DISTRICT ATTORNEYS' RETIREMENT SYSTEM

ACTUARIAL VALUATION AS OF
JUNE 30, 2009

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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December 15, 2009

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, 2009. 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, 2010, to recommend the net direct employer contribution rate for fiscal 2011, 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

Valuation Date:		June 30, 2009	June 30, 2008
Census Summary:	Active Members	732	732
	Retired Members and Survivors	176	154
	Terminated Due a Deferred Benefit	93	82
	Terminated Due a Refund	193	178
Payroll (including DROP participants):		$ 50,472,941	$ 47,592,254
Benefits in Payment (excluding DROP accruals):		$ 7,435,483	$ 5,735,813
Market Value of Assets:		$ 182,397,138	$ 212,447,745
Actuarial Asset Value:		$ 221,051,999	$ 227,804,058
Unfunded Actuarial Accrued Liability		None	None
Funded Ratio (GASB 50)		85.75%	97.10%

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	FISCAL 2010	FISCAL 2009
Employer Normal Cost (July 1):	$ 10,162,534	$ 6,366,359
Amortization Cost (July 1):	N/A	N/A
Interest Adjusted Gross Employer Actuarially Required Contribution Including Estimated Administrative Costs:	$ 10,846,067	$ 6,891,124
Projected Ad Valorem Taxes and Revenue Sharing Funds:	$ 6,346,155	$ 4,666,051
Net Direct Employer Actuarially Required Contribution:	$ 4,499,912	$ 2,225,073
Actuarially Required Net Direct Employer Contribution Rate	8.64%	4.55%
Actual Net Direct Employer Contribution Rate:	5.00%	0.00%

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Recommended Net Employer Contribution Rate for Fiscal 2011: 9.00% 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 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: Change in the method of calculating the actuarial value of assets from four year phase in of earning above or below the assumed rate of return subject to limits of 90% to 110% of the market value of assets to the above described method.

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 305 have vested retirement benefits including 7 participants in the Deferred Retirement Option Plan (DROP); 176 former system members or their beneficiaries are receiving retirement benefits. An additional 286 members have contributions remaining on deposit with the system; of this number, 93 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 $182,397,138 as of June 30, 2009. Net investment income for fiscal 2009 measured on a market value basis amounted to a net loss of $30,084,236. Contributions to the system for the fiscal year totaled $9,105,419; benefits and expenses amounted to $9,071,790.

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. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments to contribution levels will be required. Such differences will be revealed in future actuarial valuations. The method used to calculate the Actuarial Value of Assets was changed for this valuation. In the prior year, the actuarial value of assets was determined by smoothing all earnings above or below the assumed rate of return over a four year period with the resulting value constrained to a corridor of no less than 90% of the market value of assets and no more than 110% of the market value of assets. For this valuation, the smoothing period was increased to five years and the corridor was expanded to a range of 85% to 115% of the market value of assets; the actuarial value of assets was then set equal to the average of the applicable corridor limit and the smoothed value whenever the smoothed value falls outside of the corridor. The effect of this change was to reduce the fund's normal cost accrual rate by 4.9596%.

CHANGES IN PLAN PROVISIONS

The following changes in plan provisions were enacted during the 2009 Regular Session of the Louisiana Legislature:

Act 270 provides that a member of a state or statewide retirement system, upon applying for retirement, may irrevocably elect a retirement payment option whereby his benefit is actuarially reduced, but he receives a 2.5% COLA annually on his retirement's anniversary date. This COLA is also payable to DROP participants and applied to the monthly benefit allowance. Upon retirement of a DROP participant, the annual 2.5% COLA is also applied to any supplemental benefit earned after the DROP period. The COLA is only payable to retirees who are 55 and older. The annual 2.5% compounded COLA is not be based on any other COLAs the system may grant. Any additional COLA granted by the system will be based on the retiree's monthly benefit as it exists when such COLA is granted. Spousal beneficiaries also receive the COLA upon the retiree's death if the retiree chose to have his benefits paid to his spouse upon his death. Members who choose a Back-DROP benefit are not eligible for this option.

Act 389 repealed the prohibition of membership in DARS of persons who had previously retired from other State or Statewide systems.

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
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%
2009	-14.2%	-3.0% *

* 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 2009, the fund earned $6,072,420 of dividends, interest, and other recurring income. Offsetting this income, the Fund had net realized and unrealized capital losses on investments of $35,967,389. In addition, the Fund paid $189,267 in investment expenses. The geometric mean of the market value rates of return measured over the last ten years was 1.7%.

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 five-year period, subject to constraints as outlined in the section in the report describing actuarial assumptions. 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 five-year period. Yields in excess of the 8.0% assumption will reduce future costs; yields below 8.0% will increase future costs. For fiscal 2009 the system experienced net actuarial investment earnings of $45,426,479 less than the actuarial assumed earnings rate of 8.0% (without adjusting for the change in method used to determine the actuarial value of assets), when measured on the prior actuarial funding method. This deficiency in earnings produced an actuarial loss, which increased the normal cost accrual rate by 11.0359%.

DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the system is given in Exhibit X. The system's active contributing membership remained the same as that of the prior fiscal year. The average active member is 46 years old with 9.77 years of service and an annual salary of $68,952. The plan has experienced an increase in the active plan population of 41 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 $3,933. The retired population increased by 22 during the last fiscal year. Over the last five years the number of retirees increased by 54. During this same period, annual benefits in payment increased by $3,556,229.

Plan liability experience for fiscal 2009 was unfavorable. The main factor contributing to the unfavorable experience was salary increases well above the projected level. Partially offsetting the increase was retirements and disabilities below expected levels and withdrawals above expected levels. Retiree deaths were near expected levels. Plan liability experience increased the normal cost accrual rate by 0.6680%.

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 2009	14.1032%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	11.0359%
Liability Experience	0.6680%
Contribution Loss	0.4988%
Factors Decreasing the Normal Cost Accrual Rate:	
Asset Method Change	4.9596%
New Hires	0.1761%
Normal Cost Accrual Rate – Fiscal 2010	21.1702%

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 2010 as of July 1, 2009, is $10,162,534. 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 2010 is $10,846,067. 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 increase by 2.64% of payroll in fiscal 2010. 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 2010 is $4,499,912. This is 8.64% of the projected payroll for fiscal 2010.

Although the actuarially required net direct employer contribution rate for fiscal 2010 is 8.64%, the actual employer contribution rate for fiscal 2010 is 5.00%. Since the contribution rate for fiscal 2010 was 5.00%, 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 0.42% to the normal cost accrual rate in fiscal 2010. 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 9.00% for fiscal 2011.

