Excellence Perseveres Over Time

2011-2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2012

LASERS

Louisiana State Employees' Retirement System

A component unit of the State of Louisiana

Designed and constructed in 1850, the majestic Old State Capitol stands on the first high bluff from the mouth of the Mississippi River, serving as a symbol of the political, social, and cultural heart of Louisiana.

Old State Capitol

source: State Library of Louisiana

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2011-2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2012
LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

A component unit of the State of Louisiana

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

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Erected in 1855, the beautiful cast iron fence features eagles adorning each post, representing liberty; a Romanesque design in the gates, symbolizing authority, unity, and strength; and fleur-de-lis finials denoting Louisiana's French heritage.

Introductory Section

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LASERS
Louisiana State Employees' Retirement System
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October 7, 2012

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, 2012. This fiscal year the European monetary crisis created great uncertainty and increased volatility in the financial markets which kept our investment returns flat. Also this year's legislative session was one of the most challenging in our history as the legislature considered several bills that would have adversely affected our membership, but in the end passed a new retirement plan for non-hazardous duty employees hired after June 30, 2013. This 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. 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, Duplantier, Hrapmann, Hogan, and Maher, 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.[1] 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 0.2% for the one-year period, 13.0% for the three-year period, 6.0% for the seven-year period, and 7.4% for the ten-year period. These returns rank LASERS in the top 73% for the one-year period, the top 9% for the three-year period, the top 14% for both the seven and ten-year periods. The foundation of the Investment Division is its asset allocation which is comprehensively studied, monitored and adjusted to produce an optimal mix of assets in order to maximize returns while minimizing risk. 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

[1] Act 113 of the 2012 Regular Session of the Louisiana Legislature adds the Commissioner of Administration or his designee to the LASERS Board effective July 1, 2012.

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 a composite employer contribution rate of 31.7% for the fiscal year ended June 30, 2014.

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 55.9%, and the System's unfunded actuarial accrued liability increased to $7.1 billion primarily a result of a change in actuarial rate of return, an investment loss, and an experience loss. The investment yield on the actuarial value of assets was 8.0% for 28 years, which is right at the net actuarial rate of return of 8.0% assumed in the valuation.[2] 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 positioned itself for the future with significant objectives and performance indicators. The Board of Trustees approved and implemented a revised strategic plan. Also we continue to make 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;
3. Preservation of Board autonomy as well as its primary composition of elected active and retired system members; and
4. Reduction or elimination of the federal offsets, the Windfall Elimination Provision and the Government Pension Offset while continuing to oppose mandatory social security participation.

Act 113 of the 2012 Regular Session of the Louisiana Legislature added the Commissioner of Administration, or his designee to the Board of Trustees which brings the Board composition to thirteen members.

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[2]Effective July 1, 2012, the assumed actuarial rate of return for the Fund was changed from 8.25% to 8.00%.

Legislation

The 2012 Regular Legislative Session was one of the most challenging in the history of LASERS. Many retirement bills were included in the Administration's pension package that could have had an adverse impact on LASERS members. The most controversial bills would have provided for a 60-month Final Average Compensation and a 15% anti-spiking rule, increased the employee contribution rates for members by 2%, increased the minimum retirement eligibility for some employees to age 67, and required that the System be 80% funded before a cost-of-living adjustment could be granted. These measures along with many other retirement bills that affected LASERS members failed to pass.

The most significant bill to pass creates the Cash Balance Plan for non-hazardous duty members whose first employment making them eligible for membership occurs on or after July 1, 2013. Additional information regarding the Cash Balance Plan can be found in the Financial Section of this report under *Note G. Subsequent Events*.

Technology Improvements

Over the past year, we have addressed the following technology improvements:

- Performed an in-house upgrade of the core pension administration .Net framework while continuing to correct defects, develop enhancements, and implement required legislative changes, including Acts 992 and 1026 of the 2010 Regular Session and Act 322 of the 2011 Regular Session.
- Upgraded the Oracle JD Edwards Financial suite to a new version on the iSeries platform.
- Took steps toward eliminating Social Security Numbers from use in our systems including removal of Social Security Numbers from actuarial data files and the creation of a unique LASERS ID.

Our next strategic projects will be upgrade of the iSeries (AS/400) hardware, the implementation of a new cash balance plan, the upgrade or replacement of the IBM Content Manager imaging and workflow system, and the upgrade or replacement of the Oracle JD Edwards Financial suite.

Investment Program Enhanced

LASERS prides itself in having a forward-thinking, yet disciplined and efficient investment program, which had approximately $9.3 billion under management as of June 30, 2012.

LASERS Investment Program is continuously exploring new asset allocation strategies to improve long-term consistent returns and improve its risk/return profile. LASERS allocation consists of equities, fixed income and alternative investments which consist of private equity, absolute return strategies, and real assets. Recent improvements include adding an allocation to emerging market debt as well as a restructuring of the absolute return strategy portfolio.

LASERS works closely with its investment consultant to conduct a thorough asset allocation and liability review on an annual basis. In addition, our Chief Investment Officer reviews the asset allocation on a weekly basis to ensure that it is consistent with the exposure ranges set for LASERS. When necessary, funds are rebalanced, taking into consideration market conditions and transaction costs. 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 risk management evaluation tool. The System saves millions in management fees each year due to the fact that nearly 31% 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.

Accounting Processes Enhanced

Our Fiscal Division is using Adobe Acrobat X Pro to automate processes such as payroll and purchasing by converting paper forms to electronic forms with electronic approvals and signatures.

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 website, www.lasersonline.org, was enhanced with the addition of several PowerPoint and videos detailing key LASERS issues. The LASERS weblog, now known as the eBeam, focuses on public retirement issues, and during the legislative session, includes original reporting from the House and Senate Retirement committees. Also, we have increased the use of social media, such as Facebook and Twitter, to keep our membership informed. In March, we implemented the Member Connection Email Service for our members, which allows us to share information with approximately 30,000 members. Planning is underway to place all LASERS educational videos on YouTube.

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 Department continued its pre-retirement seminars for employers and individual members across the state and this year added group counseling sessions so that we could reach more members at one time. These seminars allowed LASERS the opportunity to help improve members' understanding of laws which impact LASERS. This year presentations were developed for employers in an effort to assist with member layoffs, and specific presentations were created and delivered to members affected by the creation of the Hazardous Duty Services Plan.

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, 2011. This was the fifteenth 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 2011. This was the thirteenth 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 2011 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 eighth 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	Arthur P. Fillastre, IV CPA
Executive Director	Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting 2011

Public Pension Standards Award 2011

PPCC

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2011

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*
Tonja Normand, *Public Information Division Director*
Sheila Metoyer, *Human Resources Division Director*
Robert W. Beale, *Chief Investment Officer*
Lance Armstrong, *Information Technology Division Director*

Bottom row, left to right:
Cindy Taylor, *Member Services Division Director*
Maris E. LeBlanc, *Deputy Director*
Cindy Rougeou, *Executive Director*
Bernard E. "Trey" Boudreaux, III, *Assistant Director*
Tina Grant, *Executive Counsel*

Board of Trustees

Professional Consultants

June 30, 2012

Actuary
Hall Actuarial Associates
SJ Actuarial Associates

Auditors
Duplantier, Hrapmann, Hogan & Maher, LLP

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

Investment Consultant
NEPC, LLC

Legal Consultants
Avant & Falcon
Klausner, Kaufman, Jensen & Levinson
Lowenstein Sandler PC
Roedel Parsons Koch Balhoff & McCollister
Tarcza & Associates, LLC

Medical Examiners
Dr. Michael Catenacci
Dr. Raymond Cush
Dr. Michael W. Dole
Dr. Jeanne Estes
Dr. Larry G. Ferachi
Dr. Venkata Gadi
Dr. Mary J. Fitz-Gerald
Dr. Sheldon Hersh
Dr. Anthony S. Ioppolo
Dr. Joseph Landreneau
Dr. Victor Oliver
Dr. Thomas Pressly
Dr. Jose A. Santiago
Dr. Hans E. Schuller

Other Consultants
Election Services Corporation
Firefly Digital, Inc
Layne Photography
Sign Language Services International

Investment Advisors
Adams Street Partners LLC
Apollo Management L.P.
Aronson+Johnson+Ortiz, L.P.
BlackRock Financial Management, Inc.
Bridgewater Associates, Inc.
City of London Investment Management Co.
DRI Capital, Inc.
Energy Spectrum Partners, L.P.
GAM USA, Inc.
Global Energy Partners, LLC
Goldman Sachs Private Equity Partners, L.P.
Gresham Investment Management, LLC
Harbourvest Partners, LLC
J.P. Morgan Investment Management Inc.
JMB Group Trust
K2 Advisors, LLC
Loomis, Sayles & Company L.P.
LSV Asset Management
Marathon Asset Management, L.P.
Mesirow Financial Private Equity Partnership
Mondrian Investments Partners Limited
Newstone Capital Partners, L.P.
Nomura Corporate Research and Asset Management, Inc.
Oaktree Europe
Pacific Alternative Asset Management Company, LLC
Pantheon USA, L.P.
Pinnacle Asset Management, L.P.
Private Advisors, LLC
Rice Hall James & Associates, LLC
Siguler Guff & Company
Stark Onshore Management LLC
StepStone Group LLC
Sterling Partners LLC
The Brinson Partnership Fund Trust
The Huff Alternative Fund, L.P.
Thompson, Horstmann & Bryant, Inc.
Vista Equity Partners Fund IV, L.P.
Wells Capital Management
Westwood Global Investments, LLC
Williams Capital Partners Advisors, L.P.

In 1881, the magnificent stained glass dome was heightened and enlarged to allow natural light to filter into the center of the building. Constructed of 2,054 pieces of gold, red, and azure glass, the dome is supported by a central pier and a 12-column system made of cast iron to provide structural strength.

Financial Section

CONTENTS

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CLIFFORD J. GIFFIN, JR., C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
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WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

INDEPENDENT AUDITOR'S REPORT

September 21, 2012

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, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of LASERS management. Our responsibility is to express opinions 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 *Governmental 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, the financial position of LASERS, as of June 30, 2012 and 2011, and the changes therein for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

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management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements 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 financial statements. The supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section, investment section, actuarial section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 21, 2012 on our consideration of LASERS internal control over financial reporting and on 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 and compliance and the results of that testing and not to provide an opinion on the 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 considered in assessing the results of our audit.

Duplantier, Hrapmann, Hogan and Maher, LLP

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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*

September 21, 2012

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

We have audited the financial statements of the Louisiana State Employees' Retirement System (LASERS), a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, and have issued our report thereon dated September 21, 2012. We 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 internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LASERS internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the LASERS internal control over financial reporting.

A *deficiency in internal control* 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 a 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.

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Our consideration of 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LASERS 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, 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.

Duplantier, Hrapmann, Hogan and Maher, LLP

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Management's Discussion and Analysis

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

Financial Highlights

- The net assets held in trust decreased by $187.7 million, or 1.9%.
- The actuarial rate of return on the market value of the System's investments was 5.3% for 2012 compared to 5.5% for 2011.
- Net investment income experienced a loss of $9.6 million for 2012 compared to a $1.9 billion gain for 2011.
- The System's funded ratio decreased from 57.6% at June 30, 2011, to 55.9% as of June 30, 2012.
- The unfunded actuarial accrued liability increased $673.5 million to $7.1 billion as of June 30, 2012.
- Total contributions increased by $74.0 million or 9.8% from 2011 to $830.1 million in 2012.
- Benefit payments increased by $63.1 million or 6.9% to $979.0 million in 2012.

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, 2012, and 2011, respectively.

The Statements of Changes in Plan Net Assets report the results of the System's operations during years 2012 and 2011 disclosing the additions to and deductions from the plan net assets. They support the change that has occurred to the prior year's net assets 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 reserves, funding status, actuarial assumptions, employer and membership participation, eligibility, and benefits.
- Note B provides a summary of significant accounting policies and plan asset matters including the basis of accounting, securities lending, estimates, methods used to value investments, property and equipment, and accumulated leave.
- Note C provides information regarding member and employer contribution requirements.
- Note D describes LASERS deposits and investment risk disclosures which include custodial credit risk, concentration of credit risk, credit risk, interest rate risk, and foreign currency risk.
- Note E describes the System's cash and investments, and includes information regarding bank balances, derivatives, real estate, and alternative investments.
- Note F provides information regarding securities lending transactions.
- Note G provides information on other postemployment benefits.
- Note H 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 2012, 2011, and 2010. LASERS plan net assets as of June 30, 2012, and 2011, totaled $9,515,774,342 and $9,703,496,641, 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

	2012	2011	2010 (Restated)
Cash and Cash Equivalents	$ 76,484,826	$ 43,568,574	$ 84,434,055
Receivables	202,859,767	121,131,973	89,427,290
Investments	9,299,615,012	9,619,706,708	7,951,123,133
Securities Lending Cash Collateral Held	921,932,039	794,161,316	690,817,689
Capital Assets	8,106,259	9,872,111	11,189,902
Total Assets	**$ 10,508,997,903**	**$ 10,588,440,682**	**$ 8,826,992,069**
Accounts Payable & Other Liabilities	61,782,973	82,202,655	61,341,523
Securities Lending Obligations	931,440,588	802,741,386	710,971,781
Total Liabilities	**$ 993,223,561**	**$ 884,944,041**	**$ 772,313,304**
Net Assets Held in Trust For Pension Benefits	**$ 9,515,774,342**	**$ 9,703,496,641**	**$ 8,054,678,765**

For the fiscal year ended June 30, 2012, plan net assets were approximately $9.5 billion. This reflected a decrease of approximately 1.9% or $187,722,299 from the previous fiscal year-end. In the one-year period from June 30, 2010 to June 30, 2011, LASERS plan net assets increased approximately 20.5% or $1,648,817,876. These changes were a direct result of volatility 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 trade-off. 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

	2012	2011	2010 (Restated)
Additions			
Employer Contributions	$ 637,285,920	$ 558,183,107	$ 491,237,641
Employee Contributions	192,795,057	197,825,267	205,328,033
Net Investment Income (Loss)	(9,610,468)	1,854,312,621	1,129,437,199
Other Income	32,441,258	14,072,770	12,153,663
Total Additions	852,911,767	2,624,393,765	1,838,156,536
Deductions			
Retirement Benefits	978,971,262	915,840,721	829,236,652
Refunds and Transfers of Contributions	43,221,742	41,553,896	35,676,509
Administrative Expenses	15,500,163	14,951,127	15,201,829
Other Postemployment Benefits Expenses	999,650	1,310,517	1,561,605
Depreciation and Amortization Expenses	1,941,249	1,919,628	2,134,563
Total Deductions	1,040,634,066	975,575,889	883,811,158
Net Increase (Decrease)	**(187,722,299)**	**1,648,817,876**	**954,345,378**
Net Assets Beginning of Year	**9,703,496,641**	**8,054,678,765**	**7,100,333,387**
Net Assets End of Year	**$ 9,515,774,342**	**$ 9,703,496,641**	**$ 8,054,678,765**

Additions to Plan Assets

The revenues needed to finance retirement benefits are accumulated primarily through the collection of employer and employee contributions and earnings on investments. Revenue for the fiscal year ended June 30, 2012, totaled $852,911,767. The revenue consisted of employer and employee contributions totaling $830,080,977, a net investment loss of $9,610,468, and other income of $32,441,258. Volatility in the financial markets caused by new government regulations, the global recession, and the credit crisis is the primary reason for the fluctuations in additions (reductions) for the fiscal years presented. Our investment portfolio in 2012 completed the current year with a positive market rate of return on investment assets of 0.2% which ranked in the top seventy-three percent of all public pension plans with market values greater than $1 billion in the Wilshire Trust Universe Comparison Service (TUCS). The net result was a decrease of 100.5% or $1,863,923,089 in investment earnings over 2011.

At June 30, 2011, total revenues increased by 42.8% or $786,237,229 over fiscal year 2010. The increased revenue was due primarily to net investment income increasing 64.2% from 2010. Combined contributions increased 8.5% while other income increased 15.8%. Our investment portfolio completed the fiscal year with its best fiscal year in history with a positive market rate of return on investment assets of 24.3%, which ranked in the top seven percent of all public pension plans with market values greater than $1 billion in the Wilshire Trust Universe Comparison Service (TUCS).

During 2012, combined employer and employee contribution income increased from 2011 by $74,072,603. Employer contributions based on covered payroll increased $79,102,813, primarily because of an increase in the composite employer percentage match from 22% for the year ended June 30, 2011 to 25.9% for the year ended June 30, 2012. Member contributions decreased 2.5%, likely a result of a decrease in active members caused by a hiring freeze and a reduction in salary growth caused by the suspension of merit increases which were both mandated by the State due to budget constraints.

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 ended June 30, 2012, totaled $1,040,634,066, an increase of approximately 6.7% over June 30, 2011. For the fiscal year ended June 30, 2011, deductions were $975,575,889, an increase of about 10.4% over June 30, 2010. The increase in deductions for fiscal years ended 2012 and 2011 was due primarily to increases in benefits paid. Benefits paid in 2012, as in 2011, 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 increased $549,036 or 3.7% for the fiscal year ended June 30, 2012. This is primarily attributable to increases in personnel costs, operating services, and professional services, especially legal and actuary professional services. In 2011, administrative expenses decreased $250,702 or 1.6% over fiscal year ended 2010. The decrease was primarily attributable to the decreases in computer maintenance costs and bad debt expenses. Details of administrative expense activity can be found in the *Schedules of Administrative Expenses* located under Supporting Schedules.

Other Postemployment Benefit (OPEB) expenses decreased $310,867 or 23.7% for the fiscal year ended June 30, 2012 compared to June 30, 2011. In 2011, OPEB expenses decreased $251,088 over fiscal year ended 2010. These reductions are based on adjusted calculations by the administrators of OPEB for the State.

Depreciation and amortization expense increased 1.1% for the fiscal year ended June 30, 2012, compared to a 10.1% decrease for 2011 over 2010. The decrease in 2011 compared to 2010 can be attributed to a reduction in depreciable assets due to disposals and assets becoming fully depreciated.

Total additions less total deductions resulted in a net decrease in plan net assets of $187,722,299 in 2012, compared to an increase of $1,648,817,876 in 2011. The net result is a 1.9% decrease in 2012 compared to a 20.5% increase in plan net assets held in trust for pension benefits in 2011.

Funded Status

An actuarial valuation of assets and liabilities is performed annually. The System's funded ratio decreased to 55.9% at June 30, 2012, compared to 57.6% as of June 30, 2011, and 57.7% as of June 30, 2010. The reduced funding in 2012 can be attributed to a change the assumed actuarial rate of return from 8.25% to 8.0% effective July 1, 2012 and 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 $7.1 billion at June 30, 2012, compared to $6.5 billion at June 30, 2011, and $6.3 billion at June 30, 2010, thereby increasing the unfunded actuarial accrued liability by $879.9 million since 2010. The investment yield on the actuarial value of assets has averaged over five, ten, and twenty years 2.6%, 5.3%, and 7.0%, respectively. For the year ending June 30, 2012, the net realized actuarial rate of return was 5.3%, which was less than the System's assumed actuarial rate of return of 8.0% used to discount benefits. This resulted in a net investment experience loss of $ 254.6 million relative to projected investment income. For the fiscal years ending June 30, 2011, and 2010, the net realized actuarial rate of return was 5.5% and 2.2%, 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 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, 2012 and 2011

	2012	2011
Assets		
Cash and Cash Equivalents	$ 76,484,826	$ 43,568,574
Receivables:		
Employer Contributions	65,505,501	40,166,595
Member Contributions	20,353,517	15,250,279
Interest and Dividends	24,250,211	27,406,406
Investment Proceeds	89,886,678	34,809,051
Other	2,863,860	3,499,642
Total Receivables	202,859,767	121,131,973
Investments:		
Investments at Fair Value		
Short-Term Investments - Domestic/International	240,781,998	324,678,431
Bonds/Fixed Income - Domestic	994,139,221	1,435,766,654
Bonds/Fixed Income - International	451,373,593	395,476,429
Equity Securities - Domestic	2,538,708,299	2,483,417,237
Equity Securities - International	2,112,485,553	2,288,380,973
Global Tactical Asset Allocation	567,925,779	482,750,347
Alternative Investments	2,043,609,429	1,907,805,968
Real Estate	9,517	10,279
Total Investments at Fair Value	8,949,033,389	9,318,286,318
Investments at Contract Value		
Synthetic Guaranteed Investment Contract	350,581,623	301,420,390
Total Investments at Contract Value	350,581,623	301,420,390
Total Investments	9,299,615,012	9,619,706,708
Securities Lending Cash Collateral Held	921,932,039	794,161,316
Capital Assets (at cost) - Net:		
Property and Equipment	4,175,769	4,386,406
Intangible Assets	3,930,490	5,485,705
Total Assets	**10,508,997,903**	**10,588,440,682**
Liabilities		
Payables:		
Investment Commitments	29,691,339	38,443,712
Trade Payables and Other Accrued Liabilities	32,091,634	43,758,943
Total Payables	61,782,973	82,202,655
Securities Lending Obligations	931,440,588	802,741,386
Total Liabilities	**993,223,561**	**884,944,041**
Net Assets Held in Trust for Pension Benefits	**$ 9,515,774,342**	**$ 9,703,496,641**

The accompanying notes are an integral part of these statements.

Louisiana State Employees' Retirement System

Statements of Changes in Plan Net Assets
For the Period Ended June 30, 2012 and 2011

	2012	2011
Additions		
Contributions:		
Employer Contributions	$ 637,285,920	$ 558,183,107
Employee Contributions	192,795,057	197,825,267
Total Contributions	830,080,977	756,008,374
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	(258,501,244)	1,416,681,566
Interest & Dividends	199,152,948	197,179,483
Alternative Investment Income	99,800,694	284,938,929
Less Alternative Investment Expenses	(34,592,332)	(36,758,019)
Net Appreciation Securities Lending	1,946,336	14,310,001
Securities Lending Income	1,127,193	257,849
Other Income	3,705,667	531,498
Less Investment Expense Other than Alternative Investments and Securities Lending	(22,249,730)	(22,828,686)
Net Investment Income (Loss)	(9,610,468)	1,854,312,621
Other Income	32,441,258	14,072,770
Total Additions	852,911,767	2,624,393,765
Deductions		
Retirement Benefits	978,971,262	915,840,721
Refunds and Transfers of Member Contributions	43,221,742	41,553,896
Administrative Expenses	15,500,163	14,951,127
Other Postemployment Benefits Expenses	999,650	1,310,517
Depreciation and Amortization Expenses	1,941,249	1,919,628
Total Deductions	1,040,634,066	975,575,889
Net Increase (Decrease)	**(187,722,299)**	**1,648,817,876**
Net Assets Held in Trust For Pension Benefits		
Beginning of Period	**9,703,496,641**	**8,054,678,765**
End of Period	**$ 9,515,774,342**	**$ 9,703,496,641**

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.
- Actuarial calculations and results are reviewed by the Public Retirement Systems' Actuarial Committee (PRSAC) annually.

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, 2012, and 2011, are as follows:

Type of Employer	2012 Active Employers	2012 Active Members	2011 Active Employers	2011 Active Members
State Agencies	216	52,090	215	54,624
Other Public Employers	146	262	139	306
Total	**362**	**52,352**	**354**	**54,930**

Type of Active Members	2012 Member Count	2011 Member Count
Active After DROP	2,136	2,304
Alcohol and Tobacco Control*	28	41
Appellate Law Clerks*	187	194
Bridge Police*	11	12
Corrections*	3,566	4,179
Hazardous Duty	1,258	522
Judges	320	323
Legislators*	12	20
Peace Officers*	84	93
Regular State Employees	44,546	47,020
Wildlife Agents*	204	222
Total Active Members	**52,352**	**54,930**

* Plans closed to new members effective January 1, 2011.

At June 30, 2012, and 2011, membership consisted of:

	2012	2011
Active Members	52,352	54,930
Regular Retirees*	34,513	32,897
Disability Retirees*	2,544	2,586
Survivors	5,665	5,659
Vested & Reciprocals	2,222	2,125
Inactive Members Due Refunds	50,590	51,959
DROP Participants	2,577	2,569
Total Membership	**150,463**	**152,725**

* For actuarial purposes “Disability Retirees” includes members who have reached normal retirement eligibility requirements and converted to Regular Retirement and are therefore counted by LASERS as “Regular Retirees”.

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, 2012. 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]
6/30/2011	$8,763,101	$ 15,221,055	$ 6,457,954	57.6%	$ 2,408,840	268.1%
6/30/2012	$9,026,416	$ 16,157,898	$ 7,131,482	55.9%	$ 2,341,703	304.5%

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 Schedules 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, 2012, actuarial valuation follows:

Valuation Date	June 30, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Amortized according to La. R.S. 11:102 and 11:102.1. 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 statute. For unfunded accrued liability changes occurring 2009 or later: Level dollar payment over 30 years, from date of occurrence.

