# ENVISION the future

08 | Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008
Louisiana State Employees' Retirement System
A Component Unit of the State of Louisiana

LASERS
Louisiana State Employees' Retirement System

Louisiana State Employees' Retirement System

# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008
Louisiana State Employees' Retirement System
A Component Unit of the State of Louisiana

*Prepared by the Fiscal, Investments, and Public Information Divisions of the Louisiana State Employees' Retirement System*

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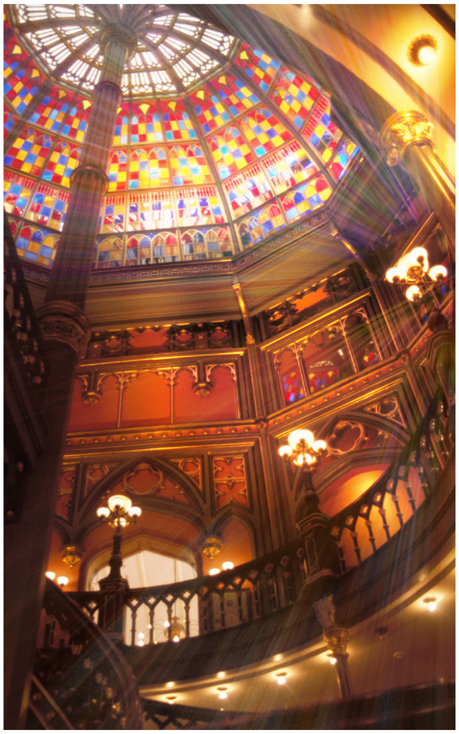

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LASERS
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October 9, 2008

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Louisiana State Employees' Retirement System (LASERS or the System) for the fiscal year ended June 30, 2008. This fiscal year was a landmark year for LASERS as we celebrated the 60th anniversary of our System. LASERS continued to position itself for the next decade by completing the last major phase of a new pension administration system which will allow us to better serve our members and contributing agencies. We are privileged to report on our progress and to look to our future with you. We trust that you and the other members will find this CAFR helpful in understanding your public employees' retirement system, which is dedicated to protecting your contributions and maximizing your return.

## Management Responsibility

This report consists of management's representation concerning LASERS finances. Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of LASERS financial statements in conformity with generally accepted accounting principles. The internal control framework has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Our independent external auditors, Postlethwaite & Netterville, have conducted an audit of the basic financial statements in accordance with auditing standards generally accepted in the United States of America, performing such tests and other procedures as they deem necessary to express an opinion in their report to the Board. The external auditors also have full and unrestricted access to the Board to discuss their audit and related findings as to the integrity of the financial reporting and adequacy of internal control systems.

## Financial Information

The basic financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis as promulgated by the Governmental Accounting Standards Board. The Management's Discussion and Analysis (MD&A) includes 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. LASERS MD&A can be found immediately following the reports of the independent auditors in the Financial Section of this report.

## Profile of LASERS

LASERS is a single employer defined benefit plan, established by the state legislature in 1946 with the first members joining the System on July 1, 1947. The System is a public trust fund created to provide retirement allowances and other benefits for state officers and employees and their beneficiaries. All invested funds, cash, and property are held in the name of LASERS for the sole benefit of the membership. A twelve-member Board of Trustees (comprised of six active members, three retired members, and three ex-officio members) governs the System. The Board administers the programs and appoints key management personnel including the Executive Director, Deputy Director, Assistant Director, and the Chief Investment Officer.

The Board of Trustees annually approves an operating budget for administrative expenses that is prepared by staff to address member and employer needs while keeping costs reasonable. The Board must also approve any changes in the budget during the year. In addition to the trustees' approval, the budget is approved by the Louisiana Joint Legislative Committee on the Budget.

## Investments

For the fiscal year, LASERS had a total market value return of -3.8% for the one-year period, and a three-year return of 8.1%. These returns rank LASERS in the top 42% and 13% of public pension systems for the one-year and three-year returns, respectively. An integral part of the overall investment policy is the strategic asset allocation guidelines. They are designed to provide an optimal mix of asset classes or allocations with return expectations that will reduce the LASERS unfunded accrued liability and fund cost-of-living adjustments (COLAs) for our retirees. Investment risks are diversified over a broad range of market sectors and securities. This strategy reduces portfolio risk to adverse developments in sectors and issuers experiencing unusual difficulties and offers opportunity to benefit from future markets. A more detailed exhibit of investment performance and a summarization of the LASERS Investment Policy can be found in the Investment Section of this report.

## Funding

Annually, the LASERS actuary determines the annual funding requirements needed to meet current and future benefit obligations. Actuarial contributions are based on normal cost and amortization of the unfunded accrued liability which has existed since the System's inception. Employers are required to pay the percentage of total payroll equal to the normal cost plus an amount sufficient to amortize the unfunded accrued liability as outlined in Louisiana Revised Statute 11:102 as it pertains to LASERS. This year the LASERS actuary is recommending that the Public Retirement Systems' Actuarial Committee (PRSAC) approve an employer contribution rate of 18.6% for the fiscal year ending June 30, 2010.

The actuarial value of member benefit liabilities exceeds the value of actuarial assets. At year end, the ratio of the value of actuarial assets to actuarial accrued liabilities improved to 67.6% and the System's unfunded actuarial accrued liability increased to $4.40 billion. The investment yield on the actuarial value of assets for ten years decreased to 7.03% which is below the net actuarial rate of return of 8.25% assumed in the valuation. Additional information regarding the financial condition of the pension trust fund can be found in the Actuarial Section of this report.

## Major Initiatives

Part of our mission is to provide exceptional customer service to our members and contributing agencies as well as improve the financial security of our members. Key accomplishments for the past year are summarized below:

**State of Louisiana Retirement Information System (SOLARIS)**

LASERS primary customer service initiative is the implementation of a new pension administration system, the State of Louisiana Retirement Information System (SOLARIS). The retiree benefits component has been in production since June 2006. A retiree self-service module was added to the LASERS website providing retired members secured access to much of their retirement information. The active member module went live in March 2008. In addition to the retiree self service module, the active member Internet module will go live in the third quarter of calendar year 2008 along with enhanced employer reporting features. The SOLARIS project interfaced application functions and databases with existing imaging and workflow systems to improve work processes. It also provides financial data to the financial accounting system.

**Technology Infrastructure Improvements**

LASERS has continued to build upon the infrastructure changes begun with the SOLARIS project. The use of virtual server management, blade servers, and storage area network (SAN) technology has been very successful for the agency. As LASERS automates more services and functions, the security and privacy of electronic information continue to be a top priority for the System. We have installed the latest in encryption software to protect sensitive electronic data, and routinely conduct vulnerability testing and intrusion detection scans on our network systems.

**Investment Program Enhanced**

LASERS prides itself for having a forward-thinking, yet disciplined and efficient investment program. With approximately $8.8 billion under management as of June 30, 2008, the plan has continuously ranked among the top half in a ranking of its peers.

LASERS Investment Program continues to explore new asset allocation strategies to improve long-term consistent returns. In May of 2008, the Board of Trustees changed the plan’s asset allocation. The changes included decreasing the total equity allocation and increasing both the fixed income and alternative asset allocations. A mortgage-backed opportunistic credit portfolio and a global asset allocation strategy portfolio were put in place to benefit from the current market environment.

Other initiatives underway include working with the custodial bank to enhance reporting capabilities, assessing new cost management options, exploring ways to improve the trade affirmation process, and utilizing the newly implemented risk management evaluation tool. Also, the system strives to lower investment costs by utilizing the internally managed program which consists of just more than one-fourth of the plan’s assets along with other cost measures which include monitoring investment manager trade execution costs and negotiating favorable investment management fees.

### Cost-of-Living Adjustment For Retirees

The Louisiana Legislature allowed LASERS to grant a 3% cost-of-living adjustment (COLA) for qualifying LASERS retirees. This COLA was paid in July 2008. This was the third COLA which LASERS retirees have received since 2006. COLAs are funded by excess investment returns which have been deposited in the LASERS Employee Experience Account.

### Online Access Expanded

Utilization of technology to improve overall agency performance, communication, and education also continues to be a major initiative of LASERS. Technological advances in imaging, bar coding, and online fillable forms continued to enable LASERS to enhance customer service to its member agencies. The LASERS Internet website offers agency and member users access to current System information, educational programs, forms, publications, and legislation. A revamp of our website is scheduled for completion this fiscal year and will include e-mail alerts to subscribing members about the latest developments at LASERS as well as regular updates during legislative sessions.

### Member Outreach Expanded

Our Member Services Division is focused on improved customer service through enhanced communications and educational services for members, employers, and other interested groups. The Retirement Education Section continued its pre-retirement seminars to agencies and individual members across the state. These seminars allowed LASERS the opportunity to help improve members' understanding of laws which impact LASERS. Individual counseling sessions were expanded and offered by appointment in major cities statewide, allowing members to receive one-on-one attention without the need to travel to Baton Rouge. Also, our Customer Service Section was restructured so that in-house Customer Service Analysts rotate into the field to assist our Retirement Education Representatives. This helps to ensure consistency of information provided at LASERS and in the field.

## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to LASERS for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. This was the eleventh consecutive year that the System has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

LASERS also received the GFOA award for its Popular Annual Financial Report (PAFR) entitled LASERS Summary Annual Report, for the fiscal year ended 2007. This was the ninth consecutive year LASERS has received this award. The Popular Annual Financial Report presents, in a less technical manner, some of the major financial, actuarial, and other interesting information for the reporting year.

In addition, LASERS received the 2007 Public Pension Standards Award. The Public Pension Coordinating Council presents this award to public employee retirement systems in recognition of their achievement of high professional standards in the areas of plan design and administration, benefits, actuarial valuations, financial reporting, investments and membership communications. This is the fourth consecutive year that LASERS has received this prestigious award.

## Conclusion

This report is a product of the combined efforts of the System's staff and advisors functioning under your leadership. It is intended to provide extensive and reliable information that will facilitate management decisions, serve as a means for determining compliance with legal provisions, and allow for the evaluation of responsible stewardship of the funds of the System.

Although this report closed at the end of June, 2008, the significant changes in the markets since that time must be acknowledged. LASERS will continue to manage its investment portfolio as a long-term investor with well diversified assets. We believe this strategy will allow us to achieve the best possible performance, as we have in previous cyclical markets.

We would like to recognize the teamwork and contributions of our experienced and dedicated staff. They continue to keep the best interests of our members as their top priority. As we look toward the future we are encouraging staff to envision ways that LASERS may accomplish its vision "to improve the quality of life of LASERS members and their families by increasing their financial security."

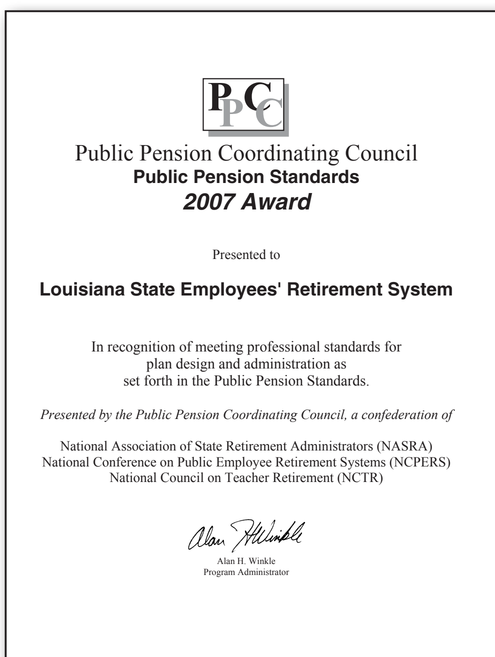
Respectfully submitted,

Cindy Rougeou
Executive Director

Arthur P. Fillastre, IV CPA, CIA, CISA
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting 2007


# Public Pension Standards Award 2007


PPCC

Public Pension Coordinating Council

**Public Pension Standards**

***2007 Award***

Presented to

**Louisiana State Employees' Retirement System**

In recognition of meeting professional standards for
plan design 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

# Administrative Organization

## Standing, left to right:

Ryan Babin, *Audit Division Director*
Arthur P. Fillastre, IV, *Chief Financial Officer*
Sheila Metoyer, *Human Resources Division Director*
Robert W. Beale, *Chief Investment Officer*
Lance Armstrong, *Information Technology Division Director*
Robyn Ekings, *Public Information Division Director*
Suzanne Adams, *Member Services Division Director*
Tina Grant, *Executive Counsel*

## Seated, left to right:

Bernard E. "Trey" Boudreaux, III, *Assistant Director*
Cindy Rougeou, *Executive Director*
Maris E. LeBlanc, *Deputy Director*

# Board of Trustees

## Standing, left to right:

Representative Joel Robideaux, *Chair, House Committee on Retirement*
Virginia Burton, *Elected Active Member*
Barbara McCann, *Elected Retired Member*
Charles Castille, *Elected Active Member*
Louis Quinn, *Elected Retired Member*

## Seated, left to right:

Lorry Trotter, *Elected Active Member*
Cynthia Bridges, *Elected Active Member*
Sheryl Ranatza, *Chair, Elected Active Member*
Connie Carlton, *Elected Retired Member*

## Not pictured:

Judge Trudy M. White, *Vice Chair, Elected Active Member*
Senator D.A. "Butch" Gautreaux, *Chair, Senate Committee on Retirement*
Honorable John Kennedy, *State Treasurer*

# Professional Consultants
**June 30, 2008**

## Actuary
Hall Actuarial Associates
SJ Actuarial Associates

## Auditor
Postlethwaite & Netterville, APAC

## Custodian Banks and Securities Agent
Great-West Retirement Services, Inc.
JPMorgan Chase
BNY Mellon Asset Servicing

## Legal Consultants
Avant & Falcon
Roedel, Parsons, Koch, Balhoff, & McCollister
Tarcza & Associates, LLC

## Medical Examiners
Dr. Jack Breaux
Dr. Michael Catenacci
Dr. Raymond Cush
Dr. Michael W. Dole
Dr. Jeanne Estes
Dr. Larry G. Ferachi
Dr. Krzysztof Kundo
Dr. Sheldon Hersh
Dr. Richard Robichaux
Dr. Richard Williams

## Investment Consultant
NEPC, LLC

## Information Technology & Other Consultants
Bearing Point, Inc.
Pinson & Associates
Provaliant Retirement, LLC
Sparkhound

## Investment Advisors
Acadian Asset Management, Inc.
Adams Street Partners LLC
Apollo Management, L.P.
Aronson+Johnson+Ortiz, L.P.
Brandywine Asset Management, Inc.
Bridgewater Associates, Inc.
Capital Guardian Trust Company
Chicago Equity Partners, LLC
Energy Spectrum Partners, L.P.
Erasmus Advisors
GAM USA, Inc.
Goldman Sachs & Co.
Goldman Sachs Private Equity Partners, L.P.
Harbourvest Partners, LLC
JPMorgan Investment Management Inc.
K2 Advisors, LLC
Loomis, Sayles & Company, L.P.
LSV Asset Management
Mesirow Financial Private Equity Partnership
Mondrian Investments Partners Limited
Newport Cypress, LLC
Nomura Corporate Research and Asset Management, Inc.
Orleans Capital Management
Pantheon USA, L.P.
Parish Capital, L.P.
Quellos Private Capital Markets, L.P.
Rice Hall James & Associates, LLC
Siguler Guff & Company
Smith Asset Management Group, L.P.
Standish Mellon Asset Management, LLC
Stark Investments Limited Partnership
State Street Global Advisors
TCW Asset Management Company
The Brinson Partnership Fund Trust
Thompson, Horstmann & Bryant, Inc.
Williams Capital Partners Advisors, L.P.
WRH Partners II, LLC

# FINANCIAL
## SECTION

# CONTENTS

P&N Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Louisiana State Employees' Retirement System
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Louisiana State Employees' Retirement System (LASERS), a component unit of the State of Louisiana, as of and for the years ended June 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of LASERS management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding LASERS net assets as of June 30, 2008 and 2007, and the changes therein for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2008, on our consideration of LASERS internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management Discussion and Analysis and the other required supplemental information as listed in the table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supporting schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 19, 2008

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
Louisiana State Employees' Retirement System
Baton Rouge, Louisiana

We have audited the financial statements of Louisiana State Employees' Retirement System (LASERS), a component unit of the State of Louisiana, as of and for the year ended June 30, 2008, and have issued our report thereon dated September 19, 2008. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered LASERS's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, and not to provide an opinion on internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of LASERS's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record or process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LASERS's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees and management of LASERS and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite + Netterville

Baton Rouge, Louisiana
September 19, 2008

P&N

LASERS
LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM
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# Management's Discussion and Analysis

The following is management's discussion and analysis of the financial performance of the Louisiana State Employees' Retirement System (LASERS or the System). This narrative overview and analysis helps to interpret the key elements of the financial statements, notes to the financial statements, required supplementary information, and supporting schedules for the current year. Readers are encouraged to consider the information presented here in conjunction with additional information provided in the Transmittal Letter of LASERS Comprehensive Annual Financial Report (CAFR).

## Financial Highlights

- The net assets held in trust decreased by $393 million, or 4.2%.
- The actuarial rate of return on the market value of the System's investments was 8.49% for 2008 compared to 14.21% for 2007.
- Net investment income experienced a loss of $357 million compared to income of $1.5 billion for 2007.
- The System's funded ratio increased from 67.2% at June 30, 2007, to 67.6% as of June 30, 2008.
- The unfunded actuarial accrued liability increased $318.6 million to $4.4 billion as of June 30, 2008.
- Total contributions increased by 22.9% over 2007, which includes the $20 million legislative appropriation paid in 2008 toward the initial unfunded accrued liability as a result of Act 7 of the 2008 Louisiana Second Extraordinary Legislative Session.
- Benefit payments increased by $44.7 million or 6.63% to $718 million.
- The Experience Account has a balance of $141 million, which can be used toward future cost-of-living adjustments.

## Overview of the Financial Statements

The System's basic financial statements include the following: (1) statements of plan net assets, (2) statements of changes in plan net assets, (3) notes to the financial statements, and (4) required supplementary information.

***The Statements of Plan Net Assets*** report the System's assets, liabilities, and resultant net assets held in trust for pension benefits. They disclose the financial position of the System as of June 30, 2008 and 2007, respectively.

***The Statements of Changes in Plan Net Assets*** report the results of the System's fund's operations during years 2008 and 2007 disclosing the additions to and deductions from the plan net assets. They support the change that has occurred to the prior year's net asset value on the statement of plan net assets.

***Notes to the Financial Statements*** provide additional information that is essential to a full understanding of the financial statements.

- Note A provides a general description of LASERS, information regarding employer and membership participation, funding status, and actuarial assumptions.
- Note B provides information regarding LASERS members' pension benefits for the Defined Benefit Plan.
- Note C provides information regarding LASERS members' pension benefits for the Defined Contribution Component.
- Note D provides a summary of significant accounting policies and plan asset matters including the basis of accounting, estimates, methods used to value investments, property and equipment, accumulated leave, and reclassifications.
- Note E provides information regarding member and employer contribution requirements.
- Note F describes LASERS deposits and risk disclosures which include custodial credit risk, concentration of credit risk, credit risk, interest rate risk, and foreign currency risk.
- Note G describes the System's investments and includes information regarding bank balances, derivatives, real estate, and alternative investments.
- Note H provides information regarding securities lending transactions.
- Note I provides information on expenditures for the Capital Outlay Project.
- Note J provides information on other postemployment benefits.

***Required Supplementary Information*** provides additional information and detail concerning LASERS progress in funding its pension obligations and other post employment benefits, the history of employer contributions, and schedules of trend data.

The ***Supporting Schedules*** section includes the schedules of administrative expenses, investment manager fees and other investment expenses, Board compensation, and payments to consultants.

## Financial Analysis

LASERS financial position is measured in several ways. One way is to determine the plan net assets (difference between total assets and total liabilities) available to pay benefits. Over time, increases and decreases in the LASERS plan net assets indicate whether its financial health is improving or deteriorating. Other factors, such as financial market conditions, should also be taken into consideration when measuring LASERS overall health.

The following table illustrates a condensed version of LASERS Statement of Plan Net Assets for fiscal years ending, 2008, 2007, and 2006. LASERS plan net assets as of June 30, 2008, and 2007, totaled $8,957,887,792 and $9,351,147,570, respectively. All of the plan net assets are available to meet LASERS ongoing obligations to members, retirees, and beneficiaries.

## Condensed Comparative Statement of Plan Net Assets

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Cash | $ 90,020,187 | $ 67,611,116 | $ 65,797,087 |
| Receivables | 105,237,613 | 96,251,325 | 186,915,698 |
| Investments (fair value) | 8,784,261,024 | 9,230,537,180 | 7,867,359,171 |
| Securities Lending Collateral | 1,786,521,801 | 1,166,777,371 | 724,517,990 |
| Capital Assets | 14,839,316 | 13,579,901 | 10,183,795 |
| **Total Assets** | **$ 10,780,879,941** | **$ 10,574,756,893** | **$ 8,854,773,741** |
| | | | |
| Accounts Payable & Other Liabilities | 36,470,348 | 56,831,952 | 121,748,205 |
| Securities Lending Collateral | 1,786,521,801 | 1,166,777,371 | 724,517,990 |
| **Total Liabilities** | **$ 1,822,992,149** | **$ 1,223,609,323** | **$ 846,266,195** |
| **Net Assets Held in Trust For Pension Benefits** | **$ 8,957,887,792** | **$ 9,351,147,570** | **$ 8,008,507,546** |

In the year ending June 30, 2008, plan net assets decreased by $393,259,778 or about 4% from fiscal year ended June 30, 2007. In the year ended June 30, 2007, plan net assets increased by $1,342,640,024, or approximately 17% from fiscal year ended June 30, 2006. The primary cause of the changes between fiscal years was the result of fluctuations in the financial markets.

Despite the current volatility in the financial markets, the System continues to position itself for the long term in the market and believes, based on history, that such a strategy will be prudent and profitable. LASERS continuously reviews its asset allocation strategies and makes minor adjustments in order to maximize return while maintaining adequate liquidity. In May of 2008, the Board of Trustees approved changes to the LASERS asset allocation to further improve the long-term return of the Plan. The changes included decreasing the total equity allocation and increasing both the fixed income and alternative asset allocations. A mortgage-backed opportunistic credit portfolio and a global asset allocation strategy portfolio were put in place to benefit from the current market environment.

## Condensed Comparative Statement of Changes in Plan Net Assets

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| **Additions** | | | |
| Employer Contributions | $ 505,678,953 | $ 416,329,361 | $ 411,250,496 |
| Employee Contributions | 192,412,444 | 167,957,870 | 165,509,666 |
| Legislative Appropriations | 20,000,000 | - | 13,600,000 |
| Net Investment Income (Loss) | (357,063,270) | 1,473,499,193 | 833,207,981 |
| Other Income | 16,507,453 | 12,285,284 | 33,115,285 |
| Total Additions | 377,535,580 | 2,070,071,708 | 1,456,683,428 |
| **Deductions** | | | |
| Benefit Payments | 718,303,319 | 673,617,033 | 620,367,483 |
| Refund of Contributions | 32,149,383 | 38,030,600 | 37,821,549 |
| Administrative Expense | 20,342,656 | 15,784,051 | 16,041,572 |
| Total Deductions | 770,795,358 | 727,431,684 | 674,230,604 |
| **Net Increase (Decrease)** | **(393,259,778)** | **1,342,640,024** | **782,452,824** |
| **Net Assets Beginning of Year** | **9,351,147,570** | **8,008,507,546** | **7,226,054,722** |
| **Net Assets End of Year** | **$ 8,957,887,792** | **$ 9,351,147,570** | **$ 8,008,507,546** |

**Additions to Plan Assets**

The revenues needed to finance retirement benefits are accumulated primarily through the collection of employer and employee contributions and earnings on investments. Revenue gains for the fiscal year ended June 30, 2008, totaled $377,535,580 or 82% lower than the prior year. The revenue consisted of employer and employee contributions totaling $698,091,397, a legislative appropriation of $20,000,000, a net investment loss of $357,063,270, and other income of $16,507,453. Net Investment Income was the primary reason for the fluctuations in additions to plan assets for the fiscal years presented. Fiscal year 2008 was a poor year for the stock market because of the credit crisis and fears of recession. Our investment portfolio completed the current year with a negative market rate of return of 3.8%, falling below the target of 8.25% for the first time in five years. The net result was a loss of 124% or $1,830,562,463 in investment earnings over 2007.

At June 30, 2007, total revenues increased by 42% or $613,388,280 over fiscal year 2006. The increased revenue was distributed between net investment income (71%), combined contributions (28%) and other income (1%). Our investment portfolio completed the fiscal year with a 19.2% market rate of return exceeding the 8.25% target rate of return.

During 2008, combined employer and employee contribution income increased from 2007 by $113,804,166. An analysis of combined contributions shows that contributions have increased in each of the years presented. This can be attributed to higher wages being paid to active members and a higher employer contribution rate for fiscal year 2008 which increased from 19.1% to 20.4%. Also, part of the increase in employee contributions is the result of a higher contribution rate for members hired after June 30, 2006. These employees contribute at 8% rather than the 7.5% contributed by members with credited service prior to July 1, 2006.

In 2008, other income increased by $4,222,169, or 34% over 2007 due to a change in accounting as a result of implementing the new pension administration system, SOLARIS. At June 30, 2007, other income decreased $20,830,001, or 63% due to a change in legislation which no longer allowed purchases of service credit to count toward retirement eligibility.

**Deductions from Plan Assets**

LASERS was created to provide lifetime retirement, survivor, and disability benefits to qualified LASERS members. The cost of such programs includes recurring benefit payments, refund of contributions to employees who left the System, and the cost of administering LASERS.

Deductions for the fiscal year ending June 30, 2008, totaled $770,795,358, an increase of approximately 6% over June 30, 2007. For the fiscal year ending June 30, 2007, deductions were $727,431,684, an increase of about 8% over June 30, 2006. The increases in deductions in fiscal years ended 2008 and 2007 were due to increases in benefits paid. Benefits paid in 2008, as in 2007, increased because of the increases in the number of retirees and the average benefit resulting from the higher average salary history of the newer retirees. Also, the System began paying qualifying retirees a 3% COLA at the beginning of each of the years presented.

Administrative expenses increased 29% for the fiscal year ended June 30, 2008. This is primarily attributable to the implementation of GASB 45 which required the recording of the annual liability for other postemployment benefits and increased depreciation expense associated with SOLARIS. In 2007 administrative expenses decreased $257,521 or 2% over fiscal year ended 2006 primarily because total recorded expenses for SOLARIS were slightly down from the prior year and expenses being reduced as a result of an increase in capitalized costs. Detail of administrative expense activity can be found in the *Schedule of Administrative and Investment Expenses – Budget and Actual* located under Supporting Schedules.

Total additions less total deductions resulted in a net decrease in plan net assets of $393,259,778 in 2008 compared to an increase of $1,342,640,024 in 2007. The net result is a 4% decrease and a 17% increase in plan net assets held in trust for pension benefits for 2008 and 2007 respectively.

## Funded Status

An actuarial valuation of assets and liabilities is performed annually. The System's funded ratio increased to 67.6% at June 30, 2008, compared to 67.2% as of June 30, 2007, and 64.3% as of June 30, 2006. The increased funding since 2006 can be attributed to two legislative appropriations, higher employer and employee contribution rates, and strong investment returns in 2006 and 2007. The amount by which LASERS actuarial liabilities exceeded the actuarial assets was $4.40 billion at June 30, 2008, compared to $4.08 billion at June 30, 2007, and $4.12 billion at June 30, 2006, thereby increasing the unfunded actuarial accrued liability by $277.1 million since 2006. Act 7 of the 2008 Louisiana Second Extraordinary Session and Act 642 of the 2006 Louisiana Regular Legislative Session provided one-time appropriations of $20 million and $13.6 million, respectively, to accelerate the payoff of the initial unfunded accrued liability. The investment yield on the actuarial value of assets has averaged over five and ten years 10.65% and 7.03% respectively. For the year ending June 30, 2008, the net realized actuarial rate of return was 8.49%, which was greater than the System's assumed actuarial rate of return of 8.25%. This resulted in a net investment experience gain of $18.1 million which is the funding mechanism for future cost-of-living adjustments. For the fiscal years ending June 30, 2007, and 2006, the net realized actuarial rate of return was 14.21% and 12.96%, respectively.

## Requests for Information

This Financial Report is designed to provide a general overview of the System's finances. For questions concerning any information in this report or the CAFR, or for additional information contact the Louisiana State Employees' Retirement System, P. O. Box 44213, Baton Rouge, LA 70804-4213.

# Louisiana State Employees' Retirement System

## Statements of Plan Net Assets
## June 30, 2008 and 2007

| | 2008 | 2007 |
|---|---|---|
| **Assets** | | |
| Cash and Cash Equivalents | $ 90,020,187 | $ 67,611,116 |
| Receivables: | | |
| Employer Contributions | 41,643,070 | 31,868,817 |
| Member Contributions | 15,846,090 | 12,513,934 |
| Interest and Dividends | 32,311,678 | 31,386,607 |
| Investment Proceeds | 13,143,155 | 19,672,815 |
| Other | 2,293,620 | 809,152 |
| Total Receivables | 105,237,613 | 96,251,325 |
| Investments (at fair value): | | |
| Short-term Investments - Domestic/International | 434,203,918 | 483,463,603 |
| Bonds/Fixed Income - Domestic | 1,332,828,250 | 1,274,967,314 |
| Bonds/Fixed Income - International | 468,671,657 | 559,059,972 |
| Equity Securities - Domestic | 2,602,246,396 | 3,493,953,832 |
| Equity Securities - International | 1,872,528,977 | 2,354,383,065 |
| Real Estate Investments | 51,832,798 | 44,738,358 |
| Alternative Investments | 2,021,949,028 | 1,019,971,036 |
| Total Investments | 8,784,261,024 | 9,230,537,180 |
| Securities Lending Cash Collateral Held | 1,786,521,801 | 1,166,777,371 |
| Property and Equipment (at cost) - Net | 14,839,316 | 13,579,901 |
| **Total Assets** | **10,780,879,941** | **10,574,756,893** |
| **Liabilities** | | |
| Payables: | | |
| Investment Commitments | 20,293,710 | 45,254,062 |
| Trade Payables and Other Accrued Liabilities | 16,176,638 | 11,577,890 |
| Total Payables | 36,470,348 | 56,831,952 |
| Securities Lending Obligations Held | 1,786,521,801 | 1,166,777,371 |
| **Total Liabilities** | **1,822,992,149** | **1,223,609,323** |
| **Net Assets Held In Trust For Pension Benefits** | **$ 8,957,887,792** | **$ 9,351,147,570** |

(The Schedule of Funding Progress for the Plan is presented in the first schedule of the Required Supplementary Information.)

The accompanying notes are an integral part of these statements.

# Louisiana State Employees' Retirement System

## Statements of Changes In Plan Net Assets
## For the Years Ended June 30, 2008 and 2007

| | 2008 | 2007 |
|---|---|---|
| **Additions** | | |
| Contributions: | | |
| Employer Contributions | $ 505,678,953 | $ 416,329,361 |
| Member Contributions | 192,412,444 | 167,957,870 |
| Legislative Appropriation | 20,000,000 | - |
| Total Contributions | 718,091,397 | 584,287,231 |
| Investment Income: | | |
| Net Appreciation (Depreciation) in Fair Value of Investments | (667,843,323) | 1,095,944,175 |
| Interest & Dividends | 220,095,667 | 220,316,592 |
| Alternative Investment Income | 124,149,765 | 186,087,507 |
| Less Alternative Investment Expenses | (28,350,727) | (15,490,936) |
| Securities Lending Income | 24,523,126 | 12,899,596 |
| Less Securities Lending Expenses | (14,027,814) | (9,768,092) |
| Other Income (Loss) | (52,386) | 981,434 |
| Less Investment Expense Other than | | |
| Alternative Investments and Securities Lending | (15,557,578) | (17,471,083) |
| Net Investment Income (Loss) | (357,063,270) | 1,473,499,193 |
| Other Income | 16,507,453 | 12,285,284 |
| Total Additions | 377,535,580 | 2,070,071,708 |
| **Deductions** | | |
| Retirement Benefits | 718,303,319 | 673,617,033 |
| Refunds of Member Contributions | 32,149,383 | 38,030,600 |
| Administrative Expenses | 20,342,656 | 15,784,051 |
| Total Deductions | 770,795,358 | 727,431,684 |
| **Net Increase (Decrease)** | **(393,259,778)** | **1,342,640,024** |
| **Net Assets Held In Trust For Pension Benefits** | | |
| Beginning of Period | **9,351,147,570** | **8,008,507,546** |
| End of Period | **$ 8,957,887,792** | **$ 9,351,147,570** |

The accompanying notes are an integral part of these statements.

# Notes to Financial Statements

## A. Plan Description

### 1. General Organization

The Louisiana State Employees' Retirement System (LASERS or the System) is the administrator of a single-employer defined benefit pension plan and is a component unit of the State of Louisiana included in the State's Comprehensive Annual Financial Report (CAFR) as a pension trust fund. The System was established by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401).

In accordance with Louisiana Revised Statutes, the System is subject to certain elements of oversight:

- The Commission on Public Retirement reviews administration, benefits, investments, and funding of the public retirement systems.
- The operating budget of the System is subject to budgetary review and approval by the Joint Legislative Committee on the Budget.
- The Legislative Auditor is responsible for the procurement of audits for the public retirement systems and is authorized to contract with a licensed Certified Public Accountant (CPA) for each audit.

In May 2002, the Governmental Accounting Standards Board issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units* which amended Statement No. 14, *The Financial Reporting Entity.* The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the System considered whether its officials appoint a voting majority of an organization's governing body and whether they are able to impose their will on that organization or if there is a potential for the organization to provide specific financial burdens to or to impose specific financial burdens on the System. The System also determined whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the System.

### 2. Plan Membership

The System is one of several public retirement systems in Louisiana. Each system has specific membership requirements established by legislation, with LASERS established for state officers, employees, and their beneficiaries. Other public employers report members who retained membership in LASERS upon transfer to other public systems or as provided by specific legislation. A summary of government employers and members participating in LASERS at June 30, 2008, and 2007, follows:

| | 2008 | | 2007 | |
|---|---|---|---|---|
| **Type of Employer** | **Number of Employers** | **Number of Members** | **Number of Employers** | **Number of Members** |
| State Agencies | 223 | 61,430 | 223 | 60,080 |
| Other Public Employers | 139 | 350 | 139 | 364 |
| **Total Employers** | **362** | **61,780** | **362** | **60,444** |

| Type of Active Members | 2008 Number of Members | 2007 Number of Members |
|---|---|---|
| Regular State Employees (Before July 2006) | 41,320 | 44,919 |
| Regular State Employees (After July 2006) | 12,213 | 7,863 |
| Corrections Employees (Before 1986) | * | 223 |
| Corrections Employees (After 1986) | * | 4,640 |
| Corrections Primary Employees (Before 1986) | 114 | * |
| Corrections Primary Employees (After 1986) | 867 | * |
| Corrections Secondary | 4,331 | * |
| Wildlife Agents (Before 2003) | 149 | 158 |
| Wildlife Agents (After 2003) | 73 | 62 |
| Judges | 309 | 316 |
| Peace Officers | 112 | 123 |
| Legislators | 20 | 44 |
| Alcohol Tobacco Control | 43 | 38 |
| Active After DROP | 2,229 | 2,058 |
| **Total Active Members** | **61,780** | **60,444** |

*In 2007, the Corrections Employees Before 1986 and After 1986 categories for Active Members included members of the primary and secondary component.

At June 30, 2008, and 2007, membership consisted of:

| | 2008 | 2007 |
|---|---|---|
| Active Members | 61,780 | 60,444 |
| Regular Retirees | 30,998 | 30,190 |
| Disability Retirees | 1,087 | 1,134 |
| Survivors | 5,490 | 5,418 |
| Vested & Reciprocals | 1,824 | 1,980 |
| Inactive Members Due Refunds | 47,828 | 43,797 |
| DROP Participants | 2,643 | 2,624 |
| **Total Membership** | **151,650** | **145,587** |

### 3. Funded Status and Funding Progress

Contributions to the System are determined through annual actuarial valuations. Administration of LASERS is financed through contributions to the plan from members, the state of Louisiana, and cumulative investment earnings. The schedule below reflects the funded status and progress of the System for the fiscal year ended June 30, 2008. Dollars are presented 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 Covered Payroll [(b-a)/c] |
|---|---|---|---|---|---|---|
| 2008 | $ 9,167,170 | $ 13,562,214 | $ 4,395,044 | 67.6% | $ 2,436,956 | 180.3% |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required Schedule of Funding Progress located in required supplementary information following the *Notes to the Financial Statements* presents multi-year trend information regarding whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Additional information on the actuarial methods and assumptions used as of the June 30, 2008 actuarial valuation follows:

| | |
|---|---|
| **Valuation Date** | June 30, 2008 |
| **Actuarial Cost Method** | Projected Unit Credit |
| **Amortization Method - Closed by Statute** | For unfunded accrued liability prior to 1993 - Level percentage of payroll, increasing annuity to 2029<br>For unfunded accrued liability changes occurring between 1993-1998 – Level dollar payment to 2029<br>For unfunded accrued liability changes occurring 1999 or later – Level dollar payment over 30 years, from date of occurrence |
| **Remaining Amortization Period** | 21 – 30 years, dependent upon the amortization method as described above |
| **Asset Valuation Method** | Utilizes a four-year weighted average of the unrealized gain or loss in the value of all assets at market |
| **Actuarial Assumptions:** | |
| **Investment Rate of Returns** | 8.25% per annum, net expenses |
| **Inflation Rate** | 3.0% per annum |
| **Mortality** | Mortality rates were projected based on the 1983 Sex Distinct Graduated Group Annuity Mortality Table with females set at attained age plus one. |

| | |
|---|---|
| **Termination, Disability And Retirement** | Termination, disability, and retirement assumptions were projected based on a five-year (1997-2001) experience study of the System's members. |
| **Salary Increases** | Salary increases were projected based on a 1997-2001 experience study of the System's members. The salary increase ranges for specific types of members are:<br>• Regular - 4.25% - 14.0%<br>• Judges - 2.5% - 4.7%<br>• Corrections - 4.0% - 18.0%<br>• Wildlife - 6.5% - 18.0% |
| **Cost-of-Living Adjustments** | Liability for raises already granted is included in the retiree reserve. |

## B. Defined Benefit Plan

### 1. Eligibility Requirements

All state employees except those specifically excluded by statute become members of the System's Defined Benefit Plan (DBP) as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the Governor may, at their option, become members of LASERS.

### 2. Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age upon completing 30 years of creditable service to age 60 upon completing ten years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for substantially all members is equal to 2.5% of average compensation multiplied by the number of years of creditable service.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive his/her retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout his/her life with certain benefits being paid to his/her designated beneficiary after his/her death.

Act 75 of the 2005 Louisiana Regular Legislative Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006.

Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

A member leaving employment before attaining minimum retirement age but after completing certain minimum service requirements becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw his/her accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

### 3. Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who select the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

### 4. Disability Benefits

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

### 5. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and his/her relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

### 6. Supplemental Benefit Adjustments

Previous statutes allowed the Board of Trustees to make annual supplemental cost-of-living adjustments (COLAs) each year when the System's Actuary and the State Legislative Actuary certified that LASERS was systematically approaching actuarial soundness, if such COLAs had not already been enacted by the Legislature. The COLAs could not be greater than 3% in any year. These adjustments were computed on the base retirement or survivors' benefits. Benefit increases have occurred under the statutes in various years since 1970 and have been limited to the 3% amount. In addition, several other COLAs or supplemental benefit payments have occurred in the past as a result of legislation, some being paid from investment income, and others being paid from funds appropriated by the State Legislature. COLAs were granted in 1980, 1981, 1984, 1986 and 1991.

In 1992, Act 1031 created an Employee Experience Account to accumulate one-half of any returns above the target return rate of 8.25%. Such accumulations are offset when returns do not meet the target rate. In 1999, additional legislation was added to provide a permanent mechanism and guidelines for COLAs.

Act 900 of the 2001 Regular Session provided legislation for a minimum retirement benefit funded by the Employee Experience Account. The minimum retirement benefit was designed to increase benefits for those members who had been retired the longest and were receiving a relatively small benefit. The Employee Experience Account provided COLAs in 1996 and 1998 through 2002.

In 2001, Act 1016 provided for an additional 1% COLA when the actuarial return exceeds 8.25%. Beginning with the 2002 fiscal year, Act 1016 legislation limited the COLA to the first $70,000 of a member's benefit and provided for the $70,000 to be increased each year in an amount equal to any increase in the consumer price index (U.S. city average for all urban consumers (CPI-U)) for the preceding year. In addition, the legislation provided that any COLA increase shall begin on July 1st following legislative approval.

Act 588 of the 2004 Regular Session made significant changes to prospective funding for COLAs. The outstanding balance of changes in liabilities from 1993 – 1998 were re-amortized as a level dollar amount through 2029. The amortization period for changes in liabilities beginning with 1999 were extended to a thirty-year period from the date of occurrence, in accordance with GASB. A minimum employer contribution rate of 15.5% and an Employer Credit Account were established for excess contributions. Act 588 also reset the Employee Experience Account to zero and thereafter limited the account balance to no more than the reserve for two COLAs. The Employer Credit Account's purpose is to accumulate the excess of the minimum rate of 15.5% over the actuarially required employer contribution for the fiscal year and will accumulate interest at the actuarial rate of return earned annually by the System.

The process for granting COLAs was also changed by Act 588. Under Act 588, the Board of Trustees may not grant a COLA increase unless it has been approved by the Legislature by a concurrent resolution adopted by the favorable vote of a majority of the elected members of each house. LASERS Board of Trustees may recommend to the Legislature that a COLA increase be granted if the Employee Experience Account is sufficient to fund such a benefit fully on an actuarial basis, as determined by the System's Actuary. Pursuant to this revised system, COLAs were granted and funded by the Employee Experience Account in 2006, 2007, and 2008.

## C. Defined Contribution Component

### Optional Retirement Plan

An Optional Retirement Plan (ORP) was established as a defined contribution component of LASERS for certain unclassified employees who otherwise would be eligible to become members of LASERS. The ORP provides retirement and death benefits to eligible participants while affording the maximum portability of these benefits to the participants. Investment options for participants are established by the third party ORP provider and selected by the participant. ORP balances are held by the ORP provider in each participant's name. These balances are included in LASERS total investments on the Statements of Plan Net Assets. Participants are vested in all funds submitted to the ORP provider by LASERS. The ORP does not contain special provisions for disability benefits. Death benefits are paid by the provider in accordance with Internal Revenue Code provisions. All other benefit obligations are the sole obligation of the ORP. At June 30, 2008, and 2007, membership consisted of:

| | 2008 | 2007 |
|---|---|---|
| **Number of Members** | 131 | 134 |
| **Fair Value of Assets** | $ 5,057,438 | $ 5,281,588 |

The ORP was effectively closed to new members on December 7, 2007.

## D. Summary of Significant Accounting Policies

### 1. Basis of Accounting

LASERS financial statements are prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. Investment purchases and sales are recorded as of their trade date. State General Fund appropriations are recognized in the period when they are appropriated. Employer and member contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Administrative expenses are funded through contributions to the plan from members, the State of Louisiana, and cumulative investment earnings and are subject to budgetary control of the Board of Trustees and the Joint Legislative Committee on the Budget. Benefits and refunds are recognized when due and payable in accordance with the terms of the System.

### 2. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from plan net assets during the reporting period. Actual results could differ from those estimates. The retirement system utilizes various investment instruments, which, by nature, are exposed to a variety of risk levels and risk types, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the Statements of Plan Net Assets.

### 3. Method Used To Value Investments

As required by GASB No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans,* investments are reported at fair value. Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rate. Mortgage securities are valued on the basis of estimated future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Fair values of the limited partnership investments are based on valuations reported by the general partner. Investments that do not have an established market are reported at estimated fair value.

### 4. Property and Equipment

Property and equipment are reported at historical cost. Depreciation is computed using the straight-line method based upon useful lives of 40 years for building and 3 to 15 years for equipment and furniture. The capitalization thresholds of property and equipment for the year ended June 2008 were:

- Computer Software Developed or Modified Internally - $1,000,000
- Other Computer Software Purchases - $5,000
- Movable Property and Equipment - $1,000

A capital outlay project was initiated in 2004 to fund the acquisitions and development of a new pension administration system, SOLARIS, consisting of computer hardware, software, and supporting applications and networks. Additional information on the Capital Outlay Project is provided in *Note I. Capital Outlay Project.*

LASERS is a 50% co-owner of the Louisiana Retirement Systems building and related land with Teachers' Retirement System of Louisiana. LASERS interest in the building and land is reflected in the following schedules.

## Changes in Property and Equipment
**For Period Ending June 30, 2008**

| | June 30, 2007 | Additions | Deletions/ Transfers | June 30, 2008 |
|---|---|---|---|---|
| **Asset Class (at Cost)** | | | | |
| Land | $ 858,390 | $ - | $ - | $ 858,390 |
| Building | 5,283,493 | 192,664 | - | 5,476,157 |
| Storage | 24,104 | - | - | 24,104 |
| Furniture and Equipment | 5,189,787 | 5,295,394 | (253,405) | 10,231,776 |
| Capital Outlay Project - WIP | 8,616,908 | 2,210,634 | (5,195,204) | 5,632,338 |
| **Total Property and Equipment** | **19,972,682** | **7,698,692** | **(5,448,609)** | **22,222,765** |
| **Accumulated Depreciation** | | | | |
| Building | (2,394,532) | (136,269) | - | (2,530,801) |
| Storage | (24,104) | - | - | (24,104) |
| Furniture and Equipment | (3,974,145) | (1,105,781) | 251,382 | (4,828,544) |
| **Total Accumulated Depreciation** | **(6,392,781)** | **(1,242,050)** | **251,382** | **(7,383,449)** |
| **Total Property and Equipment - Net** | **$ 13,579,901** | **$ 6,456,642** | **$ (5,197,227)** | **$ 14,839,316** |

(Note: For 2008, $5,195,204 was transferred from Capital Outlay Project Work in Progress to Furniture and Equipment.)

## Changes in Property and Equipment
For Period Ending June 30, 2007

| | June 30, 2006 | Additions | Deletions/ Transfers | June 30, 2007 |
|---|---|---|---|---|
| **Asset Class (at Cost)** | | | | |
| Land | $ 858,390 | $ - | $ - | $ 858,390 |
| Building | 5,219,041 | 64,452 | - | 5,283,493 |
| Storage | 24,104 | - | | 24,104 |
| Furniture and Equipment | 5,400,335 | 171,418 | (381,966) | 5,189,787 |
| Capital Outlay Project | 4,836,939 | 3,779,969 | - | 8,616,908 |
| **Total Property and Equipment** | **16,338,809** | **4,015,839** | **(381,966)** | **19,972,682** |
| **Accumulated Depreciation** | | | | |
| Building | (2,285,205) | (133,431) | - | (2,418,636) |
| Storage | (24,104) | - | - | (24,104) |
| Furniture and Equipment | (3,845,705) | (474,060) | 369,724 | (3,950,041) |
| **Total Accumulated Depreciation** | **(6,155,014)** | **(607,491)** | **369,724** | **(6,392,781)** |
| **Total Property and Equipment - Net** | **$ 10,183,795** | **$ 3,408,348** | **$ (12,242)** | **$ 13,579,901** |

### 5. Accumulated Leave

The employees of the System accumulate unlimited amounts of annual and sick leave at varying rates as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to an employee at the employee's current rate of pay. Upon retirement, unused annual leave in excess of 300 hours and sick leave are credited at the current pay rate as earned service in computing retirement benefits. The liability for accrued annual leave of up to 300 hours is included in other liabilities in the Statements of Plan Net Assets.

### 6. New Accounting Pronouncements

During fiscal year 2008, LASERS implemented the following new accounting pronouncements issued by the Government Accounting Standards Board:

a. Governmental Accounting Standards Board Statement No. 45**,** *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions –*

GASB 45 was issued in June 2004, and establishes standards of accounting and financial reporting for other post-employment benefits (OPEB) for OPEB expense/expenditures and related OPEB liabilities or assets, note disclosures, and required supplementary information in the financial reports of state and local governmental employers. OPEB refers to post-employment benefits other than pension benefits, and includes (a) post-employment healthcare benefits and (b) other types of post-employment benefits, such as life insurance, if provided separately from a pension plan. Like pensions, OPEB arises from an exchange of salaries and benefits for employee services rendered and constitutes part of the compensation for those services. Prior financial reporting practices for OPEB generally were based on "pay-as-you-go" financing approaches. These approaches failed to measure or recognize the cost of OPEB during the periods when employees render the service or to provide relevant information about OPEB obligations and the extent as to which progress was being made to fund those obligations. GASB 45 addresses those issues. The requirements of this Statement are effective for LASERS fiscal year beginning July 1, 2007. This pronouncement impacted LASERS net assets, and resulted in additional disclosures which are presented in *Note J. Other Post-Employment Benefits (OPEB).*

b. Governmental Accounting Standards Board Statement No. 50, *Pension Disclosures –*

In May 2007, GASB 50 was issued to more closely align the financial reporting requirements for pensions with those for OPEB. This alignment enhances information disclosed in the *Notes to the Financial Statements* or presented as required supplementary information by pensions and by employers that provide pension benefits. The requirements of GASB 50 are effective for fiscal year 2008, and have been implemented in LASERS fiscal year 2008 CAFR. This Statement has no impact on LASERS net assets, but resulted in additional disclosures which are presented in *Note A. 3, Funded Status and Funding Progress.*

c. Governmental Accounting Standards Board Statement No. 51, *Accounting and Financial Reporting for Intangible Assets –*

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, provides guidance regarding how to identify, account for, and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is non-financial in nature, and has an initial useful life extending beyond a single reporting period. The statement will require that intangible assets be classified as capital assets (except for those explicitly excluded from the scope of the new standard) and that relevant authoritative guidance for capital assets should be applied to these intangible assets. This statement also establishes a specified-conditions approach to recognizing intangible assets that are internally generated.

The requirements of GASB 51 are effective for the fiscal year beginning July 1, 2009, but LASERS opted for early implementation in the fiscal year beginning July 1, 2007. GASB 51 impacted LASERS net assets with regard to the capitalization and depreciation of internally generated computer software such as SOLARIS and resulted in additional disclosure presented in *Note I. Capital Outlay Project.*

### 7. Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications had no effect on net assets held in trust for pension benefits or the net increase in plan net assets.

# E. Contributions

## 1. Member Contributions

Member contribution rates for the System are established by La. R.S. 11:62. Member contributions are deducted from a member's salary and remitted to the System by participating employers. The rates in effect during the years ended June 30, 2008, and 2007, for the various types of members are as follows:

| | Percent of Earned Compensation | |
|---|---|---|
| Type of Member | 2008 | 2007 |
| Alcohol, Tobacco, and Control Employees | 9.0% | 9.0% |
| Bridge Police Employees for the Crescent City Connection | 8.5% | 8.5% |
| Clerk of the House of Representatives and Secretary of the Senate | 9.5% | 9.5% |
| Correctional Officers, Security Personnel, and Probation Officers | 9.0% | 9.0% |
| Legislature, Governor, Lieutenant Governor, Judges, and Court Officers | 11.5% | 11.5% |
| Peace Officers | 9.0% | 9.0% |
| Regular Members (Hired July 1, 2006, or Later) | 8.0% | 8.0% |
| Regular Members (Hired Prior to July 1, 2006) | 7.5% | 7.5% |
| State Treasurer | 7.5% | 7.5% |
| Wildlife Agents | 9.5% | 9.5% |

A member's claim is established for member contributions less amounts transferred to reserves for retirement and amounts refunded to terminated members. If a member leaves covered employment or dies before any benefits become payable on his/her behalf, the accumulated contributions may be refunded to the member or his/her designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to a member or his/her survivors are refunded to the member's beneficiary or his/her estate upon cessation of any survivor's benefits.

## 2. Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Rates for the years ended June 30, 2008, and 2007, are as follows:

| | 2008 | 2007 |
|---|---|---|
| Percent of Member's Earned Compensation | 20.4% | 19.1% |

# F. Deposits and Investment Risk Disclosures

## 1. Deposit and Investment Risk Disclosures

The tables presented on the following pages include disclosures of custodial, interest rate, credit, and foreign currency risks in accordance with GASB 40 and are designed to inform financial statement users about investment risks that could affect the System's ability to meet its obligations. These tables classify investments by risk type, while the financial statements present investments by asset class; thus, the totals shown on the tables may not be comparable to the amounts shown for the individual asset classes on the financial statements.

## 2. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of bank failure, the System's deposits may not be returned. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the pension trust fund will not be able to recover the value of its investments, or collateral securities that are in the possession of an outside party. Investment securities 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: a) the counterparty or b) the counterparty's trust department or agent but not in the government's name. LASERS had no custodial credit risk as of June 30, 2008.

## 3. Concentration of Credit Risk

Concentration of credit risk is the "risk of loss attributed to the magnitude of investments in a single issuer." The risk occurs "when investments are concentrated in any one issuer that represents 5% or more of plan net assets." Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The System has no investments of any single organization (other than those issued or guaranteed by the U.S. Government) that represent 5% or more of the System's net plan assets, nor does the System hold more than 5% of any corporation's stock.

## 4. Credit Risk

Credit risk is the risk that a borrower will be unable to meet its obligation. The overall average quality of each core fixed income portfolio shall be rated AA by Standard and Poors or higher. Non-rated issues or issues below investment grade (below BBB) may be purchased up to a maximum of 15% of each core fixed income portfolio. These quality restrictions will not apply to a manager that is hired by LASERS to manage dedicated high-yield fixed income portfolios. The average duration shall not differ from the passive benchmark's duration by more than two years.

The System's exposure to credit risk, both domestic and foreign, as of June 30, 2008, and 2007, is as follows:

| Rating | Fair Value 2008 | Percent 2008 | Fair Value 2007 | Percent 2007 |
|---|---|---|---|---|
| A1 | $ 141,764,923 | 6.3% | $ 38,062,810 | 1.6% |
| A+ | - | 0.0% | 5,993,400 | 0.3% |
| A | 998,750 | 0.1% | - | 0.0% |
| A2 | 27,378,335 | 1.2% | 33,290,259 | 1.4% |
| A3 | 14,213,154 | 0.6% | 52,857,523 | 2.3% |
| AA1 | 5,667,397 | 0.3% | 27,511,908 | 1.2% |
| AA2 | 90,176,859 | 4.0% | 150,000 | 0.0% |
| AA | 6,160,117 | 0.3% | - | 0.0% |
| AA- | - | 0.0% | 7,800,162 | 0.3% |
| AA3 | 9,154,892 | 0.4% | 194,942,578 | 8.4% |
| AAA | 863,805,904 | 38.6% | 1,130,368,549 | 48.8% |
| B1 | 86,642,517 | 3.9% | 122,637,205 | 5.3% |
| B2 | 64,718,794 | 2.9% | 62,599,295 | 2.7% |
| B3 | 93,798,178 | 4.2% | 59,451,137 | 2.6% |
| BA1 | 30,887,540 | 1.4% | 15,088,876 | 0.7% |
| BA2 | 27,845,957 | 1.2% | 67,690,088 | 2.9% |
| BA3 | 83,514,809 | 3.7% | 74,829,267 | 3.2% |
| BAA1 | 37,554,182 | 1.7% | 56,715,988 | 2.5% |
| BAA2 | 28,826,929 | 1.3% | 28,488,858 | 1.2% |
| BAA3 | 34,479,230 | 1.5% | 36,256,379 | 1.6% |
| C | 165,585 | 0.0% | - | 0.0% |
| CA | 1,108,891 | 0.1% | 479,250 | 0.0% |
| CAA1 | 65,947,968 | 2.9% | 37,651,220 | 1.6% |
| CAA2 | 14,971,831 | 0.7% | 4,006,700 | 0.2% |
| CAA3 | 4,037,563 | 0.2% | 845,750 | 0.0% |
| P-1 | 47,846,286 | 2.1% | 11,839,306 | 0.5% |
| Non-rated | 454,037,234 | 20.4% | 247,934,381 | 10.7% |
| **Total Fixed Income** | **$ 2,235,703,825** | **100.0%** | **$ 2,317,490,889** | **100.0%** |

### 5. Interest Rate Risk

Interest rate risk is the risk from changes in interest rates adversely affecting the fair value of an investment. LASERS has no formal interest rate risk policy. LASERS, as expressed in its Investment Policy, expects its fixed income managers to approximate the portfolio's duration (a measure of a debt investment's exposure to fair value changes arising from interest rates) to within two years of its respective benchmark. Investments with fair values that are highly sensitive to interest rate changes may contain terms that increase the sensitivity of their fair values.

As of June 30, 2008, and 2007, the System had the following domestic and foreign debt investments and maturities:

| | | Investment Maturities (in Years) | | | |
|---|---|---|---|---|---|
| **Type** | **Fair Value 2008** | **Less Than 1** | **1 - 5** | **6 - 10** | **Greater Than 10** |
| U.S. Government Obligations | $ 69,721,611 | $ - | $ 4,505,034 | $ 11,877,960 | $ 53,338,617 |
| U.S. Agency Obligations | 359,473,857 | - | 5,106,940 | 37,871,927 | 316,494,990 |
| Mortgages | 161,887,025 | - | - | 2,277,281 | 159,609,744 |
| Corporate Bonds | 608,406,185 | 13,058,356 | 222,709,248 | 314,635,482 | 58,003,099 |
| Other Bonds | 478,157,838 | 1,769,899 | 249,569,953 | 169,472,198 | 57,345,788 |
| Commercial Paper and Other Short-term Investments | 434,203,918 | 434,203,918 | - | - | - |
| Bond Mutual Funds | 123,853,391 | - | - | - | - |
| **Total Debt Investments** | **$ 2,235,703,825** | **$ 449,032,173** | **$ 481,891,175** | **$ 536,134,848** | **$ 644,792,238** |

| | | Investment Maturities (in Years) | | | |
|---|---|---|---|---|---|
| **Type** | **Fair Value 2007** | **Less Than 1** | **1 - 5** | **6 - 10** | **Greater Than 10** |
| U.S. Government Obligations | $ 80,762,575 | $ - | $ 21,887,867 | $ 13,661,941 | $ 45,212,767 |
| U.S. Agency Obligations | 422,114,380 | - | 2,563,949 | 23,022,792 | 396,527,639 |
| Mortgages | 81,305,273 | - | 1,697,588 | - | 79,607,685 |
| Corporate Bonds | 610,250,250 | 4,729,035 | 176,810,306 | 367,589,263 | 61,121,646 |
| Other Bonds | 555,495,276 | 21,827,378 | 233,428,981 | 196,455,839 | 103,783,078 |
| Commercial Paper and Other Short-term Investments | 483,463,603 | 483,463,603 | - | - | - |
| Bond Mutual Funds | 84,099,532 | - | - | - | - |
| **Total Debt Investments** | **$ 2,317,490,889** | **$ 510,020,016** | **$ 436,388,691** | **$ 600,729,835** | **$ 686,252,815** |

### 6. Foreign Currency Risk

Foreign currency risk is the potential risk for loss due to changes in exchange rates. Cash held by the manager may be in U.S. dollar or foreign currencies of the manager's choice. Managers may purchase or sell currency on a spot basis to accommodate securities settlements. Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility or to facilitate the settlement of securities transactions.

Currency contracts may be utilized to either hedge the portfolios currency risk exposure or in the settlement of securities transactions.

The fair value of securities held in a foreign currency at June 30, 2008, and 2007, is as follows:

| Currency | Global Bonds 2008 | Global Stock 2008 | Cash 2008 | Total Fair Value 2008 |
|---|---|---|---|---|
| Australian Dollar | $ - | $ 95,049,823 | $ 56,574 | $ 95,106,397 |
| Brazilian Real | - | 172,516 | 17,814 | 190,330 |
| British Pound Sterling | 42,443,319 | 230,856,062 | 1,059,257 | 274,358,638 |
| Canadian Dollar | - | 83,039,323 | 91,752 | 83,131,075 |
| Danish Krone | - | 11,024,329 | 224,553 | 11,248,882 |
| Euro | 184,233,606 | 477,684,604 | 1,027,359 | 662,945,569 |
| Hong Kong Dollar | - | 19,614,832 | 137,030 | 19,751,862 |
| Hungarian Forint | - | - | 24,383 | 24,383 |
| Iceland Krona | - | - | - | - |
| Israeli Shekel | - | 230,829 | 2,156 | 232,985 |
| Japanese Yen | 175,028,336 | 259,080,352 | 1,953,045 | 436,061,733 |
| Malaysian Ringlet | - | - | 3,056 | 3,056 |
| Mexican Peso | 20,275,708 | 1,834,062 | 895,020 | 23,004,790 |
| New Zealand Dollar | - | 475,111 | 10,352 | 485,463 |
| Norwegian Krone | - | 10,483,235 | 38,928 | 10,522,163 |
| Polish Zloty | - | - | 2,011 | 2,011 |
| Singapore Dollar | - | 17,029,691 | 136,586 | 17,166,277 |
| South Korean Won | - | 1,179,545 | - | 1,179,545 |
| Swedish Krona | - | 17,722,933 | 119,870 | 17,842,803 |
| Swiss Franc | - | 91,857,246 | 40,323 | 91,897,569 |
| Thailand Baht | - | - | 33,511 | 33,511 |
| **Total** | **$ 421,980,969** | **$ 1,317,334,493** | **$ 5,873,580** | **$ 1,745,189,042** |

| Currency | Global Bonds 2007 | Global Stock 2007 | Cash 2007 | Total Fair Value 2007 |
|---|---|---|---|---|
| Australian Dollar | $ 15,345,019 | $ 100,889,387 | $ 63,089 | $ 116,297,495 |
| Brazilian Real | - | 76,200 | 6,555 | 82,755 |
| British Pound Sterling | 10,336,658 | 264,384,125 | 986,294 | 275,707,077 |
| Canadian Dollar | - | 60,103,515 | 147,082 | 60,250,597 |
| Danish Krone | - | 6,030,872 | 20,622 | 6,051,494 |
| Euro | 223,158,206 | 545,685,348 | 2,098,753 | 770,942,307 |
| Hong Kong Dollar | - | 15,389,046 | 140,775 | 15,529,821 |
| Hungarian Forint | - | - | 19,206 | 19,206 |
| Iceland Krona | 1,281,079 | - | - | 1,281,079 |
| Israeli Shekel | - | 153,508 | 22,608 | 176,116 |
| Japanese Yen | 220,980,110 | 248,797,549 | 1,095,378 | 470,873,037 |
| Malaysian Ringlet | - | - | 1,395 | 1,395 |
| Mexican Peso | 20,198,342 | 4,019,157 | 830,593 | 25,048,092 |
| New Zealand Dollar | - | 960,936 | 47,169 | 1,008,105 |
| Norwegian Krone | 3,957,304 | 7,976,301 | 381,511 | 12,315,116 |
| Polish Zloty | - | - | 11 | 11 |
| Singapore Dollar | - | 17,180,278 | 123,160 | 17,303,438 |
| South Korean Won | - | 3,796,349 | - | 3,796,349 |
| Swedish Krona | - | 31,478,637 | 177,769 | 31,656,406 |
| Swiss Franc | 3,915,667 | 69,230,053 | 34,267 | 73,179,987 |
| Thailand Baht | - | - | 4,663 | 4,663 |
| **Total** | **$ 499,172,385** | **$ 1,376,151,261** | **$ 6,200,900** | **$ 1,881,524,546** |

Foreign investments denominated in U.S. currency such as American Depository Receipts (ADRs) and Yankee bonds do not carry foreign currency risk; therefore, are not included in the tables above. LASERS Investment Guidelines, some of which are noted in *Note G. Cash and Investments*, are designed to mitigate the risks discussed above.

# G. Cash and Investments

## 1. Cash and Cash Equivalents

Cash and cash equivalents include cash deposited in banks and short-term repurchase agreements. Cash is insured by the Federal Deposit Insurance Corporation up to $100,000, and cash equivalents are collateralized by the pledge of government securities held by the agents in the entity's name.

## 2. Short-Term Investments

Short–term funds may be invested in direct U.S. Government obligations such as U.S. Treasury Bills or repurchase agreements, which are fully collateralized by U.S. Treasury issues. Excess cash may also be invested in the LASERS Active Reserve Account and LASERS Late Money Deposit Account or negotiable certificates of deposit, or other short-term investment vehicles designated by the Board.

## 3. Investments

Louisiana state law (La. R.S. 11:261-269) provides for the fiduciary and investment responsibilities of LASERS. La. R.S. 11:263 states that the prudent man rule shall apply to all investments of LASERS. This law specifically requires management of LASERS to exercise the judgment and care under the circumstances prevailing that a prudent institutional investor would use in the conduct of an enterprise of a like character with like aims.

La. R.S. 11:267(C) provides that the System may invest up to 65% of its total assets in equities. This is modified by the directive that the System invest an amount equal to at least 10% of its total equity portfolio in one or more index funds in accordance with La. R.S. 11:267B(1)(a). In addition, LASERS Board of Trustees has adopted certain investment policies, objectives, rules, and guidelines that are intended to protect and preserve LASERS assets while targeting a 9.15% nominal rate of return and also, a real return target of 4% over the inflation rate as determined by the consumer price indexes (CPI).

The following table presents the System's appreciation in investments at June 30, 2008, and 2007:

| | 2008 | 2007 |
|---|---|---|
| Unrealized gains/(losses) on investments during the year | $ (1,064,807,622) | $ 763,864,127 |
| Realized gains/(losses) on investments including currency sold during the year | 517,826,277 | 509,038,290 |
| **Total** | **$ (546,981,345)** | **$ 1,272,902,417** |

## 4. Domestic Equity

Domestic equity purchases are limited to publicly traded common stocks. Exceptions shall be approved by the Board in advance. No single holding shall account for more than 6% of the allowable equity portion of the portfolio at market value, or 150% of a stock's weighting in the style benchmark against which the manager is measured, whichever is larger.

LASERS domestic equity portfolios are expected to be fully invested. No single holding in LASERS portfolio shall account for more than 5% of the outstanding common stock of any one corporation. No more than 10% of a manager's domestic equity portfolio may consist of cash or cash equivalents. Additionally, no single holding across all actively managed portfolios of an investment management firm shall account for more than 15% of the outstanding common stock of any one corporation.

The purchase of stocks or convertibles in foreign companies which are publicly traded securities may be held by each domestic stock manager in proportions which each manager shall deem appropriate, up to 10% of the portfolio at market value. Convertible bonds, convertible preferred stocks, warrants and rights may be purchased as equity substitutes so long as they meet the equity guidelines listed above.

### 5. International Equity

Short-term reserves may be held in U.S. dollar-denominated, local currency securities, or investment vehicles available through the System's custodian. Managers may purchase or sell currency on a spot basis to accommodate security settlements. Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility or to facilitate the settlement of security transactions.

LASERS international equity portfolios are expected to be fully invested. No more than 10% of a manager's international equity portfolio may consist of cash or cash equivalents. Equity securities should be issued by non-U.S. corporations, although the manager has latitude to hold U.S. securities provided that such investment is consistent with attainment of the portfolio's investment objectives and does not exceed 10% of the portfolio's market value. American Depository Receipts (ADRs) do not count towards this 10% limitation.

The number of issues held and their geographic or industry distribution shall be left to the investment manager provided that equity holdings in any one company (including common stock and convertible securities) do not exceed 6% of the market value of the manager's portion of LASERS portfolio, or 150% of a stock's weighting in the style benchmark against which the manager is measured, whichever is larger. Additionally, bonds of the companies in question would be included in LASERS exposure calculation if held in the manager's portfolio.

Managers with established international equity mandates may invest up to 10% of their portfolio(s) in the emerging markets. Managers with an emerging markets equity mandate are expected to invest in the emerging (non-established) markets, subject to the guidelines listed above.

### 6. Domestic Fixed Income

Domestic fixed income investments may include U.S. Government and Federal Agency obligations, corporate bonds, debentures, commercial paper, certificates of deposit, Yankee bonds, mortgage-backed securities, and fixed income and other instruments deemed prudent by the investment managers. No more than 6% of the market value of LASERS domestic fixed income assets may be invested in the debt securities of any one issuer. No limitations on issues and issuers shall apply to obligations of U.S. Government and Federal Agencies.

The overall average quality of each fixed income portfolio shall be rated AA by Standard and Poors or higher. Split-rated securities will be measured using Standard and Poors ratings. Non-rated issues or issues below investment grade (below BBB) may be purchased up to a maximum of 15% of the portfolio. These quality restrictions will not apply to a manager that is hired by LASERS to manage dedicated high-yield fixed income portfolios.

The diversification of securities by maturity, quality, sector, coupon and geography is the responsibility of the manager. Active bond management is encouraged, as deemed appropriate by the investment managers.

The average duration (interest rate sensitivity) of an actively managed portfolio shall not differ from the passive benchmark's duration by more than two years.

Any mortgage-backed securities (MBS) shall be subject to the constraints listed below:

- Agency fixed and floating rate pass-throughs, U.S. Treasury Securities, and cash equivalents can be held without limitation. Fixed rate PAC I, PAC II, and Sequential Collateralized Mortgage Obligations can be held without limitation. Inverse floating rate, interest only (I/O), principal only (P/O), and accrual CMOs in aggregate will be limited to 15% of the mortgage securities portfolio, with no more than 5% of the portfolio invested in accrual CMOs. In the event that other types of mortgage-related securities that have risk characteristics similar to those in this category are developed, the manager will inform the Investment Committee of those securities and they will be included in this 15% limitation.

- All other types of mortgage-related securities not explicitly cited herein will be limited to an aggregate 20% of the portfolio. The manager must receive at least two competitive offers on the same or similar securities prior to purchasing each mortgage-backed security for the portfolio.

- LASERS recognizes that the calculation of the duration of a mortgage-backed security involves assumptions as to the expected future pre-payment rate for the security at the time of calculation and that pre-payment rates cannot be precisely determined in advance. The manager is expected to calculate expected duration prior to the initial purchase of a security and on a routine basis in monitoring the portfolio's compliance with these guidelines.

High-yield fixed income managers may invest up to 20% of their portfolios in non-U.S. fixed income securities.

### 7. Global Fixed Income

The global bond portfolio may hold no more than 30% of its assets, at market value, in the debt securities of any single foreign government or non-U.S. government entity. No single non-government debt security shall constitute more than 6% of the global bond portfolio, at market value. Securities issued by AAA rated supranational organizations (such as the World Bank) shall be considered to be government equivalents.

Short-term reserves may be held in U.S. dollar-denominated or local currency securities or investment vehicles available through LASERS custodian.

Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility rather than leverage portfolio risk exposure. Currency contracts may be utilized to either hedge the portfolio's currency risk exposure or in the settlement of securities transactions. Managers may purchase or sell currency on a spot basis to accommodate securities settlements. Decisions as to the number of issues held and their geographic distribution shall be the responsibility of the investment manager.

The overall average quality of each global fixed income portfolio shall be AA or higher. Non-rated issues may be purchased, provided that in the judgment of the manager, they are of a quality sufficient to maintain the average overall portfolio quality of AA or higher. Issues below investment grade (below BBB) may be purchased up to a maximum of 15% of the portfolio. The average duration (interest rate sensitivity) of a global fixed income portfolio shall not differ from the passive benchmark by more than two years.

### 8. Derivatives

During the fiscal years 2008 and 2007, the System invested in collateralized mortgage obligations (forms of mortgage-backed securities) and forward foreign exchange contracts. The System reviews market value of all securities on a monthly basis. Derivative securities are held in part to maximize yields and in part to hedge against a rise in interest rates.

a. **Collateralized mortgage obligations** (CMOs) are bonds that are collateralized by whole loan mortgages, mortgage pass-through securities, or stripped mortgage-backed securities. Income is derived from payments and pre-payments of principal and interest generated from collateral mortgages. Cash flows are distributed to different investment classes or tranches in accordance with that CMOs established payment order. Some CMO tranches have more stable cash flows relative to changes in interest rates than others that can be significantly sensitive to interest rate fluctuations. In a declining interest rate environment, some CMOs may be subject to a reduction in interest payments as a result of pre-payments of mortgages which make up the collateral pool. Reductions in interest payments cause a decline in cash flows and, thus, a decline in market value of the CMO security. Rising interest rates may cause an increase in interest payments, thus an increase in the value of the security.

b. A **currency forward** is a contractual agreement between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency at an agreed upon exchange rate. Forward commitments are not standardized and carry counterparty risk. Forwards are usually transacted in the over-the-counter market. These transactions are entered into in order to hedge risks from exposure to foreign currency rate fluctuation. They are entered into with the foreign exchange department of a bank located in a major money market. Recognition of realized gain or loss depends on whether the currency exchange rate has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the System records the unrealized translation gain or loss.

The following table represents the fair value of all open currency forwards at June 30, 2008:

| **Currency** | | | | | |
|---|---|---|---|---|---|
| **Sold** | **Purchased** | **US Dollar Value at Trade Date** | **Payable Base Market Value** | **Receivable Base Market Value** | **Unrealized Gain (Loss)** |
| U.S. Dollars | Euro Currency | $ 1,474,569 | $ (1,474,569) | $ 1,490,298 | $ 15,729 |
| British Pound Sterling | U.S. Dollars | 52,717,121 | (52,972,418) | 52,717,121 | (255,297) |
| Euro Currency | U.S. Dollars | 80,595,237 | (81,291,490) | 80,595,237 | (696,253) |
| U.S. Dollars | British Pound Sterling | 1,813,570 | (1,813,570) | 1,841,906 | 28,336 |
| **Total** | | **$ 136,600,497** | **$ (137,552,047)** | **$ 136,644,562** | **$ (907,485)** |

The following table represents the fair value of all open currency forwards at June 30, 2007:

| **Currency** | | | | | |
|---|---|---|---|---|---|
| **Sold** | **Purchased** | **US Dollar Value at Trade Date** | **Payable Base Market Value** | **Receivable Base Market Value** | **Unrealized Gain (Loss)** |
| U.S. Dollar | British Pound Sterling | $ 31,411,935 | $ (31,607,274) | $ 31,411,935 | $ (195,339) |
| British Pound Sterling | U.S. Dollar | 603,310 | (603,310) | 605,135 | 1,825 |
| Japanese Yen | U.S. Dollar | 1,359,190 | (1,359,190) | 1,355,072 | (4,118) |
| Euro Currency | U.S. Dollar | 1,157,553 | (1,157,553) | 1,162,502 | 4,949 |
| Norwegian Krone | Singapore Dollar | 368,002 | (367,930) | 368,002 | 72 |
| Canadian Dollar | U.S. Dollar | 125,177 | (125,177) | 125,007 | (170) |
| **Total** | | **$ 35,025,167** | **$ (35,220,434)** | **$ 35,027,653** | **$ (192,781)** |

### 9. Real Estate

Real estate investments are limited to a direct investment in the property located at the intersection of Essen Lane and United Plaza Boulevard in Baton Rouge, Louisiana. Stock and stock funds comprised of real estate investments trusts (REITS) are also allowed.

### 10. Alternative Investments

Investments in alternatives include private capital markets, venture capital, mezzanine debt, and hedge funds which have a target allocation of 25% of total fund assets. This year LASERS invested in an alternative investment called Risk Parity. Risk Parity is designed to shift assets in such a way to perform well in rising or falling inflationary or growth environments. The total commitments and total amount invested for alternative investments on a cost basis as of June 30, 2008, and 2007, respectively:

| **Alternative Investments** | **2008** | **2007** |
|---|---|---|
| **Commitments** | | |
| Private Equity | $ 1,633,400,789 | $ 1,344,340,855 |
| Absolute Return | 746,000,000 | 346,000,000 |
| Risk Parity | 450,000,000 | - |
| **Total Commitments** | **$ 2,829,400,789** | **$ 1,690,340,855** |
| | | |
| **Amount Invested (cost basis)** | | |
| Private Equity | $ 664,112,420 | $ 499,757,635 |
| Absolute Return | 696,266,698 | 346,266,698 |
| Risk Parity | 450,000,000 | - |
| **Total Invested (cost basis)** | **$ 1,810,379,118** | **$ 846,024,333** |

LASERS shall endeavor to systematically commit additional funds to this asset class over time as it becomes under-represented relative to the LASERS target asset allocation. LASERS shall attempt to commit up to 200% of its target weighting to private equity investments to help ensure that the funded portion of the investments approximate the target allocation.

Alternative asset amounts that are in excess of the target amount as a result of partial or full liquidation of positions or the receipt of income from investments shall be reallocated to LASERS under-allocated asset classes. Liquidations should be re-invested in the alternative asset program if that asset class is under-represented relative to the LASERS target asset allocation.

LASERS shall only invest in alternative assets when there is complete transparency and policy compliance reporting. The Board of LASERS recognizes that alternative assets are potentially more risky than other investments of the Fund. As such, extra care shall be taken in evaluating and fully understanding all aspects on an alternative investment opportunity.

LASERS initial investment in a partnership/fund shall not exceed 25% of the committed capital of that partnership/fund. All investments must have a mechanism for exit.

No more than 25% of the alternative asset investment allocation may be invested with a single manager, general partner, or single fund, with the exception of a fund-of-funds. Preference will be given to those funds where the general partner is contributing at least 1% of total fund. References on a general partner must be checked prior to investing in a fund. The alternative asset program will be diversified to limit the exposure of any one investment to 2% of the assets of LASERS total assets.

## H. Securities Lending Program

The System has, pursuant to a Securities Lending Authorization Agreement, authorized Mellon Global Securities Services (Mellon) to act as agent in lending the System's securities to broker-dealers and banks pursuant to a form of loan agreement. All investment assets are available for lending.

During the fiscal year, Mellon lent, on behalf of the System, certain securities held by them and received cash (both U.S. and foreign currency), and securities issued or guaranteed by the U.S. government, sovereign debt and irrevocable bank letters of credit as collateral. Mellon did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to deliver collateral for each loan equal to: 1) 102% of the market value of the loaned securities, in the case of loaned securities denominated in U.S. dollars or whose primary trading market was located in the U.S. or sovereign debt issued by foreign governments; and 2) 105% of the market value of the loaned securities, in the case of loaned securities not denominated in U.S. dollars or whose primary trading market was not located in the U.S.

The System did not impose any restrictions during the fiscal year on the amount of the loans that Mellon made on its behalf and Mellon indemnified the System by agreeing to purchase replacement securities, or return cash collateral in the event a borrower failed to return a loaned security or pay distributions thereon. There were no such failures by any borrower to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal years resulting from a default of the borrowers or Mellon.

Also, during the fiscal year, the System and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool which is unrated and managed by the custodian. As of June 30, 2008, the cash collateral invested by Mellon in short-term securities had weighted average maturities of 838, 410, and 234 days, respectively, and durations of 43, 22, and 28 days, respectively. On June 30, 2008, the System had no credit risk exposure to borrowers because the amounts the System owed the borrowers exceeded the amounts the borrowers owed the System. For the year ended June 30, 2008, loan volume saw a significant increase due to market conditions such as investor flight to quality and widening credit spreads. Increased demand translated to lower rebate rates and increased earnings. The following table presents the market values of securities on loan and the collateral held for the System at June 30, 2008, and 2007:

| Security Type | Fair Value of Securities on Loan 2008 | Fair Value of Collateral Held 2008 | Fair Value of Securities on Loan 2007 | Fair Value of Collateral Held 2007 |
|---|---|---|---|---|
| U.S. Government and Agency | $ 96,817,588 | $ 105,591,820 | $ 103,861,721 | $ 106,062,604 |
| U.S. Corporate | 98,687,120 | 102,053,265 | 61,460,384 | 63,044,514 |
| U.S. Equity | 1,210,971,716 | 1,259,237,529 | 686,861,953 | 711,699,500 |
| International Equity | 238,558,699 | 260,275,512 | 269,490,272 | 285,469,640 |
| International Fixed | 56,643,764 | 59,363,675 | 478,903 | 501,113 |
| **Total** | **$ 1,701,678,887** | **$ 1,786,521,801** | **$ 1,122,153,233** | **$ 1,166,777,371** |

# I. Capital Outlay Project

In 2004, LASERS began a capital project for the design, development and implementation of computer software for a new pension administration system. The new system is named the State of Louisiana Retirement Information System, or SOLARIS. SOLARIS replaces the previous pension administration system with applications that offer enhanced core pension administration functions. The objective of the SOLARIS project was to improve service and reporting levels for member agencies, members, and retirees while improving internal system work flows and increasing the efficiency of the LASERS staff.

In May 2004, LASERS adopted an internal policy for the capitalization of certain costs related to the project. The policy separates the activity of the project into three stages:

- Preliminary project stage
- Application development stage
- Post-implementation/operation stage

Expenditures related to the preliminary project and the post-implementation/operation stages are expensed as incurred. Certain costs of the application development stage may be capitalized. Activities expensed as incurred follow guidelines of AICPA SOP 98-1 in conjunction with GASB No. 51, *Accounting and Financial Reporting for Intangible Assets*, and include reengineering efforts, data conversion and cleanup, and training. The pension payroll phase of the project went live in June 2006. The membership phase of the project went live in the third quarter of fiscal year 2008. The employer self-service phase of the project is expected to go live in the first quarter of fiscal year 2009. Depreciation of capitalized costs began in the fiscal years in which they were incurred. The project cost summary is as follows:

| | Capitalized | Non-Capitalized | Expenditures |
|---|---|---|---|
| **Approved Budget** | | | **$ 28,839,672** |
| FYE 2004 | $ - | $ 1,696,589 | 1,696,589 |
| FYE 2005 | 1,416,516 | 4,885,694 | 6,302,210 |
| FYE 2006 | 3,420,423 | 3,455,472 | 6,875,895 |
| FYE 2007 | 3,777,265 | 2,775,368 | 6,552,633 |
| FYE 2008 | 2,210,634 | 3,720,717 | 5,931,351 |
| **Total** | **$ 10,824,838** | **$ 16,533,840** | **27,358,678** |
| **Budget Remaining** | | | **$ 1,480,994** |

## J. Other Postemployment Benefits (OPEB)

### 1. Plan Description

The Office of Group Benefits (OGB) is an agent multiple-employer post employment healthcare plan that covers retired employees of the state, as well as school boards and various other non-state employers. OGB provides health and life insurance benefits to eligible retirees, their spouses, and their dependents. La. R.S. 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. OGB does not issue a publicly available financial report of the OPEB Plan; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). A copy of the CAFR may be obtained on the Office of Statewide Reporting and Accounting Policy's website at *www.doa.la.gov/osrap.*

### 2. Funding Policy

La. R.S. 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums.

The state is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 40.36% of annual covered payroll.

### 3. Annual OPEB Cost

For Fiscal Year 2008, the annual OPEB cost (expense) of $2,350,000 for LASERS was equal to the ARC. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for FY 2008 was as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---|---|---|---|
| 6/30/2008 | $2,350,000 | 12.50% | $2,057,060 |

Funded Status and Funding Progress. The funding status of the plan as of June 30, 2008 was as follows:

| 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 Covered Payroll [(b-a)/c] |
|---|---|---|---|---|---|---|
| 7/1/2007 | $ - | $ 19,690,300 | $ 19,690,300 | 0.0% | $ 5,822,128 | 338.2% |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the *Notes to the Financial Statements*, presents the current year's funding status and in the future will present multiyear trend information that will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Note that fiscal year 2008 was the implementation year of OPEB for LASERS.

### 4. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2007, actuarial valuation, a projected unit credit cost method was used. The actuarial assumptions included a 4.0% discount rate (net of expenses) and an annual healthcare cost trend rate of 9.5% for pre-Medicare and 10.6% for Medicare-eligible participants initially, reduced by decrements to an ultimate rate of 5% after fifteen years. The valuation utilized participant data supplied by OGB, the State Payroll System, and the various state retirement systems. Projected claim costs were determined by combining trended claims data, actual capitation rates and actual vendor fees. LASERS unfunded actuarial accrued liability is being amortized using both a level dollar amount and a level percent of pay over an amortization period of 30 years, the maximum amortization period allowed by GASB 45.

# REQUIRED
## Supplementary Information

## Schedule of Funding Progress for LASERS
**For The Six Years Ended June 30, 2008**
**(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 Covered Payroll [(b-a)/c] |
|---|---|---|---|---|---|---|
| 2003 | $ 6,487,538 | $ 9,796,306 | $ 3,308,768 | 66.2% | $ 1,924,680 | 171.9% |
| 2004 | $ 6,097,815 | $ 10,237,574 | $ 4,139,759 | 59.6% | $ 2,017,726 | 205.2% |
| 2005 | $ 6,673,500 | $ 10,847,062 | $ 4,173,562 | 61.5% | $ 2,100,043 | 198.7% |
| 2006 | $ 7,430,784 | $ 11,548,680 | $ 4,117,896 | 64.3% | $ 1,979,705 | 208.0% |
| 2007 | $ 8,345,495 | $ 12,421,907 | $ 4,076,411 | 67.2% | $ 2,175,367 | 187.4% |
| 2008 | $ 9,167,170 | $ 13,562,214 | $ 4,395,044 | 67.6% | $ 2,436,956 | 180.3% |

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by $1,140,306,794 from June 30, 2007, to June 30, 2008. There was a net experience loss of $339,348,435. Acts 262 and 740 of 2008 enhanced benefits for Act 75 members and Alcohol Tobacco Control employees, increasing the liability by $2,564,498.

## Schedule of Employer Contributions
**For The Six Years Ended June 30, 2008**

| Date | Annual Required Contribution | Percentage Contributed |
|---|---|---|
| 2003 | $ 326,335,197 | 94.8% |
| 2004 | $ 367,881,226 | 95.4% |
| 2005 | $ 411,727,561 | 99.2% |
| 2006 | $ 423,502,813 | 93.1% |
| 2007 | $ 434,796,738 | 97.0% |
| 2008 | $ 456,741,202 | 115.4% |

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 State Employees' Retirement System.

## Schedule of Funding Progress for OGB OPEB Trust
For The Year Ended June 30, 2008*

| 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 Covered Payroll [(b-a)/c] |
|---|---|---|---|---|---|---|
| 7/1/2007 | $ - | $ 19,690,300 | $ 19,690,300 | 0.0% | $ 5,822,128 | 338.2% |

*Fiscal year 2008 was the implementation year of OPEB for the State of Louisiana; therefore, six years of trend data is not available.

# SUPPORTING
## Schedules

## Schedule of Administrative and Investment Expenses — Budget and Actual
For The Years Ended June 30, 2008 and 2007

| | 2008 | | | 2007 | | |
|---|---|---|---|---|---|---|
| | Actual | Budget | Variance Favorable (Unfavorable) | Actual | Budget | Variance Favorable (Unfavorable) |
| **Administrative Expenses:** | | | | | | |
| Salaries and Related Benefits | $ 12,501,056 | $ 13,086,431 | $ 585,375 | $ 9,338,918 | $ 12,244,431 | $ 2,905,513 |
| Travel | 136,352 | 252,533 | 116,181 | 166,179 | 292,533 | 126,354 |
| Operating Services | 2,716,834 | 3,653,012 | 936,178 | 2,713,139 | 3,659,362 | 946,223 |
| Professional Services | 5,715,791 | 6,075,732 | 359,941 | 6,304,415 | 12,392,524 | 6,088,109 |
| Acquisitions[1] | 261,046 | 456,633 | 195,587 | 306,665 | 481,898 | 175,233 |
| **Total Budget and Actual Expenditures** | **$ 21,331,079** | **$ 23,524,341** | **$ 2,193,262** | **$ 18,829,316** | **$ 29,070,748** | **$ 10,241,432** |
| **Capitalized Expenditures:** | | | | | | |
| SOLARIS Software Project - Personnel Costs[1] | (578,983) | (578,983) | - | (436,832) | (436,832) | - |
| SOLARIS Software Project - Professional Services[1] | (1,631,651) | (1,631,651) | - | (3,340,433) | (3,340,433) | - |
| Other Acquisitions | (65,422) | (65,422) | - | (162,622) | (162,622) | - |
| **Total Capitalized Expenditures** | **$ (2,276,056)** | **$ (2,276,056)** | **$ -** | **$ (3,939,887)** | **$ (3,939,887)** | **$ -** |
| **Other Non-Investment Administrative Expense** | **$ 45,583** | **$ -** | **N/A** | **$ 274,889** | **$ -** | **N/A** |
| **Depreciation Expense[2]** | **$ 1,242,050** | **$ -** | **N/A** | **$ 619,733** | **$ -** | **N/A** |
| **Total Administrative Expenses** | **$ 20,342,656** | **$ 21,248,285** | **$ 2,193,262** | **$ 15,784,051** | **$ 25,130,861** | **$ 10,241,432** |
| **Investment Fee Expenses** | **$ 43,908,305** | **$ 45,962,065** | **$ 2,053,760** | **$ 32,962,019** | **$ 33,076,594** | **$ 114,575** |

[1]LASERS capitalizes the internal and external costs incurred to develop internal-use computer software that exceeds a $1 million threshold and depreciates it over seven (7) years once operational, following GASB 51 and the AICPA's Statement of Position No. 98-1.

[2]Depreciation is not a budgeted administrative expense.

## Schedule of Board Compensation

For The Years Ended June 30, 2008 and 2007

| | 2008 | | 2007 | |
|---|---|---|---|---|
| Board of Trustees | Number of Meetings | Amount | Number of Meetings | Amount |
| Cynthia Bridges | 16 | $ 1,200 | 18 | $ 1,350 |
| Virginia Burton | 23 | 1,725 | 25 | 1,875 |
| Connie Carlton | 24 | 1,800 | 25 | 1,875 |
| Charles Castille* | 9 | - | 0 | - |
| Barbara McManus McCann | 25 | 1,875 | 23 | 1,725 |
| Louis Quinn | 21 | 1,575 | 25 | 1,875 |
| Sheryl Ranatza** | 21 | - | 19 | 1,425 |
| Kathy Singleton*** | 10 | 750 | 25 | 1,875 |
| Lorry Trotter | 25 | 1,875 | 23 | 1,725 |
| Trudy White | 18 | 1,350 | 19 | 1,425 |
| **Total Compensation** | | **$ 12,150** | | **$ 15,150** |

*Charles Castille's term began in January 2008 and he chose not to receive the Board per diem.

**Sheryl Ranatza chose not to receive the Board per diem beginning June 2007.

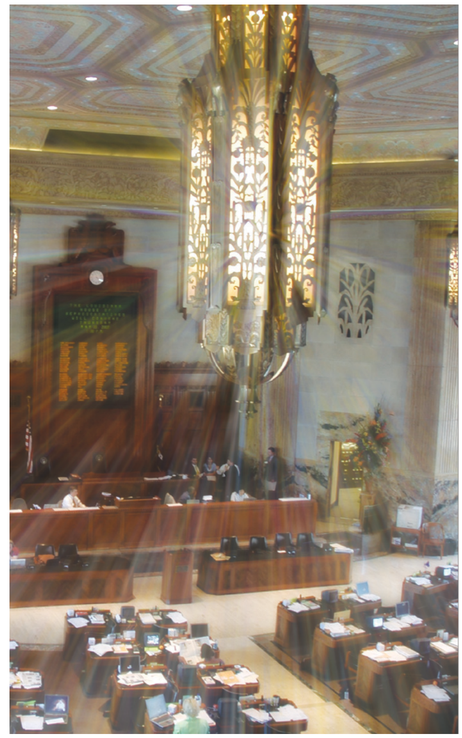
***Kathy Singleton's term ended in December 2007.

## Schedule of Professional/Consultant Fees
### For The Years Ended June 30, 2008 and 2007

| | 2008 | 2007 |
|---|---|---|
| **Accounting and Auditing** | | |
| Postlethwaite and Netterville, APAC | $ 42,500 | $ 41,500 |
| Investment Training & Consulting Institute, Inc. | - | 13,615 |
| **Actuary** | | |
| Hall Actuarial Associates | 37,480 | 135,000 |
| S J Actuarial Associates | 111,440 | - |
| **Legal Fees** | | |
| Tarcza & Associates, LLC | 22,770 | 28,566 |
| Roedel, Parsons, Koch, Balhoff & McCollister | 11,305 | 8,294 |
| Avant & Falcon | 3,237 | 8,267 |
| Taylor, Porter, Brooks, & Phillip, LLC | - | 825 |
| **Disability Program** | | |
| Physician and Other Reviews | 62,780 | 79,140 |
| **Investment Performance Management and Analytical Services** | | |
| Institutional Shareholder Services (ISS) | 40,593 | 40,250 |
| ITG Solutions Network, Inc. (formerly Plexus Group) | 30,750 | 29,000 |
| CEM Benchmarking, Inc. | - | 18,500 |
| RiskMetrics Group | 11,025 | - |
| **Investment Consultant** | | |
| NEPC, LLC | 277,221 | 280,094 |
| **Information Technology Consultants** | | |
| Bearing Point, Inc. | 4,584,141 | 5,169,673 |
| Maximus, Inc. | - | 234,628 |
| Syscom, Inc. | 19,710 | 89,910 |
| SunGard Availability Services, LP | 47,650 | 45,378 |
| SSA Consultants, Inc. | - | 13,110 |
| Provaliant Retirement, LLC | 233,450 | 10,125 |
| Sparkhound | 76,975 | 10,710 |
| Cherbonnier, Mayer & Associates, Inc. | 4,723 | 3,301 |
| Black Box Network Services, Inc. | - | 3,290 |
| Dell Marketing, LP | 10,900 | - |
| Other Information Technology Fees | 3,488 | 2,194 |
| **Other Professional Services** | | |
| Election Service Corporation | 57,982 | 19,115 |
| Temporary Employment Services | 8,401 | 11,870 |
| Pinson & Associates | 12,500 | - |
| Other Non-Consultant Professionals | 4,770 | 8,061 |
| **Professional Service/Consultant Fees** | **$ 5,715,791** | **$ 6,304,415** |

Information on investment commissions and management fees can be found in the Schedule of Brokerage Commissions Paid and the Schedule of External Management Fees located in the *Investment Section* .

# INVESTMENT
SECTION





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LASERS
Louisiana State Employees' Retirement System
8401 United Plaza Blvd. • Baton Rouge, LA 70809
Mail: P.O. Box 44213 • Baton Rouge, LA 70804-4213 Phone: (toll-free) 1.800.256.3000 • (local) 225.922.0600

September 17, 2008

Dear Members,

The July 1, 2007 through June 30, 2008 LASERS fiscal year was a tough one for the stock market, thanks in part to the credit crisis and the looming fears of a recession. Not many escaped this time frame in positive returns territory, including the LASERS investment portfolio which realized a market value return of -3.8% for the fiscal year. The actuarial rate of return was 8.49%.

Based on the fiscal year market return, LASERS ranked in the top 42% of all public pension plans as well as against public funds with market values greater than $1 billion in the Trust Universe Comparison Service (TUCS)[1]. LASERS three- to five-year returns ranked in the top 13th and 12th percentile respectively compared to the entire universe, and in the top 28th and 23rd percentile respectively against those with market values greater than $1 billion. During the past five fiscal years, LASERS three-year ranking has remained relatively consistent at or very near the top quartile; and this year's five-year ranking is second only to last year.

LASERS maintains its commitment to a broadly diversified portfolio and achieving its actuarial target rate of return of 8.25% with the least possible amount of risk. To do this, LASERS adopts carefully underwritten and conservative assumptions for future expected returns, while structuring the investment portfolio to optimize the risk/return trade-off. A new target allocation was adopted in the spring of 2008. The changes included decreasing the total equity allocation, and increasing both the fixed income and alternative asset allocations.

During the fiscal year, LASERS added a terror-free international equity portfolio to its internally managed program in response to Act 352 of the 2007 Legislative Session. We continue to monitor trading commission per share costs and will remain committed to our goal of low investment manager trade execution costs. In addition, the development of both our risk management and private equity programs continues, as well as exploring new asset allocation strategies to improve long-term returns.

The Investment Division continuously seeks to be a premier pension plan by creating, implementing, and evaluating its strategic goals and objectives. We strive to be a plan that is forward thinking, disciplined, and efficient. This includes continuously looking to lower overall investment costs while maintaining a high degree of expertise.

Going forward, we are committed to improving upon what we have already achieved and diligently working toward the future. We continue to believe that LASERS is well positioned to meet its long-term goals and objectives.

Sincerely,

Robert W. Beale, CFA, CAIA
Chief Investment Officer

[1] Trust Universe Comparison Services (TUCS) provides a universe comparison of market values for the larger public pension plans in the United States. At June 30, 2008 there were 138 constituents making up the public funds universe and 57 constituents making up the universe of public funds with market values greater than $1 billion.

# Statement of Investment Objectives

## I. Introduction

The Louisiana State Employees' Retirement System (LASERS) was created to provide retirement benefits for employees of the State of Louisiana. A pension trust fund was created to help finance the costs associated with funding retirement benefits.

Because of LASERS obligation to the plan participants and their beneficiaries, the disposition of LASERS assets shall be made solely in the interest of providing benefits to the participants. Investments shall be made in a cost efficient manner, and reflect industry best practices.

The *Statement of Investment Policy and Objectives* is designed to clearly communicate the directives of the Trustees of LASERS to all interested parties. It shall be revised from time to time, as deemed necessary. Any resulting material changes will be communicated to all affected parties.

## II. Relevant Legislation And Regulation

Louisiana state law (La. R.S. 11:261-269) provides for the fiduciary and investment responsibilities of LASERS. La. R.S. 11:263 states that the prudent man rule shall apply to all investments of LASERS. This law specifically requires management of LASERS to exercise the judgment and care under the circumstances prevailing that a prudent institutional investor would use in the conduct of an enterprise of a like character with like aims.

Investments of the Louisiana State Employees' Retirement System shall be made in full accordance with Louisiana Revised Statutes, as well as any other applicable legislation or regulation. LASERS shall adhere to the policies and procedures outlined in the *Board Governance Policy, the Statement of Investment Policy for In-State Private Equity, Emerging Businesses, and Money Managers, as well as Vendor Selection Policies.*

LASERS is subject to a legislative limit restricting the Fund so that no more than 65% of its total assets are invested in publicly traded equities. Alternative assets are not considered to be equities when calculating the LASERS equity exposure. LASERS will take steps to rebalance if, at the end of its fiscal year, its exposure to publicly traded equities is above 65%. LASERS is aware that markets will fluctuate, and any rebalancing will appropriately consider market conditions and any other relevant factors.

Should LASERS have more than 55% of its total assets invested in publicly traded equities, at least 10% of those equities must be invested passively through index funds.

## III. Roles And Responsibilities

### 1. The Board of Trustees

The Board of Trustees is responsible for the total investment program. The Board shall approve the investment policy and provide overall direction to the administrative staff in the execution of the investment policy. Additionally, the Board will conduct formal annual evaluations of both the investment consultant and custodian.

### 2. The Investment Committee

The Investment Committee, at the direction of the Board, shall review and approve or disapprove investment recommendations not governed by the investment policy prior to their execution. The Committee may also review and recommend investment policy changes, deletions, or additions. The Committee also shall make recommendations to the Board concerning contracts of a financial nature, when performed by other than LASERS staff, such as, although not limited to, those for investment management, custodial arrangements, and securities lending.

### 3. Chief Investment Officer

The Chief Investment Officer (CIO) shall assist the Board in developing and modifying policy objectives and guidelines, including the development of liability-driven asset allocation strategies and recommendations on long-term asset allocation and the appropriate mix of investment manager styles and strategies. Choosing appropriate manager styles and strategies will include assisting the Board in formally and regularly evaluating the use of index funds as an alternative to active management. Additionally, the CIO shall provide assistance in manager searches and selection, and investment performance calculation, evaluation, and any other analysis associated with the proper execution of the Board's directives.

The CIO shall also communicate the decisions of the Investment Committee to investment managers, custodian bank(s), actuary, and consultant. The CIO provides oversight of the investment consultant, investment service providers and personnel of LASERS investment division.

### 4. Investment Consultant

The investment consultant shall assist the Board and the CIO in developing and modifying policy objectives and guidelines, including the development of a liability-driven asset allocation strategy and recommendations on the appropriate mix of investment manager styles and strategies. The consultant shall act as a fiduciary to the Fund.

Additionally, the consultant shall provide assistance in manager searches and selection, investment performance evaluation, and assist both the Board and CIO in ensuring that the use of index funds as an alternative to active management is formally and regularly evaluated. The consultant shall provide timely information, written and/or oral, on investment strategies, instruments, managers and other related issues, as requested by the Board, the Investment Committee, or the CIO.

### 5. Investment Managers

The duties and responsibilities of each of the investment managers retained by the Board include:

- Investing the assets under its management in accordance with the policy guidelines and objectives expressed herein.
- Meeting or exceeding the manager-specific benchmarks, net of all fees and expenses, expressed herein over various and appropriately measured time periods.
- Exercising investment discretion within the guidelines and objectives stated herein. Such discretion includes decisions to buy, hold or sell securities in amounts and proportions reflective of the manager's current investment strategy and compatible with the investment objectives.
- Complying with all provisions pertaining to the investment manager's duties and responsibilities as a fiduciary. Fund assets should be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent professional investment manager, acting in a like capacity and familiar with such matters, would use in the investment of Fund assets.
- Complying with the CFA Institute Code of Ethics and Performance Presentation Standards (PPS).
- Disclosing all conflicts and potential conflicts of interest.
- Ensuring that all portfolio transactions are made on a "best execution" basis.

- Exercising ownership rights, where applicable.
- Meeting with the Board as needed upon request of the Board. Quarterly reports are to be submitted in writing within 45 days after the end of each quarter.
- Acknowledging in writing to the Board the investment manager's intention to comply with the *Statement of Investment Policy and Objectives* as it currently exists or as modified in the future.
- Promptly informing the Board regarding all significant matters pertaining to the investment of the Fund assets.
- Initiating written communication with the Board when the manager believes that this Investment Policy is inhibiting performance and/or should be altered for any valid reason. No deviation from the guidelines and objectives established in the policy is permitted until after such communication has occurred and the Board has approved such deviation in writing.
- Reconciling performance, holdings and security pricing data with the Fund's custodian bank. If the Fund's custodian bank shows a different price for a given security, the manager shall submit to the custodian bank's price reconciliation process. Managers shall provide to LASERS staff a summary of reconciled holdings both in hard copy and the electronic format of LASERS choosing.

### 6. Custodian Bank

In order to maximize LASERS investment return, no money should be allowed to remain idle. Dividends, interest, proceeds from sales, new contributions and all other monies are to be invested or reinvested promptly.

The Custodian(s) will be responsible for performing the following functions:

- Accept daily instructions from designated investment staff.
- Advise designated investment staff daily of changes in cash equivalent balances.
- Immediately advise designated investment staff of additions or withdrawals from account.
- Notify investment managers of tenders, rights, fractional shares or other dispositions of holdings.
- Notify appropriate entities of proxies.
- Resolve any problems that staff may have relating to the custodial account.
- Safekeeping of securities.
- Interest and dividend collections.
- Daily cash sweep of idle principal and income cash balances.
- Processing of all investment manager transactions.
- Collection of proceeds from maturing securities.
- Disbursement of all income or principal cash balances as directed.
- Providing monthly statements by investment managers' accounts and a consolidated statement of all assets.
- Providing monthly performance reports and quarterly performance analysis reports.
- Providing a dedicated account representative and back up to assist the LASERS staff in all needs relating to the custody and accountability of the Fund's assets.
- Managing the securities lending program (if applicable).

# IV. Investment Objectives

### 1. Nominal Return Requirements

The investment program shall be structured to preserve and enhance principal over the long term, in both real and nominal terms. For this purpose, short-term fluctuations in values will be considered secondary to long-term investment results. Moreover, the investments of the Fund shall be diversified to minimize the risk of significant losses unless it is clearly prudent not to do so. Total return, which includes realized and unrealized gains, plus income less expenses, is the primary goal of LASERS.

The actuarially required total rate of return for the Fund is 8.25% annually, net of all fees and operating expenses. The Board desires a net total return in excess of 9.15% in order to help the Board grant additional retirement benefits, and the ability to improve the funded ratio of the Fund through investment earnings. Therefore, the Board has adopted the following target nominal rate of return:

| | |
|---|---|
| Actuarially required rate of return: | 8.25% |
| Excess Return: | 0.90% |
| Target Total Nominal Rate of Return: | 9.15% |

### 2. Real Return Requirements

The Board is aware that the preservation of purchasing power is driven by inflation; therefore, a real return requirement has also been established. As the Consumer Price Index (CPI) is the most commonly accepted measure of inflation, the Board has defined its real return target as the nominal return less CPI. The real return target is set at 4.0%.

### 3. Relative Return Requirements

Total returns for LASERS shall rank in the top half of the appropriate public fund universe, reflecting similar circumstances to LASERS. Risk-adjusted returns should also rank in the top half of the same universe. The total fund return should, over time, exceed the policy and allocation indices. (See Section VIII for a description of how the policy and allocation indices are calculated.) Returns for LASERS managers shall exceed their respective benchmarks, as well as rank in the top half of the appropriate universe of managers adhering to the same investment strategy.

The Board further recognizes that the return targets described herein may not be achieved in any single year. Instead, a longer-term horizon of five to seven years shall be used in measuring the long-term success of the Fund. While the Board expects that returns will vary over time, LASERS has a risk tolerance consistent with that of other funds created for similar purposes, and the assets of the Fund shall be invested accordingly.

# V. Asset Allocation

This guideline is to be pursued by LASERS on a long-term basis, but will be revised if significant changes occur within the economic and/or capital market environments. A change in liability structure, funded status, or long-term investment prospects may trigger a revision of the asset allocation.

### 1. Permitted Asset Classes

**Traditional Assets**

- U.S. Large Cap Equity
- U.S. Mid Cap Equity

- U.S. Small Cap Equity
- U.S. Fixed Income
- International Equity
- Emerging Markets Equity
- Global Fixed Income

**Non-Traditional Assets**

- Private Equity Fund of Funds - Domestic and International
- Venture Capital
- Mezzanine Debt
- Buyouts
- Special Situations
- Market Neutral Equity
- Certain Absolute Return Funds with appropriate transparency and liquidity (e.g. Merger/ Convertible Arbitrage, Fund of Funds) may be selected for investment.

## 2. Target Asset Mix

| Asset Class | Market Value Target (%) | Minimum Exposure (%) | Maximum Exposure (%) |
|---|---|---|---|
| **Equities** | **52** | **42** | **62** |
| Domestic Large Cap | 18 | 15 | 21 |
| Domestic Mid Cap | 4 | 1 | 7 |
| Domestic Small Cap | 8 | 5 | 11 |
| Established International (Lg Cap) | 15 | 12 | 18 |
| Established International (Sm Cap) | 2 | 0 | 5 |
| Emerging International Equity | 5 | 2 | 8 |
| **Fixed Income** | **23** | **13** | **33** |
| Core Fixed Income | 4 | 1 | 7 |
| Mortgage Backed Securities | 4 | 1 | 7 |
| Domestic High Yield | 8 | 5 | 11 |
| Global Bonds | 5 | 2 | 8 |
| Opportunistic Credit | 2 | 0 | 5 |
| **Alternative Assets** | **25** | **15** | **35** |
| Private Equity | 10 | 7 | 13 |
| Absolute Return | 10 | 7 | 13 |
| Global Asset Allocation | 5 | 2 | 8 |

### 3. Implementation

LASERS recognizes that special expertise is required to properly invest the majority of the assets described above. However, certain highly efficient passively managed investment strategies lend themselves to internal management, potentially resulting in lower management fees for the Fund as a whole. Where appropriate, LASERS will manage these assets internally, so long as the same level of care, prudence and oversight is maintained that an outside professional investment advisor would typically provide.

### 4. Style Allocation

LASERS shall strive to maintain a neutral bias with respect to Style Allocation (Growth versus Value) in its equity investments. LASERS recognizes that over the long run, returns from Growth and Value investing tend to approximate each other; over shorter periods, however, differences in returns can be significant. The CIO, as part of the normal rebalancing responsibilities, shall use appropriate judgment and care when rebalancing for style-biased portfolios.

### 5. Active Passive Mix

LASERS shall make use of passive strategies only where passive management, after all fees and expenses, can effectively compete with actively managed portfolios in terms of returns and variability of returns.

### 6. Rebalancing

LASERS CIO will review LASERS asset allocation at least quarterly to determine if the asset allocation is consistent with the exposure ranges established for LASERS described herein. The CIO will direct staff and investment managers to transfer funds to rebalance the asset allocation as necessary with subsequent Board notification. The transfers should be on a pro-rata basis. The CIO will consider market conditions and transaction costs, as well as any other relevant factors when rebalancing.

## VI. Manager Selection

LASERS will not consider the selection of any manager without first setting a target allocation to a particular asset class, and determining that a manager is needed to implement that allocation strategy. Once LASERS has determined that a manager search is warranted, it will establish certain minimum criteria for a manager to be considered eligible to participate in the search.

LASERS intends that any qualified candidate receive fair consideration. Therefore, the manager selection process will typically take place via an open Request for Proposal (RFP), except for certain private equity opportunities, which are described below. All searches shall be publicly advertised for a predetermined amount of time, and prospective candidates shall be required to submit a proposal based on a predetermined RFP. The RFP shall be designed to ensure that managers are fairly and completely evaluated using industry best practices. LASERS is not required to perform a manager search due to a predetermined contract period ending if it is the desire of LASERS to retain the manager. LASERS will adhere to the vendor selection criteria in LASERS *Board Governance Policy.* LASERS shall strive to hire investment managers that offer the greatest incremental benefit to the Fund, net of fees and expenses, in accordance with, but not limited to, the criteria listed below:

- Length of firm history
- Length of key professionals' tenures
- Appropriateness of investment philosophy and process
- Fit between product and existing plan assets, liabilities and objectives

- Absolute and relative returns, and variability of returns
- Stability of the firm's client base and assets under management
- Ownership structure
- Compensation structure
- Fee structure
- References and professional qualifications

**Private Equity Addendum**

From time to time LASERS may be approached by private equity managers raising assets for new funds. As private equity does not lend itself to traditional manager searches, LASERS shall seek to perform the same level of due diligence on these opportunities as it would in a typical manager search. (Most private equity products have only brief, discrete time periods during which they are raising assets.) LASERS will consider an additional investment with an existing manager only if the investment philosophy, process, people, performance and fees are materially similar to previous investments. LASERS may invest with a new manager only after the appropriate due diligence is performed.

# VII. Investment Manager Guidelines

## 1. Introduction

Full discretion, within the parameters of the guidelines described herein, is granted to the investment managers regarding the selection of securities, and the timing of transactions.

Compliance with all guidelines must be monitored by the investment managers on a regular basis (monthly or more frequently when market conditions warrant) and based on then current market values. Securities that, at purchase, would move the portfolio out of compliance with these guidelines, based on the investment manager's most recent valuation, may not be purchased.

In the event that a portfolio moves out of compliance with these guidelines (as identified in the investment manager's regular review of the portfolio) through market conditions or other changes outside the control of the manager, the manager must bring the portfolio composition back into compliance within 45 days or make a written request to LASERS Investment Committee for a compliance waiver.

## 2. Monitoring and Verification

Certain guidelines lend themselves to straightforward manager compliance monitoring. Where monitoring is possible using quarterly holdings and transaction information provided by the Fund's Custodian Bank, the Consultant shall be responsible for alerting the Investment Committee and the Fund's CIO if a manager is out of compliance. In addition, the Custodian Bank will provide LASERS with the ability to monitor manager compliance with these guidelines by way of their Investment Policy Reporting software.

Guidelines which do not lend themselves to straightforward manager compliance monitoring shall rely on manager supplied attestations of compliance. A guideline compliance checklist shall be reviewed every quarter to ensure that all managers have reported guideline compliance, and note instances where managers claim to be out of compliance.

# VIII. Investment Manager Monitoring

## 1. General Guidelines

LASERS shall monitor and evaluate manager performance using the following resources:

- Monthly performance reports
- Quarterly Investment Performance and Portfolio Analysis
- Comprehensive Manager Reviews at the end of a manager's 5-year contract with LASERS
- Other analyses as needed

## 2. Manager Evaluation

- LASERS portfolios shall be measured over various and appropriate time periods.
- A horizon of three to seven years shall be used in measuring the long-term success of the Fund.
- Shorter time periods shall be evaluated as appropriate and necessary. LASERS shall make every effort to look at all factors influencing manager performance, and attempt to discern market cyclicality from manager over/underperformance.
- On a timely basis, at least quarterly, the Board will review actual investment results achieved by each manager (with a perspective toward a three- to five-year time horizon or a peak-to-peak or trough-to-trough market cycle) to determine whether the investment managers performed satisfactorily when compared with the objectives set and in relation to other similarly managed funds.
- The Board will re-evaluate, from time to time, its progress in achieving the total fund, equity, fixed income, and international equity segments objectives previously outlined.
- The periodic re-evaluation will also involve an assessment of the continued appropriateness of: 1) the manager structure; 2) the allocation of assets among the managers; and 3) the investment objectives for LASERS assets.
- The Board may appoint investment consultants to assist in the ongoing evaluation process. The consultant(s) selected by the Board are expected to be familiar with the investment practices of similar retirement plans and will be responsible for suggesting appropriate changes in LASERS investment program over time.

## 3. Manager Probation

LASERS investment managers may be placed on a watch list in response to the Investment Committee's concerns about the manager's recent or long-term investment results, failure of the investment advisor to comply with any of LASERS investment guidelines, significant changes in the investment advisor's firm, anticipated changes in LASERS structure, or any other reasons which the Investment Committee deems appropriate. An advisor may be placed on probationary status if:

- Any advisor whose performance fails, over eight consecutive quarters or any eight quarters during a ten-quarter period, to achieve median same style universe performance levels as defined by LASERS, and
- During this same period the return does not meet the return of the benchmark index.

This does not preclude LASERS from placing an advisor on the watch list for performance in a lesser time period or taking other actions if deemed appropriate by LASERS.

## 4. Performance Benchmarks

**Total Fund Return:** The Total Fund return shall be compared against other public pension plans. LASERS shall seek to compare its returns against other funds of similar size and circumstances. LASERS Total Fund return shall meet or exceed the Allocation Index return and the Policy Index return, which are each described below.

**Allocation Index:** The Allocation Index return shall measure the success of the Fund's current allocation. It shall be calculated by using index rates of return for each asset class invested in by the Fund multiplied by the actual percent allocated to each asset class. The difference between the Allocation Index return and the Total Fund return measures the effect of active management. If the Total Fund return is greater than the Allocation Index return, then active management has in aggregate added value. If the Total Fund return is less than the Allocation Index return, then active management has not added value.

**Policy Index:** The Policy Index return shall measure the success of the Fund's target allocation. It shall be calculated by using index rates of return for each asset class invested in by the Fund multiplied by the percent targeted to each asset class. The difference between the Allocation Index return and the Policy Index return measures the effects of deviating from the target allocation. If the Allocation Index return is greater than the Policy Index return, then deviating from the target allocation has added value. If the Allocation Index return is less than the Policy Index return, then active management has not added value.

**Manager Benchmarks:** LASERS investment managers shall be compared to a combination of passively managed index returns matching the managers' specific investment styles, as well as the median manager in their appropriate peer group universe. Specific benchmarks and peer groups are established for each manager.

# Security Holdings Summary Report

June 30, 2008

| Securities | Cost | Market Value | Percent of Market |
|---|---|---|---|
| **Bonds** | | | |
| Fixed Income-Domestic | $ 1,382,004,531 | $ 1,332,828,250 | 15.2% |
| Fixed Income-International | 443,252,311 | 468,671,657 | 5.3% |
| **Total Fixed Income** | **1,825,256,842** | **1,801,499,907** | **20.5%** |
| **Equity** | | | |
| Securities-Domestic | 2,477,220,015 | 2,602,246,396 | 29.6% |
| Securities-International | 1,583,902,361 | 1,872,528,977 | 21.3% |
| **Total Equity** | **4,061,122,376** | **4,474,775,373** | **50.9%** |
| **Real Estate Investment Pools** | **55,289,477** | **51,832,798** | **0.6%** |
| **Alternative Investments** | | | |
| Absolute Return | 696,266,698 | 841,180,209 | 9.7% |
| Private Placements | 664,112,420 | 731,269,022 | 8.3% |
| Risk Parity | 450,000,000 | 449,499,797 | 5.1% |
| **Total Alternative Investments** | **1,810,379,118** | **2,021,949,028** | **23.1%** |
| **Short-Term Investments** | | | |
| Domestic/International Short-Term | 434,203,918 | 434,203,918 | 4.9% |
| **Total Short-Term Investments** | **434,203,918** | **434,203,918** | 4.9% |
| **Grand Total Investments** | **$ 8,186,251,731** | **$ 8,784,261,024** | **100%** |

# Largest Equity Holdings

June 30, 2008
(Excludes Commingled Funds)

| | Shares | Stock Description | Fair Value |
|---|---|---|---|
| 1) | 542,700 | EXXON MOBIL CORP | $ 47,828,151 |
| 2) | 1,023,800 | GENERAL ELEC CO COM | $ 27,325,222 |
| 3) | 822,700 | MICROSOFT CORP COM | $ 22,632,477 |
| 4) | 212,500 | CHEVRON CORPORATION COM | $ 21,065,125 |
| 5) | 610,200 | AT&T INC COM | $ 20,557,638 |
| 6) | 313,600 | PROCTER & GAMBLE CO COM | $ 19,070,016 |
| 7) | 289,500 | JOHNSON & JOHNSON COM | $ 18,626,430 |
| 8) | 141,100 | IBM CORP COM | $ 16,724,583 |
| 9) | 366,000 | NESTLE SA | $ 16,586,059 |
| 10) | 382,143 | ROYAL DUTCH SHELL A SHS | $ 15,735,502 |
| 11) | 582,000 | KAO CORP NPV | $ 15,290,505 |
| 12) | 177,844 | TOTAL SA | $ 15,186,955 |
| 13) | 90,600 | APPLE INC | $ 15,170,064 |
| 14) | 824,702 | BANCO SANTANDER SA | $ 15,163,522 |
| 15) | 271,832 | NOVARTIS AG CHF0.50 | $ 15,011,339 |
| 16) | 158,400 | CONOCOPHILLIPS | $ 14,951,376 |
| 17) | 288,450 | CANON INC NPV | $ 14,857,195 |
| 18) | 496,704 | UNILEVER PLC ORD | $ 14,125,886 |
| 19) | 606,800 | CISCO SYS INC COM | $ 14,114,168 |
| 20) | 631,565 | GLAXOSMITHKLINE ORD | $ 13,989,398 |
| 21) | 109,295 | RWE AG (NEU) NPV 'A' | $ 13,815,585 |
| 22) | 458,371 | FRANCE TELECOM | $ 13,512,108 |
| 23) | 239,000 | WAL MART STORES INC COM | $ 13,431,800 |
| 24) | 324,976 | ROYAL DUTCH SHELL A SHS | $ 13,381,537 |
| 25) | 122,600 | SCHLUMBERGER LTD COM | $ 13,170,918 |

# Largest Commingled Equity Funds

June 30, 2008

| | Shares | Fund Description | Fair Value |
|---|---|---|---|
| 1) | 13,647,551 | REXITOR CAPITAL | $ 422,883,008 |
| 2) | 138,993 | ISHARES TR S&P MIDCAP 400 | $ 11,339,049 |
| 3) | 79,700 | ISHARES TR S&P 500 INDEX FD | $ 10,201,600 |
| 4) | 72,700 | ISHARES TR S&P SMALL CAP 600 | $ 4,374,359 |

A complete list of LASERS portfolio holdings is available upon request.

# Largest Debt Holdings

**June 30, 2008**
**(Includes Commingled Funds)**

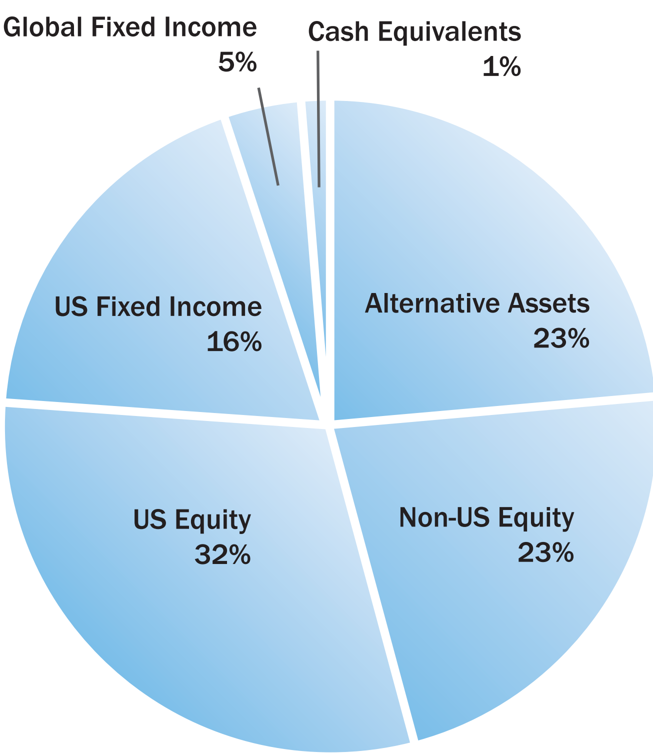
| | Par Value | Bond Description | Fair Value |
|---|---|---|---|
| 1) | 2,440,000,000 | JAPAN 1.2% 20-JUN-2011 | $23,223,560 |
| 2) | 15,000,000 | DUTCH BDS 3.8% 15-JUL-2014 | $22,392,504 |
| 3) | 2,300,000,000 | JAPAN BDS 1.7% 22-MAR-2010 | $22,037,733 |
| 4) | 13,000,000 | ITALY BDS 4.8% 1-FEB-2013 | $20,289,618 |
| 5) | 13,000,000 | ITALY BTP 4.5% 1-FEB-2018 | $19,593,225 |
| 6) | 2,000,000,000 | JAPAN GOVERNMENT OF 1.9% 22-MAR-2021 | $19,046,648 |
| 7) | 12,000,000 | ITALY 2.8% 15-JUN-2010 | $18,175,860 |
| 8) | 11,000,000 | FRANCE OAT 5.0% 25-OCT-2016 | $17,592,749 |
| 9) | 1,740,000,000 | JAPAN FIN CORP ME NTS 1.6% 21-FEB-2012 | $16,657,252 |
| 10) | 1,800,000,000 | GOVERNMENT OF JAPAN 0.5% 20-JUN-2013 | $16,420,319 |
| 11) | 10,000,000 | AUSTRIA REPUBLIC OF BDS 5.3% 4-JAN-2011 | $15,937,003 |
| 12) | 10,000,000 | ITALY BTP 4.3% 1-AUG-2014 | $15,158,367 |
| 13) | 13,403,314 | FNMA GTD REMIC P/T 07-74 A 5.0% 25-APR-2034 | $13,332,545 |
| 14) | 1,312,000,000 | JAPAN 1.3% 20-MAR-2015 | $12,358,828 |
| 15) | 7,700,000 | GERMANY FED REP 4.8% 4-JUL-2034 | $11,841,762 |
| 16) | 12,240,735 | FNMA POOL #0797657 5.0% 1-SEP-2035 | $11,771,195 |
| 17) | 1,200,000,000 | EKSPORTFINANS 1.8% 21-JUN-2010 | $11,467,044 |
| 18) | 7,500,000 | FRANCE OAT 4.0% 25-APR-2013 | $11,417,223 |
| 19) | 11,290,579 | WELLS FARGO MTG BKD 06-AR2 2A5 5.1% 25-MAR-2036 | $10,937,522 |
| 20) | 5,310,000 | TREASURY STK 5.0% 7-SEP-2014 | $10,477,871 |
| 21) | 11,000,000 | FHLMC MULTICLASS MTG 26549 GP 4.5% 15-OCT-2030 | $10,462,980 |
| 22) | 5,600,000 | UNITED KINGDOM 4.0% 7-SEP-2016 | $10,320,122 |
| 23) | 110,000,000 | MEXICO 8.0% 17-DEC-2015 | $10,048,740 |
| 24) | 9,822,977 | FHLMC POOL #G1-1678 4.5% 1-APR-2020 | $9,565,052 |
| 25) | 8,226,029 | IRELAND TREASURY 5.0% 18-APR-2013 | $9,484,307 |

A complete list of LASERS portfolio holdings is available upon request.

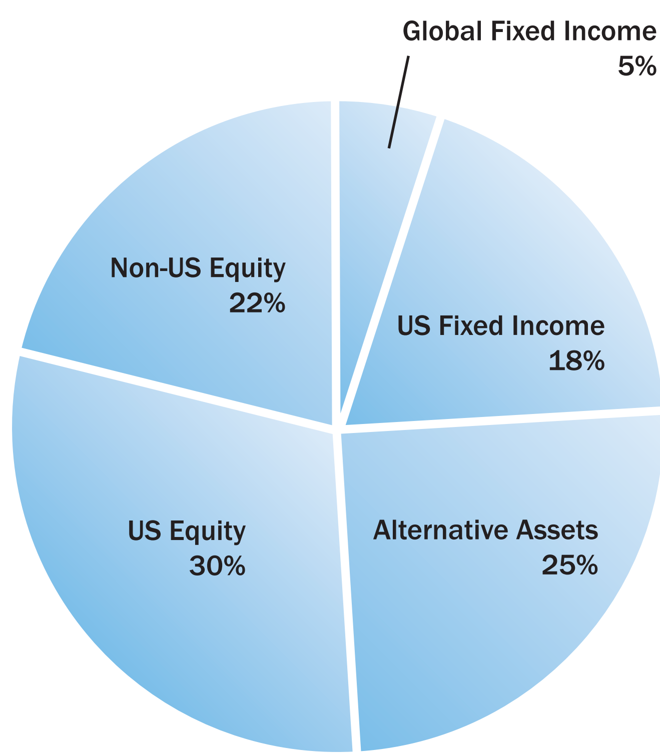
# Total Plan Asset Allocation

**By Major Components**
**June 30, 2008**
**$8.8 BILLION***

## LASERS Actual Allocation




## LASERS Target Allocation



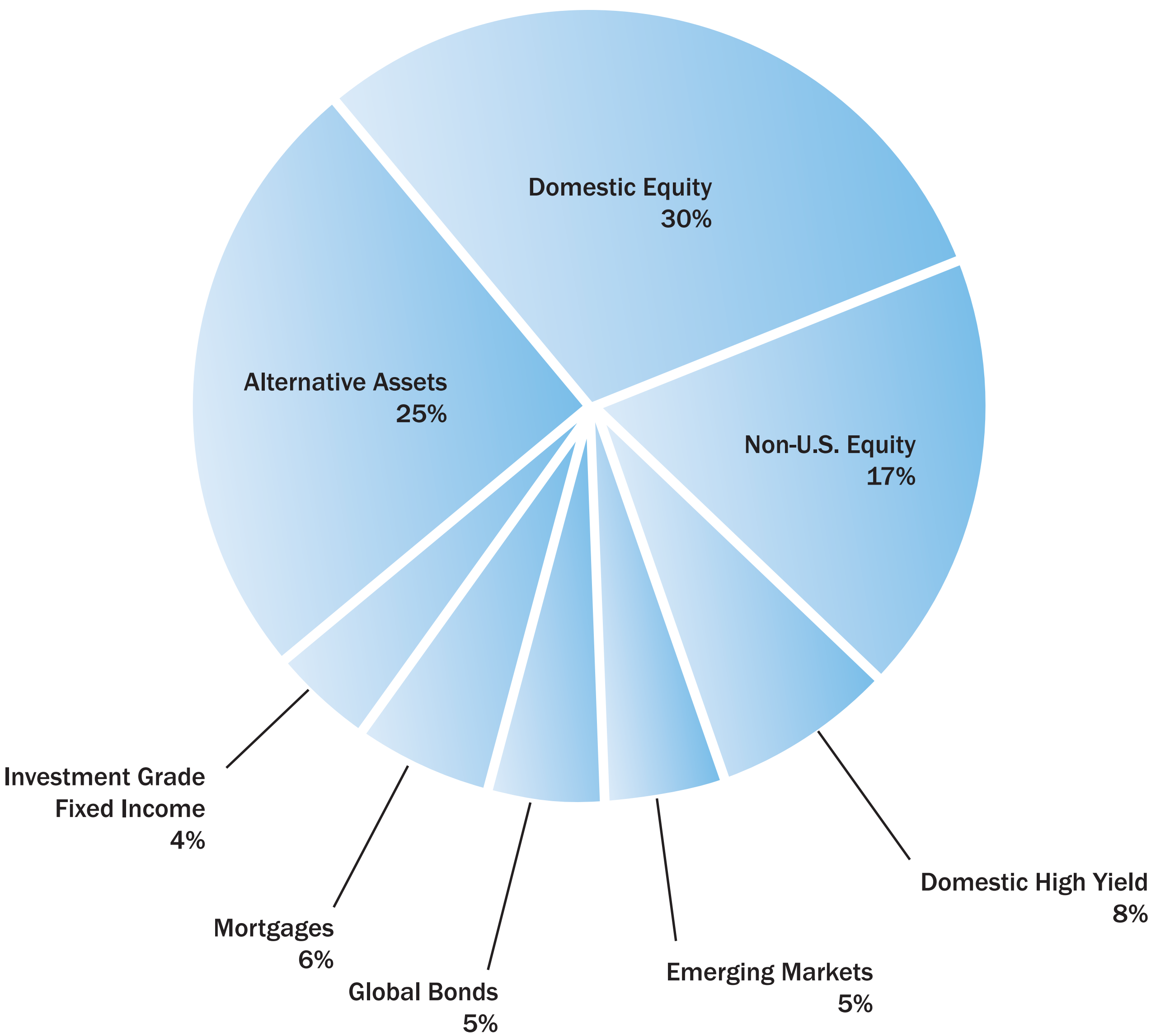

Allocation weights prepared on the basis of manager strategy although as specified in Manager Guidelines. At any given point in time, a money manager may have securities not specifically within their defined investment manager type due to market condition.

* This total includes asset allocations for the Optional Retirement Plan and Self-Directed DROP funds which totaled $140 million at June 30, 2008.

# Individual Manager Allocations

June 30, 2008
$8.8 BILLION

## Target Allocation



# Individual Manager Allocations (continued)

## LASERS Actual Allocation By Manager

| Manager | Weight | $MM | Manager | Weight | $MM |
|---|---|---|---|---|---|
| **Investment Grade Bonds** | | | **Small Cap** | | |
| Loomis Sayles & Company | 2.2% | 186.0 | Capital Guardian | 2.0% | 168.8 |
| Orleans Capital Management | 1.8% | 157.0 | **Emerging Markets** | | |
| **Mortgages** | | | Rexiter | 4.9% | 422.9 |
| TCW | 4.2% | 365.5 | **Total Non-US Equity** | **22.5%** | **$1,941.5** |
| TCW Opportunistic Mortgage | 1.9% | 165.5 | **Total Equity** | **54.3%** | **$4,695.9** |
| **Domestic High Yield** | | | **Alternative Assets** | | |
| J.P. Morgan | 3.0% | 259.5 | **Private Equity** | | |
| Nomura | 3.0% | 257.1 | Adams Street/Brinson | 1.8% | 153.0 |
| **Total US Fixed Income** | **16.1%** | **$1,390.6** | Harbourvest | 2.4% | 210.5 |
| **Global Bonds** | | | Huff Alternative Fund | 0.4% | 31.4 |
| Mondrian Investment Partners | 4.8% | 418.0 | John Hancock | 0.0% | 1.7 |
| **Total Fixed Income** | **20.9%** | **$1,808.6** | Pathway Capital Management | 0.0% | 0.6 |
| **Domestic Equity** | | | Erasmus | 1.4% | 116.9 |
| **Large Cap Value** | | | Williams Capital | 0.3% | 26.2 |
| Aronson & Partners | 2.5% | 220.4 | Pantheon | 0.5% | 40.9 |
| **Large Cap Growth** | | | Quellos | 0.5% | 41.5 |
| Goldman Sachs | 1.6% | 141.9 | Mesirow | 0.2% | 20.3 |
| Chicago Equity Partners | 1.6% | 133.6 | Parish Capital | 0.3% | 22.5 |
| **Index Funds** | | | Apollo | 0.1% | 4.5 |
| LASERS S&P 500 Index Fund | 13.4% | 1,157.9 | Energy Spectrum | 0.0% | 3.0 |
| LASERS S&P 400 Index Fund | 3.9% | 336.3 | Goldman Sachs | 0.2% | 17.5 |
| LASERS S&P 600 Index Fund | 3.4% | 293.3 | Siguler Guff | 0.3% | 29.9 |
| **Small Cap Value** | | | TCW Energy | 0.1% | 11.0 |
| THB | 1.1% | 91.3 | **Absolute Return Strategies** | | |
| Brandywine | 0.8% | 69.3 | Bridgewater Associates | 1.4% | 119.6 |
| LSV | 0.8% | 67.0 | GAM | 1.6% | 141.6 |
| **Small Cap Growth** | | | K2 Advisors | 2.7% | 231.1 |
| Smith Asset Management | 1.4% | 119.5 | PAAMCO | 2.9% | 248.6 |
| Rice Hall James | 1.4% | 123.9 | Stark Investments | 1.2% | 100.2 |
| **Total Domestic Equity** | **31.9%** | **$2,754.4** | **Global Asset Allocation** | | |
| **Non-US Equity** | | | Bridgewater All Weather | 5.2% | 449.5 |
| **Large Cap Value** | | | **Total Alternative Assets** | **23.4%** | **$2,022.0** |
| Mondrian Investment Partners | 4.0% | 346.4 | **Total Cash Equivalents** | **1.4%** | **$117.8** |
| Acadian Asset Management | 3.8% | 328.1 | **Total Funds Allocated** | **100.0%** | **$8,644.30** |
| **Large Cap Growth** | | | | | |
| LASERS MSCI Index Fund | 7.5% | 645.8 | **Great West Funds** | | **$140.0** |
| LASERS Terror-Free | 0.3% | 29.5 | **Total Plan Assets** | | **$8,784.3** |

## SUMMARY OF MANAGER PERFORMANCE
**RATES OF RETURN** (1)
**TOTAL GROSS OF FEES**
**(For Period Ending June 30, 2008)**

| | Contract | Mgt. | Curr. Mkt. | | Fiscal | Years | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Exp. Date | Fees | Value ($M) | YTD | YTD | 1 | 2 | 3 | 4 | 5 |
| **U.S. EQUITY** | | | | | | | | | | |
| **LARGE CAP GROWTH** | | | | | | | | | | |
| GOLDMAN SACHS | 08/31/08 | 44.0 bps | $ 141.9 | -5.6 | -1.9 | -1.9 | 10.0 | 9.0 | 7.5 | 8.4 |
| CHICAGO EQUITY | 08/31/08 | 30.0 bps | $ 133.6 | -8.5 | -7.6 | -7.6 | 4.3 | 6.0 | 5.2 | 7.4 |
| **INDEX** | | | | **-8.1** | **-5.8** | **-5.8** | **6.0** | **4.9** | **4.1** | **6.3** |
| **S&P 500 INDEX** | | | | **-11.9** | **-13.1** | **-13.1** | **2.4** | **4.4** | **4.9** | **7.6** |
| TOTAL LARGE GROWTH | | 37.2 bps | $ 275.5 | -7.0 | -4.8 | -4.8 | 7.1 | 7.4 | 6.4 | 7.9 |
| | | | | | | | | | | |
| **LARGE CAP VALUE** | | | | | | | | | | |
| ARONSON & PARTNERS | 05/14/12 | 30.0 bps | $ 220.4 | -14.3 | -19.5 | -19.5 | -0.9 | 4.0 | 6.7 | 10.0 |
| **S&P 500 / CITIGROUP VALUE** | | | | **-16.0** | **-20.2** | **-20.2** | **-1.5** | **3.7** | **5.5** | **8.8** |
| **S&P 500** | | | | **-11.9** | **-13.1** | **-13.1** | **2.4** | **4.4** | **4.9** | **7.6** |
| TOTAL LARGE VALUE | | 30.0 bps | $ 220.4 | -14.3 | -19.5 | -19.5 | -0.9 | 4.0 | 6.7 | 10.0 |
| | | | | | | | | | | |
| **LARGE CAP INDEX FUNDS** | | | | | | | | | | |
| LASERS S&P 500 INDEX FUND | | 0.1 bps | $ 1,157.9 | -11.8 | -13.0 | -13.0 | 2.4 | 4.4 | 4.9 | 7.7 |
| **S&P 500 INDEX** | | | | **-11.9** | **-13.1** | **-13.1** | **2.4** | **4.4** | **4.9** | **7.6** |
| TOTAL LARGE INDEX FUNDS | | 0.1 bps | $ 1,157.9 | -11.7 | -12.8 | -12.8 | 2.6 | 4.5 | | |
| | | | | | | | | | | |
| TOTAL DOMESTIC LARGE CAP | | 10.3 bps | $ 1,653.8 | -11.3 | -12.5 | -12.5 | 2.9 | 4.9 | 5.4 | 7.9 |
| | | | | | | | | | | |
| **MID CAP INDEX FUNDS** | | | | | | | | | | |
| LASERS S&P 400 INDEX FUND | | 0.4 bps | $ 336.3 | -3.9 | -7.3 | -7.3 | 4.7 | 7.4 | 9.1 | 12.6 |
| **S&P 400** | | | | **-3.9** | **-7.3** | **-7.3** | **4.8** | **7.5** | **9.1** | **12.6** |
| | | | | | | | | | | |
| TOTAL DOMESTIC MID CAP INDEX | | 0.4 bps | $ 336.3 | -3.9 | -7.3 | -7.3 | 4.7 | 7.4 | 9.1 | 12.6 |
| | | | | | | | | | | |
| **SMALL CAP GROWTH** | | | | | | | | | | |
| SMITH ASSET MGMT | 10/31/10 | 68.4 bps | $ 119.5 | -7.2 | -16.7 | -16.7 | -3.1 | | | |
| RICE HALL JAMES | 10/31/10 | 55.0 bps | $ 123.9 | -13.0 | -13.7 | -13.7 | 1.0 | | | |
| **S&P 600 / CITIGROUP GROWTH** | | | | **-5.3** | **-9.8** | **-9.8** | **2.3** | **4.9** | **7.4** | **12.5** |
| **S&P 600** | | | | **-7.1** | **-14.7** | **-14.7** | **-0.5** | **4.1** | **6.4** | **11.6** |
| TOTAL SMALL GROWTH | | 61.6 bps | $ 243.4 | -10.2 | -15.2 | -15.2 | -1.0 | 1.7 | 2.0 | 7.3 |
| | | | | | | | | | | |
| **SMALL CAP VALUE** | | | | | | | | | | |
| BRANDYWINE | 08/31/11 | 48.0 bps | $ 69.3 | -9.2 | -23.9 | -23.9 | -5.3 | -1.4 | 2.7 | 8.3 |
| THB | 09/30/11 | 50.0 bps | $ 91.3 | -4.7 | -10.1 | -10.1 | 1.5 | 7.2 | 8.7 | 13.1 |
| LSV | 08/31/11 | 66.2 bps | $ 67.0 | -11.1 | -27.1 | -27.1 | -6.5 | 0.0 | 4.3 | 10.9 |
| **S&P 600 / CITIGROUP VALUE** | | | | **-8.8** | **-19.1** | **-19.1** | **-3.1** | **3.3** | **5.4** | **10.9** |
| **S&P 600** | | | | **-7.1** | **-14.7** | **-14.7** | **-0.5** | **4.1** | **6.4** | **11.6** |
| TOTAL SMALL VALUE | | 54.2 bps | $ 227.6 | -8.0 | -20.0 | -20.0 | -3.0 | 2.2 | 5.5 | 11.0 |
| | | | | | | | | | | |
| **SMALL CAP INDEX FUNDS** | | | | | | | | | | |
| LASERS S&P 600 INDEX FUND | | 0.4 bps | $ 293.3 | -7.1 | -14.6 | -14.6 | -0.5 | 4.1 | 6.4 | 11.5 |
| **S&P 600** | | | | **-7.1** | **-14.7** | **-14.7** | **-0.5** | **4.1** | **6.4** | **11.6** |
| TOTAL SMALL INDEX FUNDS | | 0.4 bps | $ 293.3 | -7.1 | -14.6 | -14.6 | -0.3 | 4.2 | 5.5 | 10.6 |
| | | | | | | | | | | |
| **TOTAL DOMESTIC SMALL CAP** | | 35.8 bps | $ 764.3 | -8.4 | -16.5 | -16.5 | -1.3 | 3.0 | 5.0 | 10.2 |
| | | | | | | | | | | |
| **TOTAL U.S. EQUITY** | | **16.2 bps** | $ 2,754.4 | -9.7 | -12.8 | -12.8 | 2.0 | 4.7 | 5.8 | 9.1 |

