

**TEACHERS' RETIREMENT SYSTEM
OF LOUISIANA
JUNE 30, 2002
ACTUARIAL VALUATION**

Hall Actuarial Associates

Charles G. Hall
F.C.A., M.A.A.A., A.S.A.
Enrolled Actuary

1433 Hideaway Court
Baton Rouge, La. 70806
(225) 924-6209

September 16, 2002

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

Ladies and Gentlemen:

This report presents the results of the actuarial valuation of assets and liabilities, as well as funding requirements, for the Teachers' Retirement System of Louisiana as of June 30, 2002.

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

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

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

Board of Trustees
TRS
 September 16, 2002

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

	<u>June 30, 2002</u>	-----Prior Years-----	
		<u>June 30, 2001</u>	<u>June 30, 2000</u>
I. Membership Census			
1) Retirees	48,929	48,064	46,131
2) Actives	87,356	86,829	87,361
3) DROP	5,103	3,421	3,845
4) Terminated Vested	624	630	629
II. Annual Benefits	\$ 873,678,046	\$ 802,202,373	\$ 744,801,332
III. Actuarial Payroll	2,777,667,107	2,582,830,822	2,563,634,364
IV. Valuation Assets	11,746,064,614	11,771,682,878	11,078,392,515
V. Experience Account	-306,224,579	666,053,912	1,591,362,518
VI. Investment Yield			
Actuarial Value	-5.84%	.05%	17.63%
Market Value	-8.08%	-4.73%	13.58%
VII. Cost to Fund Annual Pension Accruals (Normal Costs)	416,558,277 15.00%	388,493,973 15.04%	385,245,121 15.03%
VIII. Unfunded Actuarial Accrued Liability	4,517,175,088	3,618,734,378	3,518,048,255
IX. Funded Percentage	72.2%	75.5%	75.9%
X. Funding Requirements to Pay (Mid-year Payment)			
1) Employee Contribution Rate	228,706,825 7.97%	212,755,930 7.97%	211,053,826 7.97%
2) Employer Contribution Rate - Current Year	435,851,822 14.0%	371,151,789 13.0%	370,123,712 13.1%
3) Projected Employer Contribution - Next Year	442,981,568 13.8%	385,117,091 12.9%	383,046,146 13.1%

The above funding requirements measure the cost of benefits that were in effect on June 30, 2002.

Board of Trustees
TRS
September 16, 2002

Current Funding

The Actuarial Valuation for the plan year ending June 30, 2002 discloses a general increase in the value of the plan's unfunded accrued liability. Prospective funding requirements have increased as a percentage of payroll. It is generally appropriate for the current valuation process to disclose the source or cause of any significant changes in the plan from year to year. Changes that occur are usually the result of changes in actuarial assumptions, gains or losses resulting from actual experience which differs significantly from expected plan experience.

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

To assist the Board of Trustees in reconciling changes in the unfunded actuarial accrued liability, the following gain/loss analysis is presented as follows:

CHANGE IN UNFUNDED LIABILITY

Unfunded Liability 6/30/2001		\$ 3,618,734,378
INCREASES		
Interest on Unfunded Liability	\$ 298,545,586	
Investment Loss	1,639,264,214	
Experience Loss	5,168,867	
Experience Account Allocation	<u>-819,632,107</u>	
Incurred Increases	1,123,346,560	
DECREASES		
Amortization Payments	204,299,272	
Employer Short Fall Credit	<u>20,606,578</u>	
Incurred Decreases	224,905,850	
Unfunded Liability 6/30/2002		\$ 4,517,175,088

Board of Trustees
TRS
 September 16, 2002

The employer contribution rate established by the Public Retirement Systems' Actuarial Committee for the 2002-2003 plan year was 12.9%. The actual employer contribution rates determined by this valuation for the current plan year is 14.0%. The current adjusted rate is less than the required employer's contributions. Since any change in required contributions is attributable to many factors, the following sections address the source and respective impact to the required employer contribution rate.

Actuarial Assets/Valuation Assets

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

- **LSU Agriculture and Extension Service Fund:** Participants of the LSU Agriculture and Extension Service receive supplement benefits from TRSL equal to the difference between the TRSL benefit formula and the Federal Civil Service formula. The funding is recorded separately in the side-fund with assets co-mingled with the Actuarial Value of assets. The current balance is \$-231,938.
- **Texaco Settlement Fund:** The purpose of this fund is to accumulate Texaco settlement contributions as a separate account invested at TRSL's actuarial rate of return. Once the accumulated value of the account equals the outstanding balance of the initial unfunded actuarial liability, the account and liability will be liquidated. The current account balance is \$273,488,200.
- **Experience Account Fund:** The purpose of this fund is to accumulate 50% of the excess investment gain or loss relative to the actuarial valuation rate of 8.25%. The account is used to fund COLA'S for retirees. The benefit granted must be funded at 100% of actuarial cost. The current balance is \$-306,224,579.

The reduction in the Experience Account Fund was the result of a \$819.6M debit for poor investment performance below the actuarial rate of 8.25%, and a \$113.1M debit for a 1.6% COLA granted July 1, 2002.

Investment Experience

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

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>5 YEAR AVERAGE</u>
20.78%	13.99%	17.63%	.05%	-5.84%	3.82%

Board of Trustees
TRS
September 16, 2002

The net actuarial rate of return assumed in the valuation was 8.25%. For the plan year ending June 30, 2002 the net realized actuarial rate of return was less than the long-term investment assumption used to project benefits. The result was a net investment experience loss of \$1,639,264,214 above projected investment income.

Act 1031 of 1992 establishes the Experience Account. Each year the fund is credited/debited with 50% of the net investment experience gain/loss together with interest on the beginning account balance. Due to investment yields less than actuarial expectations, an additional \$819,632,107 will be deducted from the Experience Account with a like amount amortized to increase future employer contributions.

Plan Experience

The actuary is charged with making the best estimate of future plan experience to properly fund future benefits. If the actual experience differs from the projected experience, a gain or loss occurs. This gain or loss is then amortized over the later of the year 2029 or a fifteen year statutory period to make a mid-course adjustment in future funding requirements. During the 2001-2002 plan year, the system incurred an \$5,168,867 experience loss.

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

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

Funding as a Percentage of Payroll

The funding requirements mandated by Act 81 require the employee to contribute 8% of payroll for the plan year beginning in 1989. The employer will pay a percentage of the normal cost plus a dollar amount sufficient to amortize the unfunded liability over a 40 year period. To convert the dollar amortization payment to a percentage of payroll would suggest that the aggregate employer contribution rate would remain level as a percentage of pay provided aggregate salaries increased in unison with the rate of increase in annuity payments. This would imply that aggregate salaries should increase at a rate of at least 4.5% during the next thirty (30) years. To determine whether this is a reasonable expectation, aggregate salary growth from all sources, including ORP participants, during the past ten (10) years is illustrated as follows:

Board of Trustees
TRS
September 16, 2002

<u>June 30</u>	<u>Payroll/\$1000</u>	<u>Percent Increase</u>
1992	2,307,362	8.2%
1993	2,329,827	1.0%
1994	2,359,049	1.3%
1995	2,423,640	2.7%
1996	2,505,173	3.4%
1997	2,661,350	4.3%
1998	2,922,936	9.8%
1999	3,017,833	3.3%
2000	3,162,097	4.8%
2001	3,212,474	4.2%
2002	3,506,647	9.2%

During the last ten (10) years the aggregate salaries have increased at an annualized rate of 4.27%. If this trend continues during the next twenty-seven (27) years, the percentage of pay required to amortize the unfunded liability can be expected to decrease slightly in the absence of other experience gains or losses. The current amortization assumes that aggregate payroll increases at a rate of 4.50% annually.

Experience Study

During the June 4, 2002 Board Meeting, the results of the five year Experience Study covering the period beginning on July 1, 1997 and ending on June 30, 2001 was presented to the Board of Trustees. The results and recommendations of the report are not reflected in the valuation, pending review by the Legislative Actuary.

Disclosures

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

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

Sincerely,



Charles G. Hall, FCA,MAAA,ASA
Actuary

CGH/tt

Enclosure

TABLE OF CONTENTS

		<u>Pages</u>
EXHIBIT 1	DEVELOPMENT OF COSTS, LIABILITIES & CONTRIBUTIONS Provides a detail by benefit type of the cost to accrue annual pension benefits, liabilities accrued to date, and funding requirements	8 - 9
EXHIBIT 2	FINANCIAL SUMMARY Contains the statement of revenue and expenses as well as assets available to pay pension benefits	10 - 12
EXHIBIT 3	PENSION ACCOUNTING AND FINANCIAL DISCLOSURE NCGA STMT 6 changes in credited projected benefits	13 - 15
EXHIBIT 4	CENSUS DATA Describes the employee data, data processing for valuation purposes and depicts employee profiles by classification, age and service	16 - 181
EXHIBIT 5	PRINCIPLE PROVISIONS OF THE RETIREMENT SYSTEM Restates in summary outline form the basic plan provisions which were incorporated in the projected retirement pension benefit	19 - 33
EXHIBIT 6	ACTUARIAL COST METHODS AND ASSUMPTIONS Discloses rates of mortality, disability, retirement termination and other assumptions which are presumed to reflect the experience of the retirement system in aggregate	34 - 40
EXHIBIT A	AMORTIZATION SCHEDULE	41

EXHIBIT 1

DEVELOPMENT
OF
COSTS, LIABILITIES AND CONTRIBUTIONS

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

	<u>June 30, 2002</u>		---Prior Year---	
	<u>Dollar</u> <u>Amount</u>	<u>% of</u> <u>Salary</u>	<u>Dollar</u> <u>Amount</u>	<u>% of</u> <u>Salary</u>
I. Normal Costs (annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	\$ 344,998,257	12.42%	\$ 324,889,347	12.58%
b) Disability Benefits	17,781,111	.64%	16,485,123	.64%
c) Survivor Benefits	9,932,386	.36%	9,270,283	.36%
d) Voluntary Termination	27,798,882	1.00%	26,076,119	1.01%
e) Expenses	<u>8,900,000</u>	<u>.32%</u>	<u>8,200,000</u>	<u>.29%</u>
TOTAL	409,410,636	14.74%	384,920,872	14.91%
Data Requiring Estimates	<u>7,147,641</u>	<u>.26%</u>	<u>3,573,101</u>	<u>.14%</u>
Adjusted TOTAL	416,558,277	15.00%	388,493,973	15.05%
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	5,802,618,607		5,497,255,607	
2) Disability Benefits	226,674,097		220,213,204	
3) Survivor Benefits	137,662,049		130,520,561	
4) Voluntary Termination	<u>138,296,806</u>		<u>133,041,151</u>	
	6,305,251,559		5,981,030,523	
b) Retired and Inactive Members				
1) Regular Retirees	6,840,876,027		6,281,442,948	
2) Disabled Retirees	245,797,331		229,510,095	
3) Survivors	418,447,561		392,890,065	
4) Vested Deferred	19,973,733		21,102,492	
5) Contributions Refunded	67,989,309		126,343,496	
6) DROP Deferred Benefits	1,692,518,460		1,418,475,916	
7) DROP Account Balances	<u>672,385,722</u>		<u>593,414,957</u>	
	9,957,988,143		9,063,179,969	
Act 1172	0		346,206,764	
c) TOTAL	16,263,239,702		15,390,417,256	

Exhibit 1 (Continued)
Costs, Liabilities & Contributions

	<u>June 30, 2002</u>	<u>---Prior Year---</u> <u>June 30, 2001</u>
II. Actuarial Accrued Liability	16,263,239,702	15,390,417,256
III. Assets	11,746,064,614	11,771,682,878
IV. Unfunded Actuarial Accrued Liabilities - Projected Unit Credit*	4,517,175,088	3,618,734,378
a) Change over prior year	898,440,710	100,686,124
b) Funded Percentage (Total Assets)	72.2%	76.5%
V. Employer Contributions To Fund Current Plan Year*		
a) Employer Portion of Normal Cost	192,552,103	180,086,680
b) Amortization Payments	277,429,932	219,708,864
c) Prior Contribution Variance	<u>-34,130,213</u>	<u>-28,643,755</u>
TOTAL Required Contribution	435,851,822	371,151,789
	14.0%	13.0%
Plus State Appropriation	5,533,087	5,294,821
Actuarial Forecast Rate ²	12.9%	13.1%
Employer Normal Cost Rate	6.7101%	6.7497%
VI. Projected Employer Contributions To Fund Next Plan Year ¹		
a) Employer Portion of Normal Cost	198,782,859	185,908,804
b) Amortization Payments	276,380,502	229,012,969
c) Prior Contribution Variance	<u>-32,181,793</u>	<u>-29,804,682</u>
TOTAL Projected Contribution	442,981,568	385,117,091
	13.8%	12.9%
Plus State Appropriation	5,782,076	5,533,081
VII. Current Payroll	2,777,667,107	2,582,830,822
Projected Payroll - Mid Year	2,869,596,299	2,668,056,940
Projected Payroll - Next Year	2,962,453,000	2,754,314,062
ORP - Salary Adjustment Factor ³	1.13538	1.13015

¹Dollar Amounts reflect estimated payments due mid-year on January 1st per Act 81.

²Constitutional Minimum is 11.8% without regards to Employer Credits.

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

EXHIBIT 2

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

	<u>June 30, 2002</u>	-----Prior Years----- <u>June 30, 2001</u>	<u>June 30, 2000</u>
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 246,119,537	\$ 226,754,298	\$ 224,684,434
Employer	392,636,449	394,226,501	416,938,656
Appropriations	5,153,448	4,946,469	4,778,151
ORP-Unfunded	27,196,233	27,869,220	29,274,452
LSU-Coop/Ext	1,167,463	1,021,262	1,052,270
Miscellaneous	1,520,889	1,049,114	921,872
TOTAL CONTRIBUTIONS	<u>673,794,019</u>	<u>655,866,864</u>	<u>677,649,835</u>
2. Investment Income			
Investments	-924,070,185	-568,223,395	1,550,574,501
Less, investment expenses	-22,812,775	-26,103,079	-24,803,085
TOTAL INVESTMENT INCOME	<u>-946,882,960</u>	<u>-594,326,474</u>	<u>1,525,771,416</u>
3. Total Revenues	-273,088,941	61,540,390	2,203,421,251
<u>OPERATING EXPENSES:</u>			
1. General Administration	8,886,231	8,220,487	7,369,407
Other Expenses	475,734	435,128	364,259
2. Benefits Paid			
a) Pension Benefits	920,593,341	858,979,906	791,183,546
b) Return of Contrib.	23,432,297	26,948,712	22,458,244
TOTAL BENEFITS PAID	<u>944,025,638</u>	<u>885,928,618</u>	<u>813,641,790</u>
3. Total Expenses	953,387,603	894,584,233	821,375,456
<u>NET INCREASE:</u>	-1,226,476,544	-833,043,843	1,382,045,795

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	<u>June 30, 2002</u>	-----Prior Years----- <u>June 30, 2001</u>	<u>June 30, 2000</u>
<u>ACTUARIAL VALUE OF ASSETS:</u>			
TOTAL ASSETS	\$10,628,494,052	\$11,854,970,596	\$12,688,014,439
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	-333,222,966	-209,158,608	330,509,657
Plan Year - 1 (wt. 2/4)	-872,103,545	-333,222,966	-209,158,608
Plan Year (wt. 3/4)	<u>-753,660,174</u>	<u>-872,103,545</u>	<u>-333,222,966</u>
Actuarial Value of Assets	11,713,096,697	12,727,949,390	12,959,883,553
<u>LSU AGRICULTURE AND EXTENSION SERVICE:</u>			
Prior Year Ending Balance	-240,630	-171,355	-189,488
+ Contributions	1,167,463	1,021,262	1,052,270
- Benefit Disbursements	-1,172,578	-1,090,428	-1,004,753
+ Accumulated Interest	<u>-14,207</u>	<u>-109</u>	<u>-29,384</u>
Fund Balance - Year End	-231,938	-240,630	-171,355
<u>TEXACO SETTLEMENT FUND:</u>			
Prior Year Ending Balance	290,453,230	290,299,875	246,796,291
+ Current Year Allocation	0	0	0
+ Accumulated Interest	<u>-16,965,030</u>	<u>153,355</u>	<u>43,503,584</u>
Fund Balance - Year End	273,488,200	290,453,230	290,299,875
<u>EXPERIENCE ACCOUNT FUND:</u>			
Prior Year Ending Balance	666,053,912	1,591,362,518	1,058,801,520
+ Experience Account Allocation	-819,632,107	-449,264,458	458,183,562
- Benefit Disbursements	-113,742,963 ¹	476,884,810	-112,260,948
+ Accumulated Interest	<u>-38,903,421</u>	<u>840,662</u>	<u>186,638,384</u>
Fund Balance - Year End	-306,224,579	666,053,912	1,591,362,518
<u>DEVELOPMENT OF ACTUARIAL VALUATION ASSETS :</u>			
Total Fund Assets (LESS)	11,713,096,697	12,727,949,390	12,959,883,553
- LSU Ag/Ext Service Account	-231,938	-240,630	-171,355
- Texaco Settlement Fund	273,488,200	290,453,230	290,299,875
- Experience Account Fund	<u>-306,224,579</u>	<u>666,053,912</u>	<u>1,591,362,518</u>
Valuation Assets	11,746,064,614	11,771,682,878	11,078,392,515

¹Includes Act 1172 normal cost allocation of \$575,777.

EXHIBIT 3

**PENSION ACCOUNTING
AND
FINANCIAL DISCLOSURE**

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

SCHEDULE OF FUNDING PROGRESS
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL)* (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
1993	5,129,519	9,522,424	4,392,905	53.9	2,176,372	201.8
1994	5,699,645	9,928,474	4,228,829	57.4	2,198,137	192.4
1995	6,275,335	10,570,306	4,294,972	59.4	2,199,137	195.3
1996	7,055,144	11,232,762	4,177,618	62.8	2,254,304	185.3
1997	7,752,591	12,077,642	4,325,051	64.2	2,337,574	185.0
1998	9,071,749	13,185,190	4,113,442	68.8	2,485,058	165.5
1999	10,092,093	13,913,416	3,821,323	72.5	2,569,479	148.7
2000	11,368,692	14,596,441	3,227,749	77.9	2,563,634	125.9
2001	12,062,136	15,390,417	3,328,281	78.4	2,582,831	128.9
2002	12,019,552	16,263,239	4,243,687	73.9	2,777,667	152.8

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by \$872,822,446 from June 30, 2001 to June 30, 2002. There was a net experience loss of \$817,968,649 after allocating \$819,632,107 of deficit investment income to the Experience Account in accordance with Act 1031. A COLA was granted to retirees on July 1, 2002 which reduced the Experience Account \$113,167,186.

*UAAL differs from the UFAL for funding purposes. UFAL for funding purposes excludes Texaco Settlement Fund Assets which appears on page 12.

EXHIBIT 3 (Continued)**Pension Accounting & Financial Disclosure****SUPPLEMENTARY INFORMATION****SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Fiscal Year</u>	<u>Actuarial Required Contribution</u>	<u>Percent Contributed</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u> ¹
1993	380,441,708	98.4	377,967,621	374,414,442	99.1	14,749,550
1994	382,680,775	96.2	379,142,236	368,199,874	97.1	25,928,706
1995	391,687,201	100.8	384,272,775	394,839,584	102.7	17,073,771
1996	401,039,317	98.4	394,419,635	394,501,448	100.0	18,397,236
1997	412,712,131	99.5	404,444,194	410,755,368	101.6	13,348,657
1998	458,498,592	101.7	453,058,482	466,539,858	102.9	-132,719
1999	452,835,560	108.5	449,891,479	491,119,749	109.2	-41,360,991
2000	437,710,389	107.5	444,575,883	470,320,825	105.8	-67,105,933
2001	404,060,783	110.2	416,196,824	445,371,171	107.0	-96,280,280
2002	421,195,131	104.9	443,053,905	441,801,709	99.7	-95,028,086

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

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

**DEVELOPMENT OF NET
PENSION OBLIGATION:**

(1) Actuarially Required Contribution	421,195,131
(2) Interest on Net Pension Obligation	-7,943,123
(3) Amortization of Net Pension Obligation	-29,801,897
(4) Annual Pension Cost (1)+(2)-(3)	443,053,905
(5) Employer Contribution	441,801,709
(6) Increase (decrease) in Net Pension Obligation	1,252,196
(7) Net Pension Obligation Beginning of Year	-96,280,280
(8) Net Pension Obligation End of year (6)+(7)	-95,028,086

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

EXHIBIT 3 (Continued)
Pension Accounting & Financial Disclosure

STATISTICAL DATA

**COMPARATIVE SUMMARY OF REVENUES BY SOURCE
AND EXPENSES BY TYPE**

Revenues by Source

<u>Fiscal</u> <u>Year</u>	<u>Members</u> <u>Contribution</u>	<u>Employer</u> <u>Contribution</u> ¹	<u>Investment</u> <u>Income</u>	<u>Total</u>
1993	186,898,167	384,893,290	604,857,448	1,176,648,905
1994	174,424,707	471,863,714	420,353,613	1,066,642,034
1995	193,264,580	438,204,055	340,887,547	972,356,182
1996	182,144,749	424,296,148	766,079,071	1,372,519,968
1997	191,704,402	412,629,635	1,244,291,864	1,848,625,901
1998	208,275,106	449,771,623	1,603,472,505	2,261,519,234
1999	216,102,491	472,810,074	936,761,062	1,625,673,627
2000	224,684,434	452,965,401	1,525,771,416	2,203,421,251
2001	226,754,298	429,112,566	-594,326,474	61,540,390
2002	246,119,537	427,674,482	-946,882,960	-273,088,941

Expenses by Type

<u>Fiscal</u> <u>Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative</u> <u>Expenses</u>	<u>Total</u>
1993	450,224,778	40,595,962	5,366,598	496,187,338
1994	473,574,445	41,825,075	10,732,502	526,132,022
1995	530,786,764	47,686,165	6,811,064	585,283,993
1996	597,840,991	18,780,044	7,344,398	623,965,433
1997	624,736,789	20,841,868	6,011,443	651,590,100
1998	664,147,264	21,360,841	6,705,255	692,213,360
1999	735,328,349	21,238,599	7,044,432	763,611,380
2000	791,183,546	22,458,244	7,733,662	821,375,456
2001	858,979,906	26,948,712	8,655,615	894,584,233
2002	920,593,341	23,432,297	9,361,965	953,387,603

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

EXHIBIT 4

CENSUS DATA

GENERAL COMMENTS

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

The validity of the results of any actuarial valuation is dependent upon the accuracy of the data base. Prior to processing, suspicious data and data containing errors were purged from the data base and processed separately based on the following error types:

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

There were a total 1,973 records purged from the data base containing errors or categorized as suspicious data which is comparable to recent prior years. Suspicious data are not necessarily errors, but data which falls outside the parameters of the editing process for further checking.

There were 124 regular retirees and 2,035 DROP participants mistakenly coded as due refunds. These records were corrected to reflect the true liabilities. This member count appears in the aggregate census report on page 17, but are not reflected in the profiles on pages 18g and 18k respectively.

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

	-----2002-----		-----2001-----	
	<u>Census</u>	<u>Avg. Sal.</u>	<u>Census</u>	<u>Avg. Sal.</u>
Active Members				
TRIS - Regular Plan	76,163	\$32,040	76,312	\$29,486
TRIS - University Plan	4,855	50,214	4,970	46,880
TRIS - Plan A	817	17,545	956	16,693
TRIS - Plan B	2,001	13,196	2,077	12,190
TRIS - Post DROP	2,490	42,492	2,190	36,108
Errors	<u>1,030</u>	<u>51,291</u>	<u>324</u>	<u>45,441</u>
TOTAL	87,356	32,518	86,829	30,000

EXHIBIT 4 (Continued)

Census Data

	<u>2002 Census</u>	<u>2001 Census</u>
Retired and Inactive Members		
Regular Retirees	40,445	39,799
Disability Retirees	3,582	3,555
DROP Participants	5,103	3,421
Survivors	4,183	4,026
Vested and Reciprocals	624	630
Due Refunds	10,881	9,834
Errors	843	684
TOTAL	<u>65,661</u>	<u>61,949</u>
TOTAL Actives & Inactives	153,017	148,778

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

Actuarial Salaries	-	\$2,840,665,381
Actual Salaries for which contributions were received	-	\$3,088,522,781

Demographic Trends

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

The retirement system continues to incur increased funding (although offset by experience gains) due to a decline in male teachers. The ratio of males to females has declined from .406 to .206 during the last twenty-three (23) years. Funding requirements for females is 1% of payroll greater than their male counterparts.

EXHIBIT 4 (Continued)
Employee Census

DEMOGRAPHIC CHANGE

Active Participants

MALES

<u>Age Group</u>	<u>1979</u>		<u>2001</u>		<u>2002</u>		<u>22 Year %</u>
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Change</u>
[20 - 29)	2,900	.15	1,840	.12	1,849	.13	-.02
[30 - 39)	7,035	.35	3,369	.23	3,283	.23	-.12
[40 - 49)	5,719	.29	4,536	.30	4,410	.30	+.01
[50 - 59)	3,316	.17	4,129	.28	4,069	.28	+.11
[60 -)	739	.03	827	.06	911	.06	+.03
TOTAL	19,709	1.00	14,701	1.00	14,522	1.00	

FEMALES

<u>Age Group</u>	<u>1979</u>		<u>2001</u>		<u>2002</u>		<u>22 Year %</u>
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Change</u>
[20 - 29)	12,150	.25	8,983	.13	9,085	.13	-.12
[30 - 39)	17,302	.36	17,052	.24	17,270	.25	-.11
[40 - 49)	11,604	.24	25,612	.37	24,865	.35	+.11
[50 - 59)	6,446	.13	16,364	.23	16,994	.24	+.11
[60 -)	1,024	.02	1,982	.03	2,130	.03	+.01
TOTAL	48,526	1.00	69,993	1.00	70,344	1.00	

Distribution by Sex

	<u>1979</u>	<u>2001</u>	<u>2002</u>	<u>% Change From 1979</u>
Males (%)	29%	17.4%	17.1%	-11.9%
Females (%)	71%	82.6%	82.9%	+11.9%
Ratio (M/F)	.406	.211	.206	

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ALL ACTIVE MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	33	96	20	0	0	0	0	0	0	149 :
:	456381	2463920	515401	0	0	0	0	0	0	3435702 :
:										:
[20 - 24) :	827	2085	5	0	0	0	0	0	0	2917 :
:	13120493	57418498	72289	0	0	0	0	0	0	70611280 :
:										:
[25 - 29) :	810	5388	1669	1	0	0	0	0	0	7868 :
:	13290122	153169310	51615229	19176	0	0	0	0	0	218093837 :
:										:
[30 - 34) :	651	3743	4003	1259	8	0	0	0	0	9664 :
:	10183361	99243113	126822507	43092432	140194	0	0	0	0	279481607 :
:										:
[35 - 39) :	565	3199	2756	3067	1277	25	0	0	0	10889 :
:	7731728	77366756	77612412	106801915	46473786	707897	0	0	0	316694494 :
:										:
[40 - 44) :	472	2930	2994	2480	2418	1623	18	0	0	12935 :
:	6552524	70993502	79313961	78945725	90694560	65032055	419710	0	0	391952037 :
:										:
[45 - 49) :	385	2315	2724	2765	2334	3407	2409	1	0	16340 :
:	6095890	59870346	74728303	88203836	87253955	145743727	108534399	21036	0	570451492 :
:										:
[50 - 54) :	260	1575	1943	2280	2283	2709	3453	147	0	14650 :
:	4384828	42745086	56221525	73316225	84380414	111728466	162097008	7317611	0	542191163 :
:										:
[55 - 59) :	94	744	911	1272	1323	1648	299	118	4	6413 :
:	1816038	20358264	25715252	41763256	47312900	65265155	13789445	7411685	276680	223708675 :
:										:
[60 - 64) :	58	261	348	295	325	474	207	153	26	2147 :
:	1174298	6246054	9979606	9927727	14093495	21218771	9776113	9768042	1444409	83628515 :
:										:
[65 - 69) :	18	52	121	86	91	130	95	45	43	681 :
:	261049	1580216	3053805	2986709	3671611	5814488	3980612	2447075	2513654	26309219 :
:										:
[70 - 74) :	4	27	33	12	43	39	18	13	24	213 :
:	74124	656120	870185	324677	1589466	1759059	771825	933405	1322537	8301398 :
:										:
Total :	4177	22415	17527	13517	10102	10055	6499	477	97	84866 :
Total :	65140836	592111185	506520475	445381678	375610381	417269618	299369112	27898854	5557280	2734859419 :

AVERAGES : Attained Age 43.58
 Service Years 11.23
 Active Salary 32,226

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - TEACHERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	33	96	20	0	0	0	0	0	0	149 :
:	456381	2463920	515401	0	0	0	0	0	0	3435702 :
:	:	:	:	:	:	:	:	:	:	:
[20 - 24) :	790	2031	5	0	0	0	0	0	0	2826 :
:	12511588	56330105	72289	0	0	0	0	0	0	68913982 :
:	:	:	:	:	:	:	:	:	:	:
[25 - 29) :	740	5172	1651	1	0	0	0	0	0	7564 :
:	12044681	146964451	51103742	19176	0	0	0	0	0	210132050 :
:	:	:	:	:	:	:	:	:	:	:
[30 - 34) :	580	3452	3862	1240	8	0	0	0	0	9142 :
:	8823402	90446001	121658801	42408803	140194	0	0	0	0	263477201 :
:	:	:	:	:	:	:	:	:	:	:
[35 - 39) :	502	2905	2591	2953	1246	25	0	0	0	10222 :
:	6689024	69637696	72762674	102847019	45516247	707897	0	0	0	298160557 :
:	:	:	:	:	:	:	:	:	:	:
[40 - 44) :	428	2662	2768	2318	2272	1538	17	0	0	12003 :
:	5665626	63606479	73571164	73525808	85972720	62491476	375640	0	0	365208913 :
:	:	:	:	:	:	:	:	:	:	:
[45 - 49) :	346	2103	2533	2574	2028	3099	2346	1	0	15030 :
:	5246256	54356730	68975241	80861052	73806158	134084988	106156563	21036	0	523508024 :
:	:	:	:	:	:	:	:	:	:	:
[50 - 54) :	224	1377	1762	2082	1986	2209	3119	126	0	12885 :
:	3666659	37108405	50567218	66720233	70958659	91178174	146649033	6372073	0	473220454 :
:	:	:	:	:	:	:	:	:	:	:
[55 - 59) :	78	651	789	1146	1085	1159	161	69	4	5142 :
:	1317682	17471212	22275162	37215962	37047442	45398819	7375841	3817312	276680	172196112 :
:	:	:	:	:	:	:	:	:	:	:
[60 - 64) :	49	226	286	239	250	343	125	52	20	1590 :
:	979693	5518704	7880441	8147100	9992702	13744616	5224689	2976451	1220499	55684895 :
:	:	:	:	:	:	:	:	:	:	:
[65 - 69) :	17	47	107	67	64	86	59	25	22	494 :
:	251049	1307793	2689735	2362623	2438776	3402322	2004272	1218683	1134350	16809603 :
:	:	:	:	:	:	:	:	:	:	:
[70 - 74) :	3	21	32	8	29	23	10	9	11	146 :
:	58449	407692	866472	211000	910995	1010338	479431	673209	500636	5118222 :
:	:	:	:	:	:	:	:	:	:	:
Total :	3790	20743	16406	12628	8968	8482	5837	282	57	77193 :
Total :	57710490	545619188	472938340	414318776	326783893	352018630	268265469	15078764	3132165	2455865715 :

AVERAGES : Attained Age 43.08
Service Years 10.99
Active Salary 31,815

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LSU

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[20 - 24) :	18	20	0	0	0	0	0	0	0	38 :
:	352252	543791	0	0	0	0	0	0	0	896043 :
:										:
[25 - 29) :	33	75	3	0	0	0	0	0	0	111 :
:	661580	2534052	80542	0	0	0	0	0	0	3276174 :
:										:
[30 - 34) :	30	93	54	7	0	0	0	0	0	184 :
:	730874	3668401	2189515	258537	0	0	0	0	0	6847327 :
:										:
[35 - 39) :	17	78	38	39	8	0	0	0	0	180 :
:	487878	3198649	1699910	1708417	384470	0	0	0	0	7479324 :
:										:
[40 - 44) :	17	82	30	41	42	13	0	0	0	225 :
:	555092	3536756	1425206	2071686	1904171	578529	0	0	0	10071440 :
:										:
[45 - 49) :	12	55	51	50	103	73	14	0	0	358 :
:	455483	2328345	2428627	2427046	6978095	4110791	723074	0	0	19451461 :
:										:
[50 - 54) :	20	56	47	43	88	122	100	4	0	480 :
:	522292	2512892	2224166	2057407	5569327	8341379	6816220	277658	0	28321341 :
:										:
[55 - 59) :	9	26	23	37	71	119	45	22	0	352 :
:	399331	1249358	1201902	1945976	4876026	8500815	3356568	1943753	0	23473729 :
:										:
[60 - 64) :	6	10	12	9	29	50	28	39	0	183 :
:	160150	303334	614035	529061	1970428	3712383	2232538	3279204	0	12801133 :
:										:
[65 - 69) :	1	3	5	2	4	17	13	9	4	58 :
:	10000	216636	197183	59489	254023	1289740	967122	757794	287948	4039935 :
:										:
[70 - 74) :	1	1	1	2	5	6	1	0	7	24 :
:	15675	48425	3713	68747	280302	454850	52216	0	524222	1448150 :
:										:
Total :	164	499	264	230	350	400	201	74	11	2193 :
Total :	4350607	20140639	12064799	11126366	22216842	26988487	14147738	6258409	812170	118106057 :

AVERAGES : Attained Age 48.30
Service Years 13.57
Active Salary 53,856

Hall Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - UNIVERSITY

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[20 - 24) :	18	22	0	0	0	0	0	0	0	40 :
:	248132	420546	0	0	0	0	0	0	0	668678 :
:										:
[25 - 29) :	33	122	10	0	0	0	0	0	0	165 :
:	559170	3478836	368846	0	0	0	0	0	0	4406852 :
:										:
[30 - 34) :	32	123	76	11	0	0	0	0	0	242 :
:	576388	4330724	2842427	413518	0	0	0	0	0	8163057 :
:										:
[35 - 39) :	23	96	57	45	7	0	0	0	0	228 :
:	393116	3207797	2244424	1798055	290404	0	0	0	0	7933796 :
:										:
[40 - 44) :	13	68	70	55	36	21	0	0	0	263 :
:	232500	2568986	2715250	2363720	1660014	963240	0	0	0	10503710 :
:										:
[45 - 49) :	21	65	56	83	90	91	19	0	0	425 :
:	363569	2156829	2244348	4074744	4619548	4953309	965068	0	0	19377415 :
:										:
[50 - 54) :	9	74	58	73	111	145	106	7	0	583 :
:	160519	2394001	2487200	3353160	6377928	8406898	6239875	426672	0	29846253 :
:										:
[55 - 59) :	4	36	33	44	69	120	37	20	0	363 :
:	78445	1276944	1474844	2031691	3930758	7331781	2186498	1528710	0	19839671 :
:										:
[60 - 64) :	2	8	25	21	31	55	34	57	4	237 :
:	29476	232822	1205122	946457	1952348	3414919	1983254	3436757	190064	13391219 :
:										:
[65 - 69) :	0	2	4	11	17	16	14	7	16	87 :
:	0	55787	108393	491992	895234	966418	869334	443100	1079567	4909825 :
:										:
[70 - 74) :	0	4	0	2	6	4	4	4	5	29 :
:	0	185363	0	44930	362174	207133	204653	260196	279152	1543601 :
:										:
Total :	155	620	389	345	367	452	214	95	25	2662 :
Total :	2641315	20308635	15690854	15518267	20088408	26243698	12448682	6095435	1548783	120584077 :

AVERAGES : Attained Age 48.03
 Service Years 13.13
 Active Salary 45,298

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LUNCH PLAN A

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[20 - 24) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[25 - 29) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[30 - 34) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[35 - 39) :	0	0	0	0	5	0	0	0	0	5 :
:	0	0	0	0	99461	0	0	0	0	99461 :
:										:
[40 - 44) :	0	1	0	2	16	42	1	0	0	62 :
:	0	12479	0	43428	293878	843052	44070	0	0	1236907 :
:										:
[45 - 49) :	0	0	1	5	33	105	20	0	0	164 :
:	0	0	9203	80991	628885	1970305	473674	0	0	3163058 :
:										:
[50 - 54) :	0	0	0	8	36	167	84	2	0	297 :
:	0	0	0	117120	558446	2826856	1658441	44947	0	5205810 :
:										:
[55 - 59) :	0	0	0	5	29	188	7	3	0	232 :
:	0	0	0	46958	459924	3137636	108412	60381	0	3813311 :
:										:
[60 - 64) :	0	0	0	3	3	11	7	4	0	28 :
:	0	0	0	31046	41553	141656	146092	60313	0	420660 :
:										:
[65 - 69) :	0	0	0	1	3	7	6	3	0	20 :
:	0	0	0	10228	41240	94030	93730	25203	0	264431 :
:										:
[70 - 74) :	0	0	0	0	2	4	2	0	1	9 :
:	0	0	0	0	24195	62868	20687	0	18527	126277 :
:										:
Total :	0	1	1	24	127	524	127	12	1	817 :
Total :	0	12479	9203	329771	2147582	9076403	2545106	190844	18527	14329915 :

AVERAGES : Attained Age 53.29
Service Years 22.31
Active Salary 17,540

Hall Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LUNCH PLAN B

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										
[20 - 24) :	1	12	0	0	0	0	0	0	0	13 :
:	8521	124056	0	0	0	0	0	0	0	132577 :
:										
[25 - 29) :	4	19	5	0	0	0	0	0	0	28 :
:	24691	191971	62099	0	0	0	0	0	0	278761 :
:										
[30 - 34) :	9	75	11	1	0	0	0	0	0	96 :
:	52697	797987	131764	11574	0	0	0	0	0	994022 :
:										
[35 - 39) :	23	120	70	30	11	0	0	0	0	254 :
:	161710	1322614	905404	448424	183204	0	0	0	0	3021356 :
:										
[40 - 44) :	14	117	126	64	52	9	0	0	0	382 :
:	99306	1268802	1602341	941083	863777	155758	0	0	0	4931067 :
:										
[45 - 49) :	6	92	83	53	80	39	10	0	0	363 :
:	30582	1028442	1070884	760003	1221269	624334	216020	0	0	4951534 :
:										
[50 - 54) :	7	68	76	74	62	66	44	8	0	405 :
:	35358	729788	942941	1068305	916054	975159	733439	196261	0	5597305 :
:										
[55 - 59) :	3	31	66	40	69	62	49	4	0	324 :
:	20580	360750	763344	522669	998750	896104	762126	61529	0	4385852 :
:										
[60 - 64) :	1	17	25	23	12	15	13	1	2	109 :
:	4979	191194	280008	274063	136464	205197	189540	15317	33846	1330608 :
:										
[65 - 69) :	0	0	5	5	3	4	3	1	1	22 :
:	0	0	58494	62377	42338	61978	46154	2295	11789	285425 :
:										
[70 - 74) :	0	1	0	0	1	2	1	0	0	5 :
:	0	14640	0	0	11800	23870	14838	0	0	65148 :
:										
Total :	68	552	467	290	290	197	120	14	3	2001 :
Total :	438424	6030244	5817279	4088498	4373656	2942400	1962117	275402	45635	25973655 :

AVERAGES : Attained Age 47.92
 Service Years 10.91
 Active Salary 12,980

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[40 - 44) :	18	46	31	8	3	4	0	0	0	110 :
:	258852	613080	367728	77616	31068	24408	0	0	0	1372752 :
:										:
[45 - 49) :	49	136	159	117	91	209	5	0	0	766 :
:	853944	2094983	2261867	1579656	1169064	2561665	31860	0	0	10553040 :
:										:
[50 - 54) :	169	202	202	165	147	647	228	0	0	1760 :
:	4596756	4083323	3609683	2715732	2025084	8832876	2711207	0	0	28574662 :
:										:
[55 - 59) :	717	876	673	500	378	702	643	127	2	4618 :
:	19381750	23254095	17560118	13202650	10122972	13677256	8900637	1601220	12852	107713550 :
:										:
[60 - 64) :	391	618	756	830	901	2434	794	433	133	7290 :
:	5668562	9171336	14427096	17881645	22300065	66910319	15846334	5810362	1397472	159413191 :
:										:
[65 - 69) :	89	191	360	436	517	3097	1977	792	553	8012 :
:	2021844	3611772	6147061	7391486	9520550	68509387	46564736	15189530	6068782	165025149 :
:										:
[70 - 74) :	17	34	69	122	171	1770	2217	1617	972	6989 :
:	374700	666300	1383528	2456244	3578508	37562321	36522104	34166482	13293461	130003649 :
:										:
[75 - 79) :	3	14	7	24	32	477	1205	1716	1547	5025 :
:	60132	181296	97728	489252	666228	10865688	19222244	26408262	24688109	82678939 :
:										:
[80 - 84) :	0	3	5	8	10	70	253	994	2199	3542 :
:	0	36864	116928	145992	294132	1256232	4302384	15283406	29466556	50902494 :
:										:
[85 - 89) :	0	0	0	0	0	8	10	180	1812	2010 :
:	0	0	0	0	0	169728	143136	3211619	23709839	27234322 :
:										:
[90 - 99) :	0	0	0	0	0	1	0	1	983	985 :
:	0	0	0	0	0	8340	0	4608	12962998	12975946 :
:										:
Total :	1453	2120	2262	2210	2250	9419	7332	5860	8201	41107 :
Total :	33216540	43713049	45971737	45940272	49707672	210378220	134244643	101675490	111600069	776447693 :

AVERAGES : Attained Age 69.37
Years Retired 11.87
Annual Benefit 18,888

Hall Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	4	10	10	5	2	12	2	1	0	46 :
:	55356	111804	108276	45732	15996	121200	22572	9672	0	490608 :
:										
[40 - 44) :	9	22	17	16	10	24	13	5	0	116 :
:	112176	285396	266064	147732	80292	271056	167028	60900	0	1390644 :
:										
[45 - 49) :	23	35	38	20	19	87	49	13	0	284 :
:	288540	389256	518652	254496	185640	1095756	507144	144660	0	3384145 :
:										
[50 - 54) :	30	47	54	37	36	148	108	50	11	521 :
:	359712	584160	603696	431832	382644	1817184	1485300	573216	138384	6376128 :
:										
[55 - 59) :	30	63	65	48	44	185	136	82	25	678 :
:	235836	654816	712824	435408	397548	1913172	1541904	1017240	288900	7197648 :
:										
[60 - 64) :	12	27	40	34	45	209	161	119	46	693 :
:	104472	231504	372696	316476	358884	1641156	1387752	1426956	542064	6381960 :
:										
[65 - 69) :	1	3	10	6	11	92	157	158	73	511 :
:	7428	36624	87624	36804	99984	703776	1226496	1842624	854772	4896133 :
:										
[70 - 74) :	0	1	4	2	6	14	86	110	109	332 :
:	0	8076	23100	9936	74424	95388	580704	1074144	1200228	3066000 :
:										
[75 - 79) :	0	1	0	0	0	7	26	107	94	235 :
:	0	8076	0	0	0	34512	153936	1061436	928092	2186052 :
:										
[80 - 84) :	0	0	0	0	0	0	7	29	97	133 :
:	0	0	0	0	0	0	74184	306432	897348	1277964 :
:										
[85 - 89) :	0	0	0	0	0	0	0	3	53	56 :
:	0	0	0	0	0	0	0	25944	516564	542508 :
:										
[90 - 99) :	0	0	0	0	0	0	0	0	17	17 :
:	0	0	0	0	0	0	0	0	155592	155592 :
:										
Total :	109	209	238	168	173	778	745	677	525	3622 :
Total :	1163520	2309712	2692932	1678416	1595412	7693200	7147021	7543225	5521945	37345383 :

AVERAGES : Attained Age 61.82
 Years Retired 11.61
 Annual Benefit 10,311

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	34	52	49	26	40	125	73	18	13	430 :
:	320064	422808	347688	162732	273420	994020	483216	117828	83520	3205296 :
:										:
[40 - 44) :	5	11	15	10	9	29	8	5	5	97 :
:	47352	117600	182388	123384	199032	407016	94452	52056	36516	1259796 :
:										:
[45 - 49) :	12	16	13	17	16	49	22	16	9	170 :
:	167712	165324	173112	217884	164340	597648	305028	167784	71544	2030376 :
:										:
[50 - 54) :	19	23	27	17	28	73	54	22	7	270 :
:	313704	432408	447876	266784	296400	1055280	701580	256164	55008	3825204 :
:										:
[55 - 59) :	32	34	38	25	26	103	52	45	23	378 :
:	560496	621504	820452	366696	408000	1673184	668556	497364	244488	5860739 :
:										:
[60 - 64) :	35	31	31	44	34	147	97	48	34	501 :
:	548256	578844	683412	880116	669324	2405532	1575684	658908	351408	8351484 :
:										:
[65 - 69) :	32	31	52	53	36	167	100	74	73	618 :
:	568788	526992	1017948	914148	677868	2707513	1627200	1054416	770544	9865417 :
:										:
[70 - 74) :	55	37	40	21	36	146	109	84	66	594 :
:	820560	516312	542880	322728	529788	2474520	1744740	1153908	777828	8883264 :
:										:
[75 - 79) :	22	38	38	20	18	122	93	72	91	514 :
:	357456	576360	537060	303912	246564	1744872	1186716	1010004	1060452	7023396 :
:										:
[80 - 84) :	15	19	24	23	23	81	49	36	97	367 :
:	143076	190584	292284	246984	290388	914796	572328	384936	1171404	4206780 :
:										:
[85 - 89) :	6	5	6	15	7	33	34	25	44	175 :
:	63996	60900	68424	138684	74460	495372	354276	259068	503304	2018484 :
:										:
[90 - 99) :	2	3	4	3	1	21	16	13	23	86 :
:	21216	33636	26028	29016	3228	282240	158088	180432	256596	990480 :
:										:
Total :	269	300	337	274	274	1096	707	458	485	4200 :
Total :	3932676	4243272	5139552	3973068	3832812	15751992	9471865	5792868	5382612	57520718 :

AVERAGES : Attained Age 63.92
 Years Retired 9.65
 Annual Benefit 13,695

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[20 - 24) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[25 - 29) :	2	0	1	0	0	0	0	0	0	3 :
:	504	0	48	0	0	0	0	0	0	552 :
:										:
[30 - 34) :	0	1	1	1	0	0	0	0	0	3 :
:	0	12	36	72	0	0	0	0	0	120 :
:										:
[35 - 39) :	0	2	1	1	0	0	0	0	0	4 :
:	0	624	2064	4656	0	0	0	0	0	7344 :
:										:
[40 - 44) :	0	2	3	27	2	0	0	0	0	34 :
:	0	1716	108	89640	19056	0	0	0	0	110520 :
:										:
[45 - 49) :	2	4	2	74	17	1	0	0	0	100 :
:	192	3096	4068	337908	116268	96	0	0	0	461628 :
:										:
[50 - 54) :	1	7	12	126	30	0	2	0	0	178 :
:	564	5184	20988	698076	243912	0	21768	0	0	990492 :
:										:
[55 - 59) :	3	11	14	167	41	4	0	0	0	240 :
:	4116	6216	43740	816996	291396	13020	0	0	0	1175484 :
:										:
[60 - 64) :	0	4	4	25	11	0	0	0	0	44 :
:	0	1272	6288	154332	100728	0	0	0	0	262620 :
:										:
[65 - 69) :	0	2	1	5	1	0	1	0	0	10 :
:	0	1512	3480	13872	2412	0	14676	0	0	35952 :
:										:
[70 - 74) :	0	3	1	2	1	0	0	1	0	8 :
:	0	924	756	3444	3000	0	0	15960	0	24084 :
:										:
Total :	8	36	40	428	103	5	3	1	0	624 :
Total :	5376	20556	81576	2118996	776772	13116	36444	15960	0	3068796 :

AVERAGES : Attained Age 54.05
Service Years 11.97
Annual Benefit 4,918

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[40 - 44) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[45 - 49) :	1	1	1	0	0	0	0	0	0	3 :
:	14784	16356	27372	0	0	0	0	0	0	58512 :
:										:
[50 - 54) :	47	511	243	15	0	0	0	0	0	816 :
:	1511088	16165741	7458455	511248	0	0	0	0	0	25646531 :
:										:
[55 - 59) :	86	670	751	42	3	0	0	0	0	1552 :
:	2355984	18577298	21918986	1405644	51720	0	0	0	0	44309632 :
:										:
[60 - 64) :	51	310	254	9	3	6	0	0	0	633 :
:	698184	4107959	3705672	204108	51648	171372	0	0	0	8938943 :
:										:
[65 - 69) :	2	27	16	0	1	2	0	0	0	48 :
:	99408	710508	88752	0	60	4536	0	0	0	903264 :
:										:
[70 - 74) :	0	11	1	1	0	0	0	0	0	13 :
:	0	294876	18060	3408	0	0	0	0	0	316344 :
:										:
[75 - 79) :	0	1	0	0	1	0	0	0	0	2 :
:	0	6660	0	0	13260	0	0	0	0	19920 :
:										:
[80 - 84) :	0	0	1	0	0	0	0	0	0	1 :
:	0	0	4368	0	0	0	0	0	0	4368 :
:										:
[85 - 89) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[90 - 99) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
Total :	187	1531	1267	67	8	8	0	0	0	3068 :
Total :	4679448	39879397	33221665	2124408	116688	175908	0	0	0	80197514 :

AVERAGES : Attained Age 57.28
Years Retired 1.80
Annual Benefit 26,140

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY
DROP BENEFITS

VALUATION DATE 6/30/2002

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 34) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[35 - 39) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[40 - 44) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[45 - 49) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[50 - 54) :	42	5	2	0	0	0	0	0	0	49 :
:	1439767	148332	62443	0	0	0	0	0	0	1650542 :
:	1180200	105095	40956	0	0	0	0	0	0	1326251 :
:										:
[55 - 59) :	421	330	166	59	23	11	0	0	0	1010 :
:	17256377	14693897	7174158	2817340	1191730	576994	0	0	0	43710497 :
:	12339089	9534690	4805368	1782331	740623	334774	0	0	0	29536875 :
:										:
[60 - 64) :	183	163	159	134	124	110	0	0	0	873 :
:	5732039	5651787	7497054	6655154	6373671	5586473	0	0	0	37496178 :
:	2915739	3005883	4399530	3832534	3655148	3373150	0	0	0	21181984 :
:										:
[65 - 69) :	32	48	86	71	70	96	0	0	0	403 :
:	1257277	1814722	2286456	2710996	3287213	4634720	0	0	0	15991384 :
:	726560	979296	1082396	1389257	1716610	2571936	0	0	0	8466055 :
:										:
[70 - 74) :	18	13	18	18	22	66	0	0	0	155 :
:	825737	602538	607322	593413	728297	3600055	0	0	0	6957362 :
:	501462	393549	315666	287514	392458	1983036	0	0	0	3873685 :
:										:
Total :	696	559	431	282	239	283	0	0	0	2490 :
Total :	26511198	22911276	17627433	12776903	11580911	14398242	0	0	0	105805962 :
Total :	17663050	14018513	10643916	7291636	6504839	8262896	0	0	0	64384850 :

AVERAGES : Attained Age 61.81
Post Drop Years 2.32
Active Salary 42,492
Annual Benefit 25,857

EXHIBIT 5

PRINCIPLE PROVISIONS OF THE PLAN
(Including Acts of 1999 Regular Session)

EFFECTIVE DATE:

August 1, 1936; last amendment date - July, 2002.

EMPLOYER:

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

ELIGIBILITY FOR PARTICIPATION:

Condition of employment for all teachers under age 60.

CREDITABLE SERVICE:

Service as a teacher while member of the system.

ADDITIONAL CREDITABLE SERVICE:

1. Credit for service canceled by withdrawal of accumulated contributions may be restored by member by paying the amount withdrawn plus interest.
2. Service rendered in public school system of another state may be obtained for member, contingent on payment of present value of additional retirement benefit, payable for such period, or at the member's option receive service credit based on the funds actually transferred.
3. Maximum of 3 years of credit for service in non-public or parochial schools may be obtained for members with at least 10 years of service, contingent on payment of present value of additional retirement benefit, payable for such period, or at the member's option receive service credit based on the funds actually transferred.
4. Maximum of 4 years of credit for military service may be obtained for each member, contingent on payment of Actuarial Cost.
5. Credit for legislative service of former teacher, now legislator, may be purchased if member pays additional 7% of his legislative salary and expense allowance (over and above 4% legislator's contribution); if he makes this election, then legislative house is to contribute 8%.

EXHIBIT 5 (Continued)

Principle Provisions

6. Conversion of Sick Leave to Membership Service: At retirement, or at death before retirement of member with surviving spouse or dependent or both who are entitled to benefits, unused accumulated sick leave will be added to membership service; however, leave accumulated after January 30, 1990 can be converted to a maximum one year service credit, on following basis:

<u>CREDITED SERVICE</u>	<u>PRIOR TO 6/30/88</u>	----- ACCUMULATED SICK DAYS -----			
		--- AFTER 6/29/88 BY MEMBER CLASSIFICATION ---			
		<u>9 MTH</u>	<u>10 MTH</u>	<u>11 MTH</u>	<u>12 MTH</u>
.1/yr		10-18	11-20	12-22	13-24
.2		19-36	21-40	23-44	25-48
.25	25-45				
.3		37-54	41-60	45-66	49-72
.4		55-72	61-80	67-88	73-96
.5	46-90	73-90	81-100	89-110	97-120
.6		91-108	101-120	111-132	121-144
.7		109-126	121-140	133-154	145-168
.75	91-135				
.8		127-144	141-160	155-176	169-192
.9		145-162	161-180	177-198	193-216
1.0	136-180	163-180	181-200	199-220	217-240

EARNABLE COMPENSATION:

The compensation earned by a member for qualifying service.

AVERAGE FINAL COMPENSATION

The average annual earnable compensation of a teacher for the 36 highest successive months of employment or the highest 36 successive joined months of employment where interruption of service occurred; the average compensation of a teacher for purposes of computing benefits cannot increase more than 25% per year; for teachers with 40 or more years of service who elect to have employee and employer contributions discontinued, average final compensation is based on highest 3 consecutive-year period prior to discontinuance. Includes workmen's compensation, and PIP's program in accordance with the following:

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

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

EXHIBIT 5 (Continued)
Principle Provisions

ACCUMULATED CONTRIBUTIONS:

Sum of all amounts deducted from compensation of members.

EMPLOYEE CONTRIBUTIONS:

7% of earnable compensation. Effective 7/1/89, 8% of earnable compensation.

EMPLOYER CONTRIBUTIONS:

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

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

Written application to Board, and

1. Age 60 and 10 years of accredited service, or 20 years of creditable teaching service if employed prior to January 1, 1999. Members employed on or after January 1, 1999 may retire with 20 years of creditable teaching service, actuarially reduced from Normal Eligibility requirements.
2. Age 55 and 25 years of creditable service, or at age 65 and 20 years of creditable service (excluding military service), or at 30 years of creditable service at any age. Conversion of unused sick and annual leave cannot be used to obtain retirement eligibility.

Benefit:

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

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

EXHIBIT 5 (Continued)
Principle Provisions

NOTE:

- A. Benefit not to exceed 100% of average earnable compensation.

- B. Legislator's benefits to be calculated on basis of either Teacher's or Legislator's salary but not both - for new legislators (their option to choose); employee contribution to be 11% of either salary and expense allowance as legislator, not both.

- C. Retiree who returns to work shall have benefits suspended while so re-employed; benefit in same amount shall resume after re-employment ceases, but shall include any Cost of Living benefits or increases granted during suspension (these are not retroactive). Retirees who return to work during a July 1 to June 30 year will not have his benefits reduced if his compensation does not exceed 50% of his average final compensation.

- D. The \$300 annual supplemental benefit is discontinued to persons who become members of the retirement system after 6/30/86 (Act 608 of 1986).

- E. For Members employed on or after July 1, 1999, the annual pension cannot exceed the maximum benefit provided under Section 415(b)(2)(F) of the Internal Revenue Service Code as adjusted for inflation and form of benefit other than life annuity or qualified joint and survivor annuity for retirement ages as follows:

<u>AGE</u>	<u>MAXIMUM</u>	<u>AGE</u>	<u>MAXIMUM</u>	<u>AGE</u>	<u>MAXIMUM</u>
48	\$39,506	56	\$82,846	64	\$160,000
49	43,191	57	91,239	65	160,000
50	47,254	58	100,608	66	171,675
51	51,738	59	111,090	67	184,412
52	56,693	60	122,845	68	198,323
53	62,176	61	136,061	69	213,536
54	68,254	62	160,000	70	230,195
55	75,313	63	160,000		

COST OF LIVING BENEFITS:

Act 1031 of 1992 establishes an Experience Account which is credited with 50% of the excess investment experience gain and debited with 50% of the net investment experience loss. Balances in the experience account accrue interest at the average actuarial yield for the System portfolio. Act 402 of 1999 establishes that once the balance of the experience account accumulates to a sum sufficient to grant retirees a COLA, the Board shall grant such COLA not to exceed the lesser of the CPI-U or 2%. Benefits are restricted to those retirees who have attained the age of 55 and have been retired for at least one year.

Act 1172 of 2001 modified Act 409 of 1999 and added minimum benefits. The COLA is now limited to the first \$70,000 of benefits. The age 55 restriction was removed for disability retirees. The 2% benefit can be increased to 3% if the investment return exceeds 8.25%.

EXHIBIT 5 (Continued)
Principle Provisions

Effective December 1, 2001, members with 25 years of service credit and have been retired 15 years receive a one time adjustment of \$200 per month, not to exceed a gross benefit of \$1000.

Effective March 1, 2002, minimum benefit payable to surviving spouse increases from \$300 to \$600 per month, and minimum benefits payable to surviving minor children increases from \$150 to \$300 per month.

DISABILITY RETIREMENT:

Eligibility:

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

Benefit: Act 572 of 1995

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

EXHIBIT 5 (Continued)
Principle Provisions

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

Eligibility:

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

Benefits:

1. Greater of:
 - A.) \$300 per month, or
 - B.) 50% of benefit, based on 2 1/2% formula, that would have been payable upon service retirement at age 60 had member continued in service to age 60 without change in compensation. 50% of spouse's benefit payable for each minor child (not greater than two), with total benefit to family at least equal to the Option 2, Accrued Benefit based on actual service credit. Benefits to spouse cease upon remarriage, but resume upon subsequent divorce or death of new spouse; however, if the member was eligible to retire or had attained age 55 on the date of his death, benefits shall not cease upon remarriage. When minor children are no longer present, spouse's benefit reverts to benefit in B, if spouse eligible for such benefit.
2. Greater of:
 - A.) \$300 per month
 - B.) Option 2 equivalent of Accrued Benefit based on actual service and the 2 1/2% formula. Spouse's benefit payable for life. Benefits to spouse cease upon remarriage, but resume upon subsequent divorce or death of new spouse; however, if the member was eligible to retire on the date of his death, benefits shall not cease upon remarriage.
3. Return of member's accumulated contributions.

EXHIBIT 5 (Continued)
Principle Provisions

OPTIONAL FORMS OF
BENEFIT:

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

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

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

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

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

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

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

REFUND OF CONTRIBUTIONS:

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

WITHDRAWAL AFTER 10 YEARS
OF CREDITABLE SERVICE:

Any member with credit for 10 years of service who withdraws from service may elect to leave accumulated contributions in system until age 60, when he may apply for retirement and begin receiving a retirement benefit based on the credits he had at date of withdrawal.

EXHIBIT 5 (Continued)
Principle Provisions

DESCRIPTION OF BENEFITS
FOR MERGED LSU EMPLOYEES

GENERAL:

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

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

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

Social Security Breakpoint Average
(for LSU funded service)

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

Retirement Benefits:

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

Exhibit 5 (Continued)
Principle Provisions

Survivor's Benefits

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

Disability Benefits

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

Vesting Benefits

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

Refund of Contributions

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

Cooperative Extension personnel

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

EXHIBIT 5 (Continued)
Principle Provisions

DESCRIPTION OF BENEFITS
FOR MERGED SCHOOL LUNCH EMPLOYEES

EFFECTIVE DATE:

January 1, 1953; Revised July 1, 1980.

1. Effective July 1, 1980, all employees shall become members of this system and shall be placed in the applicable plan as outlined below:

A.) Those participating in both the regular and the supplemental plan or only in the supplemental plan shall become members of Plan A.

B.) Those participating only in the regular plan shall become members of Plan B.

2. All individuals who become employed after July 1, 1980, shall become members of Plan A or Plan B as determined by the agreement in effect for each employer.

CREDITABLE SERVICE:

Service as an employee while member of the system.

MILITARY SERVICE:

Maximum of 4 years of credit may be purchased.

ADDITIONAL CREDITABLE SERVICE:

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

EMPLOYEE CONTRIBUTIONS:

Plan A: 9.10% of monthly earnings

Plan B: 5% of monthly earnings

EMPLOYER CONTRIBUTIONS:

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

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

EXHIBIT 5 (Continued)
Principle Provisions

SCHOOL LUNCH PLAN A

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

1. Age 60 and 10 years of creditable service.
2. Age 55 and 25 years of creditable service.
3. 30 years of creditable service, regardless of age.

Benefit:

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

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

NOTE:

Benefit not to exceed 100% of average final compensation.

DISABILITY RETIREMENT:

Eligibility:

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

Benefit:

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

EXHIBIT 5 (Continued)
Principle Provisions

SURVIVOR'S BENEFITS:

Eligibility:

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

Benefit:

1. Greater of:
 - A. \$300 per month, or
 - B. 50% of benefit, based on 3% factor, that would have been payable upon retirement at age 60 had member continued in service to age 60 without change in compensation. 50% of spouse's benefit payable for each minor child (maximum two children), with total benefit to family at least equal to the Option 2 benefit. Accrued Benefit based on actual service credit. Benefits to spouse cease upon remarriage, but resume upon subsequent death or divorce. When minor children are not longer present, spouse's benefit reverts to benefit in B, if spouse is eligible for such benefit.
2. Greater of:
 - A. \$300 per month, or
 - B. Option 2 equivalent of Accrued Benefit based on actual service and the 3% factor. Surviving spouse must have been married to the deceased member at least one year prior to death. If the member had not been eligible for retirement upon date of death, benefits to spouse cease upon remarriage, but resume upon subsequent death or divorce of new spouse.
3. Return of member's accumulated contributions.

EXHIBIT 5 (Continued)
Principle Provisions

SCHOOL LUNCH PLAN B

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

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

Benefit:

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

NOTE:

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

DISABILITY RETIREMENT:

Eligibility:

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

Benefit:

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

SURVIVOR'S BENEFITS:

Eligibility:

20 or more years of creditable service.

Benefit:

Option 2 benefit.

EXHIBIT 5 (Continued)
Principle Provisions

OPTIONAL FORMS OF BENEFIT:

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

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

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

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

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

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

RETURN OF CONTRIBUTIONS:

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

WITHDRAWAL AFTER 10 YEARS
OF CREDITABLE SERVICE:

Any member with credit for 10 years of service who withdraws from service may elect to leave accumulated contributions in system until his earliest normal retirement date, when he may apply for retirement and begin receiving a retirement benefit based on average final compensation and creditable service at date of withdrawal.

NOTES

EXHIBIT 6

ACTUARIAL COST METHODS AND ASSUMPTIONS

COST METHOD:

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

ACCOUNTING DISCLOSURE:

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

MORTALITY ASSUMPTIONS:

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

DISABILITY ASSUMPTION:

Rates of total and permanent disability were projected by age in accordance with the 1981-86 disability experience of the Retirement System. Rates were projected separately for School Lunch Employees' Plan A and Plan B. For mortality after disability, rates were on the Eleventh Actuarial Valuation of the Railroad Retirement System for permanent disabilities.

RETIREMENT ASSUMPTION:

Retirement without reduction in benefits can occur at any given age after satisfying the service eligibility requirements. Absent from the plan is a traditional "Normal Retirement Age." Since the age and service requirements are varied, the frequency of retirements will depend on the exposure plus intangibles such as health, economy, Social Security and other work patterns. Retirement rates were projected based on the 1981-86 experience study for the Teachers' Plan, School Lunch Employees' Plan A and Plan B.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

TERMINATION ASSUMPTIONS:

Voluntary termination or withdrawal rates were derived from the 1981-86 termination experience study for the Teachers' Plan, School Lunch Employees' Plan A and Plan B. During the first five years of employment, the probability of voluntarily terminating is a multiple of the attained age rate as follows:

1st year	2.50x
2nd year	1.00x
3rd year	1.00x
4th year	1.00x
5th year	1.00x

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

SALARY GROWTH:

The rate of annual salary growth is based on 1981-86 salary scale experience for the Teachers' Plan, School Lunch Employees' Plan A and Plan B.

FAMILY STATISTICS:

The composition of the Family was based on Age-Specific Fertility Rates from the 1983 Vital Statistics of the United States. 80% of the membership was assumed to be married with the wife assumed to be three (3) years younger than the husband. Sample rates are as follows:

<u>Age at Death</u>	<u>Number of Minor Chn.</u>	<u>Years for Youngest Child to Attain Majority</u>
25	1.3	17
30	1.8	15
35	2.2	13
40	2.1	10
45	1.7	8
50	1.2	4

REMARRIAGE:

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

EXHIBIT 6 (Continued)

Cost Methods & Assumptions

ASSUMPTION FOR INCOMPLETE DATA:

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

INVESTMENT EARNINGS:

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

ASSET VALUATION:

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

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

ADMINISTRATIVE EXPENSES:

Expenses are included in Aggregate Normal Cost and are assumed to be \$8,900,000 per year. Investment Expenses for professional asset management advisors are not included in Normal Cost but are treated as a direct offset to investment income. The Employer portion of Normal Cost excludes an allocation for Administrative expenses.

ACTUARIAL TABLES AND RATES
(TEACHERS ASSUMPTIONS)

Age	- Death Rates - Male	- Rates - Female	Remarriage Rates	Disability Rates	Retirement Rates	Dur	Termination Rates	Salary Scale
20	.00042	.00022	.09350	.00000	.00000	1	.09916	1.08950
21	.00044	.00024	.09152	.00000	.00000	2	.16647	1.07650
22	.00045	.00025	.08954	.00000	.00000	3	.11967	1.07550
23	.00047	.00027	.08757	.00000	.00000	4	.09398	1.07450
24	.00049	.00028	.08569	.00000	.00000	5	.07619	1.07350
25	.00052	.00030	.08402	.00000	.00000	6	.05979	1.07250
26	.00054	.00032	.08225	.00000	.00000	7	.05030	1.07250
27	.00057	.00034	.08028	.00000	.00000	8	.04057	1.07250
28	.00060	.00036	.07802	.00000	.00000	9	.03285	1.07250
29	.00064	.00038	.07556	.00000	.00000	10	.03000	1.07250
30	.00067	.00040	.07281	.00030	.00000	11	.02372	1.06750
31	.00072	.00043	.06976	.00060	.00000	12	.01918	1.06250
32	.00076	.00046	.06652	.00080	.00000	13	.01677	1.06250
33	.00082	.00049	.06308	.00160	.00000	14	.01425	1.05750
34	.00087	.00053	.05945	.00080	.00000	15	.01312	1.05750
35	.00096	.00056	.05582	.00100	.00000	16	.00975	1.05750
36	.00101	.00060	.05230	.00130	.00000	17	.00619	1.05750
37	.00107	.00064	.04890	.00140	.00000	18	.00611	1.05750
38	.00115	.00069	.04570	.00130	.00000	19	.00745	1.05750
39	.00125	.00074	.04271	.00110	.00000	20	.00557	1.05750
40	.00138	.00080	.03993	.00190	.07000	21	.00528	1.05750
41	.00152	.00086	.03769	.00190	.14000	22	.00485	1.05750
42	.00170	.00094	.03480	.00220	.08000	23	.00396	1.05750
43	.00191	.00102	.03256	.00230	.05000	24	.00534	1.05750
44	.00215	.00112	.03037	.00270	.05000	25	.00495	1.05750
45	.00243	.00124	.02822	.00250	.04000	26	.00572	1.05750
46	.00275	.00137	.02632	.00270	.03000	27	.00454	1.05750
47	.00310	.00152	.02455	.00370	.03000	28	.00814	1.05750
48	.00349	.00167	.02303	.00360	.03000	29	.00897	1.06250
49	.00390	.00183	.02154	.00520	.03000	30	.01043	1.06250
50	.00434	.00199	.02019	.00420	.05000	31	.01528	1.06250
51	.00480	.00217	.01889	.00490	.08000	32	.01723	1.06250
52	.00528	.00236	.01808	.00590	.09000	33	.01074	1.05750
53	.00578	.00257	.01733	.00380	.09000	34	.01477	1.05750
54	.00629	.00282	.01671	.00560	.17000	35	.01703	1.05750
55	.00681	.00311	.01622	.00460	.15000	36	.03156	1.05750
56	.00735	.00345	.01596	.00520	.14000	37	.01593	1.05750
57	.00793	.00383	.01584	.00630	.16000	38	.01305	1.05750
58	.00858	.00425	.01589	.00500	.15000	39	.01716	1.06250
59	.00932	.00471	.01622	.00700	.20000	40	.00769	1.06750
60	.01018	.00523	.01682	.00810	.14000	41	.00951	1.06250
61	.01118	.00579	.01764	.01100	.17000	42	.01267	1.06250
62	.01237	.00641	.01906	.00990	.18000	43	.01500	1.06750
63	.01377	.00710	.02061	.00840	.20000	44	.02690	1.06750
64	.01541	.00785	.02239	.00750	.32000	45	.05210	1.07750
65	.01732	.00869	.02446	.01000	.23000	46	.03194	1.07250
66	.01953	.00965	.02684	.00770	.23000	47	.02193	1.07250
67	.02200	.01078	.02952	.01060	.26000	48	.05000	1.06450
68	.02470	.01214	.03209	.00990	.29000	49	.07825	1.05750
69	.02757	.01376	.03504	.00690	.52000	50	.00000	1.05750

ACTUARIAL TABLES AND RATES
(TEACHERS ASSUMPTIONS - HIRED AFTER 6/30/99)

Age	- Death Rates - Male	- Rates - Female	Remarriage Rates	Disability Rates	Retirement Rates	Dur	Termination Rates	Salary Scale
20	.00042	.00022	.09350	.00000	.00000	1	.09916	1.08950
21	.00044	.00024	.09152	.00000	.00000	2	.16647	1.07650
22	.00045	.00025	.08954	.00000	.00000	3	.11967	1.07550
23	.00047	.00027	.08757	.00000	.00000	4	.09398	1.07450
24	.00049	.00028	.08569	.00000	.00000	5	.07619	1.07350
25	.00052	.00030	.08402	.00000	.00000	6	.05979	1.07250
26	.00054	.00032	.08225	.00000	.00000	7	.05030	1.07250
27	.00057	.00034	.08028	.00000	.00000	8	.04057	1.07250
28	.00060	.00036	.07802	.00000	.00000	9	.03285	1.07250
29	.00064	.00038	.07556	.00000	.00000	10	.03000	1.07250
30	.00067	.00040	.07281	.00030	.00000	11	.02372	1.06750
31	.00072	.00043	.06976	.00060	.00000	12	.01918	1.06250
32	.00076	.00046	.06652	.00080	.00000	13	.01677	1.06250
33	.00082	.00049	.06308	.00160	.00000	14	.01425	1.05750
34	.00087	.00053	.05945	.00080	.00000	15	.01312	1.05750
35	.00096	.00056	.05582	.00100	.00000	16	.00975	1.05750
36	.00101	.00060	.05230	.00130	.00000	17	.00619	1.05750
37	.00107	.00064	.04890	.00140	.00000	18	.00611	1.05750
38	.00115	.00069	.04570	.00130	.00000	19	.00745	1.05750
39	.00125	.00074	.04271	.00110	.00000	20	.00557	1.05750
40	.00138	.00080	.03993	.00190	.00000	21	.00528	1.05750
41	.00152	.00086	.03769	.00190	.00000	22	.00485	1.05750
42	.00170	.00094	.03480	.00220	.00000	23	.00396	1.05750
43	.00191	.00102	.03256	.00230	.00000	24	.00534	1.05750
44	.00215	.00112	.03037	.00270	.00000	25	.00495	1.05750
45	.00243	.00124	.02822	.00250	.00000	26	.00572	1.05750
46	.00275	.00137	.02632	.00270	.00000	27	.00454	1.05750
47	.00310	.00152	.02455	.00370	.00000	28	.00814	1.05750
48	.00349	.00167	.02303	.00360	.00000	29	.00897	1.06250
49	.00390	.00183	.02154	.00520	.00000	30	.01043	1.06250
50	.00434	.00199	.02019	.00420	.20000	31	.01528	1.06250
51	.00480	.00217	.01889	.00490	.22000	32	.01723	1.06250
52	.00528	.00236	.01808	.00590	.15000	33	.01074	1.05750
53	.00578	.00257	.01733	.00380	.15000	34	.01477	1.05750
54	.00629	.00282	.01671	.00560	.22000	35	.01703	1.05750
55	.00681	.00311	.01622	.00460	.30000	36	.03156	1.05750
56	.00735	.00345	.01596	.00520	.14000	37	.01593	1.05750
57	.00793	.00383	.01584	.00630	.16000	38	.01305	1.05750
58	.00858	.00425	.01589	.00500	.15000	39	.01716	1.06250
59	.00932	.00471	.01622	.00700	.20000	40	.00769	1.06750
60	.01018	.00523	.01682	.00810	.14000	41	.00951	1.06250
61	.01118	.00579	.01764	.01100	.17000	42	.01267	1.06250
62	.01237	.00641	.01906	.00990	.18000	43	.01500	1.06750
63	.01377	.00710	.02061	.00840	.20000	44	.02690	1.06750
64	.01541	.00785	.02239	.00750	.32000	45	.05210	1.07750
65	.01732	.00869	.02446	.01000	.23000	46	.03194	1.07250
66	.01953	.00965	.02684	.00770	.23000	47	.02193	1.07250
67	.02200	.01078	.02952	.01060	.26000	48	.05000	1.06450
68	.02470	.01214	.03209	.00990	.29000	49	.07825	1.05750
69	.02757	.01376	.03504	.00690	.52000	50	.00000	1.05750

ACTUARIAL TABLES AND RATES
(PLAN A ASSUMPTIONS)

Age	- Death Rates - Male	- Death Rates - Female	Remarriage Rates	Disability Rates	Retirement Rates	Dur	Termination Rates	Salary Scale
20	.00042	.00022	.09350	.00000	.00000	1	.07072	1.09350
21	.00044	.00024	.09152	.00000	.00000	2	.10841	1.08150
22	.00045	.00025	.08954	.00000	.00000	3	.08830	1.07750
23	.00047	.00027	.08757	.00000	.00000	4	.07485	1.07450
24	.00049	.00028	.08569	.00000	.00000	5	.06382	1.06450
25	.00052	.00030	.08402	.00020	.00000	6	.05370	1.06250
26	.00054	.00032	.08225	.00020	.00000	7	.04875	1.06250
27	.00057	.00034	.08028	.00020	.00000	8	.04565	1.06250
28	.00060	.00036	.07802	.00020	.00000	9	.03343	1.06250
29	.00064	.00038	.07556	.00020	.00000	10	.03470	1.06250
30	.00067	.00040	.07281	.00600	.00000	11	.02928	1.06250
31	.00072	.00043	.06976	.00600	.00000	12	.02710	1.06250
32	.00076	.00046	.06652	.00580	.00000	13	.03288	1.06250
33	.00082	.00049	.06308	.00500	.00000	14	.03704	1.06750
34	.00087	.00053	.05945	.00440	.00000	15	.02647	1.07750
35	.00096	.00056	.05582	.00390	.00000	16	.02328	1.05750
36	.00101	.00060	.05230	.00400	.00000	17	.02254	1.05750
37	.00107	.00064	.04890	.00400	.00000	18	.01907	1.07250
38	.00115	.00069	.04570	.00520	.00000	19	.02952	1.06250
39	.00125	.00074	.04271	.00230	.00000	20	.03818	1.06250
40	.00138	.00080	.03993	.00640	.00000	21	.04537	1.06250
41	.00152	.00086	.03769	.00770	.00000	22	.01263	1.07250
42	.00170	.00094	.03480	.01080	.00000	23	.07811	1.07250
43	.00191	.00102	.03256	.00330	.00000	24	.06000	1.07250
44	.00215	.00112	.03037	.01270	.00000	25	.05118	1.07250
45	.00243	.00124	.02822	.01340	.00000	26	.04000	1.07750
46	.00275	.00137	.02632	.00700	.00000	27	.02738	1.07750
47	.00310	.00152	.02455	.00790	.00000	28	.03729	1.07750
48	.00349	.00167	.02303	.00750	.00000	29	.03366	1.06750
49	.00390	.00183	.02154	.01190	.00000	30	.03000	1.04750
50	.00434	.00199	.02019	.03020	.36000	31	.01000	1.04750
51	.00480	.00217	.01889	.01070	.17000	32	.00000	1.07750
52	.00528	.00236	.01808	.01070	.44000	33	.00000	1.06750
53	.00578	.00257	.01733	.01720	.10000	34	.00000	1.05250
54	.00629	.00282	.01671	.01240	.20000	35	.00000	1.05250
55	.00681	.00311	.01622	.02200	.38000	36	.00000	1.05250
56	.00735	.00345	.01596	.01660	.23000	37	.00000	1.05250
57	.00793	.00383	.01584	.02050	.27000	38	.00000	1.04750
58	.00858	.00425	.01589	.02870	.30000	39	.00000	1.04750
59	.00932	.00471	.01622	.01900	.44000	40	.00000	1.04750
60	.01018	.00523	.01682	.01300	.36000	41	.00000	1.04750
61	.01118	.00579	.01764	.02770	.25000	42	.00000	1.04750
62	.01237	.00641	.01906	.02460	.34000	43	.00000	1.04750
63	.01377	.00710	.02061	.01760	.21000	44	.00000	1.04750
64	.01541	.00785	.02239	.01530	.30000	45	.00000	1.04750
65	.01732	.00869	.02446	.03680	.42000	46	.00000	1.04750
66	.01953	.00965	.02684	.02480	.27000	47	.00000	1.04750
67	.02200	.01078	.02952	.01230	.23000	48	.00000	1.04750
68	.02470	.01214	.03209	.01540	.29000	49	.00000	1.04750
69	.02757	.01376	.03504	.02000	.50000	50	.00000	1.04750

ACTUARIAL TABLES AND RATES
(PLAN B ASSUMPTIONS)

Age	- Death Rates - Male	- Rates - Female	Remarriage Rates	Disability Rates	Retirement Rates	Dur	Termination Rates	Salary Scale
20	.00042	.00022	.09350	.00000	.00000	1	.05669	1.09350
21	.00044	.00024	.09152	.00000	.00000	2	.10082	1.07750
22	.00045	.00025	.08954	.00000	.00000	3	.09899	1.07250
23	.00047	.00027	.08757	.00000	.00000	4	.08361	1.07250
24	.00049	.00028	.08569	.00000	.00000	5	.06745	1.07250
25	.00052	.00030	.08402	.00200	.00000	6	.04971	1.07250
26	.00054	.00032	.08225	.00200	.00000	7	.03412	1.06750
27	.00057	.00034	.08028	.00200	.00000	8	.03600	1.06250
28	.00060	.00036	.07802	.00200	.00000	9	.03579	1.06250
29	.00064	.00038	.07556	.00200	.00000	10	.01834	1.06250
30	.00067	.00040	.07281	.00200	.00000	11	.03429	1.06750
31	.00072	.00043	.06976	.00200	.00000	12	.02916	1.06750
32	.00076	.00046	.06652	.00200	.00000	13	.02430	1.05750
33	.00082	.00049	.06308	.00200	.00000	14	.01993	1.06750
34	.00087	.00053	.05945	.00200	.00000	15	.04005	1.06750
35	.00096	.00056	.05582	.00200	.00000	16	.01699	1.05250
36	.00101	.00060	.05230	.00200	.00000	17	.02762	1.06250
37	.00107	.00064	.04890	.00200	.00000	18	.02134	1.06250
38	.00115	.00069	.04570	.00200	.00000	19	.01352	1.05250
39	.00125	.00074	.04271	.00200	.00000	20	.01826	1.06250
40	.00138	.00080	.03993	.00200	.00000	21	.01553	1.06250
41	.00152	.00086	.03769	.00200	.00000	22	.07202	1.06750
42	.00170	.00094	.03480	.00200	.00000	23	.03406	1.05750
43	.00191	.00102	.03256	.00200	.00000	24	.01598	1.05750
44	.00215	.00112	.03037	.00200	.00000	25	.02920	1.05750
45	.00243	.00124	.02822	.00200	.00000	26	.04806	1.05750
46	.00275	.00137	.02632	.00200	.00000	27	.03974	1.05750
47	.00310	.00152	.02455	.00200	.00000	28	.02320	1.06750
48	.00349	.00167	.02303	.00200	.00000	29	.03000	1.05750
49	.00390	.00183	.02154	.01100	.00000	30	.03000	1.05750
50	.00434	.00199	.02019	.00800	.00000	31	.01000	1.06750
51	.00480	.00217	.01889	.00770	.00000	32	.00000	1.07750
52	.00528	.00236	.01808	.01520	.00000	33	.00000	1.10750
53	.00578	.00257	.01733	.00740	.00000	34	.00000	1.05250
54	.00629	.00282	.01671	.00720	.00000	35	.00000	1.05250
55	.00681	.00311	.01622	.00720	.34000	36	.00000	1.05250
56	.00735	.00345	.01596	.00720	.20000	37	.00000	1.05250
57	.00793	.00383	.01584	.01220	.24000	38	.00000	1.04750
58	.00858	.00425	.01589	.02800	.15000	39	.00000	1.04750
59	.00932	.00471	.01622	.01870	.39000	40	.00000	1.04750
60	.01018	.00523	.01682	.00630	.21000	41	.00000	1.04750
61	.01118	.00579	.01764	.01120	.23000	42	.00000	1.04750
62	.01237	.00641	.01906	.01740	.29000	43	.00000	1.04750
63	.01377	.00710	.02061	.00500	.25000	44	.00000	1.04750
64	.01541	.00785	.02239	.00500	.25000	45	.00000	1.04750
65	.01732	.00869	.02446	.00500	.44000	46	.00000	1.04750
66	.01953	.00965	.02684	.00500	.33000	47	.00000	1.04750
67	.02200	.01078	.02952	.00500	.34000	48	.00000	1.04750
68	.02470	.01214	.03209	.00500	.31000	49	.00000	1.04750
69	.02757	.01376	.03504	.00500	.56000	50	.00000	1.04750

EXHIBIT A

AMORTIZATION OF UNFUNDED
ACTUARIAL ACCRUED LIABILITY
JUNE 30, 2002

<u>DATE</u> <u>6/30</u>	<u>DESCRIPTION</u>	<u>AMTZ.</u> <u>METHOD</u>	<u>AMTZ.</u> <u>PERIOD</u>	<u>INITIAL</u> <u>LIABILITY</u>	<u>YEARS</u> <u>REMAIN</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>MID-YEAR</u> <u>PAYMENT</u>
1993	Initial Liability	I	36	4,922,538,457	27	6,247,486,256	366,736,122
1993	Change in Liability	I	36	-633,788,393	27	-804,378,535	-47,218,137
1992	Legislative COLA	L	11	95,039,000	1	12,447,691	12,950,983
1994	Change in Liability	I	35	-222,094,335	27	-273,572,743	-16,059,100
1995	Change in Liability	I	34	-9,030,124	27	-10,803,417	-634,176
1996	Change in Liability	I	33	-187,637,521	27	-218,199,165	-12,808,594
1997	Change in Liability	I	32	61,791,993	27	69,901,819	4,103,334
1998	Change in Liability	I	31	-272,354,123	27	-299,981,977	-17,609,359
1999	Change in Liability	I	30	-323,105,520	27	-346,832,875	-20,359,572
2000	Change in Liability	I	29	-616,343,889	27	-645,437,039	-37,888,051
2001	5 Year Vesting	I	28	6,680,501	27	6,832,328	401,067
2001	Change in Liability	I	28	55,510,598	27	56,772,182	3,332,606
2002	Change in Liability LSU appro. adj.	I	27	817,968,649	27	817,968,649	48,015,896
							-5,533,087
	TOTAL OUTSTANDING BALANCE					4,612,203,174	277,429,932
	EMPLOYERS' CREDIT BALANCE						
1998	Contribution Variance	L	5	-8,041,266	1	-1,872,771	-1,948,492
1999	Contribution Variance	L	5	-38,284,189	2	-17,152,873	-9,276,704
2000	Contribution Variance	L	5	-32,610,436	3	-21,092,085	-7,901,888
2001	Contribution Variance	L	5	-41,310,389	4	-34,303,779	-10,009,988
2002	Contribution Variance	L	5	-20,606,578	5	-20,606,578	-4,993,213
	TOTAL CREDIT BALANCE					-95,028,086	-34,130,285
	TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY					4,517,175,088	