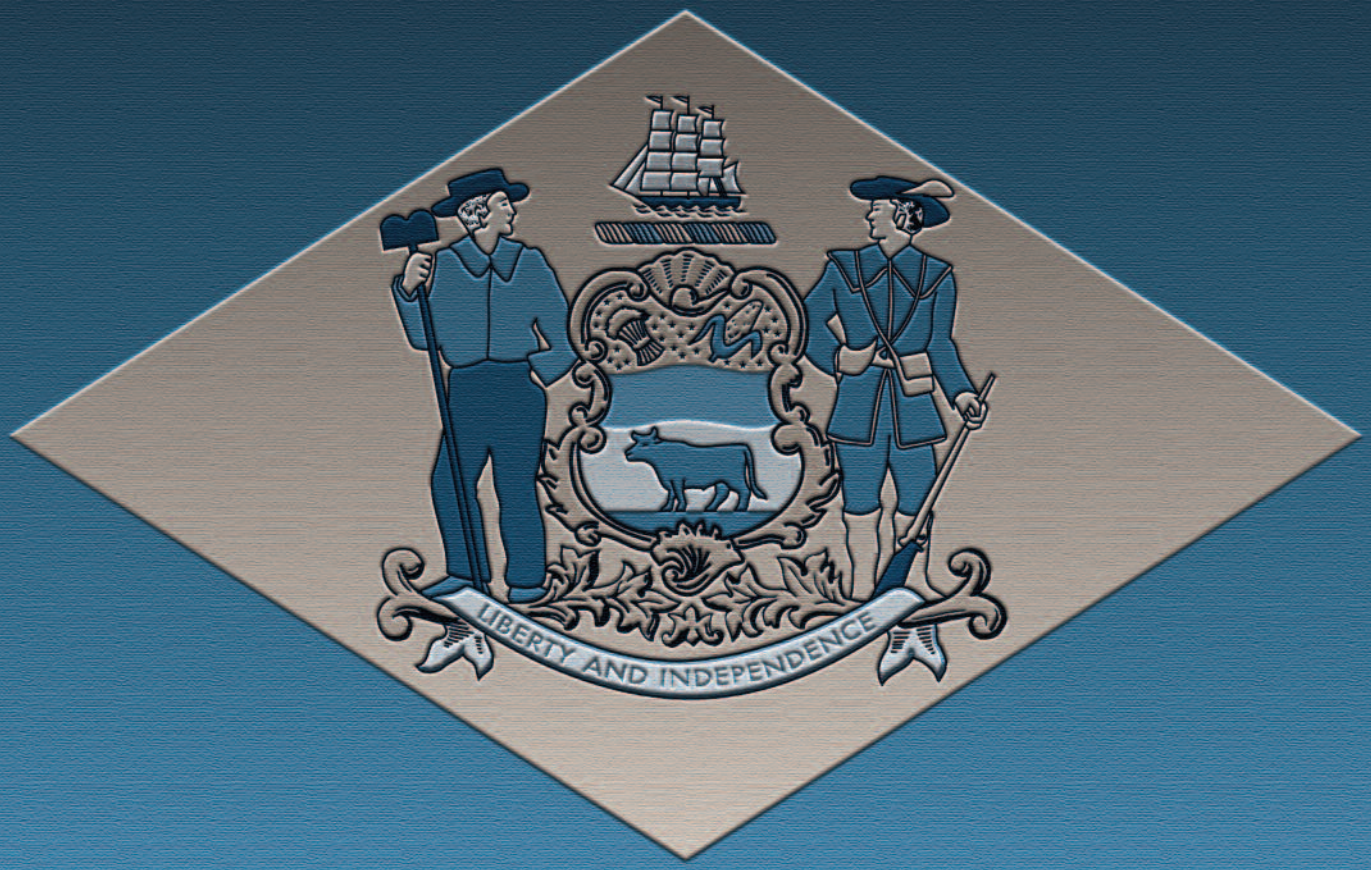

DECEMBER 7, 1787

Delaware Public Employees' Retirement System

— A component unit of the State of Delaware

2015

Forty-Fourth Comprehensive Annual Financial Report

Issuance Date: December 22, 2015

Presented by the DPERS Board of Pension Trustees
For the Fiscal Year Ended June 30

2015

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DECEMBER 7, 1787

Forty-Fourth Comprehensive Annual Financial Report

Presented by the DPERS Board of Pension Trustees and Prepared by the Office of Pensions
Fiscal Year Ended June 30, 2015

State Employees' Pension Plan
Special Fund
New State Police Pension Plan
Judiciary Pension Plans
County & Municipal Police and Firefighters' Plans
County & Municipal Other Employees' Pension Plan
Closed State Police Pension Plan
Diamond State Port Corporation Pension Plan
Delaware Volunteer Firemen's Fund
County & Municipal Police and Firefighters' COLA Fund
Post-Retirement Increase Fund
Delaware Local Government Retirement Investment Pool

2015

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DECEMBER 7, 1787

Introductory Section

Forty-Fourth Comprehensive Annual Financial Report

2015

Delaware Public Employees' Retirement System

— A component unit of the State of Delaware

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Delaware Public Employees' Retirement System

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
OFFICE OF PENSIONS
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December 15, 2015

The Honorable Jack A. Markell
and
Members of the 148th General Assembly

Dear Governor and Members of the General Assembly:

The Board of Pension Trustees for the Delaware Public Employees' Retirement System (DPERS or the System) is proud to present its 44th Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2015.

This report provides information on nine plans [State Employees', Special Fund, New State Police, Judiciary, County & Municipal Police and Firefighters', County & Municipal Other Employees', Delaware Volunteer Firemen's Fund, Diamond State Port Corporation, and Closed State Police] plus three commingled investment funds [County & Municipal Police and Firefighters' COLA (COLA Fund), Post-Retirement Increase (PRI) and Delaware Local Government Retirement Investment Pool (DELRIP)]. Responsibility for both the accuracy of the data and the completeness and fairness of presentation rests with the State Board of Pension Trustees (Board). To the best of our knowledge and belief, the enclosed data are accurate in all material respects and present fairly the System's financial position and operational results for the Fiscal Year ended June 30, 2015.

The Fund's time-weighted return in Fiscal Year 2015 was 3.9% which was 1.5% above the policy benchmark, aided by positive returns for many sectors of the market. Returns continue to exceed the Fund's longer term objectives of providing 3% real returns and to exceed the 7.2% long-term assumed rate of return that is used as a discount rate to value the Fund's liabilities. In fiscal 2015, the Fund's 3.9% return compares with the 7.4% return of the S&P 500 stock index, the (5.3%) return of the MSCI All-Country World ex-USA Index, the 1.9% return of the Barclays Aggregate bond index, and the Delaware Benchmark of 2.4%. Compared to other public funds with assets greater than $5 billion, using the Trust Universe Comparison Service (TUCS) universe, DPERS' performance ranked in the second quartile for the five-year period and the top decile for the ten-year period ending June 30, 2015.

The Honorable Jack A. Markell
and
Members of the 148th General Assembly
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December 15, 2015

Recognizing that there is no shortage of challenges lying ahead for the U.S. and global economies, the Board, along with its Investment Committee and staff, will continue to actively monitor and proactively manage the System in a manner fully consistent with its fiduciary duty to the System's beneficiaries.

The Management's Discussion and Analysis (MD&A), located in the Financial Section of this report, provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The System was established on June 11, 1970, with the incorporation of the State Employees', Judiciary, Closed State Police, and Retired & Disabled Teachers Pension Plans. The State Employees' and the Judiciary Plans were changed to actuarial reserve funding shortly thereafter. The Closed State Police Pension Plan remains a pay-as-you-go plan. Fiscal Year 1994 was the last year the Retired & Disabled Teachers' Pension Plan had members entitled to benefits.

When calendar year 1971 ended, the four pension plans totaled $14.7 million in assets with 2,766 pensioners. The State's contribution was 13.1% of payroll. At the end of Fiscal Year 2015, monies from the nine plans and three pension commingled investment funds totaled $ 9.3 billion. The State's contribution rate for the State Employees' Plan for Fiscal Year 2015 was 9.6% of payroll. Employer rates in the other plans that the Board administers range from 6.5% to 26.5% of covered payroll. Benefit coverage varies by plan as shown on pages 30-33. The majority of beneficiaries' pension benefits are well funded, with a majority of the System's total membership covered by plans with a funded ratio greater than or equal to 90%. The net pension liability of each plan is detailed on page 50.

Governmental Accounting Standards Board (GASB) Accounting

DPERS implemented GASB Statement 67 for the year ending June 30, 2014. Statement 67 replaced the requirements of Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement 50, *Pension Disclosures*. These requirements affect the financial reporting primarily through enhanced note disclosures and schedules of required supplemental information. These statements do not affect the funding requirements for the defined benefit plans, which continue to be calculated based on annual actuarial valuations in conformity with generally accepted actuarial principles and practices with the Actuarial Standards of Practice issued by the Actuarial Standards Board and applicable statutes.

DPERS provided information to participating employers on GASB Statement 68 for the year ending June 30, 2015. Statement 68 amends GASB Statement 27, *Accounting for Pensions by State and Local Government Employers*, by requiring the System to determine and allocate the net pension liability (asset), pension expense, and pension deferred outflows of resources and deferred inflows of resources attributable to each employer in the pension plans. The employers will report these amounts on their respective financial statements beginning with the year ending June 30, 2015.

The Honorable Jack A. Markell
and
Members of the 148th General Assembly
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December 15, 2015

Major Accomplishments

Best Practices – The Board, with the help of its legal counsel and various Committee members, continued its "Best Practices Review" during Fiscal Year 2015. Now in its eleventh year, the process provides the benefit of annually comparing reviews of the System's operations and efficiency with similar public pension funds. Those reviews assist the System in identifying future initiatives. The Board promoted Trustee training opportunities including presentations by the founder of a highly successful private equity firm, the System's independent auditors, and the investment advisor. During Fiscal Year 2015, the Board engaged the services of an independent Risk Manager to provide analysis and recommendations of the System's operating and investment risk. In addition, with the help of outside legal counsel, the Board continued its review of the structure of the System and each of its nine plans as established in the Delaware Code for compliance with the Internal Revenue Code and its rules, regulations, and interpretive opinions. See the Tax Status update in Note 7 to the financial statements on page 46 for more details.

The System also successfully completed a major technology upgrade to its human resources management system.

GFOA Certificate of Achievement – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DPERS for its comprehensive annual financial report (CAFR) for the Fiscal Year ended June 30, 2014. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This is the nineteenth consecutive year that DPERS has received a Certificate of Achievement. DPERS believes that its current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we will submit the Fiscal Year 2015 CAFR to the GFOA to determine its eligibility for another certificate of achievement.

Public Pension Coordinating Council Award – The Public Pension Coordinating Council (PPCC) granted the System the Public Pension Standards Award for 2014. This is the twelfth consecutive year the award has been received. The PPCC is a coalition of National Association of State Retirement Administrators (NASRA), National Council on Teacher Retirement (NCTR), and National Conference on Public Employee Retirement Systems (NCPERS). The major PPCC goal is to promote excellence in plan design and administration among state and local public retirement systems. The Public Pension Standards are intended to reflect minimum expectations for public retirement system management and administration and serve as a benchmark by which all defined benefit public plans should be measured. Public Pension Standards include: comprehensive benefit programs, funding adequacy, receipt of GFOA award in current year, independent actuarial valuation, independent audit review resulting in an unqualified opinion from the auditor, independent investment performance evaluation, adoption of written fiduciary standards by Board and Investment Committee, and communications with membership.

Investments and Economic Climate

The System's investment activity is governed by the "prudent person rule," a fiduciary standard which applies to anyone with System authority. Fiduciaries must discharge their duties solely in the interests of System participants and beneficiaries and with the degree of diligence, care and skill which prudent people would ordinarily exercise under similar circumstances.

The System continues to manage its investments by focusing on risk control and diversification. For a further discussion of portfolio diversification and investment strategy, see the Investment Section beginning on page 61 of this report.

System investments are managed to control the downside risk to which assets are exposed, while maximizing long-term gain potential. This strategy positions the System to limit the impact of adverse market conditions. During the year, a reduction in international equity exposure boosted performance as corporate earnings remained strong for domestic companies, while earnings of European and developing country companies weakened.

The Board's investment policy is summarized on pages 40-41. Investment objectives are outlined in the investment policy established by the Board, including the appropriate degree of risk. Investment managers are hired to execute the investment policy and have discretion for investment decisions within statutory authority, Board policy, and their respective guidelines. A list of the investment managers under contract with the System as of June 30, 2015, may be found on page 72 of this report. A summary of the total System's asset allocation can be found on page 71.

The System's investments had a 3.9% time-weighted return in Fiscal Year 2015. The System's annualized total returns for the last five, ten, and fifteen years are 11.4%, 7.9% and 6.4%, respectively. Relative to other large public pension funds, the System's performance ranks in the second quartile of the Trust Universe Comparison Service (TUCS) universe for the five-year period and the top decile for the ten-year period ending June 30, 2015.

Funding Status

A pension plan is well funded when it has sufficient assets invested to meet all expected future obligations to participants. The greater the level of funding, the larger the ratio of assets to the net pension liability. Seven of the plans/funds included in the System – the State Employees', New State Police, Judiciary, County & Municipal Police & Firefighters' Plan, County & Municipal Other Employees' Plan, Diamond State Port Corporation, and Special Fund – have funded ratios greater than or equal to 90% of the net pension liability. The remaining plan is making annual contributions at the actuarially determined rate to reach full funding and the Closed State Police Pension Plan remains a pay-as-you-go plan.

Internal Controls

System internal accounting controls are designed to reasonably assure the safekeeping of assets and the reliability of financial reporting. The concept of reasonable assurance recognizes that first, the cost of a control should not exceed the benefits likely to be derived, and second, the valuation of costs and benefits requires estimates and judgments by management. Control procedures and responsibilities are well documented both in writing and with graphic flowcharts. These are reviewed and updated annually. The Audit Committee, a committee appointed by the Board, monitors operations and controls throughout the year. An independent auditing firm audits the System's basic financial statements annually and reports any findings to the Audit Committee and the Board.

Professional Services

The Board appoints professional consultants to perform ongoing services essential to the effective and efficient operation of the System. An opinion on the System's basic financial statements from the independent auditors, KPMG LLP, is included in the Financial Section of this report. The Northern Trust Company is the global custodian for the System. Cheiron, Inc. performs the actuarial valuations for the System and advises the Board on funding matters. The System's Investment Advisor, Ashford Consulting Group, provides the Board and the Investment Committee with periodic investment performance updates, ongoing market insights, asset allocation recommendations, investment manager research, manager recommendations, performance and attribution analysis, and additional investment-related services. TBV Advisors provides analysis of the System's operational and investment risk. Financial Recovery Technologies provides securities litigation monitoring to the System. The System has engaged several law firms to assist in specific areas: Ice Miller acts as tax counsel to the System and Chapman and Cutler LLP, Morgan, Lewis & Bockius LLP and Reinhart Boerner VanDeuren s.c. provide advice related to investment documentation and regulatory matters. In addition, Aon Hewitt is engaged in a Fiduciary/Best Practices review of DPERS' policies and procedures.

Acknowledgments

The Board thanks the many people who work so diligently to assure the successful operation and financial soundness of the Delaware Public Employees' Retirement System. These include the Pension Office staff; the Director of the Office of Management & Budget, who provides administrative supervision to the Pension Office; other State support personnel; professional consultants; members of the Investment and Audit Committees; and the Pension Advisory Council.

The System relies on many dedicated volunteers who bring their experience and expertise and often spend countless hours serving on committees as well as task forces for special projects. One of our most valuable such members has been Philip S. Reese. Mr. Reese spent eight years as Board Chair and nearly twelve years as a member of the Investment Committee. He provided important structural and procedural changes to the System's processes as well as insightful advice on Board Investments and policy. On behalf of the Board, we are extremely grateful to Mr. Reese who completed his terms of service at the end of June.

The Honorable Jack A. Markell
and
Members of the 148th General Assembly
Page 6
December 15, 2015

Acknowledgments (continued)

The Board also recognizes and appreciates the years of service provided by the members of the Medical Committee. The Committee members carefully reviewed medical histories of applicants for disability pensions since the System was established in 1971. Their personal commitment to the well-being of System retirees and annual reports to the Board were highly valued. Effective January 2015, these services are being performed by the State's insurance carrier.

I am honored to work with a very fine Board and its Investment and Audit Committees. We appreciate the ongoing support of both the Executive and Legislative branches of our state government, the Director of the Office of Management and Budget, the Executive Director and the Pension Office Staff, Deputy Attorney General, other state support personnel, our investment advisors and managers, professional consultants and the Pension Advisory Council. This remarkable team works tirelessly to produce one of the best managed pension funds in the country. Operationally we compare favorably or very favorably with other public funds across a host of measures. Moreover, The System ranks in the second quartile for the five-year period and in the top decile for the ten-year period ending June 30, 2015, in investment performance for public funds in excess of $5 billion in assets by the Trust Universe Comparison Service (TUCS). I look forward to continuing the longstanding working relationship with these various entities.

On behalf of our Board, I wish the State, the wider DPERS team and all of our beneficiaries only the very best going forward.

Respectfully submitted,

Suzanne B. Grant, Chair
Board of Pension Trustees

Board of Pension Trustees, Board Committees, & Professional Consultants

Board of Pension Trustees

Suzanne B. Grant, Chair
Former Senior Vice President
Salomon Smith Barney, Consulting Group

Arturo F. Agra
Vice President of Strategic Planning
Pepco Holdings Inc.

Thomas S. Shaw
Former Executive Vice President and Chief Operating Officer
Pepco Holdings Inc.

Nancy J. Shevock
Former Director
Delaware Transit Corporation

Helen R. Foster, J.D.
Consultant

Ex-Officio Board Members

Thomas J. Cook
State Secretary of Finance

Ann S. Visalli
Director, Office of Management & Budget

Executive Secretary to the Board and Pension Administrator

David C. Craik

Legal Counsel

Ann Marie Johnson, Esq.
Deputy Attorney General

Investment Committee

George J. Saxon, Chair
Suzanne B. Grant
Clark Phippen
Philip S. Reese
Nancy J. Shevock
Mark E. Stalnecker
A. Dale Stratton

Audit Committee

Arturo F. Agra, Chair
James A. Burke
Araya Debessay, Ph.D.
Mark Finfrock
Helen R. Foster, J.D.
Robert L. Paretta, Ph.D., CPA
Stephen D. Ritchie, CPA

Pension Advisory Council

Joseph Malloy, Chair
Firefighter, City of Wilmington

Consulting Actuary

Cheiron, Inc.

Investment Advisor

Ashford Consulting Group, Inc.

Risk Advisor

TBV Advisors, LLC

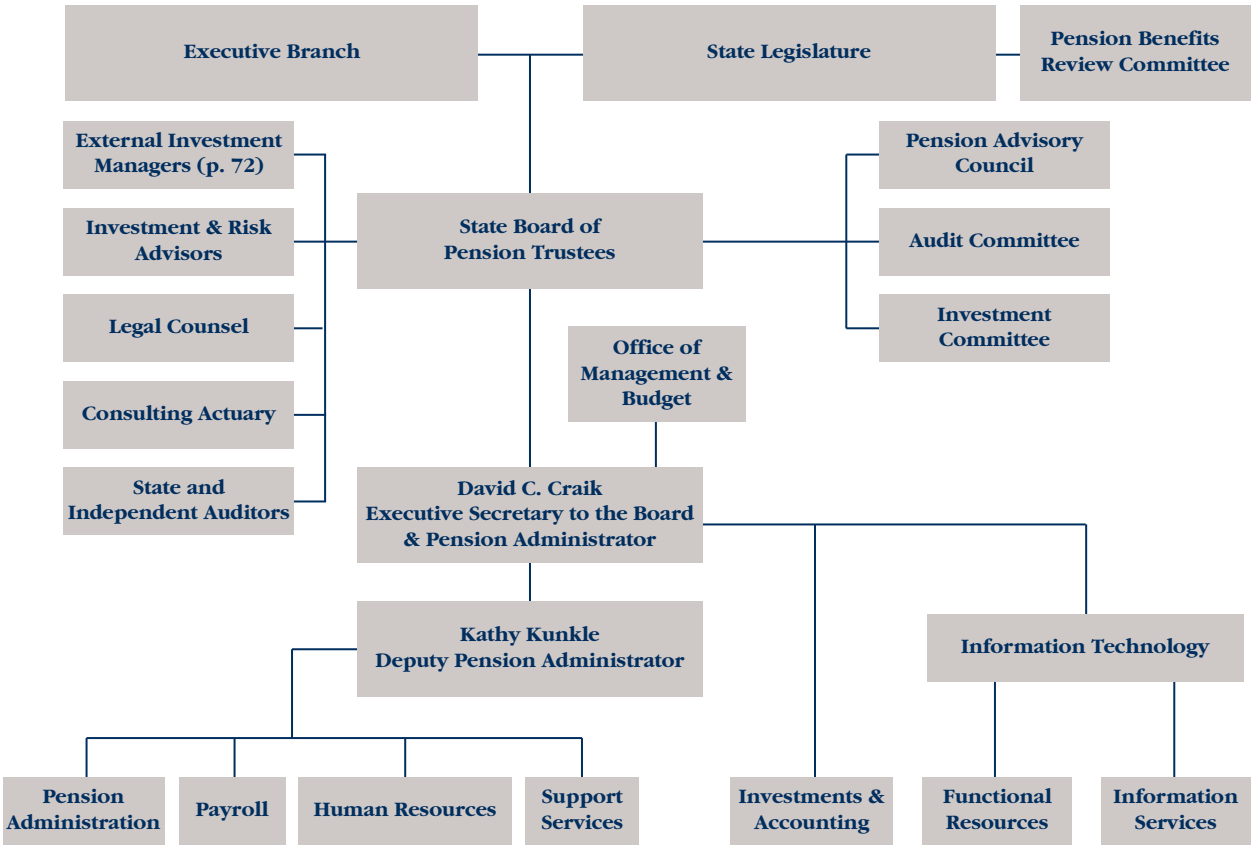
Independent Auditors

KPMG LLP

Global Custody Bank

Northern Trust Co.

Organizational Chart



Management Team:

Investments & Accounting: (vacant), *Pension Cash/Debt Manager*

Information Technology: John McCartney, *Informational Systems Manager*

Functional Resources: Robin Hartnett-Sterner, *Strategic Information Systems Manager*

Information Services - Systems: Robert Eckstine, *Strategic Information Systems Project Leader*

Pension Administration: Mary Wood, *Human Resource Specialist V*

Support Services: Terri L. Timmons, *Office Manager*

Payroll: Amy Cole, *Human Resource Specialist IV*

Human Resources: Lisa Callaway, *Human Resource Specialist IV*

Highlights of Board Activities

The Board of Pension Trustees (Board) – comprised of five members appointed by the Governor and confirmed by the Senate, and two ex-officio members – is responsible for the general administration of these plans/funds:

- State Employees' Pension Plan
- Special Fund
- New State Police Pension Plan
- Judiciary Pension Plans (Closed and Revised)
- County & Municipal Police and Firefighters' Pension Plans
- County & Municipal Other Employees' Pension Plan
- Diamond State Port Corporation Pension Plan
- Closed State Police Pension Plan
- Delaware Volunteer Firemen's Fund.

The following retirement funds/plans have been established under the custody of the Board for investment purposes only:

- County & Municipal Police and Firefighters' COLA Fund
- Post-Retirement Increase Fund
- Delaware Local Government Retirement Investment Pool.

In addition to its general administrative responsibilities, the Board is responsible for these specific functions:

- Maintain and oversee the investment of the Delaware Public Employees' Retirement System (System) and the Delaware OPEB Fund Trust (OPEB)
- Appoint an independent actuary to perform annual actuarial valuations used as the basis for contributions to the System
- Control and manage State pension payments
- Hear appeals from State Pension Office decisions regarding eligibility for pension benefits
- Adopt rules and regulations for the general administration of State pension plans
- Prepare and publish an annual report to the Governor and General Assembly
- To contract with State agencies and others for assistance in the general administration and the investing or advising as to the investment of pension system and OPEB assets
- Determine interest rates to be credited to members' contributions and rates to be charged on repayment of contributions previously withdrawn.

The day-to-day administration of these plans/funds is performed by the State Pension Office, which also determines the eligibility of individual employees for pension benefits. The Pension Administrator reports to the Director of the Office of Management and Budget and also serves as Executive Secretary to the Board.

The seven-person Audit Committee of the Board monitors operations and internal controls throughout the year to identify issues requiring Board and Pension Office action. They are responsible for interfacing with the Delaware Auditor of Accounts and the independent auditing firm to assure System compliance with generally accepted accounting principles and practices.

Highlights of Board Activities (continued)

The Investment Committee of the Board is currently comprised of seven members. This Committee operates within the investment guidelines established by the Board. The Committee establishes policies to meet these objectives and monitors these policies with the assistance of the Investment Advisor. The Committee also reviews prospective risk levels and rates of return of all classes of assets. Hence, the Committee assures investment diversification by selecting managers who demonstrate different management styles and asset class expertise. Most importantly, the Committee closely monitors 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. Further discussion of the Investment Committee's activities may be found in the Investment Section of this report beginning on page 61.

The Board retains Ashford Consulting Group, Inc., as investment advisor for the System. Ashford provides a variety of services to the System including: investment manager and custody contract negotiations, investment manager searches, performance analysis/attribution, and investment policy and asset allocation recommendations. The firm is prohibited by contract terms from managing any of the System's assets. A list of investment managers under contract with the System as of June 30, 2015, may be found on page 72 of this report.

The Board retains the firm of Cheiron, Inc., to provide professional actuarial and consulting services. Such services include the preparation of comprehensive actuarial valuations and reports, analysis of the costs and other aspects of proposed changes in pension provisions, general consulting advice, and background information on other public pension plans.

The Board also retains TBV Advisors, LLC, to provide risk assessment consulting services. TBV reports to the Board and its Committees the inherent and control risks in the System's operations and investments.

The Department of Justice assigns a Deputy Attorney General to serve as general counsel to the Board. The Deputy deals with legal questions involving interpretation and administration of pension laws, advises the Board in connection with appeals hearings, works with the Board on drafting legislation and regulations, and negotiates contracts.

The major activities of the Board and its committees during the 12-month period July 2014 through June 2015 were:

- As part of its continuing best practices review, continued to retain additional outside counsel to ensure full compliance with the IRS Code. Outside counsel was also retained for the purpose of drafting and reviewing alternative investment contracts.
- Held regular monthly meetings and met with representatives of investment management firms and the custodial bank on a regular basis
- Held hearings for individual plan members who appealed decisions of the Pension Office, including eligibility of individual employees for disability pension benefits, or questioned the Board's interpretation of State pension laws
- Participated in meetings with the Governor's staff, members of the General Assembly, officials of State agencies and school districts, the Pension Advisory Council, representatives of employee organizations, and other interested parties.

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2014

Presented to

Delaware Public Employees' Retirement System

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

Presented by the Public Pension Coordinating Council, a confederation of

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

Alan H. Winkle
Program Administrator

2015 Legislation Affecting Pensions

Senate Bill 50 (80 Del. Laws,C132)	Expands the definition of a correctional officer in the State Employees' Pension Plan.
Senate Bill 53 (80 Del. Laws, C180)	Allows the withdrawal of a volunteer fire company or ladies auxiliary in the Volunteer Firemen's Length of Service Award Plan from the plan, outlines the process and required withdrawal liability payment.
House Substitute 1 for House Bill 225 (80 Del. Laws, C79)	Section 72 of the Appropriation Act reverts $7 million in excess of the post-retirement increases requirement from the County & Municipal COLA Fund to the State's General Fund for Fiscal Year 2016.

