

SJ Actuarial Associates

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September 20, 2005

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, 2005.

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

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

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

Board of Trustees
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 September 20, 2005

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

	<u>June 30, 2005</u>	-----Prior Years-----	
		<u>June 30, 2004</u>	<u>June 30, 2003</u>
I. Membership Census			
1) Retirees	54,525	52,900	50,903
2) Actives	87,643	87,273	87,646
3) DROP	4,375	3,409	2,722
4) Terminated Vested	4,454	5,610	5,720
II. Annual Benefits	\$1,031,786,232	\$ 981,646,356	\$ 924,735,564
III. Actuarial Payroll	3,132,169,323	3,017,086,702	2,977,885,311
IV. Valuation Assets	11,887,121,392	11,231,406,507	11,664,894,495
V. Experience Account	89,229,521	0	-1,088,630,751
VI. Investment Yield			
Actuarial Value	9.87%	9.85%	-5.55%
Market Value	9.71%	16.85%	2.16%
VII. Cost to Fund Annual Pension Accruals (Normal Costs)	470,174,889 15.01%	448,025,937 14.85%	434,833,046 14.60%
VIII. Unfunded Actuarial Accrued Liability	6,812,643,322	6,836,079,694	5,531,917,633
IX. Funded Percentage	63.6%	62.2%	67.8%
X. Funding Requirements to Pay (Mid-year Payment)			
1) Employee Contribution Rate	257,738,241 7.98%	248,429,320 7.99%	244,655,604 7.98%
2) Employer Contribution Rate - Current Year	533,260,300 15.2%	515,457,041 15.2%	499,236,111 14.9%
3) Projected Employer Contribution - Next Year	570,541,244 15.8%	554,789,298 15.9%	529,353,799 15.4%

The above funding requirements measure the cost of benefits that were in effect on June 30, 2005.

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Current Funding

The Actuarial Valuation for the plan year ending June 30, 2005 discloses a slight decrease in the value of the plan's unfunded accrued liability resulting from favorable investment experience. 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 6/30/2004	\$ 6,836,079,694
 INCREASES	
Interest on Unfunded Liability	\$ 563,976,575
Experience Account Allocation	<u>89,229,521</u>
Incurred Increases	653,206,096
 DECREASES	
Amortization Payments	325,743,802
Experience Gain	141,392,659
Investment Gain	178,459,042
Shortfall Credit	<u>31,046,965</u>
Incurred Decreases	676,642,468
Unfunded Liability 6/30/2005	\$ 6,812,643,322

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The initial projected employer contribution rate for the 2005-2006 plan year was 15.9%. PERSAC approved this projected employer contribution rate for the 2005-2006 plan year. The actual employer contribution rate determined for the current plan year is 15.2% which should produce an employer contribution credit of .7%.

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

Legislative Changes

Act 588 of 2004 established a minimum employer contribution rate of 15.5%. The Act also established an Employer Credit Account, which is to be credited if the minimum employer contribution rate of 15.5% exceeds the actuarially required contribution rate (ARC). The ARC is 15.9% for 2005-2006 and is projected to be 15.8% for 2006-2007. The Act also made significant changes to prospective funding. The outstanding balances of changes in liabilities from 1993 - 2000 were re-amortized as a level dollar amount to 2029. The amortization period for changes in liabilities beginning with 2001 were extended to a thirty year period from the date of occurrence.

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 \$-9,347.
- **Texaco Settlement Fund:**
This fund accumulates Texaco settlement contributions as a separate account invested at TRSL's actuarial rate of return. The accumulated value of the account can only be used liquidate the outstanding balance of the initial unfunded actuarial liability. The current account balance is \$195,560,290.
- **Experience Account Fund:**
This fund accumulates 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. Act 588 of 2004 reset the balance to \$0 on July 1, 2004 and restricts the account accumulation to no more than the reserve for two COLA's. The current account balance is \$89,229,521.

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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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>5 YEAR AVERAGE</u>
.05%	-5.84%	-5.55%	9.85%	9.87%	1.44%

The net actuarial rate of return assumed in the valuation was 8.25%. For the plan year ending June 30, 2005 the net realized actuarial rate of return was greater than the long-term investment assumption used to project benefits. The result was a net investment experience gain of \$178,459,042 above projected investment income.

Plan Experience

The actuary is charged with making the best estimate of future plan experience to properly fund future benefits. If the actual experience differs from the projected experience, a gain or loss occurs. This gain or loss is then amortized over the later of the year 2029 or a fifteen year statutory period to make a mid-course adjustment in future funding requirements. During the 2004-2005 plan year, the system incurred an \$141,392,659 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 initial unfunded liability over a 40 year period. Act 588 of 2004 changes prospective amortization to a 30 year level dollar payment. 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>
1995	2,423,640	2.7%
1996	2,505,173	3.4%
1997	2,661,350	4.3%
1998	2,922,936	9.8%
1999	3,017,833	3.3%
2000	3,162,097	4.8%
2001	3,212,474	4.2%
2002	3,506,647	9.2%
2003	3,605,232	2.8%
2004	3,684,014	2.2%
2005	3,904,342	6.0%

During the last ten (10) years the aggregate salaries have increased at an annualized rate of 4.88%. If this trend continues during the next twenty-five (25) years, the percentage of pay required to amortize the unfunded liability can be expected to decrease slightly in the absence of other experience gains or losses. The current amortization assumes that aggregate payroll increases at a rate of 4.50% annually.

Disclosures

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

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

Sincerely,

Shelley R. Johnson, ACA, MAAA, ASA
 Actuary

Charles G. Hall, FCA, MAAA, ASA
 Actuary

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EXHIBIT 1

**DEVELOPMENT
OF
COSTS, LIABILITIES AND CONTRIBUTIONS**

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

	<u>June 30, 2005</u>		---Prior Year---	
	<u>Dollar Amount</u>	<u>% of Salary</u>	<u>June 30, 2004 Dollar Amount</u>	<u>% of Salary</u>
I. Normal Costs (annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	\$395,242,643	12.62%	\$377,745,090	12.52%
b) Disability Benefits	11,135,555	0.36%	10,710,720	.36%
c) Survivor Benefits	10,027,284	0.32%	9,460,785	.31%
d) Voluntary Termination	41,519,407	1.33%	39,209,342	1.30%
e) Expenses	<u>12,250,000</u>	<u>0.39%</u>	<u>10,900,000</u>	<u>.36%</u>
TOTAL	470,174,889	15.01%	448,025,937	14.85%
 II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	5,889,255,465		5,922,490,485	
2) Disability Benefits	125,993,656		128,706,443	
3) Survivor Benefits	119,589,131		120,052,027	
4) Voluntary Termination	<u>227,641,679</u>		<u>225,326,140</u>	
	6,362,479,931		6,396,575,095	
b) Retired and Inactive Members				
1) Regular Retirees	8,204,043,546		7,791,838,710	
2) Disabled Retirees	257,180,212		255,478,616	
3) Survivors	475,919,454		448,753,071	
4) Vested Deferred ¹	261,209,369		565,972,681	
5) Contributions Refunded	24,546,830		24,507,322	
6) DROP Deferred Benefits	2,278,407,296		1,846,657,333	
7) DROP Account Balances	<u>835,978,076</u>		<u>737,703,373</u>	
	12,337,284,783		11,670,911,106	
c) TOTAL	18,699,764,714		18,067,486,201	

¹Includes pending Retirement/Drop applications for 2005

Exhibit 1 (Continued)
Costs, Liabilities & Contributions

	<u>June 30, 2005</u>	<u>---Prior Year---</u> <u>June 30, 2004</u>
II. Actuarial Accrued Liability	18,699,764,714	18,067,486,201
III. Assets	11,887,121,392	11,231,406,507
IV. Unfunded Actuarial Accrued Liabilities - Projected Unit Credit	6,812,643,322	6,836,079,694
a) Change over prior year	-23,436,372	1,304,162,061
b) Funded Percentage (Total Assets)	63.6%	62.2%
V. Employer Contributions To Fund Current Plan Year ¹		
a) Employer Portion of Normal Cost	214,463,360	202,372,079
b) Amortization Payments	331,777,730	326,444,599
c) Prior Contribution Variance	<u>-12,980,790</u>	<u>-13,359,637</u>
TOTAL Required Contribution	533,260,300	515,457,041
	15.2%	15.2%
PERSAC approved Rate ¹	15.9%	15.5%
Employer Normal Cost Rate	6.6401%	6.5065%
VI. Projected Employer Contributions To Fund Next Plan Year ¹		
a) Employer Portion of Normal Cost	220,798,316	208,313,581
b) Amortization Payments	358,413,597	351,933,466
c) Prior Contribution Variance	<u>-8,670,669</u>	<u>-5,457,749</u>
TOTAL Projected Contribution	570,541,244	554,789,298
	15.8%	15.9%
VII. Current Payroll	3,132,169,323	3,017,086,702
Projected Payroll - Mid Year	3,229,820,884	3,110,315,796
Projected Payroll - Next Year	3,325,225,398	3,201,632,477
ORP - Salary Adjustment Factor ²	1.15203%	1.14578

¹Dollar Amounts reflect estimated payments due mid-year on January 1st per Act 81. Constitutional Minimum is 11.8% without regards to Employer Credits.

²The 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, 2005</u>	<u>June 30, 2004</u>	<u>June 30, 2003</u>
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 270,619,181	\$ 264,999,131	\$ 251,297,401
Employer	514,585,371	442,553,054	415,298,635
Appropriations	95,093	11,180	5,161,161
ORP-Unfunded	48,754,970	35,244,313	29,499,096
LSU-Coop/Ext	1,647,822	1,066,108	1,263,279
Miscellaneous	<u>1,487,075</u>	<u>474,008</u>	<u>115,138</u>
TOTAL CONTRIBUTIONS	837,189,512	744,347,794	702,634,710
2. Investment Income			
Investments	1,112,229,046	1,765,081,493	245,625,327
Less, investment expenses	<u>26,020,649</u>	<u>-23,311,668</u>	<u>-19,283,122</u>
TOTAL INVESTMENT INCOME	1,138,249,695	1,741,769,825	226,342,205
<u>OPERATING EXPENSES:</u>			
1. General Administration	12,240,915	10,876,626	10,688,003
Other Expenses	476,270	508,399	490,780
2. Benefits Paid			
a) Pension Benefits	1,139,814,334	1,075,298,667	1,003,327,453
b) Return of Contrib.	<u>30,391,992</u>	<u>26,714,645</u>	<u>22,287,120</u>
TOTAL BENEFITS PAID	1,170,206,326	1,102,013,312	1,025,614,573
3. Total Expenses	1,182,923,511	1,113,398,337	1,036,793,356
<u>NET MARKET VALUE INCREASE:</u>	792,515,696	1,372,719,282	-107,816,441

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	<u>June 30, 2005</u>	-----Prior Years----- <u>June 30, 2004</u>	<u>June 30, 2003</u>
ASSETS:			
1. Short Term Assets			
Cash in Banks	\$ 24,677,100	\$ 30,677,716	\$ 7,808,257
Domestic Securities	256,739,631	910,719,505	434,080,034
Foreign Securities	40,210,400	0	0
2. Bonds			
Domestic Bonds	1,913,039,451	1,659,559,992	1,704,534,901
Foreign Bonds	497,213,792	560,651,839	416,432,668
3. Equities (at market)			
Domestic	5,796,790,445	4,926,745,546	4,468,939,880
International	1,969,333,622	1,454,136,303	1,033,655,198
Private Equity	2,017,705,197	2,263,185,124	1,866,781,919
4. Other Assets			
Real Estate Trust	0	0	451,697,323
Fixtures/Property	4,677,168	4,923,034	4,999,004
Receivables-Payables	<u>165,525,782</u>	<u>82,797,833</u>	<u>131,748,426</u>
TOTAL ASSETS			
Market Value	12,685,912,588	11,893,396,892	10,520,677,610
Valued at Cost	11,880,687,436	11,231,410,500	10,420,241,626

ACTUARIAL VALUE OF ASSETS:

TOTAL ASSETS	\$12,685,912,588	\$11,893,396,892	\$10,520,677,610
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	503,225,833	-753,660,174	-872,103,545
Plan Year - 1 (wt. 2/4)	561,550,408	503,225,833	-753,660,174
Plan Year (wt. 3/4)	<u>143,238,760</u>	<u>561,550,408</u>	<u>503,225,833</u>
Actuarial Value of Assets	12,171,901,856	11,409,036,213	10,738,114,209

INVESTMENT YIELD:

Yield to Actuarial Value	9.87%	9.85%	-5.55%
Five Year Actuarial Value	1.44%	2.83%	3.59%
Yield to Market Value	9.71%	16.85%	2.16%
DROP Account Yield	9.37%	9.35%	0.00%

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	<u>June 30, 2005</u>	-----Prior Years----- <u>June 30, 2004</u>	<u>June 30, 2003</u>
<u>EMPLOYER CREDIT ACCOUNT¹:</u>			
Prior Year Ending Balance	0	n/a	n/a
+ Contributions	0	n/a	n/a
- Disbursements	0	n/a	n/a
+ Accumulated Interest	0	n/a	n/a
Account Balance - Year End	<u>0</u>	<u>n/a</u>	<u>n/a</u>
<u>LSU AGRICULTURE AND EXTENSION SERVICE:</u>			
Prior Year Ending Balance	-368,646	-180,974	-231,938
+ Contributions	1,647,822	1,066,108	1,263,279
- Benefit Disbursements	1,270,335	1,228,150	1,224,473
+ Accumulated Interest	-18,188	-25,630	11,759
Fund Balance - Year End	<u>-9,347</u>	<u>-368,646</u>	<u>-180,974</u>
<u>TEXACO SETTLEMENT FUND:</u>			
Prior Year Ending Balance	177,998,352	162,031,438	273,488,200
+ Current Year Allocation	0	0	-96,277,696
+ Accumulated Interest	17,561,938	15,966,914	-15,179,066
Fund Balance - Year End	<u>195,560,290</u>	<u>177,998,352</u>	<u>162,031,438</u>
<u>EXPERIENCE ACCOUNT FUND:</u>			
Prior Year Ending Balance	0	-1,088,630,751	-306,224,579
+ Experience Account Allocation	89,229,521	91,934,262	-799,095,192
- Benefit Disbursements	0	0	306,971 ²
+ Accumulated Interest	0	-107,275,933	16,995,991
Fund Balance - Year End	<u>89,229,521</u>	<u>0³</u>	<u>-1,088,630,751</u>
<u>DEVELOPMENT OF VALUATION ASSETS:</u>			
Actuarial Value of Assets	12,171,901,856	11,409,036,213	10,738,114,209
- Employer Credit Account	0	0	n/a
- LSU Ag/Ext Service Account	-9,347	-368,646	-180,974
- Texaco Settlement Fund	195,560,290	177,998,352	162,031,438
- Experience Account Fund	89,229,521	0	-1,088,630,751
Valuation Assets	<u>11,887,121,392</u>	<u>11,231,406,507</u>	<u>11,664,894,495</u>

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

²Includes Act 1172 normal cost allocation of \$306,971 for 2003 and is eliminated prospectively by Act 588 of 2004

³Act 588 of the 2004 reset the Experience Account Balance to zero.

EXHIBIT 3

**PENSION ACCOUNTING
AND
FINANCIAL DISCLOSURE**

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

SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets ¹ (a)	Actuarial Accrued Liability(AAL) (b)	Unfunded AAL (UAAL) ² (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
1996	7,055,144	11,232,762	4,177,618	62.8	2,254,304	185.3
1997	7,752,591	12,077,642	4,325,051	64.2	2,337,574	185.0
1998	9,071,749	13,185,190	4,113,442	68.8	2,485,058	165.5
1999	10,092,093	13,913,416	3,821,323	72.5	2,569,479	148.7
2000	11,368,692	14,596,441	3,227,749	77.9	2,563,634	125.9
2001	12,062,136	15,390,417	3,328,281	78.4	2,582,831	128.9
2002	12,019,552	16,263,239	4,243,687	73.9	2,777,667	152.8
2003	11,826,926	17,196,812	5,369,886	68.8	2,977,885	180.3
2004	11,409,404	18,067,486	6,658,082	63.1	3,017,087	220.7
2005	12,082,682	18,699,765	6,617,083	64.6	3,132,169	211.3

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by \$632,278,513 from June 30, 2004 to June 30, 2005. There was a net experience gain of \$230,622,183.

¹The Actuarial Value of Assets for GASB reporting includes the Texaco Settlement Fund Assets in the Valuation Assets (see page 12).

²UAAL differs from the UFAL for funding purposes. UFAL for funding purposes excludes Texaco Settlement Fund Assets (see page 12).

EXHIBIT 3 (Continued)

Pension Accounting & Financial Disclosure

SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year</u>	<u>Actuarial Required Contribution</u>	<u>Percent Contributed</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u> ¹
1996	401,039,317	98.4	394,419,635	394,501,448	100.0	18,397,236
1997	412,712,131	99.5	404,444,194	410,755,368	101.6	13,348,657
1998	458,498,592	101.7	453,058,482	466,539,858	102.9	-132,719
1999	452,835,560	108.5	449,891,479	491,119,749	109.2	-41,360,991
2000	437,710,389	107.5	444,575,883	470,320,825	105.8	-67,105,933
2001	404,060,783	110.2	416,196,824	445,371,171	107.0	-96,280,280
2002	421,195,131	104.9	443,053,905	441,801,709	99.7	-95,028,086
2003	479,077,364	98.0	506,747,733	469,346,469	92.6	-57,626,822
2004	527,899,270	94.4	554,174,817	498,236,803	89.9	-1,688,806
2005	555,169,630	105.6	568,930,106	586,216,595	103.0	-18,975,295

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	555,169,630
(2) Interest on Net Pension Obligation	-139,326
(3) Amortization of Net Pension Obligation	-13,899,802
(4) Annual Pension Cost (1)+(2)-(3)	568,930,106
(5) Employer Contribution	586,216,595
(6) Increase (decrease) in Net Pension Obligation	-17,286,489
(7) Net Pension Obligation Beginning of Year	-1,688,806
(8) Net Pension Obligation End of year (6)+(7)	-18,975,295

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

EXHIBIT 3 (Continued)

