DISTRICT ATTORNEYS' RETIREMENT SYSTEM

ACTUARIAL VALUATION AS OF
JUNE 30, 2008

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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Gary S. Curran, FCA, MAAA, ASA, EA
Consulting Actuary

December 18, 2008

Board of Trustees
District Attorneys' Retirement System
1645 Nicholson Drive
Baton Rouge, LA 70802

Gentlemen:

We are pleased to present our report on the actuarial valuation of the District Attorneys' Retirement System for the fiscal year ending June 30, 2008. 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 District Attorneys' Retirement System. The primary purposes of the report are to determine the actuarially required contribution for the retirement system for the fiscal year ending June 30, 2009, to recommend the net direct employer contribution rate for fiscal 2010, and to provide information required for the system's financial statements. This report was prepared exclusively for the District Attorneys' 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, F.C.A., M.A.A.A., A.S.A.

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

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SUMMARY OF VALUATION RESULTS
DISTRICT ATTORNEYS' RETIREMENT SYSTEM

		June 30, 2008	June 30, 2007
Valuation Date:		June 30, 2008	June 30, 2007
Census Summary:	Active Members	732	716
	Retired Members and Survivors	154	141
	Terminated Due a Deferred Benefit	82	83
	Terminated Due a Refund	178	162
Payroll (including DROP participants):		$ 47,592,254	$ 42,887,345
Benefits in Payment (excluding DROP accruals):		$ 5,735,813	$ 4,819,437
Market Value of Assets:		$ 212,447,745	$ 221,787,167
Actuarial Asset Value:		$ 227,804,058	$ 213,739,881
Unfunded Actuarial Accrued Liability		None	None
Funded Ratio (GASB 50)		97.10%	105.04%

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	FISCAL 2009	FISCAL 2008
Employer Normal Cost (July 1):	$ 6,366,359	$ 3,908,029
Amortization Cost (July 1):	N/A	N/A
Interest Adjusted Gross Employer Actuarially Required Contribution Including Estimated Administrative Costs:	$ 6,891,124	$ 4,325,893
Projected Ad Valorem Taxes and Revenue Sharing Funds:	$ 4,666,051	$ 4,325,893
Net Direct Employer Actuarially Required Contribution:	$ 2,225,073	$ 0
Actuarially Required Net Direct Employer Contribution Rate	4.55%	0.00%
Actual Net Direct Employer Contribution Rate:	0.00%	0.00%

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Recommended Net Employer Contribution Rate for Fiscal 2010: 5.00%

Employee Contribution Rate: 7%

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 investment securities adjusted to average in asset earnings above or below the assumed rate of return over a four-year period subject to a minimum of 90% of the market value of assets and a maximum of 110% of the market value of assets.

Changes in Valuation Methods, Assumptions, and Amortization Periods: Changes in retirement and DROP rates made to accommodate elimination of the existing DROP and replacement with Back-DROP.

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

COMMENTS ON DATA

For the valuation, the administrative staff of the system furnished a census on magnetic diskette derived from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in like manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit X, there are 732 active members in the system of whom 329 have vested retirement benefits including 21 participants in the Deferred Retirement Option Plan (DROP); 154 former system members or their beneficiaries are receiving retirement benefits. An additional 260 members have contributions remaining on deposit with the system; of this number, 82 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 administrator 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 $212,447,745 as of June 30, 2008. Net investment income for fiscal 2008 measured on a market value basis amounted to a net loss of $10,955,700. Contributions to the system for the fiscal year totaled $7,936,328; benefits and expenses amounted to $6,320,050.

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 are also spread over future normal costs. The actuarial assumptions utilized for the report are outlined on pages thirty-four through thirty-seven. In the aggregate the assumptions represent our "best estimate" of future long-term experience for the fund. The assumptions are the same as those used for the prior year with the exception of those assumptions related to the changes in the plan's benefit structure as described below. In particular, DROP entry rates were eliminated and retirement rates were rescaled to account for replacement of DROP with a Back-DROP arrangement.

CHANGES IN PLAN PROVISIONS

The following changes in plan provisions were enacted during the 2008 Regular Session of the Louisiana Legislature:

Act 719 provides that if any district attorney or assistant district attorney has retired in accordance with R.S. 11:1633(A)(1)(b) or (c) and is reemployed by any district attorney in this state and paid a salary of less than the annual salary provided for in R.S. 16:11(A)(1), their benefit will not be suspended, and they will not be considered a member, nor will they earn additional credit or be required to pay contributions.

Act 835 provides for the creation of the Back-Deferred Retirement Option Program (Back-DROP). In lieu of receiving a service retirement allowance, an active contributing member who has accrued more years of service than are required for a normal retirement and which are sufficient to qualify for the Back-DROP period selected may make an irrevocable election at the time of retirement to receive a Back-DROP benefit. A member who has participated in the Deferred Retirement Option Plan (DROP) and has not rescinded their participation period will not be eligible to elect to receive a back-DROP benefit.

Notwithstanding any law to the contrary, any participant or active contributing member who was a former participant in DROP who has not terminated employment and has not taken a distribution of the plan account may make a one-time, irrevocable election to rescind their participation in the plan and return to active, contributing membership in the system. This election must be made before January 1, 2009. A member who rescinds their participation in DROP will forfeit all accumulated plan benefits attributable to the participation period. They will pay the employee contributions the system would have received during the period of their DROP participation if they had not been a DROP participant. In turn, the member will be credited with the service they would have accrued during their DROP participation period if they had been an active contributing member and not a DROP participant.

At the time of retirement, the member will select a Back-DROP period to be specified in whole months. The Back-DROP period will not exceed the lesser of thirty-six months or the number of months of creditable service accrued after the member first became eligible for regular retirement. The Back-DROP period will be the most recent calendar period corresponding to the member's accrued creditable service. Accrued service at retirement, utilized for the purpose of calculating the Back-DROP monthly benefit, will be reduced by the Back-DROP period. Final average compensation will be calculated by excluding all earnings during the Back-DROP period. Employer and employee contributions received by the retirement system during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period will remain with the retirement system and will not be refunded to the member or to the employer. The member's Back-DROP monthly benefit will be calculated based on the member's age and service and the system provisions in effect on the last day of creditable service before the Back-DROP period. In addition to the monthly benefit received, the member will be paid a lump-sum benefit equal to the Back-DROP maximum monthly benefit multiplied by the number of months selected as the Back-DROP period.

The above changes in the plan benefit structure increased the normal cost accrual rate by 2.0751%.

ASSET EXPERIENCE

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

	Market Value	Actuarial Value
1999	8.3%	13.7%
2000	17.1%	13.9%
2001	-9.7%	4.4%
2002	-9.1%	-1.1%
2003	2.8%	-5.7%
2004	13.2%	1.7%
2005	5.0%	6.8%
2006	7.7%	13.8% *
2007	14.6%	9.9%
2008	-4.9%	5.8%

* Includes effect of change in asset valuation method. Effective with the 2006 valuation the method was changed from smoothing capital gains and losses over three years to smoothing investment returns above or below the valuation interest rate over a four year period.

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income 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 2008, the fund earned $6,590,302 of dividends, interest, and other recurring income. In addition, the Fund had net realized and unrealized capital losses on investments of $17,328,807. In addition, the Fund paid $217,195 in investment expenses. The geometric mean of the market value rates of return measured over the last ten years was 4.1%.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 8.0% 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 smoothing earnings above or below the 8% assumed rate of return over a four-year period. The difference between rates of return on an actuarial and market value basis results from the smoothing of gains or losses on investments relative to the valuation interest rate over the four-year period. Yields in excess of the 8.0% assumption will reduce future costs;

yields below 8.0% will increase future costs. For fiscal 2008 the system experienced net actuarial investment earnings of $4,714,699 less than the actuarial assumed earnings rate of 8.0%. This shortfall in earnings produced an actuarial loss, which increased the normal cost accrual rate by 1.2423%.

DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the system is given in Exhibit X. The system's active contributing membership increased during the fiscal year by 16 members. The average active member is 46 years old with 10.24 years of service and an annual salary of $65,017. The plan has experienced an increase in the active plan population of 51 members over the last five years. A review of the active census by age indicates that over the last ten years the active population in the under-fifty age group has decreased while the proportion of active members over-fifty increased. Over the same ten-year period the plan showed a decrease in the percentage of members with service less than five years. Ten years ago active members with less than five years of service were 51% of the population; that group now comprises 34% of the population. This may be an indication of falling withdrawal rates, which ultimately lead to higher costs as more members become eligible for benefits.

