

October 1, 2014

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, 2014. The format of this report was designed with the intent of highlighting the pertinent results of the valuation and funding requirements.

In preparing this valuation, we have relied upon the information provided by the System regarding plan provisions, plan membership data, plan assets and other matters as detailed in the exhibits of this report. In particular, we have relied upon the statement of assets provided by Hawthorn, Waymouth and Carroll, Certified Public Accountants. We did not audit the data or plan assets but reviewed for reasonableness and consistency with prior year data. Our review concluded that the data is reasonable and consistent with the prior year's data.

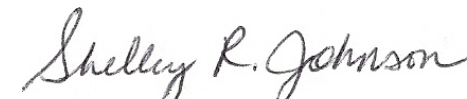
The present values shown herein have been estimated on the basis of the actuarial cost method specified in Louisiana Revised Statutes Title 11 Section 22(13). All actuarial assumptions have been adopted by the Board of Trustees and are reasonable and appropriate for the purposes of this valuation, unless otherwise stated herein. However, the use of another set of assumptions and methods could also be reasonable and could produce materially different results. Actual results may vary from assumptions used to prepare the valuation.

Exhibits 3A and 3B contain disclosures of the accrued liabilities required by the Governmental Accounting Standards Board Statements 25, 27 and 67. This report has been prepared in accordance with actuarial standards of practice, and to the best of our knowledge, fairly reflects the actuarial present value of accrued benefits of the Teachers' Retirement System of Louisiana.

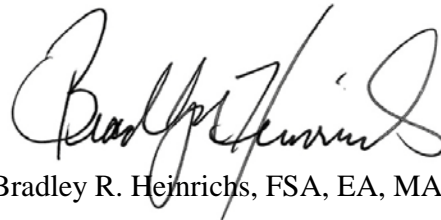
Shelley is an Associate in the Society of Actuaries and Brad is a Fellow in the Society of Actuaries. Shelley and Brad are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

FOSTER & FOSTER INC.



Shelley R. Johnson, ASA, MAAA



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SUMMARY OF VALUATION RESULTS

	June 30, 2014	June 30, 2013	June 30, 2012
I. Membership Census			
1) Retirees	73,195	71,031	67,657
2) Actives	82,886	82,910	84,513
3) DROP	2,291	2,451	2,637
4) Terminated Vested	6,336	5,991	6,439
II. Annual Benefits	\$1,744,088,016	\$1,644,237,684	\$1,548,631,764
III. Current Payroll			
Regular Teachers	3,204,777,925	3,155,147,352	3,220,120,617
Higher Education	534,984,836	546,602,349	562,139,355
Lunch A	1,582,879	1,755,008	2,610,172
Lunch B	23,609,087	22,821,041	23,890,450
Total	3,764,954,727	3,726,325,750	3,808,760,594
IV. Valuation Assets	16,145,772,807	14,669,155,950	13,584,408,961
V. Investment Yield			
Market Value (Total Assets)	18.44%	12.57%	-0.39%
Market Value (Excl LaDROP Assets)	18.90%	12.79%	-0.32%
Actuarial Value	13.14%	13.41%	5.05%
DROP	12.64%	12.91%	4.55%
VI. Experience Account	218,148,161	219,736,906	0
VII. Total Normal Cost ¹	459,658,120	485,140,427	521,143,768
Total Normal Cost -% of Payroll ¹	12.21%	13.02%	13.68%
Employer Normal Cost (% of Payroll)	4.23%	5.04%	5.22%
VIII. Unfunded Actuarial Accrued Liability	11,973,763,757	11,348,552,354	10,955,670,910
IX. Funded Percentage	57.4%	56.4%	55.4%
X. Funding Requirements (Mid-year Pmt)			
1) Employee Contribution ²	306,132,676	302,615,214	312,565,974
2) Employer Contribution	1,158,523,507	1,155,693,972	1,088,298,250
Aggregate Rate (Current Year) ³	27.0%	27.3%	25.0%
3) Projected Employer Contribution	1,162,619,515	1,208,736,413	1,211,086,287
Aggregate Rate (Next Year) ⁴	26.2%	27.7%	27.1%

The above funding requirements measure the cost of benefits that were in effect on June 30, 2014, and Acts of the 2014 Regular Legislative Session.

¹ Excludes projected administrative expenses beginning June 30, 2013. This is a reporting change, not a funding change.

² Member Contributions: Regular and Higher Ed – 8.0%, Lunch Plan A – 9.10%, Lunch Plan B – 5.00%

³ Reflects the restated aggregate employer contribution rate for the fiscal year following the valuation, as determined by the current year valuation.

⁴ Reflects the projected aggregate employer contribution rate for fiscal year that begins one year after the valuation date.

Projected Contribution Rates by Plan:

Act 716 of 2012 requires the employer contribution rate to be individually determined for each plan type as defined within the Act beginning with Fiscal Year 2012/2013. The term “plan” is used to define each employer group defined in the Act, and not to imply that each group has a separate plan of benefits. The normal cost portion of each plan’s employer contribution rate varies based upon that plan’s benefits, member demographics, and the rate contributed by employees. The shared UAL contribution rate is determined in aggregate for all plans. The UAL established due to a specific plan or group of plans due to legislation will be allocated entirely to that plan or those plans.

The recommended employer rates by plan are as follows:

	Recommended Employer Rate for FY 15/16					
	Total Normal Cost Rate	Employee Normal Cost Rate	Employer Normal Cost Rate	Shared UAL Rate	Particularized UAL Rate	Total Employer Contribution Rate
Regular Teachers	12.4%	8.0%	4.3564%	22.0%	0.0%	26.3%
Higher Education	11.3%	8.0%	3.3226%	22.0%	0.0%	25.3%
Lunch Plan A	18.4%	9.1%	9.2683%	22.0%	0.0%	31.3%
Lunch Plan B	11.8%	5.0%	6.8485%	22.0%	0.0%	28.8%
Aggregate Rate	12.2%	8.0%	4.2272%	22.0%	0.0%	26.2%

The variation in normal cost by plan reflects differences in benefits, actuarial assumptions, and member demographics based on the entry age normal cost method. A reconciliation from the prior year’s projected rate is included below.

Changes in Funding Requirements and UAL

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 present value cost of benefits allocated to the current year. The normal cost is divided into the employee portion and the employer portion, both expressed as a percentage of payroll. Statutes provide for the amortization of the IUAL and subsequent changes in benefits, methods and gain/loss experience.

Changes in the required contribution are generally the result of gains or losses resulting from actual experience differing from expected plan experience, expected changes in the UAL payment due to statutory requirements, and changes in actuarial assumptions or methods. Changes in the employer contribution rate are impacted by both the change in the total dollar required contribution and by the total aggregate payroll for active members.

The decrease in contribution requirements is due mainly to significant investment experience gains relative to the assumed rate and an experience gain relative to all other actuarial assumptions. These gains largely offset the increased contribution requirements resulting from the decrease in discount rate and change in cost method.

The current actuarial valuation discloses an increase in the value of the plan's unfunded accrued liability (UAL), due mainly to the change in discount rate and cost method. The increase in UAL was partially offset by investment experience gains and an experience gain from other actuarial assumptions.

The change in the projected employer contribution rate and unfunded accrued liability is detailed in the tables below.

The total of the items contributing to the contribution rate change may not exactly equal the actual contribution rate change due to rounding and since the items impacting the rate do not operate in isolation of each other, hence are not additive.

Aggregate Contribution Rate Change from FY 14/15 to FY 15/16

Normal Cost	
Demographic Change	-0.2%
Discount Rate Change	0.5%
Cost Method Change	-1.2%
UAL Payment	
Investment Experience Gain	-2.9%
Other Experience Gain	-0.3%
Experience Account Allocation	0.4%
Statutory UAL Payment Increase	0.9%
Contribution Variance Payment Change	-0.9%
Assumption Change (Discount Rate)	0.8%
Cost Method Change to Entry Age Normal	1.9%
Payroll Change	-0.3%
Total	-1.4%
Actual Contribution Rate Change	-1.5%

Change In Unfunded Actuarial Accued Liability

Unfunded Liability - June 30, 2013		\$ 11,348,552,354
Interest on Unfunded Liability	\$ 907,884,188	
Employer Amortization Payment	(1,002,562,287)	
Legislative Appropriation	(5,578,791)	
Contribution Variance	(40,289,648)	
Net Investment Experience Gain ¹	(694,332,805)	
Other Experience Gain	(162,364,784)	
Permanent Benefit Increase	200,806,602	
Experience Account Disbursement	(200,806,602)	
Experience Account Allocation	170,334,888	
Assumption Change (Discount Rate)	570,933,583	
Cost Method Change to Entry Age Normal	881,187,059	
Total Change		625,211,403
Unfunded Liability - June 30, 2014		\$ 11,973,763,757

¹ Net of interest credited to DROP accounts

The aggregate employer contribution rate established by the Public Retirement Systems' Actuarial Committee for the 2014/2015 plan year was 27.7%. The restated employer contribution rate determined by this valuation for the 2014/2015 plan year is 27.0%. Therefore, an employer contribution surplus of 0.7% is expected in next year's valuation.

Legislative/Plan Changes

Act 104 of 2014 provides for a 1.5% permanent benefit increase, calculated on the first \$93,755 of a recipient's benefit for eligible members, effective July 1, 2014. All retirees must have been retired by June 30, 2013 to be eligible. Regular retirees must be at least age 60. There is no age requirement for disability retirees. Non-retiree beneficiaries are eligible if the retiree would have attained age 60 by June 30, 2014.

Act 226 of 2014 establishes new retirement eligibility requirements for members whose first employment making them eligible for membership in one of the state systems occurred on or after July 1, 2015. These member are eligible for a regular retirement benefit at age 62 with five years of service credit. These members may also retire with an actuarial reduction with 20 years of service credit at any age.

Act 399 of 2014 provides for substantial changes to the amortization of UAL schedules resulting from future investment experience gains, credits to the experience account and limits to future PBIs. Currently, the first \$200 million of investment experience gains, referred to in this report as "threshold allocation" is used to reduce the OAB and EAAB UAL schedules before any funds are allocated to the experience account or used to establish a new UAL credit 30 year amortization schedule. For the June 30, 2014 valuation only, the "threshold allocation" will be reduced to the first \$100 million and any additional gains not allocated to the experience account will be amortized with level payments over a 5 year period. For all future valuations until the system is 85% funded, the OAB and EAAB will not be re-amortized after application of the "threshold allocation" or overpayment of contributions. Beginning June 30, 2015, the maximum threshold amounts will increase annually by the percentage increase in the actuarial value of assets. Beginning June 30, 2019, gains allocated to the experience account will be amortized as a loss with level payments over 10 years, rather than current practice of reducing the investment gain that is amortized over 30 years. Once the system attains an 85% funded ratio, all future gains and losses will be amortized over 20 years. The Act extends the application of and provides for the determination of the "threshold allocations" after the OAB and EAAB are paid off. Future credits to the experience account and future benefit increase percentages will be limited based on the funded ratio of the system. Future benefit increases will apply only to the first \$60,000, indexed to the CPI-U, of a retiree's benefit. Increases can be granted at most every other year until the system is 85% funded.

Act 571 of 2014 changes the actuarial cost method from projected unit credit to entry age normal, effective when the Public Retirement Systems Actuarial Committee first approves a valuation using this method.

Act 607 of 2014 provides that beginning July 1, 2014 and continuing through FY 2017/18, employers of Optional Retirement Plan participants may contribute to the participants' accounts an amount greater than or equal to the actuarially determined employer normal cost rate, which was the basis for the previously required contribution. Beginning July 1, 2018, the minimum employer contribution to an ORP participant's account will be 6.2%.

Act 55 of 2014, Section 1, appropriates a percentage of nonrecurring revenue in accordance with the Constitution Article VII, Section 10(D)(2)(b)(ii) and requires the funds to be used to reduce the IUAL. The funds will be used to reduce the Original Amortization Base.

Actuarial Assets/Valuation Assets

Because the market value of assets can be volatile from one year to the next, an asset valuation method is generally used to adjust the market value of assets to smooth the effects of short-term volatility. The adjusted

asset value is called the actuarial value of assets. The method gradually recognizes investment gains and losses relative to the assumed rate over five years.

The gross actuarial value of assets represents the total assets to fund all liabilities of the pension plan as well as side-fund accounts dedicated for other purposes. The valuation assets exclude the side-fund accounts for purposes of determining the employer contribution rate as illustrated in Exhibit 2.

The side-fund accounts excluded from valuation assets are as follows:

- **Employer Credit Account:** This account, established by Act 588 of 2004, is credited with the excess of the contributions at the statutory minimum rate of 15.5% over the Actuarially Required Contribution (ARC). The account continues to have a zero balance.
- **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 \$1,933,057.
- **Experience Account Fund:** The account is used to fund permanent benefit increases for retirees. Fifty percent of any excess return above \$200,000,000 (indexed to positive changes in the actuarial value of assets, beginning June 30, 2015) will be credited to the Experience Account, subject to the restrictions provided in Act 399 of 2014, described in Exhibit 5 of this report. Based on the current funded ratio, the account balance is currently restricted to the reserve needed to fund one 1.5% permanent benefit increase, which results in a maximum balance of \$218,148,161.

Plan Experience

The actuary is charged with recommending actuarial assumptions based on the best estimate of future plan experience to properly fund future benefits. These assumptions, which are adopted by the Board of Trustees, are detailed in Exhibit 6 of the valuation report. The results of the actuarial valuation are dependent on the actuarial assumptions used. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. If the actual experience differs from the projected experience, a gain or loss occurs.

Economic/Investment Experience

For the plan year ending June 30, 2014, the realized actuarial rate of return of 13.14% exceeded last year's assumed rate of 8.00%, used to discount benefits. This return is based upon the June 30, 2014 actuarial value of assets. The result was a net investment experience gain of \$694,332,805 relative to projected investment income, net of the interest to be credited to DROP accounts and side funds.

Per Act 399, for the June 30, 2014 valuation only, if the actuarial return exceeds the assumed rate, the first \$50,000,000 of investment gains will be used to reduce the OAB, without re-amortization. The next \$50,000,000 of investment gains will be used to reduce the EAAB, without re-amortization. The next \$100,000,000 will be amortized over a five year period. Any remaining gain will be divided 50/50, with the first 50% credited to the Experience Account up to the cap. Any funds existing after the cap will be amortized over 5 years as an employer credit. The second 50% of the remaining gain will be amortized over 5 years as an employer credit.

The historical geometric average rates of return on the actuarial value of assets, net of investment expenses, for plan years ending June 30 are as follows:

	Actuarial Rate of Return		Geometric Average
2010	-0.89%	5 Year	7.30%
2011	6.44%	10 Year	6.74%
2012	5.05%	20 Year	7.49%
2013	13.41%	25 Year	8.08%
2014	13.14%	30 Year	8.60%

Demographic Experience and Salary Assumptions:

Demographic assumptions include rates of retirement/DROP, rates at which members become disabled, turnover rates, mortality rates, and several other demographic assumptions. Salary assumptions anticipate future salary increases. During the 2013/2014 plan year, the system incurred an experience gain of \$162,364,784 from plan experience differing from that anticipated by the demographic and salary assumptions. The experience gain includes a reduction for administrative expenses, as described below.

