



**ACTUARIAL
ASSOCIATES**

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October 4, 2010

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, 2010.

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.

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

	----- Prior Years -----		
	June 30, 2010	June 30, 2009	June 30, 2008
I. Membership Census			
1) Retirees	63,940	62,417	61,070
2) Actives	88,783	88,206	85,979
3) DROP	3,148	3,421	3,760
4) Terminated Vested	5,745	5,872	6,043
II. Annual Benefits ¹	\$1,411,612,932	\$1,356,438,672	\$1,305,367,272
III. Total Payroll	3,977,819,262	3,912,326,326	3,675,013,831
IV. Valuation Assets	12,868,483,556	12,721,895,269	15,122,891,581
VI. Investment Yield			
Market Value (Total Assets)	11.73%	-22.27%	- 4.98%
Market Value (Excl LaDROP Assets)	12.04%	-22.60%	
Actuarial Value	-0.89%	-12.31%	5.15%
DROP	0.00%	0.00%	4.65%
V. Experience Account	0	0	344,683,573
VII. Total Normal Cost	573,627,255	554,280,740	523,024,606
Total Normal Cost (% of Payroll)	14.42%	14.17%	14.23%
Employer Normal Cost (% of Payroll)	5.97%	5.70%	5.76%
VIII. Unfunded Actuarial Accrued Liability	10,806,358,327	10,117,515,390	6,967,624,778
IX. Funded Percentage	54.4%	55.7%	68.5%
X. Funding Requirements (Mid-year Pmt)			
1) Employee Contribution	326,560,359	321,220,363	301,761,728
Rate	7.98%	7.98%	7.99%
2) Employer Contribution	1,030,475,915	848,548,497	637,242,733 ²
Rate (Current Year) ³	22.8%	19.2%	15.5%
3) Projected Employer Contribution	1,102,316,189	920,113,803	654,947,115 ²
Rate (Next Year) ⁴	23.7%	20.2%	15.5%

The above funding requirements measure the cost of benefits that were in effect on June 30, 2010.

¹ Includes July 1, 2009, Minimum Benefit Increase per Act 144 of 2009 and all prior COLA's.

² This is the minimum required contribution rate and contribution, per Act 588 of 2004. Without regard to this minimum, the current year contribution rate (2008-2009) would be 13.8% and the projected rate (2009-2010) would be 14.1%.

³ Reflects the restated current year employer contribution rate as determined by the current year valuation.

⁴ Reflects the projected employer contribution rate, to be paid by the employer, for the fiscal year following the valuation.

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Current Funding

The Actuarial Valuation for the plan year ending June 30, 2010, discloses an increase in the value of the plan's unfunded accrued liability resulting from an investment loss relative to the assumed actuarial rate, and an experience gain. 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. Act 497 of the 2009 Legislative Session revised the amortization of the initial UAL and other schedules, as described on page 4 of this report.

The following gain/loss analysis is presented to assist the Board of Trustees in reconciling changes in the unfunded actuarial accrued liability:

CHANGE IN UNFUNDED LIABILITY

Unfunded Liability - 6/30/2009		\$ 10,117,515,390
INCREASES		
Interest on Unfunded Liability	\$ 834,695,020	
Employer Shortfall Deficit	148,936,071	
Investment Loss	1,183,556,533	
Total Increases	2,167,187,624	
DECREASES		
Employer Amortization Payment	644,193,676	
Experience Gain ¹	32,649,656	
IUAL Account Distribution	405,762,423	
Employer Credit Account Distribution	101,709,628	
IUAL Sub-Account Distribution	294,029,304	
Total Decreases	1,478,344,687	
Unfunded Liability - 6/30/2010		\$ 10,806,358,327

¹ Reflects experience gain/loss, other than investment gain/loss

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The employer contribution rate established by the Public Retirement Systems' Actuarial Committee for the 2010/2011 plan year was 20.2%. The employer contribution rate determined by this valuation for the current plan year is 22.8%. The current employer contribution rate of 20.2% is less than the required employer's contribution of 22.8%. Therefore, an employer contribution deficit of 2.6% is expected in next year's valuation.

Since the contribution rate is attributable to many factors, the following sections address the source and respective impact to the required employer contribution rate.

Legislative Changes

Act 497 of 2009 provides that effective July 1, 2010, all TRSL amortization payment schedules established on or before July 1, 2008, will be consolidated into two amortization schedules, the Original Amortization Base (OAB) and the Experience Account Amortization Base (EAAB). The OAB will consist of the outstanding balance of the Initial Unfunded Accrued Liability and schedules with negative outstanding balances. The outstanding balance of this schedule will be credited with funds from the Initial UAL account, excluding the subaccount of this fund, and the balance of the Employer Credit Account. The Initial UAL fund will be credited interest at 8.25% in plan year 2008/2009 and 2009/2010. The OAB payment schedule will increase by seven percent for three years, six and one-half percent for four years, and then two percent until paid off in plan year 2028/2029. The EAAB will consist of the 2004 schedule and all remaining schedules. The outstanding balance of this schedule will be credited with the balance of funds from the Initial UAL subaccount, which were transferred from the Employee Experience Account on June 30, 2009. The EAAB payment schedule will increase by seven percent for three years, six and one-half percent for four years, then will be level until paid off in plan year 2039/2040.

Act 497 also revised the provisions regarding amortization of contribution variances. Previously, any contribution variance relative to the actuarially required contribution was amortized with level payments for five years. The act specifies that in any year from plan year 2009/2010 through 2039/2040 that the system receives an overpayment of contributions, the surplus will be credited to the EAAB. The EAAB will then be re-amortized according to the new payment schedule. Similarly, any overpayment resulting from the statutory minimum contribution of 15.5% exceeding the actuarially calculated contribution from plan year 2009/2010 through 2039/2040 will be credited to the EAAB and the EAAB will be re-amortized. The act changes the provisions for crediting the Employee Experience Account and for granting future permanent benefit increases. The first \$100,000,000 of investment gain above the actuarially assumed investment rate will be used to reduce and re-amortize the OAB. The next \$100,000,000 of excess investment return will be used to reduce and re-amortize the EAAB. Fifty percent of any excess return above \$200,000,000 will be credited to the Employee Experience Account.

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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 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:

- **Employer Credit Account:**
 This account, established by Act 588 of 2004, is credited with the excess of the contributions at the statutory minimum rate of 15.5% over the Actuarially Required Contribution (ARC). The balance of this account prior to liquidating it per Act 497 of 2009 was \$101,709,628. The current balance is \$0.
- **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 \$107,621.
- **Initial UAL Amortization Fund:**
 This fund, originally established as the Texaco Settlement Fund, accumulates Texaco Settlement contributions as a separate account which earns TRSL's actuarial rate of return. The fund also includes legislative appropriations resulting from Act 642 of 2006 and Act 7 of the Second Extraordinary Session of 2008. As indicated above, Act 497 of 2009 specifies that these funds be liquidated July 1, 2010, and used to reduce the initial outstanding balance of the Original Amortization Base. It requires that the account be credited interest at the assumed actuarial rate of return of 8.25% for plan year 2008/2009 and 2009/2010. The Act further requires funds in the IUAL Amortization Fund Sub-account be liquidated July 1, 2010, and used to reduce the initial outstanding balance of the Experience Account Amortization Base. The balance prior to liquidizing the account is shown below. The current balance is \$0.

Texaco Settlement Fund	\$	321,023,861
Legislative Appropriations (2006)		37,472,491
Legislative Appropriations (2008)		47,266,071
Subtotal		405,762,423
Sub-Account		294,029,304
Total	\$	699,791,727
Disbursements:		
To Reduce OAB Outstanding Balance		(405,762,423)
To Reduce EAAB Outstanding Balance		(294,029,304)
Current Balance	\$	-

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- **Experience Account Fund:**

The fund accumulates 50% of the excess investment gain relative to the actuarial valuation rate of 8.25% after such excess return exceeds \$200,000,000. The account is used to fund permanent benefit increases for retirees. The benefit increase granted must be funded at 100% of the actuarial cost. The account balance is restricted to the reserve for two permanent benefit increases. The current balance is \$0.

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>5 YEAR AVERAGE</u>
15.65%	15.20%	5.15%	-12.31%	-0.89%	4.02%

The net actuarial rate of return assumed in the valuation was 8.25%. For the plan year ending June 30, 2010, 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 gain of \$1,183,556,533 relative to projected investment income.

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 a thirty year period with level payments. During the 2009/2010 plan year, the system incurred an experience gain in the amount of \$32,649,656.

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. For many years the system has exhibited properties of an aging population which was indicative of the problem the state faced in its ability to attract and retain graduates to the profession. The average age of active members continues to slightly increase. 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. Therefore, if this shift continues in the absence of other changes, funding requirements will increase.

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Funding as a Percentage of Payroll

Act 81 of 1987 requires the employee to contribute 8% of payroll beginning in 1989. Per constitutional provisions, the employer contribution rate cannot drop below 11.8%, without regard to employer credits, and without a corresponding adjustment to the employee contribution rate. Per statutory provisions, the employer contribution rate cannot drop below 15.5%. The employer pays a percentage of the normal cost plus a dollar amount sufficient to amortize the Original Amortization Base, which includes the Initial Unfunded Accrued Liability (IUAL), the Experience Account Amortization Base, and any other UAL amortization payments according to the schedules shown in Exhibit A, as required by statute. Beginning July 1, 2010, payments to amortize the Original Amortization Base and Experience Account Amortization Base will increase as shown in the following table.

<u>Plan Year</u>	<u>Original Amortization Base</u>	<u>Experience Account Amortization Base</u>
2011/2012 – 2013/2014	7.0%	7.0%
2014/2015 – 2017/2018	6.5%	6.5%
2018/2019 +	2.0%	Level Payments

If aggregate payroll increases at the same rate as the increase in amortization payments, this would allow the employer contribution rate attributable to the amortization payments to maintain a level percentage of payroll. During the last 10 years the aggregate salaries from all sources, including ORP participants, has increased at an annualized rate of 4.62%. If the trend continues at the average rate, the percentage of pay required to amortize the unfunded liability can be expected to increase through Plan Year 2017/2018 in the absence of other experience gains or losses.

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,



Shelley R. Johnson, FCA, MAAA, ASA
 Actuary

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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.

	June 30, 2010		---- Prior Year ---- June 30, 2009	
	Dollar Amount	% of Salary	Dollar Amount	% of Salary
I. Normal Costs (annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	441,892,419	11.11%	424,732,146	10.86%
b) Disability Benefits	15,243,169	0.38%	16,241,041	0.42%
c) Survivor Benefits	11,396,057	0.29%	12,176,749	0.31%
d) Voluntary Termination	86,495,610	2.17%	82,330,804	2.10%
e) Expenses	18,600,000	0.47%	18,800,000	0.48%
TOTAL	573,627,255	14.42%	554,280,740	14.17%
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	6,393,120,882		6,250,518,009	
2) Disability Benefits	170,123,666		184,006,539	
3) Survivor Benefits	127,303,469		136,755,767	
4) Voluntary Termination	480,249,650		444,991,498	
	7,170,797,667		7,016,271,813	
b) Retired and Inctive Members				
1) Regular Retirees	11,515,108,372		10,876,747,521	
2) Disability Benefits	348,734,460		396,701,345	
3) Survivors	730,897,716		691,675,996	
4) Vested Deferred ¹	308,185,353		311,022,583	
5) Contributions Refunded ²	104,233,361		81,503,321	
6) DROP Deferred Benefits	2,293,932,689		2,244,008,831	
7) DROP Account Balances	1,202,952,265		1,221,479,249	
	16,504,044,216		15,823,138,846	
c) Total	23,674,841,883		22,839,410,659	

¹ Includes pending Retirement/Drop applications.

² Includes terminated employee and rehired retiree contributions to be refunded.

Exhibit 1 (Continued)
Costs, Liabilities & Contributions

	June 30, 2010	---- Prior Year ---- June 30, 2009
II. Actuarial Accrued Liability	23,674,841,883	22,839,410,659
III. Valuation Assets	12,868,483,556	12,721,895,269
IV. Unfunded Actuarial Accrued Liabilities - Projected Unit Credit ¹	10,806,358,327	10,117,515,390
a) Change over prior year	688,842,937	3,149,890,612
b) Funded Percentage	54.4%	55.7%
V. Employer Contributions To Fund Current Plan Year ¹		
a) Employer Portion of Normal Cost	244,118,740	229,439,049
b) Amortization Payments	799,404,977	675,769,233
c) Prior Contribution Variance	-13,047,802	-56,659,785
Total Required Contribution	<u>1,030,475,915</u>	<u>848,548,497</u>
Total Contribution Rate	22.8%	19.2%
PERSAC Approved rate ¹	20.2%	15.5%
Employer Normal Cost Rate	5.9687%	5.7029%
VI. Projected Employer Contributions To Fund Next Plan Year ¹		
a) Employer Portion of Normal Cost	250,637,186	235,613,642
b) Amortization Payments	830,093,344	696,108,145
c) Prior Contribution Variance	21,585,659	-11,607,984
Total Required Contribution	<u>1,102,316,189</u>	<u>920,113,803</u>
Total Contribution Rate	23.7%	20.2%
VII. Current Payroll	3,977,819,262	3,912,326,326
Projected Payroll - Mid Year	4,089,994,310	4,023,224,649
Projected Payroll - Next Year	4,199,205,127	4,131,496,438
ORP - Salary Adjustment Factor ²	1.14175	1.14402

¹ Dollar Amounts reflect estimated payments due mid-year on January 1st per Act 81. Constitutional Minimum is 11.8% without regard to the statutory minimum of 15.5%.

² The 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**

	June 30, 2010	June 30, 2009	June 30, 2008
		----- Prior Years -----	
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 347,114,632	\$ 344,547,871	\$ 323,678,452
Employer	662,664,553	656,009,533	652,599,472
Legis Appropriations	0	0	40,000,000
Other Appropriations	40,721	31,455	50,000
ORP - Unfunded	61,339,786	54,447,510	57,569,465
LSU Coop/Ext	2,043,862	2,038,819	1,514,978
Miscellaneous	478,777	2,175,905	1,927,127
TOTAL CONTRIBUTIONS	1,073,682,331	1,059,251,093	1,077,339,494
2. Investment Income			
Investments	1,316,449,865	-3,261,533,703	-760,773,536
Less Advisor Fees	-27,145,172	-26,318,814	-32,881,518
TOTAL INVESTMENT INCOME	1,289,304,693	-3,287,852,517	-793,655,054
3. Total Revenues	2,362,987,024	-2,228,601,424	283,684,440
<u>OPERATING EXPENSES:</u>			
1. General Administration	18,557,523 ³	18,780,525 ²	17,952,266 ¹
Other Expenses	543,096	540,725	545,737
2. Benefits Paid			
a) Pension Benefits	1,532,526,141	1,464,106,312	1,383,381,577
b) Return of Contrib.	40,210,177	33,939,436	34,285,358
TOTAL BENEFITS PAID	1,572,736,318	1,498,045,748	1,417,666,935
3. Total Expenses	1,591,836,937	1,517,366,998	1,436,164,938
<u>NET MARKET VALUE INCREASE:</u>	771,150,087	-3,745,968,422	-1,152,480,498

¹ The 2008 General Administration operating expense includes \$2,285,378 for OPEB.

² The 2009 General Administration operating expense includes \$2,502,048 for OPEB.

³ The 2010 General Administration operating expense includes \$1,813,334 for OPEB.

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

ASSETS:	---Prior Years---		
	June 30, 2010	June 30, 2009	June 30, 2008
1. Short Term Assets			
Cash in Banks	\$ 148,062,856	\$ 131,091,325	\$ 36,087,141
Short Term Securities	711,989,220	665,288,191	624,681,156
			-
2. Bonds			
Domestic issues	1,319,516,370	1,422,286,805	2,068,620,083
Foreign Issues	569,848,847	626,067,234	791,074,725
3. Equities (at market)			
Domestic	3,203,068,233	3,151,788,583	4,488,267,744
International	3,189,810,406	2,555,387,559	3,568,846,836
Private Equity	2,749,023,532	2,552,104,029	3,223,390,354
4. Other Assets			
Real Estate Trust	-	-	-
Fixtures/Properties	4,249,381	4,435,754	4,643,492
Receivables less Payables	125,862,539	141,831,817	190,638,188
TOTAL ASSETS - Market Value	12,021,431,384	11,250,281,297	14,996,249,719
Cost Value	13,258,187,814	13,435,394,835	14,926,129,442
ACTUARIAL VALUE OF ASSETS:			
TOTAL ASSETS	\$ 12,021,431,384	\$ 11,250,281,297	\$14,996,249,719
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	(1,723,242,864)	757,785,376	230,352,613
Plan Year - 1 (wt. 2/4)	(2,255,233,815)	(1,723,242,864)	757,785,376
Plan Year (wt. 3/4)	948,357,108	(2,255,233,815)	(1,723,242,864)
Preliminary Actuarial Value of Assets	12,868,591,177	13,613,881,746	15,852,201,026
CORRIDOR LIMITS			
Minimum = 80% of Market Value	9,617,145,107	9,000,225,038	11,996,999,775
Maximum = 120% of Market Value	14,425,717,661	13,500,337,556	17,995,499,663
Actuarial Value of Assets	12,868,591,177	13,500,337,556	15,852,201,026
INVESTMENT YIELD:			
Yield to Actuarial Value	-0.89%	-12.31%	5.15%
Five Year Actuarial Value	4.02%	6.18%	11.08%
Yield to Market Value	11.73%	-22.27%	-4.98%
DROP Account Yield	0.00%	0.00%	4.65%

EXHIBIT 2 (Continued)
Financial Summary

**FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING**

	---- Prior Years ----		
	June 30, 2010	June 30, 2009	June 30, 2008
<u>EMPLOYER CREDIT ACCOUNT</u> ¹ :			
Prior Year Ending Balance	\$ 107,377,279	\$ 38,671,113	\$ -
+ Contributions	-	73,369,124	37,712,521
- Disbursements	101,709,628 ⁵	-	-
+ Prior Year Interest Adjustment	(4,759,266)		
+ Accumulated Interest	(908,385)	(4,662,958)	958,592
Account Balance - Year End	-	107,377,279	38,671,113
<u>LSU AG/EXT SERVICE:</u>			
Prior Year Ending Balance	\$ (428,586)	\$ (316,156)	\$ (409,216)
+ Contributions	2,043,862	2,038,819	1,514,978
- Benefit Disbursements	1,504,538	2,104,839 ²	1,403,679
+ Accumulated Interest	(3,117)	(46,410)	(18,239)
Account Balance - Year End	107,621	(428,586)	(316,156)
<u>INITIAL UAL AMORTIZATION FUND:</u>			
Prior Year Ending Balance	\$ 671,493,594	\$ 346,270,915	\$ 290,955,593
+ Primary Account Allocation	-	-	40,000,000
- Primary Account Disbursements	405,762,423 ⁵	-	-
+ Primary Account Accumulated Interest	30,924,157	28,567,351	15,315,322
+ Subaccount Allocation ³	-	296,655,328	-
- Subaccount Disbursements	294,029,304 ⁵	-	-
+ Subaccount Accumulated Interest	(2,626,024)	-	-
Fund Balance - Year End	-	671,493,594	346,270,915
<u>EXPERIENCE ACCOUNT FUND:</u>			
Prior Year Ending Balance	\$ -	\$ 344,683,573	\$ 617,106,814
+ Experience Account Allocation	-	-	-
- Benefit Disbursements	-	5,607,925 ⁴	304,193,697
+ Accumulated Interest	-	(42,420,320)	31,770,456
- Disbursements to IUAL Subaccount	-	296,655,328 ³	n/a
Fund Balance - Year End	-	-	344,683,573

¹ The Employer Credit Account was created by Act 588 of 2004.

² Includes \$1,361,189 for benefits paid in FY 08/09 and \$743,650 for outstanding balance of benefits paid in prior years.

³ Experience Account balance allocated to IUAL Subaccount, per Act 497 of 2009.

⁴ Disbursement for 2009 Minimum Benefit Increase, per Act 144 of 2009.

⁵ Disbursement to valuation assets, to reduce OAB and EAAB, per Act 497 of 2009.

EXHIBIT 2 (Continued)
Financial Summary

**FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING**

**DEVELOPMENT OF
VALUATION ASSETS:**

Actuarial Value of Assets	\$ 12,868,591,177	\$ 13,500,337,556	\$ 15,852,201,026
- Employer Credit Account	-	107,377,279	38,671,113
- LSU Ag/Ext Service Account	107,621	(428,586)	(316,156)
- Initial UAL Amortization Fund	-	671,493,594	346,270,915
- Experience Account Fund	-	-	344,683,573
Valuation Assets	\$ 12,868,483,556	\$ 12,721,895,269	\$ 15,122,891,581

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 ¹ (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) ² (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll (b-a)/(c)
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%
2003	11,826,926	17,196,812	5,369,886	68.8%	2,977,885	180.3%
2004	11,409,404	18,067,486	6,658,082	63.1%	3,017,087	220.7%
2005	12,082,682	18,699,765	6,617,083	64.6%	3,132,169	211.3%
2006	13,088,358	19,390,781	6,302,423	67.5%	2,892,959	217.9%
2007	14,812,298	20,772,330	5,960,032	71.3%	3,224,566	184.8%
2008	15,507,834	22,090,516	6,582,683	70.2%	3,675,014	179.1%
2009	13,500,766	22,839,411	9,338,645	59.1%	3,912,326	238.7%
2010	12,868,484	23,674,842	10,806,358	54.4%	3,977,819	271.7%

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by \$835,431,224 from June 30, 2009, to June 30, 2010. There was a net experience loss to the fund from all sources of \$1,150,854,854.

¹ The Actuarial Value of Assets for GASB reporting includes the Initial UAL Amortization Fund Assets and the Employer Credit Account Assets in the Valuation Assets (see page 12).

² UAAL differs from the UFAL for funding purposes. UFAL for funding purposes excludes the Initial UAL Amortization Fund Assets and the Employer Credit Account Assets (see page 12).

EXHIBIT 3 (Continued)
Pension Accounting & Financial Disclosure

SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year	Actuarial Required Contribution	Percent Contributed	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation ¹
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
2003	479,077,364	98.0	506,747,733	469,346,469	92.6	-57,626,822
2004	527,899,270	94.4	554,174,817	498,236,803	89.9	-1,688,806
2005	555,169,630	105.6	568,930,106	586,216,595	103.0	-18,975,295
2006	555,342,400	103.1	567,282,575	572,773,243	101.0	-24,465,963
2007	578,895,501	106.5	584,362,449	616,429,526	105.5	-56,533,040
2008	637,097,695	116.2	644,186,660	740,511,169	115.0	-152,857,540
2009	697,190,561	106.4	724,857,452	741,595,487	102.3	-169,595,575
2010	904,382,657	83.5	949,341,710	755,446,587	79.6	24,299,548

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) Actuarial Required Contribution	904,382,657
(2) Interest on Net Pension Obligation	-13,991,635
(3) Amortization of Net Pension Obligation	<u>-58,950,688</u>
(4) Annual Pension Cost (1)+(2)-(3)	949,341,710
(5) Employer Contribution	755,446,587
(6) Increase (decrease) in Net Pension Obligation	193,895,123
(7) Net Pension Obligation Beginning of Year	-169,595,575
(8) Net Pension Obligation End of Year (6)+(7)	24,299,548

¹ Actuarial Contributions, the Annual Pension Cost (APC), and the actual employer contribution 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				
Fiscal Year	Members Contribution	Employer Contribution ¹	Investment Income	Total
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
2003	251,297,406	451,337,304	226,342,205	928,976,915
2004	264,999,131	479,348,663	1,741,769,825	2,486,117,619
2005	270,619,181	564,922,509	1,138,249,695	1,973,791,385
2006	258,412,024	579,277,431 ²	1,740,872,434	2,578,561,889
2007	282,326,101	593,819,853	2,622,473,864	3,498,619,818
2008	323,678,452	753,661,042 ³	-793,655,054	283,684,440
2009	344,547,871	714,703,222	-3,287,852,517	-2,228,601,424
2010	347,114,632	726,567,699	1,289,304,693	2,362,987,024

Expenses by Type				
Fiscal Year	Benefits	Refunds	Administrative Expenses	Total
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
2003	1,003,327,453	22,287,120	11,178,783	1,036,793,356
2004	1,075,298,667	26,714,645	11,385,025	1,113,398,337
2005	1,139,814,334	30,391,992	12,717,185	1,182,923,511
2006	1,204,472,977	38,556,907	13,831,845	1,256,861,729
2007	1,295,552,338	47,579,251	14,370,760	1,357,502,349
2008	1,383,381,577	34,285,358	18,498,003 ⁴	1,436,164,938
2009	1,464,106,312	33,939,436	19,321,250	1,517,366,998
2010	1,532,526,141	40,210,177	19,100,619	1,591,836,937

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

² Includes \$26,400,000 legislative appropriation from Act 642 of 2006.

³ Includes \$40,000,000 legislative appropriation from Act 7 of 2008 (2nd Extraordinary Session).

⁴ Includes OPEB expense, beginning in 2008.

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, records identified as containing suspicious data were assumed to possess the same characteristics of "good data" in the same cohort 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

Suspicious data are not necessarily errors, but data which fall outside the parameters of the editing process for further checking.

The Terminated Vested status is overstated. It contains a number of retirement and DROP applications awaiting final certification.

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

Active Members	2010		2009	
	Census	Avg. Salary	Census	Avg. Salary
TRS - Regular Plan	77,173	43,353	76,566	43,128
TRS - University Plan	6,527	59,765	6,750	59,527
TRS - Plan A	113	24,563	144	24,835
TRS - Plan B	1,234	18,895	1,259	19,273
TRS - Post DROP	3,736	57,810	3,487	51,771
Total	88,783	44,804	88,206	44,354

EXHIBIT 4 (Continued)
Census Data

	2010 Census	2009 Census
Retired and Inactive Members		
Regular Retirees	54,381	53,009
Disability Retirees	3,943	3,959
Survivors	5,616	5,449
DROP Participants	3,148	3,421
Vested & Reciprocals	5,745	5,872
Due Refunds	16,502	10,905
Total	89,335	82,615
Total Actives and Inactives	178,118	170,821

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	\$3,977,819,262
Actual Salaries for which contributions were received	\$4,350,161,733

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 ratio of males to females has declined from 0.406 to 0.211 during the last thirty years. The decline in male teachers has resulted in increased funding (although offset by experience gains) since funding requirements for females is approximately 1% of payroll greater than their male counterparts. However, there appears to be a change in the shifting demographics. The table below shows an increase in the percentage of male teachers, which we have seen for three consecutive years. Additionally, the table below shows an increase in the percentage of members below age forty, which could offset any accelerated funding caused by the increase in the average age of the active membership.

EXHIBIT 4 (Continued)
Employee Census

Demographic Change

Active Participants

Males							
Age Group	1979		2009		2010		30 Year % Change
	Number	%	Number	%	Number	%	
[20 - 29)	2,900	15%	1,984	14%	2,027	14%	-1%
[30 - 39)	7,035	36%	3,788	26%	3,826	26%	-10%
[40 - 49)	5,719	29%	3,735	26%	3,930	27%	-2%
[50 - 59)	3,316	17%	3,589	25%	3,406	23%	6%
[60 +)	739	4%	1,525	10%	1,619	11%	7%
Total	19,709	100%	14,621	100%	14,808	100%	
Females							
Age Group	1979		2009		2010		30 Year % Change
	Number	%	Number	%	Number	%	
[20 - 29)	12,150	25%	8,953	13%	8,737	12%	-13%
[30 - 39)	17,302	36%	18,085	26%	18,199	26%	-10%
[40 - 49)	11,604	24%	20,807	30%	20,815	30%	6%
[50 - 59)	6,446	13%	18,208	26%	18,026	26%	12%
[60 +)	1,024	2%	4,045	6%	4,462	6%	4%
Total	48,526	100%	70,098	100%	70,239	100%	
Distribution by Sex							
	1979		2009		2010		% Change from 1979
Males (%)	29%		17.3%		17.4%		-11.6%
Females (%)	71%		82.7%		82.6%		11.6%
Ratio of Males to Females:	0.406		0.209		0.211		

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ALL ACTIVE MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19):	2	1	0	0	0	0	0	0	0	3
:	16162	18041	0	0	0	0	0	0	0	34203
[20 - 24):	1129	1057	2	0	0	0	0	0	0	2188
:	49139339	40001849	35896	0	0	0	0	0	0	89177084
[25 - 29):	1462	5612	1496	3	0	0	0	0	0	8573
:	61317273	225614193	65763891	71993	0	0	0	0	0	352767350
[30 - 34):	1036	4013	4389	1068	4	0	0	0	0	10510
:	44324726	155519974	198674301	52136195	124897	0	0	0	0	450780093
[35 - 39):	823	3296	3001	3451	941	3	0	0	0	11515
:	34169521	124360277	129572789	172239592	49710664	133639	0	0	0	510186482
[40 - 44):	637	2743	2520	2381	2825	876	14	0	0	11996
:	26326079	96056622	101833088	109269776	148559273	48059067	469136	0	0	530573041
[45 - 49):	509	2314	2313	2253	2107	2335	911	7	0	12749
:	20233290	80151019	85160835	93285910	98994414	127944591	50560206	284381	0	556614646
[50 - 54):	362	1786	1860	2089	2182	1810	2154	182	4	12429
:	15139200	63601778	70342022	83334585	95876680	92280550	122515484	11925229	135764	555151292
[55 - 59):	267	1260	1398	1563	1920	1833	496	222	44	9003
:	12012244	50673536	58061528	64640929	82971142	90125586	31170801	17367614	3311490	410334870
[60 - 64):	142	686	740	658	800	832	374	161	56	4449
:	6255380	27930099	32034641	29075619	38438765	44296611	23938315	13875016	4734790	220579236
[65 - 69):	28	178	196	156	190	195	171	78	49	1241
:	1199118	7393397	9218677	5937528	9040410	11104275	11833749	5603502	4765174	66095830
[70 - 74):	13	51	65	48	36	43	50	50	35	391
:	589234	1920805	2642258	1904701	1407095	2298541	3395964	2780863	2606895	19546356
Total	6410	22997	17980	13670	11005	7927	4170	700	188	85047
:	270721567	873241590	753339926	611896828	525123340	416242860	243883655	51836605	15554113	3761840484

AVERAGES --- Attained Age 43.90
Service Years 10.34
Active Salary 44,232

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - TEACHERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2010

Age/Years	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19)	1	1	0	0	0	0	0	0	0	2
	1125	18041	0	0	0	0	0	0	0	19166
[20 - 24)	1054	999	2	0	0	0	0	0	0	2055
	46311343	38018930	35896	0	0	0	0	0	0	84366169
[25 - 29)	1306	5087	1448	3	0	0	0	0	0	7844
	54862792	206020283	63626586	71993	0	0	0	0	0	324581654
[30 - 34)	911	3516	4136	1040	4	0	0	0	0	9607
	37889197	132677016	186688346	50777327	124897	0	0	0	0	408156783
[35 - 39)	740	2890	2778	3342	918	3	0	0	0	10671
	29892851	104482885	118195886	166552507	48433012	133639	0	0	0	467690780
[40 - 44)	554	2375	2281	2239	2741	855	14	0	0	11059
	21795749	78588182	88611565	102014461	144224421	46779482	469136	0	0	482482996
[45 - 49)	443	2011	2047	2098	2001	2266	870	6	0	11742
	16880065	66658831	72666494	85907491	93388215	123673306	48859334	267369	0	508301105
[50 - 54)	307	1488	1655	1950	2043	1683	2004	159	4	11293
	12013835	49411960	59973721	77858140	89196286	85227700	115025626	10814090	135764	499657122
[55 - 59)	220	1066	1192	1436	1812	1676	345	177	42	7966
	8933428	39620375	46632559	59738590	78037773	80720955	20404849	12892773	3199132	350180434
[60 - 64)	124	568	613	586	720	748	273	73	33	3738
	5088211	21326513	24535324	25169484	33634179	38177267	14654597	4630957	2447696	169664228
[65 - 69)	24	140	146	134	166	156	106	35	17	924
	1023219	5041497	5657428	5105427	7334934	7763830	5303407	1602685	1137651	39970078
[70 - 74)	11	42	51	39	29	29	29	30	12	272
	348253	1347619	1777600	1537766	1032017	1164929	1313582	1339387	733267	10594420
Total	5695	20183	16349	12867	10434	7416	3641	480	108	77173
	235040069	743212132	668401405	574733186	495405734	383641108	206030531	31547261	7653510	3345664936

AVERAGES --- Attained Age 43.65
Service Years 10.42
Active Salary 43,353

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LSU/UNV

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2010

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):	73	57	0	0	0	0	0	0	0	130
:	2776743	1967027	0	0	0	0	0	0	0	4743770
[25 - 29):	151	510	48	0	0	0	0	0	0	709
:	6364627	19326792	2137305	0	0	0	0	0	0	27828724
[30 - 34):	121	479	239	26	0	0	0	0	0	865
:	6367451	22549304	11759736	1315749	0	0	0	0	0	41992240
[35 - 39):	74	369	201	104	22	0	0	0	0	770
:	4038702	19291964	10942152	5600914	1257134	0	0	0	0	41130866
[40 - 44):	71	310	202	117	75	18	0	0	0	793
:	4323464	16510168	12504914	6712856	4141457	1217380	0	0	0	45410239
[45 - 49):	50	225	185	98	80	56	22	0	0	716
:	3054290	12210768	10997529	6248175	5071681	3961302	1242705	0	0	42786450
[50 - 54):	44	223	152	79	93	81	87	10	0	769
:	2931642	13018951	9378660	4336087	5708614	6057254	5988501	738617	0	48158326
[55 - 59):	41	157	167	71	74	103	110	44	2	769
:	2970377	10391283	10759286	3878085	4292239	8162373	9804931	4445809	112358	54816741
[60 - 64):	17	97	104	59	72	76	94	85	23	627
:	1152814	6202853	7069766	3651026	4614849	5908429	9141673	9169749	2287094	49198253
[65 - 69):	3	33	42	15	20	38	56	40	32	279
:	151389	2287486	3425107	709618	1647031	3324345	6334057	3864407	3627523	25370963
[70 - 74):	2	9	14	8	4	11	19	13	20	100
:	240981	573186	864658	352259	320777	1081776	2043726	1318079	1851428	8646870
Total	647	2469	1354	577	440	383	388	192	77	6527
Total	34372480	124329782	79839113	32804769	27053782	29712859	34555593	19536661	7878403	390083442

AVERAGES --- Attained Age 45.46
Service Years 9.12
Active Salary 59,765

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LUNCH PLAN A

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2010

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
[20 - 24):	0	0	0	0	0	0	0	0	0	0
[25 - 29):	0	0	0	0	0	0	0	0	0	0
[30 - 34):	0	0	0	0	0	0	0	0	0	0
[35 - 39):	0	0	0	0	0	0	0	0	0	0
[40 - 44):	0	0	0	0	0	0	0	0	0	0
[45 - 49):	0	0	0	0	0	2	11	0	0	13
[50 - 54):	0	0	0	1	1	2	45	5	0	54
[55 - 59):	0	0	0	1	0	7	9	1	0	18
[60 - 64):	0	0	0	0	2	3	2	1	0	8
[65 - 69):	0	0	0	0	2	0	6	2	0	10
[70 - 74):	0	0	0	0	0	0	2	5	3	10
Total	0	0	0	2	5	14	75	14	3	113
Total	0	0	0	29303	73142	367228	1845829	437904	22200	2775606

AVERAGES --- Attained Age 56.80
Service Years 27.32
Active Salary 24,563

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LUNCH PLAN B

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
:[0 - 19):	1	0	0	0	0	0	0	0	0	1
:	15037	0	0	0	0	0	0	0	0	15037
:[20 - 24):	2	1	0	0	0	0	0	0	0	3
:	51253	15892	0	0	0	0	0	0	0	67145
:[25 - 29):	5	15	0	0	0	0	0	0	0	20
:	89855	267118	0	0	0	0	0	0	0	356973
:[30 - 34):	4	18	14	2	0	0	0	0	0	38
:	68078	293654	226219	43119	0	0	0	0	0	631070
:[35 - 39):	9	37	22	5	1	0	0	0	0	74
:	237969	585428	434751	86171	20518	0	0	0	0	1364837
:[40 - 44):	12	58	37	25	9	3	0	0	0	144
:	206865	958272	716609	542459	193395	62205	0	0	0	2679805
:[45 - 49):	16	78	81	57	26	11	8	1	0	278
:	298934	1281420	1496812	1130244	534518	252295	200180	17012	0	5211415
:[50 - 54):	11	75	53	59	45	44	18	8	0	313
:	193722	1170867	989641	1126259	957590	940136	358722	197759	0	5934696
:[55 - 59):	6	37	39	55	34	47	32	0	0	250
:	108439	661878	669683	1009050	641130	1085399	754413	0	0	4929992
:[60 - 64):	1	21	23	13	6	5	5	2	0	76
:	14354	400733	429551	255109	151084	113694	101567	48646	0	1514738
:[65 - 69):	1	5	8	7	2	1	3	1	0	28
:	24510	64414	136142	122483	38146	16100	36820	17315	0	455930
:[70 - 74):	0	0	0	1	3	3	0	2	0	9
:	0	0	0	14676	54301	51836	0	34047	0	154860
:[Total :	68	345	277	224	126	114	66	14	0	1234
:[Total :	1309018	5699676	5099408	4329570	2590682	2521665	1451702	314779	0	23316500

AVERAGES --- Attained Age 50.31
Service Years 10.28
Active Salary 18,895

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY
DROP BENEFITS

VALUATION DATE 6/30/2010

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):	80	21	5	4	0	0	0	0	0	110
:	3012870	939628	165966	150244	0	0	0	0	0	4268708
:	2759820	559044	87828	86652	0	0	0	0	0	3493344
[55 - 59):	563	472	236	112	64	27	0	0	0	1474
:	23233522	29965046	14954663	7857231	4693046	1586293	0	0	0	82289801
:	19308336	16607496	8420796	4175592	2293764	790332	0	0	0	51596316
[60 - 64):	222	172	233	190	163	341	3	0	0	1324
:	6439474	9084922	14362054	12656829	11480926	25183529	259140	0	0	79466874
:	4262652	3984132	7148040	6124656	5432772	11233428	92988	0	0	38278668
[65 - 69):	16	18	76	70	73	274	72	0	0	599
:	431830	643583	3566270	3341218	3184693	19272519	5382021	0	0	35822134
:	114828	169812	1190916	1022832	1027308	7363644	2095404	0	0	12984744
[70 - 74):	1	3	5	2	8	116	90	4	0	229
:	24943	123098	164715	148326	213136	6201064	6911392	344588	0	14131262
:	5232	18336	63492	89916	33516	2114148	2485464	123792	0	4933896
Total	882	686	555	378	308	758	165	4	0	3736
Total	33142639	40756277	33213668	24153848	19571801	52243405	12552553	344588	0	215978779
Total	26450868	21338820	16911072	11499648	8787360	21501552	4673856	123792	0	111286968

AVERAGES --- Attained Age 61.68
Post Drop Years 3.36
Active Salary 57,810
Annual Benefit 29,788

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2010

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
[40 - 44):	20	18	5	1	5	1	0	0	0	50
[45 - 49):	44	63	43	64	76	85	2	0	0	377
[50 - 54):	184	133	118	117	170	430	190	4	0	1346
[55 - 59):	857	852	720	693	800	945	660	213	5	5745
[60 - 64):	802	879	1071	1277	1668	3919	826	629	219	11290
[65 - 69):	278	334	444	549	965	4556	2630	686	616	11058
[70 - 74):	81	99	120	162	267	2102	3068	1651	1187	8737
[75 - 79):	16	27	29	50	98	545	1604	2200	2670	7239
[80 - 84):	6	11	3	9	18	129	387	1049	2986	4598
[85 - 89):	1	0	0	1	3	15	72	226	2237	2555
[90 - 99):	0	0	0	0	2	1	3	18	1362	1386
Total	2289	2416	2553	2923	4072	12728	9442	6676	11282	54381
	64249632	68827092	69178428	77225520	112777608	321232632	218562168	144829488	198166224	1275048792

AVERAGES --- Attained Age 69.85
Years Retired 12.00
Annual Benefit 23,447

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39):	8	9	7	6	0	4	0	0	0	34
:	120516	129396	87144	71076	0	45708	0	0	0	453840
[40 - 44):	5	11	8	9	6	26	7	2	0	74
:	93828	154968	121176	106932	94452	311148	71268	21588	0	975360
[45 - 49):	15	19	21	22	9	54	31	9	2	182
:	235260	259608	293352	324156	99900	636864	271128	106668	21948	2248884
[50 - 54):	27	32	27	34	37	130	63	34	8	392
:	503736	401304	386100	446040	479892	1659816	719076	355092	83712	5034768
[55 - 59):	30	33	51	48	48	188	120	88	62	668
:	410532	516348	646464	600528	578988	2150880	1333428	1109040	686448	8032656
[60 - 64):	19	23	48	43	66	240	168	110	127	844
:	274272	281808	542964	474804	761436	2448840	1636920	1292544	1437396	9150984
[65 - 69):	0	2	5	6	12	142	198	149	160	674
:	0	24348	82128	108336	163344	1448004	1772604	1446516	1962900	7008180
[70 - 74):	1	0	1	2	3	27	118	122	217	491
:	10404	0	8736	17796	52200	216432	1044300	944916	2476284	4771068
[75 - 79):	0	0	0	0	3	6	14	58	242	323
:	0	0	0	0	22416	50028	111636	364020	2568252	3116352
[80 - 84):	0	0	0	0	0	1	3	9	134	147
:	0	0	0	0	0	8568	51288	31596	1425264	1516716
[85 - 89):	0	0	0	0	0	0	2	1	86	89
:	0	0	0	0	0	0	17712	5976	917304	940992
[90 - 99):	0	0	0	0	0	0	0	0	25	25
:	0	0	0	0	0	0	0	0	257820	257820
Total	105	129	168	170	184	818	724	582	1063	3943
Total	1648548	1767780	2168064	2149668	2252628	8976288	7029360	5677956	11837328	43507620

AVERAGES --- Attained Age 64.18
Years Retired 13.77
Annual Benefit 11,034

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2010

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39):	30	49	34	47	31	100	47	18	2	358
:	371148	468048	397320	479160	272136	792264	447156	99036	6432	3332700
[40 - 44):	12	8	8	10	6	42	22	8	8	124
:	214080	68916	68280	63084	37836	528156	247668	163308	68724	1460052
[45 - 49):	12	12	12	14	13	56	34	9	7	169
:	160848	85380	92568	135060	155340	757920	483444	130224	100716	2101500
[50 - 54):	17	27	20	13	20	62	43	23	14	239
:	282948	263616	296316	250260	270396	798552	471336	280308	95820	3009552
[55 - 59):	32	32	28	16	26	98	69	39	29	369
:	674112	629052	647544	266808	511428	1575852	1018056	556152	281172	6160176
[60 - 64):	52	40	49	50	31	161	102	65	49	599
:	1168572	902220	1114512	1225248	528732	3145884	1656516	956520	613560	11311764
[65 - 69):	39	54	55	41	42	185	144	84	95	739
:	734760	1158408	1189104	852528	904248	3741864	2857488	1436940	1228188	14103528
[70 - 74):	41	60	48	61	56	194	156	99	124	839
:	692220	1335924	1183224	1048476	1205736	3941484	3203628	1845876	1778688	16235256
[75 - 79):	50	58	56	46	40	183	161	125	152	871
:	1021932	1089384	1113552	713988	738492	3482940	3090252	2189244	2215008	15654792
[80 - 84):	30	46	46	30	31	133	114	77	161	668
:	476868	850740	823236	425532	402468	2185488	2141868	1285548	2472948	11064696
[85 - 89):	19	16	28	20	26	95	72	45	112	433
:	313440	180624	355740	232404	398604	1269612	891864	625980	1478460	5746728
[90 - 99):	5	2	6	7	8	44	48	16	72	208
:	70176	45732	76920	163404	116340	652596	519384	218472	1012752	2875776
Total	339	404	390	355	330	1353	1012	608	825	5616
Total	6181104	7078044	7358316	5855952	5541756	22872612	17028660	9787608	11352468	93056520

AVERAGES --- Attained Age 68.30
Years Retired 10.61
Annual Benefit 16,570

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2010

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)	4	4	0	0	0	0	0	0	0	8
	103932	72900	0	0	0	0	0	0	0	176832
[50 - 54)	200	308	214	1	0	0	0	0	0	723
	7855800	12447720	8286048	47316	0	0	0	0	0	28636884
[55 - 59)	383	613	678	6	0	0	0	0	0	1680
	12927072	21839340	23902896	252108	0	0	0	0	0	58921416
[60 - 64)	185	290	224	1	0	0	0	0	0	700
	3243384	5415288	4097064	41208	0	0	0	0	0	12796944
[65 - 69)	2	18	9	0	0	2	0	0	0	31
	7452	138228	51516	0	0	24840	0	0	0	222036
[70 - 74)	1	3	1	0	0	0	0	0	0	5
	11316	65628	2676	0	0	0	0	0	0	79620
[75 - 79)	1	0	0	0	0	0	0	0	0	1
	122160	0	0	0	0	0	0	0	0	122160
[80 - 84)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[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	776	1236	1126	8	0	2	0	0	0	3148
Total	24271116	39979104	36340200	340632	0	24840	0	0	0	100955892

AVERAGES --- Attained Age 57.25
Years Retired 1.55
Annual Benefit 32,070

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2010

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	26	0	0	0	0	0	0	26
:	0	0	137047	0	0	0	0	0	0	137047
:										
:[30 - 34):	0	0	368	12	0	0	0	0	0	380
:	0	0	2106795	96122	0	0	0	0	0	2202917
:										
:[35 - 39):	1	6	579	156	6	0	0	0	0	748
:	537	17594	2966676	1428459	59748	0	0	0	0	4473014
:										
:[40 - 44):	0	2	530	221	63	2	0	0	0	818
:	0	5586	2698571	2022564	885317	31124	0	0	0	5643162
:										
:[45 - 49):	0	3	459	276	136	23	3	0	0	900
:	0	6806	2252246	2285762	1826511	404470	62636	0	0	6838431
:										
:[50 - 54):	0	5	439	324	143	35	169	8	0	1123
:	0	7187	2089754	2655851	1847469	599407	5192754	340969	0	12733391
:										
:[55 - 59):	2	2	371	381	140	173	115	14	0	1198
:	490	3640	1924327	3171079	1703116	3875739	3962081	599276	0	15239748
:										
:[60 - 64):	0	4	143	110	59	69	13	1	1	400
:	0	7186	718883	948430	766880	1762540	348944	72730	48192	4673785
:										
:[65 - 69):	0	4	39	18	15	11	7	3	2	99
:	0	13824	162337	128903	239966	309272	263268	128995	147161	1393726
:										
:[70 - 74):	0	1	10	18	8	5	5	3	3	53
:	0	851	50830	103169	65255	119106	179773	91459	142232	752675
:										

: Total :	3	27	2964	1516	570	318	312	29	6	5745
: Total :	1027	62674	15107466	12840339	7394262	7101658	10009456	1233429	337585	54087896
:										

AVERAGES --- Attained Age 49.07
Service Years 11.57
Annual Benefit 9,415

EXHIBIT 5
SUMMARY OF PLAN PROVISIONS

EFFECTIVE DATE:

August 1, 1936

EMPLOYER:

The State of Louisiana, the parish school board, the city school board, the State Board of Education, the State Board of Supervisors, 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

CREDITABLE SERVICE:

Service as a teacher while member of the system.

ADDITIONAL 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 purchased at the actuarial cost of the additional retirement benefit, or at the member's option receive service credit based on the funds actually transferred.
3. Credit for service in non-public or parochial schools may be purchased at the actuarial cost of the additional retirement benefit, 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 at the actuarial cost.
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:

EXHIBIT 5 (Continued)
Plan Provisions

EARNABLE COMPENSATION:

The compensation earned by a member for qualifying service.

Prior to 6/30/88	
Credited Service (portion of a year)	Accumulated Sick Days
0.25	25-45
0.50	46-90
0.75	91-135
1.00	136-180

Credited Service (portion of a year)	After 6/29/88 (by Member Classification)			
	Accumulated Sick Days			
	9 Month	10 Month	11 Month	12 Month
0.1	10-18	11-20	12-22	13-24
0.2	19-36	21-40	23-44	25-48
0.3	37-54	41-60	45-66	49-72
0.4	55-72	61-80	67-88	73-96
0.5	73-90	81-100	89-110	97-120
0.6	91-108	101-120	111-132	121-144
0.7	109-126	121-140	133-144	145-168
0.8	127-144	141-160	155-176	169-192
0.9	145-162	161-180	177-198	193-216
1.0	163-180	181-200	199-220	217-240

AVERAGE FINAL COMPENSATION

The average annual earnable compensation is the 36 highest successive months of employment or the highest 36 successive joined months where interruption of service occurred; the average compensation for purposes of computing benefits cannot increase more than 10% per year; Per R.S. 11:892, if the maximum benefit accrual (100%) is reached, employee contributions are discontinued, average final compensation is not limited to the years for which employee contributions were made. Compensation is limited by the 401a(17) compensation limit of the Internal Revenue Code for certain members.

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%

EXHIBIT 5 (Continued)
Plan Provisions

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.

ACCUMULATED CONTRIBUTIONS:

Sum of all amounts deducted from compensation of members.

EMPLOYEE CONTRIBUTIONS:

8% of earnable compensation. Prior to July 1, 1989, 7% of earnable compensation.

EMPLOYER CONTRIBUTIONS:

Determined in accordance with Act 81 of the 1988 Legislative Session based on the Public Retirement Systems' Actuarial Committee's recommendation to the Legislature.

NORMAL RETIREMENT BENEFIT:**Eligibility:**

Written application to Board, and

1. Age 60 and five years of accredited service, or 20 years of creditable teaching service if employed prior to July 1, 1999. Members employed on or after July 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)
Plan 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 12% of either salary and expense allowance as legislator, not both.
- C. Retiree who returns to work shall have benefits suspended during the twelve month period following initial retirement.
- D. The \$300 annual supplemental benefit is discontinued to members of the retirement system who enroll or become members after June 30, 1986 (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) of the Internal Revenue Service Code and related Federal Regulations 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	\$ 54,753	56	\$111,151	64	\$195,000
49	59,694	57	121,813	65	195,000
50	65,115	58	133,604	66	195,000
51	71,070	59	146,660	67	195,000
52	77,613	60	161,132	68	195,000
53	84,813	61	177,185	69	195,000
54	92,746	62	195,000	70	195,000
55	101,495	63	195,000		

POST RETIREMENT INCREASES:

Permanent benefit increases, previously referred to as cost of living adjustments, may be granted, with legislative approval, provided there are sufficient funds in the Experience Account to fully fund the increase on an actuarial basis. Beginning July 1, 2009, the Experience Account is credited with fifty percent of excess investment income above \$200,000,000. Excess investment income is investment income over the actuarial valuation rate of 8.25%. Balances in the experience account accrue interest at the average actuarial yield for the System portfolio. The Employee Experience Account balance is limited to the funds necessary to fund two such increases. The Experience Account is debited for the increase in actuarial accrued liability resulting from the increases.

If the actuarial rate of return for the prior plan year is at least 8.25%, the benefit increase is limited to the lesser of 3% or the increase in the CPI-U for the calendar year immediately preceding the increase. If the actuarial rate of return for the prior plan year is less than 8.25%, the increase is limited to the lesser of 2% or the increase in the CPI-U for the calendar year immediately preceding the increase, provided the System is at least 80% funded. If the actuarial rate of return for the prior plan year is less than 8.25% and the System is not at least 80% funded, no increase can be granted.

EXHIBIT 5 (Continued)
Plan Provisions

Benefits are restricted to those retirees who have attained the age of 60 and have been retired for at least one year. The minimum age 60 for the receipt of a benefit increase does not apply to disability retirees. The increase shall be based on the first seventy thousand dollars of the retiree's annual benefit, indexed annually for years after 2001.

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 at disability, a pension equal to 2 1/2% of average compensation multiplied by years of service. Benefit shall not be more than 50% of average compensation. However, in no event shall the benefit be less than the lesser of 40% of the state minimum salary for a beginning teacher with a bachelor's degree or 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 benefit 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 an unmarried retiree with minor children, the 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 disabled for purposes of establishing benefit eligibility, but not for computation of benefits.

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.

EXHIBIT 5 (Continued)
Plan Provisions

Benefits:

1. Surviving Spouse (with minor children)-

Greater of:

A.) \$600 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 reached 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, for eligible spouse.

2. Surviving Spouse (without minor children) –

Greater of:

A.) \$600 per month, or

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. Beneficiary not eligible for 1 or 2 –

Return of member's accumulated contributions.

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.

TERMINATION WITH VESTED SERVICE:

Any member with credit for five 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.

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.

EXHIBIT 5 (Continued)
Plan Provisions

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.

Automatic COLA Option - Effective July 1, 2009, members may choose an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually. The increases begin on the first retirement anniversary date, but not before the retiree attains age 55 or would have attained age 55 in the case of a surviving spouse. This option can be chose in combination with the above options.

Initial Lump Sum Benefit Option - Members eligible but did not participate in DROP may elect an actuarially reduced pension and receive a lump-sum equal to not more than 36 months of the maximum monthly pension.

DEFERRED RETIREMENT OPTION PLAN:

Instead of terminating employees and accepting a service retirement allowance, any member who has met the eligibility requirements may elect to participate in the Deferred Retirement Option Plan (DROP) and defer receipt of benefits.

NORMAL ELIGIBILITY:

Any member who is eligible to receive a 2.5% service retirement allowance, or who has 10 years of service credit, exclusive of military service, at age 60 may begin participation on the first retirement eligibility date for a period not to exceed the third anniversary of retirement eligibility.

BENEFIT:

Upon termination of employment, a participant will receive, at his option:

- (1) lump sum payment (equal to the payments to the account);
- (2) a true annuity based upon his account; or
- (3) Other methods of payment approved by the board of trustees.

If a participant dies during the period of participation in the program, his account balance shall be paid to the beneficiary, or if none, to his estate in any form approved by the Board of Trustees.

If employment is not terminated at the end of DROP participation, then:

- (1) payment into account shall cease;
- (2) payment from account only upon termination of employment; and
- (3) the participant shall resume active contributing membership.

EXHIBIT 5 (Continued)
Plan Provisions

DEFERRED RETIREMENT OPTION PLAN:

Upon termination of employment, the benefit payments indicated above shall be paid. The participant shall receive an additional retirement benefit based on additional service rendered since termination of participation in the fund, usually the normal method of computation of benefit subject to the following:

- (1) If additional service was less than 36 months, average compensation figure used to calculate initial benefit shall be that used.
- (2) If additional service was 36 or more months, the average compensation figure used to calculate the additional benefit shall be based on compensation during the period of additional service.

DROP Accounts shall earn interest following termination of DROP at a rate 0.5% below the actuarial rate of the System's investment portfolio.

Effective January 1, 2004, new DROP accounts are credited with Money Market rates.

Exhibit 5 (Continued)
Plan 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 non-funded, is 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 January 1, 1979. For this group, any salary used in the Final Average Salary calculation, which was earned before January 1, 1979, was increased by 2/9ths.

The Social Security breakpoint average, for service under the funded LSU plan, was frozen at the December 31, 1978, level. That is, the breakpoint average for funded service was calculated as of December 31, 1978, 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 December 31, 1978, with the Teacher's formula. Thus, the "funded" benefit is (1) 1.33% of final average salary under the Social Security breakpoint average plus 2.5% of final average salary over the Social Security breakpoint average, times years of "funded" service with LSU before December 31, 1978, plus (2) 2.5% (or 2% if total service less than 20 years) times final average salary times years since January 1, 1979, plus \$300.

SURVIVOR'S BENEFITS:

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

Exhibit 5 (Continued)
Plan Provisions**VESTING BENEFITS:**

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

REFUND OF CONTRIBUTIONS:

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

COOPERATIVE EXTENSION PERSONNEL:

The LSU employees are 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.

OPTIONAL FORMS OF BENEFITS:

Retiring members may elect options as described by the Teachers' plan.

DEFERRED RETIREMENT OPTION PLAN:

Eligible members may participate under same requirements as described by the Teachers' plan.

EXHIBIT 5 (Continued)
Plan 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 July 1, 1989)

Plan B: Actuarial Required Amount (Effective July 1, 1989)

EXHIBIT 5 (Continued)
Plan Provisions**SCHOOL LUNCH PLAN A****RETIREMENT BENEFIT:****NORMAL RETIREMENT:**Eligibility:

1. Age 60 and 5 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 July 1, 1980, 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: one percent of average final compensation plus two dollars per month for each year of service credited prior to July 1, 1980, plus 3% of average final compensation for each year of service credited after July 1, 1980.

*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:

Five 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)
Plan Provisions

SURVIVOR'S BENEFITS:

Eligibility:

1. Surviving spouse of member with five or more years of service credit with at least two 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 two 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. \$600 per month, or
 - B. Fifty percent of benefit, based on three percent factor, that would have been payable upon retirement at age 60 had member continued in service to age 60 without change in compensation. Fifty percent 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 will 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. \$600 per month, or
 - B. Option 2 equivalent of Accrued Benefit based on actual service and the three percent 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)
Plan Provisions

SCHOOL LUNCH PLAN B

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

1. Age 60 and 5 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:

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

Benefit:

Normal retirement allowance if eligible therefore; 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: Twenty or more years of creditable service.

Benefit: Option 2 benefit.

EXHIBIT 5 (Continued)
Plan 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 - One-half 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.

Automatic COLA Option - An increasing annuity option permits the member to make an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually. The increases begin on the first retirement anniversary date, but not before the retiree attains age 55 or would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options. (Per Act 270 of 2009, effective July 1, 2009)

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

Options 2-4 are available as 2A, 3A, or 4A which provides the same survivor benefit at the death of the retiree, but reverts to the maximum benefit if the survivor predeceases the retiree.

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. Should a member's death occur prior to retirement with no survivors eligible for benefits, his accumulated contributions are returnable to a designated beneficiary, if any; otherwise, to his estate.

TERMINATION WITH VESTED SERVICE:

Any member with credit for 5 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.

DEFERRED RETIREMENT OPTION PLAN:

Retiring members may elect options as described by the Teachers' plan.

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.

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 subject to corridor limits of 80% to 120% of the Market Value of Assets.

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.

ACTUARIAL ASSUMPTIONS:

Assumptions used in the valuation were adopted by the Board of Trustees following the most recent experience study. The Retirement System is required to conduct an experience study every five years, but the scope of such a study is not necessarily limited to a five year period. The observation period for the most recent experience study was 2002-2007. The rates are projected separately for Teachers, School Lunch Plan and Plan B, and University personnel. The current rate tables are illustrated at the end of this exhibit.

MORTALITY ASSUMPTIONS:

Pre-retirement deaths and post-retirement life expectancies are based upon the RP-2000 table.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

DISABILITY ASSUMPTION:

Rates for total and permanent disability were projected by age in accordance with the most recent Experience Study. The rates are based upon attained age at occurrence. For mortality after disability, rates are based upon the RP-2000 disability table.

RETIREMENT/DROP ASSUMPTION:

Retirement rates are based on age and service eligibility requirements for normal benefits. Age and service requirements vary by plan. DROP is viewed as an alternative form of benefit accrual since mandatory termination is not required following participation. Therefore, at eligibility, the probability of DROP accrual is determined in conjunction with regular benefit accrual.

TERMINATION ASSUMPTIONS:

Voluntary termination or withdrawal rates are based on the most recent Experience Study. During the first five years of employment, the probability of voluntarily terminating is a multiple of employment duration as follows:

	Teachers	Colleges/Univ	All Other
1 st	1.00x	1.00x	1.00x
2 nd	1.15x	1.00x	1.00x
3 rd	1.20x	1.10x	1.00x
4 th	1.05x	1.00x	1.00x
5 th	1.00x	1.00x	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 rates of annual salary growth are base upon the member's years of service. Rates are based upon the most recent Experience Study are illustrated in the rate tables at the end of this exhibit.

FAMILY STATISTICS:

The composition of the family is based on Current Population Reports published by the United States Census Bureau. Seventy-five percent of the membership is assumed to be married with the wife assumed to be three (3) years younger than the husband. Sample rates are as follows:

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

Age of Member	Number of Minor Children	Years for Youngest Child to Attain Majority
25	1.2	15
30	1.4	13
35	1.7	11
40	1.7	9
45	1.4	6
50	1.1	4

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 8.25%, net expenses for professional asset management advisors.

ADMINISTRATIVE EXPENSES:

Expenses are included in Aggregate Normal Cost and are assumed to be \$18,600,000 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)
Rates effective 6/30/08

AGE	DEATH RATES		DISABILITY RATES	TERMINATION RATES	RETIREMENT RATES	DROP RATES	DUR	SALARY SCALE
	MALE	FEMALE						
18	0.00032	0.00019	0.0000	0.05	0.000	0.00	1	1.055
19	0.00033	0.00019	0.0000	0.05	0.000	0.00	2	1.069
20	0.00034	0.00019	0.0000	0.10	0.000	0.00	3	1.064
21	0.00036	0.00019	0.0000	0.09	0.000	0.00	4	1.063
22	0.00037	0.00019	0.0000	0.04	0.000	0.00	5	1.062
23	0.00037	0.00020	0.0001	0.07	0.000	0.00	6	1.062
24	0.00038	0.00020	0.0001	0.13	0.000	0.00	7	1.061
25	0.00038	0.00021	0.0001	0.13	0.000	0.00	8	1.061
26	0.00038	0.00021	0.0001	0.13	0.000	0.00	9	1.060
27	0.00038	0.00022	0.0001	0.13	0.000	0.00	10	1.060
28	0.00039	0.00024	0.0001	0.13	0.000	0.00	11	1.059
29	0.00041	0.00025	0.0001	0.13	0.000	0.00	12	1.059
30	0.00044	0.00026	0.0001	0.13	0.000	0.00	13	1.057
31	0.00050	0.00031	0.0003	0.11	0.000	0.00	14	1.053
32	0.00056	0.00035	0.0003	0.11	0.000	0.00	15	1.051
33	0.00063	0.00039	0.0003	0.10	0.000	0.00	16	1.051
34	0.00070	0.00043	0.0003	0.10	0.000	0.00	17	1.051
35	0.00077	0.00047	0.0006	0.09	0.000	0.00	18	1.051
36	0.00084	0.00051	0.0010	0.08	0.000	0.00	19	1.051
37	0.00090	0.00055	0.0007	0.07	0.000	0.00	20	1.051
38	0.00096	0.00060	0.0007	0.06	0.020	0.00	21	1.048
39	0.00102	0.00065	0.0011	0.06	0.040	0.00	22	1.048
40	0.00108	0.00071	0.0011	0.06	0.040	0.00	23	1.048
41	0.00114	0.00077	0.0013	0.05	0.030	0.00	24	1.048
42	0.00121	0.00085	0.0016	0.05	0.030	0.00	25	1.048
43	0.00130	0.00094	0.0016	0.05	0.030	0.00	26	1.044
44	0.00140	0.00103	0.0016	0.04	0.030	0.00	27	1.044
45	0.00151	0.00112	0.0022	0.04	0.030	0.00	28	1.044
46	0.00162	0.00122	0.0022	0.04	0.030	0.00	29	1.048
47	0.00173	0.00133	0.0022	0.04	0.030	0.00	30	1.048
48	0.00186	0.00143	0.0022	0.03	0.030	0.01	31	1.048
49	0.00200	0.00155	0.0022	0.03	0.028	0.02	32	1.053
50	0.00214	0.00168	0.0025	0.03	0.028	0.03	33	1.053
51	0.00245	0.00185	0.0025	0.03	0.030	0.15	34	1.080
52	0.00267	0.00202	0.0025	0.04	0.035	0.50	35	1.058
53	0.00292	0.00221	0.0030	0.04	0.050	0.40	36	1.058
54	0.00320	0.00242	0.0030	0.04	0.075	0.40	37	1.058
55	0.00362	0.00272	0.0040	0.04	0.200	0.60	38	1.058
56	0.00420	0.00309	0.0050	0.04	0.230	0.15	39	1.058
57	0.00469	0.00348	0.0055	0.04	0.250	0.07	40	1.058
58	0.00527	0.00392	0.0055	0.04	0.365	0.07	41	1.058
59	0.00594	0.00444	0.0055	0.04	0.280	0.07	42	1.058
60	0.00675	0.00505	0.0080	0.04	0.280	0.15	43	1.058
61	0.00768	0.00581	0.0050	0.04	0.280	0.03	44	1.058
62	0.00876	0.00666	0.0035	0.04	0.280	0.01	45	1.058
63	0.01001	0.00765	0.0035	0.04	0.330	0.01	46	1.058
64	0.01128	0.00862	0.0035	0.04	0.330	0.01	47	1.058
65	0.01274	0.00971	0.0035	0.04	0.330	0.01	48	1.058
66	0.01441	0.01095	0.0020	0.04	0.400	0.00	49	1.058
67	0.01607	0.01216	0.0020	0.04	0.340	0.00	50	1.058
68	0.01787	0.01345	0.0020	0.04	0.340	0.00	51	1.058
69	0.01980	0.01486	0.0020	0.04	0.340	0.00	52	1.058
70	0.02221	0.01674	0.0020	0.04	0.340	0.00	53	1.058
71	0.02457	0.01858	0.0020	0.04	0.340	0.00	54	1.058
72	0.02728	0.02067	0.0020	0.04	0.500	0.00	55	1.058
73	0.03039	0.02297	0.0020	0.04	0.990	0.00	56	1.058
74	0.03390	0.02546	0.0020	0.04	0.990	0.00	57	1.058

ACTUARIAL TABLES AND RATES (PLAN A)
Rates effective 6/30/08

AGE	DEATH RATES		DISABILITY RATES	TERMINATION RATES	RETIREMENT RATES	DROP RATES	DUR	SALARY SCALE
	MALE	FEMALE						
18	0.00032	0.00019	0.0000	0.00	0.00	0.00	1	1.065
19	0.00033	0.00019	0.0000	0.00	0.00	0.00	2	1.075
20	0.00034	0.00019	0.0000	0.00	0.00	0.00	3	1.070
21	0.00036	0.00019	0.0000	0.00	0.00	0.00	4	1.066
22	0.00037	0.00019	0.0000	0.00	0.00	0.00	5	1.066
23	0.00037	0.00020	0.0000	0.00	0.00	0.00	6	1.058
24	0.00038	0.00020	0.0000	0.00	0.00	0.00	7	1.058
25	0.00038	0.00021	0.0000	0.00	0.00	0.00	8	1.058
26	0.00038	0.00021	0.0000	0.00	0.00	0.00	9	1.058
27	0.00038	0.00022	0.0000	0.00	0.00	0.00	10	1.045
28	0.00039	0.00024	0.0000	0.00	0.00	0.00	11	1.045
29	0.00041	0.00025	0.0000	0.00	0.00	0.00	12	1.045
30	0.00044	0.00026	0.0000	0.02	0.00	0.00	13	1.045
31	0.00050	0.00031	0.0001	0.02	0.00	0.00	14	1.045
32	0.00056	0.00035	0.0001	0.02	0.00	0.00	15	1.045
33	0.00063	0.00039	0.0001	0.02	0.00	0.00	16	1.045
34	0.00070	0.00043	0.0001	0.02	0.00	0.00	17	1.045
35	0.00077	0.00047	0.0001	0.02	0.00	0.00	18	1.045
36	0.00084	0.00051	0.0001	0.02	0.00	0.00	19	1.045
37	0.00090	0.00055	0.0001	0.02	0.00	0.00	20	1.052
38	0.00096	0.00060	0.0001	0.02	0.00	0.00	21	1.045
39	0.00102	0.00065	0.0001	0.02	0.00	0.00	22	1.040
40	0.00108	0.00071	0.0001	0.02	0.00	0.00	23	1.040
41	0.00114	0.00077	0.0001	0.02	0.00	0.00	24	1.045
42	0.00121	0.00085	0.0001	0.02	0.00	0.00	25	1.045
43	0.00130	0.00094	0.0001	0.02	0.00	0.00	26	1.048
44	0.00140	0.00103	0.0100	0.02	0.00	0.00	27	1.048
45	0.00151	0.00112	0.0100	0.02	0.00	0.00	28	1.048
46	0.00162	0.00122	0.0100	0.02	0.00	0.00	29	1.048
47	0.00173	0.00133	0.0100	0.02	0.00	0.00	30	1.050
48	0.00186	0.00143	0.0100	0.02	0.00	0.02	31	1.050
49	0.00200	0.00155	0.0150	0.02	0.01	0.02	32	1.060
50	0.00214	0.00168	0.0150	0.02	0.01	0.02	33	1.050
51	0.00245	0.00185	0.0150	0.02	0.01	0.02	34	1.050
52	0.00267	0.00202	0.0150	0.02	0.01	0.02	35	1.050
53	0.00292	0.00221	0.0150	0.02	0.03	0.02	36	1.045
54	0.00320	0.00242	0.0150	0.02	0.03	0.02	37	1.045
55	0.00362	0.00272	0.0300	0.02	0.15	0.50	38	1.045
56	0.00420	0.00309	0.0250	0.02	0.15	0.20	39	1.045
57	0.00469	0.00348	0.0250	0.02	0.15	0.20	40	1.045
58	0.00527	0.00392	0.0250	0.02	0.25	0.20	41	1.045
59	0.00594	0.00444	0.0250	0.02	0.25	0.20	42	1.045
60	0.00675	0.00505	0.0100	0.02	0.35	0.55	43	1.045
61	0.00768	0.00581	0.0002	0.01	0.35	0.20	44	1.045
62	0.00876	0.00666	0.0002	0.01	0.35	0.10	45	1.045
63	0.01001	0.00765	0.0002	0.01	0.50	0.02	46	1.045
64	0.01128	0.00862	0.0002	0.01	0.50	0.02	47	1.045
65	0.01274	0.00971	0.0002	0.01	0.40	0.02	48	1.045
66	0.01441	0.01095	0.0002	0.01	0.40	0.02	49	1.045
67	0.01607	0.01216	0.0002	0.01	0.35	0.02	50	1.045
68	0.01787	0.01345	0.0002	0.01	0.25	0.02	51	1.045
69	0.01980	0.01486	0.0000	0.01	0.20	0.02	52	1.045
70	0.02221	0.01674	0.0000	0.01	0.20	0.02	53	1.045
71	0.02457	0.01858	0.0000	0.01	0.20	0.02	54	1.045
72	0.02728	0.02067	0.0000	0.01	0.50	0.02	55	1.045
73	0.03039	0.02297	0.0000	0.01	0.50	0.02	56	1.045
74	0.03390	0.02546	0.0000	0.01	0.99	0.02	57	1.045

ACTUARIAL TABLES AND RATES (PLAN B)
Rates effective 6/30/08

AGE	DEATH RATES		DISABILITY RATES	TERMINATION RATES	RETIREMENT RATES	DROP RATES	DUR	SALARY SCALE
	MALE	FEMALE						
18	0.00032	0.00019	0.0000	0.00	0.00	0.00	1	1.065
19	0.00033	0.00019	0.0000	0.00	0.00	0.00	2	1.075
20	0.00034	0.00019	0.0000	0.00	0.00	0.00	3	1.070
21	0.00036	0.00019	0.0000	0.00	0.00	0.00	4	1.066
22	0.00037	0.00019	0.0000	0.10	0.00	0.00	5	1.066
23	0.00037	0.00020	0.0000	0.10	0.00	0.00	6	1.058
24	0.00038	0.00020	0.0000	0.10	0.00	0.00	7	1.058
25	0.00038	0.00021	0.0000	0.20	0.00	0.00	8	1.058
26	0.00038	0.00021	0.0000	0.15	0.00	0.00	9	1.058
27	0.00038	0.00022	0.0000	0.07	0.00	0.00	10	1.055
28	0.00039	0.00024	0.0000	0.07	0.00	0.00	11	1.055
29	0.00041	0.00025	0.0000	0.07	0.00	0.00	12	1.055
30	0.00044	0.00026	0.0000	0.07	0.00	0.00	13	1.055
31	0.00050	0.00031	0.0000	0.07	0.00	0.00	14	1.050
32	0.00056	0.00035	0.0000	0.07	0.00	0.00	15	1.050
33	0.00063	0.00039	0.0000	0.07	0.00	0.00	16	1.050
34	0.00070	0.00043	0.0000	0.07	0.00	0.00	17	1.050
35	0.00077	0.00047	0.0000	0.07	0.00	0.00	18	1.050
36	0.00084	0.00051	0.0010	0.07	0.00	0.00	19	1.050
37	0.00090	0.00055	0.0010	0.07	0.00	0.00	20	1.050
38	0.00096	0.00060	0.0010	0.06	0.00	0.00	21	1.043
39	0.00102	0.00065	0.0010	0.06	0.00	0.00	22	1.043
40	0.00108	0.00071	0.0030	0.06	0.00	0.00	23	1.043
41	0.00114	0.00077	0.0030	0.06	0.00	0.00	24	1.043
42	0.00121	0.00085	0.0030	0.06	0.00	0.00	25	1.043
43	0.00130	0.00094	0.0030	0.05	0.00	0.00	26	1.043
44	0.00140	0.00103	0.0030	0.04	0.00	0.00	27	1.043
45	0.00151	0.00112	0.0030	0.04	0.00	0.00	28	1.043
46	0.00162	0.00122	0.0030	0.04	0.00	0.00	29	1.043
47	0.00173	0.00133	0.0060	0.04	0.00	0.00	30	1.043
48	0.00186	0.00143	0.0060	0.03	0.00	0.00	31	1.043
49	0.00200	0.00155	0.0060	0.03	0.00	0.00	32	1.035
50	0.00214	0.00168	0.0150	0.03	0.00	0.00	33	1.035
51	0.00245	0.00185	0.0150	0.03	0.00	0.00	34	1.035
52	0.00267	0.00202	0.0150	0.03	0.00	0.00	35	1.035
53	0.00292	0.00221	0.0150	0.03	0.00	0.00	36	1.035
54	0.00320	0.00242	0.0255	0.03	0.00	0.30	37	1.035
55	0.00362	0.00272	0.0255	0.03	0.35	0.50	38	1.035
56	0.00420	0.00309	0.0255	0.03	0.33	0.45	39	1.035
57	0.00469	0.00348	0.0255	0.03	0.30	0.15	40	1.035
58	0.00527	0.00392	0.0255	0.03	0.30	0.15	41	1.035
59	0.00594	0.00444	0.0255	0.03	0.30	0.15	42	1.035
60	0.00675	0.00505	0.0050	0.03	0.30	0.15	43	1.035
61	0.00768	0.00581	0.0050	0.03	0.30	0.03	44	1.035
62	0.00876	0.00666	0.0050	0.03	0.30	0.01	45	1.035
63	0.01001	0.00765	0.0050	0.03	0.45	0.01	46	1.035
64	0.01128	0.00862	0.0050	0.03	0.45	0.01	47	1.035
65	0.01274	0.00971	0.0030	0.03	0.30	0.01	48	1.035
66	0.01441	0.01095	0.0030	0.03	0.25	0.01	49	1.035
67	0.01607	0.01216	0.0030	0.03	0.25	0.01	50	1.035
68	0.01787	0.01345	0.0030	0.03	0.25	0.01	51	1.035
69	0.01980	0.01486	0.0000	0.03	0.25	0.01	52	1.035
70	0.02221	0.01674	0.0000	0.03	0.50	0.01	53	1.035
71	0.02457	0.01858	0.0000	0.03	0.50	0.01	54	1.035
72	0.02728	0.02067	0.0000	0.03	0.50	0.01	55	1.035
73	0.03039	0.02297	0.0000	0.03	0.50	0.01	56	1.035
74	0.03390	0.02546	0.0000	0.03	0.99	0.01	57	1.035

ACTUARIAL TABLES AND RATES (UNIVERSITY)
Rates effective 6/30/08

AGE	DEATH RATES		DISABILITY RATES	TERMINATION RATES	RETIREMENT RATES	DROP RATES	DUR	SALARY SCALE
	MALE	FEMALE						
18	0.00032	0.00019	0.0000	0.05	0.00	0.00	1	1.055
19	0.00033	0.00019	0.0000	0.05	0.00	0.00	2	1.071
20	0.00034	0.00019	0.0000	0.05	0.00	0.00	3	1.057
21	0.00036	0.00019	0.0000	0.05	0.00	0.00	4	1.054
22	0.00037	0.00019	0.0000	0.05	0.00	0.00	5	1.054
23	0.00037	0.00020	0.0001	0.05	0.00	0.00	6	1.054
24	0.00038	0.00020	0.0001	0.10	0.00	0.00	7	1.054
25	0.00038	0.00021	0.0001	0.10	0.00	0.00	8	1.052
26	0.00038	0.00021	0.0001	0.16	0.00	0.00	9	1.052
27	0.00038	0.00022	0.0001	0.13	0.00	0.00	10	1.052
28	0.00039	0.00024	0.0001	0.12	0.00	0.00	11	1.050
29	0.00041	0.00025	0.0001	0.12	0.00	0.00	12	1.050
30	0.00044	0.00026	0.0001	0.12	0.00	0.00	13	1.050
31	0.00050	0.00031	0.0001	0.10	0.00	0.00	14	1.050
32	0.00056	0.00035	0.0001	0.12	0.00	0.00	15	1.050
33	0.00063	0.00039	0.0001	0.10	0.00	0.00	16	1.049
34	0.00070	0.00043	0.0001	0.10	0.00	0.00	17	1.049
35	0.00077	0.00047	0.0001	0.10	0.00	0.00	18	1.049
36	0.00084	0.00051	0.0001	0.07	0.00	0.00	19	1.048
37	0.00090	0.00055	0.0001	0.07	0.00	0.00	20	1.048
38	0.00096	0.00060	0.0001	0.08	0.00	0.00	21	1.048
39	0.00102	0.00065	0.0010	0.08	0.00	0.00	22	1.048
40	0.00108	0.00071	0.0010	0.07	0.05	0.00	23	1.045
41	0.00114	0.00077	0.0010	0.06	0.09	0.00	24	1.045
42	0.00121	0.00085	0.0010	0.05	0.09	0.00	25	1.045
43	0.00130	0.00094	0.0010	0.05	0.09	0.00	26	1.045
44	0.00140	0.00103	0.0010	0.05	0.09	0.00	27	1.045
45	0.00151	0.00112	0.0010	0.04	0.09	0.00	28	1.045
46	0.00162	0.00122	0.0010	0.04	0.09	0.00	29	1.045
47	0.00173	0.00133	0.0010	0.04	0.06	0.00	30	1.045
48	0.00186	0.00143	0.0010	0.03	0.06	0.00	31	1.045
49	0.00200	0.00155	0.0010	0.03	0.05	0.00	32	1.045
50	0.00214	0.00168	0.0010	0.02	0.04	0.00	33	1.045
51	0.00245	0.00185	0.0010	0.02	0.03	0.03	34	1.045
52	0.00267	0.00202	0.0040	0.02	0.05	0.07	35	1.045
53	0.00292	0.00221	0.0040	0.02	0.05	0.12	36	1.045
54	0.00320	0.00242	0.0010	0.02	0.09	0.12	37	1.045
55	0.00362	0.00272	0.0010	0.02	0.18	0.55	38	1.045
56	0.00420	0.00309	0.0010	0.02	0.18	0.10	39	1.045
57	0.00469	0.00348	0.0010	0.02	0.18	0.10	40	1.045
58	0.00527	0.00392	0.0010	0.02	0.28	0.07	41	1.045
59	0.00594	0.00444	0.0010	0.02	0.21	0.07	42	1.045
60	0.00675	0.00505	0.0010	0.02	0.28	0.07	43	1.045
61	0.00768	0.00581	0.0010	0.02	0.21	0.02	44	1.045
62	0.00876	0.00666	0.0010	0.02	0.21	0.01	45	1.045
63	0.01001	0.00765	0.0010	0.02	0.21	0.01	46	1.045
64	0.01128	0.00862	0.0010	0.02	0.21	0.01	47	1.045
65	0.01274	0.00971	0.0010	0.02	0.28	0.01	48	1.045
66	0.01441	0.01095	0.0010	0.02	0.28	0.01	49	1.045
67	0.01607	0.01216	0.0010	0.02	0.28	0.01	50	1.045
68	0.01787	0.01345	0.0010	0.02	0.28	0.01	51	1.045
69	0.01980	0.01486	0.0005	0.02	0.20	0.01	52	1.045
70	0.02221	0.01674	0.0005	0.02	0.20	0.01	53	1.045
71	0.02457	0.01858	0.0005	0.02	0.20	0.01	54	1.045
72	0.02728	0.02067	0.0005	0.02	0.50	0.01	55	1.045
73	0.03039	0.02297	0.0005	0.02	0.50	0.01	56	1.045
74	0.03390	0.02546	0.0005	0.02	0.99	0.01	57	1.045

Exhibit A-1

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY
June 30, 2010

Date	Description	Amtz. Method	Amtz. Period	Initial Liability	Years Remain	Remaining Balance	Mid-Year Payment
2010	Original Amort. Base	Note 1	19	2,677,501,778	19	2,677,501,778	189,115,906
2010	Exper Acct Amort Base	Note 2	30	3,999,115,151	30	3,999,115,151	249,289,338
2009	Change in Liability	L	30	2,979,708,647	29	2,954,586,996	260,418,228
2010	Change in Liability	L	30	1,150,854,854	30	1,150,854,854	100,581,505
Total Outstanding Balance						\$ 10,782,058,779	\$ 799,404,977
Employers Credit Balance							
2006	Contribution Variance	L	5	(17,430,843)	1	(4,059,557)	(4,223,696)
2007	Contribution Variance	L	5	(37,534,025)	2	(16,816,769)	(9,094,931)
2008	Contribution Variance	L	5	(103,413,475)	3	(66,886,742)	(25,058,287)
2009	Contribution Variance	L	5	(44,404,927)	4	(36,873,455)	(10,759,830)
2010	Contribution Variance	L	5	148,936,071	5	148,936,071	36,088,942
Total Credit Balance						\$ 24,299,548	\$ (13,047,802)
Total Unfunded Actuarial Accrued Liability						\$ 10,806,358,327	\$ 786,357,175

¹ Act 497 of 2009 created the Original Amortization Base, effective July 1, 2010, which combines the following schedules shown in Exhibit A-1: 1993 (Initial Liability) 1993 (Change in Liability), 1994 - 1996, 1998-2000, 2005-2008. The new combined balance is reduced by applying funds from the IUAL Fund, excluding the subaccount of this fund. Payment will increase by 7.0% for 3 years, 6.5% for 4 years, and thereafter at 2% until paid off in 2029.

² Act 497 of 2009 created the Experience Account Amortization Base, which combines the following schedules shown in Exhibit A-1: 1997, 2001 - 2003, 2004 (the liability resulting from Act 588 of 2004 which zeroed out the Experience Account), and 2008. The new combined balance is reduced by applying funds from the subaccount of the IUAL Fund, which were transferred from the Experience Account on June 30, 2009. Payments will increase by 7.0% for 3 years, 6.5% for 4 years, and will be level thereafter until paid off in 2040.

Exhibit A-2

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY
June 30, 2011 - Projected

Date	Description	Amtz. Method	Amtz. Period	Initial Liability	Years Remain	Remaining Balance	Mid-Year Payment
2010	Original Amort. Base	Note 1	19	2,677,501,778	18	2,701,633,321	202,354,020
2010	Exper Acct Amort Base	Note 2	30	3,999,115,151	29	4,069,673,396	266,739,591
2009	Change in Liability	L	30	2,979,708,647	28	2,927,392,808	260,418,228
2010	Change in Liability	L	30	1,150,854,854	29	1,141,152,102	100,581,505
Total Outstanding Balance						\$ 10,839,851,627	\$ 830,093,344
Employers Credit Balance							
2007	Contribution Variance	L	5	(37,534,025)	2	(16,816,769)	(9,094,931)
2008	Contribution Variance	L	5	(103,413,475)	3	(66,886,742)	(25,058,287)
2009	Contribution Variance	L	5	(44,404,927)	4	(36,873,455)	(10,759,830)
2010	Contribution Variance	L	5	148,936,071	5	148,936,071	36,088,942
2011	Contribution Variance	L	5	125,498,581	5	125,498,581	30,409,765
Total Credit Balance						\$ 153,857,686	\$ 21,585,659
Total Unfunded Actuarial Accrued Liability						\$ 10,993,709,313	\$ 851,679,003

¹ Act 497 of 2009 created the Original Amortization Base, effective July 1, 2010, which combines the following schedules shown in Exhibit A-1: 1993 (Initial Liability) 1993 (Change in Liability), 1994 - 1996, 1998-2000, 2005-2008. The new combined balance is reduced by applying funds from the IUAL Fund, excluding the subaccount of this fund. Payment will increase by 7.0% for 3 years, 6.5% for 4 years, and thereafter at 2% until paid off in 2029.

² Act 497 of 2009 created the Experience Account Amortization Base, which combines the following schedules shown in Exhibit A-1: 1997, 2001 - 2003, 2004 (the liability resulting from Act 588 of 2004 which zeroed out the Experience Account), and 2008. The new combined balance is reduced by applying funds from the subaccount of the IUAL Fund, which were transferred from the Experience Account on June 30, 2009. Payments will increase by 7.0% for 3 years, 6.5% for 4 years, and will be level thereafter until paid off in 2040.

Exhibit B

**Components of Original Amortization Base
(Dollar amounts in millions)**

	Annual Outstanding Balance					Annual Payments				
	IUAL	Other Schedules	IUAL Acct	Employer Credit Account	Total OAB	IUAL	Other Schedules	IUAL Acct	Employer Credit Account	Total OAB
2010	6,958.0	-3,773.0	-405.8	-101.7	2,677.5	491.5	-266.5	-28.7	-7.2	189.1
2011	7,020.7	-3,807.0	-409.4	-102.6	2,701.6	525.9	-285.1	-30.7	-7.7	202.4
2012	7,052.8	-3,824.4	-411.3	-103.1	2,714.0	562.7	-305.1	-32.8	-8.2	216.5
2013	7,049.2	-3,822.5	-411.1	-103.0	2,712.6	602.1	-326.5	-35.1	-8.8	231.7
2014	7,004.4	-3,798.2	-408.5	-102.4	2,695.4	641.2	-347.7	-37.4	-9.4	246.7
2015	6,915.2	-3,749.8	-403.3	-101.1	2,661.0	682.9	-370.3	-39.8	-10.0	262.8
2016	6,775.2	-3,673.9	-395.1	-99.0	2,607.2	727.2	-394.4	-42.4	-10.6	279.9
2017	6,577.5	-3,566.7	-383.6	-96.1	2,531.1	774.5	-420.0	-45.2	-11.3	298.0
2018	6,314.3	-3,424.0	-368.2	-92.3	2,429.8	790.0	-428.4	-46.1	-11.5	304.0
2019	6,013.3	-3,260.7	-350.7	-87.9	2,314.0	805.8	-437.0	-47.0	-11.8	310.1
2020	5,671.0	-3,075.1	-330.7	-82.9	2,182.2	821.9	-445.7	-47.9	-12.0	316.3
2021	5,283.7	-2,865.1	-308.1	-77.2	2,033.2	838.4	-454.6	-48.9	-12.3	322.6
2022	4,847.3	-2,628.5	-282.7	-70.9	1,865.3	855.1	-463.7	-49.9	-12.5	329.1
2023	4,357.5	-2,362.9	-254.1	-63.7	1,676.8	872.2	-473.0	-50.9	-12.8	335.6
2024	3,809.5	-2,065.7	-222.2	-55.7	1,465.9	889.7	-482.4	-51.9	-13.0	342.4
2025	3,198.1	-1,734.2	-186.5	-46.7	1,230.7	907.5	-492.1	-52.9	-13.3	349.2
2026	2,517.8	-1,365.3	-146.8	-36.8	968.9	925.6	-501.9	-54.0	-13.5	356.2
2027	1,762.5	-955.7	-102.8	-25.8	678.2	944.1	-512.0	-55.1	-13.8	363.3
2028	925.6	-501.9	-54.0	-13.5	356.2	963.0	-522.2	-56.2	-14.1	370.6
2029	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0