2009-2010

Comprehensive Annual Financial Report

For fiscal year ended June 30, 2010

LASERS
Louisiana State Employees' Retirement System

Louisiana State Employees' Retirement System
A component unit of the State of Louisiana

2009-2010

Comprehensive Annual Financial Report

For fiscal year ended June 30, 2010

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

LASERS
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Huey P. Long Bridge - Baton Rouge, LA (Photo by Charlie Brenner)

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LASERS
Louisiana State Employees' Retirement System

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Phone: (toll-free) 1.800.256.3000 • (local) 225.922.0600

October 8, 2010

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, 2010. The report includes a wealth of information regarding the activities of LASERS during the past fiscal year, providing clear evidence that LASERS is accomplishing its mission of providing a sound retirement plan for our members through prudent management and exceptional service. This fiscal year the improved economic environment facilitated our investment returns' recovery from last year's unprecedented market volatility. 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 on investment assets of 16.1% for the one-year period, and a seven-year return of 6.6%. These returns rank LASERS in the top 10% and 26% of public pension systems for the one-year and seven-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 25.9% for the fiscal year ending June 30, 2012.

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 decreased to 57.7%, and the System's unfunded actuarial accrued liability increased to $6.3 billion. The investment yield on the actuarial value of assets for ten years decreased to 3.77%, 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 to improve the financial security of our members. Key accomplishments for the past year are summarized below:

System Governance

LASERS has made preserving the defined benefit plan a priority. The Board established a resolution to address significant matters affecting the System and members that include:

1. Identification and implementation of a legislatively enacted mechanism for the funding and granting of an annual cost-of-living adjustment for eligible system retirees in a reliable and dependable manner;
2. Preservation of the defined benefit plan for current and future LASERS members; and
3. Reduction or elimination of the federal offsets, the Windfall Elimination Provision and the Government Pension Offset.

Technology Application Improvements

Over the past year, LASERS assumed full in-house responsibility from the implementation vendor for maintenance and enhancements of its core pension administration system. In addition, we completed a redesign and outsourcing of our website while retaining in-house control of all secure web applications including member, retiree, and employer self-service functions.

Our next strategic applications projects will involve the upgrade or replacement of the IBM Content Manager imaging and workflow system, and the upgrade or replacement of the JD Edwards Financial/Enterprise Resource Planning system.

Technology Infrastructure Improvements

LASERS has continued to focus on security while building upon the infrastructure changes that began with the implementation of its core pension administration system. The use of virtual server management, blade servers, and storage area network (SAN) technology has been very successful for the agency. Over the past year, we have addressed specific infrastructure improvements in several areas including:

- Installed and configured a new IBM Blade Center
- Installed and configured a new IBM LTO4 Tape Library

Investment Program Enhanced

LASERS prides itself in having a forward-thinking, yet disciplined and efficient investment program, which had more than $7.5 billion under management as of June 30, 2010.

LASERS Investment Program is continuously exploring new asset allocation strategies to improve long-term consistent returns. This includes expanding its alternative investments portfolio which consists of private equity, absolute return strategies, and global tactical asset allocation. The plan also explores unique investment strategies and asset classes on an ongoing basis to help improve its overall risk/return profile. In spring 2010, the Board of Trustees changed the plan's asset allocation. The changes included decreasing international large cap equity and high yield fixed income exposure by 2% and 3%, respectively, and increasing exposure to private equity by 2% as well as adding a 3% allocation to real assets. Despite recent market volatility, LASERS believes its investment portfolio is well positioned for the future, and will continue to make adjustments when necessary.

Other initiatives underway include working with the custodian bank to enhance reporting capabilities, assessing new cost management options, building upon the in-house trade management system, and utilizing the newly implemented risk management evaluation tool. The System saves millions in management fees each year due to the fact that approximately one-fourth of the plan's assets are managed internally. Other cost-saving measures include monitoring investment manager trade execution costs, and negotiating favorable investment management fees.

Payroll and Accounts Payable Processes Enhanced

Our Fiscal Division worked with its operating bank to implement a new electronic transaction submission process for processing pension payroll, internal payroll, and accounts payable. This new system:

- Eliminates staff's ability to modify bank files;
- Limits the number of users with the ability to send bank files;
- Adds an additional layer of encryption; and
- Automates the receipt of bank confirmation files sent

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 members and agencies. The LASERS website offers agency and member user access to current System information, educational programs, forms, publications, and legislation. Our new website, www.lasersonline.org, includes a revamped membership handbook with subject matter chapters that can be individually downloaded. Planning is underway to include the addition of video summaries of key aspects of the LASERS plans, supplementing printed materials that are available for download.

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 for employers 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. We also improved our membership handbook, making it easier for our members to use and understand.

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, 2009. This was the thirteenth 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 2009. This was the eleventh 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 2009 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 sixth 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.

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 will continue to fine-tune our investment strategies to make every investment dollar count and to minimize employer contributions. Also, we will look to develop innovative programs to improve the value of the services provided to all that we serve.

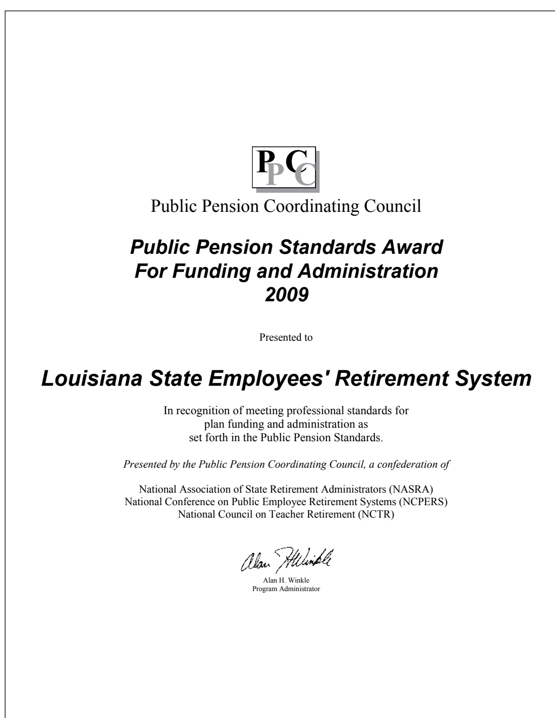
Respectfully submitted,

Cindy Rougeou
Executive Director

Arthur P. Fillastre, IV CPA
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting 2009

Public Pension Standards Award 2009



PPCC

Public Pension Coordinating Council

Public Pension Standards Award
For Funding and Administration
2009

Presented to

Louisiana State Employees' Retirement System

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

Presented by the Public Pension Coordinating Council, a confederation of

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

Alan H. Winkle
Program Administrator

Administrative Organization

Top row, left to right:

Ryan Babin, *Audit Division Director*
Arthur P. Fillastre, IV, *Chief Financial Officer*
Suzanne Adams, *Member Services Division Director*
Robyn Ekings, *Public Information Division Director*
Sheila Metoyer, *Human Resources Division Director*
Lance Armstrong, *Information Technology Division Director*

Bottom row, left to right:

Tina Grant, *Executive Counsel*
Maris E. LeBlanc, *Deputy Director*
Cindy Rougeou, *Executive Director*
Bernard E. "Trey" Boudreaux, III, *Assistant Director*
Robert W. Beale, *Chief Investment Officer*

Board of Trustees

Top row, left to right:

Janice Lansing, *Elected Active Member*
Charles Castille, *Chair*, *Elected Active Member*
Susan Pappan, *Elected Active Member*
Barbara McManus, *Vice Chair, Elected Retired Member*
Lori Pierce, *Elected Active Member*

Bottom row, left to right:

Senator D.A. "Butch" Gautreaux, *Chair, Senate Committee on Retirement*
Connie Carlton, *Elected Retired Member*
Kathy Singleton, *Elected Retired Member*
Beverly Hodges, *Elected Active Member*
Whit Kling, *Designee for State Treasurer John Kennedy*

Not pictured:

Sheryl Ranatza, *Elected Active Member*
Honorable John Kennedy, *State Treasurer*
Representative Kevin Pearson, *Chair, House Committee on Retirement*

Professional Consultants
June 30, 2010

Actuary
Hall Actuarial Associates
SJ Actuarial Associates, LLC

Auditor
Postlethwaite & Netterville, APAC

Custodian Banks and Security Agents
BNY Mellon Asset Servicing
Great-West Retirement Services, Inc.
JPMorgan Chase

Legal Consultants
Avant & Falcon
Beus Gilbert, PLLC
Phelps Dunbar, LLP
Roedel, Parsons, Koch, Balhoff & McCollister
Tarcza & Associates, LLC

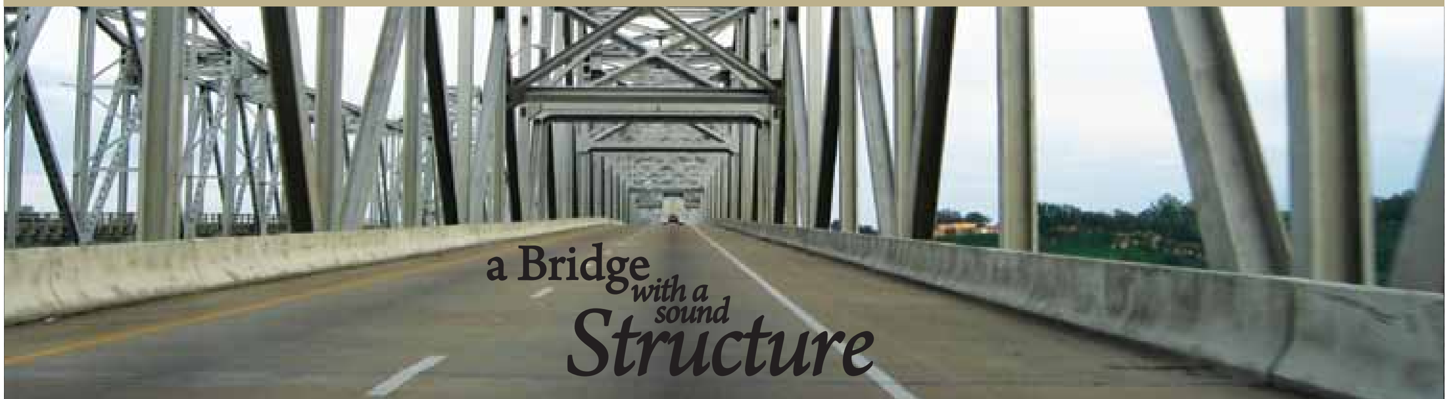
Medical Examiners
Dr. Michael Catenacci
Dr. Leslie Clinard
Dr. Raymond Cush
Dr. Michael W. Dole
Dr. Jeanne Estes
Dr. Larry G. Ferachi
Dr. Austin Gleason, III
Dr. Sheldon Hersh
Dr. Charles Kaufman
Dr. Thomas Pressly
Dr. Richard W. Williams
Dr. John M. Wise

Investment Consultant
NEPC, LLC

Information Technology & Other Consultants
Deloitte Consulting, LLP (Formerly BearingPoint, Inc.)
CEM Benchmarking, Inc.
Election Service Corporation
Firefly Digital, Inc.
Michael's Photography Studio
Sign Language Services International

Investment Advisors
Acadian Asset Management, Inc.
Adams Street Partners LLC
Apollo Management, L.P.
Aronson+Johnson+Ortiz, L.P.
Bridgewater Associates, Inc.
City of London Investment Management Co.
DRI Capital, Inc.
Energy Spectrum Partners, L.P.
GAM USA, Inc.
Goldman Sachs Private Equity Partners, L.P.
Harbourvest Partners, LLC
JMB Group Trust
J.P. Morgan 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
Newstone Capital Partners, L.P.
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
Stark Investments Limited Partnership
TCW Asset Management Company
The Brinson Partnership Fund Trust
Thompson, Horstmann & Bryant, Inc.
Williams Capital Partners Advisors, L.P.
Wells Capital Management
Westwood Global Investments, LLC
WRH Partners II, LLC

Vidalia Bridge - Vidalia, LA (Photo by Ken Lund)



Financial
Section

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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, 2010 and 2009, 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, 2010 and 2009, 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 20, 2010, 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.

8550 United Plaza Blvd, Suite 1001 • Baton Rouge, LA 70809 • Tel: 225.922.4600 • Fax: 225.922.4611

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.

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 20, 2010

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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, 2010, and have issued our report thereon dated September 20, 2010. 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, but not for the purpose of expressing an opinion on the effectiveness of LASERS's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of LASERS's internal control over financial reporting.

A deficiency in internal controls 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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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 20, 2010

LASERS
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Phone: (toll-free) 1.800.256.3000 • (local) 225.922.0600

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 increased by $964.2 million, or 13.6%.
- The actuarial rate of return on the market value of the System's investments was 2.21% for 2010 compared to -7.64% for 2009.
- Net investment income experienced a gain of $1.1 billion compared to a loss of $1.7 billion for 2009.
- The System's funded ratio decreased from 60.8% at June 30, 2009[1], to 57.7% as of June 30, 2010.
- The unfunded actuarial accrued liability increased $764 million to $6.3 billion as of June 30, 2010.
- Total contributions increased by $6.4 million or 0.9% from 2009 to $696 million in 2010.
- Benefit payments increased by $57.8 million or 7.5% to $829 million in 2010.

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, 2010, and 2009, respectively.

The Statements of Changes in Plan Net Assets report the results of the System's fund's operations during years 2010 and 2009 disclosing the additions to and deductions from the plan net assets. They

[1] The funded ratio referenced for 2009 takes into account the initial unfunded accrued liability account (IUAL) and the Employer Credit Account which was not the same funded ratio used in determining the projected employer contribution rate. The System's funded ratio used for funding purposes was 59.3% at June 30, 2009.

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 other postemployment benefits.
- Note J provides information on subsequent events.

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 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 Statements of Plan Net Assets for fiscal years ending 2010, 2009, and 2008. LASERS plan net assets as of June 30, 2010, and 2009, totaled $8,064,543,049 and $7,100,333,387, respectively. All of the plan net assets are available to meet LASERS ongoing obligations to members, retirees, and beneficiaries.

Condensed Comparative Statements of Plan Net Assets

	2010	2009	2008
Cash and Cash Equivalents	$ 84,434,055	$ 93,768,308	$ 90,020,187
Receivables	89,990,919	164,801,135	105,237,613
Investments	7,960,987,417	6,985,993,117	8,784,261,024
Securities Lending Cash Collateral Held	717,218,874	869,609,079	1,786,521,801
Capital Assets	11,189,902	13,110,842	14,839,316
Total Assets	**$ 8,863,821,167**	**$ 8,127,282,481**	**$ 10,780,879,941**
Accounts Payable & Other Liabilities	34,270,764	65,630,959	36,470,348
Securities Lending Obligation Held	765,007,354	961,318,135	1,786,521,801
Total Liabilities	**$ 799,278,118**	**$ 1,026,949,094**	**$ 1,822,992,149**
Net Assets Held in Trust For Pension Benefits	**$ 8,064,543,049**	**$ 7,100,333,387**	**$ 8,957,887,792**

For the fiscal year ending June 30, 2010, plan net assets were approximately $8.1 billion. This reflected an increase of approximately 14% or $964,209,662 from the previous fiscal year end. In the one-year period from June 30, 2008, to June 30, 2009, LASERS plan net assets decreased approximately 21% or $1,857,554,405. These changes were a direct result of the unprecedented market volatility and strain that occurred in the financial markets during those time periods.

LASERS maintains its commitment to a broadly diversified portfolio. Carefully underwritten and conservative assumptions for future expected returns have been adopted, and the investment portfolio is structured to optimize the risk-return tradeoff. This is done in part by reviewing the Plan's asset allocation. LASERS continues to believe that it is well positioned to meet its long-term goals.

Condensed Comparative Statements of Changes in Plan Net Assets

	2010	2009	2008
Additions (Reductions)			
Employer Contributions	$ 490,701,310	$ 486,583,512	$ 505,678,953
Member Contributions	205,328,033	203,050,933	192,412,444
Legislative Appropriations	-	-	20,000,000
Net Investment Income (Loss)	1,139,301,483	(1,739,762,198)	(357,912,195)
Other Income	12,689,994	13,919,576	16,507,453
Total Additions (Reductions)	1,848,020,820	(1,036,208,177)	376,686,655
Deductions			
Retirement Benefits	829,236,652	771,408,255	718,303,319
Refunds and Transfers of Contributions	35,676,509	30,314,007	32,149,383
Administrative Expenses	16,763,434	17,593,089	18,251,681
Depreciation Expense	2,134,563	2,030,877	1,242,050
Total Deductions	883,811,158	821,346,228	769,946,433
Net Increase (Decrease)	**964,209,662**	**(1,857,554,405)**	**(393,259,778)**
Net Assets Beginning of Year	**7,100,333,387**	**8,957,887,792**	**9,351,147,570**
Net Assets End of Year	**$ 8,064,543,049**	**$ 7,100,333,387**	**$ 8,957,887,792**

Additions (Reductions) 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, 2010, totaled $1,848,020,820. The revenue consisted of employer and employee contributions totaling $696,029,343, a net investment gain of $1,139,301,483, and other income of $12,689,994. Volatility in the financial markets caused by new government regulations, the global recession, and the 2008 credit crisis is the primary reason for the fluctuations in additions (reductions) for the fiscal years presented. Our investment portfolio in 2010 completed the current year with a positive market rate of return on investment assets of 16.1% exceeding the target of 8.25%. The net result was a gain of 166% or $2,879,063,681 in investment earnings over 2009.

At June 30, 2009, total revenues decreased by 375% or $1,412,894,832 over fiscal year 2008. The decreased revenue was due primarily to net investment income decreasing 386% from 2008. Combined contributions and other income decreased 4% and 15.7% respectively. Our investment portfolio completed the fiscal year with a negative market rate of return on investment assets of 19.1%, which was below the 8.25% target rate of return.

During 2010, combined employer and employee contribution income increased from 2009 by $6,394,898. Employer Contributions based on payroll paid increased $4,117,798, primarily because of an increase in the employer percentage match from 18.5% for the year ended June 2009 to 18.6% for the year ended June 2010 as well as higher average wages. Member contributions increased 1.1% as a result of a higher contribution rate for members hired after June 30, 2006, and higher average wages. For employees hired after June 30, 2006, the contribution rate is 8% compared to the 7.5% contributed by members with credited service prior to July 1, 2006.