The average service retiree is 68 years old with a monthly benefit of $3,464. The retired population increased by 13 during the last fiscal year. Over the last five years the number of retirees increased by 42. During this same period, annual benefits in payment increased by $2,205,795.

Plan liability experience for fiscal 2008 was unfavorable. The main factor contributing to the unfavorable experience was salary increases well above the projected level. In addition, withdrawals were below projections which contributed to increased costs. Partially offsetting these factors were retirements, disabilities, and DROP entries below expected levels. Plan liability experience increased the normal cost accrual rate by 0.8295%.

FUNDING ANALYSIS AND RECOMMENDATIONS

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by an actuarial valuation based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. Each year a determination is made of 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.

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 2008	9.4675%
Factors Increasing the Normal Cost Accrual Rate:	
Benefit Loss	2.0751%
COLA Loss	0.2925%
New Hires	0.2283%
Liability Experience	0.8295%
Asset Experience	1.2423%
Factors Decreasing the Normal Cost Accrual Rate:	
Contribution Gain	0.0320%
Normal Cost Accrual Rate – Fiscal 2009	14.1032%

The derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The above normal cost accrual rate is applied to the projected payroll for current membership to produce the normal cost for the forthcoming year. Hence, the normal cost for fiscal 2009 as of July 1, 2008, is $6,366,359. 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 11 of Exhibit I the total gross actuarially required employer contribution for fiscal 2009 is $6,891,124. Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that these funds will decrease by 0.26% of payroll in fiscal 2009. When the gross employer required contribution is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for fiscal 2009 is $2,225,073. This is 4.55% of the projected payroll for fiscal 2009.

Although the actuarially required net direct employer contribution rate for fiscal 2009 is 4.55%, the actual employer contribution rate for fiscal 2009 is 0.00%. Since the contribution rate for fiscal 2009 was 0.00%, the shortfall in employer contributions collected in the fiscal year will increase the Fund's normal cost accrual rate in the following year. We estimate this shortfall will result in an increase of 0.54% to the normal cost accrual rate in fiscal 2009. 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 5.00% for fiscal 2010. Since the fiscal 2007 valuation determined that the required employer contribution for fiscal 2008 was less than the available ad valorem taxes, those taxes allocated to the system were reduced below the statutory maximum of 0.20% of taxes collected in fiscal 2009. The increase in the cost structure of the fund shown in this valuation will require that allocated ad valorem taxes be increased back to the maximum level of 0.20% stipulated in the statutes for fiscal 2010.

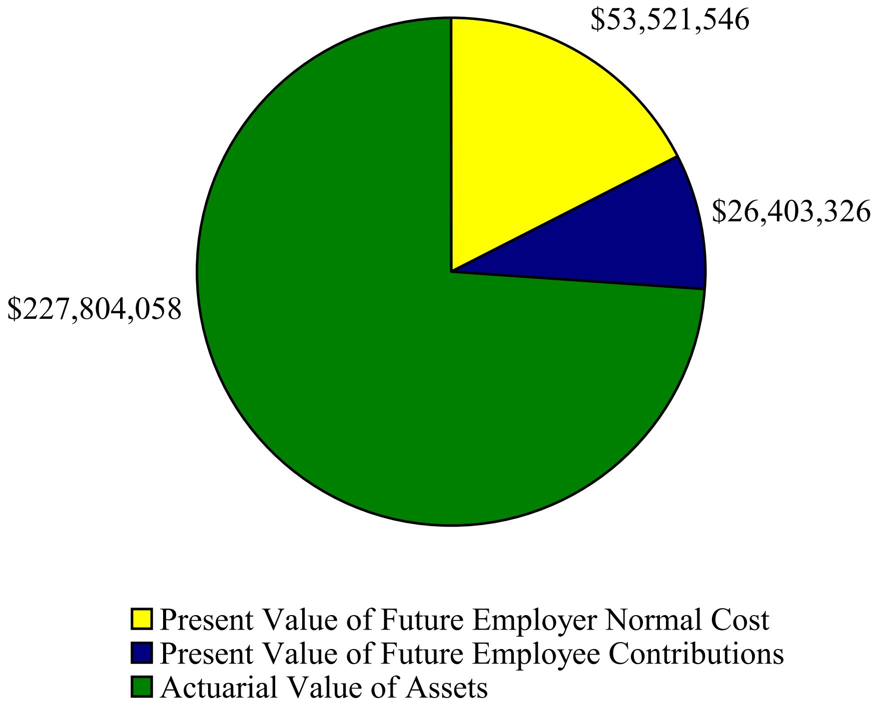
Recent capital market conditions have resulted in asset experience losses for the Fund that will likely significantly increase its cost structure. These market conditions may be temporary or it may indicate that future return expectations should be reduced. In order to illustrate the impact of a reduction in return expectations, we have performed an alternative valuation at an assumed valuation interest rate of 7.5% with all other assumptions unchanged. Lowering the valuation interest rate by 0.50% would significantly increase required funding. The employer normal cost accrual rate would be increased by 5.80%. The total employer actuarially required contribution would be increased by $2,697,580 to $9,588,704. The actuarially required net direct employer contribution rate for fiscal 2009 would increase from 4.55% to 10.07%. We estimate that the contribution shortfall in fiscal 2009 would result in an increase of 1.16% to the normal cost accrual rate in fiscal 2010. Based on these numbers, lowering the valuation interest rate from 8% to 7.50%, with all other assumptions unchanged, in fiscal 2009 would result in a recommended minimum net direct employer contribution rate of 11.25% for fiscal 2010. Whether or not the system's valuation interest rate will ultimately need to be adjusted will depend on the actual performance and future long-term expectation for the capital markets in general.

Please note that the above results are only intended to serve as an illustration of the impact of a change in the valuation interest rate. Any actual change in the valuation interest rate should only be effected with a review of all other plan assumptions. The impact of such other changes in assumptions are not reflected in the above the results.

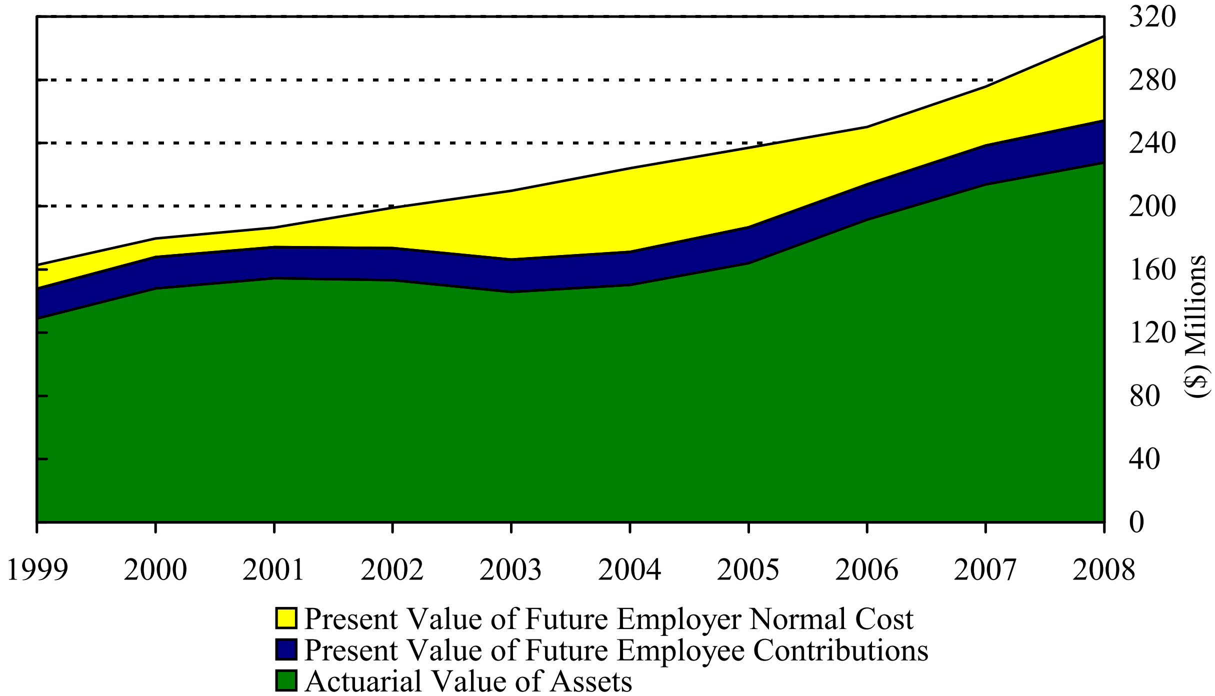
COST OF LIVING INCREASES

During fiscal 2008, the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 5.02%. Cost of living provisions for the system are detailed in R.S. 11:1638 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 subject to a limit of $60 per month. 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. In order to grant any cost of living increase, the ratio of the plan's assets to benefit obligations must meet the criteria established in R.S. 11:242. This section sets forth a minimum "target ratio" of the actuarial value of assets to the Pension Benefit Obligation. We have determined that for fiscal 2008 the fund has met the necessary target ratio, but plan investment experience was below assumptions. Since COLAs, under R.S. 11:246 and R.S. 11:1638, can only be paid out of investment income in excess of the 8% assumption, the plan is unable to grant any of the specified COLAs this fiscal year.

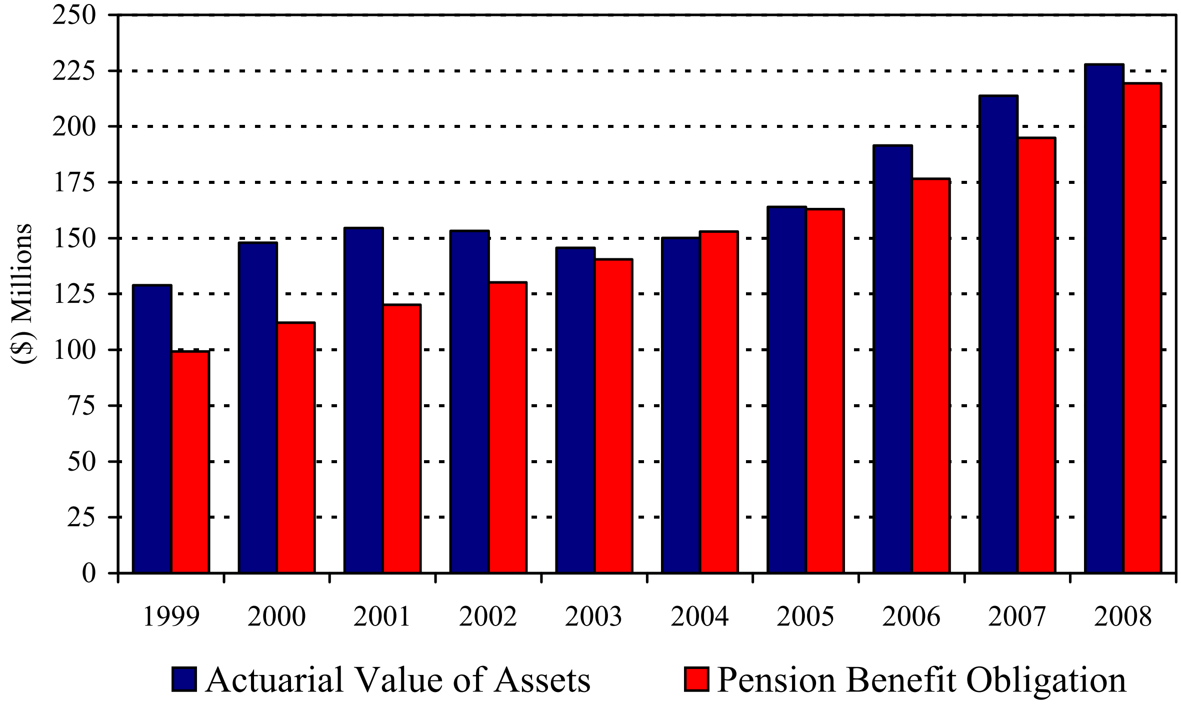
Components of Present Value of Future Benefits
June 30, 2008



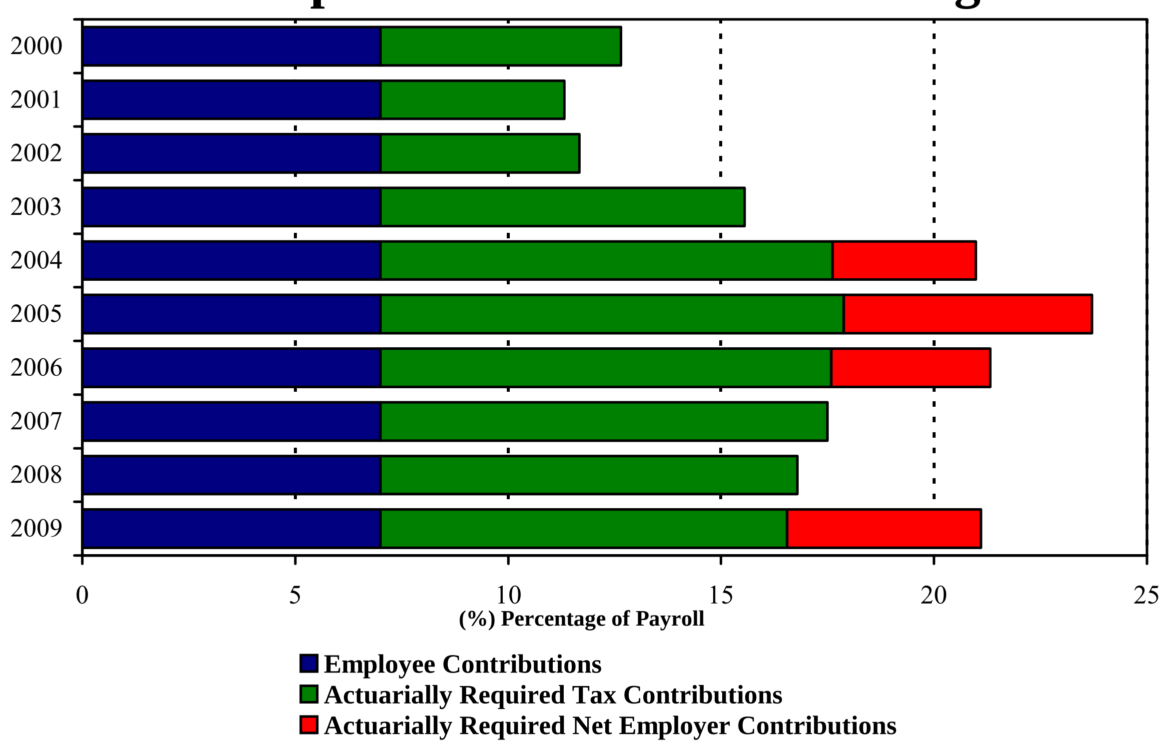
Components of Present Value of Future Benefits



Actuarial Value of Assets vs. Pension Benefit Obligation

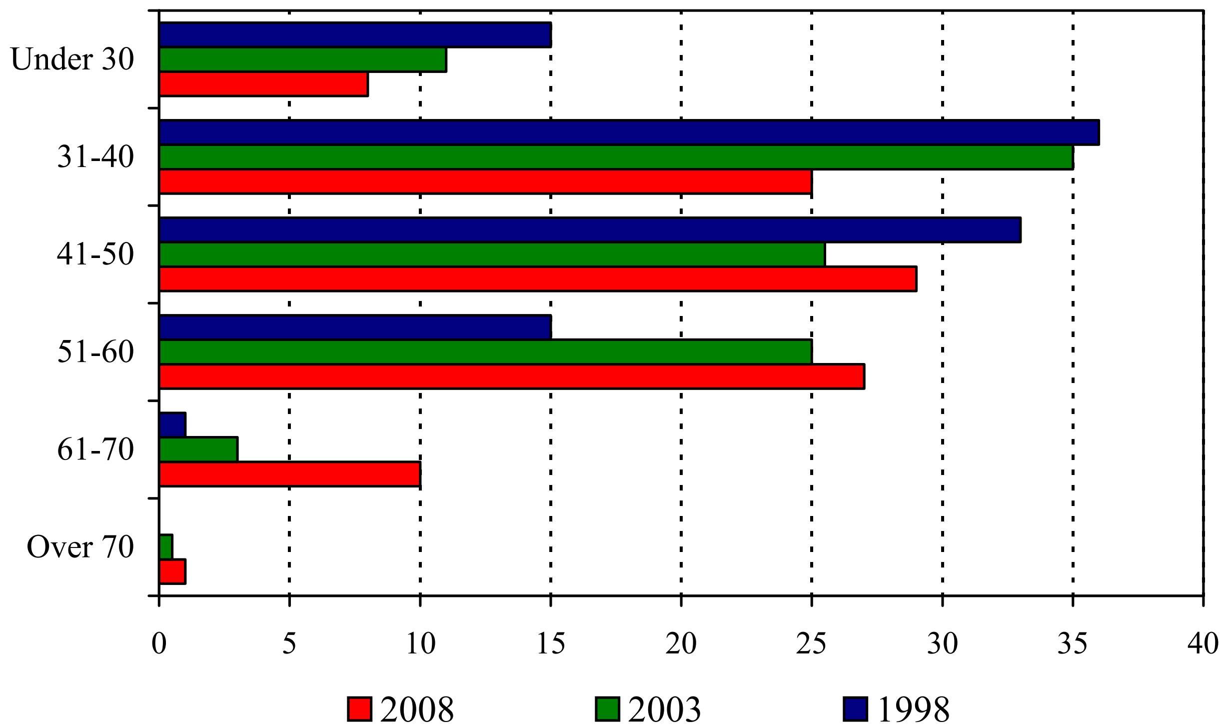


Components of Actuarial Funding



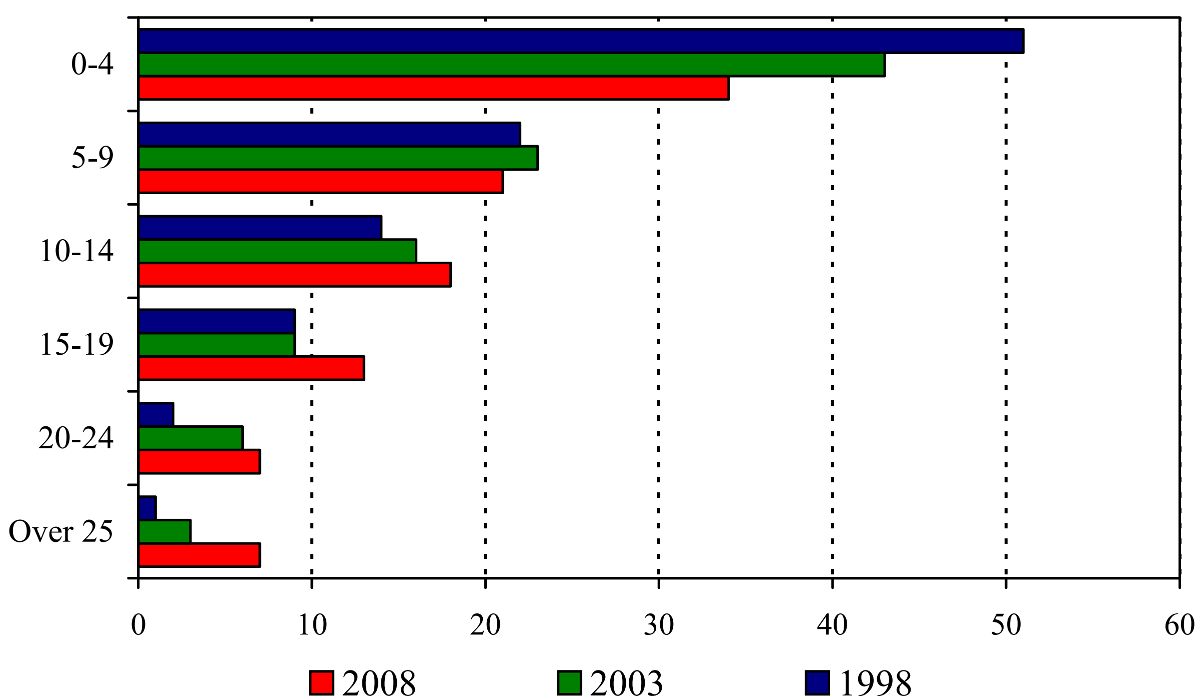
Active – Census By Age

(as a percent)

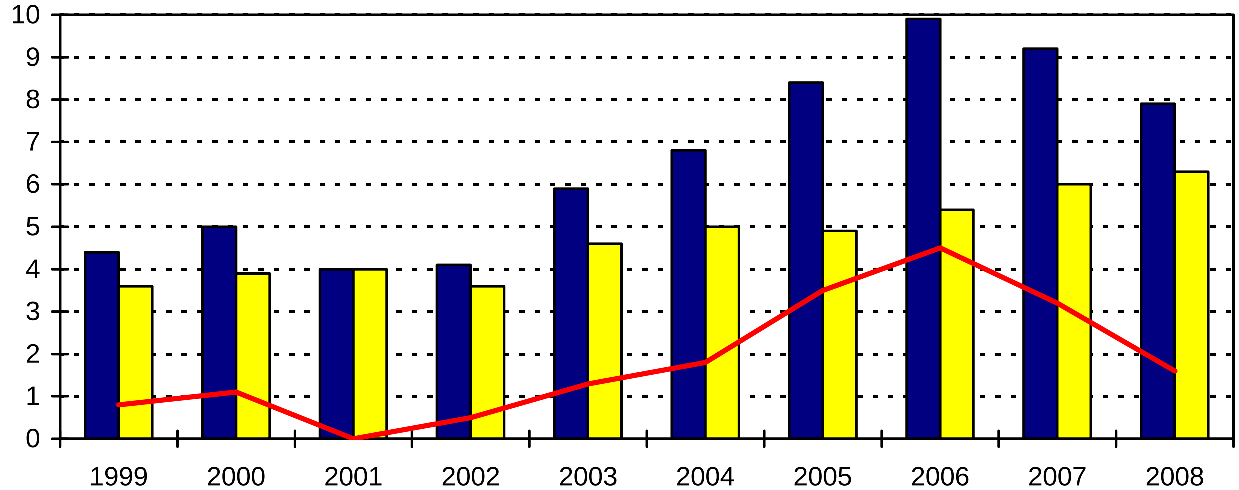


Active – Census By Service

(as a percent)



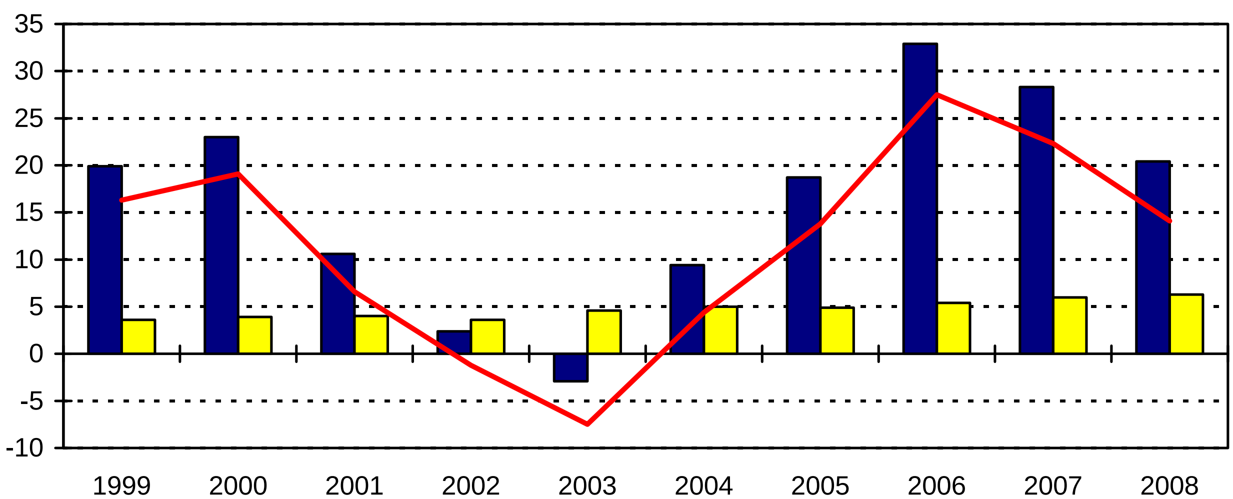
Net Non-Investment Income



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Non-Investment Income ($Mil)	4.4	5.0	4.0	4.1	5.9	6.8	8.4	9.9	9.2	7.9
Benefits and Expenses ($Mil)	3.6	3.9	4.0	3.6	4.6	5.0	4.9	5.4	6.0	6.3
Net Non-Investment Income ($Mil)	0.8	1.1	0	0.5	1.3	1.8	3.5	4.5	3.2	1.6

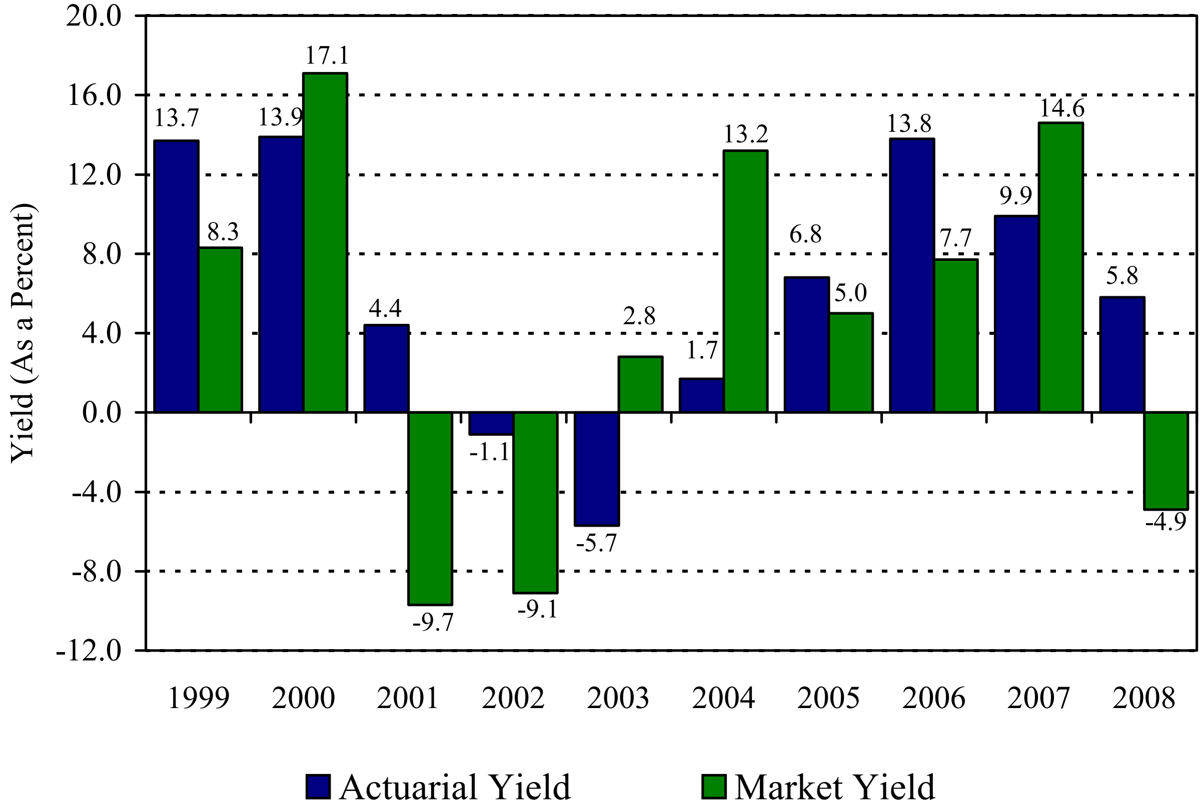
Total Income vs. Expenses

(Based on Actuarial Value of Assets)



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Income ($Mil)	19.9	23.0	10.6	2.4	-2.9	9.4	18.7	32.9	28.3	20.4
Benefits and Expenses ($Mil)	3.6	3.9	4.0	3.6	4.6	5.0	4.9	5.4	6.0	6.3
Net Change in AVA ($Mil)	16.3	19.1	6.6	-1.2	-7.5	4.4	13.8	27.5	22.3	14.1

Historical Asset Yields



EXHIBITS

EXHIBIT I
ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$ 307,728,930
2.	Actuarial Value of Assets	$ 227,804,058
3.	Present Value of Future Employee Contributions	$ 26,403,326
4.	Present Value of Future Employer Normal Costs (1 – 2 – 3)	$ 53,521,546
5.	Present Value of Future Salaries	$ 379,500,540
6.	Employer Normal Cost Accrual Rate (4 ÷ 5)	14.103154%
7.	Projected Fiscal 2009 Salary for Current Membership	$ 45,141,385
8.	Employer Normal Cost as of July 1, 2008 (6 x 7)	$ 6,366,359
9.	Normal Cost Adjusted for Midyear Payment	$ 6,616,114
10.	Estimated Administrative Cost for Fiscal 2009	$ 275,010
11.	GROSS Employer Actuarially Required Contribution for Fiscal 2009 (9 + 10)	$ 6,891,124
12.	Projected Revenue Sharing Funds for Fiscal 2009	$ 196,147
13.	Projected Ad Valorem Taxes for Fiscal 2009	$ 4,469,904
14.	Net Direct Actuarially Required Employer Contribution (11 – 12 – 13)	$ 2,225,073
15.	Projected Payroll (Fiscal 2009)	$ 48,865,105
16.	Employer's Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2009 (14 ÷ 15)	4.55%
17.	Actual Employer Contribution Rate for Fiscal 2009	0.00%
18.	Contribution Shortfall (Excess) as a Percentage of Payroll (16-17)	4.55%
19.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess)	0.54%
20.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2010 (16 + 19; rounded to the nearest 0.25%)	5.00%

EXHIBIT II
PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	$ 212,091,487	
Survivor Benefits	8,703,692	
Disability Benefits	1,265,262	
Vested Deferred Termination Benefits	14,365,465	
Contribution Refunds	2,910,065	
Special Deposits	798,310	
TOTAL Present Value of Future Benefits for Active Members		$ 240,134,281

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement	$ 10,440,261	
Terminated Members with Reciprocals Due Benefits at Retirement	337,799	
Terminated Members Due a Refund	1,238,565	
TOTAL Present Value of Future Benefits for Terminated Members		$ 12,016,625

Present Value of Future Benefits for Retirees:

Regular Retirees			
Maximum	$ 16,828,308		
Option 1	1,844,476		
Option 2	24,479,308		
Option 3	3,956,240		
Option 4	652,383		
TOTAL Regular Retirees		$ 47,760,715	
Disability Retirees		624,882	
Survivors & Widows		4,744,558	
DROP Deposits		2,447,869	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 55,578,024
TOTAL Present Value of Future Benefits			$ 307,728,930

EXHIBIT III - SCHEDULE A
MARKET VALUE OF ASSETS

Current Assets:

Cash in Banks	$	424,184		
Contributions Receivable from Members		280,480		
Accrued Interest and Dividends		189,989		
TOTAL CURRENT ASSETS			$	894,653

Investments:

Exchange Traded Funds	$	156,143,137		
U. S. Government and Corporate Bonds		31,983,400		
Real Estate Investment Trusts		10,371,033		
Cash Equivalents		11,426,277		
Investment in Partnerships		1,629,245		
TOTAL INVESTMENTS			$	211,553,092
TOTAL ASSETS			$	212,447,745

Current Liabilities:

Accounts Payable	$	0		
Payroll Taxes Withheld	$	0		
TOTAL CURRENT LIABILITIES			$	0

MARKET VALUE OF ASSETS	$	212,447,745

EXHIBIT III – SCHEDULE B
ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of invested income
for current and previous 3 years:

Fiscal year 2008	$	(28,762,081)
Fiscal year 2007		12,706,358
Fiscal year 2006		(551,727)
Fiscal year 2005		(4,826,475)
Total for four years	$	(21,433,925)

Deferral of excess (shortfall) of invested income:

Fiscal year 2008 (75%)	$	(21,571,560)
Fiscal year 2007 (50%)		6,353,179
Fiscal year 2006 (25%)		(137,932)
Fiscal year 2005 (0%)		0
Total deferred for year	$	(15,356,313)

Market value of plan net assets, end of year	$	212,447,745
Preliminary actuarial value of plan assets, end of year	$	227,804,058

Actuarial value of assets corridor

90% of market value, end of year	$	191,202,971
110% of market value, end of year	$	233,692,520

Final actuarial value of plan net assets, end of year	$	227,804,058

EXHIBIT IV
PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	26,403,326
Employer Normal Contributions to the Pension Accumulation Fund		53,521,546
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	79,924,872

EXHIBIT V
RECONCILIATION OF CONTRIBUTIONS

Employer Normal Cost for Prior Year	$	3,908,029		
Expenses for Prior Year		229,751		
Interest on the Normal Cost		312,642		
Interest on Expenses		9,013		
TOTAL Interest Adjusted Actuarially Required Contribution			$	4,459,435
Direct Employer Contributions	$	0		
Interest on Employer Contributions		0		
Ad valorem taxes and Revenue Sharing Funds		4,407,904		
Interest on Taxes		172,924		
TOTAL Interest Adjusted Employer Contribution			$	4,580,828
Contribution Shortfall (Gain)			$	(121,393)

EXHIBIT VI
ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets: (June 30, 2007)		$213,739,881
Income:		
Member Contributions	$ 3,219,167	
Ad valorem Taxes	4,132,907	
Irregular Contributions	309,257	
Revenue Sharing	274,997	
SUBTOTAL of all contributions		$ 7,936,328
Interest Income	$ 6,590,302	
Class Action Lawsuits	35,473	
Net Depreciation in Fair Value of Investments	(17,337,355)	
Other	(26,925)	
Investment Expense	(217,195)	
SUBTOTAL of all investment income		$(10,955,700)
TOTAL Income		$ (3,019,372)
Expenses:		
Retirement Benefits	$ 5,413,716	
Transfers to Other Retirement Systems	133,575	
Refunds of Contributions	277,832	
DROP Withdrawal	265,176	
Administrative Expenses	229,751	
TOTAL Expenses		$ 6,320,050
Net Market Income for Fiscal 2008 (Income - Expenses)		$ (9,339,422)
Adjustment for Actuarial Smoothing		$ 23,403,599
Actuarial Value of Assets (June 30, 2008)		$227,804,058

EXHIBIT VII
FUND BALANCE AND ASSET RECONCILIATION

Present Assets of the System Creditable to:

Annuity Savings Fund	$	30,681,041
Annuity Reserve Fund		53,130,155
Pension Accumulation Fund		120,135,299
DROP Account		8,501,250
NET MARKET VALUE OF ASSETS	$	212,447,745
ADJUSTMENT FOR ACTUARIAL SMOOTHING	$	15,356,313
ACTUARIAL VALUE OF ASSETS	$	227,804,058

EXHIBIT VIII – Schedule A
PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$ 151,833,256
Present Value of Benefits Payable to Terminated Employees	12,016,625
Present Value of Benefits Payable to Current Retirees and Beneficiaries	55,578,024
TOTAL PENSION BENEFIT OBLIGATION	$ 219,427,905
NET ACTUARIAL VALUE OF ASSETS	$ 227,804,058
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation	103.82%

EXHIBIT VIII – Schedule B
ENTRY AGE NORMAL ACCRUED LIABILITIES (GASB – 50)

Accrued Liability for Active Employees	$ 167,008,296
Accrued Liability for Terminated Employees	12,016,625
Accrued Liability for Current Retirees and Beneficiaries	55,578,024
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	$ 234,602,945
NET ACTUARIAL VALUE OF ASSETS	$ 227,804,058
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability	97.10%

EXHIBIT IX
COST OF LIVING ADJUSTMENTS - TARGET RATIO

Actuarial Value of Assets Divided by PBO as of Fiscal 1986			86.17%
Amortization of Unfunded Balance over 30 years:			10.14%
Adjustments in Funded Ratio Due to Changes in Assumption(s):			
	Changes for Fiscal 1988	6.50%	
	Changes for Fiscal 1990	3.33%	
	Changes for Fiscal 1995	2.64%	
	Changes for Fiscal 1996	(5.39%)	
	Changes for Fiscal 1998	(8.19%)	
	Changes for Fiscal 2005	1.92%	
	Changes for Fiscal 2006	4.80%	
TOTAL Adjustments			5.61%
Amortization of Adjustments in Funded Ratio over 30 years:			
	Changes for Fiscal 1988	(4.33%)	
	Changes for Fiscal 1990	(2.00%)	
	Changes for Fiscal 1995	(1.14%)	
	Changes for Fiscal 1996	2.16%	
	Changes for Fiscal 1998	2.73%	
	Changes for Fiscal 2005	(0.19%)	
	Changes for Fiscal 2006	(0.32%)	
	Changes for Fiscal 2007	0.00%	
TOTAL Amortization of Adjustments			(3.09%)
Target Ratio for Current Fiscal Year (Lesser of 100% or 1+2+3+4)			98.83%
Actuarial Value of Assets Divided by PBO as of Fiscal 2008			103.82%

EXHIBIT X
CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2007	691	245	25	141	1,102
Additions to Census					
Initial membership	71	4			75
Death of another member					
Omitted in error last year					
Change in Status during Year					
Actives terminating service	(34)	34			
Actives who retired	(4)			4	
Actives entering DROP	(7)		7		
Term. members rehired	8	(8)			
Term. members who retire		(5)		5	
Retirees who are rehired					
Refunded who are rehired	1	4			5
Repaid Refund					
DROP participants retiring			(5)	5	
DROP returned to work	6		(6)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(19)	(14)			(33)
Deaths	(2)			(1)	(3)
Included in error last year					
Adjustment for multiple records					
Number of members as of June 30, 2008	711	260	21	154	1,146

ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
21 - 25	1	1	2	49,685	99,370
26 - 30	30	29	59	48,965	2,888,913
31 - 35	50	46	96	51,929	4,985,170
36 - 40	52	33	85	57,646	4,899,903
41 - 45	94	41	135	62,557	8,445,242
46 - 50	51	26	77	63,709	4,905,618
51 - 55	80	23	103	71,144	7,327,883
56 - 60	84	13	97	74,649	7,240,949
61 - 65	51	5	56	90,854	5,087,823
66 - 70	14	4	18	80,619	1,451,146
71 - 75	3	0	3	51,272	153,816
76 - 80	1	0	1	106,421	106,421
TOTAL	511	221	732	65,017	47,592,254

THE ACTIVE CENSUS INCLUDES 329 ACTIVES WITH VESTED BENEFITS, INCLUDING 21 DROP PARTICIPANTS AND 16 ACTIVE FORMER DROP PARTICIPANTS.

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	4	0	4	24,718	98,872
41 - 45	8	2	10	23,143	231,429
46 - 50	12	8	20	27,047	540,931
51 - 55	17	7	24	25,044	601,064
56 - 60	15	3	18	21,805	392,492
61 - 65	4	1	5	13,575	67,874
66 - 70	1	0	1	4,733	4,733
TOTAL	61	21	82	23,627	1,937,395

TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	16	577
100	-	499	24	6,346
500	-	999	15	10,627
1000	-	1999	14	20,289
2000	-	4999	34	108,049
5000	-	9999	21	154,378
10000	-	19999	39	544,616
20000	-	99999	15	392,996
		TOTAL	178	1,237,878

REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
56 - 60	19	4	23	50,552	1,162,704
61 - 65	27	1	28	47,209	1,321,862
66 - 70	26	3	29	33,243	964,038
71 - 75	18	0	18	36,565	658,178
76 - 80	5	0	5	60,876	304,381
81 - 85	10	1	11	35,095	386,042
86 - 90	5	0	5	29,787	148,937
TOTAL	110	9	119	41,564	4,946,142

DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	0	1	1	44,228	44,228
56 - 60	1	0	1	25,410	25,410
TOTAL	1	1	2	34,819	69,638

SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
56 - 60	0	2	2	13,024	26,047
61 - 65	0	3	3	19,208	57,625
66 - 70	0	2	2	52,238	104,476
71 - 75	0	3	3	13,039	39,116
76 - 80	0	8	8	18,727	149,819
81 - 85	0	6	6	11,216	67,293
86 - 90	1	4	5	28,730	143,650
91 - 99	0	4	4	33,002	132,007
TOTAL	1	32	33	21,819	720,033

ACTIVE MEMBERS:

Completed Years of Service

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20												0
21 - 25	2											2
26 - 30	23	23	4	8	1							59
31 - 35	15	15	9	10	11	35	1					96
36 - 40	16	7	6	1	9	31	15					85
41 - 45	5	10	5	4	6	36	45	24				135
46 - 50	4	4	1	1	4	14	21	23	5			77
51 - 55	3	5	4	1	5	19	16	26	18	5	1	103
56 - 60	4	3	1	2	1	15	18	15	17	17	4	97
61 - 65	3	2	1	1	2	2	12	9	7	9	8	56
66 - 70		3	1	2		1	2	1	3	3	2	18
71 & Over				1		1			1	1		4
Totals	75	72	32	31	39	154	130	98	51	35	15	732

AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Completed Years of Service

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20												0
21 - 25	49,685											49,685
26 - 30	50,457	47,381	37,056	53,970	58,641							48,965
31 - 35	46,259	44,612	47,659	53,595	55,399	54,907	126,080					51,929
36 - 40	42,142	63,049	61,944	51,755	60,490	58,588	66,681					57,646
41 - 45	31,552	53,022	48,102	63,114	55,362	59,367	67,240	73,713				62,557
46 - 50	44,383	56,239	25,320	38,463	45,662	58,535	68,364	70,578	75,651			63,709
51 - 55	57,903	64,050	43,050	50,000	52,739	61,662	60,600	76,298	94,271	88,173	85,366	71,144
56 - 60	49,999	50,617	39,000	43,169	47,808	65,041	66,513	68,376	82,357	98,836	109,301	74,649
61 - 65	58,591	67,309	127,000	42,000	50,878	75,774	77,686	86,673	104,708	87,826	139,932	90,854
66 - 70		55,096	66,730	63,270		69,544	75,988	153,586	58,757	92,628	131,664	80,619
71 & Over				59,808		54,200			39,808	106,421		65,059
Average	46,838	51,770	50,612	54,034	54,885	59,202	67,991	74,851	86,750	94,166	127,023	65,017

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 - 35												0
36 - 40									4			4
41 - 45								10				10
46 - 50							20					20
51 - 55	1		2			21						24
56 - 60	4	2	2	4	6							18
61 - 65	5											5
66 - 70		1										1
71 & Over												0
Totals	10	3	4	4	6	21	20	10	4	0	0	82

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 - 35												0
36 - 40									24,718			24,718
41 - 45								23,143				23,143
46 - 50							27,047					27,047
51 - 55	18,319		40,899			23,855						25,044
56 - 60	15,546	34,217	19,654	18,614	24,685							21,805
61 - 65	13,575											13,575
66 - 70		4,733										4,733
71 & Over												0
Average	14,838	24,389	30,276	18,614	24,685	23,855	27,047	23,143	24,718	0	0	23,627

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 - 55												0
56 - 60	5	5	4	5	3	1						23
61 - 65	8	3	1	5	4	6	1					28
66 - 70	1	1			1	16	10					29
71 - 75			1		2	3	3	8	1			18
76 - 80							3		2			5
81 - 85						1	1	2	3	3	1	11
86 - 90								2	1	2		5
91 & Over												0
Totals	14	9	6	10	10	27	18	12	7	5	1	119

AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 55												0
56 - 60	59,655	52,947	46,335	47,621	55,659	9,270						50,552
61 - 65	62,117	43,243	38,773	29,592	34,973	57,361	24,408					47,209
66 - 70	13,827	17,677			30,841	35,473	33,412					33,243
71 - 75			33,346		21,569	57,941	73,788	19,108	33,646			36,565
76 - 80							74,594		40,300			60,876
81 - 85						56,548	77,374	29,522	37,380	20,441	19,611	35,095
86 - 90								33,747	58,382	11,530		29,787
91 & Over												0
Average	57,789	45,793	42,910	38,606	38,085	42,644	48,947	23,283	40,681	16,877	19,611	41,564

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 - 50												0
51 - 55					1							1
56 - 60							1					1
61 & Over												0
Totals	0	0	0	0	1	0	1	0	0	0	0	2

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 - 50												0
51 - 55					44,228							44,228
56 - 60							25,410					25,410
61 & Over												0
Average	0	0	0	0	44,228	0	25,410	0	0	0	0	34,819

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 - 55												0
56 - 60		1					1					2
61 - 65							1	2				3
66 - 70						1		1				2
71 - 75							1	1	1			3
76 - 80							1	2	2	3		8
81 - 85								1	2	2	1	6
86 - 90							1			2	2	5
91 & Over										2	2	4
Totals	0	1	0	0	0	1	5	7	5	9	5	33

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 - 55												0
56 - 60		13,789					12,258					13,023
61 - 65							28,139	14,743				19,208
66 - 70						63,591		40,885				52,238
71 - 75							18,321	13,459	7,335			13,039
76 - 80							11,537	13,138	33,162	15,227		18,727
81 - 85								8,024	19,592	3,860	12,363	11,215
86 - 90							36,313			29,772	23,896	28,730
91 & Over										51,313	14,690	33,002
Average	0	13,789	0	0	0	63,591	21,314	16,876	22,569	23,953	17,907	21,819

EXHIBIT XI
YEAR TO YEAR COMPARISON

	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Number of Active Members	732	716	677	688
Number of Retirees & Survivors	154	141	132	130
Number of Terminated Due Deferred Benefits	82	83	83	85
Number Terminated Due Refund	178	162	154	149
Active Lives Payroll	$ 47,592,254	$ 42,887,345	$ 38,460,604	$ 37,811,175
Retiree Benefits in Payment	$ 5,735,813	$ 4,819,437	$ 4,264,078	$ 4,171,296
Market Value of Assets	$ 212,447,745	$ 221,787,167	$ 190,498,450	$ 172,584,314
Pension Benefit Obligation				
Active Lives	$ 151,833,256	$ 137,312,088	$ 123,704,786	$ 111,601,058
Retired Lives	55,578,024	45,706,749	40,402,576	39,419,367
Terminated Members	12,016,625	11,931,845	12,485,215	11,999,562
	------------------	------------------	------------------	------------------
TOTAL Pension Benefit Obligation (PBO)	$ 219,427,905	$ 194,950,682	$ 176,592,577	$ 163,019,987
Ratio of Actuarial Value of Assets to PBO	103.82%	109.64%	108.43%	100.60%
Actuarial Value of Assets	$ 227,804,058	$ 213,739,881	$ 191,477,673	$ 163,996,534
Present Value of Future Employer Normal Cost	$ 53,521,546	$ 37,197,342	$ 36,370,304	$ 50,368,780
Present Value of Future Employee Contributions	$ 26,403,326	$ 24,704,996	$ 22,336,886	$ 22,573,688
Present Value of Future Benefits	$ 307,728,930	$ 275,642,219	$ 250,184,863	$ 236,939,002

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	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Employee Contribution Rate	7.00%	7.00%	7.00%	7.00%
Projected Tax Cont. as % of Proj. Payroll	9.55%	9.81%	10.50%	10.59%
Actuarially Req'd Net Direct Employer Cont Rate	4.55%	0.00%	0.00%	3.73%
Actual Employer Direct Contribution Rate	0.00%	0.00%	3.50%	6.00%

Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999
691	681	676	651	637	633
122	112	99	100	99	97
88	88	72	74	64	63
147	147	122	115	120	119
$ 36,752,886	$ 35,181,466	$ 34,980,615	$ 32,815,400	$ 32,410,719	$ 30,076,392
$ 3,879,254	$ 3,530,018	$ 2,924,247	$ 3,048,545	$ 3,008,736	$ 2,742,729
$ 160,875,906	$ 140,326,452	$ 135,176,917	$ 148,214,011	$ 164,129,644	$ 139,115,689
$ 105,184,207	$ 96,164,564	$ 96,201,935	$ 85,437,052	$ 78,584,903	$ 67,458,377
35,864,196	32,202,218	26,006,272	26,915,093	26,599,661	24,514,411
11,916,493	12,108,844	8,019,714	7,863,788	6,971,969	7,391,981
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$ 152,964,896	$ 140,475,626	$ 130,227,921	$ 120,215,933	$ 112,156,533	$ 99,364,769
98.17%	103.75%	117.70%	128.52%	131.93%	129.70%
$ 150,160,804	$ 145,738,003	$ 153,279,445	$ 154,501,215	$ 147,970,035	$ 128,873,958
$ 53,025,582	$ 43,536,544	$ 25,565,084	$ 12,478,721	$ 11,638,003	$ 15,006,738
$ 20,800,405	$ 20,367,843	$ 20,211,744	$ 19,470,605	$ 19,875,841	$ 18,869,398
$ 223,986.791	$ 209,642,390	$ 199,056,273	$ 186,450,541	$ 179,483,879	$ 162,750,094

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Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
10.88%	10.62%	8.55%	4.67%	4.32%	5.65%
5.83%	3.36%	0.00%	0.00%	0.00%	0.00%
3.75%	0.00%	0.00%	0.00%	0.00%	0.00%

SUMMARY OF PRINCIPAL PLAN PROVISIONS

The District Attorneys' Retirement System is a defined benefit pension plan that provides 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 District Attorneys', Assistant District Attorneys', (who earn more than the minimum salary specified by the board), and persons employed by this retirement system and the Louisiana District Attorneys' Association, are required to be members of the system as a condition of their employment. 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 7.0% of salary for active members, and .5% for DROP participants. In addition, the fund receives revenue sharing funds as appropriated by the legislature and ad valorem taxes as determined by the Public Retirement Systems' Actuarial Committee up to a maximum of .2% of the ad valorem taxes shown to be collected. In the event that the contributions from ad valorem taxes and revenue sharing funds are 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.

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 - For members who joined the system before July 1, 1990, and who have elected not to be covered by the new provisions - Members are eligible to receive a normal retirement benefit if they have ten or more years of creditable service and are at least age sixty-two, or if they have eighteen or more years of service and are at least age sixty, or if they have twenty-three or more years of service and are at least age fifty-five, of if they have thirty years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age sixty if they have at least ten years of creditable service or at age fifty-five with at least eighteen years of creditable service. Members who retire prior to age sixty with less than twenty-three years of service credit receive a retirement benefit reduced 3% for each year of age below sixty. Members who retire prior to age sixty-two who have less than eighteen years of service receive a retirement benefit reduced 3% for each year of age below sixty-two. Retirement benefits may not exceed 100% of final average compensation.

For members who joined the system after July 1, 1990, or who elected to be covered by the new provisions - Members are eligible to receive normal retirement benefits if they are age sixty and have ten years of service credit, are age fifty-five and have twenty-four years of service credit, or have thirty years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age fifty-five and has at least eighteen years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

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

DISABILITY BENEFITS - Disability benefits are awarded to active contributing members with at least ten years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3.5% (3% for members covered under the old retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

SURVIVOR BENEFITS - Upon the death of a member with less than five years of creditable service, his accumulated contributions and interest thereon are paid to his spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with five or more years of service or any member with twenty-three years of service who has not retired, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under eighteen or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

DEFERRED RETIREMENT OPTION PLAN – **The following provisions only apply to those members of the retirement system who selected to participate in the Deferred Retirement Option Plan prior to January 1, 2009.** In lieu of terminating employment and accepting a service retirement allowance, any member in the New Plan who is eligible for normal retirement or any member of the Old Plan who is eligible for unreduced benefits 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 continues and the member's status changes to inactive. During participation in the plan, employer contributions are payable but employee contributions are reduced to one-half of one percent. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP account. This fund does not earn interest while a person is participating in the DROP. 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 or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the deferred retirement option plan fund will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund is 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. All amounts which remain credited to the individual's sub-account after termination of participation in the plan are invested in liquid money market funds. Interest is credited thereon as actually earned.

Back-DROP – In lieu of receiving a service retirement allowance any member of the fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest bearing account.

COST OF LIVING INCREASES - The board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. 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. In order for the board to grant any of these increases, the system must meet certain criteria detailed in the statute related to funding status and interest earnings.

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:	Invested assets are valued at market value adjusted to defer three-fourths of all earnings above or below the valuation interest rate in the valuation year, two-fourths of all earnings above or below the valuation interest rate in the prior year, and one-fourth of all earnings above or below the valuation interest rate from two years prior. The actuarial value of assets is also subject to minimum and maximum values such that it will not be less than 90% nor more than 110% of the market value of assets.
ANNUAL SALARY INCREASE RATE:	6.75% (3.25% inflation / 3.5% merit)
ANNUITANT MORTALITY:	1994 Uninsured Pensioner Mortality Table (1-year setback for both Males and 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.

INTEREST RATE ON CONTRIBUTION REFUNDS: 2%

RATES OF RETIREMENT: The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. Retirement rates for members who have completed DROP participation and are currently active are .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
≤5	0.120
6 - 15	0.050
16 - 21	0.030
>21	0.010

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

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

DROP PARTICIPATION: All persons who enter the 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 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

DISABLED LIVES MORTALITY:	RP-2000 Disabled Lives Mortality Tables for Males and Females
DISABILITY RATES:	The table of these rates is included later in the report. These rates are based on 11.5% of the disability rates used for the 21st valuation of the Railroad Retirement System for individuals with 10-19 years of service.
VESTING ELECTING PERCENTAGE:	90% of those vested elect deferred benefits in lieu of contribution refunds.

ACTUARIAL TABLES AND RATES

Age	Male Mortality Rates	Female Mortality Rates	Retirement Rates	Disability Rates
18	0.00046	0.00028	0.00000	0.00017
19	0.00050	0.00029	0.00000	0.00017
20	0.00052	0.00030	0.00000	0.00017
21	0.00054	0.00031	0.00000	0.00017
22	0.00057	0.00031	0.00000	0.00017
23	0.00060	0.00031	0.00000	0.00017
24	0.00063	0.00031	0.00000	0.00017
25	0.00067	0.00031	0.00000	0.00017
26	0.00071	0.00031	0.00000	0.00017
27	0.00075	0.00032	0.00000	0.00017
28	0.00078	0.00032	0.00000	0.00017
29	0.00081	0.00034	0.00000	0.00017
30	0.00084	0.00036	0.00000	0.00017
31	0.00086	0.00038	0.00000	0.00017
32	0.00088	0.00040	0.00000	0.00017
33	0.00090	0.00043	0.00000	0.00017
34	0.00091	0.00045	0.00000	0.00017
35	0.00091	0.00048	0.00000	0.00020
36	0.00091	0.00051	0.00000	0.00022
37	0.00093	0.00055	0.00000	0.00024
38	0.00096	0.00059	0.00000	0.00028
39	0.00101	0.00064	0.00000	0.00031
40	0.00107	0.00070	0.00000	0.00036
41	0.00115	0.00076	0.00000	0.00040
42	0.00124	0.00083	0.00000	0.00045
43	0.00135	0.00089	0.00000	0.00051
44	0.00145	0.00094	0.00000	0.00058
45	0.00157	0.00099	0.00000	0.00066
46	0.00170	0.00105	0.27000	0.00075
47	0.00185	0.00111	0.27000	0.00084
48	0.00204	0.00120	0.27000	0.00095
49	0.00226	0.00130	0.27000	0.00108
50	0.00250	0.00141	0.27000	0.00123
51	0.00277	0.00154	0.27000	0.00140
52	0.00309	0.00169	0.27000	0.00159
53	0.00345	0.00186	0.27000	0.00181
54	0.00385	0.00205	0.27000	0.00205
55	0.00428	0.00224	0.27000	0.00232
56	0.00476	0.00247	0.27000	0.00265
57	0.00532	0.00276	0.27000	0.00300
58	0.00600	0.00314	0.27000	0.00340
59	0.00677	0.00361	0.27000	0.00388
60	0.00762	0.00415	0.17000	0.00561
61	0.00858	0.00477	0.17000	0.00561
62	0.00966	0.00548	0.17000	0.00561
63	0.01091	0.00627	0.17000	0.00561
64	0.01233	0.00718	0.17000	0.00561
65	0.01391	0.00819	0.17000	0.00561

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: