PARAROCHIAL EMPLOYEES'
RETIREMENT SYSTEM

ACTUARIAL VALUATION AS OF
DECEMBER 31, 2007

G. S. CURRAN & COMPANY, LTD.
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Consulting Actuary

July 10, 2008

Board of Trustees
Parochial Employees' Retirement System
P.O. Box 14619
Baton Rouge, LA 70898-4619

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Parochial Employees' Retirement System for the fiscal year ending December 31, 2007. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrators and accountants. This report was prepared at the request of and exclusively for the Parochial Employees' Retirement System of the State of Louisiana and its auditors in connection with our actuarial valuation of the retirement system. It is not suitable for other purposes or intended for any third party. The primary purpose of the report is to determine the actuarially required contribution for Plan A and Plan B for the fiscal year ending December 31, 2008. In addition, this report recommends minimum employer contribution rates for fiscal 2009, and provides information required for the system's financial statements.

This report has been prepared in accordance with generally accepted actuarial principles and practices; and to the best of our knowledge and belief fairly reflects the actuarial present values and costs stated herein. The undersigned actuary is a member of the American Academy of Actuaries, and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. If we can be of further assistance in amplifying any of the information contained herein, please let us know.

Sincerely,

G. S. CURRAN & COMPANY, LTD.

By: ______________________
Gary Curran, F.C.A., A.S.A.

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SUMMARY OF VALUATION RESULTS
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM - PLAN A

Valuation Date:		December 31, 2007	December 31, 2006
Census Summary:	Active Members	13,650	13,244
	Retired Members and Survivors	5,083	4,978
	Terminated Due a Deferred Benefit	497	522
	Terminated Due a Refund	6,122	6,140
Payroll:		$ 454,741,830	$ 420,104,038
Benefits in Payment:		$ 77,403,146	$ 73,102,892
Market Value of Assets (excluding the expense fund):		$ 2,087,385,378	$ 1,921,293,624
Frozen Unfunded Actuarial Accrued Liability:		$ 66,328,358	$ 89,762,521
Actuarial Asset Value (AVA):		$ 2,027,214,660	$ 1,718,754,962
Ratio Of Net AVA To GASB-25 Accrued Liability:		96.83%	95.04%

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	2008	2007
Employers' Normal Cost (January 1):	$ 34,231,900	$ 33,529,040
Amortization Cost (January 1):	$ 10,457,506	$ 10,189,304
Interest Adjusted Actuarially Required Contributions Including Estimated Administrative Costs:	$ 47,317,981	$ 46,352,515
Actuarially Required Net Direct Employer Contributions As A Percentage Of Projected Payroll:	8.98%	9.58%

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Minimum Net Direct Employer Contribution Rate: For Fiscal 2009: 9.00% For Fiscal 2008: 9.25%

Employee Contribution Rate: 9.50% of Payroll

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

Valuation Interest Rate: 7.50% (Net of Investment Expense)

Census Exclusions: All individuals submitted by the system were included in the valuation.

Basis of Actuarial Asset Value: The actuarial value of assets is based on the market value of investment securities adjusted to average in asset earnings above or below the assumed rate of return over a five-year period subject to a minimum of 90% of the market value of assets and a maximum of 110% of the market value of assets. A pro-rata share of expense fund assets was allocated to each plan in proportion to current salaries.

Changes in Valuation Methods, Assumptions, and Amortization Periods: The valuation interest rate was changed from 8% to 7.50%. The actuarial asset valuation method was changed from 3-year smoothing of realized and unrealized capital gains for equities and amortized cost value for debt securities to 5-year smoothing of all earnings above or below the valuation interest rate subject to a minimum of 90% of the market value of assets and a maximum of 110% of the market value of assets. The annual salary increase rate was changed from 6% to 5.75%.

Method of Recognizing Gains and Losses: Under the Frozen Attained Age Normal Method, actuarial gains and losses are spread over future normal costs.

SUMMARY OF VALUATION RESULTS
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM - PLAN B

Valuation Date:		December 31, 2007	December 31, 2006
Census Summary:	Active Members	2,030	1,990
	Retired Members	530	508
	Terminated Due a Deferred Benefit	97	98
	Terminated Due a Refund	1,353	1,369
Payroll:		$ 62,859,807	$ 59,155,664
Benefits In Payment:		$ 4,400,123	$ 4,029,570
Market Value of Assets (excluding the expense fund):		$ 144,163,791	$ 132,695,110
Unfunded Actuarial Accrued Liability:		NONE	NONE
Actuarial Asset Value:		$ 141,756,387	$ 123,781,772
Funded Ratio (GASB 50)		97.82%	N/A

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	2008	2007
Employers' Normal Cost (January 1):	$ 4,419,292	$ 3,704,226
Interest Adjusted Actuarially Required Contributions Including Estimated Administrative Costs:	$ 4,717,904	$ 3,978,962
Actuarially Required Net Direct Employer Contributions As A Percentage Of Projected Payroll:	6.13%	5.39%

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Minimum Net Direct Employer Contribution Rate: For Fiscal 2009: 6.25% For Fiscal 2008: 5.25%

Employee Contribution Rate: 3.00% of salary

Actuarial Cost Method: Aggregate Actuarial Cost Method

Valuation Interest Rate: 7.50% (Net of Investment Expense)

Census Exclusions: All individuals submitted by the system were included in the valuation.

Basis of Actuarial Asset Value: The actuarial value of assets is based on the market value of investment securities adjusted to average in asset earnings above or below the assumed rate of return over a five-year period subject to a minimum of 90% of the market value of assets and a maximum of 110% of the market value of assets. A pro-rata share of expense fund assets was allocated to each plan in proportion to current salaries.

Changes in Valuation Methods, Assumptions, and Amortization Periods: The valuation interest rate was changed from 8% to 7.50%. The actuarial asset valuation method was changed from 3-year smoothing of realized and unrealized capital gains for equities and amortized cost value for debt securities to 5-year smoothing of all earnings above or below the valuation interest rate subject to a minimum of 90% of the market value of assets and a maximum of 110% of the market value of assets. The annual salary increase rate was changed from 6% to 5.75%.

Method of Recognizing Gains and Losses: Under the Aggregate Actuarial Cost Method, actuarial gains and losses are spread over future normal costs.

COMMENTS ON DATA

For the valuation, the administrative director of the system furnished a census on magnetic diskette derived from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in like manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit X, there are 13,650 active members in Plan A, of whom, 7,126 members, including 405 participants in the Deferred Retirement Option Plan (DROP), have vested retirement benefits; 5,083 former members of Plan A or their beneficiaries are receiving retirement benefits. An additional 6,619 former members of Plan A have contributions remaining on deposit with the system. This includes 497 who have vested rights or have filed reciprocal agreements for future retirement benefits. Census data on members of Plan B may be found in Exhibit XXI. There are 2,030 active members in Plan B, of whom, 930 members, including 37 DROP participants, have vested retirement benefits; 530 former members of Plan B or their beneficiaries are receiving retirement benefits. An additional, 1,450 former members of Plan B have contributions remaining on deposit with the system. Of this number, 97 have vested rights or have filed reciprocal agreements for future retirement benefits. All individuals submitted were included in the valuation.

Census data submitted to our office is tested for errors. Several types of census data errors are possible; to ensure that the valuation results are as accurate as possible, a significant effort is made to identify and correct these errors. In order to minimize coverage errors (i.e., missing or duplicated individual records) the records are checked for duplicates, and a comparison of the current year's records to those submitted in prior years is made. Changes in status, new records, and previous records, which have no corresponding current record are identified. This portion of the review indicates the annual flow of members from one status to another and is used to check some of the actuarial assumptions, such as retirement rates, rates of withdrawal, and mortality. In addition, the census is checked for reasonableness in several areas, such as age, service, salary, and current benefits. The records identified by this review as questionable are checked against data from prior valuations; those not recently verified are included in a detailed list of items sent to the system's administrator for verification and/or correction. Once the identified data has been researched and verified or corrected, it is returned to us for use in the valuation. Occasionally some requested information is either unavailable or impractical to obtain. In such cases, values may be assigned to missing data. The assigned values are based on information from similar records or based on information implied from other data in the record.

In addition to the statistical information provided on the system's participants, the system's administrative director furnished general information related to other aspects of the system's expenses, benefits and funding. Valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P. As indicated in the system's audit report, the net market value of Plan A's assets was $2,087,385,378 as of December 31, 2007. For Plan A, the net investment income for fiscal 2007 measured on a market value basis amounted to $152,845,343. Contributions to Plan A for the fiscal year totaled $108,151,331; benefits and expenses amounted to $94,904,920.

The net market value of Plan B's assets was $144,163,791 as of December 31, 2007. For Plan B, the net investment income for fiscal 2007 measured on a market value basis amounted to $10,274,010. Contributions to Plan B for the fiscal year totaled $6,451,965; benefits and expenses amounted to $5,257,294. In addition to the trust funds for Plan A and Plan B the system also maintains an expense fund which had a balance of $694,748 as of the end of the year.

Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of submitted data to source information is beyond the scope of our efforts.

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

This valuation of Plan A is based on the Frozen Attained Age Normal actuarial cost method with the unfunded accrued liability frozen as of December 31, 1989. Under the provisions of Louisiana R.S. 11:103 the unfunded accrued liability for Plan A, which was determined to be $110,022,497 as of December 31, 1989, was amortized over forty years with payments increasing at 4% per year. In Plan A, payroll growth in excess of 4% per year will reduce future amortization payments as a percentage of payroll; payroll growth below 4% per year will increase amortization payments as a percentage of payroll. Plan B is funded utilizing the Aggregate Actuarial Funding Method. This method does not develop an unfunded actuarial liability. Under the Frozen Attained Age Normal Cost Method and the Aggregate Cost Method, actuarial gains and losses are spread over future normal costs. Thus, favorable plan experience will lower future normal costs; unfavorable experience will cause future normal costs to increase. In both plans, benefit and assumption changes are spread over future normal costs. Under the provisions of R.S. 11:105, the Board of Trustees froze the employer contribution rate in Plan A for fiscal 2007 and several other fiscal years prior to that. As prescribed in R.S. 11:105, excess funds if any, generated by these freezes of the employer contribution rate were allocated to reduce the frozen unfunded accrued liability. As a result, the current frozen unfunded accrued liability will be fully amortized by December 31, 2014.

The actuarial assumptions utilized for the report are outlined on pages 58 - 61. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments will be required to future contribution levels. For the fiscal 2007 valuation for both Plan A and Plan B, the valuation interest rate was changed from 8% to 7.50%, the actuarial asset valuation method was changed from 3-year smoothing of realized and unrealized capital gains for equities and amortized cost value for debt securities to 5-year smoothing of all earnings above or below the valuation interest rate (subject to a minimum value of 90% of the market value of assets and a maximum value of 110% of the market value of assets), and the annual assumed salary increase rate was changed from 6% to 5.75%. The net effect of these changes in assumptions was to increase the normal cost rate by 0.1749% in Plan A and 0.8658% in Plan B.

CHANGES IN PLAN PROVISIONS

The following changes in plan provisions were enacted during the 2007 Regular Session of the Louisiana Legislature:

Act 330 provides that in addition to the regular retirement benefits provided by R.S. 11:1942 upon regular retirement, any member who worked as a court reporter, who was employed by Caddo Parish on June 30, 2007, and who received per-page transcription payments will be paid an additional monthly regular retirement benefit provided that they made contributions to the system based upon these payments. The method of computation of this additional benefit can be found in R.S. 11:1942.1(B). The act requires that all employee and employer contributions be deducted from the transcription payments and remitted to the fund on a monthly basis. The remittance reports for these contributions are to be distinct and separate from the reports of regular salary. "Per-page transcription payments" are defined to mean the amount a court reporter earns for each page of court proceeding that is transcribed, at the rate per page established by the district court.

Act 352 states that notwithstanding the prudent-man rule, the system may but is not required to divest itself of any holding in a company having facilities or employees located in a prohibited nation as that term is defined in R.S. 11:312(B)(2). The provisions of this act apply to both direct ownership of securities and securities held in a collective fund. The system is required to adopt and implement a corporate governance strategy of constructive engagement with each company. The corporate governance strategy of constructive engagement will contain a plan of system action to cause the company to remove its facilities and/or employees from the prohibited nation. As part of the plan of system action, the system should make its best efforts to identify all such companies. The plan of system action is required to be implemented not later than one hundred twenty days after the effective date of this act.

ASSET EXPERIENCE

The actuarial and market rates of return for the past ten years are given below. These rates of return on assets were determined by assuming a uniform distribution of income and expense throughout the fiscal year.

Plan A	Actuarial Value	Market Value
1998	9.4% *	13.7%
1999	11.6%	3.8%
2000	8.5%	7.2%
2001	4.5%	-0.8%
2002	-1.2%	-2.7%
2003	3.4%	15.6%
2004	6.9%	10.2%
2005	11.1%	6.3%
2006	11.3%	12.8%
2007	17.1% **	7.9%

Plan B	Actuarial Value	Market Value
1998	9.7% *	12.9%
1999	11.9%	4.0%
2000	8.2%	5.4%
2001	5.9%	2.7%

2002	0.5%		0.0%
2003	5.9%		15.9%
2004	8.5%		9.6%
2005	10.6%		5.1%
2006	9.8%		11.6%
2007	13.4%	**	7.7%

* Includes effect of change in asset valuation method. Effective with the 1998 valuation the smoothing period for capital gains on common stock was increased to three years.

** Includes effect of change in asset valuation method. Effective with the 2007 valuation the method was changed from smoothing capital gains and losses over 3 years to smoothing investment earnings above or below the assumed rate of return over a five year period.

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2007, Plan A earned $54,615,163 and Plan B earned $3,227,318 of dividends, interest and other recurring income. In addition, Plan A had net realized and unrealized capital gains on investments of $104,623,447 while Plan B had $7,464,697. This was partially offset by $6,393,267 of investment expense for Plan A and $418,005 for Plan B. The geometric mean of the market value rates of return measured over the last ten years was 7.3% for Plan A and 7.4% for Plan B.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 7.5% used for the valuation. This rate is calculated based on the actuarial value of assets and all interest, dividends, and recognized capital gains as given in Exhibit VI for Plan A and Exhibit XVII for Plan B. Investment income used to calculate this yield is based upon a smoothing of investment income above or below the valuation interest rate. The difference between rates of return on an actuarial and market value basis results from the smoothing utilized. Yields in excess of the 7.5% assumption will reduce future costs; yields below 7.5% will increase future costs. The geometric mean of this rate over the last ten years has been 8.2% for Plan A and 8.4% for Plan B. Net actuarial investment earnings exceeded the actuarial assumed earnings rate of 8.0%, used for fiscal 2007, by $24,198,249 for Plan A and $258,930 for Plan B. This excess in earnings produced an actuarial gain, which decreased the normal cost accrual rate by 0.6821% for Plan A and 0.0550% for Plan B. Neither of these values include the effect of the change in asset valuation method or the change is actuarial valuation interest rate.

PLAN A – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the Plan is given in Exhibit X. The Plan's active membership, inclusive of DROP participants, increased by 406 members during the fiscal year. The plan has experienced an increase in the active plan population of 80 members over the last five years. A review of the active census by age indicates that over the last ten years the population in the under-thirty age group has decreased while the proportion of active members over-fifty increased. Over the same ten-year period the plan showed a significant decrease in the percentage of members with service less than five years with an increase in the percentage of members with service over twenty years. These trends are indicative of an aging population. The number of retirees and beneficiaries receiving benefits from the system increased by 105 during the fiscal year; over the last five years the number of retirees has increased by 576.

Plan liability experience for fiscal 2007 was slightly favorable. Retirements, disabilities, and DROP entries below projected levels, as well as, retiree deaths above projected levels reduced costs. However, these were offset in part by withdrawals below projected levels and salary increases above projected levels. Plan liability gains decreased the normal cost accrual rate by 0.0064%.

PLAN B – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the Plan is given in Exhibit XXI. The Plan's active membership, inclusive of DROP participants, increased by 40 members during the fiscal year. The plan has experienced a decrease in the active plan population of 92 members over the last five years. A review of the active census by age indicates that over the last ten years the population in the under-thirty age group has decreased while the proportion of active members over-fifty increased. Over the same ten-year period the plan showed a decrease in the percentage of members with service less than five years; the percentage of members with service over fifteen years has increased. These trends are indicative of an aging population. The number of retirees and beneficiaries receiving benefits from the system increased by 22 during the fiscal year; over the last five years the number of retirees has increased by 126.

Plan liability experience for fiscal 2007 was unfavorable. Salary increases above projected levels and withdrawals below projected levels increased costs. These were offset in part by retirements and DROP entries below projected levels, and actual retiree deaths over projected levels. Disabilities were near expected levels. Overall, plan liability losses increased the normal cost accrual rate by 0.1161%.

FUNDING ANALYSIS AND RECOMMENDATIONS

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by an actuarial valuation based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. Each year a determination is made of two cost components, and the actuarially required contributions are based on the sum of these two components plus administrative expenses. These two components are the normal cost and the amortization payment on the unfunded actuarial accrued liability. The normal cost refers to the portion of annual cost based on the salary of active participants. The term unfunded accrued liability (UAL) refers to the excess of the present value of plan benefits over the sum of current assets and future normal costs. Each year the UAL grows with interest and is reduced by payments. Under the funding method used for both plans, changes in plan experience, benefits, or assumptions do not affect the unfunded actuarial accrued liability. These items increase or decrease future normal costs.

In order to establish the actuarially required contribution in any given year, it is necessary to define the assumptions, funding method, and method of amortizing the UAL. Thus, the determination of what contribution is actuarially required depends upon the funding method and amortization schedules employed. Regardless of the method selected, the ultimate cost of providing benefits is dependent upon the benefits, expenses, and investment earnings. Only to the extent that some methods accumulate assets more rapidly and thus produce greater investment earnings does the funding method affect the ultimate cost.

Liability and asset experience as well as changes in assumptions and benefits can increase or decrease plan costs. In addition to these factors, any COLA granted in the prior fiscal year would increase required contributions. New entrants to the system can also increase or decrease costs as a percent of payroll depending upon their demographic distribution and other factors related to prior plan experience. Finally, contributions above or below requirements may reduce or increase future costs.

