

**TEACHERS' RETIREMENT SYSTEM
OF LOUISIANA
JUNE 30, 2001
ACTUARIAL VALUATION**

Hall Actuarial Associates

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

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

September 19, 2001

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, 2001.

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:

	<u>June 30, 2001</u>	-----Prior Years-----	
		<u>June 30, 2000</u>	<u>June 30, 1999</u>
I. Membership Census			
1) Retirees	48,064	46,131	43,953
2) Actives	86,829	87,361	87,129
3) DROP	3,421	3,845	3,683
4) Terminated Vested	630	629	597
II. Annual Benefits	\$ 802,202,373	\$ 744,801,332	\$ 697,376,586
III. Actuarial Payroll	2,582,830,822	2,563,634,364	2,569,479,558
IV. Valuation Assets	11,771,682,878	11,078,392,515	9,845,297,243
V. Experience Account	666,053,912	1,591,362,518	1,058,801,520
VI. Investment Yield			
Actuarial Value	.05%	17.63%	13.99%
Market Value	-4.73%	13.58%	9.00%
VII. Cost to Fund Annual Pension Accruals (Normal Costs)	388,493,973 15.04%	385,245,121 15.03%	387,828,133 15.09%
VIII. Unfunded Actuarial Accrued Liability	3,618,734,378	3,518,048,255	4,068,119,090
IX. Funded Percentage	76.5%	75.9%	70.8%
X. Funding Requirements to Pay (Mid-year Payment)			
1) Employee Contribution Rate	212,755,930 7.97%	211,053,826 7.97%	211,806,160 7.98%
2) Employer Contribution Rate - Current Year	371,151,789 13.0%	370,123,712 13.1%	404,725,403 14.3%
3) Projected Employer Contribution - Next Year	385,117,091 12.9%	383,046,146 13.1%	415,457,806 14.2%

The above funding requirements measure the cost of benefits that were in effect on June 30, 2001, plus Acts of the 2001 Legislative Session which have prospective affects on the current active members.

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Current Funding

The Actuarial Valuation for the plan year ending June 30, 2001 discloses a general decrease in the value of the plan's unfunded accrued liability. Prospective funding requirements have decreased as a percentage of payroll. It is generally appropriate for the current valuation process to disclose the source or cause of any significant changes in the plan from year to year. Changes that occur are usually the result of changes in actuarial assumptions, gains or losses resulting from actual experience which differs significantly from expected plan experience.

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

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

CHANGE IN UNFUNDED LIABILITY

Unfunded Liability 6/30/2000	\$ 3,518,048,255
INCREASES	
Interest on Unfunded Liability	\$ 290,238,981
Investment Loss	898,528,916
Experience Account Allocation	<u>-449,264,458</u>
Incurred Increases	739,503,439
DECREASES	
Amortization Payments	203,753,065
Experience Gain	393,753,862
Employer Short Fall Credit	<u>41,310,389</u>
Incurred Decreases	638,817,316
Unfunded Liability 6/30/2001	\$ 3,618,734,378

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The employer contribution rate established by the Public Retirement Systems' Actuarial Committee for the 2001-2002 plan year was 13.1%. The actual employer contribution rates determined by this valuation for the current plan year is 13.0%. The current adjusted rate is less than the required employer's contributions. Since any change in required contributions is attributable to many factors, the following sections address the source and respective impact to the required employer contribution rate.

Actuarial Assets/Valuation Assets

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

- **LSU Agriculture and Extension Service Fund:** Participants of the LSU Agriculture and Extension Service receive supplement benefits from TRSL equal to the difference between the TRSL benefit formula and the Federal Civil Service formula. The funding is recorded separately in the side-fund with assets co-mingled with the Actuarial Value of assets. The current balance is \$-240,630.
- **Texaco Settlement Fund:** The purpose of this fund is to accumulate Texaco settlement contributions as a separate account invested at TRSL's actuarial rate of return. Once the accumulated value of the account equals the outstanding balance of the initial unfunded actuarial liability, the account and liability will be liquidated. The current account balance is \$290,453,230.
- **Experience Account Fund:** The purpose of this fund is to accumulate 50% of the excess investment gain or loss relative to the actuarial valuation rate of 8.25%. The account is used to fund COLA'S for retirees. The benefit granted must be funded at 100% of actuarial cost. The current balance is \$666,053,912.

The reduction in the Experience Account Fund was the result of a \$449.2M debit for poor investment performance below the actuarial rate of 8.25%, a \$130.7M debit for a 2% COLA granted July 1, 2001 and a \$346.2M debit for implementation of Act 1172 of the 2001 Legislative Session. This Act implements minimum benefits for retirees December 1, 2001 and increases minimum survivor benefits March 1, 2002.

Investment Experience

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

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>5 YEAR AVERAGE</u>
12.82%	20.78%	13.99%	17.63%	.05%	12.82%

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The net actuarial rate of return assumed in the valuation was 8.25%. For the plan year ending June 30, 2001 the net realized actuarial rate of return was less than the long-term investment assumption used to project benefits. The result was a net investment experience loss of \$898,528,916 above projected investment income.

Act 1031 of 1992 establishes the Experience Account. Each year the fund is credited/debited with 50% of the net investment experience gain/loss together with interest on the beginning account balance. Due to investment yields less than actuarial expectations, an additional \$449,264,458 will be deducted from the Experience Account with a like amount amortized to decrease future employer contributions.

Plan Experience

The actuary is charged with making the best estimate of future plan experience to properly fund future benefits. If the actual experience differs from the projected experience, a gain or loss occurs. This gain or loss is then amortized over the later of the year 2029 or a fifteen year statutory period to make a mid-course adjustment in future funding requirements. During the 2000-2001 plan year, the system incurred an \$393,753,862 experience gain.

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

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

Funding as a Percentage of Payroll

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

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<u>June 30</u>	<u>Payroll/\$1000</u>	<u>Percent Increase</u>
1991	2,133,107	4.5%
1992	2,307,362	8.2%
1993	2,329,827	1.0%
1994	2,359,049	1.3%
1995	2,423,640	2.7%
1996	2,505,173	3.4%
1997	2,661,350	4.3%
1998	2,922,936	9.8%
1999	3,017,833	3.3%
2000	3,162,097	4.8%
2001	3,212,474	4.2%

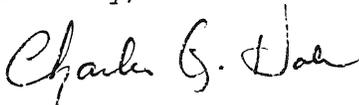
During the last ten (10) years the aggregate salaries have increased at an annualized rate of 4.18%. If this trend continues during the next thirty (30) years, the percentage of pay required to amortize the unfunded liability can be expected to increase slightly in the absence of other experience gains or losses. The current amortization assumes that aggregate payroll increases at a rate of 4.50% annually.

Disclosures

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

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

Sincerely,



Charles G. Hall, FCA,MAAA,ASA
Actuary

CGH/tt

Enclosure

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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.

	<u>June 30, 2001</u>		---Prior Year---	
	<u>June 30, 2000</u>			
	<u>Dollar</u> <u>Amount</u>	<u>% of</u> <u>Salary</u>	<u>Dollar</u> <u>Amount</u>	<u>% of</u> <u>Salary</u>
I. Normal Costs (annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	\$ 324,889,347	12.58%	\$ 323,704,620	12.63%
b) Disability Benefits	16,485,123	.64%	16,483,888	.64%
c) Survivor Benefits	9,270,283	.36%	9,237,287	.36%
d) Voluntary Termination	26,076,119	1.01%	25,629,555	1.00%
e) Expenses	<u>8,200,000</u>	<u>.32%</u>	<u>7,400,000</u>	<u>.29%</u>
TOTAL	384,920,872	14.91%	382,455,350	14.92%
Data Requiring Estimates	<u>3,573,101</u>	<u>.14%</u>	<u>2,789,771</u>	<u>.11%</u>
Adjusted TOTAL	388,493,973	15.05%	385,245,121	15.03%
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	5,497,255,607		5,455,449,047	
2) Disability Benefits	220,213,204		221,013,343	
3) Survivor Benefits	130,520,561		130,130,586	
4) Voluntary Termination	<u>133,041,151</u>		<u>130,697,520</u>	
	5,981,030,523		5,937,290,496	
b) Retired and Inactive Members				
1) Regular Retirees	6,281,442,948		5,881,548,396	
2) Disabled Retirees	229,510,095		217,110,372	
3) Survivors	392,890,065		364,577,497	
4) Vested Deferred	21,102,492		21,867,259	
5) Contributions Refunded	126,343,496		103,208,385	
6) DROP Deferred Benefits	1,418,475,916		1,562,030,147	
7) DROP Account Balances	<u>593,414,957</u>		<u>508,808,218</u>	
	9,063,179,969		8,659,150,274	
Act 1172	346,206,764		N/A	
c) TOTAL	15,390,417,256		14,596,440,770	

Exhibit 1 (Continued)
Costs, Liabilities & Contributions

	<u>June 30, 2001</u>	<u>---Prior Year---</u> <u>June 30, 2000</u>
II. Actuarial Accrued Liability	15,390,417,256	14,596,440,770
III. Assets	11,771,682,878	11,078,392,515
IV. Unfunded Actuarial Accrued Liabilities - Projected Unit Credit*	3,618,734,378	3,518,048,255
a) Change over prior year	100,686,124	-550,070,835
b) Funded Percentage (Total Assets)	76.5%	75.9%
V. Employer Contributions To Fund Current Plan Year*		
a) Employer Portion of Normal Cost	180,086,680	179,355,578
b) Amortization Payments	219,708,864	207,753,646
c) Prior Contribution Variance	<u>-28,643,755</u>	<u>-16,985,512</u>
TOTAL Required Contribution	371,151,789	370,123,712
	13.0%	13.1%
Plus State Appropriation	5,294,821	5,066,814
Actuarial Forecast Rate ²	13.1%	14.2%
Employer Normal Cost Rate	6.7497%	6.7730%
VI. Projected Employer Contributions To Fund Next Plan Year ¹		
a) Employer Portion of Normal Cost	185,908,804	185,160,146
b) Amortization Payments	229,012,969	216,519,767
c) Prior Contribution Variance	<u>-29,804,682</u>	<u>-18,633,767</u>
TOTAL Projected Contribution	385,117,091	383,046,146
	12.9%	13.1%
Plus State Appropriation	5,533,088	5,294,821
VII. Current Payroll	2,582,830,822	2,563,634,364
Projected Payroll - Mid Year	2,668,056,940	2,648,103,212
Projected Payroll - Next Year	2,754,314,062	2,733,805,004
ORP - Salary Adjustment Factor ³	1.13015	1.12273

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

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

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

EXHIBIT 2

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

	<u>June 30, 2001</u>	-----Prior Years----- <u>June 30, 2000</u>	<u>June 30, 1999</u>
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 226,754,298	\$ 224,684,434	\$ 216,102,491
Employer	394,226,501	416,938,656	436,528,363
Appropriations	4,946,469	4,778,151	4,733,463
ORP-Unfunded	27,869,220	29,274,452	30,017,065
LSU-Coop/Ext	1,021,262	1,052,270	755,288
Miscellaneous	<u>1,049,114</u>	<u>921,872</u>	<u>775,895</u>
TOTAL CONTRIBUTIONS	655,866,864	677,649,835	688,912,565
2. Investment Income			
Investments	-568,223,395	1,550,574,501	956,928,418
Less, investment expenses	<u>-26,103,079</u>	<u>-24,803,085</u>	<u>-20,167,356</u>
TOTAL INVESTMENT INCOME	-594,326,474	1,525,771,416	936,761,062
3. Total Revenues	61,540,390	2,203,421,251	1,625,673,627
<u>OPERATING EXPENSES:</u>			
1. General Administration	8,220,487	7,369,407	6,613,935
Other Expenses	435,128	364,259	430,497
2. Benefits Paid			
a) Pension Benefits	858,979,906	791,183,546	735,328,349
b) Return of Contrib.	<u>26,948,712</u>	<u>22,458,244</u>	<u>21,238,599</u>
TOTAL BENEFITS PAID	885,928,618	813,641,790	756,566,948
3. Total Expenses	894,584,233	821,375,456	763,611,380
<u>NET INCREASE:</u>	-833,043,843	1,382,045,795	862,062,247

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	<u>June 30, 2001</u>	<u>-----Prior Years-----</u>	
		<u>June 30, 2000</u>	<u>June 30, 1999</u>
ASSETS:			
1. Short Term Assets			
Cash in Banks	\$ 34,067,604	\$ 76,563,877	\$ 26,814,445
Securities	470,686,508	525,024,201	444,791,846
International	0	49,466,390	78,369,738
2. Bonds			
Domestic Bonds	1,675,616,284	1,443,147,839	1,656,281,321
Foreign Bonds	620,253,212	1,062,108,327	1,119,040,286
3. Equities (at market)			
Domestic	5,304,131,380	5,530,165,003	5,351,480,155
International	1,349,446,396	2,015,682,285	1,465,452,007
Private Equity	1,891,305,605	1,621,053,839	825,050,803
4. Other Assets			
Real Estate Trust	395,448,099	229,774,216	258,599,908
Fixtures/Property	5,294,732	5,159,526	5,126,586
Receivables-Payables	<u>108,720,776</u>	<u>129,868,936</u>	<u>74,961,549</u>
TOTAL ASSETS			
Market Value	11,854,970,596	12,688,014,439	11,305,968,644
Valued at Cost	11,504,100,271	11,465,040,569	9,749,771,808
INVESTMENT YIELD:			
Yield to Actuarial Value	.05%	17.63%	13.99%
Five Year Actuarial Value	12.82%	16.43%	13.85%
Yield to Market Value	-4.73%	13.58%	9.00%