Amortization Approach	Closed
Remaining Amortization Period	Weighted average of 21 years.
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 is assumed prior to July 1, 2012. Beginning July 1, 2012 the rate is 8.0%.
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:
Cost-of-Living Adjustments	Liability for raises already granted is included in the retiree reserve.

Member Type	Lower Range	Upper Range
Regular	**4.3%**	**14.0%**
Judges	3.0%	5.5%
Corrections	4.0%	15.0%
Hazardous Duty	4.0%	15.0%
Wildlife	6.0%	17.0%

4. Legally Required Reserves

Provisions for reserves, in which all assets of the System are to be credited according to their purpose, are established in La. R.S. 11:531, et. seq. Use of the term "reserve" by the System indicates that a portion of the fund balances is legally restricted for a specific future use. The nature and purpose of these reserves are explained below:

A) Expense Account Reserve:

The Expense Account Reserve provides for general and administrative expenses of the System and those expenses not funded through other specific legislative appropriations. Funding consists of transfers from the retirement funds and is made as needed. Any excess funds at year-end are closed out to the Employers' Accumulation Account.

B) Employees' Savings Reserve:

The Employees' Savings Reserve is credited with contributions made by members of the System. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Employees' Savings Account Reserve to the Retiree's Annuity Reserve. When a member retires, the amount of his accumulated contributions is transferred to the Retiree's Annuity Reserve to provide part of the benefits.

C) Employers' Accumulation Account:

The Employers' Accumulation Account consists of contributions paid by employers, interest paid by the agency on purchase of state service, military service, and educational leave and training; interest, dividends, profits and other income earned on investments, and any other income not covered by other accounts. This reserve account is charged annually with an amount, determined by the actuary, to be transferred to the Retiree's Annuity Reserve to fund retirement benefits and cost of living increases for existing retirees.

D) Retiree's Annuity Reserve:

The Retiree's Annuity Reserve is credited with the employees' accumulated contributions upon retirement or payment of survivor's benefits, amount determined by actuary from the Employers' Accumulated Account for payment of pensions, and cost of living increases for retirees. The Retiree's Annuity Reserve shall be charged with retirements paid to retirees and beneficiaries, survivor's benefits paid to eligible survivors, cost of living adjustments for retirees, beneficiaries, and survivor's benefits recipients in addition to refunds paid to survivors or the estates of members whereby monthly benefits do not equal total accumulated contributions.

E) Deferred Retirement Option and Initial Benefit Option (DROP/IBO) Reserve:

The Deferred Retirement Option and Initial Benefit Option Reserve consist of the reserves for all members who select the Deferred Retirement Option or Initial Benefit Option upon retirement. For DROP, upon eligibility for retirement a member may elect to deposit in this reserve an amount equal to the member's monthly benefit if he had retired. A member can only participate in DROP for three years and upon termination may receive his benefits in a lump sum payment or in a manner approved by the Board. For IBO, upon retirement a member elects to take a lump sum benefit payment of up to 36 months times the maximum benefit up front and subsequently receive a reduced monthly benefit.

F) Optional Retirement Plan (ORP) Reserve:

The ORP Reserve consists of reserves for certain active unclassified members who otherwise would be eligible to become members in the Defined Benefit Plan who chose to participate in the defined contribution Optional Retirement Plan. The member is credited with contributions made by the employee and the normal employer matching contributions for services rendered. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. Also, when a member retires, his benefits are paid from this reserve.

G) Experience Account Reserve:

The Experience Account Reserve accumulates 50% of the excess investment gain relative to the actuarial valuation rate of 8.25% after such excess return exceeds $100,000,000. Beginning July 1, 2012 the actuarial valuation rate will be 8.0%. The account is used to fund permanent benefit increases for retirees. The benefit increase granted must be funded at 100% of the actuarial cost. The account balance is restricted to the reserve for two permanent benefit increases.

	2012		2011	
Reserves	Balance	Percent Funded	Balance	Percent Funded
Expense Account Reserve	$ -	100%	$ -	100%
Employees' Savings Reserve	1,649,713,130	100%	1,643,326,461	100%
Employer's Accumulation Reserve	3,741,143,272	0%	3,670,954,410	0%
Retirees' Annuity Reserve	9,892,297,150	71%	9,078,710,219	80%
DROP/IBO Reserve	868,143,454	100%	821,745,024	100%
ORP Reserve	6,600,560	100%	6,318,934	100%
Experience Account Reserve	-	100%	-	100%
Total Reserves	$ 16,157,897,566		$ 15,221,055,048	

5. 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. Also, qualifying unclassified state employees may have made an irrevocable election to participate in the Optional Retirement Plan (ORP) between July 12, 1999 and December 7, 2007, when the plan closed. All plans are considered one pension plan for financial reporting purposes. All assets accumulated for the payment of benefits may legally be used to pay benefits to any plan members or beneficiaries.

6. 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 any age upon completing 30 years of creditable service and at 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 members is equal to 2.5% to 3.5% 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 for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 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 1.0% 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 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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.

7. 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 selected 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.

8. 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.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

9. 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.

10. 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.

11. 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 the defined benefit plan. The ORP provides portability of assets and full and immediate vesting of all contributions submitted on behalf of members. The ORP is administered by a third-party provider with oversight from LASERS Board of Trustees. Monthly employer and employee contributions are invested as directed by the member to provide the member with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the member's working lifetime. ORP balances are held by the provider in each participant's name. These balances are included in LASERS total investments on the Statements of Plan Net Assets. The ORP was closed to new members on December 7, 2007. At June 30, 2012, and 2011, membership consisted of:

	2012	2011
Number of Members	90	95
Fair Value of Assets	$ 6,600,560	$ 6,318,934

B. 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 E. 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. Synthetic Guaranteed Investment Contracts are carried at contract value as required by GASB 53.

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 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, 2012

	June 30, 2011	Additions	Deletions/ Transfers	June 30, 2012
Asset Class (at Cost)				
Land	$ 858,390	$ -	$ -	$ 858,390
Building	5,880,983	55,944	-	5,936,927
Furniture, Equipment, and Vehicles	3,027,624	119,453	-	3,147,077
Intangibles	10,886,502	-	-	10,886,502
Total Property and Equipment	**20,653,499**	**175,397**	**-**	**20,828,896**
Accumulated Depreciation				
Building	(2,978,235)	(193,758)	-	(3,171,993)
Furniture, Equipment, and Vehicles	(2,402,356)	(192,276)	-	(2,594,632)
Intangibles	(5,400,797)	(1,555,215)	-	(6,956,012)
Total Accumulated Depreciation	**(10,781,388)**	**(1,941,249)**	**-**	**(12,722,637)**
Total Property and Equipment - Net	**$ 9,872,111**	**$ (1,765,852)**	**$ -**	**$ 8,106,259**

Changes in Property and Equipment

For Period Ending June 30, 2011

	June 30, 2010	Additions	Deletions/ Transfers	June 30, 2011
Asset Class (at Cost)				
Land	$ 858,390	$ -	$ -	$ 858,390
Building	5,519,121	361,862	-	5,880,983
Furniture, Equipment, and Vehicles	2,842,198	239,375	(53,949)	3,027,624
Intangibles	10,886,502	-	-	10,886,502
Total Property and Equipment	**20,106,211**	**601,237**	**(53,949)**	**20,653,499**
Accumulated Depreciation				
Building	(2,805,380)	(172,855)	-	(2,978,235)
Furniture, Equipment, and Vehicles	(2,265,346)	(190,959)	53,949	(2,402,356)
Intangibles	(3,845,583)	(1,555,214)	-	(5,400,797)
Total Accumulated Depreciation	**(8,916,309)**	**(1,919,028)**	**53,949**	**(10,781,388)**
Total Property and Equipment - Net	**$ 11,189,902**	**$ (1,317,791)**	**$ -**	**$ 9,872,111**

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.

C. 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, 2012, and 2011, for the various types of members are as follows:

Type of Member	Percent of Earned Compensation
Alcohol and Tobacco Control*	9.0%
Appellate Law Clerks*	7.5% - 8.0%
Bridge Police*	8.5%
Corrections*	9.0%
Hazardous Duty	9.5%
Judges	11.5% - 13.0%
Legislators *	9.5% - 11.5%
Peace Officers*	9.0%
Regular State Employees	7.5% - 8.0%
Wildlife Agents*	9.5%

*Plans closed to new members effective January 1, 2011.

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 members or their survivors are refunded to the member's beneficiaries or their estates 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. Legislation passed in 2010, effective for the fiscal year beginning July 1, 2011, required that the employer contribution rate be determined separately for the various plans within LASERS. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the years ended June 30, 2012, and 2011, are as follows:

	Employer Contribution Rates	
Plan	**2012**	**2011**
Alcohol and Tobacco Control	26.1%	22.0%
Appelate Law Clerks	25.6%	22.0%
Bridge Police	21.4%	22.0%
Corrections - Primary	30.9%	22.0%
Corrections - Secondary	26.4%	22.0%
Hazardous Duty Plan	23.1%	22.0%
Judges	31.8%	22.0%
Judges (Elected after 1/1/2011)	20.2%	22.0%
Legislators	34.3%	22.0%
Peace Officers	28.4%	22.0%
Regular State Employees	25.6%	22.0%
Wildlife Agents	35.5%	22.0%
Aggregate Rate	**25.9%**	**22.0%**

D. Deposits and Investment Risk Disclosures

1. Deposit and Investment Risk Disclosures

The information presented on the following pages includes disclosures of custodial, interest rate, credit, and foreign currency risks in accordance with GASB 40 and GASB 53 and is designed to inform financial statement users about investment risks that could affect the System's ability to meet its obligations. The 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. LASERS had time deposits and certificates of deposits in the securities lending cash collateral pool that were exposed to custodial credit risk of $181.9 million and $320.1 million as of June 30, 2012 and June 30, 2011. LASERS had uninsured cash deposits in non-U.S. banks of $12.6 million and $12.1 million for the periods ended June 30, 2012, and June 30, 2011, respectively. These deposits were used 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 for the years ending June 30, 2012 and June 30, 2011.

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 A- or higher by Standard and Poor's. 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, 2012, and 2011, is as follows:

Rating		Fair Value 2012	Percent 2012		Fair Value 2011	Percent 2011
AAA	$	80,260,282	3.1%	$	594,553,433	20.2%
A-1+		176,041,653	6.7%		-	0.0%
A-1		367,139,031	14.1%		363,158,701	12.3%
AA+		255,148,252	9.8%		51,304,889	1.7%
AA		6,939,118	0.3%		51,946,304	1.8%
AA-		152,801,744	5.9%		77,702,758	2.6%
A+		50,850,062	1.9%		85,563,345	2.9%
A		80,758,619	3.1%		89,600,305	3.0%
A-		57,509,598	2.2%		30,080,575	1.0%
BBB+		21,881,116	0.8%		21,187,547	0.7%
BBB		36,471,773	1.4%		37,158,609	1.3%
BBB-		41,028,645	1.6%		45,744,914	1.6%
BB+		31,877,845	1.2%		23,538,199	0.8%
BB		50,978,801	2.0%		66,548,215	2.3%
BB-		64,869,282	2.5%		80,794,510	2.7%
B+		70,475,372	2.7%		79,104,396	2.7%
B		64,146,181	2.5%		97,925,247	3.3%
B-		78,122,017	3.0%		65,519,830	2.2%
CCC+		39,711,363	1.5%		49,306,679	1.7%
CCC		78,836,812	3.0%		148,368,681	5.0%
CCC-		2,632,201	0.1%		4,117,695	0.1%
CC		29,794,268	1.1%		30,489,809	1.0%
C		-	0.0%		77,750	0.0%
D		71,636,571	2.7%		52,380,706	1.8%
Non-rated		698,316,245	26.8%		790,001,456	26.8%
Securities Lending Commingled Collateral Pool		-	0.0%		13,908,277	0.5%
Total Fixed Income	**$**	**2,608,226,851**	**100.0%**	**$**	**2,950,082,830**	**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, 2012, and 2011, the System had the following domestic and foreign debt investments and maturities:

Type	Fair Value 2012	Investment Maturities (in Years) Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government Obligations	$ 205,751,233	$ 93,167,996	$ 36,498,418	$ 41,018,518	$ 35,066,301
U.S. Agency Obligations	74,005,621	-	-	4,710,269	69,295,352
Mortgages	229,284,121	4,951,987	378,000	10,536,050	213,418,084
Corporate Bonds	602,976,427	15,331,031	228,619,339	290,227,008	68,799,049
International Bonds	650,129,055	183,014,772	256,264,672	144,150,486	66,699,125
Commercial Paper and Other Short-term Investments	237,441,564	237,441,564	-	-	-
International Commercial Paper and Other Short-term Investments	604,418,710	604,418,710	-	-	-
Bond Mutual Funds	4,220,120	4,220,120	-	-	-
Total Debt Investments	**$ 2,608,226,851**	**$ 1,142,546,180**	**$ 521,760,429**	**$ 490,642,331**	**$ 453,277,911**

Type	Fair Value 2011	Investment Maturities (in Years) Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government Obligations	$ 162,209,051	$ 4,021,400	$ 55,252,926	$ 47,986,989	$ 54,947,736
U.S. Agency Obligations	271,778,016	-	813,848	36,041,394	234,922,774
Mortgages	399,681,729	6,994,336	26,503,984	-	366,183,409
Corporate Bonds	887,343,039	282,530,835	212,439,599	335,770,122	56,602,483
International Bonds	765,972,521	342,528,613	178,969,035	196,769,489	47,705,384
Commercial Paper and Other Short-term Investments	446,239,202	446,239,202	-	-	-
Securities Lending Commingled Collateral Pool	13,908,277	13,908,277	-	-	-
Bond Mutual Funds	2,950,995	2,950,995	-	-	-
Total Debt Investments	**$ 2,950,082,830**	**$ 1,099,173,658**	**$ 473,979,392**	**$ 616,567,994**	**$ 760,361,786**

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.

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 below. LASERS portfolio contained several commingled funds subject to foreign currency risk with aggregate fair values of $818.0 million and $832.4 million for the years ended June 30, 2012 and June 30, 2011, respectively. LASERS Investment Guidelines, some of which are noted in *Note E. Cash and Investments*, are designed to mitigate risk.

The fair value of LASERS securities including derivative instruments held in a foreign currency at June 30, 2012, and 2011, is as follows:

Currency	Global Bonds 2012	Global Stock 2012	Cash and Other 2012	Private Equity 2012	Currency Contracts 2012	Total Fair Value 2012
Australian Dollar	$ -	$ 88,441,017	$ 181,077	$ -	$ (11,458,275)	$ 77,163,819
Brazilian Real			4,668			4,668
British Pound Sterling		264,229,443	869,025		23,936,942	289,035,410
Canadian Dollar		103,993,477	347,701			104,341,178
Danish Krone		12,877,138	190,079			13,067,217
Euro	97,171,936	325,467,147	78,345,226	48,776,865	(23,452,453)	526,308,721
Hong Kong Dollar		29,323,138	237,252			29,560,390
Israeli Shekel		4,571,992	133,144			4,705,136
Japanese Yen	172,719,545	220,597,452	2,788,063		(545,431)	395,559,629
Malaysian Ringlet			13,476			13,476
Mexican Peso	28,237,014		891,727			29,128,741
New Taiwan Dollar		186,522	9,885			196,407
New Zealand Dollar		5,044,352	81,906		(3,041,368)	2,084,890
Norwegian Krone		7,628,085	676,255			8,304,340
Polish Zloty	34,012,366					34,012,366
Singapore Dollar		45,427,616	719,091		(101,525)	46,045,182
South African Rand			4			4
Swedish Krona		26,201,514	997,653			27,199,167
Swiss Franc		80,640,887	1,740,405			82,381,292
Thailand Baht			1			1
Total	**$ 332,140,861**	**$ 1,214,629,780**	**$ 88,226,638**	**$ 48,776,865**	**$ (14,662,110)**	**$ 1,669,112,034**

Currency	Global Bonds 2011	Global Stock 2011	Cash 2011	Private Equity 2011	Currency Contracts 2011	Total Fair Value 2011
Australian Dollar	$ -	$ 107,839,238	$ 106,428	$ -	$ (58,208)	$ 107,887,458
Brazilian Real	-	-	6,031	-		6,031
British Pound	-	276,279,730	1,599,474	-	(295)	277,878,909
Canadian Dollar	-	114,293,595	262,347	-		114,555,942
Danish Krone	-	10,573,121	90,895	-		10,664,016
Euro	138,286,946	413,062,585	4,648,464	28,423,228	(385,010)	584,036,213
Hong Kong Dollar	-	31,302,559	210,290	-		31,512,849
Israeli Shekel	-	6,443,580	102,902	-		6,546,482
Japanese Yen	100,460,517	240,223,099	2,750,888	-		343,434,504
Malaysian Ringgit	-	-	14,172	-		14,172
Mexican Peso	12,008,790	-	453,633	-	(641)	12,461,782
New Zealand Dollar	-	7,614,475	73,765	-		7,688,240
Norwegian Krone	-	9,209,532	499,701	-		9,709,233
Polish Zloty	23,162,346	-	-	-		23,162,346
Singapore Dollar	-	48,321,819	240,961	-	1,222	48,564,002
South African Rand	-	-	5	-		5
Swedish Krona	-	29,574,013	42,344	-		29,616,357
Swiss Franc	-	88,494,590	956,565	-	(1,658)	89,449,497
Thailand Baht	-	-	1	-		1
Total	**$ 273,918,599**	**$ 1,383,231,936**	**$ 12,058,866**	**$ 28,423,228**	**$ (444,590)**	**$ 1,697,188,039**

E. Cash and Investments

1. Cash and Cash Equivalents

Cash and cash equivalents include cash deposited in banks. 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 issues of the U.S. Treasury or any agency of the United States Government. Repurchase agreement transactions as of June 30, 2012, have underlying collateral with fair values of approximately 102% of the cost of the repurchase agreement. The agreed-upon yields for the repurchase agreements were 25 basis points with maturity dates through July 2, 2012. LASERS had repurchase agreements with fair values of $45,100,117 as of June 30, 2012 and $50,000,343 as of June 30, 2011. 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.

4. Domestic Equity

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

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

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

Domestic core 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 core 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 A- or higher. Issues not rated 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 A- or higher. Non-rated issues or issues below investment grade (below BBB-) may be purchased up to a maximum of 15% of the portfolio.

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 A- 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 A- 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 ended 2012 and 2011, the System invested in collateralized mortgage obligations (forms of mortgage-backed securities), foreign exchange currency contracts, futures, warrants, rights, and a Synthetic Guaranteed Investment Contract (SGIC). The System reviews market value of all securities on a monthly basis. Derivative securities may be held in part to maximize yields and in part to hedge against a rise in interest rates. The fair value of rights and warrants are determined based upon quoted market prices. For the years ending June 30, 2012, and June 30, 2011, the derivative instruments held by the System were considered investments and not hedges for accounting purposes. The term hedging, as it is used elsewhere in the notes to these financial statements, denotes an economic activity and not an accounting method. Investments in limited partnerships and commingled funds may include derivatives. Interest rate risk, credit rate risk, and foreign currency risk associated with derivatives are included on their respective tables in *Note D. Deposits and Investment Risk Disclosures*.

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. **Synthetic Guaranteed Investment Contract (SGIC)** is an investment for tax-qualified, defined contribution pension plans consisting of two parts: an asset owned directly by the plan trust and a wrap contract providing book value protection for participant withdrawals prior to maturity. LASERS maintains a fully benefit-responsive synthetic guaranteed investment contract option for members of the Optional Retirement Plan and the Self-Directed Plan. The investment objective of the SGIC is to protect members from loss of their original investment and to provide a competitive interest rate. LASERS Stable Value Fund had fair values of $366.4 million and $311.0 million for the fiscal years ended June 30, 2012, and 2011, respectively. Fair values of this fund exceeded the values protected by the wrap contract by $15.8 million and $9.6 million for the fiscal years ended June 30, 2012, and 2011, respectively. The counterparty rating for the wrap contract was AA.

c. **Futures** contracts are standardized, exchange-traded contracts to purchase or sell a specific financial instrument at a predetermined price. Gains and losses on futures contracts are settled daily based on a notional (underlying) principal value and do not involve an actual transfer of the specific instrument. The exchange assumes the risk that the counterparty will not pay and generally requires margin payments to minimize such risk. Futures are used primarily as a tool to increase or decrease market exposure to various asset classes.

d. 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. 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. Forward commitments are not standardized, and carry counterparty risk. Counterparty risk ratings from forwards for the years ended June 30, 2012, and June 30, 2011, ranged from ratings of AA- to A.

The following tables represent the fair value of all open currency and futures contracts at June 30, 2012, and 2011:

Change in Fair Value 2012			Fair Value at June 30, 2012		
Derivative Type	**Classification**	**Gain/(Loss)**	**Classification**	**Amount**	**Notional**
Foreign Exchange Contracts	Net Appreciation in Fair Value of Investments	$ 1,556,231	Investment Proceeds	$ 1,111,641	$ 75,747,343
Commodity Futures	Net Depreciation in Fair Value of Investments	(525,881)	Alternative Investments	(525,881)	$ 130,921,552

Change in Fair Value 2011			Fair Value at June 30, 2011		
Derivative Type	**Classification**	**Gain/(Loss)**	**Classification**	**Amount**	**Notional**
Foreign Exchange Contracts	Net Depreciation in Fair Value of Investments	$ (3,125,411)	Investment Commitments	$ (444,590)	$ 36,113,698

9. Real Estate

LASERS has no current allocation to Real Estate. There remains one real estate limited partnership that is in the process of liquidation.

10. Alternative Investments

Investments in alternatives include, but are not limited to, private equity, absolute return (hedge funds), and real assets. Investment strategies may include buyouts or corporate restructuring, venture capital, secondary investments, distressed securities, mezzanine instruments, energy and natural resources, and any other special situation.

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.

The Board of LASERS recognizes that alternative assets are potentially more risky than other investments of the System. 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. All investments must have a mechanism for exit.

LASERS had the following unfunded commitments as of June 30, 2012 and 2011:

	2012	2011
Unfunded Commitments		
Denominated in US Dollars	$ 715,318,547	$ 572,360,862
Denominated in Euros	67,560,455	51,813,020
Total Unfunded	782,879,002	624,173,882
Funded Commitments		
Denominated in US Dollars	1,638,082,241	1,396,039,926
Denominated in Euros	46,280,286	27,244,149
Total Funded	1,684,362,527	1,423,284,075
Total Commitments	**$ 2,467,241,529**	**$ 2,047,457,957**

The dollar amounts representing Euros are subject to fluctuations based on changes in exchange rates.

11. Global Tactical Asset Allocation

Global Tactical Asset Allocation (GTAA) is a top-down investment strategy that attempts to exploit short-term mis-pricings among a global set of assets. The strategy focuses on general movements in the market rather than on performance of individual securities. This portfolio is managed in a commingled format. As such, LASERS investment guidelines do not apply. The commingled fund's guidelines are broadly similar to LASERS and shall take precedent.

F. 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, 2011, LASERS had an approximate $24.6 million payable to BNY Mellon due to losses on Lehman Bonds. During fiscal year 2012, $12.7 million in security lending income has been applied bringing the balance owed BNY Mellon to $11.9 million. At June 30, 2012 and June 30, 2011, amounts payable to BNY Mellon were reported as trade payables and other accrued liabilities. The unrealized loss in the cash collateral pools increased from an unrealized loss of $8.6 million at June 30, 2011, to an unrealized loss of $9.5 million at June 30, 2012.

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, 2012, 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. The market value of securities on loan totaled $918,035,116 and $802,957,169 for the years ended June 30, 2012, and 2011, respectively.

G. 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.

Summary of Plan Provisions:

Employees hired before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Total annual per capita medical contribution rates for 2011-2012 are shown in the following tables.