Under the provisions of R.S. 11:103, excess or deficient contributions typically decrease or increase future normal costs. However, if the minimum net direct employer contribution is scheduled to decrease, the board may freeze the contribution rate and use the excess funds collected, if any, to reduce the UAL.

The effects of various factors on the cost structure for Plan A are outlined below:

Employer's Normal Cost Accrual Rate – Fiscal 2007	8.4843%
Factors Increasing the Normal Cost Accrual Rate:	
Changes in Assumptions	0.1749%
Cost of Living Increase	0.2976%
Factors Decreasing the Normal Cost Accrual Rate:	
Plan Liability Experience	0.0064%
Asset Experience	0.6821%
New Members	0.2284%
Employer's Normal Cost Accrual Rate – Fiscal 2008	8.0399%

In addition to the above changes in the plan normal cost rate, payroll growth affects plan costs to the extent that payments on the system's unfunded liability are on a schedule that varies from actual trends in payroll growth or decline. If payroll changes at rates not consistent with the amortization schedule the result will be costs that change as a percentage of payroll. For fiscal 2007, the net effect of the change in payroll on amortization costs was to decrease such costs by 0.12% of payroll for Plan A. Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that for Plan A these funds collected in fiscal 2008 will increase by 0.06% of payroll.

For Plan A, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for fiscal 2008 as of January 1, 2008 is $34,231,900. The amortization payment on the plan's frozen unfunded actuarial accrued liability is $10,457,506 as of January 1, 2008. The total actuarially required contribution is determined by adjusting these two values for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses.

As given on line 14 of Exhibit I the total actuarially required contribution for fiscal 2008 is $47,317,981. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for fiscal 2008 is $42,094,094. This is 8.98% of the projected Plan A payroll for fiscal 2008. The actual contribution rate for fiscal 2008 is 12.75%. We recommend a minimum net direct employer contribution rate of 9.00% of payroll for fiscal 2009 for Plan A. Under the provisions of R.S. 11:107 the board of trustees may set the rate at any level between 9.00% and 12.75%.

Under the provisions of R. S. 11:105, in any fiscal year in which the net direct employer contribution rate would otherwise decrease, the Board of Trustees may maintain the net direct employer contribution rate for the preceding year and utilize any excess funds generated to reduce the system's Unfunded Accrued Liability. We estimate that should the Board of Trustees elect to maintain the current contribution rate of 12.75% for fiscal 2009 the additional funds collected will total approximately $17.7 million which would reduce the system's frozen unfunded accrued liability by a like amount. The result of the reduction in the Unfunded Accrued Liability would be to eliminate one year from the existing amortization period. Hence the Unfunded Accrued Liability would be fully amortized by fiscal 2013. This estimate does not include the effect of any additional contributions collected in fiscal 2008 which could further accelerate the amortization of the Unfunded Accrued Liability.

The effects of various factors on the cost structure for Plan B are outlined below:

Employer's Normal Cost Accrual Rate – Fiscal 2007	6.7691%
Factors Increasing the Normal Cost Accrual Rate:	
Changes in Assumptions	0.8658%
Cost of Living Adjustment	0.1366%
Liability Experience	0.1161%
Factors Decreasing the Normal Cost Accrual Rate:	
Asset Experience	0.0550%
New Members	0.1188%
Contribution Gain	0.1070%
Employer's Normal Cost Accrual Rate – Fiscal 2008	7.6068%

In Plan B we estimate that the projected tax contribution as a percentage of payroll will increase by 0.06%. Since Plan B is funded under the Aggregate Actuarial Cost Method, the plan has no unfunded accrued liability. The interest adjusted actuarial and administrative cost for fiscal 2008 is given on line 11 of Exhibit XII as $4,717,904. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' minimum net direct actuarially required contribution is $3,995,797. This is 6.13% of projected payroll for fiscal 2008. The actual employer contribution rate for fiscal 2008 is 6.00% of payroll. After giving consideration to the expected contribution shortfall in fiscal 2008, as outlined in Exhibit XII, in accordance with the funding methods and assumptions described in the report we recommend a minimum net direct employer contribution rate of 6.25% of payroll for fiscal 2009 for Plan B.

COST OF LIVING INCREASES

During calendar 2007 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 4.08%. Cost of living provisions for the system are detailed in R.S. 11:1937 and R.S. 11:246. The former statute allows the board to use interest earnings in excess of the normal requirements to grant annual cost of living increases of 2.50% of the current benefit to retirees aged 62 or over, who have been retired at least one year. R.S. 11:246 provides cost of living increases to retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date. R.S. 11:241 provides that cost of living benefits shall be in the form (unless the board otherwise specifies) of $X×(A+B) where X is at most $1 and "A" represents the number of years of credited service accrued at retirement or at death of the member or retiree and "B" is equal to the number of years since retirement or since death of the member or retiree to December 31st of the initial year of such increase. The provisions of this subpart do not repeal provisions relative to cost of living adjustments contained within the individual laws governing systems; however, they are to be controlling in cases of conflict.

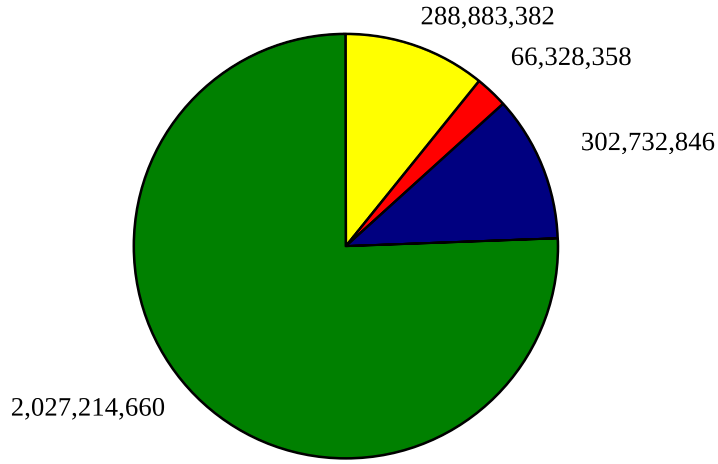
All of the above provisions require that the system earn sufficient excess interest earnings to fund the increases. In addition, the ratio of the plan's assets to benefit obligations must meet the criteria established in R.S. 11:242. This section sets forth a minimum "target ratio" of the actuarial value of assets to the Pension Benefit Obligation. We have determined that for fiscal 2007 both Plan A and Plan B have met the necessary target ratio and both Plan A and Plan B have an actuarial rate of return in excess of the 8% assumed rate of return. Investment earnings exceeded assumed earnings by $156,311,130 in Plan A and $6,708,773 in Plan B. This represents sufficient earnings for both Plan A and Plan B to grant the full COLAs detailed in R.S. 11:246 and R. S. 11:1937.

Below is a summary of the cost of living increases and their respective costs for granting at the full level described in the statutes:

COLA Description	Plan	Annual Increase in Benefits	Present Value of Increase	Contribution Cost as a % of Payroll
2 ½ % to pensioners over age 62	A	$ 1,391,023	$ 11,446,740	0.32%
2% to pensioners over age 65	A	$ 867,033	$ 6,937,973	0.19%
2 ½ % to pensioners over age 62	B	$ 83,934	$ 714,198	0.15%
2% to pensioners over age 65	B	$ 53,966	$ 455,040	0.10%

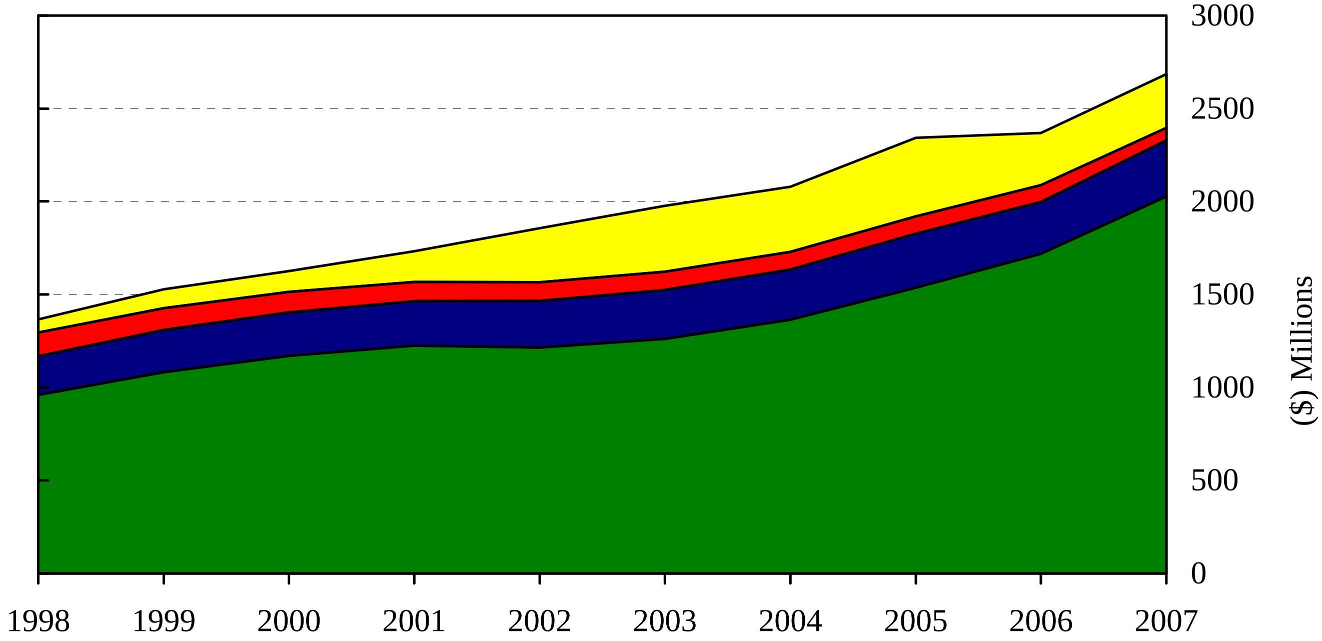
In lieu of awarding the cost of living increases described above, R.S. 11:241(B) allows the board to grant a cost of living increase in an amount not to exceed $1 for every year of service plus the number of years since retirement. There is insufficient information available on the system's database to provide meaningful estimates of the costs associated with awarding this type of cost of living increase.

Plan A - Components of Present Value of Future Benefits
December 31, 2007



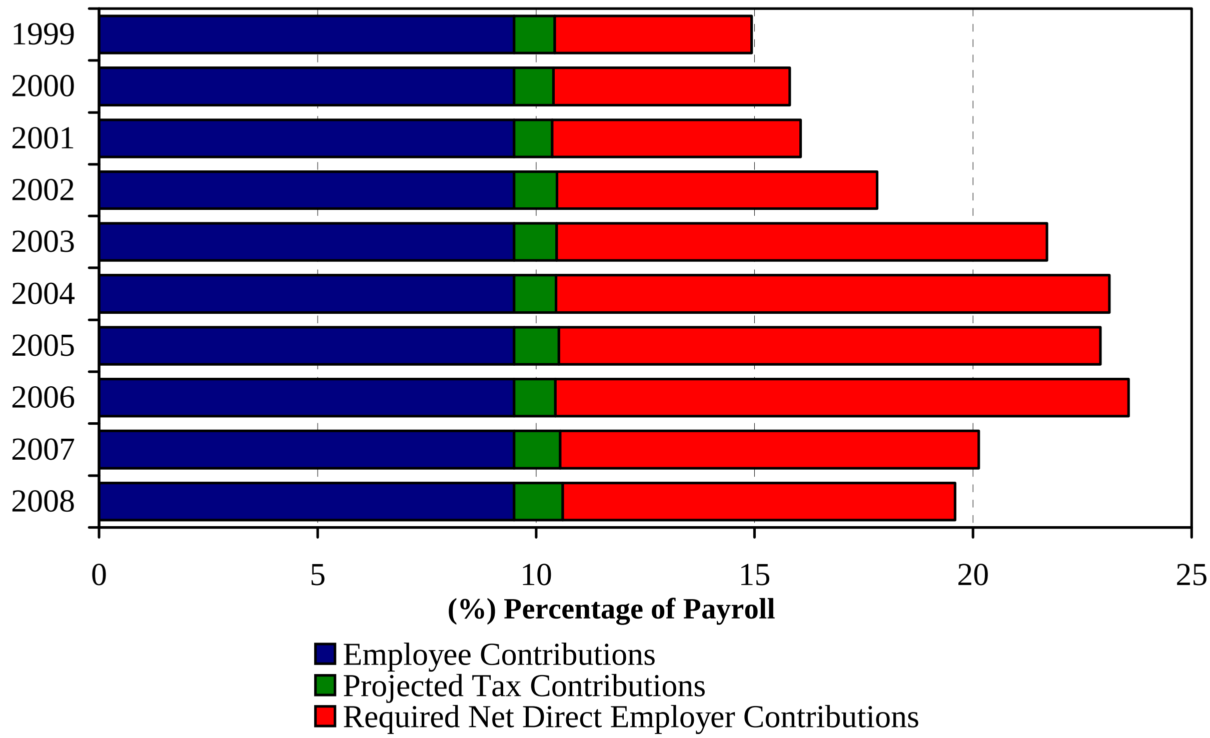
Present Value of Future Employer Normal Cost
Unfunded Accrued Liability
Present Value of Future Employee Contributions
Actuarial Value of Assets

Plan A - Components of Present Value of Future Benefits



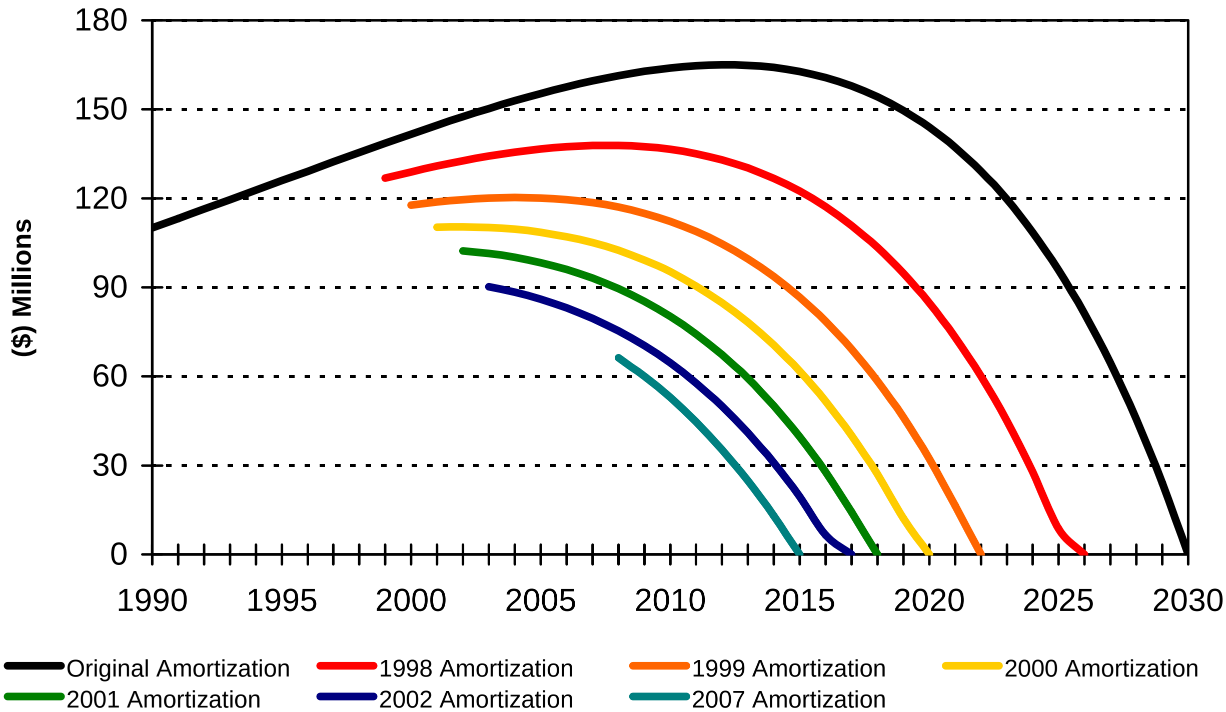
Present Value of Future Employer Normal Cost
Unfunded Accrued Liability
Present Value of Future Employee Contributions
Actuarial Value of Assets

Plan A - Components of Actuarial Funding

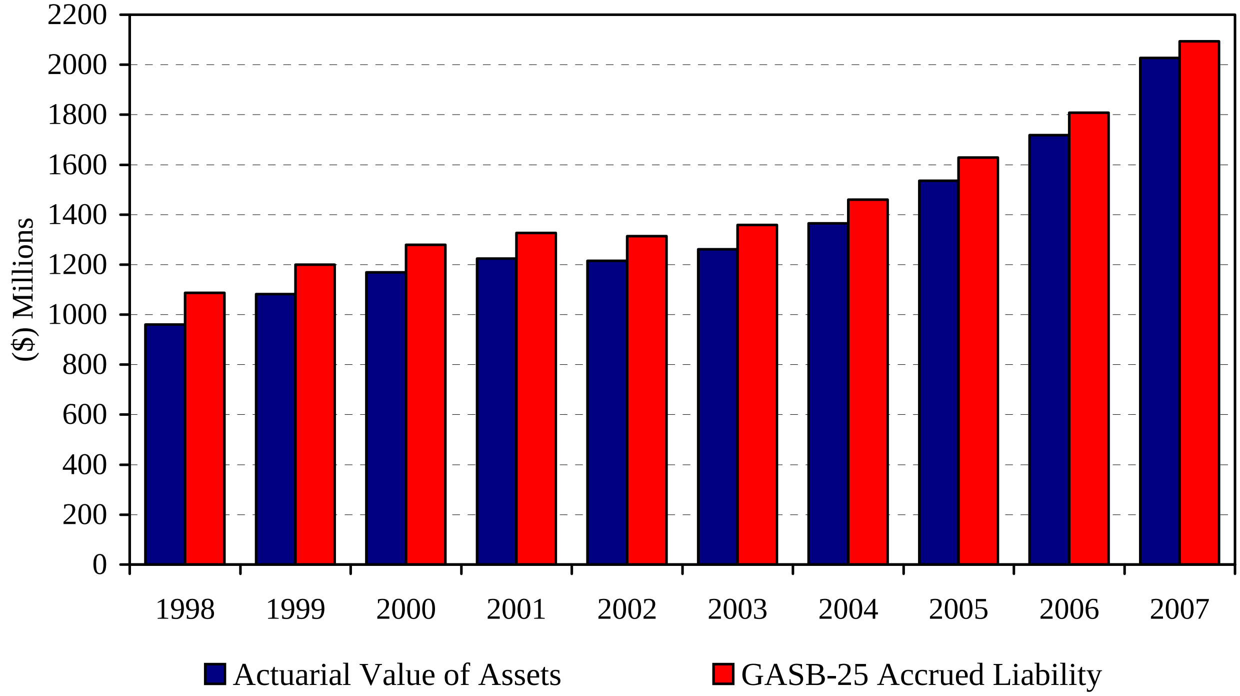


Projected Tax Contributions consist of Projected Ad Valorem and Revenue Sharing Funds as a percent of payroll

