REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION AS OF
JUNE 30, 2008

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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Gary S. Curran, FCA, MAAA, ASA, EA
Consulting Actuary

December 23, 2008

Board of Trustees
Registrars of Voters Employees' Retirement System
P.O. Box 57
Jennings, Louisiana 70546

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Registrars of Voters Employees' Retirement System for the fiscal year ending June 30, 2008. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrator and accountants. This report was prepared at the request of the Board of Trustees of the Registrars of Voters Employees' Retirement System of the State of Louisiana. The primary purposes of the report are to determine the actuarially required contribution for the retirement system for the fiscal year ending June 30, 2009 to recommend net direct employer contribution rates for fiscal 2010, and to provide information for the system's financial statements. This report was prepared exclusively for the Registrars of Voters Employees' Retirement System for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

This report has been prepared in accordance with generally accepted actuarial principles and practices, and to the best of our knowledge and belief fairly reflects the actuarial present values and costs stated herein. The undersigned actuaries are members of the American Academy of Actuaries and have met the qualification standards for the American Academy of Actuaries to render the actuarial opinions incorporated in this report, and are available to provide further information or answer any questions with respect to this valuation.

Sincerely,

G. S. CURRAN & COMPANY, LTD.

By: ______________________
Gary Curran, F.C.A., M.A.A.A., A.S.A.

By: ______________________
Gregory Curran, F.C.A., M.A.A.A., A.S.A.

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SUMMARY OF VALUATION RESULTS
REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM

		June 30, 2008	June 30, 2007
Valuation Date:		June 30, 2008	June 30, 2007
Census Summary:	Active Members	239	230
	Retired Members and Survivors	137	135
	Terminated Due a Deferred Benefit	5	6
	Terminated Due a Refund	19	11
Payroll:		$ 10,839,277	$ 9,430,860
Benefits in Payment:		$ 2,695,681	$ 2,518,881
Market Value of Assets:		$ 60,242,539	$ 62,716,995
Actuarial Asset Value:		$ 64,932,257	$ 60,936,774
Unfunded Actuarial Accrued Liability		NONE	NONE
Funded Ratio (GASB 50):		96.16%	97.00%

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	FISCAL 2009	FISCAL 2008
Employer Normal Cost (July 1):	$ 1,861,991	$ 1,554,684
Amortization Cost (July 1):	N/A	N/A
Interest Adjusted Actuarially Required Contribution (Including Estimated Administrative Costs):	$ 2,122,261	$ 1,796,903
Projected Ad Valorem Taxes and Revenue Sharing Funds	$ 1,755,167	$ 1,565,723
Net Direct Employer Actuarially Required Contributions	$ 367,094	$ 231,180
Actuarially Required Net Direct Employer Contribution Rate	3.29%	2.40%
Actual Net Direct Employer Contribution Rate:	2.00%	6.25%
Maximum Additional Funding Provided by Ad Valorem Taxes for the Defined Contribution Plan:	**$ 0**	**$ 0**

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Recommended Net Employer Contribution Rate: For Fiscal 2010: 3.50%

Employee Contribution Rate: 7%

Dedicated Funding: Maximum of 0.0625% of ad valorem taxes plus revenue sharing funds

Actuarial Cost Method: Aggregate Actuarial Cost Method

Valuation Interest Rate: 8% (Net of Investment Expense)

Exclusions from Census: None

Basis of Actuarial Asset Value: The actuarial value of assets is based on the market value of investment securities adjusted to average in asset earnings above or below the assumed rate of return over a five-year period subject to a minimum of 90% of the market value of assets and a maximum of 110% of the market value of assets.

Changes in Valuation Methods, Assumptions, and Amortization Periods: None

Method of Recognizing Gains and Losses: Actuarial gains and losses are spread over future normal costs.

COMMENTS ON DATA

For the valuation, our office electronically downloaded census information from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in like manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit X, there are 239 active members in the system of whom 122 have vested retirement benefits including 11 participants in the Deferred Retirement Option Plan (DROP); 137 former system members or their beneficiaries are receiving retirement benefits. An additional 24 members have contributions remaining on deposit with the system; of this number, 5 have vested rights for future retirement benefits. All individuals submitted were included in the valuation.

Census data submitted to our office is tested for errors. Several types of census data errors are possible; to ensure that the valuation results are as accurate as possible, a significant effort is made to identify and correct these errors. In order to minimize coverage errors (i.e., missing or duplicated individual records) the records are checked for duplicates, and a comparison of the current year's records to those submitted in prior years is made. Changes in status, new records, and previous records, which have no corresponding current record are identified. This portion of the review indicates the annual flow of members from one status to another and is used to check some of the actuarial assumptions, such as retirement rates, rates of withdrawal, and mortality. In addition, the census is checked for reasonableness in several areas, such as age, service, salary, and current benefits. The records identified by this review as questionable are checked against data from prior valuations; those not recently verified are included in a detailed list of items sent to the system's administrator for verification and/or correction. Once the identified data has been researched and verified or corrected, it is returned to us for use in the valuation. Occasionally some requested information is either unavailable or impractical to obtain. In such cases, values may be assigned to missing data. The assigned values are based on information from similar records or based on information implied from other data in the record.

In addition to the statistical information provided on the system's participants, the system's director furnished general information related to other aspects of the system's expenses, benefits and funding. Valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Duplantier, Hrapmann, Hogan & Maher, Certified Public Accountants. As indicated in the system's audit report, the net market value of the system's assets was $60,242,539 as of June 30, 2008. Net investment losses for fiscal 2008 measured on a market value basis amounted to $2,444,160. Contributions to the system for the fiscal year totaled $3,248,537; benefits and expenses amounted to $3,278,833.

Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of submitted data to source information is beyond the scope of our efforts.

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

This valuation is based on the Aggregate actuarial cost method. Under the Aggregate Cost Method, actuarial gains and losses are spread over future normal costs. Thus, favorable plan experience will lower future normal costs; unfavorable experience will cause future normal costs to increase. In addition, changes in benefits and assumptions as well as contribution surpluses on shortfalls are also spread over future normal costs.

The actuarial assumptions utilized for the report are outlined on pages thirty-three through thirty-six. The assumptions are the same as those used for one prior report. In the aggregate the assumptions represent our "best estimate" of future long-term experience for the fund.

All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments will be required to contribution levels. Such differences will be revealed in future actuarial valuations.

ASSET EXPERIENCE

The actuarial and market rates of return for the past ten years are given below. These rates of return on assets were determined by assuming a uniform distribution of income and expense throughout the fiscal year.

	Market Value	Actuarial Value
1999	4.9%	10.0%
2000	0.8%	6.0%
2001	5.9%	4.0%
2002	-3.0%	0.5%
2003	3.3%	1.0%
2004	10.9%	4.2%
2005	6.8%	7.4%
2006	5.2%	7.4%
2007	14.0%	* 13.6%
2008	-3.9%	6.6%

* Includes effect of change in asset valuation method. Effective with the 2007 valuation the method was changed from smoothing capital gains and losses over three years to smoothing investment earnings above or below the assumed rate of return over a five year period.

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income and dividends. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2008, the fund earned $1,738,454 of dividends, interest, and other income. This income was offset by realized and unrealized capital losses of $3,803,896 and investment expenses of $378,718. The geometric mean of the market value rates of return measured over the last ten years was 4.4%.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 8% used for the valuation. This rate is calculated based on the actuarial value of assets and all interest, dividends, and recognized capital gains as given in Exhibit VI. Investment income used to calculate this yield is based upon a smoothing of investment income above or below the valuation interest rate over a five year period. The difference between rates of return on an actuarial and market value basis results from the smoothing utilized. Yields in excess of the 8% assumption will reduce future costs; yields below 8% will increase future costs. For fiscal 2008, the system experienced net actuarial investment earnings of $847,974 less than the actuarial assumed earnings rate of 8%. This shortfall in earnings produced an actuarial loss, which increased the normal cost accrual rate by 0.9167%.

DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the system is given in Exhibit X. The average active member is 51 years old with 12.9 years of service and an average salary of $45,353. The system's active contributing membership increased during the fiscal year by 9 members. The plan has experienced an increase in the active plan population of 11 members over the last five years. A review of the active census by age indicates that over the last ten years the population in the 31-50 age group has decreased significantly while the proportion of active members in the 51-70 age group increased. Over the same ten-year period the plan showed a decrease in the percentage of members with service greater than five but less than twenty-five years. Over this period there has been a substantial increase in the percentage of members with less than five years of service, as well as those with more than twenty-five years of service credit.

The average service retiree is 63 years old with a monthly benefit of $1,809. The number of retirees and beneficiaries receiving benefits from the system increased by 2 during the fiscal year; over the last five years this increased by 17. During this same period, annual benefits in payment increased by $873,888.

Plan liability experience for fiscal 2008 was unfavorable. The most significant factor affecting liability experience was salary increases above the projected level. DROP entries and retirements below projected levels slightly offset the effect of salary increases. Withdrawals and retiree deaths were at projected levels. Plan liability experience increased the normal cost accrual rate by 0.4159%.

FUNDING ANALYSIS AND RECOMMENDATIONS
DEFINED BENEFIT PLAN

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by an actuarial valuation based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. Each year a determination is made of the normal cost, and the actuarially required contributions are based on the sum of this value and administrative expenses. Under the funding method used for the plan, changes in plan experience, benefits, or assumptions increase or decrease future normal costs. In addition excess or deficient contributions can decrease or increase future costs.

In order to establish the actuarially required contribution in any given year, it is necessary to define the assumptions and funding method. Thus, the determination of what contribution is actuarially required depends upon the funding method employed. Regardless of the method selected, the ultimate cost of providing benefits is dependent upon the benefits, expenses, and investment earnings. Only to the extent that some methods accumulate assets more rapidly and thus produce greater investment earnings does the funding method affect the ultimate cost.

The derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for fiscal 2009 as of July 1, 2008, is $1,861,991. The total actuarially required contribution is determined by adjusting this value for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 11 of Exhibit I the total actuarially required contribution for fiscal 2009 is $2,122,261. Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. Available revenue sharing funds for fiscal 2009 are expected to be $111,820 and we estimate that available ad valorem taxes for fiscal 2009 will be $1,643,347. Thus we estimate the net direct cost to the employer for fiscal 2009 will be $367,094 or 3.29% of projected payroll.

Liability and asset experience as well as changes in assumptions and benefits can increase or lower plan costs. In addition to these factors, any COLA granted in the prior fiscal year will increase required contributions. New entrants to the system can also increase or lower costs as a percent of payroll depending upon their demographic distribution and other factors related to prior plan experience. Finally, contributions above or below requirements may reduce or increase future costs.

The effects of various factors on the fund’s cost structure are outlined below:

Normal Cost Accrual Rate – Fiscal 2008	17.4546%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	0.9167%
Liability Experience	0.4159%
Factors Decreasing the Normal Cost Accrual Rate:	
Contribution Gain	0.6807%
New Members	0.3369%
Normal Cost Accrual Rate – Fiscal 2009	17.7696%

In addition to the above factors, required net direct employer contributions are also affected by the projected ad valorem taxes and revenue sharing funds which the system is expected to receive each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that these funds collected in fiscal 2009 will decrease by 0.51% of payroll. Although the actuarially required net direct employer contribution rate for fiscal 2009 is 3.29%, the actual employer contribution rate for fiscal 2009 is 2.00% of payroll. Since the contribution rate for fiscal 2009 was 2.00%, any deficit in employer contributions collected in the fiscal year will increase the Fund's normal cost accrual rate. We estimate this deficit will result in an increase of 0.15% to the normal cost accrual rate in fiscal 2010. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%, hence we are recommending a minimum net direct employer contribution rate of 3.50% for fiscal 2010.

Recent capital market conditions have resulted in asset experience losses for the Fund that will likely significantly increase its cost structure. These market conditions may be temporary or it may indicate that future return expectations should be reduced. In order to illustrate the impact of a reduction in return expectations, we have performed an alternative valuation at an assumed valuation interest rate of 7.5% with all other assumptions unchanged. Lowering the valuation interest rate by 0.50% would significantly increase required funding. The employer normal cost accrual rate would be increased by 5.24. The total employer actuarially required contribution would be increased by $564,881 to $2,687,142. The actuarially required net direct employer contribution rate for fiscal 2009 would increase from 3.29% to 8.35%. We estimate that the contribution shortfall in fiscal 2009 would result in an increase of 0.70% to the normal cost accrual rate in fiscal 2010. Based on these numbers, lowering the valuation interest rate from 8% to 7.50%, with all other assumptions unchanged, in fiscal 2009 would result in a recommended minimum net direct employer contribution rate of 9.00% for fiscal 2010. Whether or not the system's valuation interest rate will ultimately need to be adjusted will depend on the actual performance and future long-term expectation for the capital markets in general.

Please note that the above results are only intended to serve as an illustration of the impact of a change in the valuation interest rate. Any actual change in the valuation interest rate should only be effected with a review of all other plan assumptions. The impact of such other changes in assumptions are not reflected in the above the results.

FUNDING ANALYSIS AND RECOMMENDATIONS
DEFINED CONTRIBUTION PLAN

Funding for the retirement system's defined contribution account is contingent upon the availability of funds from ad valorem taxes and revenue sharing above the requirements of the defined benefit plan. The maximum amount of ad valorem taxes available to the system is 0.0625% of the ad valorem taxes shown to be collected each year. For fiscal 2009, we project that the system will receive ad valorem taxes in an amount insufficient to meet the requirements of the defined benefit plan. Therefore, there is no funding available for the defined contribution account for fiscal 2009.

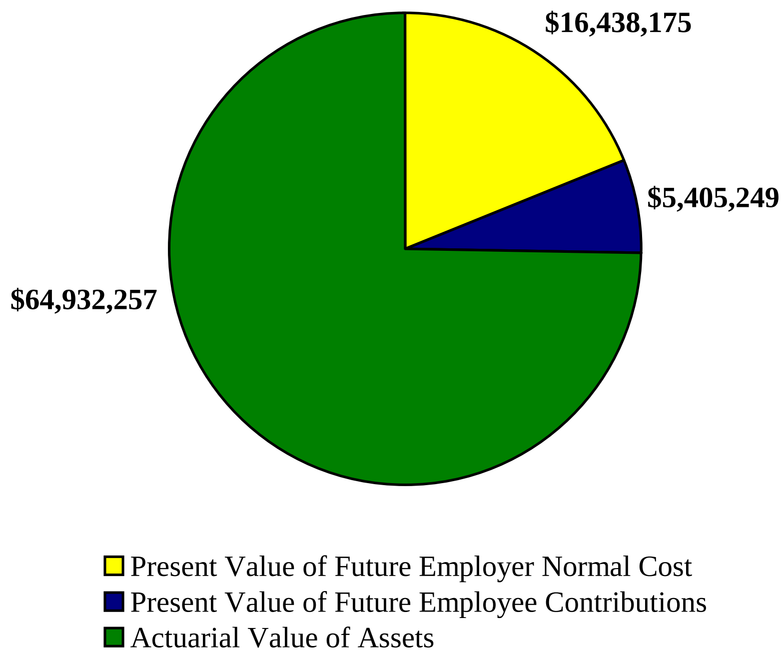
COST OF LIVING INCREASES

During fiscal 2008 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 5.02%. Cost of living provisions for the system are detailed in R.S. 11:2073 and R.S. 11:246. The former statute allows the board to grant annual cost of living increases of 3% of each retiree's original benefit. This applies only to members who have been retired for at least two years. R.S. 11:246 provides cost of living increases of retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date (R.S. 11:246 only permits payment of such an increase if earnings exceed the system's valuation rate). R.S. 11:241 provides that cost of living benefits shall be in the form (unless the board otherwise specifies) of $\$X\times(A+B)$ where X is at most \$1 and "A" represents the number of years of credited service accrued at retirement or at death of the member or retiree and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase. The provisions of this subpart do not repeal provisions relative to cost of living adjustments contained within the individual laws governing systems; however, they are to be controlling in cases of conflict.

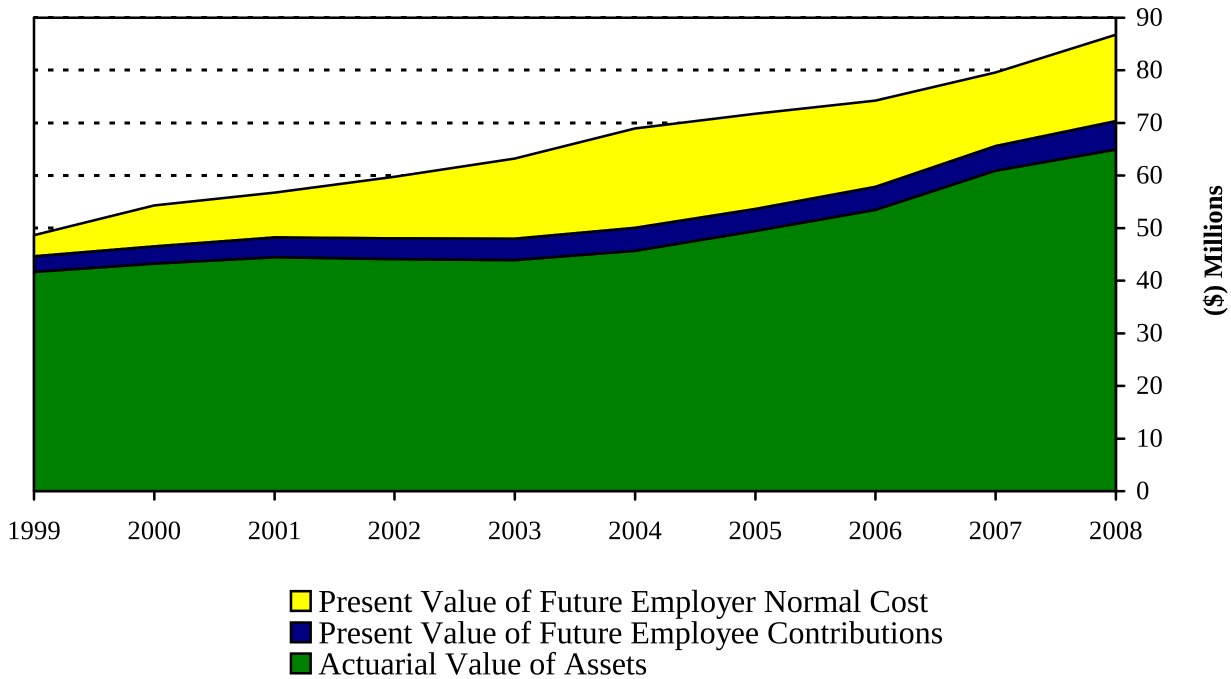
Statutory requirements provide that such COLA's may be paid only when the investment earnings of the system are sufficiently above the valuation interest rate to fund the benefit granted. For fiscal 2008 the fund had no excess earnings. In addition, in order to grant any cost of living increase to retirees, the ratio of the actuarial value of assets to the Pension Benefit Obligation must equal or exceed a statutory target ratio defined in R.S. 11:242. The funded ratio of the system, as calculated under R.S. 11:242, is 95.92%. This is below the target ratio of 99.79%. Thus, for fiscal 2008, the target ratio was not met by the fund.

Components of Present Value of Future Benefits

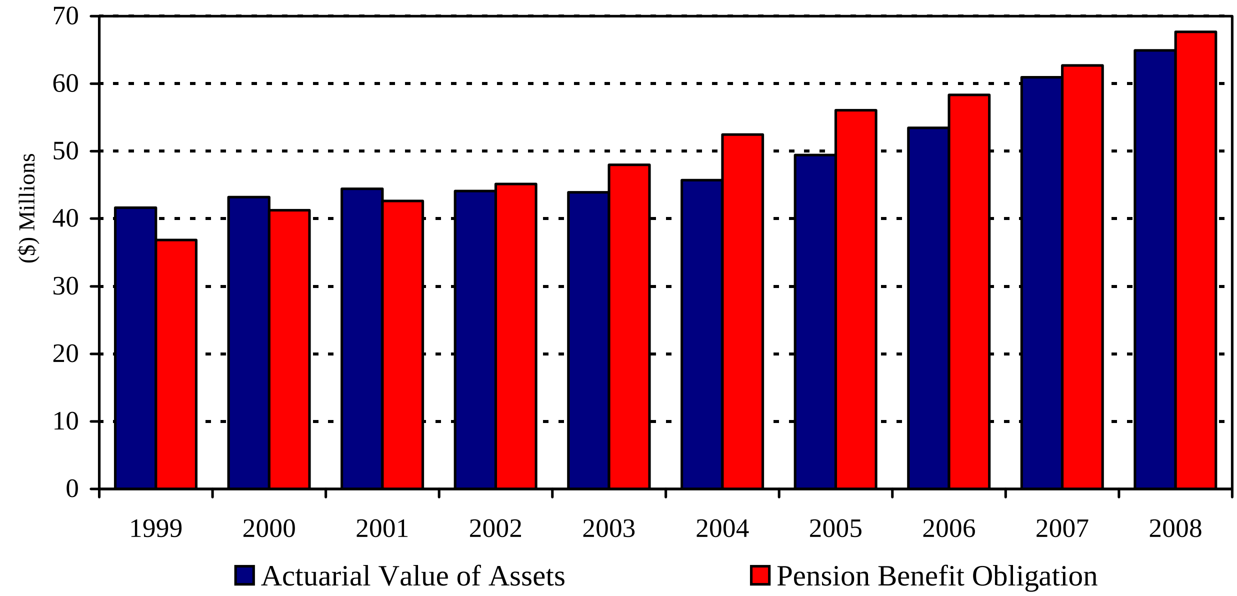
June 30, 2008



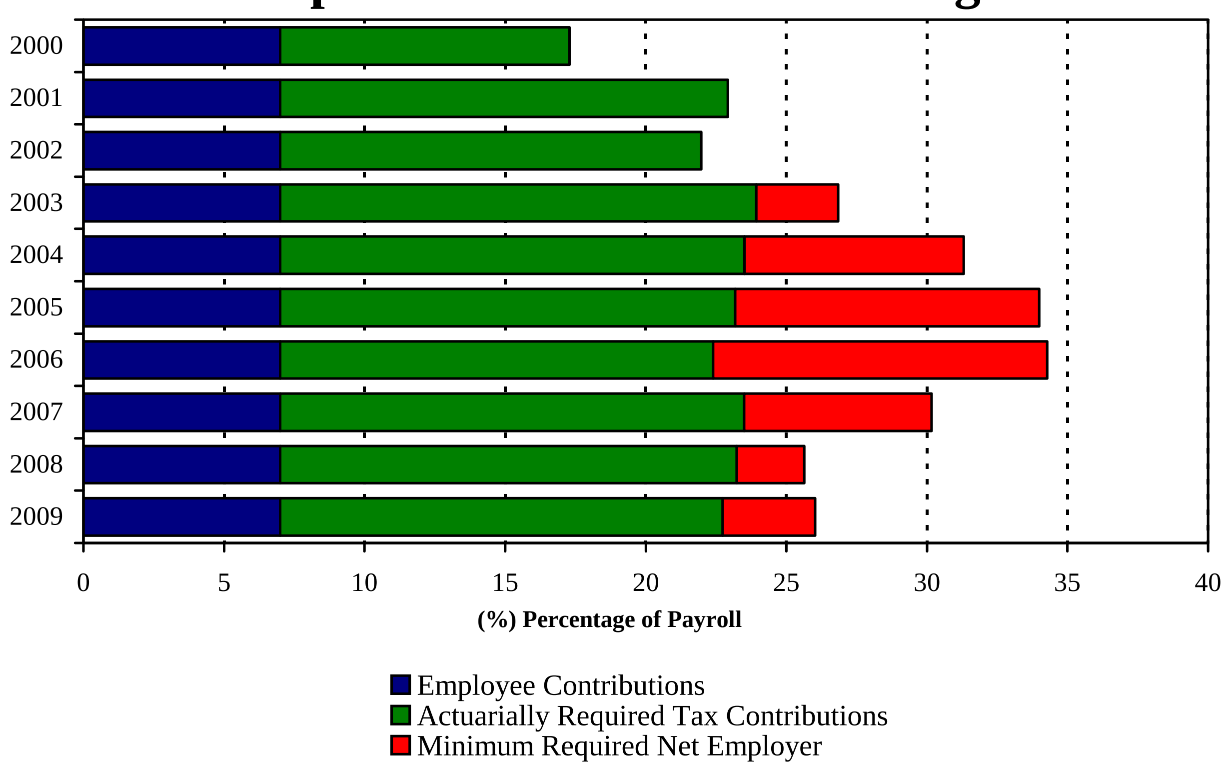
Components of Present Value of Future Benefits



Actuarial Value of Assets vs. Pension Benefit Obligation

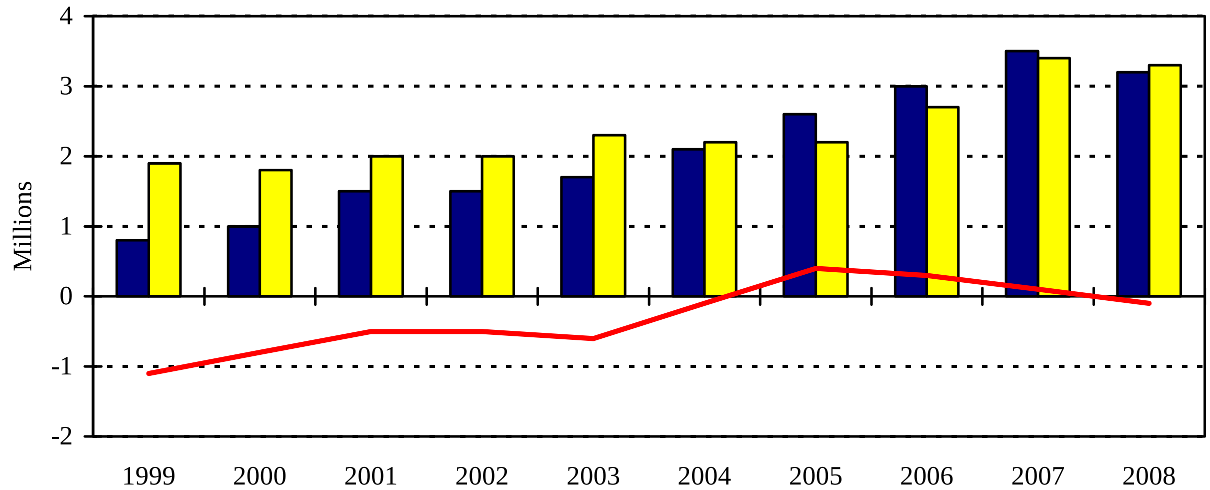


Components of Actuarial Funding



Actuarially Required Tax Contributions consist of the lesser of Actuarially Required Contributions and amount of taxes divided by the projected valuation payroll.

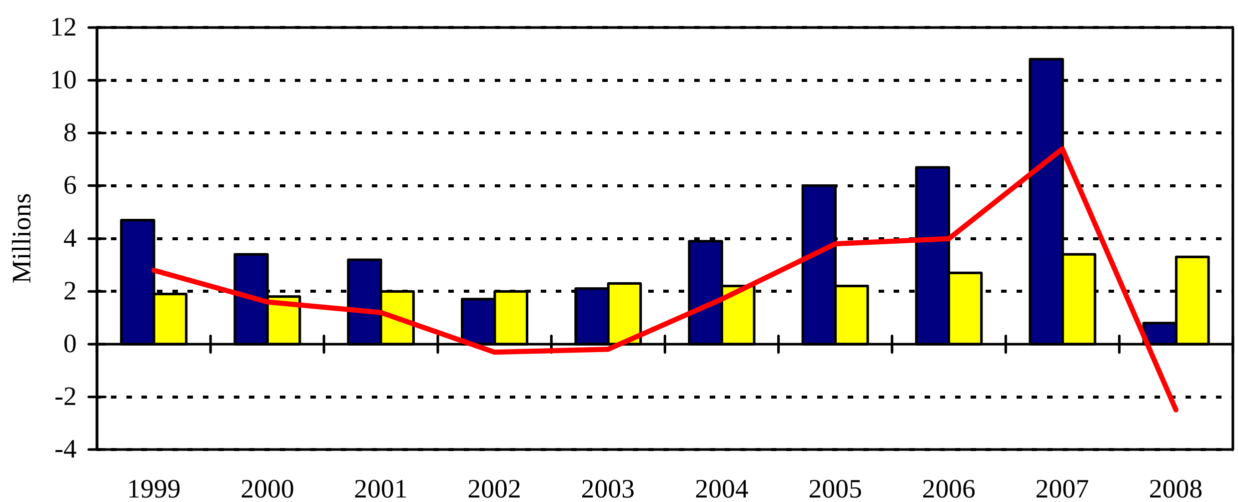
Net Non-Investment Income



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Non-Investment Income ($Mil)	0.8	1.0	1.5	1.5	1.7	2.1	2.6	3.0	3.5	3.2
Benefits and Expenses ($Mil)	1.9	1.8	2.0	2.0	2.3	2.2	2.2	2.7	3.4	3.3
Net Non-Investment Income ($Mil)	-1.1	-0.8	-0.5	-0.5	-0.6	-0.1	0.4	0.3	0.1	-0.1

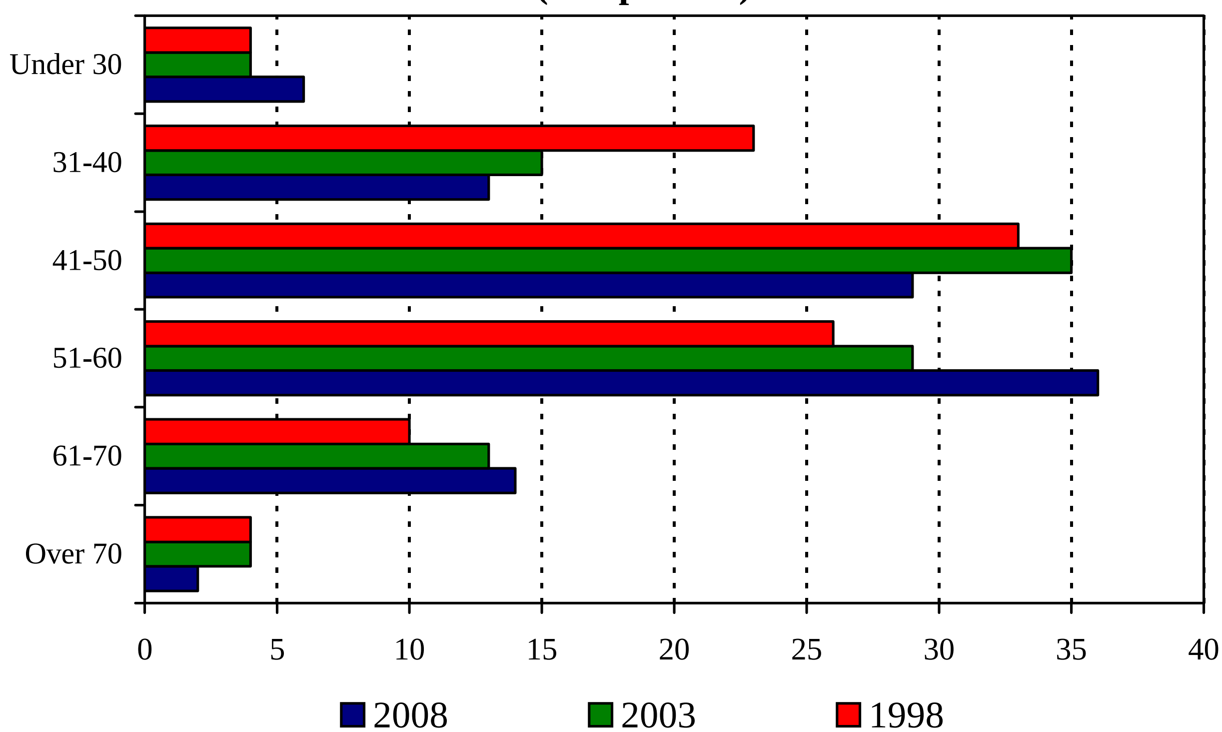
Total Income vs. Expenses

(Based on Actuarial Value of Assets)

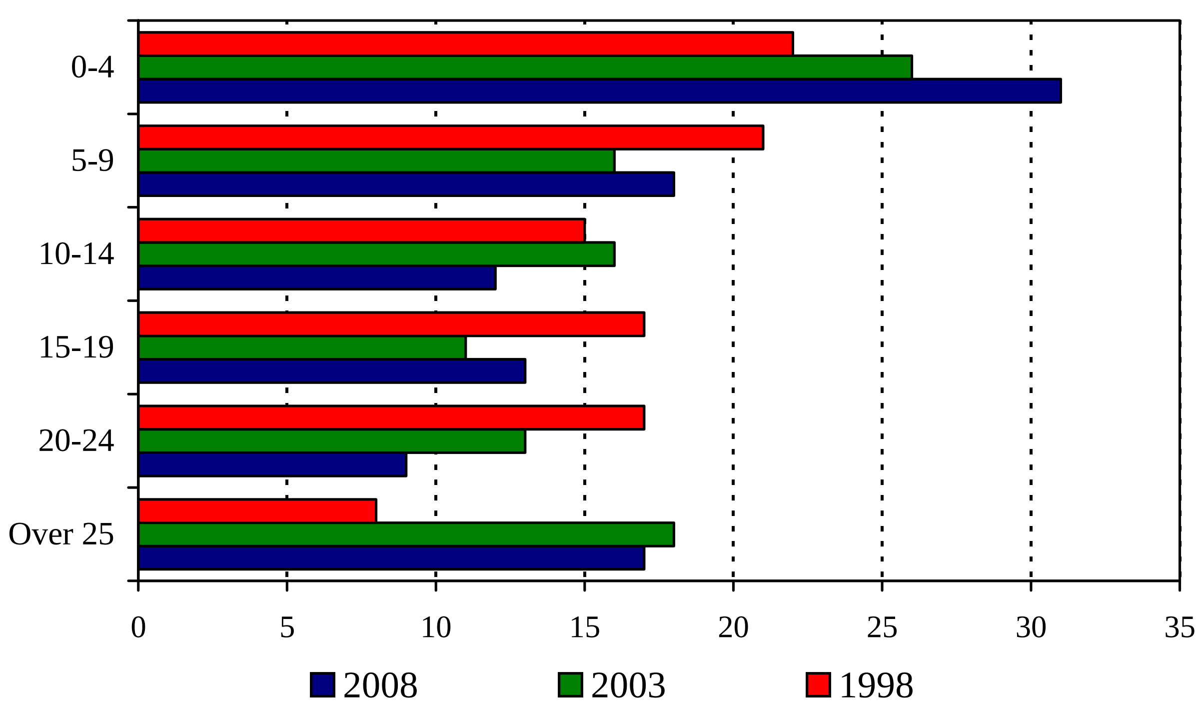


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Income ($Mil)	4.7	3.4	3.2	1.7	2.1	3.9	6.0	6.7	10.8	0.8
Benefits and Expenses ($Mil)	1.9	1.8	2.0	2.0	2.3	2.3	2.2	2.7	3.4	3.3
Net Change in AVA ($Mil)	2.8	1.6	1.2	-0.3	-0.2	1.6	3.8	4.0	7.4	-2.5

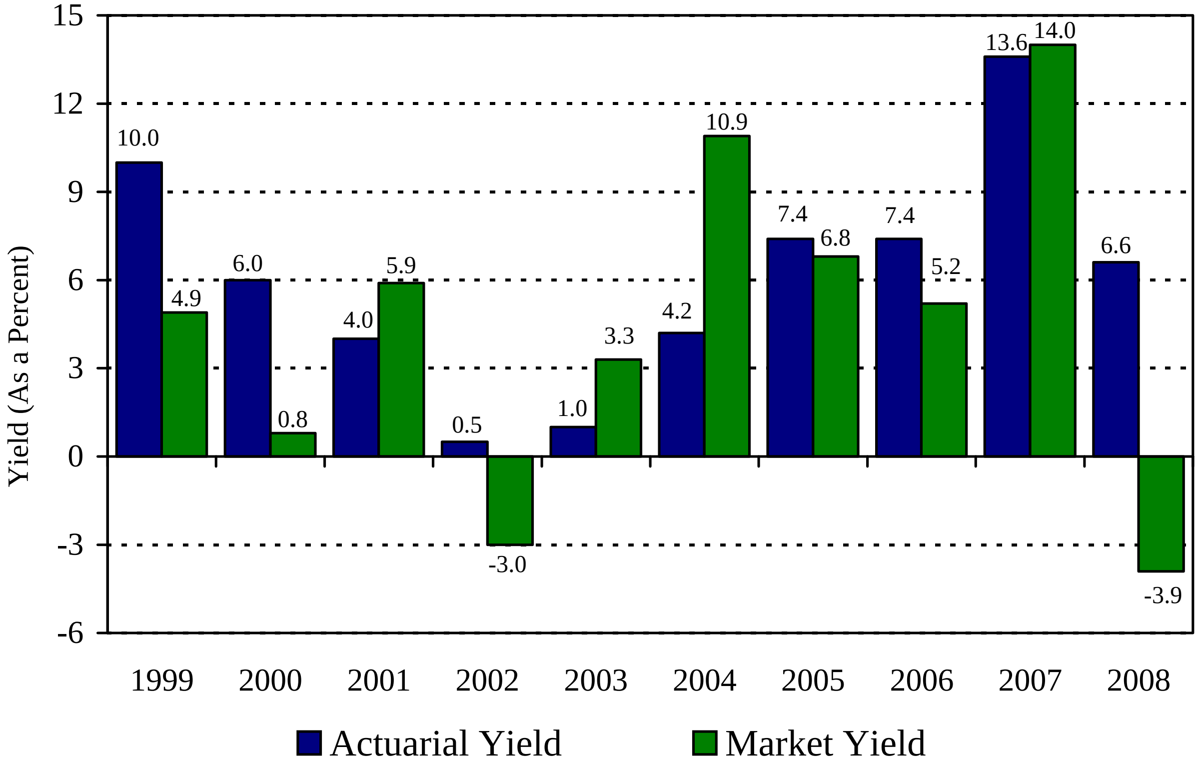
Active – Census By Age
(as a percent)



Active – Census By Service
(as a percent)



Historical Asset Yields



EXHIBITS

EXHIBIT I
ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS TO THE DEFINED BENEFIT PLAN

1.	Present Value of Future Benefits	$ 86,775,681
2.	Actuarial Value of Assets	$ 64,932,257
3.	Present Value of Future Employee Contributions	$ 5,405,249
4.	Present Value of Future Employer Normal Cost (1-2-3)	$ 16,438,175
5.	Present Value of Future Salaries	$ 92,507,365
6.	Employer Normal Cost Accrual Rate (4 ÷ 5)	17.769585%
7.	Projected Fiscal 2009 Salary for Current Membership	$ 10,478,531
8.	Employer Normal Cost as of July 1, 2008 (6 x 7)	$ 1,861,991
9.	Normal Cost Adjusted for Midyear Payment	$ 1,935,038
10.	Estimated Administrative Cost for Fiscal 2009	$ 187,223
11.	GROSS Employer Actuarially Required Contribution for Fiscal 2009 (9 + 10)	$ 2,122,261
12.	Projected Revenue Sharing Funds for Fiscal 2009	$ 111,820
13.	Projected Ad Valorem Tax Contributions for Fiscal 2009	$ 1,643,347
14.	Net Direct Employer Actuarially Required Contribution for Fiscal 2009 (11 - 12 - 13)	$ 367,094
15.	Projected Payroll (July 1, 2008 to June 30, 2009)	$ 11,156,835
16.	Employer's Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2009 (14 ÷15)	3.29%
17.	Actual Employer Contribution Rate for Fiscal 2009	2.00%
18.	Contribution Shortfall (Excess) as a Percentage of Payroll (16-17)	1.29%
19.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess)	0.15%
20.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2010 (16+19, Rounded to nearest .25%)	3.50%

EXHIBIT II
PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	$ 59,138,127		
Survivor Benefits	1,265,341		
Disability Benefits	604,202		
Vested Deferred Termination Benefits	1,472,389		
Contribution Refunds	496,318		
TOTAL Present Value of Future Benefits for Active Members		$	62,976,377

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement	$ 583,057		
Terminated Members with Reciprocals Due Benefits at Retirement	23,939		
Terminated Members Due a Refund	29,273		
TOTAL Present Value of Future Benefits for Terminated Members		$	636,269

Present Value of Future Benefits for Retirees:

Regular Retirees				
Maximum	$ 8,322,103			
Option 1	1,834,029			
Option 2	4,881,101			
Option 3	3,446,680			
Option 4	1,619,965			
TOTAL Regular Retirees		$ 20,103,878		
Disability Retirees		120,466		
Survivors & Widows		2,145,540		
Annuities Certain Payable to Retirees		498,678		
DROP Account Balances Payable to Retirees		294,473		
TOTAL Present Value of Future Benefits for Retirees & Survivors			$	23,163,035
TOTAL Present Value of Future Benefits			$	86,775,681

EXHIBIT III – Schedule A
MARKET VALUE OF ASSETS

Current Assets:		
Cash in Banks	$ 1,621,048	
Accrued Interest and Dividends	183,405	
Contributions Receivable from Members	74,373	
Contributions Receivable from Employers	66,453	
Investment Receivable	173,005	
Due from Retiree	1,500	
TOTAL CURRENT ASSETS		$ 2,119,784
Property, Plant and Equipment (Net of accumulated depreciation)		$ 1,919
Investments:		
Common Stock	$ 18,284,002	
Commingled Funds	14,383,733	
Corporate Bonds	7,353,533	
Limited Partnerships	8,885,261	
U. S. Government Bonds	4,067,446	
Limited Liability Companies	3,141,784	
Cash Equivalents	2,199,258	
TOTAL INVESTMENTS		$ 58,315,017
TOTAL ASSETS		$ 60,436,720
Current Liabilities:		
Accounts Payable	53,325	
Purchased Investments Payable	140,856	
TOTAL CURRENT LIABILITIES		$ 194,181
MARKET VALUE OF ASSETS		$ 60,242,539

EXHIBIT III – SCHEDULE B
ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of invested income
for current and previous 4 years:

Fiscal year 2008	$	(7,460,331)
Fiscal year 2007		3,299,191
Fiscal year 2006		(1,470,289)
Fiscal year 2005		(564,258)
Fiscal year 2004		1,243,726
Total for four years	$	(4,951,961)

Deferral of excess (shortfall) of invested income:

Fiscal year 2008 (80%)	$	(5,968,265)
Fiscal year 2007 (60%)		1,979,515
Fiscal year 2006 (40%)		(588,116)
Fiscal year 2005 (20%)		(112,852)
Fiscal year 2004 (0%)		0
Total deferred for year	$	(4,689,718)

Market value of plan net assets, end of year	$	60,242,539
Preliminary actuarial value of plan assets, end of year	$	64,932,257

Actuarial value of assets corridor

90% of market value, end of year	$	54,218,285
110% of market value, end of year	$	66,266,793

Final actuarial value of plan net assets, end of year	$	64,932,257

EXHIBIT IV
PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	5,405,249
Employer Normal Contributions to the Pension Accumulation Fund		16,438,175
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	21,843,424

EXHIBIT V
RECONCILIATION OF CONTRIBUTIONS

Employer Normal Cost for Prior Year	$	1,554,684		
Interest on the Normal Cost		124,375		
Expenses for Prior Year		171,583		
Interest on Expenses		6,731		
TOTAL Interest Adjusted Actuarially Required Contribution			$	1,857,373
Direct Employer Contributions	$	695,915		
Interest on Employer Contributions		27,301		
Ad valorem taxes and Revenue Sharing Funds		1,697,304		
Interest on Taxes		66,586		
TOTAL Interest Adjusted Employer Contribution			$	2,487,106
Contribution Shortfall (Excess)			$	(629,733)

EXHIBIT VI
ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2007)		$ 60,936,774
Income:		
Regular Member Contributions	$ 721,819	
Regular Employer Contributions	695,915	
Ad Valorem Tax Funds	1,507,796	
Revenue Sharing Funds	189,508	
Irregular Contributions	133,499	
SUBTOTAL of all contributions		$ 3,248,537
Interest	$ 1,064,771	
Dividends	432,165	
Alternative Investment Income	140,421	
Class Action Settlements	101,097	
Net Appreciation in Fair Value of Investments	(3,803,896)	
Investment Expense	(378,718)	
SUBTOTAL of all investment income		$ (2,444,160)
TOTAL Income		$ 804,377
Expenses:		
Retirement Benefits	$ 2,945,799	
Refunds of Contributions	94,989	
Administrative Expenses	171,583	
Funds Transferred to Another System	66,462	
TOTAL Expenses		$ 3,278,833
Net Market Income for Fiscal 2008 (Income - Expenses)		$ (2,474,456)
Adjustment for Actuarial Smoothing		$ 6,469,939
Actuarial Value of Assets (June 30, 2008)		$ 64,932,257

EXHIBIT VII
FUND BALANCE

Present Assets of the System Creditable to:

Annuity Savings Fund	$ 5,014,231
Annuity Reserve Fund	22,868,562
Pension Accumulation Fund	29,890,624
DROP Fund Balance	2,469,122
NET MARKET VALUE OF ASSETS	$ 60,242,539
Adjustment for Deferral of Capital (Gains) Losses	4,689,718
NET ACTUARIAL VALUE OF ASSETS	$ 64,932,257

EXHIBIT VIII – Schedule A
PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$ 43,896,804
Present Value of Benefits Payable to Terminated Employees	636,269
Present Value of Benefits Payable to Current Retirees and Beneficiaries	23,163,035
TOTAL PENSION BENEFIT OBLIGATION	$ 67,696,108
NET ACTUARIAL VALUE OF ASSETS	$ 64,932,257
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation	95.92%

EXHIBIT VIII – Schedule B
ENTRY AGE NORMAL ACCRUED LIABILITIES

Accrued Liability for Active Employees	$ 43,728,672
Accrued Liability for Terminated Employees	636,269
Accrued Liability for Current Retirees and Beneficiaries	23,163,035
TOTAL Entry Age Normal Accrued Liability	$ 67,527,976
NET ACTUARIAL VALUE OF ASSETS	$ 64,932,257
Ratio of Net Actuarial Value of Assets to Entry Age Normal Accrued Liability	96.16%

EXHIBIT IX
COST OF LIVING ADJUSTMENTS - TARGET RATIO

1.	Actuarial Value of Assets Divided by PBO as of Fiscal 1986		109.22%
2.	Amortization of Unfunded Balance over 30 years:		(6.76%)
	Adjustments in Funded Ratio Due to Changes in Assumption(s):		
	Changes for Fiscal 1988	1.27%	
	Changes for Fiscal 1990	(5.51%)	
	Changes for Fiscal 1995	(0.71%)	
	Changes for Fiscal 1997	(5.78%)	
	Changes for Fiscal 1998	(5.21%)	
	Changes for Fiscal 2001	2.53%	
	Changes for Fiscal 2005	0.15%	
	Changes for Fiscal 2006	0.59%	
	Changes for Fiscal 2007	4.16%	
3.	TOTAL Adjustments		(8.51%)
	Amortization of Adjustments in Funded Ratio over 30 years:		
	Changes for Fiscal 1988	(0.85%)	
	Changes for Fiscal 1990	3.31%	
	Changes for Fiscal 1995	0.31%	
	Changes for Fiscal 1997	2.12%	
	Changes for Fiscal 1998	1.74%	
	Changes for Fiscal 2001	(0.59%)	
	Changes for Fiscal 2005	(0.02%)	
	Changes for Fiscal 2006	(0.04%)	
	Changes for Fiscal 2007	(0.14%)	
4.	TOTAL Amortization of Adjustments		5.84%
5.	Target Ratio for Current Fiscal Year (Lesser of 100% or 1+2+3+4)		99.79%
6.	Actuarial Value of Assets Divided by PBO as of Fiscal 2008		95.92%

EXHIBIT X
CENSUS EXHIBIT

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2007	213	17	17	135	382
Additions to Census					
Initial membership	26	5			31
Death of another member					
Omitted in error last year					
Change in Status during Year					
Actives terminating service	(5)	5			
Actives who retired	(5)			5	
Actives entering DROP	(2)		2		
Term. members rehired					
Term. members who retire		(1)		1	
Retirees who are rehired					
Refunded who are rehired					
Omitted in error last year					
DROP participants retiring			(1)	1	
DROP returned to work	7		(7)		
Eliminated from Census					
Refund of contributions	(6)	(2)			(8)
Deaths				(5)	(5)
Included in error last year					
Adjustment for multiple Records					
Number of members as of June 30, 2008	228	24	11	137	400

ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
21 - 25	0	4	4	24,818	99,272
26 - 30	0	9	9	28,898	260,081
31 - 35	1	14	15	27,916	418,745
36 - 40	3	14	17	40,942	696,006
41 - 45	1	26	27	41,696	1,125,799
46 - 50	5	38	43	45,499	1,956,476
51 - 55	3	46	49	43,928	2,152,463
56 - 60	6	31	37	49,827	1,843,596
61 - 65	4	16	20	63,520	1,270,401
66 - 70	1	12	13	53,531	695,897
71 - 75	2	1	3	60,610	181,829
76 - 80	0	1	1	63,628	63,628
81 - 85	1	0	1	75,084	75,084
TOTAL	27	212	239	45,353	10,839,277

THE ACTIVE CENSUS INCLUDES 122 ACTIVES WITH VESTED BENEFITS, INCLUDING 11 DROP PARTICIPANTS AND 15 ACTIVE FORMER DROP PARTICIPANTS.

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	1	2	3	18,396	55,189
51 - 55	1	1	2	23,767	47,533
TOTAL	2	3	5	20,544	102,722

TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	7	240
100	-	499	2	625
500	-	999	3	2,063
1000	-	1999	4	5,354
5000	-	9999	3	20,991
		TOTAL	19	29,273

REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	0	1	1	32,616	32,616
56 - 60	1	6	7	36,918	258,429
61 - 65	4	8	12	27,760	333,122
66 - 70	1	14	15	22,896	343,442
71 - 75	3	18	21	20,226	424,745
76 - 80	4	14	18	20,117	362,103
81 - 85	7	15	22	18,945	416,797
86 - 90	5	3	8	18,605	148,842
91 - 99	0	6	6	11,232	67,393
TOTAL	25	85	110	21,704	2,387,489

DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
61 - 65	0	1	1	14,541	14,541
TOTAL	0	1	1	14,541	14,541

SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 25	1	0	1	23,828	23,828
51 - 55	0	1	1	5,440	5,440
56 - 60	2	1	3	16,900	50,701
61 - 65	2	1	3	6,894	20,683
66 - 70	1	1	2	4,703	9,405
71 - 75	2	2	4	11,924	47,696
76 - 80	1	6	7	10,100	70,700
81 - 85	0	5	5	13,040	65,198
TOTAL	9	17	26	11,294	293,651

ACTIVE MEMBERS:

Completed Years of Service

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20												0
21 - 25	1	1		1	1							4
26 - 30	2	2	1	2	1	1						9
31 - 35	7	4				3	1					15
36 - 40	4	1	1		1	7	1	2				17
41 - 45	4	2	1		2	7	3	7	1			27
46 - 50	5	1	3	2	1	3	6	10	3	7	2	43
51 - 55	2	3	5	3	1	7	6	6	9	4	3	49
56 - 60		3		4	1	9	6	3	4	4	3	37
61 - 65		1				3	3	2	2	1	8	20
66 - 70	1					2	2	2	1	1	4	13
71 & Over									1	1	3	5
Totals	26	18	11	12	8	42	28	32	21	18	23	239

AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Completed Years of Service

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20												0
21 - 25	21,021	24,134		23,840	30,277							24,818
26 - 30	29,645	26,910	28,628	31,137	27,195	28,876						28,898
31 - 35	18,685	33,894				37,647	39,430					27,916
36 - 40	37,638	52,413	26,305		35,492	34,889	45,397	70,813				40,942
41 - 45	33,342	23,161	33,990		43,526	42,203	44,379	50,044	46,202			41,696
46 - 50	39,841	30,641	35,354	26,660	31,578	27,519	43,026	51,862	54,015	56,807	58,324	45,499
51 - 55	29,503	30,317	36,251	27,317	25,357	34,476	58,751	44,848	51,832	53,231	57,202	43,928
56 - 60		54,621		29,040	25,403	50,605	39,513	73,886	50,463	63,642	55,859	49,827
61 - 65		79,737				42,183	64,354	62,928	49,629	84,106	70,229	63,520
66 - 70	23,164					43,744	53,124	52,652	34,668	57,216	70,453	53,531
71 & Over									39,856	75,084	68,534	64,108
Average	29,862	37,636	34,204	28,129	32,794	39,877	48,750	54,139	50,018	60,086	65,438	45,353

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 45												0
46 - 50						1	2					3
51 - 55						2						2
56 & Over												0
Totals	0	0	0	0	0	3	2	0	0	0	0	5

AVERAGE ANNUAL BENEFITS OF TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 45												0
46 - 50						29,375	12,907					18,396
51 - 55						23,766						23,766
56 & Over												0
Average	0	0	0	0	0	25,636	12,907	0	0	0	0	20,544

SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20	3	4	5	4	7	18	1	1				43
21 - 25		2	1		2	6	2	1	1			15
26 - 30	1					2						3
31 - 35	1	4			1	3						9
36 - 40		3				3	1				1	8
41 - 45		1	2	1	1	5	2		1			13
46 - 50	2	1	2	2	1	5	8	2				23
51 - 55	2	1	1	1	6	10	4	2	3	2		32
56 - 60	6	6	3	4	2	11	13	8	2			55
61 - 65	9	4	6	5	4	21	13	1	4	2		69
66 - 70	5	6	5	9	7	16	18	7	4	1	1	79
71 - 75	4	7	5	9	4	20	18	10	7	2	2	88
76 - 80	2	3	4	4	6	20	18	14	7	3	5	86
81 - 85	1	2	3		2	21	17	14	10	9	7	86
86 - 90	2		2	1	5	8	4	3	7	3	9	44
91 & Over			1			3	4	8	1	2	4	23
Totals	38	44	40	40	48	172	123	71	47	24	29	676

AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 20	6,413	4,740	6,168	3,834	5,198	4,380	3,610	3,353				4,804
21 - 25		3,261	3,717		3,160	4,476	4,076	3,353	3,650			3,905
26 - 30	10,251					5,371						6,998
31 - 35	3,846	16,920			17,377	12,568						14,068
36 - 40		21,682				11,754	14,127				5,044	14,935
41 - 45		15,038	19,692	14,348	10,069	12,131	14,387		6,520			13,445
46 - 50	26,083	31,277	15,247	13,920	11,723	12,815	10,592	11,663				14,158
51 - 55	17,526	10,723	45,016	14,686	22,202	15,456	15,287	13,703	13,111	4,900		16,592
56 - 60	10,147	28,245	35,895	28,922	15,512	17,469	14,556	15,696	9,924			18,392
61 - 65	22,649	22,886	23,161	11,285	11,208	15,004	18,641	5,437	9,853	7,560		16,710
66 - 70	15,394	12,129	14,290	11,541	17,156	14,602	12,502	10,461	13,752	4,725	7,781	13,222
71 - 75	29,477	16,586	12,267	14,062	13,859	10,594	13,032	11,816	13,901	9,940	9,866	13,396
76 - 80	17,878	12,386	20,444	11,872	16,033	19,069	12,386	17,833	15,078	8,217	10,553	15,527
81 - 85	5,576	5,804	18,490		12,198	12,576	10,708	11,461	13,729	10,536	8,874	11,603
86 - 90	9,747		10,728	4,487	11,963	10,976	14,148	9,795	12,484	8,846	7,291	10,422
91 & Over			24,503			10,834	10,940	8,683	6,060	11,200	6,463	9,763
Average	16,868	16,225	17,802	13,168	13,477	12,717	12,984	12,518	12,710	9,081	8,238	13,266

DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 60												0
61 - 65						1						1
66 & Over												0
Totals	0	0	0	0	0	1	0	0	0	0	0	1

AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 60												0
61 - 65						14,541						14,541
66 & Over												0
Average	0	0	0	0	0	14,541	0	0	0	0	0	14,541

SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20			1									1
21 - 25												0
26 - 30												0
31 - 35												0
36 - 40												0
41 - 45												0
46 - 50												0
51 - 55							1					1
56 - 60			1				1	1				3
61 - 65				1					2			3
66 - 70					1				1			2
71 - 75							2	2				4
76 - 80							2	2	2		1	7
81 - 85								1	3	1		5
86 & Over												0
Totals	0	0	2	1	1	0	6	6	8	1	1	26

AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 20			23,828									23,828
21 - 25												0
26 - 30												0
31 - 35												0
36 - 40												0
41 - 45												0
46 - 50												0
51 - 55							5,440					5,440
56 - 60			34,510				5,440	10,751				16,900
61 - 65				9,028					5,828			6,894
66 - 70					6,315				3,090			4,703
71 - 75							10,198	13,651				11,924
76 - 80							12,140	12,202	9,262		3,493	10,100
81 - 85								5,621	16,277	10,745		13,040
86 & Over												0
Average	0	0	29,169	9,028	6,315	0	9,259	11,346	10,262	10,745	3,493	11,294

EXHIBIT XI
YEAR TO YEAR COMPARISON

	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Number of Active Members	239	230	225	227
Number of Retirees & Survivors	137	135	126	122
Number of Terminated Due Deferred Benefits	5	6	5	5
Number Terminated Due Refund	19	11	17	17
Active Lives Payroll	$ 10,839,277	$ 9,430,860	$ 8,902,959	$ 8,649,475
Retiree Benefits in Payment	$ 2,695,681	$ 2,518,881	$ 2,162,474	$ 1,927,188
Market Value of Assets	$ 60,242,539	$ 62,716,995	$ 54,844,655	$ 51,800,721
Pension Benefit Obligation				
Active Lives	$ 43,896,804	$ 40,160,870	$ 39,280,982	$ 39,089,743
Retired Lives	23,163,035	21,692,064	18,467,355	16,454,333
Terminated Members	636,269	838,839	607,159	536,729
Total Pension Benefit Obligation (PBO)	$ 67,696,108	$ 62,691,773	$ 58,355,496	$ 56,080,805
Ratio of Actuarial Value of Assets to PBO	95.92%	97.20%	91.65%	88.20%
Actuarial Value of Assets	$ 64,932,257	$ 60,936,774	$ 53,480,118	$ 49,464,963
Present Value of Future Employer Normal Cost	$ 16,438,175	$ 13,994,521	$ 16,412,560	$ 18,089,990
Present Value of Future Employee Contributions	$ 5,405,249	$ 4,677,700	$ 4,333,260	$ 4,177,183
Present Value of Future Benefits	$ 86,775,681	$ 79,608,995	$ 74,225,938	$ 71,732,136

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	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Employee Contribution Rate	7.00%	7.00%	7.00%	7.00%
Proj. Tax Contribution as % of Proj. Payroll	15.73%	16.24%	16.50%	15.39%
Actuarially Req'd Net Direct Employer Cont.	3.29%	2.40%	6.66%	11.32%
Actual Net Direct Employer Contribution Rate	2.00%	6.25%	11.25%	11.00%

Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999
226	228	223	220	217	216
123	120	120	120	114	113
3	4	5	6	3	3
15	22	27	15	13	11
$ 8,126,228	$ 7,383,264	$ 6,866,296	$ 6,463,090	$ 6,126,927	$ 5,402,897
$ 1,856,787	$ 1,821,793	$ 1,784,121	$ 1,763,547	$ 1,646,957	$ 1,568,683
$ 48,120,814	$ 43,452,328	$ 42,693,069	$ 44,573,845	$ 42,582,065	$ 43,110,366
$ 36,671,827	$ 32,334,505	$ 29,763,804	$ 27,143,443	$ 27,024,458	$ 23,105,637
15,484,661	15,294,575	14,911,890	14,934,682	14,024,834	13,571,435
330,301	349,429	479,915	549,377	197,379	185,159
$ 52,486,789	$ 47,978,509	$ 45,155,609	$ 42,627,502	$ 41,246,671	$ 36,862,231
87.04%	91.52%	97.67%	104.23%	104.78%	112.93%
$ 45,684,047	$ 43,910,040	$ 44,102,746	$ 44,429,312	$ 43,216,674	$ 41,628,090
$ 18,874,878	$ 15,282,702	$ 11,774,541	$ 8,520,539	$ 7,764,096	$ 4,026,924
$ 4,371,749	$ 4,063,877	$ 3,913,502	$ 3,794,683	$ 3,315,178	$ 2,997,333
$ 68,930,674	$ 63,256,619	$ 59,790,789	$ 56,744,534	$ 54,295,948	$ 48,652,347

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Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
16.18%	16.51%	16.93%	14.97%	15.92%	10.29%
10.81%	7.80%	2.91%	0.00%	0.00%	0.00%
8.25%	3.25%	0.00%	0.00%	0.00%	0.00%

SUMMARY OF PRINCIPAL PLAN PROVISIONS

The Registrars of Voters Employees' Retirement System was established as of the first day of January nineteen hundred and fifty-five for the purpose of providing retirement allowances and other benefits. The following summary of plan provisions is for general informational purposes only and does not constitute a guarantee of benefits.

MEMBERSHIP - All Registrars of Voters, their deputies, and their permanent employees in each parish of the State of Louisiana. Also, any employee of the retirement system. Elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits are not eligible to become members of the system.

CONTRIBUTION RATES - The fund is financed by employee contributions of 7% of earnable compensation and revenue sharing funds as appropriated each year by the legislature. In addition, each sheriff and ex-officio tax collector remits the employers' share of the actuarially required contribution to fund the system's defined benefit and defined contribution plans up to a maximum of one-sixteenth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish. Should employee contributions and tax funds collected from ad valorem taxes and revenue sharing funds be insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee.

CONTRIBUTION REFUNDS - Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the system.

RETIREMENT BENEFITS - Members with ten years of creditable service may retire at age sixty; members with twenty years of service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The annual retirement allowance is equal to three and one-third percent of the member's average final compensation for each year of creditable service. Creditable service at retirement includes membership service, service as certified on prior service certificates, and any unused sick leave and any unused annual leave in excess of 300 hours at the date of retirement.

OPTIONAL ALLOWANCES - Members may receive their benefits as a life annuity, or in lieu of such receive a reduced benefit according to the option selected that is the actuarial equivalent of the maximum benefit.

> **Option 1** - If the member dies before he has received in annuity payments the present value of his member's annuity as it was at the time of retirement the balance is paid to his beneficiary.
>
> **Option 2** - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

Option 3 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

Option 4 - Upon retirement, the member elects to receive a board-approved benefit which is actuarially equivalent to the maximum benefit.

DISABILITY BENEFITS - Ten years of creditable service are required in order to be eligible for disability benefits. Disabled members receive a normal retirement allowance if eligible. Otherwise, the member receives the lesser of three and one-third percent of average final compensation multiplied by the number of years of creditable service (not to be less than fifteen years), or three and one-third percent of average final compensation multiplied by years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of earnable compensation.

SURVIVOR BENEFITS - If a member has less than five years of service credit, the surviving spouse or minor children receive a refund of the member's contributions. If the member has at least five years of service credit and is not eligible to retire, the spouse receives an automatic option 2 benefit based on the accrued benefits at the time of death with option 2 factors based on the age that the member and spouse would have been had the member survived, continued in service, and then retired on earliest normal retirement date. If the member is eligible to retire at the date of death, the surviving spouse receives automatic option 2 benefits. If there are surviving minor or handicapped children with no surviving spouse and the member has five or more years of service credit the children receive eighty percent of the accrued retirement benefit in equal portions until the age of majority or for the duration of the handicap for a handicapped child. The retirement system pays a lump sum refund equal to the difference between total monthly survivor benefits paid and total accrued contributions, if any, upon the cessation of all eligible monthly payments.

DEFERRED RETIREMENT OPTION PLAN - In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible for normal retirement may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system terminates. During participation in the plan, monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the system has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. The monthly benefits that were being paid into the DROP fund will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the system.

COST OF LIVING INCREASES - The board of trustees is authorized to grant retired members and widows of members who have retired at least two years, an annual cost of living increase of up to 3% of their original benefit, and to retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit (or the benefit being received on October 1, 1977 if they retired prior to that time). In order for the board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings. In lieu of other cost of living increases the board may grant an increase to retirees in the form "X×(A&B)" where "A" is equal to the number of years of credited service accrued as retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of $1.00.

DEFINED CONTRIBUTION PLAN - Funds contributed to the system in excess of those required contributions to the Pension Accumulation Fund, as established by the Public Retirement Systems Actuarial Committee, are deposited in the Members' Supplemental Savings Fund. The amount of funds deposited with the members' supplemental savings fund is three percent of the salaries paid to active contributing members during the prior fiscal year unless the Public Retirement Systems' Actuarial Committee recommends a lessor percentage based on available funds and the requirements of the Defined Benefit Plan. A member is entitled to payment of all contributions and interest credited to his account upon termination of employment. Payment to the member is made at the end of the calendar quarter following the quarter in which the member terminates. Interest and other earnings or losses are allocated at least once each year on the valuation date of the fund. Earnings or losses are allocated to members in proportion to their account balances as of the first day of the period for which earnings are credited.

The funds in the Member's Supplemental Savings Fund are invested separately from other funds held by the system and the funds constitute a separate trust. Payments, accruals, and allocations due to be made at the end of the fiscal year may be delayed until such time as the necessary financial information is available to the system's administrator, but in no event later than 6 months after the close of the fiscal year.

ACTUARIAL ASSUMPTIONS

In determining actuarial costs, certain assumptions must be made regarding future experience under the plan. These assumptions include the rate of investment return, mortality of plan members, rates of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors which have an impact on the cost of the plan. To the extent that future experience varies from the assumptions selected for valuation, future costs will be either higher or lower than anticipated. The following chart illustrates the effect of emerging experience on the plan.

Factor	Increase in Factor Results in
Investment Earnings Rate	Decrease in Cost
Annual Rate of Salary Increase	Increase in Cost
Rates of Retirement	Increase in Cost
Rates of Termination	Decrease in Cost
Rates of Disability	Increase in Cost
Rates of Mortality	Decrease in Cost

ACTUARIAL COST METHOD: The Aggregate Actuarial Cost Method with allocation based on earnings.

VALUATION INTEREST RATE: 8% (Net of Investment Expense)

ACTUARIAL ASSET VALUES: Invested assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The actuarial value of assets is also subjected to minimum and maximum values such that the actuarial value of the assets will not be less than 90% nor more than 110% of the market value of assets.

ANNUAL SALARY INCREASE RATE: 7.00% (3.25% inflation / 3.75% merit)

ANNUITANT MORTALITY: 1994 Uninsured Pensioner Mortality Table (1-year setback for both Males and Females)

RETIREE COST OF LIVING INCREASE: The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

RATES OF RETIREMENT: The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. The rate of retirement for persons who have completed DROP participation and have remained employed is .20.

RETIREMENT LIMITATIONS: Projected retirement benefits are not subjected to IRS Section 415 limits.

RATES OF WITHDRAWAL: The rates of withdrawal are applied based upon completed years of service according to the following table:

Service	Factor	Service	Factor
<1	0.180	10	0.015
1	0.080	11	0.015
2	0.080	12	0.015
3	0.080	13	0.015
4	0.080	14	0.015
5	0.080	15	0.015
6	0.070	16	0.015
7	0.060	17	0.015
8	0.050	18	0.015
9	0.030	>18	0.015

Note: Withdrawal rates for members eligible to retire are assumed to be zero.

RATES OF DROP ENTRY: A table of these rates is included later in the report. These rates apply only to those individuals eligible to enter DROP.

DROP PARTICIPATION: All persons who enter DROP are assumed to participate for the full three-year period and retire immediately thereafter.

MARRIAGE STATISTICS: 80% of the members are assumed to be married; husbands are assumed to be three years older than their wives.

FAMILY STATISTICS: Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2000 U. S. Census:

Member's Age	% With Children	Number of Children	Average Age
25	62%	1.7	6
35	82%	2.1	10
45	66%	1.8	13
55	19%	1.4	15
65	2%	1.4	15

RATES OF DISABILITY: 25% of the disability rates used for the 21st valuation of the Railroad Retirement System for individuals with 10-19 years of service. The table of these rates is included later in the report.

DISABLED LIVES MORTALITY: RP-2000 Disabled Lives Mortality Tables for Males and Females

VESTING ELECTING PERCENTAGE: 70% of those vested elect deferred benefits in lieu of contribution refunds**.**

SICK AND ANNUAL LEAVE: Members are assumed to accrue one year of unused sick and annual leave to be credited for retirement benefit accrual purposes for each 16.67 years of creditable service.

ACTUARIAL TABLES AND RATES

Age	Male Mortality Rates	Female Mortality Rates	Retirement Rates	DROP Entry Rates	Disability Rates
18	0.00046	0.00028	0.00000	0.00000	0.00038
19	0.00050	0.00029	0.00000	0.00000	0.00038
20	0.00052	0.00030	0.00000	0.00000	0.00038
21	0.00054	0.00031	0.00000	0.00000	0.00038
22	0.00057	0.00031	0.00000	0.00000	0.00038
23	0.00060	0.00031	0.00000	0.00000	0.00038
24	0.00063	0.00031	0.00000	0.00000	0.00038
25	0.00067	0.00031	0.00000	0.00000	0.00038
26	0.00071	0.00031	0.00000	0.00000	0.00038
27	0.00075	0.00032	0.00000	0.00000	0.00038
28	0.00078	0.00032	0.00000	0.00000	0.00038
29	0.00081	0.00034	0.00000	0.00000	0.00038
30	0.00084	0.00036	0.00000	0.00000	0.00038
31	0.00086	0.00038	0.00000	0.00000	0.00038
32	0.00088	0.00040	0.00000	0.00000	0.00038
33	0.00090	0.00043	0.00000	0.00000	0.00038
34	0.00091	0.00045	0.00000	0.00000	0.00038
35	0.00091	0.00048	0.00000	0.00000	0.00043
36	0.00091	0.00051	0.00000	0.00000	0.00048
37	0.00093	0.00055	0.00000	0.00000	0.00053
38	0.00096	0.00059	0.00000	0.00000	0.00060
39	0.00101	0.00064	0.00000	0.00000	0.00068
40	0.00107	0.00070	0.00000	0.00000	0.00078
41	0.00115	0.00076	0.00000	0.00000	0.00088
42	0.00124	0.00083	0.00000	0.00000	0.00098
43	0.00135	0.00089	0.00000	0.00000	0.00110
44	0.00145	0.00094	0.00000	0.00000	0.00125
45	0.00157	0.00099	0.00000	0.00000	0.00143
46	0.00170	0.00105	0.10000	0.40000	0.00163
47	0.00185	0.00111	0.10000	0.40000	0.00183
48	0.00204	0.00120	0.10000	0.40000	0.00208
49	0.00226	0.00130	0.10000	0.40000	0.00235
50	0.00250	0.00141	0.10000	0.40000	0.00268
51	0.00277	0.00154	0.10000	0.40000	0.00305
52	0.00309	0.00169	0.10000	0.40000	0.00345
53	0.00345	0.00186	0.10000	0.40000	0.00392
54	0.00385	0.00205	0.10000	0.40000	0.00445
55	0.00428	0.00224	0.05000	0.20000	0.00505
56	0.00476	0.00247	0.05000	0.20000	0.00575
57	0.00532	0.00276	0.05000	0.20000	0.00653
58	0.00600	0.00314	0.05000	0.20000	0.00740
59	0.00677	0.00361	0.05000	0.20000	0.00843
60	0.00762	0.00415	0.05000	0.20000	0.01220
61	0.00858	0.00477	0.05000	0.20000	0.01220
62	0.00966	0.00548	0.05000	0.20000	0.01220
63	0.01091	0.00627	0.05000	0.20000	0.01220
64	0.01233	0.00718	0.05000	0.20000	0.01220
65	0.01391	0.00819	0.05000	0.20000	0.01220

GLOSSARY

Accrued Benefit – The pension benefit that an individual has earned as of a specific dated based on the provisions of the plan and the individual's age, service, and salary as of that date.

Actuarial Accrued Liability – The actuarial present value of benefits payable to members of the fund less the present value of future normal costs attributable to the members.

Actuarial Assumptions - Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of mortality, withdrawal, disablement, and retirement. Also included are rates of investment earnings, changes in compensation, as well as statistics related to marriage and family composition.

Actuarial Cost Method – A procedure for determining the portion of the cost of a pension plan to be allocated to each year. Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs. Once this allocation is made, a determination of the normal cost attributable to a specific year can be made along with the payment to amortize any unfunded actuarial accrued liability. To the extent that a particular funding method allocates a greater (lesser) portion of the actual present value of benefits to the actuarial accrued liability it will allocate less (more) to future normal costs.

Actuarial Equivalence – Payments or receipts with equal actuarial value on a given date when valued using the same set of actuarial assumptions.

Actuarial Gain (Loss) – The financial effect on the fund of the difference between the expected and actual experience of the fund. The experience may be related to investment earnings above (or below) those expected or changes in the liability structure due to fewer (or greater) than the expected numbers of retirements, deaths, disabilities, or withdrawals. In addition, other factors such as pay increases above (or below) those forecast can result in actuarial gains or losses. The effect of such gains (or losses) is to decrease (or increase) future costs.

Actuarial Present Value - The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through accrual of interest) and the probability of payments. For example: if $600 invested today will be worth $1,000 in 10 years and there is a 50% probability that a person will live 10 years, then the actuarial present value of $1,000 payable to that person if he should survive 10 years is $300.

Actuarial Value of Assets - The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to the book value, market value, or some modification involving either or both book and market value. Adjustments to market values are often made to reduce the volatility of asset values.

Asset Gain (Loss) - That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization Payment - That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Contribution Shortfall (Excess) - The difference between contributions recommended in the prior valuation and the actual amount received.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Employer Normal Cost - That portion of the normal cost not attributable to employee contributions. It includes both direct contributions made by the employer and contributions from other non-employee sources such as revenue sharing and revenues related to taxes.

Funded Ratio – A measure of the ratio of assets to liabilities of the system according to a specific definition of those two values. Typically the assets used in the measure are the actuarial value of assets; the liabilities are defined by reference to some recognized actuarial funding method. Thus the funded ratio of a plan depends not only on the financial strength of the plan but also on the funding method used to determine the liabilities and the asset valuation method used to determine the assets in the ratio.

Normal Cost - That portion of the actuarial present value of pension plan benefits and expenses allocated to a valuation year by the actuarial cost method. This is analogous to one year's insurance premium.

Pension Benefit Obligation - The actuarial present value of benefits earned or credited to date based on the members expected final average compensation at retirement. For current retirees or terminated members this is equivalent to the actuarial present value of their accrued benefit.

Projected Benefits – The benefits expected to be paid in the future based on the provisions of the plan and the actuarial assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.

Unfunded Actuarial Accrued Liability - The excess of the actuarial accrued liability over the actuarial value of assets.

Vested Benefits - Benefits that the members are entitled to even if they withdraw from service.

NOTES