Employees hired on or after January 1, 2002 pay a percentage of the total contribution rate upon retirement based on the following schedule:

Service	State Contribution Percentage	Retiree Contribution Percentage
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Total monthly per capita premium rates as of January 1, 2012 are as follows:

	PPO	HMO	CDHP w/ HSA	MHHMO	Regional HMO
Active					
Single	$ 619.28	$ 585.08	$ 480.72	$ 609.08	$ 553.28
With Spouse	$ 1,315.36	$ 1,242.52	$ 1,021.04	$ 1,293.72	$ 1,158.22
With Children	$ 755.28	$ 713.52	$ 586.48	$ 743.08	$ 671.72
Family	$ 1,387.28	$ 1,310.40	$ 1,076.76	$ 1,364.36	$ 1,220.76
Retired No Medicare & Re-employed Retiree					
Single	$ 1,152.12	$ 1,091.92	N/A	$ 1,132.88	$ 1,016.20
With Spouse	$ 2,034.44	$ 1,928.04	N/A	$ 2,000.84	$ 1,783.24
With Children	$ 1,283.32	$ 1,216.32	N/A	$ 1,262.00	$ 1,130.32
Family	$ 2,024.56	$ 1,918.80	N/A	$ 1,991.08	$ 1,774.64
Retired with 1 Medicare					
Single	$ 374.64	$ 361.24	N/A	$ 368.48	$ 340.68
With Spouse	$ 1,384.28	$ 1,320.20	N/A	$ 1,361.28	$ 1,218.08
With Children	$ 648.48	$ 621.40	N/A	$ 637.72	$ 578.60
Family	$ 1,844.44	$ 1,757.28	N/A	$ 1,813.84	$ 1,618.00
Retired with 2 Medicare					
With Spouse	$ 673.44	$ 647.52	N/A	$ 662.08	$ 600.12
Family	$ 833.84	$ 801.72	N/A	$ 819.84	$ 739.52

Medicare Supplement Rate

All members who retire on or after July 1, 1997 must have Medicare Parts A and B in order to qualify for the reduced premium rates. The monthly premium rates for the Medicare supplement plans for retirees are as follows:

	2012 Retired With		2011 Retired With	
	1 Medicare	2 Medicare	1 Medicare	2 Medicare
Humana PPO	$ 150	$ 300	$ 149	$ 298
Humana HMO	$ 156	$ 312	$ 145	$ 290
Peoples Health HMO	$ 167	$ 334	$ 115	$ 230
Vantage HMO	$ 279	$ 558	$ 258	$ 516
Secure Horizons PPO	$ -	$ -	$ 199	$ 397
UnitedHealthcare PPO	$ 214	$ 428	$ -	$ -

Life Insurance Premiums

Retiree pays $0.50 for each $1,000 of personal insurance and $0.88 for each $1,000 of spouse life insurance.

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 14.37 % of annual covered payroll. At June 30, 2012, and 2011, annual OPEB costs and net OPEB obligations were:

	2012	2011
Annual Required Contribution	$ 961,900	$ 1,301,100
Interest on OPEB Obligation	250,503	210,628
Adjustment to Annual Required Contribution	(212,753)	(201,211)
Annual OPEB Cost (Expense)	999,650	1,310,517
Contributions Made	(378,650)	(313,647)
Increase in Net OPEB Obligation	621,000	996,870
Net OPEB Obligation Beginning of Year	6,262,570	5,265,700
Net OPEB Obligation End of Year	$ 6,883,570	$ 6,262,570

For fiscal year 2012, LASERS net OPEB obligation of $6,883,570 is included in Trade Payables and Other Accrued Liabilities in the Statements of Plan Net Assets, and annual OPEB cost (expense) of $999,650 is separately reported in the Statements of Changes in Plan Net Assets. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2012, 2011, and 2010, are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	$ 1,561,605	20.79%	$ 5,265,700
6/30/2011	$ 1,310,517	23.93%	$ 6,262,570
6/30/2012	$ 999,650	37.88%	$ 6,883,570

Funded Status and Funding Progress: The funding status of the plan as of June 30, 2012, 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]
7/1/2010	$ -	$ 15,919,500	$ 15,919,500	0.0%	$ 6,862,200	232.0%
7/1/2011	$ -	$ 11,869,800	$ 11,869,800	0.0%	$ 6,693,100	177.3%

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*, present the current year's funding status, and presents multi-year 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, 2011, 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), an inflation rate of 3.0%, and an annual healthcare cost trend rate of 7.5% for pre-Medicare and 8.6% for Medicare-eligible participants initially, reduced by decrements to an ultimate rate of 5% after ten 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.

H. Subsequent Events

The Louisiana Legislature enacted legislation in its 2012 Regular Session that requires all new hires in non-hazardous duty positions employed after July 1, 2013 to participate in a Cash Balance Plan. Current members of the System are not allowed to transfer to the new plan. Members' accounts will be credited with 12% of their pay each month which will be the total of an employee contribution rate of 8% and an additional credit of 4%. The Cash Balance Plan member accounts will earn interest annually at the system's actuarial rate of return, less 1%, and will not be debited for investment losses of the System. Plan members who separate from service may withdraw from the Cash Balance Plan. Members with less than five years of service will receive employee contributions only, while members with five or more years of service will receive their entire account balance of employee contributions, the additional 4% credits, and interest. The plan also provides disability and survivor benefits. Members with five years or more of service may draw an annuity at age 60. 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, 2012
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio[1] (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2007	$ 8,345,495	$ 12,421,907	$ 4,076,412	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%
6/30/2011	$ 8,763,101	$ 15,221,055	$ 6,457,954	57.6%	$ 2,408,840	268.1%
6/30/2012	$ 9,026,416	$ 16,157,898	$ 7,131,482	55.9%	$ 2,341,703	304.5%

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by $936,842,518 from June 30, 2011, to June 30, 2012. There was an investment loss of $254,603,759, an experience loss from sources other than investments of $18,140,119, and an increase in liabilities of $357,645,630 due to a change in the valuation rate.

Schedules of Employer Contributions

For the Six Years Ended June 30, 2012

Date	Actuarial Required Contribution	Actual Contribution	Percent Contributed
2007	$ 434,796,738	$ 417,059,370	95.9%
2008	$ 456,741,202	$ 526,484,759	115.3%
2009	$ 492,402,961	$ 487,353,901	99.0%
2010	$ 585,268,922	$ 491,237,641	83.9%
2011	$ 678,123,319	$ 558,183,107	82.3%
2012	$ 713,971,279	$ 637,285,920	89.3%

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.

[1] For the years ended June 30, 2007, 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 Six Years Ended June 30, 2012*

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%
7/1/2010	$ -	$ 15,919,500	$ 15,919,500	0.0%	$ 6,862,200	232.0%
7/1/2011	$ -	$ 11,869,800	$ 11,869,800	0.0%	$ 6,693,100	177.3%

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

Supporting Schedules

Schedules of Administrative Expenses
For the Years Ended June 30, 2012 and 2011

	2012	2011
Administrative Expenses:		
Salaries and Related Benefits	$ 11,648,027	$ 11,559,804
Travel Expenses	126,993	124,602
Operating Services	3,093,364	2,809,193
Professional Services	579,349	384,101
Acquisitions	52,430	73,427
Total Administrative Expenses	**$ 15,500,163**	**$ 14,951,127**

Schedules of Investment Expenses

For the Years Ended June 30, 2012 and 2011

	2012	2011
Investment Activities Expenses:		
Alternative Investment Expenses		
Alternative Manager Fees	$ 28,805,893	$ 25,342,486
Profit Sharing Fees	5,786,439	11,415,533
Total Alternative Investment Expenses	**$ 34,592,332**	**$ 36,758,019**
Investment Management Expenses		
Investment Manager Fees	$ 20,948,026	$ 21,395,163
Profit Sharing Fees	61,931	179,206
Investment Consultant Fees	609,167	584,583
Research and Data Services	305,577	322,611
Investment Performance Management	176,028	184,153
Global Custodian Fees	149,001	162,970
Total Investment Management Expenses	**$ 22,249,730**	**$ 22,828,686**
Total Investment Expenses	**$ 56,842,062**	**$ 59,586,705**

Schedules of Board Compensation

For the Years Ended June 30, 2012 and 2011

Board of Trustees	2012 Number of Meetings	2012 Amount	2011 Number of Meetings	2011 Amount
Thomas Bickham[1]	13	$ -	0	$ -
Connie Carlton	25	1,875	24	1,800
Charles Castille	8	600	24	1,800
Beverly Hodges[2]	20	1,500	22	1,650
William Kleinpeter	6	450	0	-
Janice Lansing	20	1,500	19	1,425
Barbara McManus	21	1,575	21	1,575
Susan Pappan[1]	7	-	18	-
Lori Pierce[1]	21	-	22	-
Sheryl Ranatza[1]	10	450	22	-
Kathy Singleton	20	1,500	22	1,650
Shannon Templet	10	750	0	-
Total Compensation		**$ 10,200**		**$ 9,900**

[1] Board member chose not to receive per diem for all or part of their term.

[2] Board member chose to have per diem paid directly to their employer agency.

Schedules of Professional/Consultant Fees

For the Years Ended June 30, 2012 and 2011

	2012	2011
Accounting and Auditing		
Postlethwaite and Netterville, APAC	$ -	$ 33,000
Duplantier, Hrapmann, Hogan & Maher, LLP	37,940	25,000
Actuary		
Hall Actuarial Associates	37,000	36,000
S J Actuarial Associates	183,565	141,771
Legal Fees		
Avant & Falcon	7,963	1,700
Klausner, Kaufman, Jensen, & Levinson	57,489	-
Lowenstein Sandler	51,671	-
Roedel Parsons Koch Balhoff & McCollister	7,945	6,393
Tarcza & Associates, LLC	32,478	27,718
Disability Program		
Physician and Other Reviews	139,524	111,232
Other Professional Services		
Election Service Corporation	20,262	-
Firefly Digital, Inc.	2,700	950
Other Non-Consultant Professionals	812	337
Professional Service/Consultant Fees	**$ 579,349**	**$ 384,101**

The Ginkgo or Maidenhair tree is a rare Asian variety reputedly one of the first trees of this type brought to the American continent, and is the only survivor of three original Ginkgo plantings on the grounds of the Old State Capitol.

Investment Section

CONTENTS

LASERS
Louisiana State Employees' Retirement System
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September 28, 2012

Dear Members,

It was a year of great uncertainty and increased volatility in financial markets. The European crisis challenged the international markets and impacted LASERS overall return. For the fiscal year ending June 30, 2012, LASERS investment portfolio realized a market rate of return on investment assets of 0.2%. The actuarial rate of return was 5.3%.

Based on the fiscal year market return, LASERS ranked in the seventy-third percentile 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 ranked in the ninth percentile for the three-year period, the thirty-third percentile for the five-year period, and the fourteenth percentile for both the seven and ten-year periods.

As always, LASERS maintains its commitment to a broadly diversified portfolio and achieving its actuarial target rate of return of 8.0%[3] 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 comprehensively monitoring the plan's investments in relation to current market environments. Changes were made to the plan's asset allocation near the end of the 2011-2012 fiscal year. After thorough analysis, LASERS increased its allocation to markets believed to have inherent long-term value. These markets included international small cap and emerging markets equity and debt along with higher yielding fixed income investments.

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

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[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, 2012, 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.

[3] Effective July 1, 2012, the assumed actuarial rate of return for the Fund was changed from 8.25% to 8.00%.

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 Responsibilities

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 8.0% annually[1]. However, LASERS seeks to achieve returns greater than 8.0%.

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

[1] Effective July 1, 2012, the assumed actuarial rate of return for the Fund was changed from 8.25% to 8.00%.

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	**53**	**43**	**63**
Domestic Large Cap	15	10	20
Domestic Mid Cap	4	0	10
Domestic Small Cap	8	3	13
Established Internationall (Lg Cap)	13	5	20
Established International (Sm Cap)	3	0	7
Emerging International Equity	10	5	15
Fixed Income	**17**	**10**	**30**
Core Fixed Income	4	0	10
Domestic High Yield	7	2	12
Global Bonds	2	0	7
Opportunistic Credit	2	0	7
Emerging Market Debt	2	0	7
Cash	0	0	5
Alternative Assets	**25**	**15**	**35**
Private Equity	12	5	20
Absolute Return	10	5	15
Real Assets/Inflation Protection Inv	3	0	7
Global Tactical Asset Allocation	**5**	**0**	**10**

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, 2012

Securities	Cost	Market Value	Percent of Market
Bonds			
Fixed Income-Domestic	$ 947,820,563	$ 994,139,221	11%
Fixed Income-International	446,752,707	451,373,593	5%
Synthetic Guaranteed Investment Contract	350,581,623	350,581,623	4%
Total Fixed Income	**1,745,154,893**	**1,796,094,437**	**20%**
Equity			
Securities-Domestic	2,235,219,342	2,538,708,299	27%
Securities-International	2,040,219,928	2,112,485,553	23%
Total Equity	**4,275,439,270**	**4,651,193,852**	**50%**
Real Estate	**-**	**9,517**	**0%**
Alternative Investments			
Absolute Return	533,894,831	695,708,556	8%
Private Placements	1,183,443,641	1,208,540,756	13%
Real Assets	140,000,000	139,360,117	
Total Alternative Investments	**1,857,338,472**	**2,043,609,429**	**21%**
Global Tactical Asset Allocation	**447,993,188**	**567,925,779**	**6%**
Short-Term Investments			
Domestic/International Short-Term	240,782,938	240,781,998	3%
Total Short-Term Investments	**240,782,938**	**240,781,998**	**3%**
Grand Total Investments	**$ 8,566,708,761**	**$ 9,299,615,012**	**100%**

Largest Equity Holdings

June 30, 2012

	Shares	Stock Description	Fair Value
1)	95,900	APPLE INC	$ 56,005,600
2)	527,800	EXXON MOBIL CORP	$ 45,163,846
3)	1,436,100	GENERAL ELECTRIC CO	$ 29,928,324
4)	948,100	MICROSOFT CORP	$ 29,002,379
5)	790,900	AT&T INC	$ 28,203,494
6)	789,000	WELLS FARGO & CO	$ 26,384,160
7)	241,500	CHEVRON CORP	$ 25,478,250
8)	113,500	INTERNATIONAL BUSINESS MACHINE	$ 22,198,330
9)	947,000	PFIZER INC	$ 21,781,000
10)	601,900	JPMORGAN CHASE & CO	$ 21,505,887

Largest Debt Holdings

June 30, 2012

	Par Value	Bond Description	Fair Value
1)	18,700,000	BUNDESSCHATZANWEISUNGEN 1.75% 14-JUN-2013	$ 24,105,477
2)	1,700,000,000	DEVELOPMENT BANK OF JAPAN 1.60% 20-JUN-2014	$ 21,916,364
3)	1,600,000,000	KREDITANSTALT FUR WIEDERAUFBAU 1.35% 20-JAN-2014	$ 20,415,130
4)	14,300,000	BUNDESOBLIGATION 2.75% 08-APR-2016	$ 19,742,754
5)	14,100,000	BUNDESOBLIGATION 1.75% 09-OCT-2015	$ 18,750,888
6)	1,450,000,000	JAPAN (GOVT OF) BONDS 1.30% 20-DEC 2014	$ 18,704,546
7)	12,900,000	BUNDESREPUBLIK DEUTSCHLAND 2.5% 04-JAN-2021	$ 17,885,039
8)	1,360,000,000	JAPAN BONDS 1.5% 20-MAR-2015	$ 17,685,898
9)	1,100,000,000	JAPAN 1.9% 20-MAR-2029	$ 14,622,128
10)	13,400,000	U S TREASURY NOTE 1.25% 15-FEB-2014	$ 13,601,268

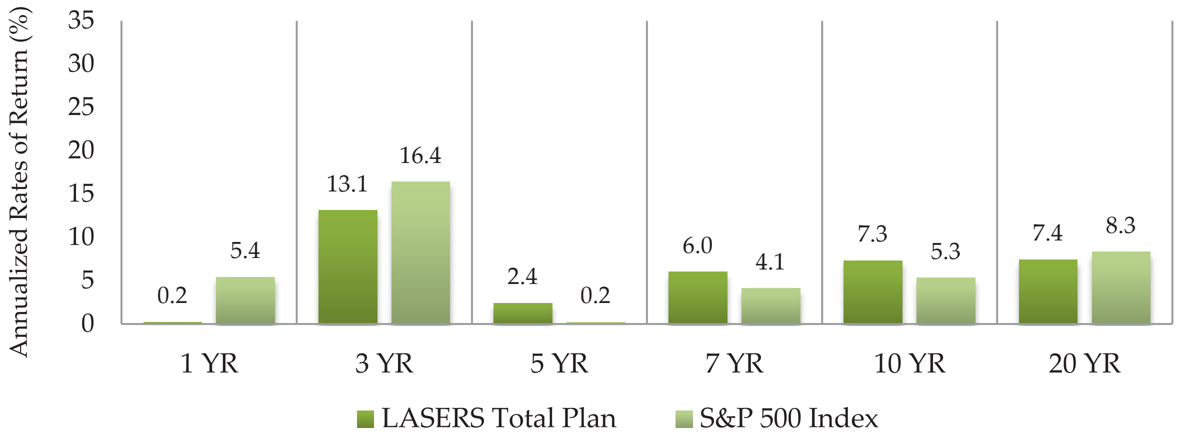
The lists of largest holdings excludes commingled funds. A complete list of LASERS portfolio holdings is available upon request.

LASERS Rates of Return[1]

June 30, 2012

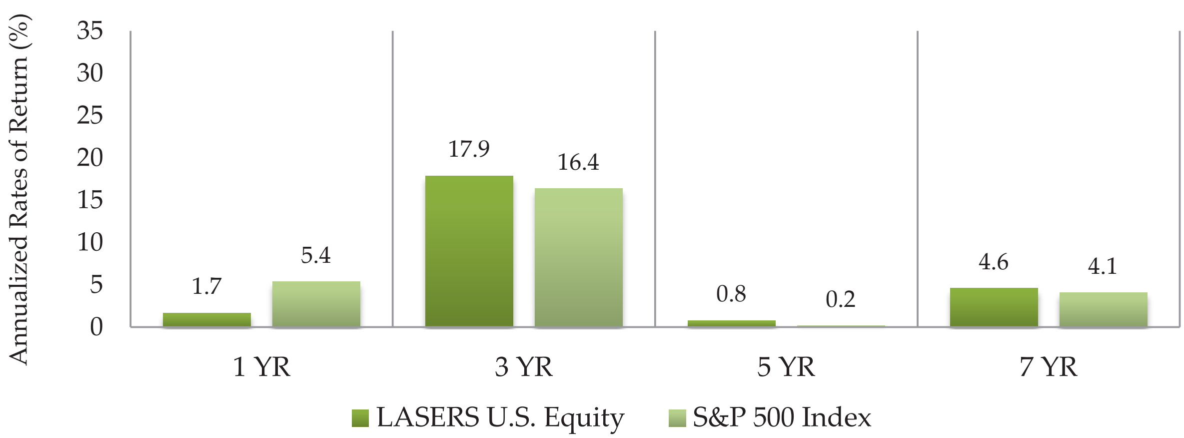
Total Plan

	Years 1	3	5	7	10	20
LASERS Total Plan	0.2%	13.1%	2.4%	6.0%	7.3%	7.4%
S&P 500 Index	5.4%	16.4%	0.2%	4.1%	5.3%	8.3%



U.S. Equity

	Years 1	3	5	7
LASERS U.S. Equity	1.7%	17.9%	0.8%	4.6%
S&P 500 Index	5.4%	16.4%	0.2%	4.1%

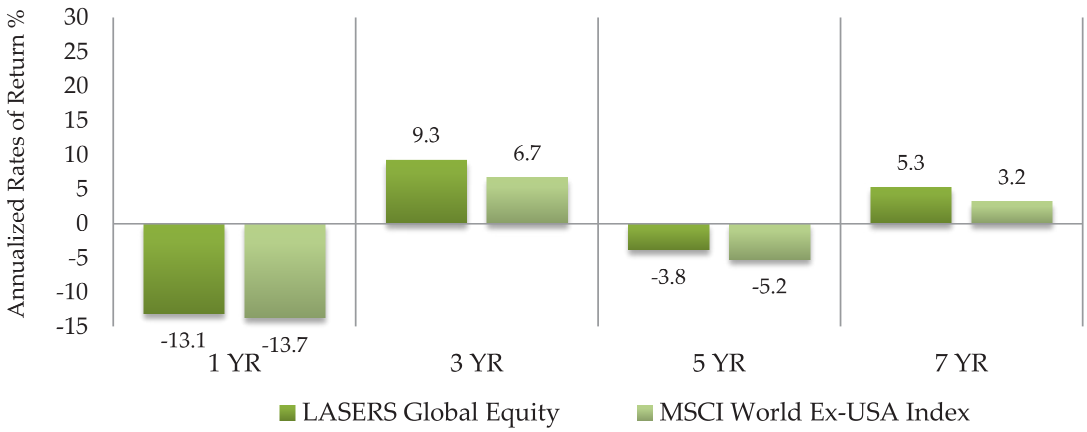


LASERS Rates of Return[1] (continued)

June 30, 2012

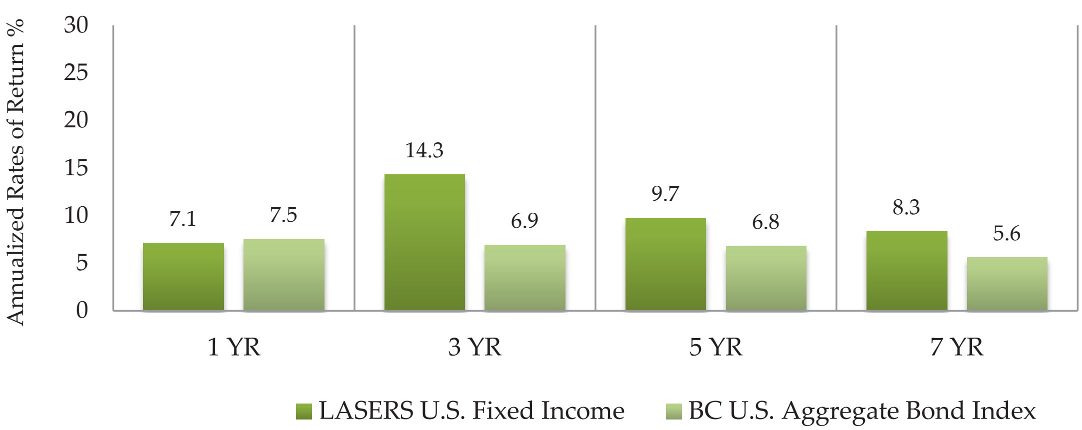
Global Equity

	Years 1	3	5	7
LASERS Global Equity	-13.1%	9.3%	-3.8%	5.3%
MSCI World Ex-USA Index	-13.7%	6.7%	-5.2%	3.2%



U.S. Fixed Income

	Years 1	3	5	7
LASERS U.S. Fixed Income	7.1%	14.3%	9.7%	8.3%
BC U.S. Aggregate Bond Index	7.5%	6.9%	6.8%	5.6%

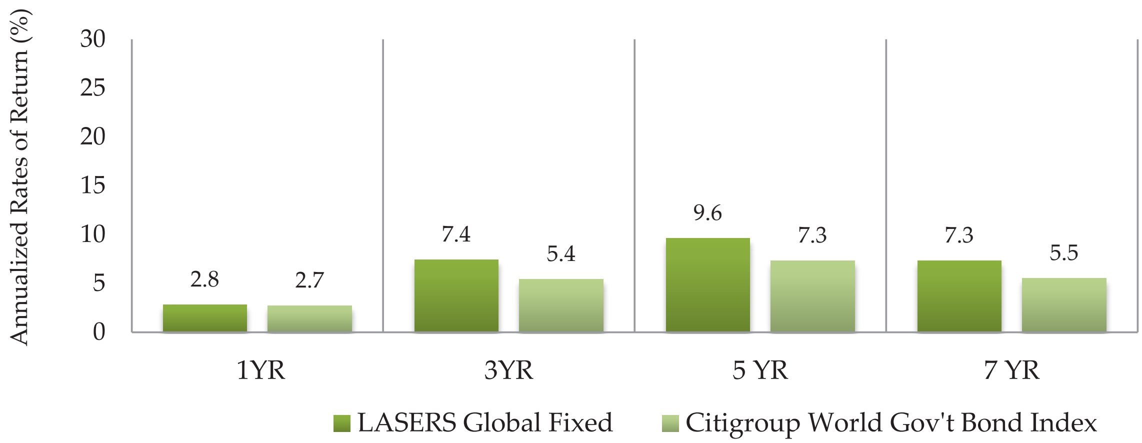


LASERS Rates of Return[1] (continued)

June 30, 2012

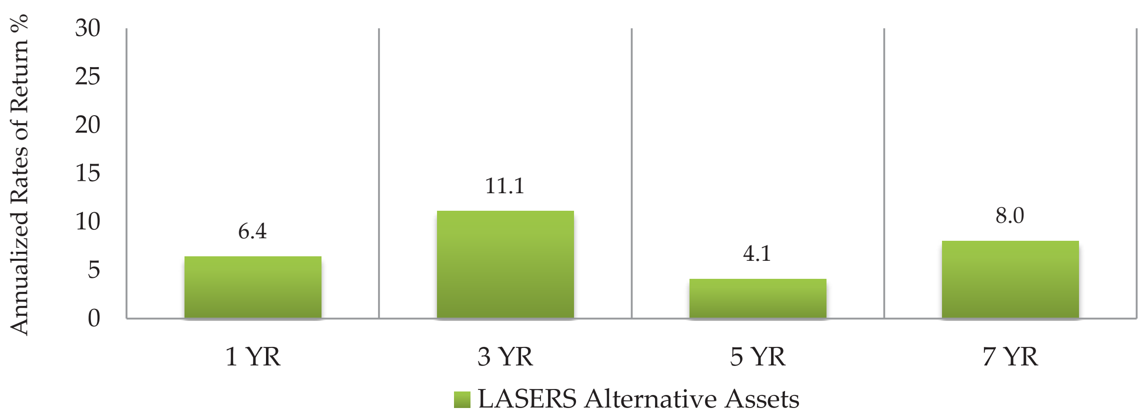
Global Fixed Income

	Years			
	1	**3**	**5**	**7**
LASERS Global Fixed	2.8%	7.4%	9.6%	7.3%
Citigroup World Gov't Bond Index	2.7%	5.4%	7.3%	5.5%



Alternative Assets[2]

	Years			
	1	**3**	**5**	**7**
LASERS Alternative Assets	6.4%	11.1%	4.1%	8.0%



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

[2] Benchmark information is not available for alternative assets.