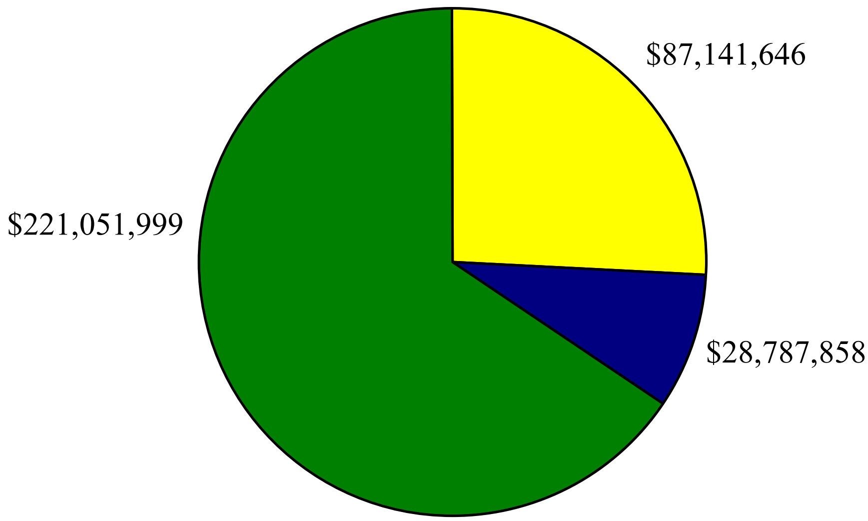
Recent capital market conditions have resulted in asset experience losses for the fund that will significantly increase its cost structure. These market conditions may be temporary or may indicate that future return expectations should be reduced. Contribution rates to the fund as given in this report are a function of the assumed long-term rate of return on assets used for the valuation. That rate of return should be consistent with long-term capital market expectations and the asset allocation utilized by the fund. The sensitivity of each plan's contribution rate with regard to the assumed rate of return in unique. For the District Attorneys' Retirement System, we have determined that a decrease in the long-term assumed rate of return of 1% would lead to an increase in the required employer contribution rate of 10.13% of payroll. 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 2009 the actual cost of living (as measured by the U. S. Department of Labor CPI-U) decreased by 1.43%. 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 2009 the fund has not met the necessary target ratio and that plan investment experience was below assumptions. Therefore, the system is not eligible to provide a cost of living increase to retirees.

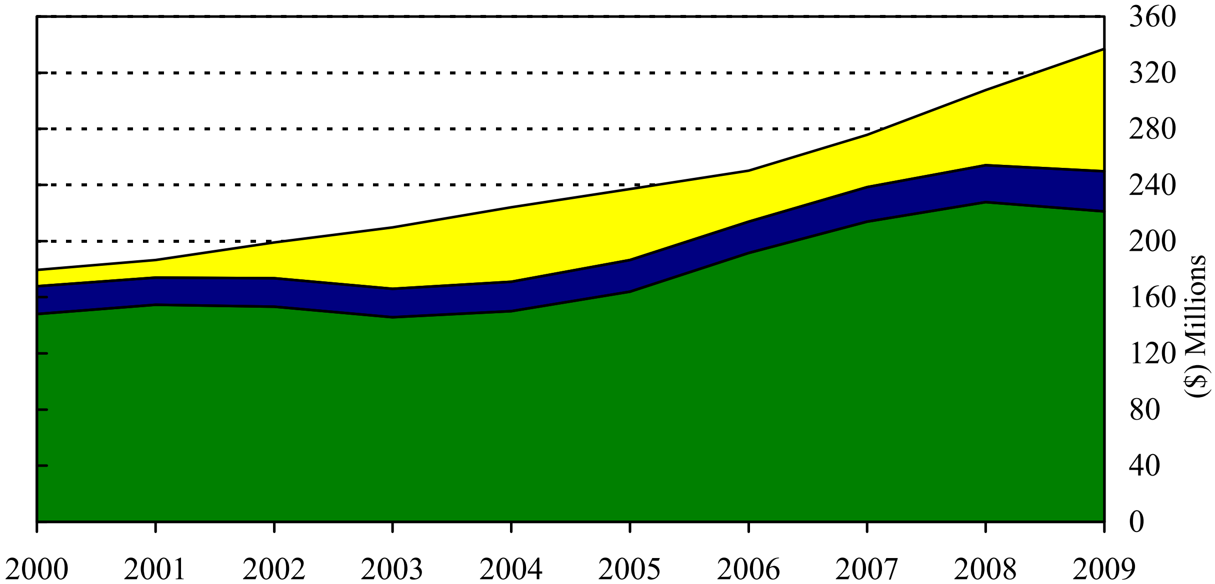
Components of Present Value of Future Benefits

June 30, 2009



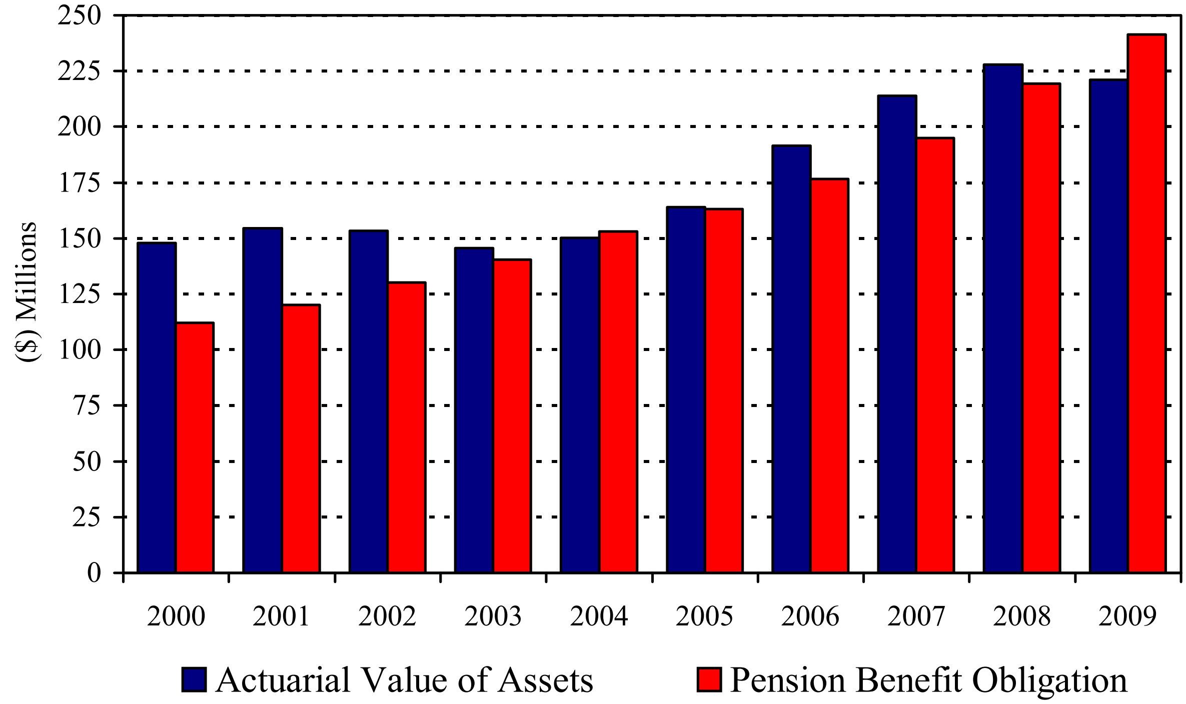
Present Value of Future Employer Normal Cost
Present Value of Future Employee Contributions
Actuarial Value of Assets