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	<u>June 30, 2001</u>	-----Prior Years----- <u>June 30, 2000</u>	<u>June 30, 1999</u>
<u>ACTUARIAL VALUE OF ASSETS:</u>			
TOTAL ASSETS	\$11,854,970,596	\$12,688,014,439	\$11,305,968,644
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	-209,158,608	330,509,657	587,508,823
Plan Year - 1 (wt. 2/4)	-333,222,966	-209,158,608	330,509,657
Plan Year (wt. 3/4)	-872,103,545	-333,222,966	-209,158,608
Actuarial Value of Assets	<u>12,727,949,390</u>	<u>12,959,883,553</u>	<u>11,150,705,566</u>
<u>LSU AGRICULTURE AND EXTENSION SERVICE:</u>			
Prior Year Ending Balance	-171,355	-189,488	-20,055
+ Contributions	1,021,262	1,052,270	755,288
- Benefit Disbursements	-1,090,428	-1,004,753	-911,352
+ Accumulated Interest	-109	-29,384	-13,369
Fund Balance - Year End	<u>-240,630</u>	<u>-171,355</u>	<u>-189,488</u>
<u>TEXACO SETTLEMENT FUND:</u>			
Prior Year Ending Balance	290,299,875	246,796,291	216,500,024
+ Current Year Allocation	0	0	0
+ Accumulated Interest	153,355	43,503,584	30,296,267
Fund Balance - Year End	<u>290,453,230</u>	<u>290,299,875</u>	<u>246,796,291</u>
<u>EXPERIENCE ACCOUNT FUND:</u>			
Prior Year Ending Balance	1,591,362,518	1,058,801,520	780,250,300
+ Experience Account Allocation	-449,264,458	458,183,562	253,206,466
- Benefit Disbursements	-476,884,810	-112,260,948	-83,840,783
+ Accumulated Interest	840,662	186,638,384	109,185,537
Fund Balance - Year End	<u>666,053,912</u>	<u>1,591,362,518</u>	<u>1,058,801,520</u>
<u>DEVELOPMENT OF ACTUARIAL VALUATION ASSETS :</u>			
Total Fund Assets (LESS)	12,727,949,390	12,959,883,553	11,150,705,566
- LSU Ag/Ext Service Account	-240,630	-171,355	-189,488
- Texaco Settlement Fund	290,453,230	290,299,875	246,796,291
- Experience Account Fund	666,053,912	1,591,362,518	1,058,801,520
Valuation Assets	<u>11,771,682,878</u>	<u>11,078,392,515</u>	<u>9,845,297,243</u>

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)
1992	4,576,564	9,046,010	4,469,446	50.6	2,181,713	204.9
1993	5,129,519	9,522,424	4,392,905	53.9	2,176,372	201.8
1994	5,699,645	9,928,474	4,228,829	57.4	2,198,137	192.4
1995	6,275,335	10,570,306	4,294,972	59.4	2,199,137	195.3
1996	7,055,144	11,232,762	4,177,618	62.8	2,254,304	185.3
1997	7,752,591	12,077,642	4,325,051	64.2	2,337,574	185.0
1998	9,071,749	13,185,190	4,113,442	68.8	2,485,058	165.5
1999	10,092,093	13,913,416	3,821,323	72.5	2,569,479	148.7
2000	11,368,692	14,596,441	3,227,749	77.9	2,563,634	125.9
2001	12,062,136	15,390,417	3,328,281	78.4	2,582,831	128.9

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by \$793,976,486 from June 30, 2000 to June 30, 2001. There was a net experience loss of \$55,510,598 after allocating \$449,264,458 of deficit investment income to the Experience Account in accordance with Act 1031. A COLA was granted to retirees on July 1, 2001 which reduced the Experience Account \$130,678,045. Act 1172 of 2001, effective December 1, 2001, grants minimum benefits on an ad-hoc basis which reduces the Experience Account \$337,640,995. Effective March 1, 2002, an increase in survivor minimum benefits reduces the Experience Account \$8,565,769.

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

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

Fiscal Year	Actuarial Required Contribution	Percent Contributed	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation¹
1991	326,516,041	96.7	372,468,955	315,660,695	84.7	-3,536,771
1992	416,536,887	97.7	413,000,116	407,104,690	98.6	10,210,353
1993	380,441,708	98.4	377,967,621	374,414,442	99.1	14,749,550
1994	382,680,775	96.2	379,142,236	368,199,874	97.1	25,928,706
1995	391,687,201	100.8	384,272,775	394,839,584	102.7	17,073,771
1996	401,039,317	98.4	394,419,635	394,501,448	100.0	18,397,236
1997	412,712,131	99.5	404,444,194	410,755,368	101.6	13,348,657
1998	458,498,592	101.7	453,058,482	466,539,858	102.9	-132,719
1999	452,835,560	108.5	449,891,479	491,119,749	109.2	-41,360,991
2000	437,710,389	107.5	444,575,883	470,320,825	105.8	-67,105,933
2001	404,060,783	110.2	416,196,824	445,371,171	107.0	-96,280,280

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

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

**DEVELOPMENT OF NET
PENSION OBLIGATION:**

(1) Actuarially Required Contribution	404,060,783
(2) Interest on Net Pension Obligation	-5,536,239
(3) Amortization of Net Pension Obligation	-17,672,280
(4) Annual Pension Cost (1)+(2)-(3)	416,196,824
(5) Employer Contribution	445,371,171
(6) Increase (decrease) in Net Pension Obligation	-29,174,347
(7) Net Pension Obligation Beginning of Year	-67,105,933
(8) Net Pension Obligation End of year (6)+(7)	-96,280,280

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 Year</u>	<u>Members Contribution</u>	<u>Employer Contribution</u> ¹	<u>Investment Income</u>	<u>Total</u>
1992	182,469,034	407,104,690	417,156,055	1,006,729,779
1993	186,898,167	384,893,290	604,857,448	1,176,648,905
1994	174,424,707	471,863,714	420,353,613	1,066,642,034
1995	193,264,580	438,204,055	340,887,547	972,356,182
1996	182,144,749	424,296,148	766,079,071	1,372,519,968
1997	191,704,402	412,629,635	1,244,291,864	1,848,625,901
1998	208,275,106	449,771,623	1,603,472,505	2,261,519,234
1999	216,102,491	472,810,074	936,761,062	1,625,673,627
2000	224,684,434	452,965,401	1,525,771,416	2,203,421,251
2001	226,754,298	429,112,566	-594,326,474	61,540,390

Expenses by Type

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative Expenses</u>	<u>Total</u>
1992	426,516,466	35,823,166	5,246,970	467,586,602
1993	450,224,778	40,595,962	5,366,598	496,187,338
1994	473,574,445	41,825,075	10,732,502	526,132,022
1995	530,786,764	47,686,165	6,811,064	585,283,993
1996	597,840,991	18,780,044	7,344,398	623,965,433
1997	624,736,789	20,841,868	6,011,443	651,590,100
1998	664,147,264	21,360,841	6,705,255	692,213,360
1999	735,328,349	21,238,599	7,044,432	763,611,380
2000	791,183,546	22,458,244	7,733,662	821,375,456
2001	858,979,906	26,948,712	8,655,615	894,584,233

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

EXHIBIT 4

CENSUS DATA

GENERAL COMMENTS

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

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

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

There were a total 1008 records purged from the data base containing errors or categorized as suspicious data which is comparable to recent prior years. Suspicious data are not necessarily errors, but data which falls outside the parameters of the editing process for further checking.

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

	-----2001-----		-----2000-----	
	<u>Census</u>	<u>Avg. Sal.</u>	<u>Census</u>	<u>Avg. Sal.</u>
Active Members				
TRS - Regular Plan	76,312	\$29,486	76,684	\$29,054
TRS - University Plan	4,970	46,880	5,086	46,500
TRS - Plan A	956	16,693	1,067	16,224
TRS - Plan B	2,077	12,190	2,115	12,055
TRS - Post DROP	2,190	36,108	1,899	40,862
Errors	<u>324</u>	<u>45,441</u>	<u>510</u>	<u>43,310</u>
TOTAL	86,829	30,000	85,462	29,596

EXHIBIT 4 (Continued)
Census Data

	<u>2001 Census</u>	<u>2000 Census</u>
Retired and Inactive Members		
Regular Retirees	39,799	38,319
Disability Retirees	3,555	3,441
DROP Participants	3,421	3,845
Survivors	4,026	3,795
Vested and Reciprocal	630	629
Due Refunds	9,834	6,514
Errors	684	576
TOTAL	61,949	57,119
 TOTAL Actives & Inactives	 148,778	 142,581

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

Actuarial Salaries	-	\$2,582,830,822
Actual Salaries for which contributions were received	-	\$2,842,521,456

Demographic Trends

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

The retirement system continues to incur increased funding (although offset by experience gains) due to a decline in male teachers. The ratio of males to females has declined from .406 to .211 during the last twenty-two (22) years. Funding requirements for females is 1% of payroll greater than their male counterparts.

EXHIBIT 4 (Continued)
Employee Census

DEMOGRAPHIC CHANGE

Active Participants

MALES

<u>Age Group</u>	<u>1979</u>		<u>2000</u>		<u>2001</u>		<u>22 Year %</u>
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Change</u>
[20 - 29)	2,900	.15	1,899	.13	1,840	.12	-.03
[30 - 39)	7,035	.35	3,409	.23	3,369	.23	-.12
[40 - 49)	5,719	.29	4,811	.32	4,536	.31	+.02
[50 - 59)	3,316	.17	4,077	.27	4,129	.28	+.11
[60 -)	739	.03	831	.05	827	.06	+.03
TOTAL	19,709	1.00	15,027	1.00	14,701	1.00	

FEMALES

<u>Age Group</u>	<u>1979</u>		<u>2000</u>		<u>2001</u>		<u>22 Year %</u>
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Change</u>
[20 - 29)	12,150	.25	9,278	.13	8,983	.13	-.12
[30 - 39)	17,302	.36	17,166	.24	17,052	.24	-.12
[40 - 49)	11,604	.24	26,221	.37	25,612	.37	+.13
[50 - 59)	6,446	.13	15,871	.23	16,364	.23	+.10
[60 -)	1,024	.02	1,889	.03	1,982	.03	+.01
TOTAL	48,526	1.00	70,425	1.00	69,993	1.00	

Distribution by Sex

	<u>1979</u>	<u>2000</u>	<u>2001</u>	<u>% Change From 1979</u>
Males (%)	29%	17.6%	17.4%	-11.6%
Females (%)	71%	82.4%	82.6%	+11.6%
Ratio (M/F)	.406	.213	.211	

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ALL ACTIVE MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	13	6	0	0	0	0	0	0	0	19 :
:	121093	74942	0	0	0	0	0	0	0	196035 :
:	:	:	:	:	:	:	:	:	:	:
[20 - 24) :	862	1950	7	0	0	0	0	0	0	2819 :
:	12546126	48813356	120815	0	0	0	0	0	0	61480296 :
:	:	:	:	:	:	:	:	:	:	:
[25 - 29) :	811	5454	1714	6	0	0	0	0	0	7985 :
:	11893258	140308350	48953126	158707	0	0	0	0	0	201313440 :
:	:	:	:	:	:	:	:	:	:	:
[30 - 34) :	617	3749	3808	1390	20	0	0	0	0	9584 :
:	8548368	90518030	110121762	43896256	428790	0	0	0	0	253513207 :
:	:	:	:	:	:	:	:	:	:	:
[35 - 39) :	488	3236	2762	2984	1331	36	0	0	0	10837 :
:	6228495	72290234	70687700	95134515	44828812	837774	0	0	0	290007531 :
:	:	:	:	:	:	:	:	:	:	:
[40 - 44) :	574	2940	2980	2460	2576	1713	49	0	0	13292 :
:	7218211	66251342	74188232	74036209	89405052	64581316	1225947	0	0	376906309 :
:	:	:	:	:	:	:	:	:	:	:
[45 - 49) :	368	2298	2642	2761	2461	3894	2431	1	0	16856 :
:	5012528	55890439	67750867	82744409	87059598	156363453	104802428	19072	0	559642794 :
:	:	:	:	:	:	:	:	:	:	:
[50 - 54) :	228	1524	1885	2228	2304	2736	3409	149	0	14463 :
:	3607056	38048794	51898084	68839786	77972452	108931569	150100213	6924391	0	506322344 :
:	:	:	:	:	:	:	:	:	:	:
[55 - 59) :	89	726	807	1117	1273	1614	276	128	0	6030 :
:	1401688	17559733	21744680	35295636	43387735	59002837	12398088	7395485	0	198185882 :
:	:	:	:	:	:	:	:	:	:	:
[60 - 64) :	29	197	322	272	302	449	204	146	30	1951 :
:	429444	4842530	8153671	8559715	11963670	18024050	8596478	8303490	1414849	70287897 :
:	:	:	:	:	:	:	:	:	:	:
[65 - 69) :	11	51	90	117	120	132	86	44	36	687 :
:	151160	1443606	2158897	3233694	4748833	5227438	3779882	2235612	1775811	24754932 :
:	:	:	:	:	:	:	:	:	:	:
[70 - 74) :	7	27	25	8	27	37	14	8	18	171 :
:	89209	659655	500506	152394	1170003	1424070	373349	393412	1011738	5774336 :
:	:	:	:	:	:	:	:	:	:	:
Total :	4097	22158	17042	13343	10414	10611	6469	476	84	84694 :
Total :	57246636	536701010	456278339	412051321	360964945	414392507	281276386	25271462	4202398	2548385003 :

AVERAGES : Attained Age 43.55
Service Years 11.35
Active Salary 30,089

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE TEACHERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	13	6	0	0	0	0	0	0	0	19 :
:	121093	74942	0	0	0	0	0	0	0	196035 :
:	:	:	:	:	:	:	:	:	:	:
[20 - 24) :	828	1904	7	0	0	0	0	0	0	2739 :
:	12112050	47852851	120815	0	0	0	0	0	0	60085716 :
:	:	:	:	:	:	:	:	:	:	:
[25 - 29) :	750	5222	1692	6	0	0	0	0	0	7670 :
:	11106300	134433915	48276229	158707	0	0	0	0	0	193975150 :
:	:	:	:	:	:	:	:	:	:	:
[30 - 34) :	544	3390	3658	1373	20	0	0	0	0	8985 :
:	7270473	80491177	105559052	43332772	428790	0	0	0	0	237082265 :
:	:	:	:	:	:	:	:	:	:	:
[35 - 39) :	403	2941	2575	2855	1283	34	0	0	0	10091 :
:	5191575	65114681	65579173	91291937	43712400	805124	0	0	0	271694890 :
:	:	:	:	:	:	:	:	:	:	:
[40 - 44) :	516	2676	2790	2273	2391	1627	46	0	0	12319 :
:	6114760	59310864	68891489	67905420	83820857	62146682	1166874	0	0	349356946 :
:	:	:	:	:	:	:	:	:	:	:
[45 - 49) :	334	2053	2473	2539	2067	3522	2362	1	0	15351 :
:	4416368	49568043	63008429	74825650	70652375	142397665	101678998	19072	0	506566601 :
:	:	:	:	:	:	:	:	:	:	:
[50 - 54) :	198	1364	1713	2013	1914	2163	3054	130	0	12549 :
:	3075520	33582512	46697031	61224811	62394218	82146998	135032427	6251310	0	430404827 :
:	:	:	:	:	:	:	:	:	:	:
[55 - 59) :	70	621	698	970	977	1101	129	57	0	4623 :
:	1061990	14676087	18284640	29750521	30803726	38340927	5395448	2848826	0	141162165 :
:	:	:	:	:	:	:	:	:	:	:
[60 - 64) :	27	170	264	215	216	318	128	64	13	1415 :
:	397201	4183970	6256684	6324350	7024700	11443659	4539283	2779835	559916	43509598 :
:	:	:	:	:	:	:	:	:	:	:
[65 - 69) :	11	42	76	93	68	87	47	23	16	463 :
:	151160	1063271	1876598	2465161	2183564	2901701	1710705	941741	609988	13903889 :
:	:	:	:	:	:	:	:	:	:	:
[70 - 74) :	5	20	20	4	12	14	7	2	4	88 :
:	72928	455172	420293	106618	329472	408851	170093	69193	139978	2172598 :
:	:	:	:	:	:	:	:	:	:	:
Total :	3699	20409	15966	12341	8948	8866	5773	277	33	76312 :
Total :	51091419	490807485	424970434	377385948	301350101	340591606	249693829	12909977	1309882	2250110680 :

AVERAGES : Attained Age 42.99
Service Years 11.06
Active Salary 29,486

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LSU

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2001

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) :	13	12	0	0	0	0	0	0	0	25 :
:	196160	303420	0	0	0	0	0	0	0	499580 :
:										:
[25 - 29) :	21	87	7	0	0	0	0	0	0	115 :
:	285624	2544191	215210	0	0	0	0	0	0	3045025 :
:										:
[30 - 34) :	29	105	54	6	0	0	0	0	0	194 :
:	592581	3924005	1886318	242479	0	0	0	0	0	6645384 :
:										:
[35 - 39) :	28	68	38	36	9	0	0	0	0	179 :
:	509289	2624879	1467494	1490934	351476	0	0	0	0	6444072 :
:										:
[40 - 44) :	29	71	43	55	48	12	0	0	0	258 :
:	741714	2990269	1978314	2667973	1925402	473188	0	0	0	10776860 :
:										:
[45 - 49) :	16	58	39	53	126	95	12	0	0	399 :
:	379682	2105062	1672711	2612667	7912614	5210520	597216	0	0	20490472 :
:										:
[50 - 54) :	15	47	37	52	109	154	101	3	0	518 :
:	398046	2083754	1588283	2551491	6546329	10555423	6323173	156384	0	30202882 :
:										:
[55 - 59) :	10	18	23	36	75	129	50	25	0	366 :
:	236190	863282	1183500	2160726	4990149	8563002	3568918	2002838	0	23568605 :
:										:
[60 - 64) :	1	11	12	12	28	41	25	33	0	163 :
:	25443	337957	597738	665277	1815710	2880391	1823336	2688684	0	10834536 :
:										:
[65 - 69) :	0	3	2	5	11	16	15	8	9	69 :
:	0	205648	44187	243083	826962	995680	1065129	584403	591489	4556581 :
:										:
[70 - 74) :	1	1	1	1	7	4	0	1	3	19 :
:	9150	48569	3536	18879	448945	284944	0	108668	277717	1200408 :
:										:
Total :	163	481	256	256	413	451	203	70	12	2305 :
Total :	3373879	18031035	10637291	12653509	24817586	28963148	13377772	5540977	869206	118264404 :

AVERAGES : Attained Age 48.38
Service Years 13.89
Active Salary 51,308

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - UNIVERSITY

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2001

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) :	13	28	0	0	0	0	0	0	0	41 :
:	159731	604214	0	0	0	0	0	0	0	763945 :
:										:
[25 - 29) :	30	119	12	0	0	0	0	0	0	161 :
:	440172	3091528	426796	0	0	0	0	0	0	3958496 :
:										:
[30 - 34) :	22	110	65	9	0	0	0	0	0	206 :
:	455842	3261392	2273538	288840	0	0	0	0	0	6279612 :
:										:
[35 - 39) :	18	72	75	43	10	0	0	0	0	218 :
:	265604	2276890	2768304	1701548	322949	0	0	0	0	7335295 :
:										:
[40 - 44) :	17	77	55	59	44	21	0	0	0	273 :
:	265557	2467316	2120026	2462969	1919898	876628	0	0	0	10112394 :
:										:
[45 - 49) :	7	82	55	87	113	97	30	0	0	471 :
:	126132	2584059	2106002	3907550	5611310	4908514	1521935	0	0	20765502 :
:										:
[50 - 54) :	6	53	61	79	111	164	88	7	0	569 :
:	64842	1657155	2446150	3591874	5924955	9582415	4688254	328734	0	28284379 :
:										:
[55 - 59) :	6	40	39	51	85	120	33	33	0	407 :
:	84950	1406423	1479994	2467536	4394888	6627422	1955229	2008344	0	20424786 :
:										:
[60 - 64) :	1	8	20	16	34	51	29	38	13	210 :
:	6800	241726	886259	690446	2184633	2907677	1786830	2097619	681909	11483899 :
:										:
[65 - 69) :	0	3	6	9	22	15	14	7	10	86 :
:	0	146031	172399	308488	1103789	905385	725992	397318	562934	4322336 :
:										:
[70 - 74) :	0	3	1	1	4	4	1	1	8	23 :
:	0	40918	9900	9757	216440	177790	42708	63033	439486	1000032 :
:										:
Total :	120	595	389	354	423	472	195	86	31	2665 :
Total :	1869630	17777652	14689368	15429008	21678862	25985831	10720948	4895048	1684329	114730677 :

AVERAGES : Attained Age 48.18
Service Years 13.50
Active Salary 43,051

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LUNCH PLAN A

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[20 - 24) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[25 - 29) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[30 - 34) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[35 - 39) :	0	1	0	0	9	2	0	0	0	12 :
:	0	11061	0	0	145476	32650	0	0	0	189187 :
:										:
[40 - 44) :	0	0	0	3	35	40	3	0	0	81 :
:	0	0	0	45863	673625	851444	59073	0	0	1630005 :
:										:
[45 - 49) :	0	0	2	2	80	108	12	0	0	204 :
:	0	0	18967	39676	1249288	2086412	258937	0	0	3653280 :
:										:
[50 - 54) :	0	0	0	12	77	162	74	0	0	325 :
:	0	0	0	170848	1134437	2642651	1350150	0	0	5298086 :
:										:
[55 - 59) :	0	0	1	6	65	181	4	3	0	260 :
:	0	0	9799	63397	1026229	2963030	48617	58620	0	4169692 :
:										:
[60 - 64) :	0	0	0	5	10	17	6	2	0	40 :
:	0	0	0	34705	129158	283754	88227	25956	0	561800 :
:										:
[65 - 69) :	0	0	1	1	9	8	7	3	0	29 :
:	0	0	5995	9882	115489	116715	114340	26150	0	388571 :
:										:
[70 - 74) :	0	0	0	0	0	3	1	1	0	5 :
:	0	0	0	0	0	47864	4800	15614	0	68278 :
:										:
Total :	0	1	4	29	285	521	107	9	0	956 :
Total :	0	11061	34761	364371	4473702	9024520	1924144	126340	0	15958899 :

AVERAGES : Attained Age 53.06
Service Years 21.42
Active Salary 16,693

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LUNCH PLAN B

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2001

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) :	7	6	0	0	0	0	0	0	0	:	13 :
:	50755	52863	0	0	0	0	0	0	0	:	103618 :
:										:	:
[25 - 29) :	9	25	3	0	0	0	0	0	0	:	37 :
:	49018	222755	34881	0	0	0	0	0	0	:	306654 :
:										:	:
[30 - 34) :	12	56	25	2	0	0	0	0	0	:	95 :
:	76295	553999	297392	32152	0	0	0	0	0	:	959838 :
:										:	:
[35 - 39) :	37	146	74	50	20	0	0	0	0	:	327 :
:	240548	1510296	872730	650069	296512	0	0	0	0	:	3570155 :
:										:	:
[40 - 44) :	12	114	90	70	53	11	0	0	0	:	350 :
:	96177	1225223	1048742	953990	765036	176492	0	0	0	:	4265660 :
:										:	:
[45 - 49) :	10	99	72	76	66	52	2	0	0	:	377 :
:	65450	1036583	895095	1007336	933107	813167	30448	0	0	:	4781187 :
:										:	:
[50 - 54) :	7	59	70	68	82	61	55	8	0	:	410 :
:	35402	600372	813997	881073	1122279	880415	941142	147153	0	:	5421833 :
:										:	:
[55 - 59) :	3	46	42	53	59	70	52	6	0	:	331 :
:	18558	479466	461842	678518	786033	1024899	723865	75707	0	:	4248888 :
:										:	:
[60 - 64) :	0	8	25	21	10	16	13	3	3	:	99 :
:	0	78875	289792	252377	123550	207867	160233	50206	38746	:	1201646 :
:										:	:
[65 - 69) :	0	3	5	8	7	4	1	1	1	:	30 :
:	0	28656	59718	85128	100034	42247	20144	13069	11400	:	360396 :
:										:	:
[70 - 74) :	1	1	0	1	1	4	0	0	0	:	8 :
:	7131	8733	0	12823	11788	57652	0	0	0	:	98127 :
:										:	:
Total :	98	563	406	349	298	218	123	18	4	:	2077 :
Total :	639334	5797821	4774190	4553466	4138338	3202739	1875832	286135	50146	:	25318001 :

AVERAGES : Attained Age 47.85
 Service Years 11.05
 Active Salary 12,190

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	0	1	0	0	0	0	0	0	0	1 :
:	0	6420	0	0	0	0	0	0	0	6420 :
:										:
[40 - 44) :	21	63	25	15	5	5	0	0	0	134 :
:	272784	781421	295764	165648	39348	37812	0	0	0	1592777 :
:										:
[45 - 49) :	64	161	127	110	110	207	6	0	0	785 :
:	982236	2417471	1737180	1392229	1383736	2536696	47376	0	0	10496925 :
:										:
[50 - 54) :	137	253	190	164	130	660	248	1	0	1783 :
:	3212890	4899469	3441500	2327768	1806604	9128077	2835560	9024	0	27660892 :
:										:
[55 - 59) :	537	831	624	574	356	694	575	130	3	4324 :
:	13809540	20774900	15337652	13625698	8991706	13023555	7818620	1638640	24828	95045139 :
:										:
[60 - 64) :	295	602	726	847	958	2078	817	414	138	6875 :
:	3711215	8212105	13329091	18442248	24599304	54344459	15270016	5364902	1427184	144700522 :
:										:
[65 - 69) :	61	235	385	440	565	2865	2124	753	537	7965 :
:	1356620	4352560	6416595	7516868	11200995	59229979	48214842	13581063	5761392	157630913 :
:										:
[70 - 74) :	7	42	83	134	190	1691	2247	1397	940	6731 :
:	114132	830756	1464008	2549723	4113348	33375656	35061312	28195120	12668474	118372528 :
:										:
[75 - 79) :	9	9	14	19	34	459	1200	1600	1524	4868 :
:	118729	132780	293784	499092	708540	9397153	18664836	22827392	23515991	76158296 :
:										:
[80 - 84) :	0	1	6	8	4	52	283	939	2157	3450 :
:	0	12204	131136	117555	57408	799308	4683460	12930622	28561161	47292854 :
:										:
[85 - 89) :	0	0	1	0	0	8	12	147	1736	1904 :
:	0	0	3216	0	0	115236	193326	2589587	21895543	24796908 :
:										:
[90 - 99) :	0	0	0	0	0	0	1	0	978	979 :
:	0	0	0	0	0	0	2028	0	12416277	12418305 :
:										:
Total :	1131	2198	2181	2311	2352	8719	7513	5381	8013	39799 :
Total :	23578146	42420086	42449926	46636829	52900988	181987931	132791377	87136349	106270849	716172480 :

AVERAGES : Attained Age 69.37
Years Retired 11.86
Annual Benefit 17,995

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	3	11	9	4	6	10	1	1	0	45 :
:	39636	121920	77340	35484	52692	107508	7872	7128	0	449580 :
:										:
[40 - 44) :	16	22	20	8	3	41	11	3	0	124 :
:	233184	314280	232752	62436	35856	485568	115272	25716	0	1505064 :
:										:
[45 - 49) :	21	42	19	27	16	98	52	12	2	289 :
:	248928	566484	230664	280836	192924	1320444	528336	115536	21048	3505200 :
:										:
[50 - 54) :	28	56	43	39	42	156	110	53	11	538 :
:	349516	617148	451548	424140	426936	2014656	1339224	562188	122508	6307863 :
:										:
[55 - 59) :	41	75	57	44	48	182	144	64	25	680 :
:	395064	794678	511510	389064	364644	1771009	1635408	687648	236532	6785557 :
:										:
[60 - 64) :	12	33	20	40	53	189	158	102	45	652 :
:	97488	281796	154354	308394	458376	1419420	1544712	1094374	448872	5807786 :
:										:
[65 - 69) :	1	9	5	9	6	92	177	130	64	493 :
:	7944	73416	28824	72156	45180	587371	1426260	1315716	650112	4206979 :
:										:
[70 - 74) :	2	1	1	4	1	14	92	112	91	318 :
:	15888	7776	9792	53376	5388	74688	679404	919920	822420	2588652 :
:										:
[75 - 79) :	0	0	0	0	1	5	49	86	93	234 :
:	0	0	0	0	6804	21072	374856	717240	699480	1819452 :
:										:
[80 - 84) :	0	0	0	0	0	0	8	30	83	121 :
:	0	0	0	0	0	0	121992	258516	595668	976176 :
:										:
[85 - 89) :	0	0	0	0	0	0	0	3	43	46 :
:	0	0	0	0	0	0	0	14136	321528	335664 :
:										:
[90 - 99) :	0	0	0	0	0	0	0	0	15	15 :
:	0	0	0	0	0	0	0	0	113004	113004 :
:										:
Total :	124	249	174	175	176	787	802	596	472	3555 :
Total :	1387648	2777498	1696784	1625886	1588800	7801736	7773336	5718118	4031172	34400977 :

AVERAGES : Attained Age 61.54
 Years Retired 11.35
 Annual Benefit 9,677

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total :
[0 - 39) :	44	51	30	45	36	116	80	14	10	426 :
:	372840	387756	208848	283404	238968	886512	499500	89868	55404	3023100 :
:	:	:	:	:	:	:	:	:	:	:
[40 - 44) :	10	15	10	10	9	24	6	3	4	91 :
:	110520	124944	85956	191700	112812	321768	40812	19140	26820	1034472 :
:	:	:	:	:	:	:	:	:	:	:
[45 - 49) :	15	15	16	16	15	47	26	15	7	172 :
:	209352	218352	187212	130176	234816	616092	303972	150660	55500	2106132 :
:	:	:	:	:	:	:	:	:	:	:
[50 - 54) :	15	29	19	27	21	85	47	26	7	276 :
:	282276	458960	315000	293436	272172	1180068	552672	304416	52500	3711500 :
:	:	:	:	:	:	:	:	:	:	:
[55 - 59) :	29	35	28	30	26	96	59	36	21	360 :
:	478021	735036	466008	499884	470592	1449983	676848	406584	193692	5376648 :
:	:	:	:	:	:	:	:	:	:	:
[60 - 64) :	26	33	57	36	42	136	79	44	30	483 :
:	534840	551952	1153908	659580	702048	2160000	1134192	594456	274680	7765656 :
:	:	:	:	:	:	:	:	:	:	:
[65 - 69) :	29	45	51	30	48	166	97	76	62	604 :
:	483372	811152	824292	490272	791880	2734008	1380100	1024368	603300	9142744 :
:	:	:	:	:	:	:	:	:	:	:
[70 - 74) :	28	38	22	35	34	140	102	78	74	551 :
:	381420	552828	390648	504648	604380	2138520	1409352	1002552	734700	7719048 :
:	:	:	:	:	:	:	:	:	:	:
[75 - 79) :	31	34	24	27	29	108	79	62	83	477 :
:	446817	428940	329580	312432	370584	1274751	968724	740196	886116	5758141 :
:	:	:	:	:	:	:	:	:	:	:
[80 - 84) :	19	25	18	20	23	66	52	33	91	347 :
:	182424	262296	136512	182952	206892	755220	576780	314696	1024644	3642416 :
:	:	:	:	:	:	:	:	:	:	:
[85 - 89) :	4	8	17	5	5	37	31	23	39	169 :
:	19064	90348	145692	40968	109704	471876	248256	228996	377976	1732880 :
:	:	:	:	:	:	:	:	:	:	:
[90 - 99) :	3	1	2	3	0	12	8	14	27	70 :
:	30696	1536	19296	22956	0	123132	46924	118044	253596	616180 :
:	:	:	:	:	:	:	:	:	:	:
Total :	253	329	294	284	288	1033	666	424	455	4026 :
Total :	3531642	4624100	4262952	3612408	4114848	14111930	7838132	4993976	4538928	51628916 :

AVERAGES : Attained Age 63.35
Years Retired 9.51
Annual Benefit 12,824

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2001

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	2	2	0	0	0	0	0	0	8 :
:	53444	39396	35664	0	0	0	0	0	0	128504 :
:										:
[50 - 54) :	195	469	285	9	0	0	0	0	0	958 :
:	3715313	12371393	8436751	321840	0	0	0	0	0	24845297 :
:										:
[55 - 59) :	224	686	704	56	1	1	0	0	0	1672 :
:	3221283	16567230	19612108	1782972	228	43368	0	0	0	41227189 :
:										:
[60 - 64) :	127	313	235	6	2	1	0	0	0	684 :
:	678998	3999473	3425714	101700	16692	24768	0	0	0	8247345 :
:										:
[65 - 69) :	16	43	16	0	2	0	0	0	0	77 :
:	307037	761451	238200	0	43632	0	0	0	0	1350320 :
:										:
[70 - 74) :	3	11	3	0	0	0	0	0	0	17 :
:	1242	284592	10908	0	0	0	0	0	0	296742 :
:										:
[75 - 79) :	0	1	1	0	1	0	0	0	0	3 :
:	0	6720	42840	0	15228	0	0	0	0	64788 :
:										:
[80 - 84) :	0	1	1	0	0	0	0	0	0	2 :
:	0	4368	6684	0	0	0	0	0	0	11052 :
:										:
[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 :	569	1526	1247	71	6	2	0	0	0	3421 :
Total :	7977317	34034623	31808869	2206512	75780	68136	0	0	0	76171237 :

AVERAGES : Attained Age 57.32
Years Retired 1.67
Annual Benefit 22,266

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2001

Age/Years :	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total :
[0 - 19) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[20 - 24) :	0	0	0	0	0	0	0	0	0	0 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[25 - 29) :	2	0	0	0	0	0	0	0	0	2 :
:	0	0	0	0	0	0	0	0	0	0 :
:										:
[30 - 34) :	0	1	0	0	0	0	0	0	0	1 :
:	0	12	0	0	0	0	0	0	0	12 :
:										:
[35 - 39) :	0	2	1	3	0	0	0	0	0	6 :
:	0	1212	2064	9000	0	0	0	0	0	12276 :
:										:
[40 - 44) :	0	2	1	44	3	0	0	0	0	50 :
:	0	1716	4044	156036	19056	0	0	0	0	180852 :
:										:
[45 - 49) :	2	4	1	81	19	0	0	0	0	107 :
:	192	3060	2484	419616	142980	0	0	0	0	568332 :
:										:
[50 - 54) :	3	14	13	130	30	0	0	0	0	190 :
:	3852	8160	29664	763008	269880	0	0	0	0	1074564 :
:										:
[55 - 59) :	1	9	10	148	43	3	0	0	0	214 :
:	240	4668	25656	866208	312864	12972	0	0	0	1222608 :
:										:
[60 - 64) :	0	5	5	23	6	1	0	0	0	40 :
:	0	3876	9768	131160	74160	2748	0	0	0	221712 :
:										:
[65 - 69) :	0	4	1	3	1	0	1	1	0	11 :
:	0	2028	324	11148	2412	0	14676	15960	0	46548 :
:										:
[70 - 74) :	0	5	1	2	1	0	0	0	0	9 :
:	0	1212	756	3444	3000	0	0	0	0	8412 :
.....										
Total :	8	46	33	434	103	4	1	1	0	630 :
Total :	4284	25944	74760	2359620	824352	15720	14676	15960	0	3335316 :
.....										

AVERAGES : Attained Age 53.70
Service Years 11.79
Annual Benefit 5,294

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY
DROP BENEFITS

VALUATION DATE 6/30/2001

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) :	29	7	4	0	0	0	0	0	0	40 :
:	599635	235951	150866	0	0	0	0	0	0	986452 :
:	770066	154175	72396	0	0	0	0	0	0	996637 :
:										
[55 - 59) :	364	309	109	58	24	0	0	0	0	864 :
:	8443071	12782106	4790998	2624398	1078415	0	0	0	0	29718988 :
:	10007088	8810208	3317960	1827986	730752	0	0	0	0	24693994 :
:										
[60 - 64) :	163	154	179	153	112	49	0	0	0	810 :
:	3125690	4790034	8098830	7008177	5414700	2224465	0	0	0	30661897 :
:	2673363	2733192	5067490	4283388	3341408	1505378	0	0	0	19604219 :
:										
[65 - 69) :	28	37	99	74	61	39	0	0	0	338 :
:	646790	1230687	3032606	3041771	2567462	1713656	0	0	0	12232971 :
:	574476	801013	1666665	1738038	1382138	1179399	0	0	0	7341729 :
:										
[70 - 74) :	10	16	15	24	24	49	0	0	0	138 :
:	243346	554703	534387	653454	1148994	2342096	0	0	0	5476980 :
:	337440	272432	217710	366696	669552	1348382	0	0	0	3212212 :
:										
Total :	594	523	406	309	221	137	0	0	0	2190 :
Total :	13058532	19593482	16607687	13327800	10209571	6280217	0	0	0	79077289 :
Total :	14362433	12771020	10342221	8216108	6123850	4033159	0	0	0	55848791 :

AVERAGES : Attained Age 61.95
Post Drop Years 2.19
Active Salary 36,108
Annual Benefit 25,502

EXHIBIT 5

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

EFFECTIVE DATE:

August 1, 1936; last amendment date - July, 2001.

EMPLOYER:

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

ELIGIBILITY FOR PARTICIPATION:

Condition of employment for all teachers under age 60.

CREDITABLE SERVICE:

Service as a teacher while member of the system.

ADDITIONAL CREDITABLE SERVICE:

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

EXHIBIT 5 (Continued)
Principle Provisions

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

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

EARNABLE COMPENSATION:

The compensation earned by a member for qualifying service.

AVERAGE FINAL COMPENSATION

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

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

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

EXHIBIT 5 (Continued)
Principle Provisions

ACCUMULATED CONTRIBUTIONS:

Sum of all amounts deducted from compensation of members.

EMPLOYEE CONTRIBUTIONS:

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

EMPLOYER CONTRIBUTIONS:

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

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

Written application to Board, and

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

Benefit:

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

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

EXHIBIT 5 (Continued)

Principle Provisions

NOTE:

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

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

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

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

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

<u>AGE</u>	<u>MAXIMUM</u>	<u>AGE</u>	<u>MAXIMUM</u>	<u>AGE</u>	<u>MAXIMUM</u>
48	\$39,506	56	\$75,000	64	\$140,000
49	43,191	57	79,834	65	140,000
50	47,254	58	88,032	66	150,215
51	51,738	59	97,204	67	161,360
52	56,693	60	107,490	68	173,533
53	62,176	61	119,053	69	186,844
54	68,254	62	140,000	70	201,420
55	75,000	63	140,000		

COST OF LIVING BENEFITS:

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

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

EXHIBIT 5 (Continued)
Principle Provisions

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

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

DISABILITY RETIREMENT:

Eligibility:

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

Benefit: Act 572 of 1995

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

EXHIBIT 5 (Continued)
Principle Provisions

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

Eligibility:

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

Benefits:

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

EXHIBIT 5 (Continued)
Principle Provisions

OPTIONAL FORMS OF
BENEFIT:

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

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

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

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

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

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

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

REFUND OF CONTRIBUTIONS:

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

WITHDRAWAL AFTER 10 YEARS
OF CREDITABLE SERVICE:

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

EXHIBIT 5 (Continued)
Principle Provisions

**DESCRIPTION OF BENEFITS
FOR MERGED LSU EMPLOYEES**

GENERAL:

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

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

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

Social Security Breakpoint Average
(for LSU funded service)

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

Retirement Benefits:

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

Exhibit 5 (Continued)
Principle Provisions

Survivor's Benefits

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

Disability Benefits

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

Vesting Benefits

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

Refund of Contributions

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

Cooperative Extension personnel

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

EXHIBIT 5 (Continued)
Principle Provisions

DESCRIPTION OF BENEFITS
FOR MERGED SCHOOL LUNCH EMPLOYEES

EFFECTIVE DATE:

January 1, 1953; Revised July 1, 1980.

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

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

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

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

CREDITABLE SERVICE:

Service as an employee while member of the system.

MILITARY SERVICE:

Maximum of 4 years of credit may be purchased.

ADDITIONAL CREDITABLE SERVICE:

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

EMPLOYEE CONTRIBUTIONS:

Plan A: 9.10% of monthly earnings

Plan B: 5% of monthly earnings

EMPLOYER CONTRIBUTIONS:

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

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

EXHIBIT 5 (Continued)
Principle Provisions

SCHOOL LUNCH PLAN A

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

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

Benefit:

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

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

NOTE:

Benefit not to exceed 100% of average final compensation.

DISABILITY RETIREMENT:

Eligibility:

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

Benefit:

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

EXHIBIT 5 (Continued)
Principle Provisions

SURVIVOR'S BENEFITS:

Eligibility:

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

Benefit:

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

EXHIBIT 5 (Continued)
Principle Provisions

SCHOOL LUNCH PLAN B

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

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

Benefit:

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

NOTE:

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

DISABILITY RETIREMENT:

Eligibility:

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

Benefit:

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

SURVIVOR'S BENEFITS:

Eligibility:

20 or more years of creditable service.

Benefit:

Option 2 benefit.

EXHIBIT 5 (Continued)
Principle Provisions

OPTIONAL FORMS OF BENEFIT:

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

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

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

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

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

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

RETURN OF CONTRIBUTIONS:

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

WITHDRAWAL AFTER 10 YEARS
OF CREDITABLE SERVICE:

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

NOTES

EXHIBIT 6

ACTUARIAL COST METHODS AND ASSUMPTIONS

COST METHOD:

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

ACCOUNTING DISCLOSURE:

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

MORTALITY ASSUMPTIONS:

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

DISABILITY ASSUMPTION:

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

RETIREMENT ASSUMPTION:

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

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

TERMINATION ASSUMPTIONS:

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

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

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

SALARY GROWTH:

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

FAMILY STATISTICS:

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

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

REMARRIAGE:

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

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

ASSUMPTION FOR INCOMPLETE DATA:

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

INVESTMENT EARNINGS:

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

ASSET VALUATION:

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

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

ADMINISTRATIVE EXPENSES:

Expenses are included in Aggregate Normal Cost and are assumed to be \$8,200,000 per year. Investment Expenses for professional asset management advisors are not included in Normal Cost but are treated as a direct offset to investment income. The Employer portion of Normal Cost excludes an allocation for Administrative expenses.

ACTUARIAL TABLES AND RATES
(TEACHERS ASSUMPTIONS)

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

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

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

ACTUARIAL TABLES AND RATES
(PLAN A ASSUMPTIONS)

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

ACTUARIAL TABLES AND RATES
(PLAN B ASSUMPTIONS)

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

EXHIBIT A

AMORTIZATION OF UNFUNDED
ACTUARIAL ACCRUED LIABILITY
JUNE 30, 2001

<u>DATE</u> <u>6/30</u>	<u>DESCRIPTION</u>	<u>AMTZ.</u> <u>METHOD</u>	<u>AMTZ.</u> <u>PERIOD</u>	<u>INITIAL</u> <u>LIABILITY</u>	<u>YEARS</u> <u>REMAIN</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>MID-YEAR</u> <u>PAYMENT</u>
1993	Initial Liability	I	36	4,922,538,457	28	6,108,655,408	350,943,658
1993	Change in Liability	I	36	-633,788,393	28	-786,503,737	-45,184,821
1992	Legislative COLA	L	11	95,039,000	2	23,946,713	12,950,983
1994	Change in Liability	I	35	-222,094,335	28	-267,493,444	-15,367,560
1995	Change in Liability	I	34	-9,030,124	28	-10,563,344	-606,867
1996	Change in Liability	I	33	-187,637,521	28	-213,350,371	-12,257,028
1997	Change in Liability	I	32	61,791,993	28	68,348,469	3,926,635
1998	Change in Liability	I	31	-272,354,123	28	-293,315,815	-16,851,061
1999	Change in Liability	I	30	-323,105,520	28	-339,125,599	-19,482,844
2000	Change in Liability	I	29	-616,343,889	28	-631,094,219	-36,256,508
2001	Change in Liability	I	28	55,510,598	28	55,510,598	3,189,097
	LSU appro. adj.						-5,294,820
TOTAL OUTSTANDING BALANCE						3,715,014,659	219,708,864
EMPLOYERS' CREDIT BALANCE							
1997	Contribution Variance	L	5	2,035,880	1	474,146	493,317
1998	Contribution Variance	L	5	-8,041,266	2	-3,602,814	-1,948,492
1999	Contribution Variance	L	5	-38,284,189	3	-24,761,809	-9,276,704
2000	Contribution Variance	L	5	-32,610,436	4	-27,079,415	-7,901,888
2001	Contribution Variance	L	5	-41,310,389	5	-41,310,389	-10,009,988
TOTAL CREDIT BALANCE						-96,280,281	-28,643,755
TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY						3,618,734,378	