Pension Accounting & Financial Disclosure

STATISTICAL DATA

COMPARATIVE SUMMARY OF REVENUES BY SOURCE
AND EXPENSES BY TYPE

Revenues by Source

<u>Fiscal</u> <u>Year</u>	<u>Members</u> <u>Contribution</u>	<u>Employer</u> <u>Contribution</u> ¹	<u>Investment</u> <u>Income</u>	<u>Total</u>
1996	182,144,749	424,296,148	766,079,071	1,372,519,968
1997	191,704,402	412,629,635	1,244,291,864	1,848,625,901
1998	208,275,106	449,771,623	1,603,472,505	2,261,519,234
1999	216,102,491	472,810,074	936,761,062	1,625,673,627
2000	224,684,434	452,965,401	1,525,771,416	2,203,421,251
2001	226,754,298	429,112,566	-594,326,474	61,540,390
2002	246,119,537	427,674,482	-946,882,960	-273,088,941
2003	251,297,406	451,337,304	226,342,205	928,976,915
2004	264,999,131	479,348,663	1,741,769,825	2,486,117,619
2005	270,619,181	564,922,509	1,138,249,695	1,973,791,385

Expenses by Type

<u>Fiscal</u> <u>Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative</u> <u>Expenses</u>	<u>Total</u>
1996	597,840,991	18,780,044	7,344,398	623,965,433
1997	624,736,789	20,841,868	6,011,443	651,590,100
1998	664,147,264	21,360,841	6,705,255	692,213,360
1999	735,328,349	21,238,599	7,044,432	763,611,380
2000	791,183,546	22,458,244	7,733,662	821,375,456
2001	858,979,906	26,948,712	8,655,615	894,584,233
2002	920,593,341	23,432,297	9,361,965	953,387,603
2003	1,003,327,453	22,287,120	11,178,783	1,036,793,356
2004	1,075,298,667	26,714,645	11,385,025	1,113,398,337
2005	1,139,814,334	30,391,992	12,717,185	1,182,923,511

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, records identified as containing suspicious data or errors in data were assumed to possess the same characteristics of "good data" in the same cohort based on the following error types:

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

The number of records with suspicious data was 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.

Again this year the Terminated Vested status is overstated, containing a number of retirement and DROP applications awaiting final certification.

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

	-----2005-----		-----2004-----	
	<u>Census</u>	<u>Avg.Sal.</u>	<u>Census</u>	<u>Avg.Sal.</u>
Active Members				
TRs - Regular Plan	76,299	33,921	76,100	33,127
TRs - University Plan	5,984	51,767	5,873	50,190
TRs - Plan A	428	19,721	537	19,201
TRs - Plan B	1,835	14,145	1,888	13,899
TRs - Post DROP	<u>3,097</u>	<u>46,734</u>	<u>2,875</u>	<u>44,022</u>
TOTAL	87,643	35,109	87,273	34,133

EXHIBIT 4 (Continued)
Census Data

	<u>2005 Census</u>	<u>2004 Census</u>
Retired and Inactive Members		
Regular Retirees	46,035	44,690
Disability Retirees	3,836	3,797
DROP Participants	4,375	3,409
Survivors	4,654	4,413
Vested and Reciprocals	4,454	5,610
Due Refunds	10,799	10,242
Errors	<u>N/A</u>	<u>N/A</u>
TOTAL	74,153	72,161
 TOTAL Actives & Inactives	 161,796	 159,434

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

Actuarial Salaries	-	\$3,132,169,323
Actual Salaries for which contributions were received	-	\$3,389,083,332

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 .208 during the last twenty-six (26) 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>2004</u>		<u>2005</u>		<u>25 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	1,766	.12	1,772	.12	.00
[30 - 39)	7,035	.35	3,549	.25	3,596	.25	.00
[40 - 49)	5,719	.29	3,872	.27	3,782	.26	-.01
[50 - 59)	3,316	.17	4,179	.29	4,212	.29	.00
[60 -)	739	.03	1,063	.07	1,151	.08	+.01
TOTAL	19,709	1.00	14,439	1.00	14,513	1.00	

FEMALES

<u>Age Group</u>	<u>1979</u>		<u>2004</u>		<u>2005</u>		<u>25 Year %</u>
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Change</u>
[20 - 29)	12,150	.25	8,513	.12	8,524	.12	.00
[30 - 39)	17,302	.36	17,231	.25	17,175	.25	.00
[40 - 49)	11,604	.24	23,298	.34	22,631	.32	-.02
[50 - 59)	6,446	.13	18,448	.26	19,043	.27	+.01
[60 -)	1,024	.02	2,469	.04	2,660	.04	.00
TOTAL	48,526	1.00	69,959	1.00	70,033	1.00	

Distribution by Sex

	<u>1979</u>	<u>2004</u>	<u>2005</u>	<u>% Change From 1979</u>
Males (%)	29%	17.1%	17.2%	+0.1%
Females (%)	71%	82.9%	82.8%	-0.1%
Ratio (M/F)	.406	.206	.208	

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ALL ACTIVE MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2005

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19):	4	1	0	0	0	0	0	0	0	5
:	47161	8007	0	0	0	0	0	0	0	55168
[20 - 24):	619	1612	6	0	0	0	0	0	0	2237
:	9630905	48836497	100049	0	0	0	0	0	0	58567451
[25 - 29):	817	5714	1517	6	0	0	0	0	0	8054
:	13940422	178615555	51325241	112607	0	0	0	0	0	243993825
[30 - 34):	600	3733	4388	1128	4	0	0	0	0	9853
:	9863867	111145356	152433128	42846886	102988	0	0	0	0	316392225
[35 - 39):	507	3134	3080	3157	1022	18	0	0	0	10918
:	8350759	88618393	98884637	121182499	41459873	455310	0	0	0	358951471
[40 - 44):	497	2747	2942	2421	2687	1041	22	0	0	12357
:	7492800	73940454	86485545	83276479	109934321	44082472	547083	0	0	405759154
[45 - 49):	376	2254	2714	2595	2166	2571	1372	8	0	14056
:	6441940	62154390	80296226	83881188	83271976	113197789	63983323	200745	0	493427577
[50 - 54):	293	1662	2051	2310	2425	2316	3609	211	0	14877
:	5655399	51732061	63331676	75115268	92514299	102566544	176115884	11949843	0	578980974
[55 - 59):	153	1066	1326	1598	1817	1852	421	129	16	8378
:	2884314	34150407	41950132	55331846	68808023	79338162	23816768	8775845	939684	315995181
[60 - 64):	61	416	507	374	471	550	216	103	52	2750
:	1328044	14424549	14572086	13779422	19941554	27058097	11739221	7765679	3815867	114424519
[65 - 69):	25	97	106	89	126	119	117	51	46	776
:	397281	2784448	3234786	2989444	5442525	6282698	5867953	3212953	3287815	33499903
[70 - 74):	10	41	30	22	36	39	52	25	30	285
:	222968	1337629	835318	429075	1336209	2018369	2816947	1175611	2098657	12270783
Total	3962	22477	18667	13700	10754	8506	5809	527	144	84546
:	66255860	667747746	593448824	478944714	422811768	374999441	284887179	33080676	10142023	2932318231

AVERAGES --- Attained Age 43.78
Service Years 10.89
Active Salary 34,683

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY
DROP BENEFITS

VALUATION DATE 6/30/2005

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):	65	9	3	1	0	0	0	0	0	78
:	2120982	387096	130848	27134	0	0	0	0	0	2666060
:	2021448	262116	72900	17112	0	0	0	0	0	2373576
:[55 - 59):	482	394	168	114	42	14	0	0	0	1214
:	17726431	20812871	8906132	6343404	2209809	649802	0	0	0	56648449
:	15408660	12866196	5445924	3658200	1246704	359100	0	0	0	38984784
:[60 - 64):	192	193	197	137	144	235	0	0	0	1098
:	4970466	7542179	10558394	7890886	8368940	13698818	0	0	0	53029683
:	3477408	3431064	5757480	4249188	4228992	6948852	0	0	0	28092984
:[65 - 69):	14	34	99	82	79	201	4	0	0	513
:	265128	1180045	3889648	2693360	3006282	11183427	256598	0	0	22474488
:	180852	440952	1364688	1076316	1394292	5144256	132228	0	0	9733584
:[70 - 74):	5	9	16	23	20	108	13	0	0	194
:	153600	344272	762083	1356621	1008529	5135373	1155667	0	0	9916145
:	127632	145248	388068	666024	543156	2474040	592548	0	0	4936716

: Total :	758	639	483	357	285	558	17	0	0	3097
: Total :	25236607	30266463	24247105	18311405	14593560	30667420	1412265	0	0	144734825
: Total :	21216000	17145576	13029060	9666840	7413144	14926248	724776	0	0	84121644

AVERAGES --- Attained Age 61.77
 Post Drop Years 2.82
 Active Salary 46,734
 Annual Benefit 27,162

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - TEACHERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2005

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
:[0 - 19):	3	1	0	0	0	0	0	0	0	4
:	25286	8007	0	0	0	0	0	0	0	33293
:[20 - 24):	561	1551	6	0	0	0	0	0	0	2118
:	8737419	47186295	100049	0	0	0	0	0	0	56023763
:[25 - 29):	692	5312	1486	6	0	0	0	0	0	7496
:	11677885	165964106	50322592	112607	0	0	0	0	0	228077190
:[30 - 34):	493	3400	4202	1103	4	0	0	0	0	9202
:	7713826	99222490	145487111	41769648	102988	0	0	0	0	294296063
:[35 - 39):	425	2783	2841	3051	993	17	0	0	0	10110
:	6539895	75048042	90618942	116809932	40178366	440651	0	0	0	329635828
:[40 - 44):	422	2396	2687	2269	2565	987	20	0	0	11346
:	5784658	61761945	78247761	77694759	104926146	42227912	513724	0	0	371156905
:[45 - 49):	312	1979	2489	2408	1989	2376	1293	8	0	12854
:	4832264	52053961	73483194	76976902	75868959	105395449	60878271	200745	0	449689745
:[50 - 54):	244	1412	1851	2162	2195	1934	3306	188	0	13292
:	4146107	40912557	57424177	69813376	81842742	83464907	161175665	10681427	0	509460958
:[55 - 59):	130	874	1168	1451	1626	1479	214	92	11	7045
:	2261102	25726388	36435386	49408436	60196172	60644847	10204404	5546865	705347	251128947
:[60 - 64):	50	343	427	319	390	395	118	44	18	2104
:	861569	10622719	12442837	10835492	15345659	16252343	4668269	2325107	1067672	74421667
:[65 - 69):	21	74	90	71	98	80	79	23	14	550
:	353214	1910147	2697350	2062736	3705612	3067199	3169472	1112132	734730	18812592
:[70 - 74):	10	32	26	19	27	16	23	15	10	178
:	222968	785321	687244	344153	918708	616213	782465	601823	449931	5408826
Total	3363	20157	17273	12859	9887	7284	5053	370	53	76299
:	53156193	581201978	547946643	445828041	383085352	312109521	241392270	20468099	2957680	2588145777

AVERAGES --- Attained Age 43.37
Service Years 10.78
Active Salary 33,921

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LSU

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2005

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):	40	30	0	0	0	0	0	0	0	70
:	658383	827080	0	0	0	0	0	0	0	1485463
:	:	:	:	:	:	:	:	:	:	:
[25 - 29):	82	185	12	0	0	0	0	0	0	279
:	1579038	6445227	424622	0	0	0	0	0	0	8448887
:	:	:	:	:	:	:	:	:	:	:
[30 - 34):	71	124	72	13	0	0	0	0	0	280
:	1599359	5393400	3140853	592049	0	0	0	0	0	10725661
:	:	:	:	:	:	:	:	:	:	:
[35 - 39):	52	147	70	33	11	1	0	0	0	314
:	1278740	7249887	3376043	1553509	520493	14659	0	0	0	13993331
:	:	:	:	:	:	:	:	:	:	:
[40 - 44):	50	119	55	32	36	14	0	0	0	306
:	1310272	6101247	2874971	1635052	2079199	735613	0	0	0	14736354
:	:	:	:	:	:	:	:	:	:	:
[45 - 49):	37	99	52	41	51	48	16	0	0	344
:	1198703	5025639	2630591	2219218	3216875	2724090	828838	0	0	17843954
:	:	:	:	:	:	:	:	:	:	:
[50 - 54):	35	102	47	31	60	134	77	3	0	489
:	1339521	5755245	2029389	1559119	4256702	10274329	5490505	276845	0	30981655
:	:	:	:	:	:	:	:	:	:	:
[55 - 59):	11	72	43	48	56	110	85	21	0	446
:	419714	4453845	2379536	2633250	3493496	8934619	8326586	2175871	0	32816917
:	:	:	:	:	:	:	:	:	:	:
[60 - 64):	7	27	16	22	25	62	51	36	14	260
:	391766	1877357	695225	1557446	1841543	5848551	4609931	3714044	1317471	21853334
:	:	:	:	:	:	:	:	:	:	:
[65 - 69):	3	7	5	7	10	18	16	11	12	89
:	24067	328761	320170	401558	1032585	1913152	1599326	1089527	1304822	8013968
:	:	:	:	:	:	:	:	:	:	:
[70 - 74):	0	2	3	1	5	8	14	3	10	46
:	0	213595	50739	10203	317438	648772	1453989	332402	995549	4022687
:	:	:	:	:	:	:	:	:	:	:
Total :	388	914	375	228	254	395	259	74	36	2923
Total :	9799563	43671283	17922139	12161404	16758331	31093785	22309175	7588689	3617842	164922211

AVERAGES --- Attained Age 46.63
Service Years 10.94
Active Salary 56,422

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - UNIVERSITY

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2005

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19):	1	0	0	0	0	0	0	0	0	1
:	21875	0	0	0	0	0	0	0	0	21875
[20 - 24):	17	28	0	0	0	0	0	0	0	45
:	229917	779049	0	0	0	0	0	0	0	1008966
[25 - 29):	38	189	15	0	0	0	0	0	0	242
:	652455	5887794	522893	0	0	0	0	0	0	7063142
[30 - 34):	30	167	86	11	0	0	0	0	0	294
:	516134	6024228	3429991	469238	0	0	0	0	0	10439591
[35 - 39):	23	133	91	63	14	0	0	0	0	324
:	499241	5411543	3852454	2668351	685202	0	0	0	0	13116791
[40 - 44):	15	123	77	68	45	14	0	0	0	342
:	331975	4761501	3662135	3217784	2245504	642009	0	0	0	14860908
[45 - 49):	16	103	63	75	53	60	23	0	0	393
:	338946	4247835	2716877	3568551	2903412	3424967	1320722	0	0	18521310
[50 - 54):	9	109	60	62	90	107	110	13	0	560
:	136778	4584678	2662739	2991994	5098688	6255689	6970387	822336	0	29523289
[55 - 59):	9	82	50	58	69	110	59	14	3	454
:	179663	3505085	2233981	2684608	3990683	7181006	4208301	1006721	201446	25191494
[60 - 64):	2	34	22	22	41	66	33	21	18	259
:	50677	1750406	927600	1241836	2547877	4497409	2185875	1697154	1394578	16293412
[65 - 69):	1	13	4	8	9	17	15	15	18	100
:	20000	503936	134705	486481	577886	1237335	1004903	987494	1218117	6170857
[70 - 74):	0	7	1	2	3	12	8	4	10	47
:	0	338713	97335	74719	87104	704894	474481	211326	653177	2641749
Total	161	988	469	369	324	386	248	67	49	3061
Total	2977661	37794768	20240710	17403562	18136356	23943309	16164669	4725031	3467318	144853384

AVERAGES --- Attained Age 47.19
Service Years 11.55
Active Salary 47,322

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LUNCH A

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2005

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19):	0	0	0	0	0	0	0	0	0	0
[20 - 24):	0	0	0	0	0	0	0	0	0	0
[25 - 29):	0	0	0	0	0	0	0	0	0	0
[30 - 34):	0	0	0	0	0	0	0	0	0	0
[35 - 39):	0	0	0	0	0	0	0	0	0	0
[40 - 44):	0	0	1	0	2	13	1	0	0	17
[45 - 49):	1	0	0	2	2	56	26	0	0	87
[50 - 54):	0	0	0	2	10	81	80	1	0	174
[55 - 59):	0	0	0	2	8	84	8	2	1	105
[60 - 64):	0	0	0	1	3	13	7	0	2	26
[65 - 69):	0	0	0	0	0	1	4	2	0	7
[70 - 74):	0	0	0	0	0	3	6	3	0	12
Total	1	0	1	7	25	251	132	8	3	428
Total	20000	0	14071	71562	479838	4721923	2968798	111810	52421	8440423

AVERAGES --- Attained Age 53.84
Service Years 24.06
Active Salary 19,721

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
ACTIVE - LUNCH B

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2005

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19):	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[20 - 24):	1	3	0	0	0	0	0	0	0	4
:	5186	44073	0	0	0	0	0	0	0	49259
:	:	:	:	:	:	:	:	:	:	:
[25 - 29):	5	28	4	0	0	0	0	0	0	37
:	31044	318428	55134	0	0	0	0	0	0	404606
:	:	:	:	:	:	:	:	:	:	:
[30 - 34):	6	42	28	1	0	0	0	0	0	77
:	34548	505238	375173	15951	0	0	0	0	0	930910
:	:	:	:	:	:	:	:	:	:	:
[35 - 39):	7	71	78	10	4	0	0	0	0	170
:	32883	908921	1037198	150707	75812	0	0	0	0	2205521
:	:	:	:	:	:	:	:	:	:	:
[40 - 44):	10	109	122	52	39	13	1	0	0	346
:	65895	1315761	1686607	728884	637500	231857	15008	0	0	4681512
:	:	:	:	:	:	:	:	:	:	:
[45 - 49):	10	73	110	69	71	31	14	0	0	378
:	52027	826955	1465564	1098659	1225207	538430	287002	0	0	5493844
:	:	:	:	:	:	:	:	:	:	:
[50 - 54):	5	39	93	53	70	60	36	6	0	362
:	32993	479581	1215371	726909	1138350	1036672	670839	157673	0	5458388
:	:	:	:	:	:	:	:	:	:	:
[55 - 59):	3	38	65	39	58	69	55	0	1	328
:	23835	465089	901229	587497	962062	1080605	915856	0	16616	4952789
:	:	:	:	:	:	:	:	:	:	:
[60 - 64):	2	12	42	10	12	14	7	2	0	101
:	24032	174067	506424	132869	173559	194078	107743	29374	0	1342146
:	:	:	:	:	:	:	:	:	:	:
[65 - 69):	0	3	7	3	9	3	3	0	2	30
:	0	41604	82561	38669	126442	49261	42756	0	30146	411439
:	:	:	:	:	:	:	:	:	:	:
[70 - 74):	0	0	0	0	1	0	1	0	0	2
:	0	0	0	0	12959	0	13063	0	0	26022
:	:	:	:	:	:	:	:	:	:	:
Total	49	418	549	237	264	190	117	8	3	1835
Total	302443	5079717	7325261	3480145	4351891	3130903	2052267	187047	46762	25956436

AVERAGES --- Attained Age 48.54
Service Years 11.10
Active Salary 14,145

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2005

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
:[0 - 39):	1	0	0	0	0	0	0	0	0	1
:	9348	0	0	0	0	0	0	0	0	9348
:[40 - 44):	32	18	14	9	4	1	0	0	0	78
:	470808	263952	163932	90696	32580	6420	0	0	0	1028388
:[45 - 49):	78	71	86	91	82	191	4	0	0	603
:	1366692	1234452	1292496	1338324	1151280	2333436	30696	0	0	8747376
:[50 - 54):	275	200	158	124	160	659	215	5	0	1796
:	7124820	5054244	3383352	2337792	2521104	9067980	2642760	43740	0	32175792
:[55 - 59):	1154	1051	734	579	397	849	627	221	1	5613
:	33302736	30396960	20775516	15827364	10210944	15723516	8711808	2596812	9168	137554824
:[60 - 64):	823	890	967	960	949	2743	727	514	128	8701
:	16517340	18051036	22234608	21855216	22516476	72004584	14416152	7288356	1568148	196451916
:[65 - 69):	295	365	448	499	579	3313	1800	778	515	8592
:	6189660	8647380	9673416	9727872	11240352	69546492	46446936	14784504	6102840	182359452
:[70 - 74):	62	100	104	150	173	1819	2469	1936	1120	7933
:	1580844	2342400	2361624	3191808	4194996	38265612	48432372	43619040	16261956	160250652
:[75 - 79):	18	19	28	36	46	474	1319	1955	1769	5664
:	533784	465624	677352	692412	840000	10812720	23846328	31322124	30705480	99895824
:[80 - 84):	4	4	4	10	4	108	336	990	2349	3809
:	117924	63432	37008	181044	84324	2476800	6883212	16110252	34843404	60797400
:[85 - 89):	1	1	0	0	0	11	31	196	1937	2177
:	6576	9348	0	0	0	261312	547500	3448128	26443404	30716268
:[90 - 99):	0	0	0	0	0	1	1	2	1064	1068
:	0	0	0	0	0	6552	20016	55056	14247264	14328888
Total	2743	2719	2543	2458	2394	10169	7529	6597	8883	46035
Total	67220532	66528828	60599304	55242528	52792056	220505424	151977780	119268012	130181664	924316128

AVERAGES --- Attained Age 69.30
Years Retired 11.61
Annual Benefit 20,079

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2005

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
:[0 - 39):	4	12	4	2	3	7	2	0	0	34
:	51192	142080	37320	18624	32292	70584	20340	0	0	372432
:[40 - 44):	9	13	11	9	12	32	10	2	0	98
:	121092	165804	119508	128544	152532	296292	121812	22788	0	1128372
:[45 - 49):	24	21	34	30	30	70	38	9	0	256
:	302544	295932	487356	409968	369708	842628	419556	95292	0	3222984
:[50 - 54):	32	48	46	51	34	138	98	54	15	516
:	375528	585312	562380	564708	415368	1593120	1268376	581832	172716	6119340
:[55 - 59):	34	62	54	51	48	196	127	90	49	711
:	365208	697548	531828	490140	495780	1934880	1539240	994824	560004	7609452
:[60 - 64):	14	20	36	48	58	231	171	121	67	766
:	117276	201156	374160	401100	581352	2035992	1593744	1411416	802788	7518984
:[65 - 69):	3	2	5	7	11	134	150	153	107	572
:	19380	27792	38724	56592	88812	1152828	1062144	1582524	1277004	5305800
:[70 - 74):	0	4	1	2	0	20	77	145	154	403
:	0	32292	8172	14856	0	153648	484752	1200276	1820004	3714000
:[75 - 79):	0	0	1	0	1	6	11	75	134	228
:	0	0	4404	0	8076	69108	34956	693552	1398132	2208228
:[80 - 84):	0	0	0	0	0	2	2	36	127	167
:	0	0	0	0	0	16692	8952	329004	1239564	1594212
:[85 - 89):	0	0	0	0	0	0	0	3	60	63
:	0	0	0	0	0	0	0	41088	551856	592944
:[90 - 99):	0	0	0	0	0	0	0	0	22	22
:	0	0	0	0	0	0	0	0	221064	221064
Total	120	182	192	200	197	836	686	688	735	3836
Total	1352220	2147916	2163852	2084532	2143920	8165772	6553872	6952596	8043132	39607812

AVERAGES --- Attained Age 62.61
Years Retired 12.28
Annual Benefit 10,325

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2005

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39):	63	29	20	20	22	98	45	38	19	354
:	321876	389784	232272	261852	262932	947364	489108	233916	83976	3223080
[40 - 44):	12	10	8	12	13	37	10	4	6	112
:	200292	111912	119112	154836	137640	530100	136188	35196	58140	1483416
[45 - 49):	17	11	14	6	13	52	25	7	10	155
:	182904	151044	197040	65916	115692	591324	334020	56244	69504	1763688
[50 - 54):	18	20	22	13	19	75	45	29	14	255
:	333876	257448	283224	186120	293760	1055244	621504	337368	120852	3489396
[55 - 59):	43	29	34	28	22	104	74	40	25	399
:	699000	532584	727068	429864	429972	1535328	1012776	491004	182820	6040416
[60 - 64):	42	38	36	40	34	154	94	55	54	547
:	770376	591792	870780	650616	596004	2891868	1463688	759900	550284	9145308
[65 - 69):	41	44	44	48	30	180	107	68	72	634
:	763332	845484	885360	870312	560172	3423144	1871388	1030092	862200	11111484
[70 - 74):	37	53	49	43	28	185	158	86	98	737
:	664584	995904	918504	669852	397092	3249564	2611584	1228464	1147812	11883360
[75 - 79):	23	25	40	49	32	151	104	87	122	633
:	490512	450000	527928	729864	501408	2482200	1589964	1341924	1614084	9727884
[80 - 84):	25	29	33	14	27	104	76	63	108	479
:	262464	317076	377064	161880	369000	1315188	965088	788124	1278084	5833968
[85 - 89):	17	9	14	13	11	62	31	24	71	252
:	318240	118620	163968	154824	99960	593388	395544	297300	858216	3000060
[90 - 99):	7	2	4	0	3	22	17	16	26	97
:	68964	22644	37188	0	40872	290388	250428	181332	268416	1160232
Total	345	299	318	286	254	1224	786	517	625	4654
Total	5076420	4784292	5339508	4335936	3804504	18905100	11741280	6780864	7094388	67862292

AVERAGES --- Attained Age 66.10
Years Retired 10.20
Annual Benefit 14,581

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2005

Age/Years:	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19):	0	0	0	0	0	0	0	0	0	0
[20 - 24):	0	0	0	0	0	0	0	0	0	0
[25 - 29):	0	0	20	0	0	0	0	0	0	20
[30 - 34):	1	0	372	14	0	0	0	0	0	387
[35 - 39):	0	0	427	135	5	0	0	0	0	567
[40 - 44):	0	1	300	214	53	5	0	0	0	573
[45 - 49):	0	5	255	211	74	25	13	2	0	585
[50 - 54):	3	3	241	289	77	35	350	18	0	1016
[55 - 59):	3	11	164	302	115	171	148	22	1	937
[60 - 64):	0	2	62	75	53	60	17	2	2	273
[65 - 69):	0	3	16	17	8	5	7	2	3	61
[70 - 74):	0	4	13	8	3	3	2	1	1	35
Total	7	29	1870	1265	388	304	537	47	7	4454
Total	2848	30029	7540243	9619612	4423528	5764425	14299345	1253774	391205	43325009

AVERAGES --- Attained Age 48.80
Service Years 13.28
Annual Benefit 9,727

SJ Actuarial Associates

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2005

Age/Years:	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39):	0	0	0	0	0	0	0	0	0	0
[40 - 44):	0	0	0	0	0	0	0	0	0	0
[45 - 49):	9	8	0	0	0	0	0	0	0	17
[50 - 54):	392	534	314	7	0	0	0	0	0	1247
[55 - 59):	529	806	909	59	0	0	0	0	0	2303
[60 - 64):	187	299	271	10	0	0	0	0	0	767
[65 - 69):	8	13	7	0	0	0	0	0	0	28
[70 - 74):	6	4	3	0	0	0	0	0	0	13
[75 - 79):	0	0	0	0	0	0	0	0	0	0
[80 - 84):	0	0	0	0	0	0	0	0	0	0
[85 - 89):	0	0	0	0	0	0	0	0	0	0
[90 - 99):	0	0	0	0	0	0	0	0	0	0
Total	1131	1664	1504	76	0	0	0	0	0	4375
Total	31950804	48520800	43526916	2860884	0	0	0	0	0	126859404

AVERAGES --- Attained Age 56.80
Years Retired 1.55
Annual Benefit 28,996

EXHIBIT 5

PRINCIPLE PROVISIONS OF THE PLAN

EFFECTIVE DATE:

August 1, 1936; last amendment date - July, 2004.

EMPLOYER:

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

ELIGIBILITY FOR PARTICIPATION:

Condition of employment for all teachers

CREDITABLE SERVICE:

Service as a teacher while member of the system.

ADDITIONAL SERVICE:

1. Credit for service canceled by withdrawal of accumulated contributions may be restored by member by paying the amount withdrawn plus interest.
2. Service rendered in public school system of another state may be purchased at the actuarial cost of the additional retirement benefit, or at the member's option receive service credit based on the funds actually transferred.
3. Credit for service in non-public or parochial schools may be purchased at the actuarial cost of the additional retirement benefit, or at the member's option receive service credit based on the funds actually transferred.
4. Maximum of 4 years of credit for military service may be obtained for each member, contingent on payment of Actuarial Cost.
5. Credit for legislative service of former teacher, now legislator, may be purchased at the actuarial cost.
6. Conversion of Sick Leave to Membership Service: At retirement, or at death before retirement of member with surviving spouse or dependent or both who are entitled to benefits, unused accumulated sick leave will be added to membership service; however, leave accumulated after January 30, 1990 can be converted to a maximum one year service credit, on following basis:

EARNABLE COMPENSATION:

The compensation earned by a member for qualifying service.

EXHIBIT 5 (Continued)
Principle Provisions

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

AVERAGE FINAL COMPENSATION

The average annual earnable compensation is the 36 highest successive months of employment or the highest 36 successive joined months where interruption of service occurred; the average compensation for purposes of computing benefits cannot increase more than 25% per year; members with 40 or more years of service who elect to have employee and employer contributions discontinued, average final compensation is determined 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.

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:

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

EXHIBIT 5 (Continued)
Principle Provisions

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

Written application to Board, and

1. Age 60 and 5 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.

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 during the twelve month period following initial retirement.
- D. The \$300 annual supplemental benefit is discontinued to members who 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:

EXHIBIT 5 (Continued)
Principle Provisions

<u>AGE</u>	<u>MAXIMUM</u>	<u>AGE</u>	<u>MAXIMUM</u>	<u>AGE</u>	<u>MAXIMUM</u>
48	\$39,506	56	\$88,024	64	\$170,000
49	43,191	57	96,941	65	170,000
50	47,254	58	106,896	66	182,404
51	51,738	59	118,033	67	195,937
52	56,693	60	130,523	68	210,718
53	62,176	61	144,565	69	226,882
54	68,254	62	170,000	70	244,582
55	80,020	63	170,000		

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%.

Effective December 1, 2001, members with 25 years of service credit and retired 15 years receive \$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 at disability, a pension equal to 2 1/2% of average compensation multiplied by years of service. Benefit shall not be more than 50% of average compensation. However, in no event shall the benefit be less than the lesser of 40% of the state minimum salary for a beginning teacher with a bachelor's degree or 75% of average compensation.
2. Additional 50% of member's benefit payable if minor child is present, but total amount to family limited to 75% of final average compensation.

EXHIBIT 5 (Continued)
Principle Provisions

3. Upon attainment of the earliest age for retirement eligibility had member continued in service without further change in compensation, member shall become a regular retiree with benefits based on years of creditable service but not less than the disability benefit. Minor children benefit for disability continue for as long as the retiree has a minor child.
4. Upon death of a disability retiree, surviving spouse, married to retiree at least two years prior to death of the disability retiree, shall receive 75% of disability benefit. Upon death of an unmarried retiree with minor children, the benefit shall equal 50% of disability benefit.
5. Upon recovery of disability as determined by the board of trustees, upon advice of the medical board, and returns to active membership for at least three years starting no later than one year after recovery, then he shall be credited with one year of service for each year disabled for purposes of establishing benefit eligibility, but not for computation of benefits.

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

Eligibility:

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

Benefits:

1. Greater of:
 - A.) \$600 per month, or
 - B.) 50% of benefit, based on 2 1/2% formula, that would have been payable upon service retirement at age 60 had member continued in service to age 60 without change in compensation. 50% of spouse's benefit payable for each minor child (not greater than two), with total benefit to family at least equal to the Option 2, Accrued Benefit based on actual service credit. Benefits to spouse cease upon remarriage, but resume upon subsequent divorce or death of new spouse; however, if the member was eligible to retire or had reached age 55 on the date of his death, benefits shall not cease

EXHIBIT 5 (Continued)
Principle Provisions

upon remarriage. When minor children are no longer present, spouse's benefit reverts to benefit in B, for eligible spouse.

2. Greater of:
 - A.) \$600 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.

REFUND OF CONTRIBUTIONS:

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

TERMINATION WITH VESTED SERVICE:

Any member with credit for 5 years of service who withdraws from service may elect to leave accumulated contributions in system until age 60, when he may apply for retirement and begin receiving a retirement benefit based on the credits he had at date of withdrawal.

OPTIONAL FORMS OF BENEFIT:

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

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

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

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

EXHIBIT 5 (Continued)
Principle Provisions

DEFERRED RETIREMENT OPTION PLAN:

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

NORMAL ELIGIBILITY:

Any member who is eligible to receive a 2.5% service retirement allowance may begin participation on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility.

BENEFIT:

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

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

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

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

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

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

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

DROP Accounts shall earn interest following termination of DROP at a rate .5% below the actuarial rate of the System's investment portfolio.

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

EXHIBIT 5 (Continued)
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.

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.

Exhibit 5 (Continued)
Principle Provisions

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.

Optional Forms of Benefits:

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

Deferred Retirement Option Plan:

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

EXHIBIT 5 (Continued)
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 5 years of creditable service.
2. Age 55 and 25 years of creditable service.
3. 30 years of creditable service, regardless of age.

Benefit:

3% of average final compensation times years of creditable service. For Members of only the supplemental plan prior to 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. \$600 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. \$600 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 therefore; otherwise 2% of average final compensation times years of creditable service; provided amount not less than 30%, nor more than 75% of average final compensation, in the event no optional selection is made.

SURVIVOR'S BENEFITS:

Eligibility:

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.

Options 2-4 are available in an "a" version which provides the same survivor benefit at the death of the retiree, but reverts to the maximum benefit if the survivor predeceases the retiree.

RETURN OF CONTRIBUTIONS:

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

TERMINATION WITH VESTED SERVICE:

Any member with credit for 5 years of service who withdraws from service may elect to leave accumulated contributions in system until his earliest normal retirement date, when he may apply for retirement and begin receiving a retirement benefit based on average final compensation and creditable service at date of withdrawal.

Deferred Retirement Option Plan:

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

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.

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.

ACCOUNTING DISCLOSURE:

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

ACTUARIAL ASSUMPTIONS:

The Retirement System is required to conduct an experience study every five years, but the scope of such a study is not necessarily limited to a five year period. The current five year observation period (1997-2001) was chosen to coincide with the most recent period of data reporting following the restructuring of the Deferred Retirement Option Program. The rates are projected separately for Teachers, School Lunch Plan and Plan B, and University personnel. The current and prior rate tables are illustrated at the end of this exhibit.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

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 for total and permanent disability were projected by age in accordance with the most recent Experience Study. The rates are based upon attained age at occurrence. For mortality after disability, rates were on the Eleventh Actuarial Valuation of the Railroad Retirement System for permanent disabilities.

RETIREMENT/DROP ASSUMPTION:

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

TERMINATION ASSUMPTIONS:

Voluntary termination or withdrawal rates are based on the most recent Experience Study. During the first five years of employment, the probability of voluntarily terminating is a multiple of the attained age rate in prior reports and a multiple of employment duration in the current valuation as follows:

1st year	1.25x Teachers only
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 rates of annual salary growth are base upon the members years of service and are illustrated in the rate tables at the end of this exhibit.

EXHIBIT 6 (Continued)

Cost Methods & Assumptions

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	15
30	1.8	13
35	2.2	11
40	2.1	9
45	1.7	6
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."

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.

ADMINISTRATIVE EXPENSES:

Expenses are included in Aggregate Normal Cost and are assumed to be \$12,250,000 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)

Age	- Death Rates -		Disability Rates	Termination Rates	Retirement Rates	DROP Rates	Dur	Salary Scale
	Male	Female						
18	.00039	.00020	.0000	.0000	.0000	.000	1	1.0780
19	.00041	.00021	.0000	.0600	.0000	.000	2	1.0760
20	.00042	.00022	.0000	.1000	.0000	.000	3	1.0720
21	.00044	.00024	.0000	.0900	.0000	.000	4	1.0700
22	.00045	.00025	.0000	.0400	.0000	.000	5	1.0680
23	.00047	.00027	.0001	.0500	.0000	.000	6	1.0680
24	.00049	.00028	.0001	.0700	.0000	.000	7	1.0680
25	.00052	.00030	.0001	.0700	.0000	.000	8	1.0680
26	.00054	.00032	.0001	.0800	.0000	.000	9	1.0670
27	.00057	.00034	.0001	.0800	.0000	.000	10	1.0650
28	.00060	.00036	.0001	.0800	.0000	.000	11	1.0640
29	.00064	.00038	.0001	.0800	.0000	.000	12	1.0640
30	.00067	.00040	.0003	.0800	.0000	.000	13	1.0640
31	.00072	.00043	.0003	.0800	.0000	.000	14	1.0600
32	.00076	.00046	.0004	.0700	.0000	.000	15	1.0580
33	.00082	.00049	.0004	.0600	.0000	.000	16	1.0580
34	.00087	.00053	.0006	.0600	.0000	.000	17	1.0580
35	.00096	.00056	.0006	.0500	.0000	.000	18	1.0550
36	.00101	.00060	.0007	.0500	.0000	.000	19	1.0550
37	.00107	.00064	.0007	.0400	.0000	.000	20	1.0550
38	.00115	.00069	.0008	.0400	.0500	.000	21	1.0550
39	.00125	.00074	.0009	.0300	.0600	.000	22	1.0550
40	.00138	.00080	.0010	.0300	.0400	.000	23	1.0520
41	.00152	.00086	.0014	.0300	.0400	.000	24	1.0520
42	.00170	.00094	.0016	.0300	.0300	.000	25	1.0520
43	.00191	.00102	.0017	.0200	.0300	.000	26	1.0520
44	.00215	.00112	.0017	.0200	.0300	.000	27	1.0460
45	.00243	.00124	.0018	.0200	.0300	.000	28	1.0420
46	.00275	.00137	.0018	.0200	.0300	.000	29	1.0380
47	.00310	.00152	.0019	.0200	.0300	.000	30	1.0380
48	.00349	.00167	.0020	.0200	.0300	.000	31	1.0380
49	.00390	.00183	.0021	.0200	.0300	.000	32	1.0380
50	.00434	.00199	.0024	.0200	.0300	.000	33	1.0380
51	.00480	.00217	.0024	.0200	.0300	.050	34	1.0550
52	.00528	.00236	.0024	.0200	.0300	.150	35	1.0320
53	.00578	.00257	.0024	.0200	.0500	.150	36	1.0320
54	.00629	.00282	.0032	.0200	.1000	.350	37	1.0320
55	.00681	.00311	.0047	.0200	.2300	.550	38	1.0320
56	.00735	.00345	.0054	.0200	.2300	.100	39	1.0320
57	.00793	.00383	.0056	.0200	.4000	.100	40	1.0320
58	.00858	.00425	.0056	.0200	.4000	.100	41	1.0320
59	.00932	.00471	.0056	.0200	.2600	.150	42	1.0320
60	.01018	.00523	.0056	.0200	.2600	.200	43	1.0320
61	.01118	.00579	.0056	.0200	.2600	.070	44	1.0320
62	.01237	.00641	.0054	.0200	.3300	.050	45	1.0320
63	.01377	.00710	.0035	.0200	.3300	.050	46	1.0320
64	.01541	.00785	.0035	.0200	.3300	.050	47	1.0320
65	.01732	.00869	.0035	.0200	.3300	.050	48	1.0320
66	.01953	.00965	.0038	.0200	.4000	.050	49	1.0320
67	.02200	.01078	.0050	.0200	.4000	.050	50	1.0320
68	.02470	.01214	.0050	.0200	.3600	.050	51	1.0320
69	.02757	.01376	.0050	.0200	.3600	.050	52	1.0320
70	.03059	.01570	.0050	.0200	.3600	.050	53	1.0320
71	.03373	.01796	.0050	.0200	.3600	.000	54	1.0320
72	.03708	.02053	.0050	.0200	.5000	.000	55	1.0320
73	.04076	.02344	.0050	.0200	.9900	.000	56	1.0320
74	.04488	.02666	.0050	.0200	.9900	.000	57	1.0320

ACTUARIAL TABLES AND RATES (PLAN A)

Age	- Death Rates -		Disability	Termination	Retirement	DROP	Dur	Salary
	Male	Female	Rates	Rates	Rates	Rates		Scale
18	.00039	.00020	.0000	.0000	.0000	.000	1	1.0780
19	.00041	.00021	.0000	.0000	.0000	.000	2	1.0770
20	.00042	.00022	.0000	.0000	.0000	.000	3	1.0720
21	.00044	.00024	.0000	.0000	.0000	.000	4	1.0680
22	.00045	.00025	.0000	.0000	.0000	.000	5	1.0650
23	.00047	.00027	.0000	.0000	.0000	.000	6	1.0650
24	.00049	.00028	.0000	.0000	.0000	.000	7	1.0650
25	.00052	.00030	.0000	.0000	.0000	.000	8	1.0650
26	.00054	.00032	.0000	.0000	.0000	.000	9	1.0400
27	.00057	.00034	.0000	.0000	.0000	.000	10	1.0400
28	.00060	.00036	.0000	.0000	.0000	.000	11	1.0400
29	.00064	.00038	.0000	.0000	.0000	.000	12	1.0400
30	.00067	.00040	.0000	.0100	.0000	.000	13	1.0400
31	.00072	.00043	.0001	.0100	.0000	.000	14	1.0600
32	.00076	.00046	.0001	.0100	.0000	.000	15	1.0600
33	.00082	.00049	.0001	.0100	.0000	.000	16	1.0600
34	.00087	.00053	.0001	.0100	.0000	.000	17	1.0550
35	.00096	.00056	.0001	.0100	.0000	.000	18	1.0450
36	.00101	.00060	.0001	.0100	.0000	.000	19	1.0450
37	.00107	.00064	.0001	.0100	.0000	.000	20	1.0450
38	.00115	.00069	.0001	.0100	.0000	.000	21	1.0450
39	.00125	.00074	.0001	.0100	.0000	.000	22	1.0450
40	.00138	.00080	.0001	.0100	.0000	.000	23	1.0450
41	.00152	.00086	.0001	.0100	.0000	.000	24	1.0450
42	.00170	.00094	.0070	.0100	.0000	.000	25	1.0400
43	.00191	.00102	.0070	.0100	.0000	.000	26	1.0320
44	.00215	.00112	.0070	.0100	.0000	.000	27	1.0320
45	.00243	.00124	.0070	.0100	.0000	.000	28	1.0320
46	.00275	.00137	.0070	.0100	.0000	.000	29	1.0320
47	.00310	.00152	.0200	.0100	.0000	.000	30	1.0320
48	.00349	.00167	.0200	.0100	.0000	.000	31	1.0320
49	.00390	.00183	.0200	.0100	.0100	.000	32	1.0320
50	.00434	.00199	.0200	.0100	.0100	.000	33	1.0320
51	.00480	.00217	.0200	.0100	.0100	.000	34	1.0320
52	.00528	.00236	.0200	.0100	.0300	.000	35	1.0320
53	.00578	.00257	.0200	.0100	.0300	.000	36	1.0320
54	.00629	.00282	.0200	.0100	.0300	.100	37	1.0320
55	.00681	.00311	.0200	.0100	.1000	.370	38	1.0320
56	.00735	.00345	.0300	.0100	.1000	.150	39	1.0320
57	.00793	.00383	.0300	.0100	.1500	.150	40	1.0320
58	.00858	.00425	.0300	.0100	.2000	.250	41	1.0320
59	.00932	.00471	.0300	.0100	.3500	.520	42	1.0320
60	.01018	.00523	.0060	.0100	.3500	.520	43	1.0320
61	.01118	.00579	.0060	.0100	.3000	.250	44	1.0320
62	.01237	.00641	.0060	.0100	.4000	.150	45	1.0320
63	.01377	.00710	.0060	.0100	.5000	.150	46	1.0320
64	.01541	.00785	.0060	.0100	.5000	.150	47	1.0320
65	.01732	.00869	.0000	.0100	.4000	.150	48	1.0320
66	.01953	.00965	.0000	.0100	.4000	.150	49	1.0320
67	.02200	.01078	.0000	.0100	.3200	.150	50	1.0320
68	.02470	.01214	.0000	.0100	.3200	.150	51	1.0320
69	.02757	.01376	.0000	.0100	.3200	.150	52	1.0320
70	.03059	.01570	.0000	.0100	.3200	.150	53	1.0320
71	.03373	.01796	.0000	.0100	.3200	.150	54	1.0320
72	.03708	.02053	.0000	.0100	.3200	.150	55	1.0320
73	.04076	.02344	.0000	.0100	.3200	.150	56	1.0320
74	.04488	.02666	.0000	.0100	.9900	.150	57	1.0320

ACTUARIAL TABLES AND RATES (PLAN B)

Age	- Death Rates -		Disability Rates	Termination Rates	Retirement Rates	DROP Rates	Dur	Salary Scale
	Male	Female						
18	.00039	.00020	.0000	.0000	.0000	.000	1	1.0650
19	.00041	.00021	.0000	.0000	.0000	.000	2	1.0650
20	.00042	.00022	.0000	.0000	.0000	.000	3	1.0650
21	.00044	.00024	.0000	.0000	.0000	.000	4	1.0600
22	.00045	.00025	.0000	.2000	.0000	.000	5	1.0600
23	.00047	.00027	.0000	.2000	.0000	.000	6	1.0550
24	.00049	.00028	.0000	.2000	.0000	.000	7	1.0520
25	.00052	.00030	.0000	.1600	.0000	.000	8	1.0520
26	.00054	.00032	.0000	.0400	.0000	.000	9	1.0520
27	.00057	.00034	.0000	.0400	.0000	.000	10	1.0520
28	.00060	.00036	.0000	.0400	.0000	.000	11	1.0450
29	.00064	.00038	.0000	.1400	.0000	.000	12	1.0450
30	.00067	.00040	.0000	.0900	.0000	.000	13	1.0450
31	.00072	.00043	.0002	.0600	.0000	.000	14	1.0450
32	.00076	.00046	.0003	.0500	.0000	.000	15	1.0400
33	.00082	.00049	.0003	.0500	.0000	.000	16	1.0400
34	.00087	.00053	.0004	.0500	.0000	.000	17	1.0400
35	.00096	.00056	.0005	.0400	.0000	.000	18	1.0400
36	.00101	.00060	.0006	.0400	.0000	.000	19	1.0400
37	.00107	.00064	.0008	.0400	.0000	.000	20	1.0320
38	.00115	.00069	.0010	.0400	.0000	.000	21	1.0320
39	.00125	.00074	.0012	.0400	.0000	.000	22	1.0320
40	.00138	.00080	.0013	.0400	.0000	.000	23	1.0320
41	.00152	.00086	.0014	.0300	.0000	.000	24	1.0320
42	.00170	.00094	.0030	.0300	.0000	.000	25	1.0320
43	.00191	.00102	.0030	.0300	.0000	.000	26	1.0320
44	.00215	.00112	.0040	.0300	.0000	.000	27	1.0300
45	.00243	.00124	.0040	.0300	.0000	.000	28	1.0030
46	.00275	.00137	.0080	.0300	.0000	.000	29	1.0300
47	.00310	.00152	.0080	.0300	.0000	.000	30	1.0300
48	.00349	.00167	.0080	.0300	.0000	.000	31	1.0300
49	.00390	.00183	.0080	.0200	.0000	.000	32	1.0250
50	.00434	.00199	.0080	.0200	.0000	.000	33	1.0250
51	.00480	.00217	.0080	.0200	.0000	.000	34	1.0250
52	.00528	.00236	.0150	.0200	.0000	.000	35	1.0250
53	.00578	.00257	.0150	.0200	.0000	.000	36	1.0250
54	.00629	.00282	.0300	.0200	.0000	.500	37	1.0250
55	.00681	.00311	.0300	.0200	.5000	.500	38	1.0250
56	.00735	.00345	.0250	.0200	.3300	.120	39	1.0250
57	.00793	.00383	.0250	.0200	.3300	.120	40	1.0250
58	.00858	.00425	.0250	.0200	.3300	.120	41	1.0250
59	.00932	.00471	.0150	.0200	.3300	.120	42	1.0250
60	.01018	.00523	.0150	.0200	.3300	.120	43	1.0250
61	.01118	.00579	.0060	.0200	.3300	.020	44	1.0250
62	.01237	.00641	.0060	.0200	.5500	.020	45	1.0250
63	.01377	.00710	.0060	.0200	.5500	.020	46	1.0250
64	.01541	.00785	.0060	.0200	.4000	.020	47	1.0250
65	.01732	.00869	.0600	.0200	.4000	.020	48	1.0250
66	.01953	.00965	.0600	.0200	.4000	.020	49	1.0250
67	.02200	.01078	.0600	.0200	.4000	.020	50	1.0250
68	.02470	.01214	.0600	.0200	.4000	.020	51	1.0250
69	.02757	.01376	.0000	.0200	.2500	.020	52	1.0250
70	.03059	.01570	.0000	.0200	.2500	.020	53	1.0250
71	.03373	.01796	.0000	.0200	.2500	.020	54	1.0250
72	.03708	.02053	.0000	.0200	.2500	.020	55	1.0250
73	.04076	.02344	.0000	.0200	.2500	.020	56	1.0250
74	.04488	.02666	.0000	.0200	.9900	.020	57	1.0250

ACTUARIAL TABLES AND RATES (UNIVERSITIES)

Age	- Death Rates -		Disability	Termination	Retirement	DROP	Dur	Salary
	Male	Female	Rates	Rates	Rates	Rates		Scale
18	.00039	.00020	.0000	.0500	.0000	.000	1	1.0900
19	.00041	.00021	.0000	.0500	.0000	.000	2	1.0800
20	.00042	.00022	.0000	.0500	.0000	.000	3	1.0700
21	.00044	.00024	.0000	.0500	.0000	.000	4	1.0650
22	.00045	.00025	.0000	.0500	.0000	.000	5	1.0650
23	.00047	.00027	.0001	.0500	.0000	.000	6	1.0620
24	.00049	.00028	.0001	.0500	.0000	.000	7	1.0620
25	.00052	.00030	.0001	.1400	.0000	.000	8	1.0620
26	.00054	.00032	.0001	.1400	.0000	.000	9	1.0620
27	.00057	.00034	.0001	.1200	.0000	.000	10	1.0620
28	.00060	.00036	.0001	.1200	.0000	.000	11	1.0700
29	.00064	.00038	.0001	.1200	.0000	.000	12	1.0620
30	.00067	.00040	.0001	.1200	.0000	.000	13	1.0620
31	.00072	.00043	.0001	.1400	.0000	.000	14	1.0620
32	.00076	.00046	.0001	.1400	.0000	.000	15	1.0620
33	.00082	.00049	.0001	.1400	.0000	.000	16	1.0600
34	.00087	.00053	.0001	.1400	.0000	.000	17	1.0600
35	.00096	.00056	.0001	.1400	.0000	.000	18	1.0600
36	.00101	.00060	.0005	.0900	.0000	.000	19	1.0550
37	.00107	.00064	.0005	.0900	.0000	.000	20	1.0550
38	.00115	.00069	.0005	.0900	.0000	.000	21	1.0550
39	.00125	.00074	.0005	.0900	.0000	.000	22	1.0550
40	.00138	.00080	.0005	.0900	.1100	.000	23	1.0550
41	.00152	.00086	.0010	.0800	.1100	.000	24	1.0550
42	.00170	.00094	.0010	.0600	.1100	.000	25	1.0550
43	.00191	.00102	.0010	.0600	.1100	.000	26	1.0550
44	.00215	.00112	.0010	.0400	.1100	.000	27	1.0500
45	.00243	.00124	.0010	.0400	.1100	.000	28	1.0500
46	.00275	.00137	.0010	.0400	.0800	.000	29	1.0500
47	.00310	.00152	.0010	.0400	.0500	.000	30	1.0450
48	.00349	.00167	.0010	.0300	.0400	.000	31	1.0450
49	.00390	.00183	.0005	.0300	.0400	.000	32	1.0450
50	.00434	.00199	.0005	.0200	.0300	.000	33	1.0450
51	.00480	.00217	.0005	.0200	.0300	.050	34	1.0400
52	.00528	.00236	.0005	.0200	.0400	.100	35	1.0400
53	.00578	.00257	.0005	.0200	.0500	.100	36	1.0400
54	.00629	.00282	.0005	.0200	.0900	.100	37	1.0350
55	.00681	.00311	.0005	.0200	.1500	.200	38	1.0350
56	.00735	.00345	.0005	.0200	.1800	.050	39	1.0350
57	.00793	.00383	.0005	.0200	.2400	.050	40	1.0350
58	.00858	.00425	.0020	.0200	.3400	.050	41	1.0350
59	.00932	.00471	.0020	.0200	.2000	.060	42	1.0350
60	.01018	.00523	.0020	.0200	.2000	.090	43	1.0350
61	.01118	.00579	.0020	.0200	.2000	.020	44	1.0350
62	.01237	.00641	.0020	.0200	.2000	.020	45	1.0350
63	.01377	.00710	.0005	.0200	.2000	.020	46	1.0350
64	.01541	.00785	.0005	.0100	.2000	.020	47	1.0350
65	.01732	.00869	.0005	.0100	.3000	.020	48	1.0350
66	.01953	.00965	.0005	.0100	.3000	.020	49	1.0350
67	.02200	.01078	.0005	.0100	.3000	.020	50	1.0350
68	.02470	.01214	.0005	.0100	.3000	.020	51	1.0350
69	.02757	.01376	.0005	.0100	.3000	.050	52	1.0350
70	.03059	.01570	.0005	.0100	.3000	.020	53	1.0350
71	.03373	.01796	.0005	.0100	.3000	.020	54	1.0350
72	.03708	.02053	.0005	.0100	.5000	.060	55	1.0350
73	.04076	.02344	.0005	.0100	.5000	.060	56	1.0350
74	.04488	.02666	.0005	.0100	.9900	.060	57	1.0350

EXHIBIT A

RE-AMORTIZATION OF UNFUNDED
ACTUARIAL ACCRUED LIABILITY
JUNE 30, 2005

<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>
2003	Initial Liability	I	26	6,285,061,957	24	6,529,365,748	412,192,668
1993	Change in Liability	L	25	-838,057,486	24	-827,005,747	-77,075,133
1994	Change in Liability	L	25	-285,027,105	24	-281,268,359	-26,213,598
1995	Change in Liability	L	25	-11,255,751	24	-11,107,318	-1,035,178
1996	Change in Liability	L	25	-227,335,061	24	-224,337,119	-20,907,731
1997	Change in Liability	L	25	72,828,575	24	71,868,161	6,697,956
1998	Change in Liability	L	25	-312,542,081	24	-308,420,486	-28,744,117
1999	Change in Liability	L	25	-361,354,605	24	-356,589,303	-33,233,346
2000	Change in Liability	L	25	-672,461,184	24	-663,593,218	-61,845,442
2001	Change in Liability	I	27	59,149,207	26	60,416,488	3,628,387
2002	Change in Liability	I	28	859,751,039	27	879,290,522	51,615,575
2003	Change in Liability	I	29	2,115,958,339	28	2,166,597,412	124,471,519
2004	Change in Liability	L	30	27,253,793	29	27,024,019	2,381,906
2005	Change in Liability	L	30	-230,622,183	30	<u>-230,622,183</u>	<u>-20,155,736</u>
TOTAL OUTSTANDING BALANCE						6,831,618,617	331,777,730
EMPLOYERS' CREDIT BALANCE							
2000	Contribution Variance	L	5	-41,310,389	1	-9,620,986	-10,009,988
2001	Contribution Variance	L	5	-20,606,578	2	-9,232,584	-4,993,213
2002	Contribution Variance	L	5	9,730,820	3	6,293,792	2,357,891
2003	Contribution Variance	L	5	29,662,467	4	24,631,448	7,187,561
2004	Contribution Variance	L	5	-31,046,965	5	<u>-31,046,965</u>	<u>-7,523,041</u>
TOTAL CREDIT BALANCE						-18,975,295	-12,980,790
TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY						6,812,643,322	

Effective July 1, 1992, Amortization Periods changed in accordance with Act 257.