## SUMMARY OF MANAGER PERFORMANCE
**RATES OF RETURN** (1)
**TOTAL GROSS OF FEES**
**(For Period Ending June 30, 2008)**

| | Contract | Mgt. | Curr. Mkt. | | Fiscal | Years | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Exp. Date | Fees | Value ($M) | YTD | YTD | 1 | 2 | 3 | 4 | 5 |
| **NON-U.S. EQUITY** | | | | | | | | | | |
| **LARGE CAP VALUE** | | | | | | | | | | |
| MONDRIAN INV | 03/31/11 | 26.4 bps | $ 346.4 | -12.6 | -12.7 | -12.7 | 6.5 | 12.6 | 14.3 | 16.9 |
| ACADIAN | 03/08/11 | 26.5 bps | $ 328.1 | -12.5 | -16.1 | -16.1 | 5.2 | | | |
| **MSCI WORLD EX-US VALUE** | | | | **-12.7** | **-15.1** | **-15.1** | **4.7** | **12.0** | **13.3** | **17.9** |
| **MSCI WORLD EX-US** | | | | **-9.4** | **-8.3** | **-8.3** | **8.2** | **14.2** | **14.4** | **17.8** |
| TOTAL INT'L LARGE VALUE | | 26.4 bps | $ 674.5 | -12.5 | -14.1 | -14.1 | 6.0 | 11.5 | 13.1 | 16.2 |
| **LARGE CAP GROWTH** | | | | | | | | | | |
| LASERS MSCI INDEX FUND | | 2.0 bps | $ 645.8 | -5.3 | -0.8 | -0.8 | 11.7 | 16.5 | | |
| **MSCI WORLD EX-US GROWTH** | | | | **-6.1** | **-1.3** | **-1.3** | **11.5** | **16.4** | **15.5** | **17.6** |
| **MSCI WORLD EX-US** | | | | **-9.4** | **-8.3** | **-8.3** | **8.2** | **14.2** | **14.4** | **17.8** |
| TOTAL INT'L LARGE GROWTH | | 2.0 bps | $ 645.8 | -5.3 | -0.8 | -0.8 | 11.7 | 16.5 | 16.5 | 17.6 |
| LASERS TERROR-FREE INT'L FUND | | 2.0 bps | $ 29.5 | | | | | | | |
| **TOTAL INT'L LARGE CAP** | | 14.2 bps | $ 1,349.8 | -8.9 | -7.5 | -7.5 | 8.9 | 14.0 | 14.3 | 16.9 |
| **INT'L SMALL CAP** | | | | | | | | | | |
| BOSTON COMPANY | 09/30/09 | 80.9 bps | $ - | -10.2 | -16.7 | -16.7 | 3.7 | 14.8 | | |
| CAPITAL GUARDIAN | 06/08/13 | 68.4 bps | $ 168.8 | | | | | | | |
| **MSCI WORLD EX-US SMALL CAP** | | | | **-9.5** | **-17.0** | **-17.0** | **2.5** | **10.5** | **13.1** | **19.5** |
| TOTAL INT'L SMALL CAP | | 68.4 bps | $ 168.8 | -10.0 | -16.5 | -16.5 | 3.8 | 14.9 | 17.1 | 22.6 |
| **EMERGING MARKETS** | | | | | | | | | | |
| REXITER | 09/21/09 | 52.0 bps | $ 422.9 | -10.2 | 1.8 | 1.8 | 23.9 | 27.5 | | |
| **MSCI EMERGING MARKETS FREE** | | | | **-11.6** | **4.9** | **4.9** | **23.5** | **27.5** | **29.3** | **30.1** |
| TOTAL EMERGING MARKETS | | 52.4 bps | $ 422.9 | -10.2 | 1.8 | 1.8 | 23.9 | 27.5 | 28.5 | 28.7 |
| TOTAL NON-U.S. EQUITY | | 27.2 bps | $ 1,941.5 | -9.3 | -6.7 | -6.7 | 11.3 | 17.6 | 18.2 | 20.9 |
| TOTAL EQUITY | | 20.7 bps | $ 4,695.9 | -9.5 | -10.5 | -10.5 | 5.3 | 8.7 | 9.5 | 12.6 |
| **US FIXED INCOME** | | | | | | | | | | |
| **INVESTMENT GRADE** | | | | | | | | | | |
| LOOMIS SAYLES & CO | 12/31/09 | 17.7 bps | $ 186.0 | 0.4 | 6.1 | 6.1 | 6.5 | 4.4 | 5.0 | 4.2 |
| ORLEANS CAPITAL MGT | 12/31/09 | 11.6 bps | $ 157.0 | 1.7 | 7.1 | 7.1 | 6.7 | 4.3 | 5.1 | 4.3 |
| **LB AGGREGATE** | | | | **1.1** | **7.1** | **7.1** | **6.6** | **4.1** | **4.8** | **3.9** |
| TOTAL INVESTMENT GRADE | | 14.9 bps | $ 343.0 | 1.0 | 6.7 | 6.7 | 6.7 | 4.4 | 5.1 | 4.2 |
| **HIGH YIELD** | | | | | | | | | | |
| J.P. MORGAN | 06/30/12 | 27.0 bps | $ 259.5 | -1.1 | | | | | | |
| NOMURA | 06/30/12 | 45.0 bps | $ 257.1 | -1.5 | | | | | | |
| **FIRST BOSTON HIGH YIELD** | | | | **-1.1** | **-2.1** | **-2.1** | **4.8** | **4.9** | **6.1** | **7.2** |
| TOTAL HIGH YIELD | | 36.0 bps | $ 516.6 | -1.3 | -0.8 | -0.8 | 5.1 | 4.5 | 5.7 | 6.3 |
| **MORTGAGE** | | | | | | | | | | |
| TCW OPP MTG FUND | 05/13/13 | 79.0 bps | $ 165.5 | | | | | | | |
| TCW | 12/31/09 | 20.4 bps | $ 365.5 | 0.7 | 6.6 | 6.6 | 6.5 | 4.3 | 4.9 | 4.4 |
| **LB MORTGAGE INDEX** | | | | **1.9** | **7.8** | **7.8** | **7.1** | **4.8** | **5.2** | **4.6** |
| TOTAL MORTGAGE | | 38.7 bps | $ 531.0 | 1.0 | 6.9 | 6.9 | 6.7 | 4.4 | 5.0 | 4.4 |
| **TOTAL U.S. FIXED INCOME** | | **31.8 bps** | $ 1,390.6 | 0.2 | 3.7 | 3.7 | 6.1 | 4.5 | 5.3 | 5.2 |
| **GLOBAL FIXED INCOME** | | | | | | | | | | |

## SUMMARY OF MANAGER PERFORMANCE
**RATES OF RETURN** (1)
**TOTAL GROSS OF FEES**
**(For Period Ending June 30, 2008)**

| | Contract Exp. Date | Mgt. Fees | Curr. Mkt. Value ($M) | YTD | Fiscal YTD | Years 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|---|---|---|---|
| MONDRIAN INV PTNRS | 09/30/09 | 15.9 bps | $ 418.0 | 4.8 | 17.5 | 17.5 | 10.0 | 6.7 | 7.6 | 7.5 |
| **CITIGROUP WORLD GOVT BOND** | | | | **5.0** | **17.0** | **17.0** | **9.7** | **6.2** | **6.6** | **6.4** |
| TOTAL GLOBAL FIXED INCOME | | 15.9 bps | $ 418.0 | 4.8 | 17.5 | 17.5 | 10.0 | 6.7 | 7.6 | 7.5 |
| **TOTAL FIXED INCOME** | | **28.1 bps** | $ 1,808.6 | 1.7 | 7.6 | 7.6 | 7.3 | 5.2 | 6.0 | 5.8 |
| **ALTERNATIVE ASSETS** | | | | | | | | | | |
| **PRIVATE EQUITY** | | | | | | | | | | |
| ADAMS STREET 2005 NON-US | 12/31/15 | 93.1 bps | $ 9.5 | 6.5 | 15.4 | 15.4 | 15.1 | | | |
| ADAMS STREET PTNRS 2002 | 12/31/14 | 100.0 bps | $ 11.5 | 2.2 | 6.7 | 6.7 | 14.1 | 19.5 | | |
| ADAMS STREET PTNRS 2005 | 12/31/15 | 93.1 bps | $ 17.5 | -0.1 | 2.8 | 2.8 | 3.8 | 2.1 | | |
| ADAMS STREET 2007 US FUND | 12/27/18 | 95.0 bps | $ 5.6 | -7.1 | -6.2 | -6.2 | | | | |
| ADAMS STREET 2007 NON-US | 12/27/18 | 95.0 bps | $ 2.7 | -3.4 | -9.7 | -9.7 | | | | |
| ADAMS STREET 2007 DIRECT | 12/27/18 | 95.0 bps | $ 2.6 | 10.0 | 9.5 | 9.5 | | | | |
| BRINSON (2) | 12/31/12 | 32.1 bps | $ 91.0 | 2.3 | 16.0 | 16.0 | 23.6 | 16.6 | | |
| ADAMS STREET V | 08/08/13 | 139.1 bps | $ 12.5 | 13.6 | 11.2 | 11.2 | 5.1 | 7.3 | 2.9 | |
| APOLLO INV FUND VIII | 02/08/20 | 150.0 bps | $ 4.5 | | | | | | | |
| BRINSON SECONDARY | 12/31/13 | 38.1 bps | $ 0.1 | -12.6 | -8.9 | -8.9 | -9.4 | -18.4 | -24.0 | -20.3 |
| ENERGY SPECTRUM FUND V | 04/28/17 | 200.0 bps | $ 3.0 | -0.2 | | | | | | |
| ERASMUS | 11/12/13 | 200.0 bps | $ 66.6 | 4.7 | 4.6 | 4.6 | 40.3 | 25.1 | 17.5 | |
| ERASMUS II | 06/30/18 | 100.0 bps | $ 50.3 | -1.1 | -3.7 | -3.7 | | | | |
| GOLDMAN SACHS PEP IX | 12/31/16 | 80.0 bps | $ 17.5 | -4.8 | | | | | | |
| JOHN HANCOCK* | OPEN | 0.0 bps | $ 1.7 | -10.7 | 58.5 | 58.5 | 58.0 | 57.9 | 57.1 | 48.3 |
| HIPEP DIRECT III | 12/31/08 | 0.0 bps | $ 1.3 | -13.3 | -9.2 | -9.2 | -15.7 | -14.8 | -16.1 | -9.1 |
| HIPEP PARTNERSHIP III | 12/31/11 | 72.9 bps | $ 32.1 | 1.3 | 25.4 | 25.4 | 36.1 | 30.9 | 28.3 | 26.4 |
| HARBOURVEST VI - BUYOUT | 06/30/13 | 100.0 bps | $ 18.2 | -5.3 | 15.3 | 15.3 | 24.2 | 28.8 | 28.3 | 27.8 |
| HARBOURVEST VI - DIRECT | 06/30/09 | 225.0 bps | $ 10.5 | -11.0 | 0.3 | 0.3 | 7.7 | 19.1 | 8.3 | 13.0 |
| HARBOURVEST VI - PTNR | 06/30/13 | 100.0 bps | $ 105.8 | 2.4 | 21.0 | 21.0 | 18.7 | 18.1 | 15.4 | 13.0 |
| HIPEP DIRECT IV | 12/31/10 | 250.0 bps | $ 7.4 | -7.6 | 29.3 | 29.3 | 39.4 | 32.7 | 30.9 | 24.0 |
| HIPEP PARTNERSHIP IV | 12/31/14 | 100.0 bps | $ 35.2 | 14.9 | 35.8 | 35.8 | 38.7 | 37.0 | 30.7 | 27.0 |
| HUFF ALTERNATIVE FUND | 01/11/11 | 100.0 bps | $ 31.4 | 4.5 | 4.5 | 4.5 | 15.9 | 25.1 | 19.2 | 29.7 |
| MESIROW III | 04/06/17 | 83.7 bps | $ 11.9 | 1.3 | 0.1 | 0.1 | -3.9 | | | |
| MESIROW IV | 11/14/18 | 70.0 bps | $ 8.4 | -6.5 | -9.7 | -9.7 | | | | |
| PANTHEON VI | 07/12/17 | 65.0 bps | $ 31.0 | 1.7 | 5.6 | 5.6 | 3.9 | | | |
| PANTHEON VII | 04/28/19 | 75.0 bps | $ 9.9 | -4.4 | 0.3 | 0.3 | | | | |
| PARISH CAPITAL II | 01/19/20 | 100.0 bps | $ 22.5 | -1.8 | -1.8 | -1.8 | | | | |
| PATHWAY CAPITAL MGT* | OPEN | 0.0 bps | $ 0.6 | -28.8 | 19.5 | 19.5 | 29.7 | 31.3 | 24.5 | 28.3 |
| QUELLOS II | 07/12/17 | 70.0 bps | $ 30.1 | 4.9 | 7.6 | 7.6 | 8.6 | | | |
| QUELLOS III | 11/28/18 | 67.0 bps | $ 11.4 | -3.7 | -2.8 | -2.8 | | | | |
| SIGULER GUFF DOF III | 12/31/19 | 75.3 bps | $ 29.9 | -4.1 | | | | | | |
| TCW ENERGY FUND XIV | 11/06/17 | 125.0 bps | $ 11.0 | 9.2 | | | | | | |
| WILLIAMS CAPITAL | 01/09/14 | 175.0 bps | $ 26.2 | -16.9 | 4.3 | 4.3 | 0.8 | | | |
| **TOTAL PRIVATE EQUITY** | | **89.2 bps** | **$ 731.4** | **1.5** | **12.3** | **12.3** | **19.5** | **20.4** | **17.7** | **17.6** |
| **ABSOLUTE RETURN STRATEGIES** | | | | | | | | | | |
| BRIDGEWATER ASSOCIATES | | 200.0 bps | $ 119.6 | 13.0 | | | | | | |
| GAM | | 95.0 bps | $ 141.6 | -6.0 | | | | | | |
| K2 ADVISORS LLC | | 125.0 bps | $ 231.1 | -2.0 | 0.9 | 0.9 | 7.7 | 7.7 | 7.7 | |
| PAAMCO | | 100.0 bps | $ 248.6 | 1.9 | 9.6 | 9.6 | 11.8 | 11.7 | 9.4 | |
| STARK INVESTMENTS | | 125.0 bps | $ 100.2 | 2.2 | | | | | | |
| **HFRI FUND OF FUNDS COMPOSITE** | | | | **-2.2** | **-0.1** | **-0.1** | **6.8** | **7.9** | **7.6** | **7.6** |
| TOTAL ABSOLUTE RETURN STRATEGIES | | 123.2 bps | $ 841.1 | 0.8 | 4.8 | 4.8 | 9.5 | 9.4 | 8.2 | 7.6 |

## SUMMARY OF MANAGER PERFORMANCE
**RATES OF RETURN (1)**
**TOTAL GROSS OF FEES**
**(For Period Ending June 30, 2008)**

| | Contract Exp. Date | Mgt. Fees | Curr. Mkt. Value ($M) | YTD | Fiscal YTD | Years 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|---|---|---|---|
| **GLOBAL ASSET ALLOCATION STRATEGIES** | | | | | | | | | | |
| BRIDGEWATER ALL WEATHER | | 33.0 bps | $ 449.5 | | | | | | | |
| LASERS 8% NOMINAL BENCHMARK | | | | | | | | | | |
| **TOTAL ALTERNATIVE ASSETS** | | **90.8 bps** | $ 2,022.0 | 0.9 | 8.0 | 8.0 | 14.3 | 14.7 | 12.7 | 12.6 |
| **CASH EQUIVALENTS** | | | | | | | | | | |
| HOLDING ACCOUNT | | | $ 117.8 | 5.0 | 6.7 | 6.7 | 6.8 | 6.5 | 5.4 | 4.7 |
| 182 DAY T-BILL INDEX | | | | **1.6** | **4.6** | **4.6** | **5.0** | **4.6** | **4.0** | **3.4** |
| **TOTAL CASH EQUIVALENTS** | | **15.0 bps** | $ 117.8 | 5.0 | 6.7 | 6.7 | 6.8 | 6.5 | 5.4 | 4.7 |
| **TOTAL PLAN** | | | | | | | | | | |
| **FINANCIAL COMPOSITE**(3) | | **22.4 bps** | $ 6,622.3 | -6.7 | -6.1 | -6.1 | 5.7 | 7.6 | 8.3 | 10.3 |
| **FINANCIAL ALLOCATION INDEX** | | | | -6.9 | -6.1 | -6.1 | 5.4 | 7.3 | 8.1 | 10.2 |
| **FINANCIAL POLICY INDEX** | | | | -6.5 | -5.7 | -5.7 | 5.3 | 7.1 | 7.9 | 10.0 |
| **TOTAL PLAN**(4) | | **38.6 bps** | $ 8,644.3 | **-5.2** | **-3.8** | **-3.8** | **7.1** | **8.7** | **9.0** | **10.8** |
| **TOTAL PLAN ALLOCATION INDEX** | | | | -5.6 | -4.0 | -4.0 | 6.7 | 8.3 | 8.8 | 10.7 |
| **TOTAL PLAN POLICY INDEX**(5) | | | | -5.3 | -3.8 | -3.8 | 6.5 | 8.1 | 8.6 | 10.4 |

| | 6 Years | 7 Years | 8 Years | 9 Years | 10 Years |
|---|---|---|---|---|---|
| **LONG TERM RETURNS FOR TOTAL PLAN** | 9.7 | 7.3 | 5.5 | 6.2 | 6.4 |

* Returns available one quarter in arrears on a quarterly basis.

(1) Investment performance is calculated using a "time-weighted" rate of return based on the market rate of return in accordance with the CFA Institute GIPS performance presentation standards.

(2) Brinson consists of seven limited partnerships

(3) Financial Composite excludes alternative investments asset class

(4) This amount does not include Self-Directed Plan and Optional Retirement Plan funds of $140 million.

(5) Policy index refers to returns based on target allocations

# Schedule Of Brokerage Commissions Paid

June 30, 2008

| Brokerage Firm | Commission | Brokerage Firm | Commission |
|---|---|---|---|
| Credit Suisse | $ 202,290 | Credit Lyonnais | $ 18,304 |
| Deutsche Bank | 131,300 | William Blair | 17,725 |
| Knight SEC Broadcort | 88,978 | ABN Amro | 17,175 |
| Instinet | 83,680 | Pershing | 16,777 |
| Investment Technology Groups | 77,371 | Avondale Partners | 15,898 |
| Jonestrading | 76,890 | Weeden & Co. | 15,429 |
| Merrill Lynch | 67,737 | Needham & Co. | 15,403 |
| Citigroup | 66,478 | Morgan Joseph & Co. | 15,354 |
| Liquidnet Inc. | 65,680 | Stephens Inc. | 15,165 |
| Hibernia | 62,048 | Piper Jaffray & Co. | 14,592 |
| Morgan Stanley & Co. | 44,787 | Stifel Nicolaus | 14,429 |
| Sisk Investment Co. | 44,054 | First Clearing | 11,521 |
| Pritchard Capital Partners | 40,959 | B Trade Services LLC | 11,290 |
| Lehman Bros. | 40,543 | Raymond James | 10,428 |
| JP Morgan Securities | 37,761 | Griswold Company | 10,382 |
| Jefferies & Co. | 36,052 | Daiwa Securities | 10,140 |
| Goldman Sachs & Co. | 34,676 | Craig Hallum | 10,076 |
| Soleil Securities Corp. | 29,517 | Avian Securities | 10,068 |
| Cantor Fitzgerald & Co. | 27,693 | BNY | 9,852 |
| UBS Equities | 26,822 | BNP Paribas | 9,672 |
| Bear Stearns & Co. | 26,223 | Johnson Rice & Co. | 9,486 |
| Cuttone & Co. | 26,187 | Brockhouse and Cooper | 8,654 |
| SG Securities | 23,107 | Monness Crespi Hardt & Co. | 8,375 |
| Banc of America | 22,336 | BMO Capital Markets | 8,178 |
| Nomura | 22,186 | Oppenheimer & Co. | 7,979 |
| Keybanc Capital Markets | 21,572 | AG Edwards & Sons | 7,895 |
| Suntrust Capital Markets | 21,169 | CAP Instl Services | 7,815 |
| Scott Stringfellow Inc. | 20,808 | JMP Securities | 7,747 |
| Robert W Baird & Co. | 19,011 | All Others | 228,730 |
| | $ 1,487,915 | | $ 564,539 |
| | | **Total** | **$ 2,052,454** |

# Schedule Of External Management Fees

**By Investment Manager Classification [1]**
**For Year Ended June 30, 2008**

| Investment Manager Type | Assets Under Management | Annual Fees |
|---|---|---|
| **Fixed Income Managers** | | |
| U.S. Fixed Income | $ 1,390,507,254 | $ 3,248,098 |
| Global Fixed Income | $ 418,015,074 | 707,208 |
| **Total Fixed Income** | **1,808,522,328** | **3,955,306** |
| **Equity** | | |
| U.S. Equity | 966,922,439 | $ 4,816,361 |
| Global Equity | 1,266,212,697 | 6,410,305 |
| **Total Equity** | **2,233,135,136** | **11,226,666** |
| **Real Estate** | **10,908** | **-** |
| **Alternative Investments[2]** | **2,021,949,028** | **28,020,345** |
| **Cash** | **117,793,811** | **375,606** |
| **Total** | **$ 6,181,411,211** | **$ 43,577,923** |

**NOTES:**

[1] Financial Statements are prepared on the basis of security class. As specified in Manager Guidelines, at any given point in time, a money manager may have securities not specifically within their defined investment manager type due to market conditions.

[2] Annual Fees for Alternative Investments does not include $330,382 in partnership expenses.

# ACTUARIAL
## SECTION

# CONTENTS

Actuarial Associates
Shelley R. Johnson
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P.O Box 1157
Prairieville, LA 70769-1157
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September 17, 2008

Board of Trustees
**LA STATE EMPLOYEES' RETIREMENT SYSTEM**
Post Office Box 44213
Baton Rouge, Louisiana 70804-4213

Ladies and Gentlemen:

Pursuant to your request, I have completed the annual actuarial valuation for the Louisiana State Employees' Retirement System as of June 30, 2008. The valuation was prepared relying on the data submitted by the Retirement System, the actuarial assumptions adopted by the Board of Trustees, and reflects the current benefit structure on the valuation date.

Notable changes in recent prior legislative sessions include the following Acts: Act 75 of 2005 changes retirement eligibility to 10 years at age 60, Final Average Compensation to 60 months and increases employee contributions 0.5 percent for new hires in the regular plan after June 30, 2006. Act 588 of 2004 made significant changes to prospective funding. The outstanding balances of changes in liabilities from 1993 – 1998 were re-amortized as a level dollar amount to 2029. The amortization periods for changes in liabilities beginning with 1999 were extended to a thirty-year period from the date of occurrence. A minimum employer rate of 15.5 percent and Employer Credit Account were established for excess contributions. The negative Experience Account Balance was removed from the valuation assets. Act 572 of 1992 established the Experience Account which provides for the pre-funding of retiree COLAs by accumulating 50 percent of the excess investment income. The Initial Unfunded Actuarial Liability Fund was established July 1, 1995 to dedicate allocated assets to reduce the initial unfunded actuarial liability established by Act 81.

The funding objective of the Retirement System was established by Constitutional Amendment Number 3 during the 1987 Legislative Session and requires the following:

a) fully fund all current normal costs determined in accordance with the prescribed statutory funding method; and

b) liquidate the unfunded liability as of June 30, 1988 over a forty year period with subsequent changes in unfunded liabilities amortized over period(s) specified by statute.

The results of the current valuation indicate that the employer contribution rate for the fiscal year commencing July 1, 2008 should have been set at 18.5 percent of payroll.

The 18.5 percent projected rate set by the Public Retirement Systems' Actuarial Committee equals the current rate of 18.5 percent. The current employer contribution rate, together with the contributions payable by the members, is sufficient to achieve the funding objective set forth above.

SJ Actuarial Associates

Board of Trustees
**LASERS**
September 17, 2008

The methodology for determining the actuarial value of assets was adopted by the Board of Trustees effective July 1, 1999. The method values all assets at market value, adjusted for a four-year weighted average of the incremental change between market value and cost value. The objective of this asset valuation method is to smooth the volatility which might otherwise occur due to market conditions on the measurement date. The Actuarial Value of Assets for the fiscal year ending on June 30, 2008 is $9,307,868,368. The Actuarial Value of Assets, when adjusted for the Experience Account Fund in the amount of $140,698,470 and the Initial UAL Fund of $78,071,233 yields assets for funding purposes of $9,089,098,665.

In performing the June 30, 2008 valuation, I have relied upon the employee data and financial information provided by the administrative staff of the Louisiana State Employees' Retirement System. Participant data was edited for reasonableness, and consistency to prior plan year data. However, the validity of the information submitted was not compared to actual source documents. Plan assets were reviewed for consistency and balance tested with information furnished from the prior year's valuation.

The present values shown in the June 30, 2008 actuarial valuation and supporting statistical schedules of this certification, which have been reformatted and comprise all the schedules of the Actuarial Section in the annual Financial Report, have been prepared in accordance with the actuarial methods specified in Louisiana Revised Statutes Title 11 Section 22(6) and assumptions which are appropriate for the purposes of this valuation.

The following supporting schedules were prepared by me for the Comprehensive Annual Financial Report:

**Actuarial Section**

- Summary of Actuarial Assumptions
- Actuarial Valuation Balance Sheet
- Summary of Unfunded Actuarial Liabilities
- Summary of Actuarial and Unfunded Actuarial Liabilities
- Reconciliation of Unfunded Actuarial Liabilities
- Amortization of Unfunded Actuarial Accrued Liability
- Membership Data

**Financial Section**

- Schedule of Funding Progress
- Schedule of Employer Contributions

The funding method prescribed is the Projected Unit Credit Cost Method. The actuarial assumptions and methods used for funding purposes comply and are within the parameters set forth by the Government Accounting Standards Board (GASB) Statement No. 25. The same actuarial assumptions and methods were employed in the development of the supporting schedules listed above for the Financial Section of this report. The System typically conducts an experience study every five years. The most recent study was adopted effective June 30, 2003 and covers the five-year observation period of 1997-2001.

SJ Actuarial Associates

Board of Trustees
**LASERS**
September 17, 2008

I certify to the best of my knowledge, the methods and assumptions comply with generally recognized and accepted actuarial principals and practices set forth by the American Academy of Actuaries, are reasonable in the aggregate and when applied in combination represent my best estimate of the funding requirement to achieve the Retirement System's Funding Objective.

Respectfully submitted,

Shelley R. Johnson

Shelley R. Johnson, FCA, MAAA, ASA
Consulting Actuary

SJ Actuarial Associates

# Summary of Assumptions

The following assumptions were adopted by the Board of Trustees of The Louisiana State Employees' Retirement System of Louisiana (LASERS) on the dates indicated, and are based on the 1997-2001 actuarial experience study in effect as of June 30, 2003.

## I. General Actuarial Method

1. **Actuarial Funding Method** (Projected Unit Credit)

   The unfunded accrued liability on June 30, 1988, is amortized over a forty-year period commencing in 1989. The amortization payment reflects a 4 percent increase for the first five years, reducing by 0.5 percent at the end of each quinquennial period. Changes in unfunded accrued liabilities occurring after June 30, 1988, are amortized as a level dollar amount as follows:

| | Act 81 Effective 6/30/88 | As Amended Act 257 Effective 6/30/92 |
|---|---|---|
| Experience Gains/Losses | 15 years | Later of 2029 or 15 years |
| Actuarial Assumptions | 30 years | Later of 2029 or 30 years |
| Actuarial Methods | 30 years | Later of 2029 or 30 years |
| Benefit Changes | Determined by enabling statute | |

   Act 257 of 1992 further amended the amortization schedule to reflect a 4.5 percent payment increase over the remaining amortization period.

   Act 588 of 2004 re-amortized changes in liabilities occurring from 1993 thru 1998 as a level dollar payment to 2029. Amortization periods for changes in liabilities beginning with 1999 were extended to a thirty-year period from the date of occurrence. Amortization periods for changes in liabilities beginning with 2004 are extended to a thirty-year period from the date of occurrence, paid as a level dollar amount.

   Employer contribution requirements for normal costs and amortization of the unfunded accrued liabilities are determined as a percentage of pay roll. A discrepancy between dollars generated by percent of payroll versus the required dollar amount is treated as a shortfall credit/debit and applied to the following year's contribution requirement.

2. **Asset Valuation Method**

   Assets are valued on a basis, which reflects a four-year moving weighted average value between market value and cost value. Prior to July 1, 1999, fixed income securities were valued at amortized cost.

3. **Valuation Data**

The administrative staff of LASERS furnishes the actuary with demographic data relating to the active life membership and retired life members. Retired life members included inactive members who are entitled to a deferred reciprocal or vested benefit. The administrative staff of LASERS provides the book value and market value of system assets. All data is reviewed for reasonableness and consistency from year to year, but is not audited by the actuary.

## II. Economic Assumptions

1. **Investment Return**

8.25 percent per annum, compounded annually.

2. **Employee Salary Increases**

Incorporated in the following salary scales (shown for periodic durations, but representing full range of assumptions) is an explicit 4.25 percent portion attributable to the effects of salaries, based upon years of service.

| Duration (Years) | Regular State Employees | Judges & Legislators | Department of Corrections | Wildlife and Fisheries |
|---|---|---|---|---|
| 1 | 14.00% | 4.70% | 18.00% | 18.00% |
| 5 | 6.50% | 2.50% | 8.00% | 8.00% |
| 10 | 5.50% | 2.50% | 7.50% | 6.50% |
| 15 | 5.00% | 2.50% | 6.00% | 6.50% |
| 20 | 4.50% | 2.50% | 6.00% | 6.50% |
| 25 | 4.25% | 2.50% | 6.00% | 6.50% |
| 30 | 4.25% | 2.50% | 4.00% | 6.50% |

The active member population is assumed to remain constant.

## III. Decrement Assumptions

1. **Mortality Assumption**

Pre-retirement deaths and post-retirement life expectancies are projected in accordance with the experience of the 1983 Sex Distinct Graduated Group Annuity Mortality Table, with female ages set at attained age plus one.

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## 2. Disability Assumption

Rates of total and permanent disability were projected by age in accordance with the 1997-2001 disability experience of the Retirement System. Rates are illustrated by employment classification. Mortality after disability is based on the Eleventh Actuarial Valuation of the Railroad Retirement System for permanent disabilities.

| Age (Years) | State Employees | Judges | Corrections | Wildlife |
|---|---|---|---|---|
| 25 | 0.00% | 0.00% | 0.00% | 0.00% |
| 30 | 0.01% | 0.02% | 0.02% | 0.01% |
| 35 | 0.03% | 0.02% | 0.05% | 1.00% |
| 40 | 0.15% | 0.02% | 0.13% | 1.00% |
| 45 | 0.27% | 0.02% | 0.17% | 1.00% |
| 50 | 0.37% | 0.02% | 0.54% | 0.00% |

## 3. Termination Assumptions

Voluntary withdrawal rates are derived from the 1997-2001 termination experience study.

| Age (Years) | State Employees | Judges | Corrections | Wildlife |
|---|---|---|---|---|
| 25 | 16% | 0.00% | 22% | 7% |
| 30 | 12% | 0.50% | 15% | 7% |
| 35 | 9% | 0.50% | 10% | 2% |
| 40 | 5% | 0.50% | 6% | 1% |
| 45 | 3% | 0.50% | 4% | 1% |
| 50 | 3% | 0.50% | 3% | 1% |

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

### 4. Retirement/DROP Assumptions

Retirement rates and DROP probabilities were projected based upon the 1997-2001 experience study.

| Age | State Employees | | Judges | | Corrections | | Wildlife | |
|---|---|---|---|---|---|---|---|---|
| (Years) | RET | DROP | RET | DROP | RET | DROP | RET | DROP |
| 50 | 35% | 33% | 50% | 0% | 70% | 90% | 50% | 50% |
| 51 | 37% | 33% | 50% | 0% | 70% | 50% | 50% | 50% |
| 52 | 40% | 33% | 50% | 90% | 70% | 50% | 50% | 50% |
| 53 | 45% | 33% | 35% | 90% | 70% | 45% | 50% | 50% |
| 54 | 35% | 33% | 35% | 90% | 90% | 10% | 50% | 50% |
| 55 | 35% | 33% | 35% | 90% | 75% | 55% | 50% | 50% |
| 56 | 35% | 25% | 35% | 50% | 75% | 40% | 50% | 50% |
| 57 | 45% | 20% | 10% | 50% | 75% | 15% | 50% | 50% |
| 58 | 60% | 20% | 10% | 50% | 75% | 15% | 50% | 50% |
| 59 | 47% | 25% | 10% | 15% | 45% | 15% | 50% | 50% |
| 60 | 26% | 25% | 10% | 15% | 25% | 25% | 50% | 50% |
| 61 | 26% | 15% | 10% | 15% | 25% | 25% | 50% | 50% |
| 62 | 33% | 15% | 10% | 15% | 25% | 5% | 50% | 50% |
| 63 | 40% | 15% | 10% | 90% | 35% | 5% | 50% | 50% |
| 64 | 36% | 15% | 10% | 75% | 35% | 5% | 50% | 50% |
| 65 | 36% | 15% | 10% | 33% | 35% | 5% | 99% | 0% |
| 66 | 33% | 15% | 10% | 15% | 35% | 5% | 99% | 0% |
| 67 | 30% | 25% | 10% | 15% | 30% | 15% | 99% | 0% |
| 68 | 30% | 30% | 10% | 15% | 50% | 0% | 99% | 0% |
| 69 | 30% | 10% | 62% | 0% | 50% | 0% | 99% | 0% |
| 70 | 25% | 10% | 99% | 0% | 99% | 0% | 99% | 0% |

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## Actuarial Valuation Balance Sheet
June 30, 2008 and 2007

| | 2008 | 2007 |
|---|---|---|
| **Assets** | | |
| Present Assets Creditable To | | |
| Members' Savings Account | $ 1,394,132,656 | $ 1,331,578,918 |
| Annuity Reserve Account | 8,398,350,316 | 7,793,254,762 |
| **Total Present Assets** | **9,792,482,972** | **9,124,833,680** |
| Present Value Of Prospective Contributions Payable To | | |
| Members' Savings Account | 1,476,547,964 | 1,307,860,856 |
| Annuity Reserve Account | | |
| Normal | 1,529,872,489 | 1,359,081,945 |
| Accrued Liability | 3,636,355,297 | 3,239,606,597 |
| **Total Prospective Contributions** | **6,642,775,750** | **5,906,549,398** |
| **Total Assets** | **$ 16,435,258,722** | **$ 15,031,383,078** |
| **Liabilities** | | |
| Present Value Of Prospective Benefits Payable On Account Of | | |
| Current Retiree Members | $ 8,213,226,644 | $ 7,617,446,368 |
| Current Active Members | 8,036,908,406 | 7,238,128,316 |
| Deferred Vested & Reciprocal Members | 185,123,672 | 175,808,394 |
| **Total Liabilities** | **$ 16,435,258,722** | **$ 15,031,383,078** |

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## Summary of Unfunded Actuarial Liabilities/Salary Test
(Dollar Amounts in Millions)

| Valuation Date | (1) Active Member Contribution | (2) Retirees Term. Vested Inactive | (3) Active Members Employer Fin. Portion | Actuarial Valuation Assets | Portion of Actuarial Accrued Liabilities Covered By Assets (1) | (2) | (3) |
|---|---|---|---|---|---|---|---|
| 1999 | $ 1,067.5 | $ 4,020.1 | $ 2,495.0 | $ 5,574.9 | 100% | 100% | 19% |
| 2000 | $ 1,079.2 | $ 4,567.2 | $ 2,610.9 | $ 6,171.0 | 100% | 100% | 20% |
| 2001 | $ 1,088.5 | $ 4,887.8 | $ 2,676.3 | $ 6,418.3 | 100% | 100% | 17% |
| 2002 | $ 1,116.7 | $ 5,306.0 | $ 2,784.1 | $ 6,460.6 | 100% | 100% | 1% |
| 2003 | $ 1,156.3 | $ 5,257.8 | $ 3,007.8 | $ 6,487.5 | 100% | 100% | 2% |
| 2004 | $ 1,217.0 | $ 5,961.6 | $ 2,959.0 | $ 6,097.8 | 100% | 82% | 0% |
| 2005 | $ 1,318.8 | $ 6,322.6 | $ 3,205.6 | $ 6,673.5 | 100% | 85% | 0% |
| 2006 | $ 1,290.3 | $ 7,109.8 | $ 3,148.5 | $ 7,430.8 | 100% | 83% | 0% |
| 2007 | $ 1,331.6 | $ 7,793.3 | $ 3,297.0 | $ 8,345.5 | 100% | 90% | 0% |
| 2008 | $ 1,394.1 | $ 8,398.4 | $ 3,769.7 | $ 9,167.2 | 100% | 93% | 0% |

## Summary of Actuarial and Unfunded Actuarial Liabilities
(Dollar Amounts in Millions)

| Valuation Date | Actuarial Accrued Liabilities | Actuarial Valuation Assets | Ratio Of Assets To AAL | Unfunded AAL (UAAL) | Active Member Payroll | UAAL As A Percent of Active Payroll |
|---|---|---|---|---|---|---|
| 1999 | $ 7,582.8 | $ 5,574.9 | 73.52 | $ 2,007.9 | $ 1,736.9 | 115.6 |
| 2000 | $ 8,257.3 | $ 6,170.9 | 74.73 | $ 2,086.4 | $ 1,820.1 | 114.6 |
| 2001 | $ 8,652.6 | $ 6,418.3 | 74.18 | $ 2,234.3 | $ 1,782.8 | 125.3 |
| 2002 | $ 9,206.7 | $ 6,460.6 | 70.17 | $ 2,746.1 | $ 1,861.9 | 147.5 |
| 2003 | $ 9,796.3 | $ 6,487.5 | 66.22 | $ 3,308.8 | $ 1,924.6 | 171.9 |
| 2004 | $ 10,237.6 | $ 6,097.8 | 59.56 | $ 4,139.8 | $ 2,017.7 | 205.2 |
| 2005 | $ 10,847.1 | $ 6,673.5 | 61.52 | $ 4,173.6 | $ 2,100.0 | 198.7 |
| 2006 | $ 11,548.7 | $ 7,430.8 | 64.34 | $ 4,117.9 | $ 1,979.7 | 208.0 |
| 2007 | $ 12,421.9 | $ 8,345.5 | 67.18 | $ 4,076.4 | $ 2,175.4 | 187.4 |
| 2008 | $ 13,562.2 | $ 9,167.2 | 67.59 | $ 4,395.0 | $ 2,437.0 | 180.3 |

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## Reconciliation of Unfunded Actuarial Liabilities
(Dollar Amounts in Thousands)

| | Fiscal Year Ending | | | |
|---|---|---|---|---|
| | 2008 | 2007 | 2006 | 2005 |
| **Unfunded Actuarial Liability at Beginning of Fiscal Year (7/1)** | **$ 4,129,688** | **$ 4,164,544** | **$ 4,202,816** | **$ 4,165,942** |
| **Interest on Unfunded Liability** | 340,699 | 343,575 | 346,732 | 343,690 |
| **Investment Experience** (gains) decreases UAL | (18,122) | (487,095) | (311,664) | (210,578) |
| **Plan Experience** (gains) decreases UAL | 361,954 | 111,778 | (2,452) | 44,664 |
| **Employer Amortization Payments** (payments) decreases UAL | (268,963) | (264,962) | (257,816) | (249,643) |
| **Employer Contribution Variance** (excess contributions) decreases UAL | (70,222) | 12,897 | 29,394 | 3,452 |
| **Experience Account Allocation** (allocations) decreases UAL | 9,061 | 243,547 | 155,832 | 105,289 |
| **Other** - Miscellaneous gains and losses from transfers or Acts of the Legislature | (10,980) | 5,404 | 1,702 | - |
| **Unfunded Actuarial Liability at End of Fiscal Year (6/30)** | **$ 4,473,115** | **$ 4,129,688** | **$ 4,164,544** | **$ 4,202,816** |

SJ Actuarial Associates

## Amortization of Unfunded Actuarial Accrued Liability
June 30, 2008

| Date | Description | Amtz. Method | Amtz. Period | Initial Liability | Years Remain | Remaining Balance | Mid-Year Payment |
|---|---|---|---|---|---|---|---|
| 1993 | Initial Liability | I | 36 | $ 2,086,424,058 | 21 | $ 2,937,690,699 | $ 202,425,348 |
| 1993 | Change in Liability | L | 25 | (176,172,713) | 21 | (165,665,161) | (16,202,391) |
| 1994 | Change in Liability | L | 25 | (62,475,258) | 21 | (58,749,017) | (5,745,774) |
| 1995 | Change in Liability | L | 25 | (72,078,533) | 21 | (67,779,519) | (6,628,975) |
| 1996 | Change in Liability | L | 25 | 85,912,731 | 21 | 80,788,598 | 7,901,290 |
| 1997 | Change in Liability | L | 25 | (281,911,688) | 21 | (265,097,497) | (25,927,077) |
| 1998 | Change in Liability | L | 25 | (105,825,000) | 21 | (99,513,230) | (9,732,597) |
| 1999 | Change in Liability | I | 25 | 103,608,120 | 21 | 110,323,429 | 7,601,977 |
| 2000 | Change in Liability | I | 26 | 46,867,925 | 22 | 50,251,128 | 3,356,595 |
| 2001 | Change in Liability | I | 27 | 109,177,843 | 23 | 117,800,172 | 7,642,722 |
| 2002 | Change in Liability | I | 28 | 468,578,945 | 24 | 508,522,809 | 32,102,563 |
| 2003 | Change in Liability | I | 29 | 1,142,857,936 | 25 | 1,246,913,638 | 76,719,188 |
| 2004 | Change in Liability | L | 30 | 113,159,407 | 26 | 108,844,503 | 9,889,817 |
| 2005 | Change in Liability | L | 30 | (60,625,273) | 27 | (58,961,912) | (5,298,480) |
| 2006 | Change in Liability | L | 30 | (156,583,505) | 28 | (153,834,311) | (13,684,962) |
| 2007 | Act 353 - Chg in Lia | L | 10 | 1,004,350 | 9 | 935,839 | 145,487 |
| 2007 | Act 414 - Chg in Lia | L | 30 | 3,631,308 | 29 | 3,600,693 | 317,366 |
| 2007 | Change in Liability | L | 30 | (131,000,739) | 29 | (129,896,284) | (11,449,099) |
| 2008 | Act 262 - Chg in Lia | L | 10 | 1,999,338 | 10 | 1,999,338 | 289,619 |
| 2008 | Act 740 - Chg in Lia | L | 10 | 565,160 | 10 | 565,160 | 81,868 |
| 2008 | Change in Liability | L | 30 | 339,348,435 | 30 | 339,348,435 | 29,658,107 |
| | **Total Outstanding Balance** | | | | | **$ 4,508,087,510** | **$ 283,462,592** |
| **Employers Credit Balance** | | | | | | | |
| 2004 | Contribution Variance | L | 5 | 17,093,381 | 1 | $ 3,980,964 | $ 4,141,925 |
| 2005 | Contribution Variance | L | 5 | 3,452,173 | 2 | 1,546,714 | 836,502 |
| 2006 | Contribution Variance | L | 5 | 29,394,615 | 3 | 19,012,126 | 7,122,657 |
| 2007 | Contribution Variance | L | 5 | 12,897,054 | 4 | 10,709,599 | 3,125,106 |
| 2008 | Contribution Variance | L | 5 | (70,222,054) | 5 | (70,222,054) | (17,015,620) |
| | **Total Credit Balance** | | | | | **$ (34,972,651)** | **$ (1,789,430)** |
| | **Total Unfunded Actuarial Accrued Liability** | | | | | **$ 4,473,114,859** | |

SJ Actuarial Associates

# Membership Data

Data regarding the membership of the System for valuation were furnished by the System.

| | 2008 | | 2007 | |
|---|---|---|---|---|
| **Active Members** | **Census** | **Avg. Sal.** | **Census** | **Avg. Sal.** |
| Regular Members | 53,533 | $ 38,314 | 52,782 | $ 35,185 |
| Legislators | 20 | 45,437 | 44 | 47,249 |
| Judges | 309 | 113,891 | 316 | 107,746 |
| Wildlife Agents | 222 | 50,553 | 220 | 46,290 |
| Corrections | 5,312 | 37,385 | 4,863 | 31,114 |
| Peace Officers | 112 | 42,615 | 123 | 38,498 |
| Alcohol Tobacco Control | 43 | 39,897 | 38 | 43,137 |
| Active After DROP | 2,229 | 53,598 | 2,058 | 49,912 |
| **Total** | **61,780** | **$ 39,219** | **60,444** | **$ 35,799** |

| | 2008 | 2007 |
|---|---|---|
| **Valuation Salaries** | **$2,436,955,566** | **$2,175,366,607** |

| | 2008 | 2007 |
|---|---|---|
| **Inactive Members** | **Census** | **Census** |
| Due Refunds | 47,828 | 43,797 |
| Vested & Reciprocals | 1,824 | 1,980 |

| | 2008 | | 2007 | |
|---|---|---|---|---|
| **Annuitants and Survivors** | **Census** | **Avg. Ben.** | **Census** | **Avg. Ben.** |
| Retirees | 29,416 * | $ 20,206 | 30,190 | $ 18,727 |
| Disabilities | 2,669 * | 12,112 | 1,134 | 12,965 |
| Survivors | 5,490 | 13,835 | 5,418 | 12,671 |
| DROP | 2,643 | 27,448 | 2,624 | 27,672 |
| **Total** | **40,218** | **$ 19,275** | **39,366** | **$ 18,324** |

* In 2008, there was a shift of 1,582 members from regular retirement status to disability status. These are disability retirees who have reached normal retirement eligibility requirements and are considered regular retirees by LASERS. For purposes of the Actuarial Valuation only, these retirees will be classified as disability retirees and liabilities will be calculated accordingly.

SJ Actuarial Associates

# Historical Membership Data

(Dollar Amounts in Thousands)

## History of Active Membership Data for Last 10 Years

| Year Ended 6/30 | Number of Active Members | Pecentage Change In Membership | Annual Active Member Payroll | Annual Active Member Average Payroll | Percentage Change In Payroll |
|---|---|---|---|---|---|
| 1999 | 67,680 | -3.24% | $ 1,736,963 | $ 25,278 | 5.00% |
| 2000 | 66,642 | -1.53% | $ 1,820,132 | $ 27,139 | 4.80% |
| 2001 | 64,519 | -3.19% | $ 1,782,884 | $ 27,400 | -2.00% |
| 2002 | 64,692 | 0.27% | $ 1,861,887 | $ 28,612 | 4.40% |
| 2003 | 65,441 | 1.16% | $ 1,924,680 | $ 29,479 | 3.40% |
| 2004 | 64,149 | -1.97% | $ 2,017,726 | $ 31,451 | 4.80% |
| 2005 | 64,168 | 0.03% | $ 2,100,043 | $ 32,522 | 4.10% |
| 2006 | 57,811 | -9.91% | $ 1,979,705 | $ 33,231 | -5.70% |
| 2007 | 60,444 | 4.55% | $ 2,175,367 | $ 35,799 | 7.73% |
| 2008 | 61,780 | 2.21% | $ 2,436,956 | $ 39,218 | 9.55% |

## History of Annuitants and Survivor Annuitant Membership For Last 10 Years

| Year Ending 6/30 | Total Members | | Members Added | | Members Removed | | Average Annuity | Percent Change in Annuity |
|---|---|---|---|---|---|---|---|---|
| | No. | Amount | No. | Amount | No. | Amount | | |
| 1999 | 31,599 | $ 423,046 | 1,515 | $ 32,512 | 1,008 | $ 9,355 | $ 13,388 | 4.1% |
| 2000 | 32,618 | $ 454,356 | 2,629 | $ 42,466 | 1,608 | $ 11,156 | $ 13,930 | 4.0% |
| 2001 | 33,357 | $ 486,712 | 2,582 | $ 47,162 | 1,843 | $ 14,806 | $ 14,591 | 4.7% |
| 2002 | 34,522 | $ 524,748 | 2,959 | $ 56,237 | 1,794 | $ 18,201 | $ 15,200 | 4.2% |
| 2003 | 35,525 | $ 555,503 | 2,789 | $ 56,647 | 1,786 | $ 25,892 | $ 15,637 | 2.9% |
| 2004 | 36,291 | $ 582,121 | 2,613 | $ 55,655 | 1,847 | $ 29,037 | $ 16,040 | 2.6% |
| 2005 | 37,015 | $ 609,764 | 2,775 | $ 61,985 | 2,051 | $ 34,342 | $ 16,473 | 2.7% |
| 2006 | 38,132 | $ 654,574 | 3,096 | $ 77,503 | 1,979 | $ 32,693 | $ 17,166 | 4.2% |
| 2007 | 39,366 | $ 721,333 | 2,839 | $ 68,972 | 1,605 | $ 2,213 | $ 18,324 | 6.7% |
| 2008 | 40,218 | $ 775,214 | 2,518 | $ 65,411 | 1,666 | $ 11,530 | $ 19,275 | 5.2% |

SJ Actuarial Associates

# Principle Provisions of the Plan

The Louisiana State Employees' Retirement System (LASERS) was enacted in 1946. Initially, the plan covered regular State Employees (Regular Plan), but membership has expanded to participating agencies, and the merger of Louisiana State University Administration Employees and the Judges Retirement System.

The purpose of the plan is to provide benefits to members and their dependents at retirement or in the event of death, disability or termination of employment. LASERS is a defined benefit plan and is funded on an actuarial reserve basis to fund benefits as prescribed by law.

## I. Administration

The plan is governed by Title 11 Sections 401-699 of the Louisiana Revised Statutes. The Board of Trustees is composed of twelve members; six elected from the active membership, three elected retired members, and three ex-officio members. Elected members serve staggered four-year terms. The Treasurer, Chairman of the House Retirement Committee, and the Chairman of the Senate Retirement Committee serve as voting, ex-officio members.

The Board of Trustees appoints an Executive Director who is responsible for the operation of the system. The Board also retains other consultants as deemed necessary. Administrative expenses are paid entirely from investment earnings.

## II. Member Contributions

Members contribute a percentage of their gross compensation, depending on plan participation:

| | Historical Contribution | Current Contribution |
|---|---|---|
| **Regular Employees, hired before 7/1/06** | 7.0% of Compensation | 7.5% eff. 7/1/89 |
| **Regular Employees, hired after 6/30/06** | N/A | 8.0% |
| **Agents of DOC** | 8.5% of Compensation | 9.0%, 7.5% after DROP |
| **Wildlife Agents** | 8.0% of Compensation | 8.5%, 9.5% eff. 7/1/03 |
| **Legislators, Judges** | 11.0% of Compensation | 11.5% eff. 7/1/89 |
| **Peace Officers/Alcohol Tobacco Control** | Same as Regular Employees | 9.0% eff. 7/1/06 |

Member contributions have been tax-deferred for federal income tax purposes since January 1, 1990. Therefore, contributions after the effective date are not considered as income for federal income tax purposes until withdrawn through refund or through payment of benefits.

## III. Employer Contributions

All participating employers, regardless of plan participation, contribute a percentage of their total gross payroll to the system. The employer percentage is actuarially determined and is sufficient to pay annual accruals plus an amortization charge which liquidates the system's unfunded liability as required by law. The rate is determined annually and recommended by the Public Retirement Systems' Actuarial Committee to the State Legislature.

## IV. Termination

A member who terminates covered employment, regardless of plan membership, may request a refund of the member's contributions without interest. Upon re-employment, a member may reinstate the credit forfeited through termination of previous membership by repaying the refunded contributions plus interest. A member who terminates covered employment with 10 years of service may, in lieu of a refund of contributions, elect to receive a monthly annuity upon attainment of age 60.

## V. Retirement Benefits

Service retirement benefits are payable to members who have terminated covered employment and met both age and service eligibility requirements.

### 1. Normal Retirement

Regular Plan – Members hired prior to July 1, 2006, may retire with a 2.5 percent annual accrual rate, at age 55 with 25 years, age 60 with 10 years or at any age with 30 years of service. Members hired on or after July 1, 2006, are eligible for retirement at age 60 with 10 years.

*Note: Members may retire with a 2.5 percent annual accrual rate at any age with 20 years or age 50 with 10 years of service (provision sunsets 12/31/08 per Act 672 of 2006) with benefits actuarially reduced.*

Correction Officers - A member may retire with a 2.5 percent annual accrual rate at age 50 with 20 years or 20 years of service regardless of age if employed prior to August 15, 1986. Effective January 1, 2002, new members accrue 3.33 percent per year and are eligible for retirement at 25 years of service regardless of age or age 60 with 10 years of service.

Judges - A member may retire with a 3.5 percent annual accrual rate with 18 years, age 55 with 12 years, age 50 with 20 years (minimum 12 years judicial), age 65 with 10 years of service, or 70 without regard to creditable service.

Legislators, Governor, Lieutenant Governor and State Treasurer - May retire with a 3.5 percent annual accrual rate with 16 years of legislative service; age 50 with 20 years (minimum 12 years legislative service) or age 55 with 12 years.

Peace Officers– Annual accrual rate is 3.33 percent. Eligibility is the same as regular members hired prior to July 1, 2006.

Alcohol Tobacco Control – Annual accrual rate is 3.33 percent. Members are eligible to retire with 25 years of service at any age, age 60 with 10 years, and 20 years at any age with benefits actuarially reduced.

### 2. Benefit Formula

For all plans, monthly retirement benefits are based on a formula, which multiplies the final average compensation, by the applicable accrual rate, and by the years of creditable service, plus a $25 per month supplemental benefit for members hired prior to July 1, 1986. Final average compensation is determined as the highest successive thirty-six months for all but regular members hired on or after July 1, 2006. For these members final average compensation is determined as the highest successive sixty months.

### 3. Payment Options

A retiring member is entitled to receive the maximum benefit payable until member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or a reduced benefit with a lump-sum payment which cannot exceed 36 monthly benefit payments.

Judges receive the maximum benefit payable without reduction for a 100 percent Joint and Survivor Option.

## VI. Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member may begin participation on the first retirement eligibility date or within 60 days thereafter, for a period not to exceed 36 months. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

Upon termination of DROP, the member may continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit plus post-DROP accruals, plus the individual DROP account balance, which can be paid in a lump sum, or an additional annuity based upon the account balance.

## VII. Disability Retirement Benefits

Active members with ten or more years of service credit are eligible for disability retirement benefits if determined to be disabled from performing the duties of their job.

<u>Regular Plan</u> - Members receive a service retirement benefit at 2.5 percent per year of service of average compensation.

<u>Judges</u> - A service retirement benefit, but not less than 50 percent of current salary.

<u>Wildlife Agents</u> - A service retirement benefit of the Regular Plan. Total disability in-line-of-duty service not less than 60 percent average compensation.

<u>Peace Officers and Alcohol Tobacco Control</u> - A service retirement benefit similar to regular members hired before July 1, 2006.

## VIII. Survivor Benefits

A surviving spouse with minor children of an active member with five years of creditable service (two years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of 1) $300 per month, or 2) 75 percent of the member's benefit calculated at the 2.5 percent accrual rate for all creditable service.

Surviving minor child, with no surviving spouse shall receive an amount equal to the greater of 75 percent of compensation or $300. Benefits to minors cease at attainment of age 18, marriage or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of 1) $300 per month, or 2) 50 percent of the member's benefit calculated at the 2.5 percent accrual rate for all creditable service.

## IX. Post-Retirement Increases

Cost-of-living adjustments (COLAs) are permitted provided there are sufficient funds in the Experience Account to fund the increase in the retiree reserves if approved by concurrent resolution of both houses as provided by law. The Experience Account is credited with 50 percent of the excess investment income over the actuarial valuation rate and is debited for COLA distributions. Balances in the experience account accrue interest at the average actuarial yield for the System portfolio.

# STATISTICAL
## SECTION

# CONTENTS

# Summary

The Statistical Section presents detailed information that assists readers in utilizing the financial statements, notes to the financial statements, and required supplementary information to assess the economic condition of LASERS. All non-accounting data is taken from LASERS internal sources except for that information which is derived from actuarial valuations.

## Net Assets vs. Liabilities

LASERS funding progress is illustrated graphically for the ten years ended June, 30, 2008. The existence of the unfunded actuarial accrued liabilities is not necessarily an indication of financial problems; however, fluctuations are important and must be monitored and controlled. LASERS plans to fund its long-term benefit obligations through contributions and investment income. The unfunded liability is required by the state constitution to be substantially funded by 2029, with unfunded accrued liability changes for 1999 and thereafter amortized over a thirty-year period.

## Plan Membership

Membership in LASERS increased by 6,063 as of June 30, 2008. Active members increased by 1,336, retirees (includes Regular, Disability, Survivor, and DROP) increased by 852, and terminated vested members decreased by 156. Membership data for the ten years ended June 30, 2008, can be found in the LASERS Membership Chart and Graph. The majority of LASERS retirees reside in Louisiana as illustrated in the Location of LASERS Retirees Chart.

The remainder of this section contains various statistical and historical data considered useful in evaluating the condition of the System.

# Schedule Of Revenues By Source and Expenses By Type

## For The Ten Years Ended June 30, 2008

| | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|---|---|---|---|---|
| **Revenues By Source:** | | | | | |
| **Member Contributions** | $ 135,479,230 | $ 147,090,812 | $ 144,603,488 | $ 151,350,321 | $ 159,469,854 |
| **Employer Contributions** | 218,929,941 | 236,104,720 | 245,213,071 | 256,079,880 | 292,290,126 |
| **Legislative Appropriations** | - | - | - | - | - |
| **Net Investment Income** | 470,204,749 | 664,556,035 | (408,921,855) | (342,821,109) | 212,771,376 |
| **Other Income** | 9,175,049 | 8,658,621 | 12,102,647 | 14,658,709 | 15,137,037 |
| **Total Additions to Plan Net Assets** | **$ 833,788,969** | **$ 1,056,410,188** | **$ (7,002,649)** | **$ 79,267,801** | **$ 679,668,393** |
| **Expenses By Type:** | | | | | |
| **Benefits** | $ 397,966,405 | $ 424,142,312 | $ 452,637,691 | $ 498,392,717 | $ 544,009,581 |
| **Refunds** | 31,851,567 | 32,300,258 | 36,147,087 | 31,391,355 | 25,043,817 |
| **Administrative** | 8,789,890 | 10,242,213 | 13,872,636 | 13,259,572 | 11,829,437 |
| **Total Deductions to Plan Net Assets** | **$ 438,607,862** | **$ 466,684,783** | **$ 502,657,414** | **$ 543,043,644** | **$ 580,882,835** |
| **Total Change in Net Assets** | **$ 395,181,107** | **$ 589,725,405** | **$ (509,660,063)** | **$ (463,775,843)** | **$ 98,785,558** |

## Schedule Of Revenues By Source and Expenses By Type (continued)

For The Ten Years Ended June 30, 2008

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| **Revenues By Source:** | | | | | |
| **Member Contributions** | $ 163,277,178 | $ 169,143,849 | $ 165,509,666 | $ 167,957,870 | $ 192,412,444 |
| **Employer Contributions** | 335,991,617 | 391,870,045 | 411,250,496 | 416,329,361 | 505,678,953 |
| **Legislative Appropriations** | - | - | 13,600,000 | - | 20,000,000 |
| **Net Investment Income** | 996,067,481 | 650,345,827 | 833,207,981 | 1,473,499,193 | (357,063,270) |
| **Other Income** | 9,325,388 | 37,363,680 | 33,115,285 | 12,285,284 | 16,507,453 |
| **Total Additions to Plan Net Assets** | **$ 1,504,661,664** | **$ 1,248,723,401** | **$ 1,456,683,428** | **$ 2,070,071,708** | **$ 377,535,580** |
| **Expenses By Type:** | | | | | |
| **Benefits** | $ 573,152,747 | $ 581,665,163 | $ 620,367,483 | $ 673,617,033 | $ 718,303,319 |
| **Refunds** | 28,760,064 | 30,357,532 | 37,821,549 | 38,030,600 | 32,149,383 |
| **Administrative** | 13,424,318 | 18,634,313 | 16,041,572 | 15,784,051 | 20,342,656 |
| **Total Deductions to Plan Net Assets** | **$ 615,337,129** | **$ 630,657,008** | **$ 674,230,604** | **$ 727,431,684** | **$ 770,795,358** |
| **Total Change in Net Assets** | **$ 889,324,535** | **$ 618,066,393** | **$ 782,452,824** | **$ 1,342,640,024** | **$ (393,259,778)** |

## Benefit Expenses By Type
### For the Ten Years Ended June 30, 2008

| Type | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|---|---|---|---|---|
| **Regular** | $ 314,204,979 | $ 334,551,818 | $ 358,790,569 | $ 385,341,420 | $ 411,933,100 |
| **Disability** | 10,847,726 | 11,538,277 | 12,278,188 | 13,026,215 | 13,859,977 |
| **Survivors** | 47,822,486 | 50,137,810 | 52,613,450 | 55,186,446 | 56,972,676 |
| **Refunds Regular** | 27,532,444 | 27,035,830 | 31,134,875 | 25,033,086 | 20,830,178 |
| **Refunds Due to Death** | 749,539 | 883,629 | 1,209,218 | 882,911 | 1,038,409 |
| **Transfers to Other Systems** | 3,569,584 | 4,380,799 | 3,802,994 | 5,475,358 | 3,175,230 |
| **Deferred Retirement Option** | 21,150,812 | 23,113,392 | 23,694,027 | 36,609,129 | 53,322,395 |
| **Initial Benefit Option** | 3,940,402 | 4,801,015 | 5,261,457 | 8,229,507 | 7,921,433 |
| **Total** | **$ 429,817,972** | **$ 456,442,570** | **$ 488,784,778** | **$ 529,784,072** | **$ 569,053,398** |

## Benefit Expenses By Type (continued)

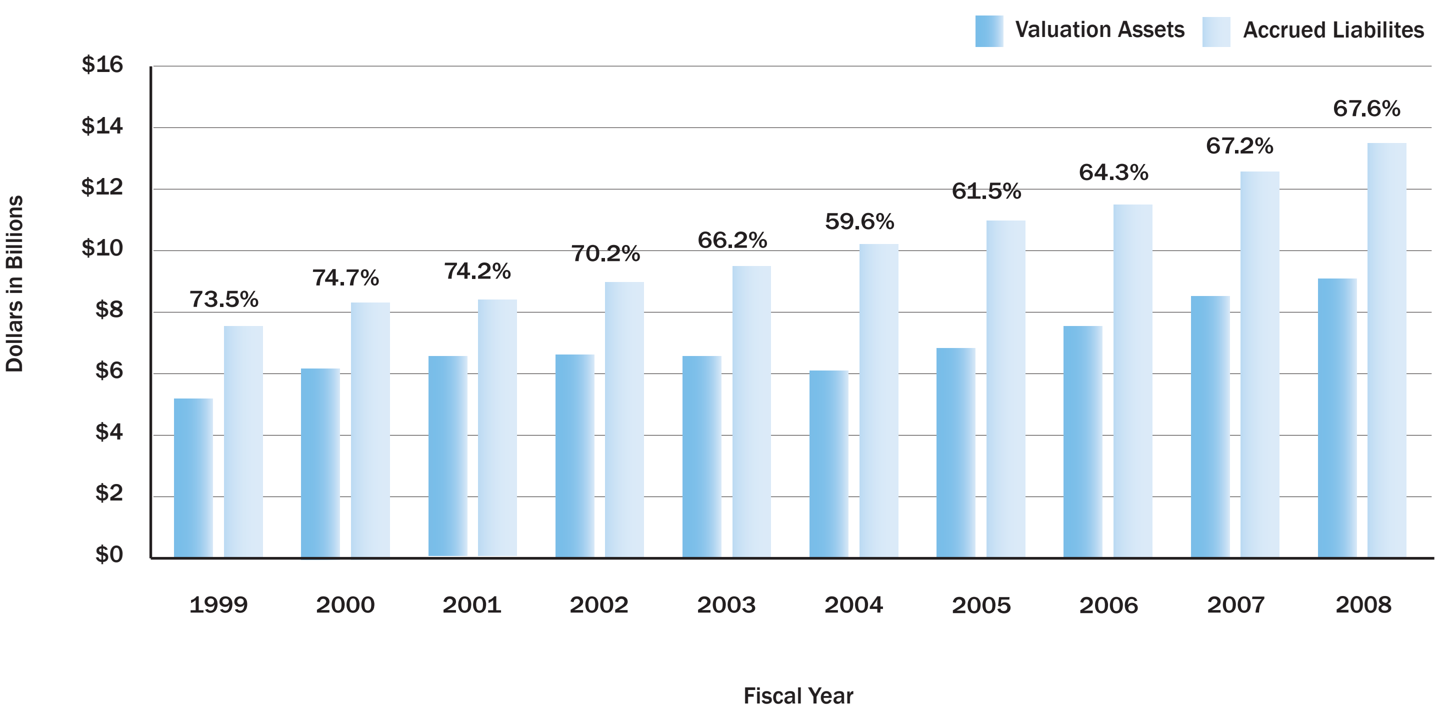
For the Ten Years Ended June 30, 2008

| Type | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| **Regular** | $ 433,175,565 | $ 457,521,300 | $ 493,538,491 | $ 543,463,746 | $ 585,239,344 |
| **Disability** | 13,818,110 | 14,051,770 | 14,451,268 | 15,127,212 | 14,991,539 |
| **Survivors** | 58,207,404 | 59,662,090 | 61,151,906 | 64,756,893 | 67,792,994 |
| **Refunds Regular** | 24,094,719 | 23,661,815 | 32,356,236 | 32,468,626 | 22,951,994 |
| **Refunds Due to Death** | 1,014,179 | 1,402,913 | 969,090 | 1,558,358 | 966,460 |
| **Transfers to Other Systems** | 3,651,166 | 5,292,804 | 4,496,223 | 4,003,617 | 8,230,929 |
| **Deferred Retirement Option** | 59,048,130 | 47,091,359 | 48,744,710 | 49,038,362 | 49,321,773 |
| **Initial Benefit Option** | 8,903,537 | 3,338,644 | 2,481,107 | 1,230,820 | 957,668 |
| **Total** | **$ 601,912,811** | **$ 612,022,695** | **$ 658,189,031** | **$ 711,647,633** | **$ 750,452,701** |

# Valuation Assets vs. Pension Liabilities

## Ten Years Ended June 30, 2008

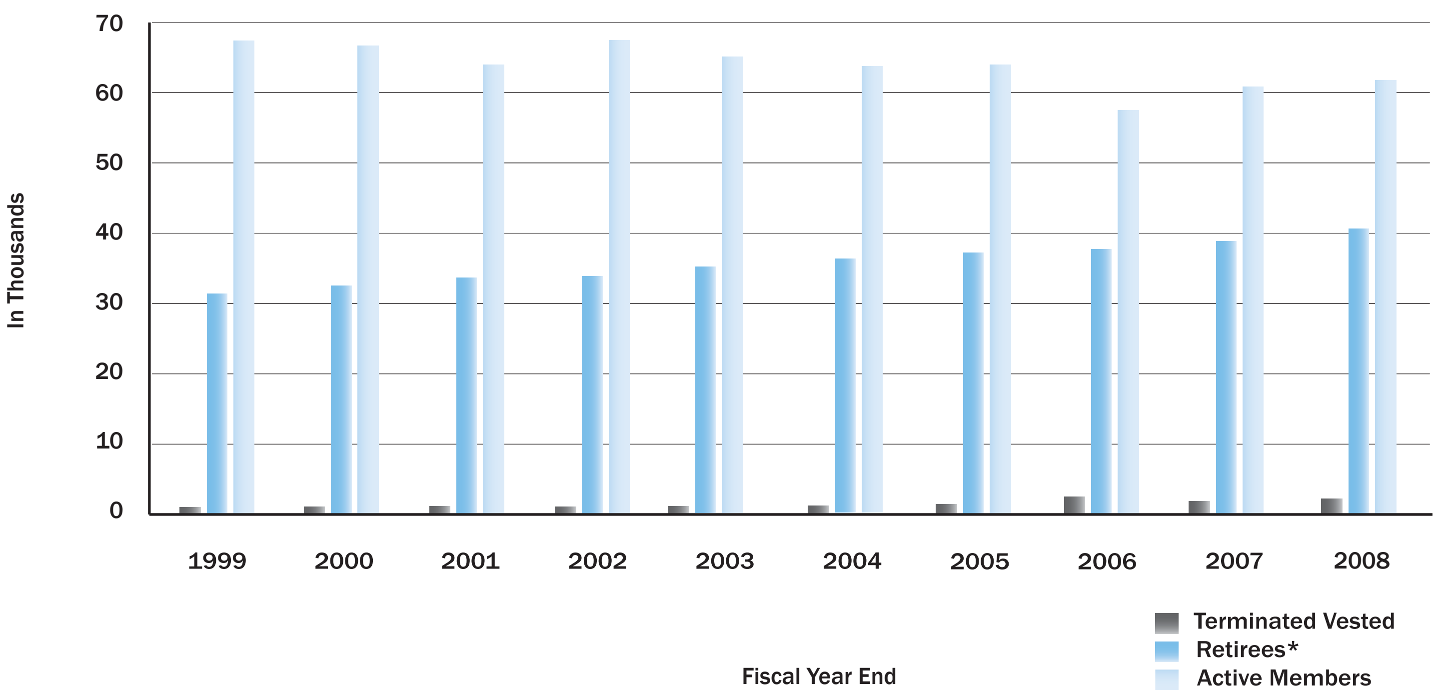
| | Dollars in Billions | | | |
|---|---|---|---|---|
| Fiscal Year | Valuation Assets | Unfunded Liabilities | Accrued Liabilities | Funded Ratios |
| 1999 | $ 5.5750 | $ 2.0079 | $ 7.5829 | 73.5% |
| 2000 | $ 6.1710 | $ 2.0863 | $ 8.2573 | 74.7% |
| 2001 | $ 6.4183 | $ 2.2343 | $ 8.6526 | 74.2% |
| 2002 | $ 6.4606 | $ 2.7461 | $ 9.2067 | 70.2% |
| 2003 | $ 6.4875 | $ 3.3088 | $ 9.7963 | 66.2% |
| 2004 | $ 6.0978 | $ 4.1398 | $ 10.2376 | 59.6% |
| 2005 | $ 6.6735 | $ 4.1736 | $ 10.8471 | 61.5% |
| 2006 | $ 7.4308 | $ 4.1179 | $ 11.5487 | 64.3% |
| 2007 | $ 8.3455 | $ 4.0764 | $ 12.4219 | 67.2% |
| 2008 | $ 9.1672 | $ 4.3950 | $ 13.5622 | 67.6% |



# LASERS Membership

| Fiscal Year | Active Members | Retirees* | Terminated Vested | Terminated Nonvested** | Total Members |
|---|---|---|---|---|---|
| 1999 | 67,680 | 31,599 | 1,027 | 24,397 | 124,703 |
| 2000 | 66,642 | 32,618 | 1,055 | 26,469 | 126,784 |
| 2001 | 64,519 | 33,357 | 1,300 | 28,223 | 127,399 |
| 2002 | 64,692 | 34,522 | 1,245 | 29,579 | 130,038 |
| 2003 | 65,441 | 35,525 | 1,317 | 30,940 | 133,223 |
| 2004 | 64,149 | 36,291 | 1,324 | 35,955 | 137,719 |
| 2005 | 64,168 | 37,015 | 1,486 | 34,379 | 137,048 |
| 2006 | 57,811 | 38,132 | 2,492 | 43,382 | 141,817 |
| 2007 | 60,444 | 39,366 | 1,980 | 43,797 | 145,587 |
| 2008 | 61,780 | 40,218 | 1,824 | 47,828 | 151,650 |

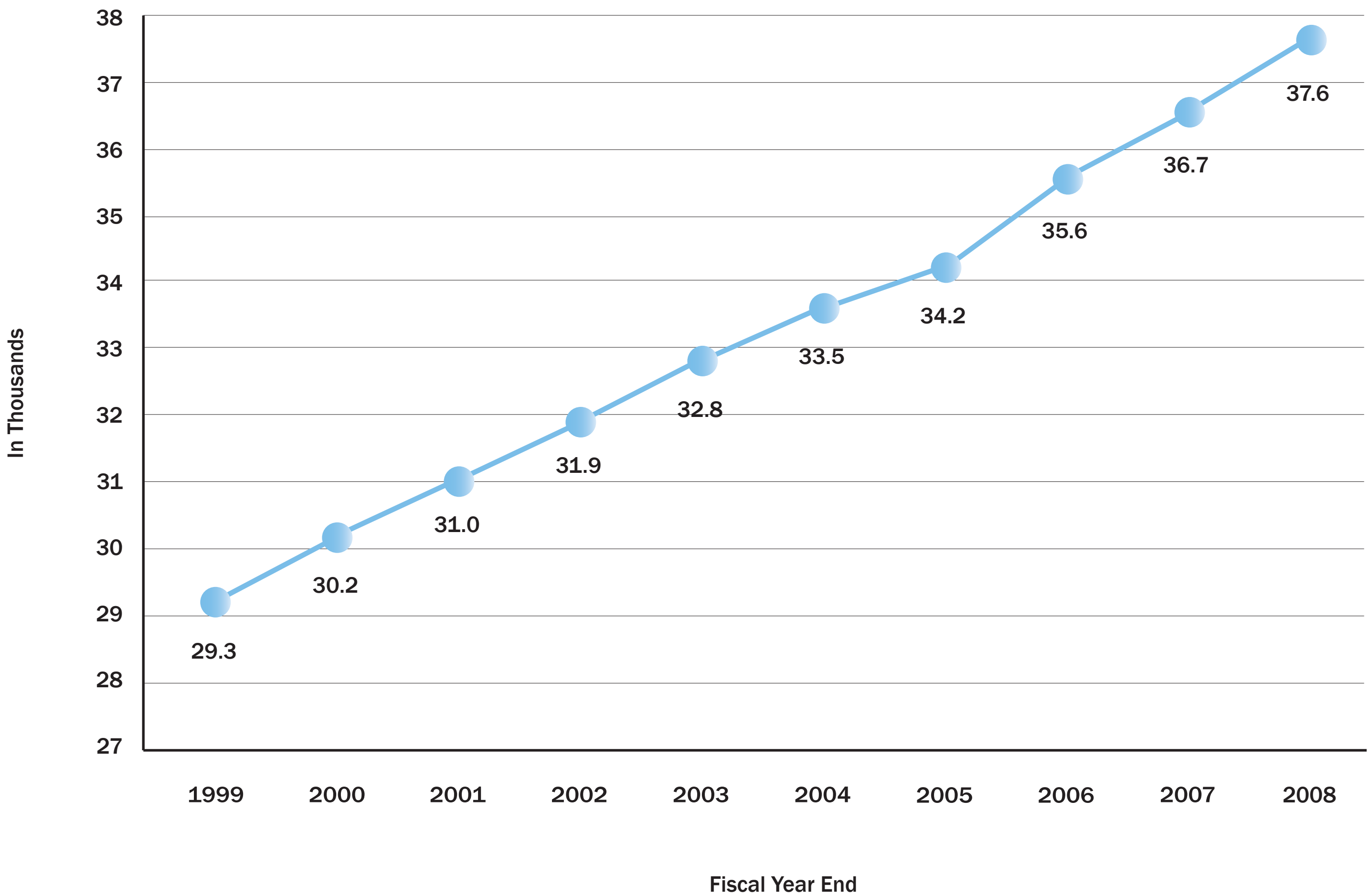
# LASERS Changes In Membership**




* Retirees includes Regular, Disability, Survivors, and DROP retirees
** Chart does not include Terminated Nonvested

# Number Of Benefit Recipients

| Fiscal Year End | Recipients* | Net Change |
|---|---|---|
| 1999 | 29,283 | 3.4% |
| 2000 | 30,197 | 3.1% |
| 2001 | 30,992 | 2.6% |
| 2002 | 31,887 | 2.9% |
| 2003 | 32,757 | 2.7% |
| 2004 | 33,456 | 2.1% |
| 2005 | 34,205 | 2.2% |
| 2006 | 35,555 | 3.9% |
| 2007 | 36,742 | 3.3% |
| 2008 | 37,575 | 2.3% |




* Recipients include Regular, Disablility, and Survivor retirees.

# Average Monthly Benefit Amounts

## Ten Years Ended June 30, 2008

**Summary of All Retirees**

| | | Years of Service Credit | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | <5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40+ | All Members |
| 2008 | Average Benefit Received | $ 624 | $ 761 | $ 729 | $ 1,058 | $ 1,358 | $ 1,850 | $ 2,340 | $ 2,753 | $ 2,866 | $ 1,566 |
| | Average Final Average Compensation | $ 2,077 | $ 2,057 | $ 2,178 | $ 2,219 | $ 2,482 | $ 2,698 | $ 2,905 | $ 3,115 | $ 3,000 | $ 2,545 |
| | Number of Retirees | 141 | 448 | 6,244 | 5,643 | 7,510 | 8,504 | 7,524 | 1,291 | 270 | 37,575 |
| 2007 | Average Benefit Received | $ 775 | $ 930 | $ 700 | $ 1,024 | $ 1,283 | $ 1,767 | $ 2,337 | $ 2,801 | $ 3,002 | $ 1,543 |
| | Average Final Average Compensation | $ 2,344 | $ 2,087 | $ 2,368 | $ 2,472 | $ 2,662 | $ 2,899 | $ 3,198 | $ 3,453 | $ 3,388 | $ 2,781 |
| | Number of Retirees | 101 | 237 | 6,223 | 5,423 | 7,262 | 7,947 | 7,918 | 1,308 | 323 | 36,742 |
| 2006 | Average Benefit Received | $ 716 | $ 875 | $ 661 | $ 959 | $ 1,207 | $ 1,672 | $ 2,216 | $ 2,638 | $ 2,860 | $ 1,450 |
| | Average Final Average Compensation | $ 2,318 | $ 2,020 | $ 2,374 | $ 2,447 | $ 2,622 | $ 2,861 | $ 3,134 | $ 3,340 | $ 3,310 | $ 2,739 |
| | Number of Retirees | 97 | 230 | 6,080 | 5,364 | 7,130 | 7,569 | 7,517 | 1,254 | 314 | 35,555 |
| 2005 | Average Benefit Received | $ 718 | $ 867 | $ 656 | $ 940 | $ 1,178 | $ 1,600 | $ 2,113 | $ 2,486 | $ 2,685 | $ 1,389 |
| | Average Final Average Compensation | $ 1,876 | $ 1,966 | $ 2,371 | $ 2,425 | $ 2,600 | $ 2,843 | $ 3,077 | $ 3,225 | $ 3,277 | $ 2,704 |
| | Number of Retirees | 117 | 229 | 5,891 | 5,335 | 6,917 | 7,090 | 7,112 | 1,194 | 320 | 34,205 |
| 2004 | Average Benefit Received | $ 699 | $ 856 | $ 651 | $ 922 | $ 1,160 | $ 1,566 | $ 2,060 | $ 2,417 | $ 2,625 | $ 1,353 |
| | Average Final Average Compensation | $ 1,826 | $ 1,966 | $ 2,377 | $ 2,426 | $ 2,599 | $ 2,834 | $ 3,044 | $ 3,175 | $ 3,251 | $ 2,690 |
| | Number of Retirees | 130 | 239 | 5,754 | 5,386 | 6,863 | 6,834 | 6,757 | 1,170 | 323 | 33,456 |
| 2003 | Average Benefit Received | $ 588 | $ 837 | $ 620 | $ 875 | $ 1,119 | $ 1,459 | $ 1,869 | $ 2,174 | $ 2,465 | $ 1,253 |
| | Average Final Average Compensation | $ 2,685 | $ 2,204 | $ 2,457 | $ 2,555 | $ 2,598 | $ 2,759 | $ 2,889 | $ 2,939 | $ 3,175 | $ 2,671 |
| | Number of Retirees | 138 | 250 | 5,726 | 5,432 | 6,716 | 6,620 | 6,390 | 1,166 | 319 | 32,757 |
| 2002 | Average Benefit Received | $ 628 | $ 887 | $ 624 | $ 893 | $ 1,135 | $ 1,502 | $ 1,974 | $ 2,301 | $ 2,497 | $ 1,290 |
| | Average Final Average Compensation | $ 1,705 | $ 1,912 | $ 2,448 | $ 2,446 | $ 2,624 | $ 2,852 | $ 2,984 | $ 3,065 | $ 3,092 | $ 2,688 |
| | Number of Retirees | 140 | 266 | 5,624 | 5,402 | 6,458 | 6,400 | 6,137 | 1,138 | 322 | 31,887 |
| 2001 | Average Benefit Received | $ 570 | $ 816 | $ 587 | $ 839 | $ 1,064 | $ 1,385 | $ 1,766 | $ 2,086 | $ 2,371 | $ 1,179 |
| | Average Final Average Compensation | $ 2,726 | $ 2,190 | $ 2,543 | $ 2,604 | $ 2,621 | $ 2,785 | $ 2,873 | $ 2,881 | $ 3,125 | $ 2,695 |
| | Number of Retirees | 150 | 276 | 5,579 | 5,464 | 6,158 | 6,113 | 5,821 | 1,106 | 325 | 30,992 |
| 2000 | Average Benefit Received | $ 633 | $ 843 | $ 582 | $ 831 | $ 1,043 | $ 1,363 | $ 1,800 | $ 2,135 | $ 2,401 | $ 1,173 |
| | Average Final Average Compensation | $ 1,314 | $ 1,937 | $ 2,569 | $ 2,538 | $ 2,688 | $ 2,919 | $ 3,030 | $ 3,106 | $ 3,096 | $ 2,752 |
| | Number of Retirees | 179 | 280 | 5,524 | 5,469 | 5,854 | 5,860 | 5,592 | 1,114 | 325 | 30,197 |
| 1999 | Average Benefit Received | $ 486 | $ 781 | $ 553 | $ 787 | $ 1,008 | $ 1,287 | $ 1,647 | $ 1,952 | $ 2,272 | $ 1,084 |
| | Average Final Average Compensation | $ 2,797 | $ 2,109 | $ 2,682 | $ 2,753 | $ 2,740 | $ 2,849 | $ 2,903 | $ 2,873 | $ 3,187 | $ 2,787 |
| | Number of Retirees | 779 | 278 | 5,342 | 5,269 | 5,481 | 5,542 | 5,203 | 1,075 | 314 | 29,283 |
| | **Ten Years Ended June 30, 2008** | | | | | | | | | | |
| | **Average Benefit Received** | **$ 587** | **$ 838** | **$ 639** | **$ 914** | **$ 1,164** | **$ 1,567** | **$ 2,042** | **$ 2,392** | **$ 2,600** | **$ 1,340** |
| | **Average Final Average Compensation** | **$ 2,355** | **$ 2,047** | **$ 2,431** | **$ 2,487** | **$ 2,619** | **$ 2,827** | **$ 3,012** | **$ 3,126** | **$ 3,193** | **$ 2,703** |

# Average Monthly Benefit Amounts (continued)

## Ten Years Ended June 30, 2008

**Regular State Employees**

| Year | | Years of Service Credit: <5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40+ | All Members |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2008 | Average Benefit Received | $ 512 | $ 701 | $ 707 | $ 1,002 | $ 1,289 | $ 1,798 | $ 2,310 | $ 2,731 | $ 2,803 | $ 1,528 |
| | Average Final Average Compensation | $ 1,898 | $ 1,989 | $ 2,149 | $ 2,147 | $ 2,396 | $ 2,645 | $ 2,876 | $ 3,098 | $ 2,935 | $ 2,496 |
| | Number of Retirees | 133 | 422 | 6,113 | 5,323 | 6,520 | 8,138 | 7,388 | 1,275 | 264 | 35,576 |
| 2007 | Average Benefit Received | $ 544 | $ 757 | $ 668 | $ 938 | $ 1,192 | $ 1,636 | $ 2,151 | $ 2,557 | $ 2,727 | $ 1,433 |
| | Average Final Average Compensation | $ 2,463 | $ 2,135 | $ 2,381 | $ 2,501 | $ 2,583 | $ 2,783 | $ 3,051 | $ 3,237 | $ 3,314 | $ 2,711 |
| | Number of Retirees | 93 | 211 | 6,108 | 5,250 | 6,192 | 7,586 | 7,780 | 1,294 | 314 | 34,828 |
| 2006 | Average Benefit Received | $ 524 | $ 754 | $ 627 | $ 877 | $ 1,115 | $ 1,533 | $ 2,024 | $ 2,381 | $ 2,581 | $ 1,337 |
| | Average Final Average Compensation | $ 2,516 | $ 2,084 | $ 2,387 | $ 2,495 | $ 2,558 | $ 2,752 | $ 2,992 | $ 3,132 | $ 3,259 | $ 2,679 |
| | Number of Retirees | 90 | 205 | 5,965 | 5,197 | 6,107 | 7,228 | 7,385 | 1,241 | 305 | 33,723 |
| 2005 | Average Benefit Received | $ 543 | $ 748 | $ 618 | $ 857 | $ 1,090 | $ 1,464 | $ 1,934 | $ 2,259 | $ 2,464 | $ 1,280 |
| | Average Final Average Compensation | $ 2,534 | $ 2,038 | $ 2,398 | $ 2,488 | $ 2,543 | $ 2,736 | $ 2,939 | $ 3,035 | $ 3,196 | $ 2,655 |
| | Number of Retirees | 110 | 206 | 5,778 | 5,175 | 5,944 | 6,775 | 6,990 | 1,181 | 311 | 32,470 |
| 2004 | Average Benefit Received | $ 528 | $ 738 | $ 613 | $ 845 | $ 1,072 | $ 1,431 | $ 1,887 | $ 2,207 | $ 2,409 | $ 1,248 |
| | Average Final Average Compensation | $ 2,616 | $ 2,060 | $ 2,405 | $ 2,492 | $ 2,543 | $ 2,725 | $ 2,907 | $ 2,993 | $ 3,173 | $ 2,643 |
| | Number of Retirees | 122 | 215 | 5,647 | 5,231 | 5,887 | 6,530 | 6,643 | 1,156 | 315 | 31,746 |
| 2003 | Average Benefit Received | $ 501 | $ 766 | $ 602 | $ 834 | $ 1,053 | $ 1,399 | $ 1,840 | $ 2,150 | $ 2,374 | $ 1,213 |
| | Average Final Average Compensation | $ 2,593 | $ 2,079 | $ 2,438 | $ 2,518 | $ 2,559 | $ 2,709 | $ 2,869 | $ 2,924 | $ 3,107 | $ 2,639 |
| | Number of Retirees | 131 | 226 | 5,620 | 5,278 | 5,813 | 6,325 | 6,281 | 1,150 | 310 | 31,134 |
| 2002 | Average Benefit Received | $ 494 | $ 764 | $ 586 | $ 823 | $ 1,046 | $ 1,378 | $ 1,805 | $ 2,123 | $ 2,328 | $ 1,190 |
| | Average Final Average Compensation | $ 2,606 | $ 2,011 | $ 2,472 | $ 2,534 | $ 2,577 | $ 2,723 | $ 2,852 | $ 2,885 | $ 3,063 | $ 2,647 |
| | Number of Retirees | 133 | 243 | 5,524 | 5,258 | 5,663 | 6,138 | 6,041 | 1,124 | 313 | 30,437 |
| 2001 | Average Benefit Received | $ 490 | $ 734 | $ 570 | $ 803 | $ 1,007 | $ 1,334 | $ 1,738 | $ 2,064 | $ 2,294 | $ 1,143 |
| | Average Final Average Compensation | $ 2,643 | $ 2,048 | $ 2,526 | $ 2,574 | $ 2,600 | $ 2,752 | $ 2,857 | $ 2,870 | $ 3,061 | $ 2,672 |
| | Number of Retirees | 142 | 251 | 5,489 | 5,320 | 5,498 | 5,895 | 5,731 | 1,091 | 317 | 29,734 |
| 2000 | Average Benefit Received | $ 459 | $ 715 | $ 555 | $ 773 | $ 977 | $ 1,279 | $ 1,674 | $ 1,996 | $ 2,258 | $ 1,099 |
| | Average Final Average Compensation | $ 2,726 | $ 2,012 | $ 2,585 | $ 2,627 | $ 2,649 | $ 2,769 | $ 2,874 | $ 2,897 | $ 3,095 | $ 2,708 |
| | Number of Retirees | 171 | 257 | 5,445 | 5,331 | 5,296 | 5,663 | 5,514 | 1,100 | 318 | 29,095 |
| 1999 | Average Benefit Received | $ 458 | $ 732 | $ 539 | $ 753 | $ 957 | $ 1,238 | $ 1,620 | $ 1,930 | $ 2,198 | $ 1,050 |
| | Average Final Average Compensation | $ 2,794 | $ 2,017 | $ 2,667 | $ 2,728 | $ 2,732 | $ 2,819 | $ 2,886 | $ 2,860 | $ 3,135 | $ 2,768 |
| | Number of Retirees | 774 | 259 | 5,269 | 5,143 | 5,009 | 5,361 | 5,131 | 1,064 | 308 | 28,318 |
| | **Ten Years Ended June 30, 2008** | | | | | | | | | | |
| | **Average Benefit Received** | **$ 487** | **$ 737** | **$ 611** | **$ 851** | **$ 1,086** | **$ 1,469** | **$ 1,923** | **$ 2,255** | **$ 2,438** | **$ 1,262** |
| | **Average Final Average Compensation** | **$ 2,631** | **$ 2,041** | **$ 2,435** | **$ 2,510** | **$ 2,569** | **$ 2,738** | **$ 2,916** | **$ 3,001** | **$ 3,137** | **$ 2,659** |

# Average Monthly Benefit Amounts (continued)
## Ten Years Ended June 30, 2008

**Corrections Employees Primary (Before 1986)**

| Year | | <5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40+ | All Members |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Years of Service Credit | | | | | | | | | |
| 2008 | Average Benefit Received | $ - | $ 1,416 | $ 1,168 | $ 1,297 | $ 1,472 | $ 2,216 | $ 3,043 | $ 4,014 | $ 4,468 | $ 1,607 |
| | Average Final Average Compensation | $ - | $ 1,974 | $ 2,310 | $ 2,658 | $ 2,765 | $ 3,474 | $ 3,944 | $ 5,215 | $ 5,192 | $ 2,877 |
| | Number of Retirees | 0 | 12 | 58 | 177 | 792 | 181 | 46 | 3 | 3 | 1,272 |
| 2007 | Average Benefit Received | $ - | $ 1,440 | $ 1,123 | $ 1,296 | $ 1,411 | $ 2,113 | $ 2,696 | $ 3,534 | $ 4,410 | $ 1,559 |
| | Average Final Average Compensation | $ - | $ 1,935 | $ 2,246 | $ 2,634 | $ 2,717 | $ 3,463 | $ 3,872 | $ 4,455 | $ 5,577 | $ 2,850 |
| | Number of Retirees | 0 | 13 | 54 | 57 | 882 | 185 | 46 | 2 | 4 | 1,243 |
| 2006 | Average Benefit Received | $ - | $ 1,356 | $ 999 | $ 1,233 | $ 1,368 | $ 2,024 | $ 2,657 | $ 3,399 | $ 4,210 | $ 1,502 |
| | Average Final Average Compensation | $ - | $ 1,935 | $ 2,229 | $ 2,555 | $ 2,672 | $ 3,373 | $ 3,867 | $ 4,455 | $ 5,577 | $ 2,799 |
| | Number of Retirees | 0 | 13 | 54 | 52 | 838 | 171 | 45 | 2 | 4 | 1,179 |
| 2005 | Average Benefit Received | $ - | $ 1,335 | $ 1,246 | $ 1,212 | $ 1,333 | $ 2,007 | $ 2,541 | $ 2,637 | $ 4,210 | $ 1,475 |
| | Average Final Average Compensation | $ - | $ 1,918 | $ 2,209 | $ 2,498 | $ 2,628 | $ 3,341 | $ 3,809 | $ 2,805 | $ 5,577 | $ 2,749 |
| | Number of Retirees | 0 | 12 | 53 | 48 | 794 | 154 | 42 | 1 | 4 | 1,108 |
| 2004 | Average Benefit Received | $ - | $ 1,300 | $ 898 | $ 1,245 | $ 1,311 | $ 1,997 | $ 2,516 | $ 2,637 | $ 3,920 | $ 1,434 |
| | Average Final Average Compensation | $ - | $ 1,917 | $ 2,135 | $ 2,440 | $ 2,599 | $ 3,327 | $ 3,750 | $ 2,805 | $ 5,582 | $ 2,711 |
| | Number of Retirees | 0 | 13 | 50 | 46 | 792 | 148 | 39 | 1 | 3 | 1,092 |
| 2003 | Average Benefit Received | $ - | $ 1,377 | $ 895 | $ 1,242 | $ 1,296 | $ 1,980 | $ 2,473 | $ 2,637 | $ 3,920 | $ 1,425 |
| | Average Final Average Compensation | $ - | $ 1,917 | $ 2,106 | $ 2,436 | $ 2,561 | $ 3,337 | $ 3,689 | $ 2,805 | $ 5,582 | $ 2,687 |
| | Number of Retirees | 0 | 13 | 47 | 45 | 718 | 143 | 37 | 1 | 3 | 1,007 |
| 2002 | Average Benefit Received | $ - | $ 1,322 | $ 900 | $ 1,298 | $ 1,315 | $ 1,931 | $ 2,343 | $ 2,637 | $ 3,920 | $ 1,424 |
| | Average Final Average Compensation | $ - | $ 1,857 | $ 2,050 | $ 2,412 | $ 2,511 | $ 3,239 | $ 3,451 | $ 2,805 | $ 5,582 | $ 2,618 |
| | Number of Retirees | 0 | 12 | 42 | 41 | 613 | 120 | 28 | 1 | 3 | 860 |
| 2001 | Average Benefit Received | $ - | $ 1,245 | $ 887 | $ 1,231 | $ 1,238 | $ 1,916 | $ 2,271 | $ 2,596 | $ 3,714 | $ 1,347 |
| | Average Final Average Compensation | $ - | $ 1,745 | $ 2,024 | $ 2,384 | $ 2,414 | $ 3,115 | $ 3,254 | $ 2,805 | $ 5,582 | $ 2,505 |
| | Number of Retirees | 0 | 12 | 36 | 41 | 480 | 79 | 23 | 1 | 3 | 675 |
| 2000 | Average Benefit Received | $ - | $ 1,302 | $ 899 | $ 1,196 | $ 1,224 | $ 1,920 | $ 2,055 | $ 2,545 | $ 2,880 | $ 1,313 |
| | Average Final Average Compensation | $ - | $ 1,738 | $ 2,011 | $ 2,356 | $ 2,369 | $ 2,950 | $ 2,830 | $ 2,805 | $ 4,203 | $ 2,420 |
| | Number of Retirees | 0 | 10 | 29 | 35 | 389 | 62 | 14 | 1 | 1 | 541 |
| 1999 | Average Benefit Received | $ - | $ 1,164 | $ 889 | $ 1,129 | $ 1,218 | $ 1,870 | $ 1,950 | $ 2,495 | $ - | $ 1,290 |
| | Average Final Average Compensation | $ - | $ 1,689 | $ 1,993 | $ 2,294 | $ 2,332 | $ 2,884 | $ 2,679 | $ 2,805 | $ - | $ 2,373 |
| | Number of Retirees | 0 | 8 | 27 | 32 | 329 | 54 | 12 | 1 | 0 | 463 |
| | **Ten Years Ended June 30, 2008** | | | | | | | | | | |
| | **Average Benefit Received** | **$ -** | **$ 1,333** | **$ 1,011** | **$ 1,255** | **$ 1,337** | **$ 2,027** | **$ 2,560** | **$ 3,149** | **$ 4,072** | **$ 1,465** |
| | **Average Final Average Compensation** | **$ -** | **$ 1,873** | **$ 2,155** | **$ 2,522** | **$ 2,595** | **$ 3,318** | **$ 3,673** | **$ 3,793** | **$ 5,489** | **$ 2,708** |

# Average Monthly Benefit Amounts (continued)

## Ten Years Ended June 30, 2008

**Corrections Employees Secondary (After 1986)**

| | | Years of Service Credit | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | <5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40+ | All Members |
| 2008 | Average Benefit Received | $ - | $ 1,441 | $ 1,195 | $ 2,126 | $ 2,773 | $ 3,398 | $ 4,281 | $ 4,661 | $ - | $ 2,838 |
| | Average Final Average Compensation | $ - | $ 2,576 | $ 3,073 | $ 3,546 | $ 4,278 | $ 4,495 | $ 5,408 | $ 5,058 | $ - | $ 4,154 |
| | Number of Retirees | 0 | 4 | 6 | 10 | 10 | 16 | 9 | 1 | 0 | 56 |
| 2007 | Average Benefit Received | $ - | $ 1,897 | $ 1,203 | $ 2,291 | $ 2,153 | $ 2,953 | $ 4,492 | $ 4,661 | $ 4,504 | $ 3,198 |
| | Average Final Average Compensation | $ - | $ 2,528 | $ 2,812 | $ 3,290 | $ 3,348 | $ 4,415 | $ 5,658 | $ 5,058 | $ 4,945 | $ 4,398 |
| | Number of Retirees | 0 | 2 | 3 | 4 | 1 | 10 | 10 | 1 | 1 | 32 |
| 2006 | Average Benefit Received | $ - | $ 1,911 | $ 1,015 | $ 1,644 | $ 2,153 | $ 4,011 | $ 4,590 | $ - | $ 4,271 | $ 3,482 |
| | Average Final Average Compensation | $ - | $ 2,548 | $ 2,724 | $ 3,165 | $ 3,348 | $ 4,654 | $ 5,872 | $ - | $ 4,945 | $ 4,580 |
| | Number of Retirees | 0 | 1 | 2 | 3 | 1 | 7 | 8 | 0 | 1 | 23 |
| 2005 | Average Benefit Received | $ - | $ - | $ 884 | $ 1,796 | $ - | $ 3,418 | $ 5,464 | $ - | $ 4,270 | $ 3,797 |
| | Average Final Average Compensation | $ - | $ - | $ 2,578 | $ 3,075 | $ - | $ 4,739 | $ 6,182 | $ - | $ 4,945 | $ 4,877 |
| | Number of Retirees | 0 | 0 | 1 | 2 | 0 | 5 | 5 | 0 | 1 | 14 |
| 2004 | Average Benefit Received | $ - | $ - | $ - | $ 1,224 | $ - | $ 3,917 | $ 4,244 | $ - | $ 4,270 | $ 3,706 |
| | Average Final Average Compensation | $ - | $ - | $ - | $ 2,993 | $ - | $ 5,344 | $ 5,369 | $ - | $ 4,945 | $ 5,007 |
| | Number of Retirees | 0 | 0 | 0 | 1 | 0 | 4 | 2 | 0 | 1 | 8 |
| 2003 | Average Benefit Received | $ - | $ - | $ - | $ - | $ - | $ 4,775 | $ 4,001 | $ 2,124 | $ 4,270 | $ 3,834 |
| | Average Final Average Compensation | $ - | $ - | $ - | $ - | $ - | $ 6,089 | $ 5,369 | $ 5,058 | $ 4,945 | $ 5,366 |
| | Number of Retirees | 0 | 0 | 0 | 0 | 0 | 1 | 2 | 1 | 1 | 5 |
| 2002 | Average Benefit Received | $ - | $ - | $ - | $ - | $ - | $ 3,497 | $ - | $ - | $ 4,270 | $ 3,884 |
| | Average Final Average Compensation | $ - | $ - | $ - | $ - | $ - | $ 6,089 | $ - | $ - | $ 4,945 | $ 5,517 |
| | Number of Retirees | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 2 |
| 1999-2001 | Average Benefit Received | No Activity | | | | | | | | | |
| | Average Final Average Compensation | No Activity | | | | | | | | | |
| | Number of Retirees | No Activity | | | | | | | | | |
| | **Ten Years Ended June 30, 2008** | | | | | | | | | | |
| | **Average Benefit Received** | **$ -** | **$ 1,638** | **$ 1,141** | **$ 2,009** | **$ 2,670** | **$ 3,477** | **$ 4,555** | **$ 3,815** | **$ 4,309** | **$ 3,222** |
| | **Average Final Average Compensation** | **$ -** | **$ 2,558** | **$ 2,908** | **$ 3,363** | **$ 4,123** | **$ 4,679** | **$ 5,684** | **$ 5,058** | **$ 4,945** | **$ 4,464** |

# Average Monthly Benefit Amounts (continued)
## Ten Years Ended June 30, 2008

**Peace Officers**

| Year | | <5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40+ | All Members |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Years of Service Credit | | | | | | | | | |
| 2008 | Average Benefit Received | $ - | $ - | $ 1,359 | $ 2,127 | $ 2,102 | $ 1,608 | $ 3,115 | $ - | $ - | $ 1,894 |
| | Average Final Average Compensation | $ - | $ - | $ 3,959 | $ 3,808 | $ 4,528 | $ 3,114 | $ 3,987 | $ - | $ - | $ 3,890 |
| | Number of Retirees | 0 | 0 | 3 | 2 | 1 | 1 | 1 | 0 | 0 | 8 |
| 2007 | Average Benefit Received | $ - | $ - | $ - | $ 2,065 | $ 2,041 | $ - | $ 3,024 | $ - | $ - | $ 2,299 |
| | Average Final Average Compensation | $ - | $ - | $ - | $ 3,808 | $ 4,528 | $ - | $ 3,987 | $ - | $ - | $ 4,033 |
| | Number of Retirees | 0 | 0 | 0 | 2 | 1 | 0 | 1 | 0 | 0 | 4 |
| 1999-2006 | Average Benefit Received | No Activity | | | | | | | | | |
| | Average Final Average Compensation | No Activity | | | | | | | | | |
| | Number of Retirees | No Activity | | | | | | | | | |
| | **Ten Years Ended June 30, 2008** | | | | | | | | | | |
| | **Average Benefit Received** | $ - | $ - | **$ 1,359** | **$ 2,096** | **$ 2,072** | **$ 1,608** | **$ 3,070** | $ - | $ - | **$ 2,029** |
| | **Average Final Average Compensation** | $ - | $ - | **$ 3,959** | **$ 3,808** | **$ 4,528** | **$ 3,114** | **$ 3,987** | $ - | $ - | **$ 3,938** |

# Average Monthly Benefit Amounts (continued)
## Ten Years Ended June 30, 2008

**Wildlife Agents (Before 2003)**

| | | Years of Service Credit | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | <5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40+ | All Members |
| 2008 | Average Benefit Received | $ 718 | $ 1,232 | $ 1,333 | $ 1,277 | $ 1,596 | $ 1,973 | $ 2,203 | $ 1,874 | $ 2,434 | $ 1,716 |
| | Average Final Average Compensation | $ 1,628 | $ 1,890 | $ 2,558 | $ 2,012 | $ 2,615 | $ 2,617 | $ 2,646 | $ 2,467 | $ 4,024 | $ 2,529 |
| | Number of Retirees | 2 | 3 | 14 | 26 | 80 | 79 | 17 | 3 | 1 | 225 |
| 2007 | Average Benefit Received | $ 718 | $ 966 | $ 1,320 | $ 1,168 | $ 1,514 | $ 1,875 | $ 2,149 | $ 1,819 | $ - | $ 1,639 |
| | Average Final Average Compensation | $ 1,628 | $ 1,546 | $ 2,559 | $ 2,198 | $ 2,763 | $ 2,901 | $ 2,946 | $ 3,335 | $ - | $ 2,745 |
| | Number of Retirees | 2 | 2 | 15 | 23 | 88 | 81 | 20 | 3 | 0 | 234 |
| 2006 | Average Benefit Received | $ 989 | $ 916 | $ 1,290 | $ 1,108 | $ 1,429 | $ 1,771 | $ 1,917 | $ 1,755 | $ - | $ 1,545 |
| | Average Final Average Compensation | $ 1,628 | $ 1,546 | $ 2,586 | $ 2,198 | $ 2,796 | $ 2,946 | $ 2,858 | $ 3,335 | $ - | $ 2,768 |
| | Number of Retirees | 2 | 2 | 16 | 23 | 91 | 82 | 21 | 3 | 0 | 240 |
| 2005 | Average Benefit Received | $ 988 | $ 915 | $ 1,290 | $ 1,107 | $ 1,406 | $ 1,760 | $ 1,785 | $ 1,754 | $ - | $ 1,521 |
| | Average Final Average Compensation | $ 1,628 | $ 1,546 | $ 2,586 | $ 2,198 | $ 2,738 | $ 2,912 | $ 2,712 | $ 3,335 | $ - | $ 2,723 |
| | Number of Retirees | 2 | 2 | 16 | 23 | 92 | 84 | 20 | 3 | 0 | 242 |
| 2004 | Average Benefit Received | $ 988 | $ 915 | $ 1,290 | $ 1,107 | $ 1,386 | $ 1,760 | $ 1,662 | $ 1,667 | $ - | $ 1,501 |
| | Average Final Average Compensation | $ 1,628 | $ 1,546 | $ 2,586 | $ 2,198 | $ 2,717 | $ 2,912 | $ 2,671 | $ 3,643 | $ - | $ 2,720 |
| | Number of Retirees | 2 | 2 | 16 | 23 | 95 | 84 | 19 | 4 | 0 | 245 |
| 2003 | Average Benefit Received | $ 988 | $ 915 | $ 1,255 | $ 1,125 | $ 1,388 | $ 1,744 | $ 1,501 | $ 1,507 | $ - | $ 1,475 |
| | Average Final Average Compensation | $ 1,628 | $ 1,546 | $ 2,456 | $ 2,152 | $ 2,700 | $ 2,978 | $ 2,421 | $ 3,050 | $ - | $ 2,689 |
| | Number of Retirees | 2 | 2 | 17 | 25 | 96 | 83 | 19 | 5 | 0 | 249 |
| 2002 | Average Benefit Received | $ 988 | $ 915 | $ 1,206 | $ 1,125 | $ 1,356 | $ 1,725 | $ 1,520 | $ 1,507 | $ - | $ 1,449 |
| | Average Final Average Compensation | $ 1,628 | $ 1,546 | $ 2,562 | $ 2,152 | $ 2,638 | $ 2,916 | $ 2,421 | $ 3,050 | $ - | $ 2,647 |
| | Number of Retirees | 2 | 2 | 18 | 25 | 97 | 79 | 19 | 5 | 0 | 247 |
| 2001 | Average Benefit Received | $ 988 | $ 901 | $ 1,207 | $ 1,074 | $ 1,313 | $ 1,649 | $ 1,516 | $ 1,496 | $ - | $ 1,404 |
| | Average Final Average Compensation | $ 1,628 | $ 1,546 | $ 2,431 | $ 2,104 | $ 2,653 | $ 2,800 | $ 2,325 | $ 3,050 | $ - | $ 2,596 |
| | Number of Retirees | 2 | 2 | 16 | 24 | 96 | 78 | 19 | 5 | 0 | 242 |
| 2000 | Average Benefit Received | $ 988 | $ 883 | $ 1,078 | $ 1,070 | $ 1,262 | $ 1,601 | $ 1,418 | $ 1,268 | $ - | $ 1,352 |
| | Average Final Average Compensation | $ 1,628 | $ 1,546 | $ 2,353 | $ 2,104 | $ 2,620 | $ 2,926 | $ 2,292 | $ 3,059 | $ - | $ 2,618 |
| | Number of Retirees | 2 | 2 | 13 | 25 | 88 | 78 | 17 | 4 | 0 | 229 |
| 1999 | Average Benefit Received | $ 989 | $ 884 | $ 956 | $ 1,143 | $ 1,288 | $ 1,606 | $ 1,434 | $ 1,221 | $ - | $ 1,375 |
| | Average Final Average Compensation | $ 1,628 | $ 1,546 | $ 2,595 | $ 2,337 | $ 2,912 | $ 3,165 | $ 2,814 | $ 4,225 | $ - | $ 2,904 |
| | Number of Retirees | 2 | 2 | 11 | 21 | 70 | 72 | 16 | 2 | 0 | 196 |
| | **Ten Years Ended June 30, 2008** | | | | | | | | | | |
| | **Average Benefit Received** | **$ 934** | **$ 958** | **$ 1,232** | **$ 1,131** | **$ 1,393** | **$ 1,749** | **$ 1,718** | **$ 1,577** | **$ 2,434** | **$ 1,499** |
| | **Average Final Average Compensation** | **$ 1,628** | **$ 1,595** | **$ 2,528** | **$ 2,161** | **$ 2,711** | **$ 2,906** | **$ 2,615** | **$ 3,201** | **$ 4,024** | **$ 2,691** |

# Average Monthly Benefit Amounts (continued)
## Ten Years Ended June 30, 2008

**Wildlife Agents (After 2003)**

| | | Years of Service Credit | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | <5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40+ | All Members |
| 2008 | Average Benefit Received | $ - | $ - | $ - | $ 2,490 | $ 3,384 | $ 4,527 | $ 5,044 | $ - | $ - | $ 4,194 |
| | Average Final Average Compensation | $ - | $ - | $ - | $ 3,865 | $ 4,660 | $ 5,083 | $ 4,941 | $ - | $ - | $ 4,814 |
| | Number of Retirees | 0 | 0 | 0 | 5 | 8 | 17 | 11 | 0 | 0 | 41 |
| 2007 | Average Benefit Received | $ - | $ - | $ - | $ 2,401 | $ 3,039 | $ 4,419 | $ 4,936 | $ - | $ - | $ 4,079 |
| | Average Final Average Compensation | $ - | $ - | $ - | $ 3,840 | $ 4,415 | $ 5,097 | $ 4,921 | $ - | $ - | $ 4,785 |
| | Number of Retirees | 0 | 0 | 0 | 4 | 7 | 16 | 10 | 0 | 0 | 37 |
| 2006 | Average Benefit Received | $ - | $ - | $ - | $ 2,281 | $ 3,477 | $ 5,006 | $ 5,267 | $ - | $ - | $ 4,469 |
| | Average Final Average Compensation | $ - | $ - | $ - | $ 3,840 | $ 4,388 | $ 4,899 | $ 4,948 | $ - | $ - | $ 4,691 |
| | Number of Retirees | 0 | 0 | 0 | 4 | 6 | 14 | 9 | 0 | 0 | 33 |
| 2005 | Average Benefit Received | $ - | $ - | $ - | $ 2,180 | $ 2,649 | $ 3,805 | $ 5,331 | $ - | $ - | $ 3,715 |
| | Average Final Average Compensation | $ - | $ - | $ - | $ 3,685 | $ 4,022 | $ 4,831 | $ 5,433 | $ - | $ - | $ 4,610 |
| | Number of Retirees | 0 | 0 | 0 | 3 | 2 | 3 | 4 | 0 | 0 | 12 |
| 2004 | Average Monthly Benefit | $ - | $ - | $ - | $ - | $ 2,497 | $ 4,213 | $ 4,432 | $ - | $ - | $ 3,714 |
| | Average Final Average Compensation | $ - | $ - | $ - | $ - | $ 3,910 | $ 5,245 | $ 4,432 | $ - | $ - | $ 4,529 |
| | Number of Retirees | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 3 |
| 1999-2003 | Average Benefit Received | No Activity | | | | | | | | | |
| | Average Final Average Compensation | No Activity | | | | | | | | | |
| | Number of Retirees | No Activity | | | | | | | | | |
| | **Ten Years Ended June 30, 2008** | | | | | | | | | | |
| | **Average Benefit Received** | **$ -** | **$ -** | **$ -** | **$ 2,357** | **$ 3,208** | **$ 4,576** | **$ 5,086** | **$ -** | **$ -** | **$ 2,811** |
| | **Average Final Average Compensation** | **$ -** | **$ -** | **$ -** | **$ 3,819** | **$ 4,436** | **$ 5,025** | **$ 4,979** | **$ -** | **$ -** | **$ 3,181** |

# Average Monthly Benefit Amounts (continued)
## Ten Years Ended June 30, 2008

**Judges**

| Year | | <5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40+ | All Members |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Years of Service Credit | | | | | | | | | |
| 2008 | Average Benefit Received | $ 3,010 | $ 2,320 | $ 3,164 | $ 4,626 | $ 5,477 | $ 6,490 | $ 6,035 | $ 7,215 | $ 8,915 | $ 5,185 |
| | Average Final Average Compensation | $ 6,119 | $ 5,531 | $ 6,001 | $ 6,609 | $ 6,409 | $ 6,484 | $ 5,972 | $ 5,459 | $ 7,679 | $ 6,309 |
| | Number of Retirees | 6 | 8 | 37 | 60 | 68 | 55 | 39 | 6 | 2 | 281 |
| 2007 | Average Benefit Received | $ 3,147 | $ 2,218 | $ 2,956 | $ 4,500 | $ 4,972 | $ 6,288 | $ 5,598 | $ 6,713 | $ 8,308 | $ 4,956 |
| | Average Final Average Compensation | $ 6,101 | $ 5,939 | $ 6,161 | $ 6,534 | $ 6,470 | $ 6,465 | $ 5,531 | $ 5,575 | $ 7,325 | $ 6,277 |
| | Number of Retirees | 6 | 8 | 33 | 54 | 63 | 58 | 38 | 6 | 3 | 269 |
| 2006 | Average Benefit Received | $ 2,752 | $ 2,104 | $ 2,802 | $ 4,218 | $ 4,578 | $ 6,020 | $ 5,264 | $ 6,379 | $ 7,934 | $ 4,660 |
| | Average Final Average Compensation | $ 5,574 | $ 5,939 | $ 6,127 | $ 6,520 | $ 6,387 | $ 6,487 | $ 5,531 | $ 5,575 | $ 7,325 | $ 6,244 |
| | Number of Retirees | 5 | 8 | 33 | 55 | 60 | 57 | 38 | 6 | 3 | 265 |
| 2005 | Average Benefit Received | $ 2,752 | $ 2,103 | $ 2,839 | $ 4,216 | $ 4,631 | $ 6,047 | $ 5,519 | $ 5,808 | $ 7,934 | $ 4,721 |
| | Average Final Average Compensation | $ 5,574 | $ 5,939 | $ 6,127 | $ 6,471 | $ 6,398 | $ 6,507 | $ 5,462 | $ 5,222 | $ 7,325 | $ 6,215 |
| | Number of Retirees | 5 | 8 | 33 | 55 | 60 | 58 | 40 | 7 | 3 | 269 |
| 2004 | Average Benefit Received | $ 2,445 | $ 2,103 | $ 2,870 | $ 4,145 | $ 4,608 | $ 6,029 | $ 5,698 | $ 5,808 | $ 7,934 | $ 4,713 |
| | Average Final Average Compensation | $ 5,481 | $ 5,939 | $ 5,989 | $ 6,326 | $ 6,344 | $ 6,444 | $ 5,462 | $ 5,222 | $ 7,325 | $ 6,136 |
| | Number of Retirees | 6 | 8 | 32 | 54 | 60 | 56 | 40 | 7 | 3 | 266 |
| 2003 | Average Benefit Received | $ 2,071 | $ 2,103 | $ 2,896 | $ 4,173 | $ 4,602 | $ 6,163 | $ 5,761 | $ 6,537 | $ 7,348 | $ 4,781 |
| | Average Final Average Compensation | $ 4,851 | $ 5,939 | $ 5,989 | $ 6,326 | $ 6,280 | $ 6,354 | $ 5,462 | $ 5,222 | $ 5,846 | $ 6,076 |
| | Number of Retirees | 5 | 8 | 32 | 54 | 61 | 56 | 40 | 7 | 4 | 267 |
| 2002 | Average Benefit Received | $ 2,071 | $ 2,103 | $ 2,916 | $ 4,170 | $ 4,615 | $ 6,128 | $ 5,711 | $ 6,510 | $ 6,869 | $ 4,741 |
| | Average Final Average Compensation | $ 4,851 | $ 5,939 | $ 5,926 | $ 6,181 | $ 6,174 | $ 6,135 | $ 5,399 | $ 4,776 | $ 5,846 | $ 5,939 |
| | Number of Retirees | 5 | 8 | 31 | 47 | 56 | 49 | 39 | 6 | 4 | 245 |
| 2001 | Average Benefit Received | $ 2,038 | $ 2,521 | $ 2,893 | $ 4,114 | $ 4,565 | $ 6,039 | $ 5,640 | $ 6,427 | $ 6,801 | $ 4,676 |
| | Average Final Average Compensation | $ 4,851 | $ 6,110 | $ 5,960 | $ 6,182 | $ 6,122 | $ 6,082 | $ 5,399 | $ 4,776 | $ 5,846 | $ 5,917 |
| | Number of Retirees | 6 | 10 | 30 | 48 | 54 | 48 | 39 | 7 | 4 | 246 |
| 2000 | Average Benefit Received | $ 1,998 | $ 2,151 | $ 2,824 | $ 4,005 | $ 4,367 | $ 5,769 | $ 5,460 | $ 6,184 | $ 6,356 | $ 4,498 |
| | Average Final Average Compensation | $ 4,851 | $ 5,421 | $ 5,855 | $ 6,116 | $ 6,071 | $ 5,924 | $ 5,415 | $ 4,776 | $ 5,999 | $ 5,823 |
| | Number of Retirees | 6 | 10 | 28 | 46 | 52 | 45 | 38 | 7 | 5 | 237 |
| 1999 | Average Benefit Received | $ 1,345 | $ 2,139 | $ 2,770 | $ 4,072 | $ 4,280 | $ 5,641 | $ 5,385 | $ 5,956 | $ 6,261 | $ 4,496 |
| | Average Final Average Compensation | $ 4,105 | $ 5,159 | $ 5,838 | $ 6,135 | $ 6,014 | $ 5,899 | $ 5,442 | $ 4,776 | $ 5,999 | $ 5,803 |
| | Number of Retirees | 3 | 8 | 26 | 42 | 46 | 44 | 37 | 6 | 5 | 217 |
| | **Ten Years Ended June 30, 2008** | | | | | | | | | | |
| | **Average Benefit Received** | **$ 2,417** | **$ 2,194** | **$ 2,900** | **$ 4,237** | **$ 4,697** | **$ 6,077** | **$ 5,610** | **$ 6,338** | **$ 7,259** | **$ 4,754** |
| | **Average Final Average Compensation** | **$ 5,302** | **$ 5,785** | **$ 6,004** | **$ 6,356** | **$ 6,281** | **$ 6,301** | **$ 5,508** | **$ 5,131** | **$ 6,483** | **$ 6,086** |

# Average Monthly Benefit Amounts (continued)
## Ten Years Ended June 30, 2008

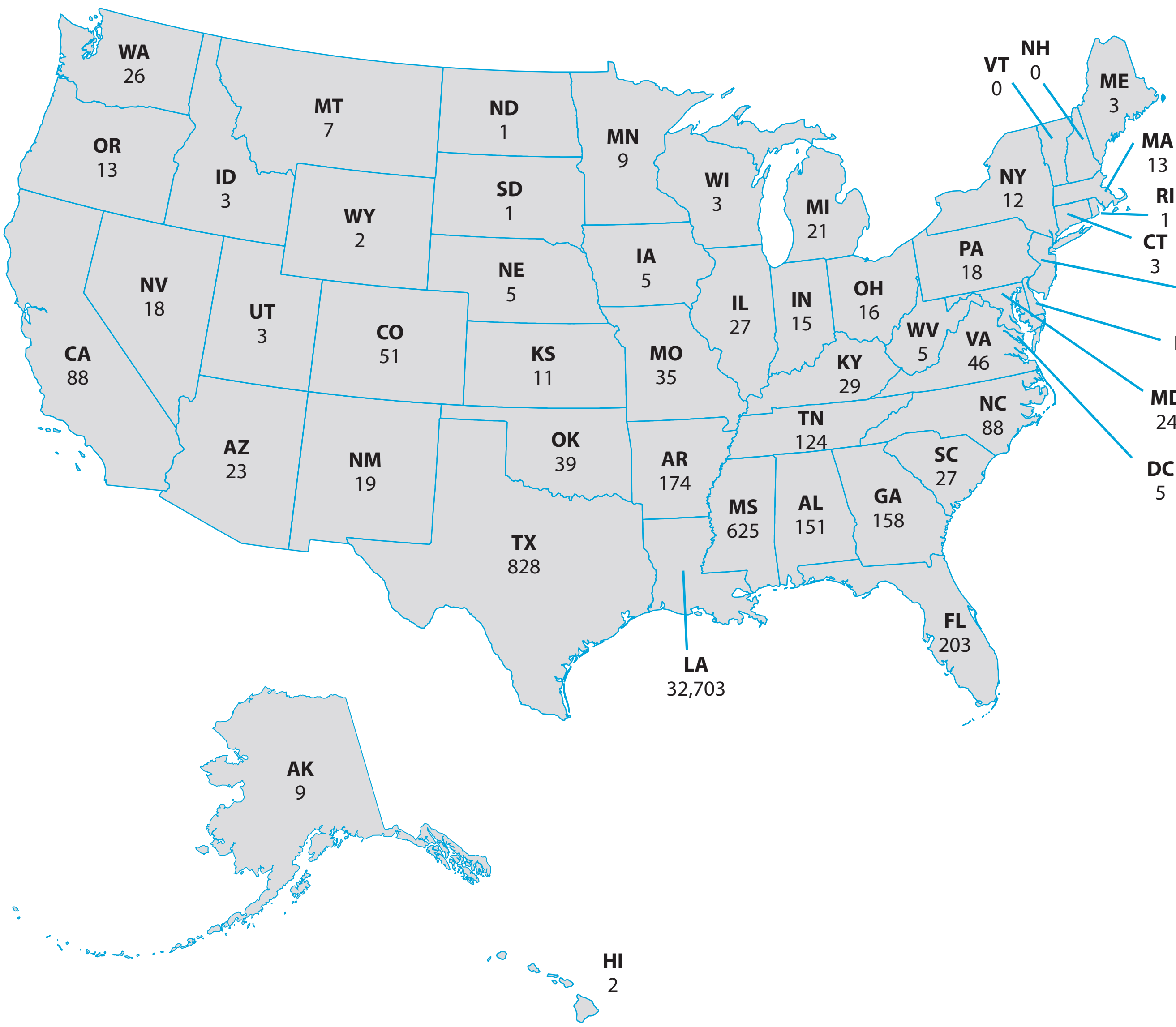
**Legislators**

| Year | | <5 | 5 - 10 | 10 - 15 | 15 - 20 | 20 - 25 | 25 - 30 | 30 - 35 | 35 - 40 | 40+ | All Members |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Years of Service Credit | | | | | | | | | |
| 2008 | Average Benefit Received | $ - | $ - | $ 1,107 | $ 1,604 | $ 2,166 | $ 3,197 | $ 3,027 | $ 3,152 | $ - | $ 2,136 |
| | Average Final Average Compensation | $ - | $ - | $ 2,898 | $ 2,776 | $ 3,340 | $ 3,605 | $ 2,797 | $ 3,624 | $ - | $ 3,089 |
| | Number of Retirees | 0 | 0 | 14 | 38 | 31 | 18 | 13 | 2 | 0 | 116 |
| 2007 | Average Benefit Received | $ - | $ 197 | $ 1,085 | $ 1,437 | $ 2,037 | $ 3,062 | $ 2,943 | $ 2,152 | $ 5,140 | $ 2,012 |
| | Average Final Average Compensation | $ - | $ 8,374 | $ 3,032 | $ 2,908 | $ 3,480 | $ 3,561 | $ 2,748 | $ 2,440 | $ 4,466 | $ 3,207 |
| | Number of Retirees | 0 | 1 | 10 | 29 | 28 | 11 | 13 | 2 | 1 | 95 |
| 2006 | Average Benefit Received | $ - | $ 193 | $ 1,220 | $ 1,350 | $ 1,617 | $ 2,815 | $ 2,646 | $ 2,041 | $ 4,874 | $ 1,769 |
| | Average Final Average Compensation | $ - | $ 8,374 | $ 2,986 | $ 2,831 | $ 3,113 | $ 3,604 | $ 2,239 | $ 2,440 | $ 4,466 | $ 3,013 |
| | Number of Retirees | 0 | 1 | 10 | 30 | 27 | 10 | 11 | 2 | 1 | 92 |
| 2005 | Average Benefit Received | $ - | $ 192 | $ 1,002 | $ 1,331 | $ 1,632 | $ 2,639 | $ 2,645 | $ 2,040 | $ 4,873 | $ 1,741 |
| | Average Final Average Compensation | $ - | $ 8,374 | $ 2,986 | $ 2,941 | $ 2,870 | $ 3,342 | $ 2,239 | $ 2,440 | $ 4,466 | $ 2,956 |
| | Number of Retirees | 0 | 1 | 10 | 29 | 25 | 11 | 11 | 2 | 1 | 90 |
| 2004 | Average Benefit Received | $ - | $ 192 | $ 1,042 | $ 1,293 | $ 1,627 | $ 2,639 | $ 2,691 | $ 2,040 | $ 4,873 | $ 1,752 |
| | Average Final Average Compensation | $ - | $ 8,374 | $ 3,034 | $ 2,832 | $ 3,175 | $ 3,342 | $ 2,774 | $ 2,440 | $ 4,466 | $ 3,068 |
| | Number of Retirees | 0 | 1 | 9 | 31 | 28 | 11 | 13 | 2 | 1 | 96 |
| 2003 | Average Benefit Received | $ - | $ 192 | $ 965 | $ 1,302 | $ 1,647 | $ 2,593 | $ 2,334 | $ 2,040 | $ 4,873 | $ 1,692 |
| | Average Final Average Compensation | $ - | $ 8,374 | $ 3,469 | $ 2,830 | $ 3,106 | $ 3,255 | $ 2,512 | $ 2,440 | $ 4,466 | $ 3,063 |
| | Number of Retirees | 0 | 1 | 10 | 30 | 28 | 12 | 11 | 2 | 1 | 95 |
| 2002 | Average Benefit Received | $ - | $ 192 | $ 1,010 | $ 1,290 | $ 1,581 | $ 2,486 | $ 2,418 | $ 2,040 | $ 4,873 | $ 1,673 |
| | Average Final Average Compensation | $ - | $ 8,374 | $ 3,734 | $ 2,930 | $ 3,160 | $ 3,126 | $ 2,421 | $ 2,440 | $ 4,466 | $ 3,111 |
| | Number of Retirees | 0 | 1 | 9 | 31 | 29 | 13 | 10 | 2 | 1 | 96 |
| 2001 | Average Benefit Received | $ - | $ 189 | $ 822 | $ 1,291 | $ 1,572 | $ 2,447 | $ 2,136 | $ 2,008 | $ 4,324 | $ 1,614 |
| | Average Final Average Compensation | $ - | $ 8,374 | $ 3,191 | $ 2,932 | $ 3,312 | $ 3,126 | $ 2,242 | $ 2,440 | $ 4,466 | $ 3,098 |
| | Number of Retirees | 0 | 1 | 8 | 31 | 30 | 13 | 9 | 2 | 1 | 95 |
| 2000 | Average Benefit Received | $ - | $ 185 | $ 791 | $ 1,213 | $ 1,485 | $ 2,324 | $ 2,095 | $ 1,969 | $ 4,240 | $ 1,517 |
| | Average Final Average Compensation | $ - | $ 8,374 | $ 3,749 | $ 2,986 | $ 3,267 | $ 3,135 | $ 2,242 | $ 2,440 | $ 4,466 | $ 3,153 |
| | Number of Retirees | 0 | 1 | 9 | 32 | 29 | 12 | 9 | 2 | 1 | 95 |
| 1999 | Average Benefit Received | $ - | $ 182 | $ 783 | $ 1,219 | $ 1,441 | $ 2,462 | $ 2,038 | $ 1,931 | $ 4,157 | $ 1,498 |
| | Average Final Average Compensation | $ - | $ 8,374 | $ 4,315 | $ 3,055 | $ 3,333 | $ 3,269 | $ 2,150 | $ 2,440 | $ 4,466 | $ 3,284 |
| | Number of Retirees | 0 | 1 | 9 | 31 | 27 | 11 | 7 | 2 | 1 | 89 |
| | **Ten Years Ended June 30, 2008** | | | | | | | | | | |
| | **Average Benefit Received** | **$ -** | **$ 190** | **$ 994** | **$ 1,338** | **$ 1,685** | **$ 2,686** | **$ 2,551** | **$ 2,141** | **$ 4,692** | **$ 1,749** |
| | **Average Final Average Compensation** | **$ -** | **$ 8,374** | **$ 3,309** | **$ 2,900** | **$ 3,221** | **$ 3,340** | **$ 2,473** | **$ 2,558** | **$ 4,466** | **$ 3,104** |

# Retired Members By Recipient Type And Plan

| Retirement Plan | Benefit Recipient Type | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Fiscal Year | | | | | | | | | |
| Regular Employees | Regular Retiree | 22,335 | 23,028 | 23,603 | 24,259 | 24,939 | 25,540 | 26,230 | 27,453 | 28,625 | 27,804 |
| | Survivor | 4,881 | 4,964 | 5,006 | 5,031 | 5,042 | 5,074 | 5,114 | 5,149 | 5,146 | 5,201 |
| | Disability Retiree | 1,102 | 1,103 | 1,125 | 1,147 | 1,153 | 1,132 | 1,126 | 1,121 | 1,057 | 2,571 |
| | DROP Accrual | 2,090 | 2,143 | 2,108 | 2,443 | 2,605 | 2,666 | 2,652 | 2,438 | 2,516 | 2,543 |
| **Regular State Employees-Total** | | **30,408** | **31,238** | **31,842** | **32,880** | **33,739** | **34,412** | **35,122** | **36,161** | **37,344** | **38,119** |
| Corrections Employees Primary (Before 1986) | Regular Retiree | 392 | 464 | 580 | 753 | 890 | 965 | 968 | 1,021 | 1,082 | 1,099 |
| | Survivor | 41 | 45 | 54 | 63 | 66 | 72 | 83 | 96 | 103 | 114 |
| | Disability Retiree | 30 | 32 | 41 | 44 | 51 | 55 | 57 | 62 | 58 | 59 |
| | DROP Accrual | 174 | 221 | 216 | 159 | 138 | 132 | 121 | 100 | 74 | 59 |
| **Corrections Employees Primary (Before 1986)-Total** | | **637** | **762** | **891** | **1,019** | **1,145** | **1,224** | **1,229** | **1,279** | **1,317** | **1,331** |
| Corrections Employees Secondary (After 1986) | Regular Retiree | -- | -- | -- | 2 | 5 | 7 | 11 | 17 | 24 | 42 |
| | Survivor | -- | -- | -- | -- | -- | -- | 1 | 2 | 5 | 7 |
| | Disability Retiree | -- | -- | -- | -- | -- | 1 | 2 | 4 | 3 | 7 |
| | DROP Accrual | -- | -- | -- | 5 | 6 | 13 | 9 | 11 | 5 | 8 |
| **Corrections Employees Secondary (After 1986)-Total** | | **--** | **--** | **--** | **7** | **11** | **21** | **23** | **34** | **37** | **64** |
| Wildlife Agents (Before 2003) | Regular Retiree | 146 | 151 | 159 | 158 | 161 | 160 | 158 | 158 | 156 | 138 |
| | Survivor | 38 | 66 | 69 | 75 | 75 | 73 | 73 | 71 | 68 | 66 |
| | Disability Retiree | 12 | 12 | 14 | 14 | 13 | 12 | 11 | 11 | 10 | 21 |
| | DROP Accrual | 18 | 12 | 5 | 2 | -- | -- | -- | -- | -- | -- |
| **Wildlife Agents (Before 2003)-Total** | | **214** | **241** | **247** | **249** | **249** | **245** | **242** | **240** | **234** | **225** |
| Wildlife Agents (After 2003) | Regular Retiree | -- | -- | -- | -- | -- | 3 | 10 | 30 | 33 | 37 |
| | Survivor | -- | -- | -- | -- | -- | -- | -- | -- | 1 | 1 |
| | Disability Retiree | -- | -- | -- | -- | -- | -- | 2 | 3 | 3 | 3 |
| | DROP Accrual | -- | -- | -- | -- | -- | -- | -- | -- | 3 | 5 |
| **Wildlife Agents (After 2003)-Total** | | **--** | **--** | **--** | **--** | **--** | **3** | **12** | **33** | **40** | **46** |
| Judges | Regular Retiree | 172 | 179 | 186 | 186 | 203 | 193 | 197 | 192 | 194 | 195 |
| | Survivor | 43 | 55 | 56 | 56 | 61 | 70 | 71 | 72 | 73 | 79 |
| | Disability Retiree | 2 | 3 | 4 | 3 | 3 | 3 | 1 | 1 | 2 | 7 |
| | DROP Accrual | 30 | 41 | 34 | 24 | 17 | 23 | 23 | 23 | 20 | 18 |
| **Judges-Total** | | **247** | **278** | **280** | **269** | **284** | **289** | **292** | **288** | **289** | **299** |
| Peace Officers | Regular Retiree | -- | -- | -- | -- | -- | -- | -- | -- | 3 | 7 |
| | Disability Retiree | -- | -- | -- | -- | -- | -- | -- | -- | 1 | 1 |
| | DROP Accrual | -- | -- | -- | -- | -- | -- | -- | -- | 1 | 10 |
| **Peace Officers-Total** | | **--** | **--** | **--** | **--** | **--** | **--** | **--** | **--** | **5** | **18** |
| Legislators | Regular Retiree | 79 | 78 | 78 | 78 | 77 | 77 | 72 | 73 | 73 | 94 |
| | Survivor | 10 | 17 | 17 | 18 | 18 | 19 | 18 | 19 | 22 | 22 |
| | DROP Accrual | 4 | 4 | 2 | 2 | 2 | 1 | 5 | 5 | 5 | -- |
| **Legislators-Total** | | **93** | **99** | **97** | **98** | **97** | **97** | **95** | **97** | **100** | **116** |
| **Grand Total Benefit Recipients** | | **31,599** | **32,618** | **33,357** | **34,522** | **35,525** | **36,291** | **37,015** | **38,132** | **39,366** | **40,218** |

# Location of LASERS Retirees




## Foreign Countries

| | | | | | |
|---|---|---|---|---|---|
| Australia | 1 | Ireland | 1 | Philippines | 1 |
| Colombia | 1 | Mexico | 2 | South Korea | 1 |
| France | 1 | Netherlands | 1 | Thailand | 1 |
| Germany | 1 | Canada | 1 | Turkey | 1 |
| Great Britain | 1 | Panama | 1 | U.S. Virgin Islands | 1 |
| | | | | **Total** | **16** |

LASERS

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This public document was published at a total cost of $627.20. Seventy copies of this public document were published in this first printing at a cost of $627.20. The total cost of all printings of this document, including reprints is $627.20. This document was published by the Louisiana State Employees' Retirement System, P. O. Box 44213, Baton Rouge, LA 70804-4213, to disseminate plan benefit information to its members and to Louisiana policymakers under authority of La. R.S. 11:511 et seq. This material was printed in accordance with the standards for printing by state agencies established pursuant to La. R.S. 43:31.