DECEMBER 7, 1787

Financial Section

Forty-Fourth Comprehensive Annual Financial Report

2015

Delaware Public Employees' Retirement System

— A component unit of the State of Delaware

KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

Members of the Board of Pension Trustees
Delaware Public Employees' Retirement System:

Report on the Financial Statements

We have audited the financial statements of the Delaware Public Employees' Retirement System (the System), a component unit of the State of Delaware, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Delaware Public Employees' Retirement System as of June 30, 2015, and the changes in its fiduciary net position for the year then ended in conformity with U.S. generally accepted accounting principles.

KPMG LLP, is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

Other Matters-

Prior-Year Comparative Information: We have previously audited the System's 2014 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 19, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information: U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 20-23 and the Schedule of Changes in Net Pension Liability, Schedule of Employer Contributions, and the Schedule of Net Pension Liability, and Schedule of Investment Return on pages 48-53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information: Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The Schedule of Administrative Expenses, Schedule of Investment Expenses and the Schedule of Fiduciary Net Position and Changes in Fiduciary Net Position of the Delaware Local Government Retirement Investment Pool (the Schedules) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory, Investment, Actuarial and Statistical sections as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

KPMG LLP

Philadelphia, Pennsylvania
December 15, 2015

KPMG LLP, is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

Management's Discussion and Analysis

This section presents management's discussion and analysis of the Delaware Public Employees' Retirement System's (System) financial performance and provides an overview of the System's financial activities for the Fiscal Year ended June 30, 2015. It is intended to be a narrative supplement to the System's financial statements, which begin on page 24 of this report.

Financial Highlights

The following financial highlights occurred during the Fiscal Year ended June 30, 2015, versus Fiscal Year 2014:

- Plan net position of all the funds administered by the System increased by $66.3 million.
- Fiscal Year 2015 covered payrolls totaled $2,044.2 million. Employer contributions increased 2.8% while Member contributions increased 5.3%. Employer contributions increased primarily due to the employers meeting the increased actuarial annual required contributions driven by anticipated future benefits, and investment returns. Member contributions were higher primarily due to an increase in covered payroll and a member contribution rate increase from 3% to 5% of earnings for all employees hired after January 1, 2012, under the State Employees' Plan.
- Net investment earnings (net increase/(decrease) in fair value, plus investment earnings, less investment-related expenses) decreased by $1,045.9 million as a result of a lower market driven investment return of 3.9% in Fiscal Year 2015.
- Transfer of Contributions from PRI Fund increased by 21.6% due to recent post-retirement increases granted by legislation.
- Pension benefits paid to retirees and beneficiaries increased $31.4 million bringing the total benefit payments to $575.8 million.
- Administrative expenses (including special project expenses) increased by 40.1%. The increase is largely due to a computer system upgrade completed during the fiscal year.

Using this Financial Report

The System's 2015 Financial Statements, Notes to the Financial Statements and Required Supplementary Information (RSI) were prepared in conformity with GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25.* This financial report consists of two basic financial statements as follows:

- The *Statement of Fiduciary Net Position* which reports the pension trust funds' assets, liabilities, and resulting net position where Assets – Liabilities = Net Position held in trust for pension benefits available at the end of the fiscal year. It is a snapshot of the financial position of the pension trust funds at that specific point in time.
- The *Statement of Changes in Fiduciary Net Position* summarizes the pension trust funds' financial transactions that have occurred during the fiscal year where Additions – Deductions = Net Change in Net Position. It supports the change that has occurred to the prior year's net position on the *Statement of Fiduciary Net Position.*

Because of the long-term nature of a defined benefit pension plan, the basic financial statements alone cannot provide sufficient information to properly reflect the System's ongoing plan perspective. The *Required Supplementary Information* includes four required schedules of historical trend information as follows:

The Schedule of Changes in Net Pension Liability (pages 48-49) presents sources of changes in the net pension liability. The Schedule of Net Pension Liability (page 50) includes historical information about the components of the net pension liability and related ratios, including fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percentage of covered-employee payroll.

The Schedule of Employer Contributions (pages 51-53) includes information about the actuarially determined contribution, contributions to the pension plan, and related ratios. Additionally, significant methods and assumptions used in calculating the actuarially determined contributions are presented in the notes to required supplementary information.

The Schedule of Investment Returns (page 53) includes the annual money-weighted rate of return on pension plan investments for each year.

Rates of Return on Investments

The System has elected to disclose both the money-weighted and time-weighted rates of return. The money-weighted rate of return is disclosed, by plan, in the notes to the financial statements (Note 6 – Deposits and Investments) and in the required supplementary information (Schedule of Investment Returns). The time-weighted rate of return is disclosed in the Introductory Section and Investment Section of this report.

A money-weighted rate of return provides information about the actual performance of a pension plan's investment portfolio because it takes into account the effects of transactions that increase the amount of pension plan investments (such as contributions) and those that decrease the amount of pension plan investments (such as benefit payments). Additionally, the money-weighted rate of return provides information that is comparable with the long-term expected rate of return on pension plan investments, which is used in calculating information presented in the financial section of this report.

In contrast, a time-weighted rate of return considers investment performance of a hypothetical dollar invested from the beginning of an investment period to the period's end. The time-weighted rate of return does not consider the effect of varying amounts invested due to, for example, the receipt of contributions or the payment of benefits. A time-weighted rate of return communicates information that is suitable for comparisons to relevant benchmark rates, provides information to assess investment manager performance, and provides comparability among pension plans and investment managers.

Summary Statement of Fiduciary Net Position

(dollar values expressed in thousands)

Fiscal Years Ended June 30,	2015	2014	Increase/ (Decrease) Amount	Increase/ (Decrease) Percent
Cash and Investments at Fair Value	$ 9,292,722	$ 9,231,673	$ 61,049	1%
Receivables	78,853	57,635	21,218	37%
Total Assets	$ 9,371,575	$ 9,289,308	$ 82,267	1%
Total Liabilities	$ 65,449	$ 49,476	$ 15,973	32%
Total Net Position	$ 9,306,126	$ 9,239,832	$ 66,294	1%

Summary Statement of Changes in Fiduciary Net Position

(dollar values expressed in thousands)

Fiscal Years Ended June 30,	2015	2014	Increase/ (Decrease) Amount	Increase/ (Decrease) Percent
Additions:				
Employer Contributions	$ 262,280	$ 255,067	$ 7,213	3%
Transfer of Contributions from PRI Fund	33,493	27,536	5,957	22%
Transfer of Assets from Outside the System	2,999	2,938	61	2%
Member Contributions	66,365	63,019	3,346	5%
Other	12	31	(19)	(61%)
Net Investment Earnings (Losses)	330,601	1,376,463	(1,045,862)	(76%)
Net Securities Lending Income	593	365	228	62%
TOTAL ADDITIONS	$ 696,343	$ 1,725,419	$ (1,029,076)	(60%)
Deductions:				
Transfer of Contributions from PRI Fund	33,493	27,536	5,957	22%
Transfer of Assets Outside the System	2,427	1,137	1,290	114%
Pension Payments	575,768	544,395	31,373	6%
Refunds of Contributions to Members	5,498	3,980	1,518	38%
Burial Benefit Payments	4,988	5,328	(340)	(6%)
Administrative Expenses:				
General Administrative Expenses	5,917	5,488	429	8%
Best Practices Review	1,958	134	1,824	1,361%
Total Administrative Expenses	$ 7,875	$ 5,622	$ 2,253	40%
TOTAL DEDUCTIONS	$ 630,049	$ 587,998	$ 42,051	7%
INCREASE/(DECREASE) IN NET POSITION	$ 66,294	$ 1,137,421	$ (1,071,127)	(94%)

Analysis of Fiduciary Net Position

The System was created to provide retirement, survivor, and disability benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments as designated by the various plans, refunds of member contributions to terminated employees, and the cost of administering the System. Combined Fiduciary net position increased by $66.3 million during Fiscal Year 2015. The year's investment return of 3.9% or $330.6 million in investment earnings and employer contributions of $262 million are the primary reasons for this year's increase in total plan net position. These increases were offset by benefit payments and administration expenses of $583.6 million.

Employer contributions increased approximately $7.2 million and Member contributions increased by approximately $3.3 million. Employer contributions increased primarily due to an increase in the contributions to the Post-Retirement Increase Fund. Transfers from the Post-Retirement Increase Fund (PRI) increased by approximately $6.0 million reflecting an increase in previously granted increases in retiree benefits.

Pension benefit payments increased by approximately 5.8% as a result of 1,665 new retirees during Fiscal Year 2015. Transfers of Assets Outside the System include transfers from the County & Municipal Police and Firefighters' COLA Fund (COLA Fund) to individual participating entities. This fund invests non-pension contributions designated for distribution to pension plans outside the System that meet certain program criteria.

Administrative expenses (including special project expenses) increased by 40.1%. The increase is largely due to a computer system upgrade completed during the fiscal year ended June 30, 2015.

Combining Statement of Fiduciary Net Position

as of June 30, 2015 with Comparative Totals for June 30, 2014

(expressed in thousands)

	State Employees' Plan	Special Fund	New State Police Plan	Judiciary Pension Plans	County & Municipal Police and Firefighters' Plans	County & Municipal Other Employees' Plan
Assets:						
Cash & Cash Equivalents	$ 539,127	$ 17	$ 25,078	$ 4,808	$ 17,493	$ 2,421
Receivables:						
Accrued Investment Income	13,333	1	481	101	262	34
Pending Trade Sales	44,955	1	2,094	402	1,455	202
Employer Contributions	7,928	-	473	96	942	155
Member Contributions	2,789	-	178	12	391	70
Total Receivables:	$ 69,005	$ 2	$ 3,226	$ 611	$ 3,050	$ 461
Investments at Fair Value:						
Domestic Fixed Income	361,910	12	16,861	3,234	11,715	1,622
Domestic Equities	2,143,282	69	99,855	19,156	69,380	9,603
Pooled Equity & Fixed Income	2,753,269	89	128,273	24,606	89,126	12,337
Alternative Investments	1,869,194	60	87,085	16,705	60,507	8,375
Foreign Fixed Income	154,376	5	7,192	1,380	4,997	692
Foreign Equities	578,454	19	26,950	5,170	18,725	2,592
Total Investments:	$ 7,860,485	$ 254	$ 366,216	$ 70,251	$ 254,450	$ 35,221
TOTAL ASSETS:	$ 8,468,617	$ 273	$ 394,520	$ 75,670	$ 274,993	$ 38,103
Liabilities:						
Pending Purchases Payable	53,194	2	2,477	475	1,722	238
Benefits Payable	993	4	94	-	-	-
Accrued Investment Expenses	4,899	-	227	44	158	23
Accrued Administrative Expenses	195	-	3	-	4	2
TOTAL LIABILITIES:	$ 59,281	$ 6	$ 2,801	$ 519	$ 1,884	$ 263
NET POSITION - RESTRICTED FOR PENSION BENEFITS:	$ 8,409,336	$ 267	$ 391,719	$ 75,151	$ 273,109	$ 37,840

The notes to the financial statements are an integral part of this Statement.

Delaware Volunteer Firemen's Fund	Diamond State Port Corporation Plan	County & Municipal Police and Firefighters' COLA Fund	Post-Retirement Increase Fund	Delaware Local Gov't Retirement Investment Pool	Closed State Police Plan	Totals as of June 30, 2015	Totals as of June 30, 2014
$ 36	$ 1,692	$ 837	$ 417	$ 3,298	$ 175	$ 595,399	$ 584,460
-	30	4	3	69	1	14,319	15,042
-	141	69	31	276	14	49,640	28,550
-	71	-	1,773	-	-	11,438	10,869
-	16	-	-	-	-	3,456	3,174
$ -	$ 258	$ 73	$ 1,807	$ 345	$ 15	$ 78,853	$ 57,635
-	1,136	555	246	2,221	114	399,626	329,594
-	6,727	3,288	1,459	13,153	678	2,366,650	2,048,751
17,640	8,642	4,223	1,876	16,898	870	3,057,849	3,214,389
-	5,867	2,867	1,273	11,470	591	2,063,994	1,754,787
-	485	237	105	947	49	170,465	189,032
-	1,816	887	394	3,549	183	638,739	1,110,660
$ 17,640	$24,673	$12,057	$ 5,353	$ 48,238	$ 2,485	$ 8,697,323	$ 8,647,213
$ 17,676	$26,623	$12,967	$ 7,577	$ 51,881	$ 2,675	$ 9,371,575	$ 9,289,308
-	167	81	36	326	17	58,735	42,668
5	1	-	-	-	-	1,097	1,325
-	15	7	4	31	2	5,410	5,200
-	1	-	-	-	2	207	283
$ 5	$ 184	$ 88	$ 40	$ 357	$ 21	$ 65,449	$ 49,476
$ 17,671	$26,439	$12,879	$ 7,537	$ 51,524	$ 2,654	$ 9,306,126	$ 9,239,832

Combining Statement of Changes in Fiduciary Net Position

for the fiscal year ended June 30, 2015 with Comparative Totals for June 30, 2014

(expressed in thousands)

	State Employees' Plan	Special Fund	New State Police Plan	Judiciary Pension Plans	County & Municipal Police and Firefighters' Plans	County & Municipal Other Employees' Plan
Additions:						
Contributions:						
Employer Contributions	$ 178,293	$ -	$ 10,730	$ 2,640	$ 10,067	$ 1,921
Transfer of Contributions from PRI Fund	32,654	-	639	200	-	-
Transfer of Assets from Outside the System	-	-	-	-	-	-
Member Contributions	55,782	-	4,121	327	4,980	757
Other	-	-	12	-	-	-
Total Contributions:	$ 266,729	$ -	$ 15,502	$ 3,167	$ 15,047	$ 2,678
Investments:						
Investment Income	119,958	4	5,474	1,061	3,744	516
Net Appreciation (Depreciation) in Fair Value	203,431	7	9,320	1,803	6,387	881
Total Investment Income/(Loss):	$ 323,389	$ 11	$ 14,794	$ 2,864	$ 10,131	$ 1,397
Less Investment Manager/Advisor Fees	(23,582)	(1)	(1,083)	(209)	(744)	(103)
Less Investment Administrative Expenses	(520)	-	(7)	(1)	(10)	(5)
Net Investment Earnings/(Loss):	$ 299,287	$ 10	$ 13,704	$ 2,654	$ 9,377	$ 1,289
Securities Lending Income	633	-	29	6	20	2
Less Bank Fees	(95)	-	(4)	(1)	(3)	-
Securities Lending Expense:	(95)	-	(4)	(1)	(3)	-
Net Securities Lending Income:	$ 538	-	25	5	17	2
TOTAL ADDITIONS	$ 566,554	$ 10	$ 29,231	$ 5,826	$ 24,441	$ 3,969
Deductions:						
Transfer of Contributions from PRI Fund	-	-	-	-	-	-
Transfer of Assets Outside the System	-	-	-	-	-	-
Pension Payments	529,576	42	12,173	3,985	3,714	658
Refunds of Contributions to Members	5,168	-	15	-	112	64
Burial Benefit Payments	4,886	4	0	-	-	-
Administrative Expenses	7,353	1	113	15	168	95
TOTAL DEDUCTIONS	$ 546,983	$ 47	$ 12,301	$ 4,000	$ 3,994	$ 817
NET INCREASE (DECREASE)	$ 19,571	$ (37)	$ 16,930	$ 1,826	$ 20,447	$ 3,152
NET POSITION - RESTRICTED FOR PENSION BENEFITS:						
BALANCE BEGINNING OF YEAR	$ 8,389,765	$ 304	$ 374,789	$ 73,325	$ 252,662	$ 34,688
BALANCE END OF YEAR	$ 8,409,336	$ 267	$ 391,719	$ 75,151	$ 273,109	$ 37,840

The notes to the financial statements are an integral part of this Statement.

Delaware Volunteer Firemen's Fund	Diamond State Port Corporation Plan	County & Municipal Police and Firefighters' COLA Fund	Post-Retirement Increase Fund	Delaware Local Gov't Retirement Investment Pool	Closed State Police Plan	Totals as of June 30, 2015	Totals as of June 30, 2014
$ 1,668	$ 1,052	$ -	$ 32,436	$ -	$ 23,473	$ 262,280	$ 255,067
-	-	-	-	-	-	33,493	27,536
-	-	2,999	-	-	-	2,999	2,938
164	234	-	-	-	-	66,365	63,019
-	-	-	-	-	-	12	31
$ 1,832	$ 1,286	$ 2,999	$ 32,436	$ -	$ 23,473	$ 365,149	$ 348,591
218	366	173	119	725	$ 70	132,428	127,255
$ 205	623	320	225	1,229	314	224,745	1,273,559
$ 423	$ 989	$ 493	$ 344	$ 1,954	$ 384	$ 357,173	$ 1,400,814
(11)	(72)	(34)	(24)	(143)	(16)	(26,022)	(23,781)
-	(3)	-	-	-	(4)	(550)	(570)
$ 412	$ 914	$ 459	$ 320	$ 1,811	$ 364	$ 330,601	$ 1,376,463
-	2	1	1	2	-	696	430
-	-	-	-	-	-	(103)	(65)
-	-	-	-	-	-	(103)	(65)
-	2	1	1	2	-	593	365
$ 2,244	$ 2,202	$ 3,459	$ 32,757	$ 1,813	$ 23,837	$ 696,343	$ 1,725,419
-	-	-	33,493	-	-	33,493	27,536
-	-	2,367	-	60	-	2,427	1,137
1,879	714	-	-	-	23,027	575,768	544,395
124	15	-	-	-	-	5,498	3,980
-	-	-	-	-	98	4,988	5,328
32	37	-	-	1	60	7,875	5,622
$ 2,035	$ 766	$ 2,367	$ 33,493	$ 61	$ 23,185	$ 630,049	$ 587,998
$ 209	$ 1,436	$ 1,092	$ (736)	$ 1,752	$ 652	$ 66,294	$ 1,137,421
$ 17,462	$25,003	$11,787	$ 8,273	$ 49,772	$ 2,002	$ 9,239,832	$ 8,102,411
$ 17,671	$26,439	$12,879	$ 7,537	$ 51,524	$ 2,654	$ 9,306,126	$ 9,239,832

1. Plan Descriptions and Contribution Information

The following State-sponsored plans/funds (the Plans) are established in the Delaware Code:

- State Employees' Pension Plan
- Special Fund
- New State Police Pension Plan
- Judiciary Pension Plans (Closed and Revised)
- County & Municipal Police and Firefighters' Pension Plans
- County & Municipal Other Employees' Pension Plan
- Delaware Volunteer Firemen's Fund
- Diamond State Port Corporation Plan
- Closed State Police Pension Plan.

With the exception of the Diamond State Port Corporation Pension Plan, the General Assembly is responsible for setting benefits and contributions and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board. The Board of Directors for the Diamond State Port Corporation is responsible for setting benefits and contributions and amending their plan provisions.

The management of all the Plans and Funds 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 most of the assets of the Plans and Funds are commingled for investment purposes, each Plan's or Fund's assets may be used only for the payment of benefits to the members of that Plan or Fund in accordance with the terms of that Plan or Fund. 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.

The Board's oversight includes management of investment funds and pools included in the System, the Post-Retirement Increase Fund, the County & Municipal Police & Firefighters' COLA Fund, and the Delaware Local Government Retirement Investment Pool. These funds are commingled for investment purposes only. These funds are more fully explained in Note 2 to the financial statements.

The following employee membership data related to each Plan is based on an actuarial valuation as of June 30, 2014, updated as of June 30, 2015 using roll forward procedures in accordance with actuarial standards of practice:

Plan	Inactive Plan Members or Beneficiaries Currently Receiving Benefits	Inactive Plan Members Entitled to But Not Yet Receiving Benefits[1]	Active Plan Members	Total Plan Members	Participating Employers
State Employees'	24,356	3,374	35,825	63,555	2
Special	9	-	-	9	N/A
New State Police	185	12	695	892	1
Judiciary	48	-	55	103	1
County & Municipal Police & Firefighters'	102	24	1,096	1,222	32
County & Municipal Other Employees'	77	32	586	695	40
Delaware Volunteer Firemen's	1,707	168	4,828	6,703	63
Diamond State Port Corporation	65	9	274	348	1
Closed State Police	520	-	-	520	1
Total Membership:	27,069	3,619	43,359	74,047	141

(1) Includes individuals on long-term disability.

The following are brief descriptions of the individual plans in effect as of June 30, 2015. For a more complete description, please refer to the respective plan documents.

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.

There are two tiers within this plan: 1) employees hired prior to January 1, 2012 (Pre-2012). 2) employees hired on or after January 1, 2012 (Post-2011).

Service Benefits: Final average monthly compensation (employee hired Post-2011 may not include overtime in pension compensation) multiplied by 2.0% and multiplied by years of credited service prior to January 1, 1997, plus final average monthly 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 periods of twelve consecutive months of compensation.

Vesting: Pre-2012 date of hire: 5 years of credited service. Post-2011 date of hire: 10 years of credited service.

Retirement: Pre-2012 date of hire: Age 62 with 5 years of credited service; age 60 with 15 years of credited service; or after 30 years of credited service at any age. Post-2011 date of hire: age 65 with at least 10 years of credited service; Age 60 with 20 years of credited service; 30 years of credited service at any age.

Disability Benefits: Pre-2012 date of hire: Same as Service Benefits. Employee must have 5 years of credited service. In lieu of disability pension benefits, over 90% of the members of this plan opted into a Disability Insurance Program offered by the State effective January 1, 2006. Post-2011 date of hire – in the Disability Insurance Program.

Survivor Benefits: If employee is receiving a pension, the eligible survivor receives 50% of pension (or 67.7% with 2% reduction of benefit, 75% with 3% reduction of benefit, or 100% with 6% reduction of benefit.); if employee is active with at least 5 years of credited service, eligible survivor receives 75% of the benefit the employee would have received at age 62.

Contributions:

Employer - determined by Board of Pension Trustees. Employer contributions were 9.56% and 9.5% of earnings for the Fiscal Year 2015 and 2014, respectively.

Pre-2012 date of hire Member - 3% of earnings in excess of $6,000.

Post-2011 date of hire Member - 5% of earnings in excess of $6,000.

Correctional Officers - additional 2% of earnings in excess of $6,000.

Burial Benefit: $7,000 per member.

Special Fund

Plan Description and Eligibility: The Special Fund provides certain benefits granted to individuals identified through legislation passed by the General Assembly.

Service Benefits: Defined by special legislation.

Vesting: Defined by special legislation.

Retirement: Defined by special legislation.

Disability Benefits: Defined by special legislation.

Survivor Benefits: Same as State Employees' Plan.

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

Burial 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 at age 62.

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

Disability Benefits:
Duty - Total Disability - 75% of final average monthly compensation plus 10% for each dependent not to exceed 25% for all dependents.
Duty - Partial Disability - calculated the same as Service Benefits, subject to minimum 50% of final average monthly compensation.

Non-Duty - Same as Service Benefits, total disability subject to a minimum 50% of final average monthly compensation plus 5% for each dependant not to exceed 20% for all dependants. Partial disability to a minimum of 30% of final average monthly compensation.

Survivor Benefits: If employee is receiving a pension, the eligible survivor receives 50% of pension; if employee is active, eligible survivor receives 75% of compensation.

Contributions:
Employer - determined by Board of Pension Trustees. Employer contributions were 18.5% and 19.1% of earnings for the Fiscal Year 2015 and 2014 respectively.
Member - 7% of compensation.

Burial 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:
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:
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, the eligible survivor receives 50% of pension (or 2/3 with 2% reduction of pensioner's benefit); if employee is active with at least 5 years of credited service, eligible survivor receives 2/3 of the benefit the employee would have received at age 62.

Contributions:

Employer - determined by Board of Pension Trustees. Employer contributions were 26.4% and 27.7% of earnings for the Fiscal Year 2015 and 2014, respectively.
Member - Closed - $500 per year for the first 25 years of service.

Member - 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.

Burial Benefit: Not applicable.

County & Municipal Police and Firefighters' Pension Plan

Plan Description and Eligibility: County & Municipal Police and Firefighters' Pension Plan, is a cost-sharing multiple-employer defined benefit plan that cover police officers and firefighters employed by a county or municipality of the State which has become part of the Plan.

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: 5 years of credited service.

Retirement: Age 62 with 5 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.

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

Non-Duty - Same as Service Benefits, total disability subject to a minimum 50% of final average monthly compensation plus 5% for each dependant not to exceed 20% for all dependants. Partial disability to a minimum of 30% of final average monthly compensation.

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. If the member is killed in the line of duty, the eligible survivor receives 75% of the member's compensation.

Contributions:

Employer - determined by Board of Pension Trustees. Employer contributions were 14.2% and 15.5% of earnings for the Fiscal Year 2015 and 2014, respectively.
Member - 7% of compensation.

Burial 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 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, 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. Employer contributions were 6.5% and 6.6% of earnings for the Fiscal Year 2015 and 2014, respectively.
Member - 3% of earnings in excess of $6,000.

Burial Benefit: Not applicable.

Delaware Volunteer Firemen's Fund

Plan Description and Eligibility: The Delaware Volunteer Firemen's Fund is a cost-sharing multiple-employer defined benefit pension plan that 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. Employer contributions were $344.10 and $318.73 per member for the Fiscal Year of 2015 and 2014, respectively.
Volunteer Member - $60 per member per calendar year.

Burial Benefit: Not applicable.

Diamond State Port Corporation 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, the eligible survivor receives 50% of pension; if employee 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 the Board of Pension Trustees. Employer contributions were 9.0% and 8.6% of earnings for the Fiscal Year 2015 and 2014, respectively.
Member - 2% of compensation.

Burial 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.

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.

Burial Benefit: $7,000 per member.

2. Fund Descriptions and Contributions

County & Municipal Police and Firefighters' COLA Fund

During 1990, the State of Delaware established a mechanism for funding post-retirement increases granted by employers who participate in the County & Municipal Police and Firefighters' Pension Plans and also manage a non-system "closed" pension plan for former employees. Funding is generated by a 0.25% tax on the value of certain insurance premiums written within the State. The proceeds of the tax are directed into the COLA Fund and are managed by the Board of Pension Trustees (Board) for investment purposes. In accordance with 18 Del. C. §708(c), when a participating employer grants a post-retirement increase for a closed plan outside of the DPERS County & Municipal Plans, funds are transferred from the COLA Fund to the employer. These increases are not the responsibility of DPERS. Unused funds revert to the State General Fund.

Post-Retirement Increase Fund

The State of Delaware passed legislation which established a mechanism for funding ad hoc post-retirement increases granted by the General Assembly to members retired under the State Employees' Plan, the New State Police Plan, and the Judiciary Plans (Closed and Revised) beginning in Fiscal Year 1994. The mechanism allows the State to appropriate actuarially determined employer contributions to a separate Post-Retirement Increase Fund (PRI) managed by the Board. With the exception of the Closed State Police Plan, projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments (ad hoc COLAs) as they are not substantively automatic. The primary considerations relevant to making this determination include the historical pattern of granting the changes and the consistency in the amounts of the changes. The actuary uses the current actuarial assumptions, methods, and population data to calculate the estimated additional liability resulting from granted ad hoc benefit increases. When the Legislature grants an ad hoc post-retirement adjustment, funds are transferred from this PRI Fund on a monthly basis based on a five-year actuarial funding schedule to the appropriate pension plan from which the additional benefits are disbursed. For the Fiscal Year ended June 30, 2015, $33.5 million was transferred to the appropriate plans in the System.

As of June 30, 2015, recently granted post-retirement increases have outstanding liabilities totaling $99.0 million, which are anticipated to be funded by the State and transferred to the appropriate plans over the next five fiscal years as follows:

Fiscal Year 2016	$ 39,808,000
Fiscal Year 2017	$ 31,136,600
Fiscal Year 2018	$ 10,944,700
Fiscal Year 2019	$ 11,300,400
Fiscal Year 2020	$ 5,833,800

The Board adopts actuarially determined funding for the Post-Retirement Increase Fund. Funding for Fiscal Year 2015 was 1.66% of covered payroll. Funding for Fiscal Year 2016 will be 2.07%.

Local Government Retirement Investment Pool

In June 1996, the State of Delaware established the Delaware Local Government Retirement Investment Pool (DELRIP) in the custody of the Board to allow local governments within the State of Delaware the option to pool their pension assets with the System for investment purposes. The DELRIP is an external investment pool that allows local governments to potentially maximize their rate of return and

reduce administrative expenses related to the investment of funds. Participation in the pool is voluntary. There were three participating entities in DELRIP as of June 30, 2015, which comprise the pool in its entirety: Sussex County and the Towns of Elsmere and Newport.

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 legally binding guarantees during the year to support the value of shares. The fair value of the pool is determined in the same manner as the value of the Master Trust shares (see pages 36 and 37). Since this pool is a portion of the total System, the same accounting and investment policies described in the following financial footnotes apply.

3. Summary of Significant Accounting Policies

The accompanying financial statements of the Delaware Public Employees' Retirement System (DPERS or the System) have been prepared in conformity with Accounting Principles Generally Accepted in the United States (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Basis of Accounting

The financial statements are presented on the accrual basis. Employer contributions to each plan are recognized when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each Plan or Fund.

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 U.S. generally accepted accounting principles.

Method Used to Estimate Values

Management of the System has made certain estimates and assumptions relative to the reporting of assets and liabilities, and the disclosure of contingent assets and liabilities, to prepare these financial statements in conformity with U.S. generally accepted accounting principles. Actual results could differ from those estimates.

Investments

All of the investment assets of the Plans and Funds, with the exception of the Delaware Volunteer Firemen's Fund (which is a length of service award plan), are pooled and invested in a common Master Trust. During Fiscal Year 2015, the Closed State Police Pension Plan (which is a pay-as-you-go plan) moved from a separate short-term investment fund account into the pooled investment trust. Each of the Plans or Funds described herein shares in the Master Trust based on funds contributed and earnings/(losses) allocated.

Investments are reported at fair value. Fair values for fixed income and equity securities are generally valued based on published market prices and quotations from national security exchanges or securities pricing services. Pooled investments are funds wherein the System owns units or shares of commingled equity, bond, and cash funds. Alternative investments include nontraditional investments, some of which may be illiquid, such as limited partnerships, venture capital funds, or private LLCs.

Management generally uses net asset value as reported by investment managers as a practical expedient to fair value for its investments in pooled and alternative investment funds. Net asset values provided by pooled and alternative investment managers are based on quoted prices for the funds' underlying securities (most of which are marketable), as well as estimates, appraisals, assumptions, and methods that are established by valuation committees and reviewed by management. Net asset value may differ from fair value, and under some circumstances, management may determine, based on other information available, that an underlying investment's reported valuation does not represent fair value. These net asset values are reviewed by Pension Office staff and its investment advisor; both management and the custodian receive periodic and audited annual financial reports from the alternative fund managers.

Pooled investments are redeemable with the underlying funds at net asset values under the original terms of the partnership agreements and/or subscription agreements. As of June 30, 2015, the fair value of these investments totaled $3,057,849 thousand. The asset allocation (in thousands) was $1,665,989 domestic fixed income, $676,723 domestic equity, and $715,137 international equity.

As of June 30, 2015, alternative investment values of $2,063,994 thousand represent 22.2% of the System's net position.

The Delaware Volunteer Firemen's Fund was separately invested in a short-term investment fund, and in domestic equity, domestic fixed income, and international stock index funds.

Administrative Expenses

General expenses for the administration of the System are budgeted and approved as part of the annual State budget process and are paid from the assets of the System. Expenses for some professional services, including outside legal counsel, auditor, investment manager, investment advisor, and actuarial services are paid directly from the System. In addition, the Board reviews and approves proposals for one-time, special projects as they arise. The cost of administrative expenses for the System are financed through plan contributions and investment earnings.

4. Net Pension Liability of Employers

The components of the Net Pension Liability/(Asset) of each Plan as of June 30, 2015 were as follows:
(dollar values expressed in thousands)

Plan	(1) Total Pension Liability	(2) Plan Fiduciary Net Position	(3) Employers' Net Pension Liability/(Asset) (1) - (2)	(4) Plan Fiduciary Net Position as a % of the Total Pension Liability (2)/(1)	(5) Covered Employee Payroll	(6) Net Pension Liability/(Asset) as a % of Covered Payroll (3)/(5)
State Employees'	$9,074,604	$ 8,409,336	$ 665,268	92.7%	$ 1,864,991	35.7%
Special	186	267	(81)	144.0%	N/A	N/A
New State Police	416,571	391,719	24,852	94.0%	57,973	42.9%
Judiciary	74,600	75,151	(551)	100.7%	9,988	(5.5%)
County & Municipal Police and Firefighters'	267,839	273,109	(5,270)	102.0%	70,997	(7.5%)
County & Municipal Other Employees'	37,883	37,840	43	99.9%	29,644	0.1%
Diamond State Port Corporation	31,790	26,439	5,351	83.2%	11,679	45.8%
Closed State Police+	$ 404,578	$ 2,654	$ 401,924	0.7%	N/A	N/A

					Active Members++	UAAL Per Active Member++
Delaware Volunteer Firemen's	$ 33,818	$ 17,671	$ 16,147	52.3%	4,828	$ 3,345

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

++*Not expressed in thousands.*

The Schedule of Changes in Net Pension Liability, presented on pages 48-49 is required supplementary information (RSI) following the Notes to the Financial Statements.

5. Plan Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, and update procedures were used to roll forward the total pension liability to June 30, 2015. The following actuarial assumptions were used, applied to all periods included in the measurement:

Plan	State Employees'	Special	New State Police	Judiciary	Closed State Police
Actuarial Assumptions:					
Investment rate of return/Discount rate (1)	7.2%	7.2%	7.2%	7.2%	3.8% (2)
Projected Salary Increases (1)	3.5% to 11.5%	N/A	4.5% to 11.5%	3.5% to 12%	N/A
Cost-of-living adjustments	0%	0%	0%	0%	3%

Plan	County & Municipal Police and Firefighters'	County & Municipal Other Employees'	Delaware Volunteer Firemen's	Diamond State Port Corporation
Actuarial Assumptions:				
Investment rate of return/Discount rate (1)	7.2%	7.2%	7.2%	7.2%
Projected Salary Increases (1)	4% to 11.5%	3.5% to 11.5%	3%	4%
Cost-of-living adjustments	0%	0%	0%	0%

(1) With the exception of the Closed State Police, inflation is included at 3%.
(2) Closed State Police inflation is included at 2.3%

The total pension liabilities are measured based on assumptions pertaining to the interest rates, inflation rates and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study conducted in 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the larger the impact on future financial statements.

Mortality rates were based on the Sex distinct RP – 2000 combined Mortality Table projected to 2015 using scale AA for Males or Females, as appropriate, for mortality improvement. The System has considered the potential impact of recent revisions to certain mortality data maintained by the Society of Actuaries. The revised data will be reviewed by the System during the next actuarial experience study to be conducted using System data for 2010 and 2015. Recommendations to the Board will be presented for use in the 2016 valuation process.

With the exception of the Closed State Police Plan, projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments (ad hoc COLAs) as they are not substantively automatic. The primary considerations relevant to making this determination include the historical pattern of granting the changes and the consistency in the amounts of the changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's current and expected asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	5.7%
International Equity	5.7
Fixed Income	2.0
Non-Traditional Investments	7.8
Cash & Equivalents	---

Discount rate. The discount rate for all plans, except Closed State Police, used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The Closed State Police Plan used a discount rate of 3.8%, which represents the 20-year AA Municipal Bond rate since this plan is pay as you go.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Plans, calculated using the discount rate of 7.2 percent (3.8% for Closed State Police), as well as what the Plans' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

(dollar values expressed in thousands)

Plans	1% Decrease	Discount Rate	1% Increase
State Employees'	$1,503,060	665,268	(316,685)
Special Fund	(74)	(81)	(91)
New State Police	68,016	24,851	(28,182)
Judiciary Pension	3,128	(551)	(8,096)
County and Municipal P&F	22,868	(5,270)	(47,559)
County and Municipal Other	3,438	43	(5,942)
Diamond State Port Corporation	8,234	5,351	1,323
Closed State Police	451,206	401,924	356,511
Delaware Volunteer Fire	21,352	16,147	11,769
Total	$2,081,228	1,107,682	(36,952)

6. Deposits and Investments

Investment Policy

The Board of Pension Trustees is authorized by 29 Del. C. § 8308 to maintain and invest the funds of the System. There are no State statutes limiting allowable investments for the System. The investment decisions are dictated by the prudent person rule and the internal investment guidelines which are established, and may be amended by the Board as outlined below:

- Allocate a minimum of 20% of assets to fixed income investments such as bonds, cash equivalents, and certain real estate investments
- Maintain a diversified portfolio, to minimize the risk of overexposure in any one market segment or investment style
- Monitor the performance of all investment managers using specific benchmarks
- Control exposure in illiquid asset classes
- Review, re-examine, and reconfirm the operation of results of the investment process regularly
- Identify new long-term opportunities for risk reduction and improved investment returns
- Review actuarial assumptions to ensure consistency with capital market expectations.

The Board delegates the operation of the System's investments to the Investment Committee. The Committee establishes asset allocations to various investment markets. The following were the System's adopted asset allocation ranges as of June 30, 2015:

	Percent of Total Fund Allocation (1)	
Asset Class	**Minimum**	**Maximum**
Marketable Investments		
Equity (including Convertibles)	20%	80%
Fixed Income (including Cash) (2)	20%(2)	80%
Total Marketable Investments	**30%**	**100%**
Non-Traditional Investments		
Illiquid Investments	0%	30%
Other Diversification Strategies	0%	20%
Total Non-Traditional Investments	**0%**	**30%**
Total Fund	**100%**	

(1) The Fund will rarely be fully invested at the minimum or maximum limits, and some assets will be held in cash.
(2) A minimum of 15% of the Fund is to be invested in investment grade fixed income securities or cash equivalents.

The current policy was adopted by the Board on May 30, 2014. There were no significant changes to the policy from the prior version, although there were some changes to reflect current Board practices with regard to new regulatory requirements under Dodd Frank, and SEC rules.

For the Fiscal Year ended June 30, 2015, management of the System believes it has operated in all material respects in accordance with these policies.

Within the broad asset allocation ranges noted above, the system does not rebalance to a specific target allocation. While the System does not utilize a target allocation approach, the following is the average asset allocation for the 10-year period ended June 30, 2015, which is representative of the nature and mix of current and expected System investments.

Asset Class	10-year Average Allocation
Domestic Equity	36.5%
International Equity	16.5%
Fixed Income	22.6%
Cash & Short-Term	4.8%
Non-Traditional Investments	19.6%
	100.0%

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended June 30, 2015, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expenses, were as follows:

Plan	Money-Weighted Rate
State Employees'	3.6%
Special	3.6%
New State Police	3.7%
Judiciary	3.7%
County & Municipal Police and Firefighters'	3.7%
County & Municipal Other Employees'	3.6%
Delaware Volunteer Firefighters	2.4%
Diamond State Port Corporation	3.7%
County & Municipal COLA	3.9%
Post-Retirement Increase Fund	4.5%
DELRIP-Sussex Co.	3.7%
DELRIP-Elsmere	3.6%
DELRIP-Newport	3.7%
Closed State Police	2.9%

Securities Lending

Effective October 15, 2013, the System entered into a security lending agreement with its custodian bank, which acts as security lending agent for the System. The objective of securities lending is to earn income through a conservatively operated and well-controlled program. The custodian is authorized to lend securities within the borrower limits and guidelines established by the System. The System lends fixed income, domestic equity, and international equity securities to approved broker/dealers. Collateral for securities loaned equals 102 percent of fair market value for domestic securities and 105 percent for international securities.

The only types of collateral received from borrowers are obligations issued by the U.S. Government. All rights of ownership to securities pledged as collateral remain with the borrower except in the event of default. The System has the authority to sell collateral securities only upon a borrower default. As of June 30, 2015, there were no violations of legal or contractual provisions. The System has not experienced any losses resulting from the default of a borrower or lending agent during the year ended June 30, 2015.

At year-end, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The contract with the System's custodian requires it to indemnify the System if the borrowers fail to return the securities or fail to pay the System for income distributions by the securities' issuers while the securities are on loan. The System manages its market risk by recording investments at fair value daily and maintaining the value of the collateral held by the System in excess of the value of the securities loaned. As of June 30, 2015, the fair value of securities on loan was $71.2 million. The associated collateral was $73 million.

All open security loans can be terminated on demand by either the System or borrower. The collateral is valued at fair value obtained from independent pricing services.

Investments

The following is a listing of fixed income investments and cash equivalents and related maturity schedule which shows the System's exposure to interest rate risk as of June 30, 2015. It is the System's policy to classify corporate convertible bonds as equity securities on the Statement of Fiduciary Net Position on pages 24-25 because these securities generally convert to preferred equity interests upon maturity. The System holds $399.6 million in domestic fixed income and $170.5 million in foreign fixed income instruments. The table below also includes $446.6 million of corporate convertible bonds, $475.1 million in liquid investments, and $1,665.9 million in pooled fixed income investments. These are reported on the Statement of Fiduciary Net Position, respectively, as domestic equities, cash and equivalents, and pooled equity and fixed income.

Investment Maturities (in Years) *(expressed in thousands)*

Investment Type	Fair Value	Less than 1	1 - 6	6 - 10	10 +
Asset Backed Securities	$ 22,164	$ -	$ 4,082	$ 914	$ 17,168
Bank Loans	18,537	-	15,748	2,789	-
Cash Equivalents	475,075	475,075	-	-	-
Commercial Mortgage-Backed	7,523	-	-	-	7,523
Corporate Bonds	424,211	6,162	139,326	146,073	132,650
Corporate Convertible Bonds	446,619	6,954	317,507	59,599	62,559
Government Agencies	13,882	-	13,882	-	-
Government Bonds	70,144	11,295	31,500	12,395	14,954
Municipal/Provincial Bonds	13,630	-	9,185	-	4,445
Pooled Investments	1,665,989	-	-	1,665,989	-
Total:	$ 3,157,774	$ 499,486	$ 531,230	$1,887,759	$ 239,299

Interest Rate Risk

The State has delegated investment policy for the System to the Board and its Committees. The Investment Committee sets its own guidelines in conjunction with the Board to manage and review the System's exposure to fluctuating interest rates. Interest rate risk is a consideration when establishing and reviewing investment manager guidelines and asset allocation. Both topics are included in the statement of Investment Policies and Objectives which are published on the System's web site.

Custodial Credit Risk

Deposits

For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the deposits or collateral securities may not be recovered from an outside party At June 30, 2015, the $595.4 million carrying amount of the System's cash and cash equivalents was comprised of $477.0 million of short-term investments and $118.4 million in deposits. Of the $118.4 million in deposits, $117.8 million was subject to custodial credit risk because it was held by outside institutions and uninsured and uncollateralized. The remaining $0.6 million was held as pooled cash management account by the State Treasurer's Office, which includes deposit accounts, short- and long-term investments.

Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the value of the investment or collateral securities that are in the possession of an outside party may not be recovered. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the government's name. The System's investments are not exposed to custodial credit risk as they are held by the System's custodian in the name of the System or its nominee.

Credit Risk

The System's general investment policy is to apply the prudent-person rule to all risks incurred by the fund. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The System has no investment policy that would further limit its investment choices related to credit risk. As of June 30, 2015, the System's fixed income investments and cash equivalents had the following credit risk characteristics:

Ratings Detail by Security Type
(expressed in thousands)

Fixed Income Security Type	AAA to A	BBB to B	CCC to C	Not Rated	Total
Asset Backed Securities	$ 10,530	$ 9,634	$ -	$ 2,000	$ 22,164
Bank Loans	-	12,742	3,403	2,392	18,537
Cash Equivalents	475,075	-	-	-	475,075
Commercial Mortgage-Backed	6,452	1,071	-	-	7,523
Corporate Bonds	25,189	358,814	21,904	18,304	424,211
Corporate Convertible Bonds	14,092	135,739	10,184	286,604	446,619
Government Agencies	13,882	-	-	-	13,882
Government Bonds	63,366	6,778	-	-	70,144
Municipal/Provincial Bonds	9,185	4,445	-	-	13,630
Pooled Investments	1,371,409	294,580	-	-	1,665,989
Total:	$ 1,989,180	$ 823,803	$ 35,491	$309,300	$3,157,774
Percentage of Total Fund	21.5%	8.9%	0.4%	3.4%	34.2%

Investment Concentration Risk

As of June 30, 2015, the System held no concentration of investments in an individual issuer in excess of 5% of the fair value of the System's net position.

Management Fees

In addition to the $26.0 million paid in Manager/Advisor fees shown in the Statement of Changes in Fiduciary Net Position, the System paid $24.8 million and $28.5 million in management fees to the alternative investment funds and partnerships for the Fiscal Years ended June 30, 2015 and 2014, respectively. These fees are netted against investment income.

Investment Commitments

The System has commitments to invest up to an additional $709.5 million in venture capital, limited partnerships, and hedge strategies in varying amounts as of June 30, 2015, to be drawn down, as called upon at any time during the term of each relationship, which is usually a ten-year period. Generally, these commitments are self-funding, in that the capital calls are met using cash flows generated by the existing venture capital/limited partnerships as managers in this asset class realize the proceeds of their investments.

Foreign Investments

Foreign investments include equity securities, bonds, and cash and cash equivalents. The following is a listing of foreign assets included in the Statement of Fiduciary Net Position as of June 30, 2015. The listing includes $6.8 million of investments of domestic issuers which have been classified as domestic on the Statement of Fiduciary Net Position, but are denominated in a foreign currency.

Currency Risk

(expressed in thousands)

Currency	Fair Value in U.S. Dollars	Equities	Fixed Income	Cash and Cash Equivalents
Australian dollar	$ 17,509	$ 5,408	$ 12,067	$ 34
Brazilian real	13,350	9,777	3,573	-
British pound sterling	87,032	74,773	12,045	214
Canadian dollar	57,505	22,485	34,620	400
Danish krone	12,484	12,484	-	-
Euro	126,390	72,587	53,175	628
Hong Kong dollar	46,506	45,320	1,163	23
Indonesian rupiah	19,321	18,270	1,051	-
Japanese yen	33,079	12,198	20,733	148
Malaysian ringgit	2,030	2,030	-	-
Mexican peso	24,944	6,880	17,908	156
New Zealand dollar	16,794	-	16,794	-
Nigerian naira	1,189	1,189	-	-
Norwegian krone	10,421	212	10,209	-
Philippine peso	12,016	12,016	-	-
Singapore dollar	3,212	-	3,212	-
South African rand	2,915	2,915	-	-
Swedish krona	21,436	19,441	1,940	55
Swiss franc	19,441	18,198	1,203	40
Thai baht	4,154	4,154	-	-
Turkish lira	8,098	8,098	-	-
Total Foreign Currencies	$ 539,826	$ 348,435	$ 189,693	$ 1,698
Foreign issued investments denominated in U.S. Dollars	284,074	123,467	160,607	-
Pooled international investments denominated in U.S. Dollars	715,137	715,137	-	-
Total:	$ 1,539,037	$ 1,187,039	$ 350,300	$ 1,698

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. The Board adopted a formal written policy on the use of derivatives which is reviewed periodically and incorporated in the formalized investment policy adopted by the Board. Some 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. Derivatives serve a variety of useful purposes for the System, including the reduction of foreign exchange risk, the minimization of transaction costs and as a means of implementing value added strategies to enhance returns. If the use of derivatives in a portfolio strategy results in some leverage, that leverage is never permitted to expose the Fund to a loss greater than the amount committed to that strategy.

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

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

Generally, derivatives are subject both to market risk and counterparty risk. The derivatives utilized by the System typically have no greater 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. Foreign exchange contracts are valued at the price at which the transaction could be settled by offset in the forward markets.

The Investment Committee monitors the System's derivative holdings on a regular basis to ensure that the derivatives used by managers of the System will not have a material adverse impact on its financial condition. Total derivative instruments at June 30, 2015 were not material to the System.

Risk and Uncertainty

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk inherent in investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could affect the amounts reported in the Statement of Fiduciary Net Position.

7. Tax Status

The System currently operates seven of its plans as tax qualified governmental retirement plans under the Internal Revenue Code ("IRC"). The seven plans include the State Employees', New State Police, Judiciary, County & Municipal Police and Firefighters', County & Municipal Other Employees', and Diamond State Port Corporation, and Closed State Police ("Qualified Retirement Plans"). The Internal Revenue Service made favorable determinations by letters dated April 23, 2014 for the State Employees', New State Police, Judiciary, County & Municipal Police and Firefighters', County & Municipal Other Employees', and April 28, 2014 for the Closed State Police that the Qualified Retirement Plans are designed in accordance with applicable sections of the IRC. The Diamond State Port Corporation received a favorable determination letter and compliance statement dated August 28, 2014. The System and its tax counsel believe the Qualified Plans are designed and are currently being operated in compliance with the applicable provisions of the IRC. The favorable determination letters for the Qualified Retirement Plans are valid through January 31, 2019.

The Delaware Volunteer Firemen's Fund ("Firemen's Fund") operates as a length of service award plan under IRC section 457(e)(11). The Firemen's Fund received a favorable private letter ruling from the Internal Revenue Service ("IRS") on January 13, 2009.

Additionally, the System submitted a private letter ruling request in November 2012 with respect to the establishment of the Delaware Public Employees' Retirement System Qualified Excess Benefit Arrangement Plan and Trust, ("QEBA"). On June 16, 2015, the System received a favorable letter ruling, which concluded that the QEBA was a qualified excess benefit arrangement pursuant to Sec. 415(m) of the IRC, and that benefits payable pursuant to the plans will be includible in gross income in the year that they are paid or otherwise become available to a participant or participant's beneficiary, and that income accruing to the QEBA plans is exempt from federal income tax as income derived from an essential government function.

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Required Supplementary Information

Schedule 1 - Schedule of Changes in Net Pension Liability

(dollar values expressed in thousands)
(unaudited)

	State Employees' Plan		Special Fund		New State Police Plan		Judiciary Pension Plans	
	2015	2014	2015	2014	2015	2014	2015	2014
Total Pension Liability:								
Service Cost	$ 192,046	$ 190,156	$ -	$ -	$ 12,686	$ 12,378	$ 2,568	$ 2,542
Interest	627,925	599,144	14	15	28,395	26,137	5,147	4,869
Changes in Benefit Terms	54,191	-	-	-	1,154	-	263	-
Differences between Expected and Actual experience	(17,907)	-	18	-	(3,520)	-	(1,361)	-
Changes in Assumptions	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(539,630)	(509,818)	(46)	(42)	(12,188)	(10,619)	(3,985)	(3,588)
Net Change in Total Pension Liability	$ 316,625	$ 279,482	$ (14)	$ (27)	$ 26,527	$ 27,896	$ 2,632	$ 3,823
Total Pension Liability – Beginning	$ 8,757,979	$ 8,478,498	$ 200	$ 227	$ 390,044	$ 362,148	$ 71,968	$ 68,145
Total Pension Liability – Ending (a)	$ 9,074,604	$ 8,757,980	$ 186	$ 200	$ 416,571	$ 390,044	$ 74,600	$ 71,968
Plan Fiduciary Net Position								
Contributions – Employer	$ 178,293	$ 174,863	$ -	$ -	$ 10,730	$ 10,500	$ 2,640	$ 2,839
Contributions – Non-Employer	32,654	26,877	-	-	639	525	200	165
Contributions – Member	55,782	52,793	-	-	4,121	3,862	327	317
Net Investment Income	299,825	1,254,715	10	48	13,741	54,635	2,659	10,783
Benefit Payments, including refunds of member contributions	(539,630)	(509,818)	(46)	(42)	(12,188)	(10,619)	(3,985)	(3,588)
Administrative Expenses	(7,353)	(5,242)	(1)	(1)	(113)	(82)	(15)	(13)
Net Change in Plan Fiduciary Net Position	19,571	994,188	(37)	5	16,930	58,821	1,826	10,503
Plan Fiduciary Net Position – Beginning	$ 8,389,765	$ 7,395,577	$ 304	$ 299	$ 374,789	$ 315,968	$ 73,325	$ 62,822
Plan Fiduciary Net Position – Ending (b)	$ 8,409,336	$ 8,389,765	$ 267	$ 304	$ 391,719	$ 374,789	$ 75,151	$ 73,325
Plan Net Pension Liability (Asset) – Ending (a) - (b)	$ 665,268	$ 368,215	$ (81)	$ (104)	$ 24,852	$ 15,255	$ (551)	$ (1,357)

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

County & Municipal Police and Firefighters' Plans		County & Municipal Other Employees' Plan		Delaware Volunteer Firemen's Fund		Diamond State Port Corporation Plan		Closed State Police Plan	
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
$ 14,690	$ 14,297	$ 2,415	$ 2,207	$ 290	$ 847	$ 951	$ 870	$ -	$ -
18,120	15,863	2,569	2,235	2,340	2,156	2,160	1,873	16,173	16,319
319	-	-	-	-	-	-	-	-	-
(3,309)	-	(439)	-	1,615	-	1,402	-	18,518	-
-	-	-	-	-	-	-	-	23,078	12,942
(3,826)	(3,160)	(722)	(659)	(2,003)	(1,887)	(729)	(629)	(23,125)	(23,301)
$ 25,994	$ 27,000	$ 3,823	$ 3,783	$ 2,242	$ 1,116	$ 3,784	$ 2,114	$ 34,644	$ 5,960
$ 241,845	$ 214,845	$ 34,060	$ 30,277	$ 31,576	$ 30,460	$ 28,006	$ 25,892	$ 369,934	$ 363,974
$ 267,839	$ 241,845	$ 37,883	$ 34,060	$ 33,818	$ 31,576	$ 31,790	$ 28,006	$ 404,578	$ 369,934
$ 10,067	$ 10,283	$ 1,921	$ 2,049	$ 1,668	$ 1,561	$ 1,052	$ 1,009	$ 23,473	$ 23,064
-	-	-	-	-	-	-	-	-	-
4,980	4,897	757	748	164	166	234	236	-	-
9,394	36,003	1,291	4,882	412	2,271	916	3,612	364	(3)
(3,826)	(3,160)	(722)	(659)	(2,003)	(1,887)	(729)	(629)	(23,125)	(23,301)
(168)	(100)	(95)	(60)	(32)	(34)	(37)	(43)	(60)	(46)
20,447	47,923	3,152	6,960	209	2,077	1,436	4,185	652	(286)
$ 252,662	$ 204,739	$ 34,688	$ 27,728	$ 17,462	$ 15,385	$ 25,003	$ 20,818	$ 2,002	$ 2,288
$ 273,109	$ 252,662	$ 37,840	$ 34,688	$ 17,671	$ 17,462	$ 26,439	$ 25,003	$ 2,654	$ 2,002
$ (5,270)	$ (10,817)	$ 43	$ (628)	$ 16,147	$ 14,114	$ 5,351	$ 3,003	$ 401,924	$ 367,932

Required Supplementary Information (continued)

Schedule 2 - Schedule of Net Pension Liability

(dollar values expressed in thousands)
(unaudited)

Plan	Actuarial Valuation Date	(1) Total Pension Liability	(2) Plan Fiduciary Net Position	(3) Employers' Net Pension Liability/(Asset) (1) - (2)	(4) Plan Fiduciary Net Position as a % of the Total Pension Liability (2)/(1)	(5) Covered Employee Payroll	(6) Net Pension Liability/(Asset) as a % of Covered Payroll (3)/(5)
State Employees'	30-Jun-2015	$ 9,074,604	$ 8,409,336	$ 665,268	92.7%	$ 1,864,991	35.7%
	30-Jun-2014	8,757,980	8,389,765	368,215	95.8%	1,840,521	20.0%
Special	30-Jun-2015	$ 186	267	(81)	144.0%	N/A	N/A
	30-Jun-2014	200	304	(104)	152.0%	N/A	N/A
New State Police	30-Jun-2015	$ 416,571	391,719	24,852	94.0%	57,973	42.9%
	30-Jun-2014	390,044	374,789	15,255	96.1%	55,067	27.7%
Judiciary	30-Jun-2015	$ 74,600	75,151	(551)	100.7%	9,988	(5.5%)
	30-Jun-2014	71,968	73,325	(1,357)	101.9%	10,244	(13.3%)
County & Municipal	30-Jun-2015	$ 267,839	273,109	(5,270)	102.0%	70,997	(7.5%)
Police and Firefighters'	30-Jun-2014	241,845	252,662	(10,817)	104.5%	66,268	(16.3%)
County & Municipal	30-Jun-2015	$ 37,883	37,840	43	99.9%	29,644	0.1%
Other Employees'	30-Jun-2014	34,060	34,688	(628)	101.8%	30,937	(2.0%)
Diamond State Port	30-Jun-2015	$ 31,790	26,439	5,351	83.2%	11,679	45.8%
Corporation	30-Jun-2014	28,006	25,003	3,003	89.3%	11,771	25.5%
Closed State Police+	30-Jun-2015	$ 404,578	2,654	401,924	0.7%	N/A	N/A
	30-Jun-2014	369,934	2,002	367,932	0.5%	N/A	N/A

						++Active Members	++UAAL Per Active Member
Delaware Volunteer Firefighters Plan	30-Jun-2015	$ 33,818	$ 17,671	$ 16,147	52.3%	4,828	3,345
	30-Jun-2014	31,576	17,462	14,114	55.3%	4,882	2,891

+ The Closed State Police Plan is a pay-as-you-go plan.
++ Not expressed in thousands

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Required Supplementary Information (continued)

Schedule 3 - Schedule of Employer Contributions

(dollar values expressed in thousands)

(unaudited)

Plan	Fiscal Year Ended	Actuarial Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
State Employees'*	30-Jun-2015	$ 178,293	$ 178,293	$ -	$ 1,864,991	9.6%
	30-Jun-2014	174,863	174,863	-	1,840,521	9.5%
	30-Jun-2013	160,651	160,651	-	1,877,105	8.6%
	30-Jun-2012	147,464	147,464	-	1,881,097	7.8%
	30-Jun-2011	128,019	128,019	-	1,783,603	7.2%
	30-Jun-2010	101,457	101,457	-	1,740,622	5.8%
	30-Jun-2009	96,576	96,576	-	1,753,129	5.5%
	30-Jun-2008	101,660	101,660	-	1,711,473	5.9%
	30-Jun-2007	97,000	97,000	-	1,654,609	5.9%
	30-Jun-2006	91,013	91,013	-	1,589,185	5.7%
Special	30-Jun-2015	$ -	$ -	$ -	$ N/A	N/A
	30-Jun-2014	-	-	-	N/A	N/A
	30-Jun-2013	-	-	-	N/A	N/A
	30-Jun-2012	-	-	-	N/A	N/A
	30-Jun-2011	-	-	-	N/A	N/A
	30-Jun-2010	-	-	-	N/A	N/A
	30-Jun-2009	-	-	-	N/A	N/A
	30-Jun-2008	-	-	-	N/A	N/A
	30-Jun-2007	-	-	-	N/A	N/A
	30-Jun-2006	-	-	-	N/A	N/A
New State Police*	30-Jun-2015	$ 10,730	$ 10,730	$ -	$ 57,973	18.5%
	30-Jun-2014	10,500	10,500	-	55,067	19.1%
	30-Jun-2013	9,292	9,292	-	56,289	16.5%
	30-Jun-2012	8,309	8,309	-	54,412	15.3%
	30-Jun-2011	7,810	7,810	-	50,556	15.4%
	30-Jun-2010	6,562	6,562	-	49,896	13.2%
	30-Jun-2009	6,791	6,791	-	50,425	13.5%
	30-Jun-2008	6,643	6,643	-	47,971	13.8%
	30-Jun-2007	6,334	6,334	-	46,924	13.5%
	30-Jun-2006	5,276	5,276	-	43,579	12.1%
Judiciary*	30-Jun-2015	$ 2,640	$ 2,640	$ -	$ 9,988	26.4%
	30-Jun-2014	2,839	2,839	-	10,244	27.7%
	30-Jun-2013	2,762	2,762		10,416	26.5%
	30-Jun-2012	2,674	2,674	-	10,387	25.7%
	30-Jun-2011	2,557	2,557	-	9,624	26.6%
	30-Jun-2010	2,473	2,473	-	9,798	25.2%
	30-Jun-2009	2,549	2,549	-	9,814	26.0%
	30-Jun-2008	2,644	2,644	-	9,689	27.3%
	30-Jun-2007	2,495	2,495	-	9,825	25.4%
	30-Jun-2006	2,002	2,002	-	9,397	21.3%

Required Supplementary Information (continued)

Schedule 3 - Schedule of Employer Contributions (continued)

(dollar values expressed in thousands)

(unaudited)

Plan	Fiscal Year Ended	Actuarial Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
County & Municipal	30-Jun-2015	$ 10,067	$ 10,067	$ -	$ 70,997	14.2%
Police and Firefighters'	30-Jun-2014	10,283	10,283	-	66,268	15.5%
	30-Jun-2013	8,671	8,671	-	68,122	12.7%
	30-Jun-2012	9,265	9,265	-	67,091	13.8%
	30-Jun-2011	7,569	7,569	-	59,418	12.7%
	30-Jun-2010	7,307	7,307	-	56,917	12.8%
	30-Jun-2009	12,007	12,007	-	55,478	21.6%
	30-Jun-2008	6,246	6,246	-	49,328	12.7%
	30-Jun-2007	5,780	5,780	-	45,059	12.8%
	30-Jun-2006	5,488	5,488	-	38,342	14.3%
County & Municipal	30-Jun-2015	$ 1,921	$ 1,921	$ -	$ 29,644	6.5%
Other Employees'	30-Jun-2014	2,049	2,049	-	30,937	6.6%
	30-Jun-2013	1,604	1,604	-	26,332	6.1%
	30-Jun-2012	1,362	1,362	-	22,435	6.1%
	30-Jun-2011	1,186	1,186	-	20,580	5.8%
	30-Jun-2010	1,276	1,276	-	20,591	6.2%
	30-Jun-2009	2,293	2,293	-	19,046	12.0%
	30-Jun-2008	1,492	1,492	-	18,632	8.0%
	30-Jun-2007	820	820	-	16,183	5.1%
	30-Jun-2006	734	734	-	13,027	5.6%
Delaware Volunteer	30-Jun-2015	$ 1,990	$ 1,668	$ 322	$ N/A	N/A
Firemen's	30-Jun-2014	2,006	1,561	445	N/A	N/A
	30-Jun-2013	2,002	1,456	546	N/A	N/A
	30-Jun-2012	1,896	1,311	585	N/A	N/A
	30-Jun-2011	1,762	1,221	541	N/A	N/A
	30-Jun-2010	1,703	1,191	512	N/A	N/A
	30-Jun-2009	1,604	1,108	496	N/A	N/A
	30-Jun-2008	1,553	1,045	508	N/A	N/A
	30-Jun-2007	1,528	978	550	N/A	N/A
	30-Jun-2006	1,464	899	565	N/A	N/A
Diamond State Port	30-Jun-2015	$ 1,052	$ 1,052	$ -	$ 11,679	9.0%
Corporation	30-Jun-2014	1,009	1,009	-	11,771	8.6%
	30-Jun-2013	854	854	-	11,381	7.5%
	30-Jun-2012	814	814	-	12,229	6.7%
	30-Jun-2011	704	704	-	11,150	6.3%
	30-Jun-2010	594	594	-	11,224	5.3%
	30-Jun-2009	694	694	-	11,071	6.3%
	30-Jun-2008	715	715	-	10,270	7.0%
	30-Jun-2007	626	626	-	11,213	5.6%
	30-Jun-2006	703	703	-	11,130	6.3%

Required Supplementary Information (continued)

Schedule 3 - Schedule of Employer Contributions (continued)

(dollar values expressed in thousands)

(unaudited)

Plan	Fiscal Year Ended	Actuarial Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
Closed State Police	30-Jun-2015	$ 26,310	$ 23,473	$ 2,837	$ N/A	N/A
	30-Jun-2014	25,696	23,064	2,632	N/A	N/A
	30-Jun-2013	25,696	23,064	2,632	-	N/A
	30-Jun-2012	24,678	23,064	1,614	124	18600.0%
	30-Jun-2011	26,638	23,367	3,271	114	20497.4%
	30-Jun-2010	27,214	23,367	3,847	339	6892.9%
	30-Jun-2009	26,423	21,775	4,648	619	3517.8%
	30-Jun-2008	25,337	21,267	4,070	1,152	1846.1%
	30-Jun-2007	24,912	19,159	5,753	1,695	1130.3%
	30-Jun-2006	24,623	20,655	3,968	1,912	1080.3%

** Annual Required Contributions do not include Post-Retirement Increase funding (see Note 2 to the Basic Financial Statements).*

Schedule 4 - Schedule of Investment Returns*

(dollar values expressed in thousands)

(unaudited)

Plan	Annual Money-Weighted Rate of Return, net of investment expense 2015	2014
State Employees'	3.6%	17.2%
Special	3.6%	17.2%
New State Police	3.7%	17.2%
Judiciary	3.7%	17.2%
County & Municipal Police and Firefighters'	3.7%	17.3%
County & Municipal Other Employees'	3.6%	17.3%
Delaware Volunteer Firefighters	2.4%	15.1%
Diamond State Port Corporation	3.7%	17.3%
County & Municipal COLA	3.9%	17.6%
Post-Retirement Increase Fund	4.5%	19.4%
DELRIP-Sussex Co.	3.7%	17.3%
DELRIP-Elsmere	3.6%	17.2%
DELRIP-Newport	3.7%	17.3%
Closed State Police	2.9%	-0.1%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Required Supplementary Information (continued)

Notes to Required Supplementary Information

Factors that significantly affect trends in amounts reported. For the periods presented, there were no changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or changes of assumptions which significantly affect trends in the amounts reported.

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the Schedule of Employers' Contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Complete descriptions of the methods and assumptions used to determine contribution rates for Fiscal Year 2015 can be found in the June 30, 2013 actuarial valuation reports. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Plan	State Employees'	Special	New State Police	Judiciary	Closed State Police
Valuation Date	30-Jun-2013	30-Jun-2013	30-Jun-2013	30-Jun-2013	30-Jun-2013
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Open 20-Year Level Percent of Payroll	Open 15-Year Level Percent Method	Open 20-Year Level Percent of Payroll	Open 20-Year Level Percent of Payroll	Open 23-Year Level Dollar Amortization
Remaining Amortization Period	20.0(1) years	10 years	20.0(1) years	9.64(1) years	25 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:					
Discount Rate	7.2%	7.2%	7.2%	7.2%	3.8%
Amortization Growth Rate	3.0%	N/A	3.0%	3.0%	N/A
Price Inflation	3.0%	N/A	3.0%	3.0%	N/A

Plan	County & Municipal Police and Firefighters'	County & Municipal Other Employees'	Delaware Volunteer Firemen's	Diamond State Port Corporation
Valuation Date	30-Jun-2013	30-Jun-2013	30-Jun-2013	30-Jun-2013
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Open 10-Year Level Percent of Payroll	Open 10-Year Level Percent of Payroll	Open 10-Year Level Dollar Amortization	Open 15-Year Level Percent of Payroll
Remaining Amortization Period	10 years	10 years	15 years	15 years
Asset Valuation Method	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market	5-year Smoothed Market
Actuarial Assumptions:				
Discount Rate	7.2%	7.2%	7.2%	7.2%
Amortization Growth Rate	3.0%	3.0%	N/A	3.0%
Price Inflation	3.0%	3.0%	N/A	3.0%

(1) Excludes liability and amortization payments due to cost-of-living adjustments. This liability is funded from the Post-Retirement Increase Fund. Each Post-Retirement Increase is funded over 5 years.

DECEMBER 7, 1787

Supporting Schedules

Forty-Fourth Comprehensive Annual Financial Report

2015

Delaware Public Employees' Retirement System

— A component unit of the State of Delaware

Schedule 5 – Schedule of Administrative Expenses

(dollar values expressed in thousands)

				Change	
		Fiscal 2015	Fiscal 2014	Dollars	Percent
Personnel Services:	Salaries	$ 2,300	$ 2,230	$ 70	3.1%
	Fringe Benefits	1,152	1,173	(21)	(1.8%)
	Total Personnel Services:	$ 3,452	$ 3,403	$ 49	1.4%
Professional Services:	Actuarial	222	146	76	52.1%
	Audit	305	229	76	33.2%
	Medical Services	16	14	2	14.3%
	State Agency Support Services	26	24	2	8.3%
	Other Professional Services	12	8	4	50.0%
	Total Professional Services:	$ 581	$ 421	$ 160	38.0%
Communication:	Printing	74	70	4	5.7%
	Telephone	21	19	2	10.5%
	Postage	218	197	21	10.7%
	Travel	12	11	1	9.1%
	Other Communications	29	16	13	81.3%
	Total Communications:	$ 354	$ 313	$ 41	13.1%
Data Processing:	Contracting Services	352	447	(95)	(21.3%)
	Maintenance	393	273	120	44.0%
	Equipment - Hardware	117	26	91	350.0%
	Equipment - Software	14	-	14	100.0%
	Total Data Processing:	$ 876	$ 746	$ 130	17.4%
Rental:	Equipment Leasing	5	6	(1)	(16.7%)
	Fleet Services	2	1	1	100.0%
	Office Space	557	525	32	6.1%
	Total Rentals:	$ 564	$ 532	$ 32	6.0%
Miscellaneous:	Supplies and Equipment	35	20	15	75.0%
	Maintenance	54	51	3	5.9%
	Other Miscellaneous	1	2	(1)	(50.0%)
	Total Miscellaneous:	$ 90	$ 73	$ 17	23.3%
	General Administrative Expenses:	$ 5,917	$ 5,488	$ 429	7.8%
Special Projects:	Best Practices Review	57	134	(77)	(57.5%)
	PeopleSoft Upgrade	1,901	-	1901	100.0%
	Total Special Projects:	$ 1,958	$ 134	$ 1,824	1361.2%
	Grand Total Administrative Expenses:	$ 7,875	$ 5,622	$ 2,253	40.1%

See accompanying independent auditors report.

Schedule 6 – Schedule of Investment Expenses

(dollar values expressed in thousands)

			Change	
	Fiscal 2015	**Fiscal 2014**	**Dollars**	**Percent**
Custody Fees	$ 186	$ 63	$ 123	195.2%
Investment Manager/Advisor Fees	25,720	23,620	2,100	8.9%
Legal	116	98	18	18.4%
Pension Office Support Staff	550	547	3	0.1%
Other Investment Expenses	-	23	(23)	(100%)
Total Investment Expenses:	$ 26,572	$ 24,351	$ 2,221	9.1%

See accompanying independent auditors' report.

Schedule of Fiduciary Net Position of the Delaware Local Government Retirement Investment Pool as of June 30, 2015 with Comparative Totals for June 30, 2014

(expressed in thousands)

	Sussex County Government	Town of Elsmere	Town of Newport	Totals as of June 30	
				2015	2014
Assets:					
Cash & Cash Equivalents	$ 2,954	$ 177	$ 167	$ 3,298	$ 3,133
Receivables:					
Accrued Investment Income	61	5	3	69	74
Pending Trade Sales	247	15	14	276	154
Total Receivables:	$ 308	$ 20	$ 17	$ 345	$ 228
Investments at Fair Value:					
Domestic Fixed Income	1,989	120	112	2,221	1,783
Domestic Equities	11,777	712	664	13,153	11,079
Pooled Equity & Fixed Income	15,128	916	854	16,898	17,290
Alternative Investments	10,270	621	579	11,470	9,490
Foreign Fixed Income	848	51	48	947	1,022
Foreign Equities	3,178	192	179	3,549	6,006
Total Investments:	$ 43,190	$ 2,612	$ 2,436	$ 48,238	$ 46,670
Total Assets:	$ 46,452	$ 2,809	$ 2,620	$ 51,881	$ 50,031
Liabilities:					
Pending Purchases Payable	292	18	16	326	231
Accrued Investment Expenses	27	2	2	31	28
Total Liabilities:	$ 319	$ 20	$ 18	$ 357	$ 259
Net Position - Restricted for Pension Benefits	$ 46,133	$ 2,789	$ 2,602	$ 51,524	$ 49,772

See accompanying independent auditors' report.

Schedule of Changes in Fiduciary Net Position of the Delaware Local Government Retirement Investment Pool as of June 30, 2015 with Comparative Totals for June 30, 2014

(expressed in thousands)

	Sussex County Government	Town of Elsmere	Town of Newport	Totals as of June 30	
				2015	2014
Additions:					
Contributions:					
Transfer of Assets from Outside the System	$ -	$ -	$ -	$ -	$ -
Total Contributions:	$ -	$ -	$ -	$ -	$ -
Investments:					
Investment Income	648	40	37	725	678
Net Appreciation (Depreciation) in Fair Value	1,101	66	62	1,229	6,774
Total Investment Earnings/(Loss):	$ 1,749	$ 106	$ 99	$ 1,954	$ 7,452
Less Investment Manager/Advisor Fees	(128)	(8)	(7)	(143)	(128)
Less Investment Administrative Expenses	-	-	-	-	-
Net Investment Earnings/(Loss):	$ 1,621	$ 98	$ 92	$ 1,811	$ 7,324
Securities Lending Income	2	-	-	2	2
Less Bank Fees	-	-	-	-	-
Total Securities Lending Expense	$ -	$ -	$ -	$ -	$ -
Total Net Securities Lending Income	$ 2	$ -	$ -	$ 2	$ 2
Total Additions:	$ 1,623	$ 98	$ 92	$ 1,813	$ 7,326
Deductions:					
Transfer of Assets Outside the System	-	60	-	60	166
Administrative Expenses	1	-	-	1	1
Total Deductions	$ 1	$ 60	$ -	$ 61	$ 167
Net Increase	$ 1,622	$ 38	$ 92	$ 1,752	$ 7,159
Balance Beginning Of Year	$44,511	$ 2,751	$2,510	$49,772	$ 42,613
Balance End Of Year	$46,133	$ 2,789	$2,602	$51,524	$ 49,772

See accompanying independent auditors report.

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DECEMBER 7, 1787

Investment Section

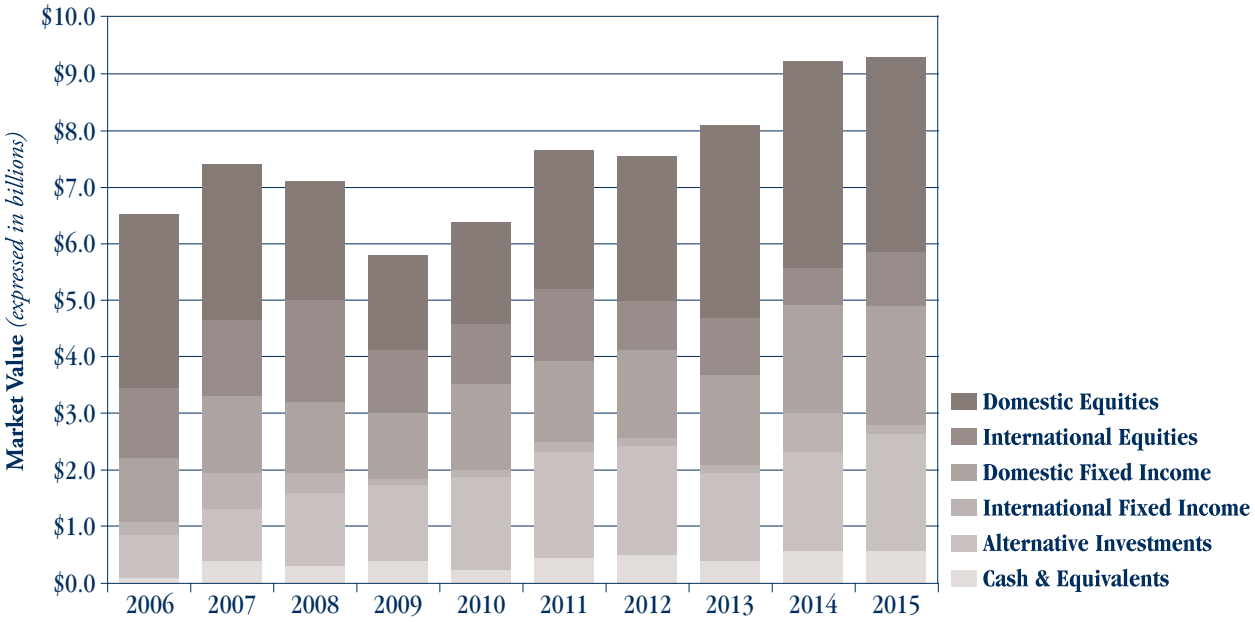
Forty-Fourth Comprehensive Annual Financial Report

2015

Delaware Public Employees' Retirement System

— A component unit of the State of Delaware

Ten-Year Investment Comparison



Investment Portfolio
Fiscal Years Ended June 30,
(expressed in millions)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Domestic Equities	$ 3,053.9	$ 2,758.4	$ 2,095.1	$ 1,632.9	$ 1,779.2	$ 2,432.8	$ 2,538.8	$ 3,400.8	$ 3,649.1	$ 3,434.4
International Equities	1,242.4	1,312.3	1,778.8	1,134.9	1,056.8	1,244.5	842.6	981.0	642.1	967.3
Domestic Fixed Income	1,137.7	1,386.4	1,266.6	1,148.4	1,509.1	1,448.4	1,565.3	1,612.0	1,925.8	2,071.8
International Fixed Income	227.4	627.2	353.1	121.5	138.0	193.5	163.5	148.3	687.8	172.5
Alternative Investments	775.2	919.9	1,281.3	1,348.6	1,630.2	1,866.1	1,902.5	1,528.1	1,754.8	2,064.0
Cash & Short Term	90.4	402.0	314.3	398.7	248.8	452.8	517.3	426.9	572.9	587.9
	$ 6,527.0	$ 7,406.2	$ 7,089.2	$ 5,785.0	$ 6,362.1	$ 7,638.1	$ 7,530.0	$ 8,097.1	$ 9,232.5	$ 9,297.9

Note: For this section, Pooled Investments are included in their respective equity and fixed income asset classes and, therefore, are different from the categories used in the Financial Section on pages 24-25. In addition, the market value of investments represented in this section includes cash and cash equivalents, accrued interest, investment sales pending, and investment purchases pending, as indicated in the Financial Section on pages 24-25.

Reconciliation to Plan Net Assets

(expressed in millions)	2015
Total Investment Portfolio Value	$ 9,297.9
Receivables	
Employer Contributions	11.4
Member Contributions	3.5
Liabilities	
Benefits Payable	(1.1)
Accrued Investment Expenses	(5.4)
Accrued Administrative Expenses	(0.2)
Net Assets Held in Trust	$ 9,306.1

STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
OFFICE OF PENSIONS
McArdle Building, Suite #1
860 Silver Lake Blvd.
Dover, DE 19904-2402

When Calling Long Distance
Toll Free Number 1-800-722-7300
E-Mail: pensionoffice@state.de.us

Telephone (302) 739-4208
Fax (302) 739-6129
www.delawarepensions.com

August 18, 2015

Dear Board Members, Participants, and Beneficiaries:

The Board of Pension Trustees' Investment Committee oversees the investment of the retirement funds of the Delaware Public Employees' Retirement System (System). The Investment Committee's investment oversight includes the nine plans/funds [State Employees', Special, New State Police, Judiciary, County & Municipal Police and Firefighters', County & Municipal Other Employees', Delaware Volunteer Firemen's, Diamond State Port Corporation, and Closed State Police]. In addition, the Investment Committee also oversees the three commingled pension investment funds [County & Municipal Police/Firefighters' COLA, Post-Retirement Increase (PRI), Delaware Local Government Retirement Investment Pool (DELRIP)]. The Investment Committee consists of seven members appointed by the Board. The Investment Committee seeks to achieve the following investment objectives established by the Board:

- To realize a real return of 3% per year over long periods
- To manage portfolio risk so as to limit downside price fluctuation of the total System portfolio
- To realize as high a rate of total return as possible consistent with the above.

While not governed by mandated target asset allocations, investment decisions are shaped by the Board's internal investment guidelines which provide for a minimum of 20% of the total assets of the System to be invested in fixed income investments, such as bonds and cash equivalents. The Investment Committee continuously reviews expected rates of return and risk levels for all marketable asset classes and seeks to construct portfolios consistent with the System's return objectives and risk management guidelines. The Investment Committee strives for appropriate investment diversification by allocating funds across a variety of asset classes and by selecting managers whose demonstrated performance reflects different management styles and asset class expertise. The performance of all investment managers is closely monitored, not only in relation to specific absolute objectives, but also in relation to other fund managers following the same or similar investment objectives. All investment guidelines are monitored with the assistance of the Investment Advisor.

The dedicated members of the Investment Committee met sixteen times over the course of the fiscal year. The System's investments continued to be allocated with a focus on liquidity and risk management. The most significant asset allocation moves over the course of the year were sales of equity assets in response to increased valuations and rising risks. Proceeds were deployed into fixed income strategies and cash to provide for liquidity needs and to manage overall portfolio volatility and risk.

The overall duration of the fixed income portfolio, a measure of its sensitivity to changes in interest rates, was maintained at a level shorter than the broad fixed income markets due to unattractively low and potentially rising interest rates. To help maintain exposure to private investments, as they continue to be net distributors of cash back to the System, there were three new commitments to private investment funds during the year. Other manager activity saw two new manager accounts opened and two accounts terminated, while nine existing accounts were increased and five accounts were reduced during the fiscal year.

The Fund's time-weighted rate of return for the 2015 fiscal year was 3.9%. The total System's annualized returns for the last 5, 10, 15 and 20 years are 11.4%, 7.9%, 6.4% and 8.9%, respectively. The System's long-term performance ranks in the TUCS large public plan universe are in the second quartile for the five-year period and the top decile for the ten-year period ending June 30, 2015. The System's longer-term results have been achieved with lower observed return volatility than the median for the universe, reflecting the System's longstanding focus on risk management. For the year ending June 30, 2015, the System's assets had a net increase of $66.3 million, with investment gains comprising $330.6 million.

We would like to thank Philip S. Reese, who stepped down from the Committee at fiscal year-end, after almost twelve years of service. We appreciate Mr. Reese's commitment and contributions to the System, including the eight years he served as Board Chair.

We thank our dedicated professional staff at the Office of Pensions, our Investment Advisor, our custodian bank, and our money managers, who all work diligently to ensure the successful operation of the Board of Pension Trustees' Investment Committee.

Respectfully submitted,

George J. Saxon, Chair
Board of Pension Trustees'
Investment Committee

Investment Activity and Economic Climate

Fiscal 2015 was expected to be a year when employment growth kicked in and economic growth finally returned to historical norms, causing shorter and longer term interest rates to rise. The employment picture did brighten significantly, and leading indicators remained positive. However, at the close of the fiscal year, shorter term interest rates were unchanged at their near-zero levels due to very low inflation and concerns for global growth relating to weakness in Europe and China.

The two most notable market events of the year were the collapse in oil and metals prices and the strength of the U.S. dollar. For industrial commodities, the development of excess supply through new technologies and investment finally caught up with declining demand growth, particularly in China. The price of a barrel of oil fell approximately 50% over the fiscal year, while industrial metals such as copper, iron ore, platinum and silver all fell by about one third. Meanwhile, the relative aggressiveness of European and Japanese monetary policies combined with relatively weaker economic growth in those regions to send the U.S. dollar soaring against the euro and the yen. The U.S. dollar also rallied significantly relative to currencies influenced negatively by weaker commodity prices (Canada, Australia, Brazil, New Zealand, Norway and Russia).

Despite weakness in the energy and materials sectors, corporate earnings continued to rise, led by health care and technology companies and a rebound within the banking sector. However, the overall rate of earnings growth was slower, causing domestic stock markets to be less rewarding to investors than they have been in recent years. The broad Russell 3000 stock index had a fiscal 2015 return of 7.3%, down from 25.2% in fiscal 2014 and 21.5% in fiscal 2013.

Earnings growth for companies listed on international markets was weaker than for domestic companies, with the exception of Japan, where exporters benefited from the weaker yen. Elsewhere, weaker economic growth, concerns about Greece, the strong dollar and exposure to slowing growth in China weighed on international equity returns for U.S. investors. As a result, international stocks were broadly lower, as the MSCI All-Country ex-USA index fell 5.3% over the fiscal year. Reflecting the strength of the U.S. dollar, however, the same index was up 9.6% measured in local currencies.

In global fixed income markets, the first half of the fiscal year was dominated by lower government bond yields, despite strong employment and manufacturing growth, as low German bond yields, and to a lesser extent, low Japanese bond yields, made U.S. Treasury bonds an attractive alternative. As European economic conditions appeared to improve in the second half of the fiscal year, German bond yields rose and U.S. yields moved higher in reflection of stronger employment data and a view that short rates would still be increased by the Federal Reserve later in 2015. Over the year, the ten-year Treasury note yield declined only slightly from where it began, leading to coupon-like returns for most high quality bonds. Lower quality bonds had lower returns as credit came under pressure from high levels of new issuance, while inflation sensitive bonds lagged due to a decline in long-term inflation expectations. For the year, the Barclays Universal bond index was up 1.6%, while the JP Morgan Global High Yield index had a -0.8% return and the Barclays US TIPS index was down 1.7%.

Given the conditions described above, the System's investments maintained their large exposures to public and private equities and smaller exposures to fixed income investments for the course of the year. Asset allocation moves during the year focused on trimming domestic and international public equity exposure in favor of fixed income in reaction to a combination of valuations, and overall risk and liquidity management.

At the start of the new fiscal year, markets face many risks. After six years of rising markets since the 2009 low, it would not be unusual for markets to go through a period of lower returns. Recent signs of a slowdown in global growth, particularly in China, are worrisome, as are signs credit markets are impacted by energy and low dealer inventories. Despite these risks, corporate balance sheets are healthy, margins are strong, corporate earnings expectations continue to be favorable and substantial opportunities exist for innovative companies.

In the face of these uncertainties, we will continue to rely on the investment principles and risk management guidelines that have served us well in the past and do our best to execute a sound investment strategy for the benefit of the System's stakeholders.

Return data for the total System was calculated gross of (cash-paid) fees, on a time-weighted basis in accordance with accepted practices. Valuations, where available, are based on published pricing from national securities exchanges.

Investment Philosophy and Objectives

In the investment of public funds, adequate funding of employee pensions is a paramount concern. Excessive risk taking could jeopardize that funding. An appropriate balance must be struck between risks taken and returns sought to ensure the long-term health and affordability of the plans involved. For more than 30 years, the System has been managed to control the extent of downside risk to which assets are exposed while maximizing the potential for long-term gain.

Specific investment objectives are:

- Achieve a real return objective (DPERS return less CPI) of 3% over long periods (approximately 15 years)
- Manage portfolio risk by controlling downside price fluctuations of the Fund in any 12-month period
- Maximize total investment returns, consistent with Board objectives.

To achieve these objectives, these investment guidelines are employed:

- Allocate a minimum of 20% of assets to fixed income investments such as bonds, cash equivalents, and certain real estate investments
- Maintain a widely diversified portfolio, to minimize the risk of overexposure in any one market segment or investment style
- Monitor the performance of all investment managers using specific benchmarks
- Control exposure in illiquid asset classes
- Review, re-examine, and reconfirm the operation of the investment process regularly
- Identify new long-term opportunities for risk reduction and improved investment returns
- Review actuarial assumptions to ensure consistency with capital market expectations.

Investment Process

While the objectives and policies have been repeatedly reaffirmed, the implementation process undergoes continuous evolution. The increasing volume of investment information and the complexities of the global marketplace necessitate the continuous review of data, trends, and markets. Ongoing enhancements are employed in every aspect of investment management, from asset allocation decisions to manager selection and performance measurement.

General Management

During each year the Investment Committee, with Board of Pension Trustees' (Board) oversight, carries out a number of general management practices to assure that the appropriate policies, controls, and resources are in place. Areas that are reviewed at least annually include:

- Investment objectives and policies based on an analysis of cash flow and liabilities
- Management tools for decision making
- Long-term risk and return levels for various investment options
- Manager organization, performance, transaction costs, fees and expenses, proxy voting procedures, and adherence to investment philosophy
- System performance versus externally measured universes of similar funds
- Contacts with other leading state investment funds to compare management practices
- Policy objectives and performance of alternative investments (including limited partnerships, and private LLCs).

Investment Results

In Fiscal Year 2015, the investment process experienced:

- Fair value annual rate of return of 3.9% on the beginning of year investable balance and before investment expenses
- Benefit and expense payments exceeded net employer and member contributions by $265.5 million
- Net investment gains of $330.6 million (investment gains less investment expenses)
- Increase in fair market value of investment portfolio from $9.2 billion to $9.3 billion
- Overall volatility well below that of an all common stock portfolio.

Fifteen-Year Total Investment Rates of Return

	Total Investment Portfolio Fair Value *(in millions)*	Time-Weighted Annual Rate of Return	Annual Consumer Price Index	Real Rate of Return
2006	$6,527.0	12.4%	4.3%	8.1%
2007	$7,406.2	15.9%	2.7%	13.2%
2008	$7,089.2	(1.3%)	4.5%	(5.8%)
2009	$5,785.0	(15.5%)	(1.4%)	(14.1%)
2010	$6,362.1	14.4%	1.1%	13.3%
2011	$7,638.1	24.3%	3.6%	20.7%
2012	$7,530.0	2.0%	1.7%	0.3%
2013	$8,097.1	11.1%	1.8%	9.3%
2014	$9,232.5	17.5%	2.1%	15.4%
2015	$9,297.9	3.9%	0.1%	3.8%
Five Year		11.4%	1.8%	9.6%
Ten Year		7.9%	2.1%	5.8%
Fifteen Year		6.4%	2.2%	4.2%

	Periods Ending June 30, 2015 *(All Returns Greater Than One Year Are Annualized)*		
	Five Years	Ten Years	Fifteen Years
Total Fund Return	11.4%	7.9%	6.4%
S&P 500 Index Return	17.3%	7.9%	4.4%
Excess Return vs. S&P 500 Index	(5.9%)	0.0%	2.0%
Relative Risk vs. S&P 500 Index	56.0%	58.5%	58.0%

Funds are invested for long-term results and each single year's returns must be viewed in relation to longer periods.

One investment objective is to achieve an annualized rate of total return over any 15-year period that is at least 3 percentage points greater than inflation. The most recent 15-year result is a real rate of return of 4.2% (6.4% System return less 2.2% CPI) measured on a time-weighted basis. During this period, risk, as measured by relative volatility, was approximately 58.0% of the level that would have been experienced by a fund invested 100% in the S&P 500. The real rate of return from such a 100% stock portfolio would have been 2.2% (4.4% S&P 500 less 2.2% CPI). While 15-year investment market returns have been characterized by increased volatility, the portfolio has been successful at meeting the real return objective of 3.0% (DPERS return less 3%) over the 15-year period.

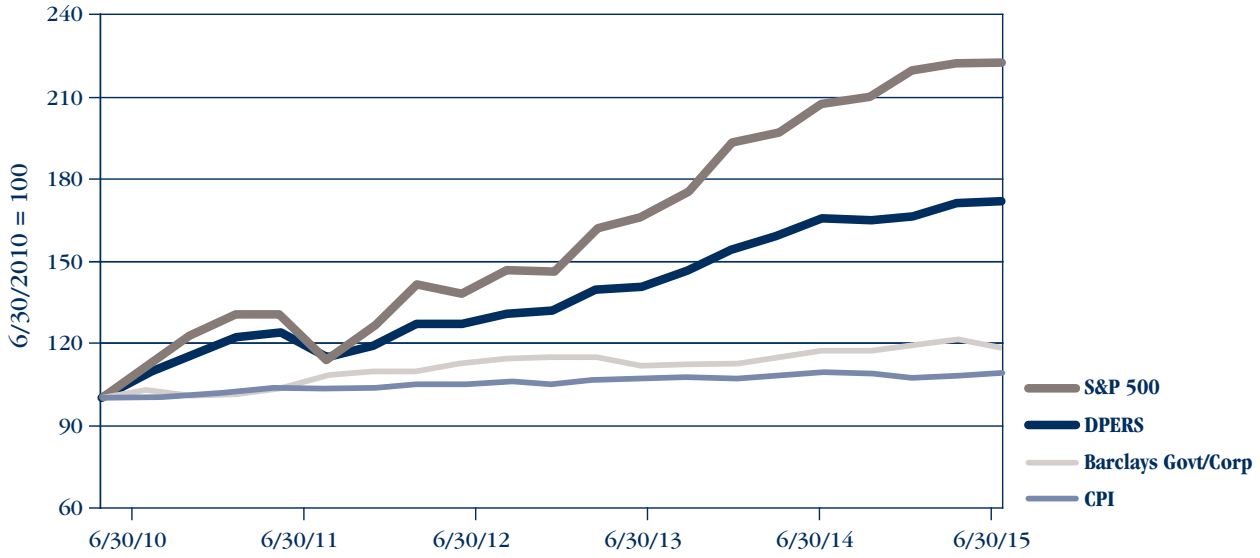
Comparative Investment Results

(time-weighted rate of return)

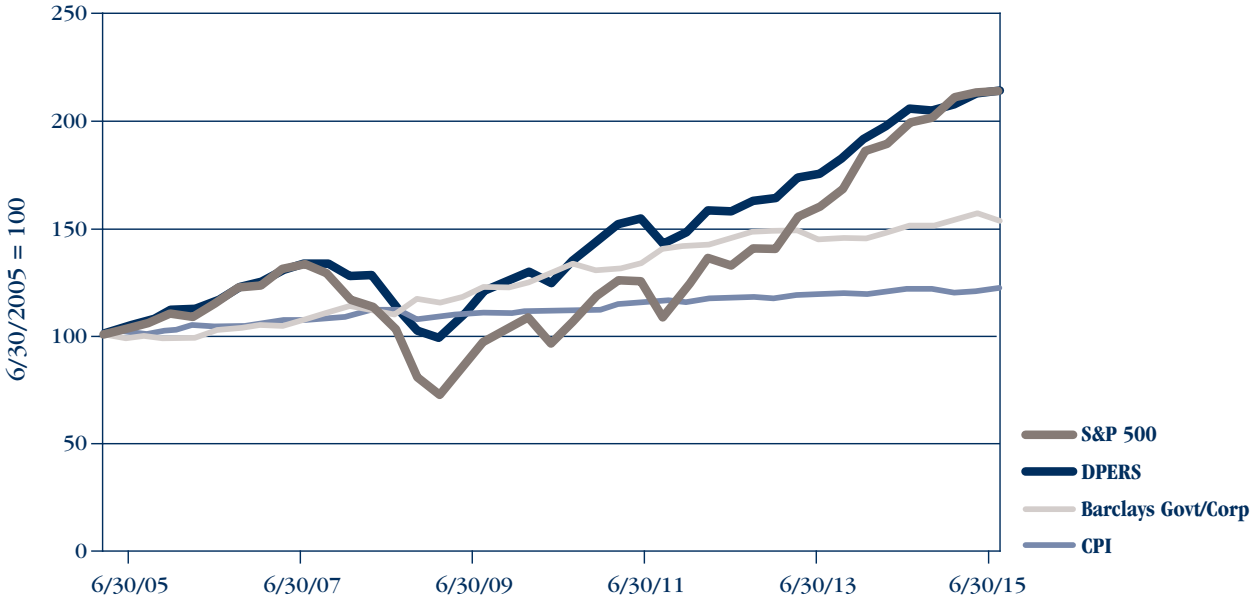
	1 Year	3 Year	5 Year	10 Year
Domestic Equities(1)	**2.9%**	**15.4%**	**14.6%**	**8.1%**
S&P 500	7.4%	17.3%	17.3%	7.9%
Russell 3000 Index	7.3%	17.7%	17.5%	8.2%
Merrill Lynch All Convertibles	3.5%	15.2%	12.6%	7.9%
Global Equities(2)	**5.2%**	**16.7%**	**15.2%**	**7.9%**
MSCI All Country World Index	0.7%	13.0%	11.9%	6.4%
International Equities(3)	**(2.9%)**	**9.3%**	**8.3%**	**7.3%**
MSCI All Country World Index ex-US	(5.3%)	9.4%	7.8%	5.5%
Thomson Reuters Global Focused ex-US (Hedged) Blend	(7.6%)	5.0%	5.4%	5.3%
Total Equities	**2.6%**	**14.8%**	**13.7%**	**8.4%**
Equity Section Benchmark(4)	2.9%	14.9%	14.2%	7.3%
Fixed Income & Cash(5)	**0.4%**	**2.7%**	**4.4%**	**4.9%**
Fixed Income Section Benchmark(6)	1.4%	2.1%	3.6%	4.5%
Alternative Strategies(7)	**13.4%**	**12.3%**	**15.6%**	**11.1%**
Policy Benchmark(8)	2.4%	9.4%	9.8%	6.2%
Total System	**3.9%**	**10.7%**	**11.4%**	**7.9%**
Policy Benchmark(8)	2.4%	9.4%	9.8%	6.2%
Delaware Volunteer Firemen's Fund(9)	**2.6%**	**9.2%**	**9.7%**	**NA**
38% Russell 3000, 20% MSCI All Country				
World Index ex-US, 40% Barclays				
Aggregate, 2% 90-day T-bills	2.5%	9.3%	9.7%	NA
Consumer Price Index	**0.1%**	**1.3%**	**1.8%**	**2.1%**

(1) Includes domestic convertible securities and real estate investments; includes pooled domestic allocation portfolios.
(2) Includes pooled global allocation portfolios.
(3) Includes international convertible securities.
(4) 65.52% Russell 3000, 34.48% MSCI ACWI ex US (Net)
(5) Includes managed futures.
(6) 91.67% Barclays Universal, 3.57% Barclays TIPS, 4.76% 90-Day T-Bills
(7) Includes Private Equity and other non-marketable investments. All returns are on a lagged basis.
(8) From July 1, 2006: 38% Ru3000, 20% MSCI ACWI ex-US, 38.5% Barclays Universal, 1.5% Barclays TIPS, 2% 90-day T-bills
From 7/1/2006 to 8/1/1997: 45% Russell 3000, 10% MSCI EAFE, 43% Barclays Aggregate and 2% T-bills
(9) Delaware Volunteer Firemen's Fund investments are invested separately from the other plans of DPERS.

Total Return Performance Comparison - 5 Years



Total Return Performance Comparison - 10 Years



List of Largest Assets Directly Held as of June 30, 2015

(excludes investments in pooled vehicles)

Ten Largest Equity Holdings (Includes Convertibles)	Market Value	% of Total Fund	Shares
Microsoft Corporation	$ 52,723,621	0.57%	1,194,193 shares
CVS Health Incorporated	44,378,609	0.48%	423,137 shares
Johnson & Johnson Company	39,670,313	0.43%	407,042 shares
Wal-Mart Stores Incorporated	38,618,051	0.42%	544,453 shares
United Health Care Group Incorporated	38,068,514	0.41%	312,037 shares
Amazon.com Incorporated	36,712,728	0.39%	84,574 shares
McDonalds Corporation	35,753,165	0.38%	376,072 shares
Coca Cola Company	33,271,512	0.36%	848,114 shares
Wells Fargo & Company	30,963,663	0.33%	550,563 shares
United Technologies Corporation	29,927,361	0.32%	269,786 shares
	$ 380,087,537	4.09%	

Ten Largest Bond Holdings	Market Value	% of Total Fund	Par ($)
Inter-American Development Bank 6.000% 12/15/17	$ 12,817,006	0.14%	$ 17,750,000
Government of Canada 2.750% 09/01/16	10,119,663	0.11%	12,210,000
New South Wales Treasury 6.000% 02/01/18	8,599,592	0.09%	9,990,000
Merrill Lynch & Company 6.110% 01/29/37	8,370,295	0.09%	7,300,000
Lucent Technologies 6.45% 03/15/29	6,014,532	0.07%	5,720,000
Kingdom of Norway 4.250% 05/19/17	5,985,071	0.06%	44,015,000
Ford Motor Company 6.625% 10/01/28	5,850,869	0.06%	4,740,000
United Mexican States 10.000% 05/12/24	5,657,683	0.06%	690,000
Weyerhaeuser Company 7.375% 03/15/32	5,572,180	0.06%	4,380,000
International Paper Company 8.700% 06/15/38	5,482,881	0.06%	3,990,000
Total	$ 74,469,772	0.80%	

Asset Allocation

Funds are deployed in diverse asset classes offering the desired risk and return characteristics in an effort to achieve stated investment objectives. The accompanying table shows the most recent five-year history and trends in asset allocation. For these asset classifications, the Pooled Equity and Fixed Income accounts are included in their respective equity and fixed income asset classes and, therefore, are different from the asset classes used in the financial section on pages 24-25.

	2015	2014	2013	2012	2011
Domestic Equities	36.9%	39.5%	42.0%	33.7%	31.8%
International Equities	10.4%	7.0%	12.1%	11.2%	16.3%
Domestic Fixed Income	22.3%	20.9%	19.9%	20.8%	19.0%
International Fixed Income	1.9%	7.4%	1.8%	2.2%	2.5%
Alternative Investment	22.2%	19.0%	18.9%	25.2%	24.5%
Cash and Equivalents	6.3%	6.2%	5.3%	6.9%	5.9%

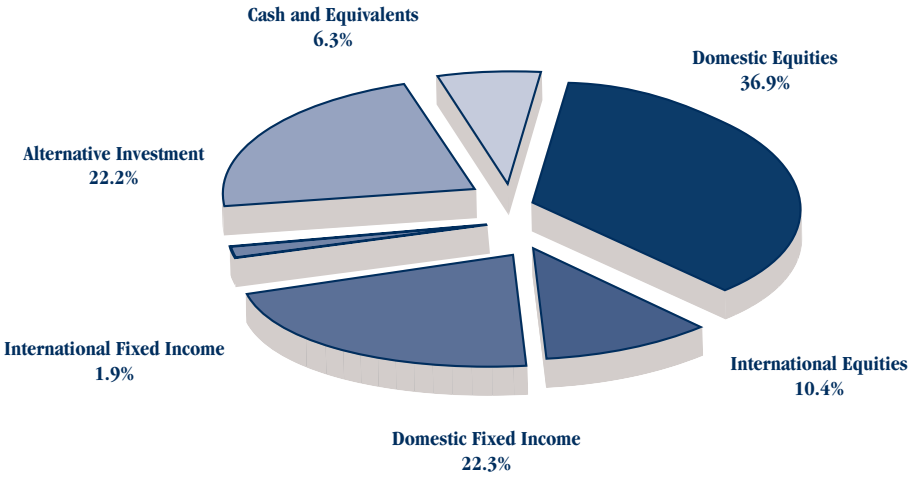
Individual investment managers are selected for each asset class based on a rigorous set of performance and organizational criteria. In addition to a proven track record of managing a given class of assets, they must have a clearly stated and consistently applied investment policy and decision-making process, continuity of personnel, and a well-defined plan for retaining key personnel and controlling growth.

All investment managers are expected to maintain those organizational criteria in order to continue as managers.

The System's investments maintained their large exposures to public and private equities and smaller exposures to fixed income investments for the course of the year. Asset allocation moves during the year focused on trimming domestic and international public equity exposure in favor of fixed income in reaction to a combination of valuations, and overall risk and liquidity management. To help maintain exposure to private investments, as they continue to be net distributors of cash back to the System, there were three new commitments to private investment funds during the year. Other manager activity saw two new manager accounts opened and two accounts terminated, while nine existing accounts were increased and five accounts were reduced during the fiscal year.

Asset Allocation

as of June 30, 2015



At the end of the fiscal year, the money managers of the System and their responsibilities were:

Investment Manager	Mandate	Fiscal Year Retained
Domestic Equities		
Bares Capital	Small Cap Equities	2013
Focused Investors	Large Cap Equities	2011
Harvest Fund Advisors LLC.	Master Limited Partnerships	2015
Mellon Capital Management	Indexed Equities	1984
Oaktree Capital Management	Convertible Securities	1995
Rutabaga Capital Management	Small Cap Value Equities	2007
T. Rowe Price Associates	Natural Resources Equities	1981
Vanguard	Equities	2009
Wellington Management Company	Large Cap Equities	2011
International Equities		
Baillie Gifford	Global Equities	2008
Dodge and Cox Funds	International Equities	2007
Kiltearn Global Equity	Global Equities	2013
Oaktree Capital Management	International Convertible Securities	1995
T. Rowe Price Associates	Global Equities	2010
Vanguard	International Equities	2009
Sanderson Asset Management, Inc.	International Equities	2010
Domestic Fixed Income		
Loomis Sayles & Company LP	Long Term Corporate Bonds	1999
Mellon Capital Management	Inflation Protection/Broad Market Bonds	1984
T. Rowe Price Associates	Floating Rate Bank Loans	2011
Thornburg Investment Management	Broad Market Bonds	2013
Vanguard	Broad Market Bonds	2009
Alternative Investments		
Accel Partners	Venture Capital	1984
Accel-KKR Company	Venture Capital	2001
Allegis Capital	Venture Capital	2005
Advanced Technology Ventures	Venture Capital	1990
Angelo, Gordon & Co	Hedge Fund/Distressed Debt	2007
Atalaya Capital Management LP	Distressed Debt	2011
Brahman Capital Corp.	Hedge Fund/Value Equities	2014
The Carlyle Group	Private Equity	1996
Centerbridge Credit Partners L.P.	Distressed Debt	2009
Cherry Tree Ventures	Venture Capital	1984
Flagship/One Liberty Ventures	Venture Capital	1982
IDG-Accel	Venture Capital	2006
Lightstone Ventures	Venture Capital	2013
Liquid Realty Partners	Real Estate	2008
Marcus Capital Partners	Real Estate	2015
MeriTech Capital Partners	Venture Capital	1999
Oaktree Capital Management	Distressed Debt	1998
ONSET Enterprise Associates	Venture Capital	1990
Pecks Management Partners	Private Equity	1986
Riverstone	Venture Capital	2006
Summit Ventures	Venture Capital	1988
T. Rowe Price Associates	Venture Capital	1984
Trident Capital	Venture Capital	2000
Viking Partners	Hedge Fund	2012
Weston Presidio Capital	Venture Capital	1999
Cash & Short-Term		
Northern Trust	Cash & Equivalents	2007

Investment Summary and Schedule of Investment Fees

(dollar values expressed in millions)

	Market Value as of June 30, 2015	Percent of Total Investment Assets	Total Fiscal Year 2015 Investment Fees	Basis Points
Equities				
Domestic Equities	$ 3,434.4	36.9%	$ 9.3	
International Equities	$ 967.3	10.4%	$ 9.4	
Sub-Total	$ 4,401.7	47.3%	$ 18.7	
Fixed Income				
Domestic Fixed Income	$ 2,071.8	22.3%	$ 2.5	
International Fixed Income	$ 172.5	1.9%	0.0	
Sub-Total	$ 2,244.3	24.2%	$ 2.5	
Other Asset Allocations				
Alternative Investment	$ 2,064.0	22.2%	0.0	
Cast and Short Term	$ 587.9	6.3%	0.0	
Sub-Total	$ 2,651.9	28.5%	0.0	
Other Investment Services				
Custodian/Investment Advisor Fees	$ 0.0	0	$ 4.8	
Pension Office Support Staff Expenses	$ 0.0	0	$ 0.6	
Sub-Total	$ 0.00	0.00	$ 5.4	
	$ 9,297.9	100.0%	$ 26.6	28bp

** Other fees include Alternative Investment fees detailed on page 43. These fees have been excluded from the table above and the basis points calculation since they have already been netted from income. Basis point calculation is the weighted average based on the quarterly fund valuations.*

Glossary of Terms Used

Fair Value (Market Value):
The value at which an investment could be sold in a transaction between a willing buyer and a willing seller. All assets with regularly traded markets are shown at the fair value as determined by the custodian bank based on quoted market values. All other assets are adjusted to market value monthly except venture capital which is adjusted at least quarterly based on individual partnership procedures, and any private placement or partnership participation where values are supplied periodically by the respective management organizations in accordance with established procedures.

Time-Weighted Total Return:
The measure used for judging investment management of the System. It is based on market value and minimizes or eliminates any distortion in the rate of return caused by the timing of cash flows into or out of the System.

Alternative Investments:
Alternative Investments include non-traditional investments, some of which may be illiquid, such as limited partnerships, real estate and private LLCs.

Schedule of Broker Commissions

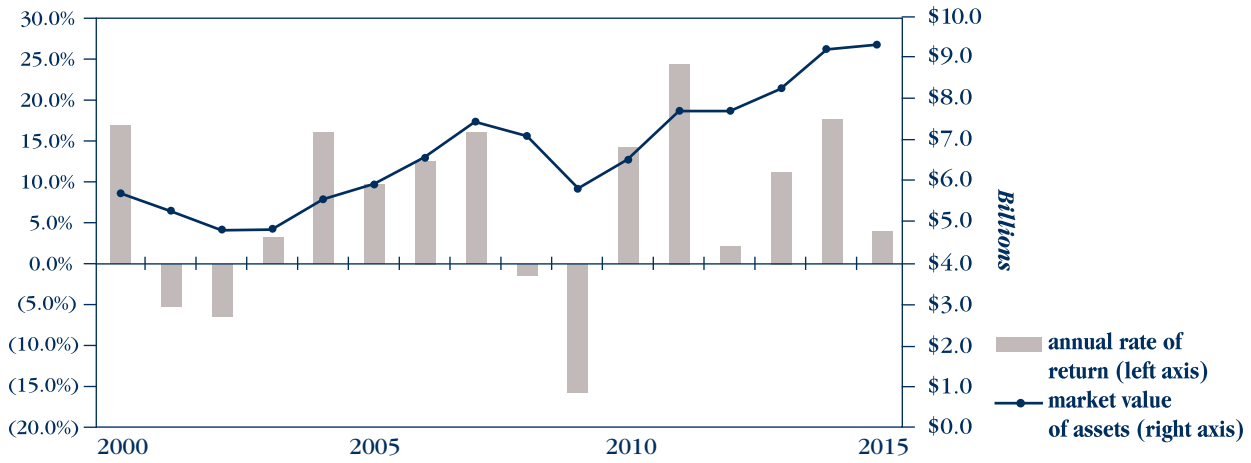
The System has no commission recapture, directed payment, or "soft dollar" arrangements; however, such arrangements may exist between brokers and investment managers. Broker selection is the responsibility of individual investment managers.

The following is a list of brokers who received $10,000 or more in commissions during Fiscal Year 2015.

Broker	# of Shares	Commission Per Share	Total Dollar Amount of Trades	Total Commission
CITIGROUP GLOBAL MARKETS LIMITED	10,923,028	$0.01	$ 220,371,807	$ 113,871
INVESTMENT TECHNOLOGY GROUP INC.	3,006,024	$0.02	65,604,937	65,371
MORGAN STANLEY AND CO., LLC	8,335,790	$0.01	180,051,050	64,630
UBS LIMITED	10,812,992	$0.01	114,280,168	63,167
GOLDMAN SACHS & COMPANY	5,737,642	$0.01	156,406,759	51,452
DEUTSCHE BANK SECURITIES INC.	2,091,624	$0.02	95,523,708	51,006
MERRILL LYNCH INTERNATIONAL LIMITED	11,967,434	$0.00	60,720,893	50,300
MERRILL LYNCH AND CO., INC.	2,309,525	$0.02	152,039,254	41,920
CREDIT SUISSE SECURITIES (USA) LLC	2,394,742	$0.02	91,837,628	39,153
J.P. MORGAN CLEARING CORP.	3,427,600	$0.01	97,860,422	36,885
JEFFERIES & COMPANY	3,096,001	$0.01	133,207,882	35,282
BNY ESI SECURITIES CO.	2,301,774	$0.01	47,899,492	32,890
MERRILL LYNCH PIERCE FENNER & SMITH	1,199,138	$0.03	50,238,253	31,969
DEUTSCHE SECURITIES ASIA LIMITED	6,446,660	$0.00	13,713,558	27,188
GOLDMAN SACHS INTERNATIONAL	1,487,125	$0.02	22,581,366	26,653
MORGAN STANLEY AND CO.INTRNTNAL PLC	2,014,644	$0.01	29,563,300	26,291
J.P. MORGAN SECURITIES PLC	2,362,599	$0.01	44,869,307	26,030
MERLIN SECURITIES LLC	1,979,718	$0.01	88,615,222	25,192
SANFORD C. BERNSTEIN LTD	2,522,945	$0.01	70,373,337	24,223
MACQUARIE BANK LIMITED	4,040,866	$0.01	14,010,910	23,310
HSBC BANK PLC	1,960,994	$0.01	10,545,232	22,228
RBC CAPITAL MARKETS, LLC	1,171,595	$0.02	68,709,569	21,269
CREDIT SUISSE SECU (EUROPE) LTD	1,384,183	$0.02	27,590,675	20,814
CREDIT SUISSE (HONG KONG) LIMITED	14,064,911	$0.00	26,164,107	20,074
UBS AG LONDON BRANCH	4,369,984	$0.00	11,025,610	19,289
CAVALI S.A. I.C.L.V.	426,795	$0.04	7,568,048	18,879
USCA SECURITIES LLC	2,872,573	$0.01	104,500,438	18,623
BARCLAYS CAPITAL INC	2,008,128	$0.01	30,561,274	18,415
CLSA LIMITED	8,201,110	$0.00	12,907,855	18,412
CLSA SINGAPORE PTE LTD.	5,078,000	$0.00	9,083,535	17,248
KCG AMERICAS LLC	1,695,962	$0.01	70,587,513	17,119
UBS AG STAMFORD BRANCH	2,145,001	$0.01	114,835,677	15,311
PERSHING SECURITIES LIMITED	1,513,543	$0.01	11,824,122	14,791
JP MORGAN SECURITIES AUSTRALIA LTD	1,094,747	$0.01	7,693,498	13,545
STIFEL NICOLAUS & CO,INCORORATED	1,184,098	$0.01	75,917,552	13,534
EXANE S.A.	179,685	$0.07	8,980,586	12,267
SMBC NIKKO SECURITIES (HONG KONG)	389,700	$0.03	8,084,294	12,126
LIQUIDNET INC	566,457	$0.02	21,195,599	10,906
RENAISSANCE SECURITIES (NIGERIA)	255,795	$0.04	1,211,772	10,615
RBC EUROPE LIMITED	1,261,113	$0.01	13,579,285	10,461
All Others (197 Brokers Not Listed)	36,388,233	$0.01	467,251,313	318,276
Totals	176,670,478		$ 2,859,586,807	$ 1,500,985
Average Commission, Per Share	$0.01			

Annual Market Value of Fund and Rate of Return

For the 15-Year Period 2000-2015



The Investment Section is prepared by the Pension Office staff with input from the Board of Pension Trustees, the Investment Committee, and the Investment Advisor.

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DECEMBER 7, 1787

Actuarial Section

Forty-Fourth Comprehensive Annual Financial Report

2015

Delaware Public Employees' Retirement System

— A component unit of the State of Delaware

CHEIRON

Classic Values, Innovative Advice.

October 30, 2015

Board of Pension Trustees
Delaware Public Employees' Retirement System
McArdle Building
860 Silver Lake Blvd., Suite 1
Dover, DE 19904-2402

Dear Board Members:

At your request, we have prepared our annual actuarial valuations of each of the funded pension plans administered by the Board as of June 30, 2014. The results of these valuations are contained in the enclosed exhibits. Any distribution of the exhibits must be in their entirety, including this cover letter, unless prior written consent is obtained. The contributions actually made during FY 2015 were developed in the 2013 actuarial valuations. The basis for the GASB No. 67 net pension liability is the 2014 actuarial valuations rolled forward to June 30, 2015.

Funding Objective

The funding objective of the System is to establish contribution rates that, over time, will remain level as a percentage of payroll. In order to achieve this, we developed a contribution rate that will provide for current cost (i.e., normal cost expressed as a level percentage of payroll) plus a level percentage of payroll amortizations of each layer of the unfunded liability over a specified period. In addition, unfunded liabilities due to cost-of-living adjustments to retirees are funded through a schedule of future transfers from the Post-Retirement Increase Fund.

To our knowledge, the State has consistently funded the full amounts required based on the actuarial valuations and specific statutory provisions.

Assumptions and Methods

The actuarial assumptions and methods used in these valuations are based on the most recent experience study completed during the fiscal year ended June 30, 2012. The Board set the investment return assumption based on advice from its investment consultant.

We believe that all costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods that are individually reasonable (taking into account the experience of the System and reasonable expectations) and that, in combination, offer our best estimate of anticipated experience affecting the System. Nevertheless, the emerging costs rely on future plan experience conforming to the underlying assumptions and methods outlined in this report. To the extent that the actual experience of the Programs deviates from the underlying assumptions and methods, or there are any changes in plan provisions or applicable lay, the results will vary accordingly.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for the System. Actuarial computations under GASB Statement No. 67 are for purposes of fulfilling financial accounting requirements. The computations prepared for these two purposes may differ. The calculations in the enclosed exhibits have been made on a basis consistent with our understanding of the System's funding requirements and goals and of GASB Statement No. 67. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

www.cheiron.us 1.877.CHEIRON (243.4766)

This report was prepared for the Delaware Public Employees' Retirement System for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Reliance on Others

In performing our report, we relied on information, some oral and some written, supplied by the Delaware Public Employees' Retirement System. This information includes, but is not limited to, the plan provisions, membership data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable. Such a review was beyond the scope of our assignment.

Supporting Schedules

Cheiron is responsible for providing all figures from 2006 forward in the following schedules of the Financial Section: Membership Data, Current Funded Status of the Plans, Plan Actuarial Methods, Schedule of Changes in Net Pension Liability, and Schedule of Employer Contributions. In addition, we were responsible for the 2006 and later information provided in the following schedules found in the Actuarial Section: Actuarial Assumptions and Methods, Schedule of Active Member Valuation Data, Solvency Test, and Analysis of Financial Experience for the State Employees' Pension Plan.

Certification

I believe the State's pension plans are adequately and appropriately financed, in that the contributions are determined and funded on a level cost as a percentage of payroll basis using reasonable actuarial methods and assumptions. I believe the actuarial computations under GASB 67 have been completed in accordance with that standard.

I hereby certify that, to the best of my knowledge, this report and its contents are work products of Cheiron, Inc. These work products are complete and accurate and have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Standard of Practice set out by the Actuarial Standards Board. Furthermore, as a credentialed actuary, I meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal service or advice.

Sincerely,
Cheiron

Fiona E. Liston

Fiona E. Liston, FSA, EA
Consulting Actuary

CHEIRON

Actuarial Assumptions and Methods

Asset Valuation Method

The market value of assets, representing the realizable value of the assets on a particular day, is not necessarily an appropriate value for the purpose of setting contribution rates. This is because funding will take place over a long period of time during which market values can be expected to fluctuate significantly from year to year. If market values were used to develop contribution rates, the resulting contribution rates would also fluctuate from year to year.

In order to produce a stable pattern of contribution rates, market values are adjusted to remove some of the volatility. The actuarial value of assets is equal to 1/5th of the market value plus 4/5th of the expected value, where the expected value is equal to last year's actuarial value and subsequent cash flows into and out of the fund accumulated with interest at the prior year valuation rate of 7.5 percent per annum. As of June 30, 2014, an additional recognition of 30 percent of remaining investment gains was added to the actuarial value.

Funding Method

We used the Individual Entry Age Normal Method to determine costs for all plans. Under an Entry Age method, a total contribution rate is determined which consists of two elements: the normal cost rate and the unfunded liability rate (UAL). In addition, the overall contribution rate includes a provision for the plan's expenses.

For each State plan, an Entry Age Normal cost rate is determined for each member of each respective plan. This rate represents the member's expected future employer-paid normal costs divided by his expected future salary, where both measurements are made as of the member's original entry date to the System.

In addition to contributions required to meet the normal cost, contributions are required to meet each plan's unfunded actuarial liability. Actuarial liability equals the present value of future benefits less the present value of future normal costs and future employee contributions. The unfunded liability is the total actuarial liability for all members less the actuarial value of the System's assets.

A portion of the unfunded liability will be paid through future, scheduled transfers from the Post-Retirement Increase Fund. These transfers will cover the liability increases due to the cost-of-living increases granted on January 1, 2011, July 1, 2012, and January 1, 2015. The remaining unfunded actuarial liability will be amortized over an open 20–year period for the State Employees' Plan and State Police Plan and over an open period of 15 years for the Judiciary Plan, the Volunteer Firemen's Plan, and the Diamond State Port Corporation plan through the unfunded liability amortization component of the total contribution. We note that in the case where amortization is being performed over an open period, the unfunded liability amount is projected to decrease over time but not actually reach zero when all assumptions are met.

CHEIRON

Actuarial Assumptions

The actuarial assumptions for valuation purposes are based on the experience study completed in 2012. The investment return assumption has since been reduced after analysis and recommendation by the Board's Investment Committee. Please refer to the 2012 study for rationale in choosing the assumptions. Differences between assumed and actual experience (actuarial gains and losses) are part of the unfunded actuarial liabilities. The following significant assumptions were used in the actuarial valuations as of July 1, 2014:

1. Rate of return on investments:
   7.2% compounded annually (adopted 2014)
2. Salary increases attributable to inflation:
   3.0% compounded annually (adopted 2014)
3. Salary increases attributable to merit and productivity:
   Increases for State Employees ranging from 0.50% to 8.5% per year (adopted 2011)
4. Mortality:
   Rates of mortality vary by plan and gender. For retirees, the assumption anticipates future improvements in mortality through the use of a projection scale (adopted 2011). Sample retiree mortality rates from the State Employees plan are as follows:

	Base Rate in 2000		Projection Scale	
Age	Male	Female	Male	Female
35	0.08%	0.05%	0.50%	1.10%
40	0.11%	0.07%	0.80%	1.50%
45	0.15%	0.11%	1.30%	1.60%
50	0.21%	0.17%	1.80%	1.70%
55	0.36%	0.27%	1.90%	0.80%
60	0.67%	0.51%	1.60%	0.50%

   Active employee mortality rates for all plans are based on the RP 2000 Mortality Table for males and females, with static projection to 2015 using Projection Scale AA.
5. Rates of termination of service, disablement, and retirement:
   Based on the results of the Experience Study completed in 2011 (adopted 2011).
6. Aggregate active member payroll:
   3.25% annually (adopted 2011).

Summary of Plan Provisions and Changes in Plan Provisions

The plans valued are those described on pages 30-33 of the Financial Section.

Schedule of Active Member Valuation Data

Plan	Fiscal Year Ended	Number of Members	Annualized Covered Payroll *(expressed in thousands)*	Annual Average Pay	% Increase/ (Decrease) in Average Pay
State Employees'	30-Jun-2014	35,825	$ 1,902,293	$ 53,100	0.6%
	30-Jun-2013	35,571	1,877,105	52,771	(0.6%)
	30-Jun-2012	35,427	1,881,097	53,098	5.9%
	30-Jun-2011	35,572	1,783,603	50,141	1.4%
	30-Jun-2010	35,217	1,740,622	49,426	(0.1%)
	30-Jun-2009	35,430	1,753,129	49,481	0.5%
	30-Jun-2008	34,764	1,711,473	49,231	2.3%
	30-Jun-2007	35,062	1,654,609	48,135	1.9%
	30-Jun-2006	34,313	1,589,185	46,314	5.0%
	30-Jun-2005	33,379	1,471,931	44,098	2.4%
Special	The Special Fund has no Active Members				
New State Police	30-Jun-2014	695	$ 57,543	$ 82,796	1.3%
	30-Jun-2013	689	56,289	81,697	0.7%
	30-Jun-2012	671	54,412	81,091	6.2%
	30-Jun-2011	662	50,556	76,369	(0.4%)
	30-Jun-2010	651	49,896	76,645	(0.9%)
	30-Jun-2009	652	50,425	77,339	5.0%
	30-Jun-2008	651	47,971	73,688	1.1%
	30-Jun-2007	644	46,924	72,863	5.8%
	30-Jun-2006	633	43,579	68,845	5.9%
	30-Jun-2005	610	39,645	64,992	4.6%
Judiciary	30-Jun-2014	55	$ 10,290	$ 187,095	1.3%
	30-Jun-2013	56	10,416	186,000	(1.5%)
	30-Jun-2012	55	10,387	188,855	6.0%
	30-Jun-2011	54	9,624	178,222	0.0%
	30-Jun-2010	55	9,798	178,145	(0.2%)
	30-Jun-2009	55	9,814	178,436	(0.6%)
	30-Jun-2008	54	9,689	179,426	0.4%
	30-Jun-2007	55	9,825	178,636	4.6%
	30-Jun-2006	55	9,397	170,854	6.8%
	30-Jun-2005	53	8,475	159,906	8.4%
County & Municipal Police and Firefighters'	30-Jun-2014	1,096	$ 69,849	$ 63,731	1.2%
	30-Jun-2013	1,082	68,122	62,959	(0.6%)
	30-Jun-2012	1,059	67,091	63,353	3.7%
	30-Jun-2011	973	59,418	61,067	3.8%
	30-Jun-2010	967	56,917	58,859	1.2%
	30-Jun-2009	954	55,478	58,153	2.1%
	30-Jun-2008	866	49,328	56,961	3.8%
	30-Jun-2007	821	45,059	54,883	4.9%
	30-Jun-2006	733	38,342	52,308	5.7%
	30-Jun-2005	675	33,389	49,465	(0.3%)

Schedule of Active Member Valuation Data (continued)

Plan	Fiscal Year Ended	Number of Members	Annualized Covered Payroll *(expressed in thousands)*	Annual Average Pay	% Increase/ (Decrease) in Average Pay
County & Municipal	30-Jun-2014	586	$ 28,716	$ 49,004	1.1%
Other Employees'	30-Jun-2013	543	26,332	48,494	4.4%
	30-Jun-2012	483	22,435	46,449	2.5%
	30-Jun-2011	454	20,580	45,330	1.0%
	30-Jun-2010	459	20,591	44,861	1.0%
	30-Jun-2009	429	19,046	44,396	1.7%
	30-Jun-2008	427	18,632	43,635	8.4%
	30-Jun-2007	402	16,183	40,256	7.8%
	30-Jun-2006	349	13,027	37,327	20.8%
	30-Jun-2005	315	9,737	30,911	(8.6%)
Closed State Police	The Closed State Police Fund has no Active Members				
Diamond State Port	30-Jun-2014	274	$ 12,644	$ 46,147	(3.5%)
Corporation	30-Jun-2013	238	11,381	47,819	3.6%
	30-Jun-2012	265	12,229	46,147	5.5%
	30-Jun-2011	255	11,150	43,725	0.1%
	30-Jun-2010	257	11,224	43,673	10.1%
	30-Jun-2009	279	11,071	39,681	8.6%
	30-Jun-2008	281	10,270	36,548	(3.5%)
	30-Jun-2007	296	11,213	37,882	(3.7%)
	30-Jun-2006	283	11,130	39,329	13.5%
	30-Jun-2005	267	9,248	34,637	0.2%
Delaware	30-Jun-2014	4,882	$ -	$ -	-
Volunteer	30-Jun-2013	4,882	-	-	-
Firemen's	30-Jun-2012	4,871	-	-	-
	30-Jun-2011	4,933	-	-	-
	30-Jun-2010	4,898	-	-	-
	30-Jun-2009	5,074	-	-	-
	30-Jun-2008	5,066	-	-	-
	30-Jun-2007	5,170	-	-	-
	30-Jun-2006	5,160	-	-	-
	30-Jun-2005	5,106	-	-	-

Schedule of Retirants and Beneficiaries Added to and Removed from Rolls

Plan	Fiscal Year Ended	Added to Rolls: Additions	Added to Rolls: Annual Allowance *(expressed in thousands)*	Removed from Rolls: Deletions	Removed from Rolls: Annual Allowances *(expressed in thousands)*
State Employees'	30-Jun-2014	1,532	$ 34,371	777	$ 10,532
	30-Jun-2013	1,603	36,118	835	9,846
	30-Jun-2012	1,459	35,304	824	9,285
	30-Jun-2011	1,339	36,190	839	8,567
	30-Jun-2010	1,673	38,613	843	10,472
	30-Jun-2009	1,330	31,401	750	8,613
Special	30-Jun-2014	-	$ -	-	$ -
	30-Jun-2013	-	-	2	7
	30-Jun-2012	-	(1)	1	3
	30-Jun-2011	1	3	3	9
	30-Jun-2010	-	-	4	12
	30-Jun-2009	1	4	6	22
New State Police	30-Jun-2014	13	$ -	-	$ -
	30-Jun-2013	16	1,117	2	66
	30-Jun-2012	31	2,089	2	16
	30-Jun-2011	18	1,231	1	20
	30-Jun-2010	27	1,535	2	-
	30-Jun-2009	18	1,006	1	40
Judiciary	30-Jun-2014	4	$ 470	2	$ 68
	30-Jun-2013	3	308	-	-
	30-Jun-2012	1	79	2	99
	30-Jun-2011	3	322	2	68
	30-Jun-2010	3	308	1	75
	30-Jun-2009	4	378	2	158
County & Municipal Police and Firefighters'	30-Jun-2014	15	$ 584	-	$ -
	30-Jun-2013	9	297	1	16
	30-Jun-2012	13	453	2	14
	30-Jun-2011	13	358	1	27
	30-Jun-2010	12	450	-	-
	30-Jun-2009	8	252	-	-
County & Municipal Other Employees'	30-Jun-2014	10	$ 122	3	$ 15
	30-Jun-2013	15	114	1	1
	30-Jun-2012	12	117	2	42
	30-Jun-2011	10	66	2	18
	30-Jun-2010	9	99	1	41
	30-Jun-2009	6	75	-	-
Delaware Volunteer Firemen's	30-Jun-2014	120	$ 134	52	$ 44
	30-Jun-2013	90	100	67	56
	30-Jun-2012	97	108	63	52
	30-Jun-2011	115	126	53	46
	30-Jun-2010	110	118	66	46
	30-Jun-2009	104	114	61	51

Schedule of Retirants and Beneficiaries Added to and Removed from Rolls (continued)

		Added to Rolls		Removed from Rolls	
Plan	Fiscal Year Ended	Additions	Annual Allowance *(expressed in thousands)*	Deletions	Annual Allowances *(expressed in thousands)*
Diamond State	30-Jun-2014	18	$ 224	1	$ 5
Port Corporation	30-Jun-2013	5	41	1	7
	30-Jun-2012	2	19	1	16
	30-Jun-2011	7	77	3	25
	30-Jun-2010	6	48	1	10
	30-Jun-2009	2	12	-	-
Closed State Police	30-Jun-2014	8	$ 723	16	$ 657
	30-Jun-2013	5	1,018	13	453
	30-Jun-2012	11	1,572	21	767
	30-Jun-2011	8	234	9	271
	30-Jun-2010	12	415	14	585
	30-Jun-2009	12	1,403	10	385

		On Roll at Year End			
Plan	Fiscal Year Ended	Year End Total	Annual Allowance *(expressed in thousands)*	Average Annual Allowance	% Change in Annual Allowance
State Employees'	30-Jun-2014	24,356	$ 504,593	$ 20,844	4.5%
	30-Jun-2013	23,579	483,005	20,485	5.8%
	30-Jun-2012	22,811	456,733	20,070	6.0%
	30-Jun-2011	22,176	430,713	19,496	6.9%
	30-Jun-2010	21,676	403,091	18,686	7.51%
	30-Jun-2009	20,846	374,950	18,071	6.5%
Special	30-Jun-2014	9	$ 42	$ 4,678	-
	30-Jun-2013	9	42	4,667	(13.2%)
	30-Jun-2012	11	48	4,408	(7.2%)
	30-Jun-2011	12	52	4,352	(10.4%)
	30-Jun-2010	14	58	4,163	(17.58%)
	30-Jun-2009	18	70	3,929	(20.5%)
New State Police	30-Jun-2014	185	$ 10,975	$ 59,008	10.4%
	30-Jun-2013	173	9,940	57,457	11.8%
	30-Jun-2012	159	8,889	56,258	30.4%
	30-Jun-2011	130	6,815	52,829	21.6%
	30-Jun-2010	113	5,604	49,593	37.72%
	30-Jun-2009	88	4,069	47,317	31.2%
Judiciary	30-Jun-2014	48	$ 3,612	$ 80,270	6.4%
	30-Jun-2013	45	3,396	75,467	10.0%
	30-Jun-2012	42	3,088	73,520	(0.6%)
	30-Jun-2011	43	3,107	72,257	8.9%
	30-Jun-2010	42	2,853	67,917	8.92%
	30-Jun-2009	40	2,618	65,471	9.2%

Schedule of Retirants and Beneficiaries Added to and Removed from Rolls (continued)

Plan	Fiscal Year Ended	On Roll at Year End: Year End Total	On Roll at Year End: Annual Allowance (expressed in thousands)	Average Annual Allowance	% Change in Annual Allowance
County & Municipal	30-Jun-2014	102	$ 3,236	$ 31,723	22.0%
Police and Firefighters'	30-Jun-2013	87	2,652	30,483	11.8%
	30-Jun-2012	79	2,371	30,018	22.7%
	30-Jun-2011	68	1,933	28,845	20.7%
	30-Jun-2010	56	1,602	28,599	39.05%
	30-Jun-2009	44	1,151	26,176	28.1%
County & Municipal	30-Jun-2014	77	$ 611	$ 8,147	19.3%
Other Employees'	30-Jun-2013	70	512	7,314	28.6%
	30-Jun-2012	56	398	7,109	23.2%
	30-Jun-2011	46	323	7,023	17.7%
	30-Jun-2010	38	275	7,224	26.79%
	30-Jun-2009	30	216	7,218	53.7%
Delaware Volunteer	30-Jun-2014	1,707	$ 1,796	$ 1,057	4.9%
Firemen's	30-Jun-2013	1,640	1,712	1,044	2.6%
	30-Jun-2012	1,617	1,668	1,034	3.5%
	30-Jun-2011	1,583	1,612	1,022	5.2%
	30-Jun-2010	1,521	1,532	1,007	4.95%
	30-Jun-2009	1,477	1,459	994	4.5%
Diamond State	30-Jun-2014	65	$ 630	$ 9,135	57.6%
Port Corporation	30-Jun-2013	49	400	8,163	9.2%
	30-Jun-2012	45	366	8,143	0.8%
	30-Jun-2011	44	364	8,262	16.6%
	30-Jun-2010	40	312	7,795	13.96%
	30-Jun-2009	35	273	7,817	5.0%
Closed State Police	30-Jun-2014	520	$ 22,982	$ 44,218	(3.3%)
	30-Jun-2013	528	23,764	45,008	2.4%
	30-Jun-2012	536	23,200	43,364	3.6%
	30-Jun-2011	546	22,395	41,168	(0.2%)
	30-Jun-2010	547	22,432	41,161	(0.75%)
	30-Jun-2009	549	22,602	41,170	4.7%

Solvency Test

(dollar values expressed in thousands)

Plan	Valuation Date	Aggregate Accrued Liabilities for: Active Member Contributions (1)	Retirants & Beneficiaries (2)	Active Member Employer Financed Contributions (3)	Actuarial Value of Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets (1)	(2)	(3)
State Employees'	30-Jun-2014	$ 633,353	$ 4,901,957	$ 3,204,762	$8,067,032	100%	100%	79%
	30-Jun-2013	606,874	4,600,135	3,050,261	7,519,770	100%	100%	76%
	30-Jun-2012	629,639	4,370,623	2,949,593	7,270,430	100%	100%	77%
	30-Jun-2011	558,065	4,123,360	2,866,526	7,091,821	100%	100%	84%
	30-Jun-2010	527,578	3,873,286	2,695,462	6,808,957	100%	100%	89%
	30-Jun-2009	508,790	3,608,850	2,709,366	6,744,050	100%	100%	97%
	30-Jun-2008	470,813	3,390,993	2,688,050	6,751,949	100%	100%	108%
	30-Jun-2007	444,376	3,182,382	2,581,267	6,437,916	100%	100%	109%
	30-Jun-2006	434,605	2,982,471	2,484,996	5,998,746	100%	100%	104%
	30-Jun-2005	414,001	2,702,359	2,456,359	5,660,057	100%	100%	104%
Special	30-Jun-2014	$ -	$ 218	$ -	$ 308	-	142%	-
	30-Jun-2013	-	224	-	329	-	147%	-
	30-Jun-2012	-	264	-	366	-	139%	-
	30-Jun-2011	-	287	-	406	-	141%	-
	30-Jun-2010	-	333	-	457	-	137%	-
	30-Jun-2009	-	399	-	516	-	129%	-
	30-Jun-2008	-	492	-	614	-	125%	-
	30-Jun-2007	-	530	-	673	-	127%	-
	30-Jun-2006	-	704	-	758	-	108%	-
	30-Jun-2005	-	791	-	855	-	108%	-
New State Police	30-Jun-2014	$ 53,289	$ 132,801	$ 200,434	$ 358,663	100%	100%	86%
	30-Jun-2013	49,201	117,660	184,024	317,814	100%	100%	82%
	30-Jun-2012	45,534	105,829	173,535	292,262	100%	100%	81%
	30-Jun-2011	43,865	81,299	161,726	270,625	100%	100%	90%
	30-Jun-2010	40,955	65,550	153,753	245,303	100%	100%	90%
	30-Jun-2009	38,619	47,700	154,932	229,457	100%	100%	92%
	30-Jun-2008	35,707	36,474	142,740	216,368	100%	100%	101%
	30-Jun-2007	31,979	29,887	133,945	194,560	100%	100%	99%
	30-Jun-2006	28,551	22,373	119,953	169,824	100%	100%	99%
	30-Jun-2005	25,260	16,667	107,730	150,209	100%	100%	101%

Aggregate accrued Liability at June 30, 2014 is calculated using the funding assumptions and does not agree with the Total Pension Liability shown as of the same date in the Financial Section.

Solvency Test (continued)

(dollar values expressed in thousands)

Plan	Valuation Date	Aggregate Accrued Liabilities for: Active Member Contributions (1)	Retirants & Beneficiaries (2)	Active Member Employer Financed Contributions (3)	Actuarial Value of Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets (1)	(2)	(3)
Judiciary	30-Jun-2014	$ 5,841	$ 32,803	$ 31,963	$ 70,335	100%	100%	99%
	30-Jun-2013	5,896	28,458	32,213	63,512	100%	100%	91%
	30-Jun-2012	5,986	25,953	34,007	59,279	100%	100%	80%
	30-Jun-2011	5,400	26,482	31,208	55,784	100%	100%	77%
	30-Jun-2010	5,047	23,928	31,129	51,550	100%	100%	73%
	30-Jun-2009	4,816	22,315	30,668	49,036	100%	100%	71%
	30-Jun-2008	4,382	20,398	31,076	47,209	100%	100%	72%
	30-Jun-2007	3,984	19,998	29,704	43,050	100%	100%	64%
	30-Jun-2006	3,473	20,741	25,963	38,407	100%	100%	55%
	30-Jun-2005	3,126	19,624	21,329	35,112	100%	100%	58%
County & Municipal Police and Firefighters'	30-Jun-2014	$ 48,597	$ 39,168	$ 150,771	$ 240,744	100%	100%	101%
	30-Jun-2013	42,945	31,217	133,578	203,832	100%	100%	97%
	30-Jun-2012	38,013	28,007	120,881	179,816	100%	100%	94%
	30-Jun-2011	33,031	22,870	104,249	157,394	100%	100%	97%
	30-Jun-2010	28,585	18,613	94,232	135,684	100%	100%	94%
	30-Jun-2009	24,808	13,383	84,382	119,712	100%	100%	97%
	30-Jun-2008	20,669	10,380	72,862	102,423	100%	100%	98%
	30-Jun-2007	17,135	9,072	62,815	87,395	100%	100%	97%
	30-Jun-2006	13,965	6,992	51,875	72,120	100%	100%	99%
	30-Jun-2005	11,441	6,519	43,375	59,711	100%	100%	96%
County & Municipal Other Employees'	30-Jun-2014	$ 4,423	$ 6,076	$ 23,122	$ 33,077	100%	100%	98%
	30-Jun-2013	3,886	4,872	20,554	27,492	100%	100%	91%
	30-Jun-2012	3,423	3,887	17,879	23,851	100%	100%	93%
	30-Jun-2011	3,098	3,096	16,665	20,664	100%	100%	87%
	30-Jun-2010	2,653	2,637	14,537	17,596	100%	100%	85%
	30-Jun-2009	2,172	2,091	12,524	15,074	100%	100%	86%
	30-Jun-2008	1,756	1,302	11,250	12,980	100%	100%	88%
	30-Jun-2007	1,303	1,136	9,139	10,405	100%	100%	87%
	30-Jun-2006	1,005	860	7,357	8,529	100%	100%	91%
	30-Jun-2005	773	876	5,073	7,048	100%	100%	91%

Aggregate accrued Liability at June 30, 2014 is calculated using the funding assumptions and does not agree with the Total Pension Liability shown as of the same date in the Financial Section.

Solvency Test (continued)

(dollar values expressed in thousands)

Plan	Valuation Date	Aggregate Accrued Liabilities for: Active Member Contributions (1)	Retirants & Beneficiaries (2)	Active Member Employer Financed Contributions (3)	Actuarial Value of Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets (1)	(2)	(3)
Delaware	30-Jun-2014	$ 5,210	$ 15,326	$ 12,656	$ 17,066	100%	77%	-
Volunteer	30-Jun-2013	5,087	14,291	11,663	15,773	100%	75%	-
Firemen's	30-Jun-2012	4,896	13,998	11,255	14,972	100%	72%	-
	30-Jun-2011	4,797	13,457	11,261	14,379	100%	71%	-
	30-Jun-2010	4,727	12,692	9,963	13,663	100%	70%	-
	30-Jun-2009	4,702	12,050	9,810	13,241	100%	71%	-
	30-Jun-2008	4,531	11,513	9,675	12,972	100%	73%	-
	30-Jun-2007	4,474	10,709	9,626	12,225	100%	72%	-
	30-Jun-2006	4,299	9,925	9,701	11,340	100%	71%	-
	30-Jun-2005	4,105	9,435	9,373	10,665	100%	70%	-
Diamond State Port	30-Jun-2014	$ 3,906	$ 5,980	$ 19,523	$ 23,955	100%	100%	72%
Corporation	30-Jun-2013	3,550	3,870	17,716	20,964	100%	100%	76%
	30-Jun-2012	3,480	3,564	15,995	18,930	100%	100%	74%
	30-Jun-2011	3,043	3,602	13,987	17,198	100%	100%	75%
	30-Jun-2010	2,689	2,991	12,674	15,418	100%	100%	77%
	30-Jun-2009	2,528	2,658	11,098	14,353	100%	100%	83%
	30-Jun-2008	2,181	2,576	9,382	13,391	100%	100%	92%
	30-Jun-2007	1,905	2,689	9,010	11,911	100%	100%	81%
	30-Jun-2006	1,718	2,498	8,522	10,361	100%	100%	72%
	30-Jun-2005	1,476	2,126	6,130	8,948	100%	100%	87%
Closed State Police	30-Jun-2014	$ -	$ 297,523	$ -	$ 2,460	100%	1%	-
	30-Jun-2013	-	294,533	-	2,668	100%	1%	-
	30-Jun-2012	125	292,866	817	2,748	100%	1%	-
	30-Jun-2011	119	285,185	706	2,414	100%	1%	-
	30-Jun-2010	326	296,089	2,078	1,440	100%	-	-
	30-Jun-2009	519	302,526	3,859	727	100%	-	-
	30-Jun-2008	515	292,027	7,370	618	100%	-	-
	30-Jun-2007	752	285,795	10,636	514	68%	-	-
	30-Jun-2006	863	281,515	11,771	1,663	100%	-	-
	30-Jun-2005	1,168	266,344	16,390	749	64%	-	-

Aggregate accrued Liability at June 30, 2014 is calculated using the funding assumptions and does not agree with the Total Pension Liability shown as of the same date in the Financial Section.

Analysis of Financial Experience for the State Employees' Pension Plan

Gains/(Losses) in Accrued Liability During Years Ended June 30, Resulting from Differences Between Assumed Experience and Actuarial Experience

(expressed in thousands)

	Gain/(Loss) for the Fiscal Years Ended June 30,						
Type of Activity	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Investment Income/(Loss) on Actuarial Assets	$ 115,262	$ (31,048)	$ (88,902)	$ (8,726)	$(224,949)	$(337,848)	$ (27,225)
Combined Liability Experience	17,908	71,572	(79,092)	26,105	34,271	31,060	(44,449)
(Loss)/Gain During Year from Financial Experience	133,170	40,524	(167,994)	17,379	(190,678)	(306,788)	(71,674)
Non-Recurring Items	(98,842)	(84,221)	(39,896)	(173,261)	-	-	-
Composite (Loss)/Gain During Year	$ 34,328	$ (43,697)	$ (207,890)	$ (155,882)	$(190,678)	$(306,788)	$ (71,674)

DECEMBER 7, 1787

Statistical Section

Forty-Fourth Comprehensive Annual Financial Report

2015

Delaware Public Employees' Retirement System

— A component unit of the State of Delaware

About the Statistical Section

This section provides the reader with detailed information about the economic and demographic trends experienced over the past ten years in the System:

Schedule of Principal Participating Employers lists the entities that make up at least 50% of the System's two multiple-employer plans (County Municipal Police & Firefighter and County & Municipal Other Employees').

Schedules of Additions by Source and Deductions by Type display for each plan the changes in plan net assets as a result of payments made to and by the System.

Schedule of Benefit Deductions by Type identifies the type of payments made to beneficiaries and to former employees.

Schedule of Retired Members by Type of Benefit by Plan identifies the range of benefit payments made to retirees sorted by plan and type of retirement for the current fiscal year.

Schedule of Average Benefit Payments by Plan presents the average monthly benefit paid as of June 30, 2014, for plans that calculate benefits based on years of service or salary.

Schedule of Participating Employers lists all the current participating entities in the plans and funds within the System.

Principal Participating Employers in Multiple-Employer Plans of the Delaware Public Employees' Retirement System

Current Year and Nine Years Ago

	2014		2005	
County & Municipal Police and Firefighters' Plan	**# of Participants**	**% of total**	**# of Participants**	**% of total**
City of Wilmington Police/Fire	369	33.7%	237	35.1%
New Castle County Police/Fire	332	30.3%	208	30.8%
City of Dover Police	90	8.2%	88	13.0%
All Others	305	27.9%	142	21.0%
	1,096	100.0%	675	100.0%

	2014		2005	
County & Municipal Other Employees' Plan	**# of Participants**	**% of total**	**# of Participants**	**% of total**
City of Wilmington	103	17.6%	-	-
Kent Conservation District	91	15.5%	70	22.2%
City of Milford	69	11.8%	72	22.9%
Town of Bethany Beach	26	4.4%	-	-
Town of Georgetown	23	3.9%	27	8.6%
Sussex Conservation District	22	3.8%	25	7.9%
City of New Castle	21	3.6%	15	4.8%
City of Harrington	20	3.4%	14	4.4%
All Others	211	36.0%	92	29.2%
	586	100.0%	315	100.0%

Schedule of Additions by Source

(dollar values expressed in thousands)

Plan	Fiscal Year Ended June 30,	Employer Contri-butions	Transfer of Contri-butions From PRI Fund	Transfer of Assets from Outside the System	Member Contri-butions	Other	Net Investment Income	Net Increase/ (Decrease) in Fair Value of Investments	Total Additions	Employer Contri-butions As a Percent of Covered Payroll
State Employees'	2015	$ 178,293	32,654	-	55,782	-	96,394	203,431	$ 566,554	9.6%
	2014	174,863	26,877	-	52,793	-	93,944	1,160,771	1,509,248	9.5%
	2013	160,651	25,949	-	50,555	-	108,849	627,223	973,227	8.6%
	2012	147,464	8,179	-	47,850	-	86,946	25,782	316,221	7.8%
	2011	128,019	13,640	-	46,403	-	113,771	1,277,375	1,579,208	7.2%
	2010	101,457	26,116	-	44,915	-	75,498	681,066	929,052	5.8%
	2009	96,576	38,835	-	45,899	-	71,803	(1,120,066)	(866,953)	5.5%
	2008	101,660	46,856	-	45,761	-	82,719	(193,188)	83,808	6.1%
	2007	97,000	45,110	-	42,856	-	90,768	851,864	1,127,598	5.9%
	2006	91,013	38,306	-	41,139	-	64,309	602,359	837,126	6.1%
Special	2015	$ -	-	-	-	-	3	7	$ 10	-
	2014	-	-	-	-	-	3	45	48	-
	2013	-	-	-	-	-	5	28	33	-
	2012	-	-	-	-	-	4	-	4	-
	2011	-	-	-	-	-	6	64	70	-
	2010	-	-	-	-	-	4	48	52	-
	2009	-	-	-	-	-	7	(103)	(96)	-
	2008	-	-	-	-	-	8	(3)	5	-
	2007	-	-	-	-	-	10	107	117	-
	2006	-	-	-	-	-	8	83	91	-
New State Police	2015	$ 10,730	639	-	4,121	12	4,409	9,320	$ 29,231	18.5%
	2014	10,500	494	-	3,862	31	4,115	50,520	69,522	19.1%
	2013	9,292	477	-	3,772	9	4,655	26,058	44,263	16.5%
	2012	8,309	143	-	3,560	29	3,446	1,385	16,872	15.3%
	2011	7,810	86	-	3,434	-	4,254	47,611	63,195	15.4%
	2010	6,562	151	-	3,276	38	2,677	23,358	36,062	13.2%
	2009	6,791	205	-	3,422	40	2,276	(35,658)	(22,924)	13.5%
	2008	6,643	210	-	3,221	37	2,567	(6,308)	6,370	14.3%
	2007	6,334	202	-	3,191	26	2,639	24,960	37,352	13.5%
	2006	5,276	135	-	2,881	22	1,810	16,276	26,400	12.8%

Schedule of Deductions by Type

(dollar values expressed in thousands)

Plan	Fiscal Year Ended June 30,	Transfer of Contri-butions from PRI Fund	Transfer of Assets Outside the System	Benefit Payments	Refund of Contri-butions	Burial Benefit Payments	Adminis-trative Expenses	Total Deductions	Total Change in Net Assets
State Employees'	2015	$ -	-	529,576	5,168	4,886	7,353	$ 546,983	$ 19,571
	2014	-	-	500,978	3,624	5,216	5,242	515,060	994,188
	2013	-	-	478,018	3,640	5,270	5,548	492,476	480,751
	2012	-	-	443,919	4,024	4,976	5,392	458,311	(142,090)
	2011	-	-	418,585	2,988	4,843	5,035	431,451	1,147,757
	2010	-	-	399,253	3,099	4,825	5,376	412,553	516,499
	2009	-	-	369,243	3,072	4,966	6,148	383,429	(1,250,382)
	2008	-	-	348,070	2,955	4,735	5,613	361,373	(277,565)
	2007	-	-	327,824	3,164	4,142	5,005	340,135	787,463
	2006	-	-	300,321	2,880	4,779	4,511	312,491	524,635
Special	2015	$ -	-	42	-	4	1	$ 47	$ (37)
	2014	-	-	42	-	-	1	43	5
	2013	-	-	46	-	7	1	54	(21)
	2012	-	-	48	-	7	1	56	(52)
	2011	-	-	56	-	21	1	78	(8)
	2010	-	-	61	-	14	2	77	(25)
	2009	-	-	78	-	35	3	116	(212)
	2008	-	-	91	-	13	4	108	(103)
	2007	-	-	102	-	49	-	151	(34)
	2006	-	-	129	-	28	1	158	(67)
New State Police	2015	$ -	-	12,173	15	-	113	$ 12,301	$ 16,930
	2014	-	-	10,591	21	7	82	10,701	58,821
	2013	-	-	9,456	60	-	88	9,604	34,659
	2012	-	-	7,949	78	7	76	8,110	8,762
	2011	-	-	6,213	22	-	78	6,313	56,882
	2010	-	-	5,182	60	-	74	5,316	30,746
	2009	-	-	3,662	63	14	71	3,810	(26,734)
	2008	-	-	2,882	14	7	72	2,975	3,395
	2007	-	-	2,245	15	-	64	2,324	35,028
	2006	-	-	1,723	44	-	60	1,827	24,573

Schedule of Additions by Source (continued from page 94)

(dollar values expressed in thousands)

Plan	Fiscal Year Ended June 30,	Employer Contri-butions	Transfer of Contri-butions From PRI Fund	Transfer of Assets from Outside the System	Member Contri-butions	Other	Net Investment Income	Net Increase/ (Decrease) in Fair Value of Investments	Total Additions	Employer Contri-butions As a Percent of Covered Payroll
Judiciary	2015	$ 2,640	200	-	327	-	856	1,803	$ 5,826	26.4%
	2014	2,839	165	-	317	-	813	9,970	14,104	27.7%
	2013	2,762	159	-	310	-	918	5,223	9,372	26.5%
	2012	2,674	49	-	305	-	701	260	3,989	25.7%
	2011	2,557	99	-	298	-	881	9,852	13,687	26.6%
	2010	2,473	190	-	304	-	564	4,953	8,484	25.2%
	2009	2,549	294	-	304	-	498	(7,723)	(4,078)	26.0%
	2008	2,644	350	-	338	-	593	(1,775)	2,150	28.0%
	2007	2,495	337	-	342	-	591	5,616	9,381	25.4%
	2006	2,002	307	-	320	-	411	3,768	6,808	22.1%
County & Municipal Police and Firefighters'	2015	$ 10,067	-	-	4,980	-	3,007	6,387	$ 24,441	14.2%
	2014	10,283	-	-	4,897	-	2,706	33,297	51,183	15.5%
	2013	8,671	-	-	4,166	-	2,866	16,411	32,114	12.7%
	2012	9,265	-	-	4,569	-	2,063	1,033	16,930	13.8%
	2011	7,569	-	-	3,986	-	2,420	27,158	41,133	12.7%
	2010	7,307	-	-	3,734	-	1,446	12,316	24,803	12.8%
	2009	12,007	-	-	3,852	-	1,057	(16,658)	258	21.6%
	2008	6,246	-	-	3,270	-	1,177	(2,776)	7,917	13.6%
	2007	5,780	-	-	2,877	-	1,141	10,972	20,770	12.8%
	2006	5,488	-	-	2,348	-	759	6,556	15,151	13.8%
County & Municipal Other Employees'	2015	$ 1,921	-	-	757	-	410	881	$ 3,969	6.5%
	2014	2,049	-	-	748	-	363	4,519	7,679	6.6%
	2013	1,604	-	-	600	-	380	2,196	4,780	6.1%
	2012	1,362	-	-	547	-	270	144	2,323	6.1%
	2011	1,186	-	-	489	-	314	3,556	5,545	5.8%
	2010	1,276	-	-	509	-	182	1,559	3,526	6.2%
	2009	2,293	-	-	481	-	135	(2,122)	787	12.0%
	2008	1,492	-	-	451	-	145	(328)	1,760	6.2%
	2007	820	-	-	366	-	134	1,421	2,741	5.1%
	2006	734	-	-	291	-	89	778	1,892	5.6%

Schedule of Deductions by Type (continued from page 95)

(dollar values expressed in thousands)

Plan	Fiscal Year Ended June 30,	Transfer of Contri-butions from PRI Fund	Transfer of Assets Outside the System	Benefit Payments	Refund of Contri-butions	Burial Benefit Payments	Adminis-trative Expenses	Total Deductions	Total Change in Net Assets
Judiciary	2015	$ -	-	3,985	-	-	15	$ 4,000	$ 1,826
	2014	-	-	3,588	-	-	13	3,601	10,503
	2013	-	-	3,261	-	-	11	3,272	6,100
	2012	-	-	3,067	-	-	10	3,077	912
	2011	-	-	2,844	-	-	10	2,854	10,833
	2010	-	-	2,726	-	-	15	2,741	5,743
	2009	-	-	2,643	15	-	8	2,666	(6,744)
	2008	-	-	2,340	-	-	9	2,349	(199)
	2007	-	-	2,403	-	-	13	2,416	6,965
	2006	-	-	2,346	-	-	10	2,356	4,452
County &	2015	$ -	-	3,714	112	-	168	$ 3,994	$ 20,447
Municipal	2014	-	-	2,989	171	-	100	3,260	47,923
Police and	2013	-	-	2,586	193	-	116	2,895	29,219
Firefighters'	2012	-	-	2,254	227	-	109	2,590	14,340
	2011	-	-	1,810	116	-	113	2,039	39,094
	2010	-	-	1,365	142	-	101	1,608	23,195
	2009	-	-	1,054	177	-	110	1,341	(1,083)
	2008	-	-	836	267	-	96	1,199	6,718
	2007	-	-	715	128	-	84	927	19,843
	2006	-	-	567	153	-	87	807	14,344
County &	2015	$ -	-	658	64	-	95	$ 817	$ 3,152
Municipal	2014	-	-	581	78	-	60	719	6,960
Other	2013	-	-	448	50	-	50	548	4,232
Employees'	2012	-	-	345	53	-	44	442	1,881
	2011	-	-	301	64	-	48	413	5,132
	2010	-	-	236	30	-	43	309	3,217
	2009	-	-	164	34	-	62	260	527
	2008	-	-	133	22	-	53	208	1,552
	2007	-	-	113	74	-	40	227	2,514
	2006	-	-	94	41	-	43	178	1,714

Schedule of Additions by Source (continued from page 96)

(dollar values expressed in thousands)

Plan	Fiscal Year Ended June 30,	Employer Contri-butions	Transfer of Contri-butions From PRI Fund	Transfer of Assets from Outside the System	Member Contri-butions	Other	Net Investment Income	Net Increase/ (Decrease) in Fair Value of Investments	Total Additions	Employer Contri-butions As a Percent of Covered Payroll
Delaware	2015	$ 1,668	-	-	164	-	207	205	$ 2,244	-
Volunteer	2014	1,561	-	-	166	-	315	1,956	3,998	-
Firemen's	2013	1,456	-	-	172	-	397	1,033	3,058	-
	2012	1,311	-	-	177	-	341	(165)	1,664	-
	2011	1,221	-	-	180	-	317	2,008	3,726	-
	2010	1,191	-	-	181	-	346	785	2,503	-
	2009	1,108	-	-	185	-	377	(1,714)	(44)	-
	2008	1,045	-	-	200	-	142	140	1,527	-
	2007	978	-	-	198	-	167	1,590	2,933	-
	2006	899	-	-	203	-	120	1,100	2,322	-
Diamond	2015	$ 1,052	-	-	234	-	293	623	$ 2,202	9.0%
State Port	2014	1,009	-	-	236	-	270	3,342	4,857	8.6%
	2013	854	-	-	223	-	292	1,692	3,061	7.5%
	2012	814	-	-	216	-	218	94	1,342	6.7%
	2011	704	-	-	209	-	265	2,992	4,170	6.3%
	2010	594	-	-	204	-	164	1,452	2,414	5.3%
	2009	694	-	-	211	-	138	(2,166)	(1,123)	6.3%
	2008	715	-	-	203	-	156	(378)	696	7.0%
	2007	626	-	-	209	-	158	1,465	2,458	5.6%
	2006	703	-	-	226	-	109	967	2,005	6.4%
Closed	2015	$ 23,473	-	-	-	-	50	314	$ 23,837	-
State Police	2014	23,064	-	-	-	-	(3)	-	23,061	-
	2013	23,064	-	-	-	-	(2)	-	23,062	-
	2012	23,064	-	-	2	-	(1)	-	23,065	-
	2011	23,367	-	-	4	-	4	-	23,375	-
	2010	23,367	-	-	6	-	2	-	23,375	-
	2009	21,775	-	-	20	-	24	-	21,819	-
	2008	21,267	-	-	24	1	98	-	21,390	-
	2007	19,159	-	-	35	1	227	-	19,422	-
	2006	20,655	-	-	43	1	78	-	20,777	-

Schedule of Deductions by Type (continued from page 97)

(dollar values expressed in thousands)

Plan	Fiscal Year Ended June 30,	Transfer of Contri-butions from PRI Fund	Transfer of Assets Outside the System	Benefit Payments	Refund of Contri-butions	Burial Benefit Payments	Adminis-trative Expenses	Total Deductions	Total Change in Net Assets
Delaware	2015	$ -	-	1,879	124	-	32	$ 2,035	$ 209
Volunteer	2014	-	-	1,819	68	-	34	1,921	2,077
Firemen's	2013	-	-	1,742	71	-	32	1,845	1,213
	2012	-	-	1,660	72	-	30	1,762	(98)
	2011	-	-	1,644	65	-	29	1,738	1,988
	2010	-	-	1,520	99	-	34	1,653	850
	2009	-	-	1,487	65	-	45	1,597	(1,641)
	2008	-	-	1,393	62	-	38	1,493	34
	2007	-	-	1,294	72	-	26	1,392	1,541
	2006	-	-	1,230	56	-	25	1,311	1,011
Diamond	2015	$ -	-	714	15	-	37	$ 766	$ 1,436
State Port	2014	-	-	611	18	-	43	672	4,185
	2013	-	-	400	14	-	37	451	2,610
	2012	-	-	366	36	-	27	429	913
	2011	-	-	363	23	-	25	411	3,759
	2010	-	-	342	56	-	29	427	1,987
	2009	-	-	270	24	-	43	337	(1,460)
	2008	-	-	267	16	-	35	318	378
	2007	-	-	269	13	-	31	313	2,145
	2006	-	-	239	24	-	26	289	1,716
Closed	2015	$ -	-	23,027	-	98	60	$ 23,185	$ 652
State Police	2014	-	-	23,196	-	105	46	23,347	(286)
	2013	-	-	23,118	-	84	47	23,249	(187)
	2012	-	-	22,666	-	140	47	22,853	212
	2011	-	-	22,401	-	63	44	22,508	867
	2010	-	-	22,592	-	91	50	22,733	642
	2009	-	-	21,605	-	70	70	21,745	74
	2008	-	-	21,106	-	84	58	21,248	142
	2007	-	-	20,343	-	40	50	20,433	(1,011)
	2006	-	-	19,676	-	121	54	19,851	926

Schedule of Benefit Deductions by Type

(dollar values expressed in thousands)

Plan	Fiscal Year Ended June 30	Benefit Deductions			Total	Refund Deductions		Total
		Service	Survivor	Disability		Death Refunds	Separation Refunds	
State Employees'	2015	$ 475,683	33,601	20,292	$ 529,576	$ 4,205	$ 963	$ 5,168
	2014	448,106	32,268	20,604	500,978	455	3,169	3,624
	2013	426,144	30,765	21,109	478,018	587	3,053	3,640
	2012	393,801	29,158	20,960	443,919	809	3,215	4,024
	2011	369,593	28,064	20,928	418,585	391	2,597	2,988
	2010	350,695	26,958	21,600	399,253	546	2,553	3,099
	2009	321,214	25,791	22,238	369,243	426	2,646	3,072
	2008	300,964	24,430	22,676	348,070	441	2,514	2,955
	2007	281,194	23,346	23,284	327,824	591	2,573	3,164
	2006	255,291	21,931	23,099	300,321	367	2,513	2,880
Special	2015	$ 16	18	8	$ 42	$ -	$ -	$ -
	2014	16	18	8	42	-	-	-
	2013	16	23	7	46	-	-	-
	2012	16	25	7	48	-	-	-
	2011	24	24	8	56	-	-	-
	2010	29	25	7	61	-	-	-
	2009	38	33	7	78	-	-	-
	2008	45	39	7	91	-	-	-
	2007	48	47	7	102	-	-	-
	2006	61	61	7	129	-	-	-
New State Police	2015	$ 10,949	151	1,073	$ 12,173	$ 15	$ -	$ 15
	2014	9,337	187	1,067	10,591	-	21	21
	2013	8,240	184	1,032	9,456	2	58	60
	2012	6,781	180	988	7,949	-	78	78
	2011	5,095	198	920	6,213	-	22	22
	2010	4,137	198	847	5,182	27	33	60
	2009	2,655	198	809	3,662	-	63	63
	2008	1,882	196	804	2,882	-	14	14
	2007	1,499	177	569	2,245	-	15	15
	2006	1,076	140	507	1,723	-	44	44
Judiciary	2015	$ 3,196	671	118	$ 3,985	$ -	$ -	$ -
	2014	2,874	596	118	3,588	-	-	-
	2013	2,502	642	117	3,261	-	-	-
	2012	2,327	625	115	3,067	-	-	-
	2011	2,129	601	114	2,844	-	-	-
	2010	2,068	544	114	2,726	-	-	-
	2009	2,028	501	114	2,643	-	15	15
	2008	1,731	495	114	2,340	-	-	-
	2007	1,761	528	114	2,403	-	-	-
	2006	1,729	505	112	2,346	-	-	-

Schedule of Benefit Deductions by Type (continued)

(dollar values expressed in thousands)

Plan	Fiscal Year Ended June 30	Benefit Deductions: Service	Benefit Deductions: Survivor	Benefit Deductions: Disability	Total	Refund Deductions: Death Refunds	Refund Deductions: Separation Refunds	Total
County &	2015	$ 3,143	185	386	$ 3,714	$ 112	$ -	$ 112
Municipal Police	2014	2,159	183	647	2,989	171	-	171
and Firefighters'	2013	1,787	179	620	2,586	-	193	193
	2012	1,516	170	568	2,254	-	227	227
	2011	1,386	115	309	1,810	43	73	116
	2010	1,046	66	253	1,365	-	142	142
	2009	745	60	249	1,054	-	177	177
	2008	617	60	159	836	-	267	267
	2007	499	61	155	715	-	128	128
	2006	365	59	143	567	3	150	153
County &	2015	$ 547	30	81	$ 658	$ 62	$ 2	$ 64
Municipal	2014	494	28	59	581	77	1	78
Other Employees'	2013	383	27	38	448	-	50	50
	2012	288	23	34	345	2	51	53
	2011	267	9	25	301	-	64	64
	2010	213	6	17	236	13	17	30
	2009	143	4	17	164	6	28	34
	2008	112	4	17	133	-	22	22
	2007	93	3	17	113	7	67	74
	2006	81	-	13	94	-	41	41
Delaware	2015	$ 1,879	-	-	$ 1,879	$ 94	$ 30	$ 124
Volunteer	2014	1,819	-	-	1,819	52	16	68
Firemen's	2013	1,742	-	-	1,742	20	51	71
	2012	1,660	-	-	1,660	21	51	72
	2011	1,644	-	-	1,644	7	58	65
	2010	1,520	-	-	1,520	13	86	99
	2009	1,483	4	-	1,487	13	52	65
	2008	1,393	-	-	1,393	10	52	62
	2007	1,294	-	-	1,294	-	72	72
	2006	1,230	-	-	1,230	-	56	56
Diamond	2015	$ 578	87	49	$ 714	$ 15	$ -	$ 15
State Port	2014	486	76	49	611	13	5	18
Corporation	2013	284	67	49	400	-	14	14
	2012	261	56	49	366	14	22	36
	2011	259	55	49	363	5	18	23
	2010	244	49	49	342	33	23	56
	2009	181	43	46	270	-	24	24
	2008	175	43	49	267	-	16	16
	2007	171	37	61	269	3	10	13
	2006	167	14	58	239	1	23	24

