

Hall Actuarial Associates

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

1624 LaSalle Parc Drive
Baton Rouge, La. 70806
(225) 928-7866

September 23, 2012

Board of Trustees
LOUISIANA SCHOOL EMPLOYEES'
RETIREMENT SYSTEM

Post Office Box 44516
Baton Rouge, Louisiana 70804-4516

Ladies and Gentlemen:

This report presents the results of the actuarial valuation of assets and liabilities, as well as funding requirements, for the Louisiana School Employees' Retirement System as of June 30, 2012.

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 Louisiana School Employees' 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 as provided by Duplantier, Hrapmann, Hogan & Maher; 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(5). In my opinion, the Actuarial Assumptions, which have been approved by the Board of Trustees, are appropriate and reasonable for the purposes of this valuation as noted in the Exhibit 6, and represents my best estimates of the anticipated experience under the plan.

Board of Trustees
LSERS
September 23, 2012

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

	<u>June 30, 2012</u>	<u>-----Prior Years-----</u>	
		<u>June 30, 2011</u>	<u>June 30, 2010</u>
I. Membership Census			
1) Retirees	12,930	12,717	12,450
2) Actives	12,416	12,854	13,166
3) DROP	612	619	599
4) Terminated Vested	339	351	355
II. Annual Benefits	\$ 134,573,580	\$ 128,989,260	\$ 123,992,280
III. Total Payroll	277,191,001	296,693,950	306,332,902
IV. Valuation Assets	1,403,463,883	1,349,829,757	1,350,072,547
V. Investment Yield ¹			
Market Value	<u>2.27%</u>	<u>23.28%</u>	<u>13.02%</u>
5 year avg.	2.43%	4.84%	1.68%
10 year avg.	5.60%	5.10%	2.73%
Actuarial Value ¹	<u>9.07%</u>	<u>4.35%</u>	<u>0.55%</u>
5 year avg.	2.39%	2.54%	3.47%
10 year avg.	4.26%	3.17%	2.92%
DROP Accounts ¹	<u>8.57%</u>	<u>3.85%</u>	<u>0.05%</u>
VI. Experience Account	11,641,275	0	0
VI. Cost to Fund Annual Pension Accruals (Normal Costs)	50,406,331 18.18%	53,731,750 18.11%	56,499,433 18.44%
VII. Unfunded Actuarial Accrued Liability	875,008,244	904,521,699	863,289,651
VIII. Funded Percentage	61.6%	59.9%	61.0%
IX. Funding Requirements (Mid-year Payment)			
1) Employee Contribution	7.50%	7.50%	7.50%
New Hires 7/1/2010	8.00%	8.00%	8.00%
2) Employer Contribution Rate (Current Year)	88,531,775 31.6%	90,345,490 30.1%	86,928,085 28.0%
3) Projected Employer Rate (Next Fiscal Year)	93,261,688 32.3%	95,296,208 30.8%	90,781,592 28.6%

Funding Requirements measure the cost of benefits in effect on June 30, 2012.

¹ Excludes Money Market DROP Accounts effective June 30, 2008.

Board of Trustees
LSERS
September 23, 2012

UNFUNDED LIABILITY

The Actuarial Valuation for the plan year ending June 30, 2012 discloses an decrease in the plan's unfunded actuarial accrued liability. The system's unfunded accrued liability decreased from a prior year balance of \$904.5 million to the current deficit of \$875.0 million. It is generally appropriate for the current valuation process to disclose the source and cause of any significant 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 are expressed as a percentage of payroll. Act 81 of the 1988 Legislative Session provides for the amortization of the initial UAL, plus subsequent changes in benefits, methods or gain/loss experience.

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

CHANGE IN UNFUNDED LIABILITY

Unfunded Liability 6/30/2011		\$ 904,521,699
INCREASES		
Interest on Unfunded Liability	\$ 67,839,128	
Employer Shortfall Charge	<u>9,449,959</u>	
Incurred Increases	77,289,087	
DECREASES		
Amortization Payment	\$ 65,474,566	
Investment Gain	24,661,710	
Experience Gain	<u>16,666,266</u>	
Incurred Decreases	106,802,542	
Unfunded Liability 6/30/2012		\$ 875,008,244

Board of Trustees
LSERS
September 23, 2012

Funding

The projected employer contribution rate for the 2012-2013 plan year was set by PERSAC at 30.8%. The actual employer contribution rate determined by this valuation for the current plan year is 31.6%. Therefore, the current plan year should generate a contribution shortfall loss since the Public Retirement Systems' Actuarial Committee (PRSAC) approved rate understates the valuation rate by 0.8%.

Legislative Changes

Act 992 of 2010 provided for substantial benefit structural changes applicable only to new hires effective January 1, 2011 as follows:

- The determination of final average salary is increased from 3 years to 5 years.
- Retirement eligibility is deferred to age 60 with five years of service.
- Disability and survivor benefits have been altered to conform to the 2.5% accrual.
- These general provision changes apply to all State Retirement Systems.

Act 368 of 2011 clarifies and made technical corrections to Act 992 of 2010, applicable only to new hires as follows:

- Restates the effective date of the provisions listed above from January 1, 2011 to June 30, 2010.
- Changes survivor benefits for minors to include up to 50% of the spouses benefit per child (maximum of 2) and includes physically handicapped or mentally disabled children as eligible survivors.
- Eligibility for DROP participation is defined as first eligibility for regular retirement.

Act 483 of 2012 creates a voluntary, irrevocable participation, cash balance plan available for to all new members whose first employment with LSERS occurs on or after July 1, 2013. All plan provisions in effect on June 30, 2013 will be known as "Tier 1" (ie. the current DB plan). Detailed provisions of the cash balance plan are outlined in Exhibit 5, and summarized as follow:

- The cash balance account will be credited with 12% of pay monthly and an interest credit annually. The interest credit will be one percent less than the actuarial rate of return, as determined by the system's actuary in the actuarial valuation.
- The cash balance accounts will not be debited if the actuarial return less one percent is negative.
- Upon retirement, on or after age 60 with five years of service, members may choose to withdraw the entire account balance or annuitize the balance. All retirement options available to Tier 1 members are applicable.
- Employees will contribute 8% of pay.
- The employer contribution will be actuarially determined, and will include the UAL payments that are shared with the tier 1 plan, regardless of the source of the UAL.
- Assets accumulated for the cash balance plans will be excluded from any determination of funds to credit to the experience account.
- Cash balance plan members are not eligible for permanent benefit increases funded from the experience account.

Board of Trustees
LSERS
September 23, 2012

Disclosures

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

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

Sincerely,

Charles G. Hall, FCA,MAAA,ASA
Consulting Actuary

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EXHIBIT 1
DEVELOPMENT
OF
COSTS, LIABILITIES AND CONTRIBUTIONS

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

	<u>June 30, 2012</u>		<u>June 30, 2011</u>	
	<u>Dollar</u>	<u>% of</u>	<u>Dollar</u>	<u>% of</u>
	<u>Amount</u>	<u>Salary</u>	<u>Amount</u>	<u>Salary</u>
I. Normal Costs				
(to fund annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	\$ 33,788,413	12.19%	\$ 36,530,143	12.31%
b) Disability Benefits	1,700,439	.61%	1,790,851	.60%
c) Survivor Benefits	2,016,075	.73%	2,210,115	.74%
d) Voluntary Termination	8,301,404	3.00%	8,600,641	2.90%
e) Expenses	<u>4,600,000</u>	<u>1.67%</u>	<u>4,600,000</u>	<u>1.55%</u>
TOTAL	50,406,331	18.18%	53,731,750	18.11%
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	\$ 647,598,222		\$ 668,848,183	
2) Disability Benefits	18,243,702		18,975,963	
3) Survivor Benefits	16,649,239		17,315,314	
4) Voluntary Termination	<u>60,630,761</u>		<u>63,081,102</u>	
	743,121,924		768,220,562	
b) Retired and Inactive Members				
1) Regular Retirees	1,072,982,078		1,026,345,602	
2) Disabled Retirees	22,948,279		23,445,350	
3) Survivors	136,051,821		131,634,276	
4) Vested Deferred & Reciprocals	32,236,113		34,581,849	
5) Contributions Refunded	4,459,588		4,056,529	
6) DROP Deferred Benefits	200,334,428		200,331,843	
7) DROP Account Balances	<u>66,337,896</u>		<u>65,735,445</u>	
	1,535,350,203		1,486,130,894	
c) TOTAL	2,278,472,127		2,254,351,456	

