMENT BENEFITS

Age	Years of Service	Benefit
55 and currently working	30 or more years of credited service	Full Benefits
Any age and currently working	35 years of credited service	Full Benefits
60 and currently working	5 or more years of service	Full Benefits
Less than 55 and currently working	30 years of credited service	Reduced Benefit
60 and not currently working	20 or more years of service	Full Benefits
62 and not currently working	Less than 20 years of service	Full Benefits

Members can retire with reduced benefits before age 55 after completing 30 years of credited service. An individual with 5 or more years of contributing service who terminates employment prior to retirement, but does not withdraw his or her employee contributions, will be eligible for retirement benefits at age 62, or at age 60 with 20 years of contributing service.

BENEFIT FORMULA

Final Average Salary x Years of Service x 2%
 Final average salary refers to the average of the 5 highest years out of the last 15 years of contributing service.

LOANS

A member hired prior to July 1, 2005, may borrow up to 50% of his or her contributions, but the total existing loan may not exceed \$8,000. Any outstanding loan balance must be paid in full before a member can receive retirement benefits. A member may elect to receive a lifetime actuarial reduction of their monthly retirement benefit to payoff their outstanding loan balance. Refinancing existing loans is not permitted. Loans are not available to members who are hired for the first time after July 1, 2005.

CONTRIBUTION RATES

TRS funding policy provides for member contributions based on 6% of members' annual compensation. Contributions as a percentage of payroll for members and employers are established by State law and are not actuarially determined. The employers make the following contributions:

The county boards of education, utilizing funds made available through the State's School Aid formula, contribute 15% of the compensation of their TRS-covered employees. The State contributes 15% of the compensation of TRS members employed by the State. Other employers contribute 15% of their TRS-covered employees' compensation. In addition, the State contributes a certain percentage of fire insurance premiums paid by State residents and an amount determined by the State actuary as being needed to extinguish the TRS unfunded liability by June 30, 2034. Counties contribute 15% of the compensation of TRS members' salaries not covered under the State's School Aid formula.

INTEREST

Refund interest accrues at 4%.

ANNUITY OPTIONS

Option	Description
Option A - Straight Life	A lifetime annuity payable to the member determined under the regular benefit formula without adjustment.
Option C - 100% Joint and Survivor	A reduced annuity payable monthly to the member for his or her lifetime. At the member's death, a beneficiary will receive the same amount for his or her lifetime.
Option D - 50% Joint and Survivor	A reduced annuity payable monthly to the member for his or her lifetime. At the member's death, a beneficiary will receive one-half amount for his or her lifetime.
Option E - 120 Payments	A reduced annuity payable monthly to the member for his or her lifetime. If the member dies before receiving all 120 payments, the remainder of those 120 monthly payments shall be payable to the member's named beneficiary or the member's estate.

TEACHERS' RETIREMENT SYSTEM

SUMMARY OF PLAN PROVISIONS (CONTINUED)

DISABILITY BENEFITS A member may qualify for disability retirement benefits if he or she has at least 10 years of service credit, left employment because of disability, and has been unable to work because of the disability for at least 6 months. Only 5 years of service credit is necessary if the disability is a direct and total result of an act of student violence directed toward the member. All disability retirement applications must be approved by the West Virginia Consolidated Public Retirement Board.

DEATH BENEFITS If a member 50 years of age or older with 25 years of credited service dies, the surviving spouse, if named as sole beneficiary, will receive a lifetime annuity based on Option C. If a member does not meet these age and service requirements, then all funds are paid to the designated beneficiary(ies).

TEACHERS' DEFINED CONTRIBUTION RETIREMENT SYSTEM

SUMMARY OF PLAN PROVISIONS 2006

MEMBERSHIP The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering full time employees of the State's 55 county public school systems, the State Department of Education, several Higher Education employees, and the School for the Deaf and Blind who were hired between June 30, 1991 and June 30, 2005. TDC members may also include former TRS plan members, including higher education employees, who have elected to transfer into or participate in TDC. TDC has approximately 19,602 active members. TDC benefits depend solely on amounts contributed to the plan plus investment earnings. Chapter 18, Article 7B of the West Virginia Code establishes the plan provision for TDC. Effective July 1, 2005, TDC is closed to new participants.

CONTRIBUTION RATES AND VESTING The West Virginia Code requires employees to contribute 4.5% of their gross compensation and the employers to contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State's School Aid formula. Employer contributions for each employee (and interest earnings and/or losses allocated to the employee's account) become 1/3 vested after six years, 2/3 vested after nine years and fully vested after 12 complete years of service. Non-vested employer contributions and earnings are forfeited by employees who leave employment prior to becoming fully vested in the event the employee does not return to active participant status within five years to reduce the employer's current period contribution requirement. Any such forfeitures arising from contributions, plus earnings thereon, will be used to reduce future employer contributions.

JUDGES' RETIREMENT SYSTEM

SUMMARY OF PLAN PROVISIONS 2006

MEMBERSHIP The Judges' Retirement System (JRS) was established on June 5, 1949 for judges and justices of the State of West Virginia who elect to participate in the retirement system. JRS is a single employer defined benefit employee retirement system, providing retirement, death and disability benefits. Chapter 51, Article 9 of the West Virginia Code establishes the plan provisions for JRS.

Age	Years of Service	Benefit
65	At least 16 years of credited service, of which at least 12 years is as a sitting judge and/or justice *	Full Benefits
Any age	24 years of credited service, of which at least 12 years is as a sitting judge and/or justice *	Full Benefits
After 65	Any judge and/or justice who serves at least 8 full years after obtaining age 65*	Full Benefits
62	At least 16 years of credited service, of which at least 12 years is as a sitting judge and/or justice **	Early Retirement with an actuarially reduced benefit
Defer until 65	At least 16 years of credited service, of which at least 12 years is as a sitting judge and/or justice **	Full Benefits

* Provided, That no individual who is appointed or elected for the first time as a judge or justice after July 1, 2005, is eligible for retirement benefits under this criteria.

** Provided, That every individual who is appointed or elected for the first time as a judge or justice after July 1, 2005, must serve a minimum of 14 years as a sitting judge or justice.

BENEFIT FORMULA A regular retirement benefit is an amount equal to 75% of the current salary of the office from which the member retires. Individuals who are appointed or elected for the first time as a judge or justice after July 1, 2005, shall receive retirement benefits in an amount equal to 75% of the individual's final average salary.

CONTRIBUTION RATES Active members contribute 10.5% of their gross salary into the JRS. The Judiciary contributes annually the amount necessary to actuarially fund JRS based on annual actuarial valuations completed by the CPRB for JRS out of the Judiciary budget.

INTEREST JRS accounts do not accrue interest.

PROSECUTING ATTORNEY A judge or justice of a court of record who has served for a period of not less than 12 full years may receive credit for time served as a prosecuting attorney if the service was earned prior to 1987 and the member was a sitting judge or justice on March 14, 1987.

SERVICE CREDIT In order to receive such credit, the judge or justice must pay 10.5% of the annual salary he or she earned during the time such prosecutorial service was rendered, plus applicable interest.

Assistant Prosecuting Attorney service does not qualify as eligible years of service under JRS.

JUDGES' RETIREMENT SYSTEM

SUMMARY OF PLAN PROVISIONS (CONTINUED)

DISABILITY BENEFITS Any judge or justice who has served for ten full years, or any judge or justice over the age 65 who has served for at least six full years, who becomes physically or mentally incapacitated and cannot perform the duties of his or her office during the remainder of his or her term may be eligible for a disability retirement. The judge or justice shall make both a written application and resignation to the Governor setting forth the nature and extent of his or her disability. If the Governor determines through recommendation of the Governor's Judicial Disability Review Board that such disability exists and that public service is suffering and will continue to suffer by reason of such disability, the Governor shall submit an official written order awarding retirement benefits.

A judge or justice who retires because of disability and accepts the benefits payable under JRS because of such disability shall not, while receiving said benefits, be permitted to practice law. If a judge or justice receiving benefits for disability retirement enters the practice of law, his or her disability benefits shall be suspended for the time he or she shall be engaged in the practice of law.

DEATH BENEFITS The surviving spouse of a judge or justice who dies while in office after having served five or more years as a sitting judge or justice, or a judge or justice who has already retired, shall receive 40% of the annual salary of the office which said judge or justice held at his or her death or from which said judge or justice resigned or retired. This benefit is payable to the surviving spouse until his or her death or remarriage. In the event the salary of active sitting judges or justices is increased or decreased, the benefits paid to the surviving spouse shall amount to 40% of the new salary. Provided, That the annuity paid to a surviving spouse of an individual who was appointed or elected for the first time as a judge or justice after July 1, 2005, shall be an amount equal to 40% of the judge or justice's final average salary. The surviving spouse of a judge or justice who was appointed or elected for the first time after July 1, 2005, is not entitled to an increase in benefits by virtue of any increase in the salaries of active sitting judges or justices.

If there is no surviving spouse of a judge or justice who dies after having served five years or more and such judge or justice leaves surviving him or her a dependent child or children, such dependents shall receive an amount equal to 20% of the annual salary of the office which said judge or justice held at the time of his or her death: Provided, that the total of all such annuities payable to each dependent child shall not exceed in the aggregate an amount equal to 40% of such salary. This benefit is payable to each dependent child until he or she attains the age of 18 or until he or she attains the age of 23 as long as such dependent(s) remain(s) a full-time student. In the event the salary of active sitting judges or justices is increased or decreased, the benefits paid to the surviving spouse shall amount to 40% of the new salary. Provided, That the benefit of a dependent child or children of a judge or justice was appointed or elected for the first time after July 1, 2005, shall be calculated with respect to the judge or justice's final average salary. Dependent children of a judge or justice who was appointed or elected for the first time after July 1, 2005, is not entitled to an increase in benefits by virtue of any increase in the salaries of active sitting judges or justices.

If a judge or justice dies while in office before having served five full years as a sitting judge or justice, the surviving spouse or dependent children will receive a refund of contributions paid into the retirement system.

PUBLIC SAFETY DEATH, DISABILITY, AND RETIREMENT SYSTEM (PLAN A)

SUMMARY OF PLAN PROVISIONS 2006

MEMBERSHIP The Public Safety Death, Disability and Retirement System, commonly referred to as Plan A, was established for all state troopers on July 1, 1935. Chapter 15, Article 2 of the West Virginia Code establishes the plan provisions for Plan A. State Troopers hired on or after March 12, 1994 are not eligible for membership in Plan A. Civilian employees of West Virginia State Police are members of the Public Employees Retirement System.

Age	Years of Service	Benefit
50	20 years contributory service (excluding military)	Full Benefits
Any age	25 years of credited service (including military)	Full Benefits
62	10 years of service	Full Benefits
Less than 50	20 years of credited service (excluding military)	Deferred Benefit at age 50

BENEFIT FORMULA The regular retirement benefit, paid in equal monthly installments, is equal to 5.5% of the member's aggregate salary during his or her whole period of service in the Department. This benefit is payable during the lifetime of the retired member.

COST OF LIVING ALLOWANCE Every member of the Department who is 55 years of age or older and who is retired under normal retirement criteria will receive an annual retirement annuity adjustment of 3.75% payable on July 1 of each year after the member is 55 years of age.

Every member of the Department who is retired under disability retirement criteria and every surviving spouse or other beneficiary receiving a benefit under the provisions of this retirement system is eligible to receive the annual retirement annuity adjustment of 3.75% payable on July 1 of each year.

CONTRIBUTION RATES Active members of Plan A contribute 9% of their total gross salary into the retirement plan for the member Normal Cost. The employer contributes an additional amount sufficient to fund the Plan benefits on an actuarially determined basis including both the employer Normal Cost plus amortizing the unfunded actuarial accrued liability through Fiscal Year 2025. Members of this retirement system are not covered by Social Security or Workers' Compensation.

INTEREST Interest accrues at 4%.

PUBLIC SAFETY DEATH, DISABILITY, AND RETIREMENT SYSTEM (PLAN A)

SUMMARY OF PLAN PROVISIONS (CONTINUED)

DISABILITY BENEFITS **TOTAL DUTY DISABILITY**- A member of the Department may qualify for a total duty disability if, in the opinion of the Board, the member has become physically or mentally permanently disabled and incapacitated from all types of gainful employment by injury, illness or disease resulting from any occupational risk or hazard inherent in or peculiar to the services required of members of the Department, and such disability was incurred pursuant to or while the member was engaged in the performance of his or her duties as a member of the Department. The benefit payable for a total duty related disability is a lifetime benefit in an amount equal to 8.5% of the total salary which would have been earned by the member during twenty-five years, or actual service if more than twenty-five years, but not less than \$15,000 annually.

PARTIAL DUTY DISABILITY - A member of the Department may qualify for a partial duty disability if, in the opinion of the Board, the member has become physically or mentally permanently disabled by injury, illness or disease resulting from any occupational risk or hazard inherent in or peculiar to the services required of members of the Department, and such disability was incurred pursuant to or while the member was or shall be engaged in the performance of his or her duties as a member of the Department, and is by reason of such cause unable to perform adequately the duties required of him or her as a member of the Department, but is able to engage in other gainful employment in a field other than law enforcement. The benefit payable for a partial duty related disability is a lifetime benefit in an amount equal to 5.5% of the total salary which would have been earned by the member during twenty-five years, or actual service if more than twenty-five years, but not less than \$6,000, annually.

NON-DUTY DISABILITY - Any member while in active service of the Department may qualify for a non-duty disability if the member has, in the opinion of the Board, become permanently disabled and is unable to adequately perform the duties required of a member of the Department from any cause other than those set forth in the duty related disability provisions, and not due to vicious habits, intemperance or willful misconduct on the member's part.

a) If the member at the time of such retirement has served less than twenty years, the benefit payable shall be paid in equal monthly installments during a period equal to one-half the time such member has served as a member of the Department a sum equal to 5.5% of the total salary which would have been earned during twenty-five years of service. At the end of the one-half time period of service, the benefit payable for the remainder of the member's life is an annual sum paid in monthly installments equal to one-half the base salary received by the member from the Department in the preceding twelve-month period prior to disability.

b) If the member at the time of such retirement has served twenty years or longer, the member shall be entitled to receive annually, in monthly installments, a lifetime benefit in an amount equal to 5.5% of the aggregate of salary paid to the member through the day immediately preceding his or her disability.

CONTINUED DISABILITY - The Board may require subsequent medical evaluations to determine if a disability retiree has fully or partially recovered from such disability. The Board may also require a disability benefit recipient to file an annual statement of earnings and any other information required in rules adopted by the Board.

DEATH BENEFITS **DUTY RELATED** - The benefits payable to the surviving spouse for a duty related pre-retirement death, or to the surviving spouse of a member who dies after having been retired with a duty related disability are monthly payments for his or her lifetime in which the annual benefit is equal to 5.5% of the total salary which would have been earned by the deceased member during twenty-five years of service in the Department, but not less than \$6,000 annually. A surviving spouse will also receive \$100 per month for each dependent child. If there is no surviving spouse, each surviving dependent child will receive 25% of the spouse's benefit. If there is no surviving spouse or dependent children, then the surviving dependent parents each receive 50% of what would have been paid to the spouse.

DEPENDENT CHILD SCHOLARSHIP - Any person qualified as a surviving dependent child of a member who died in the performance of duty or of a member who dies after having been retired with a duty related disability shall be entitled to receive a scholarship to be applied to the career development education of that dependent at a West Virginia institution.

NON-DUTY RELATED - The benefit payable to the surviving spouse of a member who dies after a normal or a non-duty related disability retirement, or after the member has served twenty years, is an amount equal to 75% of the retirement benefits the deceased member was receiving while in retirement status, or would have been entitled to receive to the same effect as if such member had been retired immediately prior to the time of his or her death, but not less than \$5,000 annually. A surviving spouse will also receive \$100 per month for each dependent child. If there is no surviving spouse, or the surviving spouse remarries, each surviving dependent child will receive 25% of the spouse's benefit. If there is no surviving spouse or dependent children, then the surviving dependent parents each receive 50% of what would have been paid to the spouse.

The benefits payable to the surviving spouse of a member for a non-duty related death with less than twenty years of service are monthly payments in which the annual benefit is equal to 2.75% of the total salary which would have been earned by said member during twenty-five years of service in the Department. If there is no surviving spouse, or the surviving spouse remarries, each surviving dependent child will receive 25% of the spouse's benefit. If there is no surviving spouse or dependent children, then the surviving dependent parents each receive 50% of what would have been paid to the spouse.

STATE POLICE RETIREMENT SYSTEM (PLAN B)

SUMMARY OF PLAN PROVISIONS 2006

MEMBERSHIP The West Virginia State Police Retirement System, commonly referred to as Plan B, was established by the enactment of Chapter 15, Article 2A of the West Virginia Code during the 1994 Legislative Session for all state troopers hired on or after March 12, 1994. Civilian employees of the West Virginia State Police are members of the Public Employees Retirement System. State troopers hired before March 12, 1994 are not eligible for membership in Plan B.

Age	Years of Service	Benefit
55	20 or more years of credited service (excluding military service)	Full Benefits
Less than 55	20 or more years of credited service (excluding military service)	Reduced Benefits
62	10 or more years of credited service	Full Benefits

BENEFIT FORMULA Final Average Salary x Credited Years of Service x 2.75%
Final Average Salary is the average highest annual compensation received for employment with the Department, including compensation paid for overtime service, received by the member during any five calendar years within the member's last ten years of service. This benefit is payable during the lifetime of the retired member.

CONTRIBUTION RATES Active members of Plan B contribute 12% of their base salary into the retirement plan. The employer contributes 12% of base salary into the plan. Members of this retirement system are not covered by Social Security or Workers' Compensation.

INTEREST Interest accrues at 4%.

COST OF LIVING ADJUSTMENT Every member of the Department who is 63 years of age or older and who is retired under normal retirement criteria will receive an annual retirement annuity adjustment of 1% payable on July 1 of each year. If the member is retired for less than one year on that July 1, the first annuity adjustment will be a pro rata share of the full year's annuity adjustment.

Every member of the Department who is retired under disability retirement criteria and every surviving spouse receiving a benefit under the provisions of this retirement system is eligible to receive the annual retirement annuity adjustment of 1% payable on July 1 of each year.

STATE POLICE RETIREMENT SYSTEM (PLAN B)

SUMMARY OF PLAN PROVISIONS (CONTINUED)

DISABILITY BENEFITS

TOTAL DUTY DISABILITY - A member of the Department may qualify for a total duty disability if, in the opinion of the Board, the member has become physically or mentally permanently disabled and incapacitated from all types of gainful employment by injury, illness or disease resulting from any occupational risk or hazard inherent in or peculiar to the services required of members of the Department, and such disability was incurred pursuant to or while the member was engaged in the performance of his or her duties as a member of the Department. The benefit payable during the lifetime of the member for a total duty related disability is an amount equal to the base salary received by the member in the preceding twelve-month employment period.

PARTIAL DUTY DISABILITY - A member of the Department may qualify for a partial duty disability if, in the opinion of the Board, the member has become physically or mentally permanently disabled by injury, illness or disease resulting from any occupational risk or hazard inherent in or peculiar to the services required of members of the Department, and such disability was incurred pursuant to or while the member was or shall be engaged in the performance of his or her duties as a member of the Department and is by reason of such cause unable to perform adequately the duties required of him or her as a member of the Department, but is able to engage in other gainful employment in a field other than law enforcement. The benefit payable during the lifetime of the member for a partial duty related disability, or until the member attains the age of fifty-five or until such disability shall sooner terminate, is an amount equal to six-tenths of the base salary received in the preceding twelve-month employment period, but not less than \$6,000 annually. At age fifty-five, the member shall receive a regular retirement benefit as it would apply to his or her final average salary based on earnings from the Department through the day immediately preceding his or her disability.

NON-DUTY DISABILITY - Any member while in active service of the Department may qualify for a non-duty disability who has, in the opinion of the Board, become permanently disabled and is unable to adequately perform the duties required of a member of the Department from any cause other than those set forth in the duty related disability provisions, and not due to vicious habits, intemperance or willful misconduct on the member's part. The benefit payable during the lifetime of the member for a non-duty related disability, or until the member attains the age of 55, is an amount equal to one-half the base salary received in the preceding twelve-month employment period. At age 55, the member shall receive a regular retirement benefit as it would apply to his or her final average salary based on earnings from the Department through the day immediately preceding his or her disability.

CONTINUED DISABILITY - The Board may require subsequent medical evaluations to determine if a disability retiree has fully or partially recovered from such disability. The Board may also require a disability benefit recipient to file an annual statement of earnings and any other information required in rules adopted by the Board.

DEATH BENEFITS

DUTY RELATED - The benefits payable to the surviving spouse for a duty related pre-retirement death, or to the surviving spouse of a member who dies after having been retired with a duty related disability are monthly payments for his or her lifetime in an amount equal to nine-tenths of the base salary received in the preceding twelve-month period by the deceased member, but not less than \$10,000 annually. A surviving spouse will also receive \$150 per month for each dependent child. If there is no surviving spouse, each surviving dependent child will receive one-third of the spouse's benefit. If there is no surviving spouse or dependent children, then the surviving dependent parents each receive one-half of what would have been paid to the spouse.

DEPENDENT CHILD SCHOLARSHIP - Any person qualified as a surviving dependent child of a member who died in the performance of duty or of a member who dies after having been retired with a duty related disability shall be entitled to receive a scholarship to be applied to the career development education of that dependent at a West Virginia institution.

NON-DUTY RELATED - The benefits payable to the surviving spouse of a member who dies after a normal or a non-duty related disability retirement, or after the member served twenty years, is an amount equal to two-thirds of the retirement benefit the deceased member was receiving while in retirement status, or would have been entitled to receive to the same effect as if such member had been retired immediately prior to the time of his or her death, but not less than \$5,000 annually. A surviving spouse will also receive \$100 per month for each dependent child. If there is no surviving spouse, or the surviving spouse dies or remarries, each surviving dependent child will receive one-fourth of the spouse's benefit. If there is no surviving spouse or dependent children, then the surviving dependent parents each receive one-half of what would have been paid to the spouse.

The benefits payable to the surviving spouse of a member for a non-duty related death with less than twenty years of service are monthly payments in which the annual benefit is a sum equal to one-half of the base salary received in the preceding twelve-month employment period by the deceased member. If there is no surviving spouse, or the surviving spouse dies or remarries, each surviving dependent child will receive one-fourth of the spouse's benefit. If there is no surviving spouse or dependent children, then the surviving dependent parents each receive one-half of what would have been paid to the spouse.

DEPUTY SHERIFF RETIREMENT SYSTEM

SUMMARY OF PLAN PROVISIONS 2006

MEMBERSHIP The Deputy Sheriff Retirement System (DSRS), a multiple-employer defined benefit employee retirement system, was established for all deputy sheriffs hired on or after July 1, 1998. Deputy Sheriffs employed prior to July 1, 1998 were eligible to transfer their PERS service to DSRS. Service as a sheriff may also be considered covered employment under certain circumstances. Chapter 7, Article 14D of the West Virginia Code establishes the plan provisions for DSRS.

Age	Years of Service	Benefit
50 while still in covered employment	Rule of 70 = Age plus service equal 70 (excluding military service)	Full Benefits
60 while still in covered employment	Completion of 5 years of service (excluding military service)	Full Benefits
62	Completion of 5 or more years of service (excluding military service)	Full Benefits
50 and not in covered employment	20 years of service	Full Benefits
40	20 years of service	Reduced Benefits

BENEFIT FORMULA Final Average Salary x Years of Credited Service x 2.25%
Final average salary refers to the average of the highest annual compensation received for covered employment by the member during any five consecutive plan years within the member's last ten years of service.

CONTRIBUTION RATES Active members contribute pre-tax 8.5% of their monthly salary, and the Sheriff's Office of the county in which the member is employed in covered employment contributes an additional 10.5% of the member's monthly salary. In addition, the Sheriff's Office contributes certain fees charged for reports and other services provided by the Sheriff's Offices. A member is vested after completion of 60 months covered employment.

INTEREST Interest accrues at 4%.

Option	Description
Straight Life Annuity	A lifetime annuity payable monthly to the member determined under the regular benefit formula without adjustment.
Option A - True Joint and Survivor Annuity	A reduced annuity payable monthly to the member. Upon the death of either the member or the beneficiary, the annuity is further reduced to either 50%, 66 2/3%, 75% or 100% of the original monthly amount dependent on the original option elected by the member. The reduced benefit is payable to the surviving member or beneficiary for the remainder of their life.
Option B - Joint and Survivor Annuity	A reduced annuity payable monthly to the member. Upon the death of the member, a reduced annuity of either 50%, 66 2/3%, 75% or 100% of the original monthly amount, dependent on the original option elected by the member, is payable to the beneficiary. There is no change in the original monthly amount if the beneficiary dies first.
Option C - Ten Years Certain and Life Annuity	A reduced annuity payable monthly to the member. If the member dies before receiving 120 monthly payments, the remainder of the 120 monthly payments shall be payable to the member's beneficiary or the member's estate.
Option D - Level Income Annuity	An increased annuity payable monthly to the member until the member attains Social Security Retirement Age. After Social Security Retirement Age, the benefit is reduced by the estimated Primary Insurance Amount determined at retirement. The reduced benefit is payable monthly for the remaining lifetime of the member. There are no death benefits under this option.

DEPUTY SHERIFF RETIREMENT SYSTEM

SUMMARY OF PLAN PROVISIONS (CONTINUED)

DISABILITY BENEFITS **TOTALLY DISABLED** means a member's inability to engage in substantial gainful activity by reason of any medically determined physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months. A member is totally disabled only if his/her physical or mental impairment is so severe that he/she is not only unable to perform his/her previous work as a deputy sheriff but also cannot, considering the member's age, education and work experience, engage in any other kind of substantial gainful employment which exists in the state.

PARTIALLY DISABLED means a member's inability to engage in the duties of deputy sheriff by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months. A member may be determined partially disabled and maintain the ability to engage in other (non-law enforcement) gainful employment which exists within the state but which ability would not enable him/her to earn an amount at least equal to 2/3 of the average annual compensation earned by all active members of this plan during the plan year ending the most recent 30th day of June.

DUTY RELATED DISABILITY BENEFITS:

TOTAL DUTY: 90% of the member's average full monthly compensation for the 12 month contributory period preceding his/her disability award until age 65, then reverts to a normal retirement.

PARTIAL DUTY: 45% of the member's average full monthly compensation for the 12 month contributory period preceding his/her disability award until age 60, then reverts to normal retirement.

NON DUTY RELATED DISABILITY BENEFITS:

TOTAL NON-DUTY: 66 2/3% of the member's average full monthly compensation for the 12 month contributory period preceding his/her disability award until age 60, then reverts to normal retirement.

PARTIAL NON-DUTY: 33 1/3% of the member's average full monthly compensation for the 12 month contributory period preceding his/her disability award until age 60, then reverts to normal retirement.

DEATH BENEFITS

DUTY RELATED - The surviving spouse of any member who, while in covered employment, has died or dies by reason of injury, illness or disease resulting from an occupational risk or hazard inherent in or peculiar to the service required of members, while the member was or is engaged in the performance of his/her duties as a deputy sheriff, or the surviving spouse of a member who dies from any cause after having been retired with a duty related disability shall be entitled to receive the greater of 2/3 of the annual compensation received in the preceding 12 month period by the deceased member or; if the member dies after his/her early or normal retirement age the monthly amount the spouse would have received had the member retired the day before his/her death and elected a 100% Joint and Survivor annuity with the spouse as the joint annuitant, and then died.

NON DUTY RELATED - The surviving spouse of any member who has been a member for at least 10 years, while in covered employment, who has died or dies from non-duty related causes and not due to vicious habits, intemperance or willful misconduct on his/her part shall receive the greater of 50% of the annual compensation received in the preceding 12 month period by the deceased member; or if the member dies after his/her early or normal retirement age, the monthly amount which the spouse would have received had the member retired the day before his/her death, elected a 100% Joint and Survivor annuity with the spouse as the joint annuitant, and then died.

DEPENDENT BENEFITS - A surviving spouse of a member who dies of a duty or non-duty related death is also entitled to receive \$100 monthly for each dependent child. If the surviving spouse dies, or if there is no surviving spouse, the fund shall pay monthly to each dependent child a sum equal to 1/4 of the surviving spouse's entitlement. If there is neither a surviving spouse nor a dependent child, the fund shall pay to the dependent parents of the deceased member a sum equal to what the surviving spouse would have received without children. When there is only one dependent parent surviving, that parent is entitled to receive 1/2 the amount which both parents would have been entitled to receive. If there is no surviving spouse, dependent child, nor dependent parent, the accumulated contributions shall be paid to a named beneficiary or beneficiaries. If there is no surviving spouse, dependent child, dependent parent, nor any named beneficiary or beneficiaries, the accumulated contributions shall be paid to the estate of the deceased member.

DEPENDENT CHILD SCHOLARSHIP - Any person qualifying as a dependent child of a deceased member of this retirement system shall be entitled to receive scholarship monies to be applied to the career development education of that dependent at a West Virginia institution.

BURIAL BENEFITS - Any member who dies as a result of any duty-related illness or injury is entitled to receive a lump sum burial benefit of \$5,000, to be paid to the member's spouse, or to the member's estate if not married. Any unspent balance shall be distributed as part of the member's estate.

ACTUARIAL FIGURES AND STATISTICS



ACTUARIAL INFORMATION

VALUATION DATE - All valuations were completed as of July 1, 2006

ACTUARIAL COST METHOD - All Valuations were completed applying the entry Age Past Service with Aggregate Normal Cost actuarial cost method.

ASSET VALUATION METHOD - All plan assets are valued at reported Market Value as of July 1, 2006 and adjusted for accrued amounts.

AMORTIZATION METHODOLOGY AND REMAINING PAST SERVICE AMORTIZATION PERIOD - Differs by plan based on statutory funding or targeted funding and is summarized below:

PSDDRS (PLAN A) - The total of the normal Cost plus the amortization of the unfunded past service is calculated to be paid as a level percentage of total State Police payroll (Plan A plus Plan B); including anticipated future hires, through June 30, 2025.

SPRS (PLAN B) - Normal Cost is amortized as a level percentage of future base payroll of the active membership group as of the Valuation date. Employer contributions of 12.0% of base payroll are first applied to pay the Normal Cost with the remaining contributions applied to amortize the unfunded past service. Contributions are sufficient if the unfunded past service will be fully amortized by June 30, 2030 based on level dollar funding. As of the valuation date, contributions were sufficient to cover the funding required to meet the sufficiency test.

JUDICIAL SYSTEM (JRS) - Normal Cost is amortized as a level percentage of future payrolls of the active membership group plus the PERS members eligible to elect a transfer to JRS as of the Valuation date. Unfunded past service is amortized through level dollar contributions ending June 30, 2018.

PUBLIC EMPLOYEES (PERS) - Normal Cost is amortized as a level percentage of future payrolls of the active membership group as of the Valuation date. Employer contributions of 10.5% of payroll are first applied to the normal Cost with the remaining contributions applied to amortize the unfunded past service. Contributions are sufficient if the unfunded past service will be fully amortized within 30 years of the Valuation date based on level dollar funding. As of the Valuation date, contributions were sufficient to cover unfunded past service amortization and will meet the funding sufficiency test.

TEACHERS' DEFINED BENEFIT (TRS) - Normal Cost is amortized as a level percentage of future payrolls of the active membership group as of the Valuation date. Unfunded past service is amortized as a level percentage of future TRS plus TDC payroll, including anticipated future hires, through June 30, 2025.

DEPUTY SHERIFF (DSRS) - Normal Cost is amortized as a level percentage of future payrolls of the active membership group as of the Valuation date. Employer contribution of 10.5% of base payroll plus certain dedicated fees are first applied to pay the Normal Cost with the remaining contributions applied to amortize the unfunded past service. Contributions are sufficient if the unfunded past service will be fully amortized by June 30, 2029. Payments are based on a level percentage of future payroll funding, including anticipated future hires. As of the Valuation date, contributions were sufficient to meet the sufficiency test. Based on the current contribution rate, the unfunded past service would be amortized by June 30, 2021 instead of the targeted sufficiency day of June 30, 2029.

FUNDING LEVELS FOR DB PLANS AS OF JUNE 30, 2006

	PSDDRS Plan A	SPRS Plan B	JRS	PERS	TRS	DSRS
Actuarial Value of Assets	\$452,794,000	\$30,747,000	\$85,932,000	\$3,700,186,000	\$2,174,464,000	\$77,899,000
Unfunded Accrued Liability	\$54,034,000	\$2,805,000	\$5,888,000	\$564,514,000	\$4,703,408,000	\$25,849,000
Funded Percentage	89.3%	91.6%	93.6%	86.8%	31.6%	75.1%

RETIREMENT PLAN RUNNING STATISTICS AS OF JUNE 30, 2006

	PSDDRS Plan A	SPRS Plan B	JRS	PERS	TRS	DSRS
Actives	204	431	69	35,689	18,633	866
Retirees	645	7	53	20,026	27,389	183
Vested Termination	8	7	3	3,551	3,397	41
UAL (in millions)	\$54.0	\$2.8	\$5.9	\$564.5	\$4,703.4	\$25.8
Percent Funded	89.3%	91.6%	93.6%	86.8%	31.6%	75.1%
Actuarial Value of Assets (in millions)	\$452.8	\$30.7	\$85.9	\$3,700.2	\$2,174.5	\$77.9

DEFINED BENEFIT RETIREMENT PLAN FIGURES AS OF JUNE 30, 2006

	PSDDRS Plan A	SPRS Plan B	JRS	PERS	TRS	DSRS
NEW RETIREES						
Number of New Retirements	9	1	2	1188	1493	22
Average Years of Service	22.80	6.03	18.125	24.58	30.29	27.55
Average Monthly Benefit	\$4,898	\$1,448	\$7,053	\$1,505	\$1,987	\$1,971
Average Age	44.22	34	70.50	59.95	59.04	53.64
Average Monthly Salary Receiving at Retirement	ERR	\$2,951	\$9,666	\$3,021	\$3,290	\$3,182
ALL RETIREES						
Number of Retirees	662	7	59	21,404	29,062	188
Average Years of Service	25.24	ERR	19.08	20.49	26.51	25.90
Average Monthly Benefit	\$3,141	\$1,567	\$5,763	\$856	\$1,190	\$1,677
ACTIVE MEMBERS	200	427	62	35,360	19,208	861
INACTIVE MEMBERS	10	71	3	12,778	2,931	138
WITHDRAWALS						
Number of Withdrawals	0	30	0	2,147	239	57
Amount of Withdrawals	\$0	\$504,131	\$0	\$9,225,372	\$4,416,045	\$443,311

FINANCIALS



ASSETS BY INVESTMENT OPTION WITH WEIGHTED PERCENTAGE OF TOTAL FOR TEACHERS' DEFINED CONTRIBUTION PLAN

	9/30/05		12/31/05	
Total Participants	23,033		22,859	
Vanguard Money Market Fund	\$40,133,889	6%	\$41,974,471	6%
Bond Fund of America	\$60,630,560	9%	\$62,826,335	9%
Franklin Income Fund	\$72,756,534	11%	\$72,156,888	11%
Washington Mutual Investors	\$57,570,791	9%	\$59,691,172	9%
Growth Fund of America	\$101,961,053	16%	\$110,162,409	16%
Federated Max-Cap	\$52,677,418	8%	\$54,781,232	8%
AIM Mid Cap Core Equity Fund	\$3,676,665	1%	\$3,965,401	1%
Columbia Small Cap Z	\$5,502,204	1%	\$5,875,085	1%
EuroPacific Growth A	\$4,797,199	1%	\$6,421,719	1%
Conservative Profile Portfolio	\$9,22	1%	\$11,479,443	2%
Moderate Profile Portfolio	\$10,907,054	2%	\$11,626,293	2%
Aggressive Profile Portfolio	\$8,174,870	1%	\$9,426,299	1%
VALIC	\$226,019,923	35%	\$232,820,063	34%
Total	\$654,028,597	100%	\$683,206,810	100%

Note: The Aim Mid Cap Core Equity Fund was replaced by Rainier Small/Mid Cap Fund

RATES OF RETURN FOR THE INVESTMENT OPTION

	Rate of Return for Quarter Ending June 30, 2006	Rate of Return for 1 Year Ending June 30, 2006	Rate of Return for 3 Years Ending June 30, 2006
Vanguard Money Market	1.17	4.03	2.25
Bond Fund of America	0.29	1.11	3.82
Franklin Income Fund	1.88	5.95	11.16
Washington Mutual Investors	0.69	8.97	10.96
Growth Fund of America	-1.58	15.40	15.16
Federated Max-Cap	-1.47	8.43	11.03
Aim Mid Cap Core Equity Fund	-3.20	7.36	12.37
Columbia Small Cap Z	-4.14	13.72	17.44
EuroPacific Growth A	-0.68	28.36	24.53
Conservative Profile Portfolio	-0.02	5.85	N/A
Moderate Profile Portfolio	-1.08	9.76	N/A
Aggressive Profile Portfolio	-1.96	15.73	N/A
VALIC Fixed Annuity Option	Minimum guaranteed return of 4.5%		

3/31/06		6/30/06	
22,748		22,508	
\$43,292,643	6%	\$45,421,621	6%
\$64,944,791	9%	\$66,850,482	9%
\$75,846,651	11%	\$78,432,342	11%
\$62,805,089	9%	\$64,230,277	9%
\$117,490,918	16%	\$117,538,112	16%
\$57,596,390	8%	\$57,663,705	8%
\$4,250,166	1%	\$4,206,877	1%
\$7,070,918	1%	\$7,119,185	1%
\$8,678,898	1%	\$9,312,972	1%
\$13,299,247	2%	\$15,328,209	2%
\$12,873,008	2%	\$13,094,758	2%
\$11,237,206	2%	\$12,010,444	2%
\$237,931,682	33%	\$244,815,869	33%
\$717,317,606	100%	\$736,024,853	100%

The performance data quoted represents past performance and is not a guarantee or prediction of future results.

Rate of Return = Income dividend interest plus appreciation or depreciation during the period.

Note: The rates of return shown are for funds in which the retirement program participates; returns credited to individual accounts will vary due to timing of contributions and withdrawals. (Parentheses indicate negative return.)

SCHEDULE OF FUNDING PROGRESS IN 000'S

	Actuarial Valuation Date	PSDDRS Plan A	SPRS Plan B	JRS	PERS	TRS	DSRS
Actuarial Value of Assets	June 30, 2005	\$361,390	\$25,297	\$74,757	\$3,404,651	\$1,627,355	\$68,914
	June 30, 2006	\$452,794	\$30,747	\$85,932	\$3,700,186	\$2,174,464	\$77,899
Actuarial Accrued Liability (AAL) Entry Age (B)	June 30, 2005	\$485,429	\$26,050	\$90,528	\$4,074,385	\$6,617,708	\$98,081
	June 30, 2006	\$506,828	\$33,552	\$91,820	\$4,264,700	\$6,877,872	\$103,748
(Over Funded) Unfunded AAL (UAAL)(B-A)	June 30, 2005	\$124,039	\$753	\$15,771	\$669,734	\$4,990,353	\$29,167
	June 30, 2006	\$54,034	\$2,805	\$5,888	\$564,514	\$4,703,408	\$25,849
Funded Ratio (A/B)	June 30, 2005	74.4%	97.1%	82.6%	83.6%	24.6%	70.3%
	June 30, 2006	89.3%	91.6%	93.6%	86.8%	31.6%	75.1%
Covered Payroll (C)	June 30, 2005	\$11,252	\$14,311	\$8,145	\$1,162,098	\$735,614	\$29,837
	June 30, 2006	\$11,128	\$15,870	\$8,029	\$1,159,715	\$759,206	\$31,967
UAAL as a Percentage of Covered Payroll ((B-A)/C)	June 30, 2005	1,102.4%	5.3%	193.6%	57.6%	678.4%	97.8%
	June 30, 2006	485.6%	17.7%	73.3%	48.7%	619.5%	80.9%

SCHEDULE OF CONTRIBUTIONS FROM ERs AND OTHER CONTRIBUTING ENTITIES IN 000's

	Year Ended	PSDDRS Plan A	SPRS Plan B	JRS	PERS	TRS	DSRS
Expected/Required Contributions	June 30, 2005	\$27,953	\$1,487	\$6,758	\$119,082	\$342,800	\$3,449
	June 30, 2006	\$10,567	\$1,719	\$4,713	\$122,020	\$345,215	\$3,608
Percentage Contributed	June 30, 2005	904.90%	114.46%	100.00%	99.71%	102.98%	103.48%
	June 30, 2006	724.46%	105.93%	143.39%	109.49%	191.52%	104.30%

STATEMENT OF PLAN NET ASSETS PENSION FUND TYPES AND BALANCE SHEETS IN 000'S

June 30, 2006	PSDDRS Plan A	SPRS Plan B
Assets		
Cash with State Treasurer	2	
Investments at Fair Value	452,366	30,744
Contributions Receivable	438	
Participant Loans Receivable		
Appropriations Receivable		
Miscellaneous Revenue Receivable		3
Prepaid Expenses		
Total Assets	452,806	30,747
Liabilities and Fund Balance		
Liabilities: Accrued Expenses and Other Payables	12	
Compensated Absences		
Fund Balance		
Total Liabilities and Fund Balance (Deficit)		
Net Assets Held in Trust for Pension Benefits	452,794	30,747

JRS	PERS	TRS	DSRS	TDC	Other (Admin)
	16			4,431	1,944
85,932	3,696,027	2,079,390	77,075	736,012	
	4,293	85,460	510	8,238	
		9,077	241		
		614	78		385
85,932	3,700,336	2,174,541	77,904	748,681	2,329
	150	77	5	385	530
					445
85,932	3,700,186	2,174,464	77,899	748,296	1,354

STATEMENT OF CHANGES IN NET ASSETS PENSION FUNDS YEAR ENDED JUNE 30, 2006 IN 000'S

	PSSDRS Plan A	SPRS Plan B
Additions		
Member Contributions	989	1,874
Employer Contributions	77,630	1,821
Total Contributions	78,619	3,695
Investment Income		
Net Increase in Fair Value of Investment	32,420	2,159
Interest	3,479	249
Net Investment Income	35,899	2,408
Other Income	616	
Fee Received for Administrative Service		
Total Additions, Deductions and Transfers	115,134	6,103
Benefit Expense	23,696	118
Distributions/Refunds of Contributions	(10)	514
Transfers (to) from Plans	3	
Administrative Expenses	41	21
Total Deductions and Transfers	23,730	653
Net Increase	91,404	5,450
Net Assets Held in Trust		
Beginning of Year	361,390	25,297
End of Year	452,794	30,747

JRS	PERS	TRS	DSRS	TDC	Other (Admin)
865	52,248	48,201	2,674	28,459	
6,758	133,594	658,644	3,212	46,331	
7,623	185,842	706,845	5,886	74,790	
6,384	291,030	130,649	5,814	46,288	
704	29,661	16,524	652		
7,088	320,691	147,173	6,466	46,288	
		72,844	550		
					7,097
14,711	506,533	926,862	12,902	121,078	7,097
3,737	199,255	372,687	3,449		
	9,142	3,994	415	17,002	
(207)	(578)	790		(8)	
6	3,179	2,282	53	1,515	6,628
3,536	210,998	379,753	3,917	18,509	6,628
11,175	295,535	547,109	8,985	102,569	469
74,757	3,404,651	1,627,355	68,914	645,727	885
85,932	3,700,186	2,174,464	77,899	748,296	1,354

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

The following portion of the West Virginia Consolidated Public Retirement Board 2006 Annual Report has been submitted by the West Virginia Investment Management Board (WVIMB). WVIMB is the entity that has fiduciary responsibility, by statute, for the prudent investment of the defined benefit pension plans administered by the WVCPRB.

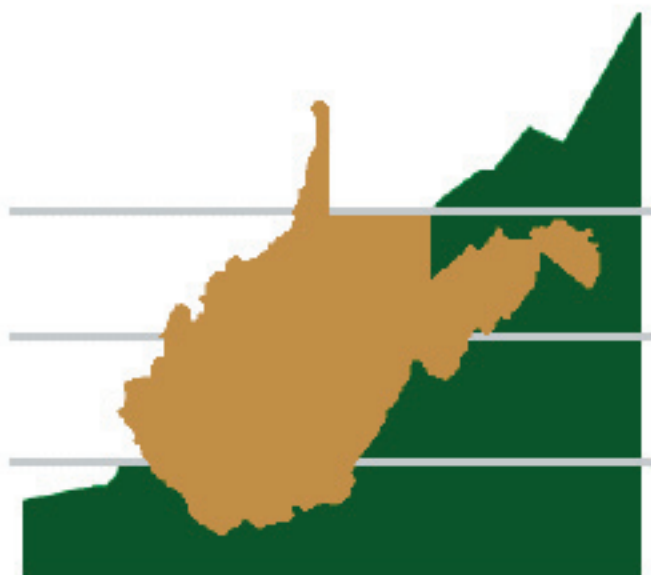
Contact WVIMB for more information concerning plan investment.

H. Craig Slaughter, Executive Director

West Virginia Investment Management Board
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West Virginia Investment Management Board



2006 Annual Report

Death, Disability and Retirement Fund for Deputy Sheriffs

History

The Death, Disability and Retirement Fund for Deputy Sheriffs (Deputy Sheriffs) was created in 1998.

Liquidity Needs

Deputy Sheriffs currently has positive net cash flows.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Preserve the current well-funded position while not subjecting the Deputy Sheriffs to an undue level of risk.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Deputy Sheriffs. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income above)	\$250,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the Death, Disability and Retirement Fund for Deputy Sheriffs.*

Death, Disability and Retirement Fund for Deputy Sheriffs (continued)

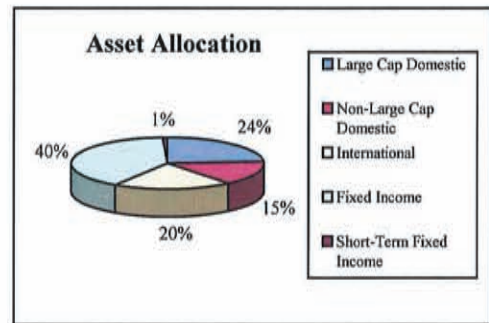
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 68,212
Contributions	5,968
Withdrawals	(3,553)
Net	2,415
Investment income	634
Net unrealized appreciation	5,814
June 30, 2006	\$ 77,075

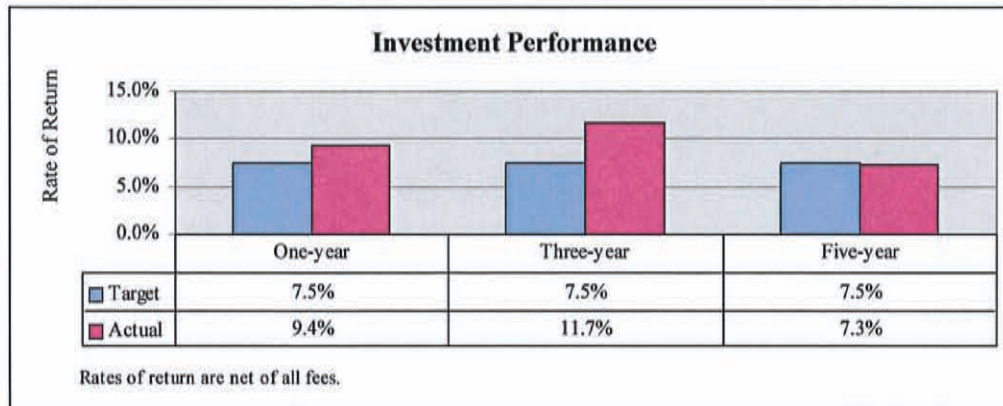
Asset Allocation (in \$000s)

Large Cap Domestic	\$ 18,823	24%
Non-Large Cap Domestic	11,240	15%
International	15,290	20%
Fixed Income	31,171	40%
Short-Term Fixed Income	551	1%
Total	\$ 77,075	100%



Investment Performance

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals.



Judges' Retirement System

History

The Judges' Retirement System (Judges) was created in 1949.

Liquidity Needs

Judges currently has a positive cash flow.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments while not subjecting Judges to an undue level of risk.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for Judges. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income Above)	\$525,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the Judges' Retirement System.*

Judges' Retirement System (continued)

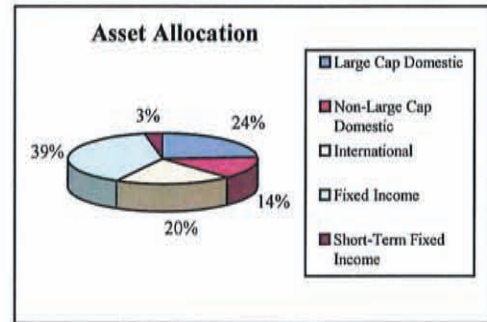
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$	74,757
Contributions		7,873
Withdrawals		(3,786)
Net		<u>4,087</u>
Investment income		704
Net unrealized appreciation		<u>6,384</u>
June 30, 2006	\$	<u><u>85,932</u></u>

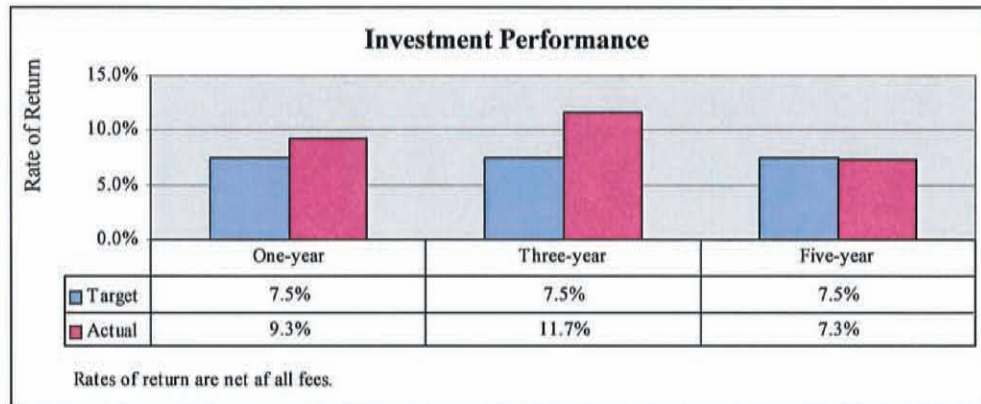
Asset Allocation (in \$000s)

Large Cap Domestic	\$	20,427	24%
Non-Large Cap Domestic		12,286	14%
International		16,747	20%
Fixed Income		33,838	39%
Short-Term Fixed Income		2,634	3%
Total	\$	<u><u>85,932</u></u>	100%



Investment Performance

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals.



Public Employees' Retirement System

History

The Public Employees' Retirement System (PERS) was created in 1961.

Liquidity Needs

PERS is expected to have modest liquidity needs of approximately 1.0 percent to 2.0 percent per year for the foreseeable future.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting PERS to an undue level of risk.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for PERS. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income Above)	\$19,500,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the Public Employees' Retirement System.*

Public Employees' Retirement System (continued)

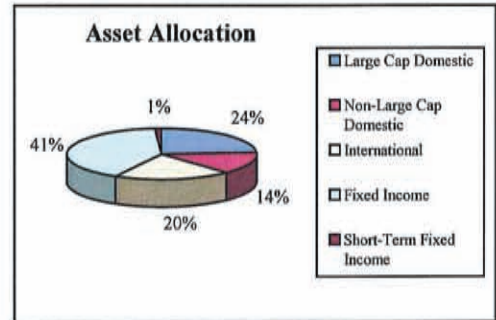
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 3,400,387
Contributions	180,128
Withdrawals	<u>(205,179)</u>
Net	(25,051)
Investment income	29,661
Net unrealized appreciation	<u>291,030</u>
June 30, 2006	<u><u>\$ 3,696,027</u></u>

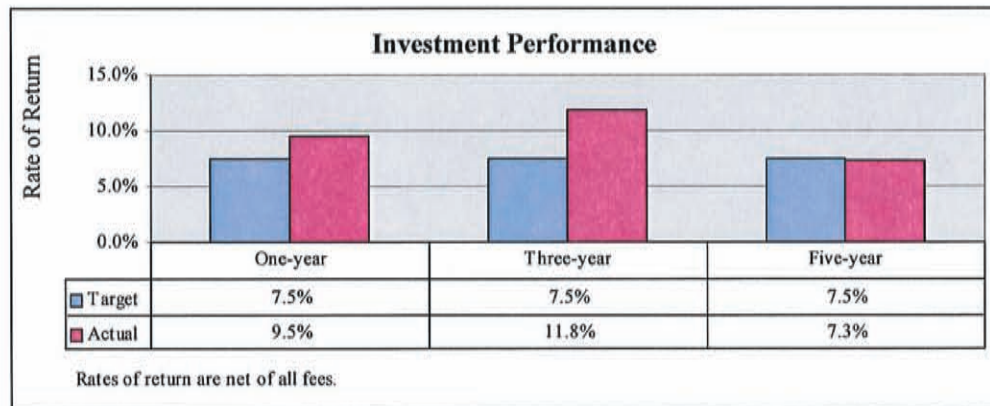
Asset Allocation (in \$000s)

Large Cap Domestic	\$ 903,218	24%
Non-Large Cap Domestic	510,331	14%
International	738,509	20%
Fixed Income	1,520,398	41%
Short-Term Fixed Income	23,571	1%
Total	<u><u>\$ 3,696,027</u></u>	100%



Investment Performance

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals.



Public Safety Death, Disability and Retirement Fund (Plan A)

History

The Public Safety Death, Disability and Retirement Fund (Public Safety) was created in 1925.

Liquidity Needs

Public Safety is expected to experience a modestly positive cash flow position.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments while not subjecting Public Safety to an undue level of risk.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for Public Safety. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income Above)	\$2,000,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the Public Safety Death, Disability and Retirement Fund.*

Public Safety Death, Disability and Retirement Fund (Plan A) (continued)

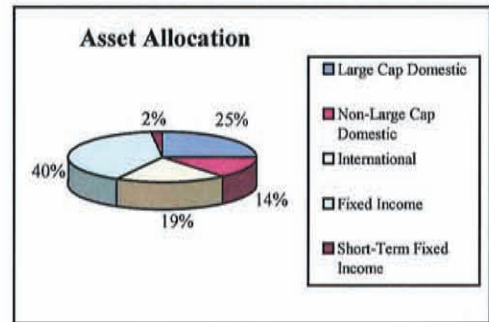
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 361,209
Contributions	79,607
Withdrawals	<u>(24,349)</u>
Net	55,258
Investment income	3,479
Net unrealized appreciation	<u>32,420</u>
June 30, 2006	<u>\$ 452,366</u>

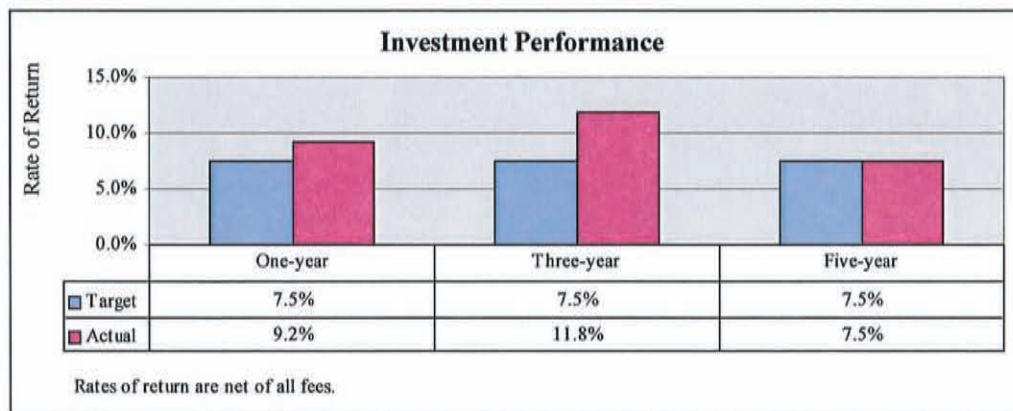
Asset Allocation (in \$000s)

Large Cap Domestic	\$ 113,626	25%
Non-Large Cap Domestic	65,572	14%
International	84,470	19%
Fixed Income	181,560	40%
Short-Term Fixed Income	7,138	2%
Total	<u>\$ 452,366</u>	<u>100%</u>



Investment Performance

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals.



State Police Retirement System (Plan B)

History

The State Police Retirement System (State Police) was created in 1994.

Liquidity Needs

State Police is expected to be in a positive net cash flow position for the foreseeable future.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting State Police to an undue level of risk

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for State Police. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income Above)	\$50,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the State Police Retirement System.*

State Police Retirement System (Plan B) (continued)

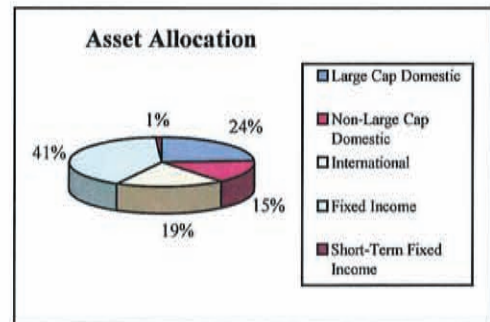
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 25,297
Contributions	3,432
Withdrawals	<u>(393)</u>
Net	3,039
Investment income	249
Net unrealized appreciation	<u>2,159</u>
June 30, 2006	<u><u>\$ 30,744</u></u>

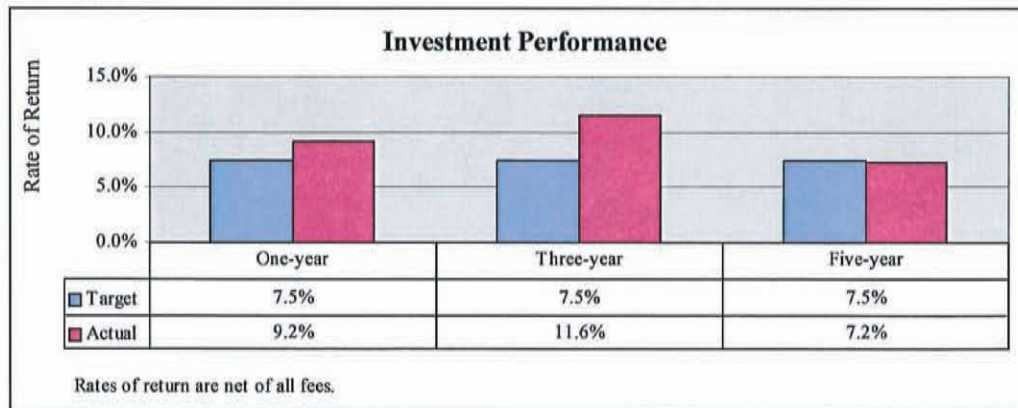
Asset Allocation (in \$000s)

Large Cap Domestic	\$ 7,438	24%
Non-Large Cap Domestic	4,424	15%
International	5,937	19%
Fixed Income	12,519	41%
Short-Term Fixed Income	426	1%
Total	<u>\$ 30,744</u>	<u>100%</u>



Investment Performance

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals.



Teachers' Retirement System

History

The Teachers' Retirement System (TRS) was created in 1941. It was closed to new members in 1991, but reopened to all first-time hires as of July 1, 2005. Employees hired from 1991 through June 30, 2005, joined the Teachers Defined Contribution Plan. Members of the Teachers' Defined Contribution Plan voted in March 2006 to merge into the Teachers' Retirement System effective July 1, 2006. This merger is pending until certain judicial challenges are resolved.

Liquidity Needs

TRS has a very dynamic net cash flow position, which is attributable to: (1) a current positive net cash flow position, and (2) substantial liquidity needs of at least 10 percent per year beginning in plan year 2014.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments while not subjecting TRS to an undue level of risk.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for TRS. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income Above)	\$22,000,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the Teachers' Retirement System.*

Teachers' Retirement System (continued)

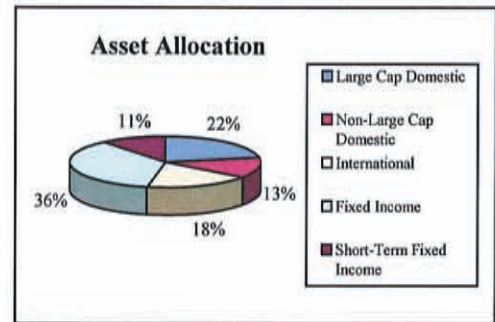
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 1,598,238
Contributions	709,633
Withdrawals	(374,420)
Net	335,213
Investment income	15,290
Net unrealized appreciation	130,649
June 30, 2006	\$ 2,079,390

Asset Allocation (in \$000s)

Large Cap Domestic	\$ 454,302	22%
Non-Large Cap Domestic	272,909	13%
International	367,702	18%
Fixed Income	742,827	36%
Short-Term Fixed Income	241,650	11%
Total	\$ 2,079,390	100%



**Allocation percentages reflect a significant contribution of cash made to the Teachers' Retirement System on June 30, 2006. Target asset allocation levels were met upon investment of these moneys on July 6, 2006.*

Investment Performance

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals.