Schedule of Brokerage Commissions Paid

June 30, 2012

Brokerage Firm	Commission	Brokerage Firm	Commission
Deutsche BK Secs Inc	$ 78,639	Liquidnet Inc	$ 12,237
Johnson Rice & Co	75,129	Cantor Fitzgerald & Co Inc	11,939
Stephens Inc	71,274	Credit Lyonnais Secs	11,780
Baird, Robert W & Co Inc	57,072	Sidoti & Co LLC	11,280
SG Americas Securities LLC	55,539	Sterne Agee & Leach Inc	9,933
Barclays BK PLC	53,630	RBC Capital Markets Corp	9,212
Merrill Lynch Professional	53,157	Clearview Correspondent Srvs	9,022
Keybanc Capital Markets Inc	48,197	Oppenheimer & Co Inc	8,928
Capital One SouthCoast Inc	37,584	CJS Securities Inc	8,446
Jonestrading Intl Svcs LLC	37,314	Jefferies & Co Inc	8,401
Morgan Stanley & Co	31,805	Global Hunter Sec. LLC	8,144
Credit Suisse	31,581	Brean Murray, Carrett & Co	7,962
Newedge USA LLC	31,557	Citigroup Global Markets Ltd	7,632
Craig Hallum	30,874	Northland Secs Inc	7,591
Suntrust Capital Markets Inc	29,425	BNY Convergex	7,396
Pulse Trading LLC	29,120	Merriman Curhan Ford	7,125
Needham & Co	28,995	Cowen And Company LLC	6,831
Stifel NiColaus	27,798	National Finl Svcs Corp	6,765
Investment Technology Group	25,636	Miller Tabak Roberts Sec LLC	6,319
G-Trade Services Ltd	25,602	Sanford C Bernstein & Co Inc	6,235
King & Associates	25,602	UBS Securities LLC	6,148
Goldman Sachs Intl	25,240	William Blair & Co	6,065
Weeden & Co	24,794	Avondale Partners LLC	5,994
Lazard Capital Markets LLC	21,204	ISI Group INC	5,977
Pacific Crest Sec	21,133	LEK Securities Corp	5,830
Knight Equity Markets L.P.	20,130	BTIG LLC	5,686
Compass Point Research & TR	19,593	EXANE	5,504
Wunderlich Securties Inc	19,584	Mizuho Securities USA, Inc	4,788
First Analysis Securities Corp	19,044	Instinet Corp	4,335
Sandler O'Neill & Partners	18,076	Dougherty Company	4,303
Piper Jaffray & Co	15,397	Hudson Securities, Inc	4,154
Credit Research & Trading LLC	15,335	Commerzbank AG	3,819
Bloomgerg Tradebook LLC	14,571	Rosenvlatt Securities LLC	3,703
Keefe Bruyette And Woods	14,147	Nomura Secs Intl	3,390
Fig Partners LLC	12,806	Maxim Group	3,364
Raymond James & Assoc Inc	12,717	All Others	53,886
	$ 1,159,301		$ 300,124
		Total	**$ 1,459,425**

Schedule of External Management Fees

By Investment Manager Classification[1]
For Year Ended June 30, 2012

Investment Manager Type	Assets Under Management	Annual Fees
Fixed Income Managers		
U.S. Fixed Income	$ 1,459,897,330	$ 5,696,404
Global Fixed Income	406,999,462	633,457
Total Fixed Income	**1,866,896,792**	**6,329,861**
Equity		
U.S. Equity	2,584,986,388	3,487,049
Global Equity	2,046,594,390	9,448,873
Total Equity	**4,631,580,778**	**12,935,922**
Real Estate	**9,517**	**-**
Alternative Investments	**2,136,779,263**	**34,591,278**
Global Tactical Asset Allocation	**567,925,779**	**1,744,174**
Cash	**96,422,883**	**-**
Total	**$ 9,299,615,012**	**$ 55,601,235**

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.

In Greek mythology, Hebe, the daughter of Zeus and Hera, was the goddess of eternal youth and the pourer of nectar for the Olympus gods. The statue initially sat at the center of a fountain with four drinking stations, representing pure, clean water. Today, Hebe rests on the grounds of the Old State Capitol, reflecting purity and honesty.

Actuarial Section

CONTENTS

ACTUARIAL ASSOCIATES

Shelley R. Johnson
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September 28, 2012

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, 2012. The valuation was prepared relying on the data submitted by the Retirement System and 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, 2012, should have been set at 30.6% of payroll. When compared to the 29.4% projected rate set by the Public Retirement Systems' Actuarial Committee, the current rate of 30.5% reflects an increase resulting primarily from a decrease in projected aggregate payroll and an investment loss 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, 2012, is $9,026,415,878. 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, 2012, 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 28, 2012

The present values shown in the June 30, 2012, 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, unless otherwise noted.

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

The funding method prescribed by state law is the Projected Unit Credit Cost Method. The Board of Trustees requested a study of the appropriateness of the actuarial discount rate. Following the study, the Board adopted a discount rate of 8.00%, effective July 1, 2012, which was reduced from 8.25%. The rate was subsequently adopted by the Public Retirement Systems Actuarial Committee.

The actuarial assumptions and methods used for funding purposes are within the parameters set forth by the Government Accounting Standards Board (GASB) Statement No. 25. The actuarial assumptions and methods used for funding purposes were employed in the development of the schedules listed above for the Financial Section of this report.

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 and 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, unless otherwise noted.

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-year 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 five year 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.

All schedules existing prior to June 20, 2012,were re-amortized on June 30, 2012, based on the revised discount rate of 8.00%.

The equivalent single amortization period, calculated in accordance with GASB Statement 25, paragraphs 36f and 43, is 21 years.

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

8.00% per annum, compounded annually, as adopted by the Board of Trustees.

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	Corrections & Hazardous Duty	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	Regular State Employees	Judges & Legislators	Corrections & Hazardous Duty	Wildlife and Fisheries
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	Regular State Employees	Judges	Corrections & Hazardous Duty	Wildlife and Fisheries
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 After 7/1/06, Judges After 1/1/11		Judges - Hired prior to 1/1/11		Corrections & Hazardous Duty		Wildlife and Fisheries	
	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) Members Employer Fin. Portion	Actuarial Valuation Assets	Portion of Actuarial Accrued Liabilities Covered By Assets (1)	(2)	(3)
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%
2011	$ 1,494.8	$ 10,158.2	$ 3,568.0	$ 8,763.1	100%	72%	0%
2012	$ 1,494.0	$ 11,015.8	$ 3,648.1	$ 9,026.4	100%	68%	0%

Summary of Actuarial and Unfunded Actuarial Liabilities

(Dollar Amounts in Millions)

Valuation Date	Actuarial Accrued Liabilities (AAL)	Actuarial Valuation Assets	Ratio Of Assets To AAL	Unfunded AAL (UAAL)	Active Member Payroll	UAAL As Percentage of Active Payroll
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%
2011	$ 15,221.0	$ 8,763.1	57.57%	$ 6,457.9	$ 2,408.8	268.1%
2012	$ 16,157.9	$ 9,026.4	55.86%	$ 7,131.5	$ 2,341.7	304.5%

Reconciliation of Unfunded Actuarial Liabilities

(Dollar Amounts in Thousands)

	Fiscal Year Ending			
	2012	**2011**	**2010**	**2009**
Unfunded Actuarial Liability at Beginning of Fiscal Year (7/1)	**$ 6,457,954**	**$ 6,251,612**	**$ 5,693,998**	**$ 4,473,115**
Interest on Unfunded Liability	532,782	515,758	469,755	369,032
Investment Experience (gains) decreases UAL	254,603	233,308	494,684	1,443,942
Plan Experience (gains) decreases UAL	18,140	(146,324)	136,315	(62,213)
Employer Amortization Payments (payments) decreases UAL	(541,095)	(494,868)	(406,412)	(294,565)
Employer Contribution Variance (excess contributions) decreases UAL	50,918	98,016	74,727	(13,861)
Side Fund Allocation(s) (distributions) decreases UAL		-	(216,492)	-
Other - Miscellaneous gains and losses from transfers, assumption changes, or Acts of the Legislature	358,179	452	5,037	(221,452)
Unfunded Actuarial Liability at End of Fiscal Year (6/30)	**$ 7,131,481**	**$ 6,457,954**	**$ 6,251,612**	**$ 5,693,998**

Membership Data

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

	2012		2011	
Active Members	**Census**	**Avg. Sal.**	**Census**	**Avg. Sal.**
Regular Members	44,546	$ 43,288	47,020	$ 42,338
Legislators	12	83,688	20	67,439
Judges - prior to 1/1/2011	308	131,913	320	130,868
Appellate Law Clerks	187	68,876	194	67,701
Wildlife Agents	204	55,358	222	53,889
Corrections	3,566	44,360	4,179	41,689
Peace Officers	84	53,239	93	50,103
Alcohol Tobacco Control	28	50,245	41	44,515
Bridge Police	11	55,605	12	49,875
Judges - on or after 1/1/11	12	127,529	3	130,926
Hazardous Duty	1,258	31,457	522	36,738
Active After DROP	2,136	60,382	2,304	58,743
Total	**52,352**	**$ 44,485**	**54,930**	**$ 43,606**

	2012	2011
Valuation Salaries	**$2,341,703,286**	**$2,408,839,604**

Inactive Members	**2012**	**2011**
Due Refunds	50,590	51,959
Vested & Reciprocals	2,222	2,125

	2012		2011	
Annuitants and Survivors	**Census**	**Avg. Ben.**	**Census**	**Avg. Ben.**
Retirees	34,513	$ 23,016	32,897	$ 22,181
Disabilities	2,544	13,026	2,586	12,811
Survivors	5,665	14,232	5,659	13,910
DROP	2,577	34,168	2,569	31,953
Total	**45,299**	**$ 21,991**	**43,711**	**$ 21,130**

Historical Membership Data

(Dollar Amounts in Thousands)

History of Active Membership Data for Last 6 Years

Year Ending 6/30	Number of Active Members	Pecentage Change In Membership	Annual Active Member Payroll	Annual Active Member Average Payroll	Percentage Change In Payroll
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%
2011	54,930	-6.71%	$ 2,408,840	$ 43,606	1.45%
2012	52,352	-4.69%	$ 2,341,703	$ 44,485	2.02%

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		
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%
2011	43,711	$ 923,617	3,307	$ 96,480	1,610	$ 24,923	$ 21,130	4.2%
2012	45,299	$ 996,167	3,191	$ 98,955	1,603	$ 26,405	$ 21,991	4.1%

Principal Provisions of the Plan

The Louisiana State Employees' Retirement System (LASERS) was enacted in 1947. 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.[1] 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:

Plan	Current Contribution
Regular Employees and Appellate Law Clerks	
Pre-Act 75 (hired before 7/1/2006)	7.5%
Post-Act 75 (hired after 6/30/2006)	8.0%
Legislators	11.5%
Judges hired before 1/1/2011	11.5%
Judges hired after 12/31/2010	13.0%
Corrections Primary and Secondary	9.0%
Wildlife	9.5%
Peace Officers & Alc/Tobacco Control Officers	9.0%
Bridge Police	8.5%
Hazardous Duty	9.5%

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.

[1] Act 113 of the 2012 Regular Session of the Louisiana Legislature adds the Commissioner of Administration or his designee to the LASERS Board effective July 1, 2012.

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, will be eligible at age 60 with 5 years of service.

Note: Members may retire with 20 years at any age with benefits actuarially reduced.

Judges – Judges hired prior to January 1, 2011 may retire with a 3.5% annual accrual rate at any age with 18 years of service, 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. Judges hired on or after January 1, 2011 may retire with a 3.5% annual accrual rate with 5 years of service at age 60. Eligibility requirements apply to Appellate Law Clerks hired prior to January 1, 2011.

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.

Correction Officers – Members of the Primary Component may retire with a 2.5% annual accrual rate at age 60 with 10 years of service, 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.

Wildlife – Members hired prior to July 1, 2003 may retire at age 55 with 10 years of service, or at any age with 20 years. Benefit accrual rate is 3.0% for service earned prior to July 1, 2003 and 3.33% for service earned after July 1, 2003. Members hired on or after July 1, 2003 may retire at age 60 with 10 years or at any age with 25 years of service. Benefit accrual rate is 3.33%, or 2.5% if members retire with less than 10 years of wildlife service.

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 eligibility to retire with 25 years of service at any age, age 60 with 10 years.

Retirement Benefits (continued)

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.

Hazardous Duty Plan –Annual accrual rate is 3.33%. Members are eligible to retire with 12 years at age 55. The last 10 years of service must be served in a hazardous duty position.

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 36 months for all but regular members hired on or after July 1, 2006, Judges whose first membership making them eligible for LASERS membership occurred on or after January 1, 2011, and members of the Hazardous Duty Plan. 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 2.5% 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 36 month 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. Members receive a service retirement benefit based upon their accrued retirement benefit, except as specified below:

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

Corrections – Benefit for total disability incurred in-line-of-duty service is the greater of the accrued benefit or 40% of average compensation (60% for members of the Primary Plan). If a member of the Secondary Plan has 10 or more years of service, benefit is the greater of the accrued retirement benefit or 60% of final average compensation. Otherwise, benefit is the accrued retirement benefit.

Wildlife Agents – Minimum total disability incurred in-line-of-duty service is 60% of average compensation.

Hazardous Duty Plan– Total disability incurred in-line-of-duty benefit is 75% of average compensation.

VIII. Survivor Benefits

Members whose first employment which makes them eligible for membership in a Louisiana state retirement system occurs prior to January 1, 2011:

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.

As surviving minor child, with no surviving spouse shall receive an amount equal to the greater of 75% 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) $200 per month, or 2) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service.

Members whose first employment which makes them eligible for membership in a Louisiana state retirement system occurs on or after January 1, 2011:

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) $600 per month, or 2) 50% of the member's accrued benefit benefit. Each child receives 50% of the spouses benefit, up to 2 children. Minimum benefit based on the Option 2A equivalent for the surviving spouse.

A surviving minor child, with no surviving spouse shall receive an amount equal 50% of the benefit for surviving spouse with minor children, divided equally among all children.

Survivor Benefits (continued)

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 based on the Option 2A equivalent for the surviving spouse.

The Option 2A equivalent is an actuarially reduced benefit whereby 100% of the actuarially reduced benefit continues for the life of the beneficiary.

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. 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 Principal Provisions of the Plan

Act 483 of 2012 created a cash balance plan for all non-hazardous duty LASERS members whose first employment for membership in either LASERS, Teachers Retirement System of Louisiana, or Louisiana School Employees Retirement System occurred on or after July 1, 2013. All provisions in effect on June 30, 2013 will be known as Tier 1. A general description of the plan is as follows. The member's cash balance account will be credited with 12% of pay monthly and an interest credit annually. The interest credit will be one percent less than the actuarial rate of return, as determined by the system's actuary in the actuarial valuation. The accounts will not be debited if the actuarial return less one percent is negative. Upon retirement, on or after age 60 with five years of service, members may choose to withdraw or annuitize the balance in the account. All retirement options available for Tier 1 members are applicable. Employees will contribute 8% of pay. The employer contribution will be actuarially determined, and will include the UAL payments that are shared by all plans, regardless of the source of the UAL. Assets accumulated for the cash balance plan will be excluded from any determination of funds to credit to the experience account and the cash balance plan members are not eligible for permanent benefit increases funded from the experience account.

Constructed around 1882, the spectacular spiral cast iron staircase is the focal point of the rotunda. Featuring 32 steps, two newel post brass pedestal lamps, and supported by two pairs of columns, the ornamental staircase consists of many detailed parts bolted together to form one monumental sculptural element.

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.

Employer and Employee Contribution Rates

LASERS required employer contribution rate is established each fiscal year by the Public Retirement Systems' Actuarial Committee. Effective for the fiscal year beginning July 1, 2011, each plan within LASERS pays a separate actuarially-determined employer contribution rate. The composite employer contribution rate was set at 25.9% for the fiscal year ended June 30, 2012. The components of the employer rate are the employer's share of normal cost and the unfunded accrued liability (UAL). Normal cost is the annual cost to provide an additional year of benefit accrual, and is divided into two parts, the employee portion and the employer portion, both expressed as a percentage of payroll. The UAL is the excess of the actuarial accrued liabilities over the actuarial value of assets. LASERS employee contribution rates are set by statute and vary by plan with ranges of 7.50% to 13.00%. The blended employee contribution rate for the fiscal year ended June 30, 2012 was 7.82%. The ten-year history of the components of LASERS employer and employee contribution rates are presented in tabular and graphical format in this section.

Net Assets vs. Liabilities

LASERS funding progress is illustrated graphically for the ten years ended June, 30, 2012. 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 long-term benefit obligations are funded through contributions and investment income. The UAL is required by the state constitution to be substantially funded by 2029.

Plan Membership

Membership in LASERS decreased by 2,262 as of June 30, 2012. Active members decreased by 2,578, retirees (includes Regular, Disability, Survivor, and DROP) increased by 1,588, and terminated vested members increased by 97. The decrease in active membership can be attributed to a hiring freeze. Membership data for the ten years ended June 30, 2012, 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.

Changes in Net Assets
For the Ten Years Ended June 30, 2012

	2003	2004	2005	2006	2007
Additions (Reductions):					
Employer Contributions	$ 292,636,829	$ 336,389,797	$ 392,409,258	$ 411,907,909	$ 417,059,370
Employee Contributions	159,469,854	163,277,178	169,143,849	165,509,666	167,957,870
Legislative Appropriations	-	-	-	13,600,000	-
Net Investment Income (Loss)	212,771,376	996,067,481	650,345,827	833,207,981	1,472,840,599
Other Income	14,790,335	8,927,208	36,824,466	32,457,872	11,555,274
Total Additions (Reductions) to Plan Net Assets	**$ 679,668,393**	**$ 1,504,661,664**	**$ 1,248,723,401**	**$ 1,456,683,428**	**$ 2,069,413,114**
Deductions:					
Retirement Benefits	$ 544,009,581	$ 573,152,747	$ 581,665,163	$ 620,367,483	$ 673,617,033
Refunds and Transfers of Member Contributions	25,043,817	28,760,064	30,357,532	37,821,549	38,030,600
Administrative Expenses	11,171,799	12,624,215	17,873,386	15,291,109	14,505,724
Other Postemployment Benefits Expenses	-	-	-	-	-
Depreciation and Amortization Expenses	657,638	800,103	760,927	750,463	619,733
Total Deductions from Plan Net Assets	**$ 580,882,835**	**$ 615,337,129**	**$ 630,657,008**	**$ 674,230,604**	**$ 726,773,090**
Total Change in Net Assets	**$ 98,785,558**	**$ 889,324,535**	**$ 618,066,393**	**$ 782,452,824**	**$ 1,342,640,024**

Changes in Net Assets (continued)

For the Ten Years Ended June 30, 2012

	2008	2009	2010 (Restated)	2011	2012
Additions (Reductions):					
Employer Contributions	$ 506,484,759	$ 487,353,901	$ 491,237,641	$ 558,183,107	$ 637,285,920
Employee Contributions	192,412,444	203,050,933	205,328,033	197,825,267	192,795,057
Legislative Appropriations	20,000,000	-	-	-	-
Net Investment Income (Loss)	(357,912,195)	(1,739,762,198)	1,129,437,199	1,854,312,621	(9,610,468)
Other Income	15,701,647	13,149,187	12,153,663	14,072,770	32,441,258
Total Additions (Reductions) to Plan Net Assets	**$ 376,686,655**	**$ (1,036,208,177)**	**$ 1,838,156,536**	**$ 2,624,393,765**	**$ 852,911,767**
Deductions:					
Retirement Benefits	$ 718,303,319	$ 771,408,255	$ 829,236,652	$ 915,840,721	$ 978,971,262
Refunds and Transfers of Member Contributions	32,149,383	30,314,007	35,676,509	41,553,896	43,221,742
Administrative Expenses	15,901,681	15,313,103	15,201,829	14,951,127	15,500,163
Other Postemployment Benefits Expenses	2,350,000	2,279,986	1,561,605	1,310,517	999,650
Depreciation and Amortization Expenses	1,242,050	2,030,877	2,134,563	1,919,628	1,941,249
Total Deductions from Plan Net Assets	**$ 769,946,433**	**$ 821,346,228**	**$ 883,811,158**	**$ 975,575,889**	**$ 1,040,634,066**
Total Change in Net Assets	**$ (393,259,778)**	**$ (1,857,554,405)**	**$ 954,345,378**	**$ 1,648,817,876**	**$ (187,722,299)**

Benefit Expenses by Type

For the Ten Years Ended June 30, 2012

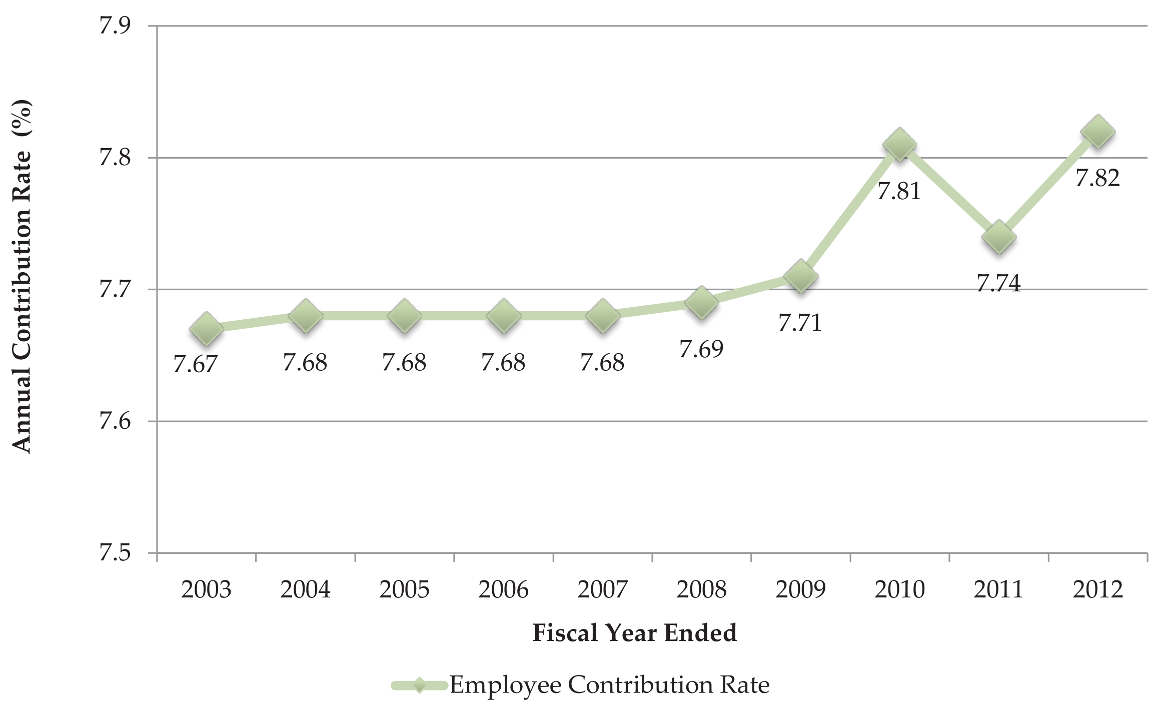
Type	2003	2004	2005	2006	2007
Benefits					
Regular	$ 411,933,100	$ 433,175,565	$ 457,521,300	$ 493,538,492	$ 543,463,747
Survivors	56,972,676	58,207,404	59,662,090	61,151,906	64,756,893
Deferred Retirement Option	53,322,395	59,048,131	47,091,359	48,744,710	49,038,361
Initial Benefit Option	7,921,433	8,903,537	3,338,644	2,481,107	1,230,820
Disability Benefits	13,859,977	13,818,110	14,051,770	14,451,268	15,127,212
Total Benefits	**$ 544,009,581**	**$ 573,152,747**	**$ 581,665,163**	**$ 620,367,483**	**$ 673,617,033**
Refunds					
Separation	$ 20,830,178	$ 24,094,719	$ 23,661,815	$ 32,356,236	$ 32,468,625
Death	1,038,409	1,014,179	1,402,913	969,090	1,558,358
Total Refunds	$ 21,868,587	$ 25,108,898	$ 25,064,728	$ 33,325,326	$ 34,026,983
Transfers to Other Systems	$ 3,175,230	$ 3,651,166	$ 5,292,804	$ 4,496,223	$ 4,003,617
Total Refunds and Transfers	**$ 25,043,817**	**$ 28,760,064**	**$ 30,357,532**	**$ 37,821,549**	**$ 38,030,600**