Exhibit 1 (Continued)
Costs, Liabilities & Contributions

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
II. Actuarial Accrued Liability		
TOTAL (Preceding page)	\$ 2,278,472,127	\$ 2,254,351,456
III. Assets	1,403,463,883	1,349,829,757
IV. Unfunded Actuarial Accrued		
Liabilities - (Surplus)	875,008,244	904,521,699
a) Change over prior year	-29,513,455	41,232,048
b) Funded Percentage	61.6%	59.9%
V. Employer Contributions		
<u>To Fund Current Plan Year¹</u>		
a) Employer Portion of Normal Cost	25,310,805	27,196,211
b) Amortization Payments	53,771,011	55,026,822
c) Previous Year (Short-fall)	<u>9,449,959</u>	<u>8,122,457</u>
	88,531,775	90,345,490
	31.6%	30.1%
	<u>PERSAC approved Rate</u>	<u>28.6%</u>
	30.8%	
VI. Projected Employer Contributions		
<u>To Fund 2011-12 Plan Year¹</u>		
a) Employer Portion of Normal Cost	26,064,820	28,014,098
b) Amortization Payments	55,985,580	57,146,026
c) Short-fall Charge	<u>11,211,288</u>	<u>10,136,084</u>
TOTAL Projected Contribution	93,261,688	95,296,208
	32.3%	30.8%
VII. Current Payroll	277,191,001	296,693,950
Projected Payroll - Mid Year	280,446,322	300,187,513
Projected Payroll - Next Year	288,800,891	309,215,211

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

EXHIBIT 2

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

	<u>June 30, 2012</u>	-----Prior Years----- <u>June 30, 2011</u>	<u>June 30, 2010</u>
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 21,571,589	\$ 22,153,401	\$ 22,348,841
Employer	82,687,129	72,917,767	53,297,405
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL CONTRIBUTIONS	104,258,718	95,071,168	75,646,246
2. Investment Income			
Investments	37,339,972	291,476,634	153,110,975
Less, Manager Fees	<u>-3,894,947</u>	<u>-3,842,179</u>	<u>-3,298,450</u>
TOTAL INVESTMENT INCOME	33,445,025	287,634,455	149,812,525
3. Total Revenues	137,703,743	382,705,623	225,458,771
<u>OPERATING EXPENSES:</u>			
1. General Administration	4,551,356	4,577,657	4,380,464
Other Expenses	118,799	123,539	106,428
2. Benefits Paid			
a) Pension Benefits	148,526,171	143,626,224	135,746,109
b) Return of Contrib.	3,606,711	3,214,342	2,783,208
c) Transfers to/from	<u>426,160</u>	<u>381,462</u>	<u>278,128</u>
TOTAL BENEFITS PAID	152,559,042	147,222,028	138,807,445
3. Total Operating Expenses	157,229,197	151,923,224	143,294,337
<u>NET INCREASE:</u>	-19,525,454	230,782,399	82,164,434

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	<u>June 30, 2012</u>	-----Prior Years----- <u>June 30, 2011</u>	<u>June 30, 2010</u>
<u>ASSETS:</u>			
1. Short Term Assets			
Cash in Banks	\$ 40,041,958	\$ 38,661,665	\$ 16,283,379
Securities	24,254,925	34,643,853	60,986,460
2. Bonds			
U.S. Government Obligations	104,891,037	97,069,700	143,921,655
Bonds - Domestic	135,892,027	152,857,216	152,270,206
Bonds - Foreign	140,477,793	108,098,285	100,769,688
3. Equities			
Domestic Stock	660,843,512	691,109,402	568,649,330
Foreign Stocks	208,994,803	202,800,904	153,878,567
Private Equity Funds	188,609,350	160,407,717	91,102,795
4. Real Estate Investments	1,993,124	1,993,124	1,993,124
5. Property and Equipment	3,236,062	3,311,066	3,367,200
6. Receivables - Payables	<u>-12,125,455</u>	<u>25,681,658</u>	<u>-7,279,213</u>
TOTAL ASSETS - Market Value	1,497,109,136	1,516,634,590	1,285,852,191
Valued at Cost	1,355,901,843	1,303,372,191	1,291,319,524
<u>INVESTMENT YIELD:</u>			
Yield to Actuarial Value	9.07%	4.35%	0.55%
DROP Account Yield	8.57%	3.85%	0.05%
Yield to Market Value	2.27%	23.28%	13.02%
<u>EXPERIENCE ACCOUNT FUND:</u>			
Prior Year End Balance	0	0	0
+ Excess Added	11,641,275	0	0
- Contribution Credited	0	0	0
+ Accumulated Interest	0	0	0
Fund Balance - Year End	11,641,275	0	0
<u>Actuarial Value of Assets:</u>			
TOTAL ASSETS	1,497,109,136	1,516,634,590	1,285,852,191
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	107,926,676	-204,823,238	-171,014,976
Plan Year - 1 (wt. 2/4)	218,729,740	107,926,676	-204,823,238
Plan Year (wt. 3/4)	<u>-72,055,114</u>	<u>218,729,740</u>	<u>107,926,676</u>
Actuarial Value of Assets	1,414,803,933	1,349,829,757	1,350,072,547
Less, Experience Account Fund	11,641,275	0	0
Valuation Assets	1,403,162,658	1,349,829,757	1,350,072,547

EXHIBIT 3

**PENSION ACCOUNTING
AND
FINANCIAL DISCLOSURE**

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

SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
2003	1,369,601	1,730,796	361,195	79.1	268,656	134.4
2004	1,381,154	1,820,959	439,805	75.8	259,698	169.4
2005	1,423,207	1,889,445	466,238	75.3	259,232	179.9
2006	1,480,748	1,872,594	391,846	79.1	239,321	163.7
2007	1,558,328	1,947,603	389,275	80.0	259,045	150.3
2008	1,578,991	2,060,242	481,251	76.6	289,529	166.2
2009	1,410,316	2,153,360	743,044	65.5	315,400	235.6
2010	1,350,073	2,213,362	863,289	61.0	306,333	281.8
2011	1,349,830	2,254,351	904,522	59.9	296,693	304.9
2012	1,403,464	2,278,472	873,008	61.6	277,191	315.7

The total actuarial accrued liability determined using the Individual Entry Age Normal cost method increased by \$24,120,671 from June 30, 2011 to June 30, 2012. From all sources there was a net experience gain of \$41,327,973.

EXHIBIT 3 (Continued)
Pension Accounting & Financial Disclosure

SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year</u>	<u>Actuarial Required Contribution</u> ¹	<u>Percent Contributed</u>	<u>Annual Pension Cost (APC)</u> ¹	<u>Actual Contribution</u> ¹	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2003	16,440,025	100.0	13,856,760	16,440,025	118.6	-13,887
2004	47,980,745	58.7	41,929,947	28,163,575	67.2	19,817,170
2005	46,187,680	61.0	42,775,863	37,753,893	88.3	24,839,140
2006	50,768,224	85.6	45,648,519	43,458,220	95.2	27,029,439
2007	46,711,648	108.1	39,949,441	50,489,918	126.4	16,488,962
2008	50,003,327	103.5	43,384,440	51,765,697	119.3	8,107,705
2009	57,895,311	96.2	51,083,424	55,715,529	109.1	3,475,600
2010	75,027,998	71.0	72,228,043	53,297,405	73.8	22,406,238
2011	88,620,630	82.3	83,953,974	72,917,767	86.9	33,442,445
2012	92,137,088	89.7	86,223,728	82,687,131	95.9	36,979,042

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

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	92,137,088
(2) Interest on Net Pension Obligation	2,508,183
(3) Amortization of Net Pension Obligation	8,421,543
(4) Annual Pension Cost (1)+(2)-(3)	86,223,728
(5) Employer Contribution	82,687,131
(6) Increase (decrease) in Net Pension Obligation	3,536,597
(7) Net Pension Obligation Beginning of Year	33,442,445
(8) Net Pension Obligation End of Year (6)+(7)	36,979,042

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

EXHIBIT 3 (Continued)**Pension Accounting & Financial Disclosure**

STATISTICAL DATA

COMPARATIVE SUMMARY OF REVENUES BY SOURCE
AND EXPENSES BY TYPE

Revenues by Source

<u>Fiscal</u> <u>Year End</u>	<u>Members</u> <u>Contribution</u>	<u>Employer</u> <u>Contribution</u>	<u>Investment</u> <u>Income</u>	<u>Total</u>
2003	19,820,210	58,736 ¹	50,126,072	70,005,018
2004	19,676,052	21,940,471 ¹	157,897,575	199,514,098
2005	18,946,671	37,753,893	115,092,079	171,792,643
2006	17,716,761	43,458,220	84,039,860	145,214,841
2007	19,258,618	50,489,918	221,780,721	291,529,257
2008	21,398,728	51,765,697	-76,115,398	-2,950,973
2009	23,017,957	55,715,529	-248,186,444	-169,452,955
2010	22,348,841	53,297,405	149,812,525	225,458,771
2011	22,153,401	72,917,767	287,634,455	382,705,623
2012	21,571,589	82,687,129	33,445,025	137,703,743

Expenses by Type

<u>Fiscal</u> <u>Year End</u>	<u>Benefits</u>	<u>Refunds/</u> <u>Transfers</u>	<u>Administrative</u> <u>Expenses</u>	<u>Total</u>
2003	97,598,053	2,420,242	2,793,560	105,811,855
2004	102,474,273	3,866,339	2,782,636	109,123,248
2005	109,842,001	3,077,121	3,259,996	116,179,118
2006	119,959,677	7,848,744	3,410,071	131,218,492
2007	130,256,443	5,323,626	3,715,526	139,295,595
2008	133,619,893	3,123,097	4,693,521	141,436,511
2009	131,126,987	3,326,073	4,648,077	139,101,137
2010	135,746,109	3,061,336	4,486,892	143,294,337
2011	143,626,224	3,595,804	4,701,196	151,923,224
2012	148,526,171	4,032,871	4,670,155	157,229,197

¹ Employer Contributions exclude the Employer Contribution Credit.

EXHIBIT 4

CENSUS DATA

GENERAL COMMENTS

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

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

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

This year there were no records purged from the database containing errors or categorized as suspicious data, which is a significant improvement in the quality of data reported when compared to previous years. Suspicious data are not necessarily errors, but data, which falls outside the parameters of the editing process for further checking.

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

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

	---2012---	---2011---	---2010---
	<u>Census</u>	<u>Census</u>	<u>Census</u>
Active Members	11,816	12,197	12,483
After DROP	600	657	683
Regular Retirees	10,520	10,353	10,185
Disability Retirees	369	381	384
Survivors	2,041	1,983	1,881
Terminated Vested	339	351	355
DROP Participants	<u>612</u>	<u>619</u>	<u>599</u>
TOTAL	26,297	26,541	26,570

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LSER RETIREMENT SYSTEM
ACTIVE (hired < 7/1/2006)

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2012

Age	YEARS EMPLOYED									Total	
	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)		
[0-19)	0	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:	:
[20-24)	0	0	1	0	0	0	0	0	0	0	1
:	0	0	36866	0	0	0	0	0	0	0	36866
:	:	:	:	:	:	:	:	:	:	:	:
[25-29)	0	0	33	0	0	0	0	0	0	0	33
:	0	0	841408	0	0	0	0	0	0	0	841408
:	:	:	:	:	:	:	:	:	:	:	:
[30-34)	0	0	93	31	0	0	0	0	0	0	124
:	0	0	2131727	801741	0	0	0	0	0	0	2933468
:	:	:	:	:	:	:	:	:	:	:	:
[35-39)	0	0	185	107	34	1	0	0	0	0	327
:	0	0	4007708	2990868	1067143	51452	0	0	0	0	8117171
:	:	:	:	:	:	:	:	:	:	:	:
[40-44)	0	0	260	257	119	51	0	0	0	0	687
:	0	0	5802494	6043607	3195222	1565320	0	0	0	0	16606643
:	:	:	:	:	:	:	:	:	:	:	:
[45-49)	0	0	444	450	289	147	66	1	0	0	1397
:	0	0	9825631	10185828	7440047	3972832	2170825	15141	0	0	33610304
:	:	:	:	:	:	:	:	:	:	:	:
[50-54)	0	0	436	503	437	271	124	20	0	0	1791
:	0	0	9477139	11418043	10773175	7067411	3758248	610668	0	0	43104684
:	:	:	:	:	:	:	:	:	:	:	:
[55-59)	0	0	341	388	403	340	42	8	5	0	1527
:	0	0	7616429	9090347	9788492	8995442	1019994	193827	153999	0	36858530
:	:	:	:	:	:	:	:	:	:	:	:
[60-64)	0	0	267	149	100	69	35	13	1	0	634
:	0	0	5806036	3429752	2346804	1755986	975734	327563	41824	0	14683699
:	:	:	:	:	:	:	:	:	:	:	:
[65-69)	0	0	103	70	43	28	12	5	3	0	264
:	0	0	2259935	1517019	898751	631279	258889	120756	115582	0	5802211
:	:	:	:	:	:	:	:	:	:	:	:
[70-74)	0	0	72	35	23	14	3	5	7	0	159
:	0	0	1321852	622594	551389	295744	80539	110553	141266	0	3123937
:	:	:	:	:	:	:	:	:	:	:	:
TOTALS	:	:	:	:	:	:	:	:	:	:	:
count	0	0	2235	1990	1448	921	282	52	16	0	6944
salary	0	0	49127225	46099799	36061023	24335466	8264229	1378508	452671	0	165718921

AVERAGES --- Attained Age 52.35
Service Years 14.07
Active Salary 23,865

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LSEER RETIREMENT SYSTEM
ACTIVE (hired 7/06-7/10)

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2012

Age	YEARS EMPLOYED									Total
	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	
[0-19)	0	1	2	0	0	0	0	0	0	3
	0	21580	35581	0	0	0	0	0	0	57161
[20-24)	0	39	5	0	0	0	0	0	0	44
	0	803008	115892	0	0	0	0	0	0	918900
[25-29)	0	121	41	0	0	0	0	0	0	162
	0	2648561	880590	0	0	0	0	0	0	3529151
[30-34)	0	197	62	0	0	0	0	0	0	259
	0	3861584	1381925	0	0	0	0	0	0	5243509
[35-39)	0	215	105	1	0	0	0	0	0	321
	0	4268685	2302642	23828	0	0	0	0	0	6595155
[40-44)	0	322	172	0	1	0	0	0	0	495
	0	6604358	3589769	0	59335	0	0	0	0	10253462
[45-49)	0	355	211	4	2	0	1	0	0	573
	0	7336681	4436135	91238	36774	0	35314	0	0	11936142
[50-54)	0	392	199	0	3	1	1	0	0	596
	0	8319116	4181056	0	85997	28352	59335	0	0	12673856
[55-59)	0	294	158	1	0	0	0	0	0	453
	0	6011896	3263917	17345	0	0	0	0	0	9293158
[60-64)	0	177	96	0	0	1	0	0	0	274
	0	3699838	1987571	0	0	59451	0	0	0	5746860
[65-69)	0	69	41	0	0	1	0	0	0	111
	0	1275654	811420	0	0	15284	0	0	0	2102358
[70-74)	0	38	31	0	0	0	0	0	0	69
	0	677357	527149	0	0	0	0	0	0	1204506
TOTALS										
count	0	2220	1123	6	6	3	2	0	0	3360
salary	0	45528318	23513647	132411	182106	103087	94649	0	0	69554218

AVERAGES --- Attained Age 47.88
Service Years 4.37
Active Salary 20,701

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LSEER RETIREMENT SYSTEM
ACTIVE (hired > 6/30/2011)

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2012

Age	YEARS EMPLOYED									Total
	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	
[0-19)	7	6	0	0	0	0	0	0	0	13
	140898	102656	0	0	0	0	0	0	0	243554
[20-24)	33	26	0	0	0	0	0	0	0	59
	605077	525195	0	0	0	0	0	0	0	1130272
[25-29)	48	58	0	0	0	0	0	0	0	106
	801349	1048310	0	0	0	0	0	0	0	1849659
[30-34)	54	88	1	0	0	0	0	0	0	143
	891893	1644439	40351	0	0	0	0	0	0	2576683
[35-39)	57	113	0	0	0	0	0	0	0	170
	1040787	2185377	0	0	0	0	0	0	0	3226164
[40-44)	88	112	0	0	0	0	0	0	0	200
	1631099	2253293	0	0	0	0	0	0	0	3884392
[45-49)	94	158	0	0	0	0	0	0	0	252
	1637247	3189373	0	0	0	0	0	0	0	4826620
[50-54)	81	157	0	0	0	0	0	0	0	238
	1345023	3124705	0	0	0	0	0	0	0	4469728
[55-59)	78	104	0	0	0	0	0	0	0	182
	1445217	1994629	0	0	0	0	0	0	0	3439846
[60-64)	33	64	0	0	0	0	0	0	0	97
	581143	1114854	0	0	0	0	0	0	0	1695997
[65-69)	10	30	0	0	0	0	0	0	0	40
	206603	552667	0	0	0	0	0	0	0	759270
[70-74)	3	9	0	0	0	0	0	0	0	12
	56271	176749	0	0	0	0	0	0	0	233020
TOTALS	586	925	1	0	0	0	0	0	0	1512
salary	10382608	17912247	40351	0	0	0	0	0	0	28335206

AVERAGES --- Attained Age 45.23
Service Years 1.23
Active Salary 18,740

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LSEER RETIREMENT SYSTEM
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY
DROP BENEFITS

VALUATION DATE 6/30/2012

Age	YEARS EMPLOYED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[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)	4	0	2	0	0	0	0	0	0	6
	101856	0	50592	0	0	0	0	0	0	152448
	101796	0	48156	0	0	0	0	0	0	149952
[55-59)	23	17	4	3	1	4	0	0	0	52
	517464	377280	99012	92784	24612	139560	0	0	0	1250712
	455760	330816	94332	70416	4716	111276	0	0	0	1067316
[60-64)	57	57	15	12	12	21	0	0	0	174
	1281816	1152672	308064	232116	290676	596796	0	0	0	3862140
	709728	686148	262380	169308	182112	402792	0	0	0	2412468
[65-69)	6	13	57	35	36	72	13	0	0	232
	116532	244536	1094160	659076	828228	1807536	313548	0	0	5063616
	37368	92856	550044	330744	359208	718872	124176	0	0	2213268
[70-74)	1	3	3	5	3	74	44	3	0	136
	22680	51156	53100	93372	67692	1836384	1049688	79668	0	3253740
	6576	26544	14976	25992	15252	544668	261300	24840	0	920148
TOTALS										
count	91	90	81	55	52	171	57	3	0	600
salary	2040348	1825644	1604928	1077348	1211208	4380276	1363236	79668	0	13582656
benefit	1311228	1136364	969888	596460	561288	1777608	385476	24840	0	6763152

AVERAGES --- Attained Age 66.13
Post Drop Years 4.55
Active Salary 22,638
Annual Benefit 11,272

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LSER RETIREMENT SYSTEM
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2012

Age	YEARS RETIRED									Total	
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)		
[0-39)	0	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:	:
[40-44)	1	0	0	1	0	0	0	0	0	0	2
:	6252	0	0	5664	0	0	0	0	0	0	11916
:	:	:	:	:	:	:	:	:	:	:	:
[45-49)	8	5	1	1	2	13	0	0	0	0	30
:	237120	114312	5232	7452	10524	133320	0	0	0	0	507960
:	:	:	:	:	:	:	:	:	:	:	:
[50-54)	35	29	21	8	19	94	15	1	3	3	225
:	823200	619176	505032	217956	358524	1290324	157032	11964	21420	3	4004628
:	:	:	:	:	:	:	:	:	:	:	:
[55-59)	93	80	59	42	51	260	54	18	4	4	661
:	2165424	1783008	1309980	788220	1039992	4296432	479964	95508	22212	4	11980740
:	:	:	:	:	:	:	:	:	:	:	:
[60-64)	196	171	152	109	141	651	145	67	33	33	1665
:	2717064	2351604	2181336	1443876	2156760	10963332	1474452	404316	192780	33	23885520
:	:	:	:	:	:	:	:	:	:	:	:
[65-69)	100	110	134	128	162	1078	363	107	48	48	2230
:	1251636	1291140	1563324	1354356	1919388	13156008	3770700	852720	289776	48	25449048
:	:	:	:	:	:	:	:	:	:	:	:
[70-74)	46	49	44	36	51	752	814	277	81	81	2150
:	443604	423084	386640	263928	441000	6675480	6992904	2664588	607332	81	18898560
:	:	:	:	:	:	:	:	:	:	:	:
[75-79)	20	20	12	15	17	219	597	596	231	231	1727
:	150768	166092	94056	121824	100980	1700328	4477680	5043036	2182932	231	14037696
:	:	:	:	:	:	:	:	:	:	:	:
[80-84)	3	1	3	3	5	54	140	411	507	507	1127
:	13872	18024	18264	18444	35016	381492	955776	3300156	4827288	507	9568332
:	:	:	:	:	:	:	:	:	:	:	:
[85-89)	0	0	0	0	0	7	23	69	438	438	537
:	0	0	0	0	0	75120	161412	525348	4333152	438	5095032
:	:	:	:	:	:	:	:	:	:	:	:
[90-99)	0	0	0	0	0	0	2	3	160	160	165
:	0	0	0	0	0	0	23124	28464	1636044	160	1687632
:	:	:	:	:	:	:	:	:	:	:	:
TOTALS	502	465	426	343	448	3128	2153	1549	1505	1505	10519
benefit	7808940	6766440	6063864	4221720	6062184	38671836	18493044	12926100	14112936	14112936	115127064

AVERAGES --- Attained Age 71.40
Years Retired 11.18
Annual Benefit 10,945

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LSEER RETIREMENT SYSTEM
REGULAR RETIREES w/COLA

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2012

Age	YEARS RETIRED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-39)	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	0	0	0	0	0
[50-54)	0	0	0	0	0	0	1	0	0	1
	0	0	0	0	0	0	177000	0	0	17700
[55-59)	0	0	0	0	0	0	0	0	0	0
[60-64)	0	0	0	0	0	0	0	0	0	0
[65-69)	0	0	0	0	0	0	0	0	0	0
[70-74)	0	0	0	0	0	0	0	0	0	0
[75-79)	0	0	0	0	0	0	0	0	0	0
[80-84)	0	0	0	0	0	0	0	0	0	0
[85-89)	0	0	0	0	0	0	0	0	0	0
[90-99)	0	0	0	0	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0	1	0	0	1
count	0	0	0	0	0	0	17700	0	0	17700
benefit	0	0	0	0	0	0	17700	0	0	17700

AVERAGES --- Attained Age 51.39
Years Retired 10.73
Annual Benefit 17,700

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LSEER RETIREMENT SYSTEM
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2012

Age	YEARS RETIRED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-39)	1	0	1	0	0	0	0	0	0	2
	11220	0	5364	0	0	0	0	0	0	16584
[40-44)	3	2	3	1	1	1	0	2	0	13
	22356	14088	22296	4560	17148	12564	0	7980	0	100992
[45-49)	5	8	3	1	3	14	5	3	0	42
	40728	90960	18420	1296	14772	84348	31692	13584	0	295800
[50-54)	13	12	15	8	9	31	18	9	0	115
	113520	93948	127344	53892	69960	219216	95352	52524	0	825756
[55-59)	11	16	16	14	14	46	28	7	7	159
	99720	151992	109044	120660	83928	261468	136224	32136	42168	1037340
[60-64)	1	8	2	0	2	4	2	1	2	22
	5880	72324	13800	0	15876	25236	15540	4560	8688	161904
[65-69)	1	2	1	0	1	1	0	1	2	9
	5808	14868	3888	0	6336	4212	0	4608	8808	48528
[70-74)	1	0	1	1	0	0	0	0	0	3
	5604	0	4188	7140	0	0	0	0	0	16932
[75-79)	1	1	1	0	0	0	0	0	0	3
	5904	7368	4260	0	0	0	0	0	0	17532
[80-84)	0	0	0	0	0	0	0	0	1	1
	0	0	0	0	0	0	0	0	4068	4068
[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
TOTALS	37	49	43	25	30	97	53	23	12	369
benefit	310740	445548	308604	187548	208020	607044	278808	115392	63732	2525436

AVERAGES --- Attained Age 55.42
Years Retired 6.68
Annual Benefit 6,844

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LSER RETIREMENT SYSTEM
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2012

Age	YEARS RETIRED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-39)	2	5	5	3	0	14	10	9	4	52
	19704	46824	48348	27096	0	157668	87828	72432	14124	474024
[40-44)	1	1	3	5	0	11	6	6	6	39
	18456	10596	34308	67416	0	103632	52176	34536	57264	378384
[45-49)	4	3	1	1	5	15	14	9	2	54
	63432	32088	15792	16656	66720	149772	99144	66876	12024	522504
[50-54)	3	2	8	1	2	28	16	10	3	73
	31212	39528	106752	11928	13860	251964	120504	61596	26136	663480
[55-59)	5	7	8	5	3	22	24	15	5	94
	67992	94728	105876	50076	30468	214764	179820	96024	38664	878412
[60-64)	7	13	9	14	7	62	38	30	21	201
	88488	168480	110172	213720	95556	545556	309516	214584	150612	1896684
[65-69)	13	14	16	21	7	50	52	46	21	240
	156036	147612	162120	210888	60828	511104	400872	317988	138864	2106312
[70-74)	20	26	17	20	19	76	59	55	46	338
	216612	215220	130524	164484	164496	622056	434148	415752	385392	2748684
[75-79)	21	17	17	18	14	65	56	72	117	397
	171036	113436	91440	116232	108528	472680	387360	527016	950940	2938668
[80-84)	7	9	9	6	8	47	28	69	142	325
	47040	67752	72264	37404	60996	316176	204912	594432	1121376	2522352
[85-89)	2	4	0	1	1	13	13	24	101	159
	12084	28200	0	2736	6024	92952	91368	160884	836136	1230384
[90-99)	1	0	0	0	1	5	9	22	31	69
	9420	0	0	0	6480	34140	89004	162228	242220	543492
TOTALS	86	101	93	95	67	408	325	367	499	2041
benefit	901512	964464	877596	918636	613956	3472464	2456652	2724348	3973752	16903380

AVERAGES --- Attained Age 71.60
Years Retired 12.80
Annual Benefit 8,282

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LSEER RETIREMENT SYSTEM
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2012

Age	YEARS EMPLOYED									Total
	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	
[0-19)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[20-24)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[25-29)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[30-34)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[35-39)	0	0	0	3	0	0	0	0	0	3
:	0	0	0	36612	0	0	0	0	0	36612
:	:	:	:	:	:	:	:	:	:	:
[40-44)	0	1	0	23	2	0	0	0	0	26
:	0	1668	0	211104	23016	0	0	0	0	235788
:	:	:	:	:	:	:	:	:	:	:
[45-49)	0	3	0	20	9	1	3	0	0	36
:	0	2316	0	175848	129348	18588	100128	0	0	426228
:	:	:	:	:	:	:	:	:	:	:
[50-54)	0	0	2	30	23	10	17	0	0	82
:	0	0	5880	248868	297444	222456	547476	0	0	1322124
:	:	:	:	:	:	:	:	:	:	:
[55-59)	0	0	2	54	39	19	7	0	0	121
:	0	0	3024	439824	494640	352452	159888	0	0	1449828
:	:	:	:	:	:	:	:	:	:	:
[60-64)	1	2	1	19	12	10	5	1	0	51
:	84	3180	1056	160452	206004	214908	117684	16908	0	720276
:	:	:	:	:	:	:	:	:	:	:
[65-69)	1	0	1	5	2	0	1	0	0	10
:	12	0	1416	30480	29784	0	6396	0	0	68088
:	:	:	:	:	:	:	:	:	:	:
[70-74)	0	2	1	1	3	1	2	0	0	10
:	0	228	48	10272	9552	19656	29736	0	0	69492
:	:	:	:	:	:	:	:	:	:	:
TOTALS	:	:	:	:	:	:	:	:	:	:
count	2	8	7	155	90	41	35	1	0	339
benefit	96	7392	11424	1313460	1189788	828060	961308	16908	0	4328436

AVERAGES --- Attained Age 55.50
Service Years 16.07
Annual Benefit 12,768

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LSEER RETIREMENT SYSTEM
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2012

Age	YEARS PARTICIPATED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[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)	2	5	0	0	0	0	0	0	0	7
	99984	175632	0	0	0	0	0	0	0	275616
[50-54)	12	26	18	0	0	0	0	0	0	56
	493908	900552	589812	0	0	0	0	0	0	1984272
[55-59)	37	40	55	0	0	0	0	0	0	132
	912336	910260	1277604	0	0	0	0	0	0	3100200
[60-64)	109	132	139	0	0	0	0	0	0	380
	1527840	1950600	1993968	0	0	0	0	0	0	5472408
[65-69)	7	8	14	0	0	0	0	0	0	29
	49116	59256	94992	0	0	0	0	0	0	203364
[70-74)	1	2	4	0	0	0	0	0	0	7
	8028	11664	22764	0	0	0	0	0	0	42456
[75-79)	1	0	0	0	0	0	0	0	0	1
	14652	0	0	0	0	0	0	0	0	14652
[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
TOTALS										
count	169	213	230	0	0	0	0	0	0	612
benefit	3105864	4007964	3979140	0	0	0	0	0	0	11092968

AVERAGES --- Attained Age 60.19
Years Retired 1.64
Annual Benefit 18,126

EXHIBIT 5

PRINCIPLE PROVISIONS OF THE PLAN
"Tier 1"
(Including Acts of 2009 Regular Session)

EFFECTIVE DATE:

July 1, 1947

EMPLOYEE:

Any school bus driver, janitor, custodian, maintenance employee, bus aide, monitor or attendant or other regular school employee helping with the transportation of school children, and who is a legal employee of a parish or city school board of the State of Louisiana.

EMPLOYER:

The State of Louisiana, or any parish or city school board from which any employee receives compensation.

ELIGIBILITY FOR PARTICIPATION:

Contingent upon approval of application filed with the Board of Trustees within 90-days of the date of Employment. However, no employee who is a member of any other retirement system supported in whole or in part by public funds shall be entitled to membership in this retirement system.

SERVICE:

Service as an "Employee", defined above.

CREDITABLE SERVICE:

Prior Service plus Membership Service, for which credit is allowed.

PRIOR SERVICE:

Service prior to July 1, 1947 for which prior service certificates are issued; granted without cost if certified.

MEMBERSHIP SERVICE:

Service as an "Employee" while a member of the system.

EXHIBIT 5 (Continued)

Principle Provisions - Tier 1

ADDITIONAL

CREDITABLE SERVICE:

1. Credit for service canceled by withdrawal of accumulated contributions may be restored by member by paying into system the amount withdrawn plus regular interest from date withdrawn until paid.
2. Maximum of 4 years of credit for military service may purchased.
3. Conversion of Sick Leave and Annual Leave at retirement, or death may be converted to membership credit.
4. Part-time employees shall accrue a full year of creditable service for each full year of part-time service for benefit eligibility purposes.
5. Out of State service with other school systems may be purchased.

EARNABLE COMPENSATION:

The compensation earned by a member for any given period. Where compensation includes maintenance, the employing agency shall fix the value of that part of compensation not paid directly.

AVERAGE FINAL COMPENSATION:

The average annual earnable compensation of a member for the 36 highest successive months of employment or the highest 36 successive joined months of employment where interruption of service occurred (Effective 7/6/84); the average compensation of a member for purposes of computing benefits cannot increase more than 25% per year (Effective 1/1/87).

For those members hired on and after 7/1/2006, the period for determining final average compensation is extended from 36 months to 60 months.

ACCUMULATED CONTRIBUTIONS:

Sum of all amounts deducted from compensation of a member plus any interest credited to his individual account in annuity savings fund plus any other amounts credited to the member's account.

EMPLOYEE CONTRIBUTIONS:

- 7.00% of earnable compensation.
- 6.65% effective Sept.1, 1990 (Act 340 of 1990).
- 7.00% effective Jan. 1, 1992 (Act 375 of 1991).
- 6.35% effective July 1, 1992 (Act 248 of 1992).
- 7.50% effective July 1, 2001 (Act 897 of 2001).
- 8.00% effective July 1, 2010 (Act 318 of 2010, new hires).

EXHIBIT 5 (Continued)

Principle Provisions - Tier 1

EMPLOYER CONTRIBUTIONS:

"Normal contribution" rate plus "accrued liability contribution" rate, as determined by the actuary and Board of Trustees. Eff. July 1, 1985, 10.18%. Act 81 of 1988 requires employer rate to be actuarially determined annually.

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

Contingent upon written application to the Board of Trustees;

1. For members hired prior to 7/1/2010; attainment of age 60 and 10 years of accredited service, or age 55 and 25 years of accredited service, or at any age and 30 years of accredited service.
2. For members hired after 6/30/2010; attainment of age 60 and 5 years of accredited service

Benefit:

1. For members hired prior to 7/1/2010; Act 897 of the 2001 regular legislative session increases the accrual rate to 3 1/3% for all years of service.
2. For members hired after 6/30/2010; Act 318 of the 2010 regular legislative session sets the accrual rate at 2 1/2%.

EARLY-REDUCED RETIREMENT:

Eligibility:

20 years of service credit regardless of attained age.

Benefit:

Normal retirement benefit based upon service accrued to date, actuarially reduced from the earliest date member would be eligible if employment had continued to earliest normal retirement date.

COST OF LIVING BENEFITS:

Prior to July 1, 1970 The Board may grant supplemental COLA not in excess of 2% from investment income, minimum \$20 per month.

After July 29, 1970 Board may grant supplemental COLA not in excess of 3% from investment income, minimum \$30 per month.

EXHIBIT 5 (Continued)

Principle Provisions - Tier 1

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).

Effective 7/1/2006, Act 578 of 2006 changed the requirements for disability retirement from 5 years of creditable service to 10 years.

Benefit:

For members hired prior to 7/1/2010;

A pension equal to 2 1/2% of average final compensation times the years of creditable service, plus two dollars per month for each year of credited service supplemental benefit, not to exceed final average compensation. Act 500 of 1989 provides a minimum disability benefit of 33 1/3% of average final compensation.

For members hired after 6/30/2010;

A pension equal to the accrued retirement benefit, without reduction for age.

SURVIVOR'S BENEFITS:

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 service at the 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 service at the time of death.
3. Minor children with no spouse or spouse without legal custody 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 service at the time of death.
4. Beneficiary not eligible for (1), (2) or (3)

Act 992 of 2010 includes in the list of eligible survivors, handicapped children, and mentally disabled children.

EXHIBIT 5 (Continued)

Principle Provisions - Tier 1

Benefits:

For members hired prior to 7/1/2010;

1. Greater of 75% of member's final average compensation or \$300 per month. Benefit ceases upon remarriage if less than 20 years of service and less than age 55.
2. Greater of 50% of member's final average compensation or \$200 per month. Benefit ceases upon remarriage if less than 20 years of service and less than age 55.
3. Greater of 75% of member's final average compensation or \$300 per month.
4. Return of member's accumulated contributions.

For members hired after 6/30/2010;

1. Greater of 50% of member's final average compensation or \$600 per month. Benefits cease upon remarriage and resume upon subsequent death or divorce of spouse.
2. Members accrued benefit at death.
3. Each child (not to exceed 2) receives 50% of the benefit payable in (1) above.
4. Return of member's accumulated contributions.

NOTE: Handicapped or mentally retarded children of a deceased member, regardless of age, who are dependent upon a surviving spouse or legal guardian shall be payable in accordance with minor children benefits of this section. The benefit payable is reduced by state assistance received.

**OPTIONAL FORMS
OF BENEFIT:**

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

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

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

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

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

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

The normal form and options 1-4 can be elected in the form of an increasing annuity which permits the member to make an election at retirement to receive an actuarially reduced benefit which increases 2.5% annually. The increases begin on the 1st retirement anniversary date, but not before the retiree attains age 55 or would have attained age 55 for a surviving spouse.

NOTE: Revisionary annuities are available for Option 2, Option 3 and Option 4, which provides a return to the maximum benefit if the spouse pre-deceases the retiree.

EXHIBIT 5 (Continued)

Principle Provisions - Tier 1

REFUND OF CONTRIBUTIONS:

If a member ceases to be eligible, except by death or retirement, he shall be paid such part of the amount of the accumulated contributions credited to his individual account in annuity savings fund as he shall demand, plus any accumulated interest.

WITHDRAWAL AFTER 10 YEARS
OF CREDITABLE SERVICE:

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

COST OF LIVING INCREASES:

HB 658 of 2007 establishes an Experience Account which, is credited with 50% of the excess investment experience gain and debited with 50% of the net investment experience loss. Balances in the experience account accrue interest at the average actuarial yield for the System portfolio. Once the balance of the Experience Account accumulates to a sum sufficient to grant retirees a COLA, the Board may grant such COLA not to exceed the lesser of the CPI-U or 3%. Benefits are restricted to those retirees who have attained the age of 60 and have been retired for at least one year.

DEFERRED RETIREMENT OPTION PLAN:
(Act 56 of 1991)

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

Eligibility:

Ten (10) years at age sixty (60), twenty five (25) years at age fifty-five (55), or thirty (30) years of creditable service including reciprocal service, but excluding conversion of sick and annual leave, and eligible to receive a service retirement allowance. However, all unused sick and annual leave is convertible after plan participation when member has terminated employment.

Benefit:

Duration of participation is specified and cannot exceed the period terminating on the third anniversary at the earliest date the member qualified for regular retirement.

Upon termination of employment at the end of or prior to the end of the specified period of participation, a participant will receive, at his option:

EXHIBIT 5 (Continued)

Principle Provisions - Tier 1

Benefit (continued):

- (1) lump sum payment (equal to the payments to the account)
- (2) a true annuity based upon his account; or
- (3) any other method of payment if approved by the board of trustees. Monthly benefits being paid into the fund during participation will begin being paid to the retiree.

If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance shall be paid to the beneficiary, or if none, to his estate; in addition, normal survivor benefits payable to survivors of retirees shall be payable.

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

- (1) payment into account shall cease
- (2) payment from account shall not be made until employment is terminated and
- (3) the participant shall resume active contributing membership in the system

Then, 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 additional benefit shall be that used to calculate original benefit.
- (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.

For those members hired on and after 7/1/2006, the period for determining final average compensation is extended from 36 months to 60 months.

NOTE: DROP Accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis.

Effective 1/1/2004 new DROP accounts are credited with Money Market rates or self directed accounts approved by the Board of Trustees.

EXHIBIT 5 (Continued)

Summary of Plan Provisions - Tier 2

TIER 2 - Cash Balance Plan

EFFECTIVE DATE:

July 1, 2013, created by Act 483 of 2012.

ELIGIBILITY FOR PARTICIPATION:

Any member whose first employment, on or after July 1, 2013, entitles them for membership with the School Employees Retirement System may elect to participate in lieu of participating in Tier 1.

EMPLOYEE CONTRIBUTIONS:

Employees contribute 8.0% of pay.

EMPLOYER CONTRIBUTIONS:

The employer rate is actuarially determined and set annually, based on the Public Retirement Systems' Actuarial Committee's recommendation to the Legislature. The contribution is comprised of the normal cost portion required to fund annual accruals and an amortization payment to pay down the Tier 1 and Tier 2 UAL.

CASH BALANCE ACCOUNT:

PAY CREDITS:

The cash balance account will be credited with 12% of pay monthly.

INTEREST CREDITS:

The cash balance account will be credited an interest credit annually. The interest credit will be the system's actuarial rate of return, as determined by the system's actuary in the actuarial valuation, less one percent. Accounts will not be debited if the actuarial return less one percent is negative.

WITHDRAWAL BENEFIT:

Accounts will not receive interest credit for periods following separation of service. Members withdrawing prior to five years of service may withdraw the employee contributions, without interest. Members withdrawing with five or more years of service may withdraw the entire account balance.

EXHIBIT 5 (Continued)

Summary of Plan Provisions - Tier 2

RETIREMENT BENEFIT:

Upon attaining age 60 with at least five years of service, members may choose to withdraw their account balance in one lump sum or annuitize the balance. If a member annuitizes the account balance and dies prior to receiving benefits exceeding total employee contribution, the difference shall be paid to the estate of the decedent.

DISABILITY RETIREMENT:

Disability benefits for members becoming disabled prior to withdrawing from the cash balance plan or annuitizing the benefit may choose to receive a lump sum of the account balance. Members who meet the eligibility requirements for the Tier 1 plan may choose to receive the applicable Tier 1 disability benefit.

SURVIVOR'S BENEFITS:

Survivor benefits for members who die prior to withdrawing from the cash balance plan or annuitizing the benefit:

Members who met the eligibility requirements of the Tier 1 plan:

Spouse and no children: the spouse may choose to receive a lump sum payment of the account balance or receive the applicable Tier 1 survivor benefit.

Minor child or handicapped or mentally disabled child: all survivors otherwise qualifying under the Tier 1 plan shall receive the Tier 1 survivors' benefits but shall not receive a lump sum of the account balance.

Members who do not meet the eligibility requirements of the Tier 1 plan:

The designated beneficiary or member's estate has the option to receive the member's account balance as a lump-sum payment.

Note: The Tier 1 plan is the plan the member would have been enrolled in the absence of the cash balance plan. If a survivor is eligible to and elects to receive a Tier 1 survivors' benefit, the balance in the member's account shall be retained by the retirement system.

OPTIONAL FORMS OF BENEFIT:

Members who annuitize their cash balance may elect options as described in the Tier 1 plan provisions.

REEMPLOYMENT:

If a member becomes reemployed in a position covered by the cash balance plan after withdrawing from the cash balance plan or annuitizing the balance, the person's accumulation in the cash balance plan will begin again. However, the reemployment will not affect the receipt of the lump sum or annuitized payments from the first cash balance account.

EXHIBIT 6

ACTUARIAL COST METHODS AND ASSUMPTIONS

COST METHOD:

La. R.S. 11:22(B.)(5), prescribes the "Entry Age Normal" cost method to be 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 allocated on a level basis as percentage of payroll for each participant between entry age and assumed retirement age(s). That portion of the actuarial present value attributable to current year benefit accruals is called the Normal Cost. The actuarial present value of future benefits in excess of the actuarial present value of future normal costs is called the actuarial accrued liability.

ASSET VALUATION:

For the Plan Year ending prior to June 30, 1999 equities are valued at a four year weighted average. The computation of the actuarial value of assets is the sum of the bonds at amortized cost, less a weighted average of unrealized losses or (gains) in the market value of equities, plus the market value of Equities

Effective June 30, 1999 the Board of Trustees approved a change in the Asset Valuation Method. The Actuarial Value of Assets is the market value of assets adjusted for a four year weighted average in 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 disclosure of certain actuarial liabilities for Public Employee Retirement Systems. The disclosures illustrated in Exhibit 3 were developed using the Entry Age Normal cost method. The statement of assets provided by the independent auditors was a copy of 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 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:

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 five year observation period (2003-2007) was chosen to coincide with the most recent period of data reporting following the restructuring of the Deferred Retirement Option Program.

MORTALITY ASSUMPTIONS:

Pre-retirement deaths and post-retirement life expectancies were projected in accordance with the experience of the RP-2000 Sex Distinct Mortality Table.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

DISABILITY ASSUMPTION:

Rates for total and permanent disability were projected in accordance in accordance with the experience of the RP-2000 Sex Distinct Disability Mortality 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. Retirement rates and DROP probabilities are based on the most recent Experience Study and are illustrated in the rate tables at the end of this exhibit.

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 the attained age rate in prior reports and a multiple of service duration in the current valuation as follows:

1st year	1.00x
2nd year	1.15x
3rd year	1.15x
4th year	1.00x
5th year	1.00x

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

SALARY GROWTH:

The rates of annual salary growth are based upon the member's years of service and are illustrated in the rate tables at the end of this exhibit.

FAMILY STATISTICS:

The composition of the Family was based on Age Specific Fertility Rates from the 2007 Vital Statistics of the United States. 80% of the membership was assumed to be married with the wife assumed to be three (3) years younger than the husband. Sample rates are as follows:

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

<u>Age at Death</u>	<u>Number of Minor Chn.</u>	<u>Years for Youngest Child to Attain Majority</u>
25	1.2	17
30	1.4	15
35	1.7	13
40	1.7	10
45	1.4	8
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:

For the 1990-1991 plan year, the Public Retirement Systems' Actuarial Committee increased the valuation rate assumption to 7.5% from the system's actuary recommended rate of 7.0%, net expenses. The appropriateness of this assumption continues to be reviewed by the system's actuary as part of a five year experience study with the next study concluding with the July 1, 2011 - June 30, 2012 plan year.

ADMINISTRATIVE EXPENSES:

Operating expenses are included in Aggregate Normal Cost and are assumed to be \$4,600,000 per year. Investment Manager Fees are not included in Operating Expenses, but are treated as a direct offset to investment income. The Employer portion of the Normal Cost excludes an allocation for administrative expenses. As a result of the change in Asset Valuation Method, the reporting of realized income has been changed to realized, plus unrealized income for valuations beginning on June 30, 1999 and thereafter.

COST-OF-LIVING:

The liability for cost-of-living raises already granted is included in the retiree reserve.

ACTUARIAL TABLES AND RATES
EFFECTIVE 6/30/2008

Age	- Death Rates -		Disability	Termination	Retirement	DROP	Dur	Salary
	Male	Female	Rates	Rates	Rates	Rates		Scale
18	.000316	.000188	.0000	.1500	.0000	.000	1	1.0600
19	.000331	.000190	.0000	.1500	.0000	.000	2	1.0600
20	.000345	.000191	.0000	.1500	.0000	.000	3	1.0450
21	.000357	.000192	.0000	.1500	.0000	.000	4	1.0450
22	.000366	.000194	.0000	.1300	.0000	.000	5	1.0450
23	.000373	.000197	.0000	.1300	.0000	.000	6	1.0450
24	.000376	.000201	.0000	.1300	.0000	.000	7	1.0470
25	.000376	.000207	.0000	.1000	.0000	.000	8	1.0470
26	.000378	.000214	.0000	.1000	.0000	.000	9	1.0470
27	.000382	.000223	.0000	.1000	.0000	.000	10	1.0470
28	.000393	.000235	.0000	.1000	.0000	.000	11	1.0470
29	.000412	.000248	.0000	.1000	.0000	.000	12	1.0470
30	.000444	.000264	.0000	.1000	.0000	.000	13	1.0470
31	.000499	.000307	.0000	.1000	.0000	.000	14	1.0450
32	.000562	.000350	.0000	.1000	.0000	.000	15	1.0450
33	.000631	.000394	.0000	.1000	.0000	.000	16	1.0450
34	.000702	.000435	.0000	.1000	.0000	.000	17	1.0450
35	.000773	.000475	.0010	.0700	.0000	.000	18	1.0450
36	.000841	.000514	.0010	.0700	.0000	.000	19	1.0450
37	.000904	.000554	.0010	.0700	.0000	.000	20	1.0450
38	.000964	.000598	.0010	.0700	.0000	.000	21	1.0450
39	.001021	.000648	.0010	.0700	.0000	.000	22	1.0450
40	.001079	.000706	.0020	.0700	.0000	.000	23	1.0450
41	.001142	.000774	.0020	.0600	.0000	.000	24	1.0450
42	.001215	.000852	.0020	.0600	.0000	.000	25	1.0450
43	.001299	.000937	.0040	.0600	.0000	.000	26	1.0450
44	.001397	.001029	.0040	.0550	.0000	.000	27	1.0450
45	.001508	.001124	.0040	.0550	.0000	.000	28	1.0400
46	.001616	.001223	.0050	.0550	.0000	.000	29	1.0400
47	.001734	.001326	.0060	.0400	.9000	.000	30	1.0400
48	.001860	.001434	.0060	.0400	.9000	.150	31	1.0400
49	.001995	.001550	.0060	.0400	.6800	.150	32	1.0400
50	.002138	.001676	.0060	.0400	.6000	.300	33	1.0400
51	.002449	.001852	.0060	.0400	.6000	.450	34	1.0400
52	.002667	.002018	.0060	.0400	.6000	.270	35	1.0400
53	.002916	.002207	.0060	.0400	.6000	.270	36	1.0400
54	.003196	.002424	.0070	.0400	.4200	.330	37	1.0400
55	.003624	.002717	.0070	.0400	.4200	.330	38	1.0400
56	.004200	.003090	.0070	.0400	.4200	.400	39	1.0400
57	.004693	.003478	.0060	.0400	.4200	.300	40	1.0400
58	.005273	.003923	.0060	.0400	.4200	.300	41	1.0400
59	.005945	.004441	.0050	.0400	.3500	.200	42	1.0400
60	.006747	.005055	.0040	.0400	.3500	.400	43	1.0400
61	.007676	.005814	.0040	.0400	.3500	.350	44	1.0400
62	.008757	.006657	.0040	.0400	.2500	.250	45	1.0400
63	.010012	.007648	.0040	.0400	.2500	.250	46	1.0400
64	.011280	.008619	.0040	.0400	.2500	.250	47	1.0400
65	.012737	.009706	.0040	.0400	.2500	.100	48	1.0400
66	.014409	.010954	.0040	.0400	.2500	.100	49	1.0400
67	.016075	.012163	.0040	.0400	.2500	.100	50	1.0400
68	.017871	.013445	.0040	.0400	.2500	.200	51	1.0400
69	.019802	.014860	.0040	.0400	.2500	.080	52	1.0400
70	.022206	.016742	.0040	.0400	.2500	.050	53	1.0400
71	.024570	.018579	.0040	.0400	.2500	.000	54	1.0400
72	.027281	.020665	.0040	.0400	.2500	.000	55	1.0400
73	.030387	.022970	.0040	.0400	.5000	.000	56	1.0400
74	.033900	.025458	.0040	.0400	.9900	.000	57	1.0400

EXHIBIT A

**AMORTIZATION of UNFUNDED
ACTUARIAL ACCRUED LIABILITY
JUNE 30, 2012**

<u>DATE</u> <u>6/30</u>	<u>DESCRIPTION</u>	<u>AMTZ.</u> <u>METHOD</u>	<u>AMTZ.</u> <u>PERIOD</u>	<u>INITIAL</u> <u>LIABILITY</u>	<u>YEARS</u> <u>REMAING</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>MID-YEAR</u> <u>PAYMENT</u>
1993	Change in Liability	L	25	-65,622,628	17	-55,538,193	-5,677,975
1994	Change in Liability	L	25	-30,846,941	17	-26,106,595	-2,669,021
1995	Change in Liability	L	25	2,558,051	17	2,164,947	221,334
1996	Change in Liability	L	25	-19,620,386	17	-16,605,260	-1,697,647
1997	Change in Liability	L	25	-9,046,638	17	-7,656,413	-782,757
1998	Change in Liability	L	25	-105,844,372	17	-89,578,936	-9,158,148
1999	Change in Liability	L	25	-48,468,045	17	-41,019,809	-4,193,681
2000	Change in Liability	L	25	-8,704,034	17	-7,366,458	-753,114
2001	Change in Liability	I	27	239,310,198	19	264,943,806	17,636,464
2002	Change in Liability	I	28	199,940,651	20	224,568,552	14,385,132
2003	Change in Liability	I	29	214,321,070	21	243,913,373	15,071,840
2004	Change in Liability	L	30	52,010,701	22	46,756,095	4,247,412
2005	Change in Liability	L	30	4,619,288	23	4,226,721	377,230
2006	Change in Liability	L	30	-93,066,596	24	-86,546,478	-7,600,208
2007	Change in Liability	L	30	-8,916,009	25	-8,415,158	-728,119
2008	Change in Liability	L	30	83,881,777	26	80,253,162	6,850,137
2009	Change in Liability	L	30	251,368,124	27	243,514,344	20,527,775
2010	Change in Liability	L	30	89,485,738	28	87,689,955	7,307,780
2011	Change in Liability	L	30	20,356,391	29	20,159,520	1,662,388
2012	Change in Liability	L	30	-41,327,973	30	-41,327,973	-3,375,015
TOTAL OUTSTANDING BALANCE						838,029,202	53,771,011
EMPLOYERS' CREDIT BALANCE							
2008	Contribution Variance	L	5	-1,762,370	1	-405,205	-420,126
2009	Contribution Variance	L	5	2,179,782	2	967,388	519,631
2010	Contribution Variance	L	5	21,730,593	3	13,967,517	5,180,287
2011	Contribution Variance	L	5	15,702,862	4	12,999,383	3,743,355
2012	Contribution Variance	L	5	9,449,959	5	9,449,959	2,252,746
TOTAL CREDIT BALANCE						36,979,042	11,275,893
TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY						875,008,244	

NOTE: Effective July 1, 1990, Actuarial Valuation Rate changed from 7% to 7 1/2%.
Effective July 1, 1992, Amortization Period changed in accordance with Act 257.
Effective July 1, 2004, Amortization Period changed in accordance with Act 588.