REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION AS OF
JUNE 30, 2010

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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November 29, 2010

Board of Trustees
Registrars of Voters Employees' Retirement System
P.O. Box 57
Jennings, Louisiana 70546

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Registrars of Voters Employees' Retirement System for the fiscal year ending June 30, 2010. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrator and accountants. This report was prepared at the request of the Board of Trustees of the Registrars of Voters Employees' Retirement System of the State of Louisiana. The primary purposes of the report are to determine the actuarially required contribution for the retirement system for the fiscal year ending June 30, 2010 to recommend net direct employer contribution rates for fiscal 2011, and to provide information for the system's financial statements. This report was prepared exclusively for the Registrars of Voters Employees' Retirement System for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

This report has been prepared in accordance with generally accepted actuarial principles and practices, and to the best of our knowledge and belief fairly reflects the actuarial present values and costs stated herein. The undersigned actuaries are members of the American Academy of Actuaries and have met the qualification standards for the American Academy of Actuaries to render the actuarial opinions incorporated in this report, and are available to provide further information or answer any questions with respect to this valuation.

Sincerely,

G. S. CURRAN & COMPANY, LTD.

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

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

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SUMMARY OF VALUATION RESULTS
REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM

Valuation Date:		June 30, 2010	June 30, 2009
Census Summary:	Active Members	247	247
	Retired Members and Survivors	140	138
	Terminated Due a Deferred Benefit	6	5
	Terminated Due a Refund	20	19
Payroll:		$ 12,333,966	$ 11,753,384
Benefits in Payment:		$ 2,877,232	$ 2,777,346
Market Value of Assets:		$ 53,081,300	$ 48,785,175
Actuarial Asset Value:		$ 62,823,395	$ 60,492,753
Unfunded Actuarial Accrued Liability		NONE	NONE
Funded Ratio (GASB 50):		80.88%	84.12%

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	FISCAL 2011	FISCAL 2010
Employer Normal Cost (July 1):	$ 3,661,447	$ 2,973,139
Amortization Cost (July 1):	N/A	N/A
Interest Adjusted Actuarially Required Contribution (Including Estimated Administrative Costs):	$ 4,034,977	$ 3,297,915
Projected Ad Valorem Taxes and Revenue Sharing Funds	$ 2,085,159	$ 2,026,592
Net Direct Employer Actuarially Required Contributions	$ 1,949,818	$ 1,271,323
Actuarially Required Net Direct Employer Contribution Rate	15.35%	10.57%
Actual Net Direct Employer Contribution Rate:	14.25%	3.50%
Maximum Additional Funding Provided by Ad Valorem Taxes for the Defined Contribution Plan:	**$ 0**	**$ 0**

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Recommended Net Employer Contribution Rate: For Fiscal 2012: 15.50% For Fiscal 2011: 11.25%

Employee Contribution Rate: 7%

Dedicated Funding: Maximum of 0.0625% of ad valorem taxes plus revenue sharing funds

Actuarial Cost Method: Aggregate Actuarial Cost Method

Valuation Interest Rate: 8% (Net of Investment Expense)

Exclusions from Census: None

Basis of Actuarial Asset Value: The actuarial value of assets is based on the market value of assets adjusted to phase in asset earnings above or below the assumed rate of return over a five-year period with limits set at 85% and 115% of the market value of assets. When the adjusted value falls outside of the limits, the actuarial value is set equal to the average of the limited and adjusted value.

Changes in Valuation Methods, Assumptions, and/or Amortization Periods: Based upon studies of actual experience and underlying population statistics, changes were made in the assumptions related to mortality, rates of retirement, rates of DROP entry, disability, and withdrawals.

Method of Recognizing Gains and Losses: Actuarial gains and losses are spread over future normal costs.

COMMENTS ON DATA

For the valuation, our office electronically downloaded census information from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in like manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit X, there are 247 active members in the system of whom 119 have vested retirement benefits including 8 participants in the Deferred Retirement Option Plan (DROP); 140 former system members or their beneficiaries are receiving retirement benefits. An additional 26 members have contributions remaining on deposit with the system; of this number, 6 have vested rights for future retirement benefits. All individuals submitted were included in the valuation.

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

In addition to the statistical information provided on the system's participants, the system's director furnished general information related to other aspects of the system's expenses, benefits and funding. Valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Duplantier, Hrapmann, Hogan & Maher, Certified Public Accountants. As indicated in the system's audit report, the net market value of the system's assets was $53,081,300 as of June 30, 2010. Net investment income for fiscal 2010 measured on a market value basis amounted to $4,263,350. Contributions to the system for the fiscal year totaled $3,402,379; benefits and expenses amounted to $3,369,604.

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

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

This valuation is based on the Aggregate actuarial cost method. Under the Aggregate Cost Method, actuarial gains and losses are spread over future normal costs. Thus, favorable plan experience will lower future normal costs; unfavorable experience will cause future normal costs to increase. In addition, changes in benefits and assumptions as well as contribution surpluses on shortfalls are also spread over future normal costs. In any year in which the net direct employer contribution is scheduled to decrease, the board of trustees may freeze the net direct employer contribution rate and deposit the excess funds, if any, into the Funding Deposit Account.

All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments will be required to contribution levels. Such differences will be revealed in future actuarial valuations.

The actuarial assumptions utilized for the report are outlined on pages thirty-five through forty. In the aggregate the assumptions represent our "best estimate" of future long-term experience for the fund. An experience study was conducted to re-examine decrement experience for the fund over the last five years. Ratio's of actual to expected decrements were calculated for disability, withdrawals, retirement and DROP entry. As a result of this analysis, prior retirement and DROP entry rates were increased, disability rates and withdrawal rates were reduced. The relatively small size of the Fund does not provide sufficient data to creditably build full tabular decrement rates at each age based on recent experience. In addition, the unique benefit structure makes the use of standard tables impractical. Thus the newly developed rates are based on subjective adjustment to the existing tabular rates derived from the experience of the five prior fiscal years. In the case of mortality, the data from this plan was combined with three other statewide plans which have similar workforce composition in order to produce more credible experience. The aggregated data collected over a five year period was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set back of the standard table. The result of the procedure indicated that the RP2000 Combined Healthy Table set back three years for males and two years for females would produce liability values approximating the appropriate generational mortality tables. The aggregate effect of all changes to assumptions was to increase the fund's normal cost accrual rate by 1.9038%.

CHANGES IN PLAN PROVISIONS

The following changes in plan provisions were enacted during the 2010 Regular Session of the Louisiana Legislature:

Act 634 added to the limited provisions of garnishment of retirement benefits and contribution refunds court-ordered restitution, fines, costs of incarceration, probation, or parole imposed on members, former members, or retirees as a result of a guilty plea or *nolo contendere* to the commission of a felony for misconduct associated with such person's service as an elected official or public employee for which credit in the fund was earned or accrued for felonies committed on or after July 1, 2010. The act does not impinge on the community property interest of a spouse or former spouse.

Act 874 makes certain changes to the Public Retirement System's Actuarial Committee. The act sets a deadline for determining the employer contribution rate of the last Monday in February. The act changes one of the members of the committee from the Legislative Actuary to the Legislative Auditor or his designee. The act also states that each agency represented by a member of the committee shall provide clerical staff as requested by any member of the committee in fulfillment of the duties of the committee. In addition, the act makes several technical changes to the statutes governing the committee.

Act 1004 provides for guidelines in asset allocation studies, investment policy, and selecting investments for all state and statewide retirement systems and calls for such systems to submit quarterly reports on investment results to the House and Senate Retirement Committees.

Act 1048 amended the state constitution to require that any public retirement system benefit provision having an actuarial cost must receive a two-thirds majority of the elected members of each house of the legislature in order to pass.

ASSET EXPERIENCE

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

	Market Value	Actuarial Value
2001	5.9%	4.0%
2002	-3.0%	0.5%
2003	3.3%	1.0%
2004	10.9%	4.2%
2005	6.8%	7.4%
2006	5.2%	7.4%
2007	14.0%	* 13.6%
2008	-3.9%	6.6%
2009	-18.3%	* -6.2%
2010	8.7%	3.8%

* Includes effect of change in asset valuation method.

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income and dividends. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2010, the fund earned $1,168,681 of dividends, interest, and other recurring income. This income was offset by realized and unrealized capital losses of $3,355,371 and investment expenses of $260,702. The geometric mean of the market value rates of return measured over the last ten years was 2.6%.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 8% used for the valuation. This rate is calculated based on the actuarial value of assets and all interest, dividends, and recognized capital gains as given in Exhibit VI. Investment income used to calculate this yield is based upon a smoothing of investment income above or below the valuation interest rate over a five year period. The difference between rates of return on an actuarial and market value basis results from the smoothing utilized. Yields in excess of the 8% assumption will reduce future costs; yields below 8% will increase future costs. For fiscal 2010, the system experienced net actuarial investment earnings of $2,542,839 less than the actuarial assumed earnings rate of 8%. This shortfall in earnings produced an actuarial loss, which increased the normal cost accrual rate by 2.4220%.

DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the system is given in Exhibit X. The average active member is 51 years old with 13 years of service and an average salary of $49,935. The system's active contributing membership remained level with the prior fiscal year. The plan has experienced an increase in the active plan population of 20 members over the last five years. A review of the active census by age indicates that over the last ten years the population in the 31-50 age group has decreased significantly while the proportion of active members in the 51-70 age group increased. Over the same ten-year period the plan showed a decrease in the percentage of members with service greater than ten but less than twenty-five years. Over this period there has been a substantial increase in the percentage of members with less than ten years of service, as well as those with more than twenty-five years of service credit.

The average service retiree is 76 years old with a monthly benefit of $1,911. The number of retirees and beneficiaries receiving benefits from the system increased by 2 during the fiscal year; over the last five years this increased by 18. During this same period, annual benefits in payment increased by $950,044.

Plan liability experience for fiscal 2010 was favorable. DROP entries, retirements, and disabilities were below projected levels; this would be expected to reduce costs. Partially offsetting these reductions were withdrawals below projected levels and salary increases slightly above projected levels. Retiree deaths were at projected levels. Plan liability experience decreased the normal cost accrual rate by 1.0569%.

FUNDING ANALYSIS AND RECOMMENDATIONS
DEFINED BENEFIT PLAN

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by an actuarial valuation based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. Each year a determination is made of the normal cost, and the actuarially required contributions are based on the sum of this value and administrative expenses. Under the funding method used for the plan, changes in plan experience, benefits, or assumptions increase or decrease future normal costs. In addition excess or deficient contributions can decrease or increase future costs.

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

The derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for fiscal 2011 as of July 1, 2010, is $3,661,447. The total actuarially required contribution is determined by adjusting this value for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 12 of Exhibit I the total actuarially required contribution for fiscal 2011 is $4,034,977. Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. Available revenue sharing funds for fiscal 2011 are expected to be $110,670 and we estimate that available ad valorem taxes for fiscal 2011 will be $1,974,489. Thus we estimate the net direct cost to the employer for fiscal 2011 will be $1,949,818 or 15.35% of projected payroll.

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

The effects of various factors on the fund's cost structure are outlined below:

Normal Cost Accrual Rate – Fiscal 2010	26.3325%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	2.4220%
Assumption Loss	1.9038%
Contribution Loss	0.9174%
Factors Decreasing the Normal Cost Accrual Rate:	
Liability Experience	1.0569%
New Members	0.4697%
Normal Cost Accrual Rate – Fiscal 2011	30.0491%

In addition to the above factors, required net direct employer contributions are also affected by the projected ad valorem taxes and revenue sharing funds which the system is expected to receive each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that these funds collected in fiscal 2011 will decrease by 0.43% of payroll. Although the actuarially required net direct employer contribution rate for fiscal 2011 is 15.35%, the actual employer contribution rate for fiscal 2011 is 14.25% of payroll. Since the contribution rate for fiscal 2011 was 14.25%, any deficit in employer contributions collected in the fiscal year will increase the Fund's normal cost accrual rate. We estimate this deficit will result in an increase of 0.13% to the normal cost accrual rate in fiscal 2012. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%, hence we are recommending a minimum net direct employer contribution rate of 15.50% for fiscal 2012.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, completion of amortization payments or credit schedules, and changes in plan provisions or applicable law. Analysis of the effect of all these factors is beyond the scope of this report. We have, however, calculated the sensitivity of the plans' costs to two factors. First, we have determined that based on current assets and demographics, for each percentage earnings in a single year under (over) the assumed rate of return on the actuarial value of assets, there will be a corresponding increase (reduction) in the normal cost accrual rate of 0.60% for the Fund. We have also determined that a 1% reduction in the valuation interest rate for the Fund would increase the actuarially required contribution rate for fiscal 2011 by 10.54%.

Notwithstanding recent contribution increases, a significant portion of investment losses incurred in fiscal 2009 have not yet been released into the actuarial value of assets due to the current asset smoothing methodology. These losses will be released over the next three years and, even when the investment gains for the fiscal 2010 are factored in, this will put upward pressure on costs as they are released into income unless they are offset by substantial asset or liability gains.

FUNDING ANALYSIS AND RECOMMENDATIONS
DEFINED CONTRIBUTION PLAN

Funding for the retirement system's defined contribution account is contingent upon the availability of funds from ad valorem taxes and revenue sharing above the requirements of the defined benefit plan. The maximum amount of ad valorem taxes available to the system is 0.0625% of the ad valorem taxes shown to be collected each year. For fiscal 2011, we project that the system will receive ad valorem taxes in an amount insufficient to meet the requirements of the defined benefit plan. Therefore, there is no funding available for the defined contribution account for fiscal 2011.

COST OF LIVING INCREASES

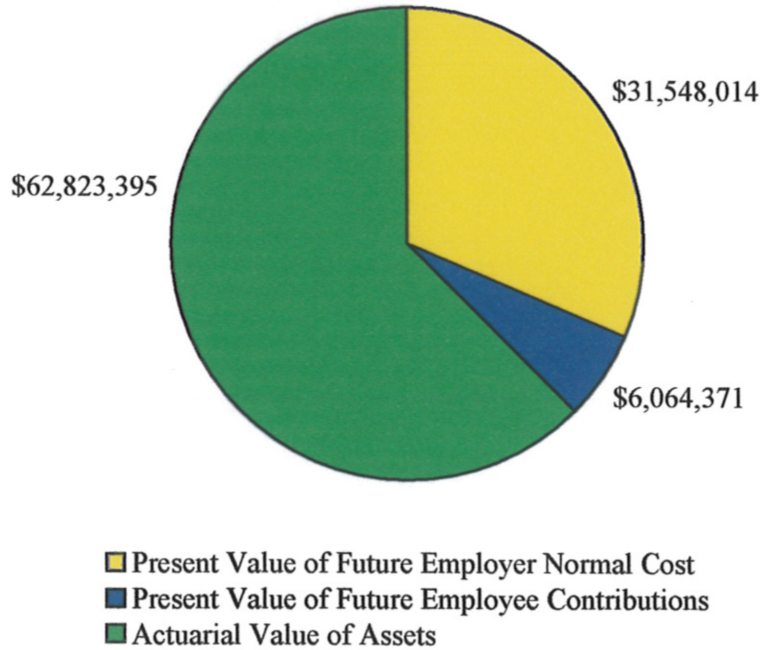
During fiscal 2010 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 1.05%. Cost of living provisions for the system are detailed in R.S. 11:2073 and R.S. 11:246. The former statute allows the board to grant annual cost of living increases of 3% of each retiree's original benefit. This applies only to members who have been retired for at least two years. R.S. 11:246 provides cost of living increases of retirees and beneficiaries over the age of 65 equal to

2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date (R.S. 11:246 only permits payment of such an increase if earnings exceed the system's valuation rate). R.S. 11:241 provides that cost of living benefits shall be in the form (unless the board otherwise specifies) of $X×(A+B) where X is at most $1 and "A" represents the number of years of credited service accrued at retirement or at death of the member or retiree and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase. The provisions of this subpart do not repeal provisions relative to cost of living adjustments contained within the individual laws governing systems; however, they are to be controlling in cases of conflict.

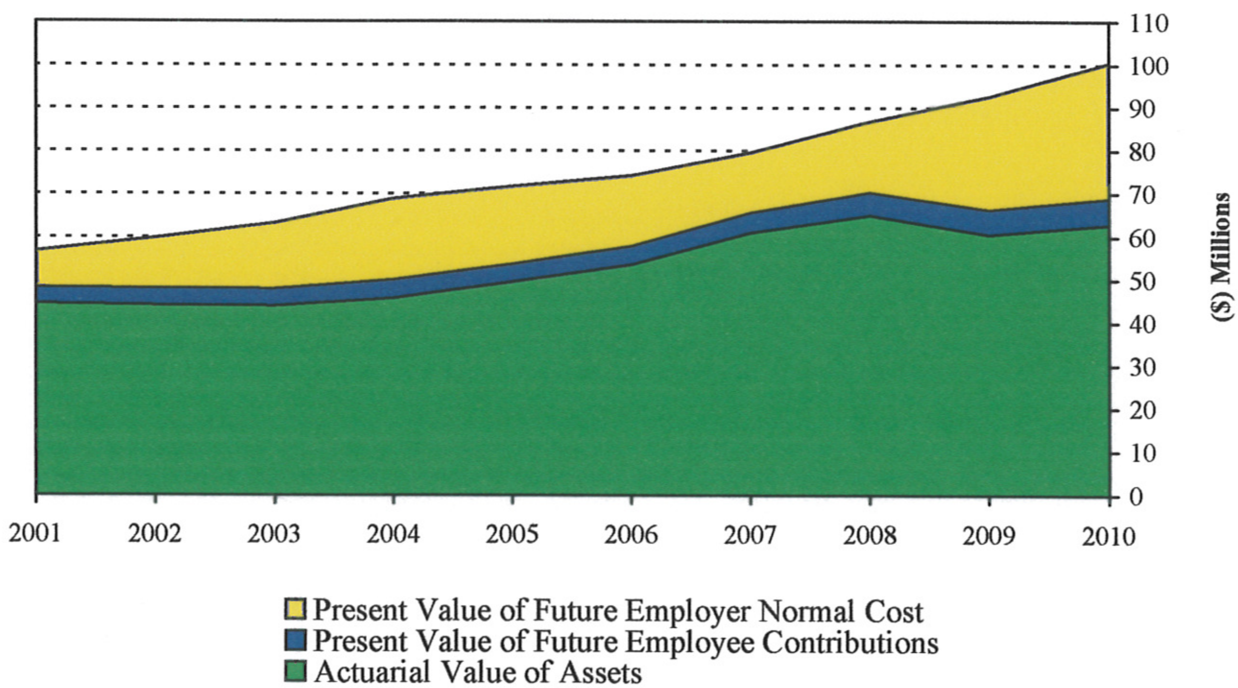
Statutory requirements provide that such COLA's may be paid only when the investment earnings of the system are sufficiently above the valuation interest rate to fund the benefit granted. For fiscal 2010 the fund had no excess earnings. In addition, in order to grant any cost of living increase to retirees, the ratio of the actuarial value of assets to the Pension Benefit Obligation must equal or exceed a statutory target ratio defined in R.S. 11:242. The funded ratio of the system, as calculated under R.S. 11:242, is 79.93%. This is below the target ratio of 100.00%. Thus, for fiscal 2010, the target ratio was not met by the fund.

