

**PAROCHIAL EMPLOYEES'
RETIREMENT SYSTEM**

ACTUARIAL VALUATION AS OF
DECEMBER 31, 2012

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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June 11, 2013

Board of Trustees
Parochial Employees' Retirement System
P.O. Box 14619
Baton Rouge, Louisiana 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, 2012. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrators and accountants. The primary purpose of the report is to determine the actuarially required contribution for the retirement system for Plan A and Plan B for the fiscal year ending December 31, 2013. In addition, this report recommends minimum employer contribution rates for fiscal 2014, and provides information required for the system's financial statements. This report was prepared exclusively for the Parochial Employees' Retirement System and its auditors for specific limited purposes and may not be applicable for other purposes. It is not for the use or benefit of any third party for any purpose.

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 actuaries are members of the American Academy of Actuaries and have met the qualification standards for the American Academy of Actuaries to render the actuarial opinions 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., M.A.A.A., A.S.A.

By: 
Gregory Curran, F.C.A., M.A.A.A., A.S.A.

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

Valuation Date:	December 31, 2012	December 31, 2011
Census Summary:		
Active Members	14,370	14,646
Retired Members and Survivors	5,991	5,718
Terminated Due a Deferred Benefit	561	561
Terminated Due a Refund	6,795	6,795
Payroll:	\$ 558,327,346	\$ 552,543,155
Benefits in Payment:	\$ 114,515,106	\$ 104,683,495
Market Value of Assets:	\$ 2,583,983,506	\$ 2,230,462,425
Frozen Unfunded Actuarial Accrued Liability:	\$ 0	\$ 36,903,336
Actuarial Asset Value (AVA):	\$ 2,448,529,177	\$ 2,344,047,017

Ratio Of Net AVA To GASB-25 Accrued Liability:	100.00%	98.45%
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	2013	2012
Employers' Normal Cost (January 1):	\$ 90,312,644	\$ 84,963,956
Amortization Cost (January 1):	\$ 0	\$ 11,884,883
Interest Adjusted Actuarially Required Contributions Including Estimated Administrative Costs:	\$ 94,858,041	\$ 101,554,138
Projected Ad Valorem and Revenue Sharing	\$ 6,600,472	\$ 6,214,184
Actuarially Required Net Direct Employer Contributions	\$ 88,257,569	\$ 95,339,954
Actuarially Required Net Direct Employer Contribution Rate	15.56%	16.72%
Actual Net Direct Employer Contribution Rate:	16.75%	15.75%

Minimum Net Direct Employer Contribution Rate: For Fiscal 2014: 15.50% For Fiscal 2013 16.75%

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 assets adjusted to average in asset earnings above or below the assumed rate of return over a five-year period subject to a corridor limit of 85% to 115% of the market value of assets. If the smoothed value lies outside of the corridor limit the actuarial value is determined by averaging the smoothed value with the corridor limit.

Changes in Valuation Methods, Assumptions, and Amortization Periods: None

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, 2012	December 31, 2011
Census Summary:		
Active Members	2,298	2,303
Retired Members	657	611
Terminated Due a Deferred Benefit	132	129
Terminated Due a Refund	1,504	1,471
Payroll:	\$ 86,882,261	\$ 84,237,202
Benefits In Payment:	\$ 6,334,153	\$ 5,746,033
Market Value of Assets:	\$ 196,577,145	\$ 165,603,549
Unfunded Actuarial Accrued Liability:	N/A	N/A
Actuarial Asset Value:	\$ 186,172,779	\$ 173,354,490
Actuarial Accrued Liability (GASB 50):	\$ 212,489,491	\$ 198,962,892

Funded Ratio (GASB 50): 87.62% 87.13%

2013 2012

Employers' Normal Cost (January 1):	\$ 8,913,787	\$ 8,584,382
Amortization Cost (January 1):	N/A	N/A
Interest Adjusted Actuarially Required Contributions Including Estimated Administrative Costs:	\$ 9,431,841	\$ 9,074,142
Projected Ad Valorem and Revenue Sharing	\$ 1,027,110	\$ 947,375
Actuarially Required Net Direct Employer Contributions	\$ 8,404,731	\$ 8,126,767
Actuarially Required Net Direct Employer Contribution Rate	9.33%	9.31%
Actual Net Direct Employer Contribution Rate:	10.00%	10.00%

Minimum Net Direct Employer Contribution Rate: For Fiscal 2014: 9.25% For Fiscal 2013: 9.25%

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 assets adjusted to average in asset earnings above or below the assumed rate of return over a five-year period subject to a corridor limit of 85% to 115% of the market value of assets. If the smoothed value lies outside of the corridor limit the actuarial value is determined by averaging the smoothed value with the corridor limit

Changes in Valuation Methods, Assumptions, and Amortization Periods: None

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 14,370 active members in Plan A, of whom, 7,268 members, including 682 participants in the Deferred Retirement Option Plan (DROP), have vested retirement benefits; 5,991 former members of Plan A or their beneficiaries are receiving retirement benefits. An additional 7,356 former members of Plan A have contributions remaining on deposit with the system. This includes 561 former members 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 2,298 active members in Plan B, of whom, 1,055 members, including 44 DROP participants, have vested retirement benefits; 657 former members of Plan B or their beneficiaries are receiving retirement benefits. An additional, 1,636 former members of Plan B have contributions remaining on deposit with the system. Of this number, 132 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 \$2,583,983,506 as of December 31, 2012. For Plan A, the net investment income for fiscal 2012 measured on a market value basis amounted to a gain of \$348,042,372. Contributions to Plan A for the fiscal year totaled \$146,365,596; benefits and expenses amounted to \$140,886,887.

The net market value of Plan B's assets was \$196,577,145 as of December 31, 2012. For Plan B, the net investment income for fiscal 2012 measured on a market value basis amounted to \$26,540,517. Contributions to Plan B for the fiscal year totaled \$12,179,602; benefits and expenses amounted to \$7,746,523.

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. 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 2008 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 (prior to fiscal 2008) were allocated to reduce the frozen unfunded accrued liability. Effective with fiscal 2008, for both Plans A and B, any excess funds collected pursuant to R. S. 11:105 or R. S. 11:107 are allocated to the Funding Deposit Account. The credit balance as of the end of the prior fiscal year in the Funding Deposit Account for Plans A and B was \$29,274,204 and \$1,012,867, respectively. Both accounts were increased with interest at 7.50% for the year. Despite a freeze in the employer contribution rate for fiscal 2012 in Plan A, no excess contributions were generated. Therefore, no additional contributions were added to the Funding Deposit Account for Plan A for fiscal 2012. A freeze in the employer contribution rate in Plan B for fiscal 2012 resulted in a contribution gain of \$471,077 as of December 31, 2012. When interest and additional contributions were added to the Funding Deposit Accounts, the resulting preliminary balances as of December 31, 2012 for Plans A and B were \$31,469,769 (prior to the full amortization of the unfunded accrued liability) and \$1,559,909, respectively.

As of the end of fiscal 2012, the unamortized balance of the Frozen Unfunded Accrued Liability amounted to \$26,894,836. In accordance with a policy adopted by the Board of Trustees at the June 25, 2012 meeting, the remaining balance was withdrawn from the Funding Deposit Account in order to fully amortize the outstanding unfunded accrued liability. Thus, the remaining final balance in the Funding Deposit Account for Plan A was \$4,574,933.

The actuarial assumptions utilized for the report are outlined on pages 61 – 66. All assumptions used were the same as those utilized in the prior valuation. In the aggregate the assumptions represent our "best estimate" of future long-term experience for the fund. 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. Such differences will be revealed in future actuarial valuations.

CHANGES IN PLAN PROVISIONS

The following changes in plan provisions were enacted during the 2012 Regular Session of the Louisiana Legislature:

Act 224 permits the chairman of the House and Senate Retirement Committees to authorize legislative staff to attend an executive session for any board or committee meeting of any state or statewide retirement system.

Act 225 provided that at such time as the system's frozen unfunded accrued liability shall be fully amortized, the system shall be funded on the Aggregate Funding Method.

Act 226 relative to the Parochial Employees' Retirement System; to provide for definitions for "Tier 1" to mean the benefit structure applicable to members hired prior to January 1, 2007. "Tier 2" to mean the benefit structure applicable to members hired on or after January 1, 2007.

Act 478 provides for forfeiture of retirement benefits by a public employee or elected official hired or beginning service after January 1, 2013 who is convicted of a "public corruption crime" as defined in the act. The act allows the sentencing judge, in his discretion, to order forfeiture after appellate review is exhausted. The act limits forfeiture to benefits in excess of employee contributions. The act also states that the forfeiture shall not impinge on a community property interest of a current or former spouse.

Act 718 increases the required educational hours for trustees from two to four hours of actuarial science information and from one to two hours of education regarding the laws and rules of the system and from one to two hours of instruction on fiduciary duty and ethics.

Act 721 allows the board of trustees to grant a COLA from the accumulated balance in the Funding Deposit Account even if the Fund's funded ratio is below the target ratio as defined in R.S. 11:242.

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.

<u>Plan A</u>	<u>Market Value</u>	<u>Actuarial Value</u>
2003	15.6%	3.4%
2004	10.2%	6.9%
2005	6.3%	11.1%
2006	12.8%	11.3%

2007	7.9%	* 17.1%
2008	-25.7%	** -4.9%
2009	20.6%	9.1%
2010	15.2%	4.4%
2011	-0.7%	2.9%
2012	15.6%	4.2%

<u>Plan B</u>	<u>Market Value</u>	<u>Actuarial Value</u>
2003	15.9%	5.9%
2004	9.6%	8.5%
2005	5.1%	10.6%
2006	11.6%	9.8%
2007	7.7%	* 13.4%
2008	-25.0%	** -5.2%
2009	20.7%	8.8%
2010	15.4%	4.6%
2011	-0.7%	3.2%
2012	15.8%	4.8%

* 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 with a +/- 10% of market value corridor limit.

** Includes effects of change in asset valuation method. Effective with the 2008 valuation the corridor limits on the smoothed value were changed from +/- 10% of market value to +/- 15% with smoothed values averaged with corridor limits when they fall outside the corridor limits.

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 2012, Plan A earned \$55,466,569 and Plan B earned \$2,179,910 of dividends, interest and other recurring income. In addition, Plan A had net realized and unrealized capital gains on investments of \$302,252,054 while the total of such gains for Plan B amounted to \$25,099,702. Investment expenses were \$9,676,251 for Plan A and \$739,095 for Plan B. The geometric mean of the market value rates of return measured over the last ten years was 6.9% for Plan A and 6.8% for Plan B. For the last twenty years, the geometric mean returns were 7.4% for Plan A and 7.1% 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 smoothed value of assets subject to constraints 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. Net actuarial investment earnings were less than the actuarial assumed earnings rate of 7.5%, used for fiscal 2012, by \$77,001,813 for Plan A and \$4,779,612 for Plan B. These earnings shortfalls produced actuarial losses, which increased the normal cost accrual rate by 1.7204% for Plan A and 0.7143% for Plan B.

PLAN A – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the plan is given in Exhibit X. The average active member is 46 years old with 10.1 years of service and an annual salary of \$38,854. The plan's active membership, inclusive of DROP participants, decreased by 276 members during the fiscal year. The plan has experienced an increase in the active plan population of 720 members over the last five years. A review of the active census by age indicates that over the last ten years the population under age fifty has decreased while the proportion of active members age fifty-one to seventy increased. Over the same ten-year period the plan showed a fairly stable distribution among the various service groups. The average regular retiree is 71 years old with a monthly benefit of \$1,777. The number of retirees and beneficiaries receiving benefits from the system increased by 273 during the fiscal year; over the last five years the number of retirees has increased by 908.

Plan liability experience for fiscal 2012 was favorable. Withdrawals were near projected levels. Disabilities were below projected levels and retiree deaths were above those projected. In addition, salary increases were below projected levels. All of these factors tend to reduce costs. However, retirements and DROP entries above projected levels. Plan liability gains decreased the normal cost accrual rate by 0.4628%.

PLAN B – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the plan is given in Exhibit XXI. The average active member is 46 years old with 9.16 years of service and an annual salary of \$37,808. The plan's active membership, inclusive of DROP participants, decreased by 5 members during the fiscal year. The plan has experienced an increase in the active plan population of 268 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 fifty age group has decreased while the proportion of active members age fifty-one to seventy increased. Over the same ten-year period the plan showed an increase in the under five year service group and a slight increase in active membership in the groups with more than 5 years of service. The average regular retiree is 73 years old with a monthly benefit of \$860. The number of retirees and beneficiaries receiving benefits from the system increased by 46 during the fiscal year; over the last five years the number of retirees has increased by 127.

Plan liability experience for fiscal 2012 was favorable. DROP entries and retirements were below projected levels and retiree deaths were above projected levels. In addition, salary increases were significantly below projected levels. All of these factors tend to reduce costs. However, these factors were partially offset by withdrawals below projected levels and disabilities above projections. Plan liability gains decreased the normal cost accrual rate by 0.3032%.

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 maintain the contribution rate at some level above the minimum recommended rate. Pursuant to R. S. 11:105 and R. S. 11:107, such excess contributions are credited to the Funding Deposit Account.

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

Employer's Normal Cost Accrual Rate – Fiscal 2012	16.3798%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	1.7204%
Contribution Experience	0.1661%
Factors Decreasing the Normal Cost Accrual Rate:	
Plan Liability Experience	0.4628%
New Members	0.5121%
Employer's Normal Cost Accrual Rate – Fiscal 2013	17.2914%

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 2013 will increase by 0.07% of payroll. In addition, the elimination of the Frozen Unfunded Accrued Liability also reduced employer costs by 2.26% of projected 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 2013 as of January 1, 2013 is \$90,312,644. Since the frozen unfunded accrued liability was eliminated, there will be no amortization payment for fiscal 2013. The total actuarially required contribution is determined by adjusting the value for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 15 of Exhibit I the total actuarially required contribution for fiscal 2013 is \$94,858,041. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for fiscal 2013 is \$88,257,569. This is 15.56% of the projected Plan A payroll for fiscal 2013. After rounding this result to the nearest 0.25% as required by the statutes we recommend a minimum net direct employer contribution rate of 15.50% for fiscal 2014.

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

Employer's Normal Cost Accrual Rate – Fiscal 2012	11.0491%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	0.7143%
Factors Decreasing the Normal Cost Accrual Rate:	
Plan Liability Experience	0.3032%
New Members	0.3636%
Employer's Normal Cost Accrual Rate – Fiscal 2013	11.0966%

In Plan B we estimate that the projected tax contribution as a percentage of payroll will increase by 0.05% of projected payroll. Since Plan B is funded under the Aggregate Actuarial Cost Method, the plan has no unfunded accrued liability. The normal cost for fiscal 2013 as of January 1, 2013 is \$8,913,787. The interest adjusted actuarial and administrative cost for fiscal 2013 is given on line 12 of Exhibit XII as \$9,431,841. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' minimum net direct actuarially required contribution is \$8,404,731. This is 9.33% of projected payroll for fiscal 2013. After giving consideration to the rounding requirements in the statute, we recommend a minimum net direct employer contribution rate of 9.25% of payroll for fiscal 2014 for Plan B.

For Plan B, the board may set the rate at any rate between 9.25% and 10.00%. Should the net direct employer contribution rate be set at a level above the minimum rate under R.S. 11:107, the resulting additional contributions paid by the employers, if they exceed any potential contribution losses, would be added to the Funding Deposit Account.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, completion of amortization payments or credit schedules, and changes in plan provisions or applicable law. Analysis of the effect of all these factors is beyond the scope of this report.

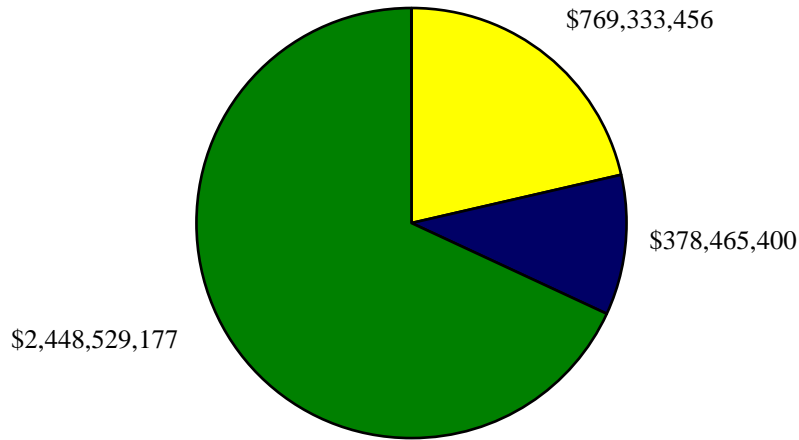
We have, however, calculated the sensitivity of the plans' costs to two factors. First, based on current assets and demographics, for each percentage under (over) performance of the return on the actuarial value of assets, there will be a corresponding increase (reduction) in the normal cost accrual rate of 0.55% for Plan A and 0.28% for Plan B. We have also determined that a 1% reduction in the valuation interest rate for Plan A would increase the actuarially required contribution rate for fiscal 2012 by 9.36%; for Plan B the increase would be 5.40%.

COST OF LIVING INCREASES

During calendar 2012 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 1.74%. 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 $\$X \times (A+B)$ 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.

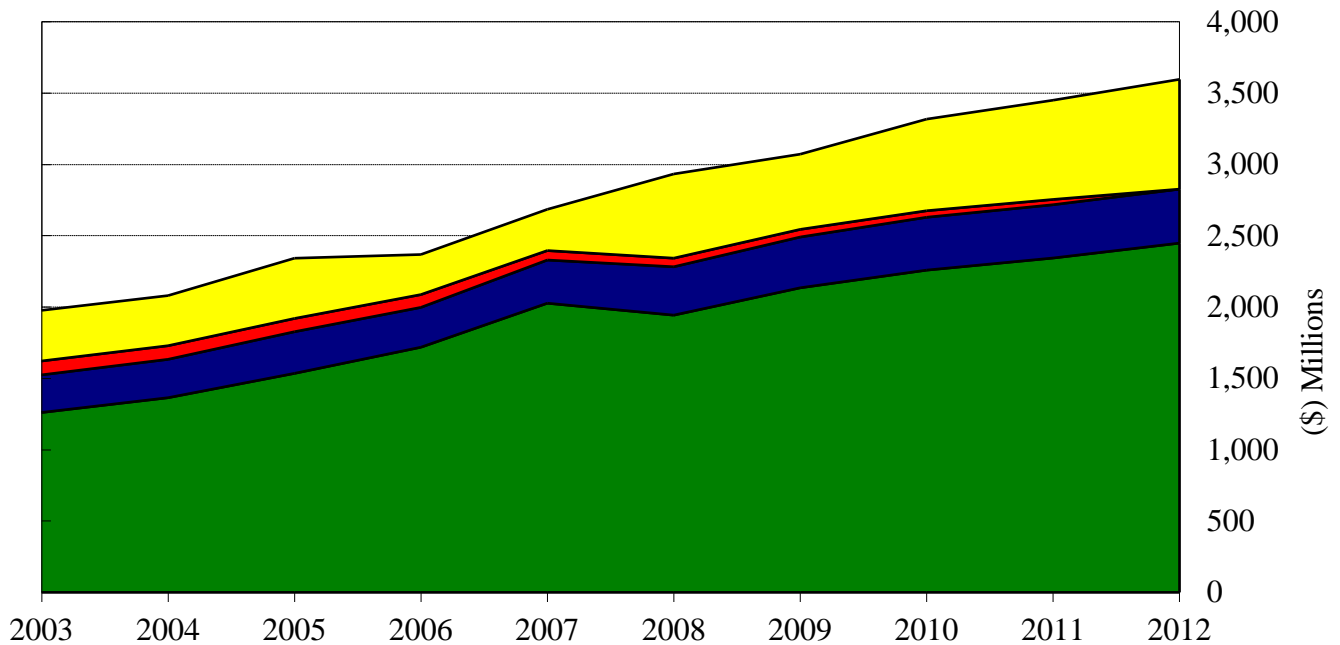
All of the above provisions require that the system earn sufficient excess interest earnings to fund the increases. In addition, the plans must meet the criteria established in R.S. 11:242. This section allows cost of living increases to be paid either by utilizing funds in the Funding Deposit Account or meeting the target ratio defined in the statute. We have determined that for fiscal 2012, neither Plan A or Plan B has met the necessary target ratio nor earned sufficient excess interest to provide a cost of living increase to its retirees.

Plan A - Components of Present Value of Future Benefits December 31, 2012



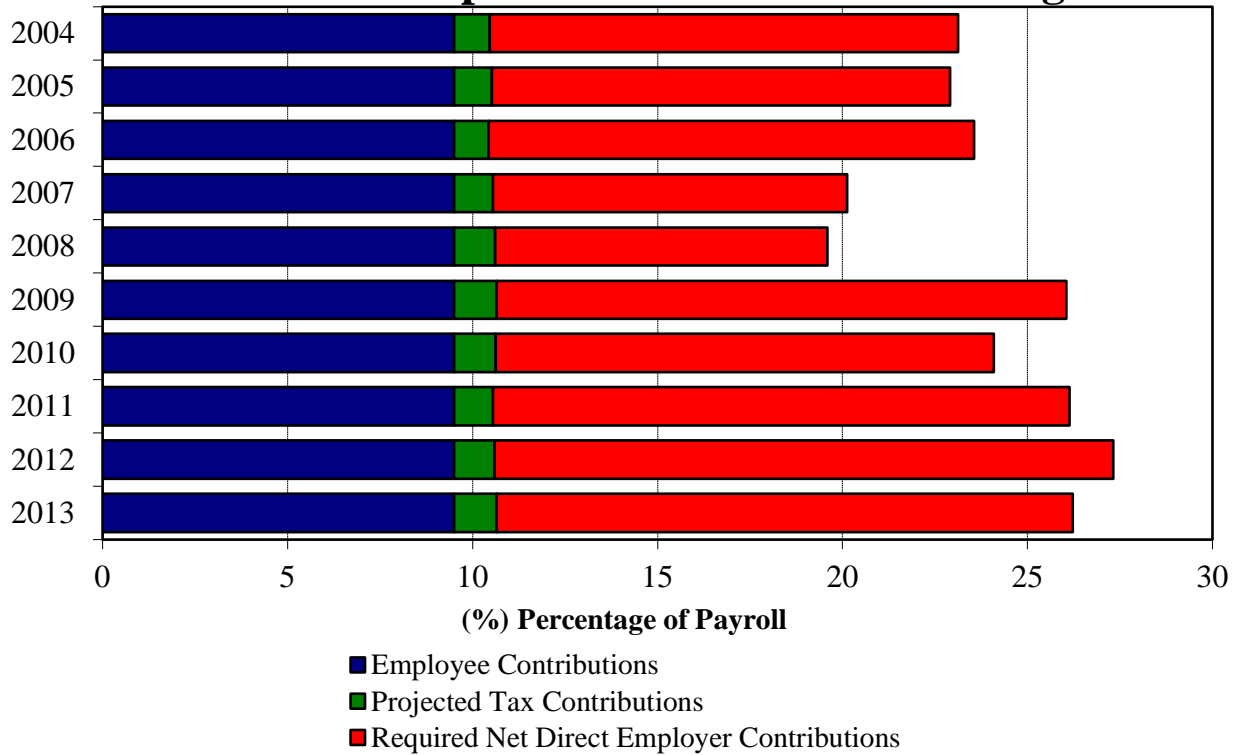
- Present Value of Future Employer Normal Cost (Net of Funding Deposit Account)
- Present Value of Future Employee Contributions
- Actuarial Value of Assets

Plan A - Components of Present Value of Future Benefits



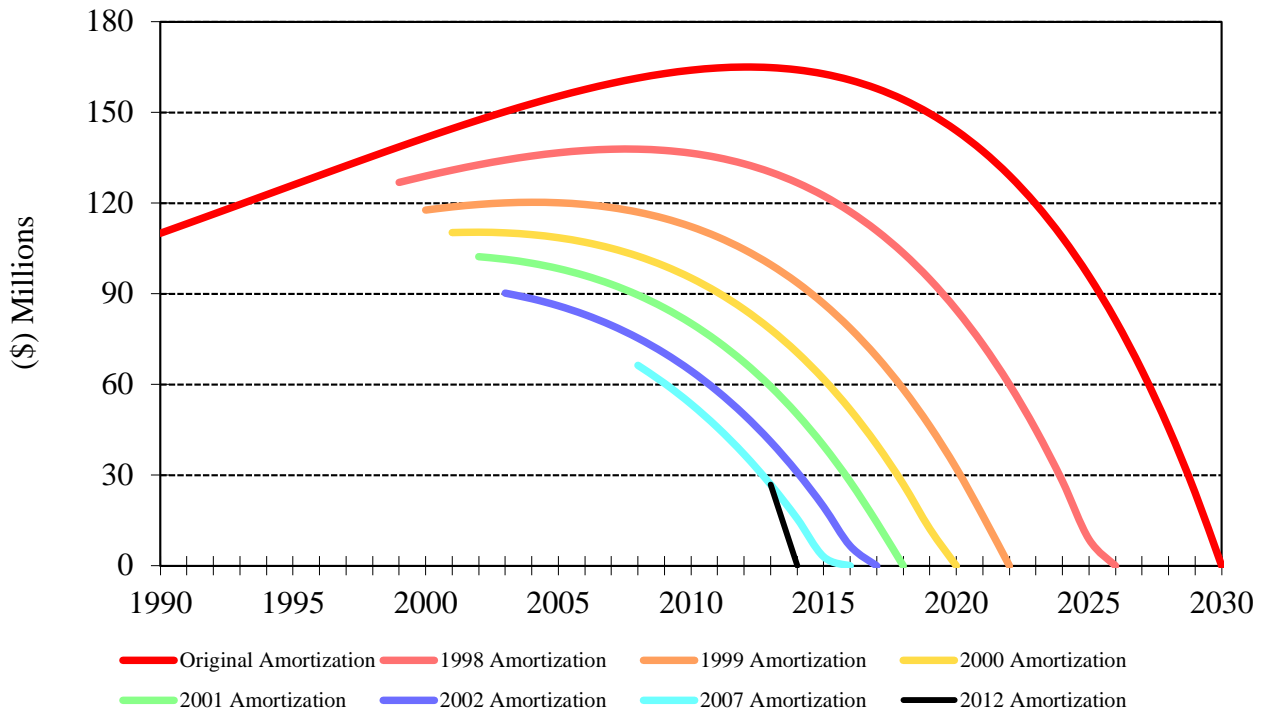
- Present Value of Future Employer Normal Cost (Net of Funding Deposit Account)
- Unfunded Accrued Liability
- Present Value of Future Employee Contributions
- Actuarial Value of Assets

Plan A - Components of Actuarial Funding

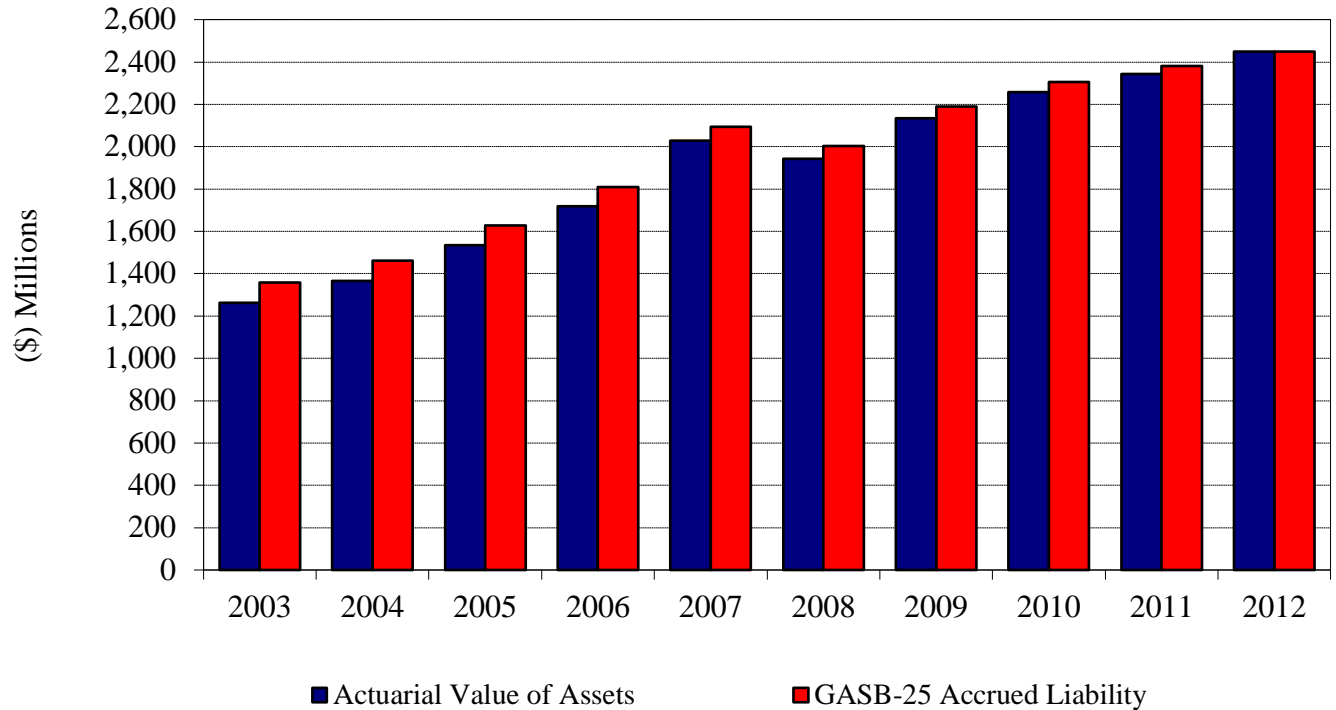


Projected Tax Contributions consist of Projected Ad Valorem and Revenue Sharing Funds as a percent of payroll

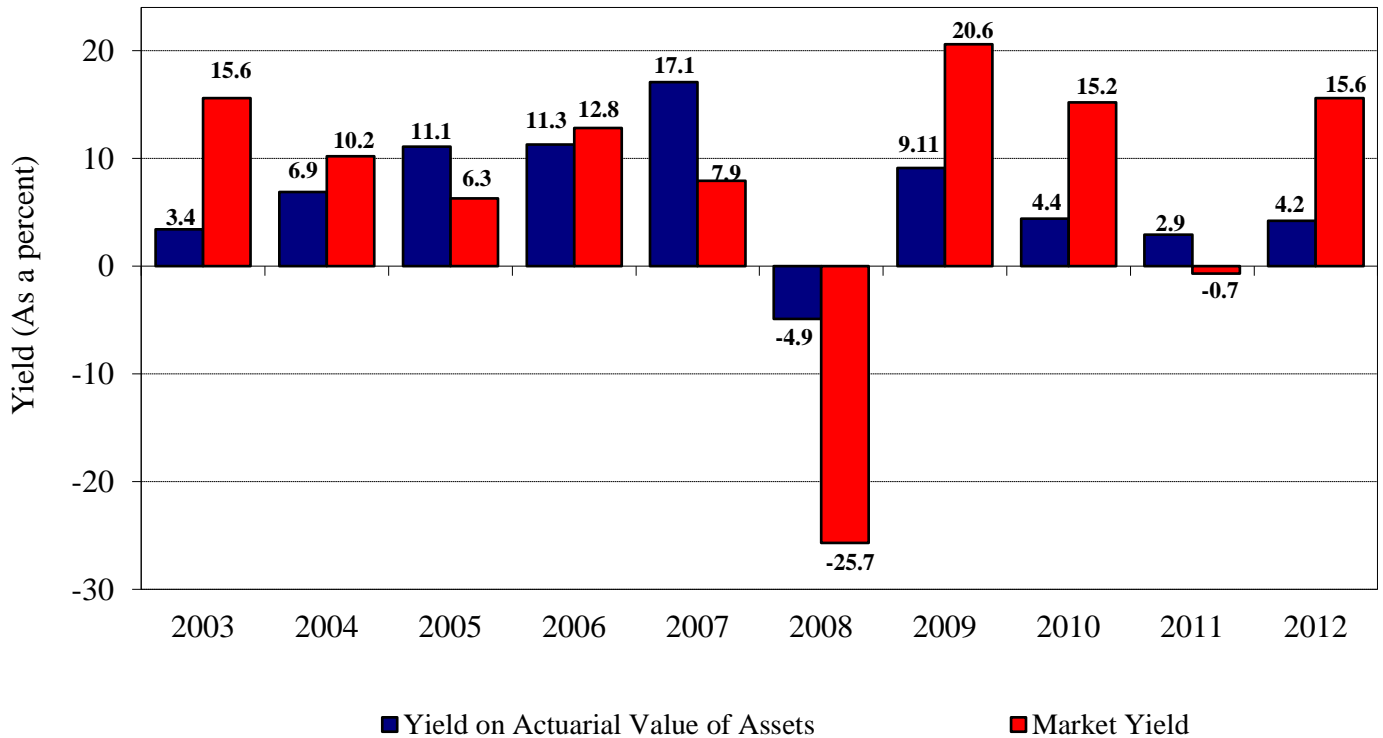
Plan A – Frozen Unfunded Accrued Liability



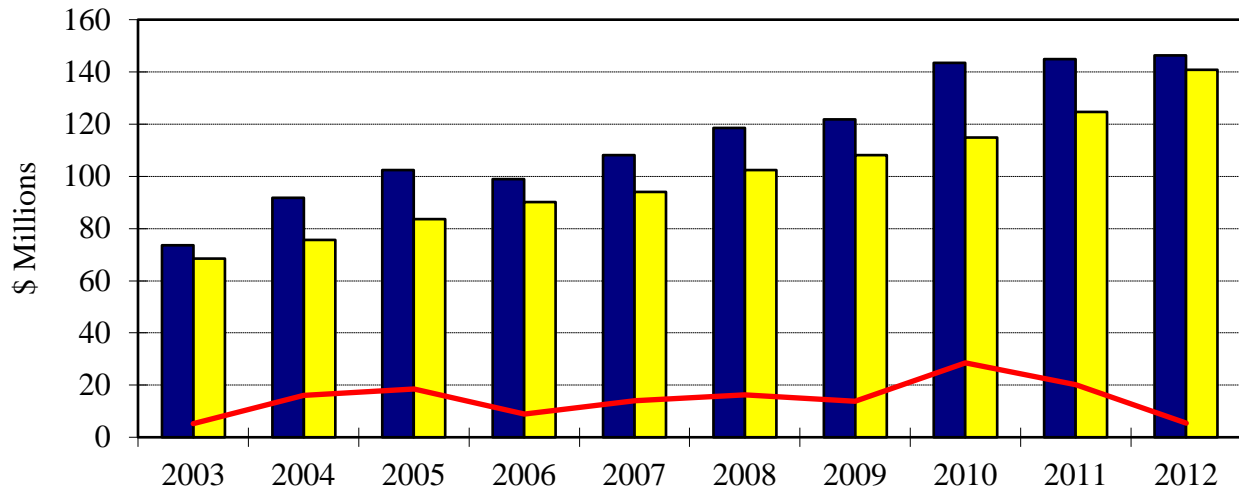
Actuarial Value of Assets vs. GASB-25 Accrued Liability Plan A



Plan A – Historical Asset Yield

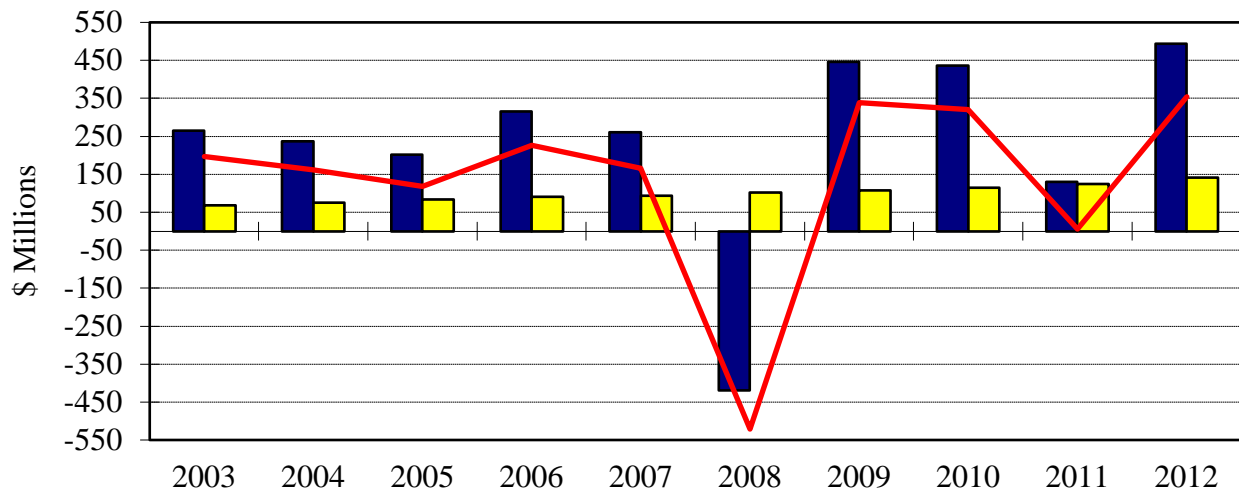


Plan A - Net Non-Investment Income



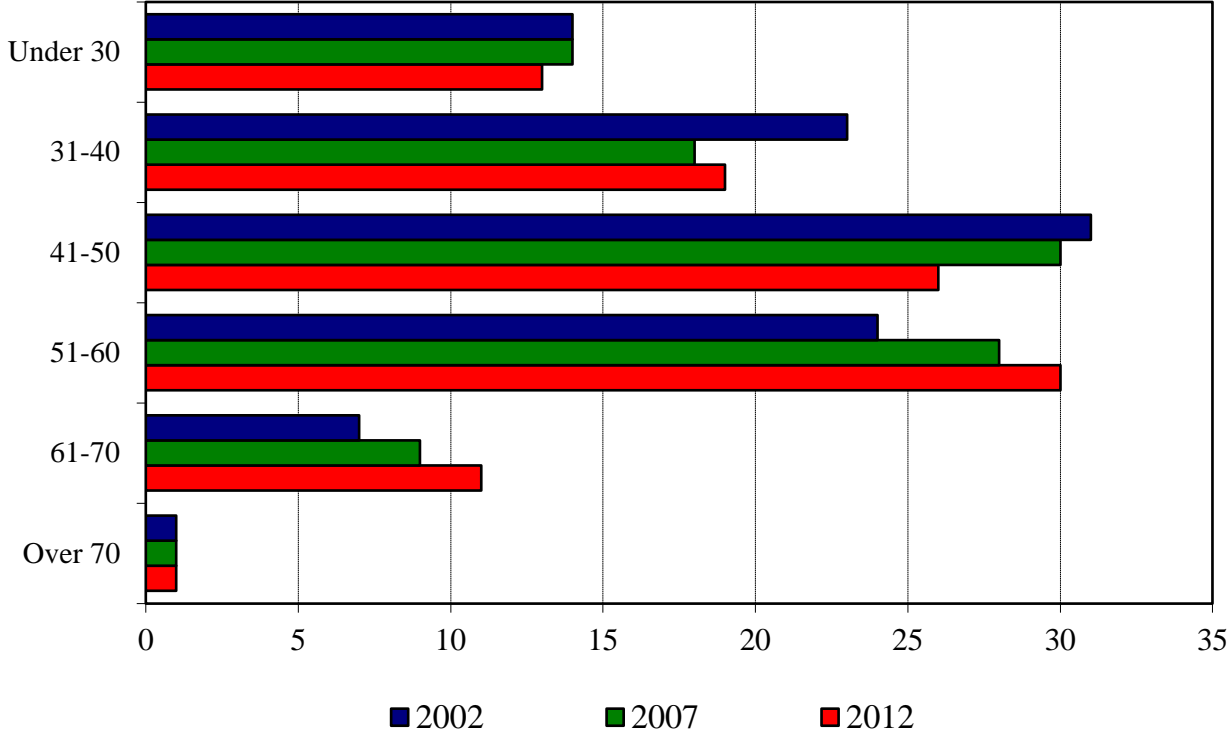
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2011
Non-Investment Income (\$Mil)	■	73.6	91.7	102.3	99.0	108.2	118.6	121.9	143.4	144.8	146.4
Benefits and Expenses (\$Mil)	■	68.4	75.6	83.7	90.1	94.1	102.3	108.1	114.8	124.6	140.9
Net Non-Investment Income (\$Mil)	—	5.2	16.1	18.6	8.9	14.1	16.3	13.8	28.6	20.2	5.5

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

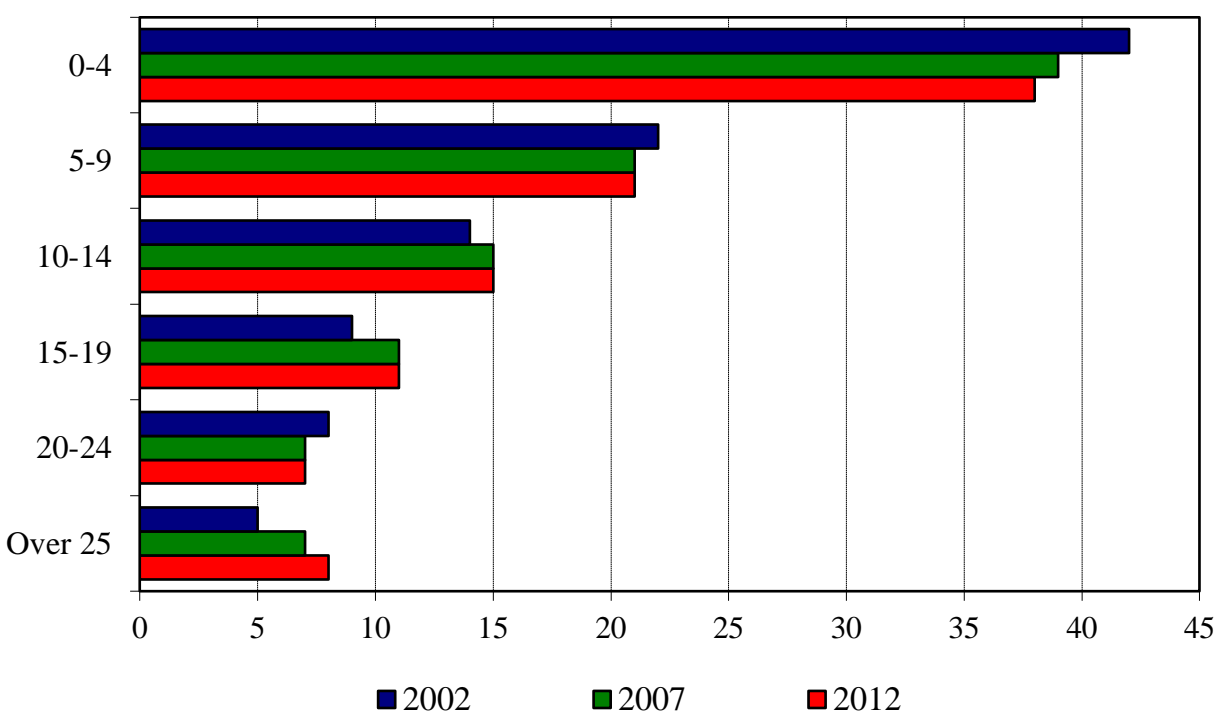


		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Income (\$Mil)	■	265.1	237.1	202.2	315.9	260.2	-419.2	446.2	435.7	130.1	494.4
Benefits and Expenses (\$Mil)	■	68.4	75.6	83.7	90.1	94.1	102.3	108.1	114.8	124.6	140.9
Net Change in MVA (\$Mil)	—	196.7	161.5	118.5	225.8	166.1	-521.5	338.1	320.9	5.5	353.5

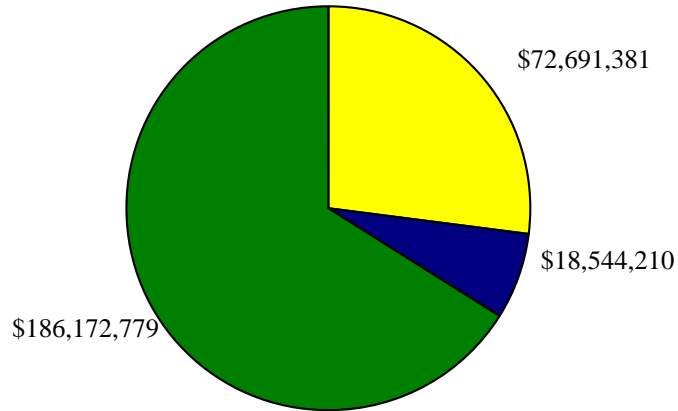
Plan A - Active – Census By Age
(as a percent)



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

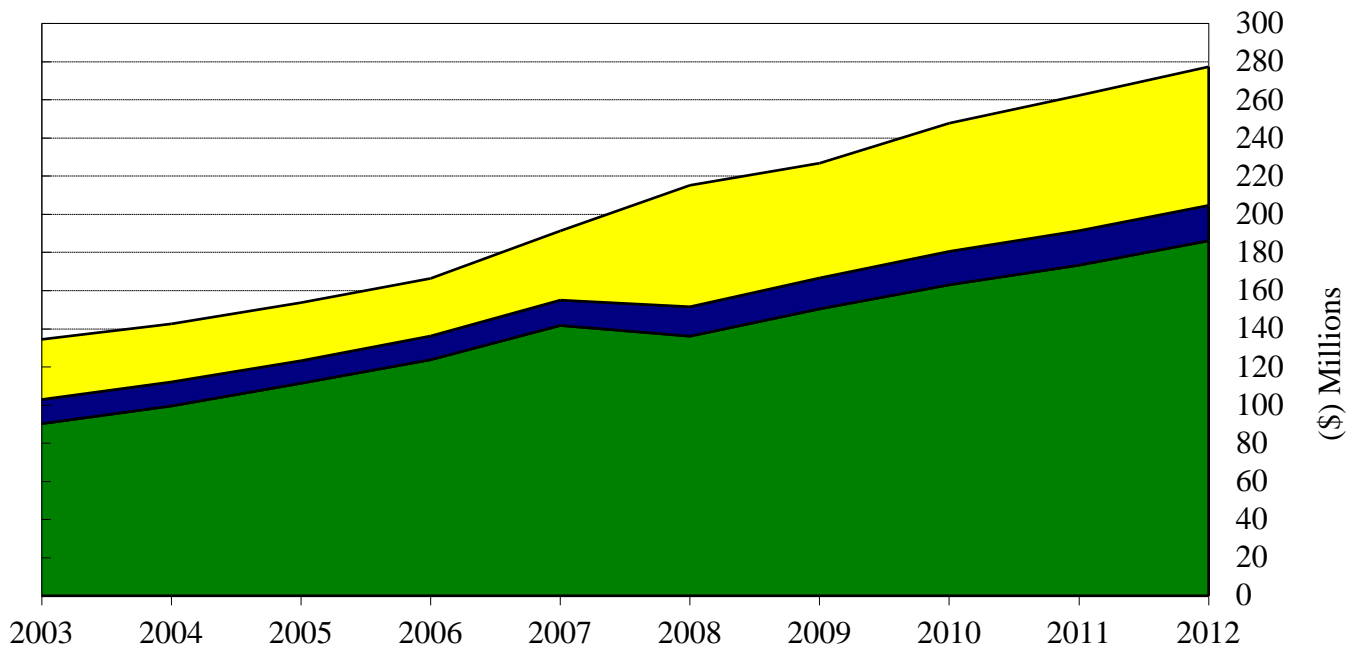


Plan B - Components of Present Value of Future Benefits December 31, 2012



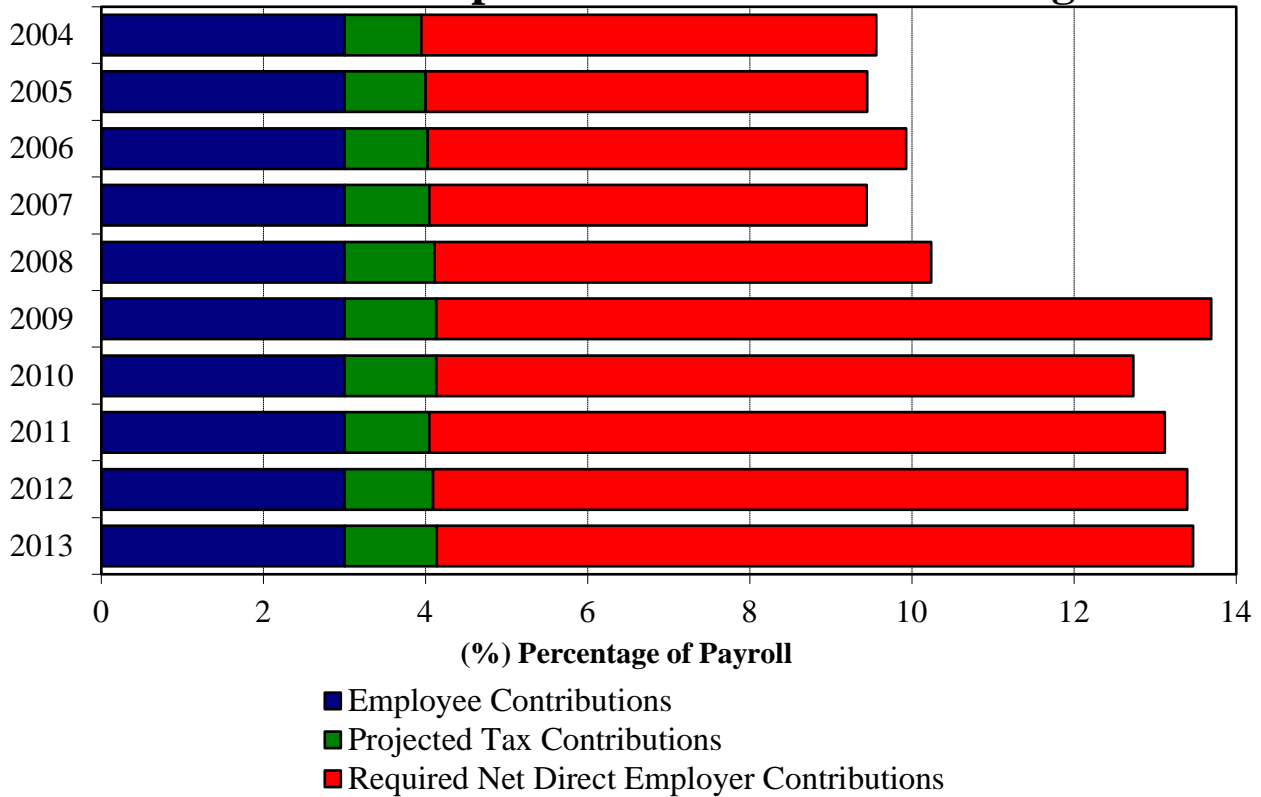
- Present Value of Future Employer Normal Cost (Net of Funding Deposit Account)
- Present Value of Future Employee Contributions
- Actuarial Value of Assets

Plan B - Components of Present Value of Future Benefits



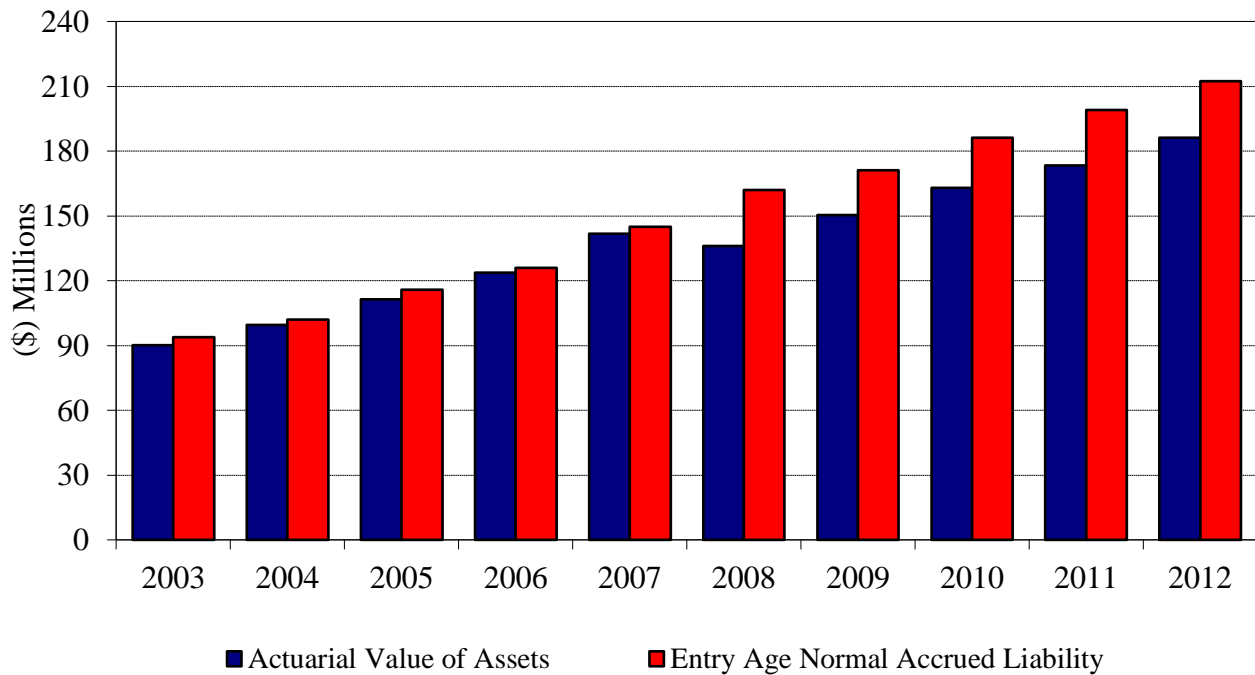
- Present Value of Future Employer Normal Cost (Net of Funding Deposit Account)
- Present Value of Future Employee Contributions
- Actuarial Value of Assets

Plan B - Components of Actuarial Funding

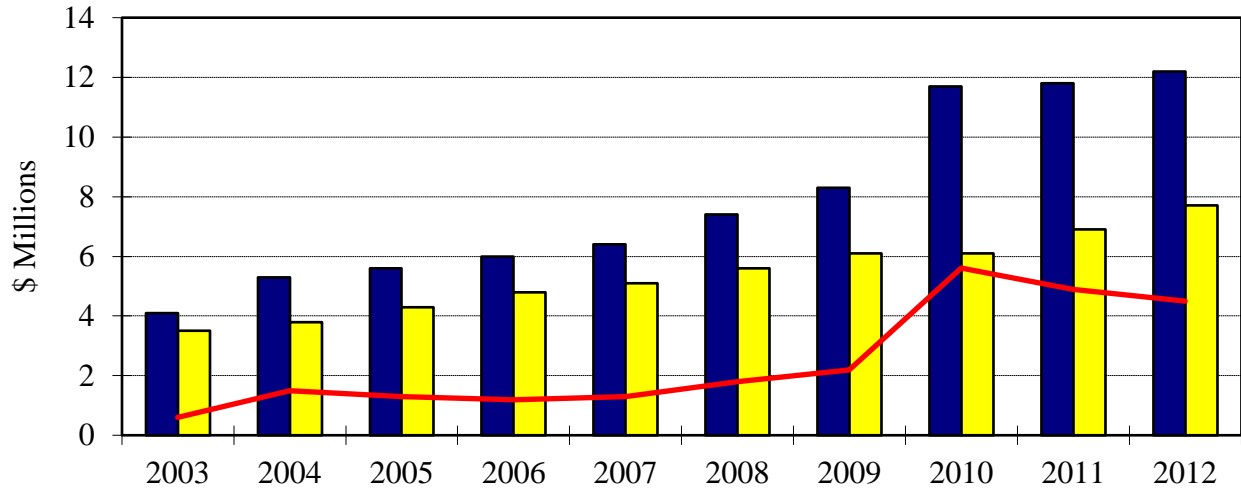


Projected Tax Contributions consist of Projected Ad Valorem and Revenue Sharing Funds as a percent of payroll

Plan B-Actuarial Value of Assets vs. EAN Accrued Liability

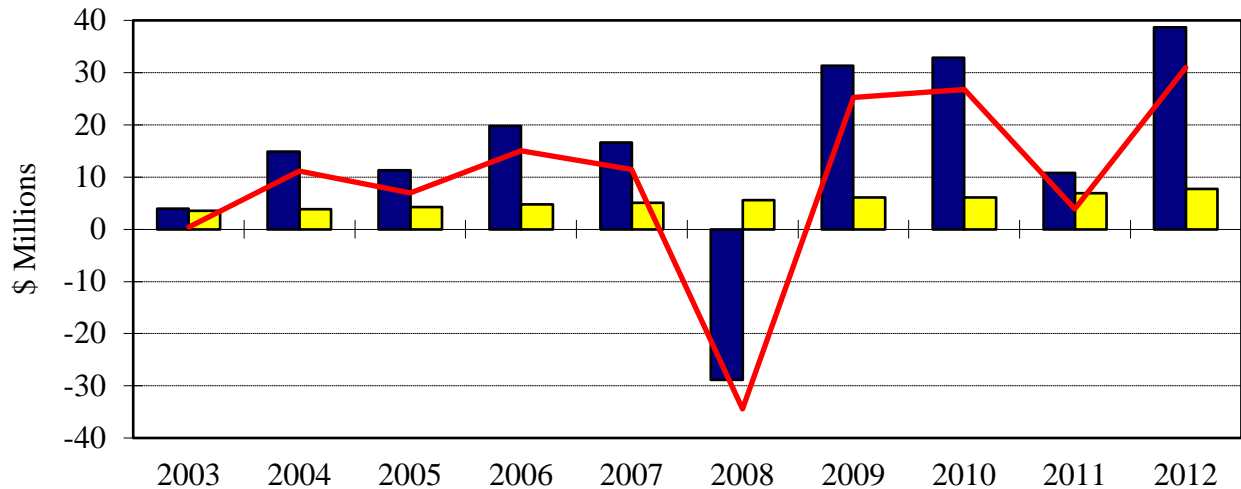


Plan B - Net Non-Investment Income



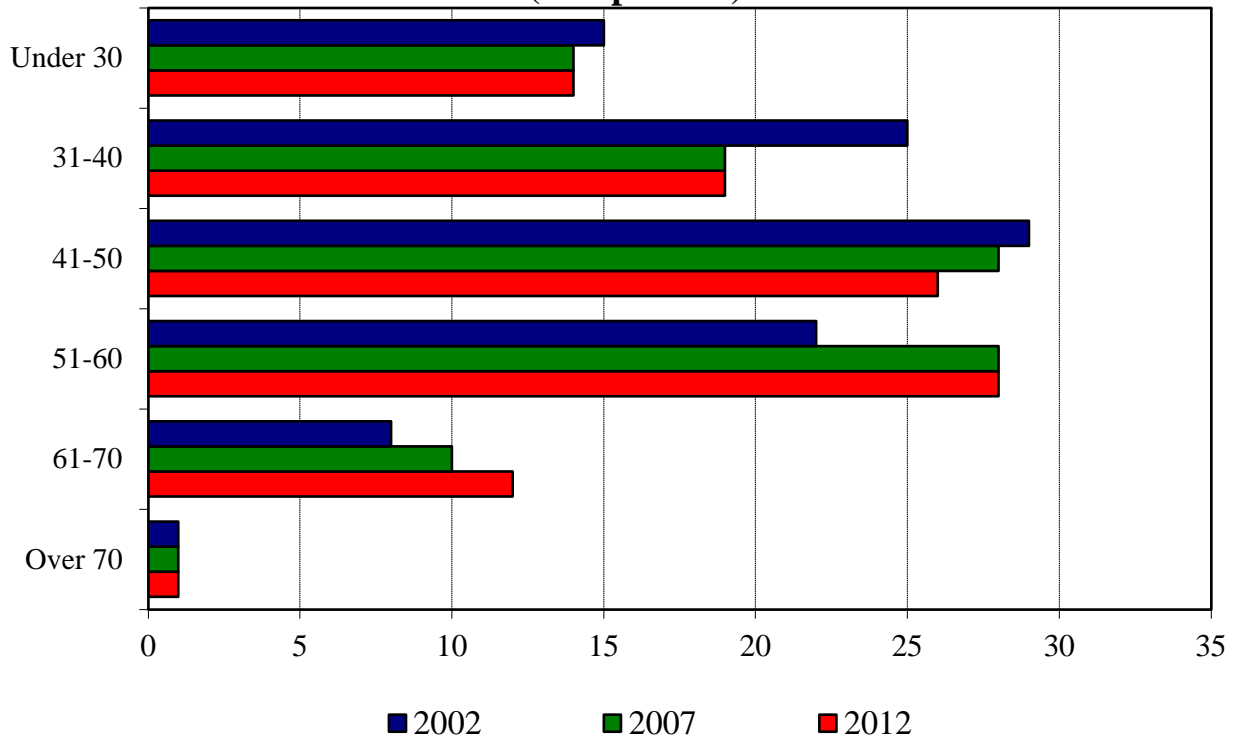
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Non-Investment Income (\$Mil)	■	4.1	5.3	5.6	6.0	6.4	7.4	8.3	11.7	11.8	12.2
Benefits and Expenses (\$Mil)	■	3.5	3.8	4.3	4.8	5.1	5.6	6.1	6.1	6.9	7.7
Net Non-Investment Income (\$Mil)	—	0.6	1.5	1.3	1.2	1.3	1.8	2.2	5.6	4.9	4.5

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

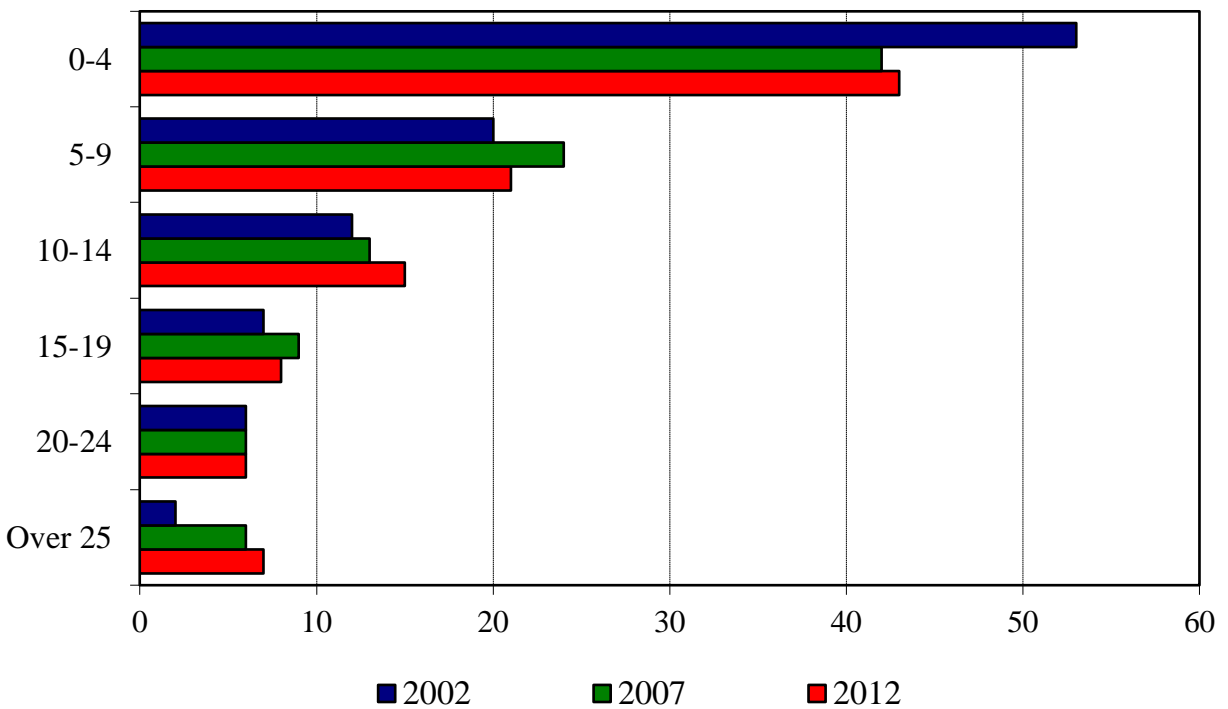


		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Income (\$Mil)	■	3.9	14.9	11.3	19.8	16.6	-28.8	31.3	32.9	10.8	38.7
Benefits and Expenses (\$Mil)	■	3.5	3.8	4.3	4.8	5.1	5.6	6.1	6.1	6.9	7.7
Net Change in MVA (\$Mil)	—	0.4	11.1	7.0	15.0	11.5	-34.4	25.2	26.8	3.9	31.0

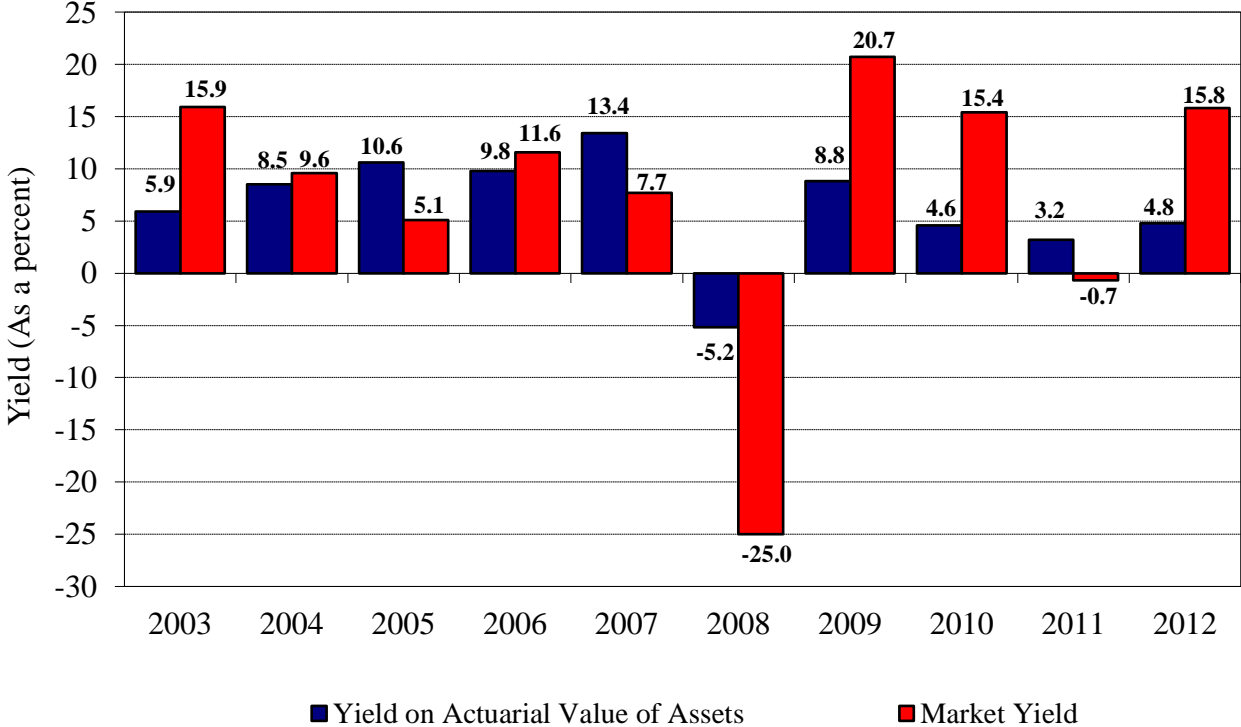
Plan B - Active – Census By Age (as a percent)