Benefit Expenses by Type (continued)
For the Ten Years Ended June 30, 2012

Type	2008	2009	2010	2011	2012
Benefits					
Regular	$ 585,239,345	$ 631,155,812	$ 668,581,029	$ 733,039,471	$ 854,566,628
Survivors	67,792,994	71,126,808	74,482,830	77,667,823	79,190,930
Deferred Retirement Option	49,321,773	53,226,087	69,287,299	88,056,162	28,307,467
Initial Benefit Option	957,668	1,242,870	1,566,842	1,966,560	1,686,544
Disability Benefits	14,991,539	14,656,678	15,318,652	15,110,705	15,219,693
Total Benefits	**$ 718,303,319**	**$ 771,408,255**	**$ 829,236,652**	**$ 915,840,721**	**$ 978,971,262**
Refunds					
Separation	$ 22,951,994	$ 23,078,248	$ 29,724,211	$ 34,393,711	$ 38,575,552
Death	966,460	903,986	1,395,156	1,445,450	954,378
Total Refunds	$ 23,918,454	$ 23,982,234	$ 31,119,367	$ 35,839,161	$ 39,529,930
Transfers to Other Systems	$ 8,230,929	$ 6,331,773	$ 4,557,142	$ 5,714,735	$ 3,691,812
Total Refunds and Transfers	**$ 32,149,383**	**$ 30,314,007**	**$ 35,676,509**	**$ 41,553,896**	**$ 43,221,742**

Employee Contribution Rates
Ten Years Ended June 30, 2012

Fiscal Year	Employee Contribution Rate
2003	7.67%
2004	7.68%
2005	7.68%
2006	7.68%
2007	7.68%
2008	7.69%
2009	7.71%
2010	7.81%
2011	7.74%
2012	7.82%



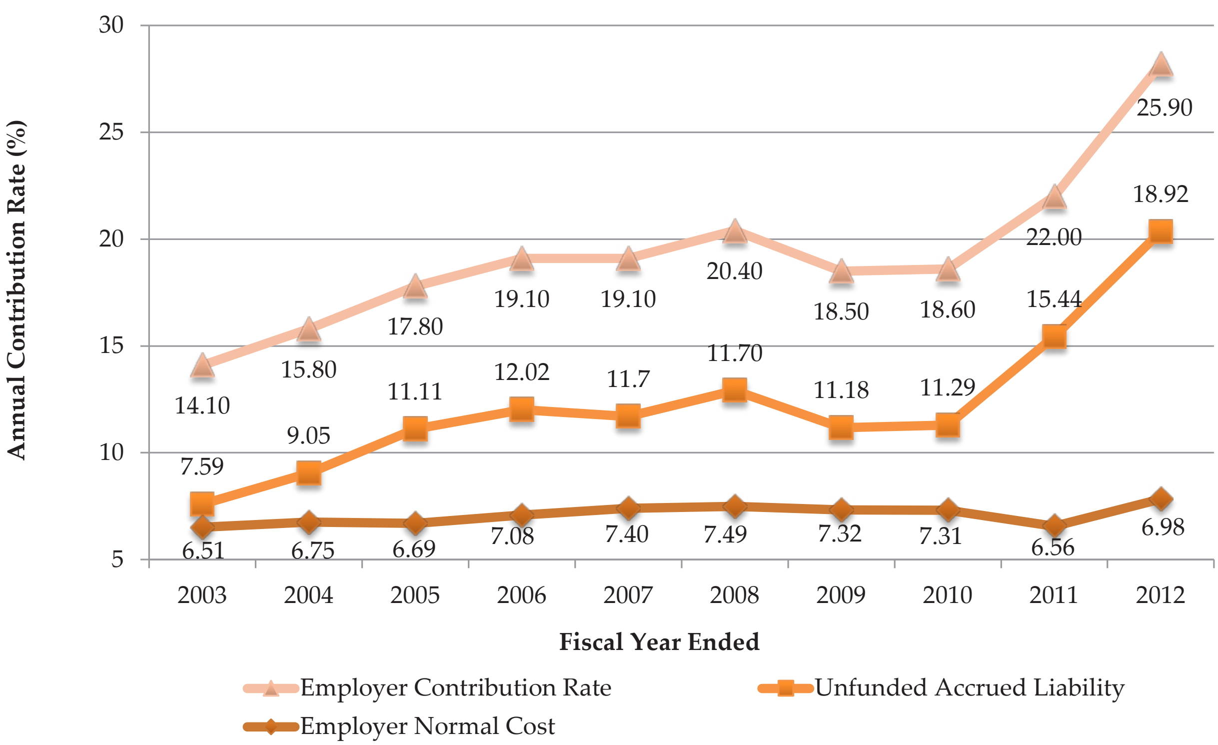
The employee contribution rate varies by plan. The rates shown above reflect the average, rather than the actual rate contributed by each employee.

The rates above for each fiscal year are determined by prior year actuarial valuations. For example, fiscal year ended 2012 rates were determined by the fiscal year ended 2010 actuarial valuation.

Employer Contribution Rates

Ten Years Ended June 30, 2012

Fiscal Year	Employer Normal Cost	Unfunded Accrued Liability	Total Employer Contribution Rate
2003	6.51%	7.59%	14.10%
2004	6.75%	9.05%	15.80%
2005	6.69%	11.11%	17.80%
2006	7.08%	12.02%	19.10%
2007	7.40%	11.70%	19.10%
2008	7.49%	12.91%	20.40%
2009	7.32%	11.18%	18.50%
2010	7.31%	11.29%	18.60%
2011	6.56%	15.44%	22.00%
2012	6.98%	18.92%	25.90%

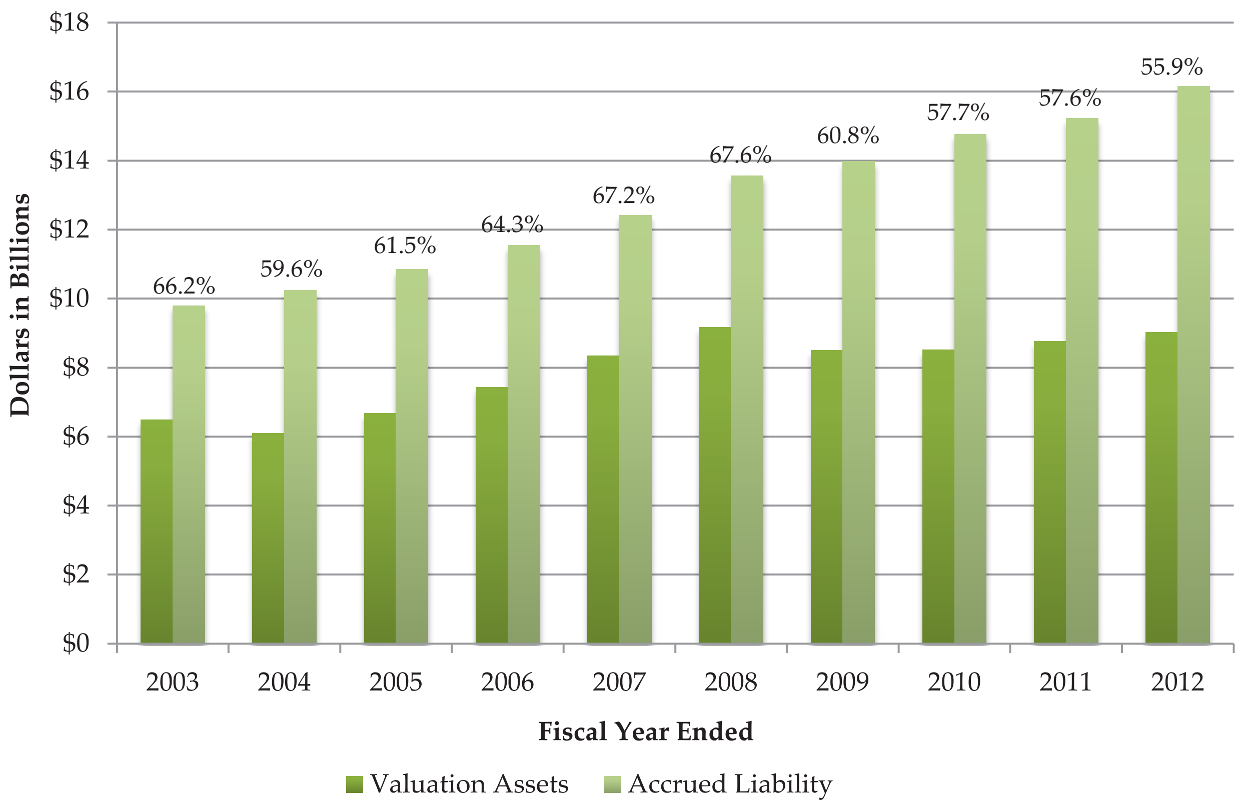


The rates above for each fiscal year are determined by prior year actuarial valuations. For example, fiscal year ended 2012 rates were determined by the fiscal year ended 2010 actuarial valuation, and reflect the composite employer normal cost and unfunded accrued liability rates for all plans within LASERS.

Valuation Assets vs. Pension Liabilities

Ten Years Ended June 30, 2012

	Dollars in Billions			
Fiscal Year	Valuation Assets	Unfunded Liability	Accrued Liability	Funded Ratio*
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	$ 6.2516	$ 14.7640	57.7%
2011	$ 8.7631	$ 6.4580	$ 15.2211	57.6%
2012	$ 9.0264	$ 7.1315	$ 16.1579	55.9%

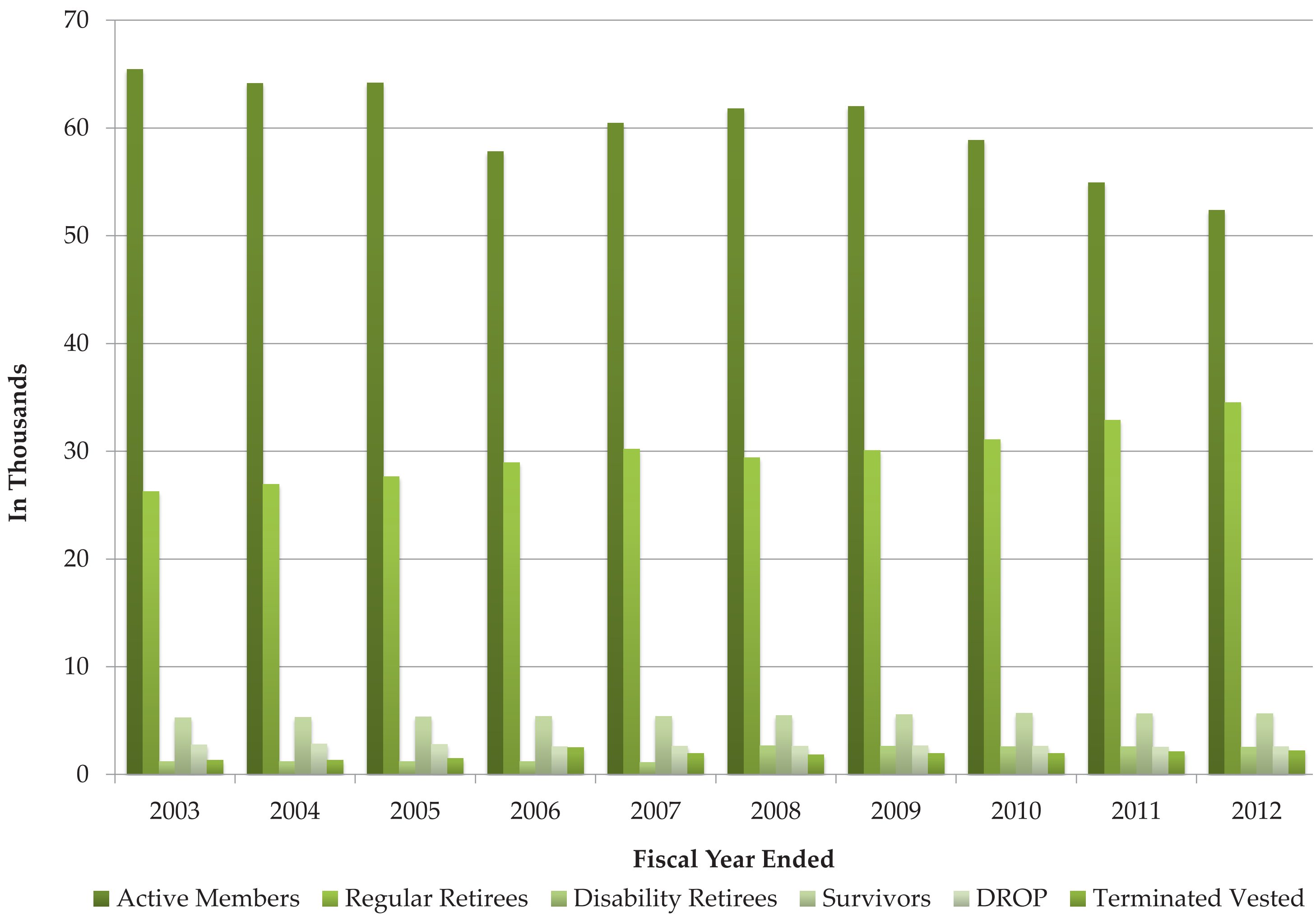


*For fiscal years ended 2003 through 2009, the funded ratio referenced takes into account the initial unfunded accrued liability account (IUAL) and the Employer Credit Account which is not the same funded ratio used in determining the projected employer contribution rate.

LASERS Membership

Fiscal Year	Active Members	Regular Retirees	Disability Retirees	Survivors	DROP	Terminated Vested	Terminated Nonvested**	Total Members
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
2011	54,930	32,897	2,586	5,659	2,569	2,125	51,959	152,725
2012	52,352	34,513	2,544	5,665	2,577	2,222	50,590	150,463

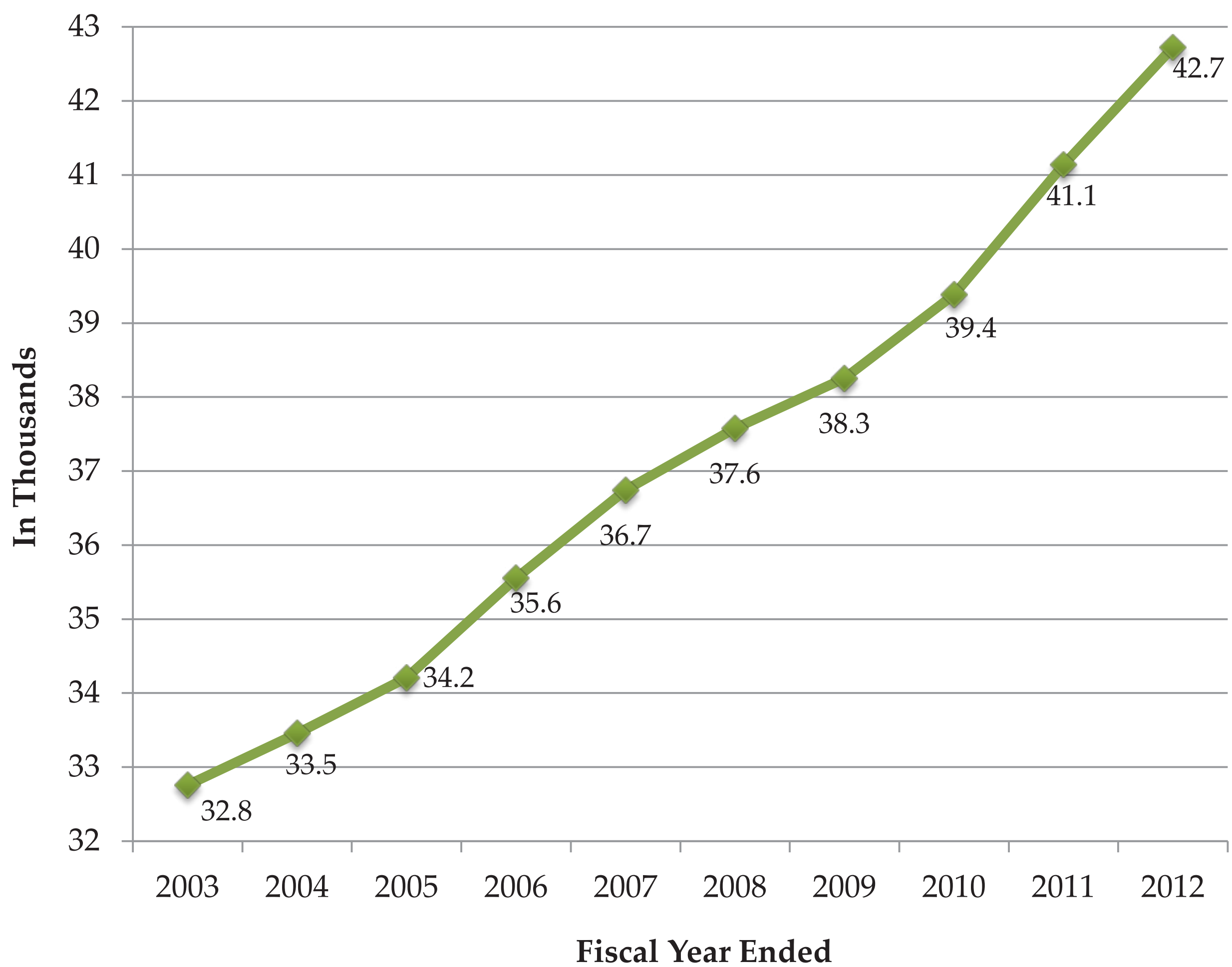
LASERS Changes In Membership**



** Chart does not include Terminated Nonvested

Number of Benefit Recipients

Fiscal Year Ended	Recipients*	Net Change
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%
2011	41,142	4.5%
2012	42,722	3.8%



*Recipients include Regular, Disability and Survivor retirees.

Average Monthly Benefit Amounts

Ten Years Ended June 30, 2012

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
2012	Average Benefit Received	$ 564	$ 889	$ 767	$1,148	$1,460	$2,026	$2,575	$3,154	$3,237	$ 1,771
	Average Final Average Compensation	$2,496	$2,345	$2,516	$2,732	$2,904	$3,158	$3,471	$3,844	$3,687	$ 3,048
	Number of Retirees	132	235	6,745	5,770	8,160	9,589	10,217	1,539	335	42,722
2011	Average Benefit Received	$ 579	$ 906	$ 754	$1,112	$1,417	$1,961	$2,491	$3,043	$3,189	$ 1,705
	Average Final Average Compensation	$2,517	$2,282	$2,474	$2,675	$2,827	$3,067	$3,368	$3,701	$3,593	$ 2,961
	Number of Retirees	138	235	6,637	5,676	7,895	9,246	9,545	1,439	331	41,142
2010	Average Benefit Received	$ 605	$ 860	$ 736	$1,080	$1,380	$1,893	$2,413	$2,846	$3,062	$ 1,636
	Average Final Average Compensation	$2,456	$2,218	$2,437	$2,620	$2,751	$2,987	$3,267	$3,466	$3,518	$ 2,876
	Number of Retirees	140	234	6,497	5,577	7,629	8,772	8,887	1,337	312	39,385
2009	Average Benefit Received	$ 618	$ 813	$ 722	$1,058	$1,350	$1,839	$2,355	$2,750	$3,041	$ 1,588
	Average Final Average Compensation	$2,529	$2,251	$2,417	$2,604	$2,705	$2,932	$3,197	$3,379	$3,497	$ 2,827
	Number of Retirees	144	242	6,413	5,488	7,478	8,431	8,457	1,281	319	38,253
2008	Average Benefit Received	$ 589	$ 837	$ 726	$1,044	$1,337	$1,809	$2,311	$2,722	$2,958	$ 1,559
	Average Final Average Compensation	$2,503	$2,194	$2,404	$2,558	$2,675	$2,883	$3,146	$3,312	$3,385	$ 2,783
	Number of Retirees	141	252	6,365	5,467	7,449	8,178	8,130	1,278	315	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

	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Ten Years Ended June 30, 2012										
Average Benefit Received	**$ 638**	**$ 866**	**$ 702**	**$ 1,018**	**$ 1,296**	**$ 1,780**	**$ 2,302**	**$ 2,726**	**$ 2,914**	**$ 1,537**
Average Final Average Compensation	**$ 1,960**	**$ 1,875**	**$ 2,049**	**$ 2,226**	**$ 2,388**	**$ 2,673**	**$ 2,984**	**$ 3,249**	**$ 3,321**	**$ 2,532**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Summary of 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
2012	Average Benefit Received	$ 410	$ 521	$ 752	$1,151	$1,437	$2,051	$2,653	$3,353	$3,356	$ 1,882
	Average Final Average Compensation	$2,318	$2,087	$2,566	$2,763	$2,877	$3,126	$3,511	$3,987	$3,743	$ 3,104
	Number of Retirees	98	138	4,578	3,760	5,256	7,859	9,063	1,286	264	32,302
2011	Average Benefit Received	$ 448	$ 523	$ 737	$1,119	$1,391	$1,984	$2,566	$3,244	$3,303	$ 1,811
	Average Final Average Compensation	$2,386	$2,026	$2,526	$2,708	$2,785	$3,035	$3,402	$3,827	$3,630	$ 3,011
	Number of Retirees	100	130	4,485	3,660	5,030	7,542	8,441	1,194	258	30,840
2010	Average Benefit Received	$ 541	$ 512	$ 720	$1,088	$1,354	$1,917	$2,492	$3,032	$3,162	$ 1,740
	Average Final Average Compensation	$2,382	$1,992	$2,498	$2,657	$2,706	$2,950	$3,300	$3,582	$3,510	$ 2,922
	Number of Retirees	103	129	4,338	3,574	4,836	7,130	7,819	1,091	242	29,262
2009	Average Benefit Received	$ 556	$ 510	$ 707	$1,061	$1,320	$1,861	$2,430	$2,939	$3,102	$ 1,686
	Average Final Average Compensation	$2,424	$2,082	$2,471	$2,635	$2,657	$2,893	$3,225	$3,489	$3,528	$ 2,867
	Number of Retirees	107	137	4,281	3,512	4,733	6,861	7,432	1,041	255	28,359
2008	Average Benefit Received	$ 537	$ 519	$ 699	$1,042	$1,297	$1,820	$2,384	$2,898	$3,078	$ 1,648
	Average Final Average Compensation	$2,455	$2,076	$2,448	$2,604	$2,634	$2,849	$3,170	$3,411	$3,399	$ 2,824
	Number of Retirees	99	140	4,237	3,507	4,731	6,654	7,138	1,049	249	27,804
2007	Average Benefit Received	$ 581	$ 477	$ 654	$ 970	$1,208	$1,702	$2,245	$2,757	$2,897	$ 1,520
	Average Final Average Compensation	$2,587	$2,230	$2,439	$2,586	$2,596	$2,793	$3,088	$3,346	$3,395	$ 2,768
	Number of Retirees	83	131	4,629	3,922	4,958	6,625	6,952	1,066	259	28,625
2006	Average Benefit Received	$ 563	$ 450	$ 620	$ 913	$1,138	$1,608	$2,124	$2,587	$2,756	$ 1,429
	Average Final Average Compensation	$2,648	$2,207	$2,456	$2,589	$2,573	$2,754	$3,025	$3,221	$3,343	$ 2,735
	Number of Retirees	80	125	4,484	3,832	4,818	6,277	6,572	1,015	250	27,453
2005	Average Benefit Received	$ 578	$ 443	$ 605	$ 887	$1,113	$1,532	$2,029	$2,441	$2,597	$ 1,364
	Average Final Average Compensation	$2,646	$2,210	$2,480	$2,583	$2,569	$2,742	$2,974	$3,110	$3,260	$ 2,715
	Number of Retirees	81	120	4,293	3,814	4,684	5,845	6,185	958	250	26,230
2004	Average Benefit Received	$ 554	$ 427	$ 592	$ 876	$1,100	$1,502	$1,982	$2,395	$2,607	$ 1,331
	Average Final Average Compensation	$2,733	$2,265	$2,514	$2,602	$2,585	$2,741	$2,940	$3,068	$3,266	$ 2,715
	Number of Retirees	89	124	4,180	3,842	4,629	5,619	5,870	936	251	25,540
2003	Average Benefit Received	$ 524	$ 419	$ 584	$ 863	$1,082	$1,467	$1,934	$2,335	$2,586	$ 1,294
	Average Final Average Compensation	$2,704	$2,307	$2,576	$2,654	$2,618	$2,732	$2,903	$3,017	$3,223	$ 2,724
	Number of Retirees	94	128	4,154	3,879	4,543	5,422	5,544	930	245	24,939