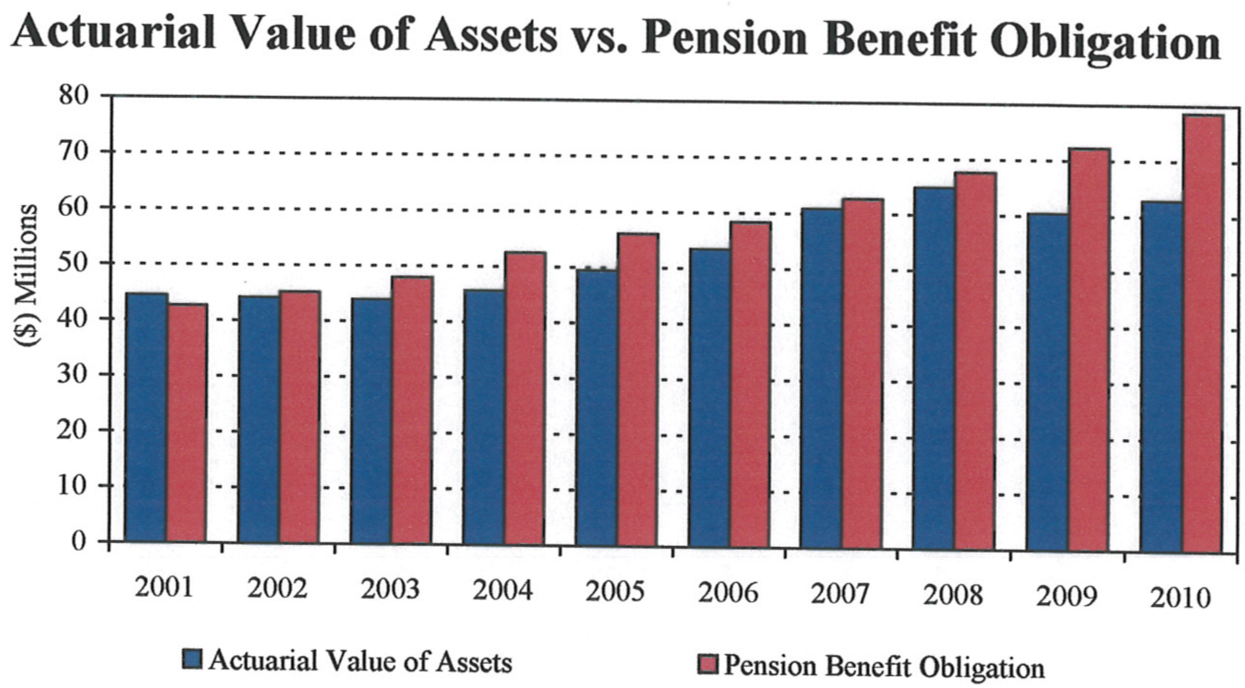
Components of Present Value of Future Benefits

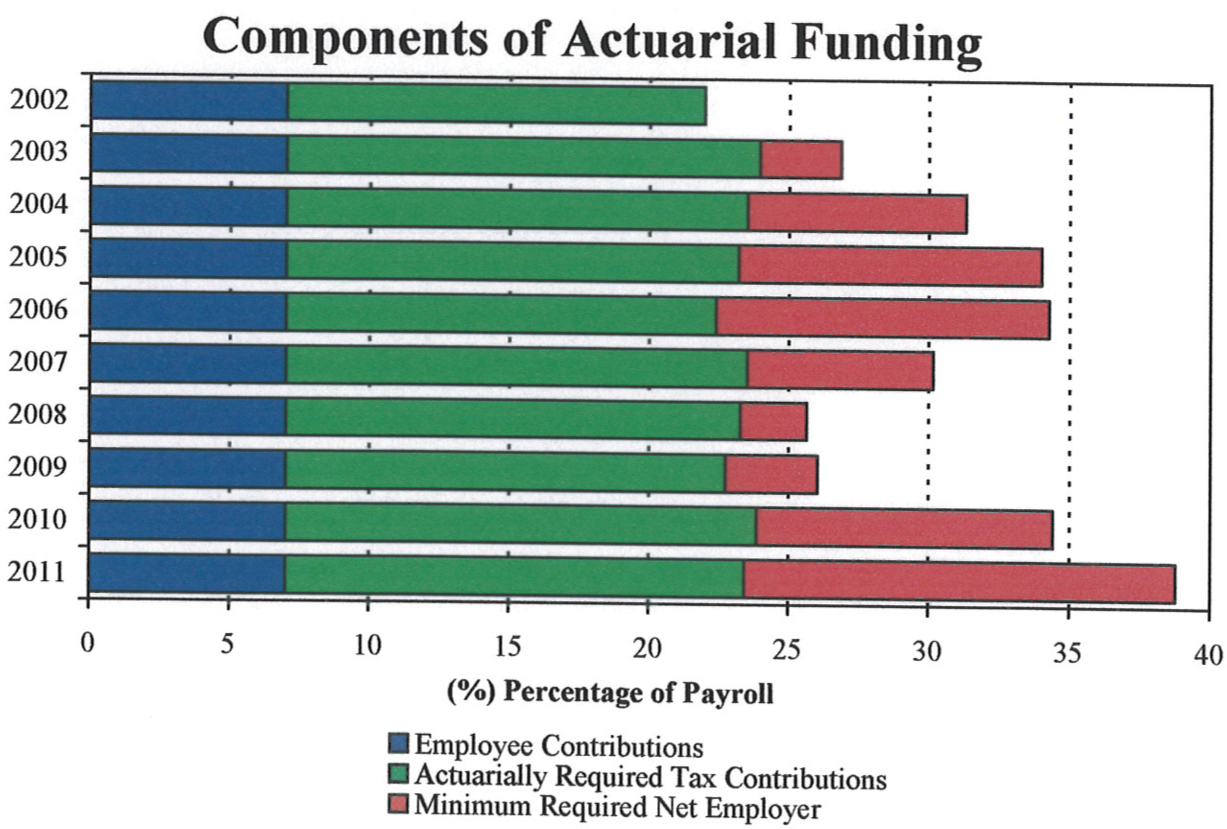
June 30, 2010



Components of Present Value of Future Benefits

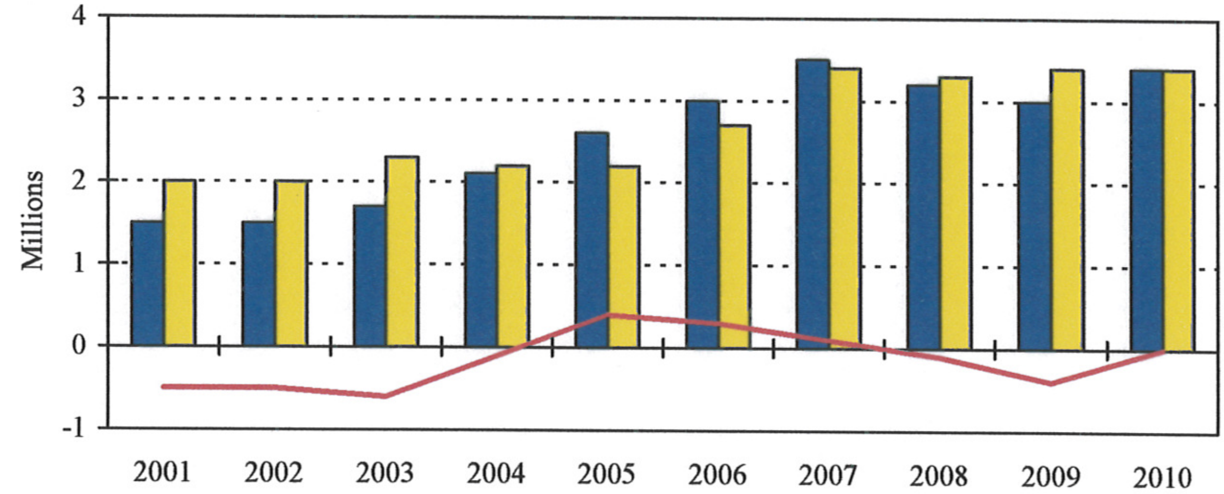






Actuarially Required Tax Contributions consist of the lesser of Actuarially Required Contributions and amount of taxes divided by the projected valuation payroll.

