

Hall Actuarial Associates

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Mrs. Kathy Bourque
MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
7722 OFFICE PARK BOULEVARD, Suite 200
Baton Rouge, Louisiana 70809-7601

RE: Insurance Premium Tax

Dear Mrs. Bourque:

The annual actuarial valuation was completed in October prior to the November 1st filing deadline. Incorporated in that valuation is the projected employer contribution rate for the 2009-2010 fiscal year. The rate is dependent on the amount of Insurance Premium Tax Fund (ITPF) allocated to MPERS. At the time the valuation was completed the ITPF allocation was not available from the Insurance department so the projected rate was estimated using an estimated ITPF allocation.

MPERS' allocation from the ITPF in the amount of \$15,071,967.67 was released recently. The impact on the projected rate will amend paragraph IX, page 2 in the actuarial valuation report as follow;

IX. Funding Requirements to Pay
(Mid-year Payments)

| | | | |
|--|------------|------------|------------|
| 1) Employee Rate | 7.50% | 7.50% | 7.50% |
| 2) Employer Rate (Current Year) | 10.50% | 10.00% | 13.75% |
| Premium Tax Allocation ¹ | 15,071,968 | 14,455,288 | 12,817,414 |
| 3) Projected Employer Rate ¹ (Next Year) | 11.00% | 9.50% | 13.75% |

Therefore, pending review of the Legislative Actuary, it is my intent to recommend a projected employer contribution rate of 11.00% for the 2009-2010 fiscal year to PERSAC, all subject to Board approval.

If you have any questions or care to discuss this matter further, please do not hesitate to contact me.

Sincerely,

Charles G. Hall, FCA, MAAA, ASA
Actuary