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, 2010, totaled $883,811,158, an increase of approximately 8% over June 30, 2009. For the fiscal year ending June 30, 2009, deductions were $821,346,228, an increase of about 7% over June 30, 2008. The increase in deductions for fiscal years ended 2010 and 2009 were due to increases in benefits paid. Benefits paid in 2010, as in 2009, increased because of the increase in the number of retirees and the average benefit resulting from the higher average salary history of the newer retirees.

Administrative expenses decreased 5% for the fiscal year ended June 30, 2010. This is primarily attributable to the decreases in personnel expenses due to the reduction of Obligations for Postemployment Benefits (OPEB) and professional services related to the completion of the capital outlay project, SOLARIS. In 2009, administrative expenses decreased $658,592 or 4% over fiscal year ended 2008. The decrease was primarily attributable to the reduction in SOLARIS project costs in professional services. Detail of administrative expense activity can be found in the *Schedules of Administrative Expenses* located under Supporting Schedules.

Depreciation expense increased 5% for the fiscal year ended June 30, 2010, compared to a 64% increase for 2009 over 2008. The increases for 2009 compared to 2008 can be attributed to the capitalization of the SOLARIS pension administration system.

Total additions less total deductions resulted in a net increase in plan net assets of $964,209,662 in 2010, compared to a decrease of $1,857,554,405 in 2009. The net result is a 14% increase and 21% decrease in plan net assets held in trust for pension benefits for 2010 and 2009, respectively.

Funded Status

An actuarial valuation of assets and liabilities is performed annually. The System's funded ratio decreased to 57.7% at June 30, 2010, compared to 60.8% as of June 30, 2009, and 67.6% as of June 30, 2008.[2] The reduced funding in 2010 can be attributed to the smoothing effect of the prior four years' gains or losses on returns on investments. The amount by which LASERS actuarial liabilities exceeded the actuarial assets was $6.3 billion at June 30, 2010, compared to $5.5 billion at June 30, 2009, and $4.4 billion at June 30, 2008, thereby increasing the unfunded actuarial accrued liability by $1.9 billion since 2008. The Louisiana Legislature provided a one-time appropriation of $20 million in 2008 to accelerate the payoff of the initial unfunded accrued liability. The investment yield on the actuarial value of assets has averaged over five, ten, and twenty years 5.73%, 3.77%, and 7.54%, respectively. For the year ending June 30, 2010, the net realized actuarial rate of return was 2.21%, which was less than the System's assumed actuarial rate of return of 8.25%. This resulted in a net investment experience loss of

[2] The funded ratio referenced for years 2008 and 2009 takes into account the initial unfunded accrued liability account (IUAL) and the Employer Credit Account which was not the same funded ratio used in determining the projected employer contribution rate. The System's funded ratio used for funding purposes was 67.0% at June 30, 2008, and 59.3% at June 30, 2009.

$494.7 million. For the fiscal years ending June 30, 2009, and 2008, the net realized actuarial rate of return was -7.64% and 8.49%, 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, Attention: Fiscal Division, P. O. Box 44213, Baton Rouge, LA 70804-4213.

Louisiana State Employees' Retirement System

Statements of Plan Net Assets

June 30, 2010 and 2009

	2010	2009
Assets		
Cash and Cash Equivalents	$ 84,434,055	$ 93,768,308
Receivables:		
Employer Contributions	37,242,369	38,631,781
Member Contributions	15,610,009	16,259,139
Interest and Dividends	26,788,046	29,258,769
Investment Proceeds	7,455,192	78,560,002
Other	2,895,303	2,091,444
Total Receivables	89,990,919	164,801,135
Investments (at fair value):		
Short-Term Investments-Domestic/International	127,615,624	104,413,791
Bonds/Fixed Income - Domestic	1,597,637,072	1,472,432,260
Bonds/Fixed Income-International	391,157,459	359,642,061
Equity Securities - Domestic	1,963,558,128	1,903,399,102
Equity Securities - International	1,871,907,668	1,462,027,860
Real Estate Investments	10,597	10,832
Alternative Investments	2,009,100,869	1,684,067,211
Total Investments	7,960,987,417	6,985,993,117
Securities Lending Cash Collateral Held	717,218,874	869,609,079
Capital Assets (at cost)-Net:		
Property and Equipment	4,148,983	4,514,708
Intangible Assets	7,040,919	8,596,134
Total Assets	**8,863,821,167**	**8,127,282,481**
Liabilities		
Payables:		
Investment Commitments	18,149,618	48,800,823
Trade Payables and Other Accrued Liabilities	16,121,146	16,830,136
Total Payables	34,270,764	65,630,959
Securities Lending Obligations	765,007,354	961,318,135
Total Liabilities	**799,278,118**	**1,026,949,094**
Net Assets Held in Trust for Pension Benefits	**$ 8,064,543,049**	**$ 7,100,333,387**

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, 2010 and 2009

	2010	2009
Additions (Reductions)		
Contributions:		
Employer Contributions	$ 490,701,310	$ 486,583,512
Employee Contributions	205,328,033	203,050,933
Total Contributions	696,029,343	689,634,445
Investment Income/(Loss):		
Net Appreciation/(Depreciation) in Fair Value of Investments	701,944,900	(1,501,101,588)
Interest & Dividends	199,675,844	201,088,041
Alternative Investment Income/(Loss)	232,043,084	(347,900,031)
Less Alternative Investment Expenses	(28,295,642)	(26,339,140)
Net Appreciation/(Depreciation) Securities Lending	47,548,901	(38,684,730)
Less Securities Lending Expenses	128,053	(14,500,742)
Other Income	4,719,475	1,103,728
Less Investment Expense Other than Alternative Investments and Securities Lending	(18,463,132)	(13,427,736)
Net Investment Income/(Loss)	1,139,301,483	(1,739,762,198)
Other Income	12,689,994	13,919,576
Total Additions/(Reductions)	1,848,020,820	(1,036,208,177)
Deductions		
Retirement Benefits	829,236,652	771,408,255
Refunds and Transfers of Member Contributions	35,676,509	30,314,007
Administrative Expenses	16,763,434	17,593,089
Depreciation Expense	2,134,563	2,030,877
Total Deductions	883,811,158	821,346,228
Net Increase (Decrease)	**964,209,662**	**(1,857,554,405)**
Net Assets Held in Trust For Pension Benefits		
Beginning of Period	**7,100,333,387**	**8,957,887,792**
End of Period	**$ 8,064,543,049**	**$ 7,100,333,387**

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 (GASB) issued Statement 39, *Determining Whether Certain Organizations Are Component Units* which amended Statement 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, 2010, and 2009, follows:

Type of Employer	2010 Number of Employers	2010 Number of Members	2009 Number of Employers	2009 Number of Members
State Agencies	219	58,437	220	61,550
Other Public Employers	140	444	138	441
Total Employers	**359**	**58,881**	**358**	**61,991**

Type of Active Members	2010 Number of Members	2009 Number of Members
Regular State Employees (Before July 2006)	34,710	38,188
Regular State Employees (After July 2006)	15,882	15,449
Corrections Primary Employees (Before 1986)	70	97
Corrections Primary Employees (After 1986)	659	781
Corrections Secondary	4,130	4,338
Wildlife Agents (Before 2003)	135	143
Wildlife Agents (After 2003)	81	80
Judges	332	333
Peace Officers	107	114
Legislators	21	18
Alcohol Tobacco Control	45	48
Bridge Police	29	- *
Appellate Law Clerks	160	- *
Active After DROP	2,520	2,402
Total Active Members	**58,881**	**61,991**

* In 2009, were included as Regular Members.

At June 30, 2010, and 2009, membership consisted of:

	2010	2009
Active Members	58,881	61,991
Regular Retirees*	31,086	30,062
Disability Retirees*	2,603	2,631
Survivors	5,696	5,560
Vested & Reciprocals	1,981	1,947
Inactive Members Due Refunds	50,842	49,701
DROP Participants	2,629	2,683
Total Membership	**153,718**	**154,575**

* For actuarial purposes "Disability Retirees" includes members that LASERS considers "Regula Retirees" because they have reached the normal retirement eligibility requirements.

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, 2010. 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]
6/30/2009	$ 8,499,662	$ 13,986,847	$ 5,487,185	60.8%	$ 2,562,576	214.1%
6/30/2010	$ 8,512,403	$ 14,764,015	$ 6,251,612	57.7%	$ 2,546,457	245.5%

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, 2010, actuarial valuation follows:

Valuation Date	June 30, 2010
Actuarial Cost Method	Projected Unit Credit
Amortization Method –Closed by Statute	Amortized according to La. R.S. 11:102. For unfunded accrued liability resulting from benefit increases occurring on or after June 30, 2007: Level dollar payment over 10 years. All unfunded accrued liability changes occurring prior to 2009, except benefit increases in 2007 and 2008, were re-amortized into two schedules as of June 30, 2010. Payment schedules increase in a prescribed variable manner until 2018, then will either increase until paid off in 2029, or remain level until paid off in 2040, depending upon the schedule, as required by statue. For unfunded accrued liability changes occurring 2009 or later: Level dollar payment over 30 years, from date of occurrence.

Remaining Amortization Period	Up to 30 years, dependent upon the amortization method as described above.
Asset Valuation Period	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 Return	8.25% per annum, net expenses.
Inflation Rate	3.0% per annum.
Mortality	Mortality rates were projected based on the RP-2000 Mortality Table.
Termination, Disability and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2003-2008) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2003-2008 experience study of the System's members. The salary increase ranges for specific types of members are: • Regular: 4.3% to 14.0% • Judges: 3.0% to 5.5% • Corrections: 4.0% to 15.0% • Wildlife: 6.0% to 17.0%
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 hire date, 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 their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their 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 their 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 their 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. **Permanent Benefit Increases/Cost-of-Living Adjustments**

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments, that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

C. Defined Contribution Component

Optional Retirement Plan

In 1999, an Optional Retirement Plan (ORP) was established as a defined contribution component of LASERS for certain unclassified employees who otherwise would have been 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. The ORP was closed to new members on December 7, 2007. At June 30, 2010, and 2009, membership consisted of:

	2010	2009
Number of Members	109	124
Fair Value of Assets	$ 5,395,423	$ 4,517,369

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. Securities Lending

The System records collateral received under its securities lending agreement where the System has the ability to spend, pledge, or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. The security lending cash collateral pools are reported at the market value of the underlying securities. Security lending income and expenses are reported as investment income and expenses in the accompanying financial statements. The Statement of Net Assets does not include detailed holdings of securities lending collateral by investment classification.

3. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to 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.

4. Method Used to Value Investments

As required by GASB 25, 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. All derivative financial instruments are reported at fair value in the Statements of Plan Net Assets with valuation changes recognized in income. Gains and losses are reported in the Statements of Changes in Plan Net Assets as net appreciation (depreciation) in fair value of investments during the period the instruments are held, and when the instruments are sold or expire. The nature and use of derivative instruments is discussed in *Note G Cash and Investments (8).* The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value (such as private equity, real estate, and tangible assets) has been determined by management based on the individual investment's capital account balance, reported at fair value, at the closest available reporting period, adjusted for subsequent contributions, distributions, and management fees. Because of the inherent uncertainties in estimating fair values, it is at least reasonably possible that the estimates will change in the near term. Investments that do not have an established market are reported at estimated fair value. Unrealized gains and losses are included as investment earnings in the Statements of Changes in Plan Net Assets.

5. Property and Equipment

Property and equipment and computer software are reported at historical cost. Depreciation is computed using the straight-line method based upon useful lives of 40 years for building, 3 to 15 years for equipment and furniture, and 7 years for computer software. The capitalization thresholds of property and equipment for the year ended June 2010 were:

- Computer Software Developed or Modified Internally (reported as Intangible Assets): $1,000,000
- Movable Property and Equipment: $1,000

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, 2010

	June 30, 2009	Additions	Deletions/ Transfers	June 30, 2010
Asset Class (at Cost)				
Land	$ 858,390	$ -	$ -	858,390
Building	5,514,352	7,269	(2,500)	5,519,121
Furniture, Equipment, and Intangibles	13,635,738	206,353	(113,392)	13,728,699
Total Property and Equipment	**20,008,480**	**213,622**	**(115,892)**	**20,106,210**
Accumulated Depreciation				
Building	(2,669,194)	(138,686)	2,500	(2,805,380)
Furniture, Equipment, and Intangibles	(4,228,444)	(1,995,876)	113,392	(6,110,928)
Total Accumulated Depreciation	**(6,897,638)**	**(2,134,562)**	**115,892**	**(8,916,308)**
Total Property and Equipment - Net	**$ 13,110,842**	**$ (1,920,940)**	**$ -**	**$ 11,189,902**

Changes in Property and Equipment
For Period Ending June 30, 2009

	June 30, 2008	Additions	Deletions/ Transfers	June 30, 2009
Asset Class (at Cost)				
Land	$ 858,390	$ -	$ -	$ 858,390
Building	5,476,157	38,195	-	5,514,352
Storage	24,104	-	(24,104)	-
Furniture, Equipment, and Intangibles	10,231,776	5,921,743	(2,517,781)	13,635,738
Capital Outlay Project - WIP*	5,632,338	-	(5,632,338)	-
Total Property and Equipment	**22,222,765**	**5,959,938**	**(8,174,223)**	**20,008,480**
Accumulated Depreciation				
Building and Storage	(2,554,905)	(138,393)	24,104	(2,669,194)
Furniture, Equipment, and Intangibles	(4,828,544)	(1,892,484)	2,492,584	(4,228,444)
Total Accumulated Depreciation	**(7,383,449)**	**(2,030,877)**	**2,516,688**	**(6,897,638)**
Total Property and Equipment - Net	**$ 14,839,316**	**$ 3,929,061**	**$ (5,657,535)**	**$ 13,110,842**

(Note: For 2009, $5,632,338 was transferred from Capital Outlay Project Work in Progress to Furniture, Equipment and Intangibles.)

* WIP - work in process

6. 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.

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 change 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, 2010, and 2009, for the various types of members are as follows:

	Percent of Earned Compensation	
Type of Member	**2010**	**2009**
Alcohol, Tobacco, and Control Employees	9.0%	9.0%
Appellate Law Clerks (hired prior to July 1, 2006)	7.5%	7.5%
Appellate Law Clerks II (hired July 1, 2006, or later)	8.0%	8.0%
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%

Type of Member	Percent of Earned Compensation 2010	2009
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%
Special Legislative Employees	9.5%	9.5%
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 their behalf, the accumulated contributions may be refunded to the member or their designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to a member or their survivors are refunded to the member's beneficiary or their 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, 2010, and 2009, are as follows:

	2010	2009
Percent of Member's Earned Compensation	18.6%	18.5%

Note J. Subsequent Events provides information on legislation enacted during the 2010 Regular Session which effect contributions for members hired on or after January 1, 2011.

F. Deposits and Investment Risk Disclosures

1. Deposit and Investment Risk Disclosures

The information presented on the following pages include disclosures of custodial, interest rate, credit, and foreign currency risks in accordance with GASB 40 and GASB 53 and are designed to inform financial statement users about investment risks that could affect the System's ability to meet its obligations. These tables presented 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. The System does not have a formal deposit policy for custodial credit risk. All U.S. bank balances at year end were insured or collateralized by the pledge of government securities held by the agents in the entity's name. As of June 30, 2010, LASERS had uninsured cash deposits in non-U.S. banks of $5.3 million for investments pending settlement.

Custodial credit risk for investments 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 for investments as of June 30, 2010.

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 Poor's 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.

In preparing this report, credit risk associated with all fixed income holdings including collateral for repurchase agreements and securities lending collateral has been included. The System's exposure to credit risk as of June 30, 2010, and 2009, is as follows:

Rating		Fair Value 2010	Percent 2010		Fair Value 2009	Percent 2009
A	$	98,318,354	3.5%	$	9,892,762	0.4%
A-		39,547,080	1.4%		815,713	0.0%
A+		83,082,003	2.9%		1,103,170	0.0%
A1		216,613,622	7.6%		113,117,746	4.0%
A2		330,038	0.0%		244,819,297	8.7%
A3		3,081,526	0.1%		43,790,762	1.6%
AA1		-	0.0%		25,807,790	0.9%
AA2		-	0.0%		217,556,648	7.8%
AA3		-	0.0%		108,829,186	3.9%
AA		138,440,143	4.9%		1,157,342	0.0%
AA-		102,434,885	3.6%		1,303,192	0.0%
AA+		43,622,583	1.5%		5,687,094	0.2%
AAA		709,389,695	25.0%		841,723,101	30.0%
B1		3,446,321	0.1%		91,484,754	3.3%
B2		1,469,750	0.1%		68,764,021	2.5%
B3		11,508,920	0.4%		88,478,753	3.2%
B		99,611,196	3.5%		24,417,263	0.9%
B-		90,904,383	3.2%		6,488,912	0.2%
B+		92,234,297	3.3%		-	0.0%
BB		55,379,762	2.0%		868,101	0.0%
BB+		23,463,410	0.8%		-	0.0%
BB-		72,441,540	2.6%		296,931	0.0%
BA1		-	0.0%		40,063,673	1.4%
BA2		1,880,053	0.1%		51,537,352	1.8%
BA3		463,851	0.0%		84,207,025	3.0%
BAA1		6,650,964	0.2%		82,649,164	2.9%
BAA2		554,565	0.0%		34,304,979	1.2%
BAA3		-	0.0%		49,353,605	1.8%
BBB		53,357,296	1.9%		2,320,805	0.1%
BBB+		53,314,857	1.9%		736,704	0.0%
BBB-		49,163,041	1.7%		-	0.0%
C		822,063	0.0%		3,970,230	0.1%
CC		55,308,186	2.0%		-	0.0%
CA		-	0.0%		21,786,249	0.8%
CAA1		7,200,076	0.3%		106,079,609	3.8%
CAA2		9,257,252	0.3%		54,723,585	2.0%
CAA3		-	0.0%		16,477,259	0.6%
CCC		141,716,371	5.0%		7,540,506	0.3%
CCC+		41,166,834	1.5%		447,500	0.0%
CCC-		6,810,900	0.2%		-	0.0%
D		20,787,825	0.7%		95,091	0.0%
P-1		40,700,445	1.4%		32,922,890	1.2%
Non-rated		436,622,859	15.5%		302,592,505	10.8%
Securities Lending Commingled Collateral Pool		22,532,083	0.8%		17,885,922	0.6%
Total Fixed Income	**$**	**2,833,629,029**	**100.0%**	**$**	**2,806,097,191**	**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, 2010, and 2009, the System had the following domestic and foreign debt investments and maturities:

		Investment Maturities (in Years)			
Type	Fair Value 2010	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government Obligations	$ 132,093,285	$ 2,883,912	$ 46,455,418	$ 59,478,863	$ 23,275,092
U.S. Agency Obligations	411,541,565	10,121,256	24,846,593	63,317,613	313,256,103
Mortgages	381,839,705	68,553,721	18,242,233	109,835,461	185,208,290
Corporate Bonds	967,072,581	385,664,937	404,955,286	115,854,377	60,597,981
International Bonds	667,247,604	286,887,333	183,954,311	121,981,310	74,424,650
Commercial Paper and Other Short-term Investments	127,615,624	127,615,624	-	-	-
Securities Lending Commingled Collateral Pool	22,532,083	22,532,083	-	-	-
Repurchase Agreements	121,724,128	121,724,128	-	-	-
Bond Mutual Funds	1,962,454	-	-	-	-
Total Debt Investments	**$ 2,833,629,029**	**$ 1,025,982,994**	**$ 678,453,841**	**$ 470,467,624**	**$ 656,762,116**

		Investment Maturities (in Years)			
Type	Fair Value 2009	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government Obligations	$ 108,212,273	$ 1,343,020	$ 23,708,076	$ 56,235,522	$ 26,925,655
U.S. Agency Obligations	410,637,537	-	25,992,020	53,181,570	331,463,947
Mortgages	541,773,205	290,813,655	1,681,249	3,699,576	245,578,725
Corporate Bonds	1,292,535,408	554,805,047	347,561,811	326,142,535	64,026,015
International Bonds	296,400,750	30,584,134	88,537,776	101,501,620	75,777,220
Commercial Paper and Other Short-term Investments	104,413,791	103,711,947	701,844	-	-
Securities Lending Commingled Collateral Pool	17,885,922	17,885,922	-	-	-
Repurchase Agreements	32,621,244	32,621,244	-	-	-
Bond Mutual Funds	1,617,061	-	-	-	-
Total Debt Investments	**$ 2,806,097,191**	**$ 1,031,764,969**	**$ 488,182,776**	**$ 540,760,823**	**$ 743,771,562**

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 portfolio's currency risk exposure or in the settlement of securities transactions.