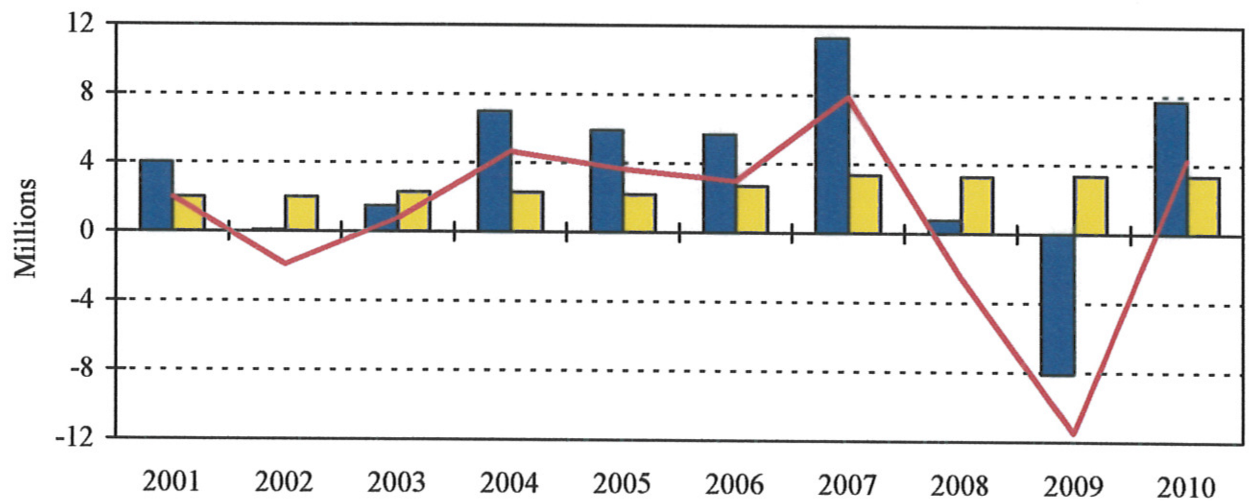
Net Non-Investment Income



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Non-Investment Income ($Mil)	1.5	1.5	1.7	2.1	2.6	3.0	3.5	3.2	3.0	3.4
Benefits and Expenses ($Mil)	2.0	2.0	2.3	2.2	2.2	2.7	3.4	3.3	3.4	3.4
Net Non-Investment Income ($Mil)	-0.5	-0.5	-0.6	-0.1	0.4	0.3	0.1	-0.1	-0.4	0.0

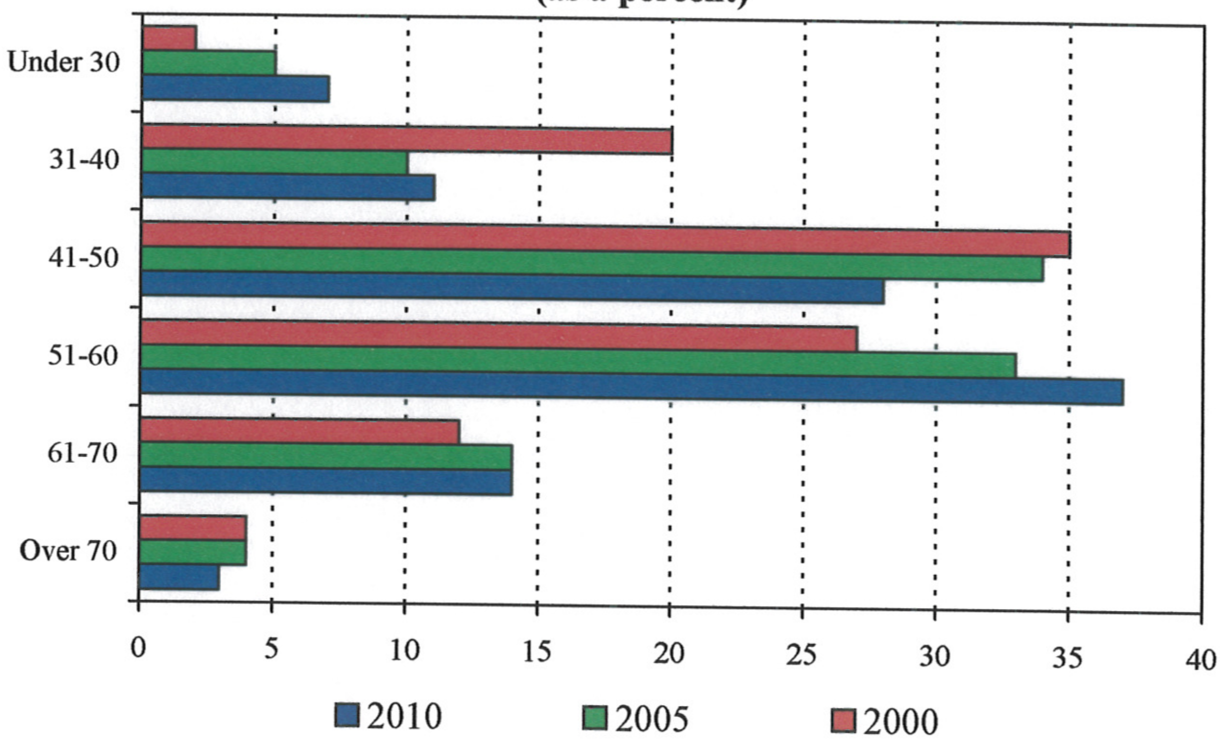
Total Income vs. Expenses

(Based on Market Value of Assets)

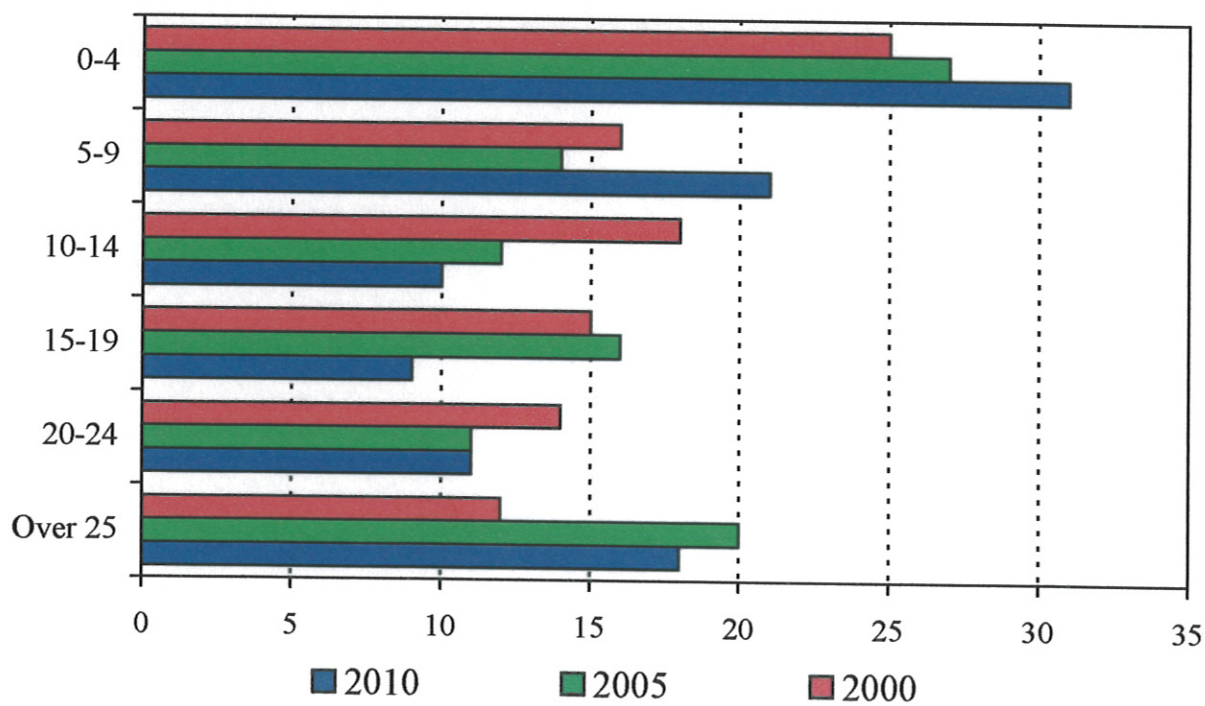


	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Income ($Mil)	4.0	0.1	1.5	7.0	5.9	5.7	11.3	0.8	-8.1	7.7
Benefits and Expenses ($Mil)	2.0	2.0	2.3	2.3	2.2	2.7	3.4	3.3	3.4	3.4
Net Change in MVA ($Mil)	2.0	-1.9	-0.8	4.7	3.7	3.0	7.9	-2.5	-11.5	4.3

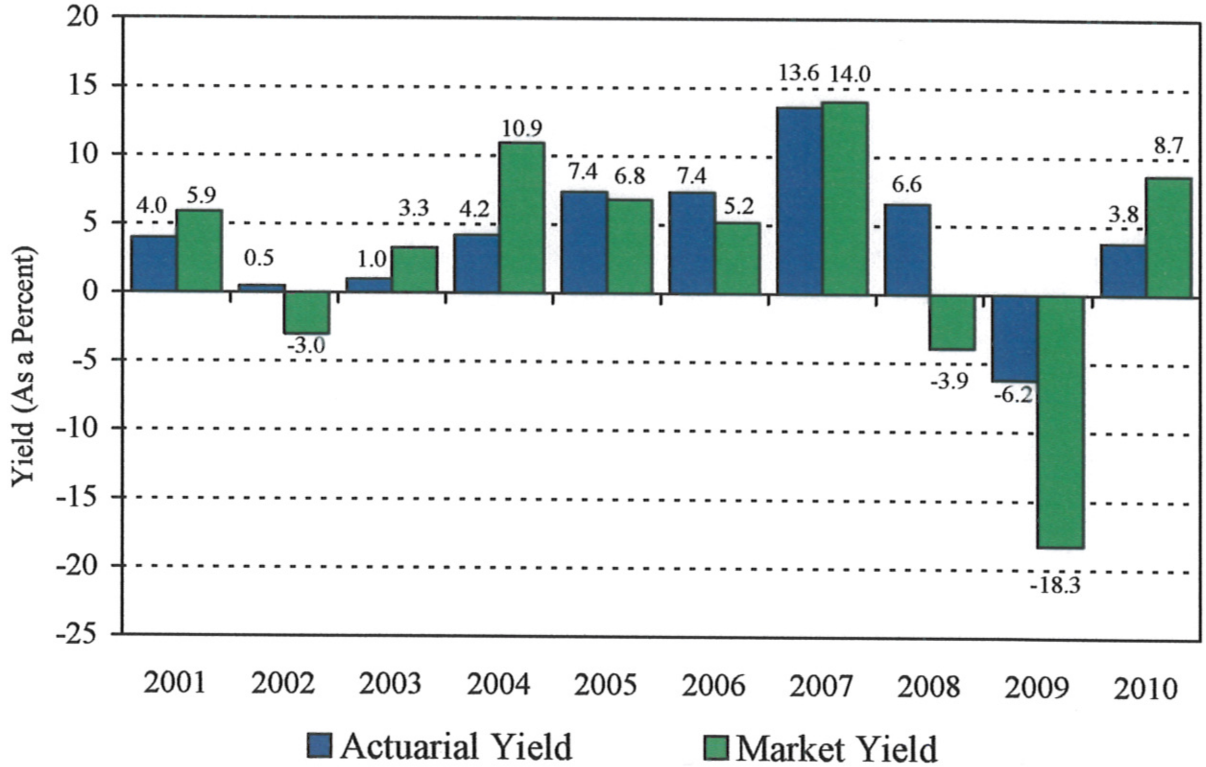
Active – Census By Age
(as a percent)



Active – Census By Service
(as a percent)



Historical Asset Yields



EXHIBITS

EXHIBIT I
ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS TO THE DEFINED BENEFIT PLAN

1.	Present Value of Future Benefits	$100,435,780
2.	Actuarial Value of Assets	$ 62,823,395
3.	Present Value of Future Employee Contributions	$ 6,064,371
4.	Funding Deposit Account	$ 0
5.	Present Value of Future Employer Normal Cost (1-2-3+4)	$ 31,548,014
6.	Present Value of Future Salaries	$104,988,282
7.	Employer Normal Cost Accrual Rate (5 ÷ 6)	30.049081%
8.	Projected Fiscal 2011 Salary for Current Membership	$ 12,184,888
9.	Employer Normal Cost as of July 1, 2010 (7 x 8)	$ 3,661,447
10.	Normal Cost Adjusted for Midyear Payment	$ 3,805,087
11.	Estimated Administrative Cost for Fiscal 2011	$ 229,890
12.	GROSS Employer Actuarially Required Contribution for Fiscal 2011 (10 + 11)	$ 4,034,977
13.	Projected Revenue Sharing Funds for Fiscal 2011	$ 110,670
14.	Projected Ad Valorem Tax Contributions for Fiscal 2011	$ 1,974,489
15.	Net Direct Employer Actuarially Required Contribution for Fiscal 2011 (12 - 13 - 14)	$ 1,949,818
16.	Projected Payroll (July 1, 2010 to June 30, 2011)	$ 12,706,132
17.	Employer's Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2011 (15 ÷16)	15.35%
18.	Actual Employer Contribution Rate for Fiscal 2011	14.25%
19.	Contribution Shortfall (Excess) as a Percentage of Payroll (17-18)	1.10%
20.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess)	0.13%
21.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2012 (17+20, Rounded to nearest .25%)	15.50%

EXHIBIT II
PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	$	70,577,829		
Survivor Benefits		1,268,366		
Disability Benefits		525,925		
Vested Deferred Termination Benefits		1,378,422		
Contribution Refunds		510,552		
TOTAL Present Value of Future Benefits for Active Members			$	74,261,094

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement	$	827,964		
Terminated Members with Reciprocals Due Benefits at Retirement		28,058		
Terminated Members Due a Refund		48,673		
TOTAL Present Value of Future Benefits for Terminated Members			$	904,695

Present Value of Future Benefits for Retirees:

Regular Retirees						
Maximum	$	8,299,920				
Option 1		2,636,211				
Option 2		4,724,801				
Option 3		4,252,832				
Option 4		1,626,493				
TOTAL Regular Retirees			$	21,540,257		
Disability Retirees				115,981		
Survivors & Widows				3,025,776		
Annuities Certain Payable to Retirees				480,478		
DROP Account Balances Payable to Retirees				107,499		
TOTAL Present Value of Future Benefits for Retirees & Survivors					$	25,269,991
TOTAL Present Value of Future Benefits					$	100,435,780

EXHIBIT III – Schedule A
MARKET VALUE OF ASSETS

Current Assets:				
Cash in Banks	$	1,195,200		
Accrued Interest and Dividends		193,225		
Contributions Receivable from Members		81,957		
Contributions Receivable from Employers		42,743		
Investment Receivable		179,005		
Due from Retiree		1,500		
TOTAL CURRENT ASSETS			$	1,693,630
Property, Plant and Equipment (Net of accumulated depreciation)			$	615
Investments:				
Common Stock	$	11,159,336		
Commingled Funds		15,344,473		
Corporate Bonds		9,272,180		
Limited Partnerships		6,626,436		
U. S. Government Bonds		4,096,585		
Limited Liability Companies		3,356,340		
Cash Equivalents		1,629,037		
TOTAL INVESTMENTS			$	51,484,387
TOTAL ASSETS			$	53,178,632
Current Liabilities:				
Accounts Payable		30,640		
Purchased Investments Payable		66,692		
TOTAL CURRENT LIABILITIES			$	97,332
MARKET VALUE OF ASSETS			$	53,081,300

EXHIBIT III – SCHEDULE B
ACTUARIAL VALUE OF ASSETS

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

Fiscal year 2010	$	359,250
Fiscal year 2009		(15,808,500)
Fiscal year 2008		(7,460,331)
Fiscal year 2007		3,299,191
Fiscal year 2006		(1,470,289)
Total for five years	$	(21,080,679)

Deferral of excess (shortfall) of invested income:

Fiscal year 2010 (80%)	$	287,400
Fiscal year 2009 (60%)		(9,485,100)
Fiscal year 2008 (40%)		(2,984,132)
Fiscal year 2007 (20%)		659,838
Fiscal year 2006 (0%)		0
Total deferred for year	$	(11,521,994)

Market value of plan net assets, end of year	$	53,081,300
Preliminary actuarial value of plan assets, end of year	$	64,603,294

Actuarial value of assets corridor

85% of market value, end of year	$	45,119,105
115% of market value, end of year	$	61,043,495

Final actuarial value of plan net assets, end of year	$	62,823,395

EXHIBIT IV
PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	6,064,371
Employer Normal Contributions to the Pension Accumulation Fund		31,548,014
Funding Deposit Account Credit Balance		0
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	37,612,385

EXHIBIT V
RECONCILIATION OF CONTRIBUTIONS

Employer Normal Cost for Prior Year	$	2,973,139		
Interest on the Normal Cost		237,851		
Expenses for Prior Year		199,041		
Interest on Expenses		7,808		
TOTAL Interest Adjusted Actuarially Required Contribution			$	3,417,839
Direct Employer Contributions	$	431,423		
Interest on Employer Contributions		16,925		
Ad valorem taxes and Revenue Sharing Funds		1,930,559		
Interest on Taxes		75,737		
TOTAL Interest Adjusted Employer Contribution			$	2,454,644
Contribution Shortfall (Excess)			$	963,195

EXHIBIT VI
ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2009)		$ 60,492,753
Income:		
Regular Member Contributions	$ 830,642	
Regular Employer Contributions	431,423	
Tax Revenue	1,930,559	
Irregular Contributions	208,075	
Miscellaneous Income	1,680	
SUBTOTAL of all contributions		$ 3,402,379
Interest	$ 801,509	
Dividends	176,037	
Alternative Investment Income	113,099	
Class Action Settlements	78,036	
Net Appreciation in Fair Value of Investments	3,355,371	
Investment Expense	(260,702)	
SUBTOTAL of all investment income		$ 4,263,350
TOTAL Income		$ 7,665,729
Expenses:		
Retirement Benefits	$ 3,131,750	
Refunds of Contributions	38,813	
Administrative Expenses	199,041	
TOTAL Expenses		$ 3,369,604
Net Market Income for Fiscal 2010 (Income - Expenses)		$ 4,296,125
Adjustment for Actuarial Smoothing		$ (1,965,483)
Actuarial Value of Assets (June 30, 2010)		$ 62,823,395

EXHIBIT VII
FUND BALANCE

Present Assets of the System Creditable to:

Annuity Savings Fund	$ 5,970,424
Annuity Reserve Fund	25,162,492
Pension Accumulation Fund	19,514,156
DROP Fund Balance	2,434,228
Funding Deposit Account	0
NET MARKET VALUE OF ASSETS	$ 53,081,300
Adjustment for Deferral of Capital (Gains) Losses	9,742,095
NET ACTUARIAL VALUE OF ASSETS	$ 62,823,395

EXHIBIT VIII – Schedule A
PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$ 52,427,356
Present Value of Benefits Payable to Terminated Employees	904,695
Present Value of Benefits Payable to Current Retirees and Beneficiaries	25,269,991
TOTAL PENSION BENEFIT OBLIGATION	$ 78,602,042
NET ACTUARIAL VALUE OF ASSETS	$ 62,823,395
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation	79.93%

EXHIBIT VIII – Schedule B
ENTRY AGE NORMAL ACCRUED LIABILITIES

Accrued Liability for Active Employees	$ 51,499,975
Accrued Liability for Terminated Employees	904,695
Accrued Liability for Current Retirees and Beneficiaries	25,269,991
TOTAL Entry Age Normal Accrued Liability	$ 77,674,661
NET ACTUARIAL VALUE OF ASSETS	$ 62,823,395
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability	80.88%

EXHIBIT IX
COST OF LIVING ADJUSTMENTS - TARGET RATIO

1.	Actuarial Value of Assets Divided by PBO as of Fiscal 1986		109.22%
2.	Amortization of Unfunded Balance over 30 years:		(7.38%)
	Adjustments in Funded Ratio Due to Changes in Assumption(s):		
	Changes for Fiscal 1988	1.27%	
	Changes for Fiscal 1990	(5.51%)	
	Changes for Fiscal 1995	(0.71%)	
	Changes for Fiscal 1997	(5.78%)	
	Changes for Fiscal 1998	(5.21%)	
	Changes for Fiscal 2001	2.53%	
	Changes for Fiscal 2005	0.15%	
	Changes for Fiscal 2006	0.59%	
	Changes for Fiscal 2007	4.16%	
	Changes for Fiscal 2009	9.44%	
	Changes for Fiscal 2010	(1.65%)	
3.	TOTAL Adjustments		(0.72%)
	Amortization of Adjustments in Funded Ratio over 30 years:		
	Changes for Fiscal 1988	(0.93%)	
	Changes for Fiscal 1990	3.67%	
	Changes for Fiscal 1995	0.36%	
	Changes for Fiscal 1997	2.50%	
	Changes for Fiscal 1998	2.08%	
	Changes for Fiscal 2001	(0.76%)	
	Changes for Fiscal 2005	(0.03%)	
	Changes for Fiscal 2006	(0.08%)	
	Changes for Fiscal 2007	(0.42%)	
	Changes for Fiscal 2009	(0.31%)	
	Changes for Fiscal 2010	0.00%	
4.	TOTAL Amortization of Adjustments		6.08%
5.	Target Ratio for Current Fiscal Year (Lesser of 100% or 1+2+3+4)		100.00%
6.	Actuarial Value of Assets Divided by PBO as of Fiscal 2010		79.93%

EXHIBIT X
CENSUS EXHIBIT

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2009	238	24	9	138	409
Additions to Census					
Initial membership	12				12
Death of another member			(1)	4	3
Omitted in error last year				(1)	(1)
Change in Status during Year					
Actives terminating service	(2)	2			
Actives who retired	(3)			3	
Actives entering DROP	(5)		5		
Term. members rehired					
Term. members who retire					
Retirees who are rehired					
Refunded who are rehired		3			3
Omitted in error last year					
DROP participants retiring			(1)	1	
DROP returned to work	4		(4)		
Eliminated from Census					
Refund of contributions	(4)	(3)			(7)
Deaths	(1)			(5)	(6)
Included in error last year					
Adjustment for multiple Records					
Number of members as of June 30, 2010	239	26	8	140	413

ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
21 - 25	1	2	3	27,425	82,276
26 - 30	1	13	14	30,105	421,472
31 - 35	2	12	14	35,195	492,724
36 - 40	1	11	12	38,859	466,303
41 - 45	3	29	32	44,182	1,413,809
46 - 50	3	33	36	53,909	1,940,714
51 - 55	5	44	49	45,385	2,223,843
56 - 60	4	40	44	53,724	2,363,838
61 - 65	6	18	24	68,068	1,633,635
66 - 70	1	10	11	71,524	786,763
71 - 75	1	3	4	58,619	234,477
76 - 80	1	2	3	63,258	189,773
86 - 90	1	0	1	84,339	84,339
TOTAL	30	217	247	49,935	12,333,966

THE ACTIVE CENSUS INCLUDES 119 ACTIVES WITH VESTED BENEFITS, INCLUDING 8 DROP PARTICIPANTS AND 19 ACTIVE FORMER DROP PARTICIPANTS.

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	1	1	2	12,907	25,814
51 - 55	0	3	3	20,541	61,622
56 - 60	1	0	1	35,212	35,212
TOTAL	2	4	6	20,441	122,648

TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	7	361
100	-	499	3	882
500	-	999	2	1,503
1000	-	1999	2	2,185
2000	-	4999	3	10,208
5000	-	9999	3	20,991
		TOTAL	20	36,130

REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	0	1	1	49,325	49,325
56 - 60	0	6	6	29,667	178,001
61 - 65	4	7	11	40,557	446,127
66 - 70	2	16	18	24,222	435,996
71 - 75	2	15	17	18,258	310,380
76 - 80	3	14	17	23,551	400,369
81 - 85	6	15	21	19,169	402,559
86 - 90	3	9	12	16,706	200,470
91 - 99	2	4	6	12,772	76,630
TOTAL	22	87	109	22,934	2,499,857

DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
66 - 70	0	1	1	14,541	14,541
TOTAL	0	1	1	14,541	14,541

SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	1	1	2	29,408	58,816
56 - 60	2	0	2	5,424	10,847
61 - 65	3	3	6	13,748	82,485
66 - 70	0	2	2	5,402	10,804
71 - 75	1	2	3	11,205	33,616
76 - 80	3	3	6	10,274	61,641
81 - 85	0	6	6	11,889	71,331
86 - 90	0	3	3	11,098	33,294
TOTAL	10	20	30	12,094	362,834

ACTIVE MEMBERS:

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
	Completed Years of Service											
0 - 20												0
21 - 25	1	1		1								3
26 - 30		5	1	2	1	5						14
31 - 35	3	4	2	2		3						14
36 - 40		2	4	2		3	1					12
41 - 45	4	3	6	1	1	7	5	2	3			32
46 - 50	2	1	2	1	3	6	2	7	7	4	1	36
51 - 55	1	3	2	1	4	10	6	5	6	8	3	49
56 - 60		1	1	2	2	11	5	3	8	4	7	44
61 - 65				4		5	4	3	2		6	24
66 - 70			1			1	1	1		1	6	11
71 & Over							1	1	1	1	4	8
Totals	11	20	19	16	11	51	25	22	27	18	27	247

AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
	Completed Years of Service											
0 - 20												0
21 - 25	34,195	22,931		25,150								27,425
26 - 30		30,418	23,477	28,696	32,431	31,216						30,105
31 - 35	24,528	45,678	25,516	30,301		41,599						35,195
36 - 40		27,058	42,611	42,350		37,765	43,749					38,859
41 - 45	25,384	28,845	42,549	25,940	31,296	48,664	43,255	63,932	76,142			44,182
46 - 50	24,424	38,205	61,090	31,908	43,336	40,213	83,231	58,566	59,466	58,245	102,625	53,909
51 - 55	50,353	24,192	47,224	40,245	36,455	36,192	38,891	46,843	52,117	60,532	64,653	45,385
56 - 60		23,273	47,206	38,470	44,789	41,632	47,243	65,995	64,844	61,055	67,387	53,724
61 - 65				71,891		51,654	76,298	58,611	79,767		74,541	68,068
66 - 70			28,520			67,302	40,457	83,353		94,581	78,758	71,524
71 & Over							35,214	39,883	45,062	84,339	76,023	63,574
Average	28,047	31,622	41,716	43,153	39,012	41,599	51,076	57,686	62,249	63,354	73,785	49,935

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 45												0
46 - 50							2					2
51 - 55					1	2						3
56 - 60				1								1
61 & Over												0
Totals	0	0	0	1	1	2	2	0	0	0	0	6

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

Attained Ages	Years Until Retirement Eligibility											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 45												0
46 - 50							12,907					12,907
51 - 55					29,375	16,123						20,541
56 - 60				35,212								35,212
61 & Over												0
Average	0	0	0	35,212	29,375	16,123	12,907	0	0	0	0	20,441

SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 50												0
51 - 55		1										1
56 - 60	1		2		2	1						6
61 - 65	1	1		3	2	4						11
66 - 70	2	2	3	2	2	5	2					18
71 - 75		1	1	2	2	1	6	3	1			17
76 - 80				3		3	2	4	4	1		17
81 - 85			1			4	2	6	6	2		21
86 - 90				1			2	1	3	4	1	12
91 & Over							1		1		4	6
Totals	4	5	7	11	8	18	15	14	15	7	5	109

AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 50												0
51 - 55		49,325										49,325
56 - 60	46,479		26,322		26,948	24,982						29,667
61 - 65	38,131	30,182		40,376	39,712	44,316						40,557
66 - 70	29,059	20,264	34,086	38,500	24,942	16,217	13,562					24,222
71 - 75		32,336	12,532	25,310	18,695	19,410	16,797	13,104	17,999			18,258
76 - 80				31,926		26,244	14,995	14,486	32,036	9,782		23,551
81 - 85			54,404			22,435	19,353	11,764	18,851	18,009		19,169
86 - 90				35,870			15,621	13,959	17,230	16,058	3,478	16,706
91 & Over							38,177		21,691		4,191	12,772
Average	35,682	30,474	31,691	34,581	27,574	26,179	17,735	12,986	22,175	15,719	4,048	22,934

DISABILITY RETIREES:

Attained Ages	*Completed Years Since Retirement*											
	0	*1*	*2*	*3*	*4*	*5- 9*	*10-14*	*15-19*	*20-24*	*25-29*	*30&Over*	*Total*
0 - 65												*0*
66 - 70						*1*						*1*
71 & Over												*0*
Totals	*0*	*0*	*0*	*0*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*1*

AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	*Completed Years Since Retirement*											
	0	*1*	*2*	*3*	*4*	*5- 9*	*10-14*	*15-19*	*20-24*	*25-29*	*30&Over*	*Average Benefit*
0 - 65												*0*
66 - 70						*14,541*						*14,541*
71 & Over												*0*
Average	*0*	*0*	*0*	*0*	*0*	*14,541*	*0*	*0*	*0*	*0*	*0*	*14,541*

SURVIVING BENEFICIARIES OF FORMER MEMBERS:

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

AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 50												0
51 - 55	53,376							5,440				29,408
56 - 60								5,440	5,407			5,424
61 - 65					34,510	9,028		13,646	3,090	8,565		13,747
66 - 70	7,714								3,090			5,402
71 - 75						6,315		8,988	18,313			11,206
76 - 80							7,860	4,466	16,797			10,273
81 - 85							21,093		21,755	8,330	3,493	11,888
86 - 90								5,621	17,700	9,973		11,098
91 & Over												0
Average	30,545	0	0	0	34,510	7,672	11,169	8,178	12,869	8,705	3,493	12,094

EXHIBIT XI
YEAR TO YEAR COMPARISON

	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Number of Active Members	247	247	239	230
Number of Retirees & Survivors	140	138	137	135
Number of Terminated Due Deferred Benefits	6	5	5	6
Number Terminated Due Refund	20	19	19	11
Active Lives Payroll	$ 12,333,966	$ 11,753,384	$ 10,839,277	$ 9,430,860
Retiree Benefits in Payment	$ 2,877,232	$ 2,777,346	$ 2,695,681	$ 2,518,881
Market Value of Assets	$ 53,081,300	$ 48,785,175	$ 60,242,539	$ 62,716,995
Pension Benefit Obligation				
Active Lives	$ 52,427,356	$ 47,967,013	$ 43,896,804	$ 40,160,870
Retired Lives	25,269,991	23,656,490	23,163,035	21,692,064
Terminated Members	904,695	698,688	636,269	838,839
Total Pension Benefit Obligation (PBO)	$ 78,602,042	$ 72,322,191	$ 67,696,108	$ 62,691,773
Ratio of Actuarial Value of Assets to PBO	79.93%	83.64%	95.92%	97.20%
Actuarial Value of Assets	$ 62,823,395	$ 60,492,753	$ 64,932,257	$ 60,936,774
Present Value of Future Employer Normal Cost	$ 31,548,014	$ 26,292,445	$ 16,438,175	$ 13,994,521
Present Value of Future Employee Contributions	$ 6,064,371	$ 5,826,743	$ 5,405,249	$ 4,677,700
Present Value of Future Benefits	$100,435,780	$ 92,611,941	$ 86,775,681	$ 79,608,995

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	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Employee Contribution Rate	7.00%	7.00%	7.00%	7.00%
Proj. Tax Contribution as % of Proj. Payroll	16.41%	16.84%	15.73%	16.24%
Actuarially Req'd Net Direct Employer Cont.	15.35%	10.57%	3.29%	2.40%
Actual Net Direct Employer Contribution Rate	14.25%	3.50%	2.00%	6.25%

Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001
225	227	226	228	223	220
126	122	123	120	120	120
5	5	3	4	5	6
17	17	15	22	27	15
$ 8,902,959	$ 8,649,475	$ 8,126,228	$ 7,383,264	$ 6,866,296	$ 6,463,090
$ 2,162,474	$ 1,927,188	$ 1,856,787	$ 1,821,793	$ 1,784,121	$ 1,763,547
$ 54,844,655	$ 51,800,721	$ 48,120,814	$ 43,452,328	$ 42,693,069	$ 44,573,845
$ 39,280,982	$ 39,089,743	$ 36,671,827	$ 32,334,505	$ 29,763,804	$ 27,143,443
18,467,355	16,454,333	15,484,661	15,294,575	14,911,890	14,934,682
607,159	536,729	330,301	349,429	479,915	549,377
$ 58,355,496	$ 56,080,805	$ 52,486,789	$ 47,978,509	$ 45,155,609	$ 42,627,502
91.65%	88.20%	87.04%	91.52%	97.67%	104.23%
$ 53,480,118	$ 49,464,963	$ 45,684,047	$ 43,910,040	$ 44,102,746	$ 44,429,312
$ 16,412,560	$ 18,089,990	$ 18,874,878	$ 15,282,702	$ 11,774,541	$ 8,520,539
$ 4,333,260	$ 4,177,183	$ 4,371,749	$ 4,063,877	$ 3,913,502	$ 3,794,683
$ 74,225,938	$ 71,732,136	$ 68,930,674	$ 63,256,619	$ 59,790,789	$ 56,744,534

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Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
16.50%	15.39%	16.18%	16.51%	16.93%	14.97%
6.66%	11.32%	10.81%	7.80%	2.91%	0.00%
11.25%	11.00%	8.25%	3.25%	0.00%	0.00%

SUMMARY OF PRINCIPAL PLAN PROVISIONS

The Registrars of Voters Employees' Retirement System was established as of the first day of January nineteen hundred and fifty-five for the purpose of providing retirement allowances and other benefits. The following summary of plan provisions is for general informational purposes only and does not constitute a guarantee of benefits.

MEMBERSHIP - All Registrars of Voters, their deputies, and their permanent employees in each parish of the State of Louisiana. Also, any employee of the retirement system or the Louisiana Registrars of Voters' Association. Elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits are not eligible to become members of the system.

CONTRIBUTION RATES - The fund is financed by employee contributions of 7% of earnable compensation. In addition, the fund receives revenue sharing funds as appropriated each year by the legislature. Also, each sheriff and ex-officio tax collector remits the employers' share of the actuarially required contribution to fund the system's defined benefit and defined contribution plans up to a maximum of one-sixteenth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish. Should employee contributions and tax funds collected from ad valorem taxes and revenue sharing funds be insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee. The board of trustees is authorized to require a net direct contribution rate of up to three percent more than the rate determined under R.S. 11:103. In any fiscal year during which the net direct employer contribution rates would otherwise be decreased, the board of trustees is authorized to set the employer contribution rate at any point between the previous year's employer contribution rate and the decreased rate that would otherwise occur. Any excess funds resulting from the additional contributions will be credited to the Funding Deposit Account defined in R.S. 11:107.1.

CONTRIBUTION REFUNDS - Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the system.

RETIREMENT BENEFITS - Members with ten years of creditable service may retire at age sixty; members with twenty years of service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The annual retirement allowance is equal to three and one-third percent of the member's average final compensation for each year of creditable service. Creditable service at retirement includes membership service, service as certified on prior service certificates, and any unused sick leave and any unused annual leave in excess of 300 hours at the date of retirement.

OPTIONAL ALLOWANCES - Members may receive their benefits as a life annuity, or in lieu of such receive a reduced benefit according to the option selected that is the actuarial equivalent of the maximum benefit.

Option 1 - If the member dies before he has received in annuity payments the present value of his member's annuity as it was at the time of retirement the balance is paid to his beneficiary.

Option 2 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

Option 3 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

Option 4 - Upon retirement, the member elects to receive a board-approved benefit which is actuarially equivalent to the maximum benefit.

A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2 ½% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the later of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable.

DISABILITY BENEFITS - Ten years of creditable service are required in order to be eligible for disability benefits. Disabled members receive a normal retirement allowance if eligible. Otherwise, the member receives the lesser of three and one-third percent of average final compensation multiplied by the number of years of creditable service (not to be less than fifteen years), or three and one-third percent of average final compensation multiplied by years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of earnable compensation.

SURVIVOR BENEFITS - If a member has less than five years of service credit, the surviving spouse or minor children receive a refund of the member's contributions. If the member has at least five years of service credit and is not eligible to retire, the spouse receives an automatic option 2 benefit based on the accrued benefits at the time of death with option 2 factors based on the age that the member and spouse would have been had the member survived, continued in service, and then retired on earliest normal retirement date. If the member is eligible to retire at the date of death, the surviving spouse receives automatic option 2 benefits. If there are surviving minor or handicapped children with no surviving spouse and the member has five or more years of service credit the children receive eighty percent of the accrued retirement benefit in equal portions until the age of majority or for the duration of the handicap for a handicapped child. The retirement system pays a lump sum refund equal to the difference between total monthly survivor benefits paid and total accrued contributions, if any, upon the cessation of all eligible monthly payments.

DEFERRED RETIREMENT OPTION PLAN - In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible for normal retirement may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system terminates. During participation in the plan, monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the system has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. The monthly benefits that were being paid into the DROP fund will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the system.

COST OF LIVING INCREASES - The board of trustees is authorized to grant retired members and widows of members who have retired at least two years, an annual cost of living increase of up to 3% of their original benefit, and to retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit (or the benefit being received on October 1, 1977 if they retired prior to that time). In order for the board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings. In lieu of other cost of living increases the board may grant an increase to retirees in the form "X×(A&B)" where "A" is equal to the number of years of credited service accrued as retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of $1.00.

DEFINED CONTRIBUTION PLAN - Funds contributed to the system in excess of those required contributions to the Pension Accumulation Fund, as established by the Public Retirement Systems Actuarial Committee, are deposited in the Members' Supplemental Savings Fund. The amount of funds deposited with the members' supplemental savings fund is three percent of the salaries paid to active contributing members during the prior fiscal year unless the Public Retirement Systems' Actuarial Committee recommends a lessor percentage based on available funds and the requirements of the Defined Benefit Plan. A member is entitled to payment of all contributions and interest credited to his account upon termination of employment. Payment to the member is made at the end of the calendar quarter following the quarter in which the member terminates. Interest and other earnings or losses are allocated at least once each year on the valuation date of the fund. Earnings or losses are allocated to members in proportion to their account balances as of the first day of the period for which earnings are credited.

The funds in the Member's Supplemental Savings Fund are invested separately from other funds held by the system and the funds constitute a separate trust. Payments, accruals, and allocations due to be made at the end of the fiscal year may be delayed until such time as the necessary financial information is available to the system's administrator, but in no event later than 6 months after the close of the fiscal year.

ACTUARIAL ASSUMPTIONS

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

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

ACTUARIAL COST METHOD: The Aggregate Actuarial Cost Method with allocation based on earnings.

VALUATION INTEREST RATE: 8% (Net of Investment Expense)

ACTUARIAL ASSET VALUES: Assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.

ANNUAL SALARY INCREASE RATE: 7.00% (3.25% inflation / 3.75% merit)

ACTIVE MEMBER, ANNUITANT, AND BENEFICIARY MORTALITY: RP 2000 Combined Healthy Table set back 3 years for males and 2 years for females

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

RATES OF RETIREMENT: The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. The rate of retirement for persons who have completed DROP participation and have remained employed is 0.17.

RETIREMENT LIMITATIONS: Projected retirement benefits are not subjected to IRS Section 415 limits.

RATES OF WITHDRAWAL: The rates of withdrawal are applied based upon completed years of service according to the following table:

Service	Factor	Service	Factor
<1	0.160	10	0.013
1	0.070	11	0.013
2	0.070	12	0.013
3	0.070	13	0.013
4	0.070	14	0.013
5	0.070	15	0.013
6	0.060	16	0.013
7	0.050	17	0.013
8	0.040	18	0.013
9	0.030	>18	0.013

Note: Withdrawal rates for members eligible to retire are assumed to be zero.

RATES OF DROP ENTRY: A table of these rates is included later in the report. These rates apply only to those individuals eligible to enter DROP.

DROP PARTICIPATION: All persons who enter DROP are assumed to participate for the full three-year period and retire immediately thereafter.

MARRIAGE STATISTICS: 80% of the members are assumed to be married; husbands are assumed to be three years older than their wives.

FAMILY STATISTICS: Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2000 U. S. Census:

Member's Age	% With Children	Number of Children	Average Age
25	62%	1.7	6
35	82%	2.1	10
45	66%	1.8	13
55	19%	1.4	15
65	2%	1.4	15

RATES OF DISABILITY: 20% of the disability rates used for the 21st valuation of the Railroad Retirement System for individuals with 10-19 years of service. The table of these rates is included later in the report.

DISABLED LIVES MORTALITY: RP-2000 Disabled Lives Mortality Tables for Males and Females

VESTING ELECTING PERCENTAGE: 70% of those vested elect deferred benefits in lieu of contribution refunds.

SICK AND ANNUAL LEAVE: Members are assumed to accrue one year of unused sick and annual leave to be credited for retirement benefit accrual purposes for each 16.67 years of creditable service.

ACTUARIAL TABLES AND RATES

Age	Male Mortality Rates	Female Mortality Rates	Retirement Rates	DROP Entry Rates	Disability Rates
18	0.00027	0.00018	0.00000	0.00000	0.00030
19	0.00028	0.00018	0.00000	0.00000	0.00030
20	0.00030	0.00019	0.00000	0.00000	0.00030
21	0.00032	0.00019	0.00000	0.00000	0.00030
22	0.00033	0.00019	0.00000	0.00000	0.00030
23	0.00035	0.00019	0.00000	0.00000	0.00030
24	0.00036	0.00019	0.00000	0.00000	0.00030
25	0.00037	0.00020	0.00000	0.00000	0.00030
26	0.00037	0.00020	0.00000	0.00000	0.00030
27	0.00038	0.00021	0.00000	0.00000	0.00030
28	0.00038	0.00021	0.00000	0.00000	0.00030
29	0.00038	0.00022	0.00000	0.00000	0.00030
30	0.00038	0.00024	0.00000	0.00000	0.00030
31	0.00039	0.00025	0.00000	0.00000	0.00030
32	0.00041	0.00026	0.00000	0.00000	0.00030
33	0.00044	0.00031	0.00000	0.00000	0.00030
34	0.00050	0.00035	0.00000	0.00000	0.00030
35	0.00056	0.00039	0.00000	0.00000	0.00034
36	0.00063	0.00044	0.00000	0.00000	0.00038
37	0.00070	0.00047	0.00000	0.00000	0.00042
38	0.00077	0.00051	0.00000	0.00000	0.00048
39	0.00084	0.00055	0.00000	0.00000	0.00054
40	0.00090	0.00060	0.00000	0.00000	0.00062
41	0.00096	0.00065	0.00000	0.00000	0.00070
42	0.00102	0.00071	0.00000	0.00000	0.00078
43	0.00108	0.00077	0.00000	0.00000	0.00088
44	0.00114	0.00085	0.00000	0.00000	0.00100
45	0.00122	0.00094	0.00000	0.00000	0.00114
46	0.00130	0.00103	0.12000	0.43000	0.00130
47	0.00140	0.00112	0.12000	0.43000	0.00146
48	0.00151	0.00122	0.12000	0.43000	0.00166
49	0.00162	0.00133	0.12000	0.43000	0.00188
50	0.00173	0.00143	0.12000	0.43000	0.00214
51	0.00186	0.00155	0.12000	0.43000	0.00244
52	0.00200	0.00168	0.12000	0.43000	0.00276
53	0.00214	0.00185	0.12000	0.43000	0.00314
54	0.00245	0.00202	0.12000	0.43000	0.00356
55	0.00267	0.00221	0.06000	0.22000	0.00404
56	0.00292	0.00242	0.06000	0.22000	0.00460
57	0.00320	0.00272	0.06000	0.22000	0.00522
58	0.00362	0.00309	0.06000	0.22000	0.00592
59	0.00420	0.00348	0.06000	0.22000	0.00674
60	0.00469	0.00392	0.06000	0.22000	0.00976
61	0.00527	0.00444	0.06000	0.22000	0.00976
62	0.00595	0.00506	0.06000	0.22000	0.00976
63	0.00675	0.00581	0.06000	0.22000	0.00976
64	0.00768	0.00666	0.06000	0.22000	0.00976
65	0.00876	0.00765	0.06000	0.22000	0.00976

PRIOR YEAR'S ACTUARIAL ASSUMPTIONS

RATES OF WITHDRAWAL: The rates of withdrawal are applied based upon completed years of service according to the following table:

Service	Factor	Service	Factor
<1	0.180	10	0.015
1	0.080	11	0.015
2	0.080	12	0.015
3	0.080	13	0.015
4	0.080	14	0.015
5	0.080	15	0.015
6	0.070	16	0.015
7	0.060	17	0.015
8	0.050	18	0.015
9	0.030	>18	0.015

Note: Withdrawal rates for members eligible to retire are assumed to be zero.

ACTIVE MEMBER, ANNUITANT, AND BENEFICIARY MORTALITY: 1994 Uninsured Pensioner Mortality Table (1-year setback for both Males and Females)

RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS: The rate for all ages is assumed to be 20%.

RATES OF DISABILITY: 25% of the disability rates used for the 21st valuation of the Railroad Retirement System for individuals with 10-19 years of service. The table of these rates is included later in the report.

Note: All assumptions not listed above, or changed within the published table of rates, remained unchanged

PRIOR YEAR - ACTUARIAL TABLES AND RATES

Age	Male Mortality Rates	Female Mortality Rates	Retirement Rates	DROP Entry Rates	Disability Rates
18	0.00046	0.00028	0.00000	0.00000	0.00038
19	0.00050	0.00029	0.00000	0.00000	0.00038
20	0.00052	0.00030	0.00000	0.00000	0.00038
21	0.00054	0.00031	0.00000	0.00000	0.00038
22	0.00057	0.00031	0.00000	0.00000	0.00038
23	0.00060	0.00031	0.00000	0.00000	0.00038
24	0.00063	0.00031	0.00000	0.00000	0.00038
25	0.00067	0.00031	0.00000	0.00000	0.00038
26	0.00071	0.00031	0.00000	0.00000	0.00038
27	0.00075	0.00032	0.00000	0.00000	0.00038
28	0.00078	0.00032	0.00000	0.00000	0.00038
29	0.00081	0.00034	0.00000	0.00000	0.00038
30	0.00084	0.00036	0.00000	0.00000	0.00038
31	0.00086	0.00038	0.00000	0.00000	0.00038
32	0.00088	0.00040	0.00000	0.00000	0.00038
33	0.00090	0.00043	0.00000	0.00000	0.00038
34	0.00091	0.00045	0.00000	0.00000	0.00038
35	0.00091	0.00048	0.00000	0.00000	0.00043
36	0.00091	0.00051	0.00000	0.00000	0.00048
37	0.00093	0.00055	0.00000	0.00000	0.00053
38	0.00096	0.00059	0.00000	0.00000	0.00060
39	0.00101	0.00064	0.00000	0.00000	0.00068
40	0.00107	0.00070	0.00000	0.00000	0.00078
41	0.00115	0.00076	0.00000	0.00000	0.00088
42	0.00124	0.00083	0.00000	0.00000	0.00098
43	0.00135	0.00089	0.00000	0.00000	0.00110
44	0.00145	0.00094	0.00000	0.00000	0.00125
45	0.00157	0.00099	0.00000	0.00000	0.00143
46	0.00170	0.00105	0.10000	0.40000	0.00163
47	0.00185	0.00111	0.10000	0.40000	0.00183
48	0.00204	0.00120	0.10000	0.40000	0.00208
49	0.00226	0.00130	0.10000	0.40000	0.00235
50	0.00250	0.00141	0.10000	0.40000	0.00268
51	0.00277	0.00154	0.10000	0.40000	0.00305
52	0.00309	0.00169	0.10000	0.40000	0.00345
53	0.00345	0.00186	0.10000	0.40000	0.00392
54	0.00385	0.00205	0.10000	0.40000	0.00445
55	0.00428	0.00224	0.05000	0.20000	0.00505
56	0.00476	0.00247	0.05000	0.20000	0.00575
57	0.00532	0.00276	0.05000	0.20000	0.00653
58	0.00600	0.00314	0.05000	0.20000	0.00740
59	0.00677	0.00361	0.05000	0.20000	0.00843
60	0.00762	0.00415	0.05000	0.20000	0.01220
61	0.00858	0.00477	0.05000	0.20000	0.01220
62	0.00966	0.00548	0.05000	0.20000	0.01220
63	0.01091	0.00627	0.05000	0.20000	0.01220
64	0.01233	0.00718	0.05000	0.20000	0.01220
65	0.01391	0.00819	0.05000	0.20000	0.01220

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES