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September 17, 2007

Board of Trustees  
**TEACHERS' RETIREMENT SYSTEM OF LOUISIANA**  
Post Office Box 94123, Capitol Station  
Baton Rouge, Louisiana 70804-9123

Ladies and Gentlemen:

This report presents the results of the actuarial valuation of assets and liabilities, as well as funding requirements, for the Teachers' Retirement System of Louisiana as of June 30, 2007.

This report has been prepared in accordance with generally accepted actuarial principles and practices and to the best of my knowledge, fairly reflects the actuarial present value of accrued benefits of the Teachers' Retirement System.

In preparing this valuation, I have relied upon the information provided regarding plan provisions, plan membership, plan assets and other matters as detailed in the exhibits of this report. In particular, I have relied upon the statement of assets provided by Hawthorn, Waymouth and Carroll, Certified Public Accountants.

The present values shown herein have been estimated on the basis of the actuarial cost method specified in Louisiana Revised Statutes Title 11 Section 22(13). The Actuarial Assumptions, which have been approved by the Board of Trustees, are appropriate for the purposes of this valuation, are reasonable in the aggregate, and when applied in combination represents my best estimates of the anticipated experience under the plan.

Board of Trustees  
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 September 17, 2007

A brief summary of the more important figures developed in this valuation, with comparable results from previous valuations are as follows:

	<b>June 30, 2007</b>	<b>----- Prior Years -----</b>	
		<b>June 30, 2006</b>	<b>June 30, 2005</b>
I. Membership Census			
1) Retirees	59,530	57,512	54,525
2) Actives	82,672	81,347	87,643
3) DROP	3,715	4,042	4,375
4) Terminated Vested	6,624	7,039	4,454
II. Annual Benefits	\$1,218,175,668	\$1,119,651,408	\$1,031,786,232
III. Total Payroll	3,224,562,742	2,892,959,473	3,132,169,323
IV. Valuation Assets	14,521,751,998	12,835,790,846	11,887,121,392
VI. Investment Yield			
Actuarial Value	15.20%	15.65%	9.87%
Market Value	19.05%	13.97%	9.71%
V. Experience Account	617,106,814	534,616,331	89,229,521
VII. Cost to Fund Annual Pension Accruals (Normal Costs)	495,460,667 15.37%	445,007,085 15.38%	470,174,889 15.01%
VIII. Unfunded Actuarial Accrued Liability	6,250,577,714	6,554,989,762	6,812,643,322
IX. Funded Percentage	69.9%	66.2%	63.6%
X. Funding Requirements to Pay (Mid-year payment)			
1) Employee Contribution Rate	265,701,003 7.99%	238,307,060 7.99%	257,738,241 7.98%
2) Employer Contribution Rate (Current Year)	556,830,052 <sup>1</sup> 15.5%	516,915,506 15.9%	533,260,300 15.2%
3) Projected Employer Contribution Rate (Next Year)	574,349,034 <sup>1</sup> 15.5%	556,805,081 16.6%	570,541,244 15.8%

The above funding requirements measure the cost of benefits that were in effect on June 30, 2007.

<sup>1</sup> This is the minimum required contribution rate and contribution, per Act 588 of 2004. Without regard to this minimum, the current year contribution rate would be 14.6% and the projected rate would be 14.8%.

Board of Trustees  
**TRSL**  
 September 17, 2007

**Current Funding**

The Actuarial Valuation for the plan year ending June 30, 2007 discloses a decrease in the value of the plan's unfunded accrued liability resulting from favorable investment experience. Prospective funding requirements have decreased as a percentage of payroll. It is generally appropriate for the current valuation process to disclose the source or cause of any significant changes in the plan from year to year. Changes that occur are usually the result of changes in actuarial assumptions, gains or losses resulting from actual experience which differs significantly from expected plan experience.

The basic elements of the annual required contribution are the normal cost and amortization of the Unfunded Actuarial Liability (UAL). The normal cost is the annual cost to provide an additional year of benefit accrual. The normal cost is divided into two parts, the employee portion and the employer portion, both expressed as a percentage of payroll. Act 81 of the 1988 Legislative Session provides for the amortization of the initial UAL, plus subsequent changes in benefits, methods or gain/loss experience.

The following gain/loss analysis is presented to assist the Board of Trustees in reconciling changes in the unfunded actuarial accrued liability:

CHANGE IN UNFUNDED LIABILITY

Unfunded Liability 6/30/2006		\$ 6,554,989,762
INCREASES		
Interest on Unfunded Liability	\$ 540,786,655	
Experience Account Allocation	298,918,100	
Retiree Cola	297,686,651	
Experience Loss	292,737,680	
Total Increases	1,430,129,086	
DECREASES		
Investment Gain	\$1,076,635,486	
Employer Amortization Payment	322,684,972	
Employer Shortfall Credit	37,534,025	
Experience Account Distribution	297,686,651	
Total Decreases	1,734,541,134	
Unfunded Liability 6/30/2007		\$ 6,250,577,714

Board of Trustees  
**TRSL**  
 September 17, 2007

The employer contribution rate established by the Public Retirement Systems' Actuarial Committee for the 2007-2008 plan year was 16.6%. The employer contribution rate determined by this valuation for the current plan year is 14.6%. Per Act 588 of 2004, the statutory minimum required employer contribution is 15.5%. The difference will be credited to the Employer Credit Account. The current adjusted minimum rate of 15.5% is less than the required employer's contributions (16.6%), which should produce an employer contribution credit of 1.1%.

Since the contribution rate is attributable to many factors, the following sections address the source and respective impact to the required employer contribution rate.

**Legislative Changes**

As mentioned above, Act 588 of 2004 established a minimum employer contribution rate of 15.5%. The Act also established an Employer Credit Account, which is to be credited if the minimum employer contribution rate of 15.5% exceeds the actuarially required contribution rate (ARC). The ARC is 14.6% for 2007-2008 and is projected to be 14.8% for 2008-2009. Both the current and projected rates are below the statutory minimum of 15.5%, therefore are subject to the minimum rate. The Act also made significant changes to prospective funding. The outstanding balances of changes in liabilities from 1993 to 2000 were re-amortized as a level dollar amount to 2029. The amortization period for changes in liabilities beginning with 2001 were extended to a thirty year period from the date of occurrence.

**Actuarial Assets/Valuation Assets**

The Actuarial Value of assets represents the gross actuarial assets determined in accordance with the methodology set forth in Exhibit 6 to fund all liabilities of the pension plan as well as side-fund accounts dedicated for other programs. The Valuation Assets exclude the side-fund accounts for purposes of determining the employer contribution rate as illustrated on page 13 of Exhibit 2. The side-fund accounts excluded are as follows:

- **LSU Agriculture and Extension Service Fund:**  
 Participants of the LSU Agriculture and Extension Service receive supplement benefits from TRSL equal to the difference between the TRSL benefit formula and the Federal Civil Service formula. The funding is recorded separately in the side-fund with assets co-mingled with the Actuarial Value of assets. The current balance is \$-409,216.
- **Initial UAL Amortization Fund:**  
 This fund, originally established as the Texaco Settlement Fund, accumulates Texaco Settlement contributions as a separate account invested at TRSL's actuarial rate of return. Act 642 of 2006 adds a special appropriation to liquidate the initial unfunded actuarial liability (UAL) in the same manner as the Texaco Settlement Fund. Once the value of the account equals the outstanding balance of the initial UAL, the account and initial liability will be liquidated. The current account balance and allocation is as follows:

Texaco Settlement Fund	\$	260,542,924
Legislative Appropriations	\$	30,412,669
Total IUAL Amortization Fund	\$	290,955,593

Board of Trustees  
**TRSL**  
 September 17, 2007

- **Experience Account Fund:**

This fund accumulates 50% of the excess investment gain or loss relative to the actuarial valuation rate of 8.25%. The account is used to fund COLA'S for retirees. The benefit granted must be funded at 100% of actuarial cost. Act 588 of 2004 restricts the account accumulation to no more than the reserve for two COLA's. Given the recent large investment gains, the current account balance would exceed this limit, therefore is limited to \$617,106,814, the projected cost of two 3% COLA's.

**Investment Experience**

The rate of return on the actuarial value of assets during the last five (5) years has been as follows for plan years ending June 30:

<u>2003</u>	<u>2004</u>	<u>5 YEAR</u> <u>2005</u>	<u>2006</u>	<u>2007</u>	<u>AVERAGE</u>
-5.55%	9.85%	9.87%	15.65%	15.20%	8.72%

The net actuarial rate of return assumed in the valuation was 8.25%. For the plan year ending June 30, 2007 the net realized actuarial rate of return was greater than the long-term investment assumption used to project benefits. The result was a net investment experience gain of \$1,076,635,486 above projected investment income.

**Plan Experience**

The actuary is charged with making the best estimate of future plan experience to properly fund future benefits. If the actual experience differs from the projected experience, a gain or loss occurs. This gain or loss is then amortized over the later of the year 2029 or a fifteen year statutory period to make a mid-course adjustment in future funding requirements. During the 2006-2007 plan year, the system incurred an experience loss in the amount of \$292,737,680.

The gains/losses incurred are beyond the control of the Board of Trustees, but the Trustees should understand the source of the experience to effectively communicate with the legislature.

The demographic changes illustrated in Exhibit 4 indicate the system continues to exhibit properties of an aging population which is indicative of the continuing problem the state faces in its ability to attract and retain graduates to the profession. Recall that one of the characteristics of the Projected Unit Credit cost method is to accelerate funding requirements for an aging population, even if all assumptions are realized.

**Funding as a Percentage of Payroll**

Act 81 of 1987 requires the employee to contribute 8% of payroll beginning in 1989. The employer pays a percentage of the normal cost plus a dollar amount sufficient to amortize the initial unfunded liability over a 40-year period with payments increasing 4.5% annually. Changes to the UAL are amortized as an increasing (I) or level dollar (L) payment, as indicated in Exhibit A. The employer contribution rate cannot drop below 11.8%, without regard to employer credits, and without a corresponding adjustment to the employee contribution rate. Maintaining the amortization payment as a level percentage of payroll requires aggregate

Board of Trustees  
**TRSL**  
 September 17, 2007

payroll to increase at the same rate as the increase in amortization payments. To determine whether this is a reasonable statutorily required expectation, aggregate salary growth from all sources, including ORP participants, during the past 10-years is illustrated as follows:

<b>June 30</b>	<b>Payroll/\$1,000</b>	<b>Percent Increase</b>
1997	2,661,350	4.3%
1998	2,922,936	9.8%
1999	3,017,833	3.2%
2000	3,162,097	4.8%
2001	3,212,474	1.6%
2002	3,506,647	9.2%
2003	3,605,232	2.8%
2004	3,684,014	2.2%
2005	3,904,342	6.0%
2006	3,750,238	-3.9%
2007	4,062,069	8.3%

During the last 10 years the aggregate salaries have increased at an annualized rate of 4.32%. If this trend continues, the percentage of pay required to amortize the unfunded liability can be expected to increase in the absence of other experience gains or losses.

### **Disclosures**

Exhibit 3, "Pension Accounting and Financial Disclosure", contains disclosure of the accrued liabilities under the Projected Unit Credit Actuarial Cost Method required by the Governmental Accounting Standards Board Statement No. 25.

The format of this report was designed with the intent of highlighting the pertinent results of the valuation's funding requirements. Should you have any questions or comments, please do not hesitate to contact me.

Sincerely,

Shelley R. Johnson, ACA, MAAA, ASA  
 Actuary

Charles G. Hall, FCA, MAAA, ASA  
 Actuary

**TABLE OF CONTENTS**

	<u>Pages</u>
<b>EXHIBIT 1    DEVELOPMENT OF COSTS, LIABILITIES &amp; CONTRIBUTIONS</b> Provides a detail by benefit type of the cost to accrue annual pension benefits, liabilities accrued to date, and funding requirements	<b>8 - 9</b>
<b>EXHIBIT 2    FINANCIAL SUMMARY</b> Contains the statement of revenue and expenses as well as assets available to pay pension benefits	<b>10 - 12</b>
<b>EXHIBIT 3    PENSION ACCOUNTING AND FINANCIAL DISCLOSURE</b> Disclosures and statistical tables in accordance with GASB's Statement No. 25	<b>13 - 15</b>
<b>EXHIBIT 4    CENSUS DATA</b> Describes the employee data, data processing for valuation purposes and depicts employee profiles by classification, age and service	<b>16 - 30</b>
<b>EXHIBIT 5    PRINCIPLE PROVISIONS OF THE RETIREMENT SYSTEM</b> Restates in summary outline form the basic plan provisions which were incorporated in the projected retirement pension benefit	<b>31 - 44</b>
<b>EXHIBIT 6    ACTUARIAL COST METHODS AND ASSUMPTIONS</b> Discloses rates of mortality, disability, retirement termination and other assumptions which are presumed to reflect the experience of the retirement system in aggregate	<b>45 - 51</b>
<b>EXHIBIT A    AMORTIZATION SCHEDULE</b>	<b>52</b>

**EXHIBIT 1**  
**DEVELOPMENT**  
**OF**  
**COSTS, LIABILITIES AND CONTRIBUTIONS**

Normal Costs and Accrued Liabilities are calculated in accordance with the Projected Unit Credit Actuarial Cost Method, and the Actuarial Assumptions outlined in Exhibit 6 based on the Provisions of the Plan as summarized in Exhibit 5.

	June 30, 2007		---- Prior Year ---- June 30, 2006	
	Dollar Amount	% of Salary	Dollar Amount	% of Salary
<b>I. Normal Costs (annual pension accruals)</b>				
Active Members with Complete Data				
a) Retirement Benefits	411,670,848	12.77%	371,460,266	12.84%
b) Disability Benefits	11,514,955	0.36%	10,304,086	0.35%
c) Survivor Benefits	13,112,350	0.41%	11,791,452	0.41%
d) Voluntary Termination	45,262,514	1.40%	38,151,281	1.32%
e) Expenses	13,900,000	0.43%	13,300,000	0.46%
TOTAL	495,460,667	15.37%	445,007,085	15.38%
<b>II. Actuarial Accrued Liability</b>				
a) Active Members				
1) Retirement Benefits	5,870,926,124		5,493,705,964	
2) Disability Benefits	124,252,142		116,494,158	
3) Survivor Benefits	141,323,990		132,796,208	
4) Voluntary Termination	237,879,773		217,797,668	
	6,374,382,029		5,960,793,998	
b) Retired and Inctive Members				
1) Regular Retirees	9,824,221,877		9,127,469,509	
2) Disability Benefits	272,221,168		178,577,416	
3) Survivors	608,088,390		577,715,779	
4) Vested Deferred <sup>1</sup>	387,576,704		393,296,541	
5) Contributions Refunded <sup>2</sup>	60,354,617		55,522,676	
6) DROP Deferred Benefits	2,089,347,478		2,175,650,923	
7) DROP Account Balances	1,156,137,449		921,753,766	
	14,397,947,683		13,429,986,610	
c) Total	20,772,329,712		19,390,780,608	

<sup>1</sup> Includes pending Retirement/Drop applications for 2007

<sup>2</sup> Includes terminated employee and rehired retiree contributions to be refunded.



**Exhibit 1 (Continued)**  
**Costs, Liabilities & Contributions**

	June 30, 2007	---- Prior Year ---- June 30, 2006
II. Actuarial Accrued Liability	20,772,329,712	19,390,780,608
III. Valuation Assets	14,521,751,998	12,835,790,846
IV. Unfunded Actuarial Accrued Liabilities - Projected Unit Credit <sup>1</sup>	6,250,577,714	6,554,989,762
a) Change over prior year	-304,412,048	-257,653,560
b) Funded Percentage	69.9%	66.2%
V. Employer Contributions To Fund Current Plan Year <sup>1</sup>		
a) Employer Portion of Normal Cost	230,996,459	206,823,704
b) Amortization Payments	302,730,068	319,686,876
c) Prior Contribution Variance	-11,296,216	-13,850,173
TOTAL Required Contribution	<u>522,430,311</u>	<u>512,660,407</u>
TOTAL Contribution Rate	14.6%	15.8%
Minimum Required Contribution Rate	15.5%	
Minimum Required Contribution <sup>2</sup>	556,830,052	
PERSAC Approved rate <sup>1</sup>	16.6%	15.8%
Employer Normal Cost Rate	6.9453%	6.9336%
VI. Projected Employer Contributions To Fund Next Plan Year <sup>1</sup>		
a) Employer Portion of Normal Cost	237,870,342	212,907,364
b) Amortization Payments	331,817,102	345,120,780
c) Prior Contribution Variance	-22,889,937	-1,223,063
TOTAL Required Contribution	<u>546,797,507</u>	<u>556,805,081</u>
TOTAL Required Contribution Rate	14.8%	16.6%
Minimum Required Contribution Rate	15.5%	
Minimum Required Contribution <sup>2</sup>	574,349,034	
VII. Current Payroll	3,224,562,742	2,892,959,473
Projected Payroll - Mid Year	3,325,919,746	2,982,914,354
Projected Payroll - Next Year	3,424,890,892	3,070,655,919
ORP - Salary Adjustment Factor <sup>3</sup>	1.14921	1.15842

<sup>1</sup> Dollar Amounts reflect estimated payments due mid-year on January 1st per Act 81. Constitutional Minimum is 11.8% without regard to the statutory minimum of 15.5%.

<sup>2</sup> The Minimum Required Contribution is the required contribution using the statutory minimum rate, 15.5%.

<sup>3</sup> The ORP salary adjustment factor is used to convert amortization payments to percentage of payroll.

**EXHIBIT 2**

**FINANCIAL SUMMARY  
STATEMENT OF REVENUES AND EXPENSES  
FOR FISCAL YEAR ENDING**

	----- Prior Years -----		
	June 30, 2007	June 30, 2006	June 30, 2005
<b><u>OPERATING REVENUES:</u></b>			
1. <b>Contribution Income</b>			
Member	\$ 282,326,101	\$ 258,412,024	\$ 270,619,181
Employer	541,763,650	501,167,762	514,585,371
IUAL Appropriations	0	26,400,000	0
Other Appropriations	53,200	53,200	95,093
ORP - Unfunded	49,429,250	49,293,547	48,754,970
LSU Coop/Ext	1,228,150	1,228,150	1,647,822
Miscellaneous	1,345,603	1,134,772	1,487,075
<b>TOTAL CONTRIBUTIONS</b>	<b>876,145,954</b>	<b>837,689,455</b>	<b>837,189,512</b>
2. <b>Investment Income</b>			
Investments	2,654,772,398	1,770,675,206	1,164,270,344
Less Advisor Fees	-32,298,534	-29,802,772	-26,020,649
<b>TOTAL INVESTMENT INCOME</b>	<b>2,622,473,864</b>	<b>1,740,872,434</b>	<b>1,138,249,695</b>
3. Total Revenues	3,498,619,818	2,578,561,889	1,975,439,207
<b><u>OPERATING EXPENSES:</u></b>			
1. General Administration	13,864,239	13,343,504	12,240,915
Other Expenses	506,521	488,341	476,270
2. Benefits Paid			
a) Pension Benefits	1,295,552,338	1,204,472,977	1,139,814,334
b) Return of Contrib.	47,579,251	38,556,907	30,391,992
<b>TOTAL BENEFITS PAID</b>	<b>1,343,131,589</b>	<b>1,243,029,884</b>	<b>1,170,206,326</b>
3. Total Expenses	1,357,502,349	1,256,861,729	1,182,923,511
<b><u>NET MARKET VALUE INCREASE:</u></b>	<b>2,141,117,469</b>	<b>1,321,700,160</b>	<b>792,515,696</b>

**EXHIBIT 2 (Continued)**  
**Financial Summary**

**FINANCIAL SUMMARY**  
**STATEMENT OF ASSETS**  
**FOR FISCAL YEAR ENDING**

<b><u>ASSETS:</u></b>	<b>----Prior Years---</b>		
	<b><u>June 30, 2007</u></b>	<b><u>June 30, 2006</u></b>	<b><u>June 30, 2005</u></b>
1. Short Term Assets			
Cash in Banks	\$ 15,294,772	\$ 59,572,968	\$ 24,677,100
Domestic issues	981,706,327	178,839,314	256,739,631
Foreign Issues	-	24,802,808	40,210,400
2. Bonds			
Domestic issues	1,908,652,650	2,121,505,657	1,913,039,451
Foreign Issues	772,811,203	449,917,634	497,213,792
3. Equities (at market)			
Domestic	5,956,585,766	5,630,073,349	5,796,790,445
International	3,601,296,445	3,188,085,062	1,969,333,622
Private Equity	2,824,436,837	2,162,400,411	2,017,705,197
4. Other Assets			
Real Estate Trust	-	-	-
Fixtures/Properties	4,324,000	4,515,507	4,677,167
Receivables less Payables	83,622,217	187,900,038	165,525,782
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS - Market Value	16,148,730,217	14,007,612,748	12,685,912,587
Cost Value	14,355,367,076	12,972,034,983	11,880,687,436

**ACTUARIAL VALUE OF ASSETS:**

TOTAL ASSETS	\$ 16,148,730,217	\$ 14,007,612,748	\$12,685,912,588
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	143,238,760	561,550,408	503,225,833
Plan Year - 1 (wt. 2/4)	230,352,613	143,238,760	561,550,408
Plan Year (wt. 3/4)	757,785,376	230,352,613	143,238,760
Actuarial Value of Assets	<hr/> 15,429,405,189	<hr/> 13,622,841,306	<hr/> 12,171,901,856

**INVESTMENT YIELD:**

Yield to Actuarial Value	15.20%	15.65%	9.87%
Five Year Actuarial Value	8.72%	4.42%	1.44%
Yield to Market Value	19.05%	13.97%	9.71%
DROP Account Yield	14.70%	15.15%	9.37%

**EXHIBIT 2 (Continued)**  
**Financial Summary**

**FINANCIAL SUMMARY  
STATEMENT OF ASSETS  
FOR FISCAL YEAR ENDING**

	---- Prior Years ----		
	June 30, 2007	June 30, 2006	June 30, 2005
<b><u>EMPLOYER CREDIT ACCOUNT<sup>1</sup>:</u></b>			
Prior Year Ending Balance	\$ -	\$ -	\$ -
+ Contributions	-	-	-
- Disbursements	-	-	-
+ Accumulated Interest	-	-	-
Account Balance - Year End	-	-	-
<b><u>LSU AG/EXT SERVICE:</u></b>			
Prior Year Ending Balance	\$ (132,576)	\$ (9,347)	\$ (368,646)
+ Contributions	1,228,150	1,228,150	1,647,822
- Benefit Disbursements	1,467,120	1,341,378	1,270,335
+ Accumulated Interest	(37,670)	(10,001)	(18,188)
Fund Balance - Year End	(409,216)	(132,576)	(9,347)
<b><u>INITIAL UAL FUND:</u></b>			
Prior Year Ending Balance	\$ 252,566,705	\$ 195,560,290	\$ 177,998,352
+ Current Year Allocation	-	26,400,000	-
+ Accumulated Interest	38,388,888	30,606,415	17,561,938
Fund Balance - Year End	290,955,593	252,566,705	195,560,290
<b><u>EXPERIENCE ACCOUNT FUND:</u></b>			
Prior Year Ending Balance	\$ 534,616,331	\$ 89,229,521	\$ -
+ Experience Account Allocation	298,918,100	431,421,829	89,229,521
- Benefit Disbursements	297,686,651	-	-
+ Accumulated Interest	81,259,034	13,964,981	-
Fund Balance - Year End	617,106,814	534,616,331	89,229,521
<b><u>DEVELOPMENT OF VALUATION ASSETS:</u></b>			
Actuarial Value of Assets	15,429,405,189	\$ 13,622,841,306	\$ 12,171,901,856
- Employer Credit Account	-	-	-
- LSU Ag/Ext Service Account	(409,216)	(132,576)	(9,347)
- Initial UAL Amortization Fund	290,955,593	252,566,705	195,560,290
- Experience Account Fund	617,106,814	534,616,331	89,229,521
Valuation Assets	14,521,751,998	12,835,790,846	11,887,121,392

<sup>1</sup>The Employer Credit Account was created by ACT 588 of 2004.

**EXHIBIT 3****PENSION ACCOUNTING  
AND  
FINANCIAL DISCLOSURE**

The Governmental Accounting Standards Board (GASB) was established as an arm of the Financial Accounting Foundation in April, 1984 by amendment to the Foundation's certificate of incorporation and by-laws. GASB's objective is to promulgate standards of financial accounting and reporting relative to the activities and transactions of state and local governmental entities. The following disclosures and statistical tables are in accordance with the GASB's Statement No. 25.

**SCHEDULE OF FUNDING PROGRESS**

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets <sup>1</sup> (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) <sup>2</sup> (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll ((b- a)/c)
1998	9,071,749	13,185,190	4,113,441	68.8%	2,485,058	165.5%
1999	10,092,093	13,913,416	3,821,323	72.5%	2,569,479	148.7%
2000	11,368,692	14,596,441	3,227,749	77.9%	2,563,634	125.9%
2001	12,062,136	15,390,417	3,328,281	78.4%	2,582,831	128.9%
2002	12,019,552	16,263,239	4,243,687	73.9%	2,777,667	152.8%
2003	11,826,926	17,196,812	5,369,886	68.8%	2,977,885	180.3%
2004	11,409,404	18,067,486	6,658,082	63.1%	3,017,087	220.7%
2005	12,082,682	18,699,765	6,617,083	64.6%	3,132,169	211.3%
2006	13,088,358	19,390,781	6,302,423	67.5%	2,892,959	217.9%
2007	14,812,298	20,772,330	5,960,032	71.3%	3,224,566	184.8%

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by \$1,381,549,103 from June 30, 2006 to June 30, 2007. There was a net experience gain to the fund from all sources of \$485,035,058.

<sup>1</sup> The Actuarial Value of Assets for GASB reporting includes the Initial UAL Amortization Fund Assets in the Valuation Assets (see page 12).

<sup>2</sup> UAAL differs from the UFAL for funding purposes. UFAL for funding purposes excludes Texaco Settlement Fund Assets (see page 12).

**EXHIBIT 3 (Continued)**  
**Pension Accounting & Financial Disclosure**

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year	Actuarial Required Contribution	Percent Contributed	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation <sup>1</sup>
1998	458,498,592	101.7	453,058,482	466,539,858	102.9	-132,719
1999	452,835,560	108.5	449,891,479	491,119,749	109.2	-41,360,991
2000	437,710,389	107.5	444,575,883	470,320,825	105.8	-67,105,933
2001	404,060,783	110.2	416,196,824	445,371,171	107	-96,280,280
2002	421,195,131	104.9	443,053,905	441,801,709	99.7	-95,028,086
2003	479,077,364	98	506,747,733	469,346,469	92.6	-57,626,822
2004	527,899,270	94.4	554,174,817	498,236,803	89.9	-1,688,806
2005	555,169,630	105.6	568,930,106	586,216,595	103.0	-18,975,295
2006	555,342,400	103.1	567,282,575	572,773,243	101.0	-24,465,963
2007	578,895,501	106.5	584,362,449	616,429,526	105.5	-56,533,040

Analysis of the percentage contributed over a period of years will give a relative indication of the funding progress for the liabilities of the Teachers' Retirement System of Louisiana.

The difference between the Actuarial Required Contribution and the APC is the amortization payment for the Net Pension Obligation (see Exhibit A).

**DEVELOPMENT OF NET PENSION OBLIGATION:**

(1) Actuarial Required Contribution	578,895,501
(2) Interest on Net Pension Obligation	-2,018,442
(3) Amortization of Net Pension Obligation	<u>-7,485,390</u>
(4) Annual Pension Cost (1)+(2)-(3)	584,362,449
(5) Employer Contribution	616,429,526
(6) Increase (decrease) in Net Pension Obligation	-32,067,077
(7) Net Pension Obligation Beginning of Year	-24,465,963
(8) Net Pension Obligation End of Year (6)+(7)	-56,533,040

<sup>1</sup> Actuarial Contributions, the Annual Pension Cost (APC), and the actual employer contribution made have been adjusted with interest at the valuation rate to the end of the fiscal year in accordance with GASB's Statement No. 27, paragraph 21.

**EXHIBIT 3 (Continued)**  
**Pension Accounting & Financial Disclosure**

STATISTICAL DATA  
 COMPARATIVE SUMMARY OF REVENUES BY SOURCE  
 AND EXPENSES BY TYPE

Revenues by Source				
Fiscal Year	Members Contribution	Employer Contribution <sup>1</sup>	Investment Income	Total
1998	208,275,106	449,771,623	1,603,472,505	2,261,519,234
1999	216,102,491	472,810,074	936,761,062	1,625,673,627
2000	224,684,434	452,965,401	1,525,771,416	2,203,421,251
2001	226,754,298	429,112,566	-594,326,474	61,540,390
2002	246,119,537	427,674,482	-946,882,960	-273,088,941
2003	251,297,406	451,337,304	226,342,205	928,976,915
2004	264,999,131	479,348,663	1,741,769,825	2,486,117,619
2005	270,619,181	564,922,509	1,138,249,695	1,973,791,385
2006	258,412,024	579,277,431 <sup>2</sup>	1,740,872,434	2,578,561,889
2007	282,326,101	593,819,853	2,622,473,864	3,498,619,818

Expenses by Type				
Fiscal Year	Benefits	Refunds	Administrative Expenses <sup>4</sup>	Total
1998	664,147,264	21,360,841	6,705,255	692,213,360
1999	735,328,349	21,238,599	7,044,432	763,611,380
2000	791,183,546	22,458,244	7,733,662	821,375,452
2001	858,979,906	26,948,712	8,655,615	894,584,233
2002	920,593,341	23,432,297	9,361,965	953,387,603
2003	1,003,327,453	22,287,120	11,178,783	1,036,793,356
2004	1,075,298,667	26,714,645	11,385,025	1,113,398,337
2005	1,139,814,334	30,391,992	12,717,185	1,182,923,511
2006	1,204,472,977	38,556,907	13,831,845	1,256,861,729
2007	1,295,552,338	47,579,251	14,370,760	1,357,502,349

<sup>1</sup>Includes Miscellaneous Contribution/Income in addition to direct employer contributions.

<sup>2</sup>Includes \$26,400,000 legislative appropriation from Act 642 of 2006.

**EXHIBIT 4****CENSUS DATA****GENERAL COMMENTS**

The data contained in this valuation is summarized on the following pages with exceptions noted below. The profile depicted in the cellular graphs represents "error-free data," which serves as the basis for determining costs and liabilities. Active members are allocated to cells based upon attained age and years of service. Retirees and Survivors are allocated to cells based upon attained age and years elapsed since retirement or commencement of benefits.

The validity of the results of any actuarial valuation is dependent upon the accuracy of the data base. Prior to processing, records identified as containing suspicious data were assumed to possess the same characteristics of "good data" in the same cohort based on the following error types:

- missing sex code
- missing or invalid date of birth
- missing or invalid date of employment
- missing or invalid salary
- invalid retirement dates

Suspicious data are not necessarily errors, but data which falls outside the parameters of the editing process for further checking.

The Terminated Vested status is overstated. It contains a number of retirement and DROP applications awaiting final certification.

In the 2006 Actuarial Valuation, there was a shift of approximately 1,000 disability members to regular retirement status resulting from a revision in the interpretation and implementation of the disability statute. For purposes of this valuation, these members were recategorized as disability members.

The following is a summary by plan of the data submitted for valuation:

Active Members	2007		2006	
	Census	Avg. Salary	Census	Avg. Salary
TRS - Regular Plan	72,432	37,595	71,240	34,013
TRS - University Plan	5,889	55,148	5,656	51,063
TRS - Plan A	253	22,318	339	20,419
TRS - Plan B	1,222	15,853	1,221	14,229
TRS - Post DROP	2,876	52,753	2,891	48,780
<b>Total</b>	<b>82,672</b>	<b>39,005</b>	<b>81,347</b>	<b>35,370</b>



**EXHIBIT 4 (Continued)**  
**Census Data**

	<b>2007</b>	<b>2006</b>
	<b>Census</b>	<b>Census</b>
Retired and Inactive Members		
Regular Retirees	50,566	49,776
Disability Retirees	3,961	2,865
DROP Participants	3,715	4,042
Survivors	5,003	4,871
Vested & Reciprocal	6,624	7,039
Due Refunds	11,966	12,749
<b>Total</b>	<b>81,835</b>	<b>81,342</b>
Total Actives and Inactives	164,507	162,689

Salary data contained in the profiles and valuation report exceed the sums reported by internal audit due to salary annualization. In the valuation process, membership data with fractional service in the first year of employment annualizes the salary.

Actuarial Salaries	\$3,224,562,742
Actual Salaries for which contributions were received	\$3,534,649,761

**Demographic Trends**

The table on the following page illustrates the demographic changes by sex and age groups that the retirement system has experienced since June 30, 1979. A review of these changes is necessary to fully appreciate the changes in funding that the system is experiencing. Traditionally, benefit increases through plan amendments, large salary growth and cost of living increases were well recognized as cost contributors, but the potential cost impact resulting from these socio-economic changes can vary depending on the changing demographic structure of the plan as follows:

The retirement system continues to incur increased funding (although offset by experience gains) due to a decline in male teachers. The ratio of males to females has declined from .406 to .204 during the last twenty-eight (28) years. Funding requirements for females is 1% of payroll greater than their male counterparts.

**EXHIBIT 4 (Continued)**  
**Employee Census**

**Demographic Change**

**Active Participants**

<b>Males</b>							
<b>Age Group</b>	<b>1979</b>		<b>2006</b>		<b>2007</b>		<b>28 Year % Change</b>
	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	
[20 - 29)	2,900	15%	1,624	12%	1,679	12%	-2%
[30 - 39)	7,035	36%	3,336	25%	3,420	25%	-10%
[40 - 49)	5,719	29%	3,389	26%	3,492	26%	-3%
[50 - 59)	3,316	17%	3,848	29%	3,718	28%	11%
[60 +)	739	4%	1,046	8%	1,187	9%	5%
<b>Total</b>	<b>19,709</b>	<b>100%</b>	<b>13,243</b>	<b>100%</b>	<b>13,496</b>	<b>100%</b>	
<b>Females</b>							
<b>Age Group</b>	<b>1979</b>		<b>2006</b>		<b>2007</b>		<b>28 Year % Change</b>
	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	
[20 - 29)	12,150	25%	7,997	12%	8,181	12%	-13%
[30 - 39)	17,302	36%	16,181	25%	16,530	25%	-11%
[40 - 49)	11,604	24%	20,712	32%	20,704	31%	7%
[50 - 59)	6,446	13%	17,746	27%	17,823	27%	14%
[60 +)	1,024	2%	2,577	4%	3,062	5%	3%
<b>Total</b>	<b>48,526</b>	<b>100%</b>	<b>65,213</b>	<b>100%</b>	<b>66,300</b>	<b>100%</b>	
<b>Distribution by Sex</b>							
	<b>1979</b>	<b>2006</b>	<b>2007</b>	<b>% Change from 1979</b>			
Males (%)	29%	16.9%	16.9%	-12.1%			
Females (%)	71%	83.1%	83.1%	12.1%			
Ratio of Males to Females:	0.406	0.203	0.204				

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM  
ALL ACTIVE MEMBERS

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19):	6	0	0	0	0	0	0	0	0	6
	121629	0	0	0	0	0	0	0	0	121629
[20 - 24):	799	1244	3	0	0	0	0	0	0	2046
	26620652	42706409	64595	0	0	0	0	0	0	69391656
[25 - 29):	1232	5038	1536	2	0	0	0	0	0	7808
	39465016	174812938	58032509	39690	0	0	0	0	0	272350153
[30 - 34):	866	3303	4050	984	1	0	0	0	0	9204
	27354615	110408191	158019293	41350492	26679	0	0	0	0	337159270
[35 - 39):	767	2794	2976	3291	914	4	0	0	0	10746
	23569594	89810822	108818049	141123673	41274107	94429	0	0	0	404690674
[40 - 44):	660	2396	2587	2195	2740	954	14	0	0	11546
	19968018	72633805	83775037	84410401	124079074	44565366	495422	0	0	429927123
[45 - 49):	542	1946	2427	2362	2156	2059	1154	4	0	12650
	16970041	58514676	77391359	83366335	89269874	98068279	57176184	100706	0	480857454
[50 - 54):	421	1538	1864	2148	2332	1899	2847	180	0	13229
	14015867	48970183	62761237	75828843	93364385	89340401	149638231	10832555	0	544751702
[55 - 59):	285	1053	1302	1572	1866	1633	426	158	17	8312
	10051988	38160827	46342603	58415640	75525086	75696681	23747283	11164634	1230968	340335710
[60 - 64):	93	412	552	453	635	587	253	87	42	3114
	3513882	15438225	19807863	16801379	27345776	29471100	16281279	6843215	3549059	139051778
[65 - 69):	40	105	133	100	131	119	122	46	56	852
	1224533	3583329	4606775	3731408	5990639	6717406	7144714	2975535	4362448	40336787
[70 - 74):	10	36	34	27	30	37	48	31	30	283
	336055	1487747	1270245	786757	1367926	2035315	2824785	1439165	2324620	13872615
Total	5721	19865	17464	13134	10805	7292	4864	506	145	79796
	183211889	656527152	620889565	505854618	458243546	345988977	257307898	33355810	11467095	3072846550

AVERAGES --- Attained Age 43.84  
Service Years 10.62  
Active Salary 38,509

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM  
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY  
DROP BENEFITS

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20- )	Total
[ 0 - 34):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[35 - 39):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[40 - 44):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[45 - 49):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[50 - 54):	55	4	3	0	1	0	0	0	0	63
:	1961547	227557	76666	0	63736	0	0	0	0	2329506
:	1850400	141576	43848	0	27372	0	0	0	0	2063196
[55 - 59):	419	326	167	108	34	21	0	0	0	1075
:	16240910	19060774	9737378	6541853	2050577	1230627	0	0	0	54862119
:	13889496	11108964	5654868	3613716	1103856	610680	0	0	0	35981580
[60 - 64):	166	155	197	153	128	285	3	0	0	1087
:	4211439	6656720	12116264	9730471	8591864	18844810	224130	0	0	60375698
:	3052440	2948100	6131460	4856916	4239828	8914560	95232	0	0	30238536
[65 - 69):	12	15	78	88	59	222	30	0	0	504
:	328828	420098	3108223	3522372	2643449	13075356	2268344	0	0	25366670
:	162288	120804	1035480	1178136	863316	5323908	975312	0	0	9659244
[70 - 74):	2	3	2	4	12	92	32	0	0	147
:	135878	115623	73623	185876	817697	4764477	2689030	0	0	8782204
:	89916	37584	43236	150924	335724	1988928	1221828	0	0	3868140
Total	654	503	447	353	234	620	65	0	0	2876
Total	22878602	26480772	25112154	19980572	14167323	37915270	5181504	0	0	151716197
Total	19044540	14357028	12908892	9799692	6570096	16838076	2292372	0	0	81810696

AVERAGES --- Attained Age 61.83  
Post Drop Years 3.18  
Active Salary 52,753  
Annual Benefit 28,446

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM  
ACTIVE - TEACHERS

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19):	5	0	0	0	0	0	0	0	0	5
:	109148	0	0	0	0	0	0	0	0	109148
[20 - 24):	687	1200	3	0	0	0	0	0	0	1890
:	22517097	41330522	64595	0	0	0	0	0	0	63912214
[25 - 29):	1018	4692	1486	2	0	0	0	0	0	7198
:	31302608	162799255	56177078	39690	0	0	0	0	0	250318631
[30 - 34):	728	2952	3898	968	1	0	0	0	0	8547
:	21487714	96501989	151436647	40679875	26679	0	0	0	0	310132904
[35 - 39):	653	2465	2768	3165	892	4	0	0	0	9947
:	18562717	75197419	99754960	135179637	40265979	94429	0	0	0	369055141
[40 - 44):	550	2104	2374	2075	2656	924	14	0	0	10697
:	15478656	60084931	75835312	791111409	120207392	43279566	495422	0	0	394492688
[45 - 49):	458	1690	2222	2202	2031	1943	1081	4	0	11631
:	13553856	47895035	69692309	77228960	83214436	92681479	54307765	100706	0	438674546
[50 - 54):	361	1332	1680	2000	2168	1686	2598	163	0	11988
:	11677719	39710969	55615581	70607607	85285135	76490379	136945970	9659236	0	485992596
[55 - 59):	244	885	1143	1435	1705	1385	279	107	13	7196
:	8117966	29208965	39338894	52618584	67963312	61111525	14263206	6915819	888525	280426796
[60 - 64):	85	325	481	399	581	475	149	29	14	2538
:	3000237	10745201	16340433	14471262	24310298	21151647	7147728	1606277	873424	99646507
[65 - 69):	35	82	109	80	105	84	81	25	16	617
:	1042625	2570507	3489629	2774296	4437840	3727010	3724639	1185206	824319	23776071
[70 - 74):	6	25	29	21	23	20	26	18	10	178
:	147675	752397	1063670	608044	887598	771639	1079532	634033	579770	6524358
Total	4830	17752	16193	12347	10162	6521	4228	346	53	72432
:	146998020	566797190	568809108	473319364	426598669	299307674	217964262	20101277	3166038	2723061602

AVERAGES --- Attained Age 43.54  
Service Years 10.61  
Active Salary 37,595

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM  
ACTIVE - LSU

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
:[ 0 - 19):	1	0	0	0	0	0	0	0	0	1
:	12481	0	0	0	0	0	0	0	0	12481
:[20 - 24):	52	25	0	0	0	0	0	0	0	77
:	2011265	782464	0	0	0	0	0	0	0	2793729
:[25 - 29):	114	194	21	0	0	0	0	0	0	329
:	4664257	6951807	805395	0	0	0	0	0	0	12421459
:[30 - 34):	75	172	66	7	0	0	0	0	0	320
:	3539151	7700556	3032709	340850	0	0	0	0	0	14613266
:[35 - 39):	66	171	82	60	9	0	0	0	0	388
:	3383024	8941272	4113044	3032282	424126	0	0	0	0	19893748
:[40 - 44):	48	123	68	28	37	12	0	0	0	316
:	2440416	6770628	3628188	1567809	1880489	639790	0	0	0	16927320
:[45 - 49):	32	111	56	33	39	40	19	0	0	330
:	1813575	6206515	2879599	1829692	2447498	2436549	1178393	0	0	18791821
:[50 - 54):	26	91	53	36	46	88	75	6	0	421
:	1492693	5157373	2895751	2042982	2640177	7452020	5243351	460948	0	27385295
:[55 - 59):	17	76	61	47	44	91	54	25	2	417
:	978568	5511607	3435788	2581808	2812197	7315604	5690972	2408333	170640	30905517
:[60 - 64):	3	34	27	17	23	55	54	36	13	262
:	325731	2251224	1804936	973140	1590700	4899450	5844352	3810976	1515786	23016295
:[65 - 69):	1	9	10	7	7	16	20	10	16	96
:	51000	464932	691384	392904	542449	1744513	2090773	1126602	1838014	8942571
:[70 - 74):	1	6	3	3	3	5	8	3	7	39
:	51000	544694	53645	99990	404027	592689	973337	431655	872653	4023690
:[ Total :	436	1012	447	238	208	307	230	80	38	2996
:[ Total :	20763162	51283072	23340439	12861457	12741663	25080615	21021178	8238514	4397093	179727193

AVERAGES --- Attained Age 45.66  
Service Years 9.98  
Active Salary 59,989

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM  
ACTIVE - UNIVERSITY

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[20 - 24):	59	19	0	0	0	0	0	0	0	78
:	2082199	593423	0	0	0	0	0	0	0	2675622
[25 - 29):	94	147	25	0	0	0	0	0	0	266
:	3414594	5003113	976462	0	0	0	0	0	0	9394169
[30 - 34):	54	155	84	7	0	0	0	0	0	300
:	2200704	5871626	3518519	298007	0	0	0	0	0	11888856
[35 - 39):	38	127	98	59	12	0	0	0	0	334
:	1474699	5240167	4524563	2786717	569462	0	0	0	0	14595608
[40 - 44):	43	107	67	60	36	9	0	0	0	322
:	1772905	4911118	3104369	3197224	1797921	468468	0	0	0	15252005
[45 - 49):	29	86	73	64	57	33	16	0	0	358
:	1253415	3625024	3686077	3235693	3088626	2111023	846420	0	0	17846278
[50 - 54):	19	77	69	45	75	65	78	7	0	435
:	616475	3579481	3337713	2095391	4661348	4100726	5289273	513569	0	24193976
[55 - 59):	19	63	65	51	64	90	40	24	2	418
:	828492	3049933	3073422	2558903	3765619	6051822	2759312	1804311	171803	24063617
[60 - 64):	4	43	24	23	21	45	36	18	14	228
:	172479	2299212	1368479	1169983	1299383	3191531	3020680	1357712	1140915	15020374
[65 - 69):	4	9	8	8	14	17	16	9	22	107
:	130908	482514	341276	487851	938528	1216631	1237909	560881	1671502	7068000
[70 - 74):	3	5	2	1	2	8	10	4	12	47
:	137380	190656	152930	54023	42851	605785	708553	285434	862597	3040209
Total	366	838	515	318	281	267	196	62	50	2893
Total	14084252	34846267	24083810	15883792	16163738	17745986	13862147	4521907	3846817	145038716

AVERAGES --- Attained Age 46.23  
Service Years 10.32  
Active Salary 50,134

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM  
ACTIVE - LUNCH PLAN A

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
:[ 0 - 19):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
:[20 - 24):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
:[25 - 29):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
:[30 - 34):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
:[35 - 39):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
:[40 - 44):	0	0	0	0	0	3	0	0	0	3
:	0	0	0	0	0	52477	0	0	0	52477
:										
:[45 - 49):	0	0	1	0	2	15	33	0	0	51
:	0	0	13722	0	51833	323462	750141	0	0	1139158
:										
:[50 - 54):	1	0	0	2	5	31	81	1	0	121
:	20000	0	0	24408	104797	748721	1889807	48899	0	2836632
:										
:[55 - 59):	0	0	0	1	4	23	13	1	0	42
:	0	0	0	25979	93261	456625	311433	21582	0	908880
:										
:[60 - 64):	0	0	0	1	1	6	8	0	1	17
:	0	0	0	7634	5618	120357	181151	0	18934	333694
:										
:[65 - 69):	0	0	0	1	0	0	4	2	2	9
:	0	0	0	12917	0	0	76945	102846	28613	221321
:										
:[70 - 74):	0	0	0	0	0	2	3	4	1	10
:	0	0	0	0	0	32132	53660	58865	9600	154257
:										
-----										
: Total :	1	0	1	5	12	80	142	8	4	253
: Total :	20000	0	13722	70938	255509	1733774	3263137	232192	57147	5646419
:										

AVERAGES --- Attained Age 54.48  
Service Years 25.44  
Active Salary 22,318



MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM  
ACTIVE - LUNCH PLAN B

CELLS DEPICT - MEMBER COUNT  
TOTAL SALARY

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
:[ 0 - 19):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:										
:[20 - 24):	1	0	0	0	0	0	0	0	0	1
:	10090	0	0	0	0	0	0	0	0	10090
:										
:[25 - 29):	6	5	4	0	0	0	0	0	0	15
:	83556	58763	73574	0	0	0	0	0	0	215893
:										
:[30 - 34):	9	24	2	2	0	0	0	0	0	37
:	127046	334020	31418	31760	0	0	0	0	0	524244
:										
:[35 - 39):	10	31	28	7	1	0	0	0	0	77
:	149153	431964	425482	125037	14540	0	0	0	0	1146176
:										
:[40 - 44):	19	62	78	32	11	6	0	0	0	208
:	276040	867128	1207168	533959	193272	125065	0	0	0	3202632
:										
:[45 - 49):	23	59	75	63	27	28	5	0	0	280
:	349195	788102	1119652	1071990	467481	515766	93465	0	0	4405651
:										
:[50 - 54):	14	38	62	65	38	29	15	3	0	264
:	208980	522360	912192	1058455	672928	548555	269830	149903	0	4343203
:										
:[55 - 59):	5	29	33	38	49	44	40	1	0	239
:	126960	390322	494499	630366	890697	761105	722360	14589	0	4030898
:										
:[60 - 64):	1	10	20	13	9	6	6	4	0	69
:	15435	142588	294015	179360	139777	108115	87368	68250	0	1034908
:										
:[65 - 69):	0	5	6	4	5	2	1	0	0	23
:	0	65376	84486	63440	71822	29252	14448	0	0	328824
:										
:[70 - 74):	0	0	0	2	2	2	1	2	0	9
:	0	0	0	24700	33450	33070	9703	29178	0	130101
:										
-----										
:[ Total :	88	263	308	226	142	117	68	10	0	1222
:[ Total :	1346455	3600623	4642486	3719067	2483967	2120928	1197174	261920	0	19372620
:										

AVERAGES --- Attained Age 49.71  
Service Years 10.67  
Active Salary 15,853

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM  
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20- )	Total
[ 0 - 39):	0	1	0	0	0	0	0	0	0	1
:	0	11880	0	0	0	0	0	0	0	11880
[40 - 44):	33	35	18	6	3	1	0	0	0	96
:	558060	546156	258492	76368	27264	22656	0	0	0	1488996
[45 - 49):	66	134	77	44	63	152	4	0	0	540
:	1326564	2337636	1328412	704940	887688	2006976	24408	0	0	8616624
[50 - 54):	235	330	155	123	110	606	208	5	0	1772
:	6332664	8554536	3314088	2549016	1964256	8903124	2559840	31860	0	34209384
[55 - 59):	1101	1604	918	687	438	961	638	225	0	6572
:	33617784	50335344	28530732	20790240	12424560	19281528	9004968	2762100	0	176747256
[60 - 64):	831	1330	1147	1039	1066	3137	658	625	123	9956
:	15606348	31911552	28256616	25623456	27351924	85993644	13089036	8965584	1609956	238408116
[65 - 69):	260	478	530	573	587	3896	1965	757	543	9589
:	5994144	11624388	12136836	12868188	13290816	84570720	53338116	15650916	7164048	216638172
[70 - 74):	77	152	139	178	186	1826	2570	1836	1243	8207
:	1742136	3970980	3816408	4235640	4349784	38699040	55713432	44977728	20455788	177960936
[75 - 79):	20	45	29	37	38	517	1432	1940	2254	6312
:	806136	1365972	768288	880656	998052	12238812	30620256	33227112	42795120	123700404
[80 - 84):	3	8	6	7	12	104	342	981	2531	3994
:	50016	223716	155208	142548	182952	2682444	7812972	16331700	41130912	68712468
[85 - 89):	0	3	3	2	0	20	43	184	2103	2358
:	0	74844	68292	44568	0	460452	849756	3457200	30888492	35843604
[90 - 99):	0	0	0	0	0	0	2	6	1161	1169
:	0	0	0	0	0	0	50472	65964	16358760	16475196
Total	2626	4120	3022	2696	2503	11220	7862	6559	9958	50566
:	66033852	110957004	78633372	67915620	61477296	254859396	173063256	125470164	160403076	1098813036

AVERAGES --- Attained Age 69.18  
Years Retired 11.43  
Annual Benefit 21,730

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM  
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age	YEARS RETIRED									Total	
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20- )		
[ 0>39)	9	2	5	7	2	9	2	0	0	36	
	104436	17952	54864	79536	21600	88428	20952	0	0	387768	
[40>44)	9	10	10	10	6	24	10	2	1	82	
	113448	133164	134532	125940	61044	269088	103908	20760	7788	969672	
[45>49)	24	24	24	18	23	75	21	12	4	225	
	320424	322320	273444	229668	317568	890088	231432	158568	48864	2792376	
[50>54)	30	45	45	37	37	141	80	44	10	469	
	416172	585648	578340	484848	471960	1600608	946944	415428	101052	5601000	
[55>59)	34	84	51	54	53	198	139	100	59	772	
	379812	1021140	631992	641856	629544	2046972	1591500	1263516	669792	8876124	
[60>64)	17	37	32	40	46	233	167	123	92	787	
	246228	439500	346356	479220	438492	2239044	1672656	1353612	1103904	8319012	
[65>69)	2	8	5	3	12	146	181	137	145	639	
	17280	99108	53352	24972	98268	1290696	1471428	1165716	1781388	6002208	
[70>74)	0	2	5	3	0	30	73	133	196	442	
	0	16404	36252	22140	0	273984	566436	1094484	2380800	4390500	
[75>79)	0	1	0	2	1	10	11	67	156	248	
	0	5364	0	19188	8412	98004	80232	497736	1711416	2420352	
[80>84)	0	0	0	0	0	0	7	17	142	166	
	0	0	0	0	0	0	38652	109968	1461804	1610424	
[85>89)	0	0	0	0	0	0	0	3	68	71	
	0	0	0	0	0	0	0	36864	697800	734664	
[90>99)	0	0	0	0	0	0	0	0	24	24	
	0	0	0	0	0	0	0	0	265032	265032	
TOTALS	count	125	213	177	174	180	866	691	638	897	3961
	benefit	1597800	2640600	2109132	2107368	2046888	8796912	6724140	6116652	10229640	42369132
AVERAGES		---		Attained Age	63.12						
				Years Retired	12.72						
				Annual Benefit	10,697						

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM  
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age	YEARS RETIRED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20- )	
[0>39)	39	38	41	34	21	97	39	20	6	335
	405744	314400	304692	352140	198048	851940	381960	148080	31500	2988504
[40>44)	10	10	17	10	8	42	16	4	4	121
	97596	75216	275664	132240	109812	432540	226944	56664	39528	1446204
[45>49)	7	18	17	8	14	51	28	6	10	159
	143340	185880	209940	87480	255348	664764	394020	76140	74136	2091048
[50>54)	11	21	17	16	21	66	43	20	17	232
	170100	404772	282444	222288	251880	735108	543984	226320	164436	3001332
[55>59)	31	35	35	26	29	113	61	47	20	397
	708444	626268	762900	328224	530316	1821912	835464	603180	209712	6426420
[60>64)	41	30	42	36	30	149	96	49	61	534
	916764	676008	790884	654420	689040	2825388	1586568	645036	651096	9435204
[65>69)	48	52	50	45	42	172	138	86	76	709
	898992	1067424	1095168	808548	985380	3417984	2348244	1455408	978372	13055520
[70>74)	48	57	49	52	43	197	140	93	133	812
	705960	1022892	897444	1008840	772932	3695532	2336304	1567524	1736952	13744380
[75>79)	32	45	25	27	44	166	135	98	116	688
	474636	671784	562716	523656	789708	2522772	2408280	1641432	1551720	11146704
[80>84)	33	39	32	30	28	110	92	65	130	559
	378264	564036	452988	383052	363924	1684716	1414296	885168	1748172	7874616
[85>89)	17	15	17	13	16	73	59	30	91	331
	228468	202236	285588	154608	212760	861936	686064	372396	1145532	4149588
[90>99)	1	4	9	3	8	19	26	17	39	126
	20028	47844	149532	25812	72228	216960	466320	184452	450804	1633980
TOTALS										
count	318	364	351	300	304	1255	873	535	703	5003
benefit	5148336	5858760	6069960	4681308	5231376	19731552	13628448	7861800	8781960	76993500

AVERAGES --- Attained Age 67.20  
Years Retired 10.32  
Annual Benefit 15,389

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM  
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35- )	Total
[ 0 - 19):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[20 - 24):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[25 - 29):	0	0	49	0	0	0	0	0	0	49
:	0	0	207240	0	0	0	0	0	0	207240
[30 - 34):	1	1	473	28	0	0	0	0	0	503
:	537	2568	2185994	207732	0	0	0	0	0	2396831
[35 - 39):	0	2	677	225	15	0	0	0	0	919
:	0	4653	3072875	1904664	170897	0	0	0	0	5153089
[40 - 44):	0	1	492	264	113	7	0	0	0	877
:	0	676	2152226	2107551	1385271	101698	0	0	0	5747422
[45 - 49):	0	2	425	283	116	49	11	1	0	887
:	0	1636	1793198	2061365	1370380	836584	200718	16001	0	6279882
[50 - 54):	3	6	437	353	136	65	511	14	0	1525
:	839	7317	1914271	2793102	1526566	1099806	14274872	543092	0	22159865
[55 - 59):	0	6	304	365	164	259	236	14	0	1348
:	0	7695	1398445	2882051	1987747	5354673	7524484	582694	0	19737789
[60 - 64):	1	4	101	101	83	79	16	1	0	386
:	158	9029	465457	781594	979496	1803929	384738	39422	0	4463823
[65 - 69):	0	2	30	22	19	5	9	1	2	90
:	0	5532	209416	171783	274916	132300	183577	33428	84080	1095032
[70 - 74):	0	3	13	10	4	4	3	1	2	40
:	0	3588	54366	859858	39501	91498	87362	16298	189345	1341816
Total	5	27	3001	1651	650	468	786	32	4	6624
Total	1534	42694	13453488	13769700	7734774	9420488	22655751	1230935	273425	68582789

AVERAGES --- Attained Age 48.61  
Service Years 13.08  
Annual Benefit 10,354

MEMBERSHIP PROFILE  
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM  
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT  
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age	YEARS PARTICIPATED								Total	
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)		[20- )
[0>39)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[40>44)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[45>49)	5	6	1	0	0	0	0	0	0	12
	92256	112212	25236	0	0	0	0	0	0	229704
[50>54)	185	538	361	22	0	0	0	0	0	1106
	6512436	19193448	12331704	800112	0	0	0	0	0	38837700
[55>59)	316	759	813	46	0	0	0	0	0	1934
	9363492	23931876	26366760	1851732	0	0	0	0	0	61513860
[60>64)	127	233	248	10	0	0	0	0	0	618
	1673544	4056588	4632168	356844	0	0	0	0	0	10719144
[65>69)	8	15	12	0	0	0	0	0	0	35
	57252	71388	73548	0	0	0	0	0	0	202188
[70>74)	0	4	1	0	0	0	0	0	0	5
	0	166728	3096	0	0	0	0	0	0	169824
[75>79)	0	4	0	0	0	0	0	0	0	4
	0	122064	0	0	0	0	0	0	0	122064
[80>84)	0	1	0	0	0	0	0	0	0	1
	0	2964	0	0	0	0	0	0	0	2964
[85>89)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[90>99)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTALS										
count	641	1560	1436	78	0	0	0	0	0	3715
benefit	17698980	47657268	43432512	3008688	0	0	0	0	0	111797448

AVERAGES --- Attained Age 56.80  
Years Retired 1.67  
Annual Benefit 30,094

**EXHIBIT 5**

**PRINCIPLE PROVISIONS OF THE PLAN**

**EFFECTIVE DATE:**

August 1, 1936; last amendment date – July, 2004.

**EMPLOYER:**

The State of Louisiana, the parish school board, the city school board, the State Board of Education, the State Board of Supervisors, University or any other agency of and within the State by which a teacher is paid.

**ELIGIBILITY FOR PARTICIPATION:**

Condition of employment for all teachers

**CREDITABLE SERVICE:**

Service as a teacher while member of the system.

**ADDITIONAL SERVICE:**

1. Credit for service canceled by withdrawal of accumulated contributions may be restored by member by paying the amount withdrawn plus interest.
2. Service rendered in public school system of another state may be purchased at the actuarial cost of the additional retirement benefit, or at the member's option receive service credit based on the funds actually transferred.
3. Credit for service in non-public or parochial schools may be purchased at the actuarial cost of the additional retirement benefit, or at the member's option receive service credit based on the funds actually transferred.
4. Maximum of 4 years of credit for military service may be obtained for each member, contingent on payment of Actuarial Cost.
5. Credit for legislative service of former teacher, now legislator, may be purchased at the actuarial cost.
6. Conversion of Sick Leave to Membership Service: At retirement, or at death before retirement of member with surviving spouse or dependent or both who are entitled to benefits, unused accumulated sick leave will be added to membership service; however, leave accumulated after January 30, 1990 can be converted to a maximum one year service credit, on following basis:

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

**EARNABLE COMPENSATION:**

The compensation earned by a member for qualifying service.

<b>Prior to 6/30/88</b>	
Credited Service (portion of a year)	Accumulated Sick Days
0.25	25-45
0.50	46-90
0.75	91-135
1.00	136-180

Credited Service (portion of a year)	<b>After 6/29/88 (by Member Classification)</b>			
	Accumulated Sick Days			
	9 Month	10 Month	11 Month	12 Month
0.1	10-18	11-20	12-22	13-24
0.2	19-36	21-40	23-44	25-48
0.3	37-54	41-60	45-66	49-72
0.4	55-72	61-80	67-88	73-96
0.5	73-90	81-100	89-110	97-120
0.6	91-108	101-120	111-132	121-144
0.7	109-126	121-140	133-14	145-168
0.8	127-144	141-160	155-176	169-192
0.9	145-162	161-180	177-198	193-216
1.0	163-180	181-200	199-220	217-240

**AVERAGE FINAL COMPENSATION**

The average annual earnable compensation is the 36 highest successive months of employment or the highest 36 successive joined months where interruption of service occurred; the average compensation for purposes of computing benefits cannot increase more than 10% per year; Per R.S. 11:892, if the maximum benefit accrual (100%) is reached, employee contributions are discontinued, average final compensation is not limited to the years for which employee contributions were made. Compensation is limited by the 401a(17) compensation limit of the Internal Revenue Code for certain members.

Includes workmen's compensation, and PIP's program in accordance with the following:

<b><u>Years of Participation</u></b>	<b><u>% of Earnings to be Included</u></b>
3	60%
4	80%
5	100%



**EXHIBIT 5 (Continued)**  
**Principle Provisions**

However, if member completed at least two years and subsequently becomes disabled, he shall receive 40% of such earnings. If he has completed one year and becomes disabled, he shall receive 20% of such earnings.

**ACCUMULATED CONTRIBUTIONS:**

Sum of all amounts deducted from compensation of members.

**EMPLOYEE CONTRIBUTIONS:**

8% of earnable compensation. Prior to 7/1/89, 7% of earnable compensation.

**EMPLOYER CONTRIBUTIONS:**

Determined in accordance with Act 81 of the 1988 Session based on the Public Retirement Systems' Actuarial Committee's recommendation to the Legislature.

**NORMAL RETIREMENT BENEFIT:****Eligibility:**

Written application to Board, and

1. Age 60 and 5 years of accredited service, or 20 years of creditable teaching service if employed prior to July 1, 1999. Members employed on or after July 1, 1999 may retire with 20 years of creditable teaching service, actuarially reduced from Normal Eligibility requirements.
2. Age 55 and 25 years of creditable service, or at age 65 and 20 years of creditable service (excluding military service), or at 30 years of creditable service at any age. Conversion of unused sick and annual leave cannot be used to obtain retirement eligibility.

**Benefit:**

Annuity which shall be the actuarial equivalent of accumulated employee contributions at retirement date, and

1. Annual pension, which, together with annuity, provides total allowance equal to 2% of average final compensation times years of creditable service (including unused sick leave), plus \$300 annual supplemental benefit.
2. Annual pension, which, together with annuity, provides total allowance equal to 2 1/2% of average final compensation times years of creditable service (including unused sick leave), plus \$300 annual supplemental benefit.

**NOTE:**

- A. Benefit not to exceed 100% of average earnable compensation.
- B. Legislator's benefits to be calculated on basis of either Teacher's or Legislator's salary but not both – for new legislators (their option to choose); employee contribution to be 12% of either salary and expense allowance as legislator, not both.

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

- C. Retiree who returns to work shall have benefits suspended during the twelve month period following initial retirement.
- D. The \$300 annual supplemental benefit is discontinued to members of the retirement system who enroll or become members after 6/30/86 (Act 608 of 1986).
- E. For Members employed on or after July 1, 1999, the annual pension cannot exceed the maximum benefit provided under Section 415(b) of the Internal Revenue Service Code as adjusted for inflation and form of benefit other than life annuity or qualified joint and survivor annuity for retirement ages as follows:

<u>Age</u>	<u>Maximum</u>	<u>Age</u>	<u>Maximum</u>	<u>Age</u>	<u>Maximum</u>
48	\$ 39,506	56	\$ 93,202	64	\$180,000
49	43,191	57	102,643	65	180,000
50	47,254	58	113,184	66	193,134
51	51,738	59	124,976	67	207,463
52	56,693	60	138,201	68	223,114
53	62,176	61	153,068	69	240,228
54	68,254	62	180,000	70	258,969
55	84,727	63	180,000		

**COST OF LIVING BENEFITS:**

Cost of Living Adjustments (COLA's) may be granted, with legislative approval, provided there are sufficient funds in the Experience Account to fully fund the COLA on an actuarial basis. The Experience Account is credited with 50% of the excess investment experience gain and debited with 50% of the net investment experience loss. Balances in the experience account accrue interest at the average actuarial yield for the System portfolio. The balance of the Experience Account is limited to the cost of two COLA's. The COLA is limited to the lesser of 3% or the increase in the CPI-U for the calendar year immediately preceding the COLA. The COLA is further limited to 2% if the investment return does not exceed 8.25%. Benefits are restricted to those retirees who have attained the age of 55 and have been retired for at least one year. The minimum age 55 for the receipt of a COLA does not apply to disability retirees. The COLA shall be based on the first seventy thousand dollars of the retiree's annual benefit, indexed annually for years after 2001.

**DISABILITY RETIREMENT:**

Eligibility:

5 years of creditable service; certification of disability by medical board (medical examination required once in every year for the first 5 years of disability retirement, and once in every 3 years thereafter, until age 60).

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

Benefit: Act 572 of 1995

1. If ineligible for service retirement at disability, a pension equal to 2 1/2% of average compensation multiplied by years of service. Benefit shall not be more than 50% of average compensation. However, in no event shall the benefit be less than the lesser of 40% of the state minimum salary for a beginning teacher with a bachelor's degree or 75% of average compensation.
2. Additional 50% of member's benefit payable if minor child is present, but total amount to family limited to 75% of final average compensation.
3. Upon attainment of the earliest age for retirement eligibility had member continued in service without further change in compensation, member shall become a regular retiree with benefits based on years of creditable service but not less than the disability benefit. Minor children benefit for disability continue for as long as the retiree has a minor child.
4. Upon death of a disability retiree, surviving spouse, married to retiree at least two years prior to death of the disability retiree, shall receive 75% of disability benefit. Upon death of an unmarried retiree with minor children, the benefit shall equal 50% of disability benefit.
5. Upon recovery of disability as determined by the board of trustees, upon advice of the medical board, and returns to active membership for at least three years starting no later than one year after recovery, then he shall be credited with one year of service for each year disabled for purposes of establishing benefit eligibility, but not for computation of benefits.

**SURVIVOR'S BENEFITS:**  
**(Effective July 13, 1978)**

Eligibility:

1. Surviving Spouse (with minor children) of an active member with 5 years of creditable service with at least 2 years earned immediately prior to death; or a member with 20 years of creditable service regardless of when earned or whether in active service at time of death.
2. Surviving Spouse (without minor children) of an active member with 10 years of creditable service with at least 2 years earned immediately prior to death; or, a member with 20 years of creditable service regardless of when earned or whether in active service at time of death.
3. Beneficiary not eligible for 1 or 2.

Benefits:

1. Surviving Spouse (with minor children)-  
 Greater of:  
 A.) \$600 per month, or

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

- B.) 50% of benefit, based on 2 1/2% formula, that would have been payable upon service retirement at age 60 had member continued in service to age 60 without change in compensation. 50% of spouse's benefit payable for each minor child (not greater than two), with total benefit to family at least equal to the Option 2, accrued Benefit based on actual service credit. Benefits to spouse cease upon remarriage, but resume upon subsequent divorce or death of new spouse; however, if the member was eligible to retire or had reached age 55 on the date of his death, benefits shall not cease upon remarriage. When minor children are no longer present, spouse's benefit reverts to benefit in B, for eligible spouse.
2. Surviving Spouse (without minor children) –  
 Greater of:  
 A.) \$600 per month, or  
 B.) Option 2 equivalent of Accrued Benefit based on actual service and the 2 1/2% formula. Spouse's benefit payable for life. Benefits to spouse cease upon remarriage, but resume upon subsequent divorce or death of new spouse; however, if the member was eligible to retire on the date of his death, benefits shall not cease upon remarriage.
3. Beneficiary not eligible for 1 or 2 –  
 Return of member's accumulated contributions.

**REFUND OF CONTRIBUTIONS:**

Death prior to retirement - accumulated contributions credited to individual account in annuity savings fund are returnable to designated beneficiary, if any; otherwise, to his estate.

**TERMINATION WITH VESTED SERVICE:**

Any member with credit for 5 years of service who withdraws from service may elect to leave accumulated contributions in system until age 60, when he may apply for retirement and begin receiving a retirement benefit based on the credits he had at date of withdrawal.

**OPTIONAL FORMS OF BENEFIT:**

In lieu of receiving normal retirement benefit, member may elect to receive actuarial equivalent of retirement allowance in a reduced form as follows:

Option 1 - If a member dies before receiving present value of annuity in monthly payments, balance paid to designated beneficiary.

Option 2 - Reduced retirement allowance, if member dies, to be continued to designated beneficiary for his lifetime.

Option 3 - 1/2 of reduced retirement allowance, if member dies, to be continued to designated beneficiary for his lifetime.

Option 4 - Other benefits of equal actuarial value may be elected with approval of board.

Options 2A, 3A, 4A - Same as Options 2, 3, and 4, except that reduced benefit reverts back to maximum if beneficiary predeceases retiree.

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

Initial Lump Sum Benefit Option - Members eligible but did not participate in DROP may elect an actuarially reduced pension and receive a lump-sum equal to not more than 36 months of the maximum monthly pension.

**DEFERRED RETIREMENT OPTION PLAN:**

Instead of terminating employees and accepting a service retirement allowance, any member who has met the eligibility requirements may elect to participate in the Deferred Retirement Option Plan (DROP) and defer receipt of benefits.

**NORMAL ELIGIBILITY:**

Any member who is eligible to receive a 2.5% service retirement allowance, or who has 10 years of service credit, exclusive of military service, at age 60 may begin participation on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility.

**BENEFIT:**

Upon termination of employment, a participant will receive, at his option:

- (1) lump sum payment (equal to the payments to the account);
- (2) a true annuity based upon his account; or
- (3) Other methods of payment approved by the board of trustees.

If a participant dies during the period of participation in the program, his account balance shall be paid to the beneficiary, or if none, to his estate in any form approved by the Board of Trustees.

If employment is not terminated at the end of DROP participation, then:

- (1) payment into account shall cease;
- (2) payment from account only upon termination of employment; and
- (3) the participant shall resume active contributing membership.

Then, upon termination of employment, the benefit payments indicated above shall be paid. The participant shall receive an additional retirement benefit based on additional service rendered since termination of participation in the fund, usually the normal method of computation of benefit subject to the following:

- (1) If additional service was less than 36 months, average compensation figure used to calculate initial benefit shall be that used.
- (2) If additional service was 36 or more months, the average compensation figure used to calculate the additional benefit shall be based on compensation during the period of additional service.

DROP Accounts shall earn interest following termination of DROP at a rate 0.5% below the actuarial rate of the System's investment portfolio.

Effective 1/1/2004 new DROP accounts are credited with Money Market rates.

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

**DESCRIPTION OF BENEFITS  
FOR MERGED LSU EMPLOYEES**

**GENERAL:**

Eligibility for benefits based on the eligibility requirements of the Teachers' plan, except for deaths and disabilities before 1984. All service, funded and non-funded, used in determining eligibility.

Final Average Salary was the average of the three highest years, except for academic year employees who retired within three years after 1/1/79. For this group, any salary used in the Final Average Salary calculation, which was earned before 1/1/79, was increased by 2/9ths.

The Social Security breakpoint average, for service under the funded LSU plan, was frozen at the 12/31/78 level. That is, the breakpoint average for funded service was calculated as of 12/31/78 and kept constant. This produced the following breakpoint averages:

**Social Security Breakpoint Average  
(for LSU funded service)**

<u>Calendar Year of Entry</u>	<u>Breakpoint Average</u>
1971 or before	13,400
1972	13,800
1973	14,600
1974	15,360
1975	15,900
1976	16,500
1977	17,100
1978	17,700

**Retirement Benefits:**

Retirement benefits calculated using LSU funded service with the LSU formula and service after 12/31/78 with the Teacher's formula. Thus, the "funded" benefit is 1) 1 1/3% of final average salary under the Social Security breakpoint average plus 2 1/2% of final average salary over the Social Security breakpoint average, times years of "funded" service with LSU before 12/31/78, plus 2) 2 1/2% (or 2% if total service less than 20 years) times final average salary times years since 1/1/79, plus \$300.

**Survivor's Benefits**

For deaths after 1983, the provisions of the Teachers' plan apply. However, the benefit is calculated using all service, funded and non-funded, then prorated by service between the funded and non-funded portions. Children's benefits are also prorated into the funded and non-funded portions.

**Disability Benefits**

For disabilities after 1983, the provisions of the Teachers' plan apply. However, the benefit is calculated using all service, then prorating by service between the funded and non-funded portions. Children's benefits are also prorated.

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**Exhibit 5 (Continued)**  
**Principle Provisions****Vesting Benefits**

Benefits for terminating vested members was determined as outlined under "Retirement Benefits."

**Refund of Contributions**

Terminating members allowed a refund of accumulated contributions as described by the Teachers' plan.

**Cooperative Extension personnel**

The LSU employees eligible for the supplemental benefit described in Section 700.2 of Act 643 of 1978. The benefit is equal to 1% for the first five years of service, 3/4% for the next five years, and 1/2% thereafter. The funded benefit is the benefit based on service after September 12, 1975.

**Optional Forms of Benefits:**

Retiring members may elect options as described by the Teachers' plan.

**Deferred Retirement Option Plan:**

Eligible members may participate under same requirements as described by the Teachers' plan.

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

**DESCRIPTION OF BENEFITS  
FOR MERGED SCHOOL LUNCH EMPLOYEES**

**EFFECTIVE DATE:**

January 1, 1953; Revised July 1, 1980.

1. Effective July 1, 1980, all employees shall become members of this system and shall be placed in the applicable plan as outlined below:
  - A.) Those participating in both the regular and the supplemental plan or only in the supplemental plan shall become members of Plan A.
  - B.) Those participating only in the regular plan shall become members of Plan B.
2. All individuals who become employed after July 1, 1980, shall become members of Plan A or Plan B as determined by the agreement in effect for each employer.

**CREDITABLE SERVICE:**

Service as an employee while member of the system.

**MILITARY SERVICE:**

Maximum of 4 years of credit may be purchased.

**ADDITIONAL CREDITABLE SERVICE:**

Credit for service canceled by withdrawal of accumulated contributions may be restored by paying into system the amount withdrawn plus regular interest.

**EMPLOYEE CONTRIBUTIONS:**

Plan A: 9.10% of monthly earnings

Plan B: 5% of monthly earnings

**EMPLOYER CONTRIBUTIONS:**

Plan A: Actuarial Required Amount (Effective 7/1/89)

Plan B: Actuarial Required Amount (Effective 7/1/89)



**EXHIBIT 5 (Continued)**  
**Principle Provisions**

**SCHOOL LUNCH PLAN A**

**RETIREMENT BENEFIT:**

**NORMAL RETIREMENT:**

Eligibility:

1. Age 60 and 5 years of creditable service.
2. Age 55 and 25 years of creditable service.
3. 30 years of creditable service, regardless of age.

Benefit:

3% of average final compensation times years of creditable service. For Members of only the supplemental plan prior to 7/1/80 and (\*). Those Members who were age 60 or older at the time the member's employer terminated its agreement with the Department of Health, Education and Welfare, and who became a member of the retirement system because of this termination: 1% of average final compensation plus two dollars per month for each year of service credited prior to 7/1/80, plus 3% of average final compensation for each year of service credited after 7/1/80.

\*These members shall be eligible to retire upon reaching age 70, with less than 10 years of creditable service.

**NOTE:**

Benefit not to exceed 100% of average final compensation.

**DISABILITY RETIREMENT:**

Eligibility:

5 years of creditable service; certification of disability by the State Medical Disability Board.

Benefit:

Normal retirement allowance if eligible; otherwise, an amount equal to the normal retirement allowance to which the member would have been entitled had he met eligibility requirements; provided the amount is not less than 60%, nor more than 100% of average final compensation, in the event no optional selection is made.

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

**SURVIVOR'S BENEFITS:**

Eligibility:

1. Surviving spouse of member with 5 or more years of service credit with at least 2 years earned immediately prior to death, or 20 years of service credit regardless of when earned or whether the deceased member was in active service at the time of death, with minor children.
2. Surviving spouse of member with 10 or more years of service credit with at least 2 years earned immediately prior to death, or 20 years of service credit regardless of when earned or whether the deceased member was in active service at the time of death, without minor children.
3. Beneficiary not eligible for 1 or 2.

Benefit:

1. Greater of:
  - A. \$600 per month, or
  - B. 50% of benefit, based on 3% factor, that would have been payable upon retirement at age 60 had member continued in service to age 60 without change in compensation. 50% of spouse's benefit payable for each minor child (maximum two children), with total benefit to family at least equal to the Option 2 benefit. Accrued Benefit based on actual service credit. Benefits to spouse cease upon remarriage, but resume upon subsequent death or divorce. When minor children are not longer present, spouse's benefit reverts to benefit in B, if spouse is eligible for such benefit.
2. Greater of:
  - A. \$600 per month, or
  - B. Option 2 equivalent of Accrued Benefit based on actual service and the 3% factor. Surviving spouse must have been married to the deceased member at least one year prior to death. If the member had not been eligible for retirement upon date of death, benefits to spouse cease upon remarriage, but resume upon subsequent death or divorce of new spouse.
3. Return of member's accumulated contributions.

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

**SCHOOL LUNCH PLAN B**

**RETIREMENT BENEFIT:**

**NORMAL RETIREMENT:**

Eligibility:

1. Age 60 and 10 years of creditable service.
2. Age 55 and 30 years of creditable service.

Benefit:

Annual pension which provides total allowance equal to 2% of average final compensation times years of creditable service. (Maximum \$70 per month for each year of creditable service).

**NOTE:**

Benefit reduced by 3% for each year under age 62, unless member has 25 years of creditable service.

**DISABILITY RETIREMENT:**

Eligibility:

5 years of creditable service; certification of disability by the State Medical Disability Board.

Benefit:

Normal retirement allowance if eligible therefore; otherwise 2% of average final compensation times years of creditable service; provided amount not less than 30%, nor more than 75% of average final compensation, in the event no optional selection is made.

**SURVIVOR'S BENEFITS:**

Eligibility: 20 or more years of creditable service.

Benefit: Option 2 benefit.

**EXHIBIT 5 (Continued)**  
**Principle Provisions**

**OPTIONAL FORMS OF BENEFIT:**

A member may elect to receive his benefit in a retirement allowance payable throughout his life, or member may elect to receive actuarial equivalent of retirement allowance in a reduced form as follows:

Option 1 - If a member dies before receiving present value of annuity in monthly payments, balance paid to designated beneficiary.

Option 2 - Reduced retirement allowance, if member dies, to be continued to designated beneficiary for his lifetime.

Option 3 - 1/2 of reduced retirement allowance, if member dies, to be continued to designated beneficiary for his lifetime.

Option 4 - Other benefits of equal actuarial value may be elected with approval of board.

Initial Benefit Option - Maximum benefit actuarially reduced for partial lump-sum equal to not more than 36 months of the maximum pension.

Options 2-4 are available in an "a" version which provides the same survivor benefit at the death of the retiree, but reverts to the maximum benefit if the survivor predeceases the retiree.

**RETURN OF CONTRIBUTIONS:**

Should a member not eligible to retire cease to be an employee, he shall be paid the amount of his accumulated contributions upon demand. Should a members death occur prior to retirement with no survivors eligible for benefits, his accumulated contributions are returnable to a designated beneficiary, if any; otherwise, to his estate.

**TERMINATION WITH VESTED SERVICE:**

Any member with credit for 5 years of service who withdraws from service may elect to leave accumulated contributions in system until his earliest normal retirement date, when he may apply for retirement and begin receiving a retirement benefit based on average final compensation and creditable service at date of withdrawal.

**Deferred Retirement Option Plan:**

Retiring members may elect options as described by the Teachers' plan.

**EXHIBIT 6****ACTUARIAL COST METHODS AND ASSUMPTIONS****COST METHOD:**

The "Projected Unit Credit" cost method was used to calculate the funding requirements of the retirement system. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is accumulated from the participant's attained age to the anticipated retirement date(s). That portion of the actuarial present value attributable to the current year's projected benefit accruals is called the Normal Cost. The actuarial present value of future projected benefits in proportion to service accrued on the date of valuation is called the actuarial accrued liability.

**ASSET VALUATION:**

Prior to June 30, 1997 the actuarial value of assets was the sum of the bonds at amortized cost, plus a weighted average of average unrealized loss (or gain) in the market value of equities.

For the Plan Year Ending June 30, 1997 and thereafter, the computation of the Actuarial Value of Assets is the market value of assets adjusted for a four year weighted average of the unrealized gain or loss in the value of all assets. This value is determined in accordance with Reg. 1.412(c)(2)-1-(6) & (7) of the Internal Revenue Service Code and is subject to the Corridor Limits defined therein.

**ACCOUNTING DISCLOSURE:**

The Governmental Accounting Standards Board Statement No. 25 requires the disclosure of "Credited Projected Benefits" for Public Employee Retirement Systems. The disclosures illustrated in Exhibit 3 were developed using the Projected Unit Credit cost method. The statement of assets provided by the audit staff was the final draft prior to publication. Should the statement of assets received differ from the final audit report, a revised actuarial statement will be issued, but only to the extent that any difference in reporting affects the employer's contribution rate or the yield to the Actuarial Value of Assets.

**ACTUARIAL ASSUMPTIONS:**

The Retirement System is required to conduct an experience study every five years, but the scope of such a study is not necessarily limited to a five year period. The current five year observation period (1997-2001) was chosen to coincide with the most recent period of data reporting following the restructuring of the Deferred Retirement Option Program. The rates are projected separately for Teachers, School Lunch Plan and Plan B, and University personnel. The current and prior rate tables are illustrated at the end of this exhibit.

**MORTALITY ASSUMPTIONS:**

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

**EXHIBIT 6 (Continued)**  
**Cost Methods & Assumptions**

**DISABILITY ASSUMPTION:**

Rates for total and permanent disability were projected by age in accordance with the most recent Experience Study. The rates are based upon attained age at occurrence. For mortality after disability, rates were based on the Eleventh Actuarial Valuation of the Railroad Retirement System for permanent disabilities.

**RETIREMENT/DROP ASSUMPTION:**

Retirement rates are based on age and service eligibility requirements for normal benefits. Age and service requirements vary by plan. DROP is viewed as an alternative form of benefit accrual since mandatory termination is not required following participation. Therefore, at eligibility, the probability of DROP accrual is determined in conjunction with regular benefit accrual. Retirement rates and DROP probabilities are based on the most recent Experience Study.

**TERMINATION ASSUMPTIONS:**

Voluntary termination or withdrawal rates are based on the most recent Experience Study. During the first five years of employment, the probability of voluntarily terminating is a multiple of the attained age rate in prior reports and a multiple of employment duration in the current valuation as follows:

1 <sup>st</sup>	1.25x (teachers only)
2 <sup>nd</sup>	1.00x
3 <sup>rd</sup>	1.00x
4 <sup>th</sup>	1.00x
5 <sup>th</sup>	1.00x

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

**SALARY GROWTH:**

The rates of annual salary growth are base upon the member's years of service and are illustrated in the rate tables at the end of this exhibit.

**FAMILY STATISTICS:**

The composition of the family was based on Age-Specific Fertility Rates from the 1983 Vital Statistics of the United States. Eighty percent of the membership was assumed to be married with the wife assumed to be three (3) years younger than the husband. Sample rates are as follows:

**EXHIBIT 6 (Continued)**  
**Cost Methods & Assumptions**

<b>Age at Death</b>	<b>Number of Minor Children</b>	<b>Years for Youngest Child to Attain Majority</b>
25	1.3	15
30	1.8	13
35	2.2	11
40	2.1	9
45	1.7	6
50	1.2	4

**REMARRIAGE:**

Annuities payable to the spouse which cease upon death or remarriage were taken from "A Technical Note for the Construction of Widow's Annuities. "The Remarriage and Mortality rates used to develop these annuities were based on the graduated rates from "Mortality and Remarriage Experience for Widow's Beneficiaries under OASDI."

**ASSUMPTION FOR INCOMPLETE DATA:**

Records identified as containing suspicious data or errors in data were assumed to possess the same characteristics of "good data" in the same cohort.

**INVESTMENT EARNINGS:**

An effective annual rate of 8 1/4%, net expenses for professional asset management advisors.

**ADMINISTRATIVE EXPENSES:**

Expenses are included in Aggregate Normal Cost and are assumed to be \$13,900,000 per year. Investment Expenses for professional asset management advisors are not included in Normal Cost but are treated as a direct offset to investment income. The Employer portion of Normal Cost excludes an allocation for Administrative expenses.

ACTUARIAL TABLES AND RATES (TEACHERS)

Age	- Death Rates -		Disability Rates	Termination Rates	Retirement Rates	DROP Rates	Dur	Salary Scale
	Male	Female						
18	.00039	.00020	.0000	.0000	.0000	.000	1	1.0780
19	.00041	.00021	.0000	.0600	.0000	.000	2	1.0760
20	.00042	.00022	.0000	.1000	.0000	.000	3	1.0720
21	.00044	.00024	.0000	.0900	.0000	.000	4	1.0700
22	.00045	.00025	.0000	.0400	.0000	.000	5	1.0680
23	.00047	.00027	.0001	.0500	.0000	.000	6	1.0680
24	.00049	.00028	.0001	.0700	.0000	.000	7	1.0680
25	.00052	.00030	.0001	.0700	.0000	.000	8	1.0680
26	.00054	.00032	.0001	.0800	.0000	.000	9	1.0670
27	.00057	.00034	.0001	.0800	.0000	.000	10	1.0650
28	.00060	.00036	.0001	.0800	.0000	.000	11	1.0640
29	.00064	.00038	.0001	.0800	.0000	.000	12	1.0640
30	.00067	.00040	.0003	.0800	.0000	.000	13	1.0640
31	.00072	.00043	.0003	.0800	.0000	.000	14	1.0600
32	.00076	.00046	.0004	.0700	.0000	.000	15	1.0580
33	.00082	.00049	.0004	.0600	.0000	.000	16	1.0580
34	.00087	.00053	.0006	.0600	.0000	.000	17	1.0580
35	.00096	.00056	.0006	.0500	.0000	.000	18	1.0550
36	.00101	.00060	.0007	.0500	.0000	.000	19	1.0550
37	.00107	.00064	.0007	.0400	.0000	.000	20	1.0550
38	.00115	.00069	.0008	.0400	.0500	.000	21	1.0550
39	.00125	.00074	.0009	.0300	.0600	.000	22	1.0550
40	.00138	.00080	.0010	.0300	.0400	.000	23	1.0520
41	.00152	.00086	.0014	.0300	.0400	.000	24	1.0520
42	.00170	.00094	.0016	.0300	.0300	.000	25	1.0520
43	.00191	.00102	.0017	.0200	.0300	.000	26	1.0520
44	.00215	.00112	.0017	.0200	.0300	.000	27	1.0460
45	.00243	.00124	.0018	.0200	.0300	.000	28	1.0420
46	.00275	.00137	.0018	.0200	.0300	.000	29	1.0380
47	.00310	.00152	.0019	.0200	.0300	.000	30	1.0380
48	.00349	.00167	.0020	.0200	.0300	.000	31	1.0380
49	.00390	.00183	.0021	.0200	.0300	.000	32	1.0380
50	.00434	.00199	.0024	.0200	.0300	.000	33	1.0380
51	.00480	.00217	.0024	.0200	.0300	.050	34	1.0550
52	.00528	.00236	.0024	.0200	.0300	.150	35	1.0320
53	.00578	.00257	.0024	.0200	.0500	.150	36	1.0320
54	.00629	.00282	.0032	.0200	.1000	.350	37	1.0320
55	.00681	.00311	.0047	.0200	.2300	.550	38	1.0320
56	.00735	.00345	.0054	.0200	.2300	.100	39	1.0320
57	.00793	.00383	.0056	.0200	.4000	.100	40	1.0320
58	.00858	.00425	.0056	.0200	.4000	.100	41	1.0320
59	.00932	.00471	.0056	.0200	.2600	.150	42	1.0320
60	.01018	.00523	.0056	.0200	.2600	.200	43	1.0320
61	.01118	.00579	.0056	.0200	.2600	.070	44	1.0320
62	.01237	.00641	.0054	.0200	.3300	.050	45	1.0320
63	.01377	.00710	.0035	.0200	.3300	.050	46	1.0320
64	.01541	.00785	.0035	.0200	.3300	.050	47	1.0320
65	.01732	.00869	.0035	.0200	.3300	.050	48	1.0320
66	.01953	.00965	.0038	.0200	.4000	.050	49	1.0320
67	.02200	.01078	.0050	.0200	.4000	.050	50	1.0320
68	.02470	.01214	.0050	.0200	.3600	.050	51	1.0320
69	.02757	.01376	.0050	.0200	.3600	.050	52	1.0320
70	.03059	.01570	.0050	.0200	.3600	.050	53	1.0320
71	.03373	.01796	.0050	.0200	.3600	.000	54	1.0320
72	.03708	.02053	.0050	.0200	.5000	.000	55	1.0320
73	.04076	.02344	.0050	.0200	.9900	.000	56	1.0320
74	.04488	.02666	.0050	.0200	.9900	.000	57	1.0320



ACTUARIAL TABLES AND RATES (PLAN A)

Age	- Death Rates -		Disability Rates	Termination Rates	Retirement Rates	DROP Rates	Dur	Salary Scale
	Male	Female						
18	.00039	.00020	.0000	.0000	.0000	.000	1	1.0780
19	.00041	.00021	.0000	.0000	.0000	.000	2	1.0770
20	.00042	.00022	.0000	.0000	.0000	.000	3	1.0720
21	.00044	.00024	.0000	.0000	.0000	.000	4	1.0680
22	.00045	.00025	.0000	.0000	.0000	.000	5	1.0650
23	.00047	.00027	.0000	.0000	.0000	.000	6	1.0650
24	.00049	.00028	.0000	.0000	.0000	.000	7	1.0650
25	.00052	.00030	.0000	.0000	.0000	.000	8	1.0650
26	.00054	.00032	.0000	.0000	.0000	.000	9	1.0400
27	.00057	.00034	.0000	.0000	.0000	.000	10	1.0400
28	.00060	.00036	.0000	.0000	.0000	.000	11	1.0400
29	.00064	.00038	.0000	.0000	.0000	.000	12	1.0400
30	.00067	.00040	.0000	.0100	.0000	.000	13	1.0400
31	.00072	.00043	.0001	.0100	.0000	.000	14	1.0600
32	.00076	.00046	.0001	.0100	.0000	.000	15	1.0600
33	.00082	.00049	.0001	.0100	.0000	.000	16	1.0600
34	.00087	.00053	.0001	.0100	.0000	.000	17	1.0550
35	.00096	.00056	.0001	.0100	.0000	.000	18	1.0450
36	.00101	.00060	.0001	.0100	.0000	.000	19	1.0450
37	.00107	.00064	.0001	.0100	.0000	.000	20	1.0450
38	.00115	.00069	.0001	.0100	.0000	.000	21	1.0450
39	.00125	.00074	.0001	.0100	.0000	.000	22	1.0450
40	.00138	.00080	.0001	.0100	.0000	.000	23	1.0450
41	.00152	.00086	.0001	.0100	.0000	.000	24	1.0450
42	.00170	.00094	.0070	.0100	.0000	.000	25	1.0400
43	.00191	.00102	.0070	.0100	.0000	.000	26	1.0320
44	.00215	.00112	.0070	.0100	.0000	.000	27	1.0320
45	.00243	.00124	.0070	.0100	.0000	.000	28	1.0320
46	.00275	.00137	.0070	.0100	.0000	.000	29	1.0320
47	.00310	.00152	.0200	.0100	.0000	.000	30	1.0320
48	.00349	.00167	.0200	.0100	.0000	.000	31	1.0320
49	.00390	.00183	.0200	.0100	.0100	.000	32	1.0320
50	.00434	.00199	.0200	.0100	.0100	.000	33	1.0320
51	.00480	.00217	.0200	.0100	.0100	.000	34	1.0320
52	.00528	.00236	.0200	.0100	.0300	.000	35	1.0320
53	.00578	.00257	.0200	.0100	.0300	.000	36	1.0320
54	.00629	.00282	.0200	.0100	.0300	.100	37	1.0320
55	.00681	.00311	.0200	.0100	.1000	.370	38	1.0320
56	.00735	.00345	.0300	.0100	.1000	.150	39	1.0320
57	.00793	.00383	.0300	.0100	.1500	.150	40	1.0320
58	.00858	.00425	.0300	.0100	.2000	.250	41	1.0320
59	.00932	.00471	.0300	.0100	.3500	.520	42	1.0320
60	.01018	.00523	.0060	.0100	.3500	.520	43	1.0320
61	.01118	.00579	.0060	.0100	.3000	.250	44	1.0320
62	.01237	.00641	.0060	.0100	.4000	.150	45	1.0320
63	.01377	.00710	.0060	.0100	.5000	.150	46	1.0320
64	.01541	.00785	.0060	.0100	.5000	.150	47	1.0320
65	.01732	.00869	.0000	.0100	.4000	.150	48	1.0320
66	.01953	.00965	.0000	.0100	.4000	.150	49	1.0320
67	.02200	.01078	.0000	.0100	.3200	.150	50	1.0320
68	.02470	.01214	.0000	.0100	.3200	.150	51	1.0320
69	.02757	.01376	.0000	.0100	.3200	.150	52	1.0320
70	.03059	.01570	.0000	.0100	.3200	.150	53	1.0320
71	.03373	.01796	.0000	.0100	.3200	.150	54	1.0320
72	.03708	.02053	.0000	.0100	.3200	.150	55	1.0320
73	.04076	.02344	.0000	.0100	.3200	.150	56	1.0320
74	.04488	.02666	.0000	.0100	.9900	.150	57	1.0320

ACTUARIAL TABLES AND RATES (PLAN B)

Age	- Death Rates -		Disability Rates	Termination Rates	Retirement Rates	DROP Rates	Dur	Salary Scale
	Male	Female						
18	.00039	.00020	.0000	.0000	.0000	.000	1	1.0650
19	.00041	.00021	.0000	.0000	.0000	.000	2	1.0650
20	.00042	.00022	.0000	.0000	.0000	.000	3	1.0650
21	.00044	.00024	.0000	.0000	.0000	.000	4	1.0600
22	.00045	.00025	.0000	.2000	.0000	.000	5	1.0600
23	.00047	.00027	.0000	.2000	.0000	.000	6	1.0550
24	.00049	.00028	.0000	.2000	.0000	.000	7	1.0520
25	.00052	.00030	.0000	.1600	.0000	.000	8	1.0520
26	.00054	.00032	.0000	.0400	.0000	.000	9	1.0520
27	.00057	.00034	.0000	.0400	.0000	.000	10	1.0520
28	.00060	.00036	.0000	.0400	.0000	.000	11	1.0450
29	.00064	.00038	.0000	.1400	.0000	.000	12	1.0450
30	.00067	.00040	.0000	.0900	.0000	.000	13	1.0450
31	.00072	.00043	.0002	.0600	.0000	.000	14	1.0450
32	.00076	.00046	.0003	.0500	.0000	.000	15	1.0400
33	.00082	.00049	.0003	.0500	.0000	.000	16	1.0400
34	.00087	.00053	.0004	.0500	.0000	.000	17	1.0400
35	.00096	.00056	.0005	.0400	.0000	.000	18	1.0400
36	.00101	.00060	.0006	.0400	.0000	.000	19	1.0400
37	.00107	.00064	.0008	.0400	.0000	.000	20	1.0320
38	.00115	.00069	.0010	.0400	.0000	.000	21	1.0320
39	.00125	.00074	.0012	.0400	.0000	.000	22	1.0320
40	.00138	.00080	.0013	.0400	.0000	.000	23	1.0320
41	.00152	.00086	.0014	.0300	.0000	.000	24	1.0320
42	.00170	.00094	.0030	.0300	.0000	.000	25	1.0320
43	.00191	.00102	.0030	.0300	.0000	.000	26	1.0320
44	.00215	.00112	.0040	.0300	.0000	.000	27	1.0300
45	.00243	.00124	.0040	.0300	.0000	.000	28	1.0030
46	.00275	.00137	.0080	.0300	.0000	.000	29	1.0300
47	.00310	.00152	.0080	.0300	.0000	.000	30	1.0300
48	.00349	.00167	.0080	.0300	.0000	.000	31	1.0300
49	.00390	.00183	.0080	.0200	.0000	.000	32	1.0250
50	.00434	.00199	.0080	.0200	.0000	.000	33	1.0250
51	.00480	.00217	.0080	.0200	.0000	.000	34	1.0250
52	.00528	.00236	.0150	.0200	.0000	.000	35	1.0250
53	.00578	.00257	.0150	.0200	.0000	.000	36	1.0250
54	.00629	.00282	.0300	.0200	.0000	.500	37	1.0250
55	.00681	.00311	.0300	.0200	.5000	.500	38	1.0250
56	.00735	.00345	.0250	.0200	.3300	.120	39	1.0250
57	.00793	.00383	.0250	.0200	.3300	.120	40	1.0250
58	.00858	.00425	.0250	.0200	.3300	.120	41	1.0250
59	.00932	.00471	.0150	.0200	.3300	.120	42	1.0250
60	.01018	.00523	.0150	.0200	.3300	.120	43	1.0250
61	.01118	.00579	.0060	.0200	.3300	.020	44	1.0250
62	.01237	.00641	.0060	.0200	.5500	.020	45	1.0250
63	.01377	.00710	.0060	.0200	.5500	.020	46	1.0250
64	.01541	.00785	.0060	.0200	.4000	.020	47	1.0250
65	.01732	.00869	.0600	.0200	.4000	.020	48	1.0250
66	.01953	.00965	.0600	.0200	.4000	.020	49	1.0250
67	.02200	.01078	.0600	.0200	.4000	.020	50	1.0250
68	.02470	.01214	.0600	.0200	.4000	.020	51	1.0250
69	.02757	.01376	.0000	.0200	.2500	.020	52	1.0250
70	.03059	.01570	.0000	.0200	.2500	.020	53	1.0250
71	.03373	.01796	.0000	.0200	.2500	.020	54	1.0250
72	.03708	.02053	.0000	.0200	.2500	.020	55	1.0250
73	.04076	.02344	.0000	.0200	.2500	.020	56	1.0250
74	.04488	.02666	.0000	.0200	.9900	.020	57	1.0250

ACTUARIAL TABLES AND RATES (UNIVERSITIES)

Age	- Death Rates -		Disability	Termination	Retirement	DROP	Dur	Salary
	Male	Female	Rates	Rates	Rates	Rates		Scale
18	.00039	.00020	.0000	.0500	.0000	.000	1	1.0900
19	.00041	.00021	.0000	.0500	.0000	.000	2	1.0800
20	.00042	.00022	.0000	.0500	.0000	.000	3	1.0700
21	.00044	.00024	.0000	.0500	.0000	.000	4	1.0650
22	.00045	.00025	.0000	.0500	.0000	.000	5	1.0650
23	.00047	.00027	.0001	.0500	.0000	.000	6	1.0620
24	.00049	.00028	.0001	.0500	.0000	.000	7	1.0620
25	.00052	.00030	.0001	.1400	.0000	.000	8	1.0620
26	.00054	.00032	.0001	.1400	.0000	.000	9	1.0620
27	.00057	.00034	.0001	.1200	.0000	.000	10	1.0620
28	.00060	.00036	.0001	.1200	.0000	.000	11	1.0700
29	.00064	.00038	.0001	.1200	.0000	.000	12	1.0620
30	.00067	.00040	.0001	.1200	.0000	.000	13	1.0620
31	.00072	.00043	.0001	.1400	.0000	.000	14	1.0620
32	.00076	.00046	.0001	.1400	.0000	.000	15	1.0620
33	.00082	.00049	.0001	.1400	.0000	.000	16	1.0600
34	.00087	.00053	.0001	.1400	.0000	.000	17	1.0600
35	.00096	.00056	.0001	.1400	.0000	.000	18	1.0600
36	.00101	.00060	.0005	.0900	.0000	.000	19	1.0550
37	.00107	.00064	.0005	.0900	.0000	.000	20	1.0550
38	.00115	.00069	.0005	.0900	.0000	.000	21	1.0550
39	.00125	.00074	.0005	.0900	.0000	.000	22	1.0550
40	.00138	.00080	.0005	.0900	.1100	.000	23	1.0550
41	.00152	.00086	.0010	.0800	.1100	.000	24	1.0550
42	.00170	.00094	.0010	.0600	.1100	.000	25	1.0550
43	.00191	.00102	.0010	.0600	.1100	.000	26	1.0550
44	.00215	.00112	.0010	.0400	.1100	.000	27	1.0500
45	.00243	.00124	.0010	.0400	.1100	.000	28	1.0500
46	.00275	.00137	.0010	.0400	.0800	.000	29	1.0500
47	.00310	.00152	.0010	.0400	.0500	.000	30	1.0450
48	.00349	.00167	.0010	.0300	.0400	.000	31	1.0450
49	.00390	.00183	.0005	.0300	.0400	.000	32	1.0450
50	.00434	.00199	.0005	.0200	.0300	.000	33	1.0450
51	.00480	.00217	.0005	.0200	.0300	.050	34	1.0400
52	.00528	.00236	.0005	.0200	.0400	.100	35	1.0400
53	.00578	.00257	.0005	.0200	.0500	.100	36	1.0400
54	.00629	.00282	.0005	.0200	.0900	.100	37	1.0350
55	.00681	.00311	.0005	.0200	.1500	.200	38	1.0350
56	.00735	.00345	.0005	.0200	.1800	.050	39	1.0350
57	.00793	.00383	.0005	.0200	.2400	.050	40	1.0350
58	.00858	.00425	.0020	.0200	.3400	.050	41	1.0350
59	.00932	.00471	.0020	.0200	.2000	.060	42	1.0350
60	.01018	.00523	.0020	.0200	.2000	.090	43	1.0350
61	.01118	.00579	.0020	.0200	.2000	.020	44	1.0350
62	.01237	.00641	.0020	.0200	.2000	.020	45	1.0350
63	.01377	.00710	.0005	.0200	.2000	.020	46	1.0350
64	.01541	.00785	.0005	.0100	.2000	.020	47	1.0350
65	.01732	.00869	.0005	.0100	.3000	.020	48	1.0350
66	.01953	.00965	.0005	.0100	.3000	.020	49	1.0350
67	.02200	.01078	.0005	.0100	.3000	.020	50	1.0350
68	.02470	.01214	.0005	.0100	.3000	.020	51	1.0350
69	.02757	.01376	.0005	.0100	.3000	.050	52	1.0350
70	.03059	.01570	.0005	.0100	.3000	.020	53	1.0350
71	.03373	.01796	.0005	.0100	.3000	.020	54	1.0350
72	.03708	.02053	.0005	.0100	.5000	.060	55	1.0350
73	.04076	.02344	.0005	.0100	.5000	.060	56	1.0350
74	.04488	.02666	.0005	.0100	.9900	.060	57	1.0350

## Exhibit A

**AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY**  
**June 30, 2007**

<b>Date</b>	<b>Description</b>	<b>Amtz. Method</b>	<b>Amtz. Period</b>	<b>Initial Liability</b>	<b>Years Remain</b>	<b>Remaining Balance</b>	<b>Mid-Year Payment</b>
2003	Initial Liability	I	26	\$ 6,285,061,957	22	\$ 6,738,754,728	\$ 450,124,698
1993	Change in Liability	L	25	(838,057,486)	22	(802,091,743)	(77,075,133)
1994	Change in Liability	L	25	(285,027,105)	22	(272,794,995)	(26,213,598)
1995	Change in Liability	L	25	(11,255,751)	22	(10,772,704)	(1,035,178)
1996	Change in Liability	L	25	(227,335,061)	22	(217,578,840)	(20,907,731)
1997	Change in Liability	L	25	72,828,575	22	69,703,093	6,697,956
1998	Change in Liability	L	25	(312,542,081)	22	(299,129,149)	(28,744,117)
1999	Change in Liability	L	25	(361,354,605)	22	(345,846,854)	(33,233,346)
2000	Change in Liability	L	25	(672,461,184)	22	(643,602,107)	(61,845,442)
2001	Change in Liability	I	27	59,149,207	24	62,764,910	3,962,289
2002	Change in Liability	I	28	859,751,039	25	916,106,002	56,365,498
2003	Change in Liability	I	29	2,115,958,339	26	2,263,312,146	135,926,011
2004	Change in Liability	L	30	27,253,793	27	26,506,037	2,381,906
2005	Change in Liability	L	30	(230,622,183)	28	(226,573,065)	(20,155,736)
2006	Change in Liability	L	30	(470,579,056)	29	(466,611,647)	(41,127,297)
2007	Change in Liability	L	30	(485,035,058)	30	(485,035,058)	(42,390,712)
<b>Total Outstanding Balance</b>						<b>\$ 6,307,110,754</b>	<b>\$ 302,730,068</b>
<b>Employers Credit Balance</b>							
2003	Contribution Variance	L	5	9,730,820	1	2,266,260	2,357,891
2004	Contribution Variance	L	5	29,662,467	2	13,289,991	7,187,561
2005	Contribution Variance	L	5	(31,046,965)	3	(20,080,849)	(7,523,041)
2006	Contribution Variance	L	5	(17,430,843)	4	(14,474,417)	(4,223,696)
2007	Contribution Variance	L	5	(37,534,025)	5	(37,534,025)	(9,094,931)
<b>Total Credit Balance</b>						<b>\$ (56,533,040)</b>	<b>\$ (11,296,216)</b>
<b>Total Unfunded Actuarial Accrued Liability</b>						<b>\$ 6,250,577,714</b>	