Ten Years Ended June 30, 2012	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ 527**	**$ 482**	**$ 668**	**$ 994**	**$ 1,248**	**$ 1,767**	**$ 2,320**	**$ 2,831**	**$ 2,948**	**$ 1,585**
Average Final Average Compensation	**$ 2,518**	**$ 2,146**	**$ 2,497**	**$ 2,638**	**$ 2,663**	**$ 2,876**	**$ 3,183**	**$ 3,436**	**$ 3,432**	**$ 2,848**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Regular State Employees (Hired before July 1, 2006)

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ 411	$ 529	$ 752	$1,151	$1,437	$2,051	$2,653	$3,353	$3,356	$ 1,883
	Average Final Average Compensation	$2,287	$2,068	$2,566	$2,763	$2,877	$3,126	$3,511	$3,987	$3,743	$ 3,105
	Number of Retirees	97	128	4,577	3,759	5,256	7,859	9,063	1,286	264	32,289
2011	Average Benefit Received	$ 450	$ 523	$ 737	$1,119	$1,391	$1,984	$2,566	$3,244	$3,303	$ 1,811
	Average Final Average Compensation	$2,356	$2,026	$2,525	$2,708	$2,785	$3,035	$3,402	$3,827	$3,630	$ 3,011
	Number of Retirees	99	130	4,484	3,659	5,030	7,542	8,441	1,194	258	30,837
2010	Average Benefit Received	$ 541	$ 512	$ 720	$1,088	$1,354	$1,917	$2,492	$3,032	$3,162	$ 1,740
	Average Final Average Compensation	$2,382	$1,992	$2,498	$2,657	$2,706	$2,950	$3,300	$3,582	$3,510	$ 2,922
	Number of Retirees	103	129	4,337	3,574	4,836	7,130	7,819	1,091	242	29,261
2009	Average Benefit Received	$ 556	$ 510	$ 707	$1,061	$1,320	$1,861	$2,430	$2,939	$3,102	$ 1,686
	Average Final Average Compensation	$2,424	$2,082	$2,471	$2,635	$2,657	$2,893	$3,225	$3,489	$3,528	$ 2,867
	Number of Retirees	107	137	4,281	3,512	4,733	6,861	7,432	1,041	255	28,359
2008	Average Benefit Received	$ 537	$ 519	$ 699	$1,042	$1,297	$1,820	$2,384	$2,898	$3,078	$ 1,648
	Average Final Average Compensation	$2,455	$2,076	$2,448	$2,604	$2,634	$2,849	$3,170	$3,411	$3,399	$ 2,824
	Number of Retirees	99	140	4,237	3,507	4,731	6,654	7,138	1,049	249	27,804
2007	Average Benefit Received	$ 581	$ 477	$ 654	$ 970	$1,208	$1,702	$2,245	$2,757	$2,897	$ 1,520
	Average Final Average Compensation	$2,587	$2,230	$2,439	$2,586	$2,596	$2,793	$3,088	$3,346	$3,395	$ 2,768
	Number of Retirees	83	131	4,629	3,922	4,958	6,625	6,952	1,066	259	28,625
2006	Average Benefit Received	$ 563	$ 450	$ 620	$ 913	$1,138	$1,608	$2,124	$2,587	$2,756	$ 1,429
	Average Final Average Compensation	$2,648	$2,207	$2,456	$2,589	$2,573	$2,754	$3,025	$3,221	$3,343	$ 2,735
	Number of Retirees	80	125	4,484	3,832	4,818	6,277	6,572	1,015	250	27,453
2005	Average Benefit Received	$ 578	$ 443	$ 605	$ 887	$1,113	$1,532	$2,029	$2,441	$2,597	$ 1,364
	Average Final Average Compensation	$2,646	$2,210	$2,480	$2,583	$2,569	$2,742	$2,974	$3,110	$3,260	$ 2,715
	Number of Retirees	81	120	4,293	3,814	4,684	5,845	6,185	958	250	26,230
2004	Average Benefit Received	$ 554	$ 427	$ 592	$ 876	$1,100	$1,502	$1,982	$2,395	$2,607	$ 1,331
	Average Final Average Compensation	$2,733	$2,265	$2,514	$2,602	$2,585	$2,741	$2,940	$3,068	$3,266	$ 2,715
	Number of Retirees	89	124	4,180	3,842	4,629	5,619	5,870	936	251	25,540
2003	Average Benefit Received	$ 524	$ 419	$ 584	$ 863	$1,082	$1,467	$1,934	$2,335	$2,586	$ 1,294
	Average Final Average Compensation	$2,704	$2,307	$2,576	$2,654	$2,618	$2,732	$2,903	$3,017	$3,223	$ 2,724
	Number of Retirees	94	128	4,154	3,879	4,543	5,422	5,544	930	245	24,939

Ten Years Ended June 30, 2012									
Average Benefit Received	**$ 527**	**$ 482**	**$ 668**	**$ 994**	**$ 1,248**	**$ 1,767**	**$ 2,320**	**$ 2,831**	**$ 2,948**	**$ 1,585**
Average Final Average Compensation	**$ 2,512**	**$ 2,144**	**$ 2,497**	**$ 2,638**	**$ 2,663**	**$ 2,876**	**$ 3,183**	**$ 3,436**	**$ 3,432**	**$ 2,848**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Regular State Employees 2 (Hired on or after July 1, 2006)

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ 295	$ 411	$ 876	$ 723	$ -	$ -	$ -	$ -	$ -	$ 462
	Average Final Average Compensation	$ 5,355	$ 2,327	$ 3,151	$ 1,409	$ -	$ -	$ -	$ -	$ -	$ 2,553
	Number of Retirees	1	10	1	1	0	0	0	0	0	13
2011	Average Benefit Received	$ 295	$ -	$ 876	$ 711	$ -	$ -	$ -	$ -	$ -	$ 627
	Average Final Average Compensation	$ 5,355	$ -	$ 3,151	$ 1,409	$ -	$ -	$ -	$ -	$ -	$ 3,305
	Number of Retirees	1	0	1	1	0	0	0	0	0	3
2010	Average Benefit Received	$ -	$ -	$ 876	$ -	$ -	$ -	$ -	$ -	$ -	$ 876
	Average Final Average Compensation	$ -	$ -	$ 3,151	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,151
	Number of Retirees	0	0	1	0	0	0	0	0	0	1
2003-2009	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									

Ten Years Ended June 30, 2012										
Average Benefit Received	**$ 295**	**$ 411**	**$ 876**	**$ 717**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 515**
Average Final Average Compensation	**$ 5,355**	**$ 2,327**	**$ 3,151**	**$ 1,409**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,721**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Summary of Corrections

Year		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
		Years of Service Credit									
2012	Average Benefit Received	$ 1,645	$ -	$ 966	$ 1,574	$ 1,622	$ 2,552	$ 3,495	$ 4,256	$ 4,542	$ 1,886
	Average Final Average Compensation	$ 3,474	$ -	$ 3,284	$ 3,942	$ 3,165	$ 4,205	$ 4,871	$ 5,586	$ 5,577	$ 3,529
	Number of Retirees	1	0	86	93	1,036	337	84	5	4	1,646
2011	Average Benefit Received	$ 1,645	$ -	$ 958	$ 1,552	$ 1,588	$ 2,436	$ 3,354	$ 4,096	$ 4,542	$ 1,825
	Average Final Average Compensation	$ 3,474	$ -	$ 3,267	$ 3,904	$ 3,090	$ 4,000	$ 4,605	$ 5,135	$ 5,577	$ 3,405
	Number of Retirees	1	0	66	83	1,001	296	76	4	4	1,531
2010	Average Benefit Received	$ 1,645	$ -	$ 874	$ 1,424	$ 1,526	$ 2,362	$ 3,290	$ 3,980	$ 4,542	$ 1,758
	Average Final Average Compensation	$ 3,474	$ -	$ 3,072	$ 3,662	$ 2,930	$ 3,824	$ 4,395	$ 4,656	$ 5,577	$ 3,208
	Number of Retirees	1	0	33	48	915	250	58	3	4	1,312
2009	Average Benefit Received	$ -	$ -	$ 850	$ 1,309	$ 1,494	$ 2,326	$ 3,201	$ 3,980	$ 4,542	$ 1,723
	Average Final Average Compensation	$ -	$ -	$ 2,996	$ 3,452	$ 2,843	$ 3,685	$ 4,294	$ 4,656	$ 5,577	$ 3,090
	Number of Retirees	0	0	15	32	879	212	55	3	4	1,200
2008	Average Benefit Received	$ -	$ -	$ 831	$ 1,246	$ 1,466	$ 2,314	$ 3,206	$ 3,980	$ 4,542	$ 1,700
	Average Final Average Compensation	$ -	$ -	$ 2,689	$ 3,304	$ 2,797	$ 3,600	$ 4,270	$ 4,656	$ 5,577	$ 3,023
	Number of Retirees	0	0	10	16	860	195	53	3	4	1,141
2007	Average Benefit Received	$ -	$ -	$ 672	$ 1,297	$ 1,425	$ 2,187	$ 3,081	$ 3,909	$ 4,429	$ 1,646
	Average Final Average Compensation	$ -	$ -	$ 2,237	$ 3,020	$ 2,732	$ 3,528	$ 4,211	$ 4,656	$ 5,451	$ 2,954
	Number of Retirees	0	0	5	14	841	186	52	3	5	1,106
2006	Average Benefit Received	$ -	$ -	$ 636	$ 1,244	$ 1,382	$ 2,134	$ 3,021	$ 3,399	$ 4,223	$ 1,597
	Average Final Average Compensation	$ -	$ -	$ 2,337	$ 2,729	$ 2,685	$ 3,438	$ 4,189	$ 4,455	$ 5,451	$ 2,895
	Number of Retirees	0	0	2	9	802	169	49	2	5	1,038
2005	Average Benefit Received	$ -	$ -	$ 635	$ 1,194	$ 1,341	$ 2,070	$ 2,925	$ 2,637	$ 4,222	$ 1,538
	Average Final Average Compensation	$ -	$ -	$ 2,337	$ 2,671	$ 2,638	$ 3,394	$ 4,073	$ 2,805	$ 5,451	$ 2,833
	Number of Retirees	0	0	2	9	766	153	43	1	5	979
2004	Average Benefit Received	$ -	$ -	$ 635	$ 1,118	$ 1,317	$ 2,063	$ 2,618	$ 2,637	$ 4,007	$ 1,490
	Average Final Average Compensation	$ -	$ -	$ 2,337	$ 2,517	$ 2,608	$ 3,395	$ 3,785	$ 2,805	$ 5,423	$ 2,783
	Number of Retirees	0	0	2	9	771	147	38	1	4	972
2003	Average Benefit Received	$ -	$ -	$ 622	$ 1,118	$ 1,300	$ 2,014	$ 2,568	$ 2,381	$ 4,007	$ 1,475
	Average Final Average Compensation	$ -	$ -	$ 2,305	$ 2,517	$ 2,568	$ 3,366	$ 3,793	$ 3,932	$ 5,423	$ 2,758
	Number of Retirees	0	0	3	9	700	140	37	2	4	895

	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Ten Years Ended June 30, 2012										
Average Benefit Received	**$ 1,645**	**$ -**	**$ 916**	**$ 1,446**	**$ 1,458**	**$ 2,295**	**$ 3,145**	**$ 3,779**	**$ 4,355**	**$ 1,689**
Average Final Average Compensation	**$ 3,474**	**$ -**	**$ 3,140**	**$ 3,621**	**$ 2,828**	**$ 3,725**	**$ 4,330**	**$ 4,694**	**$ 5,504**	**$ 3,097**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Corrections Employees Primary (Hired before January 1, 2002)

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ 1,645	$ -	$ 873	$ 1,510	$ 1,577	$ 2,244	$ 2,850	$ 3,640	$ 4,542	$ 1,708
	Average Final Average Compensation	$ 3,474	$ -	$ 3,078	$ 3,847	$ 3,060	$ 3,626	$ 3,922	$ 4,455	$ 5,577	$ 3,217
	Number of Retirees	1	0	44	50	948	191	47	2	4	1,287
2011	Average Benefit Received	$ 1,645	$ -	$ 868	$ 1,512	$ 1,551	$ 2,237	$ 2,845	$ 3,640	$ 4,542	$ 1,697
	Average Final Average Compensation	$ 3,474	$ -	$ 3,046	$ 3,787	$ 3,000	$ 3,596	$ 3,922	$ 4,455	$ 5,577	$ 3,166
	Number of Retirees	1	0	35	45	930	193	47	2	4	1,257
2010	Average Benefit Received	$ 1,645	$ -	$ 860	$ 1,401	$ 1,505	$ 2,212	$ 2,838	$ 3,640	$ 4,542	$ 1,671
	Average Final Average Compensation	$ 3,474	$ -	$ 2,935	$ 3,550	$ 2,877	$ 3,572	$ 3,902	$ 4,455	$ 5,577	$ 3,060
	Number of Retirees	1	0	20	30	873	190	44	2	4	1,164
2009	Average Benefit Received	$ -	$ -	$ 841	$ 1,359	$ 1,482	$ 2,213	$ 2,853	$ 3,640	$ 4,542	$ 1,657
	Average Final Average Compensation	$ -	$ -	$ 2,808	$ 3,431	$ 2,821	$ 3,539	$ 3,901	$ 4,455	$ 5,577	$ 3,002
	Number of Retirees	0	0	10	23	858	177	43	2	4	1,117
2008	Average Benefit Received	$ -	$ -	$ 846	$ 1,269	$ 1,462	$ 2,214	$ 2,878	$ 3,640	$ 4,542	$ 1,646
	Average Final Average Compensation	$ -	$ -	$ 2,628	$ 3,166	$ 2,789	$ 3,514	$ 3,947	$ 4,455	$ 5,577	$ 2,967
	Number of Retirees	0	0	8	12	854	176	43	2	4	1,099
2007	Average Benefit Received	$ -	$ -	$ 672	$ 1,326	$ 1,424	$ 2,143	$ 2,745	$ 3,534	$ 4,410	$ 1,603
	Average Final Average Compensation	$ -	$ -	$ 2,237	$ 3,007	$ 2,731	$ 3,477	$ 3,867	$ 4,455	$ 5,577	$ 2,911
	Number of Retirees	0	0	5	13	840	176	42	2	4	1,082
2006	Average Benefit Received	$ -	$ -	$ 636	$ 1,244	$ 1,381	$ 2,052	$ 2,715	$ 3,399	$ 4,211	$ 1,553
	Average Final Average Compensation	$ -	$ -	$ 2,337	$ 2,729	$ 2,684	$ 3,384	$ 3,861	$ 4,455	$ 5,577	$ 2,857
	Number of Retirees	0	0	2	9	801	162	41	2	4	1,021
2005	Average Benefit Received	$ -	$ -	$ 635	$ 1,194	$ 1,339	$ 2,014	$ 2,573	$ 2,637	$ 4,210	$ 1,501
	Average Final Average Compensation	$ -	$ -	$ 2,337	$ 2,671	$ 2,637	$ 3,347	$ 3,840	$ 2,805	$ 5,577	$ 2,805
	Number of Retirees	0	0	2	9	766	148	38	1	4	968
2004	Average Benefit Received	$ -	$ -	$ 635	$ 1,118	$ 1,315	$ 2,004	$ 2,551	$ 2,637	$ 3,920	$ 1,469
	Average Final Average Compensation	$ -	$ -	$ 2,337	$ 2,517	$ 2,607	$ 3,333	$ 3,782	$ 2,805	$ 5,582	$ 2,766
	Number of Retirees	0	0	2	9	771	143	36	1	3	965
2003	Average Benefit Received	$ -	$ -	$ 622	$ 1,118	$ 1,300	$ 1,994	$ 2,487	$ 2,637	$ 3,920	$ 1,461
	Average Final Average Compensation	$ -	$ -	$ 2,305	$ 2,517	$ 2,568	$ 3,347	$ 3,703	$ 2,805	$ 5,582	$ 2,743
	Number of Retirees		0	3	9	700	139	35	1	3	890

	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Ten Years Ended June 30, 2012										
Average Benefit Received	**$ 1,645**	**$ -**	**$ 841**	**$ 1,394**	**$ 1,441**	**$ 2,144**	**$ 2,746**	**$ 3,422**	**$ 4,360**	**$ 1,606**
Average Final Average Compensation	**$ 3,474**	**$ -**	**$ 2,916**	**$ 3,441**	**$ 2,791**	**$ 3,485**	**$ 3,871**	**$ 4,164**	**$ 5,578**	**$ 2,967**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Corrections Employees Secondary (Hired on or after January 1, 2002)

Year		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
		Years of Service Credit									
2012	Average Benefit Received	$ -	$ -	$ 1,062	$ 1,648	$ 2,106	$ 2,954	$ 4,338	$ 4,667	$ -	$ 2,525
	Average Final Average Compensation	$ -	$ -	$ 3,495	$ 4,050	$ 4,282	$ 4,962	$ 6,111	$ 6,340	$ -	$ 4,644
	Number of Retirees	0	0	42	43	88	146	37	3	0	359
2011	Average Benefit Received	$ -	$ -	$ 1,059	$ 1,598	$ 2,068	$ 2,806	$ 4,207	$ 4,553	$ -	$ 2,411
	Average Final Average Compensation	$ -	$ -	$ 3,517	$ 4,040	$ 4,264	$ 4,752	$ 5,752	$ 5,815	$ -	$ 4,501
	Number of Retirees	0	0	31	38	71	103	29	2	0	274
2010	Average Benefit Received	$ -	$ -	$ 896	$ 1,461	$ 1,950	$ 2,839	$ 4,711	$ 4,661	$ -	$ 2,438
	Average Final Average Compensation	$ -	$ -	$ 3,282	$ 3,844	$ 4,010	$ 4,625	$ 5,945	$ 5,058	$ -	$ 4,365
	Number of Retirees	0	0	13	18	42	60	14	1	0	148
2009	Average Benefit Received	$ -	$ -	$ 866	$ 1,187	$ 1,981	$ 2,897	$ 4,447	$ 4,661	$ -	$ 2,603
	Average Final Average Compensation	$ -	$ -	$ 3,371	$ 3,502	$ 3,866	$ 4,447	$ 5,594	$ 5,058	$ -	$ 4,306
	Number of Retirees	0	0	5	9	21	35	12	1	0	83
2008	Average Benefit Received	$ -	$ -	$ 768	$ 1,180	$ 1,998	$ 3,283	$ 4,614	$ 4,661	$ -	$ 3,129
	Average Final Average Compensation	$ -	$ -	$ 2,932	$ 3,683	$ 3,889	$ 4,426	$ 5,658	$ 5,058	$ -	$ 4,516
	Number of Retirees	0	0	2	4	6	19	10	1	0	42
2007	Average Benefit Received	$ -	$ -	$ -	$ 946	$ 2,153	$ 2,953	$ 4,492	$ 4,661	$ 4,504	$ 3,613
	Average Final Average Compensation	$ -	$ -	$ -	$ 3,172	$ 3,348	$ 4,415	$ 5,658	$ 5,058	$ 4,945	$ 4,886
	Number of Retirees	0	0	0	1	1	10	10	1	1	24
2006	Average Benefit Received	$ -	$ -	$ -	$ -	$ 2,153	$ 4,011	$ 4,590	$ -	$ 4,271	$ 4,189
	Average Final Average Compensation	$ -	$ -	$ -	$ -	$ 3,348	$ 4,654	$ 5,872	$ -	$ 4,945	$ 5,167
	Number of Retirees	0	0	0	0	1	7	8	0	1	17
2005	Average Benefit Received	$ -	$ -	$ -	$ -	$ -	$ 3,418	$ 5,464	$ -	$ 4,270	$ 4,425
	Average Final Average Compensation	$ -	$ -	$ -	$ -	$ -	$ 4,739	$ 6,182	$ -	$ 4,945	$ 5,414
	Number of Retirees	0	0	0	0	0	5	5	0	1	11
2004	Average Benefit Received	$ -	$ -	$ -	$ -	$ -	$ 3,917	$ 4,244	$ -	$ 4,270	$ 4,061
	Average Final Average Compensation	$ -	$ -	$ -	$ -	$ -	$ 5,344	$ 5,369	$ -	$ 4,945	$ 5,294
	Number of Retirees	0	0	0	-	0	4	2	0	1	7
2003	Average Monthly Benefit	$ -	$ -	$ -	$ -	$ -	$ 4,775	$ 4,001	$ 2,124	$ 4,270	$ 3,834
	Average Final Average Salary	$ -	$ -	$ -	$ -	$ -	$ 6,089	$ 5,369	$ 5,058	$ 4,945	$ 5,366
	Number of Retirees	0	0	0	0	0	1	2	1	1	5

Ten Years Ended June 30, 2012										
Average Benefit Received	**$ -**	**$ -**	**$ 1,021**	**$ 1,542**	**$ 2,052**	**$ 2,948**	**$ 4,445**	**$ 4,388**	**$ 4,317**	**$ 2,608**
Average Final Average Compensation	**$ -**	**$ -**	**$ 3,454**	**$ 3,949**	**$ 4,170**	**$ 4,767**	**$ 5,859**	**$ 5,594**	**$ 4,945**	**$ 4,559**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Peace Officers (Hired before January 1, 2011)

Year		Years of Service Credit: <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ -	$ -	$ 1,435	$ 1,952	$ 2,338	$ 3,219	$ 3,658	$ -	$ -	$ 2,776
	Average Final Average Compensation	$ -	$ -	$ 4,078	$ 3,749	$ 4,252	$ 4,158	$ 4,056	$ -	$ -	$ 4,085
	Number of Retirees	0	0	8	2	4	6	13	0	0	33
2011	Average Benefit Received	$ -	$ -	$ 1,429	$ 1,952	$ 2,286	$ 3,214	$ 3,624	$ -	$ -	$ 2,788
	Average Final Average Compensation	$ -	$ -	$ 3,951	$ 3,749	$ 4,202	$ 3,953	$ 4,100	$ -	$ -	$ 4,025
	Number of Retirees	0	0	6	2	3	5	11	0	0	27
2010	Average Benefit Received	$ -	$ -	$ 1,409	$ 1,886	$ 1,727	$ 2,631	$ 3,540	$ -	$ -	$ 2,503
	Average Final Average Compensation	$ -	$ -	$ 3,977	$ 3,582	$ 3,986	$ 3,690	$ 4,178	$ -	$ -	$ 3,986
	Number of Retirees	0	0	5	1	2	3	7	0	0	18
2009	Average Benefit Received	$ -	$ -	$ 1,343	$ 1,886	$ 1,727	$ 1,608	$ 3,485	$ -	$ -	$ 2,188
	Average Final Average Compensation	$ -	$ -	$ 3,853	$ 3,582	$ 3,986	$ 3,114	$ 3,996	$ -	$ -	$ 3,839
	Number of Retirees	0	0	4	1	2	1	4	0	0	12
2008	Average Benefit Received	$ -	$ -	$ 1,359	$ 1,886	$ 2,102	$ 1,608	$ 3,115	$ -	$ -	$ 1,827
	Average Final Average Compensation	$ -	$ -	$ 3,959	$ 3,582	$ 4,528	$ 3,114	$ 3,987	$ -	$ -	$ 3,870
	Number of Retirees	0	0	3	1	1	1	1	0	0	7
2007	Average Benefit Received	$ -	$ -	$ -	$ 1,831	$ 2,041	$ -	$ 3,024	$ -	$ -	$ 2,299
	Average Final Average Compensation	$ -	$ -	$ -	$ 3,582	$ 4,528	$ -	$ 3,987	$ -	$ -	$ 4,032
	Number of Retirees	0	0	0	1	1	0	1	0	0	3
2003-2006	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									

Ten Years Ended June 30, 2012	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ -**	**$ -**	**$ 1,406**	**$ 1,912**	**$ 2,097**	**$ 2,906**	**$ 3,575**	**$ -**	**$ -**	**$ 2,579**
Average Final Average Compensation	**$ -**	**$ -**	**$ 3,981**	**$ 3,666**	**$ 4,201**	**$ 3,876**	**$ 4,082**	**$ -**	**$ -**	**$ 4,005**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Alcohol and Tobacco Control (Hired after June 30, 2007)

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ -	$ -	$ 1,604	$ -	$ -	$ 2,976	$ -	$ 3,970	$ -	$ 2,882
	Average Final Average Compensation	$ -	$ -	$ 4,754	$ -	$ -	$ 4,425	$ -	$ 4,889	$ -	$ 4,623
	Number of Retirees	0	0	1	0	0	2	0	1	0	4
2003-2011	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									

Ten Years Ended June 30, 2012										
Average Benefit Received	**$ -**	**$ -**	**$ 1,604**	**$ -**	**$ -**	**$ 2,976**	**$ -**	**$ 3,970**	**$ -**	**$ 2,882**
Average Final Average Compensation	**$ -**	**$ -**	**$ 4,754**	**$ -**	**$ -**	**$ 4,425**	**$ -**	**$ 4,889**	**$ -**	**$ 4,623**

Appellate Law Clerks (Hired before July 1, 2006)

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ -	$ -	$ 2,032	$ 2,464	$ 3,944	$ 4,446	$ 4,906	$ 5,406	$ -	$ 3,387
	Average Final Average Compensation	$ -	$ -	$ 5,930	$ 5,837	$ 7,038	$ 7,255	$ 6,833	$ 7,277	$ -	$ 6,484
	Number of Retirees	0	0	2	5	3	2	1	1	0	14
2011	Average Benefit Received	$ -	$ -	$ -	$ 2,310	$ 4,039	$ 3,150	$ 4,906	$ -	$ -	$ 3,172
	Average Final Average Compensation	$ -	$ -	$ -	$ 5,794	$ 6,838	$ 6,878	$ 6,833	$ -	$ -	$ 6,320
	Number of Retirees	0	0	0	4	2	1	1	0	0	8
2010	Average Benefit Received	$ -	$ -	$ -	$ 2,442	$ 4,030	$ 4,906	$ -	$ -	$ -	$ 3,382
	Average Final Average Compensation	$ -	$ -	$ -	$ 5,876	$ 6,838	$ 6,833	$ -	$ -	$ -	$ 6,356
	Number of Retirees	0	0	0	3	2	1	0	0	0	6
2003-2009	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									

Ten Years Ended June 30, 2012										
Average Benefit Received	**$ -**	**$ -**	**$ 2,032**	**$ 2,407**	**$ 3,996**	**$ 4,237**	**$ 4,906**	**$ 5,406**	**$ -**	**$ 3,325**
Average Final Average Compensation	**$ -**	**$ -**	**$ 5,930**	**$ 5,832**	**$ 6,924**	**$ 7,055**	**$ 6,833**	**$ 7,277**	**$ -**	**$ 6,410**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Summary of Wildlife

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ -	$ -	$ -	$1,597	$2,056	$3,037	$4,751	$2,171	$2,434	$ 2,761
	Average Final Average Compensation	$ -	$ -	$ -	$2,885	$3,230	$3,792	$4,998	$3,061	$4,024	$ 3,656
	Number of Retirees	0	0	0	7	73	77	20	2	1	180
2011	Average Benefit Received	$ -	$ -	$ -	$1,547	$1,974	$3,026	$4,680	$2,171	$2,434	$ 2,709
	Average Final Average Compensation	$ -	$ -	$ -	$2,781	$3,151	$3,786	$4,927	$3,061	$4,024	$ 3,606
	Number of Retirees	0	0	0	8	70	78	19	2	1	178
2010	Average Benefit Received	$ -	$ -	$ -	$1,547	$1,917	$2,957	$4,172	$2,171	$2,434	$ 2,595
	Average Final Average Compensation	$ -	$ -	$ -	$2,781	$3,119	$3,717	$4,542	$3,061	$4,024	$ 3,518
	Number of Retirees	0	0	0	8	71	76	19	2	1	177
2009	Average Benefit Received	$ -	$ -	$ -	$1,354	$1,910	$2,879	$4,032	$2,171	$2,434	$ 2,543
	Average Final Average Compensation	$ -	$ -	$ -	$2,454	$3,089	$3,585	$4,363	$3,061	$4,024	$ 3,421
	Number of Retirees	0	0	0	7	70	75	19	2	1	174
2008	Average Benefit Received	$ -	$ -	$ -	$1,338	$1,858	$2,731	$4,073	$2,171	$2,434	$ 2,463
	Average Final Average Compensation	$ -	$ -	$ -	$2,455	$3,115	$3,423	$4,376	$3,061	$4,024	$ 3,364
	Number of Retirees	0	0	0	8	70	74	20	2	1	175
2007	Average Benefit Received	$ -	$ 799	$1,239	$1,369	$1,767	$2,598	$3,855	$2,108	$ -	$ 2,265
	Average Final Average Compensation	$ -	$1,520	$1,786	$2,657	$3,040	$3,352	$4,270	$3,061	$ -	$ 3,231
	Number of Retirees	0	1	3	16	74	73	20	2	0	189
2006	Average Benefit Received	$ -	$ 758	$1,175	$1,298	$1,720	$2,632	$3,751	$2,044	$ -	$ 2,239
	Average Final Average Compensation	$ -	$1,520	$1,786	$2,657	$2,991	$3,282	$4,153	$3,061	$ -	$ 3,171
	Number of Retirees	0	1	3	16	74	72	20	2	0	188
2005	Average Benefit Received	$ -	$ 757	$1,174	$1,297	$1,586	$2,106	$3,308	$2,043	$ -	$ 1,880
	Average Final Average Compensation	$ -	$1,520	$1,786	$2,657	$2,892	$3,135	$3,923	$3,061	$ -	$ 3,015
	Number of Retirees	0	1	3	16	70	63	13	2	0	168
2004	Average Benefit Received	$ -	$ 757	$1,150	$1,237	$1,552	$2,049	$2,350	$2,043	$ -	$ 1,757
	Average Final Average Compensation	$ -	$1,520	$1,734	$2,569	$1,945	$3,125	$3,246	$3,061	$ -	$ 2,540
	Number of Retirees	0	1	2	15	71	62	10	2	0	163
2003	Average Benefit Received	$ -	$ 757	$1,093	$1,219	$1,538	$1,986	$1,908	$2,043	$ -	$ 1,692
	Average Final Average Compensation	$ -	$1,520	$1,507	$2,590	$2,975	$3,165	$2,826	$3,061	$ -	$ 2,971
	Number of Retirees	0	1	3	14	72	61	8	2	0	161
Ten Years Ended June 30, 2012											
	Average Benefit Received	**$ -**	**$ 766**	**$ 1,167**	**$ 1,349**	**$ 1,788**	**$ 2,634**	**$ 3,900**	**$ 2,114**	**$ 2,434**	**$ 2,302**
	Average Final Average Compensation	**$ -**	**$ 1,520**	**$ 1,719**	**$ 2,642**	**$ 2,955**	**$ 3,456**	**$ 4,314**	**$ 3,061**	**$ 4,024**	**$ 3,258**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Wildlife Agents (Hired before July 1, 2003)

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ -	$ -	$ -	$ 1,181	$ 1,724	$ 2,251	$ 3,302	$ 2,171	$ 2,434	$ 2,028
	Average Final Average Compensation	$ -	$ -	$ -	$ 2,228	$ 2,727	$ 2,969	$ 4,408	$ 3,061	$ 4,024	$ 2,921
	Number of Retirees	0	0	0	5	56	52	7	2	1	123
2011	Average Benefit Received	$ -	$ -	$ -	$ 1,183	$ 1,707	$ 2,264	$ 3,302	$ 2,171	$ 2,434	$ 2,016
	Average Final Average Compensation	$ -	$ -	$ -	$ 2,200	$ 2,811	$ 2,990	$ 4,408	$ 3,061	$ 4,024	$ 2,958
	Number of Retirees	0	0	0	6	58	53	7	2	1	127
2010	Average Benefit Received	$ -	$ -	$ -	$ 1,183	$ 1,692	$ 2,264	$ 3,058	$ 2,171	$ 2,434	$ 2,007
	Average Final Average Compensation	$ -	$ -	$ -	$ 2,200	$ 2,847	$ 2,990	$ 4,005	$ 3,061	$ 4,024	$ 2,967
	Number of Retirees	0	0	0	6	60	53	9	2	1	131
2009	Average Benefit Received	$ -	$ -	$ -	$ 1,183	$ 1,692	$ 2,270	$ 2,886	$ 2,171	$ 2,434	$ 2,002
	Average Final Average Compensation	$ -	$ -	$ -	$ 2,200	$ 2,847	$ 2,986	$ 3,685	$ 3,061	$ 4,024	$ 2,944
	Number of Retirees	0	0	0	6	60	55	9	2	1	133
2008	Average Benefit Received	$ -	$ -	$ -	$ 1,189	$ 1,672	$ 2,255	$ 2,886	$ 2,171	$ 2,434	$ 1,980
	Average Final Average Compensation	$ -	$ -	$ -	$ 2,237	$ 2,919	$ 2,936	$ 3,685	$ 3,061	$ 4,024	$ 2,951
	Number of Retirees	0	0	0	7	62	57	9	2	1	138
2007	Average Benefit Received	$ -	$ 799	$ 1,239	$ 1,306	$ 1,634	$ 2,158	$ 2,775	$ 2,108	$ -	$ 1,864
	Average Final Average Compensation	$ -	$ 1,520	$ 1,786	$ 2,569	$ 2,896	$ 2,885	$ 3,619	$ 3,061	$ -	$ 2,879
	Number of Retirees	0	1	3	15	67	58	10	2	0	156
2006	Average Benefit Received	$ -	$ 758	$ 1,175	$ 1,238	$ 1,565	$ 2,049	$ 2,511	$ 2,044	$ -	$ 1,771
	Average Final Average Compensation	$ -	$ 1,520	$ 1,786	$ 2,569	$ 2,868	$ 2,885	$ 3,503	$ 3,061	$ -	$ 2,863
	Number of Retirees	0	1	3	15	68	58	11	2	0	158
2005	Average Benefit Received	$ -	$ 757	$ 1,174	$ 1,237	$ 1,549	$ 2,020	$ 2,409	$ 2,043	$ -	$ 1,741
	Average Final Average Compensation	$ -	$ 1,520	$ 1,786	$ 2,569	$ 2,856	$ 3,048	$ 3,251	$ 3,061	$ -	$ 2,898
	Number of Retirees	0	1	3	15	68	60	9	2	0	158
2004	Average Benefit Received	$ -	$ 757	$ 1,150	$ 1,237	$ 1,539	$ 2,013	$ 2,118	$ 2,043	$ -	$ 1,721
	Average Final Average Compensation	$ -	$ 1,520	$ 1,734	$ 2,569	$ 2,932	$ 3,089	$ 3,114	$ 3,061	$ -	$ 2,946
	Number of Retirees	0	1	2	15	70	61	9	2	0	160
2003	Average Benefit Received	$ -	$ 757	$ 1,093	$ 1,219	$ 1,538	$ 1,986	$ 1,908	$ 2,043	$ -	$ 1,692
	Average Final Average Compensation	$ -	$ 1,520	$ 1,507	$ 2,590	$ 2,975	$ 3,165	$ 2,826	$ 3,061	$ -	$ 2,971
	Number of Retirees	0	1	3	14	72	61	8	2	0	161
	Ten Years Ended June 30, 2012										
	Average Benefit Received	**$ -**	**$ 766**	**$ 1,167**	**$ 1,229**	**$ 1,626**	**$ 2,147**	**$ 2,694**	**$ 2,114**	**$ 2,434**	**$ 1,869**
	Average Final Average Compensation	**$ -**	**$ 1,520**	**$ 1,719**	**$ 2,469**	**$ 2,872**	**$ 2,996**	**$ 3,622**	**$ 3,061**	**$ 4,024**	**$ 2,928**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Wildlife Agents (Hired on or after July 1, 2003)

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ -	$ -	$ -	$ 2,638	$ 3,152	$ 4,642	$ 5,531	$ -	$ -	$ 4,330
	Average Final Average Compensation	$ -	$ -	$ -	$ 4,526	$ 4,887	$ 5,472	$ 5,316	$ -	$ -	$ 5,229
	Number of Retirees	0	0	0	2	17	25	13	0	0	57
2011	Average Benefit Received	$ -	$ -	$ -	$ 2,638	$ 3,264	$ 4,642	$ 5,484	$ -	$ -	$ 4,437
	Average Final Average Compensation	$ -	$ -	$ -	$ 4,526	$ 4,790	$ 5,472	$ 5,229	$ -	$ -	$ 5,217
	Number of Retirees	0	0	0	2	12	25	12	0	0	51
2010	Average Benefit Received	$ -	$ -	$ -	$ 2,638	$ 3,141	$ 4,554	$ 5,063	$ -	$ -	$ 4,243
	Average Final Average Compensation	$ -	$ -	$ -	$ 4,526	$ 4,602	$ 5,391	$ 4,973	$ -	$ -	$ 5,074
	Number of Retirees	0	0	0	2	11	23	10	0	0	46
2009	Average Benefit Received	$ -	$ -	$ -	$ 2,382	$ 3,215	$ 4,525	$ 5,063	$ -	$ -	$ 4,284
	Average Final Average Compensation	$ -	$ -	$ -	$ 3,978	$ 4,540	$ 5,201	$ 4,973	$ -	$ -	$ 4,954
	Number of Retirees	0	0	0	1	10	20	10	0	0	41
2008	Average Benefit Received	$ -	$ -	$ -	$ 2,382	$ 3,295	$ 4,328	$ 5,044	$ -	$ -	$ 4,265
	Average Final Average Compensation	$ -	$ -	$ -	$ 3,978	$ 4,632	$ 5,055	$ 4,941	$ -	$ -	$ 4,901
	Number of Retirees	0	0	0	1	8	17	11	0	0	37
2007	Average Benefit Received	$ -	$ -	$ -	$ 2,313	$ 3,039	$ 4,271	$ 4,936	$ -	$ -	$ 4,152
	Average Final Average Compensation	$ -	$ -	$ -	$ 3,978	$ 4,415	$ 5,127	$ 4,921	$ -	$ -	$ 4,879
	Number of Retirees	0	0	0	1	7	15	10	0	0	33
2006	Average Benefit Received	$ -	$ -	$ -	$ 2,193	$ 3,477	$ 5,006	$ 5,267	$ -	$ -	$ 4,685
	Average Final Average Compensation	$ -	$ -	$ -	$ 3,978	$ 4,388	$ 4,899	$ 4,948	$ -	$ -	$ 4,781
	Number of Retirees	0	0	0	1	6	14	9	0	0	30
2005	Average Monthly Benefit	$ -	$ -	$ -	$ 2,192	$ 2,649	$ 3,805	$ 5,331	$ -	$ -	$ 4,023
	Average Final Average Compensation	$ -	$ -	$ -	$ 3,978	$ 4,022	$ 4,831	$ 5,433	$ -	$ -	$ 4,825
	Number of Retirees	0	0	0	1	2	3	4	0	0	10
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
2003	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									
	Ten Years Ended June 30, 2012										
	Average Benefit Received	**$ -**	**$ -**	**$ -**	**$ 2,481**	**$ 3,186**	**$ 4,550**	**$ 5,212**	**$ -**	**$ -**	**$ 3,586**
	Average Final Average Compensation	**$ -**	**$ -**	**$ -**	**$ 3,934**	**$ 4,385**	**$ 5,119**	**$ 5,108**	**$ -**	**$ -**	**$ 4,163**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Judges (Elected before January 1, 2011)

Year		Years of Service Credit: <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ -	$2,100	$3,745	$5,113	$6,039	$7,642	$7,754	$7,832	$10,220	$ 6,174
	Average Final Average Compensation	$ -	$6,522	$7,622	$7,299	$7,235	$6,736	$5,524	$5,936	$ 3,837	$ 6,866
	Number of Retirees	0	4	24	57	50	51	31	6	2	225
2011	Average Benefit Received	$ -	$2,100	$3,745	$5,090	$6,039	$7,614	$7,595	$7,361	$ 9,449	$ 6,136
	Average Final Average Compensation	$ -	$6,522	$7,622	$7,485	$7,235	$6,685	$5,844	$6,854	$ 4,880	$ 6,972
	Number of Retirees	0	4	24	53	50	51	29	5	3	219
2010	Average Benefit Received	$ -	$2,100	$3,695	$5,106	$6,058	$7,489	$7,370	$7,361	$ 9,449	$ 6,011
	Average Final Average Compensation	$ -	$6,522	$7,490	$7,469	$7,202	$7,188	$6,128	$6,954	$ 4,880	$ 7,118
	Number of Retirees	0	4	27	54	52	48	27	5	3	220
2009	Average Benefit Received	$ -	$2,100	$3,623	$5,105	$6,029	$7,494	$7,365	$7,361	$ 9,568	$ 6,023
	Average Final Average Compensation	$ -	$6,522	$7,371	$7,459	$7,179	$7,193	$6,128	$6,954	$ 5,758	$ 7,106
	Number of Retirees	0	4	27	55	54	50	27	5	4	226
2008	Average Benefit Received	$ -	$2,100	$3,455	$5,067	$5,897	$7,221	$7,106	$7,241	$ 8,527	$ 5,892
	Average Final Average Compensation	$ -	$6,522	$6,834	$6,929	$6,853	$6,656	$6,235	$6,685	$ 7,325	$ 6,746
	Number of Retirees	0	4	21	44	50	46	23	4	3	195
2007	Average Benefit Received	$2,042	$2,370	$3,422	$4,873	$5,685	$6,935	$6,780	$6,979	$ 8,308	$ 5,687
	Average Final Average Compensation	$3,196	$6,504	$6,648	$6,790	$6,730	$6,564	$5,993	$6,522	$ 7,325	$ 6,584
	Number of Retirees	1	5	19	44	46	47	24	5	3	194
2006	Average Benefit Received	$1,936	$2,247	$3,290	$4,632	$5,292	$6,661	$6,359	$6,635	$ 7,934	$ 5,382
	Average Final Average Compensation	$3,196	$6,504	$6,679	$6,780	$6,515	$6,593	$5,794	$6,522	$ 7,325	$ 6,512
	Number of Retirees	1	5	20	43	44	46	25	5	3	192
2005	Average Benefit Received	$1,935	$2,246	$3,186	$4,545	$5,071	$6,454	$6,241	$6,379	$ 7,934	$ 5,241
	Average Final Average Compensation	$3,196	$6,504	$6,609	$6,795	$6,591	$6,659	$5,686	$5,575	$ 7,325	$ 6,491
	Number of Retirees	1	5	21	43	44	47	28	5	3	197
2004	Average Benefit Received	$ 908	$1,932	$3,384	$4,606	$5,280	$6,658	$6,568	$6,634	$ 7,934	$ 5,453
	Average Final Average Compensation	$5,014	$6,522	$6,499	$6,681	$6,499	$6,552	$5,651	$6,522	$ 7,325	$ 6,425
	Number of Retirees	1	4	20	41	43	46	30	5	3	193
2003	Average Benefit Received	$ 908	$1,932	$3,304	$4,569	$5,191	$6,614	$6,517	$7,229	$ 7,348	$ 5,431
	Average Final Average Compensation	$5,014	$6,522	$6,327	$6,612	$6,420	$6,501	$5,537	$5,575	$ 5,846	$ 6,294
	Number of Retirees	1	4	21	42	45	49	31	6	4	203
	Ten Years Ended June 30, 2012										
	Average Benefit Received	**$ 1,546**	**$ 2,134**	**$ 3,503**	**$ 4,896**	**$ 5,685**	**$ 7,090**	**$ 6,972**	**$ 7,115**	**$ 8,604**	**$ 5,760**
	Average Final Average Compensation	**$ 3,923**	**$ 6,516**	**$ 7,019**	**$ 7,070**	**$ 6,868**	**$ 6,736**	**$ 5,833**	**$ 6,379**	**$ 6,234**	**$ 6,726**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Legislators (Hired before January 1, 2011)

Year		Years of Service Credit <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ -	$ -	$1,140	$1,598	$2,764	$3,473	$2,634	$3,623	$ -	$ 2,292
	Average Final Average Compensation	$ -	$ -	$2,947	$2,996	$4,194	$4,128	$3,295	$5,248	$ -	$ 3,588
	Number of Retirees	0	0	13	26	26	13	8	2	0	88
2011	Average Benefit Received	$ -	$ -	$1,140	$1,549	$2,729	$3,414	$2,634	$3,517	$ -	$ 2,286
	Average Final Average Compensation	$ -	$ -	$2,947	$3,233	$4,177	$4,060	$3,295	$4,804	$ -	$ 3,650
	Number of Retirees	0	0	13	25	25	14	8	3	0	88
2010	Average Benefit Received	$ -	$ -	$1,134	$1,547	$2,728	$3,297	$2,634	$3,517	$ -	$ 2,257
	Average Final Average Compensation	$ -	$ -	$2,883	$3,326	$4,177	$3,984	$3,295	$4,804	$ -	$ 3,646
	Number of Retirees	0	0	14	26	25	15	8	3	0	91
2009	Average Benefit Received	$ -	$ -	$1,158	$1,646	$2,512	$3,297	$2,630	$3,152	$ -	$ 2,207
	Average Final Average Compensation	$ -	$ -	$2,892	$3,421	$4,061	$3,984	$3,198	$3,624	$ -	$ 3,589
	Number of Retirees	0	0	13	28	24	15	9	2	0	91
2008	Average Benefit Received	$ -	$ -	$1,250	$1,671	$2,458	$3,297	$3,218	$3,152	$ -	$ 2,311
	Average Final Average Compensation	$ -	$ -	$3,063	$3,415	$3,975	$3,984	$2,912	$3,624	$ -	$ 3,565
	Number of Retirees	0	0	11	29	26	15	11	2	0	94
2007	Average Benefit Received	$ -	$ 197	$1,322	$1,549	$2,436	$3,144	$3,074	$3,209	$5,140	$ 2,238
	Average Final Average Compensation	$ -	$8,374	$3,139	$3,207	$4,106	$3,745	$2,836	$3,917	$4,466	$ 3,543
	Number of Retirees	0	1	7	24	19	9	11	1	1	73
2006	Average Benefit Received	$ -	$ 193	$1,494	$1,453	$1,847	$2,981	$2,766	$3,043	$4,874	$ 1,967
	Average Final Average Compensation	$ -	$8,374	$3,057	$3,114	$3,463	$3,745	$2,233	$3,917	$4,466	$ 3,275
	Number of Retirees	0	1	7	25	20	9	9	1	1	73
2005	Average Benefit Received	$ -	$ 192	$1,183	$1,430	$1,799	$2,980	$2,645	$3,042	$4,873	$ 1,907
	Average Final Average Compensation	$ -	$8,374	$3,057	$3,246	$3,241	$3,745	$2,239	$3,917	$4,466	$ 3,260
	Number of Retirees	0	1	7	24	20	9	9	1	1	72
2004	Average Benefit Received	$ -	$ 192	$1,183	$1,430	$1,771	$2,980	$2,797	$3,042	$4,873	$ 1,935
	Average Final Average Compensation	$ -	$8,374	$3,137	$3,246	$3,564	$3,745	$2,866	$3,917	$4,466	$ 3,426
	Number of Retirees	0	1	7	24	23	9	11	1	1	77
2003	Average Benefit Received	$ -	$ 192	$1,173	$1,407	$1,722	$2,980	$2,385	$3,042	$4,873	$ 1,837
	Average Final Average Compensation	$ -	$8,374	$3,057	$3,166	$3,318	$3,745	$2,566	$3,917	$4,466	$ 3,297
	Number of Retirees	0	1	7	24	25	9	9	1	1	77
	Ten Years Ended June 30, 2012										
	Average Benefit Received	**$ -**	**$ 193**	**$ 1,200**	**$ 1,533**	**$ 2,298**	**$ 3,221**	**$ 2,764**	**$ 3,314**	**$ 4,927**	**$ 2,137**
	Average Final Average Compensation	**$ -**	**$ 8,374**	**$ 2,994**	**$ 3,242**	**$ 3,844**	**$ 3,917**	**$ 2,860**	**$ 4,318**	**$ 4,466**	**$ 3,496**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Bridge Police Employees (Hired before July 1, 2006)

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,886	$ -	$ -	$ 3,886
	Average Final Average Compensation	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,627	$ -	$ -	$ 6,627
	Number of Retirees	0	0	0	0	0	0	1	0	0	1
2011	Average Benefit Received	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,886	$ -	$ -	$ 3,886
	Average Final Average Compensation	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,627	$ -	$ -	$ 6,627
	Number of Retirees	0	0	0	0	0	0	1	0	0	1
2003-2010	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									
	Ten Years Ended June 30, 2012										
	Average Benefit Received	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,886**	**$ -**	**$ -**	**$ 3,886**
	Average Final Average Compensation	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,627**	**$ -**	**$ -**	**$ 6,627**

Hazardous Duty (Hired after January 1, 2011)

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ -	$ -	$ 1,137	$ 1,791	$ 2,375	$ 4,016	$ -	$ -	$ -	$ 2,155
	Average Final Average Compensation	$ -	$ -	$ 3,552	$ 4,202	$ 4,384	$ 4,802	$ -	$ -	$ -	$ 4,244
	Number of Retirees	0	0	3	4	12	1	0	0	0	20
2011	Average Benefit Received	$ -	$ -	$ 1,434	$ 1,561	$ 2,010	$ -	$ -	$ -	$ -	$ 1,805
	Average Final Average Compensation	$ -	$ -	$ 4,499	$ 3,471	$ 4,082	$ -	$ -	$ -	$ -	$ 4,043
	Number of Retirees	0	0	1	1	3	0	0	0	0	5
2003-2010	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									
	Ten Years Ended June 30, 2012										
	Average Benefit Received	**$ -**	**$ -**	**$ 1,211**	**$ 1,745**	**$ 2,302**	**$ 4,016**	**$ -**	**$ -**	**$ -**	**$ 2,085**
	Average Final Average Compensation	**$ -**	**$ -**	**$ 3,789**	**$ 4,056**	**$ 4,324**	**$ 4,802**	**$ -**	**$ -**	**$ -**	**$ 4,204**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Disability

Year		Years of Service Credit: <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ 327	$ 1,161	$ 692	$ 1,040	$ 1,396	$ 1,760	$ 1,958	$ -	$ -	$ 1,085
	Average Final Average Compensation	$ 3,410	$ 2,365	$ 2,157	$ 2,244	$ 2,434	$ 2,835	$ 2,942	$ -	$ -	$ 2,325
	Number of Retirees	5	17	848	786	635	240	13	0	0	2,544
2011	Average Benefit Received	$ 333	$ 1,113	$ 677	$ 1,026	$ 1,364	$ 1,749	$ 1,958	$ -	$ -	$ 1,067
	Average Final Average Compensation	$ 3,250	$ 2,615	$ 2,266	$ 2,375	$ 2,566	$ 2,875	$ 2,942	$ -	$ -	$ 2,441
	Number of Retirees	6	18	856	803	642	248	13	0	0	2,586
2010	Average Benefit Received	$ 294	$ 955	$ 662	$ 1,001	$ 1,349	$ 1,699	$ 1,884	$ -	$ -	$ 1,041
	Average Final Average Compensation	$ 3,506	$ 2,793	$ 2,185	$ 2,268	$ 2,515	$ 2,821	$ 2,878	$ -	$ -	$ 2,363
	Number of Retirees	8	20	863	817	642	238	15	0	0	2,603
2009	Average Benefit Received	$ 557	$ 691	$ 646	$ 984	$ 1,324	$ 1,676	$ 1,884	$ -	$ -	$ 1,019
	Average Final Average Compensation	$ 3,573	$ 2,643	$ 2,181	$ 2,330	$ 2,530	$ 2,775	$ 2,878	$ -	$ -	$ 2,379
	Number of Retirees	8	21	878	822	647	240	15	0	0	2,631
2008	Average Benefit Received	$ 470	$ 675	$ 644	$ 967	$ 1,315	$ 1,662	$ 1,879	$ -	$ -	$ 1,008
	Average Final Average Compensation	$ 3,004	$ 2,573	$ 2,229	$ 2,330	$ 2,525	$ 2,797	$ 2,878	$ -	$ -	$ 2,394
	Number of Retirees	12	22	890	833	658	239	15	0	0	2,669
2007	Average Benefit Received	$ -	$ 597	$ 694	$ 1,013	$ 1,478	$ 1,868	$ 1,929	$ -	$ -	$ 1,081
	Average Final Average Compensation	$ -	$ 1,471	$ 2,053	$ 2,200	$ 2,535	$ 2,813	$ 2,471	$ -	$ -	$ 2,273
	Number of Retirees	0	8	385	365	304	69	3	0	0	1,134
2006	Average Benefit Received	$ -	$ 564	$ 655	$ 941	$ 1,375	$ 1,711	$ 1,791	$ -	$ -	$ 1,009
	Average Final Average Compensation	$ -	$ 1,471	$ 2,001	$ 2,118	$ 2,477	$ 2,694	$ 2,442	$ -	$ -	$ 2,208
	Number of Retirees	0	8	408	380	333	71	2	0	0	1,202
2005	Average Benefit Received	$ -	$ 508	$ 621	$ 920	$ 1,320	$ 1,686	$ 1,500	$ -	$ -	$ 971
	Average Final Average Compensation	$ -	$ 1,363	$ 1,910	$ 2,053	$ 2,357	$ 2,620	$ 2,358	$ -	$ -	$ 2,116
	Number of Retirees	0	10	408	375	335	68	3	0	0	1,199
2004	Average Benefit Received	$ 1,935	$ 753	$ 606	$ 900	$ 1,251	$ 1,633	$ 919	$ -	$ -	$ 930
	Average Final Average Compensation	$ 3,196	$ 1,822	$ 1,844	$ 1,990	$ 2,263	$ 2,526	$ 2,189	$ -	$ -	$ 2,041
	Number of Retirees	1	12	415	382	335	57	1	0	0	1,203
2003	Average Benefit Received	$ 1,935	$ 797	$ 595	$ 882	$ 1,217	$ 1,607	$ 919	$ -	$ -	$ 914
	Average Final Average Compensation	$ 3,196	$ 1,900	$ 1,797	$ 1,945	$ 2,192	$ 2,498	$ 2,189	$ -	$ -	$ 1,992
	Number of Retirees	1	12	418	385	343	60	1	0	0	1,220

Ten Years Ended June 30, 2012	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ 487**	**$ 819**	**$ 654**	**$ 980**	**$ 1,341**	**$ 1,709**	**$ 1,868**	**$ -**	**$ -**	**$ 1,024**
Average Final Average Compensation	**$ 3,308**	**$ 2,278**	**$ 2,113**	**$ 2,230**	**$ 2,462**	**$ 2,782**	**$ 2,836**	**$ -**	**$ -**	**$ 2,300**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2012

Survivors

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2012	Average Benefit Received	$ 1,084	$ 1,423	$ 777	$ 912	$ 1,110	$ 1,288	$ 1,521	$ 1,880	$ 2,462	$ 1,159
	Average Final Average Compensation	$ 2,970	$ 2,418	$ 2,279	$ 2,444	$ 2,652	$ 2,855	$ 2,884	$ 2,954	$ 3,333	$ 2,631
	Number of Retirees	28	76	1,182	1,030	1,065	1,001	983	236	64	5,665
2011	Average Benefit Received	$ 1,010	$ 1,387	$ 774	$ 877	$ 1,088	$ 1,266	$ 1,512	$ 1,843	$ 2,374	$ 1,136
	Average Final Average Compensation	$ 2,763	$ 2,385	$ 2,267	$ 2,435	$ 2,664	$ 2,839	$ 2,851	$ 2,951	$ 3,259	$ 2,616
	Number of Retirees	31	83	1,186	1,037	1,069	1,011	946	231	65	5,659
2010	Average Benefit Received	$ 868	$ 1,315	$ 746	$ 841	$ 1,051	$ 1,227	$ 1,484	$ 1,827	$ 2,278	$ 1,097
	Average Final Average Compensation	$ 2,628	$ 2,317	$ 2,260	$ 2,397	$ 2,656	$ 2,838	$ 2,826	$ 2,849	$ 3,355	$ 2,595
	Number of Retirees	28	81	1,217	1,046	1,084	1,012	933	233	62	5,696
2009	Average Benefit Received	$ 834	$ 1,296	$ 742	$ 841	$ 1,036	$ 1,193	$ 1,472	$ 1,765	$ 2,188	$ 1,078
	Average Final Average Compensation	$ 2,560	$ 2,271	$ 2,259	$ 2,369	$ 2,620	$ 2,812	$ 2,781	$ 2,788	$ 3,030	$ 2,561
	Number of Retirees	29	80	1,195	1,031	1,069	977	896	228	55	5,560
2008	Average Benefit Received	$ 819	$ 1,345	$ 822	$ 914	$ 1,145	$ 1,312	$ 1,491	$ 1,786	$ 2,056	$ 1,152
	Average Final Average Compensation	$ 2,474	$ 2,136	$ 2,293	$ 2,352	$ 2,594	$ 2,766	$ 2,782	$ 2,758	$ 2,959	$ 2,545
	Number of Retirees	30	86	1,194	1,028	1,053	953	869	219	58	5,490
2007	Average Benefit Received	$ 1,312	$ 1,324	$ 765	$ 834	$ 1,057	$ 1,171	$ 1,391	$ 1,616	$ 1,894	$ 1,061
	Average Final Average Compensation	$ 3,105	$ 2,089	$ 2,293	$ 2,310	$ 2,575	$ 2,757	$ 2,771	$ 2,706	$ 2,918	$ 2,528
	Number of Retirees	17	91	1,175	1,037	1,019	938	855	231	55	5,418
2006	Average Benefit Received	$ 1,073	$ 1,310	$ 690	$ 760	$ 944	$ 1,013	$ 1,240	$ 1,449	$ 1,763	$ 948
	Average Final Average Compensation	$ 2,703	$ 2,008	$ 2,284	$ 2,315	$ 2,559	$ 2,794	$ 2,757	$ 2,709	$ 2,868	$ 2,524
	Number of Retirees	16	90	1,156	1,059	1,039	925	840	229	55	5,409
2005	Average Benefit Received	$ 1,146	$ 1,275	$ 727	$ 763	$ 920	$ 1,000	$ 1,225	$ 1,419	$ 1,792	$ 947
	Average Final Average Compensation	$ 2,832	$ 1,920	$ 2,265	$ 2,309	$ 2,520	$ 2,718	$ 2,702	$ 2,682	$ 2,849	$ 2,487
	Number of Retirees	35	92	1,157	1,054	998	905	831	227	61	5,360
2004	Average Benefit Received	$ 1,129	$ 1,260	$ 736	$ 743	$ 897	$ 949	$ 1,101	$ 1,255	$ 1,535	$ 902
	Average Final Average Compensation	$ 2,788	$ 1,911	$ 2,229	$ 2,282	$ 2,455	$ 2,672	$ 2,651	$ 2,620	$ 2,771	$ 2,441
	Number of Retirees	39	97	1,128	1,073	991	894	797	225	64	5,308
2003	Average Benefit Received	$ 884	$ 1,312	$ 714	$ 742	$ 878	$ 938	$ 1,079	$ 1,241	$ 1,468	$ 886
	Average Final Average Compensation	$ 2,339	$ 1,892	$ 2,183	$ 2,235	$ 2,426	$ 2,603	$ 2,604	$ 2,471	$ 2,608	$ 2,383
	Number of Retirees	42	104	1,120	1,079	988	879	760	225	65	5,262

Ten Years Ended June 30, 2012										
Average Benefit Received	**$ 1,002**	**$ 1,322**	**$ 750**	**$ 822**	**$ 1,015**	**$ 1,142**	**$ 1,363**	**$ 1,610**	**$ 1,981**	**$ 1,039**
Average Final Average Compensation	**$ 2,688**	**$ 2,119**	**$ 2,262**	**$ 2,344**	**$ 2,575**	**$ 2,769**	**$ 2,767**	**$ 2,750**	**$ 2,997**	**$ 2,533**

Retired Members by Recipient Type and Plan

		Fiscal Year									
Retirement Plan	**Benefit Recipient Type**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Regular State Employees	Regular Retiree	24,939	25,540	26,230	27,453	28,625	27,804	28,359	29,261	30,837	32289
(Hired before July 1, 2006)	Survivor	5,042	5,074	5,114	5,149	5,146	5,201	5,256	5,383	5,336	5325
	Disability Retiree	1,153	1,132	1,126	1,121	1,057	2,571	2,528	2,491	2,474	2425
	DROP Accrual	2,605	2,666	2,652	2,438	2,516	2,543	2,576	2,526	2,460	2469
Regular State Employees-Total		**33,739**	**34,412**	**35,122**	**36,161**	**37,344**	**38,119**	**38,719**	**39,661**	**41,107**	**42,508**
Regulary State Employees 2	Regular Retiree	-	-	-	-	-	-	-	1	3	**13**
(Hired on or after July 1, 2006)	DROP Accrual	-	-	-	-	-	-	-	-	1	**8**
Regular State Employees 2-Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**4**	**21**
Corrections Employees Primary	Regular Retiree	890	965	968	1,021	1,082	1,099	1,117	1,164	1,257	1,287
(Hired before January 1, 2002)	Survivor	66	72	83	96	103	114	126	134	136	146
	Disability Retiree	51	55	57	62	58	59	60	67	61	62
	DROP Accrual	138	132	121	100	74	59	61	56	57	46
Corrections Employees Primary-Total		**1,145**	**1,224**	**1,229**	**1,279**	**1,317**	**1,331**	**1,364**	**1,421**	**1,511**	**1,541**
Corrections Employees Secondary	Regular Retiree	5	7	11	17	24	42	83	148	274	359
(Hired on or after January 1, 2002)	Survivor	-	-	1	2	5	7	10	11	16	21
	Disability Retiree	-	1	2	4	3	7	12	16	23	31
	DROP Accrual	6	13	9	11	5	8	18	24	30	32
Corrections Employees Secondary-Total		**11**	**21**	**23**	**34**	**37**	**64**	**123**	**199**	**343**	**443**
Peace Officers	Regular Retiree	-	-	-	-	3	7	12	18	27	33
(Hired before January 1, 2011)	Disability Retiree	-	-	-	-	1	1	1	1	1	1
	DROP Accrual	-	-	-	-	1	10	8	6	2	1
Peace Officers-Total		**-**	**-**	**-**	**-**	**5**	**18**	**21**	**25**	**30**	**35**

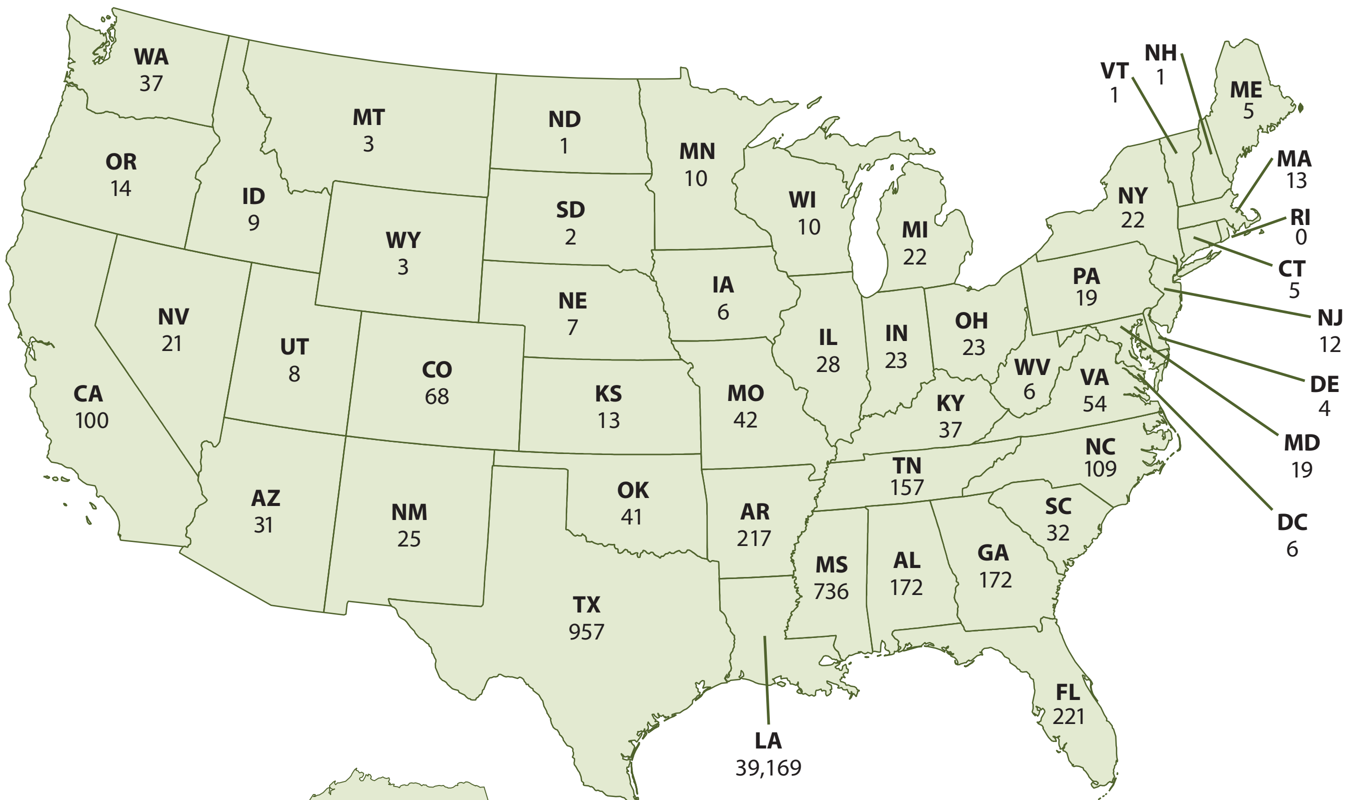
Retired Members by Recipient Type and Plan (continued)

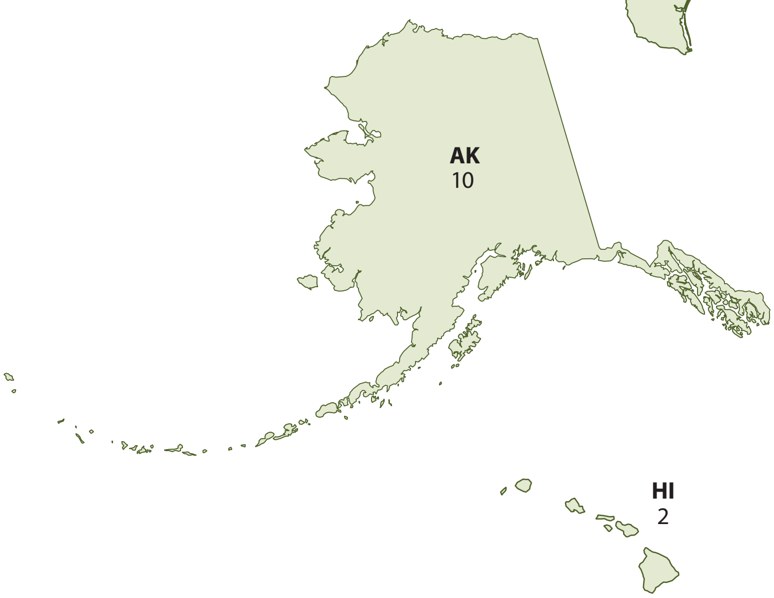
Retirement Plan	Benefit Recipient Type	Fiscal Year 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Appellate Law Clerks	Regular Retiree								6	8	14
(Hired before July 1, 2006)	DROP Accrual										2
Appellate Law Clerks-Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**8**	**16**
Wildlife Agents	Regular Retiree	161	160	158	158	156	138	133	131	127	123
(Hired before July 1, 2003)	Survivor	75	73	73	71	68	66	63	60	59	57
	Disability Retiree	13	12	11	11	10	21	20	19	19	17
	DROP Accrual	-	-	-	-	-	-	-	-	2	-
Wildlife Agents (Before 2003)-Total		**249**	**245**	**242**	**240**	**234**	**225**	**216**	**210**	**207**	**197**
Wildlife Agents	Regular Retiree	-	3	10	30	33	37	41	46	51	57
(Hired on or after July 1, 2003)	Survivor	-	-	-	-	1	1	2	2	2	3
	Disability Retiree	-	-	2	3	3	3	3	3	3	3
	DROP Accrual	-	-	-	-	3	5	4	4	3	8
Wildlife Agents (After 2003)-Total		**-**	**3**	**12**	**33**	**40**	**46**	**50**	**55**	**59**	**71**
Judges	Regular Retiree	203	193	197	192	194	195	226	220	219	225
(Elected before January 1, 2011)	Survivor	61	70	71	72	73	79	80	82	87	88
	Disability Retiree	3	3	1	1	2	7	7	6	5	5
	DROP Accrual	17	23	23	23	20	18	16	13	14	11
Judges-Total		**284**	**289**	**292**	**288**	**289**	**299**	**329**	**321**	**325**	**329**
Legislators	Regular Retiree	77	77	72	73	73	94	91	91	88	88
(Elected before January 1, 2011)	Survivor	18	19	18	19	22	22	23	24	23	25
	DROP Accrual	2	1	5	5	5	-	-	-	-	-
Legislators-Total		**97**	**97**	**95**	**97**	**100**	**116**	**114**	**115**	**111**	**113**

Retired Members by Recipient Type and Plan (continued)

		Fiscal Year									
Retirement Plan	**Benefit Recipient Type**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Bridge Police Employees (Hired before July 1, 2006)	Regular Retiree	-	-	-	-	-	-	-	-	1	1
Bridge Police Employees-Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**
Hazardous Duty (Hired on or after January 1, 2011)	Regular Retiree	-	-	-	-	-	-	-	-	5	20
Hazardous Duty-Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**20**
Alcohol and Tobacco Control (Hired on or after June 30, 2007)	Regular Retiree	-	-	-	-	-	-	-	-	-	4
Alcohol and Tobacco Control-Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4**
Grand Total Benefit Recipients		**35,525**	**36,291**	**37,015**	**38,132**	**39,366**	**40,218**	**40,936**	**42,014**	**43,711**	**45,299**

Location of LASERS Benefit Recipients[1]





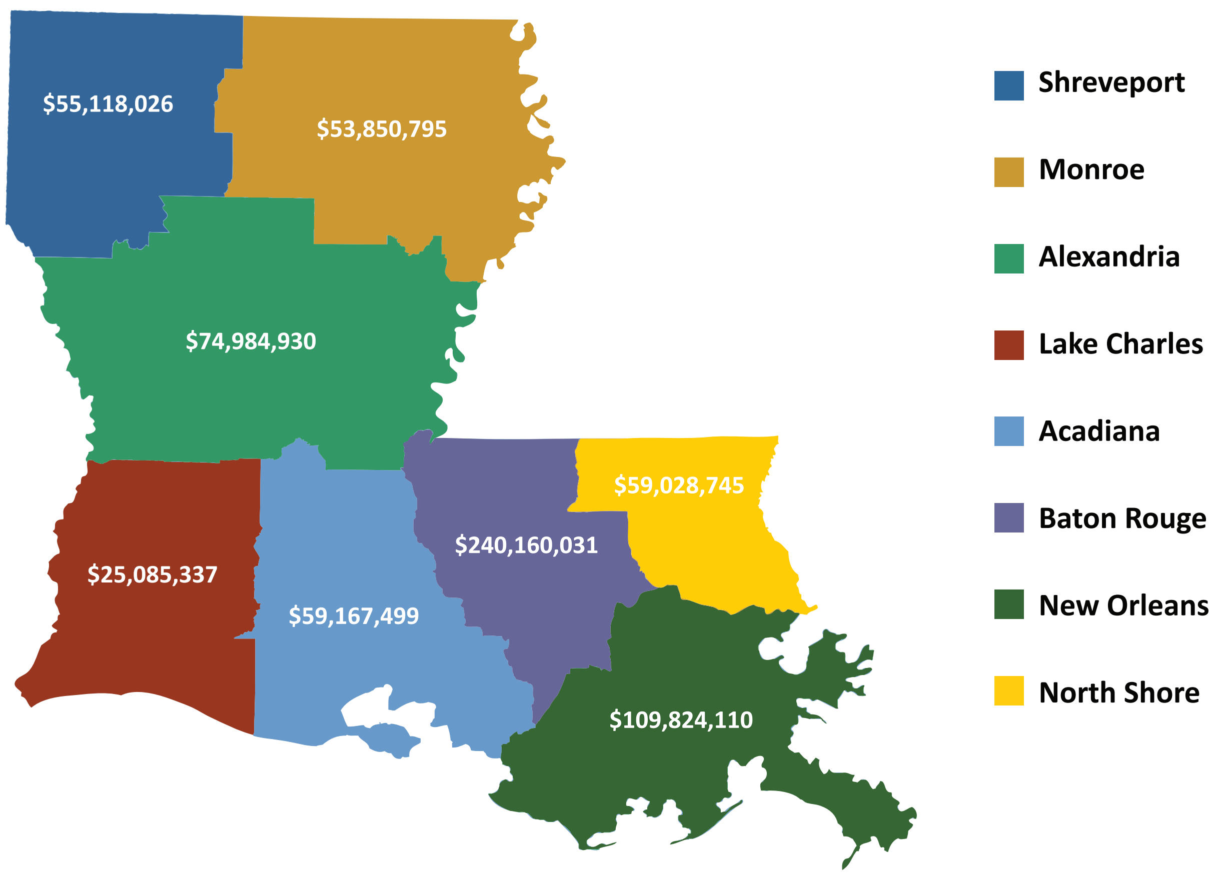
Foreign Countries

Australia	1
Canada	2
Colombia	1
France	1
Germany	1
Great Britain	1
Ireland	1
Korea	1
Malta	1
Mexico	1
Panama	1
Philippines	3
Thailand	1
Turkey	1
Total	**17**

[1] Recipients include Regular, Disability and Survivor retirees

Fiscal Year 2012 Gross Benefits Paid by Region

This chart provides a regional snapshot of benefits paid to retirees during the 2011-2012 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						

The LASERS Mission

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

The LASERS Vision

Confidence in our service, assuring financial security for your future

LASERS Core Values

Highest Ethical Standards
Integrity
Prudent Management

LASERS

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