Change in Actuarial Assumptions:

The Board of Trustees adopted a change in discount rate from 8.00% to 7.75%, which increased the actuarial accrued liability by \$570,933,583. These changes will be amortized with 30 year level dollar payments. Future investment losses relative to the assumed rate will decrease as a result of this assumption change.

Change in Actuarial Cost Method:

The change in actuarial cost method from projected unit credit to entry age normal shifted costs from future normal cost to actuarial accrued liability. The resulting increase in actuarial accrued liability of \$881,187,059 will be amortized with 30 year level dollar payments and will be offset with a corresponding decrease in the present value of future normal costs.

Funding of Administrative and Investment Expenses

The employer contribution rate is determined in accordance with R.S. 11 Section 102, which by omission of language regarding the funding of administrative expenses precludes funding of these expenses by a direct allocation through the employer contribution rate. These expenses are instead funded through the employer rate with the 30 year amortization of the experience loss. Exhibit 6 provides further explanation regarding the impact of administrative expenses on plan assumptions/experience. Investment manager fees are treated as a direct offset to investment income.

Funding of Future Post Retirement Benefit Increases

The liability for previously granted benefit increases is included in the retiree reserve. Louisiana law pertaining to TRSL retiree benefit increases provides for the funding of future increases by requiring the automatic transfer of a portion of excess investment earning to the Experience Account. The law does not provide for automatic

benefit increases. Many conditions must be met before an increase can be granted, as described in the Post Retirement Increases section of the Summary of Plan Provisions in Exhibit 5 of this report. The legislature and governor have the ultimate authority as to whether or not a future increase will be granted. Since a portion of investment earnings will be used to fund these benefits, which are not accrued benefits of the plan, the accrued benefits are discounted using a net discount rate. The net discount rate is determined as the gross expected long-term return less investment expenses and the expected return used to provide for future retiree benefit increases. The expected return used to determine the value of gain-sharing reflects TRSL's specific gain sharing provisions: 50% of investment gains, determined using the actuarial value of assets, above the statutory threshold of \$200 million, indexed to increases in the actuarial value of assets. Transfers to the Experience Account are limited based upon the maximum account balance of this fund, which has been significantly decreased by Act 399 of 2014. While the liabilities in this report do not explicitly include liabilities for future retiree benefit increases (not yet granted), the assumptions recognize that investment earnings will be diverted to fund benefits other than plan accrued benefits. Therefore, employer contributions include the value of TRSL provisions for future retiree benefit increases. This disclosure is provided in accordance with Actuarial Standards of Practice No. 4.

Future Funding as a Percentage of Payroll

The employer pays a percentage of the normal cost plus a dollar amount sufficient to amortize the unfunded liability. Per constitutional provisions, the employer contribution rate cannot drop below 11.8%, without regard to employer credits, and without a corresponding adjustment to the employee contribution rate. Per statutory provisions, the employer contribution rate cannot drop below 15.5%.

Normal Cost - Act 992 of 2010 revised benefits for TRSL members (excluding Lunch Plan members) whose first employment makes them eligible for membership in a Louisiana State retirement system on or after January 1, 2011. These members are eligible for regular retirement after attaining age sixty with at least five years of service credit and eligible for disability retirement after accruing ten years of service credit, a change from the five year requirement for all other members. Final average compensation is based on the highest sixty months, versus thirty-six months for all other member. Membership in this plan will gradually increase as current members retire or terminate service and new members enroll. The ultimate expected normal cost rate reduction, once all members are enrolled in the new plan, is 1.30% of pay. The savings will be realized gradually as the membership in this plan increases.

UAL Payments - Future payments to amortize the Original Amortization Base (which includes the Initial Unfunded Accrued Liability), the Experience Account Amortization Base will increase as shown in the following table, as required by Act 497 of 2010. All other schedules are paid with level payments.

<u>Plan Year</u>	<u>Original Amortization Base</u>	<u>Experience Account Amortization Base</u>
2015/2016 – 2017/2018	6.5%	6.5%
2018/2019 +	2.0%	Level Payments

If aggregate payroll increases at the same rate as the increase in amortization payments, this would allow the employer contribution rate attributable to the amortization payments to maintain a level percentage of payroll. The aggregate UAL payments for all schedules is shown in exhibit 7-C.

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

Normal Costs and Accrued Liabilities are calculated in accordance with the Entry Age Normal cost method for 2014 and the Projected Unit Credit Actuarial cost method for 2013, and the Actuarial Assumptions outlined in Exhibit 6 based on the Provisions of the Plan as summarized in Exhibit 5.

	June 30, 2014		---- Prior Year ---- June 30, 2013	
	Dollar Amount	% of Salary	Dollar Amount	% of Salary
I. Normal Costs (annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	307,195,523	8.16%	376,149,702	10.09%
b) Disability Benefits	13,943,741	0.37%	12,346,039	0.33%
c) Survivor Benefits	10,441,698	0.28%	9,953,472	0.27%
d) Voluntary Termination	128,077,158	3.40%	86,691,214	2.33%
TOTAL	459,658,120	12.21%	485,140,427	13.02%
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	7,636,213,675		6,089,231,315	
2) Disability Benefits	140,404,692		142,775,895	
3) Survivor Benefits	130,419,326		117,858,857	
4) Voluntary Termination	198,762,939		593,646,964	
	8,105,800,632		6,943,513,031	
b) Retired and Inactive Members				
1) Regular Retirees	15,228,268,802		14,316,669,060	
2) Disability Benefits	404,777,470		381,873,693	
3) Survivors	966,519,254		880,416,660	
4) Vested Deferred ¹	283,268,457		257,044,615	
5) Contributions Refunded ²	120,652,526		118,843,083	
6) DROP Deferred Benefits	1,873,717,151		1,970,606,145	
7) DROP Account Balances	1,136,532,272		1,148,742,017	
	20,013,735,932		19,074,195,273	
c) Total	28,119,536,564		26,017,708,304	

¹ Includes pending Retirement/DROP applications.

² Includes terminated employee and rehired retiree contributions to be refunded.

Exhibit 1 (Continued)
Costs, Liabilities & Contributions

	June 30, 2014	---- Prior Year ---- June 30, 2013
II. Actuarial Accrued Liability	28,119,536,564	26,017,708,304
III. Valuation Assets	16,145,772,807	14,669,155,950
IV. Unfunded Actuarial Accrued Liability ¹	11,973,763,757	11,348,552,354
a) Change over prior year	625,211,403	392,881,444
b) Funded Percentage	57.4%	56.4%
V. Employer Contributions		
To Fund Current Plan Year ¹		
a) Employer Portion of Normal Cost	162,132,838	190,977,962
b) Amortization Payments	932,166,506	911,127,344
c) Prior Contribution Variance	64,224,163	53,588,666
Total Required Contribution	<u>1,158,523,507</u>	<u>1,155,693,972</u>
Total Contribution Rate	27.0%	27.3%
PERSAC Approved rate ¹	27.7%	27.1%
Aggregate Employer Normal Cost Rate	4.2272%	5.0371%
VI. Projected Employer Contributions		
To Fund Next Plan Year ¹		
a) Employer Portion of Normal Cost	167,499,024	196,882,998
b) Amortization Payments	966,861,849	944,321,418
c) Prior Contribution Variance	28,258,642	67,531,997
Total Required Contribution	<u>1,162,619,515</u>	<u>1,208,736,413</u>
Total Contribution Rate	26.2%	27.7%
Projected Aggregate Employer Normal Cost Rate determined using the Entry Age Normal Cost Method	4.2272%	5.0371%
VII. Current Payroll	3,764,954,727	3,726,325,750
Projected Payroll - Mid Year	3,835,455,925	3,791,250,659
Projected Payroll - Next Year	3,962,399,789	3,908,476,069
ORP - Salary Adjustment Factor ²	1.14232	1.14051

¹ 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%.

² 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, 2014	June 30, 2013	June 30, 2012
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 326,007,091	\$ 327,767,936	\$ 333,908,454
Employer	1,084,221,275	980,403,146	974,089,064
Legis Appropriations	5,578,791	0	0
Other Appropriations	48,165	43,000	44,944
ORP - Unfunded	124,874,274	111,013,985	107,420,377
LSU Coop/Ext	2,028,819	2,059,554	1,903,781
Miscellaneous	1,265,971	1,963,081	1,179,565
TOTAL CONTRIBUTIONS	1,544,024,386	1,423,250,702	1,418,546,185
2. Investment Income			
Investments	2,853,792,892	1,787,459,766	-25,752,161
Less Advisor Fees	-35,729,758	-32,476,075	-30,488,685
TOTAL INVESTMENT INCOME	2,818,063,134	1,754,983,691	-56,240,846
3. Total Revenues	4,362,087,520	3,178,234,393	1,362,305,339
<u>OPERATING EXPENSES:</u>			
1. General Administration ¹	17,200,014	17,284,820	18,424,626
Other Expenses	322,881	377,149	440,291
2. Benefits Paid			
Pension Benefits	1,877,113,903	1,800,166,804	1,682,528,254
Return of Contrib.	57,652,124	59,152,481	49,139,028
TOTAL BENEFITS PAID	1,934,766,027	1,859,319,285	1,731,667,282
3. Total Expenses	1,952,288,922	1,876,981,254	1,750,532,199
<u>NET MARKET VALUE INCREASE:</u>	2,409,798,598	1,301,253,139	-388,226,860

¹ The 2012, 2013, and 2014 General Administration operating expense includes \$1,050,097, \$974,146, and 1,047,832, respectively, for Other Post-Employment Benefits (OPEB).

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

ASSETS:	June 30, 2014	June 30, 2013	June 30, 2012
1. Short Term Assets			
Cash in Banks	\$ 205,397,273	\$ 199,799,910	\$ 198,662,009
Short Term Securities	871,504,691	1,005,978,360	884,290,767
2. Bonds			
Domestic issues	1,770,055,139	1,611,411,082	1,477,406,933
Foreign Issues	1,667,920,752	1,162,848,924	972,447,063
3. Equities (at market)			
Domestic	5,201,856,937	4,322,095,263	3,794,815,270
International	3,688,369,407	3,148,691,961	2,904,306,050
Private Equity	4,312,950,822	3,927,445,271	3,874,754,802
4. Other Assets			
Fixtures/Properties	4,100,275	4,027,869	4,148,693
Receivables less Payables	177,880,162	107,938,220	78,152,134
TOTAL ASSETS - Market Value	17,900,035,458	15,490,236,860	14,188,983,721
Cost Value	15,888,301,968	14,874,504,768	14,323,159,913

ACTUARIAL VALUE OF ASSETS

The market value of assets gradually recognizes investment gains and losses relative to the net assumed investment return, over a 5 year period in 20% increments. The adjusted asset value is subject to Corridor Limits of 80% to 120% of the Market Value of Assets.

Plan Year	Asset G/L	Deferred %	Deferred \$
2011	\$ 1,970,321,330	20%	\$ 394,064,266
2012	(1,245,166,296)	40%	(498,066,518)
2013	603,108,919	60%	361,865,351
2014	1,595,397,918	80%	1,276,318,334
			\$ 1,534,181,433
Market Value of Assets			\$ 17,900,035,458
Deferred Asset G/L			1,534,181,433
Preliminary Actuarial Value of Assets			\$ 16,365,854,025
CORRIDOR LIMITS			
Minimum = 80% of Market Value			\$ 14,320,028,366
Maximum = 120% of Market Value			21,480,042,550
Actuarial Value of Assets			\$ 16,365,854,025

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

---- Prior Years ----

	June 30, 2014	June 30, 2013	June 30, 2012
<u>EMPLOYER CREDIT ACCOUNT</u>¹:			
Prior Year Ending Balance	\$ -	\$ -	\$ -
+ Contributions	-	-	-
- Disbursements	-	-	-
+ Accumulated Interest	-	-	-
Account Balance - Year End	-	-	-
<u>LSU AG/EXT SERVICE:</u>			
Prior Year Ending Balance	\$ 1,322,042	\$ 638,773	\$ 280,197
+ Contributions	2,028,819	2,059,554	1,903,781
- Benefit Disbursements	1,746,982	1,632,154	1,615,226
+ Accumulated Interest	329,178	255,869	70,021
Account Balance - Year End	1,933,057	1,322,042	638,773
<u>EXPERIENCE ACCOUNT FUND:</u>			
Prior Year Ending Balance	\$ 219,736,906	\$ -	\$ -
+ Experience Account Allocation	170,334,888	219,736,906	-
- Benefit Disbursements	200,806,602	-	-
+ Accumulated Interest	28,882,969	-	-
Fund Balance - Year End	218,148,161	219,736,906	-
<u>DEVELOPMENT OF VALUATION ASSETS:</u>			
Actuarial Value of Assets	\$ 16,365,854,025	\$ 14,890,214,898	\$ 13,585,047,734
- Employer Credit Account	-	-	-
- LSU Ag/Ext Service Account	1,933,057	1,322,042	638,773
- Experience Account Fund	218,148,161	219,736,906	-
Valuation Assets	16,145,772,807	14,669,155,950	13,584,408,961

¹ The Employer Credit Account was created by Act 588 of 2004.

EXHIBIT 3A**GASB STATEMENT NOS. 25 and 27 FINANCIAL REPORTING**

The Governmental Accounting Standards Board Statement No. 25 establishes financial reporting standards for defined benefit pension plans for all state and local governmental entities. Statement No. 27 establishes financial reporting standards for employers regarding these plans. The required actuarial disclosures are illustrated below. Although Statement No. 25 is no longer effective, the disclosures are provided for the convenience of the users of this report. Liabilities were developed using the Projected Unit Credit cost method for all years prior to 2014 and using the Entry Age Normal Cost Method for 2014.

SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets ¹ (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) ² (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll (b-a)/(c)
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%
2008	15,507,834	22,090,516	6,582,683	70.2%	3,675,014	179.1%
2009	13,500,766	22,839,411	9,338,645	59.1%	3,912,326	238.7%
2010	12,868,484	23,674,842	10,806,358	54.4%	3,977,819	271.7%
2011	13,286,295	24,096,754	10,810,459	55.1%	3,902,647	277.0%
2012	13,584,409	24,540,080	10,955,671	55.4%	3,808,761	287.6%
2013	14,669,156	26,017,708	11,348,552	56.4%	3,726,326	304.6%
2014	16,145,773	28,119,537	11,973,764	57.4%	3,764,955	318.0%

The total actuarial accrued liability increased by \$2,101,828,259 from June 30, 2013, to June 30, 2014. There was a net experience gain to the system from all sources of \$856,697,589. The UAAL increased by \$570,933,583 due to change in plan assumptions and \$881,187,059 due to a change in cost method from projected unit credit to entry age normal. A portion of the increase in assets due to investment earnings was allocated to the Experience Account rather than to reduce the unfunded actuarial accrued liability. See page 4 for complete allocation of change in UAAL.

¹ The Actuarial Value of Assets for GASB reporting includes the Employer Credit Account Assets, if any, in the Valuation Assets (see page 12).

² UAAL differs from the UFAL for funding purposes. UAAL for funding purposes excludes the Employer Credit Account Assets, if any (see page 12).

EXHIBIT 3A (Continued)
Pension Accounting & Financial Disclosure

SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year	Actuarial Required Contribution	Percentage of ARC Contributed	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
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
2008	637,097,695	116.2%	644,186,660	740,511,169	115.0%	-152,857,540
2009	697,190,561	106.4%	724,857,452	741,595,487	102.3%	-169,595,575
2010	904,382,657	83.5%	949,341,710	755,446,587	79.6%	24,299,548
2011	1,086,319,774	90.2%	1,101,899,846	980,393,924	89.0%	145,805,469
2012	1,120,095,898	100.0%	1,121,770,185	1,127,265,199	100.5%	133,141,155
2013	1,149,134,132	99.0%	1,133,723,118	1,137,733,532	100.4%	128,539,274
2014	1,218,397,771	99.0%	1,213,900,447	1,258,687,418	103.7%	42,841,794

Employers pay 100% of the required contribution based on a projected ARC and a projected percentage of pay, which is determined following statutory requirements. The percentage of ARC contributed provides a general indication of the funding progress for the liabilities of the TRSL. Since the actual amount paid is based upon a contribution rate, which is projected one year beyond the rate for which the actual ARC is determined, the resulting contribution variance between the ARC and the amount paid based on the required employer rate can be either a credit or deficit. If it is a deficit, the deficit is amortized with level dollar payments over a five year period and paid through future employer contributions. If it is a surplus, the surplus is used to reduce and re-amortize the existing UAL schedules, specifically, the EAAB.

The Actuarial Required Contribution and the Annual Pension Cost are interest adjusted at the valuation rate to the end of the fiscal year. Calculations are in accordance with GASB's Statement No 27, paragraph 21. Amortization of the majority of the Net Pension Obligation is shown in Exhibit A-1. Some credits are amortized with the EAAB, as required by law.

DEVELOPMENT OF NET PENSION OBLIGATION:

(1) Actuarial Required Contribution	1,218,397,771
(2) Interest on Net Pension Obligation	10,283,142
(3) Amortization of Net Pension Obligation	<u>55,690,975</u>
(4) Annual Pension Cost (1)+(2)-(3)	1,172,989,938
(5) Employer Contribution	1,258,687,418
(6) Increase (decrease) in Net Pension Obligation	-97,468,662
(7) Net Pension Obligation Beginning of Year	140,310,456
(8) Net Pension Obligation End of Year (6)+(7) ¹	42,841,794

¹ The Net Pension Obligation does not match the outstanding balance of the contribution variance shown in Exhibit 7-A since a portion of the change in Net Pension Obligation is amortized with the EAAB.

EXHIBIT 3A (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 ¹	Investment Income	Total
2005	270,619,181	564,922,509	1,138,249,695	1,973,791,385
2006	258,412,024	579,277,431 ²	1,740,872,434	2,578,561,889
2007	282,326,101	593,819,853	2,622,473,864	3,498,619,818
2008	323,678,452	753,661,042 ³	-793,655,054	283,684,440
2009	344,547,871	714,703,222	-3,287,852,517	-2,228,601,424
2010	347,114,632	726,567,699	1,289,304,693	2,362,987,024
2011	342,323,329	943,678,941	2,945,993,096	4,231,995,366
2012	333,908,454	1,084,637,731	-56,240,846	1,362,305,339
2013	327,767,936	1,095,482,766	1,754,983,691	3,178,234,393
2014	326,007,091	1,218,017,295 ⁴	2,818,063,134	4,362,087,520

Expenses by Type				
Fiscal Year	Benefits	Refunds	Administrative Expenses	Total
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
2008	1,383,381,577	34,285,358	18,498,003 ⁵	1,436,164,938
2009	1,464,106,312	33,939,436	19,321,250	1,517,366,998
2010	1,532,526,141	40,210,177	19,100,619	1,591,836,937
2011	1,615,778,191	42,248,487	18,189,491	1,676,216,169
2012	1,682,528,254	49,139,028	18,864,917	1,750,532,199
2013	1,800,166,804	59,152,481	17,661,969	1,876,981,254
2014	1,877,113,902	57,652,124	17,522,895	1,952,288,921

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

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

³ Includes \$40,000,000 legislative appropriation from Act 7 of 2008 (2nd Extraordinary Session).

⁴ Includes \$5,578,791 legislative appropriation from Act 55 of 2014.

⁵ Includes OPEB expense, beginning in 2008.

EXHIBIT 3B**GASB STATEMENT NO. 67 FINANCIAL REPORTING**

The Governmental Accounting Standards Board Statement No. 67, which has replaced Statement 25, establishes financial reporting standards for state and local governmental pension plans that are administered through trusts or equivalent arrangements. The required actuarial disclosures are illustrated below. The Plan Fiduciary Net Position is the Market Value of Assets used for the funding valuation. The Total Pension Liability was developed using the Entry Age Normal cost method.

SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Total Pension Liability	\$ 28,119,536,563	\$ 27,427,723,603
<u>Plan Fiduciary Net Position¹</u>	<u>\$ 17,898,102,401</u>	<u>\$ 15,488,914,818</u>
Employers' Net Pension Liability	\$ 10,221,434,162	\$ 11,938,808,785
 Plan Fiduciary Net Position as a percentage of Total Pension Liability	 63.7%	 56.5%
 Covered Employee Payroll	 \$ 3,764,954,727	 \$ 3,726,325,750
 Net Pension Liability as a percentage of Covered Payroll	 271.5%	 320.4%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year	Actuarial Determined Contribution	Contributions in Relation to Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2005	555,169,630	586,216,595	(31,046,965)	3,132,169,323	18.7%
2006	555,342,400	572,773,243	(17,430,843)	2,892,959,473	19.8%
2007	578,895,501	616,429,526	(37,534,025)	3,224,562,742	19.1%
2008	637,097,695	740,511,169	(103,413,474)	3,675,013,831	20.1%
2009	697,190,561	741,595,487	(44,404,926)	3,912,326,326	19.0%
2010	904,382,657	755,446,587	148,936,070	3,977,819,262	19.0%
2011	1,086,319,774	980,393,924	105,925,850	3,902,646,534	25.1%
2012	1,120,095,898	1,127,265,199	(7,169,301)	3,808,760,594	29.6%
2013	1,149,134,132	1,137,733,532	11,400,600	3,726,325,750	30.5%
2014	1,218,397,771	1,258,687,418	(40,289,647)	3,764,954,727	33.4%

¹ Plan Fiduciary Net Position excludes side-fund assets held for the LSU Agriculture and Extension Service

EXHIBIT 3B (Continued)
Pension Accounting & Financial Disclosure

SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY

	2014
Total Pension Liability	
Service Cost	462,730,192
Interest	2,086,494,384
Changes of Benefit Terms	200,806,602
Differences Between Expected and Actual Experience	(122,326,978)
Changes of Assumptions	-
Retirement Benefits	(1,877,113,903)
Refunds and Transfers of Member Contributions	(58,777,337)
Net Change in Total Pension Liability	691,812,960
Total Pension Liability - Beginning	27,427,723,603
Total Pension Liability - Ending (a)	\$ 28,119,536,563
Plan Fiduciary Net Position	
Employer Contributions	1,212,497,566
Employee Contributions	326,007,091
Net Investment Income	2,815,090,995
Other Income	7,880,853
Retirement Benefits	(1,877,113,903)
Refunds and Transfers of Member Contributions	(58,777,337)
Administrative Expense	(15,026,969)
Other Postemployment Benefit Expenses	(1,047,832)
Depreciation and Amortization Expenses	(322,881)
Net Change in Plan Fiduciary Net Position	2,409,187,583
Plan Fiduciary Net Position - Beginning	15,488,914,818
Plan Fiduciary Net Position - Ending (b)	\$ 17,898,102,401
Net Pension Liability - Ending (a) - (b)	\$ 10,221,434,162
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.7%
Covered Employee Payroll	\$ 3,764,954,727
Net Pension Liability as a Percentage of Covered Employee Payroll	271.5%

¹ Plan Fiduciary Net Position excludes side-fund assets held for the LSU Agriculture and Extension Service

EXHIBIT 3B (Continued)
Pension Accounting & Financial Disclosure

Actuarial Assumptions:

All assumptions used for purposes of GASB Statement 67 reporting requirements are described in Exhibit 6, except for administrative expenses and the discount rate. Administrative expenses will be directly reflected in the employer pension expense in the year incurred in the Statement 67 reporting. Please see below for a description of the discount rate used for GASB Statement 67 reporting.

Discount Rate:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	4.71%
International Equity	5.69%
Domestic Fixed Income	2.04%
International Fixed Income	2.80%
Alternative Investments	5.94%

The discount rate used to measure the total pension liability was 7.75 percent.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability calculated using the discount rate of 7.75%, and what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher.

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Employers' Net Pension Liability	13,018,488,169	10,221,434,162	7,841,003,041

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

TRSL provides the data for individual members of the system as of the valuation date. The validity of the results of any actuarial valuation is dependent upon the accuracy of the data base. Our review of submitted information is limited to validation of reasonableness and consistency in several areas, such as age, service, salary, and current benefits. In order to minimize coverage errors (i.e., missing or duplicated individual records) the records are checked for duplicates, and a comparison of the current year's records to those submitted in prior years is made. Records identified as containing suspicious data were assumed to possess the same characteristics of "good data" in the same cohort. Suspicious data are not necessarily errors, but data which fall outside the parameters of the editing process for further checking. The assigned values are based on information from similar records or based on historical averages for similarly situated members. Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information.

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.

Disability retirees who have reached normal retirement eligibility requirements are considered regular retirees by TRSL but are classified as disability retirees for purposes of the actuarial valuation. Liabilities are calculated accordingly.

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.

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

Active Members	2014		2013	
	Census	Avg. Salary	Census	Avg. Salary
Regular Teachers	70,207	43,752	69,832	43,158
Higher Education	8,583	59,091	8,807	58,669
Lunch Plan A	15	21,352	22	22,442
Lunch Plan B	1,216	18,774	1,187	18,534
Post DROP	2,865	56,574	3,062	56,613
Total	82,886	45,423	82,910	44,945

EXHIBIT 4 (Continued)**Census Data**

	2014 Census	2013 Census
Retired and Inactive Members		
Regular Retirees	62,564	60,714
Disability Retirees	4,089	4,049
Survivors	6,542	6,268
DROP Participants	2,291	2,451
Vested & Reciprocals	6,336	5,991
Inactive Non-Vested (Due Refunds)	18,574	18,355
Total Retired and Inactive	100,396	97,828
Total Members	183,282	180,738
Less Inactive Non-Vested (Due Refunds)	-18,574	-18,355
Total Active and Vested Inactive Members	164,708	162,383

MEMBER RECONCILIATION

	Active (Pre-DROP)	Active after DROP	Terminated Vested	In DROP	Retired, Disabled, Survivor	Total
June 30, 2013	79,848	3,062	5,991	2,451	71,031	162,383
Additions to Census						
Newly Hired Members	8,062		85			8,147
Change in Status						
New Regular Retirees	(2,127)	(692)	(220)	(642)	3,681	0
New Disability Retirees	(154)		(25)		179	0
New Survivors	(43)	(8)	(14)	(5)	70	0
Active to Terminated Vested	(1,470)		1,470			0
Active to DROP	(635)			635		0
Terminated Vested to Active	538		(538)			0
Disability to Active	3				(3)	0
Terminated Vested to DROP			(5)	5		0
DROP to Active After DROP		490		(490)		0
Eliminated from Census						
Refunded or Due Refund	(3,918)		(371)			(4,289)
Deceased	(43)	(1)	(20)	(2)	(1,443)	(1,509)
Data Revisions	(40)	14	(17)	339	(320)	(24)
June 30, 2014 Valuation	80,021	2,865	6,336	2,291	73,195	164,708

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ALL ACTIVE MEMBERS (PRE-DROP)

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2014

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19)	1	1	0	0	0	0	0	0	0	2
	55295	13344	0	0	0	0	0	0	0	68639
[20 - 24)	594	1328	3	0	0	0	0	0	0	1925
	25554551	54118510	96018	0	0	0	0	0	0	79769079
[25 - 29)	925	4770	1306	0	0	0	0	0	0	7001
	37472822	198147583	56890650	0	0	0	0	0	0	292511055
[30 - 34)	741	3566	4747	1165	1	0	0	0	0	10220
	30954374	145495204	213053003	57616275	36764	0	0	0	0	447155620
[35 - 39)	541	2544	3329	3608	870	3	0	0	0	10895
	21493209	102012037	143384670	181641379	47251654	141882	0	0	0	495924831
[40 - 44)	520	2222	2795	2557	3213	885	3	0	0	12195
	20934196	88212454	112922853	122716254	173833864	50389939	150458	0	0	569160018
[45 - 49)	388	1672	2368	1995	2089	2243	822	1	0	11578
	14882078	63777831	90466639	85290598	102716053	126938589	47754262	22890	0	531848940
[50 - 54)	304	1307	1990	1867	2061	1788	1976	106	0	11399
	11878476	50077332	73392917	74358470	90103153	90010095	113791997	6880255	0	510492695
[55 - 59)	196	888	1539	1486	1781	1669	332	130	48	8069
	7711235	34462014	58527109	59425964	75107054	78028858	18504093	8862279	3931470	344560076
[60 - 64)	105	530	884	721	802	992	308	153	81	4576
	5075725	23136321	36013326	32825023	35440133	46970519	18225878	11751267	6791311	216229503
[65 - 69)	35	146	326	236	254	250	207	116	60	1630
	1570529	6533155	14539261	10475472	11899887	12781589	12083105	9147522	5900260	84930780
[70 - 74)	6	40	109	71	65	55	63	64	58	531
	232105	1229256	4522816	3168417	2810476	3027728	3915754	5255387	5215696	29377635
Total	4356	19014	19396	13706	11136	7885	3711	570	247	80021
	%177814595	767215041	803809262	627517852	539199038	408289199	214425547	41919600	21838737	