Components of Present Value of Future Benefits

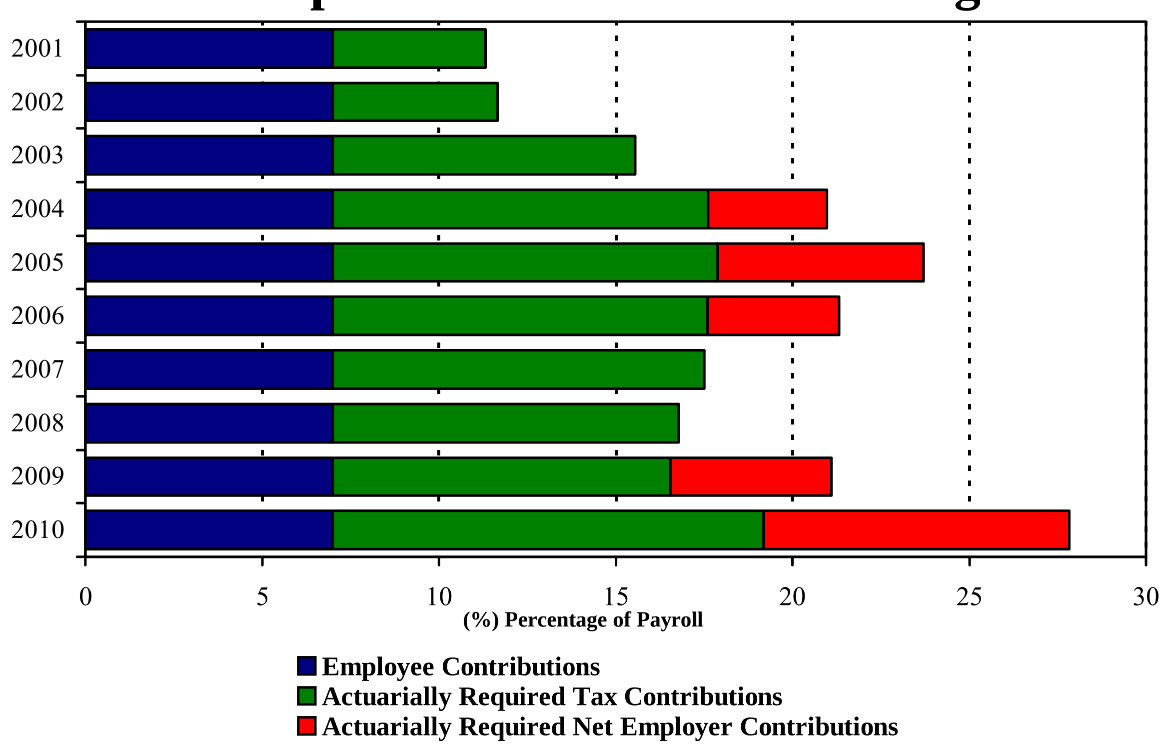


Present Value of Future Employer Normal Cost
Present Value of Future Employee Contributions
Actuarial Value of Assets

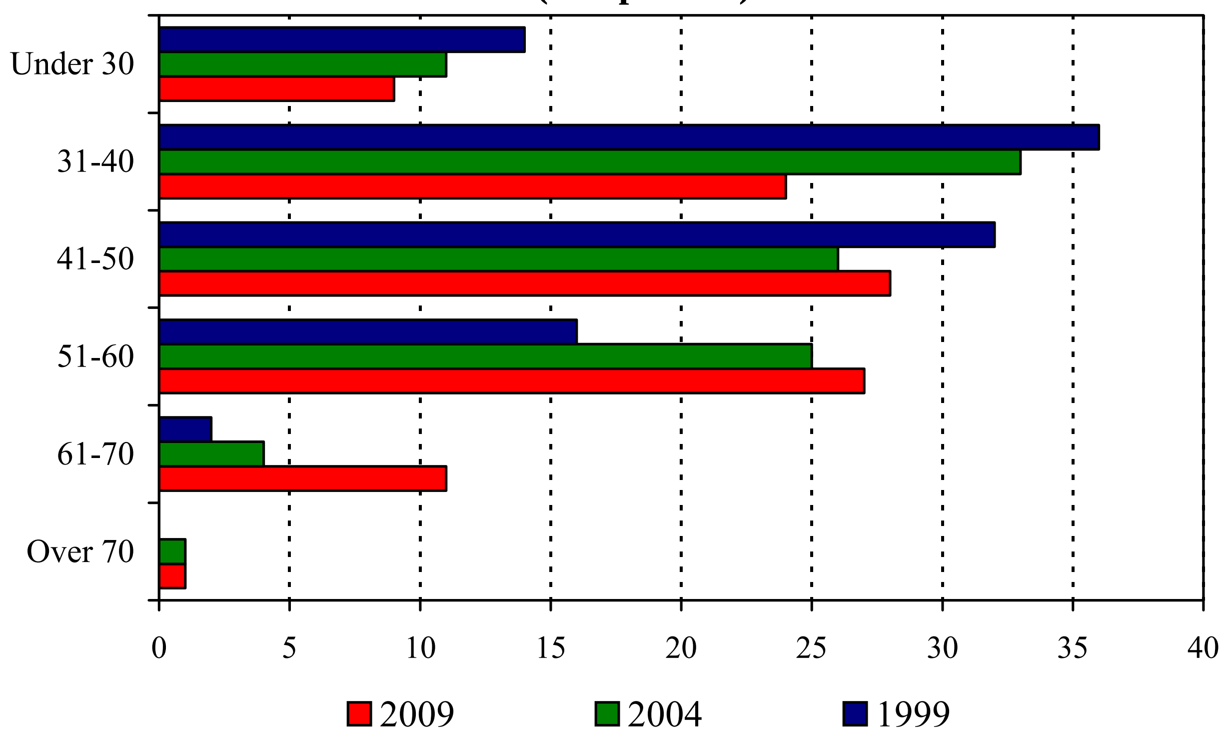
Actuarial Value of Assets vs. Pension Benefit Obligation



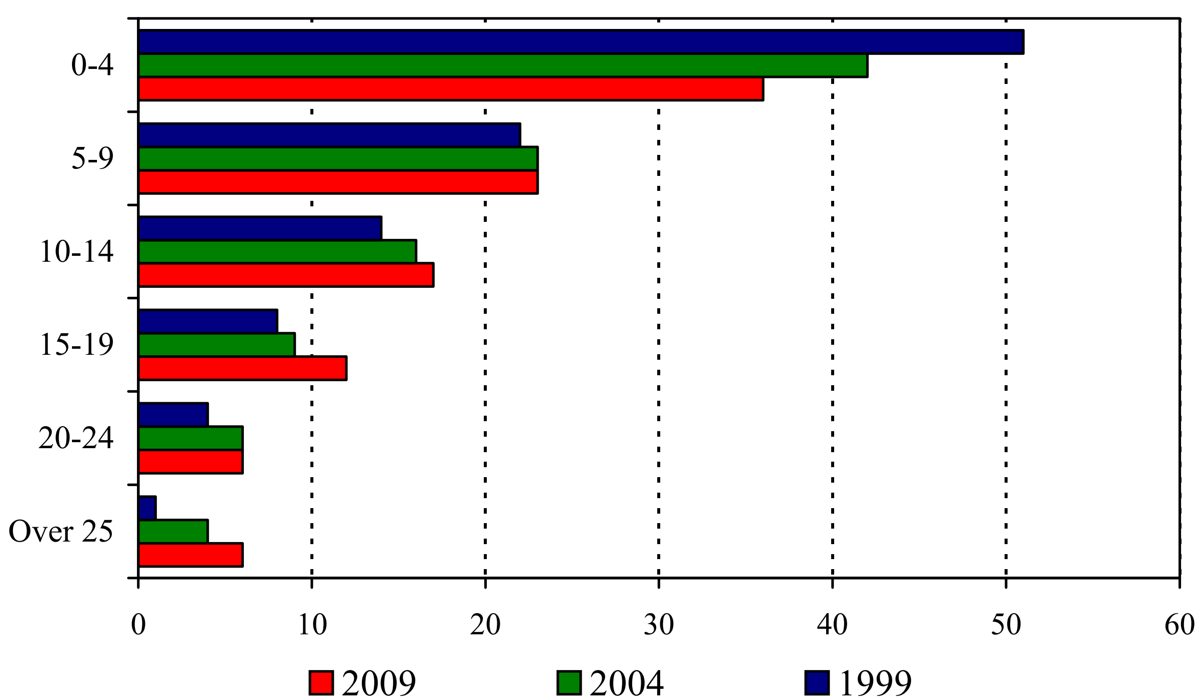
Components of Actuarial Funding



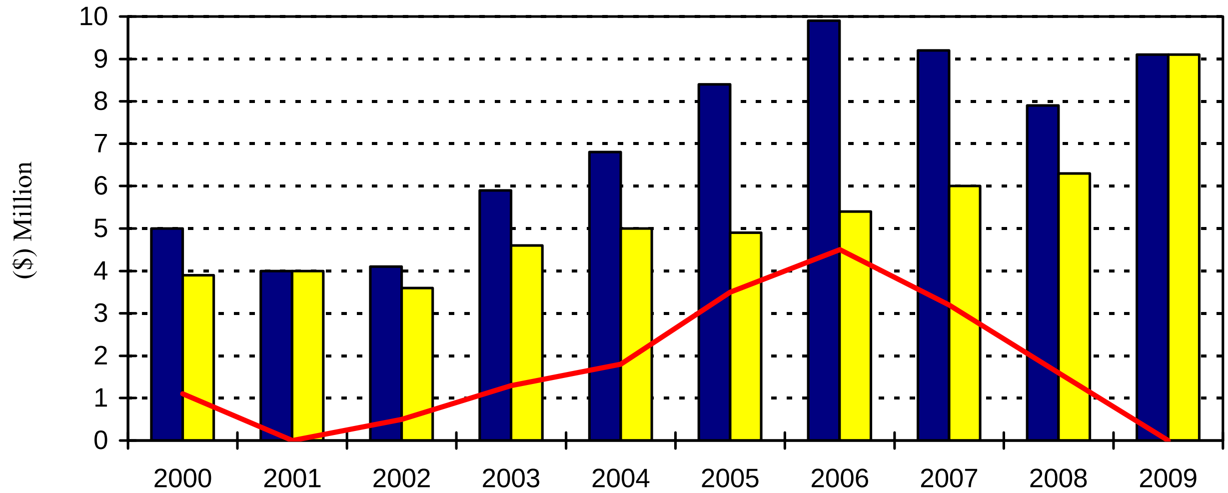
Active – Census By Age
(as a percent)



Active – Census By Service
(as a percent)

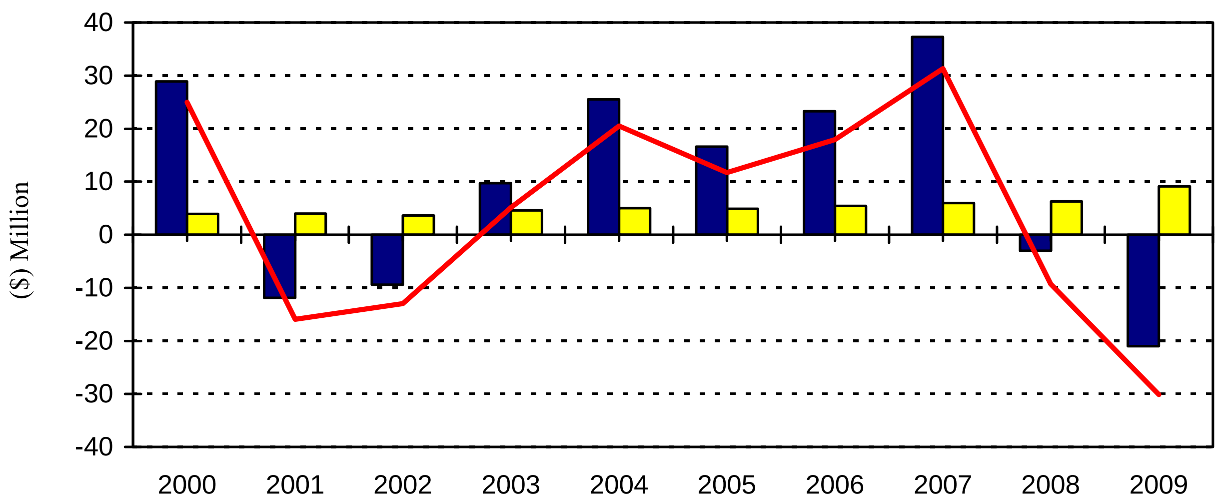


Net Non-Investment Income



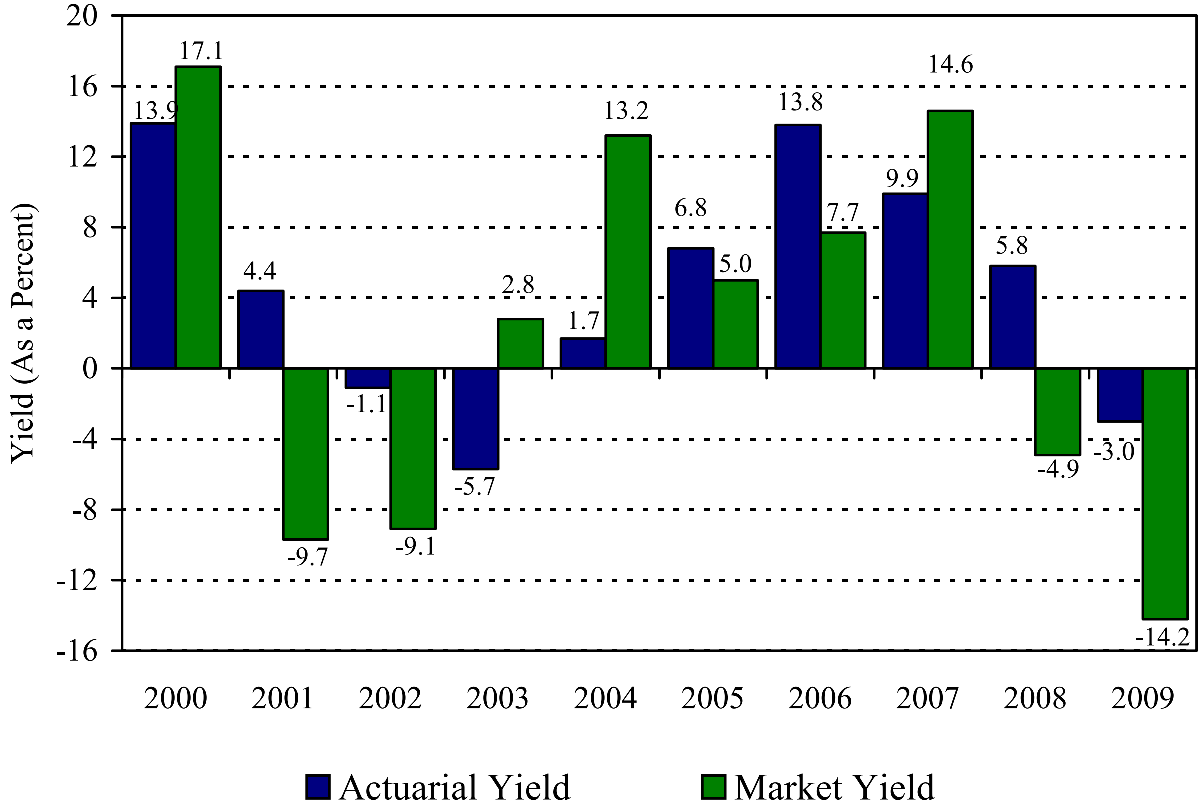
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Non-Investment Income ($Mil)	5.0	4.0	4.1	5.9	6.8	8.4	9.9	9.2	7.9	9.1
Benefits and Expenses ($Mil)	3.9	4.0	3.6	4.6	5.0	4.9	5.4	6.0	6.3	9.1
Net Non-Investment Income ($Mil)	1.1	0	0.5	1.3	1.8	3.5	4.5	3.2	1.6	0.0

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



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Income ($Mil)	28.9	-11.9	-9.4	9.7	25.5	16.6	23.3	37.3	-3.0	-21.0
Benefits and Expenses ($Mil)	3.9	4.0	3.6	4.6	5.0	4.9	5.4	6.0	6.3	9.1
Net Change in MVA ($Mil)	25.0	-15.9	-13.0	5.1	20.5	11.7	17.9	31.3	-9.3	-30.1

Historical Asset Yields



EXHIBITS

EXHIBIT I
ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$	336,981,503
2.	Actuarial Value of Assets	$	221,051,999
3.	Present Value of Future Employee Contributions	$	28,787,858
4.	Present Value of Future Employer Normal Costs (1 – 2 – 3)	$	87,141,646
5.	Present Value of Future Salaries	$	411,625,018
6.	Employer Normal Cost Accrual Rate (4 ÷ 5)		21.170153%
7.	Projected Fiscal 2010 Salary for Current Membership	$	48,004,063
8.	Employer Normal Cost as of July 1, 2009 (6 x 7)	$	10,162,534
9.	Normal Cost Adjusted for Midyear Payment	$	10,561,215
10.	Estimated Administrative Cost for Fiscal 2010	$	284,852
11.	GROSS Employer Actuarially Required Contribution for Fiscal 2010 (9 + 10)	$	10,846,067
12.	Projected Revenue Sharing Funds for Fiscal 2010	$	215,238
13.	Projected Ad Valorem Taxes for Fiscal 2010	$	6,130,917
14.	Net Direct Actuarially Required Employer Contribution (11 – 12 – 13)	$	4,499,912
15.	Projected Payroll (Fiscal 2010)	$	52,057,723
16.	Employer's Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2010 (14 ÷ 15)		8.64%
17.	Actual Employer Contribution Rate for Fiscal 2010		5.00%
18.	Contribution Shortfall (Excess) as a Percentage of Payroll (16-17)		3.64%
19.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess)		0.42%
20.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2011 (16 + 19; rounded to the nearest 0.25%)		9.00%

EXHIBIT II
PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	$ 213,794,768	
Survivor Benefits	10,205,606	
Disability Benefits	1,358,066	
Vested Deferred Termination Benefits	15,357,369	
Contribution Refunds	3,311,078	
Special Deposits	881,640	
TOTAL Present Value of Future Benefits for Active Members		$ 244,908,527

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement	$ 14,265,597	
Terminated Members with Reciprocals Due Benefits at Retirement	358,911	
Terminated Members Due a Refund	1,650,916	
TOTAL Present Value of Future Benefits for Terminated Members		$ 16,275,424

Present Value of Future Benefits for Retirees:

Regular Retirees			
Maximum	$ 18,313,375		
Option 1	1,550,525		
Option 2	32,018,507		
Option 3	11,227,120		
Option 4	2,240,772		
TOTAL Regular Retirees		$ 65,350,299	
Disability Retirees		616,611	
Survivors & Widows		5,227,607	
DROP Deposits		4,603,035	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 75,797,552
TOTAL Present Value of Future Benefits			$ 336,981,503

EXHIBIT III - SCHEDULE A
MARKET VALUE OF ASSETS

Current Assets:

Cash in Banks	$ 779,005	
Contributions Receivable from Employer	385	
Contributions Receivable from Members	294,975	
Accrued Interest and Dividends	286,971	
Ad Valorem and Revenue Sharing Taxes Receivable	7,809	
TOTAL CURRENT ASSETS		$ 1,369,145

Investments:

Exchange Traded Funds	$ 125,397,434	
U. S. Government and Corporate Bonds	32,304,792	
Real Estate Investment Trusts	11,072,810	
Cash Equivalents	10,428,663	
Investment in Partnerships	1,824,294	
TOTAL INVESTMENTS		$ 181,027,993
TOTAL ASSETS		$ 182,397,138

Current Liabilities:

Accounts Payable	$ 0	
Payroll Taxes Withheld	$ 0	
TOTAL CURRENT LIABILITIES		$ 0
MARKET VALUE OF ASSETS		$ 182,397,138

EXHIBIT III – SCHEDULE B
ACTUARIAL VALUE OF ASSETS

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

Fiscal year 2009	$	(47,081,375)
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 five years	$	(68,515,300)

Deferral of excess (shortfall) of invested income:

Fiscal year 2009 (80%)	$	(37,665,100)
Fiscal year 2008 (60%)		(17,257,249)
Fiscal year 2007 (40%)		5,082,543
Fiscal year 2006 (20%)		(110,345)
Fiscal year 2005 (0%)		0
Total deferred for year	$	(49,950,151)

Market value of plan net assets, end of year	$	182,397,138
Preliminary actuarial value of plan assets, end of year	$	232,347,289

Actuarial value of assets corridor

85% of market value, end of year	$	155,037,567
115% of market value, end of year	$	209,756,709

Final actuarial value of plan net assets, end of year	$	221,051,999

EXHIBIT IV
PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	28,787,858
Employer Normal Contributions to the Pension Accumulation Fund		87,141,646
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	115,929,504

EXHIBIT V
RECONCILIATION OF CONTRIBUTIONS

Employer Normal Cost for Prior Year	$	6,366,359		
Expenses for Prior Year		240,358		
Interest on the Normal Cost		509,309		
Interest on Expenses		9,429		
TOTAL Interest Adjusted Actuarially Required Contribution			$	7,125,455
Direct Employer Contributions	$	0		
Interest on Employer Contributions		0		
Ad valorem taxes and Revenue Sharing Funds		4,880,650		
Interest on Taxes		191,470		
TOTAL Interest Adjusted Employer Contribution			$	5,072,120
Contribution Shortfall (Gain)			$	2,053,335

EXHIBIT VI
ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets: (June 30, 2008)		$227,804,058
Income:		
Member Contributions	$ 3,573,355	
Ad valorem Taxes	4,680,179	
Revenue Sharing	200,471	
Irregular Contributions	651,414	
SUBTOTAL of all contributions		$ 9,105,419
Interest Income	$ 6,072,420	
Class Action Lawsuits	68,069	
Net Depreciation in Fair Value of Investments	(35,730,507)	
Other	(304,951)	
Investment Expense	(189,267)	
SUBTOTAL of all investment income		$(30,084,236)
TOTAL Income		$(20,978,817)
Expenses:		
Retirement Benefits	$ 6,569,711	
Transfers to Other Retirement Systems	886,075	
Refunds of Contributions	281,134	
DROP Withdrawal	1,094,512	
Administrative Expenses	240,358	
TOTAL Expenses		$ 9,071,790
Net Market Income for Fiscal 2009 (Income - Expenses)		$(30,050,607)
Adjustment for Actuarial Smoothing		$ 23,298,548
Actuarial Value of Assets (June 30, 2009)		$221,051,999

EXHIBIT VII
FUND BALANCE AND ASSET RECONCILIATION

Present Assets of the System Creditable to:

Annuity Savings Fund	$	34,487,582
Annuity Reserve Fund		71,194,517
Pension Accumulation Fund		69,528,926
DROP Account		7,186,113
NET MARKET VALUE OF ASSETS	$	182,397,138
ADJUSTMENT FOR ACTUARIAL SMOOTHING	$	38,654,861
ACTUARIAL VALUE OF ASSETS	$	221,051,999

EXHIBIT VIII – Schedule A
PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$ 149,334,938
Present Value of Benefits Payable to Terminated Employees	16,275,424
Present Value of Benefits Payable to Current Retirees and Beneficiaries	75,797,552
TOTAL PENSION BENEFIT OBLIGATION	$ 241,407,914
NET ACTUARIAL VALUE OF ASSETS	$ 221,051,999
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation	91.57%

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

Accrued Liability for Active Employees	$ 165,707,635
Accrued Liability for Terminated Employees	16,275,424
Accrued Liability for Current Retirees and Beneficiaries	75,797,552
TOTAL ENTRY AGE NORMAL ACCRUED LIABILITY	$ 257,780,611
NET ACTUARIAL VALUE OF ASSETS	$ 221,051,999
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability	85.75%

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:			10.60%
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%	
	Changes for Fiscal 2009	8.46%	
TOTAL Adjustments			14.07%
Amortization of Adjustments in Funded Ratio over 30 years:			
	Changes for Fiscal 1988	(4.55%)	
	Changes for Fiscal 1990	(2.11%)	
	Changes for Fiscal 1995	(1.23%)	
	Changes for Fiscal 1996	2.34%	
	Changes for Fiscal 1998	3.00%	
	Changes for Fiscal 2005	(0.26%)	
	Changes for Fiscal 2006	(0.48%)	
	Changes for Fiscal 2009	0.00%	
TOTAL Amortization of Adjustments			(3.29%)
Target Ratio for Current Fiscal Year (Lesser of 100% or 1+2+3+4)			100%
Actuarial Value of Assets Divided by PBO as of Fiscal 2009			91.57%

EXHIBIT X
CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2008	711	260	21	154	1,146
Additions to Census					
Initial membership	81	4			85
Death of another member				2	2
Omitted in error last year				1	1
Adjustment for multiple records				1	1
Change in Status during Year					
Actives terminating service	(51)	51			
Actives who retired	(16)			16	
Actives entering DROP					
Term. members rehired	8	(8)			
Term. members who retire		(3)		3	
Retirees who are rehired	1			(1)	
Refunded who are rehired	1	1			2
Repaid Refund					
DROP participants retiring			(5)	5	
DROP returned to work	9		(9)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(17)	(19)			(36)
Deaths	(2)			(5)	(7)
Included in error last year					
Adjustment for multiple records					
Number of members as of June 30, 2009	725	286	7	176	1,194

ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
21 - 25	1	0	1	62,400	62,400
26 - 30	34	33	67	50,301	3,370,190
31 - 35	50	45	95	56,421	5,359,972
36 - 40	52	32	84	65,833	5,529,932
41 - 45	80	42	122	64,755	7,900,101
46 - 50	60	24	84	73,046	6,135,855
51 - 55	74	25	99	76,976	7,620,578
56 - 60	85	12	97	76,840	7,453,463
61 - 65	49	3	52	87,735	4,562,203
66 - 70	21	5	26	80,914	2,103,758
71 - 75	3	0	3	74,232	222,697
76 - 80	2	0	2	75,896	151,792
TOTAL	511	221	732	68,952	50,472,941

THE ACTIVE CENSUS INCLUDES 305 ACTIVES WITH VESTED BENEFITS, INCLUDING 7 DROP PARTICIPANTS AND 6 ACTIVE FORMER DROP PARTICIPANTS.

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	2	0	2	20,683	41,366
41 - 45	8	2	10	26,209	262,092
46 - 50	16	11	27	30,308	818,324
51 - 55	19	8	27	29,363	792,799
56 - 60	18	5	23	26,302	604,950
61 - 65	2	1	3	9,733	29,199
66 - 70	1	0	1	4,733	4,733
TOTAL	66	27	93	27,457	2,553,463

TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	15	520
100	-	499	25	6,720
500	-	999	13	9,669
1000	-	1999	13	18,860
2000	-	4999	34	110,951
5000	-	9999	25	179,552
10000	-	19999	45	624,772
20000	-	99999	23	699,872
		TOTAL	193	1,650,916

REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	2	0	2	97,980	195,960
56 - 60	23	3	26	57,978	1,507,416
61 - 65	35	4	39	51,255	1,998,947
66 - 70	31	3	34	41,321	1,404,909
71 - 75	17	0	17	31,627	537,658
76 - 80	9	0	9	56,072	504,649
81 - 85	8	1	9	36,720	330,484
86 - 90	4	0	4	31,953	127,810
TOTAL	129	11	140	47,199	6,607,833

DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	0	1	1	44,228	44,228
61 - 65	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
46 - 50	0	1	1	26,429	26,429
51 - 55	0	1	1	38,631	38,631
56 - 60	0	2	2	13,024	26,047
61 - 65	0	2	2	20,044	40,087
66 - 70	0	2	2	29,212	58,423
71 - 75	0	5	5	22,962	114,811
76 - 80	0	7	7	19,755	138,282
81 - 85	0	3	3	7,710	23,129
86 - 90	1	5	6	20,837	125,022
91 - 99	0	5	5	33,430	167,151
TOTAL	1	33	34	22,294	758,012

ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20												0
21 - 25		1										1
26 - 30	28	16	17	3	3							67
31 - 35	11	16	14	7	10	37						95
36 - 40	8	13	6	4	1	37	15					84
41 - 45	11	5	10	6	3	36	35	16				122
46 - 50	4	3	4	1	1	14	27	23	7			84
51 - 55	7	7	4	2		21	19	20	14	4	1	99
56 - 60	7	1	5	1		15	15	18	14	17	4	97
61 - 65	3	4	2	1	2	3	10	9	6	8	4	52
66 - 70	3		2	1	2	2	4	4	4	2	2	26
71 & Over					1	1			1	1	1	5
Totals	82	66	64	26	23	166	125	90	46	32	12	732

AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20												0
21 - 25		62,400										62,400
26 - 30	42,754	56,648	54,737	51,583	60,478							50,301
31 - 35	41,128	58,382	54,261	57,844	58,720	60,045						56,421
36 - 40	51,282	55,432	65,684	80,691	57,788	68,386	72,942					65,833
41 - 45	54,820	33,271	58,069	45,345	61,142	67,560	69,802	76,207				64,755
46 - 50	47,489	53,343	54,557	25,210	43,046	58,745	80,253	84,671	80,385			73,046
51 - 55	65,535	57,512	75,515	34,250		66,206	69,959	89,425	97,537	104,715	96,277	76,976
56 - 60	61,580	48,973	64,108	39,000		74,509	66,780	74,026	87,331	95,686	78,194	76,840
61 - 65	66,863	64,473	70,446	122,863	47,843	77,241	87,619	89,198	129,783	88,642	86,438	87,735
66 - 70	61,406		59,736	74,787	69,356	91,663	64,609	85,959	81,568	89,574	147,779	80,914
71 & Over					67,373	55,492			44,788	107,004	99,832	74,898
Average	50,334	55,444	58,846	57,110	58,899	66,175	73,357	82,603	93,491	95,025	95,850	68,952

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									2			2
41 - 45								10				10
46 - 50						1	26					27
51 - 55		3	1			23						27
56 - 60	3	2	6	6	6							23
61 - 65	3											3
66 - 70	1											1
71 & Over												0
Totals	7	5	7	6	6	24	26	10	2	0	0	93

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

Attained Ages	Years Until Retirement Eligibility											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 35												0
36 - 40									20,683			20,683
41 - 45								26,209				26,209
46 - 50						32,082	30,240					30,308
51 - 55		40,405	32,648			27,780						29,363
56 - 60	45,404	19,654	19,238	24,685	27,648							26,302
61 - 65	9,733											9,733
66 - 70	4,733											4,733
71 & Over												0
Average	24,306	32,105	21,154	24,685	27,648	27,959	30,240	26,209	20,683	0	0	27,457

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	2											2
56 - 60	7	3	5	4	4	3						26
61 - 65	11	11	2	1	6	8						39
66 - 70	3	1	2			16	12					34
71 - 75				1		5	4	7				17
76 - 80						1	4	1	3			9
81 - 85						1	1	2	2	2	1	9
86 - 90								1	1		2	4
91 & Over												0
Totals	23	15	9	6	10	34	21	11	6	2	3	140

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	97,980											97,980
56 - 60	66,759	88,909	40,658	46,335	54,442	55,659						57,978
61 - 65	70,272	49,660	51,361	38,773	28,049	46,239						51,255
66 - 70	123,638	20,382	22,342			36,738	31,760					41,321
71 - 75				33,346		36,675	49,518	17,552				31,627
76 - 80						32,740	81,916	29,997	38,082			56,072
81 - 85						56,548	77,374	29,522	39,325	19,628	19,611	36,720
86 - 90								11,394	58,382		29,017	31,952
91 & Over												0
Average	78,573	55,558	38,966	42,910	38,606	41,099	46,868	20,300	41,880	19,628	25,882	47,199

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												0
61 - 65							1					1
66 & Over												0
Totals	0	0	0	0	0	1	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												0
61 - 65							25,410					25,410
66 & Over												0
Average	0	0	0	0	0	44,228	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 - 45												0
46 - 50	1											1
51 - 55	1											1
56 - 60			1				1					2
61 - 65							1	1				2
66 - 70								2				2
71 - 75						1	1		3			5
76 - 80								2	2	2	1	7
81 - 85								2			1	3
86 - 90							1			2	3	6
91 & Over										1	4	5
Totals	2	0	1	0	0	1	4	7	5	5	9	34

AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS 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	Average Benefit
0 - 45												0
46 - 50	26,429											26,429
51 - 55	38,631											38,631
56 - 60			13,789				12,258					13,023
61 - 65							28,139	11,948				20,043
66 - 70								29,212				29,212
71 - 75						63,591	18,321		10,966			22,962
76 - 80								13,138	33,162	3,464	38,755	19,755
81 - 85								9,781			3,567	7,710
86 - 90							36,313			3,991	26,909	20,837
91 & Over										40,697	31,614	33,430
Average	32,530	0	13,789	0	0	63,591	23,758	16,601	19,844	11,121	27,723	22,294

EXHIBIT XI
YEAR TO YEAR COMPARISON

	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Number of Active Members	732	732	716	677
Number of Retirees & Survivors	176	154	141	132
Number of Terminated Due Deferred Benefits	93	82	83	83
Number Terminated Due Refund	193	178	162	154
Active Lives Payroll	$ 50,472,941	$ 47,592,254	$ 42,887,345	$ 38,460,604
Retiree Benefits in Payment	$ 7,435,483	$ 5,735,813	$ 4,819,437	$ 4,264,078
Market Value of Assets	$ 182,397,138	$ 212,447,745	$ 221,787,167	$ 190,498,450
Pension Benefit Obligation				
Active Lives	$ 149,334,938	$ 151,833,256	$ 137,312,088	$ 123,704,786
Retired Lives	75,797,552	55,578,024	45,706,749	40,402,576
Terminated Members	16,275,424	12,016,625	11,931,845	12,485,215
TOTAL Pension Benefit Obligation (PBO)	$ 241,407,914	$ 219,427,905	$ 194,950,682	$ 176,592,577
Ratio of Actuarial Value of Assets to PBO	91.57%	103.82%	109.64%	108.43%
Actuarial Value of Assets	$ 221,051,999	$ 227,804,058	$ 213,739,881	$ 191,477,673
Present Value of Future Employer Normal Cost	$ 87,141,646	$ 53,521,546	$ 37,197,342	$ 36,370,304
Present Value of Future Employee Contributions	$ 28,787,858	$ 26,403,326	$ 24,704,996	$ 22,336,886
Present Value of Future Benefits	$ 336,981,503	$ 307,728,930	$ 275,642,219	$ 250,184,863

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	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Employee Contribution Rate	7.00%	7.00%	7.00%	7.00%
Projected Tax Cont. as % of Proj. Payroll	12.19%	9.55%	9.81%	10.50%
Actuarially Req'd Net Direct Employer Cont Rate	8.64%	4.55%	0.00%	0.00%
Actual Employer Direct Contribution Rate	5.00%	0.00%	0.00%	3.50%

Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
688	691	681	676	651	637
130	122	112	99	100	99
85	88	88	72	74	64
149	147	147	122	115	120
$ 37,811,175	$ 36,752,886	$ 35,181,466	$ 34,980,615	$ 32,815,400	$ 32,410,719
$ 4,171,296	$ 3,879,254	$ 3,530,018	$ 2,924,247	$ 3,048,545	$ 3,008,736
$ 172,584,314	$ 160,875,906	$ 140,326,452	$ 135,176,917	$ 148,214,011	$ 164,129,644
$ 111,601,058	$ 105,184,207	$ 96,164,564	$ 96,201,935	$ 85,437,052	$ 78,584,903
39,419,367	35,864,196	32,202,218	26,006,272	26,915,093	26,599,661
11,999,562	11,916,493	12,108,844	8,019,714	7,863,788	6,971,969
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$ 163,019,987	$ 152,964,896	$ 140,475,626	$ 130,227,921	$ 120,215,933	$ 112,156,533
100.60%	98.17%	103.75%	117.70%	128.52%	131.93%
$ 163,996,534	$ 150,160,804	$ 145,738,003	$ 153,279,445	$ 154,501,215	$ 147,970,035
$ 50,368,780	$ 53,025,582	$ 43,536,544	$ 25,565,084	$ 12,478,721	$ 11,638,003
$ 22,573,688	$ 20,800,405	$ 20,367,843	$ 20,211,744	$ 19,470,605	$ 19,875,841
$ 236,939,002	$ 223,986.791	$ 209,642,390	$ 199,056,273	$ 186,450,541	$ 179,483,879

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Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
10.59%	10.88%	10.62%	8.55%	4.67%	4.32%
3.73%	5.83%	3.36%	0.00%	0.00%	0.00%
6.00%	3.75%	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.

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. This is not available to members who select a Back-DROP 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: 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: 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: