REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION AS OF
JUNE 30, 2009

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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December 23, 2009

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

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Registrars of Voters Employees' Retirement System for the fiscal year ending June 30, 2009. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrator and accountants. This report was prepared at the request of the Board of Trustees of the Registrars of Voters Employees' Retirement System of the State of Louisiana. The primary purposes of the report are to determine the actuarially required contribution for the retirement system for the fiscal year ending June 30, 2009 to recommend net direct employer contribution rates for fiscal 2010, and to provide information for the system's financial statements. This report was prepared exclusively for the Registrars of Voters Employees' Retirement System for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

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

Sincerely,

G. S. CURRAN & COMPANY, LTD.

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

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

TABLE OF CONTENTS

SUMMARY OF VALUATION RESULTS
REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM

Valuation Date:		June 30, 2009	June 30, 2008
Census Summary:	Active Members	247	239
	Retired Members and Survivors	138	137
	Terminated Due a Deferred Benefit	5	5
	Terminated Due a Refund	19	19
Payroll:		$ 11,753,384	$ 10,839,277
Benefits in Payment:		$ 2,777,346	$ 2,695,681
Market Value of Assets:		$ 48,785,175	$ 60,242,539
Actuarial Asset Value:		$ 60,492,753	$ 64,932,257
Unfunded Actuarial Accrued Liability		NONE	NONE
Funded Ratio (GASB 50):		84.12%	96.16%

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	FISCAL 2010	FISCAL 2009
Employer Normal Cost (July 1):	$ 2,973,139	$ 1,861,991
Amortization Cost (July 1):	N/A	N/A
Interest Adjusted Actuarially Required Contribution (Including Estimated Administrative Costs):	$ 3,297,915	$ 2,122,261
Projected Ad Valorem Taxes and Revenue Sharing Funds	$ 2,026,592	$ 1,755,167
Net Direct Employer Actuarially Required Contributions	$ 1,271,323	$ 367,094
Actuarially Required Net Direct Employer Contribution Rate	10.57%	3.29%
Actual Net Direct Employer Contribution Rate:	3.50 %	2.00%
Maximum Additional Funding Provided by Ad Valorem Taxes for the Defined Contribution Plan:	**$ 0**	**$ 0**

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Recommended Net Employer Contribution Rate: For Fiscal 2011: 11.25% For Fiscal 2010: 3.50%

Employee Contribution Rate: 7%

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

Actuarial Cost Method: Aggregate Actuarial Cost Method

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

Exclusions from Census: None

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

Changes in Valuation Methods, Assumptions, and/or Amortization Periods: Change in the method of calculating the actuarial value of assets from five year phase in of earning above or below the assumed rate of return subject to limits of 90% to 110% of the market value of assets to the above described method.

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

COMMENTS ON DATA

For the valuation, our office electronically downloaded census information from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in like manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit X, there are 247 active members in the system of whom 124 have vested retirement benefits including 9 participants in the Deferred Retirement Option Plan (DROP); 138 former system members or their beneficiaries are receiving retirement benefits. An additional 24 members have contributions remaining on deposit with the system; of this number, 5 have vested rights for future retirement benefits. All individuals submitted were included in the valuation.

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

In addition to the statistical information provided on the system's participants, the system's director furnished general information related to other aspects of the system's expenses, benefits and funding. Valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Duplantier, Hrapmann, Hogan & Maher, Certified Public Accountants. As indicated in the system's audit report, the net market value of the system's assets was $48,785,175 as of June 30, 2009. Net investment losses for fiscal 2009 measured on a market value basis amounted to $11,006,774. Contributions to the system for the fiscal year totaled $2,956,333; benefits and expenses amounted to $3,406,923.

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

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

This valuation is based on the Aggregate actuarial cost method. Under the Aggregate Cost Method, actuarial gains and losses are spread over future normal costs. Thus, favorable plan experience will lower future normal costs; unfavorable experience will cause future normal costs to increase. In addition, changes in benefits and assumptions as well as contribution surpluses on shortfalls are also spread over future normal costs.

The actuarial assumptions utilized for the report are outlined on pages thirty-five through thirty-eight. The assumptions are the same as those used for one prior report. In the aggregate the assumptions represent our "best estimate" of future long-term experience for the fund. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments will be required to contribution levels. Such differences will be revealed in future actuarial valuations.

The method used to calculate the Actuarial Value of Assets was changed for this valuation. In the prior year, the actuarial value of assets was determined by smoothing all earnings above or below the assumed rate of return over a five year period with the resulting value constrained to a corridor of no less than 90% of the market value of assets and no more than 110% of the market value of assets. For this valuation, the corridor was expanded to a range of 85% to 115% of the market value of assets; the actuarial value of assets was then set equal to the average of the applicable corridor limit and the smoothed value whenever the smoothed value falls outside of the corridor. The effect of this change was to reduce the fund’s normal cost accrual rate by 6.8395%.

CHANGES IN PLAN PROVISIONS

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

Act 44 adds persons employed by the Louisiana Registrars of Voters Association, Inc. to the definition of “employee”.

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

Act 296 states that in any year in which the net direct employer contribution rate is scheduled to decrease, the board of trustees is authorized to set the rate at the existing rate or at any point in between the existing rate and the recommended decreased rate. In addition, the board of trustees may set the net direct employer contribution rate up to 3% above the minimum recommended rate. The act also creates a funding deposit account for the Registrars of Voters Employees' Retirement System. The beginning balance of the system's account will be zero as of December 31, 2008. All surplus funds collected for the system will be credited to the account for any fiscal year ending on or after December 31, 2008, in which the board of trustees elects to set the direct employer contribution rate higher than the minimum recommended rate. The funds will earn interest at the board-approved actuarial valuation rate, and the interest will be credited at least once a year. Beginning with the first valuation on or after December 31, 2008, each system's board may direct the account funds be charged for the following purposes: (1) to reduce the unfunded accrued liability, (2) to reduce the present value of future normal costs for systems using an aggregate funding method, (3) to pay all or a portion of any future net direct employer contributions. The funds charged from the account may not exceed the outstanding balance. If the board elects to charge funds from the funding deposit account, for the purpose of reducing the employer net direct contribution rate, the percent reduction in the minimum recommended employer contribution rate will be determined by dividing the interest-adjusted value of the charges from the funding deposit account by the projected payroll for the fiscal year for which the contribution rate is to be reduced. For funding purposes, any asset value used in the calculation of the actuarial value of assets of a system will exclude the account balance as of the asset determination date for the calculation. For all purposes other than funding, the funds in the account will be considered assets of the system.

ASSET EXPERIENCE

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

	Market Value	Actuarial Value
2000	0.8%	6.0%
2001	5.9%	4.0%
2002	-3.0%	0.5%
2003	3.3%	1.0%
2004	10.9%	4.2%
2005	6.8%	7.4%
2006	5.2%	7.4%
2007	14.0%	* 13.6%
2008	-3.9%	6.6%
2009	-18.3%	* -6.2%

* Includes effect of change in asset valuation method.

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income and dividends. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2009, the fund earned $1,225,348 of dividends, interest, and other recurring income. This income was offset by realized and unrealized capital losses of $11,999,500 and investment expenses of $232,622. The geometric mean of the market value rates of return measured over the last ten years was 1.8%.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 8% used for the valuation. This rate is calculated based on the actuarial value of assets and all interest, dividends, and recognized capital gains as given in Exhibit VI. Investment income used to calculate this yield is based upon a smoothing of investment income above or below the valuation interest rate over a five year period. The difference between rates of return on an actuarial and market value basis results from the smoothing utilized. Yields in excess of the 8% assumption will reduce future costs; yields below 8% will increase future costs. For fiscal 2009, the system experienced net actuarial investment earnings of $15,994,878 less than the actuarial assumed earnings rate of 8%. This shortfall in earnings produced an actuarial loss, which increased the normal cost accrual rate by 16.0192%.

DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the system is given in Exhibit X. The average active member is 50 years old with 13 years of service and an average salary of $47,585. The system's active contributing membership increased during the fiscal year by 8 members. The plan has experienced an increase in the active plan population of 21 members over the last five years. A review of the active census by age indicates that over the last ten years the population in the 31-50 age group has decreased significantly while the proportion of active members in the 51-70 age group increased. Over the same ten-year period the plan showed a decrease in the percentage of members with service greater than five but less than twenty-five years. Over this period there has been a substantial increase in the percentage of members with less than five years of service, as well as those with more than twenty-five years of service credit.

The average service retiree is 75 years old with a monthly benefit of $1,858. The number of retirees and beneficiaries receiving benefits from the system increased by 1 during the fiscal year; over the last five years this increased by 15. During this same period, annual benefits in payment increased by $920,559.

Plan liability experience for fiscal 2009 was favorable. DROP entries, retirements, and disabilities were below projected levels; this would be expected to reduce costs. Partially offsetting these reductions were withdrawals, which were slightly below projected levels, and salary scale slightly above projected levels. Retiree deaths were at projected levels. Plan liability experience decreased the normal cost accrual rate by 0.3040%.

FUNDING ANALYSIS AND RECOMMENDATIONS
DEFINED BENEFIT PLAN

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

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

The derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for fiscal 2010 as of July 1, 2009, is $2,973,139. The total actuarially required contribution is determined by adjusting this value for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 11 of Exhibit I the total actuarially required contribution for fiscal 2010 is $3,297,915. Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. Available revenue sharing funds for fiscal 2010 are expected to be $110,680 and we estimate that available ad valorem taxes for fiscal 2010 will be $1,915,912. Thus we estimate the net direct cost to the employer for fiscal 2010 will be $1,271,323 or 10.57% of projected payroll.

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

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

Normal Cost Accrual Rate – Fiscal 2009	17.7696%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	16.0192%
Contribution Loss	0.0623%
Factors Decreasing the Normal Cost Accrual Rate:	
Liability Experience	0.3040%
New Members	0.3751%
Changes in Asset Valuation Method	6.8395%
Normal Cost Accrual Rate – Fiscal 2010	26.3325%

In addition to the above factors, required net direct employer contributions are also affected by the projected ad valorem taxes and revenue sharing funds which the system is expected to receive each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that these funds collected in fiscal 2010 will increase by 1.11% of payroll. Although the actuarially required net direct employer contribution rate for fiscal 2010 is 10.57%, the actual employer contribution rate for fiscal 2010 is 3.50% of payroll. Since the contribution rate for fiscal 2010 was 3.50%, any deficit in employer contributions collected in the fiscal year will increase the Fund's normal cost accrual rate. We estimate this deficit will result in an increase of 0.80% to the normal cost accrual rate in fiscal 2011. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%, hence we are recommending a minimum net direct employer contribution rate of 11.25% for fiscal 2011.

Recent capital market conditions have resulted in asset experience losses for the fund that will significantly increase its cost structure. These market conditions may be temporary or may indicate that future return expectations should be reduced. Contribution rates to the fund as given in this report are a function of the assumed long-term rate of return on assets used for the valuation. That rate of return should be consistent with long-term capital market expectations and the asset allocation utilized by the fund. The sensitivity of each plan's contribution rate with regard to the assumed rate of return in unique. For the Registrars' of Voters Employees Retirement System, we have determined that a decrease in the long-term assumed rate of return of 1% would lead to an increase in the required employer contribution rate of 10.15% of payroll. Please note that the above results are only intended to serve as an illustration of the impact of a change in the valuation interest rate. Any actual change in the valuation interest rate should only be effected with a review of all other plan assumptions. The impact of such other changes in assumptions are not reflected in the above the results.

FUNDING ANALYSIS AND RECOMMENDATIONS
DEFINED CONTRIBUTION PLAN

Funding for the retirement system's defined contribution account is contingent upon the availability of funds from ad valorem taxes and revenue sharing above the requirements of the defined benefit plan. The maximum amount of ad valorem taxes available to the system is 0.0625% of the ad valorem taxes shown to be collected each year. For fiscal 2010, we project that the system will receive ad valorem taxes in an amount insufficient to meet the requirements of the defined benefit plan. Therefore, there is no funding available for the defined contribution account for fiscal 2010.

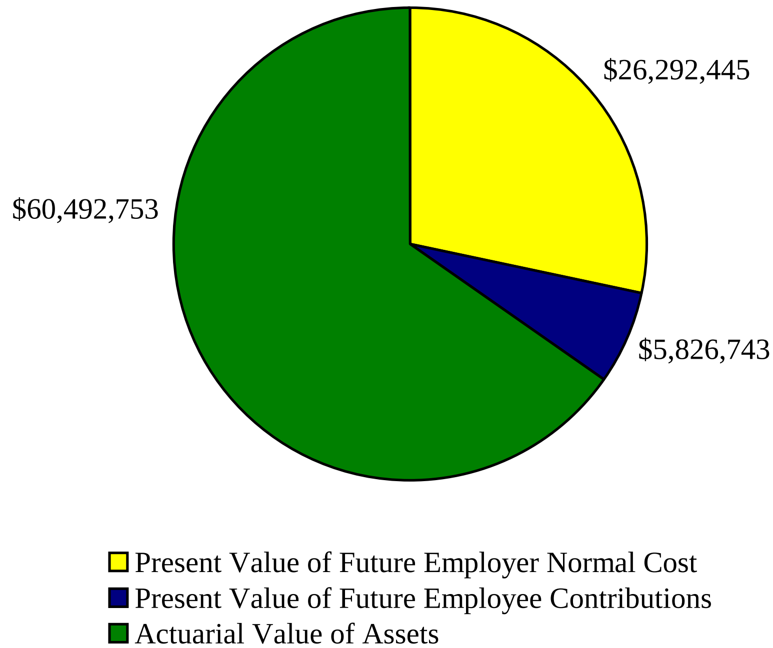
COST OF LIVING INCREASES

During fiscal 2009 the actual cost of living (as measured by the US Department of Labor CPI-U) decreased by 1.43%. Cost of living provisions for the system are detailed in R.S. 11:2073 and R.S. 11:246. The former statute allows the board to grant annual cost of living increases of 3% of each retiree's original benefit. This applies only to members who have been retired for at least two years. R.S. 11:246 provides cost of living increases of retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date (R.S. 11:246 only permits payment of such an increase if earnings exceed the system's valuation rate). R.S. 11:241 provides that cost of living benefits shall be in the form (unless the board otherwise specifies) of $\$X\times(A+B)$ where X is at most \$1 and "A" represents the number of years of credited service accrued at retirement or at death of the member or retiree and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase. The provisions of this subpart do not repeal provisions relative to cost of living adjustments contained within the individual laws governing systems; however, they are to be controlling in cases of conflict.

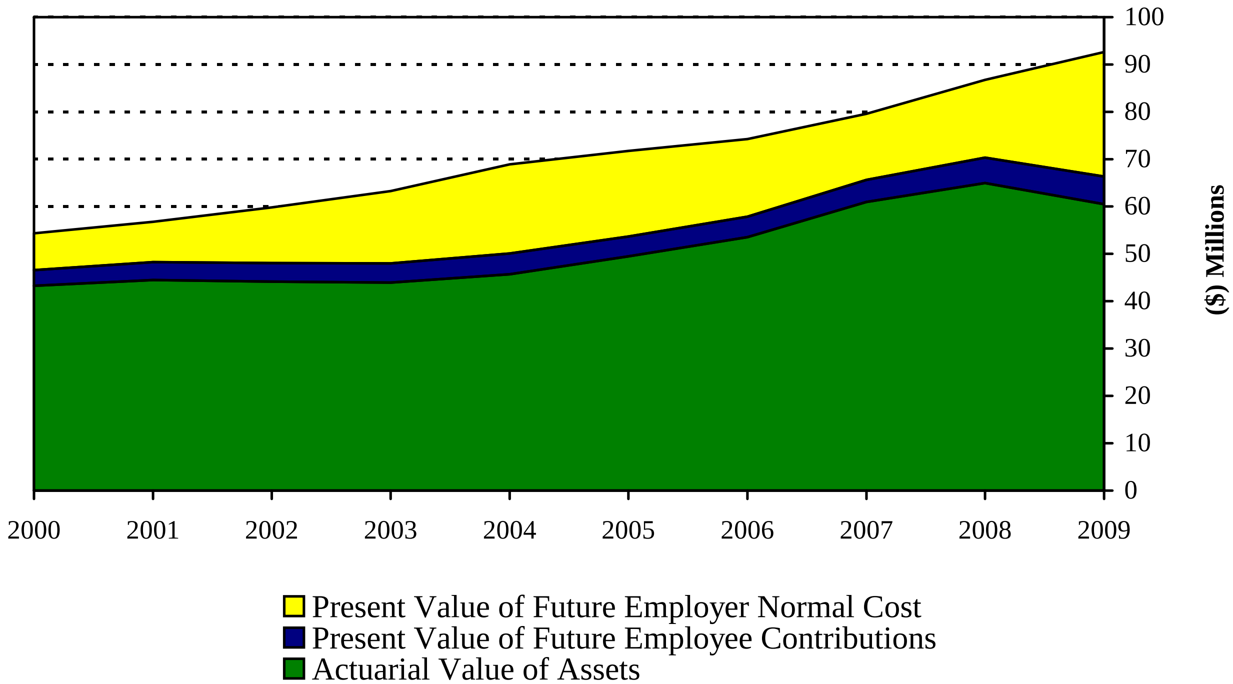
Statutory requirements provide that such COLA's may be paid only when the investment earnings of the system are sufficiently above the valuation interest rate to fund the benefit granted. For fiscal 2009 the fund had no excess earnings. In addition, in order to grant any cost of living increase to retirees, the ratio of the actuarial value of assets to the Pension Benefit Obligation must equal or exceed a statutory target ratio defined in R.S. 11:242. The funded ratio of the system, as calculated under R.S. 11:242, is 83.64%. This is below the target ratio of 100.00%. Thus, for fiscal 2009, the target ratio was not met by the fund.

Components of Present Value of Future Benefits

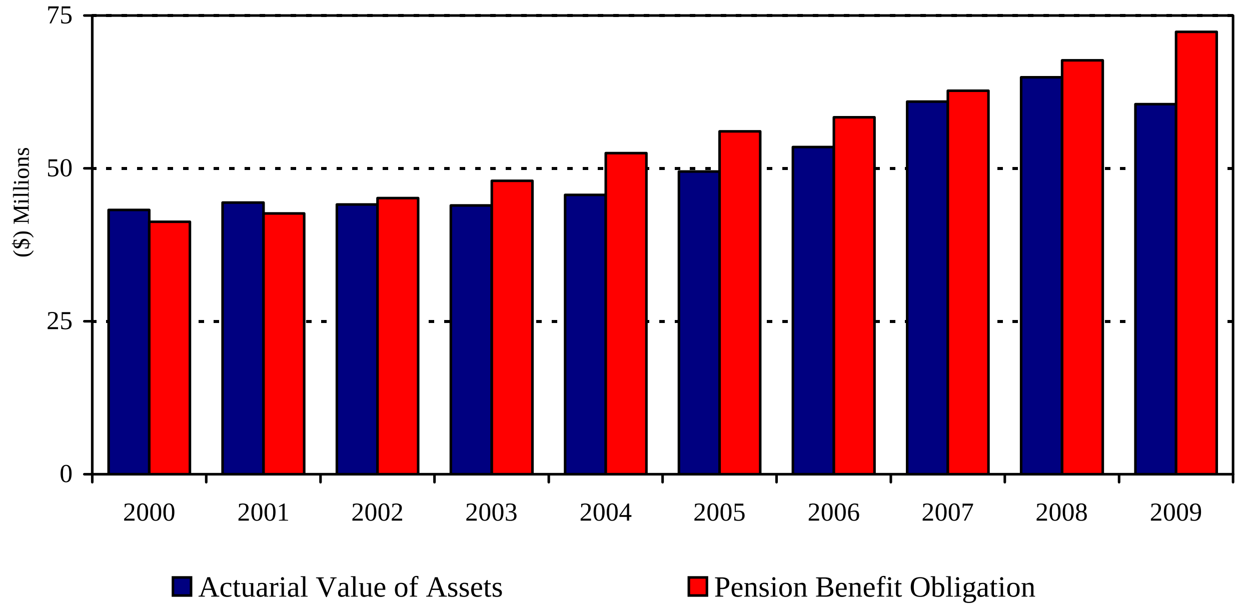
June 30, 2009



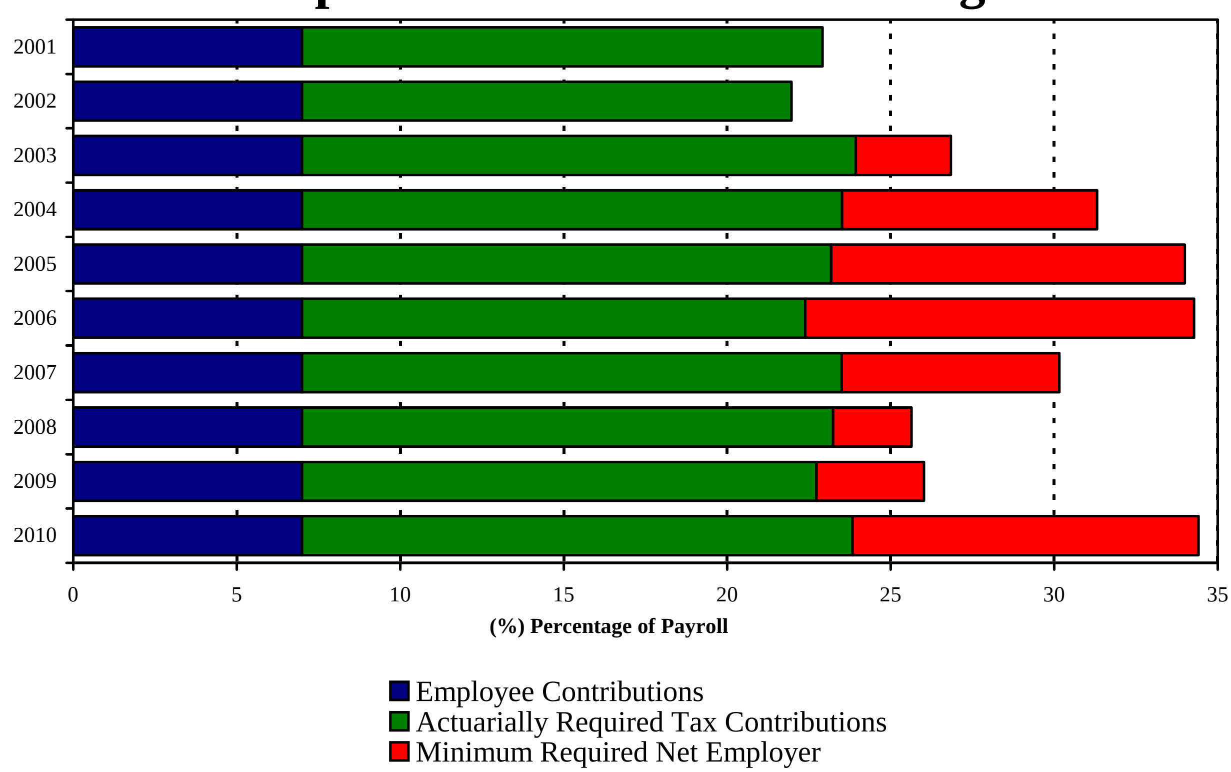
Components of Present Value of Future Benefits