AVERAGES --- Attained Age 44.26
Service Years 10.75
Active Salary 45,014

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - K-12

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2014

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19)	1	1	0	0	0	0	0	0	0	2
	55295	13344	0	0	0	0	0	0	0	68639
[20 - 24)	536	1266	3	0	0	0	0	0	0	1805
	23304428	52076883	96018	0	0	0	0	0	0	75477329
[25 - 29)	726	4286	1246	0	0	0	0	0	0	6258
	29079806	179249518	54432381	0	0	0	0	0	0	262761705
[30 - 34)	543	2931	4358	1133	0	0	0	0	0	8965
	21136626	115505454	195137480	55974528	0	0	0	0	0	387754088
[35 - 39)	412	2075	2921	3400	856	3	0	0	0	9667
	15080289	77348512	121898990	170609000	46424511	141882	0	0	0	431503184
[40 - 44)	404	1852	2426	2328	3106	861	3	0	0	10980
	15139225	68675645	93361438	109146430	167235594	48900573	150458	0	0	502609363
[45 - 49)	306	1341	2033	1792	1950	2154	801	1	0	10378
	10859681	47475734	72681955	74779927	95145624	121580224	46604571	22890	0	469150606
[50 - 54)	216	997	1660	1630	1903	1670	1889	92	0	10057
	7306322	33858524	56708223	62155943	82411588	83251732	108818756	6120573	0	440631661
[55 - 59)	140	647	1220	1299	1628	1533	252	102	41	6862
	4712065	21647078	41932397	49298934	67807509	70521613	13862603	6431755	3133882	279347836
[60 - 64)	66	366	707	595	711	900	237	82	51	3715
	2469571	12854958	25804689	24487691	30202075	41539331	12228405	5109893	3803076	158499689
[65 - 69)	25	92	233	180	215	211	160	62	15	1193
	1078270	3383480	8554514	6807874	9344167	10159216	7868098	3292679	1237011	51725309
[70 - 74)	3	28	70	46	52	39	39	28	20	325
	116740	811270	1956678	1585426	2133779	1683948	1848891	1113206	924139	12174077
Total	3378	15882	16877	12403	10421	7371	3381	367	127	70207
	130338319	612900400	672564763	554845753	500704847	377778519	191381782	22090996	9098108	3071703487

AVERAGES --- Attained Age 43.94
Service Years 11.02
Active Salary 43,752

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - Higher Education

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2014

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):	56	58	0	0	0	0	0	0	0	114
:	2213097	1978196	0	0	0	0	0	0	0	4191293
:										
[25 - 29):	190	476	57	0	0	0	0	0	0	723
:	8229592	18766596	2399964	0	0	0	0	0	0	29396152
:										
[30 - 34):	188	607	376	31	1	0	0	0	0	1203
:	9638415	29509872	17676686	1612303	36764	0	0	0	0	58474040
:										
[35 - 39):	117	436	386	201	14	0	0	0	0	1154
:	6191655	24141433	21052095	10910340	827143	0	0	0	0	63122666
:										
[40 - 44):	100	338	329	213	100	24	0	0	0	1104
:	5498614	18961698	18843021	13251273	6453869	1489366	0	0	0	64497841
:										
[45 - 49):	65	265	281	154	116	82	18	0	0	981
:	3694365	15203089	16808022	9545485	7059934	5201497	1089399	0	0	58601791
:										
[50 - 54):	71	244	264	175	102	91	65	10	0	1022
:	4271060	15077513	15519296	11024615	6519379	6202499	4453392	671713	0	63739467
:										
[55 - 59):	48	183	252	150	101	103	48	26	6	917
:	2854459	11877069	15419097	9406218	6206682	6794979	3922857	2394296	767829	59643485
:										
[60 - 64):	35	149	146	118	76	87	66	67	29	773
:	2533213	10043334	9637928	8194972	4871249	5281411	5881580	6547950	2970392	55962029
:										
[65 - 69):	10	44	80	50	37	39	46	53	44	403
:	492259	2990587	5770667	3556634	2508862	2622373	4195246	5836670	4629854	32603152
:										
[70 - 74):	3	9	36	23	13	16	23	33	33	189
:	115365	375339	2523468	1550152	676697	1343780	2049586	4080967	4229145	16944499
:										
Total :	883	2809	2207	1115	560	442	266	189	112	8583
Total :	45732093	148924726	125650244	69051992	35160579	28935905	21592060	19531596	12597220	507176415

AVERAGES --- Attained Age 45.86
Service Years 8.62
Active Salary 59,091

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - Lunch A

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2014

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
[20 - 24)	0	0	0	0	0	0	0	0	0	0
[25 - 29)	0	0	0	0	0	0	0	0	0	0
[30 - 34)	0	0	0	0	0	0	0	0	0	0
[35 - 39)	0	0	0	0	0	0	0	0	0	0
[40 - 44)	0	0	0	0	0	0	0	0	0	0
[45 - 49)	0	0	0	0	0	0	0	0	0	0
[50 - 54)	0	0	0	0	0	0	0	1	0	1
[55 - 59)	0	0	0	0	0	0	0	15281	29759	45040
[60 - 64)	0	0	0	0	0	0	1	3	0	4
[65 - 69)	0	0	0	0	0	0	26882	75595	0	102477
[70 - 74)	0	0	0	0	0	0	0	1	1	2
[75 - 79)	0	0	0	0	0	0	0	18173	33395	51568
[80 - 84)	0	0	0	0	0	0	0	2	4	6
[85 - 89)	0	0	0	0	0	0	0	51314	45005	96319
Total	0	0	0	0	0	0	1	8	6	15
Total	0	0	0	0	0	0	26882	185243	108159	320284

AVERAGES --- Attained Age 65.64
Service Years 34.35
Active Salary 21,352

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - Lunch B

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2014

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
[20 - 24)	2	4	0	0	0	0	0	0	0	6
[25 - 29)	9	8	3	0	0	0	0	0	0	20
[30 - 34)	10	28	13	1	0	0	0	0	0	52
[35 - 39)	12	33	22	7	0	0	0	0	0	74
[40 - 44)	16	32	40	16	7	0	0	0	0	111
[45 - 49)	17	66	54	49	23	7	3	0	0	219
[50 - 54)	17	66	66	62	56	27	22	3	0	319
[55 - 59)	8	58	67	37	52	33	32	1	0	288
[60 - 64)	4	15	31	8	15	5	4	1	1	84
[65 - 69)	0	10	13	6	2	0	1	0	0	32
[70 - 74)	0	3	3	2	0	0	1	1	1	11
Total	95	323	312	188	155	72	63	6	2	1216
Total	1744183	5389915	5594255	3620107	3333612	1574775	1424823	111765	35250	22828685

AVERAGES --- Attained Age 50.92
Service Years 9.64
Active Salary 18,774

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY
DROP BENEFITS

VALUATION DATE 6/30/2014

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):	30	10	6	2	0	0	0	0	0	48
:	1248262	420972	194172	78672	0	0	0	0	0	1942078
:	1147368	299580	120396	50976	0	0	0	0	0	1618320
[55 - 59):	257	257	137	91	67	39	0	0	0	848
:	11013190	15171235	8675249	5852621	4266252	2325656	0	0	0	47304203
:	9760668	9927108	5645652	3597636	2401116	1290240	0	0	0	32622420
[60 - 64):	170	169	139	135	141	378	2	0	0	1134
:	4966716	8521100	8650367	8421438	8675573	26275774	112542	0	0	65623510
:	3615660	4190568	5005548	4750008	4645632	13380924	57132	0	0	35645472
[65 - 69):	8	14	88	64	70	244	99	1	0	588
:	183485	467705	3623204	2698645	2804262	15154261	7833643	58946	0	32824151
:	64440	100248	1303404	999864	1092612	6581220	3266160	24792	0	13432740
[70 - 74):	2	2	6	6	5	87	97	41	1	247
:	20579	107877	148273	246105	248388	3735655	6397161	3338803	147776	14390617
:	6360	21240	25632	80952	38976	1026444	2276364	1279224	50004	4805196
Total	467	452	376	298	283	748	198	42	1	2865
Total	17432232	24688889	21291265	17297481	15994475	47491346	14343346	3397749	147776	162084559
Total	14594496	14538744	12100632	9479436	8178336	22278828	5599656	1304016	50004	88124148

AVERAGES --- Attained Age 62.78
Post Drop Years 4.24
Active Salary 56,574
Annual Benefit 30,759

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2014

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[40 - 44):	45	35	11	4	0	0	0	0	0	95
:	807216	776472	211392	80988	0	0	0	0	0	1876068
[45 - 49):	115	139	102	43	30	62	0	0	0	491
:	2101476	3099252	2358324	922740	619008	1068324	0	0	0	10169124
[50 - 54):	346	229	153	73	61	348	91	2	0	1303
:	6179988	6601896	3813648	1778040	1304640	6432672	1215696	29040	0	27355620
[55 - 59):	1024	946	661	447	398	806	497	163	5	4947
:	29412216	35460456	24168192	15639156	13861668	20548752	7547232	1990632	31308	148659612
[60 - 64):	1235	1429	1362	1141	1094	4224	956	631	235	12307
:	26462220	39539892	40134864	33029136	32531796	139705416	22389492	9200076	3110280	346103172
[65 - 69):	522	742	837	714	730	5704	3387	685	773	14094
:	12988632	21035772	22711656	20305884	20027520	145823220	101170464	13617216	11305092	368985456
[70 - 74):	133	168	250	221	245	2466	4120	2212	1221	11036
:	3877032	5126796	6787452	6736872	7641324	61548984	96099564	63611616	22794984	274224624
[75 - 79):	26	46	51	56	67	675	1850	2547	2617	7935
:	619668	1517328	1808952	1605468	2248824	19217016	42530916	57970404	60926640	188445216
[80 - 84):	6	5	10	16	11	180	492	1293	3749	5762
:	86412	119316	500760	496236	203556	5486964	12231540	30461424	77137032	126723240
[85 - 89):	1	1	1	6	7	37	91	268	2573	2985
:	35208	9240	36972	357384	153240	1742712	2457408	6798084	47350836	58941084
[90 - 99):	0	1	1	0	0	7	7	41	1552	1609
:	0	33708	4272	0	0	272736	192144	1118652	24663120	26284632
Total	3453	3741	3439	2721	2643	14509	11491	7842	12725	62564
:	82570068	113320128	102536484	80951904	78591576	401846796	285834456	184797144	247319292	1577767848

AVERAGES --- Attained Age 70.33
Years Retired 12.11
Annual Benefit 25,218

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2014

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39):	8	7	7	5	4	7	0	0	0	38
:	166656	124824	88248	76800	60504	87048	0	0	0	604080
[40 - 44):	14	13	10	10	4	16	6	0	0	73
:	336672	289020	171888	182868	67668	216936	69072	0	0	1334124
[45 - 49):	19	25	18	20	8	54	27	7	0	178
:	357288	466260	465432	416880	147324	712500	282600	63864	0	2912148
[50 - 54):	29	55	33	23	23	80	60	31	15	349
:	474816	932292	485748	489012	313056	1001388	679764	262104	163740	4801920
[55 - 59):	40	44	39	42	34	152	125	48	48	572
:	642444	762168	558492	610392	542496	1893768	1473624	508428	454692	7446504
[60 - 64):	24	36	27	32	38	234	178	109	140	818
:	358884	558084	382992	430776	616488	2793900	1998300	1297080	1688232	10124736
[65 - 69):	1	10	5	16	17	169	218	119	207	762
:	10728	119604	110172	235140	248376	1961028	2199144	1116528	2325504	8326224
[70 - 74):	0	2	2	6	0	26	131	159	261	587
:	0	18480	19560	87468	0	373128	1348356	1408212	2933136	6188340
[75 - 79):	1	0	0	1	0	8	25	80	269	384
:	11316	0	0	12840	0	76740	239472	696948	2748636	3785952
[80 - 84):	0	0	0	0	0	1	5	4	196	206
:	0	0	0	0	0	5604	34440	32196	1917636	1989876
[85 - 89):	0	0	0	0	0	0	1	1	81	83
:	0	0	0	0	0	0	8688	36804	889020	934512
[90 - 99):	0	0	0	0	0	0	0	0	39	39
:	0	0	0	0	0	0	0	0	399444	399444
Total :	136	192	141	155	128	747	776	558	1256	4089
Total :	2358804	3270732	2282532	2542176	1995912	9122040	8333460	5422164	13520040	48847860

AVERAGES --- Attained Age 65.25
Years Retired 14.68
Annual Benefit 11,946

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2014

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39):	37	63	32	35	33	115	43	17	3	378
:	418116	654036	360576	281940	322236	1016136	362820	127200	16644	3559704
[40 - 44):	13	9	12	9	4	35	24	13	5	124
:	169872	128976	222024	113748	26856	435912	279072	155544	38448	1570452
[45 - 49):	15	12	12	11	13	44	43	14	16	180
:	140820	274368	175548	143268	240072	329304	573012	161724	178500	2216616
[50 - 54):	15	15	16	16	17	68	52	27	13	239
:	211176	245880	295584	133224	265524	728760	700044	398808	173448	3152448
[55 - 59):	33	33	34	31	28	123	51	52	28	413
:	516744	483372	619440	546120	459288	2052276	630636	611436	260232	6179544
[60 - 64):	42	44	37	35	46	135	103	59	68	569
:	1436052	1109808	893952	831360	942660	3005760	1731720	802392	902700	11656404
[65 - 69):	69	70	53	59	49	219	139	95	100	853
:	1837788	1644420	1160580	1293312	1161444	4797780	2747952	1536264	1266816	17446356
[70 - 74):	55	72	71	64	39	222	158	111	162	954
:	1496916	1604736	1679412	1679796	658056	4974024	3328332	2196324	2604360	20221956
[75 - 79):	63	60	59	60	45	255	169	128	205	1044
:	1492428	1186044	1378956	1261656	987840	5326848	3701136	2575956	3341736	21252600
[80 - 84):	44	55	61	45	45	193	153	112	199	907
:	870672	1197300	1054152	712920	771336	3686868	2898684	2126460	3190428	16508820
[85 - 89):	40	29	29	25	23	121	93	64	147	571
:	615588	471768	465000	331320	349692	1951428	1405560	1082244	2440020	9112620
[90 - 99):	10	14	10	9	13	50	55	46	103	310
:	159108	199944	138216	252996	223104	750636	774096	592032	1504656	4594788
Total :	436	476	426	399	355	1580	1083	738	1049	6542
Total :	9365280	9200652	8443440	7581660	6408108	29055732	19133064	12366384	15917988	117472308

AVERAGES --- Attained Age 69.71
Years Retired 10.90
Annual Benefit 17,957

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2014

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39):	0	0	0	0	0	0	0	0	0	0
[40 - 44):	0	0	0	0	0	0	0	0	0	0
[45 - 49):	2	1	0	0	0	0	0	0	0	3
[50 - 54):	115	174	124	7	0	0	0	0	0	420
[55 - 59):	315	451	461	30	0	0	0	0	0	1257
[60 - 64):	160	210	215	8	0	0	0	0	0	593
[65 - 69):	2	6	4	0	0	0	0	0	0	12
[70 - 74):	0	1	3	0	0	0	0	0	0	4
[75 - 79):	1	0	1	0	0	0	0	0	0	2
[80 - 84):	0	0	0	0	0	0	0	0	0	0
[85 - 89):	0	0	0	0	0	0	0	0	0	0
[90 - 99):	0	0	0	0	0	0	0	0	0	0
Total	595	843	808	45	0	0	0	0	0	2291
Total	19257900	28185480	27009816	2158668	0	0	0	0	0	76611864

AVERAGES --- Attained Age 57.63
Years Retired 1.56
Annual Benefit 33,440

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2014

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
[20 - 24)	0	0	1	0	0	0	0	0	0	1
[25 - 29)	0	0	71	0	0	0	0	0	0	71
[30 - 34)	0	0	564	36	0	0	0	0	0	600
[35 - 39)	0	5	674	199	5	0	0	0	0	883
[40 - 44)	1	5	674	296	68	0	0	0	0	1044
[45 - 49)	0	5	613	306	108	19	1	0	0	1052
[50 - 54)	0	3	540	348	148	44	13	0	0	1096
[55 - 59)	0	3	507	422	188	22	5	0	0	1147
[60 - 64)	2	5	146	89	28	12	5	0	0	287
[65 - 69)	0	1	38	26	8	8	5	0	0	86
[70 - 74)	0	0	23	17	10	9	3	4	3	69
Total	3	27	3851	1739	563	114	32	4	3	6336
Total	1027	71695	24850983	18506830	8276324	2712708	1001722	86464	190446	55698199

AVERAGES --- Attained Age 47.60
Service Years 9.67
Annual Benefit 8,791

EXHIBIT 5

SUMMARY OF PLAN PROVISIONS

EFFECTIVE DATE:

August 1, 1936

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. Conversion of unused sick and annual leave cannot be used to obtain retirement eligibility. Leave accumulated after January 30, 1990, can be converted to a maximum one year service credit. Leave is converted on the following basis:

EXHIBIT 5 (Continued)
Plan Provisions

Leave Earned Prior to 6/30/88	
Accumulated Sick Days	Fraction of Year Credit
25-45	0.25 year
46-90	0.50 year
91-135	0.75 year
136-180	1.00 year
181-225	1.25 years
226-270	1.50 years
271-315	1.75 years
316-360	2.00 years

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

EARNABLE COMPENSATION:

The compensation earned by a member for qualifying service.