The fair value of securities held in a foreign currency at June 30, 2010, and 2009, is as follows:

Currency	Global Bonds 2010	Global Stock 2010	Cash 2010	Private Equity 2010	Total Fair Value 2010
Australian Dollar	$ 47,677,048	$ 81,884,085	$ 4,686	$ -	$ 129,565,819
Brazilian Real	-	1,193,607	703,734	-	1,897,341
British Pound Sterling	-	204,136,000	229,015	-	204,365,015
Canadian Dollar	2,779,457	89,431,487	137,082	-	92,348,026
Czech Koruna	-	162,144	7,526	-	169,670
Danish Krone	-	14,087,215	1,682	-	14,088,897
Euro	74,640,928	295,282,629	906,686	11,519,159	382,349,402
Hong Kong Dollar	-	23,472,335	145,979	-	23,618,314
Hungarian Forint	-	-	33	-	33
Israeli Shekel	-	5,036,860	35,794	-	5,072,654
Japanese Yen	114,477,262	260,563,092	2,002,845	-	377,043,199
Malaysian Ringgit	-	1,298,715	18,756	-	1,317,471
Mexican Peso	7,575,269	189,257	1,989	-	7,766,515
New Zealand Dollar	3,765,368	753,273	24,587	-	4,543,228
Norwegian Krone	-	5,573,935	181,334	-	5,755,269
Philippines Peso	-	71,497	742	-	72,239
Polish Zloty	13,505,211	361,108	2,723	-	13,869,042
Singapore Dollar	-	40,149,164	344,778	-	40,493,942
South African Rand	-	419,346	59,663	-	479,009
South Korean Won	-	8,997,737	76,508	-	9,074,245
Swedish Krona	-	24,214,465	110,798	-	24,325,263
Swiss Franc	-	87,459,169	325,097	-	87,784,266
Thailand Baht	-	754,948	14,667	-	769,615
Total	**$ 264,420,543**	**$ 1,145,492,068**	**$ 5,336,704**	**$ 11,519,159**	**$ 1,426,768,474**

Currency	Global Bonds 2009	Global Stock 2009	Cash 2009	Private Equity 2009	Total Fair Value 2009
Australian Dollar	$ 26,186,438	$ 73,919,913	$ 402,672	$ -	$ 100,509,023
Brazilian Real	-	3,937,064	78,106	-	4,015,170
British Pound Sterling	-	171,707,691	102,055	-	171,809,746
Canadian Dollar	-	80,004,368	206,020	-	80,210,388
Czech Koruna	-	-	62,386	-	62,386
Danish Krone	-	10,027,584	48,461	-	10,076,045
Euro	96,580,445	287,755,963	1,674,169	6,361,382	392,371,959
Hong Kong Dollar	-	25,032,641	47,038	-	25,079,679
Hungarian Forint	-	-	1,080	-	1,080
Israeli Shekel	-	-	1,842	-	1,842
Japanese Yen	95,504,050	257,948,130	2,153,787	-	355,605,967
Malaysian Ringgit	-	786,463	111,219	-	897,682
Mexican Peso	15,058,077	325,303	2,850	-	15,386,230
New Zealand Dollar	-	488,363	11,844	-	500,207
Norwegian Krone	-	6,479,114	55,885	-	6,534,999
Polish Zloty	25,318,169	35,503	177,493	-	25,531,165
Singapore Dollar	497,378	32,192,811	96,920	-	32,787,109
South African Rand	-	367,995	483	-	368,478
South Korean Won	-	10,280,448	78,978	-	10,359,426
Swedish Krona	-	17,638,151	734,219	-	18,372,370
Swiss Franc	-	71,882,309	291,821	-	72,174,130
Thailand Baht	-	885,231	38,492	-	923,723
Total	**$ 259,144,557**	**$ 1,051,695,045**	**$ 6,377,820**	**$ 6,361,382**	**$ 1,323,578,804**

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. Additionally, at June 30, 2010, LASERS portfolio contained three commingled emerging market funds subject to foreign currency risk with an aggregate fair value of $644.5 million. 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 $250,000, 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 reserves may be held in U.S. dollar or global denominated investment vehicles available through the System's custodian. These 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 negotiable certificates of deposit, global time deposits, global currency 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. 11:267(B)(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 an 8.25% nominal rate of return.

The following table presents the System's appreciation in investments at June 30, 2010, compared to its depreciation in investments at June 30, 2009:

	2010	2009
Unrealized gains/(losses) on investments during the year	$ 698,432,975	$ (1,383,128,940)
Realized gains/(losses) on investments including currency sold during the year	267,228,330	(538,393,070)
Total	**$ 965,661,305**	**$ (1,921,522,010)**

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.

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 as 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 toward 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. 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, as defined by the MSCI EM Index. 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 senior secured debt 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 Poor's or higher. Split-rated securities will be measured using Standard and Poor's 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.

Investments in mortgage-backed securities shall have the characteristics of fixed income securities, and be responsive to changes in domestic interest rate changes, as well as other factors that affect the credit markets and mortgage investments. The investment managers are responsible for making an independent analysis of the credit worthiness of securities and their suitability as investments for the Plan, and shall adhere to the specific investment, security, diversification limits and administrative guidelines established in the investment management agreement(s).

High-yield fixed income managers may invest up to 20% of their portfolios in non-U.S. fixed income securities. They shall perform careful credit analysis to mitigate losses from defaults. Investments should be diversified across sector, industry, sub-industry and market to mitigate losses. No more than 6% of market value of the system's high yield assets may be invested in the debt securities of any one issuer.

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) and/or mortgage backed securities 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 2010 and 2009, 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 prepayments 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 prepayments 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.

Investments in limited partnerships and commingled funds may include derivatives that are not shown in the derivative totals. The following tables represent the fair value of all open currency forwards at June 30, 2010, and 2009:

2010 Currency

Sold	Purchased	US Dollar Value at Trade Date	Payable Base Market Value	Receivable Base Market Value	Unrealized Gain (Loss)
Japanese Yen	U.S. Dollars	$ 240,988	$ (241,451)	$ 240,988	$ (463)
U.S. Dollars	Euro Currency	854,175	(854,175)	859,578	5,403
Euro Currency	British Pound Sterling	47,903,788	(44,099,535)	46,775,416	2,675,881
Total		**$ 48,998,951**	**$ (45,195,161)**	**$ 47,875,982**	**$ 2,680,821**

2009 Currency

Sold	Purchased	US Dollar Value at Trade Date	Payable Base Market Value	Receivable Base Market Value	Unrealized Gain (Loss)
Euro Currency	British Pound Sterling	$ 41,298,519	$ (44,416,501)	$ 46,395,646	$ 1,979,145
British Pound Sterling	Euro Currency	3,386,141	(3,376,789)	3,323,323	(53,466)
South Korean Won	U.S. Dollars	540,875	(541,406)	540,875	(531)
U.S. Dollars	Hong Kong Dollars	89,336	(89,336)	89,336	-
U.S. Dollars	Japanese Yen	257,250	(257,250)	254,721	(2,529)
U.S. Dollars	South Korean Won	748,157	(748,157)	748,891	734
U.S. Dollars	Norwegian Krone	61,041	(61,041)	60,742	(299)
U.S. Dollars	Thailand Baht	155,480	(155,480)	155,084	(396)
Total		**$ 46,536,799**	**$ (49,645,960)**	**$ 51,568,618**	**$ 1,922,658**

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, but are not limited to private equity, absolute return (hedge funds), and global tactical asset allocation. Investment strategies may include buyouts or corporate restructuring, venture capital, secondary investments, distressed securities, mezzanine, and energy and natural resources. The total commitments and total amount invested for alternative investments on a cost basis as of June 30, 2010, and 2009, respectively:

Alternatives Investments	2010	2009
Commitments		
Private Equity	$ 1,951,856,870	$ 1,893,400,789
Absolute Return	711,000,000	671,000,000
Global Asset Allocation	370,000,000	370,000,000
Total Commitments	**$ 3,032,856,870**	**$ 2,934,400,789**
Amount Invested (cost basis)		
Private Equity	$ 947,859,796	$ 838,911,850
Absolute Return	712,890,784	667,706,673
Global Asset Allocation	347,993,188	347,991,010
Total Invested (cost basis)	**$ 2,008,743,768**	**$ 1,854,609,533**

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

LASERS only invests 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 is taken in evaluating and fully understanding all aspects on an alternative investment opportunity.

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 the total fund. References on a general partner must be checked prior to investing in a fund.

H. Securities Lending Program

State Statutes and the Board's policies permit the system to make short-term collateralized loans of its securities to broker-dealers and other entities in order to earn incremental income. LASERS has contracted with its custodian, BNY Mellon, to lend domestic and international equity and debt securities. The majority of security loans can be terminated on demand by either LASERS or the borrower. Collateral in the form of cash or other securities is required for 102% of the fair value of domestic or sovereign debt, and 105% of the fair value of international securities excluding sovereign debt loaned. Since the majority of the loans are terminable at will, their duration does not generally match the duration of the investments made with the cash collateral.

Due to disruptions in the credit markets beginning in the fall of 2008, prices of several securities experienced declines. At June 30, 2009, LASERS had an approximate $27 million loss due to Lehman and Sigma Bonds of which $3 million in security lending income has been applied during fiscal year 2010. During fiscal year 2010, LASERS realized a loss on a CIT Group bond of approximately $3 million bringing the balance owed Mellon to $27 million. The unrealized loss in the cash collateral pools recovered from an unrealized loss of $64 million at June 30, 2009, to an unrealized loss of $20 million at June 30, 2010.

LASERS is not permitted to pledge or sell collateral securities unless a borrower defaults. The System did not impose any restrictions during the fiscal year on the amount of the loans that BNY Mellon made on its behalf, and BNY 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.

On June 30, 2010, 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. At June 30, 2010, the market value of securities on loan totaled $715,202,710.

I. Other Postemployment Benefits (OPEB)

1. Plan Description

The Office of Group Benefits (OGB) is an agent multiple-employer postemployment 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.

3. Annual OPEB Cost and Net OPEB Obligation

The state is required to contribute the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 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 30 years. The current ARC rate is 22.46% of annual covered payroll. At June 30, 2010, and 2009 annual OPEB costs and net OPEB obligations were:

	2010	2009
Annual Required Contribution	$ 1,554,400	$ 2,276,300
Interest on OPEB Obligation	161,152	82,440
Adjustment to Annual Required Contribution	(153,947)	(78,754)
Annual OPEB Cost (Expense)	1,561,605	2,279,986
Contributions Made	(328,140)	(308,246)
Increase in Net OPEB Obligation	1,233,465	1,971,740
Net OPEB Obligation Beginning of Year	4,028,800	2,057,060
Net OPEB Obligation End of Year	$ 5,262,265	$ 4,028,800

For fiscal year 2010, LASERS annual OPEB cost (expense) was $1,561,605. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2010, 2009 and 2008 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	$ 2,335,000	12.47%	$ 2,057,060
6/30/2009	$ 2,279,986	14.17%	$ 4,028,800
6/30/2010	$ 1,561,605	21.01%	$ 5,262,265

Funded Status and Funding Progress: The funding status of the plan as of June 30, 2010, 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]
7/1/2008	$ -	$ 23,055,800	$ 23,055,800	0.0%	$ 6,633,000	347.6%
7/1/2009	$ -	$ 18,281,800	$ 18,281,800	0.0%	$ 6,919,500	264.2%

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 Schedules of Funding Progress, presented as required supplementary information following the *Notes to the Financial Statements*, presents the current year's funding status, and presents 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. 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, 2009, actuarial valuation, a projected unit credit cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.5% for pre-Medicare and 9.6% 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 open amortization period of 30 years, the maximum amortization period allowed by GASB 45.

J. Subsequent Events

The Louisiana Legislature enacted legislation in its 2010 Regular Session that made changes to contribution rates, final average compensation, benefit accrual rates, retirement eligibility, disability benefits, and survivor benefits for LASERS members hired on or after January 1, 2011, but retains the provisions of current law in these specific areas for members hired on or before December 31, 2010.

Also the Legislature established the LASERS Hazardous Duty Services Plan for certain law enforcement personnel hired on or after January 1, 2011. Members of existing specialty plans and rank and file members in hazardous duty positions will have the option of remaining in those plans or becoming a member of the Hazardous Duty Service Plan. Additional legislation modifies restrictions on investments, and adds specific considerations for investment decisions. For specific information on legislative changes that affect the System refer to Title 11 of the Louisiana Revised Statutes.

Required Supplementary Information

Schedules of Funding Progress for LASERS

For the Six Years Ended June 30, 2010
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio[3] (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2005	$ 6,673,500	$ 10,847,062	$ 4,173,562	61.5%	$ 2,100,043	198.7%
6/30/2006	$ 7,430,784	$ 11,548,680	$ 4,117,896	64.3%	$ 1,979,705	208.0%
6/30/2007	$ 8,345,495	$ 12,421,907	$ 4,076,411	67.2%	$ 2,175,367	187.4%
6/30/2008	$ 9,167,170	$ 13,562,214	$ 4,395,044	67.6%	$ 2,436,956	180.3%
6/30/2009	$ 8,499,662	$ 13,986,847	$ 5,487,185	60.8%	$ 2,562,576	214.1%
6/30/2010	$ 8,512,403	$ 14,764,015	$ 6,251,612	57.7%	$ 2,546,457	245.5%

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by $777,167,377 from June 30, 2009, to June 30, 2010. There was a net experience loss of $630,583,406.

Schedules of Employer Contributions

For the Six Years Ended June 30, 2010

Date	Annual Required Contribution	Percentage Contributed
2005	$ 411,727,561	99.2%
2006	$ 423,502,813	93.1%
2007	$ 434,796,738	97.0%
2008	$ 456,741,202	115.4%
2009	$ 492,402,961	102.8%
2010	$ 585,268,922	87.2%

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.

[3] For the years ended June 30, 2005, through June 30, 2009, the funded ratio referenced takes into account the initial unfunded accrued liability account (IUAL) and the Employer Credit Account which is not the same funded ratio used in determining the projected employer contribution rate.

Schedules of Funding Progress for OGB OPEB Trust

For the Year Ended June 30, 2010*

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%
7/1/2008	$ -	$ 23,055,800	$ 23,055,800	0.0%	$ 6,633,000	347.6%
7/1/2009	$ -	$ 18,281,800	$ 18,281,800	0.0%	$ 6,919,500	264.2%

*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

Schedules of Administrative Expenses

For the Years Ended June 30, 2010 and 2009

		2010	2009
Administrative Expenses:			
Salaries and Related Benefits		$ 12,719,392	$ 12,837,084
Travel Expenses		112,788	145,315
Operating Services		3,032,114	3,046,463
Professional Services		757,435	1,504,140
Acquistions	(1)	141,705	340,651
Total Operating Expenses		**$ 16,763,434**	**$ 17,873,653**
Capitalized Expenditures:			
SOLARIS Software Project - Professional Services	(1)	-	(58,959)
Other Acquisitions		-	(221,605)
Total Capitalized Expenditures		**$ -**	**$ (280,564)**
Total Administrative Expenses		**$ 16,763,434**	**$ 17,593,089**

(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 years once operational, following GASB 51 and the AICPA's Statement of Position No. 98-1.

Schedules of Investment Expenses

For the Years Ended June 30, 2010 and 2009

	2010	2009
Investment Activities Expenses:		
Alternative Investment Expenses		
Alternative Manager Fees	$ 24,832,501	$ 26,434,699
Profit Sharing Fees	3,463,141	(95,559) [1]
Total Alternative Expenses	**$ 28,295,642**	**$ 26,339,140**
Investment Manager Expenses		
Investment Manager Fees	$ 17,189,711	$ 12,307,056
Profit Sharing Fees	158,864	-
Total Investment Manager Expenses	**$ 17,348,575**	**$ 12,307,056**
Other Investment Expenses		
Investment Consultant Fees	$ 565,000	$ 550,000
Research and Data Services	395,337	339,660
Investment Performance Management	101,633	91,592
Global Custodian Fees	52,587	139,428
Total Other Investment Expenses	**$ 1,114,557**	**$ 1,120,680**
Total Investment Activities Expenses	**$ 46,758,774**	**$ 39,766,876**
Securities Lending Activities Expenses:		
Securities Lending Activities Expenses	$ (128,053) [2]	$ 14,500,742
Total Securities Lending Activities Expenses	**$ (128,053)**	**$ 14,500,742**

[1]Due to disruptions in the market for the fiscal year ending June 30, 2009, recovery of prior year profit sharing fees created a credit balance.

[2]Security Lending expenses had a credit balance for the year ending June 30, 2010, due to the low Federal Funds rate environment which led to negative rebates offseting the expenses.

Schedules of Board Compensation

For the Years Ended June 30, 2010 and 2009

	2010		2009	
Board of Trustees	Number of Meetings	Amount	Number of Meetings	Amount
Cynthia Bridges	11	$ 825	12	$ 900
Virginia Burton	7	525	21	1,575
Connie Carlton	24	1,800	24	1,800
Charles Castille	22	1,650	18	1,350
Beverly Hodges	12	900	0	-
Janice Lansing	11	825	0	-
Barbara McManus	23	1,725	21	1,575
Susan Pappan[1]	22	-	2	-
Lori Pierce[2]	12	-	0	-
Louis Quinn	9	675	23	1,725
Sheryl Ranatza[3]	20	-	20	-
Kathy Singleton	11	825	0	-
Lorry Trotter	12	900	23	1,725
Trudy White[4]	0	-	3	225
Total Compensation		**$ 10,650**		**$ 10,875**

[1]Susan Pappan assumed Trudy White's position in June 2009 and chose not to receive the Board per diem.

[2]Lori Pierce chose not to receive the Board per diem beginning January 2010.

[3]Sheryl Ranatza chose not to receive the Board per diem beginning June 2007.

[4]Trudy White resigned from the Board in May 2009.

Schedules of Professional/Consultant Fees

For the Years Ended June 30, 2010 and 2009

	2010	2009
Accounting and Auditing		
Postlethwaite and Netterville, APAC	$ 47,900	$ 47,500
Actuary		
Hall Actuarial Associates	38,640	34,000
S J Actuarial Associates	124,000	132,600
Legal Fees		
Avant & Falcon	4,419	4,594
Beus Gilbert, PLLC	30,883	40,386
Phelps Dunbar, LLP	1,032	-
Roedel Parsons Koch Balhoff & McCollister	3,840	5,703
Tarcza & Associates, LLC	37,779	25,178
Disability Program		
Physician and Other Reviews	89,752	80,836
Information Technology Consultants		
Deloitte Consulting, LLP (Formerly Bearing Point, Inc.)	311,489	1,118,151
Provaliant Retirement, LLC	-	(25,000)
Other Professional Services		
CEM Benchmarking, Inc.	35,000	-
Election Service Corporation	19,115	19,115
Firefly Digital, Inc.	11,675	-
SSA Consultants, Inc.	-	17,659
Other Non-Consultant Professionals	1,911	3,418
Professional Service/Consultant Fees	**$ 757,435**	**$ 1,504,140**

Gramercy Bridge - Gramercy, LA (Photo by Ken Lund)

Investment
Section

CONTENTS

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

August 17, 2010

Dear Members,

Following a year of unprecedented market volatility and strain in the financial markets, the 2009-2010 fiscal year saw a nice recovery. For the fiscal year ending June 30, 2010, LASERS investment portfolio realized a market rate of return on investment assets of 16.1%. The actuarial rate of return was 2.21%.

Based on the fiscal year market return, LASERS ranked in the top ten percent of all public pension plans with market values greater than $1 billion in the Trust Universe Comparison Service (TUCS)[1]. For extended time periods[2], LASERS maintained rankings in the top thirtieth percentile or better with the seven-year period rankings in the twenty-sixth percentile.

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. Carefully underwritten and conservative assumptions for future expected returns have been adopted, and the investment portfolio is structured to optimize the risk/return trade-off.

During the fiscal year, LASERS continued to work toward its ongoing goal of comprehensive monitoring of the plan's investments. Changes were made to the plan's asset allocation in order to improve long-term returns. These included increasing the allocation to the private equity program, and adding an allocation to real assets/inflation protection securities.

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, 2010, there were 63 constituents making up the public funds with market values greater than $1 billion universe.

[2] Investment performance calculated for periods over two years use monthly returns geometrically linked to calculate annualized "time-weighted" rates of return.

Summary of Investment Policy

I. Statement of Investment Objectives

This document specifically outlines the investment philosophy and practices of LASERS and has been developed to serve as a framework for the management of the System's defined benefit plan. The Board has established the investment guidelines to formalize investment objectives, policies and procedures, and to define the duties and responsibilities of the various entities involved in the investment process. All policy decisions shall include liquidity and risk considerations that are prudent and reasonable under the circumstances that exist over time. The policies will evolve as the internal conditions of the fund and the capital markets environment changes. Any resulting material changes will be communicated to all affected parties.

II. Controlling Statutes and Regulation

Investments of the Louisiana State Employees' Retirement System shall be made in full accordance with Louisiana Revised Statutes, applicable legislation or regulation as well as LASERS internal policies and procedures. Among other applicable rules and regulations, the following apply:

LASERS shall operate under the "Prudent Man" rule, used herein meaning, that when investing, the Board shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. LASERS will apply this standard to the entire fund portfolio, and as part of an overall investment strategy. This will include an asset allocation study and a plan for implementation which will incorporate risk and return objectives reasonably suitable to the fund. The following types of risk are to be examined: market value, credit, interest rate, inflation, counterparty, and concentration. The study and implementation of such plan will be designed to preserve and enhance principal over the long term, provide adequate liquidity and cash flow for the system, and minimize the risk of loss unless it is clearly prudent not to do so.

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. Should LASERS have more than 55% of its total assets invested in publicly traded equities, at least 10% of those equities must be invested in one or more index funds. Alternative assets are not considered to be equities when calculating LASERS equity exposure. LASERS is aware that markets will fluctuate, and any rebalancing will appropriately consider market conditions and any other relevant factors.

III. Roles and Responsiblilities

The following section outlines the roles and responsibilities for each of the parties involved with executing the policy. In addition to the activities described below, each person involved with the policy serves as a fiduciary and will adhere to the "Prudent Man" rule as described in State Statute.

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. The Board will conduct formal annual evaluations of the administrative staff, investment consultant and custodian.

Investment Committee

The Investment Committee was established by the Board to assist in oversight of the investment program; it will consist of not less than seven members of the Board. The Committee reviews and makes recommendation to the Board on investment actions including, but not limited to the following:

- Asset Allocation
- Asset Management
- Risk Control
- Monitoring

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 evaluating the use of index funds as an alternative to active management. Additionally, the CIO shall provide assistance in manager searches and selection, investment performance calculation and 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.

Investment Consultant

The Investment Consultant works under direction of the Board, offering a third-party perspective and providing an additional level of oversight to the System's investment program. The Consultant's normal functions shall include assisting 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, strategies and funding levels.

Investment Managers

The duties and responsibilities of each of the investment managers retained by the Board include, but may not be limited to, the following:

- Investing the assets under its management in accordance with the policy guidelines and objectives.
- Meeting or exceeding the manager-specific benchmarks, net of all fees and expenses.
- Exercising investment discretion within the guidelines and objectives.

- Complying with all provisions pertaining to the investment manager's duties and responsibilities as a fiduciary.
- Complying with the CFA Institute's Code of Ethics & Standards of Professional Conduct and Global Investment Performance Standards (GIPS).
- 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, and timely submitting all required reports.
- 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.
- Any other duties included in the contract.

Custodian Bank

The Custodian is responsible for the safekeeping of System assets and serves as the official book of record. It is understood that investments that are held in partnerships, commingled accounts or unique asset classes are unable to be held by the System's custodian bank.

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

- Holding System assets directly, through its agents, its sub-custodians, or designated clearing systems.
- Registration of System assets in good delivery form, collection of income generated by those assets, and any corporate action notification.
- Delivery and receipt of securities.
- Disbursement of all income or principal cash balances as directed.
- Providing daily cash sweep of idle principal and income cash balances.
- Providing online records and reports.
- Providing monthly statements by investment managers' accounts and a consolidated statement of all assets.
- Providing monthly performance reports and quarterly performance analysis reports.
- Notifying appropriate entities of proxies.
- Managing the securities lending program (if applicable).
- Overseeing securities class actions on behalf of the System.
- Providing a compliance monitoring system.
- Any other duties and services included in the contract.

IV. Investment Objectives

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. The investments of the Fund shall be diversified to minimize the risk of significant losses. Total return, which includes realized and unrealized gains, plus income less expenses, is the primary goal of LASERS.

The actuarially expected total rate of return for the Fund is 8.25% annually. However, LASERS seeks to achieve returns greater than 8.25%.

Relative Return Requirements

LASERS seeks to have total returns rank in the top half of the appropriate public fund universe, reflecting similar circumstances to the Fund. The total fund return should, over time, exceed the Policy and Allocation Indices. Returns for LASERS managers should 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. A longer-term horizon of 5-7 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. Performance Benchmarks

Total Fund Return

The Total Fund return shall be compared against other public pension plans. LASERS will compare its returns against other funds of similar size and circumstances. LASERS Total Fund return should 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 deviating 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.

VI. Asset Allocation

The foundation of the System's strength and stability rests upon the diversification of plan assets. The following section outlines the current asset allocation, which was designed to achieve the required return objectives of the System, given certain risk considerations. This 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. Changes in liability structure, funded status, or long-term investment prospects should trigger a revision of the asset allocation.

Based on the Board's determination of the appropriate risk tolerance for the System and its long-term expectations, the following asset class policy target allocation and permissible ranges have been established:

Target Asset Mix

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

Implementation

LASERS recognizes that special expertise is required to properly invest the majority of the assets described. However, certain highly efficient passively managed investment strategies lend themselves to internal management, 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.

Rebalancing

The CIO will review LASERS asset allocation at least quarterly to determine if it 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. The CIO will consider market conditions and transaction costs, as well as any other relevant factors when rebalancing.

VII. Risk Management

It is recognized that risk issues permeate the entire investment process, and risk is considered throughout the investment process from asset allocation to performance evaluation. Ongoing monitoring will be accomplished through a "mosaic" approach, in which various forms of analysis and reporting contribute to the total picture. Inspection of levels of diversification, nominal risk exposures, risk/return plots, sortino ratio, Value at Risk, tracking error, and worst-case scenarios modeling form the core of the monitoring process.

VIII. Manager Selection

LASERS reserves the right to retain managers to oversee portions of the System's assets. Manager selection is accomplished in accordance with the vendor selection criteria in LASERS Board Governance Policy.

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 (1) when a pre-existing contract period ends and it is the desire of LASERS to retain the manager, (2) for certain private equity opportunities, or (3) other instances where a unique investment strategy exists.

Traditional manager 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. As part of the search process prospective candidates will be required to disclose any campaign contributions made to any LASERS Trustee, staff member or elected official in Louisiana who can influence the selection of an advisor or manager.

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

IX. Investment Manager Guidelines

Full discretion, within the parameters of the guidelines, 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.

X. Investment Manager Monitoring

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 contract with LASERS
- Other analyses as needed

Monitoring and Verification

Certain guidelines lend themselves to straightforward manager compliance monitoring. These guidelines will be monitored using daily holdings and transaction information provided by the Fund's custodian bank. The custodian will monitor manager compliance by way of their investment policy reporting software, and shall be responsible for alerting the Staff if a manager is out of compliance.

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.

Manager Evaluation

- LASERS portfolios shall be measured over various and appropriate time periods.
- A horizon of 3-7 years shall be used in measuring the long-term success of the manager.
- 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.
- Investment managers will periodically, upon request, present to the Board a portfolio review. This should include an update of the firm, current investments, their investment process, performance and their outlook for the market.
- The Board will periodically assess 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.

Security Holdings Summary Report

June 30, 2010

Securities	Cost	Market Value	Percent of Market
Bonds			
Fixed Income-Domestic	$ 1,537,277,098	$ 1,597,637,072	20.1%
Fixed Income-International	374,745,435	391,157,459	4.9%
Total Fixed Income	**1,912,022,533**	**1,988,794,531**	**25.0%**
Equity			
Securities-Domestic	2,085,281,695	1,963,558,128	24.7%
Securities-International	1,896,878,468	1,871,907,668	23.5%
Total Equity	**3,982,160,163**	**3,835,465,796**	**48.2%**
Real Estate	**0**	**10,597**	**0.0%**
Alternative Investments			
Absolute Return	712,890,784	802,541,528	10.1%
Private Placements	947,859,796	887,103,683	11.1%
Global Asset Allocation	347,993,188	319,455,658	4.0%
Total Alternative Investments	**2,008,743,768**	**2,009,100,869**	**25.2%**
Short-Term Investments			
Domestic/International Short-Term	127,615,624	127,615,624	1.6%
Total Short-Term Investments	**127,615,624**	**127,615,624**	1.6%
Grand Total Investments	**$ 8,030,542,088**	**$ 7,960,987,417**	**100%**

Largest Equity Holdings

June 30, 2010

	Shares	Stock Description	Fair Value
1)	513,696	EXXON MOBIL CORP	$ 29,316,625
2)	108,350	APPLE INC	$ 27,253,276
3)	462,149	NOVARTIS AG	$ 22,542,808
4)	560,500	JPMORGAN CHASE & CO	$ 20,519,905
5)	1,176,840	GLAXOSMITHKLINE ORD	$ 20,124,462
6)	722,689	ROYAL DUTCH SHELL	$ 18,368,351
7)	794,410	MICROSOFT CORP	$ 18,279,374
8)	362,700	NESTLE SA	$ 17,557,324
9)	257,900	CHEVRON CORP	$ 17,501,094
10)	669,500	WELLS FARGO & CO	$ 17,139,200

Largest Debt Holdings

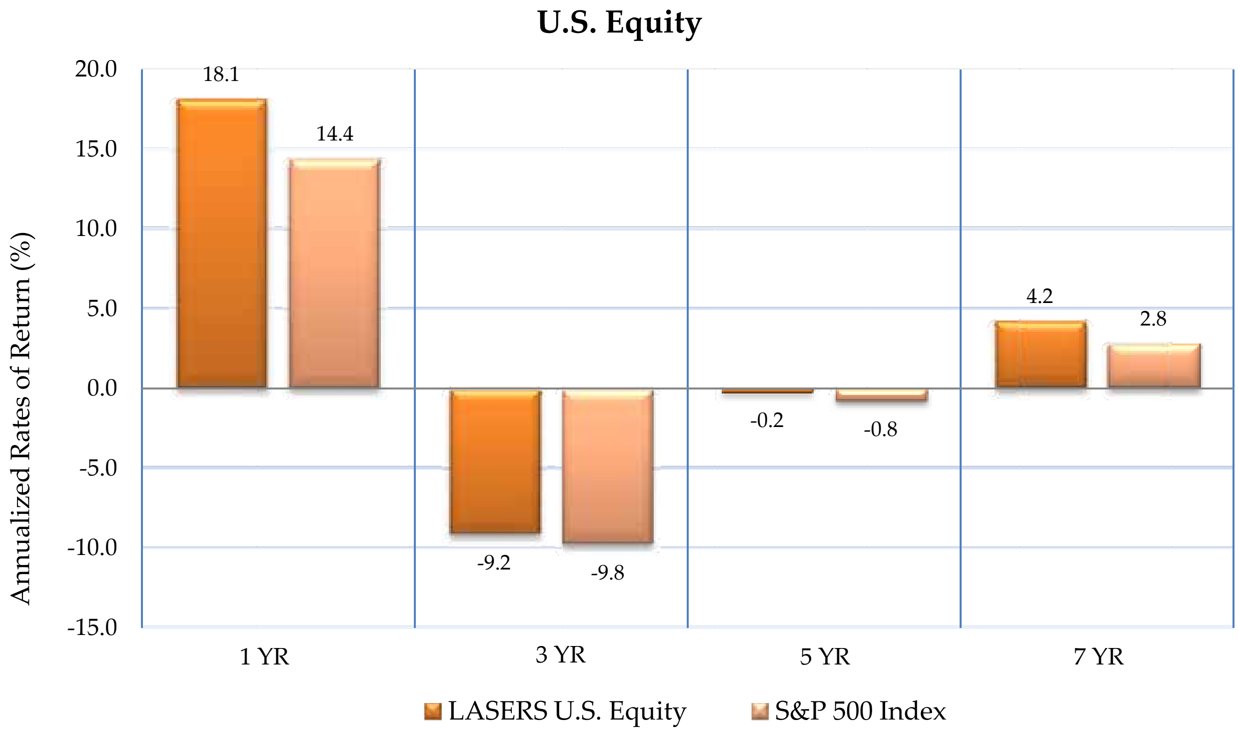
June 30, 2010

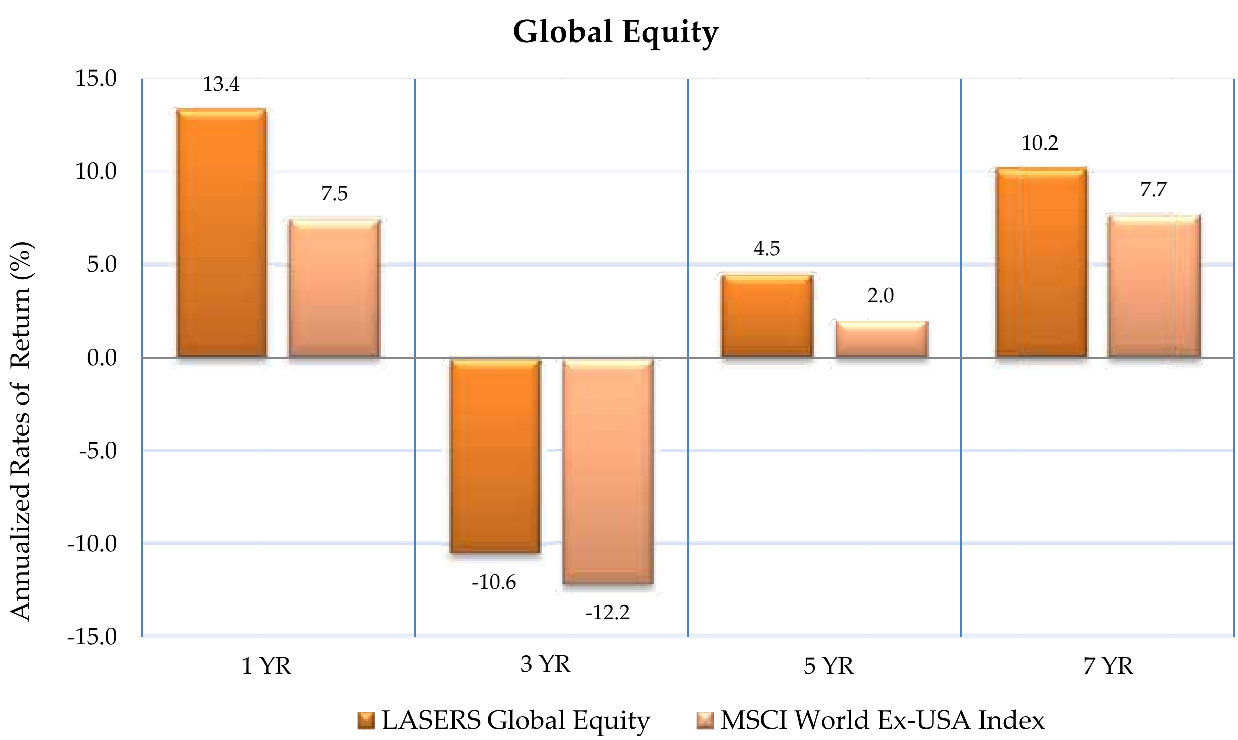
	Par Value	Bond Description	Fair Value
1)	23,900,000	U S TREASURY NOTE 3.75% 15-NOV-2018	$ 25,752,968
2)	1,800,000,000	GOVERNMENT OF JAPAN 1.9% 22-MAR-2021	$ 21,798,633
3)	1,560,000,000	JAPAN FINANCIAL CORP 1.55% 21-FEB-2012	$ 17,975,875
4)	11,800,000	REPUBLIC OF ITALY 4.75% 1-FEB-2013	$ 15,278,700
5)	1,200,000,000	JAPAN 1.2% 20-JUN-2011	$ 13,697,670
6)	14,800,000	COMMONWEALTH OF AUSTRALIA 5.75% 15-MAY-2021	$ 13,113,235
7)	1,100,000,000	GOVERNMENT OF JAPAN 1.0% 20-JUN-2013	$ 12,743,107
8)	11,000,000	FHLMC MULTICLASS 4.5% 15-OCT-2030	$ 11,652,410
9)	10,200,000	REPUBLIC OF ITALY 4.0% 1-FEB-2037	$ 10,869,763
10)	10,000,000	FNMA GTD REMIC 5.0% 25-MAR-2035	$ 10,813,200

The lists of largest holdings excludes commingled funds. A complete list of LASERS portfolio holdings is available upon request.

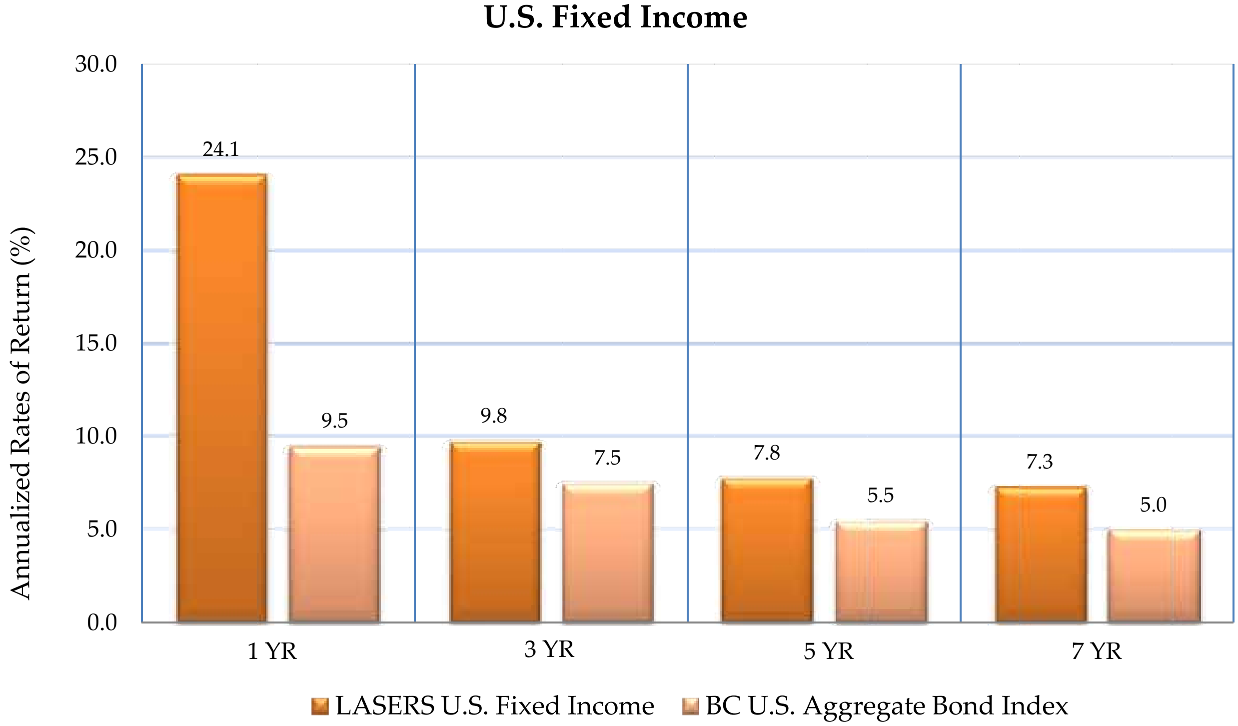
LASERS Rates of Return (1)

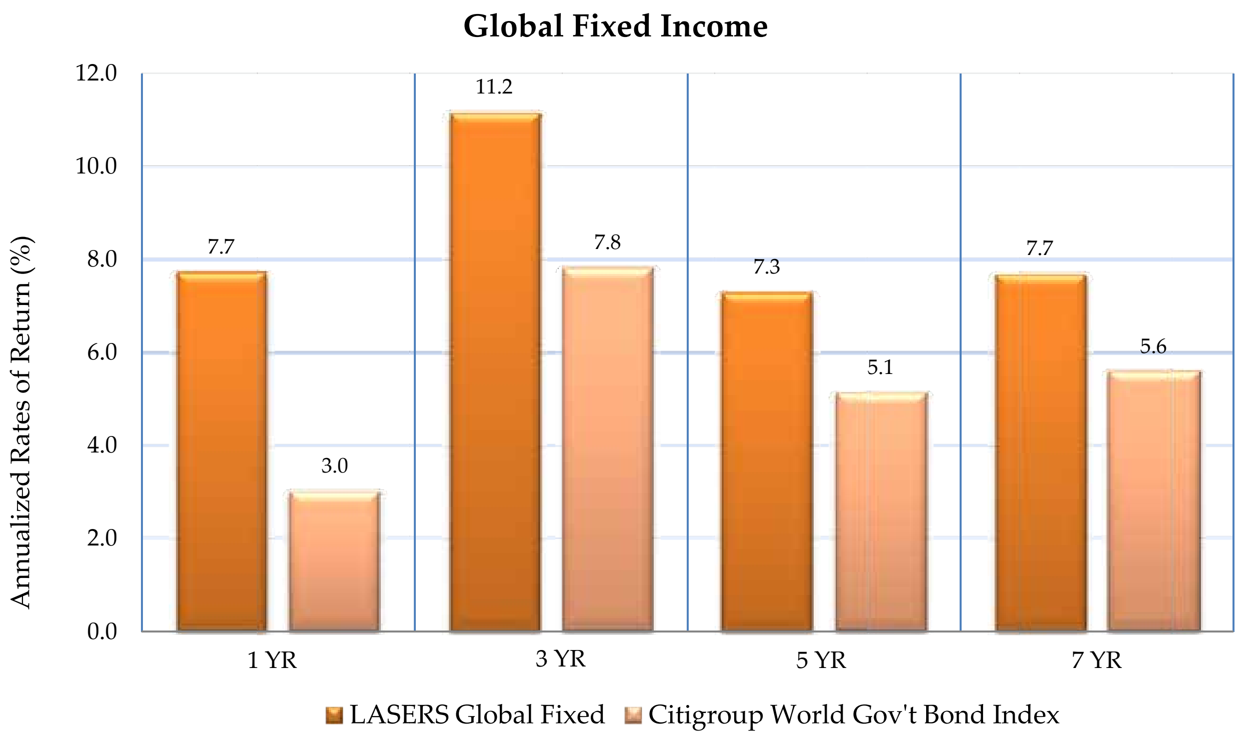
June 30, 2010





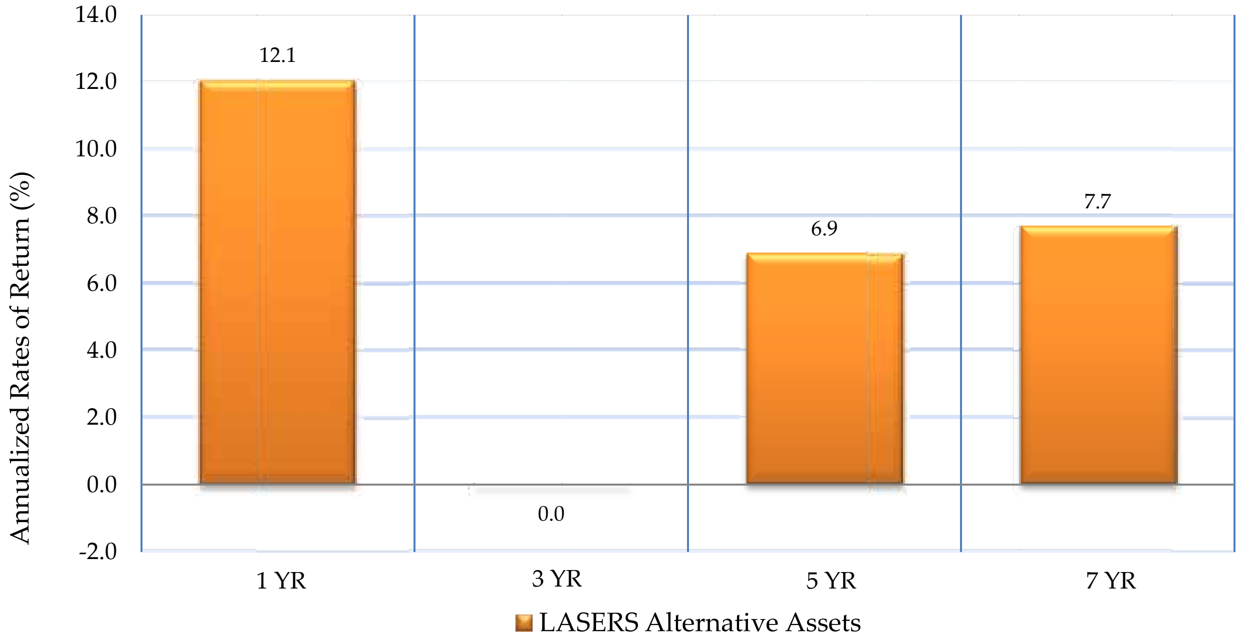
LASERS Rates of Return (continued)[1]
June 30, 2010



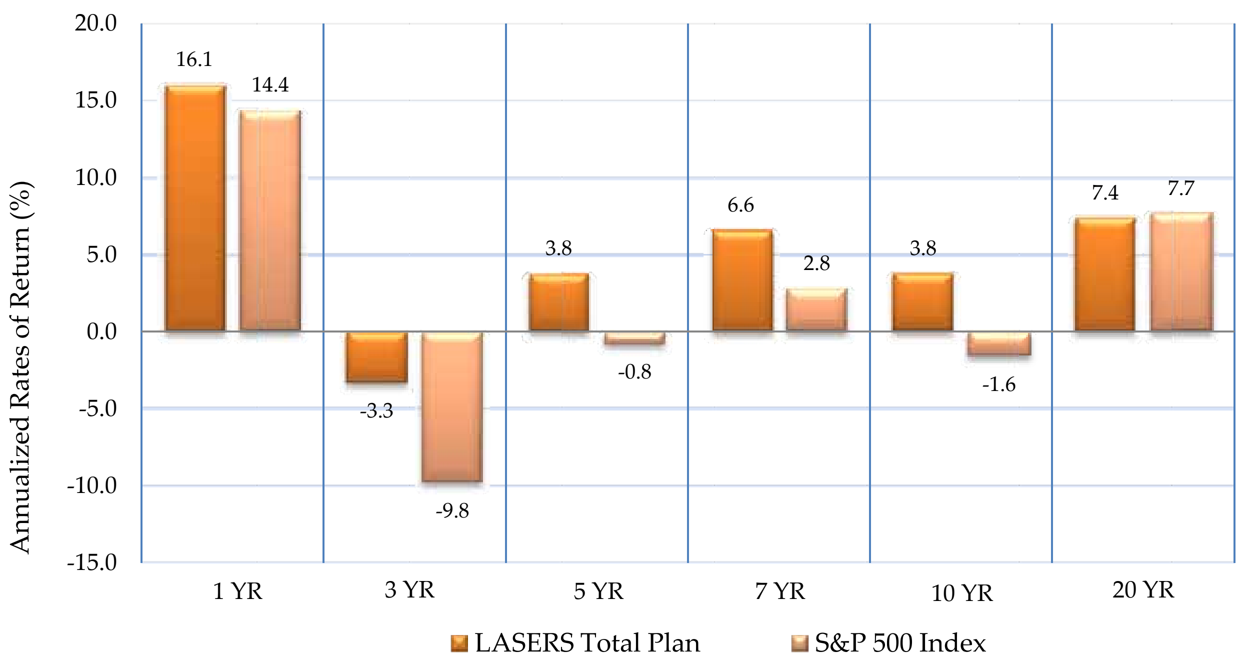


LASERS Rates of Return (continued)[1]
June 30, 2010

Alternative Assets[2]



Total Plan



(1) Investment Performance calculated for periods over two years use monthly returns geometrically linked to calculate annualized "time-weighted" rates of return. Returns are are calculated one quarter in arrears. Investment Performance does not include Self-Directed Plan and Optional Retirement Plan Funds.

(2) Benchmark information not available for the alternatives asset class.

Schedule of Brokerage Commissions Paid

June 30, 2010

Brokerage Firm	Commission	Brokerage Firm	Commission
Johnson Rice & Co	$ 193,858	Cuttone & Co.	$ 21,157
Credit Suisse	170,075	Stifel Nicolaus	20,234
Hibernia Southcoast Capital	147,014	Craig Hallum	19,863
Deutsche Bank	98,636	Suntrust Capital Markets	19,708
Pulse Trading, LLC	92,282	Dougherty Company	19,424
Compass Point Research & Trading	88,074	Needham & Co.	19,120
Liquidnet Inc.	84,943	ABN Amro Bank	18,631
Mogavceo Lee & Co.	71,334	Piper Jaffray & Co.	17,097
Barclays Capital	69,277	Brean Murray Foster Inc.	16,881
J.P. Morgan Securities	59,747	Sandler O'Neil & Partners	16,085
Morgan Stanley & Co.	58,367	Berstein Sanford C. & Co.	16,014
Investment Technology Group	57,041	Fig Partners, LLC	15,427
Goldman Sachs & Co.	55,864	Sisk Investment Co.	15,174
Instinet	55,270	Wells Fargo Securities	15,014
Avondale Partners	52,252	Morgan Keegan & Co.	14,966
Merrill Lynch	51,990	Lazard Capital Markets	14,871
SG Securities	50,527	Royal Bank of Canada	14,453
Stephens Inc.	49,735	CJS Securities	13,800
JonesTrading	46,648	Sterne Agee & Leach	13,599
Oppenheimer & Co.	44,311	Williams Capital Group	13,320
Jefferies & Co.	43,668	First Clearing	12,118
Sidoti & Co.	35,979	Nomura Securities	12,001
RBC Dominion	33,534	Davidson & Co.	11,611
Knight Securities	32,779	Friedman Billings	11,385
Citigroup	28,612	Raymond James	10,907
Credit Research & Trading	27,794	Macquarie Securities	10,411
Weeden & Co.	27,071	BNY Convergex	10,410
First Anaylsis Securities	27,030	Fidelity Capital Markets	9,716
UBS	26,524	Cantor Fitzgerald	9,686
Pritchard Capital Partners	24,690	ISI Group, Inc	9,665
Keefe Bruyette & Woods	24,280	Pipeline Trading Systems	9,109
Keybanc Capital Markets	24,156	Brockhouse & Cooper	8,595
Baird, Robert W. & Co.	23,803	Credit Agricole	8,495
Pershing	22,124	Williams Blair & Co.	7,871
Pacific Crest	21,999	Northland Securities Inc.	7,615
Clearview Correspondent	21,463	All Others	188,020
	$ 2,042,751		$ 672,453
		Total	**$ 2,715,204**

Schedule of External Management Fees

By Investment Manager Classification[1]
For Year Ended June 30, 2010

Investment Manager Type		Assets Under Management		Annual Fees
Fixed Income Managers				
U.S. Fixed Income	$	1,705,924,142	$	5,356,843
Global Fixed Income		351,363,455		590,439
Total Fixed Income		**2,057,287,597**		**5,947,282**
Equity				
U.S. Equity		2,021,916,783		3,723,069
Global Equity		1,809,450,623		7,587,619
Total Equity		**3,831,367,406**		**11,310,688**
Real Estate		**10,597**		**-**
Alternative Investments		**2,009,100,869**		**28,295,642**
Cash		**63,220,948**		**90,605**
Total	**$**	**7,960,987,417**	**$**	**45,644,217**

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.

Crescent City Bridge - New Orleans, LA (Photo by Gary J. Wood)

Actuarial
Section

CONTENTS

ACTUARIAL ASSOCIATES

Shelley R. Johnson
M.A.A.A, A.S.A, F.C.A.
P.O Box 1157
Prairieville, LA 70769-1157
(225) 272-7339

September 23, 2010
Board of Trustees
Louisiana 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, 2010. 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.

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 plan year commencing July 1, 2010, should have been set at 25.1% of payroll. When compared to the 22.0% projected rate set by the Public Retirement Systems' Actuarial Committee, the current rate of 25.1 % reflects an increase resulting primarily from investment losses relative to the actuarially assumed investment return. The current employer contribution rate, together with the contributions payable by the members, is sufficient to achieve the funding objective set forth above.

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 plan year ending on June 30, 2010, is $8,512,402,951. All side funds have been liquidated, therefore the full value of the Actuarial Value of Assets is used for funding purposes.

In performing the June 30, 2010, 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.

SJ Actuarial Associates

Board of Trustees
LASERS
September 23, 2010

The present values shown in the June 30, 2010, 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 the system's actuary for the Comprehensive Annual Financial Report:

Actuarial Section

- Summary of Actuarial Assumptions
- Summary of Unfunded Actuarial Liabilities
- Summary of Actuarial and Unfunded Actuarial Liabilities
- Reconciliation of Unfunded Actuarial Liabilities
- Membership Data

Financial Section

- Schedules of Funding Progress
- Schedules 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, 2009, and covers the five-year observation period of 2003-2008.

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

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 2003-2008 actuarial experience study in effect as of June 30, 2009.

I. General Actuarial Method

1. Actuarial Funding Method (Projected Unit Credit)

The unfunded accrued liability on June 30, 1988, also referred to as the initial unfunded accrued liability, or initial UAL, is amortized over a 40 period commencing in 1989. The amortization payment initially reflected a 4% increase for the first five years, reducing by 0.5% at the end of each quinquennial period, but has subsequently been revised by Acts of the Louisiana Legislature as described below. 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 0.5% 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 30-year period from the date of occurrence, with a 4.5% increasing payment schedule. Amortization periods for changes in liabilities beginning with 2004 are extended to a 30-year period from the date of occurrence, paid as a level dollar amount.

Act 484 of 2007 and resulting Constitutional Amendment requires increases in UAL due to altered benefit provisions by legislative enactment to be amortized over a ten year period with level payments.

Act 497 of 2009 consolidates the outstanding balance of all amortization schedules established on or before July 1, 2008, except those established due to an increase in benefits after 2007, into two amortization schedules, the Original Amortization Base (OAB) and the Experience Account Amortization Base (EAAB). The consolidation is effective July 1, 2010. The outstanding balance of the OAB will be credited with funds from the Initial UAL fund, excluding the subaccount of this fund. The OAB will be paid off in plan year 2028/2029. The EAAB will be credited with funds from the Initial UAL subaccount, which were transferred from the Employee Experience Account on June 30, 2009. The EAAB will be paid off in plan year 2039/2040. The payment schedule for each of these bases will increase each plan year as follows:

Plan Year	Original Amortization Base	Experience Account Amortization Base
2011/2012	6.5%	6.5%
2012/2013 – 2015/2016	5.5%	5.5%
2016/2017 – 2017/2018	5.0%	5.0%
2018/2019 +	2.0%	Level Payments

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

Act 497 changes the amortization of contribution variance credits. Any overpayment through plan year 2016/2017 will be credited to the OAB. The OAB will then be re-amortized according to the new payment schedule.

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. This value is subject to corridor limits of 80% to 120% of the market value of assets. 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. Actuarially Assumed Rate of Return

8.25% per annum, compounded annually, as prescribed by the Public Retirement Systems' Actuarial Committee.

2. Employee Salary Increases

Incorporated in the following salary scales (shown for periodic durations, but representing full range of assumptions) is an explicit 3.0% inflation assumption. The following salary scale is based upon years of service:

Duration (Years)	Regular State Employees	Judges & Legislators	Department of Corrections	Wildlife and Fisheries
1	14.00%	5.50%	15.00%	15.00%
5	6.50%	3.00%	6.50%	11.00%
10	5.50%	3.00%	7.00%	9.00%
15	5.00%	3.00%	6.50%	6.50%
20	4.50%	3.00%	6.00%	6.50%
25	4.25%	3.00%	6.00%	6.00%
30	4.25%	3.00%	5.00%	6.00%

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 RP-2000 mortality table, effective June 30, 2009.

2. Disability Assumption

Rates of total and permanent disability were projected by age in accordance with the 2003-2008 disability experience of the Retirement System. Rates are illustrated by employment classification. Mortality after disability is based on the RP-2000 table for disabled lives, effective June 30, 2009.

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	0.02%	0.02%	0.05%	0.30%
40	0.13%	0.02%	0.13%	0.50%
45	0.22%	0.02%	0.17%	0.50%
50	0.41%	0.02%	0.20%	0.50%

3. Termination Assumptions

Voluntary withdrawal rates are derived from the 2003-2008 termination experience study.

Age (Years)	State Employees	Judges	Corrections	Wildlife
25	20%	0.0%	26%	7%
30	15%	0.5%	18%	9%
35	14%	0.5%	18%	3%
40	8%	0.5%	9%	6%
45	5%	0.9%	7%	1%
50	4%	0.9%	7%	1%

Furthermore, termination rates shown are increased 30% for state employees, 50% for corrections and 50% for wildlife in the first year of service. For members terminating with ten or more years of service, it is assumed that 80% will not withdraw their accumulated employee contributions.

4. Retirement/DROP Assumptions

Retirement rates and DROP probabilities were projected based upon the 2003-2008 experience study.

	Regular - Hired Prior to 7/1/06		Regular - Hired on or After 7/1/06		Judges		Corrections		Wildlife	
	RET	DROP	RET	DROP	RET	DROP	RET	DROP	RET	DROP
50	26%	33%	0%	0%	50%	0%	70%	50%	50%	10%
51	30%	28%	0%	0%	50%	0%	70%	20%	50%	10%
52	35%	28%	0%	0%	50%	50%	70%	15%	50%	10%
53	34%	28%	0%	0%	50%	50%	75%	10%	50%	10%
54	30%	19%	0%	0%	35%	50%	75%	7%	50%	10%
55	26%	45%	0%	0%	35%	50%	88%	3%	50%	10%
56	33%	10%	0%	0%	35%	20%	70%	5%	50%	10%
57	31%	5%	0%	0%	10%	20%	60%	10%	50%	10%
58	60%	5%	0%	0%	10%	20%	70%	5%	50%	10%
59	30%	5%	0%	0%	10%	10%	70%	3%	50%	10%
60	26%	25%	50%	30%	10%	7%	25%	3%	50%	10%
61	24%	4%	15%	40%	10%	5%	25%	1%	50%	10%
62	27%	1%	15%	50%	10%	5%	25%	1%	50%	10%
63	51%	1%	50%	50%	10%	10%	25%	1%	50%	10%
64	28%	1%	33%	50%	10%	10%	25%	1%	50%	10%
65	30%	1%	33%	50%	10%	5%	25%	1%	99%	0%
66	31%	1%	33%	50%	10%	5%	25%	1%	99%	0%
67	23%	1%	33%	50%	10%	5%	25%	1%	99%	0%
68	23%	1%	33%	50%	10%	5%	25%	0%	99%	0%
69	25%	1%	33%	50%	50%	0%	50%	0%	99%	0%
70	25%	1%	33%	50%	99%	0%	99%	0%	99%	0%

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)
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%
2009	$ 1,464.9	$ 8,785.4	$ 3,736.5	$ 8,499.7	100%	80%	0%
2010	$ 1,507.0	$ 9,418.6	$ 3,838.4	$ 8,512.4	100%	74%	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
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
2009	$ 13,986.8	$ 8,499.7	60.77	$ 5,487.1	$ 2,562.6	214.1
2010	$ 14,764.0	$ 8,512.4	57.66	$ 6,251.6	$ 2,546.5	245.5

Reconciliation of Unfunded Actuarial Liabilities
(Dollar Amounts in Thousands)

	Fiscal Year Ending			
	2010	**2009**	**2008**	**2007**
Unfunded Actuarial Liability at Beginning of Fiscal Year (7/1)	**$ 5,693,998**	**$ 4,473,115**	**$ 4,129,688**	**$ 4,164,544**
Interest on Unfunded Liability	469,755	369,032	340,699	343,575
Investment Experience (gains) decreases UAL	494,684	1,443,942	(18,122)	(487,095)
Plan Experience (gains) decreases UAL	136,315	(62,213)	361,954	111,778
Employer Amortization Payments (payments) decreases UAL	(406,412)	(294,565)	(268,963)	(264,962)
Employer Contribution Variance (excess contributions) decreases UAL	74,727	(13,861)	(70,222)	12,897
Side Fund Allocation(s) (distributions) decreases UAL	(216,492)	-	9,061	243,547
Other - Miscellaneous gains and losses from transfers, assumption changes, or Acts of the Legislature	5,037	(221,452)	(10,980)	5,404
Unfunded Actuarial Liability at End of Fiscal Year (6/30)	**$ 6,251,612**	**$ 5,693,998**	**$ 4,473,115**	**$ 4,129,688**

Membership Data

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

	2010		2009	
Active Members	**Census**	**Avg. Sal.**	**Census**	**Avg. Sal.**
Regular Members	50,592	$ 41,771	53,637	$ 40,067
Legislators	21	67,000	18	49,593
Judges	332	124,560	333	117,968
Appellate Law Clerks *	160	66,715	-	-
Wildlife Agents	216	54,382	223	52,521
Corrections	4,859	41,012	5,216	39,138
Peace Officers	107	48,227	114	45,718
Alcohol Tobacco Control	45	46,498	48	42,731
Bridge Police*	29	48,436	-	-
Active After DROP	2,520	57,319	2,402	56,011
Total	**58,881**	**$ 42,983**	**61,991**	**$ 41,085**

	2010	2009
Valuation Salaries	**$2,546,456,790**	**$2,562,575,942**

	2010	2009
Inactive Members	**Census**	**Census**
Due Refunds	50,842	49,701
Vested & Reciprocals	1,981	1,947

	2010		2009	
Annuitants and Survivors	**Census**	**Avg. Ben.**	**Census**	**Avg. Ben.**
Retirees	31,086	$ 21,351	30,062	$ 20,739
Disabilities	2,603	12,531	2,631	12,258
Survivors	5,696	13,658	5,560	13,333
DROP	2,629	29,646	2,683	27,816
Total	**42,014**	**$ 20,281**	**40,936**	**$ 19,652**

* Appellate Law Clerks and Bridge Police were included in Regular Members in 2009.

Historical Membership Data

(Dollar Amounts in Thousands)

History of Active Membership Data for Last 6 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
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%
2009	61,991	0.34%	$ 2,562,576	$ 41,085	4.76%
2010	58,881	-5.02%	$ 2,546,457	$ 42,983	4.62%

History of Annuitants and Survivor Annuitant Membership for Last 6 Years

Year Ending 6/30	Total Members		Members Added		Members Removed		Average Annuity	Percent Change in Annuity
	No.	Amount	No.	Amount	No.	Amount		
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%
2009	40,936	$ 804,455	2,418	$ 65,127	1,700	$ 35,886	$ 19,652	2.0%
2010	42,014	$ 852,060	2,735	$ 76,189	1,657	$ 28,584	$ 20,281	3.2%

Principle Provisions of the Plan

The Louisiana State Employees' Retirement System (LASERS) was enacted in 1950. 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 Department of Corrections	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
Bridge Police	8.5% of Compensation	8.5% of Compensation

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% 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. Effective January 1, 2011, members hired on or after July 1, 2006, will be eligible at age 60 with 5 years of service.

Note: Members may retire with a 2.5% annual accrual rate with 20 years at any age with benefits actuarially reduced.

Correction Officers - A member may retire with a 2.5% 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% 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% 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% 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%. Eligibility is the same as regular members hired prior to July 1, 2006.

Alcohol Tobacco Control – Annual accrual rate is 3.33%. 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.

Bridge Police – Annual accrual rate is 2.5% with 10 years at age 60, or 25 years at any age. The last 10 years of service must be served as bridge police.

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. In addition, beginning July 1, 2009, members may elect to receive a reduced benefit that will increase at two and one-half percent annually once the retiree attains age 55. This option is not available to recipients of disability retirement benefits.

Judges receive the maximum benefit payable without reduction for a 50% Joint and Survivor Option. Wildlife members receive the maximum benefit payable without reduction for a 75% 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.

Regular Plan - Members receive a service retirement benefit at 2.5% per year of service of average compensation.

Judges - A service retirement benefit, but not less than 50% of current salary.

Wildlife Agents - A service retirement benefit of the Regular Plan. Total disability in-line-of-duty service not less than 60% average compensation.

Disability Retirement Benefits (continued)

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

Bridge Police – A service retirement benefit at 2.5% per year of service of average compensation.

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% of the member's benefit calculated at the 2.5% 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% of the member's benefit calculated at the 2.5% accrual rate for all creditable service.

IX. Post-Retirement Increases

Post-retirement increases, previously referred to as cost of living adjustments, are permitted provided there are sufficient funds in the Employee Experience Account to fund the increase in the retiree reserves if approved by concurrent resolution of both houses as provided by law. Beginning July 1, 2009, the Employee Experience Account is credited with 50% of excess investment income above $100,000,000. Excess investment income is investment income over the actuarial valuation rate of 8.25%. The Employee Experience Account balance is limited to the funds necessary to fund two such increases. The Experience Account is debited for the increase in actuarial accrued liability resulting from the increase. Balances in the Employee Experience Account accrue interest at the average actuarial yield for the System portfolio.

X. Recent Changes to Principle Provisions of the Plan

Act 992 of 2010, effective January 1, 2011, provides for the creation of three new plans for LASERS' members hired after the effective date: Rank and File Plan, Judges Plan, and Hazardous Duty Plan. The Act also provides for a change in retirement eligibility for Act 75 members from 10 years of service at age 60 to 5 years of service at age 60.

Sunshine Bridge - Donaldsonville, LA (Photo by Alex C. Balla)

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, 2010. 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 accrued liability (UAL) is required by the state constitution to be substantially funded by 2029.

Plan Membership
Membership in LASERS decreased by 857 as of June 30, 2010. Active members decreased by 3,110, retirees (includes Regular, Disability, Survivor, and DROP) increased by 1,078, and terminated vested members increased by 34. The decrease in active membership can be attributed to a hiring freeze. Membership data for the ten years ended June 30, 2010, 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.

Schedules of Revenues by Source and Expenses by Type

For the Ten Years Ended June 30, 2010

	2001	2002	2003	2004	2005
Revenues By Source:					
Employer Contributions	$ 245,213,071	$ 256,079,880	$ 292,290,126	$ 335,991,617	$ 391,870,045
Member Contributions	144,603,488	151,350,321	159,469,854	163,277,178	169,143,849
Legislative Appropriations	-	-	-	-	-
Net Investment Income (Loss)	(408,921,855)	(342,821,109)	212,771,376	996,067,481	650,345,827
Other Income	12,102,647	14,658,709	15,137,037	9,325,388	37,363,680
Total Additions (Reductions) to Plan Net Assets	**$ (7,002,649)**	**$ 79,267,801**	**$ 679,668,393**	**$ 1,504,661,664**	**$ 1,248,723,401**
Expenses By Type:					
Benefits	$ 452,637,691	$ 498,392,717	$ 544,009,581	$ 573,152,747	$ 581,665,163
Refunds and Transfers	36,147,087	31,391,355	25,043,817	28,760,064	30,357,532
Administrative	13,176,189	12,821,861	11,171,799	12,624,215	17,873,386
Depreciation	696,447	437,711	657,638	800,103	760,927
Total Deductions to Plan Net Assets	**$ 502,657,414**	**$ 543,043,644**	**$ 580,882,835**	**$ 615,337,129**	**$ 630,657,008**
Total Change in Net Assets	**$ (509,660,063)**	**$ (463,775,843)**	**$ 98,785,558**	**$ 889,324,535**	**$ 618,066,393**

Schedules of Revenues by Source and Expenses by Type (continued)

For the Ten Years Ended June 30, 2010

	2006	2007	2008	2009	2010
Revenues By Source:					
Employer Contributions	$ 411,250,496	$ 416,329,361	$ 505,678,953	$ 486,583,512	$ 490,701,310
Member Contributions	165,509,666	167,957,870	192,412,444	203,050,933	205,328,033
Legislative Appropriations	13,600,000	-	20,000,000	-	-
Net Investment Income (Loss)	833,207,981	1,472,840,599	(357,912,195)	(1,739,762,198)	1,139,301,483
Other Income	33,115,285	12,285,284	16,507,453	13,919,576	12,689,994
Total Additions (Reductions) to Plan Net Assets	**$ 1,456,683,428**	**$ 2,069,413,114**	**$ 376,686,655**	**$ (1,036,208,177)**	**$ 1,848,020,820**
Expenses By Type:					
Benefits	$ 620,367,483	$ 673,617,033	$ 718,303,319	$ 771,408,255	$ 829,236,652
Refunds and Transfers	37,821,549	38,030,600	32,149,383	30,314,007	35,676,509
Administrative	15,291,109	14,505,724	18,251,681	17,593,089	16,763,434
Depreciation	750,463	619,733	1,242,050	2,030,877	2,134,563
Total Deductions to Plan Net Assets	**$ 674,230,604**	**$ 726,773,090**	**$ 769,946,433**	**$ 821,346,228**	**$ 883,811,158**
Total Change in Net Assets	**$ 782,452,824**	**$ 1,342,640,024**	**$ (393,259,778)**	**$ (1,857,554,405)**	**$ 964,209,662**

Benefit Expenses By Type
For the Ten Years Ended June 30, 2010

Type	2001	2002	2003	2004	2005
Regular	$ 358,790,569	$ 385,341,420	$ 411,933,100	$ 433,175,565	$ 457,521,300
Disability	12,278,188	13,026,215	13,859,977	13,818,110	14,051,770
Survivors	52,613,450	55,186,446	56,972,676	58,207,404	59,662,090
Refunds Regular	31,134,875	25,033,086	20,830,178	24,094,719	23,661,815
Refunds Due to Death	1,209,218	882,911	1,038,409	1,014,179	1,402,913
Transfers to Other Systems	3,802,994	5,475,358	3,175,230	3,651,166	5,292,804
Deferred Retirement Option	23,694,027	36,609,129	53,322,395	59,048,131	47,091,359
Initial Benefit Option	5,261,457	8,229,507	7,921,433	8,903,537	3,338,644
Total	**$ 488,784,778**	**$ 529,784,072**	**$ 569,053,398**	**$ 601,912,811**	**$ 612,022,695**

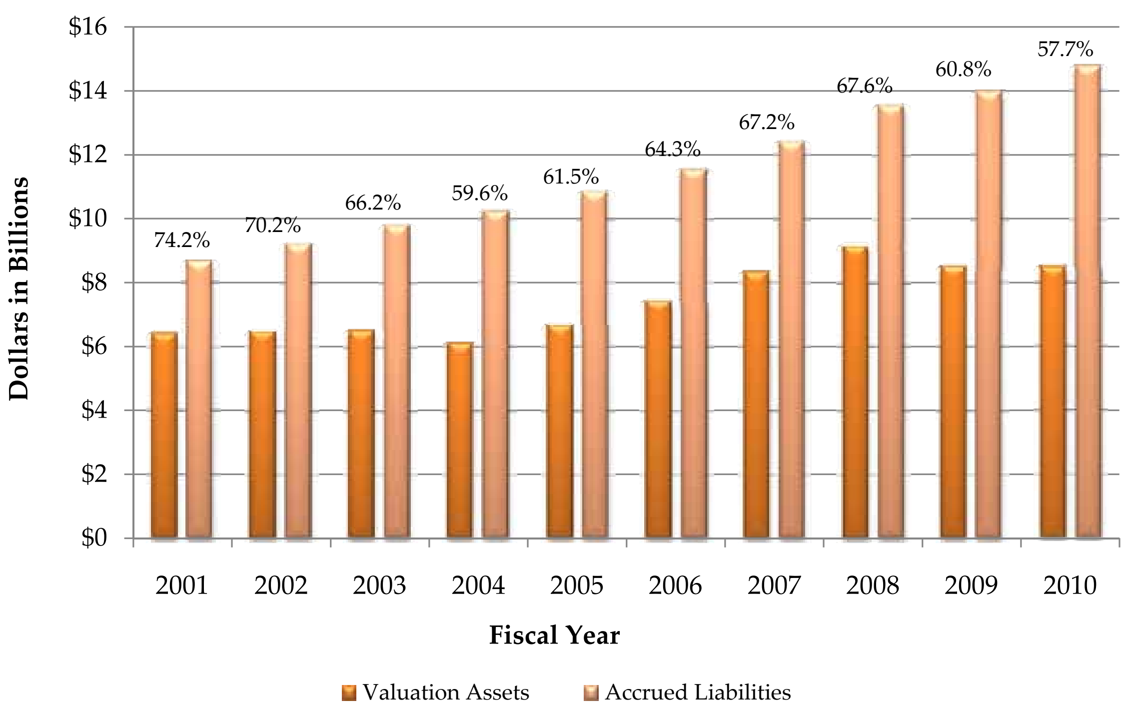
Benefit Expenses By Type (continued)
For the Ten Years Ended June 30, 2010

Type	2006	2007	2008	2009	2010
Regular	$ 493,538,491	$ 543,463,746	$ 585,239,344	$ 631,155,812	$ 668,581,029
Disability	14,451,268	15,127,212	14,991,539	14,656,678	15,318,652
Survivors	61,151,906	64,756,893	67,792,994	71,126,808	74,482,830
Refunds Regular	32,356,236	32,468,626	22,951,994	23,078,248	29,724,211
Refunds Due to Death	969,090	1,558,358	966,460	903,986	1,395,156
Transfers to Other Systems	4,496,223	4,003,617	8,230,929	6,331,773	4,557,142
Deferred Retirement Option	48,744,710	49,038,361	49,321,773	53,226,087	69,287,299
Initial Benefit Option	2,481,107	1,230,820	957,668	1,242,870	1,566,842
Total	**$ 658,189,031**	**$ 711,647,633**	**$ 750,452,701**	**$ 801,722,262**	**$ 864,913,161**

Valuation Assets vs. Pension Liabilities

Ten Years Ended June 30, 2010

	Dollars in Billions			
Fiscal Year	Valuation Assets	Unfunded Liabilities	Accrued Liabilities	Funded Ratios*
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%
2009	$ 8.4997	$ 5.4872	$ 13.9868	60.8%
2010	$ 8.5124	$ 6.2152	$ 14.7640	57.7%

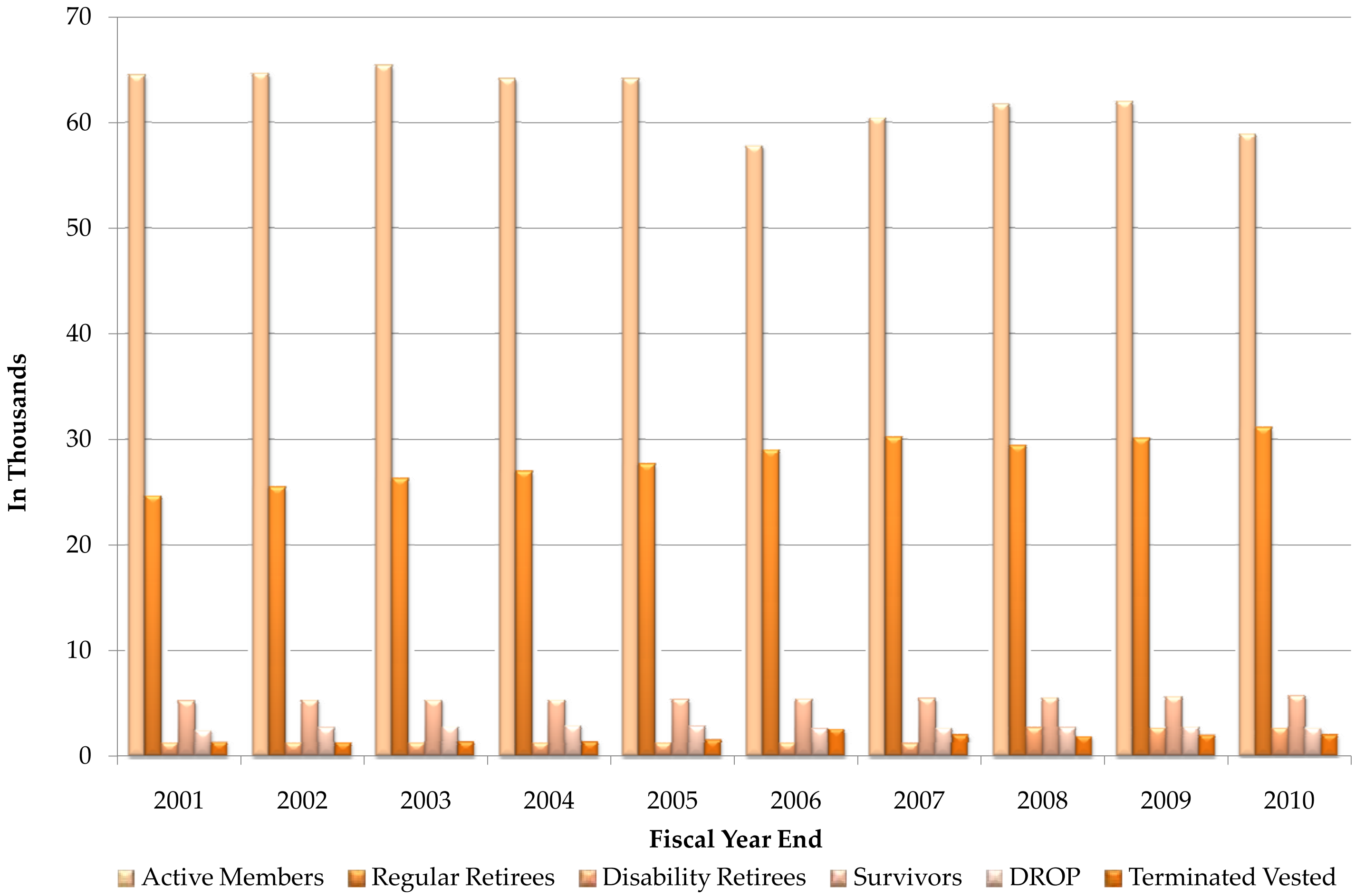


*For Fiscal Years 2001 through 2009, the funded ratio referenced takes into account the initial unfunded accrued liability account (IUAL) and the Employer Credit Account which is not the same funded ratio used in determining the projected employer contribution rate.

LASERS Membership

Fiscal Year	Active Members	Regular Retirees	Disability Retirees	Survivors	DROP	Terminated Vested	Terminated Nonvested**	Total Members
2001	64,519	24,606	1,184	5,202	2,365	1,300	28,223	127,399
2002	64,692	25,436	1,208	5,243	2,635	1,245	29,579	130,038
2003	65,441	26,275	1,220	5,262	2,768	1,317	30,940	133,223
2004	64,149	26,945	1,203	5,308	2,835	1,324	35,955	137,719
2005	64,168	27,646	1,199	5,360	2,810	1,486	34,379	137,048
2006	57,811	28,944	1,202	5,409	2,577	2,492	43,382	141,817
2007	60,444	30,190	1,134	5,418	2,624	1,980	43,797	145,587
2008	61,780	29,416	2,669	5,490	2,643	1,824	47,828	151,650
2009	61,991	30,062	2,631	5,560	2,683	1,947	49,701	154,575
2010	58,881	31,086	2,603	5,696	2,629	1,981	50,842	153,718

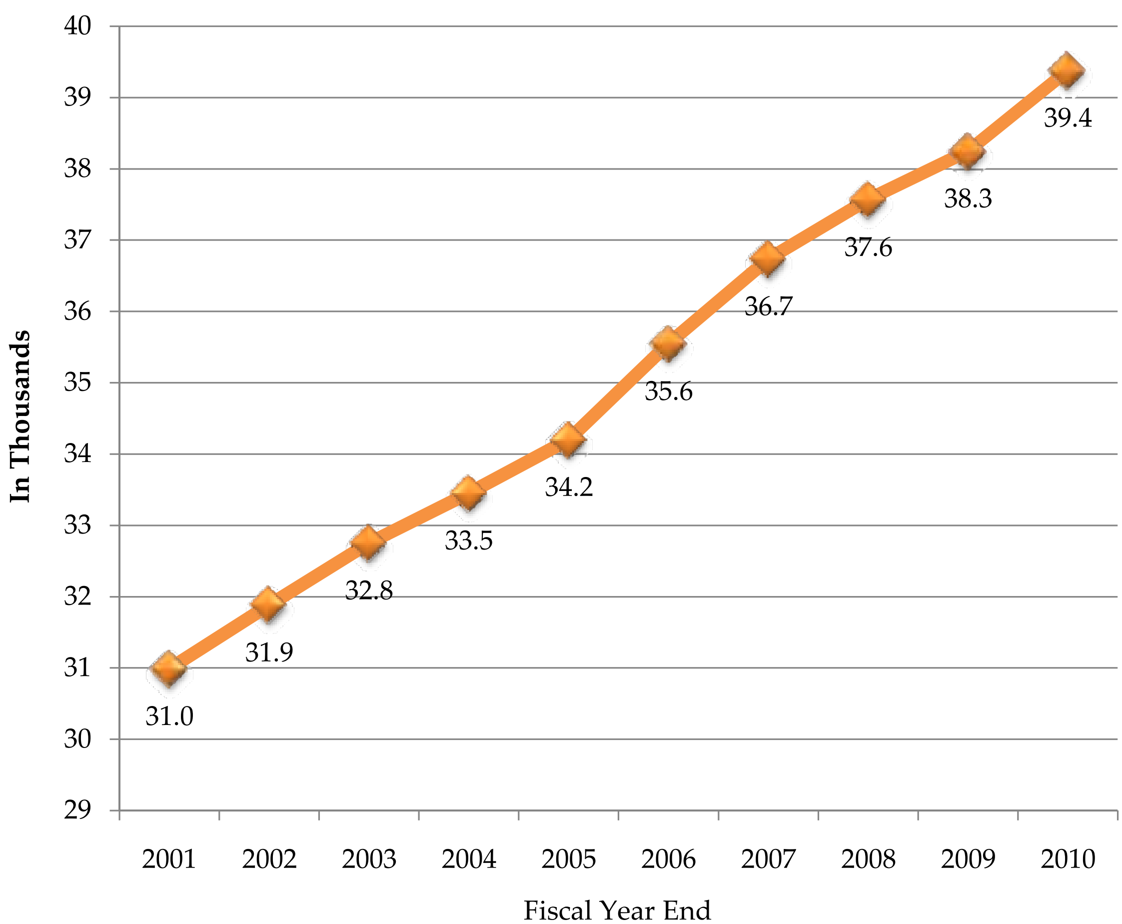
LASERS Changes In Membership**



** Chart does not include Terminated Nonvested

Number of Benefit Recipients

Fiscal Year End	Recipients*	Net Change
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%
2009	38,253	1.8%
2010	39,385	3.0%



*Recipients include Regular, Disability and Survivor retirees.

Average Monthly Benefit Amounts

Ten Years Ended June 30, 2010

Summary of All Retirees

Year		Years of Service Credit <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2010	Average Benefit Received	$ 669	$ 872	$ 739	$ 1,085	$ 1,384	$ 1,901	$ 2,417	$ 2,846	$ 3,062	$ 1,641
	Average Final Average Compensation	$ 2,650	$ 2,744	$ 2,919	$ 2,566	$ 2,733	$ 2,995	$ 3,286	$ 3,534	$ 3,539	$ 2,957
	Number of Retirees	140	234	6,497	5,577	7,629	8,772	8,887	1,337	312	39,385
2009	Average Benefit Received	$ 622	$ 813	$ 722	$ 1,059	$ 1,348	$ 1,840	$ 2,365	$ 2,760	$ 3,053	$ 1,592
	Average Final Average Compensation	$ 1,956	$ 1,875	$ 2,199	$ 2,268	$ 2,527	$ 2,723	$ 2,992	$ 3,148	$ 3,236	$ 2,593
	Number of Retirees	144	242	6,413	5,488	7,478	8,431	8,457	1,281	319	38,253
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

Ten Years Ended June 30, 2010	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ 654**	**$ 844**	**$ 671**	**$ 966**	**$ 1,230**	**$ 1,675**	**$ 2,172**	**$ 2,542**	**$ 2,745**	**$ 1,437**
Average Final Average Compensation	**$ 2,220**	**$ 2,098**	**$ 2,424**	**$ 2,442**	**$ 2,606**	**$ 2,826**	**$ 3,050**	**$ 3,197**	**$ 3,242**	**$ 2,708**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2010

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
2010	Average Benefit Received	$ 551	$ 742	$ 709	$ 1,021	$ 1,298	$ 1,832	$ 2,384	$ 2,812	$ 2,954	$ 1,595
	Average Final Average Compensation	$ 2,503	$ 2,651	$ 2,898	$ 2,501	$ 2,657	$ 2,932	$ 3,263	$ 3,511	$ 3,431	$ 2,916
	Number of Retirees	131	209	6,321	5,338	6,446	8,330	8,737	1,321	303	37,136
2009	Average Benefit Received	$ 500	$ 719	$ 698	$ 1,001	$ 1,279	$ 1,780	$ 2,338	$ 2,738	$ 2,951	$ 1,553
	Average Final Average Compensation	$ 1,777	$ 1,732	$ 2,163	$ 2,193	$ 2,428	$ 2,658	$ 2,965	$ 3,129	$ 3,133	$ 2,546
	Number of Retirees	137	219	6,261	5,269	6,340	8,030	8,311	1,266	310	36,143
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

Ten Years Ended June 30, 2010										
Average Benefit Received	**$ 517**	**$ 739**	**$ 642**	**$ 900**	**$ 1,149**	**$ 1,580**	**$ 2,069**	**$ 2,418**	**$ 2,583**	**$ 1,363**
Average Final Average Compensation	**$ 2,405**	**$ 2,071**	**$ 2,421**	**$ 2,444**	**$ 2,543**	**$ 2,743**	**$ 2,970**	**$ 3,092**	**$ 3,170**	**$ 2,662**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2010

Corrections Employees Primary

Year		Years of Service Credit <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2010	Average Benefit Received	$ 1,645	$ 1,382	$ 1,011	$ 1,391	$ 1,498	$ 2,185	$ 2,830	$ 3,640	$ 4,542	$ 1,625
	Average Final Average Compensation	$ 3,474	$ 3,769	$ 3,033	$ 2,768	$ 2,807	$ 3,506	$ 3,932	$ 4,455	$ 5,577	$ 2,979
	Number of Retirees	1	11	74	84	939	201	49	2	4	1,365
2009	Average Benefit Received	$ -	$ 1,423	$ 1,042	$ 1,367	$ 1,466	$ 2,183	$ 2,843	$ 3,640	$ 4,542	$ 1,608
	Average Final Average Compensation	$ -	$ 1,986	$ 2,372	$ 2,864	$ 2,788	$ 3,496	$ 3,867	$ 4,455	$ 5,577	$ 2,918
	Number of Retirees	0	11	62	73	916	187	48	2	4	1,303
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	-	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	-	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	-	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	-	12	36	41	480	79	23	1	3	675

Ten Years Ended June 30, 2010	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ 1,645**	**$ 1,359**	**$ 1,027**	**$ 1,294**	**$ 1,383**	**$ 2,075**	**$ 2,662**	**$ 3,351**	**$ 4,214**	**$ 1,516**
Average Final Average Compensation	**$ 3,474**	**$ 2,077**	**$ 2,319**	**$ 2,611**	**$ 2,666**	**$ 3,393**	**$ 3,787**	**$ 4,082**	**$ 5,546**	**$ 2,794**

Average Monthly Benefit Amounts (continued)
Ten Years Ended June 30, 2010

Corrections Employees Secondary

Year		Years of Service Credit: <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2010	Average Benefit Received	$ -	$ 2,020	$ 1,062	$ 1,515	$ 2,008	$ 2,826	$ 4,711	$ 4,661	$ -	$ 2,322
	Average Final Average Compensation	$ -	$ 2,108	$ 3,604	$ 3,566	$ 3,992	$ 4,616	$ 5,945	$ 5,058	$ -	$ 4,220
	Number of Retirees	0	3	23	28	45	61	14	1	0	175
2009	Average Benefit Received	$ -	$ 1,897	$ 1,101	$ 1,420	$ 2,057	$ 2,835	$ 4,447	$ 4,661	$ -	$ 2,394
	Average Final Average Compensation	$ -	$ 2,528	$ 3,103	$ 3,496	$ 3,752	$ 4,287	$ 5,439	$ 5,058	$ -	$ 3,997
	Number of Retirees	0	2	12	19	23	36	12	1	0	105
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 Monthly Benefit	$ -	$ -	$ -	$ -	$ -	$ 3,497	$ -	$ -	$ 4,270	$ 3,884
	Average Final Average Salary	$ -	$ -	$ -	$ -	$ -	$ 6,089	$ -	$ -	$ 4,945	$ 5,517
	Number of Retirees	0	0	0	0	0	1	0	0	1	2
2001	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									

Ten Years Ended June 30, 2010	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ -**	**$ 1,777**	**$ 1,092**	**$ 1,635**	**$ 2,121**	**$ 3,032**	**$ 4,569**	**$ 4,154**	**$ 4,309**	**$ 2,640**
Average Final Average Compensation	**$ -**	**$ 2,441**	**$ 3,298**	**$ 3,486**	**$ 3,943**	**$ 4,552**	**$ 5,695**	**$ 5,058**	**$ 4,945**	**$ 4,246**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2010

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									
2010	Average Benefit Received	$ -	$ -	$ 1,409	$ 2,127	$ 1,727	$ 2,631	$ 4,342	$ -	$ -	$ 2,792
	Average Final Average Compensation	$ -	$ -	$ 3,694	$ 3,808	$ 3,986	$ 3,690	$ 4,029	$ -	$ -	$ 3,860
	Number of Retirees	0	0	5	2	2	3	7	0	0	19
2009	Average Benefit Received	$ -	$ -	$ 1,343	$ 2,127	$ 1,727	$ 1,608	$ 3,485	$ -	$ -	$ 2,202
	Average Final Average Compensation	$ -	$ -	$ 3,853	$ 3,808	$ 3,986	$ 3,114	$ 3,996	$ -	$ -	$ 3,854
	Number of Retirees	0	0	4	2	2	1	4	0	0	13
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
2001-2006	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									

Ten Years Ended June 30, 2010	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ -**	**$ -**	**$ 1,374**	**$ 2,111**	**$ 1,842**	**$ 2,222**	**$ 3,883**	**$ -**	**$ -**	**$ 2,409**
Average Final Average Compensation	**$ -**	**$ -**	**$ 2,274**	**$ 2,856**	**$ 2,838**	**$ 1,246**	**$ 1,843**	**$ -**	**$ -**	**$ 2,213**

Appellate Law Clerks

Year		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
		Years of Service Credit									
2010	Average Benefit Received	$ -	$ -	$ -	$ 2,442	$ 4,030	$ 4,906	$ -	$ -	$ -	$ 3,382
	Average Final Average Compensation	$ -	$ -	$ -	$ 4,034	$ 6,838	$ 6,833	$ -	$ -	$ -	$ 5,435
	Number of Retirees	0	0	0	3	2	1	0	0	0	6
2001-2009	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									

Ten Years Ended June 30, 2010	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ -**	**$ -**	**$ -**	**$ 2,442**	**$ 4,030**	**$ 4,906**	**$ -**	**$ -**	**$ -**	**$ 3,382**
Average Final Average Compensation	**$ -**	**$ -**	**$ -**	**$ 4,034**	**$ 6,838**	**$ 6,833**	**$ -**	**$ -**	**$ -**	**$ 5,435**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2010

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
2010	Average Benefit Received	$ 1,262	$ 995	$ 1,288	$ 1,214	$ 1,566	$ 1,989	$ 2,312	$ 1,874	$ 2,437	$ 1,721
	Average Final Average Compensation	$ 1,628	$ 4,498	$ 3,455	$ 2,330	$ 2,799	$ 2,954	$ 2,995	$ 3,335	$ 4,024	$ 2,890
	Number of Retirees	2	2	15	20	76	75	16	3	1	210
2008	Average Benefit Received	$ 1,262	$ 995	$ 1,288	$ 1,230	$ 1,552	$ 1,982	$ 2,199	$ 1,874	$ 2,434	$ 1,708
	Average Final Average Compensation	$ 1,628	$ 1,546	$ 2,559	$ 1,899	$ 2,488	$ 2,653	$ 2,756	$ 2,467	$ 4,024	$ 2,508
	Number of Retirees	2	2	15	20	79	77	17	3	1	216
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

Ten Years Ended June 30, 2010										
Average Benefit Received	**$ 989**	**$ 979**	**$ 1,274**	**$ 1,153**	**$ 1,443**	**$ 1,821**	**$ 1,864**	**$ 1,677**	**$ 2,435**	**$ 1,562**
Average Final Average Compensation	**$ 1,628**	**$ 1,876**	**$ 2,628**	**$ 2,143**	**$ 2,692**	**$ 2,861**	**$ 2,673**	**$ 3,112**	**$ 4,024**	**$ 2,681**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2010

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
2010	Average Benefit Received	$ -	$ -	$ -	$ 2,557	$ 3,141	$ 4,483	$ 4,934	$ -	$ -	$ 4,102
	Average Final Average Compensation	$ -	$ -	$ -	$ 4,087	$ 4,602	$ 5,360	$ 4,941	$ -	$ -	$ 4,981
	Number of Retirees	0	0	0	5	11	24	11	0	0	51
2009	Average Benefit Received	$ -	$ -	$ -	$ 2,473	$ 3,215	$ 4,508	$ 4,934	$ -	$ -	$ 4,152
	Average Final Average Compensation	$ -	$ -	$ -	$ 3,840	$ 4,540	$ 5,171	$ 4,941	$ -	$ -	$ 4,863
	Number of Retirees	0	0	0	4	10	21	11	0	0	46
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 Monthly Benefit	$ -	$ -	$ -	$ 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 Salary	$ -	$ -	$ -	$ -	$ 3,910	$ 5,245	$ 4,432	$ -	$ -	$ 4,529
	Number of Retirees	0	0	0	0	1	1	1	0	0	3
2001-2003	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									
	Ten Years Ended June 30, 2010										
	Average Benefit Received	**$ -**	**$ -**	**$ -**	**$ 2,416**	**$ 3,193**	**$ 4,538**	**$ 5,027**	**$ -**	**$ -**	**$ 4,154**
	Average Final Average Compensation	**$ -**	**$ -**	**$ -**	**$ 3,876**	**$ 4,500**	**$ 5,141**	**$ 4,964**	**$ -**	**$ -**	**$ 4,824**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2010

Judges

Year		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2010	Average Benefit Received	$ 3,192	$ 2,665	$ 3,278	$ 4,715	$ 5,140	$ 6,619	$ 6,201	$ 6,552	$ 8,327	$ 5,186
	Average Final Average Compensation	$ 6,704	$ 3,470	$ 5,352	$ 6,859	$ 6,916	$ 6,935	$ 6,309	$ 5,926	$ 8,666	$ 6,508
	Number of Retirees	6	9	43	65	73	62	39	7	4	308
2009	Average Benefit Received	$ 3,010	$ 2,320	$ 3,238	$ 8,564	$ 5,174	$ 6,681	$ 5,965	$ 6,552	$ 9,568	$ 5,959
	Average Final Average Compensation	$ 6,119	$ 5,531	$ 6,442	$ 6,980	$ 6,717	$ 6,928	$ 6,305	$ 6,080	$ 8,666	$ 6,693
	Number of Retirees	6	8	43	67	74	63	41	7	4	313
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
	Ten Years Ended June 30, 2010										
	Average Benefit Received	**$ 2,666**	**$ 2,267**	**$ 3,005**	**$ 4,843**	**$ 4,862**	**$ 6,263**	**$ 5,741**	**$ 6,435**	**$ 7,936**	**$ 4,983**
	Average Final Average Compensation	**$ 5,652**	**$ 5,613**	**$ 6,002**	**$ 6,526**	**$ 6,443**	**$ 6,503**	**$ 5,685**	**$ 5,386**	**$ 7,139**	**$ 6,249**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2010

Legislators

Year		Years of Service Credit <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2010	Average Benefit Received	$ -	$ -	$ 1,083	$ 1,487	$ 2,261	$ 3,219	$ 2,337	$ 3,517	$ -	$ 2,056
	Average Final Average Compensation	$ -	$ -	$ 2,521	$ 3,027	$ 3,603	$ 3,931	$ 2,909	$ 4,804	$ -	$ 3,291
	Number of Retirees	0	0	16	32	35	16	13	3	0	115
2009	Average Benefit Received	$ -	$ -	$ 1,100	$ 1,565	$ 2,117	$ 3,219	$ 2,413	$ 3,152	$ -	$ 2,025
	Average Final Average Compensation	$ -	$ -	$ 2,763	$ 2,752	$ 3,301	$ 3,759	$ 2,903	$ 3,624	$ -	$ 3,091
	Number of Retirees	0	0	15	34	34	16	13	2	0	114
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

Ten Years Ended June 30, 2010	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ -**	**$ 192**	**$ 1,055**	**$ 1,402**	**$ 1,846**	**$ 2,868**	**$ 2,578**	**$ 2,470**	**$ 4,833**	**$ 1,861**
Average Final Average Compensation	**$ -**	**$ 8,374**	**$ 3,005**	**$ 2,873**	**$ 3,261**	**$ 3,489**	**$ 2,607**	**$ 3,003**	**$ 4,466**	**$ 3,103**

Retired Members By Recipient Type and Plan

Retirement Plan	Benefit Recipient Type	Fiscal Year 2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Regular Employees	Regular Retiree	23,603	24,259	24,939	25,540	26,230	27,453	28,625	27,804	28,359	29,262
	Survivor	5,006	5,031	5,042	5,074	5,114	5,149	5,146	5,201	5,256	5,383
	Disability Retiree	1,125	1,147	1,153	1,132	1,126	1,121	1,057	2,571	2,528	2,491
	DROP Accrual	2,108	2,443	2,605	2,666	2,652	2,438	2,516	2,543	2,576	2,526
Regular State Employees-Total		**31,842**	**32,880**	**33,739**	**34,412**	**35,122**	**36,161**	**37,344**	**38,119**	**38,719**	**39,662**
Corrections Employees Primary (Before 1986)	Regular Retiree	580	753	890	965	968	1,021	1,082	1,099	1,117	1,164
	Survivor	54	63	66	72	83	96	103	114	126	134
	Disability Retiree	41	44	51	55	57	62	58	59	60	67
	DROP Accrual	216	159	138	132	121	100	74	59	61	56
Corrections Employees Primary (Before 1986)-Total		**891**	**1,019**	**1,145**	**1,224**	**1,229**	**1,279**	**1,317**	**1,331**	**1,364**	**1,421**
Corrections Employees Secondary (After 1986)	Regular Retiree	--	2	5	7	11	17	24	42	83	148
	Survivor	--	--	--	--	1	2	5	7	10	11
	Disability Retiree	--	--	--	1	2	4	3	7	12	16
	DROP Accrual	--	5	6	13	9	11	5	8	18	24
Corrections Employees Secondary (After 1986)-Total		**-**	**7**	**11**	**21**	**23**	**34**	**37**	**64**	**123**	**199**
Peace Officers	Regular Retiree	--	--	--	--	--	--	3	7	12	18
	Disability Retiree	--	--	--	--	--	--	1	1	1	1
	DROP Accrual	--	--	--	--	--	--	1	10	8	6
Peace Officers-Total		**-**	**-**	**-**	**-**	**-**	**-**	**5**	**18**	**21**	**25**
Appellate Law Clerks	Regular Retiree	--	--	--	--	--	--	--	--	--	6
Appellate Law Clerks-Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6**
Wildlife Agents (Before 2003)	Regular Retiree	159	158	161	160	158	158	156	138	133	131
	Survivor	69	75	75	73	73	71	68	66	63	60
	Disability Retiree	14	14	13	12	11	11	10	21	20	19
	DROP Accrual	5	2	--	--	--	--	--	--	-	-
Wildlife Agents (Before 2003)-Total		**247**	**249**	**249**	**245**	**242**	**240**	**234**	**225**	**216**	**210**
Wildlife Agents (After 2003)	Regular Retiree	--	--	--	3	10	30	33	37	41	46
	Survivor	--	--	--	--	--	--	1	1	2	2
	Disability Retiree	--	--	--	--	2	3	3	3	3	3
	DROP Accrual	--	--	--	--	--	--	3	5	4	4
Wildlife Agents (After 2003)-Total		**-**	**-**	**-**	**3**	**12**	**33**	**40**	**46**	**50**	**55**
Judges	Regular Retiree	186	186	203	193	197	192	194	195	226	220
	Survivor	56	56	61	70	71	72	73	79	80	82
	Disability Retiree	4	3	3	3	1	1	2	7	7	6
	DROP Accrual	34	24	17	23	23	23	20	18	16	13
Judges-Total		**280**	**269**	**284**	**289**	**292**	**288**	**289**	**299**	**329**	**321**
Legislators	Regular Retiree	78	78	77	77	72	73	73	94	91	91
	Survivor	17	18	18	19	18	19	22	22	23	24
	DROP Accrual	2	2	2	1	5	5	5	--	-	-
Legislators-Total		**97**	**98**	**97**	**97**	**95**	**97**	**100**	**116**	**114**	**115**
Grand Total Benefit Recipients		**33,357**	**34,522**	**35,525**	**36,291**	**37,015**	**38,132**	**39,366**	**40,218**	**40,936**	**42,014**

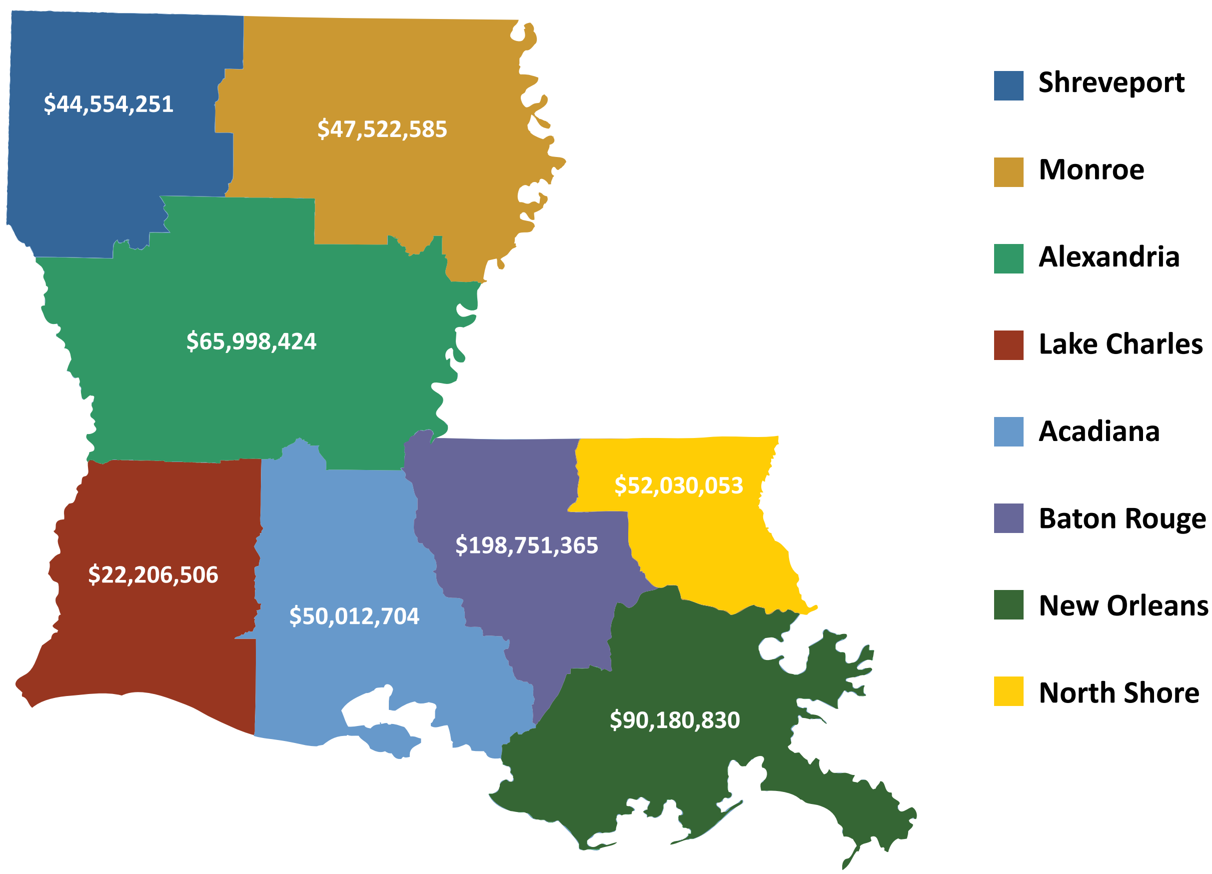
Location of LASERS Retirees

Foreign Countries

Australia	1
Canada	2
Colombia	1
France	1
Germany	1
Great Britain	1
Ireland	1
Korea	1
Mexico	2
Netherlands	1
Panama	1
Philippines	2
Thailand	1
Total	**16**

Fiscal Year 2010 Gross Benefits Paid By Region

This chart provides a regional snapshot of benefits paid to retirees during the 2009-2010 fiscal year. The parishes are separated into eight regions: Shreveport, Monroe, Alexandria, Lake Charles, Acadiana, Baton Rouge, New Orleans, and North Shore.



Shreveport	Monroe	Alexandria	Lake Charles	Acadiana	Baton Rouge	New Orleans	North Shore
Bienville	Caldwell	Avoyelles	Allen	Acadia	Ascension	Jefferson	St. Helena
Bossier	East Carroll	Catahoula	Beauregard	Evangeline	Assumption	Lafourche	St. Tammany
Caddo	Franklin	Concordia	Calcasieu	Iberia	East Baton Rouge	Orleans	Tangipahoa
Claiborne	Lincoln	Grant	Cameron	Lafayette	East Feliciana	Plaquemines	Washington
De Soto	Jackson	La Salle	Jefferson Davis	St. Landry	Iberville	St. Bernard	
Red River	Madison	Natchitoches		St. Martin	Livingston	St. Charles	
Webster	Morehouse	Sabine		St. Mary	Pointe Coupee	St. John the Baptist	
	Ouachita	Rapides		Vermilion	St. James	Terrebonne	
	Richland	Vernon			West Baton Rouge		
	Tensas	Winn			West Feliciana		
	Union						
	West Carroll						

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The LASERS Vision

Confidence in our service, assuring financial security for your future

The LASERS Mission

To provide a sound retirement plan for our members through prudent management and exceptional service

LASERS Core Values

Highest Ethical Standards
Integrity
Prudent Management

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