Actuarial Value of Assets vs. Pension Benefit Obligation

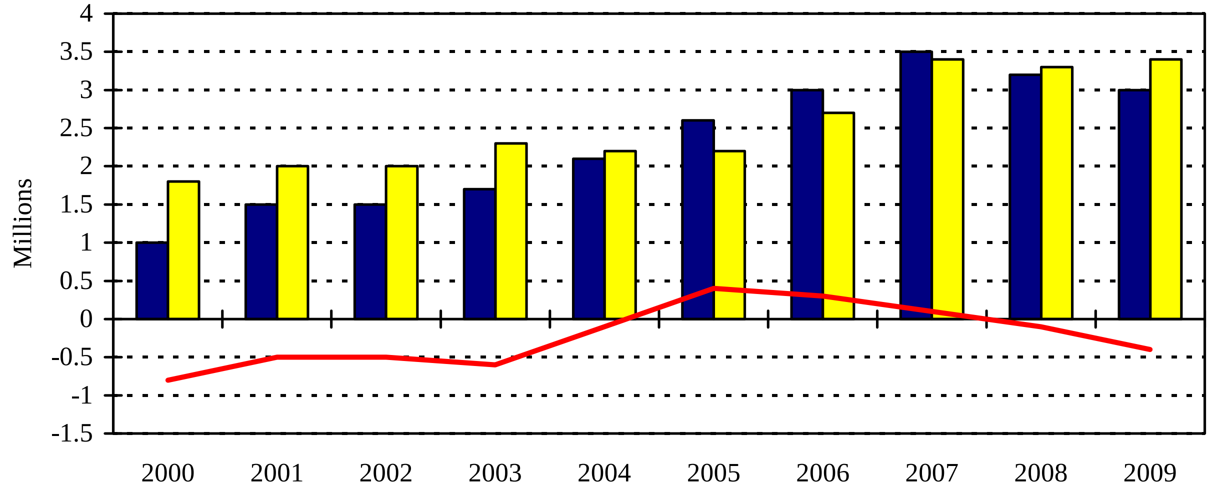


Components of Actuarial Funding



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

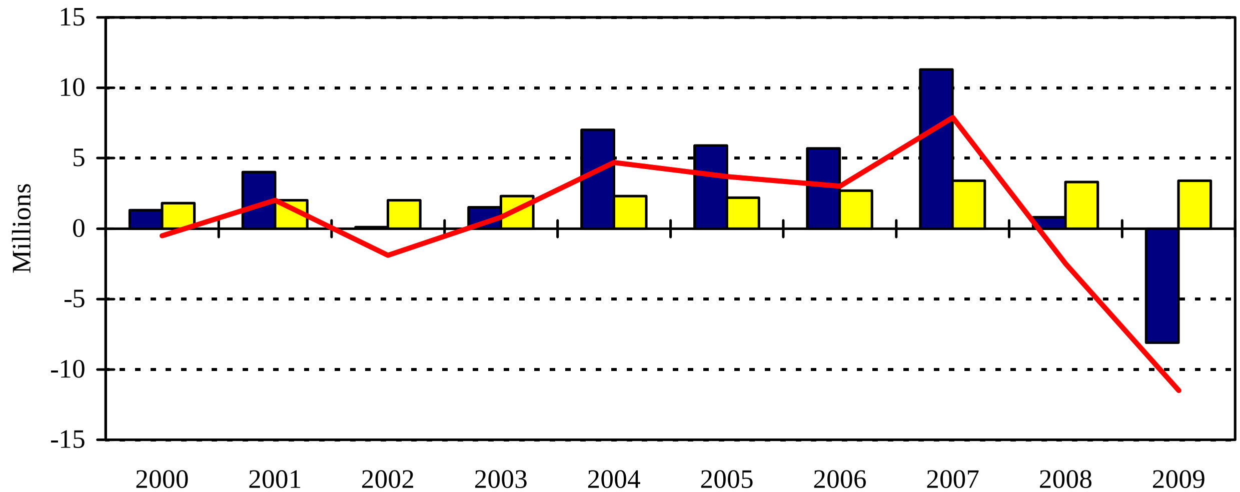
Net Non-Investment Income



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Non-Investment Income ($Mil)	1.0	1.5	1.5	1.7	2.1	2.6	3.0	3.5	3.2	3.0
Benefits and Expenses ($Mil)	1.8	2.0	2.0	2.3	2.2	2.2	2.7	3.4	3.3	3.4
Net Non-Investment Income ($Mil)	-0.8	-0.5	-0.5	-0.6	-0.1	0.4	0.3	0.1	-0.1	-0.4

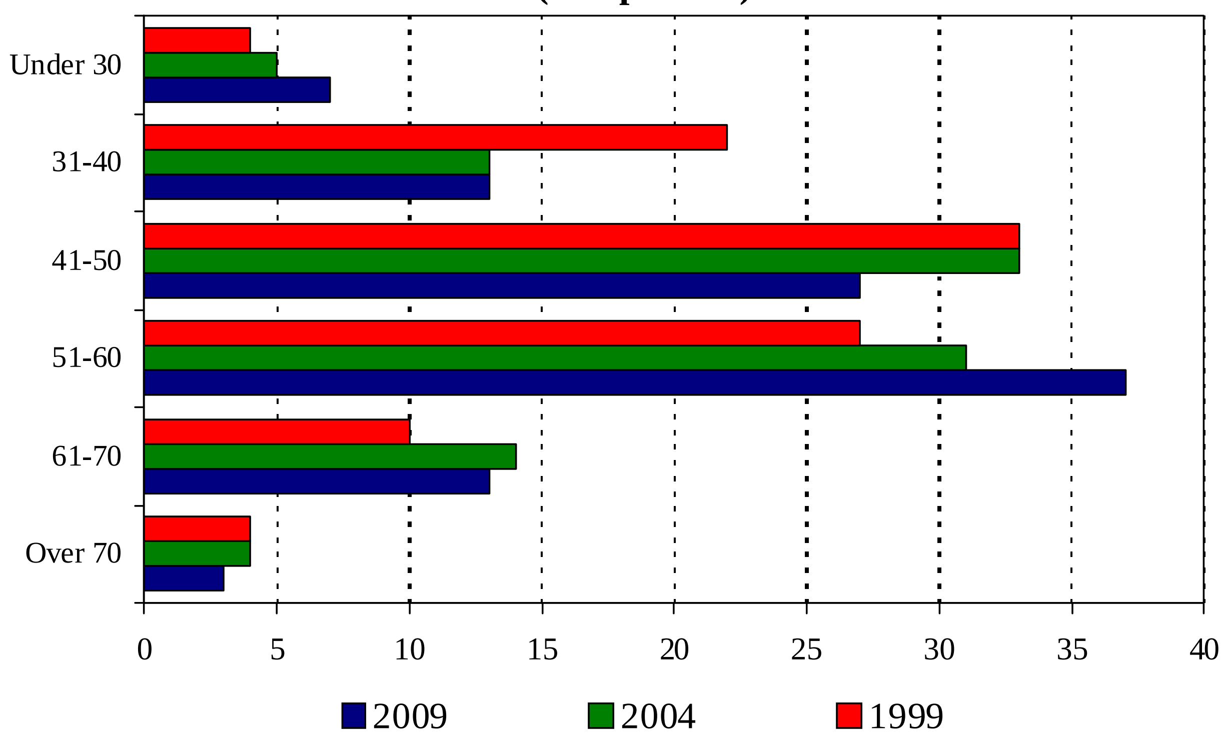
Total Income vs. Expenses

(Based on Market Value of Assets)

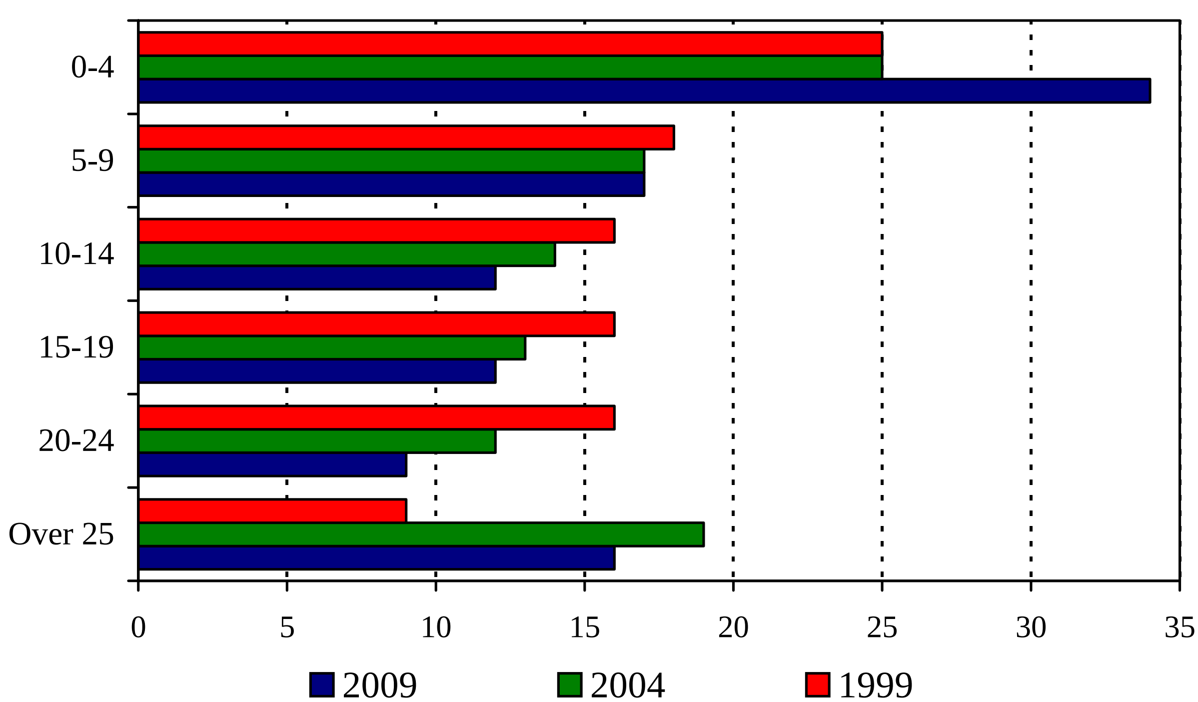


	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Income ($Mil)	1.3	4.0	0.1	1.5	7.0	5.9	5.7	11.3	0.8	-8.1
Benefits and Expenses ($Mil)	1.8	2.0	2.0	2.3	2.3	2.2	2.7	3.4	3.3	3.4
Net Change in MVA ($Mil)	-0.5	2.0	-1.9	-0.8	4.7	3.7	3.0	7.9	-2.5	-11.5

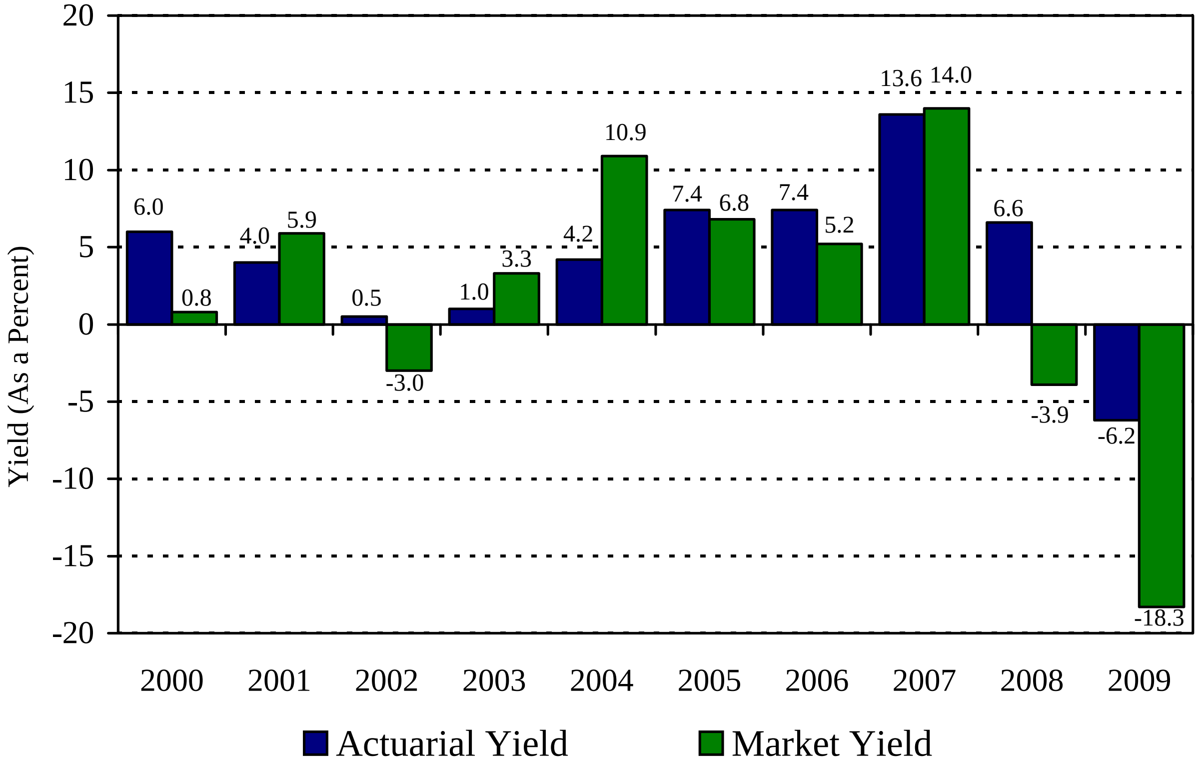
Active – Census By Age
(as a percent)



Active – Census By Service
(as a percent)



Historical Asset Yields



EXHIBITS

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

1.	Present Value of Future Benefits	$ 92,611,941
2.	Actuarial Value of Assets	$ 60,492,753
3.	Present Value of Future Employee Contributions	$ 5,826,743
4.	Present Value of Future Employer Normal Cost (1-2-3)	$ 26,292,445
5.	Present Value of Future Salaries	$ 99,847,920
6.	Employer Normal Cost Accrual Rate (4 ÷ 5)	26.332491%
7.	Projected Fiscal 2010 Salary for Current Membership	$ 11,290,764
8.	Employer Normal Cost as of July 1, 2009 (6 x 7)	$ 2,973,139
9.	Normal Cost Adjusted for Midyear Payment	$ 3,089,777
10.	Estimated Administrative Cost for Fiscal 2010	$ 208,138
11.	GROSS Employer Actuarially Required Contribution for Fiscal 2010 (9 + 10)	$ 3,297,915
12.	Projected Revenue Sharing Funds for Fiscal 2010	$ 110,680
13.	Projected Ad Valorem Tax Contributions for Fiscal 2010	$ 1,915,912
14.	Net Direct Employer Actuarially Required Contribution for Fiscal 2010 (11 - 12 - 13)	$ 1,271,323
15.	Projected Payroll (July 1, 2009 to June 30, 2010)	$ 12,032,748
16.	Employer's Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2010 (14 ÷15)	10.57%
17.	Actual Employer Contribution Rate for Fiscal 2010	3.50%
18.	Contribution Shortfall (Excess) as a Percentage of Payroll (16-17)	7.07%
19.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess)	0.80%
20.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2011 (16+19, Rounded to nearest .25%)	11.25%

EXHIBIT II
PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	$ 64,183,229	
Survivor Benefits	1,379,658	
Disability Benefits	626,934	
Vested Deferred Termination Benefits	1,521,823	
Contribution Refunds	545,119	
TOTAL Present Value of Future Benefits for Active Members		$ 68,256,763

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement	$ 631,014	
Terminated Members with Reciprocals Due Benefits at Retirement	25,868	
Terminated Members Due a Refund	41,806	
TOTAL Present Value of Future Benefits for Terminated Members		$ 698,688

Present Value of Future Benefits for Retirees:

Regular Retirees			
Maximum	$ 8,225,430		
Option 1	2,172,481		
Option 2	4,733,912		
Option 3	4,073,393		
Option 4	1,590,339		
TOTAL Regular Retirees		$ 20,795,555	
Disability Retirees		118,254	
Survivors & Widows		2,242,581	
Annuities Certain Payable to Retirees		422,578	
DROP Account Balances Payable to Retirees		77,522	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 23,656,490
TOTAL Present Value of Future Benefits			$ 92,611,941

EXHIBIT III – Schedule A
MARKET VALUE OF ASSETS

Current Assets:		
Cash in Banks	$ 1,211,154	
Accrued Interest and Dividends	171,105	
Contributions Receivable from Members	78,417	
Contributions Receivable from Employers	23,294	
Investment Receivable	128,518	
Due from Retiree	1,500	
TOTAL CURRENT ASSETS		$ 1,613,988
Property, Plant and Equipment (Net of accumulated depreciation)		$ 1,071
Investments:		
Common Stock	$ 11,219,437	
Commingled Funds	10,545,388	
Corporate Bonds	7,791,276	
Limited Partnerships	6,620,125	
U. S. Government Bonds	4,074,954	
Limited Liability Companies	3,813,356	
Cash Equivalents	3,163,484	
TOTAL INVESTMENTS		$ 47,228,020
TOTAL ASSETS		$ 48,843,079
Current Liabilities:		
Accounts Payable	33,426	
Purchased Investments Payable	24,478	
TOTAL CURRENT LIABILITIES		$ 57,904
MARKET VALUE OF ASSETS		$ 48,785,175

EXHIBIT III – SCHEDULE B
ACTUARIAL VALUE OF ASSETS

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

Fiscal year 2009	$	(15,808,500)
Fiscal year 2008		(7,460,331)
Fiscal year 2007		3,299,191
Fiscal year 2006		(1,470,289)
Fiscal year 2005		(564,258)
Total for four years	$	(22,004,187)

Deferral of excess (shortfall) of invested income:

Fiscal year 2009 (80%)	$	(12,646,800)
Fiscal year 2008 (60%)		(4,476,198)
Fiscal year 2007 (40%)		1,319,676
Fiscal year 2006 (20%)		(294,058)
Fiscal year 2005 (0%)		0
Total deferred for year	$	(16,097,380)

Market value of plan net assets, end of year	$	48,785,175
Preliminary actuarial value of plan assets, end of year	$	64,882,555

Actuarial value of assets corridor

85% of market value, end of year	$	41,467,399
115% of market value, end of year	$	56,102,951

Final actuarial value of plan net assets, end of year	$	60,492,753

EXHIBIT IV
PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	5,826,743
Employer Normal Contributions to the Pension Accumulation Fund		26,292,445
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	32,119,188

EXHIBIT V
RECONCILIATION OF CONTRIBUTIONS

Employer Normal Cost for Prior Year	$	1,861,991		
Interest on the Normal Cost		148,959		
Expenses for Prior Year		191,305		
Interest on Expenses		7,505		
TOTAL Interest Adjusted Actuarially Required Contribution			$	2,209,760
Direct Employer Contributions	$	233,862		
Interest on Employer Contributions		9,174		
Ad valorem taxes and Revenue Sharing Funds		1,832,652		
Interest on Taxes		71,896		
TOTAL Interest Adjusted Employer Contribution			$	2,147,584
Contribution Shortfall (Excess)			$	62,176

EXHIBIT VI
ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2008)		$ 64,932,257
Income:		
Regular Member Contributions	$ 787,434	
Regular Employer Contributions	233,862	
Tax Revenue	1,832,652	
Irregular Contributions	102,385	
SUBTOTAL of all contributions		$ 2,956,333
Interest	$ 819,398	
Dividends	257,785	
Alternative Investment Income	148,165	
Class Action Settlements	61,112	
Net Appreciation in Fair Value of Investments	(12,060,612)	
Investment Expense	(232,622)	
SUBTOTAL of all investment income		$ (11,006,774)
TOTAL Income		$ (8,050,441)
Expenses:		
Retirement Benefits	$ 3,169,401	
Refunds of Contributions	46,217	
Administrative Expenses	190,457	
Depreciation	848	
TOTAL Expenses		$ 3,406,923
Net Market Income for Fiscal 2009 (Income - Expenses)		$ (11,457,364)
Adjustment for Actuarial Smoothing		$ 7,017,860
Actuarial Value of Assets (June 30, 2009)		$ 60,492,753

EXHIBIT VII
FUND BALANCE

Present Assets of the System Creditable to:

Annuity Savings Fund	$ 5,577,833
Annuity Reserve Fund	23,578,968
Pension Accumulation Fund	17,241,975
DROP Fund Balance	2,386,399
Funding Deposit Account	0
NET MARKET VALUE OF ASSETS	$ 48,785,175
Adjustment for Deferral of Capital (Gains) Losses	11,707,578
NET ACTUARIAL VALUE OF ASSETS	$ 60,492,753

EXHIBIT VIII – Schedule A
PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$ 47,967,013
Present Value of Benefits Payable to Terminated Employees	698,688
Present Value of Benefits Payable to Current Retirees and Beneficiaries	23,656,490
TOTAL PENSION BENEFIT OBLIGATION	$ 72,322,191
NET ACTUARIAL VALUE OF ASSETS	$ 60,492,753
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation	83.64%

EXHIBIT VIII – Schedule B
ENTRY AGE NORMAL ACCRUED LIABILITIES

Accrued Liability for Active Employees	$ 47,558,882
Accrued Liability for Terminated Employees	698,688
Accrued Liability for Current Retirees and Beneficiaries	23,656,490
TOTAL Entry Age Normal Accrued Liability	$ 71,914,060
NET ACTUARIAL VALUE OF ASSETS	$ 60,492,753
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability	84.12%

EXHIBIT IX
COST OF LIVING ADJUSTMENTS - TARGET RATIO

1. Actuarial Value of Assets Divided by PBO as of Fiscal 1986 .... 109.22%

2. Amortization of Unfunded Balance over 30 years: .... (7.07%)

Adjustments in Funded Ratio Due to Changes in Assumption(s):

Changes for Fiscal 1988	1.27%
Changes for Fiscal 1990	(5.51%)
Changes for Fiscal 1995	(0.71%)
Changes for Fiscal 1997	(5.78%)
Changes for Fiscal 1998	(5.21%)
Changes for Fiscal 2001	2.53%
Changes for Fiscal 2005	0.15%
Changes for Fiscal 2006	0.59%
Changes for Fiscal 2007	4.16%
Changes for Fiscal 2009 ………………………………….	9.44%

3. TOTAL Adjustments 0.93%

Amortization of Adjustments in Funded Ratio over 30 years:

Changes for Fiscal 1988	(0.89%)
Changes for Fiscal 1990	3.49%
Changes for Fiscal 1995	0.33%
Changes for Fiscal 1997	2.31%
Changes for Fiscal 1998	1.91%
Changes for Fiscal 2001	(0.67%)
Changes for Fiscal 2005	(0.02%)
Changes for Fiscal 2006	(0.06%)
Changes for Fiscal 2007	(0.27%)
Changes for Fiscal 2009 ………………………………….	0.00%

4. TOTAL Amortization of Adjustments 6.13%

5. Target Ratio for Current Fiscal Year (Lesser of 100% or 1+2+3+4) 100.00%

6. Actuarial Value of Assets Divided by PBO as of Fiscal 2009 .... 83.64%

EXHIBIT X
CENSUS EXHIBIT

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2008	228	24	11	137	400
Additions to Census					
Initial membership	23	1			24
Death of another member				1	1
Omitted in error last year					
Change in Status during Year					
Actives terminating service	(5)	5			
Actives who retired	(3)			3	
Actives entering DROP	(2)		2		
Term. members rehired					
Term. members who retire					
Retirees who are rehired					
Refunded who are rehired	1				1
Omitted in error last year					
DROP participants retiring			(2)	2	
DROP returned to work	2		(2)		
Eliminated from Census					
Refund of contributions	(6)	(6)			(12)
Deaths				(5)	(5)
Included in error last year					
Adjustment for multiple Records					
Number of members as of June 30, 2009	238	24	9	138	409

ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
21 - 25	0	6	6	26,888	161,329
26 - 30	1	11	12	30,194	362,323
31 - 35	0	17	17	30,593	520,089
36 - 40	3	12	15	39,679	595,182
41 - 45	2	24	26	46,126	1,199,279
46 - 50	3	36	39	49,395	1,926,396
51 - 55	4	46	50	43,983	2,199,130
56 - 60	6	35	41	53,225	2,182,236
61 - 65	5	18	23	64,315	1,479,251
66 - 70	1	11	12	59,922	719,068
71 - 75	1	2	3	64,158	192,474
76 - 80	1	1	2	68,513	137,026
81 - 85	1	0	1	79,601	79,601
TOTAL	28	219	247	47,585	11,753,384

THE ACTIVE CENSUS INCLUDES 124 ACTIVES WITH VESTED BENEFITS, INCLUDING 9 DROP PARTICIPANTS AND 16 ACTIVE FORMER DROP PARTICIPANTS.

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	1	2	3	18,396	55,189
51 - 55	0	1	1	12,321	12,321
56 - 60	1	0	1	35,212	35,212
TOTAL	2	3	5	20,544	102,722

TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	5	188
100	-	499	3	1,033
500	-	999	3	1,881
1000	-	1999	2	2,061
2000	-	4999	2	6,719
5000	-	9999	4	29,924
		TOTAL	19	41,806

REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	0	1	1	49,325	49,325
56 - 60	0	7	7	28,784	201,488
61 - 65	4	6	10	37,802	378,017
66 - 70	1	19	20	21,040	420,806
71 - 75	3	16	19	20,541	390,272
76 - 80	4	13	17	22,277	378,704
81 - 85	5	15	20	18,644	372,883
86 - 90	4	6	10	16,748	167,480
91 - 99	1	5	6	15,606	93,638
TOTAL	22	88	110	22,296	2,452,613

DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
61 - 65	0	1	1	14,541	14,541
TOTAL	0	1	1	14,541	14,541

SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 25	1	0	1	23,828	23,828
51 - 55	0	1	1	5,440	5,440
56 - 60	1	0	1	5,440	5,440
61 - 65	3	3	6	13,748	82,485
66 - 70	1	1	2	4,703	9,405
71 - 75	0	2	2	13,651	27,301
76 - 80	3	5	8	10,950	87,602
81 - 85	0	5	5	12,614	63,070
86 - 90	0	1	1	5,621	5,621
TOTAL	9	18	27	11,489	310,192

ACTIVE MEMBERS:

Attained Ages	Completed Years of Service: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20												0
21 - 25	5		1									6
26 - 30	3	1	2	1	3	2						12
31 - 35	4	5	3			5						17
36 - 40	4	3	1	1		3	2	1				15
41 - 45	1	5	1			6	7	5	1			26
46 - 50	1	3	1	3	2	5	3	10	3	6	2	39
51 - 55	4	2	1	5	3	6	5	5	11	6	2	50
56 - 60	1		3	1	4	8	7	3	4	4	6	41
61 - 65			3			4	4	2	2	1	7	23
66 - 70		1				2	1	3		1	4	12
71 & Over									1	1	4	6
Totals	23	20	16	11	12	41	29	29	22	19	25	247

AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	Completed Years of Service: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20												0
21 - 25	27,238		25,139									26,888
26 - 30	34,644	22,625	26,716	31,234	30,398	29,954						30,194
31 - 35	34,259	23,726	27,288			36,511						30,593
36 - 40	28,505	43,352	57,474	28,992		47,869	35,874	49,287				39,679
41 - 45	27,238	38,044	24,950			44,607	43,494	63,835	65,600			46,126
46 - 50	34,091	48,174	31,900	40,934	27,609	33,662	52,697	54,650	58,051	61,120	62,046	49,395
51 - 55	27,238	44,119	37,378	39,841	30,995	35,997	39,179	48,550	46,349	63,923	62,187	43,983
56 - 60	27,238		45,997	25,765	30,363	48,276	58,897	78,323	58,391	56,956	62,490	53,225
61 - 65			67,122			50,811	63,451	37,139	76,488	89,257	72,047	64,315
66 - 70		26,988				47,150	29,466	63,990		61,674	78,668	59,922
71 & Over									42,562	79,601	71,735	68,184
Average	29,943	36,064	40,718	37,091	30,071	41,994	49,164	57,204	53,577	63,611	69,174	47,585

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

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

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

Attained Ages	Years Until Retirement Eligibility: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 45												0
46 - 50						29,375	12,907					18,396
51 - 55						12,321						12,321
56 - 60					35,212							35,212
61 & Over												0
Average	0	0	0	0	35,212	20,848	12,907	0	0	0	0	20,544

SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 50	1											1
51 - 55												0
56 - 60	1	2		3		1						7
61 - 65	1	1	3	1	1	3						10
66 - 70	1	2	3	3		6	4	1				20
71 - 75	1	1	2	1	1	2	7	4				19
76 - 80			2		2	3	1	4	5			17
81 - 85		1				3	3	5	4	4		20
86 - 90			1			1	1		4	3		10
91 & Over				1			1				4	6
Totals	5	7	11	9	4	19	17	14	13	7	4	110

AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 50	49,325											49,325
51 - 55												0
56 - 60	27,752	26,322		32,036		24,982						28,784
61 - 65	24,109	18,308	40,376	37,210	61,942	38,441						37,802
66 - 70	16,420	41,975	31,947	24,399		13,842	13,790	13,184				21,040
71 - 75	32,336	12,532	35,961	14,076	23,172	13,370	17,245	22,195				20,541
76 - 80			27,817		31,527	23,031	22,901	13,808	22,558			22,277
81 - 85		54,404				11,113	18,463	14,882	18,942	19,894		18,644
86 - 90			35,870			21,533	9,708		18,345	8,996		16,748
91 & Over				38,698			38,177				4,191	15,606
Average	29,988	31,691	34,581	28,810	37,042	19,687	17,768	16,543	20,149	15,224	4,191	22,296

DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 60												0
61 - 65						1						1
66 & Over												0
Totals	0	0	0	0	0	1	0	0	0	0	0	1

AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 60												0
61 - 65						14,541						14,541
66 & Over												0
Average	0	0	0	0	0	14,541	0	0	0	0	0	14,541

SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20				1								1
21 - 25												0
26 - 30												0
31 - 35												0
36 - 40												0
41 - 45												0
46 - 50												0
51 - 55							1					1
56 - 60							1					1
61 - 65				1	1		1	1	2			6
66 - 70						1			1			2
71 - 75								2				2
76 - 80							4	1	3			8
81 - 85									2	2	1	5
86 - 90								1				1
91 & Over												0
Totals	0	0	0	2	1	1	7	5	8	2	1	27

AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 20				23,828								23,828
21 - 25												0
26 - 30												0
31 - 35												0
36 - 40												0
41 - 45												0
46 - 50												0
51 - 55							5,440					5,440
56 - 60							5,440					5,440
61 - 65				34,510	9,028		16,540	10,751	5,828			13,747
66 - 70						6,315			3,090			4,703
71 - 75								13,651				13,651
76 - 80							11,169	4,466	12,821			10,950
81 - 85									19,728	10,061	3,493	12,614
86 - 90								5,621				5,621
91 & Over												0
Average	0	0	0	29,169	9,028	6,315	10,299	9,628	11,583	10,061	3,493	11,489

EXHIBIT XI
YEAR TO YEAR COMPARISON

	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Number of Active Members	247	239	230	225
Number of Retirees & Survivors	138	137	135	126
Number of Terminated Due Deferred Benefits	5	5	6	5
Number Terminated Due Refund	19	19	11	17
Active Lives Payroll	$ 11,753,384	$ 10,839,277	$ 9,430,860	$ 8,902,959
Retiree Benefits in Payment	$ 2,777,346	$ 2,695,681	$ 2,518,881	$ 2,162,474
Market Value of Assets	$ 48,785,175	$ 60,242,539	$ 62,716,995	$ 54,844,655
Pension Benefit Obligation				
Active Lives	$ 47,967,013	$ 43,896,804	$ 40,160,870	$ 39,280,982
Retired Lives	23,656,490	23,163,035	21,692,064	18,467,355
Terminated Members	698,688	636,269	838,839	607,159
	-----------------	-----------------	-----------------	-----------------
Total Pension Benefit Obligation (PBO)	$ 72,322,191	$ 67,696,108	$ 62,691,773	$ 58,355,496
Ratio of Actuarial Value of Assets to PBO	83.64%	95.92%	97.20%	91.65%
Actuarial Value of Assets	$ 60,492,753	$ 64,932,257	$ 60,936,774	$ 53,480,118
Present Value of Future Employer Normal Cost	$ 26,292,445	$ 16,438,175	$ 13,994,521	$ 16,412,560
Present Value of Future Employee Contributions	$ 5,826,743	$ 5,405,249	$ 4,677,700	$ 4,333,260
Present Value of Future Benefits	$ 92,611,941	$ 86,775,681	$ 79,608,995	$ 74,225,938

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	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Employee Contribution Rate	7.00%	7.00%	7.00%	7.00%
Proj. Tax Contribution as % of Proj. Payroll	16.84%	15.73%	16.24%	16.50%
Actuarially Req'd Net Direct Employer Cont.	10.57%	3.29%	2.40%	6.66%
Actual Net Direct Employer Contribution Rate	3.50%	2.00%	6.25%	11.25%

Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
227	226	228	223	220	217
122	123	120	120	120	114
5	3	4	5	6	3
17	15	22	27	15	13
$ 8,649,475	$ 8,126,228	$ 7,383,264	$ 6,866,296	$ 6,463,090	$ 6,126,927
$ 1,927,188	$ 1,856,787	$ 1,821,793	$ 1,784,121	$ 1,763,547	$ 1,646,957
$ 51,800,721	$ 48,120,814	$ 43,452,328	$ 42,693,069	$ 44,573,845	$ 42,582,065
$ 39,089,743	$ 36,671,827	$ 32,334,505	$ 29,763,804	$ 27,143,443	$ 27,024,458
16,454,333	15,484,661	15,294,575	14,911,890	14,934,682	14,024,834
536,729	330,301	349,429	479,915	549,377	197,379
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$ 56,080,805	$ 52,486,789	$ 47,978,509	$ 45,155,609	$ 42,627,502	$ 41,246,671
88.20%	87.04%	91.52%	97.67%	104.23%	104.78%
$ 49,464,963	$ 45,684,047	$ 43,910,040	$ 44,102,746	$ 44,429,312	$ 43,216,674
$ 18,089,990	$ 18,874,878	$ 15,282,702	$ 11,774,541	$ 8,520,539	$ 7,764,096
$ 4,177,183	$ 4,371,749	$ 4,063,877	$ 3,913,502	$ 3,794,683	$ 3,315,178
$ 71,732,136	$ 68,930,674	$ 63,256,619	$ 59,790,789	$ 56,744,534	$ 54,295,948

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Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
15.39%	16.18%	16.51%	16.93%	14.97%	15.92%
11.32%	10.81%	7.80%	2.91%	0.00%	0.00%
11.00%	8.25%	3.25%	0.00%	0.00%	0.00%

SUMMARY OF PRINCIPAL PLAN PROVISIONS

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

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

CONTRIBUTION RATES - The fund is financed by employee contributions of 7% of earnable compensation and revenue sharing funds as appropriated each year by the legislature. In addition, each sheriff and ex-officio tax collector remits the employers' share of the actuarially required contribution to fund the system's defined benefit and defined contribution plans up to a maximum of one-sixteenth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish. Should employee contributions and tax funds collected from ad valorem taxes and revenue sharing funds be insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee.

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

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

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

> **Option 1** - If the member dies before he has received in annuity payments the present value of his member's annuity as it was at the time of retirement the balance is paid to his beneficiary.
>
> **Option 2** - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

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

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

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

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

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

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

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

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

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

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

ACTUARIAL ASSUMPTIONS

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

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

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

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

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

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

ANNUITANT MORTALITY: 1994 Uninsured Pensioner Mortality Table (1-year setback for both Males and Females)

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

RATES OF RETIREMENT: The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. The rate of retirement for persons who have completed DROP participation and have remained employed is .20.

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

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

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

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

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

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

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

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

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

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

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

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

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

ACTUARIAL TABLES AND RATES

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES