

Hall Actuarial Associates

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September 15, 2011

Board of Trustees
LOUISIANA SCHOOL EMPLOYEES'
RETIREMENT SYSTEM

Post Office Box 44516
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Ladies and Gentlemen:

This report presents the results of the actuarial valuation of assets and liabilities, as well as funding requirements, for the Louisiana School Employees' Retirement System as of June 30, 2011.

This report has been prepared in accordance with generally accepted actuarial principles and practices and to the best of my knowledge, fairly reflects the actuarial present value of accrued benefits of the Louisiana School Employees' Retirement System.

In preparing this valuation, I have relied upon the information provided regarding plan provisions, plan membership, plan assets and other matters as detailed in the exhibits of this report. In particular, I have relied upon the statement of assets as provided by Duplantier, Hrapmann, Hogan & Maher; Certified Public Accountants.

The present values shown herein have been estimated on the basis of the actuarial cost method specified in Louisiana Revised Statutes Title 11 Section 22(5). In my opinion, the Actuarial Assumptions, which have been approved by the Board of Trustees, are appropriate and reasonable for the purposes of this valuation as noted in the Exhibit 6, and represents my best estimates of the anticipated experience under the plan.

Board of Trustees
September 15, 2011

A brief summary of the more important figures developed in this valuation, with comparable results from previous valuations are as follows:

	<u>June 30, 2011</u>	<u>-----Prior Years-----</u>	
		<u>June 30, 2010</u>	<u>June 30, 2009</u>
I. Membership Census			
1) Retirees	12,717	12,450	12,290
2) Actives	12,854	13,166	13,265
3) DROP	619	599	588
4) Terminated Vested	351	355	361
II. Annual Benefits	\$ 128,989,260	\$ 123,992,280	\$ 120,719,868
III. Total Payroll	296,693,950	306,332,902	315,400,539
IV. Valuation Assets	1,349,829,757	1,350,072,547	1,410,315,974
V. Investment Yield ¹			
Market Value	<u>23.28%</u>	<u>13.02%</u>	<u>-16.94%</u>
5 year avg.	4.84%	1.68%	0.80%
10 year avg.	5.10%	2.73%	2.62%
Actuarial Value ¹	<u>4.35%</u>	<u>0.55%</u>	<u>-7.08%</u>
5 year avg.	2.54%	3.47%	4.87%
10 year avg.	3.17%	2.92%	3.91%
DROP Accounts ¹	<u>3.85%</u>	<u>0.05%</u>	<u>0.00%</u>
VI. Experience Account	0	0	0
VI. Cost to Fund Annual Pension Accruals (Normal Costs)	53,731,750 18.11%	56,499,433 18.44%	57,075,395 18.10%
VII. Unfunded Actuarial Accrued Liability	904,521,699	863,289,651	743,043,538
VIII. Funded Percentage	59.9%	61.0%	65.5%
IX. Funding Requirements to Pay (Mid-year Payment)			
1) Employee Contribution	7.50%	7.50%	7.50%
2) Employer Contribution Rate (Current Year)	90,345,490 30.1%	86,928,085 28.0%	74,305,318 23.3%
3) Projected Employer Rate (Next Fiscal Year)	95,296,208 30.8%	90,781,592 28.6%	79,489,798 24.3%

Funding Requirements measure the cost of benefits in effect on June 30, 2011.

¹ Excludes Money Market DROP Accounts effective June 30, 2008.

Board of Trustees
September 15, 2011

UNFUNDED LIABILITY

The Actuarial Valuation for the plan year ending June 30, 2011 discloses an increase in the plan's unfunded actuarial accrued liability. The system's unfunded accrued liability increased from a prior year balance of \$863.3 million to the current deficit of \$904.5 million. It is generally appropriate for the current valuation process to disclose the source and cause of any significant changes in actuarial assumptions, gains or losses resulting from actual experience which differs significantly from expected plan experience.

The basic elements of the annual required contribution are the normal cost and amortization of the Unfunded Actuarial Liability (UAL). The normal cost is the annual cost to provide an additional year of benefit accrual. The normal cost is divided into two parts, the employee portion and the employer portion, both are expressed as a percentage of payroll. Act 81 of the 1988 Legislative Session provides for the amortization of the initial UAL, plus subsequent changes in benefits, methods or gain/loss experience.

To assist the Board of Trustees in reconciling changes in the unfunded actuarial accrued liability, the following gain/loss analysis is presented as follows:

CHANGE IN UNFUNDED LIABILITY

Unfunded Liability 6/30/2010		\$ 863,289,651
INCREASES		
Interest on Unfunded Liability	\$ 64,746,724	
Investment Loss	40,926,076	
Employer Shortfall Charge	<u>15,702,862</u>	
Incurred Increases	121,375,662	
DECREASES		
Amortization Payment	\$ 59,573,928	
Experience Gain	<u>20,569,686</u>	
Incurred Decreases	80,143,614	
Unfunded Liability 6/30/2011		\$ 904,521,699

Board of Trustees
September 15, 2011

Funding

The projected employer contribution rate for the 2011-2012 plan year was set by PERSAC at 28.6%. The actual employer contribution rate determined by this valuation for the current plan year is 30.8%. Therefore, the current plan year should generate a contribution shortfall loss since the Public Retirement Systems' Actuarial Committee (PRSAC) approved rate understates the valuation rate by 2.2%.

Legislative Changes

Act 992 of 2010 provided for substantial benefit structural changes applicable only to new hires effective January 1, 2011 as follows:

- The determination of final average salary is increased from 3 years to 5 years.
- Retirement eligibility is deferred to age 60 with five years of service.
- Disability and survivor benefits have been altered to conform to the 2.5% accrual.
- These general provision changes apply to all State Retirement Systems.

Act 368 of 2011 clarifies and made technical corrections to Act 992 of 2010, applicable only to new hires as follows:

- Restates the effective date of the provisions listed above from January 1, 2011 to June 30, 2010.
- Changes survivor benefits for minors to include up to 50% of the spouses benefit per child (maximum of 2) and includes physically handicapped or mentally disabled children as eligible survivors.
- Eligibility for DROP participation is defined as first eligibility for regular retirement.

Disclosures

Exhibit 3, "Pension Accounting and Financial Disclosure", contains disclosure of the accrued liabilities under the Entry Age Normal Actuarial Cost Method required by the Governmental Accounting Standards Board Statement No. 25.

The format of this report was designed with the intent of highlighting the pertinent results of the valuation's funding requirements. Should you have any questions or comments, please do not hesitate to contact me.

Sincerely,

Charles G. Hall, FCA,MAAA,ASA
Consulting Actuary

TABLE OF CONTENTS

		<u>Pages</u>
EXHIBIT 1	DEVELOPMENT OF COSTS, LIABILITIES & CONTRIBUTIONS Provides a detail by benefit type of the cost to accrue annual pension benefits, liabilities accrued to date and funding requirements	6 - 7
EXHIBIT 2	FINANCIAL SUMMARY Contains the statement of revenue and expenses as well as assets available to pay pension benefits	8 - 9
EXHIBIT 3	PENSION ACCOUNTING AND FINANCIAL DISCLOSURE NCGA STMT 6 changes in credited projected benefits	10 - 12
EXHIBIT 4	CENSUS DATA Describes the employee data, data processing for valuation purposes and depicts employee profiles by classification, age and service	13 - 23
EXHIBIT 5	PRINCIPLE PROVISIONS OF THE RETIREMENT SYSTEM Restates in summary outline form the basic plan provisions which were incorporated in the projected retirement pension benefit	24 - 30
EXHIBIT 6	ACTUARIAL COST METHODS AND ASSUMPTIONS Discloses rates of mortality, disability, retirement termination and other assumptions which are presumed to reflect the experience of the retirement system in aggregate	31 - 34
EXHIBIT A	AMORTIZATION SCHEDULE	35

EXHIBIT 1
DEVELOPMENT
OF
COSTS, LIABILITIES AND CONTRIBUTIONS

Normal Costs and Accrued Liabilities are calculated in accordance with the Individual entry Age Normal Actuarial Cost Method, and the Actuarial Assumptions outlined in Exhibit 6 based on the Provisions of the Plan as summarized in Exhibit 5.

	<u>June 30, 2011</u>		<u>June 30, 2010</u>	
	<u>Dollar</u> <u>Amount</u>	<u>% of</u> <u>Salary</u>	<u>Dollar</u> <u>Amount</u>	<u>% of</u> <u>Salary</u>
I. Normal Costs				
(to fund annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	\$ 36,530,143	12.31%	\$ 39,139,494	12.78%
b) Disability Benefits	1,790,851	.60%	1,853,258	.61%
c) Survivor Benefits	2,210,115	.74%	2,345,401	.76%
d) Voluntary Termination	8,600,641	2.90%	8,761,280	2.86%
e) Expenses	<u>4,600,000</u>	<u>1.55%</u>	<u>4,400,000</u>	<u>1.43%</u>
TOTAL	53,731,750	18.11%	56,499,433	18.44%
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	\$ 668,848,183		\$ 702,345,603	
2) Disability Benefits	18,975,963		19,368,283	
3) Survivor Benefits	17,315,314		17,206,487	
4) Voluntary Termination	<u>63,081,102</u>		<u>64,458,152</u>	
	768,220,562		803,378,525	
b) Retired and Inactive Members				
1) Regular Retirees	1,026,345,602		971,662,147	
2) Disabled Retirees	23,445,350		22,491,804	
3) Survivors	131,634,276		125,368,520	
4) Vested Deferred & Reciprocals	34,581,849		32,112,693	
5) Contributions Refunded	4,056,529		3,967,814	
6) DROP Deferred Benefits	200,331,843		188,384,969	
7) DROP Account Balances	<u>65,735,445</u>		<u>65,995,726</u>	
	1,486,130,894		1,409,983,673	
c) TOTAL	2,254,351,456		2,213,362,198	

Exhibit 1 (Continued)
Costs, Liabilities & Contributions

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
II. Actuarial Accrued Liability		
TOTAL (Preceding page)	\$ 2,254,351,456	\$ 2,213,362,198
III. Assets	1,349,829,757	1,350,072,547
IV. Unfunded Actuarial Accrued Liabilities - (Surplus)	904,521,699	863,289,651
a) Change over prior year	41,232,048	120,246,113
b) Funded Percentage	59.9%	61.0%
V. Employer Contributions		
<u>To Fund Current Plan Year¹</u>		
a) Employer Portion of Normal Cost	27,196,211	29,469,887
b) Amortization Payments	55,026,822	51,336,487
c) Previous Year (Short-fall)	<u>8,122,457</u>	<u>6,121,711</u>
	90,345,490	86,928,085
	30.1%	28.0%
	<u>PERSAC approved Rate</u>	<u>24.3%</u>
	28.6%	
VI. Projected Employer Contributions		
<u>To Fund 2011-12 Plan Year¹</u>		
a) Employer Portion of Normal Cost	28,014,098	30,203,387
b) Amortization Payments	57,146,026	53,364,434
c) Short-fall Charge	<u>10,136,084</u>	<u>7,213,771</u>
TOTAL Projected Contribution	95,296,208	90,781,592
	30.8%	28.6%
VII. Current Payroll	296,693,950	306,332,902
Projected Payroll - Mid Year	300,187,513	309,966,069
Projected Payroll - Next Year	309,215,211	317,681,069

¹Dollar Amounts reflect estimated payments due mid-year on January 1st per Act 81.

EXHIBIT 2

**FINANCIAL SUMMARY
STATEMENT OF REVENUES AND EXPENSES
FOR FISCAL YEAR ENDING**

	<u>June 30, 2011</u>	-----Prior <u>June 30, 2010</u>	Years----- <u>June 30, 2009</u>
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 22,153,401	\$ 22,348,841	\$ 23,017,957
Employer	72,917,767	53,297,405	55,715,529
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL CONTRIBUTIONS	95,071,168	75,646,246	78,733,486
2. Investment Income			
Investments	291,476,634	153,110,975	-245,208,127
Less, Manager Fees	<u>-3,842,179</u>	<u>-3,298,450</u>	<u>-2,978,314</u>
TOTAL INVESTMENT INCOME	287,634,455	149,812,525	-248,186,441
3. Total Revenues	382,705,623	225,458,771	-169,452,955
<u>OPERATING EXPENSES:</u>			
1. General Administration	4,577,657	4,380,464	4,518,576
Other Expenses	123,539	106,428	129,501
2. Benefits Paid			
a) Pension Benefits	143,626,224	135,746,109	131,126,987
b) Return of Contrib.	3,214,342	2,783,208	3,103,573
c) Transfers to/from	<u>381,462</u>	<u>278,128</u>	<u>222,500</u>
TOTAL BENEFITS PAID	147,222,028	138,807,445	134,453,060
3. Total Operating Expenses	151,923,224	143,294,337	139,101,137
<u>NET INCREASE:</u>	230,782,399	82,164,434	-308,554,092

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	<u>June 30, 2011</u>	-----Prior <u>June 30, 2010</u>	Years----- <u>June 30, 2009</u>
<u>ASSETS:</u>			
1. Short Term Assets			
Cash in Banks	\$ 38,661,665	\$ 16,283,379	\$ 9,423,094
Securities	34,643,853	60,986,460	66,138,969
2. Bonds			
U.S. Government Obligations	97,069,700	143,921,655	170,760,052
Bonds - Domestic	152,857,216	152,270,206	167,349,235
Bonds - Foreign	108,098,285	100,769,688	22,464,280
3. Equities			
Domestic Stock	691,109,402	568,649,330	534,647,819
Foreign Stocks	202,800,904	153,878,567	138,762,259
Private Equity Funds	160,407,717	91,102,795	83,829,539
4. Real Estate Investments	1,993,124	1,993,124	1,993,124
5. Property and Equipment	3,311,066	3,367,200	3,465,680
6. Receivables - Payables	<u>25,681,658</u>	<u>-7,279,213</u>	<u>4,853,706</u>
TOTAL ASSETS - Market Value	1,516,634,590	1,285,852,191	1,203,687,757
Valued at Cost	1,303,372,191	1,291,319,524	1,317,081,766
<u>INVESTMENT YIELD:</u>			
Yield to Actuarial Value	4.35%	0.55%	-7.08%
DROP Account Yield	3.85%	0.05%	0.00%
Yield to Market Value	23.28%	13.02%	-16.94%
<u>EXPERIENCE ACCOUNT FUND:</u>			
Prior Year End Balance	0	0	0
+ Excess Added	0	0	0
- Contribution Credited	0	0	0
+ Accumulated Interest	0	0	0
Fund Balance - Year End	0	0	0
<u>Actuarial Value of Assets:</u>			
TOTAL ASSETS	1,516,634,590	1,285,852,191	1,203,687,757
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	-204,823,238	-171,014,976	129,986,799
Plan Year - 1 (wt. 2/4)	107,926,676	-204,823,238	-171,014,976
Plan Year (wt. 3/4)	<u>218,729,740</u>	<u>107,926,676</u>	<u>-204,823,238</u>
Actuarial Value of Assets	1,349,829,757	1,350,072,547	1,410,315,974
Less, Experience Account Fund	0	0	0
Valuation Assets	1,349,829,757	1,350,072,547	1,410,315,974

EXHIBIT 3

**PENSION ACCOUNTING
AND
FINANCIAL DISCLOSURE**

The Governmental Accounting Standards Board (GASB) was established as an arm of the Financial Accounting Foundation in April 1984 by amendment to the Foundation's certificate of incorporation and by-laws. GASB's objective is to promulgate standards of financial accounting and reporting relative to the activities and transactions of state and local governmental entities. The following disclosures and statistical tables are in accordance with the GASB's Statement No. 25.

SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2002	1,433,859	1,582,071	148,212	90.6	258,876	57.3
2003	1,369,601	1,730,796	361,195	79.1	268,656	134.4
2004	1,381,154	1,820,959	439,805	75.8	259,698	169.4
2005	1,423,207	1,889,445	466,238	75.3	259,232	179.9
2006	1,480,748	1,872,594	391,846	79.1	239,321	163.7
2007	1,558,328	1,947,603	389,275	80.0	259,045	150.3
2008	1,578,991	2,060,242	481,251	76.6	289,529	166.2
2009	1,410,316	2,153,360	743,044	65.5	315,400	235.6
2010	1,350,073	2,213,362	863,289	61.0	306,333	281.8
2011	1,349,830	2,254,351	904,522	59.9	296,693	304.9

The total actuarial accrued liability determined using the Individual Entry Age Normal cost method increased by \$40,989,258 from June 30, 2010 to June 30, 2011. From all sources there was a net experience loss of \$20,356,391.

EXHIBIT 3 (Continued)
Pension Accounting & Financial Disclosure

SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year</u>	<u>Actuarial Required Contribution</u> ¹	<u>Percent Contributed</u>	<u>Annual Pension Cost (APC)</u> ¹	<u>Actual Contribution</u> ¹	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2002	15,616,982	100.0	581,417	15,616,983	2686.0	-19,944
2003	16,440,025	100.0	13,856,760	16,440,025	118.6	-13,887
2004	47,980,745	58.7	41,929,947	28,163,575	67.2	19,817,170
2005	46,187,680	61.0	42,775,863	37,753,893	88.3	24,839,140
2006	50,768,224	85.6	45,648,519	43,458,220	95.2	27,029,439
2007	46,711,648	108.1	39,949,441	50,489,918	126.4	16,488,962
2008	50,003,327	103.5	43,384,440	51,765,697	119.3	8,107,705
2009	57,895,311	96.2	51,083,424	55,715,529	109.1	3,475,600
2010	75,027,998	71.0	72,228,043	53,297,405	73.8	22,406,238
2011	88,620,630	82.3	83,953,974	72,917,767	86.9	33,442,445

Analysis of the percentage contributed over a period of years will give a relative indication of the funding progress for the liabilities of the Louisiana School Employees' Retirement System.

The difference between the Actuarial Required Contribution and the APC is the amortization payment for the Net Pension Obligation (see Exhibit A), plus a constitutional mandated amount for plan years prior to 2003 to bring the total employer contribution up to 6% of covered payroll.

**DEVELOPMENT OF NET
PENSION OBLIGATION:**

(1) Actuarial Required Contribution	88,620,630
(2) Interest on Net Pension Obligation	1,680,469
(3) Amortization of Net Pension Obligation	6,347,125
(4) Annual Pension Cost (1)+(2)-(3)	83,953,974
(5) Employer Contribution	72,917,767
(6) Increase (decrease) in Net Pension Obligation	11,036,207
(7) Net Pension Obligation Beginning of Year	22,406,238
(8) Net Pension Obligation End of Year (6)+(7)	33,442,445

¹ Actuarial Contributions, the Annual Pension Cost (APC), and the actual employer contribution made have been adjusted with interest at the valuation rate to the end of the fiscal year in accordance with GASB's Statement No. 27, paragraph 21.

EXHIBIT 3 (Continued)**Pension Accounting & Financial Disclosure**

STATISTICAL DATA

COMPARATIVE SUMMARY OF REVENUES BY SOURCE
AND EXPENSES BY TYPE

Revenues by Source

<u>Fiscal Year End</u>	<u>Members Contribution</u>	<u>Employer Contribution</u>	<u>Investment Income</u>	<u>Total</u>
2002	18,827,944	105,899 ¹	-34,986,556	-16,052,713
2003	19,820,210	58,736 ¹	50,126,072	70,005,018
2004	19,676,052	21,940,471 ¹	157,897,575	199,514,098
2005	18,946,671	37,753,893	115,092,079	171,792,643
2006	17,716,761	43,458,220	84,039,860	145,214,841
2007	19,258,618	50,489,918	221,780,721	291,529,257
2008	21,398,728	51,765,697	-76,115,398	-2,950,973
2009	23,017,957	55,715,529	-248,186,444	-169,452,955
2010	22,348,841	53,297,405	149,812,525	225,458,771
2011	22,153,401	72,917,767	287,634,455	382,705,623

Expenses by Type

<u>Fiscal Year End</u>	<u>Benefits</u>	<u>Refunds/ Transfers</u>	<u>Administrative Expenses</u>	<u>Total</u>
2002	89,516,977	1,992,256	2,366,271	93,875,504
2003	97,598,053	2,420,242	2,793,560	105,811,855
2004	102,474,273	3,866,339	2,782,636	109,123,248
2005	109,842,001	3,077,121	3,259,996	116,179,118
2006	119,959,677	7,848,744	3,410,071	131,218,492
2007	130,256,443	5,323,626	3,715,526	139,295,595
2008	133,619,893	3,123,097	4,693,521	141,436,511
2009	131,126,987	3,326,073	4,648,077	139,101,137
2010	135,746,109	3,061,336	4,486,892	143,294,337
2011	143,626,224	3,595,804	4,701,196	151,923,224

¹ Employer Contributions exclude the Employer Contribution Credit.

EXHIBIT 4

CENSUS DATA

GENERAL COMMENTS

The data contained in this valuation is summarized on the following pages with exceptions noted below. The profile depicted in the cellular graphs represents "error free data", which serves as the basis for determining costs and liabilities. Active members are allocated to cells based upon attained age and years of service. Retirees and Survivors are allocated to cells based upon attained age and years elapsed since retirement or commencement of benefits.

The validity of the results of any actuarial valuation is dependent upon the accuracy of the data base. Prior to processing, suspicious data and data containing errors were purged from the data base and processed separately based on the following error types:

- missing sex code
- missing or invalid date of birth
- missing or invalid date of employment
- missing or invalid salary
- invalid retirement dates

This year there were no records purged from the database containing errors or categorized as suspicious data, which is a significant improvement in the quality of data reported when compared to previous years. Suspicious data are not necessarily errors, but data, which falls outside the parameters of the editing process for further checking.

Salary data contained in the profiles and valuation report exceed the amount reported by internal audit due the annualization of salaries. In the valuation process, membership data with fractional service in the first year of employment annualizes the salary.

The following is a summary of the data submitted for valuation:

	---2011---	---2010---	---2009---
	<u>Census</u>	<u>Census</u>	<u>Census</u>
Active Members	12,197	12,483	12,589
After DROP	657	683	676
Regular Retirees	10,353	10,185	10,067
Disability Retirees	381	384	421
Survivors	1,983	1,881	1,802
Terminated Vested	351	355	361
DROP Participants	<u>619</u>	<u>599</u>	<u>588</u>
TOTAL	26,541	26,570	26,504

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LSER RETIREMENT SYSTEM
ACTIVE (hired < 7/1/2006)

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2011

Age	YEARS EMPLOYED									Total	
	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)		
[0-19)	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
[20-24)	0	0	2	0	0	0	0	0	0	0	2
	0	0	72161	0	0	0	0	0	0	0	72161
[25-29)	0	0	51	1	0	0	0	0	0	0	52
	0	0	1160748	33501	0	0	0	0	0	0	1194249
[30-34)	0	0	142	35	1	0	0	0	0	0	178
	0	0	3095840	948839	33904	0	0	0	0	0	4078583
[35-39)	0	0	249	125	35	0	0	0	0	0	409
	0	0	5250988	3444711	1008597	0	0	0	0	0	9704296
[40-44)	0	0	376	267	135	53	2	0	0	0	833
	0	0	8462149	6133346	3729703	1653891	62144	0	0	0	20041233
[45-49)	0	0	622	492	296	152	79	6	0	0	1647
	0	0	13560232	11285184	7332682	4094713	2768550	243497	0	0	39284858
[50-54)	0	0	505	511	404	257	160	16	0	0	1853
	0	0	10987402	11773094	9725673	7010134	4781013	421563	0	0	44698879
[55-59)	0	0	403	406	407	328	44	14	3	0	1605
	0	0	8869732	9637336	9874594	8342445	972424	366473	115866	0	38178870
[60-64)	0	0	341	154	104	64	41	12	3	0	719
	0	0	7328695	3503470	2477237	1612122	1149055	304578	107063	0	16482220
[65-69)	0	0	110	59	27	21	10	6	3	0	236
	0	0	2291636	1246592	574889	526979	227368	161900	115861	0	5145225
[70-74)	0	0	81	29	28	11	6	6	6	0	167
	0	0	1510352	556180	664949	256462	137175	145872	111212	0	3382202
TOTALS	0	0	2882	2079	1437	886	342	60	15	0	7701
count	0	0	2882	2079	1437	886	342	60	15	0	7701
salary	0	0	62589935	48562253	35422228	23496746	10097729	1643883	450002	0	182262776

AVERAGES --- Attained Age 51.79
Service Years 13.39
Active Salary 23,667

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LSEER RETIREMENT SYSTEM
ACTIVE (hired 7/06-7/10)

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2011

Age	YEARS EMPLOYED									Total
	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	
[0-19)	0	2	1	0	0	0	0	0	0	3
	0	37621	19484	0	0	0	0	0	0	57105
[20-24)	0	77	0	0	0	0	0	0	0	77
	0	1611875	0	0	0	0	0	0	0	1611875
[25-29)	0	219	6	0	0	0	0	0	0	225
	0	4441112	114765	0	0	0	0	0	0	4555877
[30-34)	0	297	16	0	0	0	0	0	0	313
	0	5751220	317483	0	0	0	0	0	0	6068703
[35-39)	0	364	20	0	0	0	0	0	0	384
	0	7133097	518520	0	0	0	0	0	0	7651617
[40-44)	0	537	25	0	1	0	0	0	0	563
	0	10898407	529772	0	52126	0	0	0	0	11480305
[45-49)	0	608	35	2	2	0	1	0	0	648
	0	12409449	687540	35321	39999	0	37497	0	0	13209806
[50-54)	0	589	31	1	1	1	0	0	0	623
	0	12333678	714184	42025	28683	57138	0	0	0	13175708
[55-59)	0	414	20	1	1	0	0	0	0	436
	0	8505860	382904	17127	66685	0	0	0	0	8972576
[60-64)	0	252	18	0	0	1	0	0	0	271
	0	5078861	336420	0	0	15194	0	0	0	5430475
[65-69)	0	99	11	0	0	0	0	0	0	110
	0	1845498	200601	0	0	0	0	0	0	2046099
[70-74)	0	48	6	0	0	0	0	0	0	54
	0	851792	99402	0	0	0	0	0	0	951194
TOTALS	0	3506	189	4	5	2	1	0	0	3707
count	0	70898470	3921075	94473	187493	72332	37497	0	0	75211340
salary	0									

AVERAGES --- Attained Age 46.69
Service Years 3.33
Active Salary 20,289

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LSER RETIREMENT SYSTEM
ACTIVE (hired > 6/30/2010)

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2011

Age	YEARS EMPLOYED									Total
	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	
[0-19)	6	0	0	0	0	0	0	0	0	6
	82692	0	0	0	0	0	0	0	0	82692
[20-24)	30	7	0	0	0	0	0	0	0	37
	535107	89338	0	0	0	0	0	0	0	624445
[25-29)	36	14	0	0	0	0	0	0	0	50
	635728	184544	0	0	0	0	0	0	0	820272
[30-34)	55	24	0	0	0	0	0	0	0	79
	943216	381061	0	0	0	0	0	0	0	1324277
[35-39)	65	33	0	0	0	0	0	0	0	98
	1170872	536072	0	0	0	0	0	0	0	1706944
[40-44)	81	21	0	0	0	0	0	0	0	102
	1526150	301730	0	0	0	0	0	0	0	1827880
[45-49)	90	42	0	0	0	0	0	0	0	132
	1659428	694842	0	0	0	0	0	0	0	2354270
[50-54)	78	54	0	0	0	0	0	0	0	132
	1484000	813825	0	0	0	0	0	0	0	2297825
[55-59)	55	27	0	0	0	0	0	0	0	82
	957419	423446	0	0	0	0	0	0	0	1380865
[60-64)	24	24	0	0	0	0	0	0	0	48
	415167	379187	0	0	0	0	0	0	0	794354
[65-69)	8	9	0	0	0	0	0	0	0	17
	155876	123068	0	0	0	0	0	0	0	278944
[70-74)	4	2	0	0	0	0	0	0	0	6
	73267	13688	0	0	0	0	0	0	0	86955
TOTALS										
count	532	257	0	0	0	0	0	0	0	789
salary	9638921	3940801	0	0	0	0	0	0	0	13579722

AVERAGES --- Attained Age 44.76
Service Years 0.78
Active Salary 17,211

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LSEER RETIREMENT SYSTEM
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY
DROP BENEFITS

VALUATION DATE 6/30/2011

Age	YEARS EMPLOYED									Total	
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)		
[0-34)	0	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0	0
[35-39)	0	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0	0
[40-44)	0	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0	0
[45-49)	0	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0	0
[50-54)	2	6	0	0	0	0	0	0	0	0	8
:	157992	438384	0	0	0	0	0	0	0	0	596376
:	72552	123036	0	0	0	0	0	0	0	0	195588
[55-59)	21	19	6	4	6	2	0	0	0	0	58
:	880104	798432	263040	160836	331908	291960	0	0	0	0	2726280
:	383388	361968	131964	60216	169488	49248	0	0	0	0	1156272
[60-64)	68	58	21	18	15	24	0	0	0	0	204
:	2629176	2039340	2657388	802308	495036	1035792	0	0	0	0	9659040
:	734484	628572	338220	305856	232848	421356	0	0	0	0	2661336
[65-69)	10	15	45	49	34	71	7	0	0	0	231
:	378552	650784	1687440	1716804	1102644	2644764	177612	0	0	0	8358600
:	70068	114204	486480	451212	346656	660084	75048	0	0	0	2203752
[70-74)	5	5	4	2	2	98	39	1	0	0	156
:	152712	158472	156948	64152	81468	2730408	938712	16944	0	0	4299816
:	33660	23316	22248	10464	30864	598788	251556	7356	0	0	978252
TOTALS											
count	106	103	76	73	57	195	46	1	0	0	657
salary	4198536	4085412	4764816	2744100	2011056	6702924	1116324	16944	0	0	25640112
benefit	1294152	1251096	978912	827748	779856	1729476	326604	7356	0	0	7195200

AVERAGES --- Attained Age 66.09
Post Drop Years 4.33
Active Salary 39,026
Annual Benefit 10,952

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LSER RETIREMENT SYSTEM
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2011

Age	YEARS RETIRED										Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-39)	0	0	0	0	0	0	0	0	0	0	0
[40-44)	0	0	1	0	0	0	0	0	0	0	1
[45-49)	6	5	2	4	8	16	1	0	0	0	42
[50-54)	17	23	10	30	25	112	12	0	3	0	232
[55-59)	31	41	36	67	88	323	55	19	5	0	665
[60-64)	80	86	106	143	182	853	192	55	32	0	1729
[65-69)	25	31	25	42	76	1128	666	120	46	0	2159
[70-74)	12	12	13	19	19	308	1231	412	78	0	2104
[75-79)	6	1	9	5	8	70	408	970	232	0	1709
[80-84)	0	1	0	1	3	17	80	464	499	0	1065
[85-89)	0	0	0	0	0	5	6	78	378	0	467
[90-99)	0	0	0	0	0	0	1	2	175	0	178
TOTALS	177	200	202	311	409	2832	2652	2120	1448	0	10351
benefit	2476824	3035520	2638380	4485972	5243160	38000352	22750848	17957256	13576776	0	110165088

AVERAGES --- Attained Age 71.20
Years Retired 12.49
Annual Benefit 10,643

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LSEER RETIREMENT SYSTEM
REGULAR RETIREES w/COLA

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2011

Age	YEARS RETIRED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-39)	0	0	0	0	0	0	0	0	0	0
[40-44)	0	0	0	0	0	0	0	0	0	0
[45-49)	0	0	0	0	0	0	0	0	0	0
[50-54)	0	0	0	0	0	1	0	0	0	1
	0	0	0	0	0	17700	0	0	0	17700
[55-59)	0	0	0	0	0	0	0	0	0	0
[60-64)	0	0	0	0	0	0	0	0	0	0
[65-69)	0	0	0	0	0	0	0	0	0	0
[70-74)	0	1	0	0	0	0	0	0	0	1
	0	5376	0	0	0	0	0	0	0	5376
[75-79)	0	0	0	0	0	0	0	0	0	0
[80-84)	0	0	0	0	0	0	0	0	0	0
[85-89)	0	0	0	0	0	0	0	0	0	0
[90-99)	0	0	0	0	0	0	0	0	0	0
TOTALS	0	1	0	0	0	1	0	0	0	2
benefit	0	5376	0	0	0	17700	0	0	0	23076

AVERAGES --- Attained Age 62.42
Years Retired 5.47
Annual Benefit 11,538

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LSER RETIREMENT SYSTEM
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2011

Age	YEARS RETIRED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-39)	0	1	0	0	0	0	0	0	0	1
	0	5364	0	0	0	0	0	0	0	5364
[40-44)	4	4	1	1	1	2	0	2	0	15
	37548	26088	4560	17148	12564	10152	0	7980	0	116040
[45-49)	4	4	1	4	2	20	6	3	0	44
	50976	34932	1296	23280	13416	120396	40056	13584	0	297936
[50-54)	12	18	12	12	8	37	13	9	1	122
	109080	158640	101160	88944	73356	259392	76848	50256	10500	928176
[55-59)	17	18	16	13	6	54	27	9	4	164
	161760	121416	135684	82740	39648	311220	127500	40752	17640	1038360
[60-64)	4	2	0	3	1	3	2	2	2	19
	35484	9756	0	15588	8556	12012	10344	9168	8688	109596
[65-69)	2	1	1	0	2	0	0	0	2	8
	13980	7020	7140	0	9660	0	0	0	8808	46608
[70-74)	1	1	0	0	0	0	1	0	0	3
	7368	4188	0	0	0	0	3696	0	0	15252
[75-79)	0	1	0	0	0	0	0	0	1	2
	0	4260	0	0	0	0	0	0	264	4524
[80-84)	0	0	0	0	0	0	0	1	1	2
	0	0	0	0	0	0	0	5220	4068	9288
[85-89)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[90-99)	0	0	0	0	0	0	0	0	1	1
	0	0	0	0	0	0	0	0	2448	2448
TOTALS	44	50	31	33	20	116	49	26	12	381
benefit	416196	371664	249840	227700	157200	713172	258444	126960	52416	2573592

AVERAGES --- Attained Age 55.29
Years Retired 6.77
Annual Benefit 6,755

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LSEB RETIREMENT SYSTEM
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2011

Age	YEARS RETIRED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-39)	18	4	1	0	2	6	11	8	5	55
	211488	41040	12612	0	6864	57264	102024	72240	23904	527436
[40-44)	15	0	2	0	2	3	3	7	4	36
	163020	0	14496	0	16476	25836	18888	50184	34176	323076
[45-49)	22	1	1	2	3	10	5	6	2	52
	225120	15792	16656	28080	26976	87396	26640	34992	12048	473700
[50-54)	23	6	2	2	2	18	12	7	2	74
	207348	83880	19200	10308	19596	175224	96912	47124	20712	680304
[55-59)	19	3	2	3	3	23	20	16	7	96
	228420	37872	26280	29028	31308	210984	165420	89064	66516	884892
[60-64)	57	2	7	4	9	42	33	26	17	197
	777636	21972	66276	48624	75516	347052	250320	191868	106740	1886004
[65-69)	100	1	0	1	0	29	45	32	21	229
	994320	13836	0	5976	0	225600	287796	210984	169416	1907928
[70-74)	176	1	3	3	2	13	48	59	57	362
	1420596	9108	18420	14628	11436	86280	305004	468024	458460	2791956
[75-79)	157	0	1	0	1	13	22	72	103	369
	1127736	0	10116	0	4272	80388	141324	558564	804108	2726508
[80-84)	80	0	0	1	1	7	19	59	128	295
	584328	0	0	11196	4116	40032	170964	478884	1042392	2331912
[85-89)	18	0	0	0	2	4	24	10	92	150
	128892	0	0	0	17352	30672	180660	75312	736116	1169004
[90-99)	2	0	0	0	1	4	25	5	31	68
	14100	0	0	0	3828	24300	195192	43356	244008	524784
TOTALS	687	18	19	16	28	172	267	307	469	1983
benefit	6083004	223500	184056	147840	217740	1391028	1941144	2320596	3718596	16227504

AVERAGES --- Attained Age 71.25
Years Retired 10.67
Annual Benefit 8,183

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LSEER RETIREMENT SYSTEM
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2011

Age	YEARS EMPLOYED									Total	
	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)		
[0-19)	0	0	0	0	0	0	0	0	0	0	0
[20-24)	0	0	0	0	0	0	0	0	0	0	0
[25-29)	0	0	0	0	0	0	0	0	0	0	0
[30-34)	0	0	0	0	0	0	0	0	0	0	0
[35-39)	0	0	0	2	1	0	0	0	0	0	3
[40-44)	0	1	0	22	3	1	0	0	0	0	27
[45-49)	0	3	0	17	13	2	5	0	0	0	40
[50-54)	0	0	2	32	23	5	19	2	0	0	83
[55-59)	0	1	3	48	40	17	10	1	0	0	120
[60-64)	2	1	0	24	16	13	2	4	0	0	62
[65-69)	0	0	1	1	1	1	2	0	0	0	6
[70-74)	0	2	1	0	2	1	2	2	0	0	10
TOTALS	96	7392	11424	1236516	1264740	695136	1110996	369168	0	0	4695468

AVERAGES --- Attained Age 55.40
Service Years 16.74
Annual Benefit 13,377

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LSEER RETIREMENT SYSTEM
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2011

Age	YEARS PARTICIPATED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-39)	0	0	0	0	0	0	0	0	0	0
[40-44)	0	0	0	0	0	0	0	0	0	0
[45-49)	6	2	0	0	0	0	0	0	0	8
[50-54)	14	23	21	0	0	0	0	0	0	58
[55-59)	34	65	57	0	0	0	0	0	0	156
[60-64)	94	173	100	0	0	0	0	0	0	367
[65-69)	5	13	6	0	0	0	0	0	0	24
[70-74)	0	4	2	0	0	0	0	0	0	6
[75-79)	0	0	0	0	0	0	0	0	0	0
[80-84)	0	0	0	0	0	0	0	0	0	0
[85-89)	0	0	0	0	0	0	0	0	0	0
[90-99)	0	0	0	0	0	0	0	0	0	0
TOTALS	153	280	186	0	0	0	0	0	0	619
benefit	2868468	4678476	3153192	0	0	0	0	0	0	10700136

AVERAGES --- Attained Age 59.94
Years Retired 1.58
Annual Benefit 17,286

EXHIBIT 5

PRINCIPLE PROVISIONS OF THE PLAN
(Including Acts of 2009 Regular Session)

EFFECTIVE DATE:

July 1, 1947

EMPLOYEE:

Any school bus driver, janitor, custodian, maintenance employee, bus aide, monitor or attendant or other regular school employee helping with the transportation of school children, and who is a legal employee of a parish or city school board of the State of Louisiana.

EMPLOYER:

The State of Louisiana, or any parish or city school board from which any employee receives compensation.

ELIGIBILITY FOR PARTICIPATION:

Contingent upon approval of application filed with the Board of Trustees within 90-days of the date of Employment. However, no employee who is a member of any other retirement system supported in whole or in part by public funds shall be entitled to membership in this retirement system.

SERVICE:

Service as an "Employee", defined above.

CREDITABLE SERVICE:

Prior Service plus Membership Service, for which credit is allowed.

PRIOR SERVICE:

Service prior to July 1, 1947 for which prior service certificates are issued; granted without cost if certified.

MEMBERSHIP SERVICE:

Service as an "Employee" while a member of the system.

EXHIBIT 5 (Continued)
Principle Provisions

ADDITIONAL

CREDITABLE SERVICE:

1. Credit for service canceled by withdrawal of accumulated contributions may be restored by member by paying into system the amount withdrawn plus regular interest from date withdrawn until paid.
2. Maximum of 4 years of credit for military service may purchased.
3. Conversion of Sick Leave and Annual Leave at retirement, or death may be converted to membership credit.
4. Part-time employees shall accrue a full year of creditable service for each full year of part-time service for benefit eligibility purposes.
5. Out of State service with other school systems may be purchased.

EARNABLE COMPENSATION:

The compensation earned by a member for any given period. Where compensation includes maintenance, the employing agency shall fix the value of that part of compensation not paid directly.

AVERAGE FINAL COMPENSATION:

The average annual earnable compensation of a member for the 36 highest successive months of employment or the highest 36 successive joined months of employment where interruption of service occurred (Effective 7/6/84); the average compensation of a member for purposes of computing benefits cannot increase more than 25% per year (Effective 1/1/87).

For those members hired on and after 7/1/2006, the period for determining final average compensation is extended from 36 months to 60 months.

ACCUMULATED CONTRIBUTIONS:

Sum of all amounts deducted from compensation of a member plus any interest credited to his individual account in annuity savings fund plus any other amounts credited to the member's account.

EMPLOYEE CONTRIBUTIONS:

- 7.00% of earnable compensation.
- 6.65% effective Sept.1, 1990 (Act 340 of 1990).
- 7.00% effective Jan. 1, 1992 (Act 375 of 1991).
- 6.35% effective July 1, 1992 (Act 248 of 1992).
- 7.50% effective July 1, 2001 (Act 897 of 2001).
- 8.00% effective July 1, 2010 (Act 318 of 2010, new hires).

EXHIBIT 5 (Continued)
Principle Provisions

EMPLOYER CONTRIBUTIONS:

"Normal contribution" rate plus "accrued liability contribution" rate, as determined by the actuary and Board of Trustees. Eff. July 1, 1985, 10.18%. Act 81 of 1988 requires employer rate to be actuarially determined annually.

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

Contingent upon written application to the Board of Trustees;

1. For members hired prior to 7/1/2010; attainment of age 60 and 10 years of accredited service, or age 55 and 25 years of accredited service, or at any age and 30 years of accredited service.
2. For members hired after 6/30/2010; attainment of age 60 and 5 years of accredited service

Benefit:

1. For members hired prior to 7/1/2010; Act 897 of the 2001 regular legislative session increases the accrual rate to 3 1/3% for all years of service.
2. For members hired after 6/30/2010; Act 318 of the 2010 regular legislative session sets the accrual rate at 2 1/2%.

EARLY-REDUCED RETIREMENT:

Eligibility:

20 years of service credit regardless of attained age.

Benefit:

Normal retirement benefit based upon service accrued to date, actuarially reduced from the earliest date member would be eligible if employment had continued to earliest normal retirement date.

COST OF LIVING BENEFITS:

Prior to July 1, 1970 The Board may grant supplemental COLA not in excess of 2% from investment income, minimum \$20 per month.

After July 29, 1970 Board may grant supplemental COLA not in excess of 3% from investment income, minimum \$30 per month.

EXHIBIT 5 (Continued)
Principle Provisions

DISABILITY RETIREMENT:

Eligibility:

5 years of creditable service; certification of disability by medical board (medical examination required once in every year for the first 5 years of disability retirement, and once in every 3 years thereafter, until age 60).

Effective 7/1/2006, Act 578 of 2006 changed the requirements for disability retirement from 5 years of creditable service to 10 years.

Benefit:

For members hired prior to 7/1/2010;

A pension equal to 2 1/2% of average final compensation times the years of creditable service, plus two dollars per month for each year of credited service supplemental benefit, not to exceed final average compensation. Act 500 of 1989 provides a minimum disability benefit of 33 1/3% of average final compensation.

For members hired after 6/30/2010;

A pension equal to the accrued retirement benefit, without reduction for age.

SURVIVOR'S BENEFITS:

Eligibility:

1. Surviving Spouse with minor children of;
 - an active member with 5 years of creditable service with at least 2 years earned immediately prior to death or,
 - a member with 20 years of service at the time of death.
1. Surviving Spouse without minor children of;
 - an active member with 10 years of creditable service with at least 2 years earned immediately prior to death or,
 - a member with 20 years of service at the time of death.
2. Minor children with no spouse or spouse without legal custody of;
 - an active member with 5 years of creditable service with at least 2 years earned immediately prior to death or,
 - a member with 20 years of service at the time of death.
4. Beneficiary not eligible for (1), (2) or (3)

Act 992 of 2010 includes in the list of eligible survivors, handicapped children, and mentally disabled children.

EXHIBIT 5 (Continued)
Principle Provisions

Benefits:

For members hired prior to 7/1/2010;

1. Greater of 75% of member's final average compensation or \$300 per month. Benefit ceases upon remarriage if less than 20 years of service and less than age 55.
2. Greater of 50% of member's final average compensation or \$200 per month. Benefit ceases upon remarriage if less than 20 years of service and less than age 55.
3. Greater of 75% of member's final average compensation or \$300 per month.
4. Return of member's accumulated contributions.

For members hired after 6/30/2010;

1. Greater of 50% of member's final average compensation or \$600 per month. Benefits cease upon remarriage and resume upon subsequent death or divorce of spouse.
2. Members accrued benefit at death, actuarially reduced to first eligibility date.
3. Each child (not to exceed 2) receives .50% of the benefit payable in (1) above.
4. Return of member's accumulated contributions.

NOTE: Handicapped or mentally retarded children of a deceased member, regardless of age, who are dependent upon a surviving spouse or legal guardian shall be payable in accordance with minor children benefits of this section. The benefit payable is reduced by state assistance received.

OPTIONAL FORMS
OF BENEFIT:

In lieu of receiving normal retirement benefit, member may elect to receive actuarial equivalent of retirement allowance in a reduced form as follows:

Option 1 - If a member dies before receiving present value of annuity in monthly payments, balance paid to designated beneficiary

Option 2 - Reduced retirement allowance, if member dies, to be continued to designated beneficiary for his lifetime

Option 3 - 1/2 of reduced retirement allowance, if member dies, to be continued to designated beneficiary for his lifetime

Option 4 - benefits of equal actuarial value may be elected with approval of board

Initial Benefit Option - Maximum benefit actuarially reduced for partial lump-sum equal to not more than 36 months of maximum pension.

The normal form and options 1-4 can be elected in the form of an increasing annuity which permits the member to make an election at retirement to receive an actuarially reduced benefit which increases 2.5% annually. The increases begin on the 1st retirement anniversary date, but not before the retiree attains age 55 or would have attained age 55 for a surviving spouse.

NOTE: Revisionary annuities are available for Option 2 and Option 3, which provides a return to the maximum benefit if the spouse pre-deceases the retiree.

EXHIBIT 5 (Continued)
Principle Provisions

REFUND OF CONTRIBUTIONS:

If a member ceases to be eligible, except by death or retirement, he shall be paid such part of the amount of the accumulated contributions credited to his individual account in annuity savings fund as he shall demand, plus any accumulated interest.

WITHDRAWAL AFTER 10 YEARS
OF CREDITABLE SERVICE:

Any member with credit for 10 years of service who withdraws from service may elect to leave accumulated contributions in system until age 60, when he may apply for retirement and begin receiving a retirement benefit based on the credits he had at date of withdrawal.

COST OF LIVING INCREASES:

HB 658 of 2007 establishes an Experience Account which, is credited with 50% of the excess investment experience gain and debited with 50% of the net investment experience loss. Balances in the experience account accrue interest at the average actuarial yield for the System portfolio. Once the balance of the Experience Account accumulates to a sum sufficient to grant retirees a COLA, the Board may grant such COLA not to exceed the lesser of the CPI-U or 3%. Benefits are restricted to those retirees who have attained the age of 60 and have been retired for at least one year.

DEFERRED RETIREMENT OPTION PLAN:
(Act 56 of 1991)

Instead of terminating employees and accepting a service retirement allowance, any member who has met the following eligibility requirements may elect to participate in the Deferred Retirement Option Plan (DROP) and defer receipt of benefits.

Eligibility:

Ten (10) years at age sixty (60), twenty five (25) years at age fifty-five (55), or thirty (30) years of creditable service including reciprocal service, but excluding conversion of sick and annual leave, and eligible to receive a service retirement allowance. However, all unused sick and annual leave is convertible after plan participation when member has terminated employment.

Benefit:

Duration of participation is specified and cannot exceed the period terminating on the third anniversary at the earliest date the member qualified for regular retirement.

Upon termination of employment at the end of or prior to the end of the specified period of participation, a participant will receive, at his option:

EXHIBIT 5 (Continued)
Principle Provisions

Benefit (continued):

- (1) lump sum payment (equal to the payments to the account)
- (2) a true annuity based upon his account; or
- (3) any other method of payment if approved by the board of trustees. Monthly benefits being paid into the fund during participation will begin being paid to the retiree.

If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance shall be paid to the beneficiary, or if none, to his estate; in addition, normal survivor benefits payable to survivors of retirees shall be payable.

If employment is not terminated at the end of the specified period of participation, then:

- (1) payment into account shall cease
- (2) payment from account shall not be made until employment is terminated and
- (3) the participant shall resume active contributing membership in the system

Then, upon termination of employment, the benefit payments indicated above shall be paid. The participant shall receive an additional retirement benefit based on additional service rendered since termination of participation in the fund, usually the normal method of computation of benefit subject to the following:

- (1) If additional service was less than 36 months, average compensation figure used to calculate additional benefit shall be that used to calculate original benefit.
- (2) If additional service was 36 or more months, the average compensation figure used to calculate the additional benefit shall be based on compensation during the period of additional service.

For those members hired on and after 7/1/2006, the period for determining final average compensation is extended from 36 months to 60 months.

NOTE: DROP Accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis.

Effective 1/1/2004 new DROP accounts are credited with Money Market rates or self directed accounts approved by the Board of Trustees.

EXHIBIT 6

ACTUARIAL COST METHODS AND ASSUMPTIONS

COST METHOD:

La. R.S. 11:22(B.) (5), prescribes the "Entry Age Normal" cost method to be used to calculate the funding requirements of the retirement system. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is allocated on a level basis as percentage of payroll for each participant between entry age and assumed retirement age(s). That portion of the actuarial present value attributable to current year benefit accruals is called the Normal Cost. The actuarial present value of future benefits in excess of the actuarial present value of future normal costs is called the actuarial accrued liability.

ASSET VALUATION:

For the Plan Year ending prior to June 30, 1999 equities are valued at a four year weighted average. The computation of the actuarial value of assets is the sum of the bonds at amortized cost, less a weighted average of unrealized losses or (gains) in the market value of equities, plus the market value of Equities

Effective June 30, 1999 the Board of Trustees approved a change in the Asset Valuation Method. The Actuarial Value of Assets is the market value of assets adjusted for a four year weighted average in the unrealized gain or loss in the value of all assets. This value is subject to Corridor Limits of 80% to 120% of the Market Value of Assets.

ACCOUNTING DISCLOSURE:

The Governmental Accounting Standards Board Statement No. 25 requires disclosure of certain actuarial liabilities for Public Employee Retirement Systems. The disclosures illustrated in Exhibit 3 were developed using the Entry Age Normal cost method. The statement of assets provided by the independent auditors was a copy of the final draft prior to publication. Should the statement of assets received differ from the final audit report, a revised actuarial statement will be issued to the extent that any difference in reporting affects the employer's contribution rate or the yield to the Actuarial Value of Assets.

ACTUARIAL ASSUMPTIONS:

The Retirement System is required to conduct an experience study every five years, but the scope of such a study is not necessarily limited to a five year period. The five year observation period (2003-2007) was chosen to coincide with the most recent period of data reporting following the restructuring of the Deferred Retirement Option Program.

MORTALITY ASSUMPTIONS:

Pre-retirement deaths and post-retirement life expectancies were projected in accordance with the experience of the RP-2000 Sex Distinct Mortality Table.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

DISABILITY ASSUMPTION:

Rates for total and permanent disability were projected in accordance in accordance with the experience of the RP-2000 Sex Distinct Disability Mortality Table.

RETIREMENT/DROP ASSUMPTION:

Retirement rates are based on age and service eligibility requirements for normal benefits. Age and service requirements vary by plan. DROP is viewed as an alternative form of benefit accrual since mandatory termination is not required following participation. Therefore, at eligibility, the probability of DROP accrual is determined in conjunction with regular benefit accrual. Retirement rates and DROP probabilities are based on the most recent Experience Study and are illustrated in the rate tables at the end of this exhibit.

TERMINATION ASSUMPTIONS:

Voluntary termination or withdrawal rates are based on the most recent Experience Study. During the first five years of employment, the probability of voluntarily terminating is a multiple of the attained age rate in prior reports and a multiple of service duration in the current valuation as follows:

1st year	1.00x
2nd year	1.15x
3rd year	1.15x
4th year	1.00x
5th year	1.00x

Furthermore, for members terminating with ten (10) or more years of service, it is assumed that 80% will not withdraw their accumulated employee contributions.

SALARY GROWTH:

The rates of annual salary growth are based upon the member's years of service and are illustrated in the rate tables at the end of this exhibit.

FAMILY STATISTICS:

The composition of the Family was based on Age Specific Fertility Rates from the 2007 Vital Statistics of the United States. 80% of the membership was assumed to be married with the wife assumed to be three (3) years younger than the husband. Sample rates are as follows:

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

<u>Age at Death</u>	<u>Number of Minor Chn.</u>	<u>Years for Youngest Child to Attain Majority</u>
25	1.2	17
30	1.4	15
35	1.7	13
40	1.7	10
45	1.4	8
50	1.1	4

ASSUMPTION FOR INCOMPLETE DATA:

Records identified as containing suspicious data or errors in data were assumed to possess the same characteristics of "good data" in the same cohort.

INVESTMENT EARNINGS:

For the 1990-1991 plan year, the Public Retirement Systems' Actuarial Committee increased the valuation rate assumption to 7.5% from the system's actuary recommended rate of 7.0%, net expenses. The appropriateness of this assumption continues to be reviewed by the system's actuary as part of a five year experience study with the next study concluding with the July 1, 2011 - June 30, 2012 plan year.

ADMINISTRATIVE EXPENSES:

Operating expenses are included in Aggregate Normal Cost and are assumed to be \$4,600,000 per year. Investment Manager Fees are not included in Operating Expenses, but are treated as a direct offset to investment income. The Employer portion of the Normal Cost excludes an allocation for administrative expenses. As a result of the change in Asset Valuation Method, the reporting of realized income has been changed to realized, plus unrealized income for valuations beginning on June 30, 1999 and thereafter.

COST-OF-LIVING:

The liability for cost-of-living raises already granted is included in the retiree reserve.

ACTUARIAL TABLES AND RATES
EFFECTIVE 6/30/2008

Age	- Death Rates -		Disability Rates	Termination Rates	Retirement Rates	DROP Rates	Dur	Salary Scale
	Male	Female						
18	.000316	.000188	.0000	.1500	.0000	.000	1	1.0600
19	.000331	.000190	.0000	.1500	.0000	.000	2	1.0600
20	.000345	.000191	.0000	.1500	.0000	.000	3	1.0450
21	.000357	.000192	.0000	.1500	.0000	.000	4	1.0450
22	.000366	.000194	.0000	.1300	.0000	.000	5	1.0450
23	.000373	.000197	.0000	.1300	.0000	.000	6	1.0450
24	.000376	.000201	.0000	.1300	.0000	.000	7	1.0470
25	.000376	.000207	.0000	.1000	.0000	.000	8	1.0470
26	.000378	.000214	.0000	.1000	.0000	.000	9	1.0470
27	.000382	.000223	.0000	.1000	.0000	.000	10	1.0470
28	.000393	.000235	.0000	.1000	.0000	.000	11	1.0470
29	.000412	.000248	.0000	.1000	.0000	.000	12	1.0470
30	.000444	.000264	.0000	.1000	.0000	.000	13	1.0470
31	.000499	.000307	.0000	.1000	.0000	.000	14	1.0450
32	.000562	.000350	.0000	.1000	.0000	.000	15	1.0450
33	.000631	.000394	.0000	.1000	.0000	.000	16	1.0450
34	.000702	.000435	.0000	.1000	.0000	.000	17	1.0450
35	.000773	.000475	.0010	.0700	.0000	.000	18	1.0450
36	.000841	.000514	.0010	.0700	.0000	.000	19	1.0450
37	.000904	.000554	.0010	.0700	.0000	.000	20	1.0450
38	.000964	.000598	.0010	.0700	.0000	.000	21	1.0450
39	.001021	.000648	.0010	.0700	.0000	.000	22	1.0450
40	.001079	.000706	.0020	.0700	.0000	.000	23	1.0450
41	.001142	.000774	.0020	.0600	.0000	.000	24	1.0450
42	.001215	.000852	.0020	.0600	.0000	.000	25	1.0450
43	.001299	.000937	.0040	.0600	.0000	.000	26	1.0450
44	.001397	.001029	.0040	.0550	.0000	.000	27	1.0450
45	.001508	.001124	.0040	.0550	.0000	.000	28	1.0400
46	.001616	.001223	.0050	.0550	.0000	.000	29	1.0400
47	.001734	.001326	.0060	.0400	.9000	.000	30	1.0400
48	.001860	.001434	.0060	.0400	.9000	.150	31	1.0400
49	.001995	.001550	.0060	.0400	.6800	.150	32	1.0400
50	.002138	.001676	.0060	.0400	.6000	.300	33	1.0400
51	.002449	.001852	.0060	.0400	.6000	.450	34	1.0400
52	.002667	.002018	.0060	.0400	.6000	.270	35	1.0400
53	.002916	.002207	.0060	.0400	.6000	.270	36	1.0400
54	.003196	.002424	.0070	.0400	.4200	.330	37	1.0400
55	.003624	.002717	.0070	.0400	.4200	.330	38	1.0400
56	.004200	.003090	.0070	.0400	.4200	.400	39	1.0400
57	.004693	.003478	.0060	.0400	.4200	.300	40	1.0400
58	.005273	.003923	.0060	.0400	.4200	.300	41	1.0400
59	.005945	.004441	.0050	.0400	.3500	.200	42	1.0400
60	.006747	.005055	.0040	.0400	.3500	.400	43	1.0400
61	.007676	.005814	.0040	.0400	.3500	.350	44	1.0400
62	.008757	.006657	.0040	.0400	.2500	.250	45	1.0400
63	.010012	.007648	.0040	.0400	.2500	.250	46	1.0400
64	.011280	.008619	.0040	.0400	.2500	.250	47	1.0400
65	.012737	.009706	.0040	.0400	.2500	.100	48	1.0400
66	.014409	.010954	.0040	.0400	.2500	.100	49	1.0400
67	.016075	.012163	.0040	.0400	.2500	.100	50	1.0400
68	.017871	.013445	.0040	.0400	.2500	.200	51	1.0400
69	.019802	.014860	.0040	.0400	.2500	.080	52	1.0400
70	.022206	.016742	.0040	.0400	.2500	.050	53	1.0400
71	.024570	.018579	.0040	.0400	.2500	.000	54	1.0400
72	.027281	.020665	.0040	.0400	.2500	.000	55	1.0400
73	.030387	.022970	.0040	.0400	.5000	.000	56	1.0400
74	.033900	.025458	.0040	.0400	.9900	.000	57	1.0400

EXHIBIT A

**AMORTIZATION of UNFUNDED
ACTUARIAL ACCRUED LIABILITY
JUNE 30, 2011**

<u>DATE</u> <u>6/30</u>	<u>DESCRIPTION</u>	<u>AMTZ.</u> <u>METHOD</u>	<u>AMTZ.</u> <u>PERIOD</u>	<u>INITIAL</u> <u>LIABILITY</u>	<u>YEARS</u> <u>REMAING</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>MID-YEAR</u> <u>PAYMENT</u>
1993	Change in Liability	L	25	-65,622,628	18	-57,139,761	-5,677,975
1994	Change in Liability	L	25	-30,846,941	18	-26,859,437	-2,669,021
1995	Change in Liability	L	25	2,558,051	18	2,227,378	221,334
1996	Change in Liability	L	25	-19,620,386	18	-17,084,110	-1,697,647
1997	Change in Liability	L	25	-9,046,638	18	-7,877,203	-782,757
1998	Change in Liability	L	25	-105,844,372	18	-92,162,145	-9,158,148
1999	Change in Liability	L	25	-48,468,045	18	-42,202,707	-4,193,681
2000	Change in Liability	L	25	-8,704,034	18	-7,578,886	-753,114
2001	Change in Liability	I	27	239,310,198	20	263,469,470	17,636,464
2002	Change in Liability	I	28	199,940,651	21	222,775,232	14,385,132
2003	Change in Liability	I	29	214,321,070	22	241,432,734	15,071,840
2004	Change in Liability	L	30	52,010,701	23	47,590,610	4,247,412
2005	Change in Liability	L	30	4,619,288	24	4,295,667	377,230
2006	Change in Liability	L	30	-93,066,596	25	-87,838,643	-7,600,208
2007	Change in Liability	L	30	-8,916,009	26	-8,530,314	-728,119
2008	Change in Liability	L	30	83,881,777	27	81,260,963	6,850,137
2009	Change in Liability	L	30	251,368,124	28	246,323,715	20,527,775
2010	Change in Liability	L	30	89,485,738	29	88,620,300	7,307,780
2011	Change in Liability	L	30	20,356,391	30	20,356,391	1,662,388
TOTAL OUTSTANDING BALANCE						871,079,254	55,026,822
EMPLOYERS' CREDIT BALANCE							
2007	Contribution Variance	L	5	-3,778,270	1	-868,702	-900,690
2008	Contribution Variance	L	5	-1,762,370	2	-782,140	-420,126
2009	Contribution Variance	L	5	2,179,782	3	1,401,073	519,631
2010	Contribution Variance	L	5	21,730,593	4	17,989,352	5,180,287
2011	Contribution Variance	L	5	15,702,862	5	15,702,862	3,743,355
TOTAL CREDIT BALANCE						33,442,445	8,122,457
TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY						904,521,699	

NOTE: Effective July 1, 1990, Actuarial Valuation Rate changed from 7% to 7 1/2%.
Effective July 1, 1992, Amortization Period changed in accordance with Act 257.
Effective July 1, 2004, Amortization Period changed in accordance with Act 588.