Schedule of Benefit Deductions by Type (continued)

(dollar values expressed in thousands)

Plan	Fiscal Year Ended June 30	Benefit Deductions: Service	Benefit Deductions: Survivor	Benefit Deductions: Disability	Total	Refund Deductions: Death Refunds	Refund Deductions: Separation Refunds	Total
Closed State		$ 16,014	3,687	3,326	$ 23,027	$ -	$ -	$ -
Police	2014	16,198	3,688	3,310	23,196	-	-	-
	2013	16,169	3,707	3,242	23,118	-	-	-
	2012	15,781	3,714	3,171	22,666	-	-	-
	2011	15,745	3,547	3,109	22,401	-	-	-
	2010	15,918	3,483	3,191	22,592	-	-	-
	2009	15,249	3,162	3,194	21,605	-	-	-
	2008	14,960	3,025	3,121	21,106	-	-	-
	2007	14,385	2,905	3,053	20,343	-	-	-
	2006	13,881	2,783	3,012	19,676	-	-	-

Schedule of Retired Members by Type of Benefit by Plan

As of June 30, 2014

	Amount of Monthly Benefit	Number of Retirants	Type of Retirement: Service	Type of Retirement: Survivor	Type of Retirement: Disability
State Employees'	Deferred	1,051	-	-	-
	$1 - 499	4,589	2,420	1,547	622
	500 - 999	4,645	3,128	971	546
	1,000 - 1,499	3,816	3,016	500	300
	1,500 - 1,999	2,905	2,541	230	134
	2,000 - 2,499	2,332	2,152	95	85
	2,500 - 2,999	1,764	1,666	55	43
	over $3,000	4,196	4,080	59	57
Special	Deferred	-	-	-	-
	$1 - 499	6	1	5	-
	500 - 999	2	-	1	1
	over $1,000	1	1	-	-
New State Police	Deferred	8	-	-	-
	$1 - 499	3	3	-	-
	500 - 999	2	1	1	-
	1,000 - 1,499	2	1	-	1
	1,500 - 1,999	-	-	-	-
	2,000 - 2,499	9	3	-	6
	2,500 - 2,999	16	11	3	2
	over $3,000	153	137	2	14

Schedule of Retired Members by Type of Benefit by Plan (continued)

As of June 30, 2014

	Amount of Monthly Benefit	Number of Retirants	Type of Retirement		
			Service	Survivor	Disability
Judiciary	Deferred	-	-	-	-
	$1 - 499	-	-	-	-
	500 - 999	-	-	-	-
	1,000 - 1,499	-	-	-	-
	1,500 - 1,999	1	-	1	-
	2,000 - 2,499	-	-	-	-
	2,500 - 2,999	6	1	5	-
	over $3,000	39	29	8	2
County & Municipal Police and Firefighters'	Deferred	15	-	-	-
	$1 - 499	2	2	-	-
	500 - 999	11	8	3	-
	1,000 - 1,499	6	1	-	5
	1,500 - 1,999	8	3	1	4
	2,000 - 2,499	19	9	3	7
	2,500 - 2,999	29	28	-	1
	over $3,000	27	20	1	6
County & Municipal Other Employees'	Deferred	12	-	-	-
	$1 - 499	33	23	8	2
	500 - 999	28	25	2	1
	1,000 - 1,499	7	6	-	1
	1,500 - 1,999	5	4	-	1
	2,000 - 2,499	1	-	-	1
	2,500 - 2,999	-	-	-	-
	over $3,000	1	1	-	-
Delaware Volunteer Firemen's	Deferred	129	-	-	-
	$1 - 74	621	621	-	-
	75 - 99	383	383	-	-
	over $100	699	699	-	-
Diamond State Port Corporation	Deferred	4	-	-	-
	$1 - 499	24	17	7	-
	500 - 999	23	16	5	2
	1,000 - 1,499	10	7	1	2
	1,500 - 1,999	7	7	-	-
	over $2,000	1	1	-	-
Closed State Police	Deferred	-	-	-	-
	$1 - 499	-	-	-	-
	500 - 999	-	-	-	-
	1,000 - 1,499	-	-	-	-
	1,500 - 1,999	2	-	2	-
	2,000 - 2,499	28	-	25	3
	2,500 - 2,999	77	1	67	9
	over $3,000	413	339	14	60

Schedule of Average Benefit Payments by Plan

The following schedules are presented only for those plans with retirees and/or beneficiaries as of June 30, 2014, whose benefits are based on years of service or salary. Accordingly, the Special Pension Plan is not included.

	2014 State Employees' Pension Plan			2014 New State Police Pension Plan		
Credited Service	**Retirants**	**Beneficiaries**	**Disabilities**	**Retirants**	**Beneficiaries**	**Disabilities**
Less than 5 years						
Average Monthly Benefit	$ 683	$ 566	$ 510	$ 13	$ 3,357	$ 2,322
Average Final Salary	$ 18,583	$ -	$ 52,331	$ 14,160	$ -	$ 46,507
Number of Active Retirees	42	16	3	2	2	1
5 - 9.99 years						
Average Monthly Benefit	$ 431	$ 221	$ 316	$ 416	$ 3,235	$ 4,104
Average Final Salary	$ 48,823	$ -	$ 27,355	$ 30,900	$ -	$ 42,454
Number of Active Retirees	1,444	465	390	1	2	3
10 - 14.99 years						
Average Monthly Benefit	$ 699	$ 372	$ 589	$ 888	$ 2,947	$ 14,295
Average Final Salary	$ 44,174	$ -	$ 34,057	$ 88,632	$ -	$ 64,520
Number of Active Retirees	1,710	524	431	2	1	6
15 - 19.99 years						
Average Monthly Benefit	$ 1,110	$ 546	$ 893	$ 2,581	$ 2,937	$ 14,354
Average Final Salary	$ 45,831	$ -	$ 38,242	$ 78,595	$ -	$ 36,835
Number of Active Retirees	2,671	570	379	10	1	9
20 - 24.99 years						
Average Monthly Benefit	$ 1,541	$ 723	$ 1,299	$ 4,195	$ -	$ 10,645
Average Final Salary	$ 48,954	$ -	$ 41,476	$ 88,830	$ -	$ 64,158
Number of Active Retirees	3,008	570	292	71	-	4
25 - 29.99 years						
Average Monthly Benefit	$ 2,167	$ 951	$ 1,836	$ 6,470	$ -	$ -
Average Final Salary	$ 52,991	$ -	$ 40,857	$ 101,555	$ -	$ -
Number of Active Retirees	3,753	493	183	56	-	-
30 - 34.99 years						
Average Monthly Benefit	$ 2,839	$ 1,284	$ 2,373	$ 8,638	$ -	$ -
Average Final Salary	$ 56,098	$ -	$ 53,478	$ 114,370	$ -	$ -
Number of Active Retirees	4,345	517	80	14	-	-
35 - 39.99 years						
Average Monthly Benefit	$ 3,708	$ 1,796	$ 3,036	$ -	$ -	$ -
Average Final Salary	$ 66,663	$ -	$ 47,040	$ -	$ -	$ -
Number of Active Retirees	1,610	238	24	-	-	-
40 years and over						
Average Monthly Benefit	$ 4,354	$ 2,152	$ 2,940	$ -	$ -	$ -
Average Final Salary	$ 70,769	$ -	$ 33,749	$ -	$ -	$ -
Number of Active Retirees	420	64	5	-	-	-

Schedule of Average Benefit Payments by Plan (continued)

	2014 Judiciary Pension Plan			2014 County & Municipal Police and Firefighters' Pension Plan		
Credited Service	**Retirants**	**Beneficiaries**	**Disabilities**	**Retirants**	**Beneficiaries**	**Disabilities**
Less than 5 years						
Average Monthly Benefit	$ 8,701	$ -	$ -	$ 80	$ 2,295	$ 1,790
Average Final Salary	$ 72,650	$ -	$ -	$ 42,000	$ -	$ 36,680
Number of Active Retirees	2	-	-	2	1	3
5 - 9.99 years						
Average Monthly Benefit	$ -	$ -	$ -	$ 585	$ 2,167	$ 1,613
Average Final Salary	$ -	$ -	$ -	$ 48,330	$ -	$ 44,918
Number of Active Retirees	-	-	-	4	2	7
10 - 14.99 years						
Average Monthly Benefit	$ 5,721	$ 2,422	$ 4,901	$ 1,385	$ 561	$ 2,642
Average Final Salary	$ 124,477	$ -	$ 48,635	$ 51,577	$ -	$ 58,944
Number of Active Retirees	10	3	2	5	3	8
15 - 19.99 years						
Average Monthly Benefit	$ 4,847	$ 4,084	$ -	$ 2,259	$ 5,159	$ 3,613
Average Final Salary	$ 84,657	$ -	$ -	$ 64,539	$ -	$ 62,963
Number of Active Retirees	2	1	-	8	1	5
20 - 24.99 years						
Average Monthly Benefit	$ 9,168	$ 3,643	$ -	$ 2,837	$ -	$ -
Average Final Salary	$ 106,815	$ -	$ -	$ 65,275	$ -	$ -
Number of Active Retirees	7	5	-	43	-	-
25 - 29.99 years						
Average Monthly Benefit	$ 10,912	$ 3,729	$ -	$ 5,739	$ 1,854	$ -
Average Final Salary	$ 148,005	$ -	$ -	$ 93,285	$ -	$ -
Number of Active Retirees	4	4	-	8	1	-
30 - 34.99 years						
Average Monthly Benefit	$ 10,066	$ -	$ -	$ 5,925	$ -	$ -
Average Final Salary	$ 168,593	$ -	$ -	$ 82,213	$ -	$ -
Number of Active Retirees	4	-	-	1	-	-
35 - 39.99 years						
Average Monthly Benefit	$ 11,033	$ -	$ -	$ -	$ -	$ -
Average Final Salary	$ 168,844	$ -	$ -	$ -	$ -	$ -
Number of Active Retirees	1	-	-	-	-	-
40 years and over						
Average Monthly Benefit	$ -	$ 4,882	$ -	$ -	$ -	$ -
Average Final Salary	$ -	$ -	$ -	$ -	$ -	$ -
Number of Active Retirees	-	1	-	-	-	-

Schedule of Average Benefit Payments by Plan (continued)

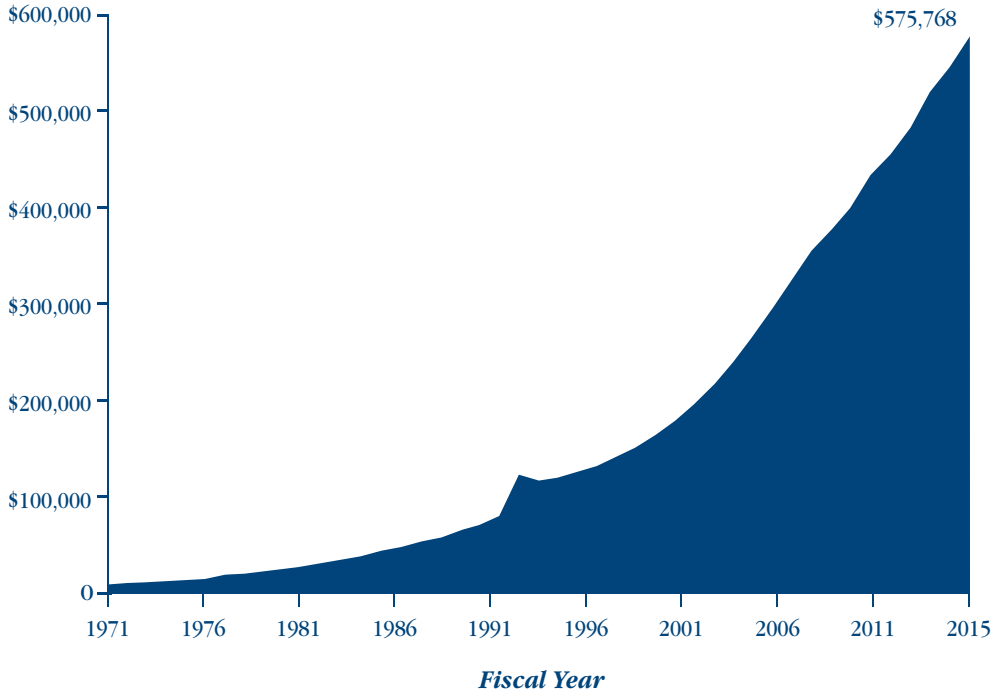
	2014 County & Municipal Other Employees' Pension Plan			2014 Delaware Volunteer Firemen's Pension Plan		
Credited Service	**Retirants**	**Beneficiaries**	**Disabilities**	**Retirants**	**Beneficiaries**	**Disabilities**
Less than 5 years						
Average Monthly Benefit	$ 154	$ 38	$ -	$ -	$ -	$ -
Average Final Salary	$ 23,366	$ -	$ -	$ -	$ -	$ -
Number of Active Retirees	2	1	-	-	-	-
5 - 9.99 years						
Average Monthly Benefit	$ 415	$ 122	$ 184	$ -	$ -	$ -
Average Final Salary	$ 60,576	$ -	$ 24,070	$ -	$ -	$ -
Number of Active Retirees	24	5	1	-	-	-
10 - 14.99 years						
Average Monthly Benefit	$ 657	$ 270	$ 375	$ 56	$ -	$ -
Average Final Salary	$ 63,201	$ -	$ 24,099	$ -	$ -	$ -
Number of Active Retirees	15	2	1	618	-	-
15 - 19.99 years						
Average Monthly Benefit	$ 751	$ 579	$ -	$ 84	$ -	$ -
Average Final Salary	$ 38,935	$ -	$ -	$ -	$ -	$ -
Number of Active Retirees	8	1	-	383	-	-
20 - 24.99 years						
Average Monthly Benefit	$ 1,359	$ 697	$ 1,630	$ 109	$ -	$ -
Average Final Salary	$ 56,234	$ -	$ 45,160	$ -	$ -	$ -
Number of Active Retirees	7	1	3	310	-	-
25 - 29.99 years						
Average Monthly Benefit	$ -	$ -	$ 1,368	$ 125	$ -	$ -
Average Final Salary	$ -	$ -	$ 57,632	$ -	$ -	$ -
Number of Active Retirees	-	-	1	392	-	-
30 - 34.99 years						
Average Monthly Benefit	$ 1,994	$ -	$ -	$ -	$ -	$ -
Average Final Salary	$ 68,641	$ -	$ -	$ -	$ -	$ -
Number of Active Retirees	3	-	-	-	-	-
35 - 39.99 years						
Average Monthly Benefit	$ -	$ -	$ -	$ -	$ -	$ -
Average Final Salary	$ -	$ -	$ -	$ -	$ -	$ -
Number of Active Retirees	-	-	-	-	-	-
40 years and over						
Average Monthly Benefit	$ -	$ -	$ -	$ -	$ -	$ -
Average Final Salary	$ -	$ -	$ -	$ -	$ -	$ -
Number of Active Retirees	-	-	-	-	-	-

Schedule of Average Benefit Payments by Plan (continued)

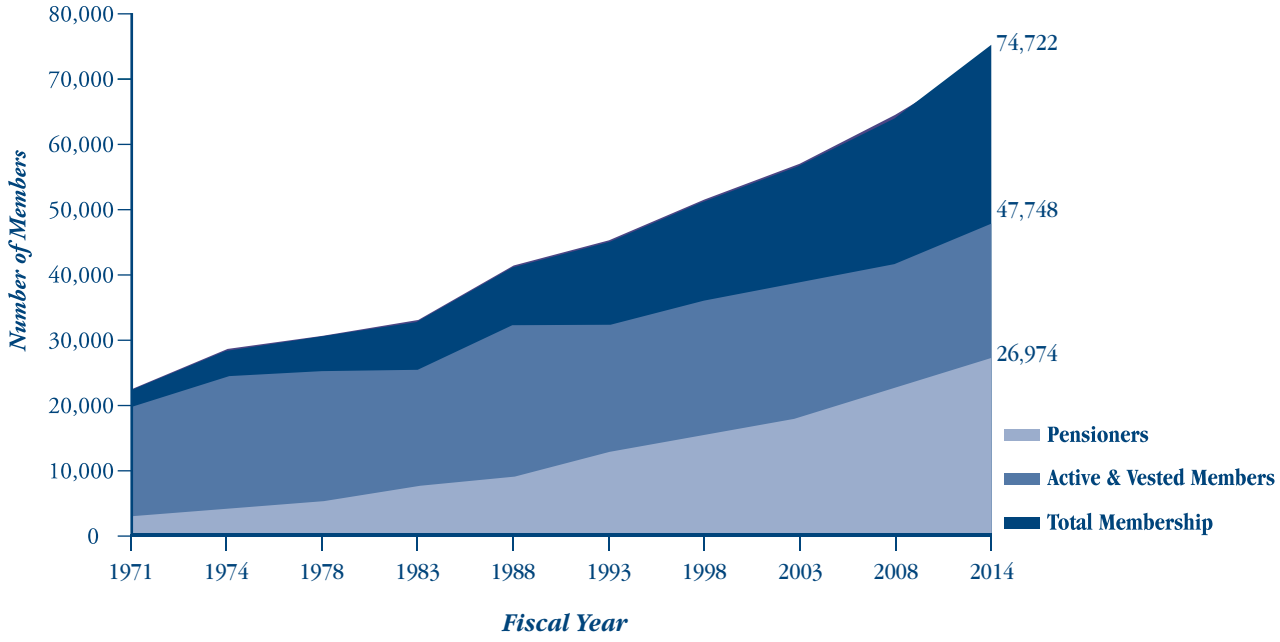
	2014 Diamond State Port Corporation Pension Plan			2014 Closed State Police Pension Plan		
Credited Service	**Retirants**	**Beneficiaries**	**Disabilities**	**Retirants**	**Beneficiaries**	**Disabilities**
Less than 5 years						
Average Monthly Benefit	$ 31	$ 201	$ -	$ -	$ 2,868	$ 3,208
Average Final Salary	$ -	$ -	$ -	$ -	$ -	$ 22,172
Number of Active Retirees	1	2	-	-	2	3
5 - 9.99 years						
Average Monthly Benefit	$ 483	$ 215	$ 1,213	$ -	$ 5,470	$ 9,943
Average Final Salary	$ 40,601	$ -	$ 24,000	$ -	$ -	$ 25,793
Number of Active Retirees	10	2	1	-	3	19
10 - 14.99 years						
Average Monthly Benefit	$ 628	$ 478	$ 990	$ -	$ 5,511	$ 10,456
Average Final Salary	$ 48,089	$ -	$ 25,500	$ -	$ -	$ 28,825
Number of Active Retirees	14	4	2	-	9	22
15 - 19.99 years						
Average Monthly Benefit	$ 882	$ 188	$ -	$ -	$ 7,124	$ 16,776
Average Final Salary	$ 73,894	$ -	$ -	$ -	$ -	$ 47,695
Number of Active Retirees	11	1	-	-	7	15
20 - 24.99 years						
Average Monthly Benefit	$ 1,347	$ 632	$ -	$ 3,681	$ 2,691	$ 10,292
Average Final Salary	$ 48,746	$ -	$ -	$ 63,167	$ -	$ 51,154
Number of Active Retirees	10	2	-	271	87	10
25 - 29.99 years						
Average Monthly Benefit	$ 1,892	$ 665	$ 917	$ 4,713	$ 2,695	$ -
Average Final Salary	$ 61,593	$ -	$ -	$ 85,305	$ -	$ -
Number of Active Retirees	1	1	1	50	3	-
30 - 34.99 years						
Average Monthly Benefit	$ -	$ -	$ -	$ 5,447	$ -	$ -
Average Final Salary	$ -	$ -	$ -	$ 94,307	$ -	$ -
Number of Active Retirees	-	-	-	19	-	-
35 - 39.99 years						
Average Monthly Benefit	$ 2,245	$ -	$ -	$ -	$ -	$ -
Average Final Salary	$ 51,306	$ -	$ -	$ -	$ -	$ -
Number of Active Retirees	1		-	-	-	-
40 years and over						
Average Monthly Benefit	$ -	$ 1,082	$ -	$ -	$ -	$ -
Average Final Salary	$ -	$ -	$ -	$ -	$ -	$ -
Number of Active Retirees	-	1	-	-	-	-

Total Benefit Payments Chart

expressed in thousands



Total Membership Chart



Schedule of Participating Employers

State Employees' Pension Plan (established 1970)

State of Delaware, which includes:

- Delaware Department of Finance, State Lottery Office
- Delaware Department of Transportation
- Delaware Solid Waste Authority (1986)
- Delaware State University
- Delaware Technical & Community College

University of Delaware (excluding most faculty and designated professional staff)

Closed State Police Plan (established 1970)

Delaware State Police (Appointed before July 1, 1980)

New State Police Plan (established 7/1980)

Delaware State Police (Appointed after July 1, 1980)

Judiciary Pension Plans (established 1970)

Appointed members of the State Judiciary

Diamond State Port Corporation Plan (established 1996)

Diamond State Port Corporation Employees

County & Municipal Police and Firefighters' Plans

Town of Bethany Beach (7/2006)
Town of Blades (1/2011)
Town of Bridgeville (2/2009)
Town of Camden (7/2003)
Town of Cheswold (9/2002)
Town of Clayton (7/2006)
Town of Dagsboro (7/1989)
Town of Delmar (7/1990)
Town of Dewey Beach (5/1991)
City of Dover (7/1985)
Town of Elsmere (7/2001)
Town of Felton (1/2001)
Town of Fenwick Island (8/2007)
Town of Georgetown (7/1990)
Town of Greenwood (7/2010)
City of Harrington (7/1989)
Town of Laurel (1/2006)
Town of Lewes (7/2008)
Town of Middletown (1/2007)
City of Milford (1/2005)
Town of Millsboro (7/1999)
Town of Milton (10/2003)
City of New Castle (7/1995)
New Castle County (2/1993)
Town of Newport (8/2005)
Town of Ocean View (5/2003)
Town of Rehoboth Beach (4/2005)
Town of Seaford (12/2008)
Town of Selbyville (2/2012)
Town of South Bethany (7/2005)
City of Wilmington (8/1991)
Town of Wyoming (5/2003)

County & Municipal Other Employees' Plan

Town of Bethany (7/2006)
Bethany Beach Fire (1/2015)
Town of Blades (1/2001)
Bowers/Frederica EMS (7/2009)
Town of Camden (10/2006)
Town of Cheswold (9/2002)
Cheswold Fire Company (7/2007)
Town of Clayton (7/2004)
Cranston Heights Fire Company (1/2013)
Delaware City Fire Company (7/2002)
Elsmere Fire Company (8/2007)
Felton Fire Company (7/2000)
Town of Felton (4/2006)
Five Points Fire Company (10/2007)
Town of Georgetown (7/1990)
Good-Will Fire Company (7/2002)
City of Harrington (7/2002)
Harrington Fire Company (7/1999)
Kent Conservation District (11/2002)
Town of Laurel (7/2009)
Lewes Fire Company (7/2002)
City of Milford (1/2005)
Mill Creek Fire Company (1/2007)
Town of Millsboro (7/1999)
Millville Fire Company (11/2003)
Town of Milton (10/2003)
City of New Castle (7/1995)
Town of Newport (7/2004)
Town of Ocean View (5/2003)
Port Penn Fire Co. (11/2003)
Rehoboth Beach Fire (7/2014)
Riverfront Development Corp. (7/2006)
Town of Selbyville (2/2012)
Town of Smyrna (1/2015)
Town of South Bethany (5/2003)
Sussex Conservation District (7/1987)
Talleyville Fire Company (7/2009)
Townsend Fire Company (7/1999)
Volunteer Hose Co. of Middletown (5/1998)
City of Wilmington (7/2011)
Town of Wyoming (5/2003)

Delaware Local Gov't Retirement Investment Pool

Town of Elsmere (3/2002)
Town of Newport (2/2005)
Sussex County Government (12/1996)

County & Municipal COLA Fund

City of Dover (1991)
Town of Elsmere (2011)
City of New Castle (1996)
New Castle County (1993)
City of Wilmington (1992)

Delaware Volunteer Firemen's Pension Plan (established 1987)

Aetna Hose, Hook & Ladder Co. & Auxiliary
Belvedere Fire Co. & Auxiliary
Bethany Beach Fire Co. & Auxiliary
Blades Fire Co. & Auxiliary
Bowers Fire Co. & Auxiliary
Brandywine Hundred Fire Co. & Auxiliary
Bridgeville Fire Co. & Auxiliary
Camden-Wyoming Fire Co. & Auxiliary
Carlisle Fire Co. & Auxiliary
Cheswold Fire Co. & Auxiliary
Christiana Fire Co. & Auxiliary
Citizens Hose Co. No. 1 & Auxiliary
Claymont Fire Co. & Auxiliary
Clayton Fire Co. & Auxiliary
Cranston Heights Fire Co. & Auxiliary
Dagsboro Fire Co. & Auxiliary
Delaware City Fire Co. & Auxiliary
Delmar Fire Co. & Auxiliary
Ellendale Fire Co. & Auxiliary
Elsmere Fire Co. & Auxiliary
Farmington Fire Co. & Auxiliary
Felton Community Fire Co. & Auxiliary
Five Points Fire Co. No. 1 & Auxiliary
Frankford Fire Co. & Auxiliary
Frederica Fire Co. & Auxiliary
Georgetown Fire Co. & Auxiliary
Georgetown Volunteer Ambulance Service
Good-Will Fire Co. & Auxiliary
Greenwood Fire Co. & Auxiliary
Gumboro Fire Co. & Auxiliary
Harrington Fire Co. & Auxiliary
Hartly Fire Co. & Auxiliary
Hockessin Fire Co. & Auxiliary
Holloway Terrace Fire Co. & Auxiliary
Houston Fire Co. & Auxiliary
Indian River Fire Co. & Auxiliary
Laurel Fire Co. & Auxiliary
Leipsic Fire Co. & Auxiliary
Lewes Fire Co. & Auxiliary
Little Creek Fire Co. & Auxiliary
Magnolia Fire Co. & Auxiliary
Marydel Fire Co. & Auxiliary
Memorial Fire Co. & Auxiliary
Mid-Sussex Rescue Squad
Mill Creek Fire Co & Auxiliary
Millsboro Fire Co. & Auxiliary
Millville Fire Co. & Auxiliary
Milton Fire Co. & Auxiliary
Minquadale Fire Co. & Auxiliary
Minquas Fire Co. & Auxiliary
Odessa Fire Co. & Auxiliary
Port Penn Volunteer Fire Co.
Rehoboth Beach Fire Co. & Auxiliary
Robbins Hose Fire Co.
Roxanna Fire Co. & Auxiliary
Seaford Fire Co. & Auxiliary
Selbyville Fire Co. & Auxiliary
Smyrna American Legion Ambulance
South Bowers Fire Co. & Auxiliary
Talleyville Fire Co. & Auxiliary
Townsend Fire Co. & Auxiliary
Volunteer Hose Co. of Middletown
Wilmington Manor Fire Co. & Auxiliary

Pension Office Programmatic Goal is to maintain comprehensive and responsive systems for benefits and funds management, which helps retain a quality workforce and provides a secure and supportive retirement commitment.

DECEMBER 7, 1787

2015