FINAL AVERAGE COMPENSATION

For members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, the average annual earnable compensation is the highest 60 successive months of employment. The average compensation for purposes of computing benefits cannot increase more than 15% per year.

For all other members, the average annual earnable compensation is the highest 36 successive months of employment; 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 Internal Revenue Code Section 401a(17) compensation limit.

EXHIBIT 5 (Continued)
Plan Provisions

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

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

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 July 1, 1989, 7% of earnable compensation.

EMPLOYER CONTRIBUTIONS:

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

NORMAL RETIREMENT BENEFIT:

Eligibility and Benefit:

After submitting written application to the Board, members are eligible for the following:

1. Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age 60 with at least 5 years of service credit. Members are eligible for an actuarially reduced benefit with 20 years of service at any age.
2. For all other members:

If hired on or after July 1, 1999, members are eligible for a 2.5% accrual rate at the earliest of age 60 with five years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age.

EXHIBIT 5 (Continued)
Plan Provisions

If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with five years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

Benefit:

Annuity which shall be the actuarial equivalent of accumulated employee contributions at retirement date, and Annual pension, which, together with annuity, provides total allowance equal to the applicable accrual rate times final average compensation times years of creditable service (including unused sick leave). Members hired before June 30, 1986 receive an additional \$300 annual supplemental benefit (Act 608 of 1986).

- A. Annual benefit may not exceed 100% of average earnable compensation.
- B. Legislator's benefit is calculated based on 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.
- C. 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 and related Federal Regulations 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	\$ 61,527	56	\$ 122,162	64	210,000
49	66,901	57	133,458	65	210,000
50	72,783	58	145,896	66	210,000
51	79,227	59	159,615	67	210,000
52	86,288	60	174,762	68	210,000
53	94,035	61	191,501	69	210,000
54	102,540	62	210,000	70	210,000
55	111,888	63	210,000		

POST RETIREMENT INCREASES:

The provisions regarding future Permanent Benefit Increases (PBIs) were substantially changed by Act 399 of 2014. PBIs may be granted, if requested by the Board and approved with a two-thirds vote of both houses of legislature, provided there are sufficient funds in the Experience Account to fully fund the increase on an actuarial basis.

Experience Account Credits/Debits: After allocation of the first \$200,000,000 to the Unfunded Accrued Liability, the Experience Account is credited with up to 50% of the remaining excess investment income, up to a maximum balance as described below. The \$200,000,000 threshold is indexed based upon the increase in the actuarial value of assets. Excess investment income is investment income for the prior fiscal year in excess of the expected income based on the actuarial valuation rate for that fiscal year. Balances in the experience account accrue interest at the actuarial rate of return during the prior year. All credits are limited as follows:

EXHIBIT 5 (Continued)
Plan Provisions

If the system's funded ratio is less than 80%, the Experience Account is limited to the reserve necessary to grant one PBI. If the funded ratio is at least 80%, the Experience Account is limited to the reserve necessary to fund two PBI's. The Experience Account is debited for the increase in actuarial accrued liability resulting from the increases.

Permanent Benefit Increases: No increase can be granted if the legislature granted an increase in the preceding fiscal year, unless the system is 80% funded or greater. Additionally, PBI's are limited to the lesser of the increase in the CPI-U for the twelve month period ending on the system's valuation date, or an amount determined by the system's funded ratio:

Funded Ratio	PBI Increase Limit
< 55%	0%
55% to <65%	1.5%
65% to <75%	2.0%
75% to <80%	2.5%
80% +	3.0%

Beginning July 1, 2015, any increase is limited to the first \$60,000 of a retiree's annual benefit, increased annually by the CPI-U for the 12 month period ending in June. If the actuarial rate of return for the prior plan year is less than 8.25%, regardless of the discount rate, the increase is limited to the lesser of 2% or the amount described above.

Eligibility Requirements: Benefits are restricted to those retirees who have attained age 60 and have been retired for at least one year. The minimum age of 60 for the receipt of a benefit increase does not apply to disability retirees.

DISABILITY RETIREMENT:

Eligibility:

Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 are eligible with 10 years of service credit. All other members are eligible with 5 years of 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).

Benefit: Act 572 of 1995

1. If ineligible for service retirement at disability, disability pension will be 2.5% of average compensation multiplied by years of service. Benefit is limited to 50% of average compensation, but will not 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.

EXHIBIT 5 (Continued)
Plan Provisions

3. Member will become a regular retiree upon attainment of the earliest age for retirement eligibility as if the member continued in service, without further change in compensation. Benefit is based on years of creditable service but not less than the disability benefit. Benefit for minor children continue 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:Eligibility and Benefit:

1. Surviving Spouse with minor children of an active member with 5 years of service with at least 2 years earned immediately prior to death; or a member with 20 years of service regardless of when earned or whether in active service at time of death will receive the greater of:
 - A.) \$600 per month, or
 - B.) 50% of benefit 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 (up to 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 resumes 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 and the deceased member had at least 10 years of service, spouse's benefit reverts to the Option 2 retirement benefit for eligible spouse. If deceased member had less than 10 years, then spouse will receive a refund of any remaining member contributions and monthly survivor benefits will cease.
2. Surviving Spouse without minor children of either an active member with 10 years of creditable service will receive the greater of:
 - A.) \$600 per month, or
 - B.) Option 2 equivalent of accrued benefit based on actual service. Spouse's benefit payable for life. Benefits to spouse cease upon remarriage, but resumes 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. Beneficiaries not eligible for survivor benefits described above will receive a lump-sum refund of the member's accumulated contributions.

EXHIBIT 5 (Continued)
Plan Provisions**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 - One-half 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.

Automatic COLA Option - Members may choose an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually. The increase begins on the first retirement anniversary date, but not before the retiree attains age 55 or would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options. . (Per Act 270 of 2009, effective July 1, 2009)

Initial Lump Sum Benefit Option - Members who 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.

EXHIBIT 5 (Continued)
Plan Provisions

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 third 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, payments into the account ceases and account earns interest. The participant resumes active contributing membership and earns an additional retirement benefit based on additional service rendered. The method of computation of the additional benefit is subject to the following:

- (1) If additional service was less than the period used to determine Final Average Compensation, average compensation figure to calculate the additional benefit will be the same as used to calculate initial benefit.
- (2) If additional service was earned for a period greater the number of months used to determine Final Average Compensation, the average compensation figure used to calculate the additional benefit will be based on compensation during the period of additional service.

DROP Accounts established prior to January 1, 2004, earn interest following termination of DROP at a rate 0.5% below the actuarial rate of the System's investment portfolio.

DROP accounts established on or after January 1, 2004 are credited with Money Market rates.

Exhibit 5 (Continued)
Plan 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, is 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 January 1, 1979. For this group, any salary used in the Final Average Salary calculation, which was earned before January 1, 1979, was increased by 2/9ths.

The Social Security breakpoint average, for service under the funded LSU plan, was frozen at the December 31, 1978, level. That is, the breakpoint average for funded service was calculated as of December 31, 1978, 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 December 31, 1978, with the Teacher's formula. Thus, the "funded" benefit is (1) 1.33% of final average salary under the Social Security breakpoint average plus 2.5% of final average salary over the Social Security breakpoint average, times years of "funded" service with LSU before December 31, 1978, plus (2) 2.5% (or 2% if total service less than 20 years) times final average salary times years since January 1, 1979, 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.

Exhibit 5 (Continued)
Plan Provisions

VESTING BENEFITS:

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

REFUND OF CONTRIBUTIONS:

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

COOPERATIVE EXTENSION PERSONNEL:

The LSU employees are 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)
Plan Provisions

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

EFFECTIVE DATE:

The School Lunch Employees' Retirement System was originally established on January 1, 1953.

On July 1, 1980, the School Lunch Employees' Retirement System was restructured. 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.

Plan A: Parishes which had withdrawn from Social Security coverage became known as Plan A parishes. Those participating in both the regular and the supplemental plan or only in the supplemental plan shall become members of Plan A.

Plan B: Parishes which had not withdrawn from Social Security coverage became known as Plan B parishes. Those participating only in the regular plan shall become members of Plan B.

Effective July 1, 1983 Plan A and Plan B were merged into TRSL.

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 and Plan B: Actuarial Required Amount (Effective July 1, 1989)

EXHIBIT 5 (Continued)
Plan Provisions

SCHOOL LUNCH PLAN A

RETIREMENT BENEFIT:

Members hired after June 30, 1983 earn Regular Teachers Benefits. Benefits description below applies to members hired prior to July 1, 1983.

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.

Members of only the supplemental plan prior to July 1, 1980 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 earned 1% of average final compensation plus \$2 per month for each year of service credited prior to July 1, 1980, plus 3% of average final compensation for each year of service credited after July 1, 1980.

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

Members hired before June 30, 1986 receive an additional \$300 annual supplemental benefit.

Benefits are limited to 100% of average final compensation.

DISABILITY RETIREMENT:

Eligibility:

Five 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 subject to a minimum of 60% and a maximum of 100% of average final compensation, in the event no optional selection is chosen.

EXHIBIT 5 (Continued)
Plan Provisions

SURVIVOR'S BENEFITS:

Eligibility:

1. Surviving spouse with minor children of a member with 5 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.
2. Surviving spouse with no minor children 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.
3. Beneficiary not eligible for 1 or 2.

Benefit:

1. Greater of:
 - A. \$600 per month, or
 - B. 50% of benefit 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 will resume upon subsequent death or divorce. When minor children are no longer present, spouse's benefit reverts to benefit in (2), 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. 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)
Plan Provisions

SCHOOL LUNCH PLAN B

NORMAL RETIREMENT:

Eligibility:

1. Age 60 and 5 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. Members hired before June 30, 1986 receive an additional \$300 annual supplemental benefit.

DISABILITY RETIREMENT:

Eligibility:

Five 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: Twenty or more years of creditable service.

Benefit: Option 2 benefit.

EXHIBIT 5 (Continued)
Plan Provisions

SCHOOL LUNCH PLAN A and PLAN B

OPTIONAL FORMS OF BENEFIT:

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

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:**

Louisiana Statutes, R. S. 11:22, specifies the cost method to be used for funding valuation purposes. Act 571 of 2014 changed the actuarial cost method from projected unit credit to entry age normal. Under the projected unit credit 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 dates. That portion of the actuarial present value attributable to current year benefit accruals is called the Normal Cost. The actuarial present value of future benefits in proportion to service accrued on the date of valuation is called the actuarial accrued liability. Under the EAN cost method, each member's normal costs (service costs) are level as a percentage of the member's projected pay, and are attributed from the first period in which a member accrues benefits through all assumed exit ages until retirement.

ASSET VALUATION:

The market value of assets is adjusted to gradually recognize investment gains and losses relative to the discount rate, over a 5 year period in 20% increments. The adjusted asset value is subject to Corridor Limits of 80% to 120% of the Market Value of Assets.

ACCOUNTING DISCLOSURE:

The statement of assets provided by the accounting staff was the final draft prior to publication. Should the statement of assets received differ from the final audited 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.

ADMINISTRATIVE EXPENSES:

Administrative expenses are not explicitly assumed but rather funded in accordance with R.S. 11 Section 102, which by omission of language regarding the funding of administrative expenses precludes funding of these expenses by a direct allocation through the employer contribution rate. These expenses are instead funded through the employer rate as an experience loss which is amortized over a 30-year period. While this approach would not have been our original recommendation, further use of this practice will continue to produce stable contribution rates.

ACTUARIAL ASSUMPTIONS:

Demographic and Salary assumptions used in the valuation were adopted by the Board of Trustees following the most recent experience study, effective July 1, 2013. The study was based on an observation period of 2008-2012. 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 experience was reviewed separately for Regular Teachers, Higher Education, School Lunch Plan A, and School Lunch Plan B. Current rate tables are illustrated at the end of this exhibit.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions**INVESTMENT EARNINGS:**

The Board of Trustees adopted a discount rate of 7.75%, effective June 30, 2014. The discount rate is net of investment expenses and net of investment gains expected to be deferred to the experience account and represents a reasonable estimate of the expected return on investments to be used to fund regular plan benefits. Based on historical investment earnings and the new statutory provisions regarding transfers to the experience account, it is expected that a long-term average of approximately 25 basis points will be transferred to this account. The analysis was based upon the expected long-term real rate of return on system assets, using capital market assumptions provided by the Board's investment consultant, and 2.5% inflation.

MORTALITY ASSUMPTIONS:

The mortality table for non-disabled retirees is based upon the RP-2000 table with mortality improvement projected through 2025 using scale AA. This table was determined to be appropriate relative to actual experience, with consideration for mortality improvement, and adopted by the Board following the most recent Experience Study.

Mortality assumptions for disability benefits are based upon the RP-2000 disability table with no projection of mortality improvement.

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.

RETIREMENT/DROP ASSUMPTION:

Eligibility for normal retirement benefits and DROP participation is based on age and service requirements that vary by plan, based on the most recent experience study. Retirement and DROP rates are developed in combination, and include an age and service component.

TERMINATION ASSUMPTIONS:

Voluntary termination or withdrawal rates are based on the most recent experience study. Rates for Regular Teachers and Higher Education members are based on select and ultimate age and service-based tables. Rates for Lunch Plan A and Lunch Plan B are service-based tables. For members terminating with vested benefits, it is assumed that 80% will not withdraw their accumulated employee contribution, and will receive a benefit beginning at age 60.

SALARY GROWTH:

The rates of annual salary growth are based upon the member's years of service based on the most recent experience study. The long-term inflation component is 2.5%. Current rates are illustrated in the rate tables at the end of this exhibit. Current salaries and projected future salaries are limited to the Section 401(a)(17) limit of the Internal Revenue Code, with future indexed increases.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

CONVERTED LEAVE:

Converted Leave is assumed to increase the accrued benefit at retirement as follows according to the following table, based on the most recent experience study. The reduction from the prior rates to current rates shown below is due to statutory limits placed on the amount of leave earned after June 30, 1990 that can be converted to service credit.

	Prior Rates	Current Rates
Regular Teachers	2.5%	1.5%
Higher Education	2.8%	1.5%
Lunch Plan A	1.5%	1.0%
Lunch Plan B	1.5%	1.0%

FAMILY STATISTICS:

The composition of the family is based on Current Population Reports published by the United States Census Bureau. Seventy-five percent of the membership is assumed to be married with the wife assumed to be three (3) years younger than the husband. Sample rates are as follows:

Member Age	Number of Minor Children	Years for Youngest Child to Attain Majority
25	1.2	15
30	1.4	13
35	1.7	11
40	1.7	9
45	1.4	6
50	1.1	4

**Actuarial Assumptions, effective July 1, 2013
Regular Teachers**

AGE	DEATH RATES		DISABILITY RATES	TERMINATION RATES				RETIREMENT/DROP RATES			DUR	SALARY INCREASE
	MALE	FEMALE		< 1 YEAR	1-2 YEARS	2-3 YEARS	4+ YEARS	< 25 YOS	25-29 YOS	30+ YOS		
18	0.00020	0.00013	0.0000	0.200	0.200	0.095	0.180	0.000	0.000	0.000	0	0.0575
19	0.00021	0.00013	0.0000	0.200	0.200	0.095	0.180	0.000	0.000	0.000	1	0.0575
20	0.00021	0.00013	0.0000	0.200	0.200	0.095	0.180	0.000	0.000	0.000	2	0.0575
21	0.00023	0.00013	0.0000	0.200	0.200	0.095	0.180	0.000	0.000	0.000	3	0.0575
22	0.00024	0.00013	0.0000	0.200	0.200	0.095	0.180	0.000	0.000	0.000	4	0.0575
23	0.00026	0.00013	0.0001	0.200	0.200	0.095	0.180	0.000	0.000	0.000	5	0.0500
24	0.00027	0.00014	0.0001	0.200	0.200	0.095	0.180	0.000	0.000	0.000	6	0.0500
25	0.00029	0.00015	0.0001	0.180	0.126	0.095	0.090	0.000	0.000	0.000	7	0.0500
26	0.00033	0.00016	0.0001	0.180	0.126	0.095	0.060	0.000	0.000	0.000	8	0.0500
27	0.00034	0.00017	0.0001	0.190	0.126	0.095	0.060	0.000	0.000	0.000	9	0.0500
28	0.00035	0.00017	0.0001	0.190	0.126	0.095	0.055	0.000	0.000	0.000	10	0.0475
29	0.00036	0.00018	0.0001	0.190	0.126	0.095	0.053	0.000	0.000	0.000	11	0.0475
30	0.00039	0.00021	0.0001	0.190	0.120	0.109	0.053	0.000	0.000	0.000	12	0.0475
31	0.00044	0.00025	0.0003	0.190	0.120	0.109	0.050	0.000	0.000	0.000	13	0.0475
32	0.00050	0.00029	0.0003	0.190	0.120	0.109	0.045	0.000	0.000	0.000	14	0.0475
33	0.00056	0.00031	0.0003	0.190	0.120	0.109	0.045	0.000	0.000	0.000	15	0.0450
34	0.00062	0.00034	0.0003	0.190	0.120	0.109	0.045	0.000	0.000	0.000	16	0.0450
35	0.00068	0.00036	0.0006	0.180	0.117	0.095	0.040	0.000	0.000	0.000	17	0.0450
36	0.00074	0.00038	0.0010	0.180	0.117	0.095	0.040	0.000	0.000	0.000	18	0.0450
37	0.00080	0.00040	0.0007	0.180	0.117	0.095	0.040	0.000	0.000	0.000	19	0.0450
38	0.00083	0.00042	0.0007	0.180	0.117	0.095	0.040	0.050	0.000	0.000	20	0.0400
39	0.00086	0.00044	0.0011	0.180	0.117	0.095	0.040	0.040	0.000	0.000	21	0.0400
40	0.00088	0.00048	0.0011	0.165	0.123	0.090	0.037	0.040	0.000	0.000	22	0.0400
41	0.00091	0.00053	0.0013	0.165	0.123	0.090	0.037	0.025	0.000	0.000	23	0.0400
42	0.00095	0.00058	0.0016	0.165	0.123	0.090	0.037	0.025	0.000	0.000	24	0.0400
43	0.00099	0.00064	0.0016	0.165	0.123	0.090	0.037	0.025	0.000	0.000	25	0.0375
44	0.00103	0.00071	0.0016	0.165	0.123	0.090	0.040	0.025	0.000	0.000	26	0.0375
45	0.00109	0.00075	0.0022	0.163	0.099	0.090	0.040	0.025	0.020	0.000	27	0.0375
46	0.00114	0.00080	0.0022	0.163	0.099	0.090	0.040	0.025	0.020	0.000	28	0.0375
47	0.00119	0.00084	0.0022	0.163	0.099	0.090	0.040	0.025	0.020	0.000	29	0.0375
48	0.00124	0.00091	0.0022	0.163	0.099	0.090	0.040	0.030	0.020	0.700	30	0.0425
49	0.00130	0.00098	0.0022	0.163	0.099	0.090	0.040	0.030	0.020	0.600	31	0.0425
50	0.00136	0.00109	0.0025	0.175	0.112	0.090	0.040	0.030	0.050	0.300	32	0.0425
51	0.00152	0.00124	0.0025	0.175	0.112	0.090	0.040	0.030	0.170	0.600	33	0.0425
52	0.00161	0.00142	0.0025	0.175	0.112	0.090	0.040	0.030	0.280	0.600	34	0.0425
53	0.00176	0.00163	0.0030	0.175	0.112	0.090	0.040	0.100	0.280	0.500	35	0.0425
54	0.00193	0.00189	0.0030	0.175	0.112	0.090	0.040	0.150	0.450	0.400	36	0.0425
55	0.00224	0.00222	0.0040	0.175	0.106	0.090	0.040	0.150	0.750	0.300	37	0.0425
56	0.00267	0.00266	0.0050	0.175	0.106	0.090	0.040	0.150	0.330	0.200	38	0.0425
57	0.00306	0.00307	0.0055	0.155	0.106	0.090	0.040	0.150	0.250	0.200	39	0.0425
58	0.00352	0.00346	0.0055	0.200	0.106	0.090	0.040	0.250	0.250	0.200	40	0.0425
59	0.00397	0.00392	0.0055	0.200	0.106	0.090	0.040	0.250	0.300	0.200	41	0.0425
60	0.00451	0.00446	0.0055	0.200	0.106	0.090	0.040	0.250	0.300	0.200	42	0.0425
61	0.00526	0.00513	0.0050	0.200	0.106	0.090	0.040	0.150	0.300	0.200	43	0.0425
62	0.00600	0.00587	0.0050	0.200	0.106	0.090	0.040	0.150	0.220	0.250	44	0.0425
63	0.00704	0.00675	0.0050	0.200	0.106	0.090	0.040	0.150	0.170	0.150	45	0.0425
64	0.00793	0.00760	0.0035	0.200	0.106	0.090	0.040	0.200	0.200	0.300	46	0.0425
65	0.00895	0.00856	0.0035	0.200	0.106	0.090	0.040	0.200	0.200	0.300	47	0.0425
66	0.01039	0.00966	0.0020	0.200	0.106	0.090	0.040	0.200	0.200	0.300	48	0.0425
67	0.01159	0.01073	0.0020	0.200	0.106	0.090	0.040	0.200	0.200	0.200	49	0.0425
68	0.01256	0.01186	0.0020	0.200	0.106	0.090	0.040	0.200	0.300	0.300	50	0.0425
69	0.01392	0.01311	0.0020	0.200	0.106	0.090	0.040	0.200	0.300	0.300	51	0.0425
70	0.01522	0.01477	0.0020	0.200	0.106	0.090	0.040	0.200	0.300	0.400	52	0.0425
71	0.01684	0.01598	0.0020	0.200	0.106	0.090	0.040	0.200	0.300	0.200	53	0.0425
72	0.01870	0.01778	0.0020	0.200	0.106	0.090	0.040	0.200	0.300	0.250	54	0.0425
73	0.02083	0.01927	0.0020	0.200	0.106	0.090	0.040	0.200	0.300	0.250	55	0.0425
74	0.02323	0.02136	0.0020	0.200	0.106	0.090	0.040	0.200	0.300	0.250	56	0.0425

Actuarial Assumptions, effective July 1, 2013
Higher Education

AGE	DEATH RATES		DISABILITY RATES	TERMINATION RATES				RETIREMENT/DROP RATES			DUR	SALARY INCREASE
	MALE	FEMALE		< 1 YEAR	1-2 YEARS	2-3 YEARS	4+ YEARS	< 25 YOS	25-29 YOS	30+ YOS		
18	0.00020	0.00013	0.0000	0.250	0.250	0.170	0.120	0.000	0.000	0.000	0	0.100
19	0.00021	0.00013	0.0000	0.250	0.250	0.170	0.120	0.000	0.000	0.000	1	0.100
20	0.00021	0.00013	0.0000	0.250	0.250	0.170	0.120	0.000	0.000	0.000	2	0.090
21	0.00023	0.00013	0.0000	0.250	0.250	0.170	0.120	0.000	0.000	0.000	3	0.080
22	0.00024	0.00013	0.0000	0.250	0.250	0.170	0.120	0.000	0.000	0.000	4	0.040
23	0.00026	0.00013	0.0001	0.250	0.250	0.170	0.120	0.000	0.000	0.000	5	0.070
24	0.00027	0.00014	0.0001	0.250	0.250	0.170	0.120	0.000	0.000	0.000	6	0.050
25	0.00029	0.00015	0.0001	0.250	0.250	0.170	0.120	0.000	0.000	0.000	7	0.070
26	0.00033	0.00016	0.0001	0.210	0.250	0.170	0.120	0.000	0.000	0.000	8	0.070
27	0.00034	0.00017	0.0001	0.210	0.220	0.170	0.120	0.000	0.000	0.000	9	0.045
28	0.00035	0.00017	0.0001	0.220	0.220	0.170	0.120	0.000	0.000	0.000	10	0.045
29	0.00036	0.00018	0.0001	0.240	0.220	0.170	0.120	0.000	0.000	0.000	11	0.045
30	0.00039	0.00021	0.0001	0.250	0.160	0.170	0.180	0.000	0.000	0.000	12	0.045
31	0.00044	0.00025	0.0001	0.220	0.178	0.170	0.100	0.000	0.000	0.000	13	0.045
32	0.00050	0.00029	0.0001	0.220	0.190	0.160	0.100	0.000	0.000	0.000	14	0.040
33	0.00056	0.00031	0.0001	0.190	0.170	0.150	0.120	0.000	0.000	0.000	15	0.040
34	0.00062	0.00034	0.0001	0.230	0.155	0.100	0.120	0.000	0.000	0.000	16	0.040
35	0.00068	0.00036	0.0001	0.220	0.175	0.130	0.120	0.000	0.000	0.000	17	0.040
36	0.00074	0.00038	0.0001	0.220	0.160	0.150	0.120	0.000	0.000	0.000	18	0.040
37	0.00080	0.00040	0.0001	0.220	0.108	0.150	0.120	0.000	0.000	0.000	19	0.040
38	0.00083	0.00042	0.0001	0.190	0.180	0.150	0.100	0.100	0.080	0.600	20	0.040
39	0.00086	0.00044	0.0001	0.190	0.140	0.150	0.100	0.100	0.080	0.600	21	0.040
40	0.00088	0.00048	0.0001	0.230	0.185	0.150	0.100	0.100	0.080	0.600	22	0.040
41	0.00091	0.00053	0.0001	0.165	0.108	0.150	0.100	0.100	0.080	0.600	23	0.040
42	0.00095	0.00058	0.0001	0.230	0.115	0.150	0.100	0.100	0.080	0.600	24	0.040
43	0.00099	0.00064	0.0001	0.155	0.168	0.150	0.100	0.070	0.080	0.600	25	0.040
44	0.00103	0.00071	0.0001	0.195	0.135	0.150	0.100	0.070	0.080	0.600	26	0.040
45	0.00109	0.00075	0.0001	0.190	0.116	0.150	0.100	0.070	0.080	0.600	27	0.035
46	0.00114	0.00080	0.0008	0.162	0.170	0.150	0.080	0.070	0.080	0.600	28	0.035
47	0.00119	0.00084	0.0008	0.210	0.140	0.150	0.090	0.070	0.080	0.600	29	0.035
48	0.00124	0.00091	0.0008	0.135	0.180	0.150	0.090	0.070	0.080	0.600	30	0.035
49	0.00130	0.00098	0.0008	0.135	0.125	0.150	0.090	0.070	0.080	0.600	31	0.035
50	0.00136	0.00109	0.0008	0.185	0.108	0.060	0.090	0.070	0.080	0.600	32	0.035
51	0.00152	0.00124	0.0008	0.145	0.070	0.050	0.090	0.070	0.160	0.600	33	0.035
52	0.00161	0.00142	0.0008	0.155	0.110	0.095	0.090	0.070	0.160	0.600	34	0.035
53	0.00176	0.00163	0.0008	0.220	0.130	0.125	0.090	0.070	0.160	0.600	35	0.035
54	0.00193	0.00189	0.0008	0.220	0.075	0.017	0.090	0.150	0.280	0.400	36	0.035
55	0.00224	0.00222	0.0008	0.200	0.104	0.140	0.090	0.150	0.350	0.200	37	0.035
56	0.00267	0.00266	0.0020	0.135	0.122	0.100	0.080	0.150	0.200	0.050	38	0.035
57	0.00306	0.00307	0.0020	0.250	0.055	0.140	0.080	0.150	0.130	0.050	39	0.035
58	0.00352	0.00346	0.0020	0.100	0.115	0.200	0.100	0.150	0.130	0.050	40	0.035
59	0.00397	0.00392	0.0005	0.100	0.210	0.125	0.080	0.150	0.130	0.050	41	0.035
60	0.00451	0.00446	0.0005	0.150	0.160	0.090	0.060	0.150	0.130	0.050	42	0.035
61	0.00526	0.00513	0.0005	0.150	0.160	0.090	0.060	0.120	0.120	0.120	43	0.035
62	0.00600	0.00587	0.0005	0.150	0.160	0.090	0.060	0.120	0.120	0.120	44	0.035
63	0.00704	0.00675	0.0005	0.150	0.160	0.090	0.060	0.120	0.120	0.120	45	0.035
64	0.00793	0.00760	0.0005	0.150	0.160	0.090	0.060	0.120	0.120	0.120	46	0.035
65	0.00895	0.00856	0.0005	0.150	0.160	0.090	0.060	0.120	0.160	0.200	47	0.035
66	0.01039	0.00966	0.0005	0.150	0.160	0.090	0.060	0.120	0.160	0.180	48	0.035
67	0.01159	0.01073	0.0005	0.150	0.160	0.090	0.060	0.120	0.160	0.180	49	0.035
68	0.01256	0.01186	0.0005	0.150	0.160	0.090	0.060	0.120	0.160	0.180	50	0.035
69	0.01392	0.01311	0.0005	0.150	0.160	0.090	0.060	0.120	0.160	0.280	51	0.035
70	0.01522	0.01477	0.0005	0.150	0.160	0.090	0.060	0.120	0.160	0.280	52	0.035
71	0.01684	0.01598	0.0000	0.150	0.160	0.090	0.060	0.120	0.160	0.200	53	0.035
72	0.01870	0.01778	0.0000	0.150	0.160	0.090	0.060	0.120	0.160	0.200	54	0.035
73	0.02083	0.01927	0.0000	0.150	0.160	0.090	0.060	0.120	0.160	0.200	55	0.035
74	0.02323	0.02136	0.0000	0.150	0.160	0.090	0.060	0.120	0.160	0.200	56	0.035

**Actuarial Assumptions, effective July 1, 2013
Lunch Plan A**

AGE	DEATH RATES		DISABILITY RATES	RETIREMENT/DROP RATES		DUR	TERMINATION RATES	SALARY INCREASE
	MALE	FEMALE		< 30 YOS	>= 30 YOS			
18	0.00020	0.00013	0.0000	0.000	0.000	0	0.14	0.06
19	0.00021	0.00013	0.0000	0.000	0.000	1	0.14	0.06
20	0.00021	0.00013	0.0000	0.000	0.000	2	0.14	0.06
21	0.00023	0.00013	0.0000	0.000	0.000	3	0.14	0.06
22	0.00024	0.00013	0.0000	0.000	0.000	4	0.14	0.06
23	0.00026	0.00013	0.0000	0.000	0.000	5	0.14	0.06
24	0.00027	0.00014	0.0000	0.000	0.000	6	0.14	0.06
25	0.00029	0.00015	0.0000	0.000	0.000	7	0.14	0.06
26	0.00033	0.00016	0.0000	0.000	0.000	8	0.14	0.06
27	0.00034	0.00017	0.0000	0.000	0.000	9	0.14	0.06
28	0.00035	0.00017	0.0000	0.000	0.000	10	0.14	0.06
29	0.00036	0.00018	0.0000	0.000	0.000	11	0.14	0.06
30	0.00039	0.00021	0.0000	0.000	0.000	12	0.14	0.05
31	0.00044	0.00025	0.0001	0.000	0.000	13	0.14	0.05
32	0.00050	0.00029	0.0001	0.000	0.000	14	0.14	0.05
33	0.00056	0.00031	0.0001	0.000	0.000	15	0.14	0.06
34	0.00062	0.00034	0.0001	0.000	0.000	16	0.14	0.06
35	0.00068	0.00036	0.0001	0.000	0.000	17	0.14	0.07
36	0.00074	0.00038	0.0001	0.000	0.000	18	0.14	0.07
37	0.00080	0.00040	0.0001	0.000	0.000	19	0.14	0.04
38	0.00083	0.00042	0.0001	0.600	0.300	20	0.14	0.04
39	0.00086	0.00044	0.0001	0.600	0.300	21	0.14	0.04
40	0.00088	0.00048	0.0001	0.600	0.300	22	0.14	0.04
41	0.00091	0.00053	0.0001	0.600	0.300	23	0.14	0.06
42	0.00095	0.00058	0.0001	0.600	0.300	24	0.14	0.06
43	0.00099	0.00064	0.0001	0.600	0.300	25	0.14	0.04
44	0.00103	0.00071	0.0001	0.600	0.300	26	0.14	0.04
45	0.00109	0.00075	0.0001	0.600	0.300	27	0.14	0.04
46	0.00114	0.00080	0.0001	0.600	0.300	28	0.14	0.04
47	0.00119	0.00084	0.0001	0.600	0.300	29	0.14	0.04
48	0.00124	0.00091	0.0001	0.600	0.300	30	0.14	0.04
49	0.00130	0.00098	0.0100	0.600	0.300	31	0.14	0.04
50	0.00136	0.00109	0.0100	0.600	0.300	32	0.14	0.04
51	0.00152	0.00124	0.0100	0.600	0.300	33	0.14	0.04
52	0.00161	0.00142	0.0150	0.600	0.700	34	0.14	0.04
53	0.00176	0.00163	0.0175	0.600	0.700	35	0.14	0.04
54	0.00193	0.00189	0.0175	0.600	0.700	36	0.14	0.04
55	0.00224	0.00222	0.0175	0.800	0.700	37	0.14	0.04
56	0.00267	0.00266	0.0002	0.350	0.700	38	0.14	0.04
57	0.00306	0.00307	0.0002	0.350	0.700	39	0.14	0.04
58	0.00352	0.00346	0.0002	0.350	0.700	40	0.14	0.04
59	0.00397	0.00392	0.0002	0.600	0.700	41	0.14	0.04
60	0.00451	0.00446	0.0002	0.450	0.700	42	0.14	0.04
61	0.00526	0.00513	0.0002	0.200	0.500	43	0.14	0.04
62	0.00600	0.00587	0.0002	0.200	0.500	44	0.14	0.04
63	0.00704	0.00675	0.0002	0.350	0.500	45	0.14	0.04
64	0.00793	0.00760	0.0002	0.100	0.500	46	0.14	0.04
65	0.00895	0.00856	0.0002	0.100	0.500	47	0.14	0.04
66	0.01039	0.00966	0.0002	0.100	0.250	48	0.14	0.04
67	0.01159	0.01073	0.0002	0.200	0.250	49	0.14	0.04
68	0.01256	0.01186	0.0002	0.200	0.250	50	0.14	0.04
69	0.01392	0.01311	0.0000	0.200	0.250	51	0.14	0.04
70	0.01522	0.01477	0.0000	0.200	0.250	52	0.14	0.04
71	0.01684	0.01598	0.0000	0.200	0.250	53	0.14	0.04
72	0.01870	0.01778	0.0000	0.200	0.250	54	0.14	0.04
73	0.02083	0.01927	0.0000	0.200	0.250	55	0.14	0.04
74	0.02323	0.02136	0.0000	0.200	0.250	56	0.14	0.04

Actuarial Assumptions, effective July 1, 2013
Lunch Plan B

AGE	DEATH RATES		DISABILITY RATES	RETIREMENT/DROP RATES	DUR	TERMINATION RATES	SALARY INCREASE
	MALE	FEMALE					
18	0.00020	0.00013	0.0000	0.00	0	0.100	0.055
19	0.00021	0.00013	0.0000	0.00	1	0.090	0.055
20	0.00021	0.00013	0.0000	0.00	2	0.080	0.055
21	0.00023	0.00013	0.0000	0.00	3	0.070	0.055
22	0.00024	0.00013	0.0000	0.00	4	0.060	0.055
23	0.00026	0.00013	0.0000	0.00	5	0.050	0.055
24	0.00027	0.00014	0.0000	0.00	6	0.050	0.055
25	0.00029	0.00015	0.0000	0.00	7	0.045	0.055
26	0.00033	0.00016	0.0000	0.00	8	0.045	0.055
27	0.00034	0.00017	0.0000	0.00	9	0.045	0.055
28	0.00035	0.00017	0.0000	0.00	10	0.045	0.055
29	0.00036	0.00018	0.0000	0.00	11	0.045	0.045
30	0.00039	0.00021	0.0000	0.00	12	0.040	0.045
31	0.00044	0.00025	0.0000	0.00	13	0.030	0.045
32	0.00050	0.00029	0.0000	0.00	14	0.030	0.045
33	0.00056	0.00031	0.0000	0.00	15	0.030	0.045
34	0.00062	0.00034	0.0000	0.00	16	0.050	0.050
35	0.00068	0.00036	0.0000	0.00	17	0.050	0.050
36	0.00074	0.00038	0.0010	0.00	18	0.050	0.050
37	0.00080	0.00040	0.0010	0.00	19	0.030	0.040
38	0.00083	0.00042	0.0010	0.00	20	0.040	0.040
39	0.00086	0.00044	0.0010	0.00	21	0.040	0.040
40	0.00088	0.00048	0.0050	0.00	22	0.040	0.040
41	0.00091	0.00053	0.0050	0.00	23	0.040	0.040
42	0.00095	0.00058	0.0050	0.00	24	0.040	0.040
43	0.00099	0.00064	0.0050	0.00	25	0.040	0.040
44	0.00103	0.00071	0.0050	0.00	26	0.040	0.040
45	0.00109	0.00075	0.0050	0.00	27	0.040	0.040
46	0.00114	0.00080	0.0050	0.00	28	0.040	0.040
47	0.00119	0.00084	0.0050	0.00	29	0.040	0.040
48	0.00124	0.00091	0.0050	0.00	30	0.040	0.040
49	0.00130	0.00098	0.0050	0.00	31	0.040	0.040
50	0.00136	0.00109	0.0130	0.00	32	0.040	0.040
51	0.00152	0.00124	0.0130	0.00	33	0.040	0.040
52	0.00161	0.00142	0.0130	0.00	34	0.040	0.040
53	0.00176	0.00163	0.0130	0.00	35	0.040	0.040
54	0.00193	0.00189	0.0130	0.00	36	0.040	0.040
55	0.00224	0.00222	0.0175	0.80	37	0.040	0.040
56	0.00267	0.00266	0.0175	0.80	38	0.040	0.040
57	0.00306	0.00307	0.0225	0.80	39	0.040	0.040
58	0.00352	0.00346	0.0225	0.80	40	0.040	0.040
59	0.00397	0.00392	0.0150	0.60	41	0.040	0.040
60	0.00451	0.00446	0.0050	0.50	42	0.040	0.040
61	0.00526	0.00513	0.0050	0.25	43	0.040	0.040
62	0.00600	0.00587	0.0050	0.25	44	0.040	0.040
63	0.00704	0.00675	0.0050	0.25	45	0.040	0.040
64	0.00793	0.00760	0.0010	0.25	46	0.040	0.040
65	0.00895	0.00856	0.0010	0.15	47	0.040	0.040
66	0.01039	0.00966	0.0010	0.15	48	0.040	0.040
67	0.01159	0.01073	0.0010	0.30	49	0.040	0.040
68	0.01256	0.01186	0.0010	0.45	50	0.040	0.040
69	0.01392	0.01311	0.0010	0.20	51	0.040	0.040
70	0.01522	0.01477	0.0010	0.20	52	0.040	0.040
71	0.01684	0.01598	0.0010	0.20	53	0.040	0.040
72	0.01870	0.01778	0.0010	0.20	54	0.040	0.040
73	0.02083	0.01927	0.0010	0.20	55	0.040	0.040
74	0.02323	0.02136	0.0010	0.20	56	0.040	0.040

Exhibit 7-A

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY
June 30, 2014

Date	Description	Amtz. Method	Amtz. Period	Initial Liability	Years Remain	Remaining Balance	Mid-Year Payment
2014	OAB	Note 1	15	2,537,864,619	15	2,537,864,619	230,291,892
2014	EAAB	Note 2,3	26	3,996,568,647	26	3,996,568,647	303,482,612
2014	2009 Change in Liability	L	25	2,830,242,246	25	2,830,242,246	249,988,498
2014	2010 Change in Liability	L	26	1,106,465,512	26	1,106,465,512	96,461,424
2014	2011 Change in Liability	L	27	(170,316,807)	27	(170,316,807)	(14,671,243)
2014	2012 Change in Liability	L	28	123,507,827	28	123,507,827	10,522,700
2014	2013 Change in Liability	L	29	(246,366,627)	29	(246,366,627)	(20,779,159)
2014	2013 Assumption Change	L	29	863,987,177	29	863,987,177	72,870,774
2014	2013 Asset Val Meth Change	L	29	(25,459,851)	29	(25,459,851)	(2,147,346)
2014	2014 Assumption Change	L	30	570,933,583	30	570,933,583	47,708,947
2014	2014 Cost Method Change	L	30	881,187,059	30	881,187,059	73,634,672
2014	2014 Investment Experience	L	5	(423,997,917)	5	(423,997,917)	(101,629,570)
2014	2014 Other Experience	L	30	(162,364,784)	30	(162,364,784)	(13,567,695)
Total Outstanding Balance						\$ 11,882,250,684	\$ 932,166,506
Employers Credit Balance							
2014	2010 Contribution Variance	L	1	34,647,964	1	34,647,964	35,965,521
2014	2011 Contribution Variance	L	2	47,407,814	2	47,407,814	25,523,182
2014	2012 Contribution Variance	Note 3	-	-	-	-	-
2014	2013 Contribution Variance	L	4	9,457,295	4	9,457,295	2,735,460
2014	2014 Contribution Variance	Note 3	-	-	-	-	-
Total Credit Balance						\$ 91,513,073	\$ 64,224,163
Total Unfunded Actuarial Accrued Liability						\$ 11,973,763,757	\$ 996,390,669

See Exhibit 7-D for Notes.

Exhibit 7-B

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY
June 30, 2015 - Projected

Date	Description	Amtz. Method	Amtz. Period	Initial Liability	Years Remain	Remaining Balance	Mid-Year Payment
2014	OAB	Note 1	15	2,537,864,619	14	2,495,499,931	245,260,865
2014	EAAB	Note 2,3	26	3,996,568,647	25	3,963,651,672	323,208,981
2014	2009 Change in Liability	L	25	2,830,242,246	24	2,790,091,215	249,988,498
2014	2010 Change in Liability	L	26	1,106,465,512	25	1,092,087,029	96,461,424
2014	2011 Change in Liability	L	27	(170,316,807)	26	(168,287,214)	(14,671,243)
2014	2012 Change in Liability	L	28	123,507,827	27	122,156,837	10,522,700
2014	2013 Change in Liability	L	29	(246,366,627)	28	(243,890,713)	(20,779,159)
2014	2013 Assumption Change	L	29	863,987,177	28	855,304,354	72,870,774
2014	2013 Asset Val Meth Change	L	29	(25,459,851)	28	(25,203,987)	(2,147,346)
2014	2014 Assumption Change	L	30	570,933,583	29	565,657,761	47,708,947
2014	2014 Cost Method Change	L	30	881,187,059	29	873,044,280	73,634,672
2014	2014 Investment Experience	L	5	(423,997,917)	4	(351,363,520)	(101,629,570)
2014	2014 Other Experience	L	30	(162,364,784)	29	(160,864,421)	(13,567,695)
Total Outstanding Balance						\$ 11,807,883,224	\$ 966,861,848
Employers Credit Balance							
2014	2011 Contribution Variance	L	2	47,407,814	1	24,588,168	25,523,182
2014	2012 Contribution Variance	Note 3	-	-	-	-	-
2014	2013 Contribution Variance	L	4	9,457,295	3	7,350,754	2,735,460
2014	2014 Contribution Variance	Note 3	-	-	-	-	-
2015	2015 Contribution Variance	Note 3	-	-	-	-	-
Total Credit Balance						\$ 31,938,922	\$ 28,258,642
Total Unfunded Actuarial Accrued Liability						\$ 11,839,822,146	\$ 995,120,490

See Exhibit 7-D for Notes.

Exhibit 7-C

**UAL Outstanding Balance and Payment Schedule
Based on June 30, 2014 UAL Schedules**

FY Beginning	UAL Outstanding Balance (Millions)	UAL Mid-Year Payments (Millions)	Payment % Change	FY Beginning	UAL Outstanding Balance (Millions)	UAL Mid-Year Payments (Millions)	Payment % Change
2014	11,970	996		2029	6,335	867	-16.4%
2015	11,863	995	-0.1%	2030	5,927	867	0.0%
2016	11,749	1,007	1.1%	2031	5,486	867	0.0%
2017	11,615	1,046	3.9%	2032	5,012	867	0.0%
2018	11,430	1,049	0.3%	2033	4,501	867	0.0%
2019	11,227	1,156	10.2%	2034	3,950	867	0.0%
2020	10,897	1,162	0.5%	2035	3,357	867	0.0%
2021	10,535	1,168	0.5%	2036	2,717	867	0.0%
2022	10,140	1,174	0.5%	2037	2,028	867	0.0%
2023	9,707	1,180	0.5%	2038	1,286	867	0.0%
2024	9,235	1,186	0.5%	2039	486	11	-98.7%
2025	8,719	1,193	0.5%	2040	512	154	1310.0%
2026	8,157	1,199	0.5%	2041	393	168	9.6%
2027	7,545	1,206	0.6%	2042	248	158	-6.3%
2028	6,878	1,036	-14.1%	2043	104	108	-31.7%
				2044	0	0	0.0%

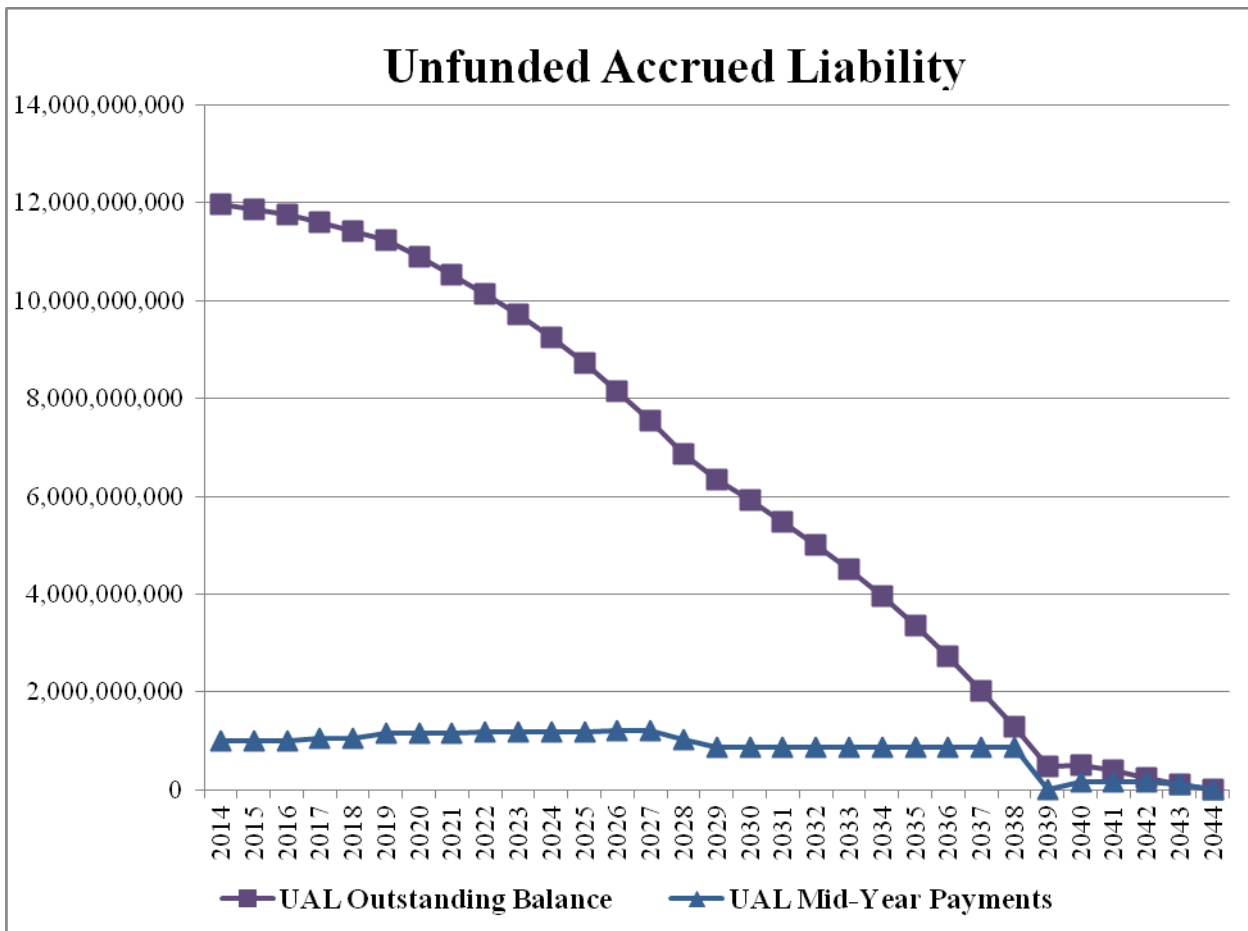


Exhibit 7-D**Amortization Schedule Notes**

Act 497 of 2009 consolidated all schedules established prior to 2009 into two amortization schedules, the Original Amortization Base (OAB) and the Experience Account Amortization Base (EAAB). The OAB consists of the outstanding balance of the Initial Unfunded Accrued Liability and schedules with negative outstanding balances. The outstanding balance of this schedule was credited with funds from the Initial UAL account, excluding the subaccount of this fund, and the balance of the Employer Credit Account. The OAB payment schedule is prescribed by statute, as described in Note 1 below. The EAAB consists of the 2004 schedule and all remaining schedules. The outstanding balance of this schedule was credited with the balance of funds from the Initial UAL subaccount, which were transferred from the Employee Experience Account on June 30, 2009. The EAAB payment schedule is prescribed by statute, as described in Note 2 below.

Act 497 also revised the provisions regarding amortization of contribution variances. Previously, any contribution variance relative to the actuarially required contribution was amortized with level payments for five years. The Act provides that in any year from plan year 2009/2010 through 2039/2040 that the system receives an overpayment of contributions due to the contribution variance or resulting from the statutory minimum contribution of 15.5% exceeding the actuarially calculated contribution, the surplus will be credited to the EAAB. The EAAB will then be re-amortized according to the payment schedule specified by the Act.

Act 399 changed the allocation of investment earnings to the UAL and Experience account and eliminates all provisions allowing for re-amortization of the OAB and EAAB until the System is 85% funded.

All schedules were re-amortized, effective July, 1, 2014, using a rate of 7.75%.

Note 1: Act 497 of 2009 created the Original Amortization Base, effective July 1, 2010, which combines the following schedules: 1993 (Initial Liability), 1993 (Change in Liability), 1994-1996, 1998-2000, 2005-2008. The combined balance was reduced by applying funds from the IUAL Fund, excluding the subaccount of this fund. In addition to regular payments, the schedule was reduced by \$100 million on June 30, 2013 and re-amortized, and by \$50 million on June 30, 2014, and not re-amortized, per Act 399 of 2014. The fund also was credited with \$5,578,791 due to the Act 55 of 2014 legislative appropriation. Future payments will increase by 6.5% for 3 years, then by 2.0% until paid off in 2029.

Note 2: Act 497 of 2009 created the Experience Account Amortization Base, which combines the following schedules shown in Exhibit A-1: 1997, 2001-2003, 2004 (the liability resulting from Act 588 of 2004 which zeroed out the Experience Account), and 2008. The combined balance was reduced by applying funds from the subaccount of the IUAL Fund, which were transferred from the Experience Account on June 30, 2009. In addition to regular payments and contribution variance credits, the schedule was reduced by \$100 million on June 30, 2013 and re-amortized and by \$50 million on June 30, 2014, and not re-amortized per Act 399 of 2014. Future payments will increase by 6.5% for 3 years, then will be level until paid off in 2040.

Note 3: The 2012 contribution variance surplus of \$7,169,301 was used to reduce and re-amortize the EAAB, per Act 497 of 2009. The 2014 and projected 2015 contribution variance surpluses of \$40,289,648 and \$27,627,908, respectively, were used to reduce the EAAB, with no re-amortization, per Act 399 of 2014.

Exhibit 7-E

**Components of Original Amortization Base
(Dollar amounts in millions)**

	Annual Outstanding Balance					Annual Payments				
	IUAL	Other Schedules	IUAL Acct	Employer Credit Account	Total OAB	IUAL	Other Schedules	IUAL Acct	Employer Credit Account	Total OAB
2014	6,843.0	(3,794.0)	(408.0)	(102.0)	2,538.0	621.0	(344.0)	(37.0)	(9.0)	230.0
2015	6,728.0	(3,731.0)	(401.0)	(101.0)	2,495.0	661.0	(367.0)	(39.0)	(10.0)	245.0
2016	6,563.0	(3,640.0)	(391.0)	(98.0)	2,434.0	704.0	(391.0)	(42.0)	(11.0)	261.0
2017	6,341.0	(3,516.0)	(378.0)	(95.0)	2,352.0	750.0	(416.0)	(45.0)	(11.0)	278.0
2018	6,054.0	(3,357.1)	(361.0)	(90.5)	2,245.3	765.0	(424.0)	(46.0)	(11.0)	283.7
2019	5,729.0	(3,176.9)	(341.7)	(85.6)	2,124.8	780.0	(433.0)	(47.0)	(12.0)	289.4
2020	5,363.0	(2,973.9)	(319.8)	(80.2)	1,989.1	796.0	(441.0)	(47.0)	(12.0)	295.2
2021	4,952.4	(2,746.3)	(295.3)	(74.0)	1,836.8	812.0	(450.0)	(48.0)	(12.0)	301.1
2022	4,493.5	(2,491.8)	(268.0)	(67.2)	1,666.6	828.0	(459.0)	(49.0)	(12.0)	307.1
2023	3,982.1	(2,208.2)	(237.5)	(59.5)	1,476.9	845.0	(468.0)	(50.0)	(13.0)	313.3
2024	3,414.0	(1,893.1)	(203.6)	(51.0)	1,266.2	862.0	(478.0)	(51.0)	(13.0)	319.5
2025	2,784.2	(1,543.9)	(166.0)	(41.6)	1,032.6	879.0	(487.0)	(52.0)	(13.0)	325.9
2026	2,087.8	(1,157.7)	(124.5)	(31.2)	774.3	896.0	(497.0)	(53.0)	(13.0)	332.5
2027	1,319.1	(731.5)	(78.7)	(19.7)	489.3	914.0	(507.0)	(55.0)	(14.0)	339.1
2028	472.3	(261.9)	(28.2)	(7.1)	175.2	490.0	(272.0)	(29.0)	(7.0)	181.8
2029	-	-	-	-	-	-	-	-	-	-

This table has changed from previously published tables. Previous annual payments were determined using the prior discount rate of 8.00%. The Outstanding balance of the OAB was reduced on June 30, 2014, by \$50,000,000 from investment gains and by a \$5,578,791 legislative appropriation.

GLOSSARY

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

Actuarial Accrued Liability – Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the actuarial present value of benefits attributable to service credit earned (or accrued) as of the valuation date.

Actuarial Present Value of Benefits – Amount which, together with future interest, is expected to be sufficient to pay all benefits to be paid in the future, regardless of when earned, as determined by the application of a particular set of actuarial assumptions; equivalent to the actuarial accrued liability plus the present value of future normal costs attributable to the members.

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

Actuarial Cost Method – A method of determining the portion of the cost of a pension plan to be allocated to each year; sometimes referred to as the "actuarial funding method." Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs.

Actuarial Equivalence – Series of payments with equal actuarial present values on a given date when valued using the same set of actuarial assumptions.

Actuarial Present Value - The amount of funds required as of a specified date to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payments between the specified date and the expected date of payment.

Actuarial Value of Assets – The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to market value of assets, or some modification using an asset valuation method to reduce the volatility of asset values.

Actuarially Reduced – The method of adjusting a benefit received at an early date, or paid in a form other than the lifetime of the member so that the expected total cost to the retirement system is equivalent to the cost if the benefit did not begin until later, or was paid for the lifetime of the member.

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

Amortization – Paying off an interest-discounted amount with periodic payments of interest and (generally) principal, as opposed to paying off with a lump sum payment.

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

Contribution Variance – The difference between actuarially required contribution and the actual amount received based upon a projected contribution rate. Results in an increase or decrease to future required contributions.

Discount Rate – The interest rate used in developing present values to reflect the time value of money.

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

Employer Normal Cost – Portion of the normal cost, excluding administrative expenses, not paid by employee contributions.

Entry Age Normal (EAN) Funding Method – A standard actuarial funding method whereby each member's normal costs (service costs) are generally level as a percentage of pay from entry age until retirement. The annual cost of benefits is comprised of the normal cost plus an amortization payment to reduce the UAL.

Experience Gain (Loss) – The difference between actual unfunded actuarial accrued liabilities and anticipated unfunded actuarial accrued liabilities during the period between two valuation dates. It is a measurement of the difference between actual and expected experience, and may be related to investment earnings above (or below) those expected or changes in the liability due to fewer (or greater) than expected numbers of retirements, deaths, disabilities, or withdrawals, or variances in pay increases relative to assumed pay increases. The effect of such gains (or losses) is to decrease (or increase) future costs.

Funded Ratio – A measure of the ratio of the actuarial value of assets to liabilities of the system. Typically the assets used in the measure are the actuarial value of assets as determined by the asset valuation method adopted by the Board of Trustees; the liabilities are determined using the actuarial funding method specified by Louisiana statute. Thus the funded ratio depends not only on the financial strength of the plan but also on the asset valuation method used to determine the assets and on the funding method used to determine the liabilities.

Governmental Accounting Standards Board (GASB) – Governmental agency that sets the accounting standards for state and local government operations.

Market Value of Assets (MVA) – The value of assets as they would trade on an open market.

Normal Cost – Computed differently under different funding methods, generally that portion of the actuarial present value of benefits allocated to the current plan year.

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

Projected Unit Credit (PUC) Funding Method – A standard actuarial funding method whereby the actuarial present value of projected benefits of each individual is accumulated from the participant's attained age to anticipated retirement. The portion attributable to current year benefit accruals is called the normal cost. The actuarial present value of future benefits in proportion to service accrued on the date of valuation is called the actuarial accrued liability. The annual cost of benefits is comprised of the normal cost plus an amortization payment to reduce the unfunded actuarial accrued liability.

Side-Fund Assets – Assets held in the trust for purposes other than for paying the accrued benefits or administrative expenses of the plan.

Unfunded Actuarial Accrued Liability (UAAL or UAL) – The excess of the actuarial accrued liability over the valuation assets; sometimes referred to as "unfunded past service liability". UAL increases (decreases) each time an actuarial loss (gain) occurs and when new benefits are added without being fully funded initially.

Valuation Assets – The actuarial value of assets less side-fund assets; represents the portion of the actuarial value of assets available to pay the accrued benefits of the plan.

Vested Benefit – Benefits that the members are entitled to regardless of employment status.