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



Plan B – Historical Asset Yield



Exhibits

EXHIBIT I
PLAN A: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	\$ 3,596,328,033
2.	Funding Deposit Account Credit Balance	\$ 4,574,933
3.	Unfunded Actuarial Accrued Liability	\$ 0
4.	Actuarial Value of Assets	\$ 2,448,529,177
5.	Present Value of Future Employee Contributions	\$ 378,465,400
6.	Present Value of Future Employer Normal Costs (1+2-3-4-5).....	\$ 773,908,389
7.	Present Value of Future Salaries.....	\$ 4,475,679,932
8.	Employer Normal Cost Accrual Rate (6÷7)	17.291415%
9.	Projected Fiscal 2013 Salary for Current Membership.....	\$ 522,297,593
10.	Employer Normal Cost as of January 1, 2013 (8 x 9).....	\$ 90,312,644
11.	Amortization Payment on frozen Unfunded Accrued Liability.....	\$ 0
12.	TOTAL Employer Normal Cost and Amortization Payment (10 + 11)	\$ 90,312,644
13.	Employer Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment	\$ 93,638,142
14.	Estimated Administrative Cost for Fiscal 2013	\$ 1,219,899
15.	TOTAL Administrative and Interest Adjusted Actuarial Costs (13 + 14).....	\$ 94,858,041
16.	Estimated Ad Valorem Tax Contributions for Fiscal 2013	\$ 6,462,217
17.	Estimated Revenue Sharing Funds for Fiscal 2013	\$ 138,255
18.	Employers' Minimum Net Direct Actuarially Required Contribution for Fiscal 2013 (15 – 16 – 17).....	\$ 88,257,569
19.	Projected Payroll for Fiscal 2013.....	\$ 567,058,158
20.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2013 (18 ÷ 19).....	15.56%
21.	Actual Employer Contribution Rate for Fiscal 2013	16.75%
22.	Contribution Shortfall (Excess) as a Percentage of Payroll (20 – 21)	(1.19%)
23.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess)	(0.14%)
24.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2014 (20+23, Rounded to nearest 0.25%)	15.50%

EXHIBIT II
PLAN A: PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits.....	\$ 2,244,331,622
Survivor Benefits.....	43,420,639
Disability Benefits.....	53,548,779
Vested Termination Benefits.....	76,704,879
Refunds of Contributions	57,457,663

TOTAL Present Value of Future Benefits for Active Members..... \$ 2,475,463,582

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement.....	\$ 49,036,666
Terminated Members with Reciprocals	
Due Benefits at Retirement	187,277
Terminated Members Due a Refund	7,298,027

TOTAL Present Value of Future Benefits for Terminated Members..... \$ 56,521,970

PRESENT VALUE OF FUTURE BENEFITS FOR RETIREES:

Regular Retirees

Maximum.....	\$ 485,281,265
Option 1	3,294,503
Option 2	256,962,458
Option 3	125,369,497
Option 4	54,754,682

TOTAL Regular Retirees..... \$ 925,662,405

Disability Retirees..... 67,299,775

Survivors & Widows..... 70,335,000

Reserve for Accrued Retiree DROP Account Balances..... 1,045,301

TOTAL Present Value of Future Benefits for Retirees & Survivors..... \$ 1,064,342,481

TOTAL Present Value of Future Benefits..... \$ 3,596,328,033

**EXHIBIT III – SCHEDULE A
PLAN A: MARKET VALUE OF ASSETS**

CURRENT ASSETS:

Cash in Banks	\$ 2,157,054
Contributions Receivable.....	24,615,796
Ad Valorem Taxes Receivable & Revenue Sharing.....	6,531,301
Accrued Interest and Dividends.....	509,130
Investments Receivable.....	791,228
Due from Other Funds	812,174

TOTAL CURRENT ASSETS..... \$ 35,416,683

Property Plant & Equipment.....	\$ 715,236
Deposits	\$ 13

INVESTMENTS:

Common Trust Funds	\$ 1,112,217,807
Foreign Equities Fund.....	548,247,408
Common Stock.....	478,497,072
Foreign Fixed Income	249,907,619
Government Agency Bonds	35,981,414
Hedge Funds	71,987,982
Bond Funds	27,832,275
Cash Equivalents.....	27,725,606
Corporate Bonds	7,142,032
Private Equity Funds	2,038,480

TOTAL INVESTMENTS..... \$ 2,561,577,695

TOTAL ASSETS

CURRENT LIABILITIES:

Retirements Payable.....	\$ 10,724,343
Accounts Payable	1,532,125
Refunds Payable.....	450,762
Investments Payable.....	597,788
Other Post-Employment Benefits Payable.....	402,518
Withholding Taxes Payable	14,314
Accrued Leave Payable.....	4,271

TOTAL CURRENT LIABILITIES

MARKET VALUE OF ASSETS..... \$ 2,583,983,506

**EXHIBIT III – SCHEDULE B
PLAN A - ACTUARIAL VALUE OF ASSETS**

Excess (Shortfall) of invested income
for current and previous 4 years:

Fiscal year 2012	\$ 180,555,953
Fiscal year 2011	\$ (182,360,994)
Fiscal year 2010	147,846,491
Fiscal year 2009	206,437,835
Fiscal year 2008	<u>(694,894,129)</u>
Total for five years	\$ (342,414,844)

Deferral of excess (shortfall) of invested income:

Fiscal year 2011 (80%)	\$ 144,444,762
Fiscal year 2010 (60%)	(109,416,597)
Fiscal year 2009 (40%)	59,138,596
Fiscal year 2008 (20%)	41,287,568
Fiscal year 2007 (0%)	<u>0</u>
Total deferred for year	\$ 135,454,329

Market value of plan net assets, end of year..... \$ 2,583,983,506

Preliminary actuarial value of plan assets, end of year \$ 2,448,529,177

Actuarial value of assets corridor

85% of market value, end of year	\$ 2,196,385,980
115% of market value, end of year	\$ 2,971,581,032

Final actuarial value of plan net assets, end of year \$ 2,448,529,177

EXHIBIT IV
PLAN A: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	\$	378,465,400
Employer Normal Contributions to the Pension Accumulation Fund.....		773,908,389
Employer Amortization Payments to the Pension Accumulation Fund		0
Funding Deposit Account Credit Balance		(4,574,933)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	\$	1,147,798,856

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

Prior Year Frozen Unfunded Accrued Liability	\$	36,903,336
Interest on Frozen Unfunded Accrued Liability.....	\$	2,767,750
Employer Normal Cost for Prior Year.....	84,963,956	
Interest on the Normal Cost.....	6,372,297	
Administrative Expenses	1,234,968	
Interest on Expenses	45,474	
TOTAL Increases to Frozen Unfunded Accrued Liability.....	\$	95,384,445
Direct Employer Contributions.....	\$	87,838,354
Interest on Employer Contributions.....	3,234,390	
Ad Valorem Taxes and Revenue Sharing.....	6,641,338	
Interest on Ad Valorem Taxes and Revenue Sharing Funds	244,548	
Contribution Shortfall.....	7,170,289	
Interest on Contribution Shortfall.....	264,026	
Withdrawal from Funding Deposit Account	26,894,836	
TOTAL Decreases to Frozen Unfunded Accrued Liability	\$	132,287,781
CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY	\$	0

EXHIBIT VI
PLAN A: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (December 31, 2011).....		\$ 2,344,047,017
INCOME:		
Employer Contributions	\$ 87,838,354	
Member Contributions	49,660,138	
Ad Valorem Taxes	6,504,922	
Revenue Sharing.....	136,416	
Purchases and Transfers of Service Credit.....	1,937,183	
Irregular Contributions.....	288,583	
Transfers from Plan B	0	
 Total Contributions.....		 \$ 146,365,596
Net Appreciation in Fair Value of Investments.....	\$302,122,328	
Interest & Dividends.....	55,466,569	
Class Action Settlement	129,726	
Investment Expense.....	(9,676,251)	
Net Investment Income.....		\$ 348,042,372
 TOTAL Income		 \$ 494,407,968
 EXPENSES:		
Retirement Benefits	\$ 110,144,349	
DROP Disbursements.....	15,731,881	
Refunds of Contributions.....	11,599,043	
Funds Transferred to another System.....	2,176,646	
Administrative Expenses	1,159,662	
Other Postemployment Benefits	43,991	
Depreciation.....	31,315	
 TOTAL Expenses		 \$ 140,886,887
 Net Market Value Income for Fiscal 2012 (Income - Expenses)		 \$ 353,521,081
 Unadjusted Fund Balance as of December 31, 2012 (Fund Balance Previous Year + Net Income).....		 \$ 2,697,568,098
 Adjustment for Actuarial Smoothing.....		 \$ (249,038,921)
 Actuarial Value of Assets: (December 31, 2012).....		 \$ 2,448,529,177

**EXHIBIT VII
PLAN A: FUND BALANCES**

PRESENT ASSETS OF THE SYSTEM CREDITABLE TO:

Annuity Savings Fund	\$	388,616,125
Annuity Reserve Fund		1,063,297,180
Pension Accumulation Fund.....		1,073,198,794
Deferred Retirement Option Plan Account		54,296,474
Funding Deposit Account.....		4,574,933
NET MARKET VALUE OF ASSETS	\$	2,583,983,506
ADJUSTMENT FOR ACTUARIAL SMOOTHING.....	\$	(135,454,329)
ACTUARIAL VALUE OF ASSETS.....	\$	2,448,529,177

**EXHIBIT VIII
PLAN A: PENSION BENEFIT OBLIGATION**

Present Value of Credited Projected Benefits Payable to Current Employees.....	\$	1,620,397,984
Present Value of Benefits Payable to Terminated Employees		56,521,970
Present Value of Benefits Payable to Current Retirees and Beneficiaries		1,064,342,481
TOTAL PENSION BENEFIT OBLIGATION	\$	2,741,262,435
NET ACTUARIAL VALUE OF ASSETS.....	\$	2,448,529,177
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation.....		89.32%

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:		34.88%
Adjustments in Funded Ratio Due to Mergers or Changes in Methods or 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%	
Changes for Fiscal 2008	10.12%	
Changes for Fiscal 2010	-2.50%	
TOTAL Adjustments		-1.73%
Amortization of Adjustments in Funded Ratio over 30 years:		
Changes for Fiscal 1987	-6.82%	
Changes for Fiscal 1988	0.60%	
Changes for Fiscal 1989	-0.05%	
Changes for Fiscal 1990	1.40%	
Mergers in Fiscal 1994	-0.49%	
Changes for Fiscal 1995	3.33%	
Changes for Fiscal 1997	1.22%	
Changes for Fiscal 1998	1.76%	
Changes for Fiscal 1999	1.62%	
Changes for Fiscal 2001	0.01%	
Changes for Fiscal 2003	-0.13%	
Changes for Fiscal 2005	0.53%	
Changes for Fiscal 2006	-0.01%	
Changes for Fiscal 2007	-0.32%	
Changes for Fiscal 2008	-1.35%	
Changes for Fiscal 2010	0.17%	
TOTAL Amortization of Adjustments		1.47%
Target Ratio for Current Fiscal Year		94.37%
Actuarial Value of Assets Divided by PBO as of Fiscal 2012		89.32%

EXHIBIT X
CENSUS DATA - PLAN A

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of December 31, 2011	13,975	7,356	671	5,718	27,720
Additions to Census					
Initial membership	1,407	29			1,436
Omitted in error last year	2	1		(7)	(4)
Death of another member			(1)	68	67
Adjustment for multiple records					
Change in Status during Year					
Actives terminating service	(352)	352			
Actives who retired	(276)			276	
Actives entering DROP	(243)		243		
Term. members rehired	37	(37)			
Term. members who retire		(42)		42	
Retirees who are rehired	4			(4)	
Refunded who are rehired	29	7			36
DROP participants retiring			(146)	146	
DROP returned to work	84		(84)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(951)	(296)			(1,247)
Deaths	(28)	(14)	(1)	(246)	(289)
Included in error last year				(2)	(2)
Adjustment for multiple records					
Number of members as of December 31, 2012	13,688	7,356	682	5,991	27,717

PLAN A - ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	39	22	61	20,058	1,223,533
21 - 25	384	304	688	25,602	17,614,302
26 - 30	509	639	1,148	31,520	36,184,771
31 - 35	608	716	1,324	35,923	47,562,332
36 - 40	593	696	1,289	39,866	51,387,042
41 - 45	787	887	1,674	40,245	67,370,943
46 - 50	1,029	1,027	2,056	41,139	84,581,044
51 - 55	1,140	1,192	2,332	41,722	97,294,639
56 - 60	1,010	991	2,001	41,155	82,351,195
61 - 65	638	569	1,207	41,249	49,787,546
66 - 70	222	177	399	41,789	16,674,007
71 - 75	70	54	124	35,062	4,347,688
76 - 80	36	22	58	28,988	1,681,300
81 - 85	5	2	7	33,708	235,958
86 - 90	2	0	2	15,523	31,046
TOTAL	7,072	7,298	14,370	38,854	558,327,346

THE ACTIVE CENSUS INCLUDES 7,268 ACTIVES WITH VESTED BENEFITS, INCLUDING 682 DROP PARTICIPANTS AND 280 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	0	1	1	6,248	6,248
31 - 35	4	10	14	11,270	157,779
36 - 40	10	25	35	10,645	372,588
41 - 45	27	42	69	13,917	960,291
46 - 50	41	55	96	16,355	1,570,066
51 - 55	49	79	128	19,934	2,551,491
56 - 60	68	81	149	13,955	2,079,263
61 - 65	25	17	42	9,029	379,235
66 - 70	10	4	14	4,615	64,616
71 - 75	4	3	7	6,778	47,445
76 - 80	2	0	2	13,318	26,635
81 - 85	1	1	2	567	1,134
86 - 90	1	1	2	1,052	2,103
TOTAL	242	319	561	14,650	8,218,894

PLAN A - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging		Number	Total Contributions
From	To		
0	- 99	4,380	116,816
100	- 499	995	235,892
500	- 999	335	239,655
1000	- 1999	277	387,298
2000	- 4999	372	1,205,514
5000	- 9999	232	1,681,254
10000	- 19999	157	2,182,599
20000	- 119999	47	1,238,756
TOTAL		6,795	7,287,784

PLAN A - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	8	8	16	44,247	707,945
51 - 55	70	46	116	45,311	5,256,056
56 - 60	185	150	335	41,343	13,849,750
61 - 65	407	358	765	27,713	21,200,496
66 - 70	541	438	979	21,142	20,698,063
71 - 75	518	360	878	18,273	16,043,737
76 - 80	393	288	681	15,225	10,368,031
81 - 85	277	245	522	13,263	6,923,497
86 - 90	128	130	258	11,922	3,075,979
91 - 99	30	54	84	8,103	680,686
TOTAL	2,557	2,077	4,634	21,322	98,804,240

PLAN A - DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	0	1	1	8,002	8,002
36 - 40	2	0	2	13,399	26,798
41 - 45	7	9	16	13,700	219,203
46 - 50	21	15	36	13,722	494,007
51 - 55	49	22	71	17,547	1,245,810
56 - 60	92	44	136	16,055	2,183,492
61 - 65	92	45	137	12,990	1,779,609
66 - 70	48	27	75	12,130	909,754
71 - 75	14	9	23	6,405	147,310
76 - 80	8	2	10	4,911	49,107
81 - 85	2	0	2	6,251	12,502
86 - 90	2	1	3	5,255	15,765
TOTAL	337	175	512	13,850	7,091,359

PLAN A - SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 25	8	8	16	15,704	251,268
26 - 30	1	0	1	6,958	6,958
31 - 35	1	0	1	8,689	8,689
36 - 40	2	2	4	10,841	43,364
41 - 45	1	5	6	11,860	71,158
46 - 50	4	15	19	16,849	320,130
51 - 55	5	17	22	13,775	303,059
56 - 60	9	27	36	14,213	511,665
61 - 65	4	71	75	12,595	944,607
66 - 70	20	112	132	12,159	1,605,023
71 - 75	14	132	146	10,521	1,535,998
76 - 80	9	122	131	9,437	1,236,264
81 - 85	5	119	124	7,699	954,700
86 - 90	1	79	80	6,645	531,596
91 - 99	2	50	52	5,674	295,028
TOTAL	86	759	845	10,201	8,619,507

PLAN A - ACTIVE MEMBERS:

Completed Years of Service

Attained Ages	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20	48	13										61
21 - 25	261	183	108	52	56	28						688
26 - 30	232	188	149	149	151	255	24					1,148
31 - 35	154	171	130	108	138	415	187	21				1,324
36 - 40	136	94	118	102	117	338	256	118	10			1,289
41 - 45	140	124	112	132	139	393	293	214	123	4		1,674
46 - 50	147	109	115	132	138	414	331	282	210	135	43	2,056
51 - 55	151	130	106	104	136	440	365	292	222	212	174	2,332
56 - 60	81	90	89	82	130	401	316	289	232	156	135	2,001
61 - 65	35	36	25	45	51	255	220	208	158	81	93	1,207
66 - 70	7	7	9	11	16	56	84	77	70	33	29	399
71 & Over	6		2	5	5	24	27	38	39	22	23	191
Totals	1398	1145	963	922	1077	3019	2103	1539	1064	643	497	14370

PLAN A - AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Completed Years of Service

Attained Ages	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20	21,778	13,707										20,058
21 - 25	24,731	24,923	25,458	27,255	28,768	29,311						25,602
26 - 30	26,601	29,392	32,126	34,175	35,375	34,338	39,911					31,520
31 - 35	27,317	30,048	33,903	34,832	35,411	39,315	42,403	43,609				35,923
36 - 40	28,465	41,799	32,011	39,197	36,027	42,443	44,536	45,244	51,016			39,866
41 - 45	30,977	31,784	33,768	35,776	36,062	40,197	42,741	51,374	49,298	49,453		40,245
46 - 50	28,242	31,620	36,339	32,728	34,338	36,406	40,332	41,829	47,647	57,981	54,417	41,139
51 - 55	28,595	33,101	35,058	37,029	33,545	36,800	42,813	47,133	50,339	57,965	62,783	41,722
56 - 60	30,898	35,025	36,160	33,517	35,587	35,188	40,854	43,201	47,902	52,612	53,905	41,155
61 - 65	36,667	38,511	33,151	36,891	40,629	36,929	37,637	40,855	43,603	53,272	55,458	41,249
66 - 70	24,513	26,669	33,450	25,226	28,102	37,360	43,198	39,110	45,414	55,808	52,921	41,789
71 & Over	50,942		32,326	25,419	29,854	35,263	31,367	33,702	29,345	36,862	31,305	32,963
Average	27,768	31,221	33,021	34,327	34,971	37,680	41,545	44,203	47,038	55,195	56,245	38,854

PLAN A - 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 - 25												0
26 - 30											1	1
31 - 35										6	8	14
36 - 40									10	25		35
41 - 45								41	28			69
46 - 50							72	24				96
51 - 55		1										128
56 - 60	19	44	22	17	20	104	23					149
61 - 65	21	9	7	3	2	27						42
66 - 70	14											14
71 - 75	7											7
76 - 80	2											2
81 - 85	2											2
86 - 90	2											2
91 & Over												0
Totals	67	54	29	20	22	131	95	65	38	31	9	561

PLAN A - 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 - 25												0
26 - 30											6,248	6,248
31 - 35										11,700	10,948	11,270
36 - 40									14,420	9,136		10,645
41 - 45								17,024	9,369			13,917
46 - 50							18,799	9,022				16,355
51 - 55		68,045				21,382	11,290					19,934
56 - 60	13,336	15,429	18,054	15,984	12,778	8,243						13,955
61 - 65	9,928	6,884	7,712	8,770	14,249							9,029
66 - 70	4,615											4,615
71 - 75	6,778											6,778
76 - 80	13,318											13,318
81 - 85	567											567
86 - 90	1,052											1,052
91 & Over												0
Average	9,012	14,979	15,558	14,902	12,912	18,674	16,981	14,069	10,698	9,632	10,425	14,650

PLAN A - 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 - 50	13	3										16
51 - 55	37	30	22	13	4	10						116
56 - 60	82	43	39	41	48	76	6					335
61 - 65	150	136	102	78	70	193	34	1		1		765
66 - 70	91	65	80	99	97	396	113	31	7			979
71 - 75	26	26	22	38	36	280	320	89	33	7	1	878
76 - 80	14	16	10	13	18	87	201	210	78	27	7	681
81 - 85	4	2	3		4	40	46	167	185	57	14	522
86 - 90				1		6	9	30	87	114	11	258
91 & Over		1				3	4	4	9	27	36	84
Totals	417	322	278	283	277	1091	733	532	399	233	69	4634

PLAN A - 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 - 50	42,822	50,422										44,247
51 - 55	48,062	44,799	42,747	50,232	43,689	36,555						45,311
56 - 60	40,632	42,412	47,692	40,668	41,154	38,997	37,936					41,343
61 - 65	21,135	22,061	24,586	24,559	30,096	37,465	36,205	29,261		8,966		27,713
66 - 70	18,893	18,503	20,606	17,129	16,723	21,317	28,102	31,957	28,850			21,142
71 - 75	15,911	23,824	21,395	17,413	15,795	16,850	16,884	23,958	26,942	22,267	11,567	18,273
76 - 80	13,177	17,563	17,587	12,718	13,365	13,607	13,325	14,863	22,384	19,283	10,119	15,225
81 - 85	11,930	21,196	24,756		8,330	10,086	12,746	12,932	11,783	20,685	15,534	13,263
86 - 90				4,161		18,789	15,765	13,802	11,273	11,200	13,231	11,922
91 & Over		18,425				5,623	14,331	3,965	9,493	9,497	6,398	8,103
Average	26,864	26,345	27,617	23,898	24,265	23,315	18,418	16,660	15,246	14,583	9,794	21,322

PLAN A - DISABILITY 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 - 30												0
31 - 35		1										1
36 - 40					2							2
41 - 45		4	1		1	7	2					16
46 - 50	1	3	6	3	3	11	6	3				36
51 - 55	9	7	4	5	3	18	10	9	5	1		71
56 - 60	9	16	8	10	8	37	25	10	11	2		136
61 - 65		6	3	2	4	47	33	23	15	4		137
66 - 70		2		1	2	17	20	21	8	3	1	75
71 - 75						5	3	8	5	2		23
76 - 80							1	5	2	2		10
81 - 85							1				1	2
86 - 90									1	2		3
91 & Over												0
Totals	20	39	22	21	23	142	101	79	47	16	2	512

PLAN A - AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY 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 - 30												0
31 - 35		8,002										8,002
36 - 40					13,399							13,399
41 - 45	11,544	18,859	5,587		22,196	12,746	7,610					13,700
46 - 50	17,865	17,988	16,332	15,132	18,117	12,946	9,747	7,849				13,722
51 - 55	21,665	29,787	22,049	17,353	23,919	17,837	16,297	8,084	6,211	7,745		17,547
56 - 60	20,296	19,696	15,299	19,747	21,830	16,559	14,879	10,827	7,952	5,403		16,055
61 - 65		9,916	5,696	4,865	12,524	14,859	14,805	12,492	9,704	5,849		12,990
66 - 70		5,337		3,315	5,700	12,743	11,213	12,255	15,361	18,419	7,972	12,130
71 - 75						5,658	3,401	6,439	8,500	7,401		6,405
76 - 80							4,335	3,559	3,948	9,540		4,911
81 - 85							3,357				9,144	6,251
86 - 90									9,090	3,338		5,255
91 & Over												0
Average	20,353	18,749	15,057	16,318	17,880	14,850	13,261	10,361	9,499	8,610	8,558	13,850

PLAN A - SURVIVING BENEFICIARIES OF FORMER MEMBERS:

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 - 20	1	4	1	1	1	5	1	1				14
21 - 25	1	1										2
26 - 30							1					1
31 - 35								1				1
36 - 40						2			1			4
41 - 45				1		3						6
46 - 50	1			2	4	5	6	2				19
51 - 55	1	2	2	1	2	7	2	3	1			22
56 - 60	1	2		2	3	12	8	6	2	1		36
61 - 65	3	5	2	6	8	23	14	10	3	1		75
66 - 70	1	1	2	10	9	47	32	18	6	4	2	132
71 - 75	2	5	1	5	3	28	43	33	19	6	2	146
76 - 80			1	2	1	14	18	35	37	18	5	131
81 - 85						5	8	26	39	31	15	124
86 - 90	1	1		1	1	1		4	23	34	14	80
91 & Over								5	4	16	27	52
Totals	12	21	8	32	30	152	134	145	135	111	65	845

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

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 - 20	15,985	32,838	25,355	13,241		7,987	4,386	6,348				16,900
21 - 25	7,395	7,266					6,958	8,689				7,331
26 - 30									14,018			6,958
31 - 35						8,583						8,689
36 - 40				12,181		6,768		12,513				10,841
41 - 45				19,170				11,837				11,860
46 - 50	14,734			38,209	18,095	14,776	16,209	4,766				16,849
51 - 55	25,508	29,556	14,340	31,713	22,367	10,549	9,594	4,766	4,683	1,303		13,775
56 - 60	1,032	34,061		18,635	16,483	12,363	20,002	6,553	4,052			14,213
61 - 65	9,962	15,851	52,502	12,062	13,394	12,266	11,157	9,754	4,534	1,469		12,595
66 - 70	10,007	23,302	9,489	13,910	14,700	12,705	10,721	13,316	6,877	14,153	1,795	12,159
71 - 75	14,276	18,850	14,570	9,606	7,056	10,934	9,620	9,285	12,376	11,732	6,135	10,521
76 - 80				10,247	5,231	8,885	10,964	9,368	9,041	10,383	4,988	9,437
81 - 85						6,331	8,272	7,775	7,917	8,314	5,880	7,699
86 - 90	1,082	3,482		3,136		5,302	9,503	4,800	7,879	7,856	2,969	6,645
91 & Over								15,530	6,223	5,909	3,627	5,674
Average	11,182	22,197	24,073	14,190	14,414	11,317	10,998	9,485	8,639	8,433	4,131	10,201

EXHIBIT XI
PLAN A: YEAR-TO-YEAR COMPARISON

	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Number of Active Members	14,370	14,646	14,791	14,795
Number of Retirees & Survivors	5,991	5,718	5,531	5,413
Number of Terminated Due Deferred Benefits	561	561	556	562
Number Terminated Due Refunds	6,795	6,795	6,762	6,611
Active Lives Payroll	\$ 558,327,346	\$ 552,543,155	\$ 546,737,427	\$ 536,408,372
Retiree Benefits in Payment	\$ 114,515,106	\$ 104,683,495	\$ 97,650,642	\$ 90,207,961
Market Value of Assets	\$ 2,583,983,506	\$ 2,230,462,425	\$ 2,225,041,407	\$ 1,904,114,041
Ratio of AVA to GASB-25 Accrued Liability	100.00%	98.45%	98.01%	97.55%
Actuarial Value of Assets	\$ 2,448,529,177	\$ 2,344,047,017	\$ 2,259,207,052	\$ 2,135,230,590
Frozen Unfunded Actuarial Accrued Liability	\$ 0	\$ 36,903,336	\$ 45,756,457	\$ 53,552,388
Present Value of Future Employer Normal Cost	\$ 773,908,389	\$ 724,810,561	\$ 669,371,250	\$ 552,376,261
Present Value of Future Employee Contrib.	\$ 378,465,400	\$ 373,626,178	\$ 370,489,102	\$ 355,947,027
Funding Deposit Account Credit Balance	\$ 4,574,933	\$ 29,274,204	\$ 27,231,818	\$ 25,331,924
Present Value of Future Benefits	\$ 3,596,328,033	\$ 3,450,112,888	\$ 3,317,592,043	\$ 3,071,774,342

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Employee Contribution Rate	9.50%	9.50%	9.50%	9.50%
Estimated Tax Contribution as % of Payroll	1.16%	1.09%	1.05%	1.13%
Actuarially Required Net Direct Employer Contribution Rate	15.56%	16.72%	15.58%	13.46%
Actual Employer Contribution Rate	16.75%	15.75%	15.75%	15.75%

Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
14,373	13,650	13,244	13,470	13,868	13,934
5,235	5,083	4,978	4,845	4,739	4,602
545	497	522	448	374	320
6,464	6,122	6,140	5,723	5,641	5,439
\$ 511,891,487	\$ 454,741,830	\$ 420,104,038	\$ 429,459,653	\$ 407,022,806	\$ 396,330,869
\$ 84,492,940	\$ 77,403,146	\$ 73,102,892	\$ 66,724,243	\$ 62,543,026	\$ 57,594,474
\$ 1,565,934,957	\$ 2,087,385,378	\$ 1,921,293,624	\$ 1,695,523,143	\$ 1,577,051,547	\$ 1,415,543,422
96.99%	96.83%	95.04%	94.29%	93.46%	92.83%
\$ 1,943,569,363	\$ 2,027,214,660	\$ 1,718,754,962	\$ 1,535,416,950	\$ 1,364,795,086	\$ 1,261,191,242
\$ 60,381,793	\$ 66,328,358	\$ 89,762,521	\$ 92,910,853	\$ 95,449,152	\$ 97,437,098
\$ 613,635,252	\$ 288,883,382	\$ 280,817,883	\$ 422,308,841	\$ 351,288,808	\$ 354,769,127
\$ 339,052,728	\$ 302,732,846	\$ 279,197,353	\$ 291,917,848	\$ 269,026,244	\$ 263,620,074
\$ 23,564,580	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 2,933,074,556	\$ 2,685,159,246	\$ 2,368,532,719	\$ 2,342,554,492	\$ 2,080,559,290	\$ 1,977,017,541

Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
1.15%	1.11%	1.05%	0.94%	1.02%	0.96%
15.40%	8.98%	9.58%	13.12%	12.39%	12.66%
12.25%	12.75%	13.25%	12.75%	12.75%	11.75%

EXHIBIT XII
PLAN B: ANALYSIS OF ACTUARIALY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits.....	\$	277,408,370
2.	Funding Deposit Account Credit Balance.....	\$	1,559,909
3.	Actuarial Value of Assets.....	\$	186,172,779
4.	Present Value of Future Employee Contributions.....	\$	18,544,210
5.	Present Value of Future Employer Normal Costs (1+2-3-4)	\$	74,251,290
6.	Present Value of Future Salaries	\$	669,135,008
7.	Employer Normal Cost Accrual Rate (5 ÷ 6).....		11.096608%
8.	Projected Fiscal 2013 Salary for Current Membership.....	\$	80,328,936
9.	Employer Normal Cost as of January 1, 2013 (7 x 8).....	\$	8,913,787
10.	Normal Cost Interest Adjusted for Midyear Payment.....	\$	9,242,011
11.	Estimated Administrative Cost for Fiscal 2013	\$	189,830
12.	TOTAL Administrative and Interest Adjusted Actuarial Costs (10 + 11).....	\$	9,431,841
13.	Projected Ad Valorem Tax Contributions for Fiscal 2013.....	\$	1,005,596
14.	Projected Revenue Sharing Funds for Fiscal 2013	\$	21,514
15.	Employers' Net Direct Actuarially Required Contribution for Fiscal 2013 (12 – 13 – 14).....	\$	8,404,731
16.	Projected Payroll for Fiscal 2013	\$	90,120,256
17.	Employers' Net Direct Actuarially Required Contribution as a % of Projected Payroll for 2013 (15 ÷ 16).....		9.33%
18.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2014(17, Rounded to Nearest 0.25%).....		9.25%

EXHIBIT XIII
PLAN B: PRESENT VALUE OF FUTURE BENEFITS

PRESENT VALUE OF FUTURE BENEFITS FOR ACTIVE MEMBERS:

Retirement Benefits.....	\$185,812,200
Survivor Benefits	5,099,936
Disability Benefits.....	5,908,912
Vested Termination Benefits.....	11,909,696
Refunds of Contributions	3,131,237

TOTAL Present Value of Future Benefits for Active Members..... \$ 211,861,981

PRESENT VALUE OF FUTURE BENEFITS FOR TERMINATED MEMBERS:

Terminated Vested Members Due Benefits at Retirement	\$ 6,625,732
Terminated Members with Reciprocals	
Due Benefits at Retirement.....	20,628
Terminated Members Due a Refund.....	613,968

TOTAL Present Value of Future Benefits for Terminated Members..... \$ 7,260,328

PRESENT VALUE OF FUTURE BENEFITS FOR PENSIONERS:

Regular Retirees by Option Selected:

Maximum.....	\$ 22,972,759
Option 1	126,125
Option 2	19,484,092
Option 3	3,779,264
Option 4	552,695

TOTAL Regular Retirees \$ 46,914,935

TOTAL Disability Retirees \$ 5,872,897

TOTAL Survivors & Widows \$ 5,496,210

Reserve for Accrued Retiree DROP Account Balances \$ 2,019

TOTAL Present Value of Future Benefits for Retirees & Survivors \$ 58,286,061

TOTAL Present Value of Future Benefits..... \$ 277,408,370

**EXHIBIT XIV – SCHEDULE A
PLAN B - MARKET VALUE OF ASSETS**

CURRENT ASSETS:

Cash in Banks	\$	135,313
Contributions Receivable.....		1,504,646
Ad Valorem Taxes Receivable & Revenue Sharing.....		979,558
Accrued Interest and Dividends.....		35,897
Investments Receivable.....		59,908

TOTAL CURRENT ASSETS..... \$ 2,715,322

Property Plant & Equipment..... \$ 107,269

Deposits \$ 2

INVESTMENTS:

Common Trust Funds	\$	84,292,702
Foreign Equity Fund		40,864,414
Common Stocks		35,363,031
Foreign Fixed Income		18,807,479
Hedge Funds		5,294,234
Cash Equivalents.....		4,097,029
Bond Funds		3,429,623
Government Bonds		1,184,429
Government Agency Bonds.....		1,606,977
Corporate Bonds		186,648
Private Equity Funds.....		148,965

TOTAL INVESTMENTS..... \$ 195,275,531

TOTAL ASSETS \$ 198,098,124

CURRENT LIABILITIES:

Due to Other Plans	\$	812,174
Retirements Payable.....		525,003
Accounts Payable		112,411
Investments Payable.....		43,828
Refunds Payable.....		27,563

TOTAL CURRENT LIABILITIES \$ 1,520,979

MARKET VALUE OF ASSETS..... \$ 196,577,145

**EXHIBIT XIV – SCHEDULE B
PLAN B - ACTUARIAL VALUE OF ASSETS**

Excess (Shortfall) of invested income
for current and previous 4 years:

Fiscal year 2012.....	\$ 13,957,016
Fiscal year 2011.....	(13,385,425)
Fiscal year 2010.....	10,833,284
Fiscal year 2009.....	14,683,472
Fiscal year 2008.....	(47,079,799)
 Total for five years.....	 \$ (20,991,452)

Deferral of excess (shortfall) of invested income:

Fiscal year 2012 (80%).....	\$ 11,165,613
Fiscal year 2011 (60%).....	(8,031,255)
Fiscal year 2010 (40%).....	4,333,314
Fiscal year 2009 (20%).....	2,936,694
Fiscal year 2008 (0%).....	<u>0</u>
 Total deferred for year.....	 \$ 10,404,366

Market value of plan net assets, end of year..... \$ 196,577,145

Preliminary actuarial value of plan assets, end of year..... \$ 186,172,779

Actuarial value of assets corridor

85% of market value, end of year.....	\$ 167,090,573
115% of market value, end of year.....	\$ 226,063,717

Final actuarial value of plan net assets, end of year..... \$ 186,172,779

EXHIBIT XV
PLAN B: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	\$	18,544,210
Employer Normal Contributions to the Pension Accumulation Fund.....		74,251,290
Funding Deposit Account Credit Balance		(1,559,909)
 TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	 \$	 91,235,591

EXHIBIT XVI
PLAN B: RECONCILIATION OF CONTRIBUTIONS

Employer Normal Cost for Prior Year.....	\$8,584,382	
Interest on Normal Cost.....	643,828	
Administrative Expenses	185,097	
Interest on Expenses	6,816	
 TOTAL Interest Adjusted Actuarially Required Contributions	 \$	 9,420,123
 Direct Employer Contributions.....	 \$ 8,561,397	
Interest on Employer Contributions.....	315,249	
Ad Valorem Taxes and Revenue Sharing Funds	978,523	
Interest on Taxes and Revenue Sharing Funds.....	36,031	
 TOTAL Interest Adjusted Employer Contributions	 \$	 9,891,200
 Contribution Shortfall (Surplus).....	 \$	 (471,077)

EXHIBIT XVII
PLAN B: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (December 31, 2011).....	\$	173,354,490
INCOME:		
Employer Contributions	\$	8,561,397
Member Contributions		2,506,524
Purchases and Transfers of Service Credit.....		127,023
Ad Valorem Taxes		963,027
Revenue Sharing.....		15,496
Irregular Contributions.....		6,135
Total Contributions.....	\$	12,179,602
Net Appreciation in Fair Value of Investments.....	\$25,094,745	
Interest & Dividends.....	2,179,910	
Class Action Settlement.....	4,957	
Investment Expense.....	(739,095)	
Net Investment Income.....	\$	26,540,517
TOTAL Income	\$	38,720,119
EXPENSES:		
Retirement Benefits	\$	6,101,642
DROP Disbursements.....		811,589
Refunds of Contributions.....		611,969
Administrative Expenses		173,802
Transfer to Plan A.....		0
Funds Transferred to another System		36,226
Other Postemployment Benefits		6,598
Depreciation.....		4,697
TOTAL Expenses	\$	7,746,523
Net Market Value Income for Fiscal 2012 (Income - Expenses)	\$	30,973,596
Unadjusted Fund Balance as of December 31, 2012 (Fund Balance Previous Year + Net Income).....	\$	204,328,086
Adjustment for Actuarial Smoothing.....	\$	(18,155,307)
Actuarial Value of Assets (December 31, 2012).....	\$	186,172,779

**EXHIBIT XVIII
PLAN B: FUND BALANCES**

PRESENT ASSETS OF THE SYSTEM CREDITABLE TO:

Annuity Savings Fund	\$	18,633,642
Annuity Reserve Fund		58,284,042
Pension Accumulation Account		115,902,825
Deferred Retirement Option Plan Account.....		2,196,727
Funding Deposit Account		1,559,909
NET MARKET VALUE OF ASSETS.....	\$	196,577,145
ADJUSTMENT FOR ACTUARIAL SMOOTHING		(10,404,366)
ACTUARIAL VALUE OF ASSETS	\$	186,172,779

**EXHIBIT XIX – Schedule A
PLAN B: PENSION BENEFIT OBLIGATION**

Present Value of Credited Projected Benefits Payable to Current Employees.....	\$	130,398,240
Present Value of Benefits Payable to Terminated Employees		7,260,328
Present Value of Benefits Payable to Current Retirees and Beneficiaries		58,286,061
TOTAL PENSION BENEFIT OBLIGATION	\$	195,944,629
NET ACTUARIAL VALUE OF ASSETS	\$	186,172,779
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation.....		95.01%

**EXHIBIT XIX – Schedule B
ENTRY AGE NORMAL ACCRUED LIABILITIES**

Accrued Liability for Active Employees	\$	146,943,102
Accrued Liability for Terminated Employees		7,260,328
Accrued Liability for Current Retirees and Beneficiaries		58,286,061
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	\$	212,489,491
NET ACTUARIAL VALUE OF ASSETS.....	\$	186,172,779
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability		87.62%

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:		-0.20%
Adjustments in Funded Ratio Due to Mergers or Changes in Methods or 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%	
Changes for Fiscal 2008.....	10.41%	
Changes for Fiscal 2010.....	-1.78%	
 TOTAL Adjustments.....		 4.14%
Amortization of Adjustments in Funded Ratio over 30 years:		
Changes for Fiscal 1987.....	-11.34%	
Changes for Fiscal 1988.....	2.52%	
Changes for Fiscal 1989.....	-0.10%	
Changes for Fiscal 1990.....	2.79%	
Changes for Fiscal 1995.....	1.89%	
Changes for Fiscal 1997.....	-2.10%	
Changes for Fiscal 1998.....	1.60%	
Changes for Fiscal 1999.....	1.71%	
Changes for Fiscal 2001.....	0.04%	
Changes for Fiscal 2003.....	0.07%	
Changes for Fiscal 2005.....	0.74%	
Changes for Fiscal 2006.....	0.13%	
Changes for Fiscal 2007.....	0.10%	
Changes for Fiscal 2008.....	-1.39%	
Changes for Fiscal 2010.....	0.12%	
 TOTAL Amortization of Adjustments		 -3.22%
Target Ratio for Current Fiscal Year (Not more than 100%).....		100.00%
Actuarial Value of Assets Divided by PBO as of 2012.....		95.01%

**EXHIBIT XXI
CENSUS DATA - PLAN B**

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of December 31, 2011	2,261	1,600	42	611	4,514
Additions to Census					
Initial membership	268	16			284
Omitted in error last year				14	14
Death of Another Member				(2)	(2)
Change in Status during Year					
Actives terminating service	(73)	73			
Actives who retired	(39)			39	
Actives entering DROP	(19)		19		
Term. members rehired	10	(10)			
Term. members who retire		(8)		8	
Retirees who are rehired	1			(1)	
Refunded who are rehired	7	3			10
DROP participants retiring			(11)	11	
DROP returned to work	6		(6)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(158)	(34)			(192)
Deaths	(10)	(3)		(23)	(36)
Included in error last year		(1)			(1)
Adjustment for multiple records					
Number of members as of December 31, 2012	2,254	1,636	44	657	4,591

PLAN B - ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	7	1	8	24,965	199,722
21 - 25	52	57	109	26,080	2,842,719
26 - 30	71	125	196	33,408	6,547,942
31 - 35	105	112	217	33,945	7,365,961
36 - 40	90	124	214	39,340	8,418,849
41 - 45	114	164	278	39,102	10,870,246
46 - 50	158	167	325	38,858	12,628,962
51 - 55	176	153	329	39,498	12,994,953
56 - 60	173	146	319	40,356	12,873,449
61 - 65	109	86	195	41,204	8,034,859
66 - 70	42	32	74	39,076	2,891,621
71 - 75	19	7	26	36,687	953,856
76 - 80	6	1	7	34,271	239,895
81 - 85	0	1	1	19,227	19,227
TOTAL	1,122	1,176	2,298	37,808	86,882,261

THE ACTIVE CENSUS INCLUDES 1,055 ACTIVES WITH VESTED BENEFITS, INCLUDING 44 DROP PARTICIPANTS AND 23 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	0	1	1	5,531	5,531
36 - 40	4	2	6	9,865	59,190
41 - 45	5	12	17	10,471	178,008
46 - 50	7	14	21	9,305	195,408
51 - 55	21	14	35	9,207	322,254
56 - 60	10	24	34	8,875	301,750
61 - 65	7	6	13	5,598	72,769
66 - 70	1	1	2	5,289	10,578
71 - 75	1	1	2	1,458	2,916
76 - 80	1	0	1	3,430	3,430
TOTAL	57	75	132	8,726	1,151,834

PLAN B - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging		Number	Total Contributions
From	To		
0	- 99	1,038	25,746
100	- 499	244	58,870
500	- 999	75	52,442
1000	- 1999	47	67,340
2000	- 4999	75	232,093
5000	- 9999	23	147,973
10000	- 19999	2	29,505
TOTAL		1,504	613,969

PLAN B - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
56 - 60	6	6	12	20,116	241,386
61 - 65	47	35	82	15,059	1,234,804
66 - 70	67	52	119	10,775	1,282,263
71 - 75	68	47	115	9,171	1,054,693
76 - 80	46	36	82	8,821	723,299
81 - 85	26	24	50	7,016	350,782
86 - 90	5	21	26	6,284	163,381
91 - 99	3	13	16	8,045	128,717
TOTAL	268	234	502	10,317	5,179,325

PLAN B - DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	1	0	1	5,293	5,293
46 - 50	2	2	4	9,529	38,114
51 - 55	7	2	9	11,297	101,670
56 - 60	15	8	23	7,771	178,742
61 - 65	15	3	18	7,747	139,453
66 - 70	11	7	18	5,729	103,130
71 - 75	1	0	1	8,337	8,337
TOTAL	52	22	74	7,767	574,739

PLAN B - SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	0	2	2	7,785	15,569
51 - 55	1	4	5	9,640	48,199
56 - 60	1	11	12	9,447	113,366
61 - 65	1	10	11	6,164	67,807
66 - 70	1	17	18	10,151	182,713
71 - 75	0	14	14	5,446	76,238
76 - 80	0	9	9	4,258	38,320
81 - 85	0	6	6	4,540	27,238
86 - 90	1	1	2	1,885	3,770
91 - 99	0	2	2	3,435	6,869
TOTAL	5	76	81	7,162	580,089

PLAN B - ACTIVE MEMBERS:

Completed Years of Service

Attained Ages	Completed Years of Service											Total		
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over			
0 - 20	6	2												8
21 - 25	37	30	20	12	5	5								109
26 - 30	46	37	23	27	18	41	4							196
31 - 35	36	33	23	16	20	61	27	1						217
36 - 40	22	22	21	19	25	54	43	8						214
41 - 45	37	19	15	16	28	63	46	35	17	2				278
46 - 50	27	18	17	30	17	71	57	34	22	22	10			325
51 - 55	25	19	19	22	26	57	54	32	27	25	23			329
56 - 60	22	17	11	15	16	64	55	41	28	19	31			319
61 - 65	9	3	6	12	16	47	39	21	21	13	8			195
66 - 70	3	5		3	6	13	15	7	12	5	5			74
71 & Over		2		1	3	6	6	9	4		3			34
Totals	270	207	155	173	180	482	346	188	131	86	80			2298

PLAN B - AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Completed Years of Service

Attained Ages	Completed Years of Service											Average Salary		
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over			
0 - 20	23,918	28,108												24,965
21 - 25	26,894	24,105	28,699	24,538	24,824	26,391								26,080
26 - 30	31,166	31,268	33,112	29,675	43,608	35,317	40,423							33,408
31 - 35	31,501	32,300	34,986	34,143	37,415	33,644	35,793	48,072						33,945
36 - 40	36,751	46,424	30,543	33,422	48,179	38,981	38,634	42,732						39,340
41 - 45	39,674	42,258	31,309	36,487	39,993	39,971	35,056	42,978	44,490	17,444				39,102
46 - 50	32,710	28,094	34,818	31,725	32,552	38,759	39,773	46,035	47,815	46,963	47,381			38,858
51 - 55	31,962	28,919	36,442	34,209	43,836	41,600	37,326	37,407	43,921	49,401	45,956			39,498
56 - 60	34,687	30,239	28,293	44,956	37,312	36,378	38,262	43,280	44,502	47,975	53,194			40,356
61 - 65	42,465	42,069	27,496	31,226	51,766	39,768	40,963	43,056	38,294	46,116	48,004			41,204
66 - 70	23,627	43,342		43,498	42,157	28,815	41,077	49,013	38,518	28,310	56,596			39,076
71 & Over		28,109		76,450	54,061	33,215	33,983	32,074	39,611	22,610				35,676
Average	32,893	32,825	32,334	33,648	41,751	37,655	38,170	42,376	43,244	45,996	48,933			37,808

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										1		1
36 - 40									4	2		6
41 - 45								14	3			17
46 - 50							16	5				21
51 - 55				1		25	9					35
56 - 60	4	4	4	3	9	10						34
61 - 65	5	2	2	2	2							13
66 - 70	2											2
71 - 75	2											2
76 - 80	1											1
81 & Over												0
Totals	14	6	6	6	11	35	25	19	7	3	0	132

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										5,531		5,531
36 - 40									9,518	10,558		9,865
41 - 45								10,655	9,612			10,471
46 - 50							10,725	4,763				9,305
51 - 55				19,071		9,147	8,279					9,207
56 - 60	9,291	6,540	11,215	14,225	8,240	7,674						8,875
61 - 65	5,774	3,364	5,365	4,937	8,284							5,598
66 - 70	5,289											5,289
71 - 75	1,458											1,458
76 - 80	3,430											3,430
81 & Over												0
Average	5,925	5,481	9,265	11,937	8,248	8,726	9,844	9,104	9,559	8,882	0	8,726

PLAN B - SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											Total	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over		
0 - 55													0
56 - 60	6	1	2	2	1								12
61 - 65	16	22	14	11	3	15	1						82
66 - 70	16	14	10	11	17	43	8						119
71 - 75	5	4		4	8	52	36	6					115
76 - 80	3		1	2	3	17	31	20	3	2			82
81 - 85		1				4	7	21	16		1		50
86 - 90		1				1		3	11	10			26
91 & Over								1	2	7	6		16
Totals	46	43	27	30	32	132	83	51	32	19	7		502

PLAN B - AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											Average Benefit	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over		
0 - 55													0
56 - 60	15,444	31,281	28,027	24,525	12,336								20,116
61 - 65	11,848	12,692	14,180	13,881	12,881	24,161	13,748						15,059
66 - 70	11,172	9,308	10,607	13,508	11,123	9,804	13,486						10,775
71 - 75	11,079	7,687		10,550	5,407	8,655	10,857	7,034					9,171
76 - 80	3,742		26,609	7,788	14,555	7,244	8,956	7,711	16,776	10,441			8,821
81 - 85						8,605	8,006	5,609	8,594		1,727		7,016
86 - 90						3,719		7,082	6,732	5,274			6,284
91 & Over								22,239	4,667	9,461	5,152		8,045
Average	11,470	11,313	14,343	13,604	10,219	10,571	10,195	7,014	8,476	7,361	4,663		10,317

PLAN B - DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement										Total	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29		30&Over
0 - 35												0
36 - 40						1						1
41 - 45												0
46 - 50	2					2						4
51 - 55	3	1	2			2	1					9
56 - 60	5		2			11	4		1			23
61 - 65		1		2	1	12	1	1				18
66 - 70	1		1			10	2	3			1	18
71 - 75							1					1
76 & Over												0
Totals	11	2	5	2	1	38	9	4	1	0	1	74

PLAN B - AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement										Average Benefit	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29		30&Over
0 - 35												0
36 - 40						5,293						5,293
41 - 45												0
46 - 50	12,904					6,153						9,528
51 - 55	14,590	14,035	14,035			5,761	4,273					11,297
56 - 60	9,758		7,308			8,197	4,724		6,270			7,771
61 - 65		5,554		8,826	7,303	8,049	6,251	6,108				7,747
66 - 70	6,379		3,147			5,430	6,471	7,596			3,571	5,729
71 - 75							8,337					8,337
76 & Over												0
Average	11,341	9,795	9,166	8,826	7,303	7,110	5,633	7,224	6,270	0	3,571	7,767

PLAN B - SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											Total	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over		
0 - 30													0
31 - 35						1							2
36 - 40								1					0
41 - 45													0
46 - 50													0
51 - 55		1	1			1							5
56 - 60	1	1	1			5	4						12
61 - 65	2			1		3	4	1					11
66 - 70	1	2			2	9	3	1					18
71 - 75						3	6	2	2		1		14
76 - 80						1	4	2	2				9
81 - 85							1	1	2				6
86 - 90									1	2			2
91 & Over									1	1	2		2
Totals	4	4	2	1	2	23	23	9	7	3	3		81

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

Attained Ages	Completed Years Since Retirement											Average Benefit	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over		
0 - 30													0
31 - 35						12,078		3,490					7,784
36 - 40													0
41 - 45													0
46 - 50													0
51 - 55		26,422	4,193			4,257	5,771	7,556					9,640
56 - 60	7,807	7,070	9,825			12,276	6,821						9,447
61 - 65	4,270			2,867		6,219	8,518	3,669					6,164
66 - 70	6,845	11,058			6,358	11,752	8,860	8,682					10,151
71 - 75						4,506	5,047	9,599	5,812		1,612		5,446
76 - 80						6,626	5,095	3,364	2,293				4,258
81 - 85							1,832	5,384	3,447	6,564			4,540
86 - 90									3,384	386			1,885
91 & Over											3,435		3,435
Average	5,798	13,902	7,009	2,867	6,358	9,665	6,357	6,079	3,784	4,505	2,827		7,162

EXHIBIT XXII
PLAN B: YEAR-TO-YEAR COMPARISON

	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Number of Active Members	2,298	2,303	2,313	2,290
Number of Retirees & Survivors	657	611	576	560
Number of Terminated Due Deferred Benefits	132	129	125	118
Number Terminated Due Refunds	1,504	1,471	1,430	1,426
Active Lives Payroll	\$ 86,882,261	\$ 84,237,202	\$ 81,999,193	\$ 79,373,895
Retiree Benefits in Payment	\$ 6,334,153	\$ 5,746,033	\$ 5,349,314	\$ 4,986,096
Market Value of Assets	\$ 196,577,145	\$ 165,603,549	\$ 161,776,161	\$ 134,940,283
Actuarial Value of Assets	\$ 186,172,779	\$ 173,354,490	\$ 163,075,793	\$ 150,446,497
Actuarial Accrued Liability	\$212,489,491	\$198,962,892	\$186,118,552	\$171,160,473
Ratio of AVA to GASB-50 Accrued Liability	87.62%	87.13%	87.62%	87.90%
Present Value of Future Employer Normal Cost	\$ 74,251,290	\$ 71,951,379	\$ 67,556,191	\$ 60,488,525
Present Value of Future Employee Contrib.	\$ 18,544,210	\$ 18,084,026	\$ 17,527,008	\$ 16,221,775
Funding Deposit Account Credit Balance	\$ 1,559,909	\$ 1,012,867	\$ 334,656	\$ 311,308
Present Value of Future Benefits	\$ 277,408,370	\$ 262,377,028	\$ 247,824,336	\$ 226,845,489

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Employee Contribution Rate	3.00%	3.00%	3.00%	3.00%
Projected Tax Contribution as % of Payroll	1.14%	1.09%	1.05%	1.13%
Actuarially Required Net Direct Employer Contribution Rate	9.33%	9.31%	9.07%	8.60%
Actual Employer Contribution Rate	10.00%	10.00%	10.00%	10.00%

Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
2,194	2,030	1,990	1,970	2,062	2,189
548	530	508	486	461	417
108	97	98	91	69	64
1,410	1,353	1,369	1,298	1,243	1,182
\$ 74,891,671	\$ 62,859,807	\$ 59,155,664	\$ 54,810,437	\$ 54,325,541	\$ 54,823,785
\$ 4,744,664	\$ 4,400,123	\$ 4,029,570	\$ 3,588,698	\$ 3,313,829	\$ 2,898,810
\$ 109,749,342	\$ 144,163,791	\$ 132,695,110	\$ 117,661,283	\$ 110,700,198	\$ 99,612,361
\$ 136,139,102	\$ 141,756,387	\$ 123,781,772	\$ 111,443,610	\$ 99,526,756	\$ 90,234,749
\$ 162,127,929	\$ 144,913,286	\$ 125,969,852	\$ 115,871,479	\$ 102,077,610	\$ 93,829,258
83.97%	97.82%	98.26%	96.18%	97.50%	96.17%
\$ 63,985,978	\$ 36,302,827	\$ 30,194,074	\$ 30,452,448	\$ 30,454,650	\$ 31,528,445
\$ 15,422,566	\$ 13,275,174	\$ 12,440,078	\$ 11,815,922	\$ 12,600,693	\$ 12,689,583
\$ 289,589	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 215,258,057	\$ 191,334,388	\$ 166,415,924	\$ 153,711,980	\$ 142,582,099	\$ 134,452,777

Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
1.13%	1.11%	1.05%	1.03%	1.00%	0.95%
9.56%	6.13%	5.39%	5.90%	5.45%	5.61%
6.25%	6.00%	6.00%	5.75%	5.75%	5.25%

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 at a rate determined by the Board subject to the statutory range of 8% through 11% of each 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 or any rate between the existing and minimum rates.

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 at a rate determined by the Board subject to the statutory range of 3% through 5% of each 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 the employer contribution rate as actuarially determined is scheduled to decrease, the Board of Trustees may elect to maintain the existing rate or any rate between the existing and minimum rates.

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 thirty years of service may retire at age fifty-five. 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 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.

<u>Factor</u>	<u>Increase in Factor Results in</u>
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. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.

VALUATION INTEREST RATE: 7.50%

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

ANNUITANT, BENEFICIARY AND
ACTIVE MORTALITY

RP2000 Combined Healthy table set back 1 year for males and RP2000 Combined Healthy Female Table for females.

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 are multiplied by a constant of 2 in the first year in which members become eligible for retirement.

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. Rates are multiplied by a constant in the first year in which a member becomes eligible to enter DROP. For members of Plan A who were first employed before January 1, 2007 and for members of Plan B this constant is 2. For members of Plan A who were first employed on or after January 1, 2007 the constant is 4.

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 22% for Plan A and 21% 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
(For Participants Who Were First Hired Before January 1, 2007)

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	0.00030	0.00019	0.00045	0.00000	0.00000	0.00000	0.00000	0.05665
19	0.00032	0.00019	0.00045	0.00000	0.00000	0.00000	0.00000	0.05665
20	0.00033	0.00019	0.00045	0.00000	0.00000	0.00000	0.00000	0.05665
21	0.00035	0.00019	0.00045	0.00000	0.00000	0.00000	0.00000	0.05213
22	0.00036	0.00019	0.00045	0.00000	0.00000	0.00000	0.00000	0.04834
23	0.00037	0.00020	0.00045	0.00000	0.00000	0.00000	0.00000	0.04522
24	0.00037	0.00020	0.00045	0.00000	0.00000	0.00000	0.00000	0.04270
25	0.00038	0.00021	0.00045	0.00000	0.00000	0.00000	0.00000	0.04070
26	0.00038	0.00021	0.00045	0.00000	0.00000	0.00000	0.00000	0.03915
27	0.00038	0.00022	0.00045	0.00000	0.00000	0.00000	0.00000	0.03799
28	0.00038	0.00024	0.00045	0.00000	0.00000	0.00000	0.00000	0.03714
29	0.00039	0.00025	0.00045	0.00000	0.00000	0.00000	0.00000	0.03654
30	0.00041	0.00026	0.00045	0.00000	0.00000	0.00000	0.00000	0.03611
31	0.00044	0.00031	0.00045	0.00000	0.00000	0.00000	0.00000	0.03578
32	0.00050	0.00035	0.00045	0.00000	0.00000	0.00000	0.00000	0.03549
33	0.00056	0.00039	0.00045	0.00000	0.00000	0.00000	0.00000	0.03515
34	0.00063	0.00044	0.00045	0.00000	0.00000	0.00000	0.00000	0.03471
35	0.00070	0.00047	0.00051	0.00000	0.00000	0.00000	0.00000	0.03409
36	0.00077	0.00051	0.00057	0.00000	0.00000	0.00000	0.00000	0.03286
37	0.00084	0.00055	0.00063	0.00000	0.00000	0.00000	0.00000	0.03139
38	0.00090	0.00060	0.00072	0.00000	0.00000	0.00000	0.00000	0.02973
39	0.00096	0.00065	0.00081	0.00000	0.00000	0.00000	0.00000	0.02787
40	0.00102	0.00071	0.00093	0.00000	0.00000	0.00000	0.00000	0.02585
41	0.00108	0.00077	0.00105	0.00000	0.00000	0.00000	0.00000	0.02352
42	0.00114	0.00085	0.00117	0.00000	0.00000	0.00000	0.00000	0.02111
43	0.00122	0.00094	0.00132	0.00000	0.00000	0.00000	0.00000	0.01868
44	0.00130	0.00103	0.00150	0.00000	0.00000	0.00000	0.00000	0.01629
45	0.00140	0.00112	0.00171	0.00000	0.00000	0.00000	0.00000	0.01400
46	0.00151	0.00122	0.00195	0.20000	0.00000	0.35000	0.00000	0.01208
47	0.00162	0.00133	0.00219	0.20000	0.00000	0.35000	0.00000	0.01034
48	0.00173	0.00143	0.00249	0.20000	0.00000	0.35000	0.00000	0.00879
49	0.00186	0.00155	0.00282	0.20000	0.00000	0.35000	0.00000	0.00744
50	0.00200	0.00168	0.00321	0.20000	0.00000	0.35000	0.00000	0.00629
51	0.00214	0.00185	0.00366	0.20000	0.00000	0.35000	0.00000	0.00551
52	0.00245	0.00202	0.00414	0.20000	0.00000	0.35000	0.00000	0.00493
53	0.00267	0.00221	0.00471	0.11500	0.00000	0.35000	0.00000	0.00451
54	0.00292	0.00242	0.00534	0.11500	0.00000	0.35000	0.00000	0.00423
55	0.00320	0.00272	0.00606	0.11500	0.18000	0.35000	0.17000	0.00000
56	0.00362	0.00309	0.00690	0.11500	0.18000	0.22000	0.17000	0.00000
57	0.00420	0.00348	0.00783	0.11500	0.18000	0.22000	0.17000	0.00000
58	0.00469	0.00392	0.00888	0.11500	0.18000	0.22000	0.17000	0.00000
59	0.00527	0.00444	0.01011	0.11500	0.14000	0.22000	0.13500	0.00000
60	0.00595	0.00506	0.01464	0.11500	0.14000	0.22000	0.13500	0.00000
61	0.00675	0.00581	0.01464	0.11500	0.14000	0.10000	0.13500	0.00000
62	0.00768	0.00666	0.01464	0.11500	0.14000	0.10000	0.13500	0.00000
63	0.00876	0.00765	0.01464	0.11500	0.14000	0.10000	0.13500	0.00000
64	0.01001	0.00862	0.01464	0.11500	0.14000	0.10000	0.13500	0.00000
65	0.01128	0.00971	0.01464	0.11500	0.14000	0.10000	0.13500	0.00000

ACTUARIAL TABLES AND RATES
(For Participants Who Were First Hired On or After January 1, 2007)

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	0.00030	0.00019	0.00038	0.00000	0.00000	0.00000	0.00000	0.05665
19	0.00032	0.00019	0.00038	0.00000	0.00000	0.00000	0.00000	0.05665
20	0.00033	0.00019	0.00038	0.00000	0.00000	0.00000	0.00000	0.05665
21	0.00035	0.00019	0.00038	0.00000	0.00000	0.00000	0.00000	0.05213
22	0.00036	0.00019	0.00038	0.00000	0.00000	0.00000	0.00000	0.04834
23	0.00037	0.00020	0.00038	0.00000	0.00000	0.00000	0.00000	0.04522
24	0.00037	0.00020	0.00038	0.00000	0.00000	0.00000	0.00000	0.04270
25	0.00038	0.00021	0.00038	0.00000	0.00000	0.00000	0.00000	0.04070
26	0.00038	0.00021	0.00038	0.00000	0.00000	0.00000	0.00000	0.03915
27	0.00038	0.00022	0.00038	0.00000	0.00000	0.00000	0.00000	0.03799
28	0.00038	0.00024	0.00038	0.00000	0.00000	0.00000	0.00000	0.03714
29	0.00039	0.00025	0.00038	0.00000	0.00000	0.00000	0.00000	0.03654
30	0.00041	0.00026	0.00038	0.00000	0.00000	0.00000	0.00000	0.03611
31	0.00044	0.00031	0.00038	0.00000	0.00000	0.00000	0.00000	0.03578
32	0.00050	0.00035	0.00038	0.00000	0.00000	0.00000	0.00000	0.03549
33	0.00056	0.00039	0.00038	0.00000	0.00000	0.00000	0.00000	0.03515
34	0.00063	0.00044	0.00038	0.00000	0.00000	0.00000	0.00000	0.03471
35	0.00070	0.00047	0.00043	0.00000	0.00000	0.00000	0.00000	0.03409
36	0.00077	0.00051	0.00048	0.00000	0.00000	0.00000	0.00000	0.03286
37	0.00084	0.00055	0.00053	0.00000	0.00000	0.00000	0.00000	0.03139
38	0.00090	0.00060	0.00060	0.00000	0.00000	0.00000	0.00000	0.02973
39	0.00096	0.00065	0.00068	0.00000	0.00000	0.00000	0.00000	0.02787
40	0.00102	0.00071	0.00078	0.00000	0.00000	0.00000	0.00000	0.02585
41	0.00108	0.00077	0.00088	0.00000	0.00000	0.00000	0.00000	0.02352
42	0.00114	0.00085	0.00098	0.00000	0.00000	0.00000	0.00000	0.02111
43	0.00122	0.00094	0.00110	0.00000	0.00000	0.00000	0.00000	0.01868
44	0.00130	0.00103	0.00125	0.00000	0.00000	0.00000	0.00000	0.01629
45	0.00140	0.00112	0.00143	0.00000	0.00000	0.00000	0.00000	0.01400
46	0.00151	0.00122	0.00163	0.00000	0.00000	0.00000	0.00000	0.01208
47	0.00162	0.00133	0.00183	0.00000	0.00000	0.00000	0.00000	0.01034
48	0.00173	0.00143	0.00208	0.00000	0.00000	0.00000	0.00000	0.00879
49	0.00186	0.00155	0.00235	0.00000	0.00000	0.00000	0.00000	0.00744
50	0.00200	0.00168	0.00268	0.00000	0.00000	0.00000	0.00000	0.00629
51	0.00214	0.00185	0.00305	0.00000	0.00000	0.00000	0.00000	0.00551
52	0.00245	0.00202	0.00345	0.00000	0.00000	0.00000	0.00000	0.00493
53	0.00267	0.00221	0.00392	0.00000	0.00000	0.00000	0.00000	0.00451
54	0.00292	0.00242	0.00445	0.00000	0.00000	0.00000	0.00000	0.00423
55	0.00320	0.00272	0.00505	0.22800	0.22000	0.09600	0.19000	0.00000
56	0.00362	0.00309	0.00575	0.22800	0.22000	0.09600	0.19000	0.00000
57	0.00420	0.00348	0.00653	0.22800	0.22000	0.09600	0.19000	0.00000
58	0.00469	0.00392	0.00740	0.22800	0.22000	0.09600	0.19000	0.00000
59	0.00527	0.00444	0.00843	0.22800	0.22000	0.09600	0.19000	0.00000
60	0.00595	0.00506	0.01220	0.22800	0.22000	0.09600	0.19000	0.00000
61	0.00675	0.00581	0.01220	0.22800	0.22000	0.09600	0.19000	0.00000
62	0.00768	0.00666	0.01220	0.19000	0.17000	0.08000	0.15000	0.00000
63	0.00876	0.00765	0.01220	0.19000	0.17000	0.08000	0.15000	0.00000
64	0.01001	0.00862	0.01220	0.19000	0.17000	0.08000	0.15000	0.00000
65	0.01128	0.00971	0.01220	0.19000	0.17000	0.08000	0.15000	0.00000

GLOSSARY

Accrued Benefit – The pension benefit that an individual has earned as of a specific date based on the provisions of the plan and the individual's age, service, and salary as of that date.

Actuarial Accrued Liability – The actuarial present value of benefits payable to members of the fund less the present value of future normal costs attributable to the members.

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 the portion of the cost of a pension plan to be allocated to each year. Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs. Once this allocation is made, a determination of the normal cost attributable to a specific year can be made along with the payment to amortize any unfunded actuarial accrued liability. To the extent that a particular funding method allocates a greater (lesser) portion of the actual present value of benefits to the actuarial accrued liability it will allocate less (more) to future normal costs.

Actuarial Equivalence – Payments or receipts with equal actuarial value on a given date when valued using the same set of actuarial assumptions.

Actuarial Gain (Loss) – The financial effect on the fund of the difference between the expected and actual experience of the fund. The experience may be related to investment earnings above (or below) those expected or changes in the liability structure due to fewer (or greater) than the expected numbers of retirements, deaths, disabilities, or withdrawals. In addition, other factors such as pay increases above (or below) those forecast can result in actuarial gains or losses. The effect of such gains (or losses) is to decrease (or increase) future costs.

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 probability 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. Adjustments to market values are often made to reduce the volatility of asset values.

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.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

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.

Funded Ratio – A measure of the ratio of assets to liabilities of the system according to a specific definition of those two values. Typically the assets used in the measure are the actuarial value of assets; the liabilities are defined by reference to some recognized actuarial funding method. Thus the funded ratio of a plan depends not only on the financial strength of the plan but also on the funding method used to determine the liabilities and the asset valuation method used to determine the assets in the ratio.

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 members expected final average compensation at retirement. For current retirees or terminated members this is equivalent to the actuarial present value of their accrued benefit.

Projected Benefits – The benefits expected to be paid in the future based on the provisions of the plan and the actuarial assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.

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