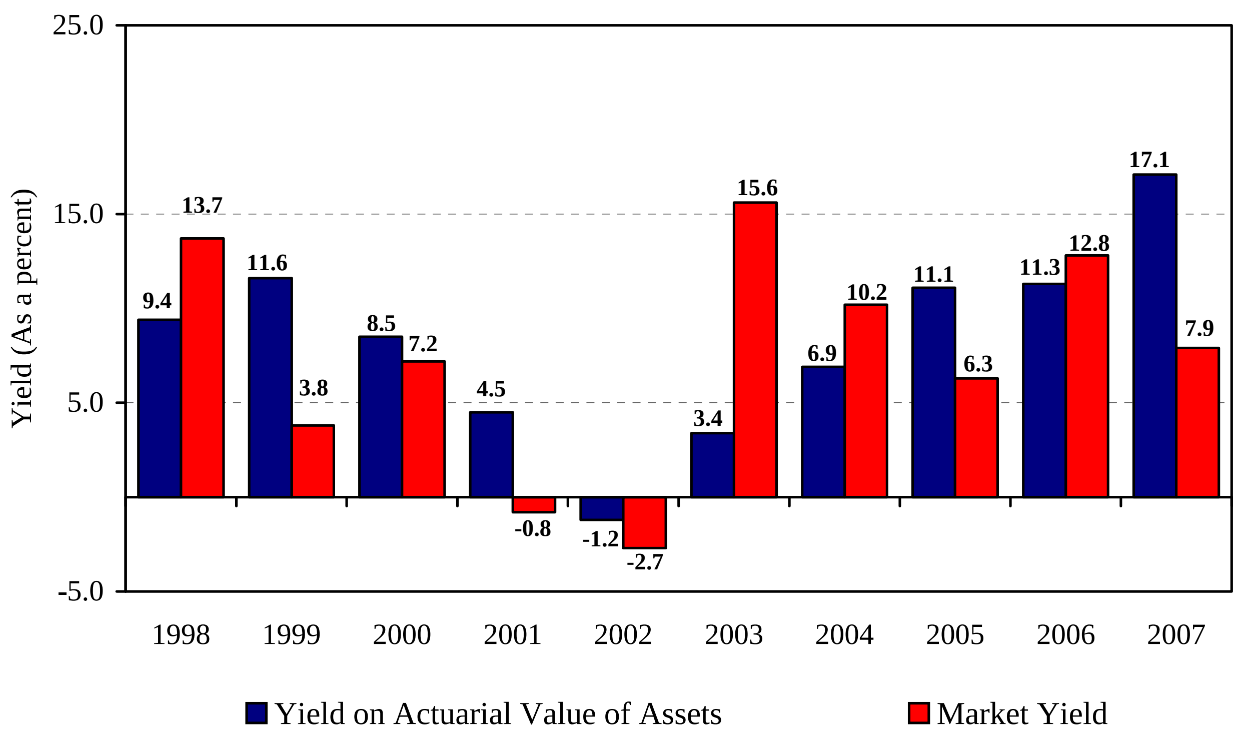
Plan A – Frozen Unfunded Accrued Liability



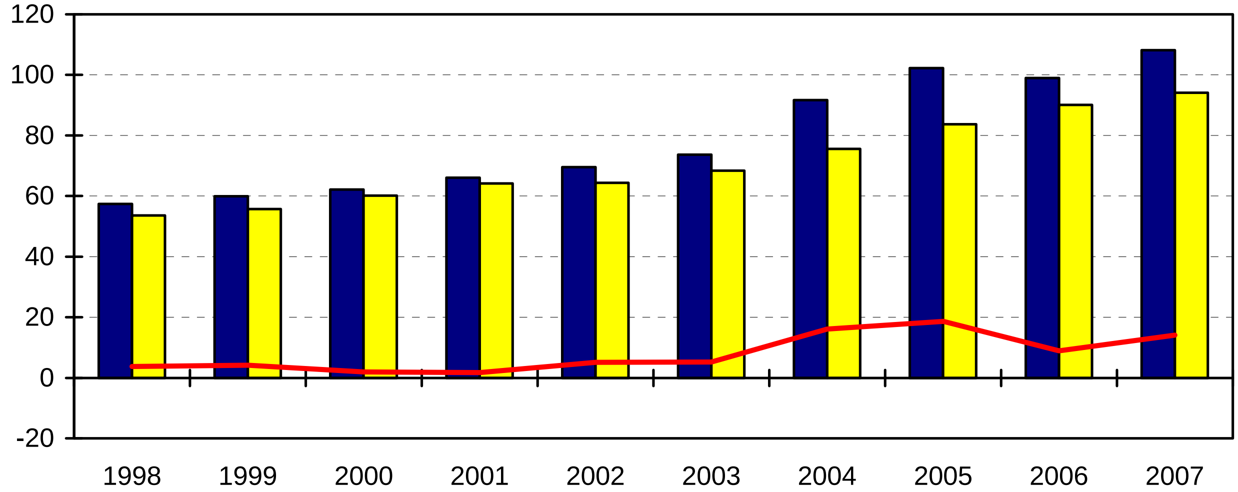
Actuarial Value of Assets vs. GASB-25 Accrued Liability
Plan A



Plan A – Historical Asset Yield

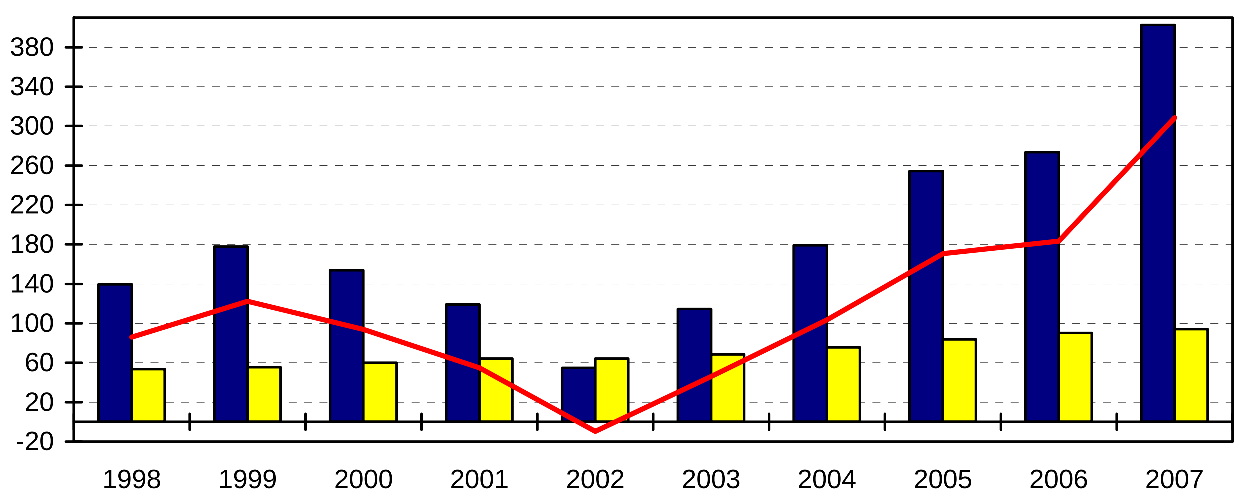


Plan A - Net Non-Investment Income



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Non-Investment Income ($Mil)	57.4	59.9	62.1	66.0	69.5	73.6	91.7	102.3	99.0	108.2
Benefits and Expenses ($Mil)	53.6	55.7	60.1	64.2	64.4	68.4	75.6	83.7	90.1	94.1
Net Non-Investment Income ($Mil)	3.8	4.2	2.0	1.8	5.1	5.2	16.1	18.6	8.9	14.1

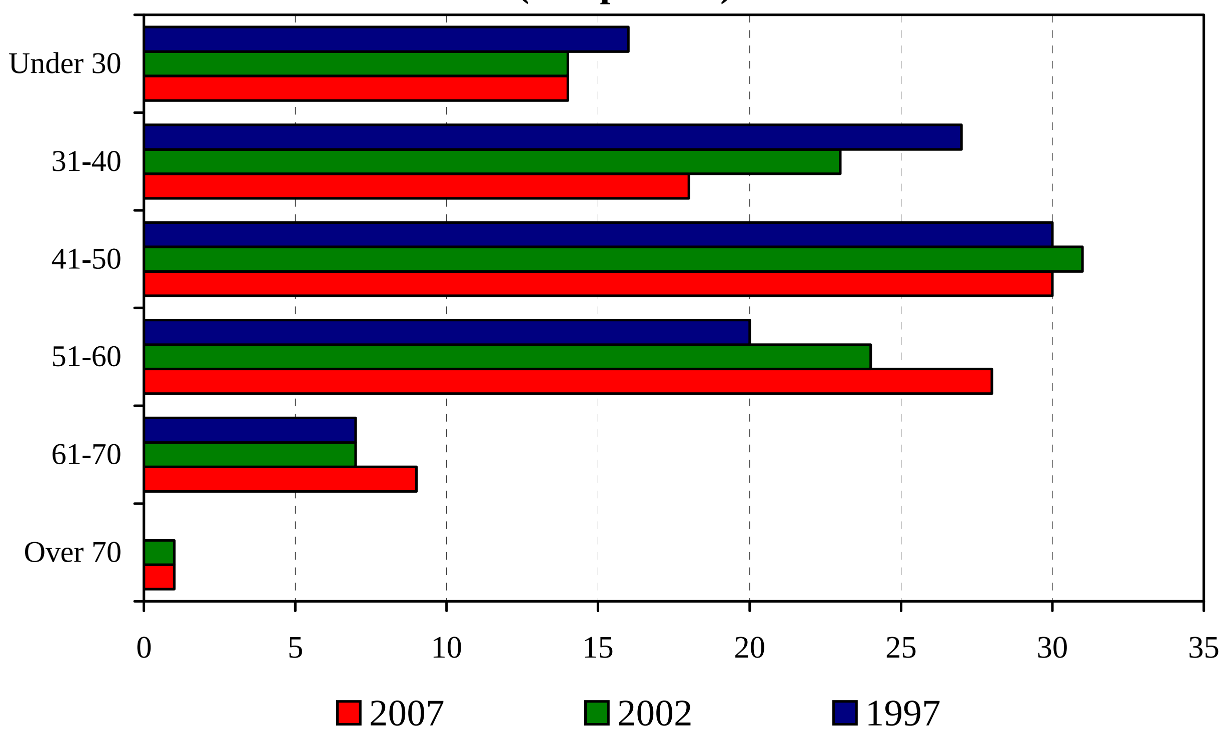
Plan A - Total Income vs. Expenses
(Based on Actuarial Value of Assets)



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Income ($Mil)	139.7	177.9	153.8	119.1	54.9	114.6	179.2	254.3	273.5	402.5
Benefits and Expenses ($Mil)	53.6	55.7	60.1	64.2	64.4	68.4	75.6	83.7	90.1	94.1
Net Change in AVA ($Mil)	86.1	122.2	93.7	54.9	-9.5	46.2	103.6	170.6	183.4	308.4

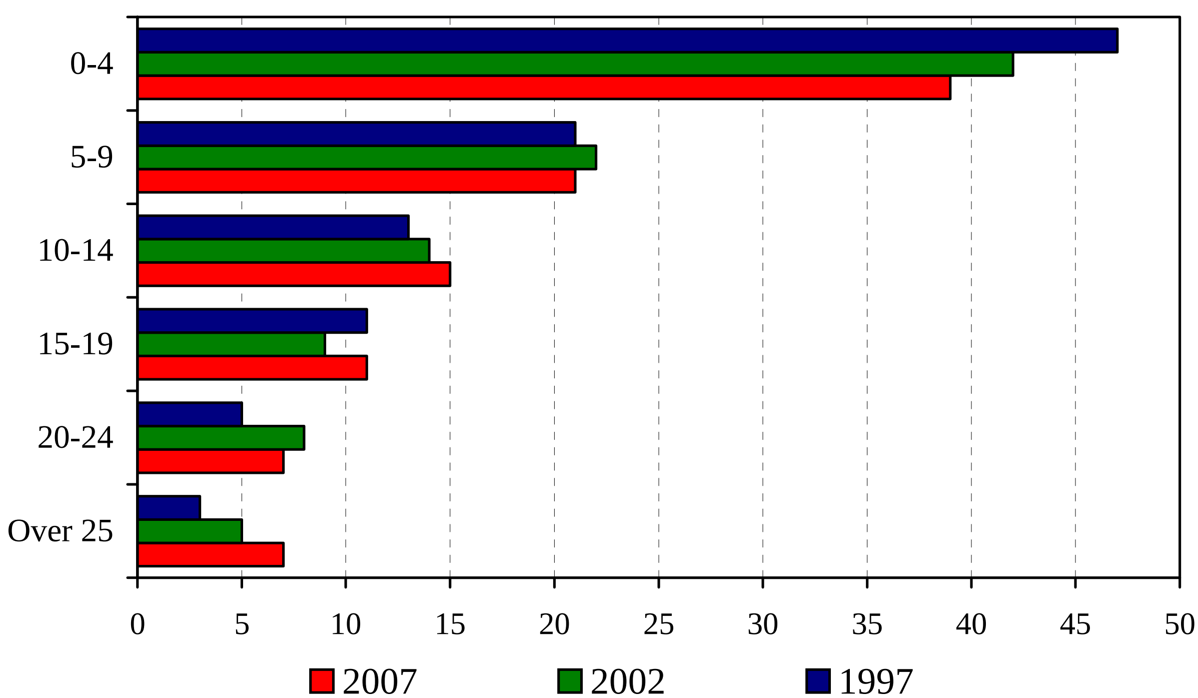
Plan A - Active – Census By Age

(as a percent)

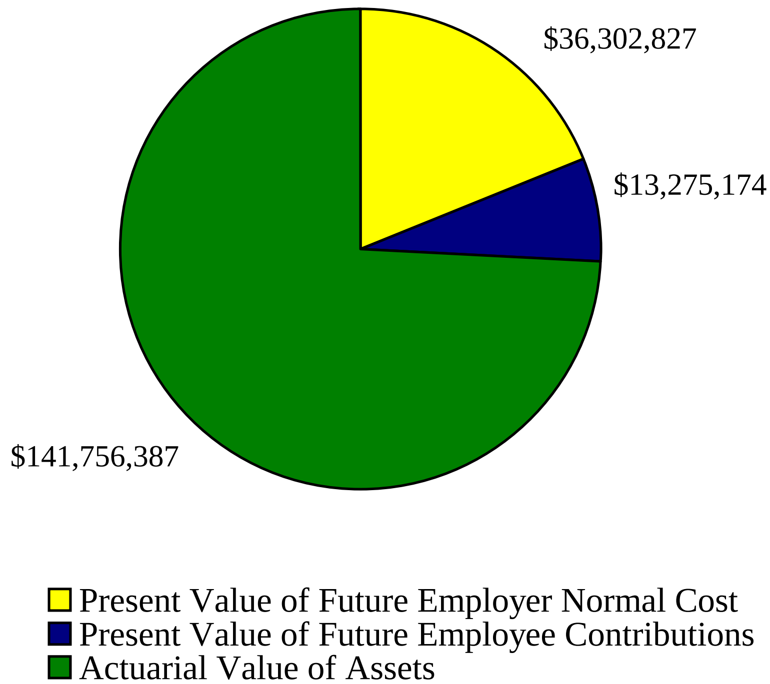


Plan A - Active – Census By Service

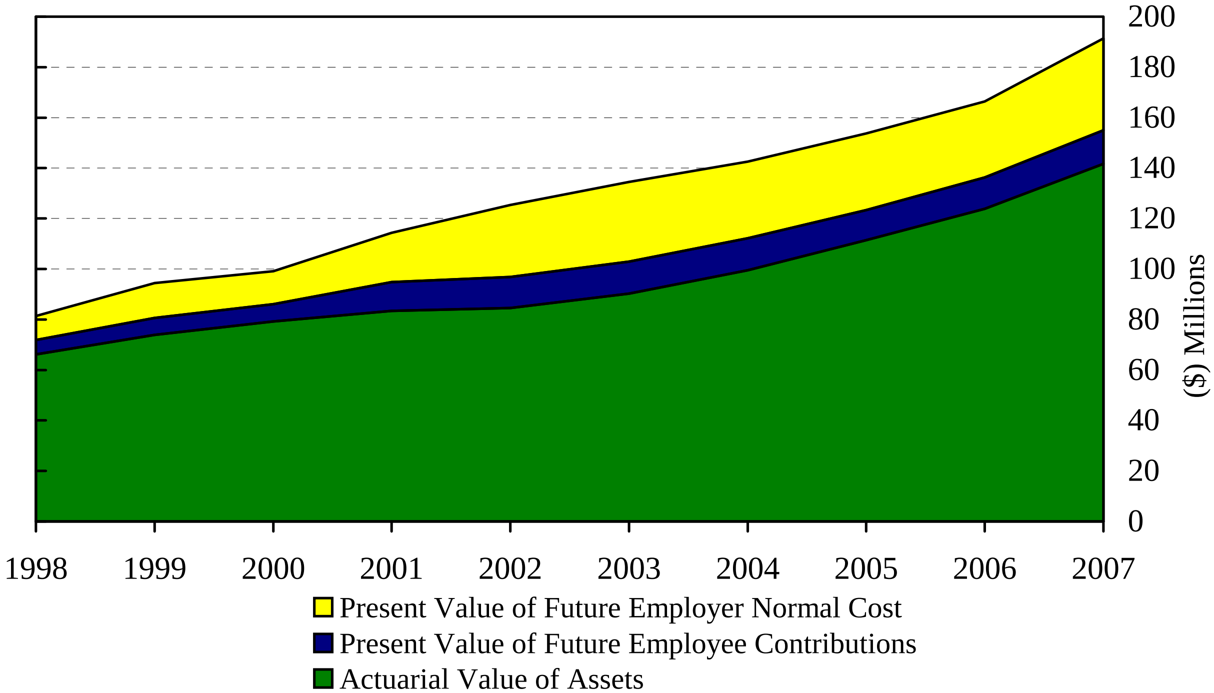
(as a percent)



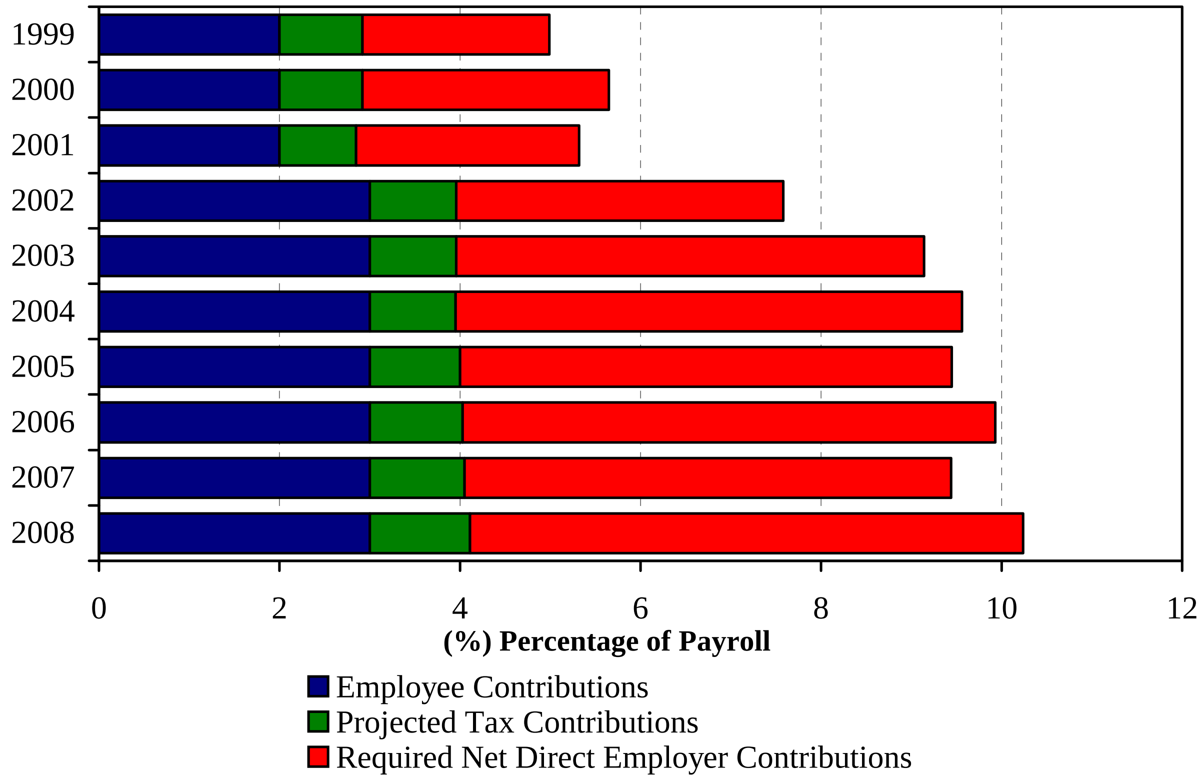
Plan B - Components of Present Value of Future Benefits
December 31, 2007



Plan B - Components of Present Value of Future Benefits

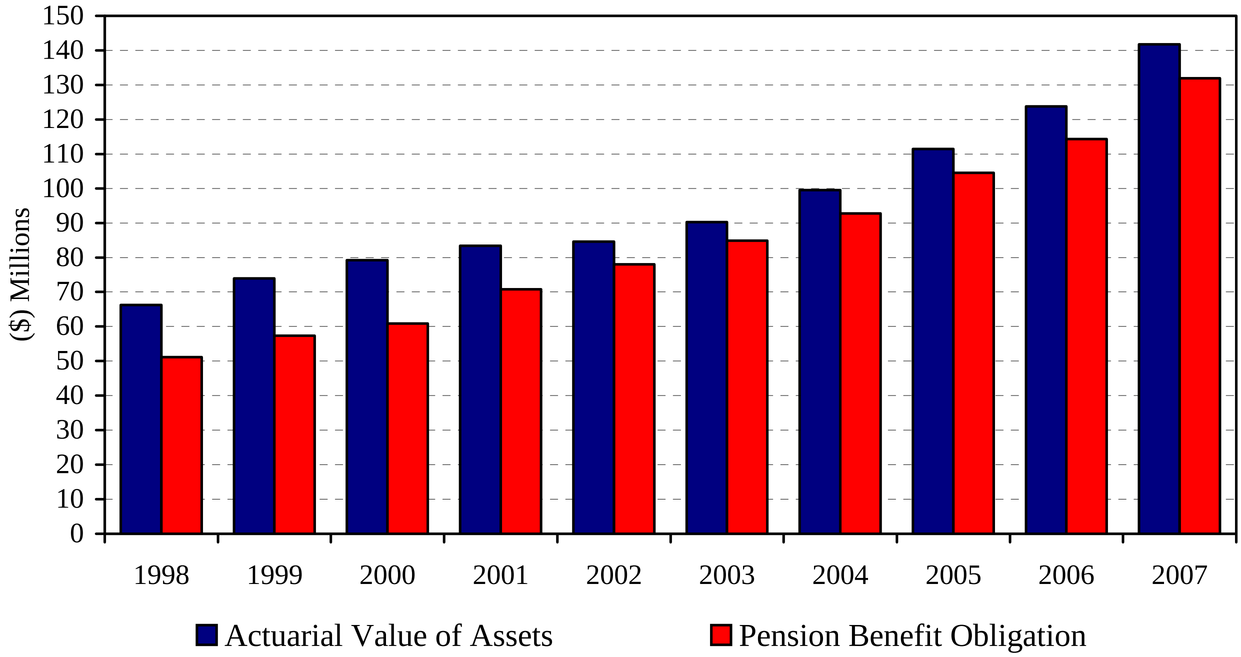


Plan B - Components of Actuarial Funding

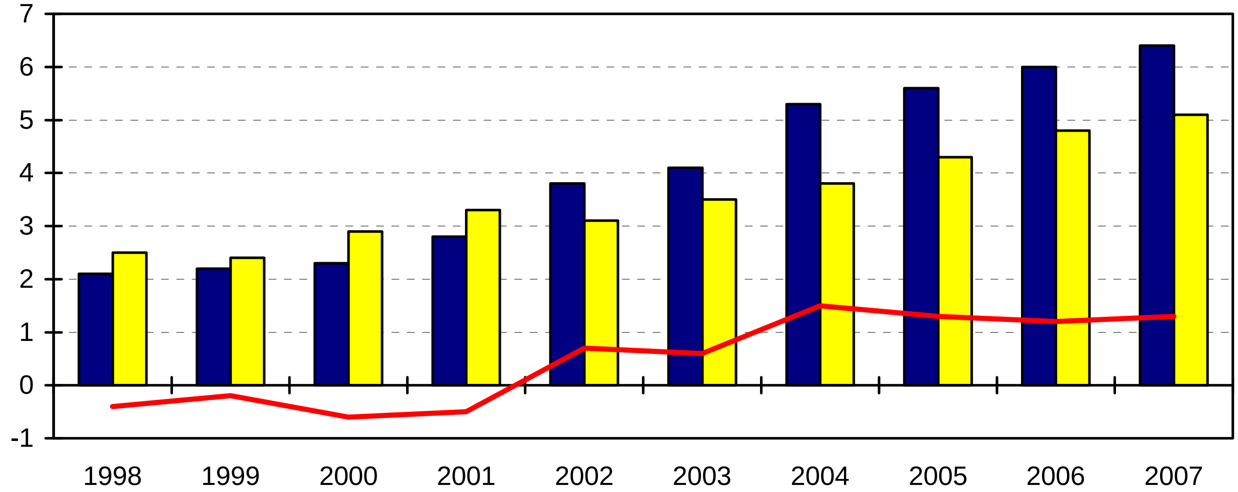


Projected Tax Contributions consist of Projected Ad Valorem and Revenue Sharing Funds as a percent of payroll

Plan B-Actuarial Value of Assets vs. Pension Benefit Obligation

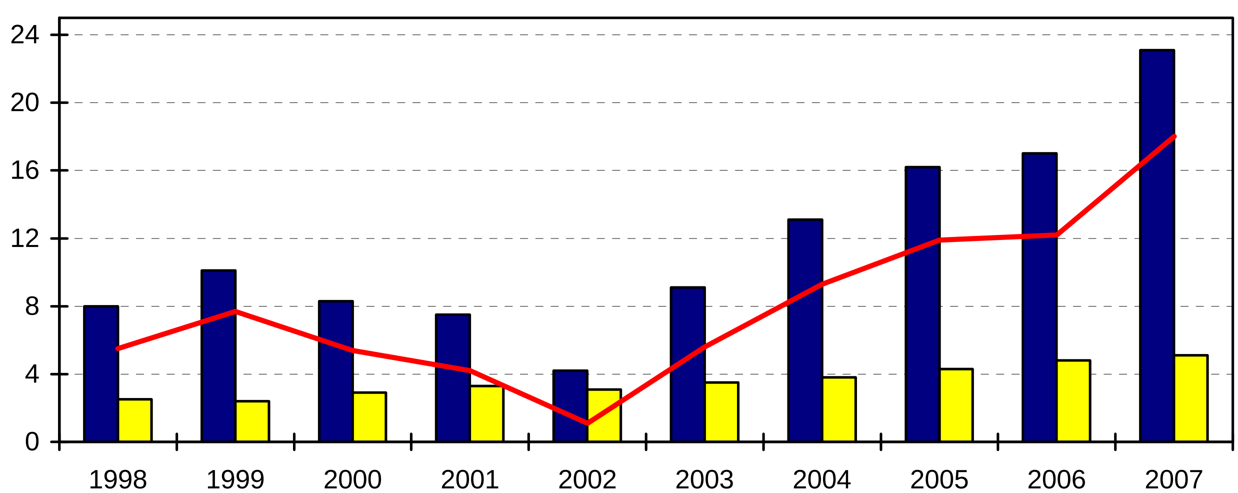


Plan B - Net Non-Investment Income



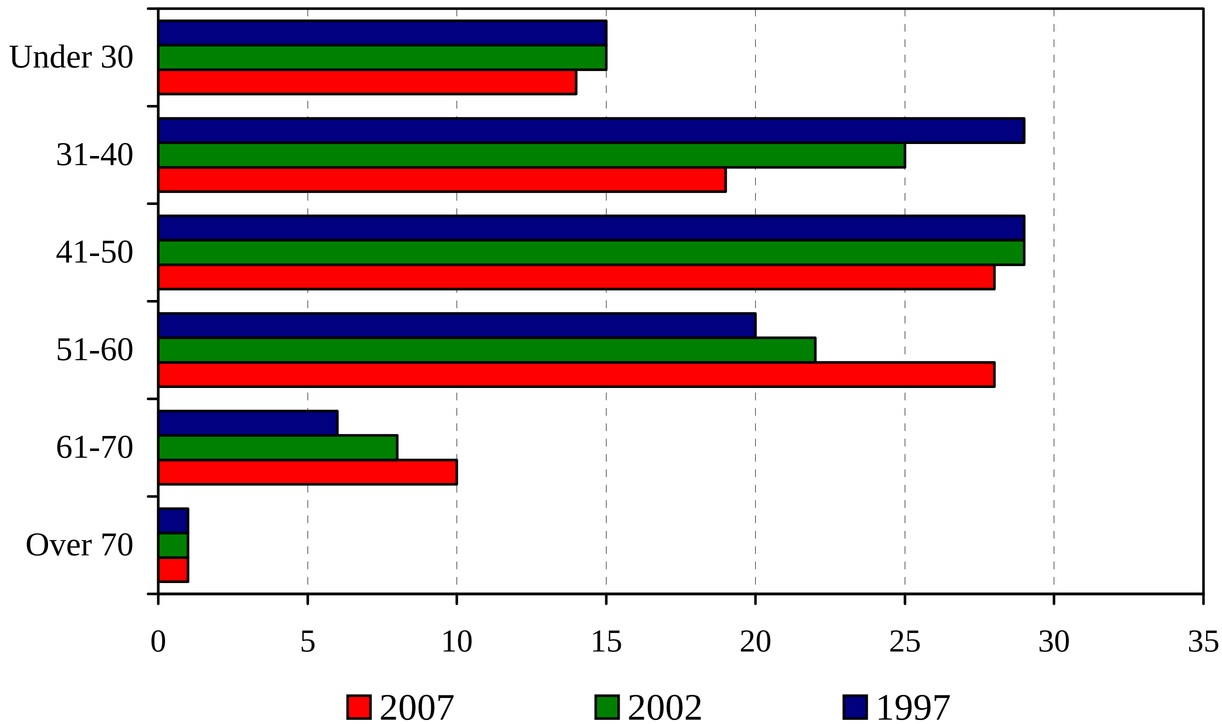
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Non-Investment Income ($Mil)	2.1	2.2	2.3	2.8	3.8	4.1	5.3	5.6	6.0	6.4
Benefits and Expenses ($Mil)	2.5	2.4	2.9	3.3	3.1	3.5	3.8	4.3	4.8	5.1
Net Non-Investment Income ($Mil)	-0.4	-0.2	-0.6	-0.5	0.7	0.6	1.5	1.3	1.2	1.3

Plan B - Total Income vs. Expenses
(Based on Actuarial Value of Assets)

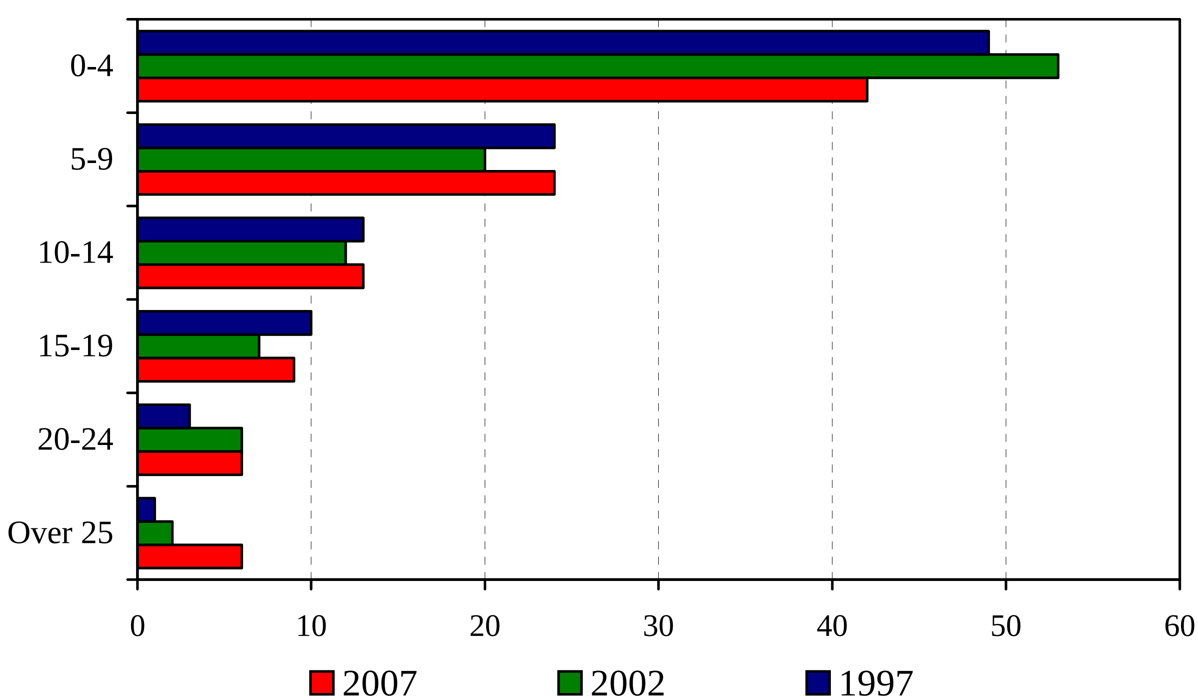


	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Income ($Mil)	8.0	10.1	8.3	7.5	4.2	9.1	13.1	16.2	17.0	23.1
Benefits and Expenses ($Mil)	2.5	2.4	2.9	3.3	3.1	3.5	3.8	4.3	4.8	5.1
Net Change in AVA ($Mil)	5.5	7.7	5.4	4.2	1.1	5.6	9.3	11.9	12.2	18.0

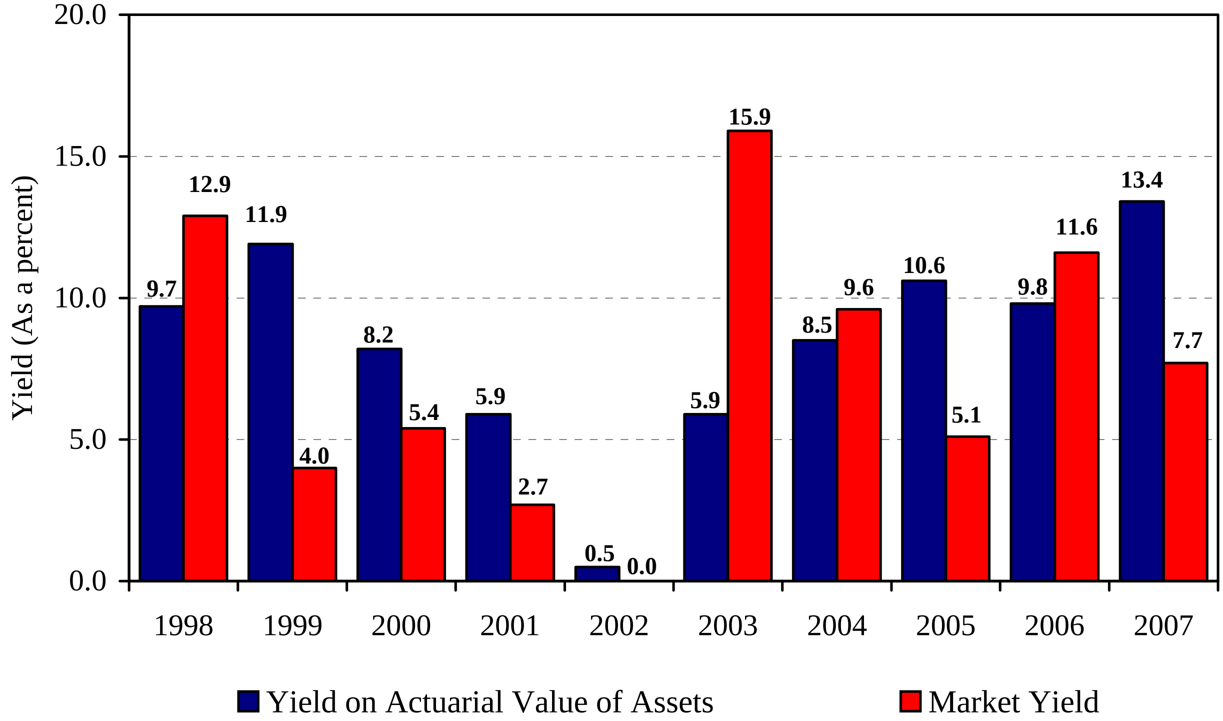
Plan B - Active – Census By Age
(as a percent)



Plan B - Active – Census By Service
(as a percent)



Plan B – Historical Asset Yield



Plan A Exhibits

EXHIBIT I
PLAN A: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$ 2,685,159,246
2.	Unfunded Actuarial Accrued Liability	$ 66,328,358
3.	Actuarial Value of Assets	$ 2,027,214,660
4.	Present Value of Future Employee Contributions	$ 302,732,846
5.	Present Value of Future Employer Normal Costs (1-2-3-4)	$ 288,883,382
6.	Present Value of Future Salaries	$ 3,593,118,027
7.	Employer Normal Cost Accrual Rate (5÷6)	8.039908%
8.	Projected Fiscal 2008 Salary for Current Membership	$ 425,774,774
9.	Employer Normal Cost as of January 1, 2008 (7 x 8)	$ 34,231,900
10.	Amortization Payment on remaining frozen Unfunded Accrued Liability of $66,328,358 with Payments increasing at 4% per year	$ 10,457,506
11.	TOTAL Employer Normal Cost and Amortization Payment (9 + 10)	$ 44,689,406
12.	Employer Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment	$ 46,334,962
13.	Estimated Administrative Cost for Fiscal 2008	$ 983,019
14.	TOTAL Administrative and Interest Adjusted Actuarial Costs (12 + 13)	$ 47,317,981
15.	Projected Ad Valorem Tax Contributions for Fiscal 2008	$ 5,079,858
16.	Projected Revenue Sharing Funds for Fiscal 2008	$ 144,029
17.	Employers' Minimum Net Direct Actuarially Required Contribution for Fiscal 2008 (14 – 15 – 16)	$ 42,094,094
18.	Projected Payroll for Fiscal 2008	$ 468,970,094
19.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2008 (17 ÷ 18)	8.98%
20.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2009 (19 + 22 Rounded to nearest .25%)	9.00%

EXHIBIT II
PLAN A: PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits	$ 1,734,968,136	
Survivor Benefits	47,060,320	
Disability Benefits	52,288,126	
Vested Termination Benefits	62,681,333	
Refunds of Contributions	45,793,897	
TOTAL Present Value of Future Benefits for Active Members		$ 1,942,791,812

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement	$ 42,432,309	
Terminated Members with Reciprocals Due Benefits at Retirement	332,297	
Terminated Members Due a Refund	5,125,264	
TOTAL Present Value of Future Benefits for Terminated Members		$ 47,889,870

PRESENT VALUE OF FUTURE BENEFITS FOR RETIREES:

Regular Retirees			
Maximum	$ 329,628,798		
Option 1	2,427,128		
Option 2	147,132,121		
Option 3	74,881,398		
Option 4	34,498,650		
TOTAL Regular Retirees		$ 588,568,095	
Disability Retirees		56,125,533	
Survivors & Widows		49,023,196	
Reserve for Accrued Retiree DROP Account Balances		760,740	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 694,477,564
TOTAL Present Value of Future Benefits			$ 2,685,159,246

EXHIBIT III
PLAN A: ACTUARIAL VALUE OF ASSETS

CURRENT ASSETS:

Cash in Banks	$ 671,695		
Contributions Receivable	18,011,408		
Ad Valorem Taxes Receivable	4,808,522		
Accrued Interest on Investments	3,317,587		
Investments Receivable	3,449,723		
TOTAL CURRENT ASSETS		$	30,258,935
NET ALLOCATED SHARE OF EXPENSE FUND		$	610,375

INVESTMENTS:

Common Stock	$ 467,550,399		
Mutual Funds (Equities)	862,167,261		
Mutual Funds (Fixed Income)	187,608,502		
Mutual Funds (Alternative Investments)	87,986,289		
U.S. Agency Bonds	359,513,196		
U.S. Treasury Zeros	31,406,133		
Cash Equivalents	19,645,725		
Government National Mortgage Association Bonds	26,101,675		
Corporate Bonds	16,243,345		
U.S. Treasury Notes	8,264,520		
U.S. Government Guaranteed Bonds	2,414,119		
Adjustment for Actuarial Smoothing	(60,781,093)		
TOTAL INVESTMENTS		$	2,008,120,071
TOTAL ASSETS		$	2,038,989,381

CURRENT LIABILITIES:

Accrued Pension & Death Benefits	$ 6,418,811		
Purchased Investments Payable	3,998,842		
Refunds Payable	512,425		
Due to Other Funds	164,328		
Accounts Payable	680,315		
TOTAL CURRENT LIABILITIES		$	11,774,721
ACTUARIAL VALUE OF ASSETS		$	2,027,214,660

EXHIBIT IV
PLAN A: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	302,732,846
Employer Normal Contributions to the Pension Accumulation Fund		288,883,382
Employer Amortization Payments to the Pension Accumulation Fund		66,328,358
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	657,944,586

EXHIBIT V
PLAN A: CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITIES

Prior Year Frozen Unfunded Accrued Liability			$	89,762,521
Interest on Frozen Unfunded Accrued Liability	$	7,181,002		
Employer Normal Cost for Prior Year		33,529,040		
Interest on the Normal Cost		2,682,323		
Administrative Expenses and Expense Fund Adjustment		850,748		
Interest on Expenses		33,375		
TOTAL Increases to Frozen Unfunded Accrued Liability			$	44,276,488
Direct Employer Contributions	$	60,315,511		
Interest on Employer Contributions		2,366,207		
Ad Valorem Taxes and Revenue Sharing		4,839,093		
Interest on Ad Valorem Taxes and Revenue Sharing Funds		189,840		
TOTAL Decreases to Frozen Unfunded Accrued Liability			$	67,710,651
CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY			$	66,328,358

EXHIBIT VI
PLAN A: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (December 31, 2006)		$ 1,718,754,962
INCOME:		
Member Contributions	$ 41,065,373	
Employer Contributions	60,315,511	
Ad Valorem Taxes	4,698,757	
Revenue Sharing	140,336	
Purchases and Transfers of Service Credit	1,748,231	
Other Income	183,123	
Total Contributions		$ 108,151,331
Net Appreciation in Fair Value of Investments	$ 104,623,447	
Interest on Investments	43,583,531	
Dividends	10,791,919	
Investment Income Allocated from Expense Fund	2,273	
Securities Lending (Net)	239,713	
Allocated Share of Investment Expense	(6,687,717)	
Adjustment for Actuarial Smoothing	141,811,515	
Net Investment Income		$ 294,364,681
TOTAL Income		$ 402,516,012
EXPENSES:		
Retirement Benefits	$ 74,476,404	
Refunds of Contributions	9,047,402	
DROP Disbursements	7,313,651	
Funds Transferred to Another System	2,368,109	
Allocated Share of Administrative Expense	856,217	
TOTAL Expenses		$ 94,061,783
Net Income for Fiscal 2007 (Income - Expenses)		$ 308,454,229
Unadjusted Fund Balance as of December 31, 2007 (Fund Balance Previous Year + Net Income)		$ 2,027,209,191
Adjustments for Change in Allocated Share of Expense Fund		$ 5,469
Actuarial Value of Assets: (December 31, 2007)		$ 2,027,214,660

EXHIBIT VII
PLAN A: FUND BALANCES

PRESENT ASSETS OF THE SYSTEM CREDITABLE TO:

Annuity Savings Fund	$	319,239,028
Annuity Reserve Fund		693,716,824
Pension Accumulation Fund		1,047,205,304
Deferred Retirement Option Plan Account		27,224,222
NET MARKET VALUE OF ASSETS	$	2,087,385,378
ALLOCATED SHARE OF THE EXPENSE FUND		610,375
ADJUSTMENT FOR ACTUARIAL SMOOTHING	$	(60,781,093)
ACTUARIAL VALUE OF ASSETS	$	2,027,214,660

EXHIBIT VIII
PLAN A: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$	1,253,622,536
Present Value of Benefits Payable to Terminated Employees		47,889,870
Present Value of Benefits Payable to Current Retirees and Beneficiaries		694,477,564
TOTAL PENSION BENEFIT OBLIGATION	$	1,995,989,970

EXHIBIT IX
PLAN A: COST OF LIVING ADJUSTMENTS - TARGET RATIO

Actuarial Value of Assets Divided by PBO as of Fiscal 1986:			59.75%
Amortization of Unfunded Balance over 30 years:			28.18%
Adjustments in Funded Ratio Due to Mergers or Changes in Assumption(s):			
	Changes for Fiscal 1987	8.18%	
	Changes for Fiscal 1988	-0.75%	
	Changes for Fiscal 1989	0.06%	
	Changes for Fiscal 1990	-1.91%	
	Mergers in Fiscal 1994	0.82%	
	Changes for Fiscal 1995	-5.88%	
	Changes for Fiscal 1997	-2.43%	
	Changes for Fiscal 1998	-3.78%	
	Changes for Fiscal 1999	-3.73%	
	Changes for Fiscal 2001	-0.03%	
	Changes for Fiscal 2003	0.43%	
	Changes for Fiscal 2005	-2.29%	
	Changes for Fiscal 2006	0.07%	
	Changes for Fiscal 2007	1.89%	
TOTAL Adjustments			-9.35%
Amortization of Adjustments in Funded Ratio over 30 years:			
	Changes for Fiscal 1987	-5.45%	
	Changes for Fiscal 1988	0.48%	
	Changes for Fiscal 1989	-0.04%	
	Changes for Fiscal 1990	1.08%	
	Mergers in Fiscal 1994	-0.36%	
	Changes for Fiscal 1995	2.35%	
	Changes for Fiscal 1997	0.81%	
	Changes for Fiscal 1998	1.13%	
	Changes for Fiscal 1999	0.99%	
	Changes for Fiscal 2001	0.01%	
	Changes for Fiscal 2003	-0.06%	
	Changes for Fiscal 2005	0.15%	
	Changes for Fiscal 2006	-0.00%	
	Changes for Fiscal 2007	-0.00%	
TOTAL Amortization of Adjustments			1.09%
Target Ratio for Current Fiscal Year			79.67%
Actuarial Value of Assets Divided by PBO as of Fiscal 2007			101.56%

EXHIBIT X
CENSUS DATA - PLAN A

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of December 31, 2006	12,836	6,662	408	4,978	24,884
Additions to Census					
Initial membership	1,735	48			1,783
Omitted in error last year					
Change in Status during Year					
Actives terminating service	(307)	307			
Actives who retired	(160)			160	
Actives entering DROP	(142)		142		
Term. members rehired	87	(87)			
Term. members who retire		(32)		32	
Retirees who are rehired					
Refunded who are rehired	60	104			164
DROP participants retiring			(87)	87	
DROP returned to work	57		(57)		
Death of another member	(10)	(2)	(1)	13	
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(901)	(376)			(1,277)
Deaths	(10)	(5)		(187)	(202)
Included in error last year					
Adjustment for multiple records					
Number of members as of December 31, 2007	13,245	6,619	405	5,083	25,352

PLAN A - ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	75	34	109	19,814	2,159,673
21 - 25	325	354	679	22,824	15,497,299
26 - 30	496	587	1,083	28,037	30,364,081
31 - 35	486	609	1,095	31,708	34,720,713
36 - 40	641	777	1,418	33,278	47,188,499
41 - 45	884	969	1,853	33,910	62,835,601
46 - 50	1,083	1,163	2,246	35,892	80,612,649
51 - 55	1,075	1,057	2,132	36,118	77,003,697
56 - 60	884	817	1,701	34,991	59,520,274
61 - 65	470	379	849	35,490	30,130,594
66 - 70	196	113	309	32,574	10,065,316
71 - 75	89	47	136	27,054	3,679,359
76 - 80	23	6	29	25,785	747,775
81 - 85	10	0	10	18,102	181,019
86 - 90	1	0	1	35,281	35,281
TOTAL	6,738	6,912	13,650	33,314	454,741,830

THE ACTIVE CENSUS INCLUDES 7,126 ACTIVES WITH VESTED BENEFITS, INCLUDING 405 DROP PARTICIPANTS AND 168 ACTIVE FORMER DROP PARTICIPANTS.

PLAN A - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
26 - 30	1	2	3	7,171	21,514
31 - 35	5	9	14	6,864	96,100
36 - 40	10	19	29	11,987	347,634
41 - 45	34	37	71	12,013	852,929
46 - 50	27	46	73	14,662	1,070,302
51 - 55	73	69	142	17,672	2,509,447
56 - 60	64	49	113	13,205	1,492,110
61 - 65	26	13	39	10,707	417,574
66 - 70	1	3	4	3,953	15,810
71 - 75	3	2	5	4,992	24,960
76 - 80	1	1	2	567	1,134
81 - 85	0	1	1	666	666
86 - 90	0	1	1	374	374
TOTAL	245	252	497	13,784	6,850,554

PLAN A - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	4,264	111,800
100	-	499	839	191,987
500	-	999	249	177,223
1000	-	1999	183	259,439
2000	-	4999	259	864,039
5000	-	9999	196	1,402,817
10000	-	19999	110	1,512,628
20000	-	99999	22	592,499
		TOTAL	6,122	5,112,432

PLAN A - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	3	7	10	36,555	365,551
51 - 55	41	39	80	38,092	3,047,339
56 - 60	141	95	236	36,872	8,701,853
61 - 65	338	263	601	22,179	13,329,636
66 - 70	495	347	842	17,252	14,526,523
71 - 75	442	298	740	14,435	10,681,944
76 - 80	373	297	670	12,484	8,364,331
81 - 85	234	192	426	10,929	4,655,877
86 - 90	89	90	179	8,860	1,586,028
91 - 99	48	36	84	5,009	420,734
TOTAL	2,204	1,664	3,868	16,980	65,679,816

PLAN A - DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
26 - 30	1	0	1	9,444	9,444
36 - 40	3	6	9	11,604	104,440
41 - 45	15	9	24	10,183	244,384
46 - 50	43	11	54	13,625	735,764
51 - 55	69	25	94	14,507	1,363,684
56 - 60	99	51	150	13,159	1,973,840
61 - 65	66	31	97	11,186	1,085,074
66 - 70	19	11	30	6,250	187,495
71 - 75	12	4	16	4,755	76,080
76 - 80	9	2	11	5,126	56,388
81 - 85	6	3	9	4,488	40,396
86 - 90	2	0	2	5,894	11,787
91 - 99	1	0	1	536	536
TOTAL	345	153	498	11,826	5,889,312

PLAN A - SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 25	7	4	11	5,843	64,277
26 - 30	1	0	1	8,689	8,689
31 - 35	1	1	2	8,583	17,165
36 - 40	2	2	4	10,388	41,553
41 - 45	1	9	10	16,758	167,575
46 - 50	2	9	11	13,445	147,897
51 - 55	7	24	31	13,394	415,223
56 - 60	0	33	33	11,238	370,865
61 - 65	8	64	72	10,099	727,127
66 - 70	3	93	96	9,375	899,968
71 - 75	8	89	97	8,460	820,654
76 - 80	7	117	124	8,130	1,008,078
81 - 85	2	118	120	5,912	709,405
86 - 90	4	69	73	4,704	343,394
91 - 99	0	32	32	2,880	92,148
TOTAL	53	664	717	8,137	5,834,018

PLAN A - ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20	90	17		2								109
21 - 25	323	199	64	41	20	32						679
26 - 30	273	213	150	93	94	236	24					1,083
31 - 35	203	161	90	85	73	339	133	11				1,095
36 - 40	200	161	92	97	90	376	258	139	5			1,418
41 - 45	206	180	110	101	93	401	324	232	151	55		1,853
46 - 50	212	168	100	86	87	461	361	256	230	257	28	2,246
51 - 55	135	149	90	113	97	399	343	290	222	204	90	2,132
56 - 60	89	89	68	67	69	340	334	272	158	147	68	1,701
61 - 65	21	23	19	24	26	194	177	159	103	57	46	849
66 - 70	12	13	8	2	5	44	69	75	38	27	16	309
71 & Over	3	2	1	4	2	20	32	43	30	23	16	176
Totals	1767	1375	792	715	656	2842	2055	1477	937	770	264	13650

PLAN A - AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20	19,292	20,144		40,478								19,814
21 - 25	22,306	21,723	23,885	24,264	26,893	28,382						22,824
26 - 30	25,570	26,217	28,409	28,750	30,362	30,692	31,953					28,037
31 - 35	26,431	28,734	33,832	30,173	30,194	34,061	37,102	39,460				31,708
36 - 40	26,714	29,382	31,755	29,553	33,734	34,557	38,566	37,151	36,753			33,278
41 - 45	24,012	27,552	30,191	29,061	30,013	33,324	36,725	39,627	46,336	44,188		33,910
46 - 50	24,634	26,987	27,279	30,189	34,309	31,632	34,032	39,966	46,710	52,294	45,187	35,892
51 - 55	24,081	26,683	29,140	29,711	30,073	33,317	34,673	38,662	44,790	48,104	52,498	36,118
56 - 60	26,123	29,185	26,846	31,444	29,722	30,979	31,990	35,122	44,273	46,940	58,068	34,991
61 - 65	26,492	22,687	26,007	32,380	30,081	34,490	34,421	34,294	41,730	43,015	43,756	35,490
66 - 70	23,962	22,955	28,949	21,327	39,147	29,825	28,558	33,275	37,871	44,500	36,896	32,574
71 & Over	20,852	20,041	24,260	19,615	37,361	30,593	25,817	21,942	31,249	23,456	31,555	26,383
Average	24,494	26,569	29,045	29,475	31,141	32,751	34,697	37,021	44,330	47,761	49,419	33,314

PLAN A - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 25												0
26 - 30											3	3
31 - 35										1	13	14
36 - 40									17	12		29
41 - 45								44	27			71
46 - 50						2	55	16				73
51 - 55	4	6	9	4		103	16					142
56 - 60	11	16	21	19	25	21						113
61 - 65	29	4	2	1	3							39
66 - 70	4											4
71 - 75	5											5
76 - 80	2											2
81 - 85	1											1
86 - 90	1											1
91 & Over												0
Totals	57	26	32	24	28	126	71	60	44	13	16	497

PLAN A - AVERAGE ANNUAL BENEFITS OF TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 25												0
26 - 30											7,171	7,171
31 - 35										7,477	6,817	6,864
36 - 40									14,920	7,832		11,987
41 - 45								14,583	7,825			12,013
46 - 50						26,308	15,993	8,630				14,662
51 - 55	50,234	42,260	38,933	47,898		13,635	6,785					17,672
56 - 60	13,556	13,338	14,692	15,788	14,217	7,888						13,205
61 - 65	12,260	5,475	9,198	6,184	5,189							10,707
66 - 70	3,952											3,952
71 - 75	4,992											4,992
76 - 80	567											567
81 - 85	666											666
86 - 90	374											374
91 & Over												0
Average	13,132	18,803	21,166	20,740	13,250	12,878	13,918	12,996	10,566	7,805	6,884	13,784

PLAN A - SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 50	6	4										10
51 - 55	22	19	20	5	8	6						80
56 - 60	51	50	38	37	21	37	1		1			236
61 - 65	102	107	82	81	62	124	36	7				601
66 - 70	38	47	71	87	76	362	107	41	12	1		842
71 - 75	20	12	21	27	26	234	261	96	33	9	1	740
76 - 80	6	6	5	11	17	62	221	238	83	19	2	670
81 - 85	1	4	1	3	2	14	48	138	183	29	3	426
86 - 90	2	1		2		7	12	24	78	46	7	179
91 & Over				1				4	10	49	20	84
Totals	248	250	238	254	212	846	686	548	400	153	33	3868

PLAN A - AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 50	32,409	42,775										36,555
51 - 55	40,096	32,095	43,291	43,199	30,747	37,936						38,092
56 - 60	30,394	39,995	38,842	42,522	35,204	35,841	28,547		8,748			36,872
61 - 65	19,067	18,315	19,655	22,439	21,967	27,099	30,039	27,460				22,179
66 - 70	13,166	14,380	16,542	17,811	15,196	15,874	22,690	25,046	21,628	11,010		17,252
71 - 75	10,788	20,921	15,549	10,372	12,972	12,537	13,733	20,898	19,667	10,161	6,628	14,435
76 - 80	8,813	9,060	11,106	10,770	8,836	11,870	12,272	11,277	18,234	14,671	4,369	12,484
81 - 85	16,445	16,834	26,846	11,561	7,232	14,185	11,835	10,109	10,637	12,439	9,014	10,929
86 - 90	8,628	12,664		5,487		10,461	9,245	10,022	8,553	8,808	6,871	8,860
91 & Over				11,209				7,351	8,840	4,460	3,659	5,009
Average	21,670	23,206	23,264	22,093	18,887	17,260	15,326	13,822	12,832	8,926	4,960	16,980

PLAN A - DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 30			1									1
31 - 35												0
36 - 40	1	2		2	2	2						9
41 - 45	2	5	2		4	7	4					24
46 - 50	5	4	5	6	2	16	10	5	1			54
51 - 55	7	11	6	10	6	30	12	11	1			94
56 - 60	12	9	16	12	9	42	25	20	5			150
61 - 65	1	4	7	7	7	29	25	12	3	2		97
66 - 70		1	2	1	2	4	10	6	4			30
71 - 75			1			1	8	3	3			16
76 - 80						2	4	3	1	1		11
81 - 85								6	3			9
86 - 90									2			2
91 & Over											1	1
Totals	28	36	40	38	32	133	98	66	23	3	1	498

PLAN A - AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 30			9,444									9,444
31 - 35												0
36 - 40	13,363	19,103		9,810	9,016	7,610						11,605
41 - 45	15,668	11,356	9,268		11,042	9,137	7,400					10,183
46 - 50	12,573	22,708	21,140	11,887	16,841	15,476	8,494	6,211	7,745			13,625
51 - 55	21,241	19,726	11,478	17,368	11,332	14,975	12,024	8,240	3,292			14,507
56 - 60	11,483	20,368	15,114	13,078	14,527	14,188	12,297	9,459	6,150			13,159
61 - 65	3,968	7,241	9,128	10,989	13,958	10,467	11,573	13,098	17,532	5,493		11,186
66 - 70		3,056	6,056	6,581	5,531	3,234	6,307	8,040	7,611			6,250
71 - 75			4,194			4,126	4,067	3,956	7,787			4,755
76 - 80						5,389	5,084	4,171	4,055	8,704		5,126
81 - 85								4,855	3,755			4,488
86 - 90									5,893			5,893
91 & Over											536	536
Average	14,215	17,170	13,114	13,291	12,606	12,807	9,913	8,633	7,621	6,563	536	11,826

PLAN A - SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20	3	1				2	3	1				10
21 - 25						1						1
26 - 30							1					1
31 - 35		2										2
36 - 40			1		1	1	1					4
41 - 45				2	3	2	3					10
46 - 50		1	1	1	3	1	2	1	1			11
51 - 55	1	6	3			10	8	3				31
56 - 60	1	2	4	2	2	8	11	3				33
61 - 65	5	6	6	3	5	22	13	6	4	2		72
66 - 70	1	5	1	3	4	34	26	14	7	1		96
71 - 75	1	1	1	1	2	13	30	25	18	5		97
76 - 80	1	1	2	1	2	6	22	34	41	10	4	124
81 - 85						3	7	27	54	20	9	120
86 - 90							4	5	27	22	15	73
91 & Over								3	6	4	19	32
Totals	13	25	19	13	22	103	131	122	158	64	47	717

PLAN A - AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 20	6,013	7,177				4,386	5,656	6,364				5,732
21 - 25						6,958						6,958
26 - 30							8,689					8,689
31 - 35		8,583										8,583
36 - 40			9,892		5,079	14,068	12,513					10,388
41 - 45				20,282	11,106	28,050	12,531					16,758
46 - 50		20,337	5,626	26,829	13,963	30,768	3,474	14,196	1,303			13,445
51 - 55	5,892	10,814	11,182			20,310	10,907	6,846				13,394
56 - 60	2,699	9,433	16,643	15,925	15,697	13,311	8,900	5,032				11,238
61 - 65	6,737	10,389	11,194	7,498	13,201	9,971	11,916	6,564	14,594	1,708		10,099
66 - 70	3,362	10,941	15,127	10,055	7,205	9,194	8,756	11,150	9,180	7,189		9,375
71 - 75	2,097	5,069	2,356	5,750	10,334	9,301	9,369	8,090	9,131	3,224		8,460
76 - 80	6,378	5,934	19,405	12,951	3,181	8,566	8,328	7,687	8,704	7,178	3,252	8,130
81 - 85						4,637	5,138	6,941	6,869	4,044	2,260	5,912
86 - 90							18,541	3,382	4,693	4,252	2,139	4,704
91 & Over								3,318	4,937	3,075	2,119	2,880
Average	5,550	10,259	12,584	13,123	10,615	11,111	9,350	7,619	7,420	4,456	2,249	8,137

EXHIBIT XI
PLAN A: YEAR-TO-YEAR COMPARISON

	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
Number of Active Members	13,650	13,244	13,470	13,868
Number of Retirees & Survivors	5,083	4,978	4,845	4,739
Number of Terminated Due Deferred Benefits	497	522	448	374
Number Terminated Due Refunds	6,122	6,140	5,723	5,641
Active Lives Payroll	$ 454,741,830	$ 420,104,038	$ 429,459,653	$ 407,022,806
Retiree Benefits in Payment	$ 77,403,146	$ 73,102,892	$ 66,724,243	$ 62,543,026
Market Value of Assets	$ 2,087,385,378	$ 1,921,293,624	$ 1,695,523,143	$ 1,577,051,547
Ratio of AVA to GASB-25 Accrued Liability	96.83%	95.04%	94.29%	93.46%
Actuarial Value of Assets	$ 2,027,214,660	$ 1,718,754,962	$ 1,535,416,950	$ 1,364,795,086
Frozen Unfunded Actuarial Accrued Liability	$ 66,328,358	$ 89,762,521	$ 92,910,853	$ 95,449,152
Present Value of Future Employer Normal Cost	$ 288,883,382	$ 280,817,883	$ 422,308,841	$ 351,288,808
Present Value of Future Employee Contrib.	$ 302,732,846	$ 279,197,353	$ 291,917,848	$ 269,026,244
Present Value of Future Benefits	$ 2,685,159,246	$ 2,368,532,719	$ 2,342,554,492	$ 2,080,559,290

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	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Employee Contribution Rate	9.50%	9.50%	9.50%	9.50%
Projected Tax Contribution as % of Payroll	1.11%	1.05%	0.94%	1.02%
Actuarially Required Net Direct Employer Contribution Rate	8.98%	9.58%	13.12%	12.39%
Actual Employer Contribution Rate	12.75%	13.25%	12.75%	12.75%

Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998
13,934	13,570	13,497	13,570	13,429	13,304
4,602	4,507	4,412	4,325	4,193	4,159
320	323	289	263	273	246
5,439	5,528	5,272	5,187	4,977	4,860
$ 396,330,869	$ 372,814,126	$ 352,458,011	$ 337,142,274	$ 323,096,742	$ 307,631,138
$ 57,594,474	$ 54,500,856	$ 51,579,364	$ 48,515,498	$ 44,919,015	$ 42,626,480
$ 1,415,543,422	$ 1,218,826,920	$ 1,247,510,633	$ 1,255,743,424	$ 1,175,817,245	$ 1,122,352,470
92.83%	92.47%	92.29%	91.39%	90.19%	88.33%
$ 1,261,191,242	$ 1,214,971,041	$ 1,224,465,306	$ 1,169,592,667	$ 1,082,379,053	$ 960,159,912
$ 97,437,098	$ 98,929,395	$ 102,275,043	$ 110,257,598	$ 117,704,612	$ 126,853,240
$ 354,769,127	$ 291,266,682	$ 165,256,537	$ 112,077,577	$ 102,088,430	$ 70,210,613
$ 263,620,074	$ 250,687,770	$ 239,981,493	$ 233,305,082	$ 225,850,884	$ 208,296,426
$ 1,977,017,541	$ 1,855,854,888	$ 1,731,978,389	$ 1,625,232,924	$ 1,528,022,979	$ 1,365,520,191

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Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999
9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
0.96%	0.97%	0.98%	0.87%	0.90%	0.93%
12.66%	11.22%	7.32%	5.68%	5.40%	4.50%
11.75%	7.75%	7.75%	7.75%	7.75%	7.75%

Plan B Exhibits

EXHIBIT XII
PLAN B: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$	191,334,388
2.	Actuarial Value of Assets	$	141,756,387
3.	Present Value of Future Employee Contributions	$	13,275,174
4.	Present Value of Future Employer Normal Costs (1-2-3)	$	36,302,827
5.	Present Value of Future Salaries	$	477,241,445
6.	Employer Normal Cost Accrual Rate (4 ÷5)		7.606805%
7.	Projected Fiscal 2008 Salary for Current Membership	$	58,096,558
8.	Employer Normal Cost as of January 1, 2008 (6 x 7)	$	4,419,292
9.	Normal Cost Interest Adjusted for Midyear Payment	$	4,582,019
10.	Estimated Administrative Cost for Fiscal 2008	$	135,885
11.	TOTAL Administrative and Interest Adjusted Actuarial Costs (9 + 10)	$	4,717,904
12.	Projected Ad Valorem Tax Contributions for Fiscal 2008	$	702,198
13.	Projected Revenue Sharing Funds for Fiscal 2008	$	19,909
14.	Employers' Net Direct Actuarially Required Contribution for Fiscal 2008 (11 – 12 – 13)	$	3,995,797
15.	Projected Payroll for Fiscal 2008	$	65,216,998
16.	Employers' Net Direct Actuarially Required Contribution as a % of Projected Payroll for 2008 (14 ÷ 15)		6.13%
17.	Actual Employer Contribution Rate for Fiscal 2008		6.00%
18.	Contribution Shortfall (Excess) as a Percentage of Payroll (16 - 17)		0.13%
19	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess)		0.02%
20.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2009 (16 + 19 Rounded to Nearest .25%)		6.25%

EXHIBIT XIII
PLAN B: PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits	$ 125,837,887	
Survivor Benefits	4,734,726	
Disability Benefits	5,484,478	
Vested Termination Benefits	8,927,073	
Refunds of Contributions	2,185,272	
TOTAL Present Value of Future Benefits for Active Members		$ 147,169,436

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement	$ 3,616,465	
Terminated Members with Reciprocals Due Benefits at Retirement	56,237	
Terminated Members Due a Refund	421,907	
TOTAL Present Value of Future Benefits for Terminated Members		$ 4,094,609

PRESENT VALUE OF FUTURE BENEFITS FOR PENSIONERS:

Regular Retirees by Option Selected:			
Maximum	$ 15,668,006		
Option 1	206,281		
Option 2	14,151,406		
Option 3	1,912,144		
Option 4	565,842		
TOTAL Regular Retirees		$ 32,503,679	
TOTAL Disability Retirees		$ 3,997,324	
TOTAL Survivors & Widows		$ 3,511,336	
Reserve for Accrued Retiree DROP Account Balances		$ 58,004	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 40,070,343

TOTAL Present Value of Future Benefits	$ 191,334,388

EXHIBIT XIV
PLAN B: ACTUARIAL VALUE OF ASSETS

CURRENT ASSETS:		
Cash in Banks	$ 133,346	
Ad Valorem Taxes Receivable	677,207	
Accrued Interest on Investments	318,154	
Contributions Receivable	1,026,670	
Due From Other Funds	164,328	
Investments Receivable	223,890	
Other Current Assets	850	
TOTAL CURRENT ASSETS		$ 2,544,445
NET ALLOCATED SHARE OF EXPENSE FUND		$ 84,373
INVESTMENTS:		
Common Stocks	$ 30,505,454	
Mutual Funds (Equities)	56,854,931	
Mutual Funds (Fixed Income)	14,758,987	
Mutual Funds (Alternative Investments)	6,022,044	
U.S. Agency Bonds	16,374,972	
U.S. Treasury Zeros	8,231,712	
Corporate Bonds	2,430,198	
U.S. Treasury Notes	3,174,528	
Cash Equivalents	2,216,338	
Municipal Bonds	1,287,752	
Government National Mortgage Association Bonds	471,159	
Adjustment for Actuarial Smoothing	(2,491,777)	
TOTAL INVESTMENTS		$ 139,836,298
TOTAL ASSETS		$ 142,465,116
CURRENT LIABILITIES:		
Accrued Pension and Death Benefits	$ 359,118	
Refunds Payable	44,998	
Investments Payable	260,591	
Accounts Payable	44,022	
TOTAL CURRENT LIABILITIES		$ 708,729
ACTUARIAL VALUE OF ASSETS		$ 141,756,387

EXHIBIT XV
PLAN B: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	13,275,174
Employer Normal Contributions to the Pension Accumulation Fund		36,302,827
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	49,578,001

EXHIBIT XVI
PLAN B: RECONCILIATION OF CONTRIBUTIONS

Employer Normal Cost for Prior Year	$3,704,226		
Interest on Normal Cost	296,338		
Administrative Expenses and Expense Fund Adjustment	123,826		
Interest on Expenses	4,858		
TOTAL Interest Adjusted Actuarially Required Contributions		$	4,129,248
Direct Employer Contributions	$ 3,776,928		
Interest on Employer Contributions	148,172		
Ad Valorem Taxes and Revenue Sharing Funds	681,444		
Interest on Taxes and Revenue Sharing Funds	26,733		
TOTAL Interest Adjusted Employer Contributions		$	4,633,277
CONTRIBUTION SHORTFALL (EXCESS)		$	(504,029)

EXHIBIT XVII
PLAN B: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (December 31, 2006)		$ 123,781,772
Income:		
Member Contributions	$ 1,847,745	
Employer Contributions	3,776,928	
Ad Valorem Taxes	662,622	
Revenue Sharing	18,822	
Purchases and Transfers of Service Credit	137,264	
Other	8,584	
Total Other Contributions		$ 6,451,965
Interest on Investments	2,561,071	
Dividends	646,933	
Net Appreciation in Fair Value of Investments	7,464,697	
Investment Income Allocated from Expense Fund	314	
Securities Lending (Net)	19,314	
Allocated Investment Expense	(458,707)	
Adjustment for Actuarial Smoothing	6,429,157	
Net Investment Income		$ 16,662,779
TOTAL Income		$ 23,114,744
Expenses:		
Retirement Benefits	$ 4,206,324	
Refunds of Contributions	467,354	
DROP Disbursements	340,877	
Allocated Administrative Expenses	118,357	
Funds Transferred to Another System	1,748	
TOTAL Expenses		$ 5,134,660
Net Income for Fiscal 2007 (Income - Expenses)		$ 17,980,084
Unadjusted Fund Balance as of December 31, 2007 (Fund Balance Previous Year + Net Income)		$ 141,761,856
Adjustments for Change in Allocation of Expense Fund		$ (5,469)
Actuarial Value of Assets (December 31, 2007)		$ 141,756,387

EXHIBIT XVIII
PLAN B: FUND BALANCES

PRESENT ASSETS OF THE SYSTEM CREDITABLE TO:

Annuity Savings Fund	$	12,276,223
Annuity Reserve Fund		40,012,339
Pension Accumulation Fund		90,586,042
Deferred Retirement Option Plan Account		1,289,187
NET MARKET VALUE OF ASSETS	$	144,163,791
ALLOCATED SHARE OF THE EXPENSE FUND		84,373
ADJUSTMENT FOR ACTUARIAL SMOOTHING		(2,491,777)
ACTUARIAL VALUE OF ASSETS	$	141,756,387

EXHIBIT XIX – Schedule A
PLAN B: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$	87,777,321
Present Value of Benefits Payable to Terminated Employees		4,094,609
Present Value of Benefits Payable to Current Retirees and Beneficiaries		40,070,343
TOTAL PENSION BENEFIT OBLIGATION	$	131,942,273
NET ACTUARIAL VALUE OF ASSETS	$	141,756,387
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation		107.44%

EXHIBIT XIX – Schedule B
ENTRY AGE NORMAL ACCRUED LIABILITIES

Accrued Liability for Active Employees	$	100,748,334
Accrued Liability for Terminated Employees		4,094,609
Accrued Liability for Current Retirees and Beneficiaries		40,070,343
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	$	144,913,286
NET ACTUARIAL VALUE OF ASSETS	$	141,756,387
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability		97.82%

EXHIBIT XX
PLAN B: COST OF LIVING ADJUSTMENTS - TARGET RATIO

Actuarial Value of Assets Divided by PBO as of 1986:	100.23%
Amortization of Unfunded Balance over 30 years:	-0.16%

Adjustments in Funded Ratio Due to Mergers or Changes in Assumption(s):

Changes for Fiscal 1987	13.61%	
Changes for Fiscal 1988	-3.15%	
Changes for Fiscal 1989	0.13%	
Changes for Fiscal 1990	-3.81%	
Changes for Fiscal 1995	-3.33%	
Changes for Fiscal 1997	4.20%	
Changes for Fiscal 1998	-3.43%	
Changes for Fiscal 1999	-3.95%	
Changes for Fiscal 2001	-0.11%	
Changes for Fiscal 2003	-0.23%	
Changes for Fiscal 2005	-3.19%	
Changes for Fiscal 2006	-0.65%	
Changes for Fiscal 2007	-0.58%	
TOTAL Adjustments		-4.49%

Amortization of Adjustments in Funded Ratio over 30 years:

Changes for Fiscal 1987	-9.07%	
Changes for Fiscal 1988	2.00%	
Changes for Fiscal 1989	-0.08%	
Changes for Fiscal 1990	2.16%	
Changes for Fiscal 1995	1.33%	
Changes for Fiscal 1997	-1.40%	
Changes for Fiscal 1998	1.03%	
Changes for Fiscal 1999	1.05%	
Changes for Fiscal 2001	0.02%	
Changes for Fiscal 2003	0.03%	
Changes for Fiscal 2005	0.21%	
Changes for Fiscal 2006	0.02%	
Changes for Fiscal 2007	0.00%	
TOTAL Amortization of Adjustments		-2.70%

Target Ratio for Current Fiscal Year (Not more than 100%)	92.88%
Actuarial Value of Assets Divided by PBO as of 2007	107.44%

EXHIBIT XXI
CENSUS DATA - PLAN B

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of December 31, 2006	1,957	1,467	33	508	3,965
Additions to Census					
Initial membership	263	11			274
Omitted in error last year					
Change in Status during Year					
Actives terminating service	(54)	54			
Actives who retired	(25)			25	
Actives entering DROP	(13)		13		
Term. members rehired	16	(16)			
Term. members who retire		(5)		5	
Retirees who are rehired					
Refunded who are rehired	8	6			14
DROP participants retiring			(5)	5	
DROP returned to work	3		(3)		
Death of another member	(3)			3	
Omitted in error last year				3	3
Eliminated from Census					
Refund of contributions	(156)	(65)			(221)
Deaths	(3)	(2)		(19)	(24)
Included in error last year			(1)		(1)
Adjustment for multiple records					
Number of members as of December 31, 2007	1,993	1,450	37	530	4,010

PLAN B - ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	6	3	9	18,688	168,192
21 - 25	54	53	107	23,096	2,471,259
26 - 30	76	93	169	25,971	4,389,175
31 - 35	71	90	161	28,396	4,571,773
36 - 40	90	133	223	31,682	7,065,020
41 - 45	131	154	285	32,155	9,164,233
46 - 50	156	133	289	33,000	9,536,979
51 - 55	167	149	316	32,603	10,302,530
56 - 60	144	102	246	32,887	8,090,260
61 - 65	88	60	148	33,496	4,957,339
66 - 70	35	18	53	29,212	1,548,254
71 - 75	16	3	19	26,160	497,032
76 - 80	2	2	4	21,440	85,761
81 - 85	1	0	1	12,000	12,000
TOTAL	1,037	993	2,030	30,965	62,859,807

THE ACTIVE CENSUS INCLUDES 930 ACTIVES WITH VESTED BENEFITS, INCLUDING 37 DROP PARTICIPANTS AND 14 ACTIVE FORMER DROP PARTICIPANTS.

PLAN B - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	3	2	5	5,779	28,896
36 - 40	6	4	10	7,782	77,820
41 - 45	6	12	18	7,368	132,617
46 - 50	9	9	18	9,738	175,286
51 - 55	6	15	21	9,181	192,806
56 - 60	6	9	15	6,814	102,204
61 - 65	4	1	5	8,144	40,719
66 - 70	1	2	3	1,769	5,307
71 - 75	1	0	1	3,497	3,497
81 - 85	1	0	1	42	42
TOTAL	43	54	97	7,827	759,194

PLAN B - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	1,005	23,377
100	-	499	200	47,117
500	-	999	53	38,389
1000	-	1999	41	60,594
2000	-	4999	34	106,058
5000	-	9999	17	108,169
10000	-	19999	3	38,165
		TOTAL	1,353	421,869

PLAN B - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
56 - 60	12	5	17	23,830	405,103
61 - 65	34	25	59	10,112	596,594
66 - 70	72	39	111	8,627	957,567
~~71 - 75~~	~~49~~	~~38~~	~~87~~	~~8,242~~	~~717,012~~
76 - 80	34	29	63	7,149	450,370
81 - 85	11	37	48	5,951	285,645
86 - 90	7	20	27	7,225	195,064
91 - 99	1	6	7	6,457	45,199
TOTAL	220	199	419	8,717	3,652,554

PLAN B - DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	1	0	1	5,293	5,293
41 - 45	2	0	2	6,153	12,306
46 - 50	3	0	3	5,265	15,795
51 - 55	13	4	17	7,585	128,939
56 - 60	13	2	15	7,669	115,035
61 - 65	9	5	14	5,986	83,801
66 - 70	2	0	2	10,597	21,194
71 - 75	1	0	1	2,935	2,935
TOTAL	44	11	55	7,005	385,298

PLAN B - SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 25	0	1	1	5,808	5,808
26 - 30	0	2	2	7,785	15,569
46 - 50	2	1	3	6,566	19,697
51 - 55	1	6	7	9,917	69,419
56 - 60	0	4	4	8,100	32,398
61 - 65	0	9	9	9,324	83,918
66 - 70	0	4	4	7,264	29,055
71 - 75	1	7	8	4,979	39,833
76 - 80	0	6	6	3,351	20,105
81 - 85	1	4	5	6,621	33,105
86 - 90	0	4	4	2,574	10,295
91 - 99	0	3	3	1,023	3,069
TOTAL	5	51	56	6,469	362,271

PLAN B - ACTIVE MEMBERS:

Attained Ages	Completed Years of Service 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20	9											9
21 - 25	49	33	14	3	2	6						107
26 - 30	56	34	15	8	12	43	1					169
31 - 35	32	30	12	7	16	51	13					161
36 - 40	25	30	11	11	17	60	45	22	2			223
41 - 45	30	32	17	15	21	69	40	27	24	10		285
46 - 50	21	25	15	14	14	75	42	31	26	25	1	289
51 - 55	25	23	18	17	22	72	44	35	18	33	9	316
56 - 60	21	17	15	8	13	56	34	38	26	11	7	246
61 - 65	3	7	8	7	6	41	18	29	12	12	5	148
66 - 70	2	4	1	4	1	14	18	5	1	3		53
71 & Over			2	1		5	6	4	1	1	4	24
Totals	273	235	128	95	124	492	261	191	110	95	26	2030

PLAN B - AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	Completed Years of Service 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20	18,688											18,688
21 - 25	22,336	21,747	22,845	40,073	19,384	30,059						23,096
26 - 30	25,723	24,707	28,264	27,158	22,280	26,989	39,566					25,971
31 - 35	23,822	25,860	28,039	23,347	31,141	32,203	30,242					28,396
36 - 40	27,701	32,794	30,570	31,309	35,068	27,698	35,587	35,779	30,701			31,682
41 - 45	26,477	30,043	31,381	31,985	24,236	31,667	36,029	37,461	35,915	38,678		32,155
46 - 50	31,700	27,816	30,535	30,487	28,352	32,952	29,065	35,654	41,789	38,331	51,879	33,000
51 - 55	26,235	30,926	22,957	38,671	28,380	28,861	33,745	35,359	39,871	40,018	44,639	32,603
56 - 60	26,746	27,796	41,604	31,551	30,396	32,729	32,727	32,320	31,589	35,620	56,799	32,887
61 - 65	32,466	25,438	29,958	49,076	29,575	30,170	32,266	31,372	37,274	40,478	52,135	33,496
66 - 70	19,957	14,561	17,812	39,479	36,400	29,187	32,933	29,635	14,400	24,663		29,212
71 & Over			23,118	39,655		15,205	27,246	28,561	21,416	32,839	25,226	24,783
Average	25,542	27,210	29,289	33,714	28,547	30,354	33,067	34,250	36,654	38,421	46,646	30,965

PLAN B - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Years Until Retirement Eligibility

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 30												0
31 - 35										2	3	5
36 - 40									7	3		10
41 - 45								12	6			18
46 - 50							14	4				18
51 - 55						16	5					21
56 - 60	2	4	3	2		4						15
61 - 65	3		1	1								5
66 - 70	3											3
71 - 75	1											1
76 - 80												0
81 - 85	1											1
86 & Over												0
Totals	10	4	4	3	0	20	19	16	13	5	3	97

PLAN B - AVERAGE ANNUAL BENEFITS OF TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Years Until Retirement Eligibility

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 30												0
31 - 35										6,871	5,052	5,779
36 - 40									8,980	4,988		7,782
41 - 45								9,014	4,075			7,368
46 - 50							11,286	4,322				9,738
51 - 55						10,426	5,197					9,181
56 - 60	11,848	3,171	10,071	9,159		4,323						6,814
61 - 65	10,465		5,339	3,987								8,144
66 - 70	1,769											1,769
71 - 75	3,497											3,497
76 - 80												0
81 - 85	42											42
86 & Over												0
Average	6,394	3,171	8,888	7,435	0	9,206	9,683	7,841	6,716	5,741	5,052	7,827

PLAN B - SERVICE RETIREES:

Completed Years Since Retirement

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 55												0
56 - 60	5	4	2	2	3	1						17
61 - 65	9	15	10	12	5	8						59
66 - 70	10	8	17	21	6	40	7		2			111
71 - 75	2	2	1	11	5	36	25	3	2			87
76 - 80		1		3		8	25	25		1		63
81 - 85				1			6	20	21			48
86 - 90							1	5	10	11		27
91 & Over								1	1	3	2	7
Totals	26	30	30	50	19	93	64	54	36	15	2	419

PLAN B - AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Completed Years Since Retirement

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 55												0
56 - 60	19,988	36,085	23,082	21,022	19,622	13,748						23,830
61 - 65	9,646	10,603	8,350	8,732	11,439	13,157						10,112
66 - 70	10,944	9,661	6,663	7,264	7,233	10,245	6,512		3,129			8,627
71 - 75	7,723	6,523	11,453	5,784	7,570	8,139	8,524	16,367	10,187			8,242
76 - 80		11,241		7,446		7,253	5,323	8,960		1,685		7,149
81 - 85				3,629			7,168	5,440	6,201			5,951
86 - 90							21,696	9,018	8,957	3,519		7,225
91 & Over								14,421	3,920	6,036	4,375	6,457
Average	11,986	13,499	8,479	7,779	10,385	9,460	7,132	8,174	6,954	3,900	4,375	8,717

PLAN B - DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 30												0
31 - 35				1								1
36 - 40												0
41 - 45		2										2
46 - 50		1			1	1						3
51 - 55	5	3	3	1		4		1				17
56 - 60	2	1	1	4	4	2	1					15
61 - 65		3	3	2	1	2	3					14
66 - 70						2						2
71 - 75	1											1
76 & Over												0
Totals	8	10	7	8	6	11	4	1	0	0	0	55

PLAN B - AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 30												0
31 - 35				5,293								5,293
36 - 40												0
41 - 45		6,153										6,153
46 - 50		6,188			5,335	4,273						5,265
51 - 55	9,467	6,291	7,762	6,503		6,668		6,270				7,585
56 - 60	4,131	5,894	4,589	10,902	8,672	5,943	6,108					7,669
61 - 65		2,975	5,316	7,552	8,797	6,313	7,467					5,986
66 - 70						10,597						10,597
71 - 75	2,935											2,935
76 & Over												0
Average	7,317	5,219	6,261	8,813	8,136	6,968	7,127	6,270	0	0	0	7,005

PLAN B - SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement										
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20												0
21 - 25		1										1
26 - 30		1					1					2
31 - 35												0
36 - 40												0
41 - 45												0
46 - 50						2	1					3
51 - 55	1	1	1			4						7
56 - 60						3	1					4
61 - 65	2	1		1	1	3	1					9
66 - 70						1	2	1				4
71 - 75				1	1	3	3					8
76 - 80						1	1	2	1	1		6
81 - 85								1	4			5
86 - 90										4		4
91 & Over										1	2	3
Totals	3	4	1	2	2	17	10	4	5	6	2	56

PLAN B - AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement										
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 20												0
21 - 25		5,808										5,808
26 - 30		12,078					3,490					7,784
31 - 35												0
36 - 40												0
41 - 45												0
46 - 50						6,070	7,556					6,566
51 - 55	23,550	5,571	15,462			6,209						9,917
56 - 60						9,576	3,669					8,099
61 - 65	4,227	2,048		24,694	14,319	8,644	8,470					9,324
66 - 70						851	9,365	9,474				7,264
71 - 75				6,465	6,357	3,910	5,093					4,979
76 - 80						1,787	5,253	5,006	1,233	1,820		3,351
81 - 85								3,301	7,451			6,621
86 - 90										2,574		2,574
91 & Over										774	1,147	1,023
Average	10,668	6,377	15,462	15,580	10,338	6,236	6,245	5,697	6,207	2,148	1,147	6,469

EXHIBIT XXII
PLAN B: YEAR-TO-YEAR COMPARISON

	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
Number of Active Members	2,030	1,990	1,970	2,062
Number of Retirees & Survivors	530	508	486	461
Number of Terminated Due Deferred Benefits	97	98	91	69
Number Terminated Due Refunds	1,353	1,369	1,298	1,243
Active Lives Payroll	$ 62,859,807	$ 59,155,664	$ 54,810,437	$ 54,325,541
Retiree Benefits in Payment	$ 4,400,123	$ 4,029,570	$ 3,588,698	$ 3,313,829
Market Value of Assets	$ 144,163,791	$ 132,695,110	$ 117,661,283	$ 110,700,198
Actuarial Value of Assets	$ 141,756,387	$ 123,781,772	$ 111,443,610	$ 99,526,756
Present Value of Future Employer Normal Cost	$ 36,302,827	$ 30,194,074	$ 30,452,448	$ 30,454,650
Present Value of Future Employee Contrib.	$ 13,275,174	$ 12,440,078	$ 11,815,922	$ 12,600,693
Present Value of Future Benefits	$ 191,334,388	$ 166,415,924	$ 153,711,980	$ 142,582,099

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	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Employee Contribution Rate	3.00%	3.00%	3.00%	3.00%
Projected Tax Contribution as % of Payroll	1.11%	1.05%	1.03%	1.00%
Actuarially Required Net Direct Employer Contribution Rate	6.13%	5.39%	5.90%	5.45%
Actual Employer Contribution Rate	6.00%	6.00%	5.75%	5.75%

Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998
2,189	2,122	2,046	1,922	1,896	1,782
417	404	401	395	371	355
64	64	44	42	43	40
1,182	1,199	1,099	1,062	1,000	1,004
$ 54,823,785	$ 52,863,764	$ 48,507,063	$ 43,079,182	$ 41,609,920	$ 38,518,764
$ 2,898,810	$ 2,704,346	$ 2,542,212	$ 2,373,678	$ 2,109,116	$ 1,878,636
$ 99,612,361	$ 85,214,085	$ 84,474,861	$ 82,785,072	$ 79,220,309	$ 76,318,545
$ 90,234,749	$ 84,572,863	$ 83,407,668	$ 79,249,113	$ 73,932,718	$ 66,212,388
$ 31,528,445	$ 28,501,122	$ 19,615,292	$ 13,032,125	$ 13,815,875	$ 9,556,953
$ 12,689,583	$ 12,282,205	$ 11,353,565	$ 6,859,540	$ 6,660,945	$ 5,643,738
$ 134,452,777	$ 125,356,190	$ 114,376,525	$ 99,140,778	$ 94,409,538	$ 81,413,079

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Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999
3.00%	3.00%	3.00%	2% over $1200	2% over $1200	2% over $1200
0.95%	0.96%	0.96%	0.85%	0.89%	0.92%
5.61%	5.18%	3.62%	2.47%	2.73%	2.07%
5.25%	3.75%	2.75%	2.75%	2.50%	2.50%

SUMMARY OF PRINCIPAL PLAN PROVISIONS

All members of the Parochial Employees' Retirement System are participants in either Plan A or Plan B according to the provisions of the agreement entered into by their employer. All employees of a participating employer must participate in the same plan. The principal provisions of each plan are given below. The following summary of plan provisions is for general informational purposes only and does not constitute a guarantee of benefits.

PLAN A:

CONTRIBUTION RATES - The Plan A fund is financed by employee contributions of 9.50% of member's earnings and employer contributions as determined by the Public Retirement Systems' Actuarial Committee. In addition, each sheriff and ex-officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish, excepting Orleans Parish and East Baton Rouge Parish, and remits the money to the system on an annual basis. The system also receives revenue sharing funds each year as appropriated by the legislature. In any fiscal year in which employer contribution rate as actuarially determined is scheduled to decrease, the Board of Trustees may elect to maintain the existing rate and use the excess contributions to reduce the plan's frozen unfunded actuarial accrued liability.

RETIREMENT BENEFITS – Members hired on or before December 31, 2006, with seven years of creditable service may retire at age sixty-five; ten years of creditable service may retire at age sixty; members with twenty-five years of service may retire at age fifty-five; members with thirty years of service may retire regardless of age. Members hired on or after January 1, 2007, with seven years of creditable service may retire at age sixty-seven; ten years of creditable service may retire at age sixty-two; members with thirty years of service may retire at age fifty-five. The retirement allowance is equal to three percent of the member's final compensation multiplied by his years of creditable service; however, any employee who was a member of the supplemental plan only prior to the revision date has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year of service credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. All accumulated annual leave for which payment cannot be made in accordance with law and all unused sick leave accumulated at the time of retirement is included in the member's creditable service for retirement computation purposes. The retirement allowance may not exceed the greater of one hundred percent of member's final salary or final compensation.

DISABILITY BENEFITS - Five years of creditable service are required in order to be eligible for disability benefits for members hired on or before December 31, 2006. Seven years of creditable service are required in order to be eligible for disability benefits for members hired on or after January 1, 2007. Disabled members receive a normal retirement allowance if eligible. Otherwise, the member receives the lesser of three percent of compensation multiplied by his years of service, not to be less than fifteen years, or the accrual percentage as defined for retirement benefits multiplied by final compensation multiplied by years of service assuming continued service to age sixty for members hired on or before December 31, 2006 or age sixty-two for members hired on or after January 1, 2007.

SURVIVOR BENEFITS - Five years of creditable service is required in order to be eligible for survivor benefits. If a member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. If the member was not eligible for a normal retirement, the surviving unmarried spouse with minor children receives sixty percent of final compensation. If the member was not eligible for a normal retirement, the surviving unmarried spouse with no minor children receives forty percent of final compensation payable upon the attainment of age sixty by the spouse, or upon becoming disabled. Minor children with no unmarried spouse receive thirty percent of final compensation each, not to exceed a total of sixty percent of final compensation.

CONTRIBUTION REFUNDS - Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the system. If a member receives a refund of contributions and is subsequently rehired on or after January 1, 2007, the provisions applicable to members initially hired on or after January 1, 2007 will apply.

PLAN B:

CONTRIBUTION RATES - The Plan B fund is financed by employee contributions of 3% of member's annual earnings and employer contributions as determined by the Public Retirement Systems' Actuarial Committee. In addition, each sheriff and ex officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish excepting, Orleans Parish and East Baton Rouge Parish, and remits the money to the system on an annual basis. The system also receives revenue sharing funds each year as appropriated by the legislature. In any fiscal year in which the employer contribution rate as actuarially determined is scheduled to decrease, the Board of Trustees may elect to maintain the existing rate.

RETIREMENT BENEFITS: - Members hired on or before December 31, 2006, with seven years of creditable service my retire at age sixty-five; ten years of creditable service may retire at age sixty; members with thirty years of service may retire at age fifty-five. Members hired on or after January 1, 2007, with seven years of creditable service my retire at age sixty-seven; ten years of creditable service may retire at age sixty-two; members with thirty years of service may retire at age fifty-five. The retirement allowance is equal to two percent of the member's final compensation multiplied by the years of creditable service. All accumulated annual leave for which payment cannot be made in accordance with law and all unused sick leave accumulated at the time of retirement is included in the member's creditable service for retirement computation purposes.

DISABILITY BENEFITS - Five years of creditable service is required in order to be eligible for disability benefits for members hired on or before December 31, 2006. Seven years of creditable service is required in order to be eligible for disability benefits for members hired on or after January 1, 2007. Disabled members receive a normal retirement allowance, if eligible. Otherwise, the member receives the lesser of two percent of compensation multiplied by the years of service, not to be less than fifteen years, or two percent of final compensation multiplied by the years of service assuming continued service to age sixty for members hired on or before December 31, 2006 or age sixty-two for members hired on or after January 1, 2007.

SURVIVOR BENEFITS - The surviving spouse of a member who was eligible for normal retirement at the time of death receives an automatic option 2 benefit. The surviving spouse of a member with ten or more years of creditable service and not eligible for normal retirement at the time of death receives an option 2 benefit payable at attainment of age fifty by the spouse.

CONTRIBUTION REFUNDS - Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the system. If a member receives a refund of contributions and is subsequently rehired on or after January 1, 2007, the provisions applicable to members initially hired on or after January 1, 2007 will apply.

DEFERRED RETIREMENT OPTION PLAN:
In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or Plan B who is eligible for a normal retirement may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. In terms of DROP eligibility, any member whose service, when combined with service in any other state or statewide public retirement system exceeds thirty years will be eligible to include reciprocally recognized service credit. Upon commencement of participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does earn interest once the member terminates participation in DROP but continues their employment. The interest rate is based upon the rate of return of a short-term U.S. Treasury security, a group of short-term U.S. Treasury Securities, or an index of short-term U.S. Treasury securities to be selected by the board of trustees. This interest is to be credited to the individual’s account balance on an annual basis. Additionally, no cost-of-living increases are payable to the participants until employment which made them eligible to become members of the system has been terminated for at least one full year. Upon termination of employment prior to, or at the end of, the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. The monthly benefits that were being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the system. Additional accrued benefits are based on final average compensation used to calculate the member's original benefit unless the additional period of service is at least thirty-six months for those individuals hired on or before December 31, 2006; or at least sixty months for those individuals hired on or after January 1, 2007.

ACTUARIAL ASSUMPTIONS

In determining actuarial costs, certain assumptions must be made regarding future experience under the plan. These assumptions include the rate of investment return, mortality of plan members, rates of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan. To the extent that future experience varies from the assumptions selected for valuation, future costs will be either higher or lower than anticipated. The following chart illustrates the effect of emerging experience on the plan.

Factor	Increase in Factor Results in
Investment Earnings Rate	Decrease in Cost
Annual Rate of Salary Increase	Increase in Cost
Rates of Retirement	Increase in Cost
Rates of Termination	Decrease in Cost
Rates of Disability	Increase in Cost
Rates of Mortality	Decrease in Cost

The following assumptions apply to both Plan A and Plan B unless stated otherwise.

ACTUARIAL COST METHOD: Plan A: Frozen Attained Age Normal Actuarial Method with allocation based on earnings. The normal cost is interest adjusted for midyear payment. The normal costs are calculated by aggregating present values of benefits and salaries for active members. The frozen actuarial accrued liability was calculated on the Projected Unit Credit Cost Method.

Plan B: The Aggregate Actuarial Cost Method with allocation based on earnings. The normal cost is interest adjusted for midyear payment.

ACTUARIAL ASSET VALUES: Invested assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. Under this methodology the value of the assets will not be less than 90% nor more than 110% of the actual market value. A pro-rata share of the expense fund assets was allocated to each plan in proportion to current salaries.

VALUATION INTEREST RATE: 7.50%

ANNUAL SALARY INCREASE RATE: 5.75% (2.50% Merit /3.25% Inflation)

ANNUITANT AND ACTIVE MORTALITY: For males 1983 Group Annuity Male Mortality Table with no margins. Females are based on a six-year set back of the male table.

RETIREE COST OF LIVING INCREASE: The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

RATES OF RETIREMENT: The table of these rates is included later in the report. All eligible persons age 80 and over in both plans are assumed to retire immediately. These rates apply only to those individuals eligible to retire.

RATES OF WITHDRAWAL: The rates of withdrawal are applied based upon completed years of service:

PLAN A:

Service	Factor	Service	Factor
<1	0.25	11	0.04
1	0.21	12	0.03
2	0.15	13	0.03
3	0.12	14	0.02
4	0.10	15	0.02
5	0.09	16	0.02
6	0.08	17	0.02
7	0.07	18	0.02
8	0.06	19	0.02
9	0.05	>19	0.01
10	0.04		

PLAN B:

Service	Factor	Service	Factor
<1	0.23	10	0.06
1	0.20	11	0.06
2	0.16	12	0.06
3	0.15	13	0.06
4	0.11	14	0.06
5	0.10	15	0.03
6	0.08	16	0.03
7	0.08	17	0.03
8	0.08	>17	0.01
9	0.06		

Note:	The withdrawal rate for individuals eligible to retire is assumed to be zero.
MARRIAGE STATISTICS:	80% of the members are assumed to be married; husbands are assumed to be three years older than wives.
FAMILY STATISTICS:	Assumptions used in determining the cost of various survivor benefits are listed below:

Age at Death	% with Children	# of Children	Average Age
25	62%	1.7	6
35	82%	2.1	10
45	66%	1.8	13
55	19%	1.4	15
65	2%	1.4	15

DISABLED LIVES MORTALITY:	RP-2000 Disabled Lives Mortality Tables for Males and Females
VESTING ELECTING PERCENTAGE:	The percent of those vested who elect deferred benefits in lieu of contribution refunds are as follows:

Plan A:	Under Age 30:	35%
	Age 30 – 39:	40%
	Age 40 – 49:	45%
	Above Age 49:	65%
Plan B:	Under Age 40:	55%
	Age 40 – 49:	60%
	Above Age 49:	75%

SICK AND ANNUAL LEAVE:	Retirees were assumed to convert one month of sick and annual leave to retirement credit for each ten years of service credit.
RATES OF DROP ENTRY:	The table of these rates is included later in the report. These rates apply only to those individuals eligible to enter the DROP plan.
DROP PARTICIPATION PERIOD:	All DROP participants are assumed to participate for 3 years and to retire at the end of their DROP participation period.
RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS:	Retirement rates for active former DROP participants are 25% for Plan A and 25% for Plan B provided the member is below age 80. For members age 80 or over, the retirement rate is set at 100%.

ACTUARIAL TABLES AND RATES

Age	Male Mortality Rates	Female Mortality Rates	Disability Rates	Plan A Retirement Rates	Plan B Retirement Rates	Plan A DROP Entry Rates	Plan B DROP Entry Rates	Remarriage Rates
18	0.00039	0.00034	0.00053	0.00000	0.00000	0.00000	0.00000	0.05665
19	0.00040	0.00034	0.00053	0.00000	0.00000	0.00000	0.00000	0.05665
20	0.00042	0.00035	0.00053	0.00000	0.00000	0.00000	0.00000	0.05665
21	0.00043	0.00036	0.00053	0.00000	0.00000	0.00000	0.00000	0.05213
22	0.00045	0.00037	0.00053	0.00000	0.00000	0.00000	0.00000	0.04834
23	0.00047	0.00038	0.00053	0.00000	0.00000	0.00000	0.00000	0.04522
24	0.00049	0.00039	0.00053	0.00000	0.00000	0.00000	0.00000	0.04270
25	0.00052	0.00040	0.00053	0.00000	0.00000	0.00000	0.00000	0.04070
26	0.00054	0.00042	0.00053	0.00000	0.00000	0.00000	0.00000	0.03915
27	0.00057	0.00043	0.00053	0.00000	0.00000	0.00000	0.00000	0.03799
28	0.00060	0.00045	0.00053	0.00000	0.00000	0.00000	0.00000	0.03714
29	0.00064	0.00047	0.00053	0.00000	0.00000	0.00000	0.00000	0.03654
30	0.00067	0.00049	0.00053	0.00000	0.00000	0.00000	0.00000	0.03611
31	0.00072	0.00052	0.00053	0.00000	0.00000	0.00000	0.00000	0.03578
32	0.00076	0.00054	0.00053	0.00000	0.00000	0.00000	0.00000	0.03549
33	0.00081	0.00057	0.00053	0.00000	0.00000	0.00000	0.00000	0.03515
34	0.00087	0.00060	0.00053	0.00000	0.00000	0.00000	0.00000	0.03471
35	0.00095	0.00064	0.00059	0.00000	0.00000	0.00000	0.00000	0.03409
36	0.00101	0.00067	0.00067	0.00000	0.00000	0.00000	0.00000	0.03286
37	0.00107	0.00072	0.00073	0.00000	0.00000	0.00000	0.00000	0.03139
38	0.00115	0.00076	0.00084	0.00000	0.00000	0.00000	0.00000	0.02973
39	0.00125	0.00081	0.00095	0.00000	0.00000	0.00000	0.00000	0.02787
40	0.00138	0.00087	0.00108	0.00000	0.00000	0.00000	0.00000	0.02585
41	0.00152	0.00095	0.00123	0.00000	0.00000	0.00000	0.00000	0.02352
42	0.00170	0.00101	0.00137	0.00000	0.00000	0.00000	0.00000	0.02111
43	0.00191	0.00107	0.00154	0.00000	0.00000	0.00000	0.00000	0.01868
44	0.00215	0.00115	0.00175	0.00000	0.00000	0.00000	0.00000	0.01629
45	0.00243	0.00125	0.00199	0.00000	0.00000	0.00000	0.00000	0.01400
46	0.00275	0.00138	0.00227	0.22000	0.00000	0.35000	0.00000	0.01208
47	0.00310	0.00152	0.00256	0.22000	0.00000	0.35000	0.00000	0.01034
48	0.00349	0.00170	0.00291	0.22000	0.00000	0.35000	0.00000	0.00879
49	0.00390	0.00191	0.00329	0.22000	0.00000	0.35000	0.00000	0.00744
50	0.00434	0.00215	0.00374	0.22000	0.00000	0.35000	0.00000	0.00629
51	0.00480	0.00243	0.00427	0.22000	0.00000	0.35000	0.00000	0.00551
52	0.00528	0.00275	0.00483	0.22000	0.00000	0.35000	0.00000	0.00493
53	0.00578	0.00310	0.00549	0.13000	0.00000	0.35000	0.00000	0.00451
54	0.00629	0.00349	0.00623	0.13000	0.00000	0.35000	0.00000	0.00423
55	0.00681	0.00390	0.00707	0.13000	0.22000	0.35000	0.19000	0.00000
56	0.00735	0.00434	0.00805	0.13000	0.22000	0.22000	0.19000	0.00000
57	0.00793	0.00480	0.00914	0.13000	0.22000	0.22000	0.19000	0.00000
58	0.00858	0.00528	0.01036	0.13000	0.22000	0.22000	0.19000	0.00000
59	0.00932	0.00578	0.01180	0.13000	0.17000	0.22000	0.15000	0.00000
60	0.01018	0.00629	0.01708	0.13000	0.17000	0.22000	0.15000	0.00000
61	0.01118	0.00681	0.01708	0.13000	0.17000	0.10000	0.15000	0.00000
62	0.01237	0.00735	0.01708	0.13000	0.17000	0.10000	0.15000	0.00000
63	0.01377	0.00793	0.01708	0.13000	0.17000	0.10000	0.15000	0.00000
65	0.01732	0.00932	0.01708	0.13000	0.17000	0.10000	0.15000	0.00000

GLOSSARY

Actuarial Assumptions - Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of mortality, withdrawal, disablement, and retirement. Also included are rates of investment earnings, changes in compensation, as well as statistics related to marriage and family composition.

Actuarial Cost Method - A procedure for determining an allocation of pension costs to each fiscal year. Although all proper cost methods will accumulate sufficient assets to provide for members pensions, some accumulate assets more or less rapidly than others by producing higher or lower costs in the earlier years with corresponding decreasing or increasing costs in future years.

Actuarial Present Value - The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through accrual of interest) and the possibility of payments. For example: if $600 invested today will be worth $1,000 in 10 years and there is a 50% probability that a person will live 10 years, then the actuarial present value of $1,000 payable to that person if he should survive 10 years is $300.

Actuarial Value of Assets - The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to the book value, market value, or some modification involving either or both book and market value.

Asset Gain (Loss) - That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization Payment - That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Contribution Shortfall (Excess) - The difference between contributions recommended in the prior valuation and the actual amount received.

Employer Normal Cost - That portion of the normal cost not attributable to employee contributions. It includes both direct contributions made by the employer and contributions from other non-employee sources such as revenue sharing and revenues related to taxes.

Net Direct Employer Contribution Rate – Contribution rate applied to the employers' active payroll. This does not include contributions made to the plan by revenue sharing or ad valorem taxes.

Normal Cost - That portion of the actuarial present value of pension plan benefits and expenses allocated to a valuation year by the actuarial cost method. This is analogous to one year's insurance premium.

Pension Benefit Obligation - The actuarial present value of benefits earned or credited to date based on the member's expected final average compensation at retirement. For current retirees or terminated members this is equivalent to the actuarial present value of their accrued benefit.

Unfunded Actuarial Accrued Liability - The excess of the actuarial accrued liability over the actuarial value of assets.

Vested Benefits - Benefits that the members are entitled to even if they